



FIRSTwestern

Fourth Quarter 2021
Conference Call

Safe Harbor

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Overview of 4Q21

4Q21 Earnings

- Net income available to common shareholders of \$1.9 million
- Diluted EPS of \$0.23
- Excluding acquisition-related expenses, adjusted net income of \$4.8 million, or \$0.57 per diluted share⁽¹⁾

Teton Financial Services Acquisition

- Acquisition closed on December 31, 2021
- Upon closing, acquisition was immediately accretive to tangible book value
- Integration proceeding on schedule with core banking system integration and consolidation of branches set for May 2022

Strong Organic Balance Sheet Growth

- Record quarter of loan production resulted in net loan growth of \$350.8 million, \$252.3 million from acquisition and \$98.5 organic loan growth⁽¹⁾, or 25% annualized, with increases across nearly all portfolios
- Organic deposit growth⁽¹⁾ of 10% annualized
- Tangible book value per common share⁽¹⁾ increased 22% annualized from 3Q21 and 21% from 4Q20

Asset Quality Remains Exceptional

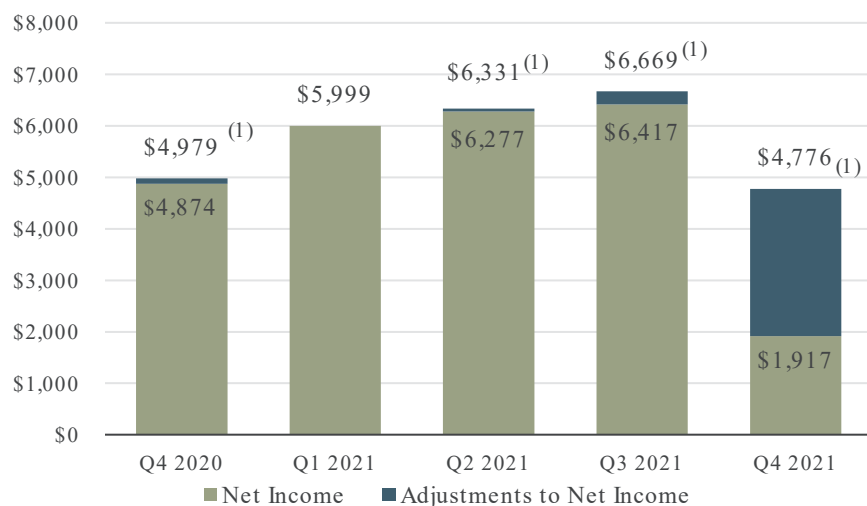
- Non-performing assets declined to 0.17% of total assets from 0.21% at 3Q21
- History of exceptionally low charge-offs continues

(1) See Non-GAAP reconciliation

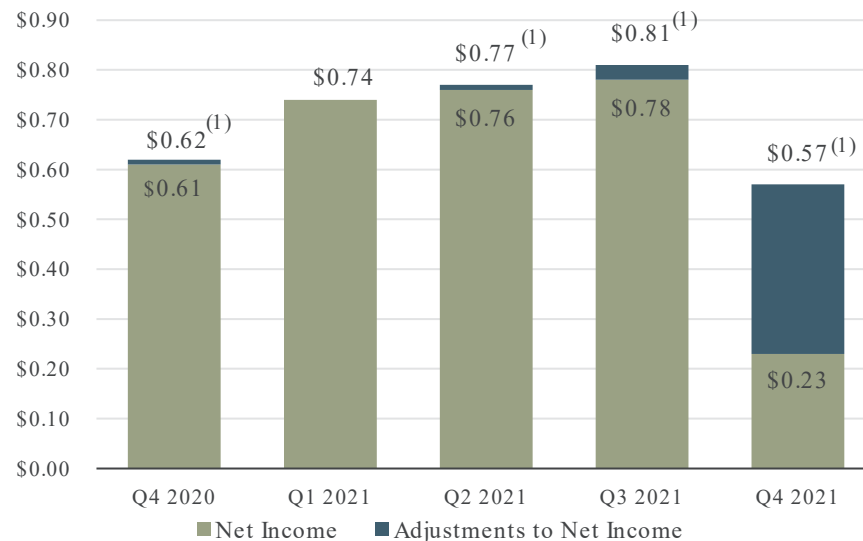
Net Income Available to Common Shareholders and Earnings per Share

- Net income of \$1.9 million, or \$0.23 diluted earnings per share, in 4Q21
- Excluding acquisition-related expenses, adjusted diluted earnings per share⁽¹⁾ of \$0.57 in 4Q21
- Strong profitability and Teton Financial Services acquisition resulted in 6.3% and 5.4% increase in book value per share and tangible book value per share⁽¹⁾, respectively, from 3Q21
- Earnings growth coming from combination of continued organic growth of more mature profit centers, contribution of newer profit centers ramping up, and accretive acquisitions

Net Income Available to Common Shareholders



Diluted Earnings per Share

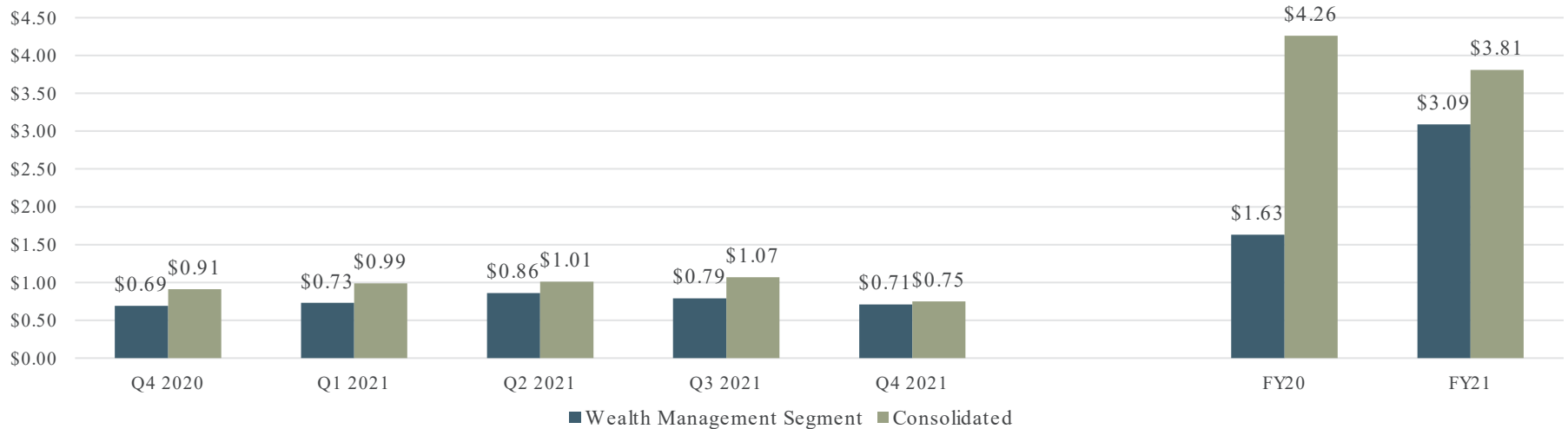


(1) See Non-GAAP reconciliation

Wealth Management Segment Earnings

- Wealth Management segment earnings reflects contribution of private banking, commercial banking, and trust and investment management business lines
- Growth in private banking, commercial banking, and TIM businesses replacing earnings generated by mortgage segment in 2020 and creating sustainable path to higher profitability over long-term
- Decline in wealth management segment earnings from 3Q21 primarily due to the provision expense, reduction in PPP fee income, and accretion income on acquired loans

