HANMI FINANCIAL CORP
Form S-4
February 09, 2004

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As filed with the Securities and Exchange Commission on February 6, 2004

Registration No. 333- l

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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.	**William S. Rubenstein, Esq.**	**William T. Quicksilver, Esq.**
Simpson Thacher & Bartlett LLP	**Skadden, Arps, Slate, Meagher & Flom, LLP**	**Gordon M. Bava, Esq.**
425 Lexington Avenue	**Four Times Square**	**Manatt, Phelps & Phillips, LLP**
New York, New York 10017	**New York, New York 10036**	**11355 W. Olympic Boulevard**
(212) 455-2000	**(212) 735-3000**	**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, including shares of Hanmi common stock issuable upon the exercise of options to acquire shares of PUB common stock that will be converted into options to acquire shares of Hanmi common stock.

(2) Pursuant to Rules 457(c) and 457(f) under the Securities Act of 1933, as amended, the registration fee is based on the average of the high and low sale prices of PUB common stock as quoted on the Nasdaq National Market System on February 3, 2004 ($26.055), and computed based on the estimated maximum number of such shares that may be exchanged for the Hanmi common stock being registered (10,968,264 shares), less the amount of cash to be paid by Hanmi in the merger.

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 State ment shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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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

3660 Wilshire Boulevard Suite PH-A Los Angeles, California 90010 (213) 382-2200	3530 Wilshire Boulevard Suite 1800 Los Angeles, California 90010 (213)385-0909

MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT

The boards of directors of Hanmi Financial Corporation and Pacific Union Bank have approved an agreement to merge Pacific Union Bank with and into Hanmi Bank, a wholly owned subsidiary of Hanmi Financial Corporation. We believe the merger will create a combined franchise with significantly expanded market presence, increased multi-family residential and commercial loan production capabilities and a strong commitment to community service.

In the merger, Hanmi will issue between 5.77 million and 6.64 million shares of Hanmi common stock and each outstanding share of PUB common stock will be converted into shares of Hanmi common stock. Immediately prior to the merger, Hanmi will acquire for $164.5 million in cash most of the shares of PUB common stock held by the Trust established to hold Korea Exchange Bank s shares of PUB common stock. The Trust holds approximately 62% of the shares of PUB common stock outstanding.

The per share consideration you will receive for your PUB shares will be equal to the sum of (i) the market value of the Hanmi common stock issued in the merger and (ii) the cash paid to the Trust immediately prior to the merger, divided by the total number of PUB shares outstanding. This formula is designed to ensure that at the closing all shares of PUB common stock, whether held by the Trust or by others, will receive equal value in the transaction. The exact number of shares of Hanmi common stock to be issued in the merger will be determined by a formula provided in the merger agreement based on the market value of Hanmi s common stock. The market value of Hanmi s common stock for these purposes will be the average of the daily volume weighted average sale prices over the five-day period ending the day prior to the completion of the merger.

To give you an example, if the average closing price of Hanmi common stock during the applicable valuation period is $20.00, the formula in the merger agreement provides that Hanmi issue approximately 6.1 million shares of its common stock in the merger. The value of the per share consideration for each share of PUB common stock would be equal to $26.81, calculated as follows:

$$\frac{(6{,}100{,}000 \times 20) + 164{,}500{,}000}{10{,}686{,}000}$$

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Therefore, at the completion of the merger, each share of PUB common stock would be exchanged for that number of shares of Hanmi common stock that will result in the holder of each share of PUB common stock receiving value equal to $26.81 per share. In this example, the exchange ratio is equal to 1.3405, which is calculated by dividing $26.81 by $20.00. A chart showing the exchange ratio at various other closing prices of Hanmi common stock is provided on page l of this document.

PUB stockholders are being asked to approve the principal terms of the merger agreement and the merger. 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 principal terms of the merger agreement and the merger. As a result, we expect to receive PUB stockholder approval.

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

We cannot complete the merger unless the stockholders of PUB approve it and the stockholders of Hanmi approve the issuance of Hanmi common stock in the merger and in the private placement. Each of us will hold a special meeting of our stockholders to vote on these proposals. **Your vote is important.** Whether or not you plan to attend your stockholders meeting, please take the time to submit your proxy with voting instructions in accordance with the instructions contained in this document. In addition, to exercise appraisal 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.

The places, dates and times of the special meetings are as follows:

For Hanmi stockholders:	For PUB stockholders:
l , 2004 l , local time	l , 2004 l , local time

Hanmi s board of directors recommends that Hanmi stockholders vote FOR the issuance of Hanmi common stock pursuant to the merger agreement and in the private placement	**PUB s board of directors recommends that PUB stockholders vote FOR the approval of the principal terms of the merger agreement and merger**

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 l .** You can also obtain information about our companies from documents that Hanmi has filed with the Securities and Exchange Commission and PUB has filed with the Federal Deposit Insurance Corporation.

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.

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

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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

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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 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 Pacific Union Bank, and the merger of Pacific Union Bank 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 Pacific Union Bank (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

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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 your company s special meeting, it will be more difficult for Hanmi and PUB to obtain the necessary quorums to hold their special meetings. 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., 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. 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.

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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.

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 1. Each item in this summary refers to the page of this document on which that subject is discussed in more detail.

The Merger (page 1)

We are proposing the merger of PUB with and into Hanmi Bank, a wholly owned subsidiary of Hanmi, with Hanmi Bank as the surviving corporation in the merger.

The Financing (page 1)

In connection with the merger, 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.

Immediately prior to the merger, Hanmi will acquire for $164.5 million in cash most of the shares of PUB common stock held by the Trust formed to hold Korea Exchange Bank s shares of PUB common stock. The Trust holds approximately 62% of the PUB shares outstanding. The proceeds from the private placement and the trust preferred securities will be used to finance this acquisition of PUB common stock from the Trust.

What Stockholders Will Receive in the Merger (page 1)

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 exact number of shares of Hanmi common stock to be issued in the merger will be determined by a formula provided in the merger agreement based on the closing share price of Hanmi s common stock. The formula generally works as follows:

Hanmi closing share price	Hanmi shares to be issued in transaction	
Less than $19	$6{,}120{,}093 \times \left(\frac{\$19}{\text{Hanmi closing share price}}\right)$,	but not more than 6,644,672 shares.

Between \$19 and \$25	6,120,093
Greater than \$25	$6{,}120{,}093 \times \left(\dfrac{\$25}{\text{Hanmi closing share price}} \right)$, but not less than 5,773,672 shares.

1

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.

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 l)

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 l)

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.

Hanmi and PUB will not be required to complete the merger unless they receive legal opinions to the effect that the merger constitutes a reorganization for United States federal income tax purposes.

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 l and page l)

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 l , 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 l as of l , 2004.

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

See THE MERGER AGREEMENT Conversion of PUB Common Stock and PUB Stock Options beginning on page l 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 l and page l)

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.

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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 KEB 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 1)

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. In addition, one director of Hanmi owns shares of PUB common stock entitled to vote at the special meeting of PUB stockholders (representing less than 0.1% of the outstanding PUB shares).

PUB s Directors and Officers May Have Financial Interests in the Merger That Differ From Your Interests (page 1)

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:

PUB s 401(k) profit sharing plan and 2000 stock option plan provide for the accelerated vesting of rights or benefits 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;

after the completion of the merger, Hanmi will indemnify and hold harmless the directors and officers of PUB to the fullest extent provided in PUB s articles of incorporation and bylaws;

for a period of six years following the completion of the merger, Hanmi will provide the officers and directors of PUB immediately prior to the completion of the merger, with the directors and officers liability insurance policy currently maintained by PUB, or by a substantially similar policy, subject to certain maximum cost limits;

Mr. Warner, 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 that provides him with specified payments upon a change of control;

certain executive officers of PUB may receive severance or retention compensation;

PUB expects to provide its non-KEB affiliated outside directors with severance compensation following their resignation prior to the completion of the merger in accordance with PUB s past practice;

PUB expects, subject to the approval of its board of directors, to provide Mr. Park, Chairman of the PUB Board, with severance and retirement compensation and reimbursement of certain moving expenses upon his retirement prior to the completion of the merger;

Mr. Kwon, Senior Vice President, Chief Operating Officer and Director of PUB and a current employee of Korea Exchange Bank, will receive reimbursement of certain moving expenses, in accordance with PUB s past practice for KEB expatriate staff;

four of PUB s directors were or currently are employees of Korea Exchange Bank, which indirectly initiated the process leading to the signing of the merger agreement with Hanmi, and own in the aggregate approximately 16,500 shares of Korea Exchange Bank common stock;

certain executive officers and directors of PUB own shares of PUB common stock entitled to vote at the special meeting of PUB stockholders;

one executive officer of PUB owns shares of Hanmi common stock entitled to vote at the special meeting of Hanmi stockholders; and

upon the completion of the merger, the Chief Credit Officer of PUB will become the Chief Credit Officer of the combined company.

Opinions of Financial Advisors (page l)

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., referred to as 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 l)

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., 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. These procedures are described more fully beginning on page l .

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

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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 l)

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 l)

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 (i) vote these 6,624,052 shares of PUB common stock in favor of the adoption of the merger agreement and (ii) 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 l)

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.

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

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 l)

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 l)

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 l)

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 (i) one director designated by the special committee of the board of directors of PUB and (ii) one director designated by Castle Creek Financial LLC, in each case acceptable to Hanmi.

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

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 , 2004 and with the California Commissioner on February , 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 l)

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

Comparison of Stockholders Rights (page l)

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 l)

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.

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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 l and page l)

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 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.

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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 1.

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
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%

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	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%

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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 1 .

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
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
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%

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	Nine Months Ended		For Year Ended December 31,				
	9/30/03	9/30/02	2002	2001	2000	1999	1998
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%

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SELECTED UNAUDITED PRO FORMA 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 combined financial statements appearing in this document beginning on page 1 . 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 1 . 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 COMBINED FINANCIAL INFORMATION on page 1 and WHERE YOU CAN FIND MORE INFORMATION on page 1 . 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)
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

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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 1 . 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 COMBINED FINANCIAL INFORMATION on page 1 and WHERE YOU CAN FIND MORE INFORMATION on page 1 .

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 (adjusted for 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.

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		
	High	**Low**	**Dividends 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 , 2004)	$	$	$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		
	High	**Low**	**Dividends 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 , 2004)	$	$	$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.

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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 1 , 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 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.

After the completion of the merger, the holders of approximately 3,947,369 shares of Hanmi s common stock issued in the private placement will have rights, subject to some conditions, to require Hanmi to file registration statements covering the resale of their shares to the public. 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. Those sales could impair Hanmi s ability to raise needed capital by depressing the price at which it can sell its common stock.

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 (i) extensions of credit to banks in South Korea in the form of letters of credit discount transactions; (ii) loans to borrowers in the U. S. secured by stand-by letters of credit issued by banks in South Korea and (iii) 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.

Changing interest rates may reduce the combined company s net interest income.

Banking companies earnings depend largely on the relationship between the cost of funds, primarily deposits and borrowings, and the yield on earning assets such as loans and investment securities. This relationship, known as the interest rate spread, is subject to fluctuation and is affected by economic, regulatory and competitive factors which influence interest rates, the volume and mix of interest-earning assets and interest-bearing liabilities, and the level of nonperforming assets. Many of these factors are beyond our control. Fluctuations in interest rates may affect the demand of customers for the combined company s products and services. The combined company will be subject to interest rate risk to the degree that its interest-bearing liabilities reprice or mature more slowly or more rapidly or on a different basis than their interest-earning assets. Given Hanmi Bank s and PUB s current volume and mix of interest-bearing liabilities and interest-earning assets, the combined company s interest rate spread could be expected to increase during times of rising interest rates and, conversely, to decline during times of falling interest rates. Therefore, significant fluctuations in interest rates may have an adverse effect on the combined company s 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 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.

Intense competition exists for loans and deposits.

The banking and financial services business in California generally, and in Hanmi Bank s and PUB s market area specifically, is highly competitive. The increasingly competitive environment is a result primarily of changes in regulation, changes in technology and product delivery systems and the accelerating pace of consolidation among financial services providers. The combined company will be competing for loans, deposits and customers for financial services with other commercial banks, savings and loan associations, securities and brokerage companies, mortgage companies, insurance companies, finance companies, money market funds, credit unions and other nonbank financial service providers. Many of these competitors are much larger in total assets and capitalization, have greater access to capital markets and offer a broader array of financial services than will the combined company. There can be no assurance that the combined company will be able to compete effectively in its markets, and its results of operations could be adversely affected if circumstances affecting the nature or level of competition change.

An increase in non-performing assets would reduce the combined company s income and increase its expenses.

If the combined company s level of non-performing assets rises in the future, it could adversely affect operating results. Non-performing assets are primarily loans on which borrowers are not making their required payments. Non-performing assets also include loans that have been restructured to permit the borrower to have smaller payments and real estate that has been acquired through foreclosure of unpaid loans. To the extent that the combined company s assets are non-performing, it has less cash available for lending and other activities.

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Curtailment of government guaranteed loan programs could cut off an important segment of the combined company s business.

If the combined company cannot continue making and selling government guaranteed loans, it will have less origination fees and less ability to generate gains on sale of loans. From time to time, the government agencies that guarantee these loans reach their internal limits, and cease to guarantee loans for a stated time period. In addition, these agencies may change their rules for loans. Also, Congress may adopt legislation that would have the effect of discontinuing or changing the programs. Nongovernmental programs could replace government programs for some borrowers, but the terms might not be equally acceptable. If these changes occur, the volume of loans to small business and industrial borrowers of the types that now qualify for government guaranteed loans could decline, as could the profitability of these loans.

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, the 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.

The combined company may be adversely impacted by changes in government regulation and monetary policy.

The banking industry is subject to extensive federal and state supervision and regulation. Such regulation limits the manner in which the combined company may conduct its businesses, undertake new investments and activities and obtain financing. This regulation is designed primarily for the protection of the deposit insurance funds and consumers, and not to benefit holders of the combined company s common stock. Financial institution regulation has been the subject of significant legislation in recent years, and may be the subject of further significant legislation in the future, none of which is in the combined company s control. Significant new laws or changes in, or repeal of, existing laws may cause the combined company s results to differ materially. Further, federal monetary policy, particularly as implemented through the Federal Reserve System, significantly affects credit conditions for financial institutions, primarily through open market operations in United States government securities, the discount rate for bank borrowings and bank reserve requirements. Any material change in these conditions would be likely to have a material impact on the combined company s results of operations.

Governmental regulation may impair the combined company s operations or restrict its growth.

Banking laws and regulations change from time to time. Bank regulation can hinder the combined company s ability to compete with financial services companies that are not regulated or are less regulated. In addition, bank regulators may impose material compliance costs on the combined company.

Federal and state bank regulatory agencies regulate many aspects of our operations. These areas include:

- the capital the combined company must maintain;
- the kinds of activities the combined company can engage in;
- the kinds and amounts of investments the combined company can make;
- the locations of the combined company s offices;
- how much interest the combined company can pay on demand deposits;
- insurance of the combined company s deposits and the premiums the combined company must pay for this insurance; and
- how much cash the combined company must set aside as reserves for deposits.

Bank regulatory laws could discourage changes in the combined company s ownership.

With certain limited exceptions, federal regulations prohibit a person or company or a group of persons deemed to be acting in concert from, directly or indirectly, acquiring more than 10% (5% if the acquirer is a bank holding company) of any class of our voting stock or obtaining the ability to control in any manner the election of a majority of our directors or otherwise direct the management or policies of our company without prior notice or application to and the approval of the Federal Reserve. These regulations would delay and possibly discourage a potential acquirer who would have been willing to pay a premium price to purchase a large block of the combined company s common stock. That in turn could decrease the value of the combined company s common stock and the price that you receive if you sell your shares in the future.

Provisions in Hanmi s charter documents will delay or prevent changes in control of its corporation or its management.

These provisions 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;
- 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.

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Environmental laws could force the combined company to pay for environmental problems.

The cost of cleaning up or paying damages and penalties associated with environmental problems could increase the combined company s operating expenses. When a borrower defaults on a loan secured by real property, the combined company may purchase the property in foreclosure or accept a deed to the property surrendered by the borrower. The combined company may also take over the management of commercial properties whose owners have defaulted on loans. The combined company will also own and lease premises where its branches and other facilities are located. While the combined company will have lending, foreclosure and facilities guidelines intended to exclude properties with an unreasonable risk of contamination, hazardous substances may exist on some of the properties that it owns, manages or occupies. The combined company faces the risk that environmental laws could force it to clean the properties at its own expense. It may cost much more to clean a property than the property is worth. The combined company could also be liable for pollution generated by a borrower s operations if it took a role in managing those operations after a default. The combined company may also find it difficult or impossible to sell contaminated properties.

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.

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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:

- those discussed and identified in public filings with the Securities and Exchange Commission made by Hanmi and with the Federal Deposit Insurance Corporation made by PUB;
- 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;
- a materially adverse change in the financial condition of Hanmi or PUB;
- difficulties in obtaining required stockholder and regulatory approvals of the transaction;
- the level and timeliness of realization, if any, of expected cost savings from the merger;
- difficulties related to the completion of the merger or the integration of the businesses of Hanmi and PUB;
- lower than expected revenues following the merger;
- other economic, competitive, governmental, regulatory, geopolitical, and technological factors affecting operations, pricing and services; and
- diversion of management time on merger-related issues.

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.

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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.

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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 1 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.

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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 Pacific Union Bank, 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.**

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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.

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

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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 KEB 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 l 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.

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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 1 .

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.

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 1 .

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 (KEB), Korea s sixth-largest lender and holder of 6,624,052, or approximately 62%, of the outstanding shares of PUB common stock. KEB is registered as a bank holding company under the Bank Holding Company Act, 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 KEB 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 control 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 KEB, and Hanmi s hope that Lone Star might ultimately decide to divest some or all of KEB 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, inquiring 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, KEB notified certain members of the PUB board of directors of KEB s intent to divest itself of all, or substantially all, of its ownership interest in PUB pursuant to a regulatory agreement among KEB, 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 KEB). The special committee included only those members of the PUB board of directors who are not currently and were not previously affiliated with KEB 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 KEB 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., or 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 KEB, thereby acquiring a majority of the outstanding voting stock of KEB. On that same day, KEB 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 KEB, as grantor, and L. Dale Crandall, as trustee (the Trustee).

Pursuant to the Trust Agreement, KEB 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 KEB 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 shares.

On November 3, 2003, PUB issued a press release announcing that (i) 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 (ii) 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 KEB.

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.

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

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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.

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On December 1, 2003, Hanmi retained Castle Creek Financial LLC, or 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 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 KEB 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: (i) comparable acquisition transactions of banks from $500 million to and including $3 billion in assets and above that occurred since January 1, 2002, (ii) implied value determined with reference to the trading value of a peer group of comparable banks, and (iii) 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 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: (i) 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 (ii) 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 (i) 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, (ii) to receive final advice from FBR as to the fairness of each transaction from a financial point of view, (iii) to review the documentation related to each transaction and (iv) 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.

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

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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: (i) reviewed the status of the negotiations with Hanmi and the foreign bank since December 19, 2003, (ii) reported that there were indications that the foreign bank had withdrawn its interest in acquiring PUB, and (iii) 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 with the special committee: (i) the principal terms of the Hanmi transaction structure, (ii) 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 (iii) 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) to the special committee 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 KEB 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: (i) Hanmi obtaining executed securities purchase agreements covering a sufficient amount of new equity capital up to $75 million, (ii) Hanmi obtaining written commitments for at least $60 million of trust preferred securities; (iii) Hanmi receiving voting agreements from members of its board of directors covering approximately 32% of the outstanding shares of Hanmi common stock, and (iv) 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 KEB 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

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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.

