



FIRSTwestern

2023 Annual Meeting of Shareholders
June 21, 2023

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2022 Review and Highlights

- Continued growth in core earnings despite challenging operating environment and unfavorable conditions for wealth management and mortgage banking businesses
 - 3.4% increase in Adjusted Pre-Tax, Pre-Provision Income⁽¹⁾
- Increase in core earnings driven by continued organic growth and accretive acquisitions
- Successful integration of Teton Financial Services acquisition and realization of all cost savings projected for the transaction
- Highly productive commercial banking team built over the past few years and expanded presence in Arizona, Wyoming and Montana positively impacted business development efforts and resulted in 27% organic loan growth in 2022
- Asset quality remained exceptional despite more challenging macroeconomic conditions created by inflation and higher interest rates
- High priority on effective risk management as company has grown enabled First Western to avoid the issues that led to bank failures in early 2023
- Strong financial performance and prudent balance sheet management resulted in significant increase in shareholder value
 - Tangible book value per share increased 11% in 2022⁽¹⁾

(1) See Non-GAAP reconciliation

Strong Franchise Fundamentals

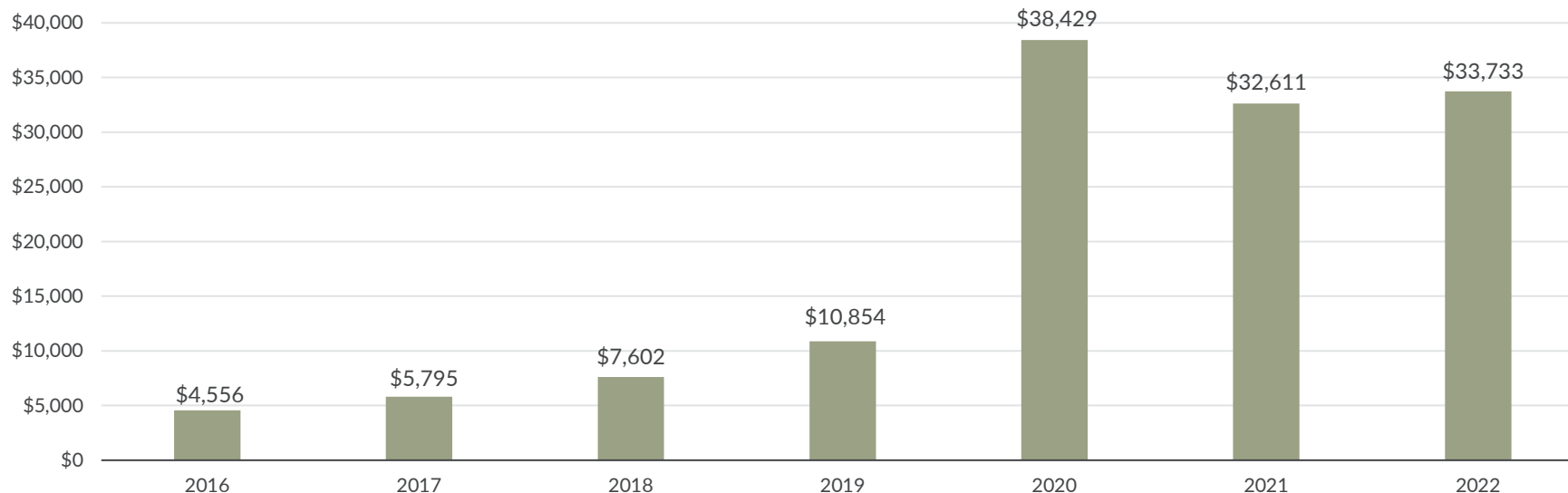
- Well diversified client base with no significant industry or asset class concentrations in deposit base or loan portfolio
- Granular deposit base with low average account balances, high level of insured deposits, and no exposure to crypto or VC-related deposits
- Very low level of unrealized losses in investment portfolio
- Conservatively underwritten, well diversified CRE loan portfolio with minimal exposure to office CRE loans
- Strength of client base and conservative underwriting standards requiring multiple sources of repayment has resulted in exceptionally low credit losses throughout First Western's history

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
- Outstanding asset quality and low credit costs

Adjusted Pre-Tax, Pre-Provision Income⁽¹⁾ (\$000s)



