
**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): January 27, 2021

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 Chief Executive Officer and Chief Financial Officer of CVB Financial Corp. (the “Company”) will make presentations to institutional investors at various virtual meetings throughout the first quarter of 2021. The January 2021 slide presentation, updated to reflect fourth quarter 2020 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. January 2021 slide presentation.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

99.1 [Copy of the CVB Financial Corp. January 2021 slide presentation.](#)

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: January 28, 2021

By: /s/ E. Allen Nicholson

E. Allen Nicholson

Executive Vice President and Chief Financial Officer



CVB Financial Corp.

January 2021

Forward Looking Statements



Certain matters set forth herein (including the exhibits hereto) constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including forward-looking statements relating to the Company's current business plans and expectations and our future financial position and operating results. Words such as "will likely result", "aims", "anticipates", "believes", "could", "estimates", "expects", "hopes", "intends", "may", "plans", "projects", "seeks", "should", "will," "strategy", "possibility", and variations of these words and similar expressions help to identify these forward-looking statements, which involve risks and uncertainties. These forward-looking statements are subject to risks and uncertainties that could cause actual results, performance and/or achievements to differ materially from those projected. These risks and uncertainties include, but are not limited to, local, regional, national and international economic and market conditions, political events and public health developments and the impact they may have on us, our customers and our assets and liabilities; our ability to attract deposits and other sources of funding or liquidity; supply and demand for commercial or residential real estate and periodic deterioration in real estate prices and/or values in California or other states where we lend; a sharp or prolonged slowdown or decline in real estate construction, sales or leasing activities; changes in the financial performance and/or condition of our borrowers, depositors, key vendors or counterparties; changes in our levels of delinquent loans, nonperforming assets, allowance for credit losses and charge-offs; the costs or effects of mergers, acquisitions or dispositions we may make, whether we are able to obtain any required governmental approvals in connection with any such mergers, acquisitions or dispositions, and/or our ability to realize the contemplated financial or business benefits associated with any such mergers, acquisitions or dispositions; the effects of new laws, regulations and/or government programs, including those laws, regulations and programs enacted by federal, state or local governments in the geographic jurisdictions in which we do business in response to the current national emergency declared in connection with the COVID-19 pandemic; the impact of the federal CARES Act and the significant additional lending activities undertaken by the Company in connection with the Small Business Administration's Paycheck Protection Program enacted thereunder, including risks to the Company with respect to the uncertain application by the Small Business Administration of new borrower and loan eligibility, forgiveness and audit criteria; the effects of the Company's participation in one or more of the new lending programs recently established by the Federal Reserve, including the Main Street New Loan Facility, the Main Street Priority Loan Facility and the Nonprofit Organization New Loan Facility, and the impact of any related actions or decisions by the Federal Reserve Bank of Boston and its special purpose vehicle established pursuant to such lending programs; the effect of changes in other pertinent laws, regulations and applicable judicial decisions (including laws, regulations and judicial decisions concerning financial reforms, taxes, bank capital levels, allowance for credit losses, consumer, commercial or secured lending, securities and securities trading and hedging, bank operations, compliance, fair lending, the Community Reinvestment Act, employment, executive compensation, insurance, cybersecurity, vendor management and information security technology) with which we and our subsidiaries must comply or believe we should comply or which may otherwise impact us; changes in estimates of future reserve requirements and minimum capital requirements, based upon the periodic review thereof under relevant regulatory and accounting standards, including changes in the Basel Committee framework establishing capital standards for bank credit, operations and market risks; the accuracy of the assumptions and estimates and the absence of technical error in implementation or calibration of models used to estimate the fair value of financial instruments or currently expected credit losses or delinquencies; inflation, changes in market interest rates, securities market and monetary fluctuations; changes in government-established interest rates, reference rates or monetary policies, including the possible imposition of negative interest rates on bank reserves; the impact of the anticipated phase-out of the London Interbank Offered Rate (LIBOR) on interest rate indexes specified in certain of our customer loan agreements and in our interest rate swap arrangements, including any economic and compliance effects related to the expected change from LIBOR to an alternative reference rate; changes in the amount, cost and availability of deposit insurance; disruptions in the infrastructure that supports our business and the communities where we are located, which are concentrated in California, involving or related to public health, physical site access and/or communication facilities; cyber incidents, attacks, infiltrations, exfiltrations, or theft or loss of Company, customer or employee data or money; political developments, uncertainties or instability, catastrophic events, acts of war or terrorism, or natural disasters, such as earthquakes, drought, the effects of pandemic diseases, climate change or extreme weather events, that may affect electrical, environmental and communications or other services, computer services or facilities we use, or that affect our assets, customers, employees or third parties with whom we conduct business; our timely development and implementation of new banking products and services and the perceived overall value of these products and services by our customers and potential customers; the Company's relationships with and reliance upon outside vendors with respect to certain of the Company's key internal and external systems, applications and controls; changes in commercial or consumer spending, borrowing and savings preferences or behaviors; technological changes and the expanding use of technology in banking and financial services (including the adoption of mobile banking, funds transfer applications, electronic marketplaces for loans, block-chain technology and other banking products, systems or services); our ability to retain and increase market share, to retain and grow customers and to control expenses; changes in the competitive environment among banks and other financial services and technology providers; competition and innovation with respect to financial products and services by banks, financial institutions and non-traditional providers including retail businesses and technology companies; volatility in the credit and equity markets and its effect on the general economy or local or regional business conditions or on the Company's capital, assets or customers; fluctuations in the price of the Company's common stock or other securities, and the resulting impact on the Company's ability to raise capital or to make acquisitions; the effect of changes in accounting policies and practices, as may be adopted from time-to-time by the principal regulatory agencies with jurisdiction over the Company, as well as by the Public Company Accounting Oversight Board, the Financial Accounting Standards Board and other accounting standard-setters; changes in our organization, management, compensation and benefit plans, and our ability to recruit and retain or expand or contract our workforce, management team, key executive positions and/or our board of directors; our ability to identify suitable and qualified replacements for any of our executive officers who may leave their employment with us, including our Chief Executive Officer; the costs and effects of legal, compliance and regulatory actions, changes and developments, including the initiation and resolution of legal proceedings (including any securities, lender liability, bank operations, financial product or service, data privacy, health and safety, consumer or employee class action litigation); regulatory or other governmental inquiries or investigations, and/or the results of regulatory examinations or reviews; our ongoing relations with our various federal and state regulators, including the SEC, Federal Reserve Board, FDIC and California DFPI; our success at managing the risks involved in the foregoing items and all other factors set forth in the Company's public reports, including our Annual Report on Form 10-K for the year ended December 31, 2019, and particularly the discussion of risk factors within that document. Among other risks, the ongoing COVID-19 pandemic may significantly affect the banking industry, the health and safety of the Company's employees, and the Company's business prospects. The ultimate impact on our business and financial results will depend on future developments, which are highly uncertain and cannot be predicted, including the scope and duration of the pandemic, the impact on the economy, our customers, our employees and our business partners, the safety, effectiveness, distribution and acceptance of vaccines developed to mitigate the pandemic, and actions taken by governmental authorities in response to the pandemic. The Company does not undertake, and specifically disclaims any obligation, to update any forward-looking statements to reflect occurrences or unanticipated events or circumstances after the date of such statements, except as required by law. Any statements about future operating results, such as those concerning accretion and dilution to the Company's earnings or shareholders, are for illustrative purposes only, are not forecasts, and actual results may differ.



