



CVB Financial Corp.

# STATEMENT OF CONDITION

March 31, 2023

## President's Message

CVB Financial Corp. (CVBF) reported net earnings of \$59.3 million for the quarter ended March 31, 2023, compared with \$66.2 million for the fourth quarter of 2022. We announced our 184th consecutive quarter of profitability and our 134th consecutive quarter of paying a cash dividend to our shareholders. Financial highlights for the first quarter include a 35% year-over-year increase in earnings per share, a return on average tangible common equity that exceeded 20%, an efficiency ratio below 40%, and a return on average assets of 1.47%.

Our first quarter results reflect our continued focus on serving the comprehensive financial needs of our customers. Although the current interest rate environment and expectations of a near-term recession are impacting financial institutions, we continue to generate strong core earnings. As deposits have become the primary focus of the banking industry, I would like to emphasize that Citizens Business Bank has, and will continue to focus on, financially strong lower middle market businesses, providing these customers with both a high-touch relationship banking model and a wide array of products.

Since the founding of our Bank in 1974, we have strived to build a safe, sound, and secure institution focused on banking the best small to medium-sized businesses and their owners. Over the course of time, we have built a diverse and durable base of customers who have remained loyal to our Bank through a variety of business cycles, and we will continue to provide banking products and solutions designed to satisfy our customers' goals and business objectives. As of March 31, 2023, 41% of our deposit relationships have banked with us for more than 10 years, and 77% of our deposit relationships have banked with us for three years or more.

In the first quarter of 2023, Citizens Business Bank received several prestigious industry accolades. In February, we were honored to announce that our Bank has been recognized for the fourth time in the past eight years as the #1 Bank in America by Forbes 2023 Best Banks in America. In March, S&P Global Market Intelligence ranked CVB Financial Corp. as the third best-performing public bank with assets greater than \$10 billion in the United States for 2022. Additionally, Fitch Ratings has also affirmed our investment grade rating of BBB+ at the end of April, 2023.

CitizensTrust, our wealth management division that provides trust, investment, and brokerage-related services, as well as financial, estate, and business succession planning, had approximately \$3.38 billion in assets under management and administration, including \$2.25 billion in assets under management, at quarter end.

Shares of CVB Financial Corp. common stock are listed on 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 our website under the "Investors" tab.