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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 presentation of Credit Suisse First Boston and its written opinion that, as of December 22, 2003, 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 was fair, from a financial point of view, to Hanmi (see Opinion of Hanmi s Financial Advisor, beginning on page 1);

The alternatives reasonably available to Hanmi if it did not pursue the merger with PUB, including the possibility of pursuing an acquisition of or merger with another banking institution or pursuing internal growth opportunities, and the conclusion that the merger with PUB would yield greater benefits to Hanmi and its stockholders;

The future ability of the combined company to strengthen its balance sheet and its capital position;

The Hanmi board s belief that Hanmi and PUB share a common vision of their commitment to their respective stockholders, employees, customers and communities;

The terms and conditions of the merger agreement and the voting and sale agreement with the Trust, including the fact that the cash portion of the merger consideration is substantially fixed and that the number of shares Hanmi will be required to issue is also substantially fixed, and that the merger agreement is not subject to termination as a result of any change in the trading prices of either company s stock between the signing of the merger agreement and closing; and

The terms and conditions of the securities purchase agreements for the private placement, including the fact that such agreements represented firm commitments of the purchasers to provide Hanmi with the capital needed to complete the PUB acquisition at a fixed price, and that such price represented a reasonable discount to current market price in light of the liquidity limitations placed on the purchasers and the significant (but unpredictable) period of time likely to elapse between signing of the purchase agreements and closing of the stock purchases.

Hanmi s board of directors also considered the potential adverse consequences of the merger, including the following:

The challenges of combining the operations of the two institutions, and of selling or winding down the facilities rendered redundant by the merger;

The risk that anticipated revenue enhancements and cost savings will not be achieved; and

The risk that the integration will be more difficult than currently anticipated and the risk of diverting management s attention from other strategic priorities to implement merger integration efforts.

Hanmi s board of directors realizes that there can be no assurance about future results expected or considered in the factors listed above. However, Hanmi s board concluded that the potential benefits outweighed the potential risks of consummating the merger.

In addition, in view of the wide variety of factors considered in connection with its evaluation of the merger and the complexity of these matters, Hanmi s board did not find it useful to attempt to quantify, rank or otherwise assign relative weights to the factors listed above. Hanmi s board of directors conducted a

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discussion of these factors, including asking questions of its executive management team and financial and legal advisors, and reached a general consensus that the acquisition of PUB was in the best interest of Hanmi and its stockholders. In considering the factors described above, individual members of Hanmi s board of directors may have given different weights to different factors. Hanmi s board relied on the experience and expertise of its financial advisor for quantitative analysis of the financial terms of the merger. See Opinion of Hanmi s Financial Advisor beginning on page 1 . It should also be noted that this explanation of the reasoning of Hanmi s board of directors and all other information presented in this section is forward-looking in nature and, therefore, should be read in light of the factors discussed under the heading CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS on page 1 .

The Reasons of the Special Committee and the Board of Directors of PUB for the Merger; Recommendations

After deliberation and careful consideration of, among other things, the matters discussed below, the special committee of PUB s board of directors unanimously determined that the merger and the merger agreement are in the best of interest of PUB and its stockholders and unanimously recommended that PUB s board of directors approve the merger agreement and the merger.

Based in part on such recommendation, PUB s board of directors (with the four directors currently or previously affiliated with KEB abstaining from the deliberations and vote) unanimously determined that the merger agreement and the merger are in the best interest of PUB and its stockholders and recommended that PUB stockholders approve the principal terms of the merger agreement and the merger.

In the course of reaching its determination to approve the merger agreement, the special committee and the board of directors consulted with legal counsel with respect to their legal duties and the terms of the merger agreement. The special committee and the board of directors also consulted with their financial advisor with respect to the financial aspects of the transaction and the fairness of the merger consideration to be received by PUB s stockholders (other than the Trust) from a financial point of view.

The following discussion of the information and factors considered by the special committee and the board of directors is not intended to be exhaustive, but does include the material factors considered by both. In reaching its decision to approve the merger agreement, the special committee and the board of directors considered the following:

The announced intention of the Trust, as the majority stockholder of PUB, to dispose of its entire ownership interest before April 30, 2004, either by means of a sale or merger of PUB as a whole, or a sale only of the Trust s interest;

The financial terms of the transaction, including the implied price (based upon the closing market price of Hanmi s common stock on December 19, 2003, the last full trading day prior to the special committee s and the board of directors consideration of the merger agreement and the merger) of $28.00 per share, which represented a 14.7% premium to the closing price of PUB s common stock on that date;

The provision in the merger agreement which provides that if Hanmi s common stock price at the completion of the merger is below $19 per share (but is not less than $17.50) or above $25 (but not above $26.50), the number of shares of Hanmi common stock issued in the merger will float so that PUB stockholders will receive shares of Hanmi common stock with a market value of $26.28 or $29.72, as applicable.

The fact that the merger agreement contains a price equalizer mechanism designed to insure that the value of the per share consideration received by the minority stockholders of PUB will be equivalent to the value of the per share consideration received by the Trustee.

The current and prospective environment in which PUB operates, including national, regional and local economic conditions, competition in its business segments and geographic markets, the environment for banks and other financial institutions generally, the increased regulatory burdens on financial institutions, the trend toward consolidation in the banking and financial services industries, and the likely effect of the foregoing factors on PUB s potential growth and profitability if it were to remain independent;

The financial presentation of FBR, PUB s independent financial advisor, and the opinion of FBR that, as of December 21, 2003, and subject to the assumptions, limitations and qualifications set forth in the opinion, the exchange ratio is fair, from a financial point of view, to PUB stockholders (other than the Trust) (see Opinion of PUB s Financial Advisor, beginning on page 1);

The opportunity for PUB s stockholders to receive shares of Hanmi common stock on a tax-free basis and to participate as stockholders in any future growth of the combined company;

The process conducted by Merrill Lynch to identify potential acquirors of PUB (see Background of the Merger, beginning on page 1);

The potential for operating synergies and cross marketing of products in light of the fact that PUB and Hanmi serve contiguous market areas with similar and complementary customer bases;

The average daily trading volume of Hanmi common stock;

The proposed composition of the board of directors of Hanmi after the merger and the inclusion of a person designated by the special committee and acceptable to Hanmi on that board;

The involvement of Castle Creek and a consolidation consultant who has worked closely with Castle Creek in other transactions. The special committee and the board believed that the participation of both Castle Creek and the consolidation consultant significantly increased the likelihood that required financing could be raised and the projected cost savings could be achieved;

The effects of the merger on PUB s employees, including the prospects for continued employment and the severance, retention and other benefits agreed to be provided or continued by Hanmi to PUB s employees;

The special committee s and the board of directors knowledge of PUB, Hanmi and their respective businesses, results of operations, financial condition, management, competitive position and future prospects;

The likelihood of the merger being approved in a timely fashion by the appropriate regulatory authorities and the stockholders of both PUB and Hanmi;

The strategic options available to PUB and the special committee s and board of directors assessment that none of these options, including remaining independent, is likely to present an opportunity to create value for PUB stockholders that is equal to or greater than that created by the proposed merger with Hanmi;

The fact that the Trustee had received and considered indications of interest for alternative transactions, which he shared with the special committee and its advisors. Such alternatives provided the special committee and the PUB board of directors alternative baselines with which to compare the terms and value offered to PUB stockholders in the merger with Hanmi. The special committee and the PUB board of directors concluded, however, that these indications of interest would not likely provide greater value to PUB stockholders than the merger consideration available in the proposed merger with Hanmi and would be subject to additional risks and uncertainties (see Background of the Merger, beginning on page 1);

The nature of the financing commitments received by Hanmi with respect to the merger, including the commitment of (i) $75 million for a private placement of Hanmi common stock at $19 per share with institutional investors knowledgable in community banking investments and (ii) $60 million of trust preferred financing. The special committee and the board of directors believe that the foregoing commitments significantly decrease the level of risk that the merger would not close as a result of the failure of Hanmi to have the resources to fund the merger;

The anticipated positive effect of the merger on existing stockholders, personnel, customers and communities of PUB;

The terms of the merger agreement, which provide PUB s board of directors with an ability to respond to, and to accept, under certain circumstances, an unsolicited offer that is determined by the board to be superior to the merger with Hanmi, if necessary to comply with the board s fiduciary duties to PUB s stockholders under applicable law; and

The interests of directors and executive officers of PUB that are different from, or in addition to, the interests of PUB stockholders generally (see Interests of PUB s Directors and Executive Officers in the Merger, beginning on page 1).

In addition to taking into account the foregoing factors, the special committee and the board of directors also considered the following potentially negative factors in reaching their decision to approve the merger agreement:

The fact that PUB stockholders (other than the Trust) will be receiving only shares of Hanmi common stock for their shares of PUB common stock, and immediately prior to the merger the Trust will be receiving cash for a substantial majority of its shares of PUB common stock;

The fact that the value of the merger consideration to be received by PUB stockholders will be based on the average of the daily volume weighted average sale price of Hanmi common stock for the five trading days immediately preceding 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 the special meeting of PUB stockholders, and on the date of the completion of the merger, and, therefore, at the time of the PUB special meeting, PUB stockholders will not necessarily know or be able to calculate the exchange ratio used to determine the number of shares of Hanmi common stock they would receive upon completion of the merger;

The possibility that PUB would be substantially more profitable than expected or that another acquiror would be willing to pay a higher price sometime in the future;

The possible effect of the public announcement of the merger on the continuing commitment of PUB s management, employees and customers pending the consummation of the merger; and

The fact that there is a possibility that the merger may not be completed even if approved by PUB stockholders and Hanmi stockholders as a result of a breach of the merger agreement or the failure of a party to satisfy all applicable conditions to complete the merger.

In addition, in view of the wide variety of factors considered in connection with their evaluation of the merger and the complexity of these matters, the special committee and the board of directors did not find it useful to attempt to quantify, rank or otherwise assign relative weights to the factors listed above. The special committee and the board of directors conducted a discussion of these factors, including discussions with PUB s executive management team and asking questions of PUB s financial and legal advisors, and reached a consensus that the merger was in the best interest of PUB and its stockholders. In considering the factors described above, individual members of the special committee and the board of directors may have given different weights to different factors. The special committee and the board of directors relied on the experience and expertise of their financial advisor for quantitative analysis of the financial terms of the merger. See Opinion of the PUB s Financial Advisor beginning on page 1 . It should also be noted that this explanation of the reasoning of the special committee and the board of directors and all other information presented in this section is forward-looking in nature and, therefore, should be read in light of the factors discussed under the heading CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS on page 1 .

Restrictions on Resale by PUB Affiliates

The shares of Hanmi common stock to be issued in connection with the merger will be registered under the Securities Act. These shares will be freely transferable under the Securities Act, except for shares of

Hanmi common stock issued to any person who is an affiliate of PUB. Persons who may be deemed to be affiliates include individuals or entities that control, are controlled by, or are under common control with PUB, and may include some of their respective officers and directors, as well as their respective principal stockholders. Affiliates may not sell their shares of Hanmi common stock acquired in connection with the merger except pursuant to (i) an effective registration statement under the Securities Act covering the resale of those shares, (ii) an exemption under paragraph (d) of Rule 145 under the Securities Act or (iii) any other applicable exemption under the Securities Act. The Trust formed to hold Korea Exchange Bank s shares of PUB common stock has certain registration rights pursuant to the voting and sale agreement. See The Voting and Sale Agreement beginning on page 1 . See also Selling Stockholder beginning on page 1 .

Interests of Hanmi s Directors in the Issuance of Hanmi Common Stock in the Private Placement

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 $19.00 per share as follows:

Ki Tae Hong will purchase 52,632 shares of Hanmi common stock for $1,000,008;

Joon H. Lee will purchase 98,947 shares of Hanmi common stock for $1,879,993;

Richard Lee will purchase 148,211 shares of Hanmi common stock for $2,816,009;

Joseph K. Rho will purchase 98,947 shares of Hanmi common stock for $1,879,993; and

Won R. Yoon will purchase 31,589 shares of Hanmi common stock for $600,191.

The members of Hanmi s board of directors who are purchasing such shares of Hanmi common stock pursuant to the private placement refrained from voting on the private placement when presented to Hanmi s board of directors.

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

Interests of PUB s Directors and Officers in the Merger

PUB executive officers and directors who are also stockholders of PUB will participate in the merger in the same manner and to the same extent as all of the other stockholders of PUB (other than the Trust). However, in considering the recommendation of the PUB board of directors that PUB stockholders vote in favor of approving the principal terms of the merger agreement and the merger, PUB stockholders should be aware that PUB executive officers and directors may have interests in the merger as individuals that are in addition to, or different from, their interests as stockholders of PUB generally. The PUB board of directors was aware of these interests and considered them, among other matters, in approving the merger agreement. These interests are described below.

Indemnification and Directors and Officers Insurance. Hanmi has agreed in the merger agreement that, after the effective time of the merger, Hanmi will indemnify and hold harmless, to the fullest extent provided in PUB s articles of incorporation and bylaws in effect on the date of the merger agreement, each present and former director and officer of PUB against any losses, claims, damages, liabilities, costs, expenses (including reasonable attorney s fees), judgments, fines or amounts paid in settlement incurred in connection with any claim, action, suit, proceeding or investigation, whether civil, criminal or administrative, arising out of matters existing or occurring at or prior to the effective time of the merger (including the transactions contemplated by the merger agreement), whether asserted or claimed prior to, at or after the effective time. Hanmi has also agreed to advance expenses to each indemnified party as they are from time to time incurred in each case to the fullest extent permitted by law.

Hanmi has also agreed in the merger agreement that, for a period of six years after the effective time of the merger, it will cause the persons serving as officers and directors of PUB immediately prior to the effective time of the merger to be covered by the directors and officers liability insurance policy currently maintained by PUB or by a policy of at least the same coverage amounts and containing terms and conditions that are in

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the aggregate not materially less advantageous to the officers and directors than PUB s current policy, subject to certain maximum cost limits.

Hanmi Board of Directors. Hanmi has agreed in the merger agreement to cause a person, designated by the special committee of PUB s board of directors and acceptable to Hanmi, to be appointed as a director of Hanmi and Hanmi Bank promptly following the effective time of the merger.

Retention Agreement with Mr. Warner. On November 26, 2003, the Trustee entered into a Retention Agreement with Mr. Warner in connection with his continuing employment as President and Chief Executive Officer of PUB, referred to as the Retention Agreement. Pursuant to the Retention Agreement, Mr. Warner will be eligible to receive a retention bonus of $120,000 from the Trustee payable on the three-month anniversary following the consummation of a change in control. The proposed merger with Hanmi Bank will be a change of control as that term is defined in the Retention Agreement.

Severance Plan. Certain of the executive officers of PUB, as well as certain other employees of PUB, are participants in PUB s Severance Plan, referred to as the Severance Plan. The Severance Plan provides for certain payments in connection with termination of employment within one year following a change of control. The merger with Hanmi Bank will be deemed a change of control within the meaning of the Severance Plan. If these severance payment obligations are triggered, executive officers will be entitled to receive a lump-sum payment of two weeks equivalent base pay for each year of service with PUB up to 13 years plus an additional one-half week equivalent base pay for each year of service with PUB in excess of 13 years. If all of the executive officers of PUB who are participants in the Severance Plan are terminated within one year following the effective time of the merger, the maximum amount of the aggregate payments made to them as a group under the Severance Plan would be approximately $177,682.

Retention Plan. Certain executive officers of PUB, as well as certain other employees of PUB, are participants in PUB s Retention Plan, referred to as the Retention Plan. The Retention Plan provides for certain payments in connection with continued employment after a change of control. The merger with Hanmi Bank will be deemed a change of control within the meaning of the Retention Plan. Any retention payments will be made three months following the date of the completion of the merger. If these executive officers remain employed with the combined company for an agreed-upon time, they will receive a payment equal to two months of base pay. An executive officer may receive payments under both the Severance Plan and the Retention Plan. If all of the executive officers of PUB who are participants in the Retention Plan receive payments under the Retention Plan, the maximum amount of the aggregate payments made to them as a group would be approximately $58,000.

401(k) Retirement Plan. Under the PUB 401(k) Profit Sharing Plan, referred to as the 401(k) Plan , all employer contribution accounts will become fully-vested upon termination of the 401(k) Plan. Pursuant to the merger agreement, PUB has agreed to terminate the 401(k) Plan effective immediately prior to the effective time of the merger. Of PUB s executive officers who participate in the 401(k) Plan, two are not currently fully-vested in their employer contribution accounts. The aggregate employer contribution account balances for these two executive officers that will become vested as a result of the 401(k) Plan termination is approximately $9,000.

Severance Payment for Outside Directors. PUB s past practice has been to provide retiring or departing directors who are not employees of either PUB or KEB (outside directors) with severance compensation equal to six times their monthly director compensation. Pursuant to the merger agreement, the directors of Hanmi Bank before the merger will continue to be the directors of the combined bank after the merger, and the directors of PUB before the merger will no longer serve in such capacity. Therefore, prior to the effective time of the merger, PUB expects to pay approximately $36,000 to the outside directors.

Additional Payments for Jin Kon Park. PUB expects, subject to the approval of its board of directors, to provide Mr. Jin Kon Park, Chairman of the PUB Board and a former employee of Korea Exchange Bank, with (i) retirement compensation equal to 20% of his annual salary, (ii) severance compensation equal to six times his monthly salary, (iii) a housing allowance and (iv) reimbursement of moving expenses. Therefore, prior to the completion of the merger, PUB expects to make a payment of approximately $86,800 to Mr. Park.

Moving Expenses. Pursuant to PUB s past practice for KEB expatriate staff, Mr. Oh Hoon Kwon, a director and executive officer of PUB and current employee of Korea Exchange Bank, will receive a payment of approximately $8,000 for reimbursement of moving expenses prior to the completion of the merger.

Korea Exchange Bank Affiliates. As previously disclosed, Korea Exchange Bank indirectly initiated the process leading to the signing of the merger agreement with Hanmi. Additionally, immediately prior to the merger, Hanmi will acquire for $164.5 million in cash most of the shares of PUB common stock held by the Trust established to hold the shares of PUB on behalf of Korea Exchange Bank. Four members of PUB s board of directors were or currently are employees of Korea Exchange Bank, are nominated to the board by KEB and own in aggregate approximately 16,500 shares of KEB common stock. Because of their affiliation with KEB, these directors were excluded from the vote on the merger agreement when presented to the PUB board of directors. See THE MERGER-Background of the Merger.

Acceleration and Conversion of Stock Options. All unvested stock options to purchase shares of PUB common stock held by PUB s directors and executive officers will become fully-vested and exercisable prior to the merger and, if not exercised prior to the merger, will be converted automatically into fully-vested stock options to purchase shares of Hanmi common stock at the time of the completion of the merger. As of the date of the special meeting, PUB s executive officers and directors are expected to hold unvested stock options to purchase a total of approximately 90,912 shares of PUB common stock with exercise prices ranging from $6.3718 to $18.30 per share.

PUB Common Stock Ownership. As of the record date, PUB directors and executive officers owned 67,435 shares, or approximately 0.63% of the outstanding shares of PUB common stock entitled to vote at the special meeting of PUB stockholders.

PUB Executive Officer. Upon the completion of the merger, the Chief Credit Officer of PUB will become the Chief Credit Officer of the combined company.

Hanmi Common Stock Ownership. As of the record date, one PUB executive officer owned 152 shares, or approximately 0.0001% of the outstanding shares of Hanmi common stock entitled to vote at the special meeting of Hanmi stockholders.

Opinion of Hanmi s Financial Advisor

Hanmi retained Credit Suisse First Boston to act as its financial advisor in connection with the merger. In connection with Credit Suisse First Boston s engagement, Hanmi requested that Credit Suisse First Boston evaluate the fairness of the consideration to be paid by Hanmi in the combined transaction consisting of the merger and the purchase of shares from the Trust formed to hold Korea Exchange Bank s shares of PUB common stock pursuant to the voting and sale agreement (which we collectively refer to as the acquisition), from a financial point of view. On December 21, 2003, the Hanmi board of directors met to review the proposed acquisition and the terms of the merger agreement and the voting and sale agreement. During this meeting, Credit Suisse First Boston reviewed with the Hanmi board of directors certain financial analyses, as described below, and rendered its oral opinion to the Hanmi board of directors, subsequently confirmed in writing, that, as of the date of such opinion and based upon and subject to the various considerations set forth in the Credit Suisse First Boston opinion, the consideration to be paid by Hanmi in the acquisition (which we refer to as the acquisition consideration) was fair to Hanmi, from a financial point of view.

