HANMI FINANCIAL CORP Form 10-Q May 10, 2013 Table of Contents

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)

Delaware (State or Other Jurisdiction of

Incorporation or Organization)

3660 Wilshire Boulevard, Penthouse Suite A

Los Angeles, California (Address of Principal Executive Offices) 95-4788120 (I.R.S. Employer

Identification No.)

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 x No $\ddot{}$

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 x No $\ddot{}$

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	Х
Non-Accelerated Filer " (Do Not Check if a Smaller Reporting Company) Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Act).	Smaller Reporting Company Yes "No x	

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

HANMI FINANCIAL CORPORATION AND SUBSIDIARIES

OUARTERLY REPORT ON FORM 10-O

THREE MONTHS ENDED MARCH 31, 2013

TABLE OF CONTENTS

PART 1 - FINANCIAL INFORMATION

ITEM 1.	FINANCIAL STATEMENTS	3
	Consolidated Balance Sheets (Unaudited)	3
	Consolidated Statements of Operations (Unaudited)	4
	Consolidated Statements of Comprehensive Income (Unaudited) Consolidated Statements of Changes in Stockholders Equity (Unaudited)	5
	Consolidated Statements of Cash Flows (Unaudited)	7
	Notes to Consolidated Financial Statements (Unaudited)	8
ITEM 2.	MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF	
	OPERATIONS	33
ITEM 3.	QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK	54
ITEM 4.	CONTROLS AND PROCEDURES	54
	PART II - OTHER INFORMATION	
ITEM 1.	LEGAL PROCEEDINGS	55
ITEM 1A.	RISK FACTORS	55
ITEM 2.	UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS	55
ITEM 3.	DEFAULTS UPON SENIOR SECURITIES	56
ITEM 4.	MINE SAFETY DISCLOSURES	56
ITEM 5.	OTHER INFORMATION	56
ITEM 6.	<u>EXHIBITS</u>	56
<u>SIGNATURES</u>		57

2

PART I FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS HANMI FINANCIAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (UNAUDITED)

(In Thousands, Except Share Data)

	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
Interest Dearing	1,020,002	1,075,052
Total Deposits	2,333,012	2,395,963
Accrued Interest Payable	2,555,012	2,393,903
Bank s Liability on Acceptances	2,170	1,336
Federal Home Loan Bank Advances	2,170	2,935
Junior Subordinated Debentures	51,478	82,406
Accrued Expenses and Other Liabilities	10,626	9,741
rectued Expenses and Outer Endomates	10,020	2,771

TOTAL LIABILITIES 2,403,318 2,504,156

Edgar Filing: HANMI FINANCIAL CORP - Form 10-Q

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)

3

HANMI FINANCIAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)

(In Thousands, Except Per Share Data)

