



# INVESTOR PRESENTATION | FIRST QUARTER 2025



April 30, 2025

BANKING • PRIVATE WEALTH MANAGEMENT • TRUST SERVICES

# Safe Harbor Statement

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This report includes forward-looking statements within the meaning of the “Safe-Harbor” provisions of the Private Securities Litigation Reform Act of 1995, including forward-looking statements regarding our expectations and beliefs about our future financial performance and financial condition, potential loan sales, as well as trends in our business and markets. Forward-looking statements often include words such as “believe,” “expect,” “anticipate,” “intend,” “plan,” “estimate,” “project,” “outlook,” or words of similar meaning, or future or conditional verbs such as “will,” “would,” “should,” “could,” or “may.” The forward-looking statements in this report 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 report and could cause us to make changes to our future plans. Those risks and uncertainties include, but are not limited to, changes in our capital management and balance sheet strategies and our ability to successfully implement such strategies; changes in our strategic plan, and our ability to successfully implement such plan; recent turnover in our Board of Directors and our executive management team; the risk of incurring credit losses, which is an inherent risk of the banking business; the quality and quantity of our deposits; adverse developments in the financial services industry generally such as bank failures and any related impact on depositor behavior or investor sentiment; risks related to the sufficiency of liquidity; the risk that we will not be able to maintain growth at historic rates or at all; the risk that we will not be able to access the securitization market or otherwise sell loans on favorable terms or at all; the risk that we may not be able to fully utilize our deferred tax asset, and could be required to establish a full or partial valuation allowance, which would result in a charge to operating income; changes in general economic conditions, either nationally or locally in the areas in which we conduct or will conduct our business; risks associated with changes in interest rates, which could adversely affect our interest income, interest rate margins, and the value of our interest-earning assets, and therefore, our future operating results; the risk that the performance of our investment management business or of the equity and bond markets could lead clients to move their funds from or close their investment accounts with us, which would reduce our assets under management and adversely affect our operating results; negative impacts of news or analyst reports about us or the financial services industry; the impacts of inflation on us and our customers; the impacts of tariffs and trade policies of the U.S. and its global trading partners and uncertainty regarding the same; results of examinations by regulatory authorities and the possibility that such regulatory authorities may, among other things, limit our business activities or our ability to pay dividends, or impose fines, penalties or sanctions; the risk that we may be unable or that our board of directors may determine that it is inadvisable to resume the payment of dividends; risks associated with changes in income tax laws and regulations; and risks associated with seeking new client relationships and maintaining existing client relationships.

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 for the fiscal year ended December 31, 2024, and other documents we file with the SEC from time to time. We urge readers of this report to review those reports and other documents we file with the SEC from time to time. 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 report, which speak only as of today's date, or to make predictions based solely on historical financial performance. We also disclaim any obligation to update forward-looking statements contained in this report or in the above-referenced reports, whether as a result of new information, future events or otherwise, except as may be required by law or NYSE rules.

## **Non-GAAP Financial Measures**

This presentation contains both financial measures based on GAAP and non-GAAP based financial measures, which are used when management believes them to be helpful in understanding the Company's results of operations or financial position. These disclosures should not be viewed as a substitute for operating results determined in accordance with GAAP, nor are they necessarily comparable to non-GAAP performance measures that may be presented by other companies.

# Building a Premier, Client-Focused Commercial & Private Bank with Robust Capital, Credit and Earnings Power

## Where We Are Today

**\$12.6**

Billion in  
Bank Assets

**\$5.1**

Billion in  
Assets Under  
Management

**\$1.2**

Billion in Trust  
Assets Under  
Advisement

Building Blocks For Growth

- First Foundation has **31** branch/office locations in five states: CA, TX, NV, HI, and FL
- ✓ Presence in attractive and growing markets
- ✓ Significant commercial opportunities
- ✓ Comprehensive wealth offering
- ✓ Conservative credit culture
- ✓ Experienced and engaged management team

Core Businesses

- Private Wealth Management
- Trust Services
- Commercial Banking
- Private Banking
- Personal Banking

Complementary business lines and focus on exceptional service

## Where We're Going

### Reducing Multifamily Concentration

- ✓ Limited multifamily originations
- ✓ Continue to reduce CRE concentration
- ✓ Further opportunistic asset sales

### Growing Commercial Banking

- ✓ Organic franchise build-out while hiring experienced teams
- ✓ Targeting SMB and service businesses
- ✓ Focus on attractive markets in CA and FL

### Accelerating Growth in Wealth

- ✓ Strengthen white-glove, high-service private bank platform
- ✓ Focus on cross-sell with commercial clients
- ✓ Leverage presence in affluent communities

### Improving Operational Capabilities

- ✓ CECL methodology enhancement
- ✓ Strengthen credit processes and controls
- ✓ Expand data and analytics capabilities

# Our Path Forward – Key Milestones and Accomplishments to Date

Phase 1   Near-Term Actions	Status
Raise Capital to Solidify Balance Sheet	✓
Move Multifamily Loans to Held-for-Sale	✓
Executing on Multifamily Loan Sales	✓ / Ongoing
Continue to Thoughtfully Reduce CRE Concentration	✓ / Ongoing
In-Depth CECL Methodology Review	✓ / Ongoing
Reset Employee Goals and Align Incentives Throughout Firm	✓

## Franchise Inflection Point

Phase 2   Medium-and-Long-Term Actions	Status
Fully Leverage Great Markets	Strategic Initiatives Underway and Making Progress, Including Key Hires in Southwest Florida C&I, First Foundation Advisors, and Retail
Diversify Loan Portfolio and Improve Core Funding	
Accelerate FFA and Private Banking Growth and Further Increase Fee Income	
Enhance Systems and Operational Capabilities	

Expense Discipline Throughout All Phases of Our Strategy with a Steadfast Focus on Profitability

# Positive Momentum | First Quarter 2025 Key Themes

<b>1</b> <b>Return to Profitability</b>	<ul style="list-style-type: none"><li>➤ Return to profitability in Q1'25 driven by higher NIM and normalizing credit costs</li><li>➤ Fully diluted EPS of \$0.08, compared to a loss of (\$0.17) in the prior quarter</li><li>➤ PPNR of \$9.7 million, or \$0.11 per share, vs (\$2.3 million), or (\$0.03) per share in Q4'24</li><li>➤ 1.67% Net Interest Margin (+9 bps QoQ expansion); net interest income of \$51.8 million benefitted from -15 basis points QoQ reduction in deposit costs</li><li>➤ Stable QoQ noninterest income excluding asset sales</li></ul>
<b>2</b> <b>Strong Credit Performance</b>	<ul style="list-style-type: none"><li>➤ Negligible net charge-offs of 1 basis point</li><li>➤ Provision normalized at \$3.4 million; ACL built 5bps to 0.46%</li></ul>
<b>3</b> <b>CRE Reduction &amp; Loan Portfolio Management</b>	<ul style="list-style-type: none"><li>➤ Gross loans HFI decreased \$256.8 million QoQ, impacted by \$431 million of loan payments &amp; payoffs</li><li>➤ CRE concentration of 435%<sup>(1)</sup> (improved from 519% in Q2'24)</li></ul>
<b>4</b> <b>Improving Deposit Quality</b>	<ul style="list-style-type: none"><li>➤ Reduced brokered deposits by \$400mm or 16%, increased core deposits by \$71mm QoQ</li><li>➤ Brokered deposits / assets of 16.8% vs. 29.5% in Q2'24</li></ul>
<b>5</b> <b>Meaningful Organic Capital Build</b>	<ul style="list-style-type: none"><li>➤ Increased CET1 by over 50bps; CET1 of 10.63%<sup>(1)</sup> vs 10.09% in Q4'24</li><li>➤ Adjusted tangible book value per share<sup>(2)</sup> of \$9.42, up \$0.06 QoQ or 0.6%</li></ul>

1) Capital ratios are preliminary pending filing of FFB's Call Report for March 31, 2025

2) Non-GAAP measure. Adjusted TBVPS reflects the conversion of preferred shares into common

