

PUBLIC DISCLOSURE

January 26, 2015

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**Hanmi Bank
RSSD #657365**

**3660 Wilshire Boulevard
Penthouse A
Los Angeles, California 90010**

**Federal Reserve Bank of San Francisco
101 Market Street
San Francisco, California 94105**

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with the safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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INSTITUTION RATING

Institution's CRA Rating

Hanmi Bank is rated "SATISFACTORY"

The following table shows the performance level of Hanmi Bank with respect to the lending, investment, and service tests.

PERFORMANCE LEVELS	PERFORMANCE TESTS		
	LENDING TEST*	INVESTMENT TEST	SERVICE TEST
OUTSTANDING			
HIGH SATISFACTORY	X	X	
LOW SATISFACTORY			X
NEEDS TO IMPROVE			
SUBSTANTIAL NONCOMPLIANCE			

* The lending test is weighted more heavily than the investment and service tests in determining the overall rating.

The factors influencing the institution's rating include:

- Overall good performance in the Los Angeles-Orange assessment area, which is the bank's primary market.
- An excellent geographic distribution of small business and multifamily loans
- An good level of lending to small businesses and responsiveness to need for smaller dollar loans;
- Leadership in originating community development loans that addressed the need for affordable housing and promoted economic development inside enterprise zones;
- A significant level of community development investments that benefit all assessment areas and that exhibit good responsiveness to economic development and affordable housing needs;
- Retail banking services, including alternative delivery systems that are accessible to the bank's geographies and to individuals of different income levels within its assessment areas;
- An adequate level of community development services that benefited low-and moderate-income individuals.

INSTITUTION

Description of Institution

Hanmi Bank (Hanmi), with \$3 billion in total assets as of December 31, 2013, is wholly-owned by, and the principal subsidiary of, Hanmi Financial Corporation, a Delaware corporation. Both are headquartered in Los Angeles, California. Hanmi was chartered by the state of California on August 24, 1981, and licensed by the California Department of Financial Institutions on December 15, 1982.¹ Hanmi has also been a member of the Federal Reserve System since December 1982. While historically providing services to the Korean-American community, the bank has placed increasing emphasis on penetrating markets outside its core clientele in order to serve all ethnic communities in its assessment areas and to better reflect the demographics of the communities in which the bank is located.

Since its formation, Hanmi has enlarged its footprint beyond Los Angeles County through the establishment of branches in Orange, San Bernardino, and San Diego counties, as well as the Silicon Valley area of Santa Clara County. Bank acquisitions brought Hanmi's service into the San Francisco area. As of December 31, 2013, the bank's network included 27 full-service branches in California, with 19 in Los Angeles County, four in Orange County, and one branch each in San Bernardino, San Diego, San Francisco, and Santa Clara counties. The bank operates two LPOs outside of its assessment areas; these are located in Bellevue, Washington and Dallas, Texas. In September 2014, Hanmi entered into a merger agreement with United Central Bank, a Dallas-based financial institution, with full integration scheduled to be completed by February 2015. This merger will expand the Hanmi's operations to the states of Illinois, New Jersey, Texas, and Virginia.

Hanmi provides a wide range of commercial banking services, specializing in products for small- and medium-sized businesses and professionals, and to a lesser degree, consumer banking products and services. Commercial products offered include commercial and industrial loans, commercial real-estate loans, lines of credit, real estate construction loans, term loans, credit cards, and Small Business Administration (SBA) loans. The bank offers a few consumer purpose loan products including automobile loans, installment loans, and credit cards. While Hanmi does offer some home mortgage products, during the review period, its focus was on its core small business products and home mortgage lending was significantly curtailed, with only a minimal number of originations made. Finally, a range of traditional deposit products, including checking, money market, savings, and certificate of deposit accounts are offered to consumer and commercial customers.

Exhibit 1, on the following page depicts the bank's loan portfolio, as stated in the December 31, 2013 Consolidated Reports of Condition and Income, which shows the bank's commercial focus.

¹ Effective July 1, 2013, the Department of Corporations and the Department of Financial Institutions merged to form the Department of Business Oversight in accordance with the Governor's reorganization of state departments.

EXHIBIT 1		
LOANS AND LEASES AS OF DECEMBER 31, 2013		
Loan Type	\$ ('000s)	%
Commercial/Industrial & Non-Farm Non-Residential Real Estate	2,028,916	90.8
Secured by 1-4 Family Residential Real Estate	108,221	4.8
Multi-Family Residential Real Estate	91,551	4.1
Consumer Loans & Credit Cards	4,794	0.2
State, Political Subdivisions and All Other	1,572	0.1
Total (Gross)	2,235,054	100.0

The bank currently has five assessment areas all located in the state of California. All assessment areas remain unchanged since the previous examination:

- Los Angeles-Orange, which consists of Los Angeles and Orange Counties in their entirety and is also known as the Los Angeles-Long Beach-Glendale Metropolitan Division (MD), the Santa Ana-Anaheim-Irvine MD, and the Los Angeles-Long Beach- Santa Ana Metropolitan Statistical Area (MSA);
- San Bernardino, which consists of San Bernardino County in its entirety and is part of the Riverside-San Bernardino-Ontario MSA;
- San Diego, which consists of San Diego County in its entirety and is also known as the San Diego-Carlsbad- San Marcos MSA;
- San Francisco, which consists of San Francisco County in its entirety and is part of the San Francisco-San Mateo-Redwood City MD; and
- Santa Clara, which consists of Santa Clara County in its entirety and is part of the San Jose-Sunnyvale-Santa Clara MSA.

The bank's largest presence remains in the Los Angeles-Orange assessment area, where 19 of the 27 branches are located. As previously noted, Hanmi has a limited branch presence in each of its remaining assessment areas with no more than one branch in any one of its assessment areas

Hanmi received a satisfactory performance rating at its September 24, 2012 CRA examination conducted pursuant to the Interagency Large Institution CRA Examination Procedures by the Federal Reserve Bank of San Francisco (Federal Reserve). Hanmi faced no legal impediments that would prevent it from helping to meet the credit needs of its assessment areas consistent with its business strategy, size, financial capacity, and local economic conditions.

Scope of Examination

This examination covered the period from January 1, 2012 to December 31, 2013, and was conducted using the *Interagency Large Institution CRA Examination Procedures*. Accordingly, performance was assessed under the lending, investment, and service tests. In addition, interviews with members of the bank's local communities and with bank management, and a review of other relevant information and data were used to help provide context for the bank's performance under the three test factors.

The lending test, which is weighted more heavily than the investment and service tests, is based upon a review of small business, multifamily, home purchase, home refinance and home improvement loans originated during the review period. A total of 1,184 small business and 215 home mortgage loans were used in the evaluation of Lending in Assessment Area. Of these, 1,034 small business loans and 146 home mortgage related loans made within the assessment areas were used to evaluate the Lending Distribution by Geography and Lending Distribution by Business Revenue and Borrower Income. However, of the home mortgage related loans, only multifamily loans were of sufficient volume to permit a meaningful assessment. Multifamily loans were evaluated only for geographic distribution since borrower income is not collected for this loan type. Nevertheless, the remaining mortgage-related loan types were considered in this evaluation and are presented in the lending tables contained in Appendix C and are referenced throughout this document. Products were weighted according to the opportunities, credit needs, transaction volumes and the bank's business strategy. Accordingly, small business loans were weighted most heavily in this assessment and largely drove the results of this CRA assessment.

The investment test was based upon a review of qualified community development investments originated or maintained during the review period. The service test was based upon a review of qualified community development services conducted during the review period, in addition to retail services offered by the bank that met the needs of the communities in which it operates. No consumer complaints or other public comments regarding the bank's CRA performance were received during the review period.

The Los Angeles-Orange assessment area received a full-scope review while the San Bernardino, San Diego, San Francisco, and Santa Clara assessment areas were evaluated using limited-scope reviews. The full-scope assessment area was selected given Hanmi has its greatest presence and activity in this market. Within this assessment area, activity in Los Angeles County received greater weight as the bank's presence in this area is more prominent in terms of branch distribution, loan origination volume, and deposit market share.

The scope of the review is consistent throughout the performance evaluation unless otherwise noted.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

Lending Test

Hanmi's overall performance under the lending test is high satisfactory. Lending within the Los Angeles-Orange assessment area, where the bank has its greatest presence was good. Performance was good in the remaining limited scope assessment areas, with the exception of San Francisco where overall performance was adequate due to lower lending levels.

LENDING ACTIVITY

Overall lending levels are good, driven primarily by activity in the Los Angeles-Orange assessment area. As noted above, most other areas had adequate levels of lending activity. This evaluation considers the economic conditions that existed during the review period, i.e., the slow recovery from the Great Recession and tightened lending standards. Loan volumes in the various assessment areas were also generally comparable with the bank's share of deposits in those markets. Overall loan volumes are displayed in Exhibit 2 below and volumes within the respective assessment areas are shown in Table 1 which is located in Appendix C as are all tables referenced in this document.

EXHIBIT 2 SUMMARY OF LENDING ACTIVITY JANUARY 1, 2012- DECEMBER 31, 2013				
Loan Type	#	%	\$ ('000s)	%
Home Purchase	111	7.9	69,060	12.1
Home Refinance	25	1.8	14,462	2.5
Home Improvement	3	0.2	1,028	0.2
Multifamily	76	5.4	97,884	17.1
Total Mortgage-Related	215	15.4	182,434	31.9
Small Business	1,184	84.6	389,562	68.1
Total Business-Related	1,184	84.6	389,562	68.1
Total Loans	1,399	100.0	571,996	100.0

ASSESSMENT AREA CONCENTRATION

A high percentage of loans by number and dollar volume, were made within the bank's assessment areas. Exhibit 3, on the following page, shows the number and dollar volume of loans extended within the designated assessment area during the review period. The tables in Appendix C contain additional information regarding assessment area specific lending activity.

EXHIBIT 3 LENDING INSIDE AND OUTSIDE THE ASSESSMENT AREAS JANUARY 1, 2012- DECEMBER 31, 2013								
Loan Type	Inside				Outside			
	#	%	\$ ('000s)	%	#	%	\$ ('000s)	%
Home Purchase	49	44.1	32,017	46.4	62	55.9	37,043	53.6
Home Refinance	23	92.0	14,067	97.3	2	8.0	395	2.7
Home Improvement	3	100.0	1,028	100.0	0	0.0	0	0.0
Multifamily	71	93.4	94,637	96.7	5	6.6	3,247	3.3
Total Mortgage-Related	146	67.9	141,749	77.7	69	32.1	40,685	22.3
Small Business	1,034	87.3	327,659	84.1	150	12.7	61,903	15.9
Total Business-Related	1,034	87.3	327,659	84.1	150	12.7	61,903	15.9
Total Loans	1,180	84.3	469,408	82.1	219	15.7	102,588	17.9

GEOGRAPHIC AND BORROWER DISTRIBUTION

The geographic distribution of loans demonstrates excellent penetration among census tracts of different income levels and borrower distributions are good. These conclusions are based on a variety of contextual factors that affect the individual conclusions in the separate assessment areas. The facts and data supporting the overall conclusions are presented within the separate assessment area analyses. Tables 2 through 8 contain data supporting these conclusions.

