



FIRST western

First Western Financial, Inc.  
*The First, Western-Based Private Trust Bank*

Investor Presentation  
November 2018

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# A Wealth Manager on Private Trust Bank Platform

## Overview

- Niche-focused regional wealth manager built on a private trust bank platform
- Headquartered in Denver, Colorado and positioned in desirable, affluent and high growth markets

## Target Market

- Households of \$1+ million liquid net worth
- High net worth and high growth markets
- Colorado, Arizona, Wyoming and California

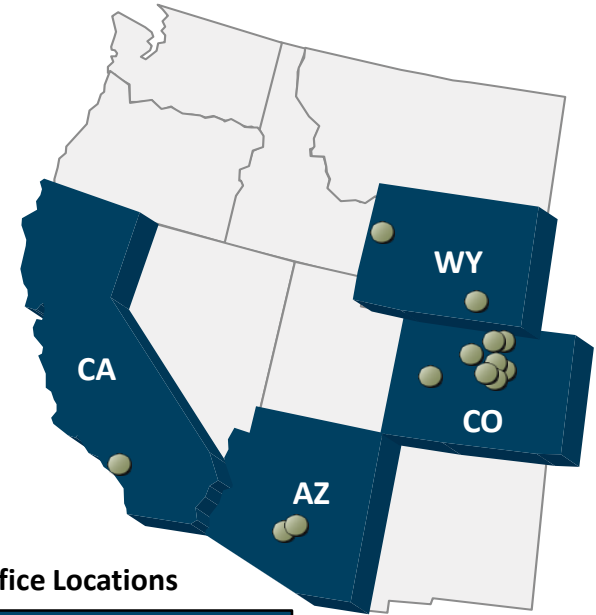
## Competitive Advantage

- Operates as one integrated firm, not silos
- Team approach benefits clients, First Western
- Local boutique private trust bank offices with central product experts

## Company Highlights as of 9/30/2018

*(Dollars in millions, unless otherwise noted)*

- |                   |               |
|-------------------|---------------|
| ▪ Assets:         | \$1,051.5     |
| ▪ Gross Loans:    | \$857.3       |
| ▪ Total Deposits: | \$878.6       |
| ▪ AUM:            | \$5.6 billion |
| ▪ CET1 Ratio:     | 11.22%        |
| ▪ Tier 1 Ratio:   | 11.22%        |
| ▪ Leverage Ratio: | 9.09%         |
| ▪ TRBC Ratio:     | 12.90%        |



## Office Locations

**First Western Financial, Inc. (FW)**  
Financial Holding Company

**First Western Trust Bank**  
Colorado state chartered bank (13 locations)

**First Western Merger Corporation**  
State licensed insurance agency

**First Western Capital Management Co.**  
Registered investment advisor (1 location)



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# MYFW: Our Five Core Strengths

## Differentiated, Proven in the Marketplace

- **Niche-focused** franchise headquartered in Denver, Colorado
- Well-positioned in many **attractive markets** in Arizona, California, Colorado and Wyoming
- **Specialized central expertise** to compete with siloed national, regional firms
- Delivered through **local, boutique trust banking teams** so clients “owned” by MYFW, not associates

## Built in Operating Leverage

- **Strong profit center margins at maturity**, growth opportunities in current and new markets
- **Revenue growth** in both fee income and net interest income, with asset sensitive balance sheet
- Scalable, **leveragable high fixed cost Product and Support Centers**
- Operating **expense investment already in place** for growth and expansion

## Highly Desirable Recurring Fee Income

- **~50% fee income**, consistently through MYFW history
- Primarily **recurring** trust and investment management (“TIM”) fees
- **Low risk, “sticky” wealth/trust business** with comprehensive product offering
- **Multiple entry points with ConnectView®** – proprietary review process to service, **cross-sell**

## Experienced, Tested Team

- Executives are **major bank/professional firm trained**, with deep relationships in communities
- Achieved **growth through** business and economic **cycles**, capital constraints
- Healthy relationship with all regulators with **strong risk management** culture
- CEO with **proven track record** for creating value in previous bank ownership

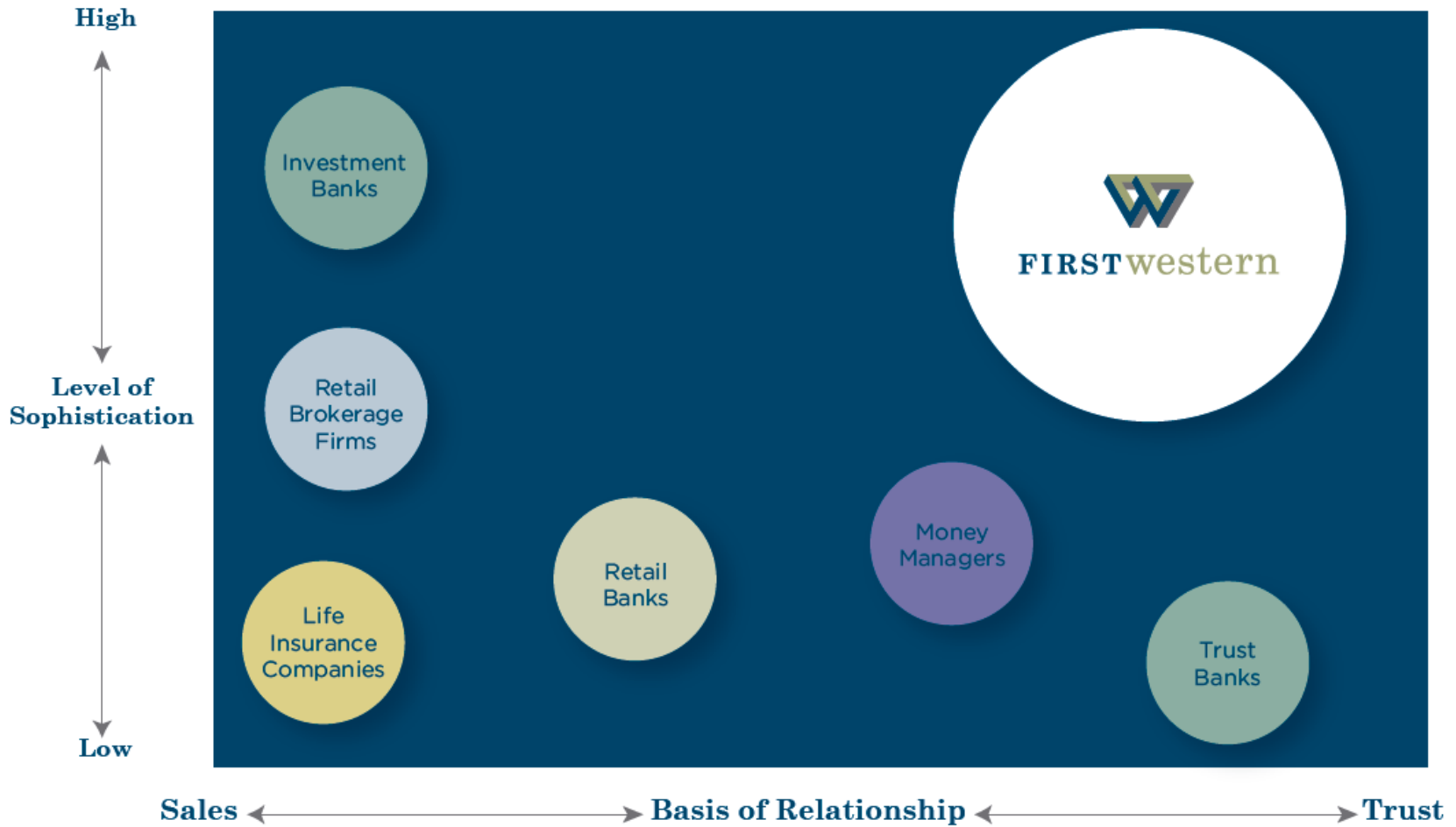
## Unique Opportunity for Investors

- At critical mass but small market share, **many current and new market** opportunities
- **Proven ability to expand: (1) Organically, (2) By expansion and (3) By acquisition**
- Few large Colorado bank alternatives for investors and clients, creating **lift-out opportunities**
- **MYFW has been capital constrained**: IPO provides growth capital, pay off high cost capital, debt

*First Western’s core strengths provide the foundation for driving shareholder value*

