

**HANMI FINANCIAL CORPORATION  
& HANMI BANK  
CODE OF BUSINESS CONDUCT AND ETHICS FOR DIRECTORS**

**I. INTRODUCTION**

It is the policy of Hanmi Financial Corporation and all of its direct and indirect subsidiaries, including Hanmi Bank (collectively, the “Company”), to conduct business in an ethical manner in order to merit and maintain the confidence and trust of its customers and the public in general. This Code of Business Conduct and Ethics (this “Code”) applies to all directors of the Company. It is each of our responsibility to be familiar with this Code and to abide by the letter and spirit of its provisions at all times. You must conduct your personal affairs and manage your business transactions accordingly and seek to avoid even the appearance of improper behavior that might damage the Company’s reputation as a responsible financial services organization. This Code provides you with guidance to help you recognize and deal with ethical issues, provides mechanisms to report unethical conduct, and seeks to maintain a culture of integrity, honesty and accountability in the Company.

While this Code addresses many types of business and social relationships that may present legal and ethical concerns, it does not cover every issue that may arise. This Code instead contains basic principles to guide you when facing ethical issues. In some situations involving moral or ethical judgment, it may be difficult for you to determine the proper course of action or your obligations under this Code. In such instances, you should exercise good judgment and discuss the matter with the appropriate party as set forth in Section VII (Compliance Procedures) below.

The Code also requires you to promptly report any violation or suspected violation of laws, regulations or Company policies, including this Code. Such disclosures should also be made in accordance with the procedures set forth in Section VII (Compliance Procedures) below. The procedures permit you to communicate anonymously to Ethics Point, a confidential and secure reporting structure, by calling 888-779-8086 toll free, or by reporting the information by web page [ethicspoint.com](http://ethicspoint.com). This communication can be made in Korean, if desired. No retaliation may be taken against you for providing information in good faith about possible violations of laws, rules, regulations or this Code by others.

The Company’s Risk & Compliance, Legal Department and Executive Management with the Board of Director’s (BOD) approval and oversight are responsible for developing and implementing procedures to ensure proper disclosure and reporting as required by this Code. Management is responsible for maintaining documentation of all such disclosures and reports with the Audit Department’s review. You will be required to sign, on an annual basis, a written acknowledgement affirming that you have received and reviewed this Code in its then current form. Failure to comply with this Code may result in disciplinary action, up to and including termination of service with the Company. The action taken will be commensurate with the seriousness of the conduct. Violations also could lead, in certain circumstances, to criminal prosecution.

## **II. COMPLIANCE WITH LAWS, RULES AND REGULATIONS**

It is the Company's policy to comply strictly with all applicable laws and regulations pertaining to its business. You must conduct all personal and business dealings in accordance with the letter and intent of all applicable laws, rules and regulations and refrain from any form of unlawful, dishonest, or unethical conduct. This includes behavior or actions that might appear to be unlawful, dishonest, or unethical.

Although you are not expected to know the details of all applicable laws, rules and regulations, you should know when to seek advice from the Chairman of the Audit Committee, and the Legal, Risk & Compliance or the Audit Departments.

If you are indicted of any felony or misdemeanor that (a) involves dishonesty or breach of trust, or (b) results in imprisonment, you must immediately report the conviction to the Chairman of the Board & the General Counsel or the Audit Department. A conviction includes pleading guilty, a verdict of guilty or a finding of guilty, regardless of whether a sentence is imposed. Failure to make such disclosure is a violation of this Code. Dishonesty or breach of trust, with or without conviction, is ground for discipline up to and including HFC Board's request for resignation or removal from the Hanmi Bank board.

## **III. CONFLICT OF INTEREST POLICY**

Due to the increased number of financial institution failures resulting from self-dealing, fraud, and misconduct of employees, officers and directors, the Board of Directors will hold you strictly to this Conflict of Interest Policy. A conflict of interest exists when you are involved in an outside interest or any activity that might either conflict with your duty to the Company or adversely affect your judgment in the performance of your responsibilities to the Company. A conflict of interest can also exist when the outside interest or activity involves your parent, spouse, child or dependent, whether by blood, step or adoptive relationship (each, an "Immediate Family Member").

