

HANMI FINANCIAL CORP
Form 424B3
July 18, 2018
Table of Contents

**Filed Pursuant to Rule 424(b)(3)
Registration No. 333-225818**

SWNB Bancorp, Inc.

MERGER PROPOSAL YOUR VOTE IS VERY IMPORTANT

Dear Stockholder:

On May 18, 2018, Hanmi Financial Corporation (which we refer to as Hanmi) and SWNB Bancorp, Inc. (which we refer to as SWNB) entered into an Agreement and Plan of Merger (which we refer to as the merger agreement) pursuant to which SWNB will merge with and into Hanmi, with Hanmi as the surviving entity (which we refer to as the merger). Immediately following the merger, Southwestern National Bank, the wholly-owned subsidiary of SWNB, will merge with and into Hanmi Bank, the wholly-owned subsidiary of Hanmi, with Hanmi Bank as the surviving entity (which we refer to as the bank merger). Before we can complete the merger, the stockholders of SWNB must vote to approve the merger agreement.

If the merger is completed, SWNB stockholders will be entitled to elect to receive for each share of SWNB common stock that they own: (1) \$5.74 in cash or (2) 0.1961 shares of Hanmi common stock. SWNB stockholders may receive cash and/or Hanmi common stock for their shares of SWNB common stock. However, individual elections will be limited by the requirement that 80% of the shares of SWNB common stock must be exchanged for Hanmi common stock and 20% must be exchanged for cash. Therefore, the amount of Hanmi common stock and/or cash that each SWNB stockholder receives will depend on the elections made by other SWNB stockholders. Based upon the 13,535,036 shares of SWNB common stock outstanding as of July 9, 2018, Hanmi expects to pay approximately \$15.5 million in cash and issue approximately 2,123,376 shares of Hanmi common stock upon completion of the merger.

The merger agreement establishes a minimum requirement for SWNB's capital (\$48,563,000) prior to the closing of the merger. If SWNB's closing capital, as adjusted in accordance with the terms of the merger agreement, is in excess of the minimum required, SWNB may pay a special dividend to its stockholders in the amount of such excess. For purposes of illustration only, as of March 31, 2018, SWNB's closing capital would have been approximately \$48,430,786. This would not have resulted in the payment of any special dividend to SWNB's stockholders.

The federal income tax consequences of the merger to SWNB stockholders will depend on whether they receive cash, Hanmi common stock or a combination of cash and Hanmi common stock in exchange for their shares of SWNB common stock. The merger has been structured to be tax-free for federal income tax purposes to SWNB stockholders with respect to any shares of Hanmi common stock that they receive in exchange for their shares of SWNB common stock.

Hanmi's common stock trades on the Nasdaq Stock Market under the symbol HAFC. The closing price of Hanmi common stock on May 18, 2018, the trading day before the merger was publicly announced, was \$28.65, which, based on the 0.1961 exchange ratio, represented a value of \$5.62 per share of SWNB common stock. The closing price of Hanmi common stock on July 9, 2018, the most recent practicable trading date before the date of this document, was

\$29.50 per share, which represented a value of \$5.78 per share of SWNB common stock based on the exchange ratio. The market price for Hanmi common stock will fluctuate before the merger. We urge you to obtain current market quotations for Hanmi common stock.

The merger cannot be completed unless holders of at least two-thirds of the issued and outstanding shares of common stock of SWNB approve the merger agreement. SWNB stockholders will vote to approve the merger agreement and on the other matters described in this proxy statement/prospectus at a special meeting of stockholders to be held at 2:00 p.m., local time, on August 16, 2018 at the main office of Southwestern National Bank at 6901 Corporate Drive, Houston, Texas 77036.

SWNB's board of directors unanimously recommends that SWNB stockholders vote FOR the approval of the merger agreement and FOR the other matters to be considered at the SWNB special meeting.

This document contains information that you should consider in evaluating the proposed merger. **In particular, you should carefully read the section captioned Risk Factors beginning on page 13 for a discussion of certain risk factors relating to the merger. You may also obtain additional information about Hanmi and SWNB as described under the section entitled Where You Can Find More Information.**

Voting procedures are described in this proxy statement/prospectus. Your vote is important and I urge you to cast it promptly.

C. K. Lee
Chairman of SWNB Bancorp, Inc.

The shares of Hanmi common stock to be issued in the merger are not deposits or savings accounts or other obligations of any bank subsidiary of Hanmi or of SWNB, and are not insured by the Federal Deposit Insurance Corporation or any other governmental agency. Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved the merger described in this document or the Hanmi common stock to be issued in the merger, or passed upon the adequacy or accuracy of this document. Any representation to the contrary is a criminal offense.

The date of this proxy statement/prospectus is July 12, 2018, and it is first being mailed or otherwise delivered to stockholders of SWNB on or about July 18, 2018.

Table of Contents

ABOUT THIS DOCUMENT

This proxy statement/prospectus, which we refer to as this document, forms part of a registration statement on Form S-4 filed with the Securities and Exchange Commission (which we refer to as the SEC) by Hanmi and constitutes a prospectus of Hanmi under the Securities Act of 1933, as amended (which we refer to as the Securities Act) with respect to the shares of Hanmi common stock to be issued to SWNB stockholders pursuant to the merger agreement. This document also constitutes a proxy statement and a notice of meeting with respect to the special meeting of stockholders of SWNB.