# Rationale for Starting First Western

Competition is Everyone and No One





# Team: Ready to Take MYFW to the Next Level

Name	Title	Years at FW	Years in Industry	Prior Experience
Scott C. Wylie	Chairman, CEO & President	16	31	<ul style="list-style-type: none"> <li>Chairman &amp; CEO, Northern Trust Bank of Colorado</li> <li>Chairman &amp; CEO, Trust Bank of Colorado</li> <li>CEO, Equitable Bancshares of Colorado and Women's Bank, Chairman, Equitable Bank</li> <li>Chairman, American Fundware</li> <li>President &amp; CEO, Bank and Trust of Puerto Rico</li> <li>Associate, First Boston Corporation</li> </ul>
Julie A. Courkamp	Chief Financial Officer & Treasurer	12	18	<ul style="list-style-type: none"> <li>Assurance services with PricewaterhouseCoopers</li> <li>Executive roles within First Western with responsibility for Accounting &amp; Finance, Risk, Technology and Operations</li> </ul>
John E. Sawyer	Chief Investment Officer	1	25	<ul style="list-style-type: none"> <li>Chief Investment &amp; Fiduciary Officer, BBVA Compass Bank</li> <li>President &amp; COO, Florida-based boutique wealth management firm</li> <li>Executive with Credit Suisse, Morgan Keegan &amp; Co., and First Tennessee Capital Markets</li> </ul>
Scott J. Lawley	Chief Credit Officer	-	31	<ul style="list-style-type: none"> <li>Sr. Credit Officer &amp; Segment Risk Officer, Huntington National Bank</li> <li>Credit advisor, chief underwriter, CRE credit officer PNC Bank, US Bank</li> <li>Lending positions with Fleet Bank</li> </ul>
Josh M. Wilson	Regional President, CO / WY	6	19	<ul style="list-style-type: none"> <li>CFO, international oil and gas operating company</li> <li>PC President at First Western</li> <li>Executive with Bank One, JP Morgan and Vectra Private Bank</li> </ul>
Dan C. Thompson	Regional President, AZ / CA	14	25	<ul style="list-style-type: none"> <li>Team Leader within Private Wealth Advisors , Merrill Lynch</li> <li>Positions in the High Net Worth and Q.A. group, Charles Schwab &amp; Co.</li> </ul>

***Senior management team upgraded over past year to prepare for next phase of growth***



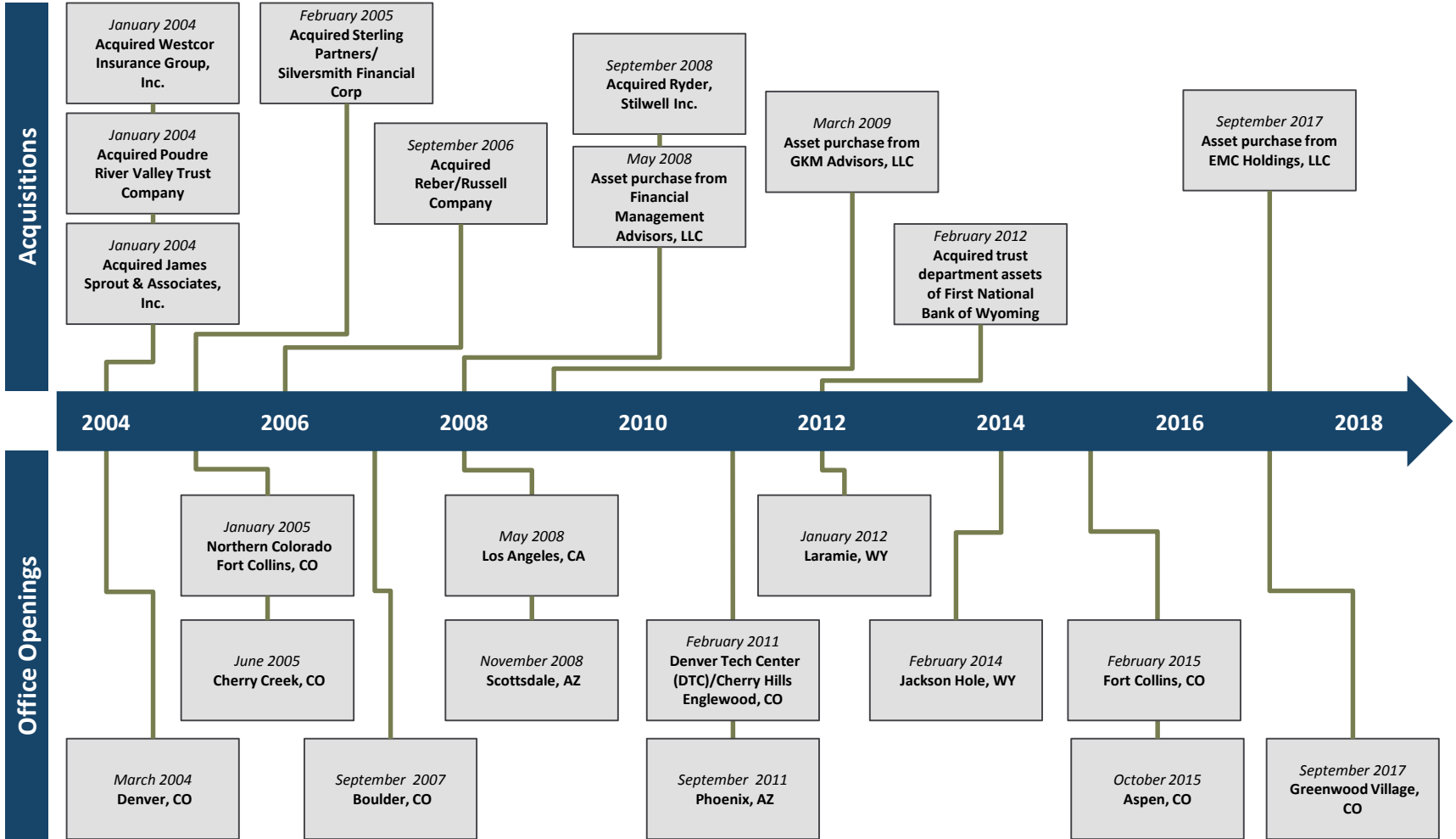
# MYFW's Sophisticated Board of Directors

Name	Title	Primary Business
Scott C. Wylie	Chairman, CEO & President	<ul style="list-style-type: none"> <li>First Western Financial, Inc.</li> </ul>
Julie A. Caponi, CPA	Board Director / Trustee	<ul style="list-style-type: none"> <li>Former Finance Executive at Arconic, Inc. (fka Alcoa Inc.)</li> <li>Former audit partner at Deloitte</li> <li>Board member &amp; Audit Committee chair for FCF (NYSE)</li> </ul>
David R. Duncan	Board Director / Trustee	<ul style="list-style-type: none"> <li>Energy</li> <li>Winery Executive, Silver Oak Cellars</li> <li>Entrepreneur, board member, business leader</li> </ul>
Thomas A. Gart	Board Director / Trustee	<ul style="list-style-type: none"> <li>Real Estate Developer</li> <li>Specialty Retail Executive</li> <li>Family business, PE investing across broad range of industries</li> </ul>
Patrick H. Hamill	Board Director / Trustee	<ul style="list-style-type: none"> <li>Real Estate Developer</li> <li>Home Builder Executive</li> <li>Entrepreneur, business/community leader, real estate expertise</li> </ul>
Luke A. Latimer	Board Director / Trustee	<ul style="list-style-type: none"> <li>Utility Maintenance</li> <li>Construction Executive</li> <li>Family business, public bank board</li> </ul>
Eric D. Sipf, CPA <sup>(1)</sup>	Board Director / Trustee	<ul style="list-style-type: none"> <li>Former Healthcare Executive</li> <li>US Army</li> <li>Asset management, finance, bank board, M&amp;A</li> </ul>
Mark L. Smith	Board Director / Trustee	<ul style="list-style-type: none"> <li>Real Estate Developer</li> <li>Entrepreneur, community leadership, real estate expertise</li> </ul>
Joseph C. Zimlich, CPA	Board Director / Trustee	<ul style="list-style-type: none"> <li>Family Office Executive</li> <li>Corporate leadership, board, investment management</li> </ul>

(1) CPA license inactive.



