



KEEFE, BRUYETTE & WOODS  
*A Stifel Company*

# Virtual Community Bank Investor Conference

August 3-4, 2021



# Hanmi Financial Corporation

# Forward-Looking Statements

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Hanmi Financial Corporation (the “Company”) cautions investors that any statements contained herein that are not historical facts are forward-looking statements within the meaning of the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995, including, but not limited to, those statements regarding operating and financial performance, financial position and liquidity, business strategies, regulatory, economic and competitive outlook, investment and expenditure plans, capital and financing needs and availability, litigation plans and objectives, merger or sale activity, the effects of COVID-19 on our business, financial condition and results of operations, and all other forecasts and statements of expectation or assumption underlying any of the foregoing. These statements involve known and unknown risks and uncertainties that are difficult to predict. Investors should not rely on any forward-looking statement and should consider risks, such as changes in governmental policy, legislation and regulations, economic climate uncertainty, fluctuations in interest rate and credit risk, competitive pressures, the ability to succeed in new markets, balance sheet management, the ability to identify and remediate any material weakness in internal controls over financial reporting, and other operational factors.

Further, given its ongoing and dynamic nature, it is difficult to predict the full impact of the COVID-19 outbreak on our business, financial condition and results of operations. The extent of such impact will depend on future developments, which are highly uncertain, including when the coronavirus can be controlled and abated and whether the continued reopening of businesses will result in a meaningful increase in economic activity. As the result of the COVID-19 pandemic and the related adverse local and national economic consequences, we could be subject to various risks, any of which could have a material, adverse effect on our business, financial condition, liquidity, and results of operations.

Forward-looking statements are based upon the good faith beliefs and expectations of management as of this date only and are further subject to additional risks and uncertainties, including, but not limited to, the risk factors set forth in our earnings release dated July 27, 2021, including the section titled “Forward Looking Statements and the Company’s most recent Form 10-K, 10-Q and other filings with the Securities and Exchange Commission (“SEC”). Investors are urged to review our earnings release dated July 27, 2021, including the section titled “Forward Looking Statements and the Company’s SEC filings. The Company disclaims any obligation to update or revise the forward-looking statements herein.

# The Hanmi Story



 **Hanmi Bank**



**1982**

First Korean American Bank in the U.S.

**1988**

Began offering SBA loans  
Acquired First Global Bank

**2001**

Listed HAFC common stock

**2004**

Acquired Pacific Union Bank  
(\$1.2B in assets acquired)

**2007**

Completed \$70 million secondary  
common stock offering

**2014**

Acquired Central Bancorp, Inc. (\$1.3B  
in assets acquired)

**2016**

Acquired Commercial Equipment Leasing  
Division (CELD)

**2017**

Assets surpassed \$5 billion  
Opened a Manhattan, NY branch

**2018**

Opened Houston Chinatown  
branch in Texas

**2020**

Embarked on mortgage & digital  
banking initiatives by on-boarding  
new management team

# Management Team

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Name	Position	Banking Experience (Years)	Hanmi Experience (Years)	Previous Experience
Bonnie Lee	President & CEO	35	8	BBCN Bancorp, Shinhan Bank America, Nara Bank
Romolo Santarosa	SEVP, Chief Financial Officer	30	6	Opus Bank, First California Financial Group, Sanwa Bank, Shawmut National Corporation
Anthony Kim	EVP, Chief Banking Officer	27	8	Nara Bank / Saehan Bank BBCN Bancorp
Matthew Fuhr	EVP, Chief Credit Administration Officer	25	6	Pacific Western Bank, Wells Fargo Bank, Foothill Independent Bank, FDIC
Mike Park	EVP, Chief Credit Risk Officer	33	7	East West Bank, Nara Bank, Sanwa/Bank of the West, Center Bank
Anna Chung	EVP, Chief SBA Lending Officer	38	7	East West Bank, Nara Bank, Sanwa/Bank of the West, Center Bank
Navneeth Naidu	EVP, Chief Technology Officer	19	3	Columbia Bank, American Marine Bank, First Capital Bank of Texas
Michael Du	SVP, Chief Risk Officer	22	2	Fremont Investment and Loan, Capital Source, Banc of California, Unify Financial Federal Credit Union, Pacific Western Bank

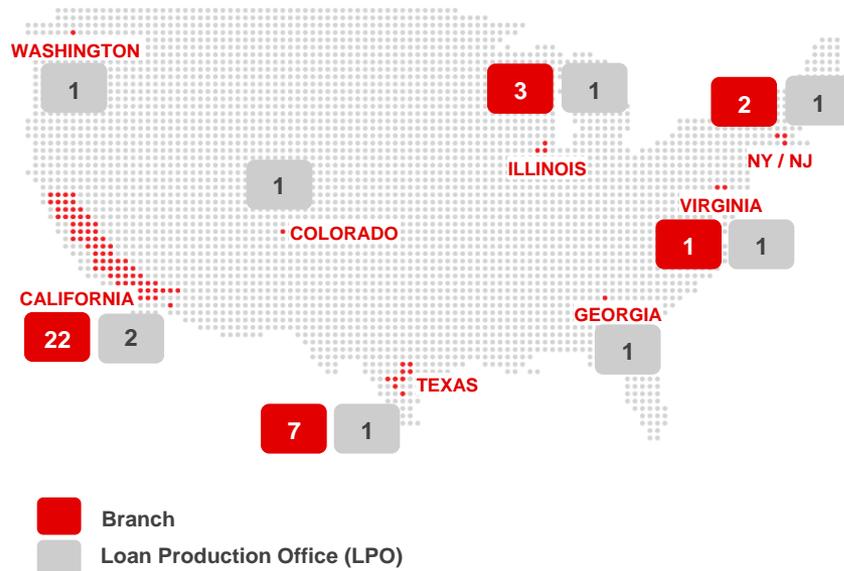
# Hanmi at a Glance

## Equity Snapshot

(as of July 28, 2021)

Headquarters:	Los Angeles, CA
Ticker:	NASDAQ: HAFC
Share Price:	\$18.47
52 Week Range:	\$7.48 - \$22.29
Market Cap:	\$562.4 Million
Avg. 3M Daily Volume:	153,646

## Bank Network



## Focus on growth and value preservation for our shareholders

- Second largest Korean American Bank with 39 years of history and \$6.6 billion in assets
- 35 branches coast-to-coast in major banking markets & 9 LPOs
- Commitment to conservative, disciplined underwriting, and strong asset quality
- Well capitalized, significantly above the regulatory requirements

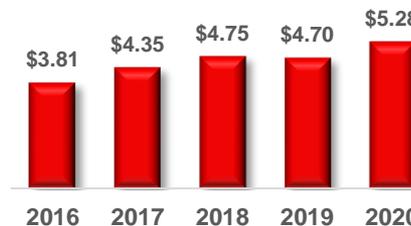
### Assets \$ billions



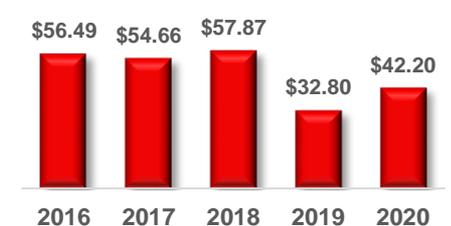
### Loans \$ billions



### Deposits \$ billions



### Net Income \$ millions



# 2Q21 Highlights

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Net Income	Diluted EPS	ROAA	NIM	Efficiency Ratio	TBVPS*
<b>\$22.1M</b>	<b>\$0.72</b>	<b>1.38%</b>	<b>3.19%</b>	<b>52.66%</b>	<b>\$19.27</b>

- **Net income** of \$22.1 million, or \$0.72 per diluted share, up 32.8% from \$16.7 million, or \$0.54 per diluted share, from the prior quarter
- **Loans receivable** of \$4.82 billion, unchanged from the prior quarter; excluding Paycheck Protection Program (“PPP”) loans, up 2.5% quarter-over-quarter
  - **Loan production** of \$465.6 million, offset by payoffs/paydowns and forgiveness on first draw PPP loans
- **Deposits** of \$5.63 billion, up 2.2% from the prior quarter
  - **Noninterest-bearing demand deposits** of \$2.35 billion, up 8.3% from the prior quarter
  - **Cost of interest-bearing deposits** declined 12 basis points from the prior quarter to 0.37%
- **Recovery of credit loss expense** of \$3.3 million for the second quarter; allowance for credit losses was 1.73% of loans at June 30, 2021 (1.78%\* excluding PPP loans)
- **Well-capitalized** with a Total Risk-Based capital ratio of 15.41% and a Common Equity Tier 1 capital ratio of 11.76% and TCE/TA\* ratio of 9.01% at June 30, 2021 (9.23%\* excluding PPP loans)

\*Non-GAAP financial measure; refer to the non-GAAP reconciliation slide

# 2Q21 Financial Summary

(\$ million, except EPS)

	2Q21	1Q21	2Q20	Change <sup>(1,2)</sup>	
				Q/Q	Y/Y
<b><i>Income Statement Summary</i></b>					
Net interest income	\$ 49.6	\$ 46.0	\$ 44.4	7.8%	11.5%
Noninterest income	8.9	9.8	20.9	-9.4%	-57.5%
Operating revenue	58.5	55.8	65.4	4.7%	-10.6%
Noninterest expense	30.8	29.5	27.1	4.2%	13.4%
Credit loss expense (recovery)	(3.3)	2.1	24.6	-257.7%	-113.5%
Pretax income	31.0	24.2	13.6	28.3%	127.3%
Income tax expense	8.9	7.5	4.5	18.3%	98.9%
Net income	\$ 22.1	\$ 16.7	\$ 9.2	32.8%	141.1%
<b>EPS-Diluted</b>	<b>\$ 0.72</b>	<b>\$ 0.54</b>	<b>\$ 0.30</b>		
<b><i>Select Balance Sheet Items</i></b>					
Loans receivable	\$ 4,820	\$ 4,817	\$ 4,826	0.1%	-0.1%
Deposits	5,630	5,510	5,210	2.2%	8.1%
Total assets	6,579	6,438	6,218	2.2%	5.8%
Stockholders' equity	603	582	547	3.6%	10.1%
<b><i>Profitability Metrics</i></b>					
Return on average assets	1.38%	1.08%	0.63%	29	75
Return on average equity	14.91%	11.63%	6.73%	328	818
TCE/TA <sup>(3)</sup>	9.01%	8.87%	8.63%	13	38
Net interest margin	3.19%	3.09%	3.15%	10	4
Efficiency ratio	52.66%	52.92%	41.51%	-26	1115

- **Net interest income** increased 7.8% to \$49.6 million; net interest margin of 3.19% (3.12%<sup>(3)</sup> excluding PPP loans)
- **Noninterest income** decreased 9.4% from the prior quarter to \$8.9 million as lower gains on sale of second-draw PPP loans were offset partially by higher gains on sale of non-PPP SBA 7(a) loans
- **Noninterest expense** of \$30.8 million, up 4.2% from the prior quarter which included \$1.4 million of capitalization costs on second-draw PPP loans
- **Efficiency ratio** for the second quarter was 52.66% (52.86%<sup>(3)</sup> excluding securities gains and second draw PPP loan gains and origination costs) compared with 52.92% for the prior quarter

Note: Numbers may not add due to rounding

(1) Percentage change calculated from dollars in thousands

(2) Change in basis points for returns and ratios

(3) Non-GAAP financial measure; refer to the non-GAAP reconciliation slide

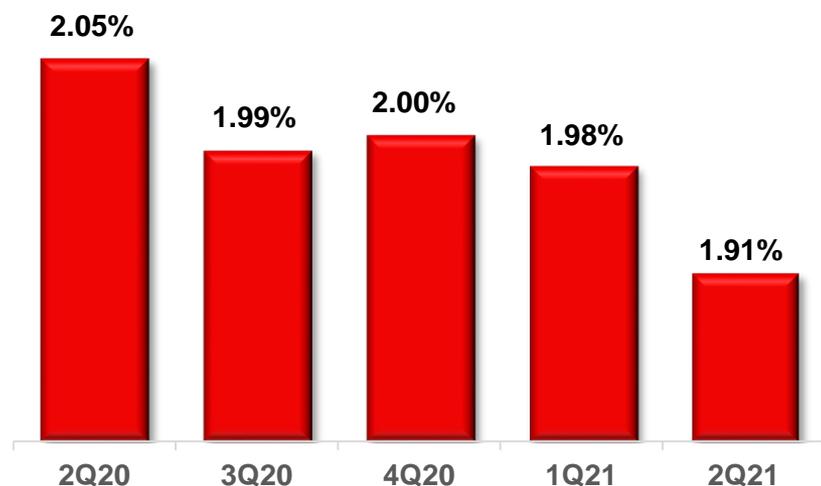
# Adjusted Pretax Pre-Provision Income<sup>(3)</sup>

(\$ millions)