You should rely only on the information contained in this document. Neither Hanmi nor SWNB has authorized anyone to give any information or make any representation about the merger or the companies that is different from, or in addition to, that contained in this proxy statement/prospectus or in any of the materials that have been incorporated in this proxy statement/prospectus by reference. Therefore, if anyone gives you different information, you should not rely on it. This document is dated July 12, 2018. You should not assume that the information contained in this document is accurate as of any other date. Neither the mailing of this document to SWNB stockholders nor the issuance by Hanmi of its common stock in connection with the merger will create any implication to the contrary.

This document does not constitute an offer to sell, or a solicitation of an offer to buy, any securities, or the solicitation of a proxy, to or from any person in any jurisdiction where it is unlawful to make any such offer or solicitation. Information contained in this document regarding Hanmi has been provided by Hanmi and information contained in this document regarding SWNB has been provided by SWNB.

REFERENCES TO ADDITIONAL INFORMATION

This document incorporates important business and financial information about Hanmi from documents filed with the SEC that have not been included in or delivered with this document. You may read and copy these documents at the SEC's public reference room located at 100 F Street, NE, Washington, DC 20549. Copies of these documents also can be obtained at prescribed rates by writing to the Public Reference Section of the SEC, at 100 F Street, NE, Washington, DC 20549 or by calling 1-800-SEC-0330 for additional information on the operation of the public reference facilities. This information is also available at the Internet site the SEC maintains at <http://www.sec.gov>. See "Where You Can Find More Information" on page 83.

You also may request orally or in writing copies of these documents at no cost by contacting Hanmi at the following address:

Hanmi Financial Corporation
3660 Wilshire Boulevard, Penthouse Suite A
Los Angeles, California 90010
Attention: Vivian I. Kim, Corporate Secretary
(213) 382-2200

You will not be charged for any of these documents that you request. SWNB stockholders requesting documents should do so by August 9, 2018, in order to receive them before the special meeting.

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In addition, if you have questions about the merger or the SWNB special meeting, need additional copies of this document or need to obtain proxy cards or other information related to the proxy solicitation, you may contact Michael Hong at the following address and telephone number:

SWNB Bancorp, Inc.

6901 Corporate Drive

Houston, Texas 77036

Attention: Michael Hong

(713) 771-9700

Information on the website of Hanmi or SWNB, or any subsidiary of Hanmi or SWNB, is not part of this document. You should not rely on that information in deciding how to vote.

Table of Contents

SWNB Bancorp, Inc.

6901 Corporate Drive

Houston, Texas 77036

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

A special meeting of stockholders of SWNB Bancorp, Inc. will be held at the main office of Southwestern National Bank at 6901 Corporate Drive, Houston, Texas 77036, at 2:00 p.m., local time, on Thursday, August 16, 2018.

At the special meeting, you will be asked to consider and vote on:

1. a proposal to approve the Agreement and Plan of Merger, dated as of May 18, 2018, by and between Hanmi Financial Corporation and SWNB Bancorp, Inc.; and
2. a proposal to adjourn the special meeting to a later date or dates, if necessary, to permit further solicitation of proxies if there are not sufficient votes at the time of the special meeting to approve the merger agreement (which we refer to as the Adjournment Proposal).

A copy of the Agreement and Plan of Merger (which we refer to as the merger agreement) is included as Appendix A to this document. This document describes the merger agreement and the proposed merger in detail. We urge you to read it carefully. The enclosed document forms a part of this notice.

The board of directors of SWNB Bancorp, Inc. unanimously recommends that SWNB stockholders vote FOR the proposal to approve the merger agreement and FOR the Adjournment Proposal.

SWNB's board of directors has fixed the close of business on July 9, 2018 as the record date for determining the stockholders entitled to notice of, and to vote at, the special meeting and any adjournments or postponements of the special meeting.

SWNB stockholders have the right to dissent from the merger and obtain payment of the cash appraisal fair value of their SWNB shares under applicable provisions of Texas law. A copy of the provisions regarding dissenters' rights is attached as Appendix B to the accompanying proxy statement/prospectus. For details of your dissenter's rights and how to exercise them, please see the discussion under Dissenters' Rights of SWNB Stockholders.

Your vote is very important. Your proxy is being solicited by SWNB's board of directors. In order to complete the proposed merger, the proposal to approve the merger agreement must be approved by at least two-thirds of the issued and outstanding shares of common stock of SWNB. Whether or not you plan to attend the special meeting in person, we urge you to vote in advance of the meeting by mail. You should follow the instructions on the proxy card that accompanies this proxy statement/prospectus or the voting instruction card that you receive from your bank or broker. You may revoke your proxy at any time before the special meeting. If you attend the special meeting and vote in person, your proxy vote will not be used.