# First Quarter 2025 GAAP Results

(\$ in millions, except per share data)

	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
Net Interest Income	\$ 51.8	\$ 51.3	\$ 49.1	\$ 43.8	\$ 38.4	\$ 42.5	\$ 52.1	\$ 49.0	\$ 58.8
Provision for Credit Losses	3.4	20.6	0.3	(0.8)	0.6	0.2	(2.0)	0.9	0.4
Total Noninterest Income	19.6	13.4	(105.6)	13.7	12.7	13.9	11.7	12.1	11.7
<b>Total Revenue</b>	<b>71.4</b>	<b>64.7</b>	<b>(56.5)</b>	<b>57.5</b>	<b>51.1</b>	<b>56.4</b>	<b>63.8</b>	<b>61.1</b>	<b>70.5</b>
<b>Total Noninterest Expenses</b>	<b>61.7</b>	<b>67.0</b>	<b>60.2</b>	<b>55.6</b>	<b>50.6</b>	<b>55.9</b>	<b>64.2</b>	<b>272.8</b>	<b>59.3</b>
Income Taxes	(0.6)	(8.8)	(34.8)	(0.4)	(0.9)	(2.3)	(0.6)	(0.3)	2.2
<b>Net Income</b>	<b>6.9</b>	<b>(14.1)</b>	<b>(82.2)</b>	<b>3.1</b>	<b>0.8</b>	<b>2.5</b>	<b>2.2</b>	<b>(212.3)</b>	<b>8.5</b>
<b>Diluted Earnings Per Share</b>	<b>0.08</b>	<b>(0.17)</b>	<b>(1.23)</b>	<b>0.05</b>	<b>0.01</b>	<b>0.05</b>	<b>0.04</b>	<b>(3.76)</b>	<b>0.15</b>
<b>Net Interest Income ex. Customer Service Costs</b>	<b>36.7</b>	<b>33.5</b>	<b>30.2</b>	<b>27.7</b>	<b>27.7</b>	<b>26.1</b>	<b>27.4</b>	<b>30.0</b>	<b>42.1</b>
<b>Total Assets</b>	<b>12,588.4</b>	<b>12,645.3</b>	<b>13,376.6</b>	<b>13,714.4</b>	<b>13,586.3</b>	<b>13,327.2</b>	<b>13,051.6</b>	<b>12,840.6</b>	<b>13,616.2</b>
Gross Loans Receivable (includes HFS)	8,996.8	9,227.2	9,877.3	10,087.3	10,086.3	10,177.8	10,283.4	10,584.2	10,669.8
Allowance for Credit Losses on Loans & Leases	(35.2)	(32.3)	(29.3)	(29.3)	(29.3)	(29.2)	(29.2)	(31.5)	(31.1)
All Other Assets	3,626.8	3,450.4	3,528.6	3,656.5	3,529.2	3,178.7	2,797.4	2,287.8	2,977.5
<b>Total Liabilities</b>	<b>11,527.8</b>	<b>11,591.9</b>	<b>12,306.8</b>	<b>12,781.2</b>	<b>12,657.5</b>	<b>12,401.9</b>	<b>12,132.4</b>	<b>11,925.0</b>	<b>12,482.4</b>
Total Deposits	9,561.6	9,870.3	10,304.6	10,756.3	10,639.0	10,688.9	10,812.2	10,807.0	10,051.7
Borrowings	1,674.3	1,425.4	1,691.5	1,716.6	1,705.5	1,409.1	984.3	802.2	2,122.0
Other Liabilities	291.8	296.3	310.7	308.3	313.1	303.9	335.9	315.9	308.7
<b>Total Shareholders Equity (incl Pref)</b>	<b>1,060.6</b>	<b>1,053.4</b>	<b>1,069.8</b>	<b>933.2</b>	<b>928.7</b>	<b>925.3</b>	<b>919.2</b>	<b>915.5</b>	<b>1,133.7</b>
<b>Net Interest Margin</b>	<b>1.67%</b>	<b>1.58%</b>	<b>1.50%</b>	<b>1.36%</b>	<b>1.17%</b>	<b>1.36%</b>	<b>1.66%</b>	<b>1.51%</b>	<b>1.83%</b>
<b>PPNR ROAA</b>	<b>0.31%</b>	<b>-0.07%</b>	<b>-3.45%</b>	<b>0.05%</b>	<b>0.01%</b>	<b>0.01%</b>	<b>-0.01%</b>	<b>-6.40%</b>	<b>0.33%</b>
Non-interest Expense to Total Assets <sup>(1)</sup>	1.96%	2.12%	1.80%	1.62%	1.49%	1.68%	1.97%	8.50%	1.74%



1) Q1'25 noninterest expense to total assets excluding customer service costs of 1.48%

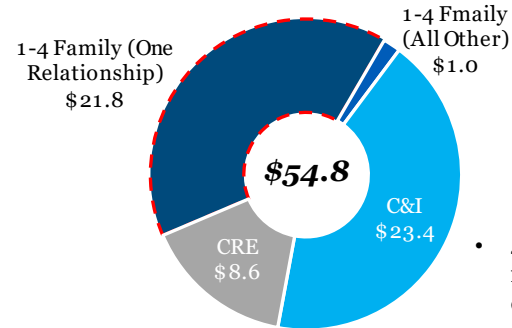
# Robust Asset Quality

## First Quarter 2025 Highlights

- Significant progress in CECL methodology review and enhancement; ACL built 5 basis points to 0.46%
- Expect to continue building ACL as loan mix becomes more heavily weighted to C&I
- Total nonperforming assets of \$44.9 million (0.36% of total assets) decreased 3.8% compared to fourth quarter
- Net charge-offs of just 1 basis points in first quarter, loans past due decreased 46% compared to fourth quarter

## Past Due & Nonaccrual Loans (3/31/25)

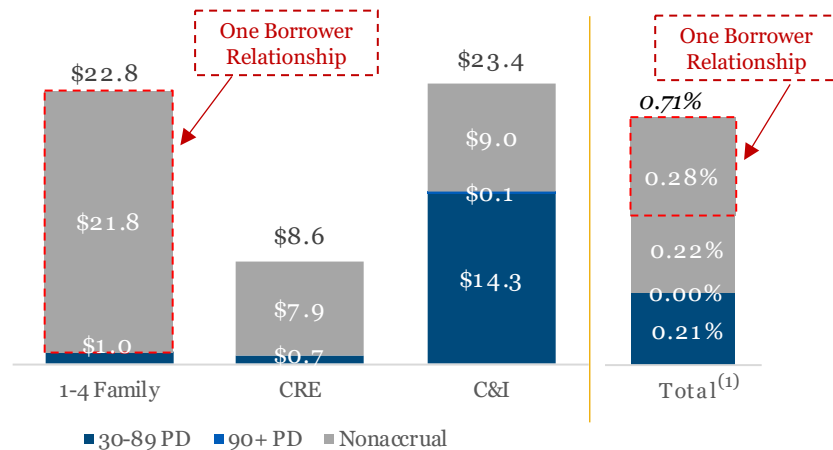
(\$ in millions)



- 40% of past due and nonaccrual loans are due to one borrower relationship

## Portfolio Level Asset Quality

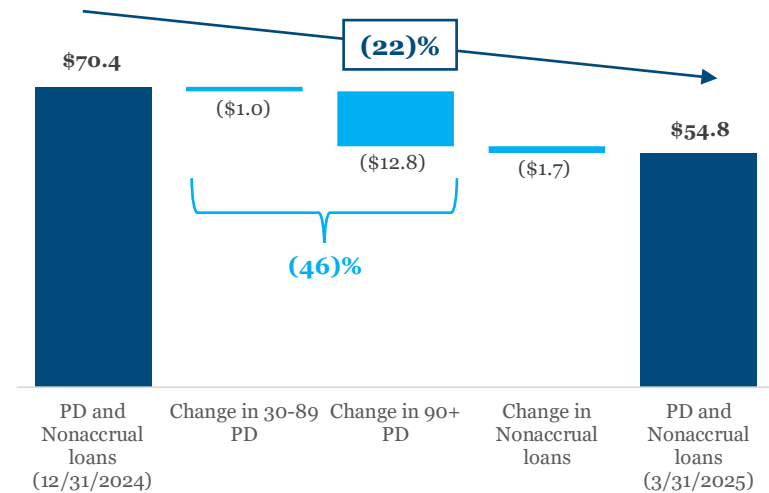
(\$ in millions)



