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**For Immediate Release: June 12, 2017****Heritage Commerce Corp Ranked one of the Best-Performing  
Community Banks, with \$1 Billion to \$10 Billion in Assets for 2016**

San Jose, California. — June 12, 2017 **Heritage Commerce Corp (NASDAQ: HTBK)**, the holding company (the “Company”) for Heritage Bank of Commerce, was recognized by S&P Global Market Intelligence as the 23rd best-performing community banks, out of 100 banks recognized, with \$1 billion to \$10 billion in assets for 2016.

“We are proud to be recognized as one of the best-performing community banks. Our recognition from S&P Global Market Intelligence affirms our passion and commitment to consistently achieve a high-performing status,” said Walter Kaczmarek, Chief Executive Officer.

**Performance Measures Criteria**

In this ranking, S&P Global Market Intelligence looked at commercial banks with a loan portfolio accounting for more than one-third of total assets. To be eligible for the ranking, a bank’s loan portfolio had to consist of less than 50% credit card loans, and no more than half of its revenue could be from nontraditional banking activities. Banks also had to be well capitalized according to 2016 regulatory standards.

The community banks making the top 100 were ranked using six core financial performance metrics: pretax return on average tangible common equity, net charge-offs as a percentage of average loans, efficiency ratio, adjusted Texas ratio, net interest margin on a fully taxable equivalent basis and loan growth. Each company’s standard deviation from the industry mean was calculated for every ranking metric, equally weighted, then added together to calculate a performance score. To help normalize the data and mitigate the impact of outliers, caps and floors were applied for each metric. Based on the above criteria, 546 companies were eligible for the ranking.

**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, CA with full-service branches in Danville, Fremont, Gilroy, Hollister, Los Altos, Los Gatos, Morgan Hill, Pleasanton, San Jose, Sunnyvale, and Walnut Creek. Heritage Bank of Commerce is an SBA Preferred Lender. Bay View Funding, a subsidiary of Heritage Bank of Commerce, is based in Santa Clara, CA and provides business-essential working capital factoring financing to various industries throughout the United States. For more information, please visit [www.heritagecommercecorp.com](http://www.heritagecommercecorp.com).