

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): October 24, 2024

FIRST WESTERN FINANCIAL, INC.

(Exact name of registrant as specified in its charter)

Colorado
(State or other jurisdiction of
incorporation or organization)
1900 16th Street, Suite 1200
Denver, Colorado
(Address of principal executive offices)

001-38595
(Commission
File Number)

37-1442266
(I.R.S. Employer
Identification No.)

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
Common Stock, no par value

Securities registered pursuant to Section 12(b) of the Act:
Trading Symbol
MYFW

Name of each exchange on which registered
NASDAQ Stock Market LLC

Item 2.02 Results of Operations and Financial Condition.

On October 24, 2024, First Western Financial, Inc. (the "Company") issued a press release announcing its financial results for the third quarter ended September 30, 2024. A copy of the press release is furnished as Exhibit 99.1 and is incorporated by reference herein.

The information in this Item 2.02, including Exhibit 99.1, is being furnished pursuant to Item 2.02 of Form 8-K and 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 liabilities of that section, nor shall it be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended (the "Securities Act"), or the Exchange Act, unless specifically identified therein as being incorporated therein by reference.

Item 7.01 Regulation FD Disclosure.

The Company intends to hold an investor call and webcast to discuss its financial results for the second quarter ended June 30, 2024 on Friday, October 25, 2024, at 10:00 a.m. Mountain Time. The Company's presentation to analysts and investors contains additional information about the Company's financial results for the third quarter ended September 30, 2024 and is furnished as Exhibit 99.2 and is incorporated by reference herein.

The information in this Item 7.01, including Exhibit 99.2, is being furnished pursuant to Item 7.01 of Form 8-K and shall not be deemed "filed" for purposes of Section 18 of the Exchange Act, or otherwise subject to liabilities of that section, nor shall it be deemed incorporated by reference into any filing under the Securities Act or the Exchange Act, unless specifically identified therein as being incorporated therein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit Number	Description
99.1	Press Release issued by First Western Financial, Inc. dated October 24, 2024
99.2	First Western Financial, Inc. Earnings Presentation
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: July 23, 2024

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

Chairman, Chief Executive Officer and President



First Western Reports Third Quarter 2024 Financial Results

Third Quarter 2024 Summary

- Net income available to common shareholders of \$2.1 million in Q3 2024, compared to \$1.1 million in Q2 2024
- Diluted earnings per share of \$0.22 in Q3 2024, compared to \$0.11 in Q2 2024
- Total deposits increased 3.7% from \$2.41 billion in Q2 2024 to \$2.50 billion in Q3 2024. Noninterest-bearing deposits increased 19% from \$397 million in Q2 2024 to \$474 million in Q3 2024
- Loan-to-Deposit ratio decreased from 101.9% in Q2 2024 to 95.2% in Q3 2024

Denver, Colo., October 24, 2024 – First Western Financial, Inc. (“First Western” or the “Company”) (NASDAQ: MYFW), today reported financial results for the third quarter ended September 30, 2024.

Net income available to common shareholders was \$2.1 million, or \$0.22 per diluted share, for the third quarter of 2024. This compares to net income of \$1.1 million, or \$0.11 per diluted share, for the second quarter of 2024, and net income of \$3.1 million, or \$0.32 per diluted share, for the third quarter of 2023.

Scott C. Wylie, CEO of First Western, commented, “We generated a higher level of profitability in the third quarter while continuing to prioritize prudent risk management and a conservative approach to new loan production. We continued to effectively control expense levels while also making investments in the business that will support our profitable growth in the future. We are executing well on our balance sheet management strategies, which resulted in further reduction in our loan-to-deposit ratio, primarily driven by a significant increase in noninterest-bearing deposits, which increased 19% from the end of the prior quarter. We also saw positive trends in asset quality, including a significant reduction in non-performing loans and classified loans, as well as increases in our book value per share and tangible book value per share, which further strengthened our balance sheet.

“With our successful efforts to reposition our balance sheet including increasing our liquidity with a lower loan-to-deposit ratio, we are well positioned to generate a higher level of loan growth in 2025 as loan demand increases. We also expect to see expansion in our net interest margin and an increase in non-interest income from our mortgage business as interest rates decline, which should further improve our level of profitability. We are seeing positive trends in a number of key areas that we expect to continue, which we believe should result in steady improvement in our financial performance, operating leverage, and further value created for our shareholders,” said Mr. Wylie.

(Dollars in thousands, except per share data)	For the Three Months Ended					
	September 30,		June 30,		September 30,	
	2024		2024		2023	
Earnings Summary						
Net interest income	\$	15,568	\$	15,778	\$	16,766
Provision for credit losses		501		2,334		329
Total non-interest income		6,972		6,972		6,099
Total non-interest expense		19,368		19,001		18,314
Income before income taxes		2,671		1,415		4,222
Income tax expense		537		339		1,104
Net income available to common shareholders		2,134		1,076		3,118
Basic earnings per common share		0.22		0.11		0.33
Diluted earnings per common share		0.22		0.11		0.32
Return on average assets (annualized)		0.30 %		0.15 %		0.44 %
Return on average shareholders' equity (annualized)		3.43		1.73		5.08
Return on tangible common equity (annualized) ⁽¹⁾		3.93		2.00		5.82
Net interest margin		2.32		2.35		2.46
Efficiency ratio ⁽¹⁾		84.89		82.13		78.89

⁽¹⁾ Represents a Non-GAAP financial measure. See "Reconciliations of Non-GAAP Financial Measures" for a reconciliation of our Non-GAAP measures to the most directly comparable GAAP financial measure.

Operating Results for the Third Quarter 2024

Revenue

Total income before non-interest expense was \$22.0 million for the third quarter of 2024, compared to \$20.4 million for the second quarter of 2024. Gross revenue⁽¹⁾ was \$22.7 million for the third quarter of 2024, compared to \$23.1 million for the second quarter of 2024. The increase in total income before non-interest expense was primarily driven by a decrease in Provision for credit losses. Relative to the third quarter of 2023, total income before non-interest expense decreased 2.2% from \$22.5 million. Gross revenue decreased 1.7% from \$23.1 million for the third quarter of 2023. The decrease in total income before non-interest expense was driven by an increase in Interest expense due to higher deposit costs, offset partially by higher Interest income and Net mortgage gains.

⁽¹⁾ Represents a Non-GAAP financial measure. See "Reconciliations of Non-GAAP Financial Measures" for a reconciliation of our Non-GAAP measures to the most directly comparable GAAP financial measure.

Net Interest Income

Net interest income for the third quarter of 2024 was \$15.6 million, a decrease of 1.3% from \$15.8 million in the second quarter of 2024. The decrease quarter over quarter was driven by an increase in interest expense due to an increase in interest-bearing deposits and partially due to having one additional day in the quarter. Interest income was negatively impacted by \$0.4 million in the quarter due to the addition of a non-performing loan. Relative to the third quarter of 2023, net interest income decreased 7.1% from \$16.8 million. The decrease compared to the prior year third quarter was due to higher Interest expense driven primarily by higher deposit costs, offset partially by higher Interest income.