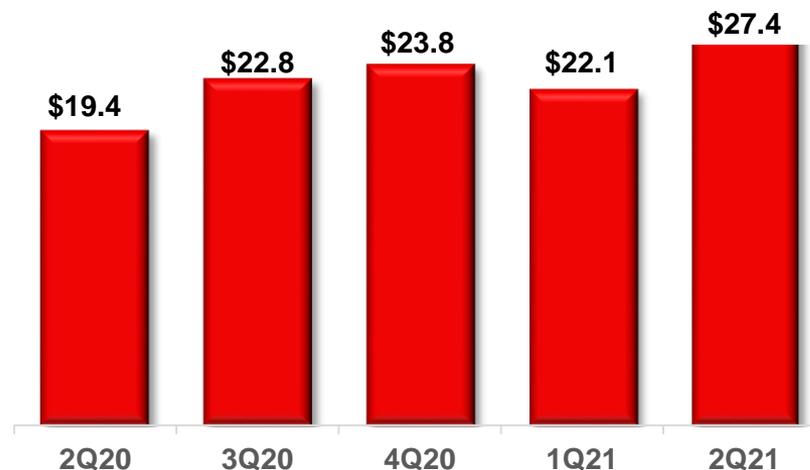
	2Q21	1Q21	4Q20	3Q20	2Q20
<b><i>Income Statement Summary</i></b>					
Net interest income	\$ 49.6	\$ 46.0	\$ 46.9	\$ 45.6	\$ 44.4
Adjusted Noninterest income <sup>(1,3)</sup>	8.6	7.0	7.8	7.1	5.2
Adjusted Operating revenue <sup>(3)</sup>	58.2	53.0	54.7	52.7	49.6
Adjusted Noninterest expense <sup>(2,3)</sup>	30.8	30.9	30.9	29.9	30.2
Adjusted Pretax, Pre-Provision income <sup>(3)</sup>	\$ 27.4	\$ 22.1	23.8	22.8	19.4

- Adjusted operating revenue<sup>(3)</sup> increased by 10% quarter-over-quarter
  - Adjusted operating revenue<sup>(3)</sup> includes non-PPP 7(a) SBA gains of \$3.3 million (2Q21), \$1.7 million (1Q21), \$1.8 million (4Q20), and \$2.3 million (3Q20)
- Adjusted pretax, pre-provision income<sup>(3)</sup> increased by 24% quarter-over-quarter

Adjusted Noninterest Expense as a Percentage of Avg. Assets<sup>(2,3)</sup>



Adjusted Pretax, Pre-Provision Income (\$ millions)<sup>(1,2,3)</sup>



Note: Numbers may not add due to rounding

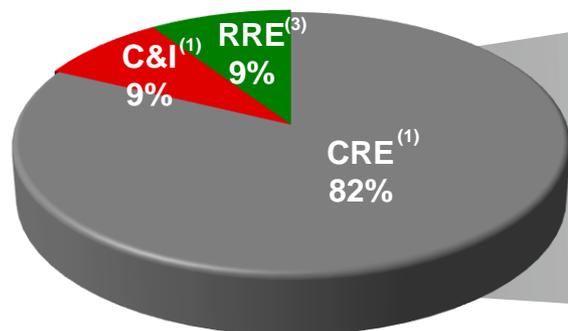
(1) Excludes \$203 thousand of PPP gains, and \$75 thousand legal settlement for 2Q21, \$2.5 million of PPP gains, \$250 thousand legal settlement and \$99 thousand gain on securities for 1Q21, \$1.0 million legal settlement for 4Q20, and gains on securities of \$15.7 million for 2Q20

(2) Excludes PPP deferred loan origination costs of \$1.4 million for 1Q21 and \$3.1 million for 2Q20

(3) Non-GAAP financial measure; refer to the non-GAAP reconciliation slide

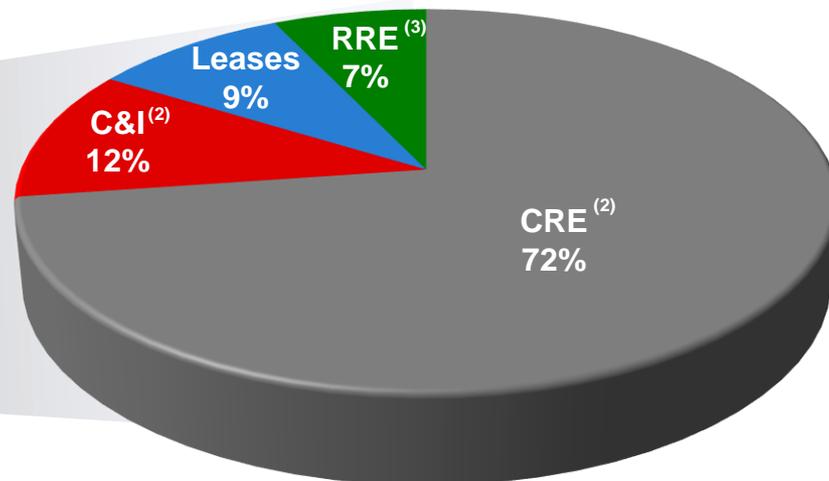
# Successful Portfolio Diversification Strategy

**Loan Composition**  
**2Q 2016**



**Total Portfolio:**  
**\$3.4 billion**

**Loan Composition**  
**2Q 2021**



**Total Portfolio:**  
**\$4.8 billion**

**7% CAGR**

**Significant progress in reducing CRE concentration from 82% of total portfolio to 72% today**

(1) Includes \$182 million and \$16 million of the retained unguaranteed portion of the SBA loans across CRE and C&I respectively

(2) Includes \$138 million and \$40 million of the retained unguaranteed portion of the SBA loans across CRE and C&I respectively, and \$144 million of guaranteed loans funded through the Paycheck Protection Program net of deferred fees in C&I

(3) RRE includes Consumer

# Loan Portfolio Composition

**\$4.82 Billion Loan Portfolio**  
(as of 2Q21)

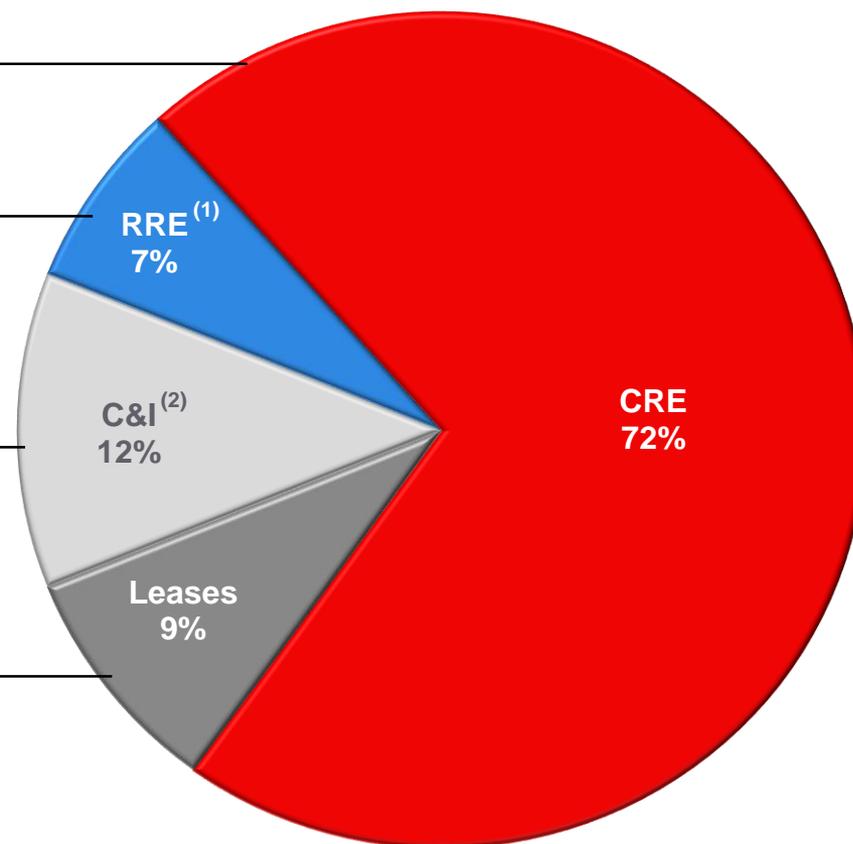
**Loan Portfolio Composition**

<b>Commercial Real Estate Portfolio</b>	
\$ in millions	
Outstanding	\$3,452
Average Size	\$1.7
QTD Average Yield	4.35%

<b>RRE &amp; Consumer Portfolio<sup>(1)</sup></b>	
\$ in millions	
Outstanding	\$349
Average Size	\$0.4
QTD Average Yield	3.16%

<b>Commercial &amp; Industrial Portfolio<sup>(2)</sup></b>	
\$ in millions	
Outstanding	\$588
Average Size	\$0.2
QTD Average Yield	5.16%

<b>Leasing Portfolio</b>	
\$ in millions	
Outstanding	\$432
Average Size	\$0.04
QTD Average Yield	5.29%



(1) RRE includes Consumer

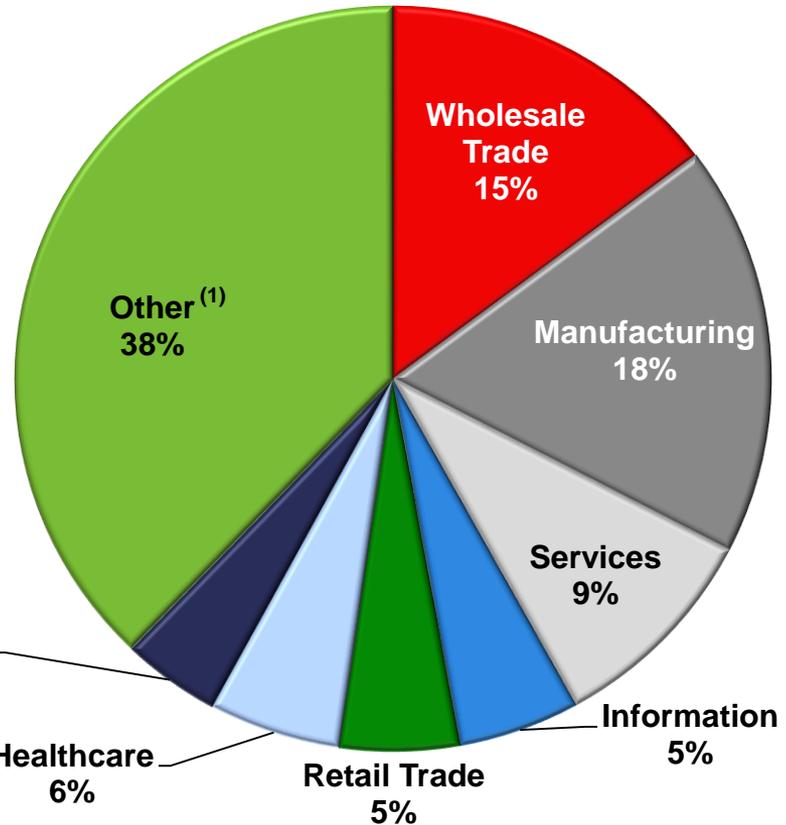
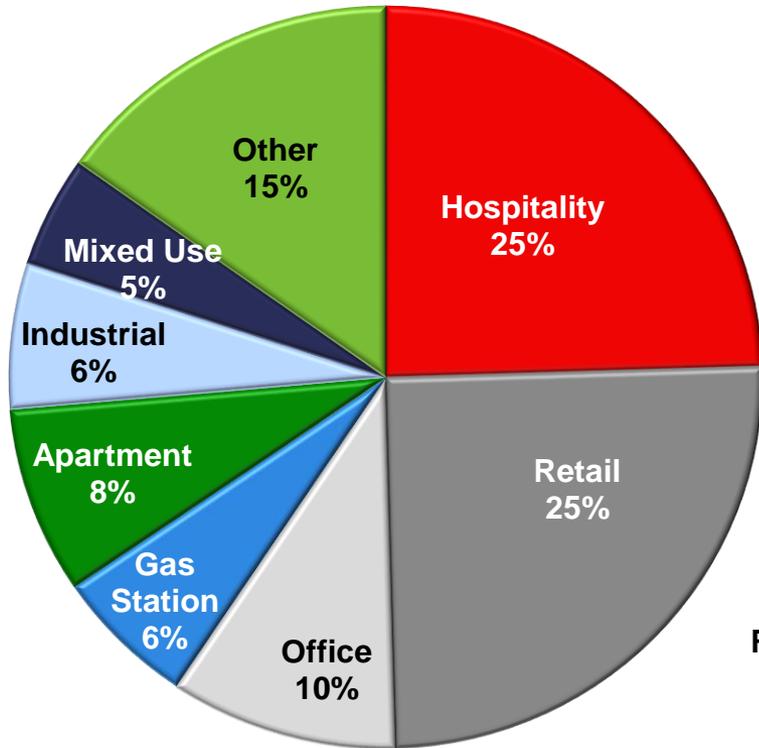
(2) C&I portfolio includes \$144 million of loans funded through the Paycheck Protection Program net of \$1.5 million of deferred fees

# Loan Portfolio Diversification

Loan portfolio is well diversified across property and business types.

