



FIRST western

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

Third Quarter 2020 Conference Call

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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.



# Overview of 3Q20

## Record Financial Performance

- Net income available to common shareholders of \$9.6 million, or \$1.20 EPS
- Gross revenue<sup>(1)</sup> of \$31.0 million, up 18.0% from 2Q20
- Book value per share and tangible book value<sup>(1)</sup> per share increased 7.1% and 8.8%, respectively, from 2Q20

## Investments in Talent and Platform Driving Expected Growth

- Strong organic balance sheet growth as established offices continue to achieve scale and new offices increase their contributions
  - Gross loans increased 5.9% from 2Q20
  - Total deposits increased 11.1% from 2Q20
- Commercial banking initiative resulting in strong growth in commercial relationships, loans and deposits

## Record Quarter of Mortgage Production

- Total residential mortgage originations for sale of \$376.3 million
- Net gain on mortgage loans of \$12.3 million

## Positive Trends in Asset Quality

- COVID-19 loan modifications declined by 62.3% from June 30, 2020
- COVID-19 loan modifications represented just 4.4% of total loans at September 30, 2020
- Non-performing assets declined by 13.8% from end of prior quarter
- History of exceptionally low credit losses continues

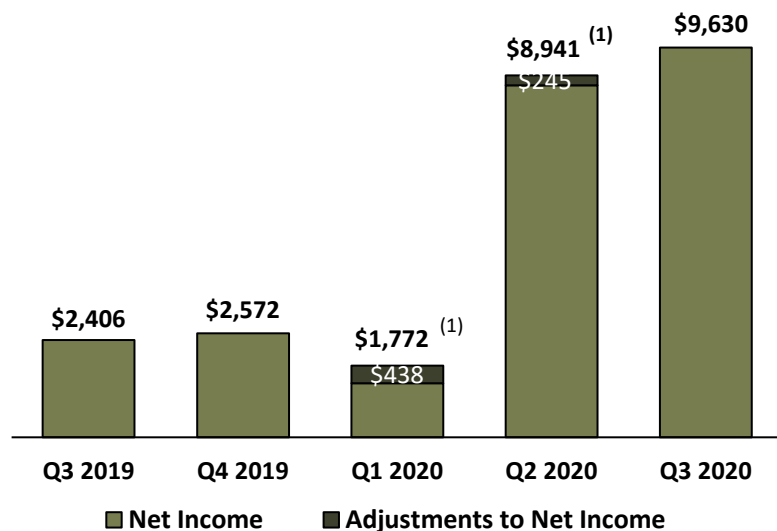
(1) See Non-GAAP reconciliation

# Net Income Available to Common Shareholders and Earnings per Share

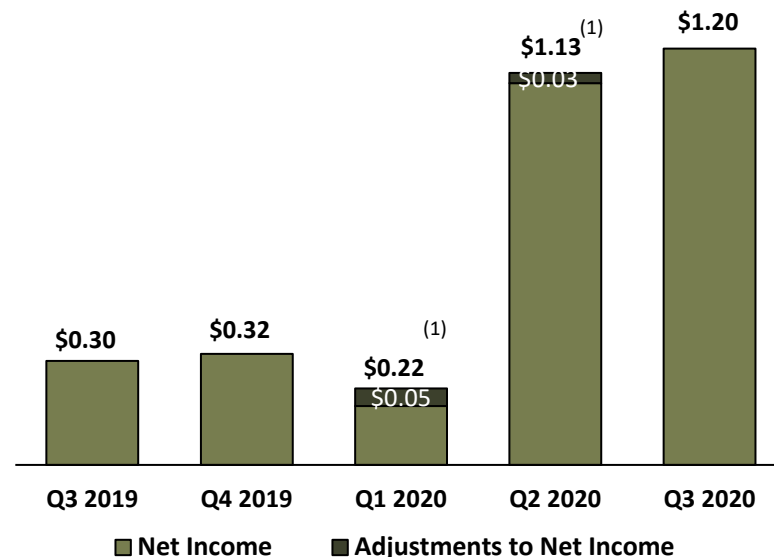
- Record financial performance despite ongoing impact of COVID-19 pandemic
- Net income of \$9.6 million, or \$1.20 diluted earnings per share, in 3Q20
- Mortgage activity providing significant contribution to current earnings, while balance sheet growth and improving leverage demonstrating sustainable progress to improving profitability and returns

## Net Income Available to Common Shareholders

(in thousands)



## Earnings per Share



(1) See Non-GAAP reconciliation



# Loan Portfolio

- Total loans held-for-investment (HFI) increased \$83.3 million, or 23.6% from prior quarter
- Balanced growth across most areas of the portfolio
- Commercial banking initiative shifting loan portfolio more towards business-related loans

## Loan Portfolio Composition<sup>(2)</sup>

(in thousands, as of quarter-end)

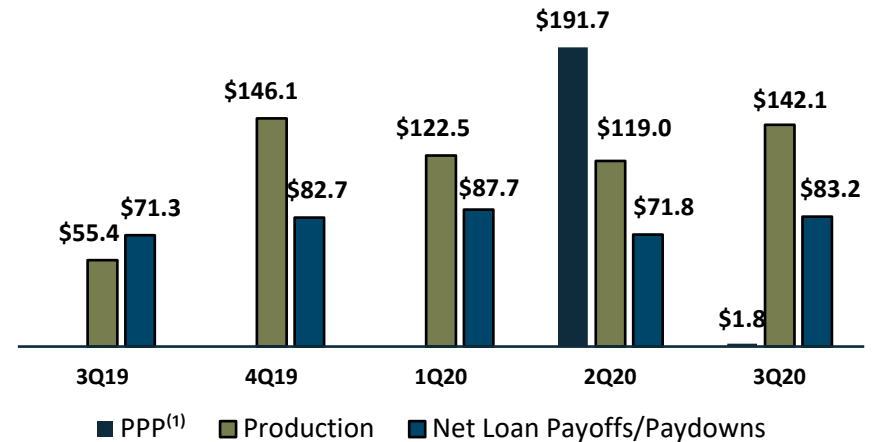
|                                    | 3Q 2019          | 2Q 2020            | 3Q 2020            |
|------------------------------------|------------------|--------------------|--------------------|
| Cash, Securities and Other         | \$146,622        | \$371,111          | \$371,481          |
| Construction and Development       | 42,059           | 74,793             | 105,717            |
| 1 - 4 Family Residential           | 366,238          | 418,409            | 446,959            |
| Non-Owner Occupied CRE             | 138,753          | 229,150            | 243,564            |
| Owner Occupied CRE                 | 119,497          | 117,426            | 154,138            |
| Commercial and Industrial          | 111,187          | 213,271            | 185,625            |
| <b>Total Loans HFI</b>             | <b>\$924,356</b> | <b>\$1,424,160</b> | <b>\$1,507,484</b> |
| Mortgage loans held-for-sale (HFS) | 69,231           | 69,604             | 89,872             |
| <b>Total Loans</b>                 | <b>\$993,587</b> | <b>\$1,493,764</b> | <b>\$1,597,356</b> |

(1) Bank originated

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

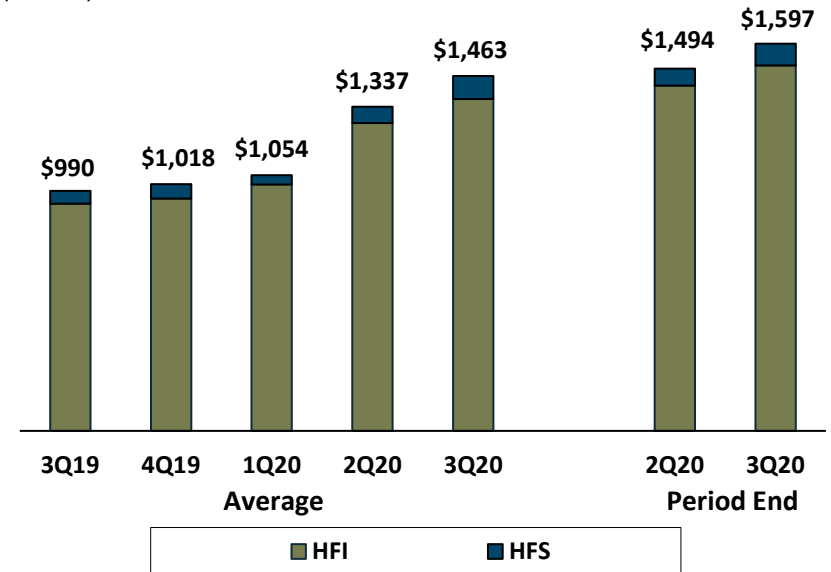
## Loan Production & Net Loan Payoffs/Paydowns

(in millions)



## Total Loans<sup>(2)</sup>

(in millions)



# Total Deposits

- Total deposits increased \$156.7 million, or 11.1%, from end of prior quarter
- PPP-related deposits accounted for \$29.0 million of quarter end total deposits
- Growth almost entirely attributable to increases in commercial DDA relationships
- Noninterest-bearing deposits increased to 30.2% of total deposits at 3Q20 from 20.9% at 3Q19

