



CVB Financial Corp.

STATEMENT OF CONDITION

September 30, 2021

President's Message

CVB Financial Corp. reported net earnings of \$49.8 million for the quarter ended September 30, 2021, compared with \$51.2 million for the second quarter of 2021 and \$47.5 million for the third quarter of 2020. We announced our 178th consecutive quarter of profitability and our 128th consecutive cash dividend paid to shareholders.

Citizens Business Bank remains well positioned to take advantage of the improving economic environment in California. According to various economic reports, many sectors of the California economy have recovered to their pre-pandemic levels. However, over the past three to six months, supply chain interruptions and labor shortages have impacted many of the businesses and industries that we serve. We continue to remain focused on assisting our customers with any negative effects of these issues on their businesses.

The third quarter of 2021 included relatively strong core loan growth, as well as sound credit metrics and a declining allowance for credit losses. We recorded a recapture of provision for credit losses of \$4 million for the third quarter of 2021. As of September 30, 2021, greater than 99% of our customers' \$1.1 billion in Paycheck Protection Program (PPP) round one loans have been forgiven by the Small Business Administration. Of the \$420 million of loans we originated in PPP round two, we had remaining loans outstanding of \$287 million as of September 30, 2021.

Our pre-tax pre-provision earnings remain strong despite the ongoing impact of the low interest rate environment and prevailing lower line utilization rates due to strong customer liquidity. We believe that our net interest margin will increase in a rising rate environment and we are seeing the steady improvement in our loan pipeline from previous quarters translate into solid loan growth. In August, we officially opened a de novo office, our Modesto Business Financial Center, to increase our presence in California's Central Valley area. We are excited about our announced acquisition of Suncrest Bank and the opportunities it provides to expand into the Sacramento market as well as to solidify our significant position in the Central Valley.

CitizensTrust, our wealth management division that provides trust, investment, and brokerage-related services, as well as financial, estate, and business succession planning, had approximately \$3.28 billion in assets under management and administration, including \$2.39 billion in assets under management, at quarter end.

Shares of CVB Financial Corp. common stock are listed on the 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 the website under the "Investors" tab.

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. Please stay healthy and safe.

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

Board of Directors

Raymond V. O'Brien III Chairman	George A. Borba Vice Chairman
David A. Brager President and CEO	Kristina M. Leslie Director
Stephen A. Del Guercio Director	Jane Olvera Director
Anna Kan Director	Hal W. Oswalt Director
Marshall V. Laitsch Director	Rodrigo Guerra, Jr. Director

Leadership Team

David A. Brager President and CEO	E. Allen Nicholson EVP, Chief Financial Officer
David C. Harvey EVP, Chief Operations Officer	David F. Farnsworth EVP, Chief Credit Officer
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
Richard H. Wohl EVP, General Counsel	Elsa I. Zavala EVP, Chief Information Security Officer
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	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

128

CONSECUTIVE QUARTERS
OF CASH DIVIDENDS PAID

178

CONSECUTIVE QUARTERS
OF PROFITABILITY

\$49.8 million

NET INCOME
as of 9.30.21

#1 Best Bank
IN AMERICA
Forbes, 2021

Five-Star
SUPERIOR RATING
BauerFinancial, 2020

Super Premier
PERFORMING BANK
Findley Reports, 2020

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 \$15 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 through over 50 banking centers and 3 trust office locations serving the Inland Empire, Los Angeles County, Orange County, San Diego County, Ventura County, Santa Barbara County, and the Central Valley area of California.