By Order of the Board of Directors

Doris Chen
Corporate Secretary

Houston, Texas

July 18, 2018

Table of Contents

TABLE OF CONTENTS

<u>QUESTIONS AND ANSWERS ABOUT THE MERGER AND THE SPECIAL MEETING</u>	1
<u>SUMMARY</u>	6
<u>RISK FACTORS</u>	13
<u>CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS</u>	17
<u>SELECTED HISTORICAL FINANCIAL INFORMATION</u>	20
<u>Selected Historical Consolidated Financial Data of Hanmi</u>	20
<u>Selected Historical Consolidated Financial Data of SWNB</u>	23
<u>COMPARATIVE PRO FORMA PER SHARE DATA</u>	25
<u>MARKET PRICE AND DIVIDEND INFORMATION</u>	26
<u>SPECIAL MEETING OF SWNB STOCKHOLDERS</u>	27
<u>Date, Place and Time of the Meeting</u>	27
<u>Matters to be Considered</u>	27
<u>Who Can Vote at the Meeting</u>	27
<u>Quorum; Vote Required</u>	27
<u>Shares Held by SWNB's Officers and Directors</u>	27
<u>Voting and Revocability of Proxies</u>	28
<u>Solicitation of Proxies</u>	28
<u>PROPOSAL NO. 1 MERGER PROPOSAL</u>	29
<u>PROPOSAL NO. 2 ADJOURNMENT PROPOSAL</u>	29
<u>DISSENTERS' RIGHTS OF SWNB STOCKHOLDERS</u>	30
<u>DESCRIPTION OF THE MERGER</u>	33
<u>General</u>	33
<u>Background of the Merger</u>	33
<u>SWNB's Reasons for the Merger; Recommendation of SWNB's Board of Directors</u>	35
<u>Opinion of SWNB's Financial Advisor in Connection with the Merger</u>	38
<u>Hanmi's Reasons for the Merger</u>	46
<u>Unaudited Prospective Financial Information</u>	46
<u>Consideration to be Received in the Merger</u>	48
<u>Cash, Stock or Mixed Election</u>	49
<u>Election Procedures; Surrender of Stock Certificates</u>	50
<u>Management and Board of Directors of Hanmi After the Merger</u>	51
<u>Accounting Treatment</u>	51
<u>Material U.S. Federal Income Tax Consequences of the Merger</u>	51
<u>Regulatory Matters Relating to the Merger</u>	55
<u>Interests of Certain Persons in the Merger that are Different from Yours</u>	56
<u>Employee Matters</u>	57
<u>Operations of Southwestern National Bank after the Merger</u>	57
<u>Restrictions on Resale of Shares of Hanmi Common Stock</u>	57
<u>Time of Completion of the Merger</u>	57
<u>Conditions to Completing the Merger</u>	57
<u>Conduct of Business Before the Merger</u>	59
<u>Covenants of SWNB and Hanmi in the Merger Agreement</u>	64
<u>Representations and Warranties Made by Hanmi and SWNB in the Merger Agreement</u>	67
<u>Terminating the Merger Agreement</u>	69

<u>Termination Fee</u>	69
<u>Expenses</u>	70
<u>Changing the Terms of the Merger Agreement</u>	70
<u>DESCRIPTION OF HANMI CAPITAL STOCK</u>	71
<u>COMPARISON OF RIGHTS OF STOCKHOLDERS</u>	74
<u>INFORMATION ABOUT HANMI</u>	81

Table of Contents

<u>INFORMATION ABOUT SWNB</u>	81
<u>STOCK OWNERSHIP OF SWNB</u>	82
<u>LEGAL MATTERS</u>	82
<u>EXPERTS</u>	83
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	83
<u>Appendix A Agreement and Plan of Merger</u>	A-1
<u>Appendix B Dissenters Rights Under the Texas Business Organizations Code</u>	B-1
<u>Appendix C Opinion of Sheshunoff & Co. Investment Banking, L.P.</u>	C-1

Table of Contents

QUESTIONS AND ANSWERS ABOUT THE MERGER AND THE SPECIAL MEETING

General Questions about the Merger

Q: What am I being asked to vote on? What is the proposed transaction?

A: On May 18, 2018, Hanmi Financial Corporation (which we refer to as **Hanmi**) entered into an Agreement and Plan of Merger (which we refer to as the **merger agreement**) with SWNB Bancorp, Inc. (which we refer to as **SWNB**). The merger agreement provides for the merger of SWNB with and into Hanmi, with Hanmi as the surviving corporation (which we refer to as the **merger**). A copy of the merger agreement is attached to this document as Appendix A. In order to complete the merger, SWNB stockholders are being asked to vote to approve the merger agreement and the transactions contemplated thereby. SWNB will hold a special meeting of stockholders to obtain the required stockholder approval to complete the merger. This document contains important information about the merger agreement, the merger, the SWNB stockholder meeting, and other related matters, and you should read it carefully. SWNB stockholders are also being asked to vote on a proposal to adjourn the special meeting, if necessary, in order to permit further solicitation of proxies in favor of the merger agreement and the transactions contemplated thereby (which we refer to as the **Adjournment Proposal**).

Q: What will SWNB stockholders receive in the merger?

A: Under the merger agreement, each SWNB stockholder will have the right to elect to receive for each share of SWNB common stock that they own: (1) \$5.74 in cash or (2) 0.1961 shares of Hanmi common stock. However, individual elections will be limited by the requirement that 80% of the shares of SWNB common stock is exchanged for Hanmi common stock and 20% is exchanged for cash. Hanmi will not issue fractional shares in the merger; instead, SWNB stockholders will receive a cash payment, without interest, for the value of any fraction of a share of Hanmi common stock that they would otherwise be entitled to receive.

Additionally, if the SWNB Closing Capital, as defined in the merger agreement and as further described in this document, exceeds \$48,563,000, subject to certain adjustments, SWNB may, upon written notice to Hanmi, declare and pay a special dividend to its stockholders in the amount of such excess. For purposes of illustration only, as of March 31, 2018, SWNB's closing capital would have been approximately \$48,430,786. This would not have resulted in the payment of any special dividend to SWNB's stockholders.

