

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d) of
The Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported) **January 27, 2014**

HANMI FINANCIAL CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

000-30421
(Commission File Number)

95-4788120
(IRS Employer Identification No.)

3660 Wilshire Boulevard, Penthouse Suite A
Los Angeles, California
(Address of principal executive offices)

90010
(Zip Code)

Registrant's telephone number, including area code: **(213) 382-2200**

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-

Item 2.02. Results of Operations and Financial Condition.

This information set forth under "Item 2.02. Results of Operations and Financial Condition," including Exhibit 99.1 attached hereto, shall not be deemed "filed" for purposes of Section 18 of the Securities and Exchange Act of 1934, as amended (the "Exchange Act") or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, regardless of any general incorporation language in such filing.

On January 27, 2014, Hanmi Financial Corporation ("Hanmi Financial") issued a press release announcing its financial results for the quarter ended December 31, 2013. A copy of the press release is attached as Exhibit 99.1 to this Form 8-K.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

99.1 Press release issued by Hanmi Financial dated January 27, 2014.

Forward-Looking Statements

This press release contains forward-looking statements, which are included in accordance with the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. In some cases, you can identify forward-looking statements by terminology such as "may," "will," "should," "could," "expects," "plans," "intends," "anticipates," "believes," "estimates," "predicts," "potential," or "continue," or the negative of such terms and other comparable terminology. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. All statements other than statements of historical fact are "forward-looking statements" for purposes of federal and state securities laws, including, but not limited to, statements about anticipated future operating and financial performance, financial position and liquidity, business strategies, regulatory and competitive outlook, investment and expenditure plans, capital and financing needs and availability, plans and objectives of management for future operations, developments regarding our capital plans, strategic alternatives for a possible business combination, merger or sale transaction, including our acquisition of Central Bancorp, Inc., and other similar forecasts and statements of expectation and statements of assumption underlying any of the foregoing. These statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to differ from those expressed or implied by the forward-looking statement. These factors include the following: failure to maintain adequate levels of capital and liquidity to support our operations; the effect of potential future supervisory action against us or Hanmi Bank; general economic and business conditions internationally, nationally and in those areas in which we operate; volatility and deterioration in the credit and equity markets; changes in consumer spending, borrowing and savings habits; availability of capital from private and government sources; demographic changes; competition for loans and deposits and failure to attract or retain loans and deposits; fluctuations in interest rates and a decline in the level of our interest rate spread; risks of natural disasters related to our real estate portfolio; risks associated with Small Business Administration loans; failure to attract or retain key employees; changes in governmental regulation, including, but not limited to, any increase in FDIC insurance premiums; ability of Hanmi Bank to make distributions to Hanmi Financial, which is restricted by certain factors, including Hanmi Bank's retained earnings, net income, prior distributions made, and certain other financial tests; ability to identify a suitable strategic partner or to consummate a strategic transaction; ability of the parties to obtain required regulatory approvals and satisfy other closing conditions with respect to our acquisition of Central Bancorp, Inc.; adequacy of our allowance for loan losses; credit quality and the effect of credit quality on our provision for credit losses and allowance for loan losses; changes in the financial performance and/or condition of our borrowers and the ability of our borrowers to perform under the terms of their loans and other terms of credit agreements; our ability to control expenses; and changes in securities markets. In addition, we set forth certain risks in our reports filed with the U.S. Securities and Exchange Commission ("SEC"), including, in Item 1A of our Form 10-K for the year ended December 31, 2012, our quarterly reports on Form 10-Q, and current and periodic reports that we will file with the SEC hereafter, which could cause actual results to differ from those projected. We undertake no obligation to update such forward-looking statements except as required by law.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

January 27, 2014

(Date)

HANMI FINANCIAL CORPORATION

(Registrant)

/s/ C. G. KUM

C. G. Kum
President and Chief Executive Officer

EXHIBIT INDEX

| <u>Exhibit No.</u> | <u>Description</u> |
|-------------------------------|---|
| 99.1 | Press Release, dated January 27, 2014.* |

* Deemed "furnished" and not "filed" for purposes of Section 18 of the Exchange Act or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, regardless of any general incorporation language in such filing.

Hanmi Posts 9.6% Loan Growth and 4.9% Deposit Growth in 2013; Earns \$10.0 Million, or \$0.31 per Share, in 4Q13 and \$39.9 Million, or \$1.26 per Share, in 2013

LOS ANGELES, Jan. 27, 2014 (GLOBE NEWSWIRE) -- Hanmi Financial Corporation (Nasdaq:HAFC), the holding company for Hanmi Bank (the "Bank"), today reported that strong loan and deposit growth contributed to profits in 2013. Fourth quarter net income totaled \$10.0 million, or \$0.31 per diluted share, compared to \$10.3 million, or \$0.32 per diluted share, in the third quarter this year, and \$14.0 million, or \$0.44 per diluted share, in the fourth quarter a year ago, which included a \$5.5 million gross benefit from the reversal of a deferred tax asset ("DTA") valuation allowance.

For the full year of 2013, net income was \$39.9 million, or \$1.26 per diluted share, compared to \$90.4 million, or \$2.87 per diluted share, a year ago, which included the \$47.4 million net tax benefit from the DTA valuation allowance reversal. In 2013, pretax income grew 44.1% to \$62.0 million from \$43.0 million in 2012.

During the fourth quarter and full year of 2013, Hanmi incurred costs associated with reviews of strategic transactions in the amounts of \$730,000 (\$0.015 per share after tax) and \$2.1 million (\$0.042 per share after tax), respectively. Excluding the impact of these costs, earnings per share would have been \$0.33 for the fourth quarter and \$1.30 for the full year of 2013.

"The fourth quarter of 2013 was solidly profitable, highlighted by continued loan growth, with excellent results from our business lending team," said C. G. Kum, President and Chief Executive Officer. "Expanding our capabilities, particularly for commercial and industrial ("C&I") lending and treasury management services, is allowing us to broaden and deepen our relationship with business customers throughout our market, while diversifying our loan portfolio and expanding our ability to generate fee income.

"We are also expanding our franchise into new markets with the pending acquisition of Central Bancorp, Inc. ("CBI"). When approved, Hanmi will become the second largest Korean American Bank in the nation," Kum continued. "With strong earnings accretion and significant strategic benefits, this deal is garnering solid support from our stockholders and other stakeholders. This transaction will add significant momentum for us and position us for future growth."

Fourth Quarter Results

(In thousands, except per share data)

| | As of or for the Three Months Ended | | |
|---|-------------------------------------|---------------|--------------|
| | December 31, | September 30, | December 31, |
| | 2013 | 2013 | 2012 |
| Net income | \$ 10,027 | \$ 10,250 | \$ 13,979 |
| Net income per diluted common share | \$ 0.31 | \$ 0.32 | \$ 0.44 |
| Total assets | \$ 3,055,539 | \$ 2,845,137 | \$ 2,882,520 |
| Loans receivable, net | \$ 2,177,498 | \$ 2,102,621 | \$ 1,986,051 |
| Total deposits | \$ 2,512,325 | \$ 2,429,707 | \$ 2,395,963 |
| Return on average assets | 1.37% | 1.46% | 1.94% |
| Return on average stockholders' equity | 9.88% | 10.29% | 15.02% |
| Net interest margin | 3.98% | 4.28% | 3.86% |
| Efficiency ratio | 57.29% | 52.98% | 57.66% |
| Tangible common equity to tangible assets | 13.10% | 13.95% | 13.09% |
| Tangible common equity per common share | \$ 12.60 | \$ 12.49 | \$ 11.97 |

Financial Highlights (at or for the period ended December 31, 2013, compared to September 30, 2013 or December 31, 2012)

