

**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): July 26, 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 Chief Financial Officer of CVB Financial Corp. (the “Company”) will make presentations to institutional investors at various meetings throughout the third quarter of 2023. The July 2023 slide presentation, updated to reflect second quarter 2023 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. July 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: July 27, 2023

By: /s/ E. Allen Nicholson
E. Allen Nicholson
Executive Vice President and Chief Financial Officer



CVB Financial Corp.

July 2023

Forward Looking Statements



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; changes in laws or the regulatory environment, including trade, monetary and fiscal policies and laws; inflation or deflation, interest rate, market and monetary fluctuations; possible changes in our levels of capital or liquidity or our access to government or private lending facilities; possible credit related impairments, goodwill impairments or declines in the fair value of our loans and securities; 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; fraud and cybersecurity threats; and unanticipated legal or regulatory proceedings or outcomes. 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, 2022. 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:	\$ 8.9 Billion
▪ Total Deposits (Including Repos):	\$12.8 Billion
▪ Total Equity:	\$ 2.0 Billion

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

Bank Accomplishments & Ratings



- 185 Consecutive Quarters of Profitability
- 135 Consecutive Quarters of Cash Dividends
- Ranked #1 Forbes, 2023 Best Banks in America (February 2023)
- 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)
- Ranked #3 in S&P Global Market Intelligence's 2022 Top 50 Public Banks
- BauerFinancial Report
 - Five Star Superior Rating
 - ❖ 54 Consecutive Quarters
- Fitch Rating
 - BBB+ (April 2023)
- One of the 10 largest bank holding companies in CA

As of 7/11/2023
CVB Financial Corp. is the holding company for Citizens Business Bank
SNL Financial ranking of largest bank holding companies in CA, as of 6/30/2023

62 Business Financial Centers

3 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

DeNovo

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)

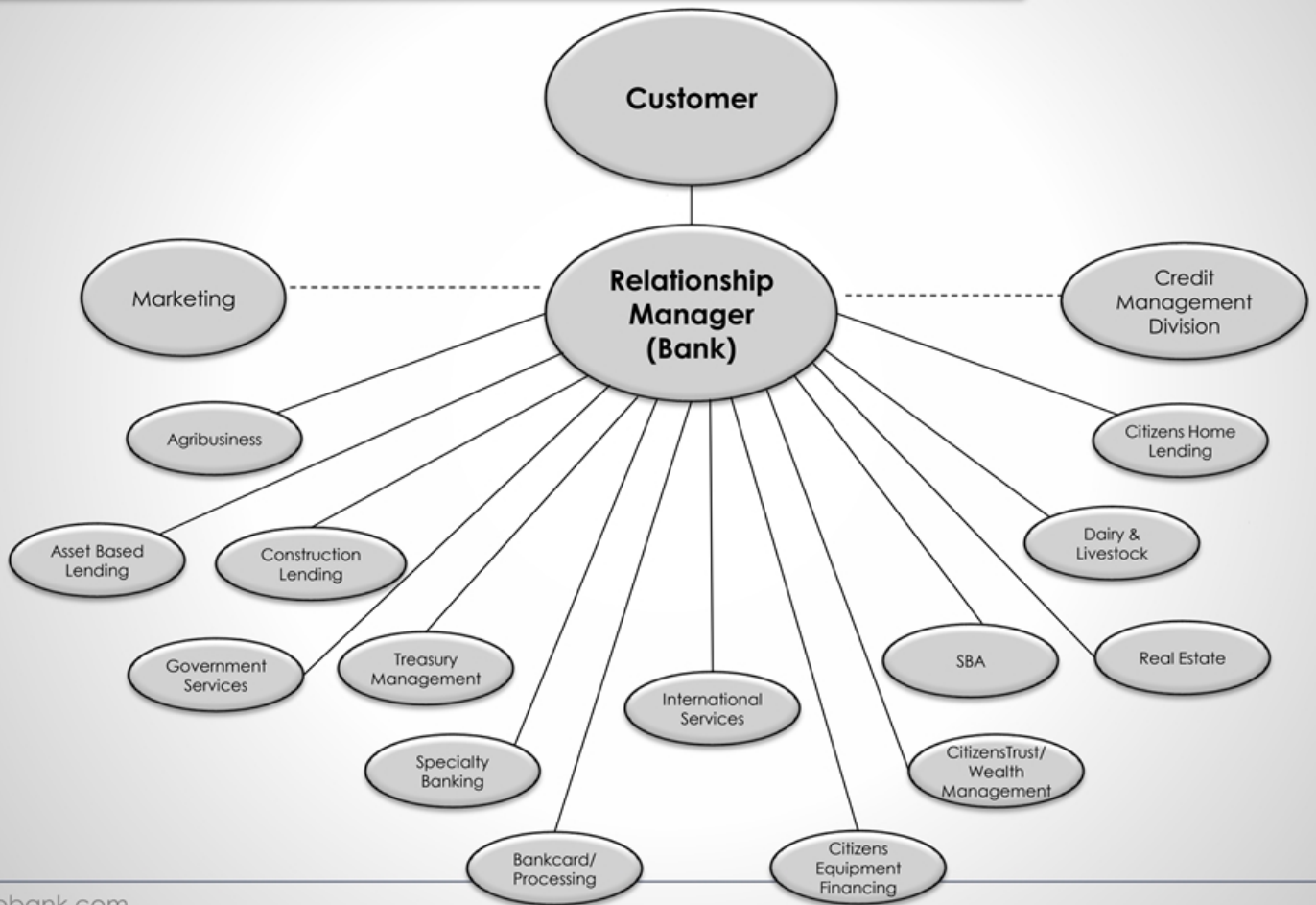
Banks:

- 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

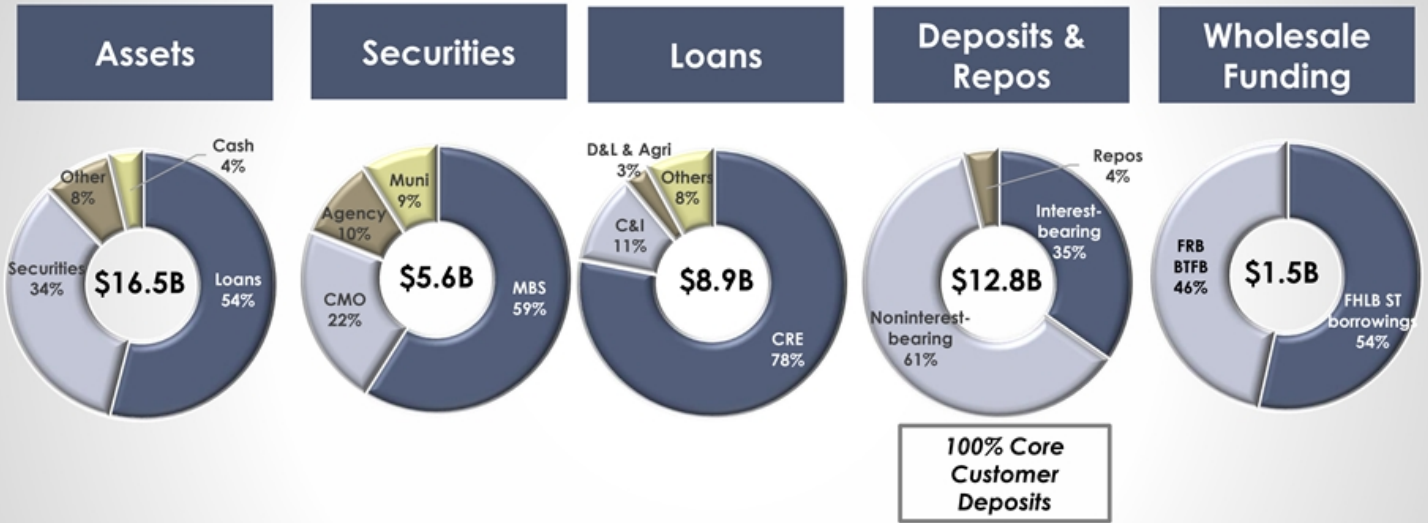
Relationship Banking Model



CVBF Balance Sheet Profile



June 30, 2023



Capital Ratios as of June 30, 2023

TCE	Tier 1 Leverage	CET1	Tier 1 RBC	Total RBC
7.8%	9.8%	14.1%	14.1%	14.9%

Q2 2023 Financial Highlights



Profitability

- ROATCE = 18.39%
- ROAA = 1.36%
- NIM = 3.22%
- Efficiency Ratio = 40.86%

Income Statement

- Q2'23 Net Income = \$55.8 million / EPS = \$0.40
- 6% decrease in Net Income vs. Q1'23 & Q2'22
- Cost of deposits increased sequentially from 0.17% to 0.35%

Balance Sheet

- Loans decreased sequentially by \$35 million ~ 0.4%
- Total deposits increased sequentially by \$126 million ~ 1%
- Noninterest deposits 64% of Total Deposits at quarter end
- ST-borrowings, net of cash decreased sequentially by \$300 million

Asset Quality

- Q2 Net charge-offs = \$73,000
- NPA/TA = 0.04% (NPA = \$6.5 million)
- Classified loans = \$78 million or 0.87% of total loans
- ACL = \$87 million or 112% of classified loans

Capital

- CET1 Ratio = 14.1%
- Total Risk-Based Ratio = 14.9%
- Tangible Common Equity Ratio = 7.8%

Selected Ratios



		2020	2021	2022	Q2'22	Q1'23	Q2'23
Performance	ROATCE	14.25%	15.93%	18.85%	18.67%	20.59%	18.39%
	NIM	3.59%	2.97%	3.30%	3.16%	3.45%	3.22%
	Cost of Deposits	0.12%	0.04%	0.05%	0.03%	0.17%	0.35%
	Cost of Funds	0.13%	0.05%	0.06%	0.04%	0.49%	0.83%
	Efficiency Ratio	41.40%	41.09%	38.98%	37.24%	39.50%	40.86%
	NIE % Avg. Assets	1.49%	1.24%	1.28%	1.20%	1.36%	1.32%
Credit Quality	NPA % Total Assets	0.12%	0.04%	0.03%	0.08%	0.04%	0.04%
	Net Charge-Offs (Recoveries) to Avg. Loans	0.00%	0.04%	(0.01%)	-0.01%	0.00%	0.00%
Capital	CET1 Ratio	14.8%	14.9%	13.5%	13.4%	13.8%	14.1%
	Total Risk-Based Capital Ratio	16.2%	15.6%	14.4%	14.2%	14.6%	14.9%

Selected Highlights



(\$ in Thousands)		Q2'22	Q1'23	Q2'23
Income Statement	Net Interest Income	\$ 121,940	\$ 125,728	\$ 119,535
	Noninterest Income	14,670	13,202	12,656
	Noninterest Expense	50,871	54,881	54,017
	PTPP	85,739	84,049	78,174
	Provision for Credit Losses	3,600	1,500	500
	Earnings before Income Taxes	82,139	82,549	77,674
	Net Income	\$ 59,058	\$59,270	\$ 55,770
	Basic earnings per common share	\$0.42	\$0.42	\$0.40
	Diluted earnings per common share	\$0.42	\$0.42	\$0.40

Selected Highlights

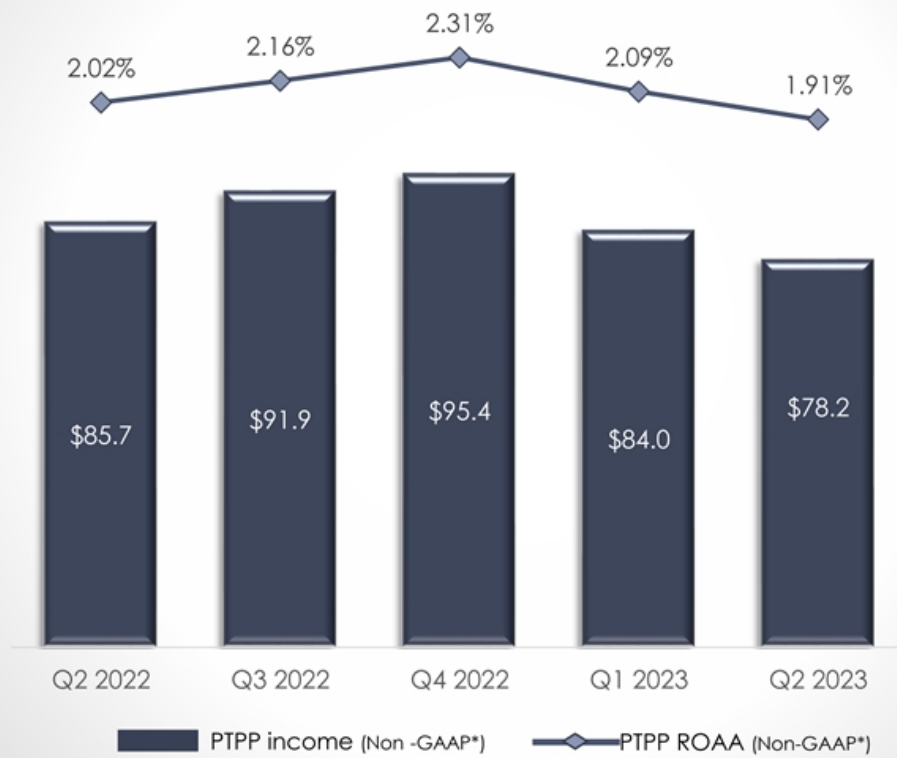


(\$ in Thousands)		Q2'22	Q1'23	Q2'23
Average Balance Sheet	Average Cash & Cash Equivalents	\$ 976,020	\$ 212,079	\$ 525,566
	Average Loans	8,634,575	8,963,323	8,892,413
	Average PPP Loans	96,240	7,339	5,461
	Average Total Securities	6,104,037	5,762,728	5,689,606
	Average Noninterest-bearing Deposits	8,923,043	8,092,704	7,823,496
	Average Total Deposits & Customer Repurchase Agreements	14,753,879	13,264,705	12,800,441
	Average Borrowings	39	971,701	1,526,958
	Loan-to-deposit	60.93%	70.50%	72.27%
	Noninterest-bearing deposits/Total Deposits	62.96%	63.65%	63.58%