Net Interest Margin

Net interest margin for the third quarter of 2024 decreased 3 basis points to 2.32% from 2.35% reported in the second quarter of 2024, primarily due to an unfavorable mix shift in average deposit balances. Net interest margin was negatively impacted by 6 basis points in the quarter due to the addition of a non-performing loan.

The yield on interest-earning assets remained flat at 5.67% in the third quarter of 2024 versus 5.67% in the second quarter of 2024 and the cost of interest-bearing deposits remained flat at 4.19% in the third quarter of 2024 versus 4.19% in the second quarter of 2024.

Relative to the third quarter of 2023, net interest margin decreased from 2.46%, primarily due to pricing pressure on interest-bearing deposits, offset partially by higher loan yields.

Non-interest Income

Non-interest income for the third quarter of 2024 remained flat at \$7.0 million compared to \$7.0 million in the second quarter of 2024. Activity throughout the quarter included an increase in Risk management and insurance fees, offset by decreased Net gain on mortgage loans.

Relative to the third quarter of 2023, non-interest income increased 14.8% from \$6.1 million. Increases were driven primarily by increases in net gain on mortgage loans and risk management and insurance fees.

Non-interest Expense

Non-interest expense for the third quarter of 2024 was \$19.4 million compared to \$19.0 million for the second quarter of 2024. The increase was primarily driven by increases in Salaries and employee benefits due to increased front office headcount and Marketing expenses, partially offset by a decrease in other operational expenses due to a partial recovery on a fraud loss from the first quarter.

Relative to the third quarter of 2023, non-interest expense increased 6.0% from \$18.3 million, driven primarily by an increase in Salaries and employee benefits, occupancy costs, and technology enhancements.

The Company's efficiency ratio⁽¹⁾ was 84.9% in the third quarter of 2024, compared with 82.1% in the second quarter of 2024 and 78.9% in the third quarter of 2023.

⁽¹⁾ Represents a Non-GAAP financial measure. See "Reconciliations of Non-GAAP Financial Measures" for a reconciliation of our Non-GAAP measures to the most directly comparable GAAP financial measure.

Income Taxes

The Company recorded Income tax expense of \$0.5 million for the third quarter of 2024, compared to Income tax expense of \$0.3 million for the second quarter of 2024 and \$1.1 million for the third quarter of 2023. The increase in the third quarter of 2024 compared to the second quarter of 2024 was attributable to the increase in Income before income taxes.

Loans

Total loans held for investment were \$2.39 billion as of September 30, 2024, a decrease of 2.85% from \$2.46 billion as of June 30, 2024. The decline was primarily due to net decreases in the cash, securities and other and commercial and industrial portfolios, offset partially by net growth in the 1 - 4 family residential portfolio. Another contributing factor to the decline was the foreclosure of a property in the quarter, which decreased non-performing loans by \$30 million and increased Other real estate owned ("OREO") by \$25.6 million. Relative to the third quarter of 2023, total loans held for investment decreased from \$2.54 billion as of September 30, 2023.

Deposits

Total deposits were \$2.50 billion as of September 30, 2024, compared to \$2.41 billion as of June 30, 2024. The increase was driven primarily by an increase in Noninterest-bearing deposits. Relative to the third quarter of 2023, total deposits increased from \$2.42 billion as of September 30, 2023, driven primarily by an increase in time deposits due to new and expanded deposit relationships.

Borrowings

Federal Home Loan Bank ("FHLB") and Federal Reserve borrowings were a combined \$62.4 million as of September 30, 2024, a decrease of \$129.1 million from \$191.5 million as of June 30, 2024. The change when compared to June 30, 2024 was driven by a decrease in FHLB borrowing due to the deposit growth and loan balance decline that occurred in the quarter. Relative to the third quarter of 2023, borrowings decreased \$197.5 million from \$259.9 million as of September 30, 2023. The decrease in borrowings from September 30, 2023 is driven by an increase in deposits and decrease in loans.

Subordinated notes were \$52.5 million as of September 30, 2024, compared to \$52.5 million as of June 30, 2024. Subordinated notes increased \$0.2 million from \$52.3 million as of September 30, 2023.

Assets Under Management

Assets Under Management ("AUM") increased to \$7.47 billion as of September 30, 2024, compared to \$7.01 billion as of June 30, 2024 and \$6.40 billion as of September 30, 2023. The increase when compared to June 30, 2024 and September 30, 2023 was primarily attributable to improving market conditions resulting in an increase in the value of AUM.

Credit Quality

Non-performing assets totaled \$52.1 million, or 1.79% of total assets, as of September 30, 2024, compared to \$49.3 million, or 1.68% of total assets, as of June 30, 2024. The increase in non-performing assets during the quarter was primarily due to the addition of a non-performing loan and foreclosed property, partially offset by non-performing loan pay downs, charge-offs, and the sale of a non-performing loan. As of September 30, 2023, non-performing assets totaled \$56.1 million, or 1.87% of total assets. Relative to the third quarter of 2023, the decrease in non-performing assets was primarily driven by pay downs, charge-offs, and the sale of a non-performing loan, partially offset by additions to Other real estate owned ("OREO") and non-performing loans. OREO totaled \$37.0 million as of September 30, 2024 an increase of \$25.6 million from \$11.4 million as of June 30, 2024. As of September 30, 2023, the Company held no OREO.

Non-performing loans totaled \$15.0 million as of September 30, 2024, a decrease of \$22.9 million from \$37.9 million as of June 30, 2024. As of September 30, 2023, non-performing loans totaled \$56.1 million. The decrease when compared to June 30, 2024 and September 30, 2023 was driven by the migration of one loan relationship out of non-performing loans and into OREO, pay downs, charge-offs, and the sale of a non-performing loan, partially offset by additions to non-performing loans.

During the third quarter of 2024 the Company recorded a provision expense of \$0.5 million, compared to a provision expense of \$2.3 million in the second quarter of 2024 and \$0.3 million in the third quarter of 2023. The decrease in provision expense recorded in the third quarter of 2024 compared to second quarter of 2024 was primarily driven by decreased provision on individually analyzed loans in the third quarter.

Capital

As of September 30, 2024, First Western (“Consolidated”) and First Western Trust Bank (“Bank”) exceeded the minimum capital levels required by their respective regulators. As of September 30, 2024, the Bank was classified as “well capitalized,” as summarized in the following table:

	September 30, 2024
Consolidated Capital	
Tier 1 capital to risk-weighted assets	10.06 %
Common Equity Tier 1 (“CET1”) to risk-weighted assets	10.06
Total capital to risk-weighted assets	13.19
Tier 1 capital to average assets	8.04
Bank Capital	
Tier 1 capital to risk-weighted assets	11.39 %
CET1 to risk-weighted assets	11.39
Total capital to risk-weighted assets	12.13
Tier 1 capital to average assets	9.11

Book value per common share increased 0.8% from \$25.55 as of June 30, 2024 to \$25.75 as of September 30, 2024. Book value per common share decreased 0.04% from \$25.76 as of September 30, 2023.

