

HANMI FINANCIAL CORP
Form 10-K/A
April 30, 2013
Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K/A

(Amendment No. 1)

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

For the Fiscal Year Ended December 31, 2012

Commission File Number: 000-30421

HANMI FINANCIAL CORPORATION

(Exact Name of Registrant as Specified in its Charter)

Edgar Filing: HANMI FINANCIAL CORP - Form 10-K/A

Delaware
(State or Other Jurisdiction of

95-4788120
(I.R.S. Employer

Incorporation or Organization)

Identification No.)

3660 Wilshire Boulevard, Penthouse Suite A

Los Angeles, California
(Address of Principal Executive Offices)

90010
(Zip Code)

(213) 382-2200

(Registrant's Telephone Number, Including Area Code)

Securities Registered Pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Each Exchange on Which Registered
Common Stock, \$0.001 Par Value	NASDAQ Global Select Market

Securities Registered Pursuant to Section 12(g) of the Act:

None

(Title of Class)

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

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 Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) 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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

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

Large accelerated filer Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

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

As of June 30, 2012, the aggregate market value of the common stock held by non-affiliates of the Registrant was approximately \$320,085,000. For purposes of the foregoing calculation only, in addition to affiliated companies, all directors and officers of the Registrant have been deemed affiliates.

Edgar Filing: HANMI FINANCIAL CORP - Form 10-K/A

Number of shares of common stock of the Registrant outstanding as of March 31, 2013 was 31,584,193 shares.

Documents Incorporated By Reference Herein: None.

Table of Contents

Explanatory Statement to Form 10-K Amendment

The purpose of this Annual Report on Form 10-K/A is to amend Part III, Items 10 through 14 of our Annual Report on Form 10-K for the fiscal year ended December 31, 2012, which was filed with the Securities and Exchange Commission (the "SEC") on March 15, 2013 (the "Original Filing"), to include information previously omitted from the Original Filing in reliance on General Instruction G to Form 10-K, which provides that registrants may incorporate by reference certain information from a definitive proxy statement, which involves the election of directors, if filed with the SEC within 120 days after the end of the fiscal year covered by the Original Filing. The Company's definitive proxy statement will not be filed before April 30, 2013 (i.e., within 120 days after the end of the Company's 2012 fiscal year) pursuant to Regulation 14A. The reference in the Original Filing to the incorporation by reference of the registrant's definitive proxy statement into Part III of the Original Filing is hereby deleted.

In addition, as required by Rule 12b-15 under the Securities and Exchange Act of 1934, as amended (the "Exchange Act"), new certifications by our principal executive officer and principal financial officer are filed as exhibits to this Annual Report on Form 10-K/A under Item 15 of Part IV hereof.

For purposes of this Annual Report on Form 10-K/A, and in accordance with Rule 12b-15 under the Exchange Act, Items 10 through 14 and 15(a)(3) of our Original Filing are being amended and restated in their entirety. Except as stated herein, this Form 10-K/A does not reflect events occurring after the filing of the Original Filing and no attempt has been made in this Annual Report on Form 10-K/A to modify or update other disclosures as presented in the Original Filing. Accordingly, this Form 10-K/A should be read in conjunction with our filings with the SEC subsequent to the filing of the Original Filing.

Table of Contents

HANMI FINANCIAL CORPORATION

ANNUAL REPORT ON FORM 10-K/A FOR THE FISCAL YEAR ENDED DECEMBER 31, 2012

TABLE OF CONTENTS

	Page
	<u>PART III</u>
Item 10. <u>Directors, Executive Officers and Corporate Governance</u>	3
Item 11. <u>Executive Compensation</u>	10
Item 12. <u>Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters</u>	21
Item 13. <u>Certain Relationships and Related Transactions, and Director Independence</u>	23
Item 14. <u>Principal Accounting Fees and Services</u>	24
	<u>PART IV</u>
Item 15. <u>Exhibits, Financial Statement Schedules</u>	25
<u>Signatures</u>	26

Table of Contents**PART III****ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE****Board of Directors**

Hanmi Financial's Amended and Restated Certificate of Incorporation, as amended, and Amended and Restated Bylaws provide for a Board of Directors consisting of no less than five (5) and no more than eleven (11) Directors, the exact number within this range to be determined by the Board of Directors. Currently, the Board of Directors consists of the following seven (7) members: I Joon Ahn; John A. Hall; Paul Seon-Hong Kim; Joon Hyung Lee; Joseph K. Rho; William J. Stolte; and Jay S. Yoo.

In addition to each director's professional experience outlined in the table below, the Company believes each member of the Board of Directors has other key attributes that are important to an effective Board: integrity and demonstrated high ethical standards; sound judgment; analytical skills; the ability to engage management and each other in a constructive and collaborative fashion; diversity of origin, background, experience, and thought; and the commitment to devote significant time and energy to service on the Board and its Committees.

None of the Directors or executive officers was selected or hired pursuant to any arrangement or understanding. There are no family relationships among the Directors or the executive officers of Hanmi Financial. As of the date hereof, no Director holds a directorship with another company that has a class of securities registered pursuant to Section 12 of the Exchange Act or subject to the requirements of Section 15(d) of the Exchange Act, or any company registered as an investment company under the Investment Company Act of 1940.

The following tables set forth information with respect to the Directors and executive officers of Hanmi Financial.

Name and Position	Age	Principal Occupation for Past Five Years and 10 Year Legal Proceedings
I Joon Ahn, <i>Director</i>	74	<p><i>Principal Occupation:</i> Retired; President, Ace's Fashion Company, a garment manufacturing company (1973 to 2001); Founder of Hanmi Bank and Hanmi Financial; former Chairman of our Boards, Hanmi Financial and Hanmi Bank; former member of the Korean American Chamber of Commerce and the Southern California International Trade Federation; attended Dong A University in South Korea.</p> <p>Our Board believes that Mr. Ahn should serve as a Director because Mr. Ahn plays a critical role in connection with the Korean-American community. Mr. Ahn has founded and served on a number of important Korean-American organizations inclusive of the Korean-American Garment Association, the Southern California Korean Federation, the Korean-American Chamber of Commerce and the Southern California International Trade Federation. Additionally, Mr. Ahn is a founding member of Hanmi Bank.</p> <p><i>Director Since:</i> 1982</p>
John A. Hall, <i>Director</i>	63	<p><i>Principal Occupation:</i> Retired; National Bank Examiner, Office of the Comptroller of the Currency (OCC), a division of the U.S. Treasury Department (1974 to 2005); received a Master of Business Administration from University of Iowa.</p> <p>Our Board believes that Mr. Hall should serve as a Director because Mr. Hall's experience as a bank regulatory examiner, both in credit and operations, is valuable to Hanmi Bank. In his role with the OCC, he served as an examiner in charge of various larger banking institutions and most recently served in the credit position for the Wells Fargo Large Bank Team. Our Board believes that Mr. Hall's experience as a bank regulatory examiner has provided him with financial expertise that is valuable in his role as Audit Committee Chairman and assisting Hanmi Bank in complying with applicable regulations.</p>

Edgar Filing: HANMI FINANCIAL CORP - Form 10-K/A

Director Since: February 2009

3

Table of Contents

Paul Seon-Hong Kim, <i>Director</i>	68	<p><i>Principal Occupation:</i> Retired; President & CEO, Center Financial Corp/Center Bank for 9 years, converting it a Nasdaq company with 13-fold increase in total market cap (1998 to 2007); President & CEO, Uniti Financial/Uniti Bank (2008); served in various executive capacities inclusive of CCO and CFO, Hanmi Financial/Hanmi Bank (1986 to 1998); Adjunctive Professor, Cal State University (2007, 2009); received a Master of Business Administration from University of California at Berkeley.</p> <p>Our Board believes that Mr. Kim should serve as a Director because Mr. Kim's many years of experience and long distinguished background in the banking industry has provided him with valuable financial expertise and a deep understanding of the Korean-American banking industry, which are important in formulating and carrying out Hanmi Bank's tactical and strategic plans.</p> <p><i>Director Since:</i> February 2009</p>
Joon Hyung Lee, <i>Director</i>	69	<p><i>Principal Occupation:</i> President, Root-3 Corporation, a property management, real estate investment, and development company (1983 to present); former Chairman of our Boards, Hanmi Financial and Hanmi Bank; former President of Byucksan America, Inc.; former President of Uniko Trading Co.; former Vice President of Nait Corporation; former Assistant Professor of Business Administration at Sung Kyun Kwan University in Korea; Master of Business Administration from New York University.</p> <p>Our Board believes that Mr. Lee should serve as a Director because Mr. Lee's knowledge and connections to the real estate development and investment markets are important for Hanmi Bank and make him a valuable asset to Hanmi Bank, particularly in the area of asset/liability management. In addition to his property management experience, Mr. Lee has a general contractor's license, a real estate broker's license as well as international trading experience. Mr. Lee's longevity with Hanmi Bank also assists Hanmi Bank in setting its strategic direction.</p> <p><i>Director Since:</i> 1989</p>
William J. Stolte, <i>Director</i>	66	<p><i>Principal Occupation:</i> Retired; Senior Executive Vice President, Union Bank of California in San Francisco (2000 to 2008); Director, Deloitte & Touche, LLP (1995 to 2000); Partner, The Secura Group (1992 to 1995); served in various capacities, including Deputy Comptroller of the Currency, Chief National Bank Examiner, Deputy Director Multinational & Regional Bank Supervision, National Bank Examiner, Office of the Comptroller of the Currency (1968-1992); graduate of Saint Ambrose University.</p> <p>In selecting Mr. Stolte to serve as a Director, our Board considered Mr. Stolte's banking experience both as an examiner as well as a consultant to the banking industry making him the financial expert, and his ability to assist our Board in addressing the challenges confronting Hanmi Bank.</p> <p><i>Director Since:</i> April 2009</p>

Table of Contents

Joseph K. Rho, <i>Chairman of our Board</i>	72	<i>Principal Occupation:</i> Retired; current and former Chairman of the Boards, Hanmi Financial and Hanmi Bank (2007-present; 1999-2002); J & S Investment (2002 to 2010); former Partner, Korea Plaza LP (1987 to 2002); former Chief of Parish for St. Agnes Cathedral; former President and Owner of Joseph K. Rho Insurance Agency; graduate of Seoul National University in South Korea.
---	----	--

In selecting Mr. Rho to serve as a Director and appointment as Chairman of Hanmi Financial and Hanmi Bank, our Board considered, in particular, the importance of the Chairman's role to ensure the effective functioning of our Board of Directors. Our Board believes that Mr. Rho is an effective coordinator of multiple Hanmi Bank constituencies, including stockholders, customers, officers, employees, community and regulators. Additionally, our Board considered the critical role Mr. Rho played in assisting Hanmi Financial in raising capital twice during the past three years. Lastly, in appointing Mr. Rho as Chairman, our Board considered that Mr. Rho is the largest individual stockholder and as such, can speak to building long-term stockholder value and provides valuable insight into the concerns of stockholders and investors.