- Assets grew 6.0% during 2013 to \$3.06 billion, compared to \$2.88 billion a year ago.
- Gross loans increased \$74.8 million (3.5%) and \$185.5 million (9.1%) over the prior quarter and prior year, respectively.
- Fourth quarter net income was \$10.0 million, or \$0.31 per diluted share, compared to \$10.3 million, or \$0.32 per diluted share, in the third quarter of 2013.
- Fourth quarter new loan production totaled \$181.9 million, consisting mainly of \$119.1 million of commercial real estate loans, \$37.9 million of C&I loans, and \$23.7 million of SBA loans. Including loans approved, but not funded, loan commitments increased 30.2% to \$209.3 million from \$160.7 million in the third quarter.
- C&I lending grew 66.3% to \$37.9 million in the fourth quarter of 2013, compared to \$22.8 million in the preceding quarter. C&I loan commitments increased 75.7% to \$63.7 million from \$36.3 million in the prior quarter.
- Deposits were up 4.9% year-over-year, including a 13.6% increase in non-interest bearing deposits.
- Gains from SBA loan sales for the fourth quarter were \$1.9 million and \$8.0 million in the full year.
- A cash dividend of \$0.07 per share of common stock, representing a 23% payout ratio for the quarter, was paid on December 23, 2013.

"Despite elevated costs for our strategic review process during the year, we generated strong earnings in both the quarter and the year," said Kum. "Over the past six months, our new management has been reviewing initiatives, both internally and externally, to take Hanmi to the next level. As we enter 2014, we plan to implement initiatives to streamline our operations and to create a cost structure that will further improve our profitability."

Announced Acquisition of Central Bancorp, Inc.

On December 16, 2013, Hanmi announced the signing of a definitive agreement to acquire CBI, parent of Texas-based United Central Bank with \$1.6 billion in assets as of September 30, 2013. The acquisition price is \$50 million in cash, subject to potential purchase price adjustments. Following the close of the transaction, the combined entity will have approximately \$4.3 billion in assets, \$2.8 billion in gross loans and \$3.8 billion in deposits, and 50 banking offices and 2 loan production offices serving a broad range of communities in California, Texas, Illinois, New York, New Jersey, and Virginia. The transaction is expected to close in the second half of 2014, subject to approval by CBI's stockholders, regulatory approvals and other customary closing conditions.

Results of Operations

Fourth quarter net interest income, before provision for credit losses, was \$27.6 million, down 3.1%, from \$28.5 million for the third quarter of 2013, and up 4.4% from \$26.4 million for the fourth quarter of 2012. Interest and dividend income decreased 2.2% from the preceding quarter and increased 2.6% from the fourth quarter a year ago, while interest expense increased 5.9% from the preceding quarter and fell 10.0% from the year ago quarter. Full year net interest income before provision for credit losses improved 7.7% to \$108.8 million, compared to \$101.1 million for the full year of 2012.

Net interest margin was 3.98% for the fourth quarter of 2013 and 4.28% for the third quarter of 2013. The decrease in net interest margin mainly reflects the increase in lower yielding assets. In addition, there was no interest reversal of nonaccrual loans in the fourth quarter as opposed to the \$490,000 interest reversal in the third quarter. Net interest margin for 2013 was 4.05%, compared to 3.77% in 2012. The increase was due mainly to the elimination of interest payments on trust preferred securities, the decline in the cost of jumbo CDs, and the deployment of low interest-earning cash into higher yielding loans. The following table details the asset yields, liability costs, spread and margin.

| | Three Months Ended | | | Year Ended | |
|------------------------------|-------------------------|--------------------|-------------------|-------------------|-------------------|
| | December 31, 2013 | September 30, 2013 | December 31, 2012 | December 31, 2013 | December 31, 2012 |
| | Interest-earning assets | 4.46% | 4.75% | 4.40% | 4.56% |
| Interest-bearing liabilities | 0.78% | 0.77% | 0.83% | 0.80% | 1.07% |
| Net interest spread | 3.68% | 3.98% | 3.57% | 3.76% | 3.40% |
| Net interest margin | 3.98% | 4.28% | 3.86% | 4.05% | 3.77% |

Credit quality remains strong, with delinquencies and net charge-offs continuing to abate. Net charge-offs in the fourth quarter of 2013 were \$166,000, compared to \$2.2 million in the preceding quarter and \$3.2 million in the fourth quarter of 2012. The allowance for loan losses totaled \$57.6 million, which is a coverage ratio of 2.58% of gross loans and 222.42% of non-performing loans ("NPLs") as of December 31, 2013, compared to 3.09% of gross loans and 169.81% of NPLs as of December 31, 2012.

In 2013, net interest income after provision for credit losses increased 14.5% to \$108.8 million, compared to \$95.1 million, which included a \$6.0 million provision for credit losses in 2012. Due to steadily improving credit quality, no provision for credit losses was recorded in 2013.

Non-interest income was \$7.6 million in the fourth quarter of 2013, compared to \$7.3 million in the preceding quarter and \$7.5 million in the year ago quarter. In the fourth quarter of 2013, we recognized \$1.9 million gains from selling \$25.1 million of the guaranteed portion of SBA loans, compared to \$994 thousand gains from selling \$15.5 million in the preceding quarter. "Demand for SBA loans in the secondary market is robust, sustaining premiums and generating strong contribution to revenues," said Bonnie Lee, Senior Executive Vice President and Chief Operations Officer. In 2013, non-interest income increased 26.6% to \$31.4 million from \$24.8 million for the like period a year ago, reflecting a significant reduction in losses from selling NPLs, partially offset by lower gains from sales of SBA loans and investment securities.

Non-interest expense increased 6.2% to \$20.2 million in the fourth quarter of 2013, compared to \$19.0 million in the third quarter of 2013, and was up 3.1% from \$19.5 million in the fourth quarter a year ago. For 2013, non-interest expense increased 1.8% to \$78.2 million, compared to \$76.9 million for 2012. Professional fees increased in both the fourth quarter and full year of 2013, mainly reflecting additional professional services required for several strategic transactions pursued during the year.

"While operating costs were elevated due to our strategic reviews in the past two years, we are committed to optimizing operations and improving efficiencies throughout the company this year," said Kum. The efficiency ratio was 57.29% in the fourth quarter of 2013, compared to 57.66% in the fourth quarter a year ago. In 2013, efficiency ratio was 55.80% compared to 61.07% in 2012. Excluding the strategic review costs, efficiency ratio would have been meaningfully lower in both the fourth quarters and full year periods in 2013 and 2012.

Hanmi recorded a provision for income taxes of \$5.0 million in the fourth quarter of 2013, representing an effective tax rate of 33.3%, and 35.6% for the year. The decrease in the annualized tax rate relative to the prior quarter of 36.4% was due mainly to additional tax benefits of the California EZ net interest deduction.

Balance Sheet

Assets increased 7.4% to \$3.06 billion at December 31, 2013, up from \$2.85 billion three months earlier and grew 6.0% from \$2.88 billion a year ago. Cash and cash equivalents were \$179.4 million, down 7.5% from the third quarter of 2013 and 33.1% from a year ago.

The investment portfolio was \$530.9 million as of December 31, 2013, representing a 38.6% increase from the prior quarter. "To better deploy excess liquidity and to lock in attractive market prices and yields, we purchased mostly short-duration GSE amortizing securities, which will offset the interest expense associated with our deposits. In addition, as part of our short-term funding and profitability management plan, we borrowed funds from the Federal Home Loan Bank at an overnight fed funds rate prior to the year end, and plan to pay down these balances in the near future," said Mark Yoon, Executive Vice President and Chief Financial Officer.

