

# Hanmi Financial Corporation



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## Western Financial Service Conference

March 2023

# Forward-Looking Statements

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

Forward-looking statements are based upon the good faith beliefs and expectations of management as of this date only and are further subject to additional risks and uncertainties, including, but not limited to, the risk factors set forth in our earnings release dated January 24, 2023, including the section titled “Forward Looking Statements and the Company’s most recent Form 10-K, 10-Q and other filings with the Securities and Exchange Commission (“SEC”). Investors are urged to review our earnings release dated January 24, 2023, including the section titled “Forward Looking Statements and the Company’s SEC filings. The Company disclaims any obligation to update or revise the forward-looking statements herein.

# Non-GAAP Financial Information

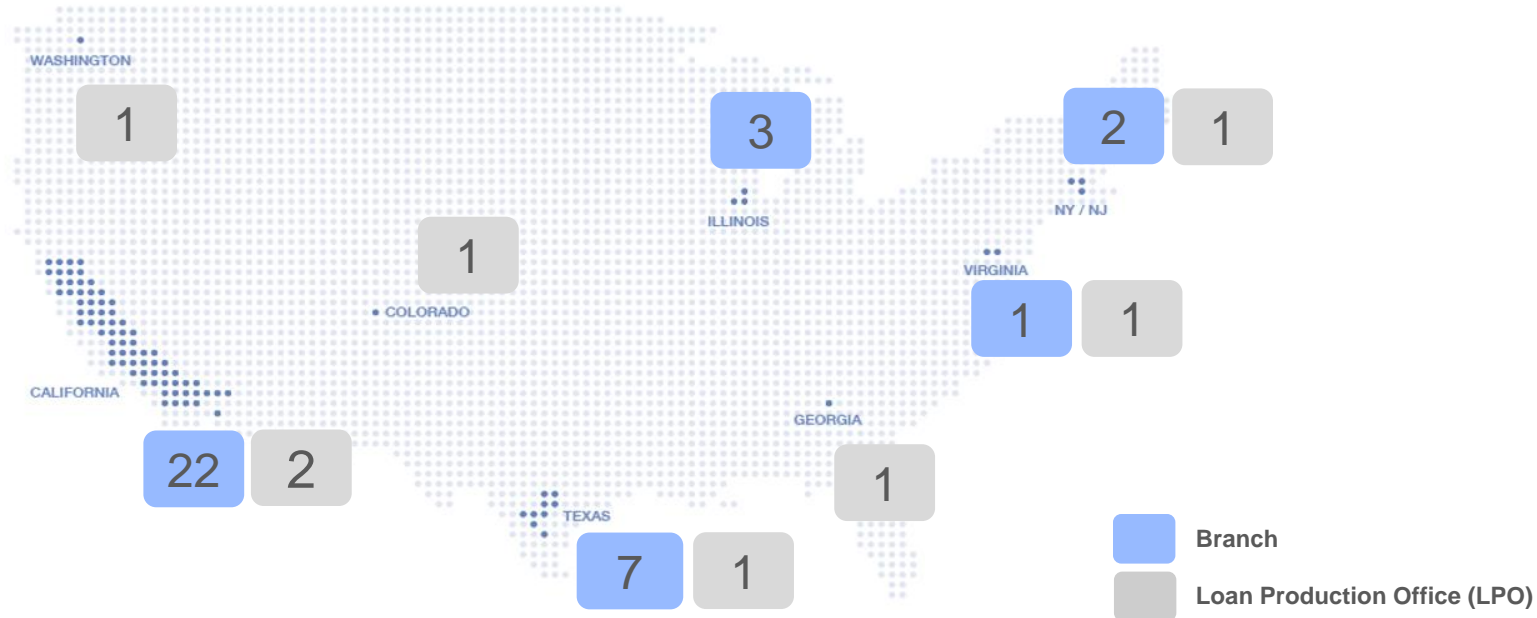
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This presentation contains financial information determined by methods other than in accordance with accounting principles generally accepted in the United States of America (“GAAP”). These non-GAAP measures include tangible common equity to tangible assets, and tangible common equity per share. Management uses these “non-GAAP” measures in its analysis of the Company’s performance. Management believes these non-GAAP financial measures allow for better comparability of period to period operating performance. Additionally, the Company believes this information is utilized by regulators and market analysts to evaluate a company’s financial condition and therefore, such information is useful to investors. These disclosures should not be viewed as a substitute for operating results determined in accordance with GAAP, nor are they necessarily comparable to non-GAAP performance measures that may be presented by other companies. A reconciliation of the non-GAAP measures used in this presentation to the most directly comparable GAAP measures is provided in the Appendix to this presentation.

“We enter 2023 with a strong balance sheet and a demonstrated ability to manage through challenging times. Importantly, asset quality remains very healthy as we have been proactive with our customers, keeping open lines of communication and we stand ready to navigate this uncertain macroeconomic environment. We remain focused on continuing to build upon our foundation for prudent growth while strengthening the Hanmi franchise, all with the view of delivering attractive returns to our shareholders.”

Bonnie Lee, President and Chief Executive Officer

# Hanmi Franchise at a Glance



## Experienced Bankers with Deep Community Ties

### Second Largest Korean-American Bank in the U.S.

- Founded in 1982 in Los Angeles, as the first Korean-American bank
- 35 full-service branches and 8 loan production offices across 9 states
- Focused on MSAs with high Asian-American and multi-ethnic populations
- Strong track record of growth
- Well capitalized, significantly above regulatory requirements

(1) Loan growth CAGR between 2013, when new executive management was appointed, and 4Q22

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

As of 4Q22  
**Total Assets**  
**\$7.4B**

**Loans**  
**\$6.0B**

**Deposits**  
**\$6.2B**

**Loan Growth<sup>(1)</sup>**  
**11.2%**

**TBVPS<sup>(2)</sup>**  
**\$20.54**

**TCE/TA<sup>(2)</sup> Ratio**  
**8.50%**

# Management Team

Name	Position	Banking Experience (Years)	Hanmi Experience (Years)	Previous Experience
Bonnie Lee	President & CEO	37	10	BBCN Bancorp, Shinhan Bank America, Nara Bank
Romolo Santarosa	SEVP, Chief Financial Officer	32	8	Opus Bank, First California Financial Group
Anthony Kim	EVP, Chief Banking Officer	29	10	BBCN Bancorp
Matthew Fuhr	EVP, Chief Credit Administration Officer	27	8	Pacific Western Bank, FDIC
Mike Park	EVP, Chief Credit Risk Officer	35	9	East West Bank
Anna Chung	EVP, Chief SBA Lending Officer	40	9	East West Bank, Nara Bank, Wilshire Bank, First American Bank
Navneeth Naidu	EVP, Chief Technology Officer	21	5	Columbia Bank, American Marine Bank, First Capital Bank of Texas
Michael Du	SVP, Chief Risk Officer	24	4	Pacific Western Bank, Unify Financial Federal Credit Union



# The Hanmi Story



“For 40 years, we have been dedicated to **helping our stakeholders bank on their dreams.** Our close customer **partnerships**, along with our **deep community ties**, have enabled Hanmi to **grow and flourish** and position us exceptionally well for the next 40 years.”



<b>1982</b> First Korean American Bank in the U.S.	<b>1988</b> Began offering SBA loans; Acquired First Global Bank	<b>2001</b> Listed HAFC common stock	<b>2004</b> Acquired Pacific Union Bank (\$1.2B in assets)
<b>2007</b> Completed \$70 million secondary common stock offering	<b>2013</b> C.G. Kum appointed as the new CEO; Bonnie Lee appointed as the new COO	<b>2014</b> Acquired Central Bancorp, Inc. (\$1.3B in assets acquired)	<b>2016</b> Acquired Commercial Equipment Leasing Division (\$228M in assets)
<b>2017</b> Assets surpassed \$5 billion; Opened a Manhattan, NY branch	<b>2018</b> Opened Chinatown branch in Houston, Texas	<b>2019</b> Bonnie Lee appointed as the new CEO	<b>2020</b> Embarked on mortgage & digital banking initiatives

# Why Hanmi?

- Strong average deposit growth reflecting a 11% CAGR since 2013
- Average noninterest-bearing deposit at \$2.7 billion, represents 45% of average deposits as of December 31, 2022 year-to-date, and reflects a 15% CAGR since 2013
- Business deposits represent 52% of total deposits as of December 31, 2022

## Premier Deposit Franchise

## Diversified Loan Portfolio and Disciplined Credit Administration

- Strong average loan growth reflecting an 11% CAGR since 2013
- Significant progress reducing CRE concentration from 85% of the total portfolio, as of December 31, 2013 to 64%, as of December 31, 2022, through portfolio diversification that includes equipment finance, RRE, and multi-family
- Allowance for credit losses to loans was 1.20% at December 31, 2022 and nonperforming assets were 0.14% of total assets

- Cash dividend of \$0.25 per share, demonstrating management's confidence in the Company's performance
- Tangible common equity to tangible assets<sup>(1)</sup> was 8.50% at the end of the fourth quarter. Common equity tier 1 capital ratio was 11.37% and total capital ratio was 14.49%
- Bank remains well-capitalized and Company exceeds minimum capital requirements as of December 31, 2022

## Prudent Capital Management

## Strong Culture and Commitment to ESG<sup>(2)</sup>

- 89% ethnically diverse workforce and 67% female workforce<sup>(2)</sup>
- 354 Hanmi Bank Dream Scholarships awarded to support at-risk youth program<sup>(2)</sup>
- \$7.5 million long-term commitment to a Community Reinvestment Act fund<sup>(2)</sup>

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

(2) Based on the 2022 Hanmi ESG Report (published on April 2022)



# 4Q22 Highlights

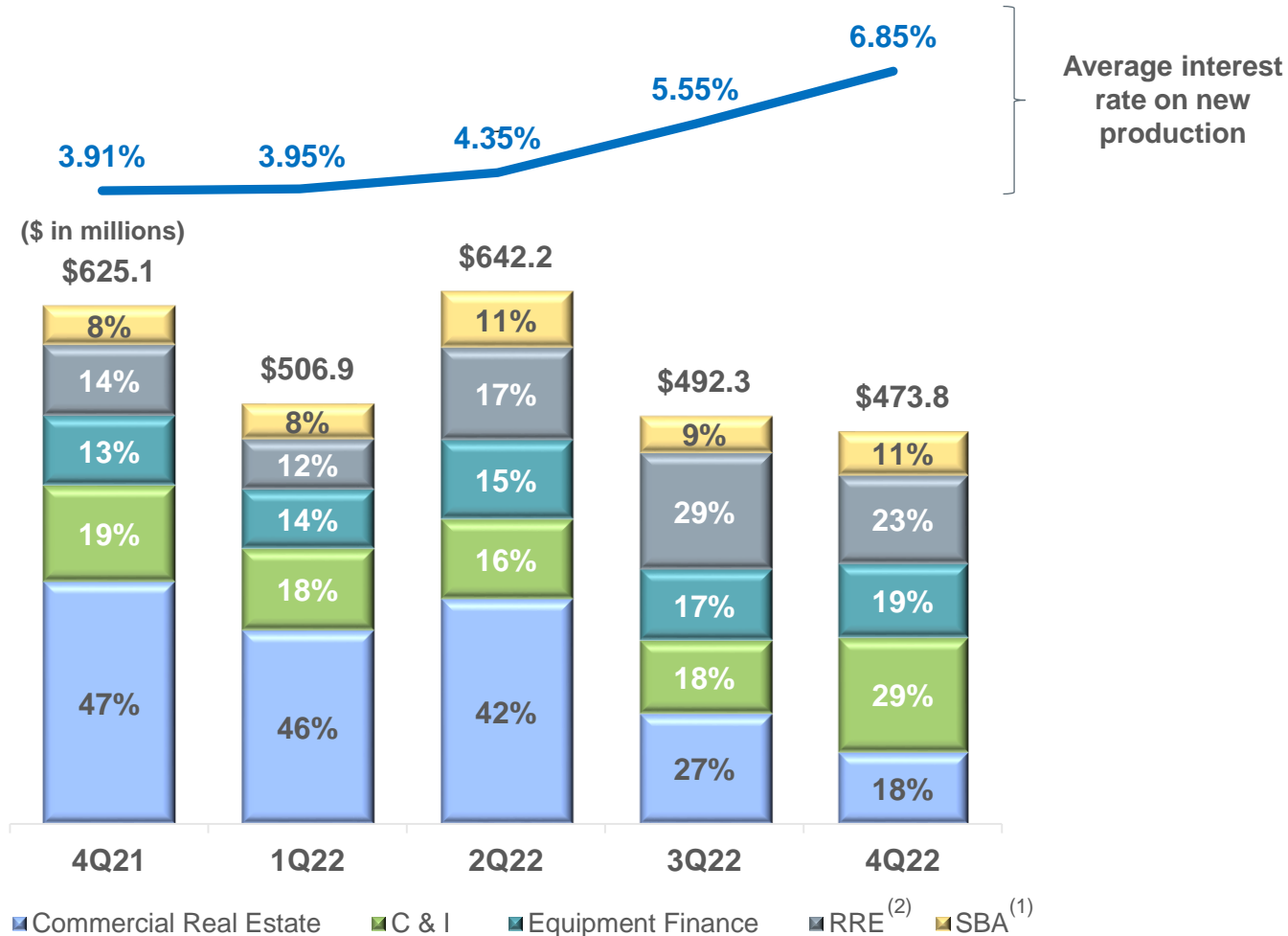
Net Income	Diluted EPS	ROAA	ROAE	NIM	Efficiency Ratio	TBVPS <sup>(1)</sup>
<u>\$28.5M</u>	<u>\$0.93</u>	<u>1.56%</u>	<u>15.90%</u>	<u>3.67%</u>	<u>46.99%</u>	<u>\$20.54</u>

- **Net income** was \$28.5 million, or \$0.93 per diluted share, up 4.8% from \$27.2 million, or \$0.89 per diluted share, for the prior quarter and down 14.6% from \$33.3 million, or \$1.09 per diluted share, for the fourth quarter in 2021
  - **Net interest income** was \$64.6 million, up 2.3% from the prior quarter
  - **Noninterest income** decreased by 16.3% from the prior quarter to \$7.5 million primarily due to lower SBA gain on sale income
  - **Noninterest expense** was \$33.8 million, up 1.7% from the prior quarter
  - **Efficiency ratio** was 46.99%, compared with 46.22% for the prior quarter
- **Loans receivable** increased by 2.9% from the prior quarter to \$5.97 billion
  - **Loan production** was \$473.8 million with an average rate of 6.85%
- **Deposits** decreased by 0.5% from the prior quarter to \$6.17 billion with noninterest-bearing demand deposits representing 41.2% of total deposits
  - **Cost of interest-bearing deposits** increased 92 basis points from the prior quarter to 1.70%
- **Credit loss expense** was \$0.1 million; allowance for credit losses to loans was 1.20% at December 31, 2022
- **Tangible common equity to tangible assets<sup>(1)</sup>** was 8.50%, Common equity tier 1 capital ratio was 11.37% and total capital ratio was 14.49%

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

# Loan Production

Loan production, reflecting higher interest rates, of \$473.8 million for 4Q22.



