



# Statement of Condition

June 30, 2017

## President's Message

CVB Financial Corp. ("CVBF") reported net income of \$28.4 million for the second quarter of 2017, an increase of \$2.9 million from the second quarter of 2016. The second quarter was our 161<sup>st</sup> consecutive quarter of profitability and 111<sup>th</sup> consecutive quarter of paying a cash dividend to our shareholders.

We are pleased to announce that Bank Director named CVBF as a Top 5 Bank in the United States among all banks with \$5 to \$50 billion in total assets. This is the fourth consecutive year we have received this honor.

During the second quarter we moved into our newly purchased operations and technology building located on Milliken Avenue in Rancho Cucamonga. This 50,000 square foot facility should provide us plenty of space for future growth as we continue to expand our banking presence.

Financial highlights for the second quarter include total assets of \$8.42 billion at June 30, 2017. Total loans and leases, net of deferred fees and discounts, of \$4.69 billion at June 30, 2017, were up \$293 million, or 6.66% from December 31, 2016. Total deposits, including customer repurchase agreements, were \$7.24 billion, up \$331 million, or 4.78% from December 31, 2016.

CitizensTrust, our wealth management division that provides trust, investment, and brokerage-related services, as well as financial, estate, and business succession planning, had approximately \$2.81 billion in assets under management and administration, including \$2.12 billion in assets under management at quarter end. Revenues were \$2.6 million for the second quarter of 2017, compared to \$2.5 million for the same period of 2016.

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, [www.cbbank.com](http://www.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 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

**Raymond V. O'Brien III**  
Chairman, CVB Financial Corp.

**Christopher D. Myers**  
President and Chief Executive Officer

**George A. Borba**  
Vice Chairman, CVB Financial Corp.

**Stephen A. Del Guercio**  
Director

**Hal W. Oswald**  
Director

**Kristina M. Leslie**  
Director

**Anna Kan**  
Director

**Rodrigo Guerra, Jr.**  
Director

## Executive Leadership Team

**Christopher D. Myers**  
President and Chief Executive Officer

**E. Allen Nicholson**  
Executive Vice President - Chief Financial Officer

**David A. Brager**  
Executive Vice President - Sales Division

**David F. Farnsworth**  
Executive Vice President - Chief Credit Officer

**David C. Harvey**  
Executive Vice President - Chief Operations Officer

**R. Daniel Banis**  
Executive Vice President - CitizensTrust

**Yamynn De Angelis**  
Executive Vice President - Chief Risk Officer

**Ted J. Dondanville**  
Executive Vice President - Commercial Banking & Senior Lender

**Hector G. Gutierrez**  
Executive Vice President - Deputy Chief Credit Officer

**Richard H. Wohl**  
Executive Vice President - General Counsel

**Elsa I. Zavala**  
Executive Vice President - Chief Information Officer

**G. Larry Zivelonghi**  
Executive Vice President - Dairy & Livestock Industries

## Senior Leadership Team

**David M. Krebs**  
Senior Vice President - Human Resources

**James E. Mead**  
Senior Vice President - Inland Empire Region

**Michael B. Mulcahy**  
Senior Vice President - Los Angeles Region

**Timothy B. Noone**  
Senior Vice President - San Gabriel Valley Region  
& Specialty Banking Group

**Mark C. Richardson**  
Senior Vice President - Real Estate Banking Group

**Michael D. Stain**  
Senior Vice President - Central Valley Region

**David S. Stong**  
Senior Vice President - San Diego Region

**Donald R. Toussaint**  
Executive Vice President - Ventura/Santa Barbara Region

**Robert E. Zeltner**  
Senior Vice President - Orange County Region

CVB Financial Corp. ("CVBF") is the holding company for Citizens Business Bank. CVBF is the ninth largest bank holding company headquartered in California with assets of approximately \$8.42 billion.

