

# **4Q21 Earnings Supplemental Presentation**

January 25, 2022



**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 pandemic 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. 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 January 25, 2022, 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 January 25, 2022, 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.

# 4Q21 Highlights

Net Income	Diluted EPS	ROAA	ROAE	NIM	Efficiency Ratio	TBVPS*
\$33.3M	\$1.09	1.93%	20.89%	2.96%	53.81%	\$20.79

- **Net income** of \$33.3 million, or \$1.09 per diluted share, up 25.5% from \$26.6 million, or \$0.86 per diluted share, from the prior quarter and up 132.7% from \$14.3 million, or \$0.47 per diluted share, for the 2020 fourth quarter
  - **Net interest income** was \$49.5 million; net interest margin of 2.96%
  - **Noninterest income** decreased 25.7% from the prior quarter to \$9.3 million on lower levels of SBA gains
  - **Noninterest expense** of \$31.6 million decreased 2.7% from the previous quarter on lower insurance premiums
  - **Efficiency ratio** was 53.81% compared with 52.01% for the prior quarter
- **Loans receivable** of \$5.15 billion increased 6.0% from the prior quarter; excluding PPP loans\*, up 6.4% from the prior quarter
  - **Loan production** reached a record \$625.1 million with growth in all major loan categories; loan production for the full year 2021 was a record high of \$1.81 billion (excluding \$133.1 million of second draw PPP loans)
- **Deposits** of \$5.79 billion increased 1.0% from the prior quarter
  - **Noninterest-bearing demand deposits** of \$2.57 billion increased 1.0% from the prior quarter and represent 44.5% of total deposits
  - **Cost of interest-bearing deposits** declined 2 basis points from the prior quarter to 0.28%
- **Recovery of credit loss expense** of \$16.0 million; allowance for credit losses to loans was 1.41% at December 31, 2021
- **Well-capitalized** with a Total Risk-Based capital ratio of 17.38% and a Common Equity Tier 1 capital ratio of 12.12% and TCE/TA\* ratio of 9.23% at December 31, 2021

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

# 4Q21 Financial Summary

(\$ million, except EPS)

(\$ million, except EPS)	Change <sup>(1)</sup>				
	4Q21	3Q21	4Q20	Q/Q	Y/Y
<b>Income Statement Summary</b>					
Net interest income	\$ 49.5	\$ 50.0	\$ 46.9	-1.0%	5.6%
Noninterest income	9.3	12.5	8.8	-25.7%	5.5%
Operating revenue	58.8	62.5	55.7	-5.9%	5.6%
Noninterest expense	31.6	32.5	30.9	-2.7%	2.3%
Credit loss (recovery) expense	(16.0)	(7.2)	5.1	-120.5%	-413.8%
Pretax income	43.1	37.2	19.7	15.8%	119.0%
Income tax expense	9.8	10.7	5.4	-8.3%	82.6%
Net income	\$ 33.3	\$ 26.6	\$ 14.3	25.5%	132.7%
<b>EPS-Diluted</b>	\$ 1.09	\$ 0.86	\$ 0.47		
<b>Select Balance Sheet Items</b>					
Loans receivable	\$ 5,152	\$ 4,859	\$ 4,880	6.0%	5.6%
Deposits	5,786	5,730	5,275	1.0%	9.7%
Total assets	6,859	6,777	6,202	1.2%	10.6%
Stockholders' equity	643	619	577	3.9%	11.5%
<b>Profitability Metrics</b>					
Return on average assets	1.93%	1.58%	0.92%	35	101
Return on average equity	20.89%	17.13%	10.01%	376	1,088
TCE/TA <sup>(2)</sup>	9.23%	8.98%	9.13%	25	10
Net interest margin	2.96%	3.07%	3.13%	-11	-17
Efficiency ratio	53.81%	52.01%	55.53%	180	-172

Note: Numbers may not foot due to rounding

(1) Percentage change calculated from dollars in thousands; change in basis points for returns and ratios

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

# Loan Portfolio Composition

**\$5.15 Billion Loan Portfolio**  
(as of 4Q21)

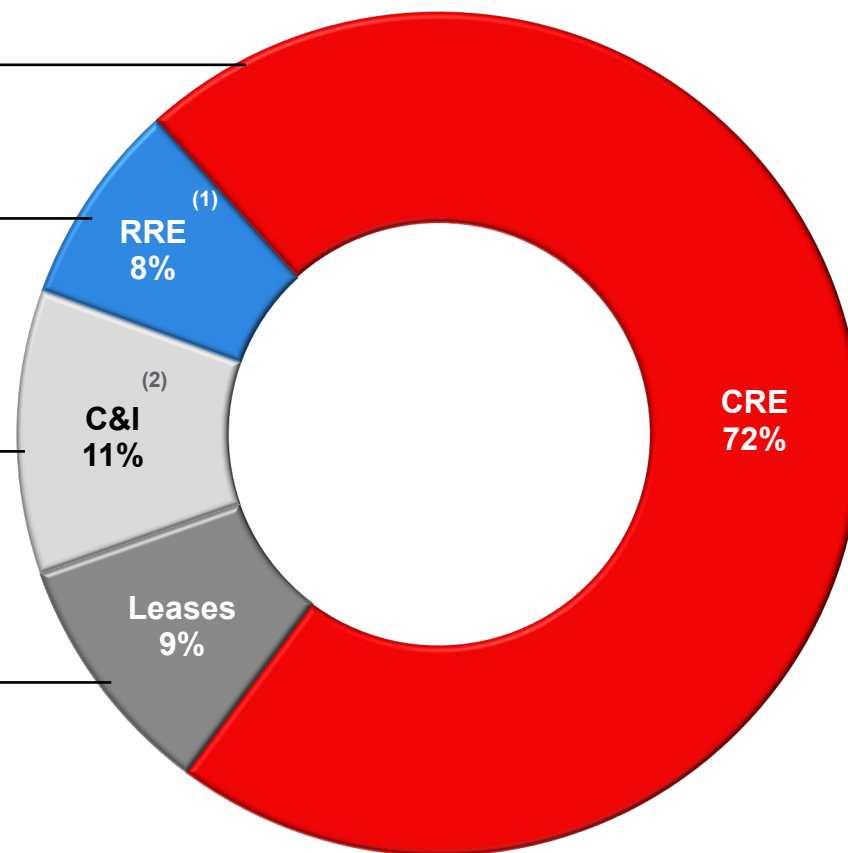
## Loan Portfolio Composition

Commercial Real Estate Portfolio	
\$ in millions	
Outstanding	\$3,702
4Q21 Average Yield	4.25%

RRE & Consumer Portfolio	
\$ in millions	
Outstanding	\$401
4Q21 Average Yield	3.38%

Commercial & Industrial Portfolio <sup>(2)</sup>	
\$ in millions	
Outstanding	\$562
4Q21 Average Yield	4.11%

Leasing Portfolio	
\$ in millions	
Outstanding	\$487
4Q21 Average Yield	4.90%



(1) RRE includes Consumer

(2) C&I portfolio includes \$3 million of loans funded through the Paycheck Protection Program net of \$33 thousand of deferred fees

# CRE Portfolio Composition

**\$3.70 Billion CRE Portfolio**  
(as of 4Q21)

## Investor (Non-owner) Occupied

# of Loans	988
Average Balance (\$ in millions)	\$2.6
Weighted Average Loan-to-Value Ratio <sup>(1)</sup>	51.0%
Weighted Average Debt Coverage Ratio	1.75x

## Construction

# of Loans	12
Average Balance (\$ in millions)	\$7.9
Weighted Average Loan-to-Value Ratio <sup>(2)</sup>	45.9%
Weighted Average Debt Coverage Ratio	N/A

