

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): June 6, 2022

FIRST WESTERN FINANCIAL, INC.

(Exact name of registrant as specified in its charter)

Colorado (State or other jurisdiction of incorporation or organization)	001-38595 (Commission File Number)	37-1442266 (I.R.S. Employer Identification No.)
1900 16th Street, Suite 1200 Denver, Colorado (Address of principal executive offices)		80202 (Zip Code)

Registrant's telephone number, including area code: **303.531.8100**

Former name or former address, if changed since last report: **Not Applicable**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

- Emerging growth company
- If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Title of each class	Securities registered pursuant to Section 12(b) of the Act:	Name of each exchange on which registered
Common Stock, no par value	Trading Symbol MYFW	The Nasdaq Stock Market LLC



Item 7.01 Regulation FD Disclosure.

First Western Financial, Inc. (the “Company”) is furnishing presentation materials as Exhibit 99.1 to this Form 8-K that will be used at the annual meeting of shareholders on June 8, 2022.

As provided in General Instruction B.2 to Form 8-K, the information furnished in Exhibit 99.1 of this Current Report on Form 8-K shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, and such information shall not be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
99.1	Annual Meeting of Shareholders Presentation dated June 8, 2022
104	Cover Page Interactive Data File (the cover page XBRL tags are embedded in the Inline XBRL document)

SIGNATURES

Pursuant to the requirements 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.

FIRST WESTERN FINANCIAL, INC.

Date: June 6, 2022

By: /s/ Scott C. Wylie
Scott C. Wylie

Chairman, Chief Executive Officer and President



FIRSTwestern

2022 Annual Meeting of Shareholders
June 8, 2022



Safe Harbor

This presentation contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements reflect the current views of First Western Financial, Inc.'s ("First Western") management with respect to, among other things, future events and First Western's financial performance. These statements are often, but not always, made through the use of words or phrases such as "may," "should," "could," "predict," "potential," "believe," "will likely result," "expect," "continue," "will," "anticipate," "seek," "estimate," "intend," "plan," "project," "future" "forecast," "goal," "target," "would" and "outlook," or the negative variations of those words or other comparable words of a future or forward-looking nature. These forward-looking statements are not historical facts, and are based on current expectations, estimates and projections about First Western's industry, management's beliefs and certain assumptions made by management, many of which, by their nature, are inherently uncertain and beyond First Western's control. Accordingly, First Western cautions you that any such forward-looking statements are not guarantees of future performance and are subject to risks, assumptions and uncertainties that are difficult to predict. Although First Western believes that the expectations reflected in these forward-looking statements are reasonable as of the date made, actual results may prove to be materially different from the results expressed or implied by the forward-looking statements. Those following risks and uncertainties, among others, could cause actual results and future events to differ materially from those set forth or contemplated in the forward-looking statements: the COVID-19 pandemic and its effects; integration risks in connection with acquisitions; the risk of geographic concentration in Colorado, Arizona, Wyoming and California; the risk of changes in the economy affecting real estate values and liquidity; the risk in our ability to continue to originate residential real estate loans and sell such loans; risks specific to commercial loans and borrowers; the risk of claims and litigation pertaining to our fiduciary responsibilities; the risk of competition for investment managers and professionals; the risk of fluctuation in the value of our investment securities; the risk of changes in interest rates; and the risk of the adequacy of our allowance for credit losses and the risk in our ability to maintain a strong core deposit base or other low-cost funding sources. Additional information regarding these and other risks and uncertainties to which our business and future financial performance are subject is contained in our Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission ("SEC") on March 15, 2022 and other documents we file with the SEC from time to time. All subsequent written and oral forward-looking statements attributable to First Western or persons acting on First Western's behalf are expressly qualified in their entirety by this paragraph. Forward-looking statements speak only as of the date of this presentation. First Western undertakes no obligation to publicly update or otherwise revise any forward-looking statements, whether as a result of new information, future events or otherwise (except as required by law).

Certain of the information contained herein may be derived from information provided by industry sources. The Company believes that such information is accurate and the sources from which it has been obtained are reliable; however, the Company cannot guaranty the accuracy of such information and has not independently verified such information.

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.

