



CVB Financial Corp.

STATEMENT OF CONDITION

September 30, 2020

CEO MESSAGE

CVB Financial Corp. reported net earnings of \$47.5 million for the quarter ended September 30, 2020, compared with \$41.6 million for the second quarter of 2020 and \$50.4 million for the third quarter of 2019. This was our 174th consecutive quarter of profitability and our 124th consecutive cash dividend paid to shareholders. Citizens Business Bank remains strong and financially sound, and has been a consistent and stable business partner over a variety of economic cycles during the past 46 years.

In view of the continued prevalence of the COVID-19 pandemic, we continue to prioritize the health and safety of our associates, customers, and other business relationships, as well as being a good partner and solid source of strength to our customers and communities. Our core strategy remains focused on continuing to grow the Bank in a disciplined and balanced manner and we will continue to evaluate expansion opportunities as they arise.

We reported total assets of \$13.82 billion at September 30, 2020. This represented an increase of \$67.4 million, or 0.49%, from total assets of \$13.75 billion at June 30, 2020. Interest-earning assets of \$12.59 billion at September 30, 2020 increased \$75.8 million, or 0.61%, when compared with \$12.52 billion at June 30, 2020. The increase in interest-earning assets was primarily due to a \$494.1 million increase in investment securities and a \$5.3 million increase in total loans, partially offset by a \$429.4 million decrease in interest-earning balances due from the Federal Reserve. Our average total deposits and customer repurchase agreements of \$11.42 billion for the third quarter grew by \$929.5 million or 8.86% from the second quarter. Average loans for the third quarter increased by \$335.2 million, compared with the second quarter of 2020, and increased by \$887.0 million, compared with the year-ago quarter, primarily due to the Bank's broad participation in the federal Small Business Administration's Paycheck Protection Program.

Citizens Business Bank recently committed \$50,000 to local food banks in Los Angeles County, Orange County, the Inland Empire, and the Central Valley area of California. The donations, originally intended to support the Bank's annual award celebration and holiday party, are now being used to help keep local food banks operating during a time of need for food and supplies.

CitizensTrust, our wealth management division that provides trust, investment, and brokerage-related services, as well as financial, estate, and business succession planning, had approximately \$2.91 billion in assets under management and administration, including \$2.08 billion in assets under management, at quarter end.

As we finish up a year that has presented unique challenges, we remain focused on managing our business and assisting our customers through the pandemic, while maintaining our strong capital levels, consistent earnings, solid credit, and excellent liquidity. On behalf of our Board of Directors and all of our associates, we thank our customers and shareholders for their continued loyalty and support. Please stay safe and healthy and know that we will continue to work hard on your behalf.

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

Chief Executive Officer
CVB Financial Corp., Citizens Business Bank

BOARD OF DIRECTORS

- | | |
|--|----------------------------------|
| Raymond V. O'Brien III Chairman | George A. Borba Vice Chairman |
| David A. Brager Chief Executive Officer | Kristina M. Leslie Director |
| Stephen A. Del Guercio Director | Hal W. Oswalt Director |
| Anna Kan Director | Rodrigo Guerra, Jr. Director |
| Marshall V. Laitsch Director | |

LEADERSHIP TEAM

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

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CONSECUTIVE QUARTERS
OF CASH DIVIDENDS PAID

174

CONSECUTIVE QUARTERS
OF PROFITABILITY

\$47.5 million

QUARTERLY NET INCOME
as of 9.30.20

#1 Best Bank
IN AMERICA
Forbes, 2020

Five-Star
SUPERIOR RATING
BauerFinancial, 2020

Super Premier
PERFORMING BANK
Findley Reports, 2019

Financials ▶

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 over \$13 billion in total assets. 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 over 50 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.