- Total Assets: \$14.4 Billion
- Gross Loans: \$ 8.3 Billion
- Total Deposits (Including Repos): \$12.2 Billion
- Total Equity: \$ 2.0 Billion

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



- 175 Consecutive Quarters of Profitability
- 125 Consecutive Quarters of Cash Dividends
- 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 #2 S&P Global, 2018 Best Performing Banks in the Nation (April 2019)
- BauerFinancial Report
 - Five Star Superior Rating (September 2020)
 - ❖ 46 Consecutive Quarters
- Fitch Rating
 - BBB+ (August 2020)
- One of the 10 largest bank holding companies in CA

As of 12/31/2020

S&P Global Market Intelligence ranked CVB Financial Corp. the #2 Best-Performing Regional Bank of 2018 with \$10 billion to \$50 billion in assets

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

SNL Financial ranking of largest bank holding companies in CA, as of 9/30/2020

57 Business Financial Centers

1 Loan Production Office

3 CitizensTrust Locations

- ★ Corporate Office
- Business Financial Centers
- Loan Production Office
- ▲ 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 20-year relationships

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)

Banks:

- Target size: \$1 billion to \$8 billion in assets
- Financial & Strategic
- In-market and/or adjacent geographic market (California)

Banking Teams:

- In-market
- New markets



Profitability

- ROATCE = Q4 15.67% | Full Year 14.25%
- ROAA = Q4 1.42% | Full Year 1.37%
- Efficiency Ratio = Q4 40.64% | Full Year 41.40%

Income Statement

- Net Income = Q4 \$50.1 million | Full Year \$177.2 million
- Diluted EPS = Q4 \$0.37 | Full Year \$1.30

Balance Sheet/ Liquidity

- \$883 million of PPP loans
- Noninterest deposits 64% of total deposits
- 69% Loan / Deposit & Repo Ratio
- Year-over-year Loan growth = \$784 million
- Year-over-year Deposit & customer repo growth = \$3 billion

Asset Quality

- Net charge-offs Q4 = \$177,000 / YTD = \$308,000
- NPL = \$14.3 million + OREO = \$3.4 million / NPA = \$17.7 million
- NPA/TA = 0.12%
- Classified loans = \$78.8 million
- ACL = \$93.7 million/ ACL Coverage ratio excluding PPP 1.25%

Capital

- TCE Ratio = 9.6%
- CET1 Ratio = 14.8%
- Total Risk-Based Ratio = 16.2%

Selected Ratios



		2018	2019	2020	Q4'19	Q3'20	Q4'20
Performance	ROATCE	15.18%	17.56%	14.25%	16.36%	15.20%	15.67%
	NIM	4.03%	4.36%	3.59%	4.24%	3.34%	3.33%
	Cost of Funds	0.16%	0.24%	0.13%	0.22%	0.11%	0.09%
	Efficiency Ratio	45.83%	40.16%	41.40%	41.01%	42.57%	40.64%
	NIE % Avg. Assets	1.89%	1.76%	1.49%	1.71%	1.44%	1.37%
Credit Quality	NPA % Total Assets	0.18%	0.09%	0.12%	0.09%	0.12%	0.12%
	Net Charge-Offs (Recoveries) to Avg. Loans	(0.04%)	0.001%	0.004%	0.000%	0.001%	0.002%
Capital	TCE Ratio	10.5%	12.2%	9.6%	12.2%	9.8%	9.6%
	CET1 Ratio	13.0%	14.8%	14.8%	14.8%	14.6%	14.8%
	Total Risk-Based Capital Ratio	14.1%	16.0%	16.2%	16.0%	16.1%	16.2%



Summary

- Originated and funded 4,092 PPP loans for ~\$1.10B
- 99% of the PPP portfolio originated with 24 month term
- Total Fees ~\$35 million
- Fees recognized in Net Interest Income: Q4'20 = \$7.9 million 2020 YTD = \$21.4 million

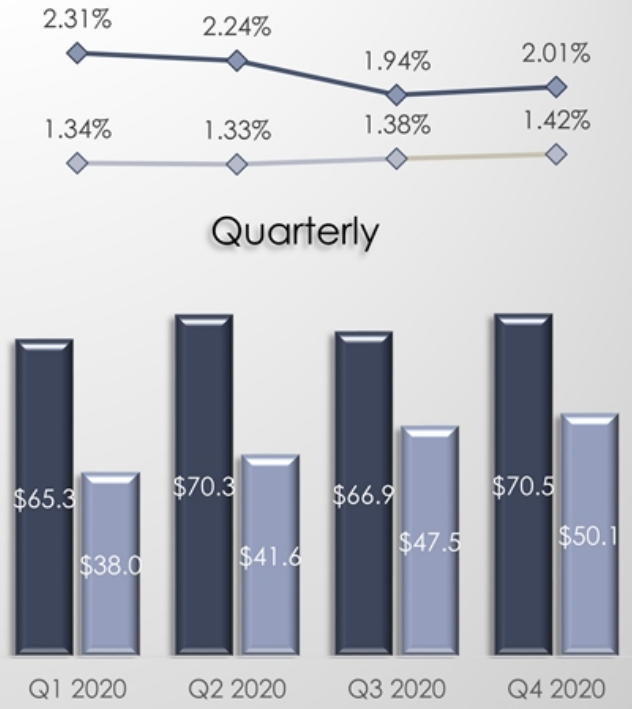
PPP Loans				
(\$ in Thousands)	Origination Balance		Loans Forgiven 1/15/2021*	
	Loan Size	Count	Amount	Count
<= 50	1,296	32,512	597	15,678
51 – 150	1,188	108,191	0	0
151 – 350	772	175,359	276	63,452
351 – 2,000	772	604,543	240	180,667
>= 2,001	64	180,537	0	0
Total	4,092	1,101,142	1,113	259,797

*** 100% forgiven based on borrower's forgiveness application as of 1/15/2021**

Net income & Pretax-pre provision income



(\$ in Millions)

