

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): October 20, 2022

FIRST WESTERN FINANCIAL, INC.

(Exact name of registrant as specified in its charter)

<p style="text-align: center;">Colorado (State or other jurisdiction of incorporation or organization)</p> <p style="text-align: center;">1900 16th Street, Suite 1200 Denver, Colorado (Address of principal executive offices)</p>	<p style="text-align: center;">001-38595 (Commission File Number)</p>	<p style="text-align: center;">37-1442266 (I.R.S. Employer Identification No.)</p> <p style="text-align: center;">80202 (Zip Code)</p>
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Registrant's telephone number, including area code: **303.531.8100**

Former name or former address, if changed since last report: **Not Applicable**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

- ☒ Emerging growth company
- ☒ If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

<p style="text-align: center;">Title of each class Common Stock, no par value</p>	<p style="text-align: center;">Securities registered pursuant to Section 12(b) of the Act: Trading Symbol MYFW</p>	<p style="text-align: center;">Name of each exchange on which registered The Nasdaq Stock Market LLC</p>
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Item 2.02 Results of Operations and Financial Condition.

On October 20, 2022, First Western Financial, Inc. (the “Company”) issued a press release announcing its financial results for the third quarter ended September 30, 2022. A copy of the press release is furnished as Exhibit 99.1 and is incorporated by reference herein.

The information in this Item 2.02, including Exhibit 99.1, is being furnished pursuant to Item 2.02 of Form 8-K and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to liabilities of that section, nor shall it be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended (the “Securities Act”), or the Exchange Act, unless specifically identified therein as being incorporated therein by reference.

Item 7.01 Regulation FD Disclosure.

The Company intends to hold an investor call and webcast to discuss its financial results for the third quarter ended September 30, 2022 on Friday, October 21, 2022, at 10:00 a.m. Mountain Time. The Company’s presentation to analysts and investors contains additional information about the Company’s financial results for the third quarter ended September 30, 2022 and is furnished as Exhibit 99.2 and is incorporated by reference herein.

The information in this Item 7.01, including Exhibit 99.2, is being furnished pursuant to Item 7.01 of Form 8-K and shall not be deemed “filed” for purposes of Section 18 of the Exchange Act, or otherwise subject to liabilities of that section, nor shall it be deemed incorporated by reference into any filing under the Securities Act or the Exchange Act, unless specifically identified therein as being incorporated therein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit Number	Description
99.1	Press Release issued by First Western Financial, Inc. dated October 20, 2022
99.2	First Western Financial, Inc. Earnings Presentation
104	Cover Page Interactive Data File (the cover page XBRL tags are embedded in the Inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

FIRST WESTERN FINANCIAL, INC.

Date: October 20, 2022

By: /s/ Scott C. Wylie

Scott C. Wylie

Chairman, Chief Executive Officer and President



First Western Reports Third Quarter 2022 Financial Results

Third Quarter 2022 Summary

- Net income available to common shareholders of \$6.2 million in Q3 2022, compared to \$4.5 million in Q2 2022 and \$6.4 million in Q3 2021
- Diluted EPS of \$0.64 in Q3 2022, compared to \$0.46 in Q2 2022 and \$0.78 in Q3 2021
- Pre-tax, pre-provision net income⁽¹⁾ of \$10.0 million in Q3 2022, compared to \$6.5 million in Q2 2022 and \$8.9 million in Q3 2021
- Total income before non-interest expense of \$27.5 million in Q3 2022, compared to \$26.6 million in Q2 2022 and \$24.9 million in Q3 2021
- Total loans held for investment increased at annualized rate of 38.1% in Q3 2022
- Book value per common share increased to \$24.74, or 2.8%, from \$24.06 as of Q2 2022, and was up 13.1% from \$21.88 as of Q3 2021

Denver, Colo., October 20, 2022 – First Western Financial, Inc., (“First Western” or the “Company”) (NASDAQ: MYFW), today reported financial results for the third quarter ended September 30, 2022.

Net income available to common shareholders was \$6.2 million, or \$0.64 per diluted share, for the third quarter of 2022. This compares to \$4.5 million, or \$0.46 per diluted share, for the second quarter of 2022, and \$6.4 million, or \$0.78 per diluted share, for the third quarter of 2021.

Scott C. Wylie, CEO of First Western, commented, “We continue to see healthy economic conditions and loan demand throughout our markets, resulting in another quarter of strong, well balanced loan growth. We had increases in most of our major portfolios and total annualized loan growth of 38% in the quarter. With the strong growth we are generating in net interest income through the increase in our loan portfolio and the higher net interest margin we are now producing, we delivered a significant increase in earnings and our level of returns compared to the prior quarter, as well as further growth in book value and tangible book value per share.

“Although we have not yet seen a material slowdown in economic activity in our markets, given our conservative approach, we are making adjustments in our underwriting and loan pricing to reflect the potential for weakening economic conditions. As a result, it is likely that our loan growth moderates from the high level we experienced through the first nine months of the year. Even with this more cautious approach, we believe we are well positioned to still generate significant loan growth and continue delivering strong financial results for our shareholders, while maintaining exceptional asset quality and high levels of capital,” said Mr. Wylie.

⁽¹⁾ Represents a Non-GAAP financial measure. See “Reconciliations of Non-GAAP Measures” for a reconciliation of our Non-GAAP measures to the most directly comparable GAAP financial measure.

(Dollars in thousands, except per share data)	For the Three Months Ended		
	September 30, 2022	June 30, 2022	September 30, 2021
Earnings Summary			
Net interest income	\$ 22,797	\$ 20,138	\$ 14,846
Provision for loan losses	1,756	519	406
Total non-interest income	6,454	6,940	10,492
Total non-interest expense	19,260	20,583	16,466
Income before income taxes	8,235	5,976	8,466
Income tax expense	2,014	1,494	2,049
Net income available to common shareholders	6,221	4,482	6,417
Adjusted net income available to common shareholders ⁽¹⁾	6,337	4,742	6,669
Basic earnings per common share	0.66	0.47	0.80
Adjusted basic earnings per common share ⁽¹⁾	0.67	0.50	0.84
Diluted earnings per common share	0.64	0.46	0.78
Adjusted diluted earnings per common share ⁽¹⁾	0.66	0.49	0.81
Return on average assets (annualized)	0.97 %	0.71 %	1.27 %
Adjusted return on average assets (annualized) ⁽¹⁾	0.99	0.75	1.32
Return on average shareholders' equity (annualized)	10.70	7.89	14.88
Adjusted return on average shareholders' equity (annualized) ⁽¹⁾	10.90	8.35	15.46
Return on tangible common equity (annualized) ⁽¹⁾	12.28	9.16	17.01
Adjusted return on tangible common equity (annualized) ⁽¹⁾	12.51	9.69	17.68
Net interest margin	3.75	3.35	3.14
Efficiency ratio ⁽¹⁾	64.94	74.85	63.65

⁽¹⁾ Represents a Non-GAAP financial measure. See "Reconciliations of Non-GAAP Measures" for a reconciliation of our Non-GAAP measures to the most directly comparable GAAP financial measure.

Operating Results for the Third Quarter 2022

Revenue

Gross revenue ⁽¹⁾ was \$29.3 million for the third quarter of 2022, an increase of 8.8% from \$26.9 million for the second quarter of 2022, primarily driven by an increase in average loan balances and an increase in net interest margin. Relative to the third quarter of 2021, gross revenue increased 15.6% from \$25.3 million for the third quarter of 2021, primarily driven by growth in interest-earning assets and an increase in net interest margin.

⁽¹⁾ Represents a Non-GAAP financial measure. See "Reconciliations of Non-GAAP Measures" for a reconciliation of our Non-GAAP measures to the most directly comparable GAAP financial measure.

Net Interest Income

Net interest income for the third quarter of 2022 was \$22.8 million, an increase of 13.2% from \$20.1 million in the second quarter of 2022. The increase was due to higher average loan balances and an increase in net interest margin.