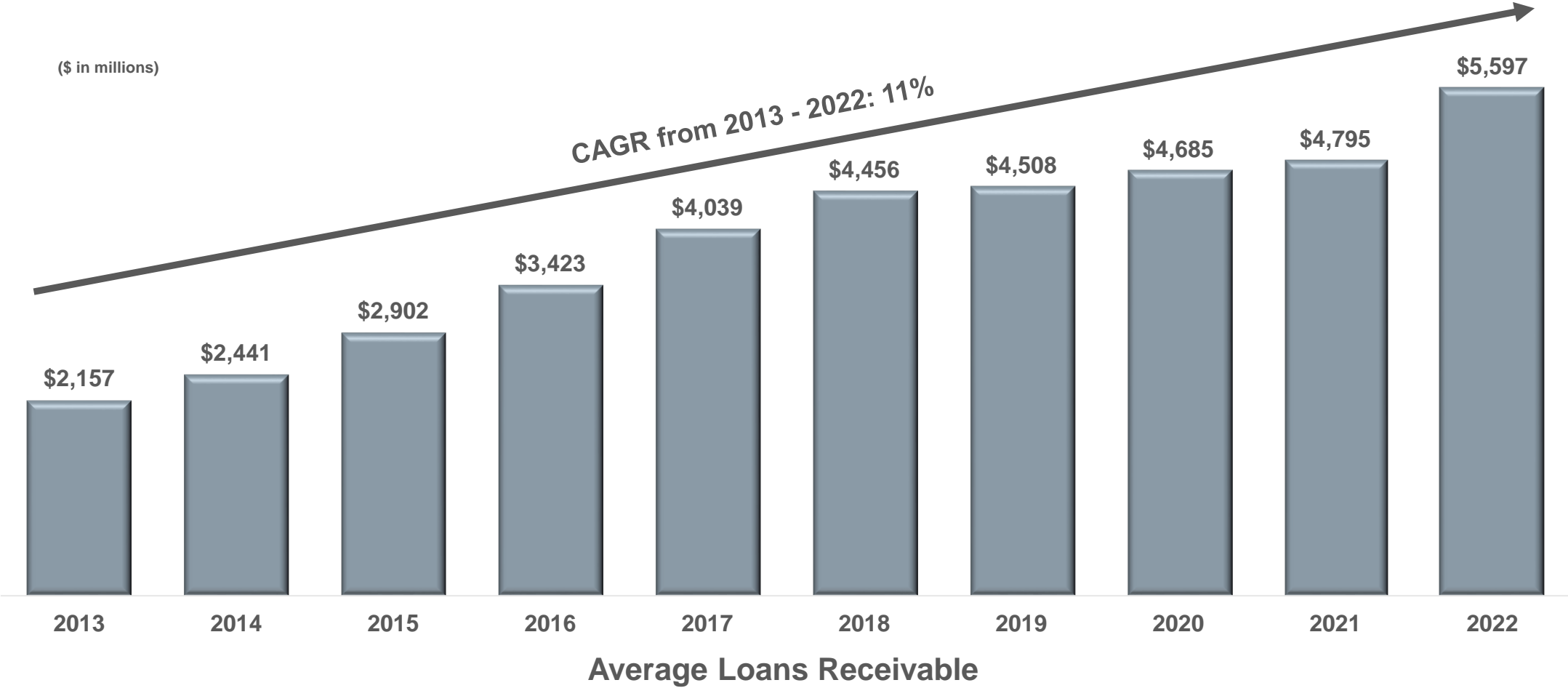
- Average interest rate on new production up 130 basis points sequentially.
- Residential mortgage<sup>(2)</sup> loan production was \$107.0 million and commercial real estate loan production was \$86.5 million for the fourth quarter.
- Commercial and industrial loan production was \$137.9 million and equipment finance production was \$89.2 million for the fourth quarter.
- SBA<sup>(1)</sup> loan production was \$53.2 million for the fourth quarter.

(1) \$47.4M, \$42.6M, \$67.9M, \$44.9M, and \$53.2M of SBA loan production includes \$21.7M, \$26.9M, \$47.3M, \$27.1M, and \$36.7M of loans secured by CRE and the remainder representing C&I for 4Q21, 1Q22, 2Q22, 3Q22, and 4Q22, respectively

(2) Residential mortgage includes \$1.2M, \$1.1M, \$0.3M, \$0, and \$0.1M of consumer loans for 4Q21, 1Q22, 2Q22, 3Q22, and 4Q22, respectively

# Average Loan Trend

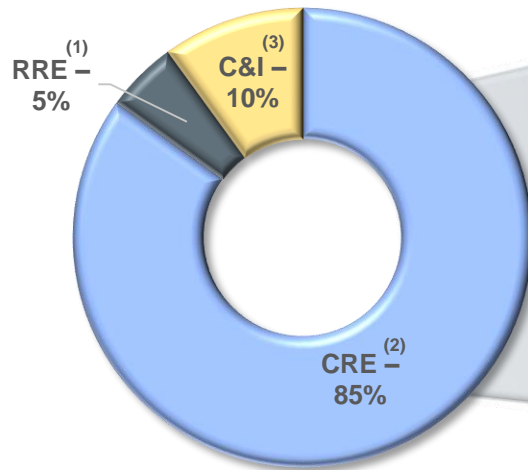
Strong average loan growth reflecting an 11% CAGR since 2013.



# Successful Portfolio Diversification Strategy

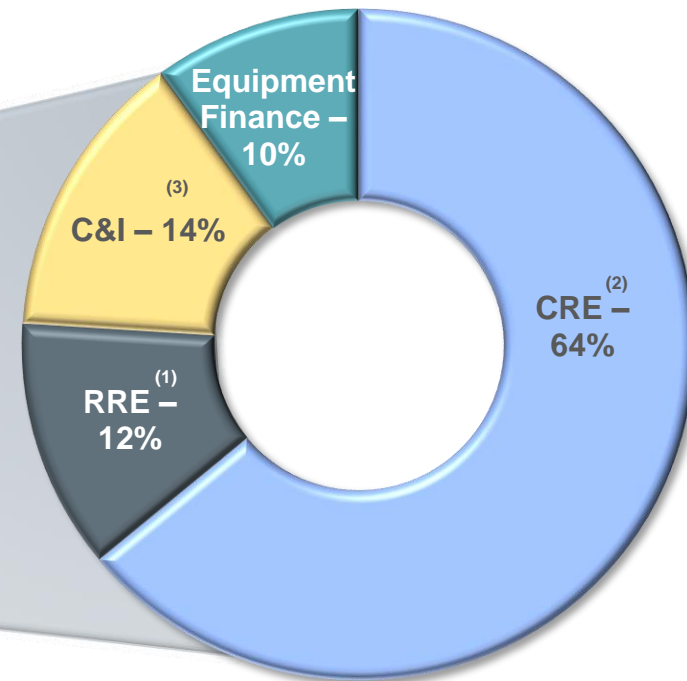
Significant progress reducing CRE concentration from 85% of total portfolio to 64%.

**Loan Composition  
12/31/2013**



**\$2.23 Billion**

**Loan Composition  
12/31/2022**



**\$5.97 Billion**

(1) RRE includes Consumer loans

(2) \$144.5M or 7.6% and \$108.1M or 2.8% of the CRE portfolio is unguaranteed SBA loans for December 2013 and September 2022, respectively

(3) \$7.0M or 3.1% and \$47.7M or 5.9% of the C&I portfolio is unguaranteed SBA loans for December 2013 and December 2022, respectively

## \$5.97 Billion Loan Portfolio (as of 12/31/22)

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

Outstanding (\$ in millions)	\$3,833
Median Balance (\$ in millions)	\$0.71
4Q22 Average Yield	5.00%

### RRE<sup>(2)</sup> Portfolio

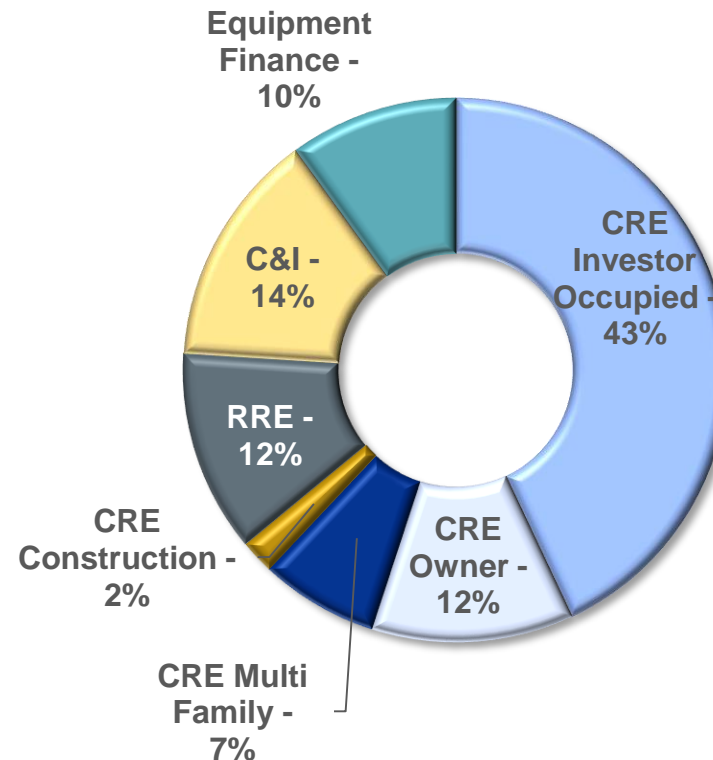
Outstanding (\$ in millions)	\$734
Median Balance (\$ in millions)	\$0.44
4Q22 Average Yield	4.19%

### Commercial & Industrial Portfolio

Outstanding (\$ in millions)	\$805
Median Balance (\$ in millions)	\$0.06
4Q22 Average Yield	7.30%

### Equipment Finance Portfolio

Outstanding (\$ in millions)	\$595
Median Balance (\$ in millions)	\$0.04
4Q22 Average Yield	5.17%



Note: Numbers may not add due to rounding

(1) Commercial Real Estate (CRE) is a combination of Investor Occupied, Construction, Multi Family, and Owner Occupied

(2) RRE includes \$2.4 million of HELOCs and \$4.6 million in consumer loans

(3) Original LTV and weighted average DCR, when the loan was first underwritten

### CRE Investor (Non-owner) Occupied

# of Loans	943
Median Balance (\$ in millions)	\$1.09
Weighted Average Loan-to-Value Ratio <sup>(3)</sup>	51.0%
Weighted Average Debt Coverage Ratio	2.07x

### CRE Owner Occupied

# of Loans	788
Median Balance (\$ in millions)	\$0.29
Weighted Average Loan-to-Value Ratio <sup>(3)</sup>	48.2%
Weighted Average Debt Coverage Ratio	2.68x

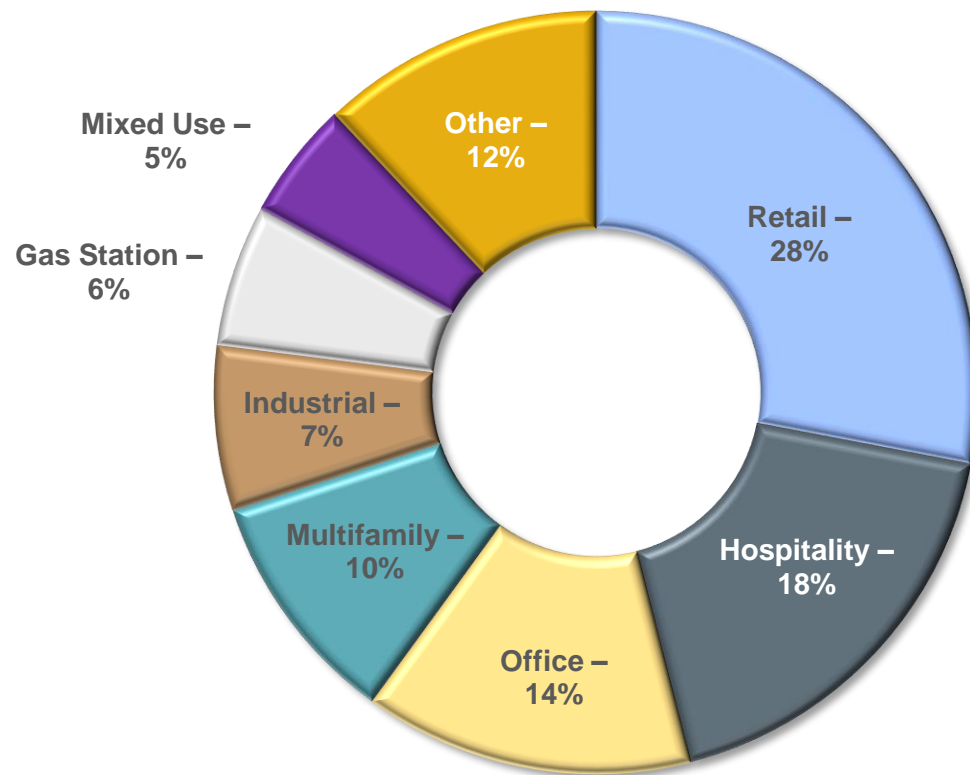
### CRE Multifamily

# of Loans	157
Median Balance (\$ in millions)	\$0.98
Weighted Average Loan-to-Value Ratio <sup>(3)</sup>	57.1%
Weighted Average Debt Coverage Ratio	1.67x

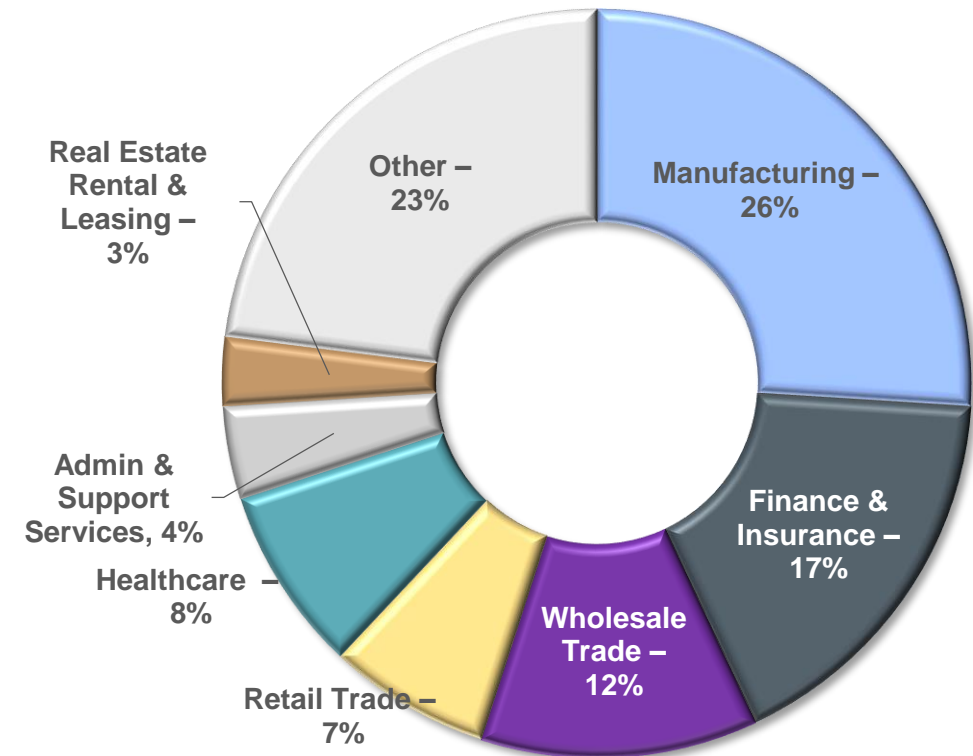
# Loan Portfolio Diversification

Loan portfolio is well diversified across collateral types and industry types; CRE represents 64% of the total portfolio and C&I represents 14%.