Director Since: 1984

Jay S. Yoo, <i>Director</i>	66	<i>Principal Occupation:</i> President and Chief Executive Officer, Hanmi Financial and Hanmi Bank (June 2008 to present); former Chairman, President and Chief Executive Officer, Woori America Bank, a subsidiary of Woori Bank (2001 to 2007); graduate of Sogang University in South Korea.
-----------------------------	----	---

Our Board believes that Mr. Yoo should serve as a Director because Mr. Yoo's understanding of the Korean-American community, his years of banking experience since 1970, and his past regulatory experience with the banking institutions in both New York and Seoul, Korea, is a valuable asset to Hanmi Bank. Additionally, our Board felt that it is important to have the Chief Executive Officer of Hanmi Financial serve as a director in order to effectively execute our Board's direction.

Director Since: June 2008

CORPORATE GOVERNANCE PRINCIPLES AND BOARD MATTERS

Hanmi Financial is committed to sound corporate governance principles. These principles are essential to running Hanmi Financial's business efficiently and to maintaining Hanmi Financial's integrity in the marketplace. Hanmi Financial has adopted formal Corporate Governance Guidelines to explain Hanmi Financial's corporate governance principles to investors. Hanmi Financial has adopted a Code of Business Conduct and Ethics for employees and officers as well as for Directors. These Corporate Governance Guidelines, as well as Hanmi Financial's Codes of Business Conduct and Ethics and other governance matters of interest to investors, are available through Hanmi Financial's website at www.hanmi.com by clicking on Investor Relations and then Corporate Overview and then Governance Documents.

The Board of Directors and Its Committees

During the fiscal year ended December 31, 2012, the Board of Directors held fourteen (14) board meetings. No Director attended fewer than ninety-four (94%) of the aggregate number of meetings of the Board of Directors and the committees on which he served. Hanmi Financial's policy is to encourage all Directors to attend all Annual and Special Meetings of Stockholders. Hanmi Financial's 2012 Annual Meeting of Stockholders was attended by all Directors.

The Board of Directors has a process for stockholders to send communications to Directors. Hanmi Financial's stockholders and interested parties may send communications to the Board of Directors by writing to the Board of Directors at Hanmi Financial Corporation, 3660 Wilshire Boulevard, Penthouse Suite A, Los Angeles, California 90010, Attention: Board of Directors. All such communications will be relayed directly to the Board of Directors. Any interested party wishing to communicate directly with Hanmi Financial's independent Directors regarding any matter may send such communication in writing to Hanmi Financial's independent Directors at Hanmi Financial Corporation, 3660 Wilshire

Edgar Filing: HANMI FINANCIAL CORP - Form 10-K/A

Boulevard, Penthouse Suite A, Los Angeles, California 90010, Attention: Chairman of the Board. Any interested party wishing to communicate directly with the Audit Committee regarding any matter, including any accounting, internal accounting controls, or auditing matter, may submit such communication in writing to Hanmi Financial Corporation, 3660 Wilshire Boulevard, Penthouse Suite A, Los Angeles, California 90010, Attention: Chairman of the Audit Committee.

Table of Contents

Any of the submissions may be anonymous and/or confidential. Confidentiality is a priority, and all reports will be treated confidentially to the fullest extent possible. Stockholders may communicate to the Board of Directors on an anonymous basis and submissions of complaints or concerns will not be traced. For submissions that are not anonymous, the sender may be contacted in order to confirm information or to obtain additional information.

The Board of Directors has three standing committees: the Audit Committee; the Nominating and Corporate Governance and Compensation Committee; and the Planning Committee. Each committee is governed by a charter, each of which is available through Hanmi Financial's website at www.hanmi.com by clicking on Investor Relations and then Corporate Overview and then Governance Documents.

Audit Committee

The Audit Committee appoints an independent registered public accounting firm to conduct the annual audit of Hanmi Financial's books and records. The Audit Committee also reviews with such accounting firm the scope and results of the annual audit, the performance by such accounting firm of professional services in addition to those related to the annual audit, and the adequacy of Hanmi Financial's internal controls. The current members of Hanmi Financial's Audit Committee are John A. Hall, Paul Seon-Hong Kim, Joon Hyung Lee, Joseph K. Rho and William J. Stolte, with Mr. Hall serving as its Chairman. Each member is an outside (or non-employee) Director and meets the independence requirements of the Securities and Exchange Commission (SEC) and The NASDAQ Stock Market, Inc. (NASDAQ). Mr. Hall, Mr. Kim, and Mr. Stolte are audit committee financial experts within the meaning of the current rules of the SEC. The Audit Committee held fourteen (14) meetings during the fiscal year ended December 31, 2012. See *Report of the Audit Committee of the Board of Directors*.

REPORT OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

The Board of Directors maintains an Audit Committee composed of a minimum of three (3) outside Directors. The Board of Directors and the Audit Committee believe that the Audit Committee's current member composition satisfies Rule 5605(c)(2)(A) of NASDAQ, which governs audit committee composition, because all Audit Committee members are independent directors.

The primary responsibility of the Audit Committee is to assist the Board of Directors in fulfilling its responsibility to oversee management's conduct of Hanmi Financial's financial reporting process, including: overseeing the integrity of the financial reports and other financial information provided to governmental or regulatory bodies (such as the SEC), the public, and other users thereof; Hanmi Financial's systems of internal accounting and financial controls; and the annual independent audit of Hanmi Financial's financial statements.

Management has the primary responsibility for the financial statements and the reporting process, including the system of internal controls. The independent registered public accounting firm, or the independent auditor, appointed by the Audit Committee is responsible for auditing the financial statements and expressing an opinion on the conformity of those financial statements with U.S. generally accepted accounting principles.

In fulfilling its oversight responsibilities, the Audit Committee reviewed the 2012 audited financial statements with management and the independent auditor. The Audit Committee discussed with the independent auditor the matters required to be discussed in accordance with Statement of Auditing Standards No. 114 (as amended by AICPA, Professional Standards, Vol. 1, AU Section 380), as adopted by the Public Company Accounting Oversight Board (PCAOB) in Rule 3200T regarding Communication with Audit Committees. This included a discussion of the independent auditor's judgments as to the quality, not just the acceptability, of the accounting principles, the reasonableness of significant judgments, the disclosures in the financial statements, and any other matters that are required to be discussed with the Audit Committee under PCAOB standards. In addition, the Audit Committee received from the independent auditor written disclosures and the letter required by the applicable requirements of the PCAOB regarding the independent auditor's communication with the Audit Committee concerning independence, and the Audit Committee has discussed with the independent auditor the independent auditor's independence.

In addition, in response to the requirements set forth in Section 404 of the Sarbanes-Oxley Act of 2002 and related regulations, management assessed the effectiveness of Hanmi Financial's internal control over financial reporting as of December 31, 2012. Management based this assessment on criteria for effective internal control over financial reporting described in *Internal Control-Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Management's assessment included an evaluation of the design of Hanmi Financial's internal control over financial reporting and testing of the

Table of Contents

operational effectiveness of its internal control over financial reporting. At the conclusion of management's assessment, the Audit Committee reviewed a report submitted by management on the effectiveness of Hanmi Financial's internal control over financial reporting.

The Audit Committee discussed with Hanmi Financial's independent auditor the overall scope and plans for its audits. The Audit Committee met with the independent auditor, with and without management present, to discuss the results of its audits and its evaluations of Hanmi Financial's internal controls and the overall quality of Hanmi Financial's financial reporting. The Audit Committee also discussed the independence of the independent auditor and concluded that its services provided to Hanmi Financial, including its tax and non-audit related work, were compatible with maintaining its independence.

Based on the reviews and discussions referred to above, the Audit Committee recommended to the Board of Directors, and the Board of Directors approved, that the audited financial statements be included in Hanmi Financial's Annual Report on Form 10-K for the fiscal year ended December 31, 2012 for filing with the SEC.

THE AUDIT COMMITTEE

John A. Hall (Chairman)
Paul Seon-Hong Kim
Joon Hyung Lee
Joseph K. Rho
William J. Stolte

Planning Committee

The Planning Committee recommends planning policy, new lines of business, capital and financial plans, and dividend plans to the Board of Directors, and monitors Hanmi Financial's planning activities and Hanmi Financial's performance against its plans and budget. During 2012, the members of the Planning Committee were William Stolte, I Joon Ahn, Paul Seon-Hong Kim, Joseph K. Rho, and Jay S. Yoo, with Mr. Stolte serving as its Chairman. Except for Mr. Yoo, each member is an outside (or non-employee) Director and meets the independence requirements of the SEC and NASDAQ. The Planning Committee held nine (9) meetings during the fiscal year ended December 31, 2012.

Nominating and Corporate Governance and Compensation Committee

The Nominating and Corporate Governance and Compensation (NCGC) Committee assists the Board of Directors as follows: identifies individuals qualified to become Directors; recommends to the Board of Directors the Director nominees for the Board of Directors and its committees for the next Annual Meeting of Stockholders; develops, recommends, and implements a set of corporate governance principles applicable to Hanmi Financial; and monitors the process to determine the effectiveness of the Board of Directors and its committees.

The members of the NCGC Committee are Paul Seon-Hong Kim, I Joon Ahn, John Hall, Joon Hyung Lee, and Joseph K. Rho, with Mr. Kim serving as its Chairman. Each member is an outside (or non-employee) Director and meets the independence requirements of the SEC and NASDAQ. The NCGC Committee held eleven (11) meetings during 2012. See *NCGC Committee Report*.

The NCGC Committee believes that the Board of Directors as a whole should encompass a range of talent, skill, diversity, and expertise enabling it to provide sound guidance with respect to Hanmi Financial's operations and interests. In addition to considering a candidate's background and accomplishments, candidates are reviewed in the context of the current composition of the Board of Directors and the evolving needs of Hanmi Financial's business.

