

## United American Bank (OTC PINK: UABK; San Mateo, CA) has agreed to merge with Heritage Commerce Corp (NASDAQ: HTBK; San Jose, CA)

**Deal Value: Approximately \$44.2 Million**

Sandler O'Neill acted as exclusive financial advisor to United American Bank.

Sandler O'Neill has advised on 33 bank or thrift transactions in the Western Region since January 1, 2014 representing \$10.8 billion in aggregate transaction value, more transactions and transaction value than any other investment bank during that time period.<sup>1</sup>

This transaction represents Sandler O'Neill's 153rd bank or thrift transaction since January 1, 2015, representing \$47.4 billion in aggregate transaction value, more transactions and transaction value than any other investment bank during that time period.<sup>1</sup>

San Jose, Calif., January 11, 2018 – Heritage Commerce Corp (“Heritage”), and United American Bank (“United American”) today jointly announced the execution of a definitive agreement and plan of merger and reorganization (the “Agreement”) whereby United American will merge into Heritage Bank of Commerce in a transaction valued at approximately \$44.2 million. Heritage will issue approximately 2.8 million of its shares of common stock to the United American common shareholders in the merger. Additionally, outstanding Series A Preferred Stock and Series B Preferred Stock will be exchanged for \$9.1 million in cash at closing. United American is a full-service California state-chartered commercial bank with branches in San Mateo, Redwood City, and Half Moon Bay, California and serves businesses and individuals primarily in the county of San Mateo in Northern California. As of September 30, 2017, United American had approximately \$336.4 million in total assets.

“United American Bank is a perfect fit for Heritage, as both our values are aligned with fostering client relationships. The combination of our two organizations provides the ability to create revenue and cost synergies while offering United American customers a broader product offering, increased lending limits, and an expanded branch delivery system that stretches throughout the San Francisco Bay Area,” said Walter Kaczmarek, President and Chief Executive Officer of Heritage. “On the heels of the Tri-Valley Bank agreement, signed at the end of December 2017, acquiring United American is a natural progression for us. Once transaction costs have been assimilated in the first half of 2018, we expect the merger to be accretive to earnings. We welcome their customers, shareholders and employees to Heritage as we continue to strengthen our banking franchise.”

### Financial Highlights (\$ millions)<sup>2</sup>

	HTBK	UABK
Total Assets	\$2,844	\$336
Gross Loans	\$1,566	\$228
Deposits	\$2,481	\$304
Equity	\$275	\$31
LTM ROAA	1.12%	1.77%
TCE / TA	8.0%	5.4%

1: Excludes terminated transactions and self-advisory roles

2: Data as of September 30, 2017

3: Includes branches to be acquired in HTBK's pending acquisition

Source: S&P Global Market Intelligence

### Pro Forma Branch Network<sup>3</sup>



### Sandler O'Neill Contacts:

**David Sandler**  
Principal  
(415) 978-5006

**James Burkett**  
Vice President  
(415) 978-5058

**Colin MacDougall**  
Analyst  
(415) 978-5059