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



(1) See Non-GAAP reconciliation

Loan Portfolio

Loan Portfolio Details

- Total loans HFI increased \$350.8 million from prior quarter
- Teton Financial Services acquisition contributed \$252.3 million in loans HFI
- Organic loan growth⁽¹⁾ of \$98.5 million in 4Q21
- Strong organic growth across most portfolios
- New production in Cash, Securities and Other portfolio partially offset by PPP forgiveness

Loan Portfolio Composition⁽¹⁾

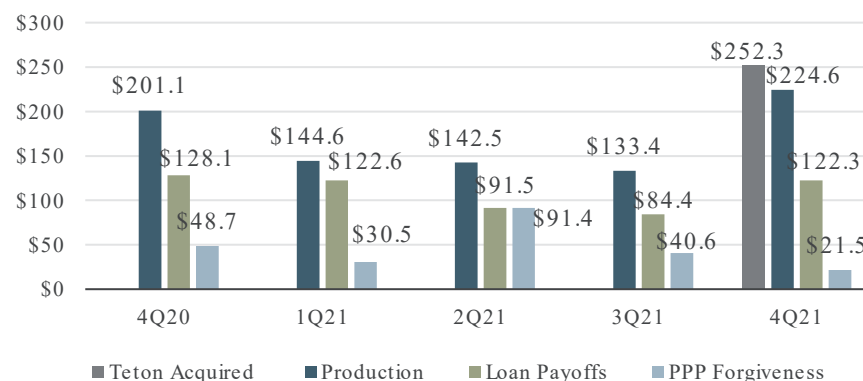
(\$ in thousands, as of quarter end)

	4Q 2020	3Q 2021	4Q 2021
Cash, Securities and Other	\$357,020	\$293,837	\$295,948
Construction and Development	131,111	132,141	178,716
1-4 Family Residential	455,038	502,439	580,872
Non-Owner Occupied CRE	281,943	358,369	482,622
Owner Occupied CRE	163,042	167,638	212,426
Commercial and Industrial	146,031	148,959	203,584
Total Loans HFI	\$1,534,185	\$1,603,383	\$1,954,168
Mortgage loans held-for-sale (HFS)	161,843	51,309	30,620
Total Loans	\$1,696,028	\$1,654,692	\$1,984,788

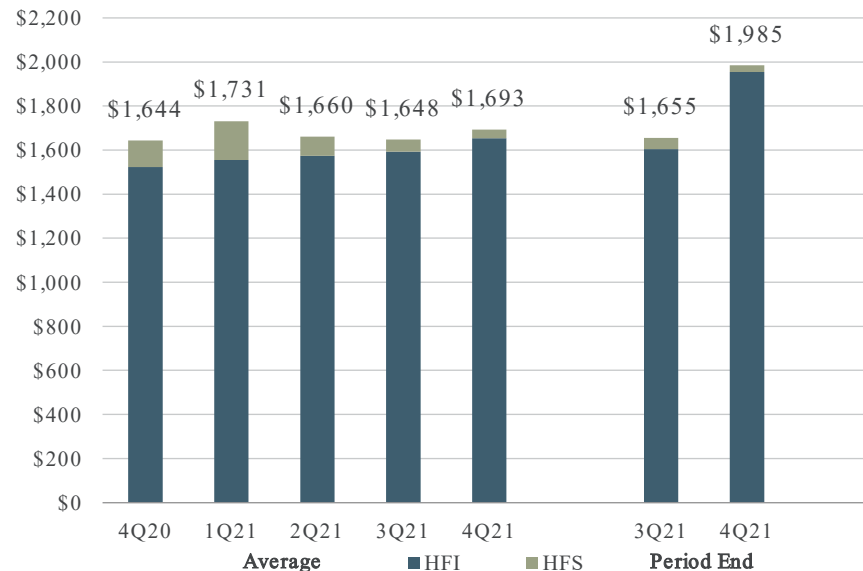
(1) Excludes deferred (fees) costs, and amortized premium/(unaccreted discount), net

Loan Production & Loan Payoffs

(in millions)



Average Total Loans⁽¹⁾



Total Deposits

- Total deposits increased \$423.4 million from end of prior quarter
- Teton Financial Services acquisition contributed \$379.2 million in deposits
- Organic deposit growth⁽¹⁾ of \$44.2 million
- Strong new client acquisition activity resulted in \$110 million in new deposit accounts in 4Q21

Deposit Portfolio Composition

	4Q 2020	3Q 2021	4Q 2021
Money market deposit accounts	\$847,430	\$905,196	\$1,056,669
Time deposits	172,682	137,015	170,491
NOW	113,052	137,833	309,940
Savings accounts	5,289	5,620	32,299
Noninterest-bearing accounts	481,457	596,635	636,304
Total Deposits	\$1,619,910	\$1,782,299	\$2,205,703

