



Investor Presentation

Fourth Quarter 2025

HERITAGE
COMMERCE CORP

HERITAGE
BANK OF COMMERCE

Forward Looking Statement Disclaimer and Basis of Presentation

- This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 about Heritage Bank (the "Bank") and its holding company, Heritage Commerce Corp (the "Company"). Forward-looking statements are based on management's knowledge, assumptions and beliefs as of today and include information concerning the possible or assumed future financial condition, results of operations, business and earnings outlook for the Company and the Bank. These forward-looking statements are subject to risks and uncertainties. For a discussion of risk 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. For more information on factors that could cause our expectations regarding the proposed merger with CVB Financial Corp. to differ, potentially materially, please refer to our Current Report on Form 8-K filed with the Securities and Exchange Commission on December 17, 2025. 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.
- Financial results are presented in accordance with accounting principles generally accepted in the United States of America ("GAAP") and prevailing practices in the banking industry. However, certain non-GAAP performance measures and ratios are used by management to evaluate and measure the Company's performance. These measures include "adjusted" operating metrics that have been adjusted to exclude notable expenses incurred in the second and fourth quarters of 2025 as well as other performance measures and ratios adjusted for notable items. Management believes these non-GAAP financial measures enhance comparability between periods and in some instances are common in the banking industry. These non-GAAP financial measures should be supplemental to primary GAAP financial measures and should not be read in isolation or relied upon as a substitute for primary GAAP financial measures. A reconciliation of GAAP to non-GAAP financial measures are also presented in the Company's Fourth quarter earnings release, which is available on the Company's website at <https://heritagecommercecorp.com>.

Fourth Quarter 2025 Operating Highlights

Operating Highlights

\$15.1 million

Net income

\$22.6 million

Pre-Provision Net Revenue ⁽¹⁾

\$0.25

Diluted Earnings per Share

1.04%

Return on Avg. Assets

11.29%

Return on Avg.

Tangible Common Equity ⁽¹⁾

Adjusted Operating Highlights ⁽¹⁾

\$17.2 million

Net income

\$24.6 million

Pre-Provision Net Revenue ⁽¹⁾

\$0.28

Diluted Earnings per Share

1.18%

Return on Avg. Assets

12.83%

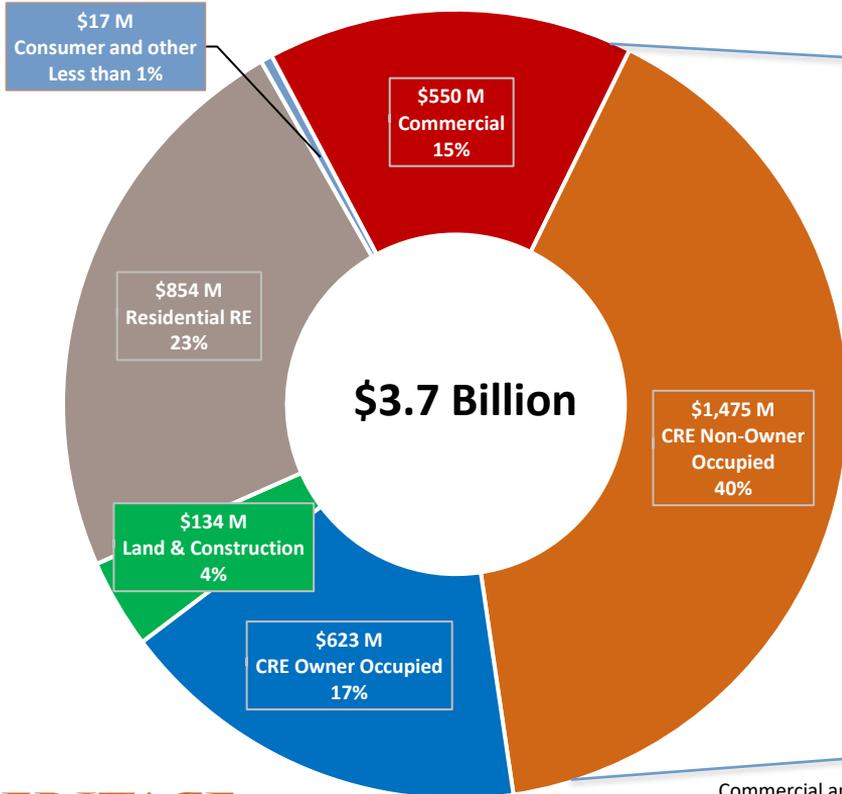
Return on Avg.

