
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

**Current Report
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): January 25, 2023

CVB FINANCIAL CORP.

(Exact name of registrant as specified in its charter)

California
(State or other jurisdiction of
incorporation or organization)

000-10140
(Commission
file number)

95-3629339
(I.R.S. employer
identification number)

701 North Haven Avenue, Ontario, California
(Address of principal executive offices)

91764
(Zip Code)

Registrant's telephone number, including area code: (909) 980-4030

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (See General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|----------------------------|----------------------|--|
| Common Stock, No Par Value | CVBF | The Nasdaq Stock Market, LLC |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter). Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 7.01 Regulation FD Disclosure.

The President and Chief Executive Officer and the Chief Financial Officer of CVB Financial Corp. (the "Company") will make presentations to institutional investors at various meetings throughout the first quarter of 2023. The January 2023 slide presentation, updated to reflect fourth quarter 2022 financial information, is included as Exhibit 99.1 of this report. The information in this report (including Exhibits 99.1) shall not be deemed to be "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liability of that section, and shall not be incorporated by reference into any registration statement or other documents filed under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by the specific reference in such filing. A copy of the slide presentation will be also available on the Company's website at www.cbbank.com under the "Investors" tab.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

| <u>Exhibit No.</u> | <u>Description</u> |
|--------------------|--|
| 99.1 | Copy of the CVB Financial Corp. January 2023 slide presentation. |
| 104 | Cover Page Interactive Data File (embedded within the Inline XBRL document) |

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CVB FINANCIAL CORP.

(Registrant)

Date: January 26, 2023

By: /s/ E. Allen Nicholson

E. Allen Nicholson

Executive Vice President and Chief Financial Officer



CVB Financial Corp.

January 2023



This presentation contains forward-looking statements that are intended to be covered by the safe harbor for such statements provided by the Private Securities Litigation Reform Act of 1995. These statements are based on the current beliefs and expectations of the management of CVB Financial Corp. and Citizens Business Bank (collectively, the “Company”) and are subject to significant risks and uncertainties that could cause actual results or performance to differ materially from those projected. You should not place undue reliance on these statements. Factors that could cause the Company’s actual results to differ materially from those described in the forward-looking statements include, among others, changes in the U.S. economy or local, regional and global business, economic and political conditions; the impacts of the ongoing COVID-19 pandemic; changes in laws or the regulatory environment, including trade, monetary and fiscal policies and laws; inflation or deflation, interest rate, market and monetary fluctuations; the effect of acquisitions we have made or may make; changes in the competitive environment, including technological changes; cybersecurity and fraud threats; changes in the commercial and residential real estate markets; changes in customer preferences, borrowing and savings habits; geopolitical conditions, threats of terrorism or military action, catastrophic events or natural disasters such as earthquakes, drought, pandemics, climate change and extreme weather; and unanticipated legal or regulatory proceedings. These factors also include those contained in the Company’s filings with the Securities and Exchange Commission, including the “Risk Factors” section of the Company’s Annual Report on Form 10-K for the year ended December 31, 2021. When considering these forward-looking statements, you should keep in mind these risks and uncertainties, as well as any cautionary statements that the Company or its management may make from time to time. These forward-looking statements speak solely as of the date they are made and are based only on information then actually known to the Company’s executives who are making the associated statements. The Company does not undertake to update any forward-looking statements except as required by law.

Non-GAAP Financial Measures—*Certain financial information provided in this presentation has not been prepared in accordance with U.S. generally accepted accounting principles (“GAAP”) and is presented on a non-GAAP basis. Investors and analysts should refer to the reconciliations included in this presentation and should consider the Company’s non-GAAP measures in addition to, not as a substitute for or as superior to, measures prepared in accordance with GAAP. These measures may or may not be comparable to similarly titled measures used by other companies.*



- Total Assets: \$16.5 Billion
- Gross Loans: \$ 9.1 Billion
- Total Deposits (Including Repos): \$13.4 Billion
- Total Equity: \$ 1.9 Billion

➤ Largest financial institution headquartered in the Inland Empire region of Southern California. Founded in 1974.



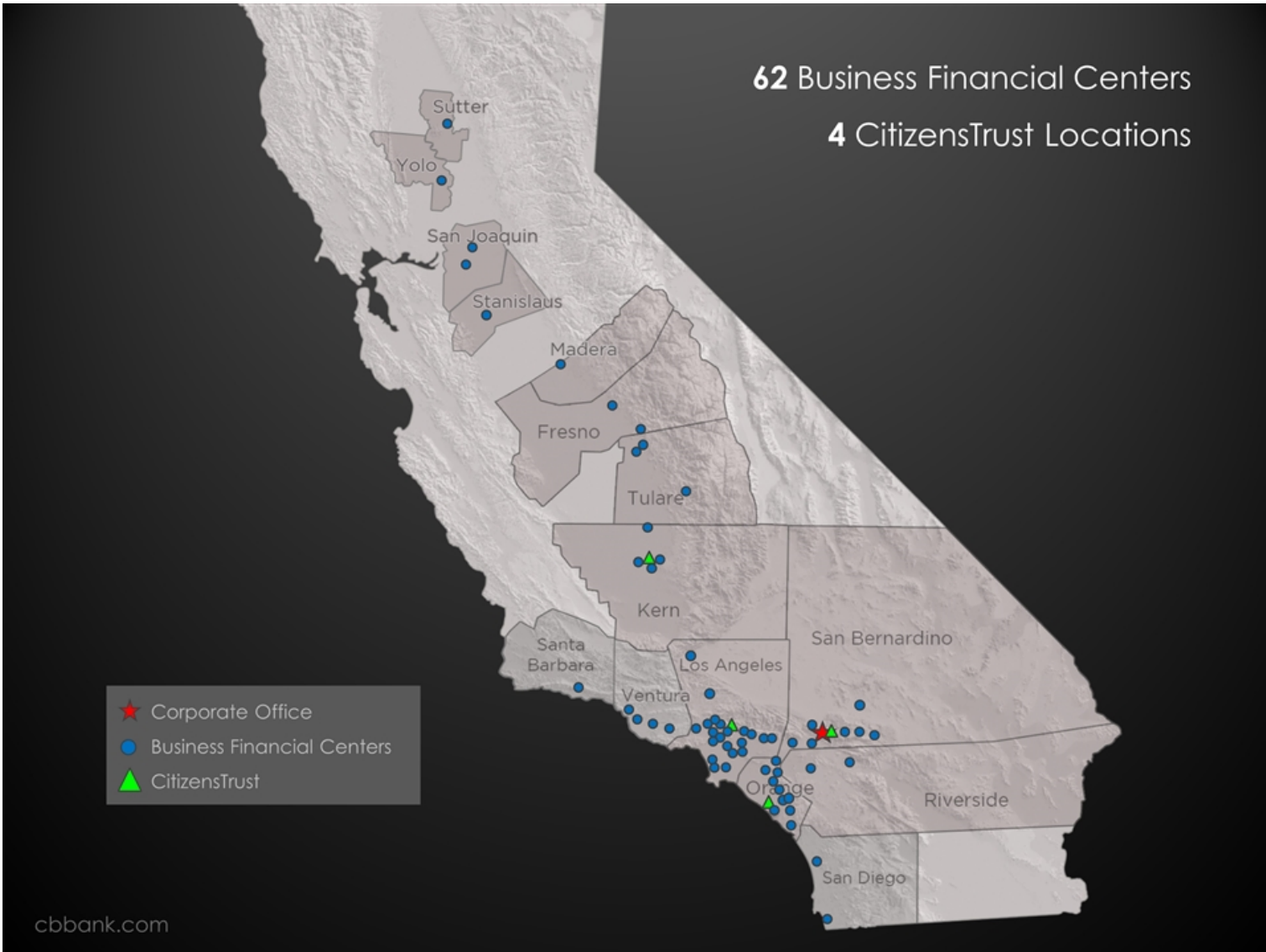
- 183 Consecutive Quarters of Profitability
- 133 Consecutive Quarters of Cash Dividends
- Ranked #4 Forbes, 2022 Best Banks in America (January 2022)
- Ranked #1 Forbes, 2021 Best Banks in America (January 2021)
- Ranked #1 Forbes, 2020 Best Banks in America (January 2020)
- Ranked #4 Forbes, 2019 Best Banks in America (January 2019)
- Ranked #2 Forbes, 2017 Best Banks in America (January 2017)
- Ranked #1 Forbes, 2016 Best Banks in America (January 2016)
- BauerFinancial Report
 - Five Star Superior Rating
 - ❖ 54 Consecutive Quarters
- Fitch Rating
 - BBB+ (April 2022)
- One of the 10 largest bank holding companies in CA

As of 1/13/2023
CVB Financial Corp. is the holding company for Citizens Business Bank
SNL Financial ranking of largest bank holding companies in CA, as of 12/31/2022

62 Business Financial Centers

4 CitizensTrust Locations

- ★ Corporate Office
- Business Financial Centers
- ▲ CitizensTrust





Citizens Business Bank will strive to become the premier financial services company operating throughout the state of California, servicing the comprehensive financial needs of successful small to medium sized businesses and their owners.



