**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 31, 2023

## FIRST WESTERN FINANCIAL, INC.

(Exact name of registrant as specified in its charter)

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

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

x Emerging growth company

x 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 | NASDAQ Stock Market LLC |

**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, 2023.

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.

| Exhibit Number | Description |
|---|---|
| 99.1 | First Western Financial, Inc. Investor 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: October 31, 2023

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

Chairman, Chief Executive Officer and President


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INVESTOR PRESENTATION
November 2023

# Safe Harbor

This presentation contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements reflect the current views of First Western Financial, Inc.'s ("First Western") management with respect to, among other things, future events and First Western's financial performance. These statements are often, but not always, made through the use of words or phrases such as "may," "should," "could," "predict," "potential," "believe," "will likely result," "expect," "continue," "will," "anticipate," "seek," "estimate," "intend," "plan," "position," "project," "future" "forecast," "goal," "target," "would" and "outlook," or the negative variations of those words or other comparable words of a future or forward-looking nature. These forward-looking statements are not historical facts, and are based on current expectations, estimates and projections about First Western's industry, management's beliefs and certain assumptions made by management, many of which, by their nature, are inherently uncertain and beyond First Western's control. Accordingly, First Western cautions you that any such forward-looking statements are not guarantees of future performance and are subject to risks, assumptions and uncertainties that are difficult to predict. Although First Western believes that the expectations reflected in these forward-looking statements are reasonable as of the date made, actual results may prove to be materially different from the results expressed or implied by the forward-looking statements. The following risks and uncertainties, among others, could cause actual results and future events to differ materially from those set forth or contemplated in the forward-looking statements: integration risks 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 and other documents we file with the SEC from time to time. All subsequent written and oral forward-looking statements attributable to First Western or persons acting on First Western's behalf are expressly qualified in their entirety by this paragraph. Forward-looking statements speak only as of the date of this presentation. First Western undertakes no obligation to publicly update or otherwise revise any forward-looking statements, whether as a result of new information, future events or otherwise (except as required by law).

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

This presentation contains certain non-GAAP financial measures intended to supplement, not substitute for, comparable GAAP measures. Reconciliations of non-GAAP financial measures to GAAP financial measures are provided at the end of this presentation. Numbers in the presentation may not sum due to rounding.

Our common stock is not a deposit or savings account. Our common stock is not insured by the Federal Deposit Insurance Corporation or any governmental agency or instrumentality.

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

# An Emerging High Performing Institution

**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, California and Montana

**Competitive Advantage**

- Operates as one integrated firm, not silos
- Team approach benefits both clients and First Western
- Local boutique private trust bank offices with central product experts

**Company Highlights**

*(as of 9/30/23)*

- Assets: $3.00 billion
- Total Loans: $2.54 billion
- Total Deposits: $2.42 billion
- AUM: $6.40 billion

*(for the year ending 12/31/22)*

- Loan Growth: 26.7%
- Deposit Growth: 9.0%
- Asset Growth: 13.4%
- TBV/Share[1] Growth: 10.7%


**HOVDE'S HIGH PERFORMERS**
**CLASS OF 2022**

**HOVDE'S HIGH PERFORMERS**
**CLASS OF 2021**

PIPER | SANDLER

**2021 Bank & Thrift Sm-All Stars**

(1) See Non-GAAP reconciliation



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# Investment Highlights

**Attractive Markets and Business Model**

- Rapidly growing institution operating in high growth markets
- Attractive, stable deposit base with noninterest-bearing and money market accounts comprising 77% of total deposits
- Conservative underwriting and affluent client base results in exceptional asset quality with minimal credit losses

**Strong Earnings Momentum**

- Significant revenue growth driving improved operating leverage and higher profitability
- TBV/share[1] increased 25% in 2020, 21% in 2021, and 11% in 2022
- Continued scale expected to drive further leverage and generate returns consistent with a high performing institution over long term

**Proven Execution on Growth Strategies**

- Track record of combining organic growth and market expansion with accretive acquisitions to enhance franchise value
- Total assets up 58% in 2020, 28% in 2021, and 13% in 2022 with substantial increases in revenue and EPS
- Strengthening commercial banking platform creating more diverse loan portfolio and lower-cost deposit base

**High Insider Ownership and Discounted Valuation**

- Highly aligned with shareholder interests as insiders own ~18% of total shares outstanding[2]
- Discounted valuation trading at just 0.6x TBV/share[3]

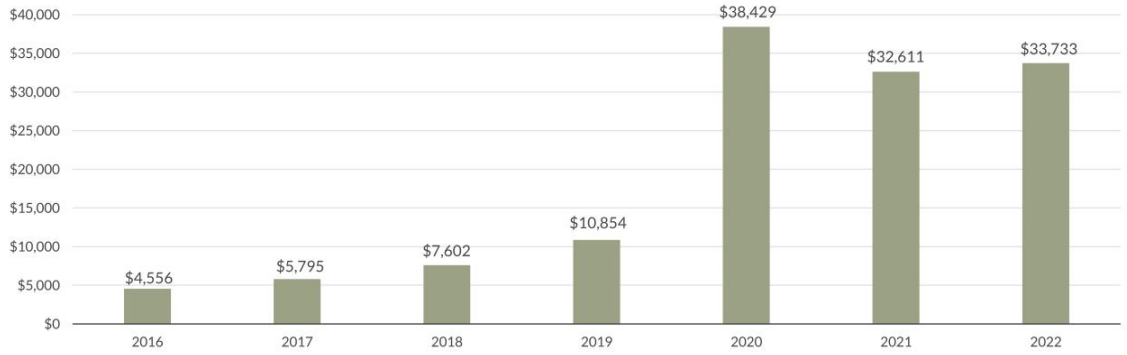
(1) See Non-GAAP reconciliation
(2) Represents beneficial ownership as defined by the Proxy Statement
(3) As of October 30, 2023

# Strong Operational and Financial Momentum

**Drivers of Improved Performance**

- Robust organic balance sheet growth
- Accretive acquisitions
- Market expansion
- Highly leverageable operating platform driving improved efficiencies
- Outstanding asset quality and low credit costs

**Adjusted Pre-Tax, Pre-Provision Income[1] ($000s)**




(1) See Non-GAAP reconciliation



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# Consistent Value Creation

**TBV/Share[1] Up 144% Since July 2018 IPO**


Consistent increases in tangible book value per share driven by:

- Organic growth that has increased operating leverage
- Accretive acquisitions that have been well priced and smoothly integrated to realize all projected cost savings
- Conservative underwriting criteria that has resulted in extremely low level of losses in the portfolio throughout the history of the company
- Prudent asset/liability management including not investing excess liquidity accumulated during the pandemic in low-yielding bonds

(1) See Non-GAAP reconciliation
(2) Includes a $0.56 decrease as a result of the adoption of CECL on January 1, 2023



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# Franchise Overview



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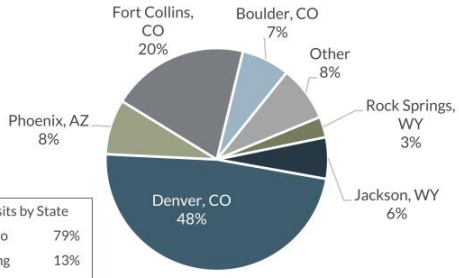
# Great Markets, Scarce Investment Opportunity

## Characteristics of First Western Markets

- Ranked among states with highest GDP growth
- Strong job and population growth
- Experiencing significant in-migration
- Attractive demographics with large amount of high net worth individuals that utilize private banking and investment management services
- Favorable tax laws for trusts and estates that attract wealthy individuals

## Deposits by MSA (1)




| Deposits by State | |
|---|---|
| Colorado | 79% |
| Wyoming | 13% |
| Arizona | 8% |

## MYFW is 2nd Largest Publicly Held CO Chartered Bank

| *As of September 30, 2023* | Current Ownership | Total Assets ($bn) |
|---|---|---|
| FirstBank | Private | 28.2 |
| NBH Bank | **Public (NYSE: NBHC)** | 9.9 |
| Sunflower Bank | Private | 7.8 |
| Bank of Colorado | Private (Sub. Of Pinnacle Bancorp-NE) | 7.0 |
| Alpine Bank | Private | 6.5 |
| ANB Bank | Private | 3.2 |
| First Western Trust Bank | **Public (Nasdaq: MYFW)** | 3.0 |

## Small Market Share Provides Large Growth Opportunity

| MSA | State | Market Share | Projected % Change in HHI (2021-2026) (2) |
|---|---|---|---|
| Denver-Aurora-Lakewood | CO | 1.00 | 11.00 |
| Fort Collins | CO | 4.62 | 13.45 |
| Phoenix-Mesa-Scottsdale | AZ | 0.12 | 13.18 |
| Boulder | CO | 1.39 | 11.41 |
| Jackson | WY/ID | 4.47 | 8.50 |
| Rock Springs | WY | 7.16 | 8.82 |
| **National Average** | | | **9.01** |

(1) Source: S&P Capital IQ as of 06/30/2023
(2) Percentage growth in household income (HHI).