The performance of small business loans in the Los Angeles-Orange assessment area was the driving factor in the overall assessment of the bank's lending distribution by geography. Hanmi's lending demonstrated excellent geographic dispersion in this assessment area, where performance in low- and moderate-income census tracts was particularly strong. Performance in the limited scope assessment areas was generally consistent with performance in the Los Angeles-Orange assessment area. The geographic distribution of multifamily loans was also excellent with strong penetration in low- and moderate-income geographies. Lending patterns generally followed the location of the bank's branches and concentrations of local small businesses or customer-owned multifamily properties and did not demonstrate any unusual patterns or unexplained lending gaps.

Overall borrower distributions – again, driven by the performance of small business loans – were good. In the Los Angeles-Orange assessment area, the level of lending to small businesses, defined as those with gross annual revenues of \$1 million or less, was good. While performance in the limited scope assessment areas had little impact on Hanmi's overall performance, there were no loans to small businesses in low- and moderate-income geographies in the Santa Clara assessment area during 2012 and only a limited amount of small business lending in low- and moderate- income census tracts in the San Francisco assessment area during the review period.

The distribution of home mortgage products among borrowers of different income levels carried less weight as home purchase, home improvement, and home refinance loan volumes were insufficient to draw meaningful conclusions in all areas. However, these products were considered during the review and are also presented in the lending tables contained in Appendix C and are referenced throughout this document. Of the mortgage-related loans assessed, only multi-family loans in the Los Angeles-Orange

assessment area were of sufficient volume to permit a meaningful assessment. This loan product was only evaluated for geographic distribution since borrower income is not collected for this product.

COMMUNITY DEVELOPMENT LENDING

Hanmi is a leader in making community development loans demonstrating excellent responsiveness to the local needs within its primary assessment area. As can be seen on Table 1, Hanmi extended 142 community development loans totaling more than \$384 million. This level of lending demonstrated leadership and was particularly responsive to community development needs within the Los Angeles-Orange assessment area. Overall, the level of community development lending was generally consistent with the bank's presence in each market; however, lesser performance was noted in the San Francisco assessment area. The overwhelming majority of loans promoted economic development by financing small businesses and revitalizing or stabilizing low- or moderate-income areas or designated enterprise zones. A subset of 21 community development loans totaling \$54.1 million either benefitted a broader statewide or regional area that includes one of the bank's assessment areas. The following are examples of some of these community development loans:

- A \$1.3 million loan to support the Moreno Valley City economic development plan located in Riverside County. The plan aims to strengthen the local economy by attracting new businesses and addressing the city's high unemployment rate. The plan targets nine key development areas throughout the city including a combination of new construction and rehabilitation projects. The projects have attracted both large and small businesses creating nearly 3,000 in the first two years.
- Two loans totaling \$4.2 million to a small business for the purchase of two convenience stores in Fresno County. Both stores are located in a low income census tract and the loans support community revitalization and stabilization by helping to retain businesses and create jobs. The new businesses projected the creation of 23 new jobs in total, including two full time manager positions and 21 part time positions.
- A \$2.5 million loan for the purchase and rehabilitation of an existing hotel located in a moderate income census tract in Fresno County. The hotel supports economic revitalization and stabilization by providing needed jobs and business retention. The hotel provides 30 jobs for local residents.

Investment Test

Hanmi's overall performance under the investment test is high satisfactory. The bank made a significant level of investments that were particularly responsive to the needs for affordable housing targeted to low- and moderate-income families and individuals. The majority of investments were securities backed by mortgage loans to low- and moderate-income individuals while significant sums were also invested in low-income housing tax credits that facilitated the development or rehabilitation of affordable housing complexes, which met a critical community need. In addition, grants were provided to a number of organizations serving the needs of low- and moderate-income individuals within the bank's assessment areas.

As seen in Table 9, Hanmi made 99 community development investments and grants totaling more than \$80 million. Of these investments, 74 were within the bank's assessment area and consist of

\$21.9 million in prior period investments maintained on its books and \$133,000 in current period investments. Investments predominantly benefited the Los Angeles-Orange assessment area, where the majority of the bank's branches are located. Hanmi also made 25 qualified investments totaling \$50 million that benefitted a broader statewide or regional area that included its assessment areas. The impact of these broader statewide investments was primarily focused on the bank's assessment areas as noted in some of the examples highlighted below. :

- A \$5.7 million current period investment in a security backed by mortgages to moderate income borrowers located throughout California. The mortgages provided funding for homes in San Bernardino County, San Diego County, San Francisco County, and Santa Clara County. A majority of the homes are located in the San Jose area with 78 percent of the loans in Santa Clara County.
- The purchase of a \$5.2 million current period investment in a security backed by mortgages to low and moderate income borrowers. The mortgages provided funding for homes in Los Angeles County, San Diego County, Santa Clara County, and Orange County. The investment primarily benefits the bank's assessment area with 62 percent of the mortgages located in the Los Angeles /Orange County area.
- A prior period investment of \$1.2 million in a low-income housing tax credit fund. The fund benefits cities across California and includes the bank's assessment area. The tax credits contributed to four housing development projects that created over 400 new housing units for low income families. The housing developments are located in Los Angeles County, Orange County, and Sacramento County. The largest of the developments is located in Sacramento County with 198 new units.
- An investment worth \$1 million prior period investment in a fund that supports small business and affordable housing community development activities across California. The projects include a \$424,900 tax allocation bond supporting low to moderate income housing development in San Francisco County, a \$154,009 investment in an SBA small business loan pool in Los Angeles County, and a \$500,000 loan to develop affordable housing units in Los Angeles County. The remainder of the funds was used to support low to moderate income housing activities through a mortgaged backed security.
- A \$342,000 prior period investment in the Apollo Tax Credit Fund that formed to finance three low income housing developments. The projects created a total of 418 housing units throughout California, a majority of which are located in the Los Angeles assessment area. Two of the developments were new construction and the third was a mixture of new construction and rehabilitation of existing structures. The projects include units allocated for low income families and property designated for low income seniors.

Service Test

Hanmi's performance under the service test is low satisfactory. Retail banking services are reasonably accessible to the bank's assessment areas. Branch hours and services do not vary in a way that inconveniences portions of the bank's assessment areas, including geographies and individuals of different income levels. In addition, the bank provided an adequate level of community development services the Los Angeles-Orange assessment area; however, fewer services were provided in areas where the bank maintains a limited presence.

RETAIL BANKING SERVICES

Hanmi's delivery systems are reasonably accessible to essentially all portions of its assessment areas and do not vary in ways that inconveniences portion of those areas. The bank's full range of products and services are available at all branches. Many branches are open on Saturdays and other delivery systems, such as ATMs, telephone banking and online banking, effectively provide customers with access to banking services after normal business hours. In addition, Hanmi offers a number of services tailored to the needs of its customers. These include the following:

- Branch staff who speak languages that reflect the demographics of their communities, providing greater access to banking services for those who do not speak English. Languages include a variety of Chinese dialects (Taiwanese, Mandarin, and Cantonese), Farsi, Gujarati, Hindi, Korean, Spanish, Tagalog, Urdu, and Vietnamese.
- Internet and online banking websites that provide banking information in English and Korean.
- 24-hour automated telephone banking in English and Korean.
- Low-cost checking accounts.

The bank's branch network did not change during the review period. As such, the bank's record of opening and closing branches has not adversely affected the accessibility of its delivery systems to individuals of different income levels across its assessment areas. Hanmi maintains 23 branches in the Los Angeles-Orange assessment area with a reasonable distribution among census tracts of different income levels. Hanmi has one branch each in the limited scope assessment areas. These four branches were located in census tracts of varying income levels, including one in a low-income census tract, two in middle-income census tracts, and one in an upper-income census tract.

COMMUNITY DEVELOPMENT SERVICES

Bank employees provided an adequate level of community development services that were responsive to the community development needs in its assessment areas. During the review period, employees provided over 750 hours of community development services to 30 organizations. Services offered fell primarily into three categories – (1) hosting financial education seminars for individuals, (2) free income tax preparation services, and (3) technical assistance to small businesses on a variety of topics. However, bank staff also provided leadership and financial expertise to community-based organizations by serving on their boards of directors and other committees. The vast majority of service hours, however, benefited the Los Angeles-Orange assessment area. The bank had fewer staff available to provide such services in the assessment areas outside of Los Angeles-Orange; nevertheless, performance in these areas was inconsistent with the bank's capacity and opportunities.

Fair Lending or Other Illegal Practices Review

During the review period of this evaluation, January 1, 2012 through December 31, 2014, the Reserve Bank did not cite violations involving discriminatory or other illegal credit practices that adversely affected the bank's CRA performance.

FULL-SCOPE ASSESSMENT AREA CONCLUSIONS

For each assessment area where a full-scope review was performed using the examination procedures.

Los Angeles-Orange Assessment Area

DESCRIPTION OF OPERATIONS IN LOS ANGELES-ORANGE

Hanmi's assessment area, which remains unchanged since the previous examination, consists of the counties of Los Angeles and Orange in their entirety. The assessment area is bordered by Kern and Ventura Counties to the north, San Bernardino and Riverside Counties to the east, San Diego County to the south, and the Pacific Ocean to the west. As of 2013, Los Angeles County was home to 10.1 million people, making it the most populated county in the U.S., and Orange County was home to 3.1 million people.²

Hanmi has a relatively small presence and limited market share in this highly competitive assessment area. As of June 30, 2013, the assessment area was home to 144 Federal Deposit Insurance Corporation (FDIC) insured institutions operating 2,498 offices with total deposits of \$386.2 billion. Hanmi's 23 branches within the assessment area held total deposits of \$2.1 billion, accounting for 0.6 percent of the total deposit market share.³ In 2013, Hanmi was one of 191 small business lenders operating within the assessment area subject to the reporting requirement of CRA. These lenders extended 302,999 small business loans totaling approximately \$10.3 billion.⁴ Reporting institutions represent only a portion of all institutions competing for the small business lending in the assessment area.

Exhibit 4, below, presents key demographic and business information used to help develop a performance context for the assessment area, based on the 2010 U.S. Census and 2013 Dun & Bradstreet data.

EXHIBIT 4 ASSESSMENT AREA DEMOGRAPHICS LOS ANGELES-ORANGE								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	245	8.4	193,207	6.7	65,411	33.9	675,997	23.6
Moderate-income	825	28.2	785,939	27.4	146,904	18.7	477,723	16.6
Middle-income	819	28.0	830,882	29.0	71,840	8.6	519,167	18.1
Upper-income	999	34.1	1,059,442	36.9	39,314	3.7	1,196,673	41.7
Tract not reported	41	1.4	90	0.0	0	0.0	0	0.0
Total AA	2,929	100.0	2,869,560	100.0	323,469	11.3	2,869,560	100.0

² U.S. Census Bureau, American Community Survey 1 Yr Estimates, DP02; available from: <http://factfinder2.census.gov> and <http://quickfacts.census.gov> (accessed December 15, 2014).

³ FDIC, Deposit Market Share Report, June 30, 2013; available from: <http://www2.fdic.gov/sod/sodMarketBank.asp?barItem=2>,

⁴ Information based on 2013 aggregate data consisting of institutions required to file annual CRA data.

