Janney CEO Forum

February 2, 2022

Hanmi Financial Corporation

Forward-Looking Statements

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.

The Hanmi Story

Hanmi Bank

1982

First Korean American Bank in the U.S.

1988

Began offering SBA loans
Acquired First Global Bank

2001

Listed HAFC common stock

2004

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

2007

Completed $70 million secondary common stock offering

2014

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

2016

Acquired Commercial Equipment Leasing Division (CELD)

2017

Assets surpassed $5 billion
Opened a Manhattan, NY branch

2018

Opened Houston Chinatown branch in Texas

2020

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

Management Team

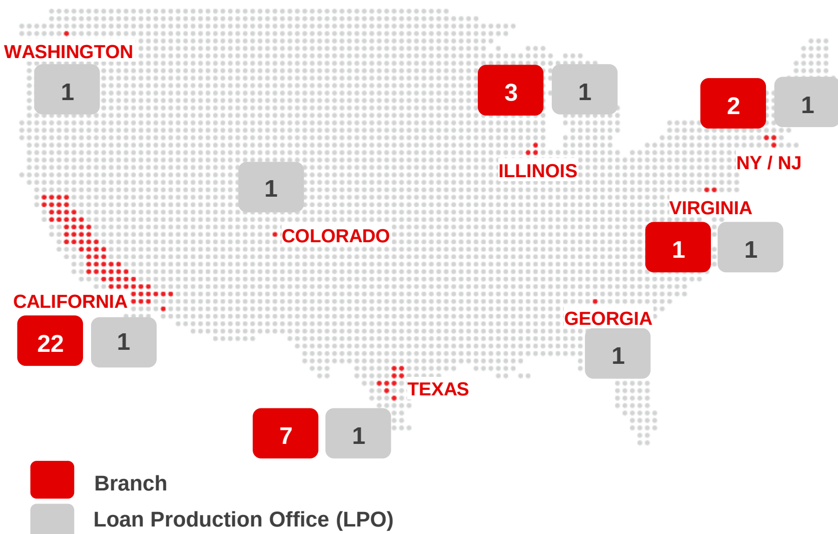
Name	Position	Banking Experience (Years)	Hanmi Experience (Years)	Previous Experience
Bonnie Lee	President & CEO	35	8	BBCN Bancorp, Shinhan Bank America, Nara Bank
Romolo Santarosa	SEVP, Chief Financial Officer	30	6	Opus Bank, First California Financial Group, Sanwa Bank, Shawmut National Corporation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

Hanmi at a Glance

Equity Snapshot (as of January 27, 2022)

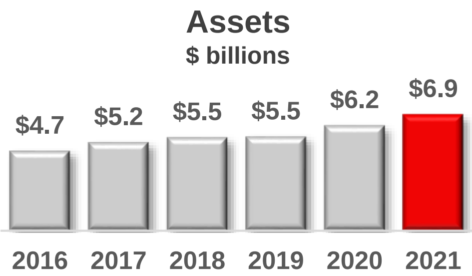
Headquarters:	Los Angeles, CA
Ticker:	NASDAQ: HAFC
Share Price:	$26.39
52 Week Range:	$13.68 - $28.84
Market Cap:	$796.0 Million
Avg. 3M Daily Volume:	181,260
Dividend Yield:	3.03%

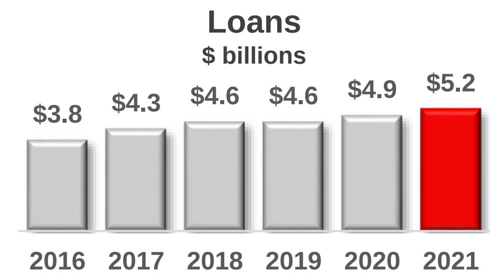
Bank Network[(1)]

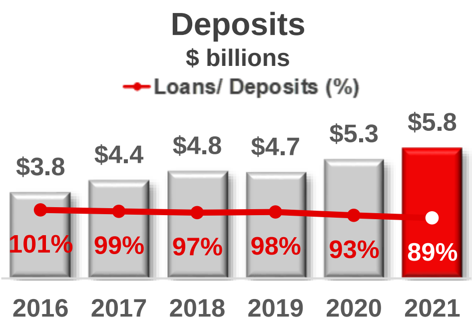


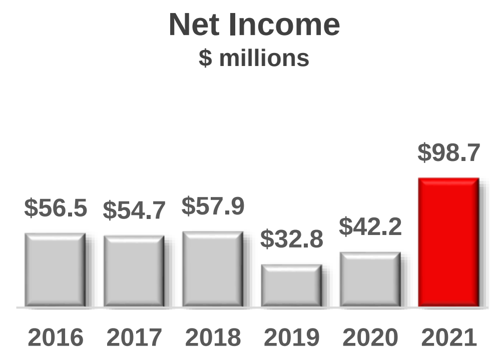
Focus on growth and value preservation for our shareholders

- Second largest Korean American Bank with 39 years of history and $6.9 billion in assets
- 35 branches coast-to-coast in major banking markets & 8 LPOs
- Commitment to conservative, disciplined underwriting, and strong asset quality
- Well capitalized, significantly above the regulatory requirements









1) Branches and LPO's are strategically located in the top MSAs for Asian Americans: Los Angeles, San Francisco, New York, Chicago, Dallas, Houston, Seattle, Colorado, and Atlanta

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)	4Q21	3Q21	4Q20	Change[1] Q/Q	Change[1] Y/Y
Income Statement Summary					
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%
EPS-Diluted	$ 1.09	$ 0.86	$ 0.47		
Select Balance Sheet Items					
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%
Profitability Metrics					
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[2]	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

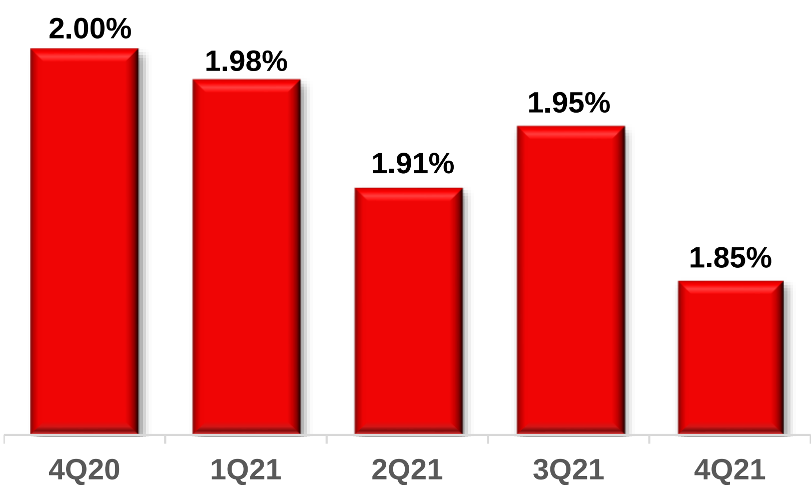
Adjusted Pretax Pre-Provision Income(3)

($ millions)

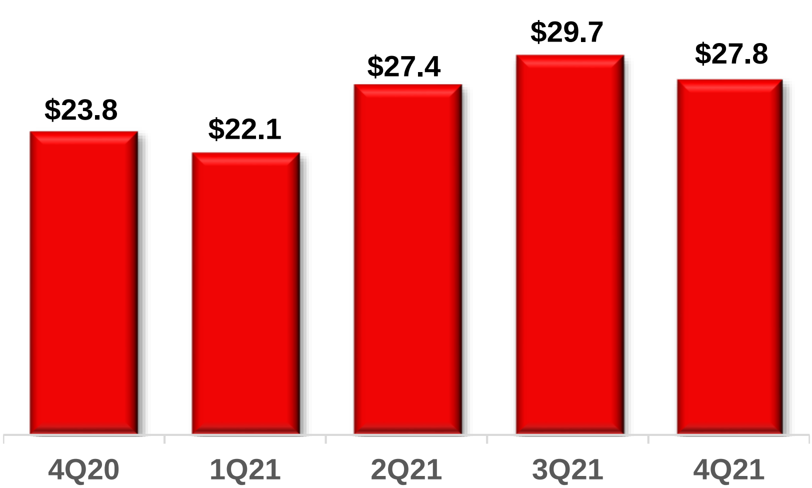
Income Statement Summary	4Q21	3Q21	2Q21	1Q21	4Q20
Net interest income	$ 49.5	$ 50.0	$ 49.6	$ 46.0	$ 46.9
Adjusted Noninterest income(1,3)	9.9	12.2	8.6	7.0	7.8
Adjusted Operating revenue(3)	59.4	62.2	58.2	53.0	54.7
Adjusted Noninterest expense(2,3)	31.6	32.5	30.8	30.9	30.9
Adjusted Pretax, Pre-Provision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

- **Driven by a 19% decrease in adjusted noninterest income(3), adjusted operating revenue(3) decreased by 5% quarter-over-quarter**
  - **Adjusted operating revenue(3) 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(3) decreased by 6% quarter-over-quarter**

Adjusted Noninterest Expense as a Percentage of Avg. Assets(2,3)



Adjusted Pretax, Pre-Provision Income ($ millions)(1,2,3)



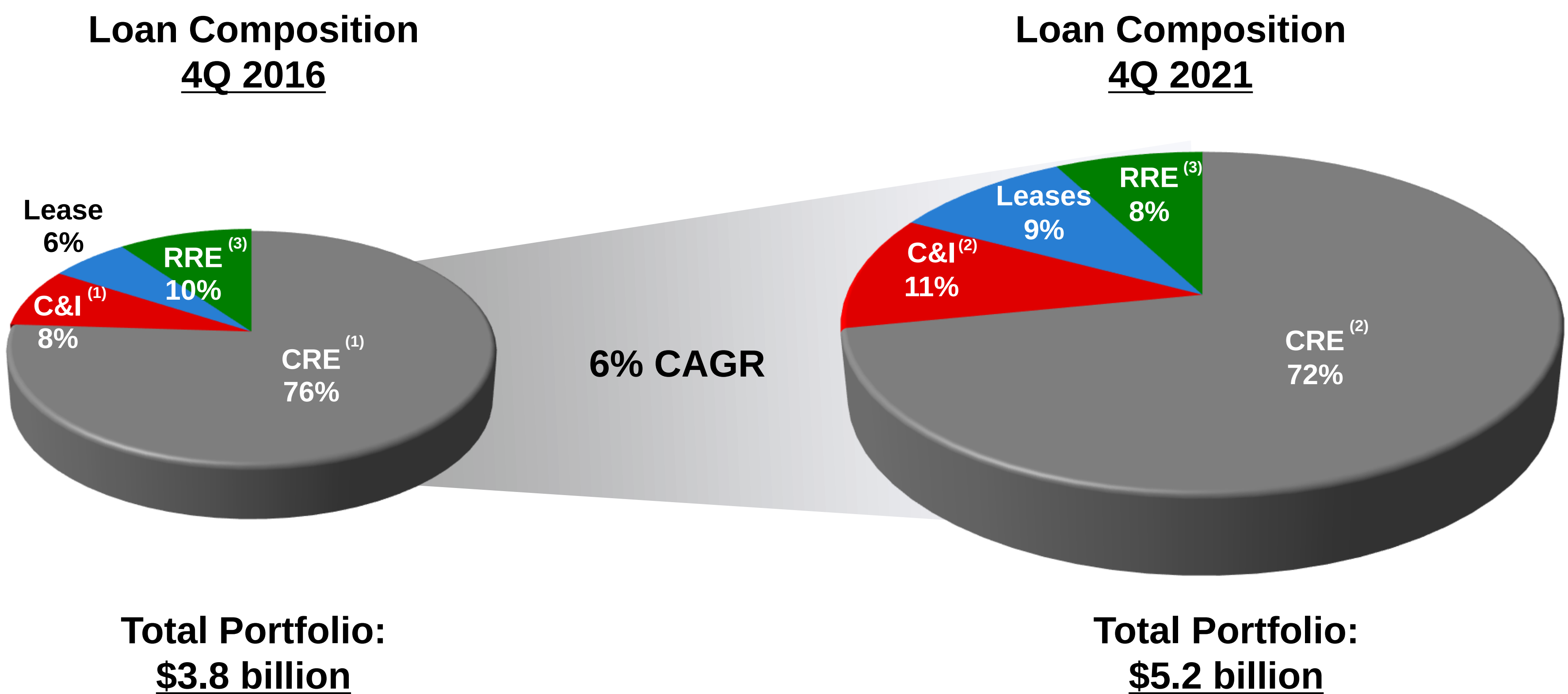
Note: Numbers may not add due to rounding