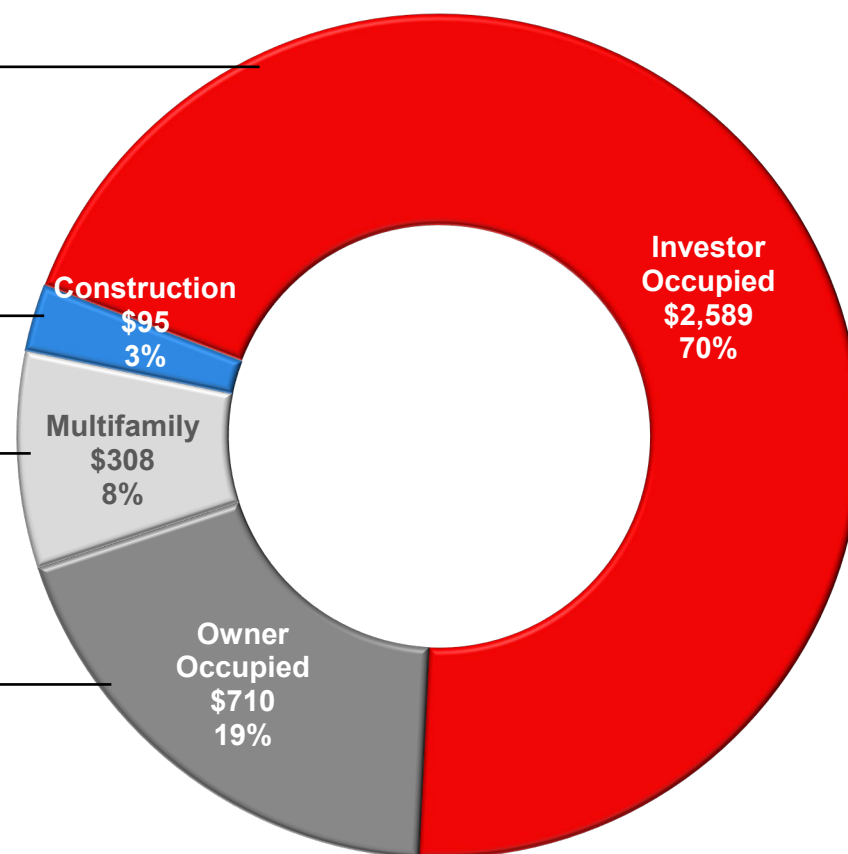
## Multifamily

# of Loans	175
Average Balance (\$ in millions)	\$1.8
Weighted Average Loan-to-Value Ratio <sup>(1)</sup>	49.6%
Weighted Average Debt Coverage Ratio	1.75x

## Owner Occupied

# of Loans	830
Average Balance (\$ in millions)	\$0.9
Weighted Average Loan-to-Value Ratio <sup>(1)</sup>	42.8%
Weighted Average Debt Coverage Ratio	2.32x

**CRE Portfolio Composition (\$ in millions)**



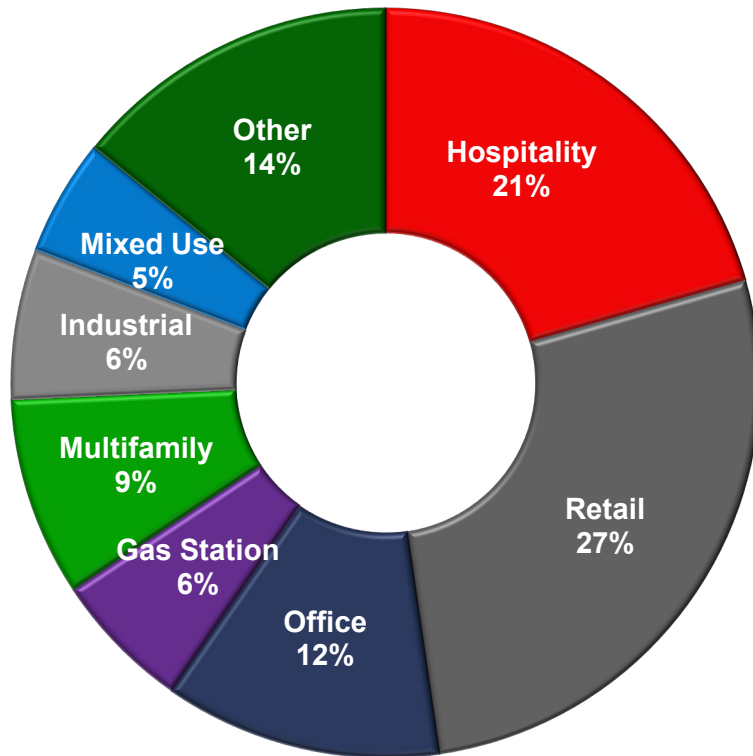
(1) Original LTV, when the loan was first underwritten

(2) Original LTV, calculated against the outstanding balance and not the committed amount

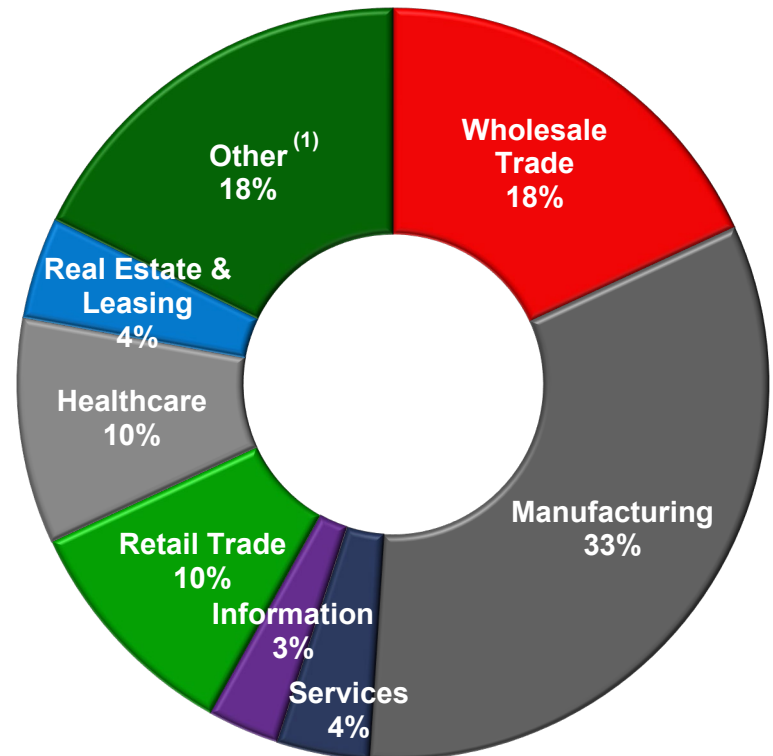
# Loan Portfolio Diversification

Loan portfolio is well diversified across property and business types.

