

# Hanmi Financial Corporation



Los Angeles

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San Diego



## 3Q23 Earnings Supplemental Presentation

October 24, 2023

# 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 uncertainty and changes in economic conditions, inflation, the continuing impact of the COVID-19 pandemic on our business and results of operations, fluctuations in interest rate and credit risk, competitive pressures, the ability to succeed in new markets, balance sheet management, liquidity and sources of funding, the size and composition of our deposit portfolio, a potential government shutdown, including the percentage of uninsured deposits in the portfolio, increased assessments by the Federal Deposit Insurance Corporation, and other operational factors.

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 October 24, 2023, 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 October 24, 2023, 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.

# Non-GAAP Financial Information

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This presentation contains financial information determined by methods other than in accordance with accounting principles generally accepted in the United States of America (“GAAP”). These non-GAAP measures include tangible common equity to tangible assets, and tangible common equity per share. Management uses these “non-GAAP” measures in its analysis of the Company’s performance. Management believes these non-GAAP financial measures allow for better comparability of period to period operating performance. Additionally, the Company believes this information is utilized by regulators and market analysts to evaluate a company’s financial condition and therefore, such information is useful to investors. 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. A reconciliation of the non-GAAP measures used in this presentation to the most directly comparable GAAP measures is provided in the Appendix to this presentation.

# 3Q23 Highlights

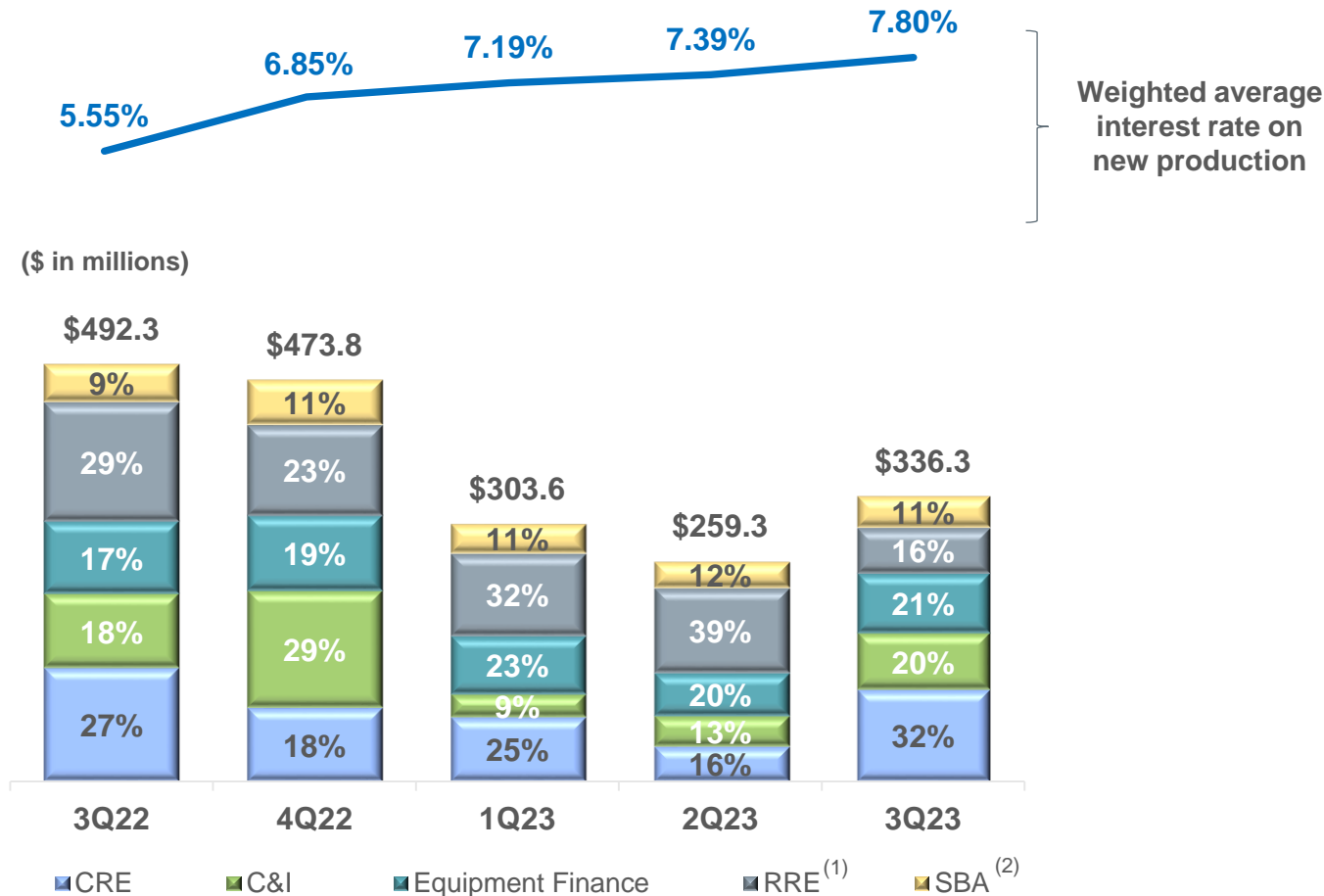
Net Income	Diluted EPS	ROAA	ROAE	NIM	Efficiency Ratio	TBVPS <sup>(1)</sup>
<u>\$18.8M</u>	<u>\$0.62</u>	<u>1.00%</u>	<u>9.88%</u>	<u>3.03%</u>	<u>51.82%</u>	<u>\$21.45</u>

- **Net income** was \$18.8 million, or \$0.62 per diluted share, down 8.8% from \$20.6 million, or \$0.67 per diluted share, for the prior quarter
  - **Net interest income** was \$54.9 million, down 1.0% from the prior quarter
  - **Noninterest income** was \$11.2 million, up 41.5% from the prior quarter; includes \$4.0 million gain on a branch sale-and-leaseback
  - **Noninterest expense** was \$34.2 million, down 0.1% from the prior quarter
  - **Efficiency ratio** was 51.82%, compared with 54.11% for the prior quarter
- **Loans receivable** were \$6.02 billion, up 0.9% from the prior quarter
  - **Loan production** was \$336.3 million with a weighted average interest rate of 7.80%
- **Deposits** were \$6.26 billion, down 0.9% from the prior quarter, with noninterest-bearing demand deposits representing 34.5% of total deposits
  - **Cost of interest-bearing deposits** was 3.53%, up 28 basis points from the prior quarter
- **Credit loss expense** was \$5.2 million; allowance for credit losses to loans was 1.12% at September 30, 2023
- **Tangible common equity to tangible assets<sup>(1)</sup>** was 8.89%, Common equity tier 1 capital ratio was 11.95% and total capital ratio was 15.07%

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

# Loan Production

Loan production of \$336.3 million for 3Q23 reflected balanced contribution from nearly all business lines and meaningful increases in the weighted average interest rate on new production.



Weighted average interest rate on new production

- Weighted average interest rate on new production was up 41 basis points sequentially.
- Commercial real estate loan production was \$106.2 million and equipment finance production was \$71.1 million for the third quarter.
- Commercial and industrial loan production was \$67.9 million and residential mortgage<sup>(1)</sup> loan production was \$55.0 million.
- SBA<sup>(2)</sup> loan production was \$36.1 million for the third quarter.

(1) Residential mortgage includes \$0.0, \$0.1 million, \$2.0 million, \$0.0, and \$0.0 of consumer loans for 3Q22, 4Q22, 1Q23, 2Q23, and 3Q23, respectively

(2) \$44.9 million, \$53.2 million, \$34.5 million, \$30.9 million, and \$18.5 million of SBA loan production includes \$27.1 million, \$36.7 million, \$22.6 million, \$19.4 million, and \$17.6 million of loans secured by CRE and the remainder representing C&I as of 3Q22, 4Q22, 1Q23, 2Q23, and 3Q23, respectively

## \$6.02 Billion Loan Portfolio (as of September 30, 2023)

### Commercial Real Estate (CRE)<sup>(1,2)</sup> Portfolio

Outstanding (\$ in millions)	\$3,773
3Q23 Average Yield	5.39%

### Residential Real Estate (RRE)<sup>(3)</sup> Portfolio

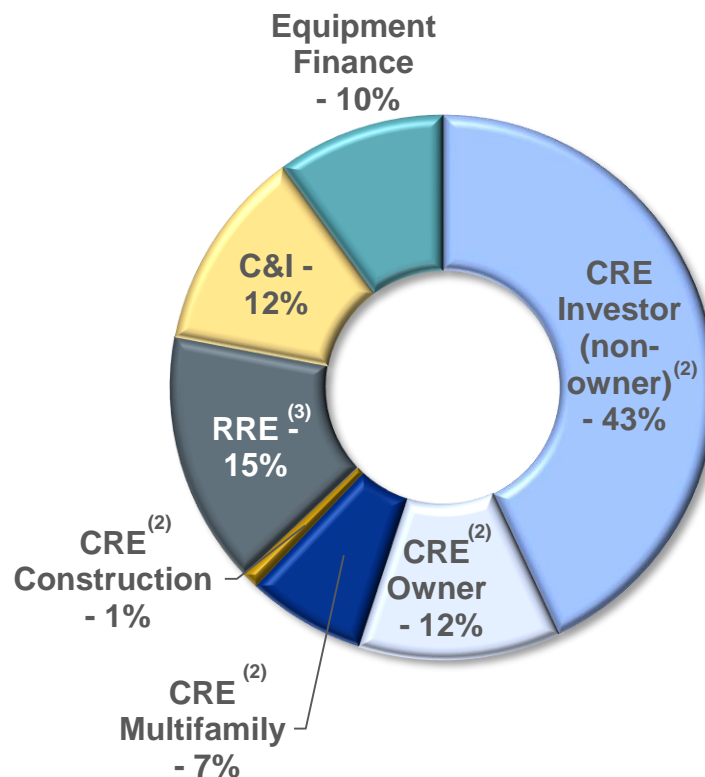
Outstanding (\$ in millions)	\$926
3Q23 Average Yield	4.83%

### Commercial & Industrial (C&I)<sup>(1)</sup> Portfolio

Outstanding (\$ in millions)	\$729
3Q23 Average Yield	8.88%

### Equipment Finance Portfolio

Outstanding (\$ in millions)	\$593
3Q23 Average Yield	5.56%



### CRE<sup>(2)</sup> Investor (non-owner)

# of Loans	887
Weighted Average Loan-to-Value Ratio <sup>(4)</sup>	50.4%
Weighted Average Debt Coverage Ratio <sup>(4)</sup>	2.08x

### CRE<sup>(2)</sup> Owner Occupied

# of Loans	757
Weighted Average Loan-to-Value Ratio <sup>(4)</sup>	47.8%
Weighted Average Debt Coverage Ratio <sup>(4)</sup>	2.67x

### CRE<sup>(2)</sup> Multifamily

# of Loans	158
Weighted Average Loan-to-Value Ratio <sup>(4)</sup>	56.7%
Weighted Average Debt Coverage Ratio <sup>(4)</sup>	1.62x

Note: Numbers may not add due to rounding

(1) Includes syndicated loans of \$278.6 million in total commitments (\$220.8 million disbursed) across C&I (\$249.3 million committed and \$191.5 million disbursed) and CRE (\$29.3 committed and disbursed)

(2) Commercial Real Estate (CRE) is a combination of Investor (non-owner), Owner Occupied, Multifamily, and Construction. Investor (or non-owner occupied) property is where the investor does not occupy the property. The primary source of repayment stems from the rental income associated with the respective properties. Owner occupied property is where the borrower owns the property and also occupies it. The primary source of repayment is the cash flow from the ongoing operations and activities conducted by the borrower/owner. Multifamily real estate is a residential property that has 5 or more housing units.

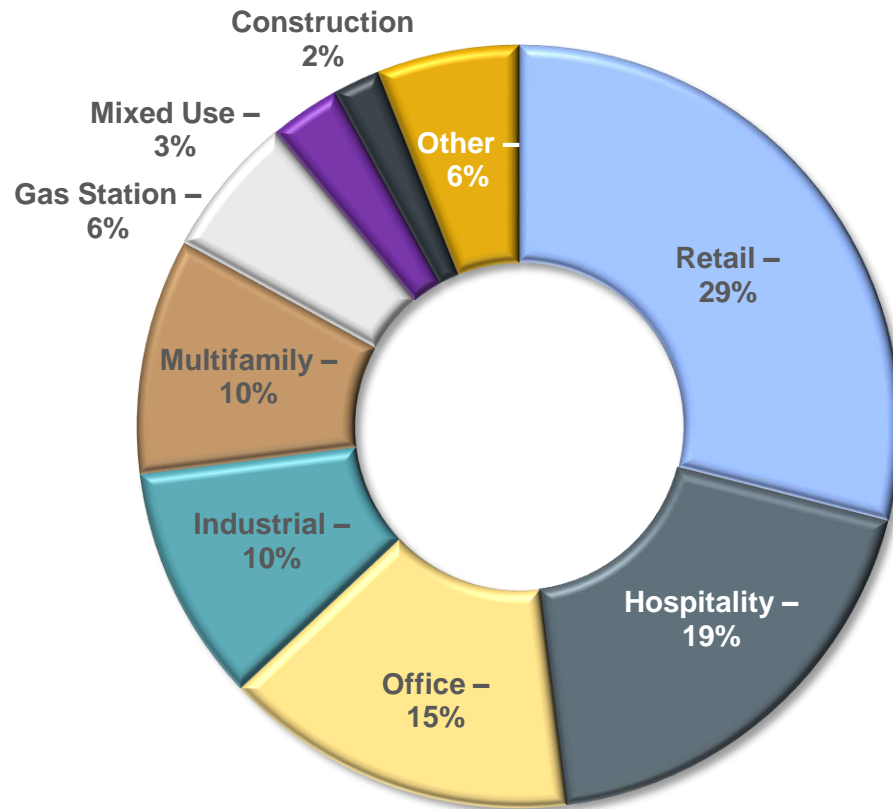
(3) Residential real estate is a loan (mortgage) secured by a single family residence, including one to four units (duplexes, triplexes, and fourplexes). RRE also includes \$2.0 million of HELOCs and \$4.2 million in consumer loans

(4) Weighted average DCR and weighted average LTV calculated when the loan was first underwritten or renewed subsequently

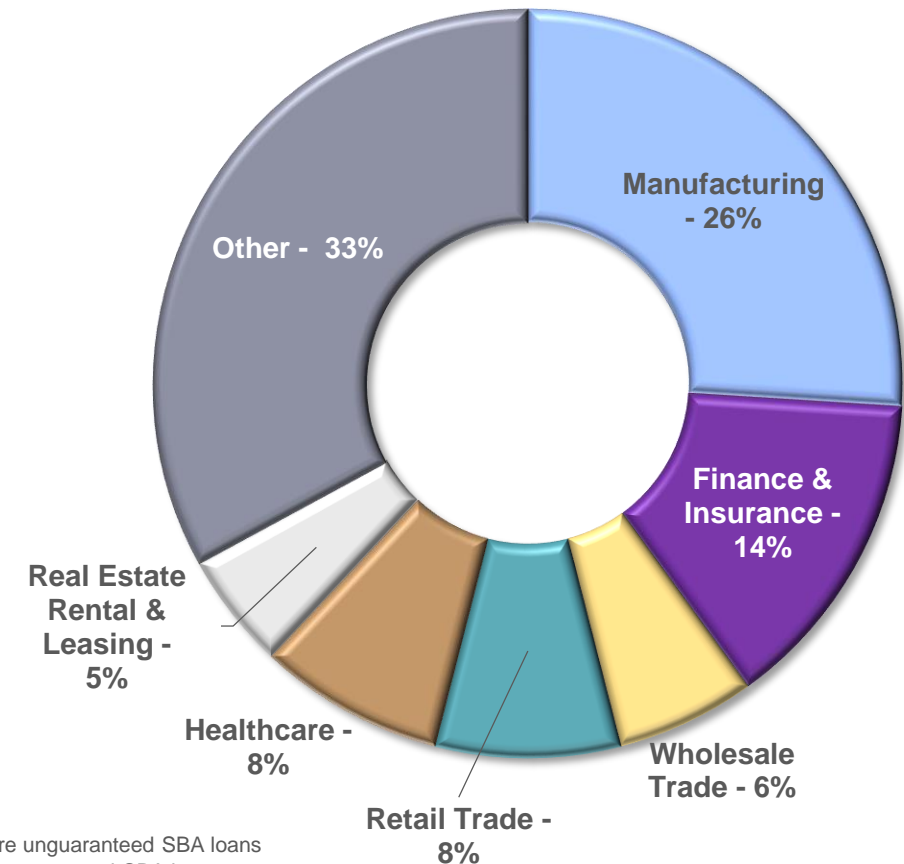
# Loan Portfolio Diversification

Loan portfolio is well diversified across collateral types and industry types; CRE represents 63% of the total portfolio and C&I represents 12%.