1) As percentage of loans HFI

## Asset Migration

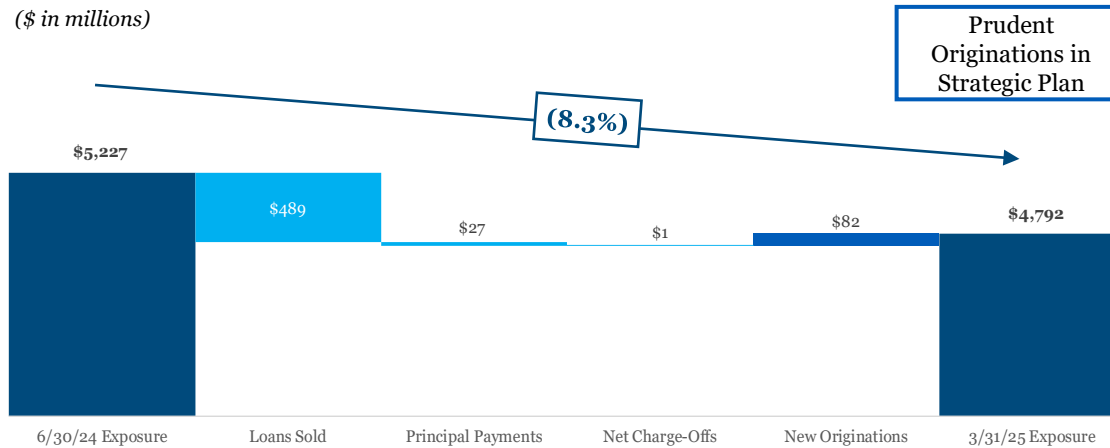
(\$ in millions)



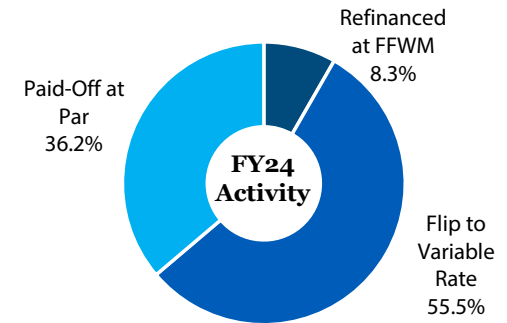
# Our Multifamily Strategic Plan | Reduce, Repayment, Repricing

## Proactively Reducing Balances

(\$ in millions)

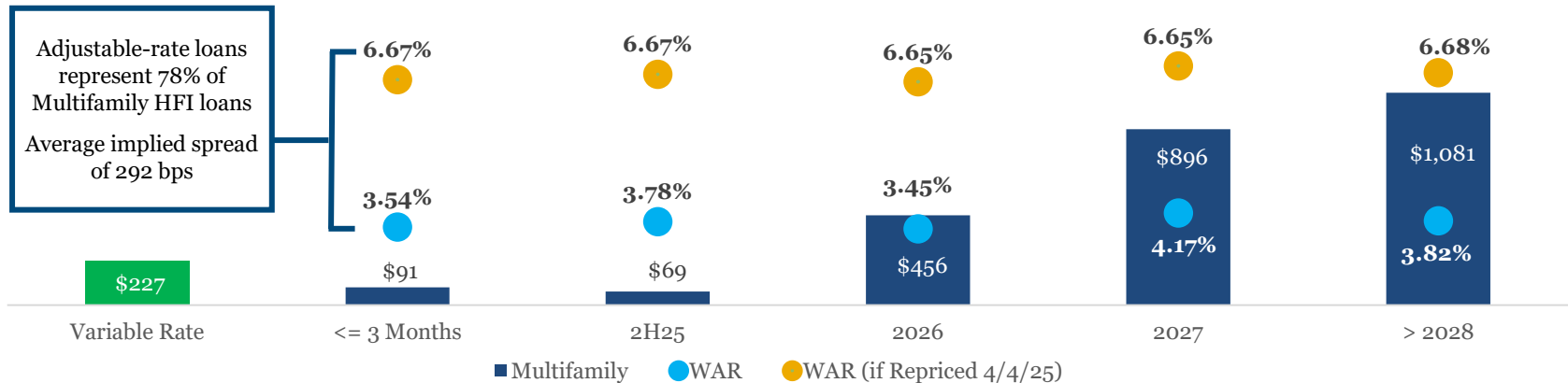


## Borrower Behavior<sup>(1)</sup>



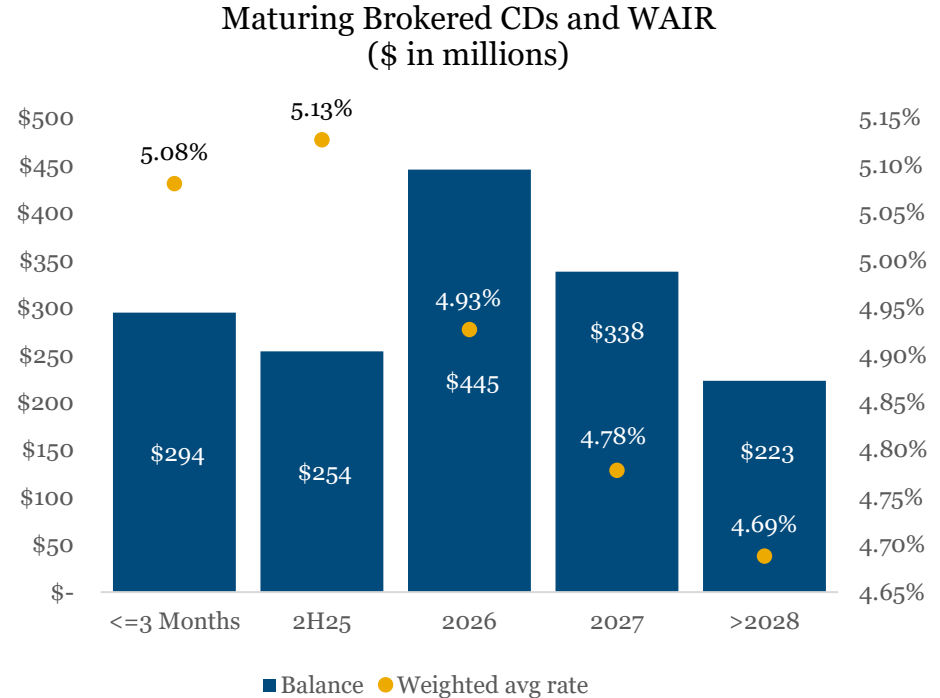
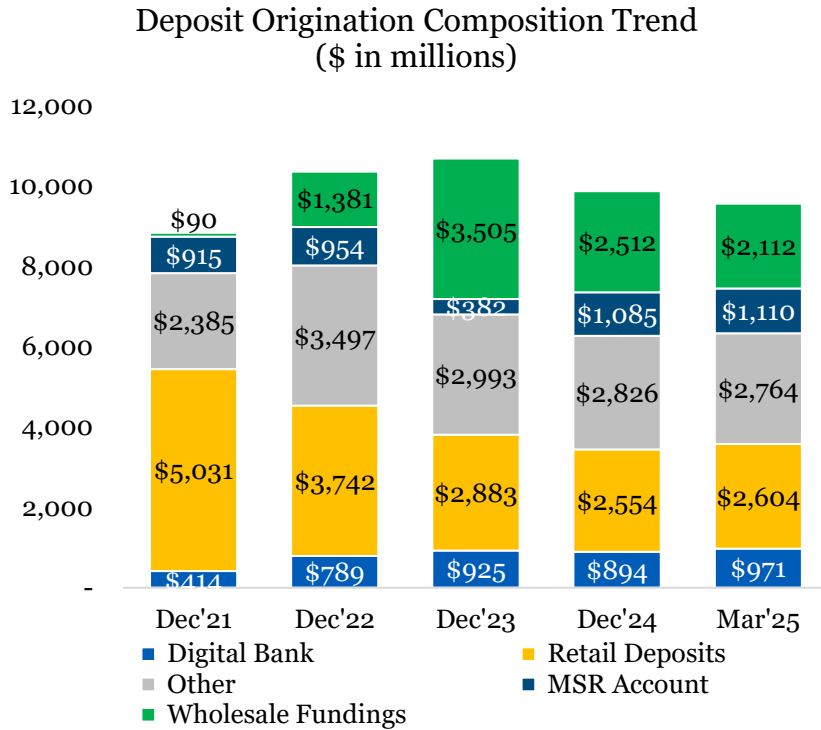
Excluding one charge-off of \$657k, structure and customer behavior have led to pristine credit performance

