CPP **ANNUAL USE OF CAPITAL SURVEY - 2010**

NAME OF INSTITUTION
(Include Holding Company Where Applicable)

First Western Financial, Inc.

Person to be contacted regarding this report:	Scott C. Wylie, Chief Executive Officer	RSSD: (For Bank Holding Companies)	3189906
UST Sequence Number:	695	Holding Company Docket Number: (For Thrift Holding Companies)	
CPP/CDCI Funds Received:	20,440,000	FDIC Certificate Number: (For Depository Institutions)	
CPP/CDCI Funds Repaid to Date:	0	Credit Union Charter Number: (For Credit Unions)	
Date Funded (first funding):	Feb 6, 2009	City:	Denver
Date Repaid[1]:	N/A	State:	Colorado

[1]If repayment was incremental, please enter the most recent repayment date.

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP) and Community Development Capital Initiative (CDCI). To answer that question, Treasury is seeking responses that describe generally how the CPP/CDCI investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP/CDCI investment was deployed or how many CPP/CDCI dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

What specific ways did your institution utilize CPP/CDCI capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP/CDCI funds were outstanding).

☒	Increase lending or reduce lending less than otherwise would have occurred.	Consistent with the public policy objectives of the Capital Purchase Program, First Western increased loans outstanding in 2010 by $42 million, or 10%. When combined with 2009, net loans outstanding increased by $146 million, or over 7x the amount of the CPP investment.
☒	To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).	The increase in lending in 2010 was concentrated in commercial real estate (approximately 40% of the total growth) and loans secured by 1-4 family residential property (approximately 34% of the total growth).
☐	Increase securities purchased (ABS, MBS, etc.).	

☐	Make other investments	
☒	Increase reserves for non-performing assets	First Western increased its allowance for loan loss 58% in 2010 from $5.5 million to $8.7 million.
☐	Reduce borrowings	
☐	Increase charge-offs	
☐	Purchase another financial institution or purchase assets from another financial institution	
☐	Held as non-leveraged increase to total capital	

What actions were you able to avoid because of the capital infusion of CPP/CDCI funds?

The Company's participation in the CPP has enabled it to continue to provide credit to the communities it serves and to support, through the purchase of agency-issued MBS, affordable housing. There were no specific actions that the Company avoided by accepting CPP.

What actions were you able to take that you may not have taken without the capital infusion of CPP/CDCI funds?

By participating in the CPP, First Western was able to continue to extend credit to creditworthy borrowers during a time of severe economic stress and during the subsequent fragile recovery. Without the CPP funds, it is unlikely that the Company would have been able to increase its loans outstanding by approximately $150 million over the last two years.

Please describe any other actions that you were able to undertake with the capital infusion of CPP/CDCI funds.

There were no other actions taken by the Company as a direct result of participating in the Capital Purchase Program.

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 1505-0222. The time required to complete this information collection is estimated to average 80 hours per response.