Relative to the third quarter of 2021, net interest income increased 53.6% from \$14.8 million. The year-over-year increase in net interest income was due to an increase in net interest margin attributable to the higher rate environment and increased average interest-earning assets. The increase in average interest-earning assets was driven by growth in average loans of \$648.5 million compared to September 30, 2021, resulting from organic loan growth and the Teton Financial Services, Inc. ("Teton") acquisition.

Net Interest Margin

Net interest margin for the third quarter of 2022 increased 40 bps to 3.75% from 3.35% reported in the second quarter of 2022, primarily due to higher yields on interest-earning assets and a more favorable mix of earning assets.

The yield on interest-earning assets increased to 4.37% in the third quarter of 2022 from 3.60% in the second quarter of 2022 and the cost of interest-bearing deposits increased to 0.73% in the third quarter of 2022, from 0.29% in the second quarter of 2022.

Relative to the third quarter of 2021, net interest margin increased from 3.14%, primarily due to increased yields attributable to the rising rate environment and higher average loan balances, as a result of strong organic loan growth and the Teton acquisition.

Non-interest Income

Non-interest income for the third quarter of 2022 was \$6.5 million, a decrease of 7.0% from \$6.9 million in the second quarter of 2022. This was primarily due to a \$0.3 million decrease in net gain on mortgage loans due to a reduction in the amount of mortgage loans originated for sale, a \$0.2 million decrease in unrealized gain recognized on equity securities, and a \$0.1 million decrease in trust and investment management fees, which were negatively impacted by lower equity and fixed income market valuations.

Relative to the third quarter of 2021, non-interest income decreased 38.5% from \$10.5 million. The decrease was primarily due to lower mortgage segment activity as higher interest rates drove declines in both refinance and purchase volume.

Non-interest Expense

Non-interest expense for the third quarter of 2022 was \$19.3 million, a decrease of 6.4% from \$20.6 million in the second quarter of 2022. The decrease was primarily due to a decline in salaries and employment benefits driven by higher deferred loan costs, lower incentive compensation, and a decline in health insurance and payroll taxes.

Relative to the third quarter of 2021, non-interest expense increased 17.0% from \$16.5 million. The increase is primarily due to the addition of Teton's operations at the end of 2021 which increased salary and benefits as well as occupancy expenses.

The impact of the mergers and acquisition activity is as follows (in thousands):

	As of or for the Three Months Ended		
	September 30, 2022	June 30, 2022	September 30, 2021
Adjusted Net Income Available to Common Shareholders⁽¹⁾			
Net income available to common shareholders	\$ 6,221	\$ 4,482	\$ 6,417
Plus: acquisition related expenses			
Salaries and employee benefits	98	152	—
Professional services	90	274	332
Data processing ⁽²⁾	(96)	(93)	—
Technology and information systems	1	4	—
Marketing	7	5	—
Other	54	5	—
Less: income tax impact	38	87	80
Adjusted net income available to shareholders⁽¹⁾	\$ 6,337	\$ 4,742	\$ 6,669
Adjusted Diluted Earnings Per Share⁽¹⁾			
Diluted earnings per share	\$ 0.64	\$ 0.46	\$ 0.78
Plus: acquisition related expenses net of income tax impact	0.02	0.03	0.03
Adjusted diluted earnings per share⁽¹⁾	\$ 0.66	\$ 0.49	\$ 0.81

⁽¹⁾ Represents a Non-GAAP financial measure. See “Reconciliations of Non-GAAP Measures” for a reconciliation of our Non-GAAP measures to the most directly comparable GAAP financial measure.

⁽²⁾ Represents reduced contract termination fees from the system conversion.

The Company’s efficiency ratio⁽¹⁾ was 64.9% in the third quarter of 2022, compared with 74.9% in the second quarter of 2022 and 63.7% in the third quarter of 2021.

⁽¹⁾ Represents a Non-GAAP financial measure. See “Reconciliations of Non-GAAP Measures” for a reconciliation of our Non-GAAP measures to the most directly comparable GAAP financial measure.

Income Taxes

The Company recorded income tax expense of \$2.0 million for the third quarter of 2022, representing an effective tax rate of 24.5%, compared to 25.0% for the second quarter of 2022.

Loans

Total loans held for investment were \$2.35 billion as of September 30, 2022, an increase of 9.5% from \$2.15 billion as of June 30, 2022, and an increase of 46.9% from \$1.60 billion as of September 30, 2021. The increase in total loans held for investment from June 30, 2022 was attributable to loan growth distributed amongst our residential mortgage, construction and development, commercial and industrial, and commercial real estate portfolios. The increase in total loans held for investment from September 30, 2021 was attributable to loan growth distributed amongst our residential mortgage, construction and development, commercial and industrial, and commercial real estate portfolios and loans added through the Teton acquisition.

Deposits

Total deposits remained flat for the third quarter of 2022, at \$2.17 billion, compared to June 30, 2022. Relative to the third quarter of 2021, total deposits increased 21.6% from \$1.78 billion as of September 30, 2021, driven primarily by deposits added through the Teton acquisition.

Borrowings

Federal Home Loan Bank (“FHLB”) and Federal Reserve borrowings were \$273.2 million as of September 30, 2022, an increase of \$186.0 million from \$87.2 million as of June 30, 2022, and an increase of \$214.7 million from \$58.6 million as of September 30, 2021. The increase from both prior periods was primarily driven by additional FHLB borrowings to support the strong loan growth in the third quarter of 2022.

Assets Under Management

Total assets under management (“AUM”) decreased by \$359.2 million during the third quarter to \$5.92 billion as of September 30, 2022, compared to \$6.28 billion as of June 30, 2022. This decrease was primarily attributable to unfavorable market conditions resulting in a decrease in the value of AUM balances. Total AUM decreased by \$987.5 million compared to September 30, 2021 from \$6.91 billion, which was primarily attributable to unfavorable market conditions throughout 2022 resulting in a decrease in the value of AUM balances.

Credit Quality

Non-performing assets totaled \$3.9 million, or 0.14% of total assets, as of September 30, 2022, compared to \$4.3 million, or 0.17% of total assets, as of June 30, 2022 and \$4.4 million, or 0.21% of total assets, as of September 30, 2021. The reduction in non-performing assets from the end of the prior quarter is due to the sale of an other real estate owned property of \$0.2 million and a net reduction in impaired loans of \$0.2 million.

The Company recorded a provision of \$1.8 million in the third quarter of 2022, compared to a provision of \$0.5 million in the second quarter of 2022 and \$0.4 million in the third quarter of 2021. The provision recorded in the third quarter of 2022 represented general provisioning consistent with growth of the bank originated loan portfolio, and changes in the portfolio mix.

Capital

As of September 30, 2022, First Western (“Consolidated”) and First Western Trust Bank (“Bank”) exceeded the minimum capital levels required by their respective regulators. As of September 30, 2022, the Bank was classified as “well capitalized,” as summarized in the following table:

	September 30, 2022
Consolidated Capital	
Tier 1 capital to risk-weighted assets	9.54 %
Common Equity Tier 1 (“CET1”) to risk-weighted assets	9.54
Total capital to risk-weighted assets	11.84
Tier 1 capital to average assets	8.18
Bank Capital	
Tier 1 capital to risk-weighted assets	10.32
CET1 to risk-weighted assets	10.32
Total capital to risk-weighted assets	11.09
Tier 1 capital to average assets	8.84

Book value per common share increased 2.8% from \$24.06 as of June 30, 2022 to \$24.74 as of September 30, 2022, and was up 13.1% from \$21.88 as of September 30, 2021.

Tangible book value per common share ⁽¹⁾ increased 3.4% from \$20.65 as of June 30, 2022 to \$21.35 as of September 30, 2022, and was up 13.3% from \$18.85 as of September 30, 2021.

⁽¹⁾ Represents a Non-GAAP financial measure. See “Reconciliations of Non-GAAP Measures” for a reconciliation of our Non-GAAP measures to the most directly comparable GAAP financial measure.

Conference Call, Webcast and Slide Presentation

The Company will host a conference call and webcast at 10:00 a.m. MT/ 12:00 p.m. ET on Friday, October 21, 2022. Telephone access: <https://register.vevent.com/register/BI8dd29036914947f9a28fcabff9f4af72>

A slide presentation relating to the third quarter 2022 results will be accessible prior to the scheduled conference call. The slide presentation and webcast of the conference call can be accessed on the Events and Presentations page of the Company’s investor relations website at <https://myfw.gcs-web.com>.