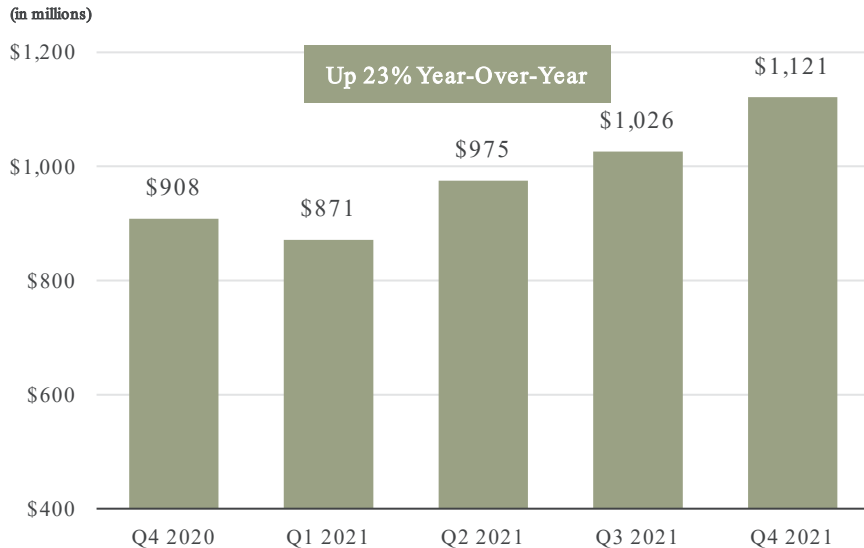
Total Deposits



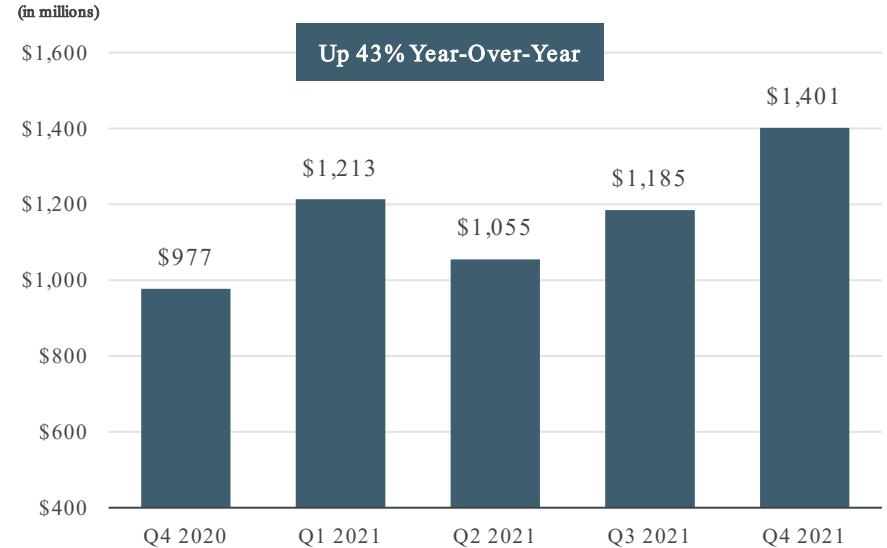
Commercial Banking Driving Growth

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

Total Commercial Loans⁽¹⁾



Total Commercial Deposits



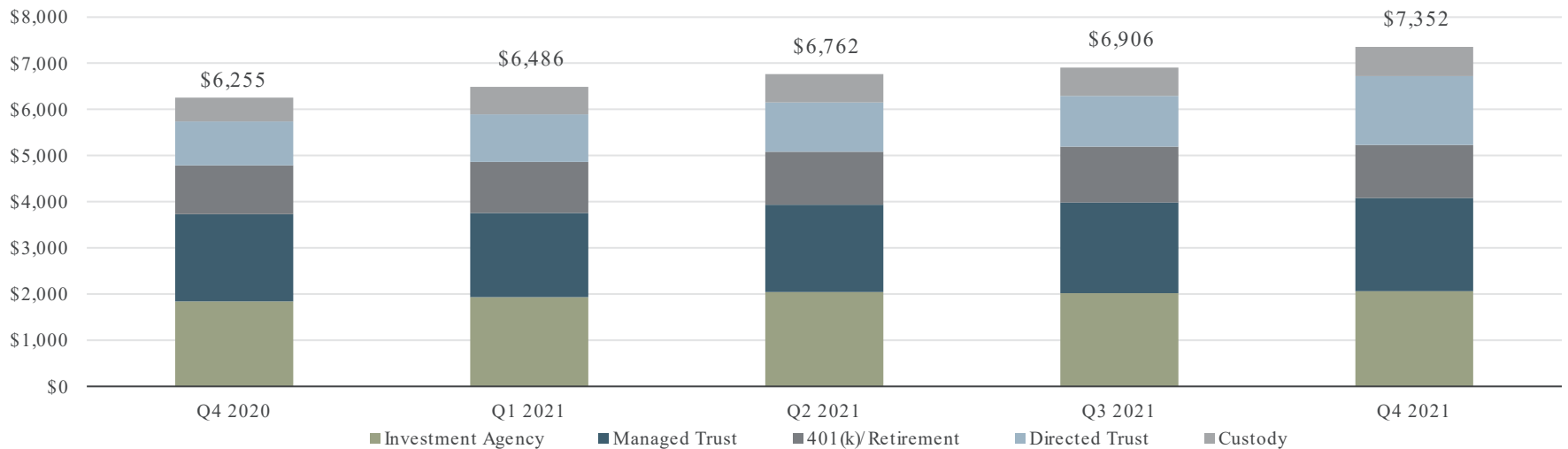
(1) Reflects loans to commercial borrowers across all loan categories excludes SBA PPP loan balances due to their short-term nature.

Trust and Investment Management

- Total assets under management increased \$445.9 million from September 30, 2021 to \$7.35 billion at December 31, 2021
- The increase in asset balances was attributable to the Teton acquisition and improving market conditions as well as account additions and new account growth

Total Assets Under Management

(in millions, as of quarter end)



Paycheck Protection Program Overview

Impact on 4Q21 Financials ⁽¹⁾ (\$ in Millions)	
Net Interest Income	
Amortization of SBA fee income and deferred loan origination expense ⁽²⁾	\$0.5
Interest income from PPP loans, less PPPLF funding cost	\$0.1
Net Interest Income	\$0.6
Net Interest Margin Impact	6 bps

(\$ in Millions)	As of 12/31/21
Total Loans (existing PPP)	\$46.8
PPP Loans Acquired (included in total)	\$6.7
Total Loans Forgiven	\$239.3
PPPLF advances	\$23.6
Remaining Fees to be Recognized Pre-Tax⁽³⁾	\$0.7

(1) All numbers represented do not include the impact of taxes

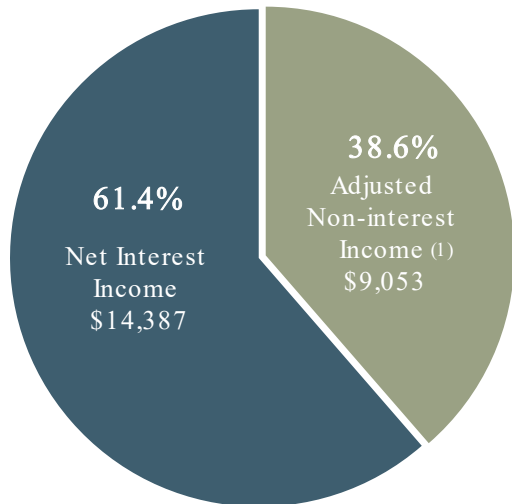
(2) The deferred loan origination expenses are recorded in non-interest expenses (Salaries and Benefits) and amortized through net interest income

(3) Includes \$0.8 million in SBA fee income less \$0.1 million of deferred loan origination expense