Pretax-Pre Provision Income



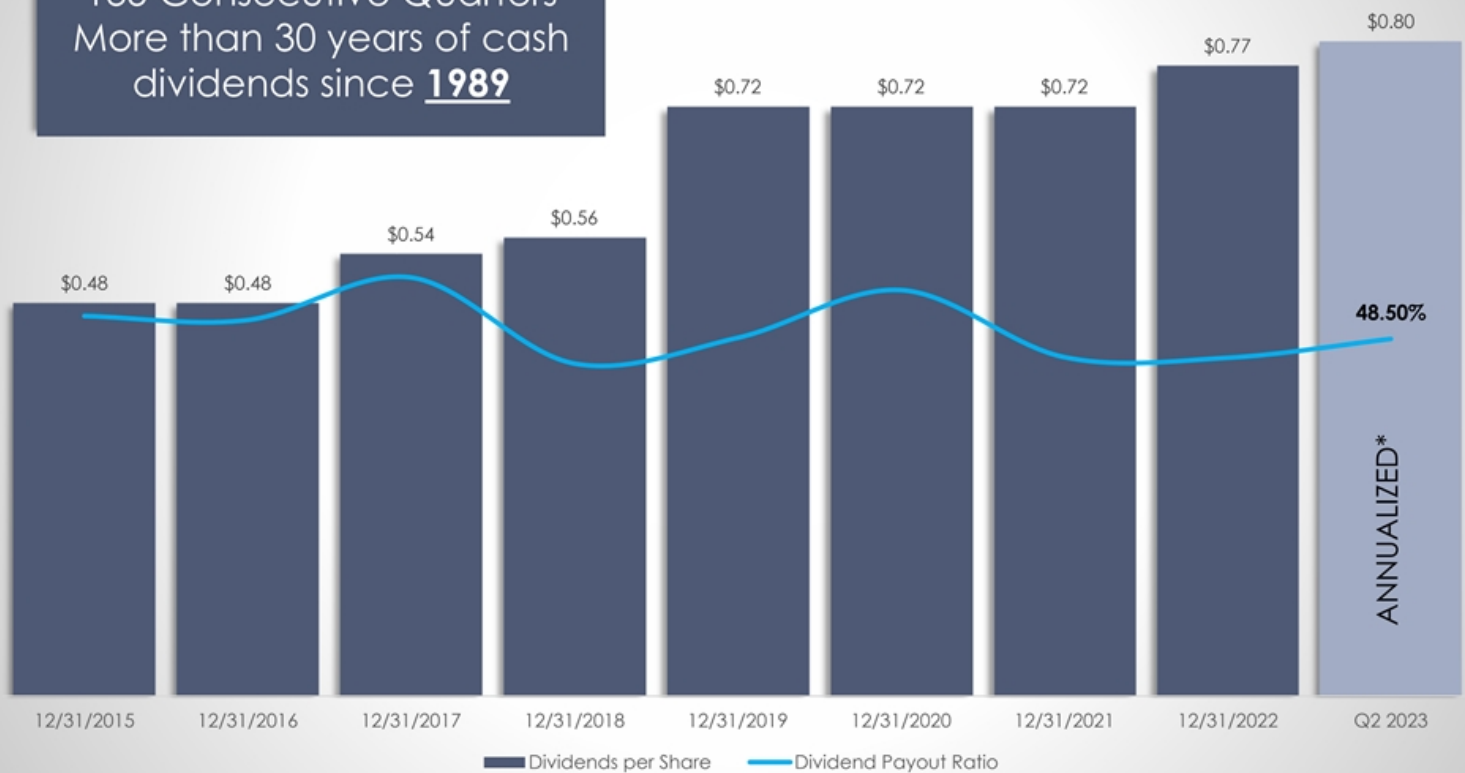
(\$ in Millions)



Dividends – 135 Consecutive Quarters



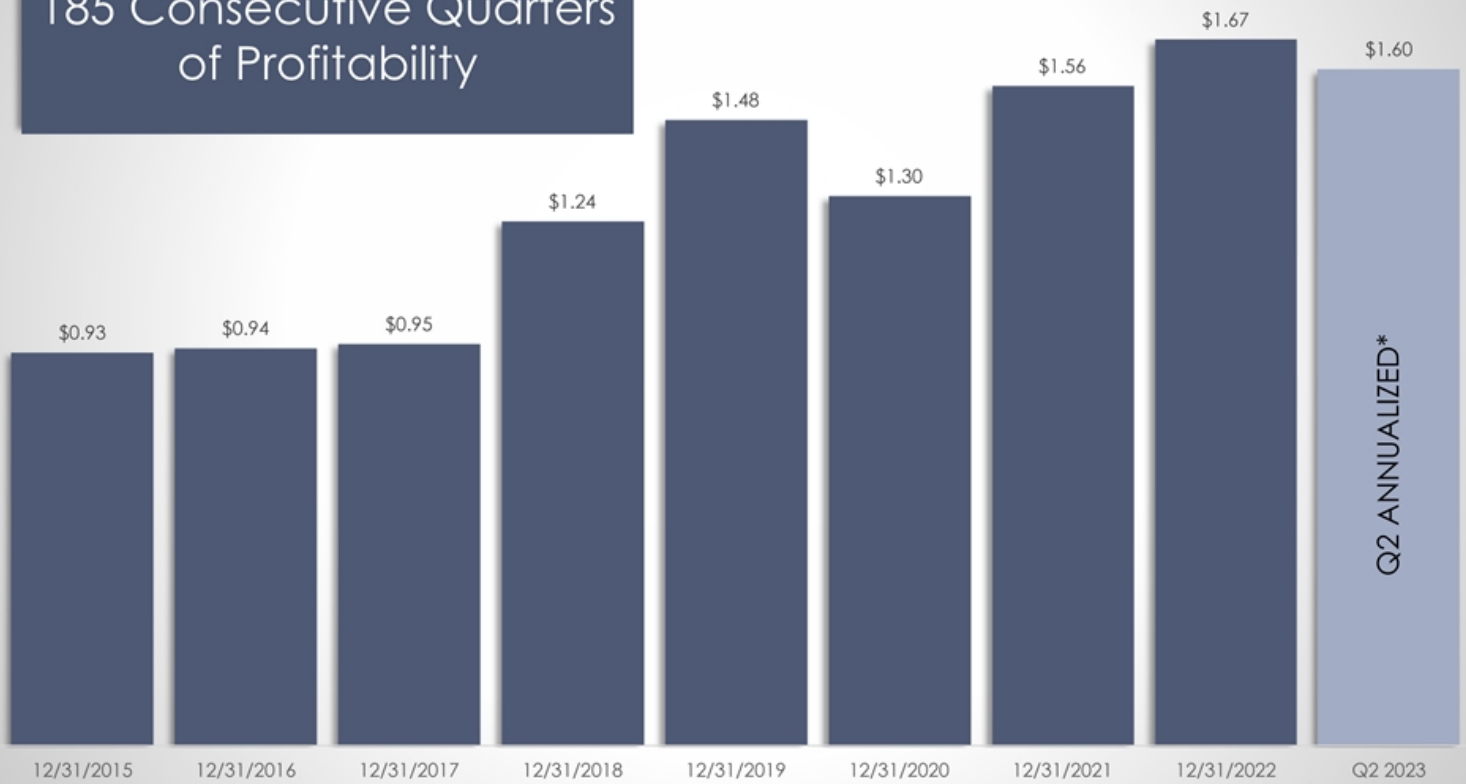
135 Consecutive Quarters
More than 30 years of cash
dividends since **1989**



Earnings Per Share



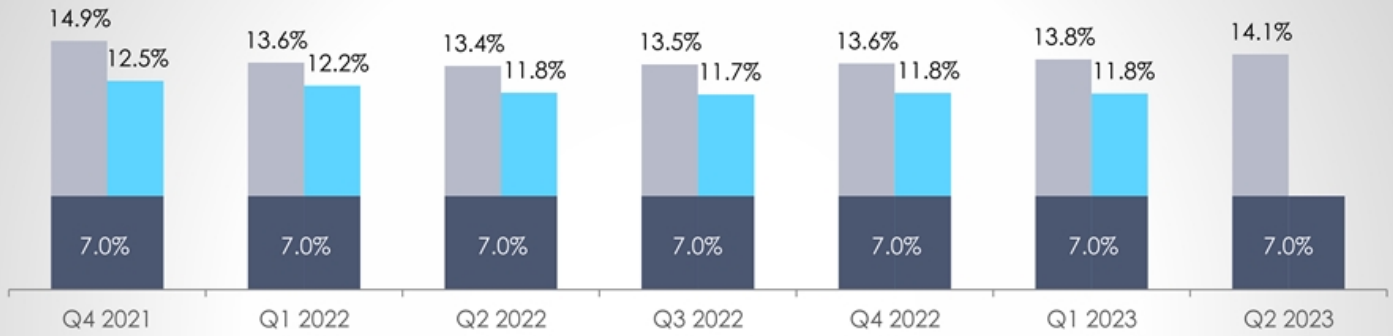
185 Consecutive Quarters
of Profitability