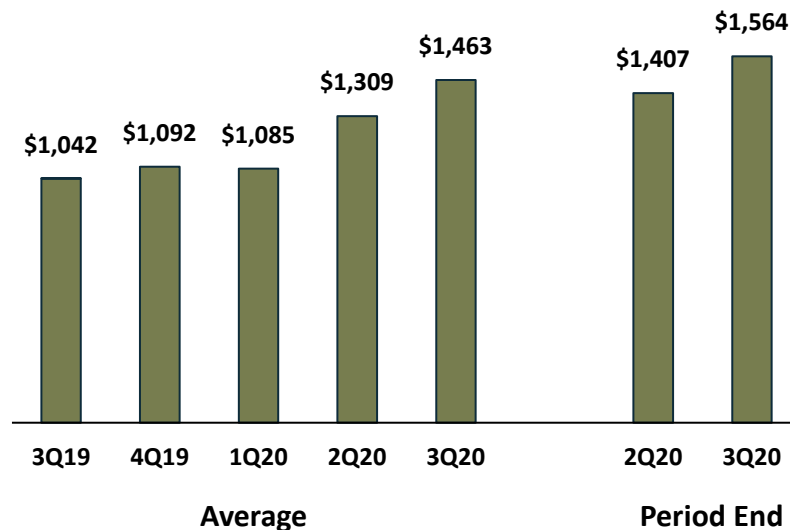
## Deposit Portfolio Composition

(in thousands, as of quarter-end)

|                               | 3Q 2019            | 2Q 2020 <sup>(1)</sup> | 3Q 2020 <sup>(1)</sup> |
|-------------------------------|--------------------|------------------------|------------------------|
| Money market deposit accounts | \$620,434          | \$759,997              | \$805,634              |
| Time deposits                 | 170,457            | 152,897                | 177,391                |
| NOW                           | 83,022             | 88,560                 | 101,708                |
| Savings accounts              | 3,456              | 7,415                  | 5,976                  |
| Noninterest-bearing accounts  | 231,535            | 398,063                | 472,963                |
| <b>Total Deposits</b>         | <b>\$1,108,904</b> | <b>\$1,406,932</b>     | <b>\$1,563,672</b>     |

## Total Deposits

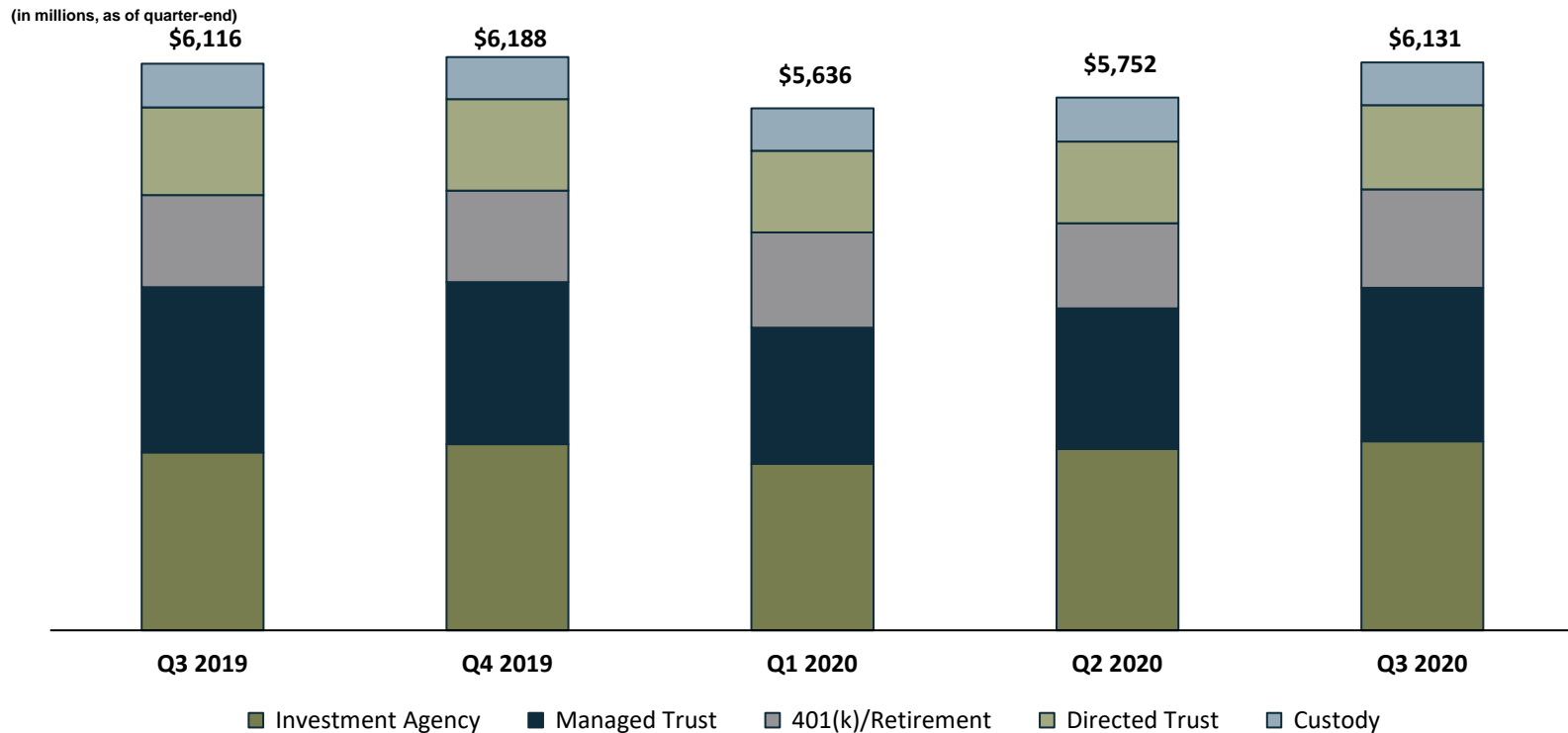
(in millions)



(1) PPP related deposits accounted for \$29.0 million and \$62.4 million of total deposit balances at 9/30/20 and 6/30/20, respectively

# Trust and Investment Management

- Total assets under management increased \$378.8 million from June 30, 2020 to \$6.13 billion at September 30, 2020
- Increase was primarily attributable to client contributions to existing accounts and improving market conditions



# Paycheck Protection Program Overview

| Impact on 3Q20 Financials <sup>(1)</sup>  |              |
|---|--------------|
| (\$ in Millions)  |              |
| <b>Net Interest Income</b>  |              |
| Amortization of SBA Fee Income and deferred loan origination expense <sup>(2)</sup> | \$0.4        |
| Interest Income from PPP loans, less PPPLF funding cost                             | \$0.3        |
| <b>Net Interest Income</b>  | <b>\$0.7</b> |
| <b>Expense: Salaries &amp; Employee Benefits</b>                                    |              |
| Deferred Loan Origination Expense   | (\$0.1)      |
| <b>Net Impact of PPP</b>  | <b>\$0.8</b> |

| (\$ in Millions)                                       | At or for the three months ended 9/30/20 |
|--|--|
| Total Loans  | \$206.1                                  |
| Average Loan Size                                      | \$0.3                                    |
| Total Deposits   | \$29.0                                   |
| PPPLF Advances   | \$204.1                                  |
| Net Interest Margin Impact                             | -31 bps                                  |
| Remaining Fees to be Recognized Pre-Tax <sup>(3)</sup> | \$2.1                                    |

| PPP Loan Forgiveness (\$ in Millions) | As of 10/16/20 |
|---------------------------------------|----------------|
| Loans Submitted to SBA                | \$85.2         |
| Number of Loans Forgiven by SBA       | 46             |
| Amount of Loans Forgiven by SBA       | \$2.1          |
| Loans under \$50K not yet forgiven    | \$5.5          |

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

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

(3) Includes \$4.4 million in SBA fee income less \$2.3 million of deferred loan origination expense

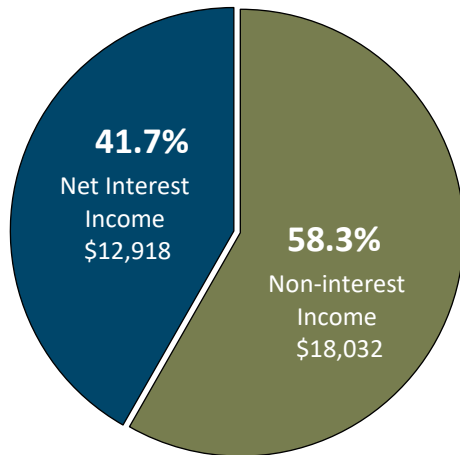




# Gross Revenue

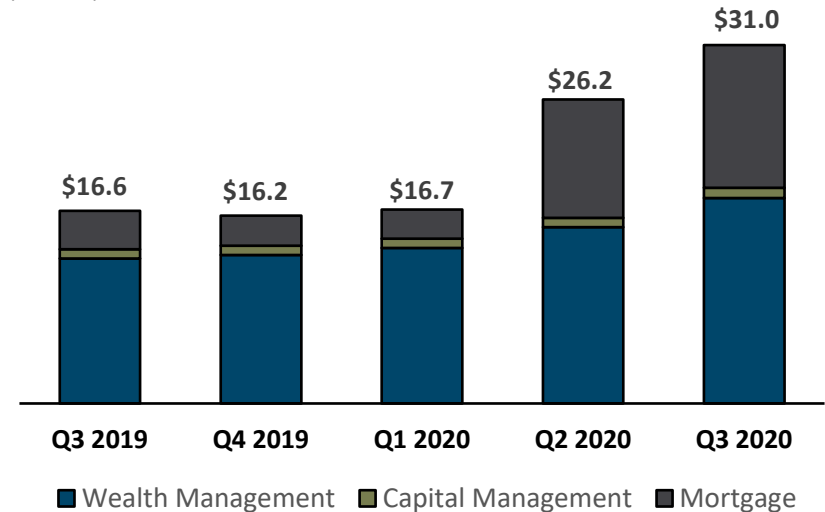
- Gross revenue<sup>(1)</sup> increased 18.0% from 2Q20
- Strong year-over-year growth in both net interest income and non-interest income
  - Relative to 2Q20, net interest income growth exceeded non-interest income growth

