



**CVB Financial Corp.**

April 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; the impacts of the ongoing COVID-19 pandemic; 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; possible credit related 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. 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: \$16.3 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



- 184 Consecutive Quarters of Profitability
- 134 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

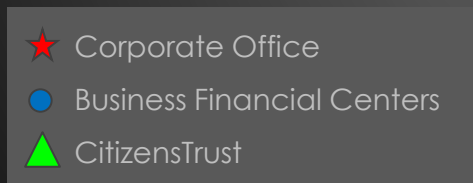
As of 4/11/2023

CVB Financial Corp. is the holding company for Citizens Business Bank

SNL Financial ranking of largest bank holding companies in CA, as of 3/31/2023

62 Business Financial Centers

3 CitizensTrust Locations





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



# Three Areas of Growth



## De Novo

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)



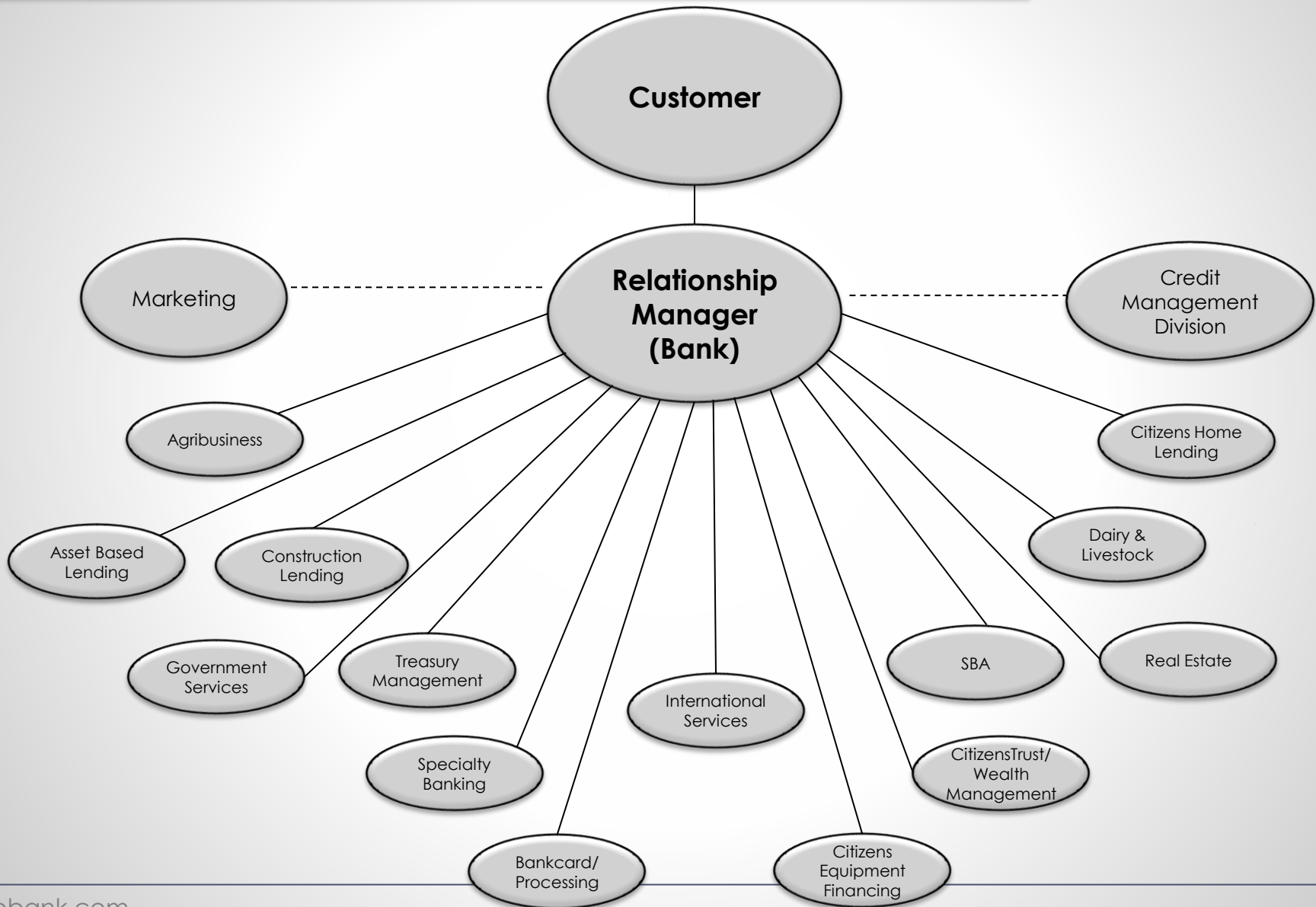
## **Banks:**

- 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

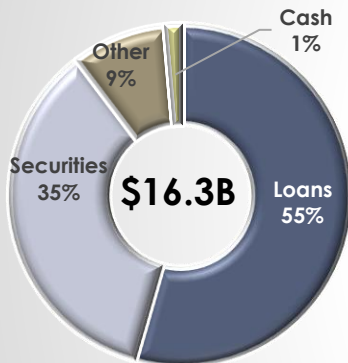


# CVBF Balance Sheet Profile

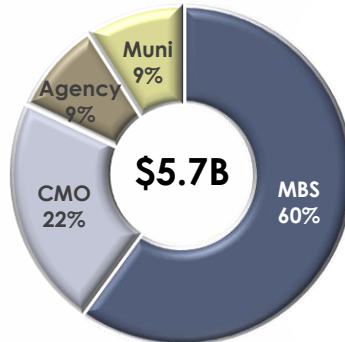


March 31, 2023

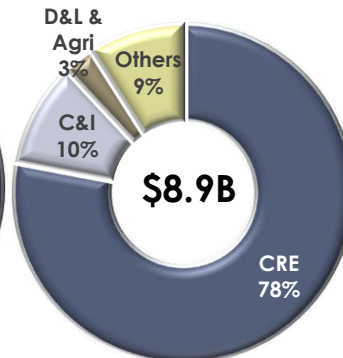
## Assets



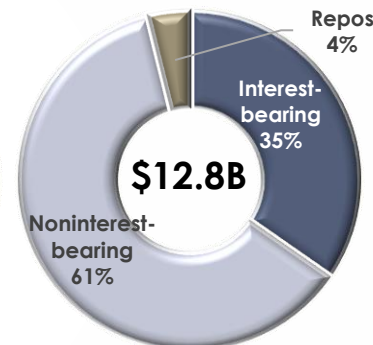
## Securities



## Loans

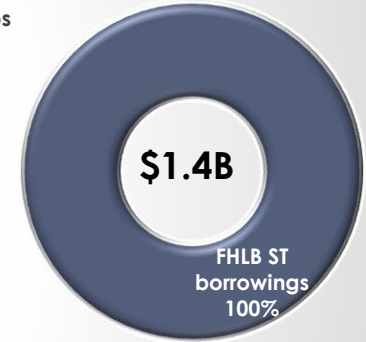


## Deposits & Repos



100% Core  
Customer  
Deposits

## Wholesale Funding



## Capital Ratios as of March 31, 2023

TCE	Tier 1 Leverage	CET1	Tier 1 RBC	Total RBC
7.8%	9.7%	13.8%	13.8%	14.6%

# Q1 2023 Financial Highlights



## Profitability

- ROATCE = 20.59%
- ROAA = 1.47%
- NIM = 3.45%
- Efficiency Ratio = 39.50%

## Income Statement

- Q1 '23 Net Income = \$59.3 million / EPS = \$0.42
- 30% increase in Net Income vs. Q1 '22
- 10% decrease in Net Income vs. Q4 '22
- Q1 '23 Cost of deposits = 0.17%

## Balance Sheet

- Loans decreased sequentially by \$137 million ~ 1.5%
- Total deposits decreased sequentially by \$564 million ~ 4.4%
- Noninterest deposits 64% of Total Deposits at quarter end
- \$1.4 billion short-term FHLB borrowings at quarter end

## Asset Quality

- Q1 Net charge-offs = \$77K
- NPA/TA = 0.04% (NPA = \$6.2 million)
- Classified loans = \$67 million or 0.75% of total loans
- ACL = \$86.5 million or 129% of classified loans

## Capital

- CET1 Ratio = 13.8%
- Total Risk-Based Ratio = 14.6%
- Tangible Common Equity Ratio = 7.8%

# Selected Ratios



		2020	2021	2022	Q1'22	Q4'22	Q1'23
Performance	ROATCE	14.25%	15.93%	18.85%	13.08%	23.65%	20.59%
	NIM	3.59%	2.97%	3.30%	2.90%	3.69%	3.45%
	Cost of Deposits	0.12%	0.04%	0.05%	0.03%	0.08%	0.17%
	Cost of Funds	0.13%	0.05%	0.06%	0.03%	0.13%	0.49%
	Efficiency Ratio	41.40%	41.09%	38.98%	46.93%	36.31%	39.50%
	NIE % Avg. Assets	1.49%	1.24%	1.28%	1.36%	1.32%	1.36%
Credit Quality	NPA % Total Assets	0.12%	0.04%	0.03%	0.08%	0.03%	0.04%
	Net Charge-Offs (Recoveries) to Avg. Loans	0.00%	0.04%	(0.01%)	0.00%	(0.00%)	0.00%
Capital	CET1 Ratio	14.8%	14.9%	13.5%	13.6%	13.6%	13.8%
	Total Risk-Based Capital Ratio	16.2%	15.6%	14.4%	14.4%	14.4%	14.6%

# Selected Highlights



Income Statement	(\$ in Thousands)	Q1'22	Q4'22	Q1'23
	Net Interest Income	\$ 112,840	\$137,395	\$ 125,728
	Noninterest Income	11,264	12,465	13,202
	Noninterest Expense (excl. Acq. exp.)	52,600	54,419	54,881
	Acquisition Expense	5,638	-	-
	PTPP	65,866	95,441	84,049
	Provision for (Recapture of) Credit Losses	2,500	2,500	1,500
	Earnings before Income Taxes	63,366	92,941	82,549
	Net Income	\$45,560	\$66,168	\$59,270

# Selected Highlights



## Average Balance Sheet

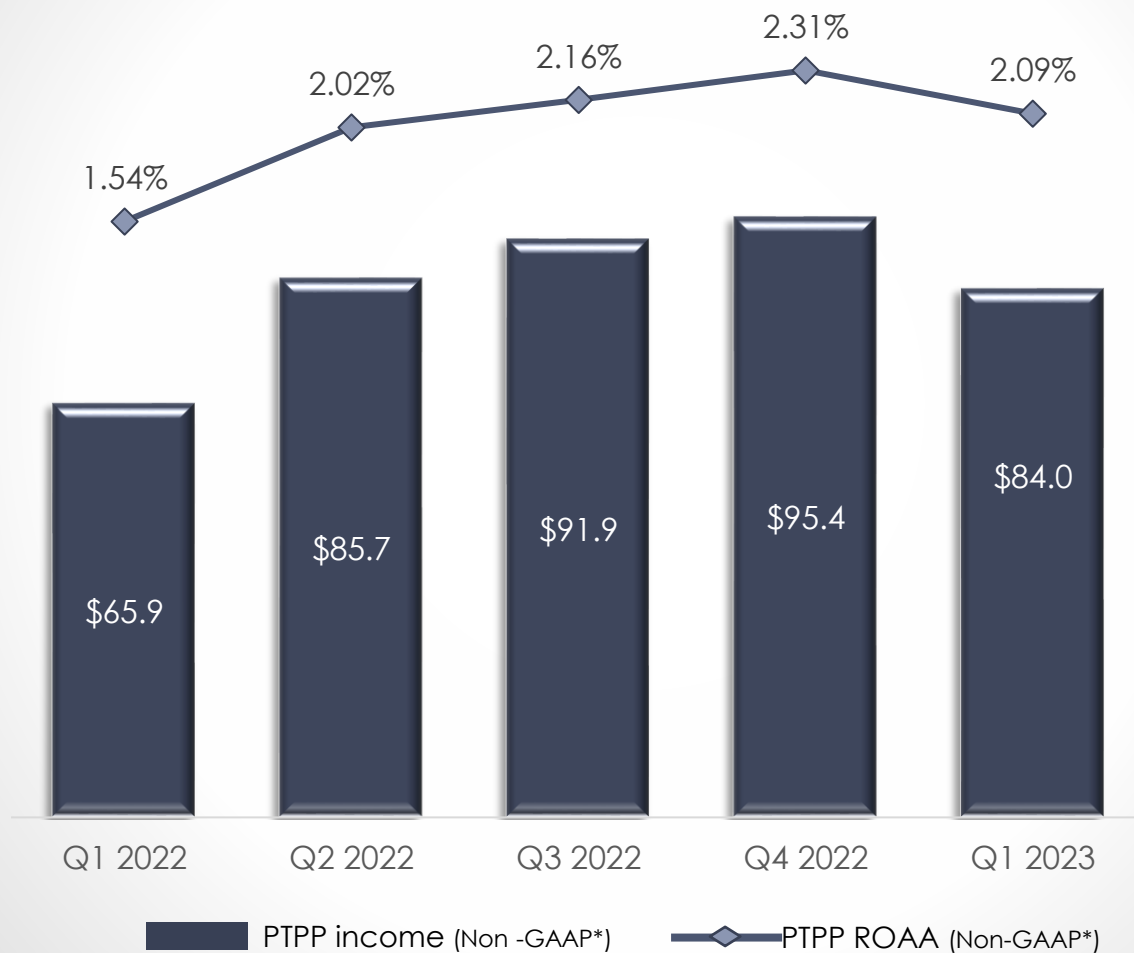
(\$ in Thousands)	Q1'22	Q4'22	Q1'23
Average Loans	\$ 8,500,436	\$ 8,868,673	\$ 8,963,323
Average PPP Loans	158,928	12,114	8,238
Average Total Securities	5,776,440	5,842,283	5,762,728
Average Noninterest-bearing Deposits	8,720,728	8,702,899	8,092,704
Average Total Deposits & Customer Repurchase Agreements	14,865,211	14,207,486	13,264,705
Average Borrowings	51	161,197	971,701
Loan-to-deposit	59.92%	64.79%	70.50%
Noninterest-bearing deposits/Total Deposits	61.48%	63.58%	63.65%



