

For Immediate Release: November 20, 2009

Heritage Bank of Commerce Ranks #3 in SBA 7(a) Lending

San Jose, CA – November 20, 2009 — Heritage Commerce Corp (Nasdaq: HTBK), parent company of Heritage Bank of Commerce, today announced that the U.S. Small Business Administration (SBA) ranked Heritage Bank of Commerce the third largest producer of SBA 7(a) loans, in terms of dollars loaned, in the San Francisco District Office. From October 1, 2008 through September 30, 2009, the bank funded over \$19 million of SBA loans in the communities in which it serves. Heritage Bank of Commerce ranked 54th among SBA lenders nationally, funding over \$27 million in new loans.

“As the preeminent community business bank in the markets we serve, we are proud to increase our support to local small businesses. This enhanced commitment has led to an overall increase in market share resulting from funding 34 SBA 7(a) loans totaling more than \$19 million. Our success in SBA lending is driven by a team of seasoned banking professionals who offer expertise to business owners in a variety of industries,” said Roxann Burns, Senior Vice President/SBA Manager. “We provide financing to small business owners for a range of general business purposes, including working capital, debt refinance, machinery and equipment, furniture and fixtures, and related real estate financing. Our successful strategy to build market share within our business community is accomplished by our recognized business expertise and by providing fast and consistent turn-around service in a professional manner. We are delighted by our SBA lending success, particularly during these challenging economic times,” Burns added. “We continue to see a strong demand for our SBA loans and are encouraged by the strong pipeline of loans currently in process.” Heritage Bank of Commerce is an SBA Preferred Lender. Preferred lenders may expedite the processing of SBA loans because of their experience with SBA lending. Preferred lenders enjoy full delegation of authority and can decide unilaterally on SBA participation in eligible business loans.

The 7(a) Loan Program is the SBA's primary program for helping start-up and existing small businesses, with financing for a variety of general business purposes. SBA does not make loans itself, but rather guarantees loans made by participating lending institutions.

The U.S. Small Business Administration was created in 1953 as an independent agency of the federal government to aid, counsel, assist, and protect the interests of small business concerns, and to maintain and strengthen the overall economy of our nation. Loans originated under the SBA program are currently eligible for government guarantees up to 90% of the principal balance.

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Heritage Bank of Commerce remains well-capitalized with a leverage ratio of 9.82%, a tier 1 risk-based capital ratio of 11.24%, and a total risk-based capital ratio of 12.51% at September 30, 2009. On a consolidated basis, the Company remains well-capitalized with a leverage ratio of 10.08%, a tier 1 risk-based capital ratio of 11.55%, and a total risk-based capital ratio of 12.82% at September 30, 2009. 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 Loan Production Offices in Sacramento, Oakland, and Santa Rosa, California. For more information, please visit www.heritagecommercecorp.com.

Forward Looking Statement Disclaimer

Forward-looking statements are based on management's knowledge and belief as of today and include information concerning the Company's possible or assumed future financial condition, and its results of operations, business and earnings outlook. These forward-looking statements are subject to risks and uncertainties. A number of factors, some of which are beyond the Company's ability to control or predict, could cause future results to differ materially from those contemplated by such forward-looking statements. The forward-looking statements could be affected by many factors, including but not limited to: (1) our ability to attract new deposits and loans; (2) local, regional, and national economic conditions and events and the impact they may have on us and our customers; (3) risks associated with concentrations in real estate related loans; (4) increasing levels of classified assets, including non-performing assets, which could adversely affect our earnings and liquidity; (5) market interest rate volatility; (6) stability of funding sources and continued availability of borrowings; (7) changes in legal or regulatory requirements or the results of regulatory examinations that could restrict growth and constrain our activities, including the terms of an anticipated written agreement to be entered into by the Company and the Federal Reserve; (8) significant decline in the market value of the Company that could result in an impairment of goodwill; (9) our ability to raise capital or incur debt on reasonable terms; (10) regulatory limits on the Heritage Bank of Commerce's ability to pay dividends to the Company; (11) effectiveness of the Emergency Economic Stabilization Act of 2008, the American Recovery and Reinvestment Act of 2009 and other legislative and regulatory efforts to help stabilize the U.S. financial markets; (12) future legislative or administrative changes to the U.S. Treasury Capital Purchase Program enacted under the Emergency Economic Stabilization Act of 2008; (13) the impact of the Emergency Economic Stabilization Act of 2008 and the American Recovery and Reinvestment Act of 2009 and related rules and regulations on our business operations and competitiveness, including the impact of executive compensation restrictions, which may affect our ability to retain and recruit executives in competition with other firms who do not operate under those restrictions; and (14) our success in managing the risks involved in the foregoing items. For a discussion of factors which could cause results to differ, please see the Company's reports on Forms 10-K and 10-Q as filed with the Securities and Exchange Commission and the Company's press releases. Readers should not place undue reliance on the forward-looking statements, which reflect management's view only as of the date hereof. The Company undertakes no obligation to publicly revise these forward-looking statements to reflect subsequent events or circumstances.