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# 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, Montana, 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** over long-term in both fee income and net interest income, with neutral balance sheet
- Scalable, **leverageable high fixed cost, low variable cost Product and Support Centers**
- Operating **expense investment already in place** for growth and expansion

**Highly Desirable Recurring Fee Income**

- 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**
- Attractive revenue and earnings growth story **trading at discounted valuation**

# Cross-Selling a Diverse Set of Products and Services

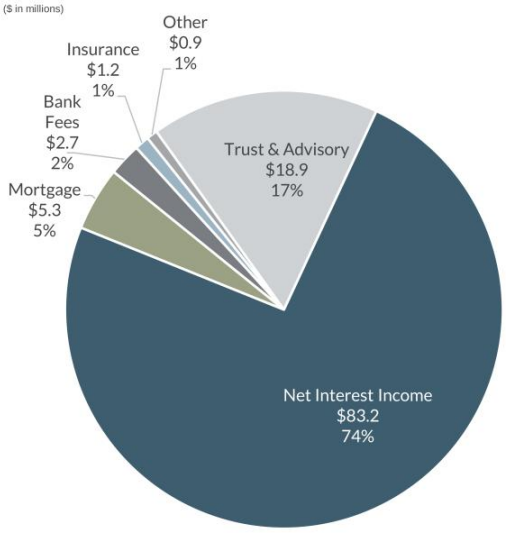
**Our local profit centers team with specialized product experts through ConnectView®, with many points of entry**

| | |
|---|---|
| Commercial Banking | ▪ Corporate loans to match specific needs<br>▪ Well-versed in working with complex cash flows and business models<br>▪ **Customized treasury management** products and services |
| Retirement / 401(k) Plan Consulting | ▪ **Retirement plan consultants** partnering with businesses to sponsor retirement plans<br>▪ Creative corporate retirement plan design, analysis solutions, fiduciary liability management<br>▪ ERISA compliance and education |
| Residential Mortgage Lending | ▪ Mortgage banking **specializing in purchase money, high net worth lending**<br>▪ Underwritten to Fannie Mae and Freddie Mac guidelines<br>▪ Targeted portfolio lending and secondary sales |
| Wealth Planning | ▪ Wealth planning with specialized services (e.g. philanthropic)<br>▪ **Proprietary ConnectView® approach**, with access to CFPs, CPAs and estate planning attorneys<br>▪ Charitable giving tax strategies, deferred-compensation plans, life insurance, key person insurance |
| Investment Management | ▪ Provide a **broad range of asset and sub asset classes,** with automated tax and basis management<br>▪ Create unique solutions through internal research, proprietary and third-party investment options<br>▪ 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<br>▪ Irrevocable life insurance trust, conservatorship, successor trustee, directed custodial trusteeship<br>▪ WY tax-exempt asset protection, special needs trusts, escrow services, family office services |

# High Quality Revenues with Predictable Sources of Recurring Income

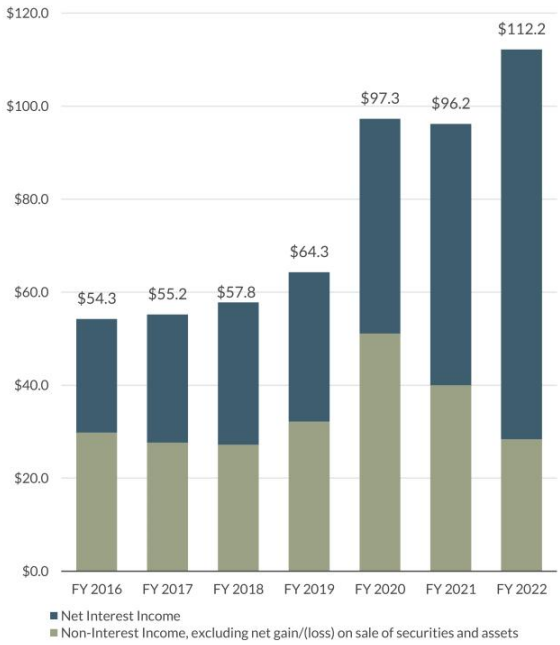
## FY 2022 Revenue Mix

($ in millions)




## Gross Revenue[1]

($ in millions)




Note: As of or for the period ended December 31, 2022. Totals may not add up due to rounding.

(1) See Non-GAAP reconciliation



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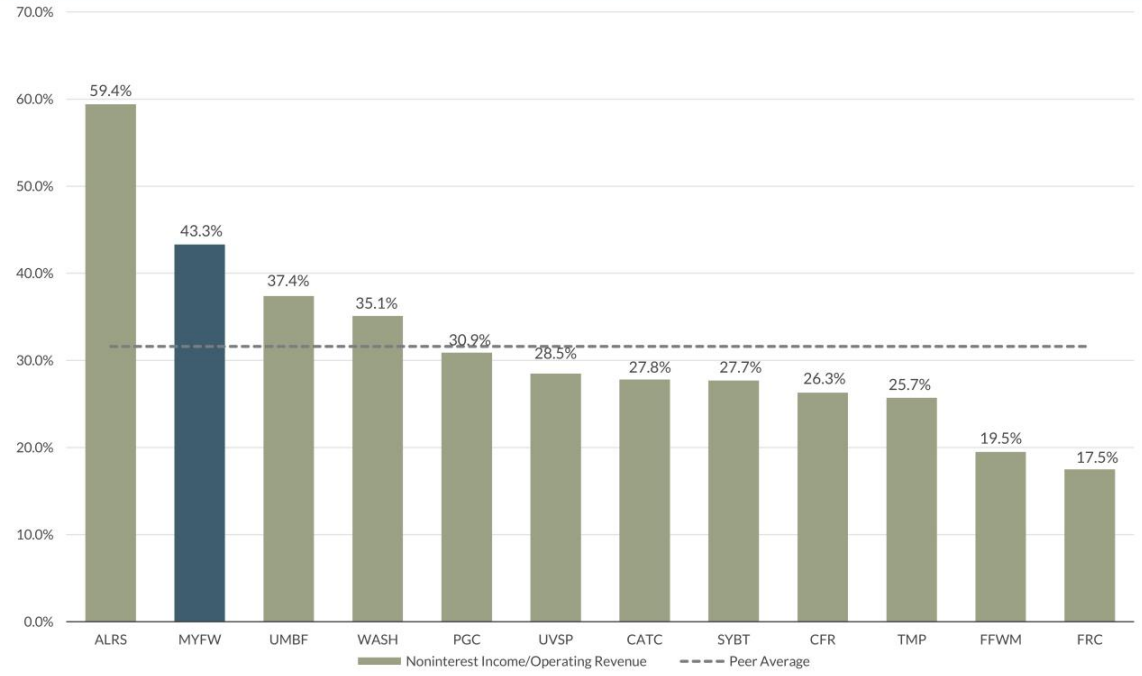
# Private Bank Model Generates Strong Fee Income

**5-Year Average: More than 40% of Operating Revenue Generated by Fee Income**




*Source: S&P Capital IQ (2018-2022)*



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# Driving Profitable Growth



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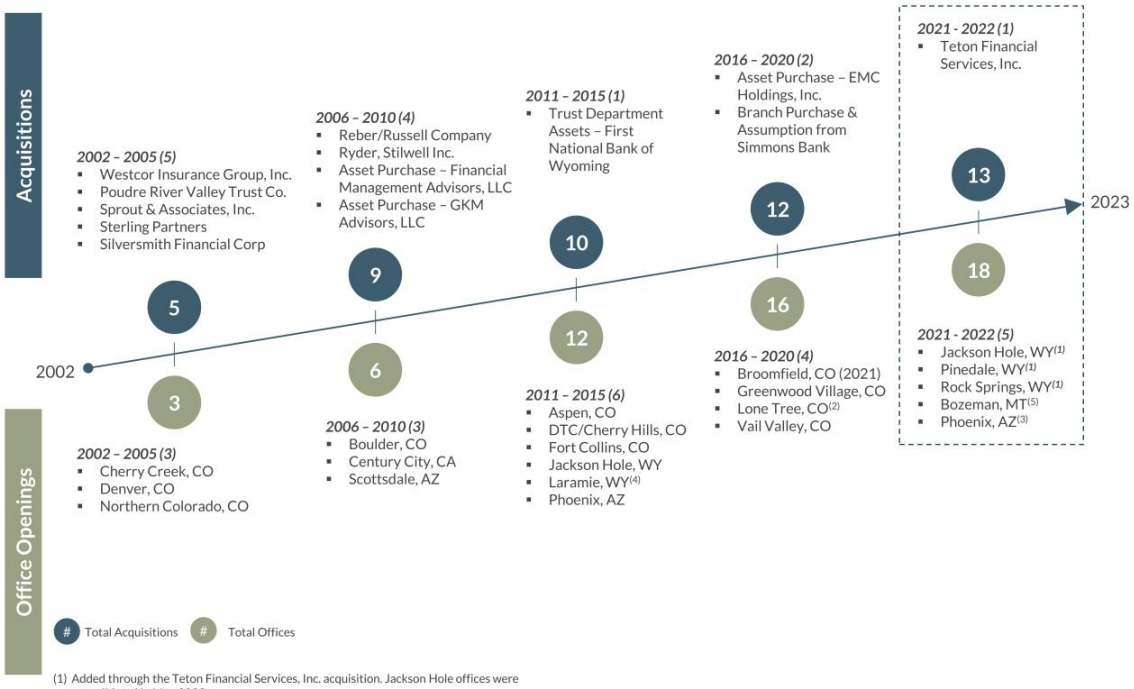
# Success in Expansion and Acquisition Growth




