



FIRSTwestern

INVESTOR PRESENTATION

February 2024

# Safe Harbor

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# An Emerging High Performing Institution

## Overview

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

## Target Market

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

## Competitive Advantage

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

## Company Highlights

- (as of 12/31/23)*
- Assets: \$2.98 billion
  - Total Loans: \$2.55 billion
  - Total Deposits: \$2.53 billion
  - AUM: \$6.75 billion

- (for the year ending 12/31/23)*
- Loan Growth: 2.9%
  - Deposit Growth: 5.1%
  - Asset Growth: 3.9%
  - TBV/Share<sup>(1)</sup> Growth: 1.7%



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

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

PIPER | SANDLER

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

(1) See Non-GAAP reconciliation

# Investment Highlights

## Attractive Markets and Business Model

- Rapidly growing institution operating in high growth markets
- Attractive, stable deposit base with noninterest-bearing and money market accounts comprising 74% of total deposits
- Conservative underwriting and affluent client base results in minimal credit losses

## Strong Earnings Momentum

- Significant revenue growth driving improved operating leverage and higher profitability since pre-IPO
- TBV/share<sup>(1)</sup> increased 143% since the IPO, 21% in 2021, 11% in 2022 and 2% in 2023.
- Continued scale expected to drive further leverage and generate returns consistent with a high performing institution over long term

## Successful Execution on Growth Strategies

- Track record of combining organic growth and market expansion with accretive acquisitions to enhance franchise value
- Total assets up 185% since the IPO, 28% in 2021, 13% in 2022 and 4% in 2023 with substantial increases in revenue and EPS
- Strengthening commercial banking platform creating more diverse loan portfolio and lower-cost deposit base

## Proven Management Team, High Insider Ownership, and Discounted Valuation

- Chairman and CEO has previously built and sold three banks for substantial gains for shareholders
- COO has been instrumental in building the MYFW franchise over 17 years at the institution
- Highly aligned with shareholder interests as insiders own ~18% of total shares outstanding<sup>(2)</sup>
- Discounted valuation trading at just 0.6x TBV/share<sup>(3)</sup>

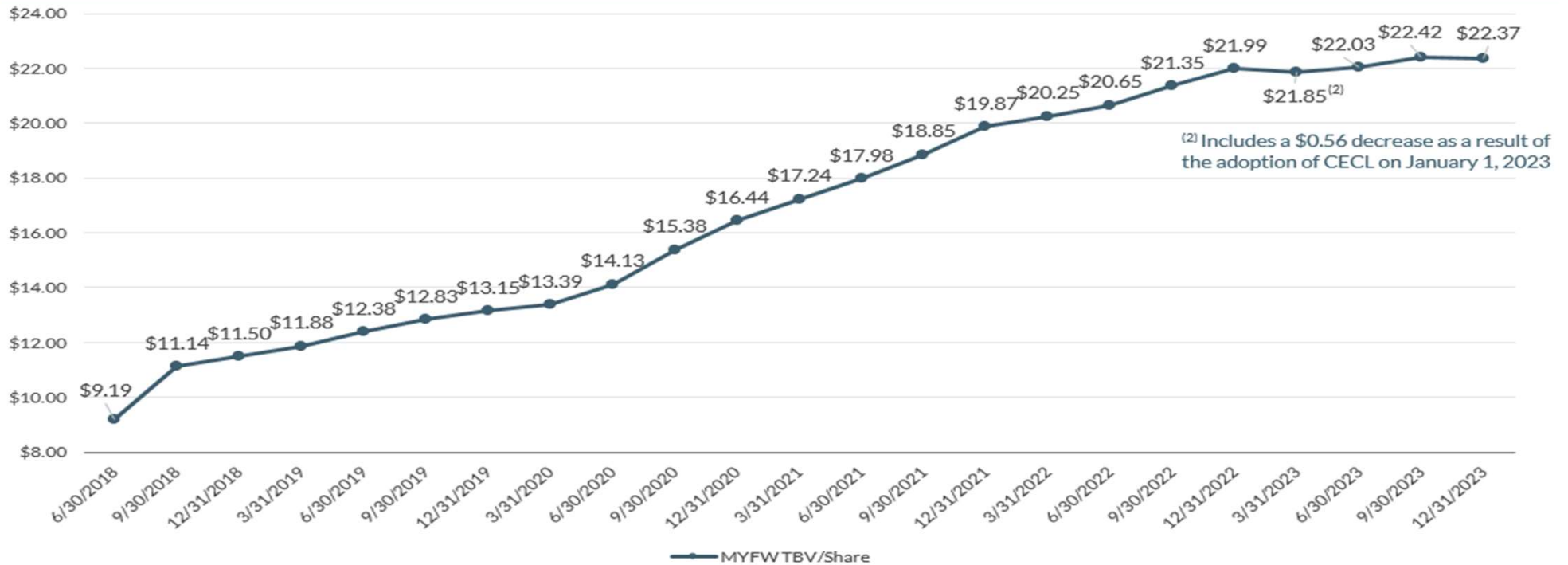
(1) See Non-GAAP reconciliation

(2) Represents beneficial ownership as defined by the Proxy Statement

(3) As of February 23, 2024

# Consistent Value Creation

TBV/Share<sup>(1)</sup> 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

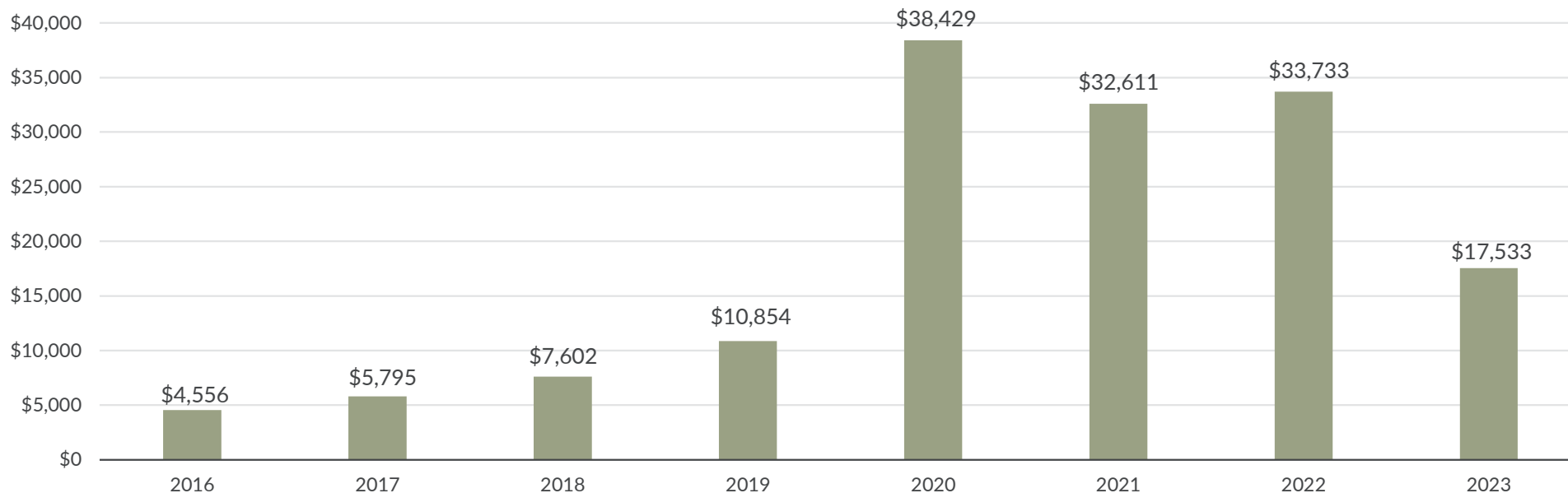
(2) Includes a \$0.56 decrease as a result of the adoption of CECL on January 1, 2023

# Strong Operational and Financial Momentum

## Drivers of Improved Performance

- Robust organic balance sheet growth
- Accretive acquisitions
- Market expansion
- Highly leverageable operating platform driving improved efficiencies
- Minimal credit losses

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



(1) See Non-GAAP reconciliation

# Franchise Overview



# Great Markets, Scarce Investment Opportunity

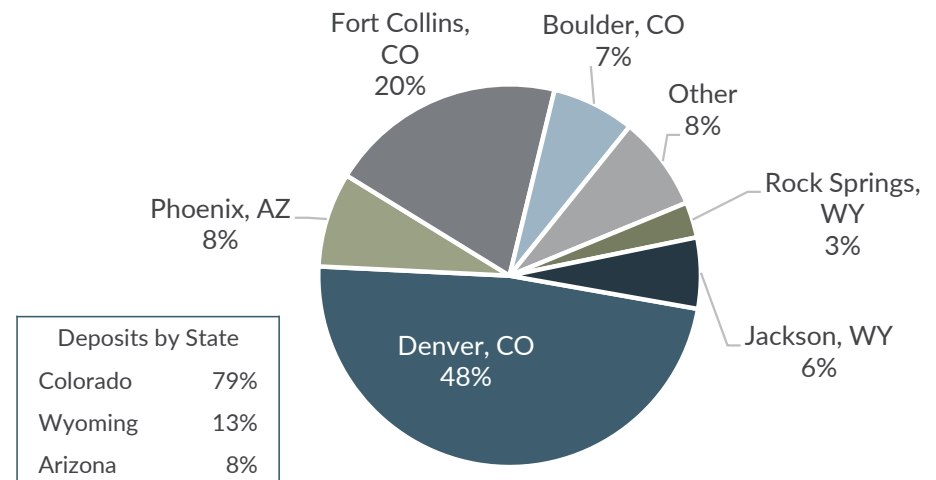
## Characteristics of First Western Markets

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

## MYFW is 2<sup>nd</sup> Largest Publicly Held CO Chartered Bank

As of December 31, 2023	Current Ownership	Total Assets (\$bn)
FirstBank	Private	28.1
NBH Bank	Public (NYSE: NBHC)	9.9
Bank of Colorado	Private (Sub. Of Pinnacle Bancorp-NE)	7.1
Alpine Bank	Private	6.4
ANB Bank	Private	3.2
First Western Trust Bank	<b>Public (Nasdaq: MYFW)</b>	3.0