See the sections of this document entitled **Description of the Merger Consideration to be Received in the Merger** and **Description of Hanmi Capital Stock** for more information.

Q: What will happen to SWNB as a result of the merger?

A: If the merger is completed, SWNB will merge with and into Hanmi, and SWNB will cease to exist. Following the consummation of the merger, Southwestern National Bank, a national banking association and wholly-owned subsidiary of SWNB, will merge with and into Hanmi Bank, a California chartered bank and wholly-owned

subsidiary of Hanmi, with Hanmi Bank continuing as the surviving entity.

Q: What dividends will SWNB stockholders receive after the merger?

A: After the merger, former SWNB stockholders will be entitled to receive dividends declared on the shares of Hanmi common stock that they receive in the merger. Currently, Hanmi pays a quarterly dividend of \$0.24 per share. However, there is no guarantee that Hanmi will continue to pay dividends at this level or at all. All dividends on Hanmi common stock are declared at the discretion of the Hanmi board of directors. See the sections of this document entitled *Comparative Pro Forma Per Share Data* and *Market Price and Dividend Information* for more information.

Table of Contents

Q: Is completion of the merger subject to any conditions besides SWNB stockholder approval?

A: Yes. To complete the merger: (1) the merger must receive the required regulatory approvals, (2) on the third business day immediately preceding the closing date, Southwestern National Bank must have total month-to-date average core deposits of not less than \$190,000,000, (3) as of the closing date, SWNB's closing capital must be equal or greater than \$48,563,000, (4) on the third business day immediately preceding the closing date, Southwestern National Bank's allowance for loan losses must not be less than \$4,231,000, (5) SWNB must have received a favorable private letter ruling from the Internal Revenue Service (which we refer to as the "IRS"), and (6) other customary closing conditions must be satisfied. To review the conditions to completing the merger in more detail, see "Description of the Merger" "Conditions to Completing the Merger."

Q: When is the merger expected to be completed?

A: Hanmi and SWNB will try to complete the merger as soon as possible. Before this happens, the merger agreement must be approved by SWNB's stockholders, and Hanmi and SWNB must obtain the necessary regulatory approvals. Assuming Hanmi and SWNB obtain all necessary stockholder and regulatory approvals in a timely fashion, we expect to complete the merger in the third quarter of 2018.

Q: Will the shares of Hanmi common stock received by SWNB stockholders in the merger be listed on the Nasdaq Global Select Market upon the completion of the merger?

A: Yes. The shares of Hanmi common stock to be issued in connection with the merger have been registered under the Securities Act, and will be listed on the Nasdaq Global Select Market under the symbol "HAFC."

Q: What equity stake will SWNB stockholders hold in Hanmi immediately following the merger?

A: Immediately following completion of the merger, SWNB stockholders will own approximately 6.0% of the outstanding shares of Hanmi common stock.

Q: Am I entitled to dissenters' rights?

A: Yes. SWNB stockholders are entitled to dissenters' rights. For further information, see "Dissenters' Rights" and Appendix B to this document.

Q: What are the U.S. federal income tax consequences of the merger to SWNB stockholders?

A:

If you exchange your shares of SWNB common stock solely for Hanmi common stock, you should not recognize any gain or loss except with respect to the cash you receive instead of any fractional share of Hanmi common stock. If you exchange your shares of SWNB common stock solely for cash, you generally will recognize gain or loss on the exchange equal to the difference between the amount of cash received and the adjusted tax basis in your shares of SWNB common stock exchanged in the merger. If you exchange your shares of SWNB common stock for a combination of Hanmi common stock and cash, you generally will not recognize any loss but will recognize gain, if any, equal to the lesser of (1) the excess, if any, of the sum of the cash received and the fair market value of the Hanmi common stock you receive pursuant to the merger over your adjusted tax basis in your shares of SWNB common stock surrendered, and (2) the amount of cash consideration you receive pursuant to the merger. Because the allocations of cash and Hanmi common stock that you receive will depend on the elections made by other SWNB stockholders, you will not know the actual federal income tax consequences of the merger to you until the allocations are completed. For further information see the section of this document entitled Material U.S. Federal Income Tax Consequences of the Merger. This tax treatment may not apply to all SWNB stockholders. SWNB's counsel is not able to provide an opinion regarding whether this tax treatment will apply to any individual stockholder. Determining the actual tax consequences of the merger to SWNB stockholders can be

Table of Contents

complicated. **SWNB stockholders should consult their own tax advisor for a full understanding of the merger's tax consequences that are particular to each stockholder.**

Q: How do I elect to receive cash or Hanmi common stock in exchange for my SWNB common stock?

A: An election form will be sent to you separately on or about the date this document is mailed. For your election to be effective, your properly completed election form, along with your SWNB stock certificates or an appropriate guarantee of delivery, must be sent to and received by the exchange agent for the merger, Computershare Trust Company, N.A., on or before 5:00 p.m., Central time, on August 31, 2018. **Do not send your election form or stock certificates with your proxy card. Instead, use the separate envelope specifically provided for the election form and your stock certificates.** If you own shares of SWNB common stock in street name through a bank, broker or other nominee and you wish to make an election, you should seek instructions from the bank, broker or other nominee holding your shares. If you do not make a timely or proper election, you will be allocated Hanmi common stock and/or cash depending on the elections made by other stockholders. See the section of this document entitled Description of the Merger Allocation Procedures for more information.

