



# Statement of Condition

## President's Message

June 30, 2018

### Presidents Message Q2 2018

CVB Financial Corp. reported the highest quarterly earnings in company history for the second quarter of 2018. Net income was \$35.4 million for the quarter ended June 30, 2018, compared with \$28.4 million for the second quarter of 2017. We also announced our 165<sup>th</sup> consecutive quarter of profitability and our 115<sup>th</sup> consecutive cash dividend paid to shareholders.

On August 10<sup>th</sup>, we consummated our merger with Community Bank, headquartered in Pasadena, CA. Post-merger, Citizens Business Bank has assets of approximately \$11.5 billion and now operates in 67 banking centers and three trust offices located throughout the Inland Empire, Los Angeles County, Orange County, San Diego County, Ventura County, Santa Barbara County, and the Central Valley Area of California.

CitizensTrust, our wealth management division that provides trust, investment, and brokerage-related services, as well as financial, estate, and business succession planning, had approximately \$2.52 billion in assets under management and administration, including \$1.76 billion in assets under management at quarter end. Revenues were \$2.4 million for the second quarter of 2018, compared to \$2.6 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, [www.cbbank.com](http://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 welcome former Community Bank associates, customers, and shareholders to Citizens Business Bank.

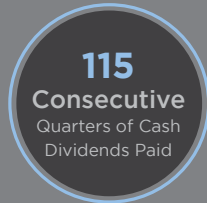
President & Chief Executive Officer  
CVB Financial Corp., Citizens Business Bank



Highest in CVBF History



Over 40 Years



Over 28 Years

CVB Financial Corp. ("CVBF") is the holding company for Citizens Business Bank. CVBF is one of the 10 largest bank holding companies headquartered in California. With the addition of Community Bank, on a pro-forma combined basis, CVBF has assets of approximately \$11.5 billion. 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 67 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
- Yamynn De Angelis**  
Executive Vice President - Chief Risk Officer
- Ted J. Dondanville**  
Executive Vice President - Senior Lender
- Hector G. Gutierrez, Esq.**  
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
- Jeffrey S. Boyer**  
Senior Vice President - Los Angeles Region-North
- Donald E. Evenson**  
Senior Vice President - CitizensTrust & Chief Investment Officer
- Richard M. Favor**  
Senior Vice President - Santa Barbara & Ventura Region
- Deborah G. Gallagher**  
Senior Vice President - SBA Group Manager
- 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 Short**  
Senior Vice President - Sales & Marketing Manager
- Michael D. Stain**  
Senior Vice President - Central Valley Region
- David S. Stong**  
Senior Vice President - San Diego Region
- Robert E. Zeltner**  
Senior Vice President - Orange County Region

## Condensed Consolidated Balance Sheets

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

	June 30, 2018	December 31, 2017
<b>Assets</b>		
Cash and due from banks	\$ 119,495	\$ 119,841
Interest-earning balances due from Federal Reserve	61,994	24,536
Total cash and cash equivalents	181,489	144,377
Interest-earning balances due from depository institutions	7,150	17,952
Investment securities available-for-sale, at fair value (with amortized cost of \$1,964,251 at June 30, 2018, and \$2,078,131 at December 31, 2017)	1,929,994	2,080,985
Investment securities held-to-maturity (with fair value of \$747,589 at June 30, 2018, and \$819,215 at December 31, 2017)	772,469	829,890
Total investment securities	2,702,463	2,910,875
Investment in stock of Federal Home Loan Bank (FHLB)	17,688	17,688
Loans and lease finance receivables	4,816,956	4,830,631
Allowance for loan losses	(59,583)	(59,585)
Net loans and lease finance receivables	4,757,373	4,771,046
Premises and equipment, net	44,691	46,166
Bank owned life insurance (BOLI)	147,419	146,486
Accrued interest receivable	21,778	22,704
Intangibles	6,179	6,838
Goodwill	116,564	116,564
Other real estate owned (OREO)	-	4,527
Income taxes	50,288	40,046
Other assets	40,781	25,317
<b>Total assets</b>	<b>\$ 8,093,863</b>	<b>\$ 8,270,586</b>
<b>Liabilities and Stockholders' Equity</b>		
Liabilities:		
Deposits:		
Noninterest-bearing	\$ 3,980,666	\$ 3,846,436
Interest-bearing	2,554,640	2,700,417
<b>Total deposits</b>	<b>6,535,306</b>	<b>6,546,853</b>
Customer repurchase agreements	384,054	553,773
Deferred compensation	19,012	18,223
Junior subordinated debentures	25,774	25,774
Other liabilities	46,300	56,697
<b>Total liabilities</b>	<b>7,010,446</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 110,302,468 at June 30, 2018, and 110,184,922 at December 31, 2017	575,502	573,453
Retained earnings	533,413	494,361
Accumulated other comprehensive (loss) income, net of tax	(25,498)	1,452
<b>Total stockholders' equity</b>	<b>1,083,417</b>	<b>1,069,266</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 8,093,863</b>	<b>\$ 8,270,586</b>

## Condensed Consolidated Statements of Earnings

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

For the Three Months ended June 30,  
2018 2017

	2018	2017
<b>Loans and leases, including fees</b>	<b>\$ 57,368</b>	<b>\$ 53,614</b>
Investment securities:		
Investment securities available-for-sale	11,697	13,007
Investment securities held-to-maturity	4,807	5,323
<b>Total investment income</b>	<b>16,504</b>	<b>18,330</b>
Dividends from FHLB stock	298	359
Interest-earning deposits with other institutions and federal funds sold	635	286
<b>Total interest income</b>	<b>74,805</b>	<b>72,589</b>
Interest expense:		
Deposits	1,549	1,559
Borrowings and customer repurchase agreements	337	382
Junior subordinated debentures	231	165
<b>Total interest expense</b>	<b>2,117</b>	<b>2,106</b>
Net interest income before recapture of provision for loan losses	72,688	70,483
Recapture of provision for loan losses	(1,000)	(1,000)
<b>Net interest income after recapture of provision for loan losses</b>	<b>73,688</b>	<b>71,483</b>
Noninterest income:		
Service charges on deposit accounts	4,091	3,982
Trust and investment services	2,399	2,613
Bankcard services	958	871
BOLI income	1,069	1,497
Gain on OREO, net	-	2
Other	1,178	1,811
<b>Total noninterest income</b>	<b>9,695</b>	<b>10,776</b>
Noninterest expense:		
Salaries and employee benefits	21,051	21,706
Occupancy and equipment	4,318	4,554
Professional services	1,690	1,843
Software licenses and maintenance	1,759	1,627
Marketing and promotion	1,148	1,190
Acquisition related expenses	494	1,250
Other	3,794	4,703
<b>Total noninterest expense</b>	<b>34,254</b>	<b>36,873</b>
Earnings before income taxes	49,129	45,386
Income taxes	13,756	17,013
<b>Net earnings</b>	<b>\$ 35,373</b>	<b>\$ 28,373</b>
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	\$ 0.14