## Deposits by MSA <sup>(1)</sup>



## Small Market Share Provides Large Growth Opportunity

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

(1) Source: S&P Capital IQ as of 06/30/2023

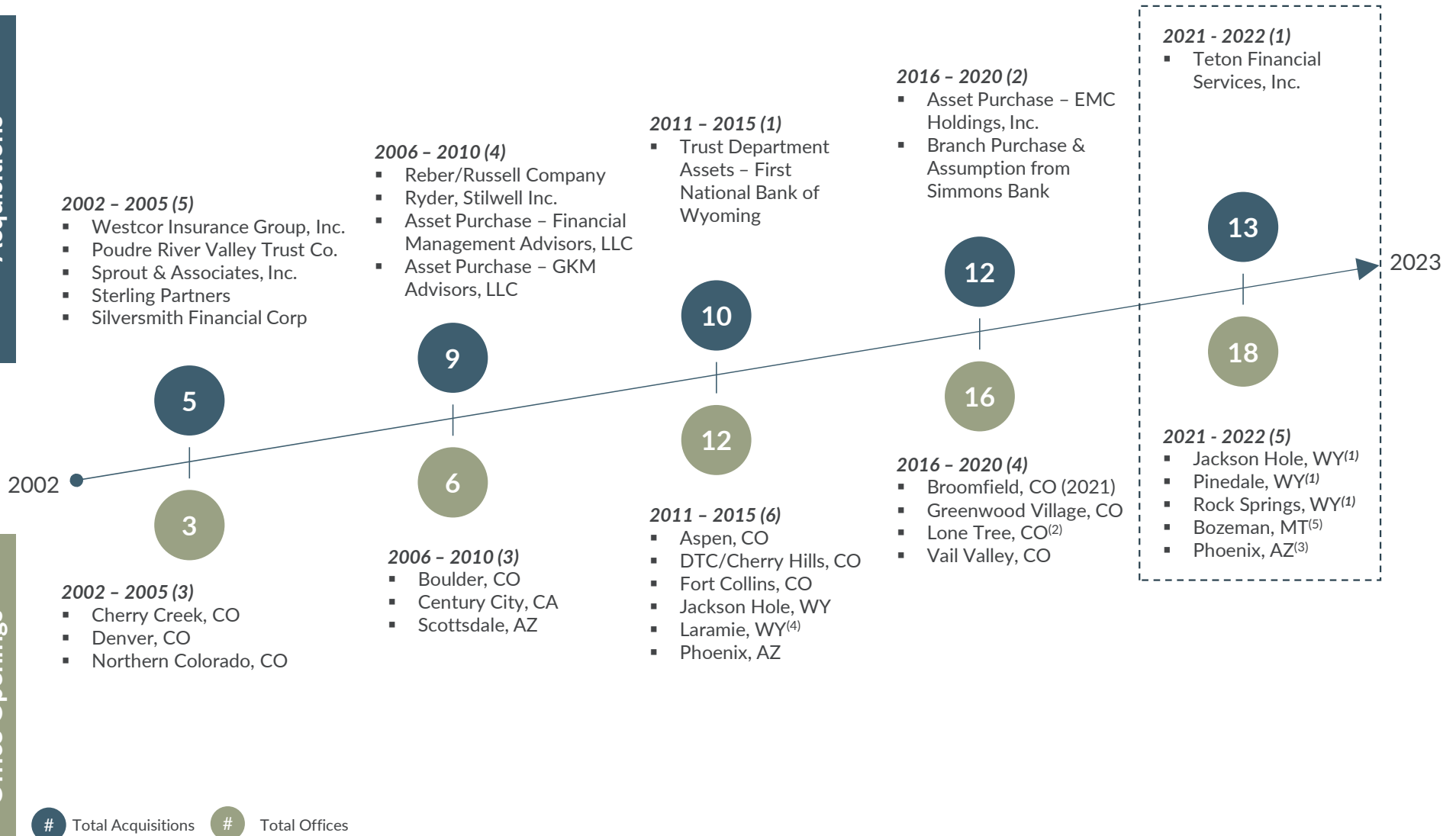
(2) Percentage growth in household income (HHI).



# Success in Expansion and Acquisition Growth

Acquisitions

Office Openings



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

# Revenue Growth Strategies

## Expand commercial loan production platform

- Building expertise in specific vertical markets
- Capitalize on growing reputation to attract additional experienced commercial banking talent

## Expand into new markets with attractive demographics

- Vail Valley office opened in 2019
- Built team and revenue base to open office in Broomfield, CO in 2021
- Added teams to expand presence in Arizona in 2022
- Full-service Bozeman, MT office opened in 2023

## Execute on revenue initiatives in existing markets

- Capitalize on higher legal lending limit to expand relationships with existing clients and pursue larger commercial clients
- Cross-sell MYFW's larger offering of trust and wealth management products
- Continue adding banking talent to further accelerate market share gains

## Execute on low-risk strategic transactions that add value to the MYFW franchise

- Execute on minimally dilutive acquisitions
- Leverage infrastructure through branch acquisition transactions
- Proactive expansion, acquisition team

# Recent M&A Transactions

## Branch Purchase and Assumption



**Simmons Bank**

### Transaction Overview

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

### Financial Impact

- Mid-teens earnings accretion in 2021

## Whole Bank Acquisition



ROCKY MOUNTAIN BANK

### Transaction Overview

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

### Financial Impact

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

# Increasing Market Share

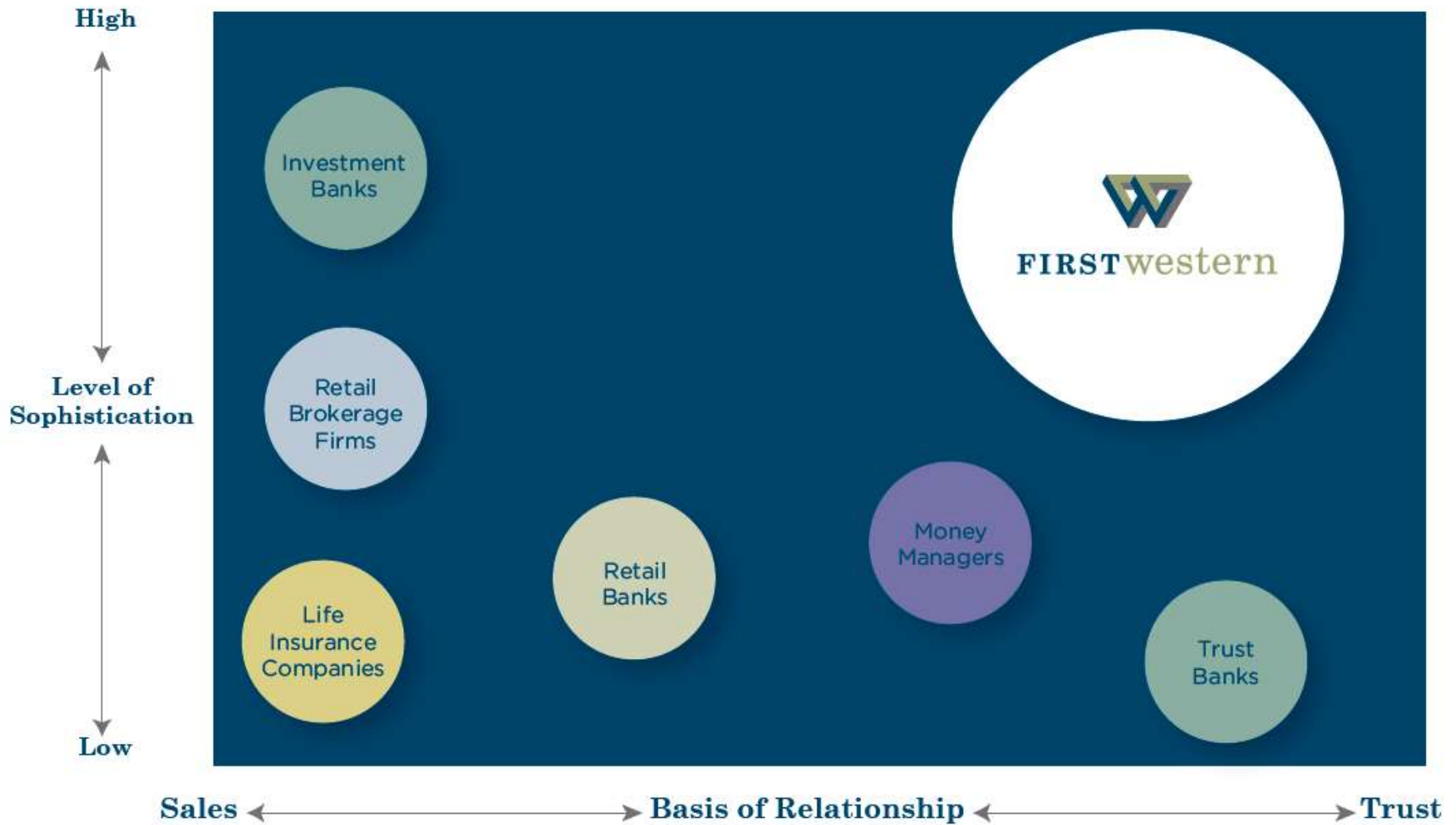
Successfully attracting new banking talent and growing awareness of superior value proposition are driving increases in market share

MSA	2023 Market Share <sup>(1)</sup>	2022 Market Share	Change
Denver-Aurora-Centennial, CO	1.00%	0.77%	0.23%
Fort Collins-Loveland, CO	4.62%	2.20%	2.42%
Rock Springs, WY	7.16%	6.83%	0.33%
Edwards, CO	1.59%	0.63%	0.96%

(1) Source: S&P Capital IQ.

# Unique Business Model

# Unique Market Position



# Cross-Selling a Diverse Set of Products and Services

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

## Commercial Banking

- Corporate loans to match specific needs
- 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
- ERISA compliance and education

## Residential Mortgage Lending

- Mortgage banking **specializing in purchase money, high net worth lending**
- Underwritten to Fannie Mae and Freddie Mac guidelines
- Targeted 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**, with automated tax and basis management
- 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

