

CVB FINANCIAL CORP
Form 424B3
May 08, 2018
Table of Contents

Filed Pursuant to Rule 424(b)(3)
Registration No. 333-224311

PROPOSED MERGER YOUR VOTE IS VERY IMPORTANT

To Our Shareholders:

The boards of directors of CVB Financial Corp., Citizens Business Bank and Community Bank have approved an agreement (the merger agreement) for the merger of Community Bank with and into Citizens Business Bank, a wholly-owned subsidiary of CVB Financial Corp. Before we can complete the merger, we must obtain the approval of the shareholders of CVB Financial Corp. and Community Bank. We are sending our respective shareholders this document to ask for approval of the principal terms of the merger agreement at the respective special shareholder meetings of CVB Financial Corp. and Community Bank, which will each be held on June 21, 2018. The merger agreement, which is attached as Annex A to the accompanying joint proxy statement/prospectus, sets forth the terms of the merger.

Based on financial results as of December 31, 2017 and including anticipated merger adjustments to occur at the time of closing, the combined company will have approximately \$12.4 billion in total assets, \$7.5 billion in gross loans, \$9.4 billion in deposits, and \$1.8 billion in equity. We believe that the shareholders of both CVB Financial Corp. and Community Bank will benefit from the combination of two complementary banking institutions with similar core values and corporate cultures that will enhance the combined company's ability to generate profitable growth and long-term shareholder value.

In the proposed merger, Community Bank will merge with and into Citizens Business Bank in a stock and cash transaction valued at approximately \$885.2 million, based on the closing price of CVB Financial Corp. common stock on the last trading day prior to our public announcement of the merger, and approximately \$844.72 million, based on the closing price of CVB Financial Corp. common stock on May 3, 2018. Community Bank shareholders will receive fixed consideration consisting of 9.4595 shares of CVB Financial Corp. common stock and \$56.00 per share in cash, subject to the merger consideration adjustments and other terms and conditions set forth in the merger agreement, as further described in the accompanying joint proxy statement/prospectus. The merger consideration will be reduced, on a per share basis, by the sum of the following, if any: (i) a tier 1 capital adjustment of \$2.50 for every dollar of adjusted tier 1 capital of Community Bank below \$365 million as of the measurement date; plus (ii) a total noninterest-bearing deposit adjustment of 45.6% of every dollar of total noninterest-bearing deposits of Community Bank below \$1.1 billion as of the measurement date; plus (iii) a transaction costs adjustment of a dollar for every dollar of certain specified transaction costs of Community Bank that exceeds \$6 million.

Edgar Filing: CVB FINANCIAL CORP - Form 424B3

The merger agreement permits the parties to terminate the merger agreement prior to the closing of the merger under certain circumstances, including if the average closing price of CVB Financial Corp. common stock is less than \$20.13 per share and such average closing price also underperforms the KBW Regional Banking Index by 15% or more, subject to CVB Financial Corp.'s right to reinstate the merger by increasing the merger consideration, all as further described in the accompanying joint proxy statement/prospectus.

Table of Contents

Except under the limited circumstances described in the immediately preceding paragraph, the exchange ratio in the merger will not be adjusted to reflect CVB Financial Corp. stock price changes between now and the closing. Based on the closing price of CVB Financial Corp. common stock on February 26, 2018, the last trading day prior to the public announcement of the merger, and \$56.00 per share in cash consideration and assuming no merger consideration adjustments, the merger consideration represented a value of \$279.24 per share of Community Bank common stock. Using the closing price of CVB Financial Corp. common stock on May 3, 2018 and including \$56.00 per share in cash consideration, the merger consideration represented a value of \$266.47 per share of Community Bank common stock. Accordingly, the dollar value of the stock consideration that Community Bank shareholders may receive will change depending on fluctuations in the market price of CVB Financial Corp. common stock and will not be known at the time you vote on the merger. **You should obtain current stock quotations for CVB Financial Corp. common stock, which is listed on the NASDAQ Global Select Market under the symbol CVBF.**

Based on the 9.4595 exchange ratio and the number of shares of Community Bank common stock and Community Bank restricted stock units outstanding as of the date of the merger agreement, and assuming no merger consideration adjustments, CVB Financial Corp. expects that approximately 30.0 million shares of its common stock will become issuable and approximately \$177.5 million in cash will be paid to Community Bank shareholders and holders of Community Bank restricted stock units as a result of the merger. Giving effect to the merger, Community Bank shareholders would hold, in aggregate, approximately 21.4% of CVB Financial Corp.'s outstanding common stock following the merger.

The merger is subject to the receipt of the required approvals by the shareholders of Community Bank and CVB Financial Corp. and all regulatory approvals, and the satisfaction or waiver of all other conditions to closing as described in the accompanying joint proxy statement/prospectus. The conditions to closing include Community Bank having a minimum amount of adjusted tier 1 capital and total non-maturity bearing deposits as of the applicable measurement date.

The accompanying joint proxy statement/prospectus contains a more complete description of the special meetings and the terms of the merger agreement and the merger. We urge you to review that entire document carefully. **In particular, you should read the Risk Factors section beginning on page 29 of the joint proxy statement/prospectus for a discussion of the risks you should consider in evaluating the proposed merger and how they will affect you.** You may also obtain information about CVB Financial Corp. from documents that CVB Financial Corp. has filed with the Securities and Exchange Commission.

The CVB Financial Corp. special meeting will be held on June 21, 2018 at Citizens University Meeting Room, 701 N. Haven Avenue, Ontario, California 91764, at 8:00 AM local time.

The Community Bank special meeting will be held on June 21, 2018 at Community Bank, 460 Sierra Madre Villa Avenue, Pasadena, California 91107, at 10:00 AM local time.

Your vote is very important. Whether or not you plan to attend your meeting, please take the time to submit your proxy in accordance with the voting instructions contained in this document. If you do not vote, abstain from voting or do not instruct your broker how to vote any shares held by you in street name, the effect will be a vote AGAINST the merger.

After careful consideration, the CVB Financial Corp. board of directors unanimously recommends that the shareholders of CVB Financial Corp. vote FOR approval of the principal terms of the merger agreement and the transactions contemplated by the merger agreement, including the merger and the issuance of CVB Financial Corp. common stock in connection with the merger, and FOR the grant of discretionary authority to

adjourn the special meeting as necessary or appropriate.

After careful consideration, the Community Bank board of directors unanimously recommends that the shareholders of Community Bank vote FOR approval of the principal terms of the merger agreement and the transactions contemplated by the merger agreement, including the merger, and FOR the grant of discretionary authority to adjourn the special meeting as necessary or appropriate.

Table of Contents

We enthusiastically support the merger and believe it to be in the best interests of the shareholders of both companies.

Christopher D. Myers
President and Chief Executive Officer
CVB Financial Corp.

David R. Misch
Chief Executive Officer
Community Bank

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the merger, the issuance of the CVB Financial Corp. common stock in connection with the merger or the other transactions described in this joint proxy statement/prospectus, or passed upon the adequacy or accuracy of the disclosure in this document. Any representation to the contrary is a criminal offense.

The securities to be issued in connection with the merger are not savings accounts, deposits or other obligations of any bank and are not insured by the Federal Deposit Insurance Corporation or any other governmental agency.

This joint proxy statement/prospectus is dated May 7, 2018 and is first being mailed to shareholders of CVB Financial Corp. and Community Bank on or about May 9, 2018.

Table of Contents

WHERE YOU CAN FIND ADDITIONAL INFORMATION

CVB Financial Corp. files annual, quarterly and current reports, proxy statements and other information with the Securities and Exchange Commission, or the SEC. You may read and copy any document CVB Financial Corp. files at the SEC's public reference rooms in 100 F St., N.E., Washington, D.C. 20549. You may telephone the SEC at 1-800-SEC-0330 for further information on the public reference rooms. CVB Financial Corp.'s SEC filings are also available to the public at the SEC's website at <http://www.sec.gov>. You may also obtain these documents, free of charge, from CVB Financial Corp. at www.cbcbank.com under the Investors tab and then under the heading SEC Filings.

CVB Financial Corp. has filed a registration statement on Form S-4 of which this document forms a part. As permitted by Securities and Exchange Commission rules, this document does not contain all of the information included in the registration statement or in the exhibits or schedules to the registration statement. You may read and copy the registration statement, including any amendments, schedules and exhibits, at the address set forth below. Statements contained in this document as to the contents of any contract or other documents referred to in this document are not necessarily complete. In each case, you should refer to the copy of the applicable contract or other document filed as an exhibit to the registration statement. This document incorporates by reference documents that CVB Financial Corp. has previously filed with the Securities and Exchange Commission. They contain important information about CVB Financial Corp. and its financial condition. For more information, please see the section entitled Incorporation of Certain Documents by Reference. These documents are available without charge to you upon written or oral request to CVB Financial Corp.'s proxy solicitor:

Georgeson LLC

1290 Avenue of the Americas, 9th Floor

New York, NY 10104

Toll-Free Telephone: 1-800-733-6198

If you would like to request any CVB Financial Corp. documents, your request should be sent in time to be received by CVB Financial Corp. no later than June 14, 2018 in order for you to receive the documents before the special meeting.

Community Bank does not have a class of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended, or the Exchange Act, is not subject to the reporting requirements of Section 13(a) or 15(d) of the Exchange Act and accordingly does not file documents or reports with the SEC.

If you are Community Bank shareholder and have questions about the merger or submitting your proxy, or if you need additional copies of this joint proxy statement/prospectus or proxy cards, you should contact Community's proxy solicitor:

Georgeson LLC

1290 Avenue of the Americas, 9th Floor

New York, NY 10104

Edgar Filing: CVB FINANCIAL CORP - Form 424B3

Toll-Free Telephone: 1-800-676-0098

CVB Financial Corp. common stock is traded on the NASDAQ Global Select Market under the symbol CVBF, and Community Bank common stock is traded on the OTC Markets OTC Pink market under the symbol CYHT.

Table of Contents

CVB FINANCIAL CORP.

701 N. Haven Avenue, Suite 350

Ontario, California 91764

Notice of Special Meeting of Shareholders

To Be Held June 21, 2018

To the Shareholders of CVB Financial Corp.:

Notice is hereby given that, pursuant to the terms of its bylaws and the call of its board of directors, a special meeting of shareholders of CVB Financial Corp. will be held at Citizens University Meeting Room, 701 N. Haven Avenue, Ontario, California 91764 on June 21, 2018 at 8:00 am, local time. At the special meeting, you will be asked to consider and vote upon the following matters:

1. *Approval of Merger Agreement.* To approve the principal terms of the Agreement and Plan of Reorganization and Merger, dated as of February 26, 2018, by and among CVB Financial Corp., Citizens Business Bank and Community Bank (the merger agreement) and the transactions contemplated by the merger agreement, including the merger of Community Bank with and into Citizens Business Bank (the merger), with Citizens Business Bank surviving the merger, and the issuance of CVB Financial Corp. common stock to the Community Bank shareholders in connection with the merger (the CVB share issuance), as described in the joint proxy statement/prospectus.

2. *Grant of Discretionary Authority to Adjourn Meeting.* To consider and vote upon a proposal to grant discretionary authority to adjourn the special meeting if necessary or appropriate in the judgment of our board of directors to solicit additional proxies or votes to approve the principal terms of the merger agreement and the transactions contemplated thereby, including the merger and the CVB share issuance.

No other business may be conducted at the special meeting.

The merger agreement, which is attached as Annex A to the accompanying joint proxy statement/prospectus, sets forth the terms of the merger. The transaction is also more fully described in the enclosed joint proxy statement/prospectus. You are urged to read these documents carefully and in their entirety. In particular, see Risk Factors beginning on page 29 of the accompanying joint proxy statement/prospectus.

Only shareholders of record at the close of business on May 3, 2018 will be entitled to notice of and to vote at the special meeting or at any postponement or adjournment thereof. The proposal to approve the principal terms of the merger agreement and the transactions contemplated thereby, including the merger and the CVB share issuance, requires the affirmative vote of at least a majority of the shares of CVB Financial Corp. common stock outstanding as of the record date for the special meeting. The proposal to grant discretionary authority to adjourn the special meeting, if necessary, to solicit additional proxies or votes requires the affirmative vote of at least a majority of the shares of CVB Financial Corp. common stock present in person or represented by proxy and voting at the special meeting (which affirmative vote constitutes at least a majority of the required quorum).

The CVB Financial Corp. board of directors unanimously recommends that you vote in favor of approval of the principal terms of the merger agreement and the transactions contemplated by the merger agreement, including the merger and the CVB share issuance, and the grant of discretionary authority to adjourn the

special meeting, as described in the joint proxy statement/prospectus.

Whether or not you plan to attend the special meeting, please sign, date and return the enclosed proxy card in the postage prepaid envelope provided, or cast your vote by telephone or Internet by following the instructions on your proxy card, as soon as you can. The vote of every shareholder is important, and we appreciate your cooperation in returning your executed proxy promptly. If you do not vote, abstain from voting or do not instruct your broker how to vote any shares held by you in street name, the effect will be a vote AGAINST the merger.

Table of Contents

Your proxy, or your telephone or Internet vote, is revocable and will not affect your right to vote in person if you attend the special meeting. If your shares are registered in your name and you attend the special meeting, you may simply revoke your previously submitted proxy by voting your shares at that time. If you receive more than one set of proxy materials because your shares are registered in different names or addresses, you will need to follow the instructions in each set of proxy materials that you receive to ensure that all your shares will be voted at the special meeting. If your shares are held by a broker or other nominee holder, and are not registered in your name, you will need additional documentation from your broker or other record holder to vote your shares in person at the special meeting. Please indicate on the proxy card whether or not you expect to attend the special meeting in person.

We appreciate your continuing support and look forward to seeing you at the special meeting.

By Order of the Board of Directors

**Myrna L. DiSanto
Corporate Secretary**

Dated: May 7, 2018
Ontario, California

Table of Contents

COMMUNITY BANK

460 Sierra Madre Villa Avenue

Pasadena, California 91107

Notice of Special Meeting of Shareholders

To Be Held June 21, 2018

To the Shareholders of Community Bank:

Notice is hereby given that, pursuant to the terms of its bylaws and the call of its board of directors, a special meeting of shareholders of Community Bank will be held at Community Bank, 460 Sierra Madre Villa Avenue, Pasadena, California 91107 on June 21, 2018 at 10:00 AM, local time. At the special meeting, you will be asked to consider and vote upon the following matters:

1. *Approval of Merger Agreement.* To approve the principal terms of the Agreement and Plan of Reorganization and Merger, dated as of February 26, 2018, by and among CVB Financial Corp., Citizens Business Bank and Community Bank (the merger agreement) and the transactions contemplated by the merger agreement, including the merger of Community Bank with and into Citizens Business Bank (the merger), with Citizens Business Bank surviving the merger, and the cancellation of each outstanding share of Community common stock, other than any dissenting shares and excluded shares, in exchange for the right to receive 9.4595 shares of CVB common stock and \$56.00 per share in cash, subject to the merger consideration adjustments and other terms in the merger agreement.

2. *Grant of Discretionary Authority to Adjourn Meeting.* To consider and vote upon a proposal to grant discretionary authority to adjourn the special meeting if necessary or appropriate in the judgment of our board of directors to solicit additional proxies or votes in favor of the approval of the principal terms of the merger agreement and the transactions contemplated thereby, including the merger.

No other business may be conducted at the special meeting.

The merger agreement, which is attached as Annex A to the accompanying joint proxy statement/prospectus, sets forth the terms of the merger. The transaction is also more fully described in the enclosed joint proxy statement/prospectus. You are urged to read these documents carefully and in their entirety. In particular, see Risk Factors beginning on page 29 of the accompanying joint proxy statement/prospectus.

Only shareholders of record at the close of business on May 3, 2018 will be entitled to notice of and to vote at the special meeting or at any postponement or adjournment thereof. The proposals to approve the principal terms of the merger agreement and the transactions contemplated thereby, including the merger, requires the affirmative vote of at least a majority of the shares of Community Bank common stock outstanding as of the record date for the special meeting. The proposal to grant discretionary authority to adjourn the special meeting, if necessary, to solicit additional proxies or votes requires the affirmative vote of at least a majority of the shares of Community Bank common stock present in person or represented by proxy and voting at the special meeting (which affirmative vote constitutes at least a majority of the required quorum).

Community shareholders will be given the opportunity to exercise dissenters' rights in accordance with certain procedures specified in California Corporations Code Sections 1300, et. seq., which sections are attached as Annex D

to the attached joint proxy statement/prospectus and incorporated herein by reference. Community shareholders who do not vote in favor of the merger may demand that Community acquire their shares of Community common stock for cash at their fair market value as of February 26, 2018, the day of, and immediately prior to, the first public announcement of the terms of the merger, excluding any appreciation or depreciation in consequence of the merger. Community shareholders dissenting must file written demands that Community acquire their shares of Community common stock for cash and comply with the other procedural requirements set forth in California Corporations Code Sections 1300, et. seq. For additional details about dissenters' rights, please refer to Dissenters' Rights for Holders of Community Shares beginning on page 108 and Annex D to the accompanying joint proxy statement/prospectus.

Table of Contents

The Community Bank board of directors unanimously recommends that you vote in favor of approval of the principal terms of the merger agreement and the transactions contemplated by the merger agreement, including the merger, and the grant of discretionary authority to adjourn the special meeting, as described in the joint proxy statement/prospectus.

Whether or not you plan to attend the special meeting, please sign, date and return the enclosed proxy card in the postage prepaid envelope provided, or cast your vote by telephone or Internet by following the instructions on your proxy card, as soon as you can. The vote of every shareholder is important, and we appreciate your cooperation in returning your executed proxy promptly. If you do not vote, abstain from voting or do not instruct your broker how to vote any shares held by you in street name, the effect will be a vote AGAINST the merger.

Your proxy, or your telephone or Internet vote, is revocable and will not affect your right to vote in person if you attend the special meeting. If your shares are registered in your name and you attend the special meeting, you may simply revoke your previously submitted proxy by voting your shares at that time. If you receive more than one set of proxy materials because your shares are registered in different names or addresses, you will need to follow the instructions in each set of proxy materials that you receive to ensure that all your shares will be voted at the special meeting. If your shares are held by a broker or other nominee holder, and are not registered in your name, you will need additional documentation from your broker or other record holder to vote your shares in person at the special meeting. Please indicate on the proxy card whether or not you expect to attend the special meeting in person.

We appreciate your continuing support and look forward to seeing you at the special meeting.

By Order of the Board of Directors

**Wendy J. Welch-Keller
Corporate Secretary**

Dated: May 7, 2018
Pasadena, California

Table of Contents

TABLE OF CONTENTS

<u>QUESTIONS AND ANSWERS ABOUT THE MERGER AND THE SPECIAL MEETINGS</u>	1
<u>SUMMARY</u>	10
<u>RISK FACTORS</u>	29
<u>CAUTION REGARDING FORWARD-LOOKING STATEMENTS</u>	37
<u>CVB SPECIAL MEETING</u>	40
<u>COMMUNITY SPECIAL MEETING</u>	44
<u>THE MERGER</u>	48
<u>General</u>	48
<u>Merger Consideration</u>	48
<u>Background of the Merger</u>	49
<u>Community s Reasons for the Merger; Recommendation of the Merger by the Community Board of Directors</u>	59
<u>CVB s Reasons for the Merger; Recommendation of the Merger by the CVB Board of Directors</u>	62
<u>Opinions of Community s and CVB s Financial Advisors</u>	65
<u>Certain Unaudited Forward-Looking Information Exchanged by CVB and Community</u>	93
<u>Governing Documents</u>	94
<u>Board of Directors and Officers of CVB and Citizens After the Merger</u>	94
<u>Interests of Community Directors and Executive Officers in the Merger</u>	95
<u>Material U.S. Federal Income Tax Consequences of the Merger</u>	102
<u>Regulatory Approvals Required for the Merger</u>	105
<u>Accounting Treatment</u>	107
<u>Public Trading Markets</u>	107
<u>Exchange of Shares in the Merger</u>	107
<u>Dissenters Rights for Holders of Community Shares</u>	108
<u>THE MERGER AGREEMENT</u>	111
<u>Explanatory Note Regarding the Merger Agreement</u>	111
<u>Effects of the Merger</u>	111
<u>Effective Time of the Merger</u>	111
<u>Covenants and Agreements</u>	112
<u>Representations and Warranties</u>	121
<u>Conditions to Completion of the Merger</u>	123
<u>Termination</u>	125
<u>Termination Fee</u>	126
<u>Effect of Termination</u>	127
<u>Waiver; Amendment</u>	127
<u>Fees and Expenses</u>	127
<u>Community Voting and Support Agreements</u>	127
<u>CVB Voting and Support Agreement</u>	128
<u>Non-Competition, Non-Solicitation and Non-Disclosure Agreements</u>	129
<u>UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS</u>	131
<u>INFORMATION ABOUT THE COMPANIES</u>	137
<u>CVB Financial Corp. and Citizens Business Bank</u>	137
<u>Community Bank</u>	138
<u>MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF COMMUNITY</u>	148

<u>COMPARISON OF RIGHTS OF SHAREHOLDERS OF CVB AND COMMUNITY</u>	185
<u>BENEFICIAL OWNERSHIP OF CVB COMMON STOCK</u>	191
<u>BENEFICIAL OWNERSHIP OF COMMUNITY COMMON STOCK</u>	194
<u>LEGAL MATTERS</u>	197
<u>EXPERTS</u>	197
<u>OTHER MATTERS</u>	197
<u>SHAREHOLDER PROPOSALS FOR NEXT YEAR</u>	197
<u>CVB Financial Corp.</u>	197
<u>Community Bank</u>	197
<u>INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE</u>	198
<u>COMMUNITY BANK CONSOLIDATED FINANCIAL STATEMENTS</u>	F-1

Table of Contents

ANNEX A	<u>Agreement and Plan of Reorganization and Merger</u>	A-1
ANNEX B	<u>Fairness Opinion of Keefe, Bruyette & Woods, Inc.</u>	B-1
ANNEX C	<u>Fairness Opinion of D.A. Davidson & Co.</u>	C-1
ANNEX D	<u>Sections 1300-1313 of the California Corporations Code (Dissenters' Rights)</u>	D-1

Table of Contents

QUESTIONS AND ANSWERS ABOUT THE MERGER AND THE SPECIAL MEETINGS

*The following are brief answers to certain questions that you may have about the CVB Financial Corp. special meeting, the Community Bank special meeting and the merger. We urge you to read carefully the remainder of this joint proxy statement/prospectus, including the risk factors beginning on page 29, because the information in this section does not provide all of the information that might be important to you with respect to the merger and the special meetings. Additional important information is contained in the documents incorporated by reference into this joint proxy statement/prospectus. See *Where You Can Find Additional Information* and *Incorporation of Certain Documents by Reference*.*

Unless the context otherwise requires, throughout this joint proxy statement/prospectus, CVB refers to CVB Financial Corp., Citizens refers to Citizens Business Bank, Community refers to Community Bank and we, us and our refers collectively to CVB and Community. Additionally, we refer to the proposed merger of Community with and into Citizens as the merger, the Agreement and Plan of Reorganization and Merger, dated as of February 26, 2018, by and among CVB, Citizens and Community as the merger agreement, the issuance of the CVB common stock to the Community Bank shareholders in connection with the merger as the CVB share issuance, the CVB Financial Corp. special meeting of shareholders as the CVB meeting and the Community Bank special meeting of shareholders as the Community meeting.

Q: Why am I receiving this joint proxy statement/prospectus?

A: We are delivering this document to you because it is a joint proxy statement being used by both the CVB board of directors and the Community board of directors to solicit proxies of their respective shareholders in connection with the approval of the principal terms of the Agreement and Plan of Reorganization and Merger, dated as of February 26, 2018, pursuant to which Community will merge with and into Citizens.

CVB will hold a special meeting of its shareholders and Community will hold a special meeting of its shareholders for the approval of their respective proposals. This document serves as a joint proxy statement for the CVB meeting and the Community meeting and describes the proposals to be presented at each meeting.

In addition, this document is also a prospectus that is being delivered to Community shareholders because CVB is offering shares of its common stock to Community shareholders in connection with the merger.

This joint proxy statement/prospectus contains important information about the merger and the proposals being voted on at the CVB meeting and Community meeting. You should read it carefully and in its entirety. The enclosed materials allow you to have your shares voted by proxy without attending your meeting. Your vote is very important to us. We encourage you to submit your proxy as soon as possible.

Q: What is the merger?

A: CVB, Citizens and Community have entered into the merger agreement, pursuant to which Community will merge with and into Citizens, the separate existence of Community will cease and Citizens will continue as the surviving corporation immediately upon the closing of the merger. The terms of the merger are set forth in the

merger agreement, a copy of which is attached to this joint proxy statement/prospectus as Annex A.

Q: Why has the CVB board of directors approved the merger of Community with Citizens?

A: The CVB board of directors believes that CVB shareholders will benefit from the merger because the business potential for the combined companies exceeds what CVB could individually accomplish and that the similar and complementary financial products and services offered by Citizens and Community will contribute to enhanced future performance and long-term shareholder value. The CVB board of directors also believes that the combined company will benefit from, among other things:

enhanced growth opportunities resulting from a larger scale operation, including a broader customer base, more diversified sources of revenue, an expanded presence in Southern California, better operating leverage and increased lending capabilities;

Table of Contents

anticipated synergies by combining Community's lending strengths with CVB's valuable deposit base, and enhanced opportunities to grow relationship-based lending and low cost core deposits for the combined company; and

anticipated cost savings from expected efficiencies to be achieved in operations and systems, reduced payments to vendors and third parties, including lease payments and real estate costs, and elimination of duplicate positions, while achieving a greater ability to respond to increasing compliance requirements and greater regulation.

Please read the section entitled "The Merger - CVB's Reasons for the Merger; Recommendation of the Merger by the CVB Board of Directors" for additional discussion on the reasons why the CVB board of directors unanimously approved, and unanimously recommended that CVB shareholders approve, the merger agreement and the transactions contemplated by the merger agreement, including the merger and the CVB share issuance.

Q: Why has the Community board of directors approved the merger of Community with Citizens?

A: The Community board of directors has determined that the merger is fair to and in the best interests of Community and its shareholders. In reaching its decision to approve the merger agreement and the transactions contemplated thereby, the Community board of directors considered the long-term as well as the short-term interests and prospects of Community and its shareholders and determined that the merger was the best option reasonably available for its shareholders. In this regard, the Community board of directors considered the performance trends of Community over the past several years and the anticipated financial performance for Community in future years. The Community board of directors also considered the ability of Community to grow as an independent institution, the ability of Community to tap the public markets through an initial public offering, challenges presented in today's regulatory environment and its ability to further enhance shareholder value without engaging in a strategic transaction.

In reaching its decision to approve the merger agreement and the merger, the Community board of directors considered a number of factors, including, among other things, the following:

the financial and growth prospects for Community and its shareholders in a business combination with CVB as compared to continuing to operate as a stand-alone entity;

the benefits to Community and its customers of operating as part of a larger organization, potential enhancements to products and services, mitigation of business risks through diversification and greater financial resources; and

its belief that combining the two companies would create a larger and more diversified financial institution that is both better equipped to respond to economic and industry developments and better positioned to develop and build on its existing market position in Southern California.

Please read the section entitled "The Merger - Community's Reasons for the Merger; Recommendation of the Merger by the Community Board of Directors" for additional discussion on the reasons why the Community board of directors

unanimously approved, and unanimously recommended that Community shareholders approve, the merger agreement and the transactions contemplated by the merger agreement, including the merger.

Q: What are holders of CVB common stock being asked to vote on?

A: The CVB board of directors is soliciting proxies from holders of CVB common stock with respect to the following matters:

approval of the principal terms of the merger agreement and the transactions contemplated by the merger agreement, including the merger and the issuance of the CVB common stock to Community shareholders in connection with the merger; and

Table of Contents

adjournment of the CVB meeting if necessary or appropriate in the judgment of the CVB board of directors to solicit additional proxies or votes in favor of the approval of the principal terms of the merger agreement and the transactions contemplated by the merger agreement.

Because this is a special meeting of CVB shareholders, CVB will not transact any other business at the CVB meeting.

Q: What will holders of CVB common stock receive in the merger?

A: If you are a holder of CVB common stock, each share of common stock that you hold before the merger will continue to represent one share of CVB common stock after the merger. Accordingly, holders of CVB common stock will not receive anything in the merger for their shares.

Q: What are holders of Community common stock being asked to vote on?

A: Community is soliciting proxies from holders of its common stock with respect to the following matters:

approval of the principal terms of the merger agreement and the transactions contemplated by the merger agreement, including the merger and the cancellation of each outstanding share of Community common stock, other than any dissenting shares and excluded shares, in exchange for the right to receive 9.4595 shares of CVB common stock and \$56.00 per share in cash, subject to the merger consideration adjustments and other terms in the merger agreement; and

adjournment of the Community meeting if necessary or appropriate in the judgment of the Community board of directors to solicit additional proxies or votes in favor of the approval of the principal terms of the merger agreement and the transactions contemplated by the merger agreement.

Under the merger agreement, (i) dissenting shares mean any shares of Community common stock that meet the requirements of dissenting shares under the California Corporations Code; and (ii) excluded shares mean any shares of Community common stock held by CVB or any direct or indirect wholly-owned subsidiary of CVB or by Community or any direct or indirect wholly-owned subsidiary of Community, other than those held in a fiduciary capacity or as a result of debts previously contracted. See *The Merger Dissenters Rights for Holders of Community Shares*.

Because this is a special meeting of Community shareholders, Community will not transact any other business at the Community meeting.

Q: What will holders of Community common stock receive in the merger?

A: If you are a holder of Community common stock, each share of common stock that you hold before the merger will be converted into the right to fixed consideration (which we refer to as the *merger consideration*) consisting of 9.4595 shares of CVB common stock and \$56.00 per share in cash, subject to the merger consideration

adjustments and other terms set forth in the merger agreement. The exchange ratio in the merger will not be adjusted to reflect CVB common stock price changes between now and the closing, unless CVB exercises its right (but not the obligation) to reinstate the merger by increasing the merger consideration following a termination of the merger agreement by Community as a result of the average closing price of CVB common stock being less than \$20.13 per share and also underperforming the KBW Regional Banking Index by 15% or more. Accordingly, the dollar value of the stock consideration that Community shareholders may receive will change depending on fluctuations in the market price of CVB common stock and will not be known at the time you vote on the merger. You should obtain current stock quotations for CVB common stock, which is listed on the NASDAQ Global Select Market under the symbol CVBF.

The cash merger consideration will be reduced, on a per share basis, by the sum of the following, if any:

a tier 1 capital adjustment of \$2.50 for every dollar of adjusted tier 1 capital of Community below \$365 million as of the measurement date; plus

Table of Contents

a total noninterest-bearing deposit adjustment of 45.6% of every dollar of total noninterest-bearing deposits of Community below \$1.1 billion as of the measurement date; plus

a transaction costs adjustment of a dollar for every dollar of certain specified transaction costs of Community that exceeds \$6 million.

If the sum of the foregoing adjustments exceeds \$45,000,000, then 20% of the total adjustment amount in excess of \$45,000,000 (which we refer to as the excess adjustment amount) shall be applied to reduce the aggregate cash consideration and the remaining 80% of the excess adjustment amount shall be applied to reduce the aggregate stock consideration.

As of April 30, 2018, Community's estimated adjusted tier 1 capital was \$365.3 million.

Please see "The Merger" Merger Consideration for further discussion of the merger consideration.

Q: How will the merger affect outstanding Community restricted stock units?

A: At the effective time of the merger, each Community restricted stock unit will automatically accelerate in full and be converted into the right to receive the merger consideration.

Q: When and where are the special meetings?

A: The CVB meeting will be held at Citizens University Meeting Room, 701 N. Haven Avenue, Ontario, California 91764, on June 21, 2018, starting at 8:00 AM, local time.

The Community meeting will be held at Community Bank, 460 Sierra Madre Villa Avenue, Pasadena, California 91107, on June 21, 2018, starting at 10:00 AM, local time.

Q: What is the record date for the meetings?

A: The CVB board of directors has fixed the close of business on May 3, 2018, as the record date for the purpose of determining CVB shareholders entitled to notice of and to vote at the CVB meeting.

The Community board of directors has fixed the close of business on May 3, 2018, as the record date for the purpose of determining Community shareholders entitled to notice of and to vote at the Community meeting.

Q: How many votes do I have?

A:

You will have one vote for each share of CVB common stock or Community common stock that you owned, respectively, at the close of business on the record date, provided those shares are either held directly in your name as the shareholder of record or were held for you as the beneficial owner through a broker, bank, or other nominee.

Q: How does the CVB board of directors recommend that I vote at the CVB meeting if I am a holder of CVB common stock?

A: After careful consideration, the CVB board of directors unanimously recommends that CVB shareholders vote **FOR** approval of the principal terms of the merger agreement and the transactions contemplated by the merger agreement, including the merger and the CVB share issuance, and **FOR** the grant of discretionary authority to adjourn the special meeting as necessary or appropriate. CVB currently expects that CVB's directors and executive officers will vote their shares **FOR** the foregoing proposals.

In addition, the Vice Chairman of the CVB board of directors has entered into a voting and support agreement with Community, pursuant to which he has agreed to vote **FOR** approval of the merger agreement and the share issuance proposal. As of the record date, the CVB Vice Chairman beneficially owned and was entitled to vote 6,897,959 shares of CVB common stock, representing approximately 6.3% of the shares of CVB common stock outstanding on that date.

Table of Contents

Q: How does the Community board of directors recommend that I vote at the Community meeting if I am a holder of Community common stock?

A: After careful consideration, the Community board of directors unanimously recommends that the shareholders of Community vote **FOR** approval of the principal terms of the merger agreement and the transactions contemplated by the merger agreement, including the merger, and **FOR** the grant of discretionary authority to adjourn the special meeting as necessary or appropriate.

All of the directors and executive officers of Community have entered into voting and support agreements with CVB, pursuant to which they have agreed to vote **FOR** the merger proposal. As of the record date, the directors and executive officers of Community beneficially owned and were entitled to vote 1,137,796.09 shares of Community common stock, representing approximately 36.30% of the shares of Community common stock outstanding on that date.

Q: What do I need to do now?

A: After you have carefully read this joint proxy statement/prospectus and have decided how you wish to vote your shares, please vote your shares promptly so that your shares are represented and voted. If you hold stock in your name as a shareholder of record, you must complete, sign, date and mail your proxy card in the enclosed postage-prepaid return envelope as soon as possible, or call the toll-free telephone number or use the Internet as described in the instructions included with your proxy card. If you hold your stock in street name through a bank or broker or other nominee, you must direct your bank or broker or other nominee to vote in accordance with the instructions you have received from your bank or broker or other nominee.

Q: What constitutes a quorum for the CVB meeting?

A: The presence at the CVB meeting, in person or by proxy, of holders of a majority of the outstanding shares of CVB common stock entitled to vote at the CVB meeting will constitute a quorum for the transaction of business at the CVB meeting. Abstentions will be included in determining the number of shares present at the meeting for the purpose of determining the presence of a quorum. Since none of the proposals to be voted on at the CVB meeting are routine matters for which brokers may have discretionary authority to vote, if you hold your shares in street name, failure to provide instructions to your bank, broker or other nominee on how to vote will result in your shares not being counted as represented for purposes of establishing a quorum at the CVB meeting.

Q: What constitutes a quorum for the Community meeting?

A: The presence at the Community meeting, in person or by proxy, of holders of a majority of the outstanding shares of Community common stock entitled to vote at the Community meeting will constitute a quorum for the transaction of business at the Community meeting. Abstentions will be included in determining the number of shares present at the meeting for the purpose of determining the presence of a quorum. Since none of the proposals to be voted on at the Community meeting are routine matters for which brokers may have discretionary

authority to vote, if you hold your shares in street name, failure to provide instructions to your bank, broker or other nominee on how to vote will result in your shares not being counted as represented for purposes of establishing a quorum at the Community meeting.

Q: If my shares are held in street name through a bank, broker or other nominee, will my bank, broker or other nominee vote my shares for me?

A: No. Your bank, broker or other nominee cannot vote your shares without instructions from you, except for certain routine matters. None of the matters to be voted upon at the CVB meeting or the Community meeting constitutes a routine matter. You should instruct your bank, broker or other nominee as to how to vote your shares, following the directions your bank, broker or other nominee provides to you. Please check the voting form used by your bank, broker or other nominee. Without instructions, your shares will not be voted, which will have the effect described below.

Table of Contents

Q: What is the vote required to approve each proposal at the CVB meeting?

A: The affirmative vote of a majority of the shares of CVB common stock outstanding on the record date will be required to approve the principal terms of the merger agreement and the transactions contemplated by the merger agreement, including the merger and the CVB share issuance. Approval of the CVB adjournment proposal requires the affirmative vote of a majority of the shares of CVB common stock represented (in person or by proxy) at the CVB meeting and voting on the proposal (which affirmative vote constitutes at least a majority of the required quorum).

Q: What is the vote required to approve each proposal at the Community meeting?

A: The affirmative vote of a majority of the shares of Community common stock outstanding on the record date will be required to approve the principal terms of the merger agreement and the transactions contemplated by the merger agreement, including the merger. Approval of the Community adjournment proposal requires the affirmative vote of a majority of the shares of Community common stock represented (in person or by proxy) at the Community meeting and voting on the proposal (which affirmative vote constitutes at least a majority of the required quorum).

Q: Why is my vote important?

A: If you do not vote by proxy or in person, it will be more difficult to obtain the necessary quorum to hold the CVB and/or Community meeting. In addition, your failure to submit a proxy or vote in person, or failure to instruct your bank or broker or other nominee how to vote, or abstaining from voting will have the same effect as a vote AGAINST the merger proposal to be voted upon at the CVB meeting and Community meeting.

Q: Can I attend my company's meeting and vote my shares in person?

A: Yes. All holders of common stock of CVB and all holders of common stock of Community, including holders of record and holders whose shares are held through banks, brokers, nominees or any other holder of record, are invited to attend their respective meetings. Holders of record of CVB and Community common stock can vote in person at the CVB meeting and Community meeting, respectively. If you wish to vote in person at your company's meeting and if you are a holder of record, you should bring the enclosed proxy card and proof of identity. If you hold your shares in street name through a broker, or beneficially own your shares through another holder of record, you will need to bring with you and provide to the inspectors of election proof of identity and a letter from your bank, broker, nominee or other holder of record confirming your beneficial ownership of common stock as of the record date and authorizing you to vote such shares at your company's meeting (a legal proxy from your holder of record). At the appropriate time during your company's meeting, the shareholders present will be asked whether they wish to vote in person. If you wish to vote in person at your company's meeting, you should raise your hand at this time to receive a ballot to record your vote. Everyone who attends a meeting must abide by any rules for the conduct of the meeting distributed at the meeting.