Tangible book value per common share⁽¹⁾ increased 0.9% from \$22.27 as of June 30, 2024, to \$22.47 as of September 30, 2024. Tangible book value per common share increased 0.2% from \$22.42 as of September 30, 2023.

During the third quarter of 2024, the Company repurchased 5,501 shares of its common stock at an average price of \$16.27 under its stock repurchase program, which authorized the repurchase of up to 200,000 shares of its common stock. As of September 30, 2024, the Company had up to 194,499 shares remaining under the current stock repurchase authorization.

⁽¹⁾ Represents a Non-GAAP financial measure. See “Reconciliations of Non-GAAP Financial Measures” for a reconciliation of our Non-GAAP measures to the most directly comparable GAAP financial measure.

Conference Call, Webcast and Slide Presentation

The Company will host a conference call and webcast at 10:00 a.m. MT/ 12:00 p.m. ET on Friday, October 25, 2024. Telephone access: <https://register.vevent.com/register/BI453d1a8caedc4cd7a7cc436a4d09c5c9>

A slide presentation relating to the third quarter 2024 results will be accessible prior to the scheduled conference call. The slide presentation and webcast of the conference call can be accessed on the Events and Presentations page of the Company’s investor relations website at <https://myfw.gcs-web.com>.

About First Western

First Western is a financial services holding company headquartered in Denver, Colorado, with operations in Colorado, Arizona, Wyoming, California, and Montana. First Western and its subsidiaries provide a fully integrated suite of wealth management services on a private trust bank platform, which includes a comprehensive selection of deposit, loan, trust, wealth planning and investment management products and services. First Western’s common stock is traded on the Nasdaq Global Select Market under the symbol “MYFW.” For more information, please visit www.myfw.com.

Non-GAAP Financial Measures

Some of the financial measures included in this press release are not measures of financial performance recognized in accordance with generally accepted accounting principles in the United States ("GAAP"). These non-GAAP financial measures include "Tangible Common Equity," "Tangible Common Book Value per Share," "Return on Tangible Common Equity," "Efficiency Ratio," "Gross Revenue," and "Allowance for Credit Losses to Adjusted Loans". The Company believes these non-GAAP financial measures provide both management and investors a more complete understanding of the Company's financial position and performance. These non-GAAP financial measures are supplemental and are not a substitute for any analysis based on GAAP financial measures. Not all companies use the same calculation of these measures; therefore, this presentation may not be comparable to other similarly titled measures as presented by other companies. Reconciliation of non-GAAP financial measures to GAAP financial measures are provided at the end of this press release.

Forward-Looking Statements

Statements in this news release regarding our expectations and beliefs about our future financial performance and financial condition, as well as trends in our business and markets are “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements often include words such as “believe,” “expect,” “anticipate,” “intend,” “plan,” “estimate,” “project,” “position,” “outlook,” or words of similar meaning, or future or conditional verbs such as “will,” “would,” “should,” “opportunity,” “could,” or “may.” The forward-looking statements in this news release are based on current information and on assumptions that we make about future events and circumstances that are subject to a number of risks and uncertainties that are often difficult to predict and beyond our control. As a result of those risks and uncertainties, our actual financial results in the future could differ, possibly materially, from those expressed in or implied by the forward-looking statements contained in this news release and could cause us to make changes to our future plans. Those risks and uncertainties include, without limitation, the lack of soundness of other financial institutions or financial market utilities may adversely affect the Company; the Company’s ability to engage in routine funding and other transactions could be adversely affected by the actions and commercial soundness of other financial institutions; financial institutions are interrelated because of trading, clearing, counterparty or other relationships; defaults by, or even rumors or questions about, one or more financial institutions or financial market utilities, or the financial services industry generally, may lead to market-wide liquidity problems and losses of client, creditor and counterparty confidence and could lead to losses or defaults by other financial institutions, or the Company; integration risks and projected cost savings in connection with acquisitions; the risk of geographic concentration in Colorado, Arizona, Wyoming, California, and Montana; 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 debt 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, 2024 (“Form 10-K”), and other documents we file with the SEC from time to time. We urge readers of this news release to review the “Risk Factors” section our Form 10-K and any updates to those risk factors set forth in our subsequent Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and our other filings with the SEC. Also, our actual financial results in the future may differ from those currently expected due to additional risks and uncertainties of which we are not currently aware or which we do not currently view as, but in the future may become, material to our business or operating results. Due to these and other possible uncertainties and risks, readers are cautioned not to place undue reliance on the forward-looking statements contained in this news release, which speak only as of today’s date, or to make predictions based solely on historical financial performance. Any forward-looking statement speaks only as of the date on which it is made, and we do not undertake any obligation to update or review any forward-looking statement, whether as a result of new information, future developments or otherwise, except as required by law.

Contacts:

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First Western Financial, Inc.
Condensed Consolidated Statements of Income (unaudited)

(Dollars in thousands, except per share amounts)	Three Months Ended		
	September 30,	June 30,	September 30,
	2024	2024	2023
Interest and dividend income:			
Loans, including fees	\$ 35,353	\$ 35,275	\$ 34,141
Loans accounted for under the fair value option	141	168	300
Debt securities	708	651	607
Interest-bearing deposits in other financial institutions	1,754	1,855	1,292
Dividends, restricted stock	134	105	141
Total interest and dividend income	38,090	38,054	36,481
Interest expense:			
Deposits	21,150	20,848	17,467
Other borrowed funds	1,372	1,428	2,248
Total interest expense	22,522	22,276	19,715
Net interest income	15,568	15,778	16,766
Less: provision for credit losses	501	2,334	329
Net interest income, after provision for credit losses	15,067	13,444	16,437
Non-interest income:			
Trust and investment management fees	4,728	4,875	4,846
Net gain on mortgage loans	1,451	1,820	654
Bank fees	392	327	427
Risk management and insurance fees	367	109	145
Income on company-owned life insurance	108	106	96
Net loss on loans accounted for under the fair value option	(233)	(315)	(252)
Unrealized gain (loss) recognized on equity securities	24	(2)	(19)
Other	135	52	202
Total non-interest income	6,972	6,972	6,099
Total income before non-interest expense	22,039	20,416	22,536
Non-interest expense:			
Salaries and employee benefits	11,439	11,097	10,968
Occupancy and equipment	2,126	2,080	1,807
Professional services	1,893	1,826	1,867
Technology and information systems	1,045	1,042	906
Data processing	1,101	1,101	1,159
Marketing	374	243	355
Amortization of other intangible assets	57	56	62
Other	1,333	1,556	1,190
Total non-interest expense	19,368	19,001	18,314
Income before income taxes	2,671	1,415	4,222
Income tax expense	537	339	1,104
Net income available to common shareholders	\$ 2,134	\$ 1,076	\$ 3,118
Earnings per common share:			
Basic	\$ 0.22	\$ 0.11	\$ 0.33
Diluted	0.22	0.11	0.32