**CRE Portfolio**  
**\$3.70B**



**C&I Portfolio**  
**\$562M**



Note: Numbers may not add due to rounding

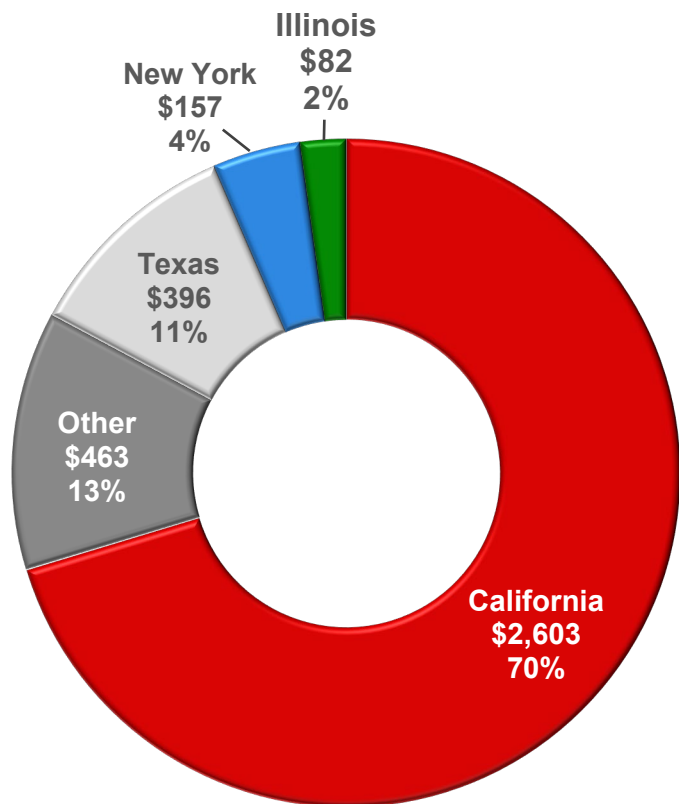
(1) 2% of this category represents PPP loans

# CRE Portfolio Geographical Exposure

## CRE Composition by State

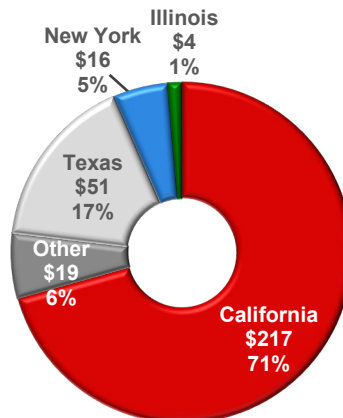
**\$3,702M**

(\$ in millions)



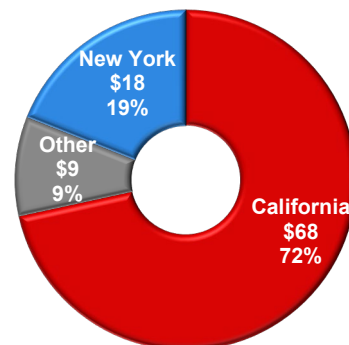
## Multifamily by State

**\$308M** (\$ in millions)



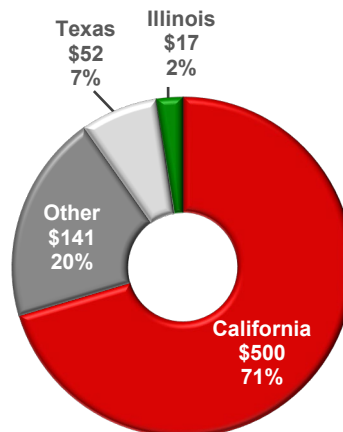
## Construction by State

**\$95M** (\$ in millions)



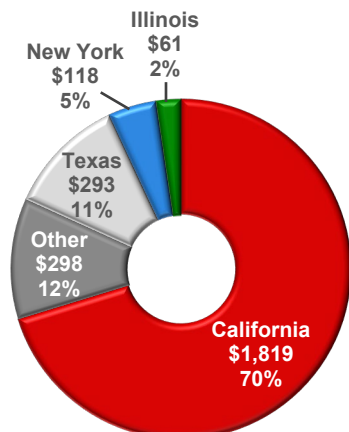
## Owner Occupied by State

**\$710M** (\$ in millions)



## Investor Occupied by State

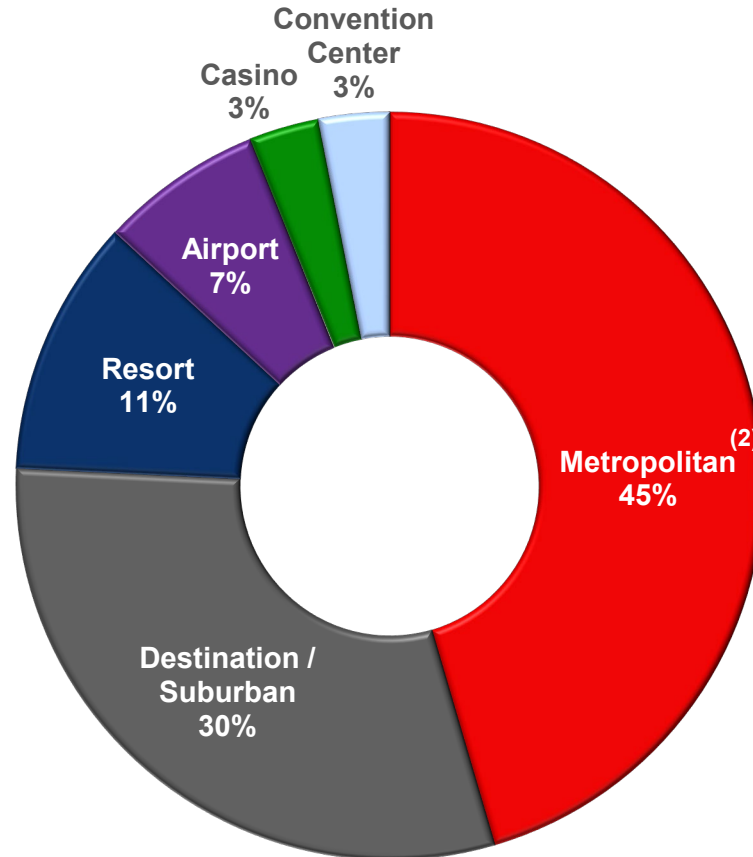
**\$2,589M** (\$ in millions)





# Hospitality Segment by Location Type

Hospitality segment<sup>(1)</sup> declined by 17% since 1Q20 to \$761 million at 4Q21, representing 14.8% of the loan portfolio.



## Hospitality Portfolio Detail

- Average balance within the segment was \$3.3 million
- Weighted average debt coverage ratio of the segment was 1.9x at origination
- Weighted average loan to value of the segment was 49.7% at origination
- 10% of the hospitality portfolio was criticized as of December 31, 2021, with almost half stemming from the Metropolitan<sup>(2)</sup> location category
- Nonaccrual hospitality loan for \$132 thousand in the Texas metropolitan location

**Total Hospitality Segment: \$761M**

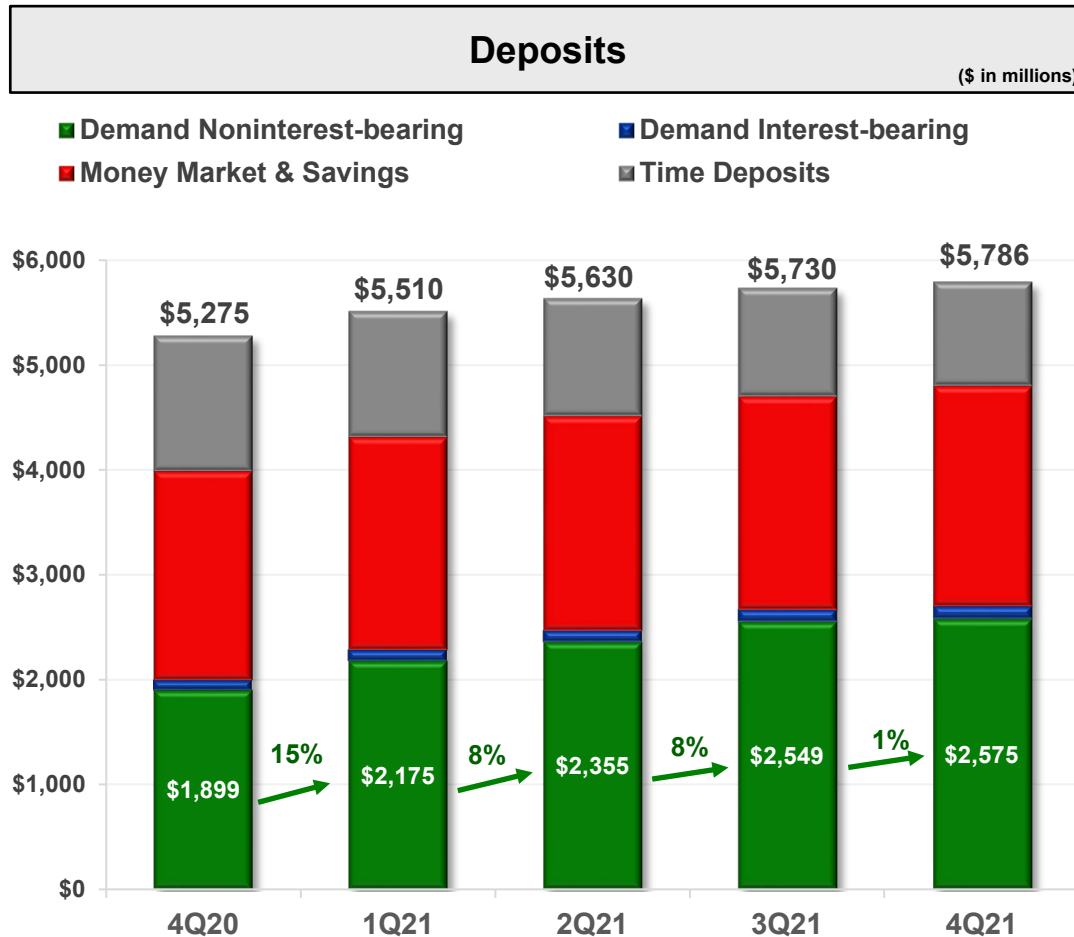
(1) Segment represents exposure across the loan portfolio, inclusive of CRE and C&I