Income Categories	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	312,119	51,041	2.4	16.4	236,450	75.8	24,628	7.9
Moderate-income	1,176,711	375,226	17.4	31.9	728,339	61.9	73,146	6.2
Middle-income	1,274,794	643,494	29.9	50.5	561,706	44.1	69,594	5.5
Upper-income	1,702,078	1,081,220	50.3	63.5	522,935	30.7	97,923	5.8
Tract not reported	2,288	142	0.0	6.2	1,839	80.4	307	13.4
Total AA	4,467,990	2,151,123	100.0	48.1	2,051,269	45.9	265,598	5.9
Income Categories	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or Equal to \$1 Million		Greater than \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	42,199	6.3	36,349	6.1	4,012	8.4	1,838	7.9
Moderate-income	143,310	21.5	126,411	21.2	11,135	23.2	5,764	24.7
Middle-income	186,383	27.9	165,186	27.7	14,452	30.1	6,745	28.9
Upper-income	288,421	43.2	263,039	44.1	16,745	34.9	8,637	37.0
Tract not reported	7,506	1.1	5,532	0.9	1,602	3.3	372	1.6
Total AA	667,819	100.0	596,517	100.0	47,946	100.0	23,356	100.0
Percentage of Total Businesses			89.3		7.2		3.5	
2013 Median Family Income ⁵			December 2013 Median Housing Value ⁶					
Los Angeles			\$60,792	Los Angeles			\$439,830	
Orange			\$82,861	Orange			\$677,660	
2013 HUD Adjusted Median Family Income ⁷			2013 Unemployment Rate ⁸					
Los Angeles			\$61,900	Los Angeles			9.9%	
Orange			\$84,100	Orange			6.2%	

Economic Conditions

The Los Angeles-Orange assessment area's economy is home to diverse industries – serving as a major center for manufacturing, trade, and entertainment, and an expanding technology sector⁹ – many of which have grown in the last year. The county is the largest manufacturing center in the U.S., employing 365,600 workers in manufacturing fields in 2012.¹⁰ Trade is also a major driver of the local economy, and the Los Angeles Customs District, which includes the ports of Long Beach, Los Angeles, Port Hueneme, and Los Angeles International Airport (LAX), was the nation's largest trade district in

⁵ U.S. Census Bureau, American Community Survey 1 Yr Estimates, DP03, 2013, available from: <http://factfinder2.census.gov> (accessed December 15, 2014).

⁶ California Association of Realtors, Sales and Median Prices for Existing Detached Homes; available from: <http://www.car.org/marketdata/data/housingdata/> (accessed December 15, 2014).

⁷ U.S. Department of Housing and Urban Development, Adjusted Median Family Income; available from: <http://www.huduser.org/portal/datasets/il/il14/index.html> (accessed November 17, 2014).

⁸ U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics by County; available at: <http://www.bls.gov/lau/> (accessed December 15, 2014).

⁹ Los Angeles County Economic Development Corporation (LAEDC), Industry Clusters in Los Angeles (pg. 2-4), available from: <http://laedc.org/business-assistance/industry-clusters/> (accessed December 15, 2014).

¹⁰ LAEDC, L.A. Stats 2014 (pg. 3), available from: http://laedc.org/wp-content/uploads/2014/08/2014-LA-Stats_Final.pdf (accessed September 8, 2014).

2013, with a two-way trade value of \$414.8 billion. Plans are underway to expand the ports and LAX airport, opening the county up to even more import and export opportunities.¹¹ Bolstered by the presence of Hollywood, entertainment is also a key industry in Los Angeles County, making up 63 percent of California's total entertainment employment.¹² Finally, the technology sector is growing, and the area is becoming a hub for bio-medical, digital information, and environmental technology.¹³ Within the last year, the majority of the area's key industries posted year over year growth and there are strong signs of recent improvement in the economy.¹⁴

Orange County, which has enjoyed similar economic growth, is a prosperous hub for high-tech, health, manufacturing, and tourism industries. The technology sector has been expanding in data storage, networking, and mobile technology, and the strong tech infrastructure has helped the area transition from defense-related industries that were hurt by Pentagon budget cuts.¹⁵ In addition to growth in the technology field, Orange County has seen development in the medical sector. Several of the county's larger health care providers have expanded facilities to meet growing demand for health care services and life science firms and medical instrument manufactures have seen significant growth.¹⁶ Comparatively, the county's expansion in this sector has far exceeded national averages over the past two years.¹⁷ Finally, the area's tourism sector has rebounded from the Great Recession with increasing numbers of travelers to the area and expansions are underway on major tourist attractions.¹⁸ As in neighboring Los Angeles, the majority of Orange County's key industries posted year over year growth.¹⁹ Strong industry growth within the assessment area counties evidences an ongoing recovery from the detrimental effects of the recession.

While the economy has continued to improve during the review period, a review of small business loan data reported by banks subject to the CRA suggests that, though improving from recession level lows, lending levels remain significantly depressed.²⁰ Lending to small businesses is an important aspect of the economic recovery as small businesses continue to constitute a substantial majority of all businesses in the assessment area as depicted Exhibit 4 which shows that the vast majority of businesses have revenues of \$1 million or less and are considered small for the purposes of CRA.²¹

The recovery referenced above is further evidenced by the unemployment data presented in Exhibit 5, below.²² As shown in the table, during the review period, there was a decline in the unemployment rate within both counties of the assessment area, consistent with the decline statewide. Nevertheless, at the

¹¹ Ibid.

¹² LAEDC, Industry Clusters in Los Angeles (pg. 2).

¹³ LAEDC, L.A. Stats 2013 (pg. 3), available from: http://cdn.laedc.org/wp-content/uploads/2012/04/2013-report_FINAL.pdf (accessed April 28, 2014).

¹⁴ Department of Transportation, Log Angeles County Economic Forecast, 2014; available from: http://www.dot.ca.gov/hq/tpp/offices/eab/socio_economic.html (accessed December 15, 2014).

¹⁵ Moody's Précis Report, Santa Anna, August 2013.

¹⁶ LAEDC, 2013-2014 Economic Forecast and Industry Outlook (pg. 39).

¹⁷ Moody's Précis Report, Santa Anna, April 2014.

¹⁸ LAEDC, 2013-2014 Economic Forecast and Industry Outlook (pg. 38-39).

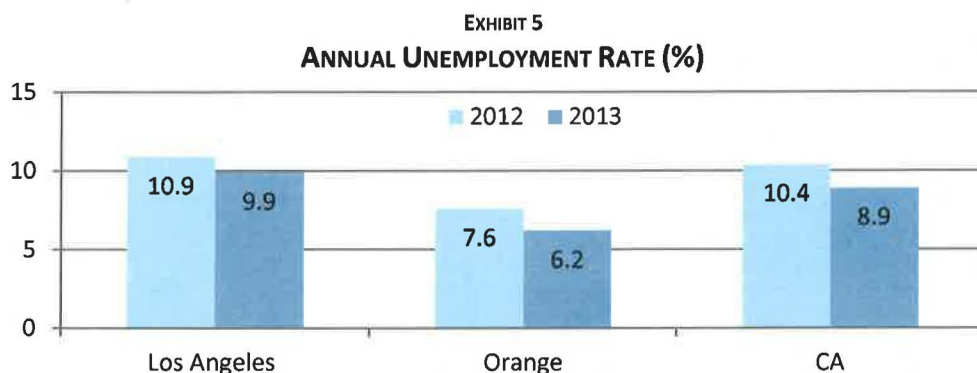
¹⁹ Department of Transportation, Orange County Economic Forecast, 2014; available from: http://www.dot.ca.gov/hq/tpp/offices/eab/socio_economic.html (accessed December 15, 2014).

²⁰ Aggregate CRA Small Business data reports available from: <http://www.ffiec.gov/craadweb/aggregate.aspx> (accessed August 14, 2014).

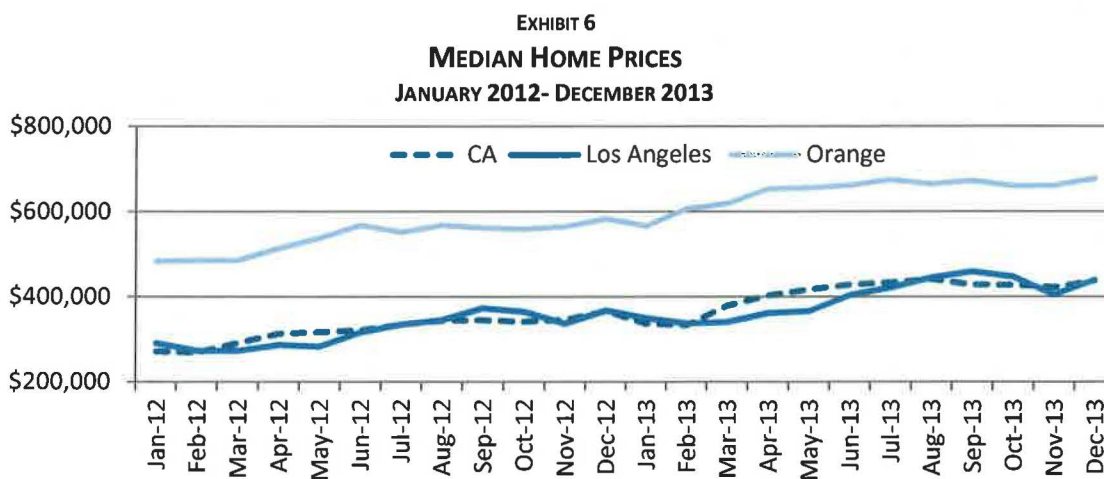
²¹ 2013 Dun & Bradstreet Data

²² Bureau of Labor Statistics, Local Area Unemployment Statistics by County, annual average; available from: <http://www.bls.gov/lau/> (accessed December 15, 2014).

end of the review period, there were 518,422 unemployed individuals in the assessment area, accounting for 35 percent of the state total.



Home prices in the area experienced declines from their pre-recession peak consistent with the broader housing market downturn during the downturn; however, as reflected below in Exhibit 6, housing prices rose steadily through the review period, consistent with overall price increases in the state.²³ During this time, home prices increased by 51 percent in Los Angeles County, 40 percent in Orange County, and 61 percent statewide.²⁴



Consistent with the more recent rise in home prices, the traditional housing affordability index (which measures the percentage of families that can afford to purchase a median priced home) dropped in each of the counties by the end of the review period. As a result, only 30 percent of median income households in Los Angeles County and 20 percent in Orange County could afford a median priced home,²⁵ which is comparable to overall statewide declines during the same time period. In a recent study on housing by online real estate website Trulia.com, Orange and Los Angeles Counties ranked as

²³ California Association of Realtors, Sales and Median Prices for Existing Detached Homes; available from: <http://www.car.org/marketdata/data/housingdata/> (accessed December 15, 2014).

²⁴ Ibid

²⁵ California Association of Realtors, Housing Affordability Index-Traditional; available from: <http://www.car.org/marketdata/data/haitraditional/> (accessed February 24, 2014).

the nation's second and third least affordable counties, respectively, for middle class families looking to buy a home.²⁶

Existing homeowners also face lingering ownership challenges after the recession. While overall levels of foreclosures and delinquencies have improved significantly since the recession, levels remain elevated from pre-recession rates. Exhibit 7, below, shows that relative to foreclosures and delinquencies, Los Angeles County fared slightly worse than the state as a whole while Orange County fared better. Though foreclosure rates for both counties and for the state, as a whole, have dipped below one percent, they are still several times higher than they were before the recession.²⁷ For historical comparison, in January 2006, the foreclosure rate was 0.29% in Los Angeles County, 0.09% in Orange County, and 0.13% statewide.