## Loan Repricing Opportunity (excl. LHS)<sup>(2)</sup>





# Reducing Reliance on Wholesale Deposits and Declining Deposit Costs



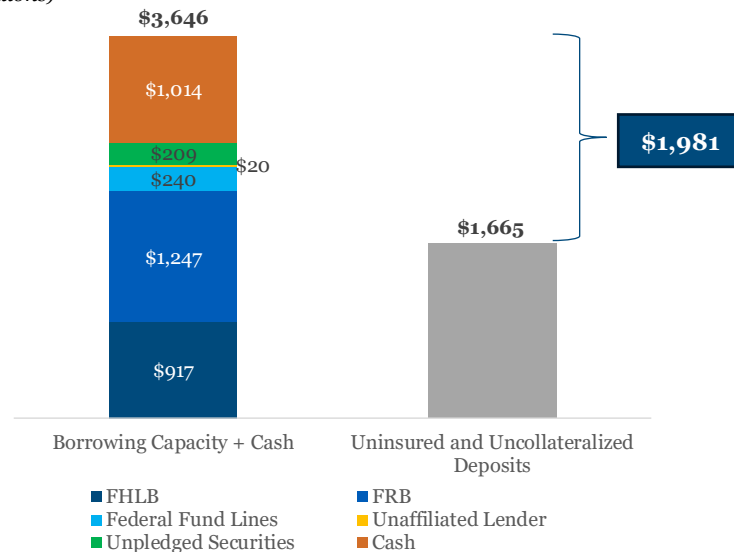
- Proactively reducing brokered and other high-cost deposits as Loans HFS exit the balance sheet
- Brokered CDs are expected to mature without replacement—47% of \$1.9 billion brokered CD portfolio is scheduled to mature in 2025 (weighted average interest rate of maturing balances at 5.10%)
- Over the remainder of 2025, \$335 million of non-brokered CDs are maturing with a weighted average rate of >4.0%

# Maintaining Strong Liquidity & Capital

## Abundant Liquidity

- \$7,922 million total insured and collateralized deposits
  - 83% of total deposit balances
  - Liquidity to uninsured and uncollateralized deposits ratio of 2.18x
- 33.5% liquidity on balance sheet (Cash & Securities)
- Stable insured deposit base

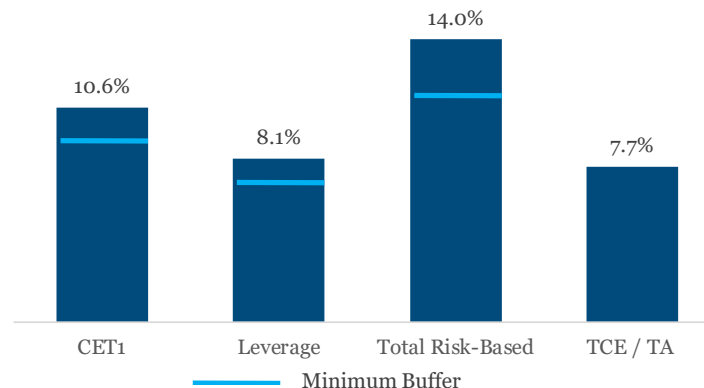
(\$ in millions)



## Strong Excess Capital Position

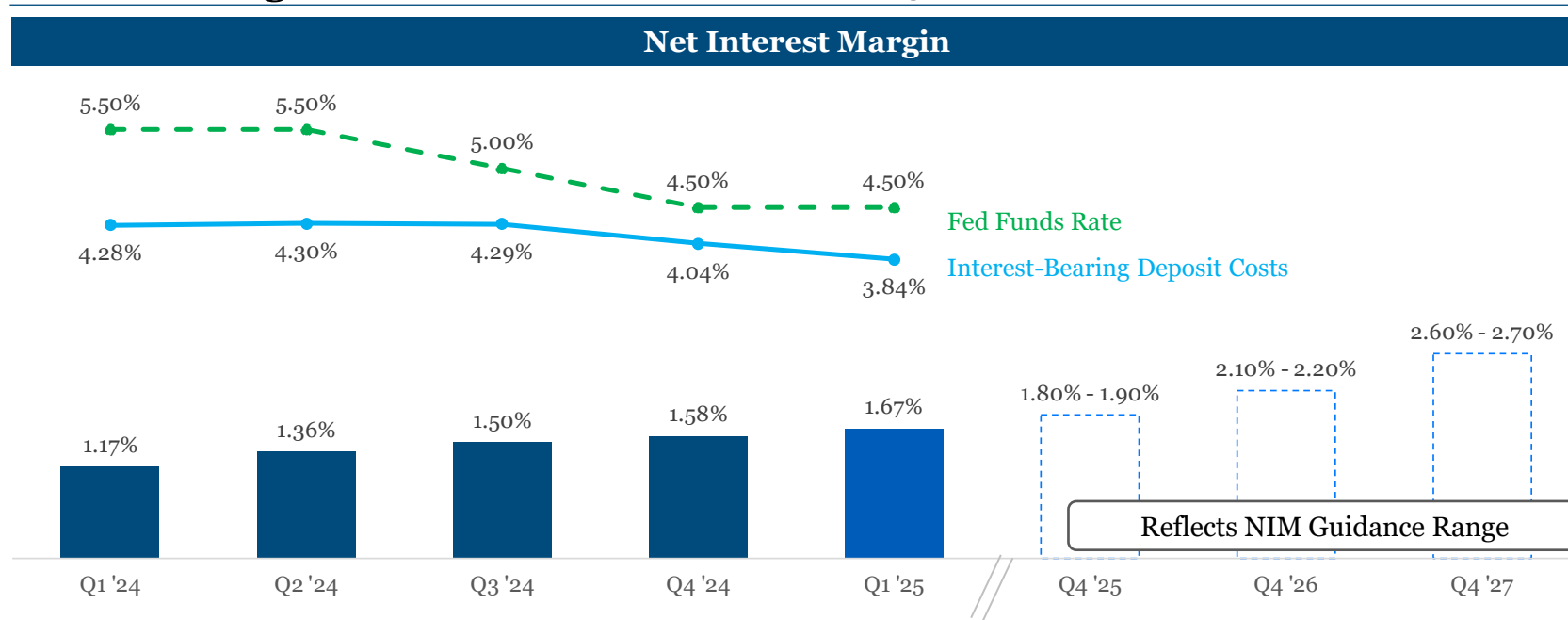
- 435% CRE Concentration Ratio<sup>(1)</sup>
- \$87.7 million of Preferred Stock has unique, capital friendly structure:
  - No dividend or liquidation preferences
  - Upon sale from original shareholders, automatically converts to common equity

Well Above Capital Minimums<sup>(1)</sup>



<sup>1)</sup> Capital ratios are preliminary pending filing of FFB's Call Report for March 31, 2025