(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

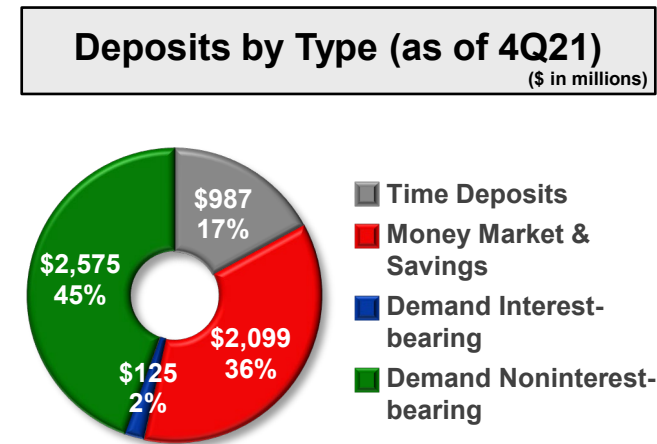
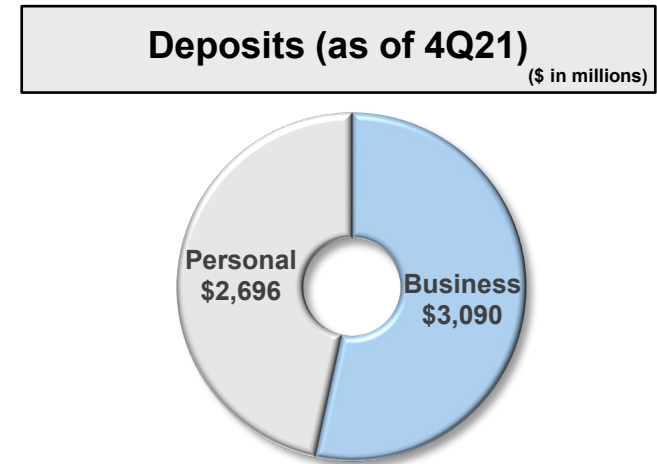
# Deposit Base

Deposits increased to \$5.79 billion, up 1.0% from the third quarter and 9.7% from the same quarter last year.

- Noninterest-bearing demand deposits increased 1.0% from the prior quarter and 35.6% from the same quarter last year
- Noninterest-bearing demand deposits increased to 44.5% of total deposits in the fourth quarter from 36.0% a year ago



Note: Numbers may not add due to rounding



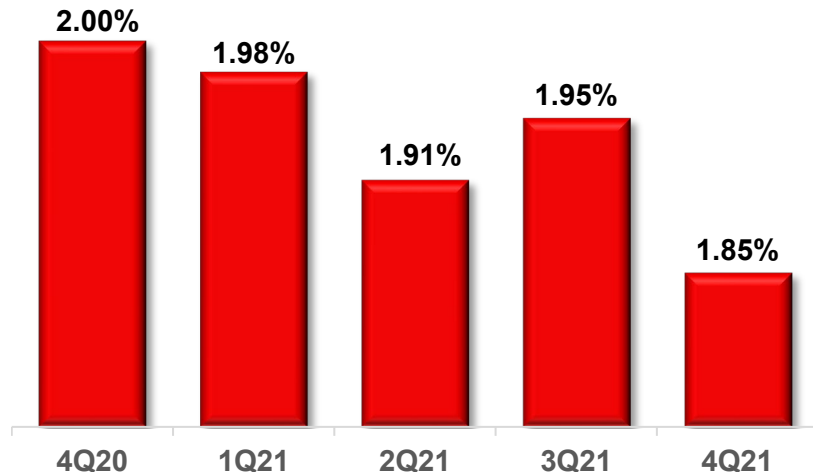
# Adjusted Pretax Pre-Provision Income<sup>(3)</sup>

(\$ millions)

	4Q21	3Q21	2Q21	1Q21	4Q20
<b><i>Income Statement Summary</i></b>					
Net interest income	\$ 49.5	\$ 50.0	\$ 49.6	\$ 46.0	\$ 46.9
Adjusted Noninterest income <sup>(1,3)</sup>	9.9	12.2	8.6	7.0	7.8
Adjusted Operating revenue <sup>(3)</sup>	59.4	62.2	58.2	53.0	54.7
Adjusted Noninterest expense <sup>(2,3)</sup>	31.6	32.5	30.8	30.9	30.9
Adjusted Pretax, Pre-Provision income <sup>(3)</sup>	\$ 27.8	\$ 29.7	\$ 27.4	\$ 22.1	\$ 23.8

- Driven by a 19% decrease in adjusted noninterest income<sup>(3)</sup>, adjusted operating revenue<sup>(3)</sup> decreased by 5% quarter-over-quarter
  - Adjusted operating revenue<sup>(3)</sup> includes traditional non-PPP SBA 7(a) gains of \$3.8 million (4Q21), \$5.5 million (3Q21), \$3.3 million (2Q21), \$1.7 million (1Q21), and \$1.8 million (4Q20)
- Adjusted pretax, pre-provision income<sup>(3)</sup> decreased by 6% 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 \$598 thousand of securities losses in 4Q21, \$339 thousand of PPP gains in 3Q21, \$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, and \$1.0 million legal settlement for 4Q20

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

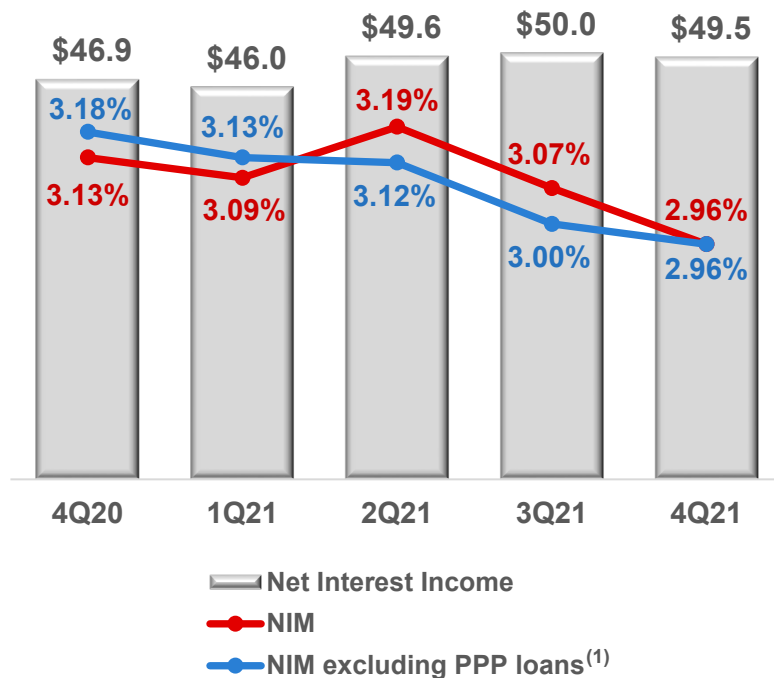
(3) Non-GAAP financial measure; refer to the non-GAAP reconciliation slide

