HANMI FINANCIAL CORP
Form S-4/A
February 24, 2004

Table of Contents

As filed with the Securities and Exchange Commission on February 24, 2004

Registration No. 333-112606

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

AMENDMENT NO. 1
TO

Form S-4

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

Hanmi Financial Corporation

(Exact name of Registrant as specified in its charter)

Delaware	**95-4788120**
(State or other jurisdiction of incorporation)	*(I.R.S. Employer Identification Number)*

3660 Wilshire Boulevard

Suite PH-A
Los Angeles, California 90010
(213) 382-2200
(Address, including zip code, and telephone number, including area code, of Registrant s principal executive offices)

Jae Whan Yoo

President and Chief Executive Officer
3660 Wilshire Boulevard
Suite PH-A
Los Angeles, California 90010
(213) 382-2200
(Name, address, including zip code, and telephone number, including area code, of agent for service)

With copies to:

Lee Meyerson, Esq. **Simpson Thacher & Bartlett LLP** **425 Lexington Avenue** **New York, New York 10017** **(212) 455-2000**	**William S. Rubenstein, Esq.** **Skadden, Arps, Slate, Meagher & Flom, LLP** **Four Times Square** **New York, New York 10036** **(212) 735-3000**	**William T. Quicksilver, Esq.** **Gordon M. Bava, Esq.** **Manatt, Phelps & Phillips, LLP** **11355 W. Olympic Boulevard** **Los Angeles, California 90064** **(310) 312-4000**

Approximate date of commencement of the proposed sale of the securities to the public: As soon as practicable after this Registration Statement becomes effective.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. o

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price Per Share of Common Stock	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Common stock, par value $0.001 per share	7,027,916(1)	N/A	$121,215,629	$15,359(2)

(1) Represents the estimated maximum number of shares of common stock, par value $0.001 per share, of Hanmi Financial Corporation, a Delaware corporation, estimated to be issuable upon the completion of the merger of Pacific Union Bank, a California banking corporation (PUB), with and into Hanmi Bank, a California banking corporation and a direct wholly owned subsidiary of the issuer.

(2) Previously paid.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

Table of Contents

Information contained in this document is subject to completion or amendment. A registration statement relating to these securities has been filed with the Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This prospectus shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale is not permitted or would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

PRELIMINARY JOINT PROXY STATEMENT/PROSPECTUS
DATED l 2004, SUBJECT TO COMPLETION

Hanmi Financial Corporation

MERGER PROPOSED   YOUR VOTE IS VERY IMPORTANT

The boards of directors of Hanmi Financial Corporation and Pacific Union Bank have approved a transaction in which Hanmi will acquire PUB. In the transaction, Hanmi will pay $164.5 million in cash to the Trust established to hold Korea Exchange Bank s shares of PUB common stock, which represent 62% of PUB s outstanding shares, to purchase most of those shares. Following that purchase, PUB will merge into Hanmi Bank, a wholly owned subsidiary of Hanmi, and the remaining shares of PUB common stock will be converted into shares of Hanmi common stock. In the merger, Hanmi will issue between 5.77 million and 6.64 million shares of common stock to PUB stockholders, depending upon the market price of Hanmi s stock at the time of the merger.

The number of Hanmi shares to be issued for each PUB share in the merger, as well as the number of PUB shares to be acquired by Hanmi for cash and the number to be acquired in the merger, will be determined based on formulas described in detail beginning on page 64 of this document. These formulas, which are complex, are designed to ensure that all shares of PUB common stock, whether held by the Trust or by others, will receive equal value in the transaction.

Had the merger occurred on February l, 2004 (the last business day prior to the date of this document), each PUB share would be converted into l shares of Hanmi common stock with a market value of $l. A chart showing the exchange ratio at various other closing prices of Hanmi common stock is provided on page 65 of this document.

PUB stockholders are being asked to approve the principal terms of the merger agreement and the merger. The Trust formed to hold Korea Exchange Bank s shares of PUB common stock has agreed to vote these shares in favor of the transaction. Hanmi stockholders are being asked to approve the issuance of shares of Hanmi common stock (1) to PUB stockholders in the merger and (2) in a private placement of 3,947,369 shares of Hanmi common stock in order to finance a portion of the $164.5 million cash payment. Hanmi directors holding approximately 33% of the outstanding shares of Hanmi common stock have agreed to vote their shares in favor of the transaction.

We cannot complete the transaction without the approval of the stockholders of both PUB and Hanmi. Each of us will hold a special meeting of our stockholders to vote on these proposals. This document describes the stockholder meetings, the merger and its related transactions, documents related to the merger and other related matters. **Please read this entire document carefully, including the section discussing risk factors beginning on page 16.**

Hanmi common stock is quoted on the Nasdaq National Market System under the symbol HAFC. PUB common stock is listed on the Nasdaq National Market System under the symbol PUBB.

Jae Whan Yoo President and Chief Executive Officer Hanmi Financial Corporation	David B. Warner, Jr. President and Chief Executive Officer Pacific Union Bank

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved the securities to be issued in connection with the merger or determined if this prospectus is accurate or adequate. Any representation to the contrary is a criminal offense.

The date of this joint proxy statement/prospectus is l , 2004, and it is first being mailed or otherwise delivered to stockholders of Hanmi and PUB on or about l , 2004.

Table of Contents

REFERENCES TO ADDITIONAL INFORMATION

This document incorporates important business and financial information about Hanmi and PUB from documents that are not included in or delivered with this document. PUB s annual, quarterly and current reports and other information incorporated in this document are filed with the Federal Deposit Insurance Corporation under the Securities Exchange Act of 1934. These documents were filed by Hanmi as exhibits to its current report on Form 8-K filed with the Securities and Exchange Commission on January 30, 2004. They may be viewed at the Securities and Exchange Commission s worldwide website at http://www.sec.gov. You can obtain documents incorporated by reference in this document, other than certain exhibits to those documents, by requesting them in writing or by telephone from the appropriate company at the following addresses:

Hanmi Financial Corporation	Pacific Union Bank
3660 Wilshire Boulevard	3530 Wilshire Boulevard
Suite PH-A	Suite 1800
Los Angeles, California 90010	Los Angeles, California 90010
Attention: Stephanie Yoon	Attention: Y. Dianne Kim
(213) 382-2200	(213) 385-0909

You will not be charged for any of these documents that you request. Stockholders requesting documents should do so by l , 2004 in order to receive them before the special meetings.

See WHERE YOU CAN FIND MORE INFORMATION on page 105.

Table of Contents

Hanmi Financial Corporation

3660 Wilshire Boulevard
Suite PH-A
Los Angeles, California 90010

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

NOTICE IS HEREBY GIVEN that a special meeting of Hanmi stockholders will be held on l , 2004 at l , local time, at l . The purpose of the Hanmi special meeting is to consider and to vote upon:

a proposal to approve the issuance of Hanmi common stock (i) pursuant to the Agreement and Plan of Merger, dated as of December 22, 2003, by and among Hanmi Financial Corporation, Hanmi Bank and Pacific Union Bank and (ii) in a concurrent private placement of 3,947,369 shares at $19 per share pursuant to Securities Purchase Agreements, dated December 22, 2003, with specified purchasers, in order to finance a portion of the cash consideration to be paid in the acquisition of Pacific Union Bank; and

such other business as may properly come before the special meeting of Hanmi stockholders or any adjournment or postponement of the meeting.

The proposed issuance of Hanmi common stock is described in more detail in the accompanying joint proxy statement/prospectus, which you should read carefully and in its entirety before voting. A copy of the merger agreement is included as Appendix A to the accompanying joint proxy statement/prospectus.

Only Hanmi stockholders of record at the close of business on l , 2004 are entitled to notice of, and to vote at, the Hanmi special meeting or any adjournment or postponement of the Hanmi special meeting.

Whether or not you plan to attend the Hanmi special meeting, please submit your proxy with voting instructions. To submit your proxy by mail, please complete, sign, date and return the accompanying proxy card in the enclosed self-addressed, stamped envelope.

The Hanmi board of directors has approved the issuance of Hanmi common stock pursuant to the merger agreement and in the private placement, and recommends that Hanmi stockholders vote FOR the issuance of Hanmi common stock pursuant to the merger agreement and in the private placement.

By Order of the Board of Directors,

Myung Hee Kim
Corporate Secretary

l , 2004

Table of Contents

Pacific Union Bank
3530 Wilshire Boulevard
Suite 1800
Los Angeles, California 90010

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

NOTICE IS HEREBY GIVEN that a special meeting of Pacific Union Bank (PUB) stockholders will be held on l , 2004 at l , local time, at l . The purpose of the PUB special meeting is to consider and to vote upon:

a proposal to approve the principal terms of the Agreement and Plan of Merger, dated as of December 22, 2003, by and among Hanmi Financial Corporation, Hanmi Bank and PUB, and the merger of PUB with and into Hanmi Bank; and

such other business as may properly come before the special meeting of PUB stockholders or any adjournment or postponement of the meeting.

The proposed merger is described in more detail in the accompanying joint proxy statement/prospectus, which you should read carefully and in its entirety before voting. A copy of the merger agreement is included as Appendix A to the accompanying joint proxy statement/prospectus.

Only PUB stockholders of record at the close of business on l , 2004 are entitled to notice of, and to vote at, the PUB special meeting or any adjournment or postponement of the PUB special meeting.

The principal terms of the merger agreement and the merger must be approved by the holders of a majority of the shares of PUB common stock outstanding on the record date. The Trust formed to hold Korea Exchange Bank s shares of PUB common stock, representing approximately 62% of PUB s outstanding shares, has agreed to vote these shares in favor of the approval of the principal terms of the merger agreement and the merger. As a result, we expect to receive PUB stockholder approval.

In connection with the proposed merger, PUB stockholders will be given the opportunity to exercise dissenters rights in accordance with certain procedures specified in Sections 1300 through 1304 of the California General Corporation Law. These rights will be made available if the merger is completed and demands are made for payment with respect to 5% or more of the outstanding shares of PUB common stock. If dissenters rights are made available, if a stockholder votes against approval of the principal terms of the merger agreement and merger and if a stockholder follows all of the procedures required by law, then the stockholder may receive cash in the amount equal to the fair market value of their shares of PUB common stock as of December 19, 2003 (the business day immediately preceding the announcement of the Agreement and Plan of Merger). A copy of the relevant sections of the California General Corporation Law is attached as Appendix D to the joint proxy statement/prospectus accompanying this notice and is incorporated by reference into this notice.

Whether or not you plan to attend the PUB special meeting, please submit your proxy with voting instructions. To submit your proxy by mail, please complete, sign, date and return the accompanying proxy card in the enclosed self-addressed, stamped envelope.

The PUB board of directors has approved the merger agreement and recommends that PUB stockholders vote FOR the approval of the principal terms of the merger agreement and the merger.

By Order of the Board of Directors,

Lisa K. Pai
Corporate Secretary

l , 2004

TABLE OF CONTENTS

Table of Contents

TABLE OF CONTENTS

Table of Contents

Table of Contents

Table of Contents

Table of Contents

QUESTIONS AND ANSWERS ABOUT VOTING PROCEDURES FOR THE SPECIAL MEETINGS

Q: What do I need to do now?

A. After you have carefully read this entire document, indicate on your proxy card how you want your shares to be voted. Then complete, sign, date and mail your proxy card in the enclosed postage-paid return envelope as soon as possible. This will enable your shares to be represented and voted at your company s special meeting. If you sign and send in your proxy card and do not indicate how you want to vote, we will count your proxy card as a vote in favor of the proposal.

Q: Why is my vote important?

A: If you do not return your proxy card or vote in person at Hanmi s special meeting, it will be more difficult for Hanmi to obtain the necessary quorum to hold its special meeting. The issuance of Hanmi common stock pursuant to the merger agreement and in the private placement must be approved by the holders of a majority of the outstanding shares of Hanmi common stock voted in person or by proxy at the Hanmi special meeting.

The principal terms of the merger agreement and the merger must be approved by the holders of a majority of the shares of PUB common stock outstanding on the record date. The Trust formed to hold Korea Exchange Bank s shares of PUB common stock, constituting approximately 62% of PUB s outstanding shares, has agreed to vote these shares in favor of the adoption of the merger agreement. As a result, we expect to receive PUB stockholder approval.

In addition, to exercise dissenters rights, a PUB stockholder must make a written demand that is received by PUB by not later than the date of the PUB special meeting (i.e., l , 2004) and vote against the approval of the principal terms of the merger agreement and the merger and must strictly comply with all of the procedures required by California law. It is not sufficient to abstain from voting. If you return a proxy without voting instructions or with instruction to vote FOR the proposal to approve the principal terms of the merger agreement and the merger, your shares will automatically be voted in favor of the merger agreement and the merger and you will lose your dissenters rights.

Q: If my shares are held in street name by my broker, will my broker automatically vote my shares for me?

A: No. Your broker will not be able to vote your shares without instructions from you. You should instruct your broker to vote your shares, following the directions your broker provides. Please check the voting form used by your broker to see if it offers telephone or Internet voting.

Q: What if I fail to instruct my broker?

A: If you fail to instruct your broker to vote your shares, your shares will not be counted for any purpose at your company s special meeting. In the case of the PUB stockholder vote, a failure to vote, including the failure to give your broker instructions, will have the same effect as voting against the approval of the principal terms of the merger agreement and the merger.

Q: Can I change my vote?

A: Yes. If you have not voted through your broker, there are several ways you can change your vote after you have submitted your proxy:

You may send a written notice to the Corporate Secretary of Hanmi or PUB, as appropriate, stating that you would like to revoke your proxy.

You may complete and submit a new proxy card. The latest vote actually received before your company s special meeting will be counted, and any earlier votes will be revoked.

Table of Contents

You may attend your company s special meeting and vote in person. Any earlier proxy will be revoked. However, simply attending the meeting without voting will not revoke your proxy.

If you have instructed a broker to vote your shares, you must follow the directions you receive from your broker in order to change or revoke your vote.

Q: Should I send in my stock certificates now?

A: No. If you are a PUB stockholder, we will separately send you instructions for exchanging your PUB stock certificates for shares of Hanmi common stock following the merger. If you are a Hanmi stockholder, you will keep your existing Hanmi shares after the merger.

Q: When do you expect to complete the merger?

A: We expect to complete the merger in the second quarter of 2004. However, we cannot assure you when, or if, the merger will occur. We must first obtain the approvals of our stockholders at the special meetings and the necessary regulatory approvals.

Q: Whom should I call with questions?

A: Hanmi stockholders should call Stephanie Yoon at (213) 427-5631 with any questions about the merger and related transactions.

PUB stockholders should call Y. Dianne Kim at (213) 385-0909 with any questions about the merger and related transactions.

Table of Contents

SUMMARY

This summary highlights selected information from this document. It does not contain all of the information that may be important to you. We urge you to read carefully the entire document and the other documents to which this document refers you in order to fully understand the merger and the related transactions. See WHERE YOU CAN FIND MORE INFORMATION on page 105. Each item in this summary refers to the page of this document on which that subject is discussed in more detail.