The full text of the Credit Suisse First Boston opinion, which sets forth, among other things, assumptions made, procedures followed, matters considered and limitations on the scope of the review undertaken by Credit Suisse First Boston in rendering its opinion, is attached as Appendix B to this joint proxy statement/prospectus and is incorporated by reference in its entirety. Hanmi stockholders are urged to, and should, read the Credit Suisse First Boston opinion carefully and in its entirety. The Credit Suisse First Boston opinion addresses only the fairness to Hanmi of the acquisition consideration to be paid by Hanmi in the acquisition, from a financial point of view, as of the date of the Credit Suisse First Boston opinion, and does not constitute a recommendation to any stockholder as to how such stockholder should vote or act on any matter relating to the merger. The summary of the Credit Suisse First Boston opinion in this joint proxy statement/prospectus is qualified in its entirety by reference to the full text of the Credit Suisse First Boston opinion.

In connection with its opinion, Credit Suisse First Boston, among other things,

- reviewed the merger agreement and the voting and sale agreement;
- reviewed certain publicly available business and financial information relating to Hanmi and PUB;
- reviewed certain other information relating to Hanmi and PUB, including financial forecasts, provided to Credit Suisse First Boston or discussed with Credit Suisse First Boston by Hanmi and PUB, and met with the managements of Hanmi and PUB to discuss the businesses and prospects of Hanmi and PUB, respectively;
- considered certain financial and stock market data of Hanmi and PUB and compared that data with similar data for other publicly held companies in businesses which Credit Suisse First Boston deemed similar to those of Hanmi and PUB;
- considered, to the extent publicly available, the financial terms of certain other business combinations and other transactions which have recently been effected or announced; and
- considered such other information, financial studies, analyses and investigations and financial, economic and market criteria which Credit Suisse First Boston deemed relevant.

In connection with its review, Credit Suisse First Boston did not assume any responsibility for independent verification of any of the foregoing information and relied on such information being complete and accurate in all material respects. With respect to the financial forecasts of Hanmi and PUB that Credit Suisse First Boston reviewed, the managements of Hanmi and PUB have advised Credit Suisse First Boston, and Credit Suisse First Boston assumed, that such forecasts had been reasonably prepared on bases reflecting the best currently available estimates and judgments of the managements of Hanmi and PUB as to the future financial performance of Hanmi and PUB, respectively. In addition, with respect to the financial forecasts relating to synergistic values and operating cost savings (including the amount, timing and achievability thereof) anticipated to result from the combination of the operations of PUB, Hanmi, and Hanmi Bank, the management of Hanmi has advised Credit Suisse First Boston, and Credit Suisse First Boston assumed, that such financial forecasts have been reasonably prepared on bases reflecting the best currently available estimates and judgments of the management of Hanmi as to such synergistic values and operating cost savings and that such results will be achieved in such amounts and at such times as indicated therein.

Hanmi also informed Credit Suisse First Boston, and Credit Suisse First Boston assumed, that the merger will be treated as a tax-free reorganization for federal income tax purposes. Credit Suisse First Boston also assumed, with Hanmi s consent, that in the course of obtaining necessary regulatory and third party approvals and consents for the acquisition, no modification, delay, limitation, restriction or condition will be imposed that will have an adverse effect on Hanmi, PUB, or Hanmi Bank or the contemplated benefits of the acquisition and that the merger and sale will be consummated in accordance with the terms of the merger agreement and the voting and sale agreement, without waiver, modification or amendment of any material terms, conditions or agreements contained in the merger agreement and the voting and sale agreement. Credit Suisse First Boston was not requested to make, and did not make, an independent evaluation or appraisal of the assets or liabilities (contingent or otherwise) of Hanmi or PUB, nor was Credit Suisse First Boston furnished with any such evaluations or appraisals. The Credit Suisse First Boston opinion is necessarily based upon information made available to it as of the date of its opinion, and upon financial, economic, market and other conditions as they existed and could be evaluated on the date of the Credit Suisse First Boston opinion. Credit Suisse First Boston did not express any opinion as to what the value of Hanmi common stock actually will be when issued to holders of PUB common stock pursuant to the merger or the prices at which shares of Hanmi common stock will trade at any time. The Credit Suisse First Boston opinion only addresses the fairness from a financial point of view to Hanmi of the acquisition consideration to be paid by Hanmi in the sale and the merger and does not address any other ancillary transaction to the merger or the sale, including, without limitation, the sale of any equity securities of Hanmi. The Credit Suisse First Boston opinion does not

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address the relative merits of the acquisition as compared to other business strategies that might be available to Hanmi, nor does it address the underlying business decision of Hanmi to proceed with the acquisition.

In preparing its opinion, Credit Suisse First Boston performed a variety of financial and comparative analyses. The preparation of a fairness opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. Credit Suisse First Boston believes that its analyses must be considered as a whole and that selecting portions of its analyses and of the factors considered by it, without considering all analyses and factors, could create a misleading view of the processes underlying the Credit Suisse First Boston opinion. No company or transaction used in the analyses performed by Credit Suisse First Boston as a comparison is identical to Hanmi, PUB or the contemplated merger. In addition, Credit Suisse First Boston may have given various analyses more or less weight than other analyses, and may have deemed various assumptions more or less probable than other assumptions, so that the range of valuations resulting from any particular analysis described below should not be taken to be Credit Suisse First Boston s view of the actual value of Hanmi or PUB. The analyses performed by Credit Suisse First Boston are not necessarily indicative of actual values or actual future results, which may be significantly more or less favorable than suggested by such analyses. In addition, analyses relating to the value of businesses or assets do not purport to be appraisals or to necessarily reflect the prices at which businesses or assets may actually be sold. The analyses performed were prepared solely as part of Credit Suisse First Boston s analysis of the fairness of the acquisition consideration to be paid by Hanmi, from a financial point of view, and were provided to the board of directors of Hanmi in connection with the delivery of the Credit Suisse First Boston opinion.

The following is a summary of material financial analyses performed by Credit Suisse First Boston in connection with the preparation of its opinion, and reviewed with the Hanmi board of directors at a meeting of the Hanmi board of directors held on December 21, 2003. **Certain of the following summaries of financial analyses that were performed by Credit Suisse First Boston include information presented in tabular format. In order to understand fully the material financial analyses that were performed by Credit Suisse First Boston, the tables should be read together with the text of each summary. The tables alone do not constitute a complete description of the material financial analyses.**

Comparable Company Trading Analysis. Credit Suisse First Boston reviewed and compared certain financial and stock market information of PUB to the publicly available corresponding data for the following publicly traded commercial banking organizations located in California that Credit Suisse First Boston determined were comparable to PUB:

California Peer Group

CVB Financial Corp.

First Community Bancorp

First Republic Bank

Mid-State Bancshares

Pacific Capital Bancorp

Silicon Valley Bancshares

Westamerica Bancorporation

Asian Niche Banking Peer Group

Cathay Bancorp, Inc.

Center Financial Corporation

East West Bancorp, Inc.

Nara Bancorp, Inc.

UCBH Holdings, Inc.

Wilshire State Bank

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Credit Suisse First Boston then applied a 30% change of control premium to the publicly available market data for the California Peer Group and the Asian Niche Banking Peer Group, in line with historical premiums paid for transactions of similar size to the acquisition by Hanmi of PUB in the financial institutions sector in 2000, 2001, 2002 and 2003 (through the date of the opinion). Specifically, the average premiums paid in the banking sector in 2000, 2001, 2002 and 2003 (through the date of the opinion) were, respectively, 27%, 24%, 26% and 31%.

Such information included, among other things and after application of the 30% change of control premium, the low, median and high values of several financial metrics for the companies in each peer group, including prices per share as a multiple of estimated earnings per share for calendar years 2003 and 2004. The multiples were calculated using publicly available information and publicly available forecasts prepared by First Call for calendar years 2003 and 2004 and closing stock prices as of December 19, 2003. The following table summarizes the results of this analysis and provides a calculation of the implied price per PUB share based on the estimated earnings per share of PUB for calendar years 2003 and 2004 multiplied by the corresponding low and median value multiples for the Asian Niche Banking Peer Group and the California Peer Group. As illustrated in the table below, this analysis indicated an imputed range of values per share of PUB common stock of $23.11 to $39.52. Based on the qualitative and quantitative analysis carried out by Credit Suisse First Boston, which analysis included consideration of the strategic importance of the transaction to Hanmi, the relative competitive strengths of Hanmi and PUB in their respective markets, the underlying growth potential of Hanmi Bank following the acquisition, the financial performance of the Asian Niche Banking Peer Group and the California Peer Group as compared to that of Hanmi and PUB and the relative market shares of Hanmi, PUB and the Asian Niche Banking Peer Group and the California Peer Group, Credit Suisse First Boston estimated that the appropriate reference range of values per share of PUB common stock is $23.11 to $29.18.

	Asian Niche Banking Peer Group with 30% Premium			California Peer Group with 30% Premium		
	Low	**Median**	**High**	**Low**	**Median**	**High**
Price Per Share/ Earnings Per Share:						
Calendar Year 2003 E	24.6x	27.1x	36.7x	21.5x	23.3x	33.3x
Calendar Year 2004 E	20.3x	23.2x	31.1x	19.7x	21.1x	28.8x
PUB Benchmarks:						
Earnings Per Share 2003 E	$ 1.08	$ 1.08	$ 1.08	$ 1.08	$ 1.08	$ 1.08
Earnings Per Share 2004 E	1.25	1.25	1.25	1.25	1.25	1.25
Implied Price Per Share based on:						
Earnings Per Share 2003 E	$26.53	$29.18	$39.52	$23.11	$25.11	$35.89
Earnings Per Share 2004 E	24.41	28.98	38.92	24.65	26.37	36.07

No company utilized as a comparison in the comparable company trading analysis is identical to PUB. Mathematical analysis, such as determining the average or the median, is not in itself a meaningful method of using comparable company trading data.

Precedent M&A Transactions Analysis. Credit Suisse First Boston reviewed certain publicly announced transactions with transaction values between $100 million and $1.0 billion in which public companies in the banking industry were acquired. These included eight transactions with targeted companies located on the West Coast of the United States of America that were announced during 2002 and 2003 and 14 transactions from within the United States of America that were announced during 2003 (which include the four West Coast transactions that were announced in 2003).

Credit Suisse First Boston reviewed various multiples of announced transaction value to the targeted companies (i) previous four quarters of actual earnings calculated in accordance with generally accepted accounting principles in the United States of America, (ii) estimated forward one-year earnings from First Call calculated in accordance with generally accepted accounting principles in the United States of America, (iii) book value and (iv) tangible book value. In addition, Credit Suisse First Boston reviewed the premium to the target companies core deposits implied by the announced transaction values. This premium was determined by subtracting a target company s tangible equity from the applicable announced transaction value and dividing that result by the target company s core deposits. Credit Suisse First Boston then computed high, low and median multiples and premiums for the respective groups of transactions. These multiples and premiums were applied to PUB s publicly disclosed financial information as of September 30, 2003, and to PUB s estimated earnings per share for the 2003 financial year and to PUB s estimated forward one year earnings per share based on financial forecasts for PUB that were discussed with and approved by Hanmi s management.

The eight West Coast transactions were:

Acquiror	Target
Pacific Capital Bancorp	Pacific Crest Capital, Inc.
UnionBanCal Corporation	Business Bancorp
Wells Fargo & Company	Pacific Northwest Bancorp
Cathay Bancorp, Inc.	GBC Bancorp
UCBH Holdings, Inc.	Bank of Canton of California
Rabobank Group	VIB Corp
Umpqua Holdings Corporation	Centennial Bancorp
First Community Bancorp	First National Bank

The 14 national transactions were:

Acquiror	Target
Provident Bankshares Corporation	Southern Financial Bancorp, Inc.
Alabama National BanCorporation	Indian River Banking Company
Pacific Capital Bancorp	Pacific Crest Capital, Inc.
UnionBanCal Corporation	Business Bancorp
First Midwest Bancorp, Inc.	CoVest Bancshares, Inc.
Fulton Financial Corporation	Resource Bankshares Corporation
The PNC Financial Services Group, Inc.	United National Bancorp
The Royal Bank of Scotland Group plc	Community Bancorp Inc.
Wells Fargo & Company	Pacific Northwest Bancorp
The South Financial Group, Inc.	MountainBank Financial Corporation
Cathay Bancorp, Inc.	GBC Bancorp
United Bankshares, Inc.	Sequoia Bancshares, Inc.
Mercantile Bankshares Corporation	F&M Bancorp
F.N.B. Corporation	Charter Banking Corp.

As illustrated in the following tables, the imputed range of values per share of PUB common stock based upon the national transactions was $16.43 to $63.88, and based upon the West Coast transactions it was $13.42 to $33.32. Based on the qualitative and quantitative analysis carried out by Credit Suisse First Boston, including consideration of the strategic importance of the transaction to Hanmi, the relative competitive strengths of Hanmi and PUB in their respective markets, the underlying growth potential of Hanmi Bank following the acquisition, the financial performance of the Asian Niche Banking Peer Group and the California Peer Group as compared to that of Hanmi and PUB and the relative market shares of Hanmi, PUB and the Asian Niche Banking Peer Group and the California Peer Group, Credit Suisse First Boston estimated that the appropriate reference range of values per share of PUB common stock is $22.19 to $31.09 based upon the national transactions and $19.45 to $33.32 based upon the West Coast transactions:

	Nationwide Transactions					
	Low Multiples	Implied Value	Median Multiples	Implied Value	High Multiples	Implied Value
Transaction Value/Previous 1 Yr EPS	15.3x	$16.43	20.6x	$22.19	36.7x	$39.50
Transaction Value/Forward 1 Yr EPS (E)	14.4x	17.98	18.4x	23.07	22.7x	28.38
Transaction Value/Book Value	1.8x	18.55	2.7x	26.75	4.4x	43.90
Transaction Value/Tangible Book Value	1.9x	18.86	3.1x	31.09	4.4x	43.74
Implied Core Deposit Premium	13.0%	20.09	24.0%	27.47	74.0%	63.88

	West Coast Transactions					
	Low Multiples	Implied Value	Median Multiples	Implied Value	High Multiples	Implied Value
Transaction Value/Previous 1 Yr EPS	16.5x	$17.73	18.1x	$19.45	20.6x	$22.15
Transaction Value/Forward 1 Yr EPS (E)	14.8x	18.52	17.6x	22.06	22.7x	28.38
Transaction Value/Book Value	1.3x	13.47	2.2x	22.14	2.8x	27.93
Transaction Value/Tangible Book Value	1.3x	13.42	2.7x	27.34	3.2x	32.56
Implied Core Deposit Premium	10.0%	17.26	20.9%	25.16	32.1%	33.32

Discounted Cash Flow with Cost Savings Analysis. Using a discounted cash flow analysis, Credit Suisse First Boston calculated certain implied equity values per share of PUB based on financial forecasts for PUB that were discussed with and consented to by Hanmi and PUB managements. The model takes into account the estimated cost savings resulting from the acquisition, which have been factored into the calculation on the basis of savings of 40% of PUB s annualized 2003 core expenses, phased in as to 50% in 2004 and as to 100% in 2005 and thereafter. The discounted cash flow with cost savings analysis was based on various operating assumptions provided by Hanmi management, including assumptions relating to, among other items, revenue, operating costs, taxes, working capital, capital expenditures and depreciation. Credit Suisse First Boston s analysis used discount rates ranging from 12.0% to 15.0% and terminal price to earnings multiples of 11.0x to 15.0x, in line with average historical forward trading multiples of banks in the Asian Niche Banking Peer Group. The following table summarizes the results of this analysis:

	Equity Value per PUB Share Terminal P/E Multiples		
Discount Rate	11.0x	13.0x	15.0x
12.0%	$24.46	$26.89	$29.33
13.0%	22.97	25.30	27.63
14.0%	21.68	23.92	26.16
15.0%	20.56	22.71	24.86

As illustrated by the table, Credit Suisse First Boston derived an imputed range of values per share of PUB common stock of $20.56 to $29.33.

Credit Suisse First Boston s opinion and presentation to the Hanmi board of directors was one of many factors taken into consideration by the Hanmi board of directors in making its determination to engage in the acquisition. Consequently, the analyses described above should not be viewed as determinative of the opinion of the Hanmi board of directors or the management of Hanmi with respect to the value of PUB or whether the Hanmi board of directors would have been willing to agree to a different acquisition consideration.

The Hanmi board of directors retained Credit Suisse First Boston to act as its financial advisor in connection with the acquisition. Credit Suisse First Boston was selected by the Hanmi board of directors based on Credit Suisse First Boston s qualifications, expertise and reputation.

Credit Suisse First Boston is an internationally recognized investment banking and advisory firm. Credit Suisse First Boston, as part of its investment banking business, is continuously engaged in the valuation of businesses and securities in connection with mergers and acquisitions, leveraged buyouts, negotiated underwritings, competitive biddings, secondary distributions of listed and unlisted securities, private placements and valuations for corporate and other purposes. In the past, Credit Suisse First Boston and its affiliates have provided certain financial and investment banking services to affiliates of PUB unrelated to the merger and the sale for which Credit Suisse First Boston received compensation, and may in the future provide certain investment banking and financial services to Hanmi unrelated to the merger and the sale for which Credit Suisse First Boston would expect to receive compensation. Additionally, Credit Suisse First Boston and its affiliates have in the past provided, currently are providing and may in the future provide, financial and investment banking services to Trapeza Funding V LLC, which is committed, subject to certain conditions, to purchase trust preferred securities from a trust to be formed by Hanmi to finance a portion of the acquisition consideration, and certain of its affiliates, for which Credit Suisse First Boston has received, and would expect to receive, compensation. In the ordinary course of its business, Credit Suisse First Boston and its affiliates may actively trade the debt and equity securities of Hanmi and PUB for their own accounts and for the accounts of customers and, accordingly, may at any time hold a long or short position in such securities.

Pursuant to an engagement letter dated as of October 7, 2003, Hanmi engaged Credit Suisse First Boston to provide financial advisory services to the Hanmi board of directors in connection with the acquisition, including, among other things, rendering its opinion. Pursuant to the terms of the engagement letter, Hanmi has agreed to pay Credit Suisse First Boston a customary fee in connection therewith, a significant portion of which is contingent upon the consummation of the merger. In addition, Hanmi has agreed to reimburse Credit Suisse First Boston for its expenses, including attorney s fees, incurred in connection with its engagement and to indemnify Credit Suisse First Boston and certain related persons against certain liabilities and expenses arising out of or in conjunction with its rendering of services under its engagement, including liabilities arising under the federal securities laws.

Opinion of PUB s Financial Advisor

Pursuant to the terms of an engagement letter dated October 30, 2003 between PUB and FBR, PUB retained FBR to act as the financial advisor to the special committee of the PUB board of directors in connection with the potential sale or other disposition of the shares of PUB common stock held by the Trust and any related merger, consolidation, reorganization or other business combination. As part of its engagement, FBR agreed, if requested by the special committee, to render an opinion to the special committee and the PUB board of directors as to the fairness, from a financial point of view, to PUB stockholders (other than the Trust) of the exchange ratio in any such sale or other disposition.

FBR is a nationally recognized investment banking and advisory firm that specializes in the financial services industry in general, and in community banks and thrifts in particular. FBR is regularly engaged in valuations of similar businesses and in advising institutions with regard to mergers and acquisitions, as well as raising debt and equity capital for such institutions. PUB selected FBR as the financial advisor to the special committee based upon FBR s qualifications, expertise and reputation in such capacity.

On December 21, 2003, the special committee and the PUB board of directors held a joint meeting to review the terms of the proposed merger with Hanmi. During this meeting, FBR reviewed with the special committee and the PUB board of directors certain financial analyses, as described below, and delivered its oral opinion, subsequently confirmed in writing, that as of such date and based upon and subject to the assumptions, limitations and qualifications set forth in the opinion, the exchange ratio contemplated in the merger agreement was fair, from a financial point of view, to PUB stockholders (other than the Trust).