This presentation is not an offer to sell any securities and it is not soliciting an offer to buy any securities in any state or jurisdiction where the offer or sale is not permitted. Neither the SEC nor any state securities commission has approved or disapproved of the securities of the Company or passed upon the accuracy or adequacy of this presentation. Any representation to the contrary is a criminal offense. Except as otherwise indicated, this presentation speaks as of the date hereof. The delivery of this presentation shall not, under any circumstances, create any implication that there has been no change in the affairs of the Company after the date hereof.

2021 Review and Highlights

- Strong execution on growth strategies resulted in a superior level of financial performance
 - Member of “Hovde’s High Performers Class of 2022”
 - Named Bank & Thrift Sm-All Star by Piper Sandler
- Combination of organic growth and acquisitions continues to improve operating leverage and profitability
- Growth in commercial/private banking and investment management businesses providing more sustainable source of improved profitability, while mortgage business returns to its intended role as a complementary source of fee income
- Asset quality remains exceptional despite ongoing impact of pandemic, supply chain disruptions, and labor shortages
- Teton Financial Services acquisition provides increased presence in attractive Wyoming markets and additional catalyst for earnings growth in 2022
- Strong financial performance creating significant increase in shareholder value
 - Tangible book value per share increased more than 20% in 2021⁽¹⁾
 - \$130 million increase in market capitalization in 2021

(1) See Non-GAAP reconciliation

Teton Financial Services Acquisition

Transaction Overview

- Closed on December 31, 2021
- Acquisition of Teton Financial Services Inc., the holding company for Rocky Mountain Bank
- Expands First Western's footprint and market share in Wyoming where favorable trust, estate and tax laws align well with private banking and investment management business model
- Added \$379 million in deposits and \$252 million in loans
- Adds scale and improves operating efficiencies
- Systems integration completed in mid-May 2022

Financial Impact

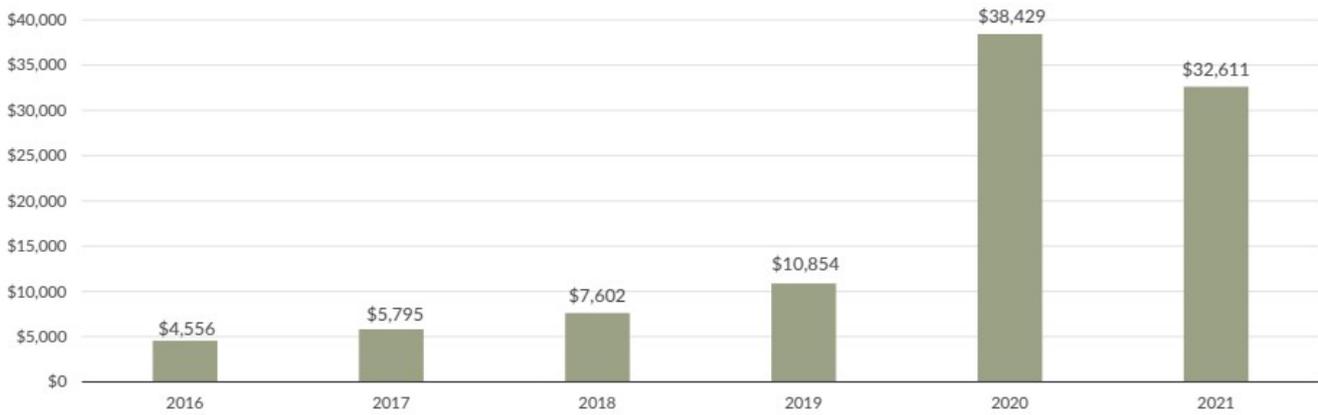
- 7.4% accretive to 2022 EPS (assuming fully phased-in cost savings)
- Immediately accretive to TBV/share upon closing
- Added low-cost deposits and higher-yielding loans that are positively impacting net interest margin

Strong Operational and Financial Momentum

Drivers of Improved Performance

- Robust balance sheet growth
- Strong contributions from multiple fee income areas
- Consistent new client acquisition activity driving growth in assets under management
- Highly leverageable operating platform driving improved efficiencies
- Outstanding asset quality and low credit costs

