



# Statement of Condition

## President's Message

September 30, 2018

CVB Financial Corp. reported the highest quarterly earnings in company history and the highest earnings for the first three quarters of a calendar year in 2018. The third quarter earnings were \$38.6 million and year-to-date earnings were \$108.8 million, both all-time highs for the Bank. We also announced our 166<sup>th</sup> consecutive quarter of profitability and our 116<sup>th</sup> consecutive cash dividend paid to shareholders.

We successfully completed the acquisition of Community Bank on August 10 2018, reflecting 51 days of combined operations for the third quarter. Our total assets of \$11.48 billion at quarter-end, include \$3.3 billion in assets remaining from the acquisition of Community Bank. This is a 38.25% increase over the \$8.30 billion in total assets at September 30, 2017.

Other financial results include total loans and leases of \$7.58 billion and total deposits (including customer repurchase agreements) of \$9.51 billion. Upon completion of the acquisition, we issued approximately 30 million shares of CVBF stock to Community Bank shareholders. The acquisition raises our total number of Business Financial Center locations to 68, with plans to consolidate redundant locations beginning in January of 2019.

CitizensTrust, our wealth management division that provides trust, investment, and brokerage-related services, as well as financial, estate and business succession planning, had approximately \$2.58 billion in assets under management and administration, including \$1.79 billion in assets under management at quarter end. Revenues were \$2.2 million for the third quarter of 2018, compared to \$2.5 million for the same period of 2017.

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, 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 welcome former Community Bank associates, shareholders, and customers to Citizens Business Bank.

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

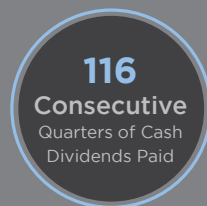
[Financials](#) ▶



Highest in CVBF History



Over 40 Years



Over 28 Years

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 approximately \$11.5 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 68 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.

## Board of Directors

- |   |                                  |
|---|----------------------------------|
| Raymond V. O'Brien III<br>Chairman        | George A. Borba<br>Vice Chairman |
| Christopher D. Myers<br>President and CEO | Kristina M. Leslie<br>Director   |
| Stephen A. Del Guercio<br>Director        | Hal W. Oswalt<br>Director        |
| Anna Kan<br>Director                      | Rodrigo Guerra, Jr.<br>Director  |
| Marshall V. Laitsch<br>Director           |                                  |

## 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 C. Harvey**  
Executive Vice President - Chief Operations Officer
- David F. Farnsworth**  
Executive Vice President - Chief Credit Officer
- R. Daniel Banis**  
Executive Vice President - CitizensTrust
- Jeffrey S. Boyer**  
Senior Vice President - Los Angeles Region-North
- Yamynn De Angelis**  
Executive Vice President - Chief Risk Officer
- Ted J. Dondanville**  
Executive Vice President - Senior Lender
- Donald E. Evenson**  
Senior Vice President - Chief Investment Officer
- Gilbert W. Estrada**  
Senior Vice President - Inland Empire Region
- Richard M. Favor**  
Senior Vice President - Central Coast Region
- Deborah G. Gallagher**  
Senior Vice President - SBA Group Manager
- Hector G. Gutierrez, Esq.**  
Executive Vice President - Deputy Chief Credit Officer
- David R. Klatt**  
Senior Vice President - Chief Information Officer
- Joyce Y. Kwon**  
Senior Vice President - Director of Human Resources
- Daniel Limon**  
Senior Vice President - Real Estate Banking Group
- Michael B. Mulcahy**  
Senior Vice President - Los Angeles Region-South
- Timothy B. Noone**  
Senior Vice President - Specialty Banking Group
- Mark C. Richardson**  
Senior Vice President - Real Estate Banking Group
- LaVon M. Short**  
Senior Vice President - Sales & Marketing Manager
- Michael D. Stain**  
Senior Vice President - Central Valley Region
- David S. Strong**  
Senior Vice President - San Diego Region
- Richard H. Wohl**  
Executive Vice President - General Counsel
- Elsa I. Zavala**  
Executive Vice President - Chief Information Security Officer
- Robert E. Zeltner**  
Senior Vice President - Orange County Region
- G. Larry Zivelonghi**  
Executive Vice President - Dairy & Livestock Industries