# Accelerating NIM Momentum After 2025



## Drivers

- Net Interest Margin expected to increase through FY 2025 with acceleration in FY 2026 and beyond
- Proactively lowering funding cost by reducing high-cost funding
- Multifamily loan repricing will drive higher yields
- Commercial Banking growth leading to higher yielding balances

# Why Invest in First Foundation



## Earnings Inflection and Return to Profitability

- Growing NIM with Accelerating Momentum Beyond 2025; “Phase 2” Initiatives Underway in Strategic Transformation



## Solidified Balance Sheet

- 10.6% CET1<sup>(1)</sup>; 2.18x Liquidity to Uninsured and Uncollateralized Deposits



## Strong Credit Quality

- Muted Net Charge-Offs of 0.01% in Q1’25; Positive Borrower Behavior in Multifamily Lending



## Presence in Great Markets

- Highly Attractive Footprint in California and Florida



## Track Record of Expense Discipline

- Proactive Focus on Managing Expenses while Investing in the Franchise



## Attractive Valuation

- Current Stock Price<sup>(2)</sup> of \$4.87 Represents ~0.52x of Adjusted TBVPS<sup>(3)</sup> of \$9.42; Peers Trade in Range of ~1.2x – 1.9x<sup>(4)</sup>

1) Capital ratios are preliminary pending filing of FFB’s Call Report for March 31, 2025

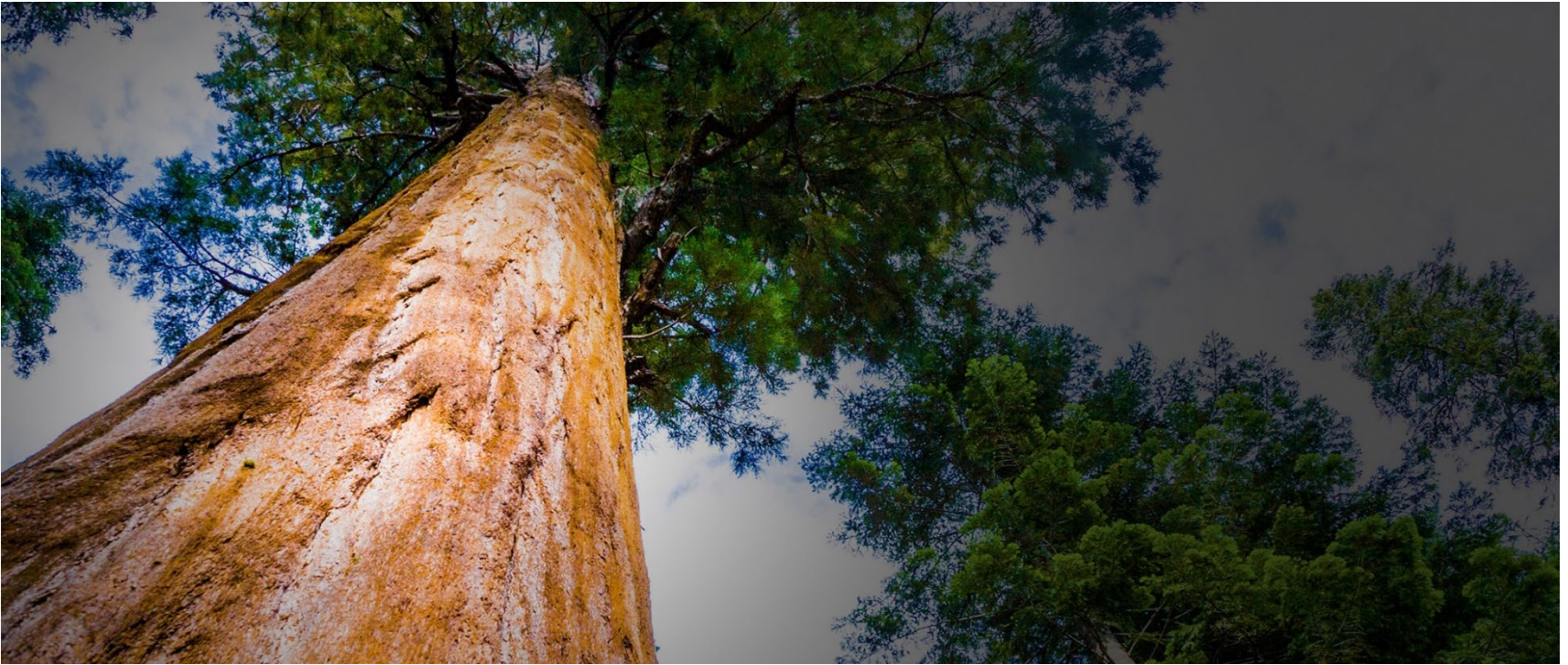
2) As of April 28, 2025

3) Use of Non-GAAP Measures; adjusted TBVPS reflects the conversion of preferred shares into common

Source: S&P Capital IQ Pro. Data as of April 28, 2025. Reflects 25th percentile to 75th percentile range. Peers include:

BANF, BANR, BFST, BOH, CATY, CPF, CVBF, FFIN, HAFC, HFWA, HOMB, HOPE, NBHC, SBCF, SBSI, SFBS,

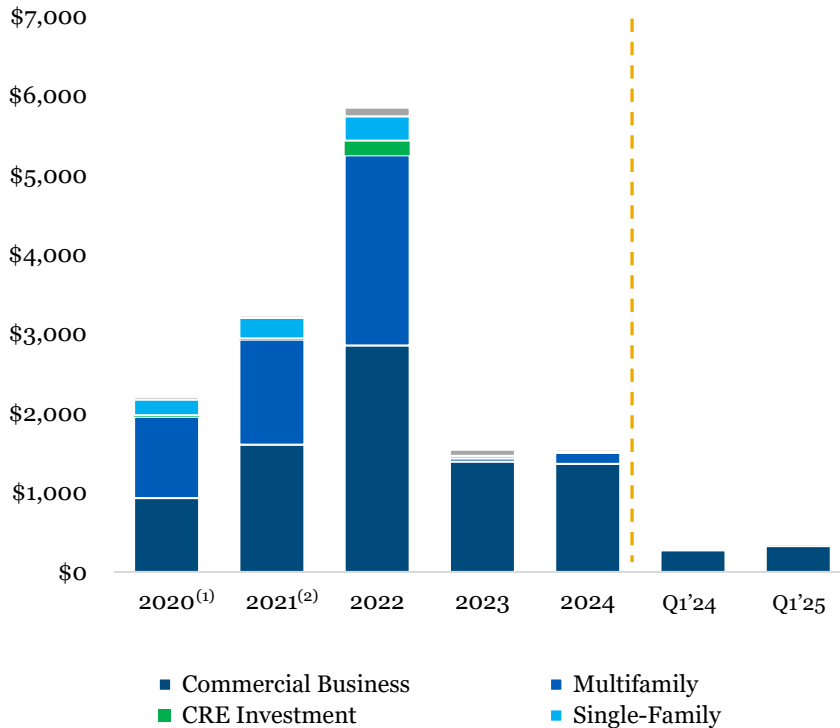
STEL, TCBK, and VBTX



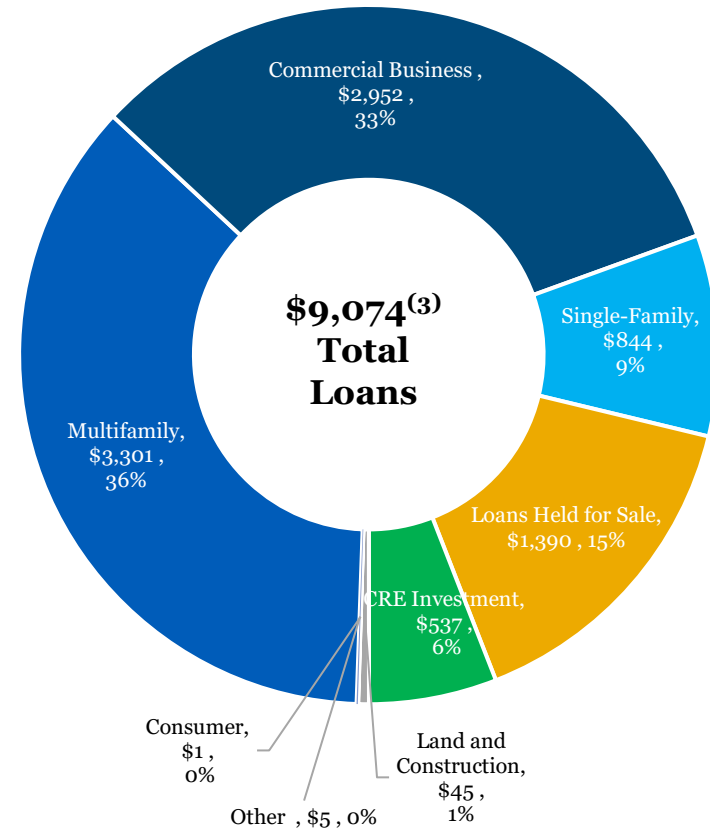
# Appendix

# Limited Lending Focused on Commercial

**Loan Origination Composition Trend**  
(\$ in millions)



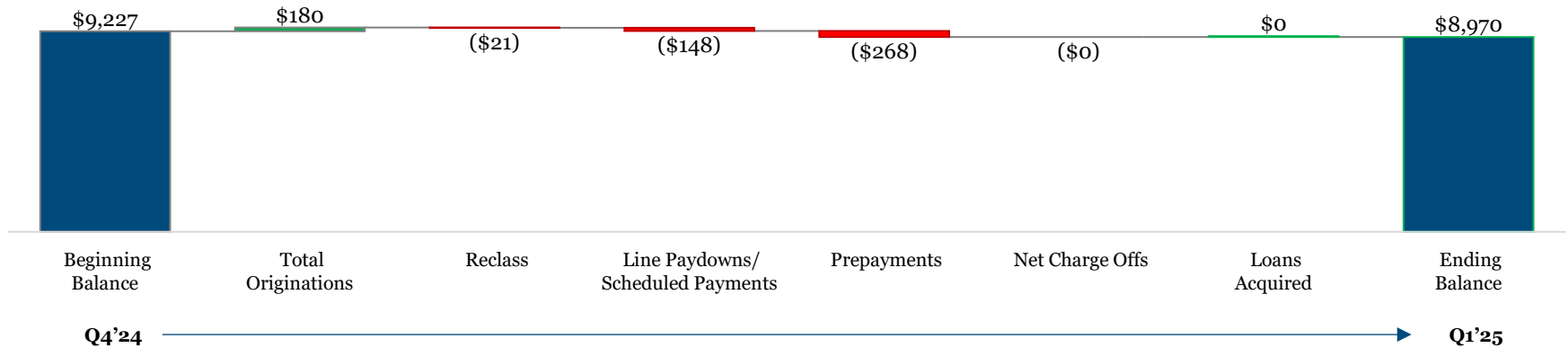
**Loan Portfolio by Asset Class Q1'25**  
(\$ in millions)



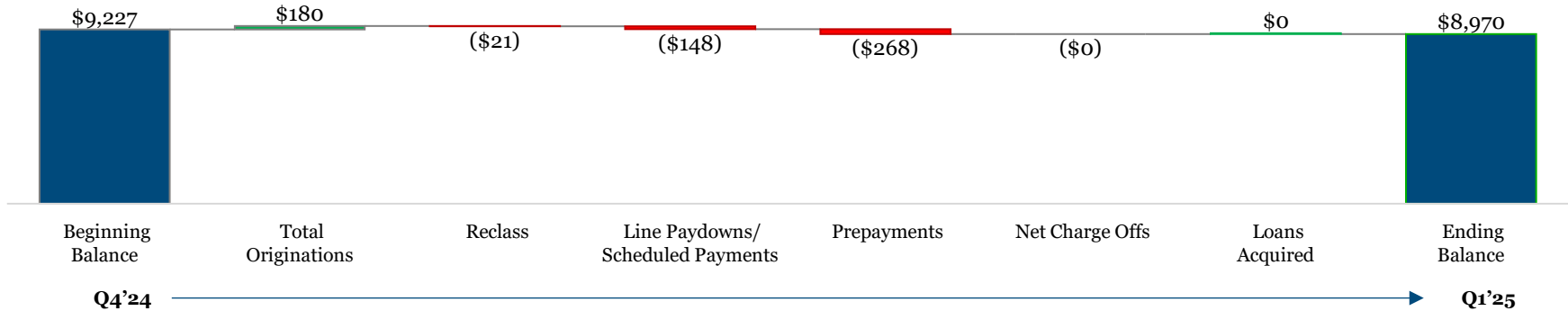
1) Includes \$171 million in PPP loans  
 2) Includes \$56 million in PPP loans  
 3) Excludes MTM on loans HFS

# Loans Held For Investment - Net Activity

## Q1'25 Loan Roll Forward



## Q1'25 YTD Loan Roll Forward



# Multifamily – Portfolio Overview

## Portfolio Characteristics (3/31/2025)

<b>Average Loan Size</b>	<b>\$3.4 Million</b>
<b>Average LTV<sup>(1)</sup></b>	<b>53%</b>
<b>Average DSCR<sup>(2)</sup></b>	<b>1.41x</b>
<b>% Delinquent</b>	<b>0.25%</b>

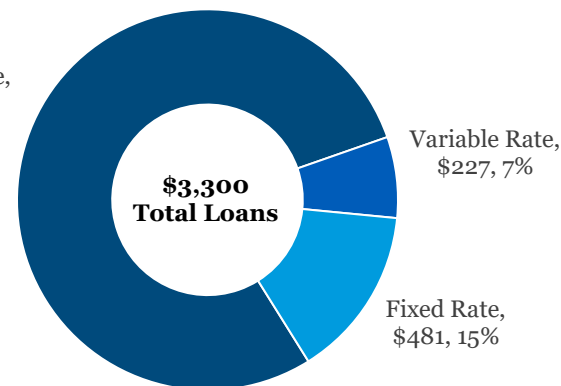
## Expertise and Underwriting

- Conservative underwriting to the lower of in-place rents or market and the higher of market or actual vacancy and expenses
  - **No credit is given for future or pro forma figures for rents**
- Loan amounts are underwritten to DSCRs using a qualifying rate that is higher than the initial rate for 3- and 5-year fixed loans and underwritten to stressed expenses (e.g., underwriting insurance coverage in California to no less than **20%** above YoY insurance premiums)
  - 7- and 10-year fixed are underwritten to the initial start rate
- Interest-only options for lower LTV and higher DSCR properties with strong sponsorship
  - All IO loans underwritten to a fully amortizing DSCR
- Sponsors are required to meet minimum liquidity requirements of 6-12 months principal, interest, taxes and insurance, and a minimum of 10% of the loan amount

## Q1'25 Multifamily Composition<sup>(3)</sup>

(\$ in millions)

Adjustable Rate,  
\$2,592, 78%



## High-level Portfolio Overview

- Primary focus is on small-balance (average size of \$3.4 million) loans on non-luxury Essential Housing apartment stock
  - Average property has 22 units
  - Buildings tend to be older and smaller in size with over 60% of properties built between 1950-1980 catering towards at or below median income earners
- Loans are generally fixed for 3-,5-,7- and 10-year periods
- 30-year maturity with 30-year amortization