First Western Financial, Inc.
Condensed Consolidated Balance Sheets (unaudited)

<i>(Dollars in thousands)</i>	September 30, 2024	June 30, 2024	September 30, 2023
Assets			
Cash and cash equivalents:			
Cash and due from banks	\$ 18,979	\$ 6,374	\$ 6,439
Interest-bearing deposits in other financial institutions	257,243	239,425	265,045
Total cash and cash equivalents	276,222	245,799	271,484
Held-to-maturity debt securities (fair value of \$70,826, \$71,067 and \$66,487, respectively), net of allowance for credit losses of \$71	76,745	78,927	75,539
Correspondent bank stock, at cost	5,746	10,804	11,305
Mortgage loans held for sale, at fair value	12,324	26,856	12,105
Loans held for sale, at fair value	473	—	—
Loans (includes \$8,646, \$10,190, and \$15,464 measured at fair value, respectively)	2,383,199	2,456,063	2,530,459
Allowance for credit losses	(18,796)	(27,319)	(23,175)
Loans, net	2,364,403	2,428,744	2,507,284
Premises and equipment, net	24,350	24,657	25,410
Accrued interest receivable	10,455	11,339	11,633
Accounts receivable	4,864	5,118	5,292
Other receivables	10,397	4,875	3,052
Other real estate owned, net	37,036	11,421	—
Goodwill and other intangible assets, net	31,684	31,741	31,916
Deferred tax assets, net	4,075	6,123	6,624
Company-owned life insurance	16,849	16,741	16,429
Other assets	36,325	34,410	24,680
Total assets	\$ 2,911,948	\$ 2,937,555	\$ 3,002,753
Liabilities			
Deposits:			
Noninterest-bearing	\$ 473,576	\$ 396,702	\$ 476,308
Interest-bearing	2,029,478	2,014,190	1,943,688
Total deposits	2,503,054	2,410,892	2,419,996
Borrowings:			
Federal Home Loan Bank and Federal Reserve borrowings	62,373	191,505	259,930
Subordinated notes	52,508	52,451	52,279
Accrued interest payable	3,339	2,243	3,203
Other liabilities	41,843	33,589	21,089
Total liabilities	2,663,117	2,690,680	2,756,497
Shareholders' Equity			
Total shareholders' equity	248,831	246,875	246,256
Total liabilities and shareholders' equity	\$ 2,911,948	\$ 2,937,555	\$ 3,002,753

First Western Financial, Inc.
Consolidated Financial Summary (unaudited)

<i>(Dollars in thousands)</i>	September 30, 2024	June 30, 2024	September 30, 2023
Loan Portfolio			
Cash, Securities, and Other ⁽¹⁾	\$ 116,856	\$ 143,720	\$ 148,669
Consumer and Other	14,978	15,645	23,975
Construction and Development	301,542	309,146	349,436
1-4 Family Residential	920,709	904,569	913,085
Non-Owner Occupied CRE	608,494	609,790	527,377
Owner Occupied CRE	176,165	189,353	208,341
Commercial and Industrial	239,660	277,973	349,515
Total	2,378,404	2,450,196	2,520,398
Loans accounted for under the fair value option	8,884	10,494	16,105
Total loans held for investment	2,387,288	2,460,690	2,536,503
Deferred (fees) costs and unamortized premiums/(unaccreted discounts), net ⁽²⁾	(4,089)	(4,627)	(6,044)
Loans (includes \$8,646, \$10,190, and \$15,464 measured at fair value, respectively)	\$ 2,383,199	\$ 2,456,063	\$ 2,530,459
Mortgage loans held for sale	12,324	26,856	12,105
Loans held for sale	473	—	—
Deposit Portfolio			
Money market deposit accounts	\$ 1,350,619	\$ 1,342,753	\$ 1,388,726
Time deposits	533,452	519,597	373,459
Interest checking accounts	130,255	135,759	164,000
Savings accounts	15,152	16,081	17,503
Total interest-bearing deposits	2,029,478	2,014,190	1,943,688
Noninterest-bearing accounts	473,576	396,702	476,308
Total deposits	\$ 2,503,054	\$ 2,410,892	\$ 2,419,996

⁽¹⁾ Includes PPP loans of \$2.6 million as of September 30, 2024, \$3.1 million as of June 30, 2024, and \$4.9 million as of September 30, 2023.

⁽²⁾ Includes fair value adjustments on loans held for investment accounted for under the fair value option.

First Western Financial, Inc.
Consolidated Financial Summary (unaudited) (continued)

<i>(Dollars in thousands)</i>	As of or for the Three Months Ended		
	September 30,	June 30,	September 30,
	2024	2024	2023
Average Balance Sheets			
Assets			
Interest-earning assets:			
Interest-bearing deposits in other financial institutions	\$ 129,629	\$ 141,600	\$ 102,510
Debt securities	79,007	75,461	78,057
Correspondent bank stock	6,281	4,801	7,162
Loans	2,429,927	2,443,937	2,485,704
Mortgage loans held for sale	18,423	20,254	12,680
Loans held at fair value	9,691	11,314	16,715
Total interest-earning assets	2,672,958	2,697,367	2,702,828
Allowance for credit losses	(27,236)	(24,267)	(22,122)
Noninterest-earning assets	161,072	143,514	125,774
Total assets	\$ 2,806,794	\$ 2,816,614	\$ 2,806,480
Liabilities and Shareholders' Equity			
Interest-bearing liabilities:			
Interest-bearing deposits	\$ 2,007,265	\$ 2,001,691	\$ 1,846,318
FHLB and Federal Reserve borrowings	62,589	67,196	125,250
Subordinated notes	52,470	52,414	52,242
Total interest-bearing liabilities	2,122,324	2,121,301	2,023,810
Noninterest-bearing liabilities:			
Noninterest-bearing deposits	395,755	412,741	512,956
Other liabilities	40,089	34,051	24,228
Total noninterest-bearing liabilities	435,844	446,792	537,184
Total shareholders' equity	248,626	248,521	245,486
Total liabilities and shareholders' equity	\$ 2,806,794	\$ 2,816,614	\$ 2,806,480
Yields/Cost of funds (annualized)			
Interest-bearing deposits in other financial institutions	5.38 %	5.27 %	5.00 %
Debt securities	3.57	3.47	3.09
Correspondent bank stock	8.49	8.80	7.81
Loans	5.74	5.75	5.42
Loan held at fair value	5.79	5.97	7.12
Mortgage loans held for sale	5.87	6.83	6.70
Total interest-earning assets	5.67	5.67	5.35
Interest-bearing deposits	4.19	4.19	3.75
Total deposits	3.50	3.47	2.94
FHLB and Federal Reserve borrowings	4.03	4.14	4.58
Subordinated notes	5.60	5.66	6.08
Total interest-bearing liabilities	4.22	4.22	3.86
Net interest margin	2.32	2.35	2.46
Net interest rate spread	1.45	1.45	1.49

First Western Financial, Inc.
Consolidated Financial Summary (unaudited) (continued)