You are required to act in a responsible and respectable manner and to remain free of influences that may result in a loss of objectivity regarding business conducted with the Company's customers, suppliers or the Company itself. When presented with a situation involving a potential conflict of interest, you should consider at least the following: whether an outside observer would believe that the situation is improper or may interfere with your work performance or responsibilities to the Company. You must promptly discuss any questions about a particular situation with the Audit, Risk & Compliance or Legal Departments.

## **A. Prohibited Transactions**

1. *Financial Interest in Competitors.* You may not have financial interests in any competitor of the Company, other than non-material investments of any class of publicly-traded securities, investments in diversified mutual funds and other immaterial investments or financial interests.

2. *Lending Transactions Involving Directors.* Loans by the Company's bank subsidiaries to directors may be made only in accordance with 12 C.F.R. Part 215, as amended from time to time ("Regulation O"), and the Sarbanes-Oxley Act of 2002.

## **B. Insider Trading**

You are encouraged to purchase and hold Company stock for long-term investment. Although the Company may not delve into your personal life, your employment or association with a bank requires prudent and proper conduct in investment and other situations. You must avoid entering into transactions where it may appear that you are benefiting improperly from your relationship with the Company or violating your fiduciary responsibilities.

Insider trading involves the purchase or sale of securities of a company or other entity, including the Company, while in possession of material, nonpublic information ("inside information") about the company or other entity. Such information is considered to be "material" if there is a likelihood that it would be considered important by an investor in making a decision to buy or sell a company's securities (whether stock, bonds, notes, debentures, limited partnership units or other equity or debt securities). Examples of "material" information are a potential business acquisition or sale, earnings and other financial information about the company, important product developments, significant purchase or sale of assets, major litigation, new debt or equity offerings by the company and significant changes in company management.

The prohibition on insider trading applies, not only to you, but also to any of your family members or any other person to whom you may have communicated the information. Any person who purchases or sells securities while in possession of material inside information, or who communicates or "tips" such inside information to anyone else who trades securities on such information, violates this Code and may violate United States securities laws. You should consult the Company's Legal Department with any questions regarding insider trading, including whether information is "inside information" or "material." You must not purchase or sell securities if you are aware of material inside information. You are also prohibited from disclosing material inside information in your possession ("tipping") to your friends and family members.

## **C. Outside Employment and Activities**

1. *Outside Activities.* Individual participation in civic, welfare, industry, political and similar activities is encouraged. However, if confronted with situations that may present an actual, potential or even the appearance of a conflict of interest, you should probably not proceed and seek guidance from the Chairman of the Board and/or the Legal Department before making such a commitment.

2. *Fiduciary Role.* You are not to act, without prior written approval of the Legal Department, as executor, administrator, trustee, guardian or conservator, or in any other fiduciary capacity, for a customer of the Company whether or not it is related to the business of the Company. Approval will only be granted, except in unusual cases, when you seek to act as fiduciary for a family member.

3. *Outside Directorship.* Offers of directorship to any outside organization that has or desires a business relationship with the Company, or to any institution within the financial industry, must be reported to the Chairman of the Board, Legal Department or Audit Department. Any offer of directorship may be accepted only upon written approval from the Board of Directors.

4. *Political Activity and Contributions.* You may not make any direct or indirect contribution of funds or other property of the Company, on behalf of the Company, in connection with the election of a candidate to any federal office. For these purposes, use of corporate facilities and equipment for political activities is deemed to be a contribution. You may not solicit Company employees for political contributions or coerce others into contributing to any organization on Company property or during working hours. Company loans to candidates for political office are permitted so long as the loan is made in the ordinary course of business and meets the Company's usual credit criteria and approval procedures for the particular type of loan. You may make personal contributions to candidates or political parties of your choice as long as the contributions are made in your name and not on behalf of the Company.