EXHIBIT 7 FORECLOSURE AND DELINQUENCY, DECEMBER 2013			
	Percent of Loans in Foreclosure	Percent of Loans 90+ Days Delinquent	Estimated Properties at Risk of Default
Los Angeles County	0.9%	2.1%	26,677
Orange County	0.6%	1.3%	6,031
CA State	0.8%	1.9%	104,100

Further, due to the size and economic diversity of the assessment area, certain areas suffered higher foreclosure rates than others. There are several neighborhoods in the assessment area with very high concentrations of distressed properties; notably, Anaheim and Santa Ana in Orange County and Inglewood and Compton in Los Angeles County.²⁸

Rental housing is also unaffordable, and in some instances unavailable, for many households. In 2013, median gross monthly rent was \$1,205 in Los Angeles County and \$1,499 in Orange County.²⁹ Approximately half of all assessment area households spent 35 percent or more of their income on rent in 2013 (families who pay more than 30 percent of their income for housing are considered cost burdened).³⁰ Furthermore, the assessment area experienced a tightening rental market, evidenced by declining vacancy rates. In Los Angeles County, annual vacancy rates fell from 3.7 percent in the 1st quarter of 2012 to a 7-year low of 3.1 percent in the 4th quarter of 2013.³¹ Likewise, in Orange County, rates fell from 3.7 percent to a 12-year low of 2.9 percent. Declining vacancies impact all renters; however, the absence of affordable rental units is particularly challenging for low-income residents. The Urban Institute, a non-profit social and economy policy research group, estimates that

²⁶ Kolko, Jed. Where Can the Middle Class Afford to Buy a Home? *Trulia*. October 10, 2013; available from: <http://www.trulia.com/trends/2013/10/middle-class/> (accessed March 18, 2014).

²⁷ FRBSF Calculations of data provided by Lender Processing Services Analytics, Inc.

²⁸ FRBSF Understanding the Foreclosure Crisis in California (pg. 29 & 31), January 2014; available from: <http://www.frbsf.org/community-development/initiatives/foreclosure-resources/local-housing-mortgage-market-trends/> Understanding the Foreclosure Crisis (accessed February 18, 2014).

²⁹ U.S. Census Bureau, American Community Survey 1-Year Estimate, DP04, 2013; available from: <http://factfinder2.census.gov> (accessed December 15, 2014).

³⁰ U.S. Census Bureau, American Community Survey 1-Year Estimate, DP03, available from: <http://factfinder2.census.gov> (accessed December 15, 2014).

³¹ Reis, Inc. Performance Monitor, Apartment 4th Quarter 2013, Metro: Los Angeles County; available from: www.reis.com/ (accessed February 17, 2014).

for every 100 very low-income renter households, there are only 17 housing units available and affordable in Los Angeles County and 18 in Orange County.³²

This lack of affordable housing was worsened by the abolishment of California redevelopment agencies in late 2011. These agencies formerly provided yearly investments of \$1 billion in California to finance affordable housing development.³³ In addition, sequestration – the across-the-board congressional spending cuts required by the Budget Control Act of 2011 – has limited the ability of local housing authorities to distribute Section 8 vouchers, which provided affordable housing to low- to moderate-income individuals.

Finally, as shown in Exhibit 8, on the following page, poverty and food stamp usage rates suggest either a stable or somewhat improving picture for the disadvantaged within the assessment area. Poverty rates dropped modestly from 2012 to 2013 in Los Angeles, but increased by a slightly greater measure in Orange County. Conversely, the percentage of families on food stamps increased slightly in Los Angeles but essentially remained flat in Orange County. These trends are generally consistent with the trends for California overall. Despite the modest improvement in the poverty rates over the review period, a significant portion of the population remains disadvantaged and continues to drawing support from public assistance programs.

EXHIBIT 8 POVERTY AND FOOD STAMP USAGE				
Area	All People in Poverty		Food Stamp Usage	
	2012	2013	2012	2013
Los Angeles County	19.1%	18.9%	8.6%	9.0%
Orange County	12.9%	13.5%	6.1%	6.0%
CA State	17.0%	16.8%	9.1%	9.4%

While poverty is a significant issue throughout the assessment area, certain areas are much more impoverished than others. Central Los Angeles, Compton, and Westmont in Los Angeles County and Santa Ana and Anaheim in Orange County all had poverty rates significantly higher than county rates. As previously discussed, some of these areas are also experiencing high levels of distressed or foreclosed properties. The assessment area is also home to the nation’s second largest population of Asian-Americans living in poverty and the largest population of Asian-Americans living in extreme poverty neighborhoods (defined as census tracts where the poverty rate exceeds 40 percent).³⁴

³² Urban Institute, Housing Assistance Matter Initiative; available from: <http://www.urban.org/housingaffordability/> (accessed January 6, 2015).

³³ Bostic, Raphael and Tony Salazar. February 4, 2013. L.A.’s real housing problem. *Los Angeles Times*. Available from: <http://articles.latimes.com/2013/feb/04/opinion/la-oe-bostic-rental-housing-crisis-20130204> (accessed September 20, 2013).

³⁴ National Coalition for Asian Pacific American Community Development, Spotlight: Asian American and Pacific Islander Poverty (pg. 31), June 2013; available at: http://nationalcapacd.org/sites/default/files/u12/aapi_poverty_report-web_compressed.pdf (accessed January 8, 2015).

Credit and Community Development Needs

Economic data previously discussed, as well as feedback from community contacts with small business development agencies, suggests that small businesses in the assessment area need access to a variety of forms of credit. As previously mentioned, data reported by banks subject to the CRA within Hanmi's assessment area indicates that small business lending levels in 2013 remained depressed, albeit levels are now somewhat above the lows experienced during the Great Recession. A review of surveys of senior loan officers conducted by the Federal Reserve Board during the review period indicate that only a small percentage of bank's have reported some easing of their lending standards to small firms with annual sales of less than \$50 million.³⁵ The depressed lending levels and the limited easing of credit standards for smaller firms, which became more conservative during the Great Recession, suggest that smaller businesses face challenges in accessing credit and that some level of small business credit needs remains unmet by area banks. Furthermore, a review of information obtained from community contacts throughout the assessment area generally supports this conclusion, with some noting that they have observed that while the economy has seen overall improvements, tight lending standards remain an issue to many small businesses seeking financing. Others commented that there is a need for smaller dollar loans within the area, though they opine that many banks shy away from issuing due to the risk involved.

A variety of factors indicate that there is also a need for affordable housing development and financing within the assessment area. High housing costs and low affordability mentioned earlier are evidence that home ownership is out of reach for the majority of individuals living in the assessment area and highlight a need for products and services that support access to affordable housing. A review of information obtained from community contacts involved with local housing organizations supports this conclusion and suggests that there is a need for affordable housing units and residential loans in the area, as well as for loan modification and foreclosure counseling services for individuals.

The prevalence of poverty and the need for social support services highlight the importance of community service organizations within the bank's communities. The ongoing demand for these services often results in needs for these organizations in terms of financial support and technical assistance as they attempt to serve significant low- and moderate-income populations within the bank's assessment areas. Ultimately, this has the potential to create community development service or investment opportunities for financial institutions. Other opportunities may include helping organizations provide homebuyer and financial education. In addition, financial institutions may have opportunities to work collaboratively with city and county officials to address affordable housing issues and to provide leadership in this regard.

³⁵ Federal Reserve Board, January 2014 Senior Loan Officer Opinion Survey, Office of the Comptroller of the Currency, 2012 Survey of Credit Underwriting Practices (pg. 12); available from: <http://www.federalreserve.gov/boarddocs/snloansurvey/201402/default.htm> (accessed February 21, 2014).

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN LOS ANGELES - ORANGE ASSESSMENT AREA

Lending Test

Hanmi's performance for the lending test was high satisfactory. As shown in the tables in Appendix C, and specifically referenced in the paragraphs below, a high percentage of loans are made in this assessment area, with excellent geographic distribution of loans and a good penetration among businesses of different sizes. Also, the bank is a leader in making community development loans in this market.

Lending Activity

Lending levels in the Los Angeles-Orange assessment area are good and include a significant number of community development loans as seen in Table 1. These levels are noteworthy given the economic conditions during the review period. Moreover, overall lending levels were reasonably similar to deposits in all portions of this assessment area.

Lending Distribution by Geography

Overall lending distribution by geography within the assessment area is excellent. While lending volume and performance varied by year, Hanmi extended loans within all income categories with strong performance in penetrating low- and moderate-income census tracts across all products lines. Lending patterns followed the locations of Hanmi's branches and business or housing unit concentrations and generally did not exhibit unusual or conspicuous gaps.

Small Business Lending

The bank's small business lending represents an excellent dispersion throughout census tracts of all income levels in the assessment area. Table 2 contains data assessed to reach this conclusion. Hanmi's performance reflects excellent penetration in low- and moderate-income areas, with percentages of lending exceeding the performance of other lenders in the market and the percentage of businesses. Given the overall decline in small business lending throughout the state over the past five years, the performance in low- and moderate-income census tracts demonstrates excellent responsiveness to area credit needs and may help stabilize these areas.

Multi-Family Home Mortgage Lending

The geographic distribution of multi-family loans is excellent with loans distributed in census tracts of all income categories. Hanmi performed particularly well in low- and moderate-income census tracts within the Los Angeles-Orange assessment area, i.e., the percentage lending significantly exceeding the percentage of multifamily housing units and aggregate lending in these census tract categories (see Table 5). This performance is particularly noteworthy given the need for affordable housing discussed earlier and the declining availability of rental vacancies. While the bank only extended three multi-family mortgages outside of the Los Angeles-Orange Assessment area, two loans in San Diego were

located in moderate-income census tracts in San Diego County and another supported a property in a middle-income geography.

Lending Distribution by Business Revenue

Overall lending distributions by business revenue and borrower income within the Los Angeles-Orange assessment area are good based primarily on good levels of lending to small businesses. Hanmi's performance was generally consistent with the aggregate market. While lending levels fell below the percentage of small businesses in the assessment area, performance was sound in light of the depressed lending levels and potential difficulties for small businesses to access credit. As shown in Table 6, Hanmi also extended a good percentage of loans in smaller dollar amounts which was responsive to the needs for smaller dollar loans. Multifamily loans were evaluated only for geographic distribution since borrower income is not collected for this product.

Community Development Lending

Hanmi is a leader in making community development loans in the Los Angeles-Orange assessment area. During the review period, the bank made 112 loans, totaling \$305.8 million. The majority of these loans are concentrated in Los Angeles County, but a reasonable number were also made in Orange County. Data regarding community development lending volumes is displayed in Table 1. The bank's lending covered a diverse mix of community development activities. A large portion helped to stabilize and revitalize low- and moderate-income census tracts or redevelopment zones. The following are a sample of noteworthy loans:

- A \$12 million loan in a moderate-income census tract inside an enterprise zone to enable the purchase of inventory for an apparel design, retail, and wholesale business with 161 employees. This loan provides support to the business and enables the retention of the employees.
- Hanmi extended a \$10 million loan in a low-income census tract for an apparel design, retail, and wholesale business with 75 employees. This loan provides support to the business and enables the retention of the employees.
- A \$10 million loan in a low-income census tract inside an enterprise zone to enable the purchase of inventory for an importer and wholesaler of denim with 40 employees. This loan provides support to the business and enables the retention of the employees.
- The bank provided a \$6.5 million loan in a low-income census tract inside an enterprise zone to support the operation of a manufacturer/wholesaler of fabrics that employs 75 people. This loan provides support to the business and facilitates the increase in or retention of employees in a low-income tract.
- A \$5 million loan in a moderate-income census tract to support inventory purchases and provide working capital to a garment manufacturer. The company employs 800 full and part time individuals. The facility helps retain the company and its jobs in the moderate-income census tract; accordingly, this contributes to the revitalization and stabilization of this area.

