



FIRST western

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

Investor Presentation  
November 2019

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FIRSTwestern

# A Wealth Manager on Private Trust Bank Platform

## Overview

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

## Target Market

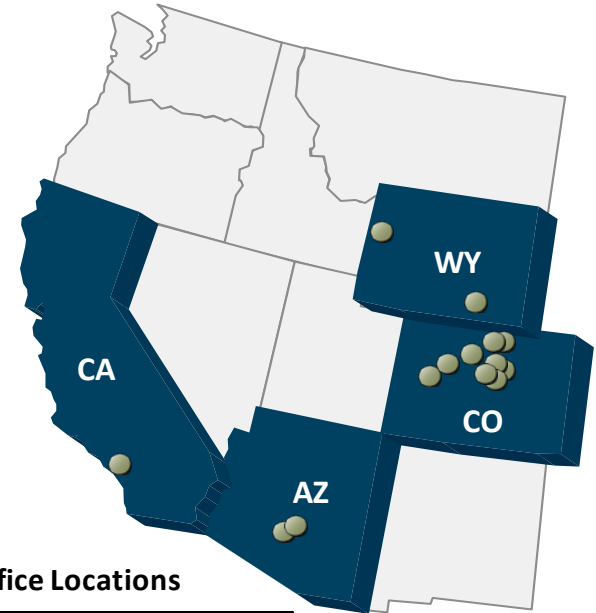
- Households of \$1+ million liquid net worth
- High net worth and high growth markets
- Colorado, Arizona, Wyoming and California

## Competitive Advantage

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

## Company Highlights as of 9/30/2019

- Assets: \$1.27 billion
- Gross Loans: \$926.6 million
- Total Deposits: \$1.11 billion
- AUM: \$6.12 billion
- CET1 Ratio: 11.73%
- Tier 1 Ratio: 11.73%
- Leverage Ratio: 8.76%
- TRBC Ratio: 13.36%



## Office Locations

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

**First Western Trust Bank**  
Colorado state chartered bank (14 locations)

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

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



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# MYFW: Our Five Core Strengths

## Differentiated, Proven in the Marketplace

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

## Built in Operating Leverage

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

## Highly Desirable Recurring Fee Income

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

## Experienced, Tested Team

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

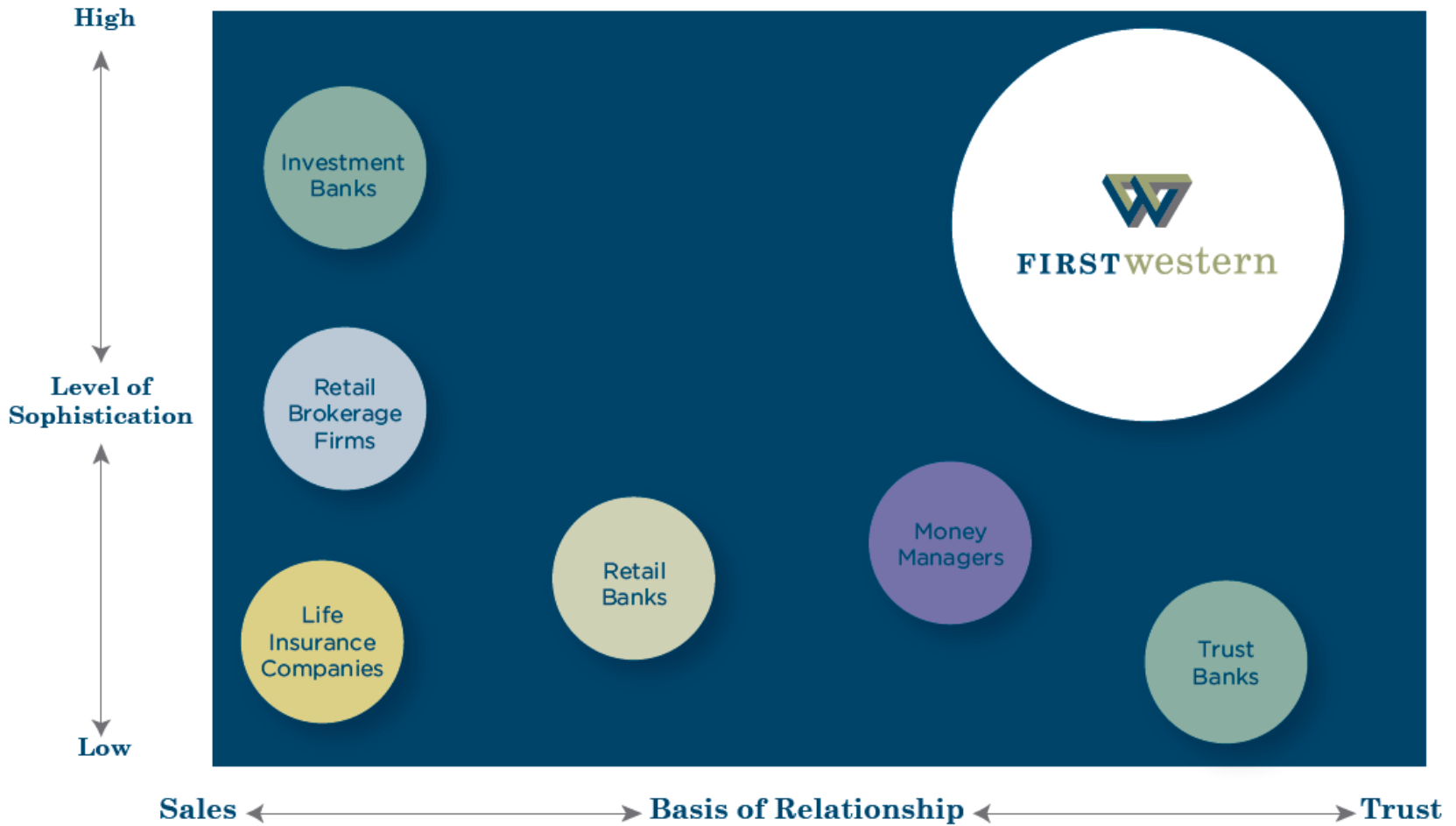
## Unique Opportunity for Investors

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

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

# Rationale for Starting First Western

Competition is Everyone and No One





# Team: Ready to Take MYFW to the Next Level

Name	Title	Years at FW	Years in Industry	Prior Experience
Scott C. Wylie	Chairman, CEO & President	17	32	<ul style="list-style-type: none"> <li>Chairman &amp; CEO, Northern Trust Bank of Colorado</li> <li>Chairman &amp; CEO, Trust Bank of Colorado</li> <li>CEO, Equitable Bancshares of Colorado and Women's Bank, Chairman, Equitable Bank</li> <li>Chairman, American Fundware</li> <li>President &amp; CEO, Bank and Trust of Puerto Rico</li> <li>Associate, First Boston Corporation</li> </ul>
Julie A. Courkamp	Chief Financial Officer & Treasurer	13	19	<ul style="list-style-type: none"> <li>Assurance services with PricewaterhouseCoopers</li> <li>Executive roles within First Western with responsibility for Accounting &amp; Finance, Risk, Technology and Operations</li> </ul>
John E. Sawyer	Chief Investment Officer	2	26	<ul style="list-style-type: none"> <li>Chief Investment &amp; Fiduciary Officer, BBVA Compass Bank</li> <li>President &amp; COO, Florida-based boutique wealth management firm</li> <li>Executive with Credit Suisse, Morgan Keegan &amp; Co., and First Tennessee Capital Markets</li> </ul>
Scott J. Lawley	Chief Credit Officer	1	32	<ul style="list-style-type: none"> <li>Sr. Credit Officer &amp; Segment Risk Officer, Huntington National Bank</li> <li>Credit advisor, chief underwriter, CRE credit officer PNC Bank, US Bank</li> <li>Lending positions with Fleet Bank</li> </ul>
Josh M. Wilson	Regional President, CO / WY	7	20	<ul style="list-style-type: none"> <li>CFO, international oil and gas operating company</li> <li>PC President at First Western</li> <li>Executive with Bank One, JP Morgan and Vectra Private Bank</li> </ul>
Dan C. Thompson	Regional President, AZ / CA	15	26	<ul style="list-style-type: none"> <li>Team Leader within Private Wealth Advisors, Merrill Lynch</li> <li>Positions in the High Net Worth and Q.A. group, Charles Schwab &amp; Co.</li> </ul>

