



**CVB Financial Corp.**

July 2024

# Forward Looking Statements



*This presentation contains forward-looking statements that are intended to be covered by the safe harbor for such statements provided by the Private Securities Litigation Reform Act of 1995. These statements are based on the current beliefs and expectations of the management of CVB Financial Corp. and Citizens Business Bank (collectively, the “Company”) and are subject to significant risks and uncertainties that could cause actual results or performance to differ materially from those projected. You should not place undue reliance on these statements. Factors that could cause the Company’s actual results to differ materially from those described in the forward-looking statements include, among others, changes in the U.S. economy or local, regional and global business, economic and political conditions; changes in laws or the regulatory environment, including trade, monetary and fiscal policies and laws; inflation or deflation, interest rate, market and monetary fluctuations; possible changes in our levels of capital or liquidity or our access to government or private lending facilities; possible credit related impairments, goodwill impairments or declines in the fair value of our loans and securities; our ability to retain and grow deposits; the effect of acquisitions we have made or may make; changes in the competitive environment, including technological changes; changes in the commercial and residential real estate markets; changes in customer preferences, borrowing and savings habits; geopolitical conditions, threats of terrorism or military action, catastrophic events or natural disasters such as earthquakes, droughts, pandemics, climate change and extreme weather; fraud and cybersecurity threats; and ongoing or unanticipated legal or regulatory proceedings or outcomes. These factors also include those contained in the Company’s filings with the Securities and Exchange Commission, including the “Risk Factors” section of the Company’s Annual Report on Form 10-K for the year ended December 31, 2023. When considering these forward-looking statements, you should keep in mind these risks and uncertainties, as well as any cautionary statements that the Company or its management may make from time to time. These forward-looking statements speak solely as of the date they are made and are based only on information then actually known to the Company’s executives who are making the associated statements. The Company does not undertake to update any forward-looking statements except as required by law.*

*Non-GAAP Financial Measures—Certain financial information provided in this presentation has not been prepared in accordance with U.S. generally accepted accounting principles (“GAAP”) and is presented on a non-GAAP basis. Investors and analysts should refer to the reconciliations included in this presentation and should consider the Company’s non-GAAP measures in addition to, not as a substitute for or as superior to, measures prepared in accordance with GAAP. These measures may or may not be comparable to similarly titled measures used by other companies.*



▪ Total Assets:	\$16.2 Billion
▪ Gross Loans:	\$ 8.7 Billion
▪ Total Deposits (Including Repos):	\$12.1 Billion
▪ Total Equity:	\$ 2.1 Billion

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

# Bank Accomplishments & Ratings



- 189 Consecutive Quarters of Profitability
- 139 Consecutive Quarters of Cash Dividends
- Forbes, Best Banks in America (2016 – 2024)\*
- Ranked #1 Forbes, Best Banks in America (2016, 2020, 2021, 2023)
- Ranked in S&P Global Market Intelligence's Top 50 2024 Public Banks
- BauerFinancial Report
  - Five Star Superior Rating
    - ❖ 56 Consecutive Quarters
- Fitch Rating
  - BBB+ (April 2024)
- One of the 10 largest bank holding companies in CA

As of 7/15/2024

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

SNL Financial ranking of largest bank holding companies in CA, as of 12/31/2023



62 Business Financial Centers

3 CitizensTrust Locations





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 long-term relationships

# Three Areas of Growth



## DeNovo

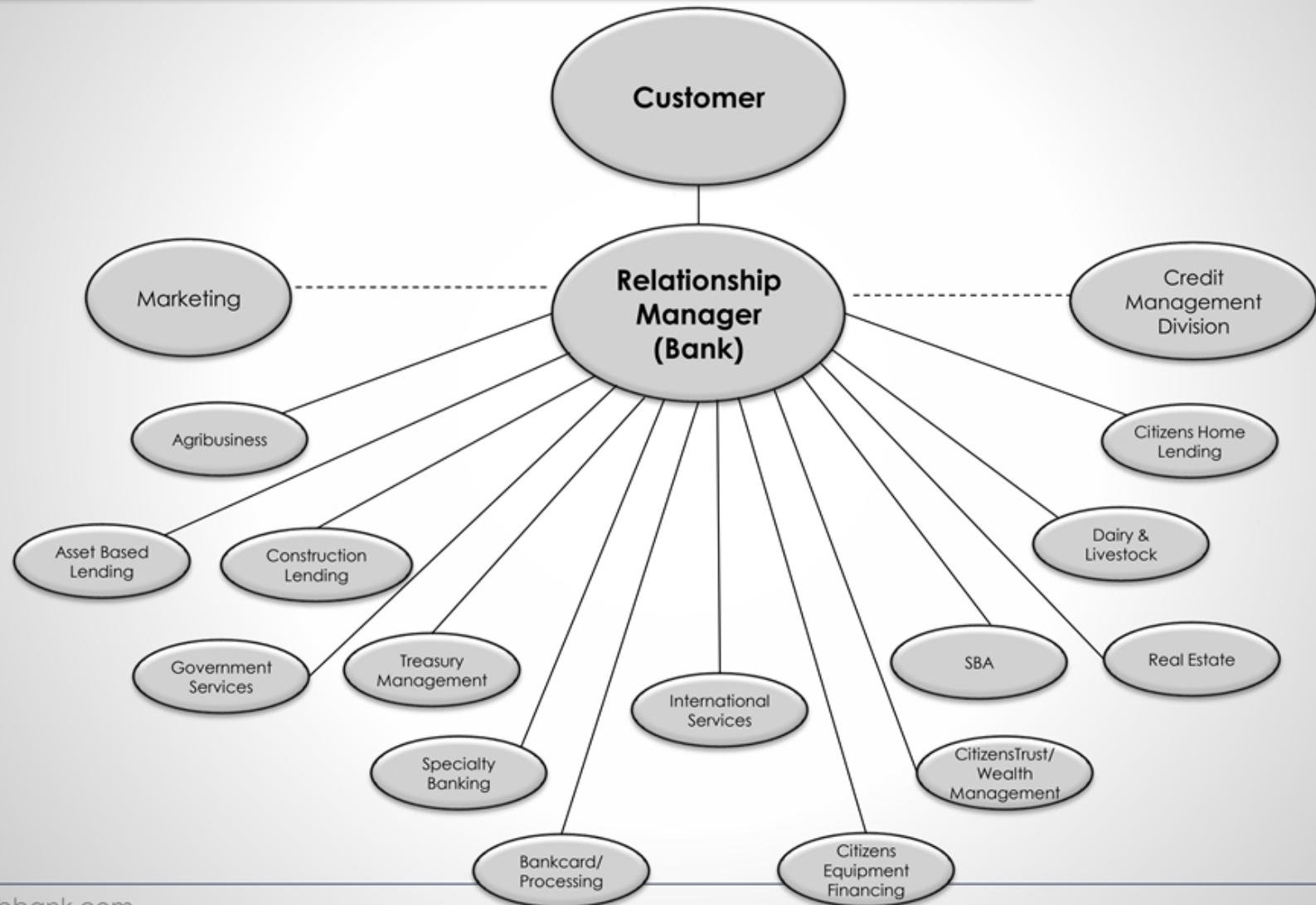
San Diego (2014)  
Oxnard (2015)  
Santa Barbara (2015)  
San Diego (2017)  
Stockton (2018)  
Modesto (2020)



## Acquisitions

American Security Bank (2014)  
County Commerce Bank (2016)  
Valley Business Bank (2017)  
Community Bank (2018)  
Suncrest Bank (2022)

# Relationship Banking Model







## **Banks:**

- Target size: \$1 billion to \$10 billion in assets
- Financial & Strategic
- In-market and/or adjacent geographic market (California)

## **Banking Teams:**

- In-market
- New markets

# CVBF Balance Sheet Profile

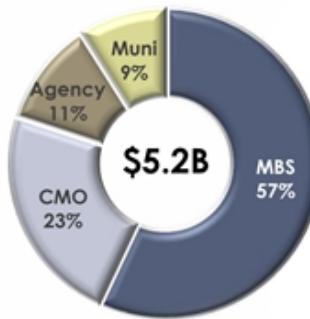


June 30, 2024

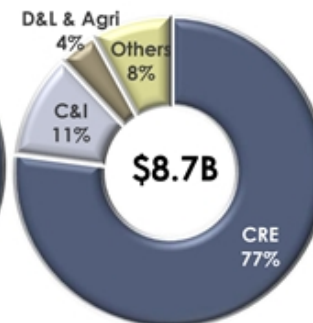
## Assets



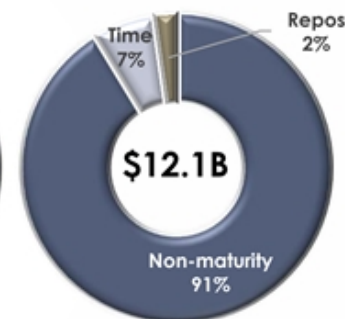
## Securities



## Loans



## Deposits & Repos



## Funding



## Capital Ratios as of June 30, 2024

TCE	Tier 1 Leverage	CET1	Tier 1 RBC	Total RBC
8.7%	10.5%	15.3%	15.3%	16.1%

# Q2 2024 Financial Highlights



## Profitability

- ROATCE = 15.51%
- ROAA = 1.24%
- Efficiency Ratio = 45.10%

## Income Statement

- Q2'24 Net Income = \$50 million / EPS = \$0.36
- NIM decreased sequentially from 3.10% to 3.05%
- Cost of funds increased sequentially from 1.31% to 1.38%
- \$3 million decrease in expense related to FDIC special assessment

## Balance Sheet

- Noninterest deposits > 60% of Total Deposits on average in Q2'24
- Average NMD decreased by \$40 million from Q1'24
- Loans at quarter end declined by \$89 million from end of Q1'24

## Asset Quality

- Q2 Net charge-offs = \$31K (YTD \$4.0 million)
- NPA/TA = 0.16% (NPA = \$25.6 million)
- Classified loans = \$124.7 million or 1.44% of total loans
- ACL = \$83 million or 0.95% of gross loans

## Capital

- CET1 Ratio = 15.3%
- Total Risk-Based Ratio = 16.1%
- Tangible Common Equity Ratio = 8.7%

# Selected Ratios



		2021	2022	2023	Q2'23	Q1'24	Q2'24
Performance	ROATCE	15.93%	18.85%	18.48%	18.39%	15.13%	15.51%
	NIM	2.97%	3.30%	3.31%	3.22%	3.10%	3.05%
	Cost of Deposits	0.04%	0.05%	0.41%	0.35%	0.74%	0.88%
	Cost of Funds	0.05%	0.06%	0.83%	0.83%	1.31%	1.38%
	Efficiency Ratio*	41.09%	38.98%	42.00%	40.86%	45.41%	45.10%
	NIE % Avg. Assets*	1.24%	1.28%	1.41%	1.32%	1.43%	1.40%
Credit Quality	NPA % Total Assets	0.04%	0.03%	0.13%	0.04%	0.09%	0.16%
	Net Charge-Offs (Recoveries) to Avg. Loans	0.04%	(0.01%)	0.00%	0.00%	0.05%	0.00%
Capital	CET1 Ratio	14.9%	13.5%	14.6%	14.1%	14.9%	15.3%
	Total Risk-Based Capital Ratio	15.6%	14.4%	15.5%	14.9%	15.8%	16.1%

# Selected Highlights



## Income Statement

(\$ in Thousands)	Q2'23	Q1'24	Q2'24
Net Interest Income	\$ 119,535	\$ 112,461	\$ 110,849
Noninterest Income	12,656	14,113	14,424
Noninterest Expense, excluding Regulatory Assessments	51,853	55,326	55,083
Regulatory Assessments	2,164	4,445	1,414
Total Noninterest Expense	54,017	59,771	56,497
PTPP	78,174	66,803	68,776
Provision for (Recapture of) Credit Losses	500	-	-
Earnings before Income Taxes	77,674	66,803	68,776
Net Income	\$ 55,770	\$ 48,599	\$ 50,035
Basic earnings per common share	\$0.40	\$0.35	\$0.36
Diluted earnings per common share	\$0.40	\$0.35	\$0.36



# Selected Highlights



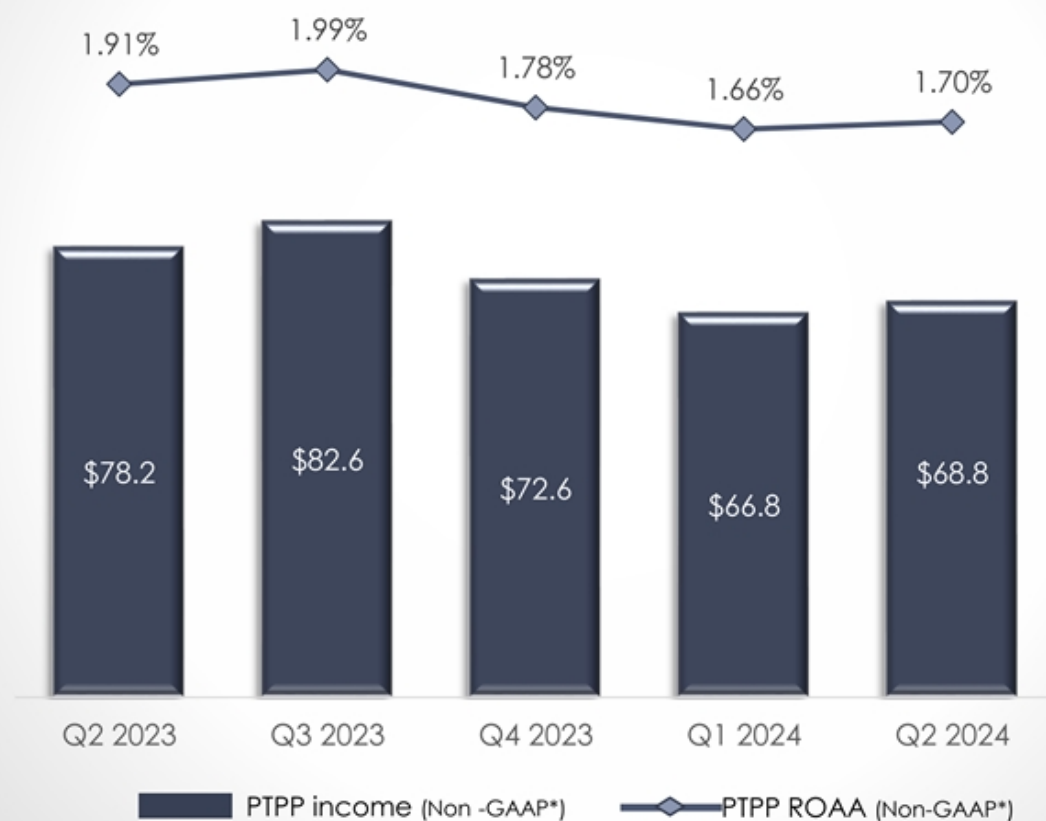
## Average Balance Sheet

(\$ in Thousands)	Q2'23	Q1'24	Q2'24
Average Cash & Cash Equivalents	\$ 525,566	\$ 595,470	\$ 866,747
Average Loans	8,892,413	8,824,579	8,731,587
Average Total Securities	5,689,606	5,357,708	5,206,959
Average Noninterest-bearing Deposits	7,823,496	7,182,718	7,153,315
Average Total Deposits & Customer Repurchase Agreements	12,800,441	11,946,125	12,169,307
Average Borrowings	1,526,958	1,991,978	1,850,330
Loan-to-deposit	72.27%	75.83%	73.48%
Noninterest-bearing deposits/Total Deposits	63.58%	61.72%	60.20%

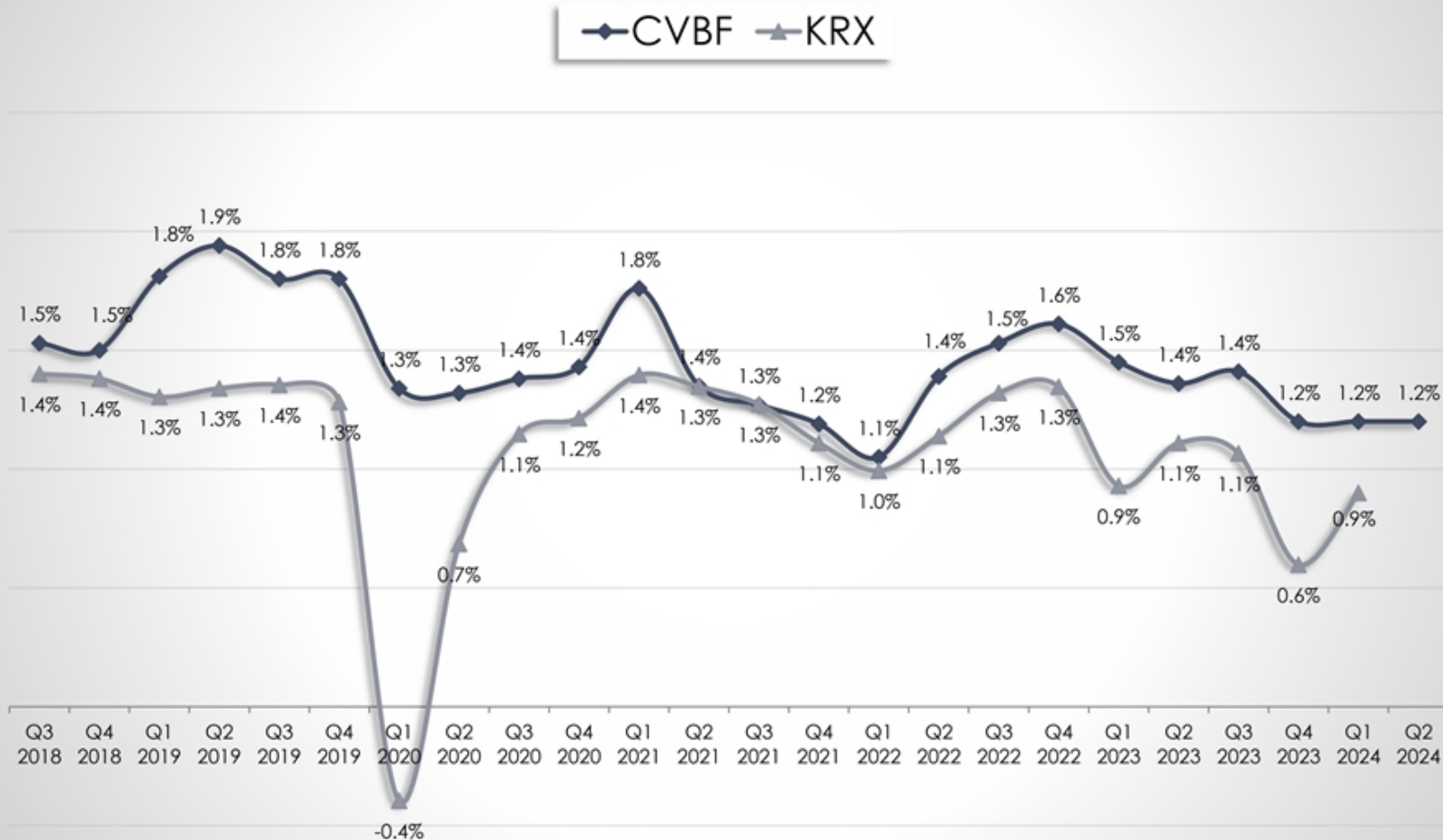
# Pretax-Pre Provision Income



(\$ in Millions)