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 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

(Dollars in thousands, except share amounts)  
(unaudited)

	June 30, 2017	December 31, 2016
<b>Assets</b>		
Cash and due from banks	\$ 134,686	\$ 119,445
Interest-earning balances due from Federal Reserve	50,061	2,188
Total cash and cash equivalents	184,747	121,633
Interest-earning balances due from depository institutions	25,050	47,848
Investment securities available-for-sale, at fair value (with amortized cost of \$2,251,275 at June 30, 2017, and \$2,255,874 at December 31, 2016)	2,269,510	2,270,466
Investment securities held-to-maturity (with fair value of \$862,485 at June 30, 2017, and \$897,374 at December 31, 2016)	869,769	911,676
Total investment securities	3,139,279	3,182,142
Investment in stock of Federal Home Loan Bank (FHLB)	17,688	17,688
Loans and lease finance receivables	4,687,698	4,395,064
Allowance for loan losses	(60,201)	(61,540)
Net loans and lease finance receivables	4,627,497	4,333,524
Premises and equipment, net	47,362	42,086
Bank owned life insurance	145,441	134,785
Accrued interest receivable	22,135	22,259
Intangibles	7,519	5,010
Goodwill	119,193	89,533
Other real estate owned (OREO)	4,527	4,527
Income taxes	51,988	45,429
Asset held-for-sale	3,411	3,411
Other assets	22,366	23,832
<b>Total assets</b>	<b>\$ 8,418,203</b>	<b>\$ 8,073,707</b>
<b>Liabilities and Stockholders' Equity</b>		
Liabilities:		
Deposits:		
Noninterest-bearing	\$ 3,929,394	\$ 3,673,541
Interest-bearing	2,767,787	2,636,139
<b>Total deposits</b>	<b>6,697,181</b>	<b>6,309,680</b>
Customer repurchase agreements	546,085	603,028
Other borrowings	-	53,000
Deferred compensation	18,163	12,361
Junior subordinated debentures	25,774	25,774
Payable for securities purchased	16,346	23,777
Other liabilities	53,885	55,225
<b>Total liabilities</b>	<b>7,357,434</b>	<b>7,082,845</b>
<b>Commitments and Contingencies</b>		
Stockholders' Equity		
Common stock, authorized, 225,000,000 shares without par; issued and outstanding 110,149,314 at June 30, 2017, and 108,251,981 at December 31, 2016	571,958	531,192
Retained earnings	477,675	449,499
Accumulated other comprehensive income, net of tax	11,136	10,171
<b>Total stockholders' equity</b>	<b>1,060,769</b>	<b>990,862</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 8,418,203</b>	<b>\$ 8,073,707</b>

## Condensed Consolidated Statements of Earnings

(Dollars in thousands, except per share amounts) For the Three Months ended June 30,  
(unaudited) 2017 2016

	2017	2016
Interest income:		
<b>Loans and leases, including fees</b>	<b>\$ 53,614</b>	<b>\$ 50,257</b>
Investment securities:		
Investment securities available-for-sale	13,007	12,018
Investment securities held-to-maturity	5,323	4,743
<b>Total investment income</b>	<b>18,330</b>	<b>16,761</b>
Dividends from FHLB stock	359	439
Interest-earning deposits with other institutions and federal funds sold	286	558
<b>Total interest income</b>	<b>72,589</b>	<b>68,015</b>
Interest expense:		
Deposits	1,559	1,582
Borrowings and customer repurchase agreements	382	345
Junior subordinated debentures	165	132
<b>Total interest expense</b>	<b>2,106</b>	<b>2,059</b>
Net interest income before recapture of provision for loan losses	70,483	65,956
Recapture of provision for loan losses	(1,000)	-
<b>Net interest income after recapture of provision for     loan losses</b>	<b>71,483</b>	<b>65,956</b>
Noninterest income:		
Service charges on deposit accounts	3,982	3,822
Trust and investment services	2,613	2,508
Bankcard services	871	784
BOLI income	1,497	752
Gain on sale of loans	-	-
Other	1,813	1,408
<b>Total noninterest income</b>	<b>10,776</b>	<b>9,274</b>
Noninterest expense:		
Salaries and employee benefits	21,706	21,403
Occupancy and equipment	4,554	4,125
Professional services	1,843	1,075
Software licenses and maintenance	1,627	1,445
Marketing and promotion	1,190	1,192
Acquisition related expenses	1,250	355
Other	4,703	4,843
<b>Total noninterest expense</b>	<b>36,873</b>	<b>34,438</b>
Earnings before income taxes	45,386	40,792
Income taxes	17,013	15,278
<b>Net earnings</b>	<b>\$ 28,373</b>	<b>\$ 25,514</b>
Basic earnings per common share	\$ 0.26	\$ 0.23
Diluted earnings per common share	\$ 0.26	\$ 0.23
Cash dividends declared per common share	\$ 0.14	\$ 0.12