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



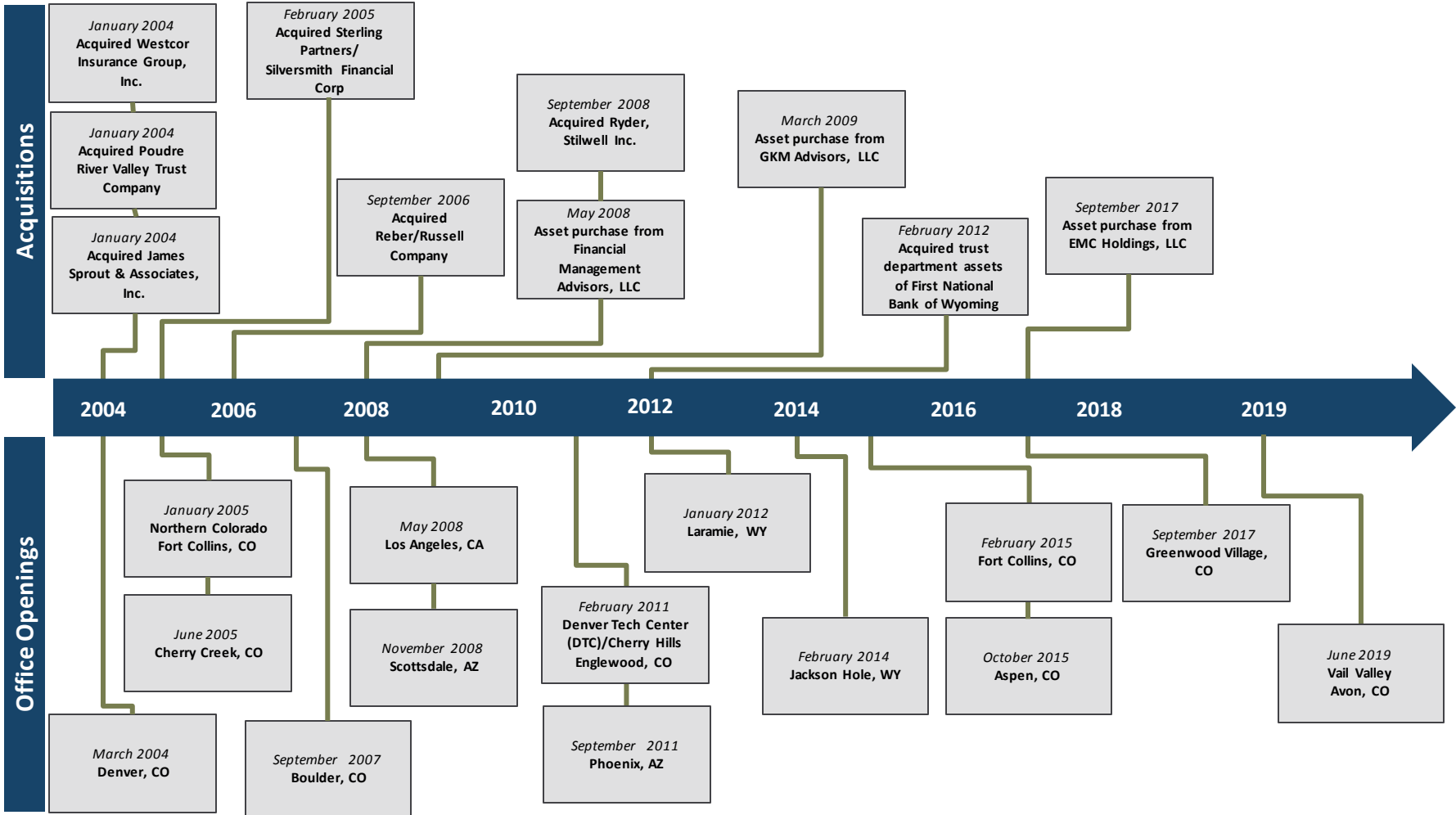
# MYFW's Sophisticated Board of Directors

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

(1) CPA license inactive.



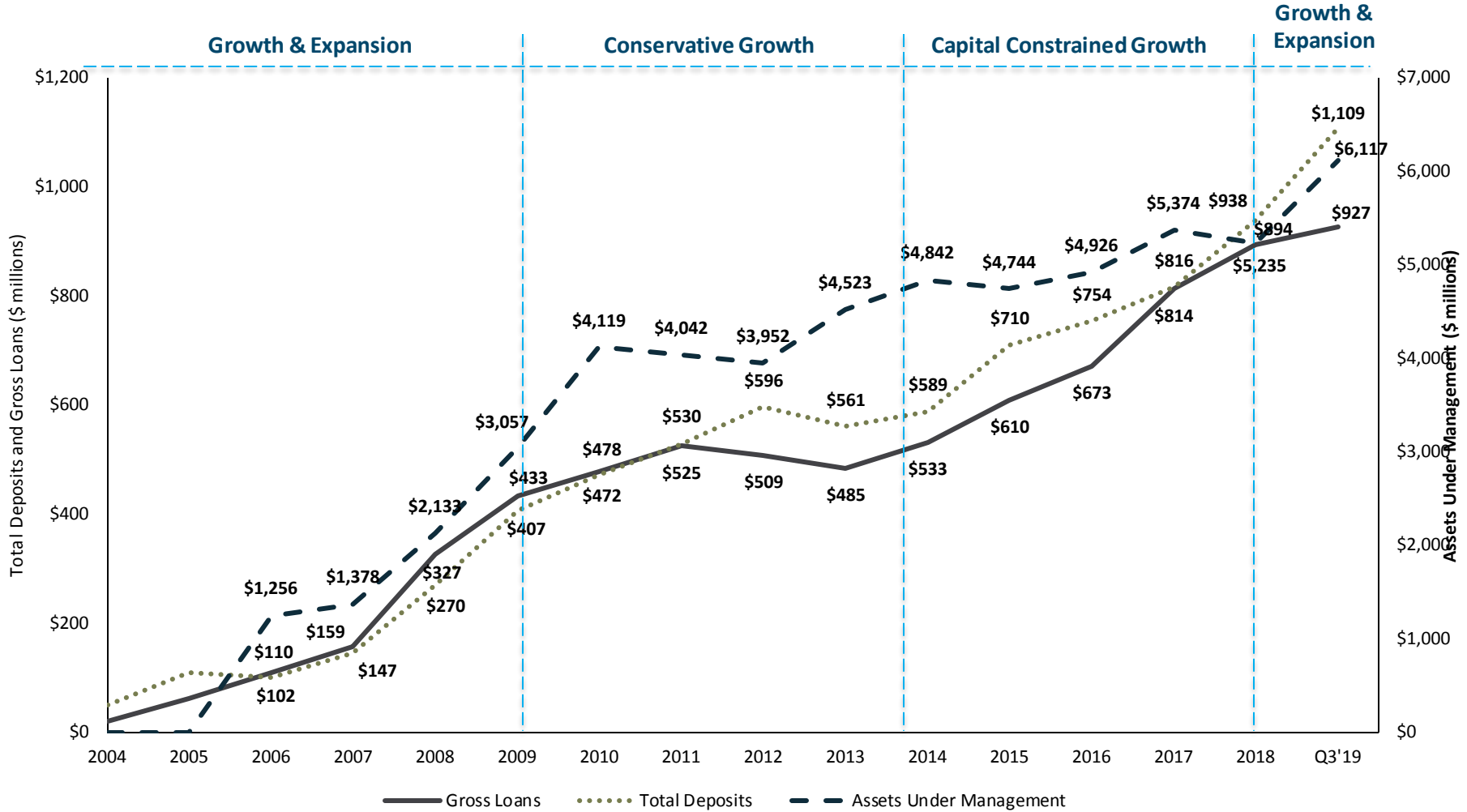
# Success in Expansion and Acquisition Growth