3Q20 Gross Revenue<sup>(1)</sup>



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

(in millions)



(1) See Non-GAAP reconciliation

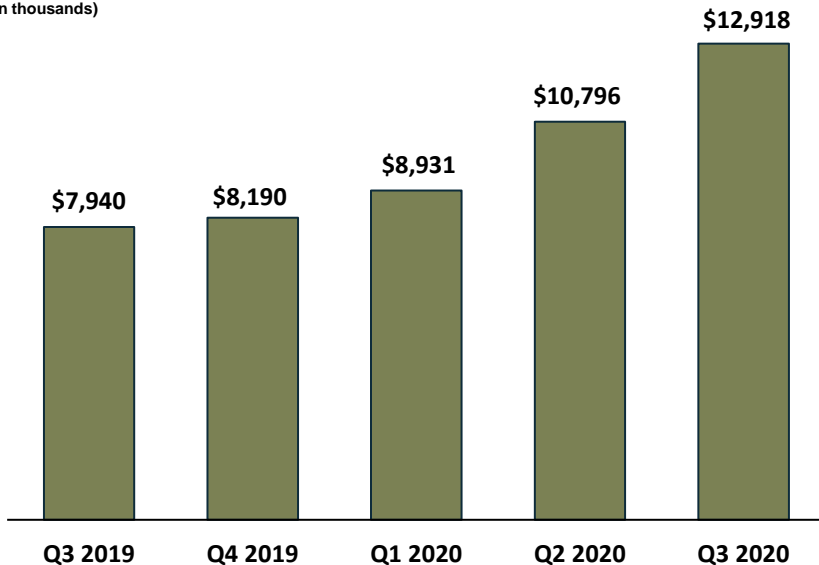


# Net Interest Income & Net Interest Margin

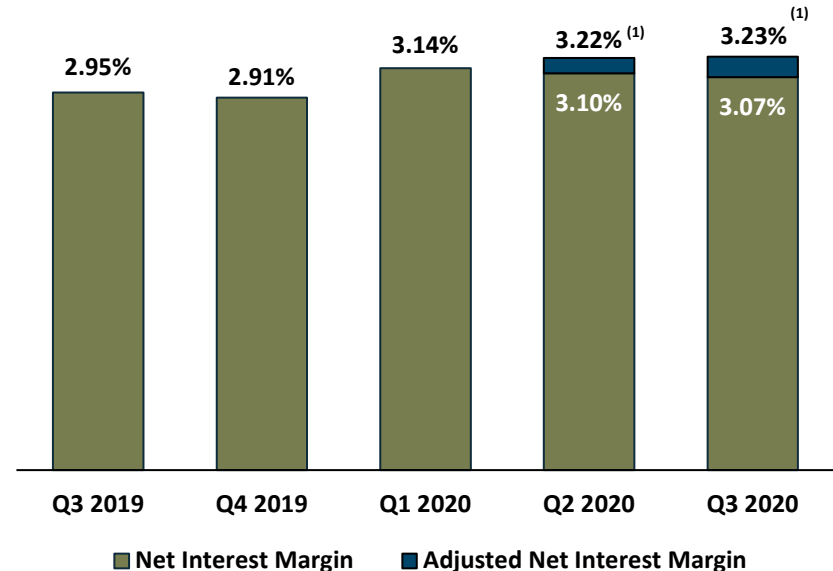
- Net interest income increased 19.7% from 2Q20, primarily due to an increase in average loan balances
- Net interest margin, including impact of PPP loans, remained relatively stable at 3.07%
- Net interest margin, excluding impact of PPP and purchase accretion<sup>(1)</sup>, increased to 3.23% in 3Q20
- Cost of deposits decreased 11 bps to 0.29% in 3Q20 from 0.40% in 2Q20
- Redeployment of excess liquidity and additional opportunities to reduce deposit costs should result in higher NIM going forward

Net Interest Income

(in thousands)



Net Interest Margin



(1) See Non-GAAP reconciliation

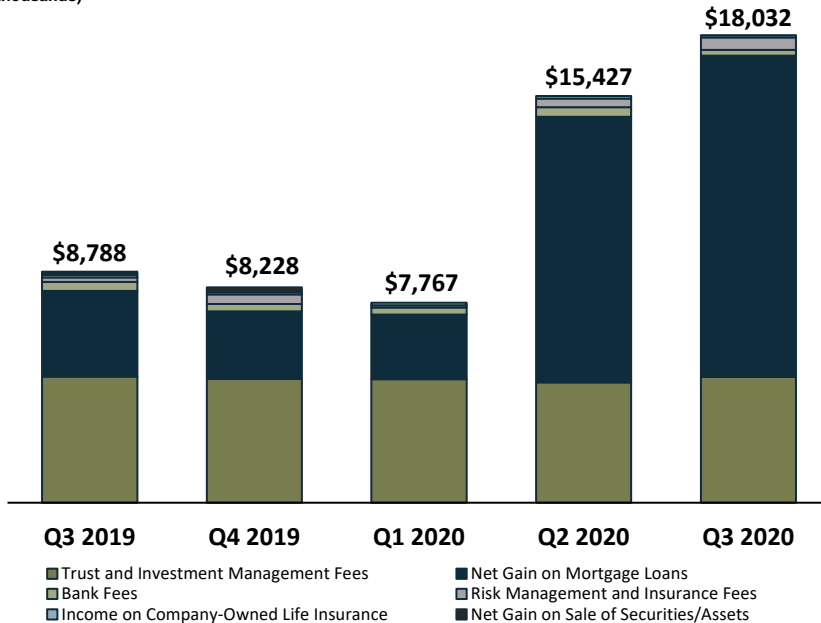


# Non-Interest Income

- Non-interest income increased 16.9% from 2Q20
- Increase primarily due to record quarter of net gain on mortgage loans
- Increasing economic activity and clients added through branch acquisition contributing to increase in fee income

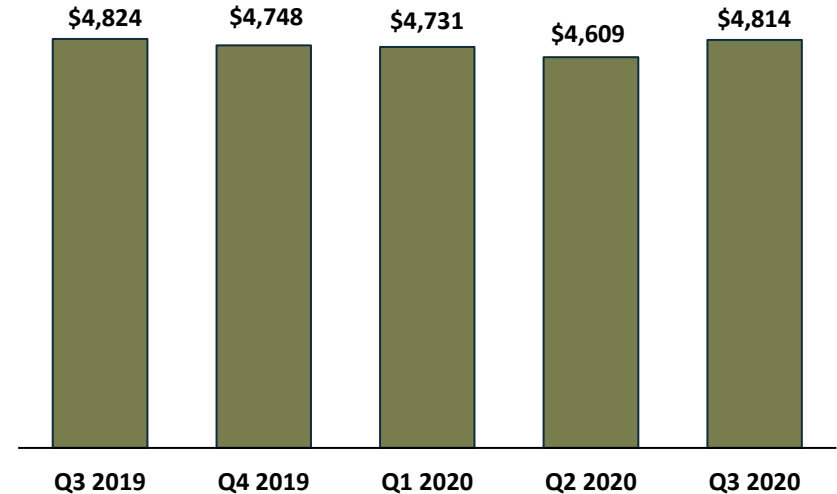
## Total Non-Interest Income

(in thousands)



## Trust & Investment Management Fees

(in thousands)



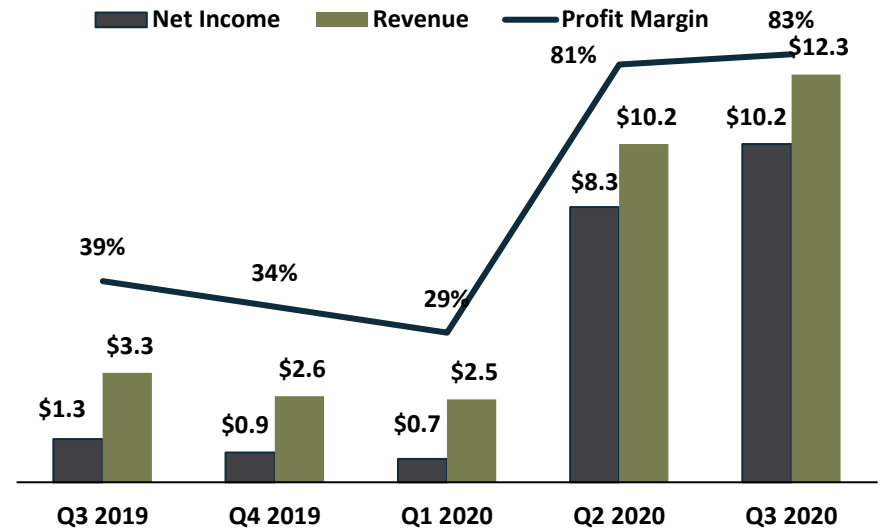


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# Mortgage Operations

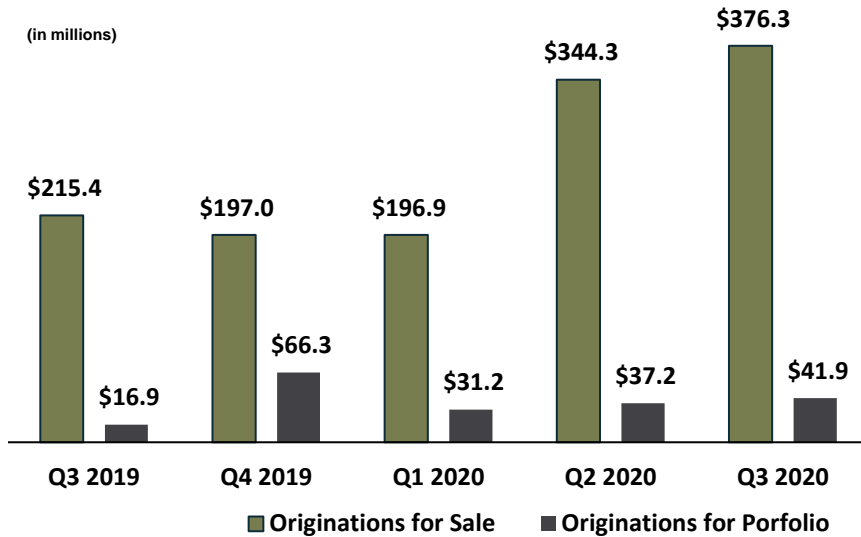
- Record mortgage originations in 3Q20
- Refi/Purchase mix of 59%/41% in 3Q20, compared to 73%/27% in 2Q20 and 54%/46% in 3Q19
- Mortgage profit margins have increased from 39% in 3Q19 to 83% in 3Q20

