

**Focus Business Bank (OTCQB: FCSB; San Jose, CA) has agreed to merge with Heritage Commerce Corp. (NASDAQ: HTBK; San Jose, CA)**

**Deal Value: Approximately \$54.8 million**

Sandler O'Neill served as financial advisor and provided a fairness opinion to Focus Business Bank in this transaction. This represents Sandler O'Neill's 74<sup>th</sup> bank or thrift transaction nationwide since January 1, 2014, representing \$13.5 billion in aggregate transaction value, more than any other investment bank during that time period.<sup>1</sup>

Since January 1, 2011, Sandler O'Neill has advised on 36 bank or thrift transactions in the Western Region, more than any other investment bank during that time period. These transactions have an aggregate transaction value of \$12.2 billion.<sup>1</sup>

Heritage Commerce Corp (NASDAQ:HTBK), the parent company of Heritage Bank of Commerce ("Heritage"), and Focus Business Bank (OTCQB:FCSB) ("Focus") today jointly announced the execution of a definitive agreement and plan of merger and reorganization (the "Agreement") whereby Focus will merge into Heritage in a transaction valued at approximately \$54.8 million. The transaction combines two of the leading commercial banking franchises in San Jose, California with more than \$2 billion in combined assets.

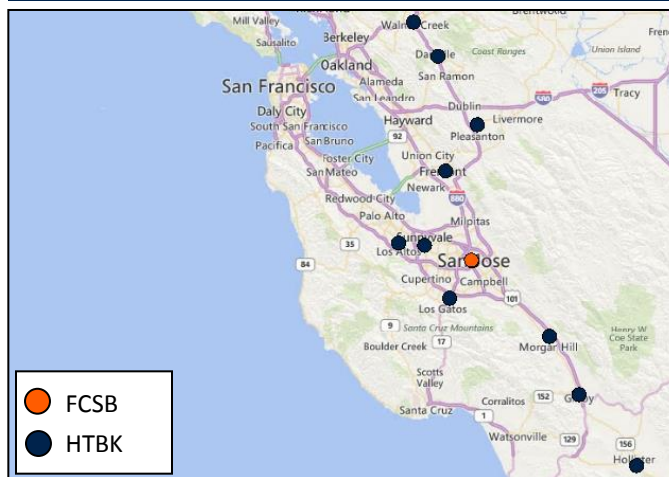
The board of directors of both companies approved the transaction, which is subject to customary conditions, including the approvals of bank regulatory agencies and the shareholders of HTBK and Focus. Upon completion of the transaction, the HTBK Board of Directors will consist of 13 directors, eleven representatives from HTBK and two representatives from Focus. Shareholders of Focus will receive a fixed exchange ratio at closing of 1.8235 shares of HTBK common stock for each share of Focus common stock. Based on the HTBK stock price as of the close of the market on April 22, 2015, total consideration for each Focus share would be \$16.41.

**Financial Highlights (\$ millions)**

	<u>HTBK</u>	<u>FCSB</u>
Total Assets	\$1,617	\$391
Net Loans	\$1,071	\$180
Deposits	\$1,388	\$361
Equity	\$184	\$28
LTM ROAA (%)	0.88%	0.32%
TCE / TA (%)	9.3%	7.3%

Notes:  
<sup>1</sup>Source: SNL Financial. Excludes terminated transactions and self-advisory roles. Financial data as of December 31, 2014

**Pro Forma Branch Network**



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