**CRE Portfolio<sup>(1)</sup>**  
**\$3.83B**



**C&I Portfolio<sup>(2)</sup>**  
**\$804M**



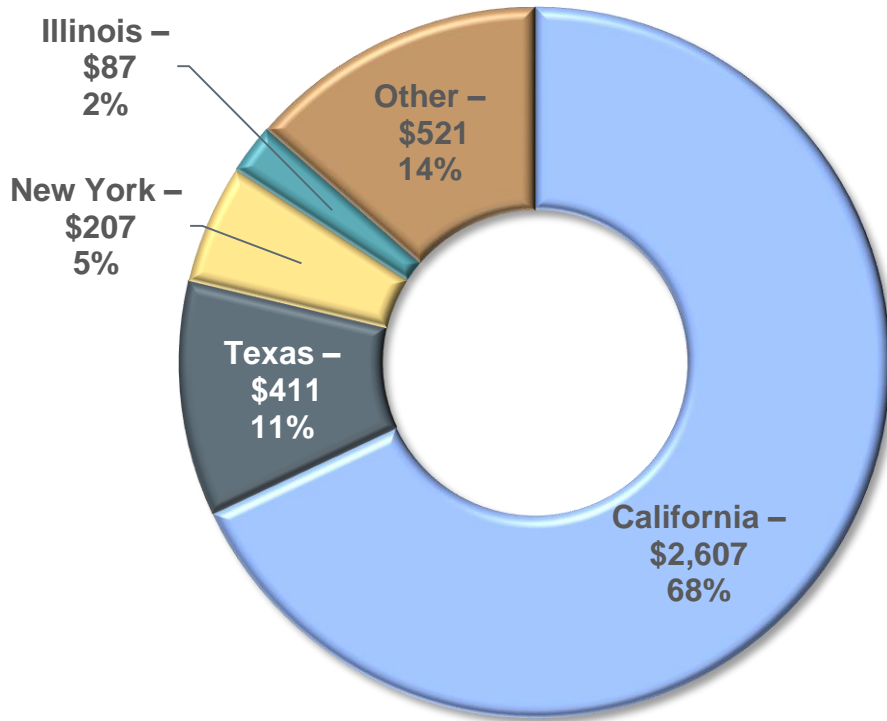
(1) \$108.1M or 2.8% of the CRE portfolio is unguaranteed SBA loans  
(2) \$47.7M or 5.9% of the C&I portfolio is unguaranteed SBA loans



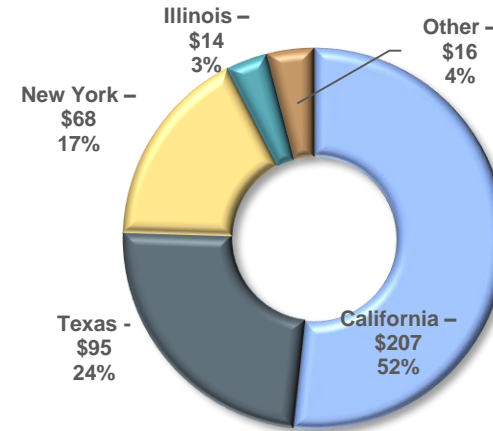
# CRE Portfolio Geographical Exposure

(\$ in millions)

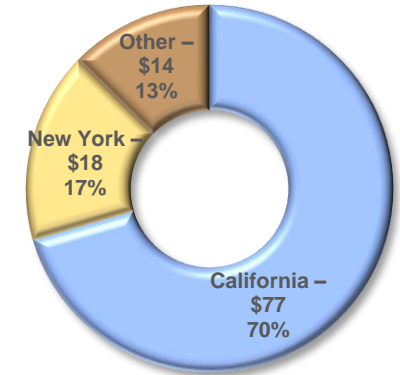
## CRE Composition by State \$3,833



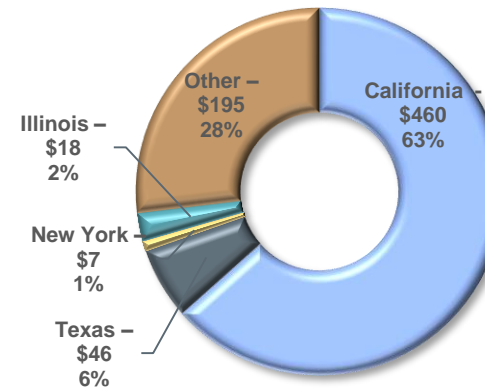
## Multifamily by State \$400



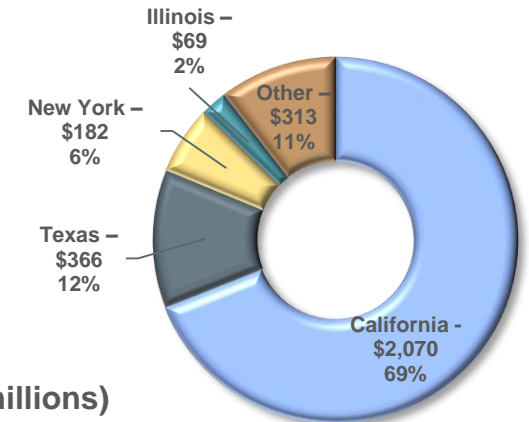
## Construction by State \$109



## Owner Occupied by State \$725



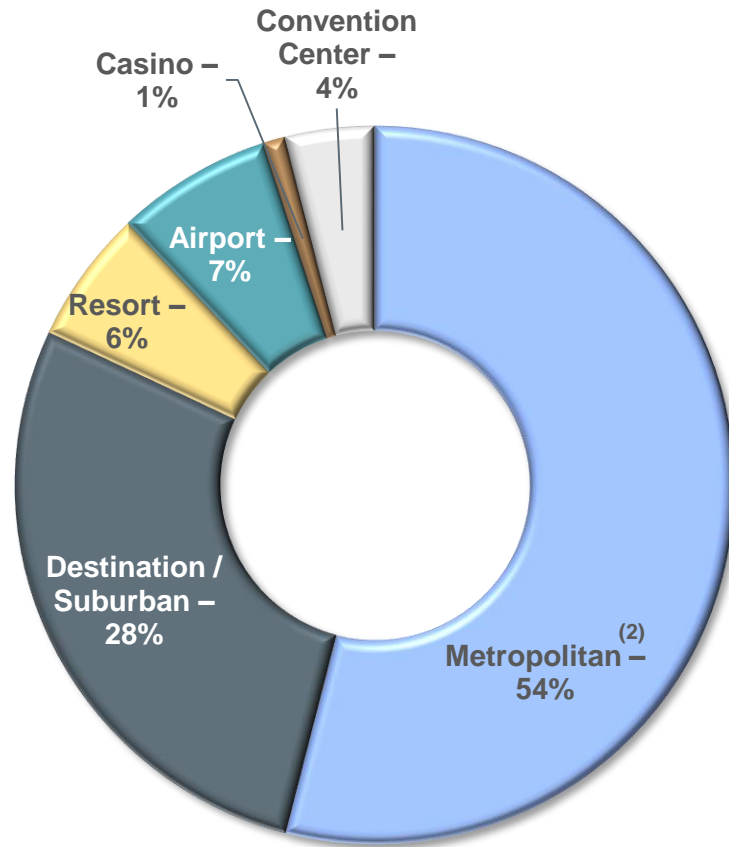
## Investor Occupied by State \$2,999



(\$ in millions)

# Hospitality Segment by Location Type

Hospitality segment<sup>(1)</sup> declined by 29% since 1Q20 to \$667.4 million at 4Q22, representing 11% of the loan portfolio.



- Weighted average debt coverage ratio of the segment was 2.4x at origination
- Weighted average loan to value of the segment was 50.3% at origination
- \$19.3 million of the hospitality portfolio was criticized as of December 31, 2022, of which \$8.9 million stems from the metropolitan<sup>(2)</sup> location category and \$8.4 million from the convention center
- One nonaccrual hospitality loan for \$82 thousand in the Texas metropolitan<sup>(2)</sup> location
- Median balance within the hospitality portfolio (excluding construction) was \$903 thousand

**Total Hospitality Segment: \$667.4M**

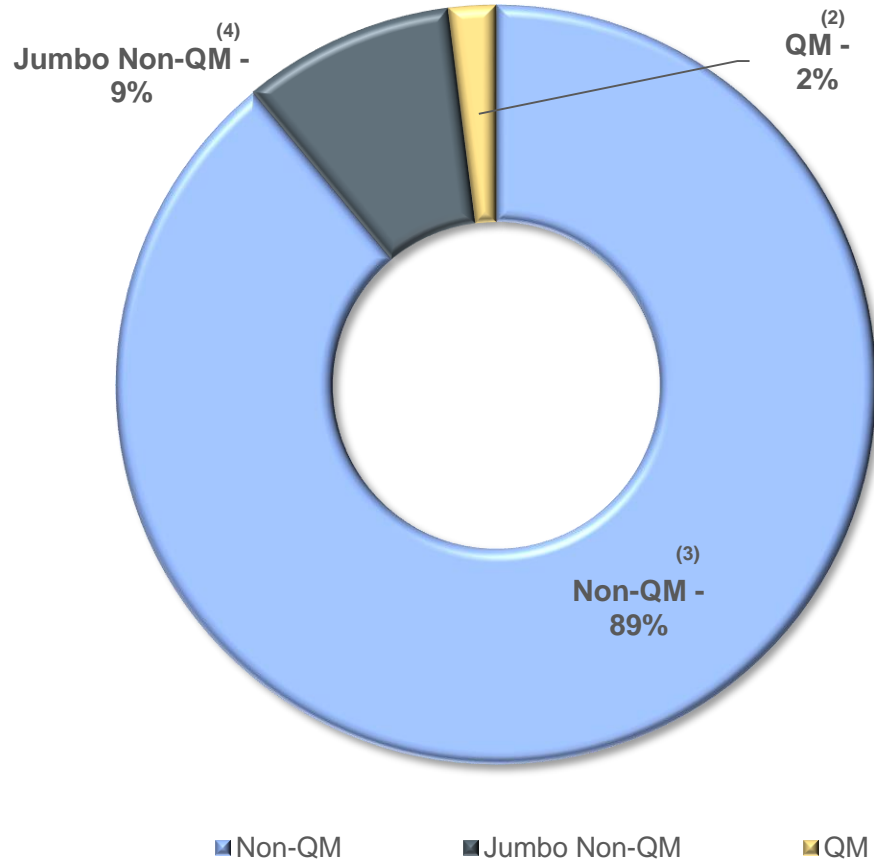
(1) Segment represents exposure in CRE and excludes \$27.2 million in construction

(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

# Residential Real Estate Portfolio

The RRE<sup>(1)</sup> portfolio was \$734.5 million at December 31, 2022, representing 12% of the total loan portfolio.

Our conservative underwriting policy focuses on high-quality mortgage originations with maximum LTV between 60% and 70%, maximum DTI of 43% and minimum FICO scores of 680.



