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**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): September 24, 2018

**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.

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**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 are to be used by Company management in meetings with investors at the 8<sup>th</sup> Annual Stephens Bank CEO Forum on September 24, 2018.

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	<a href="#"><u>First Western Financial, Inc. Investor Presentation</u></a>

## 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: September 24, 2018

By: /s/ Julie A. Courkamp  
Julie A. Courkamp  
Chief Financial Officer



First Western Financial, Inc.  
*The First, Western-Based Private Trust Bank*

Investor Presentation  
September 2018

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

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

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

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

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

## Overview

- Niche-focused regional wealth manager built on a private trust bank platform
- Headquartered in Denver, Colorado and positioned in desirable, affluent and high growth markets

## Target Market

- Households of \$1+ million liquid net worth
- High net worth and high growth markets
- Colorado, Arizona, Wyoming and California

## Competitive Advantage

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

## Company Highlights as of 6/30/2018

*(Dollars in millions, unless otherwise noted)*

- Assets: \$1,046.6
- Gross Loans: \$842.6
- Total Deposits: \$843.7
- AUM: \$5.4 billion
- CET1 Ratio: 7.04%
- Tier 1 Ratio: 9.42%
- Leverage Ratio: 7.74%
- TRBC Ratio: 12.12%



## Office Locations

**First Western Financial, Inc. (FW)**  
Financial Holding Company

**First Western Trust Bank**  
Colorado state chartered bank (13 locations)

**First Western Merger Corporation**  
State licensed insurance agency

**First Western Capital Management Co.**  
Registered investment advisor (1 location)

# MYFW: Our Five Core Strengths

## Differentiated, Proven in the Marketplace

- **Niche-focused** franchise headquartered in Denver, Colorado
- Well-positioned in many **attractive markets** in Arizona, California, Colorado and Wyoming
- **Specialized central expertise** to compete with siloed national, regional firms
- Delivered through **local, boutique trust banking teams** so clients “owned” by MYFW, not associates

## Built in Operating Leverage

- **Strong profit center margins at maturity**, growth opportunities in current and new markets
- **Revenue growth** in both fee income and net interest income, with asset sensitive balance sheet
- Scalable, **leverageable high fixed cost Product and Support Centers**
- Operating **expense investment already in place** for growth and expansion

## Highly Desirable Recurring Fee Income

- **~50% fee income**, consistently through MYFW history
- Primarily **recurring** trust and investment management (“TIM”) fees
- **Low risk, “sticky” wealth/trust business** with comprehensive product offering
- **Multiple entry points with ConnectView®** – proprietary review process to service, **cross-sell**

## Experienced, Tested Team

- Executives are **major bank/professional firm trained**, with deep relationships in communities
- Achieved **growth through** business and economic **cycles**, capital constraints
- Healthy relationship with all regulators with **strong risk management** culture
- CEO with **proven track record** for creating value in previous bank ownership

## Unique Opportunity for Investors

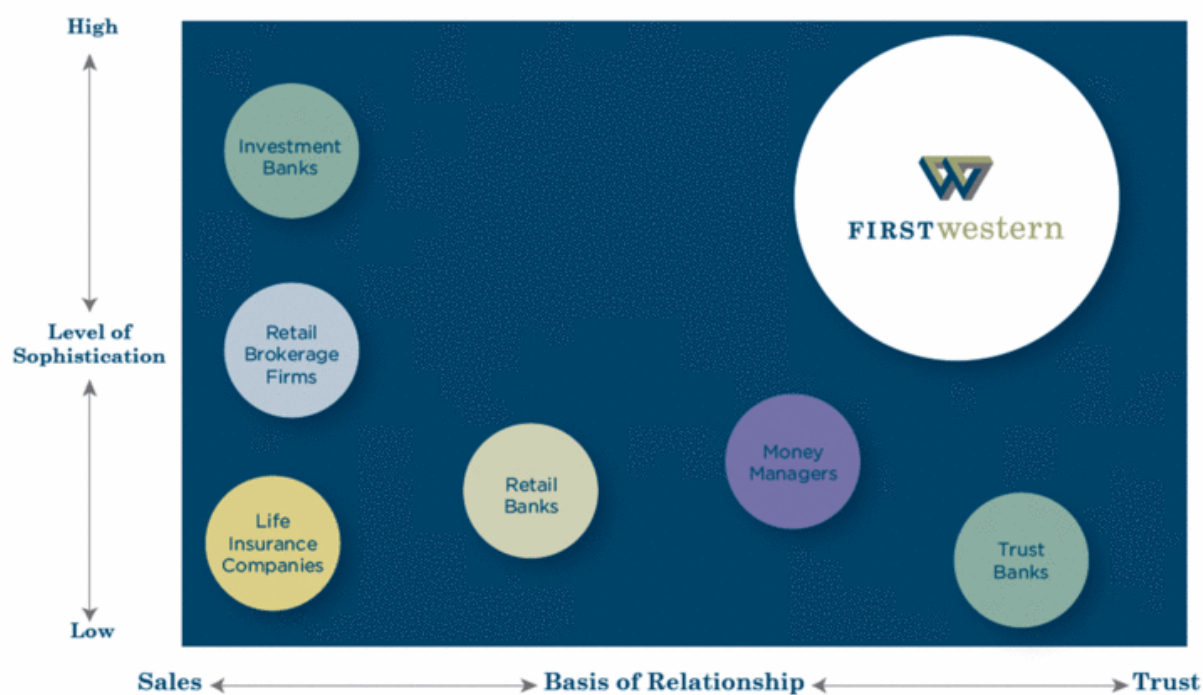
- At critical mass but small market share, **many current and new market** opportunities
- **Proven ability to expand: (1) Organically, (2) By expansion and (3) By acquisition**
- Few large Colorado bank alternatives for investors and clients, creating **lift-out opportunities**
- **MYFW has been capital constrained**: IPO provides growth capital, pay off high cost capital, debt

*First Western’s core strengths provide the foundation for driving shareholder value*



# Rationale for Starting First Western

Competition is Everyone and No One





## Team: Ready to Take MYFW to the Next Level

Name	Title	Years at FW	Years in Industry	Prior Experience
Scott C. Wylie	Chairman, CEO & President	16	31	<ul style="list-style-type: none"> <li>Chairman &amp; CEO, Northern Trust Bank of Colorado</li> <li>Chairman &amp; CEO, Trust Bank of Colorado</li> <li>CEO, Equitable Bancshares of Colorado and Women's Bank, Chairman, Equitable Bank</li> <li>Chairman, American Fundware</li> <li>President &amp; CEO, Bank and Trust of Puerto Rico</li> <li>Associate, First Boston Corporation</li> </ul>
Julie A. Courkamp	Chief Financial Officer & Treasurer	12	18	<ul style="list-style-type: none"> <li>Assurance services with PricewaterhouseCoopers</li> <li>Executive roles within First Western with responsibility for Accounting &amp; Finance, Risk, Technology and Operations</li> </ul>
John E. Sawyer	Chief Investment Officer	1	25	<ul style="list-style-type: none"> <li>Chief Investment &amp; Fiduciary Officer, BBVA Compass Bank</li> <li>President &amp; COO, Florida-based boutique wealth management firm</li> <li>Executive with Credit Suisse, Morgan Keegan &amp; Co., and First Tennessee Capital Markets</li> </ul>
Scott J. Lawley	Chief Credit Officer	-	31	<ul style="list-style-type: none"> <li>Sr. Credit Officer &amp; Segment Risk Officer, Huntington National Bank</li> <li>Credit advisor, chief underwriter, CRE credit officer PNC Bank, US Bank</li> <li>Lending positions with Fleet Bank</li> </ul>
Josh M. Wilson	Regional President, CO / WY	6	19	<ul style="list-style-type: none"> <li>CFO, international oil and gas operating company</li> <li>PC President at First Western</li> <li>Executive with Bank One, JP Morgan and Vectra Private Bank</li> </ul>
Dan C. Thompson	Regional President, AZ / CA	14	25	<ul style="list-style-type: none"> <li>Team Leader within Private Wealth Advisors , Merrill Lynch</li> <li>Positions in the High Net Worth and Q.A. group, Charles Schwab &amp; Co.</li> </ul>

