



KBRA Affirms Ratings for Heritage Commerce Corp

San Jose, California — May xx, 2023 — Heritage Commerce Corp (NASDAQ: HTBK) (the "Company"), parent of Heritage Bank of Commerce (the "Bank"), announced today that Kroll Bond Rating Agency, LLC ("KBRA") affirmed the Company's senior unsecured debt rating of BBB+, the subordinated debt rating of BBB, and the short-term debt rating of K2. KBRA graded the outlook long-term ratings for the Company and the Bank as stable on May 12, 2023.

KBRA also affirmed the Bank's deposit and senior unsecured debt ratings of A-, the subordinated debt rating of BBB+, and the short-term deposit and debt ratings of K2. In affirming its ratings, KBRA cited the Bank's conservative approach to liquidity and capital management and the stability of its core deposit balances in the first quarter of 2023 compared to year-end 2022, demonstrating the resiliency in the deposit franchise.

"KBRA's latest report validates the solid financial strength and stability of Heritage Bank of Commerce," said Clay Jones, President and Chief Executive Officer. "Their rating reinforces our sound risk management practices, strong financial performance, and skillful navigation of changing market conditions. It also confirms our commitment to maintaining a robust credit profile and positions us as a reliable partner for our valued clients and investors."

The complete KBRA press release on Heritage Commerce Corp is available on KBRA's website, <https://www.krollbondratings.com>. The KBRA press release, credit ratings, and analysis constitute part of the information contained therein are, and must be construed solely as, statements of opinion of KBRA and not statements of fact or recommendations of KBRA or the Company to purchase, sell or hold any of the Company's securities.

Heritage Commerce Corp, a bank holding company established in October 1997, 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, Livermore, Los Altos, Los Gatos, Morgan Hill, Oakland, Palo Alto, Pleasanton, Redwood City, San Francisco, San Jose, San Mateo, San Rafael, 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 San Jose, CA and provides business-essential working capital factoring financing to various industries throughout the United States. For more information, please visit www.heritagecommercecorp.com.

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