- 33% of the Residential Real Estate portfolio is fixed and 67% is variable. Of the variable mortgage portfolio, 86% is expected to reset after 12 months and 14% within the next 12 months
- Total delinquencies are 0.15%, with 0.4% within 30-59 days and 0.11% in 60-89 days delinquency categories

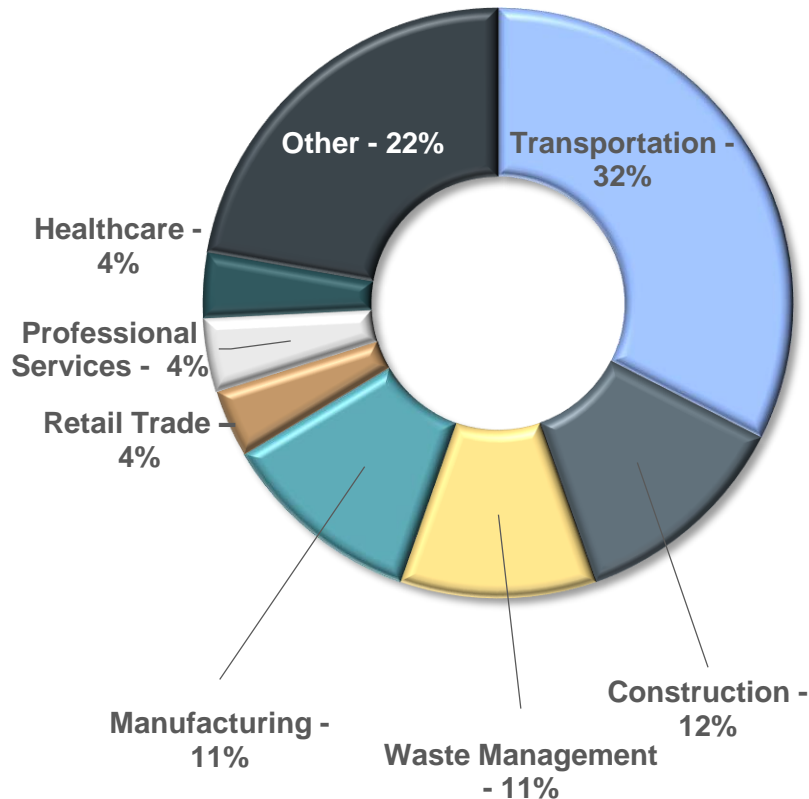
- (1) RRE includes \$2.4 million of HELOCs and \$4.6 million in consumer loans  
(2) QM loans conform to the Ability-to-Repay (ATR) rules/requirements of CFPB  
(3) Non-QM loans do not conform to the CFPB Dodd-Frank Act  
(4) Jumbo Non-QM loan amounts exceed FHFA limits, but generally conform to the ATR/QM rules

# Equipment Finance Portfolio

**A \$594.8 million equipment finance portfolio, with a median size of \$35 thousand, is diversified by industry, equipment type and geography.**

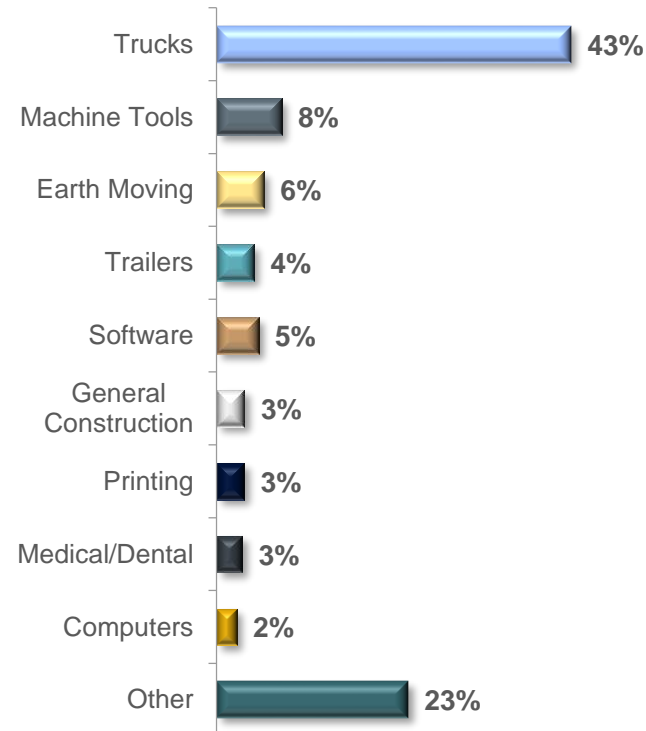
## Portfolio by Industry

(As a % of total portfolio)



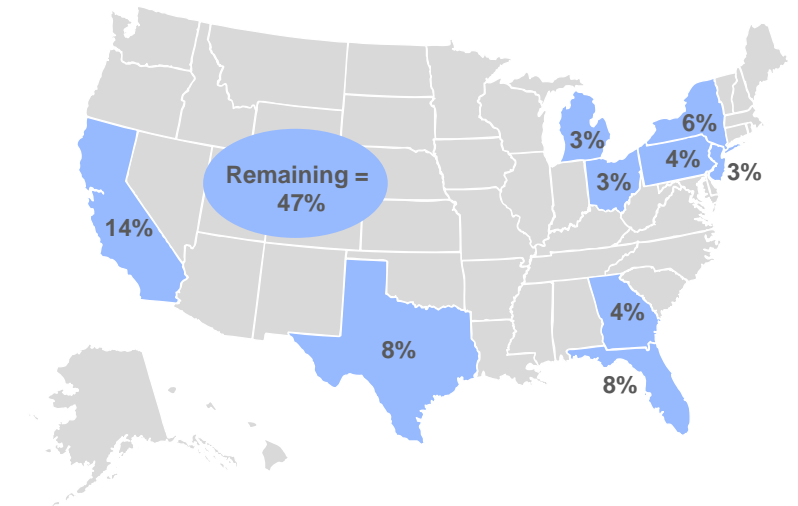
## Portfolio by Equipment

(As a % of total portfolio)



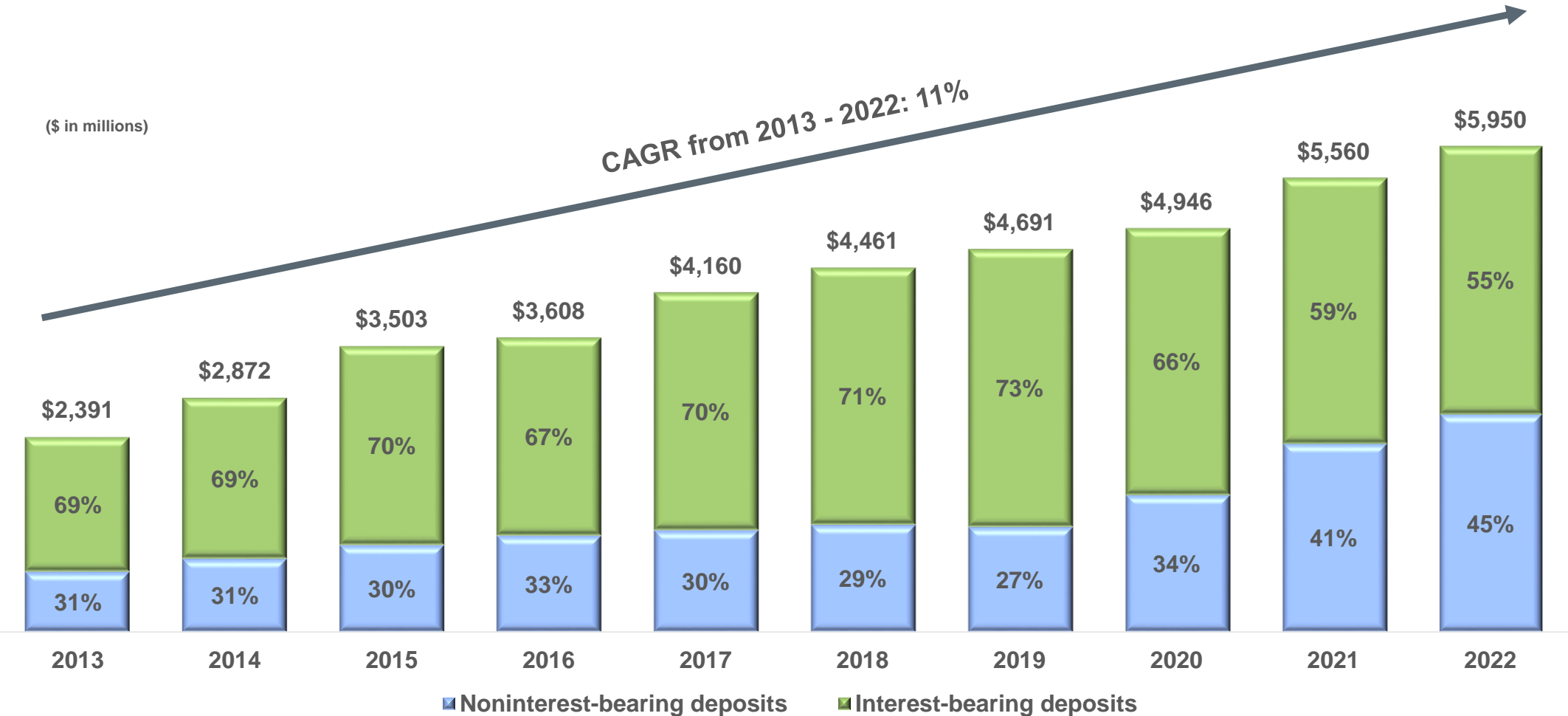
## Portfolio by State

(As a % of total portfolio)



# Average Deposit Trend

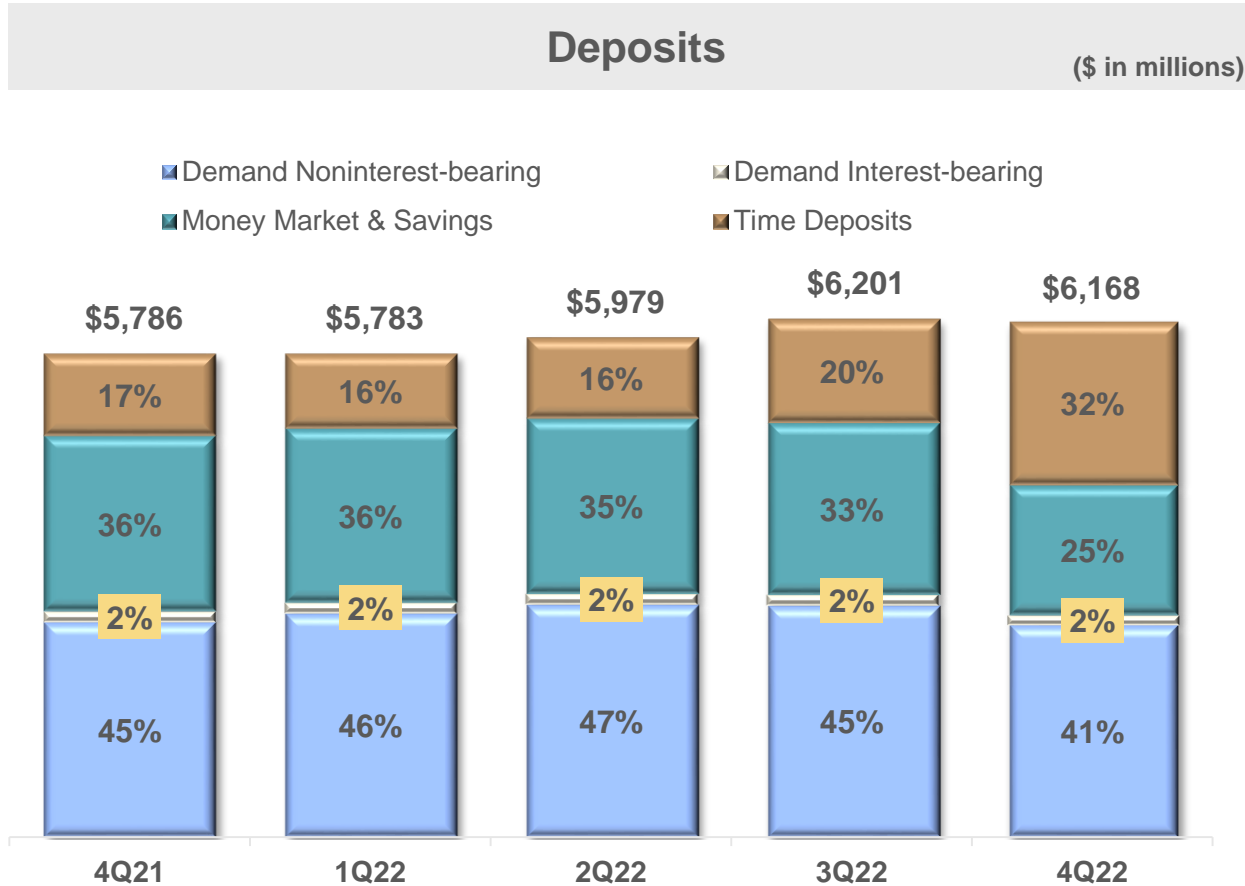
Strong deposit growth reflecting a 11% CAGR since 2013. Average noninterest-bearing deposits have grown by 15% CAGR since 2013, and now represents 45% of total deposits.



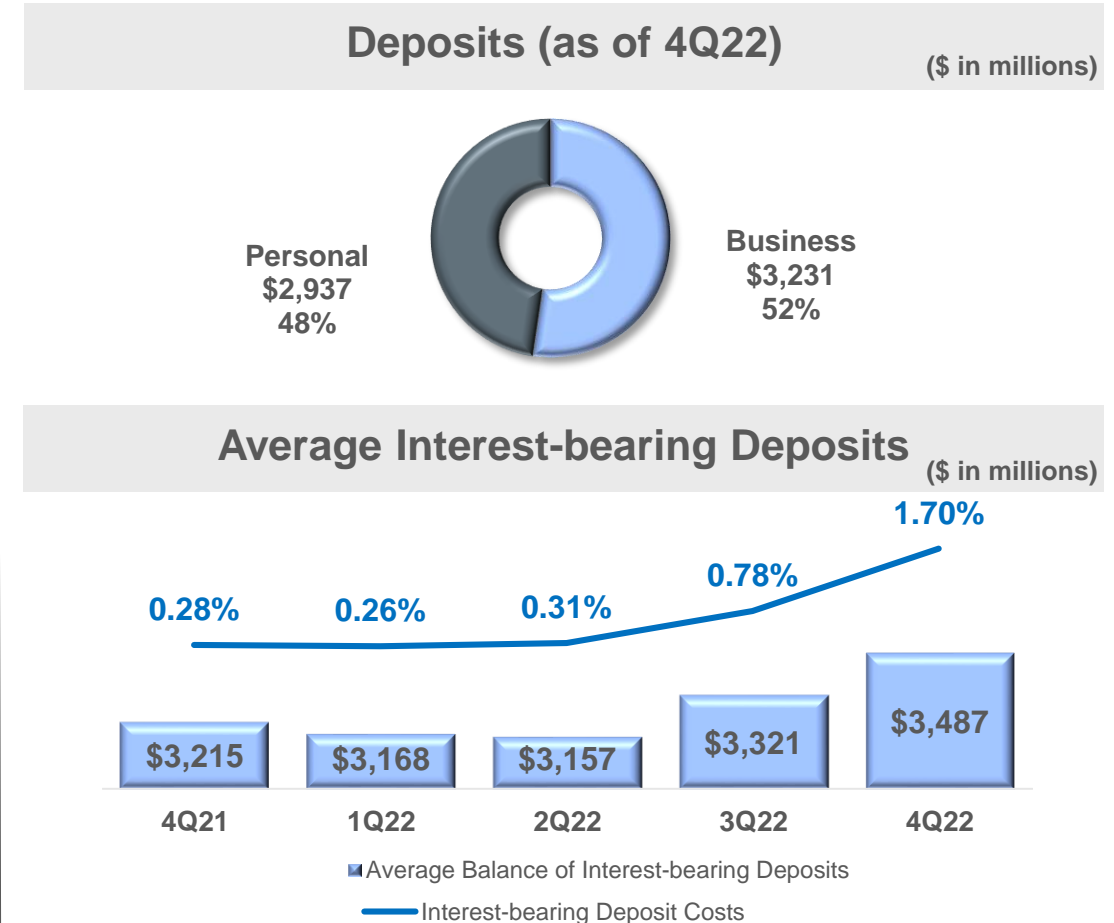
# Deposit Base

Deposits decreased to \$6.17 billion, down 1% from the prior quarter and up 7% from the same quarter last year.

