FIRSTWESTERN

Fourth Quarter 2023
Conference Call

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.

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Overview of 4Q23

4Q23 Earnings

- Net income available to common shareholders of $0.3 million, or $0.03 per diluted share
- Pre-tax, pre-provision net income[(1)] of $4.1 million
- Decline in earnings from prior quarter primarily due to reserve on individually analyzed loans

Prudent Balance Sheet Growth

- Deposit growth exceeded loan growth in the fourth quarter
- 18% annualized deposit growth with increases in both noninterest-bearing and interest-bearing deposits
- Total loans relatively flat as new production is focused on clients that provide deposits while maintaining conservative underwriting criteria and disciplined pricing

Execution on Key Priorities

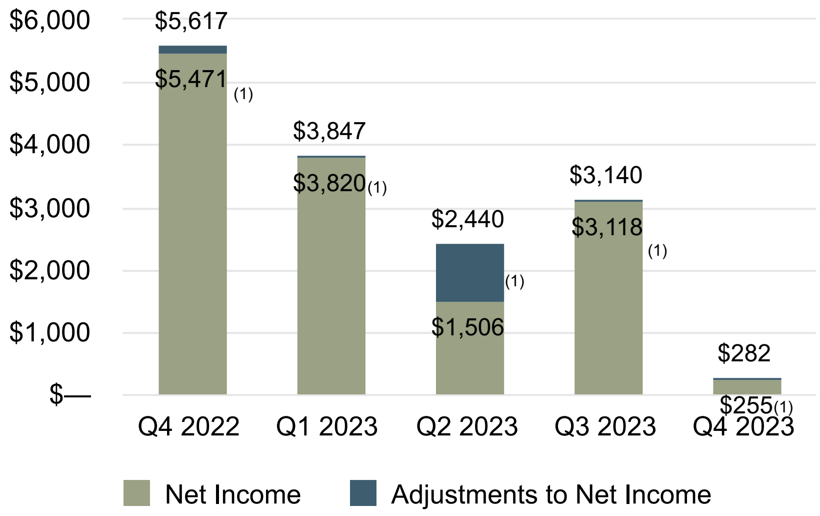
- Disciplined expense control resulted in operating expenses remaining below initial expectations for 2023
- Increased focus on deposit gathering further reduced loan-to-deposit ratio
- Conservative underwriting and proactive portfolio management continues to result in low level of credit losses

(1) See Non-GAAP reconciliation

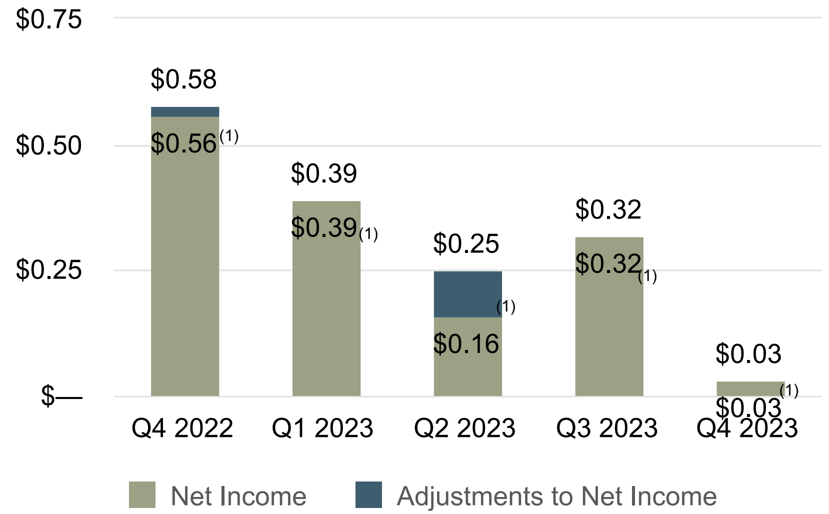
Net Income Available to Common Shareholders and Earnings per Share

- Net income of $0.3 million, or $0.03 diluted earnings per share, in 4Q23
- Provision for individually analyzed loans in 4Q23 had diluted earnings per share impact of $0.29, net of tax
- Tangible book value per share declined during 4Q23 due to an unfavorable shift in AOCI resulting from a cash flow hedge of certain FHLB borrowings that decreased in value as interest rates declined

Net Income Available to Common Shareholders



Diluted Earnings per Share



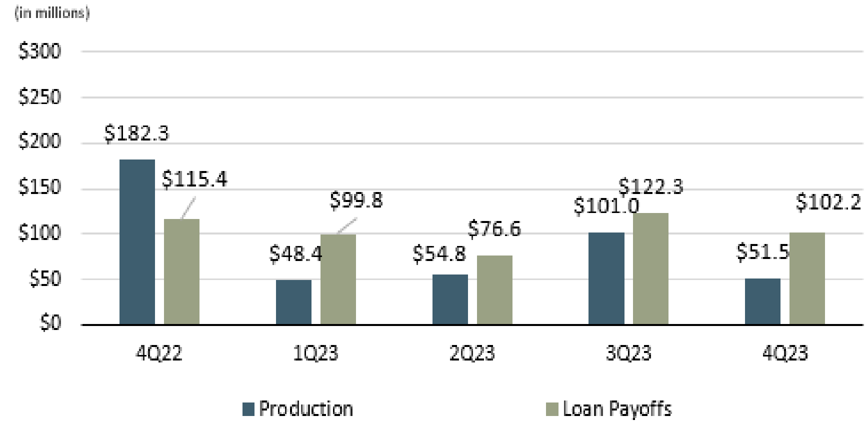
(1) See Non-GAAP reconciliation

Loan Portfolio

Loan Portfolio Details

- Total loans held for investment increased $12.0 million from prior quarter
- Growth driven by increases in residential mortgage and CRE portfolios, partially offset by small declines in other portfolios
- New loan production of more than $50 million, with focus primarily on clients that also bring deposits to the bank
- Average rate on new loan production increased 35 bps to 8.27% compared to prior quarter

