FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

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FIRST FRANKLIN CORP

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SIC: **6035** Savings institution, federally chartered

Mailing Address
401 EAST COURT STREET
CINCINNATI OH 45202

Business Address
401 EAST COURT STREET
SUITE 200
FRANKLIN SAVINGS
CINCINNATI OH 45202
5137211031

Securities and Exchange Commission
Washington, D.C. 20549

Form 10-QSB

[X] Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the Quarterly Period Ended March 31,1995

[ ] Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the Transition Period

Commission File Number 0-16362

First Franklin Corporation
(Exact Name of Registrant as Specified in its Charter)

Delaware	31-1221029
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification Number)
401 East Court Street, Cincinnati, Ohio	45202
(Address of Principal Executive Offices)	(Zip Code)

Registrant's Telephone Number, including Area Code (513) 721-1031

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 twelve months (or for such shorter period that the Registrant was required to file such reports) and (2) has been subject to such requirements for the past 90 days.

Yes [X] NO [ ]

As of March 31,1995, there were issued and outstanding 1,175,786 shares of the Registrant's Common Stock.

Transitional Small Business Format (check one)

Yes [ ] NO [X]

FIRST FRANKLIN CORPORATION AND SUBSIDIARY

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Part I - Item 1.

FIRST FRANKLIN CORPORATION AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS
(Dollars in Thousands)

	Mar 31,1995 (Unaudited)	Dec 31,1994
ASSETS		
Cash, including CD's & other interest-earning deposits of $3,057 and $827 at 03/31/95 and 12/31/94, respectively	$6,357	$2,883

Investment securities		
Available-for-sale, at market value (amortized cost of $14,899 and $14,899, respectively)	14,166	13,747
Held-to-maturity, at amortized cost (market value of $962 and $933, respectively)	881	881
Mortgage-backed securities		
Available-for-sale, at market value (amortized cost of $21,082 and $21,543, respectively)	20,943	20,742
Held-to-maturity, at amortized cost (market value of $13,288 and 13,100, respectively)	14,260	14,583
Loans receivable, net	132,499	134,170
Real estate owned, net	0	0
Stock in Federal Home Loan Bank of Cincinnati, at cost	1,567	1,649
Accrued interest receivable	1,110	1,021
Property and equipment, net	970	985
Other assets	1,499	1,729
Total Assets	$194,252	$192,390
LIABILITIES		
Savings accounts	$173,988	$172,502
Borrowings	588	596
Advances by borrowers for taxes and insurance	686	1,114
Other liabilities	142	326
Total liabilities	175,404	174,538
STOCKHOLDERS' EQUITY:		
Preferred stock; $.01 par value per share; 500,000 shares authorized; no shares issued		
Common stock; $.01 par value per share; 1,500,000 shares authorized; 1,267,664 shares issued at 03/31/95 and 1,255,464 at 12/31/94	13	13
Additional paid in capital	5,826	5,765
Treasury stock, at cost- 91,878 shares at 03/31/95 and 12/31/94, respectively	(442)	(442)
Unrealized loss on available-for-sale securities, net of taxes of $296 at 03/31/95 and $663 at 12/31/94	(576)	(1,289)
Retained earnings, substantially restricted	14,027	13,805
Total stockholders' equity	18,848	17,852

Total liabilities and stockholders' equity	$194,252	$192,390

The accompanying notes are an integral part of the consolidated financial statements.

FIRST FRANKLIN CORPORATION AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF OPERATIONS AND RETAINED EARNINGS

(Dollars in Thousands)

	For The Three Months Ended Mar 31,1995	Mar 31,1994
	(Unaudited)	
Interest income:		
Loans receivable	$2,651	$2,622
Mortgage-backed securities	530	513
Investment securities	275	244
	3,456	3,379
Interest expense:		
Savings accounts	2,012	1,834
Borrowings	18	24
	2,030	1,858
Net interest income	1,426	1,521
Provision for loan losses	15	31
Net interest income after provision for loan losses	1,411	1,490
Noninterest income:		
Gain on loans sold	2	8
Service fees on NOW accounts	51	52
Other income	35	79
	88	139
Noninterest expenses:		
Salaries and employee benefits	416	401
Occupancy expense	147	151
Federal insurance premiums	100	105
Service bureau expense	66	63
Other expenses	315	362

	1,044	1,082
Income before federal income taxes	455	547
Provision for federal income taxes	151	185
Net Income	$304	$362

continued

The accompanying notes are an integral part of the consolidated financial statements.