Background (page 32)

In October 2003, Lone Star Fund IV, L.P. (Lone Star), a private equity investment fund, acquired control of the sixth largest Korean bank, Korea Exchange Bank. Korea Exchange Bank is the controlling stockholder of PUB and is subject to extensive regulation under U.S. and California banking laws as a result of that interest. As a result of the acquisition, and its indirect control of PUB through Korea Exchange Bank, Lone Star was required to either register as a bank holding company or cause Korea Exchange Bank to reduce its ownership interest in PUB to below 5% of PUB s outstanding voting securities. Lone Star elected to cause Korea Exchange Bank to divest its ownership interest in PUB, which in turn resulted in the proposed transaction with Hanmi.

The Transaction (page 32)

We are proposing a transaction whereby Hanmi will acquire most of the shares held by the Trust formed to hold Korea Exchange Bank s shares of PUB common stock for approximately $164.5 million in cash. The Trust holds approximately 62% of the PUB shares outstanding. Immediately following that purchase, PUB will merge with and into Hanmi Bank, a wholly owned subsidiary of Hanmi, with Hanmi Bank as the surviving corporation in the merger. All of the outstanding PUB shares not purchased for cash will be converted into shares of Hanmi common stock in the merger.

Reasons for the Transaction Structure

The amount and mixture of cash and stock to be paid by Hanmi results from several factors:

In order to achieve its goal of reducing Korea Exchange Bank s ownership interest in PUB or any other U.S. Bank to less than 5% of the bank s voting stock, the Trust specified that most of the PUB shares it held should be sold for cash. While the Trust was willing to accept stock of another U.S. bank or bank holding company as a portion of the consideration, it specified that the amount of such stock should not result in the Trust owning more than 4.9% of the voting stock of another U.S. bank or bank holding company, which would be inconsistent with the goal of eliminating Korea Exchange Bank s interests in U.S. banks that would subject Lone Star to regulation as a bank holding company under U.S. law.

After taking into account available financing alternatives and resources, Hanmi determined that the maximum amount of cash it could include in its bid to acquire PUB was $164.5 million, and accordingly the remainder of the purchase price would have to be paid in shares of Hanmi common stock. This meant that the cash portion could be used to purchase most, but not all, of the PUB shares held by the Trust, and that the remaining PUB shares would therefore be acquired by Hanmi for Hanmi shares.

Hanmi, PUB and the Trust all agreed that the per share price paid to the Trust and to PUB s other shareholders should be the same, regardless of whether paid in cash or in shares of Hanmi stock. Accordingly, the transaction agreements include a value equalization formula designed to achieve this result.

In order to provide some price protection in the event of a significant decrease or increase in the market value of Hanmi s stock prior to the closing of the transaction, Hanmi, PUB and the Trust agreed to a collar mechanism to adjust the number of Hanmi shares issued in the merger if the market price of Hanmi s stock trades outside the range of $19 to $25 per share at the time of the closing.

Table of Contents

Finally, PUB s board of directors determined that it would be in the best interests of the PUB shareholders other than the Trust if the transaction could be structured to be a tax-free reorganization for U.S. federal income tax purposes. Accordingly, the transaction agreements also contain an adjustment mechanism to achieve that result, if necessary because of changes in the market price of Hanmi s stock at the closing.

As a result, Hanmi s proposal contemplated that the Trust would receive $164.5 million in cash and shares of Hanmi s common stock representing up to 4.9% of the common stock of the combined company for the 62% of PUB s common stock held by the Trust. This proposal implied a value for all of PUB s outstanding common stock that established the aggregate number of shares that Hanmi would issue in the transaction.

The Financing (page 76)

In order to finance the cash acquisition of PUB common stock from the Trust, the board of directors of Hanmi has agreed to issue 3,947,369 shares of Hanmi common stock in a private placement pursuant to securities purchase agreements between Hanmi and various purchasers. These purchasers include five members of the board of directors of Hanmi. These shares will be sold at $19 per share, totaling $75 million in the aggregate. The private placement will close two business days prior to the completion of the merger. Hanmi will file a registration statement relating to the resale of these shares to the public within 90 days following the consummation of the merger.

In addition, the board of directors of Hanmi has agreed to sell, pursuant to a private placement, $60 million in trust preferred securities through one or more newly-formed trusts. These trust preferred securities will be offered in two tranches of $30 million each. The funding of the first tranche occurred on January 8, 2004, and the funding of the second tranche is expected to occur on or around April 30, 2004 and simultaneously with the completion of the merger.

What Each Share of PUB Common Stock Will Receive in the Merger (page 64)

PUB Stockholders. If you are a PUB stockholder, you will receive merger consideration in the form of Hanmi common stock in exchange for your shares of PUB common stock. Each share of PUB common stock exchanged in the merger will entitle its holder to that number of shares of Hanmi common stock, referred to as the exchange ratio, having a market value equal to the per share pro rata value of the aggregate consideration to be paid by Hanmi in the transaction. The aggregate consideration to be paid by Hanmi in the transaction is the sum of $164.5 million in cash and between 5.77 and 6.64 million shares of Hanmi common stock. The formula for determining the number of Hanmi shares to be issued in the transaction generally works as follows:

Hanmi closing share price	Hanmi shares to be issued in transaction	
Less than $19	6,120,093 × $\left(\frac{\$19}{\text{Hanmi closing share price}}\right)$,	but not more than 6,644,672 shares.
Between $19 and $25	6,120,093	
Greater than $25	6,120,093 × $\left(\frac{\$25}{\text{Hanmi closing share price}}\right)$,	but not less than 5,773,672 shares.

The closing share price of Hanmi s common stock for this purpose will be equal to the average of the daily volume weighted average sale prices over the five trading days ending the day prior to the completion of the merger.

If you divide the sum of $164.5 million and the market value (using the closing share price) of the shares of Hanmi common stock to be issued in the merger by 10,685,876 (which is the number of outstanding PUB shares when the merger agreement was signed), the result is the value to be delivered by Hanmi in exchange

4

Table of Contents

for each PUB share in the merger. Divide that value by the closing share price of Hanmi common stock, and the result will equal the number of shares of Hanmi common stock to be issued in exchange for each share of PUB common stock in the merger, referred to as the exchange ratio.

Hanmi Stockholders. If you are a Hanmi stockholder, you will keep your Hanmi shares, which will remain outstanding and unchanged as a result of the merger.

No Fractional Shares (page 66)

No fractional shares of Hanmi common stock will be issued in the merger. Instead of fractional shares, PUB stockholders will receive an amount of cash based on the average of the daily volume weighted average sale prices of Hanmi common stock over the five trading days ending the day prior to the completion of the merger.

Material United States Federal Income Tax Consequences of the Merger (page 78)

We expect that, for United States federal income tax purposes, if you are a PUB stockholder you generally will not recognize gain or loss with respect to your shares of PUB common stock when you receive shares of Hanmi common stock in the merger, except with respect to any cash received in lieu of a fractional share interest in Hanmi common stock.

We have received opinions from Simpson Thacher & Bartlett LLP and Manatt, Phelps & Phillips LLP to the effect that the merger constitutes a reorganization for United States federal income tax purposes as of the effective date of this filing. In addition, Hanmi and PUB will not be required to complete the merger unless they receive legal opinions at closing to the same effect.

Tax matters can be complicated and the tax consequences of the merger to PUB stockholders will depend on each stockholder s particular tax situation. PUB stockholders should consult their tax advisors to fully understand the tax consequences of the merger to them.

Comparative Per Share Data and Comparative Market Prices (page 16 and page 17)

Hanmi common stock is listed on the Nasdaq National Market System under the symbol HAFC. PUB common stock is listed on the Nasdaq National Market System under the symbol PUBB. The following table sets forth the closing sale prices of Hanmi common stock and PUB common stock as reported on the Nasdaq National Market System on December 22, 2003, the last full trading day prior to the announcement of the merger agreement, and on 1 , 2004, the last practicable trading day before the distribution of this joint proxy statement/ prospectus. This table also shows the equivalent per share price of the PUB common stock, which we calculated by taking the product of the closing price of Hanmi common stock on those dates and an implied exchange ratio of 1.2958 as of December 22, 2003 and 1 as of 1 , 2004.

	Hanmi Common Stock	PUB Common Stock	Equivalent Per Share Price
December 22, 2003	$21.30	$24.63	$27.60
1 , 2004	$ 1	$ 1	$ 1

See THE MERGER AGREEMENT Conversion of PUB Common Stock and PUB Stock Options beginning on page 64 for an illustration of how the implied exchange ratio may change in response to fluctuations in the price of Hanmi common stock.

We urge you to obtain current quotations for Hanmi common stock and PUB common stock.

Recommendations of the Boards of Directors (page 26 and page 29)

The Hanmi board of directors unanimously determined that the acquisition of PUB and the related transactions, including the issuance of Hanmi common stock pursuant to the merger agreement and in the private placement, is fair to and in the best interests of Hanmi and its stockholders. The Hanmi board of directors recommends that Hanmi s stockholders vote **FOR** the issuance of Hanmi common stock pursuant to the merger agreement and in the private placement.

Based in part on the recommendation of the special committee of the PUB board of directors, the PUB board of directors (with the four directors currently or previously affiliated with Korea Exchange Bank abstaining from the deliberations and vote) unanimously determined that the merger agreement and merger are in the best interests of PUB and its stockholders and unanimously approved the merger agreement. The PUB board of directors recommends that PUB s stockholders vote **FOR** approval of the principal terms of the merger agreement and the merger.

Some of Hanmi s Directors May Have Financial Interests in the Transaction That Differ From Your Interests (page 45)

Certain Hanmi directors have economic interests in the transaction that are different from, or in addition to, their interests as Hanmi stockholders. The Hanmi board of directors considered these interests in its decision to approve the merger agreement and the financing transactions. Five members of Hanmi s board of directors have agreed to acquire a total of 430,326 shares of Hanmi common stock in the private placement for $19 per share, whether or not Hanmi s market price is above or below that purchase price. These agreements are conditioned only upon completion of the merger and the purchase and sale will occur two days prior to the merger. The directors who are purchasing shares of Hanmi common stock in the private placement refrained from voting on the private placement when it was presented to the board.

PUB s Directors and Officers May Have Financial Interests in the Merger That Differ From Your Interests (page 45)

PUB s executive officers and directors may have economic interests in the merger that are different from, or in addition to, their interests as PUB stockholders. The PUB board of directors considered these interests in its decision to approve the merger agreement. These interests include:

- PUB s 2000 stock option plan provides for the accelerated vesting of stock options to purchase approximately 90,912 shares of PUB common stock, with exercise prices ranging from $6.3718 to $18.30 per share, held by PUB s executive officers and directors upon a transaction such as the merger;

- one member of PUB s board of directors as selected by its special committee and reasonably acceptable to Hanmi will be appointed to the boards of directors of Hanmi and Hanmi Bank;

- Mr. Warner, PUB s President and Chief Executive Officer, entered into a retention agreement with the Trust formed to hold Korea Exchange Bank s shares of PUB common stock under which Mr. Warner will be eligible to receive a retention bonus of $120,000 payable on the three-month anniversary following the consummation of a change of control; and

- certain executive officers of PUB may receive severance and retention compensation up to approximately $235,682.

Opinions of Financial Advisors (page 47 and page 53)

Hanmi. Credit Suisse First Boston LLC, Hanmi s financial advisor in connection with the merger and the purchase of the shares of PUB common stock from the Trust, has delivered its written opinion to the board of directors of Hanmi that, as of December 22, 2003, and based upon and subject to the factors and assumptions set forth in its opinion, the aggregate consideration to be paid to the Trust and PUB s stockholders in this transaction is fair, from a financial point of view, to Hanmi.

We have attached as Appendix B to this document the full text of the written opinion of Credit Suisse First Boston, dated December 22, 2003, which sets forth the assumptions made, procedures followed, matters considered, and limitations on the review undertaken in connection with its opinion. Credit Suisse First Boston provided its opinion for the information and assistance of the board of directors of Hanmi in connection with its consideration of the transaction. The Credit Suisse First Boston opinion is not a recommendation as to how any Hanmi stockholder should vote with respect to the issuance of shares of Hanmi common stock or any related matter. We encourage you to read the opinion in its entirety. Pursuant to engagement letters between Hanmi and Credit Suisse First Boston, Hanmi agreed to pay Credit Suisse First Boston a fee, a significant portion of which is payable upon completion of the merger.

PUB. Friedman, Billings, Ramsey & Co., Inc. (FBR), PUB s financial advisor in connection with the merger, has delivered its opinion to both the special committee of PUB s board of directors and PUB s board of directors that, as of December 21, 2003, the exchange ratio in the merger is fair to the stockholders of PUB, other than the Trust formed to hold Korea Exchange Bank s shares of PUB common stock, from a financial point of view. This opinion, which was provided to both the special committee of PUB s board of directors and PUB s board of directors in connection with its evaluation of the merger consideration, does not address any other aspect of the merger and is not a recommendation to any PUB stockholder as to how that stockholder should vote or act on any matters relating to the merger. We have attached a copy of FBR s written opinion as Appendix C to this document. We encourage you to read this opinion carefully in its entirety for a description of the assumptions made, procedures followed, matters considered and limitations on the review undertaken by FBR. Pursuant to an engagement letter between PUB and FBR, PUB agreed to pay FBR a fee, a substantial portion of which is payable upon completion of the merger.

Dissenters Rights (page 60)

Under California law, holders of PUB common stock may have the right to receive an appraisal of the fair value of their shares of PUB common stock in connection with the merger. To exercise dissenters rights, a PUB stockholder must make a written demand that is received by PUB not later than date of the PUB special meeting (i.e., 1 , 2004) and vote against the approval of the principal terms of the merger agreement and the merger and must strictly comply with all of the procedures required by California law. These procedures are described more fully beginning on page 60.

We have included a copy of sections 1300 through 1304 of the California General Corporation Law Dissenters Rights as Appendix D to this document.

Hanmi s stockholders have no dissenters rights in connection with the issuance of shares of Hanmi common stock or the merger.

The Merger Agreement (page 64)

The merger agreement is attached as Appendix A to this document. We urge you to read the entire merger agreement because it is the legal document governing the terms and conditions of the merger.

The Voting and Sale Agreement (page 74)

Hanmi has entered into a Voting and Sale Agreement with the Trust formed to hold Korea Exchange Bank s shares of PUB common stock, whereby, among other things, the Trust agrees to (1) vote these 6,624,052 shares of PUB common stock in favor of the adoption of the merger agreement and (2) immediately prior to the merger, sell to Hanmi most of these shares of PUB common stock for $164.5 million in cash.

Since the merger agreement provides that all PUB shares will receive the same per share value in the transaction, the number of shares to be purchased from the Trust for cash will be equal to $164.5 million divided by the per share value, as calculated by the merger agreement, being delivered in consideration of each share of PUB common stock in the overall transaction. The balance of the shares of PUB common stock held by the Trust will be converted into shares of Hanmi common stock in the merger.

The Voting Agreement (page 75)

Each member of Hanmi s board of directors, holding in the aggregate approximately 33% of the outstanding shares of Hanmi common stock, has entered into a voting agreement with PUB whereby the director agrees to vote his shares in favor of the issuance of Hanmi common stock pursuant to the merger agreement and in the private placement.

Table of Contents

Conditions That Must be Satisfied or Waived for the Merger to Occur (page 71)

As more fully described in this document and the merger agreement, the completion of the merger depends on a number of conditions being satisfied or waived, including receipt of stockholder approvals, regulatory approvals and tax opinions.