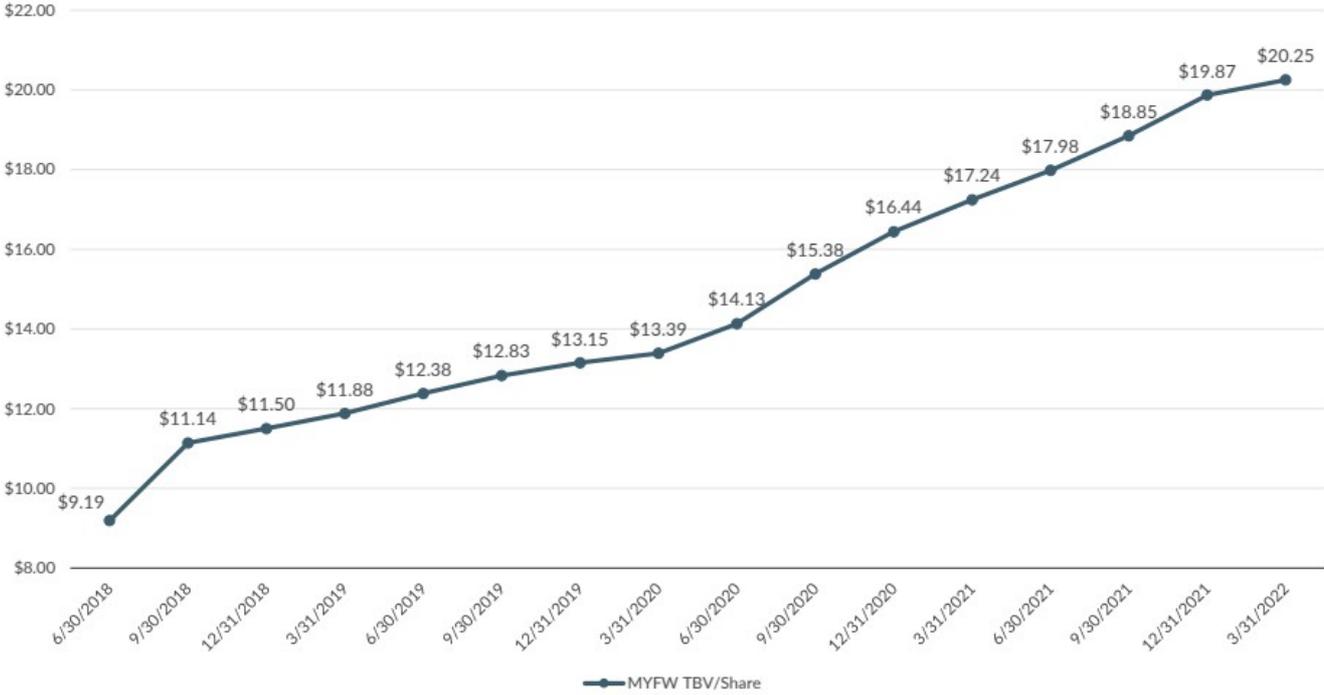
Adjusted Pre-Tax, Pre-Provision Income⁽¹⁾ (\$000s)