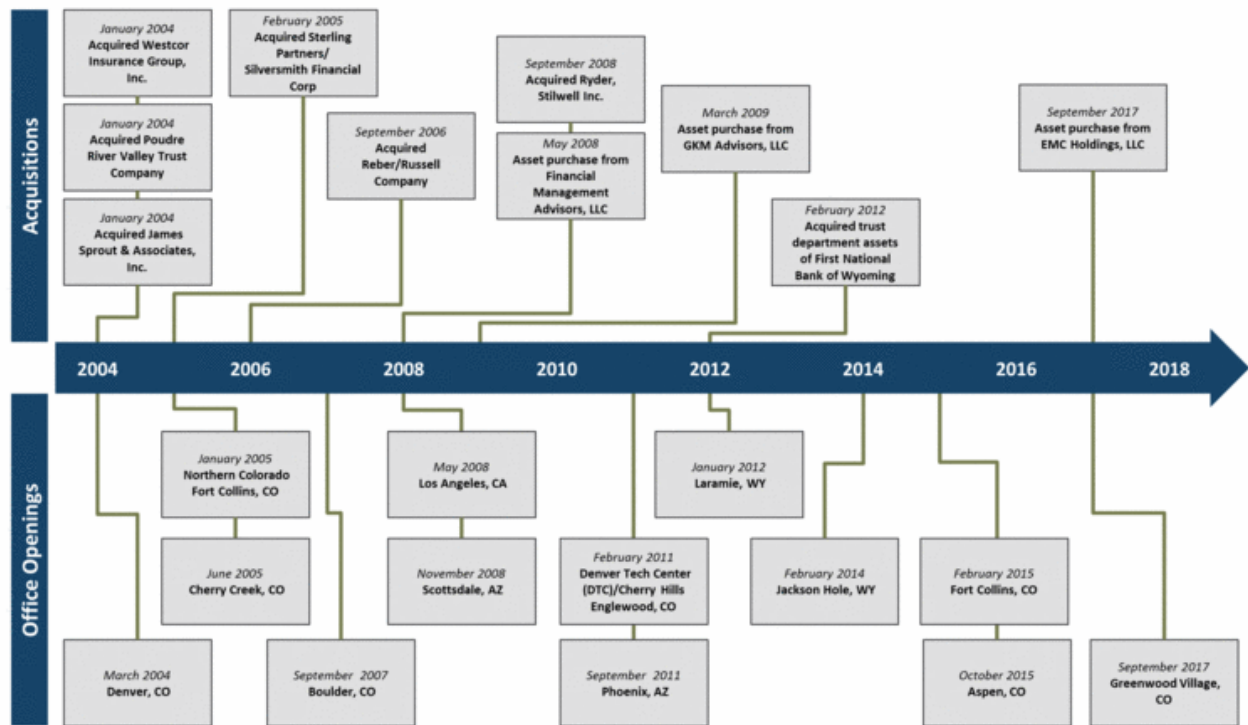
***Senior management team upgraded over past year to prepare for next phase of growth***

# MYFW's Sophisticated Board of Directors

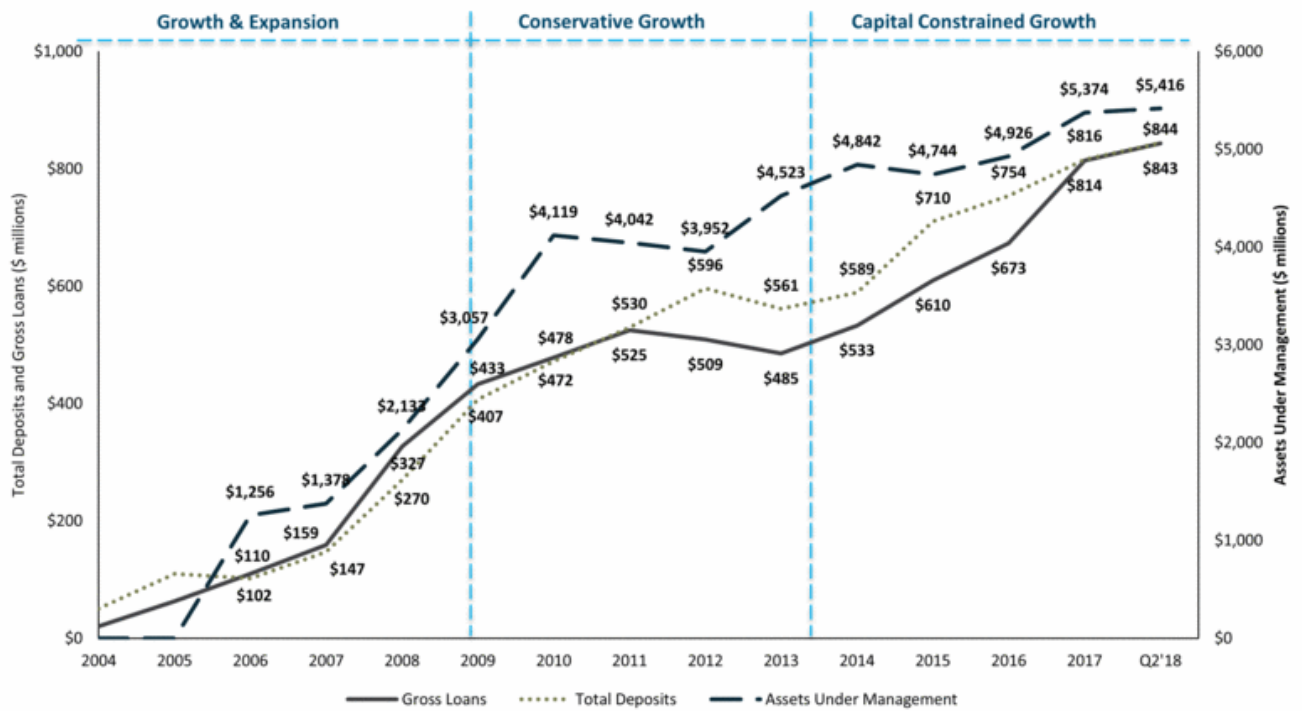
Name	Title	Primary Business
Scott C. Wylie	Chairman, CEO & President	<ul style="list-style-type: none"> <li>First Western Financial, Inc.</li> </ul>
Julie A. Caponi, CPA	Board Director / Trustee	<ul style="list-style-type: none"> <li>Former Finance Executive at Arconic, Inc. (fka Alcoa Inc.)</li> <li>Former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

(1) CPA license inactive.