Although we expect to complete the merger in the second calendar quarter of 2004, we cannot be certain when, or if, the conditions to the merger will be satisfied or waived, or whether the merger will be completed.

Termination of the Merger Agreement (page 71)

We may mutually agree to terminate the merger agreement before completing the merger. Each of us may also terminate the merger agreement if the stockholders of Hanmi do not approve the issuance of Hanmi common stock pursuant to the merger agreement and in the private placement, or in the event of a final, nonappealable denial of a required regulatory approval or injunction prohibiting the merger.

Also, either of us may terminate the merger agreement, even after the required stockholder approvals have been received, if the merger has not been completed by September 30, 2004, or if the other party has breached its obligations in the merger agreement and those breaches remain uncured for 30 days and would entitle the terminating party not to complete the merger.

In addition, Hanmi may terminate the merger agreement if PUB withdraws, amends or modifies its recommendation of the merger in a manner adverse to Hanmi. PUB may terminate the merger agreement if Hanmi withdraws, amends or modifies its recommendation of the issuance of Hanmi common stock pursuant to the merger agreement and in the private placement. Either party may terminate the merger agreement if the other party breaches its obligation not to solicit or facilitate other acquisition proposals or fails to call its stockholders meeting in accordance with the merger agreement.

During a specified period, PUB may also terminate the merger agreement in connection with its exercise of its fiduciary termination right in order to accept a financially superior proposal from a third party.

Termination Fee (page 72)

We have agreed that, under specific circumstances described in the merger agreement, one party will be obligated to pay the other party all or a part of a termination fee of $12,000,000 upon or after termination of the merger agreement.

Board of Directors of Hanmi and Hanmi Bank After the Merger (page 73)

After the merger, the board of directors of the combined company will be the existing board of directors of Hanmi Bank. In addition, each of Hanmi and Hanmi Bank will add to its existing board of directors (1) one director designated by the special committee of the board of directors of PUB and (2) one director designated by Castle Creek Financial LLC, in each case acceptable to Hanmi.

Regulatory Approvals We Must Obtain for the Merger (page 59)

The merger requires prior approval of the Board of Governors of the Federal Reserve System and the California Commissioner of Financial Institutions. Hanmi filed the application with the Federal Reserve on February 11, 2004 and with the California Commissioner on February 11, 2004. While we do not know of any reason why Hanmi and PUB would not be able to obtain the necessary approvals in a timely manner, we cannot assure you that these agencies will grant their approval of the merger or what the timing may be.

Accounting Treatment of the Merger by Hanmi (page 60)

Hanmi will account for the merger as a purchase for financial reporting purposes.

Table of Contents

Comparison of Stockholders Rights (page 83)

Hanmi and PUB are incorporated under the laws of the States of Delaware and California, respectively, and, accordingly, the rights of Hanmi and PUB stockholders are governed by the laws of their company s state of incorporation. As a result of the merger, PUB stockholders will become stockholders of Hanmi. Thus, following the merger, the rights of PUB stockholders who become Hanmi stockholders in the merger will be governed by the laws of the State of Delaware and will also be governed by Hanmi s certificate of incorporation and bylaws. Hanmi s certificate of incorporation and bylaws will be unaltered by the merger. Hanmi s and PUB s respective certificate of incorporation and bylaws differ in many respects, including with respect to the number and election of directors, voting rights, filling vacancies on the board and removal of directors, the ability to call a special meeting and act by written consent, stockholder proposals, dividends and liquidation rights.

The Companies (page 30)

Hanmi Financial Corporation

3660 Wilshire Boulevard
Suite PH-A
Los Angeles, California 90010
(213) 382-2200

Hanmi, a Delaware corporation, is the parent holding company for Hanmi Bank, which was originally chartered on August 24, 1981. Hanmi became Hanmi Bank s publicly traded holding company in 2000. As of September 30, 2003, Hanmi Bank operated fifteen banking offices located in California. At September 30, 2003, Hanmi had $1.7 billion in assets and $136 million of stockholders equity.

Pacific Union Bank

3530 Wilshire Boulevard
Suite 1800
Los Angeles, California 90010
(213) 385-0909

PUB is a California state-chartered commercial bank headquartered in Los Angeles that commenced operations in September 1974. PUB s primary market includes the greater Los Angeles metropolitan area, Orange County, Santa Clara County and the San Francisco metropolitan area. Through its network of 12 full-service branch offices, and a loan production office in Seattle, PUB provides a wide range of commercial and consumer banking services to the Korean-American communities. PUB s primary focus is on its core customer base of small and medium sized Korean-American businesses, professionals and other individuals. PUB places a particular emphasis on the growth of its low cost core-deposit base and the origination of commercial and residential real estate loans. At September 30, 2003, PUB had total assets of $1.06 billion, total deposits of $838.0 million and total stockholders equity of $108 million.

Hanmi and PUB Special Meetings (page 24 and page 27)

Meetings. The Hanmi special meeting will be held on l , 2004, at l , local time, at l . The PUB special meeting will be held on l , 2004, at l , local time, at l . At the Hanmi special meeting, the stockholders of Hanmi will be asked to vote on the issuance of Hanmi common stock pursuant to the merger agreement and in the private placement, and at the PUB special meeting, the stockholders of PUB will be asked to vote for the approval of the principal terms of the merger agreement and the merger.

Record Date. You may cast one vote at the Hanmi special meeting for each share of Hanmi common stock that you owned at the close of business on l , 2004, the record date for each of the special meetings, and one vote at the PUB special meeting for each share of PUB common stock that you owned on

Table of Contents

that date. On that date, there were l shares of Hanmi common stock entitled to vote at the Hanmi special meeting and l shares of PUB common stock entitled to vote at the PUB special meeting.

Required Vote. Approval of the principal terms of the merger agreement and the merger requires the affirmative vote of the holders of a majority of the shares of PUB common stock outstanding on the record date, and approval of the issuance of Hanmi common stock pursuant to the merger agreement and in the private placement requires the affirmative vote of the holders of a majority of the outstanding shares of Hanmi common stock voted in person or by proxy at the Hanmi special meeting. The Trust formed to hold Korea Exchange Bank s shares of PUB common stock, constituting approximately 62% of PUB s outstanding shares, has agreed to vote these shares in favor of the adoption of the merger agreement. As a result, we expect to receive PUB stockholder approval.

Reasons for the PUB Stockholder Meeting. Under California law, the Trust could have executed a written consent approving the principal terms of the merger agreement and the merger, in which event we would not be seeking the approval of the merger by PUB s stockholders generally. However, in order to comply with published interpretations of the SEC concerning the registration of shares issued in transactions such as the merger, PUB, the Trust and Hanmi have agreed that PUB should hold a stockholders meeting and give all of its stockholders the opportunity to vote for or against the principal terms of the merger agreement and the merger.

Table of Contents

SELECTED CONSOLIDATED HISTORICAL FINANCIAL DATA OF HANMI

Hanmi derived the following information as of and for the fiscal years ended December 31, 1998 through December 31, 2002, from its historical audited financial statements for those years. Hanmi derived the financial information for the nine months ended September 30, 2002 and 2003 from its unaudited financial statements, which financial information includes, in the opinion of management, all adjustments consisting only of normal and recurring adjustments necessary for a fair statement of those results. The results for the nine months ended September 30, 2003 are not necessarily indicative of the results that may be expected for the year ended December 31, 2003. This information is only a summary and you should read it in conjunction with Hanmi s consolidated financial statements and the related notes contained in Hanmi s periodic reports filed with the Securities and Exchange Commission that have been incorporated by reference into this document. See WHERE YOU CAN FIND MORE INFORMATION on page 105.

Summary Historical Financial Data of Hanmi

	Nine Months Ended		For Year Ended December 31,				
	9/30/03	9/30/02	2002	2001	2000	1999	1998
				(In thousands)			
Summary Statement of Operations Data:							
Interest income	$56,138	$51,647	$69,607	$76,944	$72,429	$52,377	$42,642
Interest expense	15,675	15,821	21,345	32,990	30,891	18,847	15,730
Net interest income before provision for loan losses	40,463	35,826	48,262	43,954	41,538	33,530	26,912
Provision for loan losses	4,380	3,150	4,800	1,400	2,250	1,000	3,050
Non-interest income	14,599	15,251	20,913	16,987	14,819	12,786	10,391
Non-interest expense	28,931	29,101	38,333	32,028	27,796	24,628	19,782
Income before income taxes	21,751	18,826	26,042	27,513	26,311	20,688	14,471
Income tax expense	7,613	6,589	9,012	10,703	10,788	8,682	5,207
Net income	14,138	12,237	17,030	16,810	15,523	12,006	9,264

	Nine Months Ended		For Year Ended December 31,				
	9/30/03	9/30/02	2002	2001	2000	1999	1998
				(In thousands)			
Summary Statement of Financial Condition:							
Cash and cash equivalents	$ 53,314	$ 122,833	$ 122,772	$ 81,205	$ 176,107	$ 69,459	$ 70,729
Total investment securities	446,344	299,890	279,548	213,179	205,994	171,238	218,978
Net loans	1,177,242	955,311	1,004,139	821,062	620,522	474,650	331,286
Total assets	1,734,668	1,425,178	1,456,298	1,158,760	1,034,610	740,259	650,765
Total deposits	1,501,878	1,255,884	1,283,979	1,042,353	934,581	655,730	586,284
Total liabilities	1,598,459	1,305,759	1,331,830	1,053,887	948,214	672,428	591,790
Total shareholders equity	136,209	119,419	124,469	104,873	86,396	67,831	58,975
Average Balances							
Average net loans	1,067,284	859,379	911,318	717,728	555,005	396,607	291,841
Average investment securities	414,486	314,959	248,730	244,654	186,638	190,547	159,347
Average total assets	1,578,044	1,272,266	1,308,885	1,100,182	873,044	690,797	548,198
Average deposits	1,388,007	1,136,098	1,164,561	988,392	780,213	612,452	485,535
Average equity	130,030	110,092	112,927	95,740	78,363	64,896	55,444

Performance Ratios							
Return on average assets	1.19%	1.28%	1.30%	1.53%	1.78%	1.74%	1.69%
Return on average equity	14.50%	14.82%	15.08%	17.56%	19.81%	18.50%	16.71%
Net interest margin	3.64%	4.07%	3.98%	4.32%	5.25%	5.46%	5.51%

	Nine Months Ended		For Year Ended December 31,				
	9/30/03	9/30/02	2002	2001	2000	1999	1998
Capital Ratios							
Leverage capital ratio	7.94%	8.30%	8.50%	8.86%	8.46%	9.20%	8.66%
Tier 1 risk-based capital ratio	10.26%	11.17%	11.01%	11.71%	11.11%	12.63%	11.61%
Total risk-based capital ratio	11.31%	12.23%	12.14%	12.87%	12.37%	13.88%	12.86%
Asset Quality Ratios							
Allowance for loan losses to total gross loans	1.13%	1.10%	1.20%	1.21%	1.89%	2.19%	3.05%
Net charge-offs to average total loans	0.29%	0.35%	0.28%	0.45%	0.16%	0.19%	1.06%
Nonperforming assets to total gross loans	0.97%	0.44%	0.64%	0.60%	0.40%	0.62%	0.97%

Table of Contents

SELECTED HISTORICAL FINANCIAL DATA OF PUB

PUB derived the following information as of and for the fiscal years ended December 31, 1998 through December 31, 2002, from its historical audited financial statements for those years. PUB derived the financial information for the nine months ended September 30, 2002 and 2003 from its unaudited financial statements, which financial information includes, in the opinion of management, all adjustments consisting only of normal and recurring adjustments necessary for a fair statement of those results. The results for the nine months ended September 30, 2003 are not necessarily indicative of the results that may be expected for the year ended December 31, 2003. This information is only a summary and you should read it in conjunction with PUB s consolidated financial statements and the related notes contained in PUB s periodic reports filed with the Federal Deposit Insurance Corporation that have been incorporated by reference into this document. See WHERE YOU CAN FIND MORE INFORMATION on page 105.

Summary Historical Financial Data of PUB

	Nine Months Ended		For Year Ended December 31,				
	9/30/03	9/30/02	2002	2001	2000	1999	1998
	(In thousands)						
Summary Statement of Operations Data:							
Interest income	$37,054	$33,911	$46,378	$55,276	$53,169	$39,751	$37,582
Interest expense	10,272	9,591	13,311	22,203	20,126	13,616	13,071
Net interest income before provision for loan losses	26,782	24,320	33,067	33,073	33,043	26,135	24,511
Provision for loan losses	1,300	400	1,100	1,300	1,300	200	3,840
Non-interest income	9,292	8,563	12,645	9,907	9,335	8,224	8,012
Non-interest expense	20,464	18,730	25,557	23,397	22,083	20,282	20,763
Income before income taxes	14,310	13,753	19,055	18,283	18,995	13,877	7,920
Income tax expense	5,728	5,337	7,404	6,711	6,844	5,494	2,701
Net income	8,582	8,416	11,651	11,572	12,151	8,383	5,219

	Nine Months Ended		For Year Ended December 31,				
	9/30/03	9/30/02	2002	2001	2000	1999	1998
	(In thousands)						
Summary Statement Of Financial Condition:							
Cash and cash equivalents	$ 46,393	$ 77,551	$ 86,765	$ 68,074	$ 93,925	$ 40,524	$ 87,891
Total investment securities	162,616	205,484	154,015	139,662	156,104	155,387	133,103
Net loans	821,464	646,346	674,258	562,887	458,912	377,394	289,936
Total assets	1,057,804	948,928	936,995	789,508	731,822	595,179	528,606
Total deposits	837,967	774,803	759,996	692,752	646,404	533,120	467,667
Total liabilities	949,592	850,553	836,119	699,548	655,523	538,737	472,289
Total shareholders equity	108,212	98,375	100,876	89,960	76,299	56,442	56,317

Table of Contents

	Nine Months Ended		For Year Ended December 31,				
	9/30/03	9/30/02	2002	2001	2000	1999	1998
				(In thousands)			
Average Balances							
Average net loans	745,169	575,031	594,641	523,337	435,778	309,142	287,547
Average investment securities	150,046	143,454	154,647	163,633	151,091	155,411	99,734
Average total assets	1,017,129	838,760	866,768	820,318	661,292	557,862	502,919
Average deposits	837,443	719,325	733,235	725,567	582,004	494,706	443,527
Average equity	104,090	92,469	93,922	82,703	61,707	55,696	53,948
Performance Ratios							
Return on average assets	1.12%	1.34%	1.34%	1.41%	1.84%	1.50%	1.04%
Return on average equity	10.99%	12.14%	12.40%	13.99%	19.69%	15.05%	9.67%
Net interest margin	3.67%	4.08%	4.01%	4.28%	5.43%	5.11%	5.37%
Capital Ratios							
Leverage capital ratio	10.40%	11.56%	11.56%	10.77%	10.56%	10.33%	10.82%
Tier 1 risk-based capital ratio	13.46%	14.59%	14.70%	14.82%	15.01%	14.20%	17.17%
Total risk-based capital ratio	14.71%	15.84%	15.95%	16.07%	16.26%	15.46%	18.44%
Asset Quality Ratios							
Allowance for loan losses to total gross loans	1.20%	1.32%	1.30%	1.65%	1.90%	2.16%	2.71%
Net charge-offs (recoveries) to average total loans	0.03%	0.28%	0.28%	0.14%	0.17%	(0.02)%	1.27%
Nonperforming assets to total gross loans	0.16%	0.73%	0.30%	0.88%	0.21%	1.03%	3.17%

SELECTED UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL DATA

The following table presents certain unaudited pro forma condensed combined financial information for Hanmi and PUB after giving effect to the merger as if the merger had taken place as of the beginning of the earliest period presented, and after giving effect to the pro forma adjustments described in the notes to the unaudited pro forma condensed combined financial statements appearing in this document beginning on page 94. The pro forma data in the tables assume that the merger is accounted for using the purchase method of accounting. See THE MERGER Accounting Treatment on page 60. The information in the following table is based on, and should be read together with, the pro forma information that appears elsewhere in this document and the historical information we have presented in prior filings with the Securities and Exchange Commission and the Federal Deposit Insurance Corporation. See UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION on page 90 and WHERE YOU CAN FIND MORE INFORMATION on page 105. The pro forma financial information is not necessarily indicative of results that actually would have occurred had the merger been completed on the dates indicated or that may be obtained in the future.