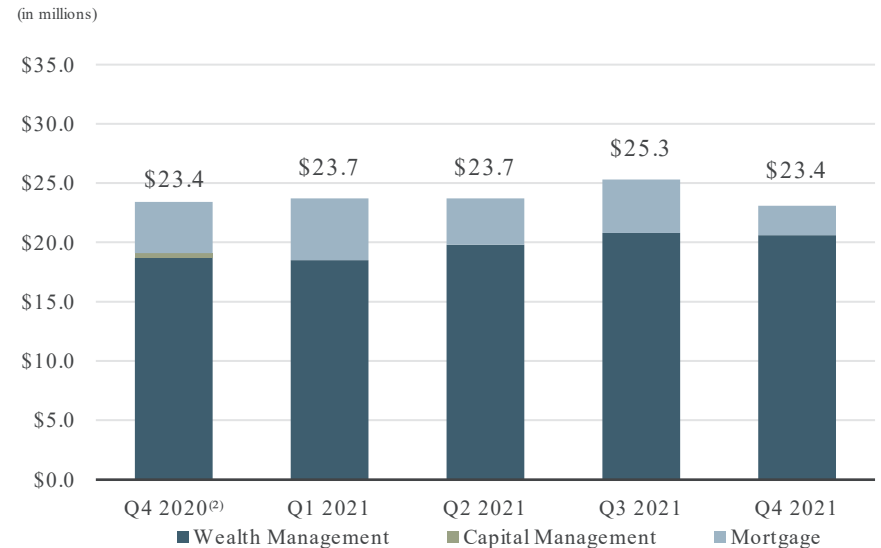
Gross Revenue

- Gross revenue⁽¹⁾ decreased 7.5% from 3Q21, primarily due to lower net gain on mortgage loans
- Increases in most non-interest income generating areas compared to 3Q21
 - Trust and investment management fees up 0.6%
 - Bank fees up 35.8%
 - Risk management and insurance fees up 125.3%

4Q21 Gross Revenue⁽¹⁾



Gross Revenue⁽¹⁾



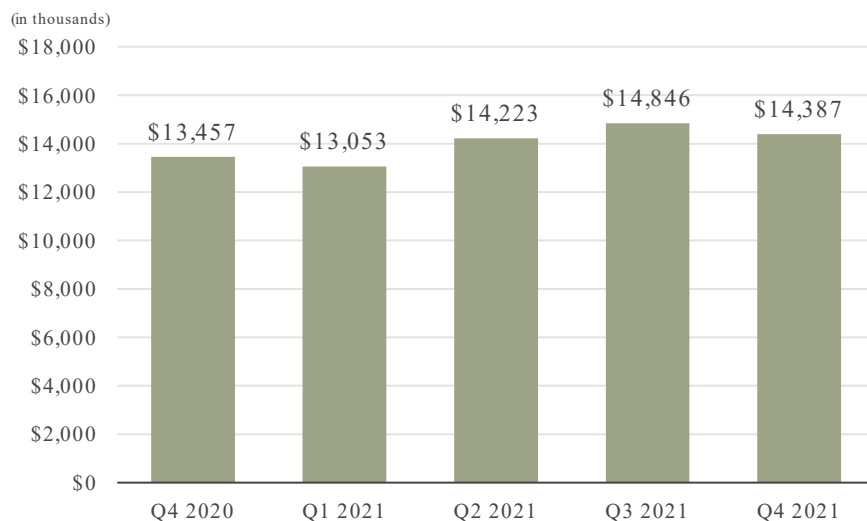
(1) See Non-GAAP reconciliation

(2) Gross Revenue for Capital Management includes amounts for the fourth quarter of 2020 through the completion of the sale of the LA Fixed Income Team on November 16, 2020. Financial results after that date for the unsold portion are presented in Wealth Management.

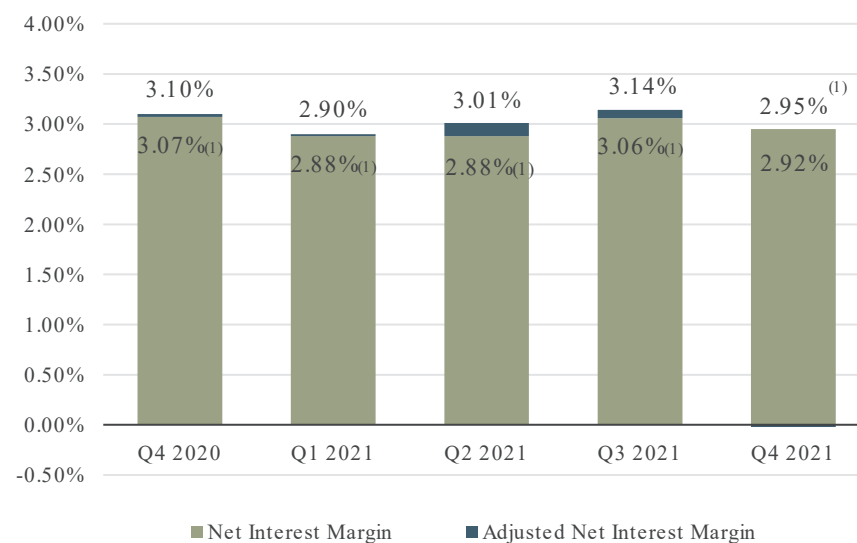
Net Interest Income and Net Interest Margin

- Net interest income decreased 3.1% from 3Q21, primarily due to lower PPP fees and purchase accretion income
- Excluding PPP fees and purchase accretion income, net interest income increased \$0.3 million from 3Q21
- Net interest margin, including PPP and purchase accretion, decreased 22 bps to 2.92%
- Net interest margin, excluding PPP and purchase accretion⁽¹⁾, decreased 11 bps to 2.95%, primarily due to lower loan yields
- Net interest margin should expand as excess liquidity is used to fund continued loan growth