# Success in Expansion and Acquisition Growth



# Currently in a Cycle of Capital Constraint



## First Western Market Favorability<sup>(1)</sup>

- **Denver, Colorado (2017)**
  - #1 best metro for small business employment
  - #5 best economy among large U.S. cities, population tripled ('00)
  - Employment reached record-high in 2017 (up 2.5% from 2016)
- **Fort Collins, Colorado (2017)**
  - #1 for stable & growing housing market
  - Manufacturing for Anheuser-Busch, Broadcom, Intel
- **Phoenix, Arizona (2017)**
  - Total personal income rose 4.3% for state
  - Employment increased 3.5% for state
  - #3 in personal income growth, #5 for economic momentum

## Colorado Chartered Banks (Assets > ~\$1.0 billion)

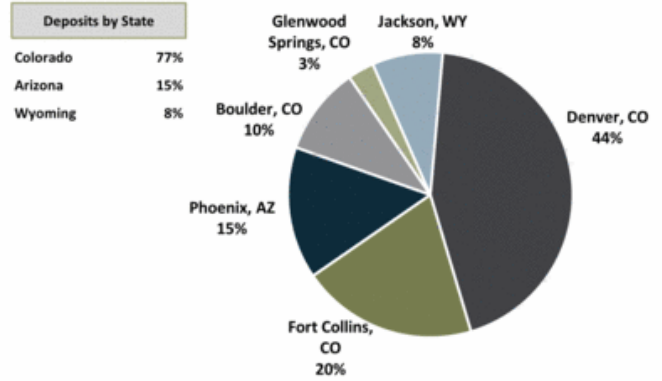
As of June 30, 2018	Current Ownership	Total Assets (\$bn)
FirstBank	Private	18.2
NBH Bank	Public (NYSE: NBHC)	5.6
CoBiz Bank	BOKF (Sale Pending)	3.9
Guaranty B&TC	IBTX (Sale Pending)	3.8
Sunflower Bank	Private	3.7
Bank of Colorado	Private (Sub. of Pinnacle Bancorp-NE)	3.7
Alpine Bank	Private	3.6
ANB Bank	Private	2.6
Citywide Banks	HTLF (Acquired in 2017)	2.3
First Western Trust Bank	Public (Nasdaq: MYFW)	1.0

(1) Source: 2017 Downtown Denver Partnership Report; Ft. Collins Chamber of Commerce; University of Arizona; Fed Funds Info; Realtor.com.

(2) Source: S&P Global Market Intelligence as of 06/30/2018.

(3) Percentage income growth for households with over \$200,000 in current household income (HHI). Note: Demographic data provided by Nielsen per US Census data.

## Deposits by MSA<sup>(2)</sup>



Small market share and growing high household income means lots of room to grow

# The Roadmap to Shareholder Value Creation

## Short-Term Goals

- **Embedded earnings growth drivers**
  - Benefit from operating leverage
  - Integrate mortgage and capital management operations
  - Leverage other product groups
- **Accelerate revenue growth**
  - Leverage expanded trust and IM teams
  - Add trust and IM products, services
  - Build traction with Wealth Advisors
- **Add commercial banking depth**
  - Cross sales to target wealth management clients
  - High margin products through existing channels

## Long-Term Goals

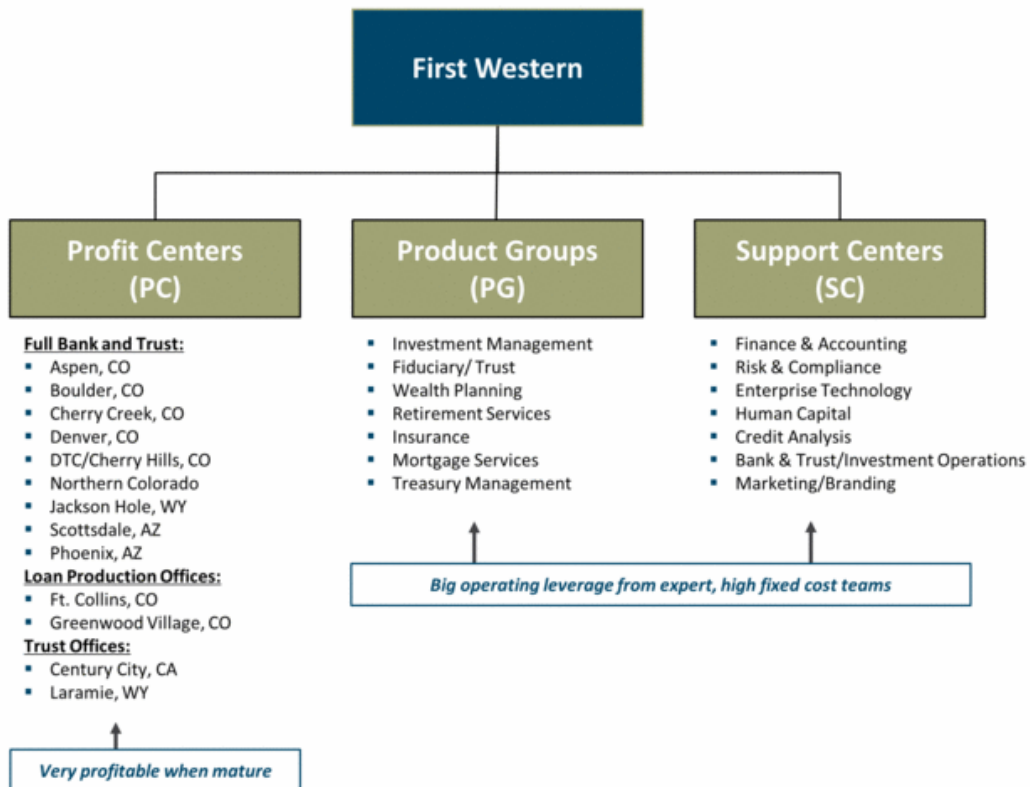
- **Drive to \$5 billion in total assets, \$25 billion TIM assets through both organic growth and acquisitions**
  - ~50 offices
  - \$6-7 million in revenue per office
  - 60% contribution margin per office
- **Build footprint, scale and operating leverage with M&A**
  - Capital and earnings accretive
- **Create, roll out virtual private bank**
  - Robo advisor tied to bank
  - “Buy up” into expert advice
- **Upgrade wealth management platform**
  - Fully integrated front end
- **Sell wholesale TIM services to other banks**