# Success in Expansion and Acquisition Growth

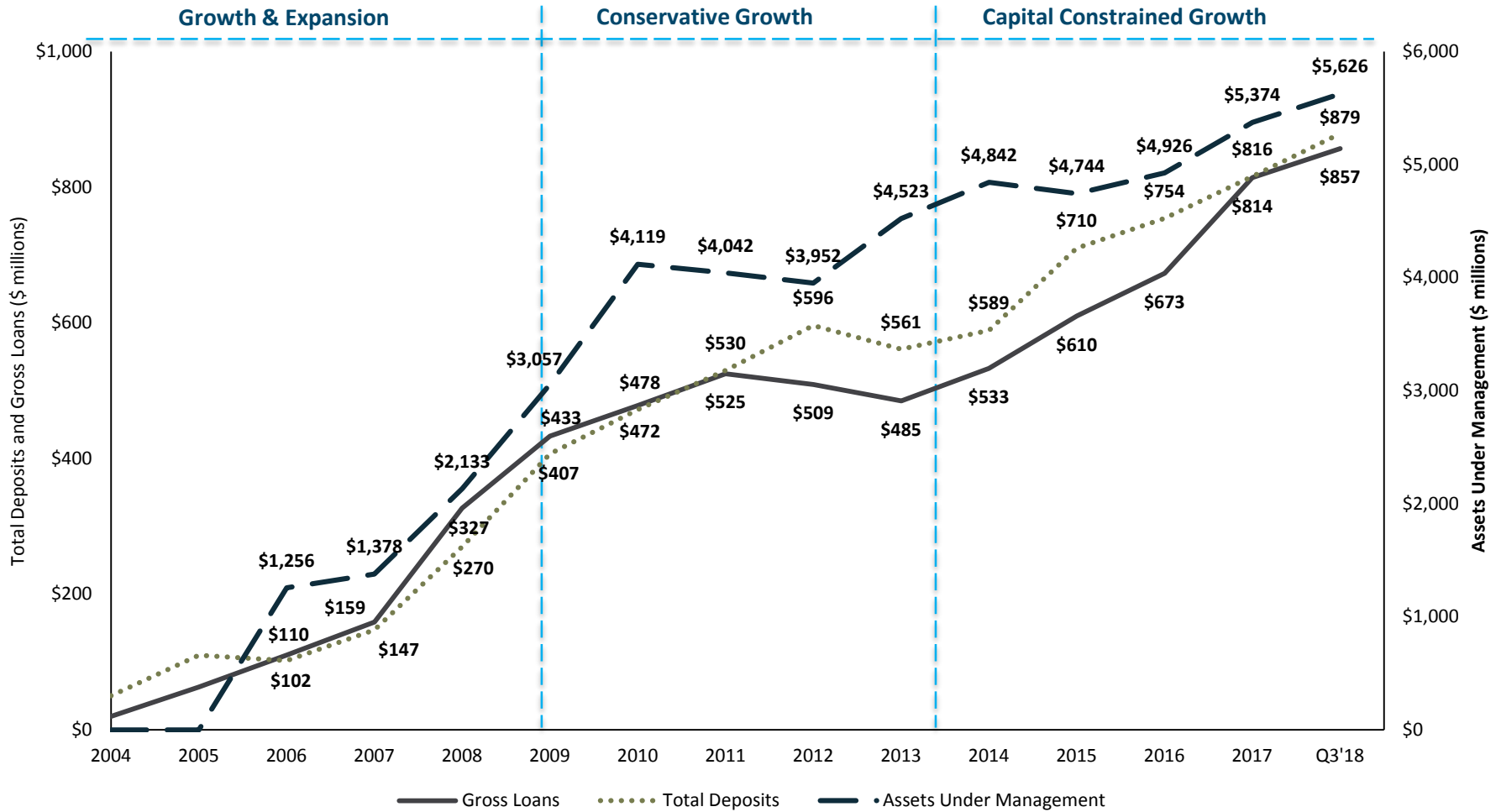






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# Currently in a Cycle of Capital Constraint





# Great Markets, Scarce Investment Opportunity

## First Western Market Favorability<sup>(1)</sup>

- **Denver, Colorado (2017)**
  - #1 best metro for small business employment
  - #5 best economy among large U.S. cities, population tripled ('00)
  - Employment reached record-high in 2017 (up 2.5% from 2016)
- **Fort Collins, Colorado (2017)**
  - #1 for stable & growing housing market
  - Manufacturing for Anheuser-Busch, Broadcom, Intel
- **Phoenix, Arizona (2017)**
  - Total personal income rose 4.3% for state
  - Employment increased 3.5% for state
  - #3 in personal income growth, #5 for economic momentum

## Colorado Chartered Banks (Assets > ~\$1.0 billion)

As of June 30, 2018	Current Ownership	Total Assets (\$bn)
FirstBank	Private	18.2
NBH Bank	Public (NYSE: NBHC)	5.6
CoBiz Bank	BOKF (Sale Pending)	3.9
Guaranty B&TC	IBTX (Sale Pending)	3.8
Sunflower Bank	Private	3.7
Bank of Colorado	Private (Sub. of Pinnacle Bancorp-NE)	3.7
Alpine Bank	Private	3.6
ANB Bank	Private	2.6
Citywide Banks	HTLF (Acquired in 2017)	2.3
<b>First Western Trust Bank</b>	<b>Public (Nasdaq: MYFW)</b>	<b>1.0</b>

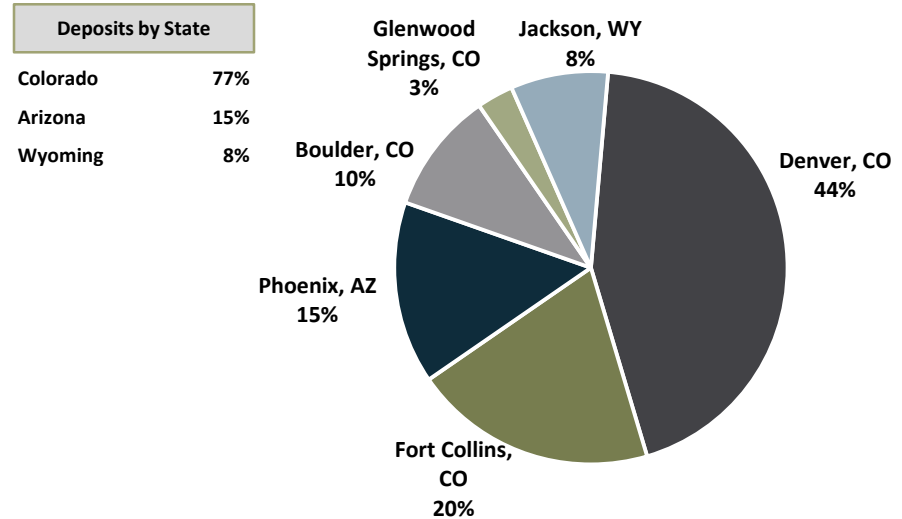
(1) Source: 2017 Downtown Denver Partnership Report; Ft. Collins Chamber of Commerce; University of Arizona; Fed Funds Info; Realtor.com.

(2) Source: S&P Global Market Intelligence as of 06/30/2018.

(3) Percentage income growth for households with over \$200,000 in current household income (HHI).

Note: Demographic data provided by Nielsen per US Census data.

## Deposits by MSA<sup>(2)</sup>



MSA	State	Market Share	Projected % Change in HHI of \$200M+ (2019-2024) <sup>(3)</sup>
Denver-Aurora-Lakewood	CO	0.45	35.49
Fort Collins	CO	2.15	44.99
Phoenix-Mesa-Scottsdale	AZ	0.13	41.62
Boulder	CO	0.83	28.76
Jackson	WY/ID	2.90	21.42
Glenwood Springs	CO	1.17	24.61
<b>National Average</b>			<b>31.93</b>

*Small market share and growing high household income means lots of room to grow*



# The Roadmap to Shareholder Value Creation

## Short-Term Goals

- **Embedded earnings growth drivers**
  - Benefit from operating leverage
  - Integrate mortgage and capital management operations
  - Leverage other product groups
- **Accelerate revenue growth**
  - Leverage expanded trust and IM teams
  - Add trust and IM products, services
  - Build traction with Wealth Advisors
- **Add commercial banking depth**
  - Cross sales to target wealth management clients
  - High margin products through existing channels

## Long-Term Goals

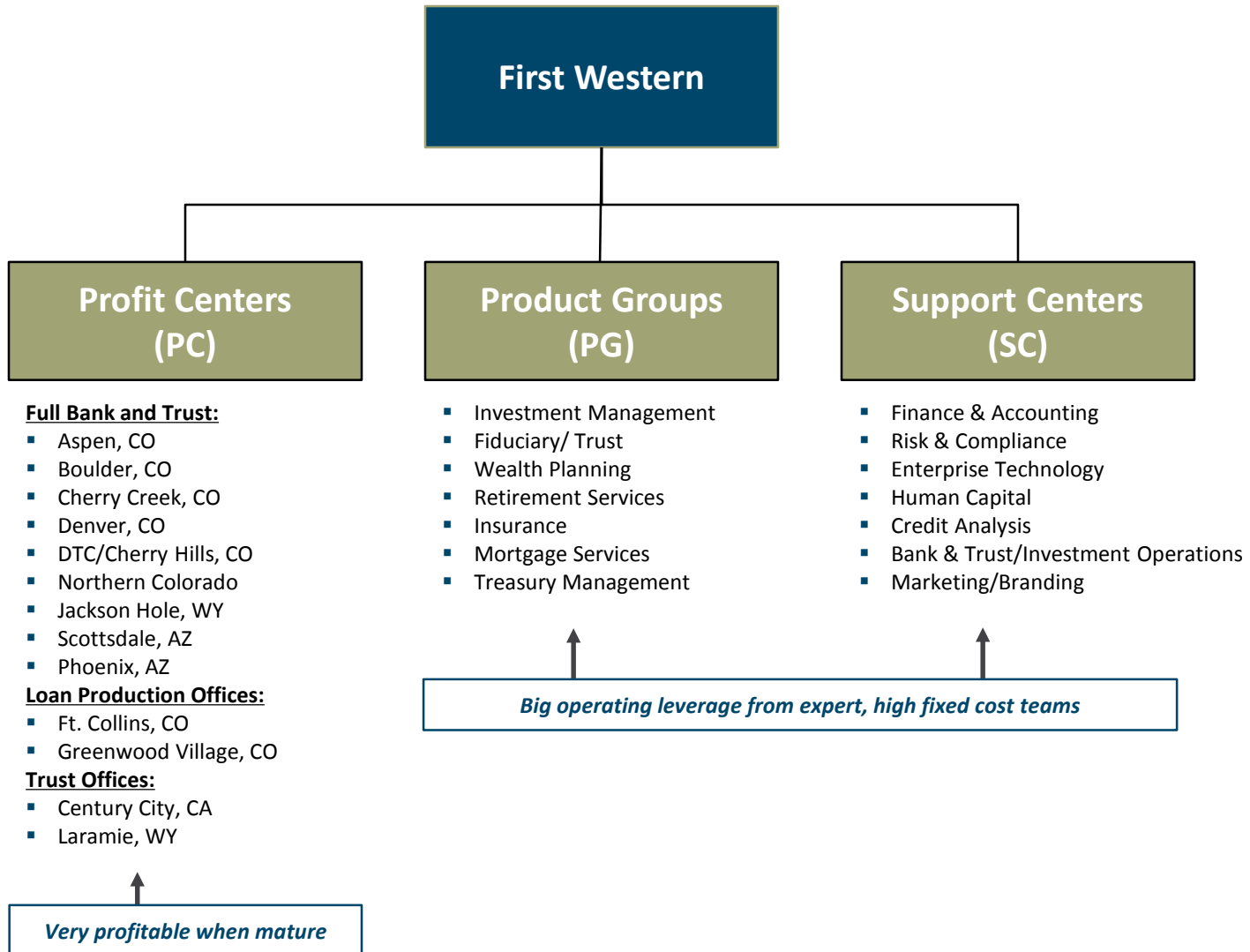
- **Drive to \$5 billion in total assets, \$25 billion TIM assets through both organic growth and acquisitions**
  - ~50 offices
  - \$6-7 million in revenue per office
  - 60% contribution margin per office
- **Build footprint, scale and operating leverage with M&A**
  - Capital and earnings accretive
- **Create, roll out virtual private bank**
  - Robo advisor tied to bank
  - “Buy up” into expert advice
- **Upgrade wealth management platform**
  - Fully integrated front end
- **Sell wholesale TIM services to other banks**