The NCGC Committee seeks directors with strong reputations and experience in areas relevant to the strategy and operations of Hanmi Financial's business, particularly industries and growth segments that Hanmi Financial serves, such as the banking and financial services industry, as well as key geographic markets where Hanmi Financial operates. Each of Hanmi Financial's current Directors holds or has held senior executive positions in large, complex organizations and has operating experience that meets this objective. In those positions, they have also gained experience in core management skills, such as strategic and financial planning, public company financial reporting, corporate governance, risk management and leadership development.

The NCGC Committee also believes that each of the current Directors has other key attributes that are important to an effective board: integrity and demonstrated high ethical standards; sound judgment; analytical skills; the ability to engage management and each other in a constructive and collaborative fashion; diversity of origin, background, experience, and thought; and the commitment to devote significant time and energy to

service on the Board of Directors.

Table of Contents

The NCGC Committee annually reviews the individual skills and characteristics of the Directors, as well as the composition of the Board of Directors as a whole. This assessment includes a consideration of independence, diversity, age, skills, expertise, time availability, and industry background in the context of the needs of the Board of Directors and Hanmi Financial. Although Hanmi Financial has no policy regarding diversity, the NCGC Committee seeks a broad range of perspectives and considers both the personal characteristics (gender, ethnicity, age) and experience (industry, professional, public service) of its Directors and prospective nominees to the Board of Directors.

Recommendations by any stockholder for Director nominees must be submitted in writing to the Chairman of the NCGC Committee at Hanmi Financial's principal executive offices, no later than the last business day of January of the year that Hanmi Financial's next Annual Meeting of Stockholders will be held, to be considered at such Annual Meeting of Stockholders. Stockholders shall include in such recommendation:

The name, age, and address of each proposed nominee;

The principal occupation of each proposed nominee;

The number of shares of voting stock of Hanmi Financial owned by each proposed nominee;

The name and address of the nominating stockholder;

The number of shares of voting stock of Hanmi Financial owned by the nominating stockholder; and

A letter from the proposed nominee indicating that such proposed nominee wishes to be considered as a nominee for the Board of Directors and will serve as a Director if elected.

In addition, each recommendation must set forth, in detail, the reasons why the nominating stockholder believes the proposed nominee meets the following general qualifications, which are the same qualifications used by the NCGC Committee in evaluating nominees:

Nominees must possess high personal and professional ethics, integrity, and values, and be committed to representing the long-term interests of Hanmi Financial's stockholders;

Nominees must have an inquisitive and objective perspective, practical wisdom, and mature judgment;

Nominees must possess a broad range of skills, expertise, industry knowledge, and contacts useful to Hanmi Financial's business;

Nominees must be willing to devote sufficient time to carrying out their duties and responsibilities effectively, and should be committed to serve on the Board of Directors for an extended period of time;

Pursuant to the Corporate Governance Guidelines, nominees, once elected, should not serve on the boards of directors of more than two other public companies and, unless granted an exception by Hanmi Financial's Board of Directors, nominees cannot serve simultaneously as a Director of Hanmi Financial and as a director or officer of any other depository organization other than a subsidiary bank of Hanmi Financial; and

Edgar Filing: HANMI FINANCIAL CORP - Form 10-K/A

Pursuant to the Corporate Governance Guidelines, nominees are encouraged to own shares of common stock of Hanmi Financial at a level that demonstrates a meaningful commitment to Hanmi Bank and Hanmi Financial, and to better align the nominee's interests with the stockholders of Hanmi Financial.

In identifying and evaluating Director candidates, the NCGC Committee will solicit and receive recommendations, and review qualifications of potential Director candidates. The NCGC Committee also may use search firms to identify Director candidates. To enable the NCGC Committee to effectively evaluate Director candidates, the NCGC Committee also may conduct appropriate inquiries into the backgrounds and qualifications of Director candidates, including reference checks. As stated above, the NCGC Committee will consider Director candidates recommended by stockholders utilizing the same criteria as candidates identified by the NCGC Committee.

Table of Contents

Additionally, the NCGC Committee is responsible for determining the compensation of all of Hanmi Financial's executive officers, including Hanmi Financial's Chief Executive Officer, as well as administering Hanmi Financial's compensation plans. The NCGC Committee has the authority to delegate such decisions to subcommittees of the NCGC Committee. The NCGC Committee also is authorized to retain outside consultants to assist it in determining executive officer compensation.

Leadership Structure

The Board of Directors does not have a policy regarding the separation of the roles of Chief Executive Officer and Chairman of the Board, as the Board believes it is in the best interests of the Company to make that determination based on the position and direction of the Company and the membership of the Board of Directors at any given time. The Board of Directors has determined that having an independent director serve as Chairman of the Board is in the best interest of the Company's stockholders at this time. This structure ensures a greater role for the independent Directors in the oversight of the Company and active participation of the independent Directors in setting agendas and establishing Board priorities and procedures. Further, this structure permits the Chief Executive Officer to focus on the management of the Company's day-to-day operations.

Risk Oversight

The Company has a risk management program overseen by Jean Lim, the Chief Risk Officer of Hanmi Bank, who reports directly to Hanmi Bank's Chief Executive Officer. Material risks are identified and prioritized by management, and each prioritized task is referred to a Board committee or the full Board of Directors for oversight. For example, strategic risks are referred to the full Board of Directors while financial risks are referred to the Audit Committee. The Board of Directors regularly reviews information regarding the Company's credit, liquidity, and operations, as well as the risks associated with each, and annually reviews the Company's risk management program as a whole. Also, the NCGC Committee periodically reviews the most important risks to the Company to ensure that compensation programs do not encourage excessive risk-taking.

Section 16(a) Beneficial Ownership Reporting Compliance

Under Section 16(a) of the Exchange Act, Hanmi Financial's Directors, executive officers, and any persons holding ten percent (10%) or more of Hanmi Financial's common stock are required to report their ownership of common stock and any changes in that ownership to the SEC and to furnish Hanmi Financial with copies of such reports. Specific due dates for these reports have been established, and Hanmi Financial is required to report in this Annual Report of Form 10-K/A any failure to file on a timely basis by such persons. Based solely upon a review of copies of reports filed with the SEC during the fiscal year ended December 31, 2012, Hanmi Financial believes that all persons, subject to the reporting requirements of Section 16(a) of the Exchange Act, have filed all required reports on a timely basis.

Table of Contents

ITEM 11. EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Overview

This Compensation Discussion and Analysis (CD&A) describes our compensation philosophy, methodologies and our current practices with respect to the remuneration programs for the individuals listed in the Summary Compensation Table on page 14 (the Named Executive Officers). The compensation programs of our Named Executive Officers are established, evaluated and maintained by the NCGC Committee of Hanmi Financial s Board of Directors. The NCGC Committee is comprised entirely of outside Directors that satisfy the NASDAQ listing requirements and relevant Internal Revenue Code and SEC regulations on independence.

Compensation Philosophy and Objectives

The compensation programs provided to our Named Executive Officers are designed to attract and retain high caliber banking executives, and to appropriately reward them for their achievement of business objectives that further the success of Hanmi Financial. Another objective is to encourage continued performance by offering long-term incentives, such as stock options, that align executive and stockholders interest. In the end, the overriding goal is to maximize stockholder value.

Methodology for Establishing Compensation

To assist the NCGC Committee in its administration of the compensation programs for the Named Executive Officers, the Human Resources Department of Hanmi Financial gathers data from competing financial institutions. The compensation data is obtained from both proxy statements of publicly traded banks and from salary survey data provided by the California Department of Financial Institutions. In addition to the market data, the NCGC Committee also reviews and considers the recommendations from the Chief Executive Officer (the CEO) with respect to the Named Executive Officers other than the CEO.

In establishing the target compensation levels and pay mix for the Named Executive Officers, the NCGC Committee periodically reviews publicly disclosed compensation data of California banks with total assets ranging between \$1.0 and \$7.0 billion (the Peer Group), including:

	Total Assets
	At December 31, 2012
	<i>(in billions)</i>
CVB Financial Corporation	\$ 6.4
BBCN Bancorp, Inc.	\$ 5.6
Westamerica Bancorporation	\$ 5.0
Wilshire Bancorp Inc.	\$ 2.8
First California Bank	\$ 1.9
Pacific Mercantile Bancorp	\$ 1.1

The Peer Group was selected to include banks comparable in size and those that the Hanmi Financial competes with in the market for executive talent, including two banks that are direct competitors in the Los Angeles Korean-American community. The survey data was used by the NCGC Committee as a second point of reference in determining the appropriate levels of compensation and pay mix for the Named Executive Officers.

Although the decisions regarding the compensation levels are guided by the information provided from the Peer Group and survey data, the NCGC Committee also takes into account the prevailing economic environment and the current financial condition of Hanmi Financial. The objective of the NCGC Committee is to establish compensation programs that are motivating but affordable, with the purpose of aligning the interests of our Named Executive Officers with those of our stockholders.

Elements of the Compensation Program

The following describes the various components of the compensation mix that Hanmi Financial provides to the Named Executive Officers, the objectives of each pay component and how each component is used to create a total competitive compensation package.

Table of Contents

The NCGC Committee provides the Named Executive Officers with a compensation package that includes annual base salary, short-term cash incentive compensation, long-term incentive awards, executive perquisites and a broad-based benefits program.

Annual Base Salary

Annual base salaries are the fixed portion of the Named Executive Officers' cash compensation and are intended to reward the day-to-day aspects of their roles and responsibilities. The Named Executive Officers' annual salaries were set at the time they first joined the bank. The initial salaries were established by taking into account several factors including, but not limited to, the executive's experience, responsibilities, management abilities and job performance. Hanmi Financial targets base salaries for its Named Executive Officers at market median. The NCGC Committee believes that the fiscal year 2012 base salaries of Hanmi Financial's Named Executive Officers are competitive with companies of similar size. Pay adjustments, if any, are generally made annually, after reviewing overall company performance, individual performance and the affordability of the increase. For fiscal year 2012, there were minimal salary adjustments for the Named Executive Officers. It should be noted, however, that the CEO's annual adjustment to base salary is incorporated in his Employment Agreement, as described in the section below entitled *Named Executive Officers' Compensation Employment Agreement with Chief Executive Officer, Jay S. Yoo*. For fiscal year 2012, the CEO is the only Named Executive Officer who has an Employment Agreement with Hanmi Financial. All other Named Executive Officers are employed at-will.