Loan Production & Loan Payoffs

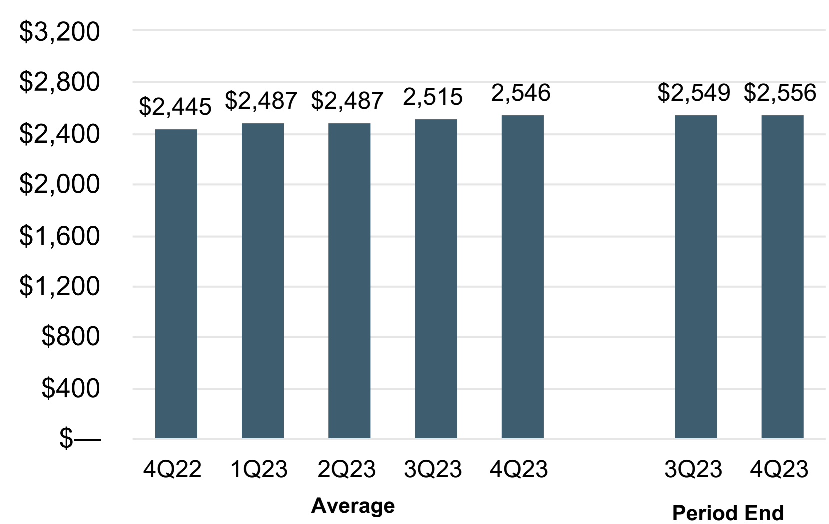


Loan Portfolio Composition[1]

($ in thousands, as of quarter end)	4Q 2022	3Q 2023	4Q 2023
Cash, Securities and Other	$ 165,670	$ 148,669	$ 140,053
Consumer and Other	26,539	23,975	23,596
Construction and Development	288,497	349,436	347,515
1-4 Family Residential	898,154	913,085	933,684
Non-Owner Occupied CRE	496,776	527,377	546,966
Owner Occupied CRE	216,056	208,341	197,205
Commercial and Industrial	361,028	349,515	345,393
Total	$ 2,452,720	$ 2,520,398	$ 2,534,412
Loans accounted for at fair value[2]	23,415	16,105	14,129
Total Loans HFI	$ 2,476,135	$ 2,536,503	$ 2,548,541
Loans held-for-sale (HFS)	10,804	12,105	7,254
Total Loans	$ 2,486,939	$ 2,548,608	$ 2,555,795

(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.

Total Loans[1]



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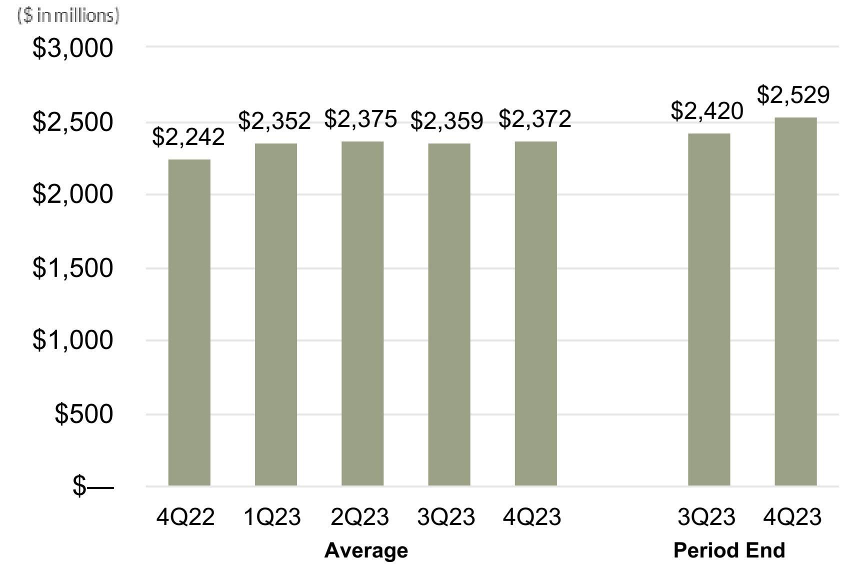
Total Deposits

- Total deposits increased by $109 million in 4Q23
- Success in new business development, with $118 million in new deposit relationships added in 4Q23
- Noninterest-bearing deposits increased $6.3 million in 4Q23, primarily driven by new client accounts
- Strategic decision made to add short-term higher cost deposits to improve near-term liquidity, which will be replaced with lower cost funding as market conditions normalize and interest rates decrease

Deposit Portfolio Composition

	4Q 2022	3Q 2023	4Q 2023
Money market deposit accounts	$ 1,336,092	$ 1,388,726	$ 1,386,149
Time deposits	224,090	373,459	496,452
NOW	234,778	164,000	147,488
Savings accounts	27,177	17,503	16,371
Noninterest-bearing accounts	583,092	476,308	482,579
Total Deposits	**$ 2,405,229**	**$ 2,419,996**	**$ 2,529,039**