# Net Interest Income / Net Interest Margin

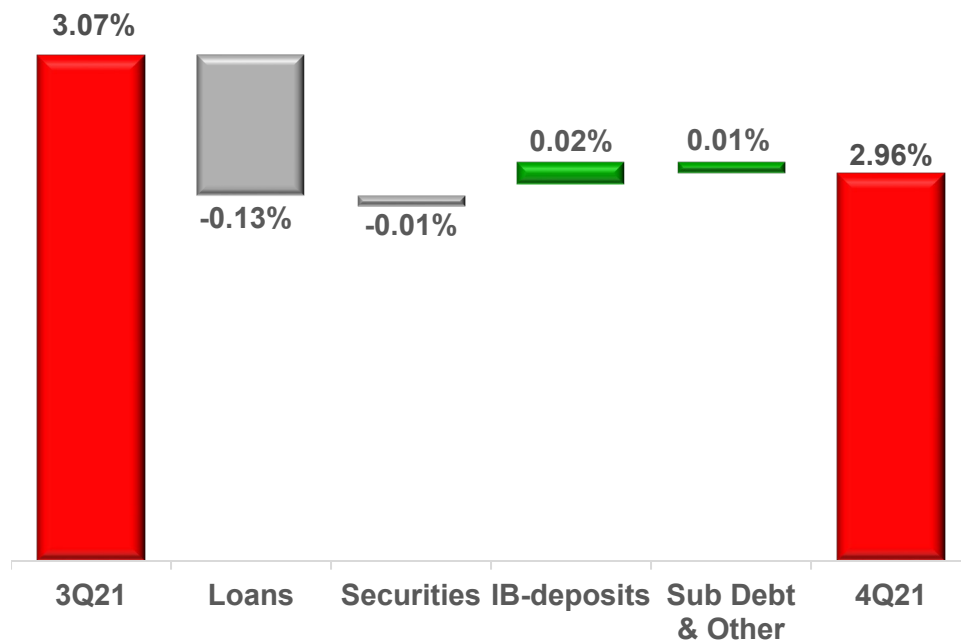
Net interest income was \$49.5 million for the fourth quarter compared with \$50.0 million for the prior quarter; net interest margin for the quarter was 2.96% (2.96%<sup>(1)</sup> excluding PPP loans) compared with 3.07% for the prior quarter (3.00%<sup>(1)</sup> excluding PPP loans).

Net Interest Income and Net Interest Margin

(\$ millions)



Net Interest Margin Analysis



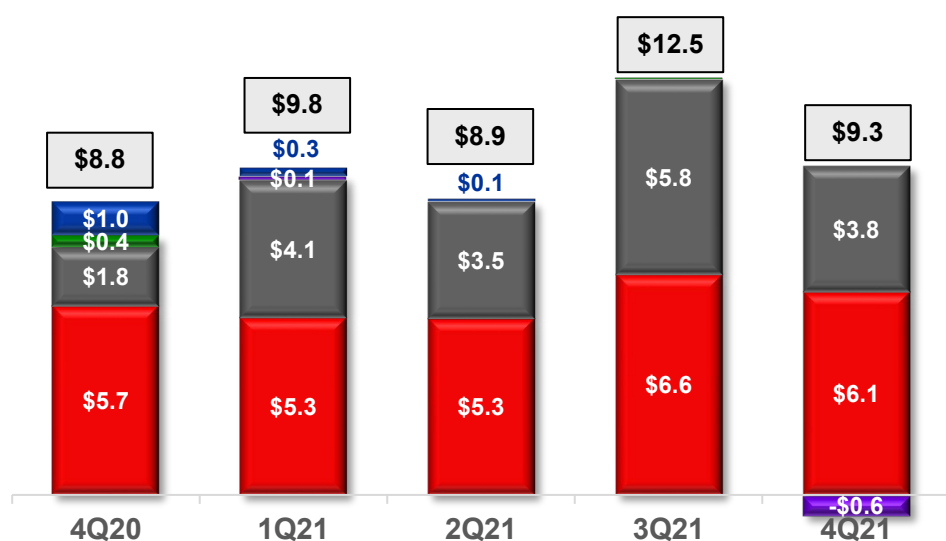
(1) Non-GAAP financial measure; refer to the non-GAAP reconciliation slide

# Noninterest Income

Noninterest income was \$9.3 million for the fourth quarter compared with \$12.5 million for the prior quarter due primarily due lower levels of SBA gains.

## Noninterest Income

(\$ in millions)



■ Service charges, fees & other

■ Securities transactions

■ Legal settlement<sup>(1)</sup>

■ Gain on sale of SBA loans<sup>(3)</sup>

■ Gain on sale of bank premises<sup>(2)</sup>

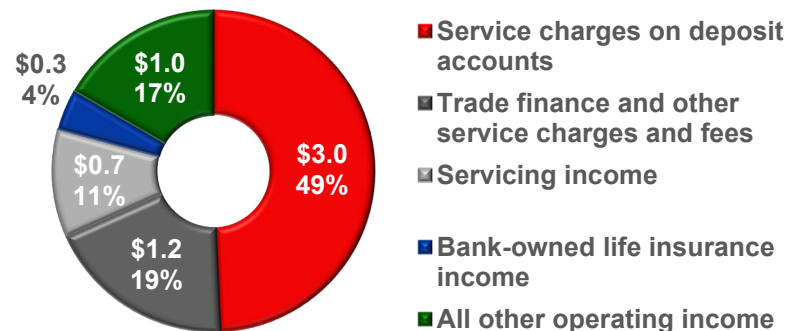
(1) Includes legal settlement of \$75 thousand, \$250 thousand, and \$1.0 million for 2Q21, 1Q21, and 4Q20, respectively.

(2) Includes gain on sale of bank premises of \$45 thousand and \$365 thousand for 3Q21 and 4Q20, respectively.

(3) Includes gain on PPP loans of \$339 thousand for 3Q21, \$203 thousand for 2Q21, and \$2.5 million for 1Q21

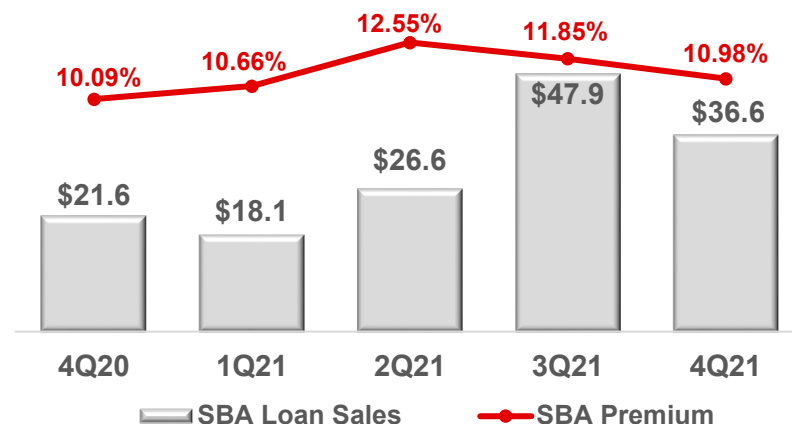
## Service Charges and Fees as of 4Q21

(\$ in millions)



## SBA Loan Sales

(\$ in millions)



■ SBA Loan Sales

— SBA Premium

# ACL Analysis

Allowance for credit losses was \$72.6 million as of December 31, 2021 generating an allowance for credit losses to loans of 1.41% compared with 1.58% at the end of the prior quarter.