Short-Term Cash Incentive Compensation

In accordance with Hanmi Financial's compensation philosophy, a significant portion of the compensation of the Named Executive Officers is performance-based. For each Named Executive Officer, target bonuses are stated as a percentage of base salary. The annual bonus payable to the CEO is capped at 75% of his base salary. The annual bonuses payable to the other Named Executive Officers are capped at 50% of their respective base salary.

Generally, the NCGC Committee reviews performance against pre-established financial and non-financial goals on an annual basis to determine the short-term cash incentive compensation of the Named Executive Officers. In 2012, there were no formal financial performance measures set to calculate short-term bonuses. Payment of short-term cash incentives are solely at the discretion of the NCGC Committee based on the overall financial performance of the organization.

Long-Term Incentive Awards

Long-term incentive awards, such as stock options and restricted stock, are the third key component of the Named Executive Officers' total compensation. The members of the NCGC Committee believe that employee stock ownership is a significant incentive for the Named Executive Officers to build stockholder wealth, and thereby aligning the interests of employees and stockholders. The members of the NCGC Committee also believe that equity-based compensation complements the short-term cash incentive compensation by forcing executives to recognize the impact their short-term decisions might have on long-term outcomes. This compensation approach limits an executive's ability to reap short-term gains at the expense of Hanmi Financial's long-term success. This is also an important tool in retaining Named Executive Officers, particularly through less rewarding years.

Long-term incentive awards are granted to the Named Executive Officers pursuant to the Hanmi Financial Corporation 2007 Equity Compensation Plan, as may be amended from time to time (the "2007 Plan"). The NCGC Committee has not established grant guidelines; rather, the size, timing, and other material terms of the long-term incentive awards for the Named Executive Officers are made at the discretion of the NCGC Committee. Factors considered by the NCGC Committee include awards to industry peers and each executive's previous grant history. Stock options and restricted stock grants awarded are included in the Summary Compensation Table.

The NCGC Committee approves all awards under the 2007 Plan and acts as the administrator of the 2007 Plan. On December 12, 2012, the NCGC Committee approved stock option grants to the directors, management and officers of Hanmi bank from Vice President level and up.

Executive Perquisites

The Named Executive Officers and other senior management employees receive the following benefits in addition to their other compensation: gasoline card; cellular phone allowance; and automobile allowance. Chief Executive Officer, Jay S. Yoo, also received a membership in a golf country club. These additional benefits of the Named Executive Officers are detailed in the Summary Compensation Table.

Table of Contents

Broad-Based Benefits Programs

The Named Executive Officers participate in the benefit programs that are available to all full-time employees. These benefits include health, dental, vision, and life insurance, short-term and long-term disability insurance, healthcare reimbursement accounts, paid vacation, and contributions to a 401(k) profit sharing retirement plan.

Severance Arrangements

The CEO's Employment Agreement contains a provision for severance pay of a period, the continuation of his then base salary, for a six (6) months in case of the involuntary termination of his employment by Hanmi Financial without cause. The other Named Executive Officers do not have any such severance arrangements.

Compensation Policy Risk Assessment

The NCGC Committee reviews the compensation of the Named Executive Officers, as well as the overall compensation practices for the organization. Any performance incentive programs, awarding of bonus payments, and the budgeting for annual salary adjustments are reviewed and approved by the NCGC Committee before being presented to the full board of directors for ratification. An important aspect of the review is an assessment of whether the programs in any way encourage the Named Executive Officers or any other employee of Hanmi Financial to take unacceptable risk, in the short or long term.

Named Executive Officers Compensation

The CEO meets with the NCGC Committee to review the CEO's compensation recommendation for the other Named Executive Officers. For fiscal year 2012, the CEO's base salary was adjusted in accordance with his Employment Agreement (as described below), and the Chief Credit Officer, Jung Hak Son, also received an increase of \$12,000/year. Lonny Robinson, Chief Financial Officer until November 13, 2012, did not receive any increase.

Employment Agreement with Chief Executive Officer, Jay S. Yoo

Jay S. Yoo joined Hanmi Financial and Hanmi Bank as President and Chief Executive Officer as of June 23, 2008. His Employment Agreement, as amended by an Amendment to Employment Agreement, dated as of February 23, 2011, has a three-year term, which expires on June 23, 2013, and provides for a base salary of \$350,000, which increases by \$10,000 on each of June 23, 2011 and June 23, 2012, and provides for a target bonus of up to seventy-five percent (75%) of his annual base salary. The increase in Mr. Yoo's base salary to \$350,000, which was originally offered to Mr. Yoo in 2010 but voluntarily declined by Mr. Yoo in consideration of Hanmi Bank's financial condition, was made retroactive to June 2010 after the financial condition of Hanmi Bank had improved.

Mr. Yoo's annual bonus, which is to be paid in cash, is generally dependent on the attainment of certain financial goals set by the NCGC Committee. The financial goals for bonus calculations were not set in 2012. Instead, in December 2012, the performance of Hanmi Bank as a whole was evaluated and the Board of Directors awarded bonuses for all employees, including the CEO, in the amount of one month's salary, which for Mr. Yoo was \$30,833.

In addition, under Mr. Yoo's Employment Agreement, as amended, he is entitled to the use of a company car, a bank issued cellular telephone, membership in a golf country club, and payment of reasonable business related expenses. The Amendment to his Employment Agreement also provided for the granting of an option to purchase 18,750 shares of Hanmi Financial stock. The terms of the stock options are subject to the terms and conditions set forth in the 2007 Plan. The options vest in equal installments over three years starting one year after the date of the grant. The Amendment to Mr. Yoo's Employment Agreement also provides for the issuance of 7,500 shares of restricted stock. The terms of the restricted stock are subject to the terms and conditions set forth in the 2007 Plan. This restricted stock vests in equal installments over three years starting one year after the issuance date. The first two vestings occurred in June 2011 and June 2012 and are detailed in the compensation table included in this report.

On December 12, 2012, the NCGC Committee awarded 7,000 stock options to Mr. Yoo under the 2007 Plan. 25% of the stock option vested immediately and an additional 25% will vest on the anniversary date for the next three years. At the expiration of Mr. Yoo's employment contract, all unvested stock options will be accelerated.

Edgar Filing: HANMI FINANCIAL CORP - Form 10-K/A

Pursuant to the terms of Mr. Yoo's Employment Agreement, if Mr. Yoo's employment is terminated without cause (as defined in the Employment Agreement), Mr. Yoo is entitled to receive six (6) months of his base salary.

Compensation for Former Chief Financial Officer, Lonny D. Robinson

Lonny D. Robinson, Executive Vice President & Chief Financial Officer joined the organization in October 2011 and resigned in November 2012. He did not have an employment agreement and his employment was at-will. Per his employment letter executed on

Table of Contents

September 13, 2011, his annual base salary was \$230,000 and he was eligible to receive an annual bonus of up to fifty percent (50%) of his annual base salary. The bonus payable to Mr. Robinson was dependent on the bank's performance and his individual performance.

In 2012, he received a base salary of \$205,231, as well as an auto allowance of \$700 per month, a cell phone allowance of \$100 per month, a gas card, and other general benefits afforded to all employees. His employment letter also provided for the granting of an option to purchase 6,250 shares of the common stock of Hanmi Financial. The terms of the stock options are subject to the terms and conditions set forth in the 2007 Plan. The options vest in equal installments over five years starting one year after the date of the grant. In addition to the stock options, the letter also provided for the granting of 2,500 shares of restricted common stock of Hanmi Financial. The restricted stock vests in equal installments over five years starting one year after the date of grant. He resigned in November 2012, at which time, he forfeited the entire unvested portion of both the stock options and restricted stock that were previously granted to him.

Compensation for Interim Chief Financial Officer, Shick (Mark) Yoon

Mr. Shick (Mark) Yoon, Senior Vice President & Chief Financial Officer joined the organization in September 2008. He does not have an employment agreement and his employment is at-will. His base salary when he became Interim CFO in November 2012 was adjusted to \$180,000/year. Any annual bonus payable to Mr. Yoon is dependent on the bank's performance, his individual performance and at the sole discretion of the NCGC Committee. In December 2012, he received a \$15,000 cash bonus.

In 2012, he received a base salary of \$165,423 as well as an auto allowance of \$700 per month, a cell phone allowance of \$100 per month, a gas card, and other general benefits afforded to all employees. On December 12, 2012, the NCGC Committee awarded Mr. Yoon an option to purchase 5,500 shares of the common stock of Hanmi Financial under the 2007 Plan. 25% of the option vested immediately and an additional 25% will vest on the anniversary date for the next three years.

Compensation for Chief Credit Officer, Jung Hak Son

Mr. Jung Hak Son, Executive Vice President and Chief Credit Officer since December 2009, also does not have an employment agreement and his employment is at-will. His annual compensation is \$222,000, and he is eligible to receive incentive cash compensation of up to fifty percent (50%) of his base salary. The bonus payable to Mr. Son is dependent on the bank's performance, his individual performance, and at the sole discretion of the NCGC Committee. In December 2012, he received a \$19,000 cash bonus.

In 2012, he received an annual base salary of \$226,892, as well as an auto allowance of \$700 per month, a cell phone allowance of \$100 per month, a gas card, and other general benefits afforded to all employees. On December 12, 2012, the NCGC Committee awarded Mr. Son an option to purchase 6,000 shares of the common stock of Hanmi Financial under the 2007 Plan. 25% of the option vested immediately and an additional 25% will vest on the anniversary date for the next three years.

Administrative Policies and Practices

To evaluate and administer the compensation programs of the Named Executive Officers, the NCGC Committee meets at least four times a year. In addition, the NCGC Committee also holds special meetings to discuss extraordinary items. At the end of a meeting, the NCGC Committee may choose to meet in executive session, when necessary. During the fiscal year 2012, the NCGC Committee met eleven (11) times.

Stock Ownership Guidelines

The NCGC Committee has not implemented stock ownership guidelines for the Named Executive Officers; however, the NCGC Committee continues to periodically review best practices and re-evaluate whether stock ownership guidelines are consistent with our compensation philosophy and stockholders' interests.

Tax Deductibility of Executive Officer Compensation

Internal Revenue Code Section 162(m) precludes a public corporation from taking a deduction for compensation in excess of \$1 million for its chief executive officer or any of its three other highest paid executive officers (excluding the chief financial officer), unless certain specific and detailed criteria are satisfied. However, performance-based compensation that has been approved by stockholders is excluded from the \$1 million limit. The NCGC Committee will continue to carefully consider the impact of Section 162(m) in determining the appropriate pay mix and compensation levels for the Named Executive Officers.