Total Deposits

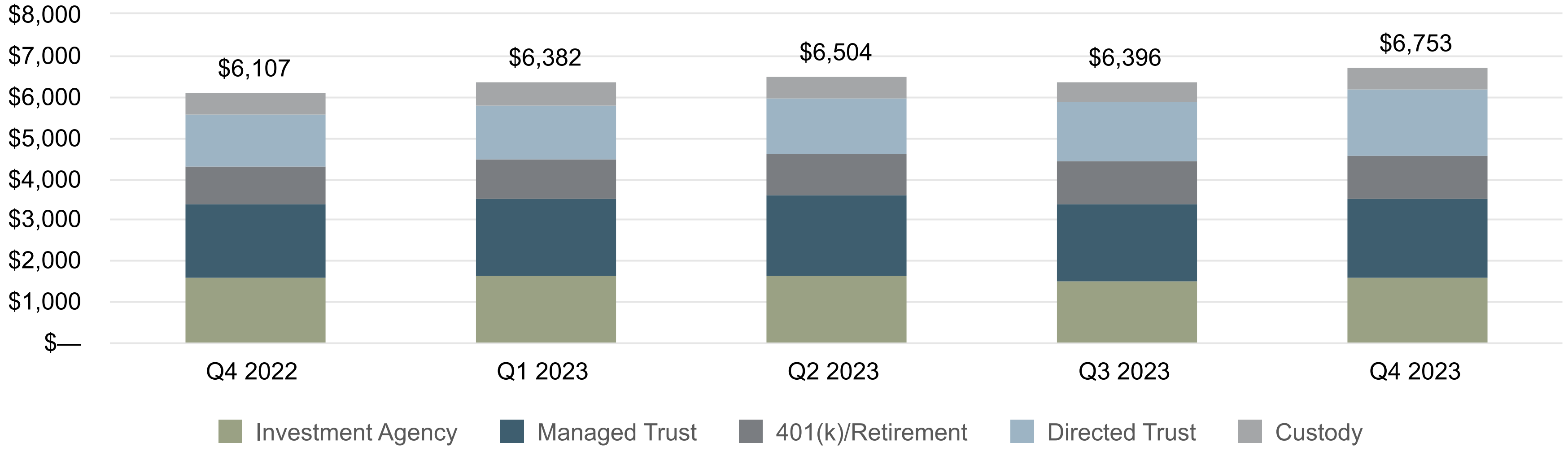


Trust and Investment Management

- Total assets under management increased $357.2 million from September 30, 2023 to $6.75 billion as of December 31, 2023
- Increase in AUM driven by an increase in market values throughout 4Q23, resulting in a 5.6% increase compared to 3Q23, and a 10.6% increase year-over-year.

Total Assets Under Management

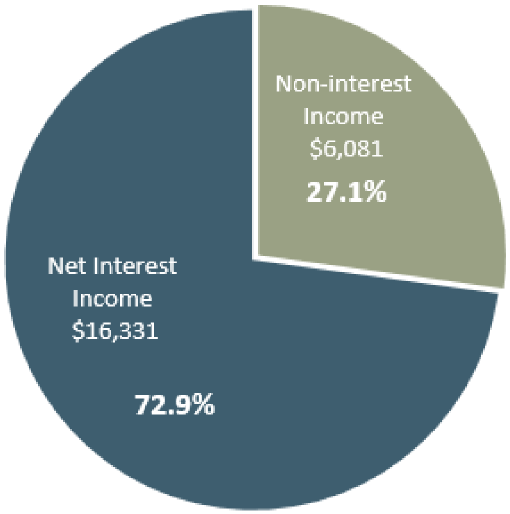
(in millions, as of quarter end)



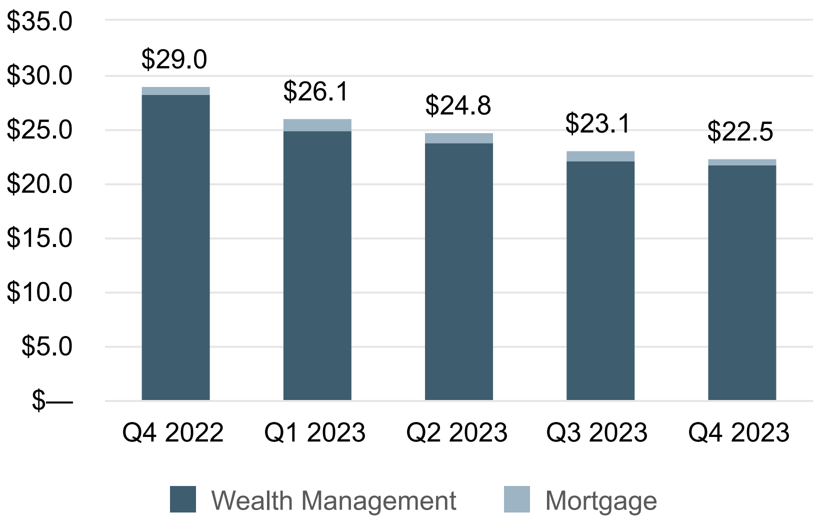
Gross Revenue

- Gross revenue[1] declined 2.7% from prior quarter
- Slowest decline in the last five quarters as environmental headwinds appear to be shifting
- Decline primarily due to an increase in deposit costs that reduced net interest income

4Q23 Gross Revenue[1]



Gross Revenue[1]