JOINTEREST AND DIVIDEND INCOME: 2013 2012 Interest and Fees on Loans \$ 26,799 \$ 27,542 2,098 2,098 2,098 2,098 102 Taxable Interest on Investment Securities 95 100 325 100 325 Interest on Terefedral Funds Sold 6 128 325 325 Interest on Interest on Ederal Funds Sold 6 128 108 29 Interest on Interest Bank Stock 183 68 20,939 30,294 Dividends on Federal Hourds Stock 108 29 30,294 Interest on Develoat Bank Potes Bank Stock 108 29 30,294 INTEREST EXPENSE: 108 29 30,294 Interest on Deposits 3,159 4,919 116 49,919 Interest on Federal Hourds Out Debentures 38 43 43 43 Interest on Poposits 3,159 4,919 116 49,919 116 5,761 Interest on Federal Hourds Debentures 3,94 34 43 43		TI	Three Months Ended March 31,		
Interest and Fees on Loans \$ 26,799 \$ 27,542 Taxable Interest on Investment Securities 2,116 2,008 Tax-Exempt Interest on Investment Securities 95 102 Interest on Term Federal Funds Sold 6 128 Interest on Investment Securities 88 2 Interest on Investment Securities 88 2 Interest on Investment Securities 108 29 Total Interest on Investment Securities 108 29 Total Interest on Dividend Income 29,395 30,294 INTEREST EXPENSE: 108 29 Interest on Peoposits 3,159 4,919 Interest on Peoposits 3,159 4,919 Interest on Peoposits 3,159 4,919 Total Interest PAPENSE: 25,604 24,533 Interest on Junior Subordinated Debentures 594 799 Total Interest PROVISION FOR CREDIT LOSSES 25,604 24,533 Provision for Credit Losses 21,213 1,226 Remittance Pees 497 454 Insurance Commissi		2013	,	2012	
Taxable Interest on Investment Securities 2116 2.008 Tax-Exemp Interest on Term Federal Funds Sold 325 Interest on Term Federal Funds Sold 6 128 Interest on Term Federal Funds Sold 6 128 Interest on Interest Daring 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 on Dividend Income 29,395 30.294 NTEREST EXPENSE:					
Tax-Exempt Interest on Investment Scurities 95 102 Interest on Term Federal Funds Sold 325 Interest on Terderal Funds Sold 6 128 Interest on Interest-Bearing Deposits in Other Banks 88 2 Dividends on Federal Home Loan Bank Stock 108 29 Total Interest and Dividend Income 29,395 30,294 INTEREST EXPENSE: 108 29 Interest on Deposits 3,159 4,919 Interest on Federal Home Loan Bank Advances 38 43 Interest on Deposits 3,791 5,761 NET INTEREST INCOME BEFORE PROVISION FOR CREDIT LOSSES 25,604 24,533 Provision for Credit Losses 2,000 1213 1,226 NON-INTEREST INCOME 2 2 2,000 NET INTEREST INCOME 3,048 3,168 3,168 Insurance Contarges on Deposit Accounts 3,048 3,123 1,226 Remitance Fees 497 454<					
Interest on Term Federal Funds Sold325Interest on Federal Funds Sold6128Interest on Interest-Bearing Deposits in Other Banks882Dividends on Federal Reserve Bank Stock10829Total Interest and Dividend Income29,39530.294Interest on Interest-Bearing Deposits in Other Banks29,39530.294Interest and Dividend Income29,39530.294Interest on Deposits3,1594,919Interest on Deposits3843Interest on Federal Home Loan Bank Advances3843Interest on Federal Home Loan Bank Advances3843Interest on Junior Subordinated Debentures594799Total Interest Expense3,7915,761NET INTEREST INCOME BEFORE PROVISION FOR CREDIT LOSSES25,60424,533Provision for Credit Losses2,00022,50322,533NON-INTEREST INCOME AFTER PROVISION FOR CREDIT LOSSES25,60422,533NON-INTEREST INCOME30,483,1683,168Insurance Commissions1,2131,236Remittance Fees497434Trade Finance Fees398344Bank-Owned Life Insurance Income2,30399Gain on Sales of SBA Loans Guaranteed Portion2,602Net Loss on Sales of Suffer Loans91Other Operating Income300398SAt Coancel Life Insurance Income3,3043,168Insurance Terminus and Regulatory Assessments2,341,401Other Coper		2.	,116	2,098	