(\$ millions)	December 31, 2021		September 30, 2021		June 30, 2021		March 31, 2021		December 31, 2020	
	Allowance	Loans	Allowance	Loans	Allowance	Loans	Allowance	Loans	Allowance	Loans
<i>Loan Components</i>										
CRE	\$ 48.4	\$ 3,701.9	\$ 55.3	\$ 3,528.5	\$ 62.3	\$ 3,452.0	\$ 57.0	\$ 3,372.3	\$ 50.5	\$ 3,353.8
C&I	12.4	561.8	8.7	516.4	8.1	587.7	16.4	707.1	21.4	757.3
Leases	11.3	487.3	11.8	459.1	12.3	431.6	14.2	409.6	17.1	423.3
RRE & Consumer	0.5	400.5	0.8	354.9	0.7	348.7	0.8	328.2	1.4	345.8
<b>Total</b>	<b>\$ 72.6</b>	<b>\$ 5,151.5</b>	<b>\$ 76.6</b>	<b>\$ 4,858.9</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>

# Asset Quality – Criticized Loans

Total criticized loans decreased by 27% quarter-over-quarter.

(\$ millions)	December 31, 2021	September 30, 2021	Additions / Downgrades	Reductions / Upgrades	Pandemic- impacted
Special Mention	\$ 95.3	\$ 130.6	\$ 28.3	\$ 63.6	\$ 32.8
Classified	\$ 60.6	\$ 82.4	\$ 17.7	\$ 39.5	\$ 41.1
<b>Total Criticized Loans</b>	<b>\$ 155.9</b>	<b>\$ 213.0</b>	<b>\$ 46.0</b>	<b>\$ 103.1</b>	<b>\$ 73.9</b>

- **Special mention loans** were \$95.3 million at December 31, 2021 compared with \$130.6 million at September 30, 2021
  - **Reductions / upgrades** include payoffs/sales of \$15.6 million, \$39.3 million of upgrades to pass and \$8.7 million of downgrades to classified
  - **Additions / downgrades** include upgrades from classified loans of \$20.5 million and downgrades from pass loans and other additions of \$7.8 million
  - **Pandemic-impacted:** the December 31, 2021 balance of special mention loans included \$32.8 million of loans adversely affected by the COVID-19 pandemic compared with \$76.6 million at September 30, 2021
- **Classified loans** were \$60.6 million at December 31, 2021 compared with \$82.4 million at September 30, 2021
  - **Reductions / upgrades** include payoffs of \$9.1 million, upgrades of \$20.8 million and paydowns of \$9.6 million
  - **Additions / downgrades** include downgrades from pass and special mention totaling \$17.7 million
  - **Pandemic-impacted:** the December 31, 2021, classified loans included \$41.1 million of loans adversely affected by the COVID-19 pandemic compared with \$40.4 million at September 30, 2021

Note: Numbers may not add due to rounding

# Asset Quality – Nonaccrual Loans

Nonaccrual loans<sup>(3)</sup> decreased 37% quarter-over-quarter.

(\$ millions)



Note: Numbers may not add due to rounding

(1) Specific allowance for credit losses at September 30, 2021 and December 31, 2021 was \$2.2 million and \$2.8 million, respectively

(2) RRE includes Consumer loans

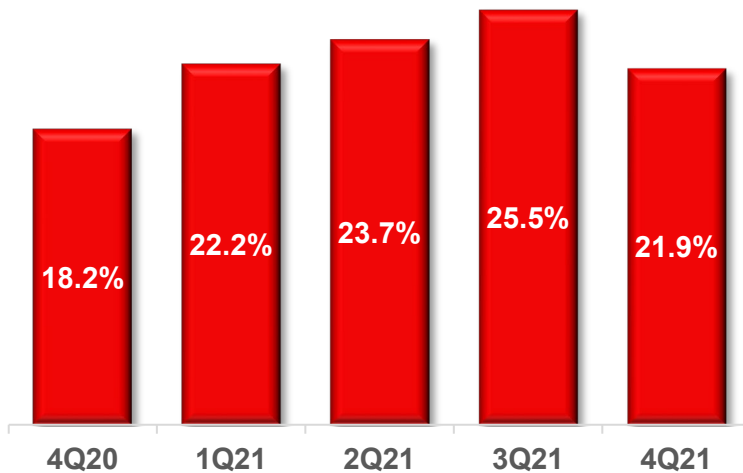
(3) Includes \$1.4 million and \$1.2 million of modified loans at September 30, 2021 and December 31, 2021, respectively



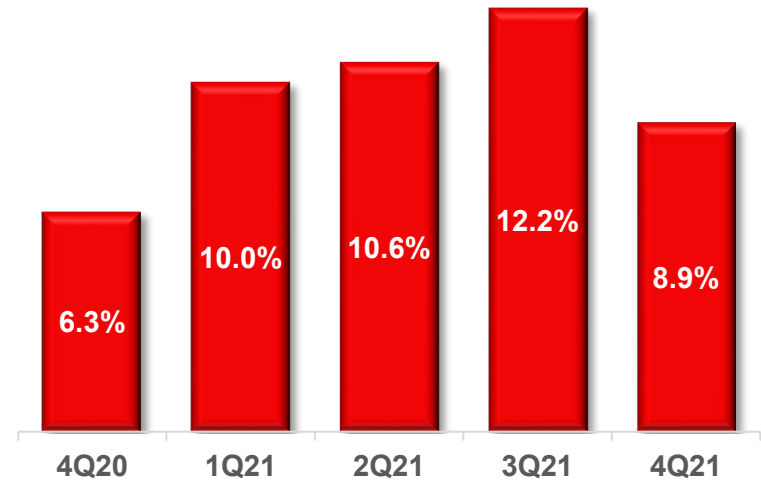
# Liquidity

Hanmi Financial's cash and due from banks to assets ratio decreased to 8.9% from 12.2% in the prior 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 remains relatively unchanged quarter-over-quarter, with allocation to U.S. treasuries, municipal securities, and U.S. government agencies and sponsored agencies – mortgage backed securities, collateralized mortgage obligations, and notes.

(\$ thousands)

	December 31, 2021			September 30, 2021			June 30, 2021			March 31, 2021			December 31, 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	15,397	0.98%	2%	4,945	0.97%	1%	10,009	2.67%	1%	\$ 10,075	2.67%	1%	\$ 10,133	2.67%	1%
Municipal securities	78,388	1.33%	9%	67,670	1.31%	7%	52,389	1.27%	6%	-	-	-	-	-	-
U.S. gov. agencies and sponsored agencies:															
Mortgage-backed securities	607,505	1.06%	67%	636,062	1.01%	70%	611,205	0.97%	71%	572,082	0.87%	73%	519,240	1.13%	69%
Collateralized mortgage obligations	93,604	0.70%	10%	99,883	0.68%	11%	101,451	0.57%	12%	112,742	0.27%	14%	133,601	0.62%	18%
Notes	115,896	0.78%	13%	98,436	0.73%	11%	87,065	0.71%	10%	85,215	0.57%	11%	90,807	0.57%	12%
<b>Securities total</b>	<b>\$910,790</b>	<b>1.01%</b>	<b>100%</b>	<b>\$906,996</b>	<b>0.97%</b>	<b>100%</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>
Unrealized appreciation (depreciation), net	\$ (11,863)			\$ (7,653)			\$ (4,084)			\$ (7,561)			\$ 4,323		