FIRST FRANKLIN CORPORATION AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF OPERATIONS AND RETAINED EARNINGS, CONTINUED
(Dollars in Thousands)

	For The Three Months Ended Mar 31,1995	Mar 31,1994
	(Unaudited)	
RETAINED EARNINGS-BEGINNING OF PERIOD	$13,805	$13,171
Net income	304	362
Less: dividends declared	(82)	(72)
RETAINED EARNINGS-END OF PERIOD	$14,027	$13,461
EARNINGS PER COMMON SHARE (in dollars)	$0.25	$0.30
DIVIDENDS DECLARED PER COMMON SHARE (in dollars)	$0.07	$0.0625

The accompanying notes are an integral part of the consolidated financial statements.

FIRST FRANKLIN CORPORATION AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Dollars in Thousands)

	For The Three Months Ended Mar 31,1995	Mar 31,1994
	(Unaudited)	

Cash provided by (used in) operating activities:		
Net income	$304	$362
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for loan losses	15	31
Depreciation and amortization	51	67
FHLB stock dividend	(27)	(20)
Increase in accrued interest receivable	(89)	(164)
Decrease (increase) in other assets	230	(135)
(Decrease) increase in other liabilities	(184)	519
Other, net	(396)	(89)
Loans sold	91	2,926
Disbursements on loans originated for sale	(91)	(988)
Net cash (used in) provided by operating activities	(96)	2,509
Cash provided by (used in) investing activities:		
Loan principal reductions	5,845	9,498
Disbursements on mortgage and other loans originated for investment	(4,099)	(8,865)
Repayments on mortgage-backed securities	773	1,518
Purchase of available-for-sale mortgage-backed securities		(1,499)
Purchase of available-for-sale investment securities		(998)
Proceeds from the maturity of available-for-sale investment securities		1,000
Proceeds from the maturity of held-to-maturity investment securities		10
Proceeds from sale of Federal Home Loan Bank stock	109	
Proceeds from the sale of real estate owned		25
Capital expenditures	(26)	(9)
Net cash provided by investing activities	2,602	680

continued

The accompanying notes are an integral part of the consolidated financial statements.

FIRST FRANKLIN CORPORATION AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS, CONTINUED
(Dollars in Thousands)

	For The Three Months Ended Mar 31,1995	Mar 31,1994
	(Unaudited)	
Cash provided by (used in) financing activities:		
Net decrease in passbook accounts and demand deposits	(5,416)	(2,164)
Proceeds from sales of certificates of deposit	18,815	8,131
Payments for maturing certificates of deposit	(11,913)	(10,297)
Repayment of borrowed money	(8)	(677)
Decrease in advances by borrowers for taxes and insurance	(428)	(419)
Payment of dividends	(82)	(72)
Net cash provided by (used in) financing activities	968	(5,498)
Net increase (decrease) in cash	$3,474	($2,309)
Cash at beginning of period	2,883	7,358
CASH AT END OF PERIOD	$6,357	$5,049

The accompanying notes are an integral part of the consolidated financial statements.

FIRST FRANKLIN CORPORATION AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: BASIS OF PRESENTATION

The accompanying unaudited interim consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-QSB and Rule 10-01 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three month period ended March 31,1995 are not necessarily indicative of the results that may be expected for the full year. The December 31,1994 Balance Sheet data was derived from audited Financial Statements, but does not include all disclosures required by generally accepted accounting principles.

NOTE 2: STOCK SPLIT

On January 10,1995, a two-for-one stock split took place. All references in the accompanying financial statements to the number of common shares and per share amounts have been adjusted to reflect the stock split. Common shares and paid-in capital have also been adjusted to reflect the split.

Part I - Item 2.