Net Interest Income



Net Interest Margin

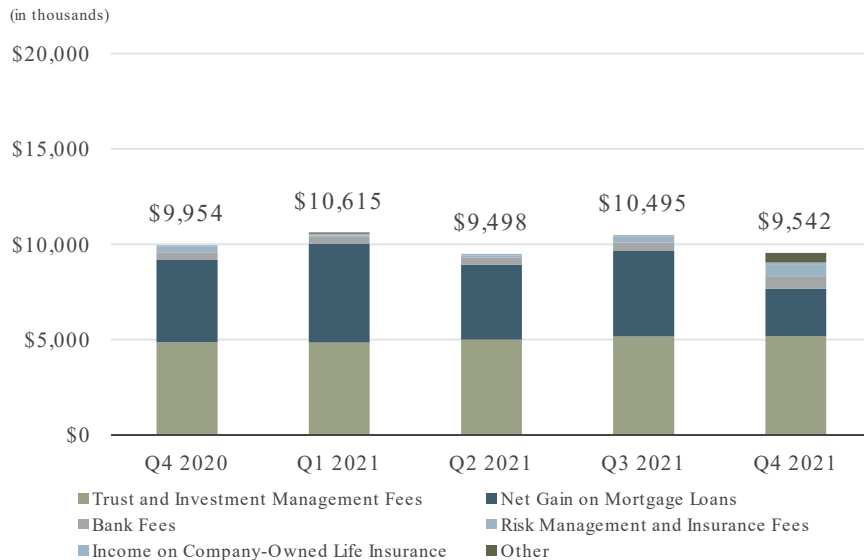


(1) See Non-GAAP reconciliation

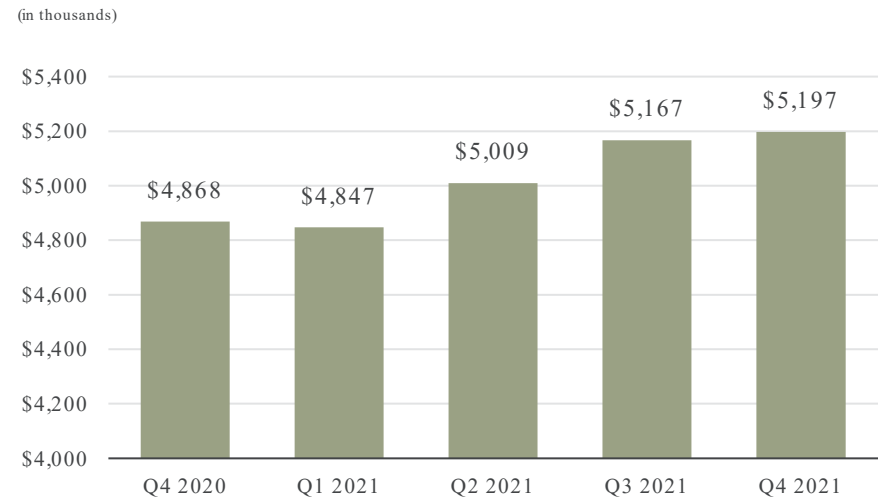
Non-Interest Income

- Non-interest income decreased 9.1% from 3Q21
- Lower net gain on mortgage loans offset increases in most other areas
- Trust and Investment Management fees increased 6.8% from fourth quarter of 2020
- \$0.5 million net gain on equity interests in 4Q21

Total Non-Interest Income



Trust and Investment Management Fees



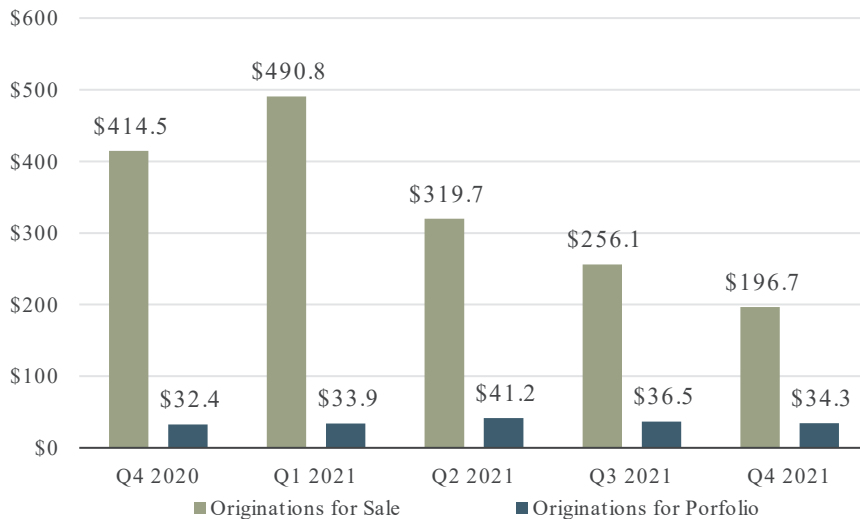
Mortgage Operations

Mortgage Details

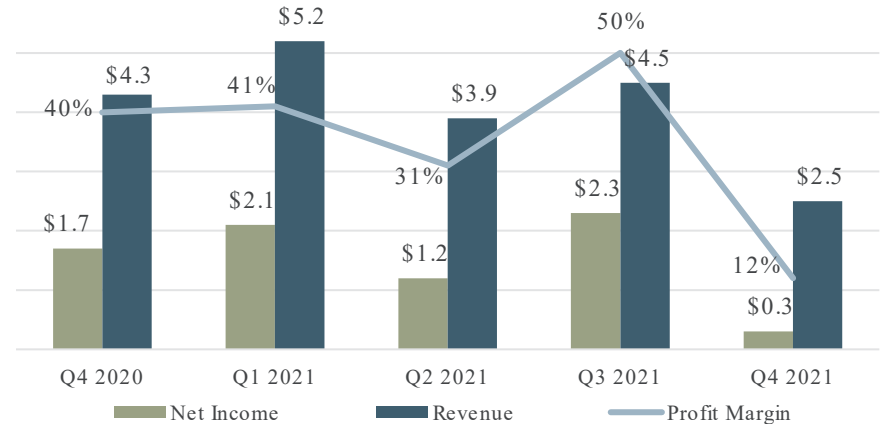
- Mortgage locks down 39% from prior quarter
- Refi/Purchase mix of 41% / 59% in 4Q21 compared to 39% / 61% in 3Q21 and 49% / 51% in 2Q21
- Profit margin down 38% due to decreased revenue as a result of the decrease in locks
- Non-interest expense down 29% in Mortgage segment from 1Q21

Mortgage Originations

(in millions)