# Non-GAAP Reconciliation

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

	December 31, 2021	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020
<b><i>Tangible Common Equity to Tangible Assets Ratio</i></b>					
Assets	\$6,858,587	\$6,776,533	\$6,578,856	\$6,438,401	\$6,201,888
Less goodwill and other intangible assets	(11,395)	(11,450)	(11,504)	(11,558)	(11,612)
Tangible assets	\$6,847,192	\$6,765,083	\$6,567,352	\$6,426,843	\$6,190,276
Stockholders' equity <sup>(1)</sup>	\$ 643,417	\$ 619,055	\$ 602,977	\$ 581,822	\$ 577,044
Less goodwill and other intangible assets	(11,395)	(11,450)	(11,504)	(11,558)	(11,612)
Tangible stockholders' equity <sup>(1)</sup>	\$ 632,022	\$ 607,605	\$ 591,473	\$ 570,264	\$ 565,433
Stockholders' equity to assets	9.38%	9.14%	9.17%	9.04%	9.30%
Tangible common equity to tangible assets <sup>(1)</sup>	9.23%	8.98%	9.01%	8.87%	9.13%
Common shares outstanding	30,407,261	30,441,601	30,697,652	30,682,533	30,717,835
Tangible common equity per common share	\$ 20.79	\$ 19.96	\$ 19.27	\$ 18.59	\$ 18.41

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

# Non-GAAP Reconciliation: Pretax Pre-Provision Income

(\$ millions)	4Q21	3Q21	2Q21	1Q21	4Q20
<b>Pretax income</b>	<b>\$ 43.1</b>	<b>\$ 37.2</b>	<b>\$ 31.0</b>	<b>\$ 24.2</b>	<b>\$ 19.7</b>
less credit loss expense	(16.0)	(7.2)	(3.3)	2.1	5.1
<b>Pretax, Pre-provision, income</b>	<b>\$ 27.2</b>	<b>\$ 30.0</b>	<b>\$ 27.7</b>	<b>\$ 26.3</b>	<b>\$ 24.8</b>
less income from PPP gains	-	(0.3)	(0.2)	(2.5)	-
less income from legal settlement	-	-	(0.1)	(0.3)	(1.0)
(gain) loss on sales of securities	0.6	-	-	(0.1)	-
less PPP capitalized cost	-	-	-	(1.4)	-
<b>Adjusted pretax, pre-provision, income</b>	<b>\$ 27.8</b>	<b>\$ 29.7</b>	<b>\$ 27.4</b>	<b>\$ 22.1</b>	<b>\$ 23.8</b>
<b>Operating revenue</b>	<b>\$ 58.8</b>	<b>\$ 62.5</b>	<b>\$ 58.5</b>	<b>\$ 55.8</b>	<b>\$ 55.7</b>
less income from PPP gains	-	(0.3)	(0.2)	(2.5)	-
less income from legal settlement	-	-	(0.1)	(0.3)	(1.0)
(gain) loss on sales of securities	0.6	-	-	(0.1)	-
<b>Adjusted operating revenue</b>	<b>\$ 59.4</b>	<b>\$ 62.2</b>	<b>\$ 58.2</b>	<b>\$ 53.0</b>	<b>\$ 54.7</b>
<b>Noninterest income</b>	<b>\$ 9.3</b>	<b>\$ 12.5</b>	<b>\$ 8.9</b>	<b>\$ 9.8</b>	<b>\$ 8.8</b>
less income from PPP gains	-	(0.3)	(0.2)	(2.5)	-
less income from legal settlement	-	-	(0.1)	(0.3)	(1.0)
(gain) loss on sales of securities	0.6	-	-	(0.1)	-
<b>Adjusted noninterest income</b>	<b>\$ 9.9</b>	<b>\$ 12.2</b>	<b>\$ 8.6</b>	<b>\$ 7.0</b>	<b>\$ 7.8</b>
<b>Noninterest expense</b>	<b>\$ 31.6</b>	<b>\$ 32.5</b>	<b>\$ 30.8</b>	<b>\$ 29.5</b>	<b>\$ 30.9</b>
less PPP capitalized cost	-	-	-	1.4	-
<b>Adjusted noninterest expense</b>	<b>\$ 31.6</b>	<b>\$ 32.5</b>	<b>\$ 30.8</b>	<b>\$ 30.9</b>	<b>\$ 30.9</b>

Note: Numbers may not add due to rounding

# Non-GAAP Reconciliation – PPP (4Q21)

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

	As of December 31, 2021		Three Months Ended December 31, 2021
<b>Tangible Common Equity to Tangible Assets</b>		<b>Net Interest Margin</b>	
Tangible assets	\$ 6,847,192	Net interest income	\$ 49,496
Less first and second draw PPP loans	(2,976)	Less PPP loan interest income	(100)
Tangible assets adjusted for PPP loans	<u>\$ 6,844,216</u>	Net interest income adjusted for PPP loans	<u>\$ 49,396</u>
Tangible stockholders' equity <sup>(1)</sup>	\$ 632,022	Average interest-earning assets	\$ 6,630,386
TCE / TA Ratio <sup>(1)</sup>	9.23%	Less average PPP loans	(5,883)
TCE / TA Ratio adjusted for PPP loans <sup>(1)</sup>	9.23%	Average interest-earning assets adjusted for PPP loans	<u>\$ 6,624,503</u>
<b>Allowance for Credit Losses to Loans Receivable</b>		NIM <sup>(2)</sup>	2.96%
Allowance for credit losses	\$ 72,557	NIM adjusted for PPP loans <sup>(2)</sup>	2.96%
Loans receivable	\$ 5,151,541	<b>Efficiency Ratio</b>	
Less first draw PPP loans	(2,976)	Noninterest expense	\$ 31,636
Loans receivable adjusted for PPP loans	<u>\$ 5,148,565</u>	Add back PPP deferred origination costs	-
ACL / Loans Receivable	1.41%	Noninterest expense adjusted for PPP loans	<u>\$ 31,636</u>
ACL / Loans Receivable adjusted for PPP loans	1.41%	Net interest income plus noninterest income	\$ 58,791
		Plus securities losses	598
		Net interest income plus noninterest income adjusted for securities losses	<u>\$ 59,389</u>
		Efficiency ratio <sup>(3)</sup>	53.81%
		Efficiency ratio adjusted for PPP loans and securities losses <sup>(3)</sup>	53.27%

(1) There were no preferred shares outstanding at December 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 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.

# Non-GAAP Reconciliation – PPP (3Q21)

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

	As of September 30, 2021		Three Months Ended September 30, 2021
<b>Tangible Common Equity to Tangible Assets</b>		<b>Net Interest Margin</b>	
Tangible assets	\$ 6,765,083	Net interest income	\$ 49,980
Less first and second draw PPP loans	(21,895)	Less PPP loan interest income	(1,564)
Tangible assets adjusted for PPP loans	<u>\$ 6,743,188</u>	Net interest income adjusted for PPP loans	<u>\$ 48,416</u>
Tangible stockholders' equity <sup>(1)</sup>	\$ 607,605	Average interest-earning assets	\$ 6,452,604
		Less average PPP loans	(55,831)
<b>TCE / TA Ratio <sup>(1)</sup></b>	<b>8.98%</b>	Average interest-earning assets adjusted for PPP loans	<u>\$ 6,396,773</u>
<b>TCE / TA Ratio adjusted for PPP loans <sup>(1)</sup></b>	<b>9.01%</b>		
<b>Allowance for Credit Losses to Loans Receivable</b>		<b>NIM <sup>(2)</sup></b>	<b>3.07%</b>
Allowance for credit losses	\$ 76,613	<b>NIM adjusted for PPP loans <sup>(2)</sup></b>	<b>3.00%</b>
Loans receivable	\$ 4,858,865	<b>Efficiency Ratio</b>	
Less first draw PPP loans	(21,895)	Noninterest expense	\$ 32,502
Loans receivable adjusted for PPP loans	<u>\$ 4,836,970</u>	Add back PPP deferred origination costs	-
		Noninterest expense adjusted for PPP loans	<u>\$ 32,502</u>
<b>ACL / Loans Receivable</b>	<b>1.58%</b>	Net interest income plus noninterest income	\$ 62,489
<b>ACL / Loans Receivable adjusted for PPP loans</b>	<b>1.58%</b>	Less securities and PPP gains	(339)
		Net interest income plus noninterest income adjusted for securities and PPP gains	<u>\$ 62,150</u>
		<b>Efficiency ratio <sup>(3)</sup></b>	<b>52.01%</b>
		<b>Efficiency ratio adjusted for PPP loans and securities gains <sup>(3)</sup></b>	<b>52.30%</b>

(1) There were no preferred shares outstanding at September 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 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.