(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

Successful Portfolio Diversification Strategy



Significant progress in reducing CRE concentration from 76% of total portfolio to 72% today

(1) Includes $166 million and $13 million of the retained unguaranteed portion of the SBA loans across CRE and C&I respectively.
(2) Includes $103 million and $42 million of the retained unguaranteed portion of the SBA loans across CRE and C&I respectively, and $3 million of guaranteed loans funded through the Paycheck Protection Program net of deferred fees in C&I
(3) RRE includes Consumer

Loan Portfolio Composition

$5.15 Billion Loan Portfolio
(as of 4Q21)

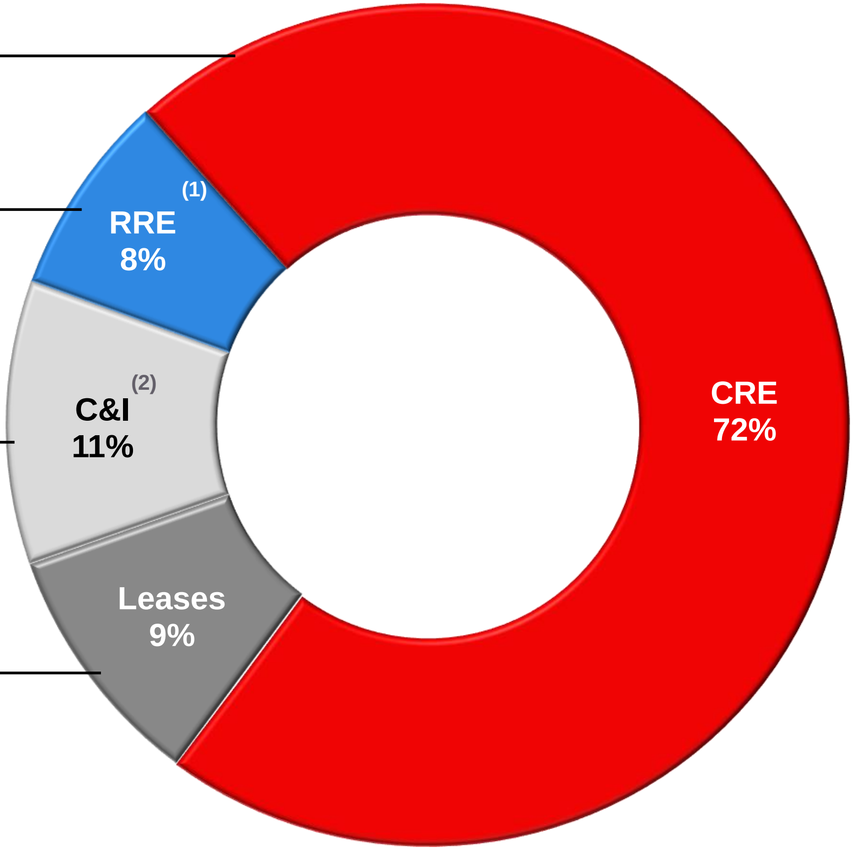
Commercial Real Estate Portfolio	
$ in millions	
Outstanding	$3,702
4Q21 Average Yield	4.25%

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

Commercial & Industrial Portfolio(2)	
$ in millions	
Outstanding	$562
4Q21 Average Yield	4.11%

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

Loan Portfolio Composition



(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)

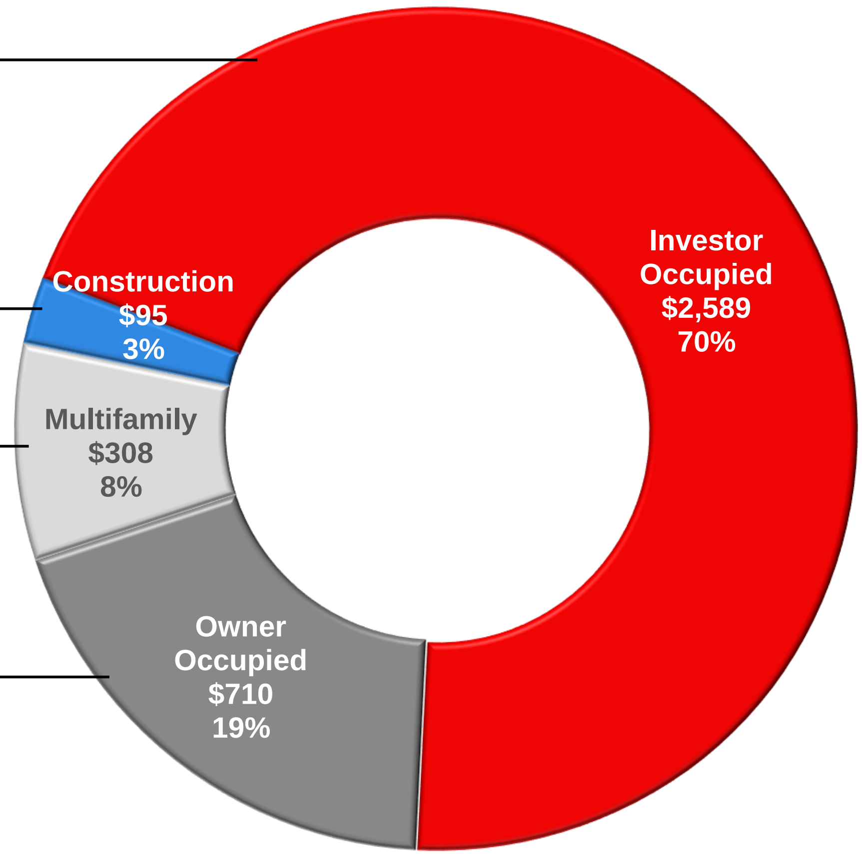
Investor (Non-owner) Occupied	
# of Loans	988
Average Balance ($ in millions)	$2.6
Weighted Average Loan-to-Value Ratio(1)	51.0%
Weighted Average Debt Coverage Ratio	1.75x

Construction	
# of Loans	12
Average Balance ($ in millions)	$7.9
Weighted Average Loan-to-Value Ratio(2)	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(1)	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(1)	42.8%
Weighted Average Debt Coverage Ratio	2.32x

CRE Portfolio Composition ($ in millions)

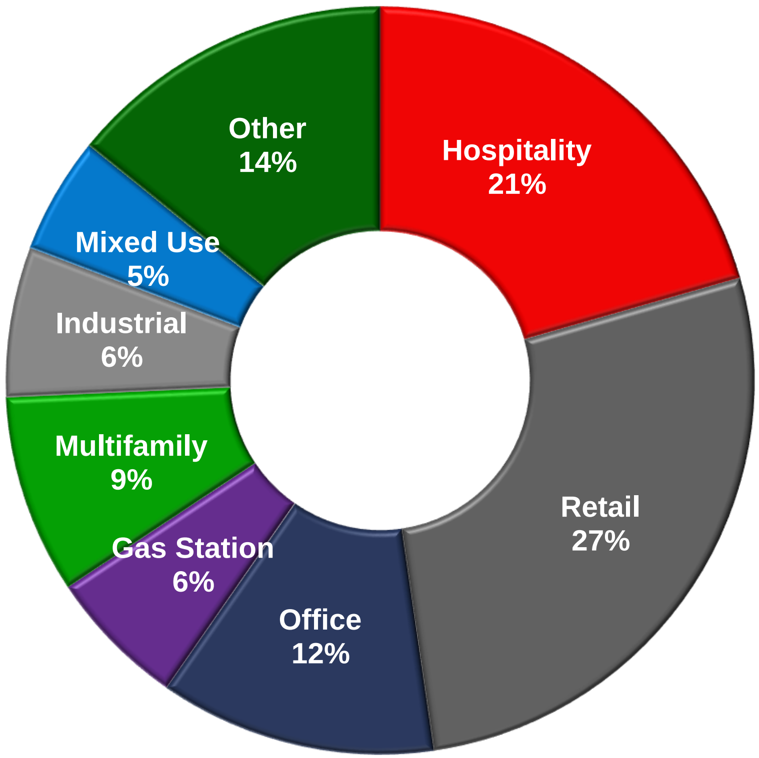


(1) Original LTV, when the loan was first underwritten
(2) Original LTV, calculated against the outstanding balance and not the committed amount

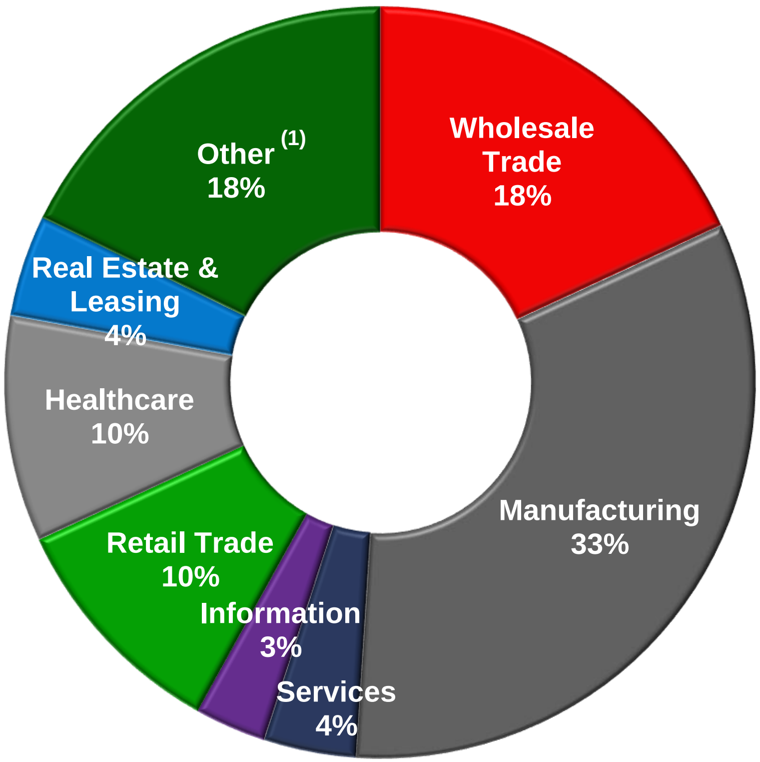
Loan Portfolio Diversification

Loan portfolio is well diversified across property and business types.