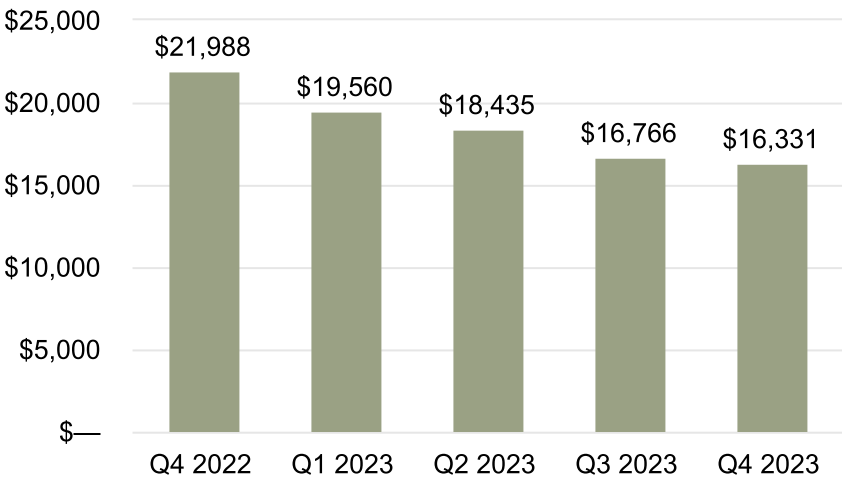
(1) See Non-GAAP reconciliation

Net Interest Income and Net Interest Margin

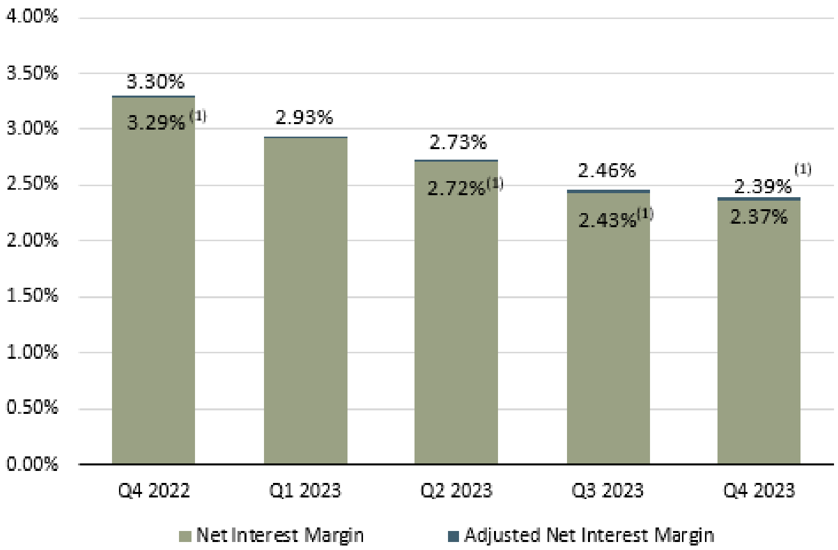
- Net interest income decreased to $16.3 million, or 2.6%, from $16.8 million in 3Q23, due primarily to higher deposit costs
- Net interest margin decreased 9 bps to 2.37%, driven by the increase in interest bearing deposit costs
- Strategic decision made to add short-term higher cost deposits to improve near-term liquidity, which will be replaced with lower cost funding as market conditions normalize and interest rates decrease

Net Interest Income

(in thousands)



Net Interest Margin

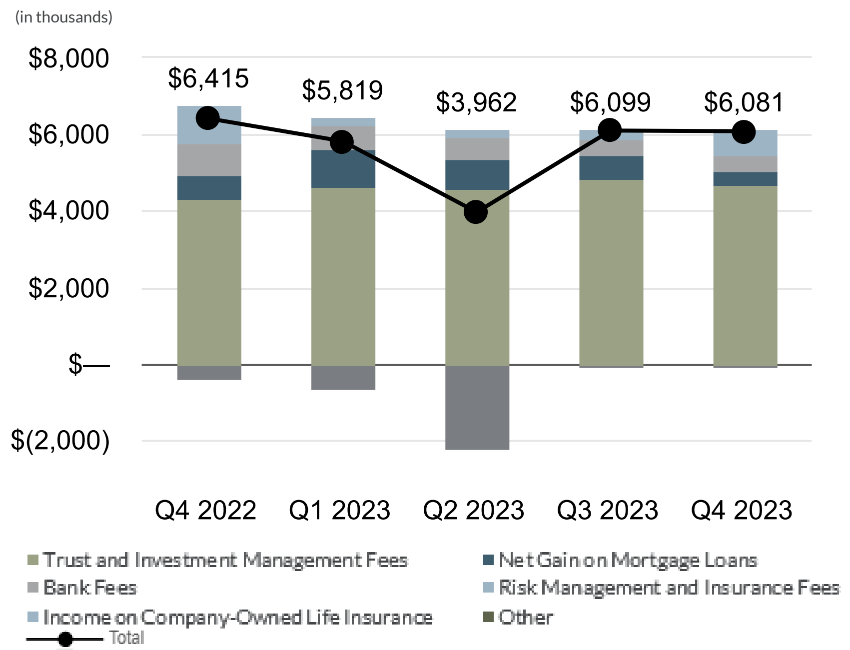


(1) See Non-GAAP reconciliation

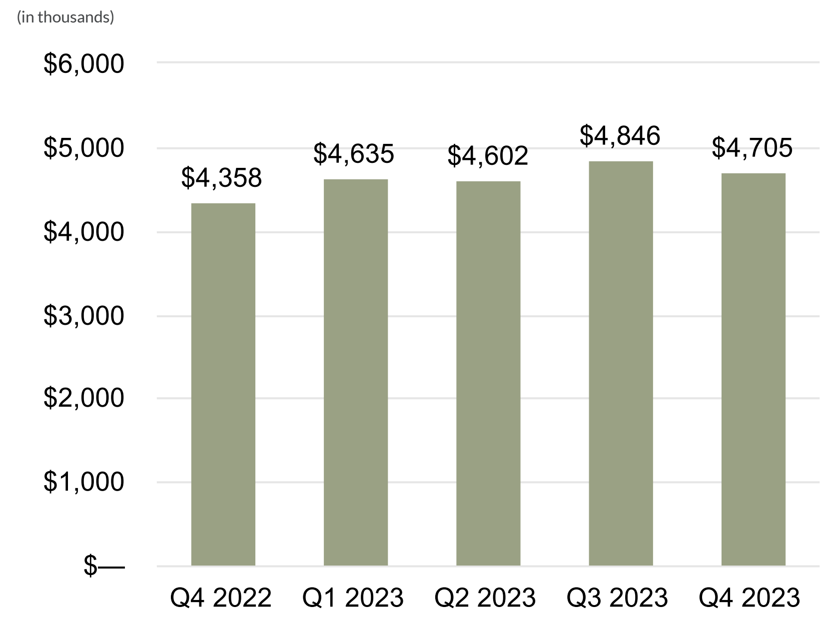
Non-Interest Income

- Non-interest income remained flat compared to prior quarter
- Slight decline in Net gains on mortgage loans, which reflects impact of higher rates and seasonal decline in mortgage loan demand
- Slight declines in Trust and Investment Management fees compared to prior quarter, however fees increased $0.3 million, or 8.0%, year-over-year
- Increase in Risk Management and Insurance Fees reflects seasonal impact that occurs in the fourth quarter each year

