
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): February 4, 2019

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.

Item 7.01 Regulation FD Disclosure

First Western Financial, Inc. (the “Company”) is furnishing investor presentation materials as Exhibit 99.1 to this Form 8-K, which may be presented at meetings with investors, analysts, and others, in whole or in part and possibly with modifications, during the fiscal year ending December 31, 2019

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	<u>First Western Financial, Inc. Investor Presentation</u>

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: February 4, 2019

By: /s/ Julie A. Courkamp

Julie A. Courkamp

Chief Financial Officer



First Western Financial, Inc.

The First, Western-Based Private Trust Bank

Investor Presentation
February 2019

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's 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," "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. 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. We undertake 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.

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 12/31/2018

(Dollars in millions, unless otherwise noted)

- Assets: \$1,084.3
- Gross Loans: \$894.0
- Total Deposits: \$937.8
- AUM: \$5.2 billion
- CET1 Ratio: 11.35%
- Tier 1 Ratio: 11.35%
- Leverage Ratio: 9.28%
- TRBC Ratio: 13.06%



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)

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, **leverageable 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

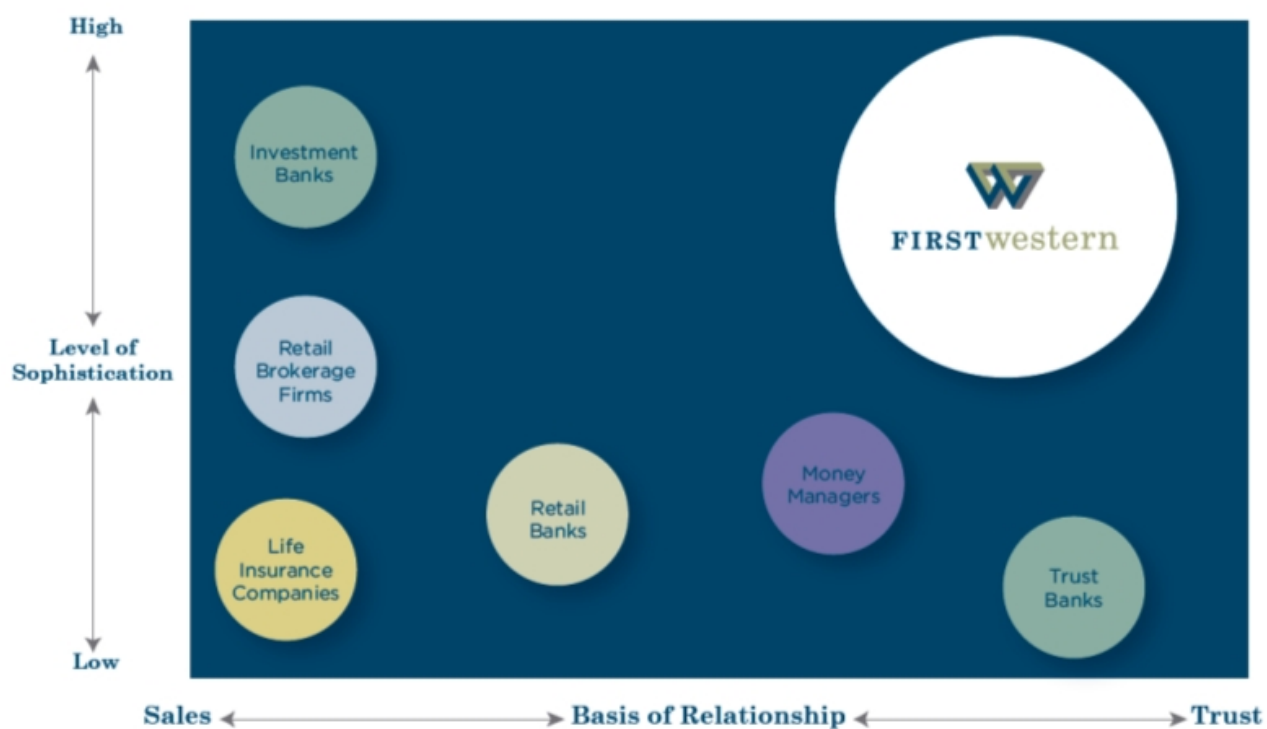
Unique Opportunity for Investors

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

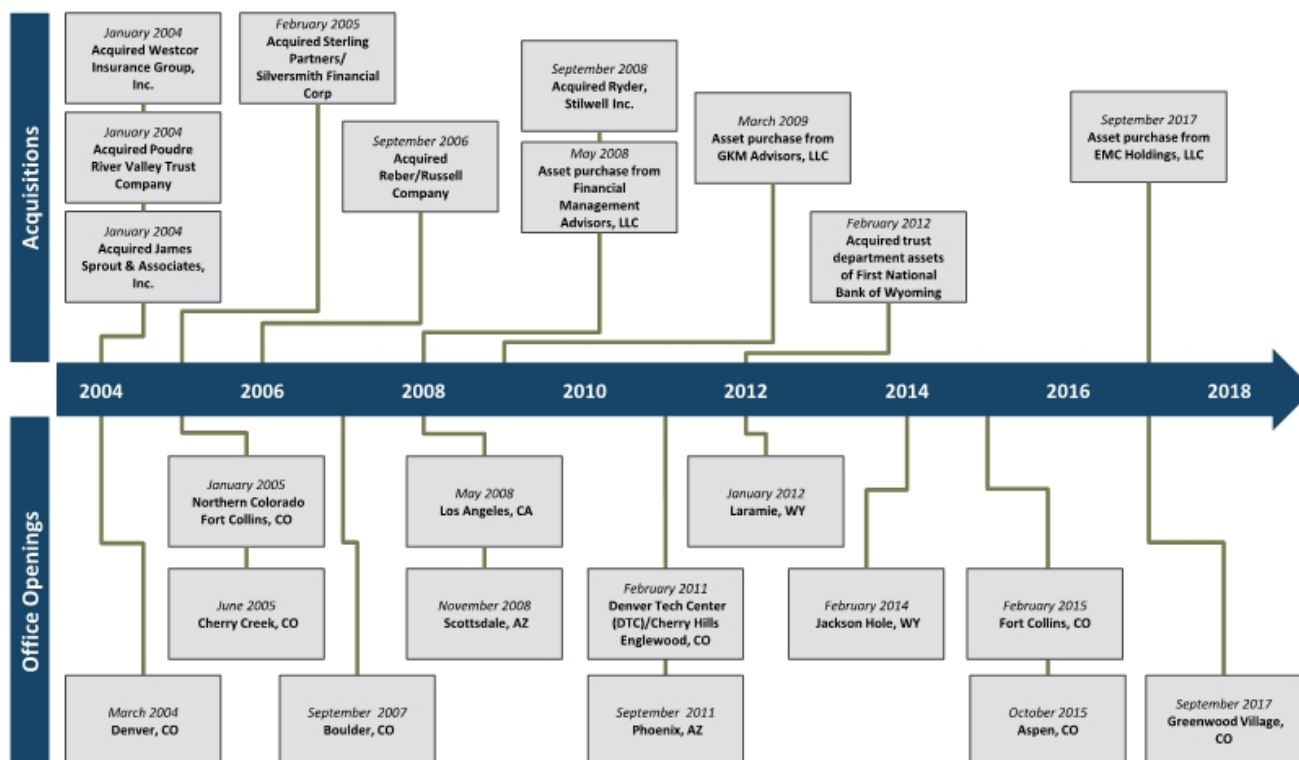
Senior management team upgraded over past year to prepare for next phase of growth

MYFW's Sophisticated Board of Directors

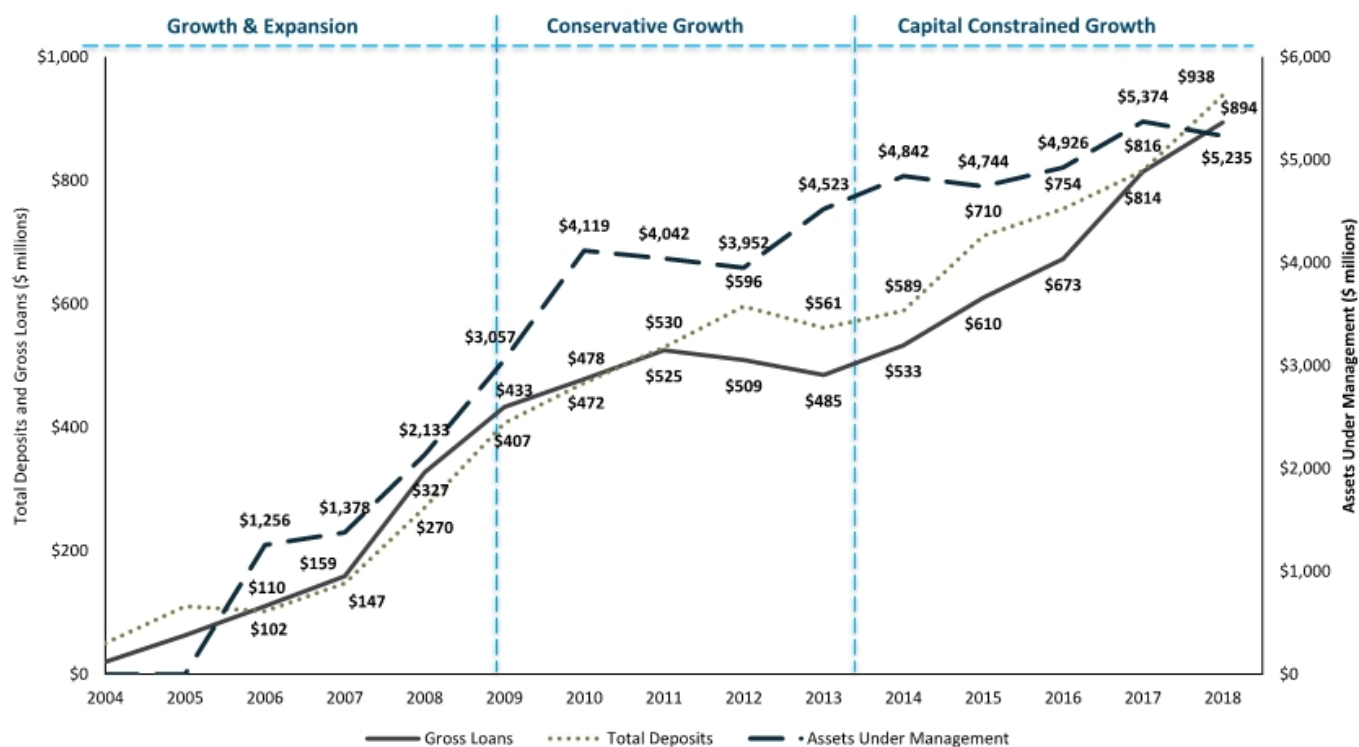
Name	Title	Primary Business
Scott C. Wylie	Chairman, CEO & President	<ul style="list-style-type: none"> First Western Financial, Inc.
Julie A. Caponi, CPA	Board Director / Trustee	<ul style="list-style-type: none"> Former Finance Executive at Arconic, Inc. (fka Alcoa Inc.) Former audit partner at Deloitte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

(1) CPA license inactive.