(1) See Non-GAAP reconciliation

Consistent Increase in Shareholder Value

TBV/Share⁽¹⁾ Up 120% Since July 2018 IPO



(1) See Non-GAAP reconciliation

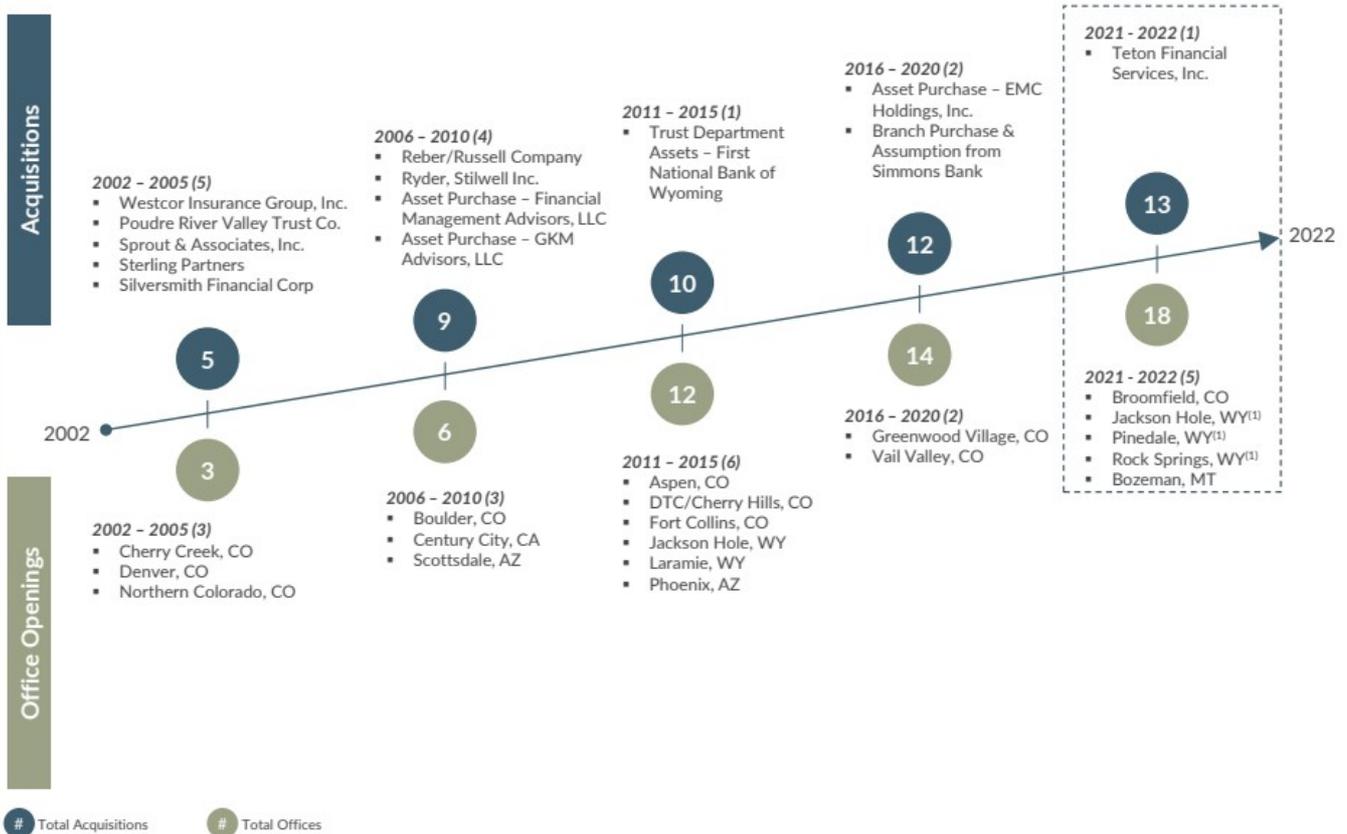
Strong Execution on Growth Strategies Driving Significant Outperformance



(1) Source: S&P Capital IQ (January 1, 2020 through June 1, 2022)

Driving Profitable Growth

Success in Expansion and Acquisition Growth



(1) Added through the Teton Financial Services, Inc. acquisition; The two Jackson Hole offices were consolidated in May 2022

Revenue Growth Strategies

Expand commercial loan production platform

- Building expertise in specific vertical markets, e.g. medical and dental practices
- Capitalize on growing reputation to attract additional experienced commercial banking talent

Expand into new markets with attractive demographics

- Vail Valley office opened in 2019
- Built team and revenue base to open office in Broomfield, CO in 3Q21
- Added team to focus on Bozeman, MT market in 2Q21

