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

FORM 8-K/A

CURRENT REPORT

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

Date of Report (Date of earliest event reported): January 25, 2024

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.

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

Explanatory Note

On January 25, 2024, First Western Financial, Inc. (the “Company”) filed a Current Report on Form 8-K furnishing under Items 2.02 and 9.01 the Company’s press release announcing its unaudited financial results for the fourth quarter and fiscal year ended December 31, 2023 (the “Original Filing”). The full text of the press release was included as Exhibit 99.1 to the Original Filing.

This Amendment (this “Amendment”) to the Original Filing is being filed to reflect a subsequent event that occurred following the issuance of the Original Filing, more fully described herein. In accordance with ASC 855, Subsequent Events, the Company has determined that this event provided additional evidence about conditions that existed as of the date of the balance sheet. The adjustment was identified by the Company’s management after the date of the Original Filing and as part of the Company’s customary procedures to finalize its financial statements for inclusion in its Annual Report on Form 10-K for the fiscal year ended December 31, 2023.

Item 2.02 Results of Operations and Financial Condition.

An updated presentation of the Company’s “Consolidated Financial Summary” and “Reconciliations of Non-GAAP Financial Matters” is attached as Exhibit 99.1 to this Amendment and is incorporated herein by reference. The following is a summary of the adjustment.

In late 2022, management identified a Commercial and Industrial loan that had developed repayment issues. The loan was placed on non-accrual status in the first quarter of 2023. Throughout 2023, we increased our allowance on individually analyzed loans by \$4.0 million specifically for this loan. On February 28, 2024, the Company was notified that the borrower filed a Chapter 7 Bankruptcy Petition for the guarantor. Per Company policy, a charge-off is taken upon the occurrence of the filing by a borrower of a petition for bankruptcy. We intend to pursue all available remedies to us in the bankruptcy proceeding. The charge-off resulted in a \$3.5 million, net of tax, decrease to the fourth quarter and annual net income available to common stockholders. The Company also adjusted the Allowance for credit losses by \$4.0 million and decreased Loans by \$8.6 million.

Management has discussed the matters disclosed in this Amendment with Crowe, LLC, the Company’s independent registered public accounting firm, and with the Company’s Board of Directors and Audit Committee.

The information contained in this Item 2.02 is being furnished 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 the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended (the Securities Act”), or the Exchange Act, except as expressly set forth by specific reference in such filing.

Cautionary Note Regarding Forward-Looking Statements.

The foregoing disclosures may include forward-looking statements by the Company 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 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, 2023 (“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.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit Number	Description
99.1	<u>Presentation of Consolidated Statements of Financial Condition and Reconciliations of Certain GAAP and Non-GAAP Financial Measures, for the fourth quarter and fiscal year ended December 31, 2023</u>
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: March 7, 2024

By: /s/ Scott C. Wylie

Scott C. Wylie

Chairman, Chief Executive Officer and President

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

(Dollars in thousands, except per share amounts)	Three Months Ended		
	December 31,	September 30,	December 31,
	2023 ⁽¹⁾	2023	2022
Interest and dividend income:			
Loans, including fees	\$ 35,625	\$ 34,141	\$ 30,349
Loans accounted for under the fair value option	257	300	488
Investment securities	600	607	645
Interest-bearing deposits in other financial institutions	1,350	1,292	931
Dividends, restricted stock	161	141	238
Total interest and dividend income	37,993	36,481	32,651
Interest expense:			
Deposits	19,037	17,467	8,260
Other borrowed funds	2,625	2,248	2,403
Total interest expense	21,662	19,715	10,663
Net interest income	16,331	16,766	21,988
Less: provision for credit losses ⁽²⁾	8,493	329	1,197
Net interest income, after provision for credit losses ⁽²⁾	7,838	16,437	20,791
Non-interest income:			
Trust and investment management fees	4,705	4,846	4,358
Net gain on mortgage loans	379	654	629
Net loss on loans held for sale	—	—	(12)
Bank fees	412	427	812
Risk management and insurance fees	544	145	924
Income on company-owned life insurance	101	96	88
Net loss on loans accounted for under the fair value option	(91)	(252)	(602)
Unrealized loss recognized on equity securities	(2)	(19)	—
Other	33	202	218
Total non-interest income	6,081	6,099	6,415
Total income before non-interest expense	13,919	22,536	27,206
Non-interest expense:			
Salaries and employee benefits	9,988	10,968	11,679
Occupancy and equipment	1,937	1,807	1,910
Professional services	1,990	1,867	2,027
Technology and information systems	928	906	1,168
Data processing	1,189	1,159	1,223
Marketing	415	355	500
Amortization of other intangible assets	62	62	77
Net gain on sale of other real estate owned	—	—	(3)
Other	1,767	1,190	1,324
Total non-interest expense	18,276	18,314	19,905
(Loss)/income before income taxes	(4,357)	4,222	7,301
Income tax (benefit)/expense	(1,138)	1,104	1,830
Net (loss)/income available to common shareholders	\$ (3,219)	\$ 3,118	\$ 5,471
(Loss)/earnings per common share:			
Basic	\$ (0.34)	\$ 0.33	\$ 0.58
Diluted	(0.34)	0.32	0.56