## Profit Margin



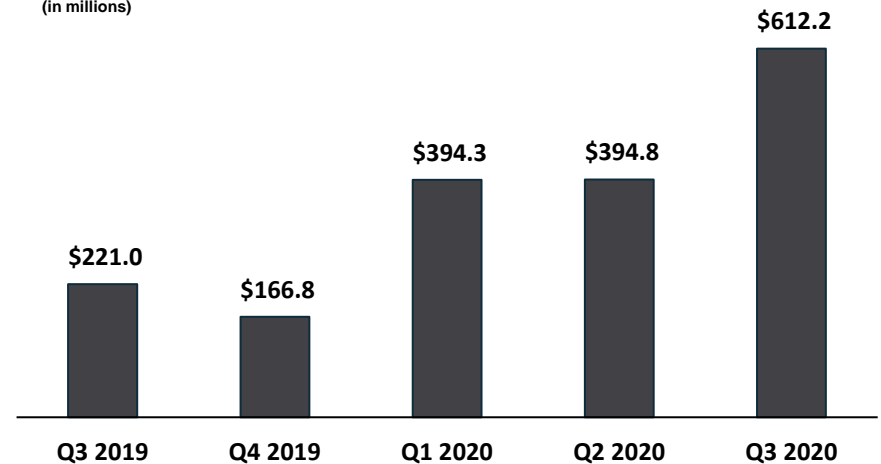
## Mortgage Originations

(in millions)



## Mortgage Loan Locks

(in millions)

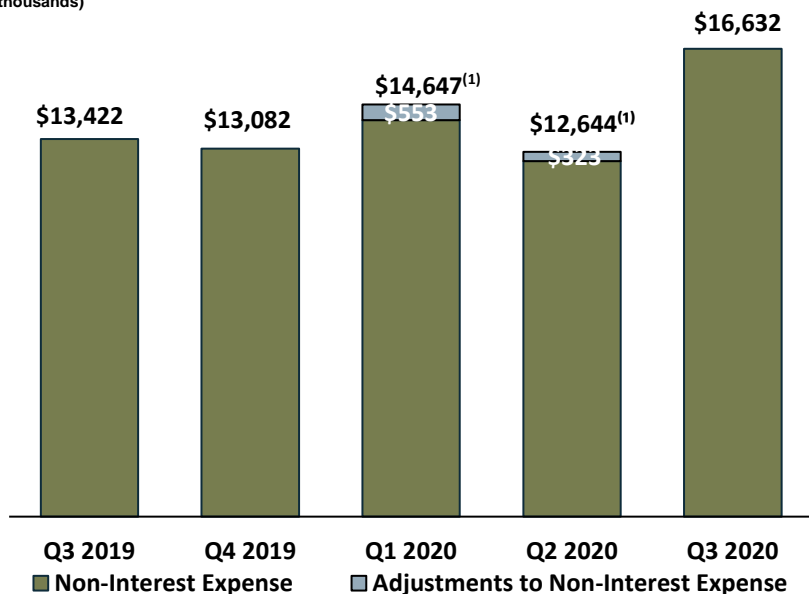


# Non-Interest Expense and Efficiency Ratio

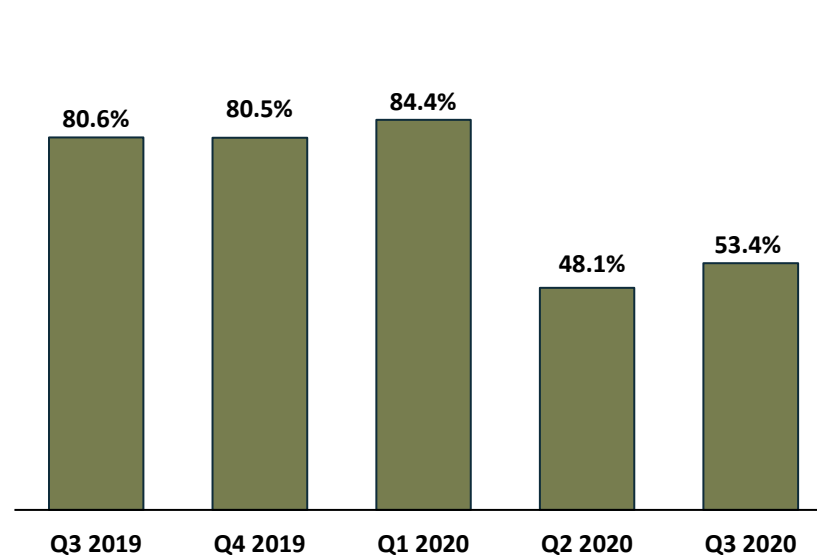
- Non-interest expense increased 31.5% from 2Q20
- Increase in non-interest expense primarily due to deferred loan origination expense related to PPP loans that reduced expense levels in 2Q20
- Full quarter impact of personnel and offices added through branch acquisition also contributed to increase in non-interest expense
- Balance sheet growth and mortgage activity continue to drive significant improvement in efficiency ratio

Total Non-Interest Expense

(in thousands)



Operating Efficiency Ratio<sup>(1)</sup>



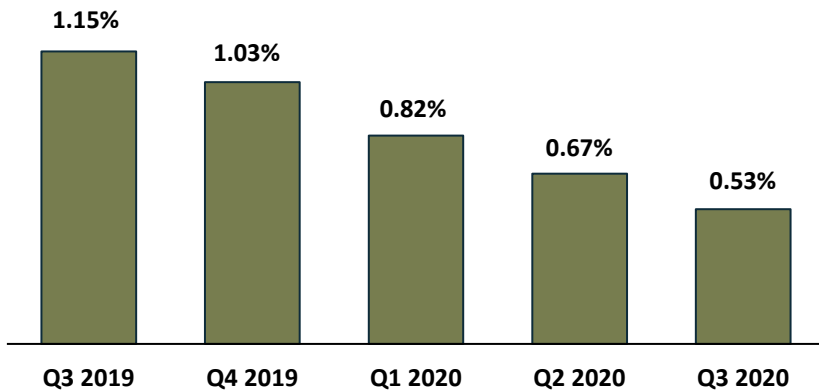
(1) See Non-GAAP reconciliation



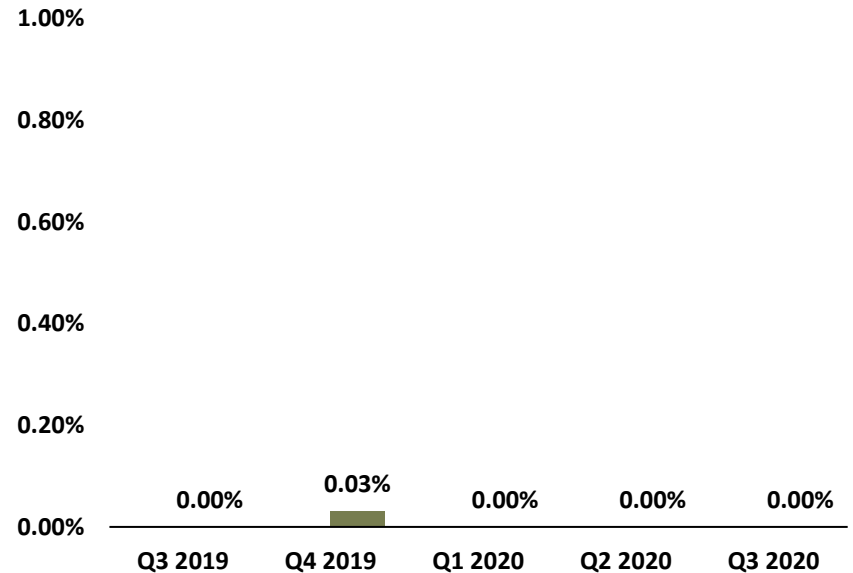
# Asset Quality

- Generally stable to improving trends across the portfolio
- Non-performing assets decreased by \$1.7 million, and declined as a percentage of total assets to 0.53% from 0.67% in 2Q20
- Minimal charge-offs again in the quarter