About First Western

First Western is a financial services holding company headquartered in Denver, Colorado, with operations in Colorado, Arizona, Wyoming, California, and Montana. First Western and its subsidiaries provide a fully integrated suite of wealth management services on a private trust bank platform, which includes a comprehensive selection of deposit, loan, trust, wealth planning and investment management products and services. First Western’s common stock is traded on the Nasdaq Global Select Market under the symbol “MYFW.” For more information, please visit www.myfw.com.

Non-GAAP Financial Measures

Some of the financial measures included in this press release are not measures of financial performance recognized in accordance with generally accepted accounting principles in the United States ("GAAP"). These non-GAAP financial measures include "Tangible Common Equity," "Tangible Common Book Value per Share," "Return on Tangible Common Equity," "Efficiency Ratio," "Gross Revenue," "Allowance for Loan Losses to Bank Originated Loans Excluding PPP," "Adjusted Net Income Available to Common Shareholders," "Adjusted Basic Earnings Per Share," "Adjusted Diluted Earnings Per Share," "Adjusted Return on Average Assets," "Adjusted Return on Average Shareholders' Equity," and "Adjusted Return on Tangible Common Equity". The Company believes these non-GAAP financial measures provide both management and investors a more complete understanding of the Company's financial position and performance. These non-GAAP financial measures are supplemental and are not a substitute for any analysis based on GAAP financial measures. Not all companies use the same calculation of these measures; therefore, this presentation may not be comparable to other similarly titled measures as presented by other companies. Reconciliation of non-GAAP financial measures, to GAAP financial measures are provided at the end of this press release.

Forward-Looking Statements

Statements in this news release regarding our expectations and beliefs about our future financial performance and financial condition, as well as trends in our business and markets are “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements often include words such as “believe,” “expect,” “anticipate,” “intend,” “plan,” “estimate,” “project,” “position,” “outlook,” or words of similar meaning, or future or conditional verbs such as “will,” “would,” “should,” “opportunity,” “could,” or “may.” The forward-looking statements in this news release are based on current information and on assumptions that we make about future events and circumstances that are subject to a number of risks and uncertainties that are often difficult to predict and beyond our control. As a result of those risks and uncertainties, our actual financial results in the future could differ, possibly materially, from those expressed in or implied by the forward-looking statements contained in this news release and could cause us to make changes to our future plans. Those risks and uncertainties include, without limitation, the COVID-19 pandemic and its effects; integration risks and projected cost savings 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 loan 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, 2022 (“Form 10-K”), and other documents we file with the SEC from time to time. We urge readers of this news release to review the “Risk Factors” section our Form 10-K and any updates to those risk factors set forth in our subsequent Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and our other filings with the SEC. Also, our actual financial results in the future may differ from those currently expected due to additional risks and uncertainties of which we are not currently aware or which we do not currently view as, but in the future may become, material to our business or operating results. Due to these and other possible uncertainties and risks, readers are cautioned not to place undue reliance on the forward-looking statements contained in this news release, which speak only as of today’s date, or to make predictions based solely on historical financial performance. Any forward-looking statement speaks only as of the date on which it is made, and we do not undertake any obligation to update or review any forward-looking statement, whether as a result of new information, future developments or otherwise, except as required by law.

Contacts:

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First Western Financial, Inc.
Consolidated Financial Summary (unaudited)

	Three Months Ended		
	September 30, 2022	June 30, 2022	September 30, 2021
<i>(Dollars in thousands, except per share amounts)</i>			
Interest and dividend income:			
Loans, including fees	\$ 24,831	\$ 20,318	\$ 15,861
Loans accounted for under the fair value option	513	346	—
Investment securities	653	418	180
Interest-bearing deposits in other financial institutions	533	549	105
Total interest and dividend income	26,530	21,631	16,146
Interest expense:			
Deposits	2,706	1,103	829
Other borrowed funds	1,027	390	471
Total interest expense	3,733	1,493	1,300
Net interest income	22,797	20,138	14,846
Less: provision for loan losses	1,756	519	406
Net interest income, after provision for loan losses	21,041	19,619	14,440
Non-interest income:			
Trust and investment management fees	4,664	4,784	5,167
Net gain on mortgage loans	885	1,152	4,480
Bank fees	670	601	458
Risk management and insurance fees	115	83	301
Income on company-owned life insurance	88	87	89
Net (loss)/gain on loans accounted for under the fair value option	(134)	(155)	—
Unrealized gain/(loss) recognized on equity securities	75	299	(3)
Net gain/(loss) on equity interests	6	—	—
Other	85	89	—
Total non-interest income	6,454	6,940	10,492
Total income before non-interest expense	27,495	26,559	24,932
Non-interest expense:			
Salaries and employee benefits	11,566	12,945	10,229
Occupancy and equipment	1,836	1,892	1,550
Professional services	2,316	2,027	1,660
Technology and information systems	1,172	1,076	945
Data processing	888	987	912
Marketing	403	428	397
Amortization of other intangible assets	77	77	5
Net (gain)/loss on assets held for sale	(1)	(2)	—
Net (gain)/loss on sale of other real estate owned	(41)	—	—
Other	1,044	1,153	768
Total non-interest expense	19,260	20,583	16,466
Income before income taxes	8,235	5,976	8,466
Income tax expense	2,014	1,494	2,049
Net income available to common shareholders	\$ 6,221	\$ 4,482	\$ 6,417
Earnings per common share:			
Basic	\$ 0.66	\$ 0.47	\$ 0.80
Diluted	0.64	0.46	0.78

First Western Financial, Inc.
Consolidated Financial Summary (unaudited)

<i>(Dollars in thousands)</i>	<u>September 30,</u> <u>2022</u>	<u>June 30,</u> <u>2022</u>	<u>September 30,</u> <u>2021</u>
Assets			
Cash and cash equivalents:			
Cash and due from banks	\$ 8,308	\$ 11,790	\$ 2,829
Federal funds sold	—	385	—
Interest-bearing deposits in other financial institutions	156,940	159,431	307,406
Total cash and cash equivalents	165,248	171,606	310,235
Available-for-sale securities, at fair value	—	—	32,233
Held-to-maturity securities, at amortized cost (fair value of \$78,624 and \$84,742 as of September 30, 2022 and June 30, 2022, respectively)	84,257	87,029	—
Correspondent bank stock, at cost	12,783	4,352	1,772
Mortgage loans held for sale	12,743	26,202	51,309
Loans (includes \$22,871, \$21,477, and \$0 measured at fair value, respectively)	2,351,322	2,146,394	1,603,050
Allowance for loan losses	(16,081)	(14,357)	(12,964)
Loans, net	2,335,241	2,132,037	1,590,086
Premises and equipment, net	24,668	24,236	6,344
Accrued interest receivable	8,451	7,884	6,306
Accounts receivable	5,947	5,192	5,500
Other receivables	2,868	4,575	1,553
Other real estate owned, net	187	378	—
Goodwill and other intangible assets, net	32,181	32,258	24,246
Deferred tax assets, net	6,849	7,662	5,926
Company-owned life insurance	16,064	15,976	15,715
Other assets	21,212	21,960	25,047
Assets held for sale	—	146	—
Total assets	<u>\$ 2,728,699</u>	<u>\$ 2,541,493</u>	<u>\$ 2,076,272</u>
Liabilities			
Deposits:			
Noninterest-bearing	\$ 662,055	\$ 668,342	\$ 596,635
Interest-bearing	1,505,392	1,501,656	1,185,664
Total deposits	2,167,447	2,169,998	1,782,299
Borrowings:			
FHLB and Federal Reserve borrowings	273,225	87,223	58,564
Subordinated notes	32,584	32,553	39,010
Accrued interest payable	664	304	357
Other liabilities	19,917	23,391	20,913
Total liabilities	2,493,837	2,313,469	1,901,143
Shareholders' Equity			
Total shareholders' equity	234,862	228,024	175,129
Total liabilities and shareholders' equity	<u>\$ 2,728,699</u>	<u>\$ 2,541,493</u>	<u>\$ 2,076,272</u>

