



Statement of Condition

President's Message

March 31, 2018

CVB Financial Corp. reported the highest quarterly earnings in company history for the first quarter of 2018. Net income was \$34.9 million for the quarter ended March 31, 2018, compared with \$28.5 million for the first quarter of 2017. We also announced our 164th consecutive quarter of profitability and our 114th consecutive cash dividend paid to shareholders.

On February 26, 2018, we entered into an agreement to merge with Community Bank, headquartered in Pasadena, California. Community Bank was formed in 1945 and has approximately \$3.7 billion in total assets with 16 branch locations throughout the greater Los Angeles and Orange County areas. We expect the merger to be finalized in the third quarter of this year, and we look forward to the former Community Bank customers and associates joining Citizens Business Bank. Our total combined assets should be well over \$12 billion. On a smaller but still important note, we opened a new business financial center in downtown San Diego. This represents our second center location in San Diego County.

Financial highlights for the first quarter include total assets of \$8.36 billion at March 31, 2018, total deposits and customer repurchase agreement sweeps of \$7.20 billion, and total loans of \$4.79 billion. We continue to remain focused on building our market share in three primary ways: customer acquisition and expansion, opening new geographic locations, and mergers/acquisitions. This type of balanced strategy will assist us in achieving our corporate objective of financial growth and consistency.

CitizensTrust, our wealth management division that provides trust, investment, and brokerage-related services, as well as financial, estate, and business succession planning, had approximately \$2.48 billion in assets under management and administration, including \$1.74 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, 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.

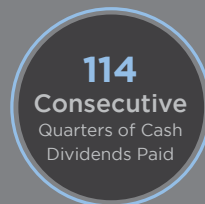
President & Chief Executive Officer
CVB Financial Corp., Citizens Business Bank



Highest in CVBF History



Over 40 Years



Over 28 Years

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 over \$8 billion. Citizens Business Bank is consistently recognized as one of the top performing banks in the nation and offers a wide array of financial 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.

Board of Directors

- Raymond V. O'Brien III
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Vice Chairman, CVB Financial Corp.
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Director
- Hal W. Oswald
Director
- Kristina M. Leslie
Director
- Anna Kan
Director
- Rodrigo Guerra, Jr.
Director

Executive Leadership Team

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- David A. Brager
Executive Vice President - Sales Division
- David C. Harvey
Executive Vice President - Chief Operations Officer
- David F. Farnsworth
Executive Vice President - Chief Credit 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 Security Officer
- G. Larry Zivelonghi
Executive Vice President - Dairy & Livestock Industries

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- 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
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- 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

Condensed Consolidated Balance Sheets

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

	March 31, 2018	December 31, 2017
Assets		
Cash and due from banks	\$ 101,714	\$ 119,841
Interest-earning balances due from Federal Reserve	354,524	24,536
Total cash and cash equivalents	<u>456,238</u>	<u>144,377</u>
Interest-earning balances due from depository institutions	10,100	17,952
Investment securities available-for-sale, at fair value (with amortized cost of \$1,970,076 at March 31, 2018, and \$2,078,131 at December 31, 2017)	1,941,592	2,080,985
Investment securities held-to-maturity (with fair value of \$776,130 at March 31, 2018, and \$819,215 at December 31, 2017)	798,284	829,890
Total investment securities	<u>2,739,876</u>	<u>2,910,875</u>
Investment in stock of Federal Home Loan Bank (FHLB)	17,688	17,688
Loans and lease finance receivables	4,794,983	4,830,631
Allowance for loan losses	(59,935)	(59,585)
Net loans and lease finance receivables	<u>4,735,048</u>	<u>4,771,046</u>
Premises and equipment, net	45,542	46,166
Bank owned life insurance (BOLI)	146,702	146,486
Accrued interest receivable	21,722	22,704
Intangibles	6,507	6,838
Goodwill	116,564	116,564
Other real estate owned (OREO)	-	4,527
Income taxes	35,223	40,046
Other assets	24,950	25,317
Total assets	<u>\$8,356,160</u>	<u>\$ 8,270,586</u>
Liabilities and Stockholders' Equity		
Liabilities:		
Deposits:		
Noninterest-bearing	\$ 4,062,691	\$ 3,846,436
Interest-bearing	2,646,744	2,700,417
Total deposits	<u>6,709,435</u>	<u>6,546,853</u>
Customer repurchase agreements	487,277	553,773
Deferred compensation	18,861	18,223
Junior subordinated debentures	25,774	25,774
Other liabilities	47,955	56,697
Total liabilities	<u>7,289,302</u>	<u>7,201,320</u>
Commitments and Contingencies		
Stockholders' Equity		
Common stock, authorized, 225,000,000 shares without par; issued and outstanding 110,259,046 at March 31, 2018, and 110,184,922 at December 31, 2017	574,225	573,453
Retained earnings	513,484	494,361
Accumulated other comprehensive income, net of tax	(20,851)	1,452
Total stockholders' equity	<u>1,066,858</u>	<u>1,069,266</u>
Total liabilities and stockholders' equity	<u>\$ 8,356,160</u>	<u>\$ 8,270,586</u>

Condensed Consolidated Statements of Earnings

(Dollars in thousands, except per share amounts)
(Unaudited)

For the Three Months ended March 31,
2018 2017

	2018	2017
Interest income:		
Loans and leases, including fees	\$ 55,196	\$ 48,641
Investment securities:		
Investment securities available-for-sale	11,868	12,640
Investment securities held-to-maturity	4,765	5,507
Total investment income	<u>16,633</u>	<u>18,147</u>
Dividends from FHLB stock	332	393
Interest-earning deposits with other institutions and federal funds sold	536	267
Total interest income	<u>72,697</u>	<u>67,448</u>
Interest expense:		
Deposits	1,525	1,433
Borrowings and customer repurchase agreements	453	429
Junior subordinated debentures	198	153
Total interest expense	<u>2,176</u>	<u>2,015</u>
Net interest income before recapture of provision for loan losses	70,521	65,433
Recapture of provision for loan losses	(1,000)	(4,500)
Net interest income after recapture of provision for loan losses	<u>71,521</u>	<u>69,933</u>
Noninterest income:		
Service charges on deposit accounts	4,045	3,727
Trust and investment services	2,157	2,296
Bankcard services	804	765
BOLI income	979	715
Gain on OREO, net	3,540	-
Other	1,391	1,219
Total noninterest income	<u>12,916</u>	<u>8,722</u>
Noninterest expense:		
Salaries and employee benefits	22,314	21,575
Occupancy and equipment	4,192	3,684
Professional services	1,530	1,257
Software licenses and maintenance	1,760	1,561
Marketing and promotion	1,356	1,239
Acquisition related expenses	803	676
Other	3,991	4,125
Total noninterest expense	<u>35,946</u>	<u>34,117</u>
Earnings before income taxes	48,491	44,538
Income taxes	13,578	16,034
Net earnings	<u>\$ 34,913</u>	<u>\$ 28,504</u>
Basic earnings per common share	\$ 0.32	\$ 0.26
Diluted earnings per common share	\$ 0.32	\$ 0.26
Cash dividends declared per common share	\$ 0.14	\$ 0.12



CVB Financial Corp.
Citizens Business Bank
Corporate Headquarters
909.980.4030 | cbbank.com



Equal Housing Lender | Member FDIC