Non-Performing Assets/Total Assets

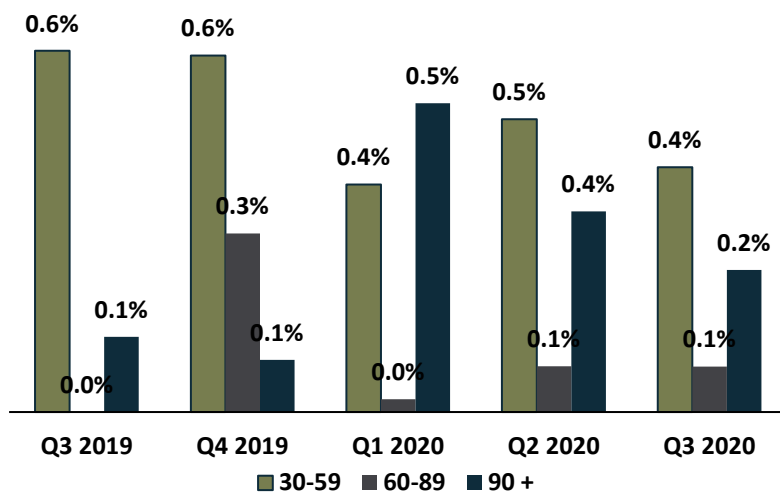


Net Charge-Offs/Average Loans

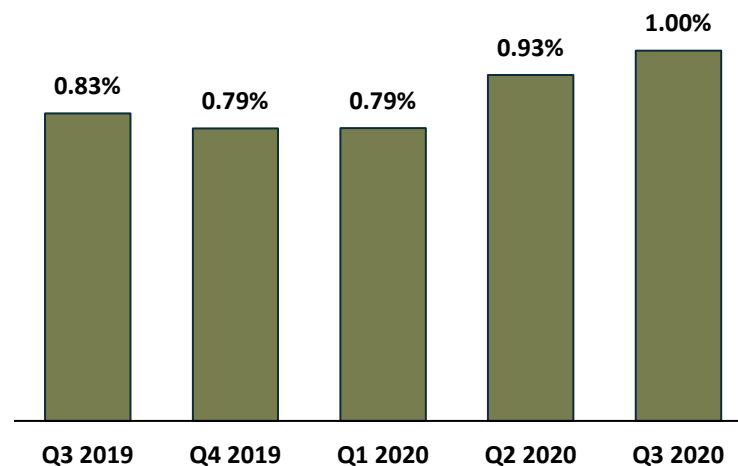


- \$1.5 million provision expense reflects the growth in the loan portfolio, as well as continued economic uncertainty
- Increased loan level reviews and portfolio monitoring continue through the duration of the pandemic
- Past due loans as a percentage of total loans declined from Q2 2020

Total Past Due as a % of Total Loans



ALLL/ Adjusted Total Loans<sup>(1)</sup>



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

# Loan Modification Overview

- **Modified loan balances declined by 62.3% during 3Q20**
- **New loan modification requests have slowed considerably, offering on exception basis only as of June 30**
  - **One new loan modification made in July and one in September**
- **Most initial modifications were for 180 days or less**
- **Only one modified loan has been granted a second 90-day modification (\$750,000)**

|                         | As reported June 30, 2020 |            |                      | As of September 30, 2020 |            |                      |
|-------------------------|---------------------------|------------|----------------------|--------------------------|------------|----------------------|
|                         | Modified Loan Balances    | Loan Count | % of Loans (ex. PPP) | Modified Loan Balances   | Loan Count | % of Loans (ex. PPP) |
| Commercial Real Estate  | \$83.0 million            | 40         | 6.8%                 | \$55.8 million           | 32         | 4.3%                 |
| Commercial & Industrial | \$42.5 million            | 18         | 3.5%                 | \$5.0 million            | 5          | 0.4%                 |
| 1-4 Family              | \$41.7 million            | 31         | 3.4%                 | \$4.4 million            | 6          | 0.3%                 |
| All Other               | \$9.7 million             | 9          | 0.8%                 | \$1.5 million            | 1          | 0.1%                 |
| <b>Total</b>            | <b>\$176.9 million</b>    | <b>98</b>  | <b>14.5%</b>         | <b>\$66.7 million</b>    | <b>44</b>  | <b>5.1%</b>          |





# Loan Modification Overview

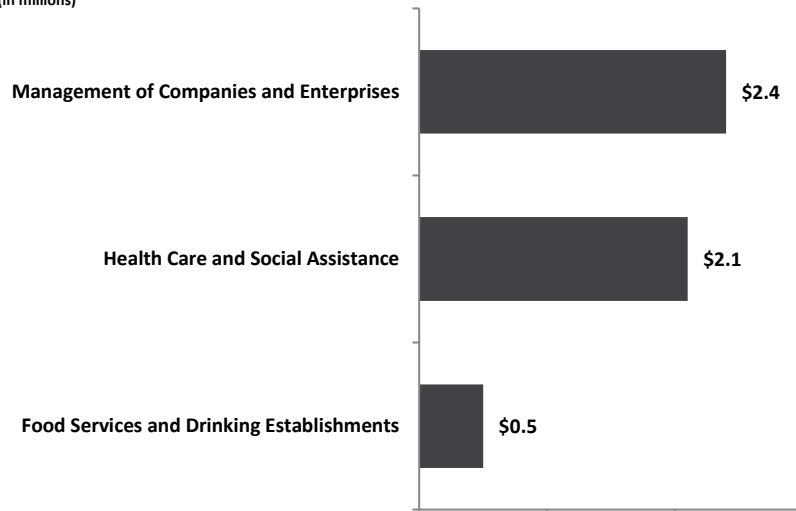
## Portfolio Loan Level Reviews

- Borrowers providing current financials and cash flow forecasts
- Increased monitoring and oversight
- Identify emerging issues early

| Modified Loan Characteristics<br>(as of September 30, 2020) |                |
|---|----------------|
| Commercial / Consumer Mix                                   | 97% / 3%       |
| Total Modified Loans  | \$66.7 million |
| Number of Loans   | 44             |
| Average Loan Size   | \$1.5 million  |
| Loan-to-Value (Avg)   | 46%            |
| Seasoning (Avg)   | 3.6 years      |

## Modified C&I Loans by Industry Exposure

(in millions)



## Modified CRE Loans by Collateral Type

(in millions)





# Near-Term Outlook and Expectations

- Significant growth in tangible book value expected to continue
  - Core earnings and operating leverage improvement expected to continue
  - PPP fee recognition and pending sale of LA Fixed Income Team
- Asset quality showing strength despite continuation of pandemic
- Initial synergies being realized from branch acquisition
- Net interest margin expected to expand as excess liquidity is redeployed and deposit costs continue to decline
- Strong mortgage originations continuing in 4Q20
- Healthy loan pipeline should continue to drive organic loan growth
- Commercial banking initiative accelerating following the addition of talent from branch acquisition in May
  - Adding expertise to target niche industries
  - Building SBA lending capability
  - Actively participating in Main Street Lending Program



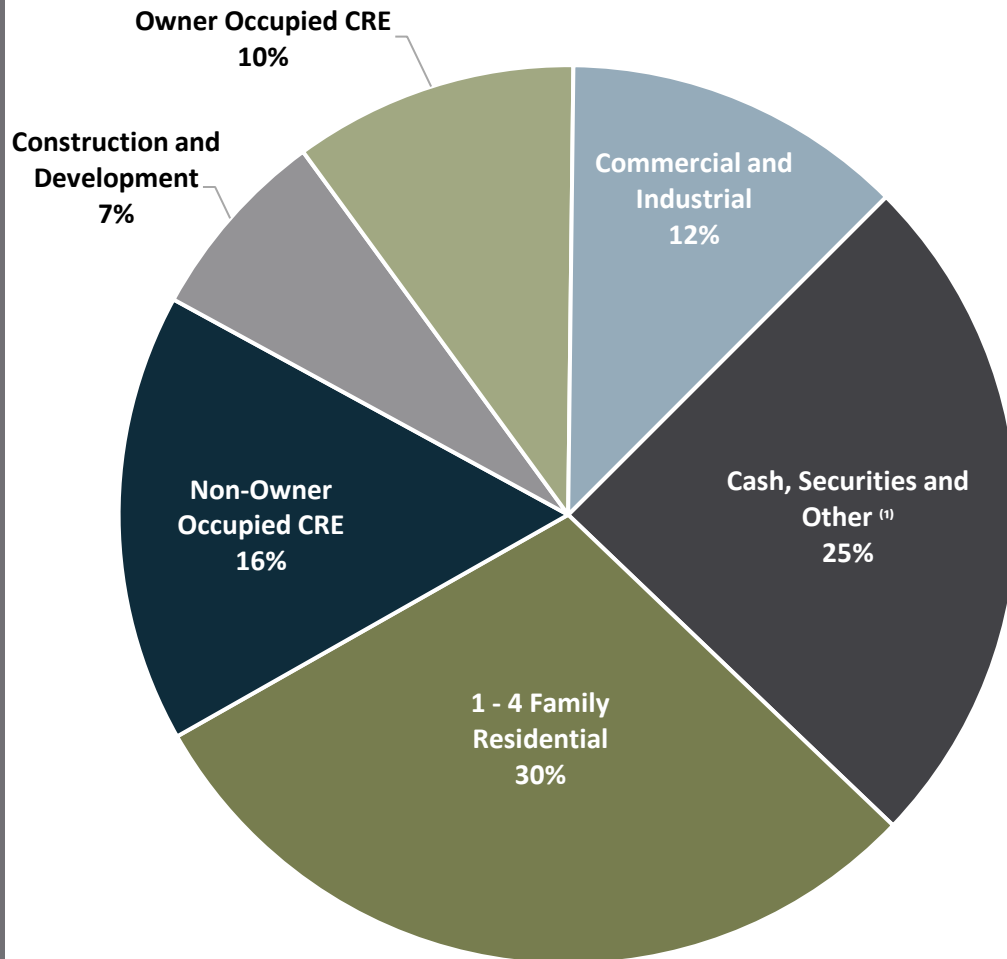
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# Appendix