	Nine Months Ended September 30, 2003	Year Ended December 31, 2002
	(Unaudited)	(Unaudited)
	(In thousands)	
Summary Statement of Operations Data:		
Interest income	$90,781	$112,231
Interest expense	27,074	33,720
Net interest income before provisions for loan losses	63,707	78,511
Provision for loan losses	5,680	5,900
Net interest income after provisions for loan losses	58,027	72,611
Non-interest income	23,891	33,558
Non-interest expense	50,761	65,711
Income before income taxes	31,157	40,458
Income tax provision	11,282	14,467
Net income	$19,875	$ 25,991

	September 30, 2003
	(Unaudited) (In thousands)
Summary Statement of Financial Condition:	
Cash and cash equivalents	$ 48,289
Total investment securities	608,961
Net loans	1,998,706
Total assets	2,957,921
Total deposits	2,339,845
Total liabilities	2,614,505
Total shareholders equity	343,416

Table of Contents

COMPARATIVE PER SHARE DATA

The following table sets forth for Hanmi common stock and PUB common stock certain historical, pro forma combined and pro forma equivalent per share financial information. The pro forma combined and pro forma equivalent per share information gives effect to the merger as if the merger had been effective at the beginning of the periods presented, in the case of the net income and dividends declared data presented, and on the dates presented, in the case of the book value data presented. The pro forma data in the following table assume that the merger is accounted for using the purchase method of accounting. See THE MERGER Accounting Treatment on page 60. The information in the following table is based on, and should be read together with, the pro forma information that appears elsewhere in this document and the historical information we have presented in prior filings with the Securities and Exchange Commission and the Federal Insurance Deposit Corporation. See UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION on page 90 and WHERE YOU CAN FIND MORE INFORMATION on page 105.

The pro forma financial information is not necessarily indicative of results that actually would have occurred had the merger been completed on the dates indicated or that may be obtained in the future.

	Nine Months Ended September 30, 2003	Year Ended December 31, 2002
Hanmi Historical per share data:		
Basic earnings per share	$1.01	$1.23
Diluted earnings per share	$0.99	$1.20
Book value per share	$9.64	$8.94

	Nine Months Ended September 30, 2003	Year Ended December 31, 2002
PUB Historical per share data:		
Basic earnings per share	$ 0.81	$1.10
Diluted earnings per share	$ 0.80	$1.09
Book value per share	$10.14	$9.50

	Nine Months Ended September 30, 2003	Year Ended December 31, 2002
Pro Forma per share data:		
Combined earnings per Hanmi share(1)		
Basic	$ 0.81	$ 1.07
Diluted	$ 0.80	$ 1.06
Basic and diluted earnings per equivalent PUB share(2)		
Basic	$ 1.06	$ 1.39
Diluted	$ 1.04	$ 1.38
Book value per Hanmi share	$13.98	$13.62
Book value per equivalent PUB share(3)	$18.12	$17.65

(1) The pro forma net income per share amounts are calculated by totaling the historical net income (after giving effect to pro forma adjustments) of Hanmi and PUB and dividing the resulting amount by the average pro forma shares of Hanmi and PUB giving effect to the merger using an implied exchange ratio of 1.2958 (based on the closing price of Hanmi common stock on December 22, 2003) and inclusive of the 3,947,369 shares of Hanmi common stock to be issued in the private placement. The pro forma net income per share amounts do not take into consideration any operating efficiencies that may be realized as a result of the merger.

(2) Per equivalent PUB share data is calculated by taking the product of the pro forma per share data combined and an implied exchange ratio of 1.2958 (based on the closing price of Hanmi common stock on December 22, 2003).

(3) Pro forma book value per common share is based on the pro forma total stockholders equity of the combined entity divided by the total pro forma common shares of the combined entity giving effect to the merger using an implied exchange ratio of 1.2958 (based on the closing price of Hanmi common stock on December 22, 2003) and inclusive of the 3,947,369 shares of Hanmi common stock to be issued in the private placement.

Table of Contents

COMPARATIVE MARKET PRICE AND DIVIDEND INFORMATION

Hanmi

Hanmi common stock is listed on the Nasdaq National Market System under the symbol HAFC. The following table shows the high and low reported closing sale prices per share of Hanmi common stock on the Nasdaq National Market System and the quarterly cash dividends declared per share of Hanmi common stock.

	Price Range of Common Stock		Dividends
	High	Low	Declared
2002			
First Quarter	$17.10	$14.40	$0.00
Second Quarter	18.00	16.59	0.00
Third Quarter	15.60	13.70	0.00
Fourth Quarter	18.00	14.25	0.00
2003			
First Quarter	$17.84	$15.83	$0.10
Second Quarter	17.99	16.10	0.10
Third Quarter	22.39	17.45	0.10
Fourth Quarter	22.48	19.77	0.10
2004			
First Quarter (through February l, 2004)	$ 1	$ 1	$0.00

PUB

PUB common stock is listed on the Nasdaq National Market System under the symbol PUBB. The following table shows the high and low reported closing sale prices per share of PUB common stock on the Nasdaq National Market System and the quarterly cash dividends declared per share of PUB common stock.

	Price Range of Common Stock		Dividends
	High	Low	Declared
2002			
First Quarter	$10.26(1)	$ 9.04(1)	$0.00
Second Quarter	17.59	10.27(1)	0.00
Third Quarter	18.20	11.01	0.00
Fourth Quarter	13.21	9.28	0.00
2003			
First Quarter	$12.74	$11.16	$0.00
Second Quarter	15.46	11.63	0.05
Third Quarter	20.98	12.99	0.05
Fourth Quarter	26.92	18.55	0.05
2004			
First Quarter (through February l, 2004)	$ 1	$ 1	$0.05

(1) Such prices have been adjusted to reflect the 112:100 PUB stock split on April 17, 2002.

As reported on the Nasdaq National Market, the closing sales price per share on December 22, 2003 (the last full trading day prior to the announcement of the merger agreement) of Hanmi common stock was $21.30 and of PUB common stock was $24.63. Based on the closing price per share of Hanmi common stock on that date, the implied exchange ratio was 1.2957 and the implied per share value of PUB common stock was $27.60 as of that date. The closing sale price per share of Hanmi common stock on the Nasdaq National Market on l , 2004, the last practicable trading day before the date of the distribution of this joint proxy statement/prospectus, was $ l . The implied per share value of PUB common stock was $ l as of that date based on the closing sale price per share of Hanmi common stock on that date. The implied exchange ratio was l as of that date.

Past price performance is not necessarily indicative of likely future performance. Because market prices of Hanmi common stock will fluctuate, you are urged to obtain current market prices for shares of Hanmi common stock.

RISK FACTORS

In addition to the other information contained in or incorporated by reference into this document, including the matters addressed under the caption CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS on page 23, you should carefully consider the following risk factors in deciding how to vote on the merger.

Risks Related to the Merger

Because the market price of Hanmi common stock may fluctuate, PUB stockholders cannot be sure of the value of the merger consideration that they will receive.

Upon completion of the merger, each share of PUB common stock will be converted into merger consideration consisting of shares of Hanmi common stock, pursuant to the terms of the merger agreement. The value of the merger consideration to be received by PUB stockholders and the exchange ratio used to determine the number of shares of Hanmi common stock they will receive upon completion of the merger will be based, in part, on the average of the daily volume weighted average sale price of Hanmi common stock during the five day period ending on the day prior to the completion of the merger. This average price may vary from the price of Hanmi common stock on the date the merger was announced, on the date of this document, on the date of the special meetings and on the date of the completion of the merger. Accordingly, at the time of the special meetings, PUB stockholders will not necessarily know or be able to calculate the value of the merger consideration or the exchange ratio.

Any change in the price of Hanmi common stock prior to completion of the merger will affect the value of the merger consideration that you will receive upon completion of the merger, except that if Hanmi s stock price drops to between $19.00 and $17.50, or if Hanmi s stock price increases to between $25.00 and $26.50, the value of the merger consideration will remain the same throughout those respective ranges. Stock price changes may result from a variety of factors, including general market and economic conditions, changes in our respective businesses, operations and prospects, and regulatory considerations. Many of these factors are beyond our control. Neither of us is permitted to terminate the merger agreement or resolicit the vote of our stockholders solely because of changes in the market price of either of our common stocks.

Hanmi may fail to realize the anticipated benefits of the merger.

The success of the merger will depend on, among other things, Hanmi s ability to realize anticipated cost savings and revenue enhancements and to combine the businesses of its subsidiary Hanmi Bank and PUB in a manner that permits growth opportunities to occur and that does not materially disrupt the existing customer relationships of PUB or result in decreased revenues resulting from any loss of customers. If Hanmi is not able to successfully achieve these objectives, the anticipated benefits of the merger may not be realized fully, or at all, or may take longer to realize than expected.

Hanmi and PUB have operated and, until the completion of the merger, will continue to operate, independently. It is possible that the integration process could result in the loss of key employees, the disruption of Hanmi s or PUB s ongoing businesses, diversion of management time on merger-related issues, or inconsistencies in standards, controls, procedures and policies that adversely affect our ability to maintain relationships with customers and employees or to achieve the anticipated benefits of the merger.

Uncertainty regarding the merger may result in the loss of the employees and customers of Hanmi and PUB prior to the completion of the merger.

Employees of Hanmi and PUB may experience uncertainty about their future role with the combined company. This may adversely affect the ability of the combined company to retain and attract key management and other personnel. Similarly, uncertainty regarding the merger may cause customers of Hanmi and PUB to withdraw their business prior to the completion of the merger. Any loss of Hanmi s or PUB s customers could have a material adverse effect on Hanmi s or PUB s respective businesses, regardless of whether or not the merger is ultimately completed. There can be no assurance that customers of each of Hanmi or PUB will continue their business without regard to the proposed merger.

Hanmi and PUB may be subject to adverse regulatory conditions.

Before the merger may be completed, various approvals must be obtained from, or notifications submitted to, the Board of Governors of the Federal Reserve System and the California Department of Financial Institutions. Some of the governmental authorities from whom those approvals must be obtained may impose conditions on the completion of the merger or require changes in the terms of the merger. These conditions or changes could have the effect of delaying the merger or imposing additional costs or limiting the possible revenues of the combined company.

Future sales of common stock by Hanmi s existing stockholders could cause its stock price to decline.

In order to finance the cash portion of the acquisition price, Hanmi has agreed to issue an aggregate of approximately 3,947,369 shares of common stock in a private placement at a purchase price of $19 per share. Hanmi has agreed to file a registration statement covering resales of shares by the purchasers in the private placement, not later than 90 days after the merger closing. By exercising these registration rights and selling a large number of shares, these holders could cause the price of Hanmi s common stock to decline.

Risks Related to the Combined Company After the Merger

Deterioration of economic conditions in Southern California could adversely affect the combined company s loan portfolio and reduce the demand for the combined company s services.

Hanmi Bank and PUB focus their businesses in Southern California, primarily in the greater Los Angeles and Orange County areas. The Los Angeles area has experienced a downturn in economic activity in line with the slowdown in California during the past year. Economic activity slowed significantly immediately following the September 11, 2001 terrorist attacks. Unemployment levels have increased since mid 2001, especially in Los Angeles and Orange County, which is the geographic center and base of deposit and lending activity for Hanmi Bank and PUB. In the early 1990 s, the California economy experienced an economic recession that increased the level of delinquencies and losses for Hanmi Bank and PUB and many of the state s other financial institutions. Another recession could occur. An economic slow-down in Southern California could have the following consequences, any of which could reduce the combined company s net income:

- loan delinquencies may increase;
- problem assets and foreclosures may increase;
- claims and lawsuits may increase;
- demand for the combined company s products and services may decline; and
- collateral for loans made by the combined company, especially real estate, may decline in value, in turn reducing customers borrowing power, reducing the value of assets associated with problem loans and reducing collateral coverage of the combined company s existing loans.

The combined company could be negatively impacted by a downturn in economic conditions in Asia.

Even though most of Hanmi Bank s trade finance activities are related to trade with Asia, all of Hanmi Bank s loans are made to companies domiciled in the United States. PUB has made loans to companies that are subsidiaries of companies domiciled in Korea and, often, these loans are guaranteed by or dependent upon the Korean parent company. Consequently, the combined company may have exposure to economic conditions in Asia. Adverse economic and political conditions in Asia, including currency devaluation, crises in leadership succession, or military conflict, may increase the combined company s exposure to economic and transfer risk. Transfer risk may increase because of an entity s incapacity to obtain the foreign exchange needed to meet its obligations or to provide liquidity. Although Hanmi Bank s operations have not been adversely affected by the fiscal crisis in Asia which began in 1998, we cannot assure you that this crisis or in a similar crisis the combined company s financial condition and results of operations would not be negatively impacted.

In addition, because a significant portion of PUB s customer base is Korean-American, PUB has historically had exposure to the economy of South Korea with respect to certain of its loans and credit transactions. Such exposure has consisted of (1) extensions of credit to banks in South Korea in the form of letters of credit discount transactions; (2) loans to borrowers in the U. S. secured by stand-by letters of credit issued by banks in South Korea and (3) loans to U.S. affiliates/ subsidiaries of companies in South Korea.

South Korea s economy is currently recovering from the same fiscal crisis affecting most of Asia which began in 1998. In addition to the three types of credit extensions described above, PUB has historically issued performance letters of credit on behalf of certain large, internationally-known Korean companies in connection with such companies transactions in the U.S. PUB has not experienced any losses with respect to such letters of credit over the past six years, and all of the customers for whom such letters of credit have been issued are substantial depositors which have typically maintained balances in excess of the amounts of such letters of credit. Notwithstanding PUB s efforts to minimize its exposure to downturns in the Korean economy with respect to the above-described credit extensions, there can be no assurance that the combined company s efforts will be successful, and another significant downturn in the Korean economy could result in significant credit losses for the combined company.