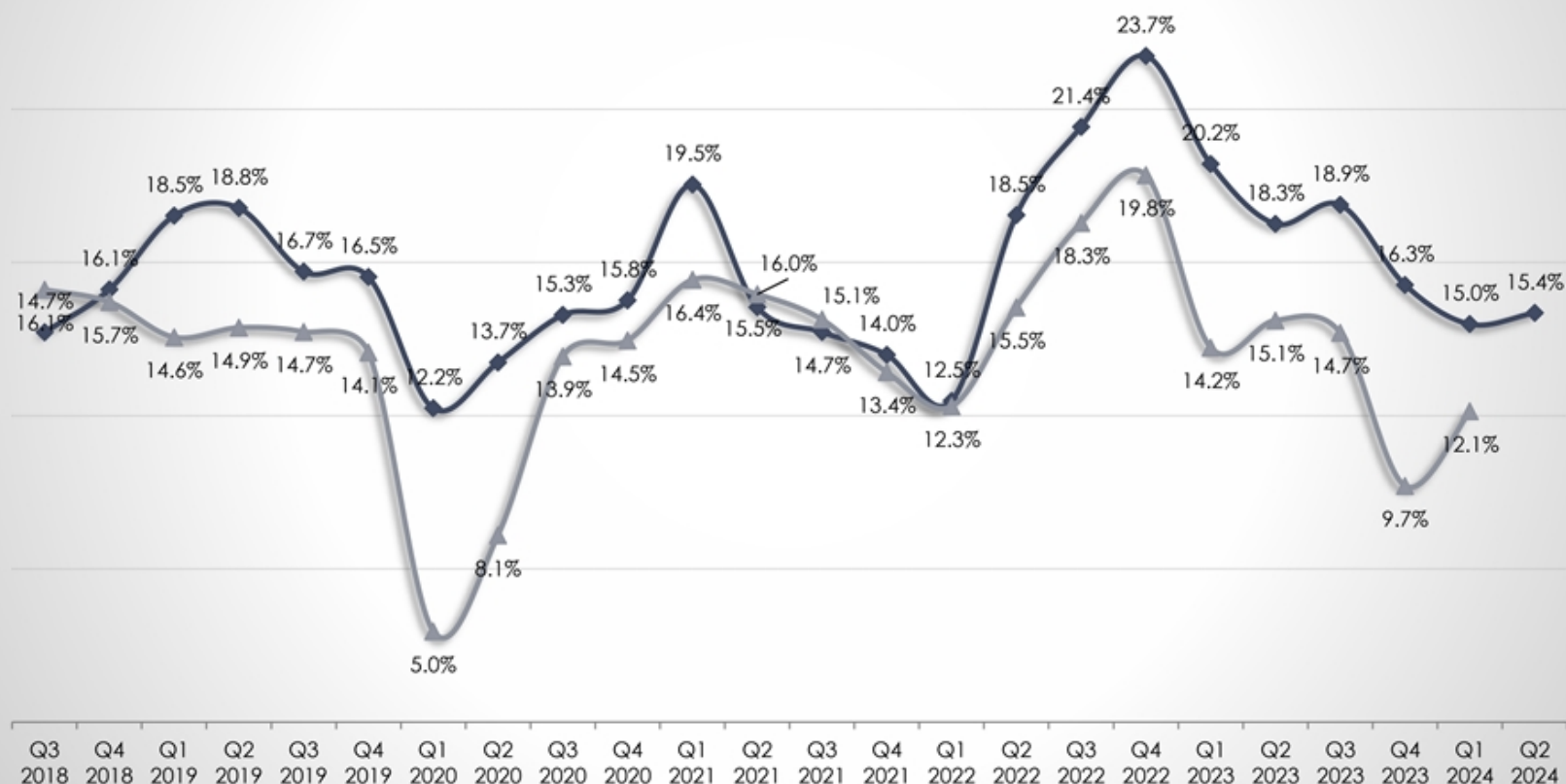
# Return on Average Assets



# Return on Average Tangible Common Equity



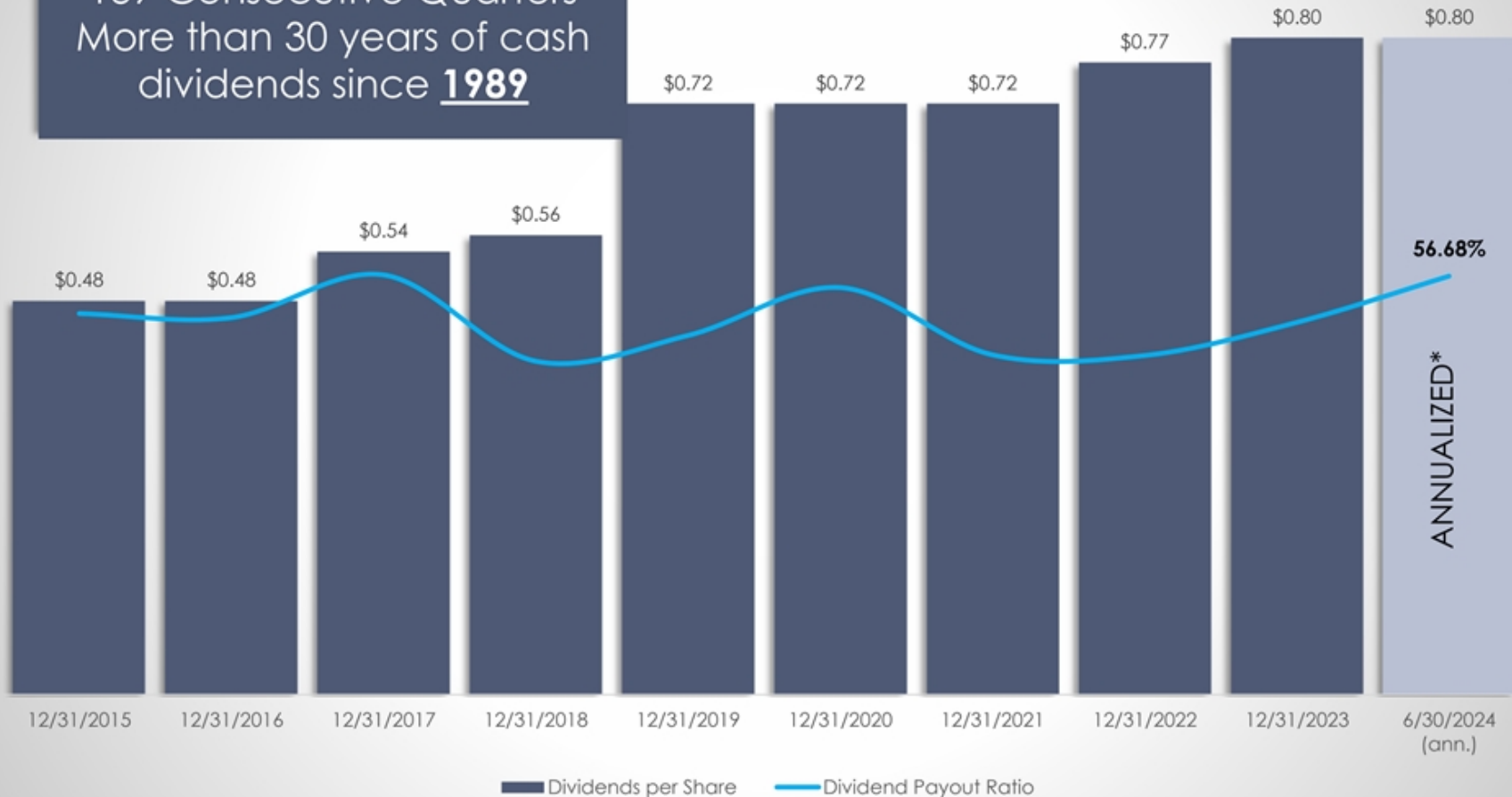
CVBF KRX



# Dividends – 139 Consecutive Quarters



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

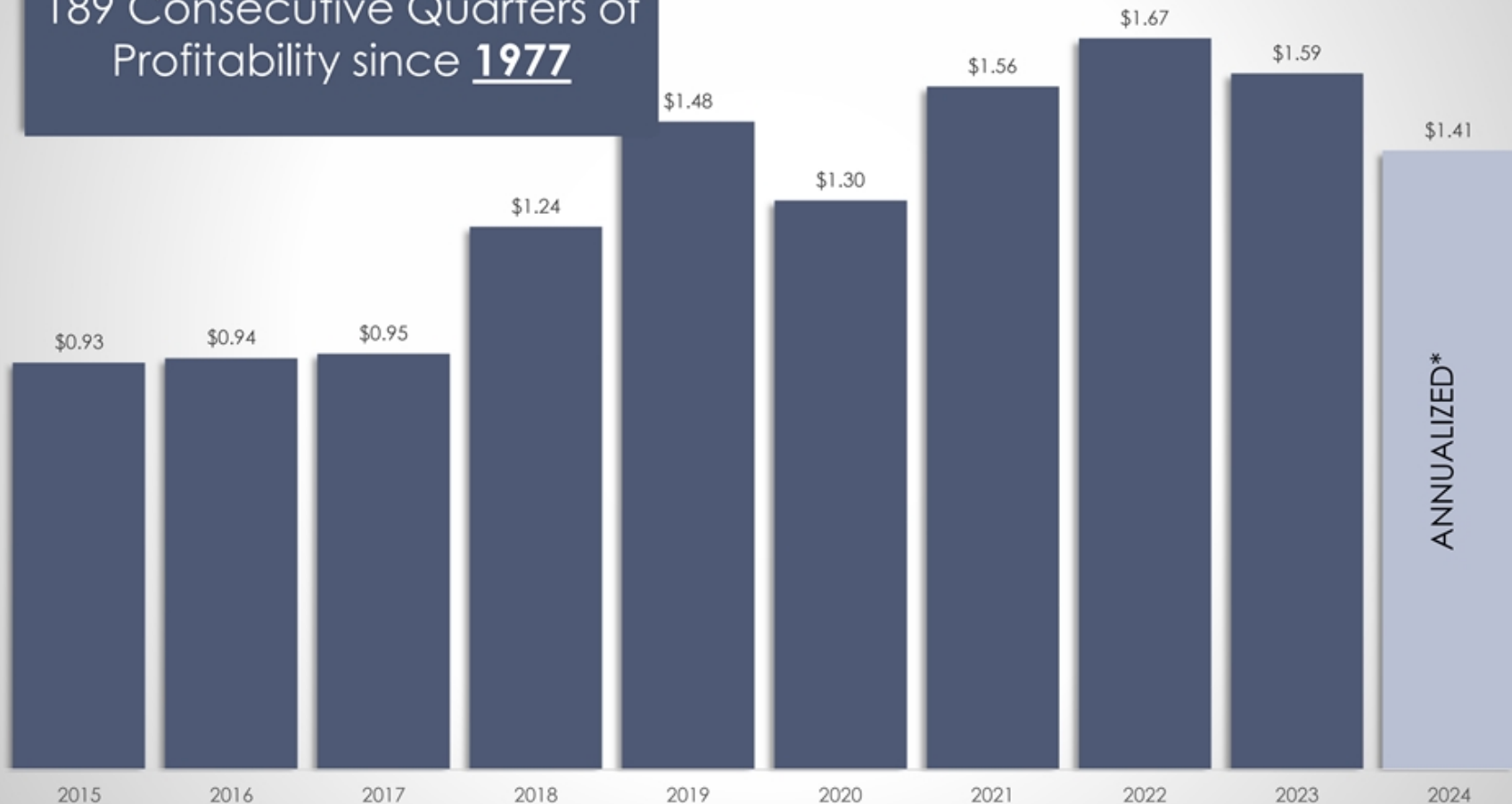




# Earnings Per Share



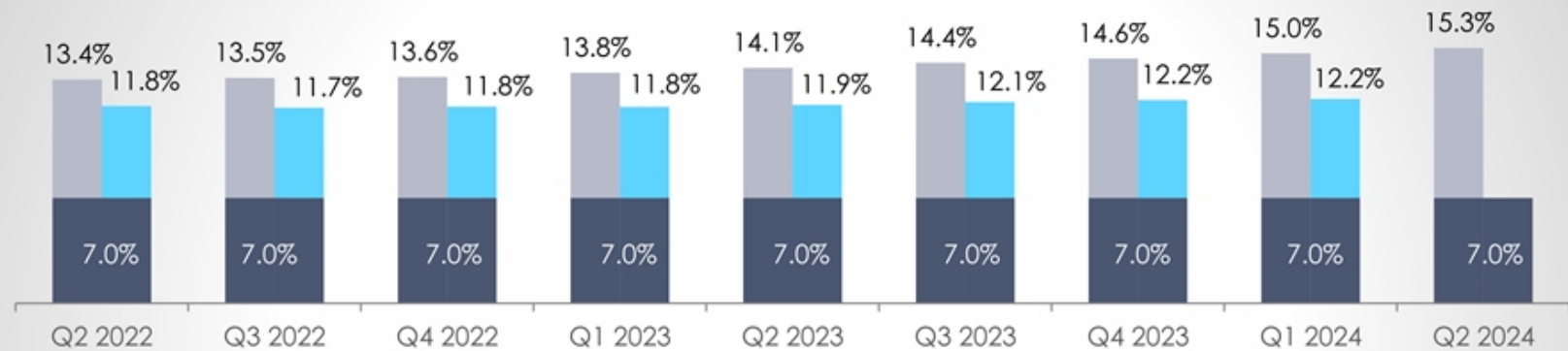
189 Consecutive Quarters of Profitability since 1977



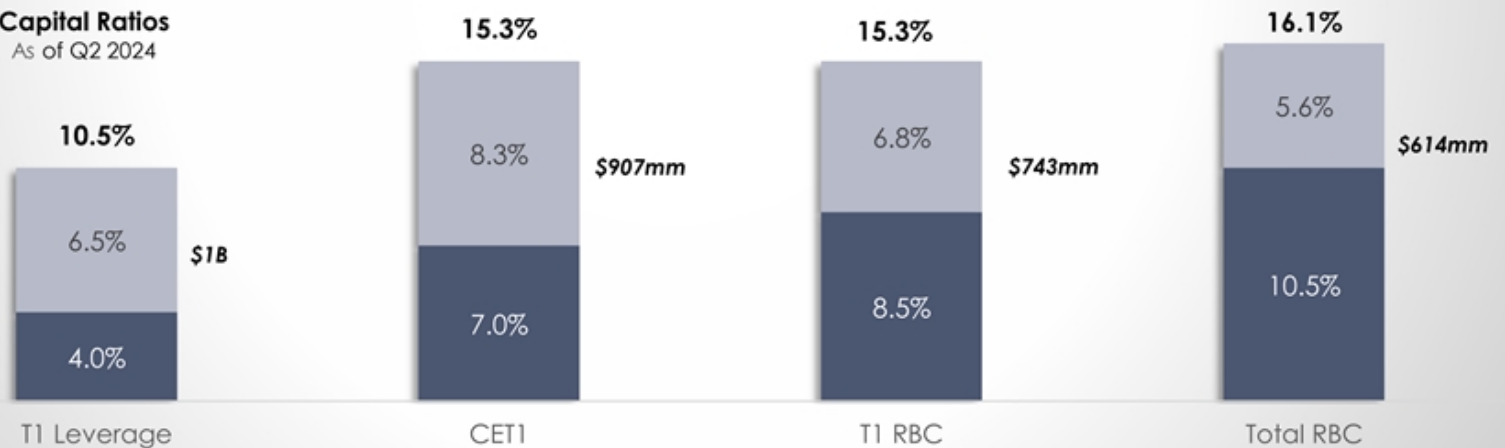
# Strong Capital Ratios



■ CVBF CET1 % ■ KRX Avg CET1 % ■ Regulatory Min.