Q: How will I exchange my SWNB stock certificates for Hanmi common stock?

A: If you make an election, you must return your SWNB stock certificates or an appropriate guarantee of delivery with your election form. Shortly before the completion of the merger, the exchange agent will allocate cash and Hanmi common stock among SWNB stockholders, consistent with their elections and the allocation and proration procedures in the merger agreement. If you do not submit an election form, the exchange agent will send you instructions on how and where to surrender your SWNB stock certificates after the merger is completed. **Do not send your election form or SWNB stock certificates with your proxy card.**

Q: What happens if the merger is not completed?

A: If the merger is not completed, SWNB stockholders will not receive any consideration for their shares of common stock in connection with the merger. Instead, SWNB will remain an independent company. Under specified circumstances, SWNB may be required to pay to Hanmi a fee with respect to the termination of the merger agreement. For more information, please review the sections entitled Description of the Merger Terminating the Merger Agreement and Termination Fee beginning on page 69.

Questions Regarding the SWNB Stockholder Meeting

Q: When and where is the SWNB special meeting?

A: The special meeting of SWNB stockholders is scheduled to take place at the main office of Southwestern National Bank at 6901 Corporate Drive, Houston, Texas 77036 at 2:00 p.m., local time, on Thursday, August 16, 2018.

Q: Who is entitled to vote at the SWNB special meeting?

A: Holders of shares of SWNB common stock at the close of business on July 9, 2018, which is the record date, are entitled to vote at the special meeting. As of the record date, 13,535,036 shares of SWNB common stock were outstanding and entitled to vote.

Q: What is the quorum requirement for the special meeting?

A: The presence at the SWNB special meeting, in person or by proxy, of stockholders representing a majority of the outstanding shares of SWNB common stock will constitute a quorum. Abstentions and broker non-votes, if any, will be included in the number of shares present at the meeting for determining the presence of a quorum.

Table of Contents

Q: What vote is required to approve the merger agreement?

A: Approval of the merger agreement requires the affirmative vote by at least two-thirds of the issued and outstanding shares of common stock of SWNB. As of July 9, 2018, directors and executive officers of SWNB beneficially owned 6,711,286 shares of SWNB common stock, representing 48.79% of the issued and outstanding shares of SWNB common stock. SWNB's directors have entered into voting agreements with Hanmi to vote 6,491,842 shares of SWNB common stock over which they have the power to vote or the power to direct the vote, representing 47.96% of the issued and outstanding shares of SWNB common stock, in favor of the merger agreement at the special meeting.

Q: What vote does SWNB's Board of Directors recommend?

A: SWNB's board of directors has determined that the proposed merger is in the best interests of SWNB stockholders, has unanimously approved the merger agreement and unanimously recommends that SWNB stockholders vote FOR the approval of the merger agreement and FOR the Adjournment Proposal. See the section entitled Description of the Merger SWNB's Reasons for the Merger; Recommendation of SWNB's Board of Directors beginning on page 35 of this document.

Q: If I plan to attend the SWNB special meeting in person, should I still return my proxy card?

A: Yes. Whether or not you plan to attend the SWNB special meeting in person, you should complete and return the enclosed proxy card.

Q: What do I need to do now to vote my shares of SWNB common stock?

A: After you have carefully read and considered the information contained in this document, please complete, sign, date and mail your proxy card in the enclosed return envelope as soon as possible. This will enable your shares to be represented at the special meeting. You may also vote in person at the SWNB special meeting. If you sign, date and send in your proxy card, but you do not indicate how you want to vote, your proxy will be voted in favor of approval of the merger agreement.

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 is not able to vote your shares of common stock on the proposal to approve the merger agreement unless you provide instructions on how to vote. You should instruct your broker how to vote your shares by following the directions that your broker provides. If you do not provide instructions to your broker, your shares will not be voted. You should check the voting form used by your broker to see if your broker allows you to vote by telephone or via the Internet.

Q: May a SWNB stockholder change or revoke his or her vote after submitting a proxy?

A: Yes. If you have not voted through your broker, you can change your vote by:

providing written notice of revocation to the Corporate Secretary of SWNB, which must be provided before the special meeting;

submitting a new proxy card; or

attending the special meeting and voting in person. However, simply attending the special meeting without voting will not revoke your proxy.

If you have instructed a broker to vote your shares, you must follow your broker's directions to change your vote.

Q: Are there risks that I should consider in deciding whether to vote to approve the merger agreement?

A: Yes. You should consider the risk factors set forth in the section entitled "Risk Factors" beginning on page 13 of this document.

Table of Contents

Q: Who can answer my other questions?

A: If you have any questions about the merger or the special meeting, or if you need additional copies of this document or the enclosed proxy card, you should contact Michael Hong at the following address and telephone number:

SWNB Bancorp, Inc.

6901 Corporate Drive

Houston, Texas 77036

Attention: Michael Hong

(713) 771-9700

Table of Contents

SUMMARY

This summary highlights selected information in this document and may not contain all of the information important to you. To understand the merger more fully, you should read this entire document carefully, including the attached appendices.