# Pretax-Pre Provision Income



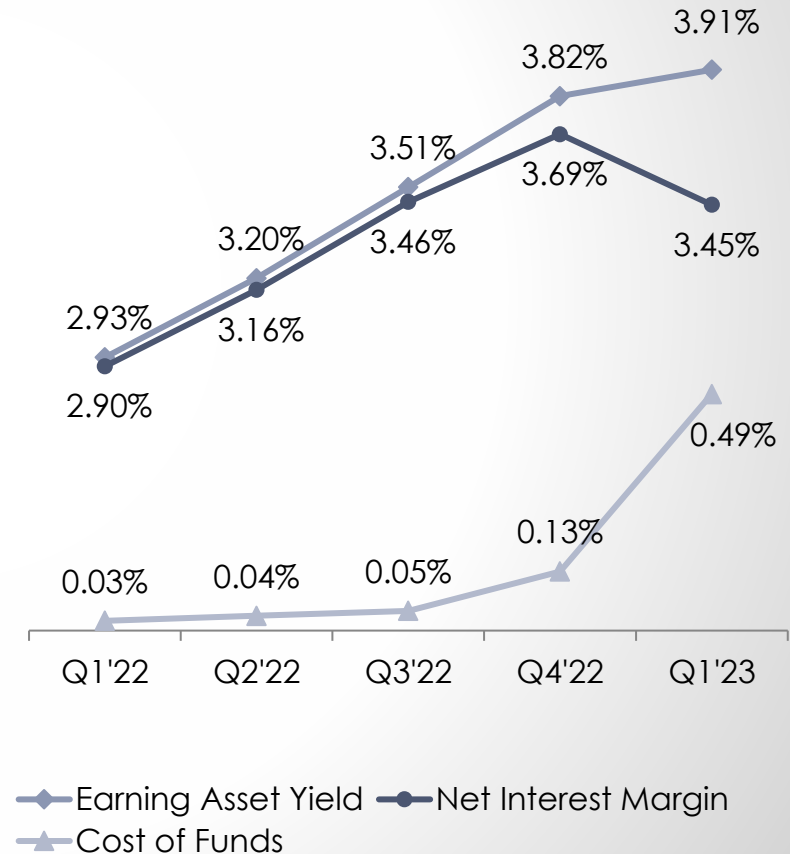
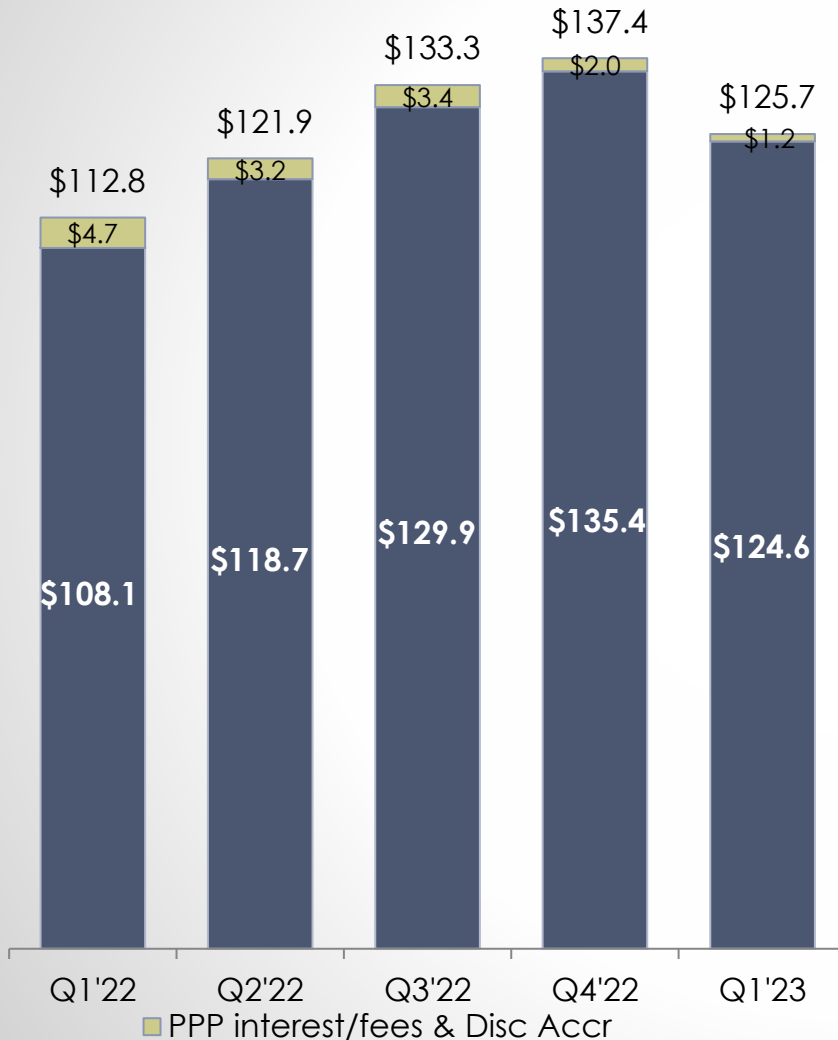
(\$ in Millions)



# Net Interest Income and NIM



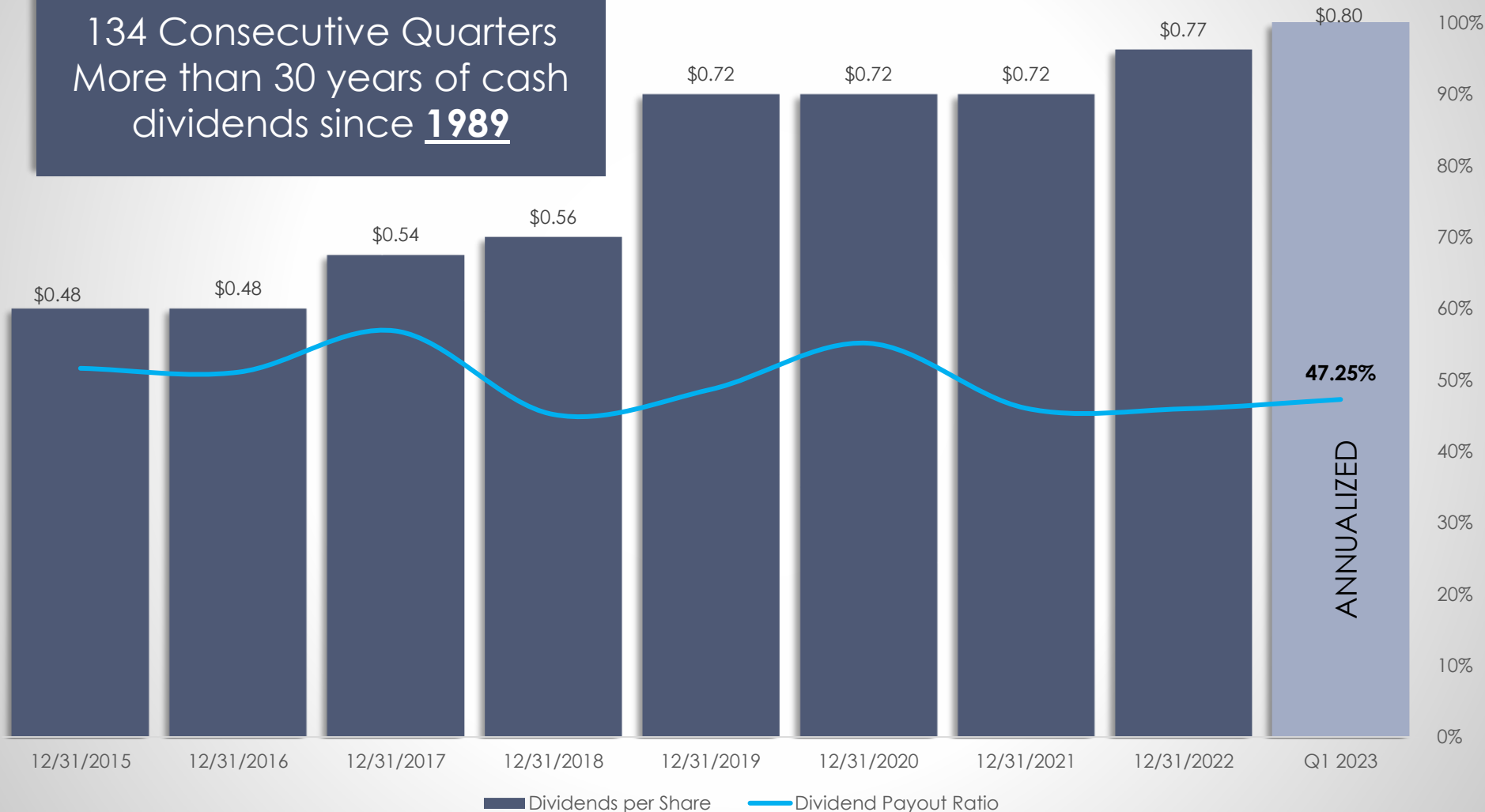
(\$ in Millions)



# Dividends – 134 Consecutive Quarters



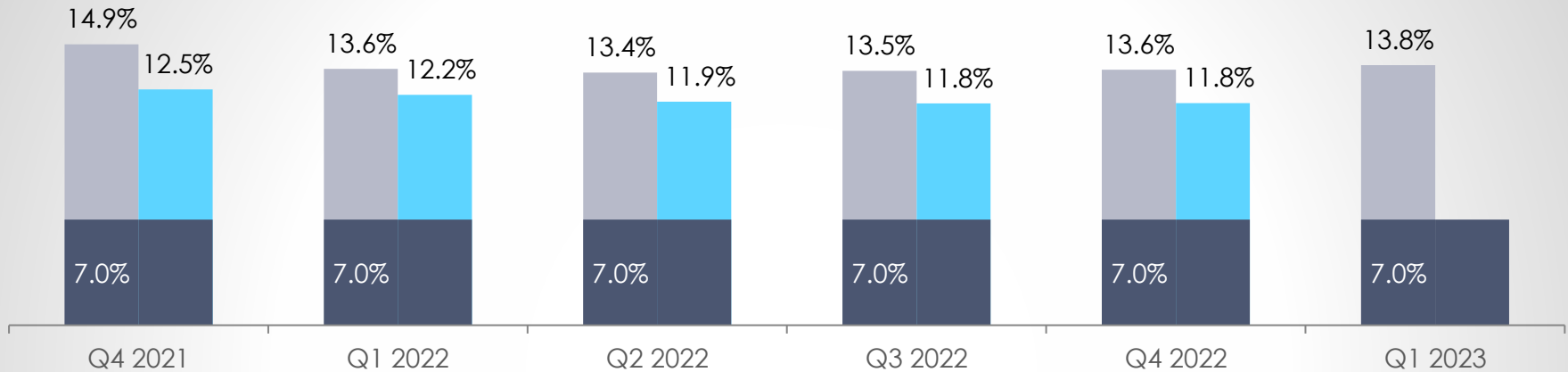
134 Consecutive Quarters  
More than 30 years of cash  
dividends since 1989