**CRE Portfolio**  
**\$3.45B<sup>(2)</sup>**

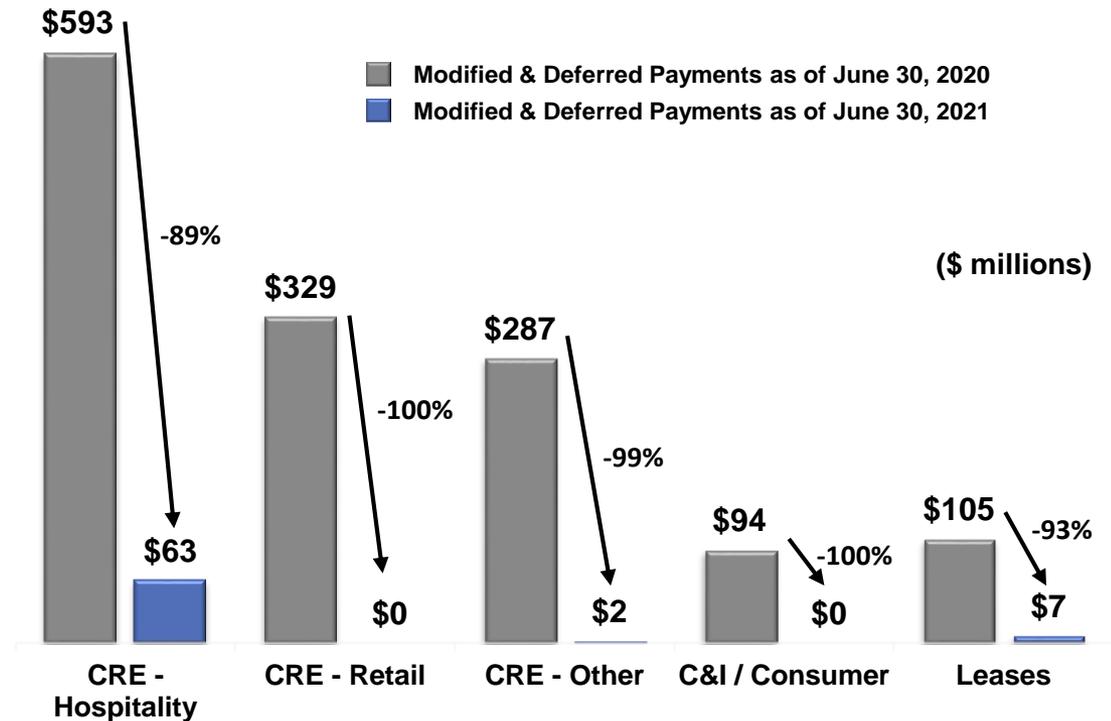
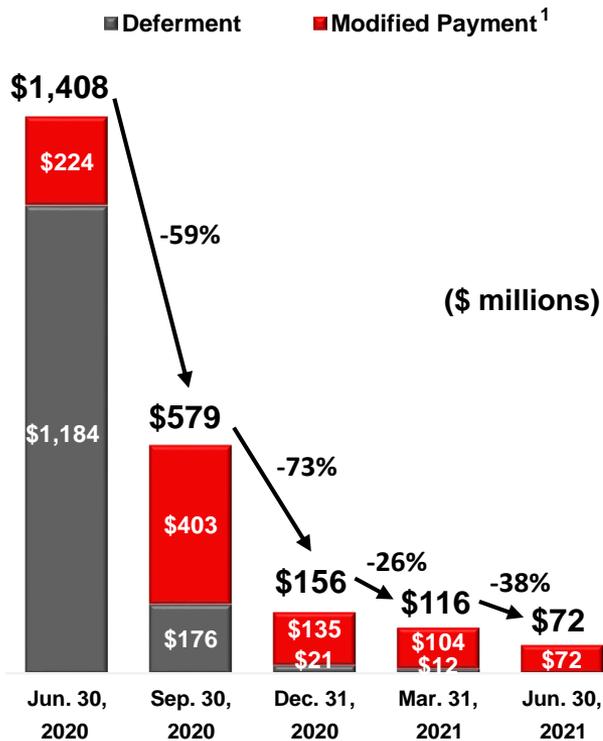
**C&I Portfolio**  
**\$588M**



Note: Numbers may not add due to rounding  
 (1) 65% of this category represents PPP loans  
 (2) 1.8% represent construction/land

# Excellent Modification Trend

- 95% decline in modifications since June 30, 2020 – from \$1.4B to \$72M as of June 30, 2021
- Modified portfolio represents 1.5% of loans receivable as of June 30, 2021

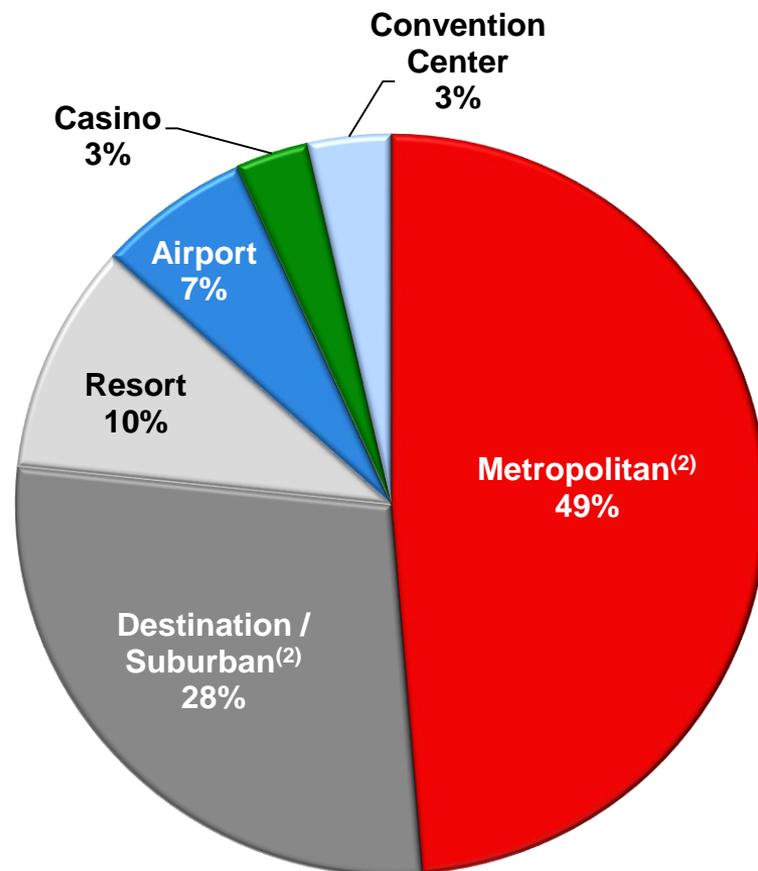


Note: Numbers may not add due to rounding

(1) Modified payments include Interest Only, Hybrid, Reduced Payment and other type of modifications

# Hospitality Segment by Location Type

Hospitality segment<sup>(1)</sup> is \$847 million, representing 18% of the loan portfolio.



## Hospitality Portfolio Detail

- Average balance within the segment was \$3.2 million
- Weighted average debt coverage ratio of the segment was 2.0x at origination
- Weighted average loan to value of the segment was 50% at origination
- 12% of the hospitality portfolio was criticized as of June 30, 2021, with almost half stemming from the Metropolitan location category
- The current<sup>(3)</sup> weighted average loan to value of all criticized hospitality loans was 68%
- Nonaccrual hospitality loans represented 1% of the portfolio with only two loans over \$3 million – a \$5.6 million California-based convention center location and a \$3.0 million Texas-based metropolitan location

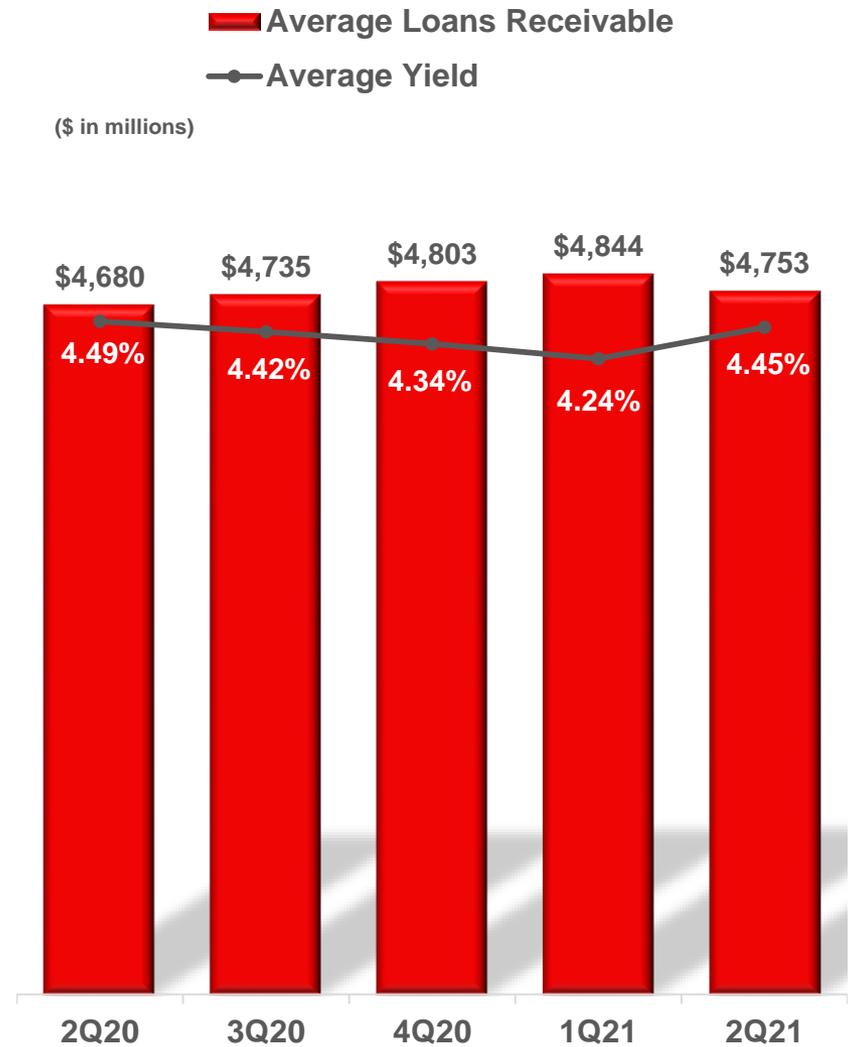
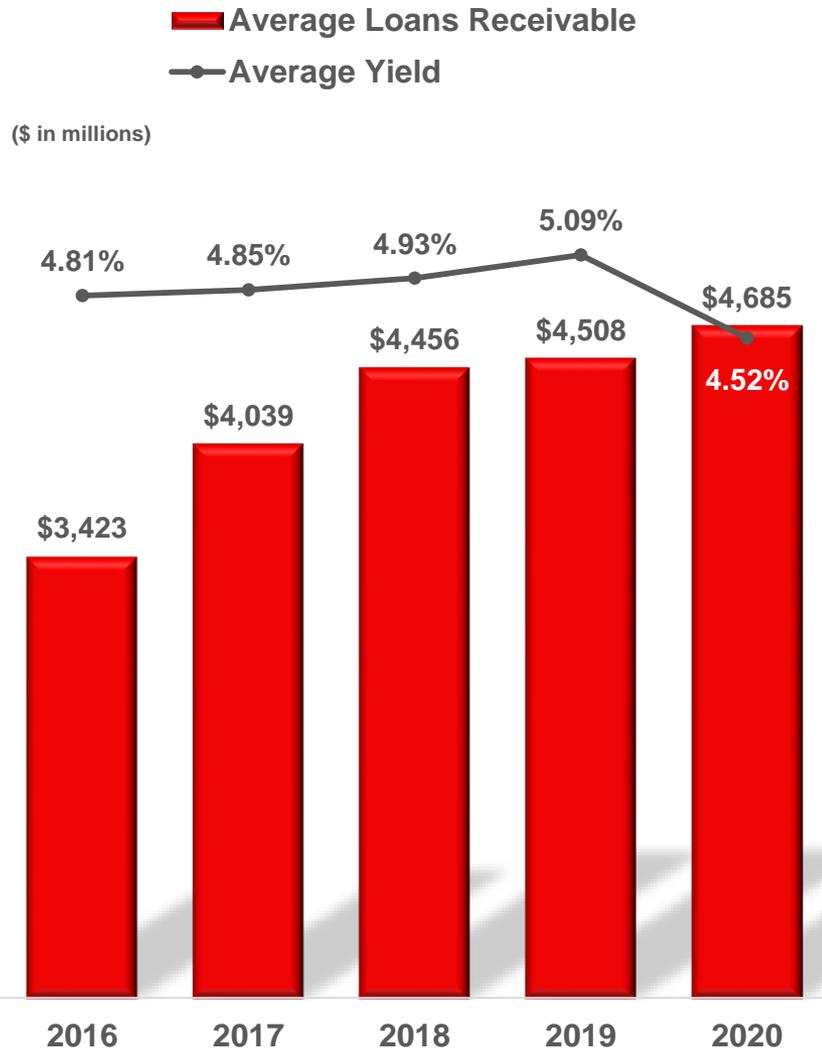
**Total Hospitality Segment: \$847M**

(1) Segment represents exposure across the loan portfolio, inclusive of CRE and C&I

(2) Metropolitan is categorized as a location that is in a major city and in proximity to downtown areas; destination is categorized as a hotel whose location/amenities make it a distinct tourist location; suburban is defined as areas outside of major city hubs and can include more rural areas