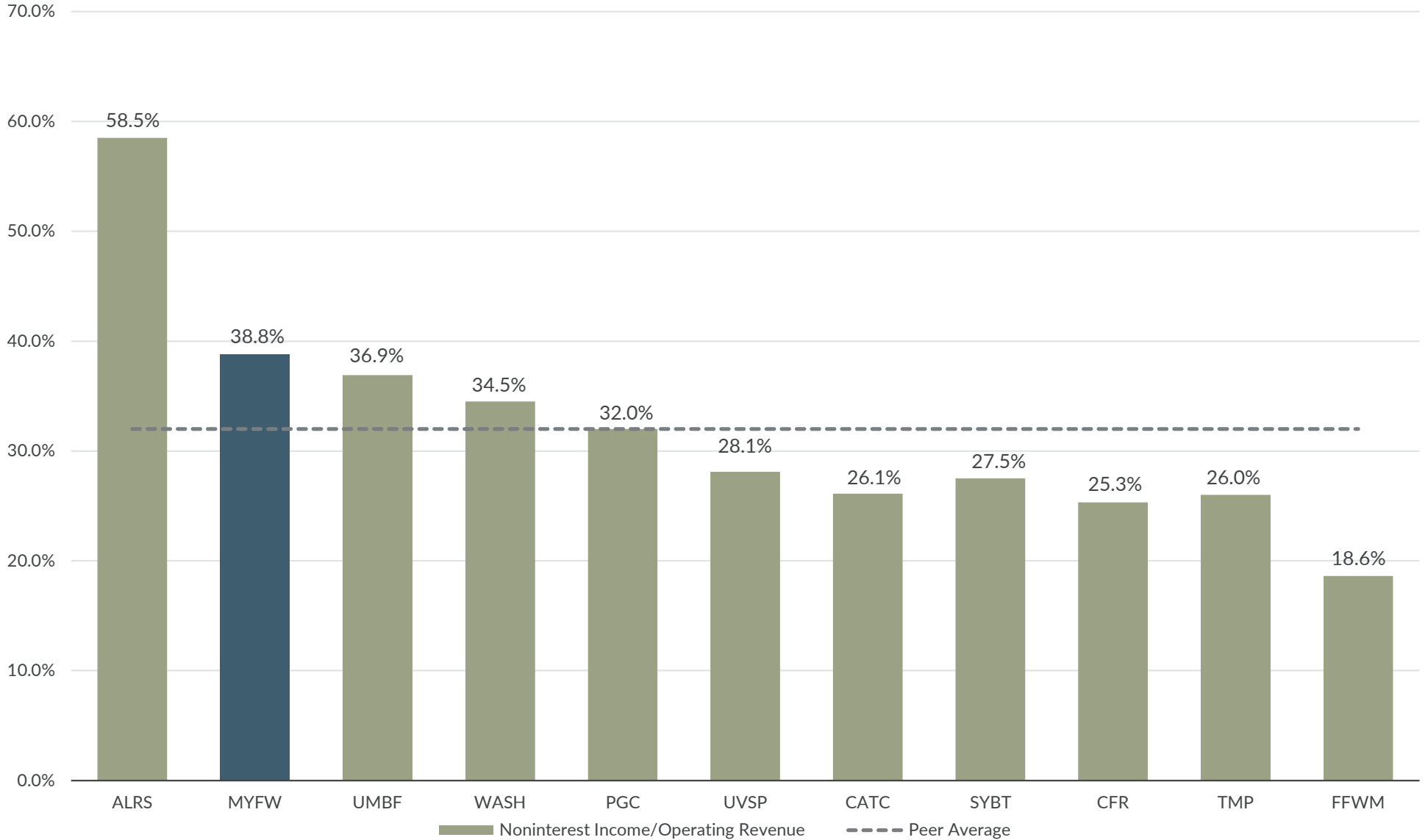
## Trust

- **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



# Private Bank Model Generates Strong Fee Income

5-Year Average: More than 38% of Operating Revenue Generated by Fee Income

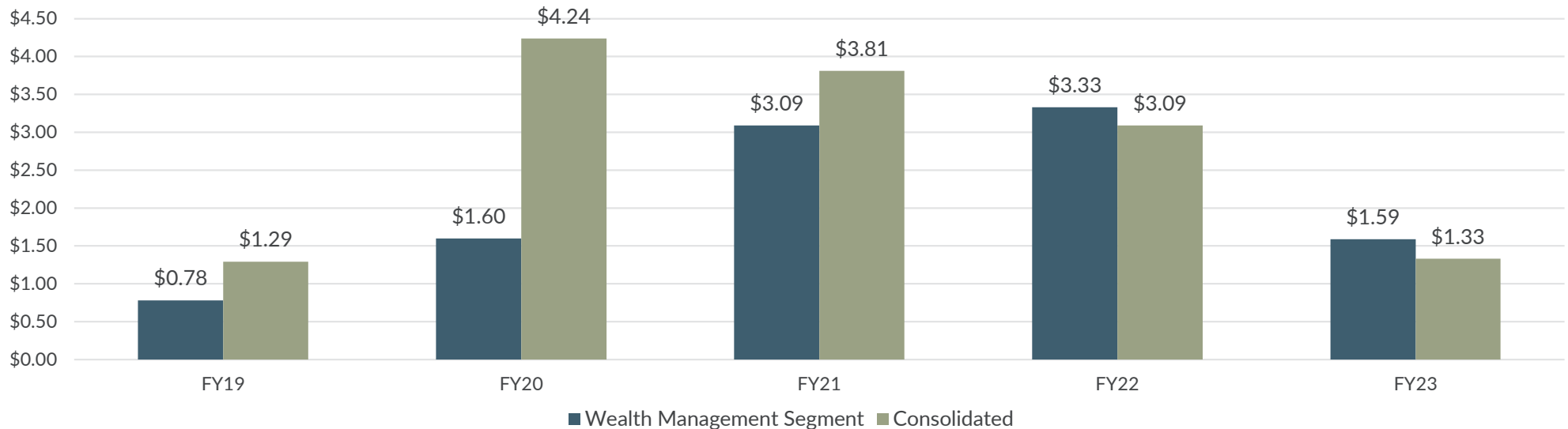


Source: S&P Capital IQ (2019-2023)

# Wealth Management Segment Earnings

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

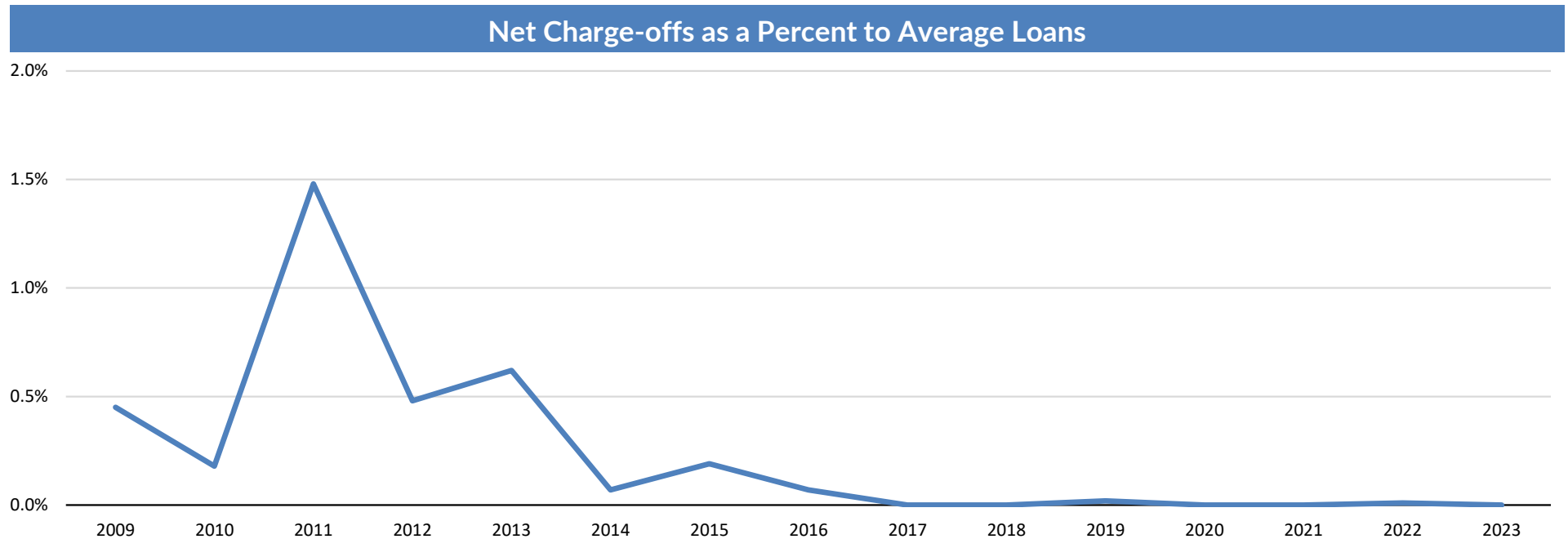
Wealth Management Segment Diluted Pre-Tax Earnings Per Share<sup>(1)</sup>



(1) See Non-GAAP reconciliation

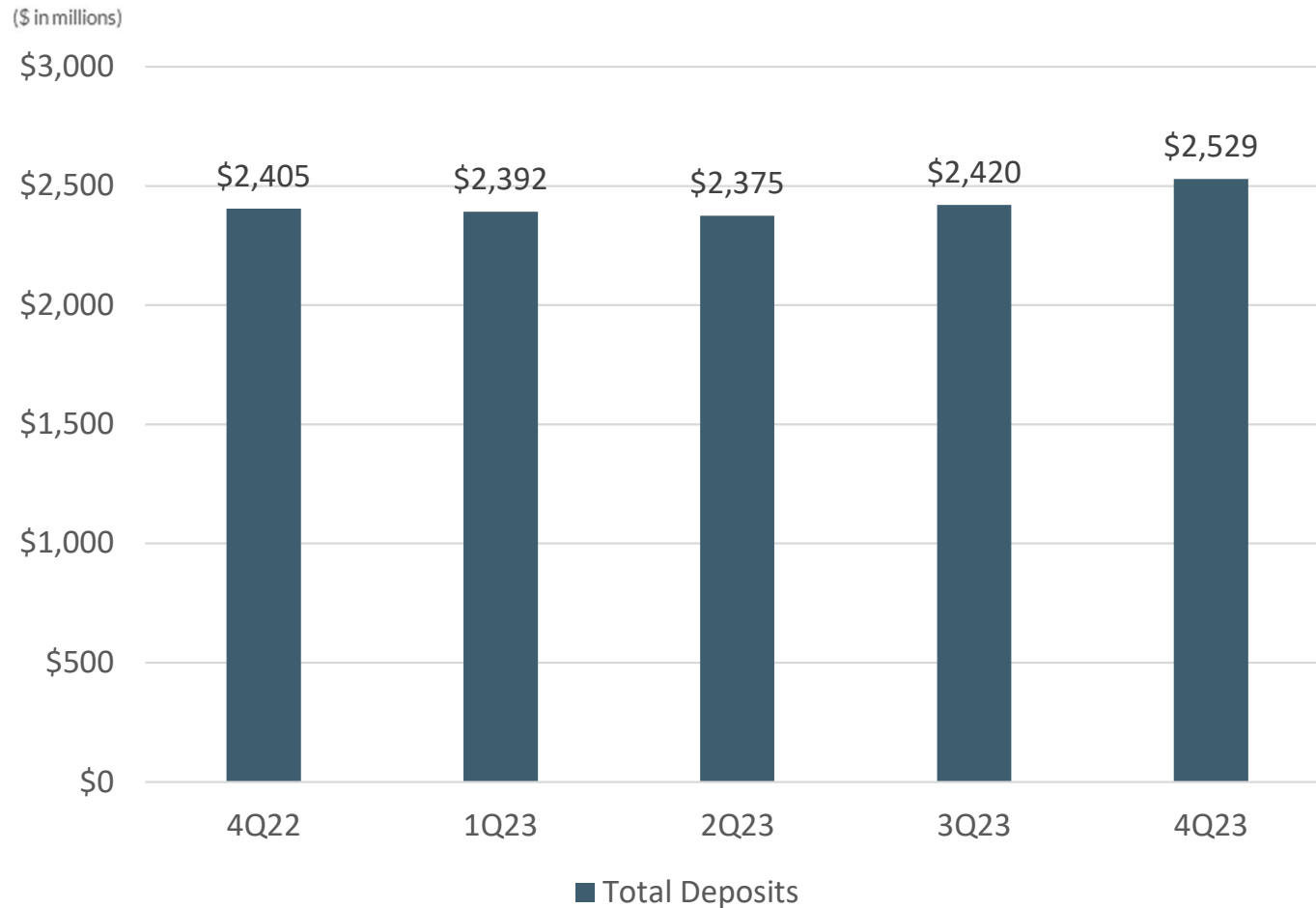
# Long Track Record of Superior Credit Quality