First Western Financial, Inc.
Consolidated Financial Summary (unaudited)

<i>(Dollars in thousands)</i>	<u>September 30,</u> <u>2022</u>	<u>June 30,</u> <u>2022</u>	<u>September 30,</u> <u>2021</u>
Loan Portfolio			
Cash, Securities, and Other ⁽¹⁾	\$ 154,748	\$ 180,738	\$ 257,594
Consumer and Other ⁽²⁾	50,429	47,855	36,243
Construction and Development	228,060	162,426	132,141
1-4 Family Residential	822,796	732,725	502,439
Non-Owner Occupied CRE	527,836	489,111	358,369
Owner Occupied CRE	220,075	224,597	167,638
Commercial and Industrial	350,954	312,696	148,959
Total loans held for investment	2,354,898	2,150,148	1,603,383
Deferred (fees) costs and unamortized premiums/(unaccreted discounts), net ⁽³⁾	(3,576)	(3,754)	(333)
Gross loans	<u>\$ 2,351,322</u>	<u>\$ 2,146,394</u>	<u>\$ 1,603,050</u>
Mortgage loans held for sale	\$ 12,743	\$ 26,202	\$ 51,309
Deposit Portfolio			
Money market deposit accounts	\$ 1,010,846	\$ 1,033,739	\$ 905,196
Time deposits	186,680	147,623	137,015
Negotiable order of withdrawal accounts	277,225	287,195	137,833
Savings accounts	30,641	33,099	5,620
Total interest-bearing deposits	1,505,392	1,501,656	1,185,664
Noninterest-bearing accounts	662,055	668,342	596,635
Total deposits	<u>\$ 2,167,447</u>	<u>\$ 2,169,998</u>	<u>\$ 1,782,299</u>

⁽¹⁾ Includes PPP loans of \$7.7 million as of September 30, 2022, \$10.7 million as of June 30, 2022, and \$61.9 million as of September 30, 2021.

⁽²⁾ Includes loans held for investment accounted for under fair value option of \$22.6 million and \$21.1 million as of September 30, 2022 and June 30, 2022, respectively.

⁽³⁾ Includes fair value adjustments on loans held for investment accounted for under the fair value option.

First Western Financial, Inc.
Consolidated Financial Summary (unaudited) (continued)

<i>(Dollars in thousands)</i>	As of or for the Three Months Ended		
	September 30, 2022	June 30, 2022	September 30, 2021
Average Balance Sheets			
Assets			
Interest-earning assets:			
Interest-bearing deposits in other financial institutions	\$ 101,564	\$ 320,656	\$ 266,614
Federal funds sold	260	1,017	—
Investment securities	87,340	69,320	29,130
Loans	2,241,343	2,010,024	1,592,800
Interest-earning assets	2,430,507	2,401,017	1,888,544
Mortgage loans held for sale	11,535	19,452	54,717
Total interest-earning assets, plus mortgage loans held for sale	2,442,042	2,420,469	1,943,261
Allowance for loan losses	(14,981)	(13,257)	(12,740)
Noninterest-earning assets	131,381	119,857	92,901
Total assets	<u>\$ 2,558,442</u>	<u>\$ 2,527,069</u>	<u>\$ 2,023,422</u>
Liabilities and Shareholders' Equity			
Interest-bearing liabilities:			
Interest-bearing deposits	\$ 1,480,288	\$ 1,547,901	\$ 1,160,433
FHLB and Federal Reserve borrowings	119,025	20,815	81,307
Subordinated notes	32,564	32,533	29,236
Total interest-bearing liabilities	1,631,877	1,601,249	1,270,976
Noninterest-bearing liabilities:			
Noninterest-bearing deposits	673,949	679,531	562,569
Other liabilities	20,103	19,194	17,359
Total noninterest-bearing liabilities	694,052	698,725	579,928
Total shareholders' equity	232,513	227,095	172,518
Total liabilities and shareholders' equity	<u>\$ 2,558,442</u>	<u>\$ 2,527,069</u>	<u>\$ 2,023,422</u>
Yields/Cost of funds (annualized)			
Interest-bearing deposits in other financial institutions	2.08 %	0.68 %	0.16 %
Investment securities	2.99	2.41	2.47
Loans	4.52	4.11	3.98
Interest-earning assets	4.37	3.60	3.42
Mortgage loans held for sale	5.44	4.71	2.97
Total interest-earning assets, plus mortgage loans held for sale	4.37	3.61	3.41
Interest-bearing deposits	0.73	0.29	0.29
FHLB and Federal Reserve borrowings	2.23	0.54	0.40
Subordinated notes	4.45	4.45	5.32
Total interest-bearing liabilities	0.92	0.37	0.41
Net interest margin	3.75	3.35	3.14
Net interest rate spread	3.45	3.23	3.01

First Western Financial, Inc.
Consolidated Financial Summary (unaudited) (continued)

	As of or for the Three Months Ended		
	September 30, 2022	June 30, 2022	September 30, 2021
<i>(Dollars in thousands, except share and per share amounts)</i>			
Asset Quality			
Non-performing loans	\$ 3,744	\$ 3,931	\$ 4,358
Non-performing assets	3,931	4,309	4,358
Net charge-offs/(recoveries)	32	47	(6)
Non-performing loans to total loans	0.16 %	0.18 %	0.27 %
Non-performing assets to total assets	0.14	0.17	0.21
Allowance for loan losses to non-performing loans	429.51	365.23	297.48
Allowance for loan losses to total loans	0.68	0.67	0.81
Allowance for loan losses to bank originated loans excluding PPP ⁽¹⁾	0.77	0.78	0.91
Net charge-offs to average loans ⁽²⁾	0.00	0.00	0.00
Assets Under Management	\$ 5,918,403	\$ 6,277,588	\$ 6,905,935
Market Data			
Book value per share at period end	24.74	24.06	21.88
Tangible book value per common share ⁽¹⁾	21.35	20.65	18.85
Weighted average outstanding shares, basic	9,481,311	9,450,987	7,979,869
Weighted average outstanding shares, diluted	9,673,078	9,717,667	8,246,353
Shares outstanding at period end	9,492,006	9,478,710	8,002,874
Consolidated Capital			
Tier 1 capital to risk-weighted assets	9.54 %	10.15 %	10.66 %
CET1 to risk-weighted assets	9.54	10.15	10.66
Total capital to risk-weighted assets	11.84	12.58	14.37
Tier 1 capital to average assets	8.18	8.00	7.86
Bank Capital			
Tier 1 capital to risk-weighted assets	10.32	10.99	11.02
CET1 to risk-weighted assets	10.32	10.99	11.02
Total capital to risk-weighted assets	11.09	11.75	11.96
Tier 1 capital to average assets	8.84	8.65	8.11

⁽¹⁾ Represents a Non-GAAP financial measure. See “Reconciliation of Non-GAAP Measures” for a reconciliation of our Non-GAAP measures to the most directly comparable GAAP financial measure.

⁽²⁾ Value results in an immaterial amount.