Execute on revenue synergies from Teton acquisition

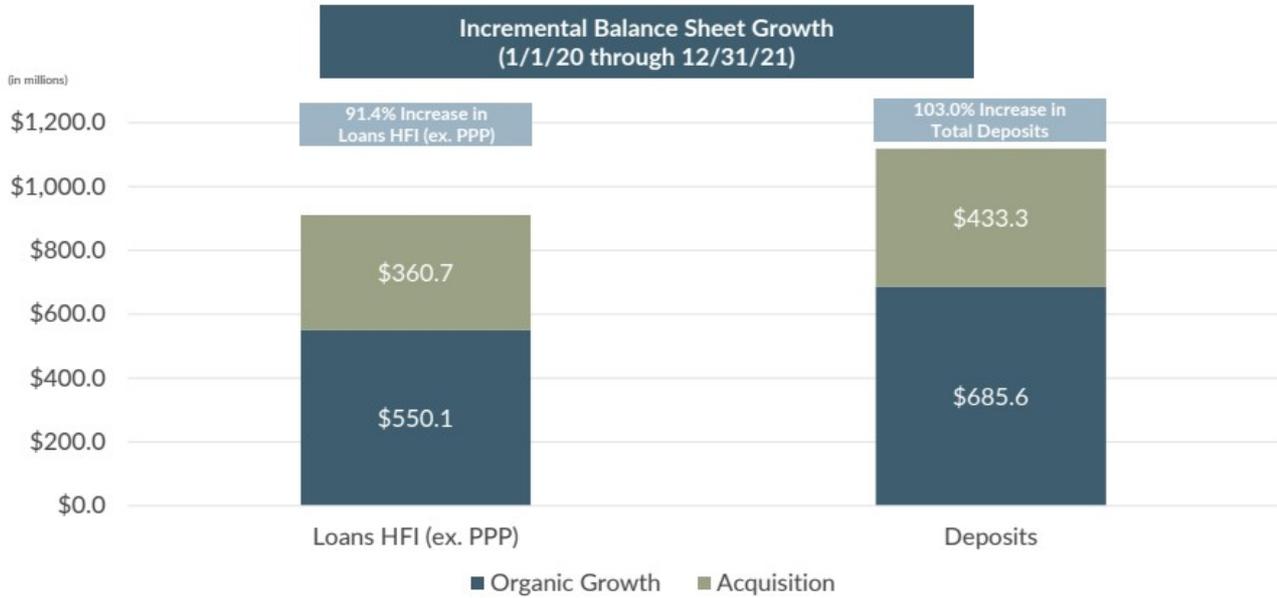
- Capitalize on higher legal lending limit to expand relationships with existing clients and pursue larger commercial clients
- Cross-sell MYFW's larger offering of trust and wealth management products to new client base
- Continue adding banking talent to further accelerate market share gains in Wyoming

Execute on low-risk strategic transactions that add value to the MYFW franchise

- Execute on minimally dilutive acquisitions
- Leverage infrastructure through branch acquisition transactions
- Proactive expansion, acquisition team

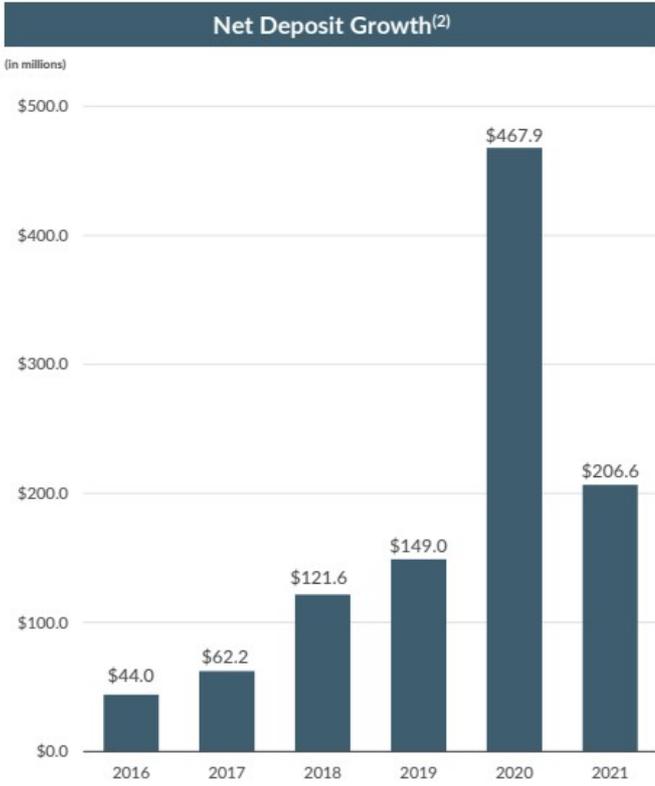
Strong Execution on Revenue Growth Strategies

- Accelerating business development, office expansion and accretive acquisitions all contributing to the balance sheet growth driving improved operating leverage and higher profitability
- M&A strategy continuing with acquisition of Teton Financial Services
- Office expansion continuing with hiring of team to focus on Bozeman, MT market