# Emerging From a Cycle of Capital Constraint





# Great Markets, Scarce Investment Opportunity

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

- **Colorado (2019)**
  - #4 fastest growing state with GDP CAGR of 3.6% (2014-2018)
  - #4 best state economy (Business Insider)
  - #8 best state for business (Forbes)
- **Denver, Colorado (2019)**
  - #3 best large city to start a business
  - #5 highest job growth among major cities (2010-2018)
  - #7 highest gross metro product among major cities (2012-2017)
- **Fort Collins, Colorado (2019)**
  - Gross metro product CAGR of 6.2% (2013-2018)
  - Manufacturing for Anheuser-Busch, Broadcom, Intel
- **Phoenix, Arizona (2018)**
  - New home construction permits up 10.1% over prior year
  - Median household income up 5.6%

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

As of June 30, 2019	Current Ownership	Total Assets (\$bn)
FirstBank	Private	19.2
NBH Bank	Public (NYSE: NBHC)	5.9
Bank of Colorado	Private (Sub. of Pinnacle Bancorp-NE)	4.3
Sunflower Bank	Private	4.0
Alpine Bank	Private	3.7
ANB Bank	Private	2.6
Citywide Banks	HTLF (Acquired in 2017)	2.3
<b>First Western Trust Bank</b>	<b>Public (Nasdaq: MYFW)</b>	<b>1.2</b>

(1) Source: 2019 Downtown Denver Partnership Report; Raymond James research; Ft. Collins Chamber of Commerce; City of Phoenix

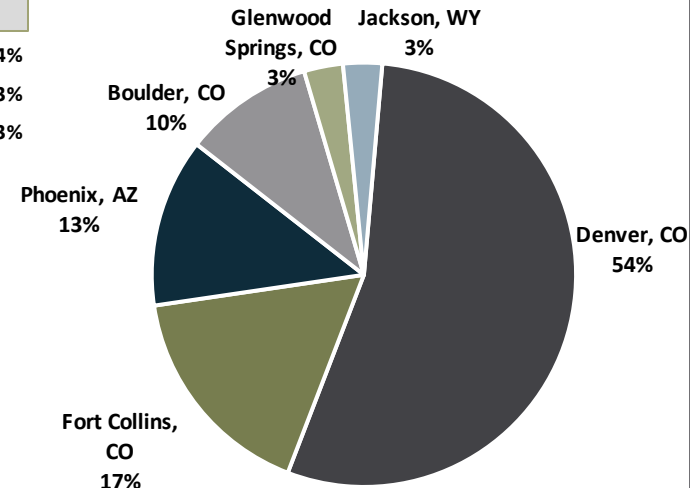
(2) Source: S&P Global Market Intelligence as of 06/30/2019.

(3) Percentage income growth for households with over \$200,000 in current household income (HHI).

Note: Demographic data provided by Nielsen per US Census data.

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

Deposits by State	
Colorado	84%
Arizona	13%
Wyoming	3%



MSA	State	Market Share	Projected % Change in HHI of \$200M+ (2019-2024) <sup>(3)</sup>
Denver-Aurora-Lakewood	CO	0.64	35.49
Fort Collins	CO	2.10	44.99
Phoenix-Mesa-Scottsdale	AZ	0.12	41.62
Boulder	CO	0.94	28.76
Jackson	WY/ID	1.49	21.42
Glenwood Springs	CO	0.93	24.61
<b>National Average</b>			<b>31.93</b>

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



# The Roadmap to Shareholder Value Creation

## Short-Term Goals

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

## Long-Term Goals

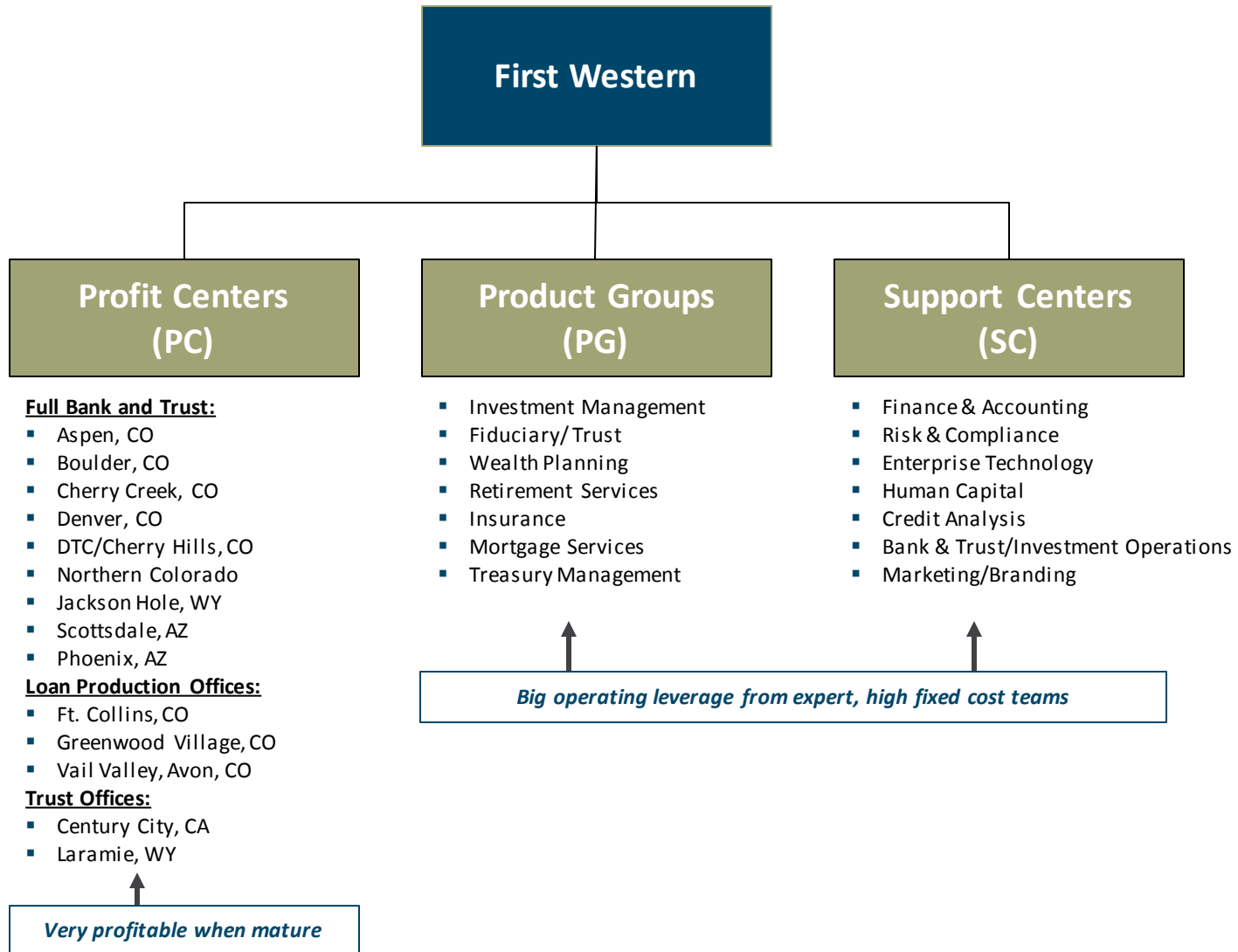
- **Drive to \$5 billion in total assets, \$25 billion TIM assets through both organic growth and acquisitions**
  - ~50 offices
  - \$7-8 million in revenue per office
  - 60% contribution margin per office
- **Build footprint, scale and operating leverage with M&A**
  - Capital and earnings accretive
- **Create, roll out virtual private bank**
  - Robo advisor tied to bank
  - “Buy up” into expert advice
- **Upgrade wealth management platform**
  - Fully integrated front end
- **Sell wholesale TIM services to other banks**