The best privately-held and/or family-owned businesses throughout California

- Annual revenues of \$1-300 million
- Top 25% in their respective industry
- Full relationship banking
- Build long-term relationships

De Novo

San Diego (2014)
Oxnard (2015)
Santa Barbara (2015)
San Diego (2017)
Stockton (2018)
Modesto (2020)



Acquisitions

American Security Bank (2014)
County Commerce Bank (2016)
Valley Business Bank (2017)
Community Bank (2018)
Suncrest Bank (2022)

Banks:

- Target size: \$1 billion to \$10 billion in assets
- Financial & Strategic
- In-market and/or adjacent geographic market (California)

Banking Teams:

- In-market
- New markets



Profitability

- ROATCE = 23.65%
- ROAA = 1.60%
- NIM = 3.69%
- Efficiency Ratio = 36.31%

Income Statement

- Q4 Net Income = \$66.2 million / EPS = \$0.47
- \$2.5 million provision for credit losses
- ~43% growth in pretax pre-provision income from Q4'21

Balance Sheet Growth QTR/QTR

- Core loan growth of \$189.7 million ~ 9% annualized
- Seasonal Dairy & livestock loan growth of \$123.8 million
- Average deposits decrease sequentially by \$527.9 million ~ 3.7%
- Loans-to-deposits 70.73%
- \$161 million average overnight borrowings

Asset Quality

- Q4 Net recoveries = \$16K
- NPA/TA = 0.03% (NPA = \$4.9 million)
- Classified loans = \$78.7 million or 0.87% of total loans
- ACL = \$85.1 million or 108% of classified loans

Capital

- CET1 Ratio = 13.5%
- Total Risk-Based Ratio = 14.4%
- Tangible Common Equity Ratio = 7.4%



Profitability

- ROATCE = 18.85%
- ROAA = 1.39%
- NIM = 3.30%
- Efficiency Ratio = 38.98%

Income Statement

- 2022 Net Income = \$235.4 million / EPS = \$1.67
- \$10.6 million provision for credit losses
- ~ 25% growth in pretax pre-provision income

Balance Sheet Growth YR/YR

- ~\$1.2 billion loan growth
- \$775 million loans acquired in Suncrest merger
- Core loan growth of \$634 million ~ 8%
- \$177 million PPP loan forgiveness
- \$700 million growth in investment portfolio
- Average deposit growth of \$1.6 billion ~ 13%
- ~\$1.2 billion deposits acquired in Suncrest merger

Asset Quality

- 2022 Net recoveries = \$893K
- \$2 million decline in NPA YR/YR
- YR/YR ACL increased from 0.82% of total loans to 0.94%

Capital

- CET1 Ratio = 13.5%
- Total Risk-Based Ratio = 14.4%
- Tangible Common Equity Ratio = 7.4%

Selected Ratios



| | | 2020 | 2021 | 2022 | Q4'21 | Q3'22 | Q4'22 |
|----------------|--|--------|--------|---------|--------|---------|---------|
| Performance | ROATCE | 14.25% | 15.93% | 18.85% | 13.89% | 21.34% | 23.65% |
| | NIM | 3.59% | 2.97% | 3.30% | 2.79% | 3.46% | 3.69% |
| | Cost of Deposits | 0.12% | 0.04% | 0.05% | 0.03% | 0.05% | 0.08% |
| | Cost of Funds | 0.13% | 0.05% | 0.06% | 0.03% | 0.05% | 0.13% |
| | Efficiency Ratio | 41.40% | 41.09% | 38.98% | 41.80% | 36.59% | 36.31% |
| | NIE % Avg. Assets | 1.49% | 1.24% | 1.28% | 1.19% | 1.25% | 1.32% |
| Credit Quality | NPA % Total Assets | 0.12% | 0.04% | 0.03% | 0.04% | 0.06% | 0.03% |
| | Net Charge-Offs (Recoveries) to Avg. Loans | 0.00% | 0.04% | (0.01%) | 0.00% | (0.00%) | (0.00%) |
| Capital | CET1 Ratio | 14.8% | 14.9% | 13.5% | 14.9% | 13.5% | 13.5% |
| | Total Risk-Based Capital Ratio | 16.2% | 15.6% | 14.4% | 15.6% | 14.3% | 14.4% |

Selected Highlights



| (\$ in Thousands) | | 2019 | 2020 | 2021 | 2022 | 3 YR CAGR |
|-------------------|--|------------|------------|-----------|-----------|-----------|
| Income Statement | Net Interest Income | \$ 435,772 | \$ 416,053 | \$414,550 | \$505,513 | 5% |
| | Noninterest Income | 59,042 | 49,870 | 47,385 | 49,989 | -5% |
| | Noninterest Expense (excl. Acq. exp.) | 192,293 | 192,903 | 188,825 | 210,542 | 3% |
| | Acquisition Expense | 6,447 | - | 962 | 6,013 | |
| | PTPP | 296,074 | 273,020 | 272,148 | 338,947 | 5% |
| | Provision for (Recapture of) Credit Losses | 5,000 | 23,500 | (25,500) | 10,600 | 28% |
| | Earnings before Income Taxes | 291,074 | 249,520 | 297,648 | 328,347 | 4% |
| | Net Income | \$207,827 | \$177,159 | \$212,521 | \$235,425 | 4% |
| | Operating Leverage | - | -7.4% | -0.4% | 9.1% | |

Selected Highlights

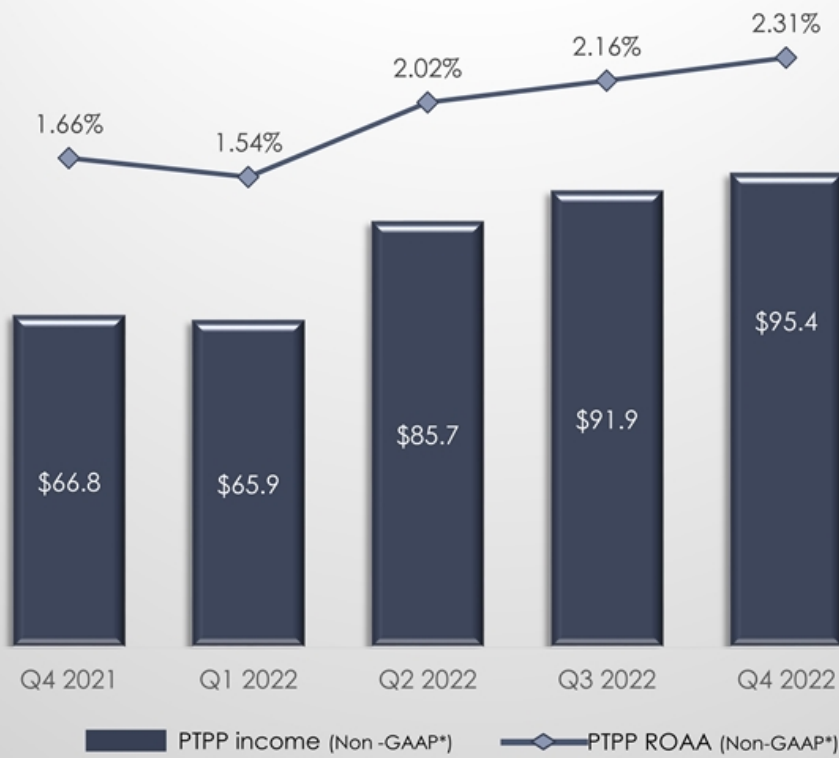


| (\$ in Thousands) | | 2019 | 2020 | 2021 | 2022 | 3 YR CAGR |
|-----------------------|---|--------------|--------------|--------------|--------------|-----------|
| Average Balance Sheet | Average Loans | \$ 7,552,505 | \$ 8,066,483 | \$ 8,065,877 | \$ 8,676,820 | 5% |
| | Average PPP Loans | - | 699,807 | 614,146 | 75,853 | - |
| | Average Total Securities | 2,339,554 | 2,504,020 | 4,058,459 | 5,939,554 | 36% |
| | Average Noninterest-bearing Deposits | 5,177,035 | 6,281,989 | 7,817,627 | 8,839,577 | 20% |
| | Average Total Deposits & Customer Repurchase Agreements | 9,148,358 | 10,738,513 | 13,053,151 | 14,637,965 | 17% |
| | Average Borrowings | 102,647 | 31,448 | 13,589 | 40,655 | -27% |
| | Loan-to-deposit | 86.68% | 78.63% | 64.82% | 61.69% | |