(1) Added through the Teton Financial Services, Inc. acquisition. Jackson Hole offices were consolidated in May 2022
(2) Lone Tree office closed in 2Q2022
(3) Phoenix loan production office opened in 4Q2022
(4) Laramie trust office closed 1Q2023
(5) Bozeman office expanded from a loan production office to a full-service office in 3Q23



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# Revenue Growth Strategies

| | |
|---|---|
| **Expand commercial loan production platform** | ▪ Building expertise in specific vertical markets, e.g. medical and dental practices<br>▪ Capitalize on growing reputation to attract additional experienced commercial banking talent |
| **Expand into new markets with attractive demographics** | ▪ Vail Valley office opened in 2019<br>▪ Built team and revenue base to open office in Broomfield, CO in 3Q21<br>▪ Added teams to expand presence in Arizona in 2022<br>▪ Full-service Bozeman, MT office opened in 2023 |
| **Execute on revenue synergies from Teton acquisition** | ▪ Capitalize on higher legal lending limit to expand relationships with existing clients and pursue larger commercial clients<br>▪ Cross-sell MYFW's larger offering of trust and wealth management products to new client base<br>▪ Continue adding banking talent to further accelerate market share gains in Wyoming |
| **Execute on low-risk strategic transactions that add value to the MYFW franchise** | ▪ Execute on minimally dilutive acquisitions<br>▪ Leverage infrastructure through branch acquisition transactions<br>▪ Proactive expansion, acquisition team |

# Recent M&A Transactions

## Branch Purchase and Assumption

Simmons Bank

### Transaction Overview

- Closed on May 18, 2020
- Acquisition of all of the Denver locations of Simmons Bank (three branches and one loan production office)
- Assumed $63 million in deposits and $120 million in loans related to the acquired locations
- Added scale, an attractive client base, and commercial banking talent

### Financial Impact

- Mid-teens earnings accretion in 2021

## Whole Bank Acquisition

ROCKY MOUNTAIN BANK

### Transaction Overview

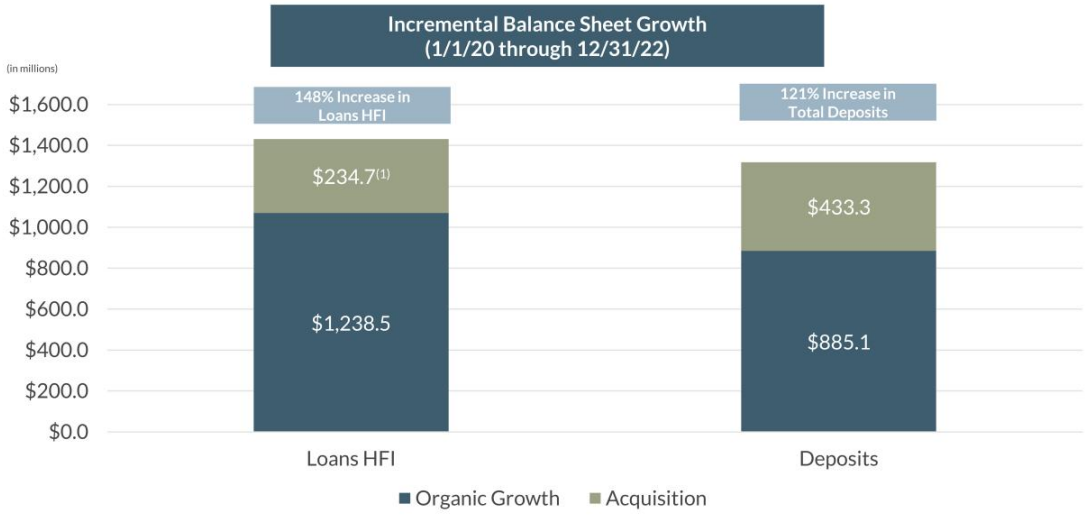
- Closed on December 31, 2021
- Acquisition of Teton Financial Services Inc., the holding company for Rocky Mountain Bank
- Expanded First Western's footprint and market share in Wyoming where favorable trust, estate and tax laws align well with private banking and investment management business model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

### Financial Impact

- High single-digit earnings accretion in 2022
- Immediately accretive to TBV/share upon closing
- Added low-cost deposits and higher-yielding loans that positively impacted net interest margin

# Strong Execution on Revenue Growth Strategies

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




(1) Acquired growth represents remaining balances as of December 31, 2022 following payoffs/paydowns since the loans were acquired.



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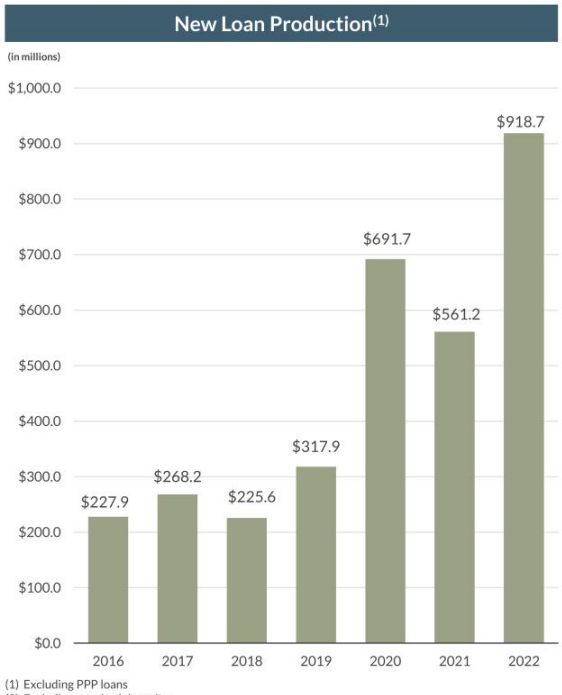
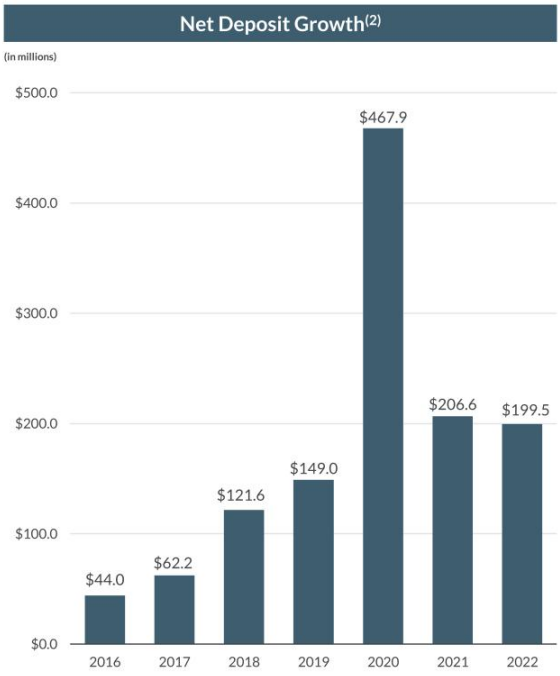
# Accelerating Business Development Trends

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




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



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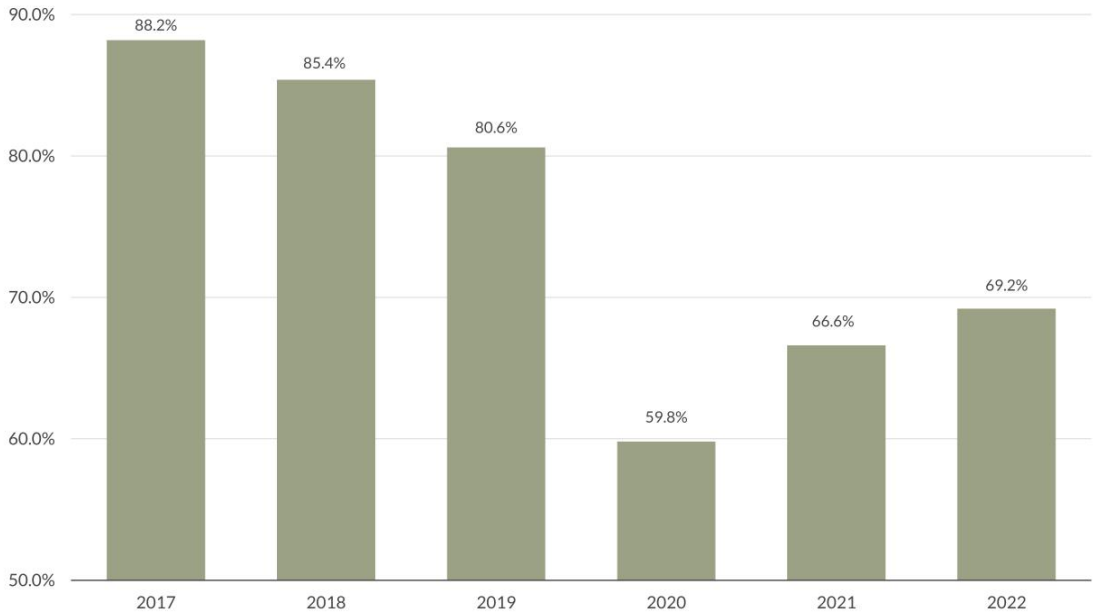
# Increased Scale and Back-Office Streamlining Driving Improved Efficiencies