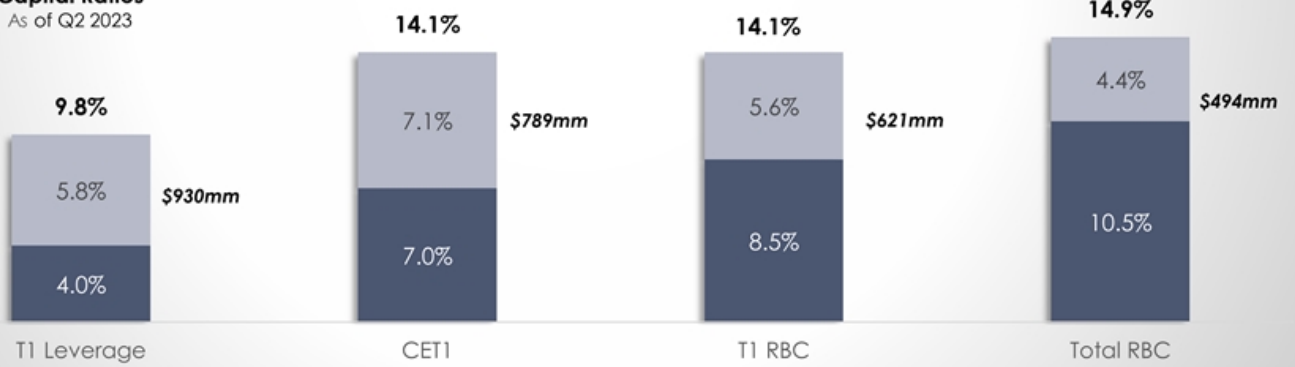
Strong Capital Ratios



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

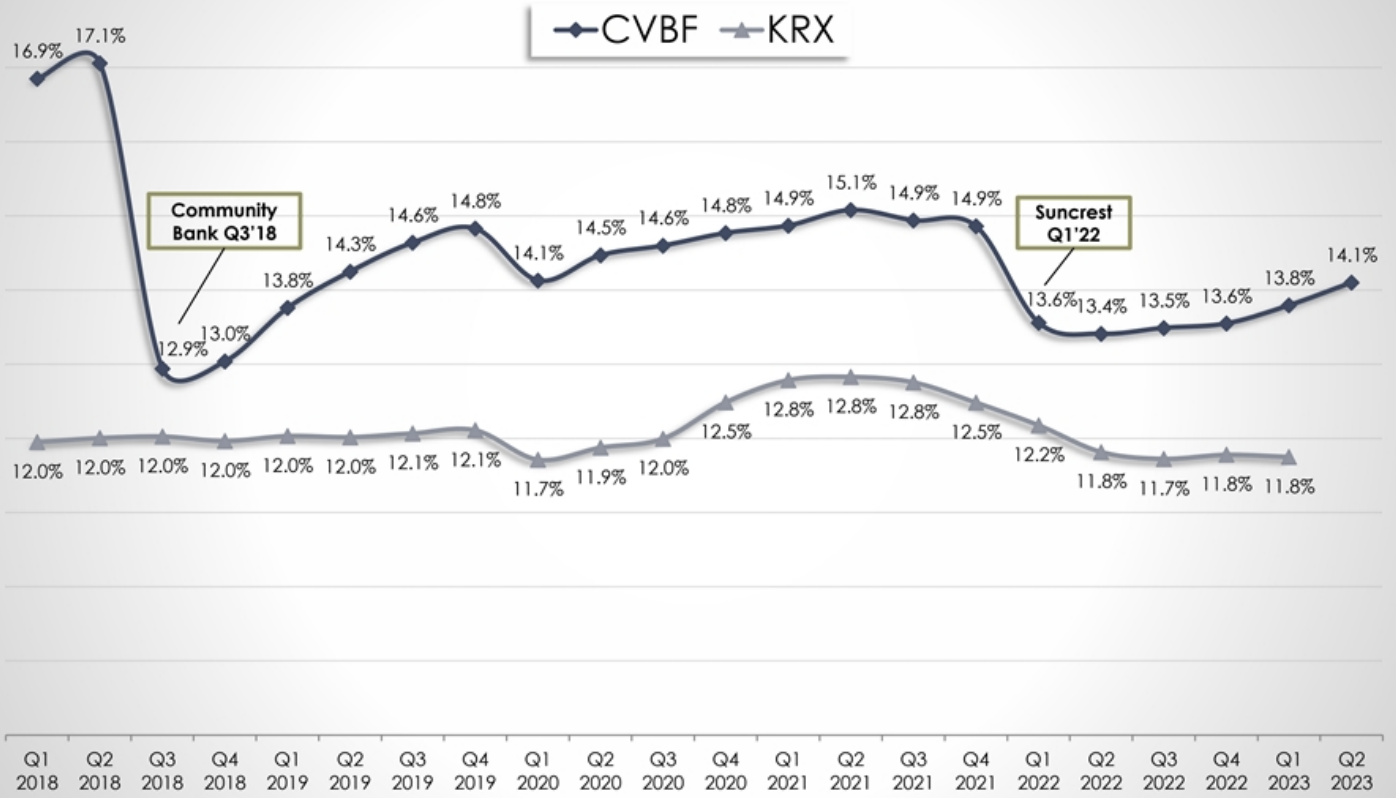


Capital Ratios As of Q2 2023

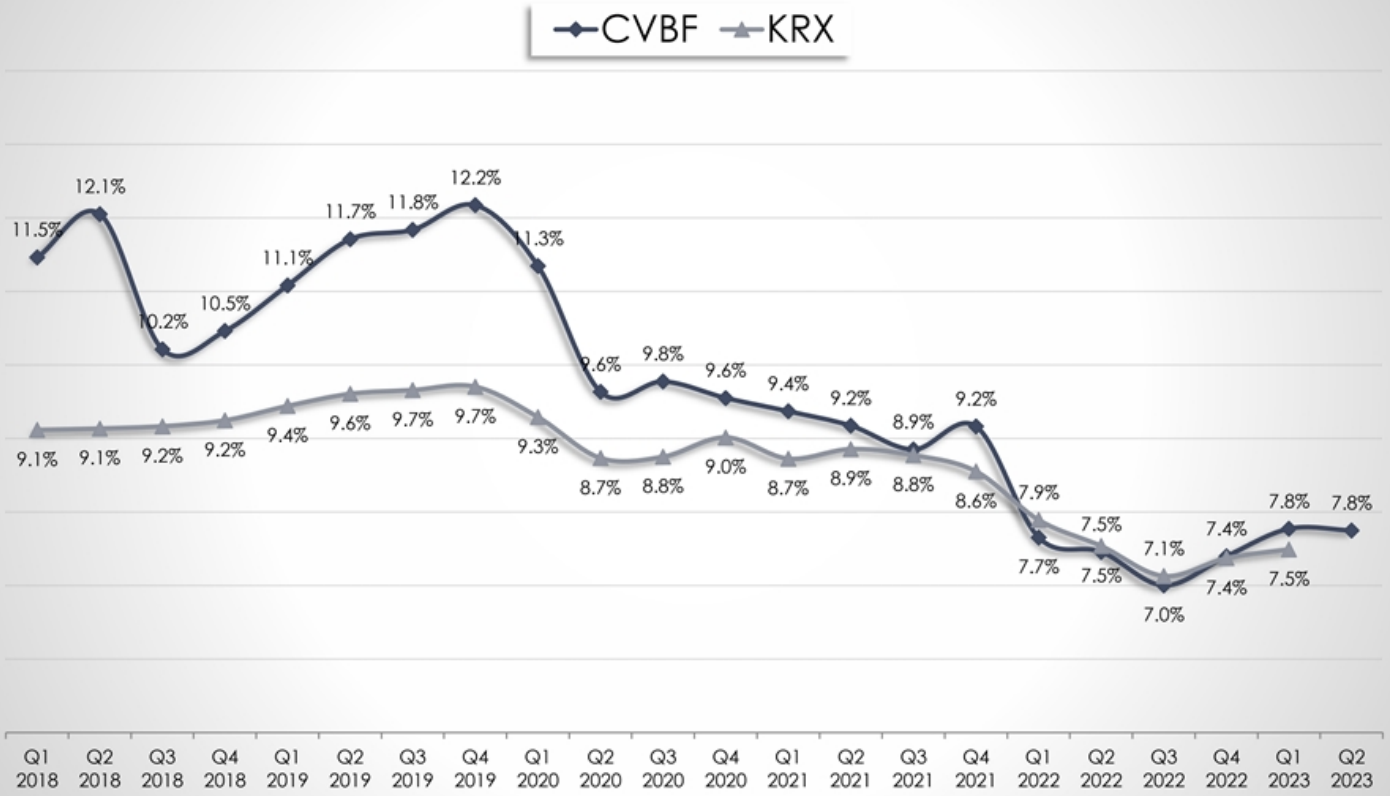


■ Regulatory Minimum + Capital Conservation Buffer ■ Excess Capital

CET1 Ratio Trend (%)



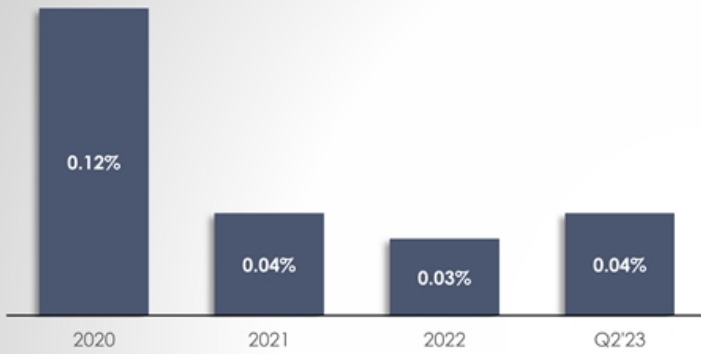
TCE Ratio Trend (%)



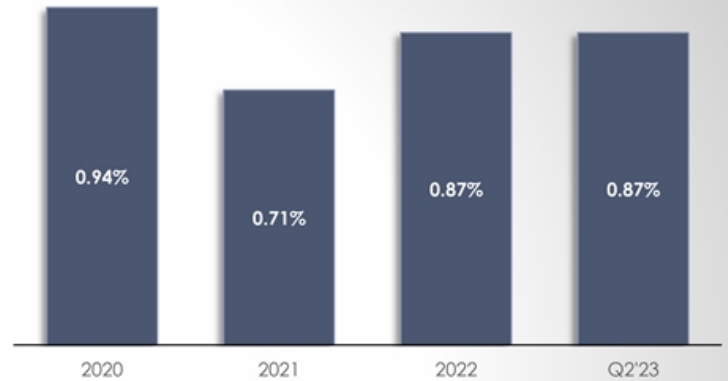
Credit Quality



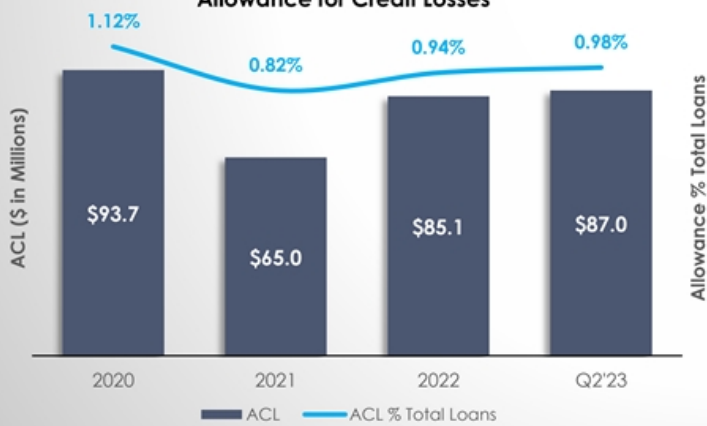
NPA % Total Assets



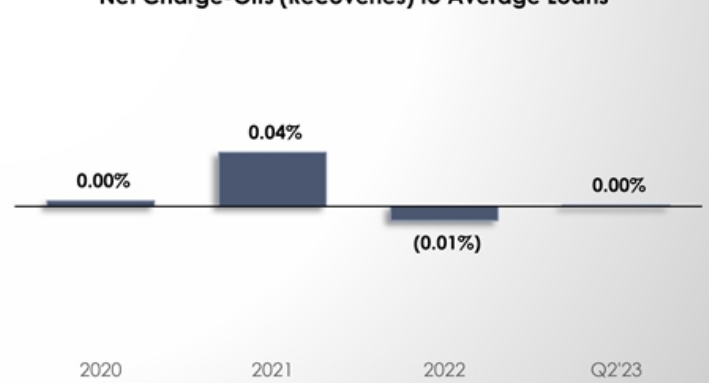
Classified Loans % Total Loans



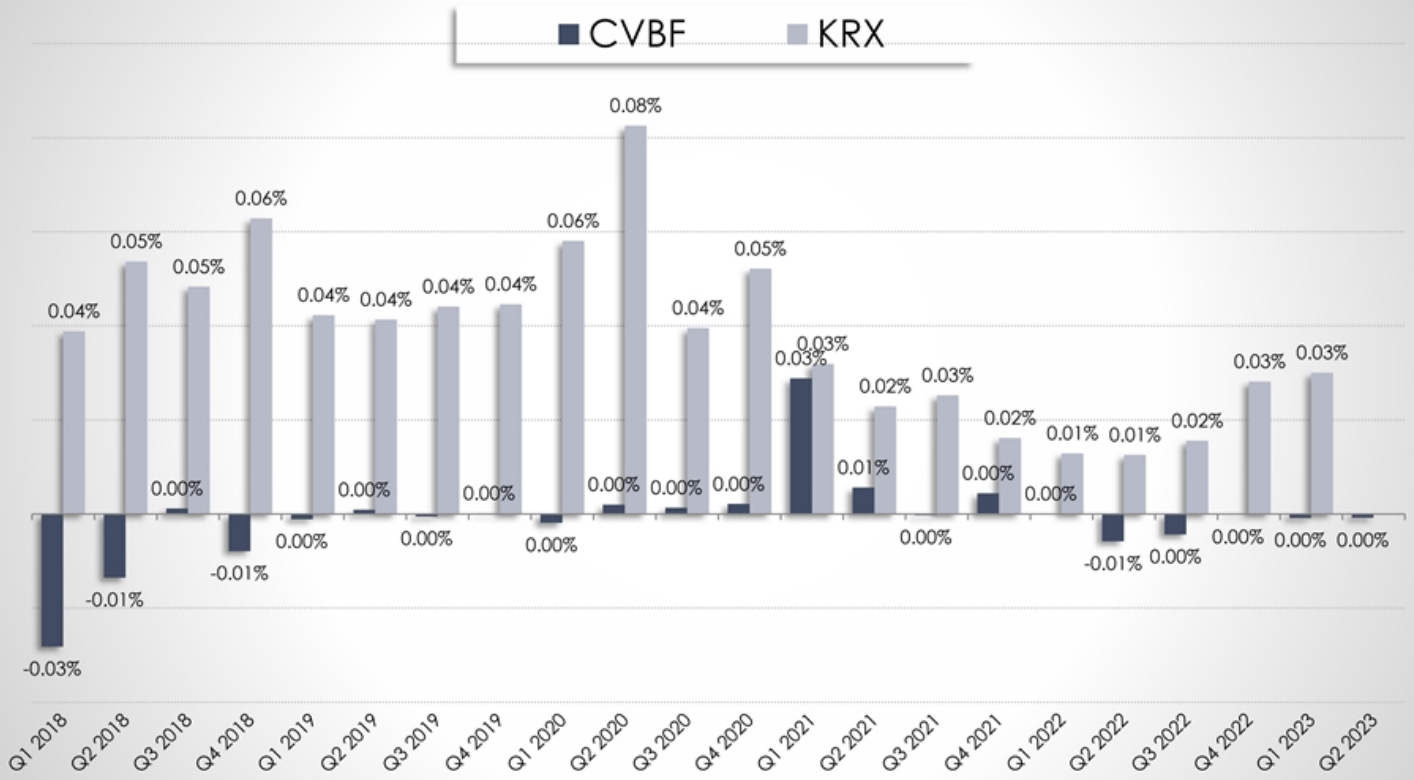
Allowance for Credit Losses



Net Charge-Offs (Recoveries) to Average Loans



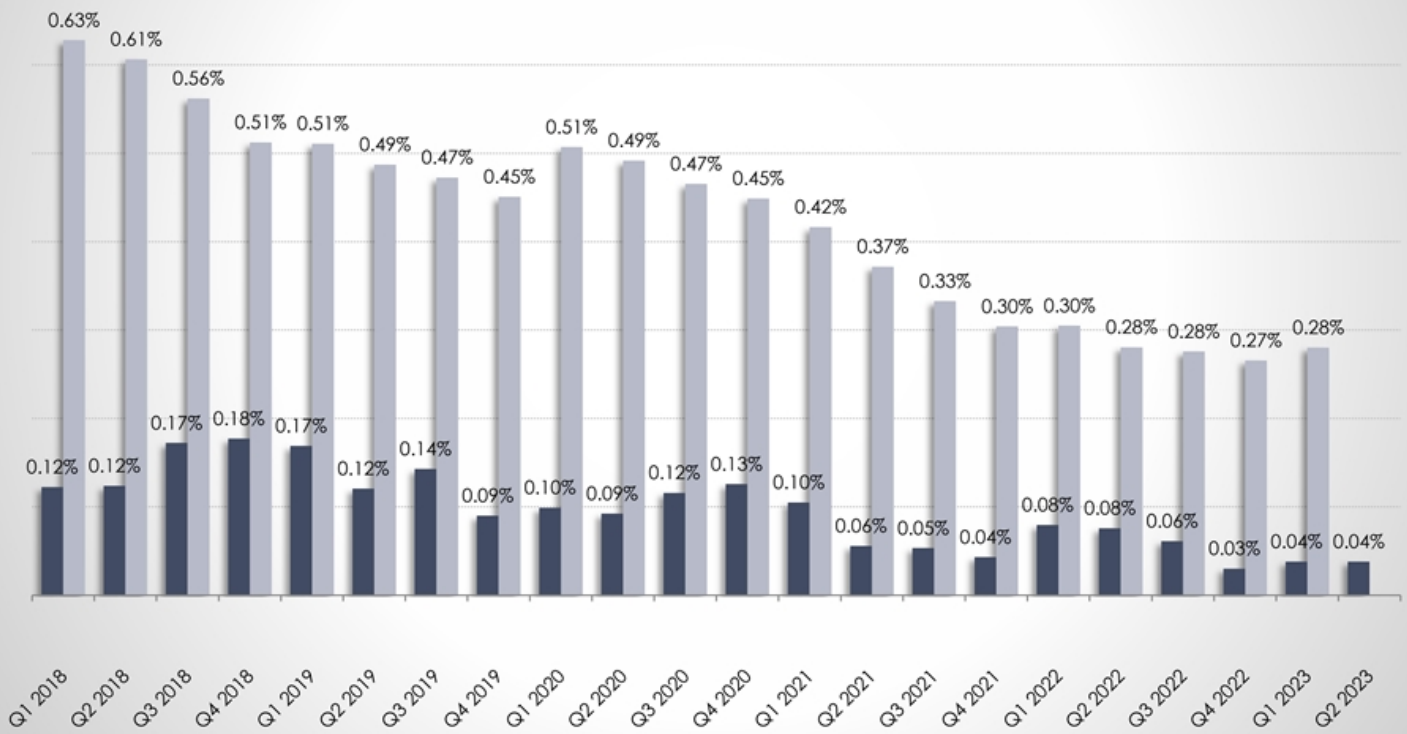
Net Charge-Offs / Average Loans (%)



NPA / Average Assets (%)