*Our mission is to be the BPBFWWMC – Best Private Bank for the Western Wealth Management Client*

*We believe First Western can be a unique, niche focused regional powerhouse with high fee income and consistent strong earnings from our scalable wealth management platform*

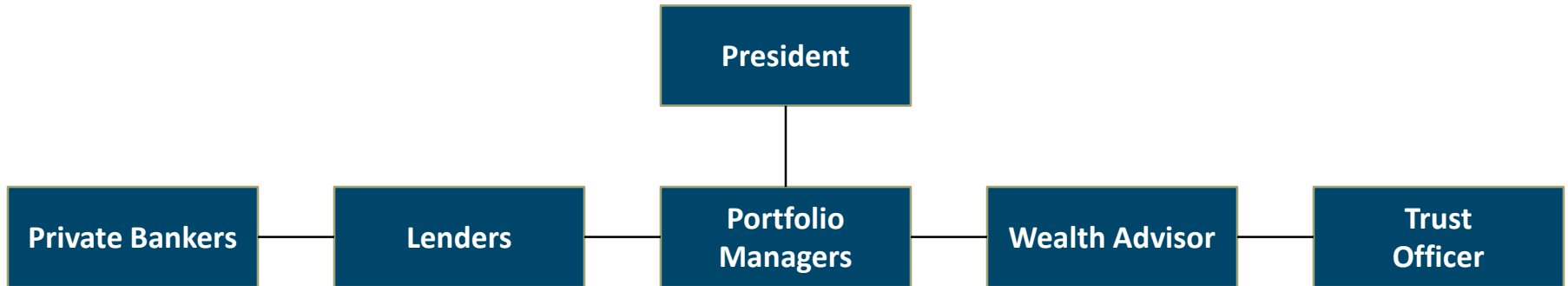
# Organizational Structure Built for Scale

*Our local, boutique private trust bank offices compete with the biggest wealth managers in the country...*



# Integrated Team Approach in Boutique Offices

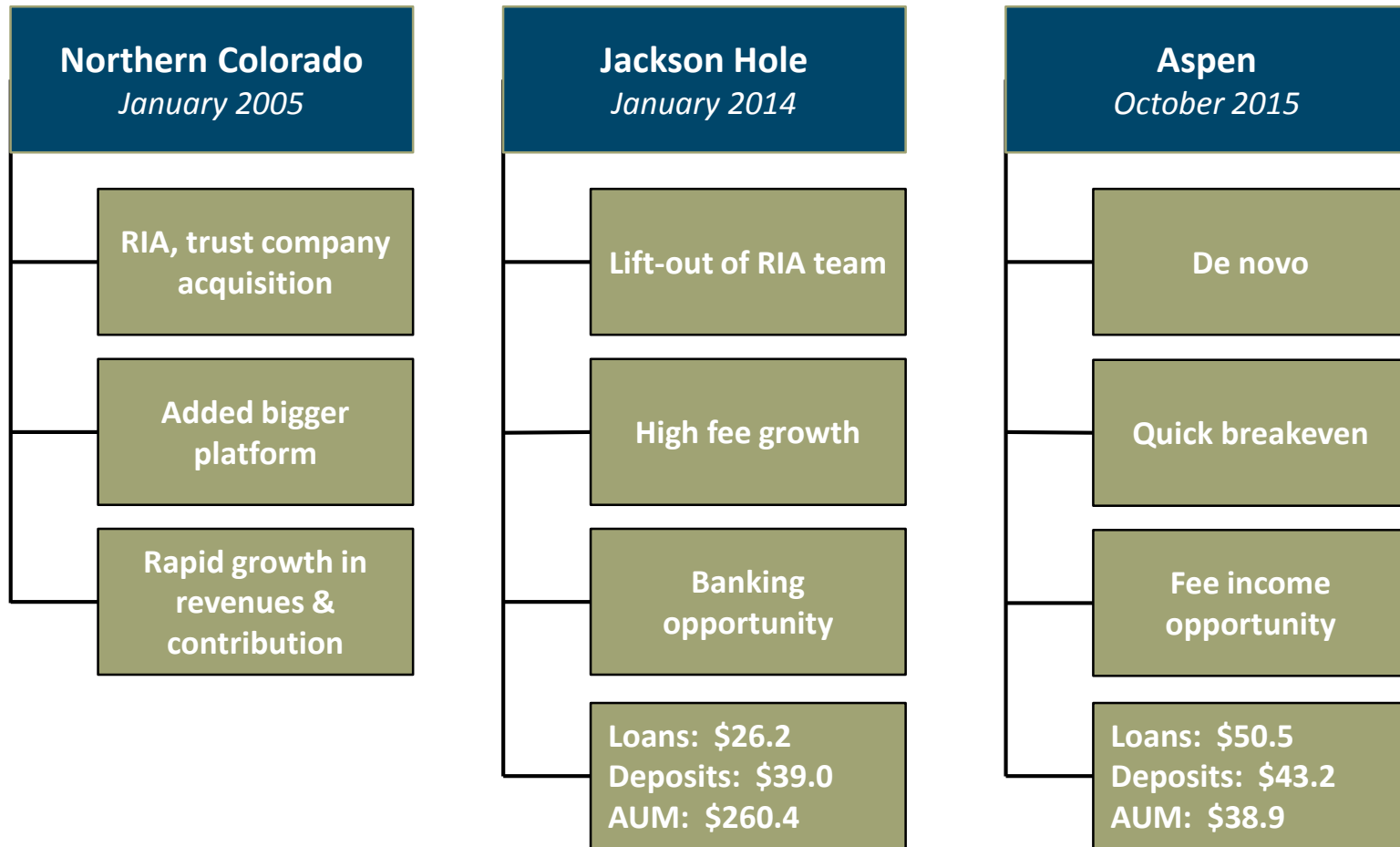
*... by working as a team to grow relationships*



- Team Philosophy**
1. Team-based incentives
  2. Relationship-based wealth management
  3. Many relationship managers to one client
  4. Product group specialists
  5. Holistic view of the client – ConnectView®

# Different Paths to Profit Center Success

*We build new offices through acquisition or de novo, and start with either banking or investment professionals*



# Acquire, Cross Sell Clients Using Product Groups

*Our local profit centers team with specialized product experts through ConnectView®*

## Commercial Banking

- Corporate loans to match specific needs
- Well-versed in working with **complex cash flows and business models**
- Customized treasury management products and services

## Retirement / 401(k) Plan Consulting

- **Retirement plan consultants** partnering with businesses to sponsor retirement plans
- Creative corporate retirement plan design, analysis solutions, fiduciary liability management
- HSAs, third party administrative services, ERISA compliance and education

## Residential Mortgage Lending

- Mortgage banking **specializing in high net worth lending**
- Underwritten to Fannie Mae and Freddie Mac guidelines
- Portfolio lending and secondary sales

## Wealth Planning

- Wealth planning with specialized services (e.g. philanthropic)
- **Proprietary ConnectView® approach**, with access to CFPs, CPAs and estate planning attorneys
- Charitable giving tax strategies, deferred-compensation plans, life insurance, key person insurance

## Investment Management

- Provide a **broad range of asset and sub asset classes**
- Create unique solutions through internal research, proprietary and third-party investment options
- Central team creates the platform for Portfolio Managers to service clients, manage accounts

## Trust

- **Fiduciary wealth management** with expert review of client objectives, creating solutions
- Irrevocable life insurance trust, conservatorship, successor trustee, directed custodial trusteeship
- WY tax-exempt asset protection, special needs trusts, escrow services, family office services

# Teamwork Drives Client Satisfaction, Retention

*Example of investment management teamwork shows how MYFW, not relationship managers, owns our clients*



(1) Investment Policy Committee (IPC), Investment Management (IM), Business Development Officers (BDO).