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

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

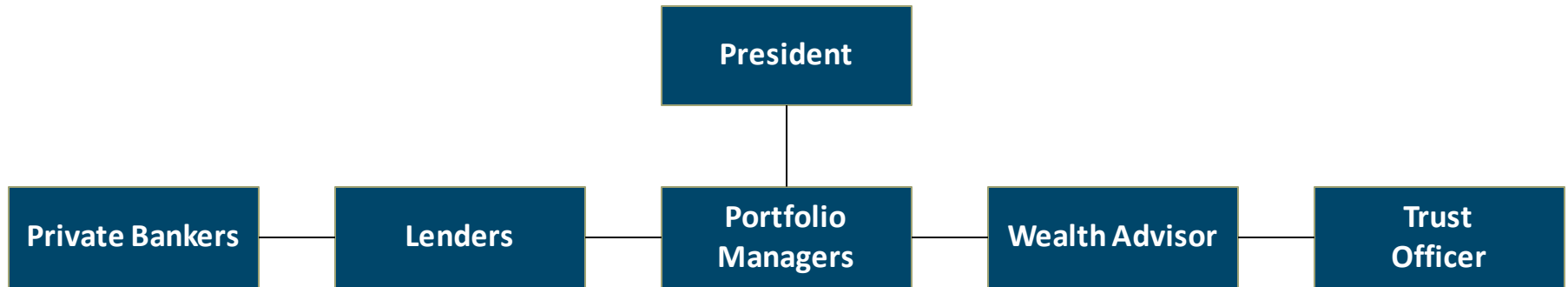
# Organizational Structure Built for Scale

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



# Integrated Team Approach in Boutique Offices

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



- Team Philosophy**
1. Team-based incentives
  2. Relationship-based wealth management
  3. Many relationship managers to one client
  4. Product group specialists
  5. Holistic view of the client – ConnectView®

# Acquire, Cross Sell Clients Using Product Groups

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

## Commercial Banking

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

## Retirement / 401(k) Plan Consulting

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

## Residential Mortgage Lending

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

## Wealth Planning

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

## Investment Management

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

## Trust

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

# Teamwork Drives Client Satisfaction, Retention

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



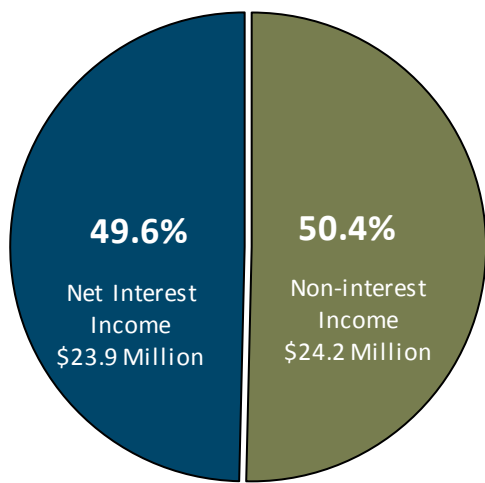
(1) Investment Policy Committee (IPC), Investment Management (IM), Business Development Officers (BDO).

# Our High-Quality, Recurring Revenues

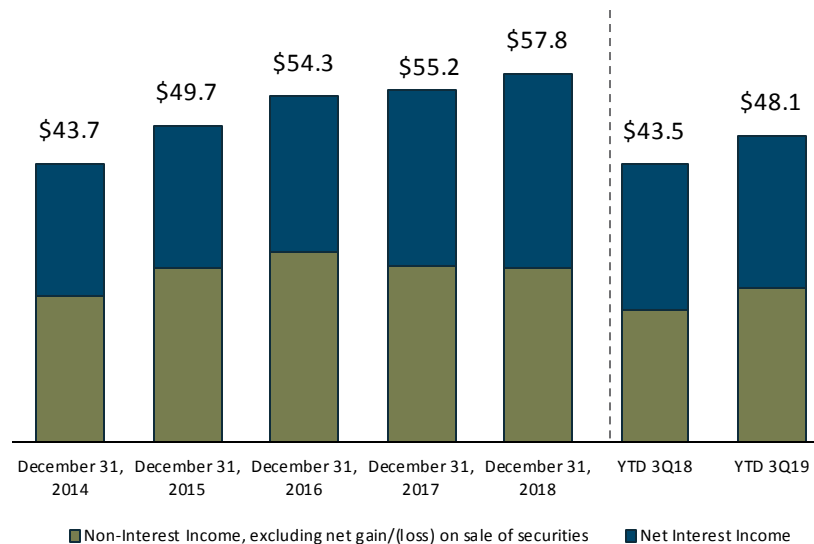
## Earnings Themes

- Diverse, stable, desirable revenue mix
- Attractive markets and business model
- Robust earnings growth
- Investments made in long term growth
- Significant opportunities to improve operating leverage

## YTD Gross Revenue



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



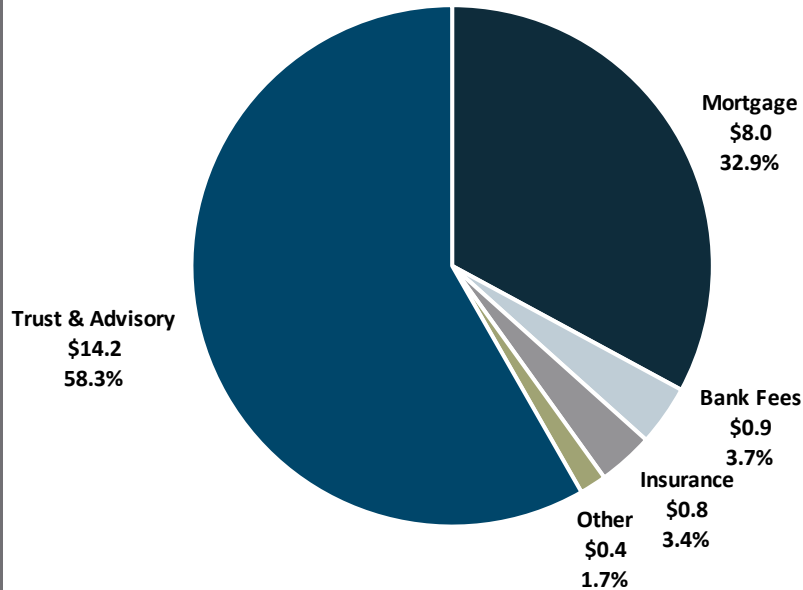
(1) See Non-GAAP reconciliation



# Predictable, Growing Sources of Fee Income

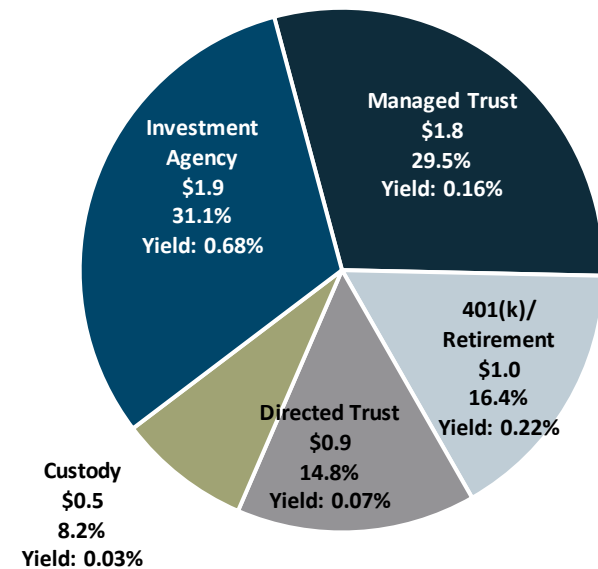
## YTD 2019 Non-Interest Income (\$millions)