CRE Portfolio
$3.70B



C&I Portfolio
$562M

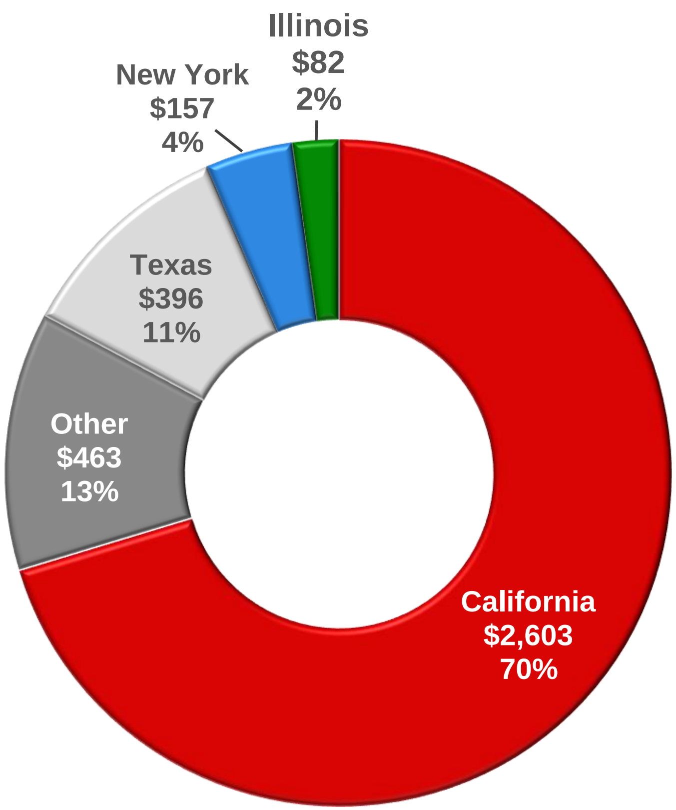


Note: Numbers may not add due to rounding

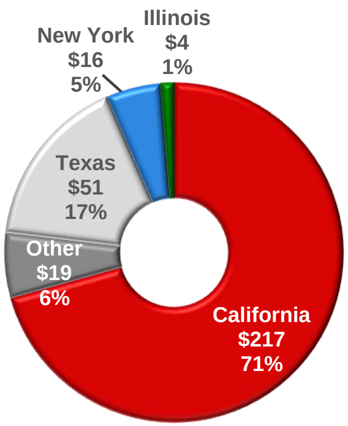
(1) 2% of this category represents PPP loans

CRE Portfolio Geographical Exposure

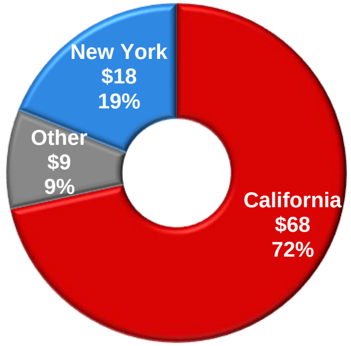
CRE Composition by State
$3,702M
($ in millions)



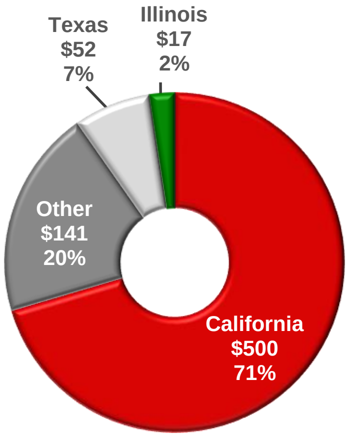
Multifamily by State
$308M ($ in millions)



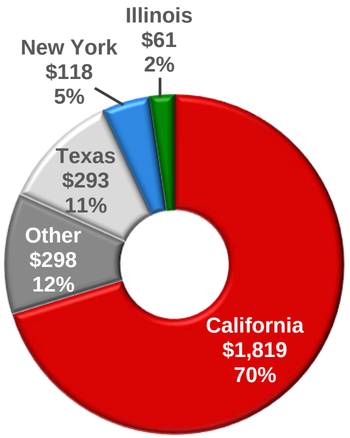
Construction by State
$95M ($ in millions)



Owner Occupied by State
$710M ($ in millions)

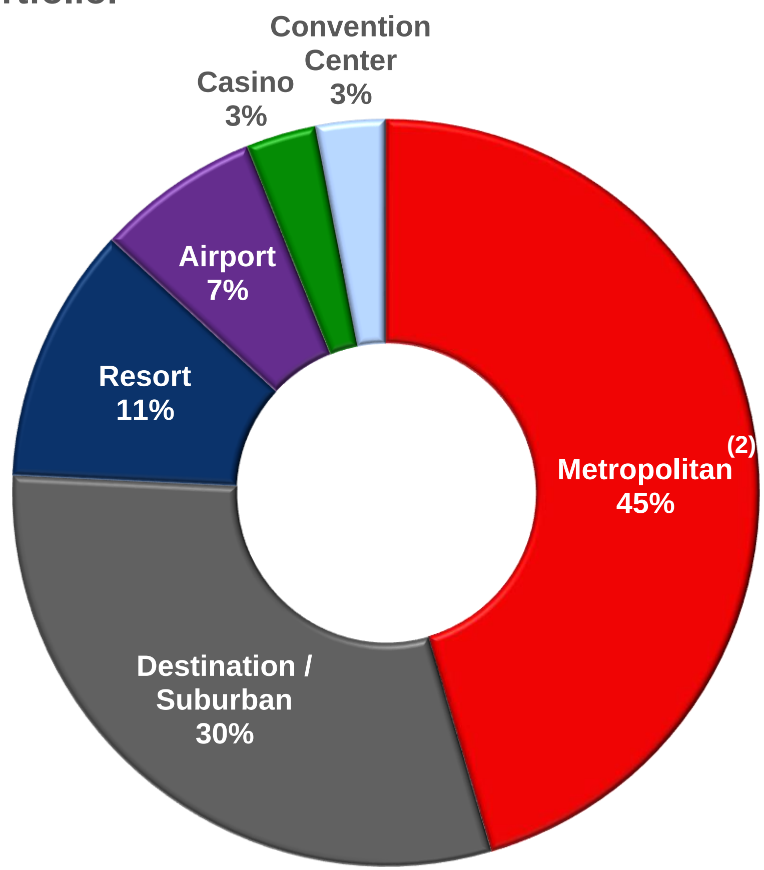


Investor Occupied by State
$2,589M ($ in millions)



Hospitality Segment by Location Type

Hospitality segment[1] declined by 17% since 1Q20 to $761 million at 4Q21, representing 14.8% of the loan portfolio.



Total Hospitality Segment: $761M

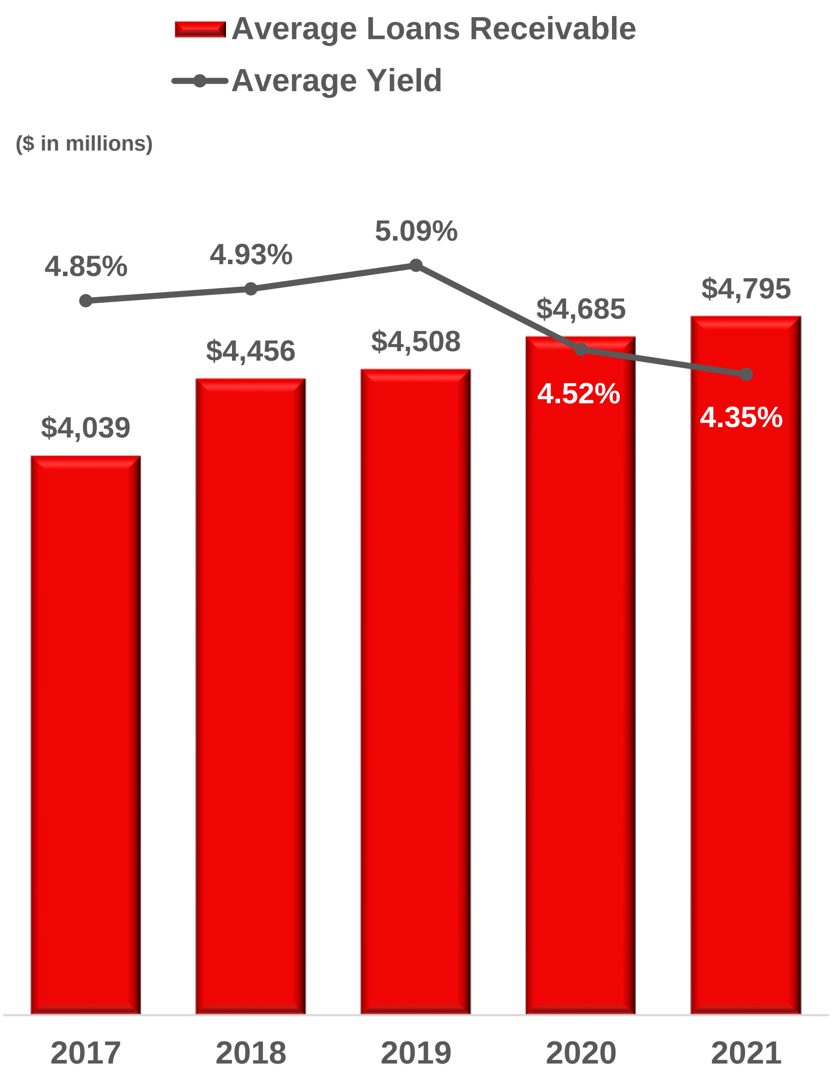
Hospitality Portfolio Detail

- 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[2] location category
- Nonaccrual hospitality loan for $132 thousand in the Texas metropolitan location