"The new lending team we brought on board in the third quarter are generating strong loan growth across the portfolio, and particularly in C&I loans. The diversification of our portfolio continues to improve," said Kum. Loans receivable, excluding loans held for sale, increased 3.6% in the quarter and 9.6% year-over-year to \$2.18 billion at December 31, 2013, from \$2.10 billion at September 30, 2013, and \$1.99 billion a year ago. There were no loans held for sale at December 31, 2013, compared to \$5.2 million at September 30, 2013 and \$8.3 million at December 31, 2012. Average gross loans, net of deferred loan fees, increased to \$2.20 billion for the fourth quarter of 2013, up from \$2.19 billion for the preceding quarter and \$2.03 billion for the fourth quarter a year ago.

Average deposits were \$2.47 billion during the fourth quarter, up from \$2.37 billion for the preceding quarter and \$2.39 billion for the fourth quarter of 2012. The overall mix of funding continued to improve with core deposits increasing. The deposit mix is detailed in the table below.

| | December 31, September 30, December 31, | | |
|--|--|---------------|---------------|
| | 2013 | 2013 | 2012 |
| Demand-noninterest-bearing | 32.5% | 32.0% | 30.1% |
| Savings | 4.6% | 4.7% | 4.8% |
| Money market checking and NOW accounts | 22.9% | 22.2% | 24.0% |
| Time deposits of \$100,000 or more | 20.2% | 20.3% | 25.7% |
| Other time deposits | 19.8% | 20.8% | 15.4% |
| Total deposits | 100.0% | 100.0% | 100.0% |

At December 31, 2013, stockholders' equity was \$401.2 million. Tangible common stockholders' equity was \$400.1 million, or 13.10% of tangible assets, compared to \$377.0 million, or 13.09% of tangible assets, a year ago. Tangible book value per share was \$12.60, compared to \$12.49 three months earlier and \$11.97 at December 31, 2012. Hanmi paid a cash dividend of \$0.07 per share, representing an aggregate dividend of \$2.2 million, on December 23, 2013. In addition, volatility in interest rates and the resulting impact on the value of the securities portfolio reduced the accumulated other comprehensive income component of stockholders' equity.

Asset Quality

NPLs were down 30.6% to \$25.9 million at the end of the year, compared to \$37.3 million at the end of 2012, reflecting the continuing improvement in the economy and active management of delinquent accounts. Troubled debt restructurings ("TDRs") totaled \$30.0 million at December 31, 2013, and \$35.7 million at December 31, 2012. Of these TDRs, \$10.5 million were included in NPLs at December 31, 2013, compared to \$18.8 million in 2012. The following table shows NPLs in each category:

| | December 31, 2013 | | September 30, 2013 | | December 31, 2012 | |
|-----------------------|--------------------------|-------------------|---------------------------|-------------------|--------------------------|-------------------|
| | Amount | % of Total | Amount | % of Total | Amount | % of Total |
| | NPLs | NPLs | NPLs | NPLs | NPLs | NPLs |
| <i>(In thousands)</i> | | | | | | |

Real estate loans:

| | | | | | | |
|----------------------|----------|-------|--------|------|----------|------|
| Commercial property | | | | | | |
| Retail | \$ 2,946 | 11.4% | \$ 768 | 3.4% | \$ 1,079 | 2.9% |
| Land | -- | 0.0% | -- | 0.0% | 2,097 | 5.6% |
| Other | 574 | 2.2% | -- | 0.0% | -- | 0.0% |
| Residential property | 1,365 | 5.3% | 1,659 | 7.3% | 1,270 | 3.4% |

Commercial & industrial loans:

| | | | | | | |
|-----------------------------------|------------------|---------------|------------------|---------------|------------------|---------------|
| Commercial term loans | | | | | | |
| Unsecured | 3,144 | 12.1% | 2,490 | 10.9% | 8,311 | 22.3% |
| Secured by real estate | 6,773 | 26.2% | 5,591 | 24.5% | 8,679 | 23.3% |
| Commercial lines of credit | 423 | 1.6% | 830 | 3.6% | 1,521 | 4.1% |
| SBA | 9,155 | 35.4% | 9,959 | 43.7% | 12,563 | 33.7% |
| Consumer loans | 1,497 | 5.8% | 1,479 | 6.5% | 1,759 | 4.7% |
| Total non-performing loans | \$ 25,877 | 100.0% | \$ 22,776 | 100.0% | \$ 37,279 | 100.0% |

Compared to a year ago, asset quality improved in all major aspects. There were no sales of problem loans in the fourth quarter of 2013, and losses associated with our loan sales strategy were just \$557,000 in 2013, compared to \$9.5 million in 2012. Classified loans were \$80.3 million, or 3.6% of gross loans, at December 31, 2013, down from \$83.7 million, or 3.9%, at September 30, 2013, and from \$100.4 million, or 4.9%, a year ago.

Conference Call

Management will host a conference call today, January 27, 2014, at 9:30 a.m. Pacific Time (12:30 p.m. ET) to discuss these results. This call will also be broadcast live via the internet. Investment professionals and all current and prospective stockholders are invited to access the live call by dialing 1-480-629-9645 before 9:30 a.m. Pacific Time, using access code HANMI. To listen to the call online, either live or archived, visit the Investor Relations page of Hanmi's website at www.hanmi.com.

About Hanmi Financial Corporation

Headquartered in Los Angeles, Hanmi Bank, a wholly-owned subsidiary of Hanmi Financial Corporation, provides services to the multi-ethnic communities of California, with 27 full-service offices in Los Angeles, Orange, San Bernardino, San Francisco, Santa Clara and San Diego counties, and loan production offices in Texas and Washington State. Hanmi Bank specializes in commercial, SBA and trade finance lending, and is a recognized community leader. Hanmi Bank's mission is to provide a full range of quality products and premier services to its customers and to maximize stockholder value.

Forward-Looking Statements

This press release contains forward-looking statements, which are included in accordance with the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. In some cases, you can identify forward-looking statements by terminology such as "may," "will," "should," "could," "expects," "plans," "intends," "anticipates," "believes," "estimates," "predicts," "potential," or "continue," or the negative of such terms and other comparable terminology. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. All statements other than statements of historical fact are "forward-looking statements" for purposes of federal and state securities laws, including, but not limited to, statements about anticipated future operating and financial performance, financial position and liquidity, business strategies, regulatory and competitive outlook, investment and expenditure plans, capital and financing needs and availability, plans and objectives of management for future operations, developments regarding our capital plans, strategic alternatives for a possible business combination, merger or sale transaction, including our acquisition of Central Bancorp, Inc., and other similar forecasts and statements of expectation and statements of assumption underlying any of the foregoing. These statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to differ from those expressed or implied by the forward-looking statement. These factors include the following: failure to maintain adequate levels of capital and liquidity to support our operations; the effect of potential future supervisory action against us or Hanmi Bank; general economic and business conditions internationally, nationally and in those areas in which we operate; volatility and deterioration in the credit and equity markets; changes in consumer spending, borrowing and savings habits; availability of capital from private and government sources; demographic changes; competition for loans and deposits and failure to attract or retain loans and deposits; fluctuations in interest rates and a decline in the level of our interest rate spread; risks of natural disasters related to our real estate portfolio; risks associated with Small Business Administration loans; failure to attract or retain key employees; changes in governmental regulation, including, but not limited to, any increase in FDIC insurance premiums; ability of Hanmi Bank to make distributions to Hanmi Financial, which is restricted by certain factors, including Hanmi Bank's retained earnings, net income, prior distributions made, and certain other financial tests; ability to identify a suitable strategic partner or to consummate a strategic transaction; ability of the parties to obtain required regulatory approvals and satisfy other closing conditions with respect to our acquisition of Central Bancorp, Inc.; adequacy of our allowance for loan losses; credit quality and the effect of credit quality on our provision for credit losses and allowance for loan losses; changes in the financial performance and/or condition of our borrowers and the ability of our borrowers to perform under the terms of their loans and other terms of credit agreements; our ability to control expenses; and changes in securities markets. In addition, we set forth certain risks in our reports filed with the U.S. Securities and Exchange Commission ("SEC"), including, in Item 1A of our Form 10-K for the year ended December 31, 2012, our quarterly reports on Form 10-Q, and current and periodic reports that we will file with the SEC hereafter, which could cause actual results to differ from those projected. We undertake no obligation to update such forward-looking statements except as required by law.