**\$24.3 million**



## AUM Composition by Account Type (\$billions)

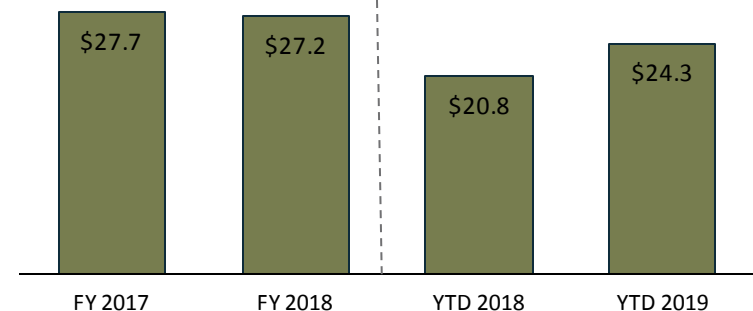
**\$6.1 billion | Avg. Yield: 0.31%**



## Trust and Investment Management

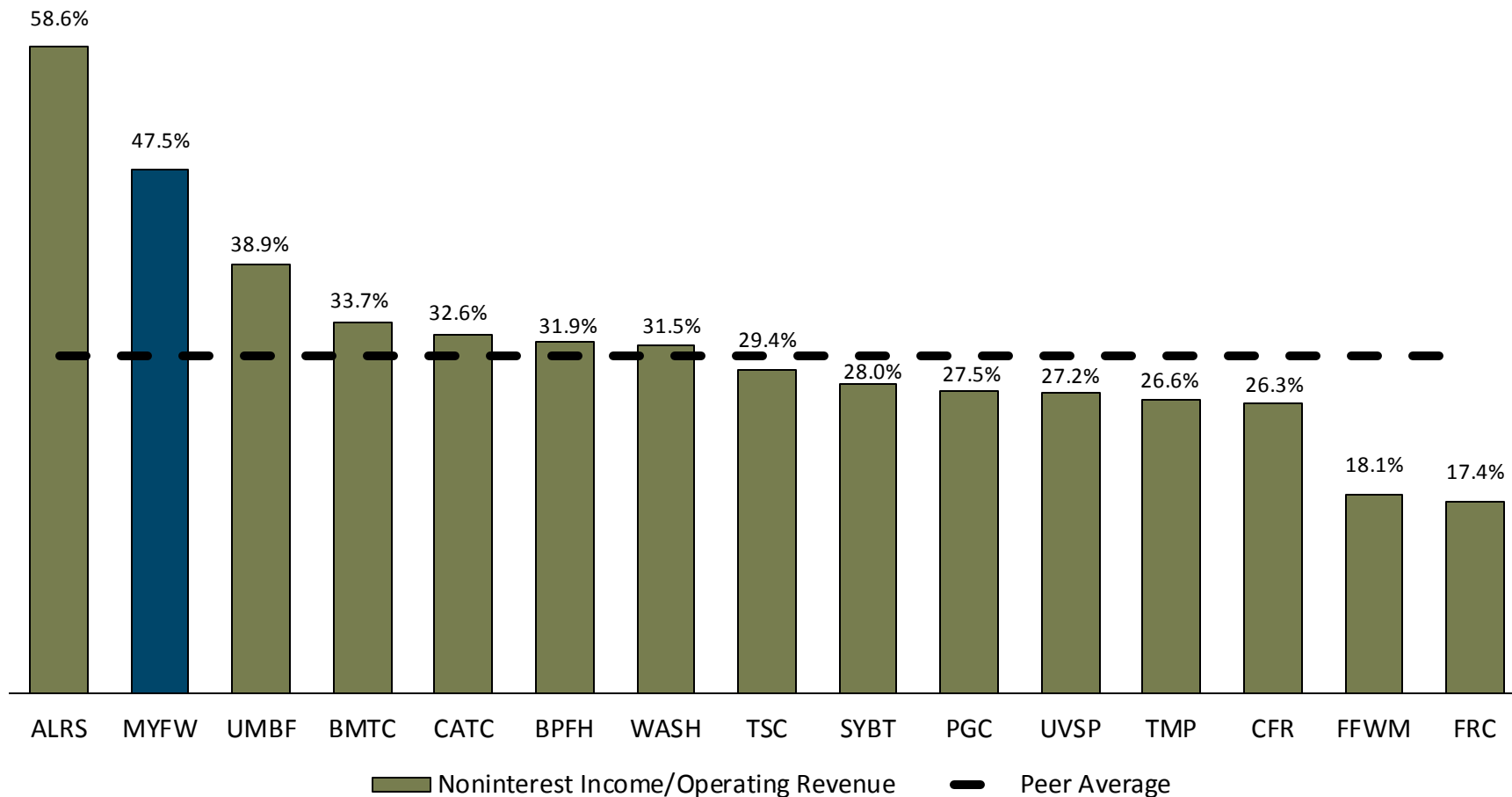
- Guided architecture
- Customized investment solutions
- Internally manage ~\$1.0 billion in AUM

## Non-Interest Income (\$millions)



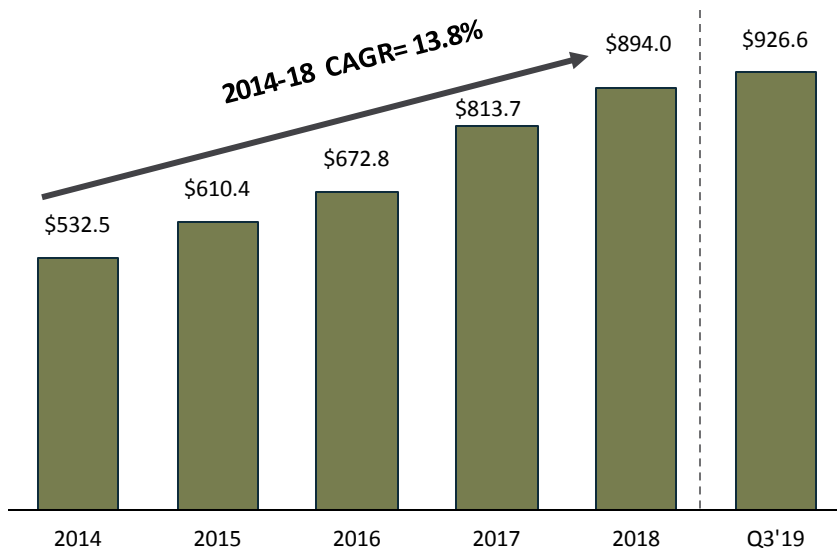
# Private Bank Model Generates Strong Fee Income