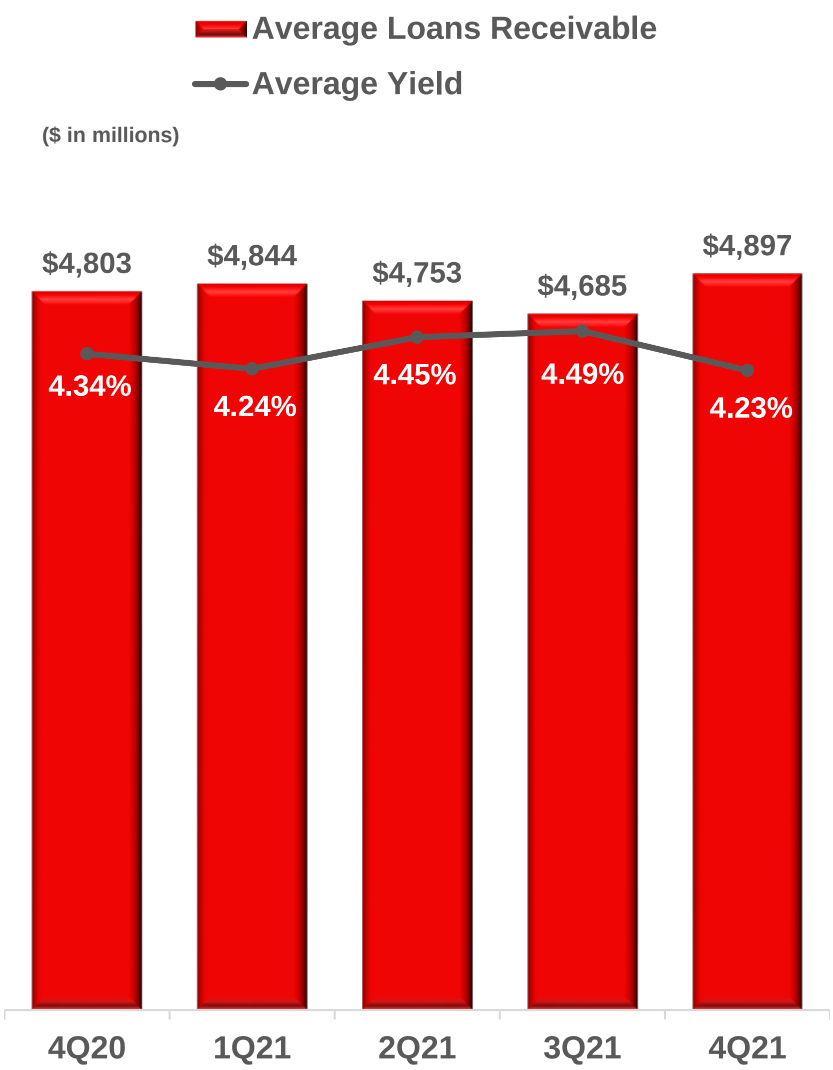
(1) Segment represents exposure across the loan portfolio, inclusive of CRE and C&I

(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

Loan Trends

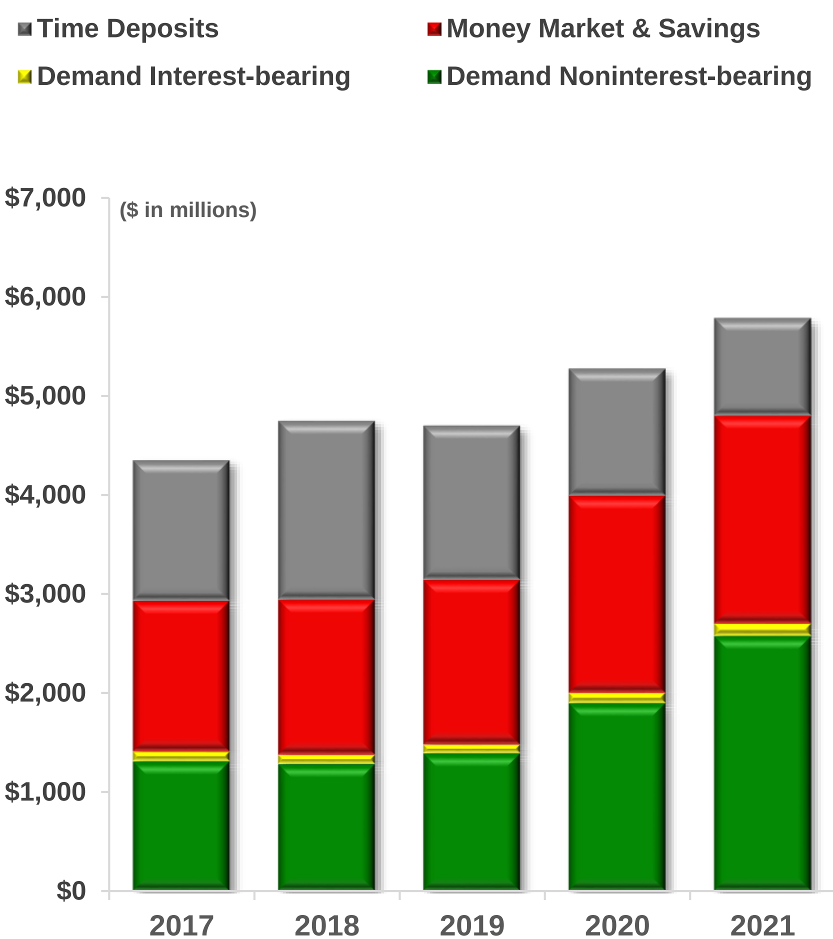


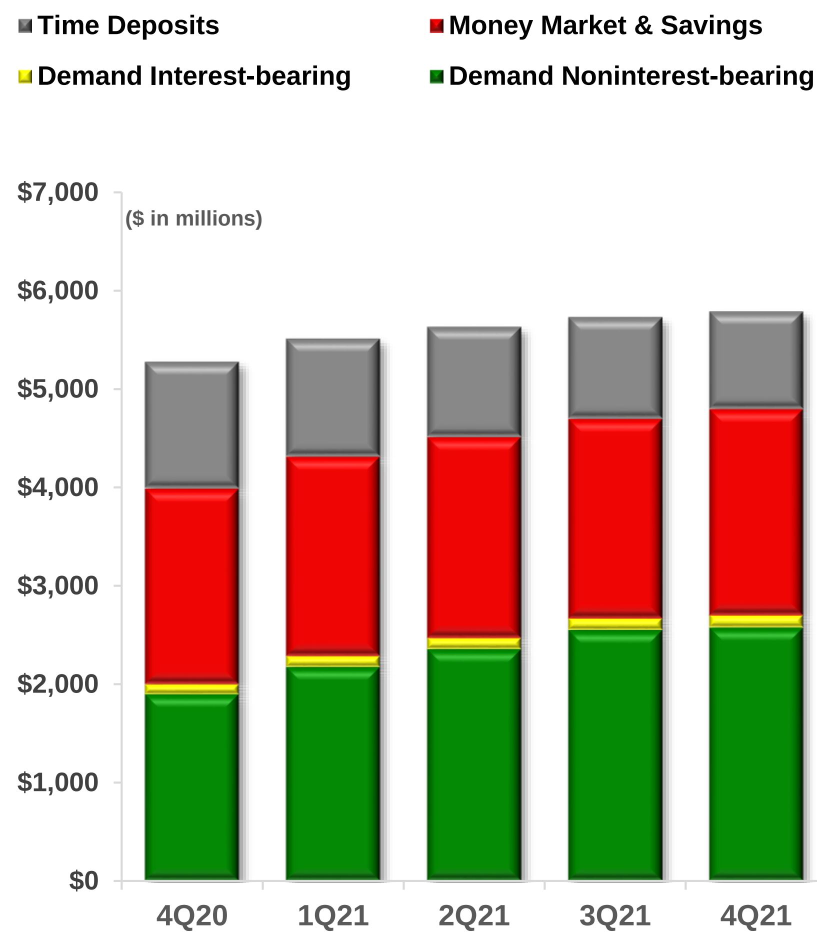
Average Loans Receivable
Average Yield
($ in millions)
4.85%
4.93%
5.09%
4.52%
4.35%
$4,039
$4,456
$4,508
$4,685
$4,795
2017
2018
2019
2020
2021



Average Loans Receivable
Average Yield
($ in millions)
$4,803
$4,844
$4,753
$4,685
$4,897
4.34%
4.24%
4.45%
4.49%
4.23%
4Q20
1Q21
2Q21
3Q21
4Q21