**Efficiency Ratio[1]**




(1) See Non-GAAP reconciliation



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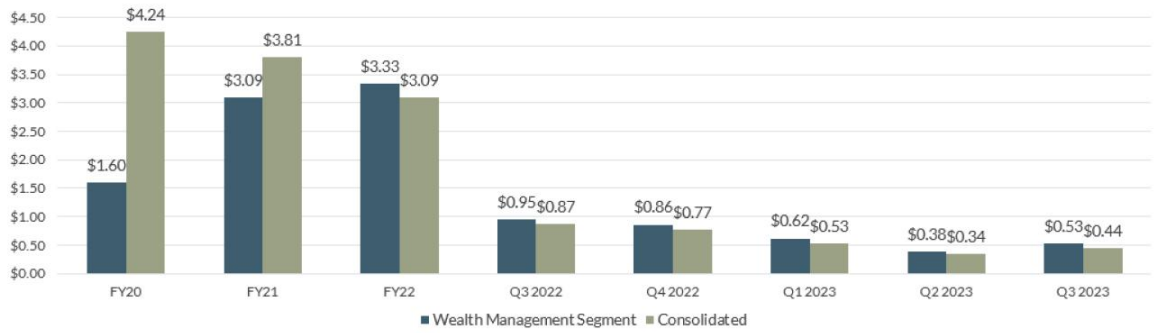
# Wealth Management Segment Earnings

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

**Wealth Management Segment Diluted Pre-Tax Earnings Per Share[1]**




(1) See Non-GAAP reconciliation



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# Recent Financial Trends



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# Overview of 3Q23

**3Q23 Earnings**

- Net revenue increased $2.0 million, or 9.6%, to $22.5 million in Q3 2023, compared to $20.6 million in Q2 2023
- Net income available to common shareholders of $3.1 million, or $0.32 per diluted share
- Pre-tax, pre-provision net income of $4.6 million[1], an increase of 17% from $3.9 million[1] in the prior quarter
- Strong earnings and disciplined balance sheet management resulted in further increase in tangible book value per share and increase in all capital ratios

**Prudent Balance Sheet Growth**

- Deposit growth exceeded loan growth in the third quarter
- 7.5% annualized deposit growth
- 5.6% annualized loan growth while maintaining conservative underwriting criteria and disciplined pricing

**Strong Execution on Key Priorities**

- Disciplined expense control resulted in operating expenses coming in at low end of targeted range
- Increased focus on deposit gathering reduced loan-to-deposit ratio
- Conservative underwriting and proactive portfolio management continues to result in immaterial credit losses
- Increase in NPAs driven by one relationship consisting of $42 million in loans that are collateralized with minimal loss exposure

1. See Non-GAAP reconciliation

# Net Income Available to Common Shareholders and Earnings per Share

- Net income of $3.1 million, or $0.32 diluted earnings per share, in 3Q23
- Profitability and prudent balance sheet management resulted in book value and tangible book value per share[1] increasing by 4.1% and 5.0%, respectively, from 3Q22



1. See Non-GAAP reconciliation



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# Loan Portfolio

## Loan Portfolio Details

- Total loans held for investment increased $34.6 million from prior quarter
- Growth driven by commercial and industrial loans, residential mortgage loans, and draws on existing construction lines, partially offset by a decrease in CRE loans due to an increase in payoffs
- New loan production of more than $100 million represents largest quarter of new loan production of the year
- Average rate on new loan production increased 51 bps to 7.92% compared to prior quarter

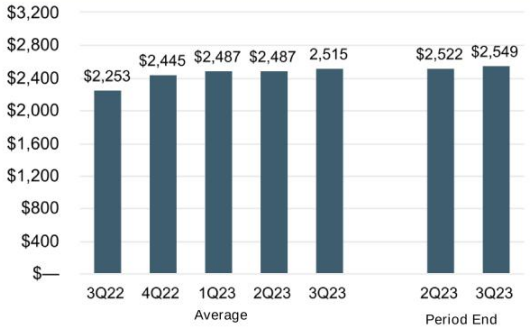
## Loan Portfolio Composition[1]

| ($ in thousands, as of quarter end) | 3Q 2022 | 2Q 2023 | 3Q 2023 |
|---|---|---|---|
| Cash, Securities and Other | $ 154,748 | $ 150,679 | $ 148,669 |
| Consumer and Other | 27,781 | 21,866 | 23,975 |
| Construction and Development | 228,060 | 313,227 | 349,436 |
| 1-4 Family Residential | 822,796 | 878,670 | 913,085 |
| Non-Owner Occupied CRE | 527,836 | 561,880 | 527,377 |
| Owner Occupied CRE | 220,075 | 218,651 | 208,341 |
| Commercial and Industrial | 350,954 | 338,679 | 349,515 |
| Total | $ 2,332,250 | $ 2,483,652 | $ 2,520,398 |
| Loans accounted for at fair value[2] | 22,648 | 18,274 | 16,105 |
| Total Loans HFI | $ 2,354,898 | $ 2,501,926 | $ 2,536,503 |
| Loans held-for-sale (HFS) | 12,743 | 19,746 | 12,105 |
| **Total Loans** | $ 2,367,641 | $ 2,521,672 | $ 2,548,608 |

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]



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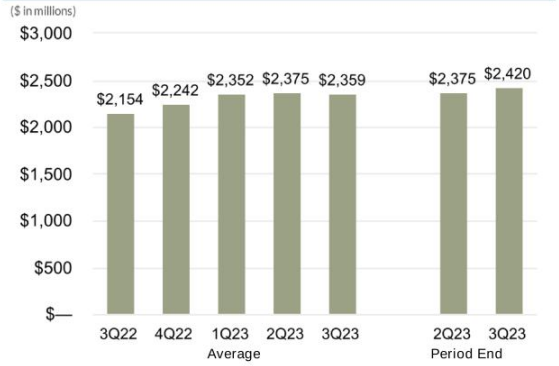
# Total Deposits

- Total deposits increased by $44.6 million in 3Q23
- Success in new business development, with $26 million in new deposit relationships added in 3Q23
- Continued migration of noninterest-bearing deposits into interest-bearing categories as clients seek higher rates for their excess liquidity

**Deposit Portfolio Composition**

| | 3Q 2022 | 2Q 2023 | 3Q 2023 |
|---|---|---|---|
| Money market deposit accounts | $ 1,010,846 | $ 1,297,732 | $ 1,388,726 |
| Time deposits | 186,680 | 376,147 | 373,459 |
| NOW | 277,225 | 168,537 | 164,000 |
| Savings accounts | 30,641 | 18,737 | 17,503 |
| Noninterest-bearing accounts | 662,055 | 514,241 | 476,308 |
| **Total Deposits** | **$ 2,167,447** | **$ 2,375,394** | **$ 2,419,996** |

**Total Deposits**



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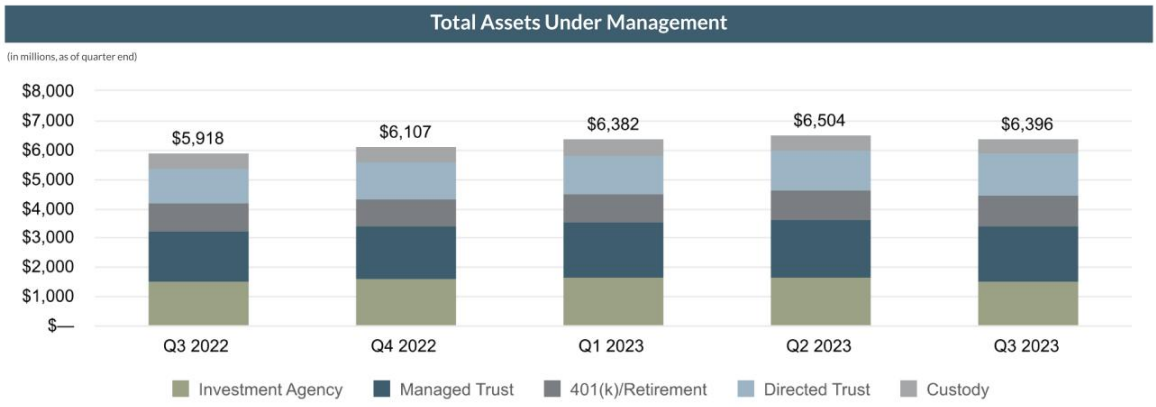
# Trust and Investment Management

- Total assets under management decreased $108.2 million from June 30, 2023 to $6.40 billion as of September 30, 2023
- Primarily attributable to a decrease in market values throughout the quarter resulting in a decrease in the value of assets under management balances