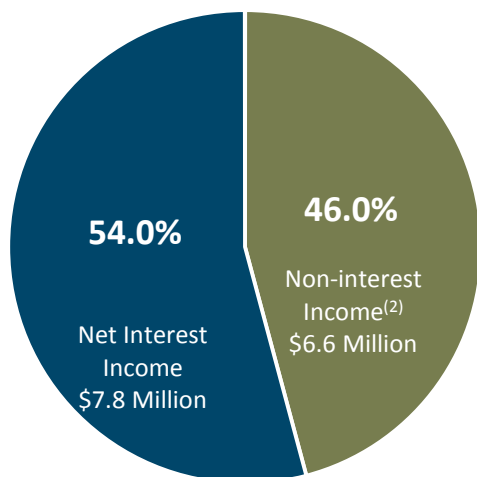


# Our High-Quality, Recurring Revenues

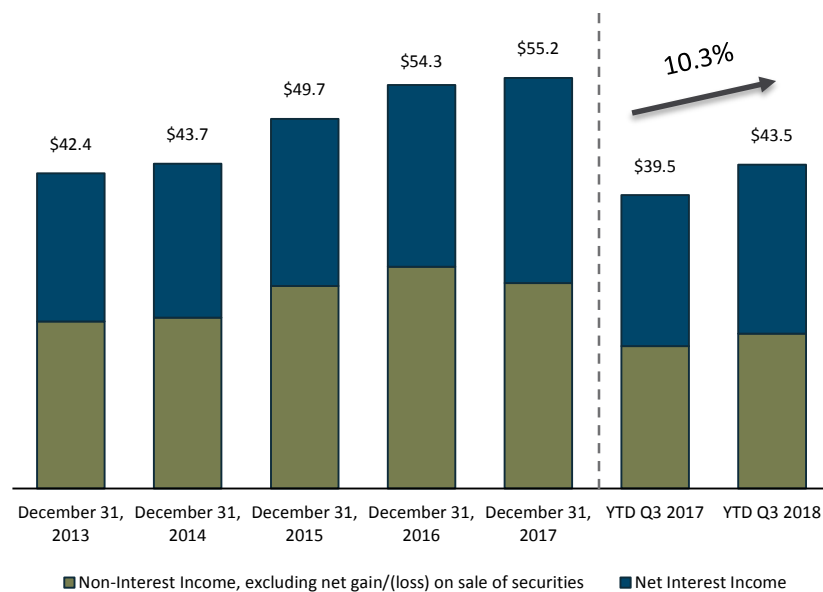
## Earnings Themes

- Diverse, stable, desirable revenue mix
  - Attractive markets and business model
  - Robust earnings growth
  - Investments made in long term growth
- Built-in operating leverage:
    1. Infrastructure capable of supporting a much larger bank
    2. Cost reductions
    3. Use of Proceeds

### Q3 2018 Gross Revenue<sup>(1)</sup>



### Gross Revenue<sup>(1)</sup> (\$millions)



(1) See Non-GAAP reconciliation

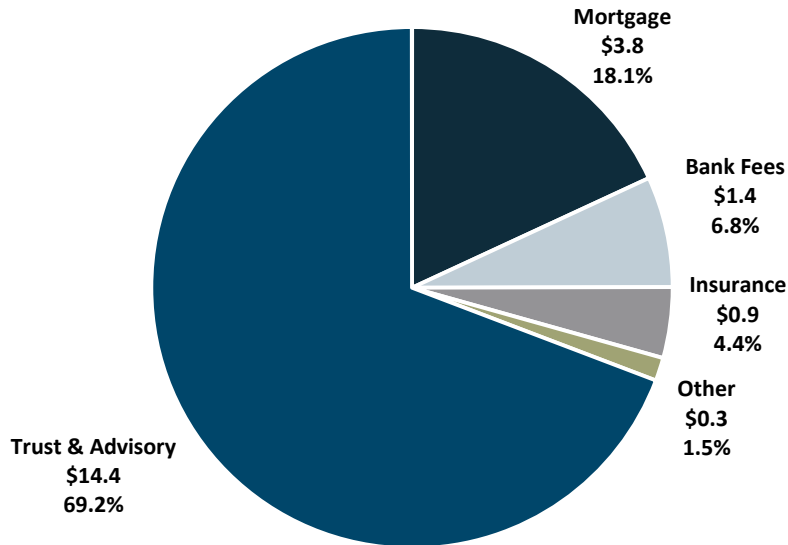
(2) Excludes net gain/(loss) on sale of securities



# Predictable, Growing Sources of Fee Income

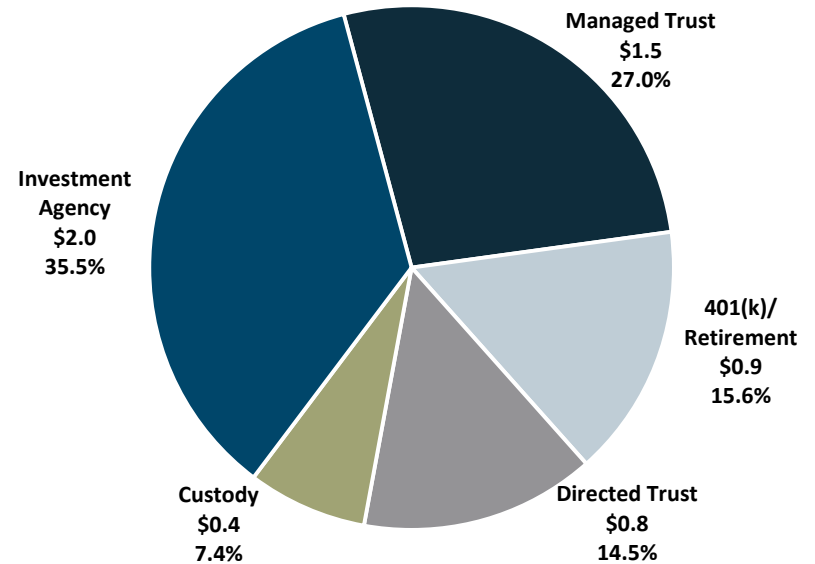
### YTD 2018 Non-Interest Income (\$millions)

**\$20.8 million**



### AUM Composition by Account Type (\$billions)

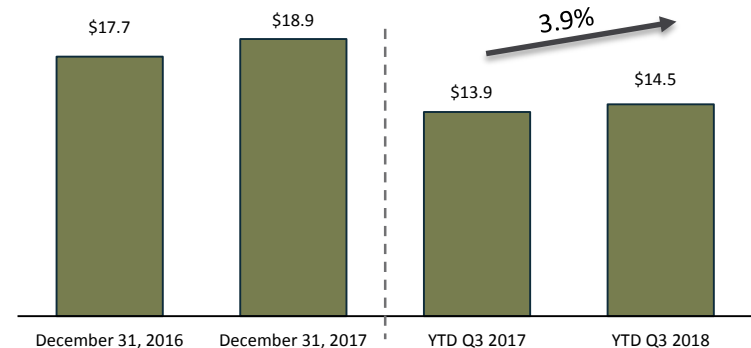
**\$5.6 billion**



### Trust and Investment Management

- Guided architecture
- Customized investment solutions
- Internally manage ~\$1.0 billion in AUM

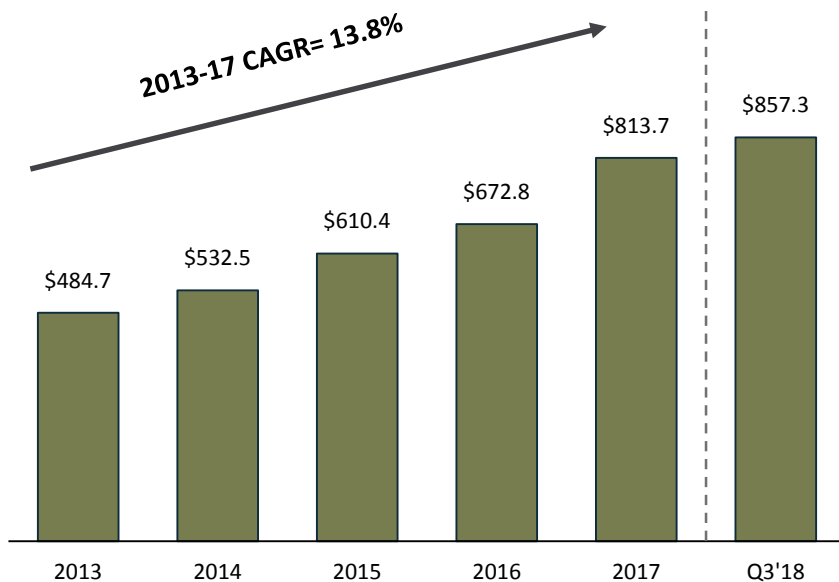
### Wealth Management Segment Non-Interest Income (\$millions)