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

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

# Organizational Structure Built for Scale

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





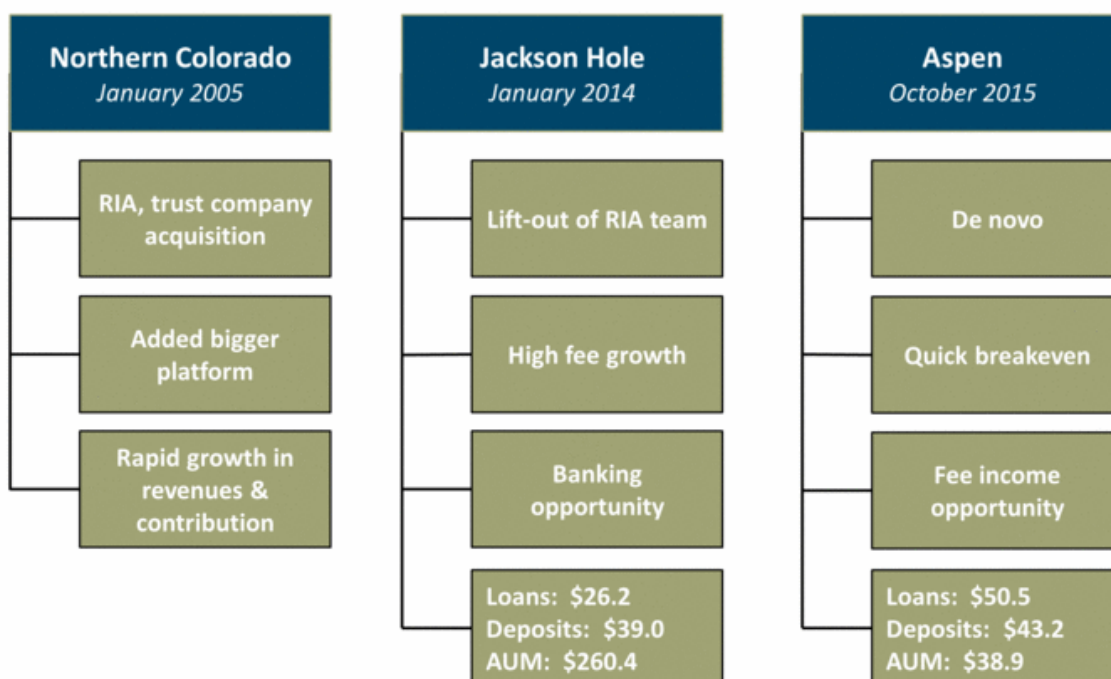
# Integrated Team Approach in Boutique Offices

*... by working as a team to grow relationships*



# Different Paths to Profit Center Success

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



Note: Dollars in millions.

# Acquire, Cross Sell Clients Using Product Groups

*Our local profit centers team with specialized product experts through ConnectView®*

## Commercial Banking

- Corporate loans to match specific needs
- Well versed in working with **complex cash flows and business models**
- Customized treasury management products and services

## Retirement / 401(k) Plan Consulting

- **Retirement plan consultants** partnering with businesses to sponsor retirement plans
- Creative corporate retirement plan design, analysis solutions, fiduciary liability management
- HSAs, third party administrative services, ERISA compliance and education

## Residential Mortgage Lending

- Mortgage banking **specializing in high net worth lending**
- Underwritten to Fannie Mae and Freddie Mac guidelines
- Portfolio lending and secondary sales

## Wealth Planning

- Wealth planning with specialized services (e.g. philanthropic)
- **Proprietary ConnectView® approach**, with access to CFPs, CPAs and estate planning attorneys
- Charitable giving tax strategies, deferred-compensation plans, life insurance, key person insurance

## Investment Management

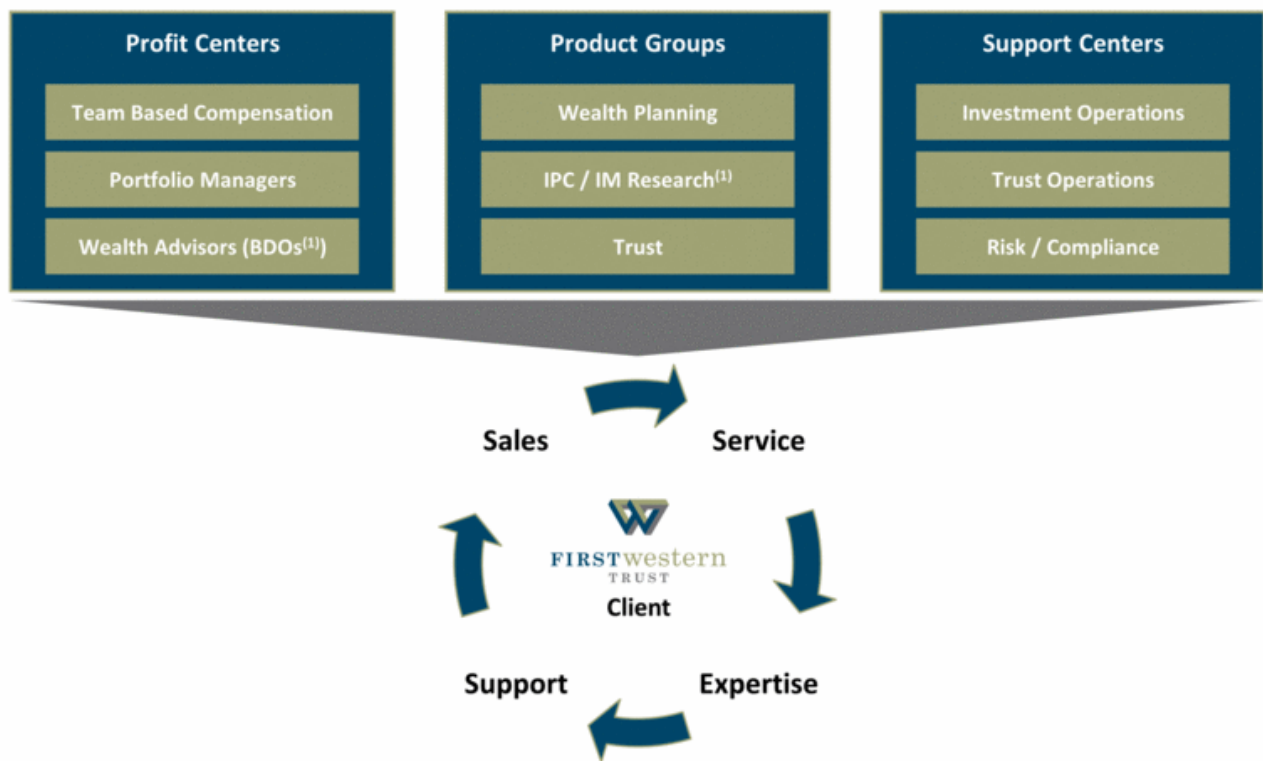
- Provide a **broad range of asset and sub asset classes**
- Create unique solutions through internal research, proprietary and third-party investment options
- Central team creates the platform for Portfolio Managers to service clients, manage accounts

## Trust

- **Fiduciary wealth management** with expert review of client objectives, creating solutions
- Irrevocable life insurance trust, conservatorship, successor trustee, directed custodial trusteeship
- WY tax-exempt asset protection, special needs trusts, escrow services, family office services

# Teamwork Drives Client Satisfaction, Retention

*Example of investment management teamwork shows how MYFW, not relationship managers, owns our clients*



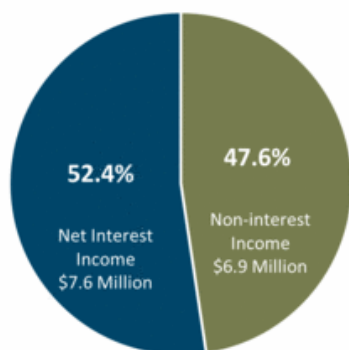
(1) Investment Policy Committee (IPC), Investment Management (IM), Business Development Officers (BDO).