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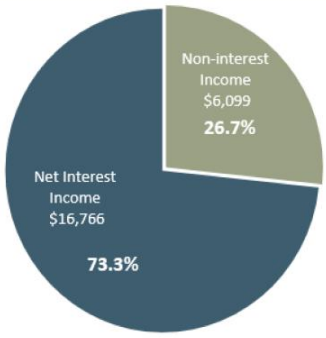
# Gross Revenue

- Gross revenue[1] declined 6.6% from prior quarter
- Decline in net interest income, partially offset by an increase in noninterest income
- Non-interest income mix increased to 26.7% from 17.7% in prior quarter

**3Q23 Gross Revenue[1]**




**Gross Revenue[1]**


1. See Non-GAAP reconciliation



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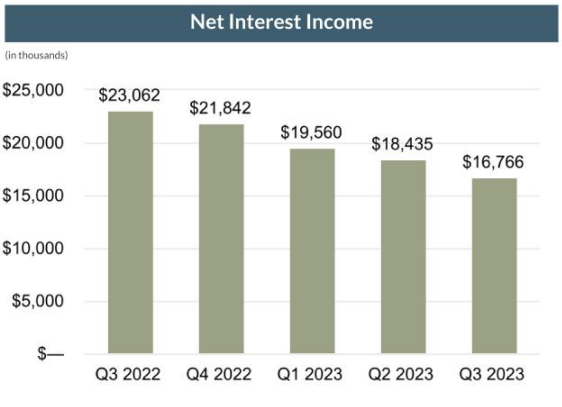
# Net Interest Income and Net Interest Margin

- Net interest income decreased to $16.8 million, or 9.1%, from $18.4 million in 2Q23
- Net interest income decreased from 2Q23 due to an increase in average cost of deposits
- Net interest margin decreased 27 bps to 2.46%, driven by the increase in interest bearing deposit costs
  - 20 bps of the 27 bps quarterly change directly impacted by the addition of $45.9 million of non-performing assets
- Pressure on net interest margin expected to moderate in 4Q23





1. See Non-GAAP reconciliation



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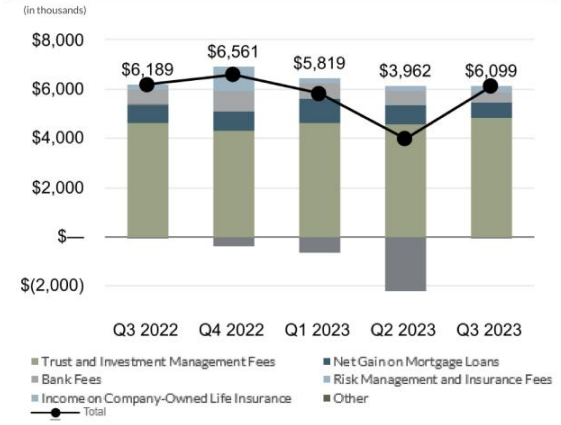
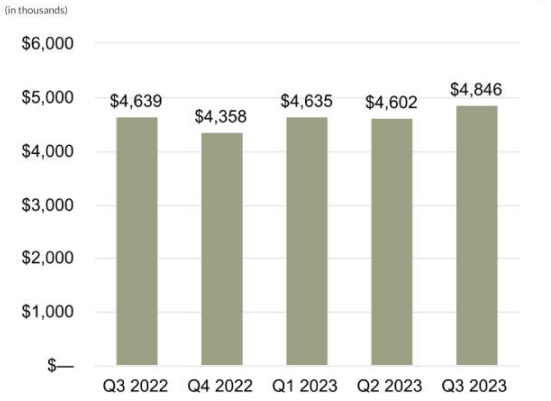
# Non-Interest Income

- Non-interest income increased 54% from prior quarter, primarily due to impacts in 2Q23:
  - $1.2 million impairment to carrying value of contingent consideration assets in 2Q23
  - $1.1 million of losses on loans accounted for under fair value option in 2Q23 vs. $0.3 million of losses in 3Q23
- Trust and investment management fees increased 5.3% from prior quarter due to an increase in fee structure implemented during 3Q23
- Net gain on mortgage loans decreased slightly to $0.7 million as higher rates continue to impact loan demand

**Total Non-Interest Income**




**Trust and Investment Management Fees**



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# Non-Interest Expense and Efficiency Ratio

- Non-interest expense decreased 1.1% from 2Q23
- Disciplined expense management resulted in non-interest expense coming in at low end of targeted range
- Non-interest expense expected within the range of $18.5 million to $19.0 million for the remainder of 2023



1. See Non-GAAP reconciliation



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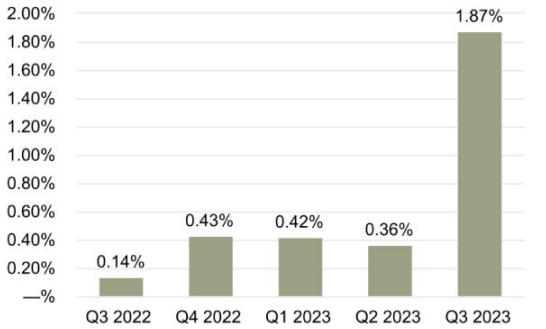
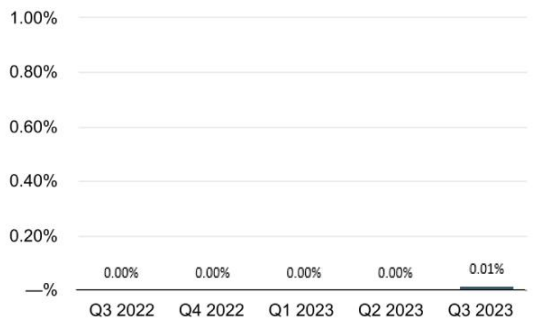
# Asset Quality

- NPAs increased $45.9 million primarily due to four additional loans, under one relationship, moving to non-accrual during 3Q23
- Collateral values in excess of 120% of total loan balances based on recent valuations
- $0.3 million provision for credit losses
- ACL/Adjusted Total Loans[1] increased to 0.92% in 3Q23 from 0.89% in 2Q23
- Continue to experience immaterial amount of credit losses

**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



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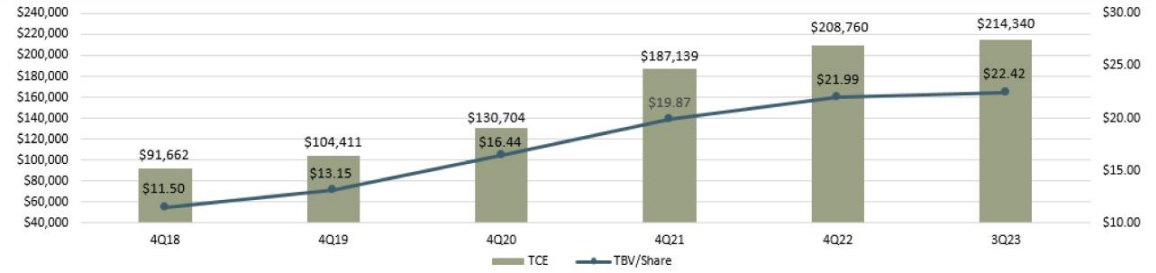
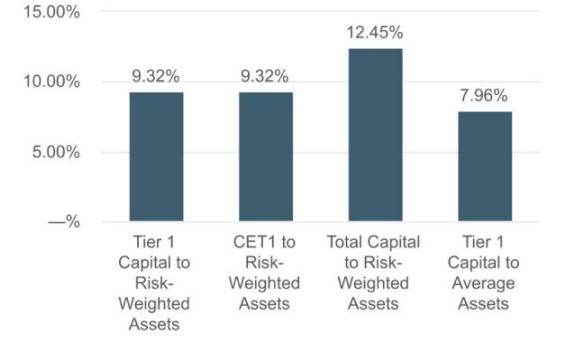
# Capital and Liquidity Overview

## Tangible Common Equity / TBV per Share[1]




## Consolidated Capital Ratios (as of 9/30/23)




## Liquidity Funding Sources (as of 9/30/23)

(in thousands)

| | |
|---|---|
| **Liquidity Reserves:** | |
| Total Available Cash | $269,805 |
| Unpledged Investment Securities | 21,264 |
| **Borrowed Funds:** | |
| Secured: | |
| FHLB Available | 624,762 |
| FRB Available | 14,873 |
| Other: | |
| Brokered Remaining Capacity | 152,841[2] |
| Unsecured: | |
| Credit Lines | 29,000 |
| **Total Liquidity Funding Sources** | $1,112,545 |
| **Loan to Deposit Ratio** | 104.6 % |

1. See Non-GAAP reconciliation
2. Based on internal policy guidelines



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# Creating Additional Shareholder Value



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# Near-Term Outlook

- Prudent risk management will remain top priority while economic uncertainty remains, which will impact level of profitability in short term
- Continued focus on executing well on the areas that we can control
  - Balance sheet management
  - Attracting new clients with particular focus on core deposit relationships and Trust and Investment Management assets
  - Providing exceptional service to existing clients
  - Tightly managing expenses
- While maintaining a conservative approach to operating in the current environment, investments continue to be made in areas that will further enhance business development capabilities including first full office in Bozeman market
- By balancing near-term conservative approach with continued long-term investments, First Western is well positioned to continue capitalizing on our attractive markets to consistently add new clients, realize more operating leverage as we increase scale, generate profitable growth, and further enhance the value of our franchise