Investment Test

Hanmi's performance under the investment test in the Los Angeles-Orange assessment area is good, as evidenced by a significant level of qualified investments and grants, coupled with a strong focus on the area's critical need for economic development and affordable housing. As shown in Table 9, the bank

made investments and grants in the assessment area totaling \$21.9 million. This total was comprised of more than \$100,000 in new investments and \$21.8 million in investments that remained on the bank's books from a prior period. As noted previously, Hanmi provided a significant number of investments benefitting a broader regional area that included the bank's assessment areas.

Investments addressed a number of community development needs within this assessment area. Investments include LIHTCs, municipal and school district bond, and grants and donations. LIHTC Investments made up almost half of all investments followed closely by investment in school bonds and municipal bonds. These investments helped finance redevelopment activities and helped to address the critical need for affordable rental housing for low- and moderate-income households within this assessment area. Examples of these investments include:

- *Low Income Housing Tax Credits* – The bank's LIHTC-related investments consist of \$7.8 million in prior-period investments. These LIHTCs helped construct or rehabilitate 1,250 units of affordable housing for low-and moderate-income individuals in the Los Angeles-Orange assessment area.
- *School District Bonds* – The bank invested \$6.7 million in Los Angeles Unified School District bonds to improve schools, including those in low- and moderate- income areas, with renovations to eliminate hazards and provide earthquake safety.
- *Municipal Bonds* – The bank invested \$4.1 million in municipal bonds to finance redevelopment activities for the Community Redevelopment Agency of Buena Park in Orange County.
- *Mortgage Backed Securities*– The bank holds over \$1.0 million in these MBS from prior periods. These vehicles benefitted both counties within the assessment area.
- *Donations* – The bank made 23 donations totaling more than \$77,000, which helped a variety of community development organizations throughout the assessment area, including several that provide free income-tax preparation assistance to low- and moderate-income individuals. Other organizations supported by the bank provide education or health services for low- and moderate-income people.

Service Test

Hanmi's performance under the service test was low satisfactory based on the accessibility of delivery systems and an adequate level of community development services provided.

Retail Banking Services

Retail banking services are accessible throughout the assessment area and do not vary in a way that inconveniences any portion of the area. A full array of personal and business banking products and services – including those previously discussed – is offered at all locations in the Los Angeles-Orange assessment area. Branch hours are similar across all locations; differences in hours are not significant and do not adversely impact customers. All branches offer Saturday hours. In addition, delivery systems include 17 ATMs, telephone banking, and online banking that are available to provide customers with access to banking services after normal business hours.

As seen in Table 10 Hanmi operates 23 branches in the Los Angeles-Orange assessment area. During the review period, Hanmi did not open or close any branches. Overall accessibility to banking services in

low- and moderate-income census tracts is reasonable. Hanmi maintains 47.8 percent of its branches located within low-and moderate-income census tracts while these geographies represent 37.1 percent of total census tracts within the assessment area.

Community Development Services

Hanmi provided a relatively high level of services in the Los Angeles-Orange assessment area. Employees provided over 730 service hours to more than 20 organizations. These qualified services met a variety of community development needs. The majority of the service hours were for income-tax preparation workshops for low- and moderate-income individuals and small business owners and for the provision of technical assistance to organizations that support small business enterprise and economic development. The following are notable examples of community development services.

- In partnership with a community-based organization, employees participated in tax preparation clinics for low- and moderate-income individuals. Over 480 hours were spent assisting with tax return preparation.
- Hanmi officer served 80 hours as members of the board of directors for a local youth community center and 70 hours at senior center that provide services to low-and moderate-income individuals. In this capacity, the officers provide assistance with corporate governance, annual financial planning, and budgeting.
- Hanmi officer served 25 hours for the Alliance for Economic Inclusion (AEI), the FDIC's national initiative to bring the unbanked and underserved populations into the financial mainstream
- In partnership with a community-based organization, employees spent four hours presenting tips to avoid financial exploitation to 200 low- and moderate- income seniors.

LIMITED-SCOPE ASSESSMENT AREA CONCLUSIONS

For each assessment area where a limited-scope review was performed using the examination procedures.

Hanmi's performance in the assessment areas receiving a limited review is generally consistent with the performance in the full-scope area. Due to the bank's smaller presence in these markets and levels of loans and deposits, the limited scope assessment areas received less weight than the full-scope areas. Consequently, performance in these areas had a lesser impact on the bank's overall lending, investment, and service test performance assessments. Facts and data reviewed, including performance and demographic information can be found in the market profiles in Appendix B the tables in Appendix C.

EXHIBIT 9 LIMITED-SCOPE ASSESSMENT AREA CONCLUSIONS			
ASSESSMENT AREA(S)	LENDING TEST	INVESTMENT TEST	SERVICE TEST
San Bernardino	Consistent	Consistent	Below
San Diego	Consistent	Consistent	Consistent
San Francisco	Below	Consistent	Below
Santa Clara	Consistent	Consistent	Below

Lending test performance in these markets was generally consistent with the performance in the full-scope assessment areas. Lending test performance in the San Francisco assessment area fell below the performance levels in the full scope assessment areas, as no community development loans were made in this area. With regard to the service test, San Diego was the only limited-scope area with even a nominal level of community development service hours. While staffing constraints were a contributing factor, the lack of community development services in three of the four assessment areas cannot be fully explained by performance context.

APPENDIX A

GLOSSARY OF TERMS

Aggregate lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Census tract: A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas (MSA). Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community development: All Agencies have adopted the following language. Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

Effective September 1, 2005, the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation have adopted the following additional language as part of the revitalize or stabilize definition of community development.

Activities that revitalize or stabilize:

- (i) Low- or moderate-income geographies;
- (ii) Designated disaster areas; or
- (iii) Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency, based on:
 - a. Rates of poverty, unemployment, and population loss; or
 - b. Population size, density, and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- and moderate-income individuals.

Consumer loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is

further classified into 'male householder' (a family with a male householder and no wife present) or 'female householder' (a family with a female householder and no husband present).

Full-scope review: Performance under the lending and community development tests is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (for example, responsiveness).

Geography: A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act: The statute that requires certain mortgage lenders that do business or have banking offices in a MSA to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applications, the amount of loan requested, and the disposition of the application (for example, approved, denied, and withdrawn).

Home mortgage loans: Includes home purchase and home improvement loans as defined in the Home Mortgage Disclosure Act regulation. This definition also includes multifamily (five or more families) dwelling loans, loans for the purchase of manufactured homes and refinancings of home improvement and home purchase loans.

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Limited-scope review: Performance under the lending and community development tests is analyzed using only quantitative factors (for example, geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

Low-income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

Market share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Metropolitan area: A MSA or a metropolitan division (MD) as defined by the Office of Management and Budget. A MSA is a core area containing at least one urbanized area of 50,000 or more inhabitants, together with adjacent communities having a high degree of economic and social integration with that core. A MD is a division of a MSA based on specific criteria including commuting patterns. Only a MSA that has a population of at least 2.5 million may be divided into MDs.

Middle-income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent, in the case of a geography.

Moderate-income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent, in the case of a geography.

Multifamily: Refers to a residential structure that contains five or more units.

Other products: Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

Owner-occupied units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Qualified investment: A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rated area: A rated area is a state or multistate metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

Small loan(s) to business(es): A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as nonmortgage, commercial loans.

Small loan(s) to farm(s): A loan included in 'loans to small farms' as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, or are classified as loans to finance agricultural production and other loans to farmers.

Upper-income: Individual income that is more than 120 percent of the area median income, or a median family income that is more than 120 percent, in the case of a geography.

APPENDIX B

LIMITED-SCOPE ASSESSMENT AREA MARKET PROFILES

All demographic and economic information in this appendix is from one of the following sources:

- U.S. Census Bureau, American Community Survey 1 Yr Estimates, DP02; available from: <http://factfinder2.census.gov> and <http://quickfacts.census.gov> (accessed January 22, 2014).
- Federal Deposit Insurance Corporation, Deposit Market Share Report, June 30, 2013; available from: <http://www2.fdic.gov/sod/sodMarketBank.asp?barItem=2>, (accessed January 22, 2014).
- Information based on 2013 aggregate data consisting of institutions required to file annual CRA data.
- 2013 D&B information according to 2010 ACSBoundaries.
- U.S. Census Bureau, American Community Survey 1 Yr Estimates, DP03, 2013, available from: <http://factfinder2.census.gov> (accessed January 22, 2014).
- California Association of Realtors, Sales and Median Prices for Existing Detached Homes; available from: <http://www.car.org/marketdata/data/housingdata/> (accessed January 22, 2014).
- U.S. Department of Housing and Urban Development, Adjusted Median Family Income; available from: <http://www.huduser.org/portal/datasets/il/il14/index.html> (January 22, 2014).
- U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics by County; available at: <http://www.bls.gov/lau/> (January 22, 2014).

Data regarding Hanmi's loans, investments, and branches associated with each of the following assessment as may be found in the Tables located in Appendix C.

San Bernardino Assessment Area

The San Bernardino assessment area consists of San Bernardino County in its entirety and is part of the Riverside-San Bernardino-Ontario MSA. Encompassing over 20,000 square miles, San Bernardino County is the largest county in the nation in area and comprises the area in between Los Angeles County to the west and the Nevada border to the east. About 90 percent of the county is desert; the remainder consists of the San Bernardino Mountains and San Bernardino Valley. San Bernardino County has a population of 2.1 million as of 2013.

Hanmi has a limited presence in this large market for financial services. As of June 30, 2013, the bank's one office held over \$30 million in deposits, with a 0.2 percent market share of the entire MSA. Hanmi ranked 31st out of 41 FDIC-insured depository institutions operating 261 offices in the MSA. Deposits are primarily concentrated in three financial institutions that collectively hold 50.1 percent of the market share in the MSA. In 2013, Hanmi was one of 84 small business lenders operating within the assessment area subject to the reporting requirement of CRA. These lenders extended 25,720 small business loans totaling approximately \$848.7 million. Reporting institutions represent only a portion of all institutions competing for the small business lending in the assessment area.

Exhibit 10, on the following page, presents key demographic and business information used to help develop a performance context for the San Bernardino assessment area, based on the 2010 U.S. Census and 2013 Dun & Bradstreet data.