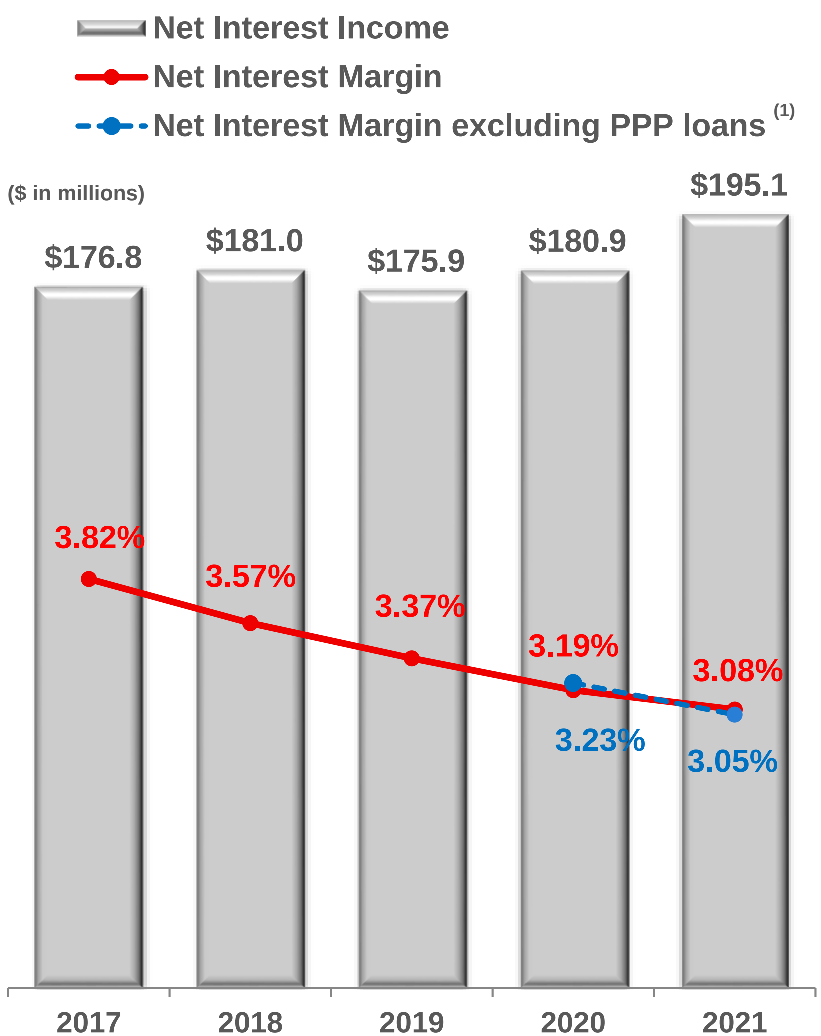
Diversified Deposit Base

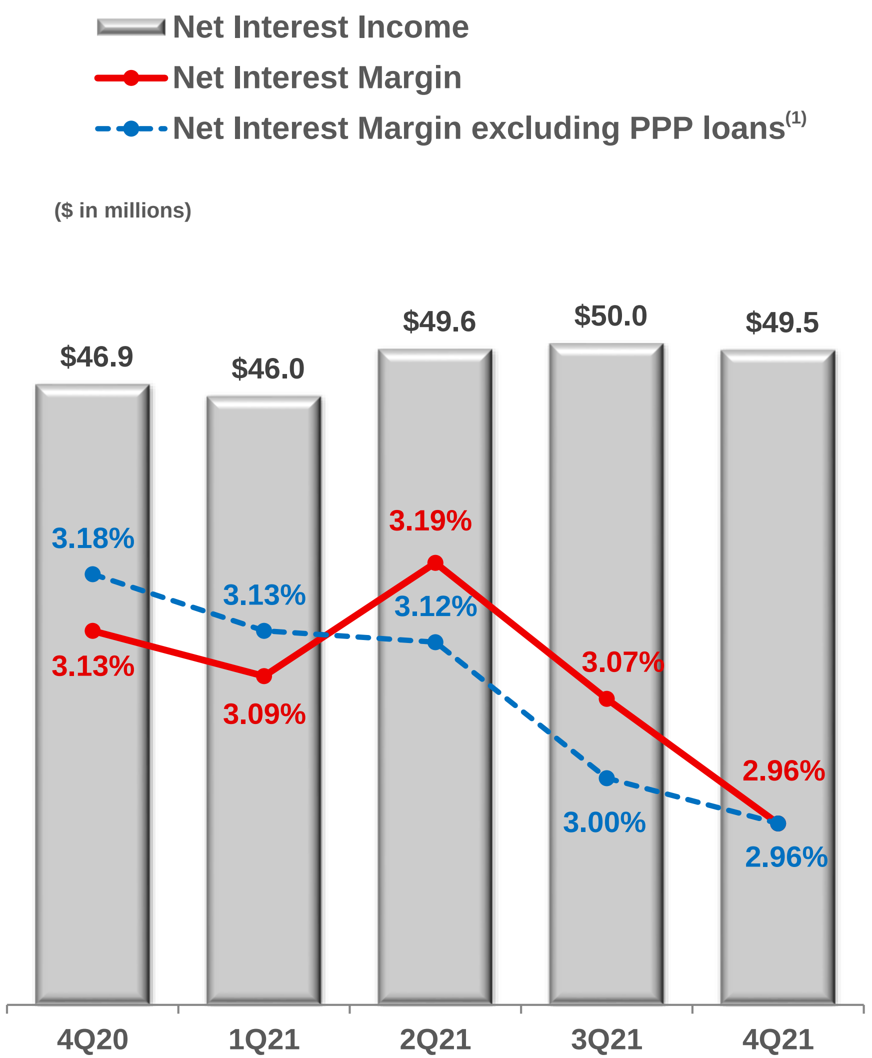




Note: Numbers may not add due to rounding

Net Interest Income / Net Interest Margin



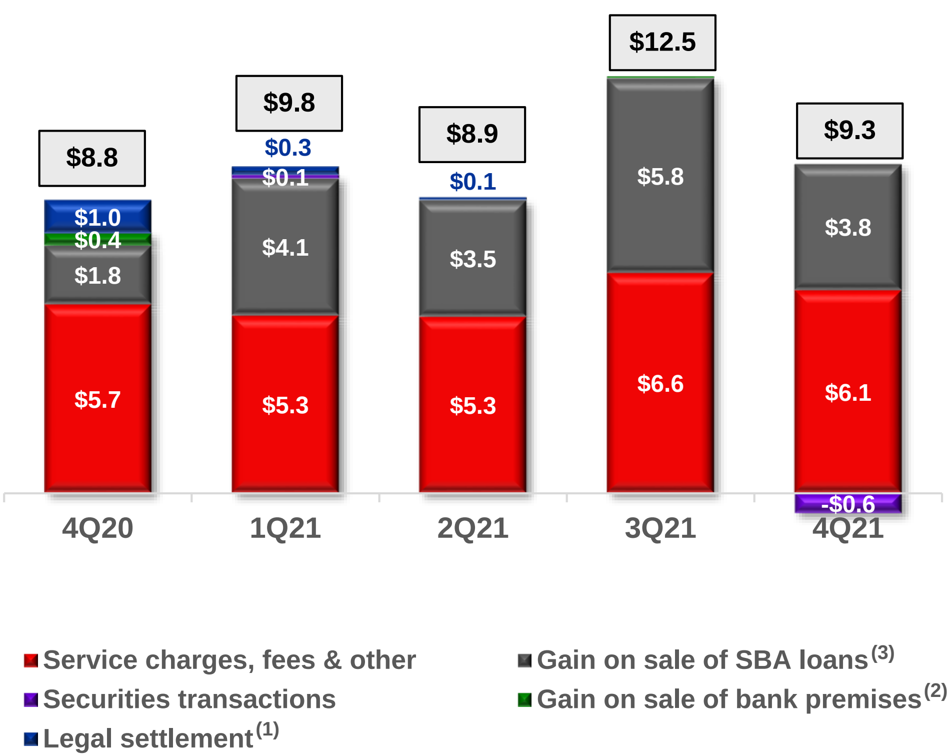


(1) Non-GAAP financial measure; refer to the non-GAAP reconciliation slide

Noninterest Income

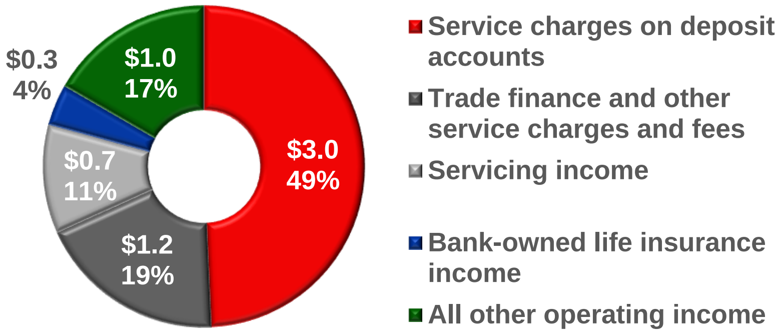
Noninterest income was $9.3 million for the fourth quarter compared with $12.5 million for the prior quarter due primarily due lower levels of SBA gains.

Noninterest Income ($ in millions)

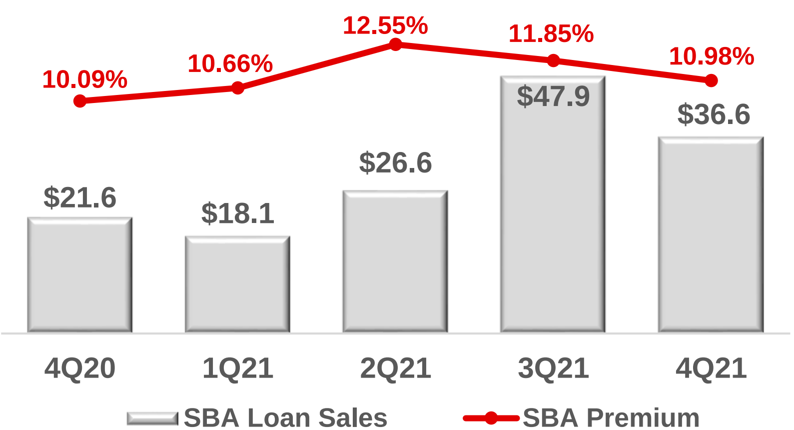


(1) Includes legal settlement of $75 thousand, $250 thousand, and $1.0 million for 2Q21, 1Q21, and 4Q20, respectively.
(2) Includes gain on sale of bank premises of $45 thousand and $365 thousand for 3Q21 and 4Q20, respectively.
(3) Includes gain on PPP loans of $339 thousand for 3Q21, $203 thousand for 2Q21, and $2.5 million for 1Q21

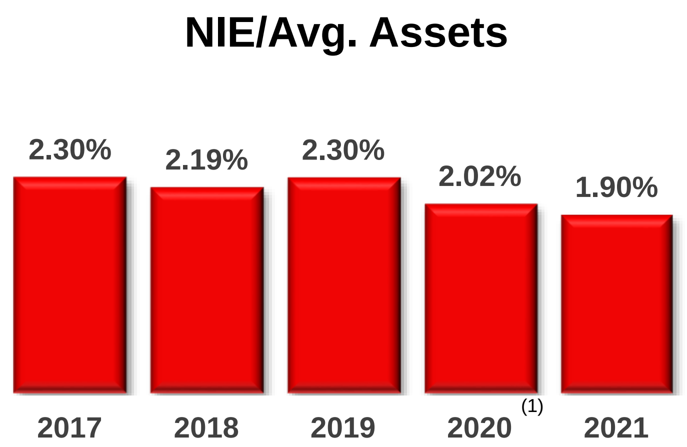
Service Charges and Fees as of 4Q21 ($ in millions)

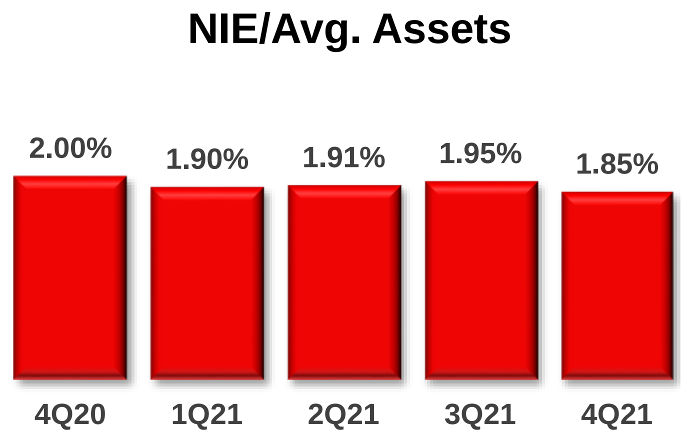


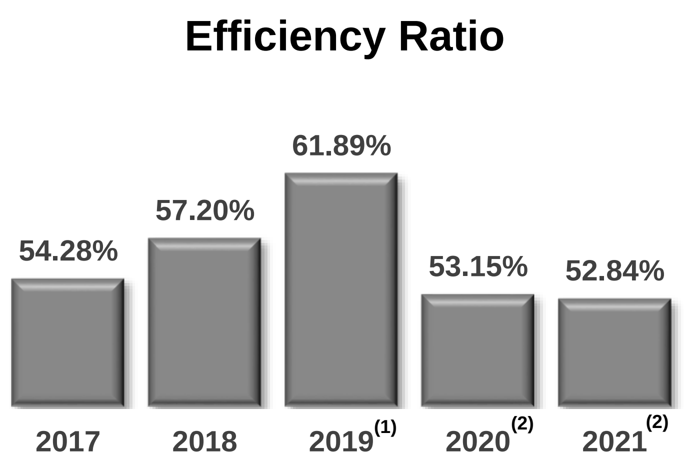
SBA Loan Sales ($ in millions)