The full text of FBR s written opinion dated December 21, 2003 is attached as Appendix C to this document and is incorporated herein by reference. The opinion sets forth the assumptions made, matters considered and extent of review by FBR. It should be read carefully and in its entirety. The following summary of FBR s opinion is qualified in its entirety by reference to the full text of the opinion. FBR s opinion was provided for the information of the special committee and the PUB board of directors and addresses only the fairness to PUB stockholders (other than the Trust) of the exchange ratio from a

financial point of view as of the date of the opinion. It does not constitute a recommendation to any PUB stockholder as to how such stockholder should vote at the special meeting.

No limitations were imposed by PUB on FBR with respect to the investigations made or the procedures followed in rendering the opinion. FBR was not requested to solicit, and did not solicit, third party offers to acquire all or any part of PUB. FBR was not requested to make, and did not make, any recommendation to PUB s board as to the form or amount of the consideration to be paid to the PUB stockholders, which was determined through arm s length negotiations between the parties. FBR was not requested to opine as to, and its opinion does not address: (i) the Trustee s, PUB s or Hanmi s underlying business decision to proceed with or effect the merger; (ii) the relative merits of the merger as compared to any other offer, proposal, alternative or other business strategy that might be available to the Trustee, PUB or its stockholders; (iii) the relative fairness of the consideration to be received by PUB stockholders (other than the Trust) and the Trust in the merger; (iv) the structure, accounting treatment or tax consequences of the merger; or (v) any other reasons, legal, business or otherwise, that may support the decision of the special committee and the PUB board to approve or consummate the merger.

In connection with rendering its opinion, FBR:

- reviewed the merger agreement and certain related documents;
- reviewed certain publicly available financial information relating to PUB and Hanmi;
- participated in telephone conferences with the Trustee and his financial and other advisors regarding the sales process undertaken by the Trustee and his financial advisors;
- reviewed certain other public and non-public information, primarily financial in nature, relating to the business, earnings, assets and prospects of PUB and Hanmi provided to FBR or publicly available;
- participated in meetings and telephone conferences with members of senior management of PUB and Hanmi and their advisors concerning the financial condition, business, assets, financial forecasts and prospects of their respective companies, as well as such other matters as FBR deemed relevant to its inquiry;
- reviewed certain stock market information for PUB common stock and Hanmi common stock and compared this information with similar information for certain companies that FBR deemed to be relevant for purposes of its opinion;
- compared the results of operations and financial condition of PUB and Hanmi with that of certain banks that FBR deemed to be relevant for purposes of its opinion;
- compared the financial terms of the proposed merger with the financial terms, to the extent publicly available, of other transactions that FBR deemed relevant and comparable to the proposed merger;
- participated in discussions and negotiations among representatives of PUB, the Trust, the Trustee, Hanmi and Hanmi Bank and their respective counsel and advisors regarding the financial and certain other terms of the transaction; and
- performed such other reviews and analyses and considered such other information as FBR deemed appropriate.

In connection with the rendering of its opinion, FBR did not assume responsibility for independently verifying, and did not independently verify, any financial or other information concerning PUB or Hanmi furnished to FBR by PUB or Hanmi, respectively, or the publicly-available financial and other information regarding PUB, Hanmi and other financial institutions or their holding companies. FBR assumed that all such information was accurate and complete and FBR had no reason to believe otherwise. FBR further relied on the assurances of the respective managements of PUB and Hanmi that they were not aware of any facts that would make such financial or other information relating to PUB or Hanmi, as the case may be, inaccurate or misleading. With regard to the financial forecasts for PUB and Hanmi provided to FBR by the managements of PUB and Hanmi, respectively, and the estimates of future cost savings provided to FBR by Hanmi s

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management and advisors, FBR assumed, for purposes of its opinion, that the respective forecasts and estimates had been reasonably prepared on bases reflecting the best available estimates and judgments of each such management and advisor at the time of preparation as to the future financial performance of PUB and Hanmi and future cost savings.

Neither PUB nor Hanmi publicly disclose internal management projections and estimates of the type provided to FBR. Therefore, such projections cannot be assumed to have been prepared with a view towards public disclosure. The projections were based upon numerous variables and assumptions that are inherently uncertain, including, among others, factors relative to the general economic and competitive conditions facing PUB and Hanmi. Accordingly, actual results could vary significantly from those set forth in the projections.

FBR did not make an independent evaluation or appraisal of the assets or liabilities of either PUB or Hanmi, nor was FBR provided with such evaluations or appraisals. FBR is not an expert in the evaluation of allowance for loan and losses, was not requested to and did not review such allowances and was not requested to did not review any individual credit files of either PUB or Hanmi. The oral and written opinions provided by FBR to the special committee and PUB board of directors were necessarily based upon economic, monetary, financial market and other relevant circumstances and conditions as they existed of the dates thereof and any material change in such circumstances and conditions would require a reevaluation of the opinion, which FBR is under no obligations to undertake.

FBR assumed that (i) the merger will be consummated in accordance with the terms set forth in the merger agreement without any waiver of any material terms or conditions by either PUB or Hanmi, (ii) Hanmi will obtain all financing required to enable it to consummate the merger, (iii) obtaining the necessary regulatory approvals for the merger will not have an adverse effect on either PUB or Hanmi, (iv) there was no undisclosed material change in the assets, financial condition, results of operation, business or prospects of either PUB or Hanmi since September 30, 2003 and (v) all legal advice provided to PUB by its counsel was correct.

In connection with rendering its opinion, FBR performed a variety of financial and comparative analyses, which are briefly summarized below. Such summary of analyses does not purport to be a complete description of the analyses performed by FBR. Moreover, FBR believes that these analyses must be considered as a whole and that selecting portions of such analyses and the factors considered therein, without considering all such analyses and factors, could create an incomplete understanding of the scope of the process underlying the analyses and, more importantly, the opinion derived from them. The preparation of a financial advisor s opinion is a complex process involving subjective judgments and is not necessarily susceptible to partial analyses or a summary description of such analyses. In its full analysis, FBR also included assumptions with respect to general economic, financial markets and other financial conditions. Furthermore, FBR drew from its past experience in similar mergers, as well as its experience in the valuation of securities and its general knowledge of the banking industry as a whole. Any estimates in FBR s analyses were not necessarily indicative of actual future results or values, which may significantly diverge more or less favorably from such estimates. Estimates of PUB and Hanmi valuations do not purport to be appraisals nor to necessarily reflect the prices at which these companies or their respective securities actually may be sold. Some of the analyses performed by FBR may have been assigned a greater significance by FBR than others in deriving its opinion, and FBR may have deemed certain assumptions more or less probable than other assumptions, so that the range of valuation resulting from any particular analysis described below should not be taken as FBR s view of the actual value of PUB or its shares.

Comparable Merger Transaction Analysis: FBR analyzed comparable merger transactions from January 1, 2002 through December 16, 2003 involving the acquisition of commercial banks having total assets of between $500 million and $3.0 billion (the Acquisition Peer Group). There were 57 merger transactions in the Acquisition Peer Group. The Acquisition Peer Group included 11 merger transactions in which the target bank was located in the western United States. FBR reviewed the following key per share merger valuation multiples for the Acquisition Peer Group: transaction price at announcement to book value, transaction price to tangible book value, transaction price to latest twelve month earnings, transaction price to next fiscal year estimated earnings based upon consensus independent research analyst estimates and core deposit premiums,

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and computed median values for each. These transaction median multiples were then applied to PUB s financial information as of and for the quarter ended September 30, 2003 to derive an implied range of values per share of PUB common stock. As illustrated in the following table, FBR derived an implied range of values per PUB share of $19.98 to $25.98 based upon the median multiples of the national mergers, including the western mergers, and $18.22 to $22.68 based upon the median multiples of just the western mergers. To arrive at a weighted-average implied value per share of PUB common stock, FBR assigned a weight of 50% to the average of the implied values per PUB share based on the median transaction price to latest twelve months earnings multiple and the median transaction price to next fiscal year estimated earnings per share multiple, a weight of 35% to the average of the implied values per PUB share based on the median transaction price to book value multiple and the median transaction price to tangible book value multiple, and a weight of 15% to the implied value per PUB share based on the median core deposit premium.

The weighted-average implied valuation was calculated based on both the national merger comparables and the western merger comparables. The weighted-average implied valuation was $22.53 based on the national mergers and $20.50 based on the western mergers.

	National Merger Comparables			Western Merger Comparables		
Valuation Parameter	Median Metric	9/30/2003 Actual per PUB Share	Implied Value per PUB Share	Median Metric	9/30/2003 Actual per PUB Share	Implied Value per PUB Share
Transaction Price/Book	221.06%	$10.14	$22.42	204.90%	$10.14	$20.78
Transaction Price/Tang. Book	256.20%	$10.14	$25.98	213.09%	$10.14	$21.61
Transaction Price/LTM Earnings	19.54X	$ 1.10	$21.49	16.56X	$ 1.10	$18.22
Transaction Price/Next Fiscal Year Est. EPS	18.51X	$ 1.23	$22.77	18.44X	$ 1.23	$22.68
Core Deposit Premium(1)	19.74%	NA	$19.98	17.92%	NA	$19.07
Weighted Average Implied Valuation			*$22.53*			*$20.50*

(1) The core deposit premium is equal to the amount by which the transaction price exceeds the tangible book value divided by the core deposits.

Trading Peer Group Analysis: FBR used publicly available information to compare selected financial and market information for PUB and a peer group consisting of all publicly traded commercial banks in the western United States with total assets of between $500 million and $3.0 billion (the Trading Peer Group). There were 39 banks in the Trading Peer Group. To perform this analysis, FBR used financial information as of and for the quarter ended September 30, 2003 and earnings estimates that were based upon consensus independent research analyst estimates. FBR reviewed the following key per share trading valuation multiples for each bank in the Trading Peer Group: price to book value, price to tangible book value, price to latest twelve month earnings and price to 2004 estimated earnings, and computed median values for each multiple. These median multiples were then applied to PUB s financial information as of and for the quarter ended September 30, 2003 to derive an implied range of values per share of PUB common stock. As illustrated below, FBR derived an implied range of values per PUB share of $18.48 to $25.53. To arrive at a weighted-average implied value per PUB share, FBR assigned a weight of 60% to the average of the implied values per PUB share based on the median price to latest twelve months earnings multiple and the median price to 2004 estimated earnings multiple and a weight of 40% to the average of the implied values per PUB share based on the median price to book value multiple and the median price to tangible book value multiple. The weighted-average implied valuation was $21.04.

	Western Bank Peers		
Valuation Parameter	Median Metric	9/30/2003 Actual per PUB Share	Implied Value per PUB Share
Price/Book	231.83%	$10.14	$23.51
Price/Tang. Book	251.75%	$10.14	$25.53

Valuation Parameter	Western Bank Peers Median Metric	9/30/2003 Actual per PUB Share	Implied Value per PUB Share
Price/LTM Earnings	16.33X	$ 1.16	$ 18.94
Price/2004 Est. EPS	15.03X	$ 1.23	$ 18.48
Weighted Average Implied Valuation			*$ 21.04*

However, FBR determined that this weighted-average implied trading value should be adjusted to reflect (i) PUB s below average return on average assets (approximately 13.4% below the average of the mean and the median of the Trading Peer Group) and below average return on average equity (approximately 26.1% below the average of the mean and the median of the Trading Peer Group) and (ii) the fact that PUB is subject to a regulatory order from the FDIC. In light of these factors, FBR deemed that a discount of 20% to 25% would be an appropriate adjustment to the Trading Peer Group implied trading value. Applying a 20% to 25% discount to reflect these factors resulted in an adjusted weighted-average implied valuation of approximately $15.78 to $16.83 per share of PUB common stock.

Discounted Cash Flow Analysis: FBR performed a discounted cash flow analysis of PUB on a stand-alone basis over a five-year horizon beginning January 1, 2004. In this analysis, FBR assumed a 10% earnings and asset growth rate and assumed that PUB would perform in accordance with the earnings forecasts that it discussed with PUB s senior management. This analysis utilized discount rates of 15% 17% and 20% and corresponding multiples of projected terminal years earnings of 20, 14 and 10 times, respectively. This analysis indicated an implied range of values per share of PUB common stock on a stand-alone basis of approximately $10.17, $14.61 and $21.21 per PUB share and an average implied value of approximately $15.33 per PUB share. As indicated above, this analysis was based on PUB s senior management estimates and is not necessarily indicative of actual values or actual future results and does not purport to reflect the prices at which any securities may trade at the present or at any time in the future. FBR noted that the discounted cash flow analysis was included because it is a widely used valuation methodology, but noted that the results of such methodology are highly dependent upon the numerous assumptions that must be made, including earnings growth rates, asset growth rates, discount rates, and terminal values.

PUB and Hanmi Combined Pro Forma Analysis: Under the terms of the proposed merger, the consideration to be received by PUB stockholders (other than the Trust) will consist entirely of shares of Hanmi common stock. Consequently, FBR performed an analysis of the possible value of shares of Hanmi common stock on a pro forma combined basis following the merger. FBR used publicly available information to compare selected financial and market information for Hanmi and PUB on a pro forma basis with a group of 22 publicly traded banks located in the western United States with assets of between $1.0 billion and $5.0 billion (the Pro Forma Trading Peer Group). Additionally, FBR performed an analysis of the pro forma financial results of the combined company s operations for the first full-year following the completion of the proposed merger based upon the achievement of (i) 100% of the first-year cost savings projected by Hanmi s management and advisors and (ii) 50% of such projected first-year cost savings. FBR reviewed the following key per share trading valuation multiples for the Pro Forma Trading Peer Group: price to book value, price to tangible book value and price to 2004 estimated earnings based on consensus independent research analyst estimates, and computed mean values for each multiple. These mean multiples were then applied to the corresponding pro forma values for the combined company on the basis of both a 100% realization and a 50% realization of the projected first-year cost savings to calculate the implied values per share of Hanmi common stock following the completion of the proposed merger. As illustrated in the following table, FBR derived an implied range of values per share of PUB common stock of $19.22 to $36.79 based upon a 100% realization of the projected first-year cost savings and $19.22 to $36.79 based on a 50% realization of the projected first-year cost savings. To arrive at a weighted-average pro forma implied market value per Hanmi share, FBR assigned a weight of 60% to the implied value based on the mean 2004 estimated earnings multiple and a weight of 40% to the average of the implied values based on the mean price to book value multiple and the mean price to tangible book value multiple. The weighted-average valuation was $27.70

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based on the 100% realization of the projected first-year cost savings and $25.88 based on the 50% realization of the projected first-year cost savings.

Pro-Forma Hanmi/PUB Peer Trading Group		Pro-Forma Combined/Hanmi/PUB per Share: 100% of Est. Cost Saves		Pro-Forma Combined/Hanmi/PUB per Share: 50% of Est. Cost Saves	
Metric	**Mean Value**	**Pro-Forma Per Share**	**Implied Value**	**Pro-Forma Per Share**	**Implied Value**
Price/ Book	258.2%	$14.25	$36.79	$14.25	$36.79
Price/ Tang. Book	304.6%	$ 6.31	$19.22	$ 6.31	$19.22
Price/2004 EPS	15.6X	$ 1.76	$27.45	$ 1.57	$24.49
Weighted Average Pro-Forma Implied Market Value of Hanmi Share			$27.70		$25.88

The table below calculates implied values per share of PUB common stock for PUB stockholders (other than the Trust) based upon the exchange ratio resulting from Hanmi closing share prices of $19.00, $22.00 and $25.00 and the weighted-average pro forma implied market value per Hanmi share assuming both a 100% realization and a 50% realization of estimated first year cost savings. As illustrated in the following table, FBR derived an implied range of values per share of PUB common stock of $32.93 to $38.32 based on a weighted-average pro forma implied market value of $27.70 per Hanmi share and $30.76 to $35.80 based on a weighted-average pro forma implied market value of $25.88 per Hanmi share.

		100% of Est. Cost Saves		50% of Est. Cost Saves	
Buyer Closing Share Price	**Exchange Ratio**	**Wtd. Avg. Pro-Forma Implied Mkt. Value of Hanmi Share**	**Merger Consideration Value per PUB Share**	**Wtd. Avg. Pro-Forma Implied Mkt. Value of Hanmi Share**	**Merger Consideration Value per PUB Share**
$19.00	1.3833	$27.70	$38.32	$25.88	$35.80
$22.00	1.2727	$27.70	$35.25	$25.88	$32.94
$25.00	1.1887	$27.70	$32.93	$25.88	$30.76

Other Analyses: FBR also reviewed certain other quantitative and non-quantitative information with respect to both PUB and Hanmi including various projected financial information on both a stand-alone and pro forma basis with respect to balance sheet composition, financial performance and non-interest operating expenses.

No company used as a comparison in the above analyses is identical to PUB and Hanmi, and no other merger is identical to the proposed merger. Accordingly, an analysis of the results of the foregoing is not purely mathematical; rather, such analyses involve complex considerations and judgments concerning differences in financial market and operating characteristics of the companies and other factors that could affect the value of the companies to which PUB and Hanmi were compared.

Pursuant to the terms of the engagement letter dated October 30, 2003 between PUB and FBR, PUB will pay FBR a fee in connection with FBR s acting as financial advisor to the special committee and rendering its opinion, a portion of which is contingent and payable upon the consummation of the merger. In addition, PUB has agreed to reimburse FBR for all reasonable out-of-pocket expenses incurred by FBR in connection with its engagement and to indemnify FBR against certain liabilities and expenses arising out of or incurred in connection with its engagement, including liabilities and expenses which may arise under the federal securities laws.

One of FBR s affiliates manages a fund that owns shares of PUB common stock. In addition, in the ordinary course of its business as a broker-dealer, FBR may purchase securities from and sell securities to PUB and Hanmi and their respective affiliates and may actively trade the equity securities of PUB and Hanmi for its own account and for the accounts of customers and, accordingly, may at any time hold a long or short position in such securities.

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Regulatory Approvals We Must Obtain for the Merger

To complete the merger, we need to obtain approvals from, or make filings with, a number of U.S. federal and state bank and other regulatory authorities. These approvals and filings are described below.

Board of Governors of the Federal Reserve System. The merger and the purchase of the PUB shares held by the Trust on behalf of Korea Exchange Bank are subject to the approval of the Board of Governors of the Federal Reserve System, referred to as the Board, under the Bank Merger Act and related regulations. On February , 2004, Hanmi filed its application with the Federal Reserve Bank of San Francisco for the merger and the purchase of the shares of PUB common stock held by the Trust. In reviewing applications under the Bank Merger Act, the Board must consider, in every case, the financial and managerial resources and future prospects of the existing and proposed institutions, the convenience and needs of the communities to be served and the effectiveness of both institutions in combating money laundering activities. In addition, the Board may not approve a transaction:

- that will result in a monopoly or be in furtherance of any combination or conspiracy to monopolize or to attempt to monopolize the business of banking in any part of the United States; or
- if its effect in any section of the country may be substantially to lessen competition or tend to create a monopoly or in any other manner would be a restraint of trade, unless the Board finds that the anticompetitive effects of the transaction are clearly outweighed in the public interest by the probable effect of the transaction in meeting the convenience and needs of the communities to be served.

Under the Community Reinvestment Act of 1977, as amended, the Board must also take into account the record of performance of each of the merging banks in meeting the credit needs of the entire community, including low and moderate income neighborhoods served by each institution. As part of the review process, the federal banking agencies frequently receive comments and protests from community groups and others.

The merger may not be completed before the 30th calendar day after the date of the Board s approval, during which time the Department of Justice may challenge the transaction on antitrust grounds and may require the divestiture of certain assets and liabilities. With the concurrence of the Department of Justice, the Federal Reserve may reduce the waiting period to no less than 15 calendar days after the date of its approval.