In addition to credit risks, because both Hanmi Bank s and PUB s respective customer base is largely Korean-American, the combined company s deposit base could significantly decrease as a result of a deterioration of the Korean economy. We believe that this may result because some of the combined company s customers may need funds for their local businesses which may be impacted by the Korean economy, or may temporarily withdraw deposits in order to transfer funds and benefit from gains on foreign exchange and interest rates and/or to help their relatives or affiliated companies in South Korea during downturns in the Korean economy. A significant decrease in the combined company s deposits could also have a material adverse effect on the financial condition and results of operations of the combined company.

Borrowers inability to pay their commercial real estate loans may have a material impact on the combined company.

Approximately $520.1 million or 62.55% of PUB s loan portfolio at September 30, 2003, and $722.7 million or 60% of Hanmi Bank s loan portfolio at September 30, 2003 were concentrated in commercial real estate loans. Although commercial loans generally provide for higher interest rates and shorter terms than single family residential loans, such loans generally involve a higher degree of risk, as the ability of borrowers to repay these loans is often dependent upon the profitability of the borrowers businesses. An increase in the percentage of nonperforming assets in the combined company s commercial real estate, commercial and industrial loan portfolio may have a material impact on the combined company s financial condition and results of operations.

The combined company has specific risks associated with small business administration loans.

Hanmi Bank and PUB have each generally sold the guaranteed portion of Small Business Administration (SBA) loans in the secondary market. There can be no assurance that the combined company will be able to continue originating these loans, or that a secondary market will exist for, or that the combined company will continue to realize premiums upon the sale of, the guaranteed portions of the SBA loans. The federal government presently guarantees 75% to 85% of the principal amount of each qualifying SBA loan. There can be no assurance that the federal government will maintain the SBA program, or if it does, that such guaranteed portion will remain at its current funding level. Furthermore, there can be no assurance that the combined company will retain its preferred lender status, which, subject to certain limitations, would allow the combined company to approve and fund SBA loans without the necessity of having the loan approved in

Table of Contents

advance by the SBA, or that if it does, the federal government will not reduce the amount of such loans which can be made by the combined company.

Hanmi Bank believes that its SBA loan portfolio does not involve more than a normal risk of collection. However, since Hanmi Bank has sold the guaranteed portion of substantially all of its SBA loan portfolio, Hanmi Bank incurs a pro rata credit risk on the nonguaranteed portion of the SBA loans since Hanmi Bank shares pro rata with the SBA in any recoveries. In the event of default on an SBA loan, the combined company s pursuit of remedies against a borrower is subject to SBA approval, and where the SBA establishes that its loss is attributable to deficiencies in the manner in which the loan application has been prepared and submitted, the SBA may decline to honor its guarantee with respect to the combined company s SBA loans or it may seek the recovery of damages from the combined company. The SBA has never declined to honor its guarantees with respect to Hanmi s SBA loans, although no assurance can be given that the SBA would not attempt to do so in the future.

Recent accounting changes may give rise to a future regulatory capital event that would entitle the trust created to facilitate the trust preferred offering to redeem the trust preferred securities and may also reduce the combined company s consolidated capital ratios.

In January 2003, the Financial Accounting Standards Board (FASB) issued FASB Interpretation No. 46, *Consolidation of Variable Interest Entities* (FIN 46), that addresses the consolidation rules to be applied to variable interest entities. In December, 2003, the FASB issued FIN 46R which is a reissuance of FIN 46. The guidance of FIN 46R requires that trust preferred structures will generally not be consolidated. As a result, the Trust Preferred issued by Hanmi in January 2004 will not be consolidated. Hanmi will recognize the debt to the related trust as a liability in its financial statements.

Given the issues raised by FIN 46, there could be a change to the regulatory capital treatment of trust preferred securities issued by U.S. bank holding companies. Specifically, it is possible that the Federal Reserve Board may conclude that trust preferred securities should no longer be treated as Tier 1 regulatory capital. If Tier 1 treatment were disallowed, then the combined company would be able to redeem the trust preferred securities (and any other trust preferred securities it may have outstanding at that time) pursuant to the terms of the trust preferred securities.

If Tier 1 treatment for its trust preferred securities were disallowed, there would be a reduction in certain of the combined company s consolidated capital ratios. If the Federal Reserve Board granted Tier 2 status to the combined company s trust preferred securities, we believe that the combined company would remain well capitalized under Federal Reserve Board guidelines. If the Federal Reserve Board does not grant Tier 2 status, we nonetheless believe that the combined company would remain in compliance with all of the Federal Reserve Board s existing minimum capital requirements.

Provisions in Hanmi s charter documents could delay or prevent changes in control.

These provisions could make it more difficult for another company to acquire Hanmi, which could reduce the market price of Hanmi s common stock and the price that you receive if you sell your shares in the future. These provisions include the following:

- a provision requiring a two-thirds vote when shareholders approve certain amendments to Hanmi s charter and bylaws;
- a requirement that shareholders give advance notice of matters to be raised at a meeting of shareholders;
- a requirement that certain acquisition transactions not approved by the board of directors receive the approval of two-thirds of the outstanding shares;

Table of Contents

staggered terms of office for members of the board of directors;

a requirement that only the board of directors or chairman of the board or the president may call a special meeting; and

a provision that requires that stockholder action be taken only at an annual or special meeting.

The combined company is exposed to the risks of natural disasters.

A major earthquake could result in material loss to the combined company. Both Hanmi Bank s and PUB s operations are concentrated in Southern California, especially the greater Los Angeles and Orange County areas. A significant percentage of their loans are secured by real estate. California is prone to earthquakes, fires, flooding and other natural disasters. Hanmi Bank has a disaster-recovery plan with offsite data processing resources located in New Jersey. However, both Hanmi Bank s and PUB s properties, and most of the real and personal property securing loans in both Hanmi Bank s and PUB s portfolios, are in Southern California. Many of the combined company s borrowers could suffer uninsured property damage, experience interruption of their businesses or lose their jobs after an earthquake. Those borrowers might not be able to repay their loans, and the collateral for loans could decline significantly in value. Unlike a bank with operations that are more geographically diversified, the combined company will be vulnerable to greater losses if an earthquake, fire, flood or other natural catastrophe occurs in Southern California.

Table of Contents

CAUTIONARY STATEMENT REGARDING

FORWARD-LOOKING STATEMENTS

This document contains forward-looking statements about Hanmi, PUB and the combined company after completion of the merger that are intended to be covered by the safe harbor for forward-looking statements provided by the Private Securities Litigation Reform Act of 1995. These statements may be made directly in this document or may be incorporated in this document by reference to other documents and may include statements for the period following the completion of the merger. Representatives of Hanmi and PUB may also make forward-looking statements. Forward-looking statements are statements that are not historical facts. Words such as expect, feel, believe, will, may, anticipat plan, estimate, intend, should and similar expressions, or the negative of those expressions, are intended to identify forward-looking statements These statements include, but are not limited to, financial projections and estimates and their underlying assumptions; statements regarding plans, objectives and expectations with respect to future operations, products and services; and statements regarding future performance. These statements are subject to risks and uncertainties, many of which are difficult to predict and generally beyond the control of Hanmi and PUB.

Some of the risks and uncertainties that could cause actual results to differ materially from those expressed in, or implied by, the forward-looking information and statements include, but are not limited to:

- increases in competitive pressure among financial institutions or from non-financial institutions;
- changes in the interest rate environment;
- changes in deposit flows, loan demand or real estate values;
- changes in accounting principles, policies or guidelines;
- legislative or regulatory changes;
- changes in general economic conditions, either nationally or in some or all of the operating areas in which the combined company will be doing business, or conditions in securities markets or the banking industry;
- other economic, competitive, governmental, regulatory, geopolitical and technological factors affecting operations, pricing and services; and
- those discussed and identified elsewhere in this document, including under the heading Risk Factors , and in other public filings with the Securities and Exchange Commission made by Hanmi and with the Federal Deposit Insurance Corporation made by PUB.

You are cautioned not to place undue reliance on these forward-looking statements which speak only as of the date of this document or the date of any document incorporated by reference. All subsequent written and oral forward-looking statements concerning the merger or other matters addressed in this document and attributable to Hanmi or PUB or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. Except to the extent required by applicable law or regulation, neither Hanmi nor PUB undertakes any obligation to republish revised forward-looking statements to reflect events or circumstances after the date of those statements or to reflect the occurrence of unanticipated events.

Table of Contents

THE HANMI SPECIAL MEETING

This section contains information for Hanmi stockholders about the special meeting of stockholders that its board of directors called to consider the proposal to issue Hanmi common stock pursuant to the merger agreement and in the private placement.

General

This joint proxy statement/prospectus is being furnished to holders of Hanmi common stock for use at a special meeting of Hanmi stockholders and any adjournments or postponements of that meeting.

When and Where the Hanmi Special Meeting Will Be Held

Hanmi s special meeting will be held on l , 2004, at l , local time, at l , subject to any adjournments or postponements of the meeting.

Matters to Be Considered

The purpose of the Hanmi special meeting is to consider and vote upon:

1. a proposal to (i) issue Hanmi common stock pursuant to the Agreement and Plan of Merger, dated as of December 22, 2003, by and among Hanmi, Hanmi Bank, a direct and wholly owned subsidiary of Hanmi, and PUB and (ii) issue an aggregate of 3,947,369 shares of Hanmi common stock in a private placement for $19 per share pursuant to the securities purchase agreements entered into with various purchasers, including five members of Hanmi s board of directors; and

2. such other business as may properly come before the special meeting of Hanmi stockholders or any adjournment or postponement of that meeting.

Hanmi stockholders must approve this proposal for the merger to occur. If the Hanmi stockholders fail to approve this proposal, the merger will not occur.

Record Date

Hanmi stockholders who hold their shares of record as of the close of business on l , 2004 are entitled to notice of and to vote at the Hanmi special meeting. On the record date, there were l shares of Hanmi common stock outstanding and entitled to vote at the Hanmi special meeting, held by approximately l holders of record.

Vote Required and Voting Rights

The affirmative vote of the holders of a majority of the shares of Hanmi common stock of record voted in person or by proxy at the Hanmi special meeting is required to adopt the proposal to issue shares of Hanmi common stock pursuant to the merger agreement and in the private placement. Each share of Hanmi common stock is entitled to cast one vote on all matters properly submitted to Hanmi s stockholders.

The presence, in person or by properly executed proxy, of the holders of a majority of the shares of Hanmi common stock outstanding on the record date is necessary to constitute a quorum at the Hanmi special meeting. Abstentions will be counted solely for the purpose of determining whether a quorum is present. There must be a quorum in order for the vote on the proposal to occur.

As of the record date, the directors and executive officers of Hanmi and their affiliates beneficially owned or had the right to vote 4,744,609 shares of Hanmi common stock, or approximately 33% of the outstanding shares of Hanmi common stock entitled to be voted at the Hanmi special meeting. Hanmi s directors, holding approximately 33% of the outstanding shares of Hanmi common stock, have agreed to vote their shares in favor of the issuance of shares of Hanmi common stock pursuant to the merger agreement and in the private placement.

Table of Contents

In addition, as of the record date, one PUB executive officer owned 152 shares, or approximately 0.00001%, of the outstanding shares of Hanmi common stock entitled to vote at the special meeting of Hanmi stockholders. This executive officer has indicated that she intends to vote all of her shares of Hanmi common stock in favor of the proposal to issue Hanmi common stock pursuant to the merger agreement and in the private placement.

Proxies

You should complete and return the proxy card accompanying this document in order to ensure that your vote is counted at the Hanmi special meeting, or at any adjournment or postponement of the Hanmi special meeting, regardless of whether you plan to attend the meeting. If you sign and send in your proxy card and do not indicate how you want to vote, we will count your proxy card as a vote in favor of the proposal. You may revoke your proxy at any time before the vote is taken at the Hanmi special meeting. If you have not voted through your broker, you may revoke your proxy by:

- submitting written notice of revocation to the Corporate Secretary of Hanmi prior to the voting of that proxy;
- submitting written notice of the death or incapacity of the maker of the proxy to the Corporate Secretary of Hanmi prior to the voting and counting of that proxy;
- submitting a properly executed proxy bearing a later date; or
- voting in person at the Hanmi special meeting; however, simply attending the Hanmi special meeting without voting will not revoke an earlier proxy.

Written notices of revocation and other communications regarding the revocation of your proxy should be addressed to:

Hanmi Financial Corporation

3660 Wilshire Boulevard
Suite PH-A
Los Angeles, California 90010
Attention: Myung Hee Kim
Corporate Secretary

If your shares are held in street name, you should follow the instructions of your broker regarding the revocation of proxies.

The Hanmi board of directors is currently unaware of any other matters that may be presented for action at the Hanmi special meeting. If other matters properly come before the Hanmi special meeting, or at any adjournment or postponement of the Hanmi special meeting, we intend that shares represented by properly submitted proxies will be voted, or not voted, by and at the discretion of the persons named as proxies on the proxy card unless you withhold authority to do so on the proxy card or voting instruction card. The persons named as proxies may vote for one or more adjournments of the Hanmi special meeting to permit further solicitations in favor of the issuance of shares of Hanmi common stock pursuant to the merger agreement and in the private placement. However, no proxy that is voted against the issuance of shares of Hanmi common stock pursuant to the merger agreement and in the private placement will be voted in favor of adjourning or postponing the Hanmi special meeting to solicit additional proxies.

How Proxies Are Counted

All shares of Hanmi common stock represented by properly executed proxies received before or at the Hanmi special meeting, and not revoked, will be voted in accordance with the instructions indicated in the proxies. If you make no specification on your proxy card as to how you want your shares voted before signing and returning it, your proxy will be voted FOR the issuance of Hanmi common stock pursuant to the merger agreement and in the private placement.

Hanmi will count a properly executed proxy marked ABSTAIN as present for purposes of determining whether there is a quorum. However, an abstention will have no effect on the vote to approve the issuance of Hanmi common stock pursuant to the merger agreement and in the private placement.

Brokers cannot vote the shares that they hold beneficially either for or against the issuance of shares of Hanmi common stock pursuant to the merger agreement and in the private placement without specific instructions from the person who beneficially owns those shares. Therefore, if your shares are held by a broker and you do not give your broker instructions on how to vote your shares, this will have no effect on the vote to approve the issuance of Hanmi common stock pursuant to the merger agreement and in the private placement. Brokers also may not vote on any proposal to adjourn the meeting to solicit additional proxies in favor of the issuance of Hanmi common stock pursuant to the merger agreement and in the private placement.

Recommendation of the Board of Directors

The Hanmi board of directors has determined that the issuance of Hanmi common stock pursuant to the merger agreement and in the private placement is fair to and in the best interests of Hanmi and its stockholders and that it is advisable and in the best interests of Hanmi and its stockholders to issue Hanmi common stock pursuant to the merger agreement and in the private placement. The Hanmi board of directors recommends that Hanmi s stockholders vote **FOR** the issuance of Hanmi common stock pursuant to the merger agreement and in the private placement.

See THE MERGER The Reasons of the Board of Directors of Hanmi for the Acquisition of PUB; Recommendations beginning on page 39 for a more detailed discussion of the Hanmi board of directors recommendation.

Attending the Meeting

If you hold your shares of Hanmi common stock in street name and you want to vote these shares in person at the Hanmi special meeting, you will have to get a written proxy in your name from the broker, bank or other nominee who holds your shares.