Condensed Consolidated Balance Sheets

| <i>(Dollars in thousands, except share amounts)</i> <i>(Unaudited)</i> | September 30, 2020 | December 31, 2019 |
|--|-----------------------|----------------------|
| Assets | | |
| Cash and due from banks | \$145,455 | \$158,310 |
| Interest-earning balances due from Federal Reserve | 1,339,498 | 27,208 |
| Total cash and cash equivalents | 1,484,953 | 185,518 |
| Interest-earning balances due from depository institutions | 44,367 | 2,931 |
| Investment securities available-for-sale, at fair value (with amortized cost of \$2,150,364 at September 30, 2020, and \$1,718,357 at December 31, 2019) | 2,205,646 | 1,740,257 |
| Investment securities held-to-maturity (with fair value of \$603,522 at September 30, 2020, and \$678,948 at December 31, 2019) | 577,694 | 674,452 |
| Total investment securities | 2,783,340 | 2,414,709 |
| Investment in stock of Federal Home Loan Bank (FHLB) | 17,688 | 17,688 |
| Loans and lease finance receivables | 8,407,872 | 7,564,577 |
| Allowance for credit losses | (93,869) | (68,660) |
| Net loans and lease finance receivables | 8,314,003 | 7,495,917 |
| Premises and equipment, net | 51,477 | 53,978 |
| Bank owned life insurance (BOLI) | 228,132 | 226,281 |
| Accrued interest receivable | 30,004 | 28,122 |
| Intangibles | 35,804 | 42,986 |
| Goodwill | 663,707 | 663,707 |
| Other real estate owned (OREO) | 4,189 | 4,889 |
| Income taxes | 21,412 | 35,587 |
| Other assets | 139,635 | 110,137 |
| Total assets | \$13,818,711 | \$11,282,450 |
| Liabilities and Stockholders' Equity | | |
| Liabilities: | | |
| Deposits: | | |
| Noninterest-bearing | \$6,919,423 | \$5,245,517 |
| Interest-bearing | 4,249,411 | 3,459,411 |
| Total deposits | 11,168,834 | 8,704,928 |
| Customer repurchase agreements | 483,420 | 428,659 |
| Other borrowings | 10,000 | - |
| Deferred compensation | 21,259 | 22,666 |
| Junior subordinated debentures | 25,774 | 25,774 |
| Other liabilities | 127,467 | 106,325 |
| Total liabilities | 11,836,754 | 9,288,352 |
| Commitments and Contingencies | | |
| Stockholders' Equity | | |
| Common stock, authorized, 225,000,000 shares without par; issued and outstanding 135,509,143 at September 30, 2020, and 140,102,480 at December 31, 2019 | 1,210,646 | 1,298,792 |
| Retained earnings | 735,218 | 682,692 |
| Accumulated other comprehensive income, net of tax | 36,093 | 12,614 |
| Total stockholders' equity | 1,981,957 | 1,994,098 |
| Total liabilities and stockholders' equity | \$13,818,711 | \$11,282,450 |

Condensed Consolidated Statements of Earnings

| <i>(Dollars in thousands, except per share amounts)</i> <i>(Unaudited)</i> | Three Months ended September 30, 2020 | 2019 |
|---|--|-----------------|
| Interest income: | | |
| Loans and leases, including fees | \$94,200 | \$98,796 |
| Investment securities: | | |
| Investment securities available-for-sale | 8,447 | 9,222 |
| Investment securities held-to-maturity | 3,375 | 4,298 |
| Total investment income | 11,822 | 13,520 |
| Dividends from FHLB stock | 215 | 301 |
| Interest-earning deposits with other institutions | 389 | 946 |
| Total interest income | 106,626 | 113,563 |
| Interest expense: | | |
| Deposits | 2,958 | 4,589 |
| Borrowings and customer repurchase agreements | 232 | 568 |
| Junior subordinated debentures | 111 | 247 |
| Total interest expense | 3,301 | 5,404 |
| Net interest income before provision for credit losses | 103,325 | 108,189 |
| Provision for credit losses | - | 1,500 |
| Net interest income after provision for credit losses | 103,325 | 106,659 |
| Noninterest income: | | |
| Service charges on deposit accounts | 3,970 | 4,833 |
| Trust and investment services | 2,405 | 2,330 |
| Bankcard services | 456 | 637 |
| BOLI income | 1,469 | 1,797 |
| Gain on OREO, net | 13 | - |
| Gain on sale of building, net | 1,680 | - |
| Other | 3,160 | 2,297 |
| Total noninterest income | 13,153 | 11,894 |
| Noninterest expense: | | |
| Salaries and employee benefits | 31,034 | 30,122 |
| Occupancy and equipment | 5,275 | 4,879 |
| Professional services | 2,019 | 1,688 |
| Computer software expense | 2,837 | 2,663 |
| Marketing and promotion | 728 | 1,517 |
| Amortization of intangible assets | 2,292 | 2,648 |
| Acquisition related expenses | - | 244 |
| Other | 5,403 | 3,774 |
| Total noninterest expense | 49,588 | 47,535 |
| Earnings before income taxes | 66,890 | 71,018 |
| Income taxes | 19,398 | 20,595 |
| Net earnings | \$47,492 | \$50,423 |
| Basic earnings per common share | | |
| Basic earnings per common share | \$0.35 | \$0.36 |
| Diluted earnings per common share | \$0.35 | \$0.36 |
| Cash dividends declared per common share | | |
| Cash dividends declared per common share | \$0.18 | \$0.18 |