Interest on Federal Funds Sold 6 128 Interest on Interest-Bearing Deposits in Other Banks 88 2 Dividends on Federal Home Loan 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 Deposits 3,159 4,919 Interest on Federal Home Loan Bank Advances 38 43 Interest on Junior Subordinated Debentures 594 799 Total Interest EXPENSE: 2,5604 24,533 Provision for Credit Losses 2,5604 24,533 Provision for Credit Losses 2,5604 24,533 NET INTEREST INCOME BEFORE PROVISION FOR CREDIT LOSSES 2,5604 22,533 NON-INTEREST INCOME AFTER PROVISION FOR CREDIT LOSSES 2,5604 22,533 NON-INTEREST INCOME AFTER PROVISION FOR CREDIT LOSSES 2,5604 3,168 Insurance Commissions 1,213 1,236 Remitance Fees 497 444 Frade Finance Fees 2,207 292 Other Service Charges and Fees 3,988 364 Bank-Owned Life Insurance Income 2,300 3,999 Gain on Sales of Sta Loans Guaranteed Portion 2,692 Net Gain on Sales of Sta Loans Guaranteed Portion 2,692 Net Gain on Sales of Sta Loans Guaranteed Portion 2,692 Net Gain on Sales of Sta Loans Guaranteed Portion 2,692 Net Gain on Sales of Other Loans 1,013 1,236 Correst Charges and Fees 9 10 Other Operating Income 8,357 3,633 NON-INTEREST EXPENSE: 234 Cata Mon-Interest Income 8,357 3,633 NON-INTEREST EXPENSE: 234 LiA01 Data Processing 1,170 1,123 Data Processing 1,170 1,170 Data Processing 1,226 (Advectored Expense 3,226 (Advectored Expense 3,226 (Advectored Expense 3,226 (Advectored Expense 3,236 (Advectored			95		
Interest on Interest-Bearing Deposits in Other Banks882Dividends on Federal Home Loan Bank Stock18368Dividends on Federal Home Loan Bank Stock10829Total Interest and Dividend Income29,39530,294NTEREST EXPENSE:					
Dividends on Federal Reserve Bank Stock18368Dividends on Federal Home Loan Bank Stock10829Total Interest and Dividend Income29,39530,294INTEREST EXPENSE:1Interest on Deposits3,1594,919Interest on Junio's Subordinated Debentures3843Interest on Junio's Subordinated Debentures37915,761NET INTEREST INCOME BEFORE PROVISION FOR CREDIT LOSSES25,60424,533Provision for Credit Losses2,0002,000NET INTEREST INCOME AFTER PROVISION FOR CREDIT LOSSES25,60422,533NON-INTEREST INCOME220002000NET INTEREST INCOME220002000NET INTEREST INCOME220002000NET INTEREST INCOME220002000NON-INTEREST INCOME220002000NON-INTEREST INCOME220002000NON-INTEREST INCOME220002000NON-INTEREST INCOME220002000NON-INTEREST INCOME220002000NON-INTEREST INCOME220002000NON-INTEREST INCOME912000NON-INTEREST INCOME912000NON-INTEREST INCOME912000NON-INTEREST INCOME912000NON-INTEREST INCOME912000NON INTEREST INCOME912000NON INTEREST INCOME912000Statis o					
Dividends on Federal Home Loan Bank Stock10829Total Interest and Dividend Income29,39530,294INTEREST EXPENSE:3.1594,919Interest on Deposits3.1594,919Interest on Deposits3.843Interest on Dederal Home Loan Bank Advances3843Interest on Junior Subordinated Debentures594799Total Interest Expense3,7915,761NET INTEREST INCOME BEFORE PROVISION FOR CREDIT LOSSES25,60424,533Provision for Credit Losses20,00022,533NOT.INTEREST INCOME AFTER PROVISION FOR CREDIT LOSSES25,60422,533NON-INTEREST INCOME:3,0483,168Service Charges on Deposit Accounts3,0483,168Insurance Commissions1,2131,236Insurance Commissions1,2131,236Uter Service Charges and Fees297290Other Service Charges and Fees298346Bank-Owned Life Insurance Income230399Gain on Sales of BAL Canas Guaranteed Portion2,692112Total Non-Interest Income8,3573,633NON-INTEREST EXPENSE:9112Salaries and Employee Benefits9,3519,110Doral Sales of Other Service Charges2341,401Data Processing2,3519,110Data Processing2341,401Data Processing1,1701,233Other Real Estac Owned Expense324(44)				2	