California Department of Financial Institutions. Under the California Financial Code, the merger is also subject to the prior approval of the California Commissioner of Financial Institutions. On February , 2004, Hanmi filed its application for approval of the bank merger with the California Commissioner. In determining whether to approve the merger, the California Commissioner must find that:

- the merger will not result in a monopoly and will not be in furtherance of any combination or conspiracy to monopolize or attempt to monopolize the banking business in California;
- the merger will not have the effect of substantially lessening competition, tending to create a monopoly, or otherwise being in restraint of trade unless the anticompetitive effect is clearly outweighed in the public interest by the probable effect of the merger in meeting the convenience and needs of the community to be served;
- the stockholders equity of the surviving bank will be adequate and the financial condition of the surviving bank will be satisfactory;
- the directors and executive officers of the surviving bank will be satisfactory;
- the surviving bank will afford reasonable promise of successful operation and that it is reasonable to believe that the surviving bank will be operated in a safe and sound manner and in compliance with all applicable laws; and
- the merger will be fair, just and equitable.

Other Regulatory Approvals. Hanmi is not aware of any other regulatory approvals that would be required for completion of the merger except as described above. If any other approvals are required, it is presently contemplated that those approvals would be sought. There can be no assurance that any other approvals, if required, will be obtained.

The merger cannot proceed in the absence of the applicable regulatory approvals described above. There can be no assurance that those regulatory approvals will be obtained, and if obtained, there can be no assurance as to the date of any of those approvals.

The approval of any application merely implies the satisfaction of regulatory criteria for approval, which do not include review of the merger from the standpoint of the adequacy of the consideration to be received by PUB stockholders. Further, regulatory approvals do not constitute an endorsement or recommendation of the merger.

Accounting Treatment

We intend to treat the merger as a purchase by Hanmi of PUB under generally accepted accounting principles. Under the purchase method of accounting, the assets and liabilities of PUB will be recorded, as of completion of the merger, at their respective fair values and added to those of Hanmi. Financial statements and reported results of operations of Hanmi issued after completion of the merger will reflect these values, but will not be restated retroactively to reflect the historical financial position or results of operations of PUB.

Public Trading Markets

Hanmi common stock is currently listed on the Nasdaq National Market under the symbol HAFC. PUB common stock is currently listed on the Nasdaq National Market under the symbol PUBB. Upon completion of the merger, PUB common stock will be delisted from the Nasdaq National Market and deregistered under the Securities Exchange Act of 1934. The newly issued Hanmi common stock issuable pursuant to the merger agreement will be listed on the Nasdaq National Market.

Hanmi Dividends

Hanmi currently pays a quarterly dividend of $0.10 per share, although the Hanmi board of directors may change this dividend policy at any time. During the second, third and fourth quarters of 2003, PUB declared cash dividends totaling $0.15 per share, and during the first, second, third and fourth quarters of 2003, Hanmi declared cash dividends totaling $0.40 per share.

Hanmi stockholders will be entitled to receive dividends when and if declared by the Hanmi board of directors out of funds legally available for dividends. The Hanmi board of directors will periodically consider the payment of dividends, taking into account Hanmi s financial condition and level of net income, Hanmi s future prospects, economic conditions, industry practices and other factors, including applicable banking laws and regulations.

PUB Stockholders Dissenters Rights of Appraisal

Under Chapter 13 of the California General Corporation Law (Chapter 13), stockholders of PUB are entitled to exercise dissenters rights in connection with the merger. THE FOLLOWING SUMMARY OF THE RELEVANT PROVISIONS OF CHAPTER 13 IS NOT INTENDED TO BE A COMPLETE STATEMENT OF SUCH PROVISIONS. PUB STOCKHOLDERS ARE URGED TO READ IN FULL THE TEXT OF SECTIONS 1300 THROUGH 1304 OF CHAPTER 13, A COPY OF WHICH IS ATTACHED TO THIS PROXY STATEMENT AS APPENDIX D.

You must follow exactly the required procedures set forth in Sections 1300 through 1304 of Chapter 13 of the California General Corporation Law or any dissenters rights may be lost. Shares of PUB common stock held by stockholders who have perfected their dissenters rights in accordance with Chapter 13 and have not withdrawn their demands or otherwise lost their rights, are referred to in this section as Dissenting Common Stock.

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If the merger is consummated, you elect to exercise your dissenters rights and you perfect your rights in a timely and proper fashion in accordance with the procedures set forth in Chapter 13, you will be entitled to receive an amount equal to the fair market value of your shares. Chapter 13 provides that fair market value shall be determined as of December 19, 2003, the business day immediately preceding the public announcement of the merger. PUB believes the fair market value of its stock is $23.75 as of December 19, 2003, which is the average of the high and low prices of its stock on the Nasdaq National Market as of that date. However, even though you wish to exercise dissenters rights and are required to take certain actions before the PUB special meeting, if the merger agreement is later terminated and the merger is abandoned, you will no longer have the right to any payment from PUB by reason of having taken that action.

You must satisfy each of the following requirements for your shares to be considered Dissenting Common Stock. However, because PUB common stock is listed on the Nasdaq National Market, Dissenting Common Stock must be purchased by PUB from a dissenting stockholder only if demands are made for payment with respect to 5% or more of the outstanding shares of PUB common stock.

This 5% limitation does not apply to shares of PUB common stock that are subject to a restriction on transfer imposed by PUB or by any law or regulation. PUB is not aware of any restriction on transfer of its shares of common stock except restrictions which may be imposed upon stockholders who are deemed to be affiliates of PUB as that term is defined by Rule 144 of the Securities Act of 1933, as amended (the Securities Act). Those stockholders who believe there is some restriction affecting their shares should consult with their own counsel as to the nature and extent of any dissenters rights they may have.

FOR PURPOSES OF CONVENIENCE, PLEASE SIMPLY ASSUME THAT THE TRANSACTION IS ONE THAT WOULD GIVE RISE TO THE EXERCISE OF DISSENTERS RIGHTS BY PUB STOCKHOLDERS AND ALL REMAINING PROCEDURES AND REQUIREMENTS OF THE LAW ARE APPLICABLE.

In addition, PUB is required to purchase Dissenting Common Stock only if:

- you have shares of PUB common stock outstanding as of the record date of the PUB stockholder s meeting;

- you vote your shares of PUB common stock against the principal terms of the merger agreement and the merger. It is not sufficient to abstain from voting. However, you may abstain as to part of your shares or vote part of those shares for the merger without losing the right to exercise dissenters rights with respect to those shares which were voted against the principal terms of the merger agreement and the merger. If you return a proxy without voting instructions or with instructions 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 principal terms of the merger agreement and the merger and you will lose your dissenters rights; and

- you make a written demand to have PUB purchase those shares of common stock that were voted against the principal terms of the merger agreement and the merger for cash at their fair market value.

The demand must:

- be made by the record holder of the common stock (a beneficial owner of PUB common stock registered in the record ownership of another person (such as a broker or nominee) should instruct the record holder to follow the procedures for perfecting dissenters rights if the beneficial owner wants to dissent with respect to any or all of his or her shares of PUB common stock);

- be received by PUB by not later than the date of the PUB special meeting (i.e., l , 2004);

- be mailed to, and received by, PUB at 3530 Wilshire Boulevard, Suite 1800, Los Angeles, CA 90010, Attention: Lisa K. Pai, Corporate Secretary;

- specify the holder s name and mailing address;

specify the number of shares of PUB common stock held of record that the holder is demanding PUB to purchase;

state that the holder is demanding purchase of these shares of PUB common stock and the payment of their fair market value; and

contain a statement as to the price which the stockholder claims to be the fair market value of the shares as of December 19, 2003, the business day immediately preceding the announcement of the merger agreement (this statement will constitute an offer by the stockholder to sell his or her shares of PUB common stock at that price).

In addition to the above requirements, it is recommended that you comply with the following conditions to ensure that the demand is properly executed and delivered:

the demand should be sent by registered or certified mail, return receipt requested;

the demand should be signed by the stockholder of record, or his or her duly authorized representative, exactly as his or her name appears on the stock certificates evidencing the shares;

a demand for the purchase of the shares jointly owned by more than one person should identify and be signed by all of such holders; and

any person signing a demand for purchase in any representative capacity, such as attorney-in-fact, executor, administrator, trustee or guardian, should indicate his or her title, and, if PUB so requests, furnish written proof of his or her capacity and authority to sign the demand.

Furthermore, a stockholder may not withdraw a demand for payment without the consent of PUB.

Within ten days after approval of the merger by PUB s stockholders, PUB must mail a notice of the approval to all holders of PUB common stock who voted against the adoption of the principal terms of merger agreement and the merger at the PUB special meeting and made timely demands for purchase (and who are entitled to require PUB to purchase their common stock because holders of at least 5% of the outstanding shares of PUB common stock have done so). This notice must state the price determined by PUB to represent the fair market value of the Dissenting Common Stock as of December 19, 2003 (the business day immediately preceding the announcement of the merger agreement), a brief description of the procedures to be followed by those holders in order to pursue their dissenters rights, and a copy of Sections 1300-1304 of Chapter 13. A statement of price by PUB will constitute an offer by PUB to purchase all Dissenting Common Stock at the stated amount but if the merger has not then closed such offer will be conditioned on the merger becoming effective.

Irrespective of the percentage of shares of PUB common stock with respect to which demands for appraisal have been properly filed, PUB must mail the notice referred to in the preceding paragraph to any stockholder who has filed a demand with respect to PUB common stock that are subject to transfer restrictions imposed by PUB or by any law or regulation.

Within 30 days after the date on which PUB mails the notice of the approval of the merger by PUB s stockholders, dissenting stockholders must also submit the certificates representing the Dissenting Common Stock to PUB at the office it designates in the notice of approval. PUB will stamp or endorse the certificates with a statement that the shares are Dissenting Common Stock or PUB will exchange the certificates with certificates of appropriate denomination that are so stamped or endorsed. If a stockholder transfers any shares of PUB common stock before submitting the shares for endorsement, then such shares will lose their status as Dissenting Common Stock.

If PUB and a dissenting stockholder agree that the shares of PUB common stock is Dissenting Common Stock and agree on the purchase price of the PUB common stock, the dissenting stockholder is entitled to receive the agreed-upon price with interest thereon at the legal rate on judgments from the date of such agreement. Payment for the Dissenting Common Stock must be made within 30 days after the later of the date of such agreement or the date on which all statutory and contractual conditions to the merger are satisfied. Payments are also conditioned on the surrender to PUB of the certificates representing the

Dissenting Common Stock and are subject to the restrictions imposed under California law on the ability of PUB to purchase outstanding shares of its capital stock.

If PUB denies that any shares of its common stock is Dissenting Common Stock or the stockholder fails to agree with PUB as to the fair market value of the common stock, then, within six months after the notice of approval is mailed, any dissenting stockholder who has made a valid written demand and has not voted in favor of approval of the principal terms of the merger agreement and the merger may file a complaint in the Superior Court in the proper California county requesting a determination as to whether such common stock is Dissenting Common Stock or as to the fair market value of such holder s shares of PUB common stock, or both. In the alternative, a dissenting stockholder may intervene in a pending action brought by any other dissenting stockholder. If a dissenting stockholder fails to file such a complaint or fails to intervene in a pending action within the specified six-month period, then dissenters rights will be lost. If the fair market value of the Dissenting Common Stock is at issue, the Court may appoint one or more impartial appraisers to determine the fair market value of such Dissenting Common Stock.

Except as expressly limited by Chapter 13, holders of Dissenting Common Stock continue to have all the rights and privileges incident to their common stock until the fair market value of their common stock is agreed upon or determined.

Cash dividends declared and paid by PUB on the Dissenting Common Stock after the date of approval of the adoption of the principal terms of the merger agreement and the merger by PUB s stockholders and prior to payment for the Dissenting Common Stock will be credited against the total amount to be paid by PUB.

A holder of Dissenting Common Stock may not withdraw a demand for payment unless PUB consents to such withdrawal. Dissenting Common Stock loses its status as Dissenting Common Stock, and dissenting stockholders cease to be entitled to require PUB to purchase their common stock, if:

- the merger is abandoned;
- the common stock is surrendered for conversion into shares of another class of PUB stock;
- the common stock is transferred prior to its submission to PUB for the required endorsement;
- the dissenting stockholder and PUB do not agree on the status of the common stock as Dissenting Common Stock or do not agree on the purchase price, and neither PUB nor the stockholder files a complaint or intervenes in a pending action within six months after PUB mails a notice that its stockholders have approved the merger; or
- with PUB s consent, the holder delivers to PUB a written withdrawal of such holder s demand for purchase of the Dissenting Common Stock.

Any demands, notices, certificates or other documents required to be delivered to PUB may be sent to:

Pacific Union Bank
3530 Wilshire Boulevard
Suite 1800
Los Angeles, California 90010
(213) 385-0909
Attention: Lisa K. Pai, General Counsel & Corporate Secretary

If any holder of PUB common stock shall effectively withdraw or lose his or her right to appraisal of and payment for his or her dissenting shares after the effective time of the merger as provided in Chapter 13 of the California General Corporation Law, such shares shall be deemed to be undesignated shares and shall be converted at Hanmi s discretion into the right to receive the per share merger consideration calculated as described under MERGER AGREEMENT Conversion of PUB Common Stock and PUB Stock Options.

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THE MERGER AGREEMENT

The following describes the material provisions of the merger agreement, including the effects of those provisions. The following description of the merger agreement is subject to, and qualified in its entirety by reference to, the merger agreement, which is attached as Appendix A to this document and is incorporated by reference into this document. We urge you to read the entire merger agreement carefully.

Structure

Subject to the terms and conditions of the merger agreement, and in accordance with California law, at the completion of the merger, PUB will merge with and into Hanmi Bank, a direct and wholly owned subsidiary of Hanmi. Hanmi Bank will be the surviving corporation and will continue its corporate existence under the laws of the State of California. When the merger is completed, the separate corporate existence of PUB will terminate. Hanmi Bank s certificate of incorporation will be the certificate of incorporation of the combined company, and Hanmi Bank s bylaws will be the bylaws of the combined company. See COMPARISON OF STOCKHOLDERS RIGHTS beginning on page 1 .

The board of directors of Hanmi Bank will continue as the board of directors of the combined company. In addition, at or promptly after the completion of the merger, Hanmi will take all necessary action to appoint to the board of directors of both Hanmi and Hanmi Bank (i) one director designated by the special committee of the board of directors of PUB and (ii) one director designated by Castle Creek LLC, in each case acceptable to Hanmi. See Board of Directors of Hanmi Following the Merger beginning on page 1 .

Conversion of PUB Common Stock and PUB Stock Options

Conversion of PUB Common Stock. Upon completion of the merger, each outstanding share of PUB common stock not held by Hanmi or PUB will be converted into the right to receive a number of shares of Hanmi common stock equal to the exchange ratio. The shares of PUB common stock purchased by Hanmi from the Trust for cash prior to the merger will be cancelled rather than being converted into Hanmi shares in the merger.

The exchange ratio will be calculated by dividing the per share value to be paid with respect to each share of PUB common stock by the Hanmi closing share price. The Hanmi closing share price will be the average of the daily volume weighted average sale price of one share of Hanmi common stock for the five trading days that immediately precede the completion of the merger. The per share value to be paid with respect to each share of PUB common stock will be calculated by dividing the aggregate consideration payable by Hanmi in the transaction (as described below) by 10,685,876, which is the number of shares of PUB common stock outstanding as of the execution of the merger agreement.

The aggregate consideration to be paid to the Trust and PUB s other stockholders in the transaction will consist of $164,562,490 and between 5,773,672 and 6,644,672 shares of Hanmi common stock. The exact number of shares of Hanmi common stock included in the transaction is a function of Hanmi s closing share price. The formula generally works as follows:

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

The maximum of 6,644,672 shares and minimum of 5,773,672 shares in the chart are a function of the price protection and corresponding value cap negotiated between Hanmi and PUB described below. With a closing share price of $17.50 or lower, Hanmi will issue

6,644,672 shares of Hanmi common stock in the

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transaction, and with a closing share price of $26.50 or higher, Hanmi will issue 5,773,672 shares of Hanmi common stock in the transaction.

The following chart illustrates the number of shares of Hanmi common stock to be received upon exchange of each share of PUB common stock at various Hanmi closing share prices :

Hanmi Closing Share Price	Per Share Value Due Each PUB Share (in Shares of Hanmi Common Stock)	Number of Shares of Hanmi Common Stock Due Each PUB Share in the Merger	Per Share Value Due Each PUB Share Owned by the Trust (in Cash)
$16.00	$25.35	1.5756	$25.35
$16.50	$25.66	1.5499	$25.66
$17.00	$25.97	1.5250	$25.97
$17.50	$26.28	1.5182	$26.28
$18.00	$26.28	1.4761	$26.28
$18.50	$26.28	1.4361	$26.28
$19.00	$26.28	1.3983	$26.28
$19.50	$26.57	1.3625	$26.57
$20.00	$26.85	1.3427	$26.85
$20.50	$27.14	1.3239	$27.14
$21.00	$27.43	1.3061	$27.43
$21.50	$27.71	1.2890	$27.71
$22.00	$28.00	1.2727	$28.00
$22.50	$28.29	1.2572	$28.29
$23.00	$28.57	1.2423	$28.57
$23.50	$28.86	1.2280	$28.86
$24.00	$29.15	1.2144	$29.15
$24.50	$29.43	1.2013	$29.43
$25.00	$29.72	1.1887	$29.72
$25.50	$29.72	1.1654	$29.72
$26.00	$29.72	1.1430	$29.72
$26.50	$29.72	1.1214	$29.72
$27.00	$29.99	1.1107	$29.99

As evident in the chart, the per share value due each share of PUB common stock is fixed at $26.28 when Hanmi s closing share price is between $17.50 and $19.00, and fixed at $29.72 when Hanmi s closing share price is between $25.00 and $26.50. In consideration for Hanmi s agreement to provide $1.50 in price protection by means of a floating exchange ratio to PUB s stockholders in the event Hanmi s closing share price falls below $19.00, PUB agreed that its stockholders would be subject to a corresponding value cap were Hanmi s closing share price to rise to between $25 and $26.50.

Tax Adjustment. In the event that Hanmi s closing share price should fall significantly, resulting in a decrease in the value paid by Hanmi with respect to each share of PUB common stock such that the $164,562,490 in cash included in the transaction (plus 130% of any amounts estimated to be paid to any dissenting shares) represents more than 58% of the overall consideration (valued as of the closing date) (or such lesser amount as will enable Hanmi s and PUB s counsel to render opinions that the merger is a tax-free reorganization) to be paid for the acquisition of all of the outstanding shares of common stock of PUB, the cash payable to the Trust will be replaced with shares of Hanmi common stock, valued at $19 per share, until the cash included in the transaction represents only 58% of the aggregate consideration to be paid in the transaction (or such lesser amount as will enable Hanmi s and PUB s counsel to render opinions that the merger is tax-free reorganization). In the event of any adjustment, the number of shares of Hanmi common stock issued in the transaction will exceed 6,644,672 shares.

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Fractional Shares. Hanmi will not issue any fractional shares of its common stock in the merger. Instead, a PUB stockholder who would otherwise have received a fraction of a share of Hanmi common stock will receive an amount in cash, without interest, rounded to the nearest cent. This cash amount will be determined by multiplying the fraction of a share of Hanmi common stock to which each holder would otherwise be entitled by the average of the daily volume weighted average sale price of Hanmi common stock on the Nasdaq National Market for the five trading days immediately preceding the date the merger is completed. There will be no dividends or voting rights with respect to any fractional shares.

Conversion of PUB Stock Options. Each outstanding option to purchase shares of PUB common stock granted under PUB s 2000 stock option plan, whether vested or unvested, will become fully vested and exercisable prior to the merger, and if not exercised prior to the merger, will be automatically converted at the effective time of the merger into a fully-vested replacement option to purchase shares of Hanmi common stock. PUB stock options will continue to be governed by the terms of the PUB 2000 stock option plan, except that:

the number of shares of Hanmi common stock subject to the new Hanmi stock option will be equal to the product of the number of shares of PUB common stock subject to the PUB stock option and the exchange ratio, rounded, if necessary, to the nearest whole share; and

the exercise price per share of Hanmi common stock subject to the new Hanmi stock option will be equal to the exercise price per share of PUB common stock under the PUB stock option divided by the exchange ratio, rounded, if necessary, to the nearest one-hundredth of a cent.