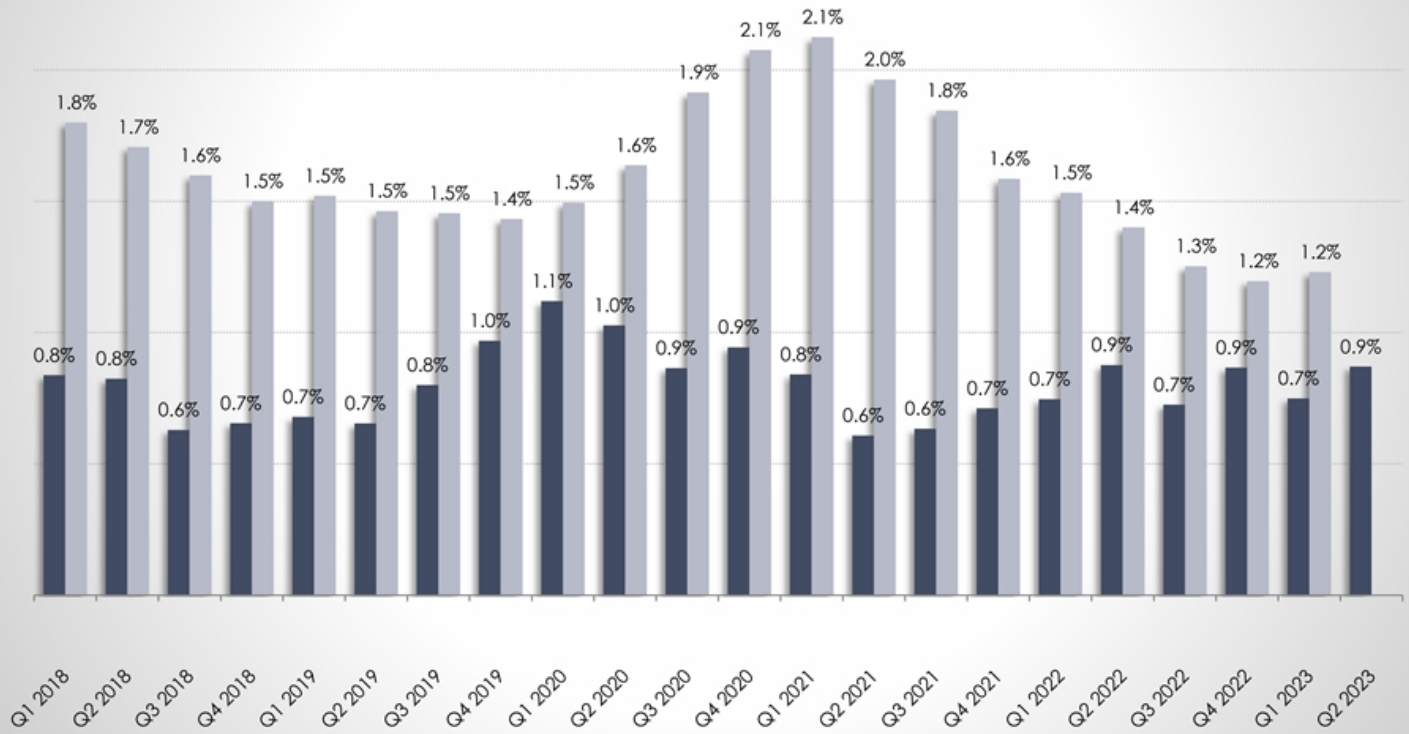
■ CVBF ■ KRX



Classified Loans / Total Loans (%)



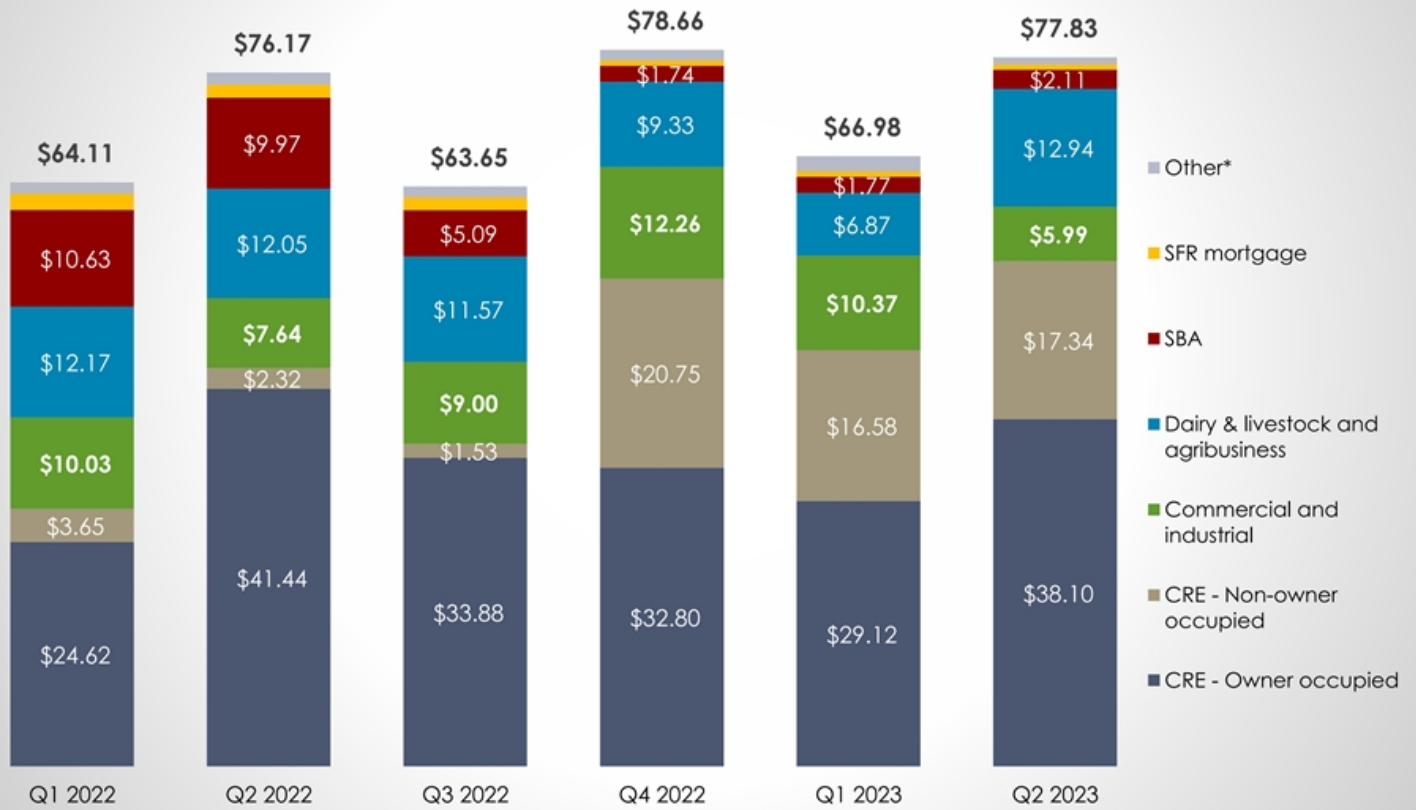
■ CVBF ■ KRX



Classified Loan Trend



(\$ in Millions)



*Other includes other loan segments that are not listed above, such as Construction and Consumer.

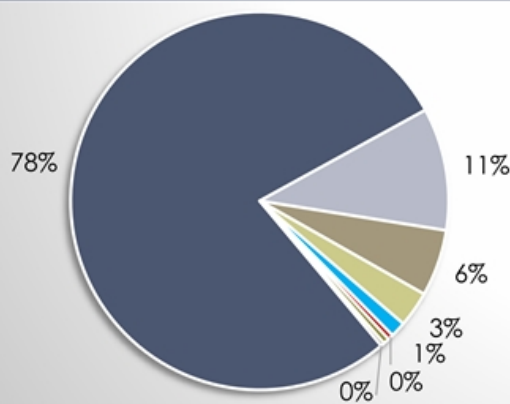
Highlights

- ✓ Provision for credit loss of \$0.5mm in Q2 2023
- ✓ 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	1.5%	0.8%	2.0%
Unempl. Rate	3.8%	5.0%	5.0%

Q2 2023 Allowance by Portfolio

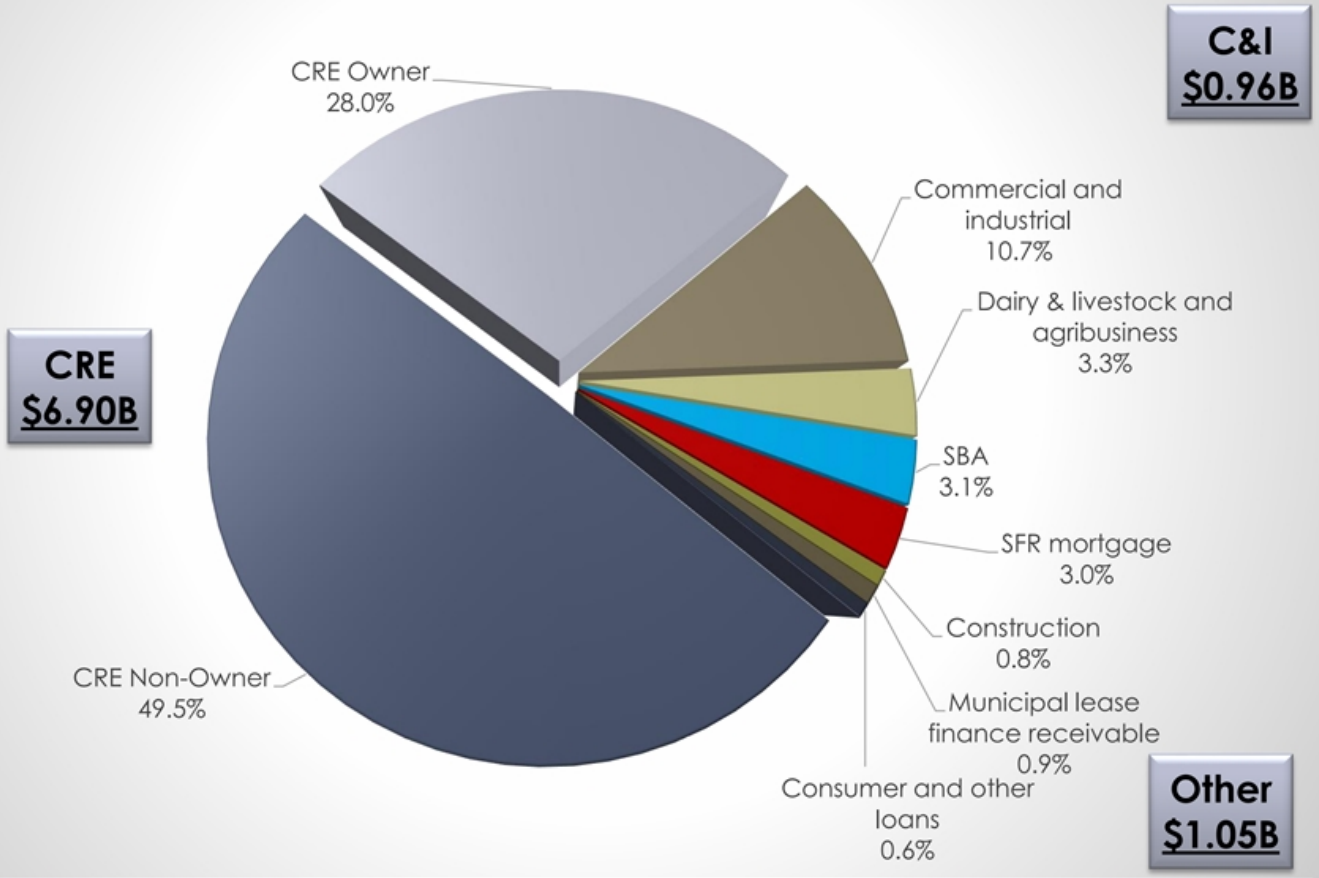


Allowance for Credit Losses – by Loan Type

Segmentation	3/31/2023		6/30/2023		Variance	
	ACL Balance	% of Loans	ACL Balance	% of Loans	ACL Balance	% of Loans
C&I	\$8.9	1.00%	\$9.1	0.95%	\$0.2	-0.05%
SBA	\$2.7	0.96%	\$2.7	0.95%	\$0.0	-0.01%
Real estate:						
Commercial RE	\$67.1	0.97%	\$67.9	0.98%	\$0.8	0.01%
Construction	\$1.7	1.99%	\$1.2	1.69%	\$(0.5)	-0.30%
SFR Mortgage	\$0.4	0.16%	\$0.4	0.17%	\$0.0	0.01%
Dairy & livestock	\$4.8	1.55%	\$5.0	1.66%	\$0.2	0.11%
Municipal lease	\$0.3	0.36%	\$0.3	0.35%	\$0.0	-0.01%
Consumer and other	\$0.6	0.84%	\$0.4	0.73%	\$(0.2)	-0.11%
Sub Total (Excluding PPP)	\$86.5	0.97%	\$87.0	0.98%	\$0.5	0.01%
PPP	\$0.0	0.00%	\$0.0	0.00%	\$0.0	0.00%
Total	\$86.5	0.97%	\$87.0	0.98%	\$0.5	0.01%

- Commercial real estate: 78%
- Commercial and industrial: 11%
- Dairy & livestock and agribusiness: 6%
- SBA: 3%
- Construction: 1%
- Consumer and other loans: 0%
- SFR mortgage: 1%
- Municipal lease finance receivable: 0%
- PPP: 0%

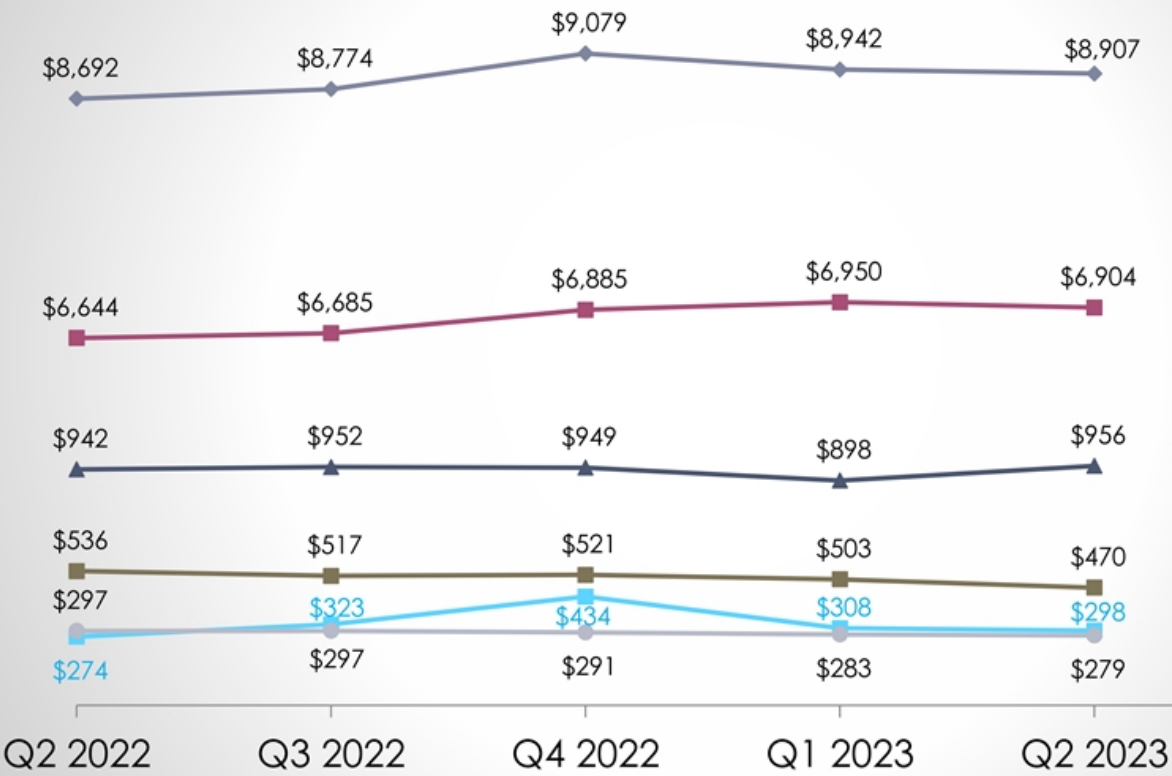
Loans by Type



Loan Trends



(\$ in Millions)