# Our High-Quality, Recurring Revenues

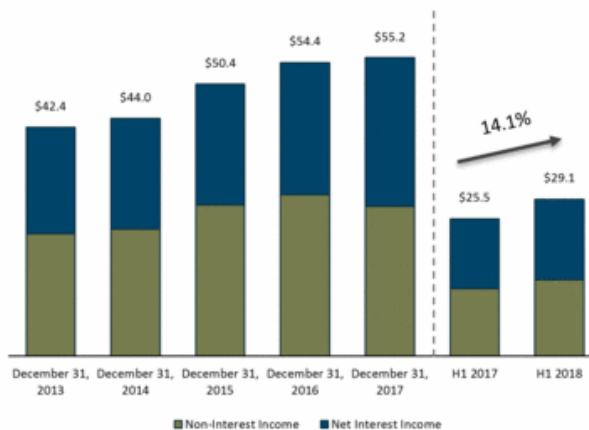
## Earnings Themes

- Diverse, stable, desirable revenue mix
  - Attractive markets and business model
  - Robust earnings growth
  - Investments made in long term growth
- Built-in operating leverage:
    1. Infrastructure capable of supporting a much larger bank
    2. Cost reductions
    3. Use of Proceeds

Q2 2018 Gross Revenue<sup>(1)</sup>



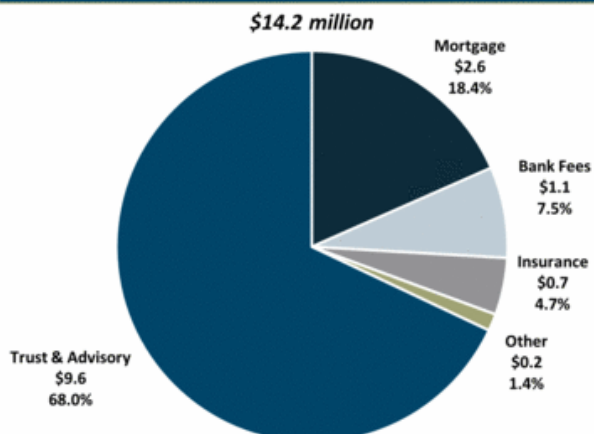
Gross Revenue (\$millions)



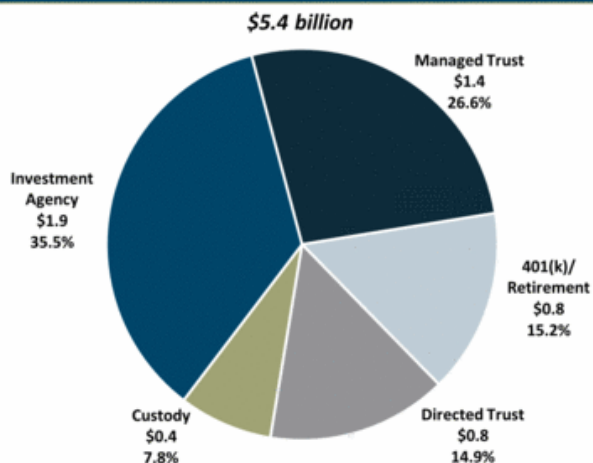
(1) Q2 2018 Net interest income, before provision, plus non-interest income.  
Note: As of or for the six months ended June 30, 2018 (unaudited).

# Predictable, Growing Sources of Fee Income

YTD 2018 Non-Interest Income (\$millions)



AUM Composition by Account Type (\$billions)



Trust and Investment Management

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

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



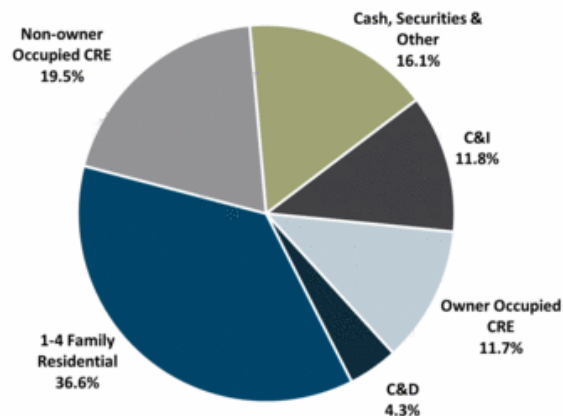
Note: As of or for the six months ended June 30, 2018 (unaudited).

# Our Balanced, Private Banking Loan Portfolio

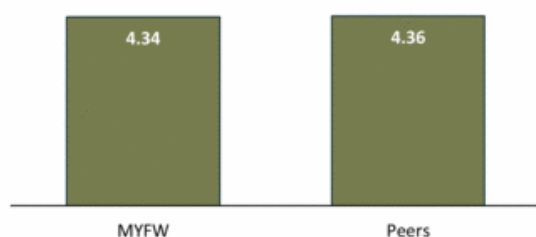
## Historical Gross Loans (\$millions)



## Q2 2018 Loan Portfolio by Collateral Type <sup>(2)</sup>



## MYFW vs. Peers<sup>(1)</sup> – Yield on Loans Q2'18 (%)



## Lending Strategy

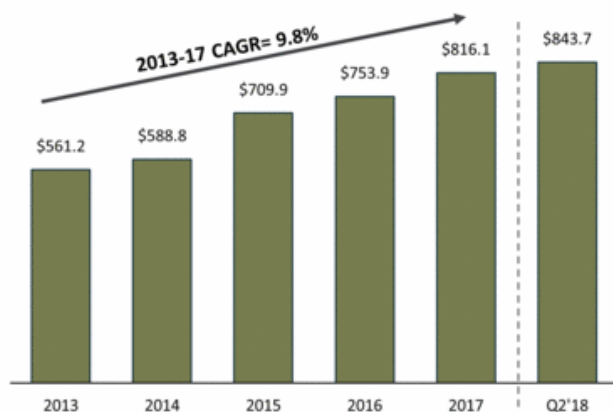
- Organic loan growth of 21%, 2016 to 2017
- Added production from mortgage acquisition
- Return on equity based relationship pricing
- High net worth, relationship lending model
- Asset sensitive balance sheet

(1) MYFW uses the following Peers throughout this presentation: ALRS, BMTG, BPFH, CATC, CFR, FFWM, FRC, PGC, SYBT, TMP, TSC, UMBF, UVSP, and WASH. Source: S&P Global Market Intelligence as of June 30, 2018.  
 (2) As of June 30, 2018

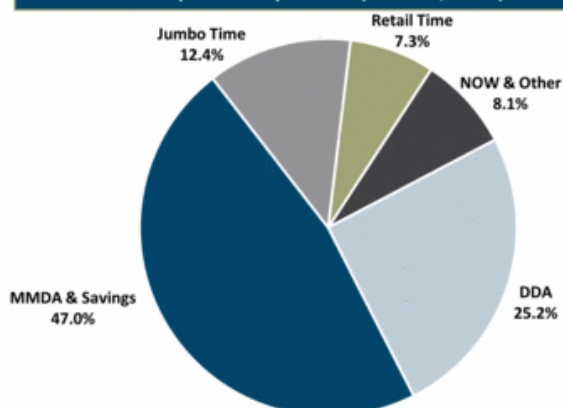


# A Balanced, Growing Core Deposit Base

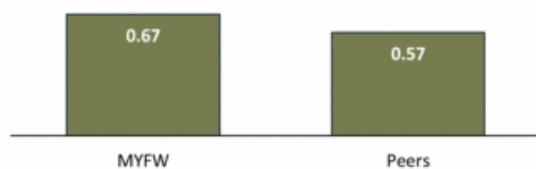
## Historical Total Deposits (\$millions)



## Deposit Composition (June 30, 2018)



## MYFW vs. Peers<sup>(1)</sup> – Cost of Deposits Q2'18 (%)



## Deposit Strategy

- Increase share of wallet
- Relationship lending, trust/IM deposits
- Generate leads through BDOs and Treasury Management
- Core client deposits, no brokered deposits
- 2017-Q2'18 deposit betas in 20% - 30% range, but NIM expanding
  - Shift to profitability analysis
  - Treasury Desk control

(1) Peers include ALRS, BMTC, BPFH, CATC, CFR, FFWM, FRC, PGC, SYBT, TMP, TSC, UMBF, UVSP, and WASH. Source: S&P Global Market Intelligence as of June 30, 2018.