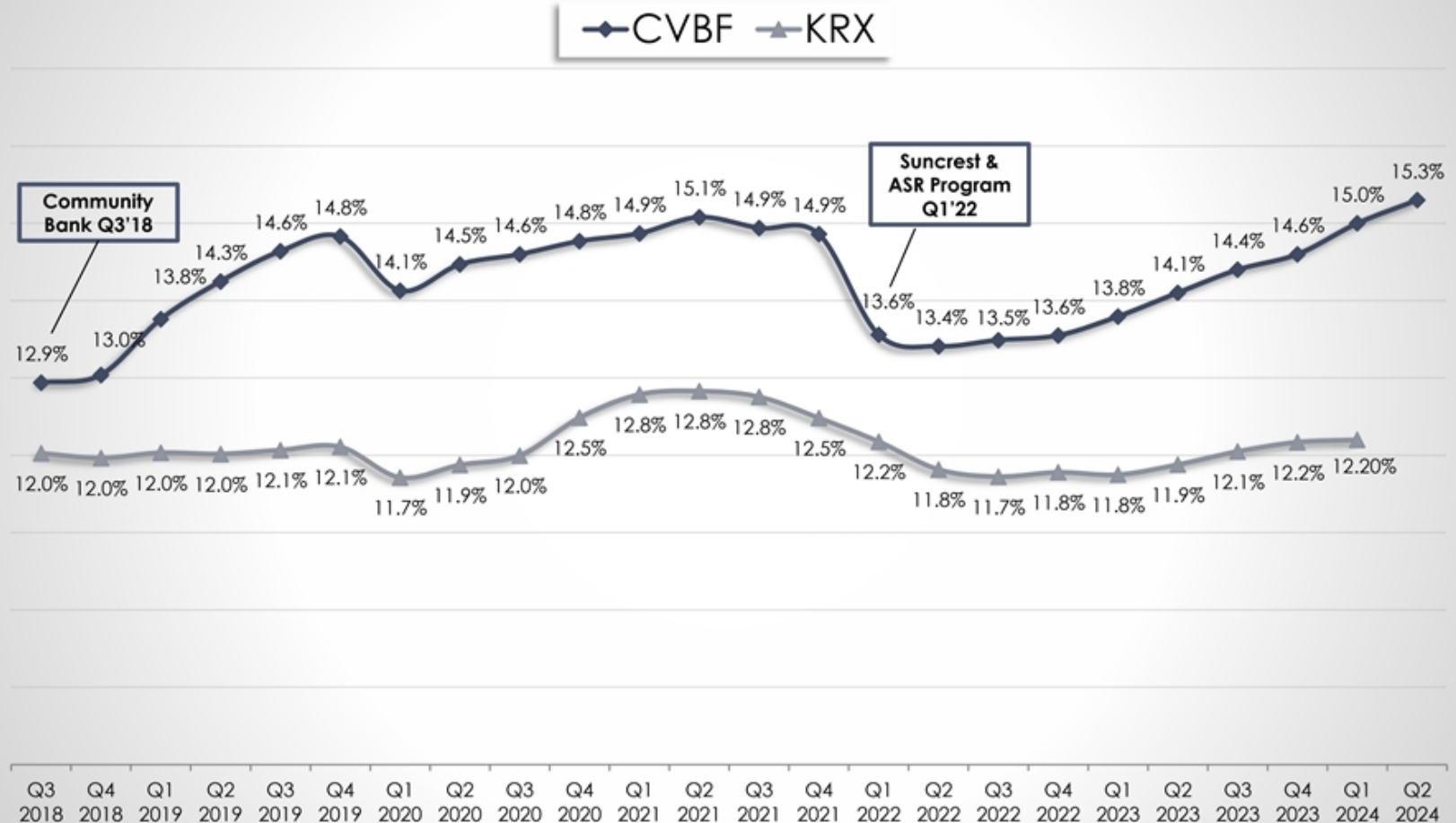


## Capital Ratios As of Q2 2024



■ Regulatory Minimum + Capital Conservation Buffer ■ Excess Capital

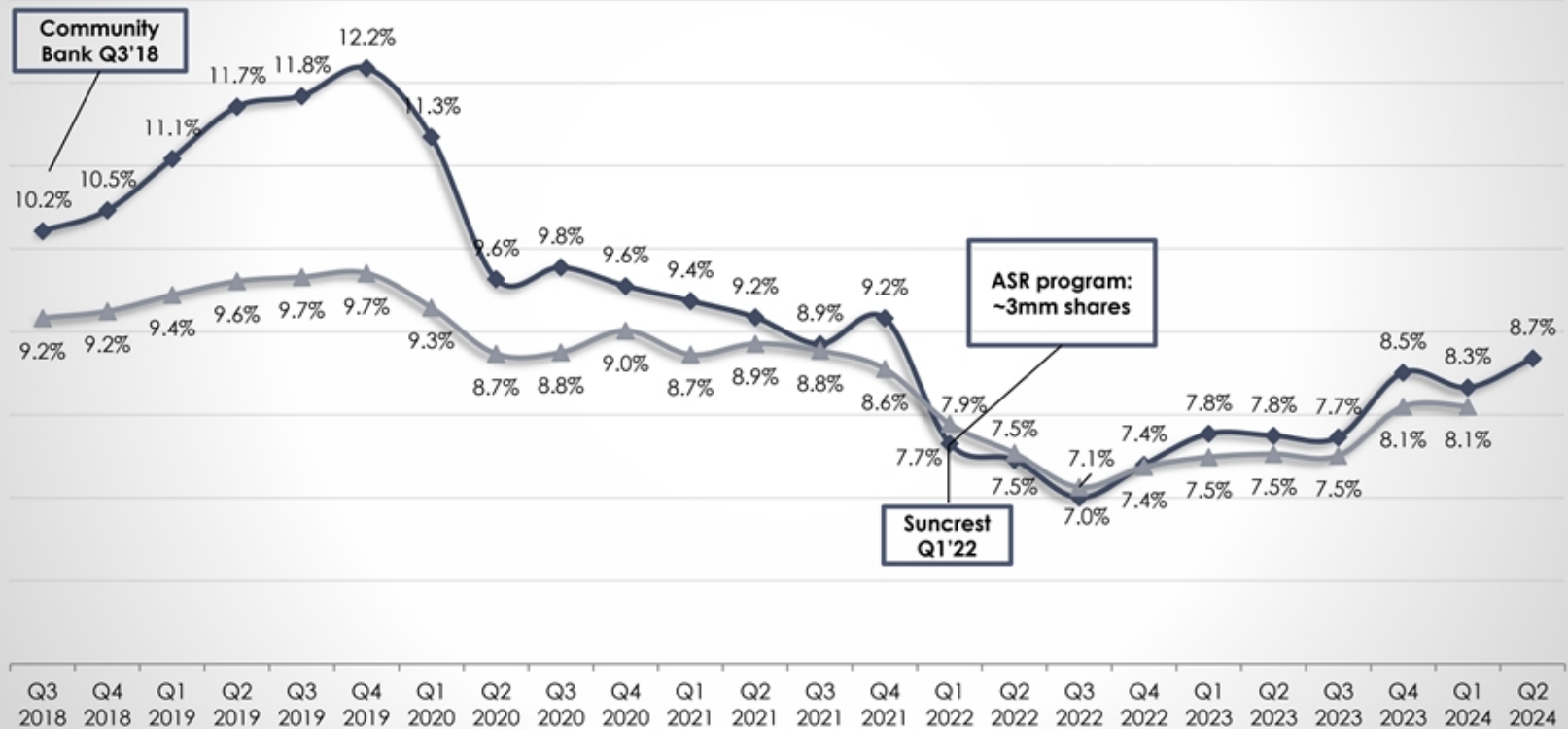
# CET1 Ratio Trend (%)



# TCE Ratio Trend (%)



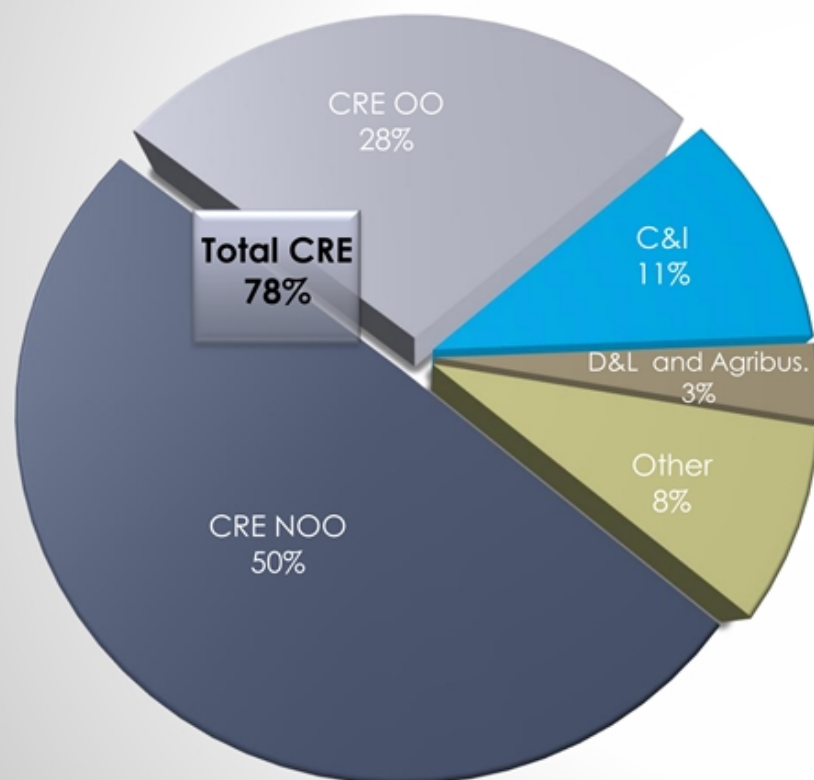
CVBF KRX



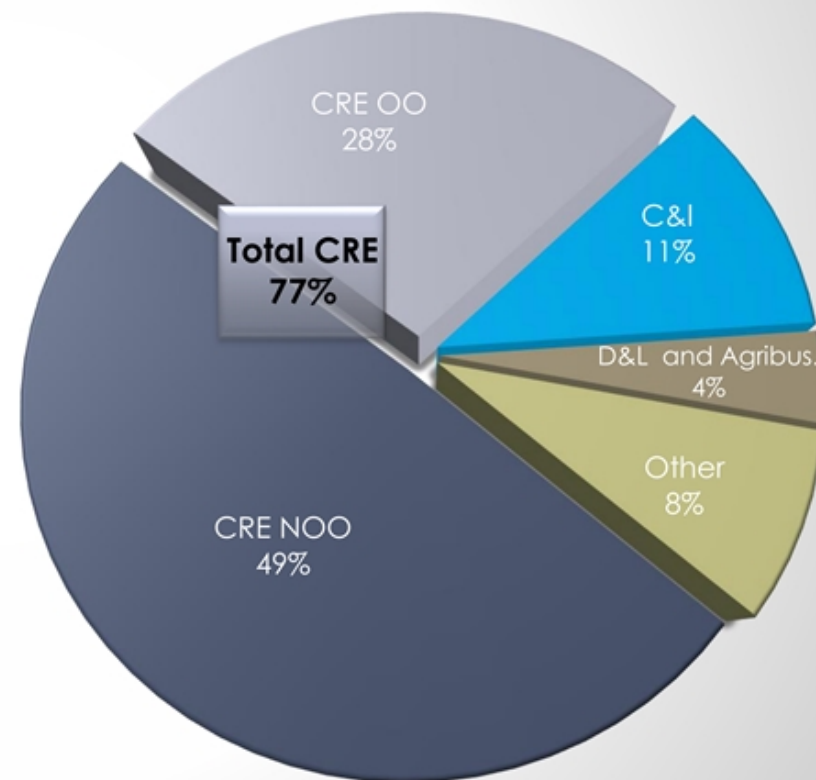
# Loan Composition



Q2 2023



Q2 2024

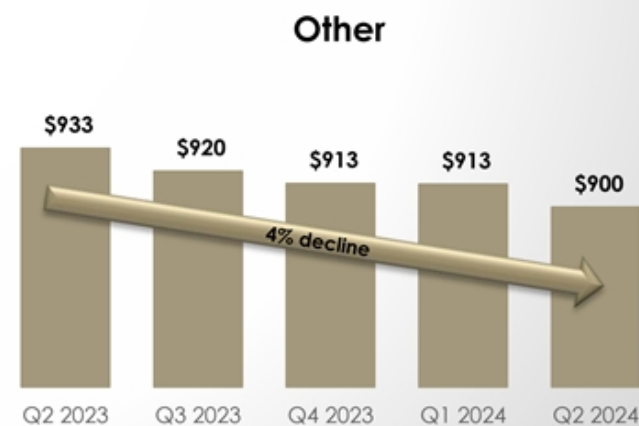




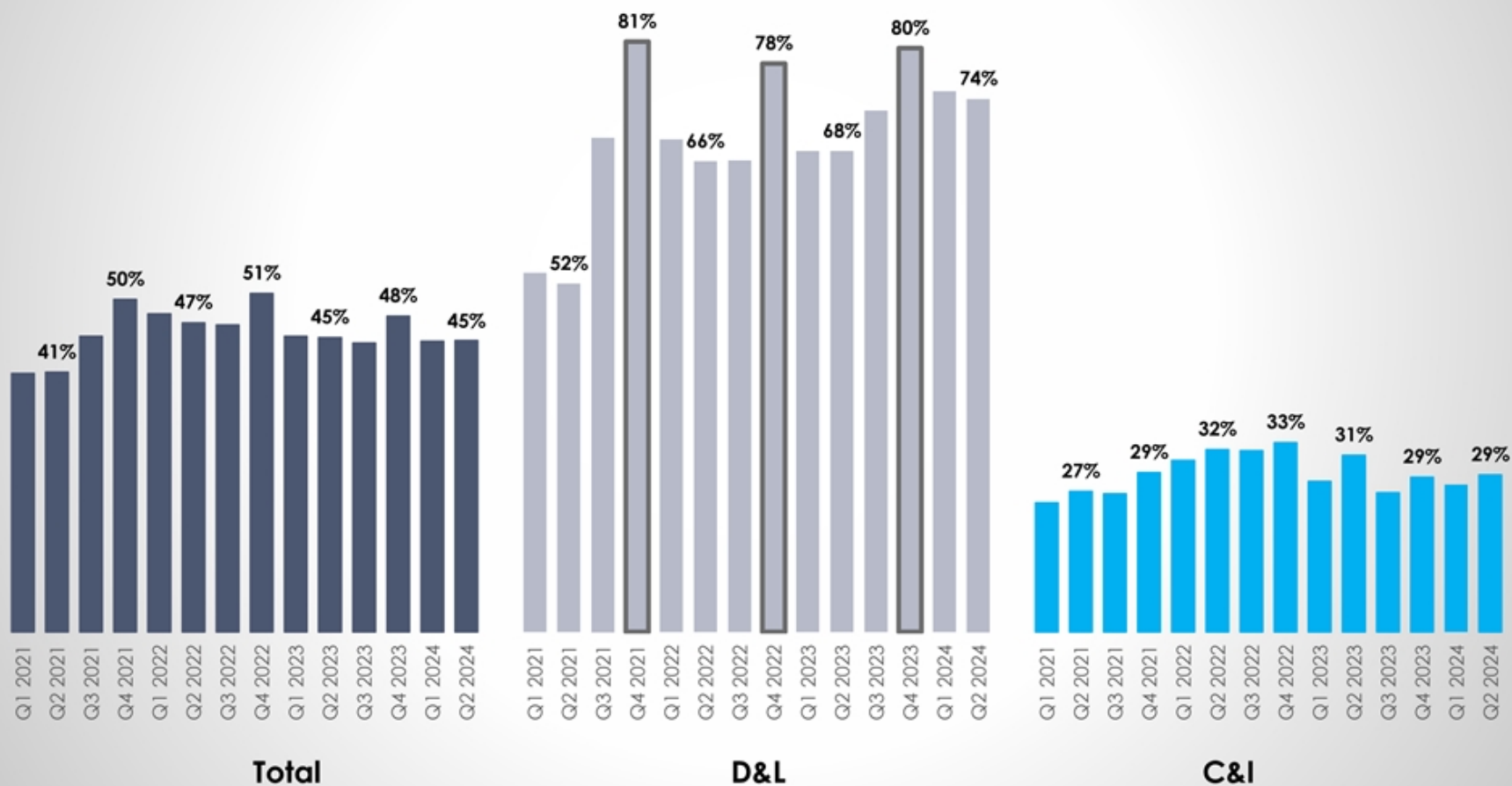
# Loan Trends – Quarterly Averages



(\$ in Millions)