Q: Can I change or revoke my vote?

A: *CVB shareholders:* Yes. If you are a holder of record of CVB common stock, you may change your vote or revoke your proxy at any time before it is voted by (1) signing and returning a proxy card with a later date, (2) delivering a written revocation letter to CVB's corporate secretary, (3) attending the CVB meeting in person, and voting by ballot at the CVB meeting or (4) voting by telephone or the Internet at a later time but before the cutoff time for voting. Attendance at the CVB meeting will not automatically revoke your proxy. A revocation letter or later-dated proxy first received by CVB after the vote will not affect the vote. CVB's corporate secretary's mailing address is: CVB Financial Corp., 701 N. Haven Avenue, Suite 350, Ontario, California 91764, Attention: Corporate Secretary.

Community shareholders: Yes. If you are a holder of record of Community common stock, you may change your vote or revoke any proxy at any time before it is voted by (1) signing and returning a proxy card with a

Table of Contents

later date, (2) delivering a written revocation letter to Community's corporate secretary at: Community Bank, 460 Sierra Madre Villa Avenue, Pasadena, California 91107, Attention: Corporate Secretary, (3) attending the Community meeting in person and voting by ballot at the meeting or (4) voting by telephone or the Internet at a later time but before the cutoff time for voting specified on your proxy card. Attendance at the Community meeting by itself will not automatically revoke your proxy. A revocation or later-dated proxy received after the vote will not affect the vote.

If you hold your shares of CVB common stock or Community common stock in street name through a bank or broker or other nominee, you should contact your bank or broker or other nominee to change your vote or revoke your proxy.

Q: Will Community be required to submit the proposal to approve the principal terms of the merger agreement to its shareholders even if the Community board of directors has withdrawn, modified or qualified its recommendation and what are the obligations of CVB to hold the CVB special meeting?

A: Unless the merger agreement is terminated before the Community meeting, Community is required to submit the proposal to approve the principal terms of the merger agreement to its shareholders even if the Community board of directors has withdrawn, modified or qualified its recommendation to approve the principal terms of the merger agreement. Unless the merger agreement is terminated before the CVB meeting, CVB is required to submit the proposal to approve the principal terms of the merger agreement to its shareholders at the CVB meeting.

Q: What are the material U.S. federal income tax consequences of the merger to holders of Community common stock?

A: The merger is intended to qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (which we refer to as the Code), and the merger is conditioned on the receipt by each of CVB and Community of a legal opinion from its respective counsel to the effect that the merger will so qualify. Assuming the merger qualifies as a reorganization, U.S. holders of Community common stock generally will recognize gain (but not loss) upon receipt of the merger consideration in exchange for Community common stock in an amount equal to the lesser of (1) the amount of gain realized (*i.e.*, the excess of the sum of the amount of cash (excluding any cash received in lieu of a fractional share) and the fair market value of the CVB common stock received pursuant to the merger over the adjusted tax basis in the Community common stock surrendered), and (2) the amount of cash received by such holder of Community common stock (excluding any cash received in lieu of a fractional share). Any gain or loss from cash received in lieu of a fractional share will be determined separately.

For a more detailed discussion of the material U.S. federal income tax consequences of the transaction, see Material U.S. Federal Income Tax Consequences of the Merger beginning on page 102.

The tax consequences of the merger to any particular holder of Community common stock will depend on that shareholder's particular facts and circumstances. Accordingly, you are urged to consult your own tax advisor for a full understanding of the tax consequences of the merger to you.

Q: Do Community shareholders have dissenters' rights with respect to approval of the principal terms of the merger agreement?

A: Yes, Community shareholders who do not vote in favor of the merger may demand that Community acquire their shares of Community common stock for cash at their fair market value as of February 26, 2018, the day of, and immediately prior to, the first public announcement of the terms of the merger, excluding any appreciation or depreciation in consequence of the merger. Community shareholders dissenting must file written demands that Community acquire their shares of Community common stock for cash and comply with the other procedural requirements set forth in California Corporations Code Sections 1300, et. seq. A copy of the applicable sections of Chapter 13 of the California Corporations Code is included with this joint proxy statement/prospectus as Annex D. For additional details about dissenters' rights, please refer to

Table of Contents

Dissenters' Rights for Holders of Community Shares beginning on page 108 and Annex D to the accompanying joint proxy statement/prospectus.

CVB is not obligated to complete the merger if dissenters' rights are perfected and exercised with respect to 10% or more of the outstanding shares of Community common stock. Please see The Merger Agreement Conditions to Completion of the Merger beginning on page 123.

Q: Are CVB shareholders entitled to dissenters' rights?

A: Under California law, CVB shareholders are not entitled to dissenters' rights in connection with the merger.

Q: Should Community shareholders send stock certificates at this time?

A: No, please do not send in your certificates, if you hold your shares in certificated form, until you receive instructions to do so. You are not required to take any special additional actions if your shares of Community stock are held in book-entry form. After the completion of the merger, an exchange agent will send you instructions for exchanging your shares for the merger consideration.

If you hold your Community shares in certificated form, and do not know where your stock certificates are located, you may want to find them now so you do not experience delays receiving your merger consideration. If you are unable to locate your original Community stock certificate(s), you should contact Computershare, Community's transfer agent, at 462 South 4th Street, Suite 1600, Louisville, Kentucky 40202; phone number (800) 962-4284.

Q: What should I do if I receive more than one set of voting materials?

A: CVB shareholders and Community shareholders may receive more than one set of voting materials, including multiple copies of this joint proxy statement/prospectus and multiple proxy cards or voting instruction cards. For example, if you hold shares of CVB or Community common stock in more than one brokerage account, you will receive a separate voting instruction card for each brokerage account in which you hold such shares. If you are a holder of record of CVB common stock or Community common stock and your shares are registered in more than one name, you will receive more than one proxy card. In addition, if you are a holder of both CVB common stock and Community common stock, you will receive one or more separate proxy cards or voting instruction cards for each company. Please complete, sign, date and return each proxy card and voting instruction card that you receive or otherwise follow the voting instructions set forth in this joint proxy statement/prospectus to ensure that you vote every share of CVB common stock and/or Community common stock that you own.

Q: What risks should a CVB or Community shareholder consider before voting on the merger proposals?

A: We encourage you to read the detailed information about the merger in this joint proxy statement/prospectus, including the Risk Factors section beginning on page 29.

Q: When do you expect to complete the merger?

A: CVB and Community expect to complete the merger in July or August of 2018. However, neither CVB nor Community can assure you of when or if the merger will be completed. CVB and Community must first obtain the approval of CVB shareholders and Community shareholders for the merger, as well as obtain necessary regulatory approvals and satisfy certain other conditions to closing.

Q: What happens if the merger is not completed?

A: If the merger is not completed, holders of Community common stock will not receive any consideration for their shares in connection with the merger. Instead, each of CVB and Community will remain an independent company and their respective common stock will continue to be listed and traded on the

Table of Contents

NASDAQ Global Select Market and OTC Pink, respectively. In addition, if the merger agreement is terminated in certain circumstances, a termination fee may be required to be paid by Community to CVB. Please see The Merger Agreement Termination on page 125 for a complete discussion of the circumstances under which termination fees will be required to be paid.

Q: Where do I get more information?

A: If you have questions about the merger or submitting your proxy, or if you need additional copies of this document, the proxy card or any documents incorporated by reference, you should contact one of the following:

CVB Shareholders

Georgeson LLC

1290 Avenue of the Americas, 9th Floor

New York, NY 10104

Toll-Free Telephone: 1-800-733-6198

Community Shareholders

Georgeson LLC

1290 Avenue of the Americas, 9th Floor

New York, NY 10104

Toll-Free Telephone: 1-800-676-0098

Table of Contents

SUMMARY

*This summary highlights selected information contained in this joint proxy statement/prospectus. It may not contain all of the information that is important to you in deciding how to vote on the matters that will be voted on at the CVB meeting or Community meeting. You should carefully read this entire document and the other documents referred to in this joint proxy statement/prospectus for a more complete understanding of the merger described herein and the other matters that will be considered and voted on at the special meetings. In addition, we incorporate important business and financial information about CVB by reference into this joint proxy statement/prospectus. You may obtain the information incorporated by reference into this joint proxy statement/prospectus without charge by following the instructions in the section entitled *Where You Can Find Additional Information*.*

INFORMATION ABOUT THE COMPANIES

CVB Financial Corp. and Citizens Business Bank (see page 137)

701 N. Haven Avenue, Suite 350

Ontario, California 91764

Telephone: (909) 980-4030

CVB Financial Corp. is a California corporation that is registered as a bank holding company under the Bank Holding Company Act of 1956, as amended, or the BHC Act. As of December 31, 2017, CVB had consolidated total assets of approximately \$8.27 billion, total deposits of approximately \$6.55 billion, and total shareholders' equity of approximately \$1.07 billion. CVB had 845 full-time and part-time employees as of December 31, 2017.

CVB provides a wide range of banking services through Citizens, its wholly-owned subsidiary. Citizens is a California state-chartered bank headquartered in Ontario, California, and has been conducting business since 1974, originally under the name Chino Valley Bank. Citizens is an independent community bank that offers a full range of banking services in 51 banking centers located in the Inland Empire, Los Angeles County, Orange County, San Diego County, Ventura County, Santa Barbara County and the Central Valley area of California. Citizens also operates three trust offices located in Ontario, Newport Beach and Pasadena. These offices serve as sales offices for its wealth management, trust and investment products. Citizens also operates a loan production office in Stockton, California.

Through its network of banking offices, Citizens emphasizes personalized service combined with a full range of banking and trust services for businesses, professionals and individuals. Although Citizens focuses the marketing of its services to small- and medium-sized businesses, a full range of banking, investment and trust services are made available to the local consumer market.

For further information, see *Information about the Companies - CVB Financial Corp. and Citizens Business Bank* beginning on page 137. CVB's principal executive offices are located at 701 N. Haven Avenue, Suite 350, Ontario, California 91764, and its telephone number is (909) 980-4030.

Community Bank (see page 138)

460 Sierra Madre Villa Avenue

Pasadena, California 91107

Telephone: (800) 788-9999

Table of Contents

Community Bank, headquartered in Pasadena, California, is an independent Southern California regional community bank, founded in 1945. In addition to the Pasadena headquarters office, there are sixteen full-service branches in Southern California. Community's principal business is to provide full-service commercial and retail banking services primarily in Southern California. Community offers commercial and retail banking services designed for small and medium-sized businesses, professionals and retail customers located in Los Angeles, Orange, San Bernardino and Riverside Counties.

At December 31, 2017, Community had consolidated total assets of \$3.7 billion, total loan balances of \$2.7 billion, and total deposits of \$2.9 billion. Community had 426 full-time equivalent employees as of December 31, 2017.

For further information, see Information about the Companies Community Bank beginning on page 138. Community's principal executive offices are located at 460 Sierra Madre Villa Avenue, Pasadena, California 91107, and its telephone number is (800) 788-9999.

THE MERGER AND THE MERGER AGREEMENT

Community Will Merge with and into Citizens (see page 111)

The terms and conditions of the merger are contained in the merger agreement, which is attached to this joint proxy statement/prospectus as Annex A. The parties encourage you to read the merger agreement carefully, as it is the legal document that governs the merger.

Subject to the terms and conditions of the merger agreement described in this joint proxy statement/prospectus, and in accordance with California law, Community will merge with and into Citizens, the separate existence of Community will cease and Citizens will continue as the surviving corporation immediately upon the closing of the merger. Citizens' articles of incorporation and bylaws, as in effect immediately prior to the closing of the merger, will be the articles of incorporation and bylaws of the combined company. We refer in this joint proxy statement/prospectus to Community and Citizens, on a consolidated basis in their capacity as the legal surviving corporation, as the combined company.

Community Common Shareholders Will Receive 9.4595 Shares of CVB Common Stock and \$56.00 per Share in Cash for Each Share of Community Common Stock, Subject to Potential Adjustments; CVB Shareholders Will Retain Their Shares (see page 48)

The merger agreement provides that Community common shareholders will receive 9.4595 shares of CVB common stock and \$56.00 per share in cash for each share of Community common stock they own, subject to merger consideration adjustments and other terms of the merger agreement. The cash consideration is subject to reduction, on a per share basis, by the sum of the following, if any:

a tier 1 capital adjustment of \$2.50 for every dollar of adjusted tier 1 capital of Community below \$365 million as of the measurement date set forth in the merger agreement, if any; plus

a total noninterest-bearing deposit adjustment of 45.6% of every dollar of total noninterest-bearing deposits of Community below \$1.1 billion as of the measurement date, if any; plus

a transaction costs adjustment in the amount, if any, by which certain specified transaction costs of Community exceed \$6 million.

If the sum of the foregoing adjustments exceeds \$45,000,000, then 20% of the total adjustment amount in excess of \$45,000,000 (which we refer to as the excess adjustment amount) shall be applied to reduce the aggregate cash consideration and the remaining 80% of the excess adjustment amount shall be applied to reduce the aggregate stock consideration.

As of April 30, 2018, Community's estimated adjusted tier 1 capital was \$365.3 million.

Table of Contents

Upon completion of the merger, current CVB shareholders and current Community shareholders will own approximately 78.6% and 21.4%, respectively, of the combined company. It is a condition to completion of the merger that the shares of CVB common stock issued in the merger shall be listed for trading on the NASDAQ Global Select Market, which is the stock exchange on which CVB common stock is currently listed for trading. Upon completion of the merger, the Community common stock currently listed on the OTC Pink will cease to be listed.

Assuming the number of shares of Community common stock and Community restricted stock units outstanding at the time of the merger equaled the number of shares outstanding on February 26, 2018 and that the value of CVB common stock at the time of the merger equaled \$23.60 per share, the closing price as of February 26, 2018, the aggregate merger consideration for those Community shares would be approximately \$885.2 million. As noted below, however, the total value of CVB common stock and cash consideration issued to Community shareholders upon completion of the merger will fluctuate based on the share price of CVB common stock and the number of shares of Community common stock and restricted stock units outstanding on the date of the merger and the merger consideration adjustments pursuant to the merger agreement.

Merger Consideration Is Fixed (see page 48)

The exchange ratio in the merger will not be adjusted to reflect CVB common stock price changes between now and the closing, unless CVB exercises its right (but not obligation) to reinstate the merger by increasing the merger consideration following a termination of the merger agreement by Community as a result of the average closing price of CVB common stock being less than \$20.13 per share and also underperforming the KBW Regional Banking Index by 15% or more. Accordingly, the dollar value of the stock consideration that Community shareholders may receive will change depending on fluctuations in the market price of CVB Financial Corp. common stock and will not be known at the time you vote on the merger.

Based on the closing price of CVB Financial Corp. common stock on February 26, 2018, the last trading day prior to the public announcement of the merger, and \$56.00 per share in cash consideration and assuming no merger consideration adjustments, the merger consideration represented a value of \$279.24 per share of Community Bank common stock. Using the closing price of CVB Financial Corp. common stock on May 3, 2018 and including \$56.00 per share in cash consideration, the merger consideration represented a value of \$266.47 per share of Community Bank common stock. You should obtain current stock quotations for CVB common stock, which is listed on the NASDAQ Global Select Market under the symbol CVBF.

Voting and Support Agreements (see pages 127 and 128)

All of the directors and executive officers of Community and the Vice Chairman of the CVB board of directors have entered into voting and support agreements pursuant to which they have agreed, as applicable, to vote **FOR** the proposals set forth in this joint proxy statement/prospectus. As of the record date, the directors and executive officers of Community beneficially owned and were entitled to vote 1,137,796.09 shares of Community common stock, representing approximately 36.30% of the shares of Community common stock outstanding on that date. As of the record date, the Vice Chairman of the CVB board of directors beneficially owned and was entitled to vote 6,897,959 shares of CVB common stock, representing approximately 6.3% of the shares of CVB common stock outstanding on that date. For more information regarding the voting and support agreements, please see the section entitled **The Merger Agreement CVB Voting and Support Agreement** beginning on page 128 and **The Merger Agreement Community Voting and Support Agreements** beginning on page 127.

Our Boards of Directors Unanimously Recommend that CVB Shareholders and Community Shareholders Approve the Merger Agreement and the Merger (see pages 59 and 62)

CVB Shareholders. After careful consideration, the CVB board of directors has unanimously determined that the principal terms of the merger agreement and the transactions contemplated by the merger agreement, including

Table of Contents

the merger and the issuance of CVB shares to Community shareholders in the merger, are advisable and in the best interests of CVB and its shareholders and unanimously recommends that CVB shareholders vote FOR the approval of the principal terms of the merger agreement and the transactions contemplated by the merger agreement, including the merger and the CVB share issuance.

Community Shareholders. After careful consideration, the Community board of directors has unanimously determined that the principal terms of the merger agreement and the transactions contemplated by the merger agreement, including the merger, are advisable and in the best interests of Community and its shareholders and unanimously recommends that Community shareholders vote FOR the approval of the principal terms of the merger agreement.

Factors Considered by Our Boards of Directors. In determining whether to approve the merger, our boards of directors each evaluated the merger and the merger agreement, in consultation with our respective senior managements and legal and financial advisors, and considered the respective strategic, financial and other considerations referred to under The Merger CVB s Reasons for the Merger; Recommendation of the Merger by the CVB Board of Directors beginning on page 62 and The Merger Community s Reasons for the Merger; Recommendation of the Merger by the Community Board of Directors beginning on page 59.

Opinions of Financial Advisors (see page 65)

Opinion of CVB s Financial Advisor. In connection with the CVB board of directors consideration of the merger, CVB s financial advisor, Keefe, Bruyette & Woods, Inc., or KBW, provided its opinion to the CVB board of directors dated as of February 26, 2018 that, as of that date, and based upon and subject to the assumptions, considerations, qualifications and limitations set forth in its opinion, the aggregate merger consideration in the proposed merger was fair, from a financial point of view, to CVB. The full text of KBW s opinion is attached as Annex B to this joint proxy statement/prospectus. Holders of CVB common stock are urged to read the entire opinion carefully in connection with their consideration of the proposed merger.

Opinion of Community s Financial Advisor. In connection with the Community board of directors consideration of the merger, Community s financial advisor, D.A. Davidson & Co., or Davidson, provided its opinion to the Community board of directors, dated February 26, 2018, to the effect that, as of such date and based upon the qualifications and assumptions set forth in the written opinion, the consideration to be paid to the holders of Community common stock was fair, from a financial point of view, to such holders of Community common stock in the proposed merger. The full text of Davidson s opinion is attached as Annex C to this joint proxy statement/prospectus. Holders of Community common stock are urged to read the entire opinion carefully in connection with their consideration of the proposed merger.

Community Shareholders Will Have Dissenters Rights (see page 108)

Under the California Corporations Code, Community common shareholders will be entitled to dissenters rights in connection with the merger. Community shareholders who do not vote in favor of the merger, timely file written demands that Community acquire their shares of Community common stock for cash and comply with the other procedural requirements set forth in California Corporations Code Sections 1300, et. seq. may demand that Community acquire their shares of Community common stock for cash at their fair market value as of February 26, 2018, the day of, and immediately prior to, the first public announcement of the terms of the merger, excluding any appreciation or depreciation in consequence of the merger.

The provisions of California law governing dissenters' rights are complex, and you should study them carefully if you hold any such shares and wish to exercise your dissenters' rights. A copy of Sections 1300-1313 of the California Corporations Code is attached to this joint proxy statement/prospectus as Annex D. For a more detailed discussion of dissenters' rights under California law, please see the section entitled "The Merger - Dissenters' Rights for Holders of Community Shares" beginning on page 108 of this joint proxy statement/prospectus.

Table of Contents

CVB Shareholders Will Not Have Dissenters' Rights

Under California law, holders of CVB common stock will not be entitled to dissenters' rights in connection with the merger.

Interests of Directors and Executive Officers of Community in the Merger (see page 95)

Directors and executive officers of Community have interests in the merger that are different from, or are in addition to, the interests of the shareholders of Community. These interests include:

Community directors and executive officers have Community restricted stock units that, under the merger agreement, will accelerate in full upon completion of the merger and be converted into, and be exchanged for, the merger consideration;

Marshall V. Laitsch, the chairman of the Community board of directors, will be appointed to serve on the boards of directors of CVB and Citizens effective upon completion of the merger, and will be included on the list of nominees for directors presented by the CVB board of directors and for which the CVB board of directors will solicit proxies at the first annual meeting of CVB following the completion of the merger;

Community executive officers are participants in plans and party to agreements that provide for severance payments and other benefits upon a qualifying termination of employment within 12 months following a change in control of Community;

Community executive officers will receive cash payments pursuant to bonus plans and the non-competition, non-solicitation and non-disclosure agreements and releases;

Community executive officers participate in Community's employee 401(k) retirement/savings plan that, under the merger agreement, will terminate, and the nondiscretionary matching employer contributions and discretionary nonelective employer contributions will accelerate in full upon termination of the plan;

Certain Community directors and executive officers participate in Community's deferred compensation plan and, upon completion of the merger, all accounts under such plan will become immediately payable in full, rather than continuing to be deferred and payable at a later date or dates; and

Community directors and executive officers will receive continued indemnification and director's and officer's liability insurance coverage for six (6) years following the merger, subject to the terms of the merger agreement.

The board of directors of CVB and Community were aware of the foregoing interests and considered them, among other matters, in approving the merger agreement and the merger. For a more complete description of the interests of Community's directors and executive officers in the merger, see "The Merger - Interests of Community Directors and

Executive Officers in the Merger beginning on page 95.

Boards of Directors and Officers of CVB and Citizens After the Merger (page 94)

The directors and officers of CVB and Citizens immediately prior to the effective time of the merger will be the directors and officers of CVB and the surviving corporation until the earlier of their resignation or removal or until their respective successors are duly appointed and qualified. In addition, prior to the closing of the merger, the CVB board of directors and the Citizens board of directors will take all actions necessary to appoint Marshall V. Laitsch, the current chairman of the Community board of directors, to the CVB board of directors and Citizens board of directors effective upon the closing of the merger. The CVB board of directors also will recommend that Mr. Laitsch be included as a director candidate for election in the CVB proxy statement for the 2019 annual meeting of CVB shareholders.

Table of Contents

Regulatory Approvals Required for the Merger (see page 105)

CVB, Citizens and Community have each agreed to use reasonable best efforts to obtain all regulatory approvals required to complete the merger. Regulatory approvals are required from the Federal Deposit Insurance Corporation (referred to as the FDIC) and the California Department of Business Oversight (referred to as the DBO). CVB has confirmed with a representative at the Board of Governors of the Federal Reserve System (referred to as the Federal Reserve) that no approval is required from the Federal Reserve as the merger meets the requirements of the approval exemption set forth in Section 225.12(d)(1) of Regulation Y under the BHC Act. As of the date of this joint proxy statement/prospectus, CVB, Citizens and Community have submitted applications and notifications to obtain the required regulatory approvals. There can be no assurances that such approvals will be received on a timely basis, or as to the ability of CVB, Citizens and Community to obtain the approvals on satisfactory terms or the absence of litigation challenging such approvals. The regulatory approvals to which completion of the merger are described in more detail under the section entitled The Merger Regulatory Approvals Required for the Merger beginning on page 105.

Expected Timing of the Merger

We expect to complete the merger in July or August of 2018 if we receive shareholder and regulatory approvals for the merger and the other conditions to closing are satisfied. The merger agreement provides that it may be terminated by either CVB or Community if the merger has not been consummated by October 31, 2018. The merger agreement may also be extended, but not past December 31, 2018, if the only unsatisfied condition to consummating the merger is receipt of any requisite regulatory approval.

Conditions to Completion of the Merger (see page 123)

The respective obligations of CVB and Citizens, on the one hand, and Community, on the other, to complete the merger are each subject to the satisfaction or waiver of the following conditions:

receipt by CVB of CVB shareholders approval;

receipt by Community of Community shareholders approval;

the receipt of all regulatory approvals required from the FDIC and the DBO;

the effectiveness of CVB s SEC registration statement on Form S-4, of which this joint proxy statement/prospectus is a part, and the absence of any stop order or proceeding initiated or threatened by the SEC for that purpose;

no injunction or decree or law prohibiting the consummation of the merger shall be in effect;

the shares of CVB common stock to be issued in the merger shall have been approved for listing on the NASDAQ Global Select Market;

the aggregate value of CVB common stock to be issued in the merger must represent at least 42% of the aggregate cash plus such value of aggregate CVB common stock value;

the accuracy of the representations and warranties of each party set forth in the merger agreement, subject to the materiality standards set forth in the merger agreement, as of the date of the merger agreement and as of the closing date of the merger as though made at and as of the closing date (except that representations and warranties that by their terms speak as of the date of the merger agreement or some other date need only be true and correct as of such date);

performance in all material respects by each party of the obligations required to be performed by it at or prior to the closing date of the merger;

Table of Contents

the absence of a material adverse effect on CVB or Community since the date of the merger agreement; and

the receipt by each of CVB and Community of the opinions of its respective tax counsel, dated the closing date of the merger, to the effect that the merger will qualify as a reorganization within the meaning of Section 368(a) of the Code.

The obligation of CVB and Citizens to consummate the merger is also conditioned upon, among other things,

the adjusted tier 1 capital of Community being equal to or greater than \$355.0 million as of the last day of the month immediately preceding the month in which the closing of the merger occurs, which we refer to as the measurement date (except that if the closing occurs within the first 10 days of any month, the measurement date will be the last day of the second month immediately preceding the month in which the closing of the merger occurs);

the total non-maturity deposits of Community being equal to or greater than \$2.1 billion as of the measurement date; and

holders of not more than 10% of the outstanding shares of Community common stock shall have exercised their dissenters' rights.

The obligation of Community to consummate the merger is also conditioned upon, among other things, the CVB board of directors and the Citizens board of directors having taken all action necessary to appoint the current Chairman of the Community board of directors to serve as a director on the CVB board of directors and the Citizens board of directors, respectively upon the closing of the merger.

No Solicitation of Competing Offers (see page 112)

Under the terms of the merger agreement, Community has agreed not to, directly or indirectly, initiate, solicit, encourage or knowingly facilitate any inquiries or the making of proposals with respect to, or engage in any negotiations concerning, or provide any confidential or nonpublic information or data to, or have any discussions with, any person relating to, any alternative acquisition proposal (as defined below in the section entitled "The Merger Agreement Covenants and Agreements No Solicitation of Alternative Transactions").

Notwithstanding these restrictions, the merger agreement provides that under specified circumstances, if Community receives an unsolicited bona fide alternative acquisition proposal and the board of directors of Community concludes in good faith that such alternative acquisition proposal constitutes, or is reasonably likely to result in, a superior proposal (as defined below in the section entitled "The Merger Agreement Covenants and Agreements"), then Community and its board of directors may furnish or cause to be furnished nonpublic information and participate in such negotiations or discussions to the extent that the board of directors of Community concludes in good faith that taking such actions would be necessary in order for the Community board of directors to comply with its fiduciary duties to its shareholders under applicable law; provided that prior to providing any such nonpublic information or engaging in any such negotiations, Community entered into a confidentiality agreement with such third party.

Under the terms of the merger agreement, none of the members of the board of directors of Community may, except as expressly permitted by the merger agreement, make a change of recommendation (as defined below in the section

entitled "The Merger Agreement, Covenants and Agreements"), or cause or commit Community to enter into any agreement or understanding other than the confidentiality agreement referred to above relating to any alternative acquisition proposal made to Community. Nevertheless, in the event that Community receives an alternative acquisition proposal that the Community board of directors concludes in good faith constitutes a superior proposal, the board of directors of Community may make a change of recommendation or terminate the

Table of Contents

merger agreement to enter into a definitive agreement for a superior proposal, subject, in each case, to Community complying with the procedures and other provisions set forth in the merger agreement with respect to an alternative acquisition proposal, all as further described in the sections entitled The Merger Agreement Covenants and Agreements No Solicitation of Alternative Transactions, The Merger Agreement Termination and The Merger Agreement Termination Fee. Community has agreed to call and hold a special meeting at which shareholders will consider and vote upon the merger proposal, even if Community receives an alternative acquisition proposal or makes an adverse change of recommendation, unless the merger agreement is terminated in accordance with its terms.

Termination of the Merger Agreement (see page 125)

The merger agreement may be terminated under the following circumstances:

by mutual consent of CVB, Citizens and Community, as authorized by their respective board of directors, at any time prior to the effective time of the merger, whether before or after the receipt of the requisite CVB shareholder approval or Community shareholder approval;

by action of the CVB board of directors or the Community board of directors, if the merger is not completed on or before October 31, 2018 (which date may be extended to December 31, 2018 if the only unsatisfied condition to completing the merger is receiving regulatory approval), which date is referred to as the outside date, except to the extent that the failure of the merger to be consummated results from the knowing action or inaction of the party seeking to terminate, which action or inaction is in violation of its obligations under the merger agreement;

by action of the CVB board of directors or the Community board of directors, if the approval of any governmental authority required for consummation of the merger and the other transactions contemplated by the merger agreement has been denied by final and nonappealable action of such governmental authority, or an application therefor has been permanently withdrawn by mutual agreement of the parties at the request or suggestion of a governmental authority;

by action of the CVB board of directors or the Community board of directors, if Community shareholder approval or CVB shareholder approval is not obtained;

by action of the CVB board of directors or the Community board of directors, if there has been a breach of any representation, warranty, covenant or agreement made by the other party, such that if continuing on the closing date of the merger, the condition as to the accuracy of the representations and warranties or the compliance with covenants by the other party would not be satisfied and such breach or condition is not curable or, if curable, is not cured within 30 calendar days after written notice thereof is given by the terminating party (or such shorter period as remaining prior to the outside date); provided, that the terminating party is not then in material breach of any representation, warranty, covenant or agreement;

by action of the CVB board of directors at any time prior to the receipt of Community shareholder approval if: (i) Community materially breaches its non-solicitation obligations relating to alternative acquisition proposals; (ii) the Community board of directors shall have effected a change in recommendation to its shareholders; (iii) the Community board of directors fails to affirm its recommendation within the required time period after an acquisition proposal is made; or (iv) the Community board recommends a tender offer or fails to recommend against such tender offer within 10 business days after commencement thereof;

by action of the Community board of directors at any time prior to the receipt of Community shareholder approval in order to enter into a definitive agreement providing for a superior proposal obtained by Community without breaching the merger agreement; and

Table of Contents

by action of the CVB board of directors or Community board of directors, if (i) the average CVB closing stock price over a 20-day period ending on the fifth business day prior to closing is less than \$20.13 per share and (ii) such average CVB closing stock price underperforms the 20-day average closing price of the KBW Regional Banking Index by 15% or more. If Community elects to so terminate the merger agreement, CVB may elect to reinstate the merger by increasing the exchange ratio (or the cash payment in lieu thereof) to an amount equal to the lesser of the amount that would be payable to satisfy the conditions in clauses (i) or (ii) of the preceding sentence, as further described in The Merger Agreement Termination.

Termination Fee (see page 126)

Community has agreed to pay CVB a termination fee of \$35,132,000 in the following circumstances:

the merger agreement is terminated by Community in order for Community to enter into a definitive agreement providing for a superior acquisition proposal;

CVB terminates the merger agreement due to (i) Community materially breaching its non-solicitation obligations relating to alternative acquisition proposals; (ii) the Community board of directors effecting a change in recommendation to its shareholders; (iii) the Community board of directors failing to affirm its recommendation within the required time period after an acquisition proposal is made; or (iv) the Community board recommending a tender offer or failing to recommend against such tender offer within 10 business days after commencement thereof; or

(i) if an acquisition proposal is made to Community or to its shareholders publicly; (ii) if CVB or Community terminates the merger agreement for failure to consummate the merger by the outside date or to obtain the approval of Community shareholders, or if CVB terminates the merger agreement for breach; and (iii) Community enters into a definitive agreement with respect to or consummates certain acquisition proposals within 18 months of any such termination of the merger agreement.

The termination fee could discourage other companies from seeking to acquire or merge with Community prior to completion of the merger. For more information, please see The Merger Agreement Termination Fee.

Material U.S. Federal Income Tax Consequences of the Merger (see page 102)

The merger has been structured to qualify for U.S. federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Code, and it is a condition to our respective obligations to complete the merger that CVB and Community each receive a legal opinion from its legal counsel to the effect that the merger will so qualify. If the merger qualifies as a reorganization for U.S. federal income tax purposes and you are a holder of Community common stock, you generally will recognize gain (but not loss) upon receipt of the merger consideration in exchange for Community common stock in an amount equal to the lesser of (1) the amount of gain realized (*i.e.*, the excess of the sum of the amount of cash (excluding any cash received in lieu of a fractional share) and the fair market value of the CVB common stock received pursuant to the merger over the adjusted tax basis in the Community common stock surrendered), and (2) the amount of cash received by such holder of Community common stock (excluding any cash received in lieu of a fractional share). Any gain or loss from cash received in lieu of a fractional share will be determined separately. If you are a holder of CVB common stock who will retain your CVB common stock without change, you will not recognize any gain or loss for U.S. federal income tax purposes.

The U.S. federal income tax consequences of the merger to you will depend upon your own particular facts and circumstances. In addition, you may be subject to state, local or foreign tax laws, none of which is discussed in this joint proxy statement/prospectus. You should, therefore, consult with your own tax advisor for a complete understanding of the tax consequences of the merger to you. For more information, please see the section entitled Material U.S. Federal Income Tax Consequences of the Merger beginning on page 102.

Table of Contents

Non-Competition, Non-Solicitation and Non-Disclosure Agreement (see page 124)

Concurrently with the execution and delivery of the merger agreement:

certain directors of Community have entered into a non-competition, non-solicitation and non-disclosure agreement pursuant to which such directors have agreed not to compete against Citizens or solicit the employees or customers of Citizens (or the former Community Bank), in each case, for a period of 24 months after the effective time of the merger;

certain other directors of Community have entered into a non-competition, non-solicitation and non-disclosure agreement pursuant to which such directors have agreed not to compete against Citizens for a period of six months after the effective time of the merger, become connected in any capacity (including as an employee, officer, shareholder or director) with two specified banks within a period of 24 months after the effective time of the merger, or solicit the employees or customers of Citizens (or the former Community Bank) for a period of 24 months after the effective time of the merger;

the Chief Executive Officer of Community has entered into a non-competition, non-solicitation and non-disclosure agreement pursuant to which such officer has agreed not to compete against Citizens or solicit the employees or customers of Citizens (or the former Community Bank), in each case, for a period of 24 months after the Effective Time;

the President and Chief Banking Officer of Community has entered into a non-competition, non-solicitation and non-disclosure agreement pursuant to which such officer has agreed not to compete against Citizens or solicit the employees or customers of Citizens (or the former Community Bank), in each case, for a period of 12 months after the effective time of the merger; and

certain other executive officers of Community have entered into a non-solicitation and non-disclosure agreement pursuant to which such officers have agreed not to solicit the employees or customers of Community and Citizens (or the former Community Bank), in each case, for a period of 12 months after the effective time of the merger.

Additionally, these directors and executive officers of Community have agreed, among other things, not to make use of any trade secrets of Community or disclose any trade secrets to any other person on the terms set forth in their respective non-solicitation and non-disclosure agreement.

The Rights of Community Shareholders Will Change as Result of the Merger (see page 185)

The rights of Community shareholders who continue as CVB shareholders after the merger will be governed by the articles of incorporation and bylaws of CVB rather than the articles of incorporation and bylaws of Community. For more information, please see the section entitled Comparison of Rights of Shareholders of CVB and Community beginning on page 185.

Risk Factors (see page 29)

Before voting at the CVB meeting or Community meeting, you should carefully consider all of the information contained in or incorporated by reference into this joint proxy statement/prospectus, including the risk factors set forth in the section entitled **Risk Factors** beginning on page 29 and the risk factors described in CVB's Annual Report on Form 10-K for the year ended December 31, 2017 and other reports filed with the SEC, which are incorporated by reference into this joint proxy statement/prospectus. Please see the section entitled **Where You Can Find Additional Information**.

Table of Contents

THE SPECIAL MEETINGS

CVB Special Meeting (see page 40)

The CVB meeting will be held at Citizens University Meeting Room, 701 N. Haven Avenue, Ontario, California 91764 on June 21, 2018, starting at 8:00 AM, local time. At the CVB meeting, the holders of CVB common stock will be asked to vote on the following matters:

approval of the principal terms of the merger agreement and the transactions contemplated by the merger agreement, including the merger and the issuance of the CVB common stock to Community shareholders in connection with the merger; and

adjournment of the CVB meeting if necessary or appropriate in the judgment of the CVB board of directors to solicit additional proxies or votes in favor of the approval of the principal terms of the merger agreement and the transactions contemplated by the merger agreement.

You may vote at the CVB meeting if you owned shares of CVB common stock at the close of business on May 3, 2018. On that date, 110,262,742 shares of CVB common stock were outstanding, 6.9% of which were owned and entitled to be voted by CVB directors and executive officers. We currently expect that CVB's directors and executive officers will vote their shares in favor of the merger, although none of them, other than the CVB Vice Chairman, has entered into any agreement obligating them to do so. The CVB Vice Chairman has entered into a voting and support agreement with Community pursuant to which he has agreed to vote the CVB shares beneficially owned by him in favor of the merger at the CVB meeting. As of the record date, the CVB Vice Chairman beneficially owned and was entitled to vote 6,897,959 shares of CVB common stock, representing approximately 6.3% of the shares of CVB common stock outstanding on that date.

The affirmative vote of a majority of the shares of CVB common stock outstanding on the record date will be required to approve the principal terms of the merger agreement and the transactions contemplated by the merger agreement, including the merger and the CVB share issuance. Approval of the adjournment proposal requires the affirmative vote of a majority of the shares of CVB common stock represented (in person or by proxy) at the CVB meeting and voting on the proposal (which affirmative vote constitutes at least a majority of the required quorum). See CVB Special Meeting beginning on page 40 for information regarding voting at the CVB meeting.

Community Special Meeting (see page 44)

The Community meeting will be held at Community Bank, 460 Sierra Madre Villa Avenue, Pasadena, California 91107 on June 21, 2018, starting at 10:00 AM, local time. At the Community meeting, Community shareholders will be asked to vote on the following matters:

approval of the principal terms of the merger agreement and the transactions contemplated by the merger agreement, including the merger and the cancellation of each outstanding share of Community common stock, other than any dissenting shares and excluded shares, in exchange for the right to receive 9.4595 shares of CVB common stock and \$56.00 per share in cash, subject to the merger consideration adjustments and other terms in the merger agreement; and

adjournment of the Community meeting if necessary or appropriate in the judgment of the Community board of directors to solicit additional proxies or votes in favor of the approval of the principal terms of the merger agreement and the transactions contemplated by the merger agreement.