Success in Expansion and Acquisition Growth



Currently in a Cycle of Capital Constraint



Great Markets, Scarce Investment Opportunity

First Western Market Favorability⁽¹⁾

- **Denver, Colorado (2018)**
 - #1 best metro for small business employment
 - #5 best economy among large U.S. cities, population tripled ('00)
 - Employment reached record-high in 2Q 2018 (up 4.1% YoY)
- **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)

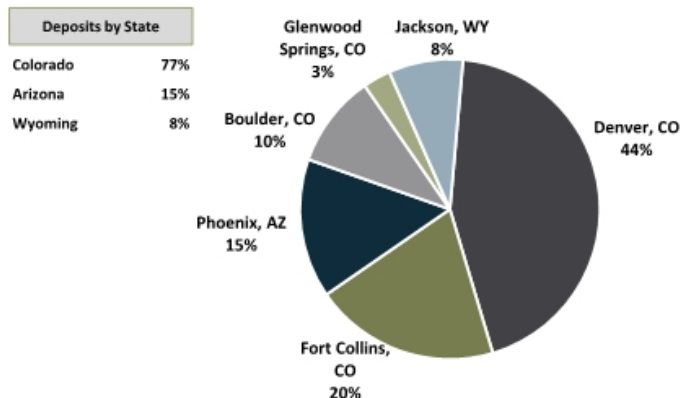
As of September 30, 2018	Current Ownership	Total Assets (\$bn)
FirstBank	Private	18.4
NBH Bank	Public (NYSE: NBHC)	5.6
Bank of Colorado	Private (Sub. of Pinnacle Bancorp-NE)	3.9
CoBiz Bank	BOKF (Acquired in 2018)	3.8
Guaranty B&TC	IBTX (Acquired in 2018)	3.8
Sunflower Bank	Private	3.7
Alpine Bank	Private	3.7
ANB Bank	Private	2.6
Citywide Banks	HTLF (Acquired in 2017)	2.3
First Western Trust Bank	Public (Nasdaq: MYFW)	1.1

(1) Source: 2018 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⁽²⁾



MSA	State	Market Share	Projected % Change in HHI of \$200M+ (2019-2024) ⁽³⁾
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
National Average			31.93

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

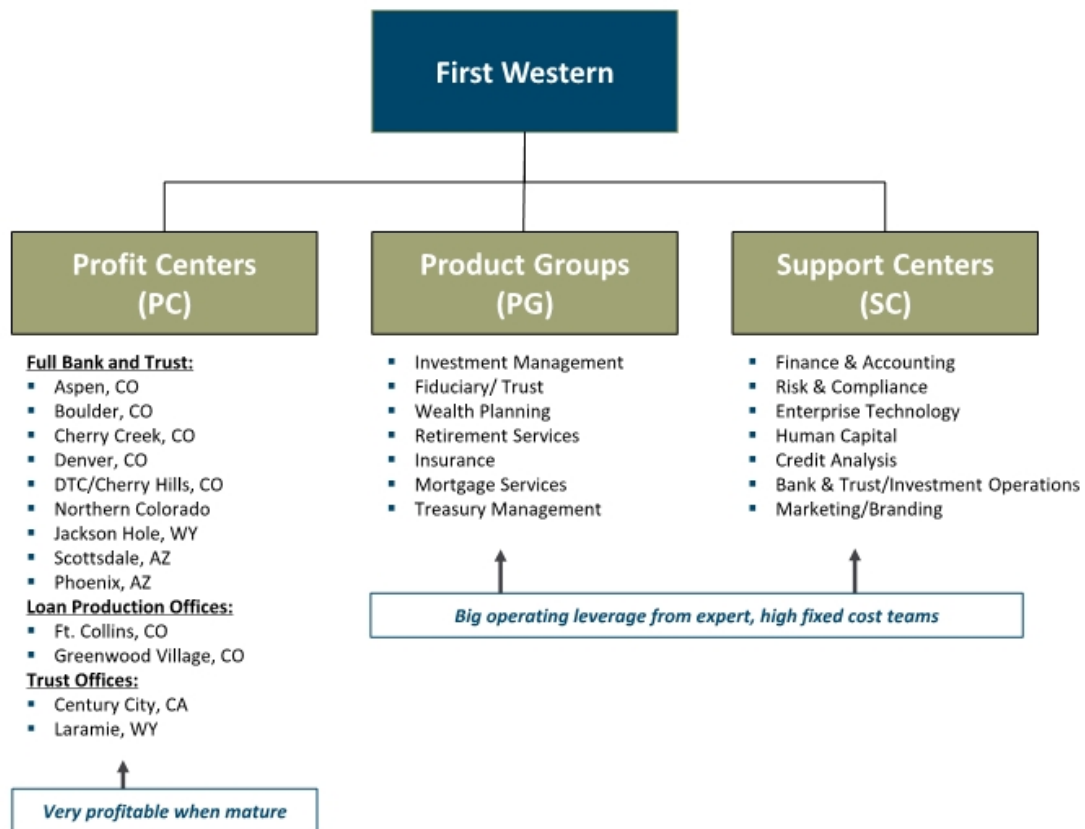
- **Drive to \$5 billion in total assets, \$25 billion TIM assets through both organic growth and acquisitions**
 - ~50 offices
 - \$7-8 million in revenue per office
 - 60% contribution margin per office
- **Build footprint, scale and operating leverage with M&A**
 - Capital and earnings accretive
- **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**