(3) Current refers to appraisals received within the past 12 months

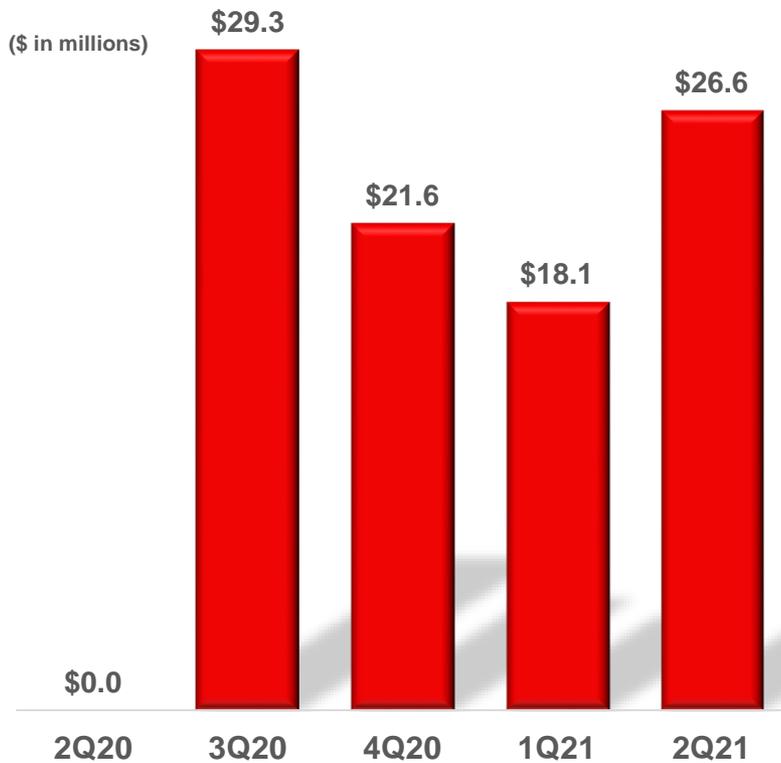
# Loan Trends



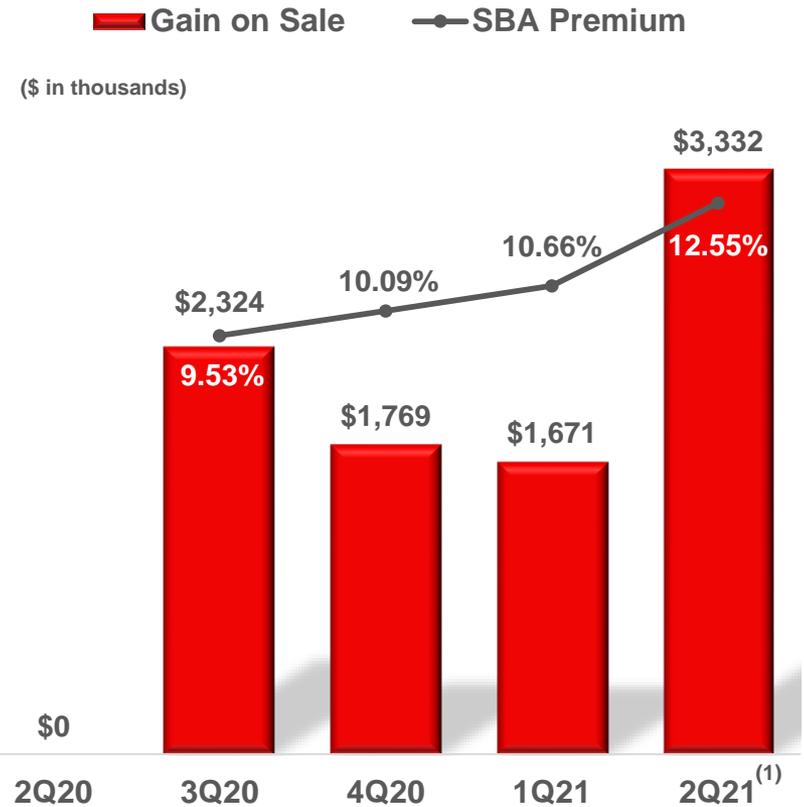
# SBA Loan Sales

The volume of SBA loans sold and gains on sales of SBA loans for the second quarter of 2021 were \$26.6 million and \$3.3 million<sup>(1)</sup>, respectively.

## SBA Loan Sales



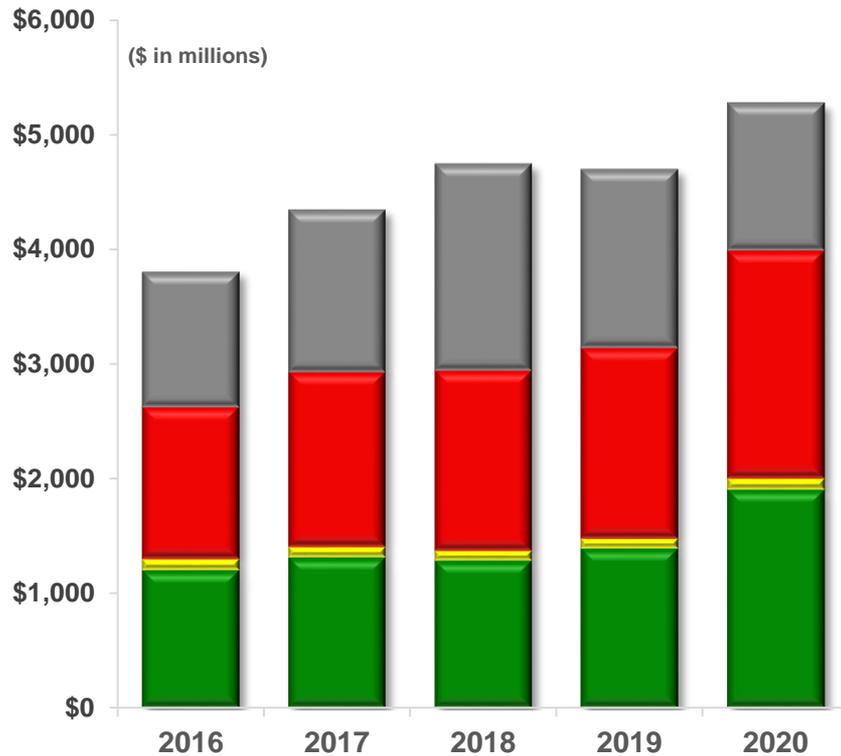
## SBA Gain on Sale



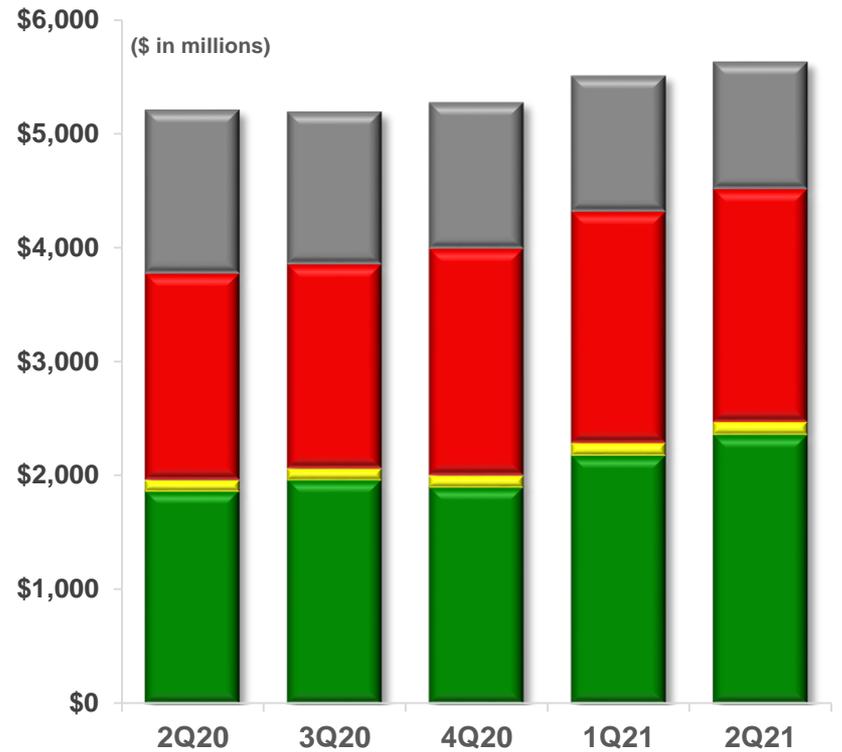
(1) Excludes \$203 thousand of PPP gains

# Diversified Deposit Base

■ Time Deposits      ■ Money Market & Savings  
■ Demand Interest-bearing      ■ Demand Noninterest-bearing

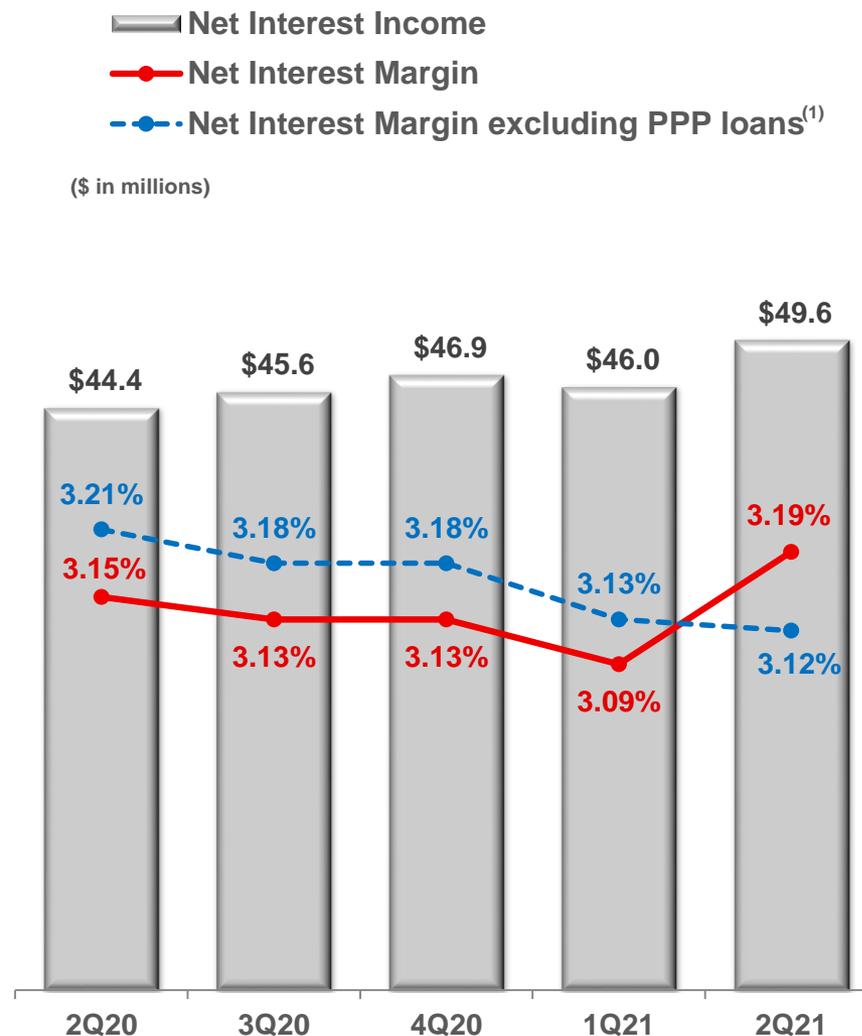
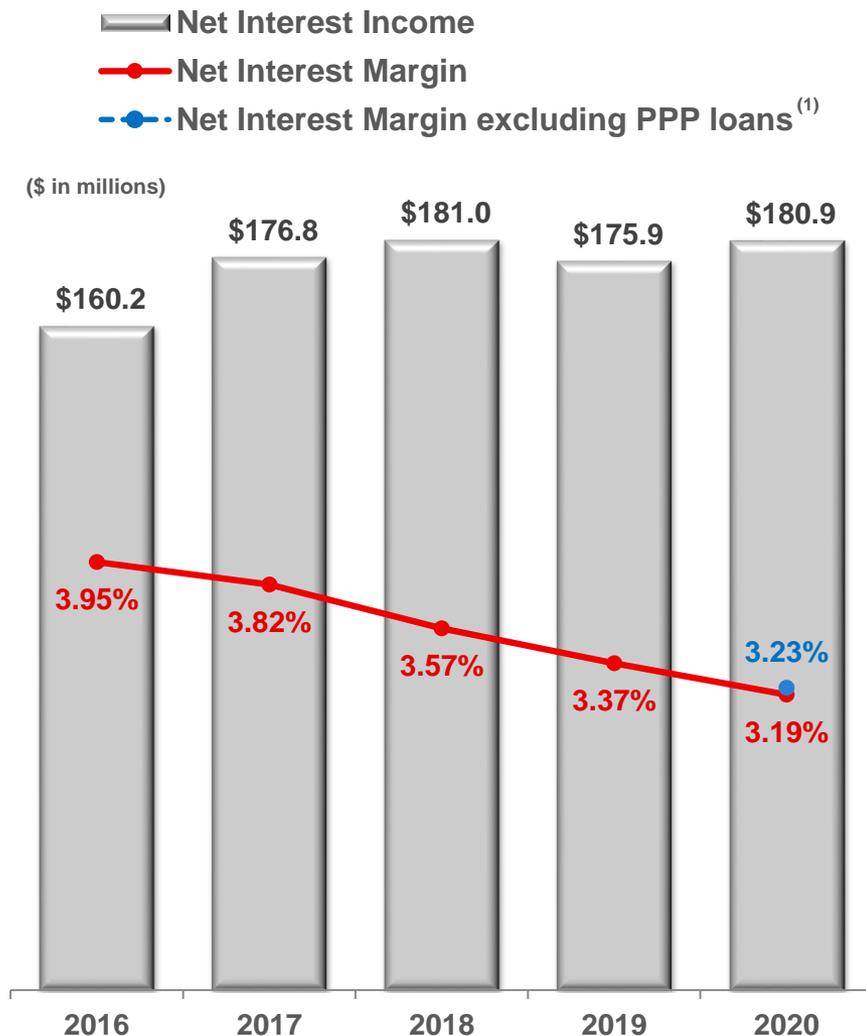