- Relationship-based approach, conservative underwriting criteria, and financial strength of clients have resulted in minimal credit losses over First Western's history
  - Underwriting criteria includes three sources of repayment including personal guarantees
  - Low LTVs and high DSCRs
  - 66% of borrowers have deposit accounts at First Western



# Strong Client Relationships Result in Sticky Deposit Base

Stable Deposit Base During Highly Volatile Period for the Banking Industry

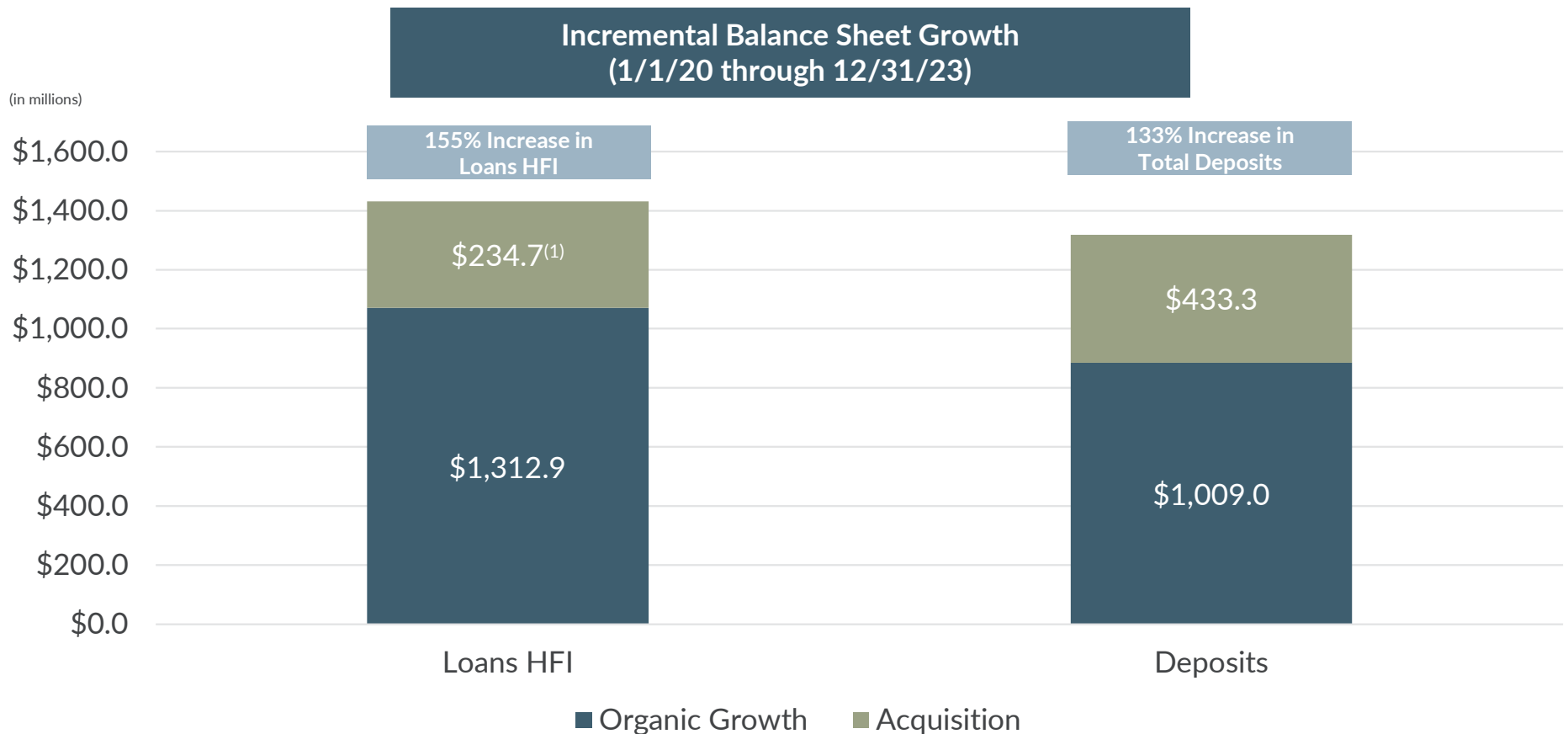


Uninsured Deposits Represent 33.7% of Total Deposits at 12/31/23

# Driving Profitable Growth

# Strong Execution on Revenue Growth Strategies

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



(1) Acquired growth represents remaining balances as of December 31, 2023 following payoffs/paydowns since the loans were acquired.

# Recent Financial Trends



# 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<sup>(1)</sup> 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

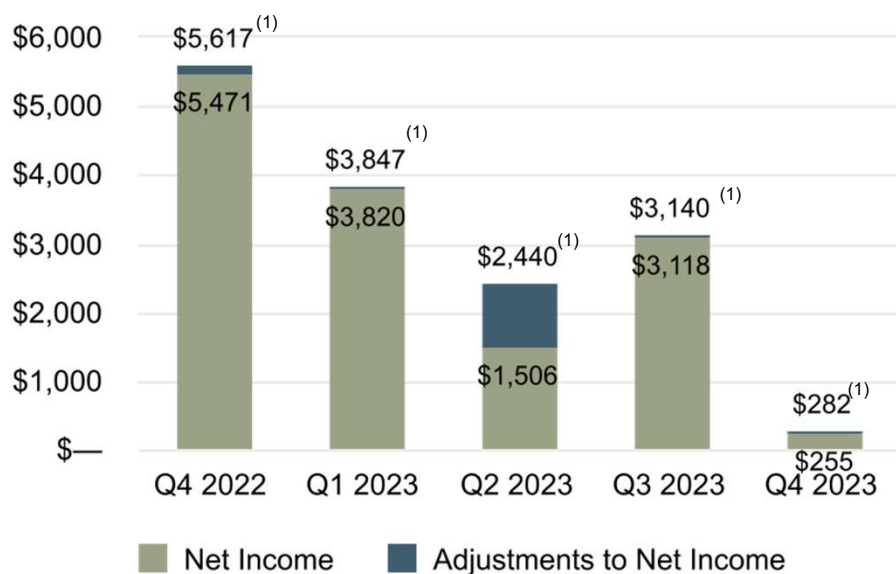
- Disciplined expense control resulted in operating expenses remaining below initial expectations for 2023
- Increased focus on deposit gathering further reduced loan-to-deposit ratio
- Conservative underwriting and proactive portfolio management continues to result in low level of credit losses

1. See Non-GAAP reconciliation

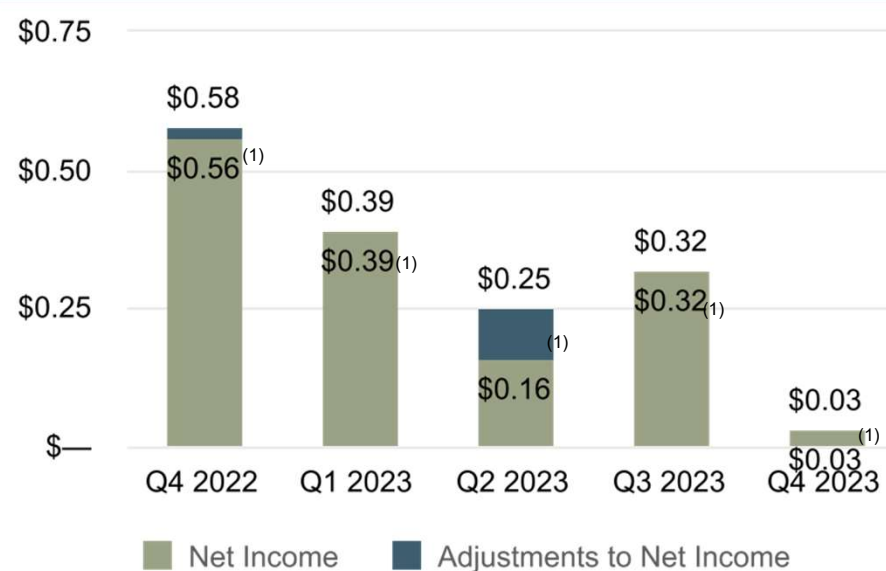
# Net Income Available to Common Shareholders and Earnings per Share

- 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 Portfolio Composition<sup>(1)</sup>

(\$ in thousands, as of quarter end)

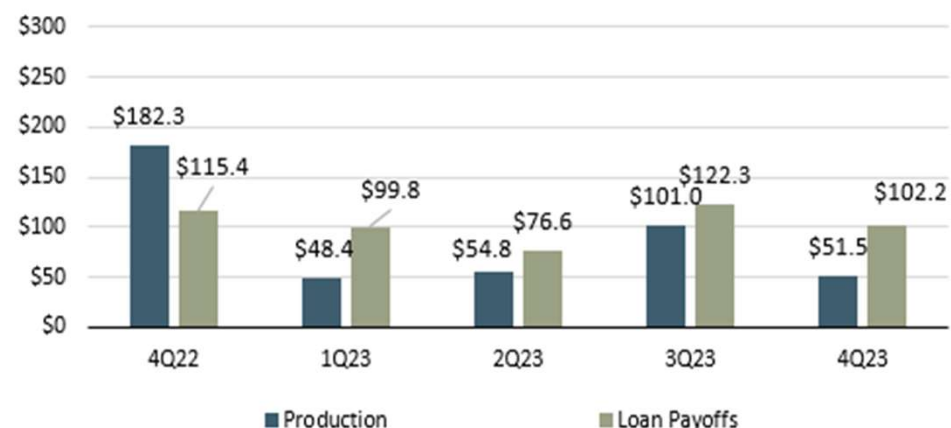
	4Q 2022	3Q 2023	4Q 2023
Cash, Securities and Other	\$ 165,670	\$ 148,669	\$ 140,053
Consumer and Other	26,539	23,975	23,596
Construction and Development	288,497	349,436	347,515
1-4 Family Residential	898,154	913,085	933,684
Non-Owner Occupied CRE	496,776	527,377	546,966
Owner Occupied CRE	216,056	208,341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