Table of Contents**NCGC Committee Report**

The following NCGC Committee Report should not be deemed filed or incorporated by reference into any other document, including Hanmi Financial's filings under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent the Company specifically incorporates this Report into any such filing by reference.

The NCGC Committee has reviewed and discussed the Compensation Discussion and Analysis required by Item 401(b) of Regulation S-K with management and, based on such review and discussions, the NCGC Committee recommended to the Board of Directors of Hanmi Financial that the Compensation Discussion and Analysis be included in this Proxy Statement.

Respectfully submitted by the NCGC Committee of the Board of Directors,

Paul Seon-Hong Kim (Chairman)

I Joon Ahn

John A. Hall

Joon H. Lee

Joseph K. Rho

Summary Compensation Table

The following table summarizes the total compensation paid or earned by the Named Executive Officers for the fiscal years ended December 31, 2012, 2011 and 2010.

SUMMARY COMPENSATION TABLE

Name and Principal Position (a)	Year (b)	Salary (1) (c)	Bonus (1) (5) (d)	Stock Awards (2) (3) (e)	Option Awards (2) (4) (f)	Change in Pension Value and Non-Equity Non- Qualified Deferred Compensation (g) (h) (i)			Total (j)
						Income	Earnings	Other	
Jay S. Yoo, President, Chief Executive Officer and Director	2012	\$ 365,385	\$ 30,833	\$ 27,205	\$ 37,800	\$	\$	\$ 51,282 (6)	\$ 512,505
	2011	\$ 364,538 (10)	\$	\$ 78,000	\$ 114,795	\$	\$	\$ 139,579 (6)	\$ 696,912
	2010	\$ 350,000	\$	\$	\$	\$	\$	\$ 66,456 (6)	\$ 416,456
Shick (Mark) Yoon, Senior Vice President and Chief Financial Officer	2012	\$ 165,423	\$ 15,000	\$	\$ 29,700	\$	\$	\$ 37,998 (7)	\$ 248,121
	2011	\$ 149,385	\$	\$	\$	\$	\$	\$ 20,199 (7)	\$ 169,584
	2010	\$ 117,404	\$	\$	\$	\$	\$	\$ 43,628 (7)	\$ 161,032
Jung Hak Son, Executive Vice President and Chief Credit Officer	2012	\$ 226,892	\$ 19,000	\$ 3,503	\$ 32,400	\$	\$	\$ 33,878 (8)	\$ 315,673
	2011	\$ 218,815	\$	\$	\$	\$	\$	\$ 43,708 (8)	\$ 262,523
	2010	\$ 210,000	\$	\$	\$	\$	\$	\$ 91,960 (8)	\$ 301,960
Lonny D. Robinson, Former Executive Vice President and Chief Financial Officer	2012	\$ 205,231	\$	\$	\$	\$	\$	\$ 16,161 (9)	\$ 221,392
	2011	\$ 47,769	\$	\$ 4,160	\$ 8,206	\$	\$	\$ 6,436 (9)	\$ 66,571

- (1) *All cash compensation and perquisites paid to the Named Executive Officers are paid by, and are the responsibility of, Hanmi Financial's subsidiary, Hanmi Bank.*
- (2) *All equity awards are made by Hanmi Financial, are for shares of Hanmi Financial's common stock, and are made pursuant to the 2007 Equity Compensation Plan, as amended (the "2007 Plan").*
- (3) *Pursuant to SEC regulations regarding the valuation of equity awards, amounts in columns (e) represent the applicable full grant date fair values of stock awards in accordance with FASB ASC Topic 718, excluding the effect for forfeitures. To facilitate year-to-year comparisons, the SEC regulations require companies to present recalculated disclosures for each preceding year required under the rules so that equity awards and stock options reflect the applicable full grant date fair values, excluding the effect of forfeitures. The total compensation column is recalculated accordingly. For further information, see Note 12 to Hanmi Financial's audited financial statements for the year ended December 31, 2012 included in Hanmi Financial's Annual Report on Form 10-K filed with the SEC on March 15, 2013.*
- (4) *Pursuant to SEC regulations regarding the valuation of equity awards, amounts in columns (f) represent the applicable full grant date fair values of option awards in accordance with FASB ASC Topic 718, excluding the effect for forfeitures. To facilitate year-to-year comparisons, the SEC regulations require companies to present recalculated disclosures for each preceding year required under the rules so that equity awards and stock options reflect the applicable full grant date fair values, excluding the effect of forfeitures. The total compensation column is recalculated accordingly. For further information, see Note 12 to Hanmi Financial's audited financial statements for the year ended December 31, 2012 included in Hanmi Financial's Annual Report on Form 10-K filed with the SEC on March 15, 2013.*
- (5) *The amounts in column (d) reflect the discretionary bonuses paid to the Named Executive Officers for services performed in the prior years.*

Table of Contents

- (6) Amounts consist of: (a) life insurance premiums (\$378 for 2012; \$390 for 2011; \$392 for 2010); (b) company automobile (\$10,618 for 2012; \$10,618 for 2011; \$26,711 for 2010); (c) health insurance premiums (\$14,163 for 2012; \$15,590 for 2011; \$15,315 for 2010); (d) employer contributions under the 401(k) plan (\$12,750 for 2012; \$12,375 for 2011; \$12,375 for 2010); (e) club memberships (\$8,005 for 2012; \$7,315 for 2011; \$6,971 for 2010); (f) retention pay (\$87,500 for 2011) and (g) other perquisites (\$5,372 for 2012; \$5,790 for 2011; \$4,691 for 2010) such as cellular phone allowance, gasoline card, meal allowance and Holiday gift cards.
- (7) Amounts consist of: (a) life insurance premiums (\$325 for 2012); (b) automobile allowance (\$8,400 for 2012; \$8,400 for 2011; \$8,077 for 2010); (c) health insurance premiums (\$10,492 for 2012); (d) employer contributions under the 401(k) plan (\$9,926 for 2012; \$8,963 for 2011; \$4,515 for 2010); (e) retention payment (\$20,000 for 2010); (f) other perquisites (\$8,855 for 2012; \$2,836 for 2011; \$11,036 for 2010) such as cellular phone allowance, gasoline card, meal allowance and Holiday gift cards.
- (8) Amounts consist of: (a) life insurance premiums (\$392 for 2012; \$392 for 2011; \$375 for 2010); (b) automobile allowance (\$8,400 for 2012; \$8,400 for 2011; \$8,400 for 2010); (c) health insurance premiums (\$10,192 for 2012; \$12,042 for 2011; \$9,843 for 2010); (d) employer contributions under the 401(k) plan (\$12,750 for 2012; \$12,375 for 2011; \$12,375 for 2010); (e) retention payment (\$52,500 for 2010); and (f) other perquisites (\$8,869 for 2012; \$1,498 for 2011; \$8,467 for 2010) such as cellular phone allowance, gasoline card, meal allowance and Holiday gift cards.
- (9) Amounts consist of: (a) life insurance premiums (\$327 for 2012; \$98 for 2011); (b) automobile allowance (\$7,495 for 2012; \$1,745 for 2011); (c) health insurance premiums (\$6,612 for 2012; \$1,327 for 2011); (d) employer contributions under the 401(k) plan (\$11,677 for 2012; \$2,123 for 2011); and (e) other perquisites (\$9,687 for 2012; \$1,144 for 2011) such as cellular phone allowance, gasoline card, meal allowance and Holiday gift cards.
- (10) This amount includes the retroactive increase in Mr. Yoo's base salary from \$330,000 to \$350,000 pursuant to the terms of the Amendment to Mr. Yoo's Employment Agreement entered into on February 23, 2011.

Grants of Plan-Based Awards

The following table complements the Summary Compensation Table disclosure of the grant date fair value of stock and option awards granted to Hanmi Financial's Named Executive Officers during the fiscal year ended December 31, 2012:

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares of Stock or Units	All Other Option Awards: Number of Securities	Exercise or Base Price of Option Awards ⁽¹⁾	Grant Date Fair Value of Stock and Option Awards ⁽²⁾
		Threshold	Target	Maximum	Threshold	Target	Maximum				
(a)	(b)	(\$)	(\$)	(\$)	(#)	(#)	(#)	(#)	(#)	(\$/Share)	(l)
Jay S. Yoo	12/12/2012	\$	\$	\$ 277,500 ⁽³⁾					7,000	\$ 12.54	\$ 37,800
Shick (Mark) Yoon	12/12/2012	\$	\$	\$ 90,000 ⁽³⁾					5,500	\$ 12.54	\$ 29,700
Jung Hak Son	12/12/2012	\$	\$	\$ 114,000 ⁽³⁾					6,000	\$ 12.54	\$ 32,400

- (1) Hanmi Financial's practice is that the exercise price for each stock option is the market value on the date of grant.
- (2) The amounts in column (l) reflect the grant date fair value computed in accordance with FASB ASC Topic 718. Assumptions used in the calculation of these amounts for the fiscal year ended December 31, 2012 are included in Note 12 to Hanmi Financial's audited financial statements for the fiscal year ended December 31, 2012, included in Hanmi Financial's Annual Report on Form 10-K filed with the SEC on March 15, 2013.
- (3) Represents the maximum amount which could have been earned in 2012 as short-term incentive cash compensation. 75 percent cap is applied to the base salary of Jay S. Yoo, and 50 percent cap is applied to the base salaries of Shick (Mark) Yoon and Jung Hak Son. No amounts were earned as short term incentive cash compensation for work performed in 2012.

Outstanding Equity Awards at Fiscal Year-End

The Company previously maintained the 2000 Stock Option Plan (the 2000 Plan). The Company currently maintains the 2007 Equity Compensation Plan (the 2007 Plan), which replaced the 2000 Plan. The 2007 Plan provides for grants of non-qualified and incentive stock options, restricted stock, stock appreciation rights and performance shares to non-employee directors, officers, employees and consultants of Hanmi Financial and its subsidiaries. The 2000 Plan provided for the grant of non-qualified and incentive stock options. Although no future

Edgar Filing: HANMI FINANCIAL CORP - Form 10-K/A

stock options may be granted under the 2000 Plan, certain employees, directors and officers of Hanmi Financial and its subsidiaries still hold options to purchase Hanmi Financial common stock under the 2000 Plan.