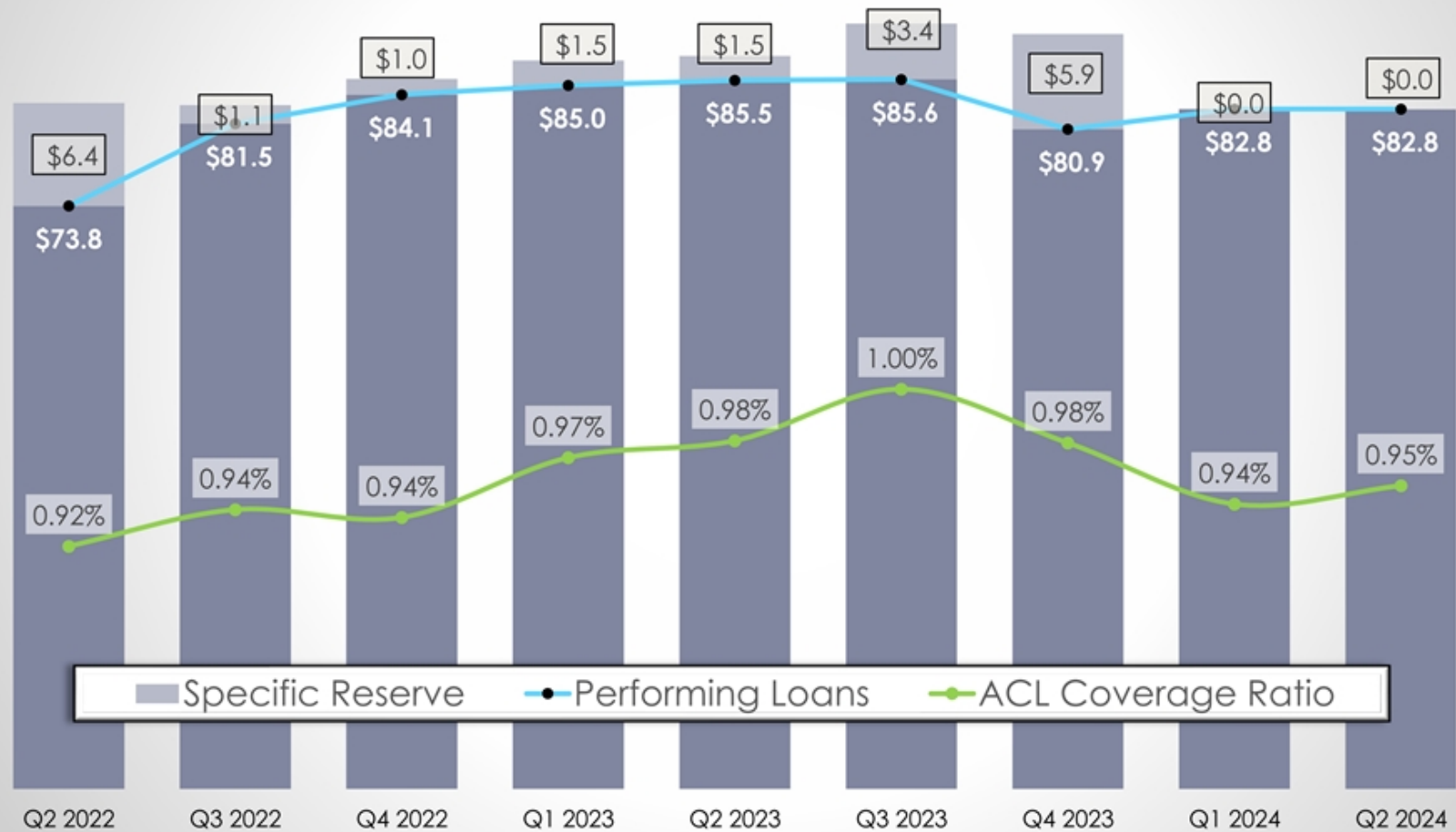
# Line Utilization Trends



# ACL Nine Quarter Trend



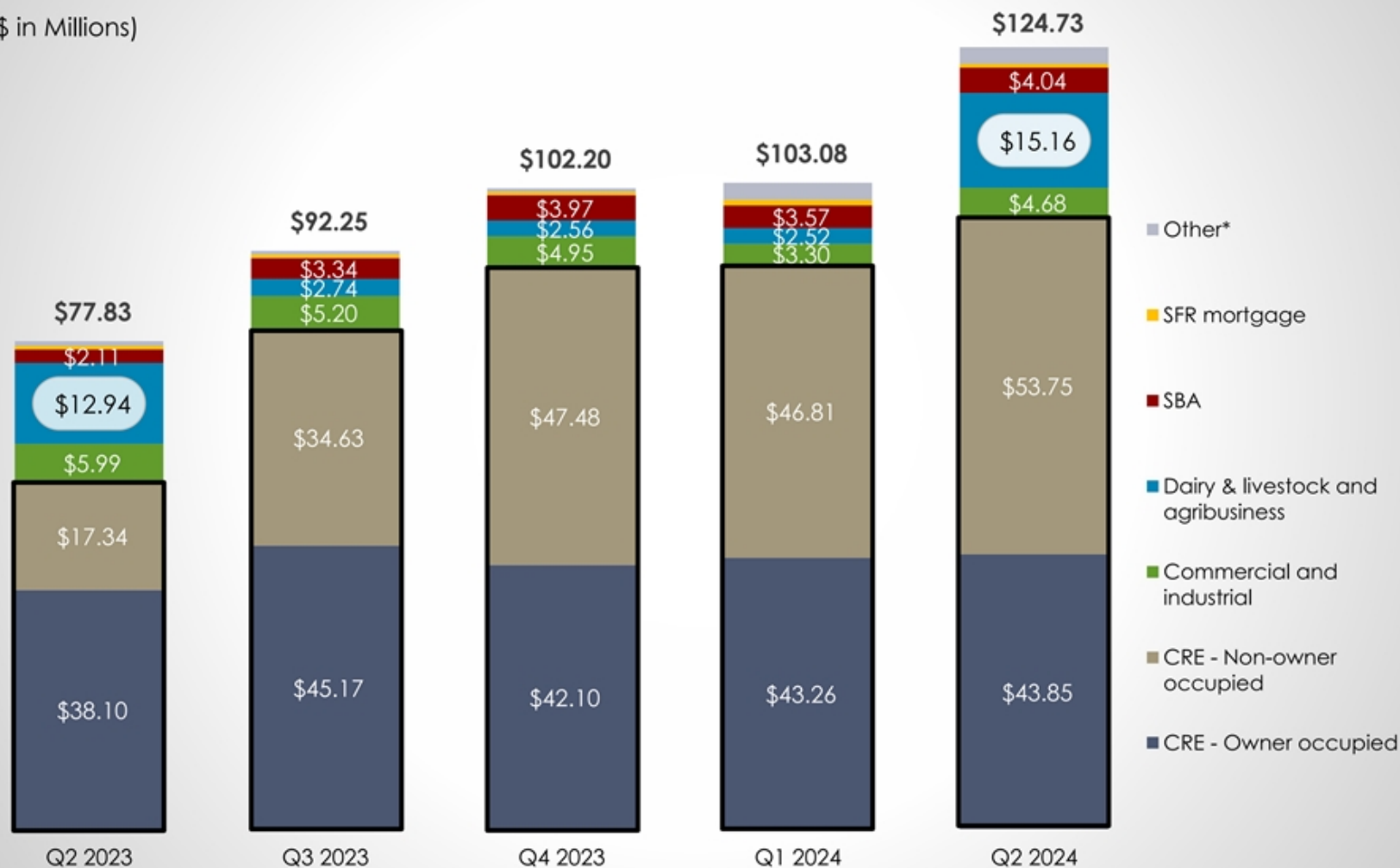
(\$ in Millions)



# Classified Loan Trend

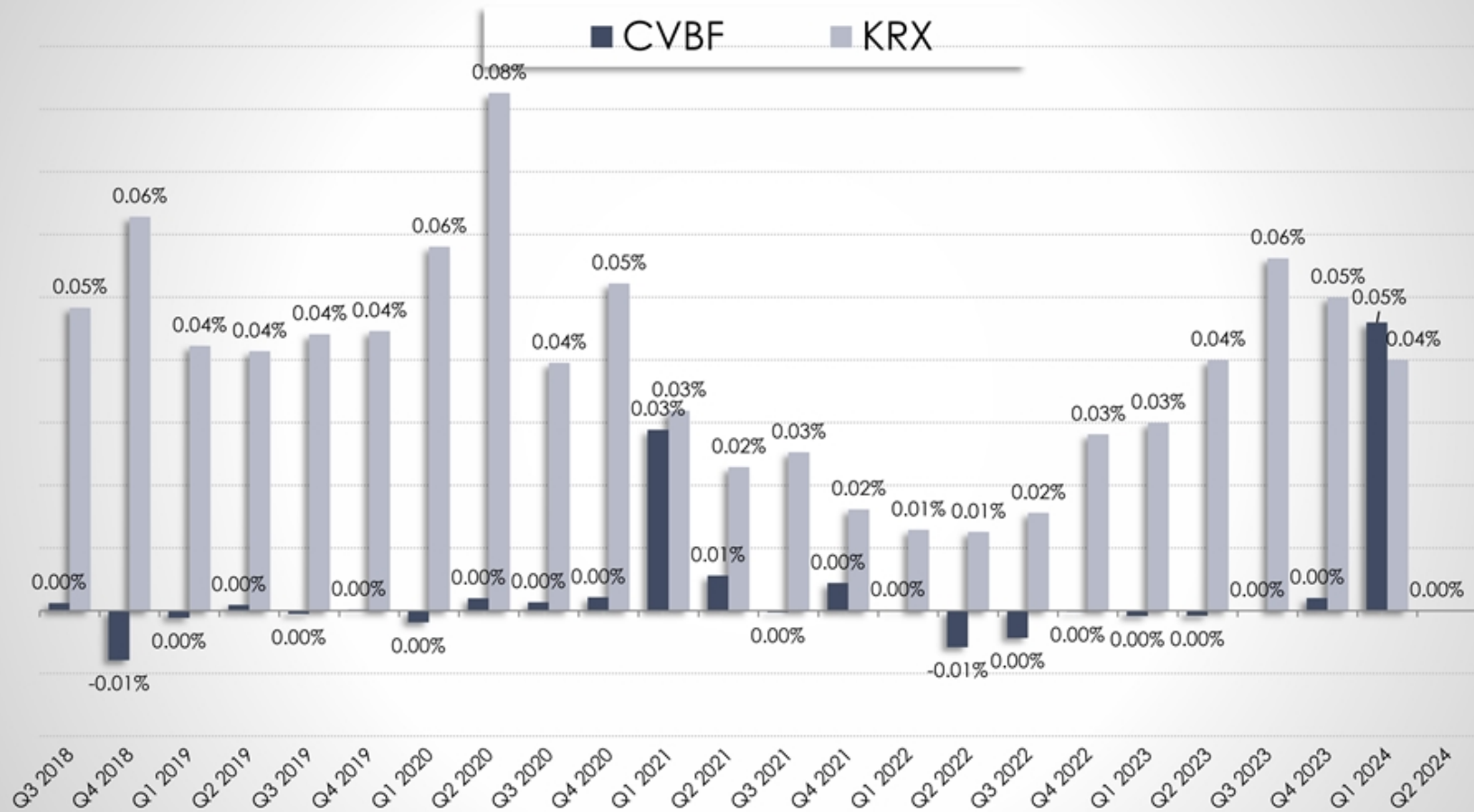


(\$ in Millions)

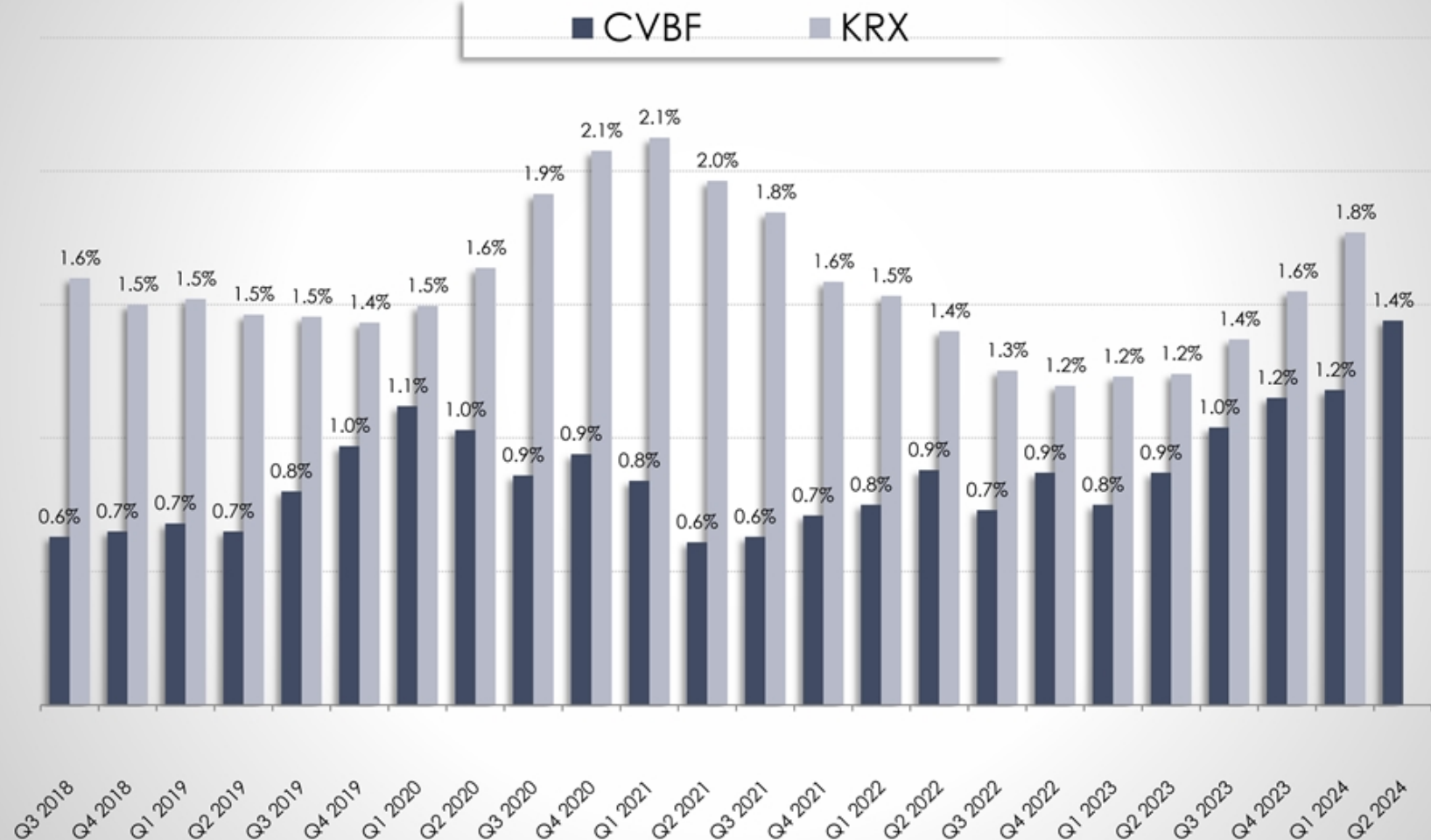


\*Other includes other loan segments that are not listed above, including Construction, Consumer and other loans.

# Net Charge-Offs / Average Loans (%)



# Classified Loans / Total Loans (%)

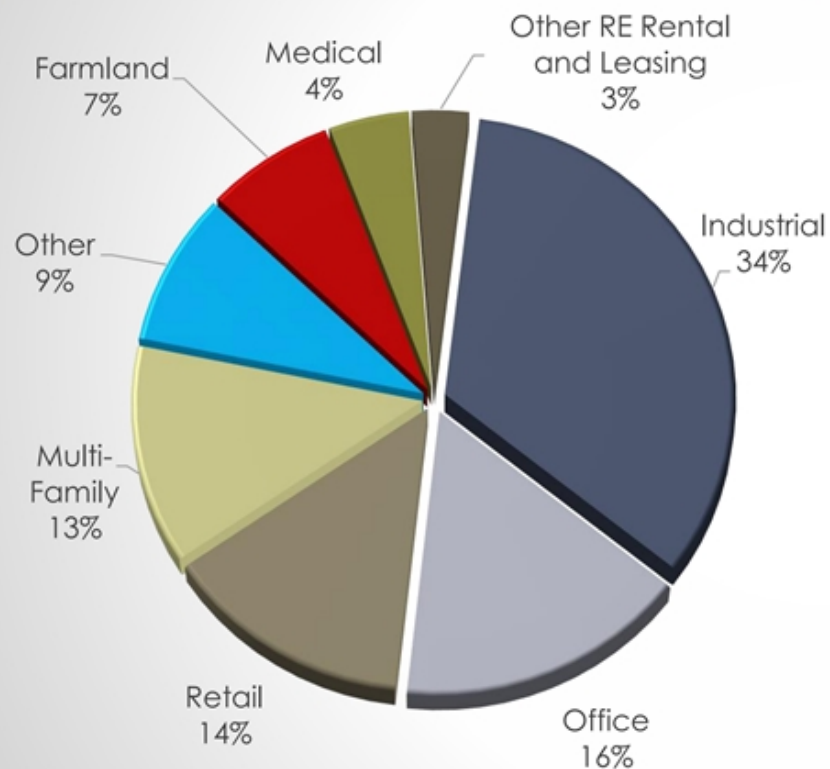




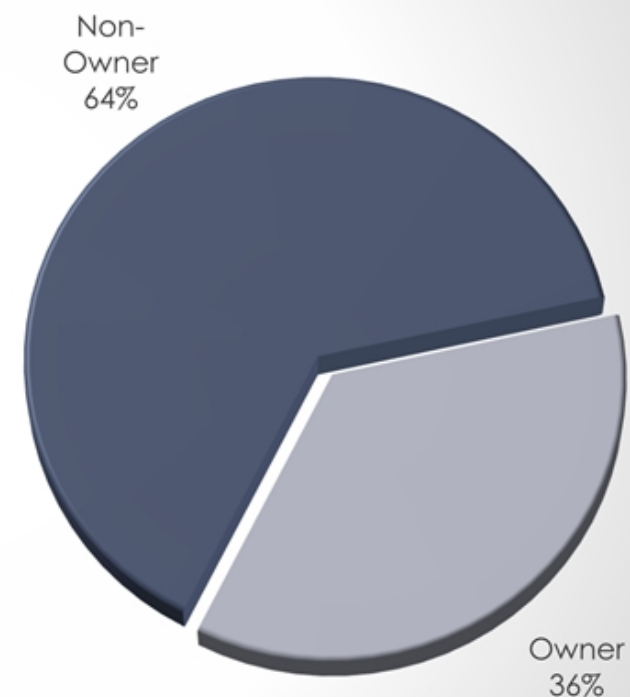
# Commercial Real Estate Loans



Collateral Type



Owner/Non-Owner Occupied



# CRE by Collateral



(\$ in Millions)

Collateral Type	Balance	% of Owner Occupied	LTV at Origination	Avg. Size	Classified	Classified (Non-Owner)	Classified (Owner)
Industrial	\$ 2,245	49%	50%	\$ 1.62	\$ 14.55	\$ 0.53	\$ 14.02
Office	1,077	26%	55%	1.69	7.55	7.55	0.00
Retail	917	11%	48%	1.70	21.60	21.60	0.00
Multi-Family	841	0%	49%	1.60	14.28	14.28	0.00
Other	590	55%	47%	1.55	10.97	9.78	1.19
Farmland	480	99%	45%	1.49	28.59	0.00	28.59
Medical	302	33%	58%	1.48	0.04	0.00	0.04
Other RE Rental & Leasing	213	9%	49%	2.06	0.00	0.00	0.00
<b>Total</b>	<b>\$ 6,665</b>	<b>36%</b>	<b>50%</b>	<b>\$ 1.62</b>	<b>\$ 97.58</b>	<b>\$ 53.74</b>	<b>\$ 43.84</b>