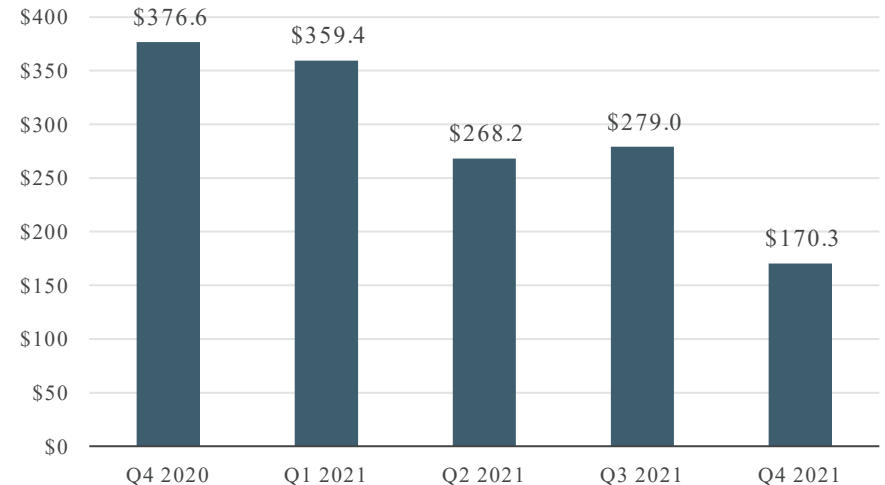


Net Income, Revenue and Profit Margin



Mortgage Loan Locks

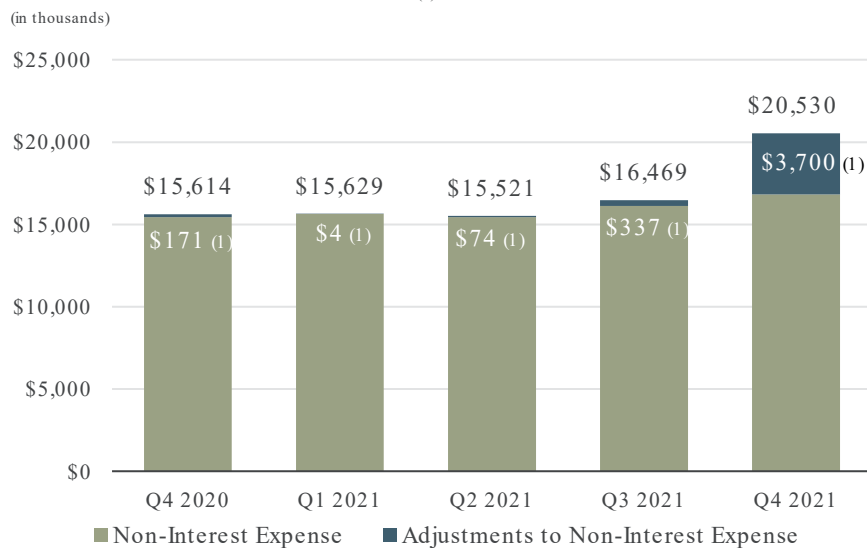
(in millions)



Non-Interest Expense and Efficiency Ratio

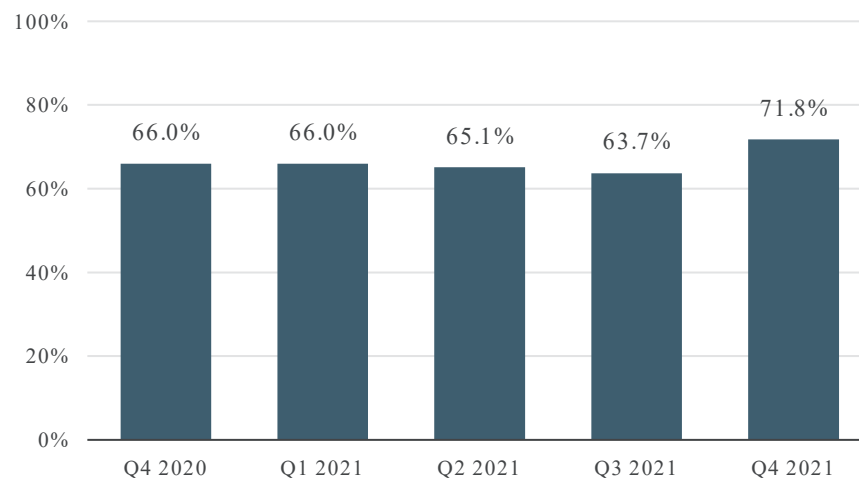
- Non-interest expense increased 24.7% from 3Q21
- 4Q21 included \$3.7 million of acquisition-related expense, compared with \$0.3 million in 3Q21
- Excluding acquisition-related expense, non-interest expense increased from 3Q21 primarily due to higher bonus accruals resulting from strong loan and deposit production

Total Non-Interest Expense



(1) See Non-GAAP reconciliation

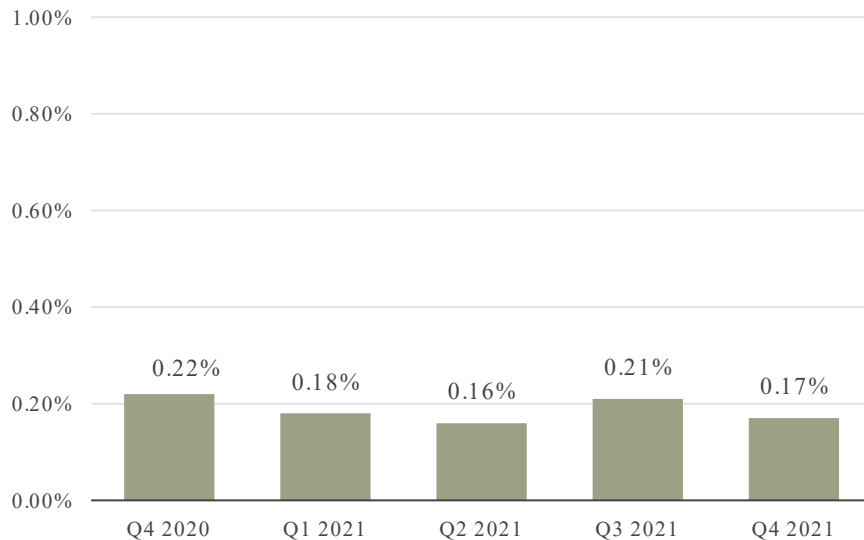
Operating Efficiency Ratio⁽¹⁾



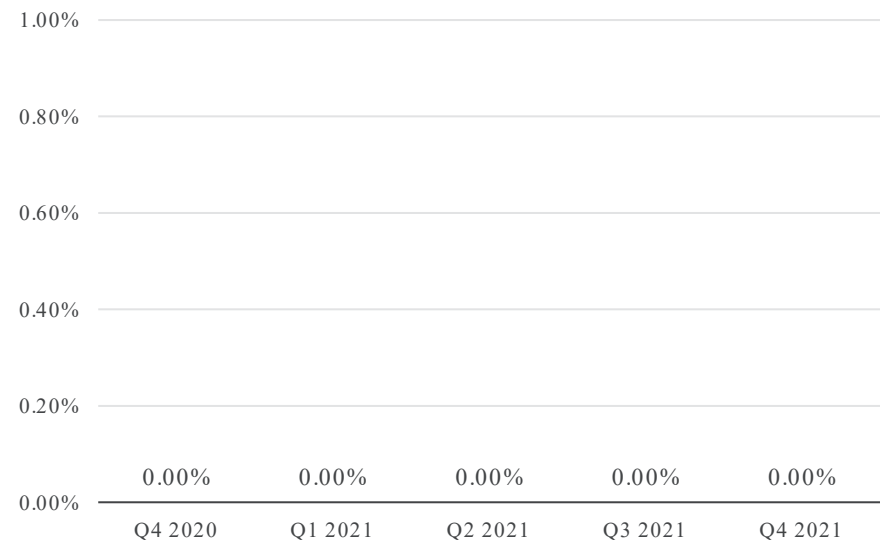
Asset Quality

- Stable asset quality across the portfolio
- Immaterial net charge-offs again in the quarter
- \$0.8 million provision for loan losses related to growth in total loans
- Non-performing assets decreased to 0.17% of total assets from 0.21% in 3Q21
- ALL/ Adjusted Total Loans⁽¹⁾ decreased to 0.88% in 4Q21 from 0.91% in 3Q21, consistent with strong asset quality and immaterial losses

Non-Performing Assets/ Total Assets



Net Charge-Offs/ Average Loans



(1) Adjusted Total Loans – Total Loans minus PPP loans and acquired Loans; see non-GAAP reconciliation 16

