



# Statement of Condition

## March 31, 2017

### President's Message

CVB Financial Corp. reported net income of \$28.5 million for the quarter ended March 31, 2017, compared with \$27.1 million for the fourth quarter of 2016 and \$23.4 million for the first quarter of 2016. This represents an increase of \$1.4 million over the prior quarter and an increase of \$5.1 million from the first quarter of 2016.

The first quarter of 2017 represented our 160<sup>th</sup> consecutive quarter of profitability. 40 years of making money in each and every quarter. We believe this is a significant accomplishment and validates our ongoing business model and strategy. The first quarter also represented our 110<sup>th</sup> consecutive quarter of paying a cash dividend to our shareholders.

Financial highlights for the first quarter include an increase in total assets to \$8.56 billion at March 31, 2017. This represented an increase of \$485.4 million, or 6.01%, from total assets of \$8.07 billion at December 31, 2016. Loans and Leases totaled \$4.62 billion, up 5.02%, while Total Deposits, including customer repurchase agreements, were \$7.41 billion, up 7.15% from year end 2016.

On March 10, 2017, we announced the completion of our acquisition of Valley Commerce Bancorp, the holding company for Valley Business Bank. Valley Business Bank provides over \$400 million in new assets and four additional locations in Visalia, Tulare, Woodlake, and Fresno. This is an exciting opportunity for Citizens Business Bank to expand our presence in the Central Valley and accelerate our growth.

CitizensTrust, our wealth management division that provides trust, investment, and brokerage-related services, as well as financial, estate, and business succession planning, had approximately \$2.76 billion in assets under management and administration, including \$2.13 billion in assets under management at quarter end. Revenues were \$2.3 million for the first quarter of 2017, compared to \$2.2 million for the same period of 2016.

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 thank our customers and shareholders for their continued loyalty and support.

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

### Board of Directors

**Raymond V. O'Brien III**  
Chairman, CVB Financial Corp.

**Christopher D. Myers**  
President and Chief Executive Officer

**George A. Borba**  
Vice Chairman, CVB Financial Corp.

**Robert M. Jacoby**  
Director

**Stephen A. Del Guercio**  
Director

**Hal W. Oswald**  
Director

**Kristina M. Leslie**  
Director

**Anna Kan**  
Director

### Executive 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 F. Farnsworth**  
Executive Vice President - Chief Credit Officer

**David C. Harvey**  
Executive Vice President - Chief Operations Officer

**R. Daniel Banis**  
Executive Vice President - CitizensTrust

**Yamynn De Angelis**  
Executive Vice President - Chief Risk Officer

**Ted J. Dondanville**  
Executive Vice President - Commercial Banking & Senior Lender

**Eileen L. Lyon**  
Executive Vice President - General Counsel

**Elsa I. Zavala**  
Executive Vice President - Chief Information Officer

**G. Larry Zivelonghi**  
Executive Vice President - Dairy & Livestock Industries

### Senior Leadership Team

**Hector G. Gutierrez**  
Senior Vice President - Deputy Chief Credit Officer

**David M. Krebs**  
Senior Vice President - Human Resources

**James E. Mead**  
Senior Vice President - Inland Empire Region

**Michael B. Mulcahy**  
Senior Vice President - Los Angeles Region

**Timothy B. Noone**  
Senior Vice President - San Gabriel Valley Region & Specialty Banking Group

**Mark C. Richardson**  
Senior Vice President - Real Estate Banking Group

**Michael D. Stain**  
Senior Vice President - Central Valley Region

**David S. Stong**  
Senior Vice President - San Diego Region

**Donald R. Toussaint**  
Executive Vice President - Ventura/Santa Barbara Region

**Robert E. Zeltner**  
Senior Vice President - Orange County Region

*CVB Financial Corp. ("CVBF") is the holding company for Citizens Business Bank. CVBF is the ninth largest bank holding company headquartered in California with assets of approximately \$8.6 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 54 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