# CRE by Collateral and Origination



(\$ in Millions)

Collateral Type	Balance	Balance Distribution by Origination Year						Average OLTV By Origination Year					
		2024	2023	2022	2021	2020	2019 or earlier	2024	2023	2022	2021	2020	2019 or earlier
Industrial	\$ 2,245	2%	9%	20%	19%	11%	39%	42%	43%	44%	50%	49%	53%
Office	1,077	0%	4%	23%	15%	17%	41%	28%	42%	41%	37%	44%	49%
Retail	917	1%	6%	23%	18%	13%	39%	48%	45%	52%	53%	55%	64%
Multi-Family	841	3%	9%	21%	19%	18%	30%	41%	43%	44%	51%	54%	50%
Other	590	4%	7%	13%	19%	11%	46%	53%	47%	54%	55%	54%	56%
Farmland	480	2%	6%	19%	15%	22%	36%	51%	44%	45%	49%	43%	48%
Medical	302	3%	3%	11%	16%	14%	53%	25%	46%	51%	48%	55%	49%
Other RE Rental & Leasing	213	5%	14%	21%	14%	5%	41%	57%	39%	43%	47%	50%	51%
<b>Total</b>	<b>\$ 6,665</b>	<b>2%</b>	<b>7%</b>	<b>20%</b>	<b>18%</b>	<b>14%</b>	<b>39%</b>	<b>42%</b>	<b>43%</b>	<b>46%</b>	<b>49%</b>	<b>50%</b>	<b>52%</b>

# CRE by Collateral and Reset/Maturity



(\$ in Millions)

Collateral Type	Balance (\$ in Millions)	Balance Maturing Next 24 months (\$ in Millions)	Rate Resets Next 24 Months (\$ in Millions)	Maturity & Rate Reset % of Loans
Industrial	\$ 2,245	\$ 200	\$ 139	15%
Office	1,077	143	124	25%
Retail	917	89	115	22%
Multi-Family	841	53	116	20%
Other	590	83	56	24%
Farmland	480	24	143	35%
Medical	302	17	65	27%
Other RE Rental & Leasing	213	22	15	17%
<b>Total</b>	<b>\$ 6,665</b>	<b>\$ 631</b>	<b>\$ 773</b>	<b>21%</b>

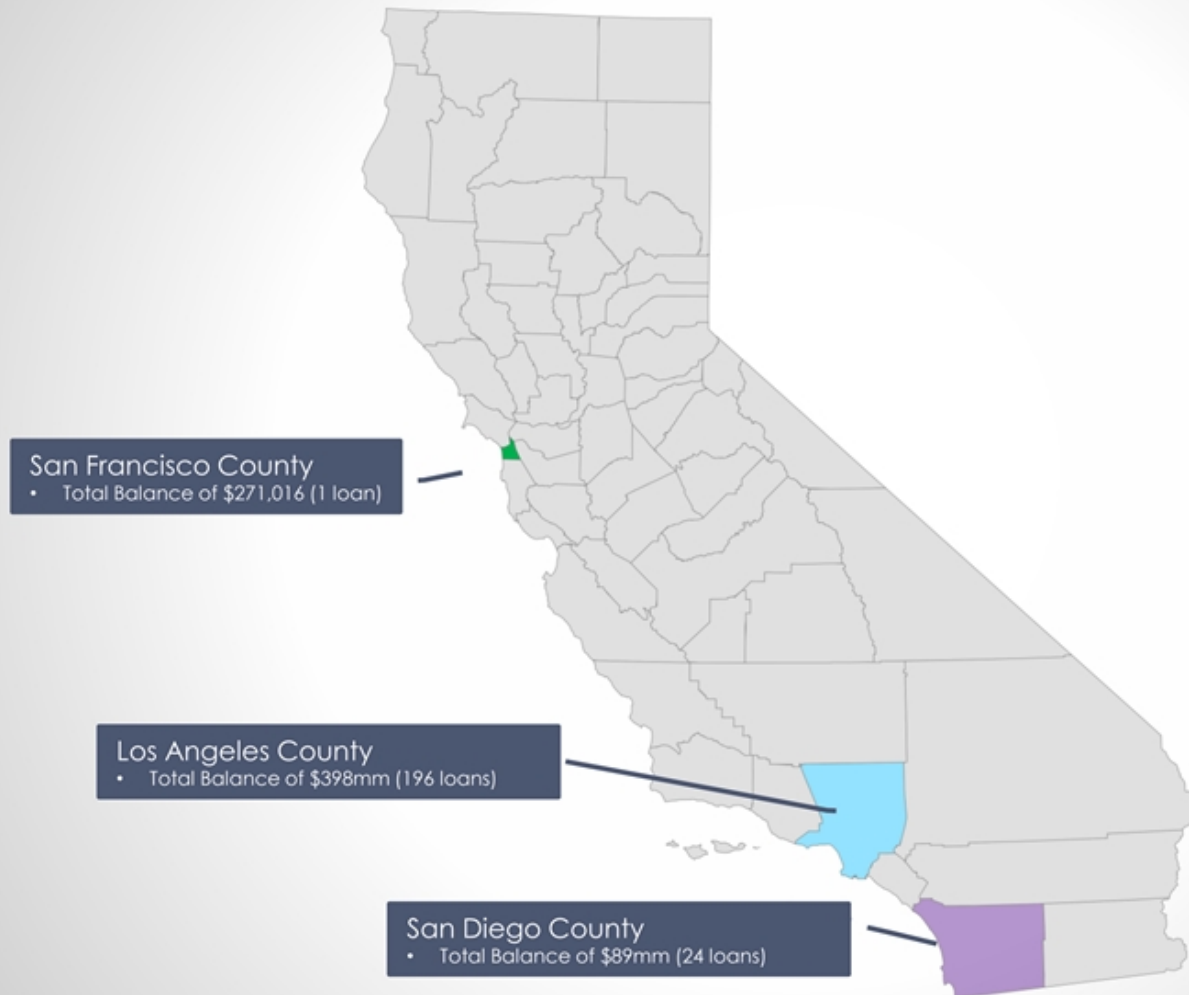
# CRE by Collateral and Loan Size



(\$ in Millions)

Loan Amount	Industrial	Office	Retail	Multi-Family	Other	Farmland	Medical	Other RE Rental and Leasing	Total
Greater than \$20M	\$ 0	\$ 23	\$ 0	\$ 0	\$ 0	\$ 22	\$ 0	\$ 0	\$ 45
\$10M to \$20M	108	101	97	88	11	85	0	25	515
\$5M to \$10M	428	278	138	142	159	81	65	37	1,328
\$1M to \$5M	1,405	531	548	470	332	217	188	129	3,820
Less than \$1M	304	144	134	141	88	75	49	22	957
<b>Total</b>	<b>\$ 2,245</b>	<b>\$ 1,077</b>	<b>\$ 917</b>	<b>\$ 841</b>	<b>\$ 590</b>	<b>\$ 480</b>	<b>\$ 302</b>	<b>\$ 213</b>	<b>\$ 6,665</b>

# CRE Office Loans by Major MSA

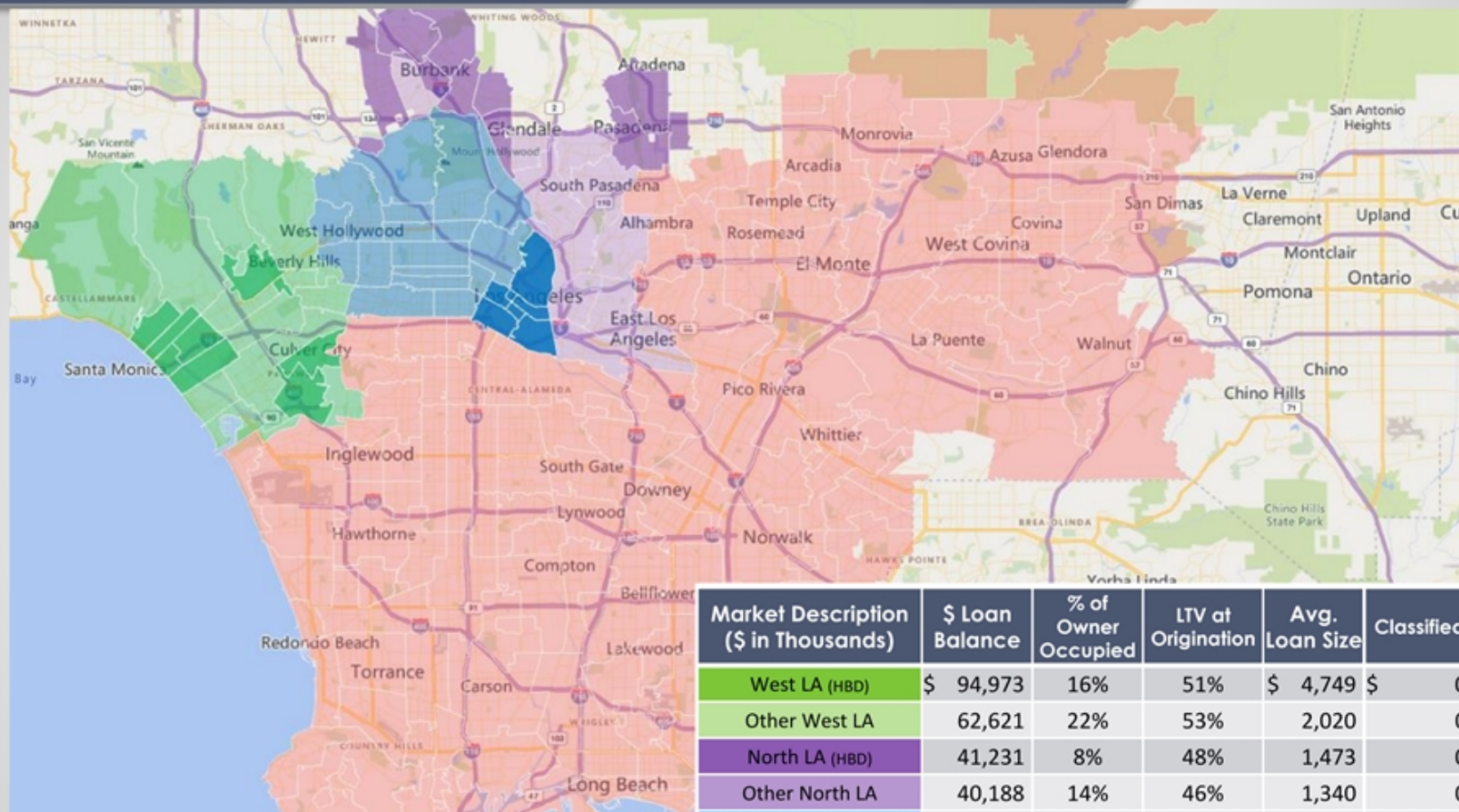


Powered by Bing  
© GeoNames, Microsoft, TomTom

**Note:** Only shows the office loans that are in the major MSA.



# Greater LA Business Density Distribution

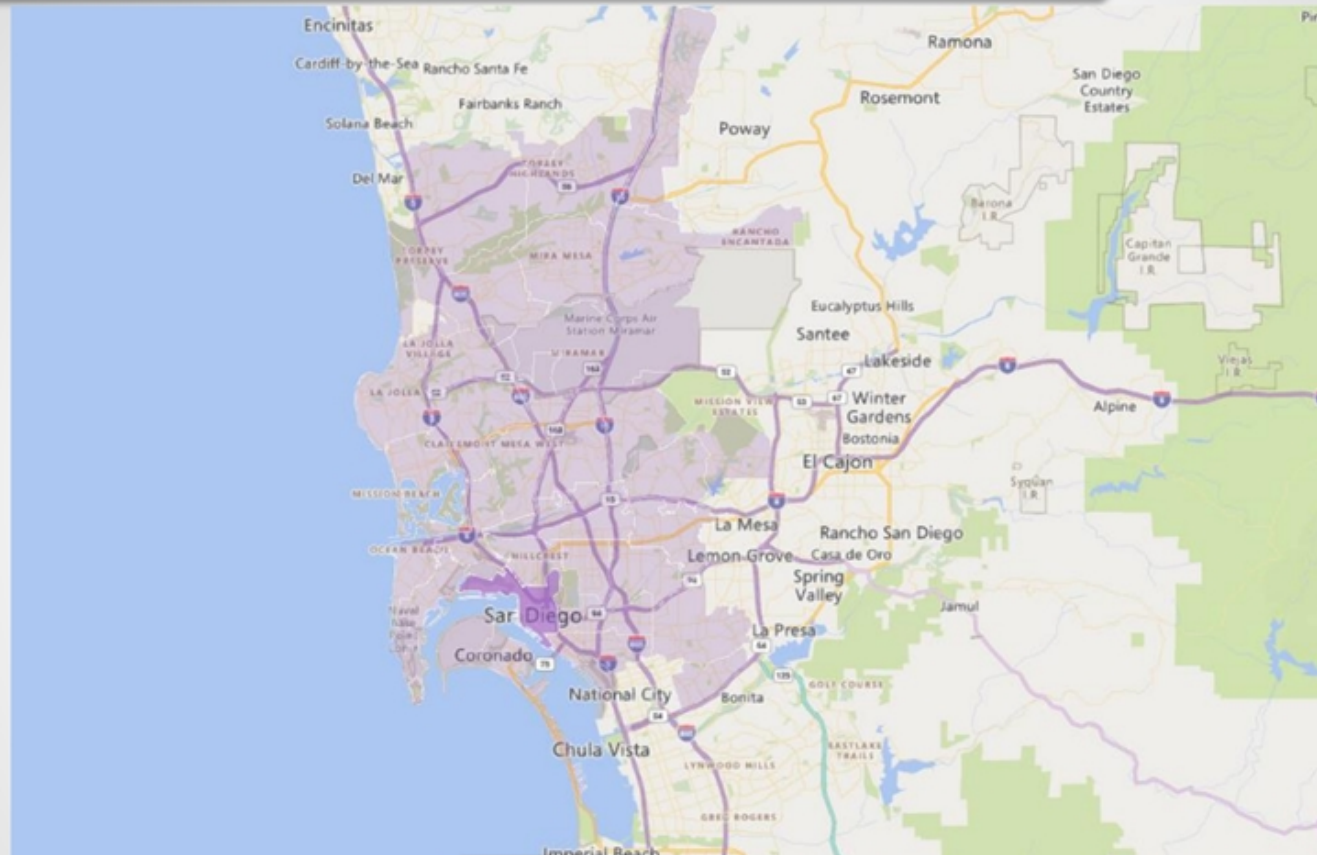


Note: Darker Shaded areas represent higher density of businesses within each submarket (HBD)

- **West LA** includes Santa Monica and Century City
- **Central LA** includes Downtown LA
- **North LA** includes Pasadena and Burbank
- **Other LA** (includes remaining areas of LA)

Market Description (\$ in Thousands)	\$ Loan Balance	% of Owner Occupied	LTV at Origination	Avg. Loan Size	Classified
West LA (HBD)	\$ 94,973	16%	51%	\$ 4,749	\$ 0
Other West LA	62,621	22%	53%	2,020	0
North LA (HBD)	41,231	8%	48%	1,473	0
Other North LA	40,188	14%	46%	1,340	0
Downtown LA (HBD)	544	100%	6%	544	0
Other Central LA	47,025	24%	49%	2,351	0
Other LA	111,575	45%	48%	1,691	0
<b>Total</b>	<b>\$ 398,157</b>	<b>25%</b>	<b>49%</b>	<b>\$ 2,031</b>	<b>\$ 0</b>

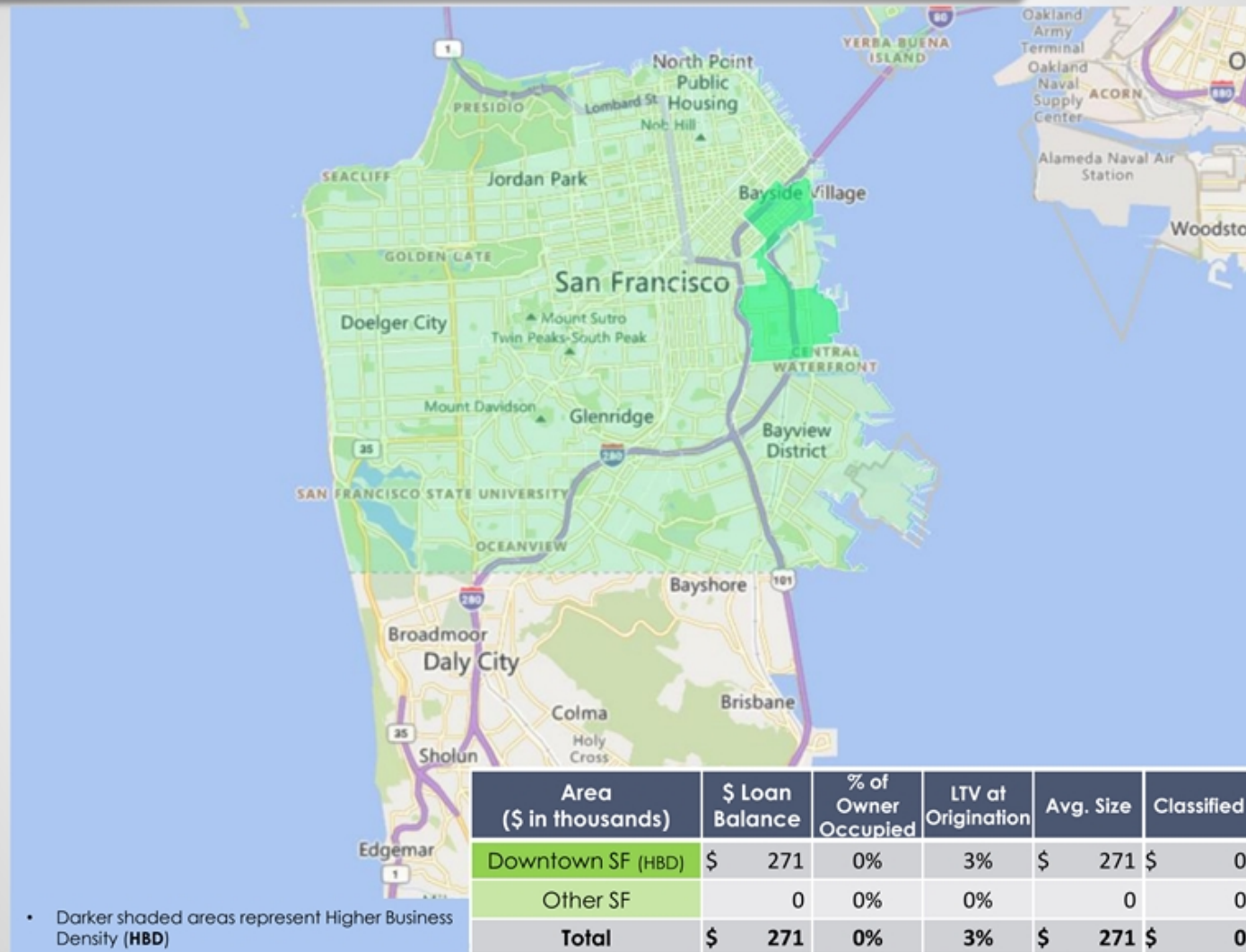
# Greater SD Business Density Distribution



