

**For Immediate Release: June 24, 2010**

## **Heritage Bank of Commerce Continues to Participate in the FDIC Transaction Account Guarantee (TAG) Program**

San Jose, CA – June 24, 2010 — Heritage Commerce Corp (Nasdaq: HTBK), parent company of Heritage Bank of Commerce, today announced that they will continue to participate in the Federal Deposit Insurance Coverage (FDIC)'s Transaction Account Guarantee (TAG) program. Under this program, through December 31, 2010, transaction accounts are fully guaranteed by the FDIC for the entire amount in the account. Coverage under the TAG Program is in addition to and separate from the \$250,000 coverage available under the FDIC's general deposit insurance rules.

"We are pleased to announce that we have elected to continue participating in the FDIC Transaction Account Guarantee (TAG) Program," said Ray Parker, executive vice president of Heritage Bank of Commerce's banking division. "The TAG program is a significant benefit to our clients, guaranteeing full deposit insurance coverage of all regular checking accounts, regardless of the dollar amount. The transaction account guarantee also applies to all personal and business NOW accounts earning .25 percent or less, providing our customers with the peace of mind that their transaction accounts are fully insured even beyond the safety and soundness of Heritage Bank."

The FDIC recently extended the TAG program through at least December 31, 2010 and reduced the maximum interest rate limit for NOW accounts guaranteed under the program to 0.25% effective July 1, 2010. The final rule also gives the FDIC Board of Directors discretion to extend the TAG Program up to but no longer than December 31, 2011, without additional rule making if they determine that economic conditions warrant such an extension. For additional information on participating institutions or a list of banks opting out of the program, please visit [www.FDIC.gov](http://www.FDIC.gov).

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](http://www.heritagecommercecorp.com).