(1) See Non-GAAP reconciliation

Consistent Value Creation

TBV/Share⁽¹⁾ Up 144% Since July 2018 IPO



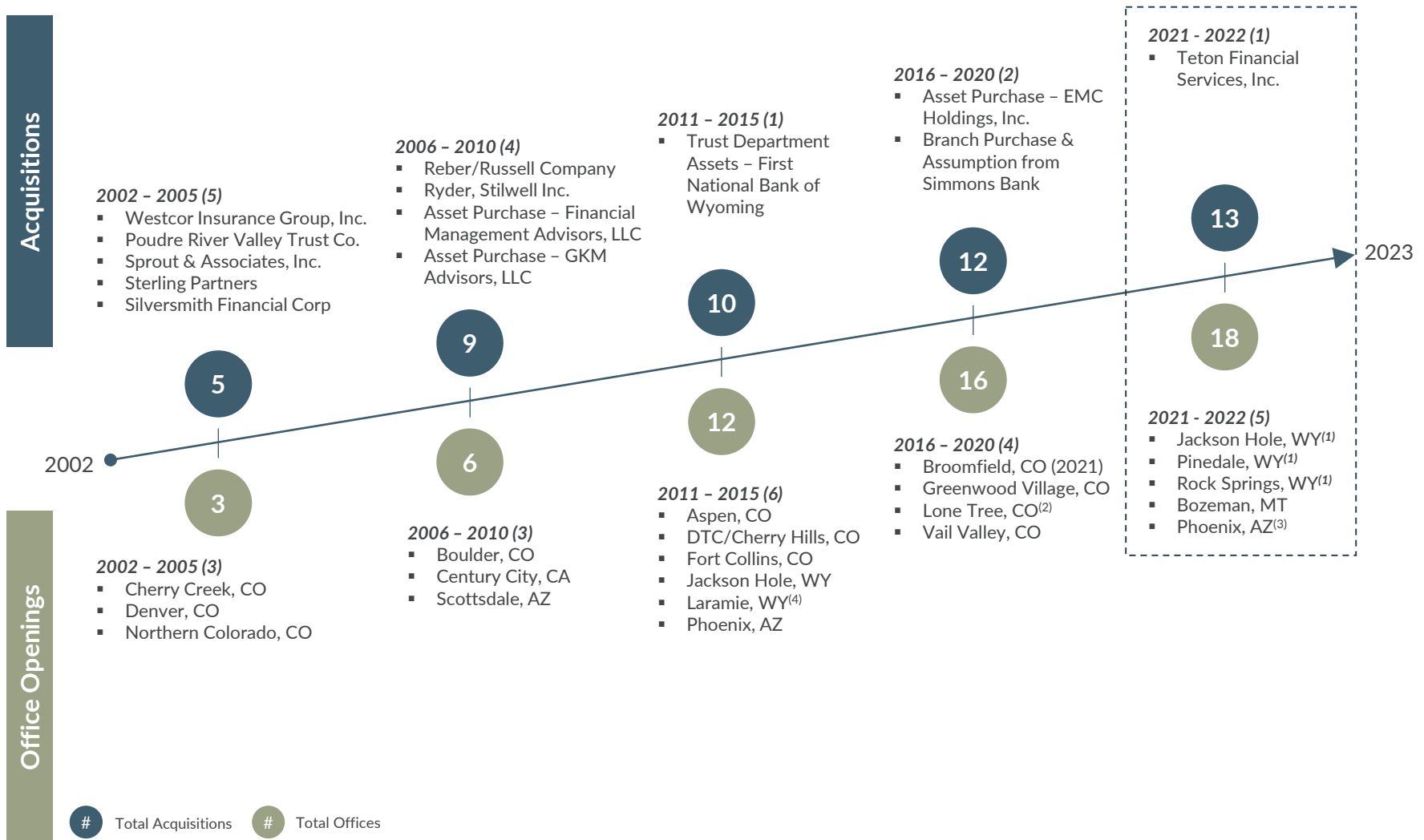
(1) See Non-GAAP reconciliation

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



Driving Profitable Growth

Success in Expansion and Acquisition Growth



(1) Added through the Teton Financial Services, Inc. acquisition. Jackson Hole offices were consolidated in May 2022