The Companies

Hanmi Financial Corporation

3660 Wilshire Boulevard, Penthouse Suite A

Los Angeles, California 90010

(213) 382-2200

Hanmi Financial Corporation is a Delaware corporation incorporated in 2000 to be the holding company for Hanmi Bank. Hanmi's common stock is listed on the Nasdaq Global Select Market under the symbol H AFC. Hanmi is subject to the Bank Holding Company Act of 1956, as amended, and elected financial holding company status in 2000. Hanmi Bank, the primary subsidiary of Hanmi, is a state chartered bank incorporated under California law in 1981. Effective July 19, 2016, Hanmi Bank converted from a state member bank to a state nonmember bank and, as a result, the Federal Deposit Insurance Corporation is now its primary federal bank regulator. The California Department of Business Oversight remains the Bank's primary state bank regulator. Hanmi Bank is a community bank conducting general business banking, with its primary market encompassing the Korean-American community as well as other ethnic communities across California, Colorado, Georgia, Illinois, New Jersey, New York, Texas, Virginia and Washington. Hanmi Bank's full-service offices are located in markets 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.

At March 31, 2018, Hanmi, on a consolidated basis, had total assets of \$5.3 billion, total deposits of \$4.4 billion and stockholders' equity of \$564.3 million.

SWNB Bancorp, Inc.

6901 Corporate Drive

Houston, Texas 77036

(713) 771-9700

SWNB Bancorp, Inc. is a Texas corporation incorporated in 2004 to be the holding company for Southwestern National Bank. Southwestern National Bank provides a broad line of financial products and services to small- and medium-sized businesses and consumers. Southwestern National Bank operates locations in Houston, Sugar Land, Plano, Richardson and Austin, Texas. During 2016, Southwestern National Bank opened a loan and deposit production office in Irvine, California. At March 31, 2018, SWNB, on a consolidated basis, had total assets of \$409.4 million, total deposits of \$345.8 million and stockholders' equity of \$48.4 million.

Special Meeting of SWNB Stockholders; Required Vote (page 27)

A special meeting of SWNB stockholders is scheduled to be held at the main office of Southwestern National Bank at 6901 Corporate Drive, Houston, Texas 77036 at 2:00 p.m., local time, on August 16, 2018. At the special meeting, SWNB stockholders will be asked to vote on (1) a proposal to approve the merger agreement between Hanmi and SWNB, and (2) the Adjournment Proposal. Only SWNB stockholders of record as of the close of business on July 9, 2018 are entitled to notice of and to vote at the SWNB special meeting and any adjournments or postponements of the meeting.

Table of Contents

Approval of the merger agreement requires the affirmative vote of at least two-thirds of the issued and outstanding shares of common stock of SWNB. As of the July 9, 2018 record date, there were 13,535,036 shares of SWNB common stock issued and outstanding. As of July 9, 2018, directors and executive officers of SWNB (and their affiliates), as a group, beneficially owned 6,711,286 shares of SWNB common stock, representing 48.79% of the outstanding shares of SWNB common stock. The directors of SWNB have collectively agreed to vote 6,491,842 shares of SWNB common stock over which they have the power to vote or the power to direct the vote (47.96% of the issued and outstanding shares of SWNB common stock as of July 9, 2018) in favor of the merger agreement at the special meeting.

The Merger and the Merger Agreement (page 33)

The merger of SWNB with and into Hanmi is governed by the merger agreement, which is attached as Appendix A to this document. The merger agreement provides that if all of the conditions are satisfied or waived, SWNB will be merged with and into Hanmi, with Hanmi as the surviving entity. We encourage you to read the merger agreement.

What Will SWNB Stockholders Receive in the Merger (page 48)

The merger agreement provides that each SWNB stockholder will be entitled to elect to receive for each share of SWNB common stock that they own: (1) \$5.74 in cash or (2) 0.1961 shares of Hanmi common stock. However, individual elections will be limited by the requirement in the merger agreement that 80% of the shares of SWNB common stock is exchanged for Hanmi common stock and 20% is exchanged for cash. Therefore, allocations of Hanmi common stock and cash that a SWNB stockholder receives will depend on the elections made by other SWNB stockholders.

Additionally, if the SWNB Closing Capital (as determined in accordance with the merger agreement) is in excess of \$48,563,000, SWNB may declare and pay a special dividend in the amount of such excess, subject to certain federal tax considerations. The SWNB Closing Capital is the SWNB Capital at closing. SWNB Capital is defined in the merger agreement as SWNB's capital stock, surplus, accumulated other comprehensive income or loss, as determined in accordance with generally accepted accounting principles in the United States of America (which we refer to as GAAP) on a consolidated basis (calculated in the same manner in which SWNB's consolidated equity capital at December 31, 2017 was calculated) and excluding realized gains on the sales of securities, gains on the dispositions of property and equipment (including any real estate owned), gains on the sales of loans (except for realized gains on the sales of SBA 7(a) loans originated beginning after May 18, 2018 through the effective time, and certain SBA 7(a) loans disclosed by SWNB to Hanmi), any recovery or net benefit received on loans disclosed by SWNB to Hanmi, and goodwill and other intangible assets (i.e., tangible common equity). In calculating SWNB Capital, transaction-related expenses, as defined in the merger agreement, that exceed \$1.5 million, on an after tax basis, will reduce the amount of SWNB Capital.

For purposes of illustration only, as of March 31, 2018, the SWNB Closing Capital would have been approximately \$48,430,786. This would not have resulted in the payment of any special dividend to SWNB's stockholders.