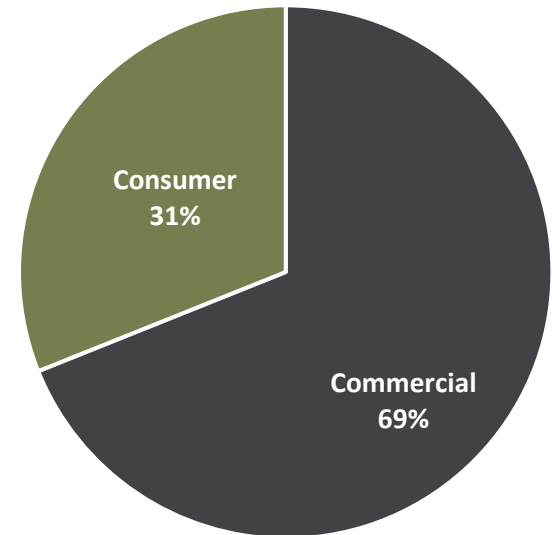


# Loan Portfolio Composition

**\$1.5 Billion**  
(as of 9/30/20)



**Commercial vs. Consumer**



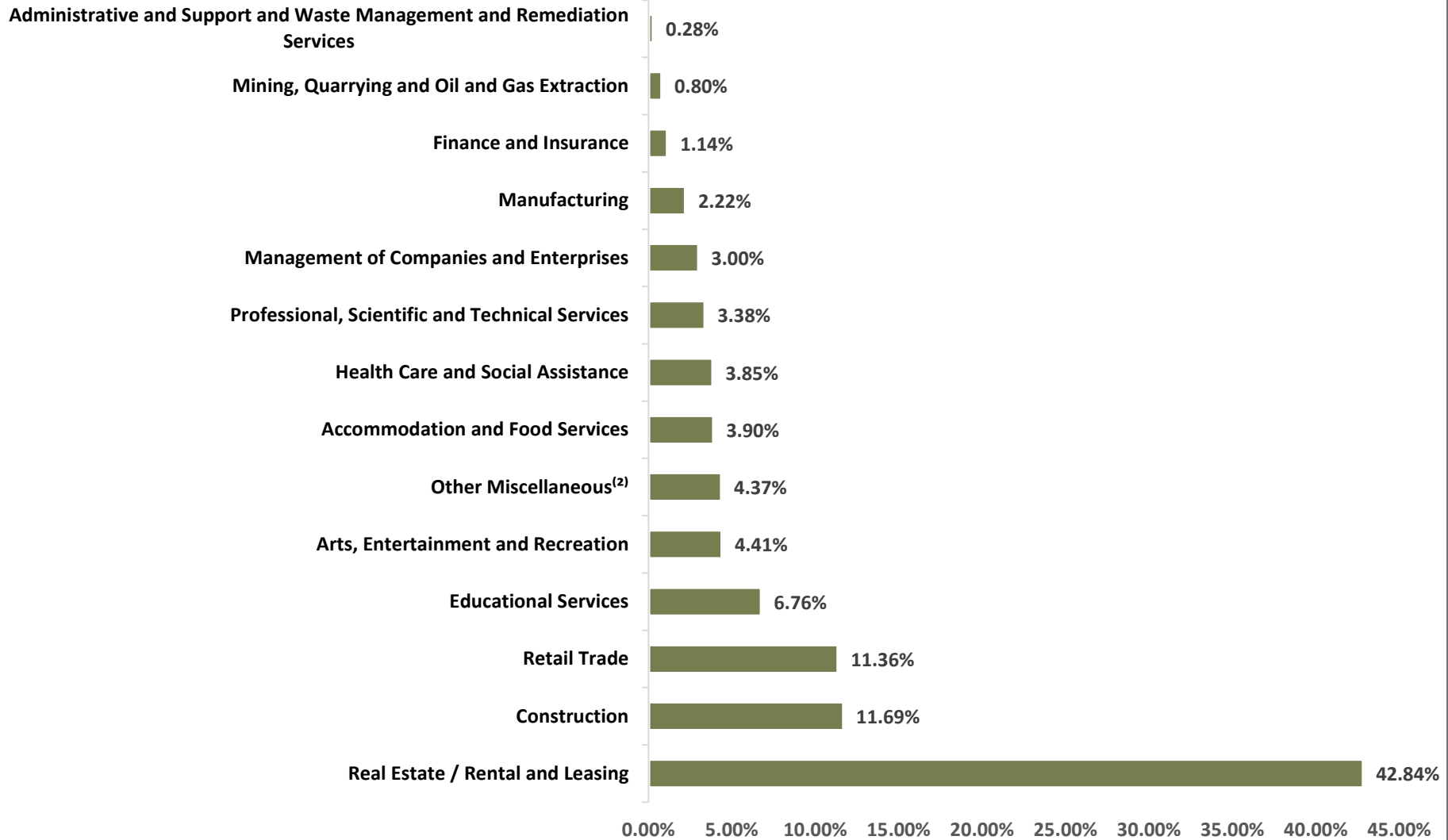
<sup>(1)</sup> PPP loans accounted for \$206.1 million of total loans at 9/30/20



# Commercial Loans by Industry<sup>(1)</sup>

**\$830.1 Million**  
(as of 9/30/20)

**Industry as a Percentage of Commercial Loans**  
(as of 9/30/20)



(1) Excludes PPP loans

(2) Represents the aggregate of individual industries; no one industry is more than 2% of Commercial loans

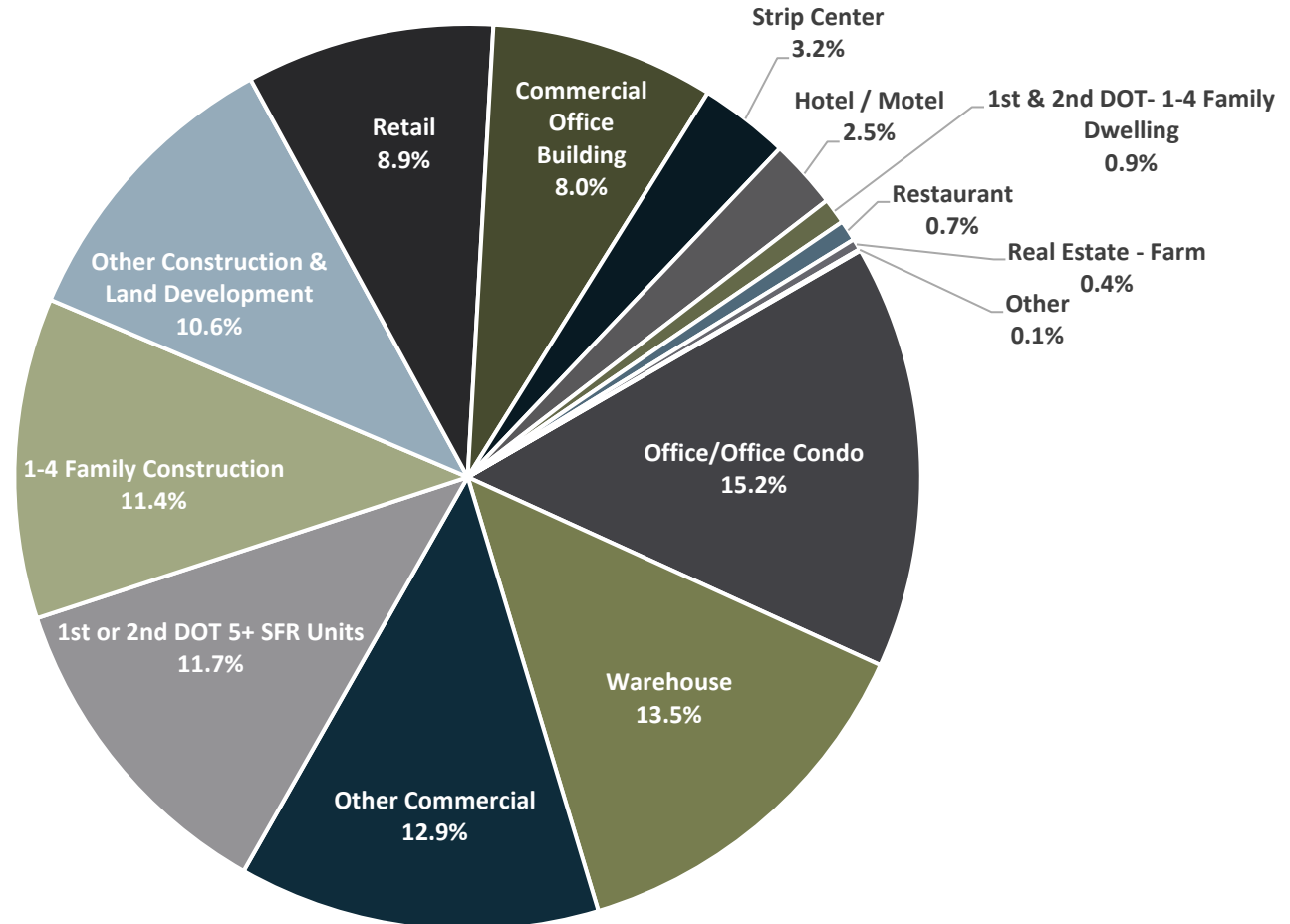


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# CRE<sup>(1)</sup> Loans By Property Type

\$503.4 Million  
(as of 9/30/20)

Property Type as a Percentage of CRE Loans  
(as of 9/30/20)



(1) Commercial Real Estate including Owner Occupied, Non-Owner Occupied, and Construction and Development

