

HERITAGE COMMERCE CORP

KBRA Affirms Ratings for Heritage Commerce Corp

San Jose, California -- May 21, 2024 -- Heritage Commerce Corp (NASDAQ: HTBK) (the "Company"), parent company 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 also affirmed deposit and senior unsecured debt ratings of A-, the subordinated debt rating of BBB+, and the short-term deposit and debt ratings of K2 for the Bank. They graded the outlook of the long-term ratings for both the Company and the Bank as stable on May 10, 2024.

In affirming its ratings, KBRA noted that the Bank's deposit base has performed admirably since early 2023, which demonstrates the resilience and strength of its client relationships.

"I am pleased to see that KBRA's latest ratings report highlights our disciplined and conservative approach to liquidity and capital management, as it leaves us well-positioned in a banking industry that is entering a more uncertain credit and liquidity environment," said Clay Jones, President and Chief Executive Officer. "They also recognized that our ability to capture both quality deposit and lending relationships over the past year has put us in a solid position for future growth."

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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