(Dollars in thousands, except share and per share amounts)	As of or for the Three Months Ended					
	September 30,		June 30,		September 30,	
	2024		2024		2023	
Asset Quality						
Non-performing loans	\$	15,031	\$	37,909	\$	56,146
Non-performing assets		52,067		49,330		56,146
Net charge-offs (recoveries)		9,319		(9)		190
Non-performing loans to total loans		0.63 %		1.54 %		2.21 %
Non-performing assets to total assets		1.79		1.68		1.87
Allowance for credit losses to non-performing loans		125.05		72.06		41.28
Allowance for credit losses to total loans		0.79		1.11		0.92
Allowance for credit losses to adjusted loans ⁽¹⁾		0.79		1.12		0.92
Net charge-offs to average loans		0.38		*		0.01
Assets Under Management	\$	7,465,757	\$	7,011,796	\$	6,395,786
Market Data						
Book value per share at period end	\$	25.75	\$	25.55	\$	25.76
Tangible book value per common share ⁽¹⁾		22.47		22.27		22.42
Weighted average outstanding shares, basic		9,663,131		9,647,345		9,553,331
Weighted average outstanding shares, diluted		9,825,515		9,750,667		9,743,270
Shares outstanding at period end		9,664,101		9,660,548		9,560,209
Consolidated Capital						
Tier 1 capital to risk-weighted assets		10.06 %		9.92 %		9.32 %
CET1 to risk-weighted assets		10.06		9.92		9.32
Total capital to risk-weighted assets		13.19		13.44		12.45
Tier 1 capital to average assets		8.04		7.91		7.96
Bank Capital						
Tier 1 capital to risk-weighted assets		11.39 %		11.22 %		10.42 %
CET1 to risk-weighted assets		11.39		11.22		10.42
Total capital to risk-weighted assets		12.13		12.35		11.31
Tier 1 capital to average assets		9.11		8.95		8.88

⁽¹⁾ Represents a Non-GAAP financial measure. See "Reconciliation of Non-GAAP Financial Measures" for a reconciliation of our Non-GAAP measures to the most directly comparable GAAP financial measure.
* Value results in an immaterial amount.

First Western Financial, Inc.
Consolidated Financial Summary (unaudited) (continued)

Reconciliations of Non-GAAP Financial Measures

<i>(Dollars in thousands, except share and per share amounts)</i>	As of or for the Three Months Ended		
	September 30,	June 30,	September 30,
	2024	2024	2023
Tangible Common			
Total shareholders' equity	\$ 248,831	\$ 246,875	\$ 246,256
Less: goodwill and other intangibles, net	31,684	31,741	31,916
Tangible common equity	<u>\$ 217,147</u>	<u>\$ 215,134</u>	<u>\$ 214,340</u>
Common shares outstanding, end of period	9,664,101	9,660,548	9,560,209
Tangible common book value per share	\$ 22.47	\$ 22.27	\$ 22.42
Net income available to common shareholders	2,134	1,076	3,118
Return on tangible common equity (annualized)	3.93 %	2.00 %	5.82 %
Efficiency			
Non-interest expense	\$ 19,368	\$ 19,001	\$ 18,314
Less: amortization	57	56	62
Adjusted non-interest expense	<u>\$ 19,311</u>	<u>\$ 18,945</u>	<u>\$ 18,252</u>
Total income before non-interest expense	\$ 22,039	\$ 20,416	\$ 22,536
Less: unrealized (loss)/gain recognized on equity securities	24	(2)	(19)
Less: net loss on loans accounted for under the fair value option	(233)	(315)	(252)
Plus: provision for credit losses	501	2,334	329
Gross revenue	<u>\$ 22,749</u>	<u>\$ 23,067</u>	<u>\$ 23,136</u>
Efficiency ratio	84.89 %	82.13 %	78.89 %
Allowance for Credit Loss to Adjusted Loans			
Total loans held for investment	\$ 2,387,288	\$ 2,460,690	\$ 2,536,503
Less: PPP loans	2,603	3,129	4,876
Less: loans accounted for under fair value	8,884	10,494	16,105
Adjusted loans	<u>\$ 2,375,801</u>	<u>\$ 2,447,067</u>	<u>\$ 2,515,522</u>
Allowance for credit losses	\$ 18,796	\$ 27,319	\$ 23,175
Allowance for credit losses to adjusted loans	<u>0.79 %</u>	<u>1.12 %</u>	<u>0.92 %</u>



FIRSTwestern

Third Quarter 2024
Conference Call

Safe Harbor

Statements in this presentation regarding our expectations and beliefs about our future financial performance and financial condition, as well as trends in our business and markets are “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements often include words such as “believe,” “expect,” “anticipate,” “intend,” “plan,” “estimate,” “project,” “position,” “outlook,” or words of similar meaning, or future or conditional verbs such as “will,” “would,” “should,” “opportunity,” “could,” or “may.” The forward-looking statements in this presentation are based on current information and on assumptions that we make about future events and circumstances that are subject to a number of risks and uncertainties that are often difficult to predict and beyond our control. As a result of those risks and uncertainties, our actual financial results in the future could differ, possibly materially, from those expressed in or implied by the forward-looking statements contained in this presentation and could cause us to make changes to our future plans. Those risks and uncertainties include, without limitation, the lack of soundness of other financial institutions or financial market utilities may adversely affect the Company; the Company’s ability to engage in routine funding and other transactions could be adversely affected by the actions and commercial soundness of other financial institutions; financial institutions are interrelated because of trading, clearing, counterparty or other relationships; defaults by, or even rumors or questions about, one or more financial institutions or financial market utilities, or the financial services industry generally, may lead to market-wide liquidity problems and losses of client, creditor and counterparty confidence and could lead to losses or defaults by other financial institutions, or the Company; integration risks and projected cost savings in connection with acquisitions; the risk of geographic concentration in Colorado, Arizona, Wyoming, California, and Montana; 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, 2024 (“Form 10-K”), and other documents we file with the SEC from time to time. We urge readers of this presentation to review the “Risk Factors” section our Form 10-K and any updates to those risk factors set forth in our subsequent Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and our other filings with the SEC. Also, our actual financial results in the future may differ from those currently expected due to additional risks and uncertainties of which we are not currently aware or which we do not currently view as, but in the future may become, material to our business or operating results. Due to these and other possible uncertainties and risks, readers are cautioned not to place undue reliance on the forward-looking statements contained in this presentation, which speak only as of today’s date, or to make predictions based solely on historical financial performance. Any forward-looking statement speaks only as of the date on which it is made, and we do not undertake any obligation to update or review any forward-looking statement, whether as a result of new information, future developments or otherwise, except as required by law.