Q2 2023 vs Q2 2022

**Total +\$215
2% growth**

**CRE +\$260
4% growth**

C&I \$15

Other(\$66)

**D&L and Agribus.
+\$25**

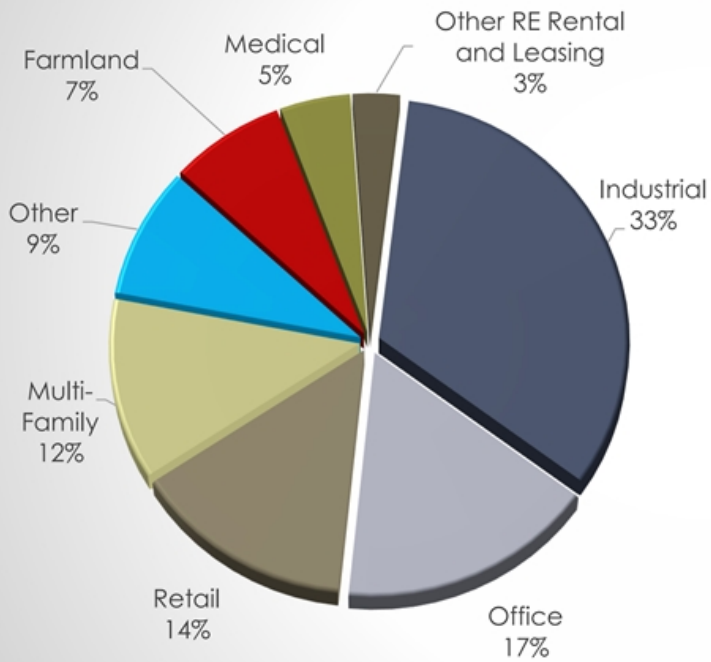
SBA(\$18)

*Other includes other loan segments that are not listed above, such as Construction, SFR Mortgage.

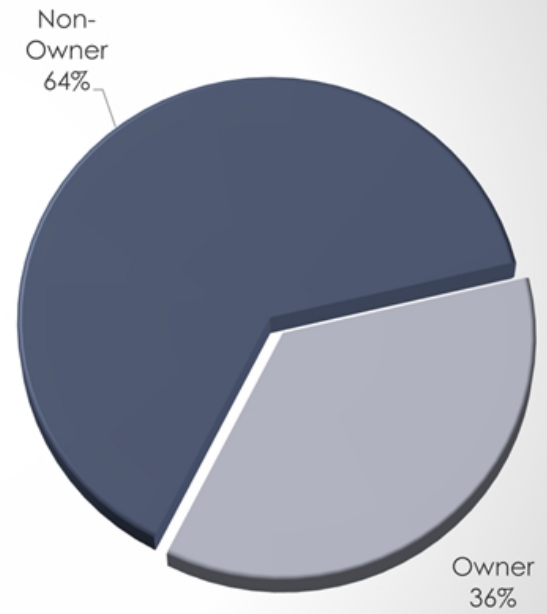
Commercial Real Estate Loans



Collateral Type



Owner/Non-Owner Occupied



CRE by Collateral



Collateral Type	Balance (\$ in Millions)	% of Owner Occupied	LTV at Origination	Avg. Size (\$ in Millions)	Classified (\$ in Millions)	Origination Year					
						2023	2022	2021	2020	2019	2018 or earlier
Industrial	\$ 2,288	49%	50%	\$ 1.62	\$ 6.96	6%	20%	19%	12%	7%	36%
Office	1,144	25%	55%	1.67	2.24	1%	23%	15%	17%	9%	35%
Retail	980	11%	48%	1.72	2.81	4%	22%	18%	13%	7%	36%
Multi-Family	837	0%	49%	1.59	-	7%	21%	19%	19%	11%	23%
Other	607	56%	47%	1.50	13.68	6%	14%	18%	11%	13%	38%
Farmland	518	99%	46%	1.52	26.85	2%	21%	17%	21%	11%	28%
Medical	319	33%	58%	1.53	2.91	1%	12%	17%	14%	7%	49%
Other RE Rental & Leasing	211	9%	50%	1.94	-	11%	22%	15%	5%	6%	41%
Total	\$ 6,904	36%	50%	\$ 1.62	\$ 55.44	5%	20%	18%	14%	9%	34%

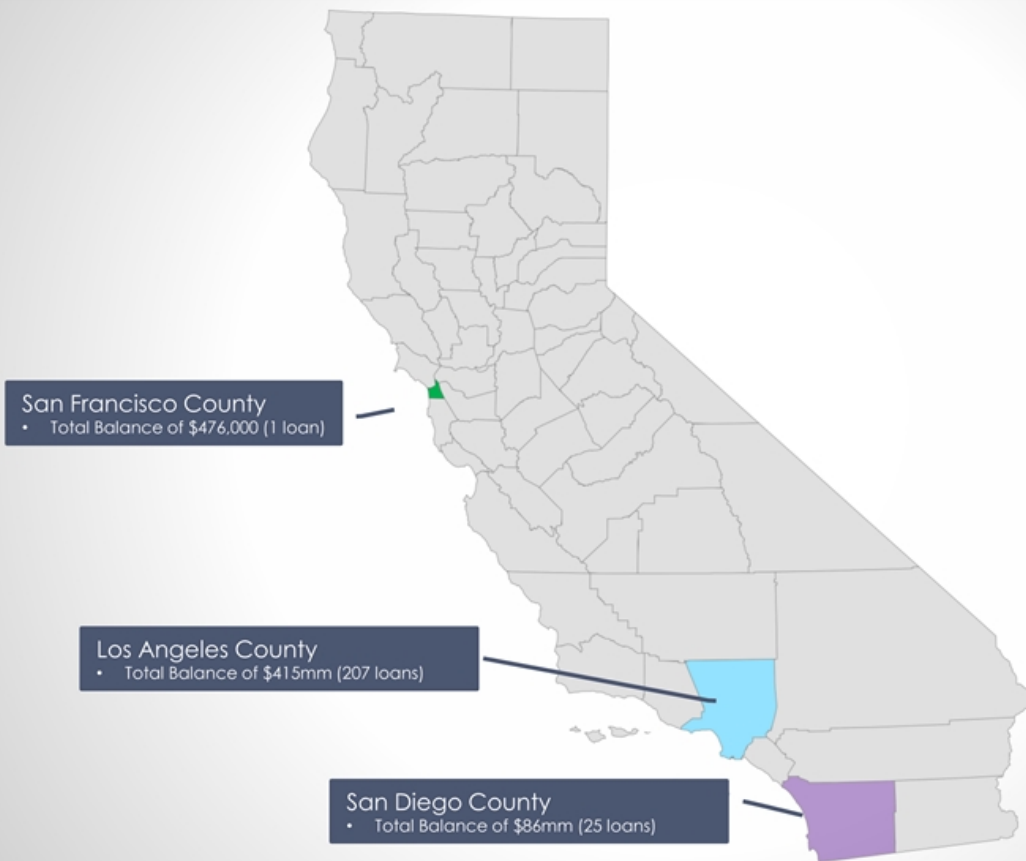
CRE Office by Loan Amount



Loan Amount	Balance (\$ in Millions)	% of Owner Occupied	Avg. Balance (\$ in Millions)	Classified (\$ in Millions)	Balance Maturing Next 24 months (\$ in Millions)	Rate Resets Next 24 Months (\$ in Millions)
Greater than \$20M	\$ 23	0%	\$ 23	\$ 0	\$ 0	\$ 0
\$10M to \$20M	126	25%	14	0	12	23
\$5M to \$10M	275	17%	7	0	39	37
\$1M to \$5M	560	25%	2	1	72	87
Less than \$1M	160	44%	0	1	23	22
Total	\$ 1,144				\$ 146	\$ 150

\$296mm (or 26%) of CRE office loans mature or reprice in the next 24 months.

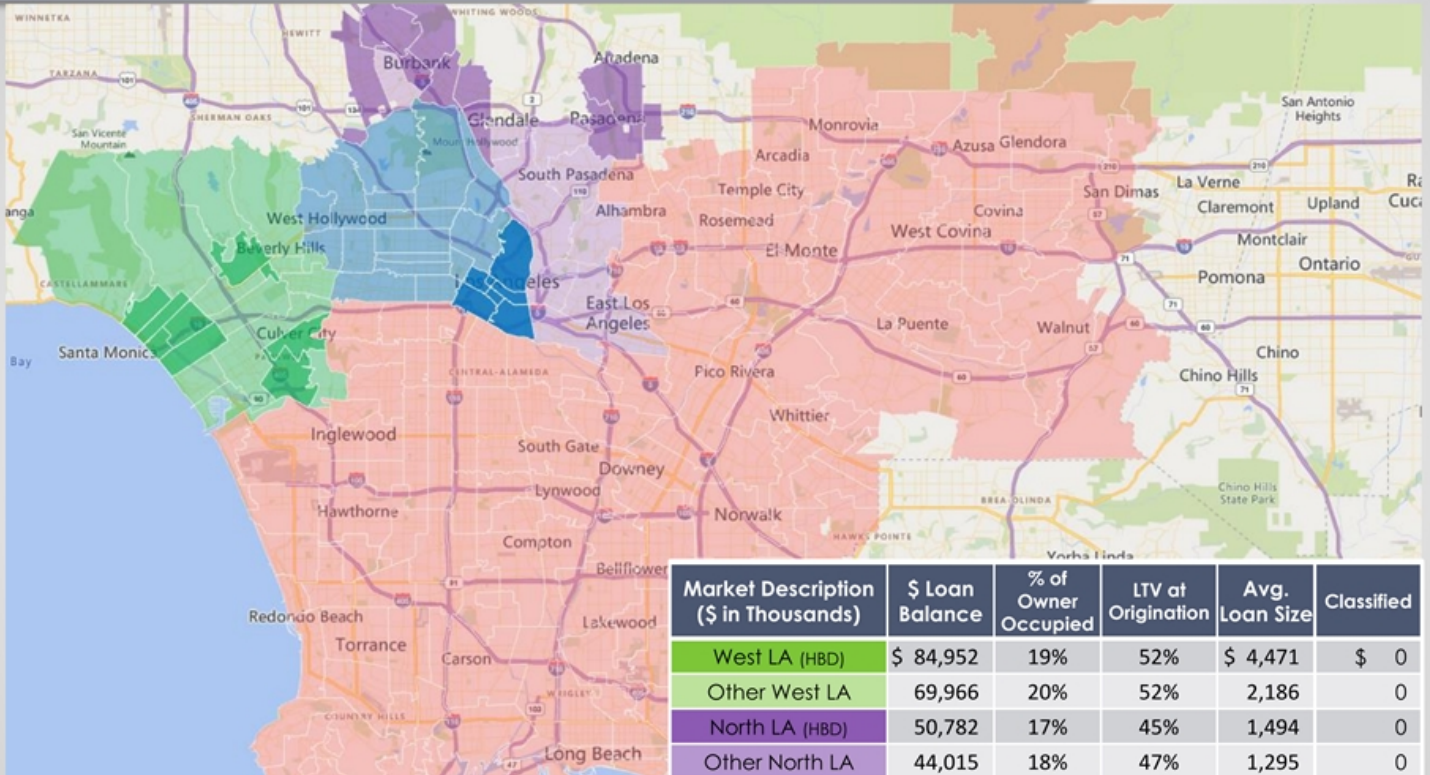
CRE Office Loans by Major MSA



Note: Only shows the office loans that are in the major MSA.

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Greater LA Business Density Distribution

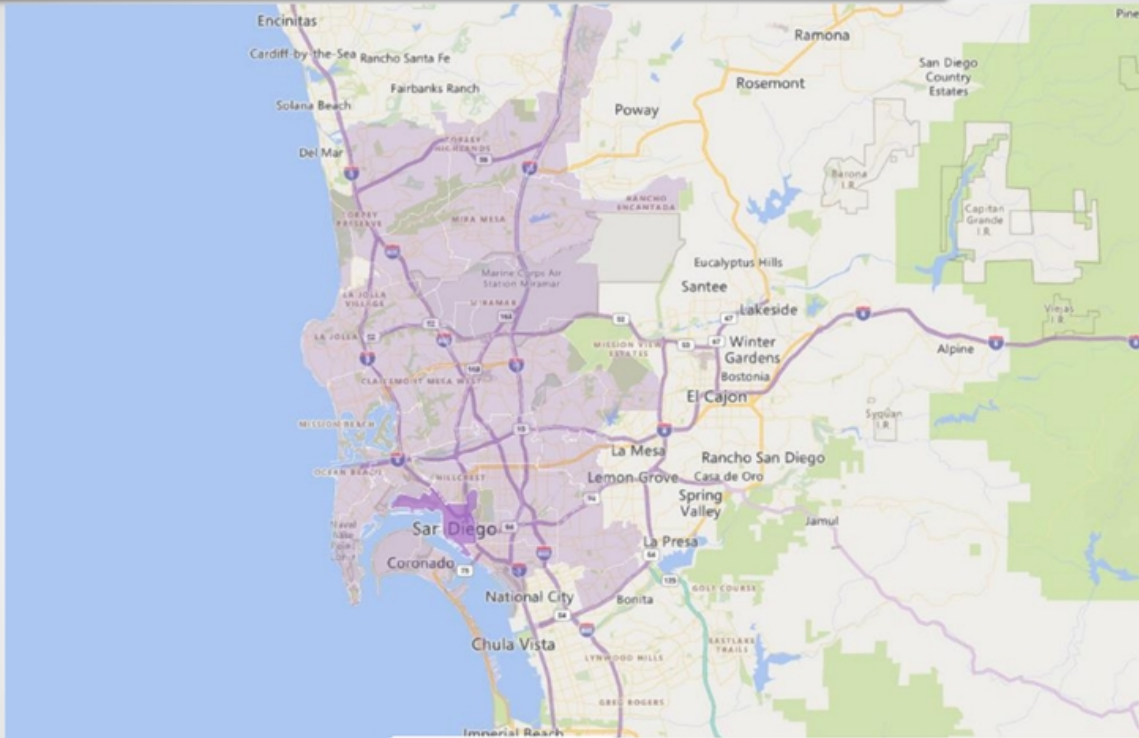


Note: Darker Shaded areas represent higher density of businesses within each submarket (HBD)