1. Represents unpaid principal balance. Excludes deferred (fees) costs, and amortized premium/(unaccreted discount).

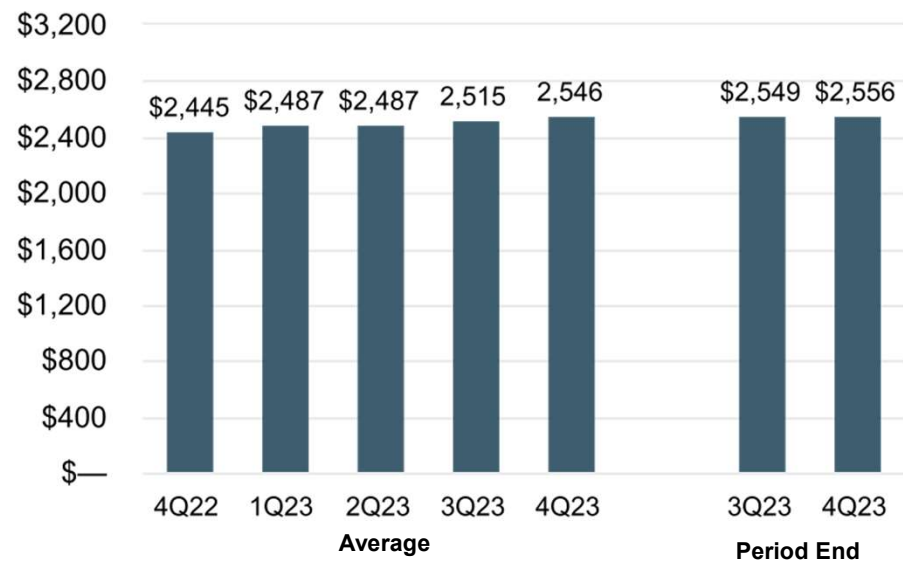
2. Excludes fair value adjustments on loans accounted for under the fair value option.

## Loan Production & Loan Payoffs

(in millions)



## Total Loans<sup>(1)</sup>



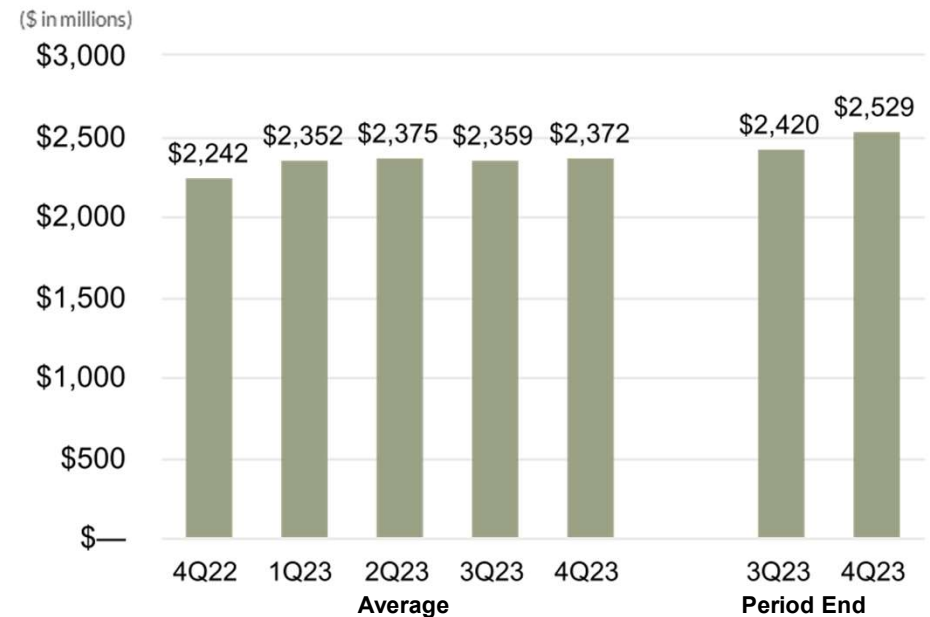
# Total Deposits

- 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
<b>Total Deposits</b>	<b>\$ 2,405,229</b>	<b>\$ 2,419,996</b>	<b>\$ 2,529,039</b>

## Total Deposits

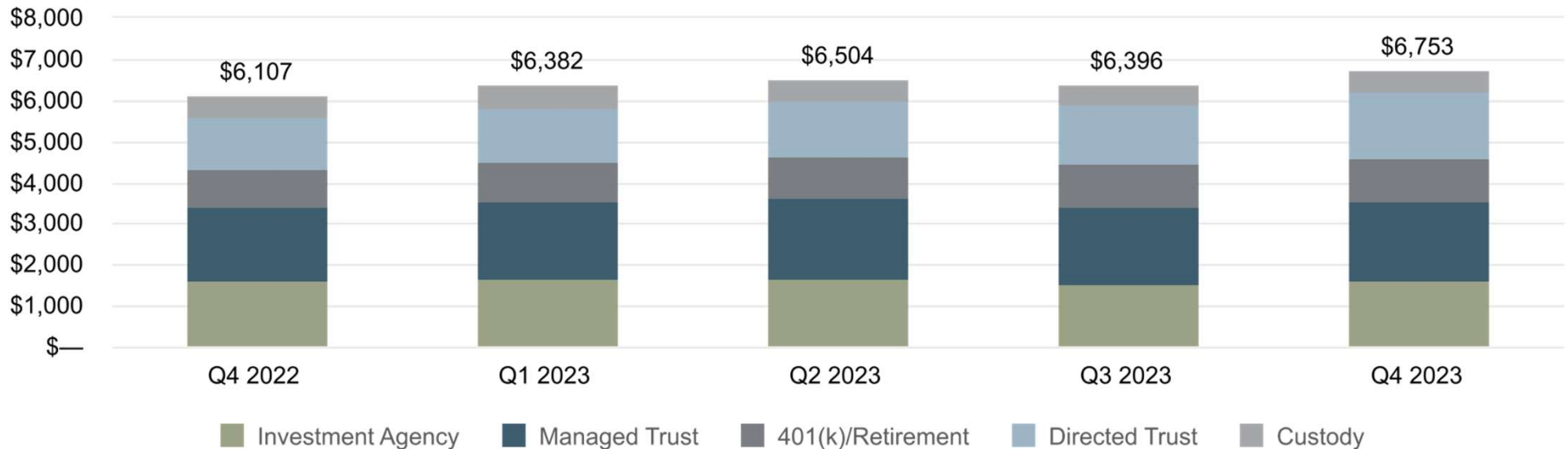


# Trust and Investment Management

- 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

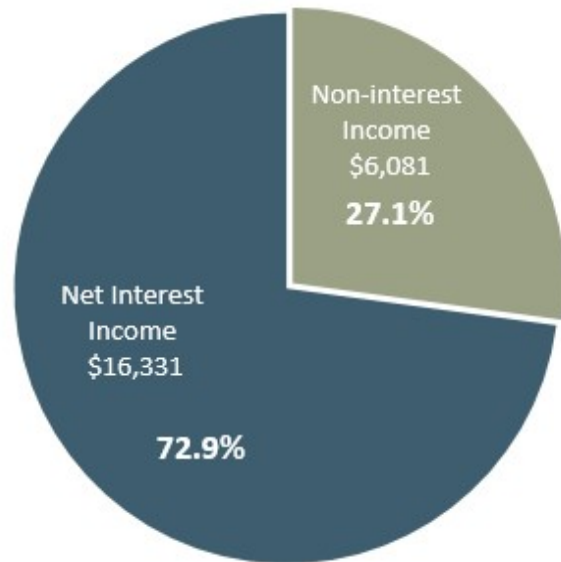
(in millions, as of quarter end)



# Gross Revenue

- Gross revenue<sup>(1)</sup> 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<sup>(1)</sup>



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



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

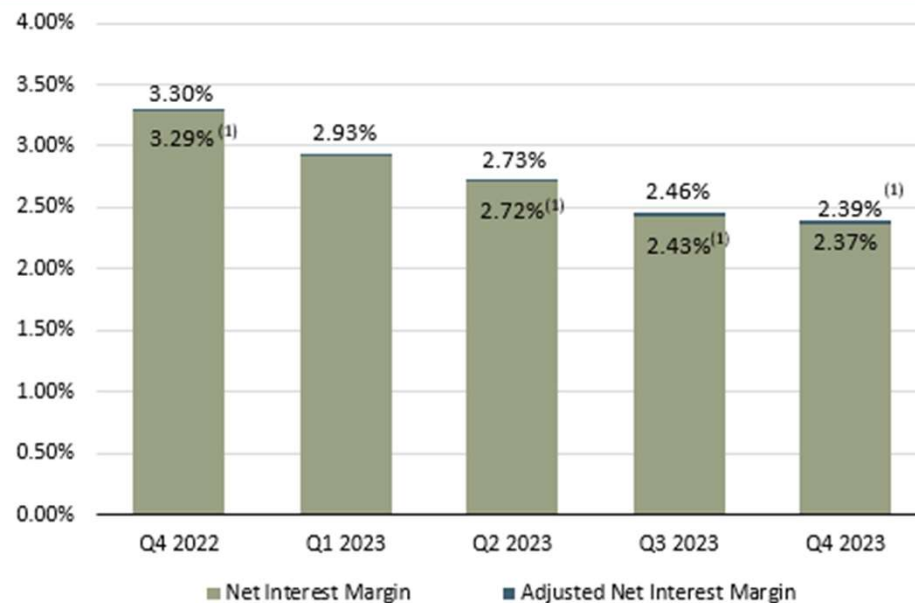
## Net Interest Income

(in thousands)