Hanmi Financial Corporation and Subsidiaries

Consolidated Balance Sheets (Unaudited)

(In thousands)

| | December 31, 2013 | September 30, 2013 | Percentage Change | December 31, 2012 | Percentage Change |
|---|-------------------|--------------------|-------------------|-------------------|-------------------|
| | Assets | | | | |
| Cash and cash equivalents | \$ 179,357 | \$ 193,854 | -7.5% | \$ 268,047 | -33.1% |
| Restricted cash | -- | -- | 0.0% | 5,350 | -100.0% |
| Securities available for sale, at fair value | 530,926 | 383,057 | 38.6% | 451,060 | 17.7% |
| Loans held for sale, at the lower of cost or fair value | -- | 5,228 | -100.0% | 8,306 | -100.0% |
| Loans receivable, net of allowance for loan losses | 2,177,498 | 2,102,621 | 3.6% | 1,986,051 | 9.6% |

| | | | | | |
|---|---------------------|---------------------|-------------|---------------------|-------------|
| Accrued interest receivable | 7,055 | 6,957 | 1.4% | 7,581 | -6.9% |
| Premises and equipment, net | 14,221 | 14,205 | 0.1% | 15,150 | -6.1% |
| Other real estate owned, net | 756 | 290 | 160.7% | 774 | -2.3% |
| Customers' liability on acceptances | 2,018 | 1,535 | 31.5% | 1,336 | 51.0% |
| Servicing assets | 6,833 | 6,385 | 7.0% | 5,542 | 23.3% |
| Other intangible assets, net | 1,171 | 1,212 | -3.4% | 1,335 | -12.3% |
| Investment in federal home loan bank stock, at cost | 14,060 | 14,060 | 0.0% | 17,800 | -21.0% |
| Investment in federal reserve bank stock, at cost | 11,196 | 13,200 | -15.2% | 12,222 | -8.4% |
| Income tax asset | 63,536 | 61,747 | 2.9% | 60,028 | 5.8% |
| Bank-owned life insurance | 29,699 | 29,468 | 0.8% | 29,054 | 2.2% |
| Prepaid expenses | 1,415 | 1,986 | -28.8% | 2,084 | -32.1% |
| Other assets | 15,798 | 9,332 | 69.3% | 10,800 | 46.3% |
| Total assets | \$ 3,055,539 | \$ 2,845,137 | 7.4% | \$ 2,882,520 | 6.0% |

Liabilities and Stockholders' Equity

Liabilities:

Deposits:

| | | | | | |
|--|------------------|------------------|-------------|------------------|-------------|
| Noninterest-bearing | \$ 819,015 | \$ 778,345 | 5.2% | \$ 720,931 | 13.6% |
| Interest-bearing | 1,693,310 | 1,651,362 | 2.5% | 1,675,032 | 1.1% |
| Total deposits | 2,512,325 | 2,429,707 | 3.4% | 2,395,963 | 4.9% |
| Accrued interest payable | 3,366 | 2,705 | 24.4% | 11,775 | -71.4% |
| Bank's liability on acceptances | 2,018 | 1,535 | 31.5% | 1,336 | 51.0% |
| Federal home loan bank advances | 127,546 | 2,645 | 4722.2% | 2,935 | 4245.7% |
| Junior subordinated debentures | -- | -- | 0.0% | 82,406 | -100.0% |
| Accrued expenses and other liabilities | 9,047 | 10,589 | -14.6% | 9,741 | -7.1% |
| Total liabilities | 2,654,302 | 2,447,181 | 8.5% | 2,504,156 | 6.0% |

Stockholders' equity:

| | | | | | |
|---|---------------------|---------------------|-------------|---------------------|-------------|
| Common stock | 257 | 257 | 0.0% | 257 | 0.0% |
| Additional paid-in capital | 552,270 | 551,881 | 0.1% | 550,066 | 0.4% |
| Accumulated other comprehensive income | (9,380) | (4,469) | 109.9% | 5,418 | -273.1% |
| Accumulated deficit | (72,052) | (79,855) | -9.8% | (107,519) | -33.0% |
| Less treasury stock | (69,858) | (69,858) | 0.0% | (69,858) | 0.0% |
| Total stockholders' equity | 401,237 | 397,956 | 0.8% | 378,364 | 6.0% |
| Total liabilities and stockholders' equity | \$ 3,055,539 | \$ 2,845,137 | 7.4% | \$ 2,882,520 | 6.0% |

Hanmi Financial Corporation and Subsidiaries

Consolidated Statements of Operations (Unaudited)

(In thousands, except share and per share data)

| | Three Months Ended | | | | |
|--|--------------------|--------------------|-------------------|-------------------|-------------------|
| | December 31, 2013 | September 30, 2013 | Percentage Change | December 31, 2012 | Percentage Change |
| | | | | | |
| Interest and Dividend Income: | | | | | |
| Interest and fees on loans | \$ 28,256 | \$ 29,098 | -2.9% | \$ 27,418 | 3.1% |
| Taxable interest on investment securities | 2,178 | 2,040 | 6.8% | 2,138 | 1.9% |
| Tax-exempt interest on investment securities | 46 | 69 | -33.3% | 95 | -51.6% |
| Interest on term federal funds sold | -- | -- | 0.0% | 22 | -100.0% |
| Interest on federal funds sold | -- | -- | 0.0% | 7 | -100.0% |
| Interest on interest-bearing deposits in other banks | 69 | 28 | 146.4% | 153 | -54.9% |
| Dividends on federal reserve bank stock | 177 | 198 | -10.6% | 179 | -1.1% |
| Dividends on federal home loan bank stock | 201 | 194 | 3.6% | 127 | 58.3% |
| Total interest and dividend income | 30,927 | 31,627 | -2.2% | 30,139 | 2.6% |
| Interest Expense: | | | | | |
| Interest on deposits | 3,302 | 3,117 | 5.9% | 3,366 | -1.9% |
| Interest on federal home loan bank advances | 36 | 36 | 0.0% | 39 | -7.7% |
| Interest on junior subordinated debentures | -- | -- | 0.0% | 303 | -100.0% |
| Total interest expense | 3,338 | 3,153 | 5.9% | 3,708 | -10.0% |
| Net interest income before provision for credit losses | 27,589 | 28,474 | -3.1% | 26,431 | 4.4% |
| Provision for credit losses | -- | -- | 0.0% | -- | 0.0% |
| Net interest income after provision for credit losses | 27,589 | 28,474 | -3.1% | 26,431 | 4.4% |