Total Non-Interest Income



Trust and Investment Management Fees

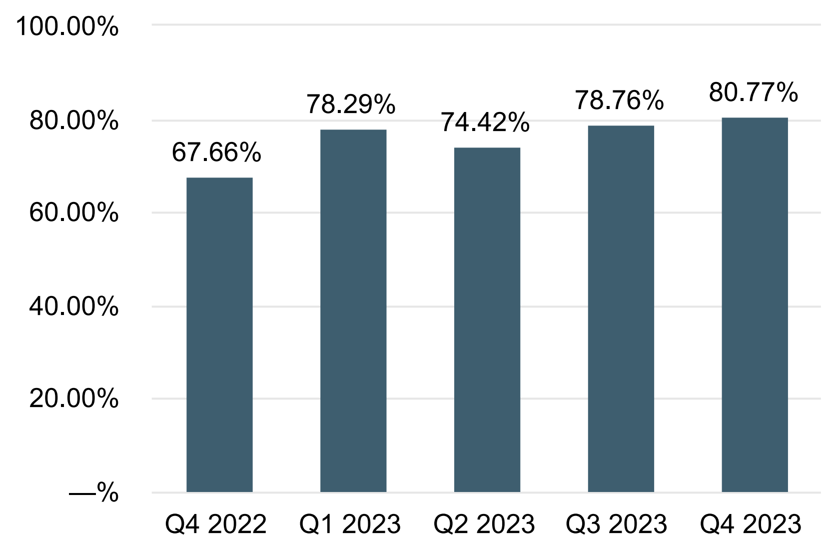


Non-Interest Expense and Efficiency Ratio

- Non-interest expense remained flat at $18.3 million compared to 3Q23
- Disciplined expense management resulted in non-interest expense coming in below targeted range

Total Non-Interest Expense

Operating Efficiency Ratio[1]

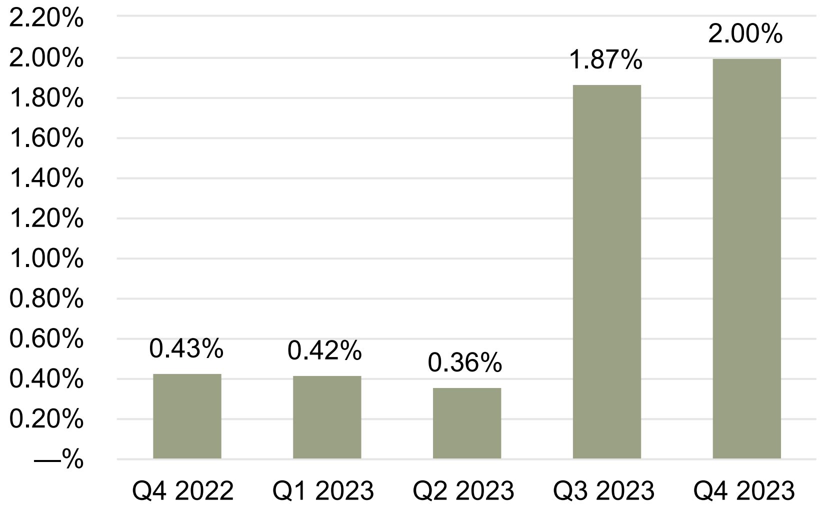


(1) See Non-GAAP reconciliation

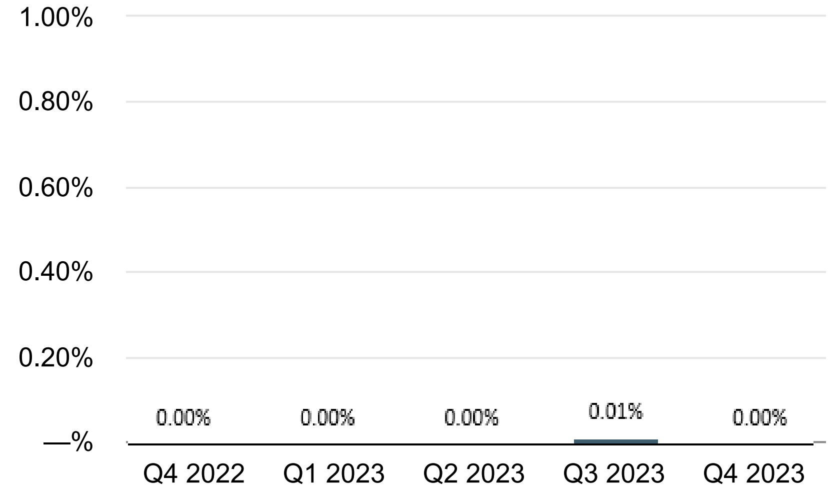
Asset Quality

- NPLs increased $3.5 million due primarily to the downgrade of two loans
- $3.9 million provision for credit losses driven primarily by reserve on individually analyzed loans previously downgraded to NPL, with small reserves established for two loans downgraded to NPL in 4Q23
- ACL/Adjusted Total Loans[1] increased to 1.10% in 4Q23 from 0.92% in 3Q23
- Continue to experience immaterial amount of credit losses