⁽¹⁾ December 31, 2023 amounts include the impact of the revision previously mentioned in this earnings release.

⁽²⁾ Provision for credit loss amounts for periods prior to the ASC 326 adoption date of January 1, 2023 are reported in accordance with previously applicable GAAP.

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

<i>(Dollars in thousands)</i>	December 31, 2023 ⁽¹⁾	September 30, 2023	December 31, 2022
Assets			
Cash and cash equivalents:			
Cash and due from banks	\$ 7,284	\$ 6,439	\$ 4,926
Interest-bearing deposits in other financial institutions	247,158	265,045	191,586
Total cash and cash equivalents	254,442	271,484	196,512
Held-to-maturity securities, at amortized cost (fair value of \$66,617, \$66,487 and \$74,718, respectively), net of allowance for credit losses	74,102	75,539	81,056
Correspondent bank stock, at cost	7,155	11,305	7,110
Mortgage loans held for sale, at fair value	7,254	12,105	8,839
Loans held for sale, at fair value	—	—	1,965
Loans (includes \$13,726, \$15,464, and \$23,321 measured at fair value, respectively)	2,530,915	2,530,459	2,469,413
Allowance for credit losses ⁽²⁾	(23,931)	(23,175)	(17,183)
Loans, net	2,506,984	2,507,284	2,452,230
Premises and equipment, net	25,256	25,410	25,118
Accrued interest receivable	11,428	11,633	10,445
Accounts receivable	5,095	5,292	4,873
Other receivables	4,467	3,052	1,973
Goodwill and other intangible assets, net	31,854	31,916	32,104
Deferred tax assets, net	6,407	6,624	6,914
Company-owned life insurance	16,530	16,429	16,152
Other assets	24,488	24,680	21,457
Total assets	\$ 2,975,462	\$ 3,002,753	\$ 2,866,748
Liabilities			
Deposits:			
Noninterest-bearing	\$ 482,579	\$ 476,308	\$ 583,092
Interest-bearing	2,046,460	1,943,688	1,822,137
Total deposits	2,529,039	2,419,996	2,405,229
Borrowings:			
Federal Home Loan Bank and Federal Reserve borrowings	125,711	259,930	146,886
Subordinated notes	52,340	52,279	52,132
Accrued interest payable	3,793	3,203	1,125
Other liabilities	21,841	21,089	20,512
Total liabilities	2,732,724	2,756,497	2,625,884
Shareholders' Equity			
Total shareholders' equity	242,738	246,256	240,864
Total liabilities and shareholders' equity	\$ 2,975,462	\$ 3,002,753	\$ 2,866,748

⁽¹⁾ December 31, 2023 amounts include the impact of the revision previously mentioned in this earnings release.

⁽²⁾ Allowance for credit loss amounts for periods prior to the ASC 326 adoption date of January 1, 2023 are reported in accordance with previously applicable GAAP.