Total Interest and Dividend Income29,39530,294INTEREST EXPENSE: Interest on Deposits3,1594,919Interest on Deposits3,843Interest on Dederal Home Loan Bank Advances3843Interest on Junior Subordinated Debentures594799Total Interest Expense3,7915,761NET INTEREST INCOME BEFORE PROVISION FOR CREDIT LOSSES25,60424,533Provision for Credit Losses2,0002,000NET INTEREST INCOME AFTER PROVISION FOR CREDIT LOSSES25,60422,533NON-INTEREST INCOME AFTER PROVISION FOR CREDIT LOSSES25,60422,533NON-INTEREST INCOME:594799Service Charges on Deposit Accounts3,0483,168Insurance Commissions1,2131,236Remittance Fees497454Trade Finance Fees2177292Other Service Charges and Fees398364Bank-Owned Life Insurance Income2,602112Total Non-Interest Income9112Total Non-Interest Income9,3519,10Other Operating Income9,3519,10Salaries and Employee Benefits9,3519,10Overparky and Equipment2,5562,505Deposit Insurance Prenums and Regulatory Assessments2341,410Data Processing1,1701,233Other Rest Counce Expense324(44)					
NTEREST EXPENSE:Interest on Deposits3,1594,919Interest on Pederal Home Loan Bank Advances3843Interest on Junior Subordinated Debentures594799Total Interest Expense3,7915,761NET INTEREST INCOME BEFORE PROVISION FOR CREDIT LOSSES25,60424,533Provision for Credit Losses2,000NET INTEREST INCOME AFTER PROVISION FOR CREDIT LOSSES25,60422,533NON-INTEREST INCOME AFTER PROVISION FOR CREDIT LOSSES25,6043,048Service Charges on Deposit Accounts3,0483,168Insurance Commissions1,2131,236Remittance Fees497454Trade Finance Fees277292Other Service Charges and Fees398364Bank Owned Life Insurance Income230399Gain on Sales of Other Loans(97)(2,393)NOLINTEREST EXPENSE:91Cother Operating Income90112Total Non-Interest Income2,3519,110Salaries and Employee Benefits9,3519,110Occupancy and Equipment2,5562,555Deposit Insurance Premiums and Regulatory Assessments2341,401Data Processing1,1701,233Other Chernel Estate Owned Expense32(44)	Dividends on Federal Home Loan Bank Stock		108	29	
Interest on Deposits3,1594,919Interest on Federal Home Loan Bank Advances3843Interest on Junior Subordinated Debentures594799Total Interest Expense3,7915,761NET INTEREST INCOME BEFORE PROVISION FOR CREDIT LOSSES25,60424,533Provision for Credit Losses2,0002,000NET INTEREST INCOME AFTER PROVISION FOR CREDIT LOSSES25,60422,533NON-INTEREST INCOME AFTER PROVISION FOR CREDIT LOSSES25,60422,533NON-INTEREST INCOME AFTER PROVISION FOR CREDIT LOSSES3,0483,168Insurance Commissions1,2131,236Remittance Fees497454Trade Finance Fees277292Other Service Charges and Fees398364Bank-Owned Life Insurance Income230399Gait on Sales of SBA Loans Guaranteed Portion2,692Net Loss on Sales of Other Loans91Other Operating Income91Total Non-Interest Income8,3573,633NON-INTEREST EXPENSE:91Salaries and Employee Benefits2,3562,595Deposit Insurance Premiums and Regulatory Assessments2,341,401Data Processing1,1701,234Other Resting Come32(44)	Total Interest and Dividend Income	29,	,395	30,294	
Interest on Federal Home Loan Bank Advances3843Interest on Junior Subordinated Debentures594799Total Interest Expense3,7915,761NET INTEREST INCOME BEFORE PROVISION FOR CREDIT LOSSES25,60424,533Provision for Credit Losses2,0002,000NET INTEREST INCOME AFTER PROVISION FOR CREDIT LOSSES25,60422,533NON-INTEREST INCOME AFTER PROVISION FOR CREDIT LOSSES25,60422,533NON-INTEREST INCOME5525,604Service Charges on Deposit Accounts3,0483,168Insurance Commissions1,2131,236Remittance Fees497454Trade Finance Fees277292Other Service Charges and Fees398364Bank-Owned Life Insurance Income230399Gain on Sales of Other Loans(97)(2,393)Net Gain on Sales of Other Loans91Other Operating Income90112Total Non-Interest Income8,3573,633NON-INTEREST EXPENSE:91Salaries and Employee Benefits9,3519,110Occupancy and Equipment2,5562,595Deposit Insurance Premiums and Regulatory Assessments2,341,401Data Processing1,1701,253Other Real Estate Owned Expense32(44)	INTEREST EXPENSE:				