Tangible Common Equity ⁽¹⁾

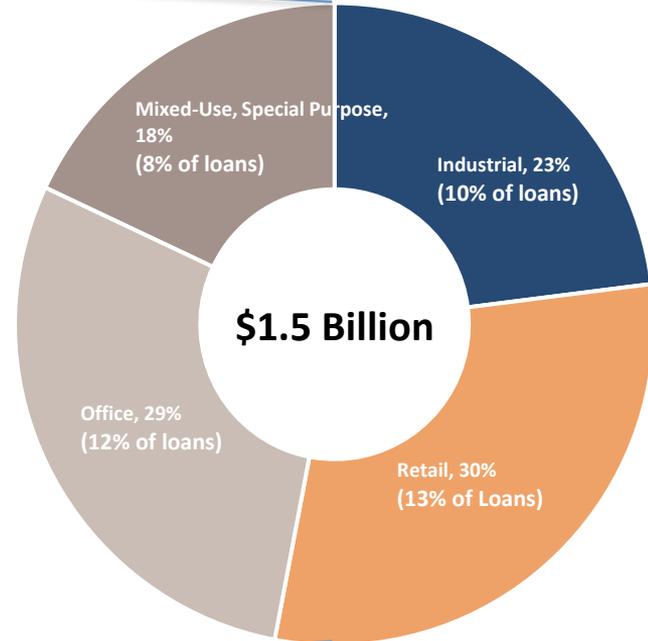
- Loans held-for-investment (“HFI”) were \$3.7 billion at December 31, 2025, up \$71.4 million or 2% for the quarter.
- New securities purchases combined with maturities of low-yield Treasurys increased the securities portfolio yield by 37 basis points for the quarter.
- Fully Tax Equivalent (“FTE”) net interest margin⁽¹⁾ of 3.72%, an increase from 3.60%, on positive trends in deposit costs and stable loan yields.
- Total deposits of \$4.9 billion, up \$126.5 million, or 2.6%. The Bank’s loan-to-deposit ratio remained steady at 74.5% on a linked quarter basis.
- Asset quality was strong and improving with nonperforming loans at \$2.8 million, or 0.08% of total loans, while the allowance for credit losses on loans to total loans was 1.37% at quarter-end.
- Liquidity and available lines of credit remain robust at \$3.2 billion.

⁽¹⁾ These are non-GAAP financial measures as defined and discussed under “Non-GAAP Financial Measures” in our fourth quarter 2025 earnings press release.

Diversified Loan Portfolio – as of December 31, 2025



Non-Owner Commercial Real Estate (“CRE”) Loans



Commercial and industrial line utilization was 32% at December 31, 2025, compared to 35% at September 30, 2025, and 34% at December 31, 2024.

Credit Quality at a Glance – as of December 31, 2025



5%

**Classified Assets / Tier 1
Capital & Allowance for
Credit Losses on Loans
("ACLL")**



0.05%

**Nonperforming Assets
("NPAs") /
Total Assets**



0.001%

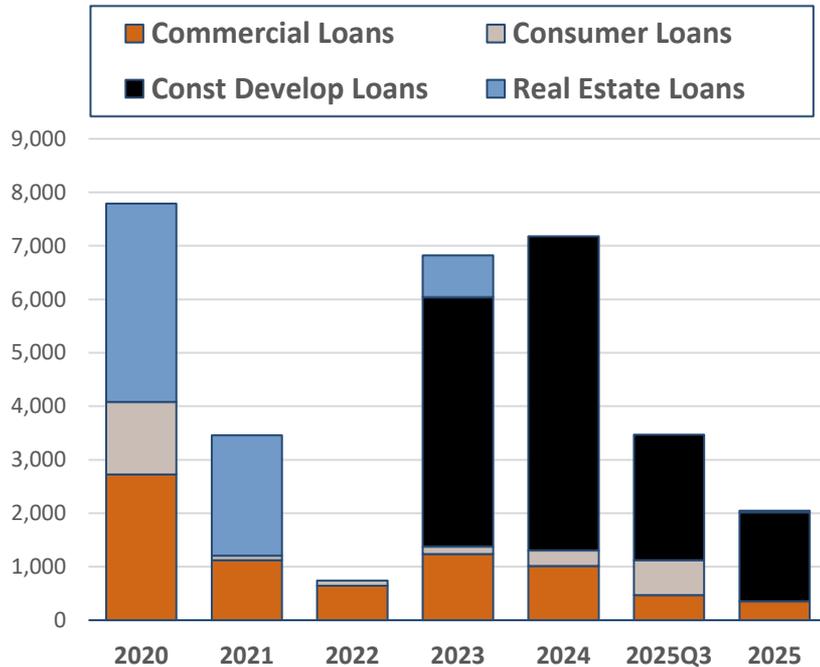
**Net Charge-offs / Average
Loans
For the Quarter**