**CRE Portfolio<sup>(1)</sup>**  
**\$3.77B**



**C&I Portfolio<sup>(2)</sup>**  
**\$729M**

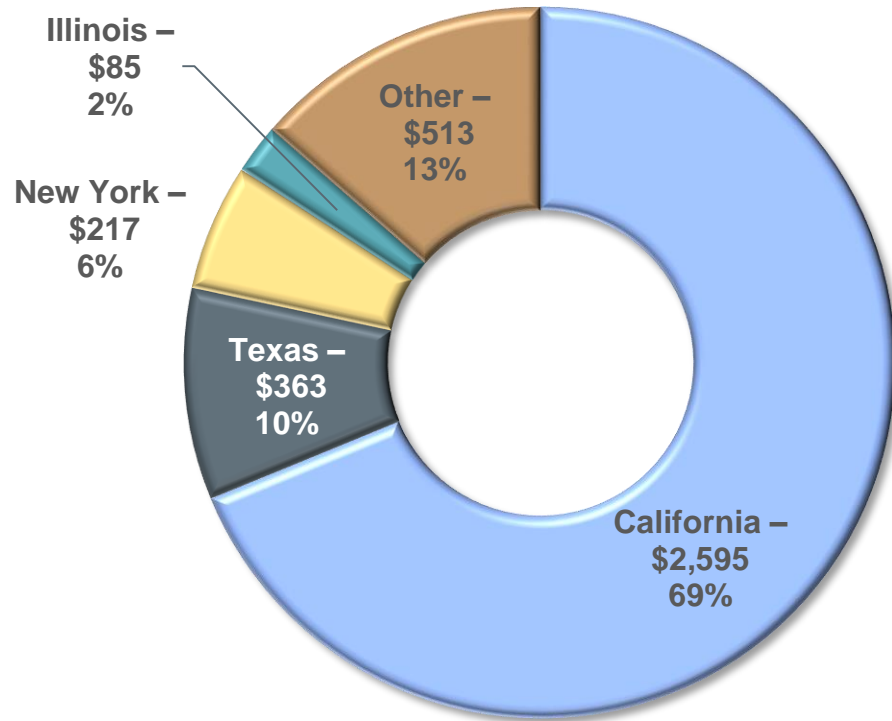


(1) \$113.6 million, or 3.0%, of the CRE portfolio are unguaranteed SBA loans  
(2) \$50 million, or 6.9%, of the C&I portfolio are unguaranteed SBA loans

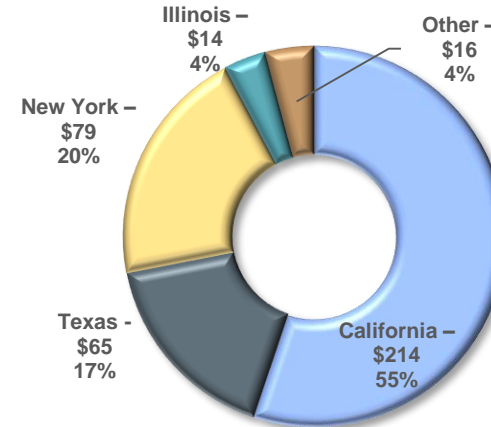
# CRE Portfolio Geographical Exposure

(\$ in millions)

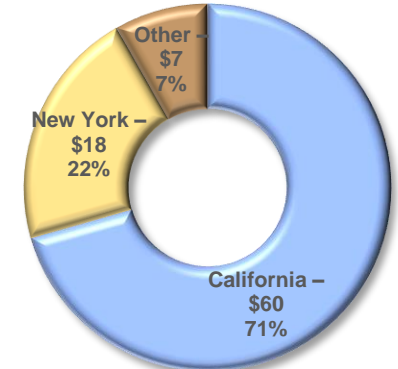
## CRE Composition by State \$3,773



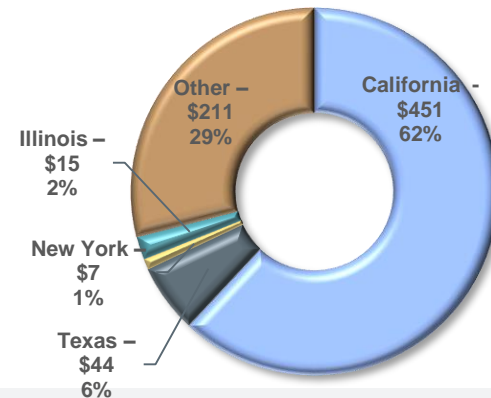
## Multifamily by State \$388



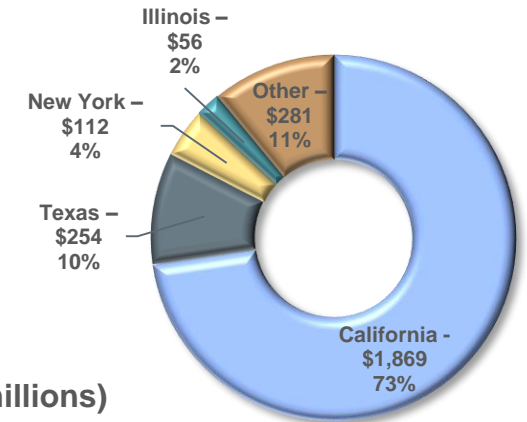
## Construction by State \$85



## Owner Occupied by State \$728



## Investor (Non-owner Occupied) by State \$2,572



(\$ in millions)

# Loan Portfolio Distribution

## CRE

(\$ in millions)

	Owner Occupied	Non-owner Occupied	Multifamily	Construction <sup>(1)</sup>
<b>Total Balance</b>	\$728	\$2,572	\$388	\$85
<i>Average</i>	\$0.96	\$2.90	\$2.46	\$9.42
<i>Median</i>	\$0.31	\$1.13	\$1.00	\$2.09
<b>Top Quintile Balance <sup>(3)</sup></b>	\$544	\$1,834	\$275	\$56
<i>Top Quintile Loan Size</i>	\$1.1 or more	\$3.5 or more	\$2.4 or more	\$25.7 or more
<i>Top Quintile Average</i>	\$3.62	\$10.42	\$8.59	\$27.90
<i>Top Quintile Median</i>	\$2.00	\$6.69	\$4.27	\$27.90

## C&I

(\$ in millions)

	Term <sup>(2)</sup>	Lines of Credit <sup>(2)</sup>
<b>Total Balance</b>	\$375	\$354
<i>Average</i>	\$0.38	\$0.64
<i>Median</i>	\$0.05	\$0.05
<b>Top Quintile Balance <sup>(3)</sup></b>	\$337	\$304
<i>Top Quintile Loan Size</i>	\$0.1 or more	\$0.7 or more
<i>Top Quintile Average</i>	\$1.76	\$4.06
<i>Top Quintile Median</i>	\$0.23	\$1.48

## Residential Real Estate & Equipment Finance

(\$ in millions)

	Residential Real Estate	Equipment Finance
<b>Total Balance</b>	\$926	\$593
<i>Average</i>	\$0.53	\$0.05
<i>Median</i>	\$0.46	\$0.03
<b>Top Quintile Balance <sup>(3)</sup></b>	\$380	\$299
<i>Top Quintile Loan Size</i>	\$0.7 or more	\$0.1 or more
<i>Top Quintile Average</i>	\$1.10	\$0.12
<i>Top Quintile Median</i>	\$0.92	\$0.10

(1) Represents the total outstanding amount. Advances require authorization and disbursement requests, depending on the progress of the project and inspections. Advances are non-revolving and are made throughout the term, up to the original commitment amount

(2) Term loans are commitment for a specified term. Majority of the Lines of Credit are revolving, including commercial revolvers, with some non-revolvers (sub-notes and working capital tranches)

(3) Top quintile represents top 20% of the loans

# Loan Portfolio Maturities

(\$ in millions)	<1 Year	1-3 Years	>3 Years	Total
Real estate loans				
Retail	\$ 106.9	\$ 309.4	\$ 681.4	\$ 1,097.7
Hospitality	112.7	221.2	371.8	705.7
Office	47.1	224.2	304.0	575.3
Other	115.8	455.9	737.8	1,309.5
<b>Commercial Property</b>	<b>382.5</b>	<b>1,210.7</b>	<b>2,095.0</b>	<b>3,688.2</b>
Construction	54.4	28.3	2.1	84.8
RRE / Consumer	4.1	0.1	922.1	926.3
<b>Total Real Estate Loans</b>	<b>441.0</b>	<b>1,239.1</b>	<b>3,019.2</b>	<b>4,699.3</b>
C&I <sup>(1)</sup>	261.8	208.4	258.6	728.8
Equipment Finance	28.0	187.8	376.9	592.7
<b>Loans receivable</b>	<b>\$ 730.8</b>	<b>\$ 1,635.3</b>	<b>\$ 3,654.7</b>	<b>\$ 6,020.8</b>

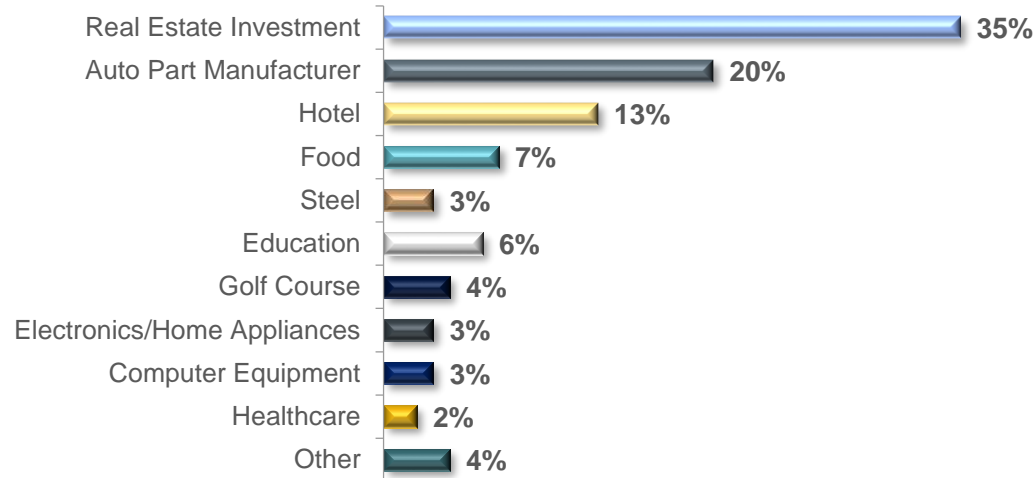
Note: numbers may not add due to rounding

(1) \$224.7 million of C&I are lines of credit expected to be renewed and maintain a maturity of less than one year

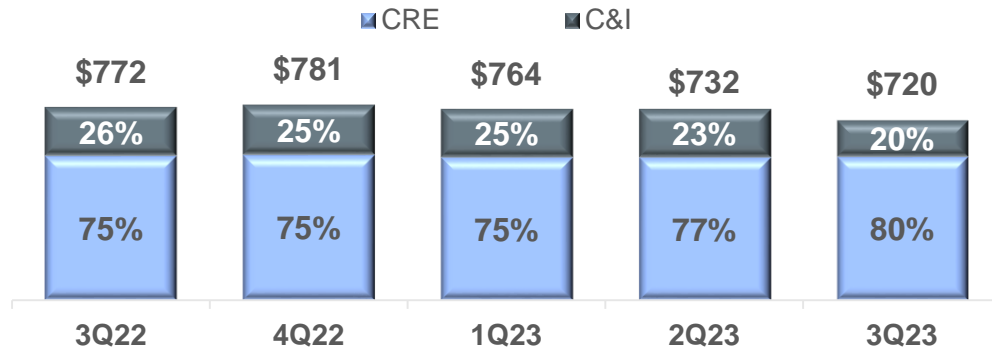
# USKC<sup>(1)</sup> Loans & Deposits

USKC portfolio represented \$719.6 million in loans, or 12% of the loan portfolio and \$794.4 million in deposits, or 13% of the deposit portfolio. USKC CRE portfolio had a weighted average debt coverage ratio<sup>(2)</sup> of 1.91x and weighted average loan-to-value<sup>(2)</sup> of 60.6%.