1. See Non-GAAP reconciliation

## Net Interest Margin

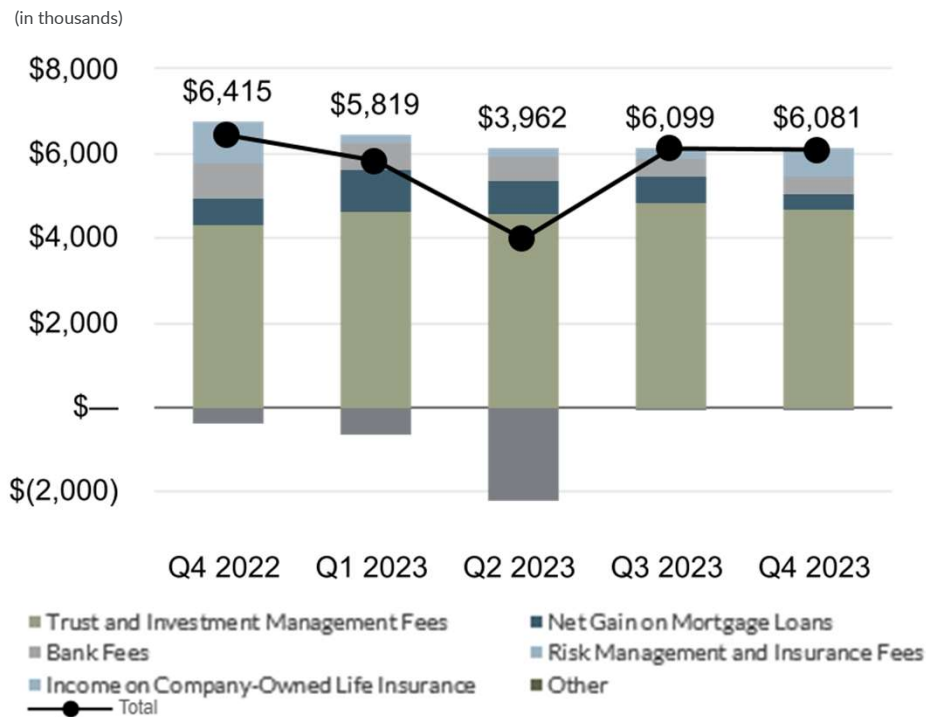




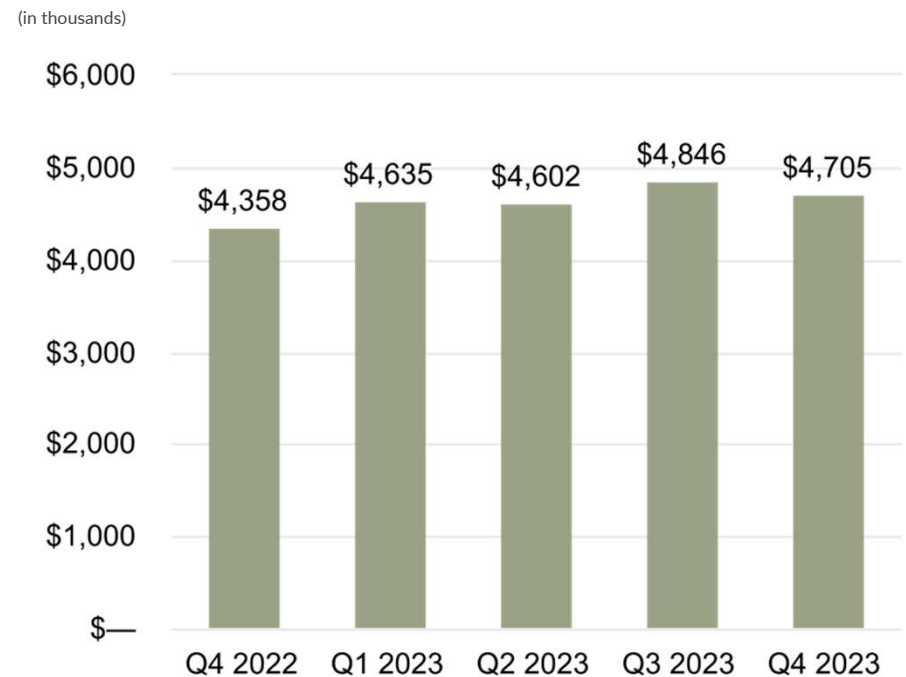
# Non-Interest Income

- 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



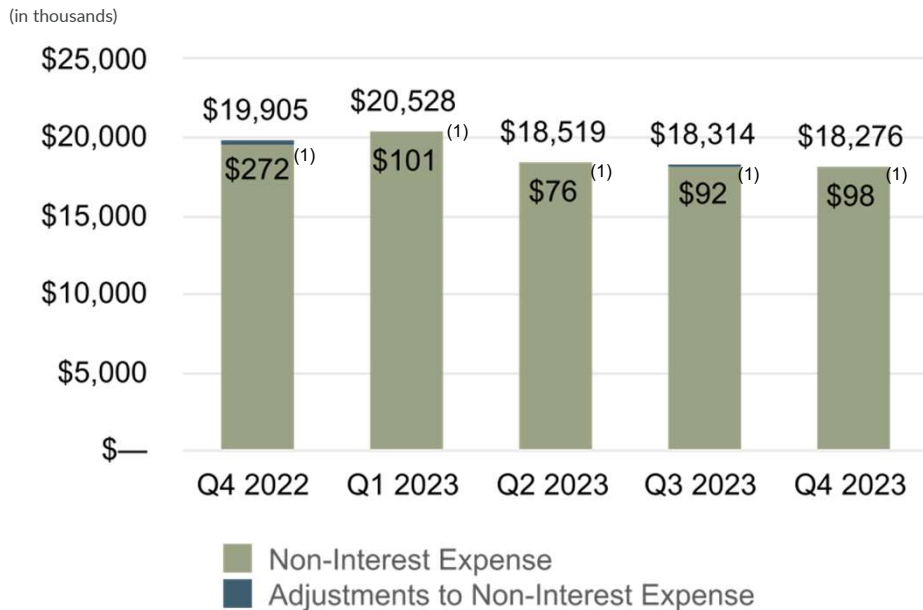
### Trust and Investment Management Fees



# Non-Interest Expense and Efficiency Ratio

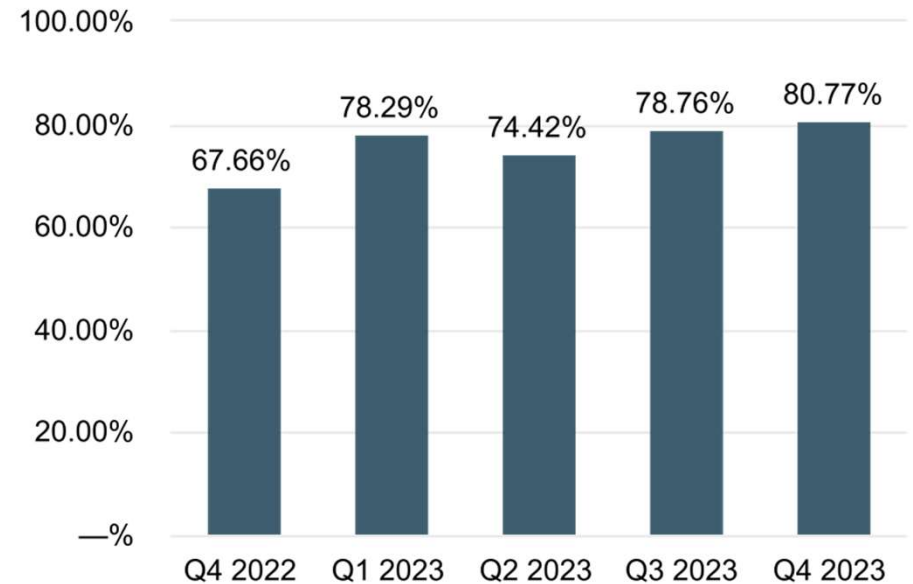
- Non-interest expense remained flat at \$18.3 million compared to 3Q23
- Disciplined expense management resulted in non-interest expense coming in below targeted range

## Total Non-Interest Expense



1. See Non-GAAP reconciliation

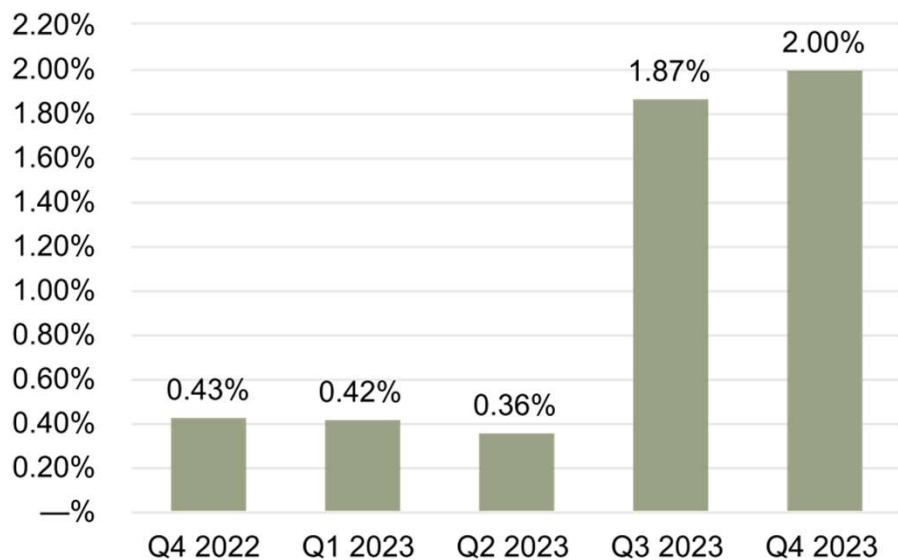
## Operating Efficiency Ratio<sup>(1)</sup>



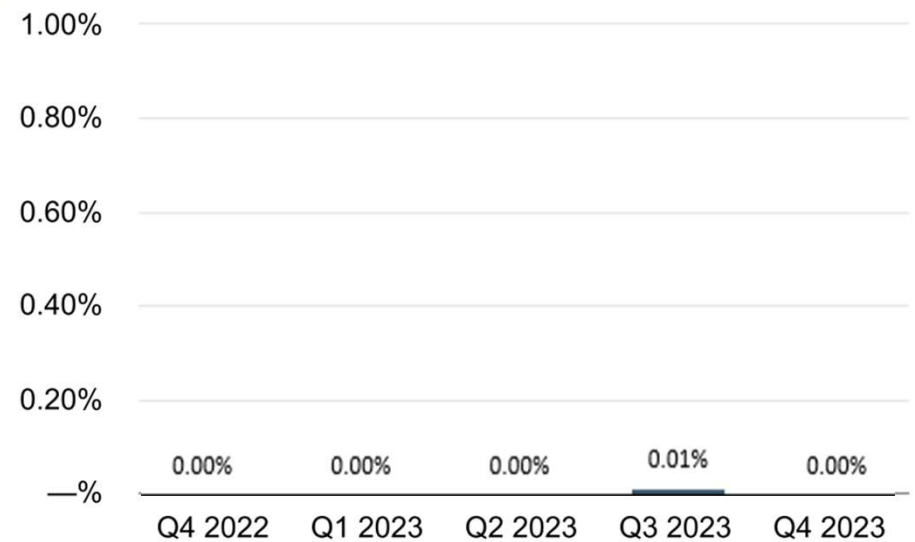
# Asset Quality

- 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<sup>(1)</sup> increased to 1.10% in 4Q23 from 0.92% in 3Q23
- Continue to experience immaterial amount of credit losses