Pretax-Pre Provision Income



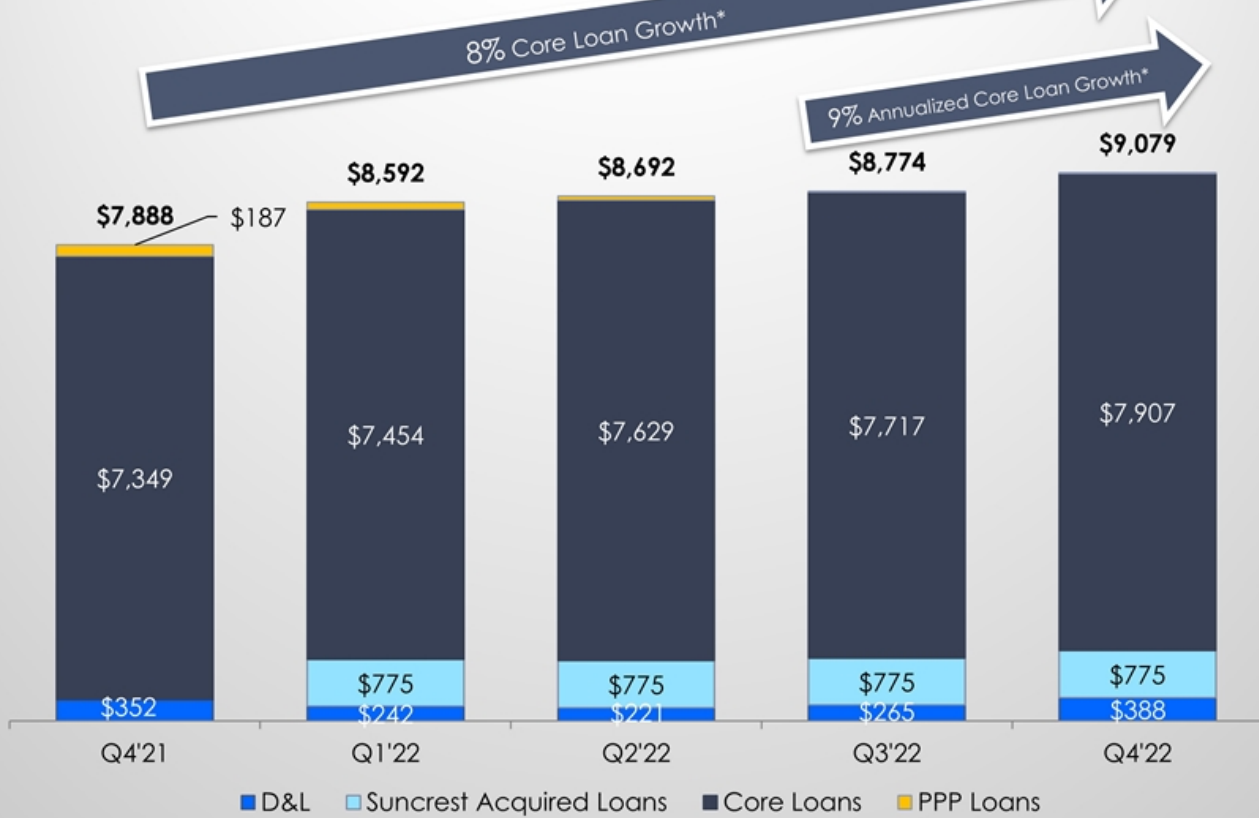
(\$ in Millions)



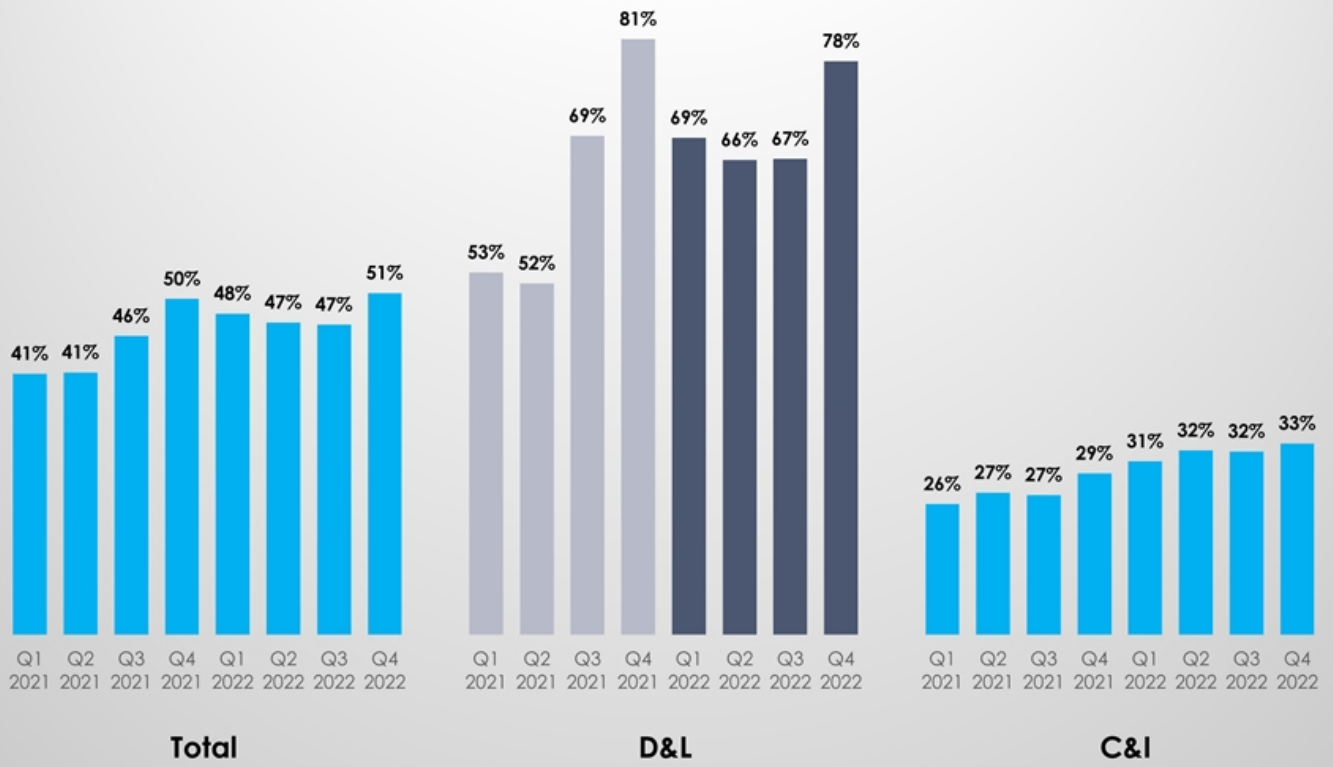
Quality Loan Growth



Balances as of period-end
(\$ in Millions)