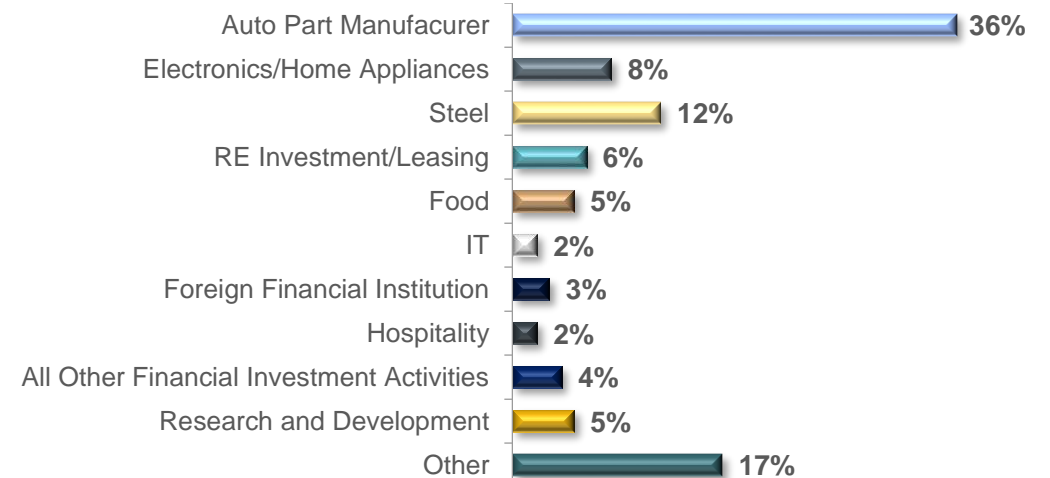
## USKC Loans – Top 10 Industries (as of 3Q23)



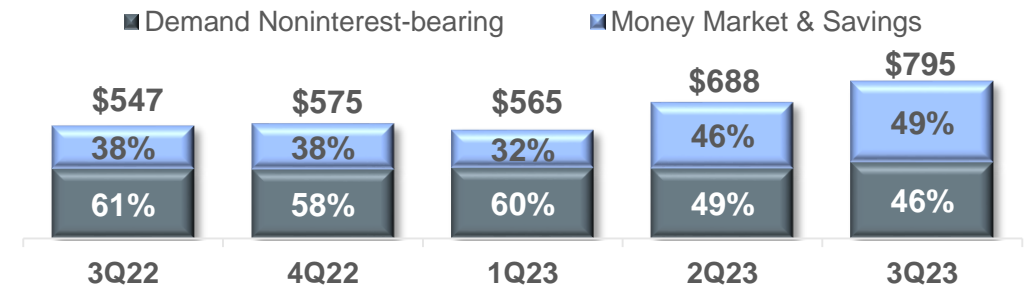
## USKC Loans by Product (\$ in millions)



## USKC Deposits – Top 10 Industries (as of 3Q23)



## USKC Deposits by Product<sup>(3)</sup> (\$ in millions)



(1) U.S. subsidiaries of Korean Corporations

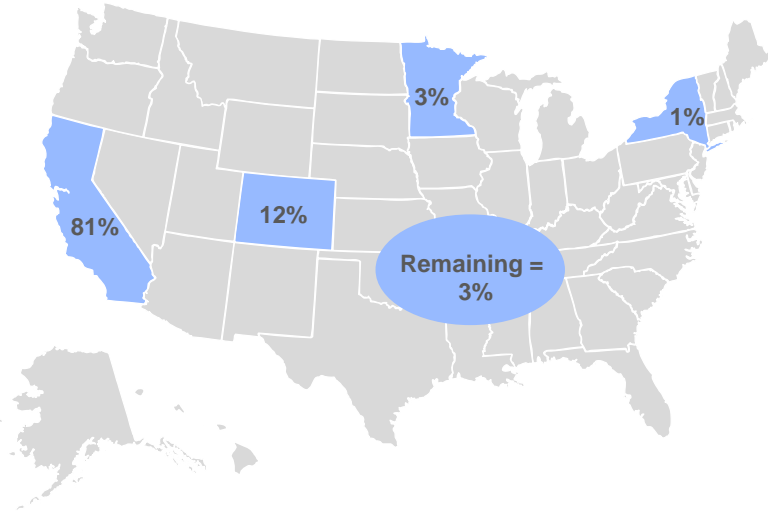
(2) Weighted average DCR and weighted average LTV calculated when the loan was first underwritten or renewed subsequently

(3) Time deposits, not illustrated, were 5% of total USKC deposits at September 30, 2023. Hence, the percentages do not add to 100%

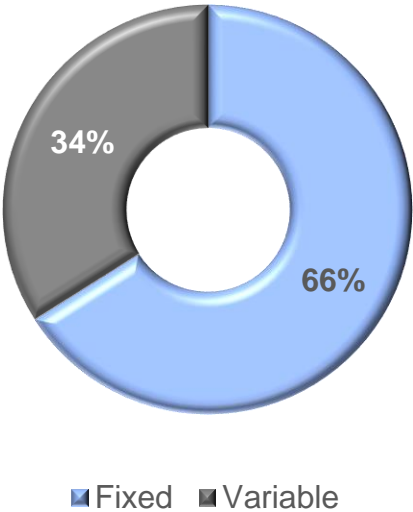
# Office Loan Portfolio

The CRE office portfolio<sup>(1)</sup> was \$575.3 million at September 30, 2023, representing 10% of the total loan portfolio.

## Portfolio by State



## Rate Distribution

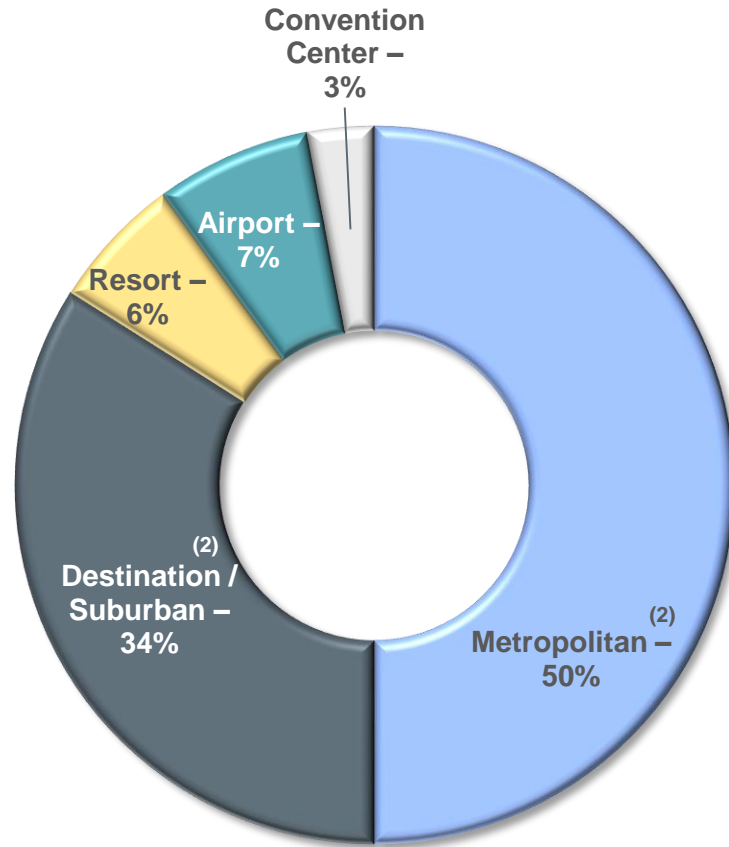


- Average balance and median balance of the portfolio were \$4.6 million and \$1.0 million, respectively
- Weighted average debt coverage ratio<sup>(1)</sup> of the segment was 2.03x
- Weighted average loan to value<sup>(2)</sup> of the segment was 56.74%
- 22.37% of the portfolio is expected to reprice in 1 to 3 months
- No delinquent loans
- Criticized loans represented 1.53% of the office portfolio

(1) Segment represents exposure in CRE and excludes \$18.4 million in construction  
(2) Weighted average DCR and weighted average LTV calculated when the loan was first underwritten or renewed subsequently

# Hospitality Segment

Hospitality segment represented \$705.7 million or 12% of the loan portfolio at September 30, 2023.



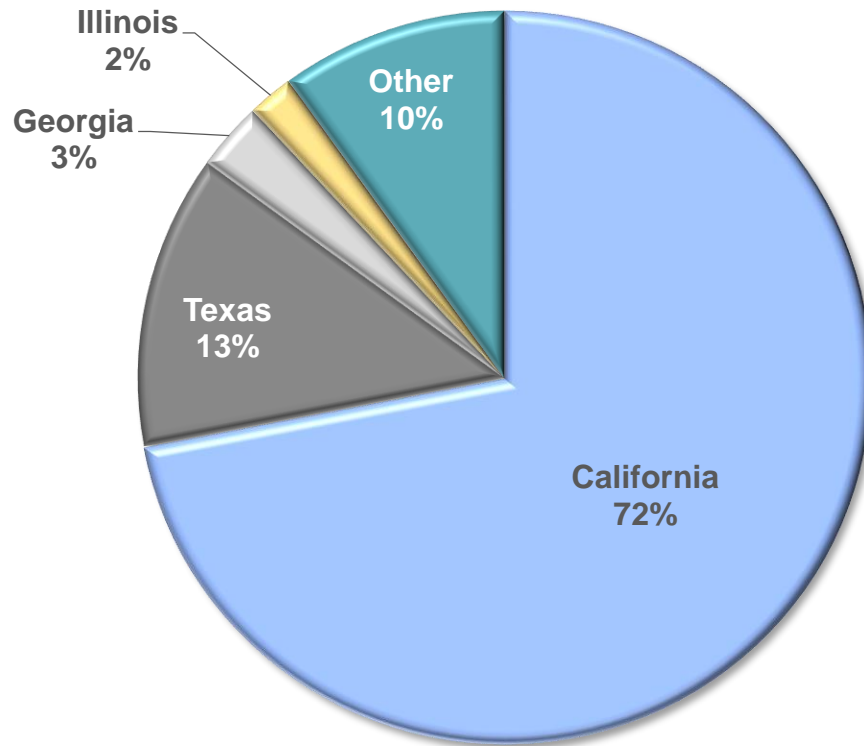
- Average balance and median balance of the portfolio (excluding construction) were \$3.6 million and \$0.9 million, respectively
- Weighted average debt coverage ratio<sup>(1)</sup> of the segment was 2.28x
- Weighted average loan to value<sup>(1)</sup> of the segment was 51.3%
- \$1.4 million, or 0.19%, of the hospitality portfolio was criticized at September 30, 2023
- Three nonaccrual hospitality loans for \$519 thousand---one in the metropolitan<sup>(2)</sup> area in Texas, and two in the suburban/destination areas in Tennessee and Washington

(1) Weighted average DCR and weighted average LTV calculated when the loan was first underwritten or renewed subsequently

(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

# Retail Segment

Retail segment represented \$1.1 billion or 18% of the loan portfolio at September 30, 2023.



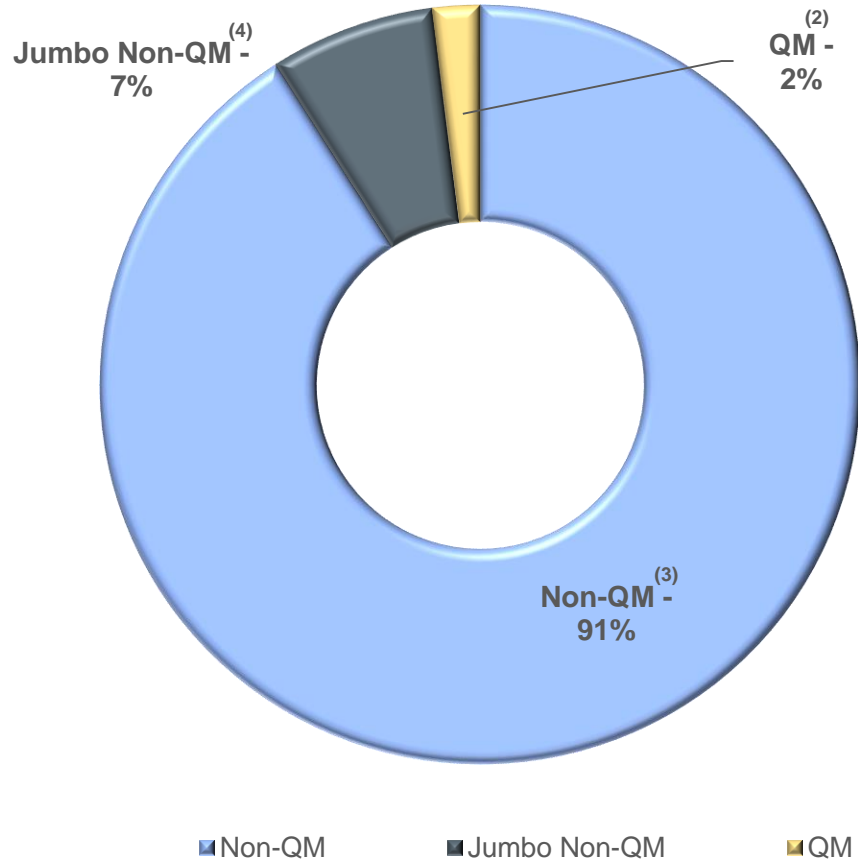
- Average balance and median balance of the portfolio were \$1.4 million and \$0.7 million, respectively
- Weighted average debt coverage ratio<sup>(1)</sup> of the segment was 2.02x
- Weighted average loan to value<sup>(1)</sup> of the segment was 47.8%
- \$10.8 million, or 0.98%, of the retail portfolio was criticized at September 30, 2023
- \$2.3 million, or 0.21%, of the retail portfolio had a nonaccrual status at September 30, 2023

(1) Weighted average DCR and weighted average LTV calculated when the loan was first underwritten or renewed subsequently

# Residential Real Estate Portfolio

The RRE<sup>(1)</sup> portfolio was \$926.3 million at September 30, 2023, representing 15% of the total loan portfolio.

Our conservative underwriting policy focuses on high-quality mortgage originations with maximum Loan-to-Value (LTV) between 60.0% and 70.0%, maximum Debt-to-Income (DTI) of 43.0% and minimum FICO scores of 680.



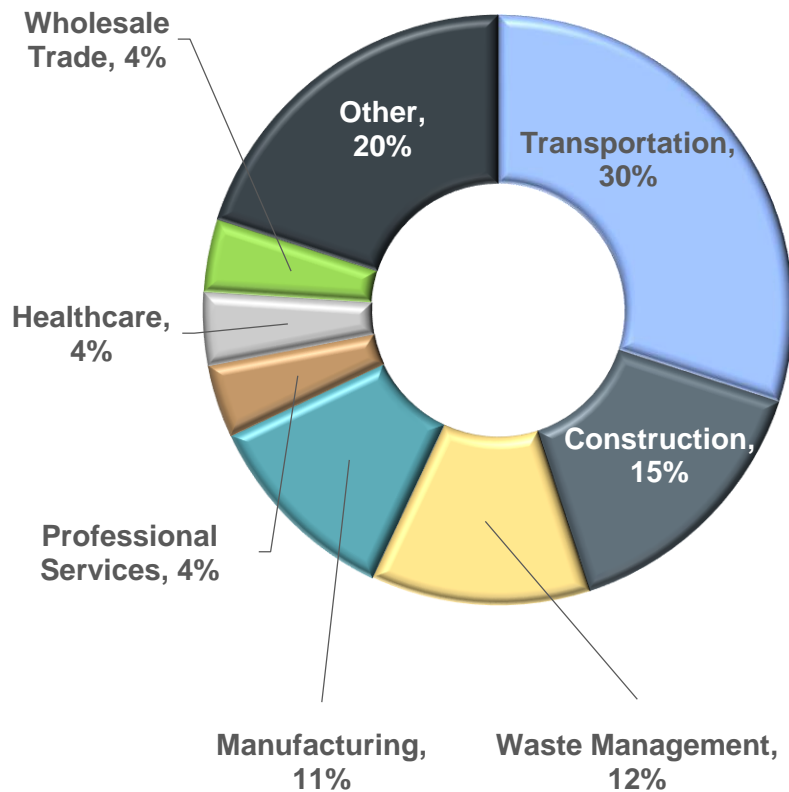
- 28.5% of the Residential Real Estate portfolio is fixed and 71.5% is variable. Of the variable mortgage portfolio, 85.8% is expected to reset after 12 months and 14.2% within the next 12 months
- Total delinquencies are 0.14% of the residential portfolio, consisting of 0.10% within 30-59 and 0.04% in 60-89 days delinquency categories

- (1) RRE includes \$2.0 million of Home Equity Line of Credit (HELOC) and \$4.2 million in consumer loans  
(2) QM loans conform to the Ability-to-Repay (ATR) rules/requirements of CFPB  
(3) Non-QM loans do not conform to the CFPB Dodd-Frank Act  
(4) Jumbo Non-QM loan amounts exceed FHFA limits, but generally conform to the ATR/QM rules

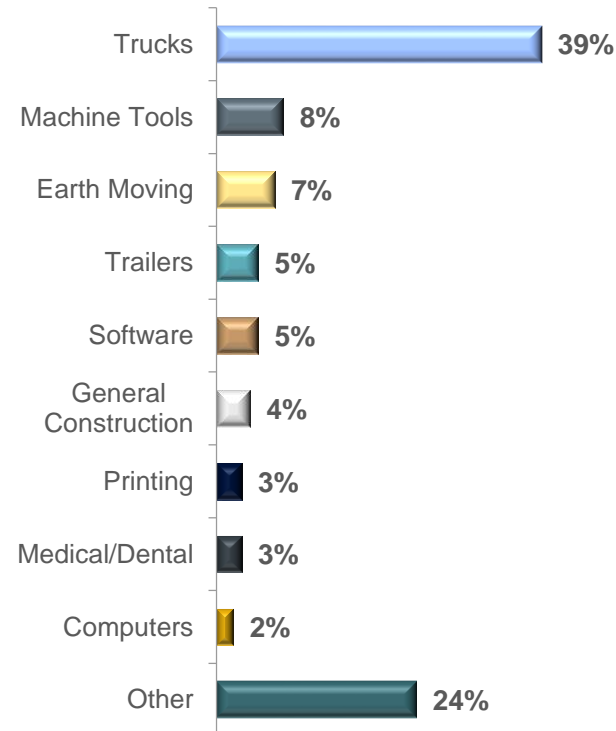
# Equipment Finance Portfolio

Equipment finance portfolio represented \$592.7 million or 10% of the loan portfolio at September 30, 2023.