Interest on Junior Subordinated Debentures594799Total Interest Expense3,7915,761NET INTEREST INCOME BEFORE PROVISION FOR CREDIT LOSSES25,60424,533Provision for Credit Losses25,60422,533NON-INTEREST INCOME AFTER PROVISION FOR CREDIT LOSSES25,60422,533NON-INTEREST INCOME I5043,0483,168Insurance Commissions1,2131,236Remitance Fees497454Trade Finance Fees277292Other Service Charges and Fees398364Bank-Owned Life Insurance Income2,30399Gain on Sales of SBA Loans Guaranteed Portion2,692112Total Non-Interest Income91112Total Non-Interest Income8,3573,6333,633NON-INTEREST EXPENSE:5352,5952,595Deposit Insurance Premiums and Regulatory Assessments2,341,401Data Processing1,1701,2532,44Other Ressing1,1701,2532,44		3.	,159	4,919	
Total Interest Expense3,7915,761NET INTEREST INCOME BEFORE PROVISION FOR CREDIT LOSSES25,60424,533Provision for Credit Losses2,000NET INTEREST INCOME AFTER PROVISION FOR CREDIT LOSSES25,60422,533NON-INTEREST INCOME AFTER PROVISION FOR CREDIT LOSSES25,60422,533NON-INTEREST INCOME3,0483,168Insurance Commissions1,2131,236Remittance Fees497454Trade Finance Fees277292Other Service Charges and Fees398364Bank-Owned Life Insurance Income2,30399Gain on Sales of SDA Loans Guaranteed Portion2,69212Net Loss on Sales of Investment Securities91Other Operating Income90112Total Non-Interest Income8,3573,633NON-INTEREST EXPENSE:9,3519,110Occupancy and Equipment2,5562,595Deposit Insurance Premiums and Regulatory Assessments2,341,401Data Processing1,1701,253Other Real Estate Owned Expense32(44)	Interest on Federal Home Loan Bank Advances		38	43	
NET INTEREST INCOME BEFORE PROVISION FOR CREDIT LOSSES25,60424,533Provision for Credit Losses2,000NET INTEREST INCOME AFTER PROVISION FOR CREDIT LOSSES25,60422,533NON-INTEREST INCOME3,0483,168Insurance Commissions1,2131,236Remittance Fees497454Trade Finance Fees277292Other Service Charges and Fees398364Bank-Owned Life Insurance Income230399Gain on Sales of SBA Loans Guaranteed Portion2,6929Net Loss on Sales of Other Loans9112Other Operating Income90112Total Non-Interest Income8,3573,633NON-INTEREST EXPENSE:2,5562,595Despit Insurance Premiums and Regulatory Assessments2,341,170Data Processing1,1701,2530ther JoansOther Operating Income2,341,401Data Processing3,244,401Data Processing3,2(44)	Interest on Junior Subordinated Debentures		594	799	
Provision for Credit Losses2,000NET INTEREST INCOME AFTER PROVISION FOR CREDIT LOSSES25,60422,533NON-INTEREST INCOME:3,0483,168Service Charges on Deposit Accounts3,0483,168Insurance Commissions1,2131,236Remittance Fees497454Trade Finance Fees277292Other Service Charges and Fees398364Bank-Owned Life Insurance Income230399Gain on Sales of SBA Loans Guaranteed Portion2,6929Net Loss on Sales of Other Loans(97)(2,393)Net Gain on Sales of Investment Securities91Other Operating Income90112Total Non-Interest Income8,3573,633NON-INTEREST EXPENSE:91Salaries and Employee Benefits9,3519,110Occupancy and Equipment2,5562,595Deposit Insurance Premiums and Regulatory Assessments2341,401Data Processing1,1701,253Other Real Estate Owned Expense32(44)	Total Interest Expense	3,	,791	5,761	
Provision for Credit Losses2,000NET INTEREST INCOME AFTER PROVISION FOR CREDIT LOSSES25,60422,533NON-INTEREST INCOME:3,0483,168Service Charges on Deposit Accounts3,0483,168Insurance Commissions1,2131,236Remittance Fees497454Trade Finance Fees277292Other Service Charges and Fees398364Bank-Owned Life Insurance Income230399Gain on Sales of SBA Loans Guaranteed Portion2,6929Net Loss on Sales of Other Loans(97)(2,393)Net Gain on Sales of Investment Securities91Other Operating Income90112Total Non-Interest Income8,3573,633NON-INTEREST EXPENSE:91Salaries and Employee Benefits9,3519,110Occupancy and Equipment2,5562,595Deposit Insurance Premiums and Regulatory Assessments2341,401Data Processing1,1701,253Other Real Estate Owned Expense32(44)	NET INTEREST INCOME BEFORE PROVISION FOR CREDIT LOSSES	25.	.604	24.533	