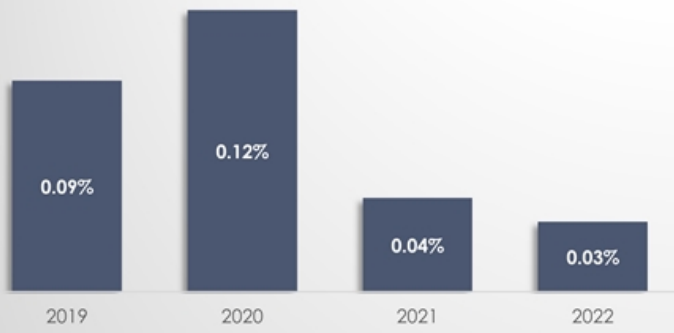
Line Utilization Trends



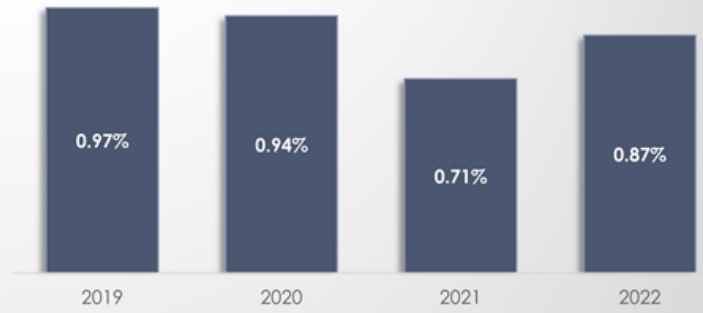
Credit Quality



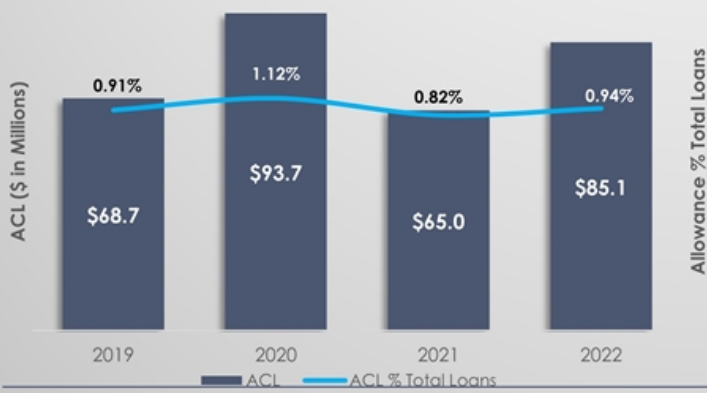
NPA % Total Assets



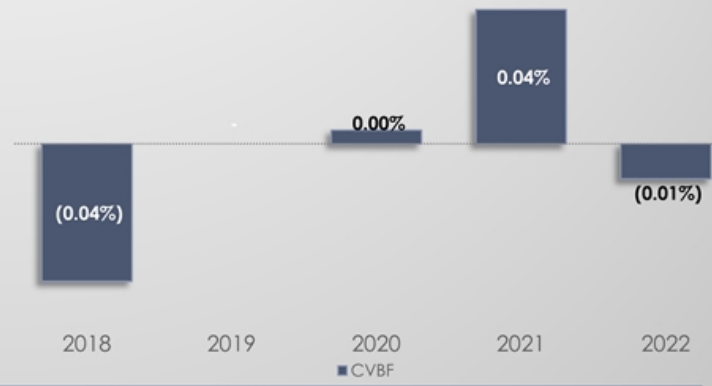
Classified Loans % Total Loans



Allowance for Credit Losses



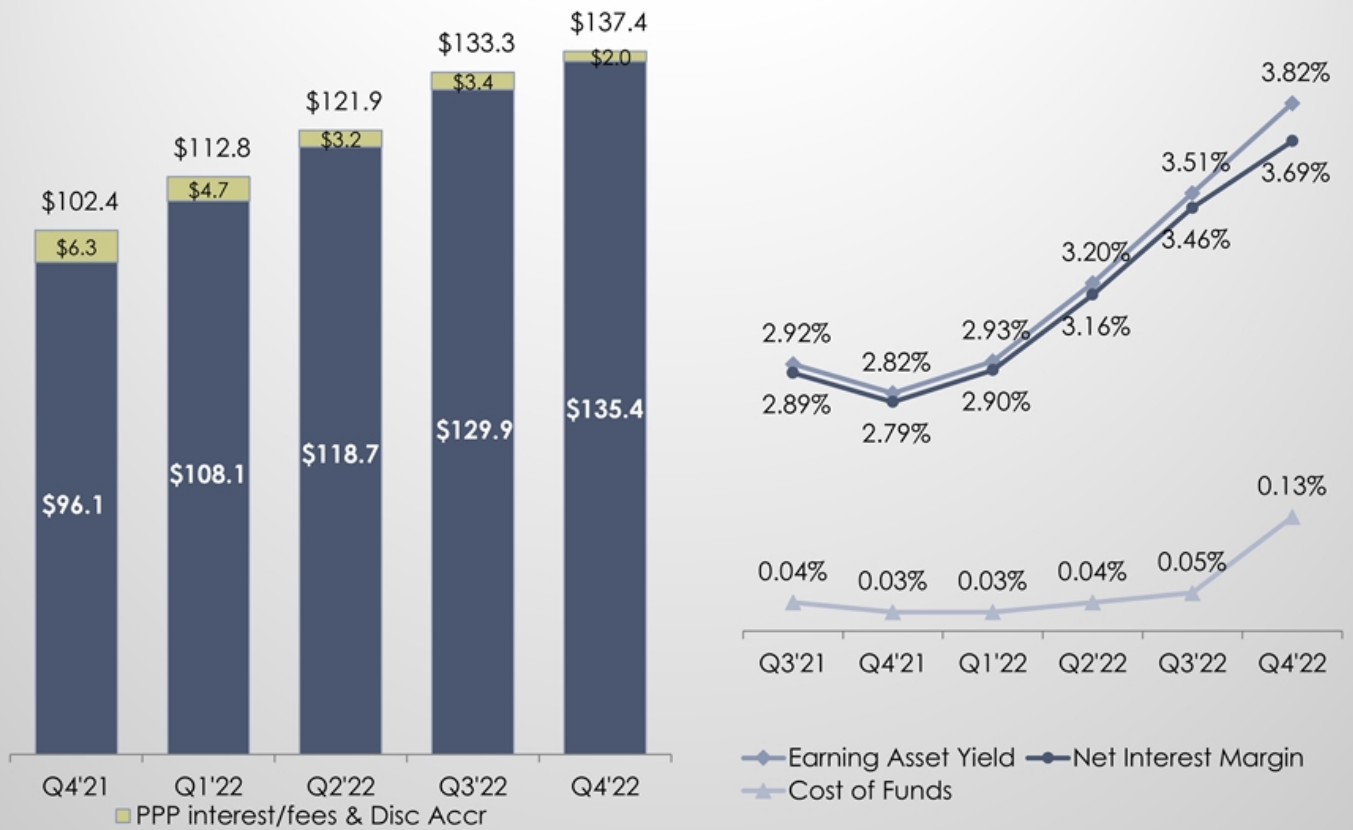
Net Charge-Offs (Recoveries) to Average Loans



Net Interest Income and NIM



(\$ in Millions)

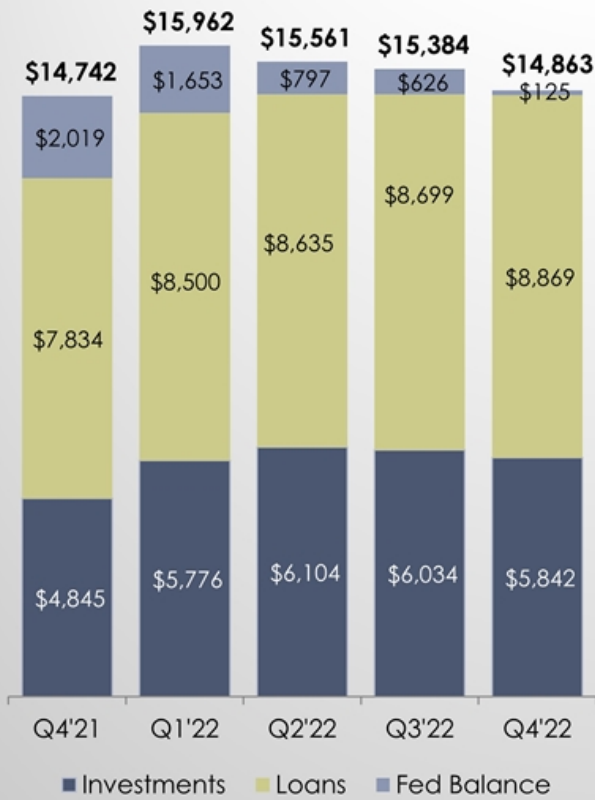


Earning Assets



(\$ in Millions)