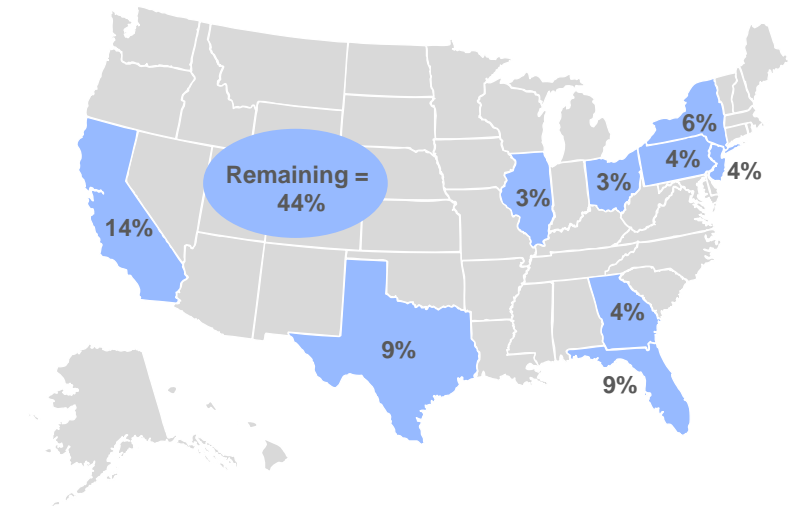
## Portfolio by Industry



## Portfolio by Equipment



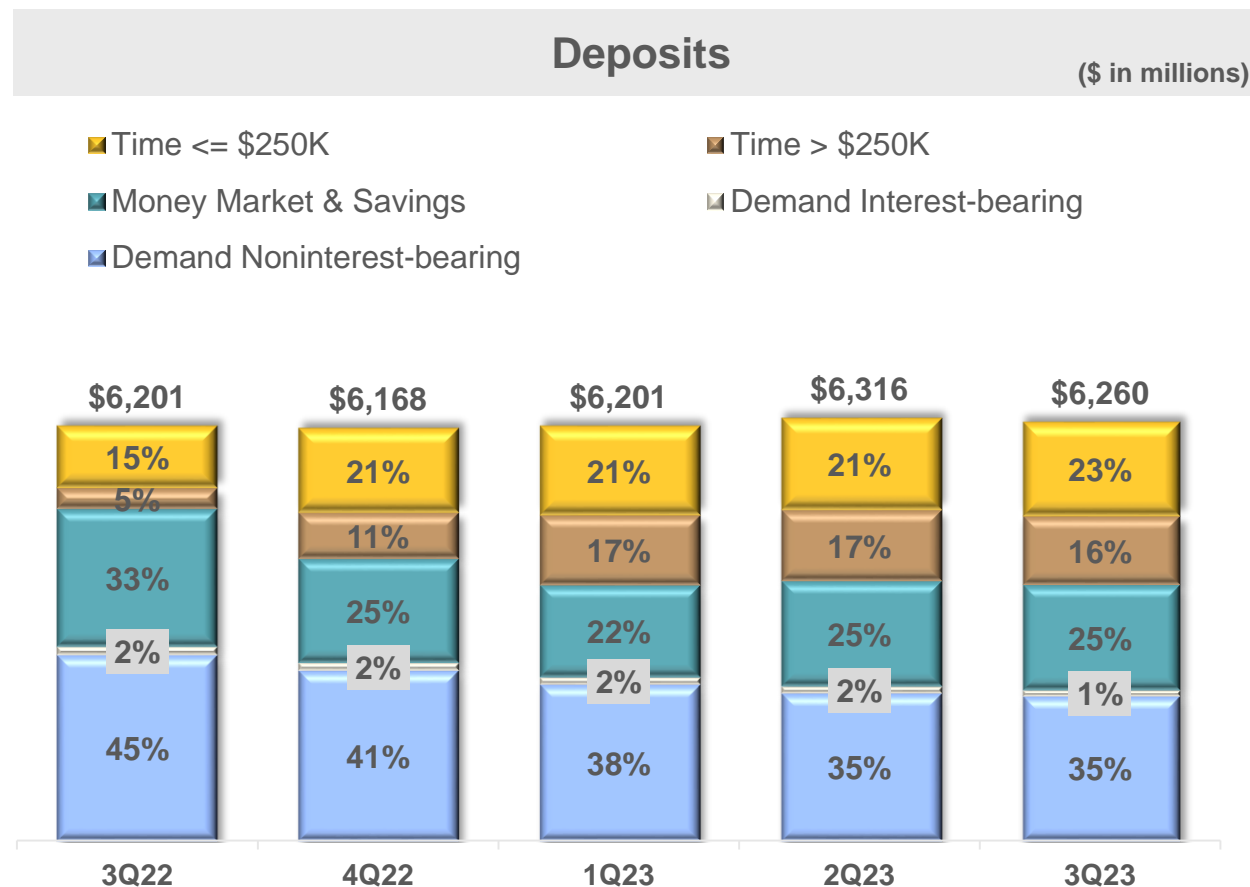
## Portfolio by State



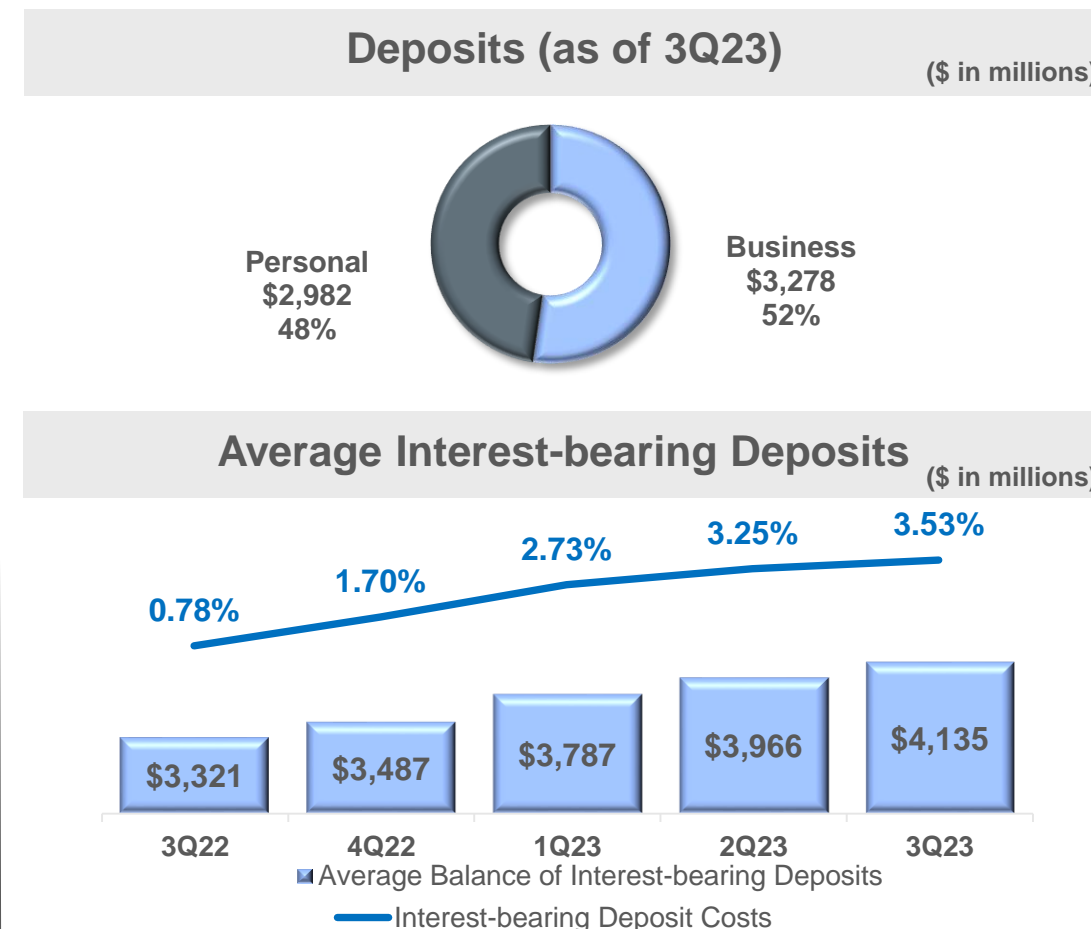
# Deposit Base

**Noninterest-bearing demand deposits represented 35% of total deposits at September 30, 2023.**

Estimated uninsured deposit liabilities were 37% of the total deposit liabilities. Brokered deposits remained low at 1% of the deposit base.

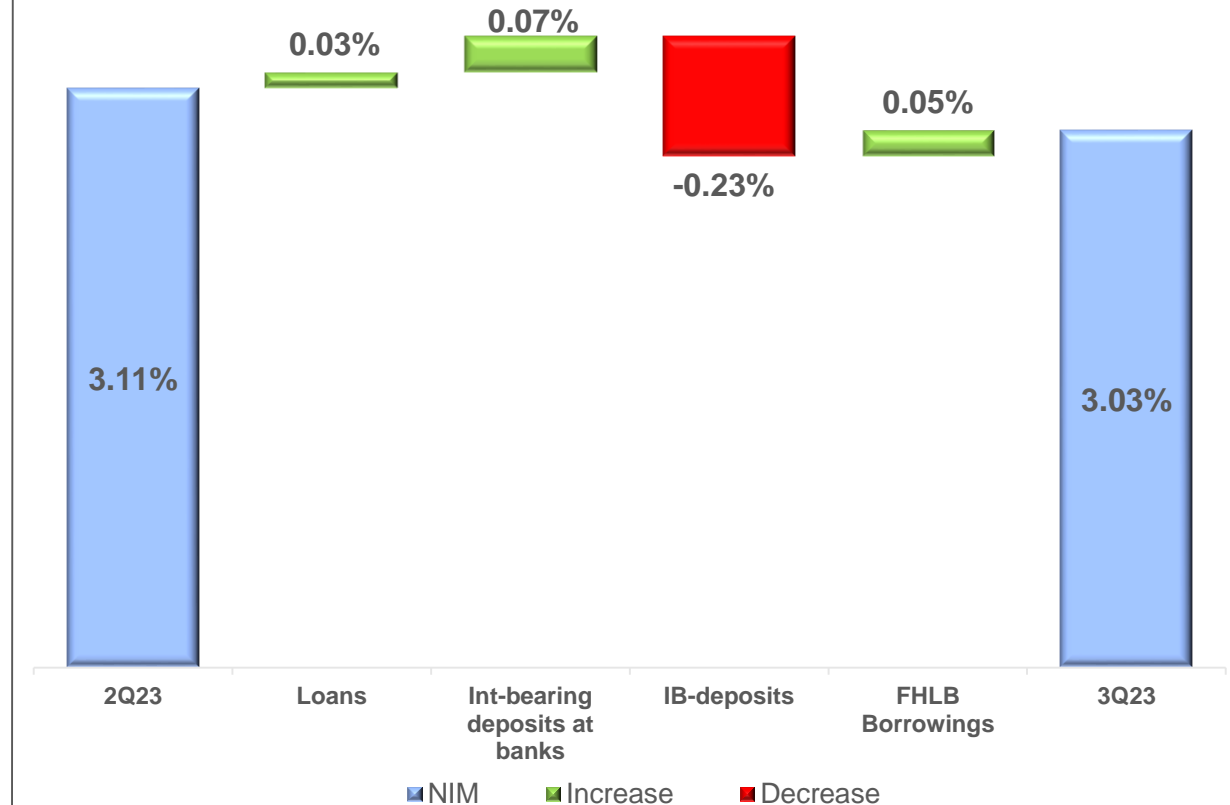
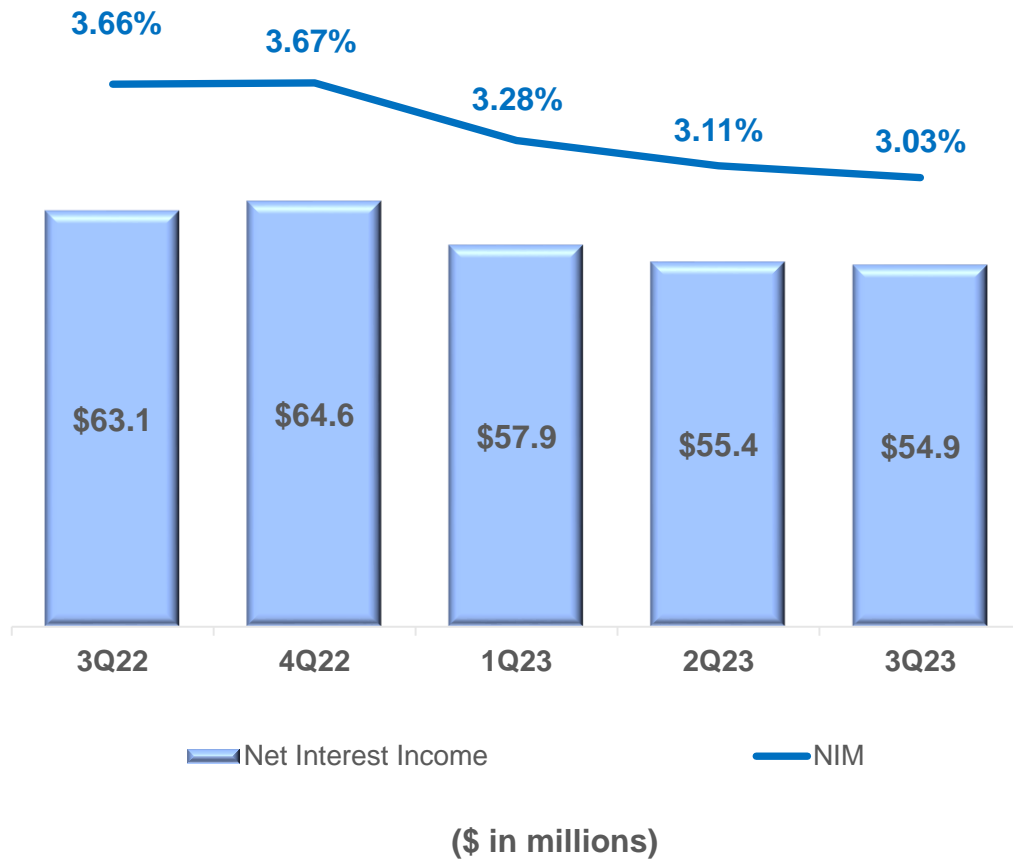


