



CVB Financial Corp.

STATEMENT OF CONDITION

June 30, 2023

President's Message

CVB Financial Corp. (CVBF) reported net earnings of \$55.8 million for the quarter ended June 30, 2023, compared with \$59.3 million for the first quarter of 2023. We announced our 185th consecutive quarter of profitability and our 135th consecutive quarter of paying a cash dividend to our shareholders. Our net interest margin, on a tax equivalent basis, was 3.22% for the second quarter of 2023, while our efficiency ratio was 40.86%. Since our Bank's founding in 1974, we have managed to build a safe, sound, and secure institution with a strategy focused on banking the best small to medium-sized businesses and their owners. We remain focused on our Core Values of Financial Strength, Superior People, Customer Focus, Cost-Effective Operation, and Having Fun. As the premier business bank in California, we have successfully executed on this strategy, and our focus will remain steady and consistent, so we can continue to provide the best banking products and services to these businesses that represent Great American Success Stories.

Our Bank continues to attract new relationships, including the extension of new credit to our customers, as well as the acquisition of new deposit customers. Although current economic conditions have slowed loan demand across the banking industry, our deposit pipeline has strengthened and grown over the second quarter. New deposit accounts opened during the first half of 2023 provided our Bank with approximately \$650 million in average new deposits. Importantly, our deposits are 100% core customer relationships, across diversified industries, and our Bank has no brokered deposits. More than 75% of our deposits represent customer relationships that have banked with Citizens Business Bank for three years or more.

In keeping with our commitment to the communities we serve, we recently hosted our 38th Annual Charity Golf Classic, which raised more than \$115,000 for the benefit of Orange County charitable community organizations.

CitizensTrust, our wealth management division that provides trust, investment, and brokerage-related services, as well as financial, estate, and business succession planning, had approximately \$3.61 billion in assets under management and administration, including \$2.41 billion in assets under management, at quarter end.

Shares of CVB Financial Corp. common stock are listed on Nasdaq under the ticker symbol "CVBF". If you are new to CVB Financial Corp. and would like more information about Citizens Business Bank, our principal financial services subsidiary, please visit us on our website at cbbank.com. Additional information about CVB Financial Corp. is available on our Citizens Business Bank website under the "Investors" tab.

We continue to focus on executing on our core strategies and supporting our customers through these demanding times. On behalf of our Board of Directors and all of our hard-working associates, we thank our customers and shareholders for their continued loyalty and support.

President & Chief Executive Officer
CVB Financial Corp., Citizens Business Bank

Board of Directors

Hal W. Oswalt Chairman	George A. Borba Vice Chairman
David A. Brager President and CEO	Jane Olvera Majors Director
Stephen A. Del Guercio Director	Raymond V. O'Brien III Director
Anna Kan Director	Kimberly Sheehy Director

Leadership Team

David A. Brager President and CEO	E. Allen Nicholson EVP, Chief Financial Officer
David C. Harvey EVP, Chief Operating Officer	David F. Farnsworth EVP, Chief Credit Officer
Richard H. Wohl EVP, General Counsel	R. Daniel Banis EVP, CitizensTrust
Yamynn De Angelis EVP, Chief Risk Officer	Ted J. Dondanville EVP, Banking Division
Hector G. Gutierrez, Esq. EVP, Deputy Chief Credit Officer	Susan M. Mlot EVP, Head of Operations
Timothy B. Noone EVP, Specialty Banking	G. Larry Zivelonghi EVP, Dairy & Livestock Industries
Jeffrey S. Boyer SVP, Los Angeles Region-North	Michael K. Currie SVP, Chief Information Officer
Gilbert W. Estrada SVP, Inland Empire Region	Donald E. Evenson SVP, Chief Investment Officer
Richard M. Favor SVP, Central Coast Region	Deborah G. Gallagher SVP, SBA Group
Derrick I. Hong SVP, Chief Audit Executive	Joyce Y. Kwon SVP, Director of Human Resources
Daniel Limon SVP, Specialty Lending Group	Michael B. Mulcahy SVP, Los Angeles Region-Metro
Rudy I. Ramirez SVP, Chief Information Security Officer	Mark C. Richardson SVP, Real Estate Banking
LaVon M. Short SVP, Director of Treasury Management and Marketing	Michael D. Stain SVP, Central Valley Region
David S. Stong SVP, San Diego Region	Robert E. Zeltner SVP, Orange County Region

135

CONSECUTIVE QUARTERS
OF CASH DIVIDENDS PAID

185

CONSECUTIVE QUARTERS
OF PROFITABILITY

\$55.8 million

NET INCOME
as of 6.30.23

#1 Best Bank
IN AMERICA
Forbes, 2023

Five-Star
SUPERIOR RATING
BauerFinancial, 2023

Super Premier
PERFORMING BANK
Findley Reports, 2023

Financials ▶

CVB Financial Corp. ("CVBF") is the holding company for Citizens Business Bank. CVBF is one of the 10 largest bank holding companies headquartered in California with over \$16 billion in total assets. Citizens Business Bank is consistently recognized as one of the top performing banks in the nation and offers a wide array of banking, lending and investing services with more than 60 banking centers and 3 trust office locations serving California.