1) LTV at time of origination

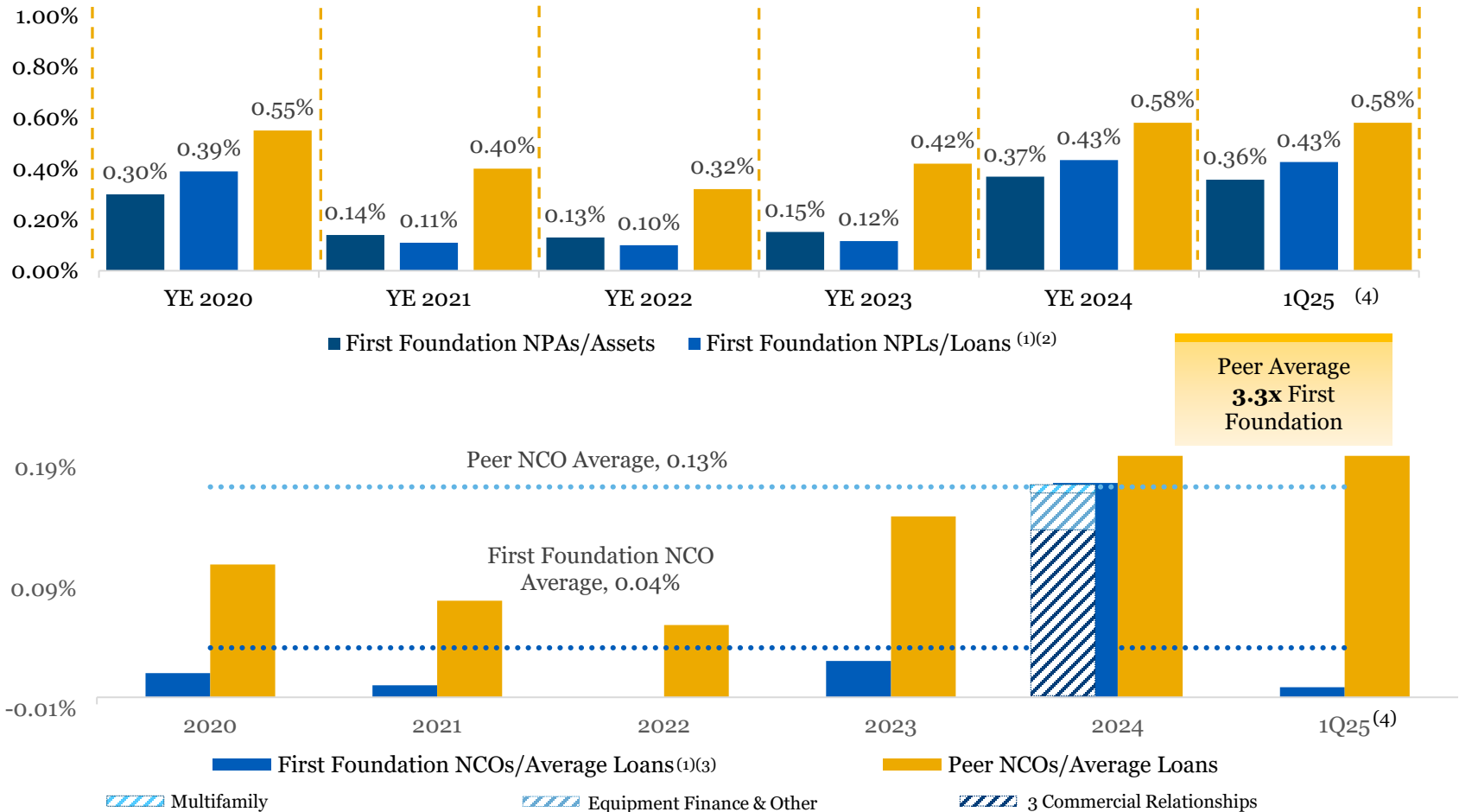
2) Represents the actual fully amortizing DSCR based on the initial interest rate, loan amount and property's NOI at time of origination

3) Excluding HFS



# Strong Historical Credit Quality

## Non-Performing Loans and Assets



1) UPBR peer group includes commercial banks with assets between \$3 billion and \$10 billion for data through Q3'21. Starting in Q4'21 peer group includes commercial banks with assets between \$10 and \$100 billion

2) Ratio defined as total loans and leases on nonaccrual status divided by total loans and leases

3) Ratio defined as loan and lease charge-offs, net of recoveries divided by average total loans and leases

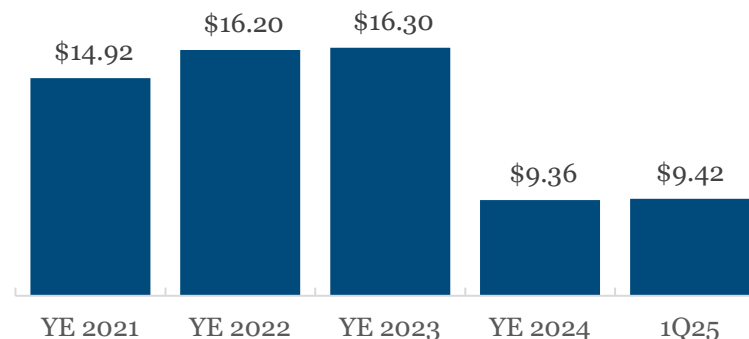
4) Peer group data based on the most recently available UBPR report of Q4'24

# Tangible Book Value Per Share Reconciliation

## Tangible Book Value Per share

- The \$228 million July 2024 Capital Raise strengthened capital and increased go-forward flexibility
- TBV per share (as adjusted) reflects the conversion of remaining Series A preferred shares, adding \$87.6 million of common equity and 29.8 million common shares

## TBV Per Share (as adjusted)<sup>(1)</sup>



### GAAP Tangible Book Value Per Share

Shareholders Common Equity	\$972,962.0
Less: Intangible Assets	\$3,245.0
<b>Tangible Common Equity (TCE)</b>	<b>\$969,717.0</b>
Common Shares Outstanding	82,386,071

**Tangible Book Value Per Share** **\$11.77**

### Tangible Book Value Per Share (as adjusted)

Shareholders Common Equity	\$972,962.0
Convertible Preferred Equity	\$87,649.0
Less: Intangible Assets	\$3,245.0
<b>Adjusted Tangible Common Equity (TCE)</b>	<b>\$1,057,366</b>
Common Shares Outstanding	82,386,071
Common Shares Underlying the Series B Preferred Shares	29,811,000
<b>Basic Common Shares Outstanding Upon Conversion (Adjusted)</b>	<b>112,197,071</b>

**Tangible Book Value Per Share (as adjusted)<sup>(1)</sup>** **\$9.42**

# Non-GAAP Return on Average Tangible Common Equity, Adjusted Return on Average Assets and Net Income

Return on average tangible common equity was calculated by excluding average goodwill and intangibles assets from the average shareholders' equity during the associated periods. Adjusted return on average assets represents adjusted net income (loss) attributable to common shareholders divided by average total assets. Adjusted net income (loss) attributable to common shareholders includes various adjustments to net income (loss) and any associated tax effect of those adjustments during the associated periods.

The table below provides a reconciliation of the GAAP measure of return on average equity to the non-GAAP measure of return on average tangible common equity. The table below also provides a reconciliation of the GAAP measure of net income (loss) to the non-GAAP measure of adjusted net income (loss) attributable to common shareholders. The table below also provides a reconciliation of the GAAP measure of return on average assets to the non-GAAP measure of adjusted return on average assets.