(Dollars in thousands, except share amounts) (unaudited)	March 31, 2017	December 31, 2016
<b>Assets</b>		
Cash and due from banks	\$ 118,772	\$119,445
Interest-earning balances due from Federal Reserve and federal funds sold	263,669	2,188
Total cash and cash equivalents	382,441	121,633
Interest-earning balances due from depository institutions	30,321	47,848
Investment securities available-for-sale, at fair value (with amortized cost of \$2,255,904 at March 31, 2017, and \$2,255,874 at December 31, 2016)	2,271,703	2,270,466
Investment securities held-to-maturity (with fair value of \$871,755 at March 31, 2017, and \$897,374 at December 31, 2016)	885,057	911,676
Total investment securities	3,156,760	3,182,142
Investment in stock of Federal Home Loan Bank (FHLB)	19,640	17,688
Loans and lease finance receivables	4,615,497	4,395,064
Allowance for loan losses	(59,212)	(61,540)
Net loans and lease finance receivables	4,556,285	4,333,524
Premises and equipment, net	47,262	42,086
Bank owned life insurance	145,056	134,785
Accrued interest receivable	21,886	22,259
Intangibles	7,892	5,010
Goodwill	119,193	89,533
Other real estate owned (OREO)	4,527	4,527
Income taxes	40,832	45,429
Asset held-for-sale	3,411	3,411
Other assets	23,615	23,832
<b>Total assets</b>	<b>\$ 8,559,121</b>	<b>\$8,073,707</b>
<b>Liabilities and Stockholders' Equity</b>		
Deposits:		
Noninterest-bearing	\$ 3,999,107	\$3,673,541
Interest-bearing	2,843,706	2,636,139
Total deposits	6,842,813	6,309,680
Customer repurchase agreements	564,387	603,028
Other borrowings	-	53,000
Deferred compensation	18,168	12,361
Junior subordinated debentures	25,774	25,774
Payable for securities purchased	-	23,777
Other liabilities	61,646	55,225
<b>Total liabilities</b>	<b>7,512,788</b>	<b>7,082,845</b>
<b>Commitments and Contingencies</b>		
<b>Stockholders' Equity</b>		
Common stock, authorized, 225,000,000 shares without par; issued and outstanding 110,108,757 at March 31, 2017, and 108,251,981 at December 31, 2016	570,997	531,192
Retained earnings	464,919	449,499
Accumulated other comprehensive income, net of tax	10,417	10,171
<b>Total stockholders' equity</b>	<b>1,046,333</b>	<b>990,862</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 8,559,121</b>	<b>\$8,073,707</b>

## Condensed Consolidated Statements of Earnings

(Dollars in thousands, except per share amounts) (unaudited)	For the Three Months ended March 31, 2017		2016
Interest income:			
<b>Loans and leases, including fees</b>	<b>\$ 48,641</b>	<b>\$ 45,770</b>	
Investment securities:			
Investment securities available-for-sale	12,640	12,799	
Investment securities held-to-maturity	5,507	5,348	
<b>Total investment income</b>	<b>18,147</b>	<b>18,147</b>	
Dividends from FHLB stock	393	368	
Interest-earning deposits with other institutions and federal funds sold	267	215	
<b>Total interest income</b>	<b>67,448</b>	<b>64,500</b>	
Interest expense:			
Deposits	1,433	1,437	
Borrowings and customer repurchase agreements	429	423	
Junior subordinated debentures	153	124	
<b>Total interest expense</b>	<b>2,015</b>	<b>1,984</b>	
<b>Net interest income before recapture of provision for loan losses</b>	<b>65,433</b>	<b>62,516</b>	
Recapture of provision for loan losses	(4,500)	-	
Net interest income after recapture of provision for loan losses	69,933	62,516	
Noninterest income:			
Service charges on deposit accounts	3,727	3,747	
Trust and investment services	2,296	2,203	
Bankcard services	765	555	
BOLI income	715	547	
Gain on sale of loans	-	1,101	
Other	1,219	530	
<b>Total noninterest income</b>	<b>8,722</b>	<b>8,683</b>	
Noninterest expense:			
Salaries and employee benefits	21,575	21,198	
Occupancy and equipment	3,684	3,713	
Professional services	1,257	1,248	
Software licenses and maintenance	1,561	1,274	
Marketing and promotion	1,239	1,427	
Acquisition related expenses	676	849	
Other	4,125	4,655	
<b>Total noninterest expense</b>	<b>34,117</b>	<b>34,364</b>	
Earnings before income taxes	44,538	36,835	
Income taxes	16,034	13,444	
<b>Net earnings</b>	<b>\$ 28,504</b>	<b>\$23,391</b>	
Basic earnings per common share	\$ 0.26	\$0.22	
Diluted earnings per common share	\$ 0.26	\$0.22	
Cash dividends declared per common share	\$ 0.12	\$0.12	