A key objective of the 2007 Plan is to provide more flexibility in the types of equity incentives that may be offered to employees, consultants and non-employee directors. The 2007 Plan provides for several different types of equity awards in addition to stock

Table of Contents

options and restricted stock awards. Stock options granted under the 2007 Plan generally vest over a five-year period, with 20 percent becoming exercisable 12 months following the grant date, and 20 percent thereafter on each anniversary of the grant date. All stock options are granted with a ten-year term and have an exercise price equal to the fair market value of Hanmi Financial's common stock on the date of grant. Restricted stock granted under the 2007 Plan also generally vest over a five-year period, with 20 percent becoming vested 12 months following the grant date, and 20 percent thereafter on each anniversary of the grant date.

The 2007 Plan provides Hanmi Financial flexibility to (i) attract and retain qualified non-employee directors, executives and other key employees and consultants with appropriate equity-based awards, (ii) motivate high levels of performance, (iii) recognize employee contributions to Hanmi Financial's success, and (iv) align the interests of plan participants with those of Hanmi Financial's stockholders. In addition, the Board believes a robust equity compensation program is necessary to provide Hanmi Financial with flexibility in negotiating strategic acquisitions and other business relationships to further expand and grow our business. The maximum number of shares of Hanmi Financial common stock that may be issued pursuant to equity incentive awards granted under the 2007 Plan is 375,000. Equity incentive awards for 373,708 shares of common stock were previously granted under the 2007 Plan and there are options to purchase 342,950 shares of common stock outstanding under the 2007 Plan as of December 31, 2012.

The following table shows information as of December 31, 2012, for Hanmi Financial's Named Executive Officers concerning unexercised options, stock that has not vested, and Equity Incentive Plan Awards.

Name (a)	OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END Option Awards					Stock Awards				
	Number of Securities Underlying Unexercised Options (#) Exercisable (b)	Number of Securities Underlying Unexercised Options (#) Unexercisable (c)	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options (d)		Option Exercise Price (\$) (e)	Option Expiration Date (f)	Number of Shares of Units of Stock That Have Not Vested (g)	Market Value of Shares of Units of Stock That Have Not Vested (\$) (h)	Equity Incentive Plan Awards: Number of Shares, Units or Rights That Have Not Vested (i)	Equity Incentive Plan Awards: Number of Shares, Units or Rights That Have Not Vested (j)
			Unearned	Option						
Jay S. Yoo	8,750 (1)				\$ 45.28	6/23/2018	1,000 (10)	\$ 13,590 (13)		\$
	2,500 (2)	2,500 (2)			\$ 10.80	4/8/2019	2,500 (11)	\$ 33,975 (14)		\$
	12,500 (3)	6,250 (3)			\$ 10.40	2/23/2021		\$		\$
	1,750 (4)	5,250 (4)			\$ 12.54	12/12/2022		\$		\$
Shick (Mark) Yoon	1,375 (5)	4,125 (5)			\$ 12.54	12/12/2022		\$		\$
Jung Hak Son	1,250 (6)				\$ 144.00	4/19/2016	500 (12)	\$ 6,795 (15)		\$
	1,250 (7)				\$ 155.52	6/30/2016		\$		\$
	750 (8)	500 (8)			\$ 10.80	4/8/2019		\$		\$
	1,500 (9)	4,500 (9)			\$ 12.54	12/12/2022		\$		\$

- (1) On June 23, 2008, pursuant to the 2007 Plan, 8,750 stock options were granted to Jay S. Yoo with vesting as follows: 50 percent (50%) to vest on June 23, 2009 and 50 percent (50%) to vest on June 23, 2010.
- (2) On April 8, 2009, pursuant to the 2007 Plan, 5,000 stock options were granted to Jay S. Yoo with vesting as follows: 20 percent (20%) to vest on April 8, 2010 and 20 percent (20%) to vest on each of the next four anniversary dates.
- (3) On February 23, 2011, pursuant to the 2007 Plan, 18,750 stock options were granted to Jay S. Yoo with vesting as follows: 33.4 percent (33.4%) to vest immediately on grant date and 33.3 percent (33.3%) to vest on each of the next two anniversary dates.
- (4) On December 12, 2012, pursuant to the 2007 Plan, 7,000 stock options were granted to Jay S. Yoo with vesting as follows: 25 percent (25%) to vest immediately on grant date and 25 percent (25%) to vest on each of the next three anniversary dates.

Edgar Filing: HANMI FINANCIAL CORP - Form 10-K/A

- (5) *On December 12, 2012, pursuant to the 2007 Plan, 5,500 stock options were granted to Shick (Mark) Yoon with vesting as follows: 25 percent (25%) to vest immediately on grant date and 25 percent (25%) to vest on each of the next three anniversary dates.*
- (6) *On April 19, 2006, pursuant to the 2000 Plan, 1,250 stock options were granted to Jung Hak Son with vesting as follows: 20 percent (20%) to vest on April 19, 2007 and 20 percent (20%) to vest on each of the next four anniversary dates.*
- (7) *On June 30, 2006, pursuant to the Year 2000 Stock Option Plan (2000 Plan), 1,250 stock options were granted to Jung Hak Son with vesting as follows: 20 percent (20%) to vest on June 30, 2007 and 20 percent (20%) to vest on each of the next four anniversary dates.*
- (8) *On April 8, 2009, pursuant to the 2007 Plan, 1,250 stock options were granted to Jung Hak Son with vesting as follows: 20 percent (20%) to vest on April 8, 2010 and 20 percent (20%) to vest on each of the next four anniversary dates.*

Table of Contents

- (9) On December 12, 2012, pursuant to the 2007 Plan, 6,000 stock options were granted to Jung Hak Son with vesting as follows: 25 percent (25%) to vest immediately on grant date and 25 percent (25%) to vest on each of the next three anniversary dates.
- (10) On April 8, 2009, pursuant to the 2007 Plan, 2,500 shares of restricted stock were awarded to Jay S. Yoo with vesting as follows: 20 percent (20%) to vest on April 8, 2010 and 20 percent (20%) to vest on each of the next four anniversary dates.
- (11) On February 23, 2011, pursuant to the 2007 Plan, 7,500 shares of restricted stock were awarded to Jay S. Yoo with vesting as follows: 33.4 percent (33.4%) to vest immediately on grant date and 33.3 percent (33.3%) to vest on each of the next two anniversary dates.
- (12) On April 8, 2009, pursuant to the 2007 Plan, 1,250 shares of restricted stock were awarded to Jung Hak Son with vesting as follows: 20 percent (20%) to vest on April 8, 2010 and 20 percent (20%) to vest on each of the next four anniversary dates.
- (13) Amount calculated as follows: Closing Stock Price as of December 31, 2012 (\$13.59) x Unvested Shares of Restricted Stock (1,000).
- (14) Amount calculated as follows: Closing Stock Price as of December 31, 2012 (\$13.59) x Unvested Shares of Restricted Stock (2,500).
- (15) Amount calculated as follows: Closing Stock Price as of December 31, 2012 (\$13.59) x Unvested Shares of Restricted Stock (500).

Option Exercises and Stock Vested

The following table shows information for amounts received upon exercise of stock options or vesting of stock by Hanmi Financial's Named Executive Officers during the fiscal year ended December 31, 2012.

Name (a)	OPTION EXERCISES AND STOCK VESTED		Stock Awards	
	Number of Shares Acquired on Exercise (#) (b)	Value Realized on Exercise (\$) (c)	Number of Shares Acquired on Vesting (#) (d)	Value Realized on Vesting (\$) (e)
Jay S. Yoo		\$	3,000 (1)	\$ 27,205 (3)
Shick (Mark) Yoon		\$		
Jung Hak Son		\$	325 (2)	\$ 3,503 (4)

- (1) On February 23, 2011, pursuant to the 2007 Plan, 7,500 restricted shares were awarded to Jay S. Yoo with vesting as follows: 33.4 percent (33.4%) to vest on February 23, 2011 and 33.3 percent (33.3%) to vest on each of the next two anniversary dates.
- (2) On April 8, 2009, pursuant to the 2007 Plan, 1,250 shares of restricted stock were awarded to Jung Hak Son with vesting as follows: 20 percent (20%) to vest on April 8, 2010 and 20 percent (20%) to vest on each of the next four anniversary dates. On November 1, 2007, pursuant to the 2007 Plan, 375 shares of restricted stock were awarded to Jung Hak Son with vesting as follows: 20 percent (20%) to vest on November 1, 2007 and 20 percent (20%) to vest on each of the next four anniversary dates.
- (3) Amount calculated as follows: Closing Stock Price as of February 23, 2012 (\$8.83) x Shares of Restricted Stock That Vested (2,500). Closing Stock Price as of April 8, 2012 (\$10.26) x Shares of Restricted Stock That Vested (500).
- (4) Amount calculated as follows: Closing Stock Price as of April 8, 2012 (\$10.26) x Shares of Restricted Stock That Vested (250). Closing Stock Price as of November 1, 2012 (\$12.50) x Shares of Restricted Stock That Vested (75).

Potential Payments Upon Termination

Hanmi Financial has entered into an employment agreement with its Chief Executive Officer that will require Hanmi Financial to provide compensation to the Chief Executive Officer in the event of a termination of employment without cause. The amount of compensation payable to the Chief Executive Officer in each situation is listed in the tables below.

Table of Contents

The following table describes the potential payments upon termination for Mr. Jay S. Yoo:

Executive Benefits and Payments Upon Termination (1)	Voluntary Termination	Without Good Cause Termination	Good Cause Termination	Death	Disability
Compensation:					
Base Salary	\$	\$ 180,000 (2)	\$	\$	\$
Benefits and Perquisites:					
Life Insurance Benefits	\$	\$	\$	\$ 50,000 (3)	\$
Disability Income	\$	\$	\$	\$	\$ 97,500 (4)
Accrued Vacation Pay	\$ 37,692 (5)	\$ 37,692 (5)	\$ 37,692 (5)	\$ 37,692 (5)	\$ 37,692 (5)
Total	\$ 37,692	\$ 217,692	\$ 37,692	\$ 87,692	\$ 135,192

(1) Assumes the Chief Executive Officer's date of termination is December 31, 2012.

(2) Amount represents total base salary to be paid to the Chief Executive Officer, which is base pay equal to six months amount is calculated as follows: \$360,000 (Annual Base Salary) x 0.5 year.

(3) Amount represents proceeds from life insurance policies.

(4) Amount represents disability income to be paid to the Chief Executive Officer until he reaches age 65.

(5) Amount represents cash lump-sum payment for unused vacation days as of termination date.