- ✓ ACLL of \$50.0 million represents 18x NPAs and 1.7x of Classified Assets
- ✓ ACLL 1.37% of gross loans
- ✓ NPAs totaled \$2.8 million on 6 loans and 3 relationships
- ✓ Classified assets totaled \$29.2 million, or 0.51% of total assets
- ✓ No Owner-Occupied CRE loans in NPAs
- ✓ No foreclosed assets on the balance sheet

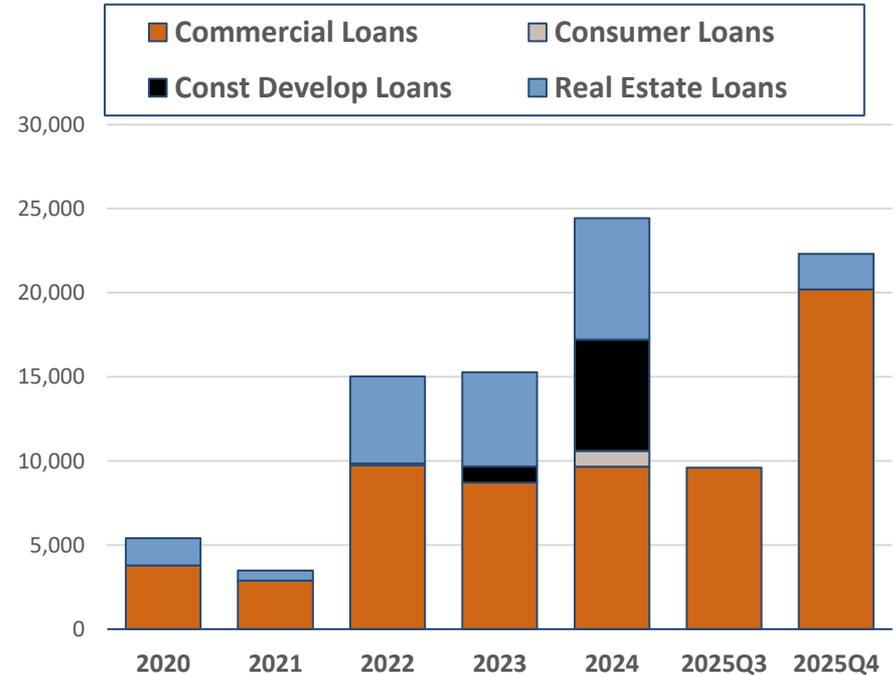
Credit Quality Key Trends

(\$ in thousands)