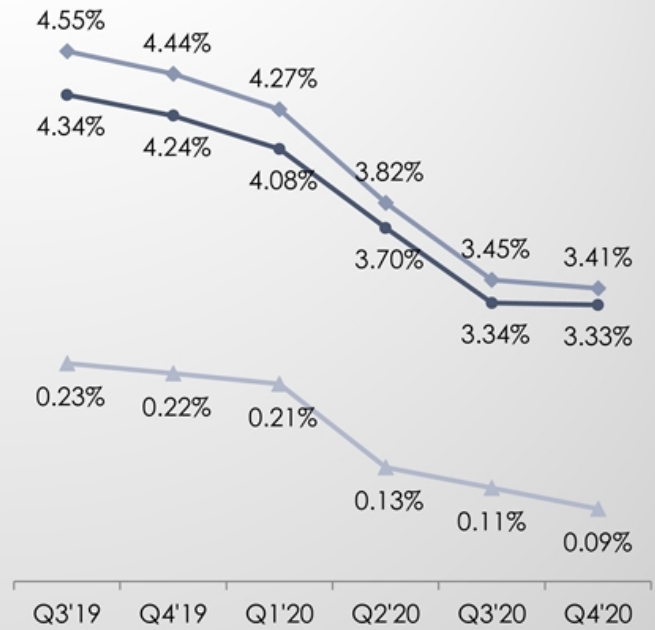
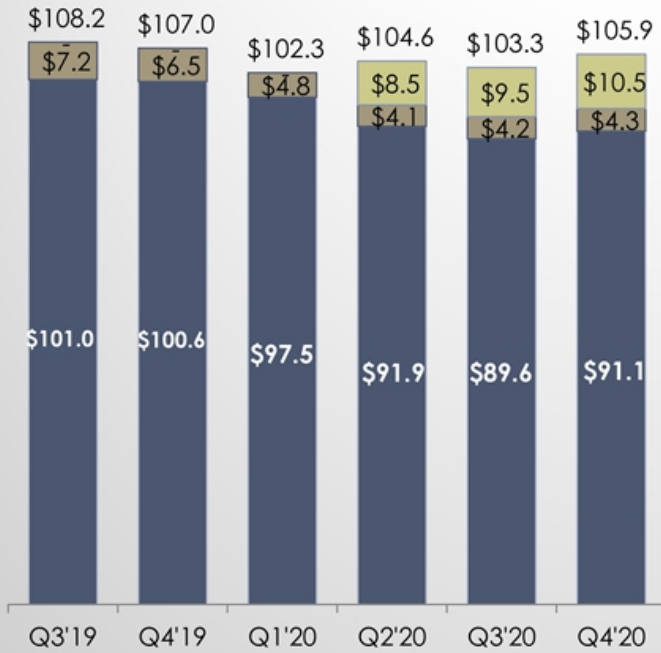


PTPP income (Non-GAAP*)
 Net income
 PTPP ROAA (Non-GAAP*)
 ROAA

Net Interest Income and NIM



(\$ in Millions)



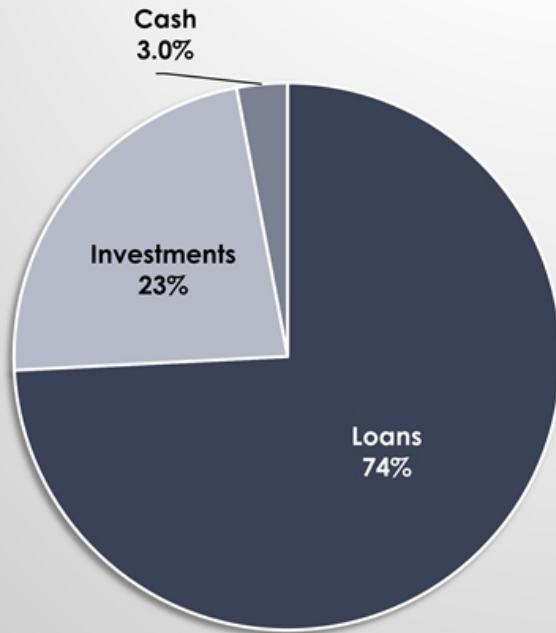
■ Discount Accretion ■ PPP interest/fees