Note: Numbers may not add due to rounding



# Net Interest Income | Net Interest Margin

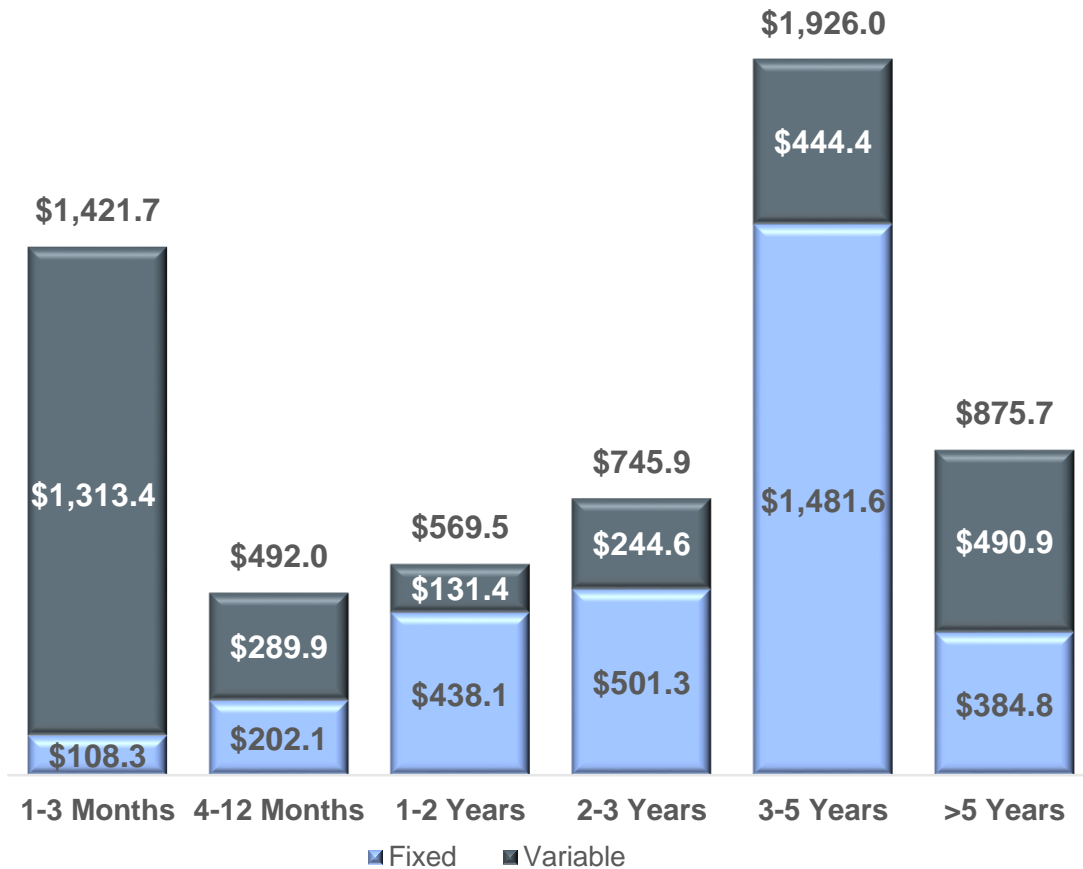
Net interest income for the third quarter was \$54.9 million and net interest margin (taxable equivalent) was 3.03%, both down from the previous quarter because of higher deposit interest expense.



# Net Interest Income Sensitivity

22% of the loan portfolio reprices within 1-3 months.

Loans – Months to Reset / Maturity<sup>(1)</sup> (\$ in millions)



Numbers may not add due to rounding

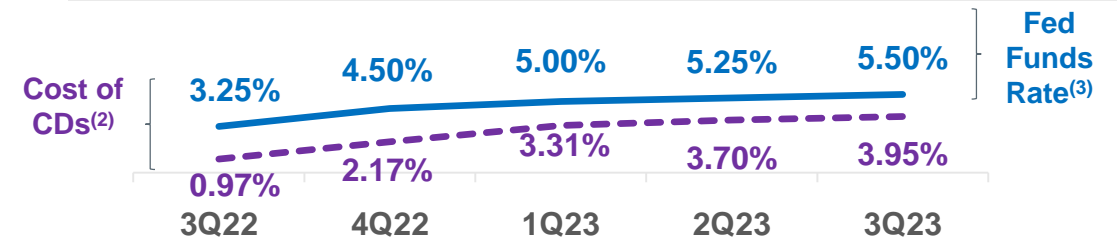
(1) Includes loans held for sale; numbers may not add due to rounding

(2) Cost of CDs and interest bearing-deposits for the month of September 2023 was 4.02% and 3.60%, respectively

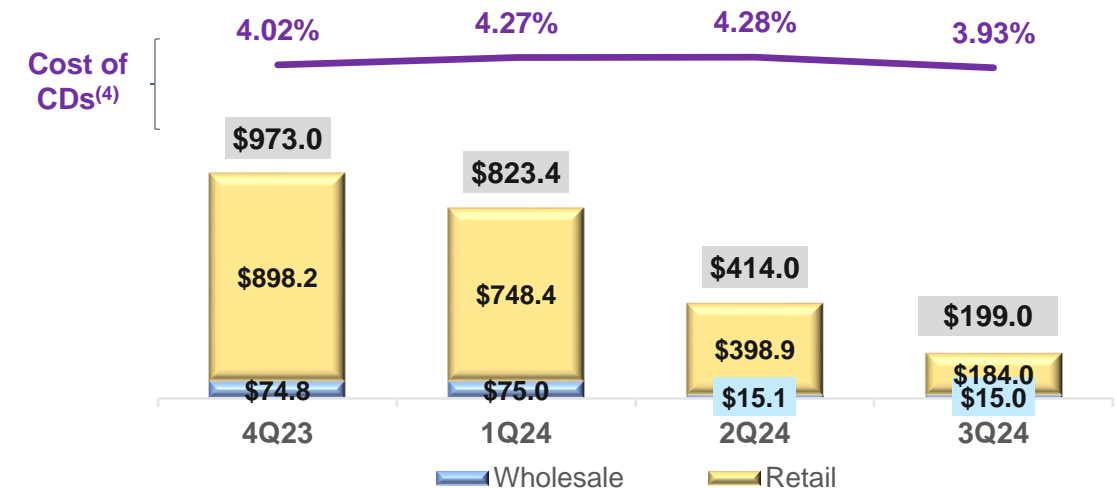
(3) Fed funds rate represent the rate at the end of the quarter

(4) Represent weighted average contractual rates

Fed Funds Rate & Cost of CDs



Deposits – CD Maturities (\$ in millions)

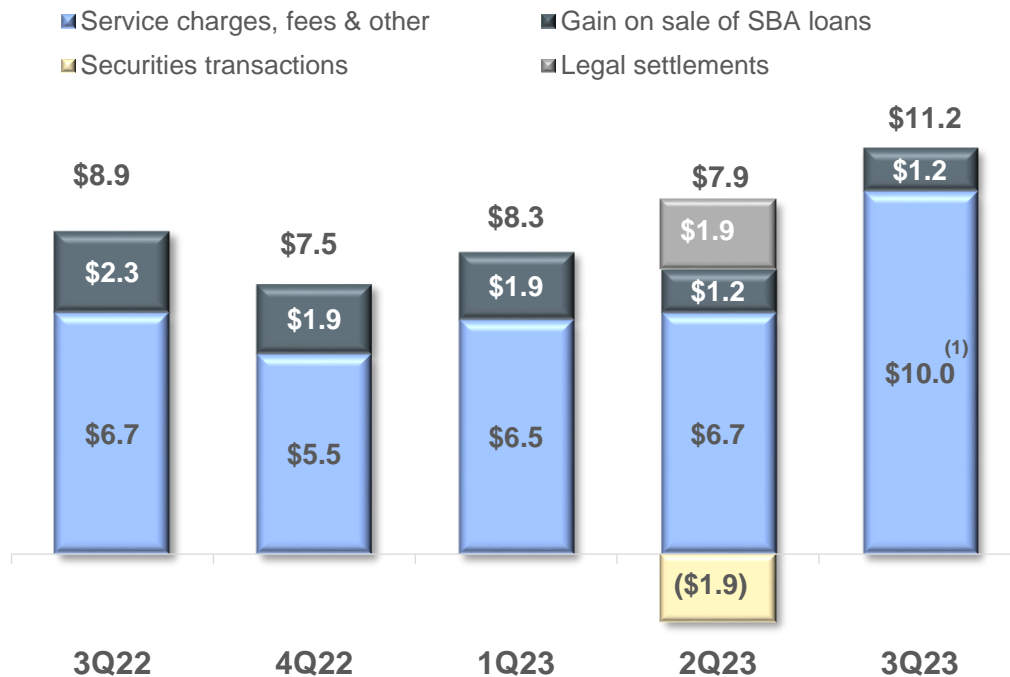


# Noninterest Income

Noninterest income for the third quarter was \$11.2 million, up 42% from the previous quarter, which primarily reflected \$4.0 million gain on the sale-and-leaseback of a branch property.

## Noninterest Income

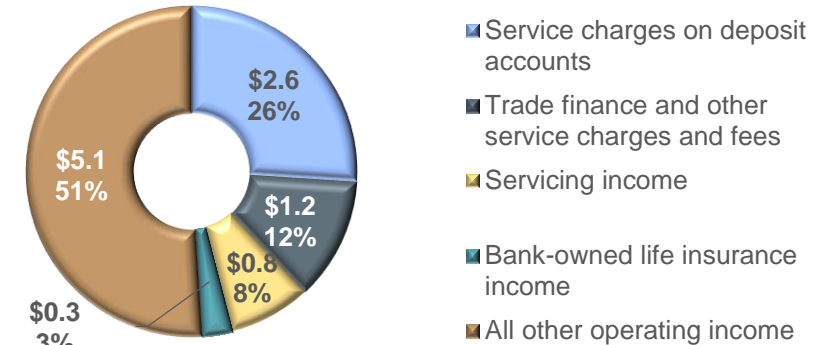
(\$ in millions)



(1) Includes \$4.0 million gain on the sale-and-leaseback of bank premises

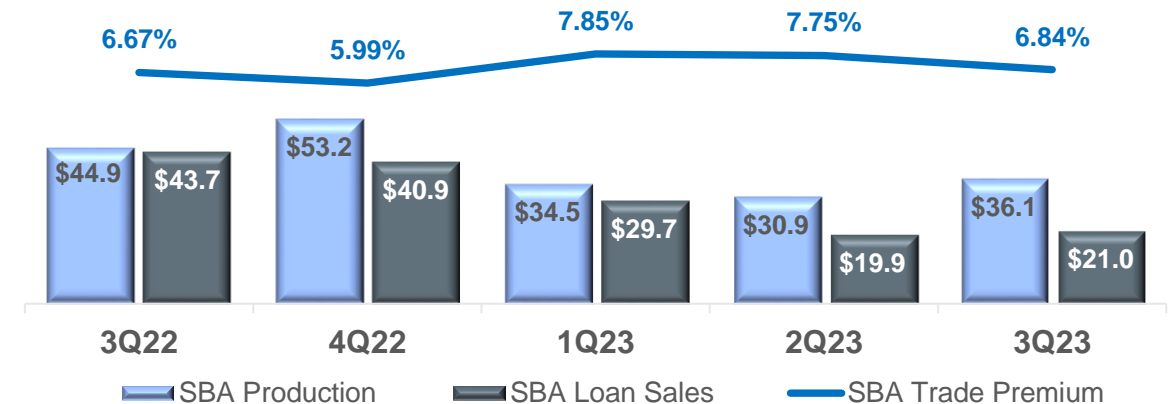
## 3Q23 Service Charges and Fees

(\$ in millions)



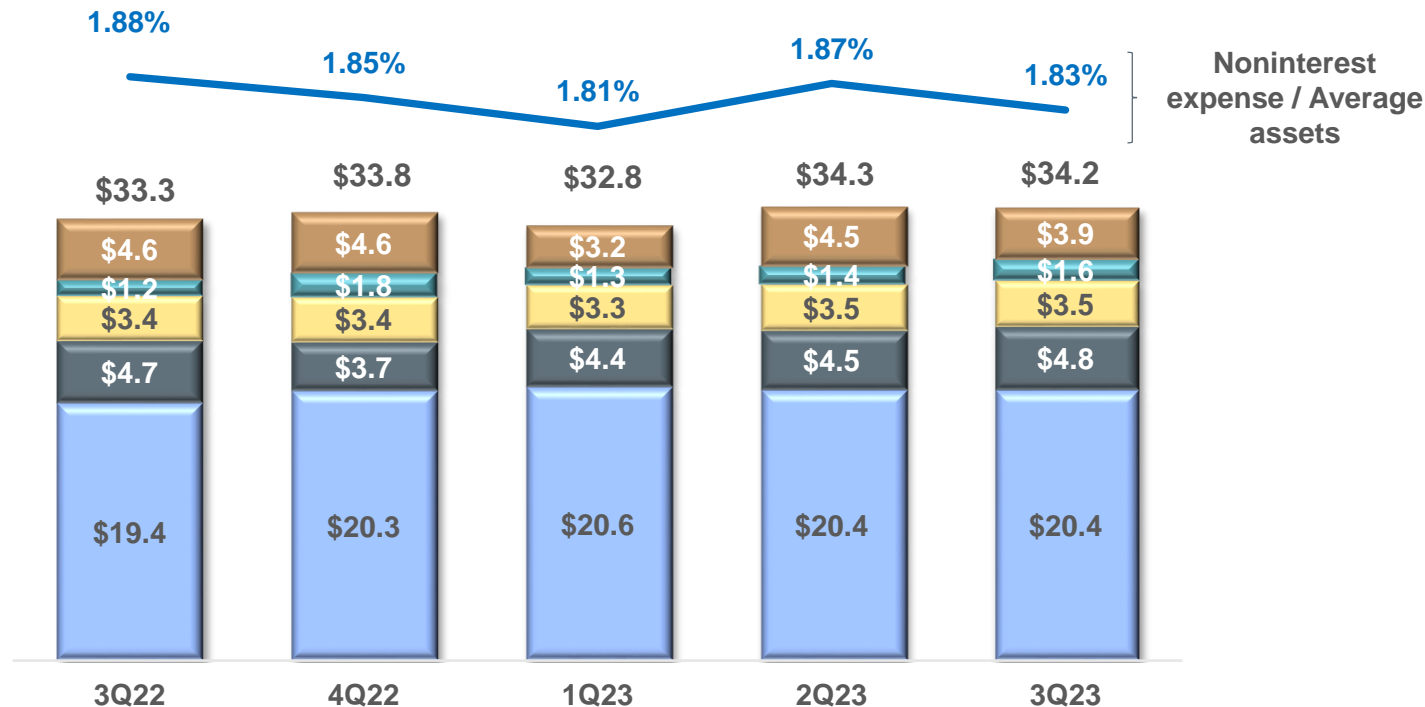
## SBA 7(a) Loan Production and Sales

(\$ in millions)



# Noninterest Expense

Continued focus on disciplined expense management.