## Remove Capital Constraints

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

## Reduce Expenses and Improve Operating Efficiency

- **Eliminated** mortgage and other administrative **redundancies and rent** expense in 1H 2018
- Capital investment in infrastructure and **platform** is now in **place**
- **Minimal incremental** back office **expense needed** to support continued growth
- **Integrating technology into operations**

## Added Revenue Generators in 2017 - 2018

- Experienced **executive leadership** positions added:
  - New Colorado/Wyoming Profit Center President and Product Group President
- Added **wealth advisors/BDOs** and sales manager
- **Adding MLOs** in offices in 2018
- Generate **referrals** for new client relationships
- Develop **new products** to meet the needs of our clients

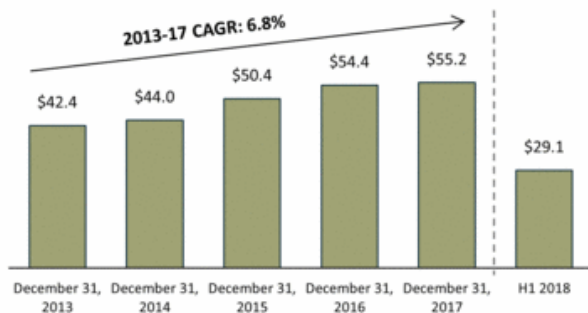
## Drive Client Acquisition and Increase Share of Wallet

- Added client relationship and **profitability tools**
  - Managed centrally by **treasury desk**
- **Build out existing markets** and employ highly capable associates with local market experience/relationships
- Identify new markets to **establish profit centers** without a proportionate increase in product group or support center expenses
- **Acquired Englewood Mortgage Company ("EMC")** in September 2017
  - Culture and product fit with proven leadership
  - Adds portfolio jumbo mortgage loans
  - Well connected to prominent high net worth realtors

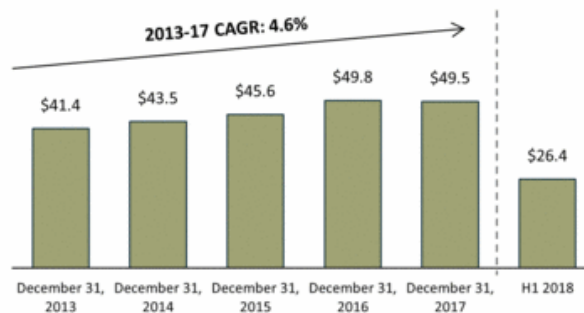
(1) Assumes redemption of all outstanding preferred stock and subordinated notes due 2020. See next page for details.

# Our Revenues have Outgrown Expenses by ~50%

**Gross Revenue<sup>(1)</sup> (\$millions)**



**Total Non-Interest Expenses (\$millions)**



Dollars in thousands	Year Ended December 31,					Six Months Ended June 30, 2018
	2013	2014	2015	2016	2017	
Net interest income before provision	\$ 19,910	\$ 20,712	\$ 22,466	\$ 24,457	\$ 27,576	\$ 14,937
(Release of) provision for credit losses	(1,676)	1,455	1,071	985	788	(187)
Net interest income after provision	21,586	19,257	21,395	23,472	26,788	15,124
Trust and investment management fees	20,187	20,852	20,863	20,167	19,455	9,643
Net gain on mortgage loans sold	-	-	3,549	6,702	3,469	2,610
Net (loss) gain on security sales	(101)	321	717	114	81	-
Other <sup>(2)</sup>	2,267	2,103	2,815	2,939	4,708	1,931
Non-interest income	22,353	23,276	27,944	29,922	27,713	14,184
<b>Total Revenue</b>	<b>\$ 43,939</b>	<b>\$ 42,533</b>	<b>\$ 49,339</b>	<b>\$ 53,394</b>	<b>\$ 54,501</b>	<b>\$ 29,308</b>

(1) Net interest income, before provision, plus non-interest income.

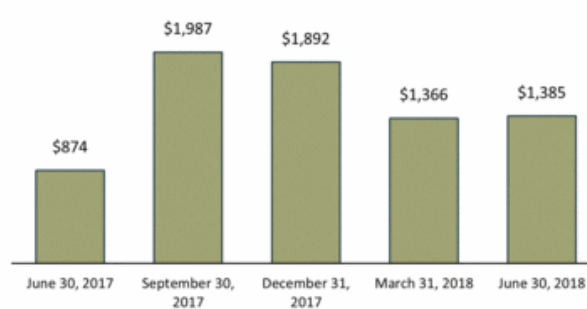
(2) Includes bank fees, risk management and insurance fees, income on bank-owned life insurance and other non-interest income.

# Strong Growth in Pre-Tax, Pre-Prov. Income

## 2013-2017 Pre-Tax Pre-Provision Income<sup>(1)</sup> (\$000s)



## 2017-18 Quarterly Pre-Tax Pre-Provision Income<sup>(1)</sup> (\$000s)



(Dollars in thousands)	Year Ended December 31,					Six Months Ended June 30, 2018
	2013	2014	2015	2016	2017	
Net interest income before provision	\$ 19,910	\$ 20,712	\$ 22,466	\$ 24,457	\$ 27,576	\$ 14,937
(Release of) provision for credit losses	(1,676)	1,455	1,071	985	788	(187)
Net interest income after provision	21,586	19,257	21,395	23,472	26,788	15,124
Non-interest income	22,353	23,276	27,944	29,922	27,713	14,184
Total revenue	43,939	42,533	49,339	53,394	54,501	29,308
Non-interest expense	41,366	43,502	45,636	49,823	49,494	26,370
Income before income tax	2,573	(969)	3,703	3,571	5,007	2,938
Income taxes expense (benefit)	358	(11,959)	1,053	1,269	2,984	704
Net Income	2,215	10,990	2,650	2,302	2,023	2,234
Preferred stock dividends	(1,718)	(2,003)	(2,419)	(2,840)	(2,291)	(1,123)
Net income available to common shareholders	\$ 497	\$ 8,987	\$ 231	\$ (538)	\$ (268)	\$ 1,111

(1) See Appendix for Non-GAAP financial measures reconciled to GAAP, with the exception of March 31, 2018 and 2017 and June 30, 2018 and 2017, which have been reviewed, none of the quarterly information has been audited or reviewed.

Note: Year ended data per audited financial statements.