◆ Earning Asset Yield ● Net Interest Margin
▲ Cost of Funds



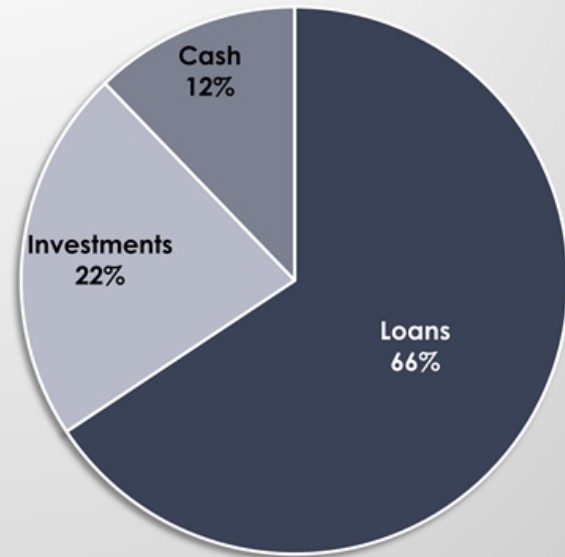
Q4 2019

Average Earning Assets \$10.1 billion



Q4 2020

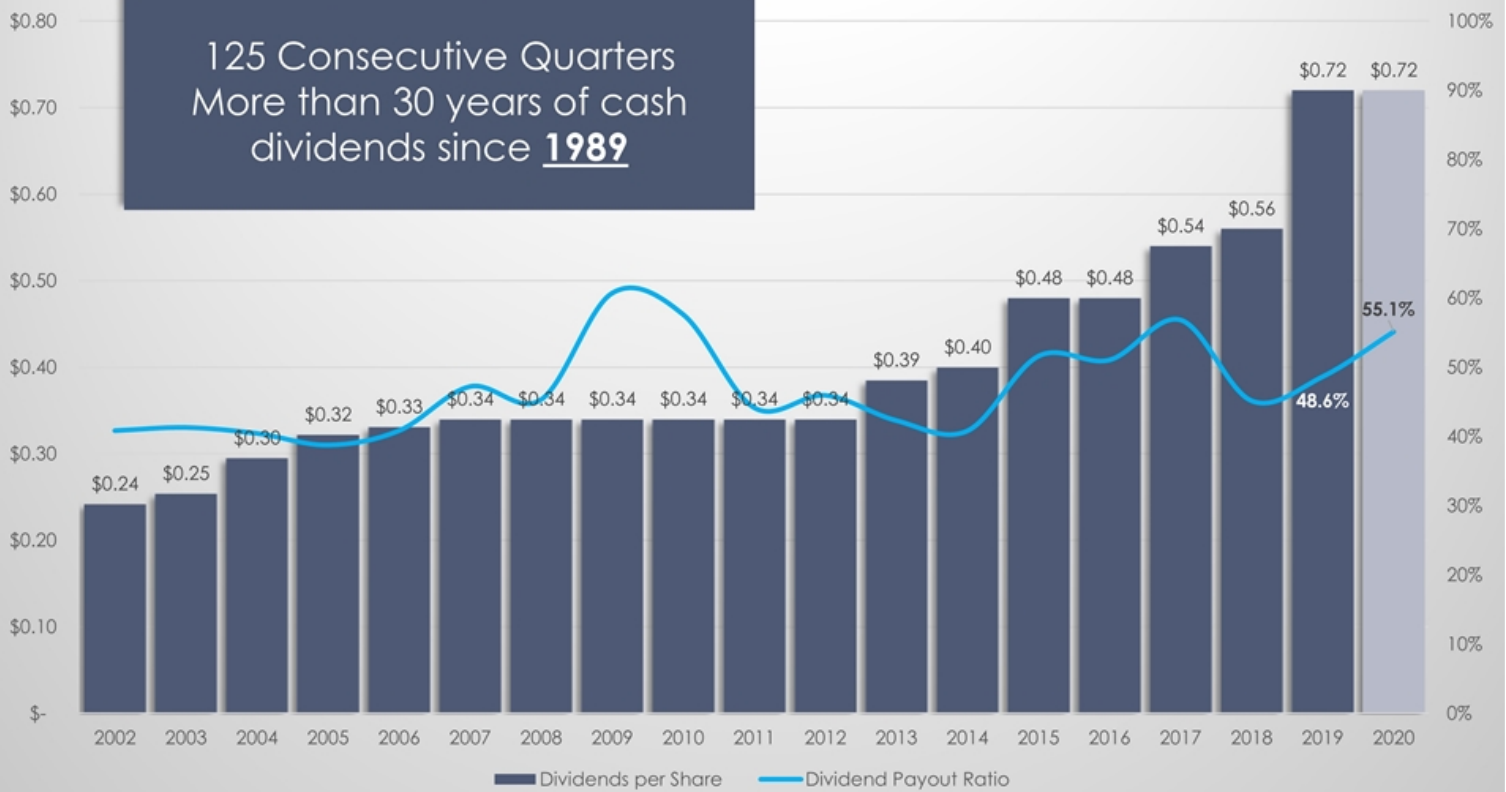
Average Earning Assets \$12.7 billion



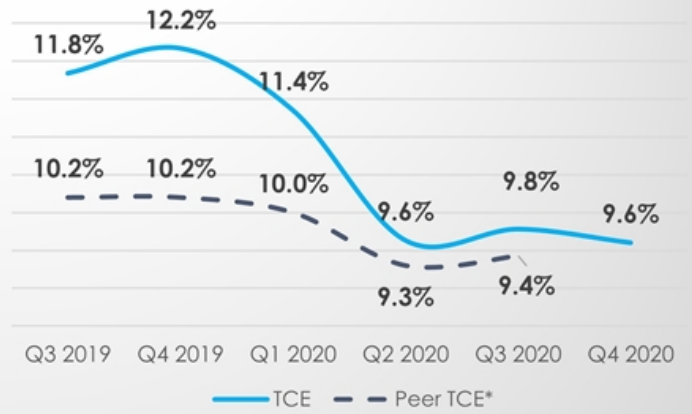
Dividends – 125 Consecutive Quarters



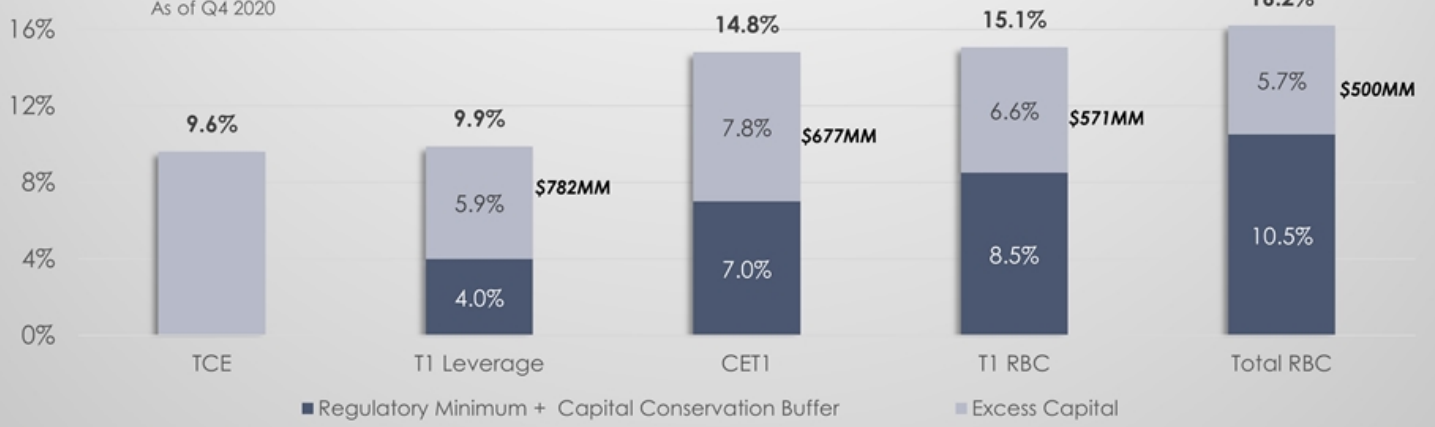
125 Consecutive Quarters
More than 30 years of cash
dividends since 1989



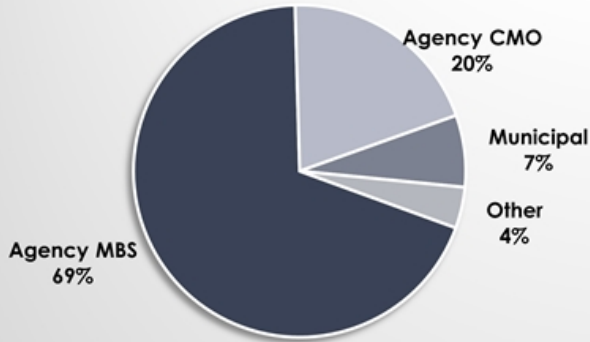
Strong Capital Ratios



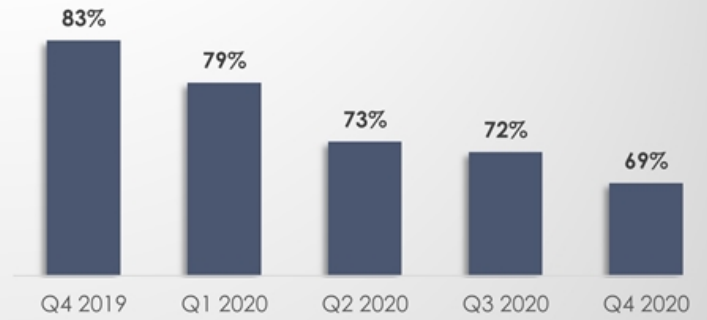
Capital Ratios
As of Q4 2020



Investment Portfolio
\$3.0 Billion as of Q4 2020



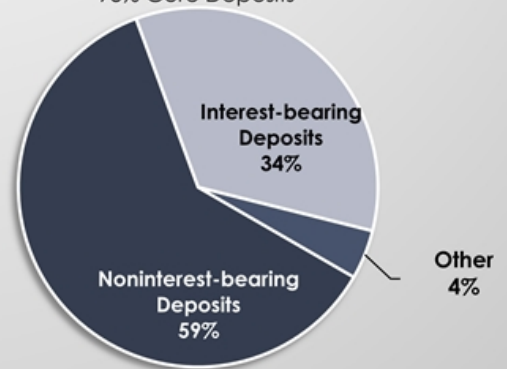
Loan to Deposit & Repo Ratio
< 85% past 5 quarters