Non-Interest Income:

| | | | | | |
|--|--------------|--------------|---------------|--------------|--------------|
| Service charges on deposit accounts | 2,645 | 2,730 | -3.1% | 3,191 | -17.1% |
| Insurance commissions | 1,343 | 1,273 | 5.5% | 1,235 | 8.7% |
| Trade finance & other service charges and fees | 1,073 | 1,078 | -0.5% | 1,235 | -13.1% |
| Bank-owned life insurance income | 232 | 230 | 0.9% | 238 | -2.5% |
| Gain on sales of SBA loans guaranteed portion | 1,936 | 994 | 94.8% | 2,678 | -27.7% |
| Net loss on sales of other loans | -- | -- | 0.0% | (1,247) | -100.0% |
| Net gain on sales of investment securities | 116 | 611 | -81.0% | 4 | 2800.0% |
| Other operating income | <u>239</u> | <u>410</u> | <u>-41.7%</u> | <u>136</u> | <u>75.7%</u> |
| Total non-interest income | <u>7,584</u> | <u>7,326</u> | <u>3.5%</u> | <u>7,470</u> | <u>1.5%</u> |

Non-Interest Expense:

| | | | | | |
|---|-------------------------|-------------------------|---------------------|-------------------------|----------------------|
| Salaries and employee benefits | 9,936 | 9,926 | 0.1% | 9,224 | 7.7% |
| Occupancy and equipment | 2,564 | 2,634 | -2.7% | 2,585 | -0.8% |
| Deposit insurance premiums and regulatory assessments | 376 | 308 | 22.1% | 1,249 | -69.9% |
| Data processing | 1,157 | 1,158 | -0.1% | 1,179 | -1.9% |
| Other real estate owned expense | (12) | (59) | -79.7% | (33) | -63.6% |
| Professional fees | 1,975 | 907 | 117.8% | 1,744 | 13.2% |
| Directors and officers liability insurance | 221 | 219 | 0.9% | 298 | -25.8% |
| Supplies and communications | 600 | 562 | 6.8% | 567 | 5.8% |
| Advertising and promotion | 1,264 | 1,140 | 10.9% | 1,243 | 1.7% |
| Loan-related expense | 68 | 91 | -25.3% | 75 | -9.3% |
| Amortization of other intangible assets | 41 | 41 | 0.0% | 41 | 0.0% |
| Other operating expenses | <u>1,960</u> | <u>2,039</u> | <u>-3.9%</u> | <u>1,376</u> | <u>42.4%</u> |
| Total non-interest expense | <u>20,150</u> | <u>18,966</u> | <u>6.2%</u> | <u>19,548</u> | <u>3.1%</u> |
| Income before provision for income taxes | 15,023 | 16,834 | -10.8% | 14,353 | 4.7% |
| Provision for income taxes | <u>4,996</u> | <u>6,584</u> | <u>-24.1%</u> | <u>374</u> | <u>1235.8%</u> |
| Net income | <u>\$ 10,027</u> | <u>\$ 10,250</u> | <u>-2.2%</u> | <u>\$ 13,979</u> | <u>-28.3%</u> |

Earnings per share:

| | | | |
|---------|---------|---------|---------|
| Basic | \$ 0.32 | \$ 0.32 | \$ 0.44 |
| Diluted | \$ 0.31 | \$ 0.32 | \$ 0.44 |

Weighted-average shares outstanding:

| | | | |
|---------------------------|------------|------------|------------|
| Basic | 31,643,463 | 31,621,049 | 31,479,921 |
| Diluted | 31,864,845 | 31,733,004 | 31,549,580 |
| Common shares outstanding | 31,756,550 | 31,754,115 | 31,496,540 |

Hanmi Financial Corporation and Subsidiaries**Consolidated Statements of Operations, Continued**
(Unaudited)

(In thousands, except share and per share data)

| | Year Ended | | |
|--|----------------|----------------|---------------|
| | December 31, | December 31, | Percentage |
| | 2013 | 2012 | Change |
| Interest and Dividend Income: | | | |
| Interest and fees on loans | \$ 111,992 | \$ 108,982 | 2.8% |
| Taxable interest on investment securities | 8,434 | 8,418 | 0.2% |
| Tax-exempt interest on investment securities | 283 | 394 | -28.2% |
| Interest on term federal funds sold | -- | 706 | -100.0% |
| Interest on federal funds sold | 6 | 60 | -90.0% |
| Interest on interest-bearing deposits in other banks | 209 | 422 | -50.5% |
| Dividends on federal reserve bank stock | 754 | 609 | 23.8% |
| Dividends on federal home loan bank stock | <u>650</u> | <u>209</u> | <u>211.0%</u> |
| Total Interest and Dividend Income | <u>122,328</u> | <u>119,800</u> | <u>2.1%</u> |
| Interest Expense: | | | |
| Interest on deposits | 12,678 | 15,877 | -20.1% |
| Interest on federal home loan bank advances | 151 | 165 | -8.5% |
| Interest on junior subordinated debentures | <u>678</u> | <u>2,703</u> | <u>-74.9%</u> |
| Total interest expense | <u>13,507</u> | <u>18,745</u> | <u>-27.9%</u> |
| Net interest income before provision for credit losses | 108,821 | 101,055 | 7.7% |
| Provision for credit losses | -- | 6,000 | -100.0% |

| | | | |
|---|-------------------------|-------------------------|---------------|
| Net interest income after provision for credit losses | 108,821 | 95,055 | 14.5% |
| Non-Interest Income: | | | |
| Service charges on deposit accounts | 11,307 | 12,146 | -6.9% |
| Insurance commissions | 5,247 | 4,857 | 8.0% |
| Trade finance & other service charges and fees | 4,475 | 4,615 | -3.0% |
| Bank-owned life insurance income | 1,171 | 1,110 | 5.5% |
| Gain on sales of SBA loans guaranteed portion | 8,000 | 9,923 | -19.4% |
| Net loss on sales of other loans | (557) | (9,481) | -94.1% |
| Net gain on sales of investment securities | 1,039 | 1,396 | -25.6% |
| Other-than-temporary impairment loss on investment securities | -- | (292) | -100.0% |
| Other operating income | 735 | 538 | 36.6% |
| Total non-interest income | <u>31,417</u> | <u>24,812</u> | 26.6% |
| Non-Interest Expense: | | | |
| Salaries and employee benefits | 38,628 | 36,931 | 4.6% |
| Occupancy and equipment | 10,309 | 10,424 | -1.1% |
| Deposit insurance premiums and regulatory assessments | 1,435 | 4,431 | -67.6% |
| Data processing | 4,627 | 4,941 | -6.4% |
| Other real estate owned expense | (59) | 344 | -117.2% |
| Professional fees | 7,403 | 4,694 | 57.7% |
| Directors and officers liability insurance | 879 | 1,186 | -25.9% |
| Supplies and communications | 2,287 | 2,370 | -3.5% |
| Advertising and promotion | 4,081 | 3,876 | 5.3% |
| Loan-related expense | 396 | 527 | -24.9% |
| Amortization of other intangible assets | 164 | 198 | -17.2% |
| Other operating expenses | 8,097 | 6,939 | 16.7% |
| Total non-interest expense | <u>78,247</u> | <u>76,861</u> | 1.8% |
| Income before provision for income taxes | 61,991 | 43,006 | 44.1% |
| Provision (benefit) for income taxes | 22,085 | (47,368) | -146.6% |
| Net income | <u>\$ 39,906</u> | <u>\$ 90,374</u> | -55.8% |

Earnings per share:

| | | |
|---------|---------|---------|
| Basic | \$ 1.26 | \$ 2.87 |
| Diluted | \$ 1.26 | \$ 2.87 |

Weighted-average shares outstanding:

| | | |
|---------------------------|------------|------------|
| Basic | 31,598,913 | 31,475,510 |
| Diluted | 31,696,520 | 31,515,582 |
| Common shares outstanding | 31,756,550 | 31,496,540 |

Hanmi Financial Corporation and Subsidiaries

Selected Financial Data (Unaudited)