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

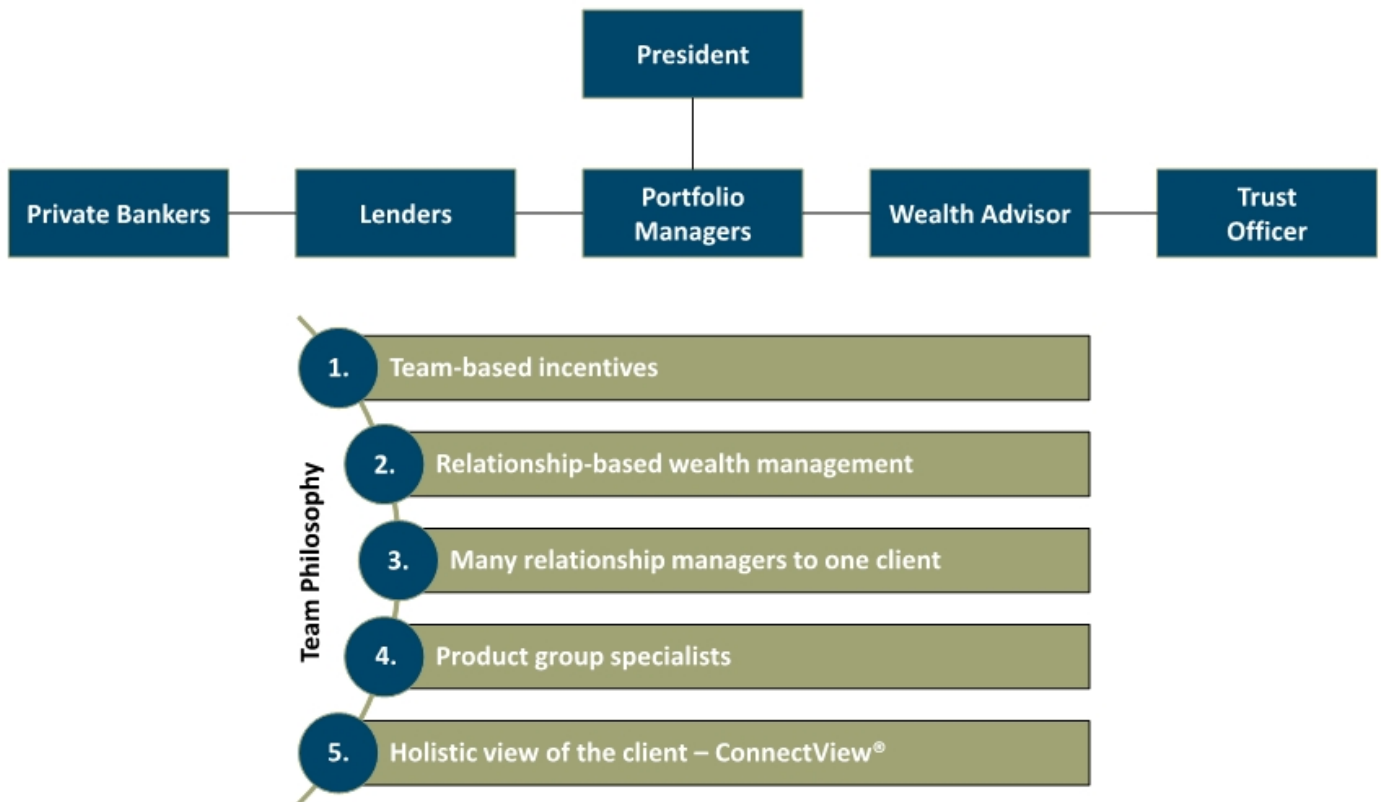
Organizational Structure Built for Scale

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



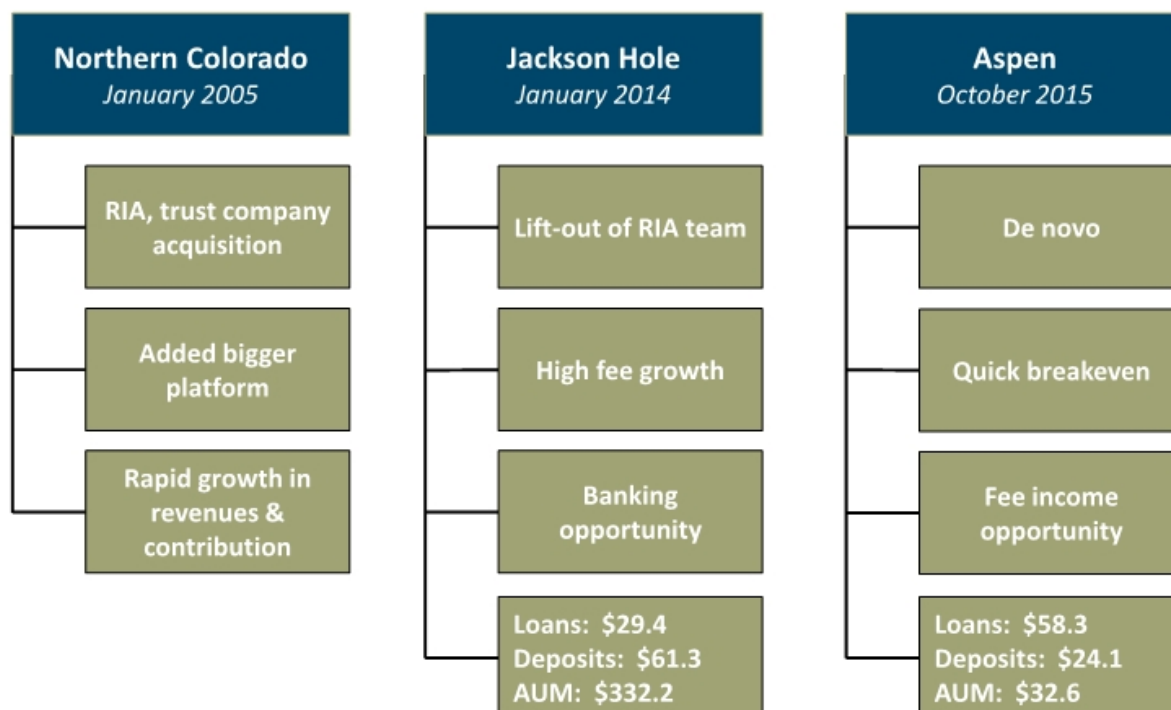
Integrated Team Approach in Boutique Offices

... by working as a team to grow relationships



Different Paths to Profit Center Success

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



Note: Dollars in millions.