- Darker shaded areas represent Higher Business Density (HBD)

Area (\$ in thousands)	\$ Loan Balance	% of Owner Occupied	LTV at Origination	Avg. Size	Classified
Downtown SD (HBD)	\$ 3,744	41%	54%	\$ 1,248	\$ 0
Other SD	85,599	0%	53%	4,076	0
<b>Total</b>	<b>\$ 89,343</b>	<b>2%</b>	<b>53%</b>	<b>\$ 3,723</b>	<b>\$ 0</b>

# Greater SF Business Density Distribution

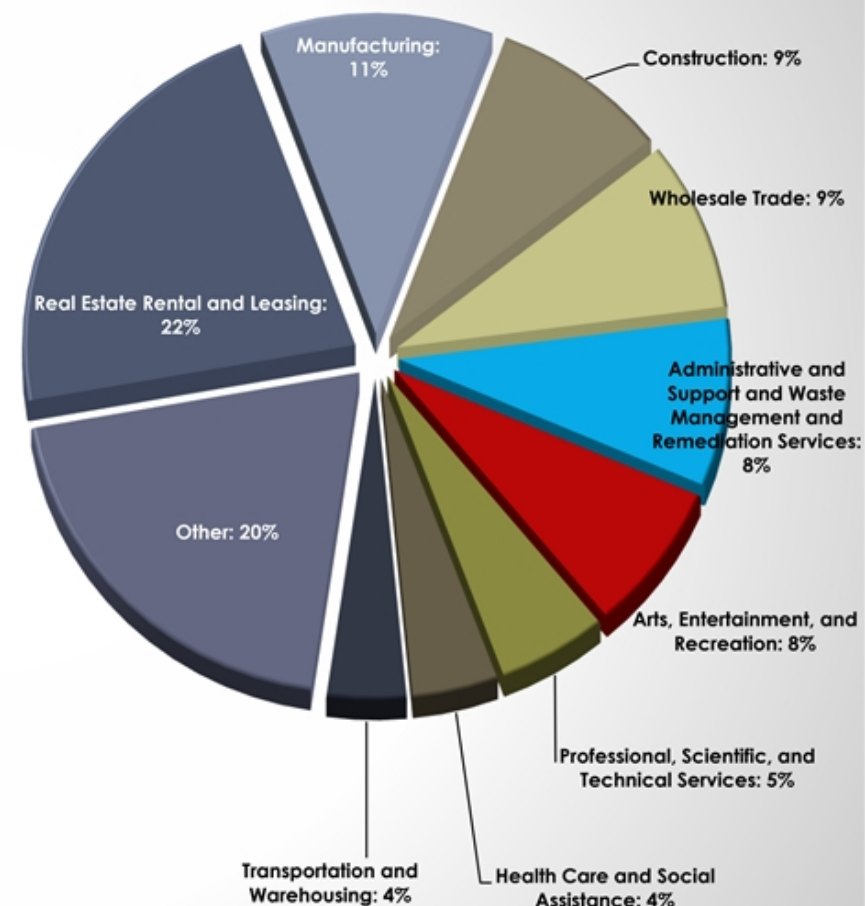




# C&I by Industry



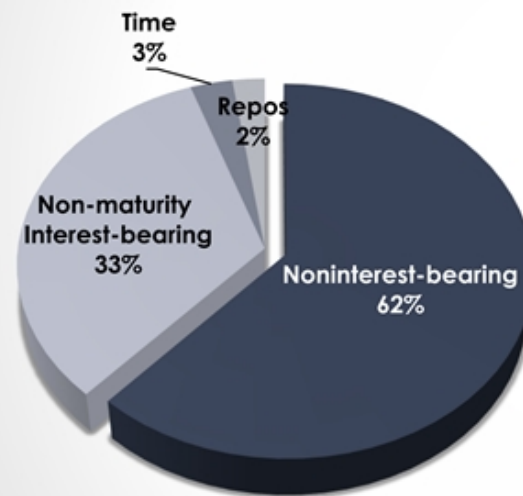
Industry	Balance (\$ in Millions)	% of C&I Total	Classified (\$ in Millions)
Real Estate Rental and Leasing	\$ 212	22%	\$ 0.15
Manufacturing	108	11%	2.91
Construction	83	9%	0.00
Wholesale Trade	82	9%	0.00
Administrative and Support and Waste Management and Remediation Services	81	8%	0.00
Arts, Entertainment, and Recreation	72	8%	0.00
Professional, Scientific, and Technical Services	51	5%	0.00
Health Care and Social Assistance	40	4%	0.06
Transportation and Warehousing	37	4%	0.00
Other	190	20%	1.55
<b>Total</b>	<b>\$ 956</b>	<b>100%</b>	<b>\$ 4.68</b>