You may vote at the Community meeting if you owned shares of Community common stock at the close of business on May 3, 2018. On that date, 3,134,094.4 shares of Community common stock were outstanding.

Table of Contents

All of the directors and executive officers of Community have entered into voting and support agreements with CVB, pursuant to which they have agreed to vote FOR the merger proposal. As of the record date, the Community directors and executive officers beneficially owned and were entitled to vote 1,137,796.09 shares of Community common stock, representing approximately 36.30% of the shares of Community common stock outstanding on that date.

The affirmative vote of a majority of the shares of Community common stock outstanding on the record date will be required to approve the principal terms of the merger agreement and the transactions contemplated by the merger agreement, including the merger. Approval of the adjournment proposal requires the affirmative vote of a majority of the shares of Community common stock represented (in person or by proxy) at the Community meeting and voting on the proposal (which affirmative vote constitutes at least a majority of the required quorum). See Community Special Meeting beginning on page 44 for information regarding voting at the Community meeting.

Table of Contents**SELECTED HISTORICAL AND PRO FORMA FINANCIAL INFORMATION**

The following tables present selected historical financial information of CVB, selected historical financial information of Community and selected unaudited pro forma combined condensed consolidated financial information reflecting the merger. This information is intended to aid you in understanding the financial aspects of the merger. The historical financial information shows the actual financial condition and results of operations of CVB and Community for the years indicated. As more completely described below, the pro forma unaudited combined condensed consolidated financial information is intended to illustrate certain financial effects of the proposed merger and does not indicate or reflect the actual financial condition or results of operations of CVB, Community or the combined entity as of any date or for any period.

Selected Historical Financial Information of CVB

The following table summarizes consolidated financial results of CVB for the periods and at the dates indicated and should be read in conjunction with CVB's consolidated financial statements and the notes to the consolidated financial statements contained in reports that CVB has previously filed with the SEC. Historical financial information for CVB can be found in its Annual Report on Form 10-K for the year ended December 31, 2017. Please see the section entitled "Where You Can Find Additional Information" and "Incorporation of Certain Documents by Reference" on page 198 for instructions on how to obtain the information that has been incorporated by reference. You should not assume the results of operations for past periods indicate results for any future period.

Selected Financial Data**CVB Financial Corp.**

	At or For the Year Ended December 31,				
	2017	2016	2015	2014	2013
	<i>(Dollars in thousands, except per share amounts)</i>				
Interest income	\$ 287,226	\$ 265,050	\$ 261,513	\$ 252,903	\$ 232,773
Interest expense	8,296	7,976	8,571	16,389	16,507
Net interest income	278,930	257,074	252,942	236,514	216,266
Recapture of provision for loan losses	(8,500)	(6,400)	(5,600)	(16,100)	(16,750)
Noninterest income	42,118	35,552	33,483	36,412	25,287
Noninterest expense	140,753	136,740	140,659	126,229	114,028
Earnings before income taxes	188,795	162,286	151,366	162,797	144,275
Income taxes	84,384 (7)	60,857	52,221	58,776	48,667
NET EARNINGS	\$ 104,411	\$ 101,429	\$ 99,145	\$ 104,021	\$ 95,608
Basic earnings per common share	\$ 0.95	\$ 0.94	\$ 0.93	\$ 0.98	\$ 0.91

Diluted earnings per common share	\$	0.95	\$	0.94	\$	0.93	\$	0.98	\$	0.91
Cash dividends declared per common share	\$	0.540	\$	0.480	\$	0.480	\$	0.400	\$	0.385
Cash dividends declared on common shares	\$	59,483	\$	51,849	\$	51,040	\$	42,356	\$	40,469
Dividend pay-out ratio (1)		56.97%		51.12%		51.48%		40.72%		42.33%
Weighted average common shares:										
Basic		109,409,301		107,282,332		105,715,247		105,239,421		104,729,184
Diluted		109,806,710		107,686,955		106,192,472		105,759,523		105,126,303

Table of Contents

	At or For the Year Ended December 31,				
	2017	2016	2015	2014	2013
	<i>(Dollars in thousands, except per share amounts)</i>				
Common Stock Data:					
Common shares					
outstanding at year end	110,184,922	108,251,981	106,384,982	105,893,216	105,370,170
Book value per share	\$ 9.70	\$ 9.15	\$ 8.68	\$ 8.29	\$ 7.33
Financial Position:					
Assets	\$ 8,270,586	\$ 8,073,707	\$ 7,671,200	\$ 7,377,920	\$ 6,664,967
Investment securities					
available-for-sale	2,080,985	2,270,466	2,368,646	3,137,158	2,663,642
Investment securities					
held-to-maturity	829,890	911,676	850,989	1,528	1,777
Net loans, excluding PCI					
loans (2)	4,742,531	4,263,158	3,867,941	3,630,875	3,310,681
Net PCI loans (3)	28,515	70,366	89,840	126,367	160,315
Deposits	6,546,853	6,309,680	5,917,260	5,604,658	4,890,631
Borrowings	553,773	656,028	736,704	809,106	911,457
Junior subordinated					
debentures	25,774	25,774	25,774	25,774	25,774
Stockholders equity	1,069,266	990,862	923,399	878,109	771,887
Equity-to-assets ratio (4)	12.93%	12.27%	12.04%	11.90%	11.58%
Financial Performance:					
Return on beginning					
equity	10.54%	10.98%	11.29%	13.48%	12.53%
Return on average equity					
(ROAE)	9.84%	10.26%	10.87%	12.50%	12.34%
Return on average assets					
(ROAA)	1.26%	1.26%	1.31%	1.45%	1.48%
Net interest margin,					
tax-equivalent (TE) (5)	3.63%	3.46%	3.62%	3.62%	3.71%
Efficiency ratio (6)	43.84%	46.73%	49.11%	46.25%	47.21%
Noninterest expense to					
average assets	1.70%	1.70%	1.86%	1.77%	1.77%
Credit Quality:					
Allowance for loan					
losses	\$ 59,585	\$ 61,540	\$ 59,156	\$ 59,825	\$ 75,235
Allowance/gross loans	1.23%	1.40%	1.47%	1.57%	2.12%
Total nonaccrual loans	\$ 10,716	\$ 7,152	\$ 21,019	\$ 32,186	\$ 39,954
Nonaccrual loans/gross					
loans, net of deferred					
loan fees	0.22%	0.16%	0.52%	0.84%	1.13%
Allowance/nonaccrual					
loans	556.04%	860.46%	281.44%	185.87%	188.30%
Net recoveries, (charge					
offs)	\$ 6,545	\$ 8,784	\$ 4,931	\$ 690	\$ (456)
Net recoveries, (charge					
offs)/average loans	0.14%	0.21%	0.13%	0.02%	-0.01%

Regulatory Capital Ratios:

Company:

Tier 1 leverage ratio	11.88%	11.49%	11.22%	10.86%	11.30%
Common equity Tier 1 risk-based capital ratio	16.43%	16.48%	16.49%	N/A	N/A
Tier 1 risk-based capital ratio	16.87%	16.94%	16.98%	16.99%	17.83%
Total risk-based capital ratio	18.01%	18.19%	18.23%	18.24%	19.09%

Table of Contents

	At or For the Year Ended December 31,				
	2017	2016	2015	2014	2013
	<i>(Dollars in thousands, except per share amounts)</i>				
Bank:					
Tier 1 leverage ratio	11.77%	11.36%	11.11%	10.77%	11.20%
Common equity Tier 1 risk-based capital ratio	16.71%	16.76%	16.81%	N/A	N/A
Tier 1 risk-based capital ratio	16.71%	16.76%	16.81%	16.85%	17.67%
Total risk-based capital ratio	17.86%	18.01%	18.06%	18.11%	18.93%

- (1) Dividends declared on common stock divided by net earnings.
- (2) Net loans, excluding purchased credit impaired (PCI) loans.
- (3) Excludes loans held-for-sale. PCI loans are those loans acquired from San Joaquin Bank and previously covered by a loss sharing agreement with the FDIC.
- (4) Stockholders' equity divided by total assets.
- (5) Net interest income (TE) divided by average interest-earning assets.
- (6) The efficiency ratio (non-GAAP) is equal to the quotient of (i) noninterest expense divided by (ii) net interest income before provision for loan losses plus noninterest income.
- (7) Includes \$13.2 million DTA revaluation resulting from the Tax Reform Act.

Selected Historical Financial Information of Community

The following table summarizes consolidated financial results of Community for the periods and at the dates indicated and should be read in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations of Community beginning on page 148 and with Community's consolidated financial statements and the notes to the consolidated financial statements contained in this joint proxy statement/prospectus. You should not assume the results of operations for past periods indicate results for any future period.

Selected Financial Data**Community Bank**

	At or For the Year Ended December 31,				
	2017	2016	2015	2014	2013
	<i>(Dollars in thousands, except share and per share amounts)</i>				
Interest income	\$ 136,078	\$ 128,384	\$ 125,468	\$ 125,093	\$ 119,433
Interest expense	16,840	13,357	14,129	18,994	22,180
Net interest income	119,238	115,027	111,339	106,099	97,253
Provision (recapture) of provision for loan losses	(4,496)	6,948			
Noninterest income	9,378	13,307	17,701 (5)	11,992	11,040
Noninterest expense	78,887	78,328	84,224 (5)	75,592	67,661
Earnings before income taxes	54,225	43,058	44,816	42,499	40,632
Income taxes	27,501 (6)	16,235	17,051	16,693	15,727

Edgar Filing: CVB FINANCIAL CORP - Form 424B3

NET INCOME	\$ 26,724	\$ 26,823	\$ 27,765	\$ 25,806	\$ 24,905
Basic earnings per common share	\$ 8.53	\$ 8.57	\$ 8.88	\$ 8.26	\$ 7.97
Diluted earnings per common share	\$ 8.52	\$ 8.57	\$ 8.88	\$ 8.25	\$ 7.95
Cash dividends declared per common share	\$ 2.00	\$ 1.98	\$ 1.80	\$	\$

Table of Contents

	At or For the Year Ended December 31,				
	2017	2016	2015	2014	2013
	<i>(Dollars in thousands, except share and per share amounts)</i>				
Cash dividends declared on common shares	\$ 6,268	\$ 6,193	\$ 5,631	\$	\$
Dividend pay-out ratio (1)	23.5%	23.1%	20.3%	0.0%	0.0%
Weighted average common shares:					
Basic	3,136,431	3,128,266	3,128,266	3,124,703	3,123,471
Diluted	3,133,472	3,128,350	3,128,266	3,129,603	3,133,804
Common Stock Data:					
Common shares outstanding at year end	3,134,095	3,128,266	3,128,266	3,128,266	3,120,834
Book value per share	\$ 112.44	\$ 104.76	\$ 99.38	\$ 94.81	\$ 81.16
Financial Position:					
Assets	\$ 3,747,398	\$ 3,584,959	\$ 3,550,255	\$ 3,585,719	\$ 3,350,600
Investment securities available-for-sale	837,415	913,781	958,392	1,156,983	1,146,692
Loans	2,739,859	2,494,507	2,427,925	2,280,259	2,055,009
Deposits	2,860,214	2,681,994	2,589,442	2,596,790	2,516,262
Borrowings	502,500	543,000	625,000	670,500	565,500
Stockholders equity	352,410	327,709	310,902	296,597	253,478
Equity-to-assets ratio (2)	9.40%	9.14%	8.76%	8.27%	7.57%
Financial Performance:					
Return on average equity (ROAE)	7.71%	8.07%	9.08%	9.22%	9.71%
Return on average assets (ROAA)	0.72%	0.74%	0.79%	0.75%	0.79%
Net interest margin (3)	3.35%	3.31%	3.28%	3.18%	3.17%
Efficiency ratio (4)	61.3%	61.0%	65.3%	64.0%	62.5%
Noninterest expense to average assets	2.13%	2.18%	2.40%	2.20%	2.14%
Loan to deposit ratio	95.8%	93.0%	93.8%	87.8%	81.7%
Credit Quality:					
Allowance for loan losses	\$ 35,346	\$ 35,166	\$ 36,327	\$ 35,329	\$ 34,444
Allowance/gross loans	1.29%	1.41%	1.50%	1.55%	1.68%
Total nonaccrual loans	\$ 9,041	\$ 16,187	\$ 11,749	\$ 15,253	\$ 25,071
Nonaccrual loans/loans	0.33%	0.65%	0.48%	0.67%	1.22%
Allowance/nonaccrual loans	390.95%	217.25%	309.19%	231.62%	137.39%
Net recoveries, (charge offs)	\$ 4,676	\$ (8,109)	\$ 998	\$ 885	\$ (432)
Net recoveries, (charge offs)/average loans	0.18%	(0.32%)	0.04%	0.04%	(0.02%)
Regulatory Capital Ratios:					
Tier 1 leverage ratio	9.43%	9.36%	8.97%	8.24%	8.01%
Common equity tier 1 risk-based capital ratio	10.91%	10.88%	10.57%	10.62%	10.51%
Tier 1 risk-based capital ratio	10.91%	10.88%	10.57%	10.62%	10.52%
Total risk-based capital ratio	12.04%	12.08%	11.82%	11.87%	11.77%

- (1) Dividends declared on common stock divided by net income.
- (2) Stockholders' equity divided by total assets.
- (3) Net interest income divided by average interest-earning assets.
- (4) Noninterest expense divided by net interest income before provision for loan losses plus noninterest income.
Please also refer to the section titled "Noninterest Income / Noninterest Expense / Efficiency Ratio / Noninterest Expense to Average Assets Reconciliations (non-GAAP)" included in Community's Management's Discussion and Analysis of Financial Condition and Results of Operations.

Table of Contents

- (5) 2015 includes \$11.4 million debt termination expense and \$4.8 million gain on sale of securities as a result of balance sheet restructuring.
- (6) 2017 includes \$6.8 million DTA revaluation resulting from Tax Reform Act.

Selected Unaudited Pro Forma Combined Financial Information

The following table presents certain unaudited pro forma combined condensed financial information for CVB and Community after giving effect to the merger and after giving effect to the pro forma adjustments discussed in the notes to the unaudited pro forma combined condensed financial statements included herein. This pro forma financial information further assumes that the merger is accounted for using the acquisition method of accounting and reflects CVB's current accounting estimates, with CVB being considered the acquirer. This pro forma financial information is also prepared using audited historical financial information of CVB and Community. See "The Merger Accounting Treatment" on page 107.

The pro forma earnings data set forth in the table below assumes the merger became effective at the beginning of the period presented, while the balance sheet data assumes the merger became effective at the end of the period. The unaudited pro forma condensed combined financial information includes adjustments to record the assets and liabilities of Community at their estimated fair values and is subject to further adjustment as of the date the merger is completed and as additional information becomes available and additional analyses are performed. The pro forma allocation of purchase price reflected in the selected unaudited pro forma condensed combined financial information is subject to adjustment and may vary from the actual purchase price allocation that will be recorded at the time the merger is completed. Additionally, the adjustments made in the unaudited pro forma condensed financial information, which are described in those notes, are preliminary and may be revised. The pro forma financial information is presented for illustrative purposes only and does not indicate the financial results the combined company would have realized had the impact of possible revenue enhancements, expense efficiencies, transaction related expenses and asset dispositions, among other factors, been considered.

The information presented below should be read together with the historical consolidated financial statements of CVB and Community, including the related notes, incorporated by reference into or appearing elsewhere in this joint proxy statement/prospectus. See "Where You Can Find Additional Information," "Incorporation of Certain Documents by Reference" on page 198, and "Unaudited Pro Forma Condensed Combined Financial Statements" beginning on page 131. The pro forma financial information is not necessarily indicative of results that actually would have occurred had the merger been completed on the dates indicated or that may be obtained in the future.

	For the Year Ended December 31, 2017
	<i>(Dollars in thousands)</i>
Pro Forma Condensed Consolidated Earnings Data:	
Interest income	\$ 429,912
Interest expense	19,308
Net interest income before recapture of provision for loan losses	410,604
Recapture of provision for loan losses	12,996
Net interest income after recapture of provision for loan losses	423,600
Noninterest income	52,940

Noninterest expense	231,918
Earnings before income taxes	244,622
Income taxes	113,639
Net earnings	\$ 130,984

Table of Contents

	As of December 31, 2017
	<i>(Dollars in thousands)</i>
Pro Forma Condensed Consolidated Balance Sheet Data:	
Investment securities	\$ 3,748,290
Loans and lease finance receivables, net	7,453,790
Total assets	12,361,007
Total deposits	9,400,385
Total stockholders' equity	1,775,747
	For the Year Ended December 31, 2017
Per Common Share:	
Basic earnings	\$ 0.94
Diluted earnings	0.93
Cash dividends declared per common share	\$ 0.47

COMPARATIVE PER SHARE MARKET PRICE AND DIVIDEND INFORMATION

The table below sets forth, for the calendar quarters indicated, the high and low sales prices per share, and the cash dividends paid per share, of CVB common stock, which trades on the NASDAQ Global Select Market under the symbol CVBF, and the high and low bid price per share, and the cash dividends paid per share, for Community common stock, which trades very infrequently on the OTC Markets Group's OTC Pink market under the symbol CYHT. Such over-the-counter market quotations reflect inter-dealer prices, without retail mark-up, mark-down or commission and may not necessarily represent actual transactions. The OTC Pink is an electronic, screen-based market which imposes considerably less stringent listing standards than the NASDAQ Global Select Market. Historical trading in Community common stock has not been extensive and such trades cannot be characterized as constituting an active trading market.

	CVB Financial Corp.			Community Bank		
	Stock Price High	Low	Dividends Declared Per Share	Stock Price High	Low	Dividends Per Share
2018						
Second quarter (through May 3, 2018)	\$ 23.32	\$ 21.92	N/A	\$ 264.00	\$ 261.01	\$ 0.50
First quarter	\$ 25.14	\$ 21.64	\$ 0.14	\$ 274.00	\$ 178.00	\$ 0.50
2017						
Fourth quarter	\$ 25.49	\$ 22.25	\$ 0.14	\$ 178.00	\$ 168.75	\$ 0.50
Third quarter	\$ 24.29	\$ 19.58	\$ 0.14	\$ 168.50	\$ 161.00	\$ 0.50
Second quarter	\$ 22.85	\$ 19.90	\$ 0.14	\$ 165.50	\$ 158.00	\$ 0.50
First quarter	\$ 24.63	\$ 20.58	\$ 0.12	\$ 158.00	\$ 128.00	\$ 0.50
2016						
Fourth quarter	\$ 23.23	\$ 16.32	\$ 0.12	\$ 128.00	\$ 119.25	\$ 0.50
Third quarter	\$ 17.88	\$ 15.39	\$ 0.12	\$ 119.25	\$ 101.50	\$ 0.50
Second quarter	\$ 17.92	\$ 15.25	\$ 0.12	\$ 93.00	\$ 91.50	\$ 0.50
First quarter	\$ 17.70	\$ 14.02	\$ 0.12	\$ 91.50	\$ 91.50	\$ 0.48

Table of Contents

The following table sets forth the closing sale prices per share of CVB common stock and Community common stock on February 26, 2018, the last trading day before the first public announcement of the terms of the merger, and on May 3, 2018. The following table also includes the equivalent market value of the merger consideration per share of Community common stock on February 26, 2018 and May 3, 2018.

	CVB Financial Corp.	Community Bank	Equivalent Market Value Per Share of Community
February 26, 2018 ⁽¹⁾	\$ 23.60	\$ 186.05	\$ 279.24*
May 3, 2018 ⁽²⁾	\$ 22.25	\$ 262.00	\$ 266.47*

* Determined by adding the cash consideration of \$56.00 per share plus the value of the stock consideration as of February 26, 2018 or May 3, 2018, as applicable, which is equal to the product of the exchange ratio of 9.4595 and the CVB common stock price of \$23.60 as of February 26, 2018 or \$22.25 as of May 3, 2018, as applicable. Assumes the value of CVB common stock is \$23.60 or \$22.25 per share, which was the actual closing price of CVB common stock on February 26, 2018 and May 3, 2018, respectively, and that there will be no merger consideration adjustments under the merger agreement.

- (1) The last reported trade of Community common stock on the OTC Pink market before the public announcement of the merger was on February 15, 2018 at a closing sales price of \$186.05 per share.
- (2) The last reported trade of Community common stock on the OTC Pink market before the date of this joint proxy statement/prospectus was on April 23, 2018 at a closing sales price of \$262.00 per share.

COMPARATIVE PER SHARE DATA

We present below for CVB and Community historical, unaudited pro forma condensed combined and unaudited pro forma equivalent per share financial information as of and for the year ended December 31, 2017. You should read the information below together with the financial statements and related notes of CVB and Community that are incorporated by reference into this joint proxy statement/prospectus and with the pro forma financial information included under **Unaudited Pro Forma Condensed Combined Financial Statements** beginning on page 131.

Comparative Per Share Information

	For the Year Ended December 31, 2017	
	CVB	Community
Income per common share:		
Basic:		
Historical	\$ 0.95	\$ 8.53
Pro Forma Combined	\$ 0.94	\$ 8.87
Diluted:		
Historical	\$ 0.95	\$ 8.52
Pro Forma Combined	\$ 0.93	\$ 8.84
Book Value Per Share		

Edgar Filing: CVB FINANCIAL CORP - Form 424B3

Historical	\$ 9.70	\$ 112.44
Pro Forma Combined ⁽¹⁾⁽²⁾	\$ 12.67	\$ 119.84
Dividend Per Share		
Historical	\$ 0.54	\$ 2.00
Pro Forma Combined ⁽¹⁾⁽²⁾	\$ 0.47	\$ 4.45

- (1) The CVB pro forma combined values were calculated by dividing total combined pro forma values by pro forma equivalent shares outstanding as of the period end.
- (2) The Community pro forma equivalent per share amounts are calculated by multiplying the CVB pro forma combined per common share amounts by the merger exchange ratio of 9.4595.

Table of Contents

RISK FACTORS

*In addition to the other information contained in or incorporated by reference into this joint proxy statement/prospectus, including the matters addressed under the section **Caution Regarding Forward-Looking Statements**, you should carefully consider the following risks relating to the merger before deciding how to vote at the CVB meeting or Community meeting. You should also consider the risks relating to the business of CVB because these risks will also affect the combined company. The risks relating to the business of CVB can be found in CVB's Annual Report on Form 10-K for the year ended December 31, 2017, as amended or updated by any subsequent documents filed with the Securities and Exchange Commission, which are incorporated by reference into this joint proxy statement/prospectus. See the section entitled **Where You Can Find Additional Information** and **Incorporation of Certain Documents by Reference** on page 198.*

Because the market price of CVB and Community common stock will fluctuate and the exchange ratio will not adjust for such changes, Community shareholders cannot be sure of the market value of the CVB common stock that they will receive in the merger.

Upon completion of the merger, each outstanding share of Community common stock will be converted into 9.4595 shares of CVB common stock, with cash being paid in lieu of the issuance of fractional shares, and \$56.00 per share in cash. Except under limited circumstances following an election by CVB to reinstate the merger if Community elects to terminate the merger agreement as a result of the average CVB closing stock price falling below certain thresholds as further described below, the exchange ratio will not be adjusted for changes in the market price of CVB common stock or Community common stock, whether such changes in market price result from an improvement or decline in the financial condition or operating results of either company, general market and economic conditions, regulatory considerations, the timing of the merger or other factors. Changes in the price of CVB common stock prior to the merger will therefore affect the value that CVB will pay, through the issuance of CVB common stock, and that Community common shareholders will receive in the merger. For example, based on the range of closing prices of CVB common stock during the period from February 26, 2018, the last trading day before public announcement of the merger, through May 3, 2018, the exchange ratio represented a value ranging from a high of \$286.24 to a low of \$265.05 for each share of Community common stock (assuming no other merger consideration adjustments under the merger agreement). Neither of us is permitted to terminate the merger agreement or resolicit the vote of our respective shareholders solely because of changes in the market price of the common stock of CVB or Community, except that:

we may each have a right to terminate the merger agreement as a result of the occurrence of events that may also result in a decline in the price of the stock of the other; and

either of us also may terminate the merger agreement if (i) the average CVB closing stock price over a 20-day period ending on the fifth business day prior to closing is less than \$20.13 per share and (ii) the average CVB closing stock price underperforms the 20-day average closing price of the KBW Regional Banking Index by 15% or more, subject to CVB's right (but not the obligation) to reinstate the merger by increasing the exchange ratio (or the cash payment in lieu thereof) to an amount equal to the lesser of the amount that would be payable to satisfy the condition in the preceding clauses, as further described in **The Merger Agreement - Termination**.

Regulatory approvals may not be received, may take longer than expected or may impose conditions that are not presently anticipated, cannot be met or may have a material adverse effect on the combined company following the merger.

Before the merger may be completed, we must obtain various approvals or consents from bank regulatory authorities, including the FDIC and the DBO. These approvals or consents require consideration by the bank regulatory authorities of various factors, including assessments of the managerial and financial resources and future prospects of the resulting institution and the competitive effect of the contemplated transactions. The Community Reinvestment Act of 1977, as amended (the CRA), also requires that the bank regulatory

Table of Contents

authorities, in deciding whether to approve the merger, assess the records of performance of Citizens and Community in meeting the credit needs of the communities they serve, including low and moderate income neighborhoods. A less than satisfactory CRA rating could delay or block the consummation of the merger.

Citizens received a composite rating of “satisfactory” at its most recent CRA performance evaluation, and Community received a composite rating of “needs to improve” at its most recent CRA performance evaluation. Since its last evaluation, both Citizens and Community have developed and implemented action plans to improve their CRA performance, including on the CRA lending, investment and service tests. Citizens and Community also believe that the merger will facilitate the enhancement of the combined company’s performance under the CRA guidelines as Citizens offers a broader range of services and products that will enhance the lending, investment and service offerings of Community’s customers particularly for low to moderate income businesses and individuals. Additionally, the combined company will gain efficiencies that will allow, among other factors, for more investment in alternative delivery channels such as mobile banking, ATMs, and call centers. Although Citizens and Community believe that the merger meets the requirements of the CRA, particularly in light of the remedial actions being taken to improve their CRA performance, there is no assurance that bank regulatory authorities will approve the merger or will approve the merger without imposing conditions on the completion of the merger or requiring changes to the terms of the merger. Such conditions or changes could have the effect of delaying completion of the merger or imposing additional costs on or limiting the growth, revenues or other aspects of the business of the combined company following the merger. In addition, as part of the review process under the CRA, it is not unusual for the bank regulatory authorities to receive protests and other adverse comments from community groups and others. Any such protests or adverse comments could prolong the period during which the merger is subject to review by the bank regulatory authorities.

There can be no assurance as to whether the regulatory approvals or consents will be received, the timing of those approvals and consents, or whether any conditions will be imposed. The merger agreement contains a condition to the obligation of each of CVB and Community to close the merger that the required regulatory approvals and consents generally do not require any action, condition or restriction that (i) would reasonably expected be likely to have a material adverse effect on CVB or (ii) require CVB, Citizens or the combined company to raise additional capital or accept any restriction on its ability to operate its businesses that would materially reduce the economic benefits of the merger to CVB and Citizens to such a degree that they would not have entered into the merger agreement had such conditions, restrictions or requirements been known as of the date of the merger agreement. Please see “The Merger Regulatory Approvals Required for the Merger” on beginning page 105 for more information. Accordingly, if we do not receive the required regulatory approvals and consents, or if such approvals and consents contain any such materially burdensome regulatory conditions, the merger agreement may be terminated and the merger may not be completed.

We will be subject to business uncertainties and contractual restrictions while the merger is pending.

Uncertainty about the effect of the merger on employees and customers may have a material adverse effect on both CVB and Community. These uncertainties may impair our ability to attract or motivate key personnel until the merger is completed and could cause customers, vendors and others that deal with us to seek to change existing business relationships with either of us. If key employees depart because of issues relating to the uncertainty and difficulty of integration or a desire not to remain with the business, the combined company’s business following the merger could be negatively affected. In addition, the merger agreement restricts each of us from making acquisitions and taking other specified actions until the merger occurs, without the consent of the other. These restrictions may prevent each company from pursuing attractive business opportunities that may arise prior to the completion of the merger.

The merger may distract management of CVB, Citizens and Community from their other responsibilities.

The merger could cause the management of CVB, Citizens and Community to focus their time and energies on matters related to the merger that otherwise would be directed to their respective businesses and operations. Any

Table of Contents

such distraction on the part of management, if significant, could affect the ability of CVB, Citizens and Community to service existing business and develop new business and may adversely affect their businesses and earnings.

Combining the two companies may be more difficult, costly or time-consuming than expected.

Citizens and Community have operated and, until the completion of the merger, will continue to operate, independently. The success of the merger will depend, in part, on our ability to successfully combine the businesses of Citizens and Community upon the completion of the merger. It is possible that the integration process could result in:

the loss of key employees,

the disruption of each company's ongoing businesses, or

inconsistencies in standards, controls, procedures and policies that adversely affect the combined company's ability to maintain relationships with clients, customers, depositors and employees or to achieve the anticipated benefits of the merger.

The loss of key employees could adversely affect the ability of Citizens, Community and/or the combined company to successfully conduct businesses in the markets in which Citizens and Community now operate, which could have a material adverse effect on their financial results and the value of CVB common stock and Community common stock. In addition, if the combined company experiences difficulties with the integration process, the anticipated benefits of the merger may not be realized fully or at all, or may take longer to realize than expected. As with any merger of financial institutions, there also may be business disruptions that cause Citizens, Community and/or the combined company to lose customers or cause customers to remove their accounts from Citizens, Community and/or the combined company and move their business to competing financial institutions. These integration matters could have a material adverse effect on each of Citizens and Community during this transition period and for an undetermined period after consummation of the merger.

The combined company may fail to realize cost savings for the merger.

Although CVB, Citizens and Community expect to realize cost savings from the merger when fully phased in, it is possible that these potential cost savings may not be realized fully or realized at all, or may take longer to realize than expected. For example, future business developments may require the combined company to continue to operate or maintain some facilities or support functions that are currently expected to be combined or reduced. Cost savings also depend on the combined company's ability to combine the businesses of Citizens and Community in a manner that permits those cost savings to be realized. If the combined company is not able to combine the two companies successfully, these anticipated cost savings may not be fully realized or realized at all, or may take longer to realize than expected. This in turn could reduce or otherwise adversely affect the profitability of the combined company and adversely affect its stock price.

The merger agreement may be terminated in accordance with its terms and the merger may not be completed.

The merger agreement is subject to a number of conditions which must be fulfilled in order to close. Those conditions include, but are not limited to, the receipt of CVB shareholder approval and Community shareholder approval, the receipt of all required regulatory approvals, the continued accuracy of representations and warranties by both parties

and the performance by both parties of covenants and agreements, and the absence of a material adverse effect on CVB or Community since the date of the merger agreement. In addition, CVB's obligation to close is subject to satisfaction of the following minimum financial measures by Community as of the measurement date: (i) adjusted tier 1 capital of Community shall be equal to or greater than \$355.0 million, and (ii) total non-maturity deposits of Community shall be equal to or greater than \$2.1 billion. See [The Merger Agreement](#) [Conditions to Completion of the Merger](#) for a more complete discussion of the conditions to

Table of Contents

consummation of the merger. Furthermore, either CVB or Community may elect to terminate the merger agreement if the average closing price of CVB common stock is less than \$20.13 per share and such average closing price also underperforms the KBW Regional Banking Index by 15% or more, subject to CVB's right (but not obligation) to reinstate the merger by increasing the merger consideration. In addition, CVB may choose to terminate the merger agreement if Community makes a change in recommendation or materially breaches its non-solicitation covenants under the merger agreement, and Community may elect to terminate the merger agreement to enter into a definitive agreement for a superior acquisition proposal. See "The Merger Agreement Termination" for a more complete discussion of the circumstances under which the merger agreement could be terminated. There can be no assurance that the conditions to closing the merger will be fulfilled or that the merger will be completed.

Failure to complete the merger could negatively affect the market price of CVB and Community common stock and result in other adverse consequences.

If the merger is not completed for any reason, each of CVB, Citizens and Community will be subject to a number of material risks, including the following:

the market price of CVB common stock and Community common stock may decline to the extent that the current market prices of its shares reflect a market assumption that the merger will be completed;

costs relating to the merger, such as legal, accounting and financial advisory fees, and, in specified circumstances, termination fees, must be paid even if the merger is not completed and its anticipated benefits not realized;

the diversion of management's attention from the day-to-day business operations or pursuit of other strategic opportunities and the potential disruption to its employees and business relationships during the period before the completion of the merger may make it difficult to regain financial and market positions if the merger does not occur;

if the Community board of directors seeks another merger or business combination, holders of the Community common stock cannot be certain that Community will be able to find a party willing to pay an equivalent or greater consideration than that which it is expected to receive in the merger; and

if a termination of the merger agreement triggers payment by Community of a termination fee, this could have a material adverse effect on Community's financial position.

For further information on the closing conditions and the termination provisions of the merger agreement, see "The Merger Agreement Termination" on page 125 and "The Merger Agreement Conditions to Completion of the Merger" on page 123.

The termination fee and the restrictions on solicitation contained in the merger agreement may discourage other companies from trying to acquire Community.

Until the completion of the merger, with certain exceptions, Community is prohibited from initiating, soliciting, encouraging or knowingly facilitating any inquiries with respect to an acquisition proposal, such as a merger, business combination or similar transaction, with any person or entity other than CVB. In addition, Community has agreed to pay a termination fee of \$35,132,000 to CVB if it terminates the merger agreement to, among other things, enter into a definitive agreement relating to an acquisition proposal or if the other party terminates the merger agreement because, among other things, its board of directors fails to recommend the merger or makes a change in its recommendation of the merger, or fails to comply with the provisions of the merger agreement prohibiting solicitation of other acquisition proposals. These provisions could discourage other companies from trying to acquire Community even though such other companies might be willing to offer greater value to Community shareholders than offered in the merger agreement. The payment of the termination fee also could have a material adverse effect on the financial condition of Community.

Table of Contents

The unaudited pro forma condensed combined financial information included in this joint proxy statement/prospectus is preliminary and the actual financial condition or results of operations of the combined company after the merger may differ materially.

The unaudited pro forma condensed combined financial information in this joint proxy statement/prospectus is presented for illustrative purposes only and is not necessarily indicative of what the combined company's actual financial condition or results of operations would have been had the merger been completed on the dates indicated. The unaudited pro forma condensed combined financial information reflects adjustments, which are based upon preliminary estimates, to record the identifiable Community assets acquired and liabilities assumed at fair value and the resulting goodwill recognized. The pro forma allocation of purchase price reflected in the selected unaudited pro forma condensed combined financial information is preliminary, subject to adjustment and may vary from the actual purchase price allocation that will be recorded at the time the merger is completed. The final allocation of the purchase price will be based upon the value of CVB common stock issuable in the merger, the merger consideration adjustments and other terms set forth in the merger agreement, and the fair value of the assets and liabilities of Community, as of the date of the completion of the merger. Accordingly, the final acquisition accounting adjustments may differ materially from the pro forma adjustments reflected in this joint proxy statement/prospectus.

Impairment of goodwill resulting from the merger may adversely affect our results of operations.

Goodwill and other intangible assets are expected to increase substantially as a result of the merger. Based on CVB's preliminary purchase price allocation, goodwill of approximately \$510.4 million and core deposits intangibles of \$36.0 million are currently expected to be recorded by CVB as a result of the merger. The actual amount of goodwill and core deposits intangibles recorded may be materially different and will depend on a number of factors, including changes in the net assets acquired and changes in the fair values of the net assets acquired. See Unaudited Pro Forma Condensed Combined Financial Statements. Potential impairment of goodwill and amortization of other intangible assets could adversely affect each of our financial condition and results of operations. We assess our goodwill and other intangible assets and long-lived assets for impairment annually and more frequently when required by generally accepted accounting principles. We are required to record an impairment charge if circumstances indicate that the asset carrying values exceed their fair values. Our assessment of goodwill, other intangible assets, or long-lived assets could indicate that an impairment of the carrying value of such assets may have occurred or may occur in a future accounting period, in each case, that could result in a material, non-cash write-down of such assets, which could have a material adverse effect on our results of operations and future earnings.

The market price of CVB common stock after the merger may be affected by factors different from those affecting the shares of Community or CVB currently.

Upon completion of the merger, holders of Community common stock will become holders of CVB common stock. CVB's business differs in important respects from that of Community, and, accordingly, the results of operations of the combined company and the market price of CVB common stock after the completion of the merger may be affected by factors different from those currently affecting the independent results of operations of each of CVB and Community. For a discussion of the businesses of CVB and Community and of some important factors to consider in connection with those businesses, see the information provided under Information about the Companies CVB Financial Corp. and Citizens Business Bank on page 137, Information about the Companies Community Bank on page 138 and documents incorporated by reference in this joint proxy statement/prospectus and referred to under Incorporation of Certain Documents by Reference on page 198.

Sales of substantial amounts of CVB common stock in the open market by former Community shareholders could depress CVB's stock price.

Shares of CVB common stock that are issued to Community shareholders in the merger will be freely tradable without restrictions or further registration under the Securities Act. As of the close of business on May 3, 2018,

Table of Contents

CVB had approximately 110,262,742 shares of common stock outstanding. Based on the number of Community common shares and Community restricted stock units outstanding as of the date of the merger agreement, CVB currently expects to issue approximately 30 million shares of its common stock in connection with the merger. Because of the significantly enhanced liquidity of CVB common stock as compared to Community common shares on account of the greater public float and trading volume of CVB common stock relative to Community common shares, if the merger is completed, Community's former shareholders may sell substantial amounts of CVB common stock in the public market following completion of the merger. Any such sales may cause the market price of CVB common stock to decline. These sales might also make it more difficult for CVB to sell equity or equity-related securities at a time and price that it otherwise would deem appropriate.

The shares of CVB common stock to be received by holders of Community common stock will have different rights from the shares of Community common stock.

Upon completion of the merger, Community shareholders will become CVB shareholders and their rights as shareholders will be governed by the articles of incorporation of CVB and CVB's bylaws. The rights associated with Community common stock are different from the rights associated with CVB common stock. Please see Comparison of Rights of Shareholders of CVB and Community for more information.

Holders of CVB and Community common stock will have a reduced ownership and voting interest after the merger and will exercise less influence over management.