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

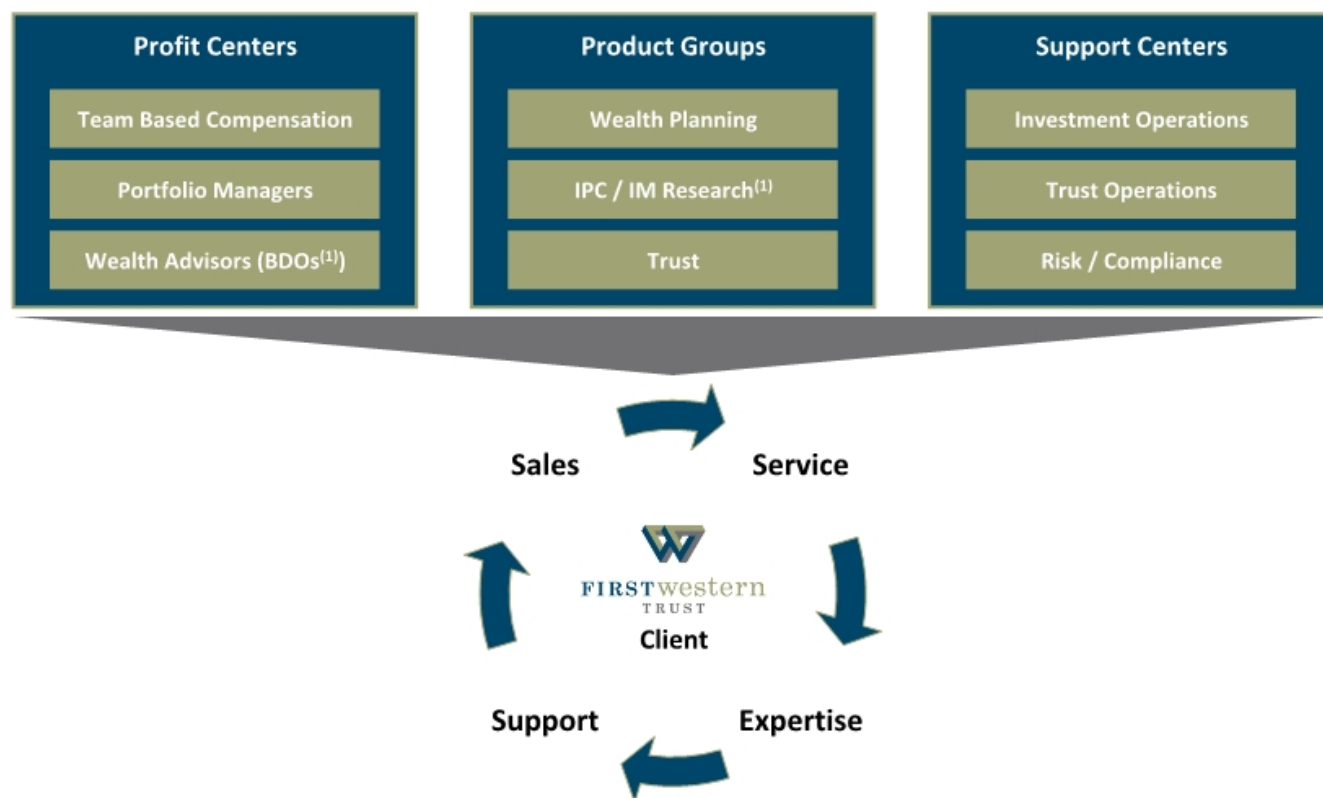
- Provide a **broad range of asset and sub asset classes**
- Create unique solutions through internal research, proprietary and third-party investment options
- Central team creates the platform for Portfolio Managers to service clients, manage accounts

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



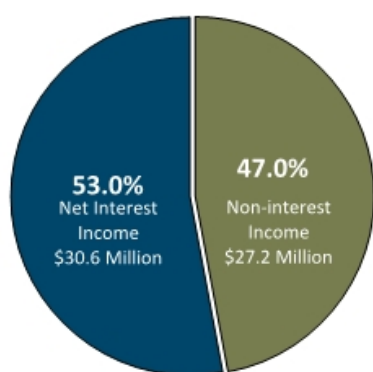
⁽¹⁾ Investment Policy Committee (IPC), Investment Management (IM), Business Development Officers (BDO).

Our High-Quality, Recurring Revenues

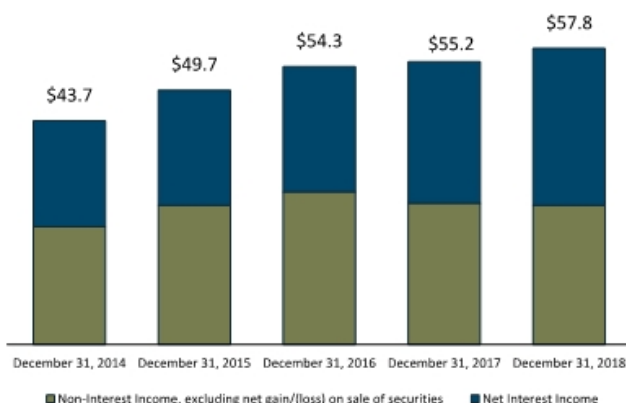
Earnings Themes

- 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 IPO proceeds

2018 Gross Revenue



Gross Revenue⁽¹⁾ (\$millions)