FIRST FRANKLIN CORPORATION AND SUBSIDIARY
MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

GENERAL

First Franklin Corporation ("Company") was incorporated under the laws of the State of Delaware in September 1987 by authorization of the Board of Directors of the Franklin Savings and Loan Company ("Franklin"). The Company applied for and received regulatory approval to acquire all the common stock of Franklin to be outstanding upon its conversion from the mutual to stock form of ownership. This conversion was completed January 25,1988.

As a Delaware corporation, First Franklin is authorized to engage in any activity permitted by Delaware General Corporate Law. As a unitary savings and loan holding company, First Franklin is subject to examination and supervision by the Office of Thrift Supervision ("OTS") , although the Company's activities are not limited by the OTS as long as certain conditions are met. The Company's assets consist of cash, investment securities and investments in Franklin and DirectTeller Systems Inc. ("DirectTeller").

Franklin is an Ohio chartered stock savings and loan headquartered in Cincinnati, Ohio. It was originally chartered in 1883 as the Green Street Number 2 Loan and Building Company. Franklin operates seven banking offices in Hamilton County, Ohio through which it offers a wide range of consumer banking services, including mortgage loans, credit cards, checking accounts, auto loans, savings and certificate accounts, automated teller machines and a voice response telephone inquiry system. Beginning in March 1995, Franklin initated a program to provide its customers access to mutual funds, annuities and brokerage services in its offices. The business of Franklin consists primarily of attracting deposits from the general public and using those deposits, together with borrowings and other funds, to originate and purchase investments and real estate loans for retention in its portfolio and sale in the secondary market.

Franklin has one subsidiary, Madison Service Corporation ("Madison"). Madison was formed on February 22,1972 by Franklin which owns 100% of its outstanding stock. At the present time, Madison's only activity is the servicing of a multi-family mortgage loan. Madison had net income of $11,429 for 1994 and $910 for the three months ended March 31,1995. The 1994 income includes the collection of $10,000 in non-recurring fees on the multi-family loan which Madison services.

DirectTeller was formed in 1989 by the Company and DataTech Services, Inc. to develop and market a voice response inquiry system to allow financial institution customers to access information about their accounts via the telephone and/or a facsimile machine. The inquiry system is installed at Intreive, a computer service bureau which specializes in financial institutions. The system is currently operational at nineteen of Intrieve's clients in eight states servicing approximately 500,000 accounts. The agreement with Intrieve gives DirectTeller a percentage of the future profits generated by the inquiry system.

During the first quarter of 1995 payments under this agreement totalled $800. DirectTeller is continuing to market this system to other financial institutions and computer service bureaus. First Franklin owns 51% of DirectTeller's outstanding common stock. The Company's share of DirectTeller's net profit for the quarter ended March 31,1995 was $283. For the year ended December 31,1994 the Company's share of DirectTeller's operating loss was $1,738.

Since the results of operations of Madison and DirectTeller have not been material to the operations and financial condition of the Company, the following discussion focuses primarily on Franklin.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

Consolidated Assets increased $1.9 million (1.0%) from $192.4 million at December 31, 1994 to $194.3 million at March 31, 1995, compared to a $4.5 million (2.3%) decrease for the same period in 1994.

Loan disbursements were $4.2 million during the current quarter compared to $9.8 million during the quarter ended March 31,1994. This decrease reflects the higher level of interest rates experienced during the second half of 1994 and the current quarter. Based on current market conditions, it appears that loan disbursements may increase slightly during the second quarter. At March 31,1995, commitments to originate mortgage loans or purchase mortgage-backed securities were $1.6 million. At the same date, $2.5 million of undisbursed loan funds were being held on various construction loans. Management believes that sufficient cash flow and borrowing capacity exists to fund these commitments. To maintain a favorable match between the assets and liabilities maturing or repricing during a specific period, Franklin may buy adjustable rate mortgage-backed securities or sell some of the fixed rate loans that it originates and any adjustable rate loans that have used their conversion privilege to convert to a fixed rate loan. Increased interest rates have created a greater demand for adjustable rate mortgage loans, therefore, during the current quarter, Franklin sold only $91,000 of fixed rate mortgage loans. During the same period, no adjustable rate mortgage-backed securities were purchased.