Funding Availability
\$4.3 Billion as of Q4 2020



Funding Sources
93% Core Deposits



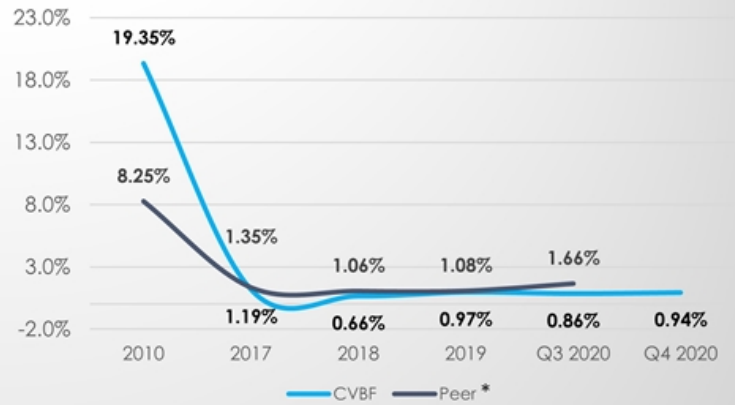
Credit Quality



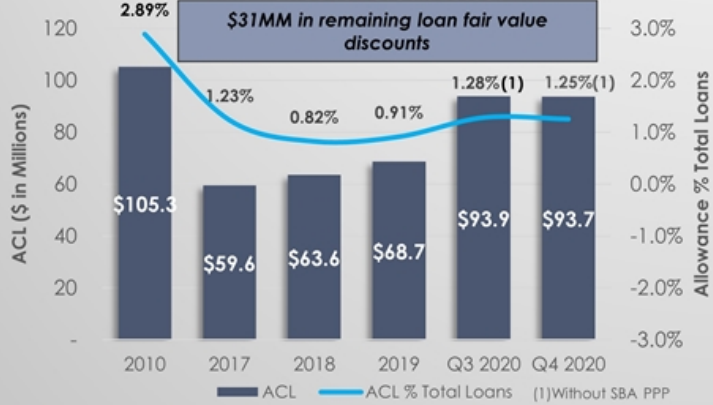
NPA % Total Assets



Classified Loans % Total Loans



Allowance for Credit Losses



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



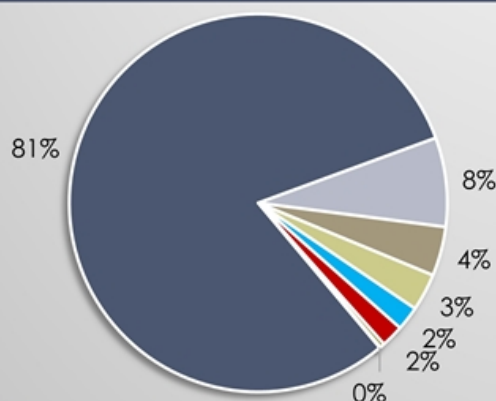
Highlights

- ✓ No credit provision in Q4
- ✓ Lifetime historical loss models - Macroeconomic variables include GDP, Unemployment Rate, & CRE price index
- ✓ Weighting of multiple forecasts

Key Economic Assumptions – Weighted Forecast

	FY'21	FY'22	FY'23
GDP % Change	2.5%	3.6%	3.6%
Unempl. Rate	7.7%	7.2%	5.7%

Q4 2020 Allowance by Portfolio

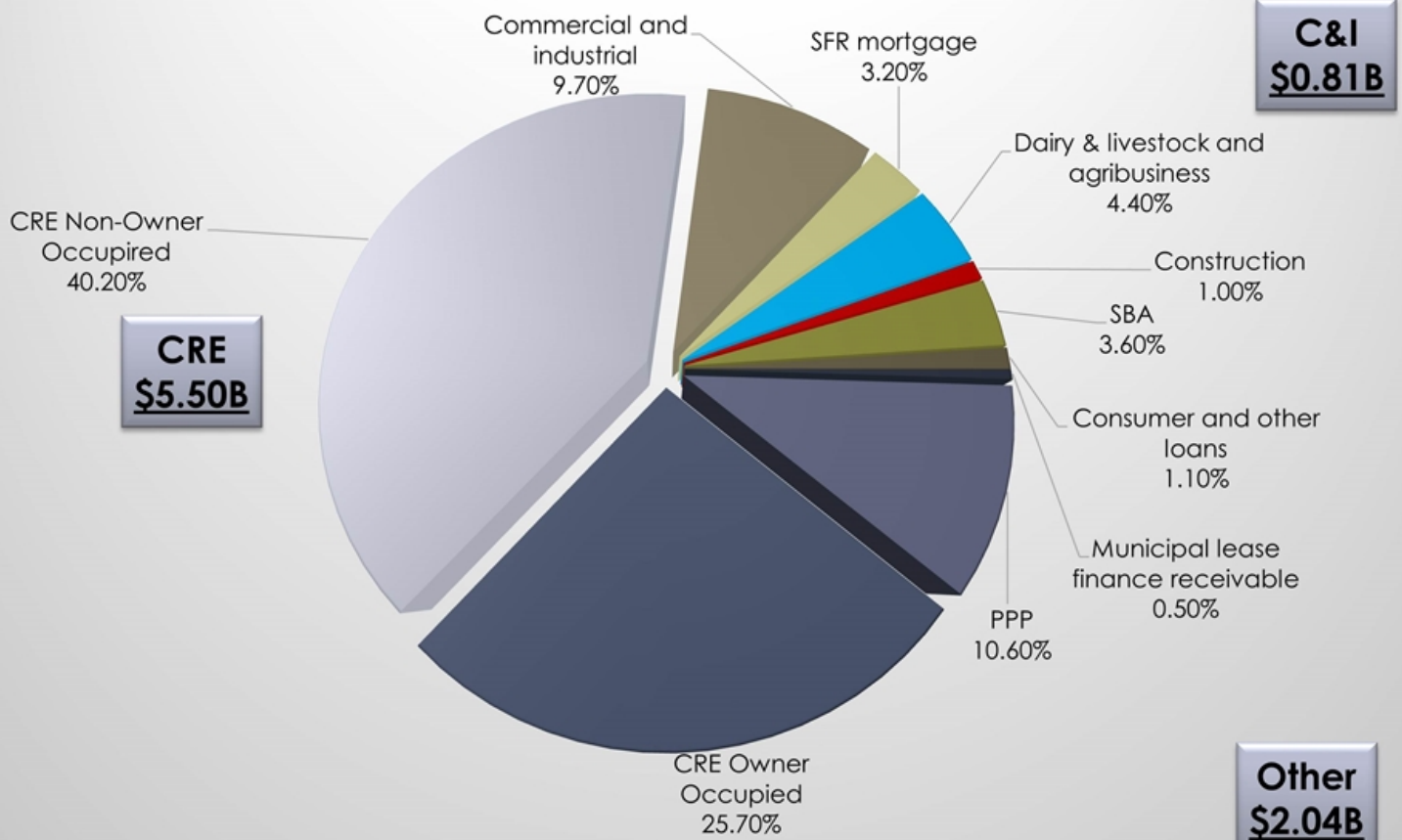


Allowance for Credit Losses – by Loan Type

Segmentation	9/30/2020		12/31/2020		Variance	
	ACL Balance	% of Loans	ACL Balance	% of Loans	ACL Balance	% of Loans
C&I	\$8.6	1.1%	\$7.1	0.9%	(\$1.5)	-0.2%
SBA	\$3.5	1.1%	\$3.0	1.0%	(\$0.5)	-0.1%
Real estate:						
Commercial RE	\$74.5	1.4%	\$75.4	1.4%	\$0.9	0.0%
Construction	\$1.9	1.9%	\$1.9	2.3%	(\$0.0)	0.4%
SFR Mortgage	\$0.2	0.1%	\$0.4	0.1%	\$0.2	0.0%
Dairy & livestock	\$3.7	1.5%	\$4.0	1.1%	\$0.3	-0.4%
Municipal lease	\$0.2	0.5%	\$0.1	0.2%	(\$0.1)	-0.3%
Consumer and other	\$1.3	1.5%	\$1.8	2.1%	\$0.5	0.6%
Sub Total	\$93.9	1.3%	\$93.7	1.3%	(\$0.2)	0.0%
PPP	\$0.0	0.0%	\$0.0	0.0%	\$0.0	0.0%
Total	\$93.9	1.1%	\$93.7	1.1%	(\$0.2)	0.0%