Non-Performing Assets/Total Assets



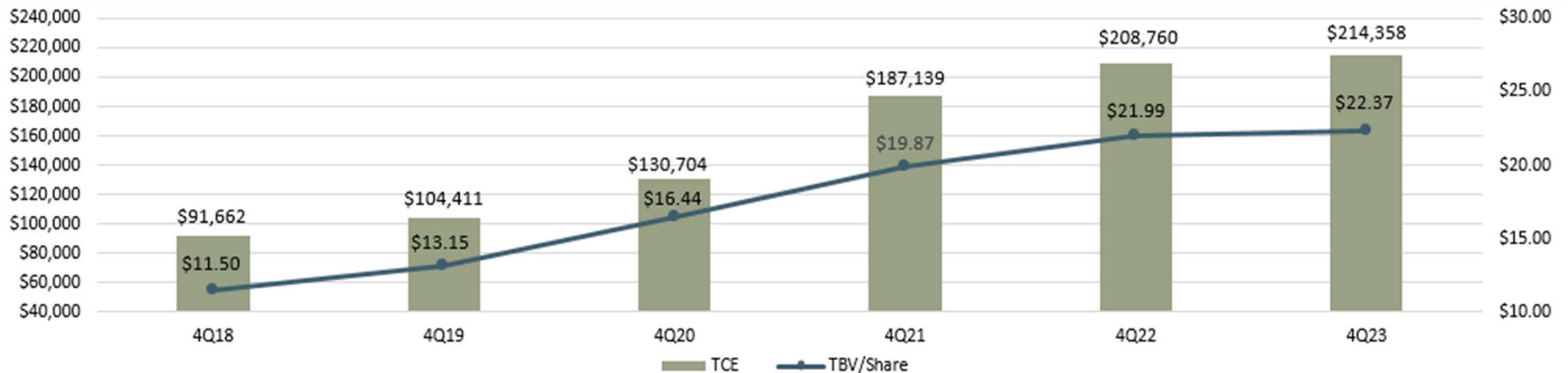
Net Charge-Offs/Average Loans



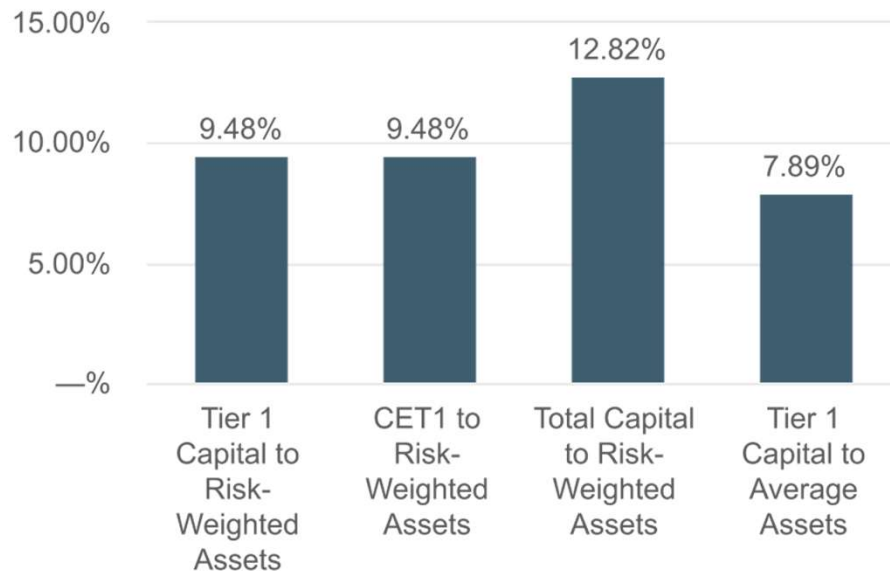
1. Adjusted Total Loans - Total Loans minus PPP loans and loans accounted for under fair value option; see non-GAAP reconciliation

# Capital and Liquidity Overview

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



## 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 <sup>(2)</sup>
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#### Unsecured:

Credit Lines	29,000
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### Total Liquidity Funding Sources

**\$1,153,367**

### Loan to Deposit Ratio

**100.7 %**

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

# Creating Additional Shareholder Value

## Near-Term Outlook

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

# MYFW: Our Five Core Strengths

## Differentiated, Proven in the Marketplace

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

## Built-in Operating Leverage

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

## Highly Desirable Recurring Fee Income

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

## Experienced, Tested Team

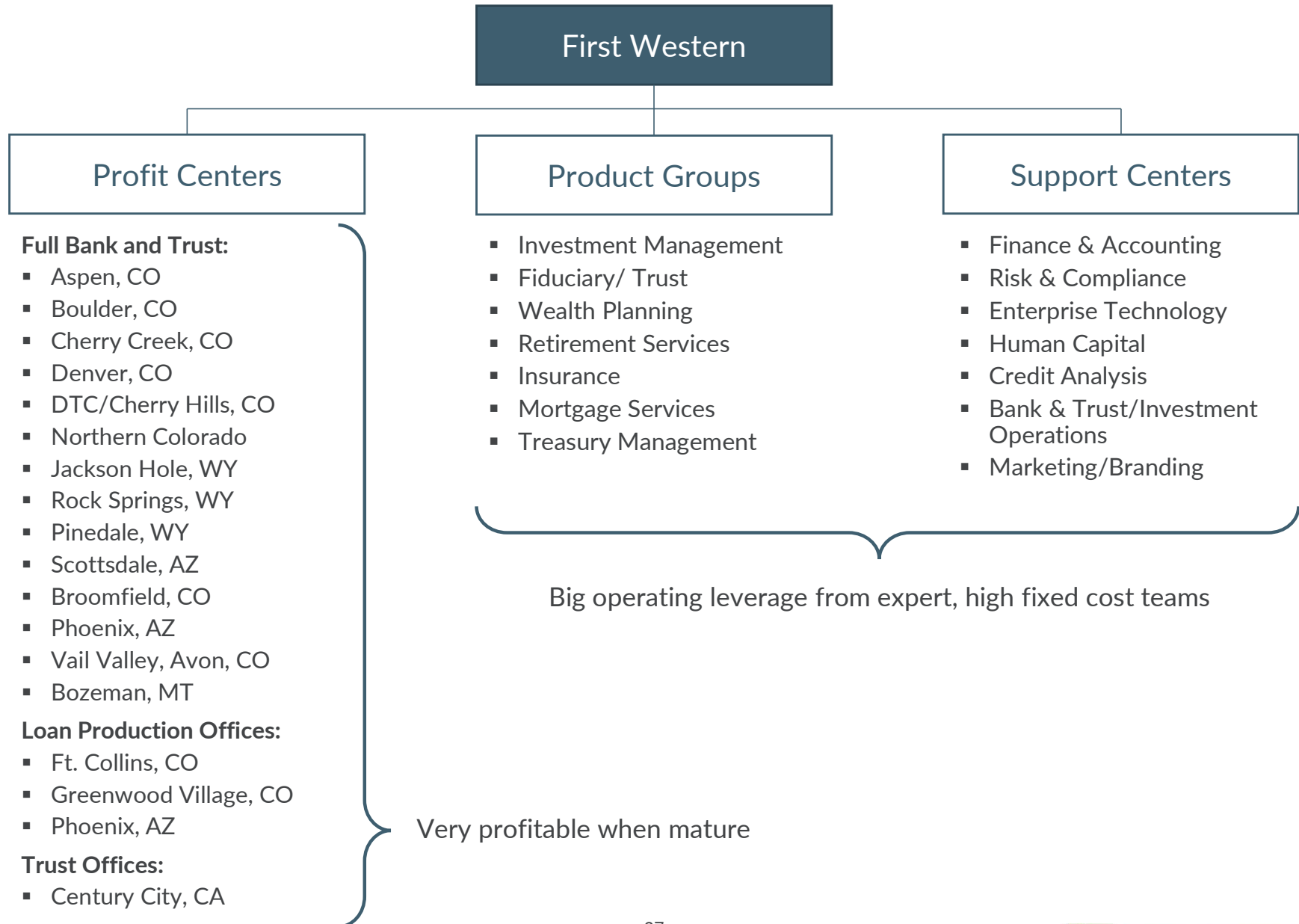
- Executives are **major bank/professional firm trained**, with deep relationships in communities
- Achieved **growth through** business and economic **cycles**, capital constraints
- Healthy relationship with all regulators with **strong risk management** culture
- CEO with **proven track record** for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

## Unique Opportunity for Investors

- At critical mass but small market share, **many current and new market** opportunities
- **Proven ability to expand: (1) Organically, (2) By expansion and (3) By acquisition**
- Few large Colorado bank alternatives for investors and clients, creating **lift-out opportunities**
- Attractive revenue and earnings growth story **trading at discounted valuation**



# Organizational Structure Built for Scale



# Long-Term Goals to Drive Shareholder Value

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

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

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

# A Unique and Attractive Investment

MYFW's core strengths provide the foundation for driving shareholder value

Differentiated,  
Proven in the  
Marketplace

Built-in Operating  
Leverage

Highly Desirable  
Recurring Fee  
Income

Experienced,  
Tested Team

Unique  
Opportunity for  
Investors

# Appendix

# Organizational Overview

# Team: Ready to Take MYFW to the Next Level

Name	Title	Joined FW	Years in Industry	Prior Experience
Scott C. Wylie	Chairman, CEO & President	2002	35	<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 Operating Officer, Director & Treasurer	2006	22	<ul style="list-style-type: none"> <li>Executive roles within First Western with responsibility for Accounting &amp; Finance, Risk, Technology, Operations and Human Resources</li> <li>Assurance services with PricewaterhouseCoopers</li> </ul>
David R. Weber	Chief Financial Officer & Treasurer	2018	15	<ul style="list-style-type: none"> <li>Various finance roles at First Western including Finance &amp; Treasury Manager and Director of Finance &amp; Treasury &amp; Cashier of the Bank</li> <li>Various finance roles at Fifth Third Bank</li> </ul>
John E. Sawyer	Chief Investment Officer	2017	29	<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>
Matt C. Cassell	Chief Banking Officer	2020	25	<ul style="list-style-type: none"> <li>Colorado Market President, Simmons Bank</li> <li>President-Colorado, Bank SNB</li> <li>Market President, Community Banks of Colorado</li> </ul>
Scott J. Lawley	Chief Credit Officer	2018	35	<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>

# MYFW's Sophisticated Board of Directors

Name	Director Since	Primary Business
Scott C. Wylie	2002	<ul style="list-style-type: none"> <li>First Western Financial, Inc.</li> </ul>
Julie A. Caponi, CPA <sup>(1)</sup>	2017	<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>
Julie A. Courkamp	2021	<ul style="list-style-type: none"> <li>First Western Financial, Inc.</li> </ul>
David R. Duncan	2011	<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	2013	<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	2004	<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	2015	<ul style="list-style-type: none"> <li>Utility Maintenance</li> <li>Construction Executive</li> <li>Family business, public bank board</li> </ul>
Scott C. Mitchell	2021	<ul style="list-style-type: none"> <li>President, U.S. Engineering, Metalworks</li> <li>President of several successful manufacturing companies</li> <li>Six Sigma Master Black Belt</li> </ul>
Eric D. Sipf, CPA <sup>(1)</sup>	2003	<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	2002	<ul style="list-style-type: none"> <li>Real Estate Developer</li> <li>Entrepreneur, community leadership, real estate expertise</li> </ul>
Joseph C. Zimlich, CPA	2004	<ul style="list-style-type: none"> <li>Family Office Executive</li> <li>Corporate leadership, board, and investment management</li> </ul>

(1) CPA license inactive.