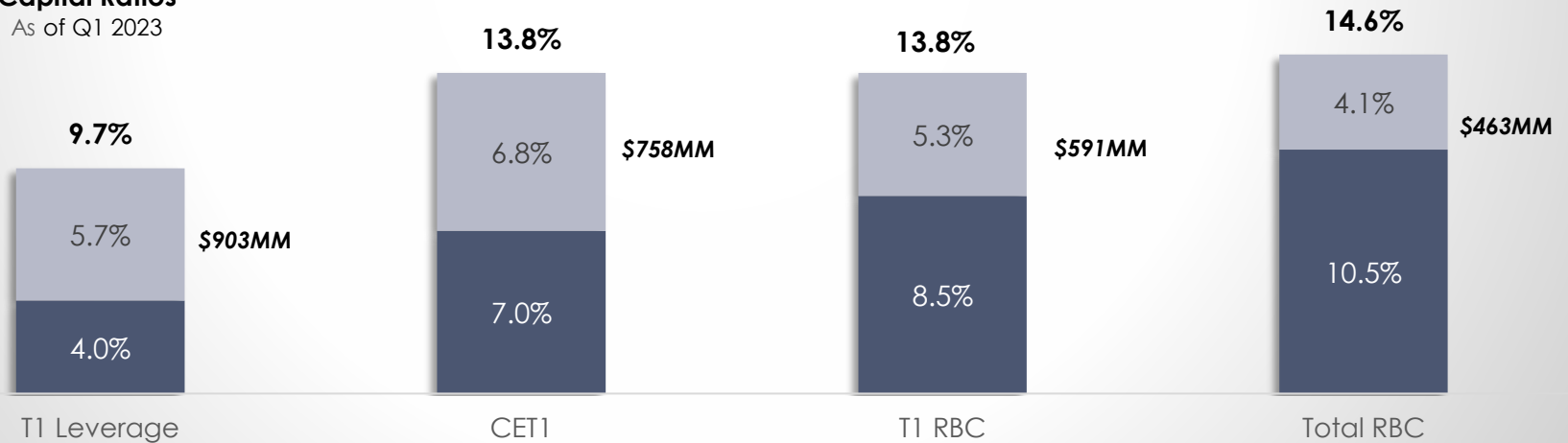
# Strong Capital Ratios



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



## Capital Ratios As of Q1 2023

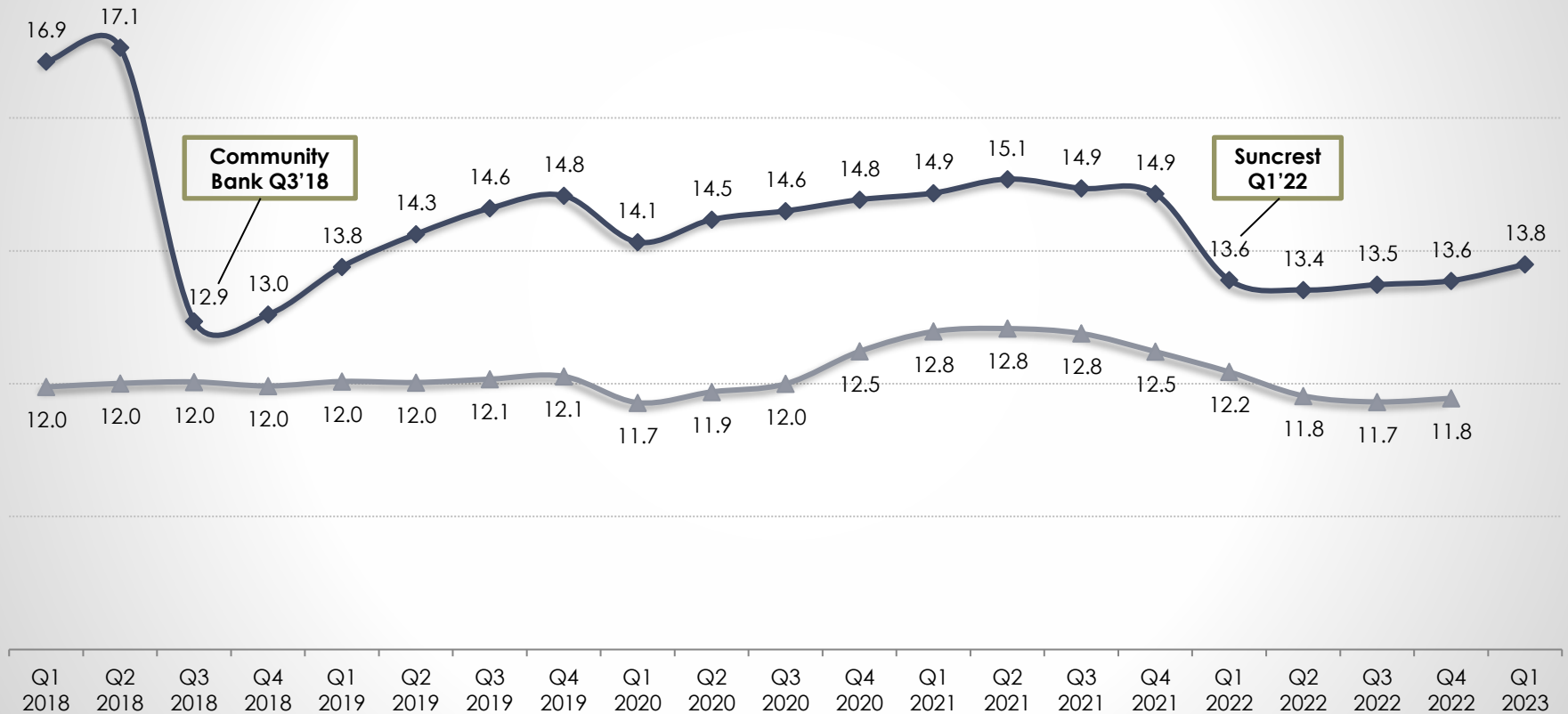


■ Regulatory Minimum + Capital Conservation Buffer ■ Excess Capital

# CET1 Ratio Trend



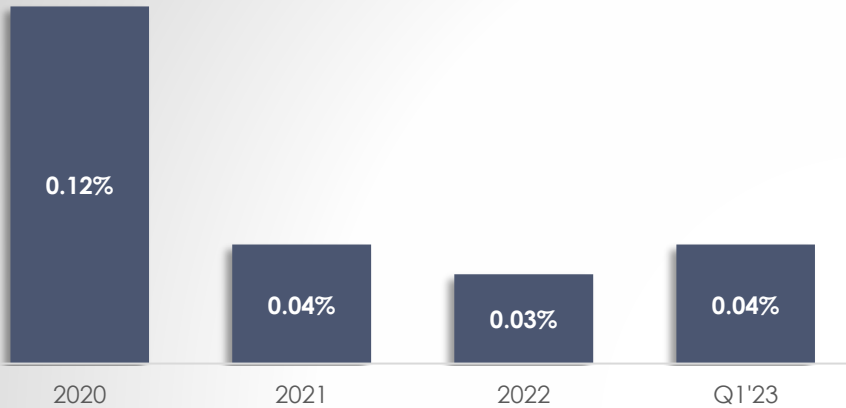
◆ CVBF ▲ KRX



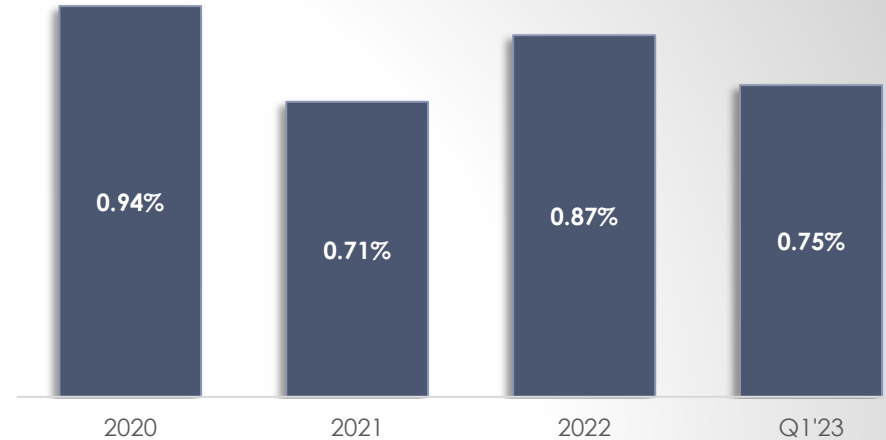
# Credit Quality



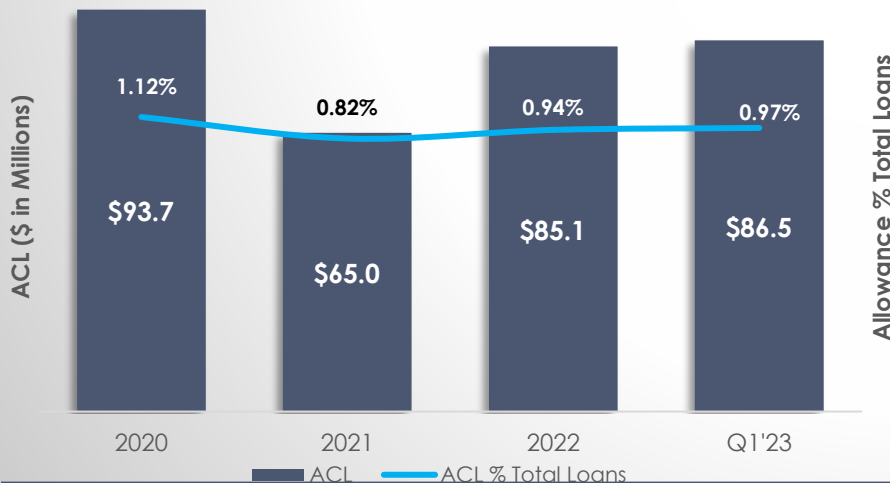