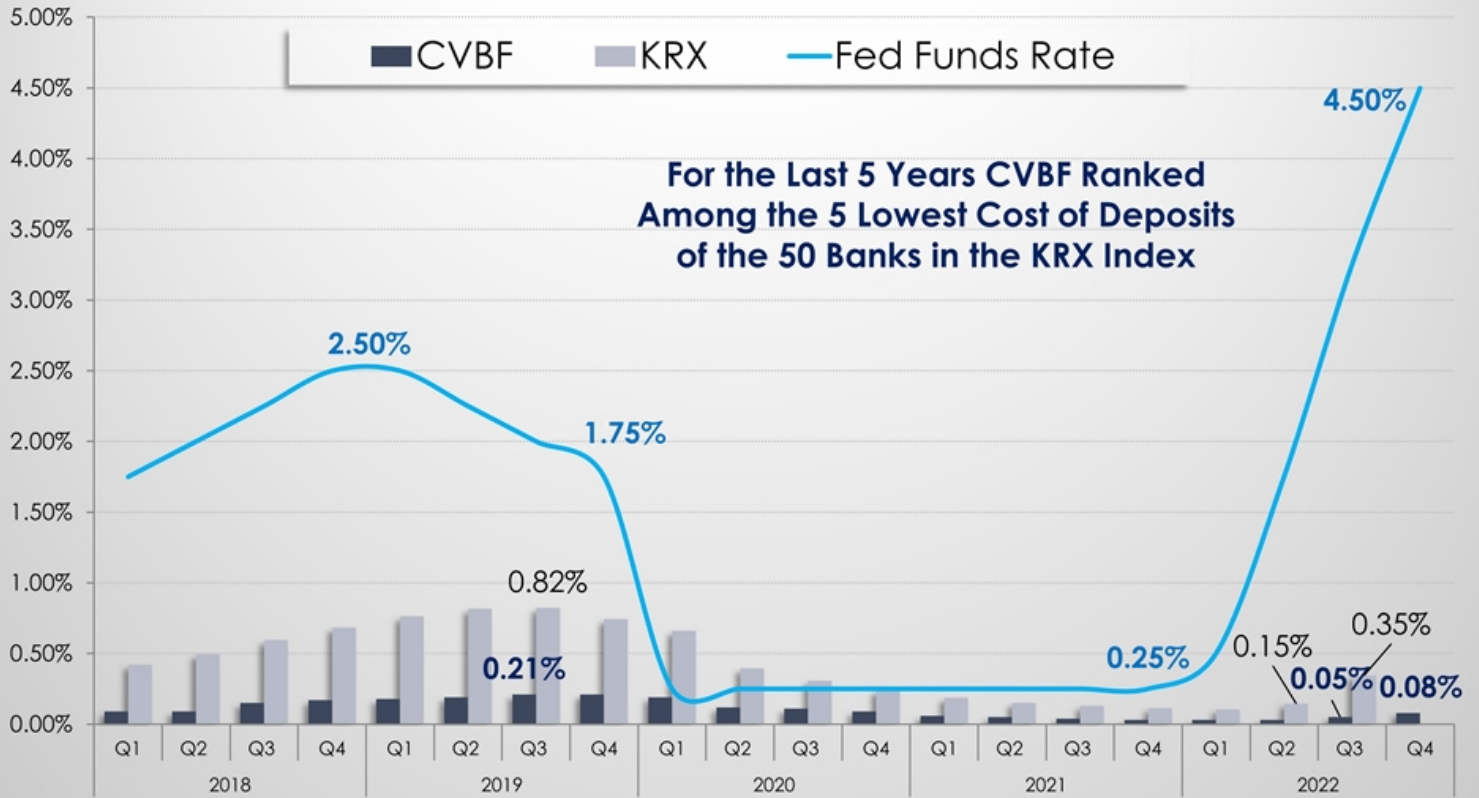
Average Earning Assets



Yields



Cost of Deposits





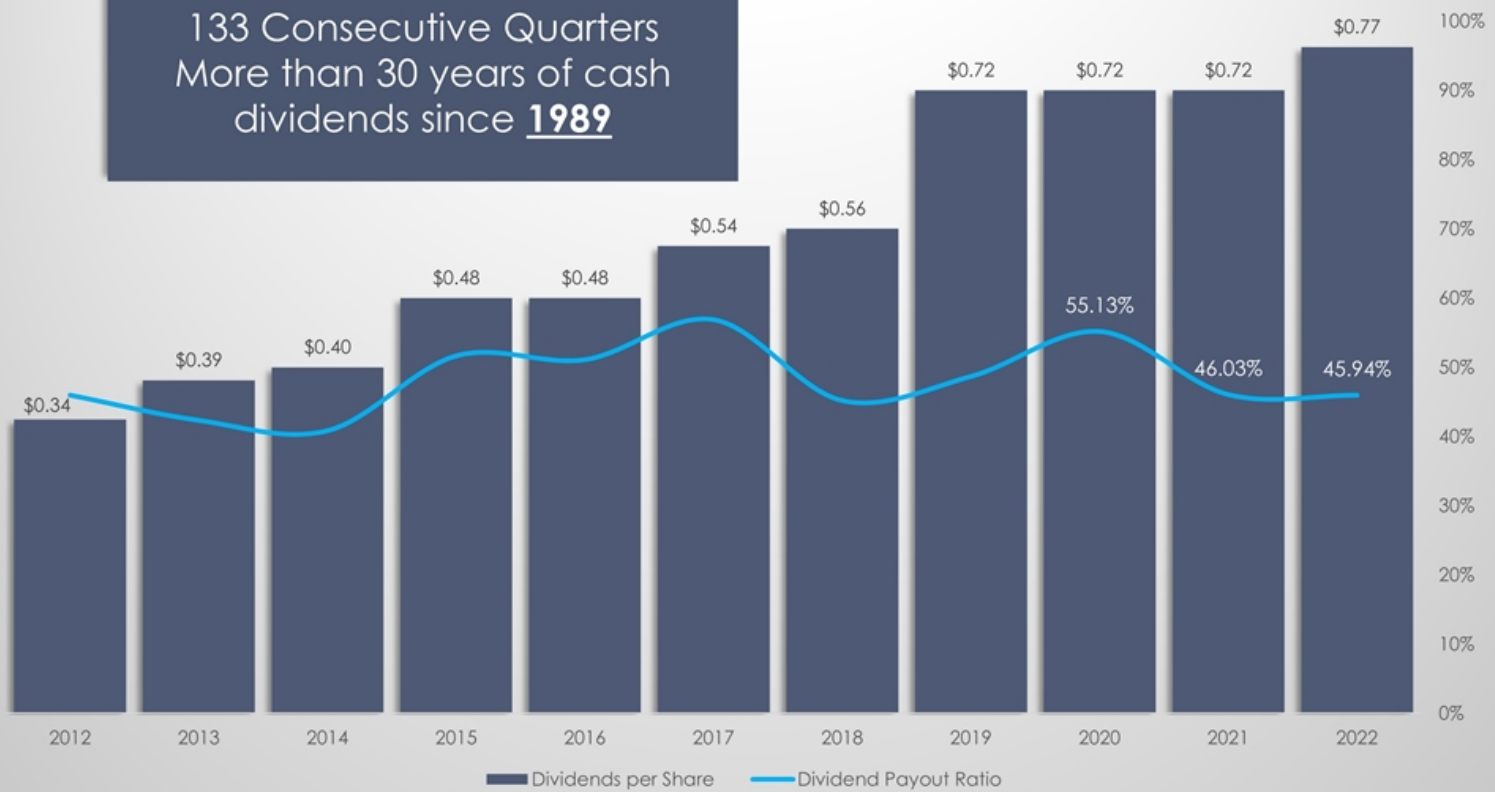
- **Repurchase Program up to 10 Million Shares**
- **2022 – 4.9 million shares repurchased**
 - ASR \$70 million (2,994K shares retired)
 - 10b5-1 Stock Repurchases (1,915K shares)
- **Impact of Suncrest Acquisition and Share Repurchase Program on CVBF Common Stock**

| | <u>Common Shares Outstanding</u> | | <u>Common Stock</u> |
|------------------------------|--------------------------------------|-----------|-------------------------|
| | <i>(in 000s)</i> | | |
| Balance at 12/31/2021 | 135,526 | \$ | 1,209,903 |
| Suncrest issued | 8,617 | | 197,069 |
| ASR Program shares retired | (2,994) | | (70,000) |
| 10b5-1 Shares repurchased | (1,915) | | (44,860) |
| | <u>139,235</u> | <u>\$</u> | <u>1,292,112</u> |

Dividends – 133 Consecutive Quarters



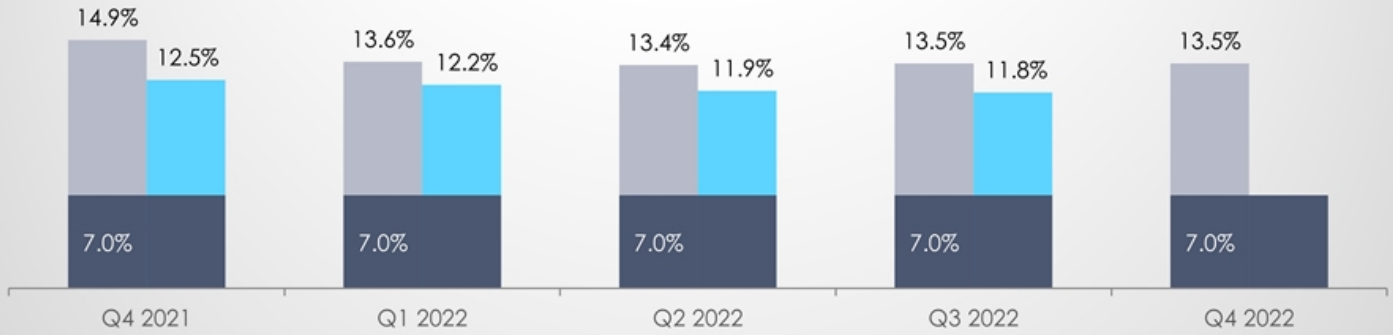
133 Consecutive Quarters
More than 30 years of cash
dividends since **1989**



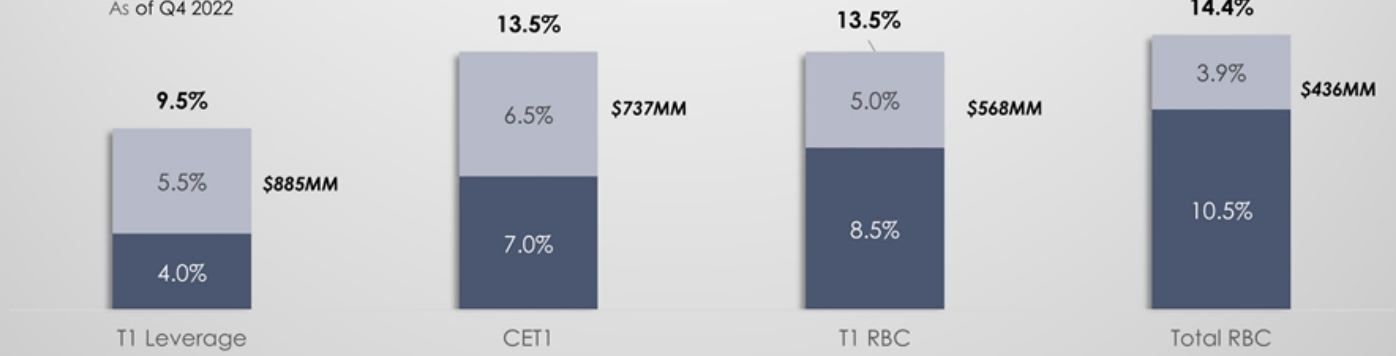
Strong Capital Ratios



■ CVBF CET1 % ■ KRX Avg CET1 % ■ Regulatory Min.