# Long-Term Goals to Drive Shareholder Value

**Our mission is to be the BPBFWWMC – Best Private Bank for the Western Wealth Management Client**

We believe First Western can be a unique, niche focused regional powerhouse with high fee income and consistent strong earnings from our scalable wealth management platform

- **Since our pre-2018 IPO status as of year end 2017, we have tripled total loans and total deposits, more than doubled TBV per share, had substantial increases in annual revenue, and demonstrated significant operating leverage. Looking forward we can drive shareholder value by:**
- **Continuing to execute well, creating more operating leverage to drive high performing ROAA and ROAE results**
- **Emphasizing our differentiation in marketplace**
- **Growing through $5 billion in total assets, $25 billion TIM assets through both organic growth and acquisitions, ideally:**
  - ~50 offices – infill and adjacent
  - Maturing at $8 million in revenue per office through growing 20%
  - 75% contribution margin per office at maturity, then growing
- **Building footprint, scale and operating leverage with M&A**
  - Disciplined approach to be significantly earnings accretive with minimal TBV dilution
- **Enhancing wealth management platform**
  - Upgrade omnichannel client experience
  - Create new digital distribution channel

# 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



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# Organizational Overview



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# Team: Ready to Take MYFW to the Next Level

| Name | Title | Joined FW | Years in Industry | Prior Experience |
|---|---|---|---|---|
| Scott C. Wylie | Chairman, CEO & President | 2002 | 35 | ▪ Chairman & CEO, Northern Trust Bank of Colorado<br>▪ Chairman & CEO, Trust Bank of Colorado<br>▪ CEO, Equitable Bancshares of Colorado and Women's Bank, Chairman, Equitable Bank<br>▪ Chairman, American Fundware<br>▪ President & CEO, Bank and Trust of Puerto Rico<br>▪ Associate, First Boston Corporation |
| Julie A. Courkamp | Chief Operating Officer, Director & Treasurer | 2006 | 22 | ▪ Executive roles within First Western with responsibility for Accounting & Finance, Risk, Technology, Operations and Human Resources<br>▪ Assurance services with PricewaterhouseCoopers |
| David R. Weber | Chief Financial Officer & Treasurer | 2018 | 15 | ▪ Various finance roles at First Western including Finance & Treasury Manager and Director of Finance & Treasury & Cashier of the Bank<br>▪ Various finance roles at Fifth Third Bank |
| John E. Sawyer | Chief Investment Officer | 2017 | 29 | ▪ Chief Investment & Fiduciary Officer, BBVA Compass Bank<br>▪ President & COO, Florida-based boutique wealth management firm<br>▪ Executive with Credit Suisse, Morgan Keegan & Co., and First Tennessee Capital Markets |
| Matt C. Cassell | Chief Banking Officer | 2020 | 25 | ▪ Colorado Market President, Simmons Bank<br>▪ President-Colorado, Bank SNB<br>▪ Market President, Community Banks of Colorado |
| Scott J. Lawley | Chief Credit Officer | 2018 | 35 | ▪ Sr. Credit Officer & Segment Risk Officer, Huntington National Bank<br>▪ Credit advisor, chief underwriter, CRE credit officer PNC Bank, US Bank<br>▪ Lending positions with Fleet Bank |

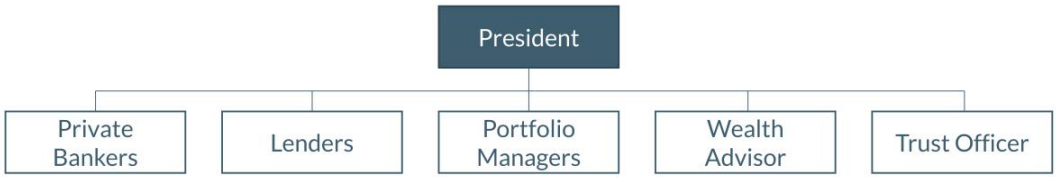
# MYFW's Sophisticated Board of Directors

| Name | Director Since | Primary Business |
|---|---|---|
| Scott C. Wylie | 2002 | ▪ First Western Financial, Inc. |
| Julie A. Caponi, CPA | 2017 | ▪ Former Finance Executive at Arconic, Inc. (fka Alcoa Inc.)<br>▪ Former audit partner at Deloitte<br>▪ Board member & Audit Committee chair for FCF (NYSE) |
| Julie A. Courkamp | 2021 | ▪ First Western Financial, Inc. |
| David R. Duncan | 2011 | ▪ Energy<br>▪ Winery Executive, Silver Oak Cellars<br>▪ Entrepreneur, board member, business leader |
| Thomas A. Gart | 2013 | ▪ Real Estate Developer<br>▪ Specialty Retail Executive<br>▪ Family business, PE investing across broad range of industries |
| Patrick H. Hamill | 2004 | ▪ Real Estate Developer<br>▪ Home Builder Executive<br>▪ Entrepreneur, business/community leader, real estate expertise |
| Luke A. Latimer | 2015 | ▪ Utility Maintenance<br>▪ Construction Executive<br>▪ Family business, public bank board |
| Scott C. Mitchell | 2021 | ▪ President, U.S. Engineering, Metalworks<br>▪ President of several successful manufacturing companies<br>▪ Six Sigma Master Black Belt |
| Eric D. Sipf, CPA[1] | 2003 | ▪ Former Healthcare Executive<br>▪ US Army<br>▪ Asset management, finance, bank board, M&A |
| Mark L. Smith | 2002 | ▪ Real Estate Developer<br>▪ Entrepreneur, community leadership, real estate expertise |
| Joseph C. Zimlich, CPA | 2004 | ▪ Family Office Executive<br>▪ Corporate leadership, board, and investment management |

(1) CPA license inactive.

# Integrated Team Approach in Boutique Offices

**Working as a team to grow relationships**




Team-based incentives


Holistic view of the client – ConnectView®

Many relationship managers to one client

Product group specialists

Relationship-based wealth management



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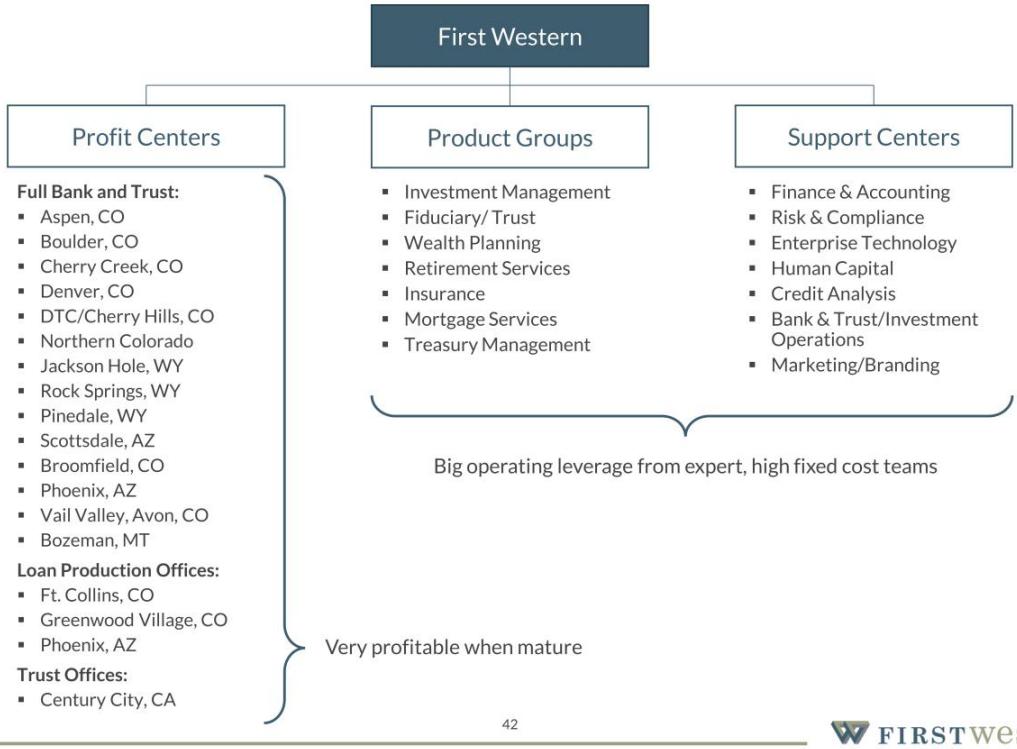
# Organizational Structure Built for Scale