Treatment of Hanmi Common Stock and Stock Options. Each share of Hanmi common stock and stock option outstanding at the time of the merger will remain outstanding and those shares will remain unaffected by the merger.

Distribution of the Merger Consideration/ Exchange of Shares

At or promptly after completion of the merger, Hanmi will cause to be deposited with the exchange agent certificates representing shares of Hanmi common stock and cash in lieu of any fractional shares that would otherwise be issued in the merger.

Promptly following the completion of the merger, and in no event later than five business days after the completion of the merger, Hanmi will cause the exchange agent to send to each holder of a PUB stock certificate a letter of transmittal and instructions for use in effecting the surrender of the PUB certificates in exchange for Hanmi certificates. The exchange agent will deliver certificates for Hanmi common stock and cash in lieu of fractional shares, if any, upon its receipt of the properly completed transmittal materials together with certificates representing a holder s shares of PUB common stock.

PUB stock certificates may be exchanged for Hanmi stock certificates with the exchange agent for up to twelve months after the completion of the merger. At the end of that period, any Hanmi stock certificates and cash will be returned to Hanmi. Any holders of PUB stock certificates who have not exchanged their certificates will then be entitled to look only to Hanmi, and only as general creditors of Hanmi, for Hanmi stock certificates and cash in lieu of fractional shares, if any, to be received as merger consideration.

Until you exchange your PUB stock certificates for Hanmi stock certificates, you will not receive any dividends or other distributions in respect of any shares of Hanmi common stock you are entitled to receive in connection with the merger. Once you exchange your PUB stock certificates for Hanmi stock certificates, you will receive, without interest, any dividends or distributions with a record date after the effective time of the merger and payable with respect to your shares.

If your PUB stock certificate has been lost, stolen or destroyed you may receive a Hanmi stock certificate upon the making of an affidavit of that fact. Hanmi may require you to post a bond in a reasonable amount as an indemnity against any claim that may be made against Hanmi with respect to the lost, stolen or destroyed PUB stock certificate.

After completion of the merger, there will be no further transfers on the stock transfer books of PUB.

Hanmi will not issue any fractional shares of Hanmi common stock. Instead, a PUB stockholder who would otherwise have received a fraction of a share of Hanmi common stock will receive an amount of cash equal to the fraction of a share of Hanmi common stock to which that holder would otherwise be entitled multiplied by the daily volume weighted average sale price of a share of Hanmi common stock on the five trading days immediately preceding the completion of the merger.

PUB common stock certificates should *not* be sent to PUB or Hanmi at this time. PUB stockholders will receive instructions for surrendering their certificates with their letter of transmittal.

Representations and Warranties

The merger agreement contains a number of substantially reciprocal representations and warranties of Hanmi and PUB as to, among other things: due incorporation and qualification; corporate authority to enter into the contemplated transactions; required consents and filings with governmental entities; absence of conflicts with organizational documents, laws and material agreements; capitalization; ownership, due incorporation and qualification of subsidiaries; regulatory reports; financial statements; information supplied for use in this document; broker s fees; absence of material changes or events; litigation; compliance with laws; material agreements; opinions of financial advisors; disclosure controls and procedures; and approvals from regulatory agencies. The merger agreement also includes representations and warranties of PUB with respect to tax matters; employee benefit plans; environmental matters; derivative transaction matters; loan matters; title to property; intellectual property and insurance matters.

Most of these representations and warranties will be deemed to be true and correct unless the totality of any facts, circumstances or events inconsistent with any of those representations or warranties has had or is reasonably likely to have a material adverse effect on the party making such representation or warranty. For purposes of the merger agreement, material adverse effect means with respect to Hanmi or PUB, as the case may be:

a material adverse effect on the business, results of operations or financial condition of that party and its subsidiaries taken as a whole, *other than*:

changes in banking or similar laws, rules, regulations or policies of general applicability or interpretations by courts or governmental authorities or in generally accepted accounting principles or regulatory accounting requirements, in each case which are applicable to banks, thrifts or their holding companies generally;

any action or omission of either party taken with the prior written consent of the other party;

events, conditions or trends in economic, business or finance conditions generally or affecting banks, thrifts or their holding companies specifically, except to the extent that such party is materially and disproportionately affected by such conditions;

expenses incurred in connection with the merger or merger agreement (to the extent not in excess of such party s good faith estimate provided to the other party);

any change in the stock price or trading volume of such party; and

a material adverse effect on that party s ability to consummate the transactions contemplated by the merger agreement.

The representations and warranties in the merger agreement do not survive the effective time of the merger and, as described below under Termination, if the merger agreement is validly terminated, there will be no liability under the representations and warranties, or otherwise under the merger agreement, unless the party is in willful breach.

Principal Covenants

Conduct of Business of PUB Pending the Merger. PUB has agreed in the merger agreement that, prior to the completion of the merger, except as expressly contemplated by the merger agreement or agreed to by

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Hanmi in writing, it will conduct its business in the ordinary course consistent with past practice and use reasonable best efforts to preserve intact its business organization and its rights, franchises and authorizations, preserve its goodwill with its customers and others with whom business relationships exist and to maintain the services of its current officers and employees.

Additionally, PUB has agreed to certain restrictions on its activities that are subject to exceptions described in the merger agreement. The restrictions are on the following:

- splits, combinations, reclassifications and other adjustments of capital stock and repurchases, redemptions or other acquisitions of capital stock or issuance of additional shares of its capital stock (except pursuant to the exercise of stock options);
- paying dividends or other distributions on its capital stock (other than regular quarterly cash dividends not in excess of $0.05 per share of PUB common stock);
- entering into any new lines of business, offering any new product or changing its lending, investment, risk and asset-liability management and other material banking or operating policies or procedures;
- making capital expenditures other than in the ordinary course of business and not in excess of specified amounts;
- amending its governing documents or entering into a business combination agreement with a third party except in connection with PUB s exercise of its fiduciary right to terminate the merger agreement with Hanmi in order to accept a financially superior proposal from a third party;
- acquiring a substantial equity interest in or a substantial portion of the assets of any business, corporation, partnership or other business organization or otherwise acquire any assets;
- increasing compensation or benefits, except for non-executives in the ordinary course of business consistent with past practice, or adopting or amending employee benefit or compensation plans or agreements, or granting any severance or termination pay or any equity or equity-based awards;
- selling, leasing, licensing, encumbering, assigning or otherwise disposing of or abandoning any of its assets, properties or rights or agreements, except sales of loans in the ordinary course of business;
- opening, relocating, acquiring or closing any branch office or loan production, servicing or other banking office or facility, or filing an application to do any of the foregoing;
- entering into, amending or terminating material contracts;
- making loan commitments or loans in excess of specified amounts or releasing collateral in excess of specified amounts;
- incurring indebtedness outside the ordinary course;
- making any loan to, or transferring any properties to, or entering into any agreement or arrangement with, any of its officers or directors or any of their immediate family members or affiliates;
- making any material tax election or materially changing its tax accounting methods, entering any material tax liability settlements or compromise, filing any amended tax return with respect to any material tax, changing any annual tax accounting period, entering any closing agreement relating to any material tax or surrendering any right to claim a material tax refund;
- settling litigation or proceedings in excess of a specified amount;
- materially changing its investment securities portfolio policy, or the manner in which the portfolio is classified or reported;
- changing its accounting methods, except as required by law;

entering into any securitizations of any loans or creating any special purpose funding or variable interest entity;

taking any action or failing to take any action that is intended or may reasonably be expected to result in the closing conditions to the merger not being satisfied; or

taking actions or entering into any agreements that could reasonably be expected to jeopardize or materially delay receipt of any required regulatory approvals or the consummation of the merger.

Conduct of Business of Hanmi Pending the Merger. Pursuant to the merger agreement, Hanmi has agreed that, prior to the completion of the merger, except as expressly contemplated by the merger agreement or agreed to by PUB in writing, it will, and it will cause each of its subsidiaries to, conduct its business in the ordinary course consistent with past practice and use reasonable best efforts to preserve intact its business organizations, and its rights, franchises and authorizations, to preserve its goodwill with its customers and others with whom business relationships exist, and to maintain the services of its current officers and employees.

Additionally, Hanmi has agreed to certain restrictions on its (and its subsidiaries) activities that are subject to exceptions described in the merger agreement. These restrictions are on the following:

amending their respective governing documents;

splits, combinations, reclassifications and other adjustments of capital stock and repurchases, redemptions or other acquisitions of capital stock or issuance of additional shares of their respective capital stock;

declaring or paying dividends or other distributions on its capital stock (other than regular quarterly cash dividends) not in excess of $0.10 per share of Hanmi common stock;

making any acquisition that would have a material adverse effect on Hanmi;

taking any action or failing to take any action that is intended or may reasonably be expected to result in the closing conditions to the merger or the financing not being satisfied;

making changes in its accounting methods; or

taking any action that could reasonably be expected to jeopardize or materially delay receipt of required regulatory approvals or the consummation of the merger.

Stockholder Meetings and Duties to Recommend. PUB s board of directors has agreed to recommend the approval of the principal terms of the merger agreement and the merger by PUB s stockholders and to call a meeting of its stockholders for this purpose. Hanmi s board of directors has agreed to recommend the issuance of Hanmi common stock pursuant to the merger agreement and in the private placement by Hanmi s stockholders and to call a meeting of its stockholders for this purpose. Each party s board, however, can fail to make, withdraw, or modify in a manner adverse to the other party its recommendation, in each case if the board determines in good faith, after consultation with outside financial and legal advisors, that the failure to do so would or would reasonably be expected to breach its fiduciary duties under applicable law.

No Solicitation. Each party has agreed that it will, and will direct and use its reasonable best efforts to cause its affiliates, directors, officers, employees, agents and representatives to, immediately cease any discussions or negotiations with any other party that may be ongoing with respect to an Acquisition Proposal (as defined below) conducted prior to December 22, 2003, and to use its reasonable best efforts to enforce any confidentiality or similar agreement relating to any Acquisition Proposal, including by requiring other parties to promptly return or destroy any confidential information previously furnished. Neither party may, nor may it authorize or permit any of its directors, officers or employees or any investment banker, financial advisor, attorney, accountant or other representative to, (i) initiate, solicit or encourage an Acquisition Proposal from a third party, (ii) provide any confidential information or data to any person relating to an Acquisition Proposal, (iii) engage in any discussions or negotiations concerning any Acquisition Proposal, (iv) except in the limited circumstances when PUB may terminate the merger agreement in order to accept a Superior Proposal (as defined below) from another bidder, enter into any agreement or letter of intent related to an Acquisition Proposal or (v) make any statement, recommendation or solicitation in support of any Acquisition Proposal; provided, however, that prior to the date of its stockholder meeting, if a party s board of directors determines in good faith, after consulting with its outside legal and financial advisors, that the failure to do so would breach or would be reasonably expected to result in a breach of fiduciary duties under applicable law, such party may respond to an unsolicited Acquisition Proposal that its board believed in good faith constituted a Superior Proposal.

Acquisition Proposal means an inquiry, proposal or offer, filing of any application or notice or disclosure of an intention to do any of the foregoing from any person relating to (a) the acquisition of a business that constitutes a substantial portion of net revenues, net income or assets of a party, (b) the acquisition of 10% or more of the voting securities of a party, (c) a tender or exchange offer resulting in any person beneficially owning 10% or more of any class of equity securities of a party or (d) a merger, consolidation, business combination, recapitalization, liquidation, dissolution or similar transaction involving either party with certain exceptions, including in the case of Hanmi the transactions contemplated by the securities purchase agreements or acquisitions that Hanmi is permitted to undertake by the merger agreement.

Superior Proposal means a bona fide written proposal to acquire more than 50% of the combined outstanding voting securities of a party, or all or substantially all of a party s assets, which its board of directors concludes in good faith (a) would be more favorable to its stockholders, from a financial point of view, than the merger and, in the case of Hanmi, the purchase for cash of the majority of the shares of PUB common stock held in trust on behalf of Korea Exchange Bank, (b) is reasonably capable of being consummated on its terms and (c) is fully financed or capable of being fully financed.

Each party also agreed to promptly (within one business day) following the receipt of any Acquisition Proposal or similar inquiry, advise the other party of the receipt of any Acquisition Proposal or similar inquiry and to keep the other party apprised of any related developments, discussions and negotiations on a current basis and furnish the other party all materials provided or made available to any third party which were not provided to the others.

Reasonable Best Efforts Covenant. Hanmi, Hanmi Bank and PUB have agreed to use their reasonable best efforts to take, or cause to be taken, all actions and to do, or cause to be done, all actions necessary, proper or advisable to comply with all legal requirements with respect to the merger, to complete the merger and the other transactions contemplated by the merger agreement and to obtain any governmental and third-party approvals required in connection with the merger.

Financing Covenant. Hanmi agrees to use its reasonable best efforts to satisfy all conditions to the financing required under the relevant financing documents and to consummate the transactions contemplated by such financing documents. Hanmi may not amend, supplement, modify or terminate any such financing documents prior to the termination of the merger agreement without the written consent of PUB and the trustee of the trust established to hold the shares of PUB common stock formerly held by Korea Exchange Bank.

Certain Other Covenants. The merger agreement contains additional mutual covenants, including covenants relating to the filing of this joint proxy statement/ prospectus, cooperation regarding filings and proceedings with governmental and other agencies and organizations and obtaining any governmental or third-party consents or approvals, the listing on the Nasdaq National Market of shares of Hanmi common stock to be issued in the merger or upon exercise of stock options following the merger, the termination of PUB s tax sharing agreement with Korea Exchange Bank, matters relating to Section 16 under the Securities and Exchange Act of 1934, the payment of dividends and the lifting of the consent order issued by the Federal Deposit Insurance Corporation to PUB. In addition, the merger agreement also contains certain covenants regarding employee benefits (see Benefits Continuation), indemnification of the directors and officers of PUB (see THE MERGER Interests of PUB s Directors and Officers in the Merger) and the composition of Hanmi s board of directors following the merger (see Board of Directors of Hanmi and Hanmi Bank Following the Merger).

Principal Conditions to Completion of the Merger

Conditions to Both Parties Obligations. The obligations of Hanmi and PUB to consummate the merger are subject to the satisfaction or waiver at or before the effective time of the merger of the following conditions:

- receipt of the required approvals of Hanmi and PUB stockholders;
- approval for the listing on the Nasdaq National Market of the Hanmi common stock to be issued in the merger or reserved for issuance upon exercise of assumed PUB stock options after the merger;
- Hanmi s registration statement on Form S-4, which includes this joint proxy statement/prospectus, being effective;
- completion of required filings with, and receipt of required approvals by, governmental and regulatory bodies, agencies, officials or authorities (as described under THE MERGER Regulatory Approvals We Must Obtain for the Merger) and the absence of any injunction or other legal prohibition against the merger; and
- the purchase by Hanmi of most of the shares of PUB common stock held by the Trust formed to hold Korea Exchange Bank s shares of PUB common stock pursuant to the Voting and Sale Agreement, dated as of December 22, 2003, by and between Hanmi and the Trust.

Conditions to Each Party s Obligations. The obligations of each party to consummate the merger are subject to the following conditions:

- the representations and warranties made by the other party are true and correct as of the date of the merger agreement and the completion of the merger, with only such exceptions as would not have a material adverse effect;
- performance in all material respects by the other party of the obligations required to be performed by it at, or prior to, closing;
- receipt of necessary non-governmental consents and approvals unless failure to obtain these would not reasonably be expected to have a material adverse effect on Hanmi or PUB;
- no pending government-initiated proceedings seeking an injunction; and
- receipt of an opinion of its counsel that the merger will constitute a tax-free reorganization.

Additional Conditions to Hanmi s Obligations. In addition to the above closing conditions, Hanmi is not required to consummate the merger unless PUB has terminated certain employee benefits plans (unless Hanmi has provided notice to PUB not to terminate such plans) and Hanmi has received the proceeds of the financing contemplated in the merger agreement (the private placement of shares of common stock and trust preferred securities) on the terms set forth in such financing documents.

Termination

The merger agreement may be terminated at any time before the effective time of the merger in any of the following ways:

(a) by mutual agreement of the parties if the board of directors of each so determines by a vote of the majority of the members of its entire board;

(b) by either party:

- after (i) 30 days following the denial or withdrawal of any requisite regulatory approval or (ii) the issuance by any governmental entity of a final nonappealable order enjoining or otherwise prohibiting the merger;
- if the merger has not been consummated by September 30, 2004;

in the event of an uncured material breach of a representation, warranty, covenant or agreement in the merger agreement by the other party;

in the event that Hanmi s stockholders fail to give the necessary approvals at its stockholder meeting;

if the other party breaches its non-solicitation covenant in a manner materially adverse to the non-breaching party;

if the other party s board of directors fails to recommend or adversely modifies its recommendation of the transaction or breaches its obligation to seek stockholder approval; and

(c) by PUB, but only during the period between the time the joint proxy statement/ prospectus is distributed to its stockholders and the date its stockholder meeting is held (but in no event more than 45 days from the distribution of the joint proxy statement/ prospectus), if its board of directors determines in good faith, after consultation with outside counsel, that in light of a Superior Proposal it is necessary to terminate the agreement with Hanmi in order to comply with its fiduciary duties to PUB and to PUB s stockholders under applicable law; provided, however, that PUB must negotiate with Hanmi for five days so as to enable Hanmi to adjust the terms and conditions of the merger agreement to equal or exceed the competing proposal.

If the merger agreement is validly terminated, the agreement will become void without any liability on the part of either party unless the party is in willful breach. However, the provisions of the merger agreement relating to termination fees and expenses, as well as the confidentiality agreement entered into between Hanmi and PUB, will continue in effect notwithstanding the termination of the merger agreement.

Termination Fee; Other Expenses

Each of Hanmi and PUB has agreed to pay the other party (by wire transfer of immediately available funds) a termination fee of $12,000,000 if the merger agreement is terminated as a result of the other party changing its recommendation or failing to call its special meeting of stockholders (as described under Principal Covenants Stockholder Meetings and Duties to Recommend) or the other party has materially breached its obligations to not solicit alternative transactions (as described under Principal Covenants No Solicitation).

PUB has agreed to pay Hanmi (by wire transfer of immediately available funds) a termination fee of $12,000,000 if the merger agreement is terminated by PUB in order to enter into a definitive agreement, or similar agreement, relating to a Superior Proposal.

PUB has agreed to pay Hanmi (by wire transfer of immediately available funds) a fee of $4,000,000 if the merger agreement is terminated by:

Hanmi because of an uncured material breach by PUB of its representations, warranties, covenants or agreements contained in the merger agreement, or

Hanmi or PUB because the merger has not been consummated by September 30, 2004 and at the time of the termination no PUB stockholder vote has been taken,

and, in each case, a competing Acquisition Proposal for PUB has been publicly announced or communicated to the senior management or to the board of directors of PUB after the date of the merger agreement and on, or prior to, the date of the termination of the merger agreement.

If within twelve months following any such termination referred to above in the immediately preceding paragraph, PUB enters into a definitive agreement for, or consummates, an Acquisition Proposal, then PUB will pay to Hanmi an additional $8,000,000.

Hanmi has agreed to pay PUB (by wire transfer of immediately available funds) a fee of $4,000,000 if the merger agreement is terminated by:

(i) PUB because of an uncured material breach by Hanmi of its representations, warranties, covenants or agreements contained in the merger agreement,

(ii) Hanmi or PUB due to a failure to receive the required approval of Hanmi stockholders, or

(iii) Hanmi or PUB because the merger has not been consummated by September 30, 2004 and at the time of the termination no Hanmi stockholder vote has been taken,

and, in each case a competing Acquisition Proposal for Hanmi has been publicly announced or communicated to the senior management or to the board of directors of Hanmi after the date of the merger agreement and, in the case of (ii), on or prior to Hanmi s stockholder meeting, or, in the case of (i) or (iii), on or prior to the date of termination of the merger agreement.

If within twelve months following any such termination referred to above in the paragraph, Hanmi enters into a definitive agreement for, or consummates, an Acquisition Proposal, then Hanmi will pay to PUB an additional $8,000,000.