## Condensed Consolidated Balance Sheets

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

	September 30, 2018	December 31, 2017
<b>Assets</b>		
Cash and due from banks	\$ 174,083	\$ 119,841
Interest-earning balances due from Federal Reserve	20,392	24,536
Total cash and cash equivalents	194,475	144,377
Interest-earning balances due from depository institutions	8,812	17,952
Investment securities available-for-sale, at fair value (with amortized cost of \$1,850,723 at September 30, 2018, and \$2,078,131 at December 31, 2017)	1,806,231	2,080,985
Investment securities held-to-maturity (with fair value of \$726,755 at September 30, 2018, and \$819,215 at December 31, 2017)	759,029	829,890
Total investment securities	2,565,260	2,910,875
Investment in stock of Federal Home Loan Bank (FHLB)	17,688	17,688
Loans and lease finance receivables	7,582,459	4,830,631
Allowance for loan losses	(60,007)	(59,585)
Net loans and lease finance receivables	7,522,452	4,771,046
Premises and equipment, net	59,256	46,166
Bank owned life insurance (BOLI)	219,561	146,486
Accrued interest receivable	30,097	22,704
Intangibles	56,643	6,838
Goodwill	662,888	116,564
Other real estate owned (OREO)	420	4,527
Income taxes	75,432	40,046
Other assets	67,357	25,317
<b>Total assets</b>	<b>\$11,480,341</b>	<b>\$ 8,270,586</b>
<b>Liabilities and Stockholders' Equity</b>		
Liabilities:		
Deposits:		
Noninterest-bearing	\$5,224,154	\$3,846,436
Interest-bearing	3,885,672	2,700,417
<b>Total deposits</b>	<b>9,109,826</b>	<b>6,546,853</b>
Customer repurchase agreements	399,477	553,773
Other borrowings	30,000	-
Deferred compensation	19,159	18,223
Junior subordinated debentures	25,774	25,774
Other liabilities	77,525	56,697
<b>Total liabilities</b>	<b>9,661,761</b>	<b>7,201,320</b>
<b>Commitments and Contingencies</b>		
<b>Stockholders' Equity</b>		
Common stock, authorized, 225,000,000 shares without par; issued and outstanding 140,334,671 at September 30, 2018, and 110,184,922 at December 31, 2017	1,299,052	573,453
Retained earnings	552,343	494,361
Accumulated other comprehensive (loss) income, net of tax	(32,815)	1,452
<b>Total stockholders' equity</b>	<b>1,818,580</b>	<b>1,069,266</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$11,480,341</b>	<b>\$8,270,586</b>

## Condensed Consolidated Statements of Earnings

(Dollars in thousands, except per share amounts) For the Three Months ended September 30,  
(Unaudited) 2018 2017

Interest income:		
<b>Loans and leases, including fees</b>	<b>\$ 79,818</b>	<b>\$ 55,998</b>
Investment securities:		
Investment securities available-for-sale	11,521	12,240
Investment securities held-to-maturity	4,666	5,184
<b>Total investment income</b>	<b>16,187</b>	<b>17,424</b>
Dividends from FHLB stock	329	318
Interest-earning deposits with other institutions and federal funds sold	304	130
<b>Total interest income</b>	<b>96,638</b>	<b>73,870</b>
Interest expense:		
Deposits	2,967	1,555
Borrowings and customer repurchase agreements	606	402
Junior subordinated debentures	245	174
<b>Total interest expense</b>	<b>3,818</b>	<b>2,131</b>
Net interest income before (recapture of) provision for loan losses	92,820	71,739
(Recapture of) provision for loan losses	500	(1,500)
<b>Net interest income after (recapture of) provision for loan losses</b>	<b>92,320</b>	<b>73,239</b>
Noninterest income:		
Service charges on deposit accounts	4,295	4,085
Trust and investment services	2,182	2,523
Bankcard services	875	927
BOLI income	936	692
Gain on OREO, net	-	2
Other	1,824	1,809
<b>Total noninterest income</b>	<b>10,112</b>	<b>10,038</b>
Noninterest expense:		
Salaries and employee benefits	26,319	21,835
Occupancy and equipment	5,324	4,400
Professional services	1,154	1,091
Software licenses and maintenance	2,317	1,510
Marketing and promotion	1,134	1,055
Amortization of intangible assets	1,736	343
Acquisition related expenses	6,645	250
Other	4,251	4,222
<b>Total noninterest expense</b>	<b>48,880</b>	<b>34,706</b>
Earnings before income taxes	53,552	48,571
Income taxes	14,994	18,888
<b>Net earnings</b>	<b>\$ 38,558</b>	<b>\$ 29,683</b>
Basic earnings per common share	\$ 0.30	\$ 0.27
Diluted earnings per common share	\$ 0.30	\$ 0.27
Cash dividends declared per common share	\$ 0.14	\$ 0.14