- West LA includes Santa Monica and Century City
- Central LA includes Downtown LA
- North LA includes Pasadena and Burbank
- Other LA (includes remaining areas of LA)

Market Description (\$ in Thousands)	\$ Loan Balance	% of Owner Occupied	LTV at Origination	Avg. Loan Size	Classified
West LA (HBD)	\$ 84,952	19%	52%	\$ 4,471	\$ 0
Other West LA	69,966	20%	52%	2,186	0
North LA (HBD)	50,782	17%	45%	1,494	0
Other North LA	44,015	18%	47%	1,295	0
Downtown LA (HBD)	583	100%	6%	583	0
Other Central LA	42,504	28%	48%	2,237	0
Other LA	122,603	35%	50%	1,803	0
Total	\$415,405	25%	49%	\$ 2,007	\$ 0

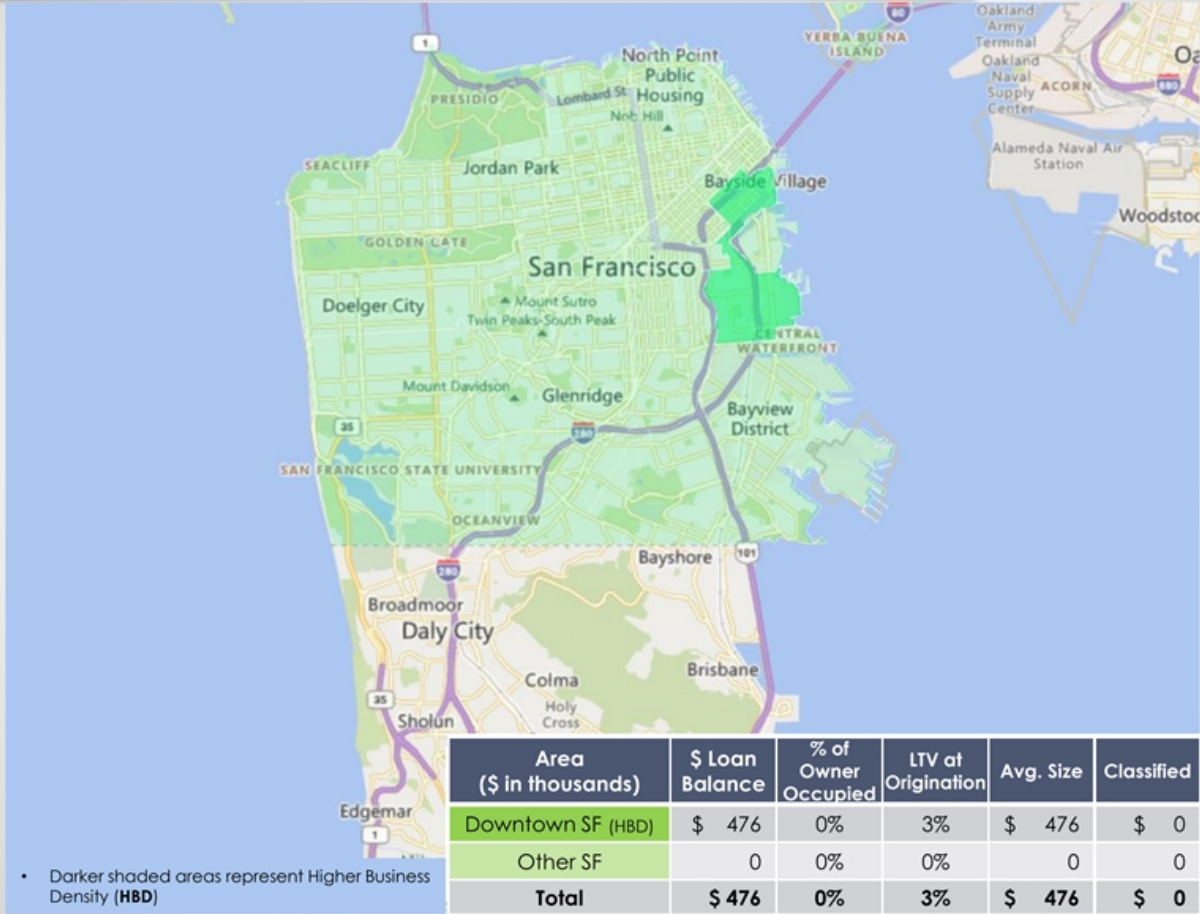
Greater SD Business Density Distribution



• Darker shaded areas represent Higher Business Density (HBD)

Area (\$ in thousands)	\$ Loan Balance	% of Owner Occupied	LTV at Origination	Avg. Size	Classified
Downtown SD (HBD)	\$ 3,871	41%	54%	\$ 1,290	\$ 0
Other SD	81,659	0%	51%	3,711	0
Total	\$ 85,530	2%	51%	\$ 3,421	\$ 0

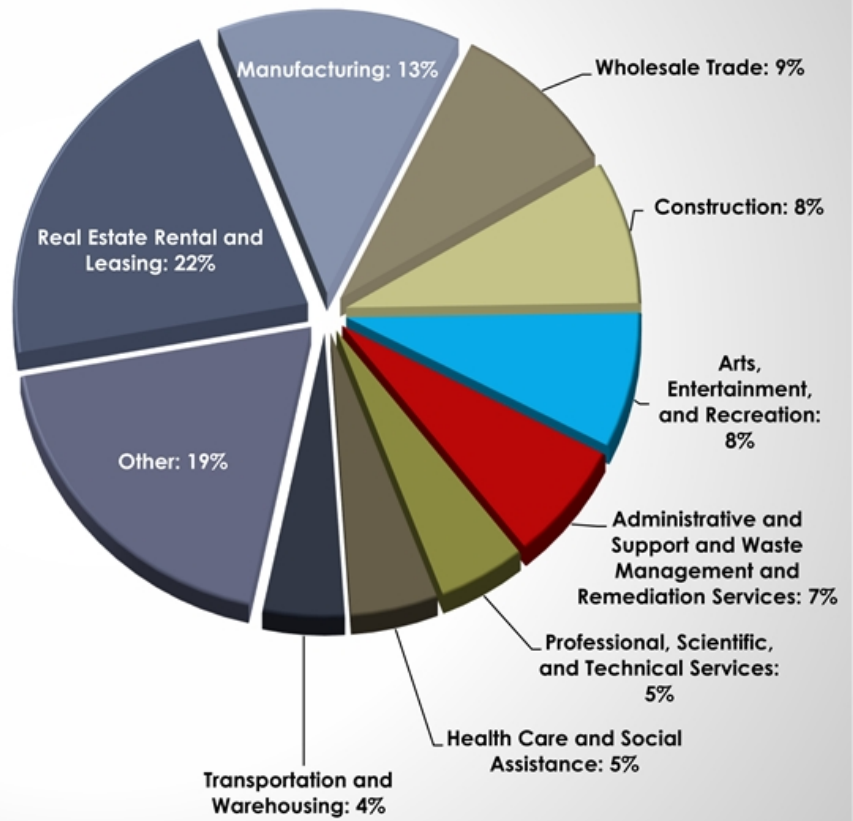
Greater SF Business Density Distribution



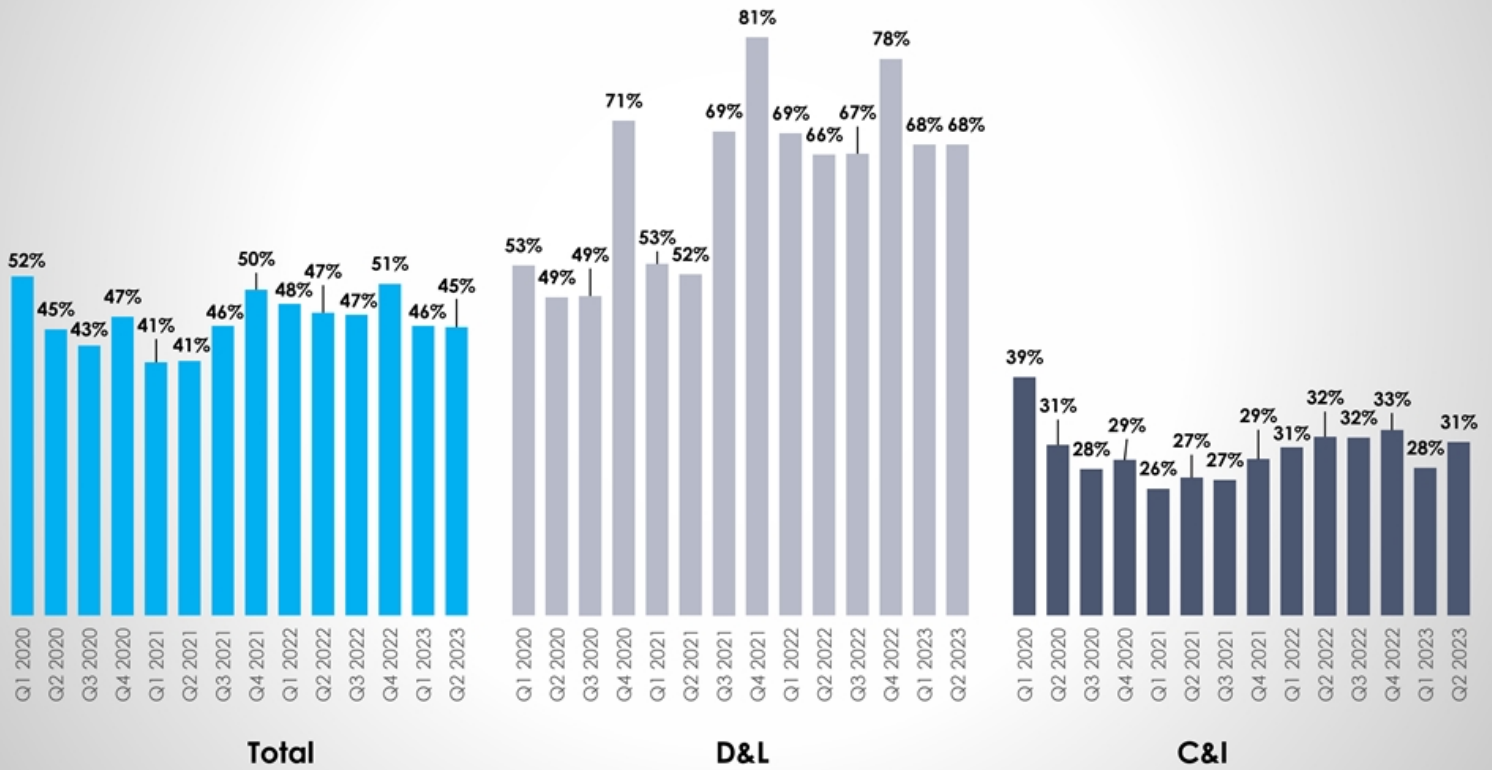
C&I by Industry



Industry	Balance (\$ in Millions)	% of C&I Total
Real Estate Rental and Leasing	\$ 208	22%
Manufacturing	128	13%
Wholesale Trade	88	9%
Construction	78	8%
Arts, Entertainment, and Recreation	74	8%
Administrative and Support and Waste Management and Remediation Services	65	7%
Professional, Scientific, and Technical Services	46	5%
Health Care and Social Assistance	46	5%
Transportation and Warehousing	43	4%
Other	180	19%
Total	\$ 956	100%



