

October 27, 2016



Hanmi Acquires Commercial Equipment Leasing Unit

Acquisition Expands Hanmi's Platform to Include Small Ticket Leasing and Servicing Capabilities with National Reach

LOS ANGELES, Oct. 27, 2016 (GLOBE NEWSWIRE) -- Hanmi Financial Corporation (NASDAQ:HAFC) ("Hanmi"), the holding company for Hanmi Bank (the "Bank"), today announced the Bank has acquired the Commercial Specialty Finance ("CSF") unit of Irvine, California-based Banc of California (NYSE:BANC). Operating as a division of Banc of California, CSF is among the top-50 U.S. bank leasing franchises, with 2015 origination volume exceeding \$170 million. The transaction, which closed on October 27, 2016, expands Hanmi's C&I originating platform to include commercial leasing to small and mid-sized businesses nationwide.

As part of the transaction, the Bank acquired the CSF portfolio consisting of \$209 million of equipment leases diversified across the U.S. with concentrations in California, Georgia and Texas and represented by more than a dozen industries. An additional \$25 million of equipment leases should be transferred to Hanmi in three to four weeks. The Bank will retain substantially all existing CSF employees led by a seasoned management team with deep industry relationships and experience. As part of the Bank, the CSF team will continue to operate from their current headquarters located in Irvine, California as Hanmi's Commercial Equipment Leasing Division. The acquisition is expected to be immediately accretive to Hanmi's earnings per share.

"It gives me great pleasure to welcome the CSF team to the Hanmi family," stated Mr. C. G. Kum, President and Chief Executive Officer of Hanmi. "This transaction immediately establishes Hanmi as one of the leading providers of small ticket leasing products to businesses on a nationwide basis. CSF's relationships and strong credit history provide a platform from which we can scale the business in an efficient and profitable manner. In addition, the acquisition of CSF nicely complements our ongoing strategic focus on business banking to diversify the Hanmi loan portfolio."

CSF originates leases through a national network of vendor and third-party originators. As Hanmi's Commercial Equipment Leasing Division, it will also market commercial equipment leases internally to Hanmi's business clients.

About Hanmi Financial Corporation

Headquartered in Los Angeles, California, Hanmi Financial Corporation owns Hanmi Bank, which serves multi-ethnic communities through its network of 41 full-service branches and 6 loan production offices in California, Texas, Illinois, Virginia, New Jersey, New York, Colorado, Washington and Georgia. Hanmi Bank specializes in real estate, commercial, SBA and trade finance lending to small and middle market businesses. Additional information is available at www.hanmi.com.

Forward-Looking Statements

This press release contains forward-looking statements, which are included in accordance with the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995. In some cases, you can identify forward-looking statements by terminology such as “may,” “will,” “should,” “could,” “expects,” “plans,” “intends,” “anticipates,” “believes,” “estimates,” “predicts,” “potential,” or “continue,” or the negative of such terms and other comparable terminology. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. All statements other than statements of historical fact are “forward-looking statements” for purposes of federal and state securities laws, including, but not limited to, statements about the anticipated benefits of the acquisition of the CSF unit of Banc of California, the completion of the transfer of additional equipment leases, anticipated future operating and financial performance, financial position and liquidity, business strategies, regulatory and competitive outlook, investment and expenditure plans, capital and financing needs and availability, plans and objectives of management for future operations, developments regarding our capital plans, strategic alternatives for a possible business combination, merger or sale transaction, and other similar forecasts and statements of expectation and statements of assumption underlying any of the foregoing. These statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to differ from those expressed or implied by the forward-looking statement. These factors include the following: failure to maintain adequate levels of capital and liquidity to support our operations; the effect of potential future supervisory action against us or Hanmi Bank; general economic and business conditions internationally, nationally and in those areas in which we operate; volatility and deterioration in the credit and equity markets; changes in consumer spending, borrowing and savings habits; availability of capital from private and government sources; demographic changes; competition for loans and deposits and failure to attract or retain loans and deposits; fluctuations in interest rates and a decline in the level of our interest rate spread; risks of natural disasters related to our real estate portfolio; risks associated with Small Business Administration loans; failure to attract or retain key employees; changes in governmental regulation, including, but not limited to, any increase in FDIC insurance premiums; ability of Hanmi Bank to make distributions to Hanmi Financial, which is restricted by certain factors, including Hanmi Bank’s retained earnings, net income, prior distributions made, and certain other financial tests; ability to identify a suitable strategic partner or to consummate a strategic transaction; adequacy of our allowance for loan losses; credit quality and the effect of credit quality on our provision for loan losses and allowance for loan losses; changes in the financial performance and/or condition of our borrowers and the ability of our borrowers to perform under the terms of their loans and other terms of credit agreements; our ability to control expenses; and changes in securities markets. In addition, we set forth certain risks in our reports filed with the U.S. Securities and Exchange Commission, including, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2015, our Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K that we will file hereafter, which could cause actual results to differ from those projected. We undertake no obligation to update such forward-looking statements except as required by law.

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Transaction Summary

- Hanmi Financial Corporation (NASDAQ:HAFC) (“Hanmi”), the holding company for Hanmi Bank (the “Bank”), today announced the Bank has acquired the Commercial Specialty Finance (“CSF”) unit of Irvine, California-based Banc of California (NYSE:BANC) at a gross purchase price premium of 2.25% of the outstanding balances acquired
- As of September 30, 2016, CSF had gross lease receivables of \$258 million, or net lease receivables of \$234 million with an average yield of approximately 6%. Hanmi will retain substantially all existing employees to continue to operate and manage the portfolio
- The portfolio, with an average lease size of approximately \$73 thousand, is predominately concentrated in the West, Southwest, and Southeast with Hanmi’s home state of California accounting for the largest portion at 30% and Texas next at 9%. Moreover, the portfolio includes a variety of industries, with transportation and healthcare representing the largest segments
- Since its inception in 2012, the portfolio has benefited from a strong credit culture with limited delinquencies and charge-offs. As of mid-year 2016, historical four and a half year cumulative net charge-offs represented 59 basis points of the aggregate amount financed
- CSF diversifies Hanmi’s loan portfolio and, with the addition of its experienced team, expands the Bank’s lending capabilities and augments its revenue sources
- Financially, Hanmi projects the transaction to result in EPS accretion of approximately \$0.20 per diluted share in 2017, a modest tangible book value earn-back period of approximately one and a half years, and continued robust pro forma capital ratios that will support further growth opportunities
- Hanmi anticipates recording a 1.20% credit and interest rate mark on the acquired portfolio
- Post transaction, commercial real estate loans as a percentage of Hanmi’s total loan portfolio will decline from 80% to 75%.