(2) Lone Tree branch closed in 2Q2022

(3) Phoenix loan production office opened in 4Q2022

(4) Laramie trust office closed 1Q2023

Revenue Growth Strategies

Expand commercial loan production platform

- Building expertise in specific vertical markets, e.g. medical and dental practices
- 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 3Q21
- Added team to focus on Bozeman, MT market in 2Q21
- Added teams to expand presence in Arizona in 2022

Execute on revenue synergies from Teton acquisition

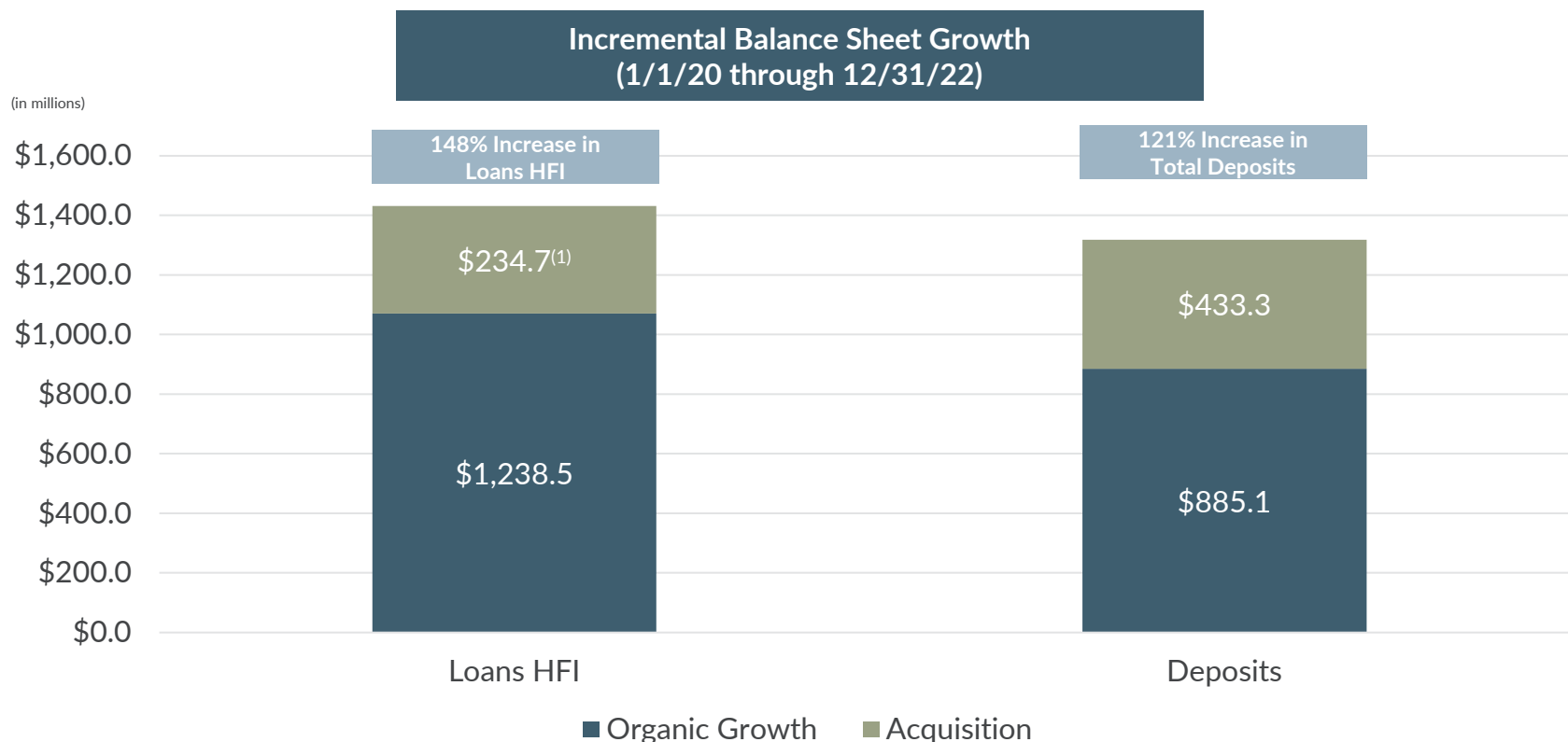
- Capitalize on higher legal lending limit to expand relationships with existing clients and pursue larger commercial clients
- Cross-sell MYFW's larger offering of trust and wealth management products to new client base
- Continue adding banking talent to further accelerate market share gains in Wyoming