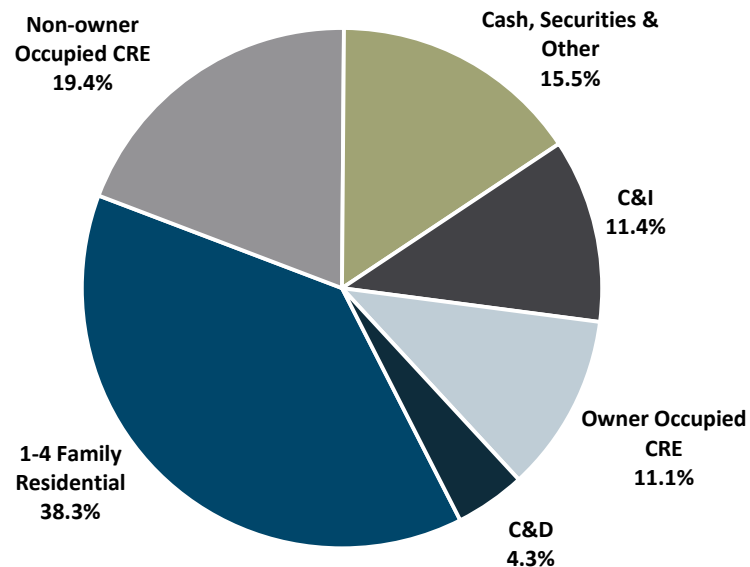
Note: As of or for the six months ended June 30, 2018 (unaudited).

# Our Balanced, Private Banking Loan Portfolio

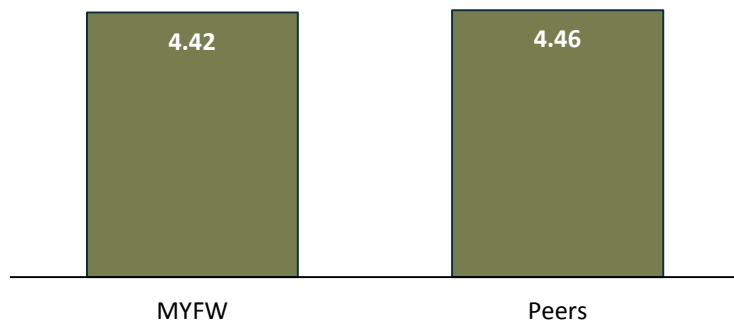
## Historical Gross Loans (\$millions)



## Q3 2018 Loan Portfolio by Collateral Type <sup>(2)</sup>



## MYFW vs. Peers<sup>(1)</sup> – Yield on Loans Q3'18 (%)



## Lending Strategy

- Organic loan growth of 21%, 2016 to 2017
- Added production from mortgage acquisition
- Return on equity based relationship pricing
- High net worth, relationship lending model
- Asset sensitive balance sheet

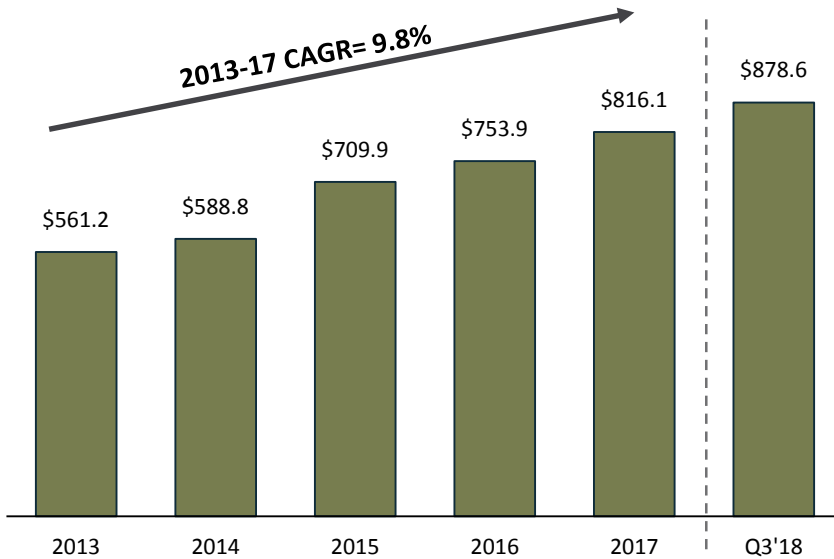
(1) MYFW uses the following Peers throughout this presentation: ALRS, BMTG, BPFH, CATC, CFR, FFWM, FRC, PGC, SYBT, TMP, TSC, UMBF, UVSP, and WASH. Source: S&P Global Market Intelligence as of September 30, 2018.

(2) As of September 30, 2018

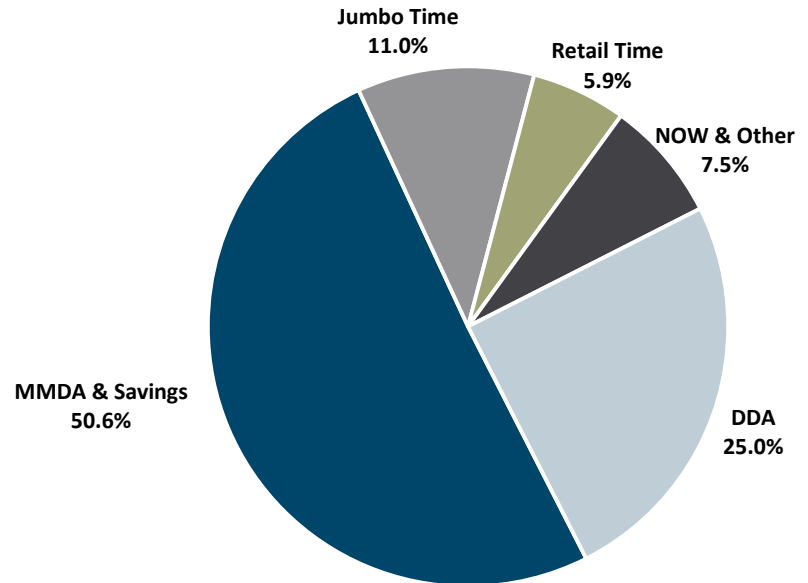


# A Balanced, Growing Core Deposit Base

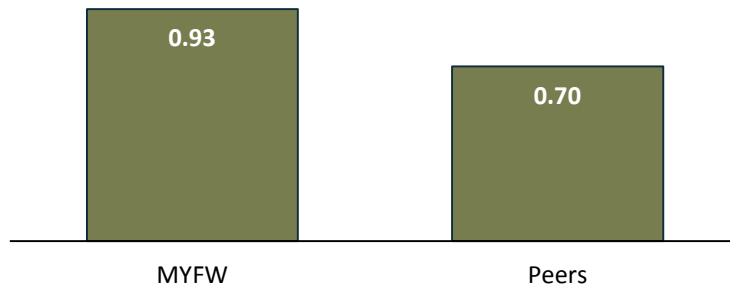
## Historical Total Deposits (\$millions)



## Deposit Composition (September 30, 2018)



## MYFW vs. Peers<sup>(1)</sup> – Cost of Deposits Q3'18 (%)



## Deposit Strategy

- Increase share of wallet
- Relationship lending, trust/IM deposits
- Generate leads through BDOs and Treasury Management
- Core client deposits, no brokered deposits
- 2017-Q3'18 deposit betas in 20% - 40% range
  - Shift to profitability analysis
  - Treasury Desk control

(1) Peers include ALRS, BMTG, BPFH, CATC, CFR, FFWM, FRC, PGC, SYBT, TMP, TSC, UMBF, UVSP, and WASH. Source: S&P Global Market Intelligence as of June 30, 2018.



# MYFW's Embedded Earnings Growth Drivers

## Remove Capital Constraints

- **Lowering capital costs by ~\$2.7 million** (after-tax) per year<sup>(1)</sup>
- Historical balance sheet growth was **Basel III constrained to qualify as small BHC (<\$1 billion in assets)**

## Added Revenue Generators in 2017 - 2018

- Experienced **executive leadership** positions added:
  - New Colorado/Wyoming Profit Center President and Product Group President
- Added **wealth advisors/BDOs** and sales manager
- **Adding MLOs** in offices in 2018
- Generate **referrals** for new client relationships
- Develop **new products** to meet the needs of our clients

## Reduce Expenses and Improve Operating Efficiency

- **Eliminated** mortgage and other administrative **redundancies and rent** expense in 1H 2018
- Capital investment in infrastructure and **platform** is now **in place**
- **Minimal incremental** back office **expense needed** to support continued growth
- **Integrating technology into operations**

## Drive Client Acquisition and Increase Share of Wallet

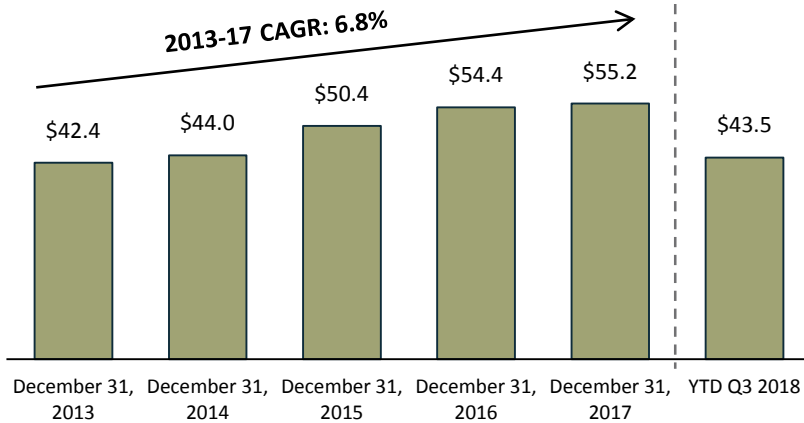
- Added client relationship and **profitability tools**
  - Managed centrally by **treasury desk**
- **Build out existing markets** and employ highly capable associates with local market experience/relationships
- Identify new markets to **establish profit centers** without a proportionate increase in product group or support center expenses
- **Acquired Englewood Mortgage Company ("EMC")** in September 2017
  - Culture and product fit with proven leadership
  - Adds portfolio jumbo mortgage loans
  - Well connected to prominent high net worth realtors

(1) Assumes redemption of all outstanding preferred stock and subordinated notes due 2020. See next page for details.