# Four Key Drivers of 2018 Earnings Improvement

1 2 3 4

(Dollars in thousands)	Six Months Ended June 30, 2018				Additional Growth Drivers
	As Reported Results	Staffing and Other Operating Efficiencies <sup>(1)</sup>	Use of Proceeds <sup>(2)</sup>	Adjusted Results	
Net interest income before provision	\$ 14,937	-	\$ 276	\$ 15,213	+ Gross loans up 21% 2016 to 2017, 14% YOY YTD + NIM up 19 bps Q2'18 compared to Q2'17
(Release of) provision for credit losses	(187)	-	-	(187)	
Net interest income after provision	15,124	-	276	15,400	
Non-interest income	14,184	-	-	14,184	+ 13% non-interest income growth June YTD 18' vs. June YTD 17'
Total revenue	29,308	-	276	29,584	+ Sales focus: Executive leadership, Wealth advisors, MLOs
Non-interest expense	26,370	\$ (1,100)	-	25,270	+ Infrastructure in place, min. increase needed to support growth
Income before income tax	2,938	1,100	276	4,314	
Income tax (expense)/ benefit	(704)	(275)	(69)	(1,048)	+ Tax rate improvement from Tax Reform Act
Net Income	2,234	825	207	3,266	
Preferred stock dividends	(1,123)	-	1,123	-	
Net income available to common shareholders	\$ 1,111	\$ 825	\$ 1,331	\$ 3,266	+ Significant earnings improvement

(1) During the six months ended June 30, 2018, we made several changes to streamline our operations and improve profitability, including consolidating administrative roles, reducing salaries and office space capacity. The consolidation of administrative roles resulted in a headcount reduction of 16 full-time equivalent employees, or 6.1% of our total headcount. We recorded pre-tax salary expense relating to these employees of \$0.3 million and \$0.7 million in the three and six months ended June 30, 2018. In addition, we recorded pre-tax severance costs of \$0.1 million and \$0.2 million in the three and six months ended June 30, 2018. Effective as of May 1, 2018, we sublet an office lease in our capital management segment at terms consistent with the current lease. We recorded pre-tax rent expense of an immaterial amount and \$0.2 million for the three and six months ended June 30, 2018 relative to this lease.

(2) Assumes redemption of all outstanding preferred stock and subordinated notes due 2020.

## 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



FIRSTwestern

## Appendix





FIRSTwestern

# Selected Historical Consolidated Financials

(Dollars in thousands)	Year Ended December 31,					Six Months Ended,
	2013	2014	2015	2016	2017	June 30, 2018
<b>Selected Period End Balance Sheet Data:</b>						
Cash and cash equivalents	\$62,812	\$45,906	\$79,636	\$62,685	\$9,502	\$58,464
Available-for-sale securities	75,483	84,127	66,064	97,655	53,650	47,890
Mortgage loans held for sale	--	--	19,903	8,053	22,940	35,064
<b>Loans<sup>(1)</sup></b>	<b>484,707</b>	<b>532,537</b>	<b>610,416</b>	<b>672,815</b>	<b>813,689</b>	<b>842,644</b>
Allowance for loan losses	4,839	5,960	5,956	6,478	7,287	7,100
Promissory notes from related parties	24,977	25,457	19,254	10,384	5,792	2,125
Goodwill	24,811	24,811	24,811	24,811	24,811	24,811
Other intangible assets, net	3,790	2,988	2,198	1,452	1,233	773
Company owned life insurance	--	10,130	10,477	13,898	14,316	14,515
Other real estate owned, net	5,347	4,573	3,016	2,836	658	658
<b>Total assets</b>	<b>696,977</b>	<b>752,581</b>	<b>857,001</b>	<b>915,998</b>	<b>969,659</b>	<b>1,046,573</b>
<b>Noninterest-bearing deposits</b>	<b>137,760</b>	<b>161,256</b>	<b>148,184</b>	<b>195,460</b>	<b>198,685</b>	<b>212,225</b>
<b>Interest-bearing deposits</b>	<b>423,443</b>	<b>427,587</b>	<b>561,753</b>	<b>558,440</b>	<b>617,432</b>	<b>631,517</b>
FHLB Topeka borrowings	20,000	41,000	25,000	37,000	28,563	75,598
Convertible subordinated debentures	20,605	20,962	14,548	4,749	--	--
Subordinated notes	7,625	7,625	7,625	13,150	13,435	13,435
Credit note payable	5,952	5,036	3,936	2,736	--	--
Preferred stock (liquidation preference)	28,168	28,168	28,168	25,468	24,968	24,968
<b>Total shareholders' equity</b>	<b>70,939</b>	<b>80,367</b>	<b>87,259</b>	<b>95,928</b>	<b>101,846</b>	<b>104,958</b>
<b>Selected Income Statement Data:</b>						
Interest income	\$25,160	\$25,134	\$26,370	\$29,520	\$33,337	\$18,511
Interest expense	5,250	4,422	3,904	5,063	5,761	3,574
<b>Net interest income</b>	<b>19,910</b>	<b>20,712</b>	<b>22,466</b>	<b>24,457</b>	<b>27,576</b>	<b>14,937</b>
Provision (release) for credit losses	(1,676)	1,455	1,071	985	788	(187)
Net interest income after provision for credit losses	21,586	19,257	21,395	23,472	26,788	15,124
Trust and investment management fees	20,187	20,852	20,863	20,167	19,455	9,643
Net mortgage gain	--	--	3,549	6,702	3,469	2,610
Net realized gain (loss) on sale of securities	(101)	321	717	114	81	--
Other	2,267	2,103	2,815	2,939	4,708	1,931
<b>Non-interest income</b>	<b>22,353</b>	<b>23,276</b>	<b>27,944</b>	<b>29,922</b>	<b>27,713</b>	<b>14,184</b>
<b>Non-interest expense</b>	<b>41,366</b>	<b>43,502</b>	<b>45,636</b>	<b>49,823</b>	<b>49,494</b>	<b>26,370</b>
<b>Income (loss) before income tax</b>	<b>2,573</b>	<b>(969)</b>	<b>3,703</b>	<b>3,571</b>	<b>5,007</b>	<b>2,938</b>
Income tax expense (benefit)	358	(11,959)	1,053	1,269	2,984	704
<b>Net income</b>	<b>2,215</b>	<b>10,990</b>	<b>2,650</b>	<b>2,302</b>	<b>2,023</b>	<b>2,234</b>
Preferred dividends paid to preferred shareholders	1,718	2,003	2,419	2,840	2,291	1,123
<b>Share Data:</b>						
Common shares outstanding, end of period	4,373,874	4,482,059	5,033,565	5,529,542	5,833,456	5,917,667
Weighted average outstanding shares, diluted	5,000,632	5,360,498	5,863,236	5,120,507	5,586,620	5,960,037

(1) Total loans net of loan fees and costs do not include loans held for sale of \$35.1 million, \$22.9 million, \$8.1 million and \$19.9 million on June 30, 2018 and December 31, 2017, 2016 and 2015, respectively.