- Commercial real estate: 81%
- Commercial and industrial: 8%
- Dairy & livestock and agribusiness: 4%
- SBA: 3%
- Construction: 2%
- Consumer and other loans: 2%
- SFR mortgage: 0%
- Municipal lease finance receivable: 0%
- PPP: 0%

Loans by Type



Loans by Region



(000's)	# of Center Locations (12/31/20)	Average Loans per Location	Total Loans* (12/31/20)	%
Los Angeles County	21	\$168,732	\$ 3,543,375	42.4%
Central Valley	9	\$155,743	1,401,683	16.8%
Orange County	10	\$107,285	1,072,852	12.8%
Inland Empire (Riverside & San Bernardino Counties)	10	\$115,093	1,150,925	13.8%
Central Coast	5	\$99,405	497,024	6.0%
San Diego	2	\$113,832	227,664	2.7%
Other California			131,998	1.6%
Out of State			323,287	3.9%
Total	57		\$ 8,348,808	100.0%

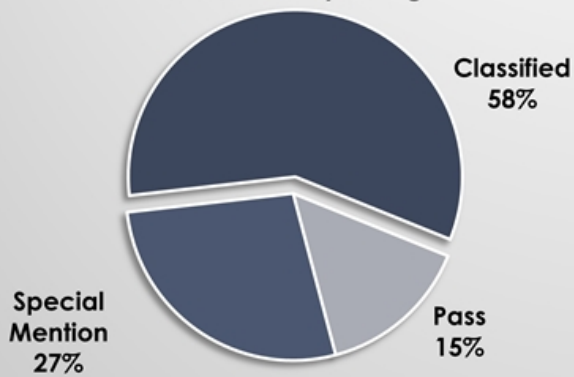
*Excludes deferred loan fees, allowance for loan losses and loans held-for-sale

COVID-Related Deferments

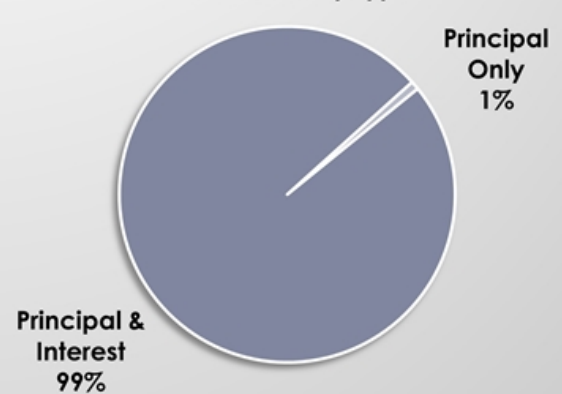


Segment	Remaining (\$ in Thousands)
CRE	3,702
Industrial	2,145
Other	1,557
SBA *	6,272
Total (CRE + SBA)	9,974

Deferments by Rating



Deferments by Type



Total Deferments - .12% of total loans

COVID Impacted Industries

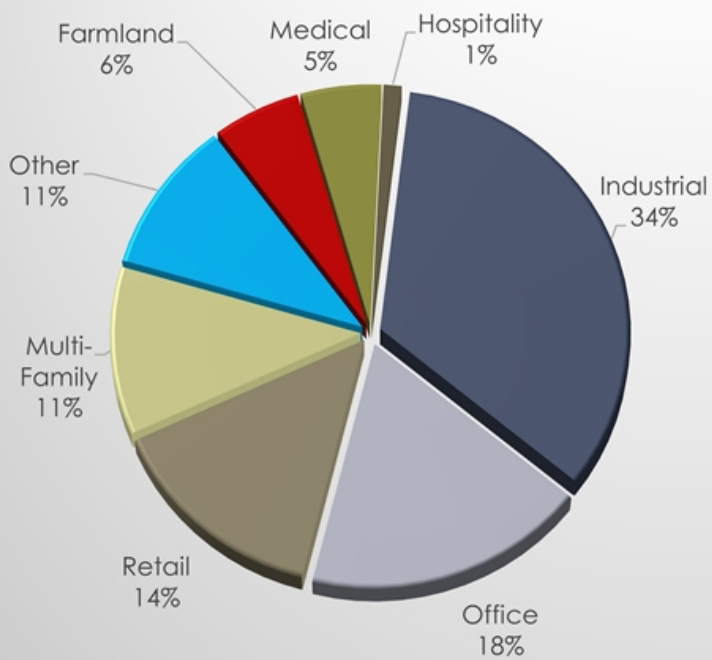


(\$ in Millions)	Balance as of 12/31/2020				Deferral Status as of 1/15/2021		
	Loan Segments	Total	% of Total Loans	Classified ¹	% of Loan Segment Classified	\$ Balance	% of Loan Segment
CRE	\$ 1,847.6	22.1%	\$ 10.8	0.6%	\$ 0.0	0%	0%
Office	998.6	12.0%	5.7	0.6%	0.0	0%	0%
Retail	784.4	9.4%	5.2	0.7%	0.0	0%	0%
Hospitality	64.6	0.8%	0.0	0.0%	0.0	0%	0%
C&I	75.2	0.9%	1.6	2.1%	0.0	0%	0%
Arts, Entertainment, and Recreation	37.6	0.5%	0.2	0.6%	0.0	0%	0%
Retail Trade	20.4	0.2%	0.0	0.0%	0.0	0%	0%
Accommodation and Food Services	17.3	0.2%	1.4	7.8%	0.0	0%	0%
SBA²	21.6	0.3%	1.0	4.5%	2.7	13%	0%
Arts, Entertainment, and Recreation	2.1	0.0%	0.0	0.0%	0.0	0%	0%
Retail Trade	11.7	0.1%	0.0	0.0%	0.0	0%	0%
Accommodation and Food Services	7.9	0.1%	1.0	12.5%	2.7	35%	0%
Total	\$ 1,944.4	23.3%	\$ 13.4	0.7%	\$ 2.7	0%	0%