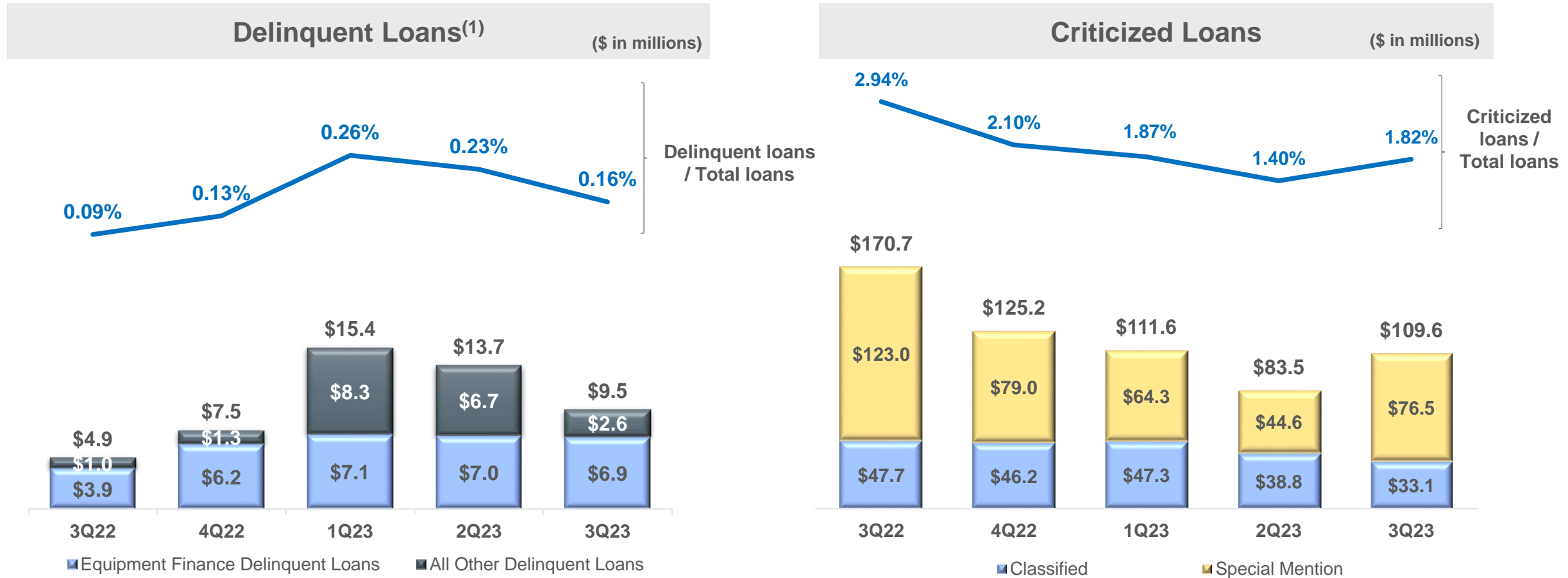
- Noninterest expense was \$34.2 million in the third quarter, down 0.1% from the prior quarter
- Salaries and employee benefit expense, which represented approximately 59.5% of the noninterest expense, remained relatively the same quarter over quarter despite inflationary pressure
- The efficiency ratio for the third quarter was 51.82% compared to 54.11% for the prior quarter

■ Salaries and employee benefits    ■ Occupancy and equipment  
■ Data Processing    ■ Professional Fees  
■ All other expenses

(\$ in millions)

# Asset Quality – Delinquent & Criticized Loans

Asset quality remains strong.



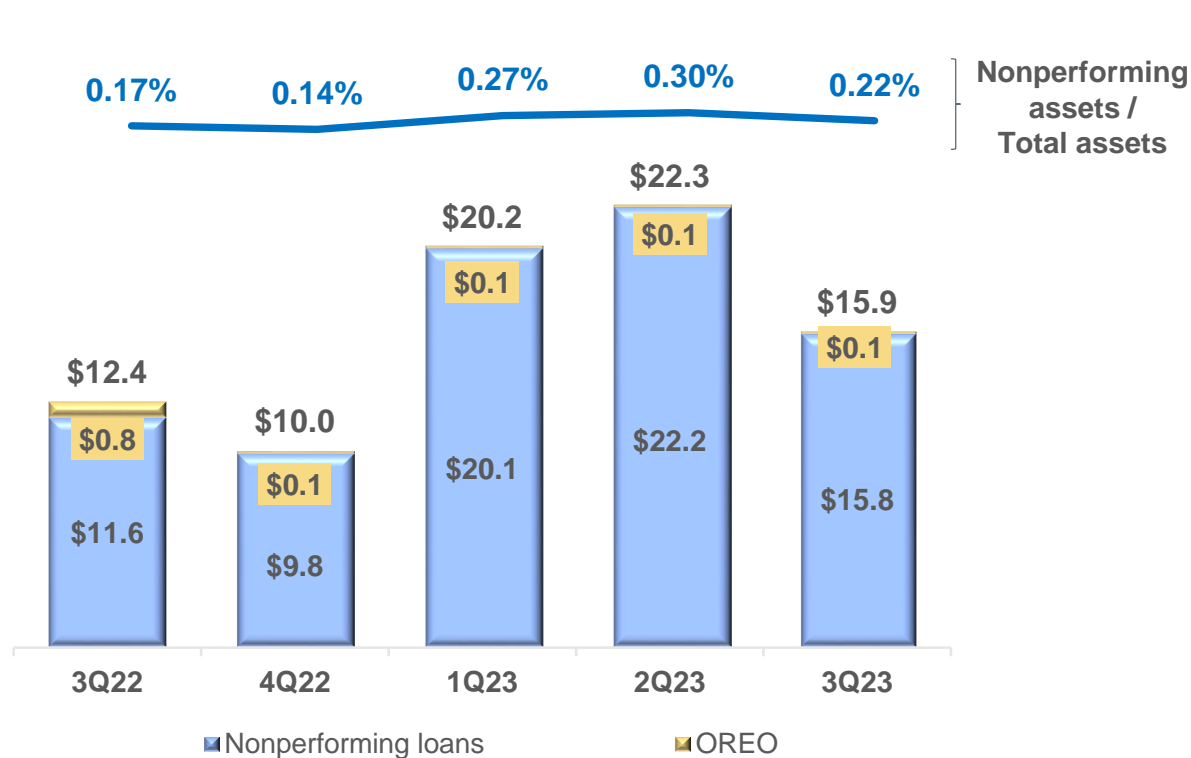
(1) Represents loans 30 to 89 days past due and still accruing

# Asset Quality – Nonperforming Assets & Nonaccrual Loans

Nonperforming assets were \$17.2 million at the end of the third quarter, down from \$23.1 million at the end of the second quarter, primarily due to \$6.1 million of charge-offs on \$11.0 million of previously identified classified loans.

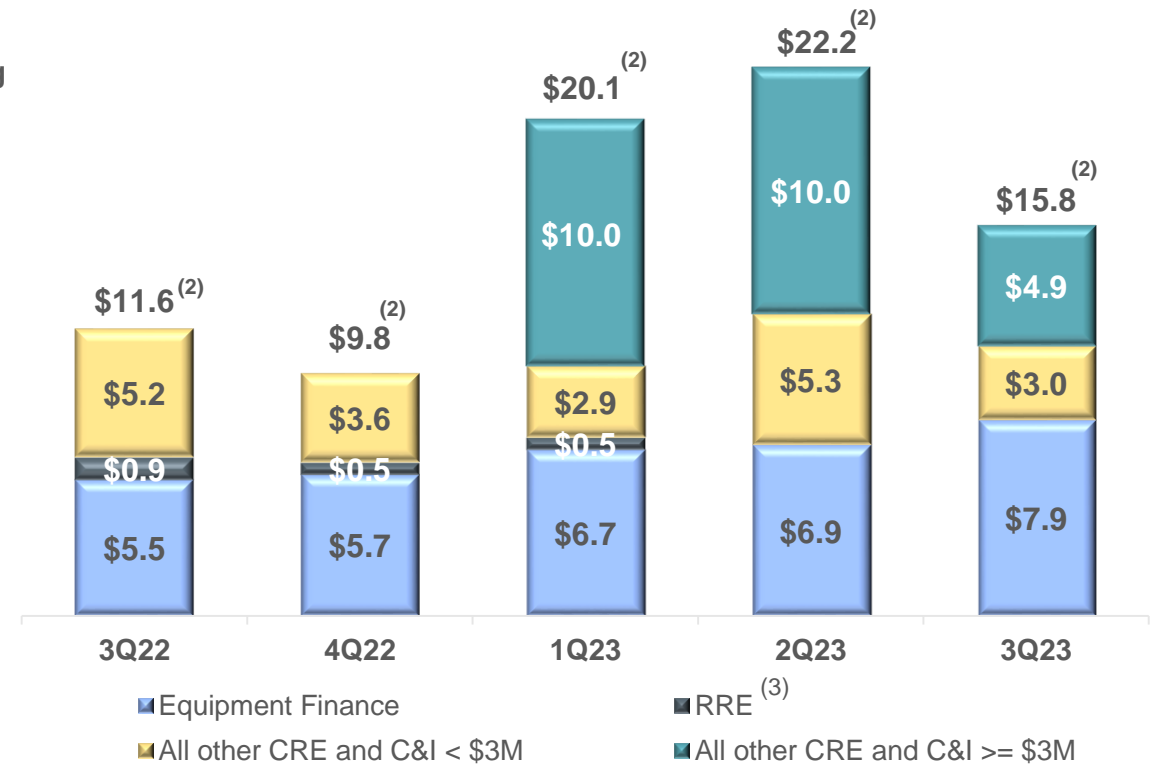
## Nonperforming Assets<sup>(1)</sup>

(\$ in millions)



## Nonaccrual Loans

(\$ in millions)



Note: Numbers may not add due to rounding

(1) Nonperforming assets exclude repossessed personal property of \$0.2 million, \$0.5 million, \$0.6 million, \$0.8 million, and \$1.3 million for September 30, 2022, December 31, 2022, March 31, 2023, June 30, 2023, and September 30, 2023, respectively

(2) Specific allowance for credit losses at September 30, 2022, December 31, 2022, March 31, 2023, June 30, 2023, and September 30, 2023 was \$2.2 million, \$3.3 million, \$6.2 million, \$7.4 million, and \$2.9 million, respectively

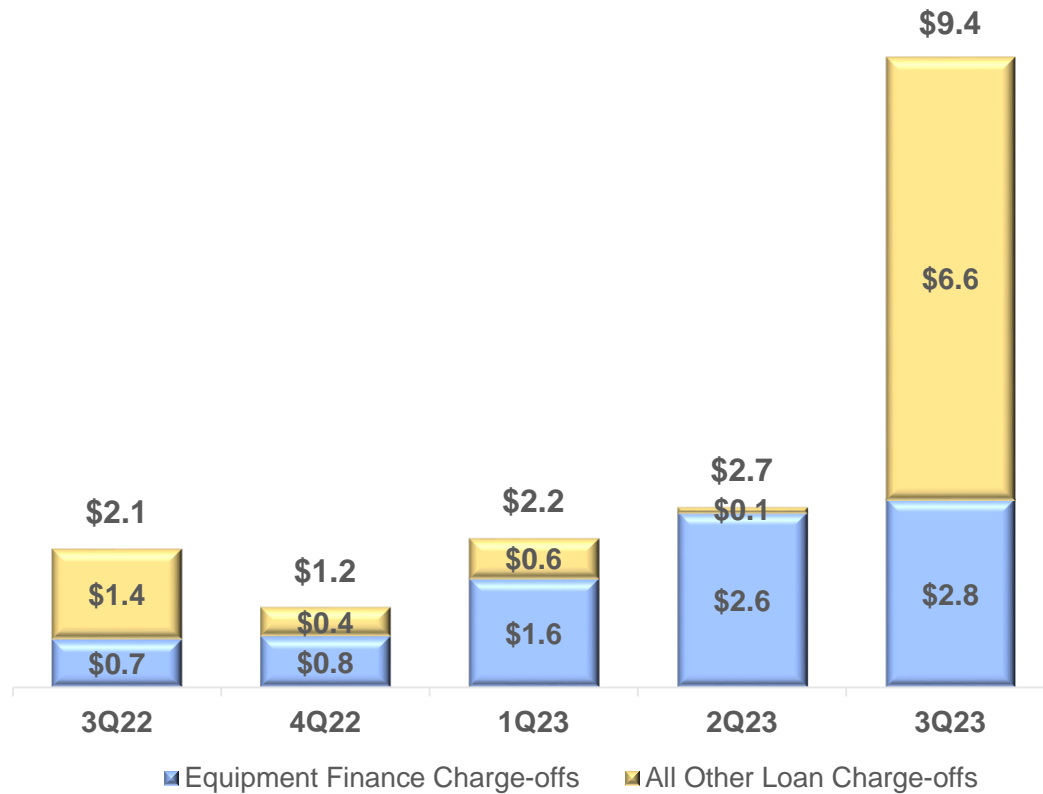
(3) RRE includes consumer loans

# Asset Quality – Gross & Net Loan Charge-offs

Net charge-offs for the third quarter represented 0.60% of average loans on an annualized basis.