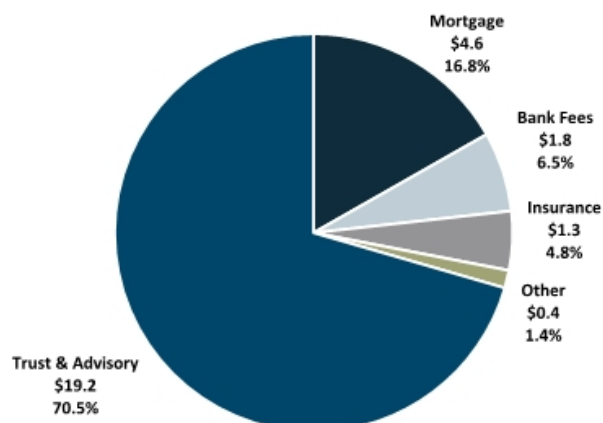


(1) See Non-GAAP reconciliation

Predictable, Growing Sources of Fee Income

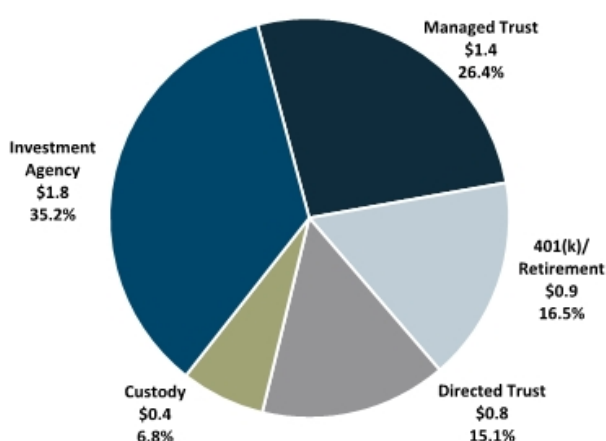
2018Y Non-Interest Income (\$millions)

\$27.2 million



AUM Composition by Account Type (\$billions)

\$5.2 billion



Trust and Investment Management

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

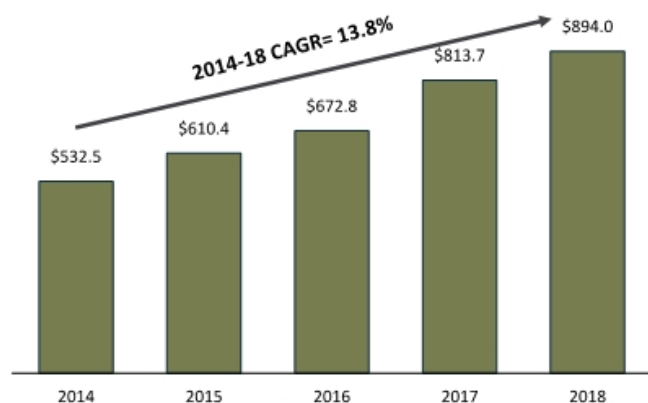
Wealth Management Segment Non-Interest Income (\$millions)



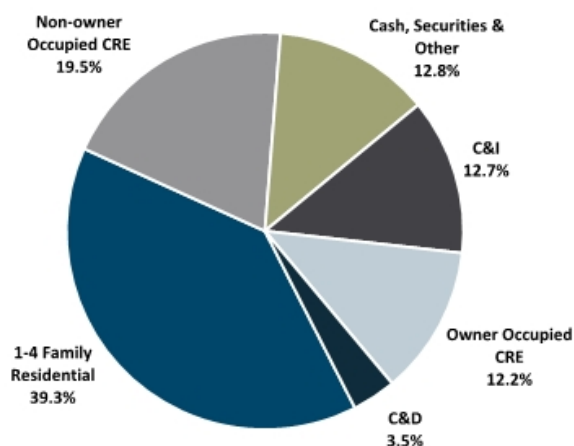
Note: As of or for the year ended December 31, 2018 (unaudited). Totals may not add up due to rounding.

Our Balanced, Private Banking Loan Portfolio

Historical Gross Loans (\$millions)



Q4 2018 Loan Portfolio by Collateral Type ⁽¹⁾



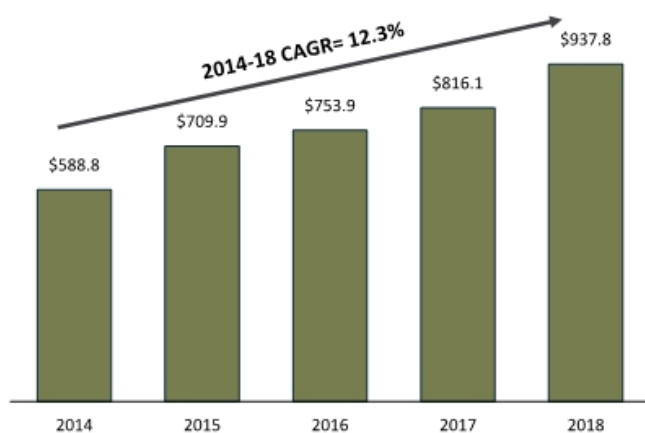
Lending Strategy

- Grew gross loans at 17.1% LQA
- Added production from mortgage acquisition
- Return on equity based relationship pricing
- High net worth, relationship lending model

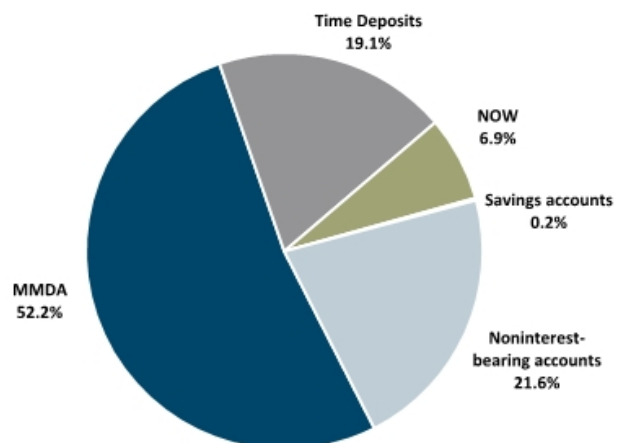
(1) As of December 31, 2018, excluding deferred costs, net

