

First Foundation Inc.
Form 10-Q
November 16, 2015

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2015

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 001-36461

FIRST FOUNDATION INC.

(Exact name of Registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation or organization)

20-8639702
(I.R.S. Employer
Identification Number)

18101 Von Karman Avenue, Suite 700 Irvine, CA 92612
(Address of principal executive offices)

92612
(Zip Code)

(949) 202-4160

(Registrant's telephone number, including area code)

Not Applicable

(Former name, former address and former fiscal year, if changed, since last year)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports); and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every interactive data file required to be submitted and posted pursuant to Rule 405 of Regulation S-T (section 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definitions of "accelerated filer", "large accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.) (Check one):

Large accelerated filer Accelerated filer

Non-accelerated filer Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

APPLICABLE ONLY TO CORPORATE ISSUERS:

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

15,962,686 shares of Common Stock, par value \$0.001 per share, as of November 12, 2015

FIRST FOUNDATION INC.

QUARTERLY REPORT ON FORM 10-Q

FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2015

TABLE OF CONTENTS

	Exhibit No.
<u>Part I. Financial Information</u>	
Item 1. <u>Financial Statements</u>	1
Item 2. <u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	22
Item 3. <u>Quantitative and Qualitative Disclosures About Market Risk</u>	39
Item 4. <u>Controls and Procedures</u>	39
<u>Part II. Other Information</u>	
Item 1A <u>Risk Factors</u>	39
Item 2 <u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	39
Item 6 <u>Exhibits</u>	40
<u>SIGNATURES</u>	S-1
<u>EXHIBITS</u>	E-1

(i)

PART I — FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS
FIRST FOUNDATION INC.

CONSOLIDATED BALANCE SHEETS

(In thousands, except share and per share amounts)

	September 30, 2015 (unaudited)	December 31, 2014
ASSETS		
Cash and cash equivalents	\$206,338	\$29,692
Securities available-for-sale (“AFS”)	360,559	138,270
Loans held for sale	108,903	—
Loans, net of deferred fees	1,536,005	1,166,392
Allowance for loan and lease losses (“ALLL”)	(11,300)	(10,150)
Net loans	1,524,705	1,156,242
Investment in FHLB stock	17,820	12,361
Premises and equipment, net	2,397	2,187
Deferred taxes	11,969	9,748
Real estate owned (“REO”)	4,492	334
Goodwill and intangibles	2,481	197
Other assets	9,083	6,393
Total Assets	\$2,248,747	\$1,355,424
LIABILITIES AND SHAREHOLDERS’ EQUITY		
Liabilities:		
Deposits	\$1,321,527	\$962,954
Borrowings	660,000	282,886
Accounts payable and other liabilities	9,924	10,088
Total Liabilities	1,991,451	1,255,928
Commitments and contingencies	—	—
Shareholders’ Equity	16	8

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Common Stock, par value \$.001: 20,000,000 shares authorized; 15,962,686 and 7,845,182 shares issued and outstanding at September 30, 2015 and December 31, 2014, respectively

Additional paid-in-capital	226,796	78,204
Retained earnings	28,714	20,384
Accumulated other comprehensive income, net of tax	1,770	900
Total Shareholders' Equity	257,296	99,496
Total Liabilities and Shareholders' Equity	\$2,248,747	\$1,355,424

(See accompanying notes to the consolidated financial statements)

FIRST FOUNDATION INC.

CONSOLIDATED INCOME STATEMENTS - UNAUDITED

(In thousands, except share and per share amounts)

	Quarter Ended		Nine Months Ended	
	September 30, 2015	2014	September 30, 2015	2014
Interest income:				
Loans	\$15,634	\$11,404	\$41,097	\$31,735
Securities AFS	1,107	799	2,744	1,741
Fed funds sold, FHLB stock and deposits	367	181	1,418	514
Total interest income	17,108	12,384	45,259	33,990
Interest expense:				
Deposits	1,328	953	3,366	2,595
Borrowings	319	284	1,137	682
Total interest expense	1,647	1,237	4,503	3,277
Net interest income	15,461	11,147	40,756	30,713
Provision for loan losses	570	—	1,473	235
Net interest income after provision for loan losses	14,891	11,147	39,283	30,478
Noninterest income:				
Asset management, consulting and other fees	5,870	6,309	17,642	17,388
Other income	998	428	1,850	1,316
Total noninterest income	6,868	6,737	19,492	18,704
Noninterest expense:				
Compensation and benefits	10,870	8,764	29,440	25,278
Occupancy and depreciation	2,561	1,867	6,486	5,499
Professional services and marketing costs	1,481	1,192	4,051	4,540
Other expenses	2,044	1,272	4,311	4,195
Total noninterest expense	16,956	13,095	44,288	39,512
Income before taxes on income	4,803	4,789	14,487	9,670
Taxes on income	2,041	2,130	6,157	4,282
Net income	\$2,762	\$2,659	\$8,330	\$5,388
Net income per share:				
Basic	\$0.22	\$0.34	\$0.87	\$0.70
Diluted	\$0.21	\$0.32	\$0.84	\$0.66

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Shares used to compute net income per share:

Basic	12,623,924	7,735,350	9,534,056	7,734,372
Diluted	13,074,935	8,240,424	9,929,445	