Holders of CVB common stock and Community common stock currently have the right to vote in the election of the board of directors and on other matters affecting CVB and Community, respectively. Upon the completion of the merger, each Community shareholder who receives shares of CVB common stock will become a shareholder of CVB with a percentage ownership of CVB that is smaller than the shareholder's percentage ownership of Community. In the aggregate, CVB current shareholders and Community current shareholders are expected to own approximately 78.6% and 21.4%, respectively, of the outstanding shares of CVB common stock when the merger is completed. Because of this, Community common shareholders may have less influence on the management and policies of the combined company than they now have on the management and policies of Community and current CVB shareholders may have less influence on the combined company than they now have on the management and policies of CVB.

Community directors and executive officers have interests in the merger that are different from, or are in addition to, the interests of the shareholders Community.

Community's executive officers and directors have interests in the merger that are different from, or in addition to, the interests of Community shareholders generally. Such interests include the following: (1) many of Community's executive officers and directors have unvested restricted stock units that will be accelerated and vest in full on the completion of the merger; (2) Community's executive officers are participants in plans and party to agreements that provide for severance payments and other benefits upon a qualifying termination of employment within 12 months following a change in control of Community; (3) Community's directors and executive officers are entitled to continued indemnification and insurance coverage following the closing of the merger; and (4) upon the consummation of the merger the current Chairman of the Community board of directors will be appointed to the board of directors of CVB. These interests are described in more detail under the section entitled The Merger Interests of Community Directors and Executive Officers in the Merger.

Litigation may be filed against the board of directors of CVB or Community that could prevent or delay the completion of the merger or result in the payment of damages following completion of the merger.

In connection with the merger, it is possible that CVB shareholders or Community shareholders may file putative class action lawsuits against the boards of directors of CVB or Community. Among other remedies, these shareholders could seek to enjoin the merger. The outcome of any such litigation is uncertain. If a dismissal is

Table of Contents

not granted or a settlement is not reached, such potential lawsuits could prevent or delay completion of the merger and result in substantial costs to CVB and Community, including any costs associated with indemnification obligations of CVB or Community. The defense or settlement of any lawsuit or claim that remains unresolved at the time the merger is consummated may adversely affect the combined company's business, financial condition, results of operations, cash flows and market price.

The fairness opinion received by the CVB board of directors from KBW and the fairness opinion received by the Community board of directors from Davidson have not been, and are not expected to be, updated to reflect any changes in circumstances that may have occurred since the date of the opinions.

The fairness opinions of KBW and Davidson were delivered to the parties' respective board of directors on February 26, 2018. Changes in the operations and prospects of CVB or Community, general market and economic conditions and other factors which may be beyond the control of CVB and Community may have altered the value of CVB or Community or the sale prices of shares of CVB common stock and Community common stock as of the date of this joint proxy statement/prospectus, or may alter such values and sale prices by the time the merger is completed. The opinions from KBW and Davidson, each dated February 26, 2018, do not speak as of any date other than the dates of those opinions. For a description of the opinions that CVB and Community received from their respective financial advisors, see *The Merger Opinions of Community's and CVB's Financial Advisors* beginning on page 65. For a description of the other factors considered by the CVB board of directors in determining to approve the merger, see *The Merger CVB's Reasons for the Merger; Recommendation of the Merger by the CVB Board of Directors* beginning on page 62. For a description of the other factors considered by the Community board of directors in determining to approve the merger, see *The Merger Community's Reasons for the Merger; Recommendation of the Merger by the Community Board of Directors* beginning on page 59.

Implementation of the various provisions of the Dodd-Frank Act in particular provisions that are applicable to banks and bank holding companies with \$10 billion or more in assets may delay the receipt of regulatory approvals and increase our operating costs or otherwise have a material adverse effect on our business, financial condition or results of operations after the merger.

The Dodd-Frank Wall Street Reform and Consumer Protection Act (the *Dodd-Frank Act*) enacted in 2010 significantly changes the bank regulatory structure and affects the lending, deposit, investment, trading and operating activities of financial institutions and their holding companies. The Dodd-Frank Act requires various federal agencies to adopt a broad range of new implementing rules and regulations and to prepare numerous studies and reports for Congress. The federal agencies are given significant discretion in drafting the implementing rules and regulations, and the rule-making process is still underway.

Several requirements in the Dodd-Frank Act are applicable to certain banks and bank holding companies with \$10 billion or more in assets. As a result of the merger, the combined company is expected to surpass this threshold, and these provisions, subject to a phase in period, may significantly increase compliance or operating costs of the combined company or otherwise have a significant impact on the business, financial condition and results of operations of the combined company. Such provisions include the following:

The Dodd-Frank Act created the Consumer Financial Protection Bureau (CFPB), which has broad powers to supervise and enforce consumer protection laws. The CFPB has broad rule-making authority for a wide range of consumer protection laws that apply to all banks, including the authority to prohibit unfair, deceptive or abusive acts and practices. Currently, the FDIC and the DBO examine both Citizens and

Community for compliance with consumer protection laws. However, the CFPB has examination and enforcement authority over all banks with more than \$10 billion in assets. Accordingly, the combined company will be subject to additional examination and enforcement authority by the CFPB following the merger.

The Dodd-Frank Act increased the authority of the Federal Reserve Board to examine CVB and its non-bank subsidiaries and gave the Federal Reserve Board the authority to establish rules regarding

Table of Contents

interchange fees charged for an electronic debit transaction by a payment card issuer that, together with its affiliates, has assets of \$10 billion or more, and to enforce a new statutory requirement that such fees be reasonable and proportional to the actual cost of a transaction to the issuer (the Durbin Amendment). By regulation, the Federal Reserve Board has limited the fees for such a transaction to the sum of 21 cents plus five basis points times the value of the transaction, plus up to one cent for fraud prevention costs. Following the merger, the effect of the Durbin Amendment will be to lower significantly our interchange or swipe revenue, but such lower fees are not expected to have a material adverse effect on our results of operation.

The Dodd-Frank Act established 1.35% as the minimum Designated Reserve Ratio (DRR). The FDIC has determined that the DRR should be 2.0% and has adopted a plan under which it will meet the statutory minimum DRR of 1.35% by the statutory deadline of September 30, 2020. The Dodd-Frank Act requires the FDIC to offset the effect of the increase in the statutory minimum DRR to 1.35% from the former statutory minimum of 1.15% on institutions with assets less than \$10 billion. Following the merger, we will not be entitled to benefit from the offset. The FDIC has not announced how it will implement this offset or how larger institutions will be affected by it.

The Dodd-Frank Act requires a publicly traded bank holding company with \$10 billion or more in assets to establish and maintain a risk committee responsible for enterprise-wide risk management practices, comprised of an independent chairman and at least one risk management expert. The risk committee must approve and periodically review the risk-management policies of the bank holding company's global operations and oversee the operations of its risk-management framework. The bank holding company's risk-management framework must be commensurate with its structure, risk profile, complexity, activities and size. Assuming that the merger is consummated in the third quarter of 2018, these requirements should first apply to the combined company commencing on October 1, 2020. However, the combined company will need to build the necessary infrastructure and incur the associated costs to comply with these enhanced risk management requirements well before the effective date.

A bank holding company with more than \$10 billion in assets is required under the Dodd-Frank Act to conduct annual stress tests using various scenarios established by the Federal Reserve, including a baseline, adverse and severely adverse economic conditions (known as Dodd-Frank Act Stress Tests or DFAST). The stress tests are designed to determine whether the capital planning of the combined company, assessment of its capital adequacy and risk management practices adequately protect it and its affiliates in the event of an economic downturn. The combined company must establish adequate internal controls, documentation, policies and procedures to ensure the annual stress tests adequately meet these objectives. The board of directors of the combined company will be required to review the combined company's policies and procedures at least annually. The combined company will be required to report the results of its annual stress tests to the Federal Reserve, and it will be required to consider the results of the combined company's stress tests as part of its capital planning and risk management practices. Assuming the merger is consummated in the second half of 2018, the combined company is anticipated to be subject to the DFAST regime commencing on January 1, 2020, but well in advance of that date, the combined company will need to undertake the planning and other actions that it deems reasonably necessary to achieve timely compliance.

It is difficult to predict the overall compliance cost of these provisions, which will become effective (with a phase-in period) when the combined company surpasses \$10 billion in consolidated assets as a result of the merger. However, compliance with these provisions will likely require additional staffing, engagement of external consultants and other operating costs that could have a material adverse effect on the future financial condition and results of operations of

the combined company.

Table of Contents

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This joint proxy statement/prospectus contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 with respect to CVB, Citizens, Community and the combined company. These statements may be made directly in this joint proxy statement/prospectus or they may be made a part of this joint proxy statement/prospectus by appearing in other documents filed with the Securities and Exchange Commission by CVB and incorporated herein by reference. These statements include statements regarding the period following completion of the merger.

Words such as anticipate, estimate, expect, project, intend, plan, believe, will, should, plans, may, possibility, aims, target, objective, goal, seek and words and terms of similar substance used in connection with discussion of future operating or financial performance of CVB, Citizens, Community, the combined company or the merger help identify forward-looking statements. All of these forward-looking statements are CVB's or Community's management's present expectations or forecasts of future events and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. In addition to the factors relating to the merger discussed under the caption Risk Factors beginning on page 29, the following risks related to the businesses of CVB, Citizens and Community, among others, could cause CVB's, Citizens' or Community's actual results or those of the combined company to differ materially from those described in the forward-looking statements:

local, regional, national and international economic and market conditions and events and the impact they may have on CVB, Community, Citizens or the combined company, or any of their respective customers, assets and liabilities;

CVB, Community, Citizens and the combined company's ability to attract deposits and other sources of funding or liquidity;

supply and demand for real estate and periodic deterioration in real estate prices and/or values in California or other states where Citizens or Community lend, including both residential and commercial real estate;

a prolonged slowdown or decline in real estate construction, sales or leasing activities; changes in the financial performance and/or condition of borrowers, depositors, or key vendors or counterparties;

changes in levels of delinquent loans, nonperforming assets, allowance for loan losses and charge-offs;

the costs or effects of mergers, acquisitions or dispositions we may make, including the pending merger, 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 including cost savings and synergies associated with any such mergers, acquisitions or dispositions;

the effect of changes in laws, regulations and applicable judicial decisions (including laws, regulations and judicial decisions concerning financial reforms, taxes, bank capital levels, consumer, commercial or secured lending, securities and securities trading and hedging, compliance, fair lending, employment, executive compensation, insurance, vendor management and information security) with which CVB and Community and our respective subsidiaries must comply or believe we should comply, including additional legal and regulatory requirements to which the combined company may become subject in the event the combined company's total assets exceed \$10 billion;

changes in estimates of future reserve requirements and minimum capital requirements based upon the periodic review thereof under relevant regulatory and accounting requirements, including changes in the Basel Committee framework establishing capital standards for credit, operations and market risk;

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;

Table of Contents

inflation, interest rate, securities market and monetary fluctuations;

changes in government interest rates or monetary policies;

changes in the amount and availability of deposit insurance;

political developments, uncertainties or instability;

disruptions in the infrastructure that supports our respective businesses and the communities where we are located, which are concentrated in California, involving or related to physical site access, cyber incidents, terrorist and political activities, disease pandemics, catastrophic events, natural disasters, such as earthquakes, extreme weather events, electrical, environmental, computer servers, and communications or other services we each use, or that affect our respective employees or third parties with whom we each conduct business;

timely development and acceptance of new banking products and services and the perceived overall value of these products and services by customers and potential customers;

relationships with and reliance upon vendors with respect to certain key internal and external systems and applications;

changes in commercial or consumer spending, borrowing and savings preferences or behaviors;

technological changes and the expanding use of technology in banking (including the adoption of mobile banking, funds transfer applications and electronic marketplaces for loans and other banking products or services);

the ability to retain and increase market share, retain and grow customers and control expenses;

changes in the competitive environment among financial and bank holding companies, banks and other financial service 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;

fluctuations in the price of CVB's common stock or other securities, and the resulting impact on CVB's or the combined company's ability to raise capital or make acquisitions;

the effect of changes in accounting policies and practices, as may be adopted from time-to-time by the regulatory agencies, as well as by the Public Company Accounting Oversight Board, the Financial Accounting Standards Board and other accounting standard-setters;

changes in organization, management, compensation and benefit plans, and Citizens', Community's or the combined company's ability to retain or expand the combined company's workforce, management team and/or board of directors;

the costs and effects of legal, compliance and regulatory actions, changes and developments, including the initiation and resolution of legal proceedings (such as securities, bank operations, consumer or employee class action litigation), the possibility that any settlement of any of the putative class action lawsuits may not be approved by the relevant court or that significant numbers of putative class members may opt out of any settlement;

regulatory or other governmental inquiries or investigations, and/or the results of regulatory examinations or reviews;

existing or the combined company's ongoing relations with our or the combined company's various federal and state regulators, including the SEC, Federal Reserve, FDIC and DBO; and

Table of Contents

existing or the combined company's success at managing the risks involved in the foregoing items and all other factors set forth in CVB's public reports, including CVB's Annual Report on Form 10-K for the year ended December 31, 2017, and particularly the discussion of risk factors within that document.

Each of CVB, Citizens and Community cautions you not to place undue reliance on the forward-looking statements, which speak only as of the date of this joint proxy statement/prospectus, in the case of forward-looking statements contained in this joint proxy statement/prospectus, or the dates of the documents incorporated by reference into this joint proxy statement/prospectus, in the case of forward-looking statements made in those incorporated documents. Neither CVB nor Community undertakes any obligation to update these forward-looking statements, except as required by law.

For additional information about factors that could cause actual results to differ materially from those described in the forward-looking statements, please see the information provided under "Information about the Companies' Community Bank" on page 138, "Information about the Companies' CVB Financial Corp. and Citizens Business Bank" on page 137 and documents incorporated by reference in this joint proxy statement/prospectus and referred to under "Where You Can Find Additional Information" and "Incorporation of Certain Documents by Reference" on page 198.

Table of Contents

CVB SPECIAL MEETING

Date, Time and Place of the CVB Meeting

This joint proxy statement/prospectus is being furnished to you in connection with the solicitation of proxies by the CVB board of directors in connection with the special meeting of CVB shareholders. The CVB meeting is scheduled to be held as follows:

June 21, 2018

8:00 AM Local Time

Citizens University Meeting Room

701 N. Haven Avenue

Ontario, California 91764

Purpose of the CVB Meeting

CVB shareholders of record as of May 3, 2018 will be asked to consider and vote upon the following proposals at the CVB meeting, including any postponement or adjournment thereof:

Proposal No. 1 CVB Merger Proposal

CVB is asking its shareholders to approve the principal terms of the merger agreement and the transactions contemplated by the merger agreement, including the merger and the issuance of the CVB common stock to Community shareholders in connection with the merger. Holders of CVB common stock should read this joint proxy statement/prospectus carefully and in its entirety, including the annexes, for more detailed information concerning the merger agreement and the merger. A copy of the merger agreement is attached to this joint proxy statement/prospectus as Annex A.

After careful consideration, the CVB board of directors unanimously approved the merger and the merger agreement and declared the merger agreement and the transactions contemplated thereby, including the merger and the CVB share issuance, to be advisable and in the best interests of CVB and its shareholders. See *The Merger CVB's Reasons for the Merger; Recommendation of the CVB Board of Directors* included elsewhere in this joint proxy statement/prospectus for a more detailed discussion of the recommendation of the CVB board of directors.

The CVB board of directors unanimously recommends that CVB shareholders vote FOR the CVB merger proposal.

Proposal No. 2 CVB Adjournment Proposal

The CVB meeting may be adjourned to another time or place, if necessary or appropriate, to permit, among other things, further solicitation of proxies if necessary to obtain additional votes in favor of the CVB merger proposal.

If, at the CVB meeting, the number of shares of CVB common stock present or represented and voting in favor of the CVB merger proposal and stock issuance proposal is insufficient to approve such proposal, CVB intends to move to

adjourn the CVB meeting in order to solicit additional proxies for the approval of the CVB merger proposal.

In the CVB adjournment proposal, CVB is asking its shareholders to authorize the holder of any proxy solicited by the CVB board of directors on a discretionary basis to vote in favor of adjourning the CVB meeting to another time and place for the purpose of soliciting additional proxies, including the solicitation of proxies from CVB shareholders who have previously voted.

Table of Contents

The CVB board of directors unanimously recommends that CVB shareholders vote FOR the CVB adjournment proposal.

Record Date for the Special Meeting

The CVB board of directors has fixed the close of business on May 3, 2018 as the record date for determination of CVB shareholders entitled to notice of and to vote at the CVB meeting. On the record date, 110,262,742 shares of CVB common stock were outstanding and there were 1,634 holders of record.

Quorum; Votes Required

A majority of the shares of CVB common stock outstanding on the record date must be present, either in person or by proxy, to constitute a quorum at the CVB special meeting. If a quorum is present, in order to be approved, the proposals require the following votes:

The affirmative vote of a majority of the shares of CVB common stock outstanding on the record date will be required to approve the principal terms of the merger agreement and the transactions contemplated by the merger agreement, including the merger and the CVB share issuance.

Approval of the CVB adjournment proposal requires the affirmative vote of a majority of the shares of CVB common stock represented (in person or by proxy) at the CVB meeting and voting on the proposal (which affirmative vote constitutes at least a majority of the required quorum).

At the CVB meeting, each share of CVB common stock will be entitled to one vote on all matters properly submitted to CVB shareholders.

As of the record date, CVB directors and executive officers owned and were entitled to vote approximately 7,594,554 shares of CVB common stock, representing approximately 6.9% of the outstanding shares of CVB common stock. We currently expect that CVB's directors and executive officers will vote their shares in favor of the merger.

In addition, the Vice Chairman of the CVB board of directors has entered into a voting and support agreement with Community, pursuant to which he has agreed to vote FOR approval of the merger agreement and the share issuance proposal. As of the record date, the CVB Vice Chairman beneficially owned and was entitled to vote 6,897,959 shares of CVB common stock, representing approximately 6.3% of the shares of CVB common stock outstanding on that date.

Attending the Special Meeting

If you are a holder of record of CVB common stock as of the record date and plan to attend the CVB meeting, please indicate this when you vote. A photo identification will not be required for admission to the CVB meeting, but will be required if you want to vote your CVB common stock in person. If you want to vote your CVB common stock held through a bank, broker or other nominee in person, you must obtain a written proxy in your name from the bank, broker or other nominee that holds your shares.

Proxies

All shares of CVB common stock represented by properly executed proxies (including those given through voting by telephone or Internet) received before or at the CVB meeting will, unless properly revoked, be voted in accordance with the instructions indicated on those proxies. If no instructions are indicated on a properly executed proxy, the shares represented thereby will be voted:

FOR approval of the principal terms of the merger agreement and the transactions contemplated by the merger agreement, including the merger and the CVB share issuance; and

Table of Contents

FOR the adjournment or postponement of the CVB meeting if necessary or appropriate in the judgment of the CVB board of directors.

If you return a properly executed proxy card or voting instruction card and have indicated that you have abstained from voting, your CVB common stock represented by the proxy will be considered present at the CVB meeting or any adjournment or postponement thereof solely for purposes of determining a quorum.

If your shares are held in an account at a broker or bank or other nominee, you must instruct the broker or bank or other nominee on how to vote your shares by following the instructions provided to you by your broker or bank or other nominee. If you do not provide voting instructions to your broker or bank or other nominee, your shares will not be voted on any proposal on which your broker or bank or other nominee does not have discretionary authority to vote. Under applicable rules, your broker or bank or other nominee does not have discretionary authority to vote on the merger proposal or the adjournment proposal. Consequently, failure to provide instructions to your bank, broker or other nominee on how to vote will result in your shares not being counted as present for purposes of establishing a quorum at the meeting and not being voted on the proposals.

Because approval of the principal terms of the merger agreement and the transactions contemplated by the merger agreement, including the merger and CVB share issuance, requires the affirmative vote of a majority of the shares of CVB common stock outstanding as of the record date, abstentions, failures to vote and failure to provide instructions to your bank, broker or other nominee on how to vote will have the same effect as votes against the merger proposal, including the merger and the CVB share issuance. Accordingly, we urge you to mark each applicable box on the proxy card or voting instruction card to indicate how to vote your shares.

Because this is a special meeting, no matter or proposal other than the proposals described in this joint proxy statement/prospectus may be brought before the CVB meeting or any postponement or adjournment thereof.

If you are a CVB shareholder of record, you may revoke your proxy at any time before it is voted by:

filing a written notice of revocation with CVB's Corporate Secretary;

granting a subsequently dated proxy;

voting by telephone or the Internet at a later time but before the cutoff time for voting specified on your proxy card; or

if you are a holder of record, appearing in person and voting at the CVB special meeting.

If you hold your shares of CVB common stock through an account at a broker or bank, you should contact your broker or bank to change your vote.

Attendance at the CVB special meeting will not in and of itself constitute revocation of a proxy. If the CVB meeting is postponed or adjourned, it will not affect the ability of shareholders of record as of the record date to exercise their voting rights or to revoke any previously granted proxy using the same methods described above, except in certain circumstances that are not currently anticipated. CVB would notify shareholders by public announcement or other means if such circumstances were to occur.

Voting by Telephone or Internet

CVB shareholders of record will have the option to submit their proxy cards by telephone or Internet. Please note that there are separate arrangements for voting your shares depending on whether your shares are registered in CVB's stock records in your name or in the name of a broker, bank or other holder of record. If you hold your shares through a broker, bank or other holder of record, you should check your proxy card or voting instruction card forwarded to you by your broker, bank or other holder of record to see which options are available.

CVB shareholders of record may submit their proxies:

through the Internet by visiting a website established for that purpose at www.investorvote.com/CVBF and following the instructions provided on that website,

Table of Contents

by telephone by calling the number listed on your proxy card or

by completing, signing, dating and mailing their proxy card in the pre-addressed envelope that accompanies the delivery of paper proxy cards.

Solicitation of Proxies

The CVB board of directors is soliciting proxies for the CVB meeting. CVB will pay for the cost of solicitation of proxies. In addition to solicitation by mail, CVB's directors, officers and employees may also solicit proxies from shareholders by telephone, facsimile, or in person. CVB will not pay any additional compensation to these directors, officers or employees for these activities but may reimburse them for reasonable out-of-pocket expenses.

If CVB management deems it advisable, the services of individuals or companies that are not regularly employed by CVB may be used in connection with the solicitation of proxies. Arrangements will also be made with brokerage houses and other custodians, nominees and fiduciaries to send the proxy materials to beneficial owners. CVB will, upon request, reimburse those brokerage houses and custodians for their reasonable expenses in so doing.

CVB has engaged Georgeson LLC to assist CVB in the solicitation of proxies. Such firm will be paid a fee of \$9,500 plus associated costs and expenses.

Table of Contents

COMMUNITY SPECIAL MEETING

Date, Time and Place of the Community Bank Special Meeting

This joint proxy statement/prospectus is being furnished to you in connection with the solicitation of proxies by the Community board of directors in connection with the special meeting of Community shareholders. The Community meeting is scheduled to be held as follows:

June 21, 2018

10:00 AM Local Time

Community Bank

460 Sierra Madre Villa Avenue

Pasadena, California 91107

Purpose of the Community Bank Special Meeting

Community shareholders of record as of May 3, 2018 will be asked to consider and vote upon the following proposals at the Community meeting, including any postponement or adjournment thereof:

Proposal No. 1 Community Merger Proposal

Community is asking its shareholders to approve the principal terms of the merger agreement and the transactions contemplated by the merger agreement, including the merger and the cancellation of each outstanding share of Community common stock, other than any dissenting shares and excluded shares, in exchange for the right to receive 9,4595 shares of CVB common stock and \$56.00 per share in cash, subject to the merger consideration adjustments and other terms in the merger agreement. Holders of Community common stock should read this joint proxy statement/prospectus carefully and in its entirety, including the annexes, for more detailed information concerning the merger agreement and the merger. A copy of the merger agreement is attached to this joint proxy statement/prospectus as Annex A.

After careful consideration, the Community board of directors unanimously approved the merger and the merger agreement and determined that the merger is fair to, and in the best interests of, Community shareholders. See The Merger Community's Reasons for the Merger; Recommendation of the Merger by the Community Board of Directors included elsewhere in this joint proxy statement/prospectus for a more detailed discussion of the recommendation of the Community board of directors.

The Community board of directors unanimously recommends that Community shareholders vote FOR the Community merger proposal.

Proposal No. 2 Community Adjournment Proposal

The Community meeting may be adjourned to another time or place, if necessary or appropriate, to permit, among other things, further solicitation of proxies if necessary to obtain additional votes in favor of the Community merger proposal.

If, at the Community meeting, the number of shares of Community common stock present or represented and voting in favor of the Community merger proposal is insufficient to approve such proposal, Community intends to move to adjourn the Community meeting in order to solicit additional proxies for the approval of the Community merger proposal.

In the Community adjournment proposal, Community is asking its shareholders to authorize the holder of any proxy solicited by the Community board of directors on a discretionary basis to vote in favor of adjourning the Community meeting to another time and place for the purpose of soliciting additional proxies, including the solicitation of proxies from Community shareholders who have previously voted.

Table of Contents

The Community board of directors unanimously recommends that Community shareholders vote FOR the Community adjournment proposal.

Record Date for the Special Meeting

The Community board of directors has fixed the close of business on May 3, 2018 as the record date for determination of Community shareholders entitled to notice of and to vote at the Community meeting. On the record date, 3,134,094.4 shares of Community common stock were outstanding and there were 52 holders of record.

Quorum; Votes Required

A majority of the outstanding shares of Community common stock entitled to vote on the record date must be present, either in person or by proxy, to constitute a quorum at the Community meeting. If a quorum is present, in order to be approved, the proposals require the following votes:

The affirmative vote of a majority of the shares of Community common stock outstanding on the record date will be required to approve the principal terms of the merger agreement and the transactions contemplated by the merger agreement, including the merger.

Approval of the Community adjournment proposal requires the affirmative vote of a majority of the shares of Community common stock represented (in person or by proxy) at the Community meeting and voting on the proposal (which affirmative vote constitutes at least a majority of the required quorum).

At the Community meeting, each share of Community common stock will be entitled to one vote on all matters properly submitted to Community shareholders.

All of the directors and executive officers of Community have entered into voting and support agreements with CVB, pursuant to which they have agreed to vote FOR the merger proposal. As of the record date, the Community directors and executive officers beneficially owned and were entitled to vote 1,137,796.09 shares of Community common stock, representing approximately 36.30% of the shares of Community common stock outstanding on that date.

Attending the Special Meeting

If you are a holder of record of Community common stock as of the record date and plan to attend the Community meeting, please indicate this when you vote. If you want to vote your Community common stock held through a bank, broker or other nominee in person, you must obtain a written proxy in your name from the bank, broker or other nominee that holds your shares.

Proxies

All shares of Community common stock represented by properly executed proxies (including those given through voting by telephone or Internet) received before or at the Community meeting will, unless properly revoked, be voted in accordance with the instructions indicated on those proxies. If no instructions are indicated on a properly executed proxy, the shares represented thereby will be voted:

FOR approval of the principal terms of the merger agreement and the transactions contemplated by the merger agreement, including the merger; and

FOR the adjournment of the Community meeting if necessary or appropriate in the judgment of the Community board of directors.

Table of Contents

If you return a properly executed proxy card or voting instruction card and have indicated that you have abstained from voting, your Community common stock represented by the proxy will be considered present at the Community meeting or any adjournment or postponement thereof solely for purposes of determining a quorum.

If your shares are held in an account at a broker or bank or other nominee, you must instruct the broker or bank or other nominee on how to vote your shares by following the instructions provided to you by your broker or bank or other nominee. If you do not provide voting instructions to your broker or bank or other nominee, your shares will not be voted on any proposal on which your broker or bank or other nominee does not have discretionary authority to vote. Under applicable rules, your broker or bank or other nominee does not have discretionary authority to vote on the merger proposal or the adjournment proposal. Consequently, failure to provide instructions to your bank, broker or other nominee on how to vote will result in your shares not being counted as present for purposes of establishing a quorum at the meeting and not being voted on the proposals.

Because approval of the principal terms of the merger agreement and the transactions contemplated by the merger agreement, including the merger, requires the affirmative vote of a majority of the shares of Community common stock outstanding as of the record date, abstentions, failures to vote and failure to provide instructions to your bank, broker or other nominee on how to vote will have the same effect as votes against the merger proposal, including the merger. Accordingly, we urge you to mark each applicable box on the proxy card or voting instruction card to indicate how to vote your shares.

Because this is a special meeting, no matter or proposal other than the proposals described in this joint proxy statement/prospectus may be brought before the Community meeting or any postponement or adjournment thereof.

If you are a Community shareholder of record, you may revoke your proxy at any time before it is voted by:

filing a written notice of revocation with the Corporate Secretary of Community;

granting a subsequently dated proxy;

voting by telephone or Internet at a later time but before the cutoff time for voting specified on your proxy card; or

if you are a holder of record, appearing in person and voting at the Community special meeting.

If you hold your shares of Community common stock through an account at a broker or bank, you should contact your broker or bank to change your vote.

Attendance at the Community special meeting will not in and of itself constitute revocation of a proxy. If the Community meeting is postponed or adjourned, it will not affect the ability of shareholders of record as of the record date to exercise their voting rights or to revoke any previously granted proxy using the same methods described above, except in certain circumstances that are not currently anticipated. Community would notify shareholders if such circumstances were to occur.

Voting by Telephone or Internet

Community shareholders of record will have the option to submit their proxy cards by telephone or Internet. Please note that there are separate arrangements for voting your shares depending on whether your shares are registered in Community's stock records in your name or in the name of a broker, bank or other holder of record. If you hold your shares through a broker, bank or other holder of record, you should check your proxy card or voting instruction card forwarded to you by your broker, bank or other holder of record to see which options are available.

Community shareholders of record may submit their proxies:

through the Internet by visiting a website established for that purpose at www.investorvote.com/CYHT and following the instructions provided on that website,

Table of Contents

by telephone by calling the toll-free number 1-800-652-VOTE (8683) in the United States, United States territories and Canada on a touch-tone phone and following the recorded instructions, or

by completing, signing, dating and mailing their proxy card in the pre-addressed envelope that accompanies the delivery of paper proxy cards.

Dissenters Rights

In connection with the merger, Community shareholders will have the opportunity to exercise dissenters rights in accordance with certain procedures specified in California Corporations Code Sections 1300, et. seq., which sections are attached as Annex D to this joint proxy statement/prospectus. Community shareholders who do not vote in favor of the merger may demand that Community acquire their shares of Community common stock for cash at their fair market value as of February 26, 2018, the day of, and immediately prior to, the first public announcement of the terms of the merger, excluding any appreciation or depreciation in consequence of the merger. Community shareholders dissenting must file written demands that Community acquire their shares of Community common stock for cash and comply with the other procedural requirements set forth in California Corporations Code Sections 1300, et. seq. For additional details and information on how to exercise your dissenters rights, please refer to The Merger Dissenters Rights for Holders of Community Shares on page 108 and Annex D to this joint proxy statement/prospectus.

Solicitation of Proxies

The Community board of directors is soliciting proxies for the Community meeting. Community will pay for the cost of solicitation of proxies. In addition to solicitation by mail, Community's directors, officers and employees may also solicit proxies from shareholders by telephone, facsimile, or in person. Community will not pay any additional compensation to these directors, officers or employees for these activities but may reimburse them for reasonable out-of-pocket expenses.

If Community management deems it advisable, the services of individuals or companies that are not regularly employed by Community may be used in connection with the solicitation of proxies. Arrangements will also be made with brokerage houses and other custodians, nominees and fiduciaries to send the proxy materials to beneficial owners. Community will, upon request, reimburse those brokerage houses and custodians for their reasonable expenses in so doing.

Community has engaged Georgeson LLC to assist Community in the solicitation of proxies. Such firm will be paid a fee of \$8,000 plus associated costs and expenses.

Table of Contents

THE MERGER

*This section of this joint proxy statement/prospectus describes material aspects of the proposed merger, including the merger agreement. This summary may not contain all of the information that is important to you. You should carefully read this entire document and the other documents we refer you to for a more complete understanding of the merger. In addition, we incorporate important business and financial information about CVB into this joint proxy statement/prospectus by reference. You may obtain the information incorporated by reference into this joint proxy statement/prospectus without charge by following the instructions in the section entitled *Where You Can Find Additional Information*.*

General

CVB, Citizens and Community have entered into the merger agreement, pursuant to which Community will merge with and into Citizens, the separate existence of Community will cease and Citizens will continue as the surviving corporation immediately upon the closing of the merger. The terms of the merger is set forth in the merger agreement, a copy of which is attached to this joint proxy statement/prospectus as Annex A.

Merger Consideration

In the merger, each outstanding share of Community common stock will be converted into the right to receive 9.4595 shares of CVB common stock, with cash paid in lieu of fractional shares, and \$56.00 per share in cash, subject to certain merger consideration adjustments set forth in the merger agreement. At the effective time of the merger, each Community restricted stock unit will automatically accelerate in full and be converted into the right to receive the merger consideration.

The exchange ratio in the merger will not be adjusted to reflect CVB common stock price changes between now and the closing, unless CVB exercises its right (but not the obligation) to reinstate the merger by increasing the merger consideration following a termination of the merger agreement by Community as a result of the average closing price of CVB common stock being less than \$20.13 per share and also underperforming the KBW Regional Banking Index by 15% or more. See *The Merger Agreement Termination* for more information.

The cash consideration is subject to reduction, on a per share basis, by the sum of the following, if any:

a tier 1 capital adjustment of \$2.50 for every dollar of adjusted tier 1 capital of Community below \$365 million as of the measurement date set forth in the merger agreement, if any; plus

a total noninterest-bearing deposit adjustment of 45.6% of every dollar of total noninterest-bearing deposits of Community below \$1.1 billion as of the measurement date, if any; plus

a transaction costs adjustment in the amount, if any, by which certain specified transaction costs of Community exceed \$6 million.

If the sum of the foregoing adjustments exceeds \$45,000,000, then 20% of the total adjustment amount in excess of \$45,000,000 (which we refer to as the *excess adjustment amount*) shall be applied to reduce the aggregate cash consideration and the remaining 80% of the excess adjustment amount shall be applied to reduce the aggregate stock

consideration.

As of April 30, 2018, Community's estimated adjusted tier 1 capital was \$365.3 million.

Based on the closing price of CVB common stock on February 26, 2018, the last trading day prior to the public announcement of the merger, and \$56.00 per share in cash consideration and assuming no merger consideration adjustments, the merger consideration represented a value of \$279.24 per share of Community common stock. Using the closing price of CVB common stock on May 3, 2018 and including \$56.00 per share in cash consideration, the merger consideration represented a value of \$266.47 per share of Community common stock. Accordingly, the dollar value of the stock consideration that Community shareholders may receive will change

Table of Contents

depending on fluctuations in the market price of CVB common stock and will not be known at the time you vote on the merger. You should obtain current stock quotations for CVB common stock, which is listed on the NASDAQ Global Select Market under the symbol CVBF.

Based on the 9.4595 exchange ratio and the number of shares of Community common stock and Community restricted stock units outstanding as of the date of the merger agreement, and assuming no merger consideration adjustments, CVB expects that approximately 30.0 million shares of its common stock will become issuable and approximately \$177.5 million in cash will be paid to Community shareholders and holders of such restricted stock units as a result of the merger. Giving effect to the merger, Community shareholders would hold, in aggregate, approximately 21.4% of CVB's outstanding common stock following the merger.

At the effective time of the merger, (i) any Community common stock held by CVB or any direct or indirect wholly-owned subsidiary of CVB or by Community or any direct or indirect wholly owned subsidiary of Community, other than those held in a fiduciary capacity or as a result of debts previously contracted, which are referred to as excluded shares, and (ii) any dissenting shares (subject to the procedures for dissenting shares described herein) will automatically be cancelled and retired and will cease to exist and no consideration will be issued in exchange therefor.

Background of the Merger

Each of the CVB and Community board of directors and management regularly review their respective business strategies, opportunities and challenges as part of their consideration and evaluation of their respective long-term prospects, with the goal of enhancing value for their respective shareholders.

Over the last several years, the Community board of directors and executive management have reviewed and assessed various strategic opportunities potentially available to Community. These discussions have focused on, among other things, options for Community with the goal of enhancing value for all Community shareholders. As part of this ongoing process, the Community board of directors and management have reviewed a stand-alone strategy, the costs and benefits associated with becoming a public company, the business and regulatory environment facing financial institutions generally and Community in particular, as well as conditions and ongoing consolidation in the financial services industry, including the challenges posed to banks of Community's size operating principally in Southern California. Furthermore, Community has on occasion been approached by various banks to discuss the potential of combining organizations and Community has approached other entities about acquiring them.

On July 21, 2015, the investment banking firm D.A. Davidson & Co. (Davidson) was invited to present and discuss various strategic alternatives with the Community Strategy Committee (comprised of Messrs. McCluer, Cook, Laitsch, McEachern and Misch), including benefits and challenges with pursuing organic growth, an acquisition strategy, merger transactions, an initial public offering (IPO), or an outright strategic sale of Community. Following the presentation, the Strategy Committee authorized Community management to enter into an agreement with Davidson to provide financial advisory and investment banking services.

On August 25, 2015, Community entered into an agreement with Davidson to render services to Community in connection with its review of various financial and strategic alternatives, including capital raising transactions, acquisitions by Community of other financial institutions and strategic combinations with potential merger partners.

On September 22, 2015, representatives of Davidson presented various strategic alternatives to the Strategy Committee of Community, including a review of potential acquisition candidates as well as potential strategic partners. Davidson also discussed with the Strategy Committee various capital planning scenarios. On October 21, 2015, the Strategy Committee (comprised of Messrs. McCluer, Cook, Laitsch and Misch) further discussed with

representatives of Davidson various capital-raising alternatives. In addition, Mr. Misch updated

Table of Contents

the Strategy Committee on initial meetings he had with the Chief Executive Officer of Party A, a bank holding company, to discuss a potential strategic merger, the Chief Executive Officer of another bank (Party B) to discuss a potential merger and other similar possibilities.

Subsequent to the October Strategy Committee meeting, Community signed a confidentiality agreement with Party A on November 4, 2015 and with Party B on October 28, 2015 to allow further discussions to take place. Mr. Misch and certain members of the Bank's Strategy Committee met with the CEO of Party B and certain other representatives of Party B on November 26, 2015. Further, Mr. Misch and certain members of the Bank's Strategy Committee subsequently held a meeting with the Chief Executive Officer of Party A on December 15, 2015.