## Purpose

- Holistic approach for the oversight, control, and discipline to drive continuous improvement
- Everyone's responsibility and non-compliance is not an option
- Governance framework for the process of anticipating, identifying, assessing, managing and monitoring risks

## Objectives

- Define risk appetite framework
- Define risk areas and responsibilities
- Identify key risk activities for the defined risk areas
- Establish risk tolerance for defined risk areas
- Establish systems for identifying and reporting risks, including emerging risks
- Monitor compliance with strategies designed to mitigate identified risks
- Ensure effective and timely implementation of corrective actions
- Integrate risk management framework objectives into performance evaluation framework

## Responsibilities

### ERM Committee:

- Oversee and support the Senior Risk Officer
- Establish risk tolerances and parameters ("risk appetite") to assess risks and design adequate mitigation strategies

### Senior Risk Officer:

- ERM program to create and monitor risk management practices
  - Perform company-wide risk assessment, including relative risk ratings
  - Assign risk owners and approve action plans
  - Review and monitor risk mitigation initiatives and status
  - Review and report to ERM committee:
    - Specific areas of risk and respective Risk Area Owner responsible for the risks existing in that area
    - Magnitude of all material business risks
    - Processes, procedures and controls in place to manage material risks
    - Overall effectiveness of the risk management process
- Evaluate risks and provide guidance on new or proposed products, services or businesses

# Key Themes of ERM– In the Business

## Ensure Compliance

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

## Limit Potential Losses

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

## Improve Profitability

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

## Support Growth

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

## Risk Overlay for Decision Making

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

## Improve Stakeholder Management

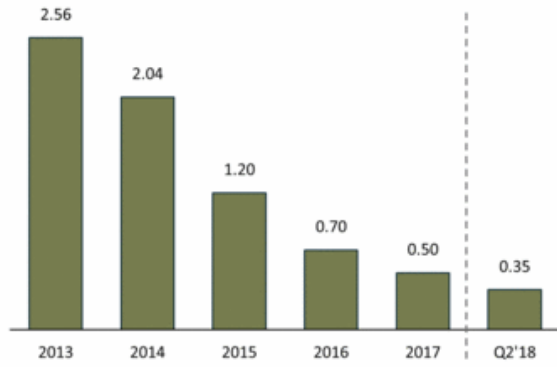
- Implement a strong risk and performance culture throughout the organization
- Improve planning and steering concepts, data management with CEO, CFO and treasury
- Satisfy Board requirements on transparency and decisions support
- Maintain effective relations with regulators

## Define Governance and Organization

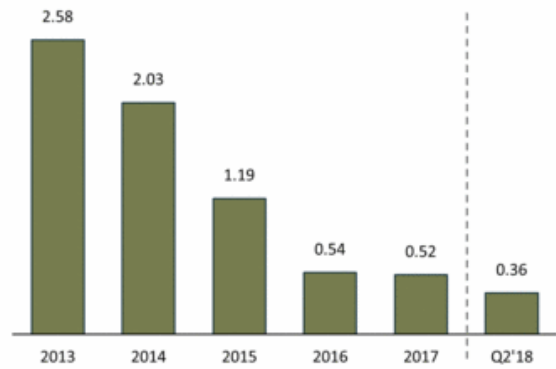
- Define risk structure's mandate and organization, create independent risk view in core decisions
- Ensure CFO's mandate and organization in capital and balance-sheet management, ALM, treasury, funding
- Define and implement ERM approach
- Ensure appropriate people development: knowledge, experience,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

# Favorable Asset Quality Trends

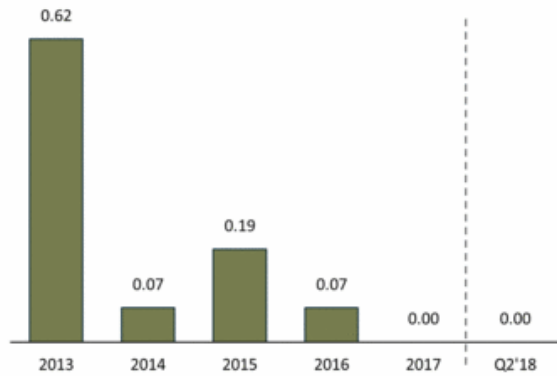
**NPAs / Assets (%)**



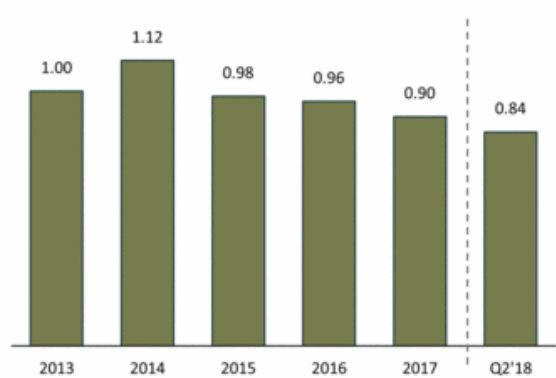
**NPLs / Loans (%)**



**Net Charge-offs / Average Loans (%)**



**Loan Loss Reserves / Gross Loans (%)**



*Fluctuations in 2016 & 2017 financial results can be attributed to the following two business segments:*

## First Western Capital Management

- In late 2016, we proactively terminated a senior portfolio manager and filed a lawsuit against this individual for various violations of his employment agreement
- This departure led to client attrition and had an approximate \$1.4 million unfavorable revenue impact in 2017
- In late 2017, we settled the lawsuit with the portfolio manager in favor of First Western for \$0.8 million

## First Western Mortgage Services

- In late 2016, we closed our loan production office in Scottsdale, Arizona due to a lack of cultural fit and for not aligning with our long term mortgage strategy
- That location funded \$149.8 million of mortgages during the first three quarters of 2016 which resulted in net gain on mortgage loans sold decreasing by \$3.2 million in 2017 compared to 2016
- To optimize our mortgage operation and to pursue our long term strategy of focusing on high net worth mortgage lending, we acquired assets of Englewood Mortgage Company (Greenwood Village LPO) in September 2017

# Non-GAAP Reconciliation

<i>Consolidated Pre-tax Pre-provision Income</i>		For the Three Months Ended,			
<i>(Dollars in thousands)</i>	June 30, 2017 <sup>(1)</sup>	September 30, 2017 <sup>(1)</sup>	December 31, 2017 <sup>(1)</sup>	March 31, 2018 <sup>(1)</sup>	June 30, 2018 <sup>(1)</sup>
Net Income, as reported	\$404	\$2,746	\$(1,650)	\$1,186	\$1,048
Provision for loan losses	262	306	(3)	(187)	--
Income tax expense (benefit)	208	(1,065)	3,545	367	337
<b>Pre-tax, Pre-provision Income</b>	<b>\$874</b>	<b>\$1,987</b>	<b>\$1,892</b>	<b>\$1,366</b>	<b>\$1,385</b>

<i>Consolidated Pre-tax Pre-provision Income</i>		As of December 31,			
<i>(Dollars in thousands)</i>	2013	2014	2015	2016	2017
Net Income, as reported	\$2,215	\$10,990	\$2,650	\$2,302	\$2,023
Provision for loan losses	(1,676)	1,455	1,071	985	788
Income tax expense (benefit)	358	(11,959)	1,053	1,269	2,984
<b>Pre-tax, Pre-provision Income</b>	<b>\$897</b>	<b>\$486</b>	<b>\$4,774</b>	<b>\$4,556</b>	<b>\$5,795</b>

<i>Tangible Common Equity Per Share</i>		As of June 30,	
<i>(Dollars in thousands, except per share data)</i>		2017	2018
Total shareholders' equity	\$97,039	\$104,958	
Less:			
Preferred stock	25,468	24,968	
Goodwill	24,811	24,811	
Intangibles, net	1,082	773	
<b>Tangible common equity</b>	<b>\$45,678</b>	<b>\$54,406</b>	
Common shares outstanding, end of period	5,544,078	5,917,667	
<b>Tangible common book value per share</b>	<b>\$8.24</b>	<b>\$9.19</b>	

(1) Quarterly information has not been audited or reviewed, except March 31, 2018 and 2017 and June 30, 2018 and 2017, which have been reviewed.