Non-Performing Assets/Total Assets



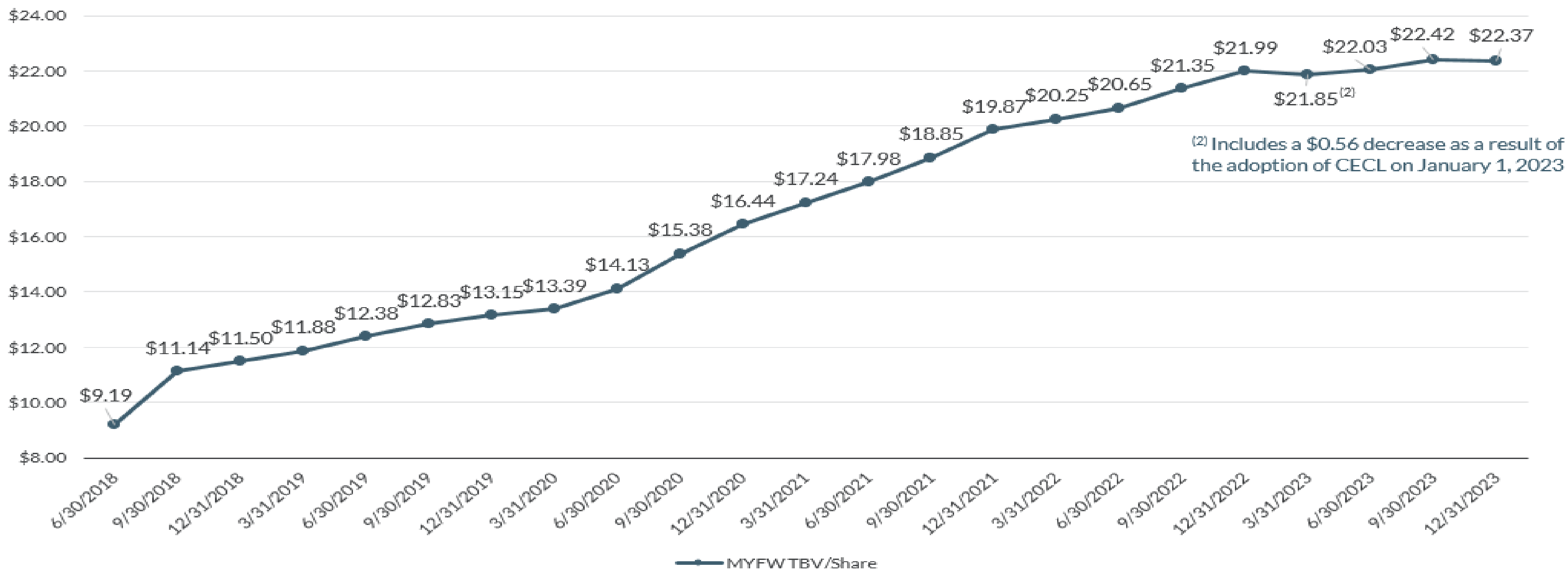
Net Charge-Offs/Average Loans



(1) Adjusted Total Loans – Total Loans minus PPP loans and loans accounted for under fair value option; see non-GAAP reconciliation

Consistent Value Creation

TBV/Share[1] Up 143% 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

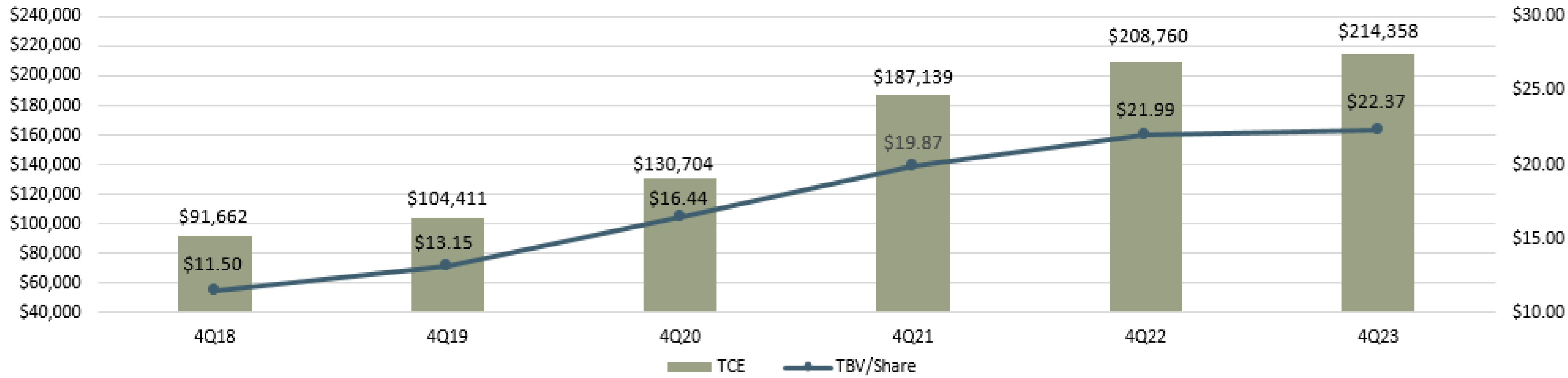
2024 Outlook and Priorities

- Well positioned to manage through and perform well in any economic scenario that emerges in 2024
- Prudent risk management and conservative underwriting criteria expected to result in modest asset growth in 2024 until economic conditions improve
- Deposit gathering will remain a top priority throughout the organization with increased focus on targeting deposit rich industries
- Focus will remain on core business and core clients that provide good opportunities to expand relationships over time and result in very low levels of credit losses
- Concentrating on working through credits placed on non-performing status to continue achieving immaterial losses
- Catalysts that should contribute to earnings growth in 2024
    - Good momentum in business development that should lead to continued growth in client roster, balance sheet, and non-interest income
    - Liability-sensitive balance sheet that will lead to expanded NIM as interest rates decrease
    - Continued disciplined expense management and continued benefits from leveraging past investments in technology, talent, and office expansion, as well as process improvements that will enhance efficiencies as we continue to add scale
- Strength of franchise and balance sheet enables First Western 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 long-term value of our franchise