Below is a description of the assumptions that were used in creating the table above. The descriptions of the payments below are applicable only to the Chief Executive Officer's potential payments upon termination.

Voluntary Termination

At any time after the commencement of employment, Mr. Yoo, our Chief Executive Officer, may terminate his employment agreement. If he voluntarily resigns, including in connection with death or a disability, then he is entitled to receive no additional salary. The unvested portion of any outstanding stock option shall terminate immediately.

Without Cause Termination

Hanmi Financial may terminate Mr. Yoo's employment agreement without a showing of cause. If Hanmi Financial terminates Mr. Yoo's employment agreement without cause, subject to regulatory approval and Mr. Yoo's execution of an effective general release of claims and his continuing compliance with the covenants set forth in his employment agreement, Mr. Yoo shall receive an amount equal to his base salary for six months. The unvested portion of any stock options and restrictive stock shall terminate immediately.

Cause Termination

Hanmi Financial may terminate Mr. Yoo's Employment Agreement for cause, which shall mean: (1) Mr. Yoo is negligent in the performance of his material duties or engages in misconduct (i.e., the intentional or negligent violation of any state or federal banking law or regulation, or Hanmi Financial's employment policies, including but not limited to policies regarding honesty, conflict of interest, policies against discrimination, and/or employee leave policies); or (2) Mr. Yoo is convicted of or pleads guilty or nolo contendere to any felony, or is convicted of or pleads guilty or nolo contendere to any misdemeanor involving moral turpitude; or (3) Hanmi Financial is required to remove or replace Mr. Yoo by formal order or formal or informal instruction, including a requested consent order or agreement, from the Comptroller or Federal Deposit Insurance Corporation (FDIC) or any other regulatory authority having jurisdiction; or (4) Mr. Yoo engages in any willful breach of duty during the course of his employment, or habitually neglects his duties or has a continued incapacity to perform; or (5) Mr. Yoo fails to follow any written policy of the Board of Directors or any resolutions of the Board of Directors adopted at a duly called meeting intentionally and in a material way; or (6) Mr. Yoo engages in any activity that materially adversely affects Hanmi Financial's reputation in the community, provided, at the time of engaging in such activity, Mr. Yoo knew or should have known that such activity would materially adversely affect Hanmi Financial's reputation in the community; or (7) Hanmi Bank receives a Section 8(a) Order from the FDIC or a Section 8(b) Order from the

Edgar Filing: HANMI FINANCIAL CORP - Form 10-K/A

FDIC; or (8) Hanmi Bank receives a cease or desist order from the California Department of Financial Institutions that is attributable to the act or omission of Mr. Yoo in any material respect. In the event of a termination for good cause, as enumerated above, Mr. Yoo shall have no right to any compensation not otherwise expressly provided for in the employment agreement.

Table of Contents**Other Executives**

Hanmi Financial does not have an employment agreement with any other executives. Because other executives' employment are at-will, Hanmi Financial does not owe any compensation to other executives in the event of a termination of employment or a change in control of Hanmi Financial other than accrued salary and accrued vacation not used.

Director Compensation

The following table sets forth certain information regarding compensation paid to persons who served as outside Directors of Hanmi Financial for the fiscal year ended December 31, 2012:

Name (a)	DIRECTOR COMPENSATION						Total (h)
	Fees Earned or Paid in Cash (1)(2) (b)	Stock Awards (3)(4)(6) (c)	Option Awards (3)(5)(12) (d)	Non-Equity Incentive Plan Compensation (\$) (e)	Change in Pension Value and Non-Qualified Deferred Compensation Earnings (\$) (f)	All Other Compensation (1) (g)	
I Joon Ahn	\$ 67,200	\$	\$ 43,200	\$ 3,750	\$	\$ 16,054 (6)	\$ 130,204
John A. Hall	\$ 74,400	\$	\$ 43,200	\$ 4,000	\$	\$ 100 (7)	\$ 121,700
Paul Seon-Hong Kim	\$ 69,400	\$	\$ 43,200	\$ 3,750	\$	\$ 16,082 (8)	\$ 132,432
Joon Hyung Lee	\$ 76,000	\$	\$ 43,200	\$ 4,500	\$	\$ 16,062 (9)	\$ 139,762
Joseph K. Rho	\$ 134,050	\$	\$ 81,000	\$ 7,000	\$	\$ 19,931 (10)	\$ 241,981
William J. Stolte	\$ 69,500	\$	\$ 43,200	\$ 4,500	\$	\$ 8,252 (11)	\$ 125,452

- (1) All cash compensation and perquisites paid to Directors are paid by Hanmi Bank, which is then reimbursed by Hanmi Financial.
- (2) Each Director who is not an employee of Hanmi Financial (an outside Director) is paid a monthly retainer fee of \$3,000 and \$1,000 for attendance at Board of Directors meetings (\$500 for telephonic attendance at Board meetings). In addition, the Chairman of the Board receives an additional \$3,000 each month. The Audit Committee Chairman receives an additional \$1,000 each month, and the Loan Committee Chairman receives an additional \$1,500 each month. The chairmen of the remaining committees receive an additional \$750 each month, and committee members receive an additional \$200 each for attending committee meetings (\$100 each for telephonic attendance at committee meetings). In addition, each Director who is not an employee of Hanmi Financial (an outside Director) is paid \$100 per hour for time spent above and beyond attendance at Board of Directors and committee meetings for special Company business, e.g., meetings with regulators, stockholders and other stakeholder.
- (3) All equity awards are made by Hanmi Financial, are for shares of Hanmi Financial's common stock, and are made pursuant to the 2007 Plan.
- (4) Pursuant to new SEC regulations regarding the valuation of equity awards, amounts in columns (c) represent the applicable full grant date fair values of stock awards in accordance with FASB ASC Topic 718, excluding the effect for forfeitures. For further information, see Note 12 to Hanmi Financial's audited financial statements for the year ended December 31, 2012 included in Hanmi Financial's Annual Report on Form 10-K filed with the SEC on March 15, 2013.
- (5) Pursuant to new SEC regulations regarding the valuation of equity awards, amounts in columns (d) represent the applicable full grant date fair values of option awards in accordance with FASB ASC Topic 718, excluding the effect for forfeitures. For further information, see Note 12 to Hanmi Financial's audited financial statements for the year ended December 31, 2011 included in Hanmi Financial's Annual Report on Form 10-K filed with the SEC on March 15, 2013.
- (6) Amount consists of: (a) health insurance premiums of \$15,825; (b) life insurance premiums of \$129; (c) Holiday gift card of \$100.
- (7) Amount consists of gift card of \$100.
- (8) Amount consists of: (a) health insurance premiums of \$15,825; (b) life insurance premiums of \$157; (c) Holiday gift card of \$100.
- (9) Amount consists of: (a) health insurance premiums of \$15,825; (b) life insurance premiums of \$137; (c) Holiday gift card of \$100.

Edgar Filing: HANMI FINANCIAL CORP - Form 10-K/A

- (10) Amount consists of: (a) health insurance premiums of \$15,791; (b) life insurance premiums of \$129; (c) club membership of \$3,912; (d) Holiday gift card of \$100
- (11) Amount consists of: (a) health insurance premiums of \$8,035; (b) life insurance premiums of \$117; (c) Holiday gift card of \$100.
- (12) **Outstanding Equity Awards at Fiscal Year-End** the following table shows information as of December 31, 2012 for Hanmi Financial s Directors concerning unexercised stock options:

Table of Contents

Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price (\$)	Option Expiration Date
I Joon Ahn	3,000 (a)		\$ 173.04	11/15/2016
	1,500 (b)	1,000 (b)	\$ 10.80	4/8/2019
	2,000 (d)	6,000 (d)	\$ 12.54	12/22/2022
John A. Hall	1,500 (b)	1,000 (b)	\$ 10.80	4/8/2019
	2,000 (d)	6,000 (d)	\$ 12.54	12/22/2022
Paul Seon-Hong Kim	1,500 (b)	1,000 (b)	\$ 10.80	4/8/2019
	2,000 (d)	6,000 (d)	\$ 12.54	12/22/2022
Joon Hyung Lee	3,000 (a)		\$ 173.04	11/15/2016
	1,000 (b)	1,000 (b)	\$ 10.80	4/8/2019
	2,000 (d)	6,000 (d)	\$ 12.54	12/22/2022
Joseph K. Rho	3,000 (a)		\$ 173.04	11/15/2016
	1,500 (b)	1,000 (b)	\$ 10.80	4/8/2019
	3,750 (d)	11,250 (d)	\$ 12.54	12/22/2022
William J. Stolte	1,500 (c)	1,000 (c)	\$ 12.56	4/22/2019
	2,000 (d)	6,000 (d)	\$ 12.54	12/22/2022

- (a) On November 15, 2006, pursuant to the 2000 Plan, 8,000 stock options were granted to each Director with vesting as follows: 33.33 percent (33.33%) to vest on November 15, 2007 and 33.33 percent (33.33%) on each of the next two anniversary dates.
- (b) On April 8, 2009, pursuant to the 2007 Plan, 2,500 stock options were granted to each Director with vesting as follows: 20 percent (20%) to vest on April 8, 2010 and 20 percent (20%) on each of the next four anniversary dates.
- (c) On April 22, 2009, pursuant to the 2007 Plan, 2,500 stock options were granted to Mr. Stolte with vesting as follows: 20 percent (20%) to vest on April 22, 2010 and 20 percent (20%) on each of the next four anniversary dates.
- (d) On December 12, 2012, pursuant to the 2007 Plan 8,000 stock options were granted to each Director with vesting as follows: 25 percent (25%) to vest immediately and 25 percent (25%) on each of the next three anniversary dates.

NCGC Committee Interlocks and Insider Participation

Paul Seon-Hong Kim, I Joon Ahn, John Hall, Joon H. Lee, and Joseph K. Rho served as members of the NCGC Committee during the last completed fiscal year. No member of the NCGC Committee was an officer or employee of Hanmi Financial or Hanmi Bank during the fiscal year ended December 31, 2012. No member of the NCGC Committee is or was on the compensation committee of any other entity whose officers served either on the Board of Directors or on the NCGC Committee of Hanmi Financial.