# Non-GAAP Reconciliations



# Non-GAAP Reconciliation

<i>Consolidated Gross Revenue</i>		<i>For the Years Ended,</i>						
<i>(Dollars in thousands)</i>	2016	2017	2018	2019	2020	2021	2022	2023
Total income before non-interest expense	\$53,394	\$54,501	\$57,602	\$63,997	\$92,615	\$95,408	\$107,934	\$87,249
Less: Unrealized gains/(losses) recognized on equity securities	-	-	(15)	21	15	(21)	342	(22)
Less: net gain/(loss) on loans accounted for under the fair value option	-	-	-	-	-	-	(891)	(2,010)
Less: Net gain on equity interests	114	81	-	119	-	489	7	-
Less: Net gain on sale of assets	-	-	-	183	-	-	-	-
Less: Net gain on loans held for sale	-	-	-	-	-	-	(12)	(178)
Plus: Provision for credit losses	985	788	180	662	4,682	1,230	3,682	5,804
<b>Gross revenue</b>	<b>\$54,265</b>	<b>\$55,208</b>	<b>\$57,797</b>	<b>\$64,336</b>	<b>\$97,282</b>	<b>\$96,170</b>	<b>\$112,170</b>	<b>\$95,263</b>
<i>Consolidated Adjusted Pre-tax, Pre-provision Income</i>		<i>For the Twelve Months Ended December 31,</i>						
<i>(Dollars in thousands)</i>	2016	2017	2018	2019	2020	2021	2022	2023
Net Income before income tax, as reported	\$3,571	\$5,007	\$7,422	\$10,192	\$33,063	\$27,280	\$28,828	\$11,612
Plus: Provision for credit losses	985	788	180	662	4,682	1,230	3,682	5,804
<b>Pre-tax, Pre-provision Income</b>	<b>\$4,556</b>	<b>\$5,795</b>	<b>\$7,602</b>	<b>\$10,854</b>	<b>\$37,745</b>	<b>\$28,510</b>	<b>\$32,510</b>	<b>\$17,416</b>
Plus: Acquisition related expenses	-	-	-	-	684	4,101	1,223	117
<b>Adjusted Pre-tax, Pre-provision Income</b>	<b>\$4,556</b>	<b>\$5,795</b>	<b>\$7,602</b>	<b>\$10,854</b>	<b>\$38,429</b>	<b>\$32,611</b>	<b>\$33,733</b>	<b>\$17,533</b>
<i>Diluted Pre-Tax Earnings Per Share</i>		<i>For the Twelve Months ended December 31,</i>						
<i>(Dollars in thousands)</i>			2018	2019	2020	2021	2022	2023
Non-Mortgage income before income tax			\$8,664	\$6,152	\$12,086	\$21,378	\$31,139	\$14,142
Plus: Acquisition-related expenses			-	-	684	4,101	1,223	117
Plus: Impairment of contingent consideration assets			-	-	-	-	-	1,249
Mortgage income before income tax			(1,242)	4,040	20,978	5,902	(2,311)	(2,530)
Less: Income tax expense including acquisition tax effect			1,775	2,183	8,705	7,673	7,432	3,256
Net income available to common shareholders			\$5,647	\$8,009	\$25,043	\$23,708	\$22,619	\$9,722
Diluted weighted average shares			5,586,620	7,914,961	7,961,904	8,235,178	9,713,623	9,725,910
<b>Non-Mortgage Segment Diluted Pre-Tax Earnings Per Share</b>			<b>\$1.55</b>	<b>\$0.78</b>	<b>\$1.60</b>	<b>\$3.09</b>	<b>\$3.33</b>	<b>\$1.59</b>
<b>Consolidated Diluted Pre-Tax Earnings Per Share</b>			<b>\$1.33</b>	<b>\$1.29</b>	<b>\$4.24</b>	<b>\$3.81</b>	<b>\$3.09</b>	<b>\$1.33</b>

# Non-GAAP Reconciliation

Consolidated Efficiency Ratio (Dollars in thousands)	For the Years Ended,							
	2016	2017	2018	2019	2020	2021	2022	2023
Non-interest expense	\$49,823	\$49,494	\$50,182	\$53,806	\$59,552	\$68,128	\$79,106	\$75,637
Less: Amortization	747	784	831	374	14	17	308	250
Less: Acquisition related expenses	-	-	-	-	684	4,101	1,223	117
Less: Goodwill impairment	-	-	-	1,572	-	-	-	-
Less: Provision on other real estate owned	-	-	-	-	176	-	-	-
Less: Loss on assets held for sale	-	-	-	-	553	-	-	-
Plus: Gain on sale of LA fixed income team	-	-	-	-	62	-	-	-
Adjusted non-interest expense	\$49,076	\$48,710	\$49,351	\$51,860	\$58,187	\$64,010	\$77,575	\$75,270
Net interest income	\$24,457	\$27,576	\$30,624	\$32,061	\$46,102	\$56,509	\$83,204	65,301
Non-interest income	29,922	27,713	27,158	32,598	51,195	40,129	28,412	21,948
Less: Unrealized gains/(losses) recognized on equity securities	-	-	(15)	21	15	(21)	342	(22)
Less: net gain/(loss) on loans accounted for under the fair value option	-	-	-	-	-	-	(891)	(2,010)
Less: Net gain on equity interests	114	81	-	119	-	489	7	-
Less: Net gain on sale of assets	-	-	-	183	-	-	-	-
Less: Net gain on loans held for sale	-	-	-	-	-	-	(12)	(178)
Total income	\$54,265	\$55,208	\$57,797	\$64,336	\$97,282	\$96,170	\$112,170	\$89,459
<b>Efficiency ratio</b>	<b>90.4%</b>	<b>88.2%</b>	<b>85.4%</b>	<b>80.6%</b>	<b>59.8%</b>	<b>66.6%</b>	<b>69.2%</b>	<b>84.1%</b>

# Non-GAAP Reconciliation

<b>Diluted Pre-Tax Earnings Per Share</b>					
<i>(Dollars in thousands)</i>	December 31, 2022	March 31, 2023	June 30, 2023	September 30, 2023	December 31, 2023
Non-Mortgage income before income tax	\$8,168	\$5,971	\$2,429	\$5,102	\$856
Plus: Acquisition-related expenses	195	37	14	30	36
Plus: Impairment of contingent consideration assets	-	-	1,249	-	-
Mortgage income before income tax	(867)	(810)	(394)	(880)	(662)
Less: Income tax expense including acquisition tax effect	1,879	1,351	857	1,112	(72)
Net income available to common shareholders	\$5,617	\$3,847	\$2,441	\$3,140	\$302
Diluted weighted average shares	9,702,908	9,732,674	9,686,401	9,743,270	9,739,117
<b>Non-Mortgage Segment Diluted Pre-Tax Earnings Per Share</b>	<b>\$0.86</b>	<b>\$0.62</b>	<b>\$0.38</b>	<b>\$0.53</b>	<b>\$0.09</b>
<b>Consolidated Diluted Pre-Tax Earnings Per Share</b>	<b>\$0.77</b>	<b>\$0.53</b>	<b>\$0.34</b>	<b>\$0.44</b>	<b>\$0.02</b>

# 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
<b>Efficiency ratio</b>	<b>67.66%</b>	<b>78.29%</b>	<b>74.42%</b>	<b>78.76%</b>	<b>80.77%</b>

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 <sup>(1)</sup>	-	3,553	-	-	-	-	-
<b>Tangible common equity</b>	<b>91,662</b>	<b>104,411</b>	<b>\$130,704</b>	<b>187,139</b>	<b>208,760</b>	<b>214,340</b>	<b>214,358</b>
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
<b>Tangible common book value per share</b>	<b>\$11.50</b>	<b>\$13.15</b>	<b>\$16.44</b>	<b>\$19.87</b>	<b>\$21.99</b>	<b>\$22.42</b>	<b>\$22.37</b>

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 (Dollars in thousands)	For the Three Months Ended,				
	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
<b>Gross revenue</b>	<b>\$28,434</b>	<b>\$24,944</b>	<b>\$23,756</b>	<b>\$22,247</b>	<b>\$21,948</b>

Mortgage Gross Revenue (Dollars in thousands)	For the Three Months Ended,				
	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	-	-	-	-	-
<b>Gross revenue</b>	<b>\$583</b>	<b>\$1,146</b>	<b>\$1,025</b>	<b>\$889</b>	<b>\$557</b>

Consolidated Gross Revenue (Dollars in thousands)	For the Three Months Ended,				
	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
<b>Gross revenue</b>	<b>\$29,017</b>	<b>\$26,090</b>	<b>\$24,781</b>	<b>\$23,136</b>	<b>\$22,505</b>

Gross Revenue excluding net gain on mortgage loans (Dollars in thousands)	For the Three Months Ended,		
	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
<b>Gross revenue excluding net gain on mortgage loans</b>	<b>\$28,242</b>	<b>\$22,482</b>	<b>\$22,126</b>

# Non-GAAP Reconciliation

Adjusted net income available to common shareholders (Dollars in thousands, except per share data)	For the Three Months Ended,				
	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
<b>Adjusted net income to common shareholders</b>	<b>\$5,617</b>	<b>\$3,847</b>	<b>\$2,440</b>	<b>\$3,140</b>	<b>\$282</b>
Adjusted diluted earnings per share (Dollars in thousands, except per share data)	For the Three Months Ended,				
	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	-	-	-	-
<b>Adjusted diluted earnings per share</b>	<b>\$0.58</b>	<b>\$0.39</b>	<b>\$0.25</b>	<b>\$0.32</b>	<b>\$0.03</b>
Pre-tax, pre-provision net income (Dollars in thousands)	For the Three Months Ended,				
	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		
<b>Pre-tax, pre-provision net income</b>	<b>\$8,498</b>	<b>\$4,551</b>	<b>\$4,136</b>		
Allowance for credit losses to Bank originated loans excluding PPP (Dollars in thousands)	As of				
	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 <sup>(1)</sup>	18,274 <sup>(1)</sup>	16,105 <sup>(1)</sup>	14,129 <sup>(1)</sup>
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
<b>Allowance for credit losses to adjusted loans</b>	<b>0.78%</b>	<b>0.81%</b>	<b>0.89%</b>	<b>0.92%</b>	<b>1.10%</b>

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 (Dollars in thousands)	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		
	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	
<b>Adjusted net interest margin</b>			<b>3.29%</b>			<b>2.93 %</b>			<b>2.72 %</b>			<b>2.43 %</b>			<b>2.39 %</b>