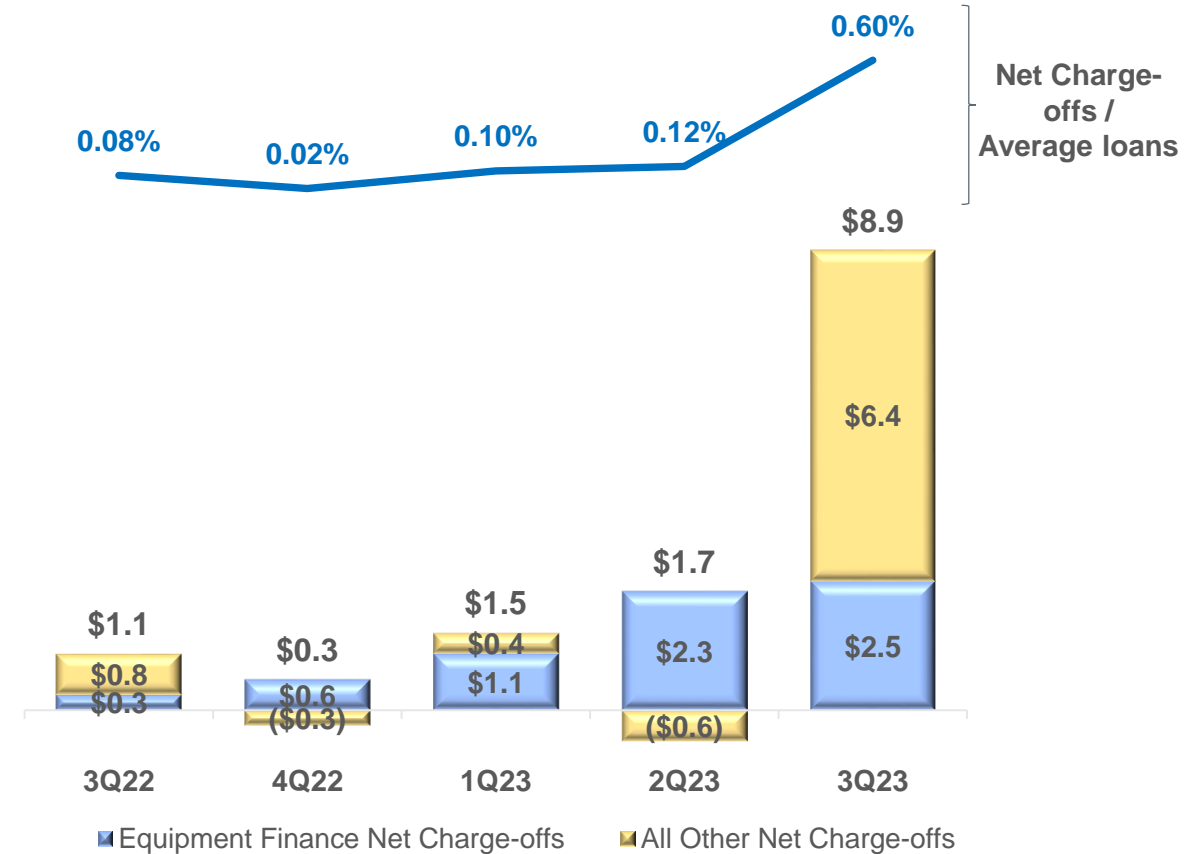
## Gross Charge-offs

(\$ in millions)



## Net Charge-offs

(\$ in millions)



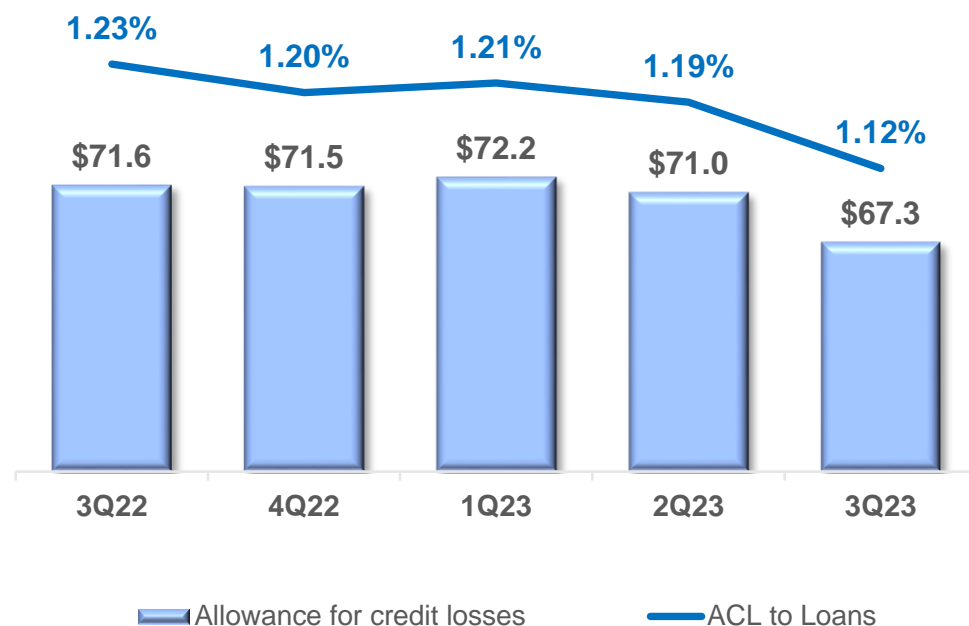
Note: Numbers may not add due to rounding

# ACL Trends

Allowance for credit losses was \$67.3 million as of September 30, 2023, generating an allowance for credit losses to loans of 1.12% compared with 1.19% at the end of the prior quarter.

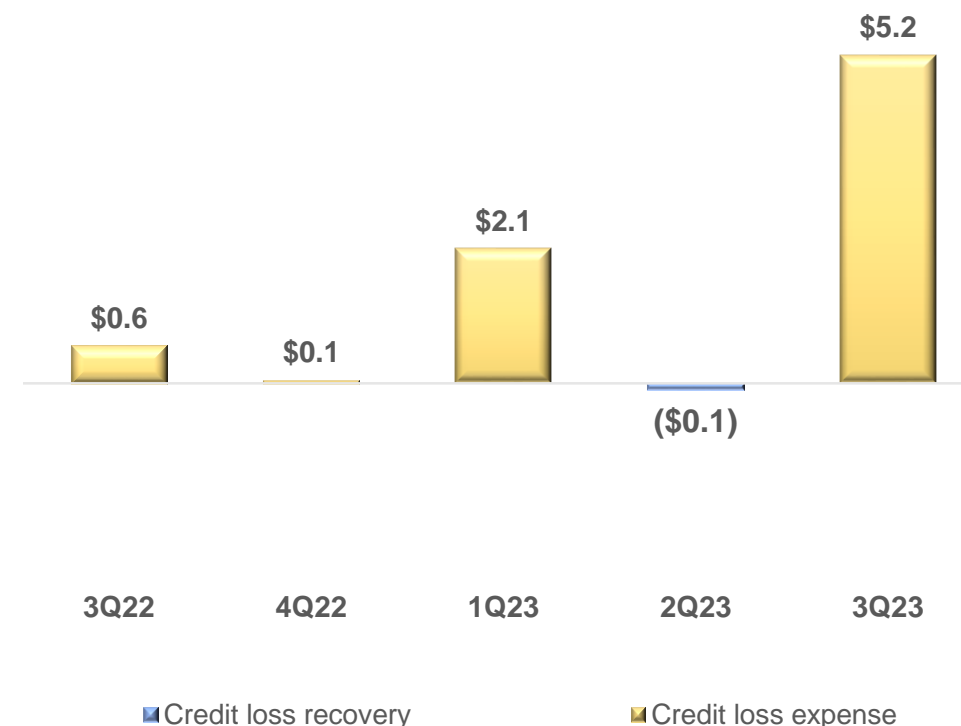
## Allowance for Credit Losses

(\$ in millions)



## Credit Loss Expense (Recovery)

(\$ in millions)



# ACL Analysis by Loan Type

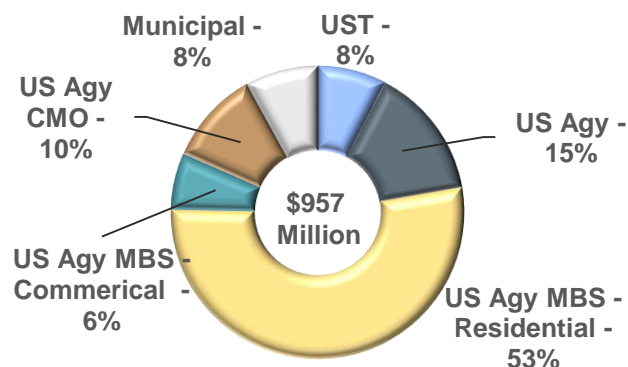
(\$ in millions)	September 30, 2023		June 30, 2023		March 31, 2023		December 31, 2022		September 30, 2022	
	Allowance	Loans	Allowance	Loans	Allowance	Loans	Allowance	Loans	Allowance	Loans
CRE	\$ 38.9	\$ 3,773.0	\$ 38.4	\$ 3,738.3	\$ 39.2	\$ 3,784.2	\$ 40.6	\$ 3,833.4	\$ 42.7	\$ 3,853.9
C&I	11.2	728.8	16.0	753.5	15.3	778.1	15.3	804.5	14.9	732.0
Equipment Finance	12.3	592.7	11.9	586.4	13.4	600.2	12.2	594.8	11.2	565.4
RRE & Consumer	4.9	926.3	4.7	887.0	4.3	817.9	3.4	734.5	2.9	649.6
<b>Total</b>	<b>\$ 67.3</b>	<b>\$ 6,020.8</b>	<b>\$ 71.0</b>	<b>\$ 5,965.2</b>	<b>\$ 72.2</b>	<b>\$ 5,980.5</b>	<b>\$ 71.5</b>	<b>\$ 5,967.1</b>	<b>\$ 71.6</b>	<b>\$ 5,801.0</b>

Note: Numbers may not add due to rounding

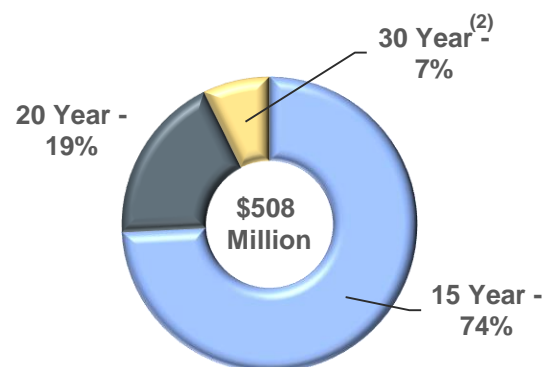
# Securities Portfolio

The \$957 million securities portfolio (all AFS, no HTM) represented 13% of assets at September 30, 2023, and had a weighted average modified duration of 4.6 years with \$140 million in an unrealized loss position.

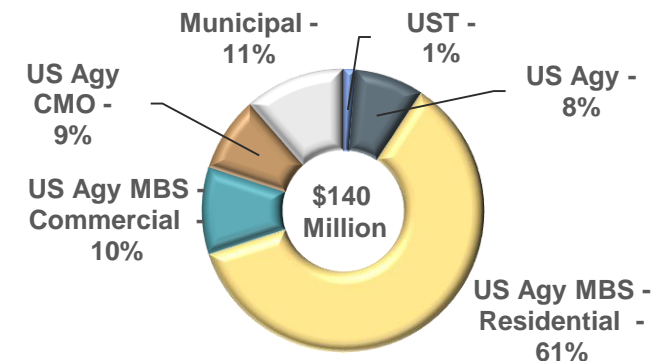
## Available for Sale<sup>(1)</sup>



## US Agy Residential MBS - Maturity



## Unrealized Loss

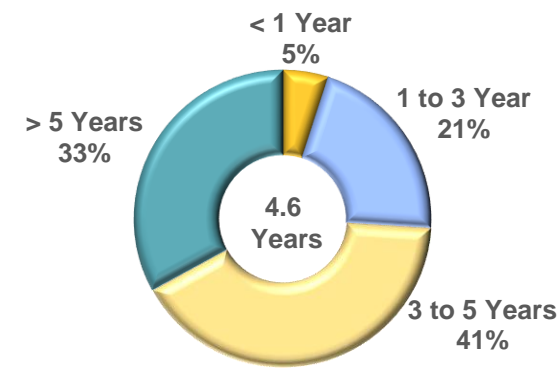


## Principal Paydowns

(\$ in millions)



## Securities Duration



(1) Based on the book value

(2) 89% constitutes CRA bonds

(3) 2023 Projection includes \$72 million of actual principal paydown and \$14 million of actual interest payment received the first nine months of the year and \$34 million of projected principal paydown and \$5 million of projected interest payment for the rest of the year.

Note: Numbers may not add due to rounding

The Bank and the Company have ample liquidity resources at September 30, 2023.

## Liquidity Position

(\$ in millions)

	Balance	% of Assets
Cash & cash equivalents	\$ 289	3.9%
Securities (unpledged)	765	10.5%
Loans held for sale	12	0.2%
<b>Liquid assets</b>	<b>1,066</b>	<b>14.6%</b>
FHLB available borrowing capacity	1,323	18.1%
FRB discount window borrowing capacity	24	0.3%
Federal funds lines (unsecured) available	115	1.6%
<b>Secondary liquidity sources</b>	<b>1,462</b>	<b>20.0%</b>
<b>Bank liquidity (liquid assets + secondary liquidity)</b>	<b>\$ 2,528</b>	<b>34.5%</b>

## Cash & Securities at Company only (\$ in millions)

	Balance
Cash	\$ 9
Securities (AFS)	27
	<b>\$ 36</b>

## Company only Subordinated Debentures

(\$ in millions)

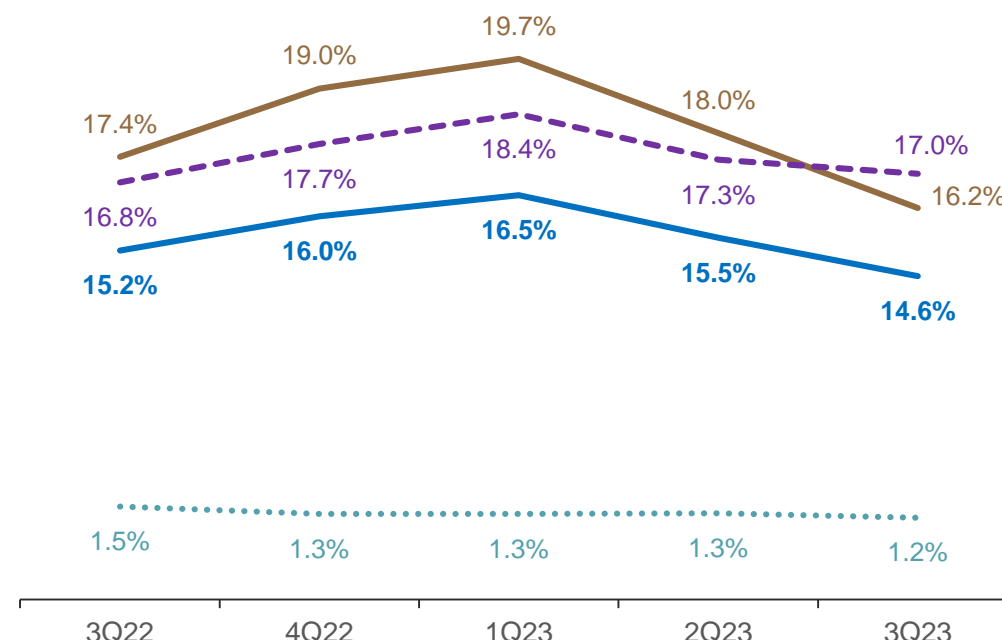
	Par	Amortized Cost	Rate
2036 Trust Preferred Securities	\$ 27	\$ 22	6.95% <sup>(1)</sup>
2031 Subordinated Debt	110	108	3.75% <sup>(2)</sup>
	<b>\$ 137</b>	<b>\$ 130</b>	

(1) Rate at September 30, 2023, based on 3-month LIBOR + 140 bps

(2) Issued in August 2021 and due in July 2031. Commencing on September 1, 2026, the interest rate will reset quarterly to the three-month SOFR + 310 bps