Condensed Consolidated Balance Sheets

<i>(Dollars in thousands, except share amounts) (Unaudited)</i>	June 30, 2023	December 31, 2022
Assets		
Cash and due from banks	\$ 231,316	\$ 158,236
Interest-earning balances due from Federal Reserve	387,039	45,225
Total cash and cash equivalents	<u>618,355</u>	<u>203,461</u>
Interest-earning balances due from depository institutions	30,478	9,553
Investment securities available-for-sale, at fair value (with amortized cost of \$3,576,937 at June 30, 2023, and \$3,755,297 at December 31, 2022)	3,068,151	3,255,211
Investment securities held-to-maturity (with fair value of \$2,108,653 at June 30, 2023, and \$2,155,587 at December 31, 2022)	2,512,707	2,554,301
Total investment securities	<u>5,580,858</u>	<u>5,809,512</u>
Investment in stock of Federal Home Loan Bank (FHLB)	29,484	27,627
Loans and lease finance receivables	8,907,397	9,079,392
Allowance for credit losses	(86,967)	(85,117)
Net loans and lease finance receivables	<u>8,820,430</u>	<u>8,994,275</u>
Premises and equipment, net	45,518	46,698
Bank owned life insurance (BOLI)	257,348	255,528
Accrued interest receivable	46,545	46,692
Intangibles	18,303	21,742
Goodwill	765,822	765,822
Income taxes	146,977	186,684
Other assets	124,426	108,946
Total assets	<u>\$ 16,484,544</u>	<u>\$ 16,476,540</u>
Liabilities and Stockholders' Equity		
Liabilities:		
Deposits:		
Noninterest-bearing	\$ 7,878,810	\$ 8,164,364
Interest-bearing	4,518,711	4,671,881
Total deposits	<u>12,397,521</u>	<u>12,836,245</u>
Customer repurchase agreements	452,373	565,431
Other borrowings	1,495,000	995,000
Deferred compensation	23,095	22,092
Other liabilities	115,188	109,255
Total liabilities	<u>14,483,177</u>	<u>14,528,023</u>
Commitments and Contingencies		
Stockholders' Equity		
Common stock, authorized, 225,000,000 shares without par; issued and outstanding 139,343,284 at June 30, 2023, and 139,818,703 at December 31, 2022	1,284,150	1,300,466
Retained earnings	1,062,093	1,002,847
Accumulated other comprehensive (loss) income, net of tax	(344,876)	(354,796)
Total stockholders' equity	<u>2,001,367</u>	<u>1,948,517</u>
Total liabilities and stockholders' equity	<u>\$ 16,484,544</u>	<u>\$ 16,476,540</u>

Condensed Consolidated Statements of Earnings

<i>(Dollars in thousands, except per share amounts) (Unaudited)</i>	Three Months Ended June 30, 2023 2022	
Interest income:		
Loans and leases, including fees	\$ 110,990	\$ 92,770
Investment securities:		
Investment securities available-for-sale	19,356	17,042
Investment securities held-to-maturity	13,740	11,714
Total investment income	<u>33,096</u>	<u>28,756</u>
Dividends from FHLB stock	483	273
Interest-earning deposits with other institutions	4,670	1,463
Total interest income	<u>149,239</u>	<u>123,262</u>
Interest expense:		
Deposits	10,765	1,201
Borrowings and customer repurchase agreements	18,939	121
Total interest expense	<u>29,704</u>	<u>1,322</u>
Net interest income before provision for credit losses	119,535	121,940
Provision for credit losses	500	3,600
Net interest income after provision for credit losses	<u>119,035</u>	<u>118,340</u>
Noninterest income:		
Service charges on deposit accounts	4,838	5,333
Trust and investment services	3,315	2,962
Bankcard services	490	310
BOLI income	2,097	603
Gain on sale of building, net	-	2,717
Other	1,916	2,745
Total noninterest income	<u>12,656</u>	<u>14,670</u>
Noninterest expense:		
Salaries and employee benefits	33,548	31,553
Occupancy and equipment	5,517	5,567
Professional services	2,562	2,305
Computer software expense	3,316	3,103
Marketing and promotion	1,321	1,638
Provision for unfunded loan commitments	400	-
Amortization of intangible assets	1,719	1,998
Acquisition related expenses	-	375
Other	5,634	4,332
Total noninterest expense	<u>54,017</u>	<u>50,871</u>
Earnings before income taxes	77,674	82,139
Income taxes	21,904	23,081
Net earnings	<u>\$ 55,770</u>	<u>\$ 59,058</u>
Basic earnings per common share	\$ 0.40	\$ 0.42
Diluted earnings per common share	\$ 0.40	\$ 0.42
Cash dividends declared per common share	\$ 0.20	\$ 0.19