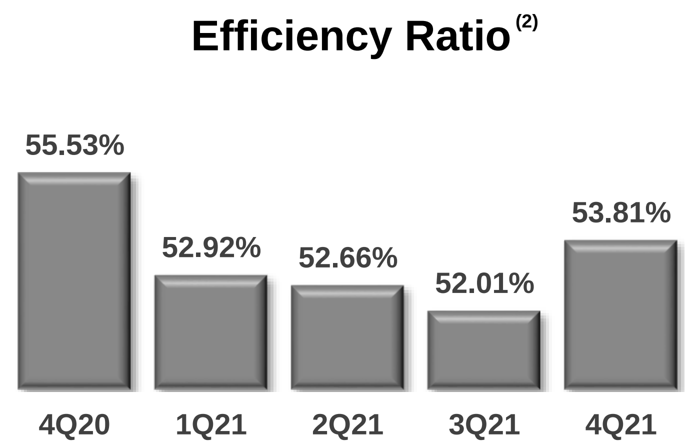


Noninterest Expenses





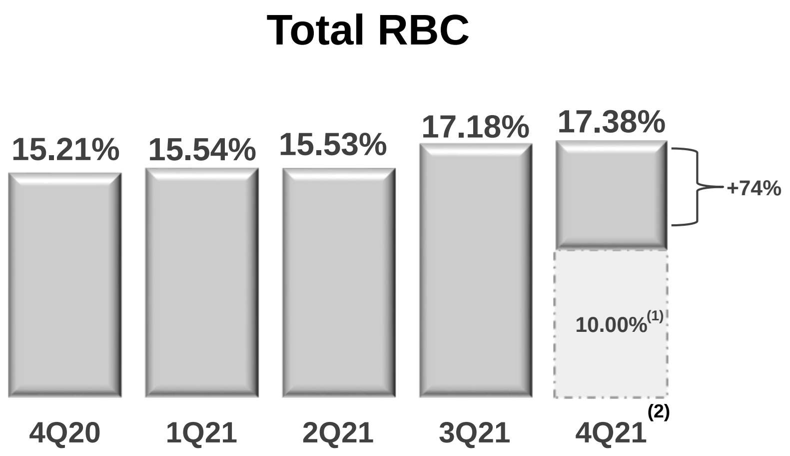


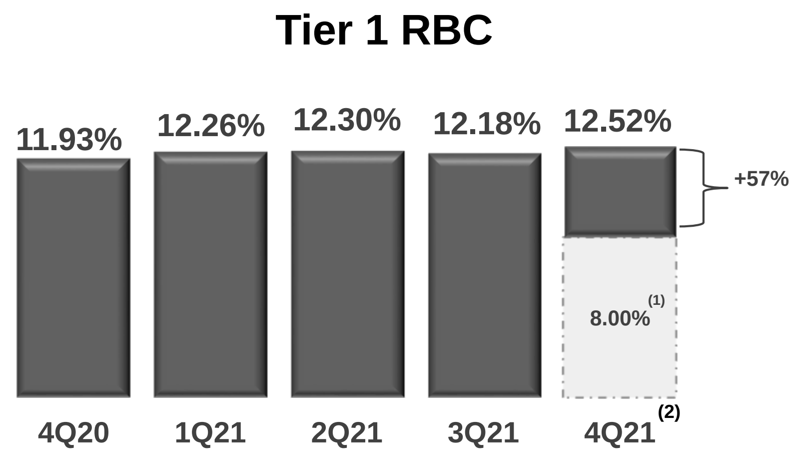


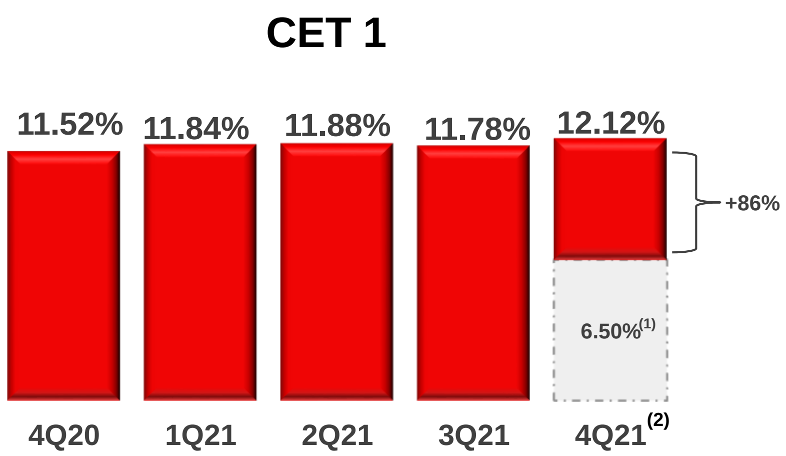
(1) Reflects, among other things, elevated charges arising from the troubled loan relationship

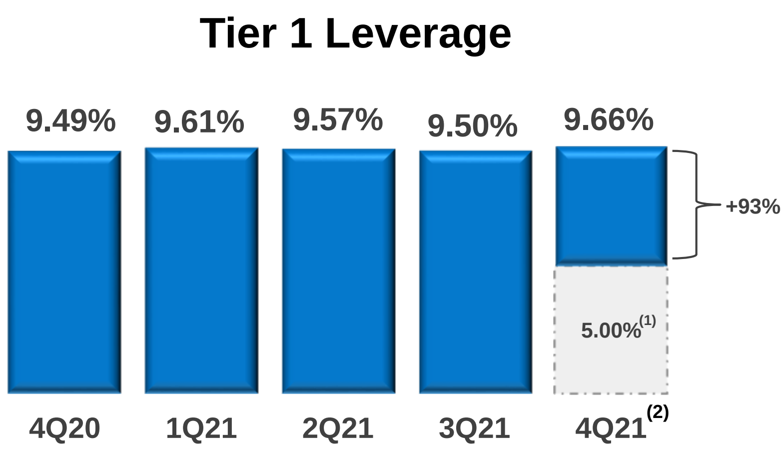
(2) Efficiency ratio adjusted for PPP loans and securities gains for FY 2020 is 58.63%, for FY 2021 is 54.01%, for 4Q20 is 55.53%, for 1Q21 is 57.96%, for 2Q21 is 52.86%, for 3Q21 is 52.30%, and 4Q21 is 53.27%. Non-GAAP financial measure; refer to the non-GAAP reconciliation slide

Capital Ratios Exceed Well-Capitalized Thresholds









(1) Minimum threshold for a well-capitalized institution
(2) Preliminary capital ratios for 4Q21

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
Loan Components										
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
Total	**$ 72.6**	**$ 5,151.5**	**$ 76.6**	**$ 4,858.9**	**$ 83.4**	**$ 4,820.1**	**$ 88.4**	**$ 4,817.2**	**$ 90.4**	**$ 4,880.2**

Asset Quality – Criticized Loans

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

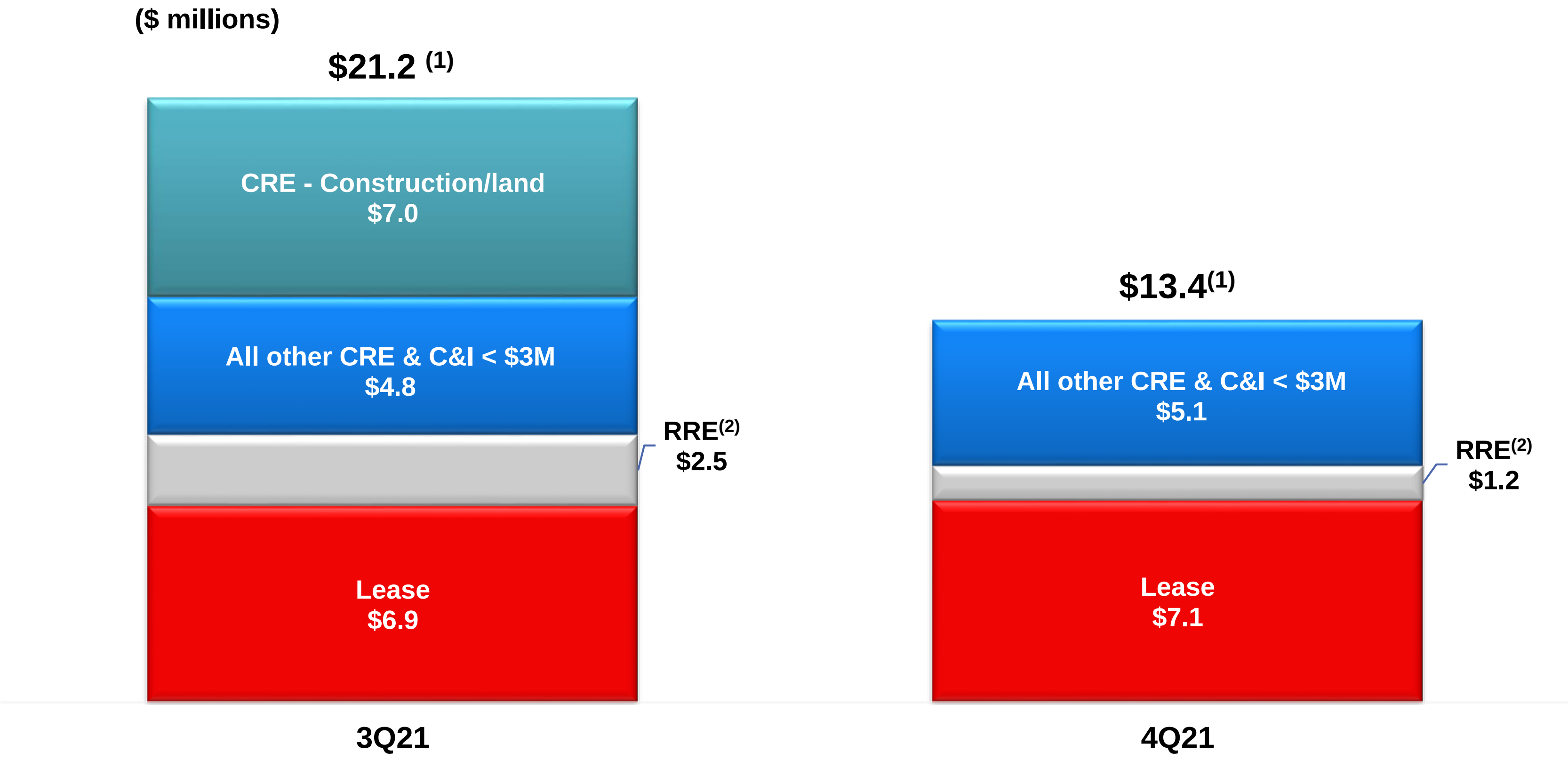
($ millions)	December 31, 2021	September 30, 2021	Additions / Downgrades	Reductions / Upgrades	Pandemic-impacted
Special Mention	$ 95.3	$ 130.6	$ 28.3	$ 63.6	$ 32.8
Classified	$ 60.6	$ 82.4	$ 17.7	$ 39.5	$ 41.1
Total Criticized Loans	**$ 155.9**	**$ 213.0**	**$ 46.0**	**$ 103.1**	**$ 73.9**