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

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

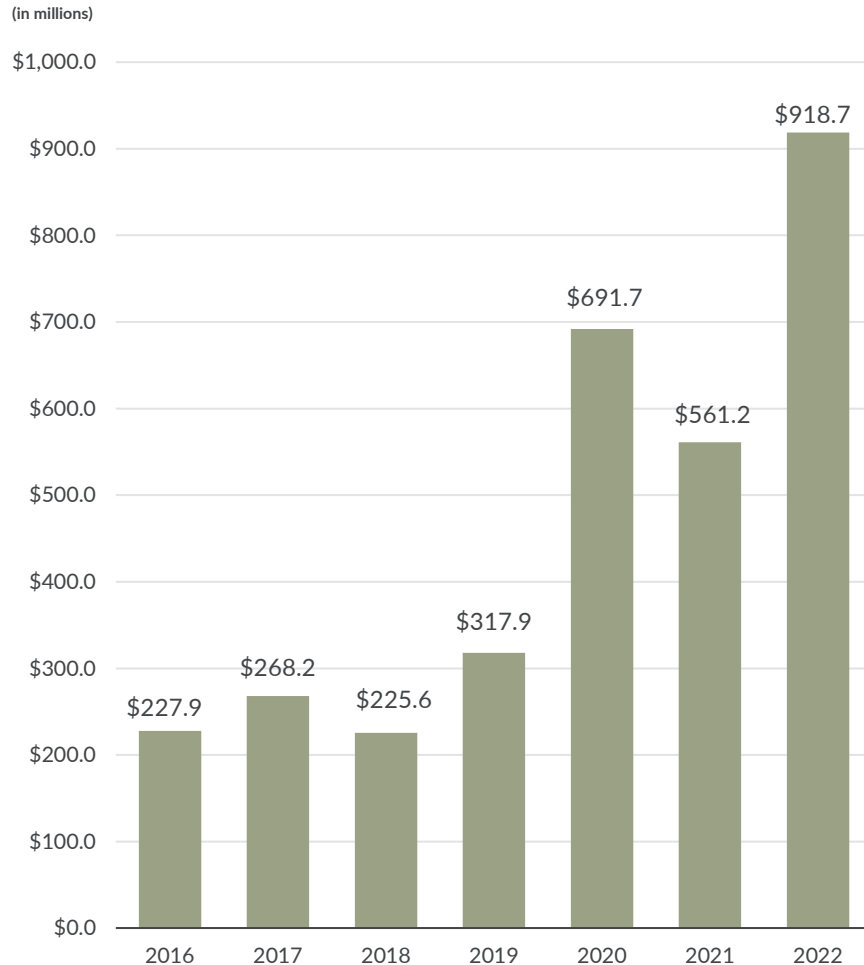


(1) Acquired growth represents remaining balances as of December 31, 2022 following payoffs/paydowns since the loans were acquired.

Accelerating Business Development Trends

Capital raised in July 2018 IPO has allowed for increased business development activities

