

**HERITAGE COMMERCE CORP**

	CPP Disbursement Date 11/21/2008	RSSD (Holding Company) 2634874	Number of Insured Depository Institutions 1	
<b>Selected balance and off-balance sheet items</b>	<b>2010</b> \$ millions	<b>2011</b> \$ millions	%chg from prev	
<b>Assets</b>	\$1,243	\$1,303	4.9%	
Loans	\$857	\$766	-10.7%	
Construction & development	\$68	\$28	-59.2%	
Closed-end 1-4 family residential	\$24	\$17	-27.2%	
Home equity	\$55	\$49	-11.8%	
Credit card	\$0	\$0		
Other consumer	\$2	\$3	24.8%	
Commercial & Industrial	\$306	\$303	-0.9%	
Commercial real estate	\$374	\$338	-9.6%	
Unused commitments	\$263	\$273	3.7%	
Securitization outstanding principal	\$0	\$0		
Mortgage-backed securities (GSE and private issue)	\$232	\$350	50.9%	
Asset-backed securities	\$0	\$0		
Other securities	\$0	\$30		
Cash & balances due	\$72	\$73	1.0%	
<b>Residential mortgage originations</b>				
Closed-end mortgage originated for sale (quarter)	\$0	\$0		
Open-end HELOC originated for sale (quarter)	\$0	\$0		
Closed-end mortgage originations sold (quarter)	\$0	\$0		
Open-end HELOC originations sold (quarter)	\$0	\$0		
<b>Liabilities</b>	\$1,068	\$1,108	3.7%	
Deposits	\$1,027	\$1,074	4.6%	
Total other borrowings	\$7	\$0	-100.0%	
FHLB advances	\$0	\$0		
<b>Equity</b>				
Equity capital at quarter end	\$175	\$195	11.7%	
Stock sales and transactions with parent holding company (cumulative through calendar year)	\$40	\$0	NA	
<b>Performance Ratios</b>				
Tier 1 leverage ratio	12.1%	13.7%	--	
Tier 1 risk based capital ratio	16.8%	18.5%	--	
Total risk based capital ratio	18.1%	19.7%	--	
Return on equity <sup>1</sup>	6.1%	7.3%	--	
Return on assets <sup>1</sup>	0.8%	1.1%	--	
Net interest margin <sup>1</sup>	4.0%	4.3%	--	
Coverage ratio ((ALL+Alloc transfer risk)/Noncurrent loans)	81.7%	123.0%	--	
Loss provision to net charge-offs (qtr)	92.4%	77.9%	--	
Net charge-offs to average loans and leases <sup>1</sup>	0.5%	0.8%	--	
<sup>1</sup> Quarterly, annualized.				
	<b>Noncurrent Loans</b>		<b>Gross Charge-Offs</b>	
<b>Asset Quality (% of Total Loan Type)</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>	<b>2011</b>
Construction & development	14.6%	14.3%	0.3%	0.0%
Closed-end 1-4 family residential	0.4%	0.6%	0.0%	0.0%
Home equity	3.6%	0.1%	0.5%	0.0%
Credit card	0.0%	0.0%	0.0%	0.0%
Other consumer	35.9%	0.4%	0.0%	0.0%
Commercial & Industrial	2.4%	2.1%	0.4%	0.3%
Commercial real estate	2.7%	1.9%	0.1%	0.5%
Total loans	3.6%	2.2%	0.2%	0.3%