## **D. Corporate Opportunities**

You owe a duty to the Company to advance the Company's legitimate interests when the opportunity to do so arises. You are prohibited from taking, for yourself personally (including for the benefit of family members or friends) or for any other person or organization, opportunities or potential opportunities that are discovered during your directorship that are in the Company's line of business without the prior consent of the Board of Directors. You may not compete with the Company, directly or indirectly.

## **E. Gifts and Other Benefits**

A "gift" is any personal benefit, including cash or property, special discounts, price concessions, special personal items, special personal entertainment, special personal services, gratuitous personal services, personal favors, or special dispensations of any kind that could be attributed to the recipient's position or responsibilities with the Company.

Neither you nor any of your Immediate Family Members may solicit, accept, or retain a benefit for yourself, his/herself or any third party from (1) any customer of the bank, (2) any individual organization doing or seeking to do business with the Company, or (3) any other individual or organization based on a banking relationship (other than normal authorized compensation) if in connection with any business or transaction of the Company. In this context, a benefit is regarded as any type of gift, gratuity, favor, service, loan, legacy (except from an Immediate Family Member), fee, compensation, or anything of monetary value. Individual Family Members include spouses, registered domestic partners, fathers, mothers, fathers-in-law, mothers-in-law, and sons and daughters of the director.

To avoid even the implication of any impropriety, it is important that you decline any gifts, the acceptance of which would raise even the slightest inference of improper influence. Any personal benefit received, other than the exceptions noted below, is to be reported to the Legal Department who will review the situation and instruct you as to the appropriate action. The Company shall maintain written records of all such disclosures and instructions.

You may receive the following benefits if there is no, and there appears to be no, reasonable likelihood of improper influence on your performance of duties on behalf of the Company:

1. Normal business courtesies, such as a meal or entertainment, involving no more than reasonable amenities, in the course of a meeting or other occasion, the purpose of which is to hold bona fide business discussions.
2. Non-cash gifts of a nominal value (less than \$100.00, within a one year period) that are received at holiday time or for special occasions, such as a new job, promotion, wedding, or retirement, which represent expressions of friendship.
3. Gifts based on kinship, marriage or social relationships entirely beyond and apart from any business relationship.
4. Unsolicited advertising and promotional material of nominal value.
5. Awards by charitable, educational, civic, or religious organizations for meritorious contributions or service.
6. Loans from other banks or financial institutions on customary terms to finance proper and usual activities such as home mortgage loans, provided that any such loan is made on customary terms without any preferential treatment.
7. Discounts or rebates on merchandise or services that do not exceed those available to other customers.

It is important to recognize that federal law makes it a crime for any employee, officer or director of a federally insured bank or bank holding company, directly or indirectly, to ask, solicit, accept, receive, or agree to receive anything of value for himself or herself or any other person or entity, for or in connection with any transaction or business of the Company. This federal law once applied only to bribes to procure or attempt to procure a loan. However, an amendment to this federal bribery statute eliminates the necessity of showing that the employee, officer or director received the payment in exchange for making a loan. The penalty for violating this law is a fine, imprisonment, or both. You must immediately report any offer of such a payment to the Legal Department.

For this reason directors may not accept tickets for sporting, cultural, or other events from vendors or customers. However, tickets for sporting, cultural, or other events purchased by the Company may be used in entertaining potential or actual customers, vendors, or others for business purposes.

#### **IV. COMPETITION AND FAIR DEALING**

##### **A. Customers, Suppliers, Competitors and Employees.**

You are required to respect the rights of the Company's customers, suppliers, competitors and employees. You may not use any unlawful or unethical practices to obtain competitive information, such as stealing or unlawfully appropriating proprietary information, possessing trade secret information improperly obtained, or inducing such disclosures by past or present employees of other companies. You also may not solicit, use or accept business entertainment and gifts to gain unfair advantage with customers or suppliers or for personal gain or compensation outside of that provided by the Company for the performance of services for the Company.

##### **B. Government Personnel.**

The U.S. Foreign Corrupt Practices Act prohibits giving anything of value, directly or indirectly, to officials of foreign governments or foreign political candidates in order to obtain or retain business. The Company strictly prohibits the making of any payments or giving anything of value to government officials of any country if this could be interpreted as an attempt to obtain or retain business for the Company.