On November 18, 2015, Davidson made a presentation to the Community Strategy Committee, at which all the members of the Community board of directors were present as well as a member of Manatt, Phelps & Phillips, LLP, Community's counsel (Manatt), exploring an IPO as well as three different merger and acquisition scenarios, with three potential merger partners Party A, Party B and Party C, a bank holding company, two of which were public companies and one of which was a private company. Davidson prepared for the committee, among other things, a net present value analysis for an IPO scenario vs. a merger and acquisition (M&A) scenario. In the course of their presentation, Davidson reviewed with the committee the benefits and detriments associated with each scenario, including the valuation of Community, potential liquidity for Community shareholders and the market environment for either an IPO or a strategic merger. Following the presentation, and contributions from Mr. Misch and members of the Community Strategy Committee regarding the meetings and feedback from Party A and Party B as well as a review of materials relating to a transaction with Party A and Party B, the Community Strategy Committee determined on November 18, 2015 to recommend to the full Community board of directors that Community should pursue an IPO. In addition, the Strategy Committee agreed that Mr. Misch should continue his dialogue with Party A but that no further conversations with Party B should be held and that Community should not pursue a transaction with Party C. At a regularly scheduled meeting of the Community Board on November 19, 2015, the Community board of directors agreed with the Strategy Committee's recommendation to pursue an IPO.

Between November 20, 2015 and May, 2016, Community continued to prepare for an IPO, while also reviewing potential acquisition targets. In addition, one additional discussion was held between Mr. Misch and the CEO of Party A in late 2015, but by February, 2016, the Bank had put ongoing strategic transactions on hold. During this same timeframe, Davidson participated in regular meetings with the Bank's Strategy Committee (comprised of Messrs. McCluer, Cook, Knight, Laitsch and Misch), including a meeting on May 25, 2016 (where the entire Community board of directors was present) where Davidson updated the Strategy Committee on the M&A environment, reviewed various strategic alternatives and various considerations associated with each option, including continuing a standalone strategy, continued pursuit of an IPO or entering into a larger strategic merger or acquisition. Davidson also analyzed the effects of each of the foregoing transactions on Community's liquidity, valuation and independence as well as the risks and rewards associated with each option. In addition, Davidson reviewed with the Community board of directors potential smaller acquisition targets for Community.

On May 9, 2016, Mr. Misch had an informal meeting with the Executive Vice President and Chief Financial Officer of Party C to discuss their respective businesses and preliminarily explore a potential business combination.

On June 2, 2016, Community formally terminated the August 25, 2015 letter agreement with Davidson.

On June 23, 2016, the Community board of directors decided to put the IPO and certain other strategic alternatives on hold so that Community could continue to focus on addressing internal issues, including attention to its operational efficiencies and processes, and organic growth strategy.

On February 3, 2017, a special meeting of the Community board of directors was held. At this meeting, the Community board of directors granted management authority to move forward again with an IPO.

Table of Contents

At the April 26, 2017 meeting of the Strategy Committee (comprised of directors Knight, Browning, Cook, Denmark, Laitsch and McCluer) at which all directors were present, the Strategy Committee reviewed past historical strategic alternatives and future strategic alternatives Community could consider.

At the April 27, 2017 meeting of the Community board of directors, at which a representative of Manatt was present, the Community board of directors, after discussing market timing, industry conditions and opportunity, authorized Community and Davidson to initiate discussions with Party C to determine if there would be interest in exploring a strategic merger transaction with Community. On April 30, 2017, Community and Party C entered into a mutual confidentiality agreement allowing for the sharing of confidential information between the parties in order to aid in the exploration of a strategic transaction.

A special telephonic meeting of the Community board of directors was held on May 1, 2017, at which a representative from Davidson was present, for the purpose of updating the Community board of directors on status with Party C and a review of a transaction process with Party C. At this meeting, the Community board of directors discussed with Davidson other potential options with a merger partner from within or outside of California.

On May 5, 2017, Mr. Misch and a representative from Davidson met with the chairman of the board of directors and Chief Financial Officer of Party C to discuss a strategic transaction.

At a special meeting of the Community board of directors held on May 16, 2017, a representative of Manatt reviewed with the Community board of directors its fiduciary duties in the context of a strategic transaction. In addition, Mr. Misch updated the Community board of directors on the meeting with representatives from Party C.

At a special meeting of the Community board of directors held on May 24, 2017, a representative from Davidson provided the Community board of directors with additional information regarding Party C including current strategic efforts that party was undertaking and a communication from their Chairman that they would be open to additional discussions in approximately 60 days. The representative from Davidson also provided the Community board of directors with further information regarding market conditions for a strategic transaction.

Subsequent to May 24, 2017, Party C informed Community that they wanted to see Community's further results of operations and focus on their own internal strategy rather than submitting an offer at that time. Community accordingly opted to cease discussions with Party C. On June 21, 2017, a meeting of the Strategy Committee (comprised of Messrs. Knight, Cook, Denmark, Laitsch and McCluer) was held at which all directors were present. A representative from Davidson reviewed various strategic options with the Strategy Committee, including processes, investment highlights and potential issues in considering a strategic transaction at this time. At the regularly scheduled board meeting held on June 22, 2017, the Community board of directors outlined a roadmap for delaying any potential strategic transaction or capital raise (including the IPO) and instead focus its efforts on other internal initiatives. In addition, on June 22, 2017, Community entered into a new engagement agreement with Davidson in connection with Community's ongoing review of financial and strategic alternatives.

Between June 2017 and October 2017, Community continued to focus on its internal processes, organic growth and the improvement of procedures to effectively address its most recent regulatory exam, as well as a timeline for implementing a revised strategic plan

From time to time over the last seven years, CVB had reached out to Community to gauge Community's interest in exploring a potential strategic transaction between CVB and Community. On July 24, 2017, at Mr. Myers' invitation, Mr. Laitsch met with Mr. Myers. At the meeting, Mr. Myers again conveyed to Mr. Laitsch CVB's interest in exploring a potential strategic transaction with Community.

On August 21, 2017, the CVB board of directors and management conducted their annual strategic planning session. As had been done in prior planning sessions, at the 2017 annual strategic planning session, CVB invited

Table of Contents

representatives from an investment advisory firm to provide the CVB directors and management with an update on the business, regulatory and competitive environment, and the merger and acquisition landscape, for financial institutions. At the strategy planning session, the CVB board of directors and management also discussed the possibilities and challenges of acquiring a bank, such as Community, that is significantly larger than CVB's prior acquisitions, including, among other things, the resources needed to gear up for such a transaction, the risks and considerations in pursuing such an acquisition and the need to prepare for further regulatory oversight under the Dodd-Frank Act if the acquisition results in the combined entity crossing the \$10 billion asset threshold. After the strategic planning session, in early September, Mr. Myers called Mr. Laitsch to follow up on their July 24th meeting to request a meeting to discuss a possible transaction between CVB and Community. Mr. Laitsch indicated to Mr. Myers that it was not an appropriate time for CVB to meet with Community to discuss a strategic transaction.

On October 11, 2017, Mr. Myers met with a representative of Davidson to discuss a wide range of subjects, including conditions in the banking marketplace, potential CVB merger targets and the competitive landscape. At this meeting, Mr. Myers expressed CVB's strong interest in acquiring Community and that CVB would like to be a part of any process should Community decide to engage in a strategic transaction. The representative from Davidson indicated to Mr. Myers that the Community board of directors was considering various strategic alternatives and that he would convey to Mr. Misch and the Community board of directors CVB's interest in being part of any such process.

On October 24, 2017, a special meeting of the Community board of directors was held to review and evaluate various strategic alternatives. Davidson updated the Community board of directors on a variety of financial and strategic matters, including market data for recent mergers and acquisitions and the prospects of successfully entering into and consummating a strategic transaction. At that same meeting, Davidson presented the Community board of directors with certain financial and other data relative to a strategic combination with five (5) potential merger partners, including Party B, Party C, Party D, Party E and CVB and the reasons why such parties were well-suited to successfully consummate a transaction with Community. In addition, Davidson reviewed the profile of Community and its attractiveness as a candidate in an acquisition and the ability of each of the potential merger partners to enter into an agreement with Community without any financing contingencies. The Community board of directors engaged in an active discussion with Davidson and determined to further review the analysis and follow-up at the regularly scheduled Board meeting on October 26, 2017.

On October 26, 2017, at a regular board meeting, the Community board of directors reviewed and considered, including market conditions, the regulatory environment, capital and regulatory position, the current economic landscape, Community's current business position, the interests of all of Community shareholders and the materials presented by Davidson at the October 24, 2017 meeting. The Community board of directors then authorized Community to move forward with a strategic transaction with another party and authorized Davidson to contact each of the five parties identified on October 24, 2017 to solicit their interest in making a proposal to merge with Community.

Between October 27, 2017 and November 7, 2017, Community entered into a mutual confidentiality agreement with each of the foregoing parties other than Party C who had previously entered into a mutual confidentiality agreement with Community in April 2017. During this time, Community also populated a data room in connection with each party's due diligence review of Community and Davidson distributed an executive memorandum to each of the parties which summarized the merger opportunity.

On or about October 27, 2017, CVB engaged KBW to render financial advisory services to CVB in connection with a potential acquisition by CVB of Community.

On November 7, 2017, Davidson sent out a request for proposal guidelines to each of the five parties that had signed a mutual confidentiality agreement providing a deadline for on or before November 17, 2017 to receive a letter of intent setting forth, among other items, the proposed purchase price, the form of consideration, the plans

Table of Contents

for the combined enterprise, timeline to complete a transaction and any conditions and approvals required to complete a strategic transaction.

Between October 31, 2017 and November 15, 2017, Mr. Misch, a representative of Davidson and either Mr. Laitsch or Mr. Knight conducted in-person meetings with representatives from each of the five parties to discuss Community, plans for a combined franchise and the benefits of a strategic transaction with each such party. In addition, at each of the meetings, Mr. Misch, Davidson and either of Mr. Laitsch or Mr. Knight were able to learn additional information about each of the interested franchises.

On November 15, 2017, the CVB and Citizens board of directors held a joint special meeting to consider whether CVB should submit a bid to acquire Community and, if so, the terms to be offered by CVB in a nonbinding letter of intent in the form requested by Community. Mr. Myers provided an overview of the proposed terms of the offer, the strategic considerations in determining whether to proceed with submitting an offer and the significant logistical and integration issues that would be presented by such a transaction. Mr. Myers emphasized that an acquisition of Community would be a substantial transaction for CVB and Citizens, particularly given Community's asset size, total shareholder's equity, and physical locations throughout Southern California. In this regard, Mr. Myers noted that many of the Community branches are located nearby existing Citizens branches, which would provide for potential synergies and cost-saving opportunities by consolidating nearby branches following the acquisition. KBW then discussed the business and financial considerations relevant to the proposed acquisition with the CVB and Citizens board of directors and management. KBW discussed matters affecting the banking industry in general and Citizens and Community in particular, including the interest rate outlook, deposit values, the impact of recent and potential regulatory and tax changes, asset quality concerns, enhancement and detractors to operational efficiencies, and a review of potential competitors for the Community acquisition as well as other target bank consolidation opportunities and valuations. The CVB and Citizens board of directors then engaged in extensive discussion with KBW and management regarding, among other things, the strategic rationales for any such acquisition, the ranges of key financial and business terms that would be feasible for CVB to offer, the key potential risks and benefits of any acquisition transaction, and Citizens' ability to absorb and administer the acquisition of a bank of the size and scale of Community. At the conclusion of the meeting, the CVB and Citizens board of directors unanimously approved the submission by CVB of a nonbinding letter of intent to acquire Community on the terms and conditions discussed by the CVB and Citizens board of directors and management.

On November 16 and 17, 2017, CVB's management met telephonically with KBW and CVB's legal counsel, Morrison & Foerster LLP (M&F), to finalize the terms of the nonbinding letter of intent for submission to Community.

By November 17, 2017, all five parties had submitted nonbinding letters of intent to acquire Community. On November 21, 2017, at a special telephonic meeting of the Community board of directors, the Community board of directors preliminarily reviewed with representatives of Davidson and a representative of Manatt each of the letters of intent, as well as the anticipated time frame for closing a transaction from material previously distributed to the Community board of directors. The Community board of directors also discussed with Davidson and the representative from Manatt regulatory approval issues and execution risk associated with each of the five prospective merger partners. The representative from Manatt also reviewed with the Community board of directors the importance of confidentiality through the sale process. In addition, Director Cook reported on an unsolicited indication he received from an investment manager regarding a potential foreign-based party interested in acquiring a US based-bank. The Community board of directors asked Davidson to contact the foreign-based party to learn more.

On November 28, 2017, the Community board of directors met with representatives of Davidson and a representative of Manatt. Manatt led the Community board of directors through an extensive review of its fiduciary duties in the

context of pursuing a strategic transaction. Davidson then led the Community board of directors through a comprehensive review and comparison of each of the letters of intent, including the merger

Table of Contents

consideration, consideration mix, pro forma ownership percentages in a combined franchise, valuation multiples, plans for branch consolidation, closing conditions, potential for board representation in a combined franchise, dividend history of each of the proposed acquirers, information regarding the acquirer's stock currency, financing contingencies, exclusivity provisions, regulatory considerations (including crossing the \$10 billion threshold and Community Reinvestment Act issues), recent M&A comparable transactions and timing for completing a transaction. The merger consideration offered by Party B, Party C, Party D and Party E, and based on stock prices as of November 24, 2017, ranged from \$553 million on the low end to \$785 million on the high end, with all parties offering primarily stock consideration except for one party (Party B) which offered exclusively cash consideration. CVB's initial letter of intent provided for aggregate merger consideration of \$899 million based on CVB's stock price as of November 24, 2017, with approximately 20% of the consideration in the form of cash and the remainder in CVB common stock based on a fixed exchange ratio. The Community board of directors also reviewed with Davidson materials Davidson had prepared regarding each potential acquirer. The Community board of directors actively discussed the letters of intent and each of the potential merger partners, including the substantial difference in merger consideration being offered by CVB as well as the merger consideration sensitivity to movement in CVB's stock price relative to the other offers. Davidson noted that all of the offers were subject to further due diligence. In addition, Davidson reported on its communication regarding the potential foreign-based party who was interested in acquiring a US based-bank as introduced by Director Cook. Davidson reported that such party had not yet engaged legal counsel to explore the requirements of acquiring a US-based bank nor had such party had any meetings with the bank regulatory authorities to review the regulatory requirements associated with a bank acquisition. The Community board of directors reviewed the significant execution risk associated with continuing to engage with such party.

At the November 28, 2017 meeting, the Community board of directors also reviewed various forecasts in either pursuing a potential merger or remaining independent, including various valuation scenarios for Community if it remained independent. The Community board of directors then instructed Davidson to continue to negotiate with CVB's financial advisor, KBW, on revising their proposed letter of intent to address enhanced board representation, an aggregate price increase of approximately \$21 million, removal of proposed lock-up agreements for Community shareholders post-merger, the inclusion of a walk-away right in the event CVB's stock price were to fall below certain thresholds relative to a regional banking index, modification of when a break-up fee would be paid, removal of financial conditions to closing and a revised period of exclusivity. In addition, the Community board of directors authorized the Strategy Committee to handle next steps with CVB following execution of a letter of intent. To that end the Strategy Committee was affirmed as Directors Cook, Denmark, McCluer, Knight and Laitsch. In addition, Ms. Stovesand was appointed to the Strategy Committee.

On November 29, 2017, the CVB and Citizens board of directors met telephonically with representatives of KBW and M&F to consider whether CVB should submit a revised nonbinding letter of intent to acquire Community in response to the requested changes from Community received by KBW through Davidson on November 28, 2017. The CVB and Citizens board of directors and management, together with representatives of KBW and M&F, reviewed and analyzed the changes to the nonbinding letter of intent requested by Community. CVB management emphasized the unique strategic opportunities presented by the proposed acquisition of Community and reiterated the potential benefits if the acquisition of Community is consummated, while acknowledging that the higher valuation requested by Community would increase the financial risk and extend the earn-back period for CVB. KBW then presented updated business and financial considerations in light of the proposed revised terms. The CVB and Citizens board of directors then engaged in extensive discussions with CVB management and KBW on the proposed revisions to the CVB nonbinding letter of intent. At the conclusion of the meeting, the CVB and Citizens board of directors unanimously authorized management to offer an increased aggregate consideration of \$925 million to acquire Community together with other revisions to the CVB nonbinding letter of intent as decided by CVB management.

On November 29, 2017, the Community board of directors met telephonically with representatives of Davidson and a representative of Manatt to review the revised letter of intent provided by CVB. The revised letter of intent included the requested price increase, an added walk-away right for the benefit of both Community and CVB,

Table of Contents

representation of two directors on CVB's board of directors, a break-up fee equal to 4% of the aggregate merger consideration only in connection with Community's exercise of its fiduciary rights to pursue a superior proposal, elimination of the requirement for lock-up agreements from Community shareholders post-merger, and revised exclusivity terms until December 29, 2017 which would be automatically extended to January 29, 2018 if a draft definitive agreement was delivered prior to December 29, 2017. Based on the foregoing changes to the letter of intent, the Community board of directors authorized execution of the letter of intent by Community subject to satisfactory resolution of certain financial conditions to closing relating to deposits and loans.

Following further modification by CVB of financial conditions to closing, Community and CVB executed a final letter of intent on November 30, 2017.

On December 6, 2017, an in-person diligence meeting was held with representatives of Community, Davidson, CVB and KBW. On December 11, 2017, Davidson forwarded a reverse due diligence request to KBW reflecting the input from Community and Manatt, regarding information Community wanted to review on CVB.

On December 13, 2017, various due diligence discussions were held between Mr. Misch, other executives of Community and an executive team from CVB.

On December 14, 2017, the Community board of directors held a regularly scheduled board meeting. Representatives from Davidson reviewed the current status of the diligence process, the market performance of CVB's stock, and provided further illustrations to the Community board of directors regarding the operation of the walk-away right in the event CVB's stock price declines below a certain threshold and CVB's stock price underperforms the KBW Regional Bank Index by more than 15%. A representative from Manatt reviewed with the Community board of directors anticipated provisions which would be set forth in a definitive agreement and regulatory issues associated with a transaction. Mr. Misch also reviewed with the Community board of directors his and Community's management team positive meetings with CVB and their executive personnel.

Between December 16 and December 19, 2017, CVB conducted additional on-site due diligence meetings that included interviews with various members of Community's management as well as an extensive loan file review.

On December 20, 2017, at an executive session of the meeting of the CVB and Citizens board of directors, the CVB and Citizens board of directors received an update from CVB management on the status of CVB's proposed acquisition of Community. CVB management provided an update on the current progress of CVB's due diligence efforts, including the results of CVB's initial review of certain credit and regulatory matters. CVB's management stated that it continued to support the proposed transaction for the reasons previously discussed with the CVB and Citizens board of directors, although further negotiations with Community could ensue over issues that have surfaced to date in the due diligence review,

On December 28, 2017, at a special telephonic meeting of the CVB board of directors, CVB management provided an update on due diligence matters, identified areas that still need to be examined and noted that M&F was in the process of finalizing initial drafts of key transaction documents for distribution to Community later that same day. On December 28, 2017, M&F delivered the initial draft of the merger agreement to Davidson and Manatt, together with various forms of voting and non-competition/non-solicitation ancillary agreements for execution by the directors and certain officers of Community.

On January 5, 2018, a special telephonic meeting of the Strategy Committee was held at which all of the directors of Community were also in attendance. Representatives from Davidson provided an update on the overall transaction value based on CVB's stock price as well as comparative information relative to other bids from the initial November,

2017 letter of intent process. Mr. Misch and a representative from Davidson provided an overview of the state of the transaction with CVB, the current status of due diligence and requests for reverse due diligence materials, as well as the recently completed loan review on Community. A representative of Manatt then engaged in a comprehensive review with the directors of the merger agreement and the various ancillary

Table of Contents

agreements (copies of which had been previously provided to the directors), including key issue points for negotiation and discussion, overall structure of the merger agreement, representations, warranties and covenants provided by each party, conditions to closing and termination rights. Manatt also reviewed provisions relating to the various ancillary agreements. In addition, Manatt discussed the overall process between signing and closing a transaction, including delivery of a fairness opinion from Davidson. The directors actively discussed the various transaction agreements and proposed changes.

On January 9, 2018, a special meeting of the Strategy Committee was held. Mr. Misch reviewed with the members the status of the transaction with CVB as well as his impressions about the plan for the combined franchise, including retention of Community employees. The members of the committee reviewed potential execution risks and the risks associated with successfully completing a merger, including retention of key employees in a combined franchise.

On January 22, 2018, representatives from Community, Davidson and Mr. Laitsch held an in-person reverse due diligence meeting with CVB to review among other items, risks management associated with CVB's business, impact of crossing the \$10 billion threshold, succession planning, regulatory challenges associated with a combination and of the local communities. In addition, during January 2018, representatives from Community and Davidson reviewed certain reverse due diligence materials provided by CVB to Community in a data room.

On January 24, 2018, a meeting of the Strategy Committee was held at which all the directors were present together with representatives from Davidson and a representative of Manatt. Mr. Misch reviewed the results of Community's reverse due diligence meeting on January 22, 2018, including his overall positive impressions about CVB's business and organization as well as their approach to a combined organization, including products and business lines. Mr. Laitsch also reported to the directors his positive impressions about CVB which emerged from the reverse due diligence meeting. Mr. Misch reviewed CVB's plans to address the \$10 billion asset threshold once they cross it following consolidation and the preparation CVB has already made in anticipation of reaching that asset size. Mr. Misch also discussed issues around compliance with the Community Reinvestment Act in light of Community's CRA rating and CVB's CRA rating. A representative from Davidson reviewed with the Community board of directors materials previously provided including the financial benefits of the combined institution, CVB's dividend payment history and dividend payout ratio post-merger as well as their business strategy and capital planning. The Community board of directors actively reviewed with the representatives from Davidson and Manatt anticipated areas of concern that may be set forth in the revised definitive agreement. Furthermore, Mr. Misch discussed with the Community board of directors employee retention between signing and closing as well as the need to identify and recommend up to two candidates to serve on the Community board of directors of the combined institution.

On January 24, 2018, at an executive session of the meeting of the CVB and Citizens board of directors, CVB management and KBW provided an update on the status of CVB's proposed acquisition of Community. Mr. Myers began by summarizing the current status of due diligence review and issues that have arisen from the review that could potentially make customer and employee retention more challenging in the event of a merger of Community and Citizens. Mr. Myers also reviewed Community's CRA ratings and other regulatory matters impacting Community. Although Mr. Myers concluded that the combined bank could probably address these negative issues over time, he believed that these negative issues warranted going back to Community to seek a reduction in the previously proposed purchase price. Representatives from KBW then summarized Community's recently completed reverse due diligence review of CVB. KBW and Mr. Myers also provided an update on the potential selection of one or two Community directors to serve on the CVB and Citizens board of directors upon the consummation of the merger, as well as a potential joint meeting among the chief executive officers of CVB and Community with the bank regulators if the proposed transaction continued to proceed as expected. KBW discussed financial and market metrics for CVB's consideration in determining the merits of the proposed acquisition. The CVB directors, management and KBW then debated the specific terms of a potential revised offer by CVB to acquire Community in light of the results of CVB's

due diligence review, as well as recent changes to CVB's volume weighted average stock price and its impact on the exchange ratio and number of CVB common shares to be issued as part of the

Table of Contents

merger consideration. Mr. Myers concluded by reiterating that, overall, he remained supportive of the potential combination for the same reasons previously discussed with the CVB and Citizens board of directors.

On January 25, 2018, at a regularly scheduled board meeting, the Community board of directors reviewed the recently completed Strategy Committee meeting and transaction status with representatives from Davidson and a representative from Manatt. In addition, the Community board of directors determined that Directors Knight, Kushner and Laitsch should be recommended as the director candidates to serve on the CVB board upon consummation of the merger.

On January 26, 2018, KBW informed Davidson that CVB was going to deliver revised terms for the aggregate merger consideration based on CVB's due diligence review of Community. On January 28, 2018, M&F delivered to Davidson and Manatt a revised merger agreement which reflected the revised merger consideration, which had been reduced by 5.1% in the aggregate (from the November 29, 2017 signed letter of intent) through delivery of less cash consideration and fewer CVB shares of common stock at closing in response to CVB's diligence review. On January 28, 2018, Mr. Myers and Mr. Nicholson met with Mr. Misch to explain the rationale for CVB's proposed reduction in the merger consideration.

On January 30, 2018, a special meeting of the Community board of directors was held to discuss the proposed reduction in merger consideration and various other aspects of the merger agreement and ancillary documents (copies of which had been previously provided to the directors), including elimination of various conditions to closing and an agreement to provide one (1) board seat rather than two (2) at closing. Davidson reviewed with the Community board of directors the overall economics of the revised proposal, including the revised terms for merger consideration, the original pricing increase that CVB agreed to at Community's request between delivery of their initial letter of intent and the executed letter of intent and overall deal-metrics. Davidson further discussed with the Community board of directors pricing relative to other transactions previously considered by the Community board of directors. A representative of Manatt reviewed various fiduciary aspects of the transaction and considerations by the Community board of directors in choosing a strategic partner. Following further review of the benefits of a combined franchise and the potential impediments to closing, the Community board of directors then unanimously authorized Mr. Misch to continue to work with Community's advisors on the merger agreement with a focus on the aggregate merger consideration and reducing conditions to closing to ensure certainty of closure.

On February 2, 2018, a special telephonic meeting of the Community board of directors was held to receive an update regarding the merger agreement. Davidson updated the Community board of directors on discussions with KBW regarding removal of various closing conditions and pricing adjustments, including the complete removal of a minimum loan test as a condition to closing. The Community board of directors engaged in an active discussion with Davidson and Manatt regarding various closing tests and pricing adjustments to achieve certainty of closure.

On February 5, 2018, a special telephonic meeting of the Community board of directors was held. Davidson reviewed with the Community board of directors the proposed pricing adjustment mechanisms to the aggregate merger consideration and revisions of various financial conditions to closing. In addition, a representative from Manatt reviewed other aspects of the merger agreement and the Community board of directors' fiduciary duties relative to continuing with the current transaction. The Community board of directors engaged in an active discussion with Davidson regarding CVB as well as other potential parties who had submitted letters of intent in the initial process from November 2017. The Community board of directors then continued to discuss with the representative from Manatt and Davidson additional provisions in the merger agreement (a copy of which had been previously distributed to the directors), including provisions relating to superior proposals, failure to obtain regulatory approval and damages for an intentional breach by CVB. The Community board of directors actively reviewed issues associated with employee retention between signing and closing and operating covenants between signing and closing.

Table of Contents

On February 7, 2018, a special telephonic meeting of the Community board of directors was held. Davidson reviewed with the Community board of directors various financial conditions to closing and pricing adjustments based on achieving certain financial tests relating to deposits and Tier 1 capital. A representative from Manatt reviewed with the Community board of directors the current status of the merger agreement and a related open-issues list, copies of which had been previously distributed to the directors. Mr. Misch discussed with the Community board of directors the effect on the franchise if Community were to cease discussions with CVB and the Community board of directors engaged in an active review about the effects of a termination of the merger agreement prior to closing. The Community board of directors unanimously authorized Mr. Laitsch and Mr. Misch to continue to work with Community's advisors on the open issues based on Community's position relative to financial conditions to closing and pricing adjustments, including elimination of a minimum total noninterest-bearing deposit condition in favor of a total non-maturity deposit condition to closing.

Between February 8, 2018 and February 15, 2018, Mr. Misch, Mr. Laitsch and Community's advisors continued to work with CVB and its advisors in negotiating and finalizing the terms of the merger agreement, which favorably resulted in elimination of a total noninterest-bearing deposit condition and the substitution of a total non-maturity deposit condition to closing, as previously requested by the Community board of directors.

On February 15, 2018, Mr. Myers, Mr. Misch, Mr. Laitsch and Mr. O'Brien met with representatives of the Federal Deposit Insurance Corporation and California Department of Business Oversight in San Francisco, CA to review the proposed transaction and identify any potential regulatory issues associated with the merger.

On February 21, 2018, a joint meeting of the Strategy Committee and the Community board of directors was held. Representatives from Davidson reviewed the results of the prior negotiations, modifications of various conditions to closing and potential price adjustments set forth in the agreement. In addition, Davidson updated the Community board of directors on closing requirements and potential timing issues associated with the transaction, including the effect of CVB crossing the \$10 billion asset threshold. Davidson also reviewed the valuation of the merger consideration, a market update on CVB, historical trends for CVB's dividends and trading volume, net present value analysis and update on the M&A environment, including comparable M&A transactions. Davidson and Mr. Misch also reviewed with the Community board of directors further reverse due diligence results on CVB. A representative from Manatt then reviewed with the Community board of directors various fiduciary matters as well as the current form of the merger agreement and ancillary agreements, as well as negotiations with various parties to the ancillary agreements. The Strategy Committee unanimously recommended to the Community board of directors approval of the merger agreement.

On February 21, 2018, at an executive session of the meeting of the CVB and Citizens board of directors, the CVB and Citizens directors received an extensive update on the status of CVB's proposed acquisition of Community from CVB management and representatives of KBW and M&F. KBW updated the CVB and Citizens board of directors on the proposed merger and reviewed the state of the bank acquisition market generally, specific financial information relating to CVB and Community, anticipated business synergies and costs savings from the proposed merger, an analysis of the proposed merger consideration and the terms of a recently announced merger transaction with similarities in relative size and geographic location to the proposed merger. Extensive discussion then ensued, and KBW and CVB management answered various questions posed by the directors. A representative from M&F then reviewed and summarized the principal terms of the merger agreement and other key ancillary documents, including the non-competition, non-solicitation and non-disclosure agreements and the voting agreements, and the fiduciary obligations of the CVB board of directors. The M&F presentation included a summary and discussion regarding, among other provisions, the proposed merger structure, the merger consideration and potential adjustments to the merger consideration, the parties' representations and warranties under the merger agreement, the no solicitation provisions and other covenants in the merger agreement, including those designed to preserve the Community

franchise pending the closing of the merger, the key conditions to the closing, the parties' termination rights and the circumstances under which the termination fee is payable by Community to CVB under the merger agreement. M&F and CVB's management then answered questions from the directors regarding the merger transaction documents.

Table of Contents

On February 24, 2018, members of CVB's executive team, Mr. Misch, representatives from KBW, Davidson, Manatt and M&F participated in additional telephonic reverse due diligence on CVB.

On February 26, 2018 a special telephonic meeting of the Community board of directors was held. Representatives from Davidson presented their oral fairness opinion (which was subsequently confirmed in writing on February 26, 2018), to the effect that, as of such date and subject to the procedures followed, assumptions made, matters considered and qualifications and limitations on the review undertaken by Davidson as set forth in such opinion, and that the merger consideration to be paid by CVB to Community shareholders was fair from a financial point of view. A representative from Manatt reviewed with the Community board of directors the final form of merger agreement. Following these discussions, and review and discussion among the members of the Community Board, including consideration of the factors described under Community's Reasons for the Merger; Recommendation of the Merger by the Community Board of Directors, the Community Board determined that the merger, the merger agreement and the transactions contemplated by the merger agreement are advisable for, fair to and in the best interests of Community and its shareholders, and the Community board of directors unanimously voted to adopt the merger agreement.

On February 26, 2018 a special joint meeting of the CVB and Citizens board of directors was held. Representatives from KBW presented their oral fairness opinion (which was subsequently confirmed in writing on February 26, 2018), to the effect that, as of such date, and based upon and subject to the assumptions, considerations, qualifications and limitations set forth in its opinion, the aggregate merger consideration in the proposed merger was fair, from a financial point of view, to CVB. A representative from M&F reviewed with the CVB and Citizens board of directors the final changes to the merger agreement. Following these discussions, and review and discussion among the members of the CVB board of directors, including consideration of the factors described under CVB's Reasons for the Merger; Recommendation of the Merger by the CVB Board of Directors, the CVB board of directors determined that the merger agreement, the merger and the other transactions contemplated thereby are advisable and in the best interests of CVB and its shareholders, and the CVB board of directors unanimously voted to approve and adopt the merger agreement, the merger and the other transactions contemplated thereby.

On February 26, 2018, the merger agreement and ancillary agreements were executed and delivered by CVB, Citizens and Community. The transaction was publicly announced in the afternoon of February 26, 2018. Based on a \$23.60 per share closing price of CVB common stock on February 26, 2018, the aggregate merger consideration to be paid to Community shareholders was approximately \$885.2 million, or \$279.24 per share of Community common stock.

Community's Reasons for the Merger; Recommendation of the Merger by the Community Board of Directors

The Community board of directors has determined that the merger is fair to and in the best interests of Community and its shareholders and, by the unanimous vote of all of the directors of Community, approved and adopted the merger agreement and the merger. **ACCORDINGLY, THE COMMUNITY BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT ALL HOLDERS OF COMMUNITY COMMON SHARES VOTE FOR THE MERGER PROPOSAL.**

In reaching its decision to approve the merger agreement and the transactions contemplated thereby, the Community board of directors evaluated the merger agreement in consultation with Community's executive management and determined that the merger was the best option reasonably available for its shareholders. The Community board of directors also consulted with its legal counsel regarding its fiduciary duties, the terms of the merger agreement and related issues, and reviewed with its financial advisors and its executive management, the financial aspects of the proposed transaction, considerations of the broader financial market and the fairness of the transaction to the shareholders from a financial point of view, among other matters.

Table of Contents

In reaching its determination to approve the merger agreement, the Community board of directors considered all factors it deemed material. The Community board of directors analyzed information with respect to the financial condition, results of operations, business and prospects of Community. In this regard, the Community board of directors considered the performance trends of Community over the past several years and the anticipated financial performance for Community in future years. The Community board of directors also considered the ability of Community to grow as an independent institution, the ability of Community to tap the public markets through an IPO, challenges presented in today's regulatory environment and its ability to further enhance shareholder value without engaging in a strategic transaction. In this regard, the Community board of directors considered the long-term as well as the short-term interests of Community and its shareholders, including whether those interests might best be served by continued independence.

In reaching its decision to approve the merger agreement and the merger, the Community board of directors also considered a number of factors, including the following:

information with respect to Community's business, earnings, operations, financial condition, asset quality and prospects, and information with respect to CVB's business, earnings, operations, dividend history, financial condition, asset quality and prospects, the potential cost savings and synergies unique to a transaction between Community and CVB, taking into account the results of Community's due diligence review of CVB and information provided by CVB;

other proposals presented to Community for a strategic combination, including the financial terms of such proposals;

its knowledge of the current environment in the financial services industry, including national, regional and local economic conditions and the interest rate environment, continued consolidation, the uncertainties in the regulatory climate for financial institutions, increased operating costs resulting from regulatory initiatives and compliance mandates, including increasing capital requirements, increasing competition, the current environment for community banks, particularly in Southern California, and current financial market conditions;

the financial and growth prospects for Community and its shareholders in a business combination with CVB as compared to continuing to operate as a stand-alone entity;

the greater market capitalization and trading liquidity of CVB common stock in the event that Community shareholders desire to sell the shares of CVB common stock to be received by them following completion of the merger;

the merger consideration in the transaction where the stock component will allow Community shareholders to continue to participate in the future success of CVB and derive the benefits from CVB's dividends and any synergies achieved or any future transactions that might be pursued by CVB as well as the cash component;

CVB's successful track record, including, among other things, with respect to the integration of recent acquisitions;

the benefits to Community and its customers of operating as part of a larger organization, potential enhancements to products and services, mitigation of business risks through diversification and greater financial resources;

its belief that combining the two companies would create a larger and more diversified financial institution that is both better equipped to respond to economic and industry developments and better positioned to develop and build on its existing market position in Southern California;

its assessment of the likelihood that the merger would be completed in a timely manner, including the likelihood that the merger will receive all necessary regulatory approvals in a timely manner;

the results of discussions with third parties that the Community board of directors believed, in consultation with its financial advisor, were the parties likely to have the strategic interest and financial capability to pursue a potential strategic transaction with Community;

Table of Contents

the financial analyses presented by representatives of Davidson to the Community board of directors with respect to CVB and the merger, and the opinion of Davidson that, as of the date of that opinion and subject to the qualifications and assumptions set forth in the opinion, the merger consideration was fair to the holders of Community common shares from a financial point of view (see Opinion of Community's Financial Advisor);

the Community board of directors' belief that the merger consideration exceeds Community's likely value in the absence of a merger, including its potential for future growth, which belief was based on a number of factors, including: the financial analyses presented by Davidson, the risks and uncertainties associated with maintaining Community's performance as a standalone company and the Community board of directors' analysis of other strategic alternatives available to Community;

the expectation that the merger will qualify as a reorganization for U.S. federal income tax purposes; and

the terms of the merger agreement, including the fixed exchange ratio, the form of merger consideration and the inclusion of a significant cash component, the achievability of the closing conditions, including the financial closing tests relating to Tier 1 capital and non-maturity deposits, pricing adjustments, deal protection and termination fee provisions, which it reviewed with its outside legal and financial advisors, which terms are described more fully under the section entitled The Merger Agreement .

In the course of its deliberations regarding the merger, the Community board of directors also considered potential risks and potentially negative factors associated with the merger, including the following material factors:

the need to obtain regulatory approvals in order to complete the transaction and the risk that those or other conditions will not be satisfied;

the risks associated with the operations of the combined company including the challenges both of integrating Community's business, operations and employees with those of CVB and of achieving the anticipated cost savings;

the fact that the value of the aggregate and per share merger consideration will fluctuate with the market price of CVB's common stock and the risk that CVB's common stock price might decline reducing the aggregate and per share merger consideration from the values at the time the merger agreement was approved;

the potential risk of diverting management focus and resources from other strategic opportunities and from operational matters while working to implement the merger;

the risk of potential employee attrition or negative effects on Community's business and customer relationships as a result of the pending merger;

the merger-related costs and closing condition tests;

the potential for community protests in light of the planned consolidation of Community branches with CVB branches and the respective banks' Community Reinvestment Act ratings;

the impact of CVB crossing the \$10 billion asset threshold and the regulatory costs and preparedness required once exceeding that asset size;

the fact that CVB had never previously consummated an acquisition of the size of Community;

the fact that executive officers of Community have interests in the merger and have arrangements that are different from or in addition to those of Community shareholders generally and that one of Community's directors will join the board of directors of CVB and Citizens after the merger is consummated; and

Table of Contents

the fact that Community would be prohibited from affirmatively soliciting acquisition proposals after execution of the merger agreement and will be obligated to pay a termination fee to CVB if the merger agreement is terminated under certain circumstances, all of which may discourage other parties potentially interested in a strategic transaction with Community from pursuing such a transaction.