Nearly Half of Operating Revenue Generated by Fee Income

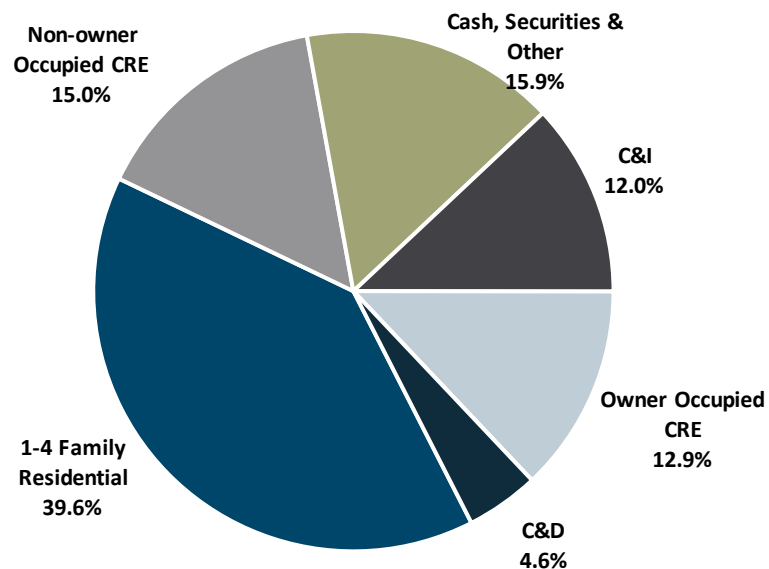


# Our Balanced, Private Banking Loan Portfolio

### Historical Gross Loans (\$millions)



### Q3 2019 Loan Portfolio by Collateral Type <sup>(1)</sup>



### Lending Strategy

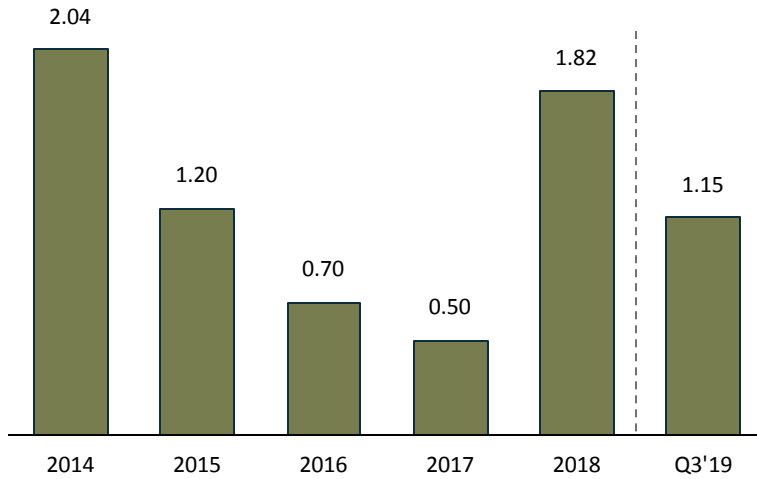
- Total loans increased 13.6% from September 30, 2018
- Well balanced loan production driving growth in all areas except for commercial real estate
- Added production from mortgage acquisition
- Return on equity based relationship pricing
- High net worth, relationship lending model

(1) As of September 30, 2019, excluding deferred costs, net

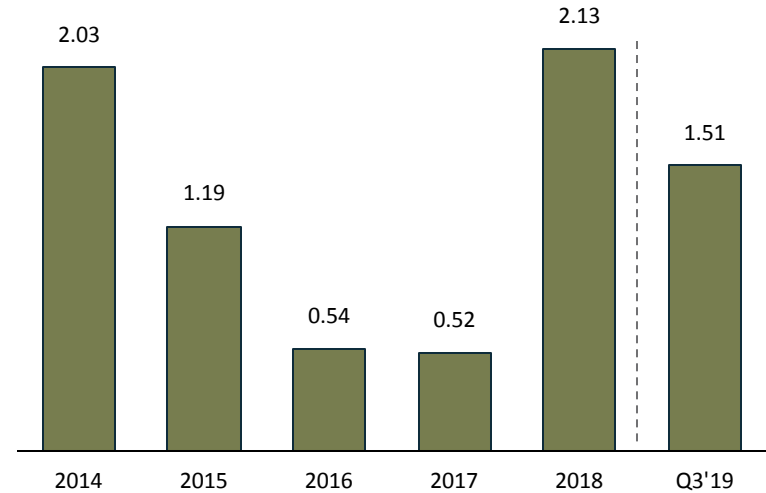


# 12 Quarters of No Net Charge-offs

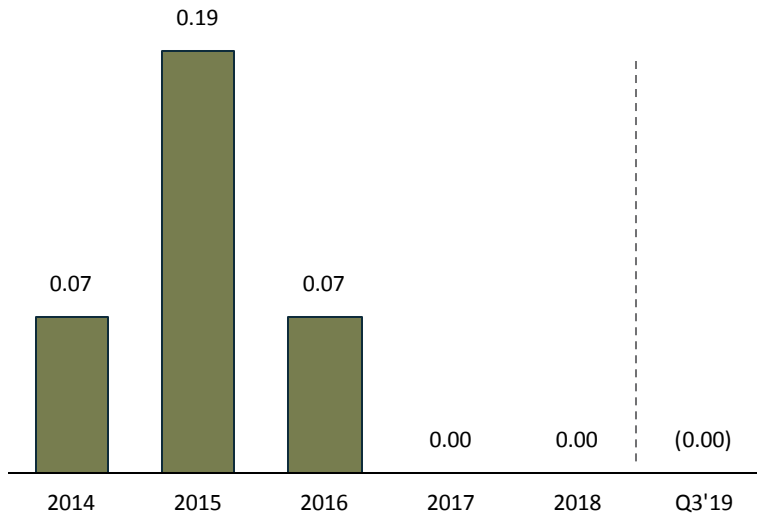
NPAs / Assets (%)



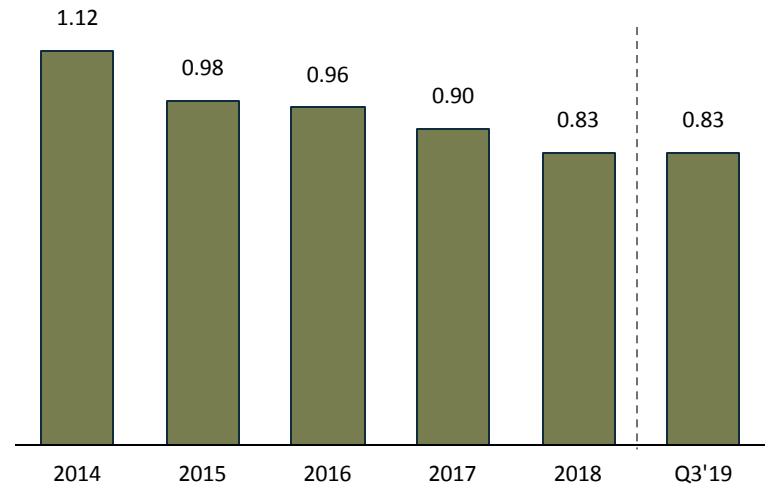
NPLs / Loans (%)



Net Charge-off (Recovery) / Average Loans (%)

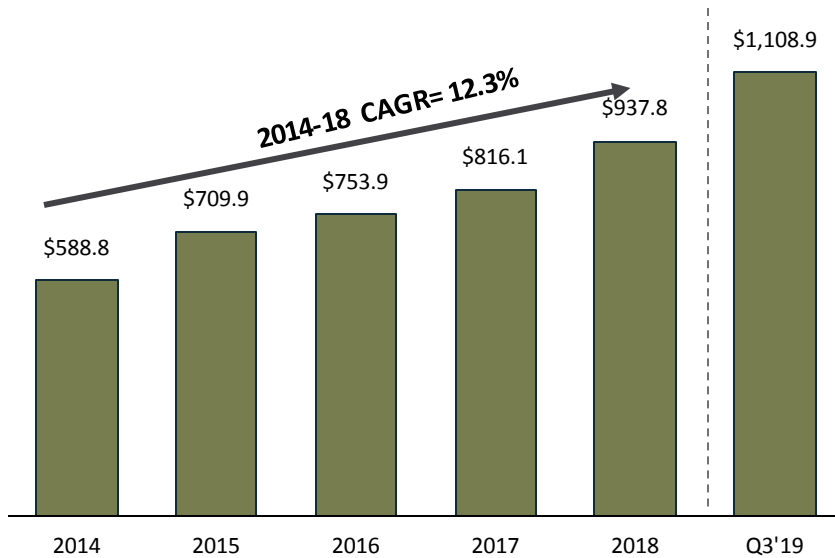


Loan Loss Reserves / Gross Loans (%)