Overview of 3Q24

3Q24 Earnings

- Net income available to common shareholders of \$2.1 million or \$0.22 per diluted share
- Net interest income after provision for credit losses improved to \$15.1 million compared to prior quarter of \$13.4 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
- Maintaining disciplined expense control while continuing to make investments in the business that will support profitable growth in the future
- Continued success in deposit gathering efforts with strong growth in noninterest-bearing deposits during 3Q24
- Positive trends in asset quality with declines in non-performing and classified loans

Positive Trends in Key Metrics

- Continued improvements in loan-to-deposit ratio
- Continued progress on resolving problem loans
- Further increase in tangible book value per share
- Improvement in spot NIM from prior quarter and expectation of continued improvement due primarily to improved cost of funds
- September Net gain on mortgage loans and production was the highest level in 2.5 years

Net Income Available to Common Shareholders and Earnings per Share

- Net income of \$2.1 million, or \$0.22 diluted earnings per share, in 3Q24
- Provision for credit losses decreased \$1.8 million in 3Q24
- Tangible book value per share⁽¹⁾ increased approximately 0.9% to \$22.47



(1) See Non-GAAP reconciliation within the appendix

Loan Portfolio

Loan Portfolio Details

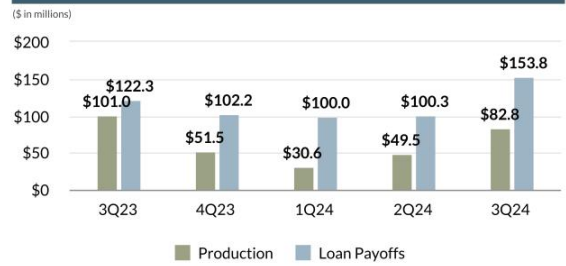
- Total loans held for investment decreased \$73.4 million from prior quarter
- Decrease due to new production more than offset by payoffs and decline in NPLs
- New loan production improved in 3Q24 to \$82.8 million with focus primarily on lending to clients that also bring deposits to the bank
- Average rate on new loan production of 7.49% was higher than average rate of loans paying off and accretive to NIM

Loan Portfolio Composition⁽¹⁾

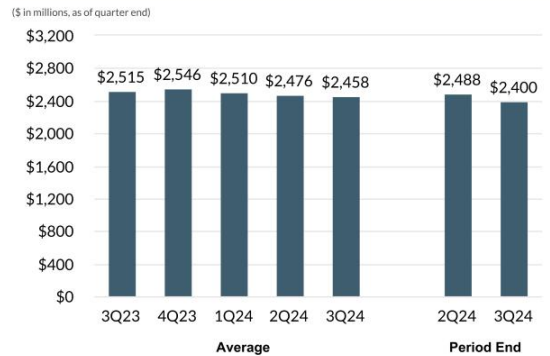
(\$ in thousands, as of quarter end)	3Q23	2Q24	3Q24
Cash, Securities and Other	\$ 148,669	\$ 143,720	\$ 116,856
Consumer and Other	23,975	15,645	14,978
Construction and Development	349,436	309,146	301,542
1-4 Family Residential	913,085	904,569	920,709
Non-Owner Occupied CRE	527,377	609,790	608,494
Owner Occupied CRE	208,341	189,353	176,165
Commercial and Industrial	349,515	277,973	239,660
Total	\$ 2,520,398	\$ 2,450,196	\$ 2,378,404
Loans accounted for at fair value ⁽²⁾	16,105	10,494	8,884
Total Loans HFI	\$ 2,536,503	\$ 2,460,690	\$ 2,387,288
Mortgage loans held for sale	12,105	26,856	12,324
Loans held for sale	—	—	473
Total Loans	\$ 2,548,608	\$ 2,487,546	\$ 2,400,085

(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 3.7% from \$2.41 billion in 2Q24 to \$2.50 billion in 3Q24
- Noninterest-bearing deposits increased 19% from \$397 million in 2Q24 to \$474 million in 3Q24
- Interest-bearing deposits increased 0.8% from \$2.01 billion in 2Q24 to \$2.03 billion in 3Q24 primarily driven by increases in time deposits and money market deposit accounts

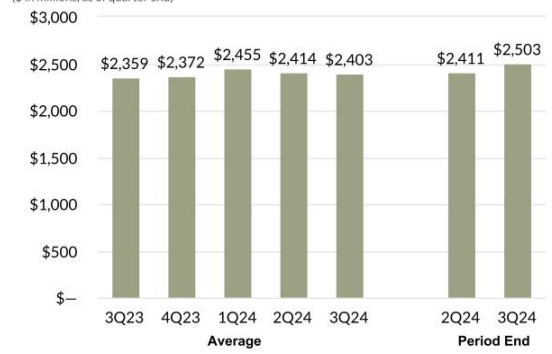
Deposit Portfolio Composition

(\$ in thousands, as of quarter end)

	3Q23	2Q24	3Q24
Money market deposit accounts	\$ 1,388,726	\$ 1,342,753	\$ 1,350,619
Time deposits	373,459	519,597	533,452
Interest checking accounts	164,000	135,759	130,255
Savings accounts	17,503	16,081	15,152
Noninterest-bearing accounts	476,308	396,702	473,576
Total Deposits	\$ 2,419,996	\$ 2,410,892	\$ 2,503,054

Total Deposits

(\$ in millions, as of quarter end)

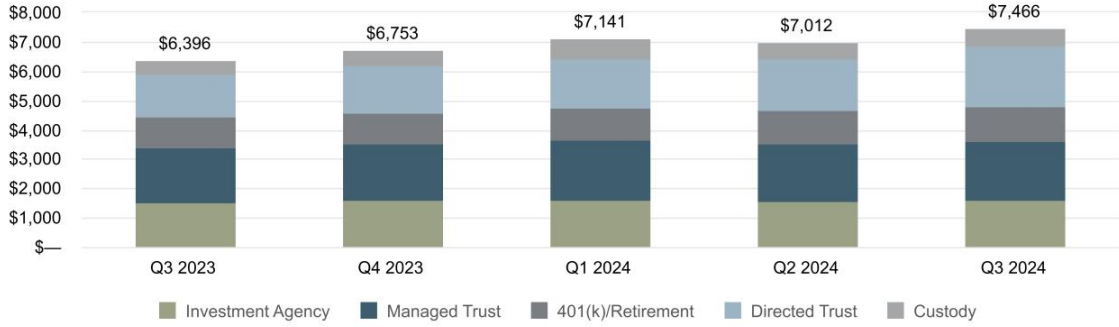


Trust and Investment Management

- Total assets under management increased 6.5% during the quarter to \$7.5 billion and increased 16.7% from 3Q23
- The increase in AUM during the quarter and from 3Q24 was primarily attributed to improving market conditions resulting in an increase in the value of AUM

Total Assets Under Management

(\$ in millions, as of quarter end)

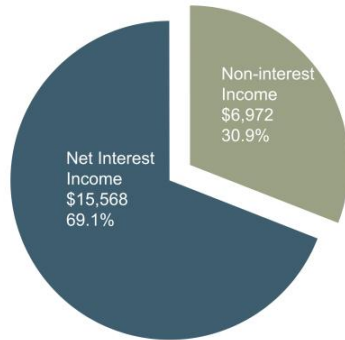


Gross Revenue

- Gross revenue⁽¹⁾ decreased 1.7% from prior quarter
- Net interest income decreased 1.3% from prior quarter primarily driven by an increase in interest expense due to an increase in interest-bearing deposits and partially due to having one additional day in the quarter
- Non-interest income remained flat quarter over quarter