This description of the information and factors considered by the Community board of directors is not intended to be exhaustive, but is believed to include all material factors the Community board of directors considered. In determining whether to approve and recommend the merger agreement, the Community board of directors did not assign any relative or specific weights to any of the foregoing factors, and individual directors may have weighed factors differently. After deliberating with respect to the merger and the merger agreement, considering, among other things, the reasons discussed above, the Community board of directors approved the merger agreement and the merger as being in the best interests of Community and its shareholders, based on the total mix of information available to the Community board of directors.

This explanation of Community's reasons for the merger and other information presented in this section is forward-looking in nature and should be read in light of the section entitled "Cautionary Statement Regarding Forward-Looking Statements."

Community's board of directors has unanimously approved the merger agreement and recommends that Community shareholders vote "FOR" approval of the merger agreement.

Community's board of directors has determined that the merger is fair to, and in the best interests of, Community shareholders. In arriving at its determination, Community's board of directors considered a number of factors, including those described above.

Based on the reasons stated, the Community board of directors believes that the merger is in the best interest of Community shareholders. In addition, all members of Community's board of directors and certain executive officers have agreed to vote the shares of Community common stock over which they have voting authority in favor of the merger agreement.

CVB's Reasons for the Merger; Recommendation of the Merger by the CVB Board of Directors

In evaluating the merger agreement, the CVB board of directors consulted with CVB management, as well as its financial and legal advisors, and, in reaching its decision to approve the merger agreement and the transactions contemplated by the merger agreement, including the merger and the CVB share issuance, and to recommend that CVB shareholders vote "FOR" approval of the principal terms of the merger agreement and the transactions contemplated by the merger agreement, including the merger and the CVB share issuance, and "FOR" the grant of discretionary authority to adjourn the special meeting as necessary or appropriate, the CVB board of directors considered a number of factors, including the following:

the respective businesses, operations, financial condition, asset quality, earnings and prospects of CVB, Community and the combined company;

the enhanced growth opportunities resulting from a larger scale operation, including a broader customer base, more diversified sources of revenue, an expanded presence in Southern California and increased lending capabilities;

the unique opportunity posed by this acquisition opportunity, given the significant size, location, reputation and business experience of Community and its management, including its track record of organic growth, long-term customer loyalty and long history of servicing communities in the Southern California region;

the potential anticipated synergies by combining Community's loan strengths with CVB's strong deposit franchise, and the enhanced opportunities to grow relationship-based lending and low cost core deposits for the combined company;

Table of Contents

the potential cost savings to be realized from a combination with Community, as well as the potential for revenue enhancement, which create the opportunity for CVB to have greater future earnings and prospects compared to CVB's earnings and prospects on a stand-alone basis;

the fact that the former shareholders of Community will own approximately 21.4% of the outstanding shares of the combined company upon completion of the merger, thereby enabling them to participate in the future performance of the combined company;

the opportunity for significant earnings accretion which may be realized by the shareholders of CVB after giving effect to anticipated cost savings as a result of the merger;

trends and developments in the banking industry, the competitive environment for financial institutions generally and in CVB's local markets, and the range of strategic alternatives available to CVB to enhance its competitive position, including to operate as a stand-alone company and the potential to acquire, be acquired or combine with other third parties, and the risks and uncertainties associated with each alternative as well as the CVB board of directors' assessment that none of these alternatives was reasonably likely to present superior opportunities for CVB to enhance shareholder value, taking into account the timing and the likelihood of accomplishing such alternatives and the risks of execution, as well as business, competitive, industry and market risks;

the complementary nature of the business operations and management cultures of the two companies, which the CVB board of directors believes should facilitate integration of CVB and Community;

the combination of complementary areas of expertise, particularly among senior management of each company, and the ability of the combined company to draw on the combined intellectual capital, technical expertise and experience of a deeper and more diverse workforce;

anticipated cost savings from expected efficiencies to be achieved in operations and systems, reduced payments to vendors and third parties, including lease payments and real estate costs, and elimination of duplicate positions;

a larger scale resulting from the merger is anticipated to provide the combined company with greater resources to respond to increasing compliance requirements and greater regulation, including as a result of crossing the \$10 billion asset threshold.

the historical experience of CVB in successfully integrating prior acquisitions;

CVB management's expectation that CVB will continue to have a strong capital position upon completion of the merger;

the benefits of a combination with Community as compared to alternative growth strategies;

the ability to provide greater resources for investment in risk management, IT, employee training and development and new product development;

the compatibility of each company's core data processing systems that should reduce the integration costs and risk of customer errors in account conversions;

the results of management's due diligence investigation of Community, its business operations, its loan and deposit portfolio and its growth strategy;

the written opinion of KBW, CVB's financial advisor, dated as of February 26, 2018, to the effect that, as of that date, and based upon and subject to the assumptions, considerations, qualifications and limitations set forth in the opinion, the aggregate merger consideration in the proposed merger was fair, from a financial point of view, to CVB;

the terms of the merger agreement, which was reviewed with CVB's legal and financial advisers, including the merger consideration, the fact that under certain circumstances Community is required to pay CVB a termination fee if the merger agreement is terminated in relation to an alternative

Table of Contents

acquisition proposal for Community and the requirement that Community submit the merger to its shareholders for adoption even if the Community board of directors recommends in favor of an alternative proposal; and

The likelihood that the proposed combination with Community will receive all necessary regulatory and shareholder approvals required in order to complete the merger.

The CVB board of directors also considered a number of uncertainties and risks in its deliberations concerning the merger, including the following:

the dilution to CVB shareholders resulting from the issuance of new shares to Community shareholders;

the risk that the merger may not be completed as a result of failure to receive required regulatory or shareholder approvals, the failure of Community to meet the minimum financial measures and other conditions to closing or as a result of the receipt of a superior acquisition proposal from a third party by Community;

the potential length of the regulatory approval process and the period of time that CVB may be subject to the provisions of the merger agreement which place certain limitations on its business operations;

the potential for community protests in light of the planned consolidation of Community branches with CVB branches;

the risk of the loss of key employees, managers and customers as a result of the merger;

the risk of diverting management's focus and resources from other strategic opportunities and from operational matters;

the risk that the anticipated cost savings and other benefits of the merger may not be fully realized.

potential difficulties and unforeseen costs which may be encountered in the integration of the two banking operations, which would be the largest acquisition undertaken by CVB to date, including without limitation, potential loss of customer relationships and employee attrition;

the impact of CVB crossing the \$10 billion asset threshold and the regulatory costs and preparedness required once exceeding that asset size.

the risk that CVB's due diligence investigation of Community failed to identify potential problems which may adversely affect the financial condition or operating results of the combined company;

restrictions in the merger agreement which limit or impede CVB's ability to explore other strategic opportunities; and

various other risks described under "Risk Factors" beginning on page 29 of this joint proxy statement/prospectus.

The foregoing discussion of the information and factors considered by the CVB board of directors is not intended to be exhaustive, but includes the material factors considered by the CVB board of directors. In reaching its decision to approve the merger agreement, the merger, the stock issuance and the other transactions and actions contemplated by the merger agreement, the CVB board of directors did not quantify or assign any relative weights to the factors considered, and individual directors may have given different weights to different factors. The CVB board of directors considered all these factors as a whole, including discussions with, and questioning of, CVB's management and CVB's financial and legal advisors, and overall considered the factors to be favorable to, and to support, its determination.

For the reasons set forth above, the CVB board of directors unanimously determined that the merger agreement, the merger, the CVB stock issuance and the other transactions contemplated by the merger agreement are advisable and in the best interests of CVB and its shareholders, and unanimously adopted and approved the merger agreement and the transactions contemplated by it.

Table of Contents

This explanation of CVB's reasons for the merger and other information presented in this section is forward-looking in nature and should be read in light of the section entitled "Cautionary Statement Regarding Forward-Looking Statements."

Opinions of Community's and CVB's Financial Advisors

Opinion of Community's Financial Advisor

On June 22, 2017, Community entered into an engagement agreement with D.A. Davidson & Co. to render financial advisory and investment banking services to Community. As part of its engagement, Davidson agreed to assist Community in analyzing, structuring, negotiating and, if appropriate, effecting a transaction between Community and another corporation or business entity. Davidson also agreed to provide the Community board of directors with an opinion as to the fairness, from a financial point of view, to the holders of Community common stock of the consideration to be paid to the holders of Community common stock in the proposed merger. Community engaged Davidson because Davidson is a nationally recognized investment banking firm with substantial experience in transactions similar to the merger and is familiar with Community and its business. As part of its investment banking business, Davidson is continually engaged in the valuation of financial institutions and their securities in connection with mergers and acquisitions and other corporate transactions.

On February 26, 2018, the Community board of directors held a meeting to evaluate the proposed merger. At this meeting, Davidson reviewed the financial aspects of the proposed merger and rendered an opinion to the Community board of directors that, as such date and based upon and subject to assumptions made, procedures followed, matters considered, and limitations on the review undertaken, the consideration to be paid to the holders of Community's common stock was fair, from a financial point of view, to such holders of Community common stock in the proposed merger.

The full text of Davidson's written opinion, dated February 26, 2018, is attached as Annex C to this joint proxy statement/prospectus and is incorporated herein by reference. The description of the opinion set forth herein is qualified in its entirety by reference to the full text of such opinion. Community shareholders are urged to read the opinion in its entirety.

Davidson's opinion speaks only as of the date of the opinion and Davidson undertakes no obligation to revise or update its opinion. The opinion is directed to the Community board of directors and addresses only the fairness, from a financial point of view, of the consideration to be paid to the holders of the Community common stock in the proposed merger. The opinion does not address, and Davidson expresses no view or opinion with respect to, (i) the underlying business decision of Community to engage in the merger, (ii) the relative merits or effect of the merger as compared to any alternative business transactions or strategies that may be or may have been available to or contemplated by Community or Community's board of directors, or (iii) any legal, regulatory, accounting, tax or similar matters relating to Community, its shareholders or relating to or arising out of the merger. The opinion expresses no view or opinion as to any terms or other aspects of the merger, except for the merger consideration. Community and CVB determined the consideration through the negotiation process. The opinion does not constitute a recommendation to any Community shareholder as to how such shareholder should vote at the Community meeting on the merger or any related matter. The opinion does not express any view as to the amount or nature of the compensation to any of Community's officers, directors or employees, or any class of such persons, relative to the merger consideration, or with respect to the fairness of any such compensation. The opinion has been reviewed and approved by Davidson's Fairness Opinion Committee in conformity with its policies and procedures established under the requirements of Rule 5150 of the Financial Industry Regulatory Authority.

Davidson has reviewed the registration statement on Form S-4 of which this joint proxy statement/prospectus is a part and consented to the inclusion of its opinion to the Community board of directors as Annex C to this joint proxy statement/prospectus and to the references to Davidson and its opinion contained herein. A copy of the consent of Davidson is attached as Exhibit 99.2 to the registration statement on Form S-4.

Table of Contents

In connection with rendering its opinion, Davidson reviewed, among other things, the following:

a draft of the merger agreement, dated February 22, 2018;

certain financial statements and other historical financial and business information about CVB and Community made available to Davidson from published sources and/or from the internal records of CVB and Community that Davidson deemed relevant;

certain publicly available analyst earnings estimates for CVB for the years ending December 31, 2018 and December 31, 2019 and estimated long-term growth rate for the years thereafter, in each case as discussed with, and confirmed by, senior management of Community and CVB;

financial projections for Community for the years ending December 31, 2018, December 31, 2019, and December 31, 2020 and estimated long term growth rate for the years thereafter, in each case as discussed with, and confirmed by, senior management of Community;

the current market environment generally and the banking environment in particular;

the financial terms of certain other transactions in the financial institutions industry, to the extent publicly available;

the market and trading characteristics of public companies and public bank holding companies in particular;

the relative contributions of CVB and Community to the combined company;

the pro forma financial impact of the transaction, taking into consideration the amounts and timing of the transaction costs and cost savings;

the net present value of Community with consideration of projected financial results;

the net present value of CVB with consideration of projected financial results; and

such other financial studies, analyses and investigations and financial, economic and market criteria and other information as Davidson considered relevant including discussions with management and other representatives and advisors of CVB and Community concerning the business, financial condition, results of

operations and prospects of CVB and Community.

In arriving at its opinion, Davidson assumed and relied upon the accuracy and completeness of all information supplied or otherwise made available to Davidson, discussed with or reviewed by or for Davidson, or publicly available, and Davidson did not independently verify, and did not assume responsibility for independently verifying, such information did not undertake an independent evaluation or appraisal of any of the assets or liabilities (contingent or otherwise) of Community or CVB, nor did Davidson make an independent appraisal or analysis of Community with respect to the merger. In addition, Davidson did not assume any obligation to conduct, nor did Davidson conduct any physical inspection of the properties or facilities of Community and was not provided with any reports of such physical inspections. Davidson did not make an independent evaluation or appraisal of the adequacy of the allowance for loan losses of Community or CVB nor did Davidson review any individual credit files relating to Community or CVB. Davidson assumed that the respective allowances for loan losses for both Community and CVB are adequate to cover such losses and will be adequate on a pro forma basis for the combined entity. Davidson assumed that there has been no material change in Community's assets, financial condition, results of operations, cash flows, business or prospects since the date of the most recent financial statements provided to Davidson and that neither Community nor CVB is party to any material pending transaction, including without limitation any financing, recapitalization, acquisition or merger, divestiture or spin-off, other than the merger. Davidson assumed in all respects material to its analysis that Community will remain as going concerns for all periods relevant to its analysis. Davidson also assumed in all respects material to its analysis that all of the representations and warranties contained in the merger agreement and all related agreements are true and correct. Davidson assumed that all material governmental, regulatory or other consents, approvals and waivers necessary for the consummation of the merger will be obtained without any material adverse effect on Community or the contemplated benefits of the merger. Davidson's opinion was necessarily

Table of Contents

based upon information available to Davidson and economic, market, financial and other conditions as they exist and can be evaluated on the date the fairness opinion letter was delivered to the Community board of directors.

With respect to the financial forecasts and other analyses (including information relating to certain pro forma financial effects of, and strategic implications and operational benefits anticipated to result from, the merger) provided to or otherwise reviewed by or for or discussed with Davidson, Davidson was advised by management of Community, and assumed with Community's consent, that such forecasts and other analyses were reasonably prepared on bases reflecting the best currently available estimates and good faith judgments of management of Community as to the future financial performance of Community and the other matters covered thereby, and that the financial results (including the potential strategic implications and operational benefits anticipated to result from the merger) reflected in such forecasts and analyses will be realized in the amounts and at the times projected. Davidson assumed no responsibility for and expressed no opinion as to these forecasts and analyses or the assumptions on which they were based. Davidson relied on the assurances of management of Community that it was not aware of any facts or circumstances that would make any of such information, forecasts or analyses inaccurate or misleading.

Davidson did not make an independent evaluation of the quality of Community's or CVB's deposit base, nor did Davidson independently evaluate potential deposit concentrations or the deposit composition of Community or CVB. Davidson did not make an independent evaluation of the quality of Community's or CVB's investment securities portfolio, nor did Davidson independently evaluate potential concentrations in the investment securities portfolio of Community or CVB.

Davidson's opinion did not take into account individual circumstances of specific holders with respect to control, voting or other rights which may distinguish such holders.

Davidson did not express any opinion as to the value of any asset of Community whether at current market prices or in the future, or as to the price at which Community or its assets could be sold in the future. Davidson also expressed no opinion as to the price at which Community common stock or CVB common stock will trade following announcement of the merger or at any future time.

Davidson did not evaluate the solvency or fair value of Community under any state, federal or other laws relating to bankruptcy, insolvency or similar matters. Davidson's opinion is not a solvency opinion and did not in any way address the solvency or financial condition of CVB. Davidson did not express any opinion as to the impact of the merger on the solvency or viability of Community or CVB or the ability of Community or CVB to pay their respective obligations when they come due.

Set forth below is a summary of the material financial analyses performed by Davidson in connection with rendering its opinion. The summary of the analyses of Davidson set forth below is not a complete description of the analysis underlying its opinion, and the order in which these analyses are described below is not indicative of any relative weight or importance given to those analyses by Davidson. The following summaries of financial analyses include information presented in tabular format. You should read these tables together with the full text of the summary financial analyses, as the tables alone are not a complete description of the analyses.

Unless otherwise indicated, the following quantitative information, to the extent it is based on market data, is based on market data as of February 23, 2018, the last trading day prior to the date on which Davidson delivered the fairness opinion letter to the Community board of directors, and is not necessarily indicative of market conditions after such date.

Implied Valuation Multiples for Community based on Merger Consideration

Davidson reviewed the financial terms of the proposed transaction. As described in the merger agreement, each outstanding share of common stock of Community will be converted into the right to receive (A) \$56.00 in cash

Table of Contents

and (B) the 9.4595 shares of CVB common stock (the Exchange Ratio). The terms and conditions of the merger are more fully described in the merger agreement. For purposes of the financial analyses described below, based on the closing price of CVB common stock on February 23, 2018, of \$23.37, the merger consideration represented an implied value of \$277.07 per share of Community common stock. Based upon financial information as of or for the twelve month period ended December 31, 2017 and other financial and market information described below, Davidson calculated the following transaction ratios:

Transaction Ratios		
	Per Share	Aggregate
Transaction Price / 2017 Net Income (Excluding DTA Impact)	25.9x	26.2x
Transaction Price / 2017 Net Income	32.5x	32.9x
Transaction Price / 2018E Net Income (1)	22.6x	22.8x
Transaction Price / 2019E Net Income (1)	20.9x	21.2x
Transaction Price / Book Value	249.2%	249.2%
Transaction Price / Tangible Book Value	250.2%	250.2%
Tangible Book Premium / Core Deposits (2)		21.4%
Transaction Price / Community's Closing Price as of 2/23/2018 (3)	48.9%	
Transaction Price / Community's 20-Day Average Price as of 2/23/2018 (4)	48.1%	

- (1) Financial projections in 2018 and 2019 based on management budget, as discussed with and confirmed by Community management
- (2) Tangible book premium / core deposits calculated by dividing the excess or deficit of the aggregate transaction value compared to tangible book value by core deposits
- (3) Based on Community's Closing Price as of 2/23/2018 of \$186.05
- (4) Based on Community's 20-Day Average Price as of 2/23/2018 of \$187.09

Stock Price Performance of Community and CVB

Davidson reviewed the history of the reported trading prices and volume of Community and CVB common stock and the relationship between the movements in the prices of Community and CVB common stock to movements in certain stock indices, including the Russell 3000 and the KBW Nasdaq Regional Banking Index. Davidson also compared the stock price performance of Community and CVB with the performance of the Russell 3000 and the KBW Nasdaq Regional Banking Index as follows:

	One Year Stock Performance	
	Beginning Index Value on 2/23/2017	Ending Index Value on 2/23/2018
Russell 3000	100.00%	115.54%
KBW Nasdaq Regional Banking Index	100.00%	101.64%
CVBF	100.00%	98.11%

Community 100.00% 112.08%

Three Year Stock Performance

	Beginning Index Value on 2/24/2015	Ending Index Value on 2/23/2018
Russell 3000	100.00%	128.58%
KBW Nasdaq Regional		
Banking Index	100.00%	147.46%
CVBF	100.00%	149.14%
Community	100.00%	216.97%

Table of Contents*Contribution Analysis*

Davidson analyzed the relative contribution of Community and CVB to certain financial and operating metrics for the pro forma combined company. Such financial and operating metrics included: (i) market capitalization; (ii) net income, excluding DTA impact, for the twelve months ended December 31, 2017; (iii) net income for the twelve months ended December 31, 2017; (iv) estimates for CVB GAAP net income in 2018 and 2019 based on publicly available consensus Street estimates and estimates for Community GAAP net income in 2018 and 2019 based on Community management's financial projections; (v) total assets; (vi) total cash; (vii) total investment securities; (viii) gross loans, including loans held-for-sale; (ix) loan loss reserve; (x) total deposits; (xi) noninterest-bearing demand deposits; (xii) non-maturity deposits; and (xiii) tangible common equity. The relative contribution analysis did not give effect to the impact of any synergies as a result of the proposed merger. The results of this analysis are summarized in the table below, which also compares the results of this analysis with the implied pro forma ownership percentages of Community and CVB shareholders in the combined company based on the Exchange Ratio and also hypothetically assuming 100% stock consideration in the proposed merger:

	Contribution Analysis		Community
	CVBF Stand-alone	CVBF % of Total	% of Total
Market Capitalization			
Market Capitalization (2/23/2018) (in thousands)	\$ 2,575,022	81.5%	\$ 583,098 18.5%
Income Statement - Historical			
2017 Net Income, Excluding DTA Impact (in thousands)	\$ 117,619	77.8%	\$ 33,495 22.2%
2017 Net Income (in thousands)	\$ 104,411	79.6%	\$ 26,724 20.4%
Income Statement - Projections			
2018E Net Income (in thousands) (1) (2)	\$ 138,852	78.3%	\$ 38,504 21.7%
2019E Net Income (in thousands) (1) (2)	\$ 146,566	77.9%	\$ 41,512 22.1%
Balance Sheet			
Total Assets (in thousands)	\$ 8,270,586	68.8%	\$ 3,747,398 31.2%
Total Cash (in thousands)	\$ 162,329	78.6%	\$ 44,298 21.4%
Total Investment Securities (in thousands)	\$ 2,928,563	77.8%	\$ 837,415 22.2%
Gross Loans, Incl. Loans HFS (in thousands)	\$ 4,830,631	63.8%	\$ 2,739,859 36.2%
Loan Loss Reserve (in thousands)	\$ 59,585	62.8%	\$ 35,346 37.2%
Total Deposits (in thousands)	\$ 6,546,853	69.6%	\$ 2,860,214 30.4%
Non-Interest Bearing Demand Deposits (in thousands)	\$ 3,846,436	76.6%	\$ 1,177,453 23.4%
Non-Maturity Deposits (in thousands)	\$ 6,161,506	72.3%	\$ 2,365,360 27.7%
Tangible Common Equity (in thousands)	\$ 945,864	72.9%	\$ 350,975 27.1%
Pro Forma Ownership			
Merger Transaction - Actual		78.6%	21.4%
Merger Transaction - 100% Stock Equivalent		74.6%	25.4%

Note: Pro forma contribution does not include any purchase accounting or merger adjustments

- (1) Financial projections for CVBF in 2018 and 2019 based on publicly available consensus Street estimates, as discussed with and confirmed by Community management
- (2) Financial projections for Community in 2018 and 2019 based on management budget, as discussed with and confirmed by Community management

Community Comparable Companies Analysis

Davidson used publicly available information to compare selected financial and market trading information for Community and a group of 15 financial institutions selected by Davidson which: (i) were headquartered

Table of Contents

nationwide; (ii) had their common stock listed on the over-the-counter exchange; (iii) had assets between \$2.0 billion and \$7.0 billion; and (iv) were not pending merger targets and ethnic banks. The 15 financial institutions were as follows:

Farmers & Merchants Bank of Long Beach

W.T.B. Financial Corporation

Mechanics Bank

Carter Bank & Trust

First National Bank Alaska

Farmers & Merchants Bancorp

Burke & Herbert Bank & Trust Company

Hills Bancorporation

Southern BancShares (N.C.), Inc.

Canandaigua National Corporation

Exchange Bank

Dacotah Banks, Inc.

West Suburban Bancorp, Inc.

Revere Bank

River City Bank

** Does not reflect impact from pending acquisitions or acquisitions closed after February 23, 2018*

The analysis compared the financial condition and performance and market performance of Community and the 15 financial institutions identified above based on publicly available financial and market trading information for Community and the data for the 15 financial institutions as of and for the 12-month or three-month period ended December 31, 2017. The table below shows the results of this analysis (excluding the impact of earnings per share multiples considered not meaningful by Davidson).

Financial Condition and Performance

	Community	Median	Comparable Companies		
			Average	Minimum	Maximum
Total Assets (in millions)	\$ 3,747.4	\$ 2,783.8	\$ 3,485.3	\$ 2,037.8	\$ 6,991.6
Loan / Deposit Ratio	95.8%	80.7%	83.1%	55.9%	116.8%
Non-Performing Assets / Total Assets	0.26%	0.21%	0.53%	0.01%	3.23%
Tangible Common Equity Ratio	9.37%	9.19%	9.79%	7.28%	13.72%
Net Interest Margin (Most Recent Quarter)	3.36%	3.54%	3.56%	2.81%	4.24%
Efficiency Ratio (Most Recent Quarter)	64.9%	60.8%	60.0%	37.3%	71.7%
Core Return on Average Assets (Most Recent Quarter) (1)	1.22%	1.75%	1.61%	1.13%	2.04%

Market Performance Multiples

	Community	Median	Comparable Companies		
			Average	Minimum	Maximum
Market Capitalization (in millions)	\$ 583	\$ 438	\$ 504	\$ 252	\$ 1,049
Price / MRQ Earnings Per Share	20.3x	25.0x	22.6x	11.8x	29.5x
Price / LTM Earnings Per Share	17.4x	17.0x	17.5x	8.0x	26.8x
Price / Tangible Book Value Per Share	168.0%	151.9%	148.9%	109.4%	183.5%
Dividend Yield (Most Recent Quarter)	1.07%	1.30%	1.45%	0.00%	4.40%
Price Change (Last Twelve Months)	12.1%	24.5%	20.1%	-7.5%	51.6%

(1) Core income before provision, OREO expense, amortization, goodwill impairment, gain/loss on securities, non-recurring items and taxes, as a percentage of average assets

CVB Comparable Companies Analysis NASDAQ/NYSE

Davidson used publicly available information to compare selected financial and market trading information for CVB and a group of 29 financial institutions selected by Davidson which: (i) were headquartered nationwide;

Table of Contents

(ii) had their common stock listed on NASDAQ or NYSE; (iii) had assets between \$8.0 billion and \$14.0 billion; and (iv) were not pending merger targets and ethnic banks. These 29 financial institutions were as follows:

Trustmark Corporation

Hilltop Holdings Inc.

Columbia Banking System, Inc.

First BanCorp.

First Interstate BancSystem, Inc.

International Bancshares Corporation

United Community Banks, Inc.

Great Western Bancorp, Inc.

Berkshire Hills Bancorp, Inc.

Cadence Bancorporation

Community Bank System, Inc.

FCB Financial Holdings, Inc.

Banc of California, Inc.

Customers Bancorp, Inc.

Renasant Corporation

WesBanco, Inc.

Heartland Financial USA, Inc.

Banner Corporation

Glacier Bancorp, Inc.

First Merchants Corporation

Union Bankshares Corporation

NBT Bancorp Inc.

Table of Contents

LegacyTexas Financial Group, Inc.

First Financial Bancorp.

Independent Bank Group, Inc.

TowneBank

Boston Private Financial Holdings, Inc.

Independent Bank Corp.

Pacific Premier Bancorp, Inc.

* Does not reflect impact from pending acquisitions or acquisitions closed after February 23, 2018

The analysis compared the financial condition and performance and market performance of CVB and the 29 financial institutions identified above based on publicly available financial and market trading information for CVB and the 29 financial institutions as of and for the 12-month or three-month period ended February 23, 2018. The analysis also compared the 2018 and 2019 earnings per share multiples for CVB and the 29 financial institutions identified above based on publicly available consensus Street estimates for CVB and the 29 financial institutions. The table below shows the results of this analysis (excluding the impact of earnings per share multiples considered not meaningful by Davidson).

Financial Condition and Performance

	CVBF	Median	Comparable Companies		
			Average	Minimum	Maximum
Total Assets (in millions)	\$ 8,270.6	\$ 9,830.0	\$ 10,369.5	\$ 8,024.5	\$ 13,798.0
Loan / Deposit Ratio	73.8%	92.0%	90.8%	71.9%	115.4%
Non-Performing Assets / Total Assets	0.18%	0.33%	0.61%	0.04%	5.04%
Tangible Common Equity Ratio	11.61%	8.96%	9.25%	6.78%	14.71%
Net Interest Margin (Most Recent Quarter)	3.68%	3.65%	3.73%	2.79%	4.56%
Efficiency Ratio (Most Recent Quarter)	41.8%	57.2%	58.4%	41.1%	86.0%
Core Return on Average Assets (Most Recent Quarter) (1)	2.23%	1.91%	1.87%	0.42%	2.42%

Market Performance Multiples

	CVBF	Median	Comparable Companies		
			Average	Minimum	Maximum
Market Capitalization (in millions)	\$ 2,575	\$ 2,092	\$ 2,079	\$ 960	\$ 3,130
Price / MRQ Earnings Per Share	NM	21.9x	21.4x	9.9x	29.8x
Price / LTM Earnings Per Share	24.6x	20.8x	21.5x	15.5x	28.9x
Price / 2018E Earnings Per Share (2)	18.5x	15.2x	15.2x	11.2x	23.7x
Price / 2019E Earnings Per Share (2)	17.6x	13.3x	13.6x	9.4x	17.8x
Price / Tangible Book Value Per Share	272.2%	231.5%	226.6%	74.9%	345.6%
Dividend Yield (Most Recent Quarter)	2.40%	1.79%	1.72%	0.00%	3.18%
Price Change (Last Twelve Months)	-1.9%	1.8%	-0.4%	-13.3%	13.3%

- (1) Core income before provision, OREO expense, amortization, goodwill impairment, gain/loss on securities, non-recurring items and taxes, as a percentage of average assets
- (2) Earnings per share estimates based on publicly available consensus Street estimates

Table of Contents

CVB Comparable Companies Analysis High Performing

Davidson used publicly available information to compare selected financial and market trading information for CVB and a group of 15 financial institutions selected by Davidson which: (i) were headquartered nationwide; (ii) had their common stock listed on NASDAQ or NYSE; (iii) had assets between \$8.0 billion and \$25.0 billion; and (iv) were not pending merger targets. These 15 financial institutions were as follows:

PacWest Bancorp

Pinnacle Financial Partners, Inc.

Bank of the Ozarks

Western Alliance Bancorporation

Chemical Financial Corporation

South State Corporation

Home BancShares, Inc.

Hilltop Holdings Inc.

Columbia Banking System, Inc.

International Bancshares Corporation

Community Bank System, Inc.

FCB Financial Holdings, Inc.

Renasant Corporation

First Merchants Corporation

Pacific Premier Bancorp, Inc.

** Does not reflect impact from pending acquisitions or acquisitions closed after February 23, 2018*

The analysis compared the financial condition and performance and market performance of CVB and the 15 financial institutions identified above based on publicly available financial and market trading information for CVB and the 15 financial institutions as of and for the 12-month or three-month period ended February 23, 2018. The analysis also compared the 2018 and 2019 earnings per share multiples for CVB and the 15 financial institutions identified above based on publicly available consensus Street estimates for CVB and the 15 financial institutions. The table below

shows the results of this analysis (excluding the impact of earnings per share multiples considered not meaningful by Davidson).

Financial Condition and Performance

	CVBF	Median	Comparable Companies		
			Average	Minimum	Maximum
Total Assets (in millions)	\$ 8,270.6	\$ 13,365.8	\$ 14,926.9	\$ 8,024.5	\$ 24,994.9
Loan / Deposit Ratio	73.8%	92.1%	90.2%	71.9%	103.8%
Non-Performing Assets / Total Assets	0.18%	0.36%	0.36%	0.04%	0.63%
Tangible Common Equity Ratio	11.61%	9.47%	10.05%	8.17%	13.38%
Net Interest Margin (Most Recent Quarter)	3.68%	4.18%	4.10%	3.13%	4.97%
Efficiency Ratio (Most Recent Quarter)	41.8%	50.7%	49.9%	33.7%	81.5%
Core Return on Average Assets (Most Recent Quarter) (1)	2.23%	2.19%	2.36%	1.95%	3.17%

Market Performance Multiples

	CVBF	Median	Comparable Companies		
			Average	Minimum	Maximum
Market Capitalization (in millions)	\$ 2,575	\$ 3,116	\$ 3,738	\$ 1,966	\$ 6,926
Price / MRQ Earnings Per Share	NM	17.5x	18.2x	9.9x	29.5x
Price / LTM Earnings Per Share	24.6x	20.3x	21.4x	15.3x	27.4x
Price / 2018E Earnings Per Share (2)	18.5x	14.7x	14.8x	12.2x	18.5x
Price / 2019E Earnings Per Share (2)	17.6x	13.2x	13.4x	11.1x	17.8x
Price / Tangible Book Value Per Share	272.2%	270.3%	263.8%	147.7%	345.6%
Dividend Yield (Most Recent Quarter)	2.40%	1.62%	1.47%	0.00%	3.72%
Price Change (Last Twelve Months)	-1.9%	1.8%	-0.6%	-15.1%	14.2%

- (1) Core income before provision, OREO expense, amortization, goodwill impairment, gain/loss on securities, non-recurring items and taxes, as a percentage of average assets
- (2) Earnings per share estimates based on publicly available consensus Street estimates

Table of Contents

Precedent Transactions Analysis

Davidson reviewed three sets of comparable merger and acquisition transactions. The sets of mergers and acquisitions included: (1) Nationwide Transactions, (2) Western U.S. Transactions, and (3) California Transactions.

Nationwide Transactions included 34 transactions where:

the selling company was a bank headquartered in the United States;

the selling company's total assets were between \$1.0 billion and \$10.0 billion;

the transaction was announced between November 8, 2016 and February 23, 2018;

the transaction's pricing information was publicly available;

the transaction was not a merger of equals; and

the transaction had a stock component to the merger consideration.

Western U.S. Transactions included 9 transactions where:

the selling company was a bank headquartered in the Western U.S.;

the selling company's total assets were between \$1.0 billion and \$10.0 billion;

the transaction was announced between November 8, 2016 and February 23, 2018;

the transaction's pricing information was publicly available; and

the transaction was not a merger of equals.

California Transactions included 8 transactions where:

the selling company was a bank headquartered in California;

the transaction was announced between January 1, 2015 and February 23, 2018;

the selling company's total assets were between \$1.0 billion and \$10.0 billion;

the transaction's pricing information was publicly available; and

the transaction was not a merger of equals.

The following tables set forth the transactions included in Nationwide Transactions, Western U.S. Transactions, and California Transactions, and are sorted by announcement date:

Nationwide Transactions

<u>Announcement Date</u>	<u>Acquirer</u>	<u>Target</u>
2/12/2018*	Pacific Premier Bancorp, Inc.	Grandpoint Capital, Inc.
1/26/2018*	Ameris Bancorp	Hamilton State Bancshares, Inc.
1/09/2018*	Meta Financial Group, Inc.	Crestmark Bancorp Inc.
12/11/2017*	TriCo Bancshares	FNB Bancorp
11/27/2017*	Byline Bancorp, Inc.	First Evanston Bancorp, Inc.
10/26/2017*	Glacier Bancorp, Inc.	Inter-Mountain Bancorp., Inc.
10/16/2017*	Midland States Bancorp, Inc.	Alpine Bancorporation, Inc.
8/14/2017	CenterState Bank Corporation	HCBF Holding Company, Inc.
8/09/2017	Pacific Premier Bancorp, Inc.	Plaza Bancorp
8/08/2017	Old National Bancorp	Anchor Bancorp, Inc.
7/26/2017	Valley National Bancorp	USAmeriBancorp, Inc.
7/25/2017*	First Financial Bancorp.	MainSource Financial Group, Inc.
6/30/2017	OceanFirst Financial Corp.	Sun Bancorp, Inc.
6/12/2017	Southside Bancshares, Inc.	Diboll State Bancshares, Inc.
6/12/2017	Carolina Financial Corporation	First South Bancorp, Inc.

Table of Contents

<u>Announcement Date</u>	<u>Acquirer</u>	<u>Target</u>
5/22/2017	Union Bankshares Corporation	Xenith Bankshares, Inc.
5/22/2017	Berkshire Hills Bancorp, Inc.	Commerce Bancshares Corp.
5/16/2017	Sandy Spring Bancorp, Inc.	WashingtonFirst Bankshares, Inc.
4/27/2017	South State Corporation	Park Sterling Corporation
4/27/2017	TowneBank	Paragon Commercial Corporation
4/06/2017	PacWest Bancorp	CU Bancorp
3/27/2017	Home BancShares, Inc.	Stonegate Bank
2/28/2017	IBERIABANK Corporation	Sabadell United Bank, N.A.
2/13/2017	Heartland Financial USA, Inc.	Citywide Banks of Colorado, Inc.
2/06/2017	First Busey Corporation	First Community Financial Partners, Inc.
1/23/2017	Simmons First National Corporation	First Texas BHC, Inc.
1/22/2017	Pinnacle Financial Partners, Inc.	BNC Bancorp
1/17/2017	Renasant Corporation	Metropolitan BancGroup, Inc.
1/09/2017	Columbia Banking System, Inc.	Pacific Continental Corporation
12/14/2016	Simmons First National Corporation	Southwest Bancorp, Inc.
12/14/2016	Veritex Holdings, Inc.	Sovereign Bancshares, Inc.
12/13/2016	Pacific Premier Bancorp, Inc.	Heritage Oaks Bancorp
11/21/2016	Independent Bank Group, Inc.	Carlile Bancshares, Inc.
11/17/2016	First Interstate BancSystem, Inc.	Cascade Bancorp

* *Indicates the transaction was pending as of February 23, 2018*
Western U.S. Transactions

<u>Announcement Date</u>	<u>Acquirer</u>	<u>Target</u>
--------------------------	-----------------	---------------

Edgar Filing: CVB FINANCIAL CORP - Form 424B3

2/12/2018*	Pacific Premier Bancorp, Inc.	Grandpoint Capital, Inc.
12/11/2017*	TriCo Bancshares	FNB Bancorp
10/26/2017*	Glacier Bancorp, Inc.	Inter-Mountain Bancorp., Inc.
8/09/2017	Pacific Premier Bancorp, Inc.	Plaza Bancorp
4/06/2017	PacWest Bancorp	CU Bancorp
2/13/2017	Heartland Financial USA, Inc.	Citywide Banks of Colorado, Inc.
1/09/2017	Columbia Banking System, Inc.	Pacific Continental Corporation
12/13/2016	Pacific Premier Bancorp, Inc.	Heritage Oaks Bancorp
11/17/2016	First Interstate BancSystem, Inc.	Cascade Bancorp

* Indicates the transaction was pending as of February 23, 2018

California Transactions

<u>Announcement Date</u>	<u>Acquirer</u>	<u>Target</u>
2/12/2018*	Pacific Premier Bancorp, Inc.	Grandpoint Capital, Inc.
12/11/2017*	TriCo Bancshares	FNB Bancorp
8/09/2017	Pacific Premier Bancorp, Inc.	Plaza Bancorp
4/06/2017	PacWest Bancorp	CU Bancorp
12/13/2016	Pacific Premier Bancorp, Inc.	Heritage Oaks Bancorp
7/08/2016	Cathay General Bancorp	SinoPac Bancorp
4/28/2016	Mechanics Bank	California Republic Bancorp
3/09/2015	Western Alliance Bancorporation	Bridge Capital Holdings

* Indicates the transaction was pending as of February 23, 2018

For each transaction referred to above, Davidson compared, among other things, the following implied ratios:

transaction price compared to earnings per share for the last twelve months, based on the latest publicly available financial statements of the target company prior to the announcement of the transaction;

Table of Contents

transaction price compared to tangible book value on a per share and aggregate basis, based on the latest publicly available financial statements of the target company prior to the announcement of the transaction; and

tangible book premium to core deposits based on the latest publicly available financial statements of the target company prior to the announcement of the transaction.