**NPA % Total Assets**



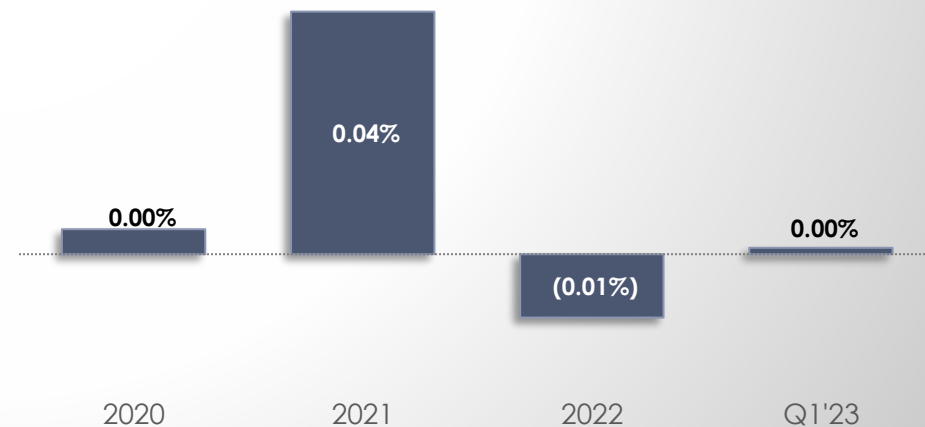
**Classified Loans % Total Loans**



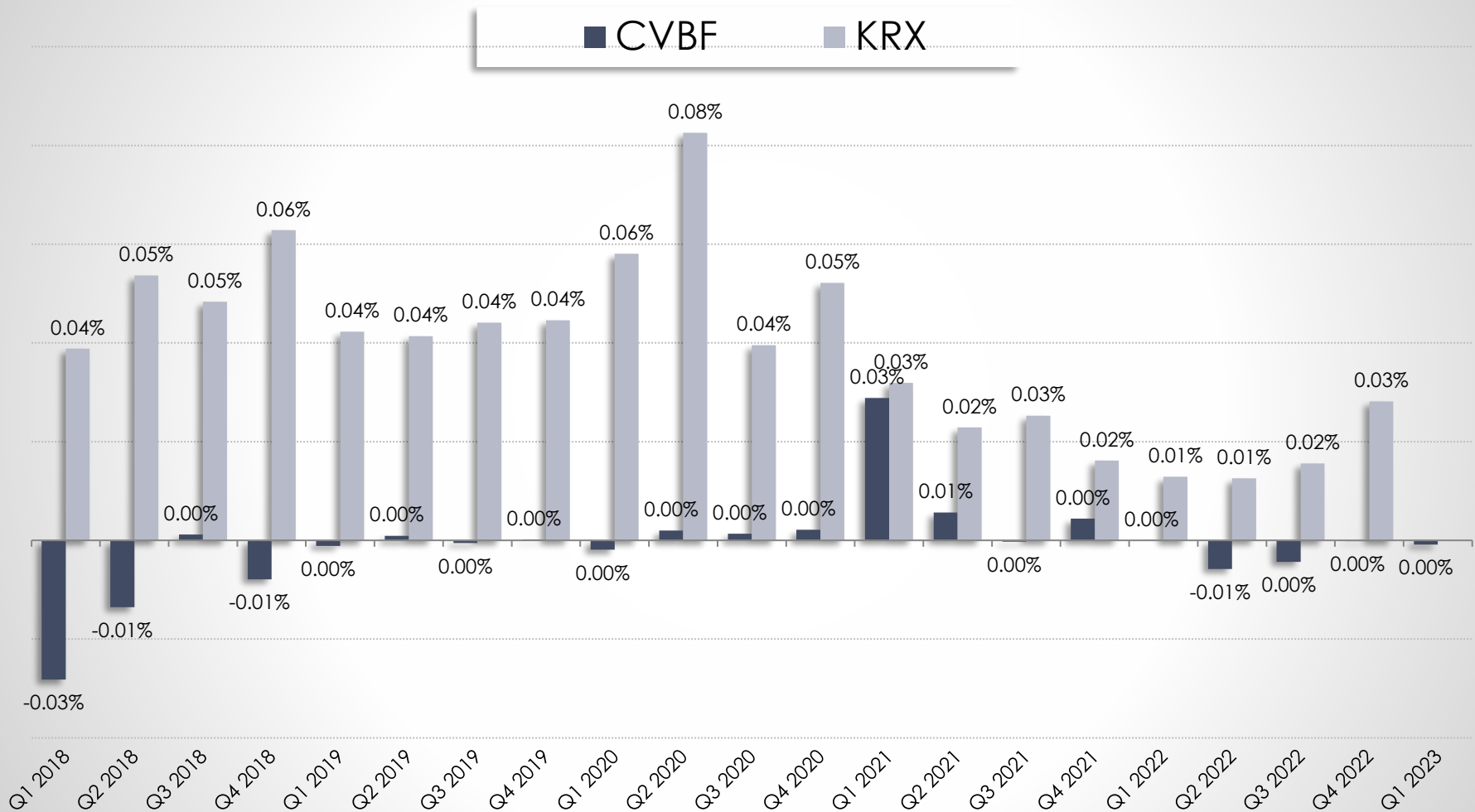
**Allowance for Credit Losses**



**Net Charge-Offs (Recoveries) to Average Loans**

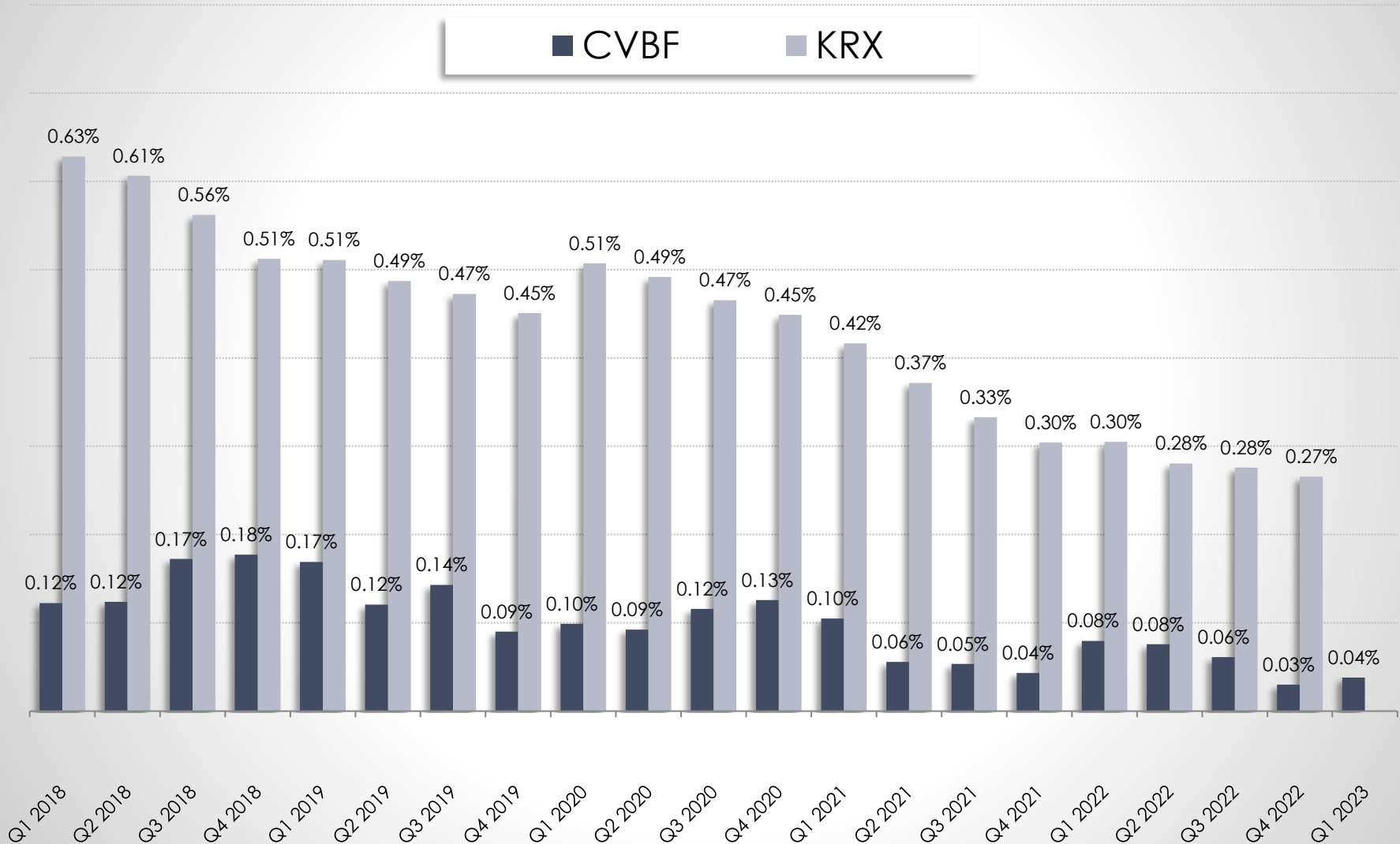


# Net Charge-Offs % Average Loans

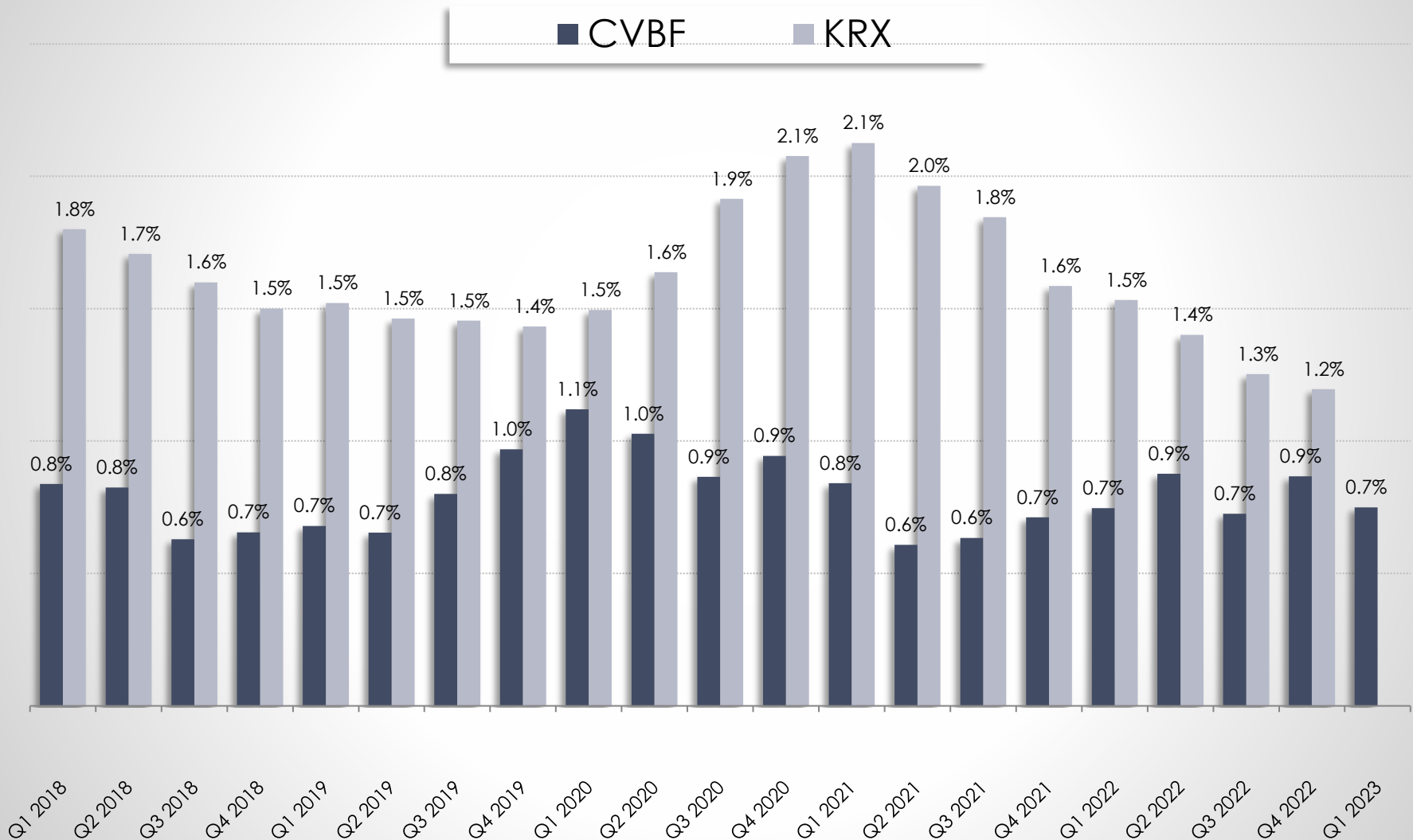




# NPA / Average Assets %



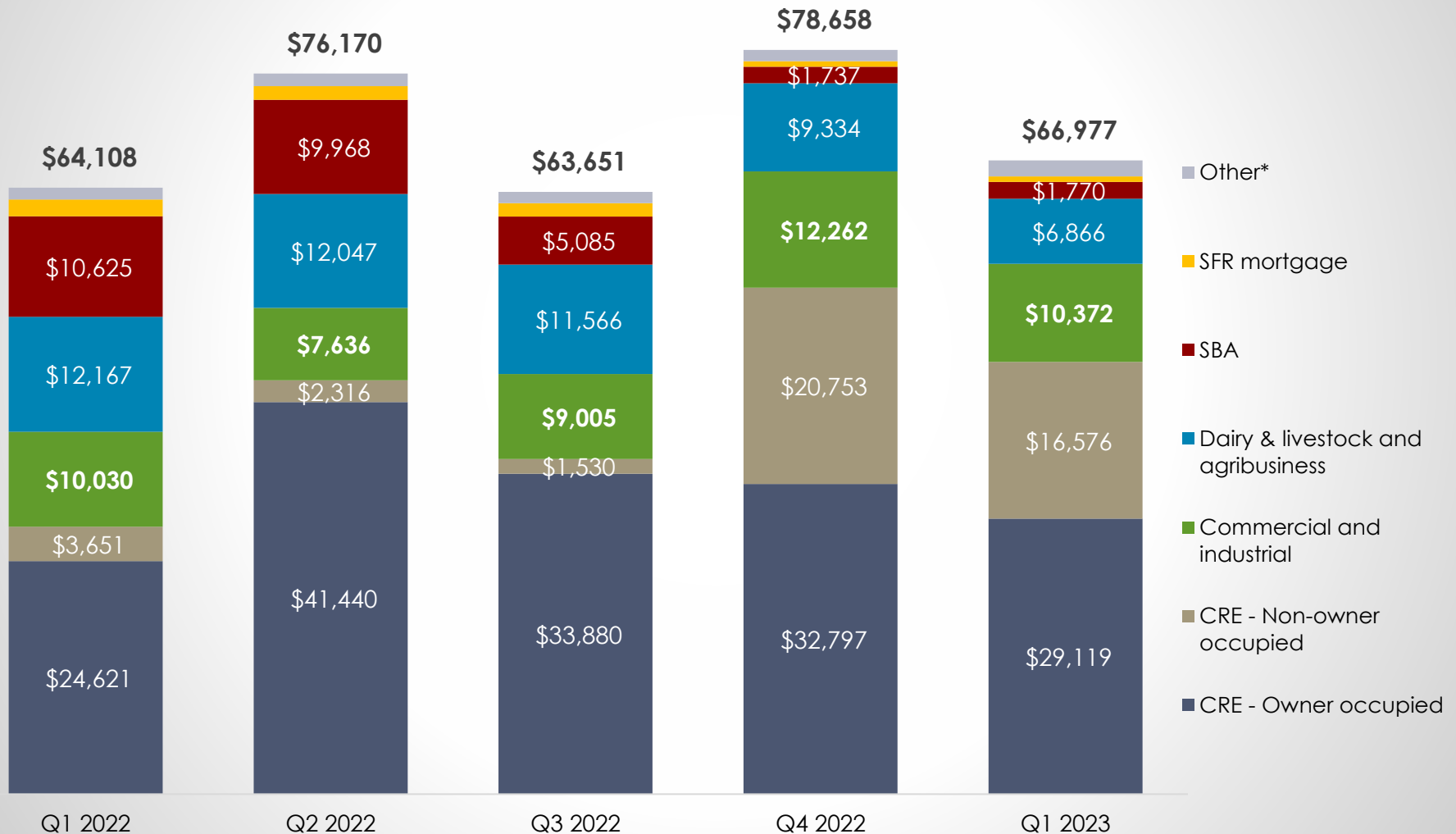
# Classified Loans / Total Loans %



# Classified Loan Trend



(\$ in Thousands)