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# Non-GAAP Reconciliations



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# Non-GAAP Reconciliation

| *Consolidated Gross Revenue* | For the Years Ended, | | | | | | |
|---|---|---|---|---|---|---|---|
| *(Dollars in thousands)* | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| Total income before non-interest expense | $53,394 | $54,501 | $57,602 | $63,997 | $92,615 | $95,408 | $107,934 |
| Less: Unrealized gains/(losses) recognized on equity securities | - | - | (15) | 21 | 15 | (21) | 342 |
| Less: net gain/(loss) on loans accounted for under the fair value option | - | - | - | - | - | - | (891) |
| Less: Net gain on equity interests | 114 | 81 | - | 119 | - | 489 | 7 |
| Less: Net gain on sale of assets | - | - | - | 183 | - | - | - |
| Less: Net gain on loans held for sale | - | - | - | - | - | - | (12) |
| Plus: Provision for credit losses | 985 | 788 | 180 | 662 | 4,682 | 1,230 | 3,682 |
| **Gross revenue** | **$54,265** | **$55,208** | **$57,797** | **$64,336** | **$97,282** | **$96,170** | **$112,170** |

| *Consolidated Adjusted Pre-tax, Pre-provision Income* | For the Twelve Months Ended December 31, | | | | | | |
|---|---|---|---|---|---|---|---|
| *(Dollars in thousands)* | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| Net Income before income tax, as reported | $3,571 | $5,007 | $7,422 | $10,192 | $33,063 | $27,280 | $28,828 |
| Plus: Provision for credit losses | 985 | 788 | 180 | 662 | 4,682 | 1,230 | 3,682 |
| **Pre-tax, Pre-provision Income** | $4,556 | $5,795 | $7,602 | $10,854 | $37,745 | $28,510 | $32,510 |
| Plus: Acquisition related expenses | - | - | - | - | 684 | 4,101 | 1,223 |
| **Adjusted Pre-tax, Pre-provision Income** | **$4,556** | **$5,795** | **$7,602** | **$10,854** | **$38,429** | **$32,611** | **$33,733** |

| *Diluted Pre-Tax Earnings Per Share* | For the Twelve Months ended December 31, | | | | |
|---|---|---|---|---|---|
| *(Dollars in thousands)* | 2018 | 2019 | 2020 | 2021 | 2022 |
| Non-Mortgage income before income tax | $8,664 | $6,152 | $12,086 | $21,378 | $31,139 |
| Plus: Acquisition-related expenses | - | - | 684 | 4,101 | 1,223 |
| Mortgage income before income tax | (1,242) | 4,040 | 20,978 | 5,902 | (2,311) |
| Less: Income tax expense including acquisition tax effect | 1,775 | 2,183 | 8,705 | 7,673 | 7,432 |
| Net income available to common shareholders | $5,647 | $8,009 | $25,043 | $23,708 | $22,619 |
| Diluted weighted average shares | 5,586,620 | 7,914,961 | 7,961,904 | 8,235,178 | 9,713,623 |
| **Non-Mortgage Segment Diluted Pre-Tax Earnings Per Share** | **$1.55** | **$0.78** | **$1.60** | **$3.09** | **$3.33** |
| **Consolidated Diluted Pre-Tax Earnings Per Share** | **$1.33** | **$1.29** | **$4.24** | **$3.81** | **$3.09** |

# Non-GAAP Reconciliation

| Consolidated Efficiency Ratio | For the Years Ended, | | | | | | |
|---|---|---|---|---|---|---|---|
| *(Dollars in thousands)* | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| Non-interest expense | $49,823 | $49,494 | $50,182 | $53,806 | $59,552 | $68,128 | $79,106 |
| Less: Amortization | 747 | 784 | 831 | 374 | 14 | 17 | 308 |
| Less: Acquisition related expenses | - | - | - | - | 684 | 4,101 | 1,223 |
| Less: Goodwill impairment | - | - | - | 1,572 | - | - | - |
| Less: Provision on other real estate owned | - | - | - | - | 176 | - | - |
| Less: Loss on assets held for sale | - | - | - | - | 553 | - | - |
| Plus: Gain on sale of LA fixed income team | - | - | - | - | 62 | - | - |
| Adjusted non-interest expense | $49,076 | $48,710 | $49,351 | $51,860 | $58,187 | $64,010 | $77,575 |
| | | | | | | | |
| Net interest income | $24,457 | $27,576 | $30,624 | $32,061 | $46,102 | $56,509 | $83,204 |
| Non-interest income | 29,922 | 27,713 | 27,158 | 32,598 | 51,195 | 40,129 | 28,412 |
| Less: Unrealized gains/(losses) recognized on equity securities | - | - | (15) | 21 | 15 | (21) | 342 |
| Less: net gain/(loss) on loans accounted for under the fair value option | - | - | - | - | - | - | (891) |
| Less: Net gain on equity interests | 114 | 81 | - | 119 | - | 489 | 7 |
| Less: Net gain on sale of assets | - | - | - | 183 | - | - | - |
| Less: Net gain on loans held for sale | - | - | - | - | - | - | (12) |
| Total income | $54,265 | $55,208 | $57,797 | $64,336 | $97,282 | $96,170 | $112,170 |
| **Efficiency ratio** | **90.4%** | **88.2%** | **85.4%** | **80.6%** | **59.8%** | **66.6%** | **69.2%** |

# Non-GAAP Reconciliation

| *Diluted Pre-Tax Earnings Per Share* | | | | | |
|---|---|---|---|---|---|
| *(Dollars in thousands)* | September 30, 2023 | December 31, 2022 | March 31, 2023 | June 30, 2023 | September 30, 2023 |
| Non-Mortgage income before income tax | $9,034 | $8,168 | $5,971 | $2,429 | $5,102 |
| Plus: Acquisition-related expenses | 154 | 195 | 37 | 14 | 30 |
| Plus: Impairment of contingent consideration assets | - | - | - | 1,249 | - |
| Mortgage income before income tax | (799) | (867) | (810) | (394) | (880) |
| Less: Income tax expense including acquisition tax effect | 2,052 | 1,879 | 1,351 | 857 | 1,112 |
| Net income available to common shareholders | $6,337 | $5,617 | $3,847 | $2,441 | $3,140 |
| Diluted weighted average shares | 9,673,078 | 9,702,908 | 9,732,674 | 9,686,401 | 9,743,270 |
| **Non-Mortgage Segment Diluted Pre-Tax Earnings Per Share** | **$0.95** | **$0.86** | **$0.62** | **$0.38** | **$0.53** |
| **Consolidated Diluted Pre-Tax Earnings Per Share** | **$0.87** | **$0.77** | **$0.53** | **$0.34** | **$0.44** |

# Non-GAAP Reconciliation

| Consolidated Efficiency Ratio<br>(Dollars in thousands) | September 30, 2022 | December 31, 2022 | March 31, 2023 | June 30, 2023 | September 30, 2023 |
|---|---|---|---|---|---|
| Non-interest expense | $19,260 | $19,905 | $20,528 | $18,519 | $18,314 |
| Less: amortization | 77 | 77 | 64 | 62 | 62 |
| Less: acquisition related expenses | 154 | 195 | 37 | 14 | 30 |
| Adjusted non-interest expense | $19,029 | $19,633 | $20,427 | $18,443 | $18,222 |
| | | | | | |
| Net interest income | $ 23,062 | $21,842 | $19,560 | $18,435 | $16,766 |
| Non-interest income | 6,189 | 6,561 | 5,819 | 3,962 | 6,099 |
| Less: unrealized gains/(losses) recognized on equity securities | 75 | - | 10 | (11) | (19) |
| Less: impairment of contingent consideration assets | - | - | - | (1,249) | - |
| Less: net gain/(loss) on loans accounted for under the fair value option | (134) | (602) | (543) | (1,124) | (252) |
| Less: net gain on equity interests | 6 | - | - | - | - |
| Less: net (loss)/gain on loans held for sale at fair value | - | (12) | (178) | - | - |
| Adjusted non-interest income | 6,242 | 7,175 | 6,530 | 6,346 | 6,370 |
| Total income | $29,304 | $29,017 | $26,090 | $24,781 | $23,136 |
| **Efficiency ratio** | **64.94%** | **67.66%** | **78.29%** | **74.42%** | **78.76%** |

| Consolidated Tangible Common Book Value Per Share<br>(Dollars in thousands) | As of, | | | | | | |
|---|---|---|---|---|---|---|---|
| | Dec. 31, 2018 | Dec. 31, 2019 | Dec. 31, 2020 | Dec. 31, 2021 | Sept. 30, 2022 | Dec. 31, 2022 | Sept. 30, 2023 |
| Total shareholders' equity | $116,875 | $127,678 | $154,962 | $219,041 | $234,862 | $240,864 | $246,256 |
| Less: | | | | | | | |
| Goodwill and other intangibles, net | 25,213 | 19,714 | 24,258 | 31,902 | 32,181 | 32,104 | 31,916 |
| Intangibles held for sale[1] | - | 3,553 | - | - | - | - | - |
| **Tangible common equity** | 91,662 | 104,411 | $130,704 | 187,139 | 202,681 | 208,760 | 214,340 |
| | | | | | | | |
| Common shares outstanding, end of period | 7,968,420 | 7,940,168 | 7,951,773 | 9,419,271 | 9,492,006 | 9,495,440 | 9,560,209 |
| **Tangible common book value per share** | **$11.50** | **$13.15** | **$16.44** | **$19.87** | **$21.35** | **$21.99** | **$22.42** |

| | |
|---|---|
| **Net income available to common shareholders** | **$3,118** |
| **Return on tangible common equity (annualized)** | **5.82%** |