In addition, the U.S. government has a number of laws and regulations regarding business gratuities to U.S. government personnel. The promise, offer or delivery to an official or employee of the U.S. government of a gift, favor or other gratuity in violation of these rules would not only violate Company policy but may also be a criminal offense. State and local governments, as well as foreign governments, may have similar rules. You should consult the Company's Legal Department with any questions regarding this subject.

## **V. CONFIDENTIALITY**

### **A. General Policy.**

Nonpublic information concerning the Company, its suppliers, customers, depositors and employees is considered confidential and is to be used for Company purposes only. Confidential information about customers cannot be used to further personal, familial or other interests or the interests of another customer. Information regarding any business conducted cannot be disclosed to outside individuals (unless properly authorized by the Company, its customer, etc.) and may not be used for personal gain.

### **B. Safeguarding Confidential Information.**

Safeguarding confidential information is essential in maintaining the public's trust. Information is to be used for Company purposes and not as a basis for personal gain.

Information shall not be disclosed to persons outside the Company, including family or associates, or to Company employees who do not have a business reason for knowing the information. Exceptions are routine credit inquiries, legally required disclosures and authorized release of information by the customer.

### **C. Public Disclosure.**

Financial or other information regarding the Company is not to be released to any outside person or organization unless it has been published in reports to stockholders or otherwise made public. All news media inquiries must be referred to the Chief Executive Officer or Chief Operating Officer of the Company.

### **D. Material Inside Information.**

As described above under the "Insider Trading" heading in Section III (Conflict of Interest Policy), the unauthorized use or disclosure of "material inside information" subjects you, the Company, and third parties to whom the information is communicated to penalties under federal and state securities laws. If you possess such material inside information, you must not disclose such information and must not trade in or recommend the purchase or sale of the securities involved until after the information is actually disseminated to the public.

## **VI. WAIVERS OF THE CODE**

A waiver of this Code for directors may be made only by the Board of Directors and will be promptly disclosed to the extent required by law and the listing requirements of The Nasdaq Stock Market, Inc.



## **VII. COMPLIANCE PROCEDURES**

The Company's success is dependent on its reputation with customers and the public as an effective and dependable financial institution. Thus, the Company is committed to conducting its business in an ethical manner and depends on its ability to discover and remedy any potential or actual violations of this Code. Reporting by Company employees, officers and directors is essential to this process. Consequently, procedures have been put into place to hear and handle (i) the disclosure by any employee, officer or director of an actual or potential conflict of interest, including any relationships, receipts of gifts, compensation, or other situations leading to possible conflicts; and (ii) the reporting of instances of misconduct, even if the reporting person is unsure of whether the conduct is prohibited, and complaints regarding accounting, internal accounting controls, or auditing matters. Under those procedures, you should feel free to disclose or report (confidentially or otherwise) without fear of retaliation. Each Director must complete a statement of personal interest (Exhibit A) on a yearly basis, and report any changes in status, to the Corporate Secretary, that would precipitate a "yes" answer in-between yearly certifications.

### **A. Methods of Disclosure**

1. Disclosures of (i) an actual or potential conflict of interest, (ii) a potential or actual violation of this Code or (iii) questions or concerns regarding this Code may be communicated as follows: Directors should report to the Audit Department, Legal Department, or the Audit Committee of the Board. Any waivers of this Code must be made by full Board.

### **B. Methods of Investigation**

Directors must promptly report any complaints or observations of Code violations to the Audit Department. The Audit Department will investigate all reported potential Code violations promptly. Whether you identify yourself or remain anonymous (reporting through Ethicspoint), your contact with the Audit Department will be kept strictly confidential to the extent reasonably possible within the objectives of this Code. Your cooperation in the investigation will be expected.

If the investigation indicates that a violation of this Code has probably occurred, the Company will take such action as it believes to be appropriate under the circumstances. If the Company determines that a director is responsible for a Code violation, he or she will be subject to disciplinary action up to and including removal from the board and, in appropriate cases, civil action or referral for criminal prosecution. Appropriate action also may be taken to deter any future Code violations.