Line Utilization Trends

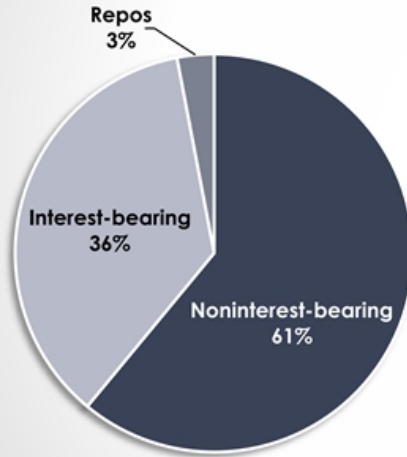


Relationship-Centered Deposit Base

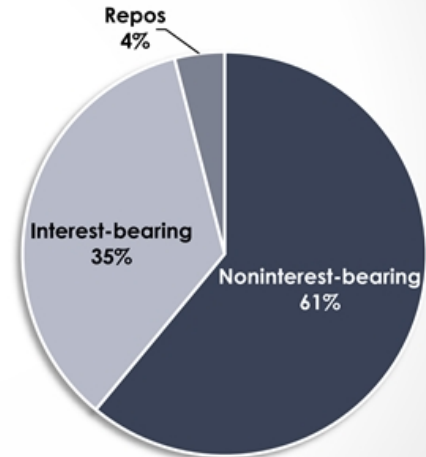


100% Core Deposits - 0% Brokered Deposits

June 30, 2022
Total Deposits & Customer Repos



June 30, 2023
Total Deposits & Customer Repos

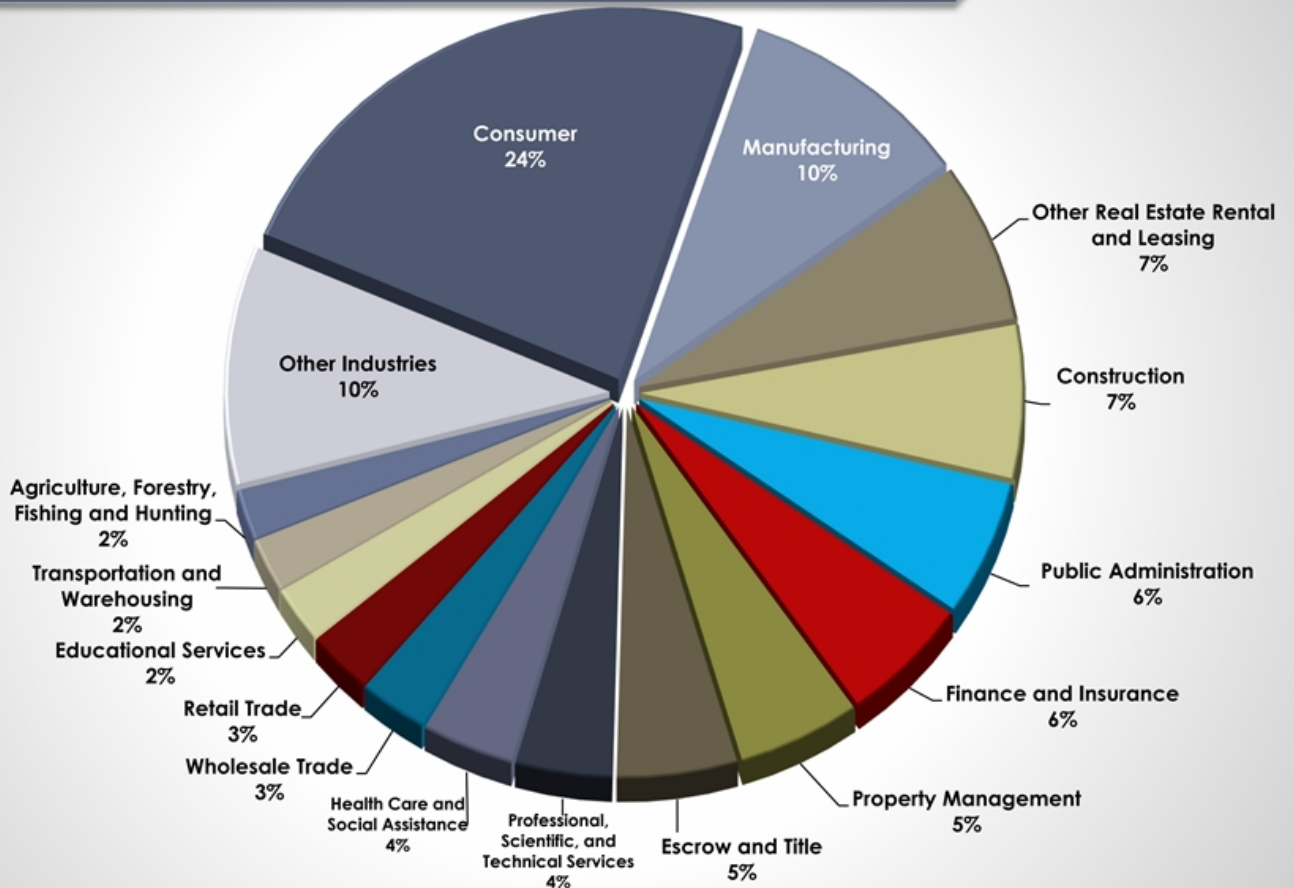


Cost of Interest-Bearing Deposits and Repos

June 2022
0.10%

June 2023
1.04%

Diverse Deposit Base

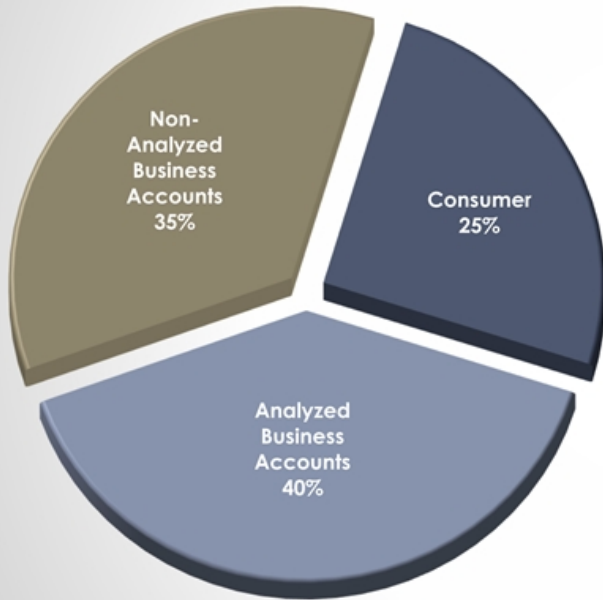


*Other Industries include various industries that represent less than 2%.

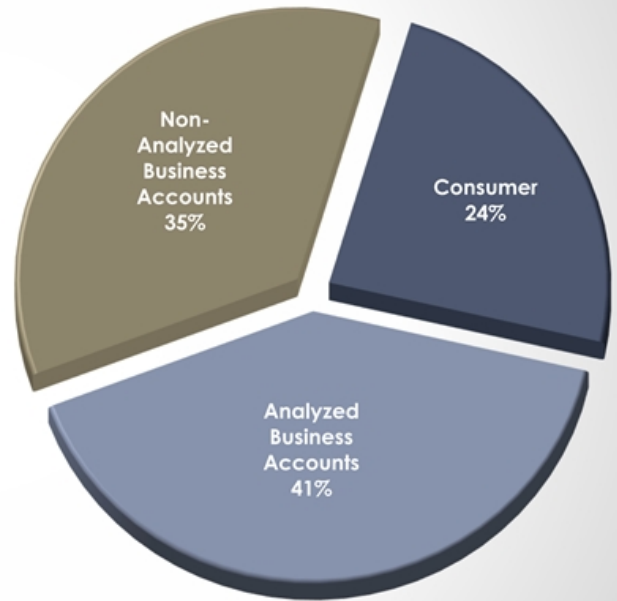
Business vs Consumer Deposits



Q1 2022



Q2 2023



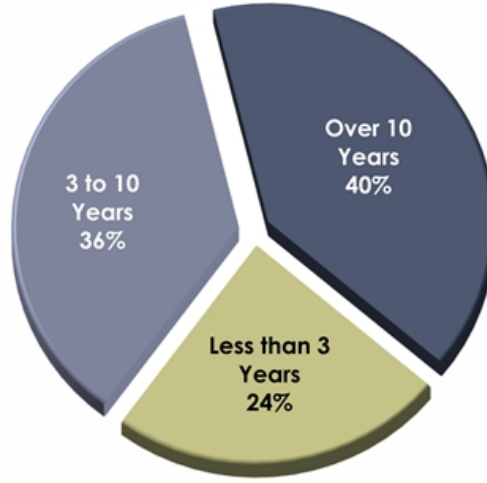
Deposit Relationship Tenure



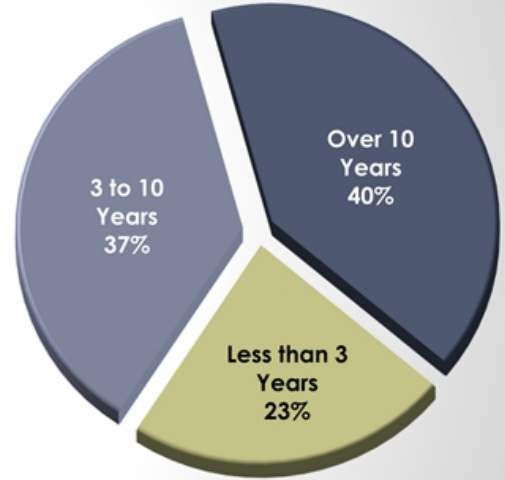
Q1 2022



Q4 2022



Q2 2023

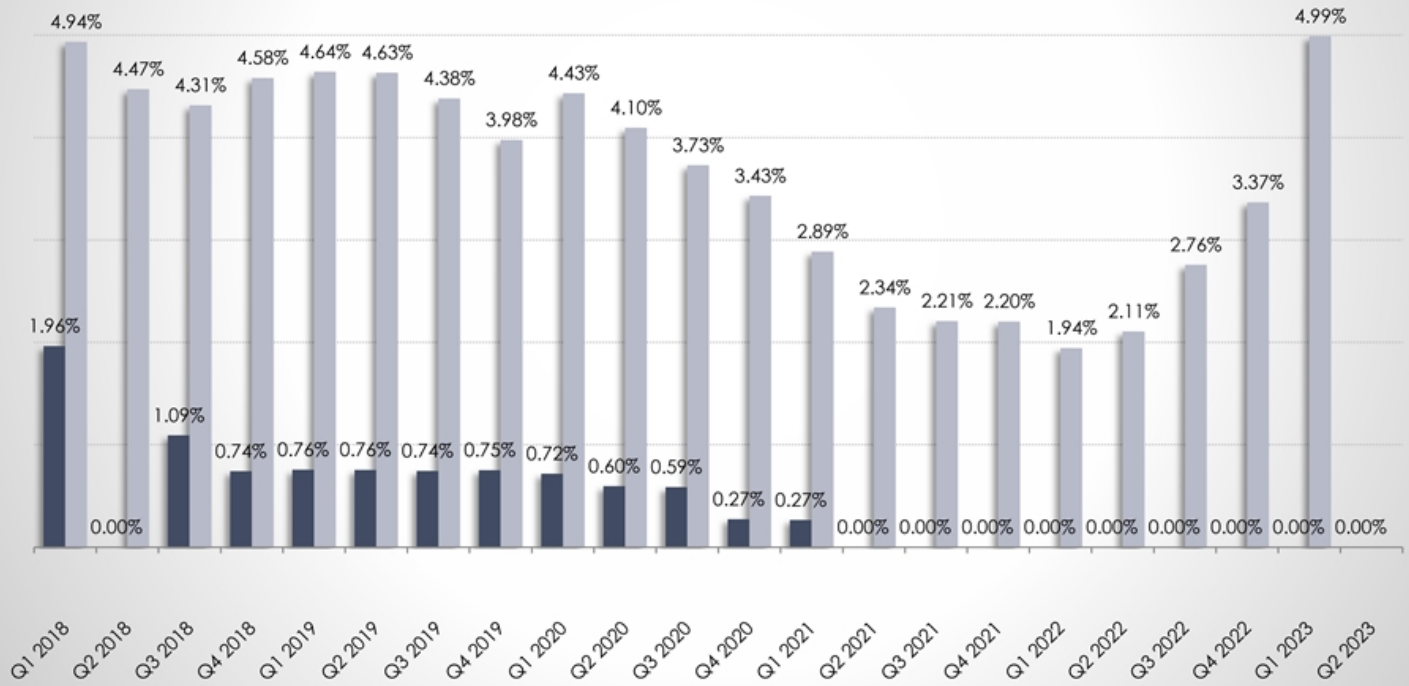


> 75% of our customer deposit relationships have banked with CBB for 3 years or more

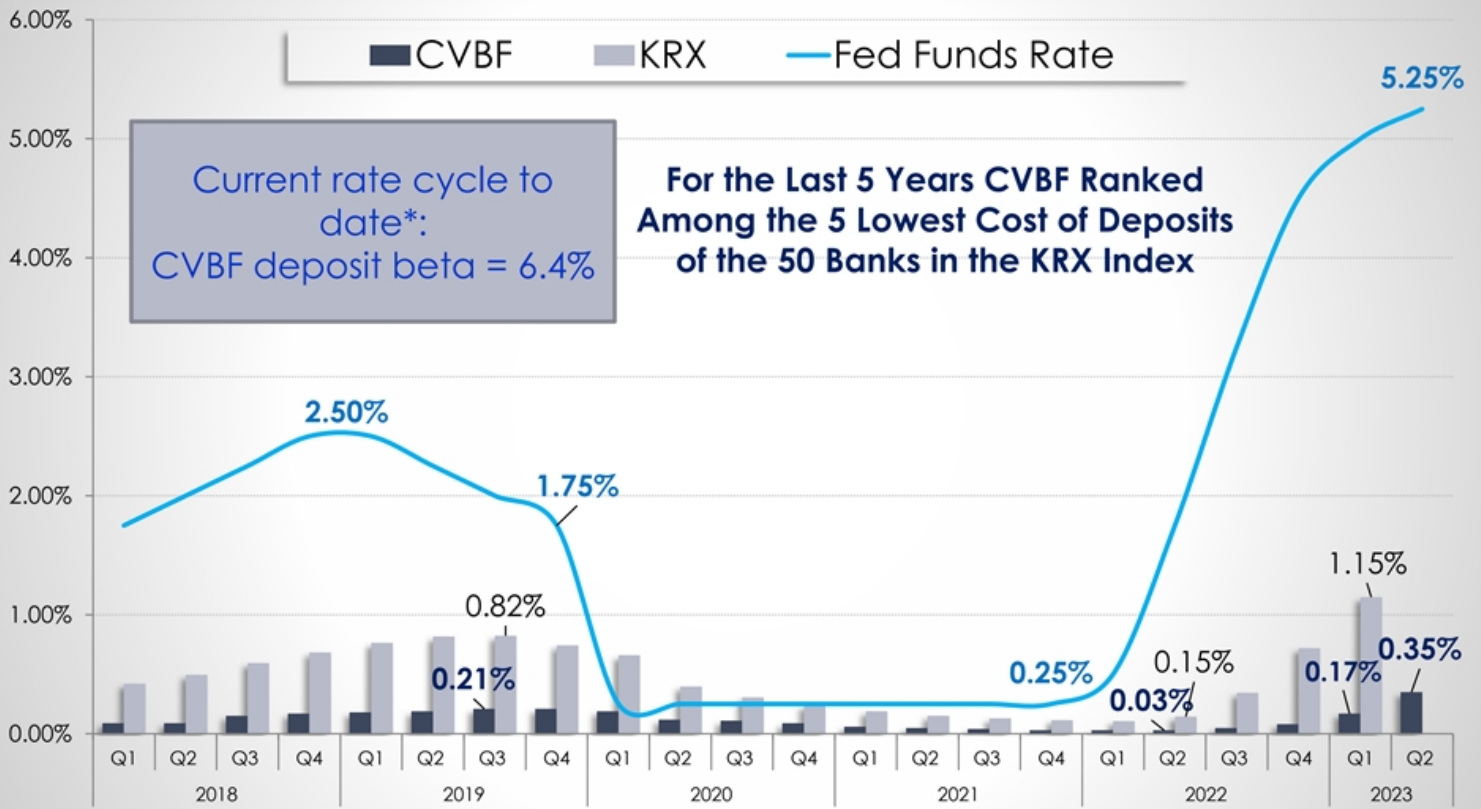
Brokered Deposits / Total Deposits (%)