Liquid assets increased $3.9 million during the three months ended March 31, 1995 to $21.4 million. This increase is the result of the decline in loan disbursements. At March 31,1995 liquid assets were 11.0% of total assets, which was above management's target of 8%.

The Company adopted SFAS No. 115 as of January 1, 1994 and investment and mortgage-backed securities were classified based on the Company's current intention to hold to maturity or have available for sale, if necessary. No securities were classified as trading. The following table shows the gross unrealized gains or losses on mortgage-backed securities and investment securities as of March 31,1995. During the current quarter, there have been no sales of investments or mortgage-backed securities.

	Amortized Cost	Market Value (in thousands)	Unrealized Gains	Unrealized Losses
Available-for-sale				
Investment securities	$14,899	$14,166	$0	$733
Mortgage-backed securities	$21,082	$20,943	$96	$235
Held-to-maturity				
Investment securities	$881	$962	$81	$0
Mortgage-backed securities	$14,260	$13,288	$0	$972

At March 31,1995 savings deposits were $174.0 million compared to $172.5 million at December 31,1994. This is a increase of $1.5 million during the current quarter. During the three months ended March 31,1995, core deposits (transaction and passbook savings accounts) decreased $5.4 million. A substantial portion of these funds were transferred to certificates of deposit, which caused short term certificates (two years or less) to increase $4.8 million and certificates with original terms greater than two years to increase $2.1 million. Interest of $1.8 million was credited to accounts during the current quarter. After eliminating the effect of interest credited, savings decreased $300,000 during the three months ended March 31,1995.

At March 31,1995 borrowings consisted of a $588,000 Federal Home Loan Bank advance.

At March 31,1995, $1.7 million of assets were classified substandard, $305,000 classified loss and $3.1 million classified as special mention compared to $1.9 million as substandard, $577,000 as loss and $2.9 million as special mention at December 31,1994. Non-accruing and accruing loans delinquent ninety days or more at March 31,1995 and December 31,1994 were $730,000 and $1.1 million, respectively. During the remainder of 1995, continued emphasis will be placed on the collection process to reduce the amount of these loans.

In management's opinion, adequate reserves are available to protect against reasonably foreseeable losses that may occur on loans or repossessed assets. Based on the quality of the loan portfolio and management's belief that the level of general reserves is adequate to protect against reasonably foreseeable losses, the charges against current operations were reduced as compared to previous years. The following table shows the activity that has occurred on loss reserves during the three months ended March 31,1995.

	(in thousands)
Balance at beginning of period	$1,256
Charge offs	253
Additions charged to operations	15
Recoveries	0
Balance at end of period	$1,018

First Franklin continues to enjoy a strong net worth position. At March 31, 1995, net worth was $18.8 million, which is 9.7% of assets. At the same date, book value per share was $16.03 compared to $16.21 at March 31,1994. The following table summarizes, as of March 31,1995, the regulatory capital position of our subsidiary, Franklin Savings.

Capital Standard	Actual	Required	Excess	Actual	Required	Excess
	(in thousands)					
Tangible	$13,880	$2,868	$11,012	7.26%	1.50%	5.76%
Core	$13,880	$5,736	$8,144	7.26%	3.00%	4.26%
Risk-based	$14,593	$7,019	$7,574	16.63%	8.00%	8.63%

RESULTS OF OPERATIONS

Net income declined to $304,000 ($0.25 per share) for the current quarter from $362,000 ($0.30 per share) for the same quarter in 1994.

Net interest income, before provisions for loan losses, decreased to $1.43 million for the current quarter compared to $1.52 million during the same period in 1994. This decline was due to the collection of $120,000 in interest on a non-accruing multi-family loan which became current during the quarter ended March 31,1994. As the tables below illustrate, average interest-earning assets declined $131,000 to $187.7 million during the quarter ended March 31,1995 from $187.8 million for the year ended December 31,1994. Average interest bearing liabilities declined $113,000 from $173.9 million for the year ended December 31,1994 to $173.8 for the current quarter. Thus, average net interest earning assets decreased $18,000. The interest rate spread (the yield on interest-earning assets less the cost of interest-bearing liabilities) decreased from 2.76% for the year ended December 31, 1994 to 2.69% for the current three month period. This decrease in the spread reflects an increase in the cost of funds from 4.32% for the year ended December 31, 1994 to 4.67% for the quarter ended March 31,1995. The yield on interest-earning assets increased to 7.36% during the current quarter from 7.08% for the year ended December 31,1994.