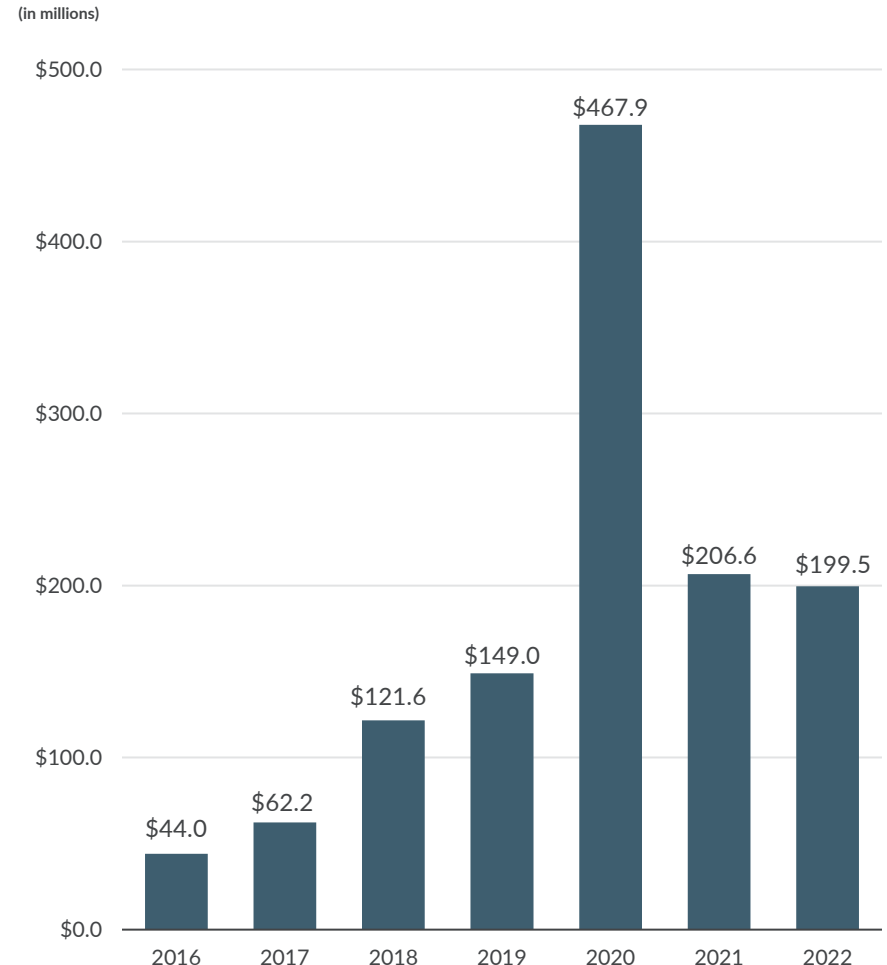
New Loan Production⁽¹⁾



(1) Excluding PPP loans

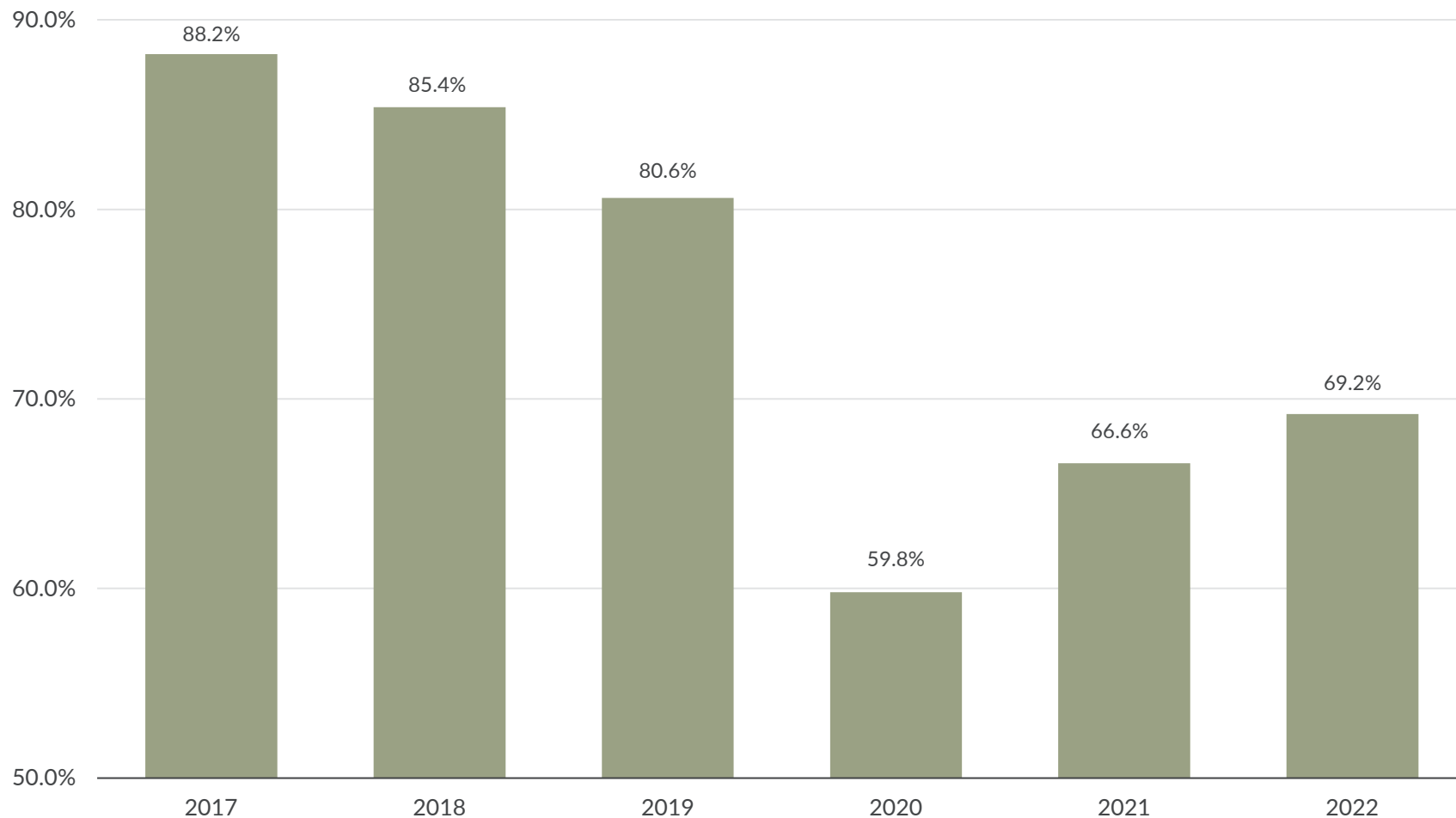
(2) Excluding acquired deposits

Net Deposit Growth⁽²⁾



Increased Scale and Back-Office Streamlining Driving Improved Efficiencies

Efficiency Ratio⁽¹⁾

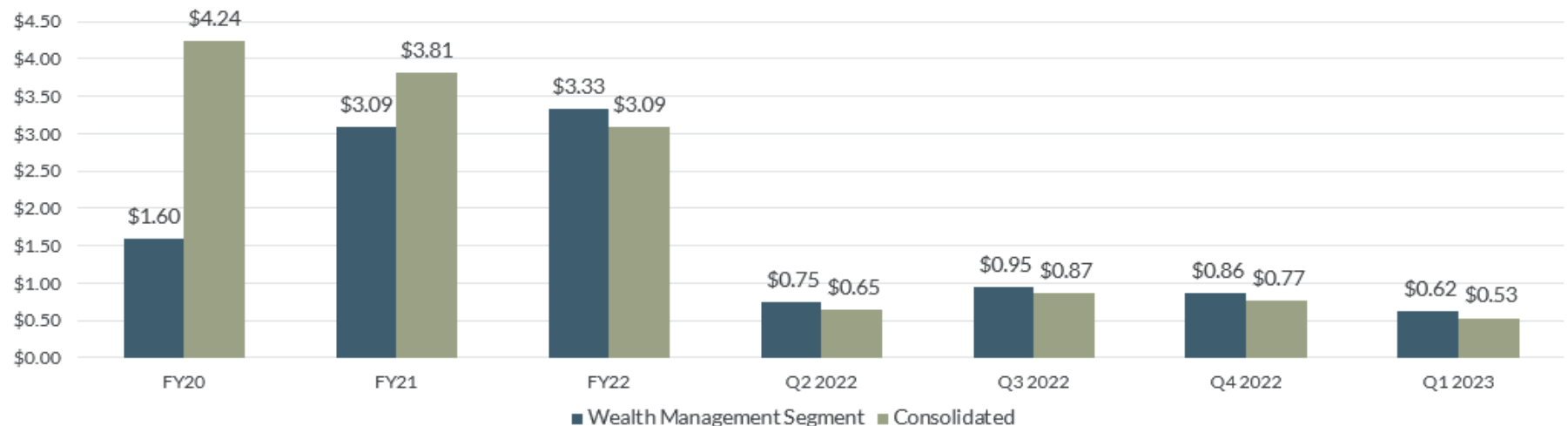


(1) See Non-GAAP reconciliation

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⁽¹⁾



(1) See Non-GAAP reconciliation

Creating Additional Shareholder Value

2023 Outlook and Priorities

- Prudent risk management will remain top priority while economic uncertainty remains, which will impact level of profitability in short term
- We expect strength of balance sheet will enable First Western to capitalize on current turmoil in banking industry to add new clients and talent looking to move to a stronger financial institution
- Reorganization of offices will enable senior leadership to devote more time to business development
- Continued focus on disciplined expense control to realize more operating leverage
- As during the pandemic, First Western is well positioned to be a source of strength and stability, capitalize on opportunities to add new clients, and generate continued long-term profitable growth that will create value for shareholders
- Completed operating expense review in April that will reduce ongoing costs by 6.9% or \$1.4 million per quarter vs. 1Q23 expenses

