

HANMI FINANCIAL CORP
Form 10-Q
May 10, 2013
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

X **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Quarterly Period Ended March 31, 2013

or

.. **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Transition Period From _____ To _____

Commission File Number: 000-30421

HANMI FINANCIAL CORPORATION

(Exact Name of Registrant as Specified in its Charter)

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Delaware
(State or Other Jurisdiction of

95-4788120
(I.R.S. Employer

Incorporation or Organization)

Identification No.)

3660 Wilshire Boulevard, Penthouse Suite A

Los Angeles, California
(Address of Principal Executive Offices)

90010
(Zip Code)

(213) 382-2200

(Registrant's Telephone Number, Including Area Code)

Not Applicable

(Former Name, Former Address and Former Fiscal Year, If Changed Since Last Report)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the Registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the Registrant was required to submit and post such files). Yes No

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer

Accelerated Filer

Non-Accelerated Filer (Do Not Check if a Smaller Reporting Company)

Smaller Reporting Company

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

As of April 30, 2013, there were 31,588,767 outstanding shares of the Registrant's Common Stock.

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HANMI FINANCIAL CORPORATION AND SUBSIDIARIES

QUARTERLY REPORT ON FORM 10-Q

THREE MONTHS ENDED MARCH 31, 2013

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	March 31, 2013	December 31, 2012
ASSETS		
Cash and Due From Banks	\$ 69,642	\$ 92,350
Interest-Bearing Deposits in Other Banks	75,657	175,697
Cash and Cash Equivalents	145,299	268,047
Restricted Cash		5,350
Securities Available-for-Sale, at Fair Value (Amortized Cost of \$413,132 as of March 31, 2013 and \$443,712 as of December 31, 2012)	419,903	451,060
Loans Held for Sale, at the Lower of Cost or Fair Value	6,043	8,306
Loans Receivable, Net of Allowance for Loan Losses of \$61,191 as of March 31, 2013 and \$63,305 as of December 31, 2012	2,061,156	1,986,051
Accrued Interest Receivable	7,526	7,581
Premises and Equipment, Net	14,792	15,150
Other Real Estate Owned, Net	900	774
Customers Liability on Acceptances	2,170	1,336
Servicing Assets	6,004	5,542
Other Intangible Assets, Net	1,294	1,335
Investment in Federal Home Loan Bank Stock, at Cost	16,014	17,800
Investment in Federal Reserve Bank Stock, at Cost	12,222	12,222
Income Tax Assets	57,084	60,028
Bank-Owned Life Insurance	29,284	29,054
Prepaid Expenses	2,676	2,084
Other Assets	10,056	10,800
TOTAL ASSETS	\$ 2,792,423	\$ 2,882,520
LIABILITIES AND STOCKHOLDERS EQUITY		
LIABILITIES:		
Deposits:		
Noninterest-Bearing	\$ 709,650	\$ 720,931
Interest-Bearing	1,623,362	1,675,032
Total Deposits	2,333,012	2,395,963
Accrued Interest Payable	3,192	11,775
Bank's Liability on Acceptances	2,170	1,336
Federal Home Loan Bank Advances	2,840	2,935
Junior Subordinated Debentures	51,478	82,406
Accrued Expenses and Other Liabilities	10,626	9,741
TOTAL LIABILITIES	2,403,318	2,504,156

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STOCKHOLDERS EQUITY:

Common Stock, \$0.001 Par Value; Authorized 62,500,000 Shares; Issued 32,166,661 Shares (31,588,767 Shares Outstanding) and 32,074,434 shares (31,496,540 Shares Outstanding) as of March 31, 2013 and December 31, 2012	257	257
Additional Paid-In Capital	551,064	550,123
Unearned Compensation	(44)	(57)
Accumulated Other Comprehensive Income-Unrealized Gain on Securities Available-for-Sale and Interest-Only Strip, Net of Income Taxes of \$1,695 as of March 31, 2013 and \$1,946 as of December 31, 2012	5,095	5,418
Accumulated Deficit	(97,409)	(107,519)
Less Treasury Stock, at Cost; 577,894 Shares as of March 31, 2013 and December 31, 2012	(69,858)	(69,858)
TOTAL STOCKHOLDERS EQUITY	389,105	378,364
TOTAL LIABILITIES AND STOCKHOLDERS EQUITY	\$ 2,792,423	\$ 2,882,520

See Accompanying Notes to Consolidated Financial Statements (Unaudited)

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HANMI FINANCIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)

(In Thousands, Except Per Share Data)

	Three Months Ended March 31,	
	2013	2012
INTEREST AND DIVIDEND INCOME:		
Interest and Fees on Loans	\$ 26,799	\$ 27,542
Taxable Interest on Investment Securities	2,116	2,098
Tax-Exempt Interest on Investment Securities	95	102
Interest on Term Federal Funds Sold		325
Interest on Federal Funds Sold	6	128
Interest on Interest-Bearing Deposits in Other Banks	88	2
Dividends on Federal Reserve Bank Stock	183	68
Dividends on Federal Home Loan Bank Stock	108	29
Total Interest and Dividend Income	29,395	30,294
INTEREST EXPENSE:		
Interest on Deposits	3,159	4,919
Interest on Federal Home Loan Bank Advances	38	43
Interest on Junior Subordinated Debentures	594	799
Total Interest Expense	3,791	5,761
NET INTEREST INCOME BEFORE PROVISION FOR CREDIT LOSSES	25,604	24,533
Provision for Credit Losses		2,000
NET INTEREST INCOME AFTER PROVISION FOR CREDIT LOSSES	25,604	22,533
NON-INTEREST INCOME:		
Service Charges on Deposit Accounts	3,048	3,168
Insurance Commissions	1,213	1,236
Remittance Fees	497	454
Trade Finance Fees	277	292
Other Service Charges and Fees	398	364
Bank-Owned Life Insurance Income	230	399
Gain on Sales of SBA Loans Guaranteed Portion	2,692	
Net Loss on Sales of Other Loans	(97)	(2,393)
Net Gain on Sales of Investment Securities	9	1
Other Operating Income	90	112
Total Non-Interest Income	8,357	3,633
NON-INTEREST EXPENSE:		
Salaries and Employee Benefits	9,351	9,110
Occupancy and Equipment	2,556	2,595
Deposit Insurance Premiums and Regulatory Assessments	234	1,401
Data Processing	1,170	1,253
Other Real Estate Owned Expense	32	(44)
Professional Fees	2,156	749

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Directors and Officers Liability Insurance	220	297
Supplies and Communications	495	558
Advertising and Promotion	672	601
Loan-Related Expense	146	200
Amortization of Other Intangible Assets	41	71
Other Operating Expenses	2,094	1,955
Total Non-Interest Expense	19,167	18,746
INCOME BEFORE PROVISION FOR INCOME TAXES	14,794	7,420
Provision for Income Taxes	4,684	79
NET INCOME	\$ 10,110	\$ 7,341
EARNINGS PER SHARE:		
Basic	\$ 0.32	\$ 0.23
Diluted	\$ 0.32	\$ 0.23
WEIGHTED-AVERAGE SHARES OUTSTANDING:		
Basic	31,538,980	31,470,520
Diluted	31,626,667	31,489,569

See Accompanying Notes to Consolidated Financial Statements (Unaudited)

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HANMI FINANCIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)

(In Thousands)

	Three Months Ended	
	March 31,	
	2013	2012
NET INCOME	\$ 10,110	\$ 7,341
OTHER COMPREHENSIVE INCOME, NET OF TAX		
Unrealized (Loss) Gain on Securities		
Unrealized Holding (Loss) Gain Arising During Period	(568)	674