All disclosures or reports received by the Audit Department or the Legal Department regarding a potential conflict of interest or Code violations involving a director will be disclosed to and reviewed by the Audit Committee.



## VIII. SPECIFIC PROVISIONS FOR INSIDERS

Insiders (defined under Regulation O as directors, executive officers and principal shareholders) of the Company may not take advantage of their positions in the Company for personal profit.

Insiders are prohibited from being involved in the loan approval process if they or their related interests may benefit directly or indirectly from the decision to grant credit. This prohibition extends to professional relationships with any company or firm receiving remuneration as a result of the decision to grant credit.


Decisions regarding the sale or purchase of bank assets and services must be made in the best interests of the Company, with no influence on insiders resulting from gifts, entertainment, or gratuities. All conduct of such business must be at “arm’s length.” Insiders must disclose any personal or business connections they have with potential purchasers or Company assets and services so that steps can be taken by the Company to prevent an appearance of impropriety when dealing with those potential customers.

Insiders must avoid entering into transactions where it may appear that they are benefiting improperly from their relationship with the Company. For this reason, insiders are prohibited from representing the Company in any transaction with a person or organization in which the insider or his or her Immediate Family Member has a direct or indirect interest or from which the insider or his or her family may derive a benefit.

To avoid possible conflicts of interest, loan applications submitted to insiders by relatives or close personal friends (or entities controlled by relatives or close personal friends) are to be submitted to other independent lending officers of equal or higher position for processing and approval.

In addition, insiders must refrain from directly or indirectly owning or purchasing:

1. Real or personal property in which the Company or any affiliate of the Company has or intends to obtain an ownership interest.
2. Stocks, bonds, or other securities pledged to the Company or any Company affiliate as collateral, sold by any affiliate in a fiduciary capacity, or issued by any entity indebted to an affiliate (except for publicly traded securities).
3. Stock of any business of financial institution in anticipation of its merger with or acquisition by the Company or any affiliate.
4. Trust deeds, mortgages or chattel mortgages that are a lien against property in which any Company affiliate has a security interest.



5. An interest in any company that is a customer or supplier of the Company or any affiliate, unless (a) you have no involvement in the approval or the management of business transactions between the customer or supplier and the Company; (b) your investment in the customer or supplier consists of less than 1 percent of the stock of a publicly traded company; or (c) the only business relationship between the Company and the customer or supplier in which you have an interest consists of the provision of a service or product by the Company (in the case of a customer) or by the supplier (in the case of a supplier) that is typically offered to other parties on the same terms.

6. An interest in a company for which the insider is the account officer or which the insider has access to information that is not generally available to the public.

Effective January 22, 2014

**ACKNOWLEDGMENT OF RECEIPT AND UNDERSTANDING**

I have received my copy of the Code of Business Conduct and Ethics for Directors (the “Code of Business Conduct and Ethics”) of Hanmi Financial Corporation and all of its direct and indirect subsidiaries, including Hanmi Bank (collectively, the “Company”). I understand and agree that it is my responsibility to read and familiarize myself with the policies and procedures contained in this Code of Business Conduct and Ethics.

The Code of Business Conduct and Ethics for Directors is intended to provide a general overview of your ethical responsibilities and does not represent all such policies and practices in force at any particular time. It is, however, my obligation to comply with any and all current and/or future written or verbal policies, practices, rules, regulations, and directives issued by the company. It is also my obligation to contact the Chairman of the Board, the Chair of the Audit Committee or the General Counsel, as appropriate, if I have any questions whatsoever concerning the Code or the propriety of any behavior or situation concerning the Company.

I understand and acknowledge that I have a duty to report any violations to one of the individuals identified in the preceding paragraph.

I HAVE READ AND UNDERSTAND THE ABOVE STATEMENT, AND AGREE TO FOLLOW THE POLICIES AND PROCEDURES CONTAINED IN THE CODE OF BUSINESS CONDUCT AND ETHICS.

Date : \_\_\_\_\_

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

\_\_\_\_\_  
Position with  
Hanmi Financial Corporation  
and/or Hanmi Bank