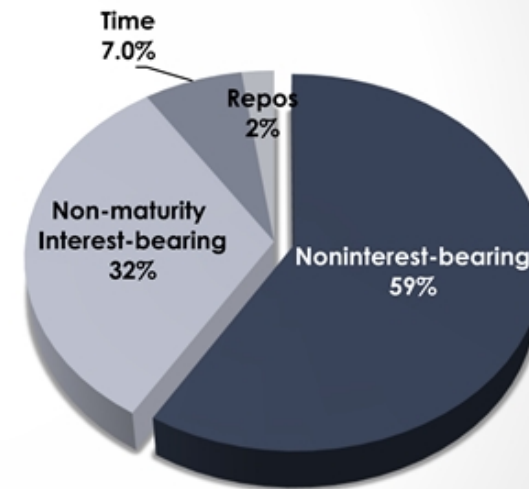
# Total Deposits & Customer Repos



**December 31, 2023**  
**Total Deposits & Customer Repos**



**June 30, 2024**  
**Total Deposits & Customer Repos**

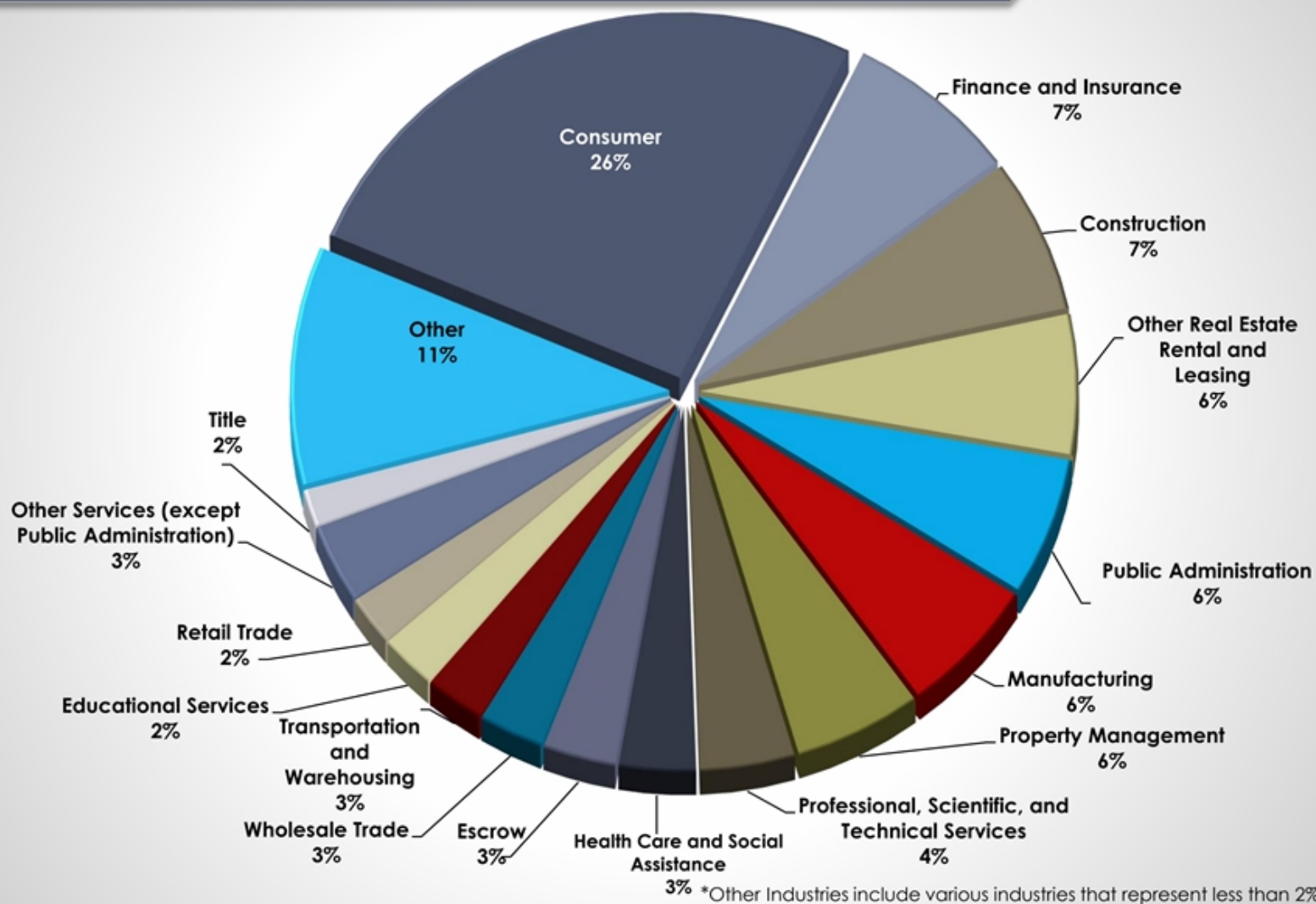


## **Cost of Interest-Bearing Deposits and Repos**

December 2023  
1.60%

June 2024  
2.21%

# Diverse Deposit Base

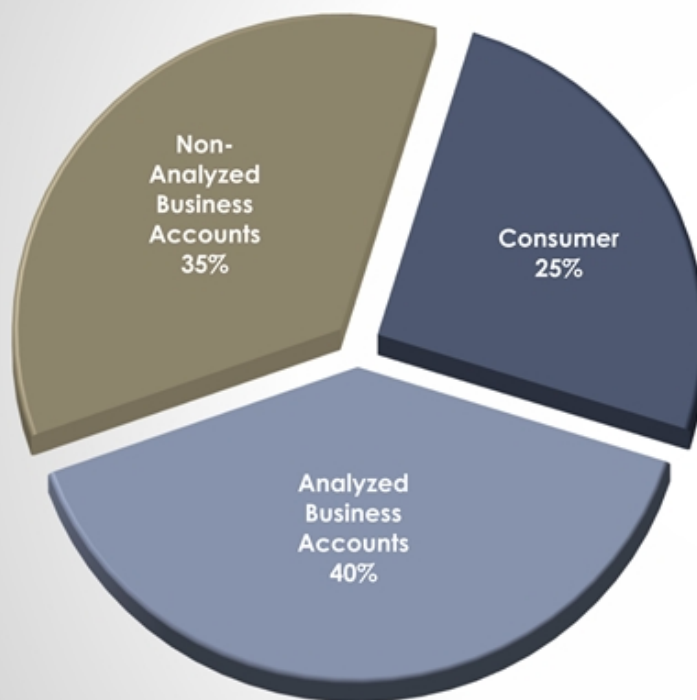




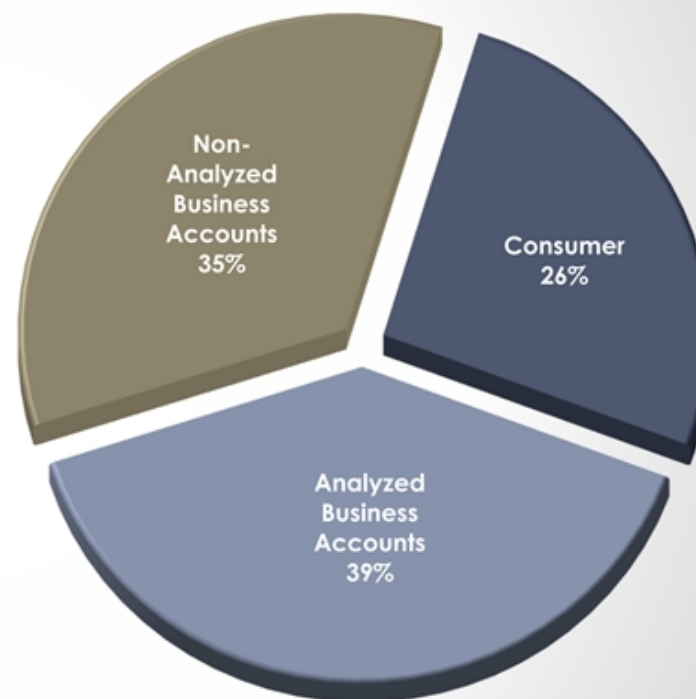
# Business vs Consumer Deposits



Q1 2022



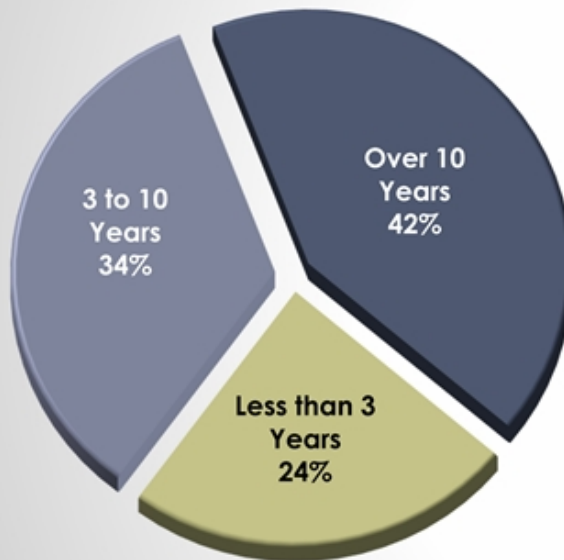
Q2 2024



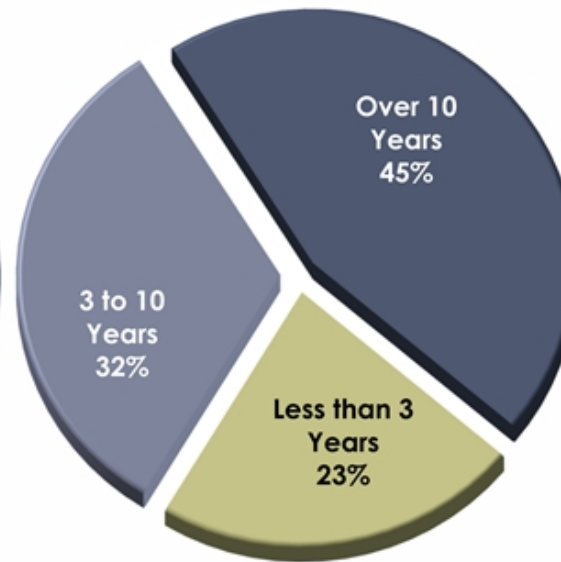
# Deposit Relationship Tenure



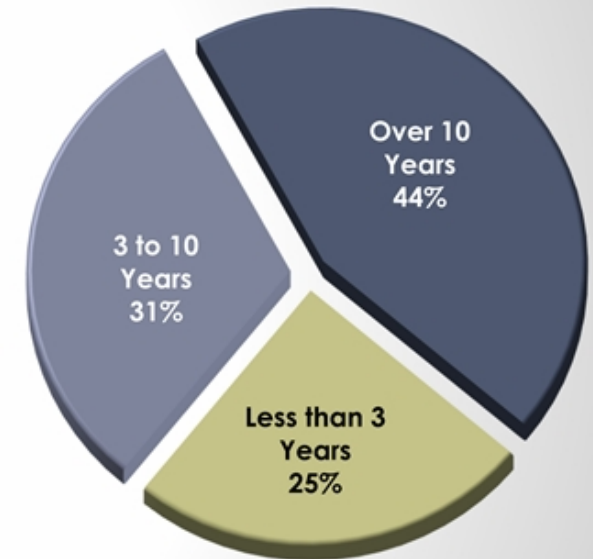
Q1 2022



Q4 2023



Q2 2024



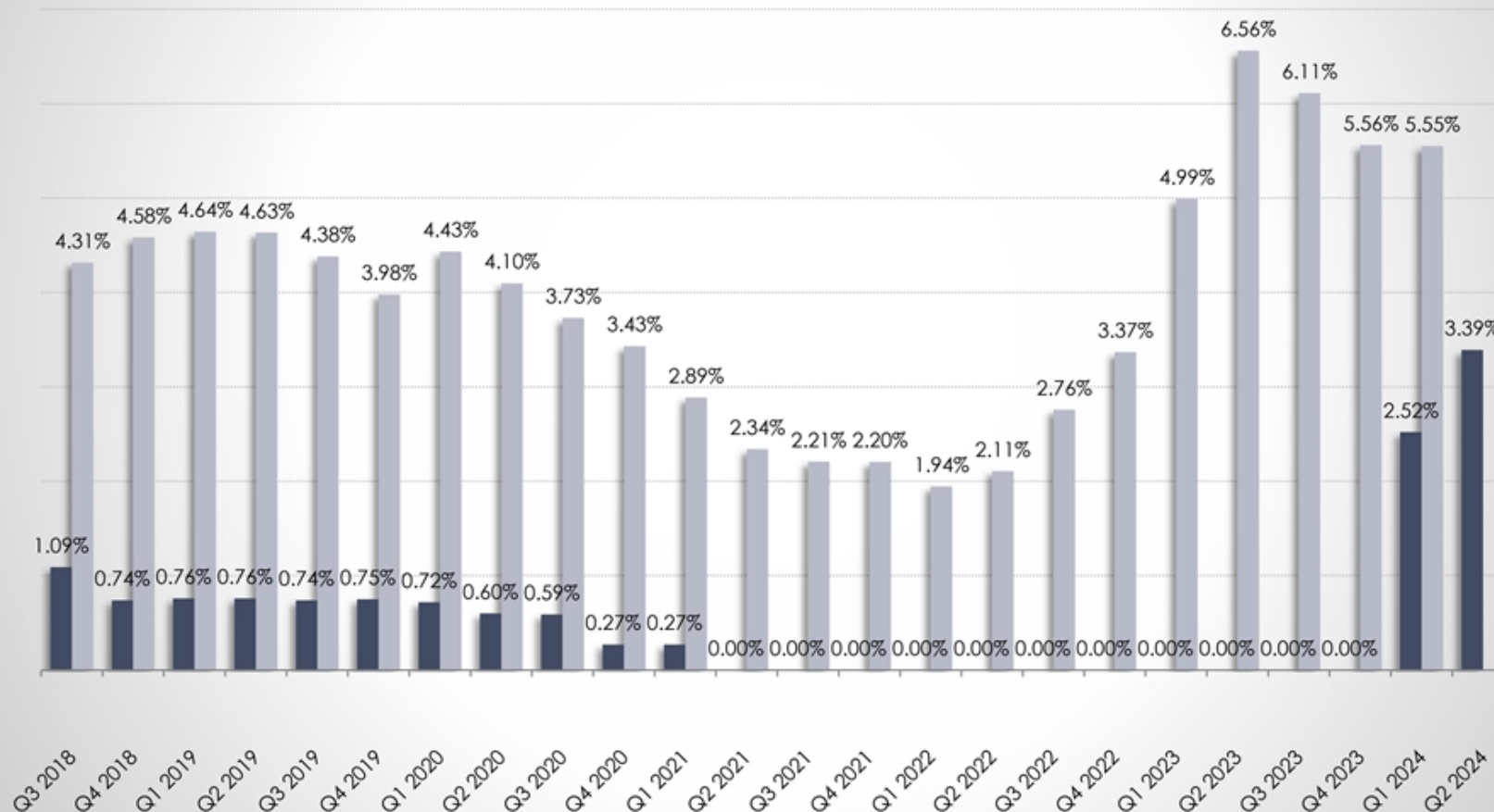
**>75% of our customer deposit relationships have banked with CBB for 3 years or more**

# Brokered Deposits / Total Deposits (%)

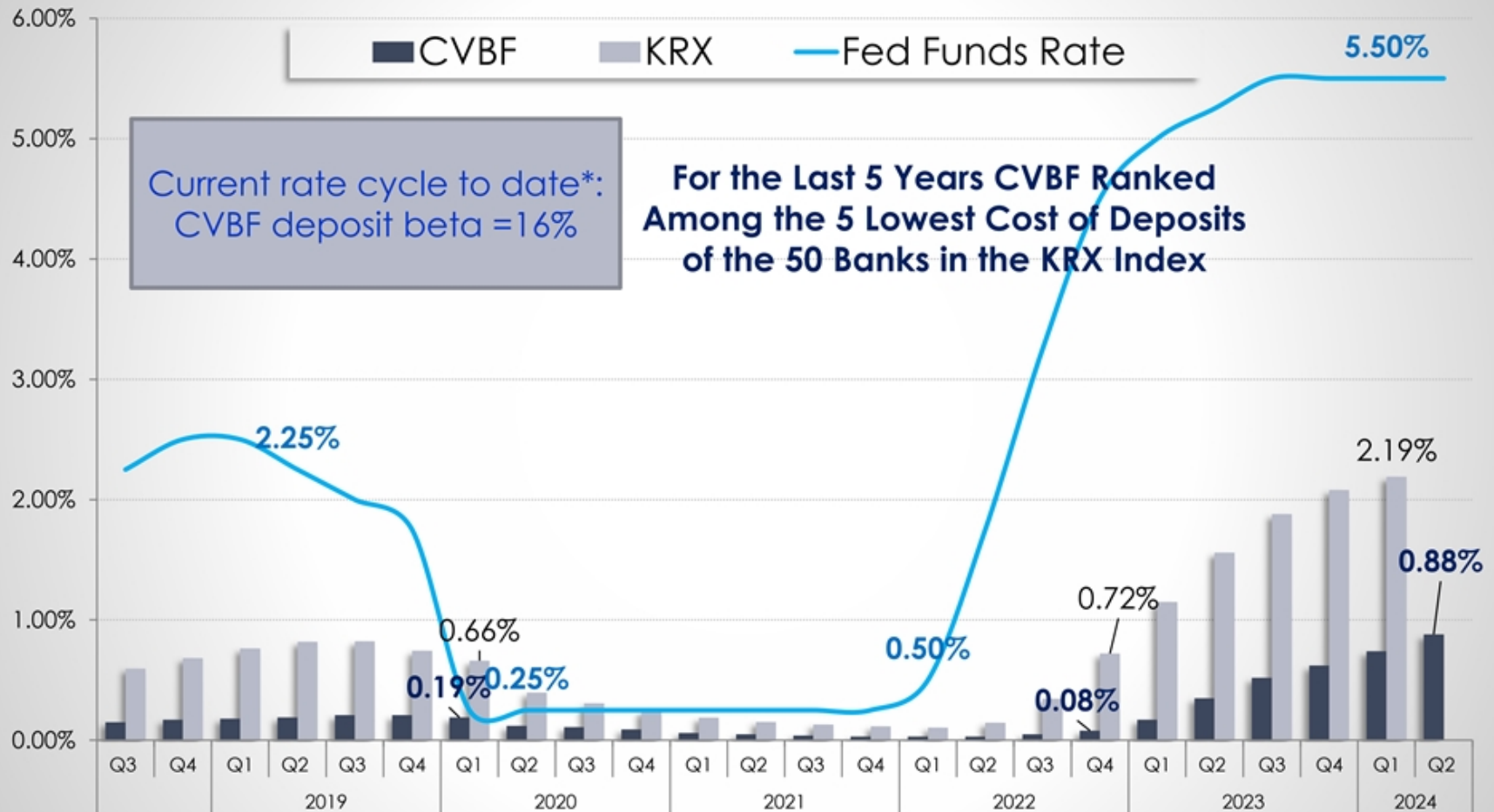


■ CVBF

■ KRX



# Cost of Deposits

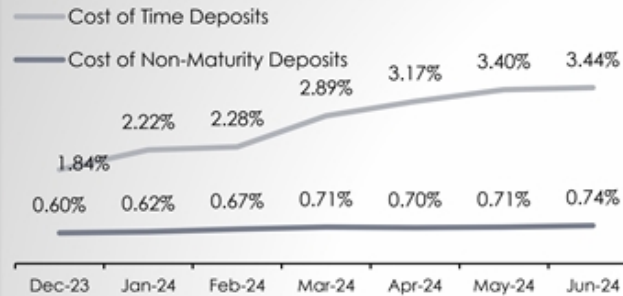


\*Measured as the growth in deposits costs from Q1 2022 through Q2 2024 as a function of growth in the Federal Funds Rate.

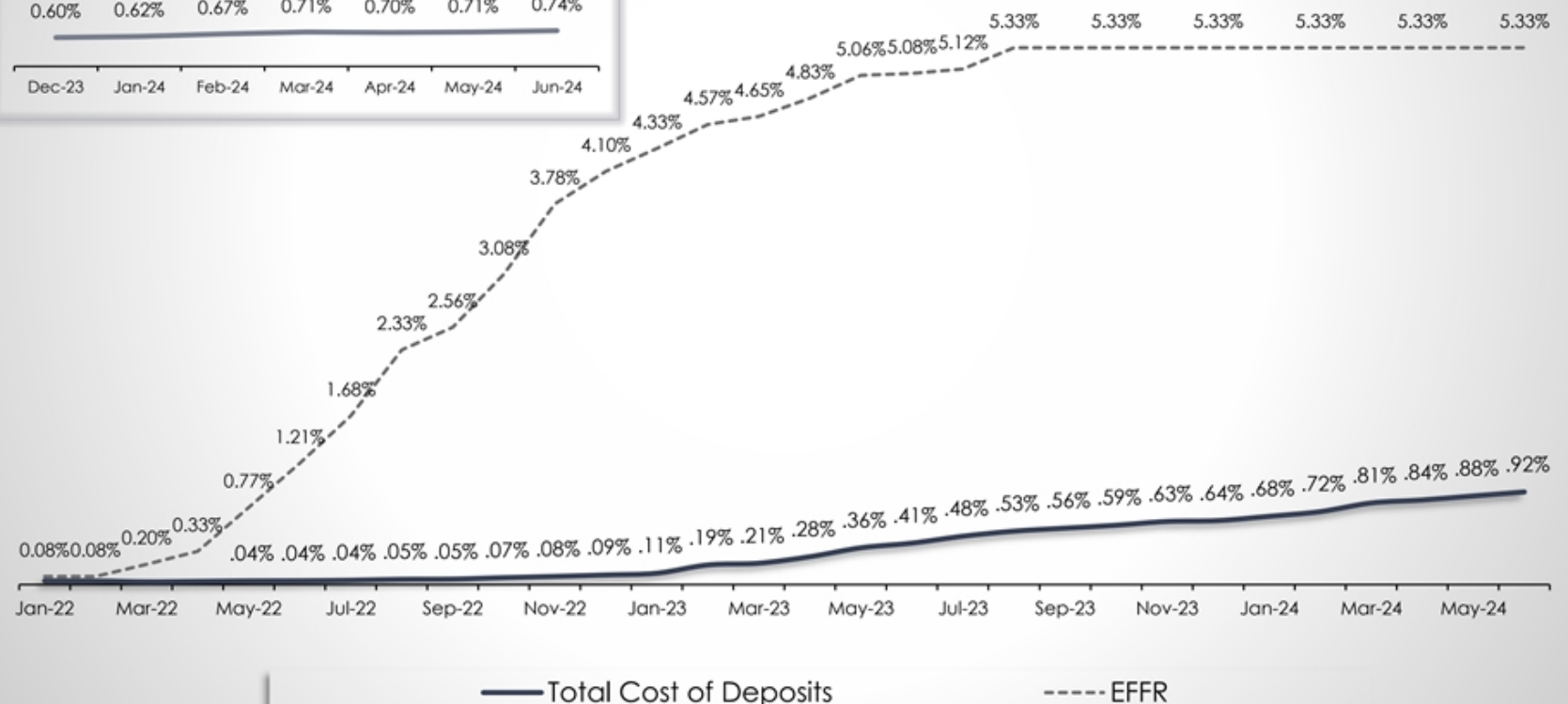
# Cost of Deposits: Monthly Trends



**CVBF Cost of Deposit Detail**



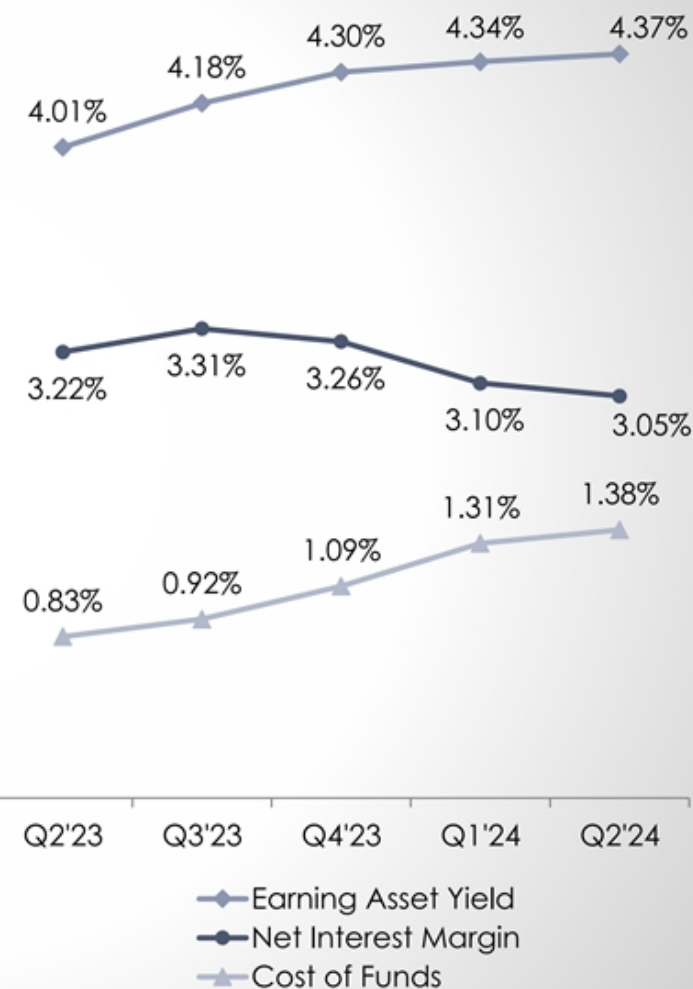
**CVBF Cost of Deposits vs. Effective Federal Funds Rate**



# Net Interest Income and NIM



(\$ in Millions)