Table of Contents

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS
BENEFICIAL OWNERSHIP OF PRINCIPAL STOCKHOLDERS AND MANAGEMENT

The following table sets forth information pertaining to beneficial ownership (as defined below) of Hanmi Financial's common stock, by (i) individuals or entities known to Hanmi Financial to own more than five percent (5%) of the outstanding shares of Hanmi Financial's common stock, (ii) each Director and nominee for election, (iii) the Named Executive Officers and (iv) all Directors and executive officers of Hanmi Financial as a group. The information contained herein has been obtained from Hanmi Financial's records and from information furnished to Hanmi Financial by each individual or entity. Management knows of no other person who owns, beneficially or of record, either individually or with associates, more than five percent (5%) of Hanmi Financial's common stock.

The number of shares beneficially owned by a given stockholder is determined under SEC Rules, and the designation of ownership set forth below is not necessarily indicative of ownership for any other purpose. In general, the beneficial ownership as set forth below includes shares over which a Director, Director nominee, principal stockholder, or executive officer has sole or shared voting or investment power and certain shares which such person has a vested right to acquire, under stock options or otherwise, within sixty (60) days of the date hereof. Except as otherwise indicated, the address for each of the following persons is Hanmi Financial's address. Unless otherwise noted, the address for each stockholder listed on the Common Stock Beneficially Owned table below is: c/o Hanmi Financial Corporation, 3660 Wilshire Boulevard, Penthouse Suite A, Los Angeles, California 90010. The following information is as of March 31, 2013.

COMMON STOCK BENEFICIALLY OWNED

Name and Address of Beneficial Owner	Number of Shares	Percent of Shares Outstanding
BlackRock, Inc. (1)	2,489,522	7.88%
Wellington Management Company, LLP (2)	2,304,316	7.29%
Joseph K. Rho, Chairman of the Board (3) (4) (5)	373,316	1.18%
Joon Hyung Lee, Director (4) (6)	285,660	0.90%
I Joon Ahn, Director (4) (5) (7)	162,316	0.51%
Jay S. Yoo, President and Chief Executive Officer, Director (8)	75,709	*
Paul Seon-Hong Kim, Director (4) (9)	41,341	*
Jung Hak Son, Executive Vice President and Chief Credit Officer (10)	12,875	*
William J. Stolte, Director (4) (11)	11,125	*
John A. Hall, Director (4) (7)	8,425	*
Shick (Mark) Yoon, Senior Vice President and Chief Financial Officer (12)	7,186	*
All Directors and Executive Officers as a Group (9 in Number)	977,953	3.10%

- (1) Based on a Schedule 13G filed on February 8, 2013 with the SEC under the Securities Exchange Act of 1934, by BlackRock, Inc. (BlackRock). The address of BlackRock is 40 East 52nd Street, New York, NY 10022.
- (2) Based on a Schedule 13G filed on February 14, 2013 with the SEC under the Securities Exchange Act of 1934, by Wellington Management Company, LLP. (Wellington). The address of Wellington is 280 Congress Street, Boston, Massachusetts 02210.
- (3) Includes 3,000 options and 5,250 options that are presently exercisable under the 2000 Plan and the 2007 Plan, respectively, and 500 options under the 2007 Plan that will become exercisable within 60 days.
- (4) Includes 1,500 shares of restricted stock.
- (5) Shares beneficial ownership with his spouse.
- (6) Includes 3,000 options and 3,000 options that are presently exercisable under the 2000 Plan and the 2007 Plan, respectively, and 500 options under the 2007 Plan that will become exercisable within 60 days.
- (7) Includes 3,000 options and 3,500 options that are presently exercisable under the 2000 Plan and the 2007 Plan, respectively and 500 options under the 2007 Plan that will become exercisable within 60 days.
- (8) Includes 31,750 options that are presently exercisable under the 2007 Plan, 1,250 options under the 2007 Plan that will become exercisable within 60 days, and 1,000 shares of unvested restricted stock.
- (9) Includes 3,500 options that are presently exercisable under the 2007 Plan and 500 options under the 2007 Plan that will vest within 60 days.
- (10)

Edgar Filing: HANMI FINANCIAL CORP - Form 10-K/A

Includes 5,000 options that are presently exercisable under the 2000 Plan and the 2007 Plan, 250 options under the 2007 Plan that will become exercisable within 60 days, and 500 shares of unvested restricted stock.

Table of Contents

- (11) Includes 3,500 options that are presently exercisable under the 2007 Plan, and 500 options under the 2007 plan that will become exercisable within 60 days.
- (12) Includes 1,375 options that are presently exercisable under the 2007 Plan.

Securities Authorized for Issuance Under Equity Compensation Plans

The following table summarizes information as of December 31, 2012 relating to equity compensation plans of Hanmi Financial pursuant to which grants of options, restricted stock awards or other rights to acquire shares may be granted from time to time.

	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a))
Equity Compensation Plans Approved By Security Holders	342,950	\$ 37.44	1,292
Equity Compensation Plans Not Approved By Security Holders	216,250 (1)	\$ 9.60	
Total Equity Compensation Plans	559,200	\$ 26.67	1,292

- (1) Reflects warrants issued to Cappello Capital Corp. in connection with services it provided to us as a placement agent in connection with our best efforts public offering and as our financial adviser in connection with our completed rights offering. The warrants were immediately exercisable when issued at a purchase price of \$9.60 per share of our common stock and expire on October 14, 2015. The warrants may be exercised for cash or by cashless exercise. The exercise price and number of shares subject to the warrants are subject to adjustment for, among other events, stock splits and stock dividends.

Table of Contents

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Certain Relationships and Related Transactions

Some of Hanmi Financial's Directors and executive officers and their immediate families, as well as the companies with which they are associated, are customers of, or have had banking transactions with, Hanmi Financial or Hanmi Bank in the ordinary course of Hanmi Financial's business, and Hanmi Financial expects to have banking transactions with such persons in the future. In management's opinion, all loans and commitments to lend included in such transactions were made in the ordinary course of business, in compliance with applicable laws on substantially the same terms, including interest rates and collateral, as those prevailing for comparable transactions with other persons of similar creditworthiness and, in the opinion of management, did not involve more than a normal risk of repayment or present other unfavorable features. There is no amount of indebtedness owed to Hanmi Financial or Hanmi Bank by the principal officers and current Directors of Hanmi Financial (including associated companies) as of December 31, 2012.

In connection with the retirement of Won R. Yoon, Ki Tae Hong, Stuart S. Ahn, and Chang Kyu Park as Directors in 2008, Hanmi Financial and Hanmi Bank entered into severance agreements with each of them. Pursuant to such severance agreements, each of the retiring Directors will receive \$3,000 per month until October 2013. Each of the retiring Directors also will receive current health insurance coverage until October 2013 in which Hanmi Financial will continue to pay for medical, dental, and/or vision premiums.

In connection with the retirement of Richard Lee as a Director in 2009, he entered into severance agreement with Hanmi Bank. Pursuant to the Severance Agreement, among other things, Mr. Lee received a lump-sum payment of \$180,000 upon his retirement. Mr. Lee will also receive current health insurance coverage until March 2014 in which Hanmi Bank will continue to pay for medical, dental, and/or vision premiums. See *Director Compensation* above.

Review, Approval or Ratification of Transactions With Related Persons

Hanmi Financial has adopted a Related Person Transaction Policy (Policy). The Policy provides that executive officers, Directors, five-percent (5%) stockholders, and their family members, and entities for which any of those persons serve as officers or partners or in which they have a ten percent (10%) or greater interest, must notify Hanmi Financial's Corporate Secretary before entering into transactions or other arrangements with Hanmi Financial or any of its affiliates (other than loans subject to Regulation O promulgated by the Board of Governors of the Federal Reserve System) if the amount exceeds \$25,000. Hanmi Financial's Corporate Secretary will determine whether, under the guidelines in the Policy, the transaction or arrangement should be submitted to the Audit Committee for approval. In determining whether to submit proposed transactions to the Audit Committee for consideration, Hanmi Financial's Corporate Secretary will consider, among other things, the aggregate value of the proposed transaction, the benefits to Hanmi Financial of the proposed transaction, and whether the terms of the proposed transaction are comparable to the terms available to an unrelated third party and employees generally. The Policy also includes provisions for the review and possible ratification of transactions and arrangements that are entered into without prior review under the Policy. During 2012, neither Hanmi Financial nor any of its affiliates entered into any related-party transactions that required review, approval, or ratification under the Policy.

Director Independence

The Board of Directors has determined that all of its Directors are independent under the applicable listing standards of NASDAQ, except for Jay S. Yoo, who also serves as the President and Chief Executive Officer of Hanmi Financial.

Table of Contents**ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES**

The following table sets forth information regarding the aggregate fees billed for professional services rendered by KPMG for the fiscal years ended December 31, 2012 and 2011:

	2012	2011
Audit Fees (1)	\$ 590,000	\$ 590,000
Audit-Related Fees (2)	97,000	39,932
Tax Fees (3)	170,000	189,900
	\$ 857,000	\$ 819,832

- (1) Includes fees billed for the integrated audit of our annual financial statements and internal control over financial reporting, for the reviews of the financial statements included in our Quarterly Reports on Form 10-Q, and for compliance with the Federal Deposit Insurance Corporation Improvement Act.
- (2) Includes fees billed for professional services rendered in connection with the issuance of comfort letters related to the Company's stock offering, and reviews of registration statements.
- (3) Includes fees billed for professional services rendered in connection with tax compliance, tax advice, and tax planning.
- There were no other fees billed by KPMG for advice or services rendered to Hanmi Financial other than as described above.

Audit Committee Pre-Approval Policies and Procedures

The Audit Committee has established Pre-Approval Policies and Procedures for independent auditor services. Any proposed services not pre-approved or exceeding pre-approved cost levels require specific pre-approval by the Audit Committee. The Audit Committee may not delegate to management its responsibilities to pre-approve services performed by the independent auditors.

The Audit Committee may delegate pre-approval authority to one or more of its members. In 2012 and 2011, the Audit Committee Chairman was permitted to approve fees up to \$25,000 with the requirement that any pre-approval decisions be reported to the Audit Committee at its next scheduled meeting.

The only non-audit service provided by the independent auditors was the preparation of Hanmi Financial's income tax return, which was 19.8 percent and 23.2 percent of the aggregate fees billed by KPMG for the fiscal years ended December 31, 2012 and 2011, respectively. The Audit Committee pre-approved this work and the related fees.

Table of Contents

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

EXHIBIT INDEX

Exhibit	
Number	Document
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act, as amended
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act, as amended

Table of Contents

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

HANMI FINANCIAL CORPORATION

By: /s/ Jay S. Yoo
Jay S. Yoo
President and Chief Executive Officer
Date: April 30, 2013