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

<i>(Dollars in thousands)</i>	December 31, 2023 ⁽¹⁾	September 30, 2023	December 31, 2022
Loan Portfolio			
Cash, Securities, and Other ⁽²⁾	\$ 140,053	\$ 148,669	\$ 165,670
Consumer and Other	31,296	23,975	26,539
Construction and Development	347,515	349,436	288,497
1-4 Family Residential	925,984	913,085	898,154
Non-Owner Occupied CRE	546,966	527,377	496,776
Owner Occupied CRE	197,205	208,341	216,056
Commercial and Industrial	336,842	349,515	361,028
Total	2,525,861	2,520,398	2,452,720
Loans accounted for under the fair value option	14,129	16,105	23,415
Total loans held for investment	2,539,990	2,536,503	2,476,135
Deferred (fees) costs and unamortized premiums/(unaccreted discounts), net ⁽³⁾	(9,075)	(6,044)	(6,722)
Loans (includes \$13,726, \$15,464, and \$23,321 measured at fair value, respectively)	\$ 2,530,915	\$ 2,530,459	\$ 2,469,413
Mortgage loans held for sale	7,254	12,105	8,839
Loans held for sale	—	—	1,965
Deposit Portfolio			
Money market deposit accounts	\$ 1,386,149	\$ 1,388,726	\$ 1,336,092
Time deposits	496,452	373,459	224,090
Negotiable order of withdrawal accounts	147,488	164,000	234,778
Savings accounts	16,371	17,503	27,177
Total interest-bearing deposits	2,046,460	1,943,688	1,822,137
Noninterest-bearing accounts	482,579	476,308	583,092
Total deposits	\$ 2,529,039	\$ 2,419,996	\$ 2,405,229

⁽¹⁾ December 31, 2023 amounts include the impact of the revision previously mentioned in this earnings release.

⁽²⁾ Includes PPP loans of \$4.3 million as of December 31, 2023, \$4.9 million as of September 30, 2023, and \$7.1 million as of December 31, 2022.

⁽³⁾ 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)

(Dollars in thousands)	As of or for the Three Months Ended		
	December 31,	September 30,	December 31,
	2023 ⁽¹⁾	2023	2022
Average Balance Sheets			
Assets			
Interest-earning assets:			
Interest-bearing deposits in other financial institutions	\$ 104,789	\$ 102,510	\$ 103,190
Federal funds sold	—	—	—
Investment securities	76,331	78,057	84,017
Correspondent bank stock	7,576	7,162	11,880
Loans	2,536,287	2,502,419	2,436,273
Interest-earning assets	2,724,983	2,690,148	2,635,360
Mortgage loans held for sale	9,915	12,680	9,065
Total interest-earning assets, plus mortgage loans held for sale	2,734,898	2,702,828	2,644,425
Allowance for credit losses ⁽²⁾	(23,308)	(22,122)	(16,724)
Noninterest-earning assets	126,132	125,774	125,355
Total assets	\$ 2,837,722	\$ 2,806,480	\$ 2,753,056
Liabilities and Shareholders' Equity			
Interest-bearing liabilities:			
Interest-bearing deposits	\$ 1,914,856	\$ 1,846,318	\$ 1,582,587
FHLB and Federal Reserve borrowings	139,316	125,250	212,693
Subordinated notes	52,299	52,242	38,335
Total interest-bearing liabilities	2,106,471	2,023,810	1,833,615
Noninterest-bearing liabilities:			
Noninterest-bearing deposits	456,787	512,956	659,076
Other liabilities	25,387	24,228	21,660
Total noninterest-bearing liabilities	482,174	537,184	680,736
Total shareholders' equity	249,077	245,486	238,705
Total liabilities and shareholders' equity	\$ 2,837,722	\$ 2,806,480	\$ 2,753,056
Yields/Cost of funds (annualized)			
Interest-bearing deposits in other financial institutions	5.11 %	5.00 %	3.57 %
Investment securities	3.12	3.09	3.05
Correspondent bank stock	8.43	7.81	7.95
Loans	5.59	5.43	5.00
Mortgage loans held for sale	6.60	6.70	6.39
Total interest-earning assets	5.51	5.35	4.90
Interest-bearing deposits	3.94	3.75	2.07
Cost of deposits	3.18	2.94	1.46
FHLB and Federal Reserve borrowings	5.36	4.58	3.58
Subordinated notes	5.63	6.08	5.03
Total interest-bearing liabilities	4.08	3.86	2.31
Net interest margin	2.37	2.46	3.30
Net interest rate spread	1.43	1.49	2.59

⁽¹⁾ December 31, 2023 amounts include the impact of the revision previously mentioned in this earnings release.

⁽²⁾ Allowance for credit loss amounts for periods prior to the ASC 326 adoption date of January 1, 2023 are reported in accordance with previously applicable GAAP.

