



# Statement of Condition

## September 30, 2017

### President's Message

CVB Financial Corp. ("CVBF") recorded the highest quarterly earnings in company history and the highest earnings for the first three quarters of a calendar year. 2017 third quarter earnings were \$29.7 million and year to date earnings were \$86.6 million, both all-time highs for the Bank. The third quarter represented our 162<sup>nd</sup> consecutive quarter of profitability and 112<sup>th</sup> consecutive quarter of paying a cash dividend to our shareholders.

While our focus on profitability is always paramount, we are also pleased to report improvement in our asset quality metrics. Both our non-performing loan totals and classified loan totals declined quarter over quarter. In addition, our profit margins improved as we have been actively managing our costs. During the third quarter, we consolidated three center locations to further streamline our operations. We are doing our best to manage both risk and return.

Numerical highlights for the end of the third quarter include total assets of \$8.30 billion, total loans and leases of \$4.75 billion, total investment securities of \$3.02 billion and total deposits (including customer repurchase agreements) of \$7.06 billion.

CitizensTrust, our wealth management division that provides trust, investment, and brokerage-related services, as well as financial, estate, and business succession planning, had approximately \$2.84 billion in assets under management and administration, including \$2.13 billion in assets under management at quarter end. Revenues were \$2.5 million for the third quarter of 2017, compared to \$2.3 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: [cbbank.com](http://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

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**  
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. Oswalt**  
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 Security 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

## Condensed Consolidated Balance Sheets

(Dollars in thousands, except share amounts) (unaudited)	September 30, 2017	December 31, 2016
<b>Assets</b>		
Cash and due from banks	\$ 137,196	\$ 119,445
Interest-earning balances due from Federal Reserve	6,594	2,188
Total cash and cash equivalents	143,790	121,633
Interest-earning balances due from depository institutions	20,521	47,848
Investment securities available-for-sale, at fair value (with amortized cost of \$2,155,330 at September 30, 2017, and \$2,255,874 at December 31, 2016)	2,175,648	2,270,466
Investment securities held-to-maturity (with fair value of \$842,050 at September 30, 2017, and \$897,374 at December 31, 2016)	848,382	911,676
Total investment securities	3,024,030	3,182,142
Investment in stock of Federal Home Loan Bank (FHLB)	17,688	17,688
Loans and lease finance receivables	4,746,424	4,395,064
Allowance for loan losses	(60,631)	(61,540)
Net loans and lease finance receivables	4,685,793	4,333,524
Premises and equipment, net	46,654	42,086
Bank owned life insurance (BOLI)	145,970	134,785
Accrued interest receivable	21,518	22,259
Intangibles	7,177	5,010
Goodwill	116,564	89,533
Other real estate owned (OREO)	4,527	4,527
Income taxes	48,145	45,429
Asset held-for-sale	-	3,411
Other assets	21,635	23,832
<b>Total assets</b>	<b>\$ 8,304,012</b>	<b>\$ 8,073,707</b>
<b>Liabilities and Stockholders' Equity</b>		
Liabilities:		
Deposits:		
Noninterest-bearing	\$ 3,908,809	\$ 3,673,541
Interest-bearing	2,699,287	2,636,139
<b>Total deposits</b>	<b>6,608,096</b>	<b>6,309,680</b>
Customer repurchase agreements	455,069	603,028
Other borrowings	63,000	53,000
Deferred compensation	18,024	12,361
Junior subordinated debentures	25,774	25,774
Payable for securities purchased	1,625	23,777
Other liabilities	55,960	55,225
<b>Total liabilities</b>	<b>7,227,548</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 110,157,384 at September 30, 2017, and 108,251,981 at December 31, 2016	572,685	531,192
Retained earnings	491,935	449,499
Accumulated other comprehensive income, net of tax	11,844	10,171
<b>Total stockholders' equity</b>	<b>1,076,464</b>	<b>990,862</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 8,304,012</b>	<b>\$ 8,073,707</b>

## Condensed Consolidated Statements of Earnings

(Dollars in thousands, except per share amounts) (unaudited)	For the Three Months ended September 30, 2017		2016
Interest income:			
<b>Loans and leases, including fees</b>	<b>\$ 55,998</b>	<b>\$ 47,754</b>	
Investment securities:			
Investment securities available-for-sale	12,240	11,425	
Investment securities held-to-maturity	5,184	4,787	
<b>Total investment income</b>	<b>17,424</b>	<b>16,212</b>	
Dividends from FHLB stock	318	403	
Interest-earning deposits with other institutions and federal funds sold	130	802	
<b>Total interest income</b>	<b>73,870</b>	<b>65,171</b>	
Interest expense:			
Deposits	1,555	1,525	
Borrowings and customer repurchase agreements	402	349	
Junior subordinated debentures	174	136	
<b>Total interest expense</b>	<b>2,131</b>	<b>2,010</b>	
Net interest income before recapture of provision for loan losses	71,739	63,161	
Recapture of provision for loan losses	(1,500)	(2,000)	
<b>Net interest income after recapture of provision for loan losses</b>	<b>73,239</b>	<b>65,161</b>	
Noninterest income:			
Service charges on deposit accounts	4,085	3,817	
Trust and investment services	2,523	2,328	
Bankcard services	927	827	
BOLI income	692	706	
Other	1,811	1,505	
<b>Total noninterest income</b>	<b>10,038</b>	<b>9,183</b>	
Noninterest expense:			
Salaries and employee benefits	21,835	20,403	
Occupancy and equipment	4,400	4,102	
Professional services	1,091	1,404	
Software licenses and maintenance	1,510	1,358	
Marketing and promotion	1,055	1,199	
Acquisition related expenses	250	353	
Other	4,565	4,187	
<b>Total noninterest expense</b>	<b>34,706</b>	<b>33,006</b>	
Earnings before income taxes	48,571	41,338	
Income taxes	18,888	15,890	
<b>Net earnings</b>	<b>\$ 29,683</b>	<b>\$ 25,448</b>	
Basic earnings per common share	\$ 0.27	\$ 0.23	
Diluted earnings per common share	\$ 0.27	\$ 0.23	
Cash dividends declared per common share	\$ 0.14	\$ 0.12	