■ Time Deposits      ■ Money Market & Savings  
■ Demand Interest-bearing      ■ Demand Noninterest-bearing



Note: Numbers may not add due to rounding

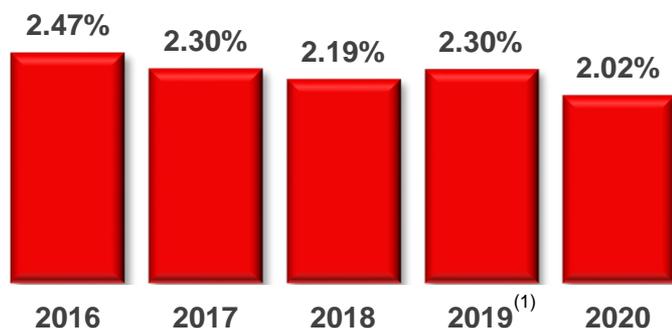
# Net Interest Margin



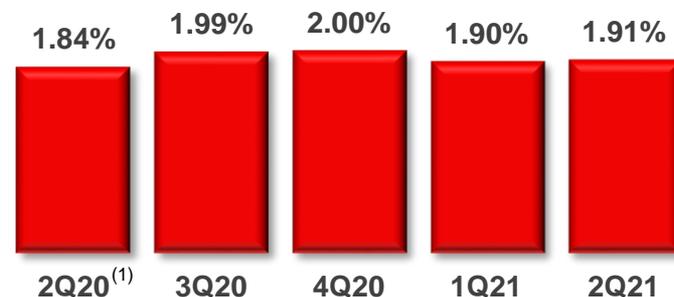
(1) Non-GAAP financial measure; refer to the non-GAAP reconciliation slide

# Noninterest Expenses

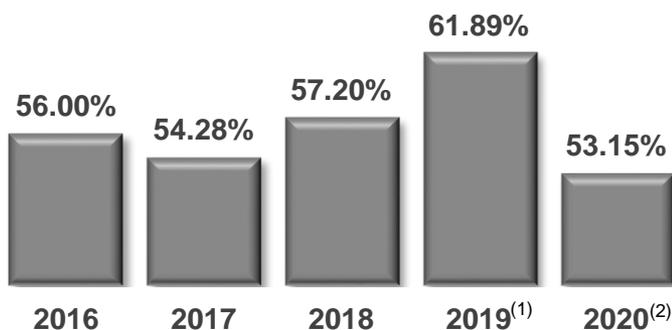
## NIE/Avg. Assets



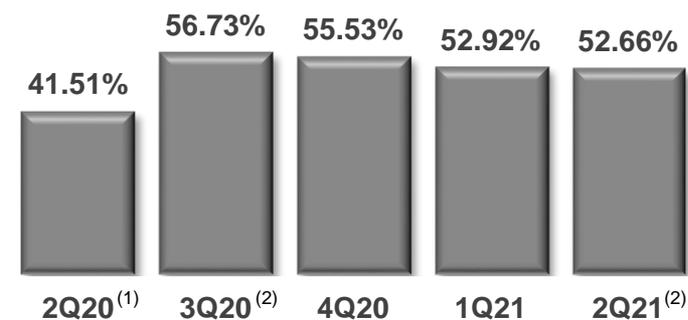
## NIE/Avg. Assets



## Efficiency Ratio



## Efficiency Ratio

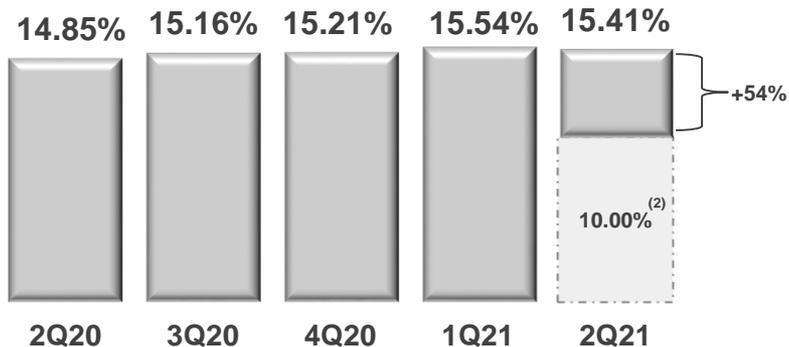


(1) Reflects, among other things, elevated charges arising from the troubled loan relationship

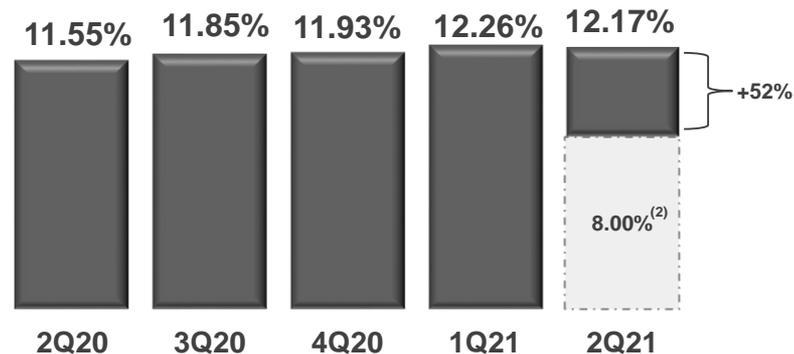
(2) Efficiency ratio adjusted for PPP loans and securities gains for FY 2020 is 58.63%, for 2Q20 is 60.82%, for 1Q21 is 57.96% and for 2Q21 is 52.86%. Non-GAAP financial measure; refer to the non-GAAP reconciliation slide

# Capital Ratios Exceed Well-Capitalized Thresholds<sup>(1)</sup>

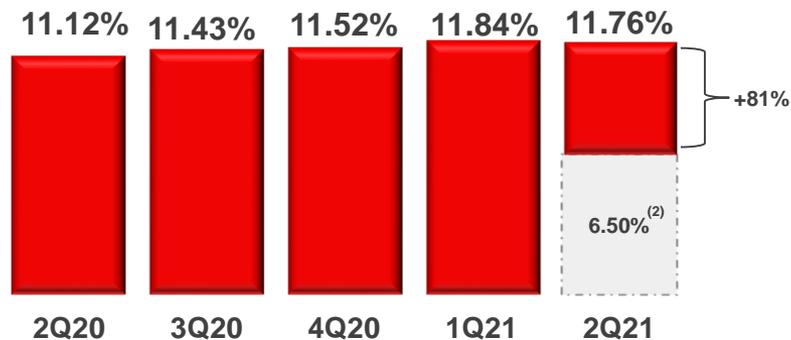
## Total RBC



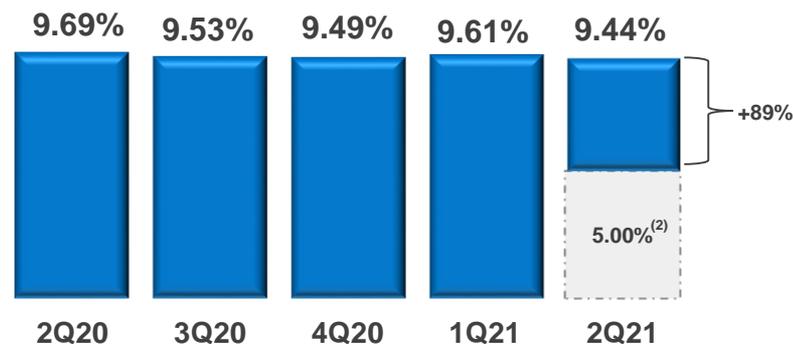
## Tier 1 RBC



## CET 1



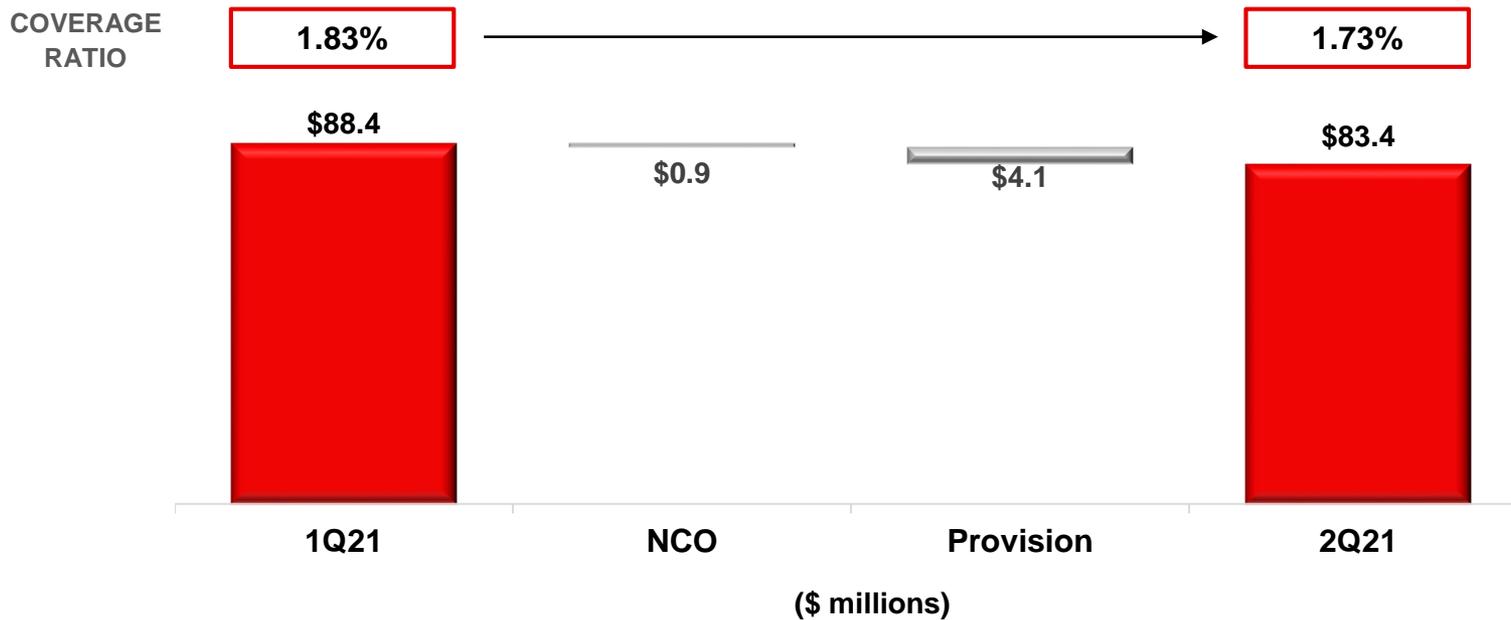
## Tier 1 Leverage



(1) Capital ratios are preliminary for 2Q21  
 (2) Minimum threshold for a well-capitalized institution

# ACL Analysis

Allowance for credit losses was \$83.4 million as of June 30, 2021 generating an allowance for credit losses to loans of 1.73% (1.78%<sup>(1)</sup> excluding PPP loans) compared with 1.83% (1.94%<sup>(1)</sup> excluding the PPP loans) at the end of the prior quarter.



(1) Non-GAAP financial measure; refer to the non-GAAP reconciliation slide

# ACL by Loan Components

(\$ millions)	June 30, 2021		March 31, 2021		December 31, 2020		September 30, 2020		June 30, 2020	
	Allowance	Loans	Allowance	Loans	Allowance	Loans	Allowance	Loans	Allowance	Loans
<i>Loan Components</i>										
CRE	\$ 62.3	\$ 3,452.0	\$ 57.0	\$ 3,372.3	\$ 50.5	\$ 3,353.8	\$ 47.8	\$ 3,264.4	\$ 53.6	\$ 3,266.2
C&I	8.1	587.7	16.4	707.1	21.4	757.3	20.8	765.5	13.4	730.4
Leases	12.3	431.6	14.2	409.6	17.1	423.3	15.3	433.3	16.5	462.8
RRE & Consumer	0.7	348.7	0.8	328.2	1.4	345.8	2.7	370.9	2.8	366.2
<b>Total</b>	<b>\$ 83.4</b>	<b>\$ 4,820.1</b>	<b>\$ 88.4</b>	<b>\$ 4,817.2</b>	<b>\$ 90.4</b>	<b>\$ 4,880.2</b>	<b>\$ 86.6</b>	<b>\$ 4,834.1</b>	<b>\$ 86.3</b>	<b>\$ 4,825.6</b>

# Asset Quality – Criticized Loans

Total criticized loans decreased by 5% quarter-over-quarter.