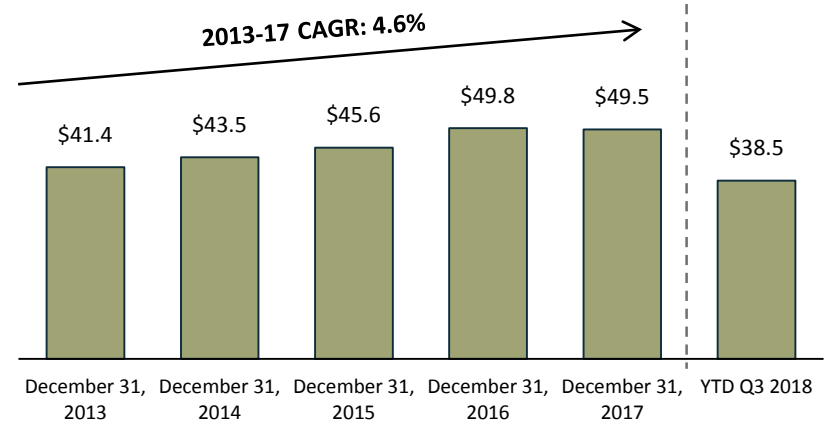


# Revenue and Expenses

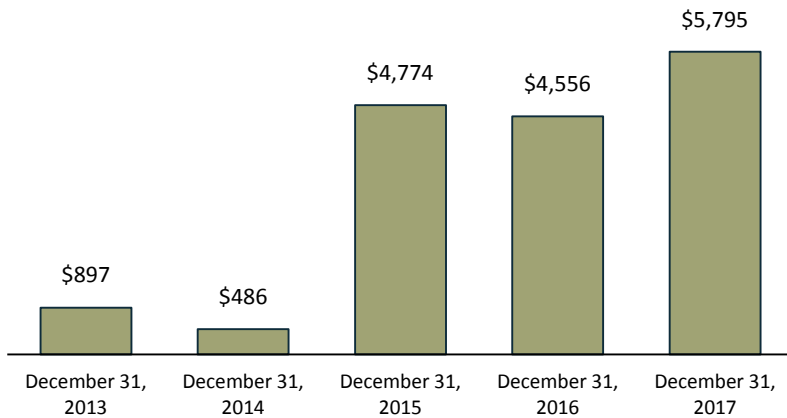
### Gross Revenue<sup>(1)</sup> (\$millions)



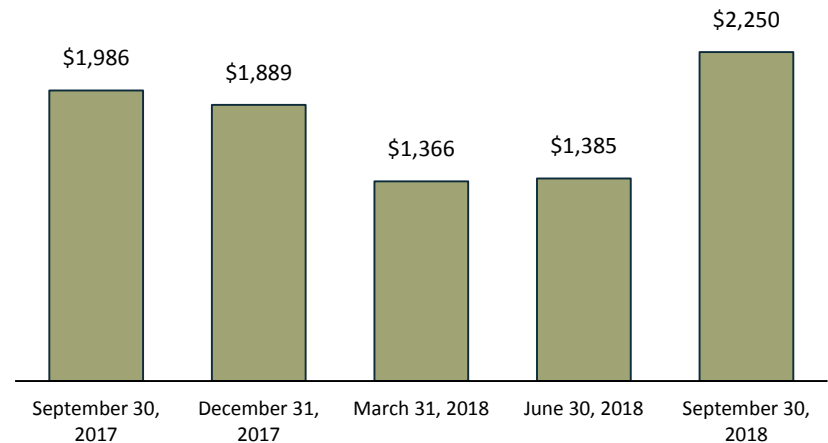
### Total Non-Interest Expenses (\$millions)



### 2013-2017 Pre-Tax Pre-Provision Income<sup>(2)</sup> (\$000s)



### 2017-18 Quarterly Pre-Tax Pre-Provision Income<sup>(2)</sup> (\$000s)



(1) Net interest income plus non-interest income

(2) See Non-GAAP reconciliation

# A Unique and Attractive Investment

*MYFW's core strengths provide the foundation for driving shareholder value*

**Differentiated, Proven in the Marketplace**

**Built-in Operating Leverage**

**Highly Desirable Recurring Fee Income**

**Experienced, Tested Team**

**Unique Opportunity for Investors**



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# Appendix







# Holistic, Integrated Risk Management

## Purpose

- Holistic approach for the oversight, control, and discipline to drive continuous improvement
- Everyone's responsibility and non-compliance is not an option
- Governance framework for the process of anticipating, identifying, assessing, managing and monitoring risks

## Objectives

- Define risk appetite framework
- Define risk areas and responsibilities
- Identify key risk activities for the defined risk areas
- Establish risk tolerance for defined risk areas
- Establish systems for identifying and reporting risks, including emerging risks
- Monitor compliance with strategies designed to mitigate identified risks
- Ensure effective and timely implementation of corrective actions
- Integrate risk management framework objectives into performance evaluation framework

## Responsibilities

### **ERM Committee:**

- Oversee and support the Senior Risk Officer
- Establish risk tolerances and parameters ("risk appetite") to assess risks and design adequate mitigation strategies

### **Senior Risk Officer:**

- ERM program to create and monitor risk management practices
  - Perform company-wide risk assessment, including relative risk ratings
  - Assign risk owners and approve action plans
  - Review and monitor risk mitigation initiatives and status
  - Review and report to ERM committee:
    - Specific areas of risk and respective Risk Area Owner responsible for the risks existing in that area
    - Magnitude of all material business risks
    - Processes, procedures and controls in place to manage material risks
    - Overall effectiveness of the risk management process
  - Evaluate risks and provide guidance on new or proposed products, services or businesses

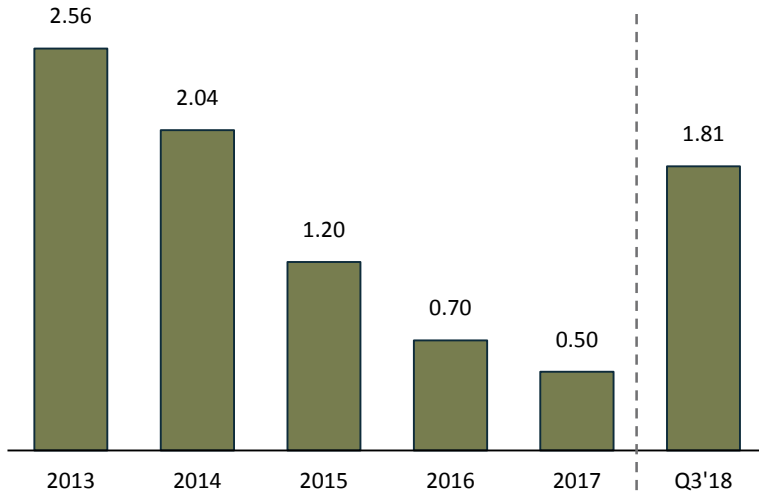
# Key Themes of ERM– In the Business

<p><b>Ensure Compliance</b></p>	<ul style="list-style-type: none"> <li>▪ Meet regulatory requirements</li> <li>▪ Comply with good industry practices</li> <li>▪ Effective, efficient, and smart compliance – a change agent for better business decisions</li> </ul>
<p><b>Limit Potential Losses</b></p>	<ul style="list-style-type: none"> <li>▪ Create appropriate transparency on risk, capital and balance-sheet usage, accounting implications</li> <li>▪ Effectively limit risks and avoid reputational damage</li> <li>▪ Strong risk controlling and monitoring</li> <li>▪ Maintain both economic as well as accounting perspective</li> </ul>
<p><b>Improve Profitability</b></p>	<ul style="list-style-type: none"> <li>▪ Ensure decision-oriented processes</li> <li>▪ Maintain efficient and lean risk management – standardization and differentiation</li> <li>▪ Improve quality of problem loan management</li> <li>▪ Optimize ALM and transfer pricing in cooperation with CFO/treasury</li> </ul>
<p><b>Support Growth</b></p>	<ul style="list-style-type: none"> <li>▪ Anticipate changes in the Company’s risk profile</li> <li>▪ Ensure scalability and flexibility of core processes</li> <li>▪ Improve balance-sheet management</li> <li>▪ Contribute to powerful product offering</li> </ul>
<p><b>Risk Overlay for Decision Making</b></p>	<ul style="list-style-type: none"> <li>▪ Integrated risk, finance and capital perspective into business planning and management process</li> <li>▪ Strong risk and finance capabilities through frontline tools, trainings, and incentives in IT/operations, HC</li> </ul>
<p><b>Improve Stakeholder Management</b></p>	<ul style="list-style-type: none"> <li>▪ Implement a strong risk and performance culture throughout the organization</li> <li>▪ Improve planning and steering concepts, data management with CEO, CFO and treasury</li> <li>▪ Satisfy Board requirements on transparency and decisions support</li> <li>▪ Maintain effective relations with regulators</li> </ul>
<p><b>Define Governance and Organization</b></p>	<ul style="list-style-type: none"> <li>▪ Define risk structure’s mandate and organization, create independent risk view in core decisions</li> <li>▪ Ensure CFO’s mandate and organization in capital and balance-sheet management, ALM, treasury, funding</li> <li>▪ Define and implement ERM approach</li> <li>▪ Ensure appropriate people development: knowledge, experience, stature, motivation and culture</li> </ul>