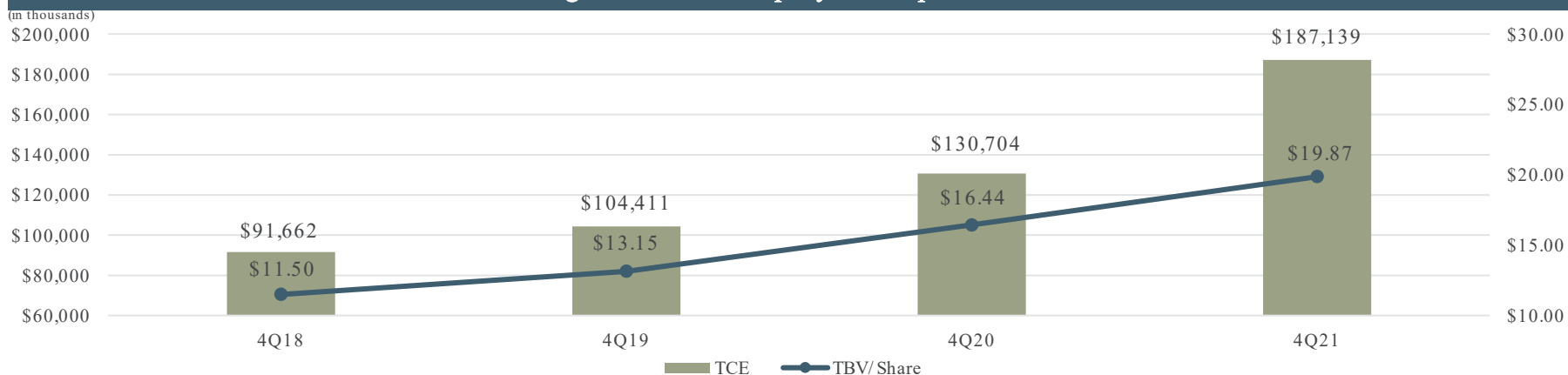
2022 Outlook and Priorities

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

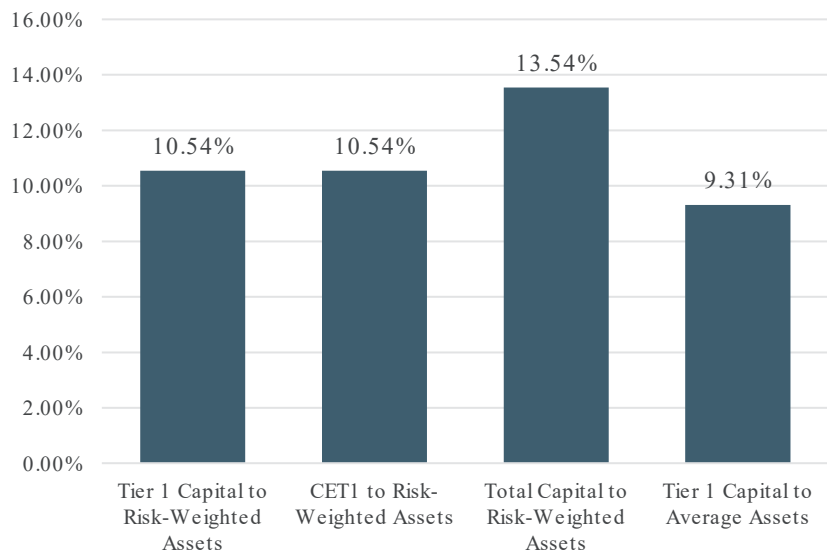
Appendix

Capital and Liquidity Overview

Tangible Common Equity / TBV per Share⁽¹⁾



Consolidated Capital Ratios (as of 12/31/21)



Liquidity Funding Sources (as of 12/31/21)

(in thousands)

Liquidity Reserves:

Total Available Cash	\$ 383,279
Unpledged Investment Securities	37,315

Borrowed Funds:

Unsecured:

Credit Lines	54,000
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Secured:

FHLB Available	509,659
Brokered Remaining Capacity	507,004

Total Liquidity Funding Sources **\$ 1,491,752**

Loan to Deposit Ratio **88.4%**

(1) See Non-GAAP reconciliation

Non-GAAP Reconciliation

Consolidated Efficiency Ratio	For the Three Months Ended,				
	December 31, 2020	March 31, 2021	June 30, 2021	September 30, 2021	December 31, 2021
(Dollars in thousands)					
Non-interest expense	\$15,614	\$15,629	\$15,521	\$16,469	\$20,530
Less: amortization	4	4	4	5	4
Less: acquisition related expenses	153	-	70	332	3,696
Less: provision on other real estate owned	76	-	-	-	-
Less: loss on assets held for sale	-	-	-	-	-
Plus: gain on sale of LA fixed income team	62	-	-	-	-
Adjusted non-interest expense	\$15,443	\$15,625	\$15,447	\$16,132	\$16,830
Net interest income	\$13,457	\$13,053	\$14,223	\$14,846	\$14,387
Non-interest income	9,954	10,615	9,498	10,495	9,542
Less: Net gain on equity interests	-	-	-	-	489
Less: Net gain on sale of assets	-	-	-	-	-
Adjusted non-interest income	9,954	10,615	9,498	10,495	9,053
Total income	\$23,411	\$23,668	\$23,721	\$25,341	\$23,440
Efficiency ratio	66.0%	66.0%	65.1%	63.7%	71.8%
Consolidated Tangible Common Book Value Per Share	As of the Three Months Ended,				
(Dollars in thousands)	Dec. 31, 2018	Dec. 31, 2019	Dec. 31, 2020	September 30, 2021	Dec. 31, 2021
Total shareholders' equity	\$116,875	\$127,678	\$154,962	\$175,129	\$219,041
Less:					
Preferred stock (liquidation preference)	-	-	-	-	-
Goodwill and other intangibles, net	25,213	19,714	24,258	24,246	31,902
Intangibles held for sale ⁽¹⁾	-	3,553	-	-	-
Tangible common equity	91,662	104,411	\$130,704	150,883	187,139
Common shares outstanding, end of period	7,968,420	7,940,168	7,951,773	8,002,874	9,419,271
Tangible common book value per share	\$11.50	\$13.15	\$16.44	\$18.85	\$19.87
				Net income available to common shareholders	\$1,917
				Return on tangible common equity (annualized)	4.10%

(1) Represents the intangible portion of assets held for sale

Non-GAAP Reconciliation

Wealth Management Gross Revenue (Dollars in thousands)	For the Three Months Ended,				
	December 31, 2020	March 31, 2021	June 30, 2021	September 30, 2021	December 31, 2021
Total income before non-interest expense	\$17,973	\$18,471	\$19,782	\$20,438	\$20,619
Less: Net gain on equity interests	-	-	-	-	489
Plus: Provision for loan loss	695	-	12	406	812
Gross revenue	\$18,668	\$18,471	\$19,794	\$20,844	\$20,942

