

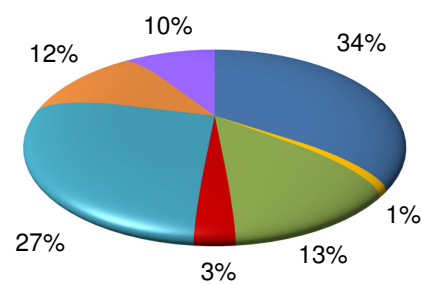
HERITAGE COMMERCE CORP

NASDAQ: HTBK
\$4.54
NOVEMBER 28, 2011

Highlights as of September 30, 2011

- Heritage Commerce Corp earned \$4.8 million and \$0.13 per average diluted common share in the third quarter of 2011, which included a \$3 million reduction to the partial valuation allowance on its deferred tax assets. This marks the fifth consecutive quarter of profitability.
- Credit quality continues to improve: Nonperforming assets (NPAs) fell 59% year-over-year to \$20.5 million, or 1.64% of total assets, at September 30, 2011. NPAs have declined for each of the last six consecutive quarters and are at their lowest level since the second quarter of 2008.
- Classified assets decreased to \$72.4 million at September 30, 2011, from \$116.5 million at September 30, 2010.
- The allowance for loan losses at September 30, 2011, was \$21.0 million, or 2.71% of total loans, compared to \$25.3 million, or 2.85% of total loans at September 30, 2010.
- Net interest margin expanded 49 basis points to 4.01% in the third quarter of 2011, from 3.52% in the third quarter of 2010.
- Noninterest-bearing demand deposits rose by 28% to \$344.5 million at September 30, 2011, from \$269.5 million at September 30, 2010.
- The total cost of deposits decreased 38 basis points to 0.34%, for the third quarter of 2011, compared to 0.72% for the third quarter of 2010.

TOTAL DEPOSIT MIX \$1.0 Billion at 9/30/2011



- Demand, noninterest-bearing
- Time deposits - CDARS
- Demand, interest-bearing
- Time deposits under \$100K
- Savings & money market
- Time deposits \$100K and over
- Time deposits - brokered

5 Year Financial Highlights

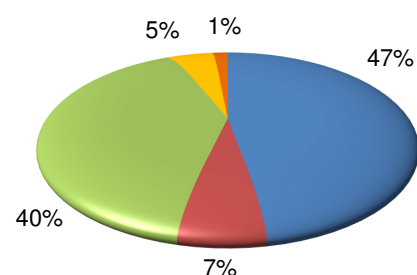
(end of period)	EPS Diluted	Net (Loss) Income* (in 000s)	Total Assets (in millions)	Gross Loans (in millions)	NPA/Assets	Price/Tangible Book
2010	\$ (3.64)	\$ (55,857)	\$ 1,246	\$ 846	2.78%	103%
2009	\$ (1.21)	\$ (11,985)	\$ 1,364	\$ 1,070	4.74%	54%
2008	\$ 0.13	\$ 1,762	\$ 1,499	\$ 1,249	2.74%	134%
2007	\$ 1.12	\$ 14,096	\$ 1,347	\$ 1,036	0.34%	200%
2006	\$ 1.44	\$ 17,270	\$ 1,037	\$ 709	0.42%	253%

*Before dividend and discount accretion on preferred stock.

About Heritage Commerce Corp

Heritage Commerce Corp, a bank holding company established in February 1998, is the parent company of Heritage Bank of Commerce, established in 1994 and headquartered in San Jose with full-service branches in Los Gatos, Fremont, Danville, Pleasanton, Walnut Creek, Morgan Hill, Gilroy, Mountain View, and Los Altos. Heritage Bank of Commerce is an **SBA Preferred Lender** with an additional Loan Production Office in Santa Rosa, California. For additional information, please visit: www.heritagecommercecorp.com.