Accelerating Business Development Trends

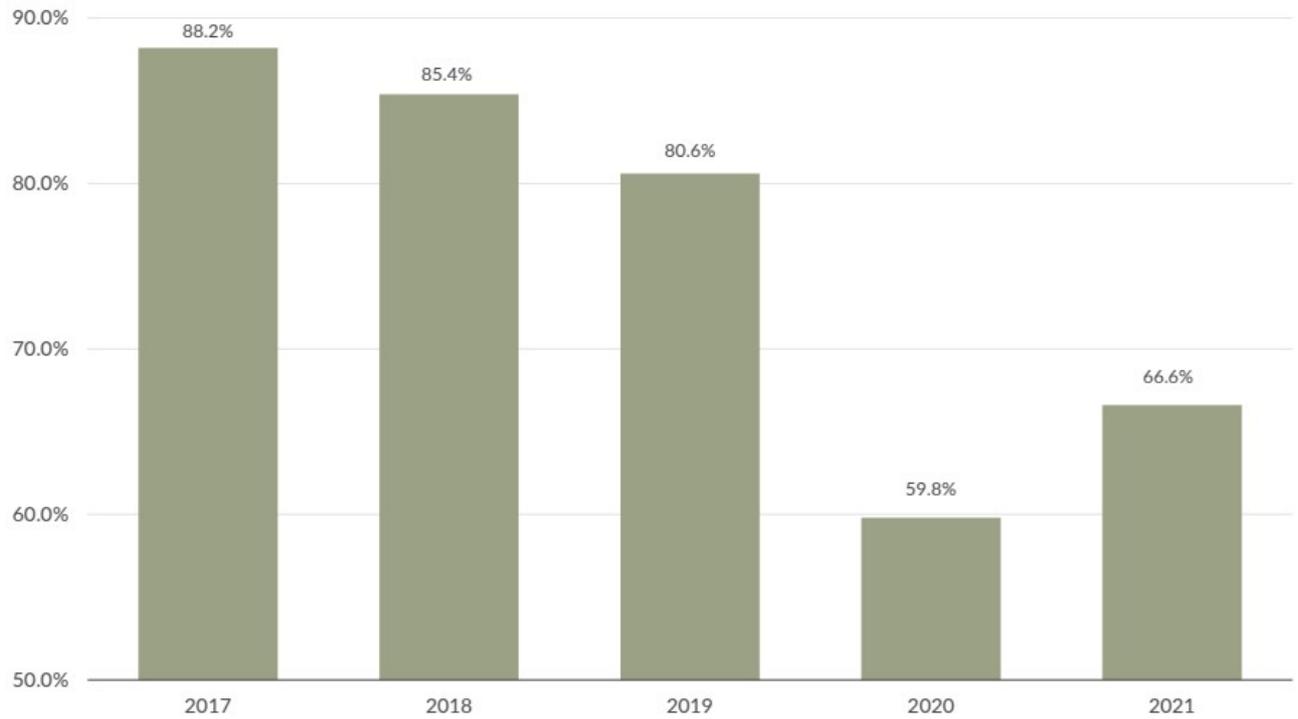
Capital raised in July 2018 IPO has allowed for increased business development activities



(1) Excluding PPP loans
(2) Excluding acquired deposits

Increased Scale and Back-Office Streamlining Driving Improved Efficiencies

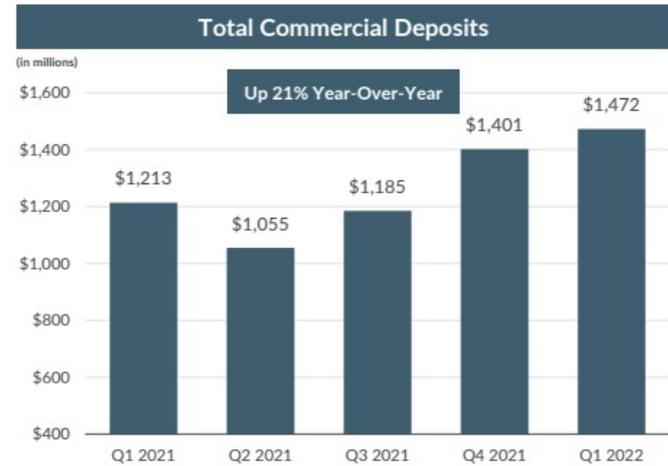
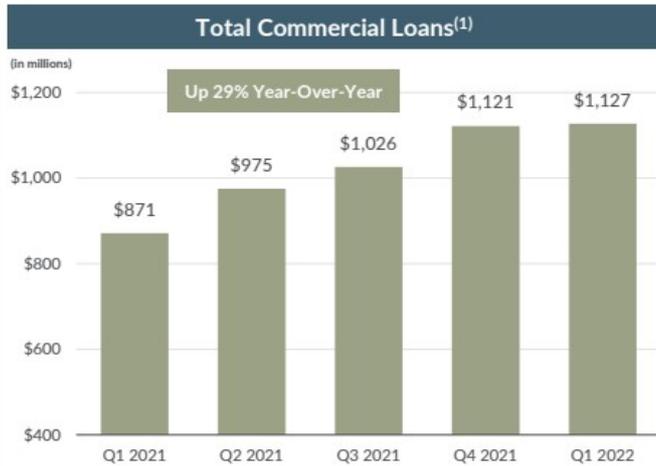
Efficiency Ratio⁽¹⁾