Nonaccrual Loans



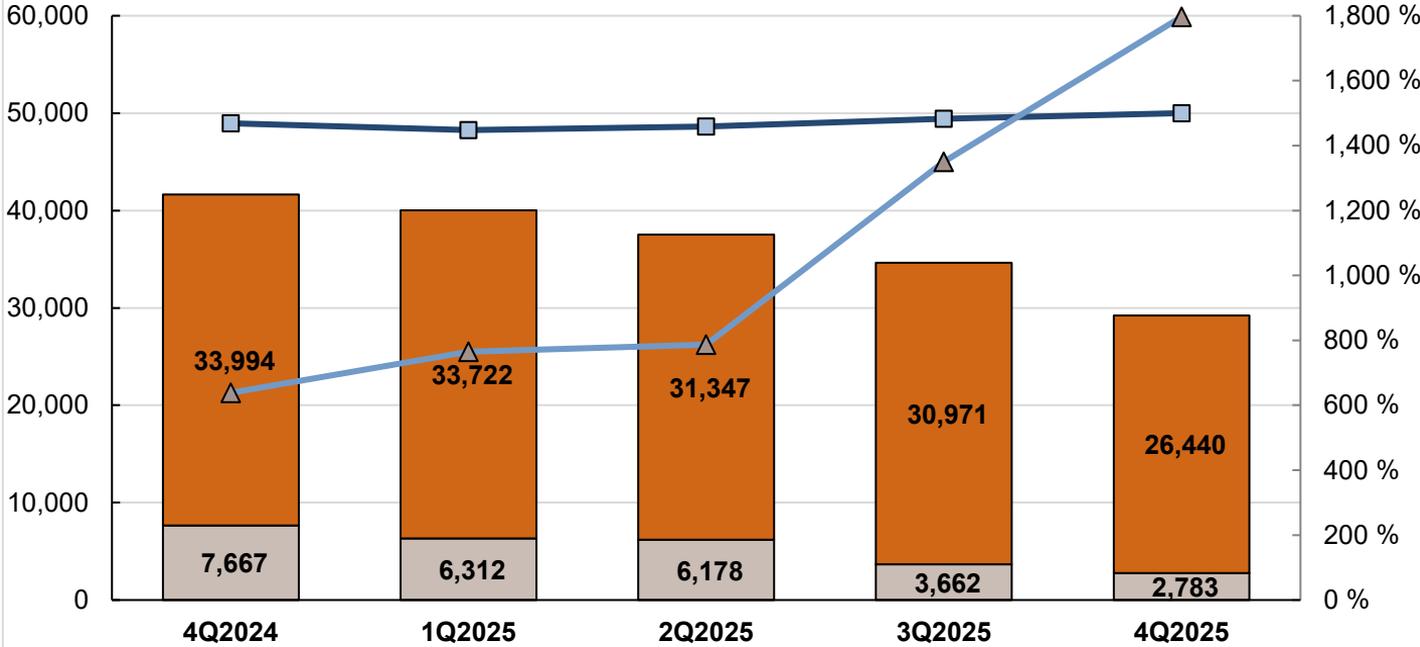
Delinquent Loans



Allowance for Credit Losses

Allowance Coverage Trend

Total nonperforming assets (left axis)
 Other classified assets (left axis)
 Allowance for credit losses on loans (left axis)
 Allowance to nonperforming loans (right axis)

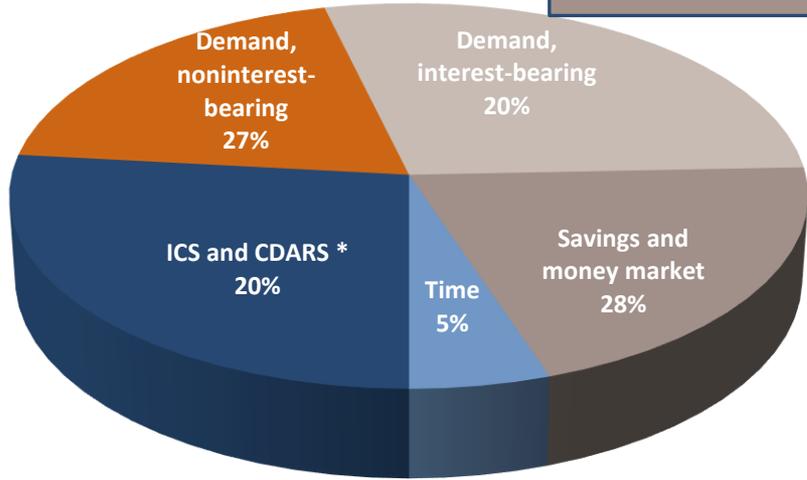


ACLL as of December 31, 2025

Total:	\$50.0M
Percent of Loans:	1.37%
Percent of NPAs:	1,797%
Percent of Classified:	171%