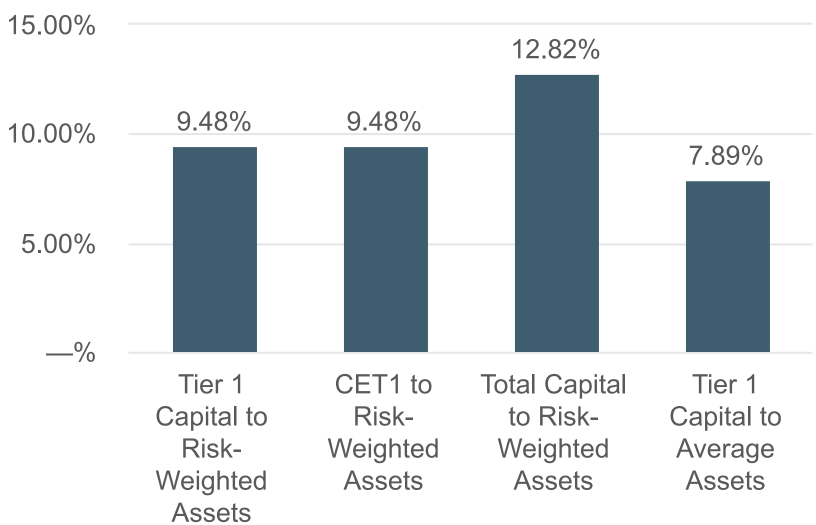
Appendix

Capital and Liquidity Overview

Tangible Common Equity / TBV per Share[1]



Consolidated Capital Ratios (as of 12/31/23)



Liquidity Funding Sources (as of 12/31/23)

(in thousands)

Liquidity Reserves:	
Total Available Cash	$252,845
Unpledged Investment Securities	21,526
Borrowed Funds:	
Secured:	
FHLB Available	656,593
FRB Available	13,570
Other:	
Brokered Remaining Capacity	179,833[2]
Unsecured:	
Credit Lines	29,000
Total Liquidity Funding Sources	**$1,153,367**
Loan to Deposit Ratio	**100.7 %**

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

Non-GAAP Reconciliation

Consolidated Efficiency Ratio (Dollars in thousands)	For the Three Months Ended, December 31, 2022	March 31, 2023	June 30, 2023	September 30, 2023	December 31, 2023
Non-interest expense	$19,905	$20,528	$18,519	$18,314	$18,276
Less: amortization	77	64	62	62	62
Less: acquisition related expenses	195	37	14	30	36
Adjusted non-interest expense	$19,633	$20,427	$18,443	$18,222	$18,178
Net interest income	$21,842	$19,560	$18,435	$16,766	$16,331
Non-interest income	6,561	5,819	3,962	6,099	6,081
Less: unrealized gains/(losses) recognized on equity securities	-	10	(11)	(19)	(2)
Less: impairment of contingent consideration assets	-	-	(1,249)	-	-
Less: net gain/(loss) on loans accounted for under the fair value option	(602)	(543)	(1,124)	(252)	(91)
Less: net gain on equity interests	-	-	-	-	-
Less: net (loss)/gain on loans held for sale at fair value	(12)	(178)	-	-	-
Adjusted non-interest income	7,175	6,530	6,346	6,370	6,174
Total income	$29,017	$26,090	$24,781	$23,136	$22,505
Efficiency ratio	**67.66%**	**78.29%**	**74.42%**	**78.76%**	**80.77%**

Consolidated Tangible Common Book Value Per Share (Dollars in thousands)	As of, Dec. 31, 2018	Dec. 31, 2019	Dec. 31, 2020	Dec. 31, 2021	Dec. 31, 2022	Sept. 30, 2023	Dec. 31, 2023
Total shareholders' equity	$116,875	$127,678	$154,962	$219,041	$240,864	$246,256	$246,212
Less:							
Goodwill and other intangibles, net	25,213	19,714	24,258	31,902	32,104	31,916	31,854
Intangibles held for sale[(1)]	-	3,553	-	-	-	-	-
Tangible common equity	91,662	104,411	$130,704	187,139	208,760	214,340	214,358
Common shares outstanding, end of period	7,968,420	7,940,168	7,951,773	9,419,271	9,495,440	9,560,209	9,581,183
Tangible common book value per share	**$11.50**	**$13.15**	**$16.44**	**$19.87**	**$21.99**	**$22.42**	**$22.37**

Net income available to common shareholders	**$255**
Return on tangible common equity (annualized)	**0.48%**

(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)	December 31, 2022	March 31, 2023	June 30, 2023	September 30, 2023	December 31, 2023
Total income before non-interest expense	$26,623	$24,543	$19,529	$21,647	$17,913
Less: unrealized gains/(losses) recognized on equity securities	-	10	(11)	(19)	(2)
Less: impairment of contingent consideration assets	-	-	(1,249)	-	-
Less: net gain/(loss) on loans accounted for under the fair value option	(602)	(543)	(1,124)	(252)	(91)
Less: net gain on equity interests	-	-	-	-	-
Less: net (loss)/gain on loans held for sale at fair value	(12)	(178)	-	-	-
Plus: provision for credit loss	1,197	(310)	1,843	329	3,942
Gross revenue	**$28,434**	**$24,944**	**$23,756**	**$22,247**	**$21,948**