# CRE Portfolio Characteristics and Underwriting

| Portfolio Characteristics - CRE     |                 |
|-------------------------------------|-----------------|
| Loan Balances Outstanding (9/30/20) | \$503.4 million |
| Number of Loans                     | 270             |
| Average Loan Size                   | \$1.9 million   |
| Loan-to-Value (Avg)                 | 47.7%           |
| Seasoning (Avg)                     | 2.3 years       |
| Net Charge-offs in 2019 & 2020      | 0.00%           |

## Underwriting Criteria

- We require our CRE loans to be secured by seasoned and well-managed properties with adequate margins
- We generally obtain a guaranty from experienced owners and managers with outside cash flows and/or other assets
- Loan amounts generally do not exceed 80% or 75% of the property's appraised value for owner-occupied and non-owner occupied, respectively
- Aggregate debt service ratios, including the guarantor's cash flow and the borrower's other projects, are required by policy to have a minimum annual cash flow to debt service ratio of 2.0x

# Exposure to Stressed Industries (as of 9/30/20)

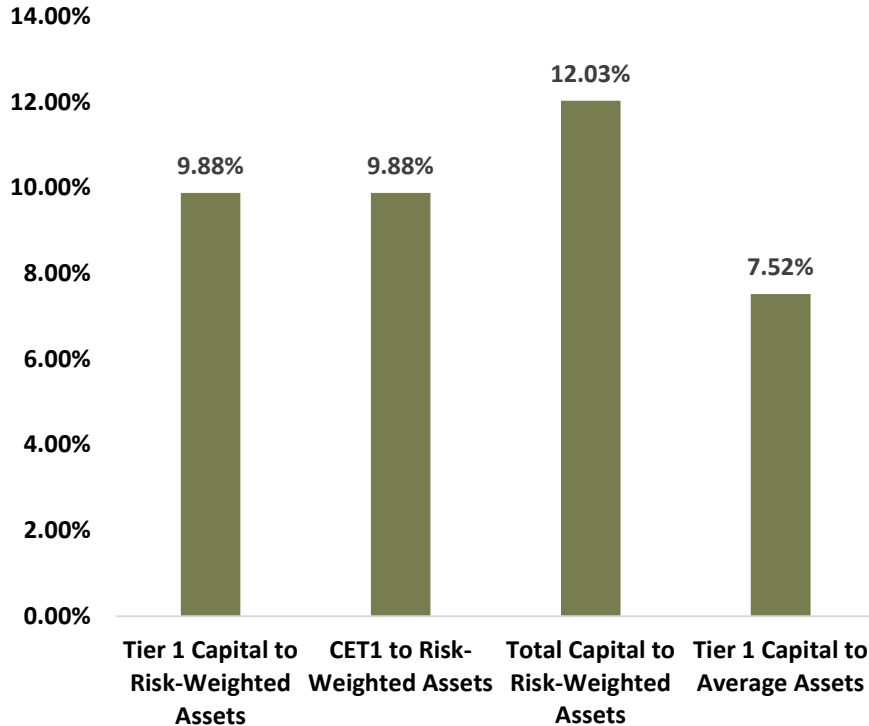
| Industry Exposure                     | Outstanding Balances (\$ in millions) | % of Total Loans | Unused Commitments (\$ in Millions) | Portfolio Characteristics   |
|---------------------------------------|---------------------------------------|------------------|-------------------------------------|---|
| Energy Related                        | \$6.7                                 | 0.4%             | \$16.8                              | <ul style="list-style-type: none"> <li>Indirect business or personal exposure to energy industry</li> <li>Collateral type: 47% life insurance, 39% IM accounts, 14% other assets</li> </ul>   |
| Accommodations                        | \$20.1                                | 1.3%             | \$5.7                               | <ul style="list-style-type: none"> <li>Portfolio consists of nine loans</li> <li>Largest loan is in prominent geographic region with multiple sources of repayment and personal guarantee</li> </ul>  |
| Food Service, Drinking Establishments | \$12.3                                | 0.8%             | \$2.8                               | <ul style="list-style-type: none"> <li>Portfolio consists of nineteen borrowers</li> <li>Average loan balance of approximately \$648,000</li> <li>Includes loans directly to restaurants and those with &gt; 50% cash flows from restaurants</li> </ul> |





# Capital and Liquidity Overview

## Consolidated Capital Ratios (as of 9/30/20)



## Liquidity Funding Sources (as of 9/30/20)

### Liquidity Reserves:

|                                 |               |
|---------------------------------|---------------|
| Total Available Cash            | \$249,542,451 |
| Unpledged Investment Securities | \$ 34,412,685 |

### Borrowed Funds:

#### Unsecured:

|              |               |
|--------------|---------------|
| Credit Lines | \$ 54,000,000 |
|--------------|---------------|

#### Secured:

|                             |               |
|-----------------------------|---------------|
| FHLB Available              | \$401,870,448 |
| FRB Available               | \$ 1,035,353  |
| Brokered Remaining Capacity | \$204,724,959 |

### Total Liquidity Funding Sources

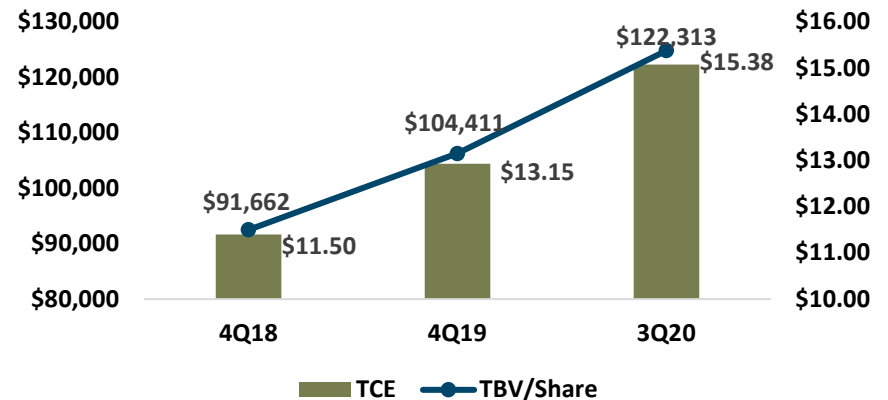
**\$945,585,896**

### Loan to Deposit Ratio

**96.3%**

## Tangible Common Equity / TBV Per Share<sup>(1)</sup>

(in thousands)



(1) See Non-GAAP reconciliation



# Non-GAAP Reconciliation

| Consolidated Efficiency Ratio                     | For the Three Months Ended,   |                    |                   |                |                |                    |
|---|-------------------------------|--------------------|-------------------|----------------|----------------|--------------------|
|   | (Dollars in thousands)        | September 30, 2019 | December 31, 2019 | March 31, 2020 | June 30, 2020  | September 30, 2020 |
| Non-interest expense                              |                               | \$13,442           | \$13,082          | \$14,647       | \$12,644       | \$16,632           |
| Less: amortization                                |                               | 52                 | 7                 | 2              | 38             | 4                  |
| Less: provision on other real estate owned        |                               | -                  | -                 | -              | -              | 100                |
| Less: loss on assets held for sale                |                               | -                  | -                 | 553            | -              | -                  |
| Adjusted non-interest expense                     |                               | \$13,390           | \$13,075          | \$14,092       | \$12,606       | \$16,528           |
| Net interest income                               |                               | \$7,940            | \$8,190           | \$8,931        | \$10,796       | \$12,918           |
| Non-interest income                               |                               | 8,788              | 8,228             | 7,767          | 15,427         | 18,032             |
| Less: Net gain on sale of securities              |                               | 119                | -                 | -              | -              | -                  |
| Less: Net gain on sale of assets                  |                               | -                  | 183               | -              | -              | -                  |
| Total income                                      |                               | \$16,609           | \$16,235          | \$16,698       | \$26,223       | \$30,950           |
| <b>Efficiency ratio</b>                           |                               | <b>80.6%</b>       | <b>80.5%</b>      | <b>84.4%</b>   | <b>48.1%</b>   | <b>53.4%</b>       |
| Consolidated Tangible Common Book Value Per Share | As of the Three Months Ended, |                    |                   |                |                |                    |
|   | (Dollars in thousands)        | September 30, 2019 | December 31, 2019 | March 31, 2020 | June 30, 2020  | September 30, 2020 |
| Total shareholders' equity                        |                               | \$125,732          | \$127,678         | \$128,703      | \$139,417      | \$149,576          |
| Less:   |                               |                    |                   |                |                |                    |
| Goodwill  |                               | 19,686             | \$19,686          | \$19,686       | \$24,191       | \$24,191           |
| Intangibles held for sale <sup>(1)</sup>          |                               | 3,553              | 3,553             | 3,000          | 3,000          | 3,000              |
| Other intangibles, net                            |                               | 36                 | 28                | 26             | 76             | 72                 |
| <b>Tangible common equity</b>                     |                               | <b>102,457</b>     | <b>104,411</b>    | <b>105,991</b> | <b>112,150</b> | <b>122,313</b>     |
| Common shares outstanding, end of period          |                               | 7,983,284          | 7,940,168         | 7,917,489      | 7,939,024      | 7,951,749          |
| <b>Tangible common book value per share</b>       |                               | <b>\$12.83</b>     | <b>\$13.15</b>    | <b>\$13.39</b> | <b>\$14.13</b> | <b>\$15.38</b>     |