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, 2022 | December 31, 2022 | March 31, 2023 | June 30, 2023 | September 30, 2023 |
| Total income before non-interest expense | $26,482 | $26,623 | $24,543 | $19,529 | $21,647 |
| Less: unrealized gains/(losses) recognized on equity securities | 75 | - | 10 | (11) | (19) |
| Less: impairment of contingent consideration assets | - | - | - | (1,249) | - |
| Less: net gain/(loss) on loans accounted for under the fair value option | (134) | (602) | (543) | (1,124) | (252) |
| Less: net gain on equity interests | 6 | - | - | - | - |
| Less: net (loss)/gain on loans held for sale at fair value | - | (12) | (178) | - | - |
| Plus: provision for credit losses | 1,756 | 1,197 | (310) | 1,843 | 329 |
| **Gross revenue** | **$28,291** | **$28,434** | **$24,944** | **$23,756** | **$22,247** |

| Mortgage Gross Revenue | For the Three Months Ended, | | | | |
|---|---|---|---|---|---|
| (Dollars in thousands) | September 30, 2022 | December 31, 2022 | March 31, 2023 | June 30, 2023 | September 30, 2023 |
| Total income before non-interest expense | $1,013 | $583 | $1,146 | $1,025 | $889 |
| Plus: provision for credit losses | - | - | - | - | - |
| **Gross revenue** | **$1,013** | **$583** | **$1,146** | **$1,025** | **$889** |

| Consolidated Gross Revenue | For the Three Months Ended, | | | | |
|---|---|---|---|---|---|
| (Dollars in thousands) | September 30, 2022 | December 31, 2022 | March 30, 2023 | June 30, 2023 | September 30, 2023 |
| Total income before non-interest expense | $27,495 | $27,206 | $25,689 | $20,554 | $22,536 |
| Less: unrealized gains/(losses) recognized on equity securities | 75 | - | 10 | (11) | (19) |
| Less: impairment of contingent consideration assets | - | - | - | (1,249) | - |
| Less: net gain/(loss) on loans accounted for under the fair value option | (134) | (602) | (543) | (1,124) | (252) |
| Less: net gain on equity interests | 6 | - | - | - | - |
| Less: net (loss)/gain on loans held for sale at fair value | - | (12) | (178) | - | - |
| Plus: provision for credit losses | 1,756 | 1,197 | (310) | 1,843 | 329 |
| **Gross revenue** | **$29,304** | **$29,017** | **$26,090** | **$24,781** | **$23,136** |

| Gross Revenue excluding net gain on mortgage loans | For the Three Months Ended, | | |
|---|---|---|---|
| (Dollars in thousands) | December 31, 2021 | December 31, 2022 | September 30, 2023 |
| Gross revenue | $23,440 | $29,017 | $23,136 |
| Less: net gain on mortgage loans | 2,470 | 775 | 654 |
| **Gross revenue excluding net gain on mortgage loans** | **$20,970** | **$28,242** | **$22,482** |

# Non-GAAP Reconciliation

| Adjusted net income available to common shareholders<br>(Dollars in thousands, except per share data) | For the Three Months Ended,<br>September 30, 2022 | December 31, 2022 | March 31, 2023 | June 30, 2023 | September 30, 2023 |
|---|---|---|---|---|---|
| Net income available to common shareholders | $6,221 | $5,471 | $3,820 | $1,506 | $3,118 |
| Plus: impairment of contingent consideration assets including tax impact | - | - | - | 924 | - |
| Plus: acquisition related expense including tax impact | 116 | 146 | 27 | 10 | 22 |
| **Adjusted net income to common shareholders** | **$6,337** | **$5,617** | **$3,847** | **$2,440** | **$3,140** |

| Adjusted diluted earnings per share<br>(Dollars in thousands, except per share data) | For the Three Months Ended,<br>September 30, 2022 | December 31, 2022 | March 31, 2023 | June 30, 2023 | September 30, 2023 |
|---|---|---|---|---|---|
| Diluted earnings per share | $0.64 | $0.56 | $0.39 | $0.16 | $0.32 |
| Plus: impairment of contingent consideration assets including tax impact | - | - | - | 0.09 | - |
| Plus: acquisition related expenses including tax impact | 0.02 | 0.02 | - | - | - |
| **Adjusted diluted earnings per share** | **$0.66** | **$0.58** | **$0.39** | **$0.25** | **$0.32** |

| Pre-tax, pre-provision net income<br>(Dollars in thousands) | For the Three Months Ended,<br>March 31, 2023 | June 30, 2023 | September 30, 2023 |
|---|---|---|---|
| Income before income taxes | $5,161 | $2,035 | $4,222 |
| Plus: provision for credit losses | (310) | 1,843 | 329 |
| **Pre-tax, pre-provision net income** | **$4,851** | **$3,878** | **$4,551** |

| Allowance for credit losses to Bank originated loans excluding PPP<br>(Dollars in thousands) | As of,<br>September 30, 2022 | December 31, 2022 | March 31, 2023 | June 30, 2023 | September 30, 2023 |
|---|---|---|---|---|---|
| Total loans held for investment | $2,354,898 | $2,476,135 | $2,475,084 | $2,501,926 | $2,536,503 |
| Less: Acquired loans | 248,573 | 234,717 | — [2] | — [2] | — [2] |
| Less: PPP loans | 6,905 | 6,378 | 6,100 | 5,558 | 4,876 |
| Less: Purchased loans accounted for under fair value ("FVO") | 22,648 | 23,415 | 21,052 | 18,274 | 16,105 |
| Adjusted Loans excluding acquired, PPP and FVO | $2,076,772 | $2,211,625 | $2,447,932 | $2,478,094 | $2,515,522 |
| Allowance for credit losses | 16,081 | 17,183 | 19,843 | 22,044 | 23,175 |
| **Allowance for credit losses to adjusted loans** | **0.77%** | **0.78%** | **0.81%** | **0.89%** | **0.92%** |

1. Subsequent to the adoption of CECL on January 1, 2023, acquired loans are included in the Allowance for Credit Losses and therefore are no longer excluded from the total adjusted loan calculation.

# Non-GAAP Reconciliation

| Adjusted net interest margin | For the Three Months Ended September 30, 2022 | | | For the Three Months Ended December 31, 2022 | | | For the Three Months Ended March 31, 2023 | | | For the Three Months Ended June 30, 2023 | | | For the Three Months Ended September 30, 2023 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| (Dollars in thousands) | 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 | Average Balance | Interest Earned/Paid | Average Yield/Rate |
| Interest-bearing deposits in other financial institutions | $101,824 | $533 | | $103,190 | $931 | | $127,608 | $1,403 | | $135,757 | $1,669 | | $102,510 | $1,291 | |
| PPP adjustment | 2,798 | 16 | | 1,736 | 16 | | 1,502 | 17 | | 1,376 | 17 | | 1,103 | 15 | |
| Investment securities | 69,320 | 653 | | 84,017 | 645 | | 82,106 | 629 | | 80,106 | 626 | | 78,057 | 607 | |
| Correspondent bank stock | 4,924 | 109 | | 11,880 | 237 | | 9,592 | 173 | | 8,844 | 145 | | 7,162 | 142 | |
| Loans | 2,241,343 | 25,345 | | 2,436,252 | 30,691 | | 2,469,129 | 32,239 | | 2,471,588 | 33,704 | | 2,502,419 | 34,228 | |
| Loans HFS | 11,535 | 157 | | 9,065 | 146 | | 18,036 | 268 | | 15,841 | 230 | | 12,680 | 214 | |
| PPP adjustment | (9,026) | (73) | | (7,350) | (32) | | (6,470) | (37) | | (5,811) | (27) | | (5,178) | (25) | |
| Purchase Accretion adjustment | - | 114 | | - | (87) | | - | (64) | | - | (80) | | - | (209) | |
| Adjusted total Interest-earning assets | 2,422,718 | 26,854 | | 2,638,790 | 32,547 | | 2,701,503 | 34,628 | | 2,707,701 | 36,284 | | 2,698,753 | 36,263 | |
| Interest-bearing deposits | | 2,706 | | | 8,260 | | | 13,092 | | | 15,864 | | | 17,467 | |
| PPP adjustment | | - | | | - | | | - | | | - | | | - | |
| Federal Home Loan Bank Topeka and Federal Reserve borrowings | | 666 | | | 1,916 | | | 1,374 | | | 1,361 | | | 1,447 | |
| PPP adjustment | | (3) | | | (6) | | | (5) | | | (4) | | | (4) | |
| Subordinated notes | | 362 | | | 486 | | | 674 | | | 712 | | | 801 | |
| Adjusted total interest-bearing liabilities | | 3,731 | | | 10,656 | | | 15,135 | | | 17,933 | | | 19,711 | |
| Net interest income | | 23,123 | | | 21,891 | | | 19,493 | | | 18,351 | | | 16,552 | |
| **Adjusted net interest margin** | | | **3.79%** | | | **3.29%** | | | **2.93 %** | | | **2.72 %** | | | **2.43 %** |