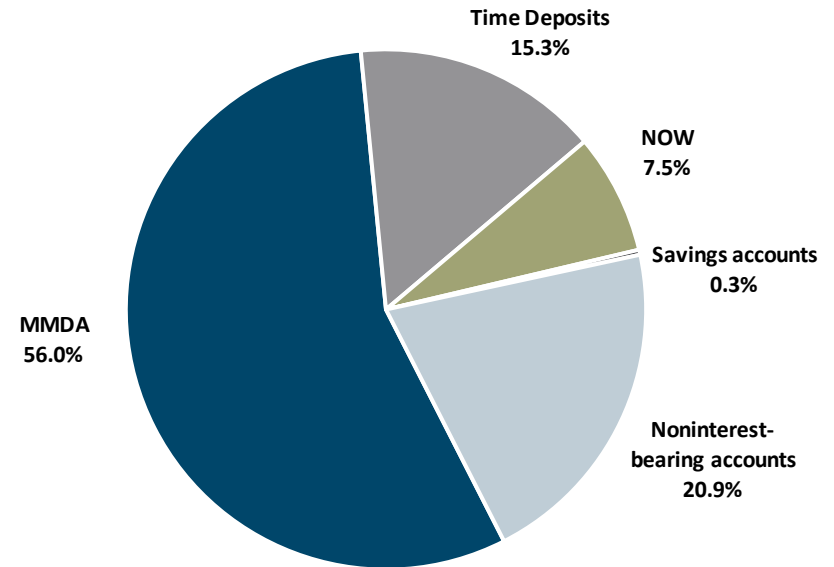


# A Balanced, Growing Core Deposit Base

Historical Total Deposits (\$millions)



Q3 2019 Deposit Composition<sup>(1)</sup>



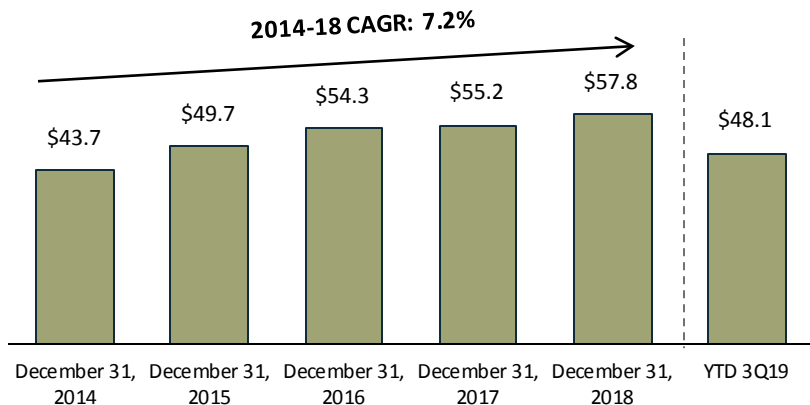
## Deposit Strategy

- Total deposits increased 26.2% from September 30, 2018
- Cross-sell additional products and services to depositors
- Relationship lending, trust/IM deposits
- Generate leads through BDOs and Treasury Management

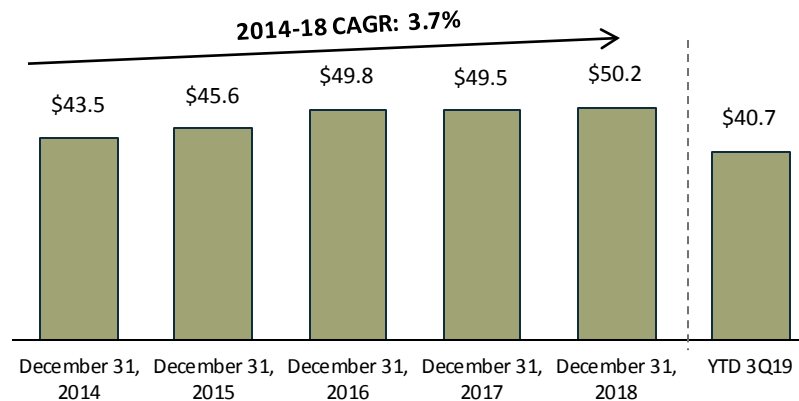
(1) As of September 30, 2019.

# Revenue Growth Exceeding Expense Growth

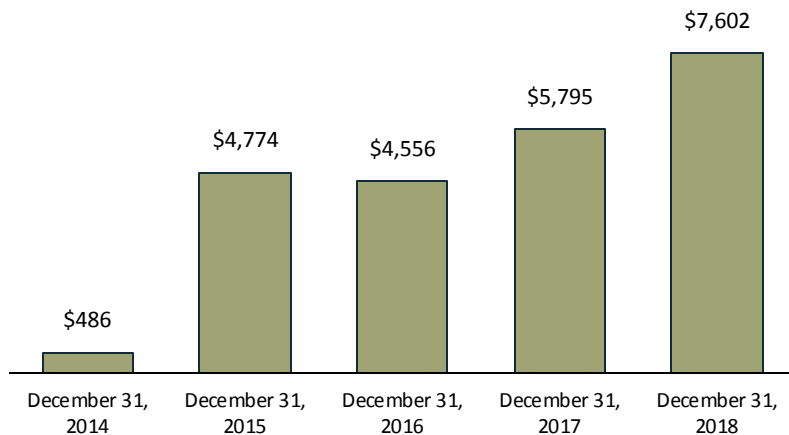
Gross Revenue<sup>(1)</sup> (\$millions)



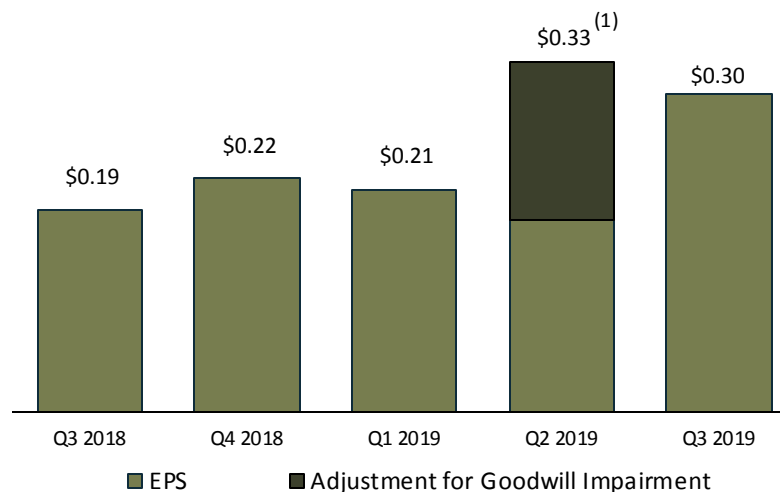
Total Non-Interest Expenses (\$millions)



2014-2018 Pre-Tax, Pre-Provision Income<sup>(1)</sup> (\$000s)



Earnings Per Share



(1) See Non-GAAP reconciliation

# MYFW's Embedded Earnings Growth Drivers

## Removed Capital Constraints

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

## Added Revenue Generators

- Experienced **executive leadership** added in 2018
- Added **wealth advisors/BDOs**
- **Added MLOs** in offices in 2018 and 2019
- Opened **Vail Valley** office in 2019
- Generate **referrals** for new client relationships
- Develop **new products** to meet the needs of our clients

## Reduce Expenses and Improve Operating Efficiency

- **Eliminated redundancies and rent** expense in 2018
- Capital investment in **platform** is now **in place**
- **Minimal incremental** back office **expense needed** to support continued growth
- **Integrating technology into operations**
- **Selling non-core businesses**

## Drive Client Acquisition and Increase Share of Wallet

- Added client relationship and **profitability tools**
  - Managed centrally by **treasury desk**
- **Build out existing markets** and employ highly capable associates with local market experience/relationships
- Identify new markets to **establish profit centers** without a proportionate increase in product group or support center expenses