GROSS LOAN PORTFOLIO \$776.1 Million at 9/30/2011



- Commercial
- Home Equity
- RE Mortgage
- RE Land & Construction
- Consumer



The Cereghino Group
Corporate Investor Relations
206.388.5785 www.stockvalues.com

CORPORATE OFFICES

150 Almaden Boulevard
 San Jose, CA 95113
 (408) 947-6900
www.heritagecommercecorp.com

HERITAGE COMMERCE CORP

MANAGEMENT TEAM

Walter Kaczmarek, President & CEO
 Margaret Incandela, EVP/CCO
 Dan Kawamoto, EVP/CAO
 Lawrence McGovern, EVP/CFO
 Raymond Parker, EVP/Banking Div.

COMMON SHARE DATA

Recent Price (11/28/11)	\$4.54
Shares Outstanding	26.3 M
Estimated Float	20.8 M
Insider Ownership	21%
Institutional Owners	46%
Market Cap	\$119 M
Avg. Daily Volume	52,303
Tangible Book Value*	\$ 5.17
EPS (ttm**)	\$0.24
Price/Tangible Book	88%
Shareholders' Equity/Assets*	15.73%
P/E (ttm**)	18.9x
Reserves/Loans*	2.71%
NPAs/Assets*	1.64%
TCE/Tangible Asset*	10.88%

* As of September 30, 2011
 ** trailing twelve months

ANALYST COVERAGE

FIG PARTNERS
 Tim Coffey
KEEFE, BRUYETTE & WOODS
 Julianna Balicka
SANDLER O'NEILL
 Tim O'Brien
D.A. DAVIDSON & CO
 Gary Tenner
RAYMOND JAMES
 Donald Worthington

Financial Highlights (Unaudited)
 (\$ in thousands)

Income Statement	For the Three Month Period Ended:		
	30-Sep-11	30-Jun-11	30-Sep-10
Interest Income	\$ 13,020	\$ 13,015	\$ 13,361
Interest Expense	1,320	1,543	2,530
Net Interest Income	11,700	11,472	10,831
Provision for Loan Losses	1,515	955	2,058
Net Interest Income after Provision	10,185	10,517	8,773
Noninterest Income	1,912	2,170	2,728
Noninterest Expense	9,809	9,472	11,248
Income Before Income Taxes	2,288	3,215	253
Income Tax Expense (Benefit)	(2,529)	1,129	(398)
Net Income	4,817	2,086	651
Dividend and Discount Accretion on Preferred Stock	(532)	(604)	(193)
Net Income Allocable to Common Shareholders	\$ 4,285	\$ 1,482	\$ 458

Per Common Share Data

Diluted Earnings per Share	\$ 0.13	\$ 0.05	\$ 0.01
Common Shares Outstanding	26,295,001	26,295,001	26,233,001
Tangible Book Value per Share	\$ 5.17	\$ 4.81	\$ 4.72

End of Period:

Balance Sheet Data	30-Sep-11	30-Jun-11	30-Sep-10
Total Assets	\$ 1,252,700	\$ 1,262,069	\$ 1,330,870
Total Loans, including deferred costs	\$ 776,684	\$ 782,080	\$ 886,616
Total Deposits	\$ 1,006,134	\$ 998,555	\$ 1,065,118
Total Stockholders' Equity	\$ 197,063	\$ 187,479	\$ 185,100

Capital Ratio 30-Sep-11	Well-Capitalized Regula- tory Guidelines	Heritage Commerce Corp	Heritage Bank of Commerce
Total Risk-Based	10.0%	22.3%	19.9%
Tier 1 Risk-Based	6.0%	21.1%	18.7%
Leverage	5.0%	16.0%	14.2%

The company described in this report is a client of The Cereghino Group, a securities industry relations firm. This report was prepared using information obtained from the client company's management and from publications available to the general public. This report does not purport to be a complete statement of all material facts related to the company mentioned herein and is not to be construed as a recommendation or solicitation to buy or sell securities of the company described herein. Upon receiving a written request sent to: 2505 2nd Avenue, Suite 700, Seattle, WA 98121, The Cereghino Group will provide a complete package of detailed information on the client company to any interested securities industry professional or stockholder of the client company. The Cereghino Group is compensated by the client company for services rendered on a continuing basis and consequently, the amount of such compensation related to the preparation and distribution of this report is not separately determinable. The Cereghino Group and/or its employees and/or members of their families, may have a long position in the securities of the company described herein.