\*Other includes various loan segments

# CECL Update



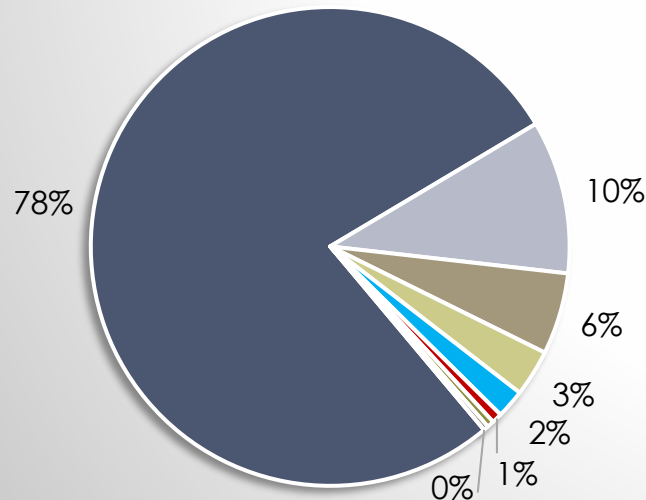
## Highlights

- ✓ Provision for credit loss of \$1.5mm in Q1 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	1.4%	0.9%	2.4%
Unempl. Rate	4.2%	5.1%	4.8%

## Q1 2023 Allowance by Portfolio



## Allowance for Credit Losses – by Loan Type

(\$ in Millions)	12/31/2022		3/31/2023		Variance	
Segmentation	ACL	% of	ACL	% of	ACL	% of
	Balance	Loans	Balance	Loans	Balance	Loans
C&I	\$10.2	1.08%	\$8.9	1.00%	\$(1.3)	-0.08%
SBA	\$2.8	0.97%	\$2.7	0.96%	\$(0.1)	-0.01%
Real estate:						
Commercial RE	\$64.8	0.94%	\$67.1	0.97%	\$2.3	0.03%
Construction	\$1.7	1.93%	\$1.7	1.99%	\$0.0	0.06%
SFR Mortgage	\$0.4	0.14%	\$0.4	0.16%	\$0.0	0.02%
Dairy & livestock	\$4.4	1.01%	\$4.8	1.55%	\$0.4	0.54%
Municipal lease	\$0.3	0.36%	\$0.3	0.36%	\$0.0	0.00%
Consumer and other	\$0.5	0.69%	\$0.6	0.84%	\$0.1	0.15%
<b>Sub Total (Excluding PPP)</b>	<b>\$85.1</b>	<b>0.94%</b>	<b>\$86.5</b>	<b>0.97%</b>	<b>\$1.4</b>	<b>0.03%</b>
PPP	\$0.0	0.00%	\$0.0	0.00%	\$0.0	0.00%
<b>Total</b>	<b>\$85.1</b>	<b>0.94%</b>	<b>\$86.5</b>	<b>0.97%</b>	<b>\$1.4</b>	<b>0.03%</b>

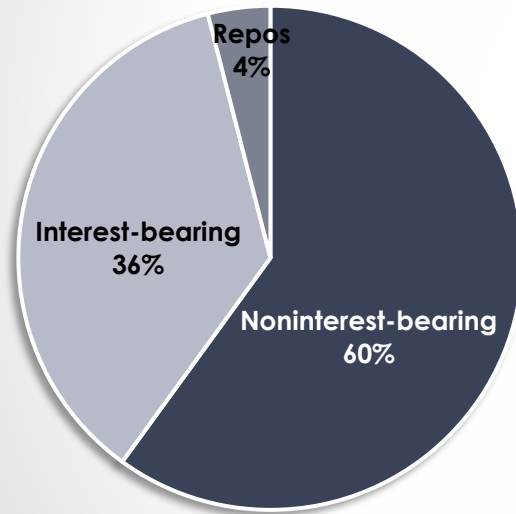
- Commercial real estate: 78%
- Commercial and industrial: 10%
- Dairy & livestock and agribusiness: 6%
- SBA: 3%
- Construction: 2%
- Consumer and other loans: 1%
- SFR mortgage: 0%
- Municipal lease finance receivable: 0%
- PPP: 0%

# Relationship-Centered Deposit Base

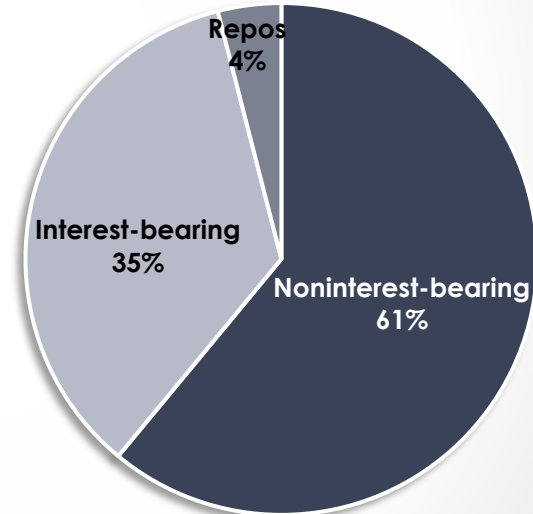


## 100% Core Deposits - 0% Brokered Deposits

March 31, 2022  
Total Deposits & Customer Repos



March 31, 2023  
Total Deposits & Customer Repos



## Cost of Interest-Bearing Deposits and Repos

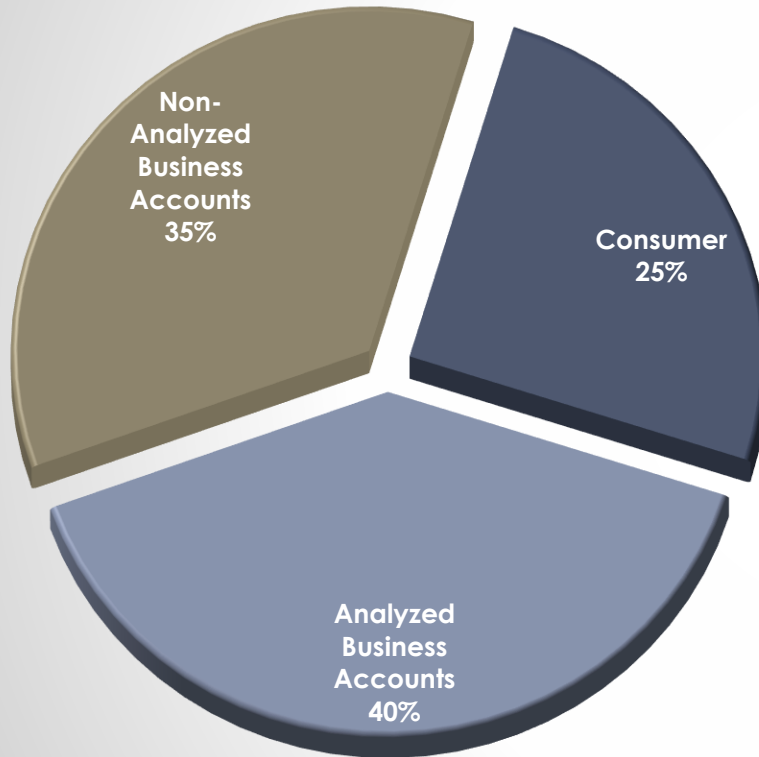
March 2022  
0.07%

March 2023  
0.54%

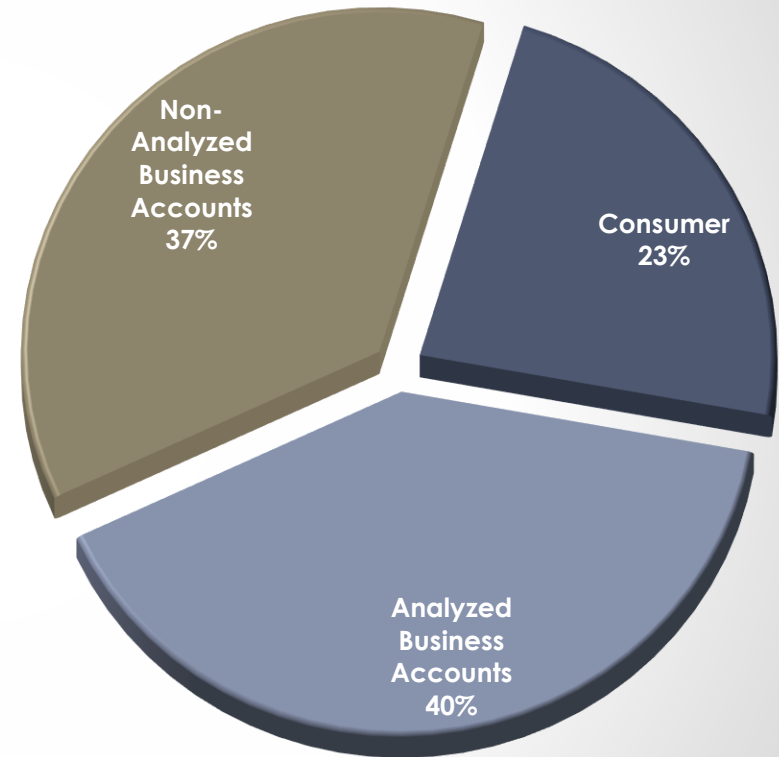
# Business vs Consumer Deposits



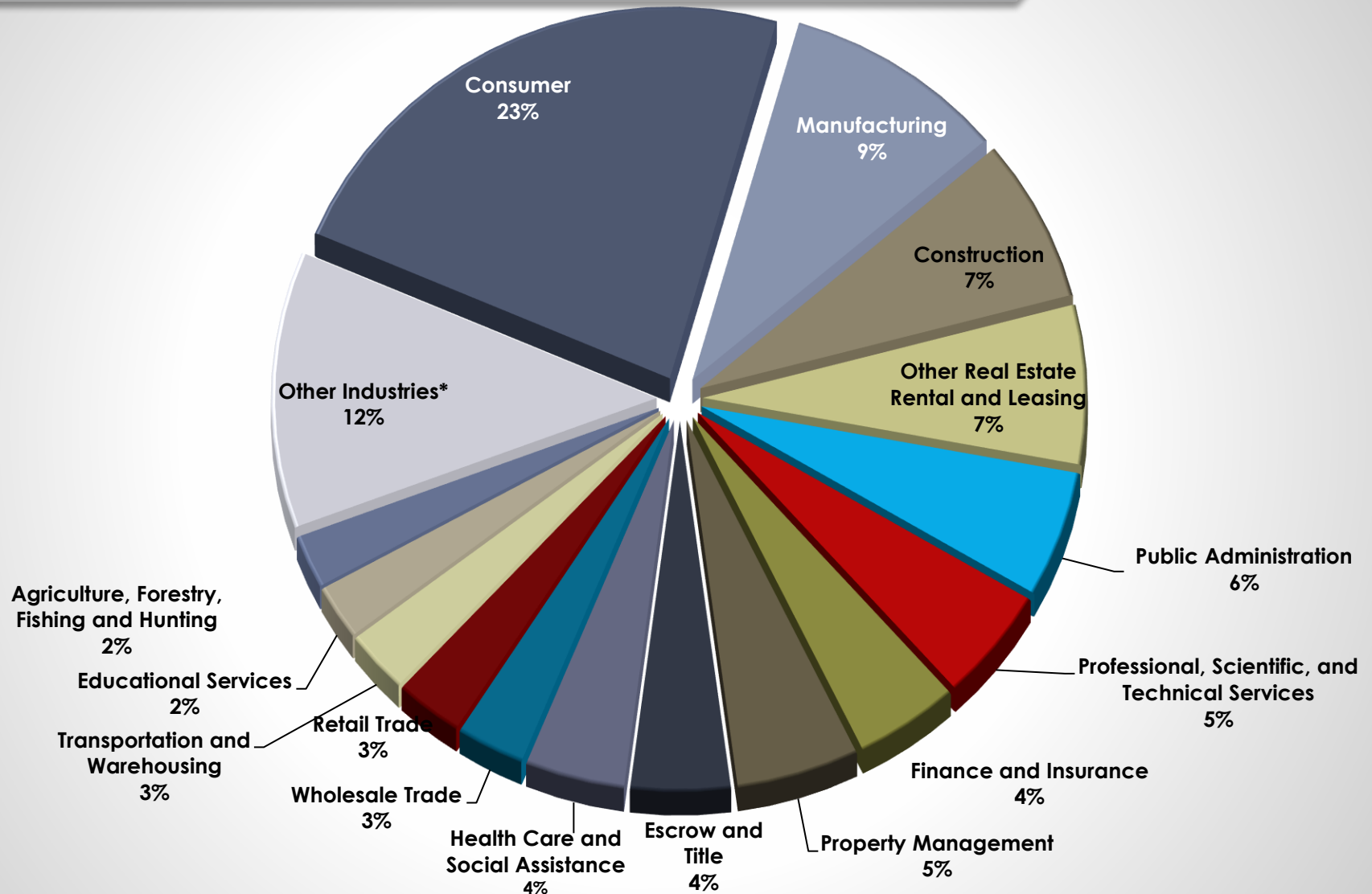
Q1 2022



Q1 2023



# Diverse Deposit Base



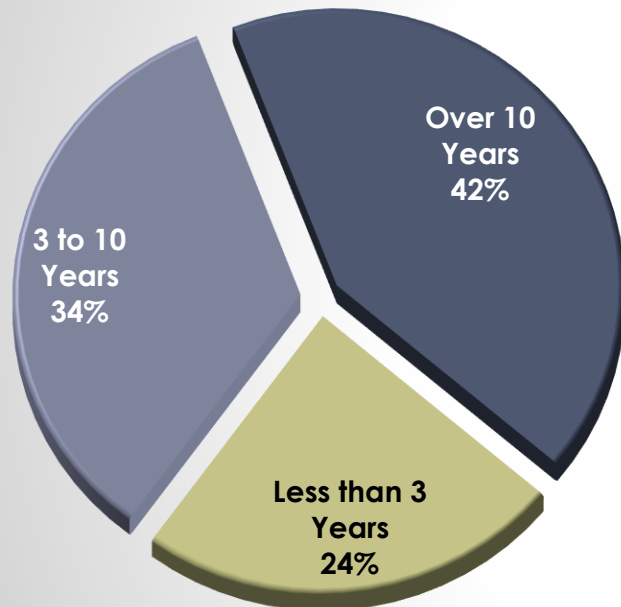
\*Other Industries include various industries that represent less than 2%.