(1) See Non-GAAP reconciliation

Commercial Banking Driving Growth

- During 2020, expanded commercial banking team and added construction lending expertise
- Increase in commercial banking clients contributing to growth in total loans and low-cost deposits while improving overall diversification
- Stronger commercial banking platform complements private banking and expanded mortgage capabilities to create a more valuable franchise with additional catalysts for future growth



(1) Reflects loans to commercial borrowers across all loan categories excludes SBA PPP loan balances due to their short-term nature.

Wealth Management Segment Earnings

- Wealth Management segment earnings reflects contribution of private banking, commercial banking, and trust and investment management business lines
- Growth in private banking, commercial banking, and TIM businesses replacing earnings generated by mortgage segment in 2020 and creating sustainable path to higher profitability over long-term
- Wealth Management segment pre-tax EPS increased 93% in 2021

Wealth Management Segment Diluted Pre-Tax Earnings Per Share⁽¹⁾



(1) See Non-GAAP reconciliation

Creating Additional Shareholder Value

2022 Outlook and Priorities

- First Western is well positioned to deliver another strong year of organic and acquisitive growth in 2022
- Increasing production from commercial banking platform expected to result in strong organic loan growth
- Focused on fully realizing the synergies from Teton Financial Services acquisition
- Continued investment in new banking talent and market expansion should continue to create additional sources of organic growth
- Capitalize on the benefits of increased scale to continue investing in technology and talent while still realizing improved operating leverage
- Balance sheet is well positioned to benefit from rising interest rates
- Evaluate additional accretive acquisition opportunities
- Continue executing well and further enhancing the value of the First Western franchise

Long-Term Goals to Drive Shareholder Value

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

- **Drive to \$5 billion in total assets, \$25 billion TIM assets through both organic growth and acquisitions**
 - ~50 offices
 - \$7-8 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**

Non-GAAP Reconciliations

Non-GAAP Reconciliation

Consolidated Adjusted Pre-tax, Pre-provision Income (Dollars in thousands)	For the Twelve Months Ended December 31,					
	2016	2017	2018	2019	2020	2021
Net Income before income tax, as reported	\$3,571	\$5,007	\$7,422	\$10,192	\$33,063	\$27,280
Plus: Provision for loan losses	985	788	180	662	4,682	1,230
Pre-tax, Pre-provision Income	\$4,556	\$5,795	\$7,602	\$10,854	\$37,745	\$28,510
Plus: Acquisition related expenses	-	-	-	-	684	4,101
Adjusted Pre-tax, Pre-provision Income	\$4,556	\$5,795	\$7,602	\$10,854	\$38,429	\$32,611