- **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

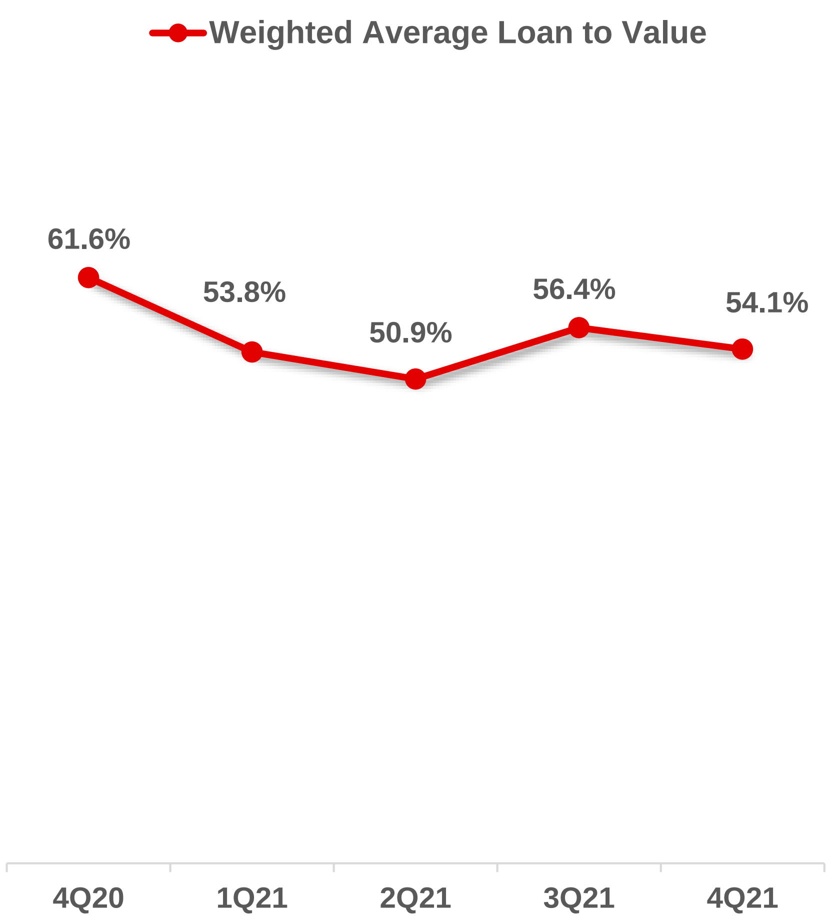
Asset Quality – Nonaccrual Loans

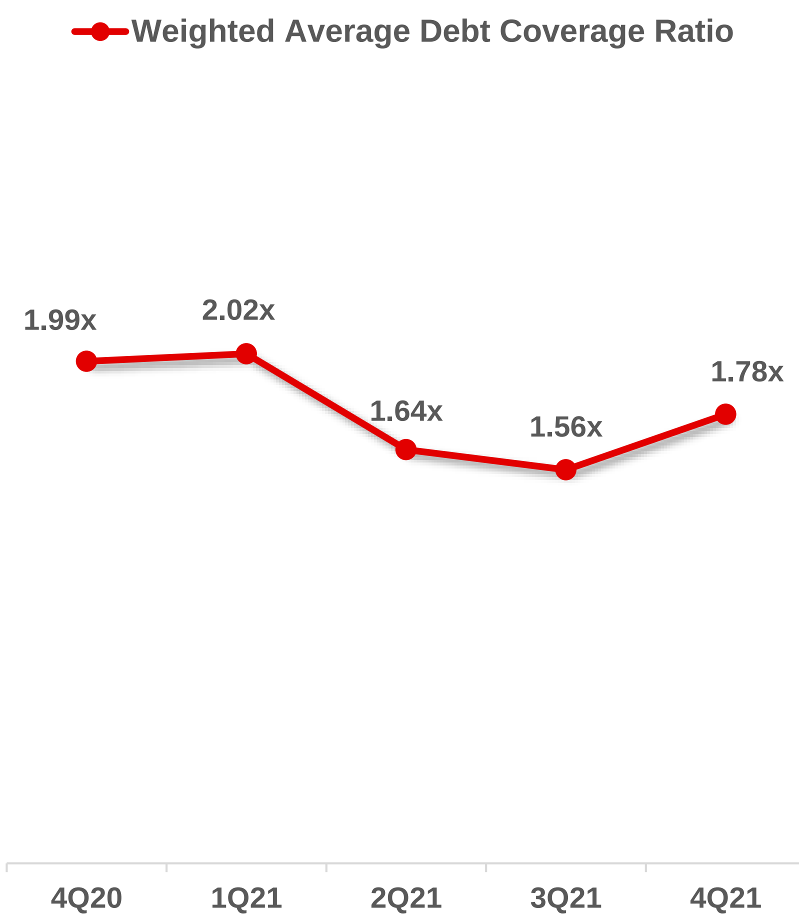
Nonaccrual loans(3) decreased 37% quarter-over-quarter.



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

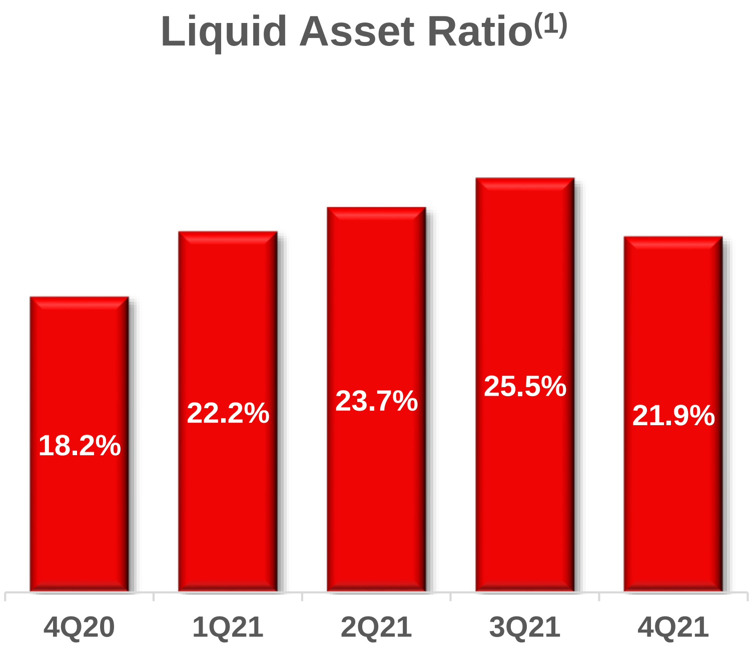
Asset Quality – New CRE Originations

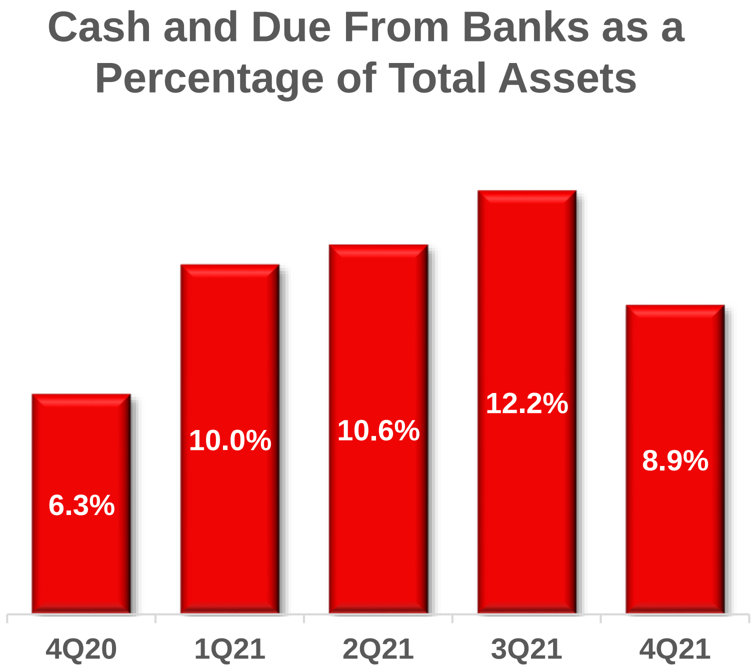




Liquidity

Hanmi Financial's cash and due from banks to assets ratio decreased to 8.9% from 12.2% in the prior quarter.





(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		
	Fair Value	TE Yield Proj.	Asset Alloc.	Fair Value	TE Yield Proj.	Asset Alloc.	Fair Value	TE Yield Proj.	Asset Alloc.
Securities Portfolio									
U.S. treasuries	15,397	0.98%	2%	4,945	0.97%	1%	10,009	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%
Collateralized mortgage obligations	93,604	0.70%	10%	99,883	0.68%	11%	101,451	0.57%	12%
Notes	115,896	0.78%	13%	98,436	0.73%	11%	87,065	0.71%	10%
Securities total	**$910,790**	**1.01%**	**100%**	**$906,996**	**0.97%**	**100%**	**$862,119**	**0.94%**	**100%**
Unrealized appreciation (depreciation), net	$ (11,863)			$ (7,653)			$ (4,084)		

	March 31, 2021			December 31, 2020		
	Fair Value	TE Yield Proj.	Asset Alloc.	Fair Value	TE Yield Proj.	Asset Alloc.
Securities Portfolio						
U.S. treasuries	$ 10,075	2.67%	1%	$ 10,133	2.67%	1%
Municipal securities	-	-	-	-	-	-
U.S. gov. agencies and sponsored agencies:						
Mortgage-backed securities	572,082	0.87%	73%	519,240	1.13%	69%
Collateralized mortgage obligations	112,742	0.27%	14%	133,601	0.62%	18%
Notes	85,215	0.57%	11%	90,807	0.57%	12%
Securities total	**$780,114**	**0.77%**	**100%**	**$753,781**	**0.99%**	**100%**
Unrealized appreciation (depreciation), net	$ (7,561)			$ 4,323		

Investment Highlights & Opportunities

- **Strong balance sheet**
  - Diversified loan portfolio
  - Premier core deposit franchise
  - Sound asset quality
  - Well capitalized

- **Prudent capital management**
  - Dividends appropriate with earnings level
  - Dividend payout of $0.22 per share for the 2022 first quarter, up 10% from the prior quarter of $0.20
  - Share repurchase in place