First Western Financial, Inc.
Consolidated Financial Summary (unaudited) (continued)

Reconciliations of Non-GAAP Financial Measures

	As of or for the Three Months Ended		
	September 30, 2022	June 30, 2022	September 30, 2021
<i>(Dollars in thousands, except share and per share amounts)</i>			
Tangible Common			
Total shareholders' equity	\$ 234,862	\$ 228,024	\$ 175,129
Less: goodwill and other intangibles, net	32,181	32,258	24,246
Tangible common equity	<u>\$ 202,681</u>	<u>\$ 195,766</u>	<u>\$ 150,883</u>
Common shares outstanding, end of period	9,492,006	9,478,710	8,002,874
Tangible common book value per share	\$ 21.35	\$ 20.65	\$ 18.85
Net income available to common shareholders	6,221	4,482	6,417
Return on tangible common equity (annualized)	12.28 %	9.16 %	17.01 %
Efficiency			
Non-interest expense	\$ 19,260	\$ 20,583	\$ 16,466
Less: amortization	77	77	5
Less: acquisition related expenses	154	347	332
Adjusted non-interest expense	<u>\$ 19,029</u>	<u>\$ 20,159</u>	<u>\$ 16,129</u>
Total income before non-interest expense	\$ 27,495	\$ 26,559	\$ 24,932
Less: unrealized gain/(loss) recognized on equity securities	75	299	(3)
Less: net gain/(loss) on loans accounted for under the fair value option	(134)	(155)	—
Less: net gain/(loss) on equity interests	6	—	—
Plus: provision for loan losses	1,756	519	406
Gross revenue	<u>\$ 29,304</u>	<u>\$ 26,934</u>	<u>\$ 25,341</u>
Efficiency ratio	64.94 %	74.85 %	63.65 %
Allowance to Bank Originated Loans Excluding PPP			
Total loans held for investment	\$ 2,354,898	\$ 2,150,148	\$ 1,603,383
Less: loans acquired	248,573	287,623	117,465
Less: bank originated PPP loans	6,905	9,053	61,838
Less: loans accounted for under fair value	22,648	21,149	—
Bank originated loans excluding PPP	<u>\$ 2,076,772</u>	<u>\$ 1,832,323</u>	<u>\$ 1,424,080</u>
Allowance for loan losses	\$ 16,081	\$ 14,357	\$ 12,964
Allowance for loan losses to bank originated loans excluding PPP	<u>0.77 %</u>	<u>0.78 %</u>	<u>0.91 %</u>

First Western Financial, Inc.
Consolidated Financial Summary (unaudited) (continued)

	As of or for the Three Months Ended		
	September 30, 2022	June 30, 2022	September 30, 2021
<i>(Dollars in thousands, except share and per share data)</i>			
Adjusted Net Income Available to Common Shareholders			
Net income available to common shareholders	\$ 6,221	\$ 4,482	\$ 6,417
Plus: acquisition related expenses	154	347	332
Less: income tax impact	38	87	80
Adjusted net income available to shareholders	<u>\$ 6,337</u>	<u>\$ 4,742</u>	<u>\$ 6,669</u>
Pre-Tax, Pre-Provision Net Income			
Income before income taxes	\$ 8,235	\$ 5,976	\$ 8,466
Plus: provision for loan losses	1,756	519	406
Pre-tax, pre-provision net income	<u>\$ 9,991</u>	<u>\$ 6,495</u>	<u>\$ 8,872</u>
Adjusted Basic Earnings Per Share			
Basic earnings per share	\$ 0.66	\$ 0.47	\$ 0.80
Plus: acquisition related expenses net of income tax impact	0.01	0.03	0.04
Adjusted basic earnings per share	<u>\$ 0.67</u>	<u>\$ 0.50</u>	<u>\$ 0.84</u>
Adjusted Diluted Earnings Per Share			
Diluted earnings per share	\$ 0.64	\$ 0.46	\$ 0.78
Plus: acquisition related expenses net of income tax impact	0.02	0.03	0.03
Adjusted diluted earnings per share	<u>\$ 0.66</u>	<u>\$ 0.49</u>	<u>\$ 0.81</u>
Adjusted Return on Average Assets (annualized)			
Return on average assets	0.97 %	0.71 %	1.27 %
Plus: acquisition related expenses net of income tax impact	0.02	0.04	0.05
Adjusted return on average assets	<u>0.99 %</u>	<u>0.75 %</u>	<u>1.32 %</u>
Adjusted Return on Average Shareholders' Equity (annualized)			
Return on average shareholders' equity	10.70 %	7.89 %	14.88 %
Plus: acquisition related expenses net of income tax impact	0.20	0.46	0.58
Adjusted return on average shareholders' equity	<u>10.90 %</u>	<u>8.35 %</u>	<u>15.46 %</u>
Adjusted Return on Tangible Common Equity (annualized)			
Return on tangible common equity	12.28 %	9.16 %	17.01 %
Plus: acquisition related expenses net of income tax impact	0.23	0.53	0.67
Adjusted return on tangible common equity	<u>12.51 %</u>	<u>9.69 %</u>	<u>17.68 %</u>



FIRSTwestern

Third Quarter 2022
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. Those 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: the COVID-19 pandemic and its effects; 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, 2022 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.

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Overview of 3Q22

3Q22 Earnings

- Net income available to common shareholders of \$6.2 million, or \$0.64 per diluted share, up from \$4.5 million, or \$0.46 per diluted share, in 2Q22
- Excluding acquisition-related expenses, adjusted net income of \$6.3 million, or \$0.66 per diluted share⁽¹⁾
- Strong growth in net interest income and fully realized cost savings from the Teton acquisition more than offset the unfavorable environment for the fee generating businesses

Increasing Profitability and Value Creation

- ROAA, ROAE, and ROATCE all significantly higher than prior quarter
- Strong financial performance and effective management of investment portfolio driving growth in both book value and tangible book value per share
- Pre-tax, pre-provision net income⁽¹⁾ of \$10.0 million in 3Q22, compared to \$6.5 million in 2Q22 and \$8.9 million in 3Q21

Strong, Well Balanced Loan Growth

- Total loans held for investment increased at an annualized rate of 38%
- Increases across most major loan categories
- Effectively moving up market and working with larger clients is positively impacting loan production and loan growth

Asset Quality Remains Exceptional

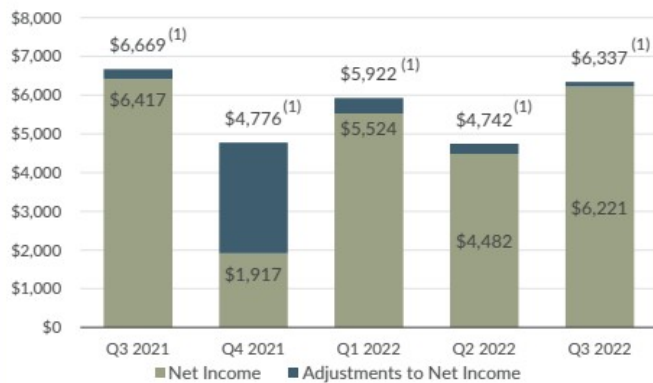
- Non-performing assets at 0.14% of total assets
- History of exceptionally low charge-offs continues

(1) See Non-GAAP reconciliation

Net Income Available to Common Shareholders and Earnings per Share

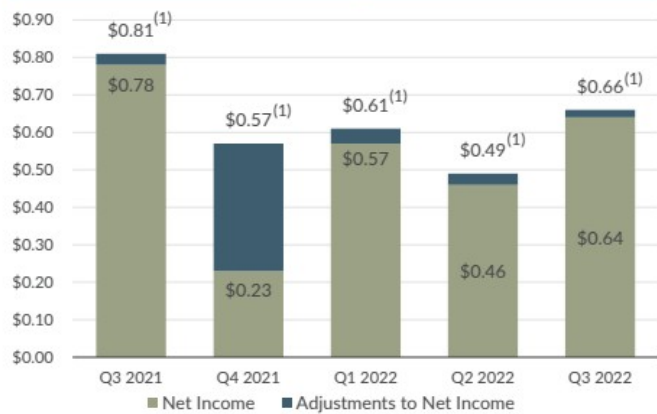
- Net income of \$6.2 million, or \$0.64 diluted earnings per share, in 3Q22
- Excluding acquisition-related expenses, adjusted diluted earnings per share⁽¹⁾ of \$0.66 in 3Q22
- Strong profitability resulted in 2.8% and 3.4% increase in book value per share and tangible book value per share⁽¹⁾, respectively, from 2Q22
- Consistent value creation has led to book value and tangible book value per share⁽¹⁾ both increasing by more than 13% over the past year

Net Income Available to Common Shareholders



(1) See Non-GAAP reconciliation

Diluted Earnings per Share



Loan Portfolio

Loan Portfolio Details

- Total loans held for investment increased \$204.8 million from prior quarter
- Continued strong loan production and a moderation in payoffs results in another quarter of significant loan growth
- Average rate on new loan production increased by more than 100 bps from prior quarter
- Growth in most major loan categories with C&I, CRE, construction and 1-4 family residential portfolios all increasing between \$30 and \$100 million from prior quarter

Loan Portfolio Composition⁽¹⁾

(\$ in thousands, as of quarter end)

	3Q 2021	2Q 2022	3Q 2022
Cash, Securities and Other	\$257,594	\$180,738	\$154,748
Consumer and Other ⁽²⁾	36,243	47,855	50,429
Construction and Development	132,141	162,426	228,060
1-4 Family Residential	502,439	732,725	822,796
Non-Owner Occupied CRE	358,369	489,111	527,836
Owner Occupied CRE	167,638	224,597	220,075
Commercial and Industrial	148,959	312,696	350,954
Total Loans HFI	\$1,603,383	2,150,148	2,354,898
Mortgage loans held-for-sale (HFS)	51,309	26,202	12,743
Total Loans	\$1,654,692	\$2,176,350	\$2,367,641

(1) Represents unpaid principal balance. Excludes deferred (fees) costs, and amortized premium/ (unaccreted discount) and fair value adjustments on loans accounted for under the fair value option.