Except as otherwise provided in the merger agreement, all costs and expenses incurred in connection with the merger agreement will be paid by the party incurring the cost or expense; provided, however, that PUB will pay the fees and expenses of the financial advisor and legal advisors to the Trust.

Extension; Waivers

Any provision of the merger agreement may be waived, or the time for performance extended, before the completion of the merger if, but only if, the extension or waiver is in writing and signed by each party against whom the waiver is to be effective, provided that the Trustee must consent in writing to any agreement on the part of PUB to any such extension or waiver.

Benefits Continuation

The merger agreement provides that employees of PUB will be eligible to participate in the Hanmi benefit plans in which similarly situated employees of Hanmi or Hanmi Bank participate, to the same extent that similarly situated employees of Hanmi and Hanmi Bank participate.

The Hanmi plans will recognize, for purposes of eligibility, participation, vesting and benefit accrual (but not for accrual under any defined pension plan) all service with PUB as service with Hanmi. Hanmi will also assume all obligations of PUB and its subsidiaries in accordance with the terms of PUB s plans, contracts, arrangements or understandings as identified by PUB in accordance with the merger agreement.

Board of Directors of Hanmi and Hanmi Bank Following the Merger

Board of Directors of Hanmi. At the closing of the merger, Hanmi and Hanmi Bank will add to its existing board of directors (i) one director designated by the special committee of the board of directors of PUB and (ii) one director designated by Castle Creek LLC, in each case acceptable to Hanmi. The director designated by PUB will be appointed as a Class I director and the director designated by Castle Creek will be appointed as a Class III director.

THE VOTING AND SALE AGREEMENT

The following describes certain material provisions of the voting and sale agreement with the Trust formed to hold Korea Exchange Bank s shares of PUB common stock, including the effects of those provisions.

General

In connection with the merger agreement, Hanmi 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 has agreed to (i) vote the 6,624,052 shares of PUB common stock it holds in trust for Korea Exchange Bank in favor of the approval of the principal terms of the merger agreement and the merger and (ii) immediately prior to the merger, sell to Hanmi most of these shares of PUB common stock for cash.

Voting Obligation and Transfer Restrictions

Pursuant to the voting and sale agreement, the Trust must vote all of its shares of PUB common stock (i) in favor of the merger agreement; (ii) against any Acquisition Proposal, as such term is defined in the merger agreement; and (iii) against any action of PUB that might result in the termination of the merger agreement.

Subject to a *de minimis* exception to cover its expenses, the Trust may not transfer any of its shares of PUB common stock or impair its right to vote those shares in the manner described above.

Cash Purchase Price Per Share and Number of Shares Purchased

The number of shares of PUB common stock purchased by Hanmi for cash will be $164,562,490 million divided by the imputed value paid per share of PUB common stock (in shares of Hanmi stock) to PUB s minority stockholders in the merger.

Tax Structure Adjustment

If Hanmi s share price declines between signing and closing to the extent that the value of the shares of Hanmi common stock to be issued in the merger is less than 42% of the total transaction consideration (or such greater amount as will enable Hanmi s and PUB s counsel to render opinions that the merger is a tax-free reorganization), Hanmi will be required to substitute shares of Hanmi common stock (valued at $19.00 per share) for some of the cash otherwise paid to the Trust until the value of the Hanmi shares in the overall transaction reaches the necessary threshold.

Registration Rights

Hanmi has agreed to use its reasonable best efforts to register in this registration statement, of which this joint proxy statement/prospectus is a part, any shares received by the Trust for resale to the public. Hanmi has also agreed to use its reasonable best efforts to keep this registration statement effective for up to one year following the merger. See Selling Stockholder beginning on page l.

Non-solicitation

The Trust may not solicit, encourage, engage in negotiations concerning or knowingly facilitate any Acquisition Proposal, except that the Trust may enter into discussions with third parties who have made an Acquisition Proposal to the same extent that PUB may do so under the merger agreement.

The Trust has agreed to, and to cause its investment bankers, attorneys, accountants, consultants and other agents, advisors or intermediaries to, cease immediately and cause to be terminated any and all existing activities, discussions or negotiations, if any, with any third party conducted prior to the execution of the voting and sale agreement with respect to any Acquisition Proposal or any other acquisition by any third party of the beneficial ownership of the shares of PUB common stock it holds on behalf of Korea Exchange Bank.

Termination

The agreement will terminate on the earlier to occur of (i) the completion of the merger or (ii) the termination of the merger agreement.

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THE VOTING AGREEMENTS

The following describes certain material provisions of the voting agreements, including the effects of those provisions.

General

In connection with the merger, each member of the board of directors of Hanmi holding shares of Hanmi common stock entered into a voting agreement with PUB and the Trust formed to hold Korea Exchange Bank s shares of PUB common stock, whereby each director agrees to vote his shares of Hanmi common stock at the Hanmi special meeting in favor of the issuance of Hanmi common stock pursuant to the merger agreement and in the private placement.

Voting Obligation and Transfer Restrictions

Pursuant to these voting agreements, these stockholders will vote all of their shares of Hanmi common stock (i) in favor of the issuance of the shares of Hanmi common stock pursuant to the merger agreement and in the private placement; (ii) against any action or agreement that is intended or would reasonably be likely to result in any conditions to Hanmi s obligations under the merger agreement, the securities purchase agreements or the voting and sale agreement with the Trust not being fulfilled or would reasonably be likely to result in a breach of any representation, warranty, covenant or agreement of Hanmi under the merger agreement, the securities purchase agreements or the voting and sale agreement with the Trust; and (iii) against any other action or agreement that is intended, or would reasonably be expected, to impede, interfere with, delay or postpone the merger, the financing or the other transactions contemplated by the merger agreement the securities purchase agreement or the voting and sale agreement with the Trust.

These respective stockholders may not sell, transfer or otherwise dispose of any of their shares of Hanmi common stock until the earlier of (i) the completion of the merger or (ii) the termination of the merger agreement in accordance with its terms, unless each person to whom the shares are transferred has agreed in writing to hold the shares subject to the terms and conditions of the voting agreements and to perform all of the respective stockholder s obligations under the voting agreement with respect to these shares.

Termination

The agreement will terminate on the earlier to occur of (i) the completion of the merger or (ii) the termination of the merger agreement.

THE FINANCING DOCUMENTS

The following describes certain material provisions of the financing documents, including the effects of those provisions.

Securities Purchase Agreements

Structure. Subject to the terms and conditions of the securities purchase agreements, certain purchasers, including five members of Hanmi s board of directors, have agreed to purchase in a private placement shares of Hanmi common stock totaling 3,947,369 shares in the aggregate at a purchase price of $19.00 per share in cash. The private placement will close two business days prior to the completion of the merger.

Representations and Warranties. The securities purchase agreements contain a limited number of substantially reciprocal representations and warranties made by Hanmi and each purchaser as to, among other things: due incorporation or formation, authority to enter the contemplated transactions and absence of conflicts with organizational documents, laws and material agreements. In addition, Hanmi represents and warrants as to its capitalization, the validity of the issuance of its shares and the material accuracy of its SEC filings. Each purchaser represents and warrants as to its eligibility as an accredited investor under the SEC s rules and as to its opportunity to conduct due diligence with regard to Hanmi.

Conditions to Closing the Private Placement. The obligations of Hanmi and each purchaser to consummate the private placement are subject to the satisfaction at or before the closing of the private placement of the following conditions:

- all representations and warranties and other statements of the other party are, at and as of the closing of the private placement, true and correct in all material respects;
- the other party has performed in all material respects all of its obligations under the relevant securities purchase agreement; and
- all conditions precedent to the consummation of the private placement contemplated by the merger agreement have been satisfied or waived.

In addition, the obligations of each purchaser is subject to the condition that the purchaser receive at the closing of the private placement an opinion of counsel to Hanmi with regard to certain representations and warranties made by Hanmi.

Termination. Each of the securities purchase agreements may be terminated at any time before the closing of the private placement in any of the following ways:

- by mutual consent of Hanmi and the purchaser;
- by either Hanmi or the purchaser if it is not in material breach of its obligations under the securities purchase agreement and the other party has materially breached any of its obligations under the securities purchase agreement;
- by either Hanmi or the purchaser if the closing of the private placement has not occurred by September 30, 2004; and
- automatically in the event that the merger agreement is terminated before the closing of the private placement.

Restriction on Purchase and Sale. Each purchaser agrees not to:

- purchase any other securities of Hanmi prior to the closing; and
- sell any of the shares to be purchased under the agreement for three months following the closing.

Because the shares issued to the purchasers are being issued in a private placement, the purchasers may not reoffer or resell the shares until Hanmi registers the shares with the SEC or pursuant to an exemption from registration.

Registration Rights. Within 90 days of closing, Hanmi must file a shelf registration statement providing for the registration, for resale to the public, on a continuous or delayed basis, of the shares purchased pursuant to the securities purchase agreements. Hanmi is required to use its reasonable best efforts to have the registration statement declared effective within 60 days after filing and keep it effective for one year from the closing. All registration expenses (other than underwriting discounts and associated fees) will be borne by Hanmi. Hanmi will enter into a customary registration rights agreement with these purchasers at closing.

Agency Agreement

Hanmi entered into an agreement with Castle Creek Financial LLC whereby Castle Creek agreed to act as financial advisor to Hanmi in its efforts to sell its shares of common stock through the private placement discussed above. In exchange for its services in soliciting prospective purchasers of the shares of Hanmi common stock sold through the private placement, Hanmi will pay Castle Creek an advisory fee equal to four percent (4%) of the total value of the shares of Hanmi common stock sold pursuant to the private placement and will issue to Castle Creek a warrant to purchase one percent (1%) of the number of fully diluted post-offering shares of Hanmi common stock outstanding with a per share strike price equal to $19.00, which warrant will contain customary terms and conditions reasonably acceptable to the parties. Regardless of whether the private placement is completed, Hanmi must reimburse Castle Creek, upon its demand, for all of its reasonable out-of-pocket expenses.

Trust Preferred Securities Agreements

Hanmi has entered into an agreement with Trapeza Funding V, LLC whereby Trapeza agreed to arrange a private placement of $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; the funding of the second tranche is expected to occur on or around May 1, 2004 and simultaneously with the completion of the merger.

The second tranche of the trust preferred offering, which will be on the same terms as the first tranche, is contingent upon (i) the removal of any regulatory order in place against PUB or Hanmi and (ii) the absence of any material adverse change prior to the completion of the merger.

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MATERIAL UNITED STATES FEDERAL INCOME TAX

CONSEQUENCES OF THE MERGER

The following discussion sets forth the material United States federal income tax consequences of the merger to U.S. holders (as defined below) of PUB common stock other than the Trust. This discussion does not address any tax consequences arising under the laws of any state, local or foreign jurisdiction. This discussion is based upon the Internal Revenue Code of 1986, as amended, which is referred to in this section of the joint proxy statement/prospectus as the Code, the regulations of the U.S. Treasury Department and court and administrative rulings and decisions in effect on the date of this document. These laws may change, possibly retroactively, and any change could affect the continuing validity of this discussion.

For purposes of this discussion, we use the term U.S. holder to mean:

- a citizen or resident of the United States;
- a corporation or other entity created or organized under the laws of the United States or any of its political subdivisions;
- a trust that (i) is subject to the supervision of a court within the United States and the control of one or more United States persons or (ii) has a valid election in effect under applicable United States Treasury regulations to be treated as a United States person; or
- an estate that is subject to United States federal income tax on its income regardless of its source.

If a partnership holds shares of PUB common stock, the tax treatment of a partner will generally depend on the status of the partnership. If you are a partner of a partnership holding shares of PUB common stock, you should consult your tax advisors.

This discussion assumes that you hold your shares of PUB common stock as a capital asset within the meaning of Section 1221 of the Code. Further, this discussion does not address all aspects of U.S. federal income taxation that may be relevant to you in light of your particular circumstances or that may be applicable to you if you are subject to special treatment under the United States federal income tax laws, including if you are:

- a financial institution;
- a tax-exempt organization;
- an S corporation or other pass-through entity;
- an insurance company;
- a mutual fund;
- a dealer in securities or foreign currencies;
- a trader in securities who elects the mark-to-market method of accounting for your securities;
- a PUB stockholder subject to the alternative minimum tax provisions of the Code;
- a PUB stockholder who received PUB common stock through the exercise of qualified employee stock options or through a tax-qualified retirement plan;
- a person that has a functional currency other than the U.S. dollar;
- a holder of options granted under any PUB benefit plan; or

- a PUB stockholder who holds shares of PUB common stock as part of a hedge against currency risk, a straddle or a constructive sale or conversion transaction.

Based on representations contained in representation letters provided by Hanmi and PUB and on certain customary factual assumptions, all of which must continue to be true and accurate in all material respects as of the effective time of the merger, it is the opinion of Simpson Thacher & Bartlett LLP, counsel to Hanmi,

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and Manatt, Phelps & Phillips, LLP, counsel to PUB, that the material United States federal income tax consequences of the merger are as follows:

- the merger will be treated as a reorganization within the meaning of Section 368(a) of the Code;
- you will not recognize gain or loss when you exchange your shares of PUB common stock for shares of Hanmi common stock, except to the extent of any cash received in lieu of a fractional share of Hanmi common stock;
- your tax basis in the shares of Hanmi common stock that you receive in the merger (including any fractional share interest you are deemed to receive and exchange for cash) will equal your tax basis in the shares of PUB common stock you surrender; and
- your holding period for the shares of Hanmi common stock that you receive in the merger will include your holding period for the shares of PUB common stock that you surrender in the exchange.

If you acquired different blocks of shares of PUB common stock at different times and at different prices, your basis and holding period in your shares of Hanmi common stock may be determined with reference to each block of PUB common stock.

Cash in lieu of Fractional Shares. You will generally recognize capital gain or loss on any cash received in lieu of a fractional share of Hanmi common stock equal to the difference between the amount of cash received and the tax basis allocated to that fractional share.

Dissenting Stockholders. Holders of shares of PUB common stock who dissent with respect to the merger as discussed in THE MERGER PUB Stockholders Dissenters Rights beginning on page l, and who receive cash in respect of their shares of PUB common stock, will recognize capital gain or loss equal to the difference between the amount of cash received and their aggregate tax basis in their shares.

Taxation of Capital Gain. Gain or loss that you recognize in connection with the merger will generally constitute capital gain or loss and will constitute long-term capital gain or loss if your holding period in your shares of PUB common stock is greater than one year as of the date of the merger. If you are a non-corporate holder of shares of PUB common stock, this long-term capital gain generally will be taxed at a maximum United States federal income tax rate of 15%. The deductibility of capital losses is subject to limitation.

It is a condition to the closing of the merger that Hanmi and PUB receive opinions from Simpson Thacher & Bartlett LLP and Manatt, Phelps & Phillips, LLP, respectively, that the merger constitutes a reorganization within the meaning of Section 368(a) of the Code. These opinions will be based on updated representation letters provided by Hanmi and PUB to be delivered at the time of closing, and on customary factual assumptions and will assume that the merger will be completed according to the terms of the merger agreement. Although the merger agreement allows us to waive this condition to closing, we currently do not anticipate doing so. If either of us does waive this condition, we will inform you of this decision and ask you to vote on the merger taking this into consideration.

Hanmi and PUB have not and will not seek any ruling from the Internal Revenue Service regarding any matters relating to the merger, and as a result, there can be no assurance that the Internal Revenue Service will not disagree with or challenge any of the conclusions described herein.

Backup Withholding. If you are a non-corporate holder of shares of PUB common stock, you may be subject to information reporting and backup withholding on any cash payments you receive. You will not be subject to backup withholding, however, if you:

- furnish a correct taxpayer identification number and certify that you are not subject to backup withholding on the substitute Form W-9 or successor form included in the letter of transmittal to be delivered to you following the completion of the merger; or
- are otherwise exempt from backup withholding.

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Any amounts withheld under the backup withholding rules will be allowed as a refund or credit against your United States federal income tax liability, provided you furnish the required information to the Internal Revenue Service.

Reporting Requirements. If you receive shares of Hanmi common stock as a result of the merger, you will be required to retain records pertaining to the merger and you will be required to file with your United States federal income tax return for the year in which the merger takes place a statement setting forth certain facts relating to the merger.

This discussion does not address tax consequences that may vary with, or are contingent on, individual circumstances. Moreover, it does not address any non-income tax or any foreign, state or local tax consequences of the merger. Tax matters are very complicated, and the tax consequences of the merger to you will depend upon the facts of your particular situation. Accordingly, we strongly urge you to consult with a tax advisor to determine the particular federal, state, local or foreign income or other tax consequences to you of the merger.

DESCRIPTION OF HANMI S CAPITAL STOCK

In this section, we describe the material features and rights of Hanmi s capital stock. This summary is qualified in its entirety by reference to applicable Delaware law, Hanmi s certificates of incorporation, and Hanmi s bylaws, as described below. See WHERE YOU CAN FIND MORE INFORMATION beginning on page l .

Hanmi Capital Stock

General

Hanmi is currently authorized to issue 50,000,000 shares of common stock having a par value of $0.001 per share and 10,000,000 shares of preferred stock having a par value of $0.001 per share. Each share of Hanmi common stock has the same relative rights as, and is identical in all respects to, each other share of Hanmi common stock.

As of l , 2004, there were l shares of Hanmi common stock outstanding, l shares of Hanmi common stock held in treasury and l shares of Hanmi common stock reserved for issuance pursuant to Hanmi s stock option plan. After giving effect to the merger and the related financing on a pro forma basis, approximately l million shares of Hanmi common stock will be outstanding.

Common Stock

Distributions. Subject to certain regulatory restrictions, Hanmi can pay dividends out of statutory surplus or from certain net profits if, as and when declared by its board of directors.

Hanmi is a holding company, and Hanmi s primary source for the payment of dividends is dividends from its direct, wholly owned subsidiary, Hanmi Bank. The payment of dividends by Hanmi is subject to limitations that are imposed by law and applicable regulation. The holders of the common stock of Hanmi are entitled to receive and share equally in dividends declared by the board of directors of Hanmi out of funds legally available therefor. If Hanmi issues preferred stock, the holders of that preferred stock may have a priority over the holders of the common stock with respect to dividends.

Voting Rights. The holders of common stock of Hanmi possess exclusive voting rights in Hanmi. They elect the Hanmi board of directors and act on such other matters as are required to be presented to them under Delaware law or Hanmi s certificate of incorporation or as are otherwise presented to them by the board of directors. Each holder of common stock is entitled to one vote per share and does not have any right to cumulate votes in the election of directors. Certain matters require a two-thirds stockholder vote.

Liquidation. In the event of any liquidation, dissolution or winding up of Hanmi Bank, Hanmi, as holder of Hanmi Bank s capital stock, would be entitled to receive, after payment or provision for payment of all debts and liabilities of Hanmi Bank (including all deposit accounts and accrued interest thereon) and after distribution of the balance in the special liquidation account to certain depositors of Hanmi Bank, all assets of Hanmi Bank available for distribution. In the event of liquidation, dissolution or winding up of Hanmi, the holders of its common stock would be entitled to receive, after payment or provision for payment of all its debts and liabilities, all of the assets of Hanmi available for distribution. If preferred stock is issued, the holders of the preferred stock may have a priority over the holders of the common stock in the event of liquidation or dissolution.

Preemptive Rights. Holders of Hanmi common stock do not have preemptive rights with respect to any shares that may be issued. Shares of Hanmi common stock are not subject to redemption.

Restrictions on Common Stock in connection with the Trust Preferred Offering. Under the terms of the debt instrument issued in connection with the trust preferred financing, Hanmi cannot declare or pay any dividends or distributions on, or redeem, purchase, acquire or make a liquidation payment with respect to, any shares of Hanmi s capital stock if (i) an event of default under such debt instrument has occurred and is continuing or (ii) if Hanmi gives notice of its election to begin an extension period whereby it defers payment of interest on the trust preferred securities authenticated or delivered under the debt instrument for a period of

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up to twenty consecutive quarterly interest payment periods and shall not have rescinded such notice, or such an extension period, or any extension thereof, shall be continuing.