EXHIBIT 10 ASSESSMENT AREA DEMOGRAPHICS SAN BERNARDINO ASSESSMENT AREA								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	27	7.3	28,008	6.1	9,667	34.5	103,154	22.6
Moderate-income	110	29.8	120,474	26.4	22,287	18.5	81,373	17.8
Middle-income	136	36.9	172,559	37.8	17,103	9.9	91,893	20.1
Upper-income	93	25.2	135,386	29.7	4,313	3.2	180,007	39.4
Tract not reported	3	0.8	0	0.0	0	0.0	0	0.0
Total AA	369	100.0	456,427	100.0	53,370	11.7	456,427	100.0
Income Categories	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	46,016	13,502	3.5	29.3	25,429	55.3	7,085	15.4
Moderate-income	191,822	83,967	21.6	43.8	77,704	40.5	30,151	15.7
Middle-income	274,102	152,418	39.3	55.6	74,520	27.2	47,164	17.2
Upper-income	179,381	138,280	35.6	77.1	30,305	16.9	10,796	6
Tract not reported	0	0	0.0	0.0	0	0.0	0	0.0
Total AA	691,321	388,167	100.0	56.1	207,958	30.1	95,196	13.8
Income Categories	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or Equal to \$1 Million		Greater than \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	4,709	6.4	4,217	6.3	262	5.8	230	9.2
Moderate-income	19,168	26	17,228	25.9	1,220	27.1	720	29
Middle-income	26,446	35.9	23,906	35.9	1,700	37.7	840	33.8
Upper-income	23,194	31.5	21,204	31.8	1,295	28.8	695	27.9
Tract not reported	70	0.1	41	0.1	27	0.6	2	0.1
Total AA	73,587	100.0	66,596	100.0	4,504	100.0	2,487	100.0
Percentage of Total Businesses		90.5		6.1		3.4		
2013 Median Family Income			\$58,204	December 2013 Median Housing Value			\$198,890	
2013 HUD Adjusted Median Family Income			\$62,600	2013 Unemployment Rate			10.1%	

San Diego Assessment Area

The San Diego assessment area consists of San Diego County in its entirety and is part of the San Diego-Carlsbad-San Marcos MSA. San Diego is the southern-most county in California. It shares its southern border with Mexico, eastern border with Imperial County, northern border with Orange and Riverside Counties, and borders the Pacific Ocean on the west. With an estimated population of 3.2 million in 2013, San Diego ranks as the second most-populated county in California.

Hanmi has a limited presence in this large market for financial services. As of June 30, 2013, the bank's one office held \$70.9 million in deposits with a 0.1 percent market share. The bank ranked 37th out of 54 FDIC-insured depository institutions operating 633 offices in the assessment area. Deposits are primarily concentrated in three financial institutions collectively holding 43.9 percent of market share in the MSA. In 2013, Hanmi was one of 120 small business lenders operating within the assessment area subject to the reporting requirement of CRA. These lenders extended 66,863 small business loans totaling approximately \$2.2 million. Reporting institutions represent only a portion of all institutions competing for the small business lending in the assessment area.

Exhibit 11, on the following page, presents key demographic and business information used to help develop a performance context for the San Diego assessment area, based on the 2010 U.S. Census and 2013 Dun & Bradstreet data.

EXHIBIT 11 ASSESSMENT AREA DEMOGRAPHICS SAN DIEGO ASSESSMENT AREA								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	63	10.0	58,550	8.3	16,591	28.3	157,382	22.4
Moderate-income	134	21.3	139,895	19.9	19,253	13.8	123,504	17.5
Middle-income	227	36.1	250,700	35.6	15,660	6.2	131,950	18.7
Upper-income	198	31.5	254,602	36.2	8,872	3.5	290,911	41.3
Tract not reported	6	1.0	0	0.0	0	0.0	0	0.0
Total AA	628	100.0	703,747	100.0	60,376	8.6	703,747	100.0
Income Categories	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	97,355	19,643	3.3	20.2	70,286	72.2	7,426	7.6
Moderate-income	234,923	85,043	14.3	36.2	128,923	54.9	20,957	8.9
Middle-income	423,992	230,360	38.8	54.3	158,603	37.4	35,029	8.3
Upper-income	398,595	258,899	43.6	65	110,023	27.6	29,673	7.4
Tract not reported	9	0	0.0	0.0	9	100.0	0	0.0
Total AA	1,154,874	593,945	100.0	51.4	467,844	40.5	93,085	8.1
Income Categories	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or Equal to \$1 Million		Greater than \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	10,780	6.3	9,728	6.3	621	6	431	7.9
Moderate-income	28,017	16.4	25,329	16.3	1,680	16.3	1,008	18.4
Middle-income	62,049	36.3	56,309	36.2	3,788	36.8	1,952	35.6
Upper-income	70,168	41	63,907	41.1	4,176	40.6	2,085	38
Tract not reported	140	0.1	119	0.1	15	0.1	6	0.1
Total AA	171,154	100.0	155,392	100.0	10,280	100.0	5,482	100.0
Percentage of Total Businesses		90.8		6.0		3.2		
2013 Median Family Income			\$71,608	December 2013 Median Housing Value			\$479,690	
2013 HUD Adjusted Median Family Income			\$72,300	2013 Unemployment Rate			7.5%	

San Francisco Assessment Area

The San Francisco assessment area consists of the City and County of San Francisco in its entirety and is part of the San Francisco-San Mateo-Redwood City, California MSA and the San Francisco-Oakland-Fremont MSA. San Francisco County is located in Northern California and borders the Pacific Ocean on the west, the San Francisco Bay to the north and east, and San Mateo County to the south. Despite its small physical size, occupying only 47 square miles of land, San Francisco ranks as the 11th most populous county in California, with population exceeding 835,000 in 2013.

Hanmi has a limited presence in this market for financial services. As of June 30, 2013, the bank's one office held \$46.1 million in deposits with a 0.02 percent market share of the MSA. The bank ranked 36th out of 52 FDIC-insured depository institutions operating 289 offices in the MSA. Deposits are primarily concentrated in three financial institutions collectively holding 80.2 percent of market share in the MSA. In 2013, Hanmi was one of 79 small business lenders operating within the assessment area subject to the reporting requirement of CRA. These lenders extended 28,931 small business loans totaling approximately \$1.0 million. Reporting institutions represent only a portion of all institutions competing for the small business lending in the assessment area.

Exhibit 12, on the following page, presents key demographic and business information used to help develop a performance context for the San Francisco assessment area, based on the 2010 U.S. Census and 2013 Dun & Bradstreet data.

EXHIBIT 12 ASSESSMENT AREA DEMOGRAPHICS SAN FRANCISCO ASSESSMENT AREA								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	39	19.8	24,693	16.4	4,540	18.4	45,868	30.5
Moderate-income	42	21.3	33,848	22.5	2,701	8.0	23,359	15.5
Middle-income	57	28.9	51,052	34.0	2,367	4.6	26,102	17.4
Upper-income	56	28.4	40,727	27.1	1,188	2.9	55,000	36.6
Tract not reported	3	1.5	9	0.0	0	0.0	0	0.0
Total AA	197	100.0	150,329	100.0	10,796	7.2	150,329	100.0
Income Categories	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	79,316	8,780	7.0	11.1	60,341	76.1	10,195	12.9
Moderate-income	65,271	26,523	21.0	40.6	33,330	51.1	5,418	8.3
Middle-income	110,869	44,279	35.1	39.9	56,952	51.4	9,638	8.7
Upper-income	117,083	46,446	36.9	39.7	59,284	50.6	11,353	9.7
Tract not reported	21	0	0.0	0.0	21	100.0	0	0.0
Total AA	372,560	126,028	100.0	33.8	209,928	56.3	36,604	9.8
Income Categories	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or Equal to \$1 Million		Greater than \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	16,472	29.1	13,890	28	1,769	38.9	813	33.1
Moderate-income	7,716	13.6	6,932	14	454	10.0	330	13.4
Middle-income	11,500	20.3	10,473	21.1	502	11.0	525	21.4
Upper-income	20,810	36.8	18,210	36.8	1,814	39.9	786	32.0
Tract not reported	31	0.1	24	0.0	6	0.1	1	0.0
Total AA	56,529	100.0	49,529	100.0	4,545	100.0	2,455	100.0
Percentage of Total Businesses		87.6		8.0		4.3		
2013 Median Family Income			\$95,421	December 2013 Median Housing Value			\$884,760	
2013 HUD Adjusted Median Family Income			\$101,200	2013 Unemployment Rate			5.7%	

Santa Clara Assessment Area

The Santa Clara assessment area consists of Santa Clara County in its entirety and is part of the San Jose-Sunnyvale-Santa Clara MSA. Santa Clara County is in Northern California and is bordered on the west by San Mateo and Santa Cruz Counties, on the north by Alameda County, on the east by Stanislaus and Merced Counties, and on the south by San Benito County. Santa Clara is the largest county by population in the San Francisco Bay Area with 1.9 million persons in 2013.

Hanmi has a limited presence in this large market for financial services. As of June 30, 2013, the bank's one office held \$88.4 million in deposits with a 0.1 percent market share of the MSA. The bank ranked 29th out of 50 FDIC-insured institutions operating 360 offices in the MSA. Deposits are primarily concentrated in three financial institutions collectively holding 59.7 percent of market share in the MSA. In 2013, HB was one of 85 small business lenders operating within the assessment area subject to the reporting requirement of CRA. These lenders extended 42,843 small business loans totaling approximately \$1.4 million. Reporting institutions represent only a portion of all institutions competing for the small business lending in the assessment area.

Exhibit 13, on the following page, presents key demographic and business information used to help develop a performance context for the Santa Clara assessment area, based on the 2010 U.S. Census and 2013 Dun & Bradstreet data.

EXHIBIT 13 ASSESSMENT AREA DEMOGRAPHICS SANTA CLARA ASSESSMENT AREA								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	36	9.7	31,709	7.5	6,489	20.5	98,655	23.4
Moderate-income	84	22.6	91,939	21.8	8,162	8.9	68,111	16.2
Middle-income	138	37.1	159,464	37.8	7,531	4.7	81,518	19.3
Upper-income	113	30.4	138,221	32.8	3,593	2.6	173,059	41.1
Tract not reported	1	0.3	10	0.0	0	0.0	0	0.0
Total AA	372	100.0	421,343	100.0	25,775	6.1	421,343	100.0
Income Categories	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	47,950	15,850	4.5	33.1	29,203	60.9	2,897	6
Moderate-income	144,779	63,373	17.9	43.8	73,849	51.0	7,557	5.2
Middle-income	240,947	137,780	39.0	57.2	92,184	38.3	10,983	4.6
Upper-income	192,410	136,396	38.6	70.9	47,873	24.9	8,141	4.2
Tract not reported	239	0	0.0	0.0	239	100.0	0	0.0
Total AA	626,325	353,399	100.0	56.4	243,348	38.9	29,578	4.7
Income Categories	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or Equal to \$1 Million		Greater than \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	6,048	6.7	5,339	6.6	408	5.9	301	9.4
Moderate-income	20,464	22.5	17,612	21.8	2,081	30.3	771	24.2
Middle-income	32,134	35.3	28,657	35.5	2,341	34	1,136	35.6
Upper-income	32,188	35.4	29,169	36.1	2,047	29.8	972	30.5
Tract not reported	69	0.1	57	0.1	2	0	10	0.3
Total AA	90,903	100.0	80,834	100.0	6,879	100.0	3,190	100.0
Percentage of Total Businesses			88.9		7.6		3.5	
2013 Median Family Income			\$104,307		December 2013 Median Housing Value			\$768,000
2013 HUD Adjusted Median Family Income			\$101,300		2013 Unemployment Rate			6.8%

APPENDIX C

CRA CORE TABLES

Table 1	Lending Volume of Reported Loans
Table 2	Geographic Distribution of Small Business Loans
Table 3	Geographic Distribution of Home Purchase Loans
Table 4	Geographic Distribution of Home Mortgage Refinance Loans
Table 5	Geographic Distribution of Multi-Family Loans
Table 6	Borrower Distribution of Small Business Loans
Table 7	Borrower Distribution of Home Purchase Loans
Table 8	Borrower Distribution of Home Mortgage Refinance Loans
Table 9	Qualified Investments
Table 10	Distribution of Branch Delivery System and Branch Openings/Closings