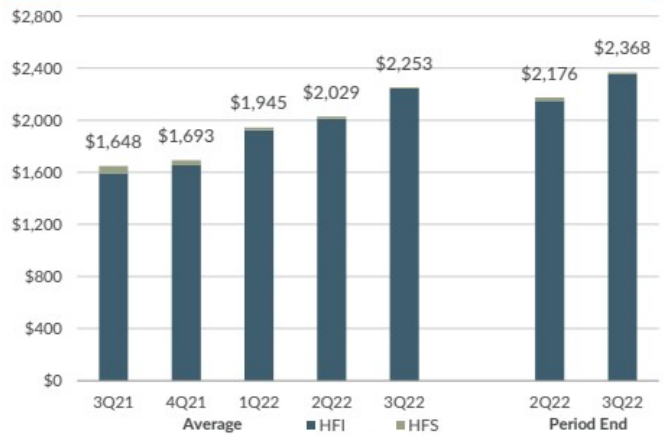
(2) Includes loans held for investment accounted for under fair value option of \$22.6 million and \$21.1 million as of September 30, 2022 and June 30, 2022, respectively.

Loan Production & Loan Payoffs

(in millions)



Total Loans⁽¹⁾



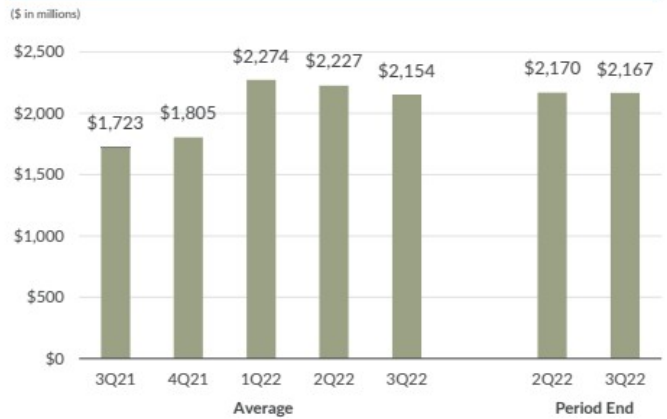
Total Deposits

- Total deposits essentially unchanged from end of prior quarter
- Minor fluctuations in each deposit category
- Interest bearing deposit costs increased 44 bps due to the higher interest rate environment and increased competition for deposits

Deposit Portfolio Composition

	3Q 2021	2Q 2022	3Q 2022
Money market deposit accounts	\$905,196	\$1,033,739	\$1,010,846
Time deposits	137,015	147,623	186,680
NOW	137,833	287,195	277,225
Savings accounts	5,620	33,099	30,641
Noninterest-bearing accounts	596,635	668,342	662,055
Total Deposits	\$1,782,299	\$2,169,998	\$2,167,447

Total Deposits



Trust and Investment Management

- Total assets under management decreased \$359.2 million from June 30, 2022 to \$5.92 billion as of September 30, 2022
- The decrease in asset balances was primarily attributable to unfavorable market conditions resulting in a decrease in the value of assets under management balances
- All model portfolios continue to outperform their respective benchmark helping moderate the impact of this year's market pullback

Total Assets Under Management

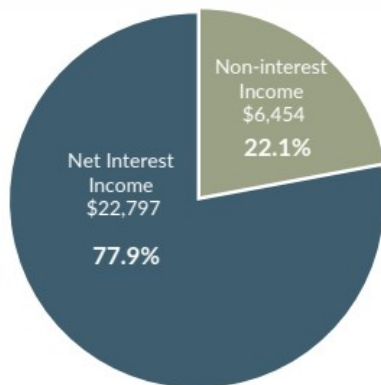
(in millions, as of quarter end)



Gross Revenue

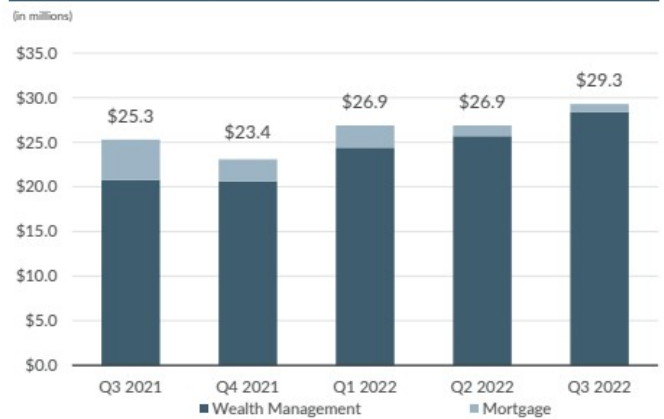
- Gross revenue⁽¹⁾ increased 8.8% from 2Q22
- Higher net interest income more than offset decline in non-interest income
- Accelerating growth, gross revenue excluding net gain on mortgage loans⁽¹⁾ up 41% annualized from 2Q22 and 36% from 3Q21

3Q22 Gross Revenue⁽¹⁾



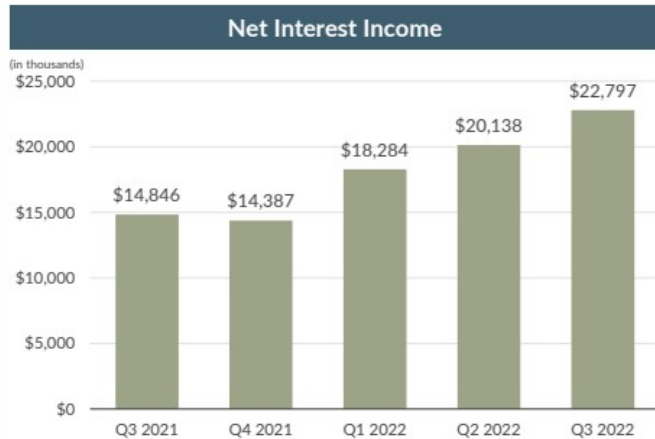
(1) See Non-GAAP reconciliation

Gross Revenue⁽¹⁾

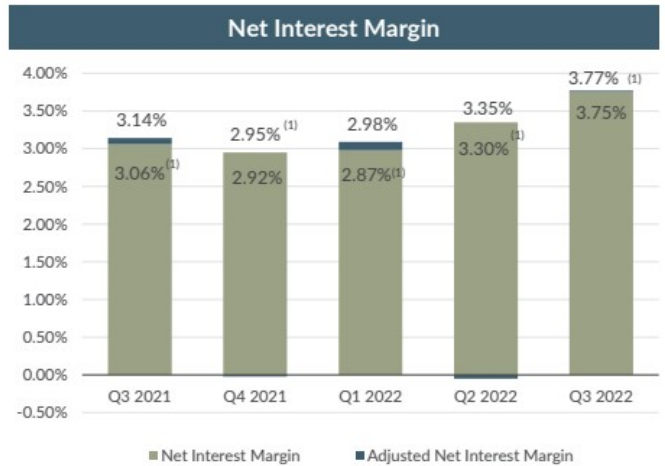


Net Interest Income and Net Interest Margin

- Net interest income increased to \$22.8 million, or 13.2%, from \$20.1 million in 2Q22 and 53.6% from \$14.8 million in 3Q21
- Net interest margin, excluding PPP and purchase accretion⁽¹⁾, increased 47 bps to 3.77%, primarily due to favorable shift in mix of earning assets and higher yields on earning assets
- Net interest margin expected to decrease in near future as increase in funding costs expected to offset higher yields on earning assets