Preferred Stock

Shares of Hanmi preferred stock may be issued with such designations, powers, preferences and rights as the Hanmi board of directors may from time to time determine. Hanmi s board of directors can, without stockholder approval, issue preferred stock with voting, dividend, liquidation and conversion rights which could dilute the voting strength of the holders of Hanmi common stock and may assist management in impeding an unsolicited takeover or attempted change in control.

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COMPARISON OF STOCKHOLDERS   RIGHTS

General

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 its 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 then be governed by Hanmi   s certificate of incorporation and bylaws. Hanmi   s certificate of incorporation and bylaws will be unaltered by the merger. We have summarized below certain differences between:

- the California Corporations Code and the Delaware General Corporation Law; and
- your current rights under the articles of incorporation and bylaws of PUB and your rights under the certificate of incorporation and bylaws of Hanmi.

The following summary does not purport to be a complete statement of the rights of stockholders under the applicable legal provisions, charters and bylaws mentioned above. The summary is qualified in its entirety by reference to the California Corporation Code and the Delaware General Corporation Law and the governing corporate instruments of Hanmi and PUB.

Authorized Capital

Hanmi. The authorized capital stock of Hanmi consists of:

- 50,000,000 shares of Hanmi common stock, par value $0.001 per share; and
- 10,000,000 shares of Hanmi preferred stock, par value $0.001 per share.

PUB. The authorized capital stock of PUB consists of 30,000,000 shares of PUB common stock, par value $6.00 per share.

Number and Election of Directors

Hanmi. The board of directors of Hanmi currently has eleven members. Hanmi   s bylaws provide that the Hanmi board of directors will consist of not less than nine nor more than fifteen directors to be fixed from time to time by the bylaws or a resolution of the Hanmi board of directors. The board of directors is currently set at eleven directors. See   THE MERGER AGREEMENT   Board of Directors Following the Merger   beginning on page l for a description of Hanmi   s board of directors after the merger.

Hanmi   s certificate of incorporation provides that Hanmi   s board of directors is divided into three classes as nearly equal in number as possible, with terms of office of one class of directors expiring each year, resulting in each class serving a staggered three-year term.

PUB. The board of directors of PUB currently has nine members. PUB   s bylaws provide that the PUB board of directors will consist of not less than eight nor more than fifteen directors with the exact number to be fixed from time to time by majority vote or written consent of the PUB board of directors or a vote or written consent of the majority of the outstanding shares of PUB common stock.

Nomination of Directors

In the case of Hanmi, nominations of candidates for election to the board of directors may be made at any annual meeting of stockholders, or at any special meeting of stockholders called for the purpose of electing directors, by the board of directors or by any Hanmi stockholder. Specifically, the bylaws provide that for a stockholder to properly nominate a candidate at an annual or special meeting, the stockholder must (A) be a stockholder of record on the date of giving timely written notice and on the record date of the determination of stockholders entitled to vote at such annual or special meeting and (B) give timely written notice of the nomination to the Secretary of Hanmi. In order to be timely, a stockholder   s notice to the Secretary must be

delivered to or mailed and received at the principal executive offices of Hanmi (i) in the case of annual meeting, not less than 60 days nor more than 90 days prior to the anniversary date of the immediately preceding annual meeting of stockholders; provided, however, that in the event that the annual meeting is called for a date that is not within 30 days before or after such anniversary date, notice by the stockholder must be so received not later than the close of business on the 10th day following the day on which such notice of the date of the annual meeting was mailed or such public disclosure of the date of the annual meeting was made, whichever first occurs and (ii) in the case of a special meeting of stockholders called for the purpose of electing directors, not more than 90 days prior to such meeting and not later than the later of 60 days prior to the special meeting or 10 days following the day on which public announcement of the meeting is first made by Hanmi.

In the case of PUB, its bylaws provide that nominations of candidates for election as directors may be made by PUB s board of directors or by any stockholder of any outstanding class of voting stock entitled to vote for the election of directors. Specifically, the bylaws provide that PUB stockholders are required to give advance written notice to the president of PUB of their intention to nominate a candidate, and such notice must be received by the president, no more than 60 days prior to any stockholders meeting called for the election of directors and no more than 10 days after the date the notice of such meeting is sent to stockholders; provided, however, that if 10 days notice of the meeting is given to stockholders, the notice of intention to nominate must be received by the president not later than the time fixed in the notice of the meeting for the opening of the meeting.

Voting Rights

In the case of Hanmi, the affirmative vote of the holders of at least two-thirds of the outstanding voting stock entitled to vote, as well as such additional vote of the preferred stock as may be required by the provisions of any series of preferred stock, is required under certain circumstances to amend or repeal certain provisions of the certificate of incorporation, including the provisions relating to the approval of certain business combinations, the number and classification of directors, action by written consent, the directors and officers, indemnification and amendment of its bylaws by Hanmi stockholders. If, however, any such action is recommended by at least two-thirds of the board of directors, then approval of the action will require only such affirmative vote as is required by Delaware law.

Under Delaware law, stockholders of a Delaware corporation do not have cumulative voting rights in the election of directors unless the certificate of incorporation so provides. Hanmi s certificate of incorporation does not provide for cumulative voting.

Under California law, stockholders of a listed California corporation have cumulative voting rights in the election of directors unless the certificate of incorporation or bylaws has eliminated this voting right. PUB s bylaws expressly provide for cumulative voting.

In the case of both Hanmi and PUB, the presence in person or by proxy of shares representing a majority of shares entitled to vote at a stockholders meeting is considered a quorum.

Filling Vacancies on the Board of Directors and Removal of Directors

In the case of Hanmi, vacancies and newly created directorships are filled by a two-thirds vote of the directors then in office, though less than a quorum. The person who fills any such vacancy holds office for the unexpired term of the director to whom that person succeeds. When the number of directors is changed, the board of directors shall determine the class or classes to which the increased or decreased number of directors shall be apportioned, provided that, no decrease in the number of directors shall shorten the term of any incumbent director. The Hanmi certificate of incorporation permits a director to be removed with or without cause upon a vote of a majority of the outstanding shares.

In the case of PUB, vacancies, except those created by the removal of a director, may be filled by a majority of the remaining directors, though less than a quorum, or by a sole remaining director. PUB stockholders may elect a director at any time to fill a vacancy not filled by the directors. Any such election by written consent requires the consent of holders of a majority of the outstanding shares entitled to vote. A vacancy due to the removal of a director may only be filled by the vote of a majority of the shares of PUB common stock entitled to vote represented at a duly held meeting at which a quorum is present, or by the unanimous written consent of the holders of the outstanding shares of PUB common stock.

Under California law, any director or the entire board of directors may be removed, with or without cause, with the approval of a majority of the outstanding shares entitled to vote. However, no individual director may be removed, unless the entire board is removed, if the number of votes cast against such removal would be sufficient to elect the director under cumulative voting.

Indemnification of Directors and Officers

General Delaware Under Delaware law, a corporation generally may indemnify directors and officers:

- for actions taken in good faith and in a manner they reasonably believed to be in, or not opposed to, the best interests of the corporation; and

- with respect to any criminal proceeding, to the extent they had no reasonable cause to believe that their conduct was unlawful.

In addition, Delaware law provides that a corporation may advance to a director or officer expenses incurred in defending any action upon receipt of an undertaking by the director or officer to repay the amount advanced if it is ultimately determined that he or she is not entitled to indemnification.

General California California law permits indemnification of expenses incurred in derivative or third-party actions, except with respect to derivative actions:

- no indemnification may be made when a person is adjudged liable to the corporation in the performance of that person s duty to the corporation and its stockholders unless a court determines the person is entitled to indemnity for expenses, and then indemnification may be made only to the extent that such court shall determine; and

- no indemnification may be made without court approval in respect of (i) amounts paid or expenses incurred in settling or otherwise disposing of a threatened or pending action or (ii) amounts incurred in defending a pending action that is settled or otherwise disposed of.

In the case of Hanmi, its certificate of incorporation eliminates the liability of a director to the corporation or its stockholders for monetary damages for a breach of his fiduciary duties as a director to the fullest extent authorized by Delaware law against all expense, liability and loss reasonably incurred or suffered. Hanmi s certificate of incorporation further permits Hanmi to maintain insurance on behalf of any director or officer of Hanmi.

Pursuant to indemnification agreements, PUB must indemnify each of its agents against expenses, judgments, fines, settlements and other amounts, actually and reasonably incurred by such person having been made or having been threatened to be made a party to a proceeding to the fullest extent possible by the provisions of the CGCL, and PUB must advance the expenses reasonably expected to be incurred by such agent in defending such proceeding upon receipt of the undertaking required by the CGCL.

Ability to Call Special Meetings and Act by Written Consent

In the case of Hanmi, except as otherwise required by law, special meetings of stockholders may be called only by the chairman of the board of directors, if there is one, or by the board of directors pursuant to a resolution approved by the affirmative vote of at least a majority of the total number of authorized directors (whether or not there exist any vacancies in previously authorized directorships at the time any such resolution is presented to the board of directors for adoption), or by the president of Hanmi.

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In the case of PUB, except as otherwise required by law, special meetings of stockholders may be called at any time by the chairman of the board of directors, the president, the board of directors or by one or more stockholders holding not less than ten percent of the outstanding shares entitled to vote.

Stockholder Proposals

In the case of Hanmi, its bylaws provide that stockholder proposals may be brought before an annual or special stockholders meeting where stockholders give advance notice to Hanmi of any business to be brought by a stockholder before an annual or special stockholders meeting. Specifically, the bylaws provide that for a stockholder to properly bring business before an annual or special meeting, the stockholder must (i) be a stockholder of record on the date of giving timely written notice and on the record date for the determination of stockholders entitled to vote at such annual or special meeting and (ii) must give timely written notice of the nomination to the Secretary of Hanmi. In order to be timely, a stockholder s notice to the Secretary (other than a request for inclusion of a proposal in the Hanmi s proxy statement pursuant to Rule 14a-8 of the Securities Exchange Act of 1934, as amended) must be delivered to the principal executive offices of Hanmi not less than 60 days nor more than 90 days prior to the anniversary date of the mailing of proxy materials by Hanmi in connection with the preceding year s annual meeting, and, in the case of a special meeting, not more than 90 days prior to such meeting and not later than the later of 60 days prior to the special meeting or 10 days following the day on which public announcement of the meeting is first made by Hanmi; provided, however, that in the event that the annual meeting is called for a date that is not within 30 days before or after such anniversary date, notice must be received not later than the close of business on the 10th day following the day on which such notice of the date of the annual meeting was mailed or such public disclosure of the date of the annual meeting was made, whichever occurs first.

PUB s bylaws do not require any advance notice for stockholder proposals to be brought before an annual or special stockholders meeting.

Dividends

Subject to certain regulatory restrictions, Hanmi can pay dividends out of its statutory surplus or from certain net profits if, as and when declared by its board of directors. The holders of Hanmi common stock are entitled to receive and share equally in dividends declared by the board of directors of Hanmi out of funds legally available for such dividends. If Hanmi issues preferred stock, the holders of that preferred stock may have a priority over the holders of the common stock with respect to dividends.

Hanmi is a holding company, and Hanmi s primary source for the payment of dividends is dividends from its direct, wholly owned subsidiary, Hanmi Bank. The payment of dividends by Hanmi is subject to limitations that are imposed by law and applicable regulation.

Under the terms of the debt instrument issued in connection with the trust preferred financing, Hanmi cannot declare or pay any dividends or distributions on, or redeem, purchase, acquire or make a liquidation payment with respect to, any shares of Hanmi s capital stock if (i) an event of default under such debt instrument has occurred and is continuing or (ii) if Hanmi gives notice of its election to begin an extension period whereby it defers payment of interest on the trust preferred securities authenticated or delivered under the debt instrument for a period of up to twenty consecutive quarterly interest payment periods and shall not have rescinded such notice, or such an extension period, or any extension thereof, shall be continuing.

Under California law, and subject to certain regulatory restrictions, PUB may not make any distribution to its stockholders unless either (i) PUB s retained earnings immediately prior to the proposed distribution equals or exceeds the amount of the proposed distribution; (ii) immediately after giving effect to the distribution, PUB s assets (exclusive of goodwill, capitalized research and development expenses and deferred charges) would be at least 1.25 times its liabilities (not including deferred taxes, deferred income and other deferred credits) or (iii) PUB s current assets would be at least equal to its current liabilities (or 1.25 times its current liabilities if the average pre-tax and pre-interest expense earnings for the preceding two fiscal years were less than the average interest expense for such years).

Liquidation Rights

In connection with the 10,000,000 shares of preferred stock authorized in its articles of incorporation, Hanmi s board of directors has sole authority to determine the terms of any one or more series of preferred stock, including voting rights, conversion rates, and liquidation preferences. If preferred stock is issued, the holders of the preferred stock may have a priority over the holders of the common stock in the event of liquidation or dissolution.

Shares of PUB common stock do not have any liquidation preferences. Further, PUB s articles of incorporation do not authorize the issuance of any preferred stock.

Dissenters Rights

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 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 l.

Hanmi s stockholders have no appraisal rights in connection with the merger.

Preemptive Rights

Neither Hanmi s nor PUB s certificate of incorporation provides for preemptive rights for its stockholders.

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DISCUSSION OF ANTI-TAKEOVER PROTECTIONS IN HANMI S CERTIFICATE OF INCORPORATION AND BYLAWS

General

Provisions of Hanmi s certificate of incorporation and bylaws may have anti-takeover effects. These provisions may discourage attempts by others to acquire control of Hanmi without negotiation with Hanmi s board of directors. The effect of these provisions is discussed briefly below. All of the provisions discussed below are currently contained in Hanmi s certificate of incorporation and bylaws.

Authorized Stock

The shares of Hanmi common stock authorized by Hanmi s certificate of incorporation but not issued provide the Hanmi board of directors with the flexibility to effect financings, acquisitions, stock dividends, stock splits and stock-based grants without the need for a stockholder vote. Hanmi s board of directors, consistent with its fiduciary duties, could also authorize the issuance of shares of preferred stock, and could establish voting, conversion, liquidation and other rights for the Hanmi preferred stock being issued, in an effort to deter attempts to gain control of Hanmi.

Classification of Board of Directors

Hanmi s certificate of incorporation and bylaws provide that the board of directors of Hanmi is divided into three classes of as nearly equal size as possible, with one class elected annually to serve for a term of three years. This classification of the Hanmi board of directors may discourage a takeover of Hanmi because a stockholder with a majority interest in Hanmi would have to wait for at least two consecutive annual meetings of stockholders to elect a majority of the members of Hanmi s board of directors.

Size of Board; Vacancies; Removal of Directors

The provision of Hanmi s bylaws giving the Hanmi board of directors the power to determine the exact number of directors and to fill any vacancies or newly created positions is intended to insure that the classified board provisions discussed above are not circumvented by the removal of incumbent directors. This provision could make the removal of any director more difficult (although Hanmi s stockholders may remove a director upon a vote of a majority of the outstanding shares). In addition, this provision could make a takeover of Hanmi more difficult under circumstances where the potential acquiror seeks to do so through obtaining control of Hanmi s board of directors.

Special Meetings of Stockholders

The provisions of Hanmi s certificate of incorporation and bylaws relating to special meetings of stockholders are intended to enable Hanmi s board of directors to determine if it is appropriate for Hanmi to incur the expense of a special meeting in order to present a proposal to Hanmi stockholders. If Hanmi s board of directors determines not to call a special meeting, stockholder proposals could not be presented to the stockholders for action until the next annual meeting, or until the proposal is properly presented before an earlier duly called special meeting, because stockholders cannot call a special meeting. In addition, these provisions could make a takeover of Hanmi more difficult under circumstances where the potential acquiror seeks to do so through obtaining control of Hanmi s board of directors.

Stockholder Action by Unanimous Written Consent

The purpose of the provision in Hanmi s certificate of incorporation prohibiting stockholder action by written consent is to prevent any person or persons holding the percentage of the voting stock of Hanmi otherwise required to take corporate action from taking that action without giving notice to other stockholders and without the procedures of a stockholder meeting.

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Amendment of Certificate of Incorporation and Bylaws

The requirements in Hanmi s certificate of incorporation and bylaws for a 66 2/3% stockholder vote for the amendment of certain provisions of Hanmi s certificate of incorporation and Hanmi s bylaws is intended to prevent a stockholder who controls a majority of Hanmi s common stock from avoiding the requirements of important provisions of Hanmi s certificate of incorporation or bylaws simply by amending or repealing them. Thus, the holders of a minority of the shares of Hanmi common stock could block the future repeal or modification of Hanmi s bylaws and certain provisions of its certificate of incorporation, even if that action were deemed beneficial by the holders of more than a majority, but less than 66 2/3%, of Hanmi s common stock.

Business Combination Statutes and Provisions

Section 203 of the Delaware General Corporation Law prohibits business combinations, including mergers, sales and leases of assets, issuances of securities and similar transactions by a corporation or a subsidiary, with an interested stockholder, which is someone who beneficially owns 15% or more of a corporation s voting stock, within three years after the person or entity becomes an interested stockholder, unless:

- the transaction that caused the person to become an interested stockholder was approved by the board of directors of the target prior to the transaction;
- after the completion of the transaction in which the person becomes an interested stockholder, the interested stockholder holds at least 85% of the voting stock of the corporation not including (a) shares held by persons who are both officers and directors of the issuing corporation and (b) shares held by specified employee benefit plans;
- after the person becomes an interested stockholder, the business combination is approved by the board of directors and holders of at least 66 2/3% of the outstanding voting stock, excluding shares held by the interested stockholder; or
- the transaction is one of certain business combinations that are proposed after the corporation had received other acquisition proposals and that are approved or not opposed by a majority of certain continuing members of the board of directors, as specified in the Delaware General Corporation Law.

Neither Hanmi s certificate of incorporation nor bylaws contains an election, as permitted by Delaware law, to be exempt from the requirements of Section 203.

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UNAUDITED PRO FORMA COMBINED FINANCIAL STATEMENTS

The following unaudited pro forma condensed combined financial statements for Hanmi reflect the pro forma impact of the merger as if the merger took place on January 1, 2002 for each statement of operations presented and as of September 30, 2003 for the statement of financial condition. Additional information about the merger is provided in this document under THE MERGER and THE MERGER AGREEMENT beginning on pages 1 and 1 , respectively.

The unaudited pro forma condensed combined financial statements included in this document are presented for informational purposes only and are not a measure of performance calculated in accordance with generally accepted accounting principles. This information includes various estimates and may not necessarily be indicative of the financial condition or results of operations that would have occurred if the merger had been completed on the date or at the beginning of the period indicated or which may be obtained in the future. The unaudited pro forma condensed combined financial statements and accompanying notes have been prepared from, and should be read in conjunction with, the respective historical consolidated financial statements and notes thereto of Hanmi Financial Corporation and subsidiaries and PUB, respectively, incorporated by reference in this document. See SUMMARY Selected Consolidated Historical Financial Data of Hanmi on page 1 , SUMMARY Selected Historical Financial Data of PUB on page 1 , WHERE YOU CAN FIND MORE INFORMATION beginning on page 1 and CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS on page 1 .

We anticipate that the merger will provide the combined company with financial benefits that include reduced operating expenses. The unaudited pro forma condensed combined financial statements, while helpful in illustrating the financial characteristics of the combined company under one set of assumptions, do not reflect the benefits of expected cost savings or opportunities to earn additional revenue, nor do they reflect business integration costs which Hanmi expects to incur, and, accordingly, do not attempt to predict or suggest future results.

Hanmi currently expects to consummate the merger in the second quarter of 2004, subject to the receipt of all required regulatory approvals and approval by the stockholders of Hanmi and PUB.

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UNAUDITED PRO FORMA COMBINED

STATEMENT OF FINANCIAL CONDITION
As of September 30, 2003

	Hanmi Financial Corporation	Pacific Union Bank	Pro Forma Adjustments	Pro Forma Combined
	(In thousands)			
	ASSETS			
Cash and due from banks	$53,314	$21,893	$(181,562)(a)	
			72,000 (c)	