A Balanced, Growing Core Deposit Base

Historical Total Deposits (\$millions)



Q4 2018 Deposit Composition⁽¹⁾



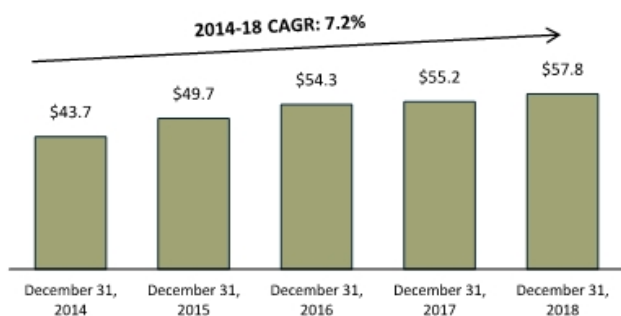
Deposit Strategy

- Increase share of wallet
- Relationship lending, trust/IM deposits
- Generate leads through BDOs and Treasury Management

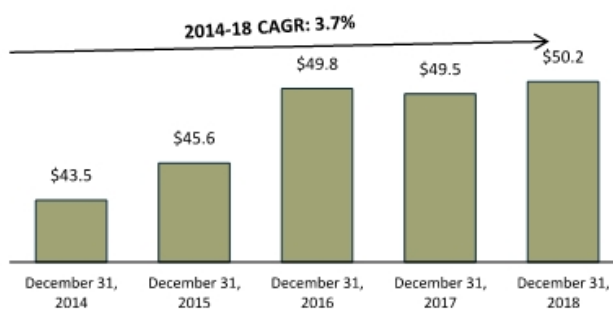
(1) As of December 31, 2018.

Revenue Growth Exceeded Expenses by 95%

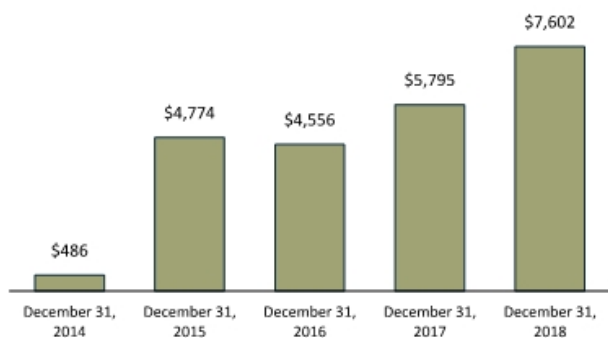
Gross Revenue⁽¹⁾ (\$millions)



Total Non-Interest Expenses (\$millions)



2013-2018 Pre-Tax, Pre-Provision Income⁽¹⁾ (\$000s)



2017-18 Quarterly Pre-Tax, Pre-Provision Income⁽¹⁾ (\$000s)



(1) See Non-GAAP reconciliation

MYFW's Embedded Earnings Growth Drivers

Removed Capital Constraints

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

Reduce Expenses and Improve Operating Efficiency

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

Added Revenue Generators

- Experienced **executive leadership** added in 2018
- Added **wealth advisors/BDOs**
- **Added MLOs** in offices in 2018 and 2019
- Generate **referrals** for new client relationships
- Develop **new products** to meet the needs of our clients

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

Progress Report on Earnings Drivers

Earnings Driver	4Q18 Update
Lower capital costs	<ul style="list-style-type: none"> First quarter with no preferred stock dividend payment
Increased loan growth	<ul style="list-style-type: none"> Total gross loans up 17.1% annualized in 4Q18 Loan mix included more C&I, OO CRE
Higher fee income	<ul style="list-style-type: none"> Slowdown in mortgage market driving lower gain on loan sales Restructuring to drive profitability
Improved operating leverage	<ul style="list-style-type: none"> 2018 expense reductions eliminated redundancies Lower expense driving improved efficiency ratio
Profit centers gaining scale	FY 2018 total revenue increases for some profit centers: <ul style="list-style-type: none"> Aspen: +53% Denver: +42% Scottsdale: +41% Cherry Creek: +24% Jackson Hole: +20%

- Revenue growth driven by investments in business development platform
 - Full executive team in place for 2019
 - Business Development Officers becoming more seasoned and productive
 - Mortgage Loan Originators moving into existing offices
- Expansion of our mortgage team in the Arizona market
- Continued improvement in operating efficiencies
- Adding new client relationships and expanding existing with ConnectView®
- Opportunities to add clients and experienced talent resulting from consolidation in Colorado banking market

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

Appendix

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

Ensure Compliance

- Meet regulatory requirements
- Comply with good industry practices
- Effective, efficient, and smart compliance – a change agent for better business decisions

Limit Potential Losses

- Create appropriate transparency on risk, capital and balance-sheet usage, accounting implications
- Effectively limit risks and avoid reputational damage
- Strong risk controlling and monitoring
- Maintain both economic as well as accounting perspective

Improve Profitability

- Ensure decision-oriented processes
- Maintain efficient and lean risk management – standardization and differentiation
- Improve quality of problem loan management
- Optimize ALM and transfer pricing in cooperation with CFO/treasury

Support Growth

- Anticipate changes in the Company's risk profile
- Ensure scalability and flexibility of core processes
- Improve balance-sheet management
- Contribute to powerful product offering

Risk Overlay for Decision Making

- Integrated risk, finance and capital perspective into business planning and management process
- Strong risk and finance capabilities through frontline tools, trainings, and incentives in IT/operations, HC