Consolidated Efficiency Ratio (Dollars in thousands)	For the Years Ended,					
	2016	2017	2018	2019	2020	2021
Non-interest expense	\$49,823	\$49,494	\$50,195	\$53,784	\$59,537	\$68,149
Less: Amortization	747	784	831	374	14	17
Less: Acquisition related expenses	-	-	-	-	684	4,101
Less: Goodwill impairment	-	-	-	1,572	-	-
Less: Provision on other real estate owned	-	-	-	-	176	-
Less: Loss on assets held for sale	-	-	-	-	553	-
Plus: Gain on sale of LA fixed income team	-	-	-	-	62	-
Adjusted non-interest expense	\$49,076	\$48,710	\$49,364	\$51,838	\$58,172	\$64,031
Net interest income	\$24,457	\$27,576	\$30,624	\$32,061	\$46,102	\$56,509
Non-interest income	29,922	27,713	27,173	32,577	51,180	40,150
Less: Net gain on securities	114	81	-	119	-	489
Less: Net gain on sale of assets	-	-	-	183	-	-
Total income	\$54,265	\$55,208	\$57,797	\$64,336	\$97,282	\$96,170
Efficiency ratio	90.4%	88.2%	85.4%	80.6%	59.8%	66.6%

Non-GAAP Reconciliation

Consolidated Tangible Common Book Value Per Share	As of the Three Months Ended,											
	(Dollars in thousands)	Jun 30, 2018	Sep 30, 2018	Dec 31, 2018	Mar 31, 2019	Jun 30, 2019	Sep 30, 2019	Dec 31, 2019	Mar 31, 2020	Jun 30, 2020	Sep 30, 2020	Dec 31, 2020
Total shareholders' equity		\$104,958	\$114,164	\$116,875	\$119,668	\$122,157	\$125,732	\$127,678	\$128,703	\$139,417	\$149,576	\$154,962
Less:												
Preferred stock (liquidation preference)		24,968	-	-	-	-	-	-	-	-	-	-
Goodwill and other intangibles, net		25,584	25,376	25,213	25,040	23,327	19,722	19,714	19,712	24,267	24,263	24,258
Intangibles held for sale ⁽¹⁾		-	-	-	-	-	3,553	3,553	3,000	3,000	3,000	-
Tangible common equity		54,406	88,788	91,662	94,628	98,830	102,457	104,411	105,991	112,150	122,313	130,704
Common shares outstanding, end of period		5,917,667	7,968,420	7,968,420	7,968,420	7,983,866	7,983,284	7,940,168	7,917,489	7,939,024	7,951,749	7,951,773
Tangible common book value per share		\$9.19	\$11.14	\$11.50	\$11.88	\$12.38	\$12.83	\$13.15	\$13.39	\$14.13	\$15.38	\$16.44
Consolidated Tangible Common Book Value Per Share	As of the Three Months Ended,											
	(Dollars in thousands)	Mar 31, 2021	Jun 30, 2021	Sep 30, 2021	Dec 31, 2021	Mar 31, 2022						
Total shareholders' equity		\$161,439	\$167,986	\$175,129	\$219,041	\$223,266						
Less:												
Goodwill and other intangibles, net		24,254	24,250	24,246	31,902	32,335						
Tangible common equity		137,185	143,736	150,883	187,139	190,931						
Common shares outstanding, end of period		7,957,900	7,994,832	8,002,874	9,419,271	9,430,007						
Tangible common book value per share		\$17.24	\$17.98	\$18.85	\$19.87	\$20.25						
Diluted Pre-Tax Earnings Per Share	For The Three Months Ended					For The Years Ended						
	(Dollars in thousands)	March 31, 2021	June 30, 2021	September 30, 2021	December 31, 2021	March 31, 2022	December 31, 2020	December 31, 2021				
Non-Mortgage income before income tax		\$5,917	\$6,983	\$6,199	\$2,279	\$7,011	\$12,085	\$21,378				
Plus: Acquisition-related expenses		-	70	332	3,696	527	684	4,098				
Mortgage income before income tax		2,122	1,205	2,267	308	305	20,978	5,902				
Less: Income tax expense including acquisition tax effect		2,040	1,927	2,129	1,507	1,921	8,705	7,603				
Net income available to common shareholders		\$5,999	\$6,331	\$6,669	\$4,776	\$5,922	\$25,042	\$23,775				
Diluted weighted average shares		8,098,680	8,213,900	8,246,353	8,370,998	9,762,602	7,961,904	8,235,178				
Non-Mortgage Segment Diluted Pre-Tax Earnings Per Share		\$0.73	\$0.86	\$0.79	\$0.71	\$0.77	\$1.60	\$3.09				
Consolidated Diluted Pre-Tax Earnings Per Share		\$0.99	\$1.01	\$1.07	\$0.75	\$0.80	\$4.24	\$3.81				