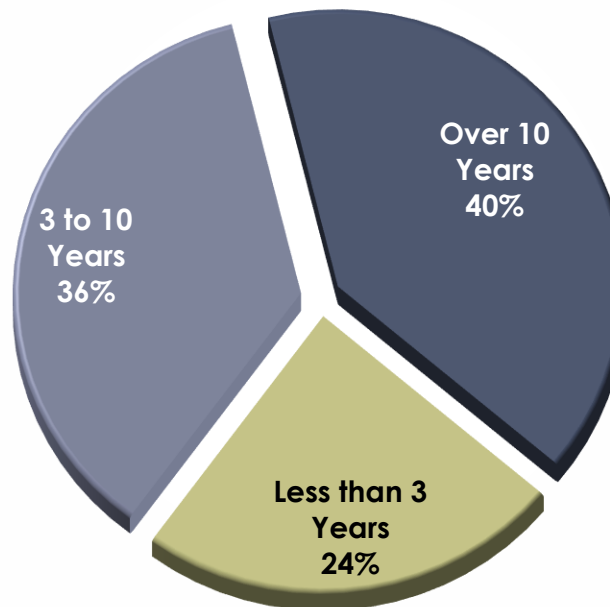
# Deposit Relationship Tenure



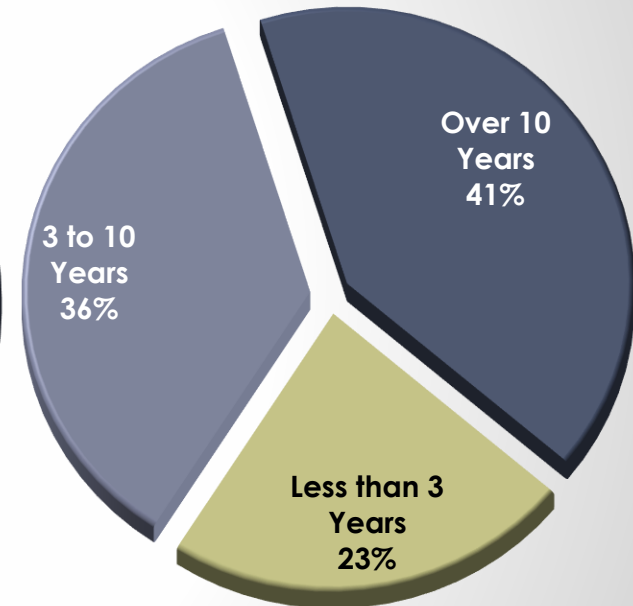
Q1 2022



Q4 2022

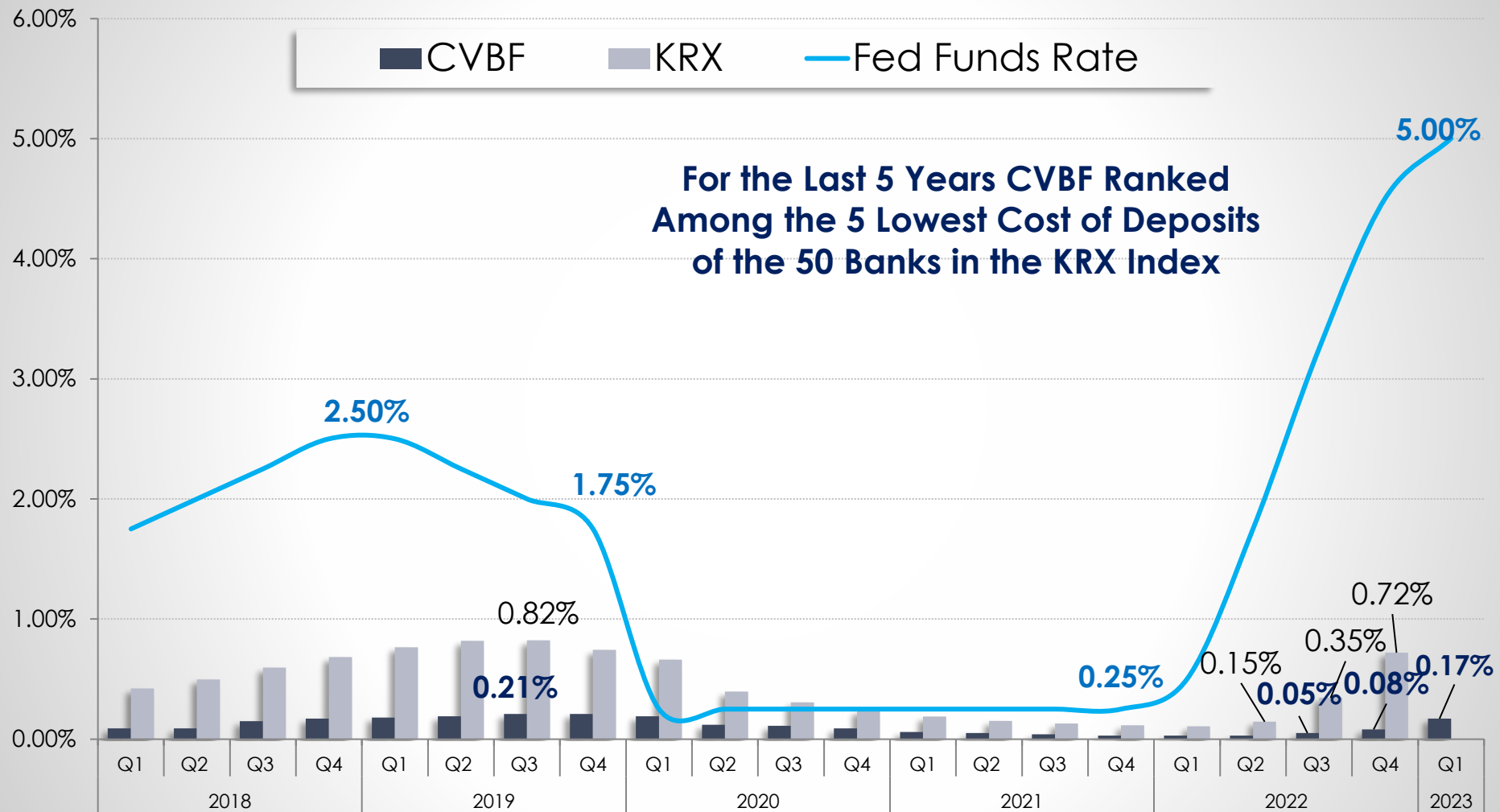


Q1 2023



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

# Cost of Deposits



# Deposits by Region



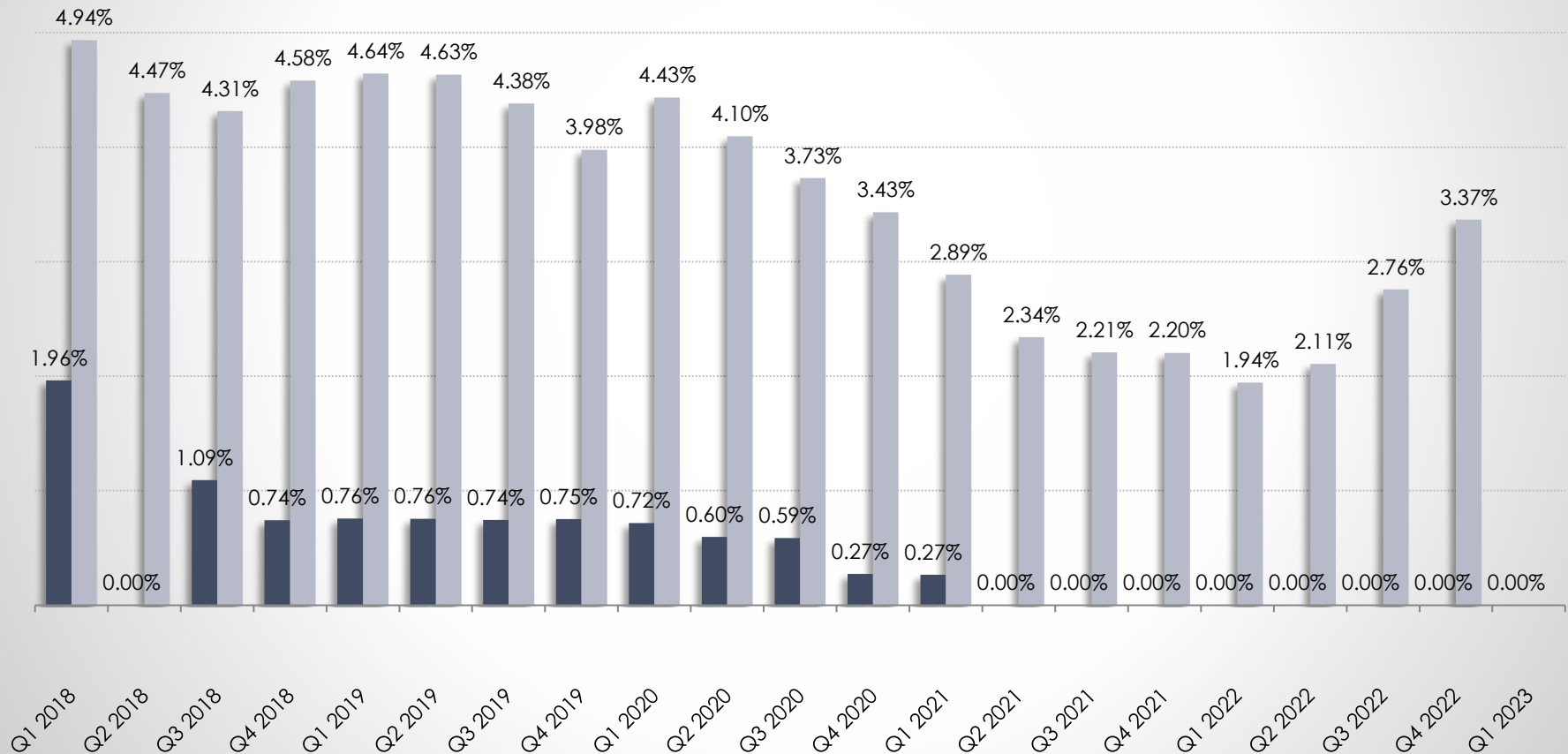
(\$ in Thousands)	# of Center Locations (3/31/23)	Total Deposits (12/31/22)	Total Deposits (3/31/23)	Average Deposits per Center (3/31/23)
Los Angeles County	21	\$5,177,824	\$4,989,500	\$237,595
Inland Empire (Riverside & San Bernardino Counties)	9	3,552,798	3,459,104	384,345
Central Valley and Sacramento	15	2,331,632	2,130,360	142,024
Orange County	10	1,796,647	1,660,544	166,054
Central Coast	5	450,786	407,159	81,432
San Diego	2	91,905	105,317	52,658
Other		84	10,120	
<b>Total</b>	<b>62</b>	<b>\$13,401,676</b>	<b>\$12,762,105</b>	<b>\$205,840</b>

\*Includes Customer Repurchase Agreements.