Total Deposits – as of December 31, 2025

**Total Deposits:
\$4.9 Billion**



- Total deposits were \$4.9 billion, compared to \$4.8 billion at September 30, 2025, an increase of 3%
- Noninterest-bearing deposits represent 27% of total deposits, compared to 26% last quarter
- Deposit accounts numbered 25,324 at December 31, 2025, with an average balance of \$193,614

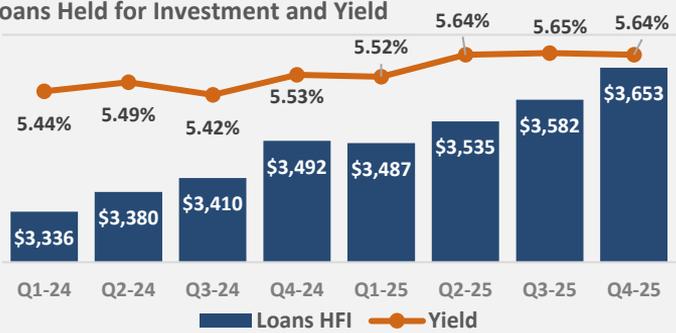
Total Cost of Deposits of 1.30%

	Average Balance	Average Rate
Demand, noninterest-bearing	\$ 1,289	
Demand, interest-bearing	948	0.56 %
Savings and money market	1,388	2.17 %
Time deposits	253	3.21 %
ICS/CDARS - NMD and Time	1,017	1.99 %
Total interest-bearing	3,607	1.77 %
Total deposits	4,896	1.30 %