Dissenters' Rights (page 30)

Under Texas law, SWNB stockholders who deliver a written demand for payment of the fair cash value of their shares of SWNB common stock prior to the SWNB special meeting and who vote against the merger agreement at the special meeting will be entitled, if and when the merger is completed, to receive the fair cash value of their shares. Stockholders' right to make this demand and receive the fair value of their shares in cash is known as dissenters' rights. Dissenters' rights are contingent upon strict compliance with the procedures set forth in Chapter 10, Subchapter H of

the Texas Business Organizations Code (Sections 10.351-10.368).

Table of Contents

For additional information regarding dissenters' rights, see Dissenters' Rights and the complete text of Sections 10.351-10.368 of the Texas Business Organizations Code attached to this document as Appendix B. If SWNB stockholders have any questions regarding dissenters' rights, such stockholders should consult with their own legal advisers. See Dissenters' Rights on page 30.

Market Price and Share Information (page 26)

The following table shows the closing price per share of Hanmi common stock and the implied value of the merger consideration payable for each share of SWNB common stock, giving effect to the merger on May 18, 2018, which is the last day on which shares of Hanmi common stock traded preceding the public announcement of the proposed merger, and on July 9, 2018, the most recent practicable date prior to the mailing of this document. The implied value of one share of SWNB common stock is computed by adding the sum of: (1) 0.8 times the price of a share of Hanmi common stock by the 0.1961 exchange ratio and (2) 0.2 times the cash consideration of \$5.74. See Description of the Merger Consideration to be Received in the Merger.

	Hanmi Common Stock		Cash Consideration	Implied Price Per Share of SWNB Common Stock		
May 18, 2018	\$	28.65	\$	5.74	\$	5.64
July 9, 2018	\$	29.50	\$	5.74	\$	5.78

Recommendation of SWNB Board of Directors (page 35)

The SWNB board of directors has unanimously approved the merger agreement and the proposed merger. The SWNB board of directors believes that the merger agreement, including the merger contemplated by the merger agreement, is fair to, and in the best interests of, SWNB and its stockholders, and therefore **unanimously recommends that SWNB stockholders vote FOR the proposal to approve the merger agreement.** In reaching this decision, SWNB's board of directors considered many factors, which are described in the section captioned Description of the Merger SWNB's Reasons for the Merger; Recommendation of SWNB's Board of Directors.

Opinion of SWNB's Financial Advisor (page 38)

At the May 18, 2018 meeting of the SWNB board of directors, a representative of Sheshunoff & Co. Investment Banking, L.P. (which we refer to as Sheshunoff) rendered Sheshunoff's oral opinion, which was subsequently confirmed by delivery of a written opinion to the SWNB board of directors, dated May 18, 2018, as to the fairness, as of such date, from a financial point of view, to the holders of SWNB's outstanding common stock of the merger consideration to be received by such holders in the merger pursuant to the merger agreement, based upon and subject to the qualifications, assumptions and other matters considered in connection with the preparation of its opinion.

The full text of the written opinion of Sheshunoff, dated May 18, 2018, which sets forth, among other things, the various qualifications, assumptions and limitations on the scope of the review undertaken, is attached as Appendix C to this document.

Sheshunoff provided its opinion for the information and assistance of the SWNB board of directors (solely in its capacity as such) in connection with, and for purposes of, its consideration of the merger and its opinion only

addresses whether the merger consideration to be received by the holders of SWNB common stock in the merger pursuant to the merger agreement was fair, from a financial point of view, to such holders. The opinion of Sheshunoff did not address any other term or aspect of the merger agreement or the merger contemplated thereby. The Sheshunoff opinion does not constitute a recommendation to the

Table of Contents

SWNB board of directors or any holder of SWNB common stock as to how the board of directors, such stockholder or any other person should vote or otherwise act with respect to the merger or any other matter.

Regulatory Approvals (page 55)

The merger cannot be completed unless it is approved by the Federal Deposit Insurance Corporation (which we refer to as the FDIC) and the California Department of Business Oversight (which we refer to as the Department of Business Oversight). In addition, the merger cannot be completed without the approval of the Board of Governors of the Federal Reserve System (which we refer to as the Federal Reserve) pursuant to the Bank Holding Company Act, or a waiver by the Federal Reserve of any requirement for an application, and the non-objection of the Texas Department of Banking. Hanmi filed the required applications with the FDIC and the Department of Business Oversight, a notice with the Texas Department of Banking, and a waiver request with the Federal Reserve requesting confirmation that Hanmi may acquire SWNB without the filing of a formal application. As of the date of this document, Hanmi has not received the required regulatory approvals, non-objection or waiver for the merger, but does not know of any reason why it would not be able to obtain these approvals, non-objection and waiver in a timely manner. Hanmi cannot be certain when or if it will receive the approvals of the FDIC and Department of Business Oversight, the non-objection of the Texas Department of Banking, and the waiver to filing an application from the Federal Reserve.