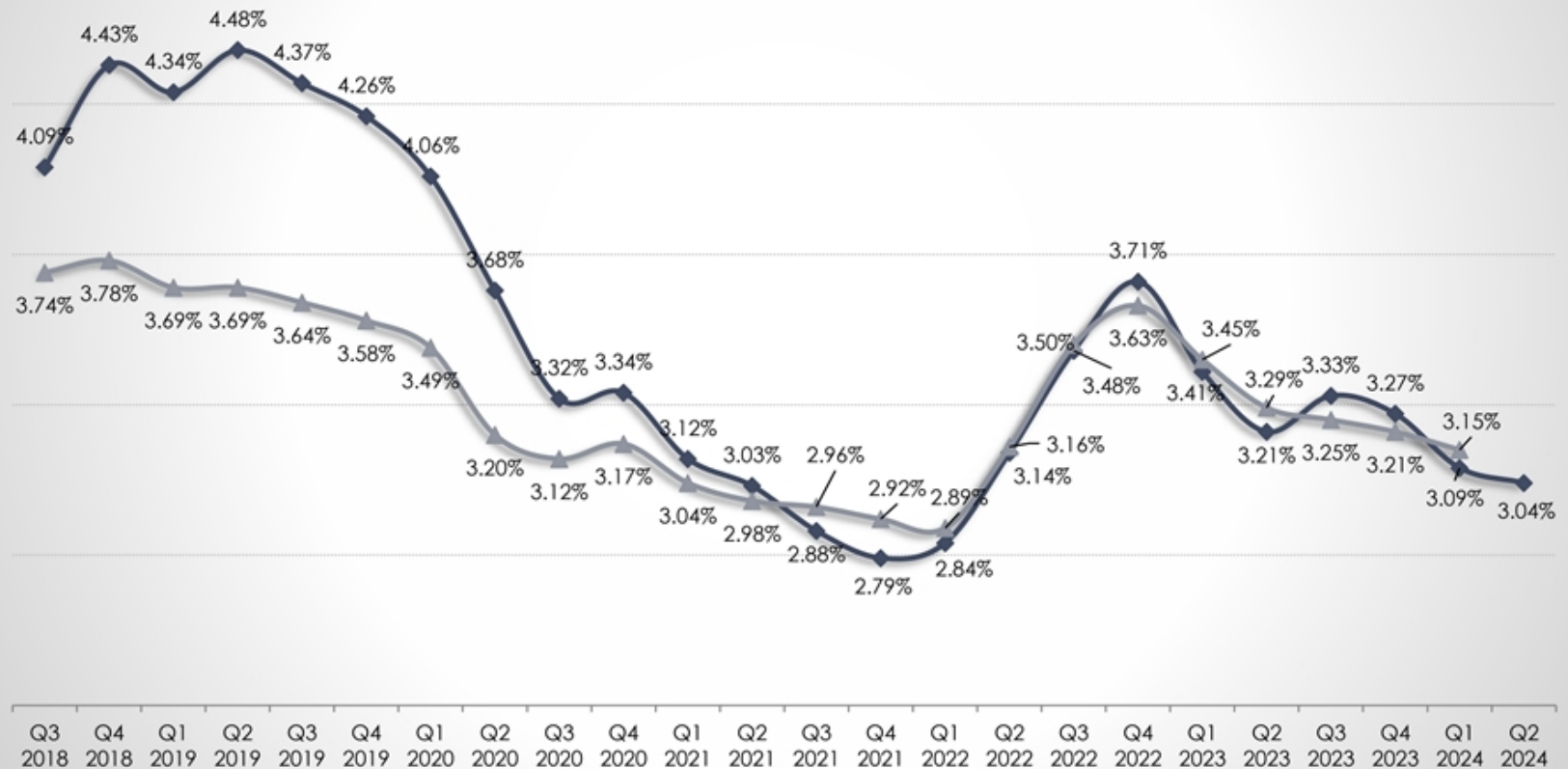




# Net Interest Margin Trend



CVBF KRX

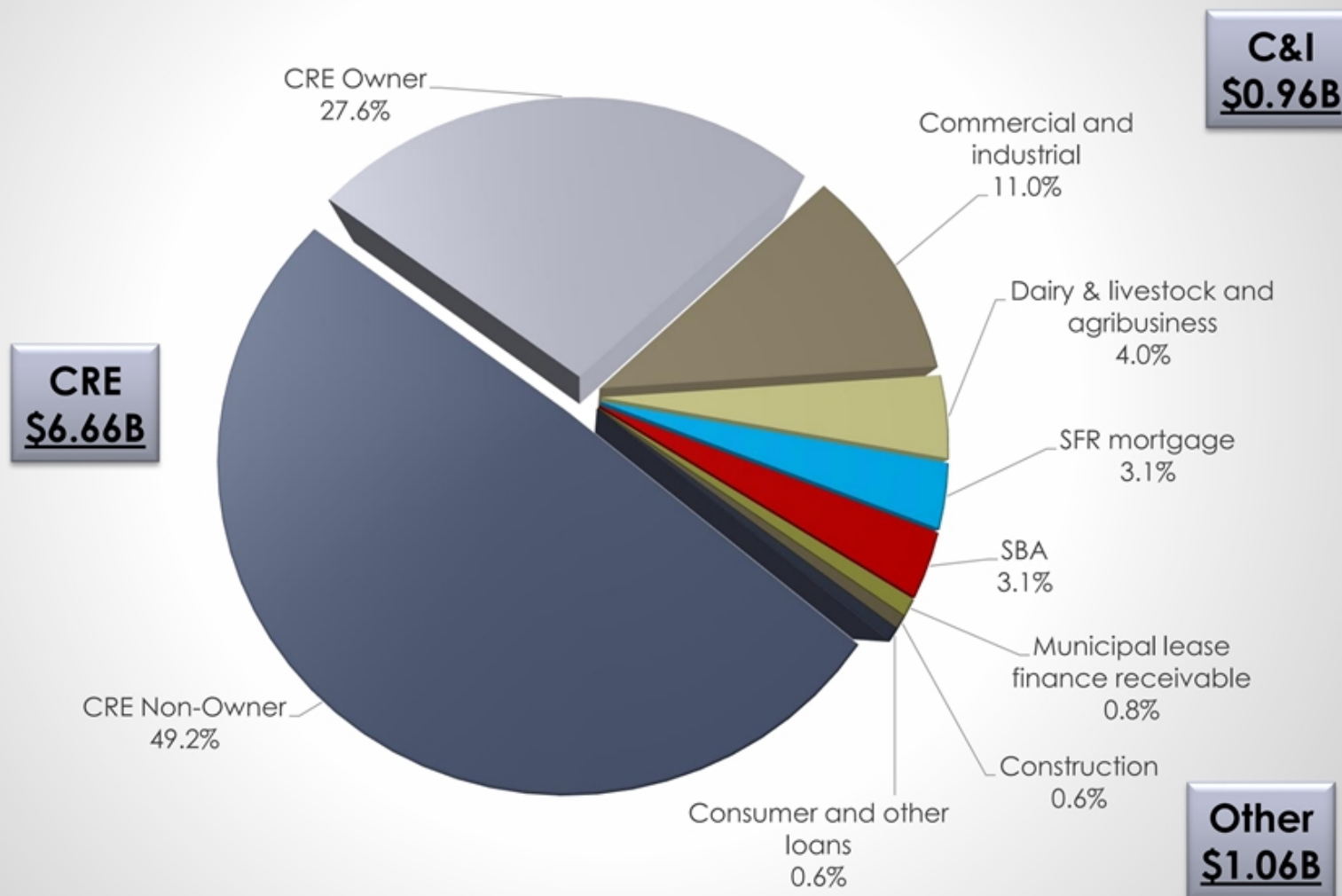




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## Appendix Non-GAAP Reconciliation

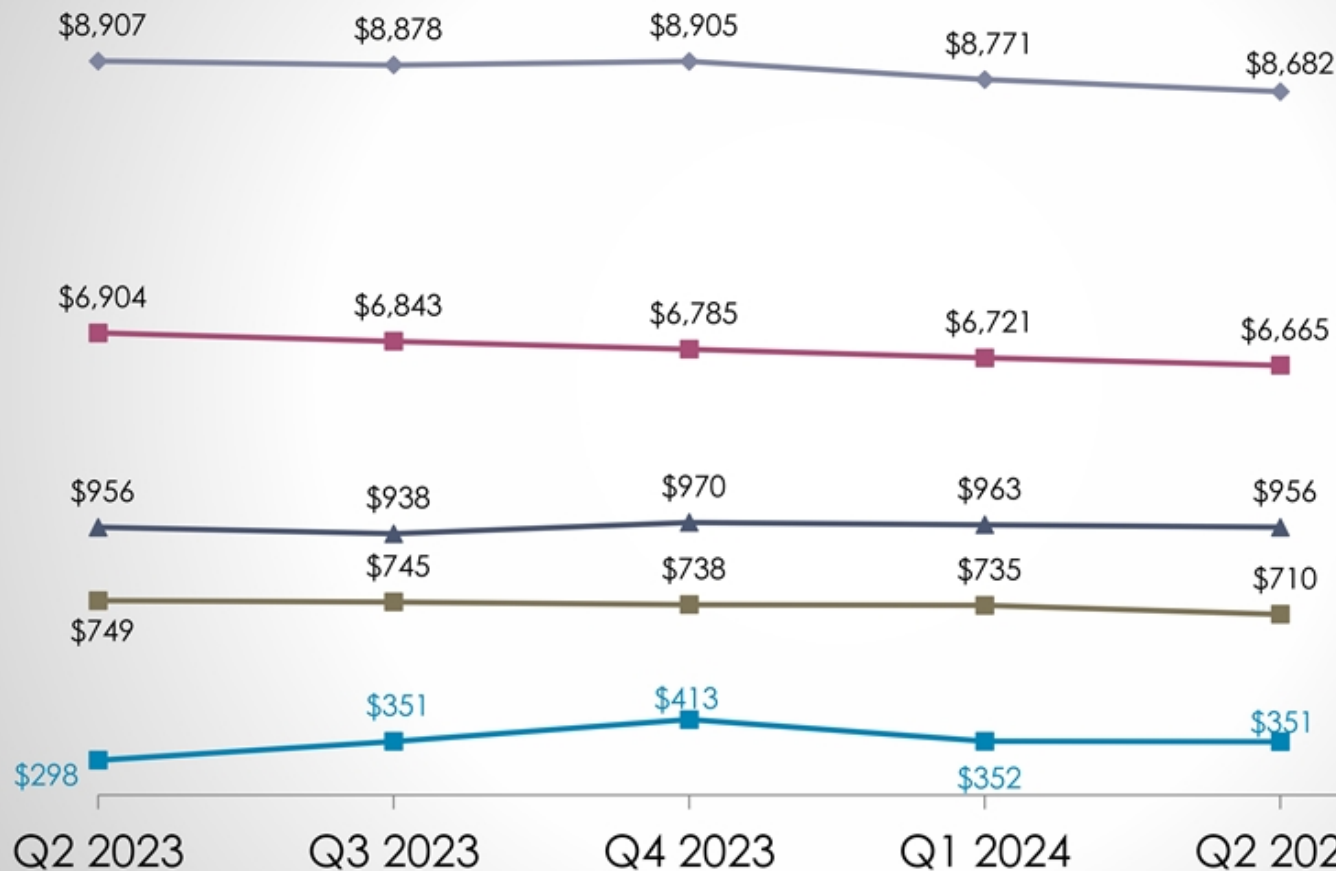
# Loans by Type



# Loan Trends



(\$ in Millions)



**Q2 2024 vs Q2 2023**

**Total (\$225)  
3% decline**

**CRE (\$239)  
3% decline**

**C&I \$0**

**Other (\$39)**

**D&L and  
Agribus. \$53**

\*Other includes other loan segments that are not listed above, such as Construction, SFR Mortgage, and SBA.

# Loans by Region

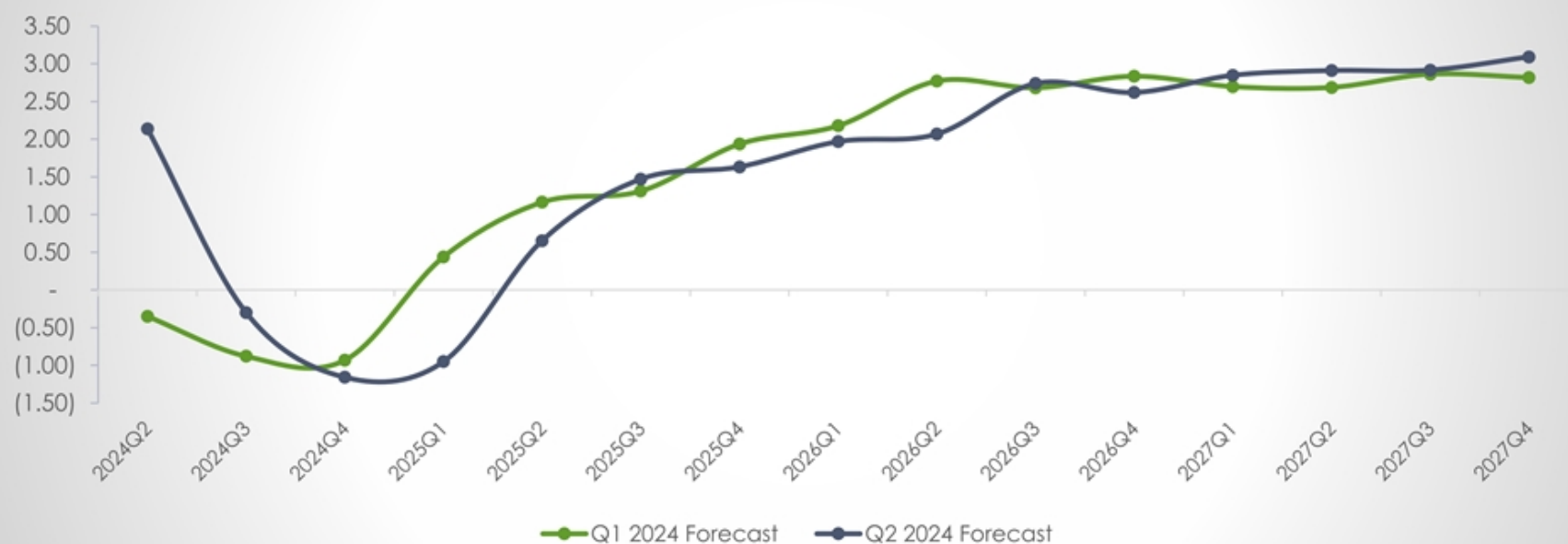


(\$ in Thousands)	# of Center Locations (6/30/24)	Average Loans per Location	Total Loans (6/30/24)	%
Los Angeles County	21	\$ 151,263	\$ 3,176,515	36.6%
Central Valley and Sacramento	15	137,849	2,067,741	23.8%
Orange County	10	114,030	1,140,295	13.1%
Inland Empire (Riverside & San Bernardino Counties)	9	108,786	979,071	11.3%
Central Coast	5	92,876	464,380	5.4%
San Diego	2	166,409	332,817	3.8%
Other California			151,447	1.7%
Out of State			369,580	4.3%
<b>Total</b>	<b>62</b>	<b>\$ 140,030</b>	<b>\$ 8,681,846</b>	<b>100.0%</b>

# Economic Forecast – GDP



## Real GDP Growth



# Economic Forecast – Unemployment

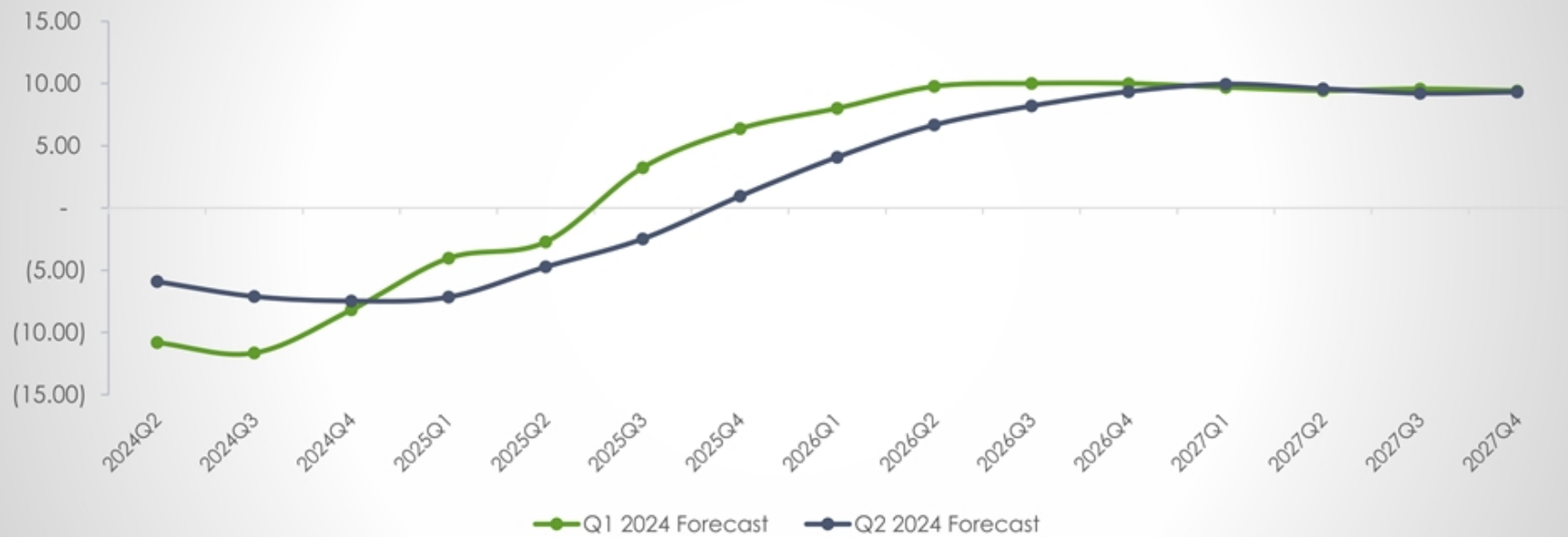




# Economic Forecast – CRE Price



## CRE Price Index Growth



# Deposits by Region



(\$ in Thousands)	# of Center Locations (6/30/24)	Total Deposits (3/31/24)	Total Deposits (6/30/24)	Average Deposits per Center (6/30/24)
Los Angeles County	21	\$ 4,746,731	\$4,747,831	\$226,087
Inland Empire (Riverside & San Bernardino Counties)	9	3,681,925	3,632,739	403,638
Central Valley and Sacramento	15	1,777,225	1,743,128	116,209
Orange County	10	1,498,701	1,488,333	148,833
Central Coast	5	354,228	347,535	69,507
San Diego	2	111,831	99,584	49,792
<b>Total</b>	<b>62</b>	<b>\$ 12,170,641</b>	<b>\$12,059,151</b>	<b>\$194,502</b>

\*Includes Customer Repurchase Agreements.

# 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		
	2020	2021	2022	2023	June 30, 2023	March 31, 2024	June 30, 2024
(Dollars in thousands)							
Net Income	\$ 177,159	\$ 212,521	\$ 235,425	\$ 221,435	\$ 55,770	\$ 48,599	\$ 50,035
Add: Provision for (recapture of) credit losses	23,500	(25,500)	10,600	2,000	500	-	-
Add: Income tax expense	72,361	85,127	92,922	93,999	21,904	18,204	18,741
Pretax-pre provision income	<u>\$ 273,020</u>	<u>\$ 272,148</u>	<u>\$ 338,947</u>	<u>\$ 317,434</u>	<u>\$ 78,174</u>	<u>\$ 66,803</u>	<u>\$ 68,776</u>
Average total assets	\$ 12,929,813	\$ 15,350,521	\$ 16,911,661	\$ 16,346,172	\$ 16,456,524	\$ 16,205,413	\$ 16,279,566
Return on average assets [1]	1.37%	1.38%	1.39%	1.35%	1.36%	1.21%	1.24%
PTPP Return on average assets [1]	2.11%	1.77%	2.00%	1.94%	1.91%	1.66%	1.70%

[1] Annualized where applicable.

# 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.

	For the Year Ended December 31,				Three Months Ended		
	2020	2021	2022	2023	June 30, 2023	March 31, 2024	June 30, 2024
Net Income	\$ 177,159	\$ 212,521	\$ 235,425	\$ 221,435	\$ 55,770	\$ 48,599	\$ 50,035
Add: Amortization of intangible assets	9,352	8,240	7,566	6,452	1,719	1,438	1,437
Less: Tax effect of amortization of intangible assets [1]	(2,765)	(2,436)	(2,237)	(1,907)	(508)	(425)	(425)
Tangible net income	\$ 183,746	\$ 218,325	\$ 240,754	\$ 225,980	\$ 56,981	\$ 49,612	\$ 51,047
Average stockholders' equity	\$ 1,991,664	\$ 2,063,360	\$ 2,066,463	\$ 2,006,882	\$ 2,027,708	\$ 2,098,868	\$ 2,102,466
Less: Average goodwill	(663,707)	(663,707)	(764,143)	(765,822)	(765,822)	(765,822)	(765,822)
Less: Average intangible assets	(38,203)	(29,328)	(25,376)	(18,434)	(19,298)	(14,585)	(13,258)
Average tangible common equity	\$ 1,289,754	\$ 1,370,325	\$ 1,276,944	\$ 1,222,626	\$ 1,242,588	\$ 1,318,461	\$ 1,323,386
Return on average equity, annualized [2]	8.90%	10.30%	11.39%	11.03%	11.03%	9.31%	9.57%
Return on average tangible common equity, annualized [2]	14.25%	15.93%	18.85%	18.48%	18.39%	15.13%	15.51%

[1] Tax effected at respective statutory rates.

[2] Annualized where applicable.



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