# Brokered Deposits / Total Deposits %



■ CVBF ■ KRX



# Deposit Characteristics - Uninsured



(\$ in Billions)

<b>Estimated Uninsured Deposit &amp; Repo Analysis</b>	<b>3/31/23</b>
Total Deposits & Customer Repos <sup>(1)</sup>	\$12.8
Less: Insured Deposits	(4.3)
Less: Collateralized Deposits	(0.9)
Less: Collateralized Repos	(0.5)
Est. Uninsured Deposits <sup>(2)</sup> , excluding items above	\$7.1
Est. Uninsured (excluding collateralized) as % of Total Deposits & Customer Repos	56%

(1) Total Deposits and Customer Repurchase Agreements as reported on CVB Financial Corp.'s First Quarter 2023 Earnings Release (2) Est amount of uninsured deposits of \$8 billion to be reported on RC-O of the FFIEC 041 Call Report for 3/31/23



- 100% Core Customer Deposits (*no brokered deposits*)
  
- Borrowing Capacity:
  - ✓ FHLB: \$4.9 billion (secured)
  - ✓ FRB Discount Window: > \$800 million (secured)
  - ✓ Other: > \$300 million (unsecured)

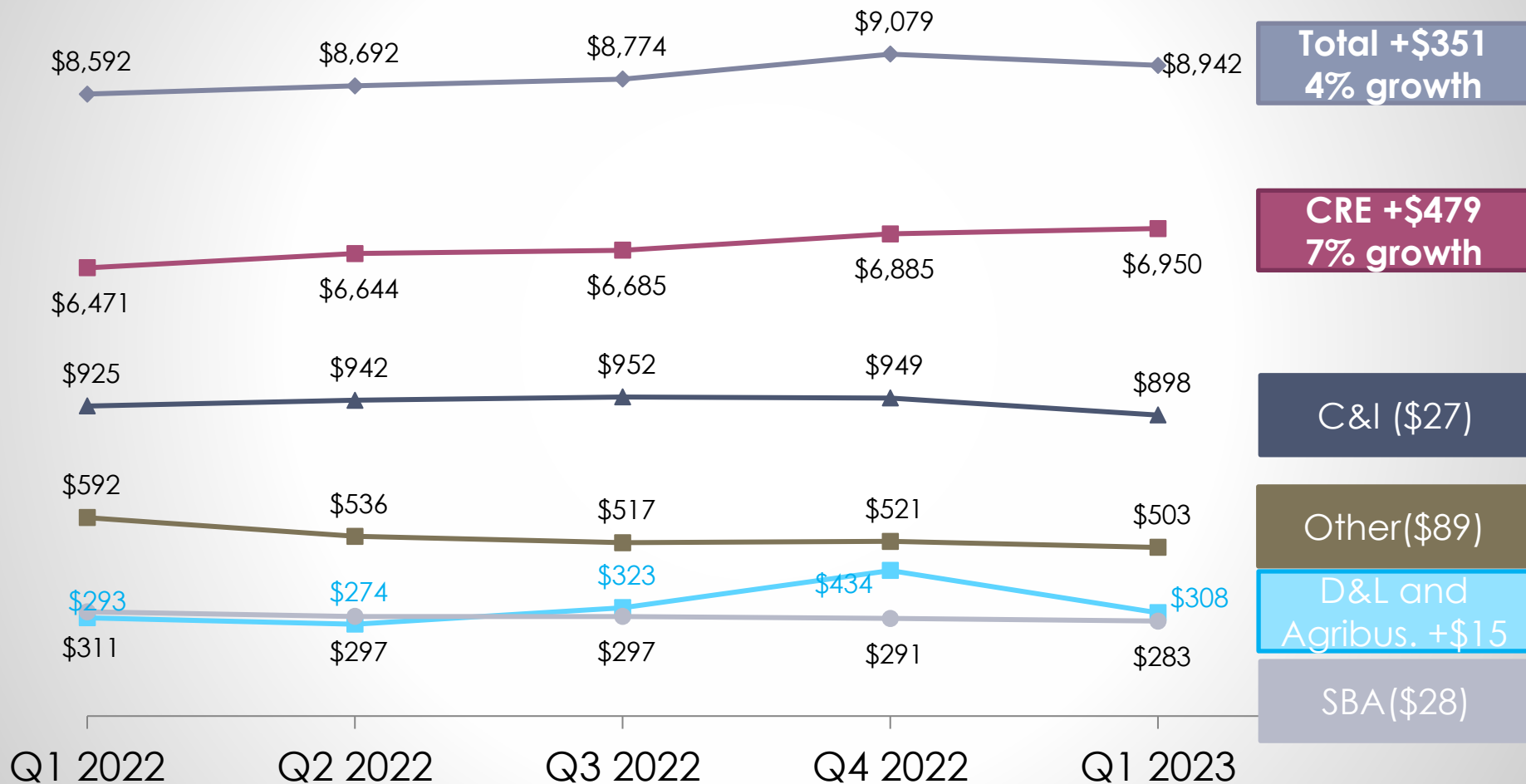
*As of March 31, 2023: \$1.4 billion FHLB Short-Term Advances*

- Unpledged AFS Securities - \$1.7 billion

# Loan Trends



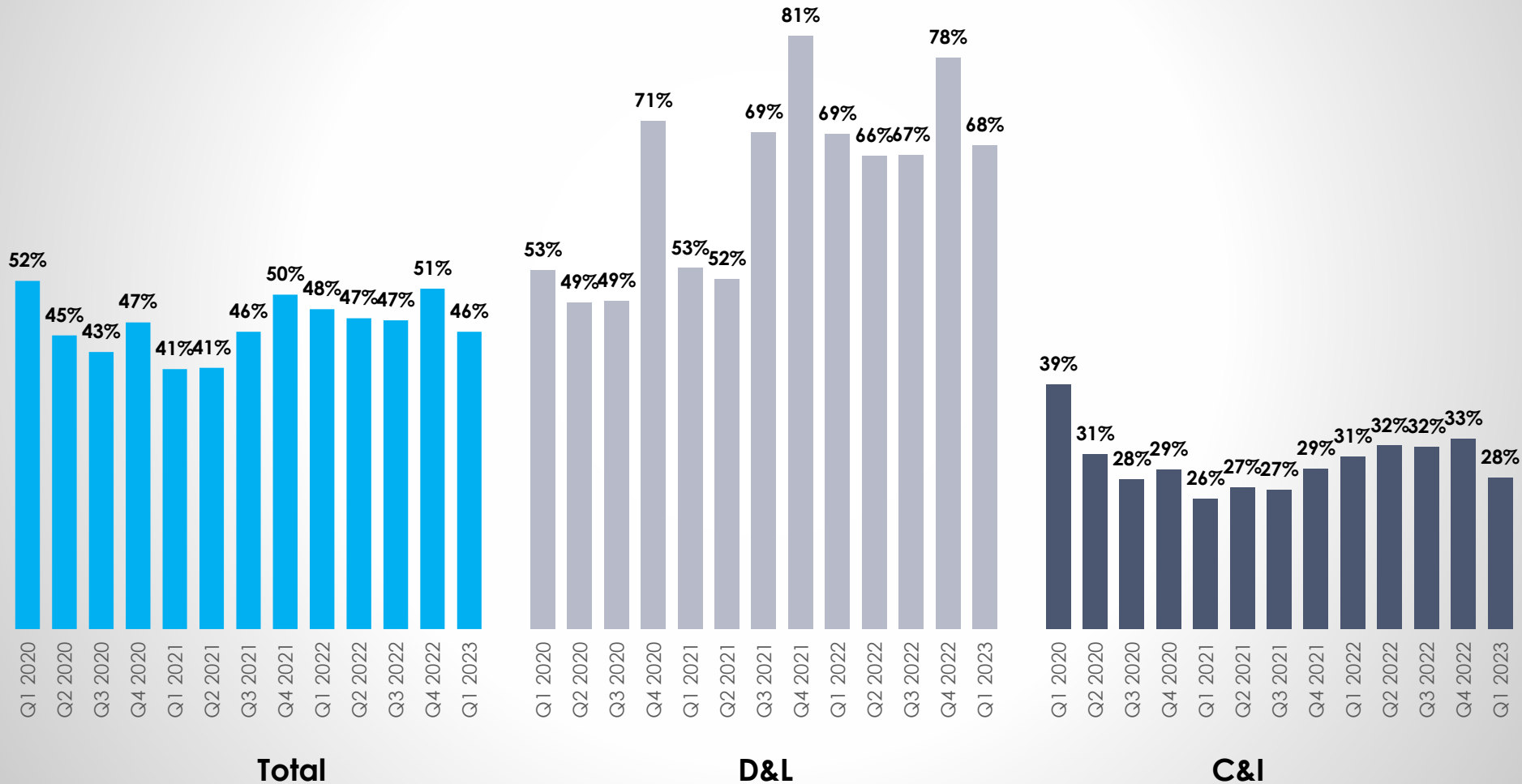
**Q1 2022 vs Q1 2023**



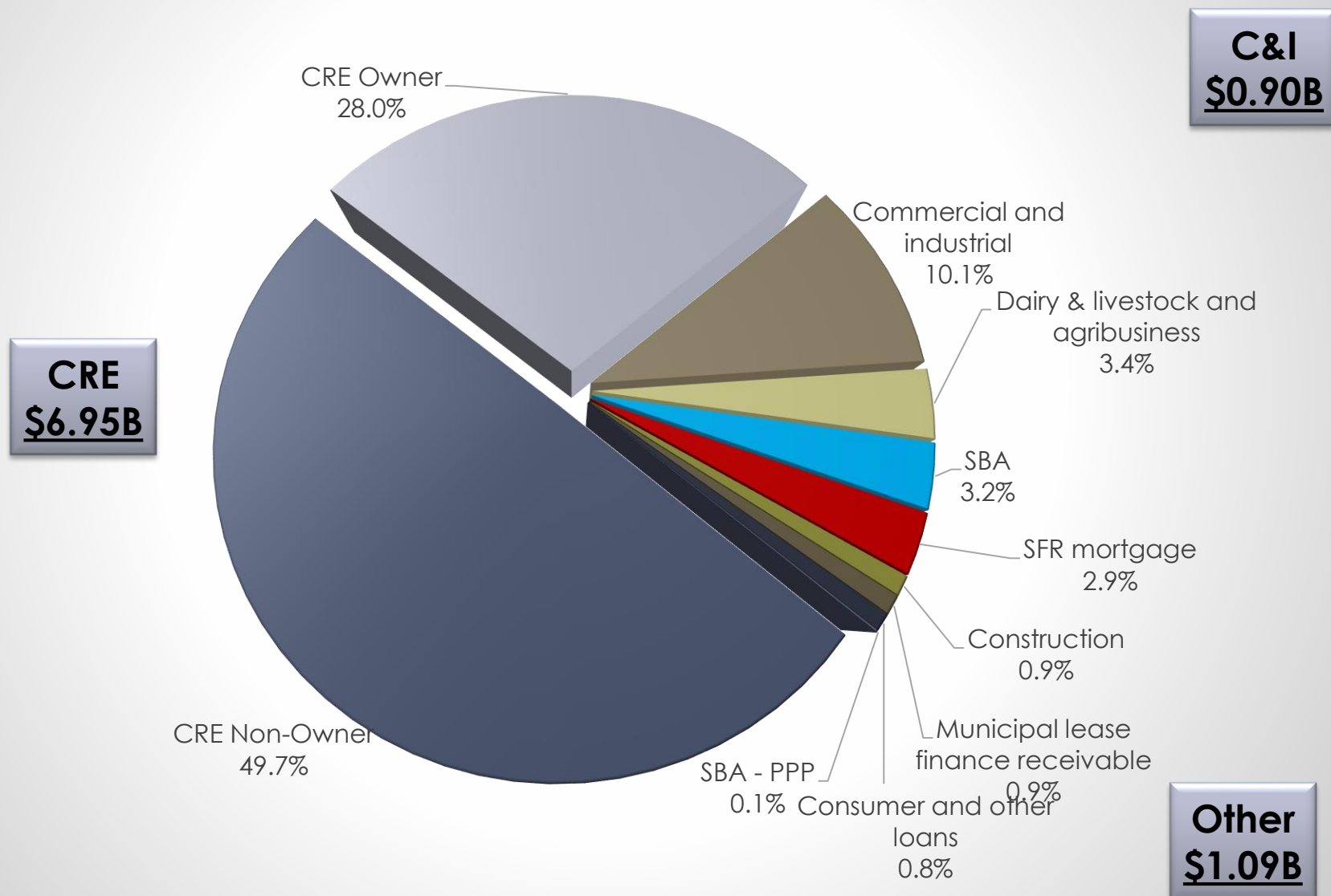
\*Other includes other loan segments that are not listed above, such as Construction, SFR Mortgage.