Gross Revenue⁽¹⁾

(\$ in thousands)



Gross Revenue⁽¹⁾

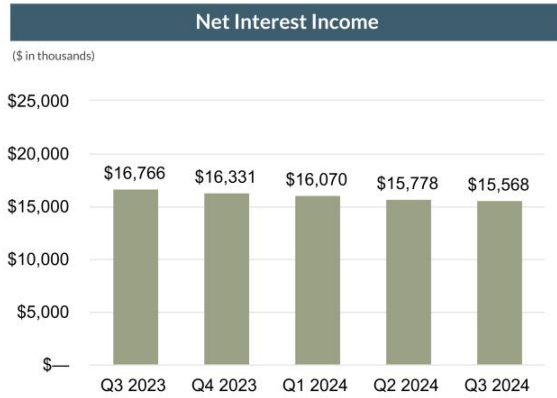
(\$ in millions)



(1) See Non-GAAP reconciliation within the appendix

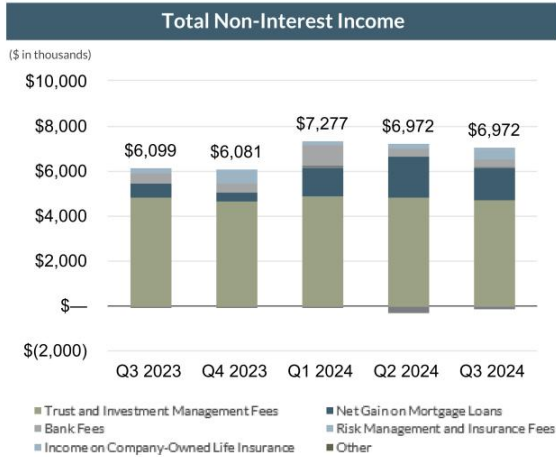
Net Interest Income and Net Interest Margin

- Net interest income of \$15.6 million decreased \$0.2 million, or 1.3%, from \$15.8 million in 2Q24, primarily driven by an increase in interest expense due to an increase in interest-bearing deposits and partially due to having one additional day in the quarter
- Net interest margin decreased 3 basis points from 2.35% in 2Q24 to 2.32% in 3Q24
- Net interest income and Net interest margin was negatively impacted by \$0.4 million and 6 bps, respectively, in the quarter due to the addition of a non-performing loan
- End of quarter spot NIM of 2.40% expected to further expand as short-term interest rates decrease
- Increase in core deposits utilized to reduce wholesale borrowings



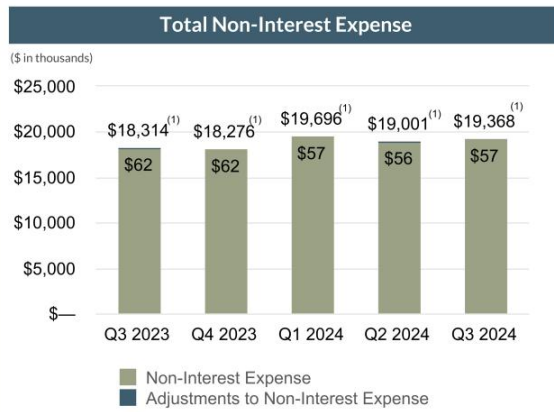
Non-Interest Income

- Non-interest income remained flat at \$7.0 million from prior quarter and increased 14% year over year
- Activity throughout the quarter included an increase in Risk management and insurance fees, offset by decreased Net gain on mortgage loans
- Held for sale mortgage margin pressure and a reduction in production contributed to the decline in Net mortgage gain; however, September Net gain on mortgage loans and production was the highest level in 2.5 years



Non-Interest Expense and Efficiency Ratio

- Non-interest expense increased to \$19.4 million from \$19.0 million in the second quarter, but was in line with the first half of the year
- The increase was primarily driven by increases in Salaries and employee benefits due to increased front office headcount and Marketing expenses, partially offset by a decrease in other operational expenses due to a partial recovery on a fraud loss from the first quarter



(1) See Non-GAAP reconciliation within the appendix

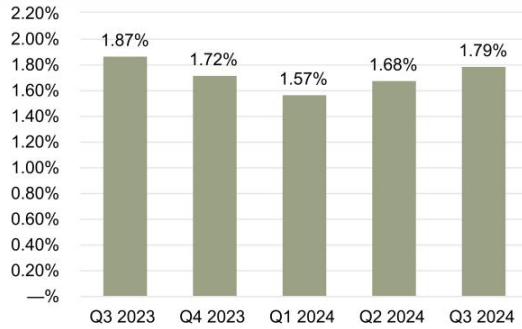


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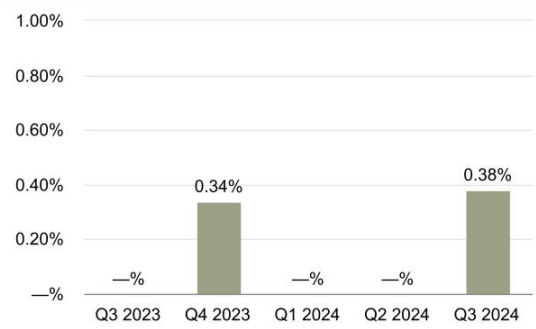
Asset Quality

- NPAs increased to \$52.1 million due to the addition of a non-performing loan and foreclosed property, partially offset by non-performing loan pay downs, charge-offs, and the sale of a non-performing loan
- NPLs decreased \$22.9 million driven by the migration of one loan relationship out of non-performing loans and into OREO, pay downs, charge-offs, and the sale of a non-performing loan, partially offset by additions to non-performing loans
- ACL/Adjusted Total Loans⁽¹⁾ decreased from 1.12% in 2Q24 to 0.79% in 3Q24, primarily due to the migration of one loan relationship out of non-performing loans and into OREO

Non-Performing Assets/Total Assets



Net Charge-Offs/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
- Prudent risk management and conservative underwriting criteria expected to result in modest loan production in 4Q24, but should be sufficient to keep loan balances relatively flat
- Deposit gathering will remain a top priority throughout the organization
- Successful repositioning of balance sheet including increased liquidity with lower loan-to-deposit ratio positions First Western well to generate a higher level of loan growth in 2025 as loan demand increases
- Lower interest rates should positively impact net interest margin and income generated from mortgage business
- Sale of collateral repossessed from large non-performing relationship will provide significant cash that can be redeployed into interest-earning assets that will positively impact profitability
- 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

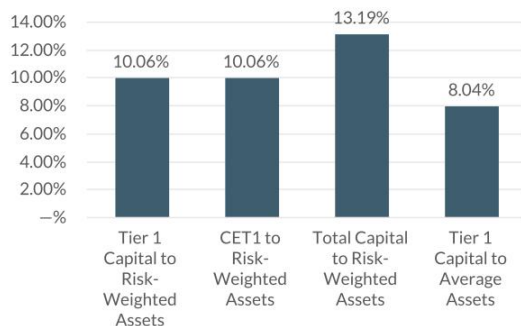
Capital and Liquidity Overview

Tangible Common Equity / TBV per Share⁽¹⁾

(TCE \$ in thousands)