- Noninterest-bearing demand deposits represented 41% of total deposits at December 31, 2022



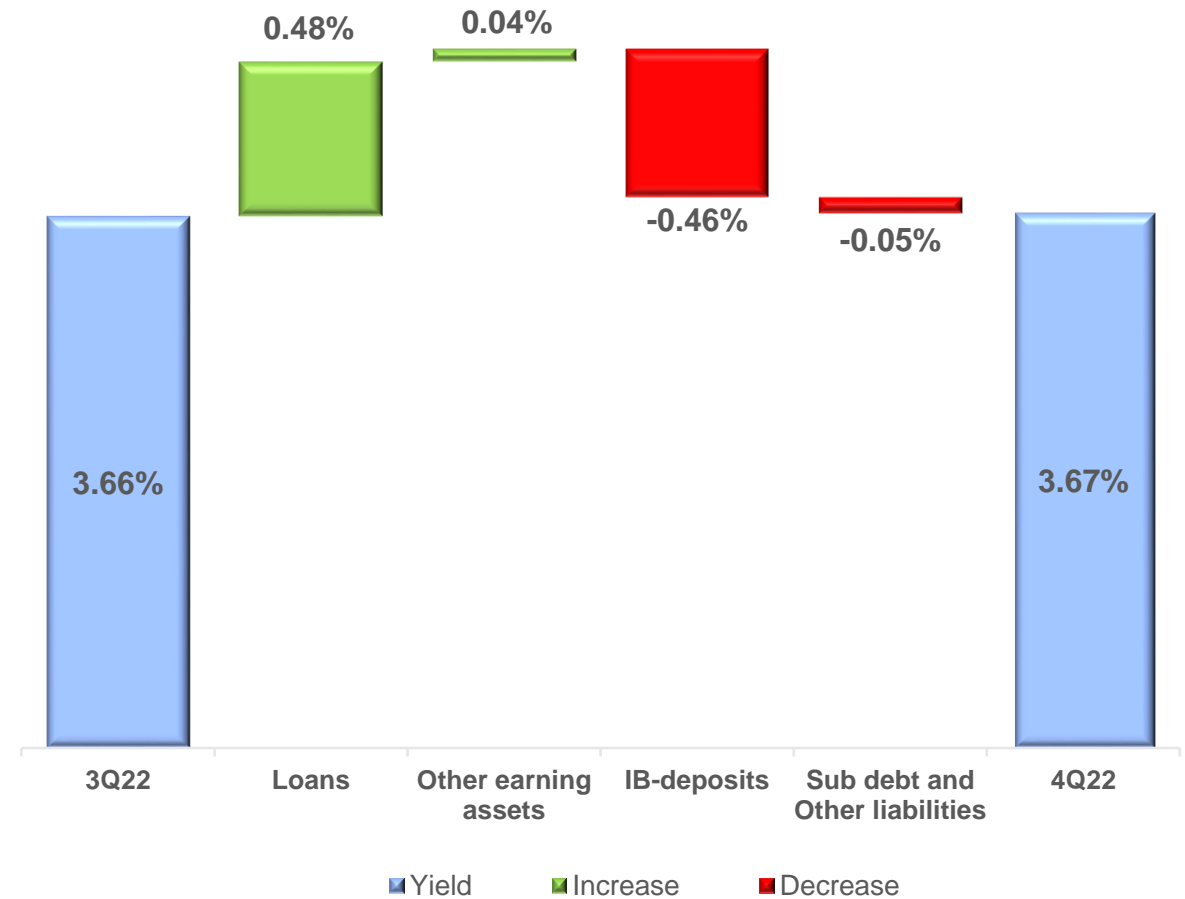
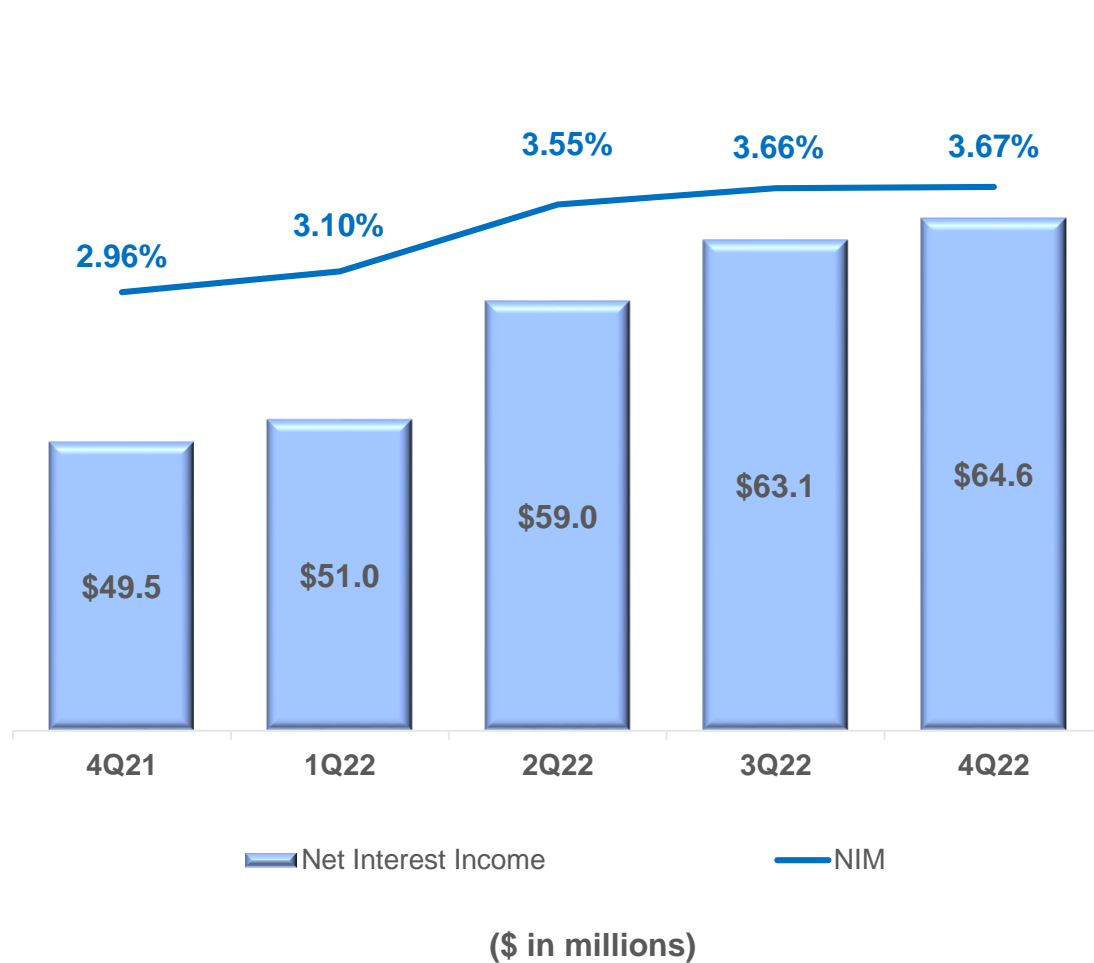
Note: Numbers may not add due to rounding





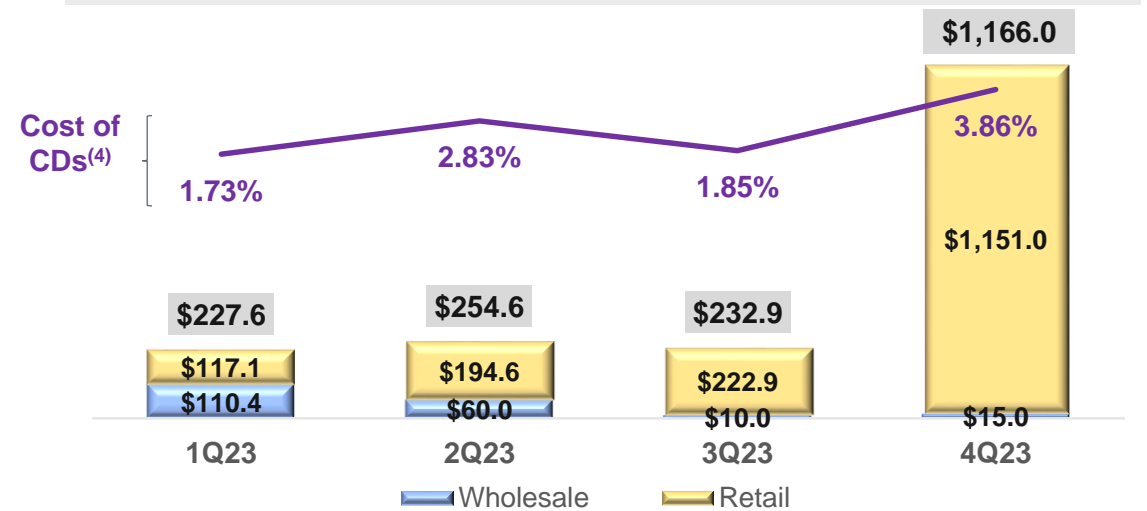
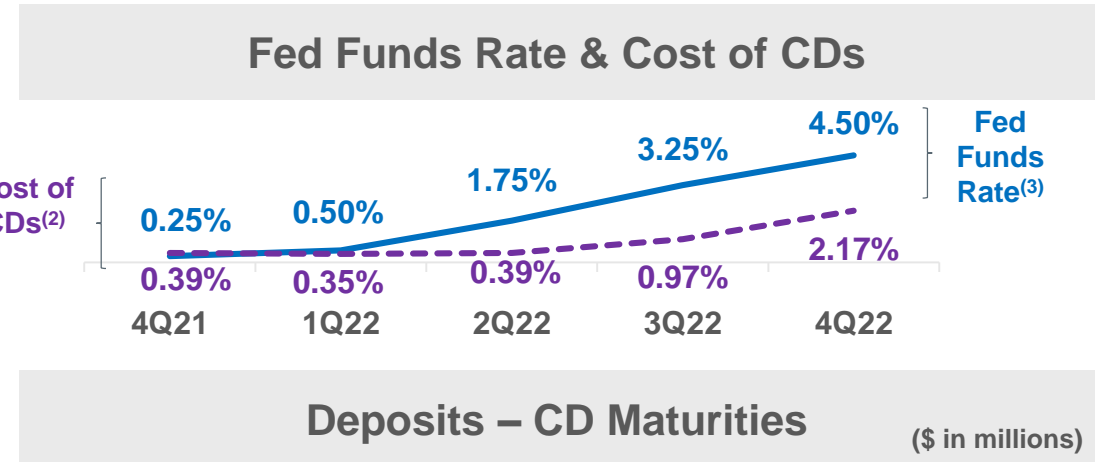
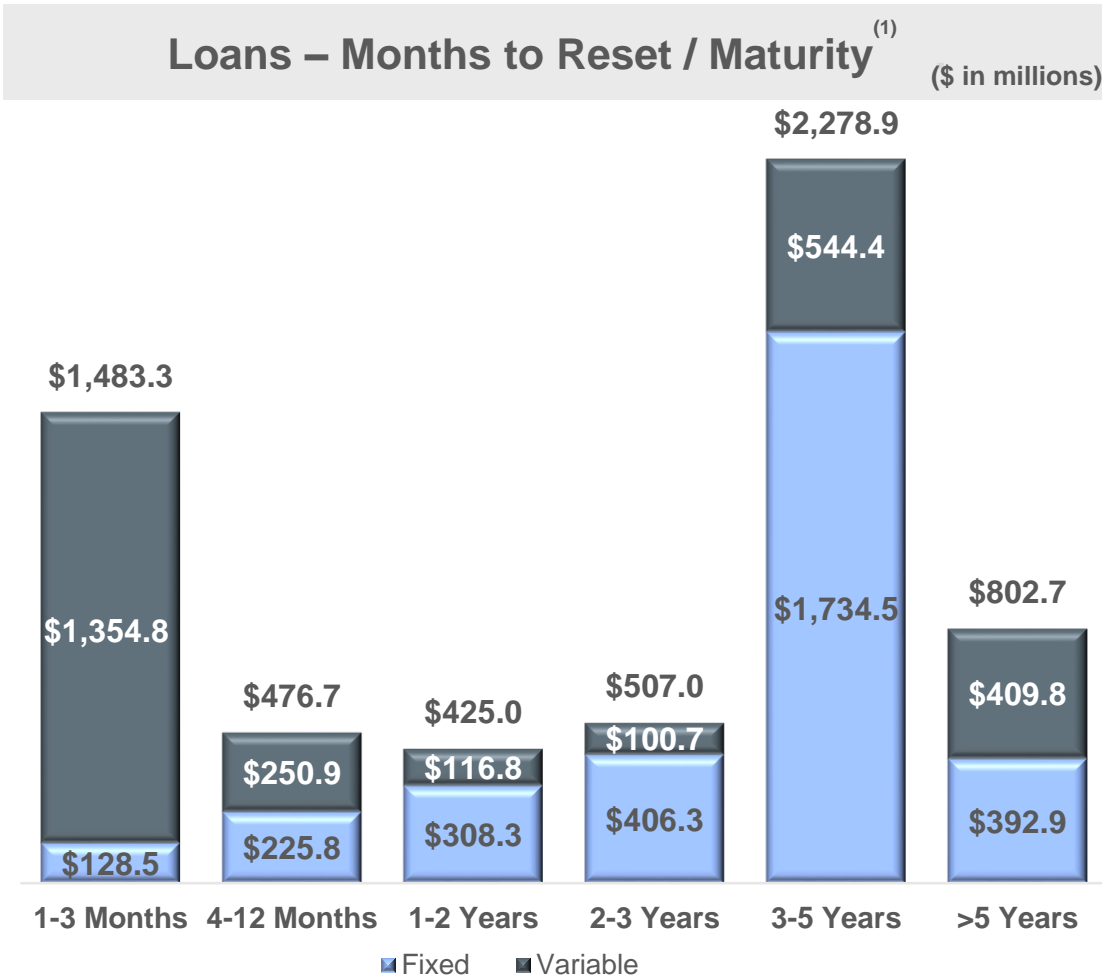
# Net Interest Income | Net Interest Margin

Net interest income was \$64.6 million for the fourth quarter compared with \$63.1 million for the prior quarter; net interest margin for the quarter was 3.67% compared with 3.66% for the prior quarter.