Davidson compared the multiples of the comparable transaction groups and other operating financial data where relevant to the proposed merger multiples and other operating financial data of Community as of or for the 12-month period ended December 31, 2017. The table below sets forth the results of this analysis.

Community	Financial Condition and Performance									
	Median	Nationwide			Western U.S.			California		
		Average	Minimum	Maximum	Median	Average	Minimum	Maximum	Median	Average
4	\$ 2,057.5	\$ 2,345.9	\$ 1,009.6	\$ 7,401.7	\$ 1,988.3	\$ 2,107.7	\$ 1,009.6	\$ 3,193.9	\$ 1,767.9	\$ 1,997.8
6%	0.96%	1.02%	0.41%	2.82%	0.92%	0.90%	0.59%	1.12%	0.83%	0.86%
0%	8.72%	9.63%	3.37%	22.15%	8.60%	8.65%	4.78%	11.20%	7.54%	7.73%
7%	8.95%	9.07%	6.85%	13.89%	8.76%	8.69%	7.39%	9.53%	9.26%	10.72%
9%	62.0%	63.4%	50.8%	89.1%	60.7%	61.7%	54.5%	73.6%	60.9%	63.8%
6%	0.62%	0.72%	0.00%	2.17%	0.43%	0.60%	0.02%	1.20%	0.34%	0.41%
Community	Transaction Multiples									
	Median	Nationwide			Western U.S.			California		
		Average	Minimum	Maximum	Median	Average	Minimum	Maximum	Median	Average
2%	213.2%	223.1%	138.3%	403.2%	215.1%	232.3%	181.9%	316.9%	212.2%	208.9%
2%	218.3%	227.8%	138.3%	403.2%	220.9%	237.4%	181.9%	325.0%	218.0%	217.0%
x	22.0x	21.8x	7.8x	36.2x	25.1x	24.2x	17.0x	31.7x	25.3x	26.0x

4% 15.1% 15.2% 3.0% 27.1% 13.8% 14.9% 8.2% 21.4% 13.8% 14.6%

- (1) Core deposits exclude time deposits with account balances greater than \$100,000. Tangible book premium / core deposits calculated by dividing the excess or deficit of the aggregate transaction value over tangible book value by core deposits.

Net Present Value Analysis for Community

Davidson performed an analysis that estimated the net present value per share of Community common stock under various circumstances. The analysis assumed: (i) Community performed in accordance with Community management's financial forecasts for the years ending December 31, 2018, December 31, 2019, and December 31, 2020; and (ii) an estimated long-term growth rate for the years thereafter, as discussed with and confirmed by Community management. To approximate the terminal value of Community common stock at December 31, 2022, Davidson applied price to earnings multiples of 14.0x to 24.0x and multiples of tangible book value ranging from 140.0% to 240.0%. The income streams and terminal values were then discounted to present values using different discount rates ranging from 8.00% to 13.00% chosen to reflect different assumptions regarding required rates of return of holders or prospective buyers of Community's common stock. In evaluating the discount rate, Davidson used industry standard methods of adding the current risk-free rate, which is based on the 20-year Treasury yield, plus the published Duff & Phelps Industry Equity Risk Premium (adjusted to reflect the industry beta for depository institutions), plus the published Duff & Phelps Size Premium.

Table of Contents

At the February 26, 2018 Community board of directors meeting, Davidson noted that the net present value analysis is a widely used valuation methodology, but the results of such methodology are highly dependent upon the numerous assumptions that must be made, and the results thereof are not necessarily indicative of actual values or future results.

As illustrated in the following tables, the analysis indicates an imputed range of values per share of Community common stock of \$129.85 to \$271.28 when applying the price to earnings multiples to the financial forecasts and \$138.35 to \$289.56 when applying the multiples of tangible book value to the financial forecasts.

Earnings Per Share Multiples

Discount Rate	Earnings Per Share Multiple					
	14.0x	16.0x	18.0x	20.0x	22.0x	24.0x
8.00%	\$ 161.94	\$ 183.81	\$ 205.67	\$ 227.54	\$ 249.41	\$ 271.28
9.00%	\$ 154.81	\$ 175.69	\$ 196.57	\$ 217.45	\$ 238.34	\$ 259.22
10.00%	\$ 148.05	\$ 168.00	\$ 187.95	\$ 207.90	\$ 227.85	\$ 247.80
11.00%	\$ 141.66	\$ 160.72	\$ 179.79	\$ 198.86	\$ 217.92	\$ 236.99
12.00%	\$ 135.59	\$ 153.82	\$ 172.05	\$ 190.28	\$ 208.51	\$ 226.74
13.00%	\$ 129.85	\$ 147.28	\$ 164.72	\$ 182.16	\$ 199.59	\$ 217.03

Tangible Book Value Multiples

Discount Rate	Tangible Book Value Per Share Multiple					
	140.0%	160.0%	180.0%	200.0%	220.0%	240.0%
8.00%	\$ 172.60	\$ 195.99	\$ 219.39	\$ 242.78	\$ 266.17	\$ 289.56
9.00%	\$ 164.99	\$ 187.33	\$ 209.67	\$ 232.00	\$ 254.34	\$ 276.68
10.00%	\$ 157.78	\$ 179.12	\$ 200.46	\$ 221.80	\$ 243.14	\$ 264.48
11.00%	\$ 150.96	\$ 171.35	\$ 191.75	\$ 212.14	\$ 232.54	\$ 252.93
12.00%	\$ 144.48	\$ 163.98	\$ 183.48	\$ 202.98	\$ 222.48	\$ 241.98
13.00%	\$ 138.35	\$ 157.00	\$ 175.65	\$ 194.30	\$ 212.96	\$ 231.61

Davidson also considered and discussed with the Community board of directors how this analysis would be affected by changes in the underlying assumptions, including variations with respect to net income. To illustrate this impact, Davidson performed a similar analysis assuming Community estimated earnings per share in 2022 varied from 20.00% above projections to 20.00% below projections. This analysis resulted in the following range of per share values for Community common stock, using the same price to earnings multiples of 14.0x to 24.0x and a discount rate of 11.00%.

Variance to	Earnings Per Share Multiple					
	14.0x	16.0x	18.0x	20.0x	22.0x	24.0x
2022 EPS						
20.00%	\$ 168.35	\$ 191.23	\$ 214.11	\$ 236.99	\$ 259.87	\$ 282.75
15.00%	\$ 161.68	\$ 183.60	\$ 205.53	\$ 227.46	\$ 249.38	\$ 271.31
10.00%	\$ 155.00	\$ 175.98	\$ 196.95	\$ 217.92	\$ 238.90	\$ 259.87
5.00%	\$ 148.33	\$ 168.35	\$ 188.37	\$ 208.39	\$ 228.41	\$ 248.43

Edgar Filing: CVB FINANCIAL CORP - Form 424B3

0.00%	\$ 141.66	\$ 160.72	\$ 179.79	\$ 198.86	\$ 217.92	\$ 236.99
-5.00%	\$ 134.98	\$ 153.10	\$ 171.21	\$ 189.32	\$ 207.44	\$ 225.55
-10.00%	\$ 128.31	\$ 145.47	\$ 162.63	\$ 179.79	\$ 196.95	\$ 214.11
-15.00%	\$ 121.64	\$ 137.84	\$ 154.05	\$ 170.26	\$ 186.46	\$ 202.67
-20.00%	\$ 114.96	\$ 130.22	\$ 145.47	\$ 160.72	\$ 175.98	\$ 191.23

Table of Contents*Illustrative Net Present Value Analysis for Pro Forma Community*

For illustrative purposes, Davidson performed an analysis that estimated the net present value per share of Community common stock if reinvested in CVB under various circumstances, including the impact of the merger with CVB and hypothetically assuming 100% stock consideration in the proposed merger. The analysis assumed (i) Community performed in accordance with Community management's financial forecasts for the years ending December 31, 2018, December 31, 2019, and December 31, 2020; (ii) an estimated long-term growth rate for the years thereafter, as discussed with and confirmed by Community management; and (iii) the pro forma financial impact of the merger with CVB including the cost savings estimates, purchase accounting adjustments and transaction expenses. The analysis also assumed (i) CVB performed in accordance with publicly available consensus Street estimates for the years ending December 31, 2018 and December 31, 2019, and (ii) an estimated long-term growth rate for the years thereafter, as discussed with and confirmed by Community management. To approximate the terminal value of CVB common stock at December 31, 2021, Davidson applied price to forward earnings multiples of 14.0x to 24.0x and multiples of tangible book value ranging from 200.0% to 300.0%. The income streams and terminal values were then discounted to present values using different discount rates ranging from 8.00% to 13.00% chosen to reflect different assumptions regarding required rates of return of holders or prospective buyers of CVB's common stock. In evaluating the discount rate, Davidson used industry standard methods of adding the current risk-free rate, which is based on the 20-year Treasury yield, plus the published Duff & Phelps Industry Equity Risk Premium (adjusted to reflect the industry beta for depository institutions), plus the published Duff & Phelps Size Premium.

At the February 26, 2018 Community board of directors meeting, Davidson noted that the net present value analysis is a widely used valuation methodology, but the results of such methodology are highly dependent upon the numerous assumptions that must be made, and the results thereof are not necessarily indicative of actual values or future results.

As illustrated in the following tables, the analysis indicates an imputed range of values per share of Community common stock, after adjusting for the exchange ratio, of \$204.05 to \$399.37 when applying the price to forward earnings multiples to the financial forecasts and \$198.56 to \$342.61 when applying the multiples of tangible book value to the financial forecasts.

Earnings Per Share Multiples

Discount Rate	Earnings Per Share Multiple					
	14.0x	16.0x	18.0x	20.0x	22.0x	24.0x
8.00%	\$ 243.01	\$ 274.28	\$ 305.56	\$ 336.83	\$ 368.10	\$ 399.37
9.00%	\$ 234.50	\$ 264.64	\$ 294.78	\$ 324.92	\$ 355.06	\$ 385.20
10.00%	\$ 226.37	\$ 255.43	\$ 284.49	\$ 313.55	\$ 342.60	\$ 371.66
11.00%	\$ 218.60	\$ 246.62	\$ 274.65	\$ 302.67	\$ 330.69	\$ 358.72
12.00%	\$ 211.16	\$ 238.20	\$ 265.23	\$ 292.27	\$ 319.31	\$ 346.34
13.00%	\$ 204.05	\$ 230.14	\$ 256.23	\$ 282.32	\$ 308.41	\$ 334.50

Tangible Book Value Multiples

Discount Rate	Tangible Book Value Per Share Multiple					
	200.0%	220.0%	240.0%	260.0%	280.0%	300.0%
8.00%	\$ 236.44	\$ 257.67	\$ 278.91	\$ 300.14	\$ 321.37	\$ 342.61

Edgar Filing: CVB FINANCIAL CORP - Form 424B3

9.00%	\$ 228.17	\$ 248.63	\$ 269.10	\$ 289.56	\$ 310.03	\$ 330.49
10.00%	\$ 220.27	\$ 240.00	\$ 259.73	\$ 279.46	\$ 299.19	\$ 318.92
11.00%	\$ 212.71	\$ 231.74	\$ 250.77	\$ 269.79	\$ 288.82	\$ 307.85
12.00%	\$ 205.48	\$ 223.84	\$ 242.20	\$ 260.55	\$ 278.91	\$ 297.27
13.00%	\$ 198.56	\$ 216.28	\$ 234.00	\$ 251.71	\$ 269.43	\$ 287.14

Davidson also considered and discussed with the Community board of directors how this analysis would be affected by changes in the underlying assumptions, including variations with respect to net income. To illustrate

Table of Contents

this impact, Davidson performed a similar analysis assuming Community's pro forma estimated earnings per share in 2022 varied from 20.00% above projections to 20.00% below projections. This analysis resulted in the following range of per share values for Community common stock, after adjusting for the exchange ratio, using the same price to forward earnings multiples of 14.0x to 24.0x, and using a discount rate of 10.00%.

Variance to 2022 EPS	Earnings Per Share Multiple					
	14.0x	16.0x	18.0x	20.0x	22.0x	24.0x
20.00%	\$ 267.05	\$ 301.92	\$ 336.79	\$ 371.66	\$ 406.53	\$ 441.40
15.00%	\$ 256.88	\$ 290.30	\$ 323.72	\$ 357.13	\$ 390.55	\$ 423.97
10.00%	\$ 246.71	\$ 278.68	\$ 310.64	\$ 342.60	\$ 374.57	\$ 406.53
5.00%	\$ 236.54	\$ 267.05	\$ 297.56	\$ 328.07	\$ 358.59	\$ 389.10
0.00%	\$ 226.37	\$ 255.43	\$ 284.49	\$ 313.55	\$ 342.60	\$ 371.66
-5.00%	\$ 216.20	\$ 243.81	\$ 271.41	\$ 299.02	\$ 326.62	\$ 354.23
-10.00%	\$ 206.03	\$ 232.18	\$ 258.34	\$ 284.49	\$ 310.64	\$ 336.79
-15.00%	\$ 195.86	\$ 220.56	\$ 245.26	\$ 269.96	\$ 294.66	\$ 319.36
-20.00%	\$ 185.69	\$ 208.94	\$ 232.18	\$ 255.43	\$ 278.68	\$ 301.92

Net Present Value Analysis for CVB

Davidson performed an analysis that estimated the net present value per share of CVB common stock under various circumstances. The analysis assumed: (i) CVB performed in accordance with publicly available consensus Street estimates for the years ending December 31, 2018 and December 31, 2019, and (ii) an estimated long-term growth rate for the years thereafter, as discussed with and confirmed by Community management. To approximate the terminal value of CVB common stock at December 31, 2021, Davidson applied price to forward earnings multiples of 14.0x to 24.0x and multiples of tangible book value ranging from 200.0% to 300.0%. The income streams and terminal values were then discounted to present values using different discount rates ranging from 8.00% to 13.00% chosen to reflect different assumptions regarding required rates of return of holders or prospective buyers of CVB's common stock. In evaluating the discount rate, Davidson used industry standard methods of adding the current risk-free rate, which is based on the 20-year Treasury yield, plus the published Duff & Phelps Industry Equity Risk Premium (adjusted to reflect the industry beta for depository institutions), plus the published Duff & Phelps Size Premium.

At the February 26, 2018 Community board of directors meeting, Davidson noted that the net present value analysis is a widely used valuation methodology, but the results of such methodology are highly dependent upon the numerous assumptions that must be made, and the results thereof are not necessarily indicative of actual values or future results.

As illustrated in the following tables, the analysis indicates an imputed range of values per share of CVB common stock of \$15.59 to \$30.16 when applying the price to forward earnings multiples to the financial forecasts and \$16.93 to \$29.09 when applying the multiples of tangible book value to the financial forecasts.

Earnings Per Share Multiples

Discount Rate	Earnings Per Share Multiple					
	14.0x	16.0x	18.0x	20.0x	22.0x	24.0x

Edgar Filing: CVB FINANCIAL CORP - Form 424B3

8.00%	\$ 18.52	\$ 20.85	\$ 23.18	\$ 25.51	\$ 27.83	\$ 30.16
9.00%	\$ 17.88	\$ 20.13	\$ 22.37	\$ 24.61	\$ 26.86	\$ 29.10
10.00%	\$ 17.27	\$ 19.43	\$ 21.60	\$ 23.76	\$ 25.92	\$ 28.09
11.00%	\$ 16.68	\$ 18.77	\$ 20.86	\$ 22.94	\$ 25.03	\$ 27.11
12.00%	\$ 16.12	\$ 18.14	\$ 20.15	\$ 22.16	\$ 24.17	\$ 26.19
13.00%	\$ 15.59	\$ 17.53	\$ 19.47	\$ 21.41	\$ 23.36	\$ 25.30

Table of Contents**Tangible Book Value Multiples**

Discount Rate	Tangible Book Value Per Share Multiple					
	200.0%	220.0%	240.0%	260.0%	280.0%	300.0%
8.00%	\$ 20.14	\$ 21.93	\$ 23.72	\$ 25.51	\$ 27.30	\$ 29.09
9.00%	\$ 19.44	\$ 21.16	\$ 22.89	\$ 24.62	\$ 26.34	\$ 28.07
10.00%	\$ 18.77	\$ 20.43	\$ 22.10	\$ 23.76	\$ 25.42	\$ 27.09
11.00%	\$ 18.13	\$ 19.73	\$ 21.34	\$ 22.94	\$ 24.55	\$ 26.15
12.00%	\$ 17.52	\$ 19.07	\$ 20.61	\$ 22.16	\$ 23.71	\$ 25.26
13.00%	\$ 16.93	\$ 18.43	\$ 19.92	\$ 21.42	\$ 22.91	\$ 24.40

Davidson also considered and discussed with the Community board of directors how this analysis would be affected by changes in the underlying assumptions, including variations with respect to net income. To illustrate this impact, Davidson performed a similar analysis assuming CVB estimated earnings per share in 2022 varied from 20.00% above projections to 20.00% below projections. This analysis resulted in the following range of per share values for CVB common stock, using the same price to forward earnings multiples of 14.0x to 24.0x and a discount rate of 10.00%.

Variance to 2022 EPS	Earnings Per Share Multiple					
	14.0x	16.0x	18.0x	20.0x	22.0x	24.0x
20.00%	\$ 20.30	\$ 22.89	\$ 25.49	\$ 28.09	\$ 30.68	\$ 33.28
15.00%	\$ 19.54	\$ 22.03	\$ 24.52	\$ 27.00	\$ 29.49	\$ 31.98
10.00%	\$ 18.78	\$ 21.16	\$ 23.54	\$ 25.92	\$ 28.30	\$ 30.68
5.00%	\$ 18.03	\$ 20.30	\$ 22.57	\$ 24.84	\$ 27.11	\$ 29.38
0.00%	\$ 17.27	\$ 19.43	\$ 21.60	\$ 23.76	\$ 25.92	\$ 28.09
-5.00%	\$ 16.51	\$ 18.57	\$ 20.62	\$ 22.68	\$ 24.73	\$ 26.79
-10.00%	\$ 15.75	\$ 17.70	\$ 19.65	\$ 21.60	\$ 23.54	\$ 25.49
-15.00%	\$ 15.00	\$ 16.84	\$ 18.67	\$ 20.51	\$ 22.35	\$ 24.19
-20.00%	\$ 14.24	\$ 15.97	\$ 17.70	\$ 19.43	\$ 21.16	\$ 22.89

Financial Impact Analysis

Davidson performed pro forma merger analyses that combined projected income statement and balance sheet information of Community and CVB. Assumptions regarding the accounting treatment, acquisition adjustments and cost savings were used to calculate the financial impact that the merger would have on certain projected financial results of CVB. In the course of this analysis, Davidson used (i) Community management's financial forecast for the years ending December 31, 2018, December 31, 2019, and December 31, 2020; (ii) an estimated long-term growth rate for Community for the years thereafter, as discussed with and confirmed by Community management; (iii) publicly available consensus Street estimates for CVB for the years ending December 31, 2018 and December 31, 2019; and (iv) an estimated long-term growth rate for CVB for the years thereafter, as discussed with and confirmed by Community management. This analysis indicated that the merger is expected to be immediately accretive to CVB's earnings per share, after excluding non-recurring transaction-related expenses. The analysis also indicated that the merger is expected to be dilutive to tangible book value per share for CVB and that CVB would maintain capital ratios in excess of those required for CVB to be considered well-capitalized under existing regulations. For all of the above analyses, the actual results achieved by Community and CVB prior to and following the merger will vary from the

projected results, and the variations may be material.

Davidson prepared its analyses for purposes of providing its opinion to Community's board of directors as to the fairness, from a financial point of view, to the holders of Community common stock of the consideration to be paid to the holders of the Community common stock in the proposed merger and to assist Community's board of directors in analyzing the proposed merger. The analyses do not purport to be appraisals or necessarily reflect the prices at which businesses or securities actually may be sold. Analyses based upon forecasts of future results are not necessarily

Table of Contents

indicative of actual future results, which may be significantly more or less favorable than those suggested by these analyses. Because these analyses are inherently subject to uncertainty, being based upon numerous factors or events beyond the control of the parties and their respective advisors, none of Community, CVB or Davidson or any other person assumes responsibility if future results are materially different from those forecasted.

Davidson's opinion was one of many factors considered by the Community board of directors in its evaluation of the merger and should not be viewed as determinative of the views of the board of directors or management of Community with respect to the merger or the merger consideration.

Davidson and its affiliates, as part of their investment banking business, are continually engaged in performing financial analyses with respect to businesses and their securities in connection with mergers and acquisitions, negotiated underwritings, competitive biddings, secondary distributions of listed and unlisted securities, private placements and other transactions. Davidson acted as financial advisor to Community in connection with, and participated in certain of the negotiations leading to the merger. Davidson is a full service securities firm engaged, either directly or through its affiliates, in securities trading, investment management, financial planning and benefits counseling, financing and brokerage activities for both companies and individuals. In the ordinary course of these activities, Davidson and its affiliates may provide such services to Community, CVB and their respective affiliates, may actively trade the debt and equity securities (or related derivative securities) of Community and CVB for their own account and for the accounts of their customers and may at any time hold long and short positions of such securities. Community selected Davidson as its financial advisor because it is a recognized investment banking firm that has substantial experience in transactions similar to the merger. Pursuant to the letter agreement dated June 22, 2017, Community engaged Davidson as its financial advisor in connection with the contemplated transaction. Pursuant to the terms of the engagement letter, Community agreed to pay Davidson a cash fee of \$200,000 concurrently with the rendering of its opinion. Community will pay to Davidson at the time of closing of the merger a contingent cash fee equal to 1.25% of the aggregate merger consideration, less the \$200,000 fee paid in connection with the opinion. Community has also agreed to reimburse Davidson for all reasonable out-of-pocket expenses, including fees of counsel, and to indemnify Davidson and certain related persons against specified liabilities, including liabilities under the federal securities laws, relating to or arising out of its engagement.

Please be advised that during the two years preceding the date of this letter, Davidson has, in the past, provided investment banking and other financial advisory services to Community for which Davidson has received customary compensation and reimbursement of out-of-pocket expenses for such services. Such services during such period have included acting as a financial advisor to Community to discuss strategic alternatives in 2016.

Opinion of CVB's Financial Advisor

CVB engaged Keefe, Bruyette & Woods, Inc. (KBW) to render financial advisory and investment banking services to CVB, including an opinion to the CVB board of directors as to the fairness, from a financial point of view, to CVB of the aggregate merger consideration in the proposed merger. CVB selected KBW because KBW is a nationally recognized investment banking firm with substantial experience in transactions similar to the merger. As part of its investment banking business, KBW is continually engaged in the valuation of financial services businesses and their securities in connection with mergers and acquisitions.

As part of its engagement, representatives of KBW participated both in-person and telephonically in the meeting of the CVB board held on February 26, 2018 at which the CVB board evaluated the proposed merger. At this meeting, KBW reviewed the financial aspects of the proposed merger and rendered an opinion to the CVB board of directors to the effect that, as of such date and based upon and subject to the assumptions, considerations, qualifications and limitations set forth in such opinion, the aggregate merger consideration in the proposed merger was fair, from a

financial point of view, to CVB. The CVB board approved the merger agreement at this meeting.

Table of Contents

The description of the opinion set forth herein is qualified in its entirety by reference to the full text of the opinion, which is attached as Annex B to this document and is incorporated herein by reference, and describes the procedures followed, assumptions made, matters considered, and qualifications and limitations on the review undertaken by KBW in preparing the opinion.

KBW's opinion speaks only as of the date of the opinion. The opinion was for the information of, and was directed to, the CVB board of directors (in its capacity as such) in connection with its consideration of the financial terms of the merger. The opinion addressed only the fairness, from a financial point of view, of the aggregate merger consideration in the merger to CVB. It did not address the underlying business decision of CVB to engage in the merger or enter into the merger agreement or constitute a recommendation to the CVB board of directors in connection with the merger, and it does not constitute a recommendation to any holder of CVB common stock or any shareholder of any other entity as to how to vote in connection with the merger or any other matter, nor does it constitute a recommendation as to whether or not any such shareholder should enter into a voting, shareholders', affiliates' or other agreement with respect to the merger or exercise any dissenters' or appraisal rights that may be available to such shareholder.

KBW's opinion was reviewed and approved by KBW's Fairness Opinion Committee in conformity with its policies and procedures established under the requirements of Rule 5150 of the Financial Industry Regulatory Authority.

In connection with the opinion, KBW reviewed, analyzed and relied upon material bearing upon the financial and operating condition of CVB and Community and bearing upon the merger, including, among other things:

a draft of the merger agreement, dated February 22, 2018 (the most recent draft then made available to KBW);

the audited financial statements and Annual Reports on Form 10-K for the three fiscal years ended December 31, 2016 of CVB;

the unaudited quarterly financial statements and Quarterly Reports on Form 10-Q for the fiscal quarters ended March 31, 2017, June 30, 2017 and September 30, 2017 of CVB;

certain unaudited quarterly and year-end financial results for the quarter and fiscal year ended December 31, 2017 of CVB (contained in the Current Report on Form 8-K filed by CVB with the Securities and Exchange Commission on January 25, 2018);

the audited financial statements for the three fiscal years ended December 31, 2016 of Community;

the unaudited quarterly financial statements for the fiscal quarters ended March 31, 2017, June 30, 2017 and September 30, 2017 of Community;

Edgar Filing: CVB FINANCIAL CORP - Form 424B3

certain unaudited quarterly and year-end financial results for the quarter and fiscal year ended December 31, 2017 of Community (provided to us by representatives of Community);

certain regulatory filings of CVB, Community and Citizens Business, including the quarterly reports on Form FR Y-9C and the quarterly call reports filed with respect to each quarter during the three year period ended December 31, 2017;

certain other interim reports and other communications of CVB and Community to their respective stockholders; and

other financial information concerning the respective businesses and operations of CVB and Community that was furnished to KBW by CVB and Community or that KBW was otherwise directed to use for purposes of its analysis.

Table of Contents

KBW's consideration of financial information and other factors that it deemed appropriate under the circumstances or relevant to its analyses included, among others, the following:

the historical and current financial position and results of operations of CVB and Community;

the assets and liabilities of CVB and Community;

the nature and terms of certain other merger transactions and business combinations in the banking industry;

a comparison of certain financial and stock market information of CVB and Community with similar information for certain other companies, the securities of which were publicly traded;

financial and operating forecasts and projections of Community that were prepared by CVB management, provided to KBW and discussed with KBW by such management, and used and relied upon by KBW at the direction of such management and with the consent of the CVB board;

publicly available consensus street estimates of CVB, as well as assumed CVB long-term growth rates that were provided to KBW by CVB management, all of which information was discussed with KBW by such management and used and relied upon by KBW at the direction of such management and with the consent of the CVB board; and

estimates regarding certain pro forma financial effects of the merger on CVB (including without limitation the cost savings and related expenses expected to result or be derived from the merger) that were prepared by CVB management, provided to and discussed with KBW by such management, and used and relied upon by KBW at the direction of such management and with the consent of the CVB board.

KBW also performed such other studies and analyses as it considered appropriate and took into account its assessment of general economic, market and financial conditions and its experience in other transactions, as well as its experience in securities valuation and knowledge of the banking industry generally. KBW also participated in discussions that were held by the managements of CVB and Community regarding the past and current business operations, regulatory relations, financial condition and future prospects of their respective companies and such other matters as KBW deemed relevant to its inquiry.

In conducting its review and arriving at its opinion, KBW relied upon and assumed the accuracy and completeness of all of the financial and other information that was provided to it or that were publicly available and KBW did not independently verify the accuracy or completeness of any such information or assume any responsibility or liability for such verification, accuracy or completeness. KBW relied upon the management of CVB as to the reasonableness and achievability of the financial and operating forecasts and projections of Community, the publicly available consensus street estimates of CVB, the assumed long-term growth rates of CVB and the estimates regarding certain

pro forma financial effects of the merger on CVB (including, without limitation, the cost savings and related expenses expected to result or be derived from the merger), all as referred to above, as well as the assumption set forth in and bases for all such information. KBW assumed, at the direction of CVB, that all of the foregoing information was reasonably prepared and represented, or in the case of the publicly available consensus street estimates referred to above that such estimates were consistent with, the best currently available estimates and judgments of CVB management, and that the forecasts, projections and estimates reflected in such information would be realized in the amounts and in the time periods estimated.

It is understood that the portion of the foregoing financial information of CVB and Community that was provided to KBW was not prepared with the expectation of public disclosure, that all such forecasts, projections and estimates, together with the publicly available consensus street estimates of CVB referred to above, were based on numerous variables and assumptions that are inherently uncertain, including, without limitation, factors related to general economic and competitive conditions and that, accordingly, actual results could vary significantly from those set forth in such information. KBW assumed, based on discussions with the respective

Table of Contents

managements of CVB and Community and with the consent of the CVB board of directors, that all such information provided a reasonable basis upon which KBW could form its opinion and KBW expressed no view as to any such information or the assumptions or bases therefor. KBW relied on all such information without independent verification or analysis and did not in any respect assume any responsibility or liability for the accuracy or completeness thereof.

KBW also assumed that there were no material changes in the assets, liabilities, financial condition, results of operations, business or prospects of either CVB or Community since the date of the last financial statements of each such entity that were made available to KBW and that KBW was directed to use. KBW is not an expert in the independent verification of the adequacy of allowances for loan and lease losses and KBW assumed, without independent verification and with CVB's consent, that the aggregate allowances for loan and lease losses for CVB and Community are adequate to cover such losses. In rendering its opinion, KBW did not make or obtain any evaluations or appraisals or physical inspections of the properties, assets or liabilities (contingent or otherwise) of CVB or Community, the collateral securing any of such assets or liabilities, or the collectability of any such assets, nor did KBW examine any individual loan or credit files, nor did it evaluate the solvency, financial capability or fair value of CVB or Community under any state or federal laws, including those relating to bankruptcy, insolvency or other matters. Estimates of values of companies and assets do not purport to be appraisals or necessarily reflect the prices at which companies or assets may actually be sold. Because such estimates are inherently subject to uncertainty, KBW assumed no responsibility or liability for their accuracy.

KBW assumed, in all respects material to its analyses:

the merger and any related transactions would be completed substantially in accordance with the terms set forth in the merger agreement (the final terms of which KBW assumed would not differ in any respect material to its analyses from the draft version of the merger agreement that had been reviewed) with no adjustments to the aggregate merger consideration (including the cash and stock components thereof) and with no additional payments in respect of Community common stock;

the representations and warranties of each party in the merger agreement and in all related documents and instruments referred to in the merger agreement were true and correct;

each party to the merger agreement or any of the related documents would perform all of the covenants and agreements required to be performed by such party under such documents;

there are no factors that would delay or subject to any adverse conditions, any necessary regulatory or governmental approval for the merger or any related transaction and all conditions to the completion of the merger and any related transaction would be satisfied without any waivers or modifications to the merger agreement or any of the related documents; and

in the course of obtaining the necessary regulatory, contractual, or other consents or approvals for the merger and any related transactions, no restrictions, including any divestiture requirements, termination or other payments or amendments or modifications, would be imposed that would have a

material adverse effect on the future results of operations or financial condition of CVB, Community or the pro forma entity, or the contemplated benefits and effects of the merger, including without limitation the cost savings and related expenses expected to result or be derived from the merger.

KBW assumed that the merger would be consummated in a manner that complied with the applicable provisions of the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, and all other applicable federal and state statutes, rules and regulations. KBW was further advised by representatives of CVB that CVB relied upon advice from its advisors (other than KBW) or other appropriate sources as to all legal, financial reporting, tax, accounting and regulatory matters with respect to CVB, Community, Citizens, the merger and any related transaction, and the merger agreement. KBW did not provide advice with respect to any

Table of Contents

such matters. KBW assumed, with the consent of CVB and without independent verification, that (x) Adjusted Tier 1 Capital and the Total Non-Interest Bearing Deposits (each as defined in, and determined as set forth in, the merger agreement) will be greater than \$365,000,000 and \$1.1 billion, respectively, and (y) the Transaction Costs Adjustment (as defined in, and determined as set forth in, the merger agreement) will not be greater than zero.

KBW's opinion addressed only the fairness, from a financial point of view, as of the date of such opinion, of the aggregate merger consideration in the merger to CVB. KBW expressed no view or opinion as to any other terms or aspects of the merger or any term or aspect of any related transaction, including without limitation, the form or structure of the merger (including the form of aggregate merger consideration or the allocation thereof between cash and stock) or any such related transaction, any consequences of the merger or any such related transaction to CVB, its stockholders, creditors or otherwise, or any terms, aspects, merits or implications of any employment, retention, consulting, voting, support, cooperation, stockholder, escrow or other agreements, arrangements or understandings contemplated or entered into in connection with the merger, any such related transaction, or otherwise. KBW's opinion was necessarily based upon conditions as they existed and could be evaluated on the date of such opinion and the information made available to KBW through such date. Developments subsequent to the date of KBW's opinion may have affected, and may affect, the conclusion reached in KBW's opinion and KBW did not and does not have an obligation to update, revise or reaffirm its opinion. KBW's opinion did not address, and KBW expressed no view or opinion with respect to:

the underlying business decision of CVB to engage in the merger or enter into the merger agreement;

the relative merits of the merger as compared to any strategic alternatives that are, have been or may be available to or contemplated by CVB or the CVB board of directors;

any business, operational or other plans with respect to Community or the pro forma entity that might be contemplated by CVB or the CVB board of directors or that might be implemented by CVB or the CVB board of directors subsequent to the closing of the merger;

the fairness of the amount or nature of any compensation to any of CVB's officers, directors or employees, or any class of such persons, relative to the aggregate merger consideration;

the effect of the merger or any related transaction on, or the fairness of the consideration to be received by, holders of any class of securities of CVB, Community or any other party to any transaction contemplated by the merger agreement;

any adjustments (as provided in the merger agreement) to the aggregate merger consideration (including the stock or cash components thereof) assumed for purposes of our opinion;

whether CVB has sufficient cash, available lines of credit or other sources of funds to enable it to pay the aggregate cash consideration at the closing of the merger;

the actual value of CVB common stock to be issued in connection with the merger;

the prices, trading range or volume at which CVB common stock or Community common stock would trade following the public announcement of the merger or the prices, trading range or volume at which CVB common stock would trade following the consummation of the merger;

any advice or opinions provided by any other advisor to any of the parties to the merger or any other transaction contemplated by the merger agreement; or

any legal, regulatory, accounting, tax or similar matters relating to CVB, Community, or any of their respective shareholders, or relating to or arising out of or as a consequence of the merger or any other related transaction, including whether or not the merger would qualify as a tax-free reorganization for United States federal income tax purposes.

In performing its analyses, KBW made numerous assumptions with respect to industry performance, general business, economic, market and financial conditions and other matters, which are beyond the control of KBW,

Table of Contents

CVB and Community. Any estimates contained in the analyses performed by KBW are not necessarily indicative of actual values or future results, which may be significantly more or less favorable than suggested by these analyses. Additionally, estimates of the value of businesses or securities do not purport to be appraisals or to reflect the prices at which such businesses or securities might actually be sold. Accordingly, these analyses and estimates are inherently subject to substantial uncertainty. In addition, the KBW opinion was among several factors taken into consideration by the CVB board of directors in making its determination to approve the merger agreement and the merger. Consequently, the analyses described below should not be viewed as determinative of the decision of the CVB board of directors with respect to the fairness of the aggregate merger consideration. The type and amount of consideration payable in the merger were determined through negotiation between CVB and Community and the decision of CVB to enter into the merger agreement was solely that of the CVB board of directors.

The following is a summary of the material financial analyses presented by KBW to the CVB board of directors in connection with its opinion. The summary is not a complete description of the financial analyses underlying the opinion or the presentation made by KBW to the CVB board of directors, but summarizes the material analyses performed and presented in connection with such opinion. The financial analyses summarized below include information presented in tabular format. The tables alone do not constitute a complete description of the financial analyses. The preparation of a fairness opinion is a complex analytic process involving various determinations as to appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances. Therefore, a fairness opinion is not readily susceptible to partial analysis or summary description. In arriving at its opinion, KBW did not attribute any particular weight to any analysis or factor that it considered, but rather made qualitative judgments as to the significance and relevance of each analysis and factor. Accordingly, KBW believes that its analyses and the summary of its analyses must be considered as a whole and that selecting portions of its analyses and factors or focusing on the information presented below in tabular format, without considering all analyses and factors or the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of the process underlying its analyses and opinion.

KBW's opinion was based only on information available to KBW as of the date of the opinion and conditions as they existed and could be evaluated on the date thereof. Accordingly, for purposes of the financial analyses described below, KBW utilized an implied transaction value for the proposed merger of \$878.3 million, or \$277.07 per outstanding share of Community common stock, based on 3,169,984.4 shares of Community common stock outstanding as of December 31, 2017 and assuming the conversion of 35,890 Community restricted stock units to Community common shares at the closing of the merger, consisting of the sum of (i) the implied value of the stock consideration of 9.4595 shares of CVB common stock, based on the closing price of CVB common stock on February 23, 2018, and (ii) the cash consideration of \$56.00 per share.

CVB Comparable Company Analysis. Using publicly available information, KBW compared the financial performance, financial condition and market performance of CVB to 15 selected banks, referred to as the "CVB comparable companies", which are publicly listed on Nasdaq, the New York Stock Exchange or NYSE MKT and headquartered in Alaska, Arizona, California, Colorado, Hawaii, Idaho, New Mexico, Nevada, Montana, Oregon, Utah, Washington and Wyoming with total assets between approximately \$5.0 billion and \$25.0 billion. Savings banks and thrifts (as defined by S&P Global Market Intelligence), ethnic-focused banks and merger targets were excluded from the CVB comparable companies.

Table of Contents

The CVB comparable companies were as follows:

Banc of California, Inc.