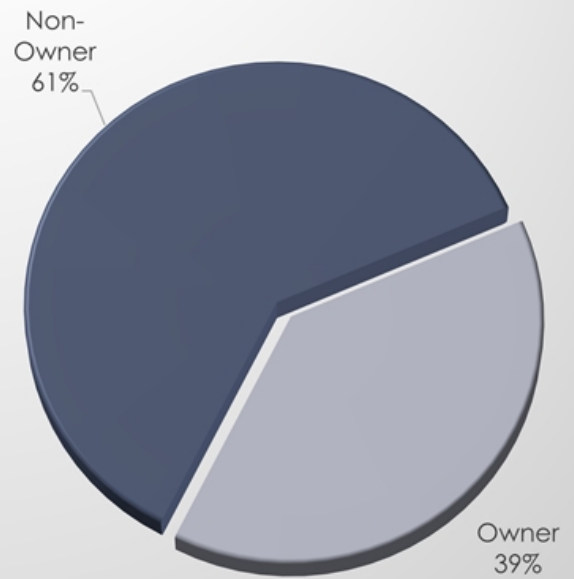
Commercial Real Estate Loans



Collateral Type



Owner/Non-Owner Occupied



CRE by Collateral



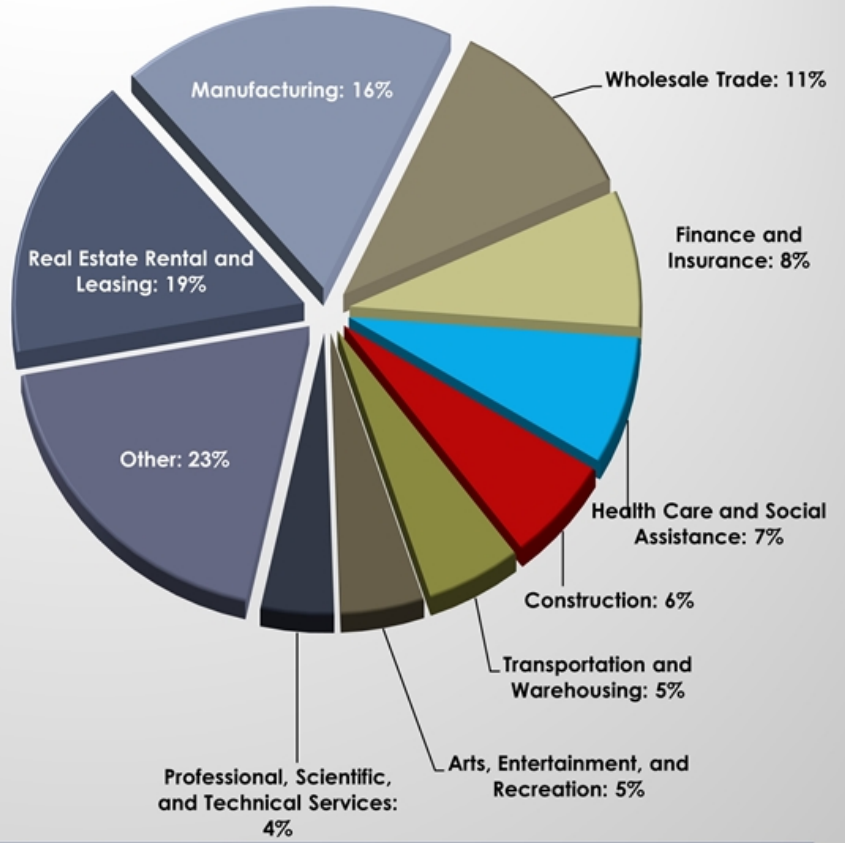
Collateral Type	Balance (\$ in Millions)	% of Owner Occupied	LTV at Origination	Avg. Size (\$ in Thousands)	Origination Year				
					2020	2019	2018	2017	2016 or earlier
Industrial	\$ 1,863	53%	52%	\$ 1,395	16%	14%	13%	15%	41%
Office	999	24%	56%	1,585	22%	14%	10%	14%	40%
Retail	784	13%	49%	1,698	16%	8%	13%	12%	51%
Multi-Family	618	2%	50%	1,623	27%	17%	12%	8%	36%
Other	568	58%	48%	1,331	11%	15%	15%	11%	48%
Farmland	314	98%	49%	2,096	32%	14%	8%	12%	34%
Medical	290	45%	60%	1,724	16%	11%	14%	10%	50%
Hospitality	65	43%	41%	2,582	2%	22%	14%	17%	45%
Total	\$ 5,502	39%	52%	\$ 1,537	19%	14%	12%	13%	42%

C&I by Industry



Industry	Balance (\$ in Millions)	% of C&I Total
Real Estate Rental and Leasing	\$ 151	19%
Manufacturing	133	16%
Wholesale Trade	90	11%
Finance and Insurance	64	8%
Health Care and Social Assistance	60	7%
Construction	49	6%
Transportation and Warehousing	43	5%
Arts, Entertainment, and Recreation	38	5%
Professional, Scientific, and Technical Services	33	4%
Other*	152	19%
Total	\$ 812	100%

- Includes Retail Trade (\$20MM or 3% of C&I loans)
- Includes Accommodation and Food Services (\$17MM or 2% of C&I loans)



Loan Interest Income



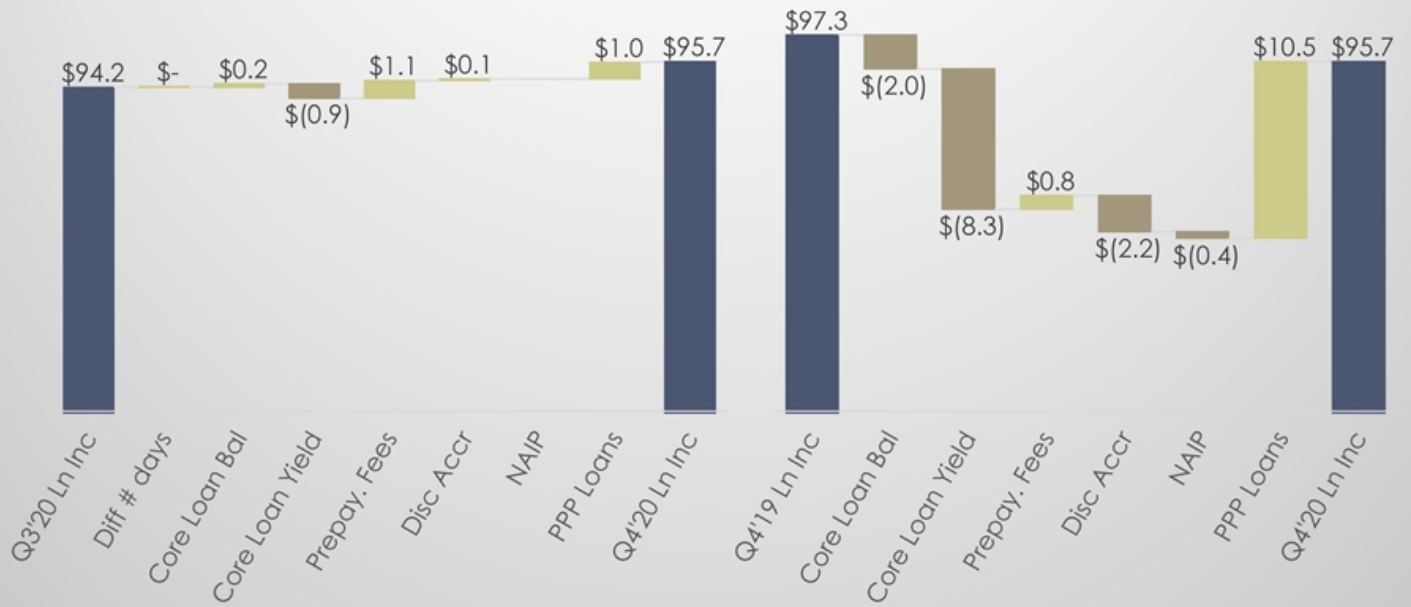
(\$ in Millions)