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

	As of or for the Three Months Ended		
	December 31,	September 30,	December 31,
	2023 ⁽¹⁾	2023	2022
<i>(Dollars in thousands, except share and per share amounts)</i>			
Asset Quality			
Non-performing loans	\$ 51,125	\$ 56,146	\$ 12,349
Non-performing assets	51,125	56,146	12,349
Net charge-offs	8,595	190	95
Non-performing loans to total loans	2.01 %	2.21 %	0.50 %
Non-performing assets to total assets	1.72	1.87	0.43
Allowance for credit losses to non-performing loans ⁽⁴⁾	46.81	41.28	139.14
Allowance for credit losses to total loans ⁽⁴⁾	0.95	0.92	0.70
Allowance for credit losses to adjusted loans ⁽²⁾⁽⁴⁾	0.95	0.92	0.78
Net charge-offs to average loans ⁽³⁾	0.34	0.01	*
Assets Under Management	\$ 6,752,981	\$ 6,395,786	\$ 6,106,973
Market Data			
Book value per share at period end	25.33	25.76	25.37
Tangible book value per common share ⁽²⁾	22.01	22.42	21.99
Weighted average outstanding shares, basic	9,572,582	9,553,331	9,493,732
Weighted average outstanding shares, diluted	9,572,582	9,743,270	9,702,908
Shares outstanding at period end	9,581,183	9,560,209	9,495,440
Consolidated Capital			
Tier 1 capital to risk-weighted assets	9.40 %	9.32 %	9.28 %
CET1 to risk-weighted assets	9.40	9.32	9.28
Total capital to risk-weighted assets	12.59	12.45	12.37
Tier 1 capital to average assets	7.77	7.96	7.81
Bank Capital			
Tier 1 capital to risk-weighted assets	10.54	10.42	10.29
CET1 to risk-weighted assets	10.54	10.42	10.29
Total capital to risk-weighted assets	11.45	11.31	11.06
Tier 1 capital to average assets	8.71	8.88	8.65

⁽¹⁾ December 31, 2023 amounts include the impact of the revision previously mentioned in this earnings release.

⁽²⁾ Represents a Non-GAAP financial measure. See "Reconciliation of Non-GAAP Measures" for a reconciliation of our Non-GAAP measures to the most directly comparable GAAP financial measure.

⁽³⁾ Value results in an immaterial amount.

⁽⁴⁾ Allowance for credit loss amounts for periods prior to the ASC 326 adoption date of January 1, 2023 are reported in accordance with previously applicable GAAP. Total loans does not include loans accounted for under the fair value option.

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

Reconciliations of Non-GAAP Financial Measures

	As of or for the Three Months Ended		
	December 31,	September 30,	December 31,
	2023 ⁽¹⁾	2023	2022
<i>(Dollars in thousands, except share and per share amounts)</i>			
Tangible Common			
Total shareholders' equity	\$ 242,738	\$ 246,256	\$ 240,864
Less: goodwill and other intangibles, net	31,854	31,916	32,104
Tangible common equity	<u>\$ 210,884</u>	<u>\$ 214,340</u>	<u>\$ 208,760</u>
Common shares outstanding, end of period	9,581,183	9,560,209	9,495,440
Tangible common book value per share	\$ 22.01	\$ 22.42	\$ 21.99
Net (loss)/income available to common shareholders	(3,219)	3,118	5,471
Return on tangible common equity (annualized)	(6.11)%	5.82 %	10.48 %
Efficiency			
Non-interest expense	\$ 18,276	\$ 18,314	\$ 19,905
Less: amortization	62	62	77
Less: acquisition related expenses	36	30	195
Adjusted non-interest expense	<u>\$ 18,178</u>	<u>\$ 18,222</u>	<u>\$ 19,633</u>
Total income before non-interest expense	\$ 13,919	\$ 22,536	\$ 27,206
Less: unrealized loss recognized on equity securities	(2)	(19)	—
Less: net loss on loans accounted for under the fair value option	(91)	(252)	(602)
Less: net loss on loans held for sale at fair value	—	—	(12)
Plus: provision for credit losses ⁽²⁾	8,493	329	1,197
Gross revenue	<u>\$ 22,505</u>	<u>\$ 23,136</u>	<u>\$ 29,017</u>
Efficiency ratio	<u>80.77 %</u>	<u>78.76 %</u>	<u>67.66 %</u>
Allowance for Credit Loss to Adjusted Loans			
Total loans held for investment	2,539,990	2,536,503	2,476,135
Less: loans acquired ⁽³⁾	—	—	234,717
Less: PPP loans ⁽⁴⁾	4,343	4,876	6,378
Less: loans accounted for under fair value	14,129	16,105	23,415
Adjusted loans	<u>\$ 2,521,518</u>	<u>\$ 2,515,522</u>	<u>\$ 2,211,625</u>
Allowance for credit losses ⁽²⁾	\$ 23,931	\$ 23,175	\$ 17,183
Allowance for credit losses to adjusted loans ⁽²⁾	<u>0.95 %</u>	<u>0.92 %</u>	<u>0.78 %</u>

