



CVB Financial Corp.

STATEMENT OF CONDITION

June 30, 2022

President's Message

CVB Financial Corp. (CVBF) reported net earnings of \$59.1 million for the quarter ended June 30, 2022, compared with \$45.6 million for the first quarter of 2022, our 181st consecutive quarter of profitability. The combination of strong loan growth, expansion of our net interest margin, and our continuing efforts to closely manage expenses in the face of inflationary pressures resulted in a record level of quarterly pretax pre-provision income during the second quarter. This growth supported a 6% increase in our quarterly dividend, our 131st consecutive quarter of paying a cash dividend, and the increased dividend represents a dividend payout ratio of 45%.

Our pretax pre-provision income was \$85.7 million during the second quarter, which is a 30% increase over the first quarter of 2022. Our efficiency ratio was 37.24% for the second quarter, compared to 46.93% for the prior quarter and 40.05% for the second quarter of 2021. We had strong growth in loans and investment securities, with loans growing by \$134 million on average, and investments growing by \$328 million on average when compared to the first quarter.

In May, we announced that the Board of Directors elected Hal W. Oswalt as Chairman of the Boards of CVBF and Citizens Business Bank replacing Raymond V. O'Brien. Mr. O'Brien will remain on the Boards of CVBF and Citizens Business Bank. Mr. Oswalt has been a director of CVBF and CBB since 2014. He is a veteran of the U.S. Banking industry having served as CEO, Director and President of several community banks as well as President and Managing Director of two different national financial consulting firms.

In June, we announced the appointment of a new Board Member, Kimberly Sheehy, to the CVB Financial Corp. and Citizens Business Bank Boards of Directors. Ms. Sheehy is a seasoned financial executive with more than 30 years of successful experience across the telecommunications, technology, SaaS, data center, software development, and REIT industries. Her current experience as a director and audit committee chair of several prominent public companies will position her to make immediate, positive contributions to our Boards.

CitizensTrust, our wealth management division that provides trust, investment, and brokerage-related services, as well as financial, estate, and business succession planning, had approximately \$3.14 billion in assets under management and administration, including \$2.32 billion in assets under management, at quarter end.

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 at cbbank.com. Additional information about CVB Financial Corp. is available on the website under the "Investors" tab.

We continue to focus on executing on our core strategies and supporting our customers through these unpredictable times. On behalf of our Board of Directors and all of our hard-working associates, we thank our customers and shareholders for their continued loyalty and support.

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

Top 4 Banks
IN AMERICA
Forbes, 2022

Five-Star
SUPERIOR RATING
BauerFinancial, 2021

Super Premier
PERFORMING BANK
Findley Reports, 2021

Board of Directors

Hal W. Oswalt Chairman	George A. Borba Vice Chairman
David A. Brager President and CEO	Jane Olvera Director
Stephen A. Del Guercio Director	Raymond V. O'Brien III Director
Anna Kan Director	Rodrigo Guerra, Jr. Director
Kimberly Sheehy Director	

Leadership Team

David A. Brager President and CEO	E. Allen Nicholson EVP, Chief Financial Officer
David C. Harvey EVP, Chief Operating Officer	David F. Farnsworth EVP, Chief Credit Officer
Richard H. Wohl EVP, General Counsel	R. Daniel Banis EVP, CitizensTrust
Yamynn De Angelis EVP, Chief Risk Officer	Ted J. Dondanville EVP, Banking Division
Hector G. Gutierrez, Esq. EVP, Deputy Chief Credit Officer	Susan M. Mlot EVP, Head of Operations
Timothy B. Noone EVP, Specialty Banking	G. Larry Zivelonghi EVP, Dairy & Livestock Industries
Jeffrey S. Boyer SVP, Los Angeles Region-North	Michael K. Currie SVP, Chief Information Officer
Gilbert W. Estrada SVP, Inland Empire Region	Donald E. Evenson SVP, Chief Investment Officer
Richard M. Favor SVP, Central Coast Region	Deborah G. Gallagher SVP, SBA Group
Derrick I. Hong SVP, Chief Audit Executive	Joyce Y. Kwon SVP, Director of Human Resources
Daniel Limon SVP, Specialty Lending Group	Michael B. Mulcahy SVP, Los Angeles Region-Metro
Rudy I. Ramirez SVP, Chief Information Security Officer	Mark C. Richardson SVP, Real Estate Banking
LaVon M. Short SVP, Director of Treasury Management and Marketing	Michael D. Stain SVP, Central Valley Region
David S. Stong SVP, San Diego Region	Robert E. Zeltner SVP, Orange County Region