Improve Stakeholder Management

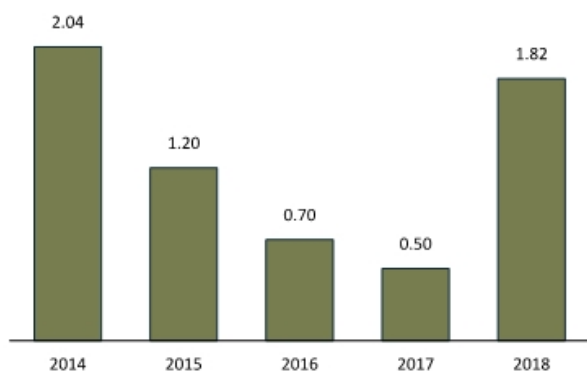
- Implement a strong risk and performance culture throughout the organization
- Improve planning and steering concepts, data management with CEO, CFO and treasury
- Satisfy Board requirements on transparency and decisions support
- Maintain effective relations with regulators

Define Governance and Organization

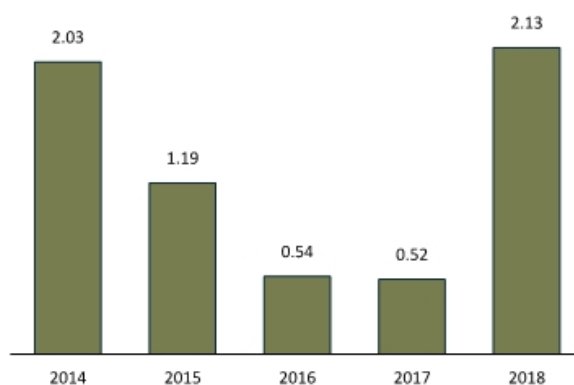
- Define risk structure's mandate and organization, create independent risk view in core decisions
- Ensure CFO's mandate and organization in capital and balance-sheet management, ALM, treasury, funding
- Define and implement ERM approach
- Ensure appropriate people development: knowledge, experience, stature, motivation and culture

8 Quarters of No Charge-offs

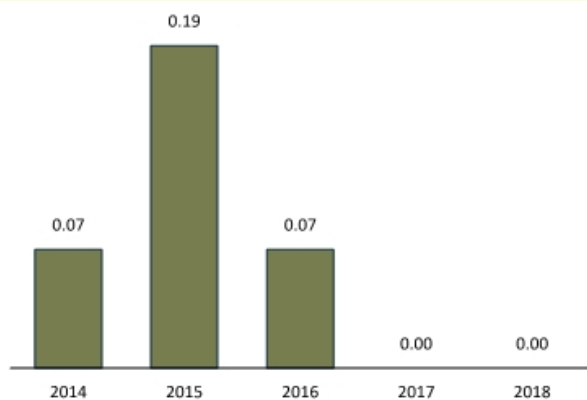
NPAs / Assets (%)



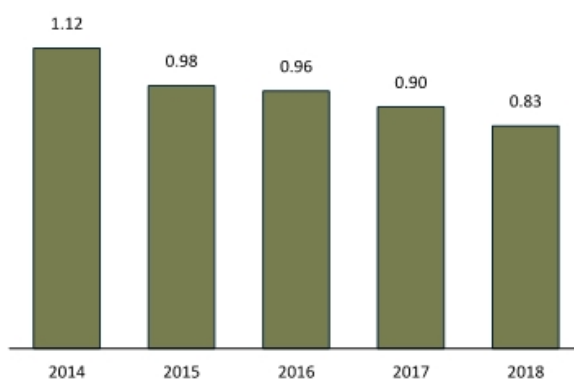
NPLs / Loans (%)



Net Charge-offs / Average Loans (%)



Loan Loss Reserves / Gross Loans (%)





Non-GAAP Reconciliation

Consolidated Pre-tax, Pre-provision Income (Dollars in thousands)	For the Three Months Ended,				
	December 31, 2017 ⁽¹⁾	March 31, 2018	June 30, 2018	September 30, 2018	December 31, 2018 ⁽¹⁾
Net Income, as reported	\$45	\$1,186	\$1,048	\$1,689	\$1,724
Provision for loan losses	(4)	(187)	--	18	349
Income tax expense (benefit)	1,848	367	337	543	528
Pre-tax, Pre-provision Income	\$1,889	\$1,366	\$1,385	\$2,250	\$2,601

Consolidated Pre-tax, Pre-provision Income (Dollars in thousands)	For the Twelve Months Ended December 31,				
	2014	2015	2016	2017	2018 ⁽¹⁾
Net Income, as reported	\$10,990	\$2,650	\$2,302	\$2,023	\$5,647
Provision for loan losses	1,455	1,071	985	788	180
Income tax expense (benefit)	(11,959)	1,053	1,269	2,984	\$1,775
Pre-tax, Pre-provision Income	\$486	\$4,774	\$4,556	\$5,795	\$7,602

Tangible Common Equity Per Share (Dollars in thousands, except per share data)	As of December 31,	
	2017	2018
Total shareholders' equity	\$101,846	\$116,875
Less:		
Preferred stock (liquidation preference)	24,968	--
Goodwill	24,811	24,811
Intangibles, net	1,233	402
Tangible common equity	\$50,834	\$91,662
Common shares outstanding, end of period	5,833,456	7,968,420
Tangible common book value per share	\$8.71	\$11.50

(1) Quarterly information has not been audited or reviewed.

Non-GAAP Reconciliation

Consolidated Gross Revenue (Dollars in thousands)	For the Years Ended,				
	2014	2015	2016	2017	2018
Total income before non-interest expense	\$42,533	\$49,339	\$53,394	\$54,501	\$57,617
Less: Net gain on sale of securities	321	717	114	81	-
Plus: Provision for credit loss	1,455	1,071	985	788	180
Gross Revenue	\$43,667	\$49,693	\$54,265	\$55,208	\$57,797