Conditions to Completing the Merger (page 57)

The completion of the merger is subject to the fulfillment of a number of conditions, including:

approval of the merger agreement by at least two-thirds of the issued and outstanding shares of common stock of SWNB;

the absence of any order, decree, injunction, statute, rule or regulation that enjoins or prohibits the consummation of the merger or the bank merger;

approval of and non-objection to the merger by the appropriate regulatory authorities;

effectiveness of the registration statement of which this document is a part;

authorization by the Nasdaq Stock Market of the listing of the shares of Hanmi common stock to be issued to SWNB stockholders;

receipt by Hanmi and SWNB of an opinion from their respective legal counsel to the effect that the merger will be treated for federal income tax purposes as a tax-free reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (which we refer to as the Code);

subject to the materiality standards provided in the merger agreement, the continued accuracy of the representations and warranties of Hanmi and SWNB in the merger agreement;

performance in all material respects by each of Hanmi and SWNB of its respective obligations under the merger agreement;

the absence of any material adverse effect with respect to Hanmi and SWNB since the date of the merger agreement;

not more than 10% of the outstanding shares of common stock of SWNB having perfected their right to dissent under the Texas Business Organizations Code;

none of the regulatory approvals containing any materially burdensome conditions;

Table of Contents

on the third business day immediately preceding the closing date, Southwestern National Bank having total month-to-date average core deposits of not less than \$190,000,000;

SWNB's closing capital being equal or greater than \$48,563,000;

on the third business day immediately preceding the closing date, Southwestern National Bank's allowance for loan losses must not be less than \$4,231,000; and

SWNB having received a favorable private letter ruling from the IRS.

Termination (page 69)

The merger agreement may be terminated by mutual written consent of Hanmi and SWNB at any time before the completion of the merger. Additionally, subject to conditions and circumstances described in the merger agreement, either Hanmi or SWNB may terminate the merger agreement if, among other things, any of the following occur:

the merger has not been consummated by January 31, 2019, unless the failure to complete the merger by that time was due to the failure of the party seeking to terminate the merger agreement to perform or observe the covenants and agreements provided in the merger agreement;

SWNB stockholders do not approve the merger agreement at the SWNB special meeting of stockholders, provided SWNB can only terminate under this provision if it has complied with certain obligations pursuant to the merger agreement;

a required regulatory approval is denied or a governmental authority or court prohibits the consummation of the merger; or

there is a breach of any representation, warranty, covenant or agreement contained in the merger agreement, which cannot be cured, or has not been cured within 30 days after the giving of written notice to such party of such breach.

Hanmi may terminate the merger agreement if SWNB has breached its covenant not to solicit alternative acquisition proposals from a party other than Hanmi, or if the SWNB board of directors does not convene the SWNB special meeting of stockholders or recommend approval of the merger to its stockholders, or modifies or qualifies its recommendation to stockholders in a manner adverse to Hanmi.

Hanmi may also terminate the merger agreement if SWNB does not receive a favorable private letter ruling from the IRS as required by the merger agreement or SWNB does not receive a private letter ruling from the IRS as required by the merger agreement within six months from the date of the merger agreement.

In addition, SWNB may terminate the merger agreement if it has received a superior acquisition proposal from a party other than Hanmi and SWNB's board of directors has determined to accept the superior proposal, after determining in

good faith, after consultation with legal counsel, that failing to take such action would violate its fiduciary duties.

Termination Fee (page 69)

Under certain circumstances described in the merger agreement, including circumstances involving alternative acquisition proposals from a party other than Hanmi and changes in the recommendation of the SWNB board of directors to its stockholders, SWNB may be required to pay to Hanmi a \$3.12 million termination fee in connection with the termination of the merger agreement.

Table of Contents

Expense Reimbursement (page 70)

Hanmi and SWNB will each pay its own costs and expenses incurred in connection with the merger. However, if the merger agreement is terminated because of SWNB's failure to obtain a favorable private letter ruling from the IRS, Hanmi will be reimbursed its documented reasonable costs and expenses incurred in connection with obtaining the regulatory approvals required under the merger agreement.

Interests of SWNB Officers and Directors in the Merger that are Different from the Interests of SWNB Stockholders (page 56)

You should be aware that some of SWNB's directors and officers may have interests in the merger that are different from, or in addition to, the interests of SWNB's stockholders generally. These include:

The termination of all outstanding SWNB stock options, whether or not vested, in exchange for a cash payment to the stock option holder equal to the number of shares provided for in each such stock option, multiplied by the positive difference between \$5.74 and the exercise price of the relevant stock option, less applicable tax withholdings.

The continued employment of Marianne Plant, Senior Vice President and Chief Credit Officer of SWNB, and Mohammed Younus, Dallas Regional President of SWNB, on mutually agreeable terms.

Rights of officers and directors of SWNB and its affiliates to continued indemnification coverage and continued coverage under a directors' and officers' liability insurance policy.

SWNB's board of directors was aware of these interests and took them into account in approving the merger. See Description of the Merger Interests of Certain Persons in the Merger That Are Different From Yours.

Accounting Treatment of the Merger (page 51)

Hanmi will account for the merger under the acquisition method of accounting in accordance with GAAP. Using the acquisition method of accounting, Hanmi will record the assets and liabilities of SWNB at their respective fair values at the time of the completion of the merger. The difference between the purchase price and the net fair value of the assets acquired and liabilities assumed will be recorded as goodwill or bargain purchase gain.

Certain Differences in Stockholder Rights (page 74)

SWNB stockholders who receive shares of Hanmi common stock will become Hanmi stockholders and their rights will be governed by Delaware law and by Hanmi's certificate of incorporation and bylaws. See Comparison of Rights of Stockholders for a summary of the material differences.