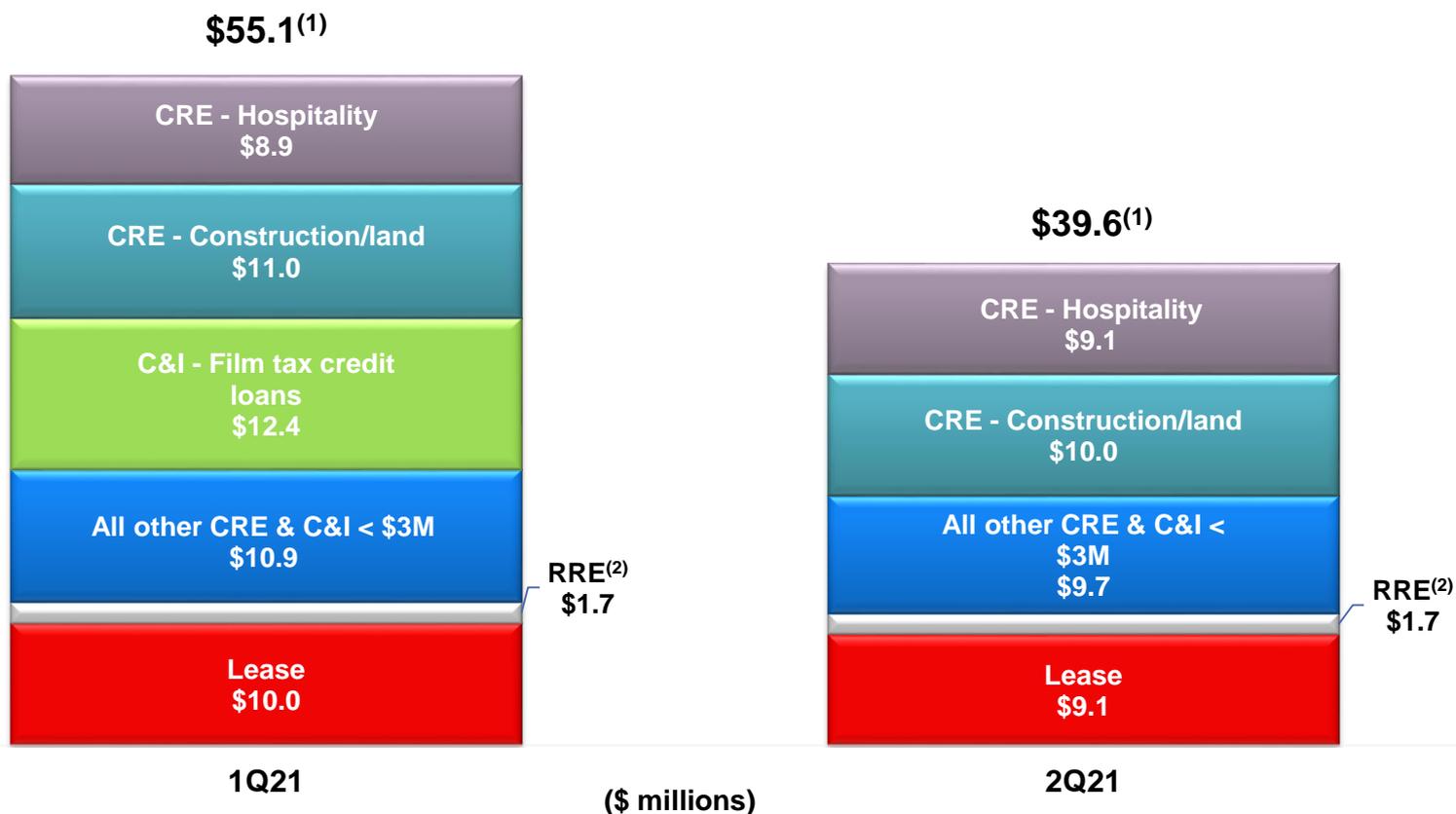
(\$ millions)	June 30, 2021	March 31, 2021	Additions / Downgrades	Reductions / Upgrades	Pandemic- impacted
Special Mention	\$ 121.8	\$ 96.1	\$ 49.5	\$ 23.8	\$ 70.8
Classified	\$ 110.1	\$ 147.4	\$ 10.8	\$ 48.1	\$ 63.3
<b>Total Criticized Loans</b>	<b>\$ 231.9</b>	<b>\$ 243.5</b>	<b>\$ 60.3</b>	<b>\$ 71.9</b>	<b>\$ 134.1</b>

- Special mention loans were \$121.8 million at the end of the second quarter compared with \$96.1 million at March 31, 2021. The quarter-over-quarter change reflected additions of \$49.5 million and reductions (comprising of upgrades, downgrades to classifieds, payoffs and paydowns) of \$23.8 million. The June 30, 2021 balance of special mention loans included \$70.8 million of loans adversely affected by the COVID-19 pandemic compared with \$72.0 million at March 31, 2021.
- Classified loans were \$110.1 million at the end of the second quarter compared with \$147.4 million at March 31, 2021. The quarter-over-quarter change reflected additions of \$10.8 million and reductions (comprising of upgrades, charge-offs, payoffs and paydowns) of \$48.1 million. At June 30, 2021, classified loans included \$63.3 million of loans adversely affected by the COVID-19 pandemic compared with \$69.5 million at March 31, 2021.

Note: Numbers may not add due to rounding

# Asset Quality – Nonaccrual Loans

Nonaccrual loans<sup>(3)</sup> decreased 28% quarter-over-quarter. 47% of nonaccruals represent three loans of \$3 million or more.



Note: Numbers may not add due to rounding

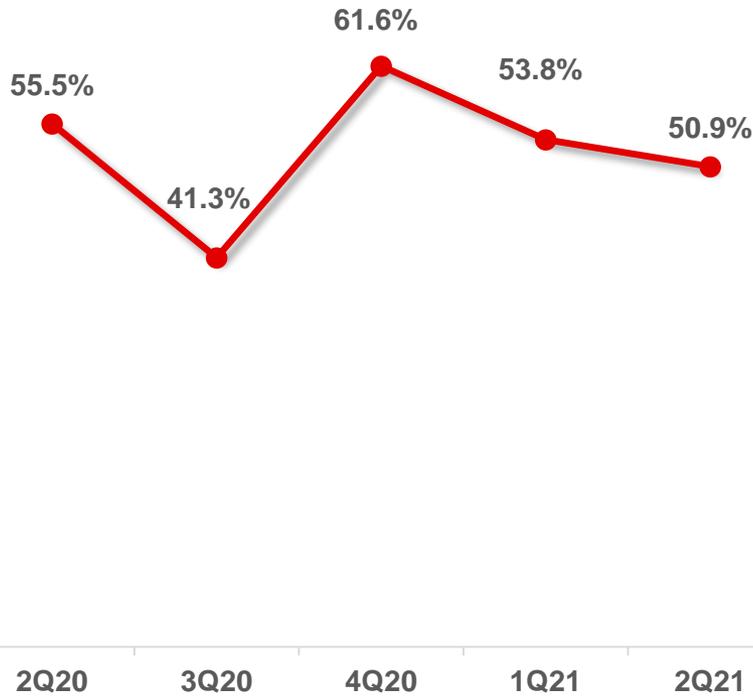
(1) Specific allowance for credit losses at March 31, 2021 and June 30, 2021 were \$12.2 million and \$4.7 million, respectively

(2) RRE includes Consumer loans

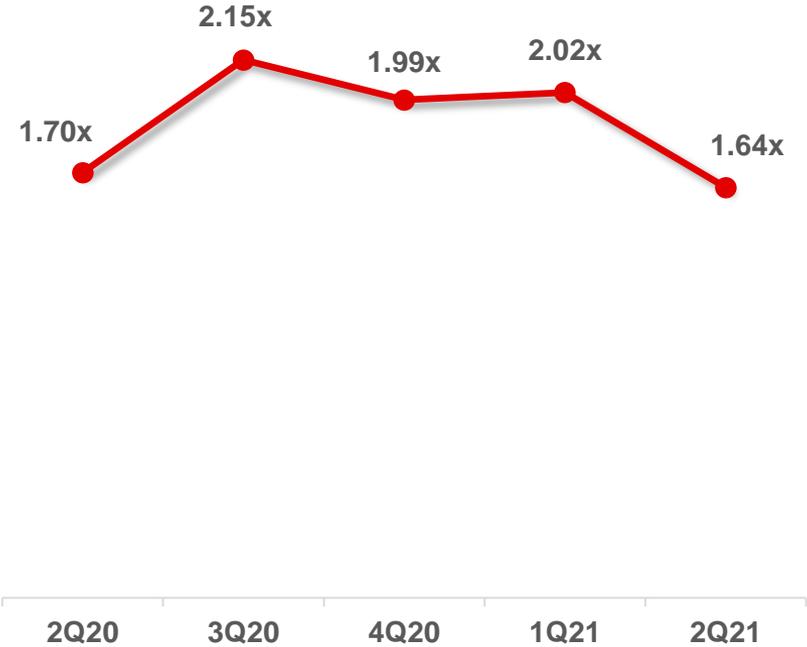
(3) Includes \$14.9 million and \$5.0 million of modified loans at March 31, 2021 and June 30, 2021, respectively

# Asset Quality – New CRE Originations

—●— Weighted Average Loan to Value



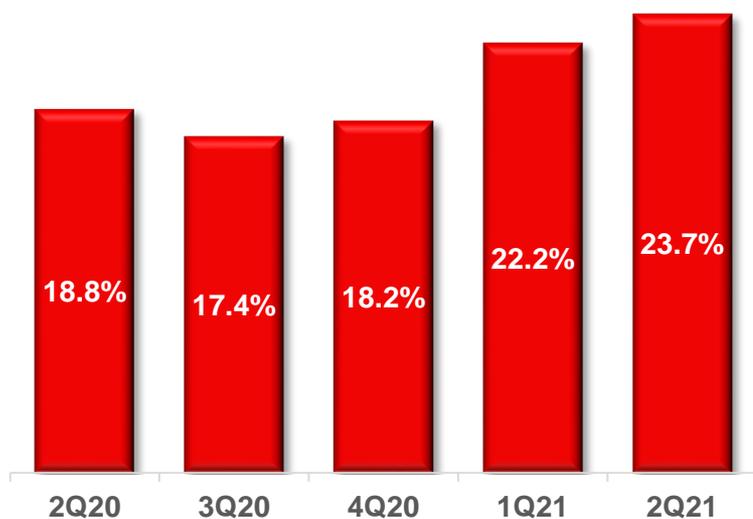
—●— Weighted Average Debt Coverage Ratio



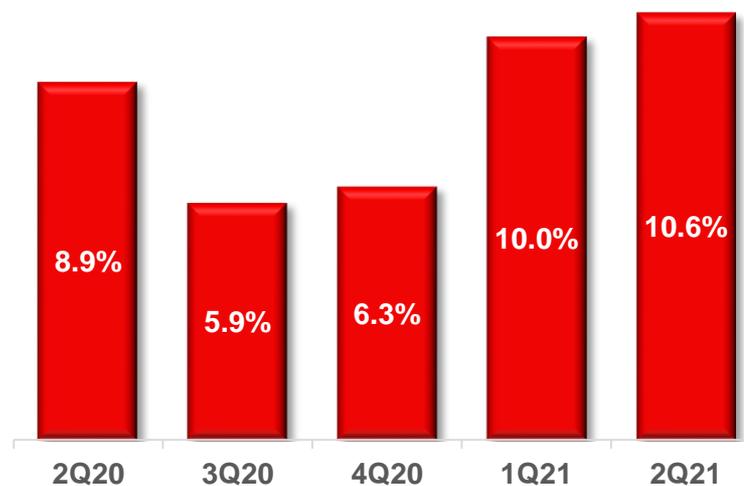
# Liquidity

Hanmi Financial's cash and due from banks to assets ratio increased from 10% to almost 11% quarter-over-quarter.

### Liquid Asset Ratio<sup>(1)</sup>



### Cash and Due From Banks as a Percentage of Total Assets



(1) Liquid asset ratio is the sum of cash and due from banks, unpledged AFS securities, and AFS SBA loans as a percentage of total assets

# Securities Portfolio

The composition of the securities portfolio includes 6% allocation of municipal securities.