Capital Ratios As of Q4 2022



■ Regulatory Minimum + Capital Conservation Buffer ■ Excess Capital



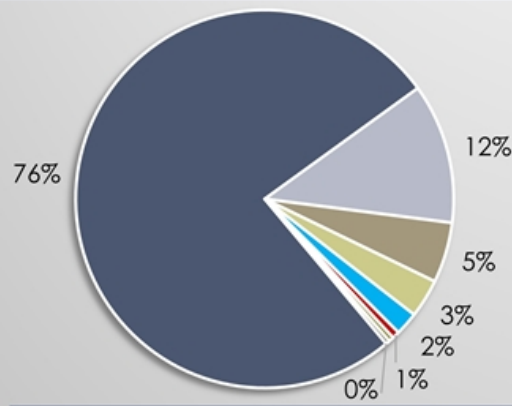
Highlights

- ✓ Provision for credit loss of \$2.5M in Q4 2022
- ✓ Lifetime historical loss models - Macroeconomic variables include GDP, Unemployment Rate, & CRE price index
- ✓ Weighting of multiple forecasts

Key Economic Assumptions – Weighted Forecast

| | FY'23 | FY'24 | FY'25 |
|--------------|-------|-------|-------|
| GDP % Change | 0.3% | 1.3% | 2.8% |
| Unempl. Rate | 4.8% | 5.1% | 4.5% |

Q4 2022 Allowance by Portfolio

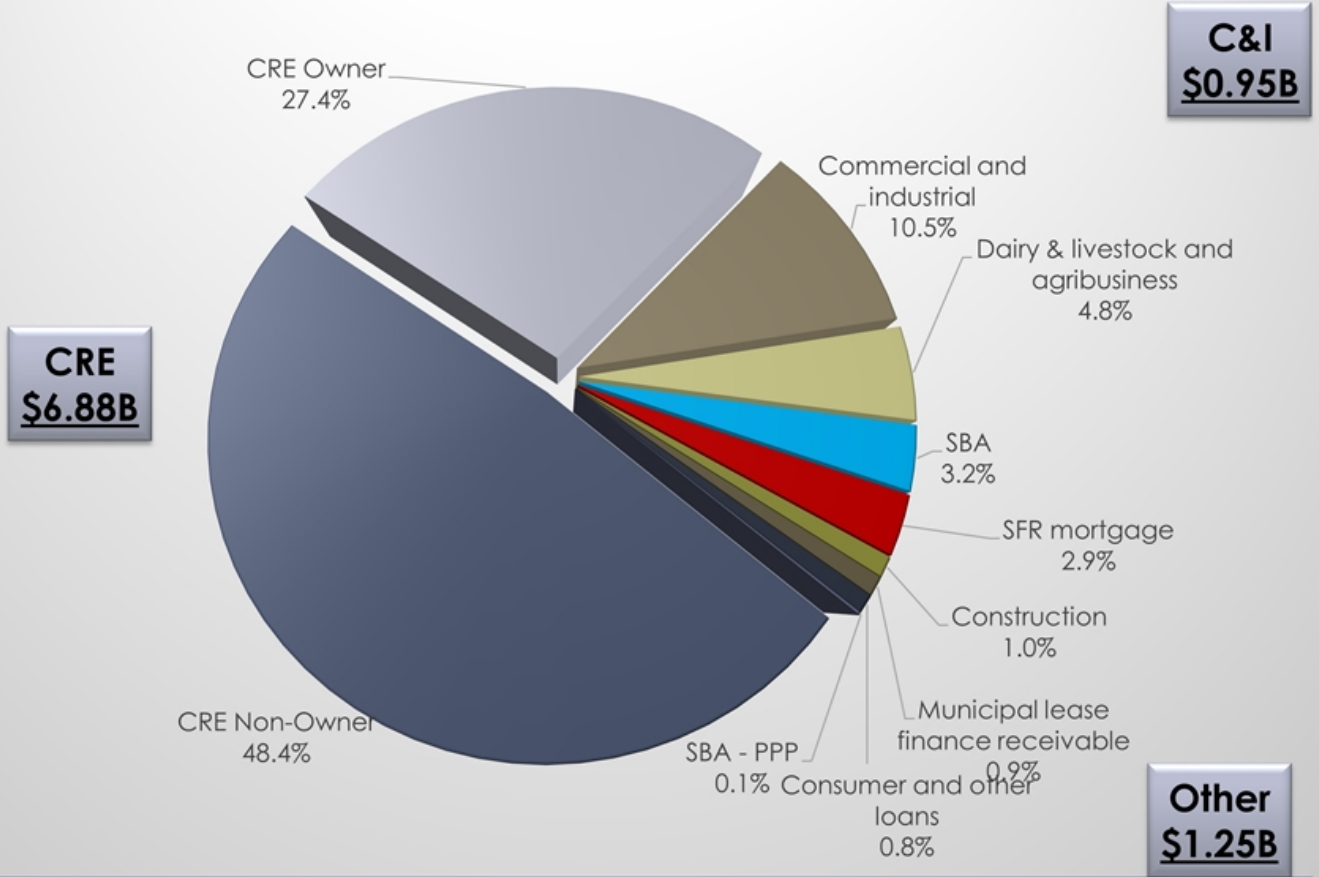


Allowance for Credit Losses – by Loan Type

| Segmentation | 9/30/2022 | | 12/31/2022 | | Variance | |
|----------------------------------|---------------|--------------|---------------|--------------|--------------|--------------|
| | ACL Balance | % of Loans | ACL Balance | % of Loans | ACL Balance | % of Loans |
| C&I | \$7.1 | 0.75% | \$10.2 | 1.08% | \$ 3.1 | 0.33% |
| SBA | \$2.8 | 0.95% | \$2.8 | 0.97% | \$0.0 | 0.02% |
| Real estate: | | | | | | |
| Commercial RE | \$64.9 | 0.97% | \$64.8 | 0.94% | \$(0.1) | -0.03% |
| Construction | \$1.7 | 2.25% | \$1.7 | 1.93% | \$0.0 | -0.32% |
| SFR Mortgage | \$0.4 | 0.12% | \$0.4 | 0.14% | \$0.0 | 0.02% |
| Dairy & livestock | \$5.0 | 1.55% | \$4.4 | 1.01% | \$(0.6) | -0.54% |
| Municipal lease | \$0.2 | 0.31% | \$0.3 | 0.36% | \$0.1 | 0.05% |
| Consumer and other | \$0.5 | 0.60% | \$0.5 | 0.69% | \$0.0 | 0.09% |
| Sub Total (Excluding PPP) | \$82.6 | 0.94% | \$85.1 | 0.94% | \$2.5 | 0.00% |
| PPP | \$0.0 | 0.00% | \$0.0 | 0.00% | \$0.0 | 0.00% |
| Total | \$82.6 | 0.94% | \$85.1 | 0.94% | \$2.5 | 0.00% |

- Commercial real estate: 76%
- Commercial and industrial: 12%
- Dairy & livestock and agribusiness: 5%
- SBA: 3%
- Construction: 2%
- Consumer and other loans: 1%
- SFR mortgage: 1%
- Municipal lease finance receivable: 0%
- PPP: 0%