HANMI BANK, Los Angeles, California

Rated Area: State of California

Table 1 - Lending Volume of Reported Loans

Evaluation Period: January 1, 2012 to December 31, 2013

Assessment Area(s)	% of Rated Area Loans	Small Business Loans		Small Farm Loans		All HMDA Loans		Community Development Loans		Total Reported Loans		% of Rated Area Deposits
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
Full Scope Assessment Area												
LA Orange AA	88.1	921	289,962	0	0	119	117,269	112	305,757	1,040	407,231	90.1
Statewide/Regional Area	0	0	0	0	0	0	0	21	54,090	0	0	0
Limited Scope Assessment Areas												
San Bernardino AA	5.3	60	22,610	0	0	2	1,346	7	19,978	62	23,956	1.3
San Diego AA	3.8	29	9,434	0	0	16	16,179	1	1,177	45	25,613	3.0
San Francisco AA	1.4	8	2,894	0	0	8	6,221	0	0	16	9,115	1.9
Santa Clara AA	1.4	16	2,759	0	0	1	734	1	2,950	17	3,493	3.7

HANMI BANK, Los Angeles, California

Rated Area: State of California

Table 2 - Geographic Distribution of Small Business Loans

Evaluation Period: January 1, 2012 to December 31, 2013

Assessment Area(s)	Total Loans from Bank		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate Lending (%)				Market Share (%)				
	# Loans	% Rated Area Total	Bank Loans (%)	Business Entities (%)	Bank Loans (%)	Business Entities (%)	Bank Loans (%)	Business Entities (%)	Bank Loans (%)	Business Entities (%)	Low	Mod	Mid	Upp	Overall	Low	Mod	Mid	Upp
Full Scope Assessment Area																			
LA Orange AA 2012	440	89.2	28.0	6.4	30.5	21.9	20.5	28.2	21.1	43.5	5.2	17.9	26.5	50.4	0.1	0.7	0.2	0.1	0.1
LA Orange AA 2013	465	88.6	28.8	6.4	32.3	21.7	21.3	28.2	17.6	43.7	5.5	18.7	26.9	48.8	0.2	0.8	0.3	0.1	0.1
Limited Scope Assessment Areas																			
San Bernardino AA 2012	29	5.9	13.8	6.5	31.0	26.0	20.7	35.9	34.5	31.6	4.4	20.3	35.3	39.9	0.1	0.3	0.2	0.1	0.1
San Bernardino AA 2013	31	5.9	12.9	6.4	41.9	26.1	25.8	36.0	19.4	31.5	4.3	21.1	35.3	39.3	0.1	0.4	0.2	0.1	0.1
San Diego AA 2012	14	2.8	7.1	6.3	21.4	16.4	42.9	36.3	28.6	40.9	4.4	13.7	33.8	48.1	0.0	0.0	0.0	0.0	0.0
San Diego AA 2013	15	2.9	6.7	6.3	26.7	16.4	40.0	36.3	26.7	41.0	4.6	14.4	33.9	47.1	0.0	0.0	0.0	0.0	0.0
San Francisco AA 2012	2	0.4	100.0	29.1	0.0	13.7	0.0	20.2	0.0	37.0	23.7	16.5	24.0	35.9	0.0	0.0	0.0	0.0	0.0
San Francisco AA 2013	6	1.1	16.7	29.2	16.7	13.7	50.0	20.4	16.7	36.8	24.8	15.2	23.6	36.4	0.0	0.0	0.0	0.0	0.0
Santa Clara AA 2012	8	1.6	0.0	6.6	0.0	22.7	75.0	35.3	25.0	35.4	5.0	21.4	35.7	37.9	0.0	0.0	0.0	0.0	0.0
Santa Clara AA 2013	8	1.5	12.5	6.7	25.0	22.5	37.5	35.4	25.0	35.4	5.2	22.0	35.4	37.4	0.0	0.0	0.0	0.0	0.0

HANMI BANK, Los Angeles, California

Rated Area: State of California

Table 3 - Geographic Distribution of Home Purchase Loans

Evaluation Period: January 1, 2012 to December 31, 2013

Assessment Area(s)	Total Loans from Bank		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate Lending (%)				Market Share (%)				
	# Loans	% Rated Area Total	Bank Loans (%)	Owner Occ Units (%)	Bank Loans (%)	Owner Occ Units (%)	Bank Loans (%)	Owner Occ Units (%)	Bank Loans (%)	Owner Occ Units (%)	Low	Mod	Mid	Upp	Overall	Low	Mod	Mid	Upp
Full Scope Assessment Area																			
LA Orange AA 2012	22	52.4	0.0	2.4	13.6	17.4	9.1	29.9	77.3	50.3	2.8	18.8	30.5	48.0	0.0	0.0	0.0	0.0	0.0
LA Orange AA 2013	6	85.7	16.7	2.4	66.7	17.4	16.7	29.9	0.0	50.3	2.5	18.1	29.2	50.2	0.0	0.0	0.0	0.0	0.0
Limited Scope Assessment Areas																			
San Bernardino AA 2012	0	0.0	0.0	3.5	0.0	21.6	0.0	39.3	0.0	35.6	2.9	19.2	43.2	34.7	0.0	0.0	0.0	0.0	0.0
San Bernardino AA 2013	0	0.0	0.0	3.5	0.0	21.6	0.0	39.3	0.0	35.6	3.3	19.1	43.3	34.2	0.0	0.0	0.0	0.0	0.0
San Diego AA 2012	13	31.0	7.7	3.3	7.7	14.3	0.0	38.8	84.6	43.6	3.0	13.3	36.5	47.3	0.0	0.1	0.0	0.0	0.1
San Diego AA 2013	1	14.3	0.0	3.3	0.0	14.3	0.0	38.8	100.0	43.6	3.2	13.0	36.1	47.7	0.0	0.0	0.0	0.0	0.0
San Francisco AA 2012	6	14.3	16.7	7.0	0.0	21.0	0.0	35.1	83.3	36.9	10.3	16.7	32.2	40.8	0.1	0.1	0.0	0.0	0.2
San Francisco AA 2013	0	0.0	0.0	7.0	0.0	21.0	0.0	35.1	0.0	36.9	11.2	17.2	32.0	39.5	0.0	0.0	0.0	0.0	0.0
Santa Clara AA 2012	1	2.4	0.0	4.5	0.0	17.9	0.0	39.0	100.0	38.6	5.0	20.5	39.6	34.9	0.0	0.0	0.0	0.0	0.0
Santa Clara AA 2013	0	0.0	0.0	4.5	0.0	17.9	0.0	39.0	0.0	38.6	5.0	20.4	40.8	33.8	0.0	0.0	0.0	0.0	0.0

HANMI BANK, Los Angeles, California

Rated Area: State of California

Table 4 - Geographic Distribution of Home Mortgage Refinance Loans

Evaluation Period: January 1, 2012 to December 31, 2013

Assessment Area(s)	Total Loans from Bank		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate Lending (%)				Market Share (%)				
	# Loans	% Rated Area Total	Bank Loans (%)	Owner Occ Units (%)	Bank Loans (%)	Owner Occ Units (%)	Bank Loans (%)	Owner Occ Units (%)	Bank Loans (%)	Owner Occ Units (%)	Low	Mod	Mid	Upp	Overall	Low	Mod	Mid	Upp
Full Scope Assessment Area																			
LA Orange AA 2012	6	100.0	0.0	2.4	16.7	17.4	0.0	29.9	83.3	50.3	1.2	11.7	26.2	60.9	0.0	0.0	0.0	0.0	0.0
LA Orange AA 2013	14	82.4	0.0	2.4	14.3	17.4	14.3	29.9	71.4	50.3	1.8	14.4	27.8	56.1	0.0	0.0	0.0	0.0	0.0
Limited Scope Assessment Areas																			
San Bernardino AA 2012	0	0.0	0.0	3.5	0.0	21.6	0.0	39.3	0.0	35.6	1.6	12.7	36.1	49.7	0.0	0.0	0.0	0.0	0.0
San Bernardino AA 2013	0	0.0	0.0	3.5	0.0	21.6	0.0	39.3	0.0	35.6	1.9	15.4	38.1	44.6	0.0	0.0	0.0	0.0	0.0
San Diego AA 2012	0	0.0	0.0	3.3	0.0	14.3	0.0	38.8	0.0	43.6	1.9	9.6	33.6	54.9	0.0	0.0	0.0	0.0	0.0
San Diego AA 2013	1	5.9	0.0	3.3	0.0	14.3	0.0	38.8	100.0	43.6	2.6	11.9	36.1	49.4	0.0	0.0	0.0	0.0	0.0
San Francisco AA 2012	0	0.0	0.0	7.0	0.0	21.0	0.0	35.1	0.0	36.9	6.5	17.7	35.0	40.9	0.0	0.0	0.0	0.0	0.0
San Francisco AA 2013	2	11.8	0.0	7.0	0.0	21.0	100.0	35.1	0.0	36.9	7.1	19.2	33.9	39.8	0.0	0.0	0.0	0.0	0.0
Santa Clara AA 2012	0	0.0	0.0	4.5	0.0	17.9	0.0	39.0	0.0	38.6	3.0	13.8	37.9	45.3	0.0	0.0	0.0	0.0	0.0
Santa Clara AA 2013	0	0.0	0.0	4.5	0.0	17.9	0.0	39.0	0.0	38.6	4.0	16.9	38.2	40.9	0.0	0.0	0.0	0.0	0.0

HANMI BANK, Los Angeles, California

Rated Area: State of California

Table 5 - Geographic Distribution of Multi-Family Loans

Evaluation Period: January 1, 2012 to December 31, 2013

Assessment Area(s)	Total Loans from Bank		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate Lending (%)				Market Share (%)				
	# Loans	% Rated Area Total	Bank Loans (%)	Multifamily Units (%)	Bank Loans (%)	Multifamily Units (%)	Bank Loans (%)	Multifamily Units (%)	Bank Loans (%)	Multifamily Units (%)	Low	Mod	Mid	Upp	Overall	Low	Mod	Mid	Upp
Full Scope Assessment Area																			
LA Orange AA 2012	39	95.1	35.9	11.2	43.6	32.7	15.4	26.9	5.1	29.2	13.8	39.3	23.8	23.1	0.6	1.7	0.7	0.4	0.1
LA Orange AA 2013	29	96.7	27.6	11.2	51.7	32.7	13.8	26.9	6.9	29.2	14.4	40.1	24.0	21.6	0.5	0.9	0.6	0.3	0.1
Limited Scope Assessment Areas																			
San Bernardino AA 2012	1	2.4	0.0	12.3	100.0	39.0	0.0	34.5	0.0	14.2	18.8	44.4	25.6	11.1	0.9	0.0	1.9	0.0	0.0
San Bernardino AA 2013	1	3.3	0.0	12.3	100.0	39.0	0.0	34.5	0.0	14.2	14.3	47.6	24.4	13.7	0.6	0.0	1.3	0.0	0.0
San Diego AA 2012	1	2.4	0.0	12.7	0.0	26.7	100.0	34.8	0.0	25.8	27.8	32.1	26.6	13.5	0.1	0.0	0.0	0.4	0.0
San Diego AA 2013	0	0.0	0.0	12.7	0.0	26.7	0.0	34.8	0.0	25.8	30.8	35.8	23.2	10.3	0.0	0.0	0.0	0.0	0.0
San Francisco AA 2012	0	0.0	0.0	24.8	0.0	16.2	0.0	29.1	0.0	29.9	26.0	12.6	27.0	34.5	0.0	0.0	0.0	0.0	0.0
San Francisco AA 2013	0	0.0	0.0	24.8	0.0	16.2	0.0	29.1	0.0	29.9	25.9	15.6	22.7	35.8	0.0	0.0	0.0	0.0	0.0
Santa Clara AA 2012	0	0.0	0.0	10.5	0.0	30.9	0.0	39.9	0.0	18.6	18.5	36.6	29.8	15.0	0.0	0.0	0.0	0.0	0.0
Santa Clara AA 2013	0	0.0	0.0	10.5	0.0	30.9	0.0	39.9	0.0	18.6	22.0	33.6	29.8	14.6	0.0	0.0	0.0	0.0	0.0

