

HERITAGE COMMERCE CORP

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Heritage Commerce Corp Completes Consolidation of Bank Operations

San Jose, California. Heritage Commerce Corp (NASDAQ: HTBK) announced today the completion of the merger of three of its wholly owned commercial bank subsidiaries into Heritage Bank of Commerce, the Company's first and largest bank in San Jose. Effective January 1, 2003, Heritage Bank East Bay, Heritage Bank South Valley, and Bank of Los Altos became divisions of Heritage Bank of Commerce and will continue to serve their local markets and communities.

Heritage Commerce Corp Chairman and Chief Executive Officer Brad L. Smith stated, "We expect the consolidation of four separate charters into one to provide the Company with significant cost savings, increased operating efficiencies, and enhanced shareholder value." "Heritage Bank of Commerce and its divisions remain focused on serving the needs of their communities — the merged banks will continue to conduct business under their current names and with local management and staff," he continued.

Heritage Commerce Corp, a bank holding company established in February 1998, is the parent company of Heritage Bank of Commerce, headquartered in San Jose. Heritage Bank of Commerce has three divisions: Heritage Bank East Bay, headquartered in the city of Fremont with an office in Danville, Heritage Bank South Valley in Morgan Hill with an office in Gilroy, Bank of Los Altos, with two locations in Los Altos and one in Mountain View, and SBA Loan Production Offices in San Jose, Fresno, Santa Cruz, Elk Grove, Watsonville, Chico, Pittsburg, and Glendale.

Forward Looking Statement Disclaimer

This release may contain forward-looking statements that are subject to risks and uncertainties. Such risks and uncertainties may include but are not necessarily limited to fluctuations in interest rates, inflation, government regulations and general economic conditions, and competition within the business areas in which the Company is conducting its operations, including the real estate market in California and other factors beyond the Company's control. Such risks and uncertainties could cause results for subsequent interim periods or for the entire year to differ materially from those indicated. 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.

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