Long-Term Goals to Drive Shareholder Value

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

- 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

Non-GAAP Reconciliations

Non-GAAP Reconciliation

<i>Consolidated Adjusted Pre-tax, Pre-provision Income</i> (Dollars in thousands)	For the Twelve Months Ended December 31,						
	2016	2017	2018	2019	2020	2021	2022
Net Income before income tax, as reported	\$3,571	\$5,007	\$7,422	\$10,192	\$33,063	\$27,280	\$28,828
Plus: Provision for loan losses	985	788	180	662	4,682	1,230	3,682
Pre-tax, Pre-provision Income	\$4,556	\$5,795	\$7,602	\$10,854	\$37,745	\$28,510	\$32,510
Plus: Acquisition related expenses	-	-	-	-	684	4,101	1,223
Adjusted Pre-tax, Pre-provision Income	\$4,556	\$5,795	\$7,602	\$10,854	\$38,429	\$32,611	\$33,733

Non-GAAP Reconciliation

Consolidated Efficiency Ratio (Dollars in thousands)	For the Years Ended,						
	2016	2017	2018	2019	2020	2021	2022
Non-interest expense	\$49,823	\$49,494	\$50,182	\$53,806	\$59,552	\$68,128	\$79,106
Less: Amortization	747	784	831	374	14	17	308
Less: Acquisition related expenses	-	-	-	-	684	4,101	1,223
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
Net interest income	\$24,457	\$27,576	\$30,624	\$32,061	\$46,102	\$56,509	\$83,204
Non-interest income	29,922	27,713	27,158	32,598	51,195	40,129	28,412
Less: Unrealized gains/(losses) recognized on equity securities	-	-	(15)	21	15	(21)	342
Less: net gain/(loss) on loans accounted for under the fair value option	-	-	-	-	-	-	(891)
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)
Total income	\$54,265	\$55,208	\$57,797	\$64,336	\$97,282	\$96,170	\$112,170
Efficiency ratio	90.4%	88.2%	85.4%	80.6%	59.8%	66.6%	69.2%

Non-GAAP Reconciliation

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	March 31, 2023
Total shareholders' equity	\$116,875	\$127,678	\$154,962	\$219,041	\$240,864	\$239,822
Less:						
Goodwill and other intangibles, net	25,213	19,714	24,258	31,902	32,104	32,040
Intangibles held for sale ⁽¹⁾	-	3,553	-	-	-	-
Tangible common equity	91,662	104,411	\$130,704	187,139	208,760	207,782
Common shares outstanding, end of period	7,968,420	7,940,168	7,951,773	9,419,271	9,495,440	9,507,564
Tangible common book value per share	\$11.50	\$13.15	\$16.44	\$19.87	\$21.99	\$21.85
Net income available to common shareholders						\$3,820
Return on tangible common equity (annualized)						7.35%

1. Represents the intangible portion of assets held for sale

Non-GAAP Reconciliation

<i>Diluted Pre-Tax Earnings Per Share</i>	For the Twelve Months ended December 31,				
<i>(Dollars in thousands)</i>	2018	2019	2020	2021	2022
Non-Mortgage income before income tax	\$8,664	\$6,152	\$12,086	\$21,378	\$31,139
Plus: Acquisition-related expenses	-	-	684	4,101	1,223
Mortgage income before income tax	(1,242)	4,040	20,978	5,902	(2,311)
Less: Income tax expense including acquisition tax effect	1,775	2,183	8,705	7,673	7,432
Net income available to common shareholders	\$5,647	\$8,009	\$25,043	\$23,708	\$22,619
Diluted weighted average shares	5,586,620	7,914,961	7,961,904	8,235,178	9,713,623
Non-Mortgage Segment Diluted Pre-Tax Earnings Per Share	\$1.55	\$0.78	\$1.60	\$3.09	\$3.33
Consolidated Diluted Pre-Tax Earnings Per Share	\$1.33	\$1.29	\$4.24	\$3.81	\$3.09