Loans by Type



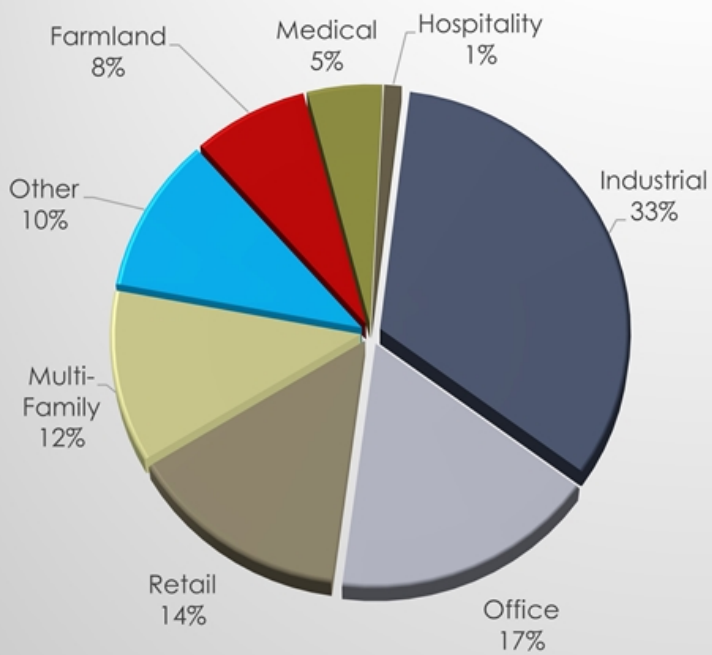
Loans by Region



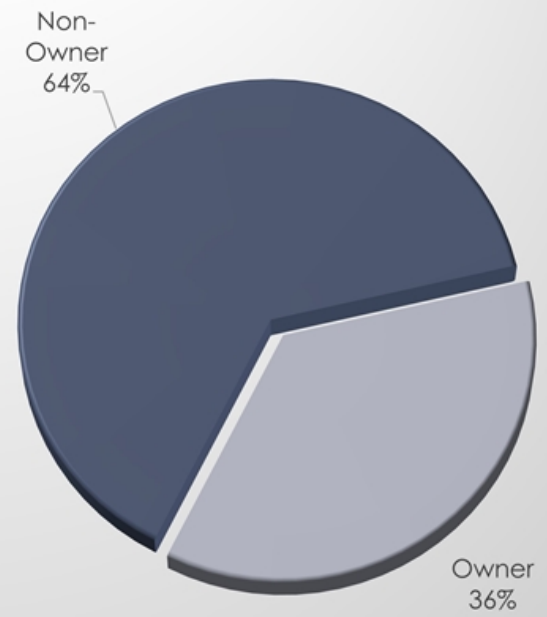
| (\$ in Thousands) | # of Center Locations (12/31/22) | Average Loans per Location | Total Loans (12/31/22) | % |
|--|----------------------------------|----------------------------|------------------------|---------------|
| Los Angeles County | 21 | \$159,120 | \$ 3,341,516 | 36.8% |
| Central Valley and Sacramento | 15 | 148,310 | 2,224,652 | 24.5% |
| Orange County | 10 | 112,390 | 1,123,896 | 12.4% |
| Inland Empire (Riverside & San Bernardino Counties) | 9 | 116,410 | 1,047,693 | 11.5% |
| Central Coast | 5 | 96,083 | 480,415 | 5.3% |
| San Diego | 2 | 168,749 | 337,497 | 3.7% |
| Other California | | | 144,835 | 1.6% |
| Out of State | | | 378,888 | 4.2% |
| Total | 62 | \$146,442 | \$ 9,079,392 | 100.0% |



Collateral Type



Owner/Non-Owner Occupied



CRE by Collateral

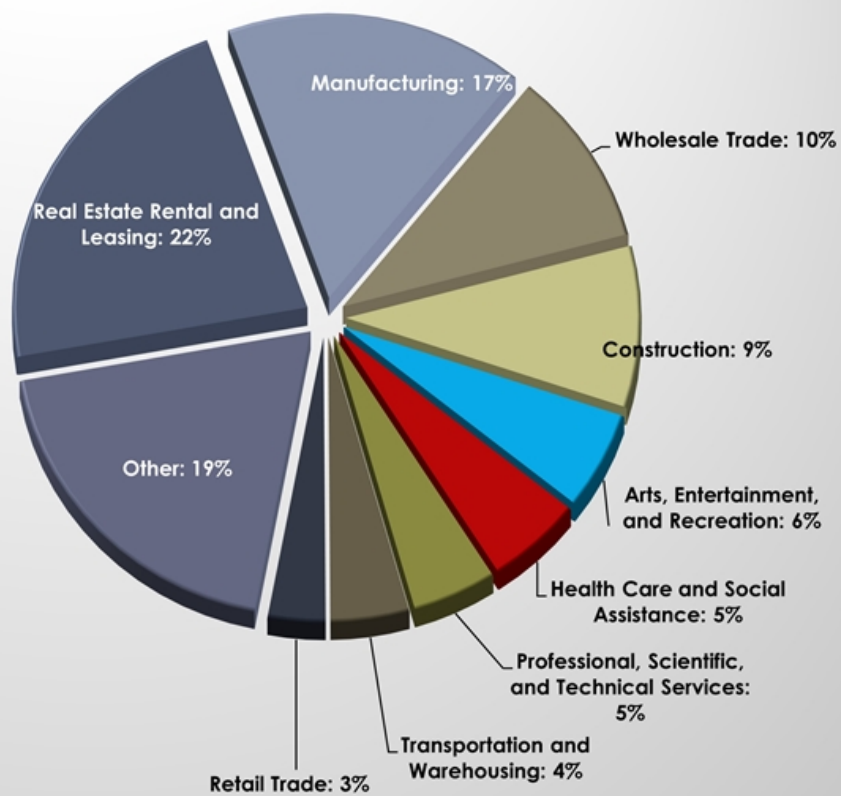


| Collateral Type | Balance (\$ in Millions) | % of Owner Occupied | LTV at Origination | Avg. Size (\$ in Thousands) | Origination Year | | | | | | |
|-----------------|--------------------------|---------------------|--------------------|-----------------------------|------------------|------------|------------|-----------|-----------|-----------|-----------------|
| | | | | | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 or earlier |
| Industrial | \$ 2,280 | 48% | 50% | \$ 1,597 | 21% | 20% | 12% | 7% | 8% | 9% | 23% |
| Office | 1,175 | 24% | 55% | 1,723 | 22% | 15% | 17% | 10% | 6% | 7% | 23% |
| Retail | 982 | 10% | 48% | 1,719 | 22% | 19% | 13% | 7% | 9% | 7% | 23% |
| Multi-Family | 794 | 1% | 50% | 1,527 | 22% | 19% | 20% | 12% | 9% | 3% | 15% |
| Other | 722 | 47% | 47% | 1,394 | 19% | 20% | 8% | 11% | 9% | 8% | 25% |
| Farmland | 518 | 99% | 45% | 1,496 | 20% | 17% | 22% | 11% | 6% | 8% | 16% |
| Medical | 336 | 34% | 59% | 1,580 | 12% | 17% | 13% | 6% | 8% | 8% | 36% |
| Hospitality | 78 | 26% | 43% | 3,127 | 0% | 8% | 13% | 19% | 11% | 13% | 36% |
| Total | \$ 6,885 | 36% | 50% | \$ 1,600 | 20% | 18% | 15% | 9% | 8% | 8% | 22% |

C&I by Industry



| Industry | Balance (\$ in Millions) | % of C&I Total |
|--|--------------------------|----------------|
| Real Estate Rental and Leasing | \$ 211 | 22% |
| Manufacturing | 156 | 16% |
| Wholesale Trade | 95 | 10% |
| Construction | 87 | 9% |
| Arts, Entertainment, and Recreation | 53 | 6% |
| Health Care and Social Assistance | 50 | 5% |
| Professional, Scientific, and Technical Services | 44 | 5% |
| Transportation and Warehousing | 41 | 4% |
| Retail Trade | 30 | 3% |
| Other | 182 | 19% |
| Total | \$ 949 | 100% |