# 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
		Less average PPP loans	(220,965)
<b>TCE / TA Ratio <sup>(1)</sup></b>	<b>9.01%</b>	Average interest-earning assets adjusted for PPP loans	<u>\$ 6,021,456</u>
<b>TCE / TA Ratio adjusted for PPP loans <sup>(1)</sup></b>	<b>9.23%</b>		
<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>	Add back PPP deferred origination costs	13
		Noninterest expense adjusted for PPP loans	<u>\$ 30,796</u>
<b>ACL / Loans Receivable</b>	<b>1.73%</b>	Net interest income plus noninterest income	\$ 58,458
<b>ACL / Loans Receivable adjusted for PPP loans</b>	<b>1.78%</b>	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
TCE / TA Ratio <sup>(1)</sup>	8.87%	Less average PPP loans	(308,543)
TCE / TA Ratio adjusted for PPP loans <sup>(1)</sup>	9.27%	Average interest-earning assets adjusted for PPP loans	<u>\$ 5,721,291</u>
<b>Allowance for Credit Losses to Loans Receivable</b>		NIM <sup>(2)</sup>	3.09%
Allowance for credit losses	\$ 88,392	NIM adjusted for PPP loans <sup>(2)</sup>	3.13%
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>	Add back PPP deferred origination costs	1,390
ACL / Loans Receivable	1.83%	Noninterest expense adjusted for PPP loans	<u>\$ 30,925</u>
ACL / Loans Receivable adjusted for PPP loans	1.94%	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>
		Efficiency ratio <sup>(3)</sup>	52.92%
		Efficiency ratio adjusted for PPP loans and securities gains <sup>(3)</sup>	58.07%

(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 (4Q20)

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

	As of December 31, 2020		Three Months Ended December 31, 2020
<b>Tangible Common Equity to Tangible Assets</b>		<b>Net Interest Margin</b>	
Tangible assets	\$ 6,190,276	Net interest income	\$ 46,877
Less PPP loans	(295,702)	Less PPP loan interest income	(1,751)
Tangible assets adjusted for PPP loans	<u>\$ 5,894,574</u>	Net interest income adjusted for PPP loans	<u>\$ 45,126</u>
Tangible stockholders' equity <sup>(1)</sup>	\$ 565,432	Average interest-earning assets	5,956,208
		Less average PPP loans	(304,017)
<b>TCE / TA Ratio <sup>(1)</sup></b>	<b>9.13%</b>	Average interest-earning assets adjusted for PPP loans	<u>\$ 5,652,191</u>
<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>		<b>NIM <sup>(2)</sup></b>	<b>3.13%</b>
Allowance for credit losses	\$ 90,426	<b>NIM adjusted for PPP loans <sup>(2)</sup></b>	<b>3.18%</b>
Loans receivable	\$ 4,880,168	<b>Efficiency Ratio</b>	
Less PPP loans	(295,702)	Noninterest expense	\$ 30,923
Loans receivable adjusted for PPP loans	<u>\$ 4,584,466</u>	Add back PPP deferred origination costs	-
		Noninterest expense adjusted for PPP loans	<u>\$ 30,923</u>
<b>ACL / Loans Receivable</b>	<b>1.85%</b>	Net interest income plus noninterest income	\$ 55,686
<b>ACL / Loans Receivable adjusted for PPP loans</b>	<b>1.97%</b>	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>

(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.

# Non-GAAP Reconciliation – PPP (3Q20)

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

	As of September 30, 2020		Three Months Ended September 30, 2020
<b>Tangible Common Equity to Tangible Assets</b>		<b>Net Interest Margin</b>	
Tangible assets	\$ 6,095,105	Net interest income	\$ 45,605
Less PPP loans	(302,929)	Less PPP loan interest income	(1,713)
Tangible assets adjusted for PPP loans	<u>\$ 5,792,176</u>	Net interest income adjusted for PPP loans	<u>\$ 43,892</u>
Tangible stockholders' equity <sup>(1)</sup>	\$ 551,526	Average interest-earning assets	\$ 5,787,667
TCE / TA Ratio <sup>(1)</sup>	9.05%	Less average PPP loans	(302,365)
TCE / TA Ratio adjusted for PPP loans <sup>(1)</sup>	9.52%	Average interest-earning assets adjusted for PPP loans	<u>\$ 5,485,302</u>
<b>Allowance for Credit Losses to Loans Receivable</b>		NIM <sup>(2)</sup>	3.13%
Allowance for credit losses	\$ 86,620	NIM adjusted for PPP loans <sup>(2)</sup>	3.18%
Loans receivable	\$ 4,834,137	<b>Efficiency Ratio</b>	
Less PPP loans	(302,929)	Noninterest expense	\$ 29,924
Loans receivable adjusted for PPP loans	<u>\$ 4,531,208</u>	Add back PPP deferred origination costs	-
ACL / Loans Receivable	1.79%	Noninterest expense adjusted for PPP loans	<u>\$ 29,924</u>
ACL / Loans Receivable adjusted for PPP loans	1.91%	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%

(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.

# Non-GAAP Reconciliation – PPP (2Q20)

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

	As of June 30, 2020		Three Months Ended June 30, 2020
<b>Tangible Common Equity to Tangible Assets</b>		<b>Net Interest Margin</b>	
Tangible assets	\$ 6,206,421	Net interest income	\$ 44,442
Less PPP loans	(301,836)	Less PPP loan interest income	(1,129)
Tangible assets adjusted for PPP loans	<u>\$ 5,904,585</u>	Net interest income adjusted for PPP loans	<u>\$ 43,313</u>
Tangible stockholders' equity <sup>(1)</sup>	\$ 535,694	Average interest-earning assets	\$ 5,673,321
TCE / TA Ratio <sup>(1)</sup>	8.63%	Less average PPP loans	(251,758)
TCE / TA Ratio adjusted for PPP loans <sup>(1)</sup>	9.07%	Average interest-earning assets adjusted for PPP loans	<u>\$ 5,421,563</u>
<b>Allowance for Credit Losses to Loans Receivable</b>		NIM <sup>(2)</sup>	3.15%
Allowance for credit losses	\$ 86,330	NIM adjusted for PPP loans <sup>(2)</sup>	3.21%
Loans receivable	\$ 4,825,642	<b>Efficiency Ratio</b>	
Less PPP loans	(301,836)	Noninterest expense	\$ 27,138
Loans receivable adjusted for PPP loans	<u>\$ 4,523,806</u>	Add back PPP deferred origination costs	3,064
ACL / Loans Receivable	1.79%	Noninterest expense adjusted for PPP loans	<u>\$ 30,202</u>
ACL / Loans Receivable adjusted for PPP loans	1.91%	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>
		Efficiency ratio <sup>(3)</sup>	41.51%
		Efficiency ratio adjusted for PPP loans and securities gains <sup>(3)</sup>	60.82%

(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.