(In thousands)

| | As of or for the Three Months Ended | | | As of or for the Years Ended | |
|---|-------------------------------------|---------------|--------------|------------------------------|--------------|
| | December 31, | September 30, | December 31, | December 31, | December 31, |
| | 2013 | 2013 | 2012 | 2013 | 2012 |
| Average balances: | | | | | |
| Average gross loans, net of deferred loan fees ⁽¹⁾ | \$ 2,198,654 | \$ 2,186,884 | \$ 2,026,122 | \$ 2,156,626 | \$ 1,993,367 |
| Average investment securities | 447,272 | 414,019 | 452,491 | 446,563 | 443,910 |
| Average interest-earning assets | 2,755,182 | 2,644,844 | 2,731,473 | 2,687,799 | 2,686,425 |
| Average total assets | 2,901,097 | 2,789,741 | 2,872,897 | 2,828,641 | 2,792,352 |
| Average deposits | 2,474,262 | 2,374,847 | 2,388,725 | 2,391,248 | 2,349,082 |
| Average borrowings | 8,606 | 5,587 | 85,390 | 27,815 | 85,760 |
| Average interest-bearing liabilities | 1,693,689 | 1,630,637 | 1,767,640 | 1,678,618 | 1,758,135 |
| Average stockholders' equity | 402,738 | 395,274 | 370,307 | 393,734 | 328,016 |
| Average tangible equity | 401,540 | 394,035 | 368,945 | 392,475 | 326,589 |

Performance ratios:

| | | | | | |
|---|-------|--------|--------|--------|--------|
| Return on average assets ⁽²⁾ | 1.37% | 1.46% | 1.94% | 1.41% | 3.24% |
| Return on average stockholders' equity ⁽²⁾ | 9.88% | 10.29% | 15.02% | 10.14% | 27.55% |
| Return on average tangible equity ⁽²⁾ | 9.91% | 10.32% | 15.07% | 10.17% | 27.67% |

| | | | | | |
|---|--------|--------|--------|--------|--------|
| Efficiency ratio | 57.29% | 52.98% | 57.66% | 55.80% | 61.07% |
| Net interest spread ^{(2), (3)} | 3.68% | 3.98% | 3.57% | 3.76% | 3.40% |
| Net interest margin ^{(2), (3)} | 3.98% | 4.28% | 3.86% | 4.05% | 3.77% |

Allowance for loan losses:

| | | | | | |
|--|------------------|------------------|------------------|------------------|------------------|
| Balance at beginning of period | \$ 57,639 | \$ 59,876 | \$ 66,107 | \$ 63,305 | \$ 89,936 |
| Provision charged to operating expense | 82 | (10) | 407 | 576 | 7,157 |
| Charge-offs, net of recoveries | <u>(166)</u> | <u>(2,227)</u> | <u>(3,209)</u> | <u>(6,326)</u> | <u>(33,788)</u> |
| Balance at end of period | <u>\$ 57,555</u> | <u>\$ 57,639</u> | <u>\$ 63,305</u> | <u>\$ 57,555</u> | <u>\$ 63,305</u> |

Asset quality ratios:

| | | | | | |
|--|---------|---------|---------|---------|---------|
| Net loan charge-offs to average gross loans ⁽²⁾ | 0.03% | 0.41% | 0.63% | 0.29% | 1.70% |
| Allowance for loan losses to gross loans | 2.58% | 2.67% | 3.09% | 2.58% | 3.09% |
| Allowance for loan losses to non-performing loans | 222.42% | 253.07% | 169.81% | 222.42% | 169.81% |
| Non-performing assets to total assets | 0.87% | 0.81% | 1.32% | 0.87% | 1.32% |
| Non-performing loans to gross loans | 1.16% | 1.05% | 1.82% | 1.16% | 1.82% |
| Non-performing assets to allowance for loan losses | 46.27% | 40.02% | 60.11% | 46.27% | 60.11% |

Allowance for off-balance sheet items:

| | | | | | |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| Balance at beginning of period | \$ 1,330 | \$ 1,320 | \$ 2,231 | \$ 1,824 | \$ 2,981 |
| Provision charged to operating expense | <u>(82)</u> | <u>10</u> | <u>(407)</u> | <u>(576)</u> | <u>(1,157)</u> |
| Balance at end of period | <u>\$ 1,248</u> | <u>\$ 1,330</u> | <u>\$ 1,824</u> | <u>\$ 1,248</u> | <u>\$ 1,824</u> |

Non-performing assets:

| | | | |
|---|------------------|------------------|------------------|
| Non-accrual loans | \$ 25,877 | \$ 22,776 | \$ 37,279 |
| Loans 90 days or more past due and still accruing | <u>--</u> | <u>--</u> | <u>--</u> |
| Non-performing loans | 25,877 | 22,776 | 37,279 |
| Other real estate owned, net | <u>756</u> | <u>290</u> | <u>774</u> |
| Non-performing assets | 26,633 | 23,066 | 38,053 |
| Non-performing loans in loans held for sale | <u>--</u> | <u>--</u> | <u>484</u> |
| Non-performing assets (including loans held for sale) | <u>\$ 26,633</u> | <u>\$ 23,066</u> | <u>\$ 38,537</u> |

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

| | | | |
|--|-----------------|-----------------|-----------------|
| | <u>\$ 4,068</u> | <u>\$ 6,756</u> | <u>\$ 2,371</u> |
|--|-----------------|-----------------|-----------------|

| | | | |
|---------------------------------|-------|-------|-------|
| Delinquent loans to gross loans | 0.18% | 0.31% | 0.12% |
|---------------------------------|-------|-------|-------|

(1) Included loans held for sale

(2) Annualized

(3) Amounts calculated on a fully taxable equivalent basis using the current statutory federal tax rate

Hanmi Financial Corporation and Subsidiaries

Selected Financial Data, Continued (Unaudited)

(In thousands)

As of or for the Three Months Ended
December 31, September 30, December 31,
2013 2013 2012

Loan portfolio:

| | | | |
|--|-----------------|-----------------|-----------------|
| Real estate loans | \$ 933,398 | \$ 887,576 | \$ 787,094 |
| Residential loans | 79,078 | 82,519 | 101,778 |
| Commercial and industrial loans | 1,189,108 | 1,155,111 | 1,123,012 |
| Consumer loans | <u>32,505</u> | <u>34,065</u> | <u>36,676</u> |
| Gross loans | 2,234,089 | 2,159,271 | 2,048,560 |
| Deferred loan fees | <u>964</u> | <u>989</u> | <u>796</u> |
| Gross loans, net of deferred loan fees | 2,235,053 | 2,160,260 | 2,049,356 |
| Allowance for loan losses | <u>(57,555)</u> | <u>(57,639)</u> | <u>(63,305)</u> |
| Loans receivable, net | 2,177,498 | 2,102,621 | 1,986,051 |

| | | | |
|---|---------------------|---------------------|---------------------|
| Loans held for sale, at the lower of cost or fair value | -- | 5,228 | 8,306 |
| Total loans receivable, net | <u>\$ 2,177,498</u> | <u>\$ 2,107,849</u> | <u>\$ 1,994,357</u> |

Loan mix:

| | | | |
|---------------------------------|---------------|---------------|---------------|
| Real estate loans | 41.8% | 41.1% | 38.4% |
| Residential loans | 3.5% | 3.8% | 5.0% |
| Commercial and industrial loans | 53.2% | 53.5% | 54.8% |
| Consumer loans | 1.5% | 1.6% | 1.8% |
| Total loans | <u>100.0%</u> | <u>100.0%</u> | <u>100.0%</u> |