Mortgage Gross Revenue	For the Three Months Ended,				
(Dollars in thousands)	December 31, 2022	March 31, 2023	June 30, 2023	September 30, 2023	December 31, 2023
Total income before non-interest expense	$583	$1,146	$1,025	$889	$557
Plus: provision for credit loss	-	-	-	-	-
Gross revenue	**$583**	**$1,146**	**$1,025**	**$889**	**$557**

Consolidated Gross Revenue	For the Three Months Ended,				
(Dollars in thousands)	December 31, 2022	March 30, 2023	June 30, 2023	September 30, 2023	December 31, 2023
Total income before non-interest expense	$27,206	$25,689	$20,554	$22,536	$18,470
Less: unrealized gains/(losses) recognized on equity securities	-	10	(11)	(19)	(2)
Less: impairment of contingent consideration assets	-	-	(1,249)	-	-
Less: net gain/(loss) on loans accounted for under the fair value option	(602)	(543)	(1,124)	(252)	(91)
Less: net gain on equity interests	-	-	-	-	-
Less: net (loss)/gain on loans held for sale at fair value	(12)	(178)	-	-	-
Plus: provision for credit loss	1,197	(310)	1,843	329	3,942
Gross revenue	**$29,017**	**$26,090**	**$24,781**	**$23,136**	**$22,505**

Gross Revenue excluding net gain on mortgage loans			
(Dollars in thousands)	December 31, 2022	September 30, 2023	December 31, 2023
Gross revenue	$29,017	$23,136	$22,505
Less: net gain on mortgage loans	775	654	379
Gross revenue excluding net gain on mortgage loans	**$28,242**	**$22,482**	**$22,126**

Non-GAAP Reconciliation

Adjusted net income available to common shareholders	For the Three Months Ended,				
(Dollars in thousands, except per share data)	December 31, 2022	March 31, 2023	June 30, 2023	September 30, 2023	December 31, 2023
Net income available to common shareholders	$5,471	$3,820	$1,506	$3,118	$255
Plus: impairment of contingent consideration assets including tax impact	-	-	924	-	-
Plus: acquisition related expense including tax impact	146	27	10	22	27
Adjusted net income to common shareholders	**$5,617**	**$3,847**	**$2,440**	**$3,140**	**$282**

Adjusted diluted earnings per share	For the Three Months Ended,				
(Dollars in thousands, except per share data)	December 31, 2022	March 31, 2023	June 30, 2023	September 30, 2023	December 31, 2023
Diluted earnings per share	$0.56	$0.39	$0.16	$0.32	$0.03
Plus: impairment of contingent consideration assets including tax impact	-	-	0.09	-	-
Plus: acquisition related expenses including tax impact	0.02	-	-	-	-
Adjusted diluted earnings per share	**$0.58**	**$0.39**	**$0.25**	**$0.32**	**$0.03**

Pre-tax, pre-provision net income	For the Three Months Ended,		
(Dollars in thousands)	December 31, 2022	September 30, 2023	December 31, 2023
Income before income taxes	$7,301	$4,222	$194
Plus: provision for credit losses	1,197	329	3,942
Pre-tax, pre-provision net income	**$8,498**	**$4,551**	**$4,136**

Allowance for credit losses to Bank originated loans excluding PPP	As of				
(Dollars in thousands)	December 31, 2022	March 31, 2023	June 30, 2023	September 30, 2023	December 31, 2023
Total loans held for investment	$2,476,135	$2,475,084	$2,501,926	$2,536,503	$2,548,541
Less: Acquired loans	234,717	—	—	—	—
Less: PPP loans	6,378	6,100	5,558	4,876	4,343
Less: Purchased loans accounted for under fair value ("FVO")	23,415	21,052 (1)	18,274 (1)	16,105(1)	14,129(1)
Adjusted Loans excluding acquired, PPP and FVO	$2,211,625	$2,447,932	$2,478,094	$2,515,522	$2,530,069
Allowance for credit losses	17,183	19,843	22,044	23,175	27,931
Allowance for credit losses to adjusted loans	**0.78%**	**0.81%**	**0.89%**	**0.92%**	**1.10%**

(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 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			For the Three Months Ended December 31, 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	$103,190	$931		$127,608	$1,403		$135,757	$1,669		$102,510	$1,291		$104,789	$1,350	
PPP adjustment	1,736	16		1,502	17		1,376	17		1,103	15		908	12	
Investment securities	84,017	645		82,106	629		80,106	626		78,057	607		76,331	600	
Correspondent bank stock	11,880	237		9,592	173		8,844	145		7,162	142		7,576	160	
Loans	2,436,252	30,691		2,469,129	32,239		2,471,588	33,704		2,502,419	34,228		2,536,379	35,717	
Loans HFS	9,065	146		18,036	268		15,841	230		12,680	214		9,915	165	
PPP adjustment	(7,350)	(32)		(6,470)	(37)		(5,811)	(27)		(5,178)	(25)		(4,601)	(24)	
Purchase Accretion adjustment	-	(87)		-	(64)		-	(80)		-	(209)		-	160	
Adjusted total Interest-earning assets	2,638,790	32,547		2,701,503	34,628		2,707,701	36,284		2,698,753	36,263		2,731,297	38,140	
Interest-bearing deposits		8,260			13,092			15,864			17,467			19,037	
PPP adjustment		-			-			-			-			-	
Federal Home Loan Bank Topeka and Federal Reserve borrowings		1,916			1,374			1,361			1,447			1,882	
PPP adjustment		(6)			(5)			(4)			(4)			(3)	
Subordinated notes		486			674			712			801			741	
Adjusted total interest-bearing liabilities		10,656			15,135			17,933			19,711			21,657	
Net interest income		21,891			19,493			18,351			16,552			16,483	
Adjusted net interest margin			**3.29%**			**2.93 %**			**2.72 %**			**2.43 %**			**2.39%**