(\$ thousands)

	June 30, 2021			March 31, 2021			December 31, 2020			September 30, 2020			June 30, 2020		
	Fair Value	TE Yield Proj.	Asset Alloc.	Fair Value	TE Yield Proj.	Asset Alloc.	Fair Value	TE Yield Proj.	Asset Alloc.	Fair Value	TE Yield Proj.	Asset Alloc.	Fair Value	TE Yield Proj.	Asset Alloc.
<b>Securities Portfolio</b>															
U.S. treasuries	10,009	2.67%	1%	\$ 10,075	2.67%	1%	\$ 10,133	2.67%	1%	\$ 20,195	1.41%	3%	\$ 45,262	0.99%	7%
U.S. gov. agencies and sponsored agencies:															
Mortgage-backed securities	611,205	0.97%	71%	572,082	0.87%	73%	519,240	1.13%	69%	485,496	1.40%	67%	413,264	1.56%	63%
Collateralized mortgage obligations	101,451	0.57%	12%	112,742	0.27%	14%	133,601	0.62%	18%	132,114	1.00%	18%	120,294	1.03%	18%
Notes	87,065	0.71%	10%	85,215	0.57%	11%	90,807	0.57%	12%	85,796	0.58%	12%	77,152	0.58%	12%
Municipal securities	52,389	1.27%	6%	-	-	-	-	-	-	-	-	-	-	-	-
<b>Securities total</b>	<b>\$862,119</b>	<b>0.94%</b>	<b>100%</b>	<b>\$780,114</b>	<b>0.77%</b>	<b>100%</b>	<b>\$753,781</b>	<b>0.99%</b>	<b>100%</b>	<b>\$723,601</b>	<b>1.23%</b>	<b>100%</b>	<b>\$655,971</b>	<b>1.31%</b>	<b>100%</b>
Unrealized appreciation (depreciation), net	\$ (4,084)			\$ (7,561)			\$ 4,323			\$ 2,419			\$ 471		

# Investment Highlights & Opportunities

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- **Strong balance sheet**

- Diversified loan portfolio
- Premier core deposit franchise
- Sound asset quality
- Well capitalized

- **Prudent capital management**

- Dividends appropriate with earnings level
- Share repurchase in place

- **Attractive market valuation<sup>(1)</sup>**

- P/ LTM EPS:           8.17x
- P/TBV:                 1.00x

(1) Source: S&P Global Market Intelligence as of July 28, 2021

# Non-GAAP Reconciliation

(\$ thousands, except share, per share data and ratios)

	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020
<b><i>Tangible Common Equity to Tangible Assets Ratio</i></b>					
Assets	\$ 6,578,856	\$ 6,438,401	\$ 6,201,888	\$ 6,106,782	\$ 6,218,163
Less goodwill and other intangible assets	(11,504)	(11,558)	(11,612)	(11,677)	(11,742)
Tangible assets	\$ 6,567,352	\$ 6,426,843	\$ 6,190,276	\$ 6,095,105	\$ 6,206,421
Stockholders' equity <sup>(1)</sup>	\$ 602,977	\$ 581,822	\$ 577,044	\$ 563,203	\$ 547,436
Less goodwill and other intangible assets	(11,504)	(11,558)	(11,612)	(11,677)	(11,742)
Tangible stockholders' equity <sup>(1)</sup>	\$ 591,473	\$ 570,264	\$ 565,432	\$ 551,526	\$ 535,694
Stockholders' equity to assets	9.17%	9.04%	9.30%	9.22%	8.80%
Tangible common equity to tangible assets <sup>(1)</sup>	9.01%	8.87%	9.13%	9.05%	8.63%
Common shares outstanding	30,697,652	30,682,533	30,717,835	30,719,591	30,657,629
Tangible common equity per common share	\$ 19.27	\$ 18.59	\$ 18.41	\$ 17.95	\$ 17.47

(1) There were no preferred shares outstanding at the periods indicated.

# Non-GAAP Reconciliation: Pretax Pre-Provision Income

(\$ millions)	2Q21	1Q21	4Q20	3Q20	2Q20
<b>Pretax income</b>	\$ 31.0	\$ 24.2	\$ 19.7	\$ 22.8	\$ 13.6
less credit loss expense	(3.3)	2.1	5.1	-	24.6
Pretax, Pre-provision, income	\$ 27.7	\$ 26.3	\$ 24.8	\$ 22.8	\$ 38.2
less income from PPP gains	(0.2)	(2.5)	-	-	-
less income from legal settlement	(0.1)	(0.3)	(1.0)	-	-
less gain on sales of securities	-	(0.1)	-	-	(15.7)
less PPP capitalized cost	-	(1.4)	-	-	(3.1)
<b>Adjusted pretax, pre-provision, income</b>	\$ 27.4	\$ 22.1	\$ 23.8	\$ 22.8	\$ 19.4
<b>Operating revenue</b>	\$ 58.5	\$ 55.8	\$ 55.7	\$ 52.7	\$ 65.4
less income from PPP gains	(0.2)	(2.5)	-	-	-
less income from legal settlement	(0.1)	(0.3)	(1.0)	-	-
less gain on sales of securities	-	(0.1)	-	-	(15.7)
<b>Adjusted operating revenue</b>	\$ 58.2	\$ 53.0	\$ 54.7	\$ 52.7	\$ 49.7
<b>Noninterest income</b>	\$ 8.9	\$ 9.8	\$ 8.8	\$ 7.1	\$ 20.9
less income from PPP gains	(0.2)	(2.5)	-	-	-
less income from legal settlement	(0.1)	(0.3)	(1.0)	-	-
less gain on sales of securities	-	(0.1)	-	-	(15.7)
<b>Adjusted noninterest income</b>	\$ 8.6	\$ 7.0	\$ 7.8	\$ 7.1	\$ 5.2
<b>Noninterest expense</b>	\$ 30.8	\$ 29.5	\$ 30.9	\$ 29.9	\$ 27.1
less PPP capitalized cost	-	1.4	-	-	3.1
<b>Adjusted noninterest expense</b>	\$ 30.8	\$ 30.9	\$ 30.9	\$ 29.9	\$ 30.2

Note: Numbers may not add due to rounding

# Non-GAAP Reconciliation – PPP (2Q21)

(\$ in thousands, except share and per share data)

	As of June 30, 2021		Three Months Ended June 30, 2021
<b>Tangible Common Equity to Tangible Assets</b>		<b>Net Interest Margin</b>	
Tangible assets	\$ 6,567,352	Net interest income	\$ 49,572
Less first and second draw PPP loans	(158,134)	Less PPP loan interest income	(2,680)
Tangible assets adjusted for PPP loans	<u>\$ 6,409,218</u>	Net interest income adjusted for PPP loans	<u>\$ 46,892</u>
Tangible stockholders' equity <sup>(1)</sup>	\$ 591,473	Average interest-earning assets	6,242,421
<b>TCE / TA Ratio<sup>(1)</sup></b>	<b>9.01%</b>	Less average PPP loans	(220,965)
<b>TCE / TA Ratio adjusted for PPP loans<sup>(1)</sup></b>	<b>9.23%</b>	Average interest-earning assets adjusted for PPP loans	<u>\$ 6,021,456</u>
<b>Allowance for Credit Losses to Loans Receivable</b>		<b>NIM<sup>(2)</sup></b>	<b>3.19%</b>
Allowance for credit losses	\$ 83,372	<b>NIM adjusted for PPP loans <sup>(2)</sup></b>	<b>3.12%</b>
Loans receivable	\$ 4,820,092	<b>Efficiency Ratio</b>	
Less first draw PPP loans	(144,077)	Noninterest expense	30,783
Loans receivable adjusted for PPP loans	<u>\$ 4,676,015</u>	Less PPP deferred origination costs	13
<b>ACL / Loans Receivable</b>	<b>1.73%</b>	Noninterest expense adjusted for PPP loans	<u>\$ 30,796</u>
<b>ACL / Loans Receivable adjusted for PPP loans</b>	<b>1.78%</b>	Net interest income plus noninterest income	\$ 58,458
		Less securities and PPP gains	(203)
		Net interest income plus noninterest income adjusted for securities and PPP gains	<u>\$ 58,255</u>
		<b>Efficiency ratio <sup>(3)</sup></b>	<b>52.66%</b>
		<b>Efficiency ratio adjusted for PPP loans and securities gains <sup>(3)</sup></b>	<b>52.86%</b>

(1) There were no preferred shares outstanding at June 30, 2021

(2) Net interest income (as applicable) divided by average interest-earning assets (as applicable), annualized

(3) Noninterest expense (as applicable) divided by the sum of net interest income and noninterest income (as applicable)

In response to the COVID-19 pandemic, the Coronavirus Aid, Relief and Economic Security Act (the "CARES Act") was adopted, which included authorization for the U.S. Small Business Administration (the "SBA") to introduce a new program, entitled the "Paycheck Protection Program," which provides loans for eligible businesses through the SBA's 7(a) loan guaranty program. These loans are fully guaranteed and available for loan forgiveness of up to the full principal amount so long as certain employee and compensation levels of the business are maintained and the proceeds of the loan are used as required under the program. The Paycheck Protection Program ("PPP") and loan forgiveness provide economic relief to small businesses nationwide adversely impacted under the COVID-19 pandemic.

Hanmi participated in this program and the financial information for the 2021 second quarter reflects this participation. This table shows financial information excluding the effect of the origination of the PPP loans, including the corresponding interest income earned and non-interest expense incurred on such loans, which constitutes a non-GAAP measure. Management believes the presentation of certain financial measures excluding the effect of PPP loans provides useful supplemental information that is essential to a proper understanding of the financial condition and results of operations of Hanmi. This disclosure should not be viewed as a substitution for results determined in accordance with GAAP, nor is it necessarily comparable to non-GAAP financial measures that may be used by other companies.

# Non-GAAP Reconciliation – PPP (1Q21)

(\$ in thousands, except share and per share data)

	As of March 31, 2021		Three Months Ended March 31, 2021
<b>Tangible Common Equity to Tangible Assets</b>		<b>Net Interest Margin</b>	
Tangible assets	\$ 6,426,843	Net interest income	\$ 46,001
Less first and second draw PPP loans	(278,200)	Less PPP loan interest income	(1,865)
Tangible assets adjusted for PPP loans	<u>\$ 6,148,643</u>	Net interest income adjusted for PPP loans	<u>\$ 44,136</u>
Tangible stockholders' equity <sup>(1)</sup>	\$ 570,264	Average interest-earning assets	6,029,834
<b>TCE / TA Ratio<sup>(1)</sup></b>	<b>8.87%</b>	Less average PPP loans	(308,543)
<b>TCE / TA Ratio adjusted for PPP loans<sup>(1)</sup></b>	<b>9.27%</b>	Average interest-earning assets adjusted for PPP loans	<u>\$ 5,721,291</u>
<b>Allowance for Credit Losses to Loans Receivable</b>		<b>NIM<sup>(2)</sup></b>	<b>3.09%</b>
Allowance for credit losses	\$ 88,392	<b>NIM adjusted for PPP loans <sup>(2)</sup></b>	<b>3.13%</b>
Loans receivable	\$ 4,817,151	<b>Efficiency Ratio</b>	
Less first draw PPP loans	(256,457)	Noninterest expense	29,535
Loans receivable adjusted for PPP loans	<u>\$ 4,560,694</u>	Less PPP deferred origination costs	1,390
<b>ACL / Loans Receivable</b>	<b>1.83%</b>	Noninterest expense adjusted for PPP loans	<u>\$ 30,925</u>
<b>ACL / Loans Receivable adjusted for PPP loans</b>	<b>1.94%</b>	Net interest income plus noninterest income	\$ 55,809
		Less securities and PPP gains	(2,553)
		Net interest income plus noninterest income adjusted for securities and PPP gains	<u>\$ 53,256</u>
		<b>Efficiency ratio <sup>(3)</sup></b>	<b>52.92%</b>
		<b>Efficiency ratio adjusted for PPP loans and securities gains <sup>(3)</sup></b>	<b>58.07%</b>

(1) There were no preferred shares outstanding at March 31, 2021

(2) Net interest income (as applicable) divided by average interest-earning assets (as applicable), annualized

(3) Noninterest expense (as applicable) divided by the sum of net interest income and noninterest income (as applicable)

In response to the COVID-19 pandemic, the Coronavirus Aid, Relief and Economic Security Act (the "CARES Act") was adopted, which included authorization for the U.S. Small Business Administration (the "SBA") to introduce a new program, entitled the "Paycheck Protection Program," which provides loans for eligible businesses through the SBA's 7(a) loan guaranty program. These loans are fully guaranteed and available for loan forgiveness of up to the full principal amount so long as certain employee and compensation levels of the business are maintained and the proceeds of the loan are used as required under the program. The Paycheck Protection Program ("PPP") and loan forgiveness provide economic relief to small businesses nationwide adversely impacted under the COVID-19 pandemic.

Hanmi participated in this program and the financial information for the 2021 first quarter reflects this participation. This table shows financial information excluding the effect of the origination of the PPP loans, including the corresponding interest income earned and non-interest expense incurred on such loans, which constitutes a non-GAAP measure. Management believes the presentation of certain financial measures excluding the effect of PPP loans provides useful supplemental information that is essential to a proper understanding of the financial condition and results of operations of Hanmi. This disclosure should not be viewed as a substitution for results determined in accordance with GAAP, nor is it necessarily comparable to non-GAAP financial measures that may be used by other companies.