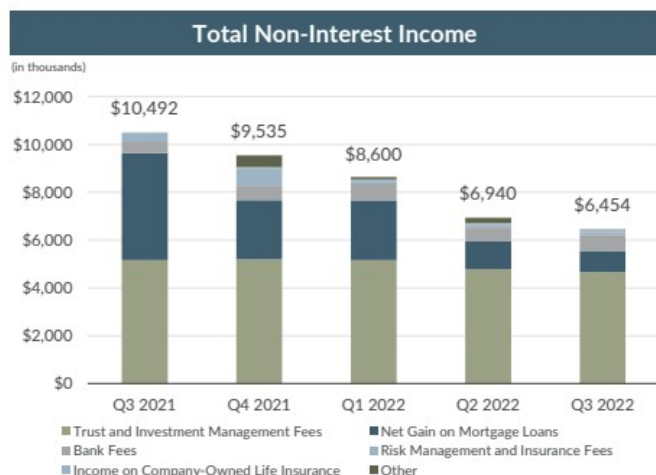


(1) See Non-GAAP reconciliation



Non-Interest Income

- Non-interest income decreased 7.0% from 2Q22, primarily due to lower net gain on mortgage sales and slight decline in Trust and Investment Management fees due to decline in AUM resulting from market performance
- Volume of locks on mortgage loans originated for sale declined 25% from the prior quarter, with 94% of the originations being purchase loans
- Small increases in bank fees and risk management and insurance fees

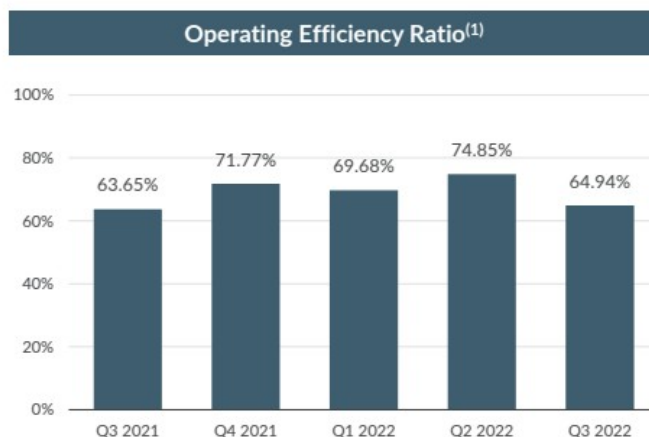


Non-Interest Expense and Efficiency Ratio

- Non-interest expense decreased 6.4% from 2Q22
- Efficiency ratio trending down below 65%
- Cost savings from Teton acquisition have been fully realized and 3Q22 benefited from full quarter impact of system conversion and branch consolidation that occurred in mid-May
- Decrease in non-interest expense primarily due to decline in salaries and employment benefits driven by higher deferred loan costs, lower incentive compensation, and a decline in health insurance and payroll taxes



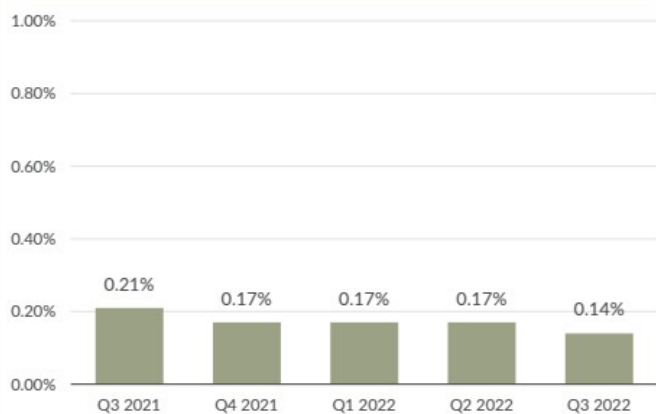
(1) See Non-GAAP reconciliation



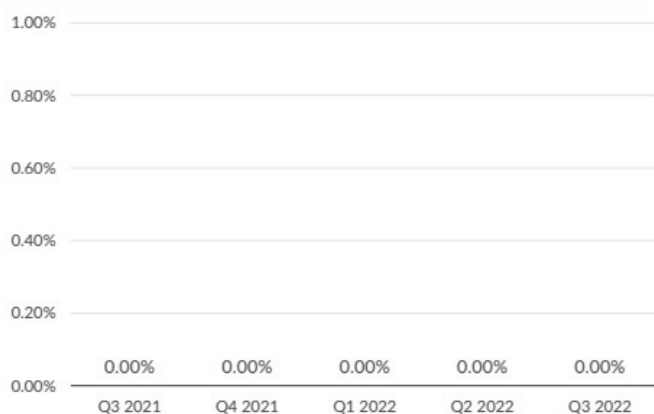
Asset Quality

- Stable asset quality across the portfolio with NPAs down slightly from 2Q22
- Immaterial net charge-offs again in the quarter
- \$1.8 million provision for loan losses related to growth in total loans, excluding PPP loans, and changes in portfolio mix
- ALLL/Adjusted Total Loans⁽¹⁾ decreased to 0.77% in 3Q22 from 0.78% in 2Q22, consistent with strong asset quality, consistent methodology, and immaterial losses

Non-Performing Assets/Total Assets



Net Charge-Offs/Average Loans



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

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Near-Term Outlook

- Adjustments in underwriting and loan pricing to reflect more cautious approach in light of potential economic slowdown will likely lead to a moderation in loan growth
- Diverse loan production platform and increasing contributions from new banking talent added in Colorado, Montana and Arizona expected to continue generating significant loan growth even with more conservative underwriting and pricing
- Increasing focus on core deposit gathering to fund strong loan production
- Relatively stable expense levels with near-term market expansion efforts largely completed
- Continued loan growth and improved efficiencies expected to result in continued strong financial performance
- Strong asset quality, conservative underwriting, and high levels of capital position First Western well to manage through any economic slowdown

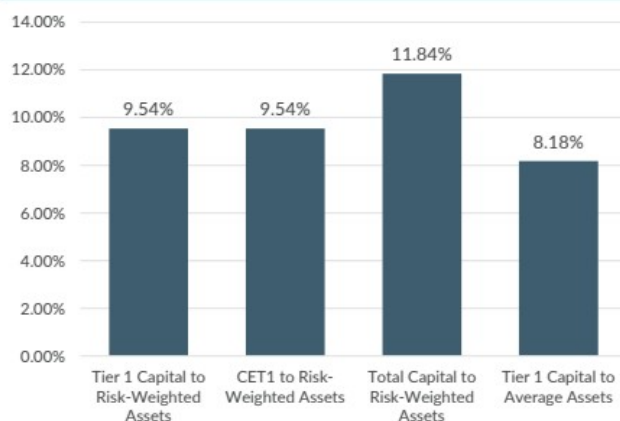
Appendix

Capital and Liquidity Overview

Tangible Common Equity / TBV per Share⁽¹⁾



Consolidated Capital Ratios (as of 9/30/22)



Liquidity Funding Sources (as of 9/30/22)

(in thousands)

Liquidity Reserves:

Total Available Cash	\$ 163,419
Unpledged Investment Securities	68,433

Borrowed Funds:

Unsecured:

Credit Lines	54,000
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Secured:

FHLB Available	532,376
Brokered Remaining Capacity	383,277

Total Liquidity Funding Sources **\$ 1,201,862**

Loan to Deposit Ratio **108.5%**

(1) See Non-GAAP reconciliation

Non-GAAP Reconciliation

Consolidated Efficiency Ratio	For the Three Months Ended,				
	September 30, 2021	December 31, 2021	March 31, 2022	June 30, 2022	September 30, 2022
(Dollars in thousands)					
Non-interest expense	\$16,466	\$20,523	\$19,358	\$20,583	\$19,260
Less: amortization	5	4	77	77	77
Less: acquisition related expenses	332	3,696	527	347	154
Adjusted non-interest expense	\$16,129	\$16,823	\$18,754	\$20,159	\$19,029
Net interest income	\$14,846	\$14,387	\$18,284	\$20,138	\$22,797
Non-interest income	10,492	9,535	8,600	6,940	6,454
Less: unrealized gains/(losses) recognized on equity securities	(3)	(7)	(32)	299	75
Less: net gain/(loss) on loans accounted for under the fair value option	-	-	-	(155)	(134)
Less: Net gain on equity interests	-	489	1	-	6
Adjusted non-interest income	10,495	9,053	8,631	6,796	6,507
Total income	\$25,341	\$23,440	\$26,915	\$26,934	\$29,304
Efficiency ratio	63.65%	71.77%	69.68%	74.85%	64.94%

Consolidated Tangible Common Book Value Per Share	As of,					
	Dec. 31, 2018	Dec. 31, 2019	Dec. 31, 2020	Dec. 31, 2021	June 30, 2022	September 30, 2022
(Dollars in thousands)						
Total shareholders' equity	\$116,875	\$127,678	\$154,962	\$219,041	\$228,024	\$234,862
Less:						
Goodwill and other intangibles, net	25,213	19,714	24,258	31,902	32,258	32,181
Intangibles held for sale ⁽¹⁾	-	3,553	-	-	-	-
Tangible common equity	91,662	104,411	\$130,704	187,139	195,766	202,681
Common shares outstanding, end of period	7,968,420	7,940,168	7,951,773	9,419,271	9,478,710	9,492,006
Tangible common book value per share	\$11.50	\$13.15	\$16.44	\$19.87	\$20.65	\$21.35
Net income available to common shareholders						\$6,221
Return on tangible common equity (annualized)						12.28%

(1) Represents the intangible portion of assets held for sale

Non-GAAP Reconciliation

Wealth Management Gross Revenue	For the Three Months Ended,				
(Dollars in thousands)	September 30, 2021	December 31, 2021	March 31, 2022	June 30, 2022	September 30, 2022
Total income before non-interest expense	\$20,435	\$20,612	\$24,156	\$25,282	\$26,555
Less: unrealized gains/(losses) recognized on equity securities	(3)	(7)	(32)	299	75
Less: net gain/(loss) on loans accounted for under the fair value option	-	-	-	(155)	(134)
Less: net gain on equity interests	-	489	1	-	6
Plus: provision for loan loss	406	812	210	519	1,756
Gross revenue	\$20,844	\$20,942	\$24,397	\$25,657	\$28,364

Mortgage Gross Revenue	For the Three Months Ended,				
(Dollars in thousands)	September 30, 2021	December 31, 2021	March 31, 2022	June 30, 2022	September 30, 2022
Total income before non-interest expense	\$4,497	\$2,498	\$2,518	\$1,277	\$940
Plus: provision for loan loss	-	-	-	-	-
Gross revenue	\$4,497	\$2,498	\$2,518	\$1,277	\$940

Consolidated Gross Revenue	For the Three Months Ended,				
(Dollars in thousands)	September 30, 2021	December 31, 2021	March 31, 2022	June 30, 2022	September 30, 2022
Total income before non-interest expense	\$24,932	\$23,110	\$26,674	\$26,559	\$27,495
Less: unrealized gains/(losses) recognized on equity securities	(3)	(7)	(32)	299	75
Less: net gain/(loss) on loans accounted for under the fair value option	-	-	-	(155)	(134)
Less: net gain on equity interests	-	489	1	-	6
Plus: provision for loan loss	406	812	210	519	1,756
Gross revenue	\$25,341	\$23,440	\$26,915	\$26,934	\$29,304

Gross Revenue excluding net gain on mortgage loans	For the Three Months Ended,		
(Dollars in thousands)	September 30, 2021	June 30, 2022	September 30, 2022
Gross revenue	\$25,341	\$26,934	\$29,304
Less: net gain on mortgage loans	4,480	1,152	885
Gross revenue excluding net gain on mortgage loans	\$20,861	\$25,782	\$28,419

Non-GAAP Reconciliation

Adjusted net income available to common shareholders	For the Three Months Ended,				
(Dollars in thousands, except per share data)	September 30, 2021	December 31, 2021	March 31, 2022	June 30, 2022	September 30, 2022
Net income available to common shareholders	\$6,417	\$1,917	\$5,524	\$4,482	\$6,221
Plus: acquisition related expense including tax impact	252	2,859	398	260	116
Adjusted net income to common shareholders	\$6,669	\$4,776	\$5,922	\$4,742	\$6,337
Adjusted diluted earnings per share	For the Three Months Ended,				
(Dollars in thousands, except per share data)	September 30, 2021	December 31, 2021	March 31, 2022	June 30, 2022	September 30, 2022
Diluted earnings per share	\$0.78	\$0.23	\$0.57	\$0.46	\$0.64
Plus: acquisition related expenses including tax impact	0.03	0.34	0.04	0.03	0.02
Adjusted diluted earnings per share	\$0.81	\$0.57	\$0.61	\$0.49	\$0.66
Pre-tax, pre-provision net income	For the Three Months Ended,				
(Dollars in thousands)	September 30, 2021	June 30, 2022	September 30, 2022		
Income before income taxes	\$8,235	\$5,976	\$8,466		
Plus: provision for loan losses	1,756	519	406		
Pre-tax, pre-provision net income	\$9,991	\$6,495	\$8,872		
Allowance for loan losses to Bank originated loans excluding PPP	As of				
(Dollars in thousands)	December 31, 2021	March 31, 2022	June 30, 2022	September 30, 2022	
Total loans held for investment	\$1,954,168	\$1,931,122	\$2,150,148	\$2,354,898	
Less: Branch acquisition	360,661	323,563	287,623	248,573	
Less: PPP loans	40,062	13,109	9,053	6,905	
Less: Purchased loans accounted for under fair value	-	6,368	21,149	22,648	
Loans excluding acquired and PPP	1,553,445	1,588,082	1,832,323	2,076,772	
Allowance for loan losses	13,732	13,885	14,357	16,081	
Allowance for loan losses to Bank originated loans excluding PPP	0.88%	0.87%	0.78%	0.77%	

Non-GAAP Reconciliation

Adjusted net interest margin	For the Three Months Ended September 30, 2021			For the Three Months Ended December 31, 2021			For the Three Months Ended March 31, 2022			For the Three Months Ended June 30, 2022			For the Three Months Ended September 30, 2022		
	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
(Dollars in thousands)															
Interest-bearing deposits in other financial institutions	266,614	105		279,406	109		475,942	232		321,673	549		101,824	533	
PPP adjustment	1,636	-		9,556	3		12,378	6		4,493	9		2,798	16	
Investment securities	29,130	180		36,001	226		55,739	337		69,320	418		87,340	653	
PPP adjustment	-	-		-	-		-	-		-	-		-	-	
Loans	1,592,800	15,861		1,653,920	15,398		1,922,770	19,096		2,010,024	20,663		2,241,343	25,345	
PPP adjustment	(81,476)	(1,081)		(51,825)	(622)		(30,481)	(491)		(13,385)	(148)		(9,026)	(73)	
Purchase Accretion adjustment	-	35		-	398		-	(328)		-	(288)		-	114	
Adjusted total interest-earning assets	1,808,704	15,100		1,927,058	15,512		2,436,348	18,852		2,392,125	21,203		2,424,279	26,588	
Interest-bearing deposits		829			813			943			1,103			2,706	
PPP adjustment		-			-			-			-			-	
Federal Home Loan Bank Topeka and Federal Reserve borrowings		82			55			39			28			656	
PPP adjustment		(59)			(31)			(16)			(8)			(3)	
Subordinated notes		389			477			400			361			362	
Adjusted total interest-bearing liabilities		1,241			1,314			1,366			1,484			3,721	
Net interest income		13,859			14,198			17,486			19,719			22,867	
Adjusted net interest margin			3.06%			2.95%			2.87%			3.30%			3.77%