HANMI BANK, Los Angeles, California

Rated Area: State of California

Table 6 - Borrower Distribution of Small Business Loans

Evaluation Period: January 1, 2012 to December 31, 2013

Assessment Area(s)	Total Small Business Loans		Businesses with Revenue <= \$1 Million		Originations Regardless of Revenue Size			Aggregate Lending (%)		Market Share (%)	
	Bank Loans (#)	% Rated Area Total	Bank Loans (%)	All Businesses (%)	<= \$100K	> \$100K and <= \$250K	> \$250K and <= \$1 Million	All Loans	Loans to Revenue <= \$1 Million (%)	All Loans	Loans to Revenue <= \$1 Million (%)
Full Scope Assessment Area											
LA Orange AA 2012	447	89.4	55.0	89.9	31.5	24.8	43.6	347,720	48.7	0.1	0.1
LA Orange AA 2013	474	88.8	48.9	89.3	30.6	22.6	46.8	302,999	51.4	0.2	0.1
Limited Scope Assessment Areas											
San Bernardino AA 2012	29	5.8	69.0	90.8	17.2	34.5	48.3	28,255	44.8	0.1	0.2
San Bernardino AA 2013	31	5.8	54.8	90.5	19.4	22.6	58.1	25,720	46.9	0.1	0.1
San Diego AA 2012	14	2.8	42.9	91.1	35.7	21.4	42.9	76,971	48.1	0.0	0.0
San Diego AA 2013	15	2.8	53.3	90.8	26.7	20.0	53.3	66,863	50.2	0.0	0.0
San Francisco AA 2012	2	0.4	0.0	88.1	50.0	0.0	50.0	37,013	48.4	0.0	0.0
San Francisco AA 2013	6	1.1	66.7	87.6	33.3	16.7	50.0	28,931	50.1	0.0	0.0
Santa Clara AA 2012	8	1.6	50.0	89.4	62.5	25.0	12.5	52,460	50.2	0.0	0.0
Santa Clara AA 2013	8	1.5	37.5	88.9	62.5	25.0	12.5	42,843	51.8	0.0	0.0

HANMI BANK, Los Angeles, California

Rated Area: State of California

Table 7- Borrower Distribution of Home Purchase Loans

Evaluation Period: January 1, 2012 to December 31, 2013

Assessment Area(s)	Total Loans from Bank		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending (%)				Market Share (%)				
	# Loans	% Rated Area Total	Bank Loans (%)	Families (%)	Bank Loans (%)	Families (%)	Bank Loans (%)	Families (%)	Bank Loans (%)	Families (%)	Low	Mod	Mid	Upp	Overall	Low	Mod	Mid	Upp
Full Scope Assessment Area																			
LA Orange AA 2012	1	100.0	0.0	23.6	0.0	16.6	100.0	18.1	0.0	41.7	3.5	15.2	25.6	55.8	0.0	0.0	0.0	0.0	0.0
LA Orange AA 2013	4	80.0	0.0	23.6	50.0	16.6	0.0	18.1	50.0	41.7	1.7	9.7	21.7	66.8	0.0	0.0	0.0	0.0	0.0
Limited Scope Assessment Areas																			
San Bernardino AA 2012	0	0.0	0.0	22.6	0.0	17.8	0.0	20.1	0.0	39.4	11.4	25.5	25.8	37.3	0.0	0.0	0.0	0.0	0.0
San Bernardino AA 2013	0	0.0	0.0	22.6	0.0	17.8	0.0	20.1	0.0	39.4	7.7	21.5	26.8	44.0	0.0	0.0	0.0	0.0	0.0
San Diego AA 2012	0	0.0	0.0	22.4	0.0	17.5	0.0	18.7	0.0	41.3	2.9	15.2	26.9	54.9	0.0	0.0	0.0	0.0	0.0
San Diego AA 2013	1	20.0	0.0	22.4	0.0	17.5	0.0	18.7	100.0	41.3	1.7	9.2	23.9	65.1	0.0	0.0	0.0	0.0	0.0
San Francisco AA 2012	0	0.0	0.0	30.5	0.0	15.5	0.0	17.4	0.0	36.6	2.9	10.1	16.9	70.2	0.0	0.0	0.0	0.0	0.0
San Francisco AA 2013	0	0.0	0.0	30.5	0.0	15.5	0.0	17.4	0.0	36.6	1.4	7.1	15.6	75.8	0.0	0.0	0.0	0.0	0.0
Santa Clara AA 2012	0	0.0	0.0	23.4	0.0	16.2	0.0	19.3	0.0	41.1	4.4	14.2	24.6	56.8	0.0	0.0	0.0	0.0	0.0
Santa Clara AA 2013	0	0.0	0.0	23.4	0.0	16.2	0.0	19.3	0.0	41.1	1.8	9.9	22.7	65.6	0.0	0.0	0.0	0.0	0.0

HANMI BANK, Los Angeles, California

Rated Area: State of California

Table 8 - Borrower Distribution of Home Mortgage Refinance Loans

Evaluation Period: January 1, 2012 to December 31, 2013

Assessment Area(s)	Total Loans from Bank		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending (%)				Market Share (%)					
	# Loans	% Rated Area Total	Bank Loans (%)	Families (%)	Bank Loans (%)	Families (%)	Bank Loans (%)	Families (%)	Bank Loans (%)	Families (%)	Bank Loans (%)	Families (%)	Low	Mod	Mid	Upp	Overall	Low	Mod	Mid
Full Scope Assessment Area																				
LA Orange AA 2012	4	100.0	0.0	23.6	0.0	16.6	25.0	18.1	75.0	41.7	4.3	10.3	20.0	65.4	0.0	0.0	0.0	0.0	0.0	
LA Orange AA 2013	7	70.0	0.0	23.6	0.0	16.6	14.3	18.1	85.7	41.7	5.1	11.1	19.5	64.3	0.0	0.0	0.0	0.0	0.0	
Limited Scope Assessment Areas																				
San Bernardino AA 2012	0	0.0	0.0	22.6	0.0	17.8	0.0	20.1	0.0	39.4	5.9	12.8	22.4	58.9	0.0	0.0	0.0	0.0	0.0	
San Bernardino AA 2013	0	0.0	0.0	22.6	0.0	17.8	0.0	20.1	0.0	39.4	7.6	15.3	22.7	54.5	0.0	0.0	0.0	0.0	0.0	
San Diego AA 2012	0	0.0	0.0	22.4	0.0	17.5	0.0	18.7	0.0	41.3	4.2	11.5	21.9	62.4	0.0	0.0	0.0	0.0	0.0	
San Diego AA 2013	1	10.0	0.0	22.4	0.0	17.5	0.0	18.7	100.0	41.3	5.1	11.0	21.1	62.9	0.0	0.0	0.0	0.0	0.0	
San Francisco AA 2012	0	0.0	0.0	30.5	0.0	15.5	0.0	17.4	0.0	36.6	5.1	12.9	21.4	60.6	0.0	0.0	0.0	0.0	0.0	
San Francisco AA 2013	2	20.0	0.0	30.5	0.0	15.5	0.0	17.4	100.0	36.6	5.8	12.4	19.7	62.0	0.0	0.0	0.0	0.0	0.0	
Santa Clara AA 2012	0	0.0	0.0	23.4	0.0	16.2	0.0	19.3	0.0	41.1	4.7	12.0	23.3	60.1	0.0	0.0	0.0	0.0	0.0	
Santa Clara AA 2013	0	0.0	0.0	23.4	0.0	16.2	0.0	19.3	0.0	41.1	5.5	12.9	21.4	60.2	0.0	0.0	0.0	0.0	0.0	

HANMI BANK, Los Angeles, California

Rated Area: State of California

Table 9 - Qualified Investments

Evaluation Period: January 1, 2012 to December 31, 2013

Assessment Area(s)	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	% of Total	#	\$ (000's)
Full Scope Assessment Area									
LA Orange AA 2012	17	11,899	13	39	30	11,929	38.79	0	0
LA Orange AA 2013	12	9,913	14	60	26	9,973	20.23	0	0
Statewide/Regional 2012	4	2,758	4	11,625	8	14,383	46.77	0	0
Statewide/Regional 2013	4	2,829	13	32,797	17	35,625	72.26	0	0
Limited Scope Assessment Areas									
San Bernardino AA 2012	2	2,643	1	4	3	2,647	8.61	0	0
San Bernardino AA 2013	2	2,608	0	0	2	2,608	5.29	0	0
San Diego AA 2012	2	176	1	8	3	184	0.60	0	0
San Diego AA 2013	1	102	0	0	1	102	0.21	0	0
San Francisco AA 2012	2	1,051	1	11	3	1,062	3.42	0	0
San Francisco AA 2013	2	990	0	0	2	990	2.01	0	0
Santa Clara AA 2012	2	538	1	9	3	547	1.78	0	0
Santa Clara AA 2013	0	0	1	1	1	1	0.00	0	0

*Investments made in a previous evaluation period that are outstanding as of the examination date.

**Legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

HANMI BANK, Los Angeles, California

Rated Area: State of California

Table 10 - Distribution of Branch Delivery System and Branch Openings/Closings

Evaluation Period: January 1, 2012 to December 31, 2013

Assessment Area(s)	Deposits	Branches						Branch Openings / Closings						Population			
	% of Rated Area Deposits in AA	# of Bank Branches	% of Rated Area Branches in AA	Location of Branches by Income Level of Geography (%)				# of Branch Openings	# of Branch Closings	Net Change in Location of Branches (+ or -)				% of Population within each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Full Scope Assessment Area																	
LA Orange AA	90.1	23	85.2	17.4	30.4	26.1	26.1	0	0	N/A	N/A	N/A	N/A	7.6	29.5	29.0	33.5
Limited Scope Assessment Areas																	
San Bernardino AA	1.3	1	3.7	0.0	0.0	0.0	100.0	0	0	N/A	N/A	N/A	N/A	6.8	27.5	37.9	27.6
San Diego AA	3.0	1	3.7	0.0	0.0	100.0	0.0	0	0	N/A	N/A	N/A	N/A	9.8	21.6	35.2	33.1
San Francisco AA	1.9	1	3.7	100.0	0.0	0.0	0.0	0	0	N/A	N/A	N/A	N/A	19.2	22.2	31.6	27.0
Santa Clara AA	3.7	1	3.7	0.0	0.0	100.0	0.0	0	0	N/A	N/A	N/A	N/A	9.2	24.4	36.9	29.3