## Liquidity Ratios

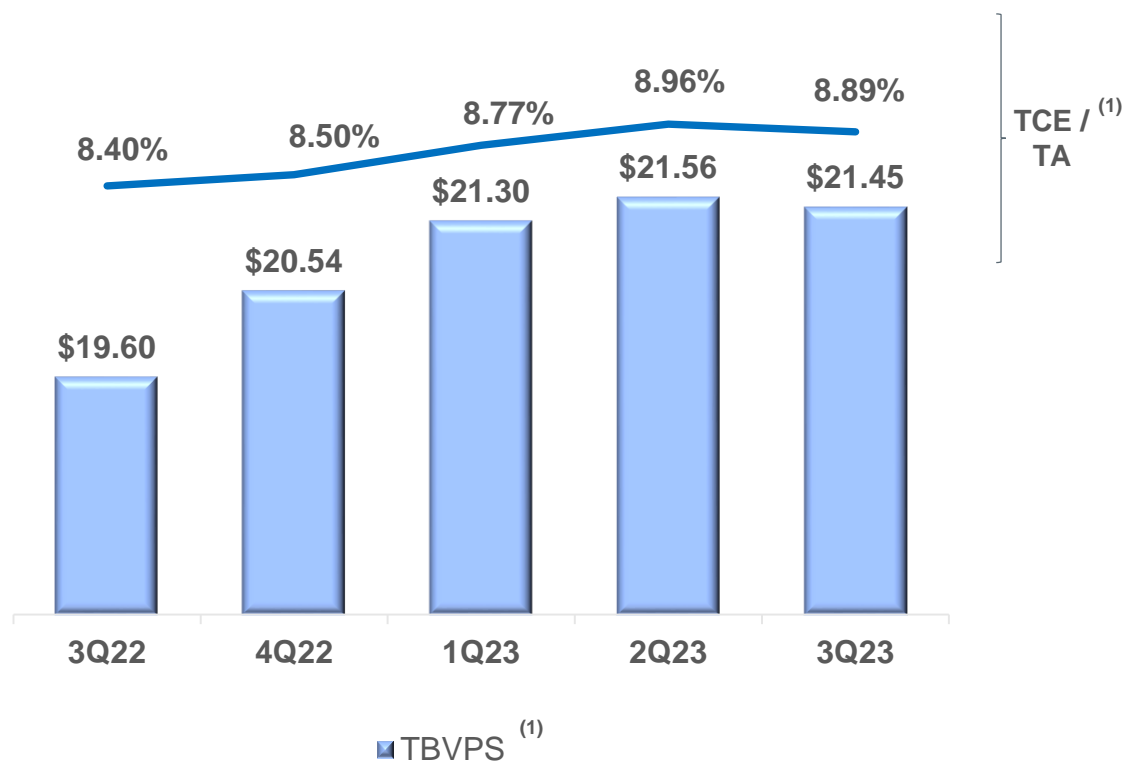
— Liquid Assets to Total Assets      — Liquid Assets to Deposits  
- - - Liquid Assets to Total Liabilities      ..... Broker Deposits to Deposits



# Capital Management

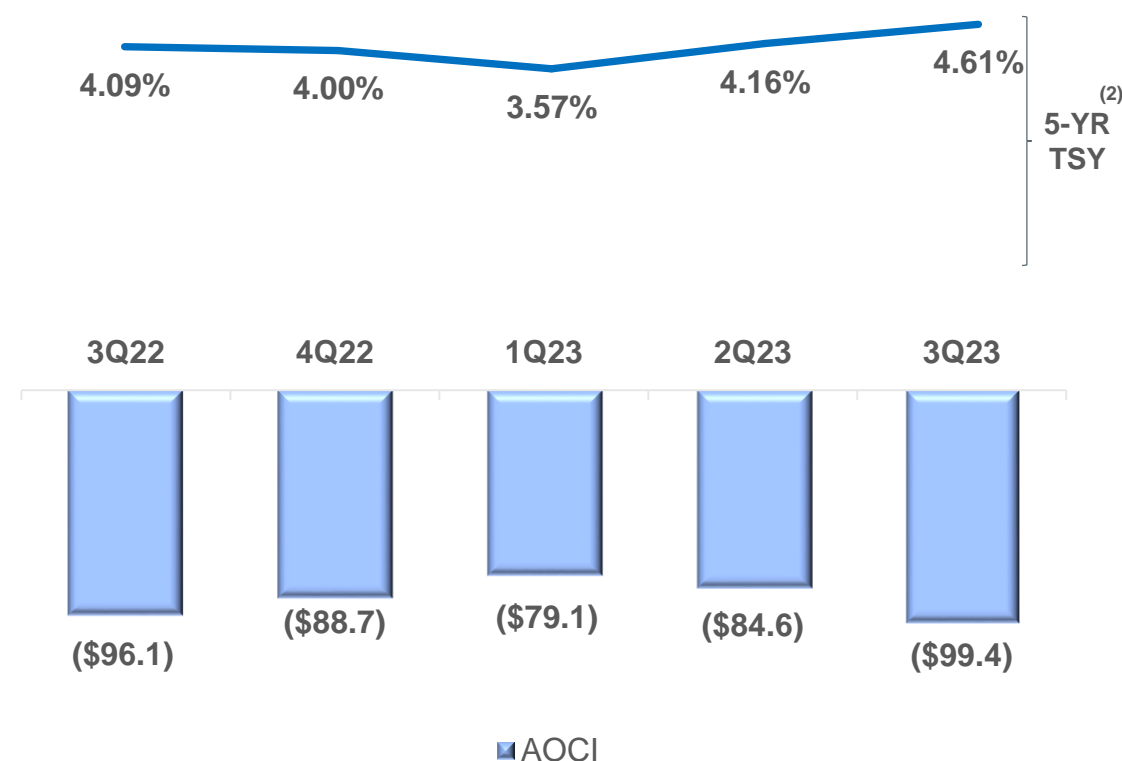
Tangible book value per share (TBVPS)<sup>(1)</sup> decreased to \$21.45 from \$21.56 at the end of the prior quarter. The decline reflects the \$14.8 million increase in the unrealized after-tax loss on AFS and a \$1.9 million share repurchase offset by \$11.1 million of net income, net of cash dividends paid.

TBVPS<sup>(1)</sup> & TCE/TA<sup>(1)</sup>



AOCI & 5-YR TSY

(\$ in millions)



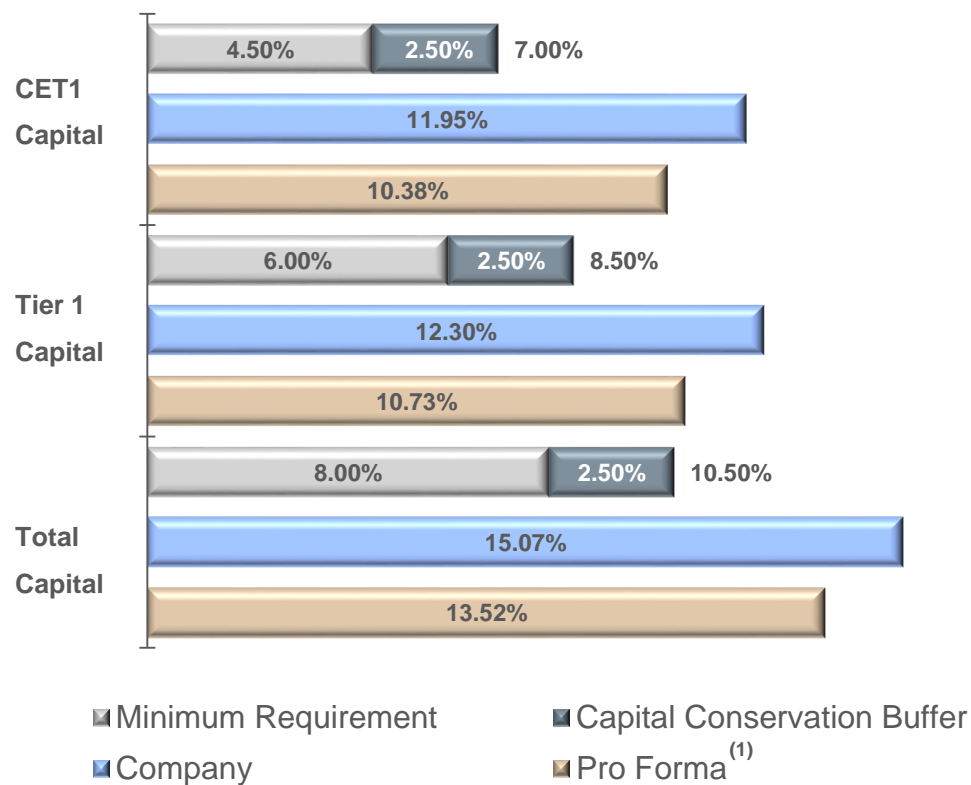
(1) Non-GAAP financial measure, refer to the non-GAAP reconciliation slides

(2) Rate at the end of the quarter

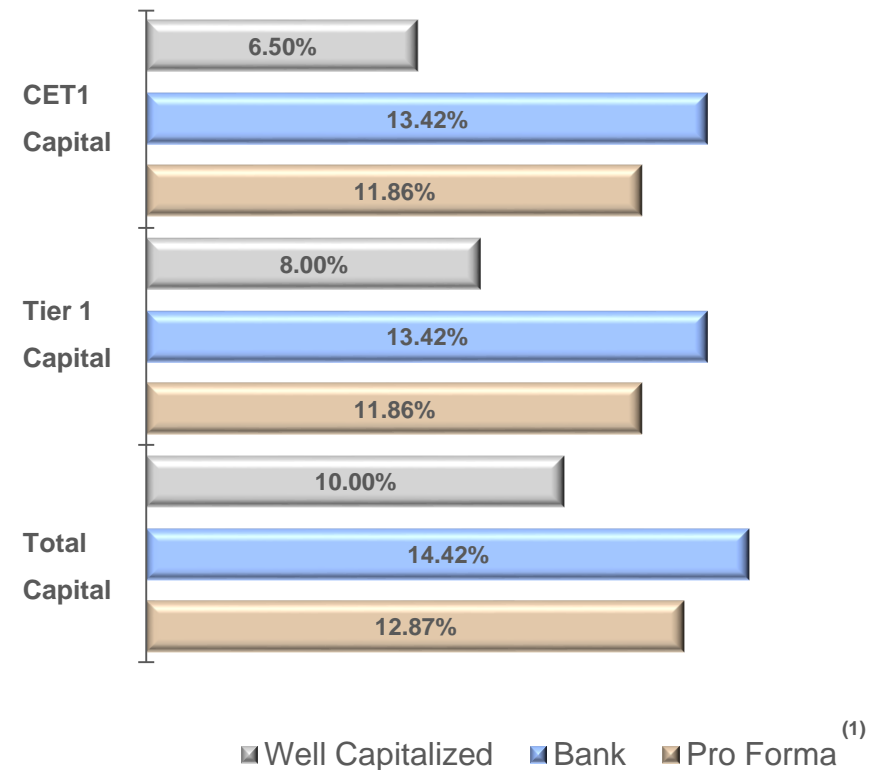
# Regulatory Capital

The Company exceeds regulatory minimums and the Bank remains well capitalized at September 30, 2023.

## Company



## Bank



(1) Pro forma illustrates capital ratios with unrealized losses at September 30, 2023. Non-GAAP financial measure; refer to the non-GAAP reconciliation slide

# Appendix

# 3Q23 Financial Summary

(\$ in millions, except EPS)

(\$ in millions, except EPS)	September 30, 2023	June 30, 2023	September 30, 2022	Change <sup>(1)</sup>	
				Q/Q	Y/Y
<b>Income Statement Summary</b>					
Net interest income	\$ 54.9	\$ 55.4	\$ 63.1	-1.0%	-13.0%
Noninterest income	11.2	7.9	8.9	41.5%	26.0%
Operating revenue	66.1	63.4	72.0	4.3%	-8.2%
Noninterest expense	34.2	34.3	33.3	-0.1%	2.9%
Credit loss (recovery) expense	5.2	(0.1)	0.6	6793.5%	815.5%
Pretax income	26.7	29.2	38.2	-8.5%	-30.1%
Income tax expense	7.9	8.5	11.0	-7.6%	-28.2%
Net income	\$ 18.8	\$ 20.6	\$ 27.2	-8.8%	-30.8%
EPS-Diluted	\$ 0.62	\$ 0.67	\$ 0.89		
<b>Selected balance sheet items</b>					
Loans receivable	\$ 6,021	\$ 5,965	\$ 5,801	0.9%	3.8%
Deposits	6,260	6,316	6,201	-0.9%	0.9%
Total assets	7,350	7,345	7,129	0.1%	3.1%
Stockholders' equity	\$ 663	\$ 669	\$ 609	-0.8%	8.9%
<b>Profitability Metrics</b>					
Return on average assets	1.00%	1.12%	1.52%	(12)	(52)
Return on average equity	9.88%	11.14%	15.58%	(126)	(570)
TCE/TA <sup>(2)</sup>	8.89%	8.96%	8.40%	(7)	49
Net interest margin	3.03%	3.11%	3.66%	(8)	(63)
Efficiency ratio	51.82%	54.11%	46.22%	(229)	560

Note: numbers may not add due to rounding

(1) Percentage change calculated from dollars in thousands; change in basis points for profitability metrics

(2) Non-GAAP financial measure, refer to the non-GAAP reconciliation slide

# Non-GAAP Reconciliation: Tangible Common Equity to Tangible Asset Ratio

(\$ in thousands, except per share data)

## Hanmi Financial Corporation

	September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022
Assets	\$ 7,350,140	\$ 7,344,924	\$ 7,434,130	\$ 7,378,262	\$ 7,128,511
Less goodwill and other intangible assets	(11,131)	(11,162)	(11,193)	(11,225)	(11,267)
Tangible assets	<u>\$ 7,339,009</u>	<u>\$ 7,333,762</u>	<u>\$ 7,422,937</u>	<u>\$ 7,367,037</u>	<u>\$ 7,117,244</u>
Stockholders' equity <sup>(1)</sup>	\$ 663,359	\$ 668,560	\$ 662,165	\$ 637,515	\$ 608,893
Less goodwill and other intangible assets	(11,131)	(11,162)	(11,193)	(11,225)	(11,267)
Tangible stockholders' equity <sup>(1)</sup>	<u>\$ 652,228</u>	<u>\$ 657,398</u>	<u>\$ 650,972</u>	<u>\$ 626,290</u>	<u>\$ 597,626</u>
Stockholders' equity to assets	9.03%	9.10%	8.91%	8.64%	8.54%
Tangible common equity to tangible assets <sup>(1)</sup>	8.89%	8.96%	8.77%	8.50%	8.40%
Common shares outstanding	30,410,582	30,485,788	30,555,287	30,485,621	30,484,004
Tangible common equity per common share	\$ 21.45	\$ 21.56	\$ 21.30	\$ 20.54	\$ 19.60

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

# Non-GAAP Reconciliation: Pro Forma Regulatory Capital

(\$ in thousands)

	Company			Bank		
	Common Equity Tier 1	Tier 1	Total Risk-based	Common Equity Tier 1	Tier 1	Total Risk-based
Regulatory capital	\$ 740,411	\$ 761,968	\$ 933,915	\$ 831,428	\$ 831,428	\$ 893,375
Unrealized losses on AFS securities	(99,422)	(99,422)	(99,422)	(99,251)	(99,251)	(99,251)
Adjusted regulatory capital	\$ 640,989	\$ 662,546	\$ 834,493	\$ 732,177	\$ 732,177	\$ 794,124
Risk weighted assets	\$ 6,196,428	\$ 6,196,428	\$ 6,196,428	\$ 6,196,064	\$ 6,196,064	\$ 6,196,064
Risk weighted assets impact of unrealized losses on AFS securities	(23,530)	(23,530)	(23,530)	(24,230)	(24,230)	(24,230)
Adjusted Risk weighted assets	\$ 6,172,898	\$ 6,172,898	\$ 6,172,898	\$ 6,171,833	\$ 6,171,833	\$ 6,171,833
Regulatory capital ratio as reported	11.95%	12.30%	15.07%	13.42%	13.42%	14.42%
Impact of unrealized losses on AFS securities	-1.57%	-1.56%	-1.55%	-1.56%	-1.56%	-1.55%
Pro forma regulatory capital ratio	10.38%	10.73%	13.52%	11.86%	11.86%	12.87%

Note: numbers may not add due to rounding