# Non-GAAP Reconciliation – PPP (FY 2020)

(\$ in thousands, except share and per share data)

	For the Twelve Months Ended December 31, 2020	
<b>Net Interest Margin</b>		
Net interest income	\$	180,898
Less PPP loan interest income		(4,593)
Net interest income adjusted for PPP loans	\$	<u>176,305</u>
Average interest-earning assets	\$	5,671,265
Less average PPP loans		(217,999)
Average interest-earning assets adjusted for PPP loans	\$	<u>5,453,266</u>
<b>NIM<sup>(1)</sup></b>		<b>3.19%</b>
<b>NIM adjusted for PPP loans <sup>(1)</sup></b>		<b>3.23%</b>
<b>Efficiency Ratio</b>		
Noninterest expense	\$	119,053
Less PPP deferred origination costs		3,064
Noninterest expense adjusted for PPP loans	\$	<u>122,117</u>
Net interest income plus noninterest income	\$	224,002
Less net gain on sales of securities		(15,712)
Net interest income plus noninterest income adjusted for securities gains	\$	<u>208,290</u>
<b>Efficiency ratio <sup>(2)</sup></b>		<b>53.15%</b>
<b>Efficiency ratio adjusted for PPP loans and securities gains <sup>(2)</sup></b>		<b>58.63%</b>

(1) Net interest income (as applicable) divided by average interest-earning assets (as applicable), annualized

(2) Noninterest expense (as applicable) divided by the sum of net interest income and noninterest income (as applicable)

In response to the COVID-19 pandemic, the Coronavirus Aid, Relief and Economic Security Act (the "CARES Act") was adopted, which included authorization for the U.S. Small Business Administration (the "SBA") to introduce a new program, entitled the "Paycheck Protection Program," which provides loans for eligible businesses through the SBA's 7(a) loan guaranty program. These loans are fully guaranteed and available for loan forgiveness of up to the full principal amount so long as certain employee and compensation levels of the business are maintained and the proceeds of the loan are used as required under the program. The Paycheck Protection Program ("PPP") and loan forgiveness are intended to provide economic relief to small businesses nationwide adversely impacted under the COVID-19 pandemic.

Hanmi participated in this program and the financial information for the fiscal year 2020 reflects this participation. This table shows financial information excluding the effect of the origination of the PPP loans, including the corresponding interest income earned and non-interest expense incurred on such loans, which constitutes a non-GAAP measure. Management believes the presentation of certain financial measures excluding the effect of PPP loans provides useful supplemental information that is essential to a proper understanding of the financial condition and results of operations of Hanmi. This disclosure should not be viewed as a substitution for results determined in accordance with GAAP, nor is it necessarily comparable to non-GAAP financial measures that may be used by other companies.

# Non-GAAP Reconciliation – PPP (4Q20)

(\$ in thousands, except share and per share data)

	As of December 31, 2020	
<b>Tangible Common Equity to Tangible Assets</b>		
Tangible assets	\$	6,190,276
Less PPP loans		(295,702)
Tangible assets adjusted for PPP loans	\$	<u>5,894,574</u>
Tangible stockholders' equity <sup>(1)</sup>	\$	565,432
<b>TCE / TA Ratio<sup>(1)</sup></b>		<b>9.13%</b>
<b>TCE / TA Ratio adjusted for PPP loans<sup>(1)</sup></b>		<b>9.59%</b>
<b>Allowance for Credit Losses to Loans Receivable</b>		
Allowance for credit losses	\$	90,426
Loans receivable	\$	4,880,168
Less PPP loans		(295,702)
Loans receivable adjusted for PPP loans	\$	<u>4,584,466</u>
<b>ACL / Loans Receivable</b>		<b>1.85%</b>
<b>ACL / Loans Receivable adjusted for PPP loans</b>		<b>1.97%</b>

(1) There were no preferred shares outstanding at December 31, 2020

(2) Net interest income (as applicable) divided by average interest-earning assets (as applicable), annualized

(3) Noninterest expense (as applicable) divided by the sum of net interest income and noninterest income (as applicable)

In response to the COVID-19 pandemic, the Coronavirus Aid, Relief and Economic Security Act (the "CARES Act") was adopted, which included authorization for the U.S. Small Business Administration (the "SBA") to introduce a new program, entitled the "Paycheck Protection Program," which provides loans for eligible businesses through the SBA's 7(a) loan guaranty program. These loans are fully guaranteed and available for loan forgiveness of up to the full principal amount so long as certain employee and compensation levels of the business are maintained and the proceeds of the loan are used as required under the program. The Paycheck Protection Program ("PPP") and loan forgiveness provide economic relief to small businesses nationwide adversely impacted under the COVID-19 pandemic.

Hanmi participated in this program and the financial information for the 2020 fourth quarter reflects this participation. This table shows financial information excluding the effect of the origination of the PPP loans, including the corresponding interest income earned and non-interest expense incurred on such loans, which constitutes a non-GAAP measure. Management believes the presentation of certain financial measures excluding the effect of PPP loans provides useful supplemental information that is essential to a proper understanding of the financial condition and results of operations of Hanmi. This disclosure should not be viewed as a substitution for results determined in accordance with GAAP, nor is it necessarily comparable to non-GAAP financial measures that may be used by other companies.

	Three Months Ended December 31, 2020	
<b>Net Interest Margin</b>		
Net interest income	\$	46,877
Less PPP loan interest income		(1,751)
Net interest income adjusted for PPP loans	\$	<u>45,126</u>
Average interest-earning assets		5,956,208
Less average PPP loans		(304,017)
Average interest-earning assets adjusted for PPP loans	\$	<u>5,652,191</u>
<b>NIM<sup>(2)</sup></b>		<b>3.13%</b>
<b>NIM adjusted for PPP loans <sup>(2)</sup></b>		<b>3.18%</b>
<b>Efficiency Ratio</b>		
Noninterest expense		30,923
Less PPP deferred origination costs		-
Noninterest expense adjusted for PPP loans	\$	<u>30,923</u>
Net interest income plus noninterest income	\$	55,686
Less net gain on sales of securities		-
Net interest income plus noninterest income adjusted for net securities gains	\$	<u>55,686</u>
<b>Efficiency ratio <sup>(3)</sup></b>		<b>55.53%</b>
<b>Efficiency ratio adjusted for PPP loans and securities gains <sup>(3)</sup></b>		<b>55.53%</b>

# Non-GAAP Reconciliation – PPP (3Q20)

(\$ in thousands, except share and per share data)

	As of September 30, 2020	
<b>Tangible Common Equity to Tangible Assets</b>		
Tangible assets	\$	6,095,105
Less PPP loans		(302,929)
Tangible assets adjusted for PPP loans	\$	<u>5,792,176</u>
Tangible stockholders' equity <sup>(1)</sup>	\$	551,526
TCE / TA Ratio <sup>(1)</sup>		9.05%
TCE / TA Ratio adjusted for PPP loans <sup>(1)</sup>		9.52%
<b>Allowance for Credit Losses to Loans Receivable</b>		
Allowance for credit losses	\$	86,620
Loans receivable	\$	4,834,137
Less PPP loans		(302,929)
Loans receivable adjusted for PPP loans	\$	<u>4,531,208</u>
ACL / Loans Receivable		1.79%
ACL / Loans Receivable adjusted for PPP loans		1.91%

(1) There were no preferred shares outstanding at September 30, 2020

(2) Net interest income (as applicable) divided by average interest-earning assets (as applicable), annualized

(3) Noninterest expense (as applicable) divided by the sum of net interest income and noninterest income (as applicable)

In response to the COVID-19 pandemic, the Coronavirus Aid, Relief and Economic Security Act (the "CARES Act") was adopted, which included authorization for the U.S. Small Business Administration (the "SBA") to introduce a new program, entitled the "Paycheck Protection Program," which provides loans for eligible businesses through the SBA's 7(a) loan guaranty program. These loans are fully guaranteed and available for loan forgiveness of up to the full principal amount so long as certain employee and compensation levels of the business are maintained and the proceeds of the loan are used as required under the program. The Paycheck Protection Program ("PPP") and loan forgiveness provide economic relief to small businesses nationwide adversely impacted under the COVID-19 pandemic.

Hanmi participated in this program and the financial information for the 2020 third quarter reflects this participation. This table shows financial information excluding the effect of the origination of the PPP loans, including the corresponding interest income earned and non-interest expense incurred on such loans, which constitutes a non-GAAP measure. Management believes the presentation of certain financial measures excluding the effect of PPP loans provides useful supplemental information that is essential to a proper understanding of the financial condition and results of operations of Hanmi. This disclosure should not be viewed as a substitution for results determined in accordance with GAAP, nor is it necessarily comparable to non-GAAP financial measures that may be used by other companies.

	Three Months Ended September 30, 2020	
<b>Net Interest Margin</b>		
Net interest income	\$	45,605
Less PPP loan interest income		(1,713)
Net interest income adjusted for PPP loans	\$	<u>43,892</u>
Average interest-earning assets	\$	5,787,667
Less average PPP loans		(302,365)
Average interest-earning assets adjusted for PPP loans	\$	<u>5,485,302</u>
NIM <sup>(2)</sup>		3.13%
NIM adjusted for PPP loans <sup>(2)</sup>		3.18%
<b>Efficiency Ratio</b>		
Noninterest expense	\$	29,924
Less PPP deferred origination costs		-
Noninterest expense adjusted for PPP loans	\$	<u>29,924</u>
Net interest income plus noninterest income	\$	52,745
Less net gain on sales of securities		-
Net interest income plus noninterest income adjusted for net securities gains	\$	<u>52,745</u>
Efficiency ratio <sup>(3)</sup>		56.73%
Efficiency ratio adjusted for PPP loans and securities gains <sup>(3)</sup>		56.73%

# Non-GAAP Reconciliation – PPP (2Q20)

(\$ in thousands, except share and per share data)

	As of June 30, 2020
<b>Tangible Common Equity to Tangible Assets</b>	
Tangible assets	\$ 6,206,421
Less PPP loans	(301,836)
Tangible assets adjusted for PPP loans	<u>\$ 5,904,585</u>
Tangible stockholders' equity <sup>(1)</sup>	\$ 535,694
<b>TCE / TA Ratio<sup>(1)</sup></b>	<b>8.63%</b>
<b>TCE / TA Ratio adjusted for PPP loans<sup>(1)</sup></b>	<b>9.07%</b>
<b>Allowance for Credit Losses to Loans Receivable</b>	
Allowance for credit losses	\$ 86,330
Loans receivable	\$ 4,825,642
Less PPP loans	(301,836)
Loans receivable adjusted for PPP loans	<u>\$ 4,523,806</u>
<b>ACL / Loans Receivable</b>	<b>1.79%</b>
<b>ACL / Loans Receivable adjusted for PPP loans</b>	<b>1.91%</b>

(1) There were no preferred shares outstanding at June 30, 2020

(2) Net interest income (as applicable) divided by average interest-earning assets (as applicable), annualized

(3) Noninterest expense (as applicable) divided by the sum of net interest income and noninterest income (as applicable)

In response to the COVID-19 pandemic, the Coronavirus Aid, Relief and Economic Security Act (the "CARES Act") was adopted, which included authorization for the U.S. Small Business Administration (the "SBA") to introduce a new program, entitled the "Paycheck Protection Program," which provides loans for eligible businesses through the SBA's 7(a) loan guaranty program. These loans are fully guaranteed and available for loan forgiveness of up to the full principal amount so long as certain employee and compensation levels of the business are maintained and the proceeds of the loan are used as required under the program. The Paycheck Protection Program ("PPP") and loan forgiveness provide economic relief to small businesses nationwide adversely impacted under the COVID-19 pandemic.

Hanmi participated in this program and the financial information for the 2020 second quarter reflects this participation. This table shows financial information excluding the effect of the origination of the PPP loans, including the corresponding interest income earned and non-interest expense incurred on such loans, which constitutes a non-GAAP measure. Management believes the presentation of certain financial measures excluding the effect of PPP loans provides useful supplemental information that is essential to a proper understanding of the financial condition and results of operations of Hanmi. This disclosure should not be viewed as a substitution for results determined in accordance with GAAP, nor is it necessarily comparable to non-GAAP financial measures that may be used by other companies.

	Three Months Ended June 30, 2020
<b>Net Interest Margin</b>	
Net interest income	\$ 44,442
Less PPP loan interest income	(1,129)
Net interest income adjusted for PPP loans	<u>\$ 43,313</u>
Average interest-earning assets	\$ 5,673,321
Less average PPP loans	(251,758)
Average interest-earning assets adjusted for PPP loans	<u>\$ 5,421,563</u>
<b>NIM<sup>(2)</sup></b>	<b>3.15%</b>
<b>NIM adjusted for PPP loans <sup>(2)</sup></b>	<b>3.21%</b>
<b>Efficiency Ratio</b>	
Noninterest expense	\$ 27,138
Less PPP deferred origination costs	3,064
Noninterest expense adjusted for PPP loans	<u>\$ 30,202</u>
Net interest income plus noninterest income	\$ 65,373
Less net gain on sales of securities	(15,712)
Net interest income plus noninterest income adjusted for net securities gains	<u>\$ 49,661</u>
<b>Efficiency ratio <sup>(3)</sup></b>	<b>41.51%</b>
<b>Efficiency ratio adjusted for PPP loans and securities gains <sup>(3)</sup></b>	<b>60.82%</b>