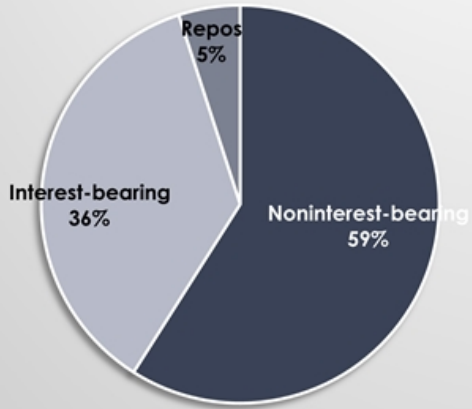


Relationship-Centered Deposit Base

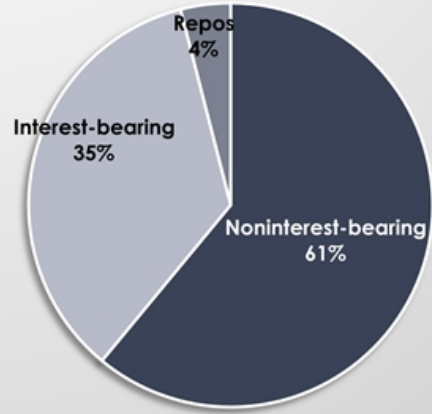


At December 31, 2022

December 31, 2021
Total Deposits & Customer Repos
\$13.6 Billion



December 31, 2022
Total Deposits & Customer Repos
\$13.4 Billion

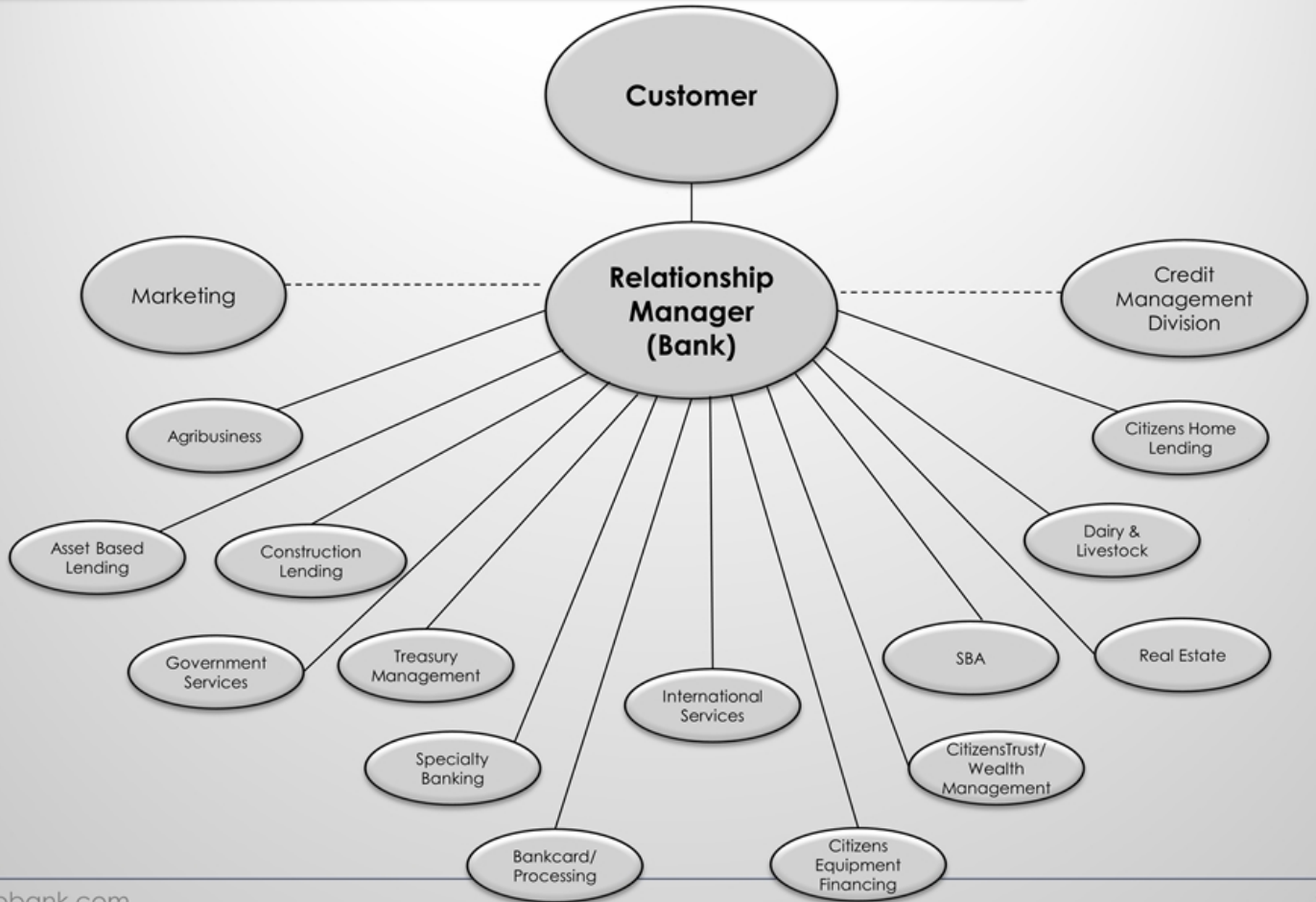


Deposits by Region



| (\$ in Thousands) | # of Center Locations (12/31/22) | Total Deposits (9/30/22) | Total Deposits (12/31/22) | Average Deposits per Center (12/31/22) |
|---|----------------------------------|--------------------------|---------------------------|--|
| Los Angeles County | 21 | \$5,546,882 | \$5,177,824 | \$246,563 |
| Inland Empire (Riverside & San Bernardino Counties) | 9 | 3,837,972 | 3,552,798 | 394,755 |
| Central Valley and Sacramento | 15 | 2,522,079 | 2,331,632 | 155,442 |
| Orange County | 10 | 1,889,755 | 1,796,647 | 179,665 |
| Central Coast | 5 | 453,556 | 450,786 | 90,157 |
| San Diego | 2 | 89,820 | 91,905 | 45,953 |
| Other | | 180 | 84 | |
| Total | 62 | \$14,340,243 | \$13,401,676 | \$216,156 |
| Average Cost of Deposits* (Annualized) | | 0.05% | 0.08% | |

*Includes Customer Repurchase Agreements.





Leveraging technology, digital transformation and data to better serve our clients and associates

Recently Completed

- Powerful personal and business online banking and mobile apps with Remote Deposit
- Personal financial management integration
- Same-day ACH, Personal External Transfers
- Intuitive, customizable, and targeted customer Online Banking training
- Zelle® person-to-person payments
- Digital solutions for online, contactless, and mobility payments and notification alerts
- Intelligent asset management tools for marketing distribution and business intelligence usage
- Enhanced Debit Card management and client controls
- Secure file transfer platform for payments
- Enhanced self-service Online Banking functionality

Ongoing Technology Solutions

- Online Banking enhanced reporting and third party Fin Tech developer integrations
- Third-party accounting payment platform integrations
- Integrated Receivables and Payables
- Advanced merchant payment technology, integration, and intuitive client decision portal
- Robotic Process Automation driving efficiencies and customer service
- Enhanced Data Management reporting driving sales opportunities and efficiencies with customer 360 reporting
- Commercial loan workflow integration
- Treasury Management onboarding solutions
- Online Sales enablement tools



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Appendix
Non-GAAP Reconciliation

Reconciliation of Return on Average Tangible Common Equity (Non-GAAP)



The return on average tangible common equity is a non-GAAP disclosure. We use certain non-GAAP financial measures to provide supplemental information regarding our performance. We believe that presenting the return on average tangible common equity provides additional clarity to the users of our financial statements.

| | For the Year Ended December 31, | | | | Three Months Ended | | |
|---|---------------------------------|--------------|--------------|--------------|----------------------|-----------------------|----------------------|
| | 2019 | 2020 | 2021 | 2022 | December 31, 2021 | September 30, 2022 | December 31, 2022 |
| | (Dollars in thousands) | | | | | | |
| Net Income | \$ 207,827 | \$ 177,159 | \$ 212,521 | \$ 235,425 | \$ 47,696 | \$ 64,639 | \$ 66,168 |
| Add: Amortization of intangible assets | 10,798 | 9,352 | 8,240 | 7,566 | 1,892 | 1,846 | 1,724 |
| Less: Tax effect of amortization of intangible assets [1] | (3,192) | (2,765) | (2,436) | (2,237) | (559) | (546) | (510) |
| Tangible net income | \$ 215,433 | \$ 183,746 | \$ 218,325 | \$ 240,754 | \$ 49,029 | \$ 65,939 | \$ 67,382 |
| Average stockholders' equity | \$ 1,939,961 | \$ 1,991,664 | \$ 2,063,360 | \$ 2,066,463 | \$ 2,090,746 | \$ 2,016,198 | \$ 1,918,983 |
| Less: Average goodwill | (665,026) | (663,707) | (663,707) | (764,143) | (663,707) | (765,822) | (765,822) |
| Less: Average intangible assets | (48,296) | (38,203) | (29,328) | (25,376) | (26,216) | (24,396) | (22,610) |
| Average tangible common equity | \$ 1,226,639 | \$ 1,289,754 | \$ 1,370,325 | \$ 1,276,944 | \$ 1,400,823 | \$ 1,225,980 | \$ 1,130,551 |
| Return on average equity, annualized [2] | 10.71% | 8.90% | 10.30% | 11.39% | 9.05% | 12.72% | 13.68% |
| Return on average tangible common equity, annualized [2] | 17.56% | 14.25% | 15.93% | 18.85% | 13.89% | 21.34% | 23.65% |

[1] Tax effected at respective statutory rates.

[2] Annualized where applicable.

Reconciliation of PTPP Return on Average Assets (Non-GAAP)



The Pretax-pre provision income ("PTPP") return on average assets is a non-GAAP disclosure. We use certain non-GAAP financial measures to provide supplemental information regarding our performance. We believe that presenting the return on average tangible common equity provides additional clarity to the users of our financial statements.

| | Year Ended December 31, | | | | Three Months Ended | | |
|--|-------------------------------|---------------|---------------|---------------|--------------------|--------------------|-------------------|
| | 2019 | 2020 | 2021 | 2022 | December 31, 2021 | September 30, 2022 | December 31, 2022 |
| | <i>(Dollars in thousands)</i> | | | | | | |
| Net Income | \$ 207,827 | \$ 177,159 | \$ 212,521 | \$ 235,425 | \$ 47,696 | \$ 64,639 | \$ 66,168 |
| Add: Provision for(recapture of) credit losses | 5,000 | 23,500 | (25,500) | 10,600 | - | 2,000 | 2,500 |
| Add: Income tax expense | 83,247 | 72,361 | 85,127 | 92,922 | 19,104 | 25,262 | 26,773 |
| Pretax-pre provision income | \$ 296,074 | \$ 273,020 | \$ 272,148 | \$ 338,947 | \$ 66,800 | \$ 91,901 | \$ 95,441 |
| Average total assets | \$ 11,302,901 | \$ 12,929,813 | \$ 15,350,521 | \$ 16,911,661 | \$ 16,011,935 | \$ 16,871,888 | \$ 16,395,160 |
| Return on average assets [1] | 1.84% | 1.37% | 1.38% | 1.39% | 1.18% | 1.52% | 1.60% |
| PTPP Return on average assets [1] | 2.62% | 2.11% | 1.77% | 2.00% | 1.66% | 2.16% | 2.31% |

[1] Annualized where applicable.



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