For the Three Months ended March 31,1995

	Average Outstanding ($ in thousands)	Yield/cost
Average interest-earning assets		
Loans	$133,116	7.96%
Mortgage-backed securities	35,565	5.96%
Investments	17,398	5.72%
FHLB stock	1,622	6.66%
Total	$187,701	7.36%
Average interest-bearing liabilities		
Demand deposits	$24,123	2.50%
Savings accounts	27,119	2.76%
Certificates	121,928	5.49%
FHLB advances	591	8.13%
Total	$173,761	4.67%
Net interest-earning assets	$13,940	2.69%

For the year ended December 31, 1994

	Average Outstanding ($ in thousands)	Yield/cost

Average interest-earning assets		
Loans	$130,839	7.81%
Mortgage-backed securities	37,947	5.44%
Investments	17,403	5.24%
FHLB stock	1,643	5.72%
Total	$187,832	7.08%
Average interest-bearing liabilities		
Demand deposits	$28,446	2.49%
Savings accounts	34,155	2.79%
Certificates	110,426	5.24%
FHLB advances	830	8.67%
Other borrowings	17	
Total	$173,874	4.32%
Net interest-earning assets	$13,958	2.76%

Noninterest income for the quarter ended March 31,1995 was $88,000 compared to $139,000 for the same quarter in 1994 . The decline between the two periods is the result of a decrease in loan fees, late charges and profit on the sale of loans. As discussed previously, it appears that demand for adjustable rate mortgage loans will continue to be strong, therefore management anticipates that loan sales will remain at levels experienced during the current quarter.

Noninterest expenses were $1.04 million for the current quarter compared to $1.08 million for the three months ended March 31,1994. As a percentage of average assets, this is 2.16% for the current quarter compared to 2.20% for the first quarter of 1994.

PART II

FIRST FRANKLIN CORPORATION AND SUBSIDIARY

Item 1. LEGAL PROCEEDING

There are no material pending legal proceedings to which the holding company or any subsidiary is a party or of which any of their property is subject.

Item 2. CHANGES IN SECURITIES

None

Item 3. DEFAULTS UPON SENIOR SECURITIES

None

Item 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None

Item 5. OTHER INFORMATION

A. Press Release Dated March 28,1995 as follows:

March 28, 1995
FOR IMMEDIATE RELEASE
CONTACT: Thomas H. Siemers
President and CEO
721-0808

Thomas H. Siemers, President and CEO of First Franklin Corporation, has announced that, for the twenty-sixth consecutive quarter, the Board of Directors has declared a dividend of $0.07 per share for the first quarter of 1995. The quarterly dividend will be payable on April 17, 1995 to shareholders of record as of April 7.

First Franklin is the parent organization of Franklin Savings, which has seven offices in Greater Cincinnati and assets of $190,331,000 as of February 28, 1995.

B. Press Release Dated April 17,1995 as follows:

April 17, 1995

FOR IMMEDIATE RELEASE

CONTACT: Thomas H. Siemers
President and CEO
721-0808

First Franklin Corporation, the parent of Franklin Savings and Loan Company, Cincinnati, Ohio announced today earnings of $304,000 ($.25 per share) for the first quarter of 1995. This compares to earnings of $362,000 ($.30 per share) for the same period last year.

First Franklin conducts its business through its subsidiary Franklin Savings, with seven full service offices located in Hamilton County, Ohio.

Item 6. EXHIBITS AND REPORTS ON FORM 8-K

None

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 FRANKLIN CORPORATION

/s/ Daniel T. Voelpel

____

Daniel T. Voelpel
Vice President and
Chief Financial Officer

Date: May 9, 1995