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

## 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	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

# 134

CONSECUTIVE QUARTERS  
OF CASH DIVIDENDS PAID

# 184

CONSECUTIVE QUARTERS  
OF PROFITABILITY

# \$59.3 million

NET INCOME  
as of 3.31.23

**#1 Best Bank**  
IN AMERICA  
*Forbes, 2023*

**Five-Star**  
SUPERIOR RATING  
*BauerFinancial, 2022*

**Super Premier**  
PERFORMING BANK  
*Findley Reports, 2022*

Financials ▶

## Condensed Consolidated Balance Sheets

<i>(Dollars in thousands, except share amounts) (Unaudited)</i>	March 31, 2023	December 31, 2022
<b>Assets</b>		
Cash and due from banks	\$ 162,668	\$ 158,236
Interest-earning balances due from Federal Reserve	64,866	45,225
Total cash and cash equivalents	<u>227,534</u>	<u>203,461</u>
Interest-earning balances due from depository institutions	11,944	9,553
Investment securities available-for-sale, at fair value (with amortized cost of \$3,664,184 at March 31, 2023, and \$3,755,297 at December 31, 2022)	3,204,524	3,255,211
Investment securities held-to-maturity (with fair value of \$2,168,570 at March 31, 2023, and \$2,155,587 at December 31, 2022)	2,535,979	2,554,301
Total investment securities	<u>5,740,503</u>	<u>5,809,512</u>
Investment in stock of Federal Home Loan Bank (FHLB)	38,697	27,627
Loans and lease finance receivables	8,942,489	9,079,392
Allowance for credit losses	(86,540)	(85,117)
Net loans and lease finance receivables	<u>8,855,949</u>	<u>8,994,275</u>
Premises and equipment, net	45,310	46,698
Bank owned life insurance (BOLI)	256,717	255,528
Accrued interest receivable	44,186	46,692
Intangibles	20,023	21,742
Goodwill	765,822	765,822
Income taxes	151,954	186,684
Other assets	115,402	108,946
<b>Total assets</b>	<b><u>\$ 16,274,041</u></b>	<b><u>\$ 16,476,540</u></b>
<b>Liabilities and Stockholders' Equity</b>		
Liabilities:		
Deposits:		
Noninterest-bearing	\$ 7,844,329	\$ 8,164,364
Interest-bearing	4,427,541	4,671,881
<b>Total deposits</b>	<b><u>12,271,870</u></b>	<b><u>12,836,245</u></b>
Customer repurchase agreements	490,235	565,431
Other borrowings	1,405,000	995,000
Deferred compensation	22,873	22,092
Other liabilities	94,294	109,255
<b>Total liabilities</b>	<b><u>14,284,272</u></b>	<b><u>14,528,023</u></b>
Commitments and Contingencies		
<b>Stockholders' Equity</b>		
Common stock, authorized, 225,000,000 shares without par; issued and outstanding 139,302,451 at March 31, 2023, and 139,818,703 at December 31, 2022	1,281,786	1,300,466
Retained earnings	1,034,110	1,002,847
Accumulated other comprehensive (loss) income, net of tax	(326,127)	(354,796)
<b>Total stockholders' equity</b>	<b><u>1,989,769</u></b>	<b><u>1,948,517</u></b>
<b>Total liabilities and stockholders' equity</b>	<b><u>\$ 16,274,041</u></b>	<b><u>\$ 16,476,540</u></b>

## Condensed Consolidated Statements of Earnings

<i>(Dollars in thousands, except per share amounts) (Unaudited)</i>	Three Months Ended March 31, 2023      2022	
Interest income:		
<b>Loans and leases, including fees</b>	<b>\$ 108,394</b>	<b>\$ 89,461</b>
Investment securities:		
Investment securities available-for-sale	19,596	12,832
Investment securities held-to-maturity	13,956	10,663
<b>Total investment income</b>	<b><u>33,552</u></b>	<b><u>23,495</u></b>
Dividends from FHLB stock	349	371
Interest-earning deposits with other institutions	491	773
<b>Total interest income</b>	<b><u>142,786</u></b>	<b><u>114,100</u></b>
Interest expense:		
Deposits	5,365	1,127
Borrowings and customer repurchase agreements	11,693	133
<b>Total interest expense</b>	<b><u>17,058</u></b>	<b><u>1,260</u></b>
Net interest income before provision for credit losses	125,728	112,840
Provision for credit losses	1,500	2,500
<b>Net interest income after provision for credit losses</b>	<b><u>124,228</u></b>	<b><u>110,340</u></b>
Noninterest income:		
Service charges on deposit accounts	5,344	5,059
Trust and investment services	2,914	2,822
Bankcard services	377	416
BOLI income	1,189	1,349
Other	3,378	1,618
<b>Total noninterest income</b>	<b><u>13,202</u></b>	<b><u>11,264</u></b>
Noninterest expense:		
Salaries and employee benefits	35,247	32,656
Occupancy and equipment	5,450	5,571
Professional services	1,696	2,045
Computer software expense	3,408	3,795
Marketing and promotion	1,715	1,458
Provision for unfunded loan commitments	500	-
Amortization of intangible assets	1,720	1,998
Acquisition related expenses	-	5,638
Other	5,145	5,077
<b>Total noninterest expense</b>	<b><u>54,881</u></b>	<b><u>58,238</u></b>
Earnings before income taxes	82,549	63,366
Income taxes	23,279	17,806
<b>Net earnings</b>	<b><u>\$ 59,270</u></b>	<b><u>\$ 45,560</u></b>
Basic earnings per common share	\$ 0.42	\$ 0.31
Diluted earnings per common share	\$ 0.42	\$ 0.31
Cash dividends declared per common share	\$ 0.20	\$ 0.18