Capital Management Gross Revenue (Dollars in thousands)	For the Three Months Ended,				
	December 31, 2020	March 31, 2021	June 30, 2021	September 30, 2021	December 31, 2021
Total income before non-interest expense	\$423	\$-	\$	\$	\$
Plus: Provision for loan loss	-	-	-	-	-
Gross revenue	\$423	\$-	\$	\$	\$

Mortgage Gross Revenue (Dollars in thousands)	For the Three Months Ended,				
	December 31, 2020	March 31, 2021	June 30, 2021	September 30, 2021	December 31, 2021
Total income before non-interest expense	\$4,320	\$5,197	\$3,927	\$4,497	\$2,498
Plus: Provision for loan loss	-	-	-	-	-
Gross revenue	\$4,320	\$5,197	\$3,927	\$4,497	\$2,498

Consolidated Gross Revenue (Dollars in thousands)	For the Three Months Ended,				
	December 31, 2020	March 31, 2021	June 30, 2021	September 30, 2021	December 31, 2021
Total income before non-interest expense	\$22,716	\$23,668	\$23,709	\$24,935	\$23,117
Less: Net gain on equity interests	-	-	-	-	489
Plus: Provision for loan loss	695	-	12	406	812
Gross revenue	\$23,411	\$23,668	\$23,721	\$25,341	\$23,440

Diluted Pre-Tax Earnings Per Share (Dollars in thousands)	For The Three Months Ended					For The Years Ended	
	December 31, 2020	March 31, 2021	June 30, 2021	September 30, 2021	December 31, 2021	December 31, 2020	December 31, 2021
Non-Mortgage income before income tax	\$5,386	\$5,917	\$6,983	\$6,199	\$2,279	\$12,085	21,378
Plus: Acquisition-related expenses	153	-	70	332	3,696	879	4,098
Mortgage income before income tax	1,716	2,122	1,205	2,267	308	20,978	5,902
Less: Income tax expense including acquisition tax effect	2,276	2,040	1,927	2,129	1,507	8,756	7,603
Net income available to common shareholders	\$4,979	\$5,999	\$6,331	\$6,669	\$4,776	\$25,186	\$23,775
Diluted weighted average shares	8,015,780	8,098,680	8,213,900	8,246,353	8,370,998	7,961,904	8,235,178
Non-Mortgage Segment Diluted Pre-Tax Earnings Per Share	\$0.69	\$0.73	\$0.86	\$0.79	\$0.71	\$1.63	\$3.09
Consolidated Diluted Pre-Tax Earnings Per Share	\$0.91	\$0.99	\$1.01	\$1.07	\$0.75	\$4.26	\$3.81

Non-GAAP Reconciliation

Adjusted net income available to common shareholders (Dollars in thousands, except per share data)	For the Three Months Ended,				
	December 31, 2020	March 31, 2021	June 30, 2021	September 30, 2021	December 31, 2021
Net income available to common shareholders	\$4,874	\$5,999	\$6,277	\$6,417	\$1,917
Plus: acquisition related expense including tax impact	105	-	54	252	2,859
Plus: loss on intangibles held for sale including tax impact	-	-	-	-	-
Adjusted net income to common shareholders	\$4,979	\$5,999	\$6,331	\$6,669	\$4,776
Adjusted diluted earnings per share (Dollars in thousands, except per share data)	For the Three Months Ended,				
	December 31, 2020	March 31, 2021	June 30, 2021	September 30, 2021	December 31, 2021
Earnings per share	\$0.61	\$0.74	\$0.76	\$0.78	\$0.23
Plus: acquisition related expenses including tax impact	0.01	-	0.01	0.03	0.34
Plus: loss on intangibles held for sale including tax impact	-	-	-	-	-
Adjusted earnings per share	\$0.62	\$0.74	\$0.77	\$0.81	\$0.57
Allowance for loan losses to Bank originated loans excluding PPP (Dollars in thousands)	As of				
	September 30, 2021	December 31, 2021			
Gross loans	\$1,603,383	\$1,954,168			
Less: Branch acquisition	117,465	360,661			
Less: PPP loans	61,838	40,062			
Loans excluding acquired and PPP	1,424,080	1,553,445			
Allowance for loan losses	12,964	13,732			
Allowance for loan losses to Bank originated loans excluding PPP	0.91%	0.88%			
Organic loan growth (annualized) (Dollars in thousands)	As of				
	September 30, 2021	December 31, 2021			
Total loans held for investment	\$1,603,383	\$1,954,168			
Quarter-over-quarter growth in total loans held for investment	69,198	350,785			
Less: loans acquired through Teton acquisition	-	252,275			
Organic quarter-over-quarter growth in total loans held for investment	69,198	98,510			
Organic loan growth		24.58%			
Organic deposit growth (annualized) (Dollars in thousands)	As of				
	September 30, 2021	December 31, 2021			
Total deposits	\$1,782,299	\$2,205,703			
Quarter-over-quarter growth in total deposits	103,246	423,404			
Less: deposits acquired through Teton acquisition	-	379,227			
Organic quarter-over-quarter growth in total deposits	103,246	44,177			
Organic deposit growth		9.91%			

Non-GAAP Reconciliation

Adjusted net interest margin (Dollars in thousands)	For the Three Months Ended March 31, 2021			For the Three Months Ended June 30, 2021			For the Three Months Ended September 30, 2021			For the Three Months Ended December 31, 2021		
	Average Balance	Interest Earned/Paid	Average Yield/Rate	Average Balance	Interest Earned/Paid	Average Yield/Rate	Average Balance	Interest Earned/Paid	Average Yield/Rate	Average Balance	Interest Earned/Paid	Average Yield/Rate
Interest-bearing deposits in other financial institutions	213,577	91		292,615	92		266,614	105		279,406	109	
PPP adjustment	21,173	5		17,115	4		1,636	-		9,556	3	
Available-for-sale securities	31,936	196		26,474	169		29,130	180		36,001	226	
PPP adjustment	-	-		-	-		-	-		-	-	
Loans	1,554,990	14,212		1,573,553	15,287		1,592,800	15,861		1,653,920	15,398	
PPP adjustment	(171,263)	(945)		(176,396)	(1,583)		(81,476)	(1,081)		(51,825)	(622)	
Purchase Accretion adjustment	-	(344)		-	(260)		-	35		-	398	
Adjusted total Interest-earning assets	1,650,413	13,215		1,773,360	13,709		1,808,704	15,100		1,927,058	15,512	
Interest-bearing deposits		974			866			829			813	
PPP adjustment		-			-			-			-	
Federal Home Loan Bank Topeka and Federal Reserve borrowings		132			117			82			55	
PPP adjustment		(109)			(93)			(59)			(31)	
Subordinated notes		340			342			389			477	
Adjusted total interest-bearing liabilities		1,337			1,232			1,241			1,314	
Net interest income		11,878			12,477			13,859			14,198	
Adjusted net interest margin			2.88%			2.88%			3.06%			2.95%