Condensed Consolidated Balance Sheets

<i>(Dollars in thousands, except share amounts)</i> <i>(Unaudited)</i>	September 30, 2021	December 31, 2020
Assets		
Cash and due from banks	\$ 159,563	\$ 122,305
Interest-earning balances due from Federal Reserve	2,401,800	1,835,855
Total cash and cash equivalents	<u>2,561,363</u>	<u>1,958,160</u>
Interest-earning balances due from depository institutions	27,260	43,563
Investment securities available-for-sale, at fair value (with amortized cost of \$2,916,300 at September 30, 2021, and \$2,344,174 at December 31, 2020)	2,925,060	2,398,923
Investment securities held-to-maturity (with fair value of \$1,717,230 at September 30, 2021, and \$604,223 at December 31, 2020)	1,710,938	578,626
Total investment securities	<u>4,635,998</u>	<u>2,977,549</u>
Investment in stock of Federal Home Loan Bank (FHLB)	17,688	17,688
Loans and lease finance receivables	7,849,520	8,348,808
Allowance for credit losses	(65,364)	(93,692)
Net loans and lease finance receivables	<u>7,784,156</u>	<u>8,255,116</u>
Premises and equipment, net	49,812	51,144
Bank owned life insurance (BOLI)	251,781	226,818
Accrued interest receivable	30,253	31,306
Intangibles	27,286	33,634
Goodwill	663,707	663,707
Other real estate owned (OREO)	-	3,392
Income taxes	36,870	29,540
Other assets	115,424	127,697
Total assets	<u>\$ 16,201,598</u>	<u>\$ 14,419,314</u>
Liabilities and Stockholders' Equity		
Liabilities:		
Deposits:		
Noninterest-bearing	\$ 8,310,709	\$ 7,455,387
Interest-bearing	4,619,507	4,281,114
Total deposits	<u>12,930,216</u>	<u>11,736,501</u>
Customer repurchase agreements	659,579	439,406
Other borrowings	-	5,000
Deferred compensation	20,675	21,611
Junior subordinated debentures	-	25,774
Payable for securities purchased	421,751	60,113
Other liabilities	105,457	122,919
Total liabilities	<u>14,137,678</u>	<u>12,411,324</u>
Commitments and Contingencies		
Stockholders' Equity		
Common stock, authorized, 225,000,000 shares without par; issued and outstanding 135,516,404 at September 30, 2021, and 135,600,501 at December 31, 2020	1,208,569	1,211,780
Retained earnings	852,273	760,861
Accumulated other comprehensive income, net of tax	3,078	35,349
Total stockholders' equity	<u>2,063,920</u>	<u>2,007,990</u>
Total liabilities and stockholders' equity	<u>\$ 16,201,598</u>	<u>\$ 14,419,314</u>

Condensed Consolidated Statements of Earnings

<i>(Dollars in thousands, except per share amounts)</i> <i>(Unaudited)</i>	Three Months Ended September 30,	
	2021	2020
Interest income:		
Loans and leases, including fees	\$ 88,390	\$ 94,200
Investment securities:		
Investment securities available-for-sale	9,813	8,447
Investment securities held-to-maturity	5,188	3,375
Total investment income	15,001	11,822
Dividends from FHLB stock	258	215
Interest-earning deposits with other institutions	898	389
Total interest income	104,547	106,626
Interest expense:		
Deposits	1,113	2,958
Borrowings and customer repurchase agreements	135	232
Junior subordinated debentures	-	111
Total interest expense	1,248	3,301
Net interest income before (recapture of) provision for credit losses	103,299	103,325
(Recapture of) provision for credit losses	(4,000)	-
Net interest income after (recapture of) provision for credit losses	107,299	103,325
Noninterest income:		
Service charges on deposit accounts	4,513	3,970
Trust and investment services	2,681	2,405
Bankcard services	479	456
BOLI income	1,229	1,469
Gain on OREO, net	-	13
Gain on sale of building, net	-	1,680
Other	1,581	3,160
Total noninterest income	10,483	13,153
Noninterest expense:		
Salaries and employee benefits	29,741	31,034
Occupancy and equipment	5,122	5,275
Professional services	1,626	2,019
Computer software expense	3,020	2,837
Marketing and promotion	857	728
Amortization of intangible assets	2,014	2,292
(Recapture of) provision for unfunded loan commitments	-	-
Acquisition related expenses	809	-
Other	4,910	5,403
Total noninterest expense	48,099	49,588
Earnings before income taxes	69,683	66,890
Income taxes	19,930	19,398
Net earnings	\$ 49,753	\$ 47,492
Basic earnings per common share	\$0.37	\$0.35
Diluted earnings per common share	\$0.37	\$0.35
Cash dividends declared per common share	\$0.18	\$0.18