Solicitation of Proxies

Hanmi will pay the cost of the Hanmi special meeting and the cost of soliciting proxies for that meeting. In addition to soliciting proxies by mail, Hanmi may solicit proxies by telephone or in person by directors, officers or employees of Hanmi and PUB. No director, officer or employee of Hanmi or PUB will be specifically compensated for these activities. Hanmi also intends to request that brokers, banks and other nominees solicit proxies from their principals, and Hanmi will pay the brokers, banks and other nominees certain expenses they incur for those activities.

HANMI STOCKHOLDERS SHOULD NOT SEND STOCK CERTIFICATES WITH THEIR PROXY CARDS. IF THE MERGER IS COMPLETED, HANMI STOCKHOLDERS WILL NOT NEED TO EXCHANGE THEIR CURRENT STOCK CERTIFICATES.

Table of Contents

THE PUB SPECIAL MEETING

This section contains information for PUB stockholders about the special meeting of stockholders it has called to consider the adoption of the merger agreement.

General

This joint proxy statement/prospectus is being furnished to holders of PUB common stock for use at a special meeting of PUB stockholders and any adjournments or postponements of that meeting.

When and Where the PUB Special Meeting Will Be Held

PUB s special meeting will be held on l , 2004, at l , local time, at l , subject to any adjournments or postponements of the meeting.

Matters to Be Considered

The purpose of the PUB special meeting is to consider and vote upon:

1. a proposal to approve the principal terms of the Agreement and Plan of Merger, dated as of December 22, 2003, by and among Hanmi Financial Corporation, Hanmi Bank and PUB, and the merger of PUB with and into Hanmi Bank; and

2. such other business as may properly come before the special meeting of PUB stockholders or any adjournment or postponement of that meeting.

PUB stockholders must approve this proposal for the merger to occur. If PUB stockholders fail to approve this proposal, the merger will not occur.

Record Date

PUB stockholders who hold their shares of record as of the close of business on l , 2004 are entitled to notice of, and to vote at, the PUB special meeting. On the record date, there were l shares of PUB common stock outstanding and entitled to vote at the PUB special meeting, held by approximately l holders of record.

Vote Required and Voting Rights

The affirmative vote of the holders of a majority of the shares of PUB common stock outstanding on the record date is required to approve the principal terms of the merger agreement and the merger. Each share of PUB common stock is entitled to cast one vote on all matters that will be properly submitted to the PUB stockholders at the PUB special meeting.

The presence, in person or by properly executed proxy, of the holders of at least a majority of the shares of PUB common stock outstanding on the record date is necessary to constitute a quorum at the PUB special meeting. Abstentions will be counted solely for the purpose of determining whether a quorum is present. There must be a quorum in order for the vote on the proposal to occur.

The Trust formed to hold Korea Exchange Bank s shares of PUB common stock, representing approximately 62% of PUB s outstanding shares, has agreed to vote these shares at the PUB special meeting. As a result, we expect a quorum to be present and we expect to receive PUB stockholder approval.

Because the affirmative vote of the holders of a majority of the shares of PUB common stock outstanding on the record date is needed for us to proceed with the merger, the failure to vote by proxy or in person will have the same effect as a vote against the approval of the principal terms of the merger agreement and the merger. Abstentions also will have the same effect as a vote against the approval of the principal terms of the merger agreement and the merger. **Accordingly, if you are a PUB stockholder, the PUB board of directors urges you to complete, date and sign the accompanying proxy card and return it promptly in the enclosed postage-paid envelope.**

Table of Contents

In addition, to exercise dissenters rights, a PUB stockholder must vote against the approval of the principal terms of the merger agreement and the merger and must strictly comply with all of the procedures required by California law.

When considering the PUB board of directors recommendation that you vote in favor of the approval of the principal terms of the merger agreement and the merger, you should be aware that some executive officers and directors of PUB may have interests in the merger that may be different from, or in addition to, the interests of the stockholders of PUB.

As of the record date, the directors and executive officers of PUB and their affiliates beneficially owned 67,435 shares of PUB common stock, or approximately 0.63% of the outstanding shares of PUB common stock entitled to vote at the PUB special meeting. To PUB s knowledge, directors and executive officers of PUB and their affiliates intend to vote their shares of PUB common stock in favor of the principal terms of the merger agreement and the merger. In addition, the Trust formed to hold Korea Exchange Bank s shares of PUB common stock, representing approximately 62% of PUB s outstanding shares, has agreed to vote these shares in favor of the approval of the principal terms of the merger agreement and merger. As a result, we expect to receive PUB stockholder approval, whether or not any other PUB shareholders vote in favor of the merger.

In addition, as of the record date, one member of Hanmi s board of directors owns 10,000 shares, or approximately 0.09% of the outstanding shares of PUB common stock entitled to vote at the special meeting of PUB stockholders.

Proxies

You should complete and return the proxy card accompanying this document in order to ensure that your vote is counted at the PUB special meeting, or at any adjournment or postponement of the PUB special meeting, regardless of whether you plan to attend the PUB special meeting. If you sign and send in your proxy card and do not indicate how you want to vote, we will count your proxy card as a vote in favor of the proposal. You may revoke your proxy at any time before the vote is taken at the PUB special meeting. If you have not voted through your broker, you may revoke your proxy by:

- submitting written notice of revocation to the Corporate Secretary of PUB prior to the voting of that proxy;
- submitting a properly executed proxy of a later date; or
- voting in person at the PUB special meeting; however, simply attending the PUB special meeting without voting will not revoke an earlier proxy.

Written notices of revocation and other communications regarding the revocation of your proxy should be addressed to:

Pacific Union Bank
3530 Wilshire Boulevard
Suite 1800
Los Angeles, California 90010
Attention: Lisa K. Pai
Corporate Secretary

If your shares are held in street name, you should follow the instructions of your broker regarding the revocation of proxies.

The PUB board of directors is currently unaware of any other matters that may be presented for action at the PUB special meeting. If other matters properly come before the PUB special meeting, or at any adjournment or postponement of the PUB special meeting, we intend that shares represented by properly submitted proxies will be voted, or not voted, by and at the discretion of the persons named as proxies on the proxy card unless you withhold authority to do so on the proxy card or voting instruction card. The persons named as proxies may vote for one or more adjournments of the PUB special meeting to permit further solicitations in favor of the approval of the principal terms of the merger agreement and the merger. However, no proxy that is voted against the approval of the principal terms of the merger agreement and the merger will be voted in favor of adjourning or postponing the PUB special meeting to solicit additional proxies.

How Proxies Are Counted

All shares of PUB common stock represented by properly executed proxies received before or at the PUB special meeting, and not revoked, will be voted in accordance with the instructions indicated in the proxies.

PUB will count a properly executed proxy marked ABSTAIN as present for purposes of determining whether there is a quorum, but an abstention will have the effect of a vote against the approval of the principal terms of the merger agreement and the merger.

Brokers cannot vote the shares that they hold beneficially either for or against the approval of the principal terms of the merger agreement and the merger without specific instructions from the person who beneficially owns those shares. Therefore, if your shares are held by a broker and you do not give your broker instructions on how to vote your shares, this will have the same effect as voting against the approval of the principal terms of the merger agreement and the merger. Brokers also may not vote on any proposal to adjourn the meeting to solicit additional proxies in favor of the approval of the principal terms of the merger agreement and the merger.

Recommendation of the Board of Directors

Based in part on the recommendation of the special committee of the PUB board of directors, the PUB board of directors (with the four directors currently or previously affiliated with Korea Exchange Bank abstaining from the deliberations and vote) unanimously determined that the merger agreement and the merger are in the best interests of PUB and its stockholders and unanimously approved the merger agreement. The PUB board of directors recommends that PUB s stockholders vote **FOR** the approval of the principal terms of the merger agreement and the merger.

See THE MERGER The Reasons of the Special Committee and the Board of Directors of PUB for the Merger; Recommendations beginning on page 42 for a more detailed discussion of the PUB board of directors recommendation.

Attending the Meeting

If you hold your shares of PUB common stock in street name and you want to vote these shares in person at the meeting, you will have to get a written proxy in your name from the broker, bank or other nominee who holds your shares.

Solicitation of Proxies

PUB will pay the cost of the PUB special meeting and the cost of soliciting proxies for the PUB special meeting. In addition to soliciting proxies by mail, PUB may solicit proxies by telephone or in person by directors, officers or employees of Hanmi and PUB. No director, officer or employee of Hanmi or PUB will be specifically compensated for these activities. PUB also intends to request that brokers, banks and other nominees solicit proxies from their principals, and PUB will pay the brokers, banks and other nominees certain expenses they incur for those activities.

PUB STOCKHOLDERS SHOULD NOT SEND IN THEIR STOCK CERTIFICATES WITH THE PROXY CARDS. YOU WILL RECEIVE SEPARATE WRITTEN INSTRUCTIONS ON HOW TO EXCHANGE YOUR PUB STOCK CERTIFICATES FOR THE MERGER CONSIDERATION IF THE MERGER AGREEMENT IS ADOPTED.

Table of Contents

INFORMATION ABOUT THE COMPANIES

Hanmi Financial Corporation
3660 Wilshire Boulevard
Suite PH-A
Los Angeles, California 90010
(213) 382-2200

Hanmi is a Delaware corporation incorporated on March 14, 2000 pursuant to a Plan of Reorganization and Agreement of Merger to be the holding company for Hanmi Bank, and became the holding company for Hanmi Bank in June 2000. Hanmi Bank, the sole subsidiary of Hanmi, was incorporated under the laws of the State of California on August 24, 1981, and was licensed by the California Department of Financial Institutions on December 15, 1982.

Hanmi Bank is a community bank conducting general business banking with its primary market encompassing the multi-ethnic population of the Los Angeles, Orange, San Diego and Santa Clara counties. Hanmi Bank s full-service offices are located in business areas where many of the businesses are run by immigrants and other minority groups. Hanmi Bank s client base reflects the multi-ethnic composition of these communities. Hanmi Bank currently has fifteen full-service branches. Of the fifteen branches, Hanmi Bank opened twelve as de novo branches and acquired the other three through acquisition. During 2002, Hanmi Bank opened a branch in Torrance in Los Angeles county. Hanmi Bank also opened a branch in Santa Clara in the first quarter of 2003 and opened a branch in Los Angeles in the fourth quarter of 2003.

Hanmi Bank has been providing its banking services primarily in the areas of Koreatown in Los Angeles. In recent years, Hanmi Bank has expanded its service areas to Santa Clara in Northern California, and to San Diego in Southern California. In the greater Los Angeles area, the competition in Hanmi Bank s service areas is intense for both loans and deposits. While the market is dominated by a few mega banks with many offices operating over a wide geographic area, savings banks, thrift and loan associations, credit unions, mortgage companies, insurance companies and other lending institutions, Hanmi Bank s major competitors are relatively smaller community banks which focus their marketing efforts on Korean-American businesses in Hanmi Bank s service areas.

Hanmi Bank s deposit accounts are insured under the Federal Deposit Insurance Act up to applicable limits, and the Bank is a member of the Federal Reserve System. Hanmi Bank is subject to examination and regulation by the Board of Governors of the Federal Reserve System, which is Hanmi Bank s primary federal regulator, the Federal Deposit Insurance Corporation, or FDIC, and the California Department of Financial Institutions, which is Hanmi Bank s chartering authority and its primary state regulator.

For more information on Hanmi, see WHERE YOU CAN FIND MORE INFORMATION beginning on page 105.

Pacific Union Bank
3530 Wilshire Boulevard
Suite 1800
Los Angeles, California 90010
(213) 385-0909

PUB is a California state-chartered commercial bank headquartered in Los Angeles that commenced operations in September 1974 under its former name, California Korea Bank. PUB s primary market includes the greater Los Angeles metropolitan area, Orange County, Santa Clara County and the San Francisco metropolitan area. PUB has 12 full-service branch offices, including four branches within the area of Los Angeles Koreatown and one in downtown Los Angeles. Additional Southern California branch offices are located in Garden Grove, Van Nuys, Torrance, Rowland Heights and Cerritos. The two Northern California branch offices are located in Santa Clara and San Francisco. PUB also has a loan production office in Seattle, Washington.

Table of Contents

Through its network of 12 full-service branch offices and loan production office, PUB provides a wide range of commercial and consumer banking services to the Korean-American communities that it serves. PUB s primary focus is on its core customer base of small and medium sized Korean-American businesses, professionals and other individuals. PUB places a particular emphasis on the growth of its low cost core-deposit base and the origination of commercial and residential real estate loans. In addition, PUB offers Korean/English bilingual services to its customers and has a network of ATMs located in nine of its branch offices.

PUB engages in a full complement of lending activities, including the making of residential and commercial real estate loans, commercial loans, trade finance, working capital lines, Small Business Administration loans, automobile loans and credit card and other personal loans. PUB funds its lending activities primarily with retail deposits obtained through its branch network and, to a lesser extent, advances from the Federal Home Loan Bank of San Francisco. PUB s deposit products include demand deposit accounts, savings accounts, time certificates of deposits and fixed maturity installment savings. PUB also offers safe deposit boxes, wire transfer services, travelers checks, debit cards, and merchant deposit services.

As a California state-chartered bank whose accounts are insured by the FDIC up to the maximum applicable limits, PUB is subject to regulation, supervision and regular examination by the California Department of Financial Institutions and the FDIC. PUB is not a member of the Federal Reserve System.

At September 30, 2003, PUB had total assets of $1.06 billion, total deposits of $838.0 million and total stockholders equity of $108 million.

For more information on PUB, see WHERE YOU CAN FIND MORE INFORMATION beginning on page 105.

Table of Contents

THE MERGER

The following discussion contains material information pertaining to the merger. This discussion is subject, and qualified in its entirety by reference, to the merger agreement. We urge you to read and review the merger agreement as well as the discussion in this document.

Background of the Merger

On August 27, 2003, Lone Star Fund IV, L.P., a private equity investment fund, and its affiliated funds (collectively, Lone Star), announced the signing of an agreement to buy a 51% equity stake in Korea Exchange Bank, Korea s sixth-largest lender and holder of 6,624,052, or approximately 62%, of the outstanding shares of PUB common stock. Korea Exchange Bank is registered as a bank holding company under the Bank Holding Company Act, and as a controlling person under the California Financial Code, and is subject to regulation and supervision by the Board of Governors of the Federal Reserve System and the California Commissioner of Financial Institutions. Unless Korea Exchange Bank reduced its ownership interest in PUB below 5% of PUB s outstanding voting securities, Lone Star would be required to register as a bank holding company, be approved as a controlling person by the California Commissioner, and be subject to regulation and supervision of the Federal Reserve Board and the California Commissioner.

In early October, in light of Lone Star s agreement to acquire Korea Exchange Bank, and Hanmi s hope that Lone Star might ultimately decide to divest some or all of Korea Exchange Bank s interest in PUB, Hanmi s board of directors authorized its officers to retain Credit Suisse First Boston as Hanmi s financial advisor. On October 13, 2003, Credit Suisse First Boston, on behalf of Hanmi, contacted Lone Star, and inquired as to Lone Star s intentions towards PUB. Credit Suisse First Boston was instructed that all inquiries concerning the sale of their interest in PUB should be directed to Merrill Lynch & Co. Later that week, Credit Suisse First Boston discussed Hanmi s interest in PUB with Merrill Lynch, and was informed that Hanmi would be kept informed of any actions taken or decisions made by Lone Star.