# Progress Report on Earnings Drivers

Earnings Driver	Progress Report
Lower capital costs	<ul style="list-style-type: none"> <li>• 2019 is first full year with no preferred stock dividend payment</li> </ul>
Increased loan growth	<ul style="list-style-type: none"> <li>• 13.6% total loan growth from 3Q18 to 3Q19</li> <li>• Growth coming in all portfolios except non-owner occupied CRE</li> </ul>
Higher fee income	<ul style="list-style-type: none"> <li>• Mortgage activity improving after slowdown in 4Q18</li> <li>• Restructured mortgage division driving improved profitability</li> </ul>
Improved operating leverage	<ul style="list-style-type: none"> <li>• 2018 expense reductions eliminated redundancies</li> <li>• 3Q19 efficiency ratio<sup>(1)</sup> improved to 80.6% vs 83.0% in 3Q18</li> </ul>
Profit centers gaining scale	<p>Q3 2019 year over year total revenue increases for selected profit centers:</p> <ul style="list-style-type: none"> <li>• Aspen: +25%</li> <li>• Denver: +32%</li> <li>• Jackson Hole: +25%</li> </ul>

(1) See Non-GAAP reconciliation





# Outlook

- Business development platform has been effectively generating deposit and AUM growth; we now intend to increase our focus on asset generation
- Loan production expected to be strong in 4Q19, although we expect payoffs will continue to present a near-term headwind for loan growth
- Mortgage activity expected to remain strong with additions to production team expected to help offset seasonality
- Vail Valley market team is gaining momentum, funding first loans in 3Q19 and showing strong pipelines and business development activities
- We believe continued revenue growth will drive further operating leverage

# 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**



FIRST western



# Appendix



# Holistic, Integrated Risk Management

## Purpose

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

## Objectives

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

## Responsibilities

### ERM Committee:

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

### Senior Risk Officer:

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

# Key Themes of ERM– In the Business

<p><b>Ensure Compliance</b></p>	<ul style="list-style-type: none"> <li>▪ Meet regulatory requirements</li> <li>▪ Comply with good industry practices</li> <li>▪ Effective, efficient, and smart compliance—a change agent for better business decisions</li> </ul>
<p><b>Limit Potential Losses</b></p>	<ul style="list-style-type: none"> <li>▪ Create appropriate transparency on risk, capital and balance-sheet usage, accounting implications</li> <li>▪ Effectively limit risks and avoid reputational damage</li> <li>▪ Strong risk controlling and monitoring</li> <li>▪ Maintain both economic as well as accounting perspective</li> </ul>
<p><b>Improve Profitability</b></p>	<ul style="list-style-type: none"> <li>▪ Ensure decision-oriented processes</li> <li>▪ Maintain efficient and lean risk management – standardization and differentiation</li> <li>▪ Improve quality of problem loan management</li> <li>▪ Optimize ALM and transfer pricing in cooperation with CFO/treasury</li> </ul>
<p><b>Support Growth</b></p>	<ul style="list-style-type: none"> <li>▪ Anticipate changes in the Company’s risk profile</li> <li>▪ Ensure scalability and flexibility of core processes</li> <li>▪ Improve balance-sheet management</li> <li>▪ Contribute to powerful product offering</li> </ul>
<p><b>Risk Overlay for Decision Making</b></p>	<ul style="list-style-type: none"> <li>▪ Integrated risk, finance and capital perspective into business planning and management process</li> <li>▪ Strong risk and finance capabilities through frontline tools, trainings, and incentives in IT/operations, HC</li> </ul>
<p><b>Improve Stakeholder Management</b></p>	<ul style="list-style-type: none"> <li>▪ Implement a strong risk and performance culture throughout the organization</li> <li>▪ Improve planning and steering concepts, data management with CEO, CFO and treasury</li> <li>▪ Satisfy Board requirements on transparency and decisions support</li> <li>▪ Maintain effective relations with regulators</li> </ul>
<p><b>Define Governance and Organization</b></p>	<ul style="list-style-type: none"> <li>▪ Define risk structure’s mandate and organization, create independent risk view in core decisions</li> <li>▪ Ensure CFO’s mandate and organization in capital and balance-sheet management, ALM, treasury, funding</li> <li>▪ Define and implement ERM approach</li> <li>▪ Ensure appropriate people development: knowledge, experience, stature, motivation and culture</li> </ul>



# Non-GAAP Reconciliation

<i>Consolidated Pre-tax, Pre-provision Income</i> (Dollars in thousands)	For the Twelve Months Ended December 31,				
	2014	2015	2016	2017	2018
Net Income, as reported	\$10,990	\$2,650	\$2,302	\$2,023	\$5,647
Provision for loan losses	1,455	1,071	985	788	180
Income tax (benefit) expense	(11,959)	1,053	1,269	2,984	\$1,775
<b>Pre-tax, Pre-provision Income</b>	<b>\$486</b>	<b>\$4,774</b>	<b>\$4,556</b>	<b>\$5,795</b>	<b>\$7,602</b>

<i>Impact of Goodwill impairment – Net income available to common shareholder</i> (Dollars in thousands, except per share data)	For the Three Months Ended,	
	June 30, 2019	September 30, 2019
Net income available to common shareholders	\$1,404	\$2,406
Plus: Goodwill impairment including tax impact	1,182	-
<b>Adjusted net income to common shareholders</b>	<b>\$2,586</b>	<b>\$2,406</b>

<i>Impact of Goodwill impairment – Earnings Per Share</i> (Dollars in thousands, except per share data)	For the Three Months Ended,	
	June 30, 2019	September 30, 2019
Earnings per share	\$0.18	\$0.30
Plus: Goodwill impairment including tax impact	0.15	-
<b>Adjusted earnings per share</b>	<b>\$0.33</b>	<b>\$0.30</b>

<i>Consolidated Efficiency Ratio</i> (Dollars in thousands)	For the Three Months Ended,				
	September 30, 2018	December 31, 2018	March 31, 2019	June 30, 2019	September 30, 2019
Non-interest expense	\$12,176	\$11,649	\$12,602	\$14,659	\$13,442
Less: Amortization	208	163	173	142	52
Less: Goodwill impairment	-	-	-	1,572	-
Adjusted non-interest expense	\$11,968	\$11,486	\$12,429	\$12,945	\$13,390
Net interest income	\$7,788	\$7,899	\$7,971	\$7,960	\$7,940
Non-interest income	6,638	6,351	6,976	8,586	8,788
Less: Net gain on securities	-	-	-	-	119
Total income <sup>(1)</sup>	\$14,426	\$14,250	\$14,947	\$16,546	\$16,609
<b>Efficiency ratio</b>	<b>83.0%</b>	<b>80.6%</b>	<b>83.2%</b>	<b>78.2%</b>	<b>80.6%</b>

(1) Quarterly information has not been audited.



# Non-GAAP Reconciliation

<i>Consolidated Gross Revenue</i> <i>(Dollars in thousands)</i>	For the Years Ended,				
	2014	2015	2016	2017	2018
Total income before non-interest expense	\$42,533	\$49,339	\$53,394	\$54,501	\$57,617
Less: Net gain on sale of securities	321	717	114	81	-
Plus: Provision for credit loss	1,455	1,071	985	788	180
<b>Gross revenue</b>	<b>\$43,667</b>	<b>\$49,693</b>	<b>\$54,265</b>	<b>\$55,208</b>	<b>\$57,797</b>

<i>Consolidated Gross Revenue</i> <i>(Dollars in thousands)</i>	For the Nine Months Ended <sup>(1)</sup> September 30,	
	2018	2019
Total income before non-interest expense	\$43,716	\$48,003
Less: Net gain (loss) on sale of securities	-	119
Plus: Provision for (recovery of) credit loss	(169)	216
<b>Gross revenue</b>	<b>\$43,547</b>	<b>\$48,100</b>

(1) Quarterly information has not been audited.