Q3 2020 vs Q4 2020

■ Increase ■ Decrease ■ Total

Q4 2019 vs Q4 2020

■ Increase ■ Decrease ■ Total



Deposits by Region



(000's)	# of Center Locations (12/31/20)	Total Deposits (9/30/20)	Total Deposits (12/31/20)
Los Angeles County	21	\$4,734,333	\$5,261,236
Inland Empire (Riverside & San Bernardino Counties)	10	\$3,475,961	\$3,422,305
Orange County	10	\$1,615,459	\$1,630,573
Central Valley	9	\$1,303,060	\$1,370,717
Central Coast	5	\$353,859	\$364,286
San Diego	2	\$81,938	\$76,246
Other		\$87,644	\$50,544
Total	57	\$11,652,254	\$12,175,907

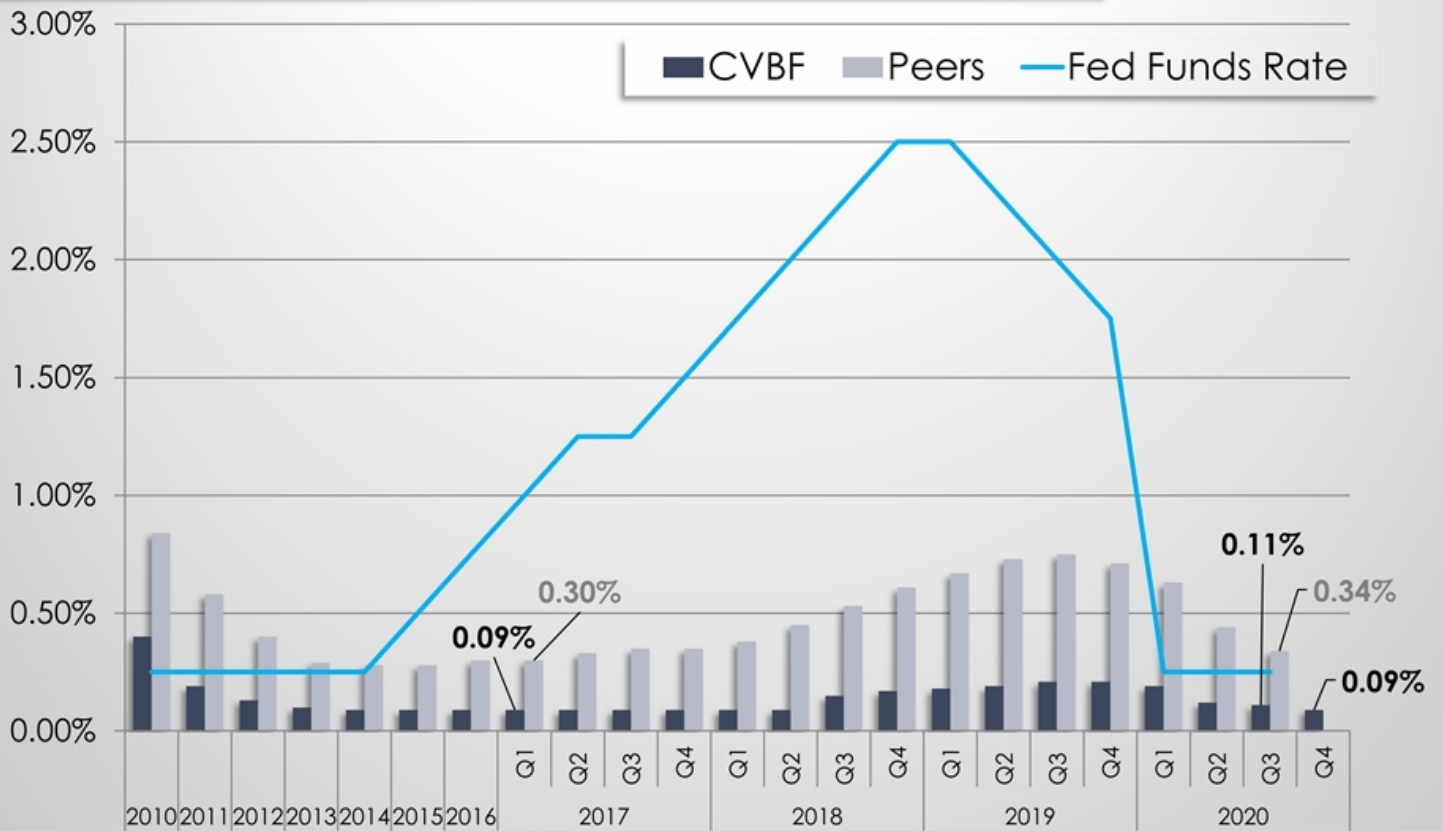
Average Cost of Deposits* (Annualized)

0.11%

0.09%

*Includes Customer Repurchase Agreements.

Cost of Deposits



Source: SNL Financial—peers represent public CA, AZ, HI, NV, OR & WA banks and thrifts with assets \$2 - \$35



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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.

	Year Ended December 31,		Three Months Ended		
	2019	2020	December 31, 2019	September 30, 2020	December 31, 2020
	<i>(Dollars in thousands)</i>				
Net Income	\$ 207,827	\$ 177,159	\$ 51,281	\$ 47,492	\$ 50,056
Add: Amortization of intangible assets	10,798	9,352	2,460	2,292	2,170
Less: Tax effect of amortization of intangible assets [1]	(3,192)	(2,765)	(727)	(678)	(642)
Tangible net income	<u>\$ 215,433</u>	<u>\$ 183,746</u>	<u>\$ 53,014</u>	<u>\$ 49,106</u>	<u>\$ 51,584</u>
Average stockholders' equity	\$ 1,939,961	\$ 1,991,664	\$ 1,993,315	\$ 1,985,842	\$ 2,007,640
Less: Average goodwill	(665,026)	(663,707)	(663,707)	(663,707)	(663,707)
Less: Average intangible assets	(48,296)	(38,203)	(44,185)	(37,133)	(34,711)
Average tangible common equity	<u>\$ 1,226,639</u>	<u>\$ 1,289,754</u>	<u>\$ 1,285,423</u>	<u>\$ 1,285,002</u>	<u>\$ 1,309,222</u>
Return on average equity [2]	10.71%	8.90%	10.21%	9.51%	9.92%
Return on average tangible common equity [2]	17.56%	14.25%	16.36%	15.20%	15.67%

[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		
	2018	2019	2020	December 31, 2019	September 30, 2020	December 31, 2020
	<i>(Dollars in thousands)</i>					
Net Income	\$ 152,003	\$ 207,827	\$ 177,159	\$ 51,281	\$ 47,492	\$ 50,056
Add: (Recapture of) provision for credit losses	1,500	5,000	23,500	-	-	-
Add: Income tax expense	59,112	83,247	72,361	19,306	19,398	20,446
Pretax-pre provision income	\$ 212,615	\$ 296,074	\$ 273,020	\$ 70,587	\$ 66,890	\$ 70,502
Average total assets	\$ 9,512,669	\$ 11,302,901	\$ 12,929,813	\$ 11,369,564	\$ 13,727,176	\$ 13,984,866
Return on average assets [1]	1.60%	1.84%	1.37%	1.79%	1.38%	1.42%
PTPP Return on average assets [1]	2.24%	2.62%	2.11%	2.46%	1.94%	2.01%

[1] Annualized where applicable.



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