# Net Interest Income Sensitivity

25% of the loan portfolio reprices within 1-3 months.



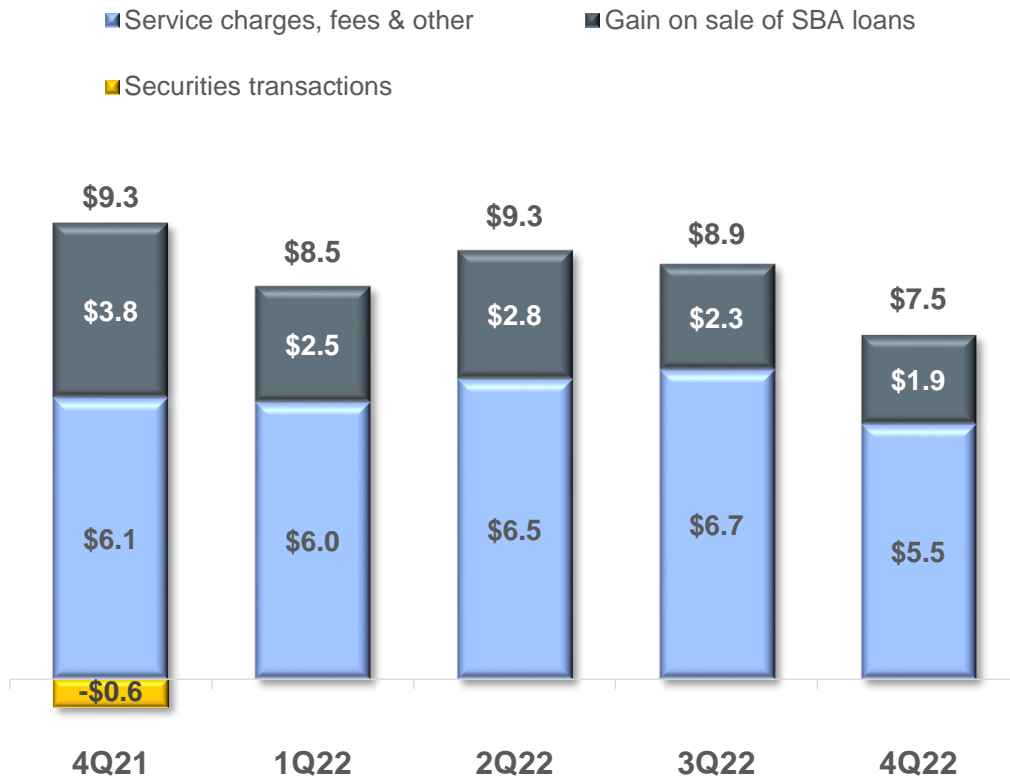
- (1) Includes loans held for sale; numbers may not add due to rounding
- (2) Cost of CDs for December 2022 was 2.68%
- (3) Fed funds rate represent the rate at the end of quarter
- (4) Represent weighted average contractual rates

# Noninterest Income

Noninterest income was \$7.5 million for the fourth quarter compared with \$8.9 million for the prior quarter largely due to lower SBA gain on sale income due to lower trade premiums and lower service charge and other fee income and a valuation adjustment to bank-owned life insurance.

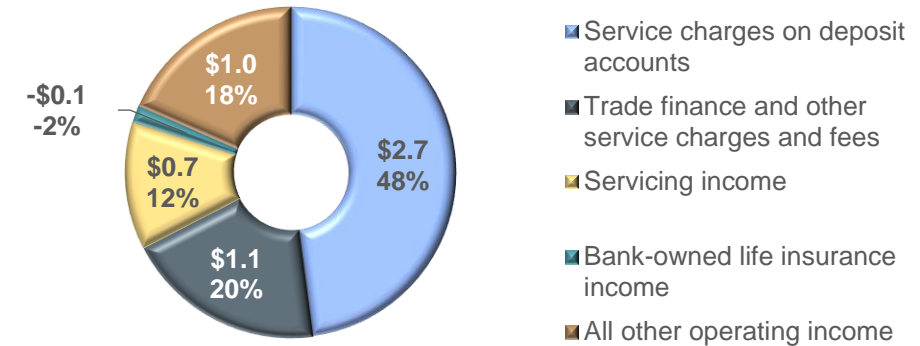
## Noninterest Income

(\$ in millions)



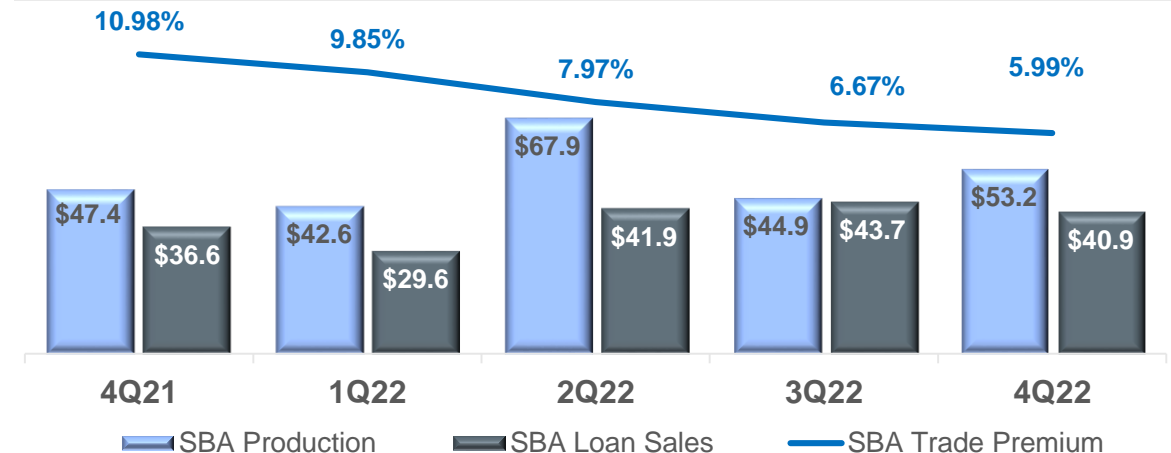
## 4Q22 Service Charges and Fees

(\$ in millions)



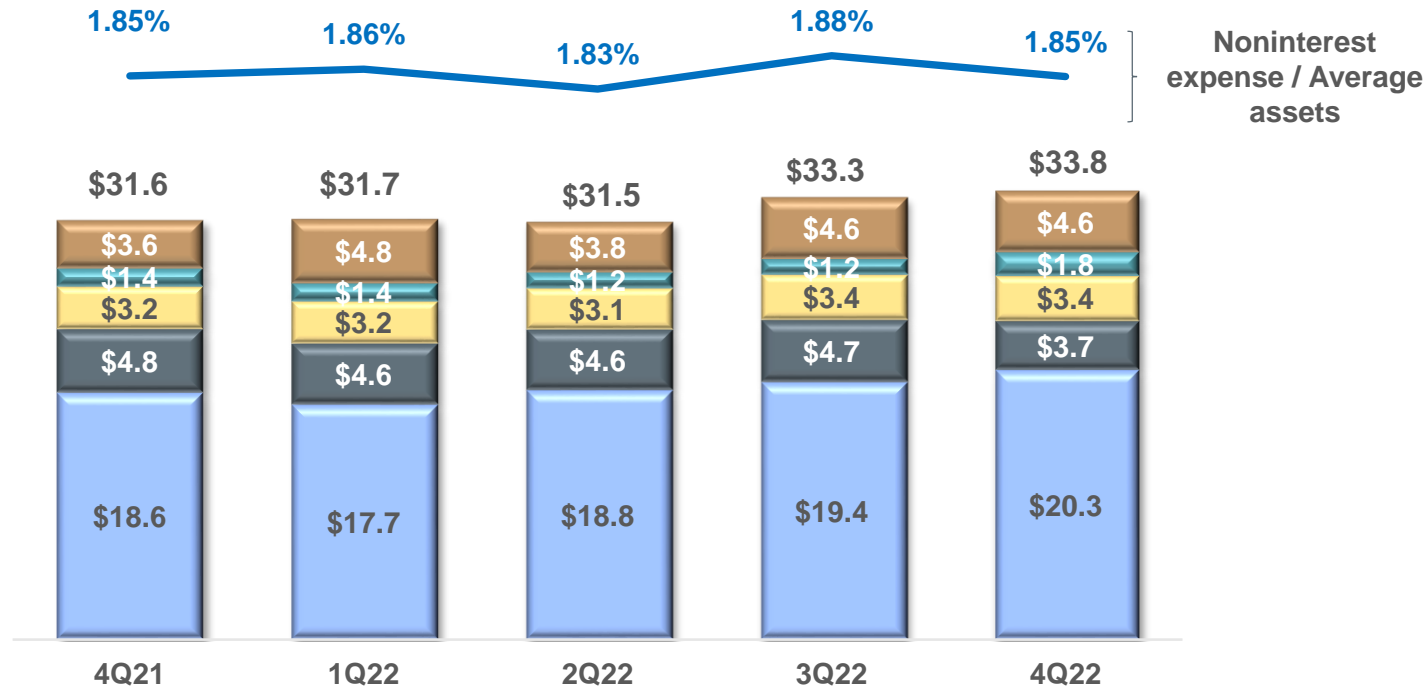
## SBA 7(a) Loan Production and Sales

(\$ in millions)



# Noninterest Expense

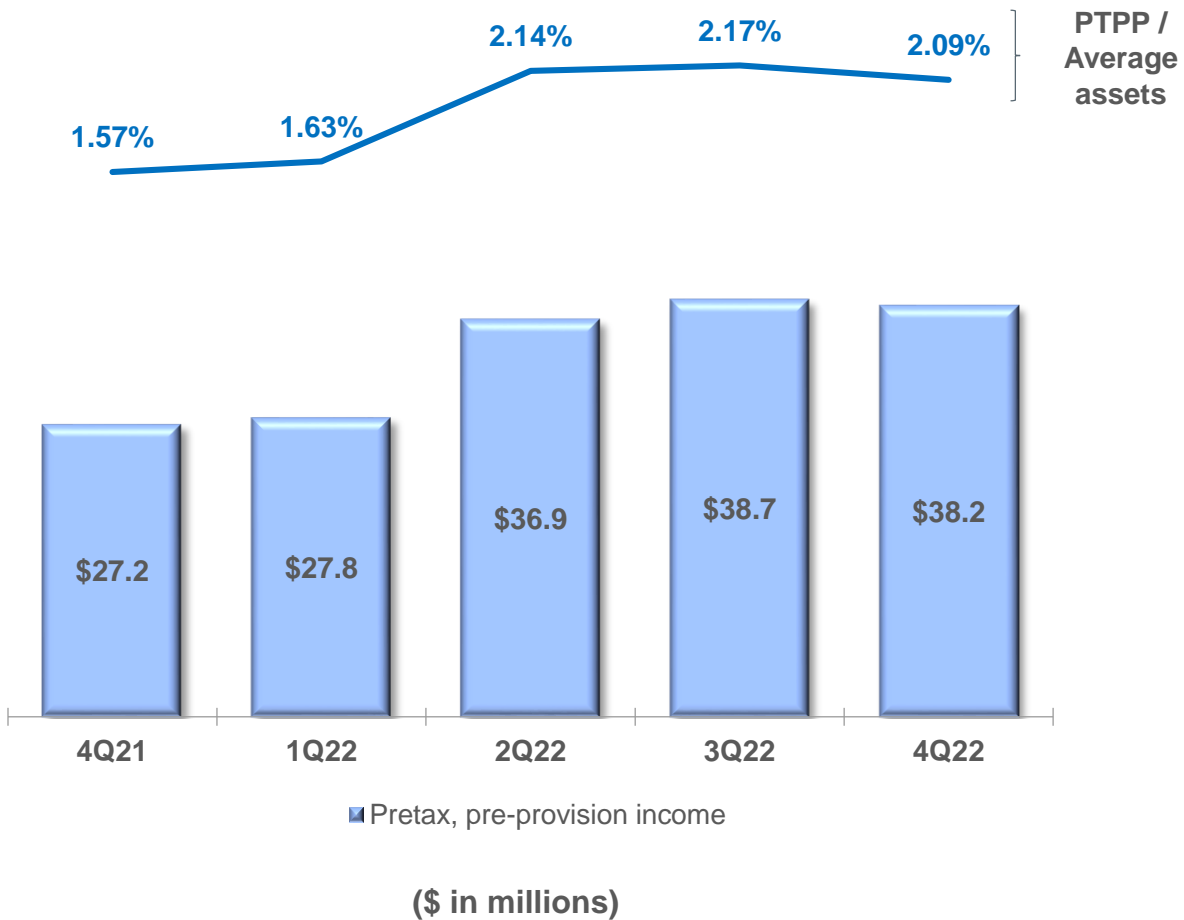
Continued focus on disciplined expense management.