NON-INTEREST INCOME:Service Charges on Deposit Accounts3,0483,168Insurance Commissions1,2131,236Remittance Fees497454Trade Finance Fees277292Other Service Charges and Fees398364Bank-Owned Life Insurance Income230399Gain on Sales of SBA Loans Guaranteed Portion2,692398Net Loss on Sales of Other Loans(97)(2,393)Net Gain on Sales of Investment Securities91Other Operating Income90112Total Non-Interest Income8,3573,633NON-INTEREST EXPENSE:91Salaries and Employee Benefits9,3519,110Occupancy and Equipment2,5562,595Deposit Insurance Premiums and Regulatory Assessments2341,401Data Processing1,1701,253Other Real Estate Owned Expense32(44)					
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 9 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: 5 2,556 Deposit Insurance Premiums and Regulatory Assessments 234 1,401 Data Processing 1,170 1,253 Other Real Estate Owned Expense 32 (44)	NET INTEREST INCOME AFTER PROVISION FOR CREDIT LOSSES	25.	,604	22,533	
Insurance Commissions1,2131,236Remittance Fees497454Trade Finance Fees277292Other Service Charges and Fees398364Bank-Owned Life Insurance Income230399Gain on Sales of SBA Loans Guaranteed Portion2,692Net Loss on Sales of Other Loans(97)(2,393)Net Gain on Sales of Investment Securities91Other Operating Income90112Total Non-Interest Income8,3573,633NON-INTEREST EXPENSE:52,595Deposit Insurance Premiums and Regulatory Assessments2341,401Data Processing1,1701,253Other Real Estate Owned Expense32(44)	NON-INTEREST INCOME:				
Remittance Fees497454Trade Finance Fees277292Other Service Charges and Fees398364Bank-Owned Life Insurance Income230399Gain on Sales of SBA Loans Guaranteed Portion2,6929Net Loss on Sales of Other Loans(97)(2,393)Net Gain on Sales of Investment Securities91Other Operating Income90112Total Non-Interest Income8,3573,633NON-INTEREST EXPENSE:91Salaries and Employee Benefits9,3519,110Occupancy and Equipment2,5562,595Deposit Insurance Premiums and Regulatory Assessments2341,401Data Processing1,1701,253Other Real Estate Owned Expense32(44)	Service Charges on Deposit Accounts	3.	,048	3,168	
Trade Finance Fees277292Other Service Charges and Fees398364Bank-Owned Life Insurance Income230399Gain on Sales of SBA Loans Guaranteed Portion2,6929Net Loss on Sales of Other Loans(97)(2,393)Net Gain on Sales of Investment Securities91Other Operating Income90112Total Non-Interest Income8,3573,633NON-INTEREST EXPENSE:91Salaries and Employee Benefits9,3519,110Occupancy and Equipment2,5562,595Deposit Insurance Premiums and Regulatory Assessments2341,401Data Processing1,1701,253Other Real Estate Owned Expense32(44)	Insurance Commissions	1.	,213	1,236	
Other Service Charges and Fees398364Bank-Owned Life Insurance Income230399Gain on Sales of SBA Loans Guaranteed Portion2,692Net Loss on Sales of Other Loans(97)(2,393)Net Gain on Sales of Investment Securities91Other Operating Income90112Total Non-Interest Income8,3573,633NON-INTEREST EXPENSE:91Salaries and Employee Benefits9,3519,110Occupancy and Equipment2,5562,595Deposit Insurance Premiums and Regulatory Assessments2341,401Data Processing1,1701,253Other Real Estate Owned Expense32(44)	Remittance Fees		497	454	