Net Interest Drivers

Balances period-end, dollars in millions

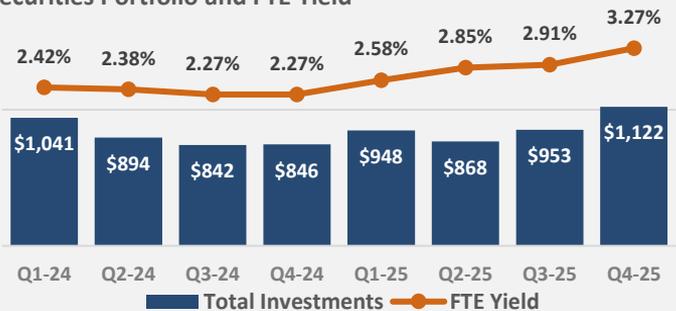
Loans Held for Investment and Yield



Deposits and Cost



Securities Portfolio and FTE Yield



Interest Bearing Deposits and Cost

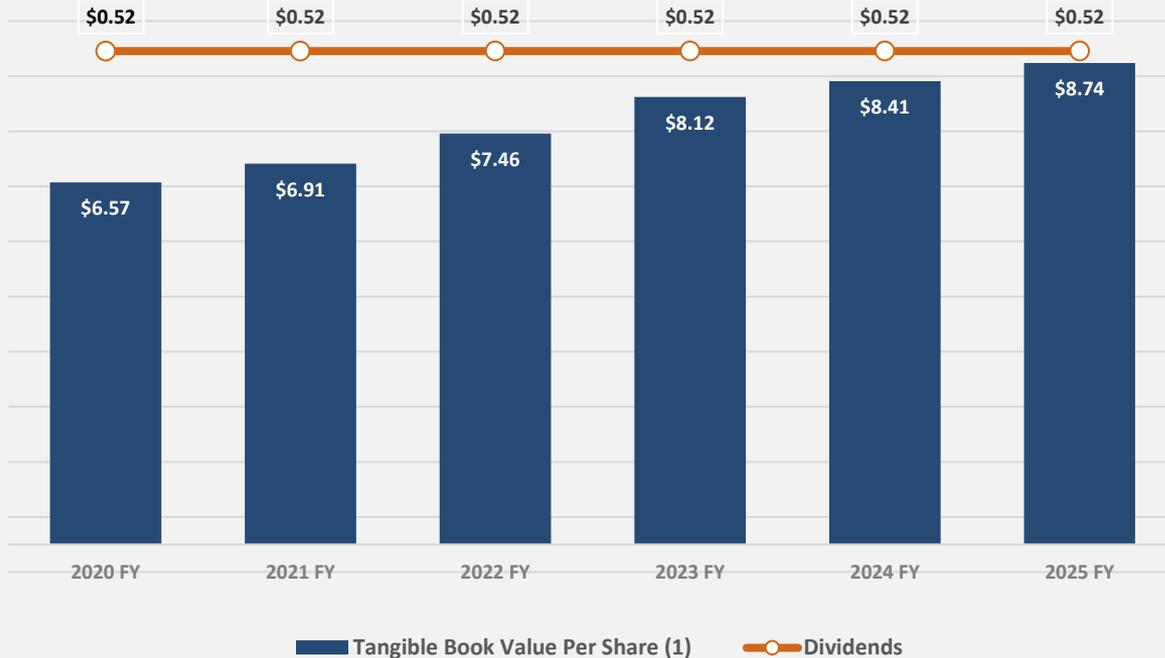


Earning asset yields have risen against the favorable deposit cost backdrop.

This, combined with stabilizing levels of non-interest-bearing deposits has helped bolster the NIM inflection

Consistent Returns to Shareholders

Tangible Book Value Per Share ⁽¹⁾ and Dividends



Strong Dividends Stabilize Returns for Equity Holders

Dividend Yield as of January 12, 2026: 4.20%

**5 years:
TBV add - \$2.17
Dividends - \$2.60**

⁽¹⁾ This is a non-GAAP financial measure

For more information email:

InvestorRelations@herbank.com

Appendix

Reconciliation of Non-GAAP Financial Measures

Non-GAAP Measures

NET INCOME AND DILUTED EARNINGS PER SHARE (in \$000's, unaudited)	For the Quarter Ended:				
	December 31, 2025	September 30, 2025	June 30, 2025	March 31, 2025	December 31, 2024
Reported net income (GAAP)	\$ 15,117	\$ 14,698	\$ 6,389	\$ 11,626	\$ 10,621
Add: pre-tax legal settlement, merger and other charges	2,067	0	9,184	0	0
Less: related income taxes	(15)	0	(2,618)	0	0
Adjusted net income (non-GAAP)	<u>\$ 17,169</u>	<u>\$ 14,698</u>	<u>\$ 12,955</u>	<u>\$ 11,626</u>	<u>\$ 10,621</u>
Weighted average shares outstanding - diluted	61,701,068	61,616,785	61,624,600	61,708,361	61,679,735
Reported diluted earnings per share (GAAP)	\$ 0.25	\$ 0.24	\$ 0.10	\$ 0.19	\$ 0.17
Adjusted diluted earnings per share (non-GAAP)	\$ 0.28	\$ 0.24	\$ 0.21	\$ 0.19	\$ 0.17

Non-GAAP Measures

TANGIBLE BOOK VALUE PER SHARE (in \$000's, unaudited)	End of Period:				
	December 31, 2025	September 30, 2025	June 30, 2025	March 31, 2025	December 31, 2024
Capital components:					
Total equity (GAAP)	\$ 708,566	\$ 700,010	\$ 694,704	\$ 696,190	\$ 689,727
Less: preferred stock	—	—	—	—	—
Total common equity	708,566	700,010	694,704	696,190	689,727
Less: goodwill	(167,631)	(167,631)	(167,631)	(167,631)	(167,631)
Less: other intangible assets	(4,625)	(5,078)	(5,532)	(5,986)	(6,439)
Reported tangible common equity (non-GAAP)	536,310	527,301	521,541	522,573	515,657
Add: pre-tax legal settlement, merger and other charges	11,251	9,184	9,184	—	—
Less: related income taxes	(2,633)	(2,618)	(2,618)	—	—
Adjusted tangible common equity (non-GAAP)	\$ 544,928	\$ 533,867	\$ 528,107	\$ 522,573	\$ 515,657
Common shares outstanding at period-end	61,368,708	61,277,541	61,446,763	61,611,121	61,348,095
Reported tangible book value per share (non-GAAP)	\$ 8.74	\$ 8.61	\$ 8.49	\$ 8.48	\$ 8.41
Adjusted tangible book value per share (non-GAAP)	\$ 8.88	\$ 8.71	\$ 8.59	\$ 8.48	\$ 8.41

Non-GAAP Measures

RETURN ON AVERAGE TANGIBLE COMMON

EQUITY AND AVERAGE ASSETS

(in \$000's, unaudited)