- **Attractive market valuation**[1]
  - P/ LTM EPS: 8.20x
  - P/TBV: 1.33x

(1) Source: S&P Global Market Intelligence as of January 27, 2022

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
Tangible Common Equity to Tangible Assets Ratio					
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[1]	$ 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[1]	$ 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[1]	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
Pretax income	**$ 43.1**	**$ 37.2**	**$ 31.0**	**$ 24.2**	**$ 19.7**
less credit loss expense	(16.0)	(7.2)	(3.3)	2.1	5.1
Pretax, Pre-provision, income	**$ 27.2**	**$ 30.0**	$ 27.7	$ 26.3	$ 24.8
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)	-
Adjusted pretax, pre-provision, income	**$ 27.8**	**$ 29.7**	**$ 27.4**	**$ 22.1**	**$ 23.8**
Operating revenue	**$ 58.8**	**$ 62.5**	**$ 58.5**	**$ 55.8**	**$ 55.7**
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)	-
Adjusted operating revenue	**$ 59.4**	**$ 62.2**	**$ 58.2**	**$ 53.0**	**$ 54.7**
Noninterest income	**$ 9.3**	**$ 12.5**	**$ 8.9**	**$ 9.8**	**$ 8.8**
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)	-
Adjusted noninterest income	**$ 9.9**	**$ 12.2**	**$ 8.6**	**$ 7.0**	**$ 7.8**
Noninterest expense	**$ 31.6**	**$ 32.5**	**$ 30.8**	**$ 29.5**	**$ 30.9**
less PPP capitalized cost	-	-	-	1.4	-
Adjusted noninterest expense	**$ 31.6**	**$ 32.5**	**$ 30.8**	**$ 30.9**	**$ 30.9**

Note: Numbers may not add due to rounding

Non-GAAP Reconciliation – PPP (FY 2021)

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

	For the Twelve Months Ended December 31, 2021	
Net Interest Margin		
Net interest income	$	195,050
Less PPP loan interest income		(5,593)
Net interest income adjusted for PPP loans	$	189,057
Average interest-earning assets	$	6,340,769
Less average PPP loans		(142,646)
Average interest-earning assets adjusted for PPP loans	$	6,198,123
NIM(1)		**3.08%**
NIM adjusted for PPP loans (1)		**3.05%**
Efficiency Ratio		
Noninterest expense	$	124,455
Add back PPP deferred origination costs		1,403
Noninterest expense adjusted for PPP loans	$	125,858
Net interest income plus noninterest income	$	235,546
Less net gain on sales of securities		(2,498)
Net interest income plus noninterest income adjusted for securities gains	$	233,048
Efficiency ratio (2)		**52.84%**
Efficiency ratio adjusted for PPP loans and securities gains (2)		**54.01%**

(1) Net interest income (as applicable) divided by average interest-earning assets (as applicable), annualized
(2) Noninterest expense (as applicable) divided by the sum of net interest income and noninterest income (as applicable)

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

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

Non-GAAP Reconciliation – PPP (4Q21)

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

		As of December 31, 2021
Tangible Common Equity to Tangible Assets		
Tangible assets	$	6,847,192
Less first and second draw PPP loans		(2,976)
Tangible assets adjusted for PPP loans	$	6,844,216
Tangible stockholders' equity (1)	$	632,022
TCE / TA Ratio(1)		**9.23%**
TCE / TA Ratio adjusted for PPP loans(1)		**9.23%**
Allowance for Credit Losses to Loans Receivable		
Allowance for credit losses	$	72,557
Loans receivable	$	5,151,541
Less first draw PPP loans		(2,976)
Loans receivable adjusted for PPP loans	$	5,148,565
ACL / Loans Receivable		**1.41%**
ACL / Loans Receivable adjusted for PPP loans		**1.41%**

		Three Months Ended December 31, 2021
Net Interest Margin		
Net interest income	$	49,496
Less PPP loan interest income		(100)
Net interest income adjusted for PPP loans	$	49,396
Average interest-earning assets	$	6,630,386
Less average PPP loans		(5,883)
Average interest-earning assets adjusted for PPP loans	$	6,624,503
NIM(2)		**2.96%**
NIM adjusted for PPP loans (2)		**2.96%**
Efficiency Ratio		
Noninterest expense	$	31,636
Add back PPP deferred origination costs		-
Noninterest expense adjusted for PPP loans	$	31,636
Net interest income plus noninterest income	$	58,791
Plus securities losses		598
Net interest income plus noninterest income adjusted for securities losses	$	59,389
Efficiency ratio (3)		**53.81%**
Efficiency ratio adjusted for PPP loans and securities losses (3)		**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
Tangible Common Equity to Tangible Assets		
Tangible assets	$	6,765,083
Less first and second draw PPP loans		(21,895)
Tangible assets adjusted for PPP loans	$	6,743,188
Tangible stockholders' equity (1)	$	607,605
TCE / TA Ratio(1)		**8.98%**
TCE / TA Ratio adjusted for PPP loans(1)		**9.01%**
Allowance for Credit Losses to Loans Receivable		
Allowance for credit losses	$	76,613
Loans receivable	$	4,858,865
Less first draw PPP loans		(21,895)
Loans receivable adjusted for PPP loans	$	4,836,970
ACL / Loans Receivable		**1.58%**
ACL / Loans Receivable adjusted for PPP loans		**1.58%**

		Three Months Ended September 30, 2021
Net Interest Margin		
Net interest income	$	49,980
Less PPP loan interest income		(1,564)
Net interest income adjusted for PPP loans	$	48,416
Average interest-earning assets	$	6,452,604
Less average PPP loans		(55,831)
Average interest-earning assets adjusted for PPP loans	$	6,396,773
NIM(2)		**3.07%**
NIM adjusted for PPP loans (2)		**3.00%**
Efficiency Ratio		
Noninterest expense	$	32,502
Add back PPP deferred origination costs		-
Noninterest expense adjusted for PPP loans	$	32,502
Net interest income plus noninterest income	$	62,489
Less securities and PPP gains		(339)
Net interest income plus noninterest income adjusted for securities and PPP gains	$	62,150
Efficiency ratio (3)		**52.01%**
Efficiency ratio adjusted for PPP loans and securities gains (3)		**52.30%**

(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
Tangible Common Equity to Tangible Assets		
Tangible assets	$	6,567,352
Less first and second draw PPP loans		(158,134)
Tangible assets adjusted for PPP loans	$	6,409,218
Tangible stockholders' equity (1)	$	591,473
TCE / TA Ratio(1)		**9.01%**
TCE / TA Ratio adjusted for PPP loans(1)		**9.23%**
Allowance for Credit Losses to Loans Receivable		
Allowance for credit losses	$	83,372
Loans receivable	$	4,820,092
Less first draw PPP loans		(144,077)
Loans receivable adjusted for PPP loans	$	4,676,015
ACL / Loans Receivable		**1.73%**
ACL / Loans Receivable adjusted for PPP loans		**1.78%**

		Three Months Ended June 30, 2021
Net Interest Margin		
Net interest income	$	49,572
Less PPP loan interest income		(2,680)
Net interest income adjusted for PPP loans	$	46,892
Average interest-earning assets		6,242,421
Less average PPP loans		(220,965)
Average interest-earning assets adjusted for PPP loans	$	6,021,456
NIM(2)		**3.19%**
NIM adjusted for PPP loans (2)		**3.12%**
Efficiency Ratio		
Noninterest expense	$	30,783
Add back PPP deferred origination costs		13
Noninterest expense adjusted for PPP loans	$	30,796
Net interest income plus noninterest income	$	58,458
Less securities and PPP gains		(203)
Net interest income plus noninterest income adjusted for securities and PPP gains	$	58,255
Efficiency ratio (3)		**52.66%**
Efficiency ratio adjusted for PPP loans and securities gains (3)		**52.86%**

(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
Tangible Common Equity to Tangible Assets		
Tangible assets	$	6,426,843
Less first and second draw PPP loans		(278,200)
Tangible assets adjusted for PPP loans	$	6,148,643
Tangible stockholders' equity (1)	$	570,264
TCE / TA Ratio(1)		**8.87%**
TCE / TA Ratio adjusted for PPP loans(1)		**9.27%**
Allowance for Credit Losses to Loans Receivable		
Allowance for credit losses	$	88,392
Loans receivable	$	4,817,151
Less first draw PPP loans		(256,457)
Loans receivable adjusted for PPP loans	$	4,560,694
ACL / Loans Receivable		**1.83%**
ACL / Loans Receivable adjusted for PPP loans		**1.94%**

		Three Months Ended March 31, 2021
Net Interest Margin		
Net interest income	$	46,001
Less PPP loan interest income		(1,865)
Net interest income adjusted for PPP loans	$	44,136
Average interest-earning assets		6,029,834
Less average PPP loans		(308,543)
Average interest-earning assets adjusted for PPP loans	$	5,721,291
NIM(2)		**3.09%**
NIM adjusted for PPP loans (2)		**3.13%**
Efficiency Ratio		
Noninterest expense	$	29,535
Add back PPP deferred origination costs		1,390
Noninterest expense adjusted for PPP loans	$	30,925
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	$	53,256
Efficiency ratio (3)		**52.92%**
Efficiency ratio adjusted for PPP loans and securities gains (3)		**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 (FY 2020)

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

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

(1) Net interest income (as applicable) divided by average interest-earning assets (as applicable), annualized
(2) Noninterest expense (as applicable) divided by the sum of net interest income and noninterest income (as applicable)

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

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

Non-GAAP Reconciliation – PPP (4Q20)

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

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

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

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

		Three Months Ended September 30, 2020
Net Interest Margin		
Net interest income	$	45,605
Less PPP loan interest income		(1,713)
Net interest income adjusted for PPP loans	$	43,892
Average interest-earning assets	$	5,787,667
Less average PPP loans		(302,365)
Average interest-earning assets adjusted for PPP loans	$	5,485,302
NIM(2)		**3.13%**
NIM adjusted for PPP loans (2)		**3.18%**
Efficiency Ratio		
Noninterest expense	$	29,924
Less PPP deferred origination costs		-
Noninterest expense adjusted for PPP loans	$	29,924
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	$	52,745
Efficiency ratio (3)		**56.73%**
Efficiency ratio adjusted for PPP loans and securities gains (3)		**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
Tangible Common Equity to Tangible Assets		
Tangible assets	$	6,206,421
Less PPP loans		(301,836)
Tangible assets adjusted for PPP loans	$	5,904,585
Tangible stockholders' equity (1)	$	535,694
TCE / TA Ratio(1)		**8.63%**
TCE / TA Ratio adjusted for PPP loans(1)		**9.07%**
Allowance for Credit Losses to Loans Receivable		
Allowance for credit losses	$	86,330
Loans receivable	$	4,825,642
Less PPP loans		(301,836)
Loans receivable adjusted for PPP loans	$	4,523,806
ACL / Loans Receivable		**1.79%**
ACL / Loans Receivable adjusted for PPP loans		**1.91%**

		Three Months Ended June 30, 2020
Net Interest Margin		
Net interest income	$	44,442
Less PPP loan interest income		(1,129)
Net interest income adjusted for PPP loans	$	43,313
Average interest-earning assets	$	5,673,321
Less average PPP loans		(251,758)
Average interest-earning assets adjusted for PPP loans	$	5,421,563
NIM(2)		**3.15%**
NIM adjusted for PPP loans (2)		**3.21%**
Efficiency Ratio		
Noninterest expense	$	27,138
Less PPP deferred origination costs		3,064
Noninterest expense adjusted for PPP loans	$	30,202
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	$	49,661
Efficiency ratio (3)		**41.51%**
Efficiency ratio adjusted for PPP loans and securities gains (3)		**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.