On October 15, 2003, Korea Exchange Bank notified certain members of the PUB board of directors of Korea Exchange Bank s intent to divest itself of all, or substantially all, of its ownership interest in PUB pursuant to a regulatory agreement among Korea Exchange Bank, Lone Star and the Federal Reserve Board. In response to this notification, the PUB board of directors established a special committee to represent the interests of PUB stockholders (other than Korea Exchange Bank). The special committee included only those members of the PUB board of directors who are not currently and were not previously affiliated with Korea Exchange Bank or Lone Star and were not employees or officers of PUB.

On October 27, 2003, the special committee held its first meeting. Representatives of Manatt, Phelps & Phillips, LLP, the special committee s legal counsel, attended the meeting. At this meeting, three investment banking firms made presentations to the special committee in connection with serving as financial advisor to the special committee in connection with evaluating the anticipated sale of Korea Exchange Bank s equity interest in PUB and strategic alternatives to enhance stockholder value. After the presentations, the special committee engaged in an extensive discussion concerning each of the prospective financial advisors. At the conclusion of the meeting, the special committee authorized Manatt, Phelps to contact each of the candidates to clarify certain terms of their engagement.

On October 28, 2003, the special committee met to select an investment-banking firm to serve as financial advisor to the special committee. Following discussions, the special committee unanimously authorized the engagement of Friedman, Billings, Ramsey & Co., Inc., (FBR), as its financial advisor and selected Mr. Kraig Kupiec to act as the chairman of the special committee.

On October 31, 2003, Lone Star consummated its investment in Korea Exchange Bank, thereby acquiring a majority of the outstanding voting stock of Korea Exchange Bank. On that same day, Korea Exchange Bank transferred all 6,624,052 shares of PUB to the trust (the Trust) created pursuant to the Trust Agreement, dated as of October 31, 2003, between Korea Exchange Bank, as grantor, and L. Dale Crandall, as trustee (the Trustee).

Table of Contents

Pursuant to the Trust Agreement, Korea Exchange Bank retained all of the economic interest in the shares of PUB common stock that were transferred to the Trust, but the Trustee obtained voting and dispositive power over the shares. In addition, the Trust Agreement directed the Trustee to dispose of all, or substantially all, of the shares either directly through a sale or in connection with a merger or similar transaction of PUB with a third party. In addition, upon consummation of any transaction, the Trustee agreed to distribute to Korea Exchange Bank all consideration received for the shares. The Trustee engaged Merrill Lynch & Co. as its financial advisor and Skadden, Arps, Slate, Meagher & Flom, LLP as its legal counsel in connection with the disposition of the PUB shares.

On November 3, 2003, PUB issued a press release announcing that (1) its board of directors had appointed a special committee to evaluate any potential transaction that might involve PUB and to participate with the Trustee in evaluating possible alternatives and transactions and (2) the special committee had engaged FBR as its financial advisor and Manatt, Phelps as legal counsel.

On November 3, 2003, the Trustee, Mr. Kupiec and representatives of Merrill Lynch, Skadden, Arps, FBR and Manatt, Phelps held an organizational meeting. At this meeting, the Trustee indicated that Merrill Lynch would lead the search for potential buyers for PUB and that Skadden, Arps would lead the negotiations with interested parties on behalf of the Trustee with the involvement and participation of FBR and Manatt, Phelps on behalf of the special committee throughout the process. A preliminary transaction timetable was also established.

Following the November 3rd organizational meeting, Merrill Lynch began the process of contacting parties that it identified as potential acquirors of the Trust s shares. Approximately thirty financial institutions were so contacted. Of those institutions, eight, including Hanmi, expressed an interest in receiving additional information regarding PUB. Following the execution of a confidentiality agreement, these parties received a confidential descriptive memorandum prepared by Merrill Lynch with the assistance of PUB management. These parties also received instructions that requested that interested parties submit a preliminary indication of interest by November 24, 2003. The instructions indicated, among other things, that interested parties could submit proposals for the direct acquisition of the shares held by the Trust or the entire equity interest in PUB through a merger or similar transaction.

On November 4, 2003, the special committee held a meeting at which representatives of Manatt, Phelps informed the special committee about the substance of the organizational meeting held the previous day and about the importance to the Trustee of the targeted December 22, 2003 date for executing a definitive agreement. Representatives of FBR then discussed a summary of potential buyers that had been compiled by Merrill Lynch covering Korea-based, U.S. large-cap, U.S. mid-cap, U.S. small-cap and U.S. Korean-American financial institutions. FBR then suggested to the special committee that the list of potential buyers should include seven additional financial institutions not already identified in the summary. Manatt, Phelps and FBR also advised the special committee that the Trustee, Merrill Lynch and Skadden, Arps had solicited their input and that they had reviewed and commented on the confidentiality agreement and the confidential descriptive memorandum to be utilized by Merrill Lynch in the solicitation of prospective buyers.

On November 10, 2003, the Trust and Trustee each filed a Schedule 13-D with the Federal Deposit Insurance Corporation indicating that each had obtained, pursuant to the Trust Agreement, voting power and dispositive power over the 6,624,052 shares of PUB common stock owned by Korea Exchange Bank.

On November 19, 2003, the board of directors of Hanmi met to discuss its preliminary valuation of PUB and approve the terms in Hanmi s initial bid proposal for PUB. Credit Suisse First Boston provided a preliminary presentation including its initial pro forma analysis of the combined company and, at the request of Hanmi s board and using assumptions provided by Hanmi s management, a range of valuations for PUB based on several valuation methodologies. The board of directors of Hanmi determined that its initial bid proposal for PUB would include the purchase of most of the shares of PUB common stock held by the Trust for cash and a merger of PUB with and into Hanmi Bank whereby the stockholders of PUB would receive shares of Hanmi common stock for their shares of PUB common stock.

Table of Contents

On November 25, 2003, the PUB special committee met to review the status of the proposed sale of the Trust s interest in PUB. FBR indicated that preliminary indications of interest had been received from four parties, including Hanmi. The bids ranged from $17 per share to $26 per share. The four preliminary indications of interest reflected two basic acquisition structures. One approach consisted of a proposed purchase for cash only of the Trust s interest in PUB with no participation in the transaction by other PUB stockholders. The second approach consisted of merger proposals in which the Trust would receive cash and a small amount of the acquiror s stock and the other stockholders of PUB would receive only stock of the acquiring entity.

At that same meeting, Manatt, Phelps and FBR outlined and reviewed the basic structural components of each of the four preliminary indications of interest and the principal relative advantages, disadvantages and risks of each. The advantages of the partial purchase, all cash preliminary indications of interest were:

- they did not contain any financing contingencies;
- the bidders had the apparent financial ability to consummate the proposed transaction;
- the non-selling stockholders would continue their ownership in PUB; and
- the likelihood of branch closures and staff reductions would be minimized.

The principal disadvantages of the partial purchase, all cash preliminary bids were:

- any premium paid to the Trust would not be available to the non-selling stockholders;
- the bidders would have to register for the first time with the Federal Reserve Board as a bank holding company and be approved by the California Commissioner as a controlling person; and
- the bidders would have to receive approvals from their home country bank regulatory and finance authorities, the process and standards for which were not considered to be as well known as that of the U.S. federal and state banking authorities.

The principal advantages of the whole bank, mixed consideration preliminary bids were:

- all stockholders would receive merger consideration representing a premium over trading prices prior to public speculation concerning a potential sale of PUB;
- the Trust would be able to achieve its announced goal of disposing of its interest in PUB while the other PUB stockholders, as well as continuing employees holding substitute options in the combined bank, would be able to participate in any potential financial and operating benefits of the combined bank;
- the potential existed of structuring the transaction so that the constituent banks and PUB stockholders (other than the Trust) would be able to defer a tax liability upon receipt of the bidders stock in the proposed merger;
- each of the bidders were registered bank holding companies and control persons with which U.S. and California regulators had familiarity; and
- there was no need to receive approval from a non-U.S. regulatory authority.

The principal disadvantages of the whole bank, mixed consideration preliminary bids were:

- each of the preliminary bids contained a financing contingency requiring the successful sale of both substantial amounts of debt that would qualify as Tier 1 capital for regulatory purposes and equity;
- the PUB stockholders (other than the Trust) did not have a choice of requesting cash for some or all of their shares, but were required to take only common stock of the acquiror; and
- the risk of branch closures and increased staff reductions was greater.

At the conclusion of the meeting, the special committee reconfirmed its desire for a transaction in which all stockholders of PUB would participate, as opposed to a sale of only the Trust s interest, and that if stock were to be issued in a transaction that all requirements for tax deferred treatment for PUB and its stockholders and option holders receiving stock and substitute options, respectively, in the combined bank be met.

On December 1, 2003, Hanmi retained Castle Creek Financial LLC (Castle Creek), to facilitate the financing necessary to fund the purchase of shares of PUB common stock held by the Trust. As part of its financing, Hanmi intended to sell $75 million or more of shares of Hanmi common stock pursuant to a rights offering to all of Hanmi stockholders. Castle Creek agreed to identify investors to act as standby purchasers to ensure that all shares offered pursuant to the rights offering would be purchased.

From December 1 to December 3, 2003, Hanmi, Credit Suisse First Boston, Castle Creek and Simpson Thacher & Bartlett LLP, legal counsel to Hanmi, participated in due diligence meetings and conducted due diligence at PUB s corporate headquarters. The management team of PUB was available to answer questions and held break-out sessions regarding PUB s overall business and performance to date.

On December 9, 2003, the Trust and Trustee filed an Amendment to their Schedule 13-D with the Federal Deposit Insurance Corporation disclosing the fact that in discussions with the special committee, the Trustee had orally indicated that the Trust would not pursue a transaction that excluded PUB s minority stockholders if a financially viable alternative transaction was available that included all of the stockholders of PUB.

On December 10, 2003, the board of directors of Hanmi met to determine the terms to be included in its final bid for PUB. Credit Suisse First Boston and Hanmi s management described the progress of the bidding process and reviewed management s final valuations and transaction structure with the full board of directors. Credit Suisse First Boston and Hanmi s management also reviewed with the board the results of their due diligence review of PUB to date. At the conclusion of the meeting, Hanmi s board of directors approved the final valuation and terms for the bid proposal.

On December 11, 2003, Hanmi submitted its final bid for PUB. Under the terms of the bid, Hanmi would pay cash for approximately 80% of the shares held by the Trust and, in a merger, exchange all of the remaining shares of PUB common stock for shares of Hanmi common stock. Hanmi structured its proposal to include the maximum amount of cash contributions it was prepared to pay on the terms available to it at the time. This amount was approximately $164.5 million. Hanmi intended to obtain the financing necessary to fund the purchase of the shares of PUB common stock held by the Trust through a $60 million trust preferred offering and the sale of $75 million or more of shares of Hanmi s common stock pursuant to a rights offering to all of Hanmi s stockholders. The rights offering contemplated the receipt of commitments from standby purchasers to ensure that all shares offered pursuant to the rights offering would be purchased. Hanmi s board of directors approved the retention of Castle Creek to arrange commitments from standby purchasers with the understanding that the Hanmi common stock would be sold at no less than $19 per share.

On December 12, 2003, Castle Creek began contacting potential investors to act as standby purchasers in the rights offering.

On December 16, 2003, on a conference call with representatives from Skadden, Arps, Merrill Lynch, Manatt, Phelps, and FBR, Hanmi, Credit Suisse First Boston and Simpson Thacher & Bartlett were informed that the Trust and special committee objected to a proposal that included a rights offering as a means of financing because of their concern that a rights offering might have a negative impact on Hanmi s stock price. For Hanmi s proposal to be acceptable, Hanmi was requested to obtain firm commitments from investors to purchase shares of Hanmi s common stock pursuant to a private placement. Hanmi was provided seventy-two hours to identify and execute commitments from investors to establish that Hanmi would have fully committed equity financing by the target signing date of December 22, 2003. In addition, Merrill Lynch and FBR required that the members of the board of directors of Hanmi execute voting agreements whereby each director agreed to vote his shares in favor of the issuance of Hanmi common stock pursuant to the merger agreement and in the private placement. At the conclusion of the conference call, Castle Creek began to pursue additional investors to ascertain the amount of commitments that could be procured. In addition, Castle Creek concluded that an investment in the private placement by some members of Hanmi s board of directors would be very important to the success of the private placement, as it would demonstrate to outside investors that Hanmi s board of directors believed in the value of the combined company.

On December 17, 2003, the special committee met again to review the status of the proposed sale of the Trust s interest in PUB. The Trustee and representatives of Skadden, Arps, Merrill Lynch, Manatt, Phelps, and FBR participated in the meeting. Merrill Lynch described the process by which parties had submitted bids for the purchase of PUB and explained that the four parties who had submitted preliminary indications of interest had been invited to conduct due diligence. Merrill Lynch indicated that each of the bidders expressed satisfaction with their due diligence sessions. Merrill Lynch then reported that, as of December 15, 2003, a written proposal had been received from each of Hanmi and two other parties and an oral indication of interest had been made by a fourth party. Merrill Lynch also indicated that, after active negotiations, the Trustee was focusing on bids from Hanmi and from one of the other bidders which was a foreign bank because those bids were financially the most attractive. The two proposals offered greater consideration per PUB share than the two other proposals that were not pursued. Merrill Lynch also indicated that there were unresolved issues in both offers, but that both offers contemplated a 100% purchase of PUB.

At the same meeting, the special committee inquired as to the Trustee s timeline for completing a transaction. The Trustee responded that his preference was to execute definitive transaction documents by December 22, 2003 and that, either by means of a sale or merger of PUB or a sale only of the Trust s interest, a transaction must be consummated by April 30, 2004 pursuant to the regulatory agreement among Korea Exchange Bank and the Federal Reserve Board. Manatt, Phelps and FBR then informed the special committee that both had reviewed drafts of definitive agreements and had provided comments to Merrill Lynch and Skadden, Arps, respectively, during the negotiations with the bidders. Manatt, Phelps and FBR compared the two bids in terms of pricing, form of transaction, tax aspects, conditions to closing, regulatory requirements and principal contingencies. Manatt, Phelps also advised the special committee that the Trust had reserved its right to sell its shares in the event that the special committee approved neither bid.

Responding to questions from the special committee, Manatt, Phelps and FBR clarified certain aspects of Hanmi s bid, including tax considerations, the status of PUB stock options and the method of valuing shares of PUB common stock. The special committee then discussed the potential acquirors management capabilities. At the conclusion of the meeting, Manatt, Phelps distributed a draft of the proposed merger agreement for the all-cash transaction with the foreign bank and reviewed each article of the agreement with the special committee. In addition, Manatt, Phelps explained to the special committee that this agreement contained the core set of representations and warranties and operating covenants that would likely also be used in the merger agreement for the transaction with Hanmi.

On December 18, 2003, the PUB board of directors met. Representatives of Merrill Lynch, Manatt, Phelps and FBR also attended. Merrill Lynch reviewed with the PUB board of directors the results of the sale process to date that had been reviewed the previous evening with the special committee. The board then received a report from FBR and Manatt, Phelps concerning the principal components of the two bids and the relative advantages and disadvantages of each.