Deposit portfolio:

| | | | |
|--|---------------------|---------------------|---------------------|
| Demand-noninterest-bearing | \$ 819,015 | \$ 778,345 | \$ 720,931 |
| Savings | 115,371 | 113,892 | 114,302 |
| Money market checking and NOW accounts | 574,334 | 539,130 | 575,744 |
| Time deposits of \$100,000 or more | 506,946 | 493,532 | 616,187 |
| Other time deposits | <u>496,659</u> | <u>504,808</u> | <u>368,799</u> |
| Total deposits | <u>\$ 2,512,325</u> | <u>\$ 2,429,707</u> | <u>\$ 2,395,963</u> |

Deposit mix:

| | | | |
|--|---------------|---------------|---------------|
| Demand-noninterest-bearing | 32.5% | 32.0% | 30.1% |
| Savings | 4.6% | 4.7% | 4.8% |
| Money market checking and NOW accounts | 22.9% | 22.2% | 24.0% |
| Time deposits of \$100,000 or more | 20.2% | 20.3% | 25.7% |
| Other time deposits | 19.8% | 20.8% | 15.4% |
| Total deposits | <u>100.0%</u> | <u>100.0%</u> | <u>100.0%</u> |

Capital ratios:

Hanmi Financial

| | | | |
|--|--------|--------|--------|
| Total risk-based capital ratio | 17.53% | 17.72% | 20.65% |
| Tier 1 risk-based capital ratio | 16.26% | 16.45% | 19.37% |
| Tier 1 leverage capital ratio | 13.66% | 13.68% | 14.95% |
| Tangible equity to tangible assets ratio | 13.10% | 13.95% | 13.09% |

Hanmi Bank

| | | | |
|--|--------|--------|--------|
| Total risk-based capital ratio | 16.84% | 17.02% | 19.85% |
| Tier 1 risk-based capital ratio | 15.58% | 15.75% | 18.58% |
| Tier 1 leverage capital ratio | 13.09% | 13.10% | 14.33% |
| Tangible equity to tangible assets ratio | 12.58% | 13.38% | 15.29% |

Hanmi Financial Corporation and Subsidiaries

Average Balance, Average Yield Earned and Average Rate Paid

(Unaudited)

(In thousands)

| | Three Months Ended | | | | | | | | |
|--|--------------------|---------------------------|----------------------|--------------------|---------------------------|----------------------|-------------------|---------------------------|----------------------|
| | December 31, 2013 | | | September 30, 2013 | | | December 31, 2012 | | |
| | Average Balance | Interest Income / Expense | Average Yield / Rate | Average Balance | Interest Income / Expense | Average Yield / Rate | Average Balance | Interest Income / Expense | Average Yield / Rate |

| Assets | | | | | | | | | |
|---|------------------|---------------|--------------|------------------|---------------|--------------|------------------|---------------|--------------|
| Interest-earning assets: | | | | | | | | | |
| Gross loans, net of deferred loan fees | \$ 2,198,654 | \$ 28,256 | 5.10% | \$ 2,186,884 | \$ 29,098 | 5.28% | \$ 2,026,122 | \$ 27,418 | 5.38% |
| Municipal securities-taxable | 34,214 | 357 | 4.17% | 43,259 | 442 | 4.09% | 46,203 | 456 | 3.95% |
| Municipal securities-tax exempt | 7,035 | 71 | 4.02% | 10,088 | 106 | 4.21% | 12,731 | 146 | 4.59% |
| Obligations of other U.S. government agencies | 87,079 | 424 | 1.95% | 94,350 | 455 | 1.93% | 82,995 | 387 | 1.87% |
| Other debt securities | 292,860 | 1,397 | 1.91% | 238,264 | 1,143 | 1.92% | 279,591 | 1,295 | 1.85% |
| Equity securities | 26,084 | 378 | 5.80% | 28,058 | 392 | 5.59% | 30,971 | 306 | 3.95% |
| Federal funds sold | -- | -- | 0.00% | -- | -- | 0.00% | 7,127 | 7 | 0.39% |
| Term federal funds sold | -- | -- | 0.00% | -- | -- | 0.00% | 6,685 | 22 | 1.31% |
| Interest-bearing deposits in other banks | <u>109,256</u> | <u>69</u> | <u>0.25%</u> | <u>43,941</u> | <u>28</u> | <u>0.25%</u> | <u>239,048</u> | <u>153</u> | <u>0.25%</u> |
| Total interest-earning assets | <u>2,755,182</u> | <u>30,952</u> | <u>4.46%</u> | <u>2,644,844</u> | <u>31,664</u> | <u>4.75%</u> | <u>2,731,473</u> | <u>30,190</u> | <u>4.40%</u> |

| | | | | | | | | | |
|---|----------------------------|-------------------------|--------------|----------------------------|-------------------------|--------------|----------------------------|-------------------------|--------------|
| Noninterest-earning assets: | | | | | | | | | |
| Cash and cash equivalents | 71,768 | | | 66,808 | | | 73,567 | | |
| Allowance for loan losses | (57,884) | | | (58,991) | | | (65,228) | | |
| Other assets | <u>132,031</u> | | | <u>137,080</u> | | | <u>133,085</u> | | |
| Total noninterest-earning assets | <u>145,915</u> | | | <u>144,897</u> | | | <u>141,424</u> | | |
| Total assets | <u>\$ 2,901,097</u> | | | <u>\$ 2,789,741</u> | | | <u>\$ 2,872,897</u> | | |
| Liabilities and Stockholders' Equity | | | | | | | | | |
| Interest-bearing liabilities: | | | | | | | | | |
| Deposits: | | | | | | | | | |
| Savings | \$ 114,939 | \$ 435 | 1.50% | \$ 115,058 | \$ 454 | 1.57% | \$ 112,566 | \$ 477 | 1.69% |
| Money market checking and NOW accounts | 565,993 | 733 | 0.51% | 546,413 | 691 | 0.50% | 583,259 | 772 | 0.53% |
| Time deposits of \$100,000 or more | 503,822 | 920 | 0.72% | 522,664 | 942 | 0.72% | 623,780 | 1,312 | 0.84% |
| Other time deposits | 500,329 | 1,214 | 0.96% | 440,915 | 1,030 | 0.93% | 362,645 | 805 | 0.88% |
| FHLB advances | 8,575 | 36 | 1.67% | 5,587 | 36 | 2.56% | 2,984 | 39 | 5.20% |
| Other borrowings | 31 | -- | 0.00% | -- | -- | 0.00% | -- | -- | 0.00% |
| Junior subordinated debentures | -- | -- | 0.00% | -- | -- | 0.00% | 82,406 | 303 | 1.46% |
| Total interest-bearing liabilities | <u>1,693,689</u> | <u>3,338</u> | <u>0.78%</u> | <u>1,630,637</u> | <u>3,153</u> | <u>0.77%</u> | <u>1,767,640</u> | <u>3,708</u> | <u>0.83%</u> |
| Noninterest-bearing liabilities: | | | | | | | | | |
| Demand deposits | 789,179 | | | 749,797 | | | 706,475 | | |
| Other liabilities | <u>15,491</u> | | | <u>14,033</u> | | | <u>28,475</u> | | |
| Total noninterest-bearing liabilities | <u>804,670</u> | | | <u>763,830</u> | | | <u>734,950</u> | | |
| Total liabilities | 2,498,359 | | | 2,394,467 | | | 2,502,590 | | |
| Stockholders' equity | <u>402,738</u> | | | <u>395,274</u> | | | <u>370,307</u> | | |
| Total liabilities and stockholders' equity | <u>\$ 2,901,097</u> | | | <u>\$ 2,789,741</u> | | | <u>\$ 2,872,897</u> | | |
| Net interest income | | <u>\$ 27,614</u> | | | <u>\$ 28,511</u> | | | <u>\$ 26,482</u> | |
| Cost of deposits | | <u>0.53%</u> | | | <u>0.52%</u> | | | <u>0.56%</u> | |
| Net interest spread | | <u>3.68%</u> | | | <u>3.98%</u> | | | <u>3.57%</u> | |
| Net interest margin | | <u>3.98%</u> | | | <u>4.28%</u> | | | <u>3.86%</u> | |