Consolidated Capital Ratios (as of 09/30/24)



Liquidity Funding Sources (as of 09/30/24)

(\$ in thousands)

Liquidity Reserves:	
Total Available Cash	\$ 274,632
Unpledged Investment Securities	33,989
Borrowed Funds:	
<i>Secured:</i>	
FHLB Available	612,097
FRB Available	21,149
<i>Other:</i>	
Brokered Remaining Capacity	269,720 ⁽²⁾
<i>Unsecured:</i>	
Credit Lines	29,000
Total Liquidity Funding Sources	\$ 1,240,587
Loan-to-Deposit Ratio	95.2 %

(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,				
	September 30, 2023	December 31, 2023	March 31, 2024	June 30, 2024	September 30, 2024
Non-interest expense	\$ 18,314	\$ 18,276	\$ 19,696	\$ 19,001	\$ 19,368
Less: amortization	62	62	57	56	57
Adjusted non-interest expense	\$ 18,252	\$ 18,214	\$ 19,639	\$ 18,945	\$ 19,311
Net interest income	\$ 16,766	\$ 16,331	\$ 16,070	\$ 15,778	\$ 15,568
Non-interest income	6,099	6,081	7,277	6,972	6,972
Less: unrealized gains/(losses) recognized on equity securities	(19)	(2)	(6)	(2)	24
Less: net gain/(loss) on loans accounted for under the fair value option	(252)	(91)	(302)	(315)	(233)
Less: net (loss)/gain on loans held for sale at fair value	—	—	117	—	—
Adjusted non-interest income	\$ 6,370	\$ 6,174	\$ 7,468	\$ 7,289	\$ 7,181
Adjusted total income	\$ 23,136	\$ 22,505	\$ 23,538	\$ 23,067	\$ 22,749
Efficiency ratio	78.89 %	80.93 %	83.44 %	82.13 %	84.89 %

Consolidated Tangible Common Book Value Per Share	As of,							
	Dec. 31, 2019	Dec. 31, 2020	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2023	March 31, 2024	June 30, 2024	September 30, 2024
Total shareholders' equity	\$ 127,678	\$ 154,962	\$ 219,041	\$ 240,864	\$ 242,738	\$ 245,528	\$ 246,875	\$ 248,831
Less:								
Goodwill and other intangibles, net	19,714	24,258	31,902	32,104	31,854	31,797	31,741	31,684
Intangibles held for sale ⁽¹⁾	3,553	—	—	—	—	—	—	—
Tangible common equity	\$ 104,411	\$ 130,704	\$ 187,139	\$ 208,760	\$ 210,884	\$ 213,731	\$ 215,134	\$ 217,147
Common shares outstanding, end of period	7,940,168	7,951,773	9,419,271	9,495,440	9,581,183	9,621,309	9,660,548	9,664,101
Tangible common book value per share	\$ 13.15	\$ 16.44	\$ 19.87	\$ 21.99	\$ 22.01	\$ 22.21	\$ 22.27	\$ 22.47

Net income available to common shareholders	\$ 2,134
Return on tangible common equity (annualized)	3.93 %

(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)	September 30, 2023	December 31, 2023	March 31, 2024	June 30, 2024	September 30, 2024
Total income before non-interest expense	\$ 21,647	\$ 13,362	\$ 21,890	\$ 18,242	\$ 20,296
Less: unrealized gain/(losses) recognized on equity securities	(19)	(2)	(6)	(2)	24
Less: net loss on loans accounted for under the fair value option	(252)	(91)	(302)	(315)	(233)
Less: net gain on loans held for sale at fair value	—	—	117	—	—
Plus: provision for credit loss	329	8,493	72	2,334	501
Gross revenue	\$ 22,247	\$ 21,948	\$ 22,153	\$ 20,893	\$ 21,006
Mortgage Gross Revenue	For the Three Months Ended,				
(Dollars in thousands)	September 30, 2023	December 31, 2023	March 31, 2024	June 30, 2024	September 30, 2024
Total income before non-interest expense	\$ 889	\$ 557	\$ 1,385	\$ 2,174	\$ 1,743
Gross revenue	\$ 889	\$ 557	\$ 1,385	\$ 2,174	\$ 1,743
Consolidated Gross Revenue	For the Three Months Ended,				
(Dollars in thousands)	September 30, 2023	December 31, 2023	March 31, 2024	June 30, 2024	September 30, 2024
Total income before non-interest expense	\$ 22,536	\$ 13,919	\$ 23,275	\$ 20,416	\$ 22,039
Less: unrealized gains/(losses) recognized on equity securities	(19)	(2)	(6)	(2)	24
Less: net gain/(loss) on loans accounted for under the fair value option	(252)	(91)	(302)	(315)	(233)
Less: net (loss)/gain on loans held for sale at fair value	—	—	117	—	—
Plus: provision for credit loss	329	8,493	72	2,334	501
Gross revenue	\$ 23,136	\$ 22,505	\$ 23,538	\$ 23,067	\$ 22,749
Gross Revenue Excluding Net Gain on Mortgage Loans	For the Three Months Ended,				
(Dollars in thousands)	September 30, 2023	June 30, 2024	September 30, 2024		
Gross revenue	\$ 23,136	\$ 23,067	\$ 22,749		
Less: net gain on mortgage loans	654	1,820	1,451		
Gross revenue excluding net gain on mortgage loans	\$ 22,482	\$ 21,247	\$ 21,298		

Non-GAAP Reconciliation

Pre-tax, Pre-Provision Net Income (Dollars in thousands)	For the Three Months Ended,		
	September 30, 2023	June 30, 2024	September 30, 2024
Income before income taxes	\$ 4,222	\$ 1,415	\$ 2,671
Plus: provision for credit losses	329	2,334	501
Pre-tax, pre-provision net income	\$ 4,551	\$ 3,749	\$ 3,172

Allowance for Credit Losses to Bank Originated Loans Excluding PPP (Dollars in thousands)	As of				
	September 30, 2023	December 31, 2023	March 31, 2024	June 30, 2024	September 30, 2024
Total loans held for investment	\$ 2,536,503	\$ 2,536,140	\$ 2,480,196	\$ 2,460,690	\$ 2,387,288
Less: PPP loans	4,876	4,343	3,779	3,129	2,603
Less: Purchased loans accounted for under fair value options ("FVO")	16,105	14,129	12,276	10,494	8,884
Adjusted loans excluding acquired, PPP and FVO	\$ 2,515,522	\$ 2,517,668	\$ 2,464,141	\$ 2,447,067	\$ 2,375,801
Allowance for credit losses	23,175	23,931	24,630	27,319	18,796
Allowance for credit losses to adjusted loans	0.92 %	0.95 %	1.00 %	1.12 %	0.79 %