⁽¹⁾ December 31, 2023 amounts include the impact of the revision previously mentioned in this earnings release.

⁽²⁾ Provision and allowance for credit loss amounts for periods prior to the ASC 326 adoption date of January 1, 2023 are reported in accordance with previously applicable GAAP.

⁽³⁾ As of December 31, 2023 and September 30, 2023, acquired loans totaling \$212.3 million and \$216.1 million, respectively, are included in the allowance for credit loss calculation and are therefore not removed in calculating adjusted total loans.

⁽⁴⁾ As of December 31, 2023 and September 30, 2023, the adjustment for PPP loans includes acquired PPP loans as acquired loans are included in total loans held for investment as a result of the adoption of ASC 326. As of December 31, 2022, the adjustment for PPP loans did not include acquired PPP loans, as those were already included in the loans acquired adjustment.

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

	As of or for the Three Months Ended		
	December 31, 2023 ⁽¹⁾	September 30, 2023	December 31, 2022
<i>(Dollars in thousands, except share and per share data)</i>			
Adjusted Net (Loss)/Income Available to Common Shareholders			
Net (loss)/income available to common shareholders	\$ (3,219)	\$ 3,118	\$ 5,471
Plus: acquisition related expenses	36	30	195
Less: income tax impact from acquisition related expenses	9	8	49
Adjusted net (loss)/income available to shareholders	<u>\$ (3,192)</u>	<u>\$ 3,140</u>	<u>\$ 5,617</u>
Pre-Tax, Pre-Provision Net Income			
(Loss)/income before income taxes	\$ (4,357)	\$ 4,222	\$ 7,301
Plus: provision for credit losses	8,493	329	1,197
Pre-tax, pre-provision net income	<u>\$ 4,136</u>	<u>\$ 4,551</u>	<u>\$ 8,498</u>
Adjusted Basic (Loss)/Earnings Per Share			
Basic (loss)/earnings per share	\$ (0.34)	\$ 0.33	\$ 0.58
Plus: acquisition related expenses net of income tax impact	*	*	0.01
Adjusted basic (loss)/earnings per share	<u>\$ (0.34)</u>	<u>\$ 0.33</u>	<u>\$ 0.59</u>
Adjusted Diluted (Loss)/Earnings Per Share			
Diluted (loss)/earnings per share	\$ (0.34)	\$ 0.32	\$ 0.56
Plus: acquisition related expenses net of income tax impact	*	*	0.02
Adjusted diluted (loss)/earnings per share	<u>\$ (0.34)</u>	<u>\$ 0.32</u>	<u>\$ 0.58</u>
Adjusted Return on Average Assets (annualized)			
Return on average assets	(0.45)%	0.44 %	0.79 %
Plus: acquisition related expenses net of income tax impact	*	0.01	0.03
Adjusted return on average assets	<u>(0.46)%</u>	<u>0.45 %</u>	<u>0.82 %</u>
Adjusted Return on Average Shareholders' Equity (annualized)			
Return on average shareholders' equity	(5.17)%	5.08 %	9.17 %
Plus: acquisition related expenses net of income tax impact	0.04	0.04	0.24
Adjusted return on average shareholders' equity	<u>(5.12)%</u>	<u>5.12 %</u>	<u>9.41 %</u>
Adjusted Return on Tangible Common Equity (annualized)			
Return on tangible common equity	(6.11)%	5.82 %	10.48 %
Plus: acquisition related expenses net of income tax impact	0.06	0.04	0.28
Adjusted return on tangible common equity	<u>(6.05)%</u>	<u>5.86 %</u>	<u>10.76 %</u>

⁽¹⁾ December 31, 2023 amounts include the impact of the revision previously mentioned in this earnings release.

* Represents an immaterial impact to adjusted earnings per share.