Bank-Owned Life Insurance Income230399Gain on Sales of SBA Loans Guaranteed Portion2,692Net Loss on Sales of Other Loans(97)(2,393)Net Gain on Sales of Investment Securities91Other Operating Income90112Total Non-Interest Income8,3573,633NON-INTEREST EXPENSE:99Salaries and Employee Benefits9,3519,110Occupancy and Equipment2,5562,595Deposit Insurance Premiums and Regulatory Assessments2341,401Data Processing1,1701,253Other Real Estate Owned Expense32(44)	Trade Finance Fees		277	292	
Gain on Sales of SBA Loans Guaranteed Portion2,692Net Loss on Sales of Other Loans(97)(2,393)Net Gain on Sales of Investment Securities91Other Operating Income90112Total Non-Interest Income8,3573,633NON-INTEREST EXPENSE:91Salaries and Employee Benefits9,3519,110Occupancy and Equipment2,5562,595Deposit Insurance Premiums and Regulatory Assessments2341,401Data Processing1,1701,253Other Real Estate Owned Expense32(44)	Other Service Charges and Fees		398	364	
Net Loss on Sales of Other Loans(97)(2,393)Net Gain on Sales of Investment Securities91Other Operating Income90112Total Non-Interest Income8,3573,633NON-INTEREST EXPENSE:91Salaries and Employee Benefits9,3519,110Occupancy and Equipment2,5562,595Deposit Insurance Premiums and Regulatory Assessments2341,401Data Processing1,1701,253Other Real Estate Owned Expense32(44)	Bank-Owned Life Insurance Income		230	399	
Net Gain on Sales of Investment Securities91Other Operating Income90112Total Non-Interest Income8,3573,633NON-INTEREST EXPENSE:9,3519,110Salaries and Employee Benefits9,3519,110Occupancy and Equipment2,5562,595Deposit Insurance Premiums and Regulatory Assessments2341,401Data Processing1,1701,253Other Real Estate Owned Expense32(44)	Gain on Sales of SBA Loans Guaranteed Portion	2.	,692		
Other Operating Income90112Total Non-Interest Income8,3573,633NON-INTEREST EXPENSE:9,3519,110Salaries and Employee Benefits9,3519,110Occupancy and Equipment2,5562,595Deposit Insurance Premiums and Regulatory Assessments2341,401Data Processing1,1701,253Other Real Estate Owned Expense32(44)	Net Loss on Sales of Other Loans		(97)	(2,393)	
Total Non-Interest Income8,3573,633NON-INTEREST EXPENSE:9,3519,110Salaries and Employee Benefits9,3519,110Occupancy and Equipment2,5562,595Deposit Insurance Premiums and Regulatory Assessments2341,401Data Processing1,1701,253Other Real Estate Owned Expense32(44)	Net Gain on Sales of Investment Securities		9	1	
NON-INTEREST EXPENSE:Salaries and Employee Benefits9,3519,110Occupancy and Equipment2,5562,595Deposit Insurance Premiums and Regulatory Assessments2341,401Data Processing1,1701,253Other Real Estate Owned Expense32(44)	Other Operating Income		90	112	
Salaries and Employee Benefits9,3519,110Occupancy and Equipment2,5562,595Deposit Insurance Premiums and Regulatory Assessments2341,401Data Processing1,1701,253Other Real Estate Owned Expense32(44)	Total Non-Interest Income	8,	,357	3,633	
Occupancy and Equipment2,5562,595Deposit Insurance Premiums and Regulatory Assessments2341,401Data Processing1,1701,253Other Real Estate Owned Expense32(44)	NON-INTEREST EXPENSE:				
Deposit Insurance Premiums and Regulatory Assessments2341,401Data Processing1,1701,253Other Real Estate Owned Expense32(44)					
Data Processing1,1701,253Other Real Estate Owned Expense32(44)	Occupancy and Equipment	2,	,556	2,595	
Other Real Estate Owned Expense 32 (44)	Deposit Insurance Premiums and Regulatory Assessments		234	1,401	
•		1,	,170	1,253	
Professional Fees 2,156 749	Other Real Estate Owned Expense		32	(44)	
	Professional Fees	2,	,156	749	

Edgar Filing: HANMI FINANCIAL CORP - Form 10-Q

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	1,538,980	31	,470,520
Diluted	31	1,626,667	31	,489,569
See A commencies Notes to Consolidated Einserial Statements (Unan	1. 1)			

See Accompanying Notes to Consolidated Financial Statements (Unaudited)

4

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	