■ CVBF ■ KRX



Cost of Deposits

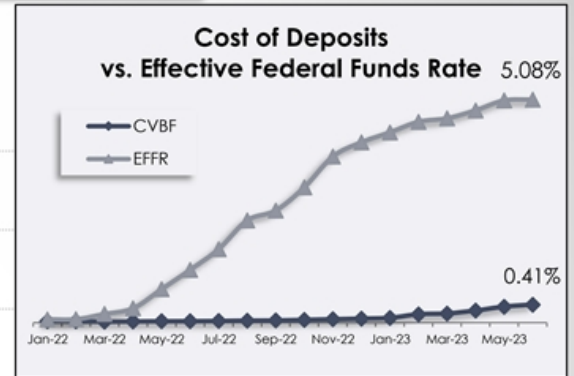
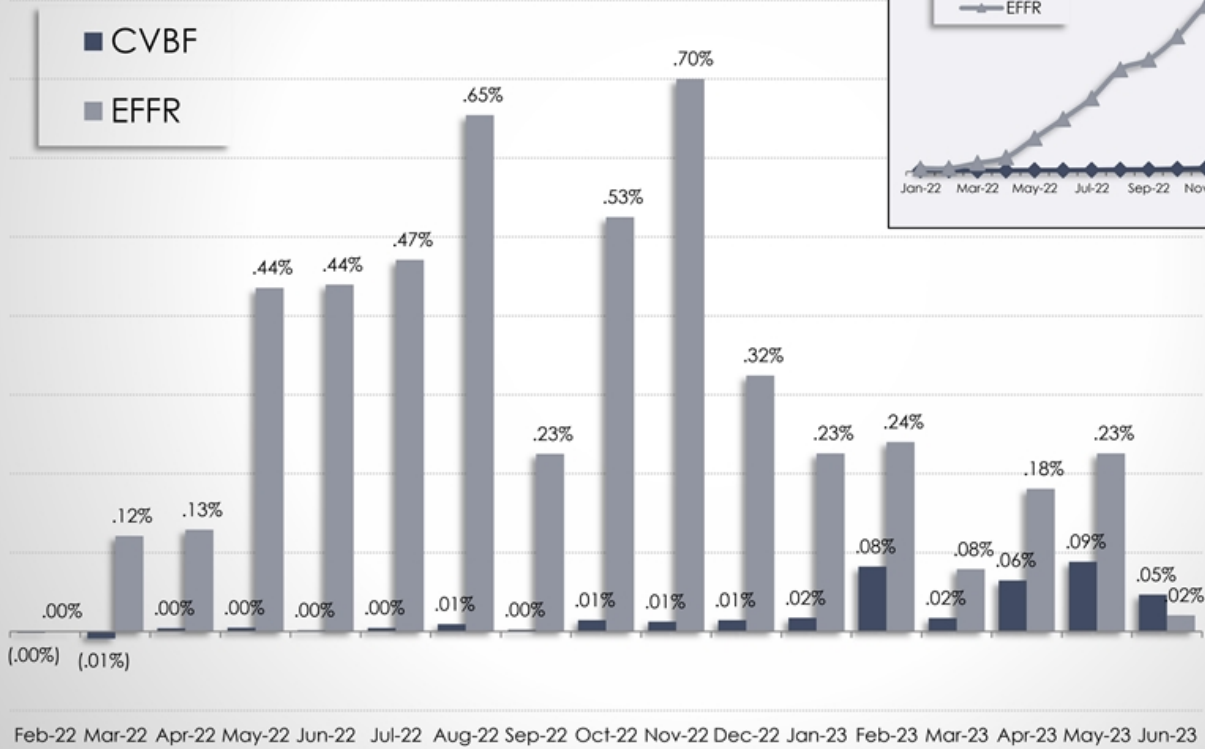


*Measured as the growth in deposits costs from Q1 2022 through Q2 2023 as a function of growth in the Federal Funds Rate.

Cost of Deposits: Monthly Trends



MoM Growth in Cost of Deposit vs. Effective Federal Funds Rate



Deposit Characteristics - Uninsured



(\$ in Billions)

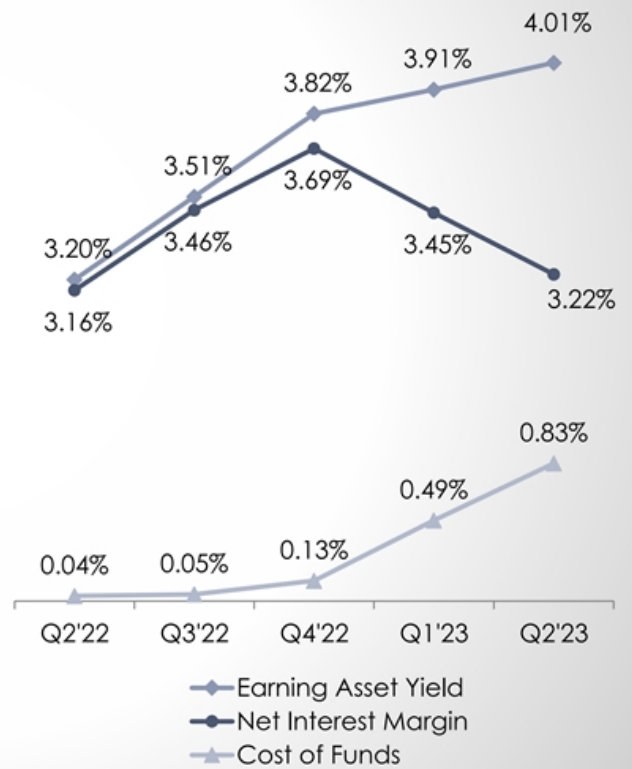
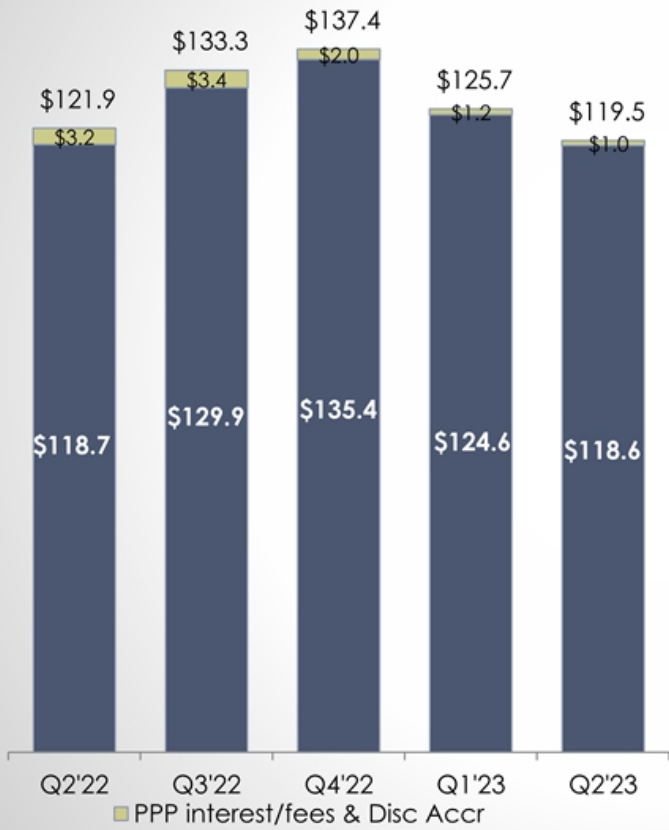
Estimated Uninsured Deposit & Repo Analysis	6/30/23
Total Deposits & Customer Repos ⁽¹⁾	\$12.8
Less: Insured Deposits	(4.3)
Less: Collateralized Deposits	(1.4)
Less: Collateralized Repos	(0.5)
Est. Uninsured Deposits ⁽²⁾ , excluding items above	\$6.7
 Est. Uninsured (excluding collateralized) as % of Total Deposits & Customer Repos	 52%

(1) Total Deposits and Customer Repurchase Agreements as reported on CVB Financial Corp.'s Second Quarter 2023 Earnings Release (2) Est amount of uninsured deposits of \$8.1 billion to be reported on RC-O of the FFIEC 041 Call Report for 6/30/23

Net Interest Income and NIM



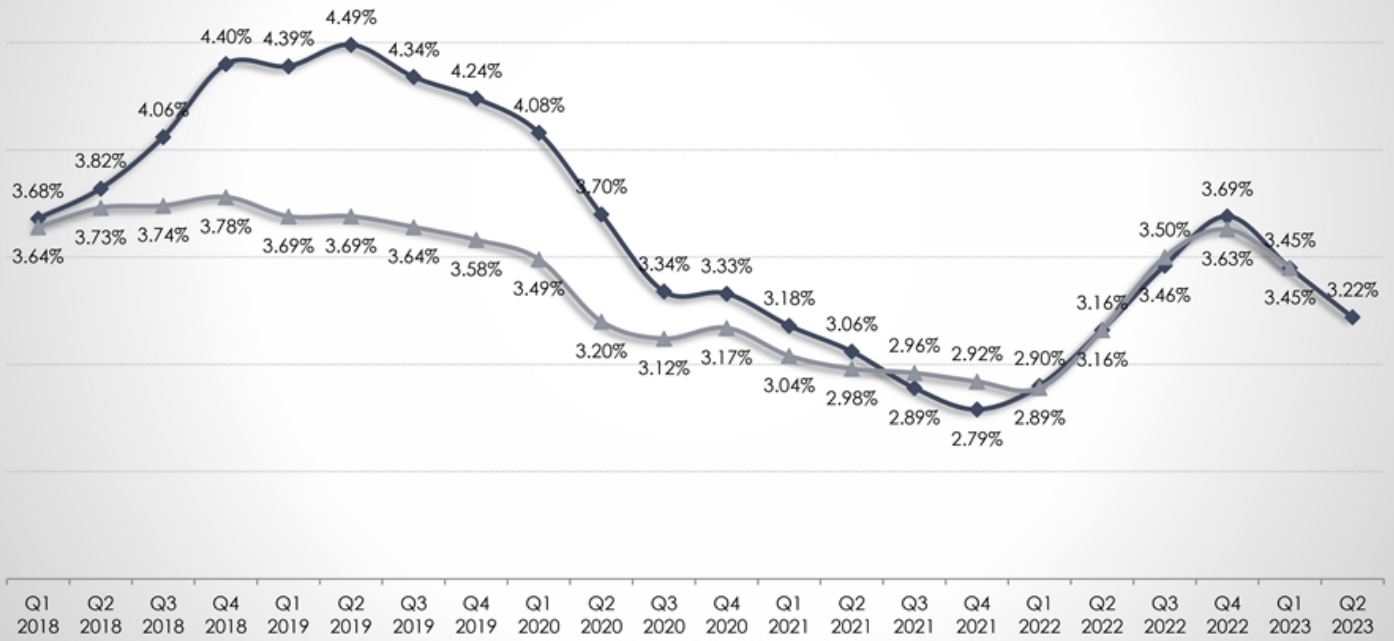
(\$ in Millions)



Net Interest Margin Trend



CVBF KRX



100% Core Customer Deposits (*no brokered deposits*)

➤ Borrowing Capacity:

- ✓ FHLB: \$4.1 billion (secured)
- ✓ FRB: > \$1.3 billion (secured)
- ✓ Other: > \$300 million (unsecured)

As of June 30, 2023: \$1.5 billion in Short-Term Advances

- ✓ \$800 million FHLB Term Advance (*latest maturity Nov. 2023*)
- ✓ \$695 million FRB Bank Term Funding Program (*matures Mar. 2024*)

➤ Unpledged AFS Securities > \$550 million



CVB Financial Corp.

Appendix
Non-GAAP Reconciliation

Loans by Region



(\$ in Thousands)	# of Center Locations (6/30/23)	Average Loans per Location	Total Loans (6/30/23)	%
Los Angeles County	21	\$159,580	\$ 3,351,184	37.6%
Central Valley and Sacramento	15	139,163	2,087,446	23.4%
Orange County	10	112,699	1,126,986	12.7%
Inland Empire (Riverside & San Bernardino Counties)	9	112,039	1,008,354	11.3%
Central Coast	5	95,524	477,620	5.4%
San Diego	2	172,516	345,031	3.9%
Other California			152,945	1.7%
Out of State			357,831	4.0%
Total	62	\$143,668	\$ 8,907,397	100.0%

Deposits by Region



(\$ in Thousands)	# of Center Locations (6/30/23)	Total Deposits (3/31/23)	Total Deposits (6/30/23)	Average Deposits per Center (6/30/23)
Los Angeles County	21	\$4,989,500	\$5,216,235	\$248,392
Inland Empire (Riverside & San Bernardino Counties)	9	3,469,225	3,484,676	387,186
Central Valley and Sacramento	15	2,130,360	2,042,311	136,154
Orange County	10	1,660,544	1,620,535	162,054
Central Coast	5	407,159	388,666	77,733
San Diego	2	105,317	97,470	48,735
Total	62	\$12,762,105	\$12,849,894	\$207,256

*Includes Customer Repurchase Agreements.

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	June 30, 2022	March 31, 2023	June 30, 2023
	<i>(Dollars in thousands)</i>						
Net Income	\$ 207,827	\$ 177,159	\$ 212,521	\$ 235,425	\$ 59,058	\$ 59,270	\$ 55,770
Add: Amortization of intangible assets	10,798	9,352	8,240	7,566	1,998	1,720	1,719
Less: Tax effect of amortization of intangible assets [1]	(3,192)	(2,765)	(2,436)	(2,237)	(591)	(508)	(508)
Tangible net income	\$ 215,433	\$ 183,746	\$ 218,325	\$ 240,754	\$ 60,465	\$ 60,482	\$ 56,981
Average stockholders' equity	\$ 1,939,961	\$ 1,991,664	\$ 2,063,360	\$ 2,066,463	\$ 2,091,454	\$ 1,978,244	\$ 2,027,708
Less: Average goodwill	(665,026)	(663,707)	(663,707)	(764,143)	(765,822)	(765,822)	(765,822)
Less: Average intangible assets	(48,296)	(38,203)	(29,328)	(25,376)	(26,381)	(20,983)	(19,298)
Average tangible common equity	\$ 1,226,639	\$ 1,289,754	\$ 1,370,325	\$ 1,276,944	\$ 1,299,251	\$ 1,191,439	\$ 1,242,588
Return on average equity, annualized [2]	10.71%	8.90%	10.30%	11.39%	11.33%	12.15%	11.03%
Return on average tangible common equity, annualized [2]	17.56%	14.25%	15.93%	18.85%	18.67%	20.59%	18.39%

[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	June 30, 2022	March 31, 2023	June 30, 2023
	<i>(Dollars in thousands)</i>						
Net Income	\$ 207,827	\$ 177,159	\$ 212,521	\$ 235,425	\$ 59,058	\$ 59,270	\$ 55,770
Add: Provision for(recapture of) credit losses	5,000	23,500	(25,500)	10,600	3,600	1,500	500
Add: Income tax expense	83,247	72,361	85,127	92,922	23,081	23,279	21,904
Pretax-pre provision income	<u>\$ 296,074</u>	<u>\$ 273,020</u>	<u>\$ 272,148</u>	<u>\$ 338,947</u>	<u>\$ 85,739</u>	<u>\$ 84,049</u>	<u>\$ 78,174</u>
Average total assets	\$ 11,302,901	\$ 12,929,813	\$ 15,350,521	\$ 16,911,661	\$ 17,006,948	\$ 16,313,136	\$ 16,456,524
Return on average assets [1]	1.84%	1.37%	1.38%	1.39%	1.39%	1.47%	1.36%
PTPP Return on average assets [1]	2.62%	2.11%	1.77%	2.00%	2.02%	2.09%	1.91%

[1] Annualized where applicable.



CVB Financial Corp.

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