# Line Utilization Trends



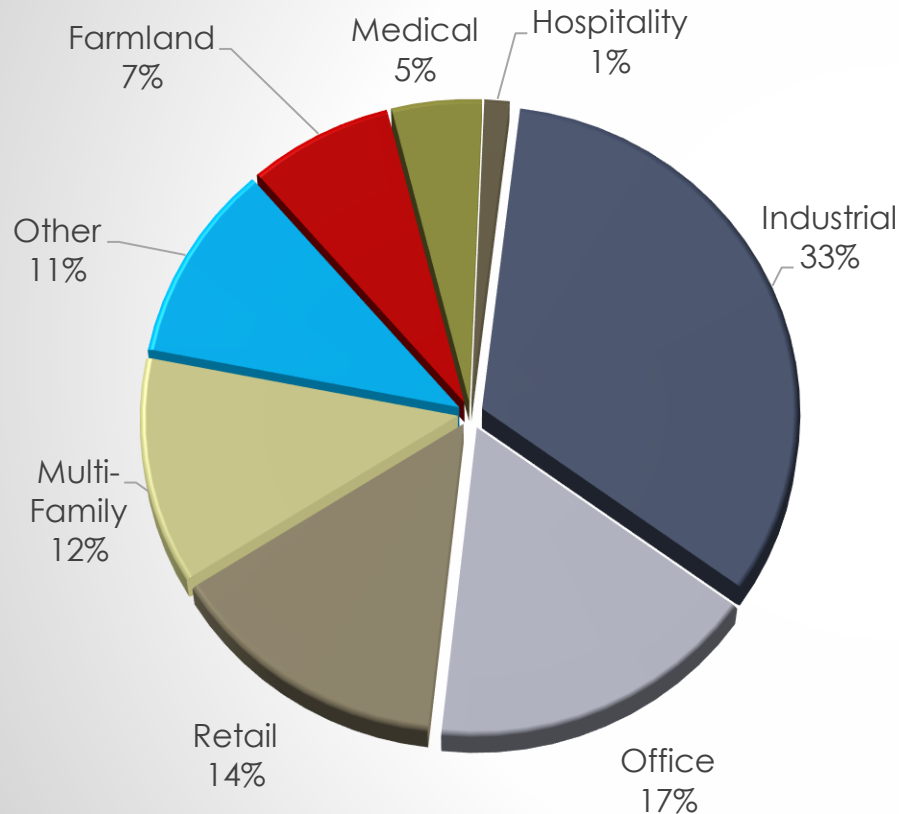
# Loans by Type



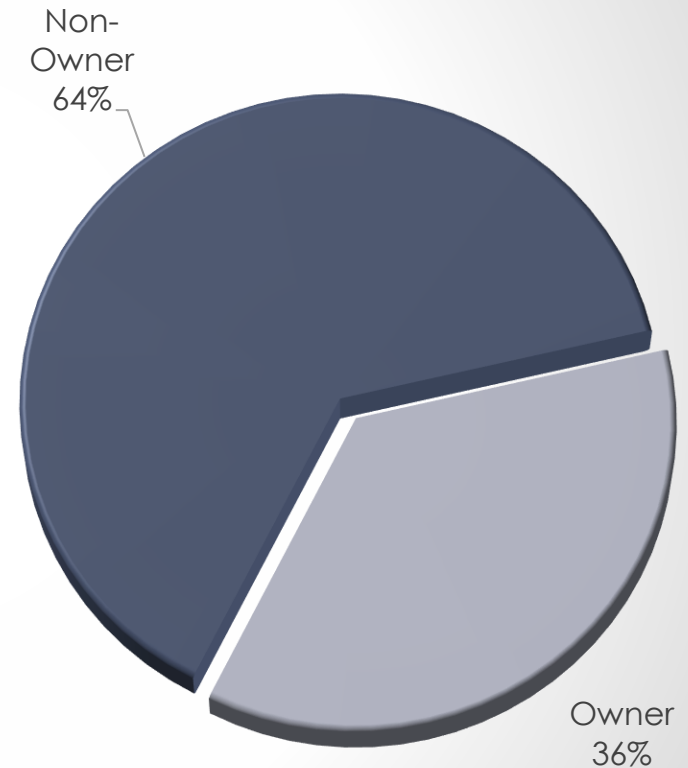
# Commercial Real Estate Loans



Collateral Type



Owner/Non-Owner Occupied



# CRE by Collateral

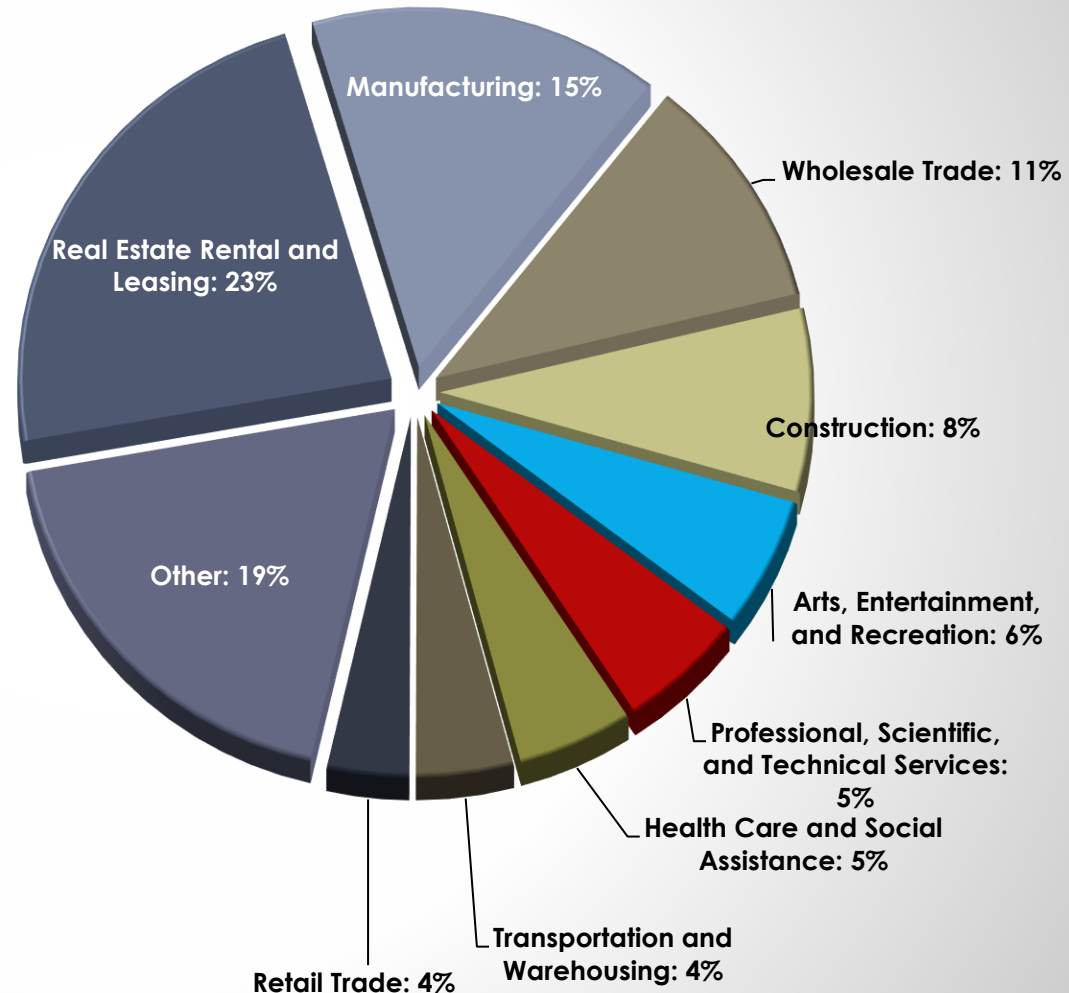


Collateral Type	Balance (\$ in Millions)	% of Owner Occupied	LTV at Origination	Avg. Size (\$ in Thousands)	Classified (\$ in Millions)	Origination Year						
						2023	2022	2021	2020	2019	2018	2017 or earlier
Industrial	2,292	49%	50%	1,606	4	3%	21%	20%	12%	7%	7%	30%
Office	1,172	25%	55%	1,715	0	1%	22%	14%	17%	10%	6%	30%
Retail	994	11%	48%	1,738	3	3%	22%	18%	13%	7%	9%	28%
Multi-Family	832	1%	50%	1,576	0	6%	20%	18%	19%	11%	9%	17%
Other	624	55%	47%	1,422	15	1%	15%	19%	12%	13%	10%	30%
Farmland	518	99%	46%	1,514	21	1%	21%	17%	22%	11%	6%	22%
Medical	322	33%	59%	1,559	3	1%	12%	17%	14%	6%	9%	41%
Other RE Rental & Leasing	196	9%	51%	1,883	0	5%	24%	15%	4%	6%	8%	38%
<b>Total</b>	<b>\$ 6,950</b>	<b>36%</b>	<b>50%</b>	<b>\$ 1,616</b>	<b>\$ 46</b>	<b>3%</b>	<b>20%</b>	<b>18%</b>	<b>14%</b>	<b>9%</b>	<b>8%</b>	<b>28%</b>

# C&I by Industry



Industry	Balance (\$ in Millions)	% of C&I Total
Real Estate Rental and Leasing	208	23%
Manufacturing	137	15%
Wholesale Trade	95	11%
Construction	74	8%
Arts, Entertainment, and Recreation	53	6%
Professional, Scientific, and Technical Services	49	5%
Health Care and Social Assistance	45	5%
Transportation and Warehousing	38	4%
Retail Trade	32	4%
Other	167	19%
<b>Total</b>	<b>\$ 898</b>	<b>100%</b>



# Loans by Region



(\$ in Thousands)	# of Center Locations (3/31/23)	Average Loans per Location	Total Loans (3/31/23)	%
Los Angeles County	21	\$161,994	\$ 3,401,875	38.0%
Central Valley and Sacramento	15	139,279	2,089,192	23.4%
Orange County	10	120,127	1,201,271	13.4%
Inland Empire (Riverside & San Bernardino Counties)	9	103,703	933,323	10.4%
Central Coast	5	93,231	466,154	5.2%
San Diego	2	174,056	348,111	3.9%
Other California			139,269	1.6%
Out of State			363,294	4.1%
<b>Total</b>	<b>62</b>	<b>\$144,234</b>	<b>\$ 8,942,489</b>	<b>100.0%</b>



**CVB Financial Corp.**

# Appendix

## Non-GAAP Reconciliation

# 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	March 31, 2022	December 31, 2022	March 31, 2023
	(Dollars in thousands)						
Net Income	\$ 207,827	\$ 177,159	\$ 212,521	\$ 235,425	\$ 45,560	\$ 66,168	\$ 59,270
Add: Amortization of intangible assets	10,798	9,352	8,240	7,566	1,998	1,724	1,720
Less: Tax effect of amortization of intangible assets [1]	(3,192)	(2,765)	(2,436)	(2,237)	(591)	(510)	(508)
Tangible net income	\$ 215,433	\$ 183,746	\$ 218,325	\$ 240,754	\$ 46,967	\$ 67,382	\$ 60,482
Average stockholders' equity	\$ 1,939,961	\$ 1,991,664	\$ 2,063,360	\$ 2,066,463	\$ 2,243,335	\$ 1,918,983	\$ 1,978,244
Less: Average goodwill	(665,026)	(663,707)	(663,707)	(764,143)	(759,014)	(765,822)	(765,822)
Less: Average intangible assets	(48,296)	(38,203)	(29,328)	(25,376)	(28,190)	(22,610)	(20,983)
Average tangible common equity	\$ 1,226,639	\$ 1,289,754	\$ 1,370,325	\$ 1,276,944	\$ 1,456,131	\$ 1,130,551	\$ 1,191,439
Return on average equity, annualized [2]	10.71%	8.90%	10.30%	11.39%	8.24%	13.68%	12.15%
Return on average tangible common equity, annualized [2]	17.56%	14.25%	15.93%	18.85%	13.08%	23.65%	20.59%

[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	March 31, 2022	December 31, 2022	March 31, 2023
<i>(Dollars in thousands)</i>							
Net Income	\$ 207,827	\$ 177,159	\$ 212,521	\$ 235,425	\$ 45,560	\$ 66,168	\$ 59,270
Add: Provision for(recapture of) credit losses	5,000	23,500	(25,500)	10,600	2,500	2,500	1,500
Add: Income tax expense	83,247	72,361	85,127	92,922	17,806	26,773	23,279
Pretax-pre provision income	<u>\$ 296,074</u>	<u>\$ 273,020</u>	<u>\$ 272,148</u>	<u>\$ 338,947</u>	<u>\$ 65,866</u>	<u>\$ 95,441</u>	<u>\$ 84,049</u>
Average total assets	\$ 11,302,901	\$ 12,929,813	\$ 15,350,521	\$ 16,911,661	\$ 17,383,950	\$ 16,395,160	\$ 16,313,136
Return on average assets [1]	1.84%	1.37%	1.38%	1.39%	1.06%	1.60%	1.47%
PTPP Return on average assets [1]	2.62%	2.11%	1.77%	2.00%	1.54%	2.31%	2.09%

[1] Annualized where applicable.



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