(\$ in thousands) Unaudited							Three Months Ended,	
	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	3/31/2024	3/31/2025
Average shareholders' equity	\$ 585,728	\$ 649,031	\$ 759,101	\$ 1,100,684	\$ 1,017,884	\$ 1,000,903	\$ 921,911	\$ 1,054,998
Less: Average preferred stock	-	-	-	-	-	52,480	-	87,649
Average common equity	585,728	649,031	759,101	1,100,684	1,017,884	948,423	921,911	967,349
Less: Average goodwill and intangible assets	98,291	96,209	104,355	222,393	105,093	4,176	4,701	3,349
Average tangible common equity	\$ 487,437	\$ 552,823	\$ 654,746	\$ 878,291	\$ 912,791	\$ 944,247	\$ 917,210	\$ 964,000
Average total assets	6,156,739	6,690,422	7,733,279	11,456,932	13,149,454	13,297,682	13,281,368	12,595,392
Net Income (Loss)	\$ 56,239	\$ 84,369	\$ 109,511	\$ 110,512	\$ (199,064)	\$ (92,407)	\$ 793	\$ 6,896
Add: Goodwill impairment	-	-	-	-	215,252	-	-	-
Adjustments:								
Plus: LHFS Locom adjustment	-	-	-	-	-	117,517	-	-
Plus: Amortization of intangible assets expense	2,291	1,895	1,579	1,914	1,636	1,391	370	312
Plus/(Less): Merger related costs	-	-	-	(36)	-	-	-	-
Plus: Professional service costs	-	-	-	971	1,374	-	-	-
Plus: Valuation loss on equity investment	-	-	-	6,250	-	-	-	-
Plus: Severance costs	-	-	-	-	748	-	-	-
Less: Incentive compensation reversal	-	-	-	(4,150)	-	-	-	-
Less: Stock compensation reversal	-	-	-	-	(1,118)	-	-	-
Less: FDIC insurance expense refund	-	-	-	-	(724)	-	-	-
Total Adjustments	2,291	1,895	1,579	4,949	1,916	118,908	370	312
Less: Tax effect on adjustments	(664)	(550)	(458)	(1,400)	(536)	(33,294)	(104)	(87)
Adjusted Net Income (loss) available to common shareholders	\$ 57,866	\$ 85,714	\$ 110,632	\$ 114,061	\$ 17,568	\$ (6,793)	\$ 1,059	\$ 7,121
Tax rate utilized for calculating tax effect on adjustments	29%	29%	29%	28%	28%	28%	28%	28%
Return on average common equity <sup>(1)</sup>	9.6%	13.0%	14.4%	10.0%	-19.6%	-9.7%	0.3%	2.9%
Return on average tangible common equity <sup>(2)(5)</sup>	11.9%	15.5%	16.9%	13.0%	1.9%	-0.7%	0.5%	3.0%
Return on average assets <sup>(3)</sup>	0.91%	1.26%	1.42%	0.96%	-1.51%	-0.69%	0.02%	0.22%
Adjusted return on average assets <sup>(4)(5)</sup>	0.94%	1.28%	1.43%	1.00%	0.13%	-0.05%	0.03%	0.23%



- 1) Annualized net income divided by average shareholders' equity
- 2) Annualized adjusted net income available to common shareholders divided by average tangible common equity
- 3) Annualized net income divided by average assets
- 4) Annualized adjusted net income divided by average assets
- 5) Use of Non-GAAP measure

# Non-GAAP Tangible Common Equity Ratio, Tangible Book Value Per Share, And Adjusted Earnings (Loss) Per Share

Tangible shareholders' equity, tangible common equity to tangible asset ratio, tangible common equity, tangible book value per share, and adjusted earnings (loss) per share (basic and diluted) are non-GAAP financial measurements determined by methods other than in accordance with U.S. GAAP. Tangible common equity is calculated by taking shareholder's equity and subtracting preferred stock, goodwill and intangible assets. Tangible common equity to tangible asset ratio is calculated by taking tangible common equity and dividing by tangible assets which is total assets excluding the balance of goodwill and intangible assets. Tangible book value per common share is calculated by dividing tangible common equity by basic common shares outstanding, as compared to book value per share, which is calculated by dividing shareholders' equity by basic common shares outstanding. Adjusted earnings (loss) per share (basic and diluted) is calculated by dividing adjusted net income (loss) attributable to common shareholders by average common shares outstanding (basic and diluted). The reconciliation of GAAP net (loss) income to adjusted net income (loss) attributable to common shareholders is presented on slide 18 in "Non-GAAP Return on Average Tangible Common Equity (ROATCE), Adjusted Return on Average Assets and Net Income."

The table below provides a reconciliation of the GAAP measure of shareholders' equity to tangible shareholders' equity and tangible common equity. The table below also provides a reconciliation of the GAAP measure of equity to asset ratio to the non-GAAP measure of tangible common equity to tangible assets ratio. The table below also provides a reconciliation of GAAP measure of book value per share to the non-GAAP measure of tangible book value per common share. The table below also provides a reconciliation of the GAAP measure of net (loss) income per share (basic and diluted) to the non-GAAP measure of adjusted earnings (loss) per share (basic and diluted).

(\$ in thousands, except per share amounts)	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	1Q25
<i>Unaudited</i>							
Shareholders' equity	\$ 613,869	\$ 695,711	\$ 1,064,051	\$ 1,134,378	\$ 925,343	\$ 1,053,363	\$ 1,060,611
Less: Preferred stock	-	-	-	-	-	87,649	87,649
Total Common Equity	\$ 613,869	\$ 695,711	\$ 1,064,051	\$ 1,134,378	\$ 925,343	\$ 965,714	\$ 972,962
Less: Goodwill and intangible assets	97,191	95,296	222,125	221,835	4,948	3,558	3,245
Tangible Common Equity	\$ 516,678	\$ 600,415	\$ 841,926	\$ 912,543	\$ 920,395	\$ 962,156	\$ 969,717
Total assets	\$ 6,314,436	\$ 6,957,160	\$ 10,196,204	\$ 13,014,179	\$ 13,327,248	\$ 12,645,265	\$ 12,588,397
Less: Goodwill and intangible assets	97,191	95,296	222,125	221,835	4,948	3,558	3,245
Tangible assets	\$ 6,217,245	\$ 6,861,864	\$ 9,974,079	\$ 12,792,344	\$ 13,322,300	\$ 12,641,707	\$ 12,585,152
Equity to Asset Ratio	9.72%	10.00%	10.44%	8.72%	6.94%	8.33%	8.43%
<b>Tangible Common Equity Ratio</b>	<b>8.31%</b>	<b>8.75%</b>	<b>8.44%</b>	<b>7.13%</b>	<b>6.91%</b>	<b>7.61%</b>	<b>7.71%</b>
Book value per share	\$13.74	\$15.58	\$18.86	\$20.14	\$16.39	\$12.79	\$12.87
<b>Tangible book value per share</b>	<b>\$11.57</b>	<b>\$13.44</b>	<b>\$14.92</b>	<b>\$16.20</b>	<b>\$16.30</b>	<b>\$11.68</b>	<b>\$11.77</b>
Basic common shares outstanding	44,670,743	44,667,650	56,432,070	56,325,242	56,467,623	82,365,388	82,386,071
Additional common shares issued in July 2024 Capital Raise and upon conversion of preferred shares:							
Common shares underlying the Series A preferred shares	-	-	-	-	-	29,811,000	29,811,000
Common shares underlying the Series B preferred shares	-	-	-	-	-	-	-
	44,670,743	44,667,650	56,432,070	56,325,242	56,467,623	112,176,388	112,197,071
Book value per common share (adjusted)	\$13.74	\$15.58	\$18.86	\$20.14	\$16.39	\$9.39	\$9.45
<b>Tangible book value per common share (adjusted)</b>	<b>\$11.57</b>	<b>\$13.44</b>	<b>\$14.92</b>	<b>\$16.20</b>	<b>\$16.30</b>	<b>\$9.36</b>	<b>\$9.42</b>
Adjusted net (loss) income available to common shareholders	\$ 57,866	\$ 85,714	\$ 110,632	\$ 114,061	\$ 17,568	\$ (6,793)	\$ 7,121
Weighted average basic common shares outstanding	44,617,361	44,639,430	45,272,183	56,422,450	56,426,093	65,598,430	82,373,616
Diluted common shares outstanding	44,911,265	44,900,805	45,459,540	56,490,060	56,426,093	65,598,430	83,434,754
Net (loss) income per share (basic)	\$1.26	\$1.89	\$2.42	\$1.96	(\$3.53)	(\$1.41)	\$0.08
Net (loss) income per share (diluted)	\$1.25	\$1.88	\$2.41	\$1.96	(\$3.53)	(\$1.41)	\$0.08
Adjusted (loss) earnings per share (basic)	\$1.30	\$1.92	\$2.44	\$2.02	\$0.31	(\$0.10)	\$0.09
Adjusted (loss) earnings per share (diluted)	\$1.29	\$1.91	\$2.43	\$2.02	\$0.31	(\$0.10)	\$0.09





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