(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, 2019          | December 31, 2019 | March 31, 2020  | June 30, 2020   | September 30, 2020 |
| Total income before non-interest expense | \$12,554                    | \$12,534          | \$13,023        | \$13,114        | \$16,232           |
| Less: Net gain on sale of securities     | 119                         | -                 | -               | -               | -                  |
| Less: Net gain on sale of assets         | -                           | 183               | -               | -               | -                  |
| Plus: Provision for loan loss            | 100                         | 447               | 367             | 2,124           | 1,496              |
| <b>Gross revenue</b>                     | <b>\$12,535</b>             | <b>\$12,798</b>   | <b>\$13,390</b> | <b>\$15,238</b> | <b>\$17,728</b>    |

| Capital Management Gross Revenue         | For the Three Months Ended, |                   |                |               |                    |
|--|-----------------------------|-------------------|----------------|---------------|--------------------|
| (Dollars in thousands)                   | September 30, 2019          | December 31, 2019 | March 31, 2020 | June 30, 2020 | September 30, 2020 |
| Total income before non-interest expense | \$776                       | \$815             | \$804          | \$788         | \$899              |
| Less: Net gain on sale of securities     | -                           | -                 | -              | -             | -                  |
| Less: Net gain on sale of assets         | -                           | -                 | -              | -             | -                  |
| Plus: Provision for loan loss            | -                           | -                 | -              | -             | -                  |
| <b>Gross revenue</b>                     | <b>\$776</b>                | <b>\$815</b>      | <b>\$804</b>   | <b>\$788</b>  | <b>\$899</b>       |

| Mortgage Gross Revenue                   | For the Three Months Ended, |                   |                |                 |                    |
|--|-----------------------------|-------------------|----------------|-----------------|--------------------|
| (Dollars in thousands)                   | September 30, 2019          | December 31, 2019 | March 31, 2020 | June 30, 2020   | September 30, 2020 |
| Total income before non-interest expense | \$3,298                     | \$2,622           | \$2,504        | \$10,197        | \$12,323           |
| Less: Net gain on sale of securities     | -                           | -                 | -              | -               | -                  |
| Less: Net gain on sale of assets         | -                           | -                 | -              | -               | -                  |
| Plus: Provision for loan loss            | -                           | -                 | -              | -               | -                  |
| <b>Gross revenue</b>                     | <b>\$3,298</b>              | <b>\$2,622</b>    | <b>\$2,504</b> | <b>\$10,197</b> | <b>\$12,323</b>    |

| Consolidated Gross Revenue               | For the Three Months Ended, |                   |                 |                 |                    |
|--|-----------------------------|-------------------|-----------------|-----------------|--------------------|
| (Dollars in thousands)                   | September 30, 2019          | December 31, 2019 | March 31, 2020  | June 30, 2020   | September 30, 2020 |
| Total income before non-interest expense | \$16,628                    | \$15,971          | \$16,331        | \$24,099        | \$29,454           |
| Less: Net gain on sale of securities     | 119                         | -                 | -               | -               | -                  |
| Less: Net gain on sale of assets         | -                           | 183               | -               | -               | -                  |
| Plus: Provision for loan loss            | 100                         | 447               | 367             | 2,124           | 1,496              |
| <b>Gross revenue</b>                     | <b>\$16,609</b>             | <b>\$16,235</b>   | <b>\$16,698</b> | <b>\$26,223</b> | <b>\$30,950</b>    |



# Non-GAAP Reconciliation

| Adjusted net income available to common shareholders                    | For the Three Months Ended, |                   |                 |                 |                    |
|---|-----------------------------|-------------------|-----------------|-----------------|--------------------|
| (Dollars in thousands, except per share data)                           | September 30, 2019          | December 31, 2019 | March 31, 2020  | June 30, 2020   | September 30, 2020 |
| Net income available to common shareholders                             | \$2,406                     | \$2,572           | \$1,334         | \$8,696         | \$9,630            |
| Plus: acquisition related expense including tax impact                  | -                           | -                 | -               | 245             | -                  |
| Plus: goodwill impairment including tax impact                          | -                           | -                 | -               | -               | -                  |
| Plus: loss on intangibles held for sale including tax impact            | -                           | -                 | 438             | -               | -                  |
| <b>Adjusted net income to common shareholders</b>                       | <b>\$2,406</b>              | <b>\$2,572</b>    | <b>\$1,772</b>  | <b>\$8,941</b>  | <b>\$9,630</b>     |
| Adjusted earnings per share   | For the Three Months Ended, |                   |                 |                 |                    |
| (Dollars in thousands, except per share data)                           | September 30, 2019          | December 31, 2019 | March 31, 2020  | June 30, 2020   | September 30, 2020 |
| Earnings per share  | \$0.30                      | <b>\$0.32</b>     | \$0.17          | \$1.10          | \$1.20             |
| Plus: acquisition related expenses including tax impact                 | -                           | -                 | -               | 0.03            | -                  |
| Plus: goodwill impairment including tax impact                          | -                           | -                 | -               | -               | -                  |
| Plus: loss on intangibles held for sale including tax impact            | -                           | -                 | 0.05            | -               | -                  |
| <b>Adjusted earnings per share</b>                                      | <b>\$0.30</b>               | <b>\$0.32</b>     | <b>\$0.22</b>   | <b>\$1.13</b>   | <b>\$1.20</b>      |
| Total Non-Interest Expense adjusted for Non-Operating items             | For the Three Months Ended, |                   |                 |                 |                    |
| (Dollars in thousands)  | September 30, 2019          | December 31, 2019 | March 31, 2020  | June 30, 2020   | September 30, 2020 |
| Net income available to common shareholders                             | \$13,422                    | \$13,082          | \$14,647        | \$12,644        | \$16,632           |
| Less: acquisition related expense                                       | -                           | -                 | -               | 323             | -                  |
| Less: goodwill impairment   | -                           | -                 | -               | -               | -                  |
| Less: loss on intangibles held for sale                                 | -                           | -                 | 553             | -               | -                  |
| <b>Total Non-Interest Expense adjusted for Non-Operating items</b>      | <b>\$13,422</b>             | <b>\$13,082</b>   | <b>\$14,094</b> | <b>\$12,321</b> | <b>\$16,632</b>    |
| Allowance for loan losses to Bank originated loans excluding PPP        | As of                       |                   |                 |                 |                    |
| (Dollars in thousands)  | September 30, 2019          | December 31, 2019 | March 31, 2020  | June 30, 2020   | September 30, 2020 |
| Gross loans   | 924,356                     | 996,559           | 1,042,478       | 1,424,160       | 1,507,484          |
| Less: Branch acquisition  | -                           | -                 | -               | 123,786         | 124,689            |
| Less: PPP loans   | -                           | -                 | -               | 191,676         | 193,213            |
| Loans excluding acquired and PPP  | 924,356                     | 996,559           | 1,042,478       | 1,108,698       | 1,189,582          |
| Allowance for loan losses   | 7,675                       | 7,875             | 8,242           | 10,354          | 11,845             |
| <b>Allowance for loan losses to Bank originated loans excluding PPP</b> | <b>0.83%</b>                | <b>0.79%</b>      | <b>0.79%</b>    | <b>0.93%</b>    | <b>1.00%</b>       |



# Non-GAAP Reconciliation

| Adjusted net interest margin<br>(Dollars in thousands)       | For the Three Months Ended June 30, |                      |                    |
|--|-------------------------------------|----------------------|--------------------|
|  | Average Balance                     | Interest Earned/Paid | Average Yield/Rate |
| Interest-bearing deposits in other financial institutions    | 76,463                              | 44                   |                    |
| PPP adjustment   | 20,587                              | 25                   |                    |
| Available-for-sale securities                                | 48,614                              | 224                  |                    |
| PPP adjustment   | -                                   | -                    |                    |
| Loans  | 1,268,797                           | 12,202               |                    |
| PPP adjustment   | (152,893)                           | (718)                |                    |
| Adjusted total Interest-earning assets                       | 1,261,568                           | 11,777               |                    |
| Interest-bearing deposits                                    |                                     | 1,319                |                    |
| PPP adjustment   |                                     | -                    |                    |
| Federal Home Loan Bank Topeka and Federal Reserve borrowings |                                     | 129                  |                    |
| PPP adjustment   |                                     | (39)                 |                    |
| Subordinated notes   |                                     | 226                  |                    |
| Adjusted total interest-bearing liabilities                  |                                     | 1,635                |                    |
| Net interest income  |                                     | 10,142               |                    |
| <b>Adjusted net interest margin</b>                          |                                     |                      | <b>3.22%</b>       |

| Adjusted net interest margin<br>(Dollars in thousands)       | For the Three Months Ended September 30, |                      |                    |
|--|--|----------------------|--------------------|
|  | Average Balance                          | Interest Earned/Paid | Average Yield/Rate |
| Interest-bearing deposits in other financial institutions    | 178,756                                  | 99                   |                    |
| PPP adjustment   | (38,618)                                 | (45)                 |                    |
| Available-for-sale securities                                | 40,528                                   | 173                  |                    |
| PPP adjustment   | -  | -                    |                    |
| Loans  | 1,462,872                                | 14,138               |                    |
| PPP adjustment   | (201,208)                                | (870)                |                    |
| Purchase accretion adjustment                                | -  | (534)                |                    |
| Adjusted total Interest-earning assets                       | 1,442,330                                | 12,961               |                    |
| Interest-bearing deposits                                    |  | 1,067                |                    |
| PPP adjustment   |  | -                    |                    |
| Federal Home Loan Bank Topeka and Federal Reserve borrowings |  | 204                  |                    |
| PPP adjustment   |  | (180)                |                    |
| Subordinated notes   |  | 221                  |                    |
| Adjusted total interest-bearing liabilities                  |  | 1,312                |                    |
| Net interest income  |  | 11,649               |                    |
| <b>Adjusted net interest margin</b>                          |  |                      | <b>3.23%</b>       |