	For the Quarter Ended:				
	December 31, 2025	September 30, 2025	June 30, 2025	March 31, 2025	December 31, 2024
Reported net income (GAAP)	\$ 15,117	\$ 14,698	\$ 6,389	\$ 11,626	\$ 10,621
Add: pre-tax legal settlement, merger and other charges	2,067	—	9,184	—	—
Less: related income taxes	(15)	—	(2,618)	—	—
Adjusted net income (non-GAAP)	<u>\$ 17,169</u>	<u>\$ 14,698</u>	<u>\$ 12,955</u>	<u>\$ 11,626</u>	<u>\$ 10,621</u>
Average tangible common equity components:					
Average equity (GAAP)	\$ 703,611	\$ 696,385	\$ 697,016	\$ 692,733	\$ 686,263
Less: goodwill	(167,631)	(167,631)	(167,631)	(167,631)	(167,631)
Less: other intangible assets	(4,891)	(5,358)	(5,817)	(6,264)	(6,770)
Total average tangible common equity (non-GAAP)	<u>\$ 531,089</u>	<u>\$ 523,396</u>	<u>\$ 523,568</u>	<u>\$ 518,838</u>	<u>\$ 511,862</u>
Reported annualized return on average equity (GAAP)	8.52 %	8.37 %	3.68 %	6.81 %	6.16 %
Adjusted annualized return on average equity (non-GAAP)	9.68 %	8.37 %	7.45 %	6.81 %	6.16 %
Reported annualized return on average tangible common equity (non-GAAP)	11.29 %	11.14 %	4.89 %	9.09 %	8.25 %
Adjusted annualized return on average tangible common equity (non-GAAP)	12.83 %	11.14 %	9.92 %	9.09 %	8.25 %
Average Assets (GAAP)	\$ 5,764,240	\$ 5,551,457	\$ 5,458,420	\$ 5,559,896	\$ 5,607,840
Reported annualized return on average assets (GAAP)	1.04 %	1.05 %	0.47 %	0.85 %	0.75 %
Adjusted annualized return on average assets (non-GAAP)	1.18 %	1.05 %	0.95 %	0.85 %	0.75 %

Non-GAAP Measures

NET INTEREST INCOME AND NET INTEREST MARGIN (in \$000's, unaudited)	For the Quarter Ended:				
	December 31, 2025	September 30, 2025	June 30, 2025	March 31, 2025	December 31, 2024
Net interest income before					
credit losses on loans (GAAP)	\$ 50,422	\$ 46,788	\$ 44,805	\$ 43,360	\$ 43,595
Tax-equivalent adjustment on securities - exempt from Federal tax	53	53	57	58	58
Net interest income, FTE (non-GAAP)	<u>\$ 50,475</u>	<u>\$ 46,841</u>	<u>\$ 44,862</u>	<u>\$ 43,418</u>	<u>\$ 43,653</u>
Average balance of total interest earning assets	\$ 5,386,230	\$ 5,167,710	\$ 5,087,089	\$ 5,188,317	\$ 5,235,986
Net interest margin (annualized net interest income divided by the average balance of total interest earnings assets) (GAAP)	3.71 %	3.59 %	3.53 %	3.39 %	3.31 %
Net interest margin, FTE (annualized net interest income, FTE, divided by the average balance of total earnings assets) (non-GAAP)	3.72 %	3.60 %	3.54 %	3.39 %	3.32 %

Non-GAAP Measures

PRE-PROVISION NET REVENUE (in \$000's, unaudited)	For the Quarter Ended:				
	December 31, 2025	September 30, 2025	June 30, 2025	March 31, 2025	December 31, 2024
Net interest income before credit losses on loans	\$ 50,422	\$ 46,788	\$ 44,805	\$ 43,360	\$ 43,595
Noninterest income	3,199	3,217	2,977	2,696	2,775
Total revenue	53,621	50,005	47,782	46,056	46,370
Less: Noninterest expense	(31,042)	(29,026)	(38,335)	(29,456)	(30,304)
Reported PPNR	22,579	20,979	9,447	16,600	16,066
Add: pre-tax legal settlement, merger and other charges	2,067	—	9,184	—	—
Adjusted PPNR	\$ 24,646	\$ 20,979	\$ 18,631	\$ 16,600	\$ 16,066