- Noninterest expense was \$33.8 million in the fourth quarter, up 1.7% from the prior quarter
- The efficiency ratio for the fourth quarter was 46.99% compared to 46.22% for the prior quarter

(\$ in millions)

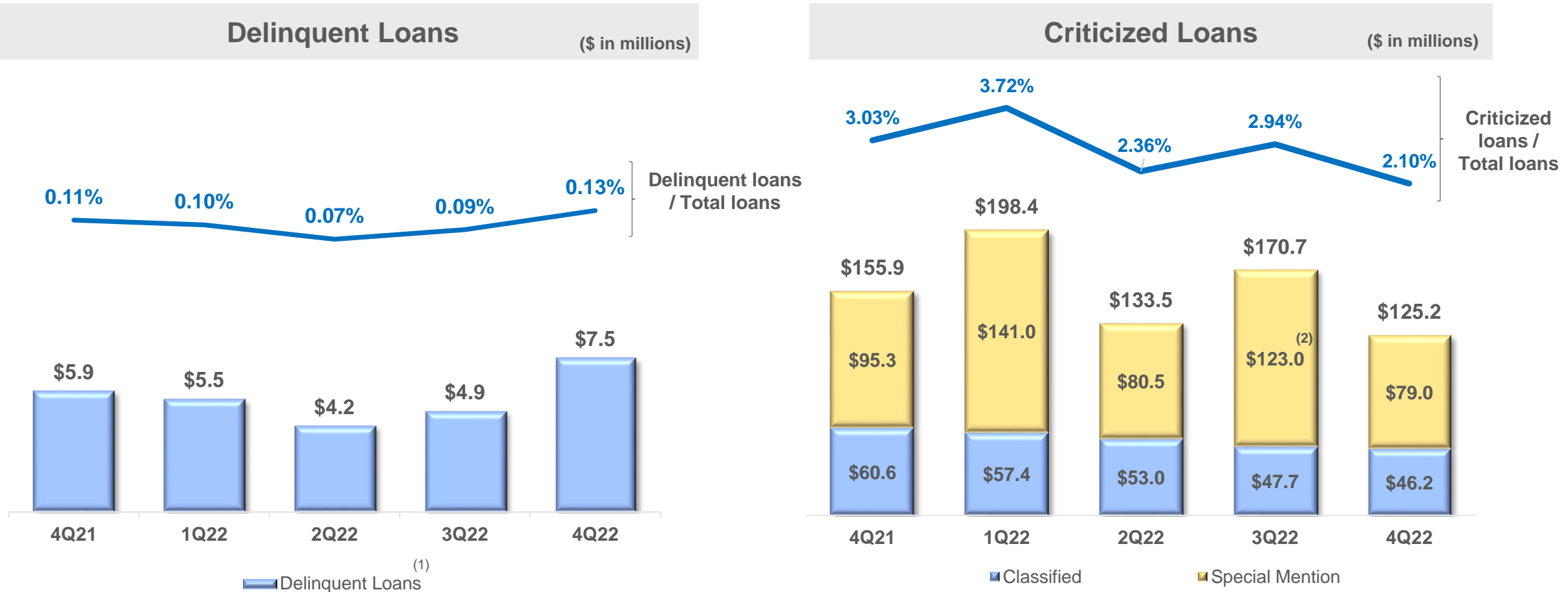
# Pretax Pre-Provision Income (PTPP)



- Pretax, pre-provision income was \$38.2 million for the fourth quarter, down 1.4% from the prior quarter and up 40.6% from the same quarter last year.
- PTPP over average assets for 4Q22 was 2.09% compared with 2.17% for the prior quarter.

# Asset Quality – Delinquent & Criticized Loans

Loans 30 to 89 days past due and still accruing were 0.13% of loans at the end of the fourth quarter of 2022, compared with 0.09% at the end of the prior quarter. Special mention loans were \$79.0 million at the end of the fourth quarter, down from \$123.0 million at September 30, 2022.



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

(2) Includes the 3Q22 addition of a \$41.1 million current loan relationship comprised of a \$25 million asset-based line of credit (\$18.0 million outstanding), a \$13.5 million commercial real estate loan and a \$9.6 million commercial term loan.

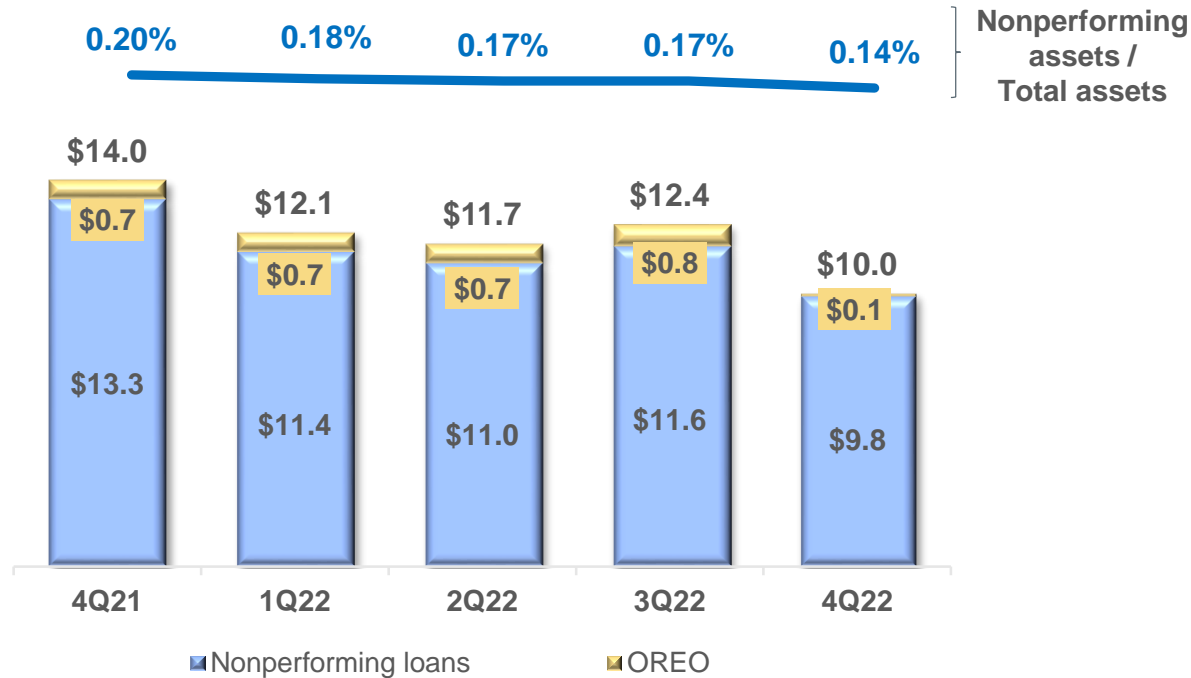


# Asset Quality – Nonperforming Assets & Nonaccrual Loans

Nonperforming assets declined 20% to \$10.0 million quarter-over-quarter. Nonaccrual loans declined 15% to \$9.8 million from the end of the prior quarter.

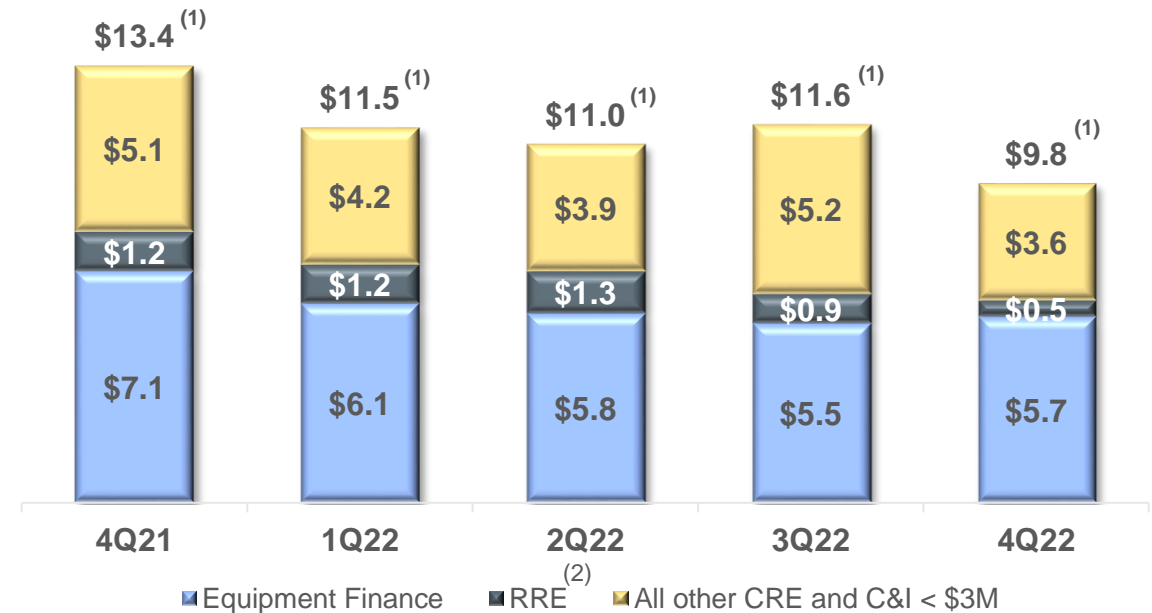
## Nonperforming Assets

(\$ in millions)



## Nonaccrual Loans

(\$ in millions)



Note: Numbers may not add due to rounding

(1) Specific allowance for credit losses at December 31, 2021, March 31, 2022, June 30, 2022, September 30, 2022, and December 31, 2022 was \$2.8 million, \$2.2 million, \$2.0 million, \$2.2 million, and \$3.3 million, respectively

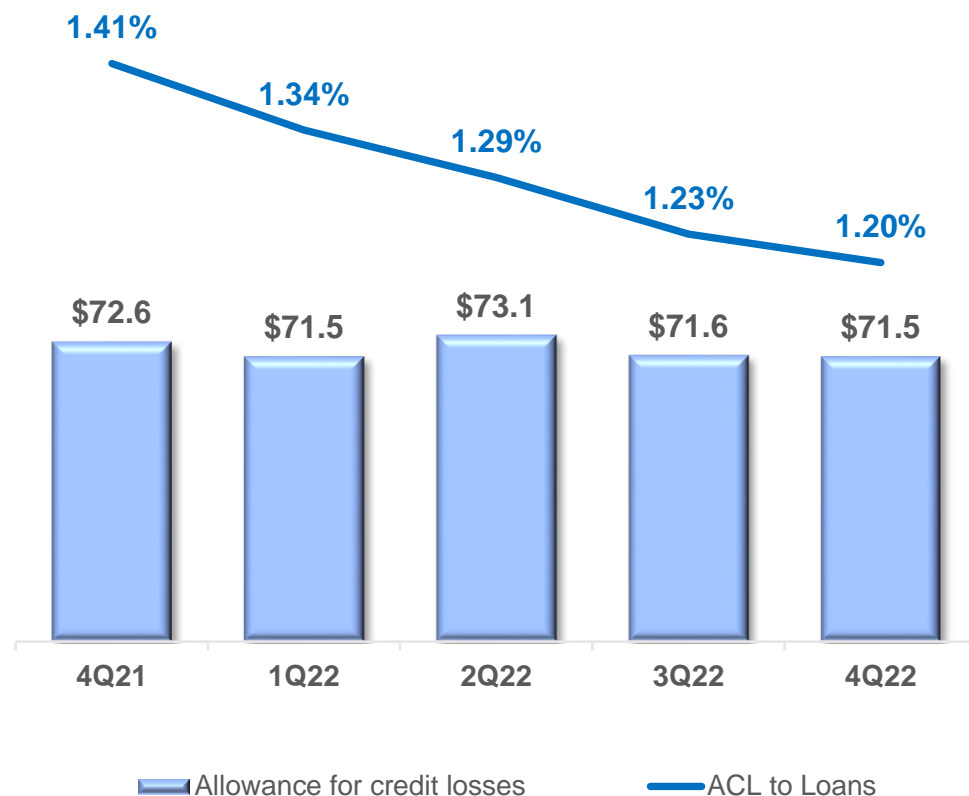
(2) RRE includes consumer loans

# ACL Trends

Allowance for credit losses was \$71.5 million as of December 31, 2022, generating an allowance for credit losses to loans of 1.20% compared with 1.23% at the end of the prior quarter.

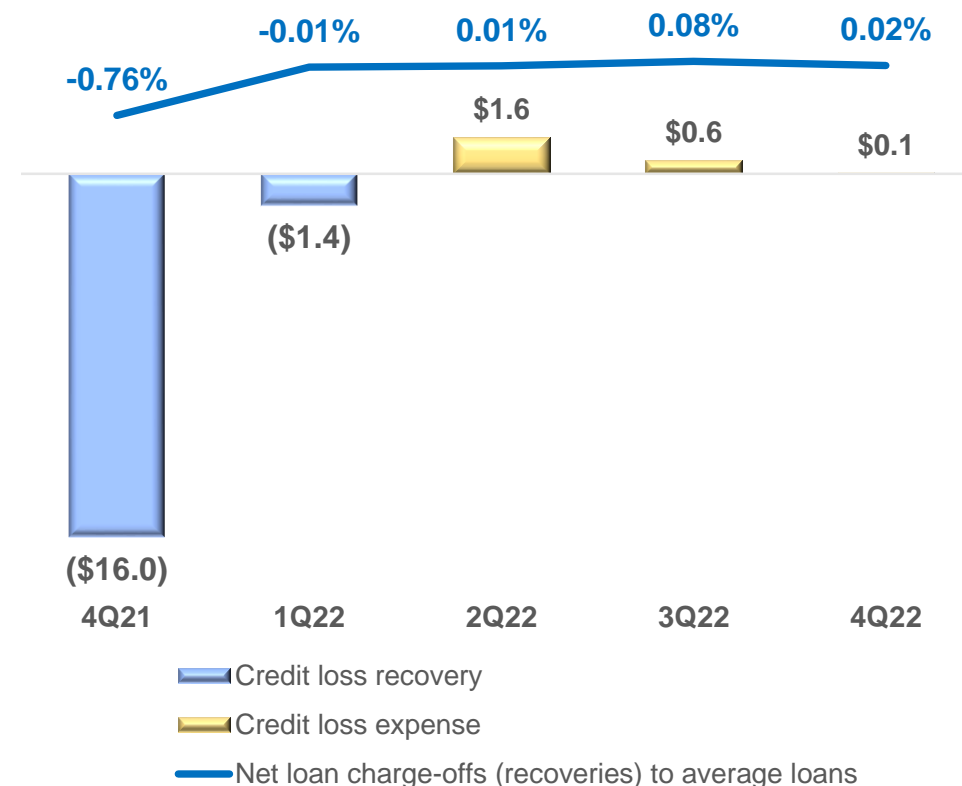
## Allowance for Credit Losses

(\$ in millions)



## Credit Loss Expense (Recovery)

(\$ in millions)