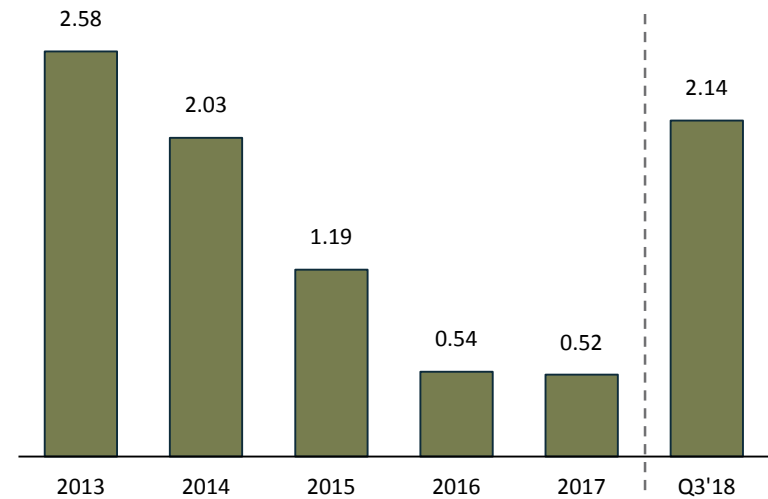


# Favorable Asset Quality Trends

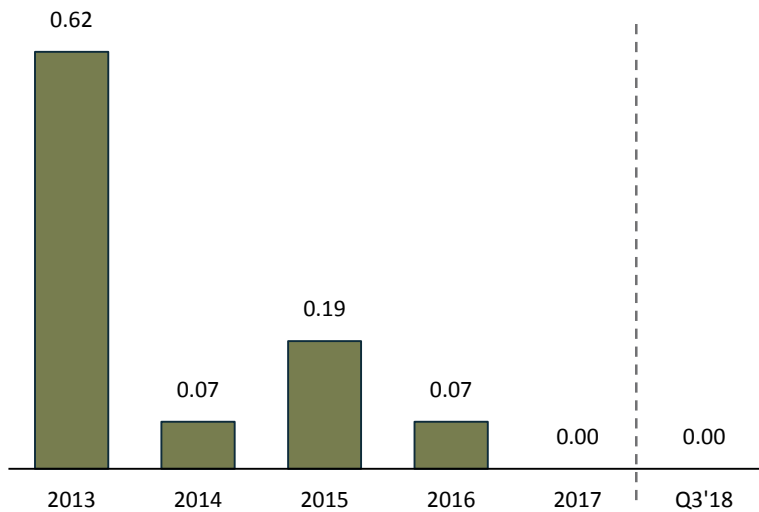
NPAs / Assets (%)



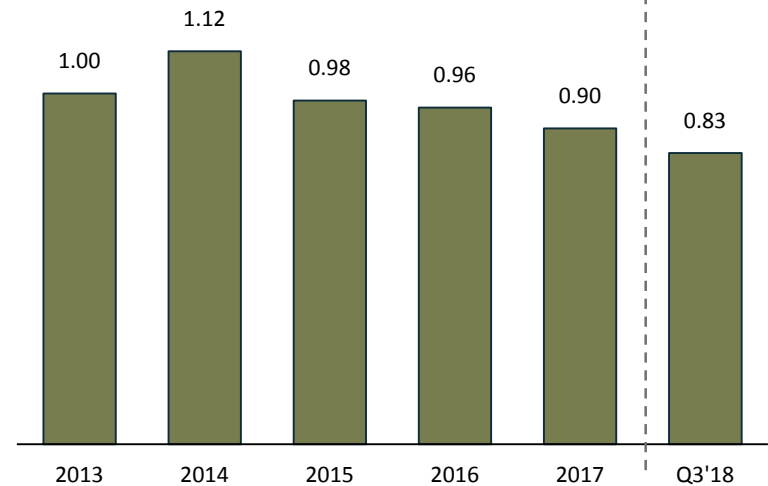
NPLs / Loans (%)



Net Charge-offs / Average Loans (%)



Loan Loss Reserves / Gross Loans (%)





# Notes on Historical Financial Statements

*Fluctuations in 2016 & 2017 financial results can be attributed to the following two business segments:*

## First Western Capital Management

- In late 2016, we proactively terminated a senior portfolio manager and filed a lawsuit against this individual for various violations of his employment agreement
- This departure led to client attrition and had an approximate \$1.4 million unfavorable revenue impact in 2017
- In late 2017, we settled the lawsuit with the portfolio manager in favor of First Western for \$0.8 million

## First Western Mortgage Services

- In late 2016, we closed our loan production office in Scottsdale, Arizona due to a lack of cultural fit and for not aligning with our long term mortgage strategy
- That location funded \$149.8 million of mortgages during the first three quarters of 2016 which resulted in net gain on mortgage loans sold decreasing by \$3.2 million in 2017 compared to 2016
- To optimize our mortgage operation and to pursue our long term strategy of focusing on high net worth mortgage lending, we acquired assets of Englewood Mortgage Company (Greenwood Village LPO) in September 2017



# Non-GAAP Reconciliation

<i>Consolidated Pre-tax Pre-provision Income</i> <i>(Dollars in thousands)</i>	For the Three Months Ended,				
	September 30, 2017	December 31, 2017 <sup>(1)</sup>	March 31, 2018	June 30, 2018	September 30, 2018
Net Income, as reported	\$1,048	\$45	\$1,186	\$1,048	\$1,689
Provision for loan losses	306	(4)	(187)	--	18
Income tax expense (benefit)	632	1,848	367	337	543
<b>Pre-tax, Pre-provision Income</b>	<b>\$1,986</b>	<b>\$1,889</b>	<b>\$1,366</b>	<b>\$1,385</b>	<b>\$2,250</b>

<i>Consolidated Pre-tax Pre-provision Income</i> <i>(Dollars in thousands)</i>	As of December 31,				
	2013	2014	2015	2016	2017
Net Income, as reported	\$2,215	\$10,990	\$2,650	\$2,302	\$2,023
Provision for loan losses	(1,676)	1,455	1,071	985	788
Income tax expense (benefit)	358	(11,959)	1,053	1,269	2,984
<b>Pre-tax, Pre-provision Income</b>	<b>\$897</b>	<b>\$486</b>	<b>\$4,774</b>	<b>\$4,556</b>	<b>\$5,795</b>

<i>Tangible Common Equity Per Share</i> <i>(Dollars in thousands, except per share data)</i>	As of September 30,	
	2017	2018
Total shareholders' equity	\$101,170	\$114,164
Less		
Preferred stock (liquidation preference)	24,968	--
Goodwill	24,811	24,811
Intangibles, net	1,463	565
<b>Tangible common equity</b>	<b>\$49,928</b>	<b>\$88,788</b>
Common shares outstanding, end of period	5,791,064	7,968,420
<b>Tangible common book value per share</b>	<b>\$8.62</b>	<b>\$11.14</b>



# Non-GAAP Reconciliation

<i>Consolidated Gross Revenue</i> <i>(Dollars in thousands)</i>	For the Three Months Ended,				
	2013	2014	2015	2016	2017
Total income before non-interest expense	\$43,939	\$42,533	\$49,339	\$53,394	\$54,501
Less: Net gain/(loss) on sale of securities	(101)	321	717	114	81
Plus: Provision (release) of credit loss	(1,676)	1,455	1,071	985	788
<b>Gross Revenue</b>	<b>\$42,364</b>	<b>\$43,667</b>	<b>\$49,693</b>	<b>\$54,265</b>	<b>\$55,208</b>

<i>Consolidated Gross Revenue</i> <i>(Dollars in thousands)</i>	For the Nine Months Ended,	
	2017	2018
Total income before non-interest expense	\$38,798	\$43,716
Less: Net gain/(loss) on sale of securities	126	--
Plus: Provision (release) of credit loss	792	(169)
<b>Gross Revenue</b>	<b>\$39,464</b>	<b>\$43,547</b>