131

CONSECUTIVE QUARTERS
OF CASH DIVIDENDS PAID

181

CONSECUTIVE QUARTERS
OF PROFITABILITY

\$59.1 million

NET INCOME
as of 6.30.22

Financials ▶

Condensed Consolidated Balance Sheets

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

	June 30, 2022	December 31, 2021
Assets		
Cash and due from banks	\$ 173,266	\$ 90,012
Interest-earning balances due from Federal Reserve	523,443	1,642,536
Total cash and cash equivalents	696,709	1,732,548
Interest-earning balances due from depository institutions	7,382	25,999
Investment securities available-for-sale, at fair value (with amortized cost of \$3,972,437 at June 30, 2022, and \$3,185,249 at December 31, 2021)	3,626,157	3,183,923
Investment securities held-to-maturity (with fair value of \$2,134,183 at June 30, 2022, and \$1,921,693 at December 31, 2021)	2,412,308	1,925,970
Total investment securities	6,038,465	5,109,893
Investment in stock of Federal Home Loan Bank (FHLB)	18,012	17,688
Loans and lease finance receivables	8,692,229	7,887,713
Allowance for credit losses	(80,222)	(65,019)
Net loans and lease finance receivables	8,612,007	7,822,694
Premises and equipment, net	47,100	49,096
Bank owned life insurance (BOLI)	259,958	251,570
Accrued interest receivable	40,954	34,204
Intangibles	25,312	25,394
Goodwill	765,822	663,707
Income taxes	136,273	32,603
Other assets	111,999	118,301
Total assets	\$ 16,759,993	\$ 15,883,697
Liabilities and Stockholders' Equity		
Liabilities:		
Deposits:		
Noninterest-bearing	\$ 8,881,223	\$ 8,104,056
Interest-bearing	5,190,996	4,872,386
Total deposits	14,072,219	12,976,442
Customer repurchase agreements	502,829	642,388
Other borrowings	-	2,281
Deferred compensation	23,917	20,879
Payable for securities purchased	80,230	50,340
Other liabilities	98,587	109,864
Total liabilities	14,777,782	13,802,194
Commitments and Contingencies		
Stockholders' Equity		
Common stock, authorized, 225,000,000 shares without par; issued and outstanding 140,025,579 at June 30, 2022, and 135,526,025 at December 31, 2021	1,301,050	1,209,903
Retained earnings	928,000	875,568
Accumulated other comprehensive (loss) income, net of tax	(246,839)	(3,968)
Total stockholders' equity	1,982,211	2,081,503
Total liabilities and stockholders' equity	\$ 16,759,993	\$ 15,883,697

Condensed Consolidated Statements of Earnings

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

	Three Months Ended June 30,	
	2022	2021
Interest income:		
Loans and leases, including fees	\$ 92,770	\$ 91,726
Investment securities:		
Investment securities available-for-sale	17,042	9,410
Investment securities held-to-maturity	11,714	5,130
Total investment income	28,756	14,540
Dividends from FHLB stock	273	283
Interest-earning deposits with other institutions	1,463	479
Total interest income	123,262	107,028
Interest expense:		
Deposits	1,201	1,425
Borrowings and customer repurchase agreements	121	132
Junior subordinated debentures	-	83
Total interest expense	1,322	1,640
Net interest income before provision for (recapture of) credit losses	121,940	105,388
Provision for (recapture of) credit losses	3,600	(2,000)
Net interest income after provision for (recapture of) credit losses	118,340	107,388
Noninterest income:		
Service charges on deposit accounts	5,333	4,169
Trust and investment services	2,962	3,167
Bankcard services	310	533
BOLI income	603	1,240
Gain on OREO, net	-	48
Gain on sale of building, net	2,717	-
Other	2,745	1,679
Total noninterest income	14,670	10,836
Noninterest expense:		
Salaries and employee benefits	31,553	28,836
Occupancy and equipment	5,567	4,949
Professional services	2,305	2,248
Computer software expense	3,103	2,657
Marketing and promotion	1,638	1,799
Amortization of intangible assets	1,998	2,167
(Recapture of) provision for unfunded loan commitments	-	(1,000)
Acquisition related expenses	375	-
Other	4,332	4,889
Total noninterest expense	50,871	46,545
Earnings before income taxes	82,139	71,679
Income taxes	23,081	20,500
Net earnings	\$ 59,058	\$ 51,179
Basic earnings per common share	\$ 0.42	\$ 0.38
Diluted earnings per common share	\$ 0.42	\$ 0.38
Cash dividends declared per common share	\$ 0.19	\$ 0.18