# ACL Analysis by Loan Type

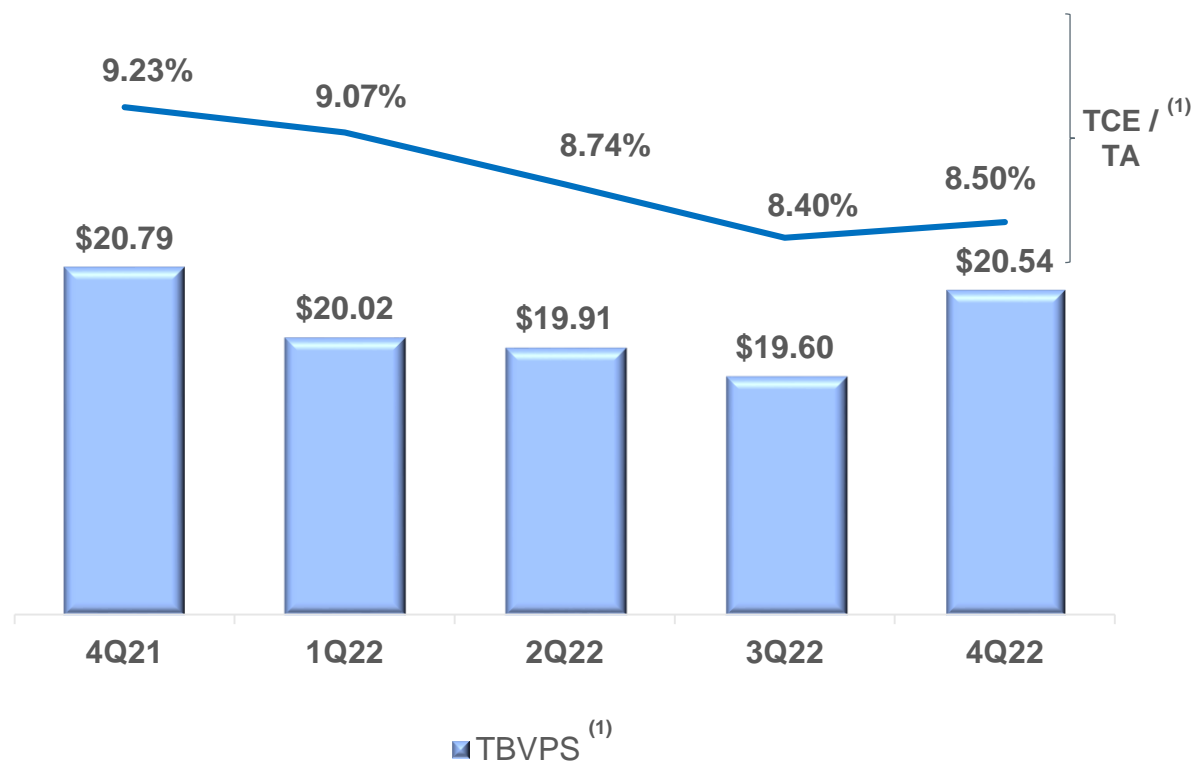
(\$ in millions)	December 31, 2022		September 30, 2022		June 30, 2022		March 31, 2022		December 31, 2021	
	Allowance	Loans	Allowance	Loans	Allowance	Loans	Allowance	Loans	Allowance	Loans
CRE	\$ 40.6	\$ 3,833.4	\$ 42.7	\$ 3,853.9	\$ 45.6	\$ 3,829.7	\$45.9	\$3,771.5	\$48.4	\$3,701.9
C&I	15.3	804.5	14.9	732.0	14.3	766.8	12.9	633.1	12.4	561.8
Equipment Finance	12.2	594.8	11.2	565.4	12.7	537.4	12.2	500.1	11.3	487.3
RRE & Consumer	3.4	734.5	2.9	649.6	0.5	521.6	0.5	432.8	0.5	400.5
<b>Total</b>	<b>\$ 71.5</b>	<b>\$ 5,967.1</b>	<b>\$ 71.6</b>	<b>\$ 5,801.0</b>	<b>\$ 73.1</b>	<b>\$ 5,655.4</b>	<b>\$71.5</b>	<b>\$5,337.5</b>	<b>\$72.6</b>	<b>\$5,151.5</b>

Note: Numbers may not add due to rounding

# Capital Management

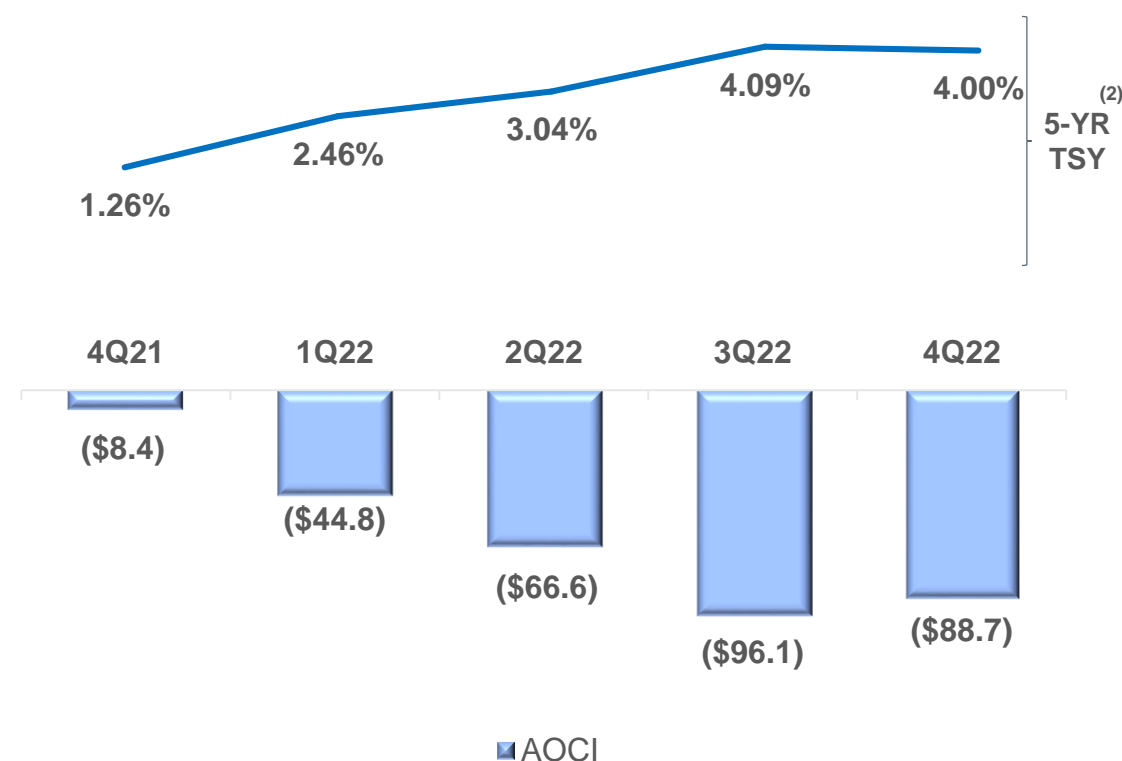
Tangible book value per share (TBVPS)<sup>(1)</sup> increased to \$20.54 from \$19.60 at the end of the prior quarter. 4Q22 TBVPS<sup>(1)</sup> and TCE/TA<sup>(1)</sup> ratio were impacted by -\$88.7 million of AOCI reflecting changes in the value of the securities portfolio resulting from interest rate changes during the quarter.

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



AOCI & 5-YR TSY

(\$ in millions)



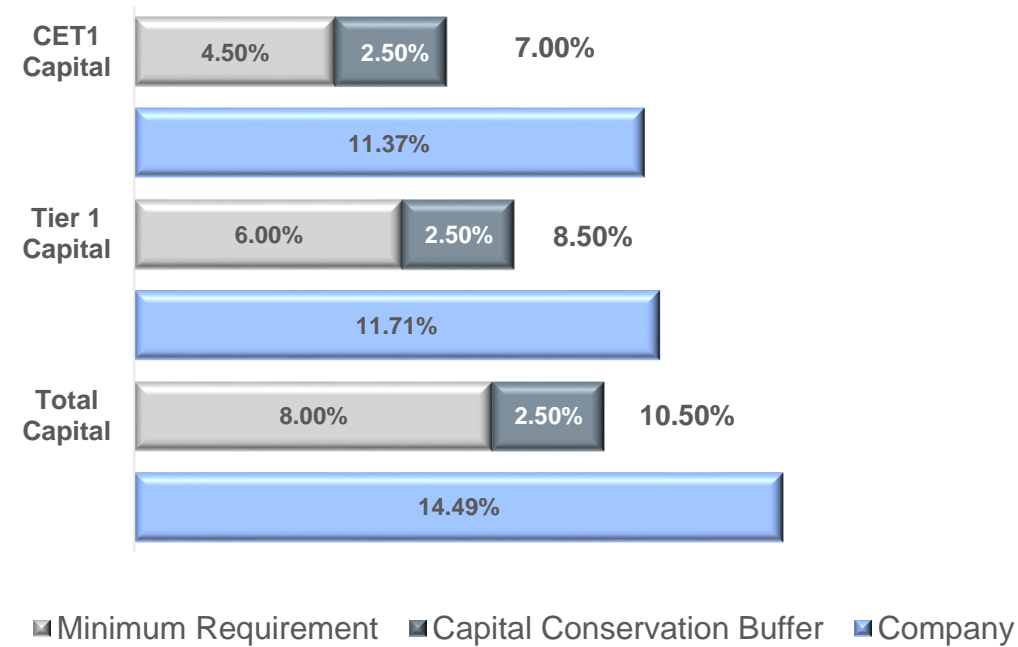
(1) Non-GAAP financial measure, refer to the non-GAAP reconciliation slides

(2) Rate at the end of the quarter

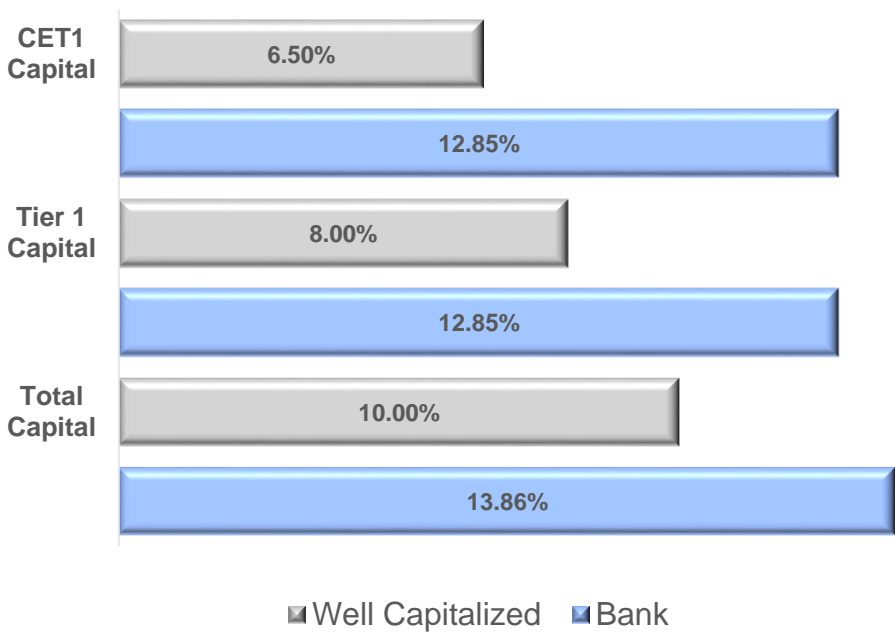
# Regulatory Capital

The Company exceeds regulatory minimum and the Bank remains well capitalized.

## Company



## Bank



# Strong Company Culture and ESG Commitment

We are challenging ourselves to do more and lead the way to achieve our vision of the Company



## Strong Company Culture

- Seasoned team with deep community ties
- Close customer partnerships
- Investments in talent and technology



## Commitment to ESG <sup>(1)</sup>

**67%** Female Workforce | **~89%** Ethnically Diverse Workforce

**354** Hanmi Bank Dream Scholarships awarded to support at-risk youth program

**\$7.5M** Long-term commitment to a Community Reinvestment Act fund

(1) Based on the 2022 Hanmi ESG Report (published on April 2022)



# Appendix

# 4Q22 Financial Summary

(\$ in millions, except EPS)

(\$ in millions, except EPS)	Change <sup>(1)</sup>				
	December 31, 2022	September 30, 2022	December 31, 2021	Q/Q	Y/Y
<b>Income Statement Summary</b>					
Net interest income	\$ 64.6	\$ 63.1	\$ 49.5	2.3%	30.4%
Noninterest income	7.5	8.9	9.3	-16.3%	-19.8%
Operating revenue	72.0	72.0	58.8	0.0%	22.5%
Noninterest expense	33.8	33.3	31.6	1.7%	7.0%
Credit loss (recovery) expense	0.1	0.6	(16.0)	-90.8%	30775.0%
Pretax income	38.1	38.2	43.1	-0.1%	-11.6%
Income tax expense	9.6	11.0	9.8	-12.3%	-1.4%
Net income	\$ 28.5	\$ 27.2	\$ 33.3	4.8%	-14.6%
EPS-Diluted	\$ 0.93	\$ 0.89	\$ 1.09		
<b>Selected balance sheet items</b>					
Loans receivable	\$ 5,967	\$ 5,801	\$ 5,152	2.9%	15.8%
Deposits	6,168	6,201	5,786	-0.5%	6.6%
Total assets	7,378	7,129	6,859	3.5%	7.6%
Stockholders' equity	\$ 638	\$ 609	\$ 643	4.7%	-0.9%
<b>Profitability Metrics</b>					
Return on average assets	1.56%	1.52%	1.93%	4	(37)
Return on average equity	15.90%	15.58%	20.89%	32	(499)
TCE/TA <sup>(2)</sup>	8.50%	8.40%	9.23%	10	(73)
Net interest margin	3.67%	3.66%	2.96%	1	71
Efficiency ratio	46.99%	46.22%	53.81%	77	(682)

Note: numbers may not foot due to rounding

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

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

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

(\$ in thousands, except per share data)

## Hanmi Financial Corporation

	December 31, 2022	September 30, 2022	June 30, 2022	March 31, 2022	December 31, 2021
Assets	\$ 7,378,262	\$ 7,128,511	\$ 6,955,968	\$ 6,737,052	\$ 6,858,587
Less goodwill and other intangible assets	(11,225)	(11,267)	(11,310)	(11,353)	(11,395)
Tangible assets	<u>\$ 7,367,037</u>	<u>\$ 7,117,244</u>	<u>\$ 6,944,658</u>	<u>\$ 6,725,699</u>	<u>\$ 6,847,192</u>
Stockholders' equity <sup>(1)</sup>	\$ 637,515	\$ 608,893	\$ 618,296	\$ 621,452	\$ 643,417
Less goodwill and other intangible assets	(11,225)	(11,267)	(11,310)	(11,353)	(11,395)
Tangible stockholders' equity <sup>(1)</sup>	<u>\$ 626,290</u>	<u>\$ 597,626</u>	<u>\$ 606,986</u>	<u>\$ 610,099</u>	<u>\$ 632,022</u>
Stockholders' equity to assets	8.64%	8.54%	8.89%	9.22%	9.38%
Tangible common equity to tangible assets <sup>(1)</sup>	8.50%	8.40%	8.74%	9.07%	9.23%
Common shares outstanding	30,485,621	30,484,004	30,482,990	30,468,458	30,407,261
Tangible common equity per common share	\$ 20.54	\$ 19.60	\$ 19.91	\$ 20.02	\$ 20.79

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