

HANMI FINANCIAL CORP
Form 10-Q
August 09, 2018

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

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

For the Quarterly Period Ended June 30, 2018

or

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

For the Transition Period From _____ To _____

Commission File Number: 000-30421

HANMI FINANCIAL CORPORATION

(Exact Name of Registrant as Specified in its Charter)

Delaware 95-4788120
(State or Other Jurisdiction of (I.R.S. Employer
Incorporation or Organization) Identification No.)

3660 Wilshire Boulevard, Penthouse Suite A 90010
Los Angeles, California
(Address of Principal Executive Offices) (Zip Code)
(213) 382-2200

(Registrant's Telephone Number, Including Area Code)

Not Applicable

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

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

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

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

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

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the

Exchange Act. "

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

As of August 3, 2018, there were 32,513,080 outstanding shares of the Registrant's Common Stock.

Hanmi Financial Corporation and Subsidiaries
Quarterly Report on Form 10-Q
Three and Six Months Ended June 30, 2018
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Part I — Financial Information

Item 1. Financial Statements

Hanmi Financial Corporation and Subsidiaries

Consolidated Balance Sheets

(in thousands, except share data)

	(Unaudited) June 30, 2018	December 31, 2017
Assets		
Cash and due from banks	\$ 136,474	\$ 153,826
Securities available for sale, at fair value (amortized cost of \$578,621 as of June 30, 2018 and \$581,992 as of December 31, 2017)	565,529	578,804
Loans held for sale, at the lower of cost or fair value	5,349	6,394
Loans and leases receivable, net of allowance for loan and lease losses of \$31,818 as of June 30, 2018 and \$31,043 as of December 31, 2017	4,510,308	4,273,415
Accrued interest receivable	12,940	12,770
Premises and equipment, net	26,324	26,655
Customers' liability on acceptances	971	803
Servicing assets	9,255	10,218
Goodwill and other intangible assets, net	12,363	12,544
Federal Home Loan Bank ("FHLB") stock, at cost	16,385	16,385
Bank-owned life insurance	51,087	50,554
Prepaid expenses and other assets	68,217	68,117
Total assets	\$5,415,202	\$5,210,485
Liabilities and stockholders' equity		
Liabilities:		
Deposits:		
Noninterest-bearing	\$ 1,350,383	\$ 1,312,274
Interest-bearing	3,076,152	3,036,380
Total deposits	4,426,535	4,348,654
Accrued interest payable	5,775	5,309
Bank's liability on acceptances	971	803
Borrowings	270,000	150,000
Subordinated debentures	117,532	117,270
Accrued expenses and other liabilities	22,682	25,972
Total liabilities	4,843,495	4,648,008
Stockholders' equity:		
Common stock, \$0.001 par value; authorized 62,500,000 shares; issued 33,185,196 shares (32,513,518 shares outstanding) as of June 30, 2018 and issued 33,083,133 shares (32,431,627 shares outstanding) as of December 31, 2017	33	33
Additional paid-in capital	568,011	565,627
Accumulated other comprehensive loss, net of tax benefit of \$3,768 as of June 30, 2018 and \$1,319 as of December 31, 2017	(9,324)	(1,869)
Retained earnings	85,465	70,575
Less: treasury stock, at cost; 671,678 shares as of June 30, 2018 and 651,506 shares as of December 31, 2017	(72,478)	(71,889)
Total stockholders' equity	571,707	562,477
Total liabilities and stockholders' equity	\$5,415,202	\$5,210,485

See Accompanying Notes to Consolidated Financial Statements (Unaudited)

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Hanmi Financial Corporation and Subsidiaries
 Consolidated Statements of Income (Unaudited)
 (in thousands, except share and per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Interest and dividend income:				
Interest and fees on loans and leases	\$53,708	\$47,971	\$105,283	\$93,349
Interest on securities	3,198	2,949	6,302	5,468
Dividends on FHLB stock	283	283	572	657
Interest on deposits in other banks	133	123	247	200
Total interest and dividend income	57,322	51,326	112,404	99,674
Interest expense:				
Interest on deposits	9,465			