Hanmi Financial Corporation and Subsidiaries

Average Balance, Average Yield Earned and Average Rate Paid,

Continued (Unaudited)

(In thousands)

| | Year Ended | | | | | |
|---|-------------------|---------------------------|----------------------|-------------------|---------------------------|----------------------|
| | December 31, 2013 | | | December 31, 2012 | | |
| | Average Balance | Interest Income / Expense | Average Yield / Rate | Average Balance | Interest Income / Expense | Average Yield / Rate |
| Assets | | | | | | |
| Interest-earning assets: | | | | | | |
| Gross loans, net of deferred loan fees | \$ 2,156,626 | \$ 111,992 | 5.19% | \$ 1,993,367 | \$ 108,982 | 5.47% |
| Municipal securities-taxable | 42,387 | 1,707 | 4.03% | 45,213 | 1,796 | 3.97% |
| Municipal securities-tax exempt | 10,141 | 435 | 4.29% | 12,902 | 606 | 4.70% |
| Obligations of other U.S. government agencies | 90,956 | 1,733 | 1.91% | 77,053 | 1,372 | 1.78% |
| Other debt securities | 274,789 | 4,994 | 1.82% | 277,386 | 5,250 | 1.89% |
| Equity securities | 28,290 | 1,404 | 4.96% | 31,356 | 818 | 2.61% |
| Federal funds sold | 1,555 | 6 | 0.39% | 14,178 | 60 | 0.42% |
| Term federal funds sold | -- | -- | 0.00% | 70,478 | 706 | 1.00% |
| Interest-bearing deposits in other banks | <u>83,055</u> | <u>209</u> | <u>0.25%</u> | <u>164,492</u> | <u>422</u> | <u>0.26%</u> |
| Total interest-earning assets | <u>2,687,799</u> | <u>122,480</u> | <u>4.56%</u> | <u>2,686,425</u> | <u>120,012</u> | <u>4.47%</u> |
| Noninterest-earning assets: | | | | | | |
| Cash and cash equivalents | 67,859 | | | 71,123 | | |

| | | | | | | |
|---|----------------------------|--------------------------|---------------------|----------------------------|--------------------------|---------------------|
| Allowance for loan losses | (60,119) | | | (75,914) | | |
| Other assets | <u>133,102</u> | | | <u>110,718</u> | | |
| Total noninterest-earning assets | <u>140,842</u> | | | <u>105,927</u> | | |
| Total assets | <u>\$ 2,828,641</u> | | | <u>\$ 2,792,352</u> | | |
| Liabilities and Stockholders' Equity | | | | | | |
| Interest-bearing liabilities: | | | | | | |
| Deposits: | | | | | | |
| Savings | \$ 114,968 | \$ 1,812 | 1.58% | \$ 110,349 | \$ 2,152 | 1.95% |
| Money market checking and NOW accounts | 567,860 | 2,912 | 0.51% | 529,976 | 3,085 | 0.58% |
| Time deposits of \$100,000 or more | 546,588 | 4,094 | 0.75% | 681,173 | 7,290 | 1.07% |
| Other time deposits | 421,387 | 3,860 | 0.92% | 350,877 | 3,350 | 0.95% |
| FHLB advances | 6,573 | 151 | 2.30% | 3,354 | 165 | 4.92% |
| Other borrowings | 8 | -- | 0.00% | -- | -- | 0.00% |
| Junior subordinated debentures | <u>21,234</u> | <u>678</u> | 3.19% | <u>82,406</u> | <u>2,703</u> | 3.28% |
| Total interest-bearing liabilities | <u>1,678,618</u> | <u>13,507</u> | 0.80% | <u>1,758,135</u> | <u>18,745</u> | 1.07% |
| Noninterest-bearing liabilities: | | | | | | |
| Demand deposits | 740,445 | | | 676,707 | | |
| Other liabilities | <u>15,844</u> | | | <u>29,494</u> | | |
| Total noninterest-bearing liabilities | <u>756,289</u> | | | <u>706,201</u> | | |
| Total liabilities | 2,434,907 | | | 2,464,336 | | |
| Stockholders' equity | <u>393,734</u> | | | <u>328,016</u> | | |
| Total liabilities and stockholders' equity | <u>\$ 2,828,641</u> | | | <u>\$ 2,792,352</u> | | |
| Net interest income | | <u>\$ 108,973</u> | | | <u>\$ 101,267</u> | |
| Cost of deposits | | | <u>0.53%</u> | | | <u>0.68%</u> |
| Net interest spread | | | <u>3.76%</u> | | | <u>3.40%</u> |
| Net interest margin | | | <u>4.05%</u> | | | <u>3.77%</u> |

Non-GAAP Financial Measures

Tangible Common Equity to Tangible Assets Ratio

Tangible common equity to tangible assets ratio is supplemental financial information determined by a method other than in accordance with U.S. generally accepted accounting principles ("GAAP"). This non-GAAP measure is used by management in the analysis of Hanmi Financial's capital strength. Tangible equity is calculated by subtracting goodwill and other intangible assets from total stockholders' equity. Banking and financial institution regulators also exclude goodwill and other intangible assets from total stockholders' equity when assessing the capital adequacy of a financial institution. Management believes the presentation of this financial measure excluding the impact of these items provides useful supplemental information that is essential to a proper understanding of the capital strength of Hanmi Financial. This disclosure should not be viewed as a substitution for results determined in accordance with GAAP, nor is it necessarily comparable to non-GAAP performance measures that may be presented by other companies.

The following table reconciles this non-GAAP performance measure to the GAAP performance measure for the periods indicated:

Tangible Common Equity to Tangible Assets Ratio (Unaudited)

(In thousands, except share and per share data)

| | December 31, 2013 | September 30, 2013 | December 31, 2012 |
|------------------------------------|----------------------|-----------------------|----------------------|
| Hanmi Financial Corporation | | | |
| Total assets | \$ 3,055,539 | \$ 2,845,137 | \$ 2,882,520 |
| Less other intangible assets | <u>(1,171)</u> | <u>(1,212)</u> | <u>(1,335)</u> |
| Tangible assets | <u>\$ 3,054,368</u> | <u>\$ 2,843,925</u> | <u>\$ 2,881,185</u> |
| Total stockholders' equity | \$ 401,237 | \$ 397,956 | \$ 378,364 |
| Less other intangible assets | <u>(1,171)</u> | <u>(1,212)</u> | <u>(1,335)</u> |
| Tangible stockholders' equity | <u>\$ 400,066</u> | <u>\$ 396,744</u> | <u>\$ 377,029</u> |

| | | | |
|--|------------|------------|------------|
| Total stockholders' equity to total assets | 13.13% | 13.99% | 13.13% |
| Tangible common equity to tangible assets | 13.10% | 13.95% | 13.09% |
| Common shares outstanding | 31,756,550 | 31,754,115 | 31,496,540 |
| Tangible common equity per common share | \$ 12.60 | \$ 12.49 | \$ 11.97 |

CONTACT: Hanmi Financial Corporation
Mark Yoon, CFA CPA CVA
EVP & Chief Financial Officer
213-427-5636

Investor Relations
The Cereghino Group
Becky Reid
206-388-5788
www.stockvalues.com