Immediately after this board meeting, the special committee met to review the status of the negotiations. Manatt, Phelps reviewed the most recent report on the negotiations with the foreign bank, including a new requirement that the foreign bank be permitted not to consummate the transaction if there was any materially adverse effect concerning PUB involving $1 million or more, and the identification of a potential regulatory issue that could preclude the foreign bank from obtaining regulatory approval in a timely manner. FBR then reviewed in detail its analysis of the bid from the foreign bank assuming that the identified regulatory issue could be resolved. Three methodologies were reviewed: (1) comparable acquisition transactions of banks from $500 million to and including $3 billion in assets and above that occurred since January 1, 2002, (2) implied value determined with reference to the trading value of a peer group of comparable banks and (3) a discounted cash flow analysis assuming PUB continued as an independent entity. FBR orally indicated that it was prepared to opine that the cash merger consideration offered by the foreign bank was fair, from a financial point of view, to PUB stockholders (other than the Trust) if that offer was pursued by the special committee. In addition, Manatt, Phelps distributed to the special committee a copy of the new proposed agreement from

Table of Contents

the foreign bank which called for a transaction in the form of a tender offer instead of a merger. Manatt, Phelps then compared the principal differences between this tender offer agreement and the merger agreement with the foreign bank that had been reviewed by the special committee at its meeting the previous day.

On December 19, 2003, the special committee met in order to consider the status of negotiations with Hanmi and the foreign bank. During this meeting, Manatt, Phelps again reviewed the principal terms of the transaction with the foreign bank, reported on the status of negotiations with the foreign bank, including the fact that the foreign bank had become intransigent in its position that the transaction be structured as a tender offer with a low dollar threshold for a material adverse effect. It was also reported that the foreign bank had not made any progress in providing comfort to the Trustee or PUB with respect to its ability to obtain all necessary governmental approvals for its proposed transaction.

Manatt, Phelps and FBR also reviewed the principal terms of the Hanmi transaction structure, which contemplated a merger of PUB with and into Hanmi Bank, the wholly-owned subsidiary of Hanmi, pursuant to which approximately $295 million would be paid for PUB, including approximately $164.5 million in cash, all of which would paid to the Trustee, with the balance payable in newly issued shares of Hanmi common stock. The minority stockholders of PUB would receive only shares of Hanmi common stock and the Trustee would receive some shares of Hanmi common stock, the exact amount of which to be determined after application of a price equalizer mechanism. The amount of Hanmi common stock that the Trustee would receive would also be subject to two additional requirements: (1) at least 42% in value of the total consideration to be received by PUB stockholders would be in the form of Hanmi common stock and (2) the Trustee could hold no more than 4.99% of the total outstanding shares of Hanmi common stock following the merger and after taking in consideration the proposed equity financing and the ability to sell shares of Hanmi common stock received in the merger in the open market.

FBR and Manatt, Phelps described the mechanism that had been negotiated with the goal of providing that the value of the per share consideration to be received by the minority stockholders would be equivalent to the value of the per share consideration to be received by the Trust. FBR also updated the special committee on the results of the due diligence it had conducted on Hanmi. In addition, Manatt, Phelps advised the special committee on the results of the regulatory and legal due diligence it had conducted on Hanmi.

The special committee then inquired about the treatment of PUB stock options in the proposed transaction with Hanmi. Manatt, Phelps reported that the draft merger agreement contemplated that outstanding PUB stock options would be assumed by Hanmi and converted into stock options of Hanmi as adjusted by the exchange ratio. The special committee then requested that Manatt, Phelps negotiate to ensure that this provision remained in the merger agreement with Hanmi.

Drafts of the merger agreement and other documents related to the Hanmi transaction were distributed to the special committee and Manatt, Phelps reviewed in detail the terms and provisions of the agreements.

At the conclusion of the meeting, the special committee authorized that negotiations be continued throughout the weekend with both Hanmi and the foreign bank with the understanding that the special committee would reconvene on December 21, 2003 (1) to receive a recommendation from the Trustee as to the transaction he was requesting the special committee and the PUB board of directors to approve, (2) to receive final advice from FBR as to the fairness of each transaction from a financial point of view, (3) to review the documentation related to each transaction and (4) to develop a recommendation to the PUB board of directors.

On December 19, 2003, the board of directors of Hanmi met to review the progress of the bidding and to review final deal terms. The members of the board of directors executed the voting agreements negotiated with PUB, to be effective in the event a merger agreement with PUB was signed. In addition, some members of the board of directors indicated their willingness to invest in the private placement.

Following these meetings, Hanmi, PUB and the Trustee continued to negotiate the terms of the definitive merger agreement and other related agreements.

Table of Contents

Later that day, representatives of Hanmi, Castle Creek, Credit Suisse First Boston and Simpson Thacher & Bartlett held a conference call with Merrill Lynch, FBR, Skadden, Arps, and Manatt, Phelps. Castle Creek informed the Trustee and PUB that Hanmi had obtained approximately $40 million in commitments to purchase shares of Hanmi common stock pursuant to the private placement and expected to obtain an additional $35 million by December 22, 2003 (totaling $75 million). In addition, Castle Creek informed the Trustee and PUB that Hanmi had obtained written commitments for $60 million of trust preferred securities, and Credit Suisse First Boston reported that the members of the board of directors of Hanmi had executed voting agreements covering approximately 33% of the outstanding shares of Hanmi common stock.

On December 21, 2003, the board of directors of PUB and the special committee held a joint meeting. Representatives of Manatt, Phelps and FBR were present at the meeting. Manatt, Phelps: (1) reviewed the status of the negotiations with Hanmi and the foreign bank since December 19, 2003, (2) reported that there were indications that the foreign bank had withdrawn its interest in acquiring PUB and (3) reported that the negotiations with Hanmi had progressed well since the previous special committee meeting on December 19. FBR reported on the status of Hanmi s efforts to raise the required capital that had recently commenced on a private placement basis.

At this point, the Trustee and representatives of Skadden, Arps and Merrill Lynch joined the meeting by telephone. The Trustee recommended that the special committee approve the proposed acquisition by Hanmi since it offered PUB stockholders the highest per share consideration. In response to questions from the special committee, the Trustee provided further elaboration that the price equalizer mechanism was designed to cause the value of the per share consideration to be received by the minority stockholders to be equivalent to the value of the per share consideration to be received by the Trustee. The Trustee, Skadden, Arps and Merrill Lynch then left the meeting.

Manatt, Phelps then reviewed in detail: (1) the principal terms of the Hanmi transaction structure, (2) the principal terms of the merger agreement, including the principal conditions to closing, the effect of the merger on PUB stock options, the provision prohibiting PUB from entering into acquisition discussions with any other potential buyer subject to the fiduciary duties of the PUB board of directors and the potential payment of a termination fee and (3) the voting and sale agreement between Hanmi and the Trustee, pursuant to which the Trust agreed to vote its shares of PUB common stock in favor of the Hanmi acquisition.

FBR then made a presentation as to the fairness of the exchange ratio contemplated in the merger agreement with Hanmi to PUB stockholders (other than the Trust) from a financial point of view. After the presentation, FBR provided its oral opinion (later confirmed in writing) that, as of the date of its opinion and subject to the assumptions, limitations and qualifications described, the exchange ratio was fair, from a financial point of view, to PUB stockholders (other than the Trust).

Thereafter, the four directors currently or previously affiliated with Korea Exchange Bank left the meeting and did not participate further in the deliberations concerning the merger.

Following deliberations, and after discussion with its financial and legal advisors, the special committee unanimously determined that it was advisable and in the best interests of PUB and its stockholders for PUB to enter into the merger agreement with Hanmi and recommended that the PUB board of directors approve the merger agreement and the merger subject to the following conditions: (1) Hanmi obtaining executed securities purchase agreements covering a sufficient amount of new equity capital up to $75 million, (2) Hanmi obtaining written commitments for at least $60 million of trust preferred securities; (3) Hanmi receiving voting agreements from members of its board of directors covering approximately 32% of the outstanding shares of Hanmi common stock and (4) FBR orally reconfirming its fairness opinion the following day.

Immediately after the conclusion of the special committee meeting, the remaining directors, who constituted a valid quorum of the PUB board of directors, engaged in further discussions concerning the entire sale process, the opinion of FBR, the advice of Manatt, Phelps and the terms of the Hanmi merger agreement. Thereafter, the PUB board of directors (with the four directors currently or previously affiliated with Korea

Exchange Bank abstaining from the deliberations and vote) unanimously determined that it was advisable and in the best interests of PUB and its stockholders for PUB to enter into the merger agreement with Hanmi, that the merger agreement and the merger be approved, and recommended that PUB stockholders approve the principal terms of the merger agreement and the merger.

Also on December 21, 2003, Hanmi s board of directors reconvened to consider the merger with PUB and the terms of the private placement. At this meeting, Hanmi s board of directors discussed with management their final conclusions regarding the strategic implications and possible benefits and risks of the merger, and management presented to the board the final results of their due diligence review of PUB. Representatives of Credit Suisse First Boston then made a presentation as to the fairness to Hanmi from a financial point of view of the proposed consideration to be paid for the acquisition of PUB.

After these presentations, Credit Suisse First Boston delivered its oral opinion (subsequently confirmed in writing) that, as of the date of the opinion, and based on and subject to the assumptions, qualifications and limitations set forth in its opinion, the consideration to be paid by Hanmi to the stockholders of PUB in the transaction was fair, from a financial point of view, to Hanmi. Simpson Thacher & Bartlett then described to Hanmi s board of directors the terms of the merger agreement, the voting and sale agreement with the Trust and the securities purchase agreements for the private placement and other legal considerations, and responded to questions from directors. Following deliberations, and after discussion with its financial and legal advisors, Hanmi s board of directors unanimously approved the merger agreement and the voting and sale agreement with the Trust. At that point, the five Hanmi directors participating in the private placement excused themselves from the meeting. The remaining directors, after further discussion, unanimously approved the securities purchase agreements, including the sale of 430,326 shares of Hanmi common stock to five members of Hanmi s board of directors. The entire board then reconvened and recommended that its stockholders vote to approve the issuance of shares of Hanmi common stock in connection with the merger and in the private placement.

On December 22, 2003, following PUB s confirmation that Hanmi had obtained executed securities purchase agreements for $75 million of new equity capital, written commitments for at least $60 million of trust preferred securities and the requisite voting agreements from members of its board of directors, and FBR orally reconfirming its fairness opinion, Mr. Jae Whan Yoo, President and Chief Executive Officer of Hanmi, and Mr. David B. Warner, Jr., President and Chief Executive Officer of PUB, signed the merger agreement on behalf of Hanmi and PUB, respectively. At the same time, the Trustee and Hanmi signed the voting and sale agreement.

After the close of the financial markets on the same day, Hanmi and PUB issued a joint press release announcing the merger.

The Reasons of the Board of Directors of Hanmi for the Acquisition of PUB; Recommendations

After deliberation and careful consideration, Hanmi s board of directors determined that the acquisition of PUB and the related transactions, including the issuance of Hanmi common stock pursuant to the merger agreement and in the private placement, were advisable and in the best interests of Hanmi and its stockholders. Accordingly, Hanmi s board of directors recommends that Hanmi stockholders vote FOR approval of the issuance of Hanmi common stock pursuant to the merger agreement and in the private placement.

Hanmi s board of directors believes that the merger with PUB significantly enhances its position in the banking industry in several important respects. In recent years, Hanmi has made significant strides in implementing its community banking business model through internal growth. Hanmi s board believes that the acquisition of PUB is highly complementary to Hanmi s strategic goals and consistent with the business model that Hanmi has been striving to implement over the course of the last several years. In reaching its decision to approve the acquisition of PUB and the related transactions (including the issuance of shares pursuant to the merger agreement and in the private placement) the Hanmi board of directors considered a number of factors, including the material factors outlined below. In the board s view, all of these factors generally supported its decision to approve the acquisition of PUB and the related transactions.

Strategic Considerations. The current and prospective environment in which Hanmi operates has become increasingly competitive. Hanmi s board of directors believes that the acquisition of PUB will provide a number of significant strategic opportunities and benefits that will help Hanmi continue growing as a leading community-oriented financial institution in this competitive environment, including those described below.

Creates the largest national and independent Korean-American focused community business bank. Hanmi s board of directors believes that upon the completion of the merger, the combined company s market share will be nearly twice as large as its nearest competitor.

Further taps into a highly desirable customer demographic. Hanmi s board of directors believes that:

The Korean-American population is expected to be the fastest growing ethnic group in America.

The Korean-American population has the highest rate of business ownership, the majority of which caters to its own local Korean communities.

Complementary Strengths. Hanmi s board of directors believes that Hanmi s and PUB s respective businesses are highly complementary in several respects, including:

The merger should result in an improved efficiency ratio for the combined company as compared to Hanmi s stand-alone efficiency ratio. The efficiency ratio improvement would be driven primarily from the cost savings that are expected to result from the merger. The merger should result in expected cost savings of 17% on a combined basis. Improving its efficiency ratio has been one of Hanmi s goals for some period of time and the merger presents an opportunity to make substantial progress toward achieving that goal.

The complementary branch networks of Hanmi and PUB will provide the combined company with significantly expanded coverage in Hanmi s core Southern California area markets and ample consolidation opportunities. In addition, the merger will provide Hanmi entry into Seattle, the ninth largest Korean-concentrated banking market, and San Francisco, the fourth largest Korean-concentrated banking market.

Deeper Market Penetration. The fact that Hanmi and PUB operate principally in similar geographic markets presents a strategic opportunity for Hanmi to deepen its penetration in the Los Angeles metropolitan market by extending the products of both banks to increase market share and better meet the needs of their combined customer base.

Revenue Enhancements and Cost Savings.

The complementary nature of the respective customer bases and product offerings should result in the opportunity for revenue enhancements, as products, including cash management and trust products, among others, are cross-marketed and distributed over the combined company s broader customer bases.

Although not the principal reason for the acquisition, the transaction should nevertheless produce significant cost saving opportunities, particularly as a result of branch, back-office and administration consolidation.

Expected Accretion to Hanmi Earnings Per Share. Hanmi s board of directors took into account management s projections that the merger will be accretive to Hanmi s earnings per share. The merger is expected to be marginally accretive to projected 2005 earnings per share, exclusive of the benefits of any revenue enhancements or purchase accounting adjustments.

Low Risk to Achieve Strategic Benefits. Although integrating the two institutions poses inherent challenges, Hanmi s board of directors believes that the merger presents a relatively low level of risk given the potential rewards. In particular, Hanmi s board of directors noted that PUB s bank operations were in similar geographic areas and business lines to those of Hanmi. Hanmi s board of directors also concluded that the merger posed a relatively low risk of encountering any regulatory impediments.

Table of Contents

Other Factors Considered by the Hanmi Board. In consultation with its executive management team and financial and other advisors, Hanmi s board of directors also considered several additional factors, including the following:

Historical information concerning Hanmi s and PUB s respective business, financial performance and condition, operations, management, competitive positions and stock performance, in addition to the financial information and analyses presented by Credit Suisse First Boston to the board of directors, all of which generally informed the board as to the relative values of Hanmi, PUB and the combined company;

Discussions by the executive management team as to the results of their due diligence review of PUB s business and operations;

The financial