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## Hanmi Financial Corporation Q1 2008 Earnings Call Transcript

### Question-and-Answer Session

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#### Operator

(Operator Instructions) Your first question comes from James Abbott - FBR.

#### James Abbott - FBR

Did you mention that you had done some reappraising of your construction loans? I couldn't understand that quite, if that's what you mentioned.

#### Brian E. Cho

For the construction loans, I normally place a new appraisal order when we notice any problems in the construction loan.

#### James Abbott - FBR

And did you proactively reappraise your portfolio this quarter?

#### Brian E. Cho

Yes.

#### James Abbott - FBR

So, the entire construction portfolio has been reappraised then.

#### Chung Hoon Youk

Not all of them. But, either they place a new appraisal or you can get the market value by using the market data. So that whenever you notice any problems, you normally place a new appraisal. However, other than that, you normally get the market value by using the market data.

#### James Abbott - FBR

What percentage of your construction, tell us the dollar amount of your construction loans again? And what percentage of those is on non, either 30 days past due or all the way through non-accrual?

#### Brian E. Cho

We have a total of 53 construction projects with the combined outstanding balance \$215 million. Out of our 53 projects, we have five problem loans now and the combined amount is \$59 million now.

**James Abbott - FBR**

So, a little over ten million, \$12 million per loan on average.

**Brian E. Cho**

That's right.

**James Abbott - FBR**

And are those your, what are your five largest loans? Could you give us just the dollar amounts and maybe the type?

**Chung Hoon Youk**

The biggest problem loan is the \$28 million, which is the condominium project in northern California. The second biggest one is the \$17 million construction project, which is the low-income housing project; it's the tax credit project. That is in Los Angeles area. The third largest one is the retail shopping mall project, having \$6.5 million loan. And the other one is the house building construction project in Portland, Oregon. And the smallest one is the loan in California, about \$2 million.

**James Abbott - FBR**

And those are your largest five loans total or those are the five construction loans that are non-performing?

**Chung Hoon Youk**

Yes, those five largest construction loans.

**James Abbott - FBR**

And those are all non-performing at this point?

**Chung Hoon Youk**

Four loans are non-performing. And one loan is not non-performing and we expect that loan will be come down pretty soon.

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