Bank of Hawaii Corporation

Banner Corporation

Central Pacific Financial Corp.

Columbia Banking System, Inc.

First Interstate BancSystem, Inc.

Glacier Bancorp, Inc.

HomeStreet, Inc.

Luther Burbank Corporation

Opus Bank

Pacific Premier Bancorp, Inc.

PacWest Bancorp

Washington Federal, Inc.

Westamerica Bancorporation

Western Alliance Bancorporation

To perform this analysis, KBW used profitability and other financial information for the latest twelve months (LTM) or the most recent available completed fiscal quarter (MRQ) ended December 31, 2017, or as of December 31, 2017, and market price information as of February 23, 2018. KBW also used 2018 and 2019 earnings per share (EPS) estimates taken from publicly available consensus street estimates for CVB and the CVB comparable companies. Certain financial data prepared by KBW, and as referenced in the tables presented below, may not correspond to the data presented in CVB's historical financial statements, or the data prepared by Community's financial advisor presented under the section The Merger Opinions of Community's and CVB's Financial Advisors, as a result of the different periods, assumptions and methods used by KBW to compute the financial data presented.

KBW's analysis showed the following concerning the financial performance of CVB and the CVB comparable companies:

CVB	CVB Comparable Companies	
	Median	Average

		25 th Percentile			75 th Percentile	
MRQ Return on Average Assets (%) ⁽¹⁾	1.39	0.78	1.10	1.07	1.39	
MRQ Return on Average Equity (%) ⁽¹⁾	10.57	7.28	8.77	9.01	10.14	
MRQ Return on Average Tangible Common Equity (%) ⁽¹⁾	11.91	8.21	12.02	11.43	14.76	
MRQ Net Interest Margin (%)	3.70	3.14	3.34	3.67	4.24	
MRQ Fee Income / Revenue Ratio (%) ⁽²⁾	11.0	10.2	16.9	18.3	22.8	
MRQ Efficiency Ratio (%)	42.8	67.4	56.3	58.9	48.0	

(1) Core earnings excludes realized gain on sale of securities, nonrecurring revenue & expenses, goodwill impairment & amortization of intangibles, extraordinary items and one-time tax expenses related to the revaluation of deferred tax assets due to the Tax Cuts and Jobs Act of 2017. Assumes 35% tax rate.

(2) Excludes gains/losses on sale of securities.

Table of Contents

KBW's analysis also showed the following concerning the financial condition of CVB and the CVB comparable companies:

	CVB Comparable Companies				
	CVB	25 th Percentile	Median	Average	75 th Percentile
Tangible Common Equity / Tangible Assets (%)	11.61	8.66	9.47	9.25	10.28
Total Capital Ratio (%)	18.06	13.07	14.46	14.57	15.80
Loans / Deposits (%)	73.8	94.2	88.9	85.9	77.8
Loan Loss Reserve / Gross Loans (%)	1.23	0.77	0.95	1.07	1.24
Nonperforming Assets / Loans + OREO (%)	0.41	1.18	0.78	0.90	0.49
MRQ Net Charge-offs / Average Loans (%)	(0.04)	0.18	0.11	0.13	0.01

In addition, KBW's analysis showed the following concerning the market performance of CVB and the CVB comparable companies:

	CVB Comparable Companies				
	CVB	25 th Percentile	Median	Average	75 th Percentile
One-Year Price Change (%)	(1.9)	(3.1)	2.8	3.3	6.1
One-Year Total Return (%)	0.4	0.2	4.5	5.3	7.3
Year-to-Date Price Change (%)	(0.8)	(0.4)	1.1	2.2	5.3
Price / Tangible Book Value (x)	2.72	1.69	2.52	2.32	2.95
Price / LTM Core EPS (x) ⁽¹⁾	22.0	17.4	18.2	19.0	19.6
Price / 2018e EPS (x) ⁽²⁾	18.6	14.9	15.8	16.5	17.2
Price / 2019e EPS (x) ⁽²⁾	17.6	13.1	14.1	14.4	14.7
Dividend Yield (%)	2.4	0.9	2.1	1.8	2.6
LTM Dividend Pay out Ratio	56.8	0.0	47.1	43.0	71.0

(1) Core earnings excludes realized gain on sale of securities, nonrecurring revenue & expenses, goodwill impairment & amortization of intangibles, extraordinary items and one-time tax expenses related to the revaluation of deferred tax assets due to the Tax Cuts and Jobs Act of 2017. Assumes 35% tax rate.

(2) FactSet consensus analyst estimates.

No company used as a comparison in the above CVB comparable companies analysis is identical to CVB. Accordingly, an analysis of these results is not mathematical. Rather, it involves complex considerations and judgments concerning differences in financial and operating characteristics of the companies involved.

Community Comparable Company Analysis. Using publicly available information, KBW compared the financial performance and financial condition of Community to 10 selected banks, referred to as the Community comparable companies, which are publicly listed on Nasdaq, the New York Stock Exchange or NYSE MKT and headquartered in Alaska, Arizona, California, Colorado, Hawaii, Idaho, New Mexico, Nevada, Montana, Oregon, Utah, Washington and Wyoming with total assets between approximately \$2.0 billion and \$5.0 billion. Savings banks and thrifts (as defined by S&P Global Market Intelligence), ethnic-focused banks and merger targets were excluded from such Community comparable companies.

Table of Contents

The Community comparable companies were as follows:

Bank of Marin Bancorp

CoBiz Financial Inc.

First Foundation Inc.

Guaranty Bancorp

Heritage Commerce Corp

Heritage Financial Corporation

National Bank Holdings Corporation

People's Utah Bancorp

Sierra Bancorp

TriCo Bancshares

To perform this analysis, KBW used profitability and other financial information for the LTM or the MRQ ended December 31, 2017, or as of December 31, 2017, and market price information as of February 23, 2018. KBW also used 2018 and 2019 EPS estimates taken from publicly available consensus street estimates for the Community comparable companies. Certain financial data prepared by KBW, and as referenced in the tables presented below, may not correspond to the data presented in Community's historical financial statements, or the data prepared by Community's financial advisor presented under the section "The Merger Opinions of Community's and CVB's Financial Advisors," as a result of the different periods, assumptions and methods used by KBW to compute the financial data presented.

KBW's analysis showed the following concerning the financial performance of Community and the Community comparable companies:

	Community Comparable Companies				
	Community	25 th Percentile	Median	Average	75 th Percentile
MRQ Return on Average Assets (%) ⁽¹⁾	0.76	0.96	1.18	1.16	1.34
MRQ Return on Average Equity (%) ⁽¹⁾	8.02	9.08	11.36	10.88	12.84
MRQ Return on Average Tangible Common Equity (%) ⁽¹⁾	8.06	10.19	13.11	12.31	14.08
MRQ Net Interest Margin (%)	3.39	3.82	3.94	3.96	4.20
MRQ Fee Income / Revenue Ratio (%) ⁽²⁾	5.7	16.2	18.8	17.6	19.3
MRQ Efficiency Ratio (%)	64.8	61.1	59.9	58.4	55.2

- (1) Core earnings excludes realized gain on sale of securities, nonrecurring revenue & expenses, goodwill impairment & amortization of intangibles, extraordinary items and one-time tax expenses related to the revaluation of deferred tax assets due to the Tax Cuts and Jobs Act of 2017. Assumes 35% tax rate.
- (2) Excludes gains/losses on sale of securities.

KBW's analysis also showed the following concerning the financial condition of Community and the Community comparable companies:

	Community Comparable Companies				
		25 th	Median	Average	75 th
	Community	Percentile			Percentile
Tangible Common Equity / Tangible Assets (%)	9.37	8.66	9.42	9.33	9.80
Total Capital Ratio (%)	12.04	13.48	14.20	14.09	14.66
Loans / Deposits (%)	95.8	94.0	81.9	84.8	78.2
Loan Loss Reserve / Gross Loans (%)	1.29	0.86	0.99	0.95	1.12
Nonperforming Assets / Loans + OREO (%)	0.37	1.26	1.20	1.03	0.73
MRQ Net Charge-offs / Average Loans (%)	0.02	0.01	(0.00)	(0.01)	(0.02)

Table of Contents

In addition, KBW's analysis showed the following concerning the market performance of Community and the Community comparable companies:

	Community Comparable Companies				
	Community	25 th Percentile	Median	Average	75 th Percentile
One-Year Price Change (%)	14.1	1.6	9.9	8.3	14.3
One-Year Total Return (%)	19.8	2.9	10.5	10.1	16.9
Year-to-Date Price Change (%)	3.4	0.8	1.5	1.8	2.7
Price / Tangible Book Value (x)	1.66	1.89	2.24	2.24	2.53
Price / LTM Core EPS (x) ⁽¹⁾	17.5	18.5	20.0	19.9	20.7
Price / 2018e EPS (x) ⁽²⁾	14.7	15.1	15.7	16.1	17.1
Price / 2019e EPS (x) ⁽²⁾	13.7	13.0	13.8	13.9	15.0
Dividend Yield (%)	1.1	1.1	1.7	1.6	2.2
LTM Dividend Pay out Ratio	23.5	32.8	39.6	39.4	46.4

(1) Core earnings excludes realized gain on sale of securities, nonrecurring revenue & expenses, goodwill impairment & amortization of intangibles, extraordinary items and one-time tax expenses related to the revaluation of deferred tax assets due to the Tax Cuts and Jobs Act of 2017. Assumes 35% tax rate.

(2) Community provided by CVB management with information obtained from Community. Selected companies per FactSet consensus analyst estimates.

No company used as a comparison in the above Community comparable companies analysis is identical to Community. Accordingly, an analysis of these results is not mathematical. Rather, it involves complex considerations and judgments concerning differences in financial and operating characteristics of the companies involved.

Comparable M&A Transaction Analysis. KBW reviewed publicly available information related to 10 selected U.S. whole bank and thrift transactions announced since January 1, 2016 with announced deal values between approximately \$500 million and \$1.0 billion. Transactions with non-bank buyers, mergers of equals, transactions with no reported deal value (as defined by SNL Financial), terminated transactions, transactions where the target was a thrift and 100% cash transactions were excluded from the analysis.

The selected transactions were as follows:

Buyer:

Pacific Premier Bancorp, Inc.
Valley National Bancorp
Union Bankshares Corporation
South State Corporation
PacWest Bancorp
Home BancShares, Inc.
Columbia Banking System, Inc.
Simmons First National Corporation
First Interstate BancSystem, Inc.

Target:

Grandpoint Capital, Inc.
USAmeriBancorp, Inc.
Xenith Bankshares, Inc.
Park Sterling Corporation
CU Bancorp
Stonegate Bank
Pacific Continental Corporation
Southwest Bancorp, Inc.
Cascade Bancorp

United Bankshares, Inc.

Cardinal Financial Corporation

For each selected transaction, KBW derived the following implied transaction statistics, in each case based on the transaction consideration value paid for the acquired company and using financial data based on the acquired company's then latest publicly available financial statements and, to the extent publicly available, then next year consensus street estimates prior to the announcement of the acquisition:

Price per common share to tangible book value per share of the acquired company (in the case of selected transactions involving a private acquired company, this transaction statistic was calculated as total transaction consideration divided by total tangible common equity);

Table of Contents

Price per common share to LTM EPS of the acquired company (in the case of selected transactions involving a private acquired company, this transaction statistic was calculated as total transaction consideration divided by LTM net income).

Price per common share to estimated EPS of the acquired company in the 8 selected transactions in which consensus street estimates for the acquired company were then available; and

Tangible equity premium to core deposits as calculated by S&P Global Market Intelligence (core deposits are generally defined as total deposits less time deposits greater than \$100,000) of the acquired company, referred to as core deposit premium; and

Premium to the acquired company's closing stock price one month prior to announcement of the transaction, referred to as one-month market premium.

The above transaction statistics for the selected transactions were compared with the corresponding transaction statistics for the proposed merger based on the implied transaction value for the proposed merger of \$878.3 million and using historical financial information for Community as of or for the twelve months ended December 31, 2017 and financial forecasts and projections of Community provided by CVB management with information obtained from Community.

The results of the analysis are set forth in the following table (excluding the impact of LTM EPS multiple for two of the selected transactions and the estimated EPS multiple for another two of the selected transactions, which multiples were considered to be not meaningful (NM) because they were negative, greater than 30.0x or not publicly available):

	Selected Transactions				
	CVB / Community	25th Percentile	Median	Average	75th Percentile
Price to Tangible Book Value (x)	2.47	2.13	2.30	2.32	2.40
Price to LTM EPS (x) ⁽¹⁾	26.1	18.8	24.0	22.1	25.8
Price to Forward EPS (x)	21.9 ⁽²⁾	18.4	19.0	19.6	20.0
Core Deposit Premium (%)	21.0	16.0	18.5	17.5	19.8
One-Month Market Premium (%)	47.4 ⁽³⁾	5.9	18.7	21.3	35.5

(1) Based on the FactSet consensus analyst estimate for EPS in the first full calendar year following announcement.

(2) For reference purposes only. Before the Tax Cuts and Jobs Act of 2017 was signed into law on December 22, 2017, Community's effective tax rate was approximately 39%. Using a 39% effective tax rate for Community in 2018, the estimated EPS multiple would have been 30.0x (based on an implied diluted EPS of \$9.00).

(3) For reference purposes only. Community's three month average daily trading volume as of February 23, 2018 was 61 shares.

No company or transaction used as a comparison in the above selected transaction analysis is identical to CVB, Community or the proposed merger. Accordingly, an analysis of these results is not mathematical. Rather, it involves complex considerations and judgments concerning differences in financial and operating characteristics of the companies involved.

Relative Contribution Analysis. KBW analyzed the relative standalone contribution of CVB and Community to various pro forma balance sheet and income statement items of the combined entity. This analysis did not include purchase accounting adjustments and synergies. To perform this analysis, KBW used (i) balance sheet and income statement data for CVB and Community as of or for the twelve months ended December 31, 2017, (ii) publicly available consensus street estimates of CVB and an assumed long-term earnings growth rate for CVB provided by CVB management, and (iii) financial forecasts and projections of Community provided by

Table of Contents

CVB management with information obtained from Community. The results of KBW's analysis are set forth in the following table, which also compares the results of KBW's analysis with the implied pro forma ownership percentages of CVB and Community shareholders in the combined company based on the stock consideration in the proposed merger of 9.4595 shares of CVB common stock based on the 80% stock / 20% cash aggregate merger consideration as set forth in the merger agreement and also based on a hypothetical exchange ratio of 11.8244 assuming 100% stock consideration in the proposed merger for illustrative purposes:

	CVB as a % of Total	Community as a % of Total
Ownership:		
Approximately 79.8% Stock / 20.2% Cash	78.6	21.4
100% Stock Equivalent	74.6	25.4
Balance Sheet:		
Total Assets	68.8	31.2
Gross Loans	63.8	36.2
Total Deposits	69.6	30.4
Tangible Common Equity	72.9	27.1
Income Statement:		
2017 Core Net Income ⁽¹⁾	77.7	22.3
2018e Core Net Income ⁽²⁾	77.7	22.3
2019e Core Net Income ⁽²⁾	77.4	22.6

- (1) Core earnings excludes realized gain on sale of securities, nonrecurring revenue & expenses, goodwill impairment & amortization of intangibles, extraordinary items and one-time tax expenses related to the revaluation of deferred tax assets due to the Tax Cuts and Jobs Act of 2017. Assumes 35% tax rate.
- (2) CVB per consensus analyst estimates. Community provided by CVB management with information obtained from Community.

Pro Forma Financial Impact Analysis. KBW performed a pro forma financial impact analysis that combined projected income statement and balance sheet information of CVB and Community. Using (i) closing balance sheet estimates as of June 30, 2018 for CVB and Community provided by CVB management with information obtained from Community (ii) publicly available consensus street estimates of CVB and an assumed long term earnings growth rate for CVB provided by CVB management, (iii) financial forecasts and projections of Community provided by CVB management with information obtained from Community and (iv) pro forma assumptions (including, without limitation, the cost savings expected to result from the merger as well as certain purchase accounting adjustments and restructuring charges assumed with respect thereto) provided by CVB management. KBW analyzed the estimated financial impact of the merger on certain projected financial results. This analysis indicated that the merger could be accretive to CVB's 2018 and 2019 estimated EPS and dilutive to CVB's estimated tangible book value per share as of June 30, 2018. Furthermore, the analysis indicated that, pro forma for the merger, CVB's tangible common equity to tangible assets ratio, common equity tier 1 ratio, leverage ratio, tier 1 capital ratio and total risk-based capital ratio as of June 30, 2018 could all be lower. For all of the above analysis, the actual results achieved by CVB following the merger may vary from the projected results, and the variations may be material.

CVB Discounted Cash Flow Analysis. KBW performed a discounted cash flow analysis to estimate a range for the implied equity value of CVB. In this analysis KBW used publicly available consensus street estimates of CVB and

assumed long term growth rates for CVB provided by CVB management. KBW assumed discount rates ranging from 11.0% to 15.0%. The ranges of values were derived by adding (i) the present value of the estimated excess cash flows that CVB could generate over the five year period from December 31, 2017 through December 31, 2022 as a standalone company and (ii) the present value of CVB's implied terminal value at the end of such period. KBW assumed that CVB would maintain a tangible common equity to tangible assets ratio of 8.0% and would retain sufficient earnings to maintain that level. In calculating the terminal value of CVB, KBW

Table of Contents

applied a range of 16.0x to 20.0x CVB's estimated 2023 earnings. This discounted cash flow analysis resulted in a range of implied values per share of CVB common stock of \$19.84 per share to \$26.34 per share.

The discounted cash flow analysis is a widely used valuation methodology, but the results of such methodology are highly dependent on the assumptions that must be made, including asset and earnings growth rates, terminal values, dividend payout rates and discount rates. The analysis did not purport to be indicative of the actual values or expected values of CVB or the pro forma combined company.

Community Discounted Cash Flow Analysis. KBW performed a discounted cash flow analysis to estimate a range for the implied equity value of Community, taking into account cost savings expected to result from the merger as well as certain purchase accounting adjustments and restructuring charges assumed with respect thereto. In this analysis, KBW used financial forecasts and projections relating to the earnings and assets of Community and estimated cost savings and purchase accounting adjustments and restructuring charges provided by CVB management, and assumed discount rates ranging from 10.0% to 14.0%. The ranges of values were derived by adding (i) the present value of the estimated excess cash flows that CVB could generate over the four and a half year period from June 30, 2018 through December 31, 2022 as a standalone company, and (ii) the present value of Community's implied terminal value at the end of such period, in each case applying estimated cost savings and certain estimated purchase accounting adjustments and restructuring charges provided by CVB management. KBW assumed that Community would maintain a tangible common equity to tangible assets ratio of 8.0% and would retain sufficient earnings to maintain that level. In calculating the terminal value of Community, KBW applied a range of 14.0x to 18.0x Community's estimated 2023 earnings. This discounted cash flow analysis resulted in a range of implied values per share of Community common stock, taking into account cost savings expected to result from the merger as well as certain purchase accounting adjustments and restructuring charges assumed with respect thereto, of \$261.39 to \$366.45.

The discounted cash flow analysis is a widely used valuation methodology, but the results of such methodology are highly dependent on the assumptions that must be made, including asset and earnings growth rates, terminal values, dividend payout rates, and discount rates. The analysis did not purport to be indicative of the actual values or expected values of Community or the pro forma combined company.

Historical Stock Price Analysis. KBW reviewed the historical stock trading prices for CVB common stock for the last 12-month period ended February 23, 2018. In addition, KBW also reviewed the closing stock price of \$23.37 per share of CVB common stock and the closing share price of \$186.05 per share of Community common stock, as of February 23, 2018 to derive the implied transaction value in the proposed merger of \$277.07 per share of outstanding Community common stock.

Miscellaneous. KBW acted as financial advisor to CVB in connection with the proposed merger and did not act as an advisor to or agent of any other person in connection therewith. As part of its investment banking business, KBW is continually engaged in the valuation of bank and bank holding company securities in connection with acquisitions, negotiated underwritings, secondary distributions of listed and unlisted securities, private placements and valuations for various other purposes. As specialists in the securities of banking companies, KBW has experience in, and knowledge of, the valuation of banking enterprises. KBW and its affiliates, in the ordinary course of its and their broker-dealer businesses (and further to existing sales and trading relationships between a KBW broker-dealer affiliate and each of CVB and Community), may from time to time purchase securities from, and sell securities to, CVB and Community. As market makers in securities, KBW and its affiliates may from time to time have a long or short position in, and buy or sell debt or equity securities of CVB and Community for its and their own accounts and for the accounts of its and their respective customers and clients.

Pursuant to the KBW engagement agreement, CVB has agreed to pay KBW a total cash fee equal to 0.50% of the aggregate merger consideration, \$250,000 of which became payable with the rendering of KBW's opinion and the balance of which is contingent upon the consummation of the merger. CVB also agreed to reimburse KBW

Table of Contents

for reasonable out-of-pocket expenses and disbursements incurred in connection with its engagement and to indemnify KBW against certain liabilities relating to or arising out of KBW's engagement or KBW's role in connection therewith. In addition to its present engagement, in the two years preceding the date of KBW's opinion, KBW has provided investment banking and financial advisory services to CVB for which compensation was received. KBW acted as financial advisor to CVB in connection with its March 2017 acquisition of Valley Commerce Bancorp. In the two years preceding the date of KBW's opinion, KBW has not provided investment banking and financial advisory services to Community. KBW may in the future provide investment banking and financial advisory services to CVB or Community and receive compensation for such services.

Certain Unaudited Forward-Looking Information Exchanged by CVB and Community

CVB and Community do not as a matter of course make public long-term projections as to future earnings or other results due to, among other reasons, the inherent uncertainty of the underlying assumptions and estimates. However, CVB and Community have included in this joint proxy statement/prospectus certain unaudited prospective financial information regarding their respective anticipated future operations that were made available to their respective financial advisors, as applicable. None of CVB, Community, their respective financial advisors or any other person makes any representation as to the accuracy of such information or the ultimate performance of CVB, Community or the combined company compared to the prospective financial information. The inclusion of such unaudited prospective financial information in this joint proxy statement/prospectus should not be regarded as an indication that such information will be necessarily predictive of actual future results nor construed as financial guidance, and it should not be relied on as such, and should not be regarded as an indication that any of CVB, Community, their respective financial advisors or any other person considered, or now considers, this information to be necessarily predictive of actual future results. There can be no assurance that such unaudited prospective financial information will be realized or that actual results will not be significantly higher or lower than estimated. Such unaudited prospective financial information reflects numerous estimates and assumptions with respect to industry performance and competition, general business, economic, market and financial conditions and matters specific to CVB's and Community's respective businesses, all of which are difficult to predict and many of which are beyond the control of CVB or Community.

The accompanying unaudited prospective financial information were not prepared for the purpose of public disclosure, nor were they intended to comply with the guidelines for financial forecasts established by the American Institute of Certified Public Accountants or any other established guidelines regarding projections or forecasts. This information is not fact and should not be relied upon as being necessarily indicative of future results, and readers of this joint proxy statement/prospectus are cautioned not to place undue reliance on the unaudited prospective financial information. Neither of CVB's nor Community's independent auditors nor any other independent accountants have compiled, examined, or performed any procedures with respect to the unaudited prospective financial information contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability.

Neither CVB nor Community intends to update or otherwise revise any of such unaudited prospective financial information to reflect circumstances existing after the date when made or to reflect the occurrence of future events, even in the event that any or all of the assumptions underlying such prospective financial information are no longer appropriate. Shareholders are urged to review CVB's most recent SEC filings for a description of risk factors with respect to its business. See also the sections of this joint proxy statement/prospectus entitled *Where You Can Find Additional Information*, *Risk Factors* and *Caution Regarding Forward-Looking Statements*.

Certain Unaudited Prospective Financial Information Exchanged by CVB

The following unaudited prospective financial information with respect to CVB were provided by CVB management to KBW or otherwise discussed by CVB management with such party, and used and relied on by KBW in connection with its fairness opinion to the CVB board of directors.

Table of Contents

	(\$ in thousands)					
	2018	2019	2020	2021	2022	2023
	Stub(1/2 yr)					
CVBF Projected Income (consensus analyst estimates)	\$ 69,154	\$ 146,711	\$ 155,514	\$ 164,845	\$ 174,735	\$ 185,220
CVBF-provided Projections for CYHT	\$ 19,841	\$ 42,832	\$ 46,491	\$ 49,281	\$ 52,237	\$ 55,372
Merger Synergies	\$ 6,090	\$ 34,693	\$ 34,831	\$ 35,141	\$ 36,945	\$ 41,327
Merger related accounting & tax effect on synergies	\$ (3,964)	\$ (15,760)	\$ (15,617)	\$ (15,483)	\$ (15,359)	\$ (16,957)
Pro forma Net Income Projections	\$ 91,121	\$ 208,476	\$ 221,219	\$ 233,784	\$ 248,558	\$ 264,962

Certain Unaudited Prospective Financial Information Exchanged by Community

The following unaudited prospective financial information with respect to Community were provided by Community management to Davidson or otherwise discussed by Community management with such party, and used and relied on by Davidson in connection with its fairness opinion to the Community board of directors.

	Period				
	2018E	2019E	2020E	2021E	2022E
Net Income (000s)	\$ 38,504	\$ 41,512	\$ 44,821	\$ 47,510	\$ 50,361

Governing Documents

The articles of incorporation and bylaws of CVB and Citizens will continue to be the articles of incorporation and bylaws of CVB and Citizens following the merger, in each case until thereafter changed or amended as provided therein or by applicable law. Citizens' articles of incorporation and bylaws, as in effect immediately prior to the closing of the merger, will be the articles of incorporation and bylaws of the combined company.

Board of Directors and Officers of CVB and Citizens After the Merger

The directors and officers of CVB and Citizens immediately prior to the effective time of the merger will be the directors and officers of the surviving corporation until the earlier of their resignation or removal or until their respective successors are duly appointed and qualified. In addition, prior to the closing of the merger, the CVB board of directors and the Citizens board of directors will take all actions necessary to appoint Marshall V. Laitsch, the current chairman of the Community board of directors, to the CVB board of directors and Citizens board of directors effective upon the closing of the merger. The CVB board of directors also will recommend that Mr. Laitsch be included as a director candidate for election in the CVB proxy statement for the 2019 annual meeting of CVB shareholders.

Mr. Laitsch, age 69, joined the Community board of directors in 2014 and was elected Chairman of the Board in 2015. He has over 45 years of commercial banking experience and was the former President/CEO and director of Pacific Century Bank, a public company, from 1999 to 2001 until its sale to US Bank. He also served as the President/CEO & director of Sunwest Bank from 2003 to 2005 and President and director of Bank of Orange County, a public company, from 2005 to 2007 until its sale to Wells Fargo Bank. Mr. Laitsch has also served on the board of directors of Professional Business Bank, College Savings Bank, and Bank of Manhattan. He has served on the boards of The Management Trust, and the Los Angeles and Orange County chapters of the Juvenile Diabetes Research Foundation

having also been the President of the board on two occasions. He was honorably discharged from the U.S. Army in 1972. Mr. Laitsch received his BS in Finance in 1970 and his MBA in Finance in 1973 from Western Illinois University.

Information about the current CVB directors and executive officers can be found in the proxy statement for the 2018 CVB annual meeting of shareholders listed under the section entitled Incorporation of Certain Documents by Reference on page 198 and Where You Can Find Additional Information.

Table of Contents

Interests of Community Directors and Executive Officers in the Merger

In considering the recommendations of the boards of directors of CVB and Community to vote for the proposals described herein, shareholders of CVB and Community should be aware that members of the Community board of directors and executive officers of Community may be considered to have interests in the merger that may differ from those of the shareholders of CVB and Community. The CVB and Community boards of directors were aware of these interests during their deliberations on the merits of the merger and in making their decisions to recommend to the respective shareholders of CVB and Community that they vote to adopt and approve their respective proposals.

Stock Ownership.

The directors and executive officers of Community, as a group, beneficially owned and had the power to vote as of February 26, 2018, a total of 1,137,796.09 shares of Community common stock, representing approximately 36.30% of the outstanding shares of Community common stock as of that date. All of these shares are expected to be voted in favor of the merger agreement pursuant to the voting and support agreements entered into by each of the directors and executive officers of Community. Please see *The Merger Agreement Community Voting and Support Agreements* beginning on page 127. Each of these persons will receive the same merger consideration for their shares of Community common stock as the other Community shareholders.

Community Restricted Stock Units.

Community has granted restricted stock units to directors, officers and employees under its 2016 stock incentive plan, as amended and restated. The Community stock incentive plan and the restricted stock unit award agreements provide for accelerated vesting in the event of a change in control, which the merger will constitute. Pursuant to the merger agreement, each outstanding restricted stock unit (including those held by Community's directors and executive officers) will automatically vest in full and such restricted stock units will be converted into, and be exchanged for, the merger consideration (less applicable taxes required to be withheld with respect to such vesting, which tax withholding may, at the election of the holder, be effected by deduction first from the cash consideration and, if insufficient, then from the stock consideration, as described in the merger agreement). Please see the section entitled *The Merger Merger Consideration* beginning on page 48.

Table of Contents

For purposes of calculating the value of the outstanding Community restricted stock units as set forth in the following table, we have assumed April 30, 2018 to be the closing date of the merger (the latest practicable date prior to the filing of this joint proxy statement/prospectus), and, assuming no merger consideration adjustments, a merger consideration value of \$277.26 per share of Community common stock, calculated by adding (i) the cash consideration of \$56.00 per share and (ii) (x) \$23.39, the average closing price of CVB common stock over the first five business days following the February 26, 2018 public announcement of the merger multiplied by (y) the exchange ratio of 9.4595.

Name	Total Number of RSUs (1)	Total Value of Accelerated RSUs
<i>Executive Officers</i>		
David R. Misch	6,765	\$ 1,875,664
J. Duncan Smith	2,000	\$ 554,520
Alan P. Buckle	2,000	\$ 554,520
Paul F. Rodeno	1,300	\$ 360,438
Thomas C. Baker	1,300	\$ 360,438
<i>Non-Employee Directors</i>		
Marshall V. Laitsch	1,200	\$ 332,712
Matthew Denmark	1,000	\$ 277,260
Lyle R. Knight	1,175	\$ 325,781
Robert J. Kushner	1,175	\$ 325,781
Charles D. McCluer	1,000	\$ 277,260
Craig H. Stewart	1,000	\$ 277,260
Kristen D. Stovesand	1,000	\$ 277,260

(1) Certain Community restricted stock units are scheduled to vest on October 30, 2018. If the closing of the merger were to extend past such date (and assuming all other conditions to vesting have been satisfied), then those Community restricted stock units will vest pursuant to their terms, without regard to the merger, resulting in a reduced total number of Community restricted stock units for which vesting will accelerate on a change in control.

Appointment of a Community Director to the Boards of Directors of CVB and Citizens.

Pursuant to the terms of the merger agreement, CVB and Citizens agreed to take all action necessary to appoint Marshall V. Laitsch, the chairman of the Community board of directors, to serve on the boards of directors of CVB and Citizens until his successor has been duly elected or appointed and qualified. Subject to the fiduciary duties of the CVB board of directors, CVB also agreed to include Mr. Laitsch on the list of nominees for directors presented by the CVB board of directors and for which the CVB board of directors will solicit proxies at the first annual meeting of CVB following the completion of the merger. As a director of CVB and Citizens, Mr. Laitsch will be entitled to receive the same director compensation that the current directors of CVB and Citizens receive.

Merger Related Payments Under Employment and Change in Control Severance Agreements.

Misch Employment Agreement. Community has entered into a written employment agreement with David R. Misch, its Chief Executive Officer. The employment agreement provides for severance benefits in the event of certain qualifying terminations of employment, including certain terminations following a change in control.

Pursuant to the employment agreement, the merger constitutes a change in control entitling Mr. Misch to severance benefits if, within twelve months following a change in control, his employment is terminated by Community, CVB or Citizens for any reason other than for cause, disability or death, or he resigns his employment for good reason as a result of (i) a material reduction in his current annual base salary; (ii) a material overall reduction in his employee benefits from the Community plans in effect immediately prior to the change in

Table of Contents

control; (iii) a material diminution in his authority, duties or responsibilities, or a requirement that he report to an officer or employee of Community, CVB or Citizens and not directly to the board of directors of Community, CVB or Citizens; (iv) a relocation of his principal business office by more than fifty (50) miles; (v) the failure of Community to obtain an assumption of any material agreement relating to Mr. Misch by CVB or Citizens; or (vi) Mr. Misch is removed or not re-elected as a director of Community.

Upon such a termination, Mr. Misch would be entitled to a single lump sum comprised of (i) an amount equal to two and one-half times (2.5x) his average annual base salary for the last three calendar years ended most recently preceding the year in which the change in control occurs plus (ii) an amount equal to two and one-half times (2.5x) his average annual bonus received for the last three calendar years ended most recently preceding the year in which the change in control occurs. Such payment is contingent on the execution and delivery by Mr. Misch of a general release and his compliance with the non-solicitation and confidentiality provisions in the employment agreement.

If the total payments payable to Mr. Misch pursuant to the employment agreement, together with all other payments to which Mr. Misch is entitled, constitute an excess parachute payment (as defined in Section 280G of the Internal Revenue Code, as amended), then such payments will be reduced to the largest amount that may be paid without Mr. Misch incurring an excise tax imposed by Section 4999 of the Internal Revenue Code, as amended.

Change in Control Severance Plan. Community has adopted a change in control severance plan that provides for separation benefits upon a qualifying termination. The Community board of directors confirmed Messrs. Baker, Buckle, Rodeno, Smith, and certain other key employees as participants in such plan.

Pursuant to the change in control severance plan, the merger constitutes a change in control entitling a participant to separation payments if, within twelve months following a change in control, such participant's employment is terminated by Community, CVB or Citizens for any reason other than for cause, death or disability, or such participant resigns as a result of (i) being assigned duties materially inconsistent with such participant's position with Community, CVB or Citizens; (ii) a material diminution in such participant's authority, duties or responsibilities; (iii) a material reduction in such participant's annual base salary; (iv) a requirement that such participant perform regular duties of employment beyond a fifty (50) mile radius from the location of such participant's employment immediately prior to the change in control; or (v) an action or inaction that constitutes a material breach by Community, CVB or Citizens of its obligations under the plan with respect to such participant.

Upon such a termination or resignation, the participant would be entitled to a lump sum in an amount equal to one times (1x) such participant's annual base salary immediately prior to the change in control or immediately preceding the date of termination, whichever is greater. Participants are also entitled to have Community, CVB or Citizens pay the difference between the cost for health care and dental benefits as determined for purposes of COBRA and the amount that such participant was required to pay for such coverage (including coverage for eligible dependents, if applicable) immediately prior to the change in control, starting on such participant's date of termination and ending on the earliest to occur of: (i) twelve months following the date of termination; (ii) the date such participant becomes eligible for group health insurance coverage through a new employer; or (iii) the date such participant ceases to be eligible for COBRA continuation coverage for any reason. All such separation payments are contingent on the participant signing and delivering a general release and complying with the confidentiality and non-solicitation provisions in the change in control severance plan.

Merger Related Payments Under Bonus and Employee Benefit Plans.

Retention Bonus Plan. Community has adopted a retention bonus plan that provides for bonus compensation to select employees who continue in employment with Community through the completion of the merger. The merger

agreement limits the payments made pursuant to such plan to \$1,500,000 in the aggregate. Mr. Misch, as

Table of Contents

Community's Chief Executive Officer, has selected certain employees to be eligible to receive such retention bonuses, with the remainder of the retention bonuses to be approved by CVB. All such retention bonuses will be paid in a lump sum, either at or following the consummation of the merger, depending on the respective role of each participant in the combined company. None of Community's directors or executive officers will be designated for receipt of any retention bonuses under the retention bonus plan.

Stay Bonuses. Community has approved a stay bonus pool, of which \$500,000 in the aggregate will be paid to select employees as a reward for performance during the transaction. Mr. Misch, as Community's Chief Executive Officer, has, thus far, designated Messrs. Baker, Rodeno, Buckle, Smith and certain other key employees to be eligible to receive a stay bonus, each in an amount to be determined by Mr. Misch in his sole discretion prior to the closing of the merger. Mr. Misch is not eligible to receive a stay bonus. Such stay bonuses will be paid prior to the completion of the merger, as directed by Mr. Misch.

Non-Competition, Non-Solicitation and Non-Disclosure Agreements and Releases.

Non-Employee Director Non-Competition, Non-Solicitation and Non-Disclosure Agreements. As a condition of and inducement for CVB and Citizens to enter into the merger agreement, all non-employee directors entered into a non-competition, non-solicitation and non-disclosure agreement.

Messrs. Cook, Denmark, Jones, McCluer and Stewart and Ms. Stovesand have each entered into a non-competition, non-solicitation and non-disclosure agreement, substantially in the form attached as Exhibit B-1 to the merger agreement attached as Annex A to this joint proxy statement/prospectus. Such agreements, among other things, restrict the ability of the foregoing directors from competing against Citizens following the merger in certain counties in which Community currently conducts its business, and cover the period from the date of the merger agreement to the expiration of twenty-four (24) months after the effective time of the merger.

Messrs. Knight, Kushner and Laitsch have each entered into a non-competition, non-solicitation and non-disclosure agreement, substantially in the form attached as Exhibit B-2 to the merger agreement attached as Annex A to this joint proxy statement/prospectus. Such agreements, among other things, restrict the ability of the foregoing directors from competing against Citizens following the merger in certain counties in which Community currently conducts its business. The non-competition covenant with respect to two specified competing banks and the non-solicitation covenant are in effect from the date of the merger agreement to the expiration of twenty-four (24) months after the effective time of the merger. The non-competition covenant with respect to any other businesses engaged in financial services in certain counties in which Community currently conducts its business is in effect from the date of the merger agreement to the expiration of six (6) months after the effective time of the merger.

Misch Non-Competition, Non-Solicitation and Non-Disclosure Agreement and Release. Mr. Misch has entered into a non-competition, non-solicitation and non-disclosure agreement and release, substantially in the form attached as Exhibit B-3 to the merger agreement attached as Annex A to this joint proxy statement/prospectus. Such agreement, among other things, restricts the ability of Mr. Misch from competing against Citizens following the merger in certain counties in which Community currently conducts its business, and covers the period from the date of the merger agreement to the expiration of twenty-four (24) months after the effective time of the merger. Pursuant to such agreement, Mr. Misch has also agreed to release certain claims against Community and Citizens, effective as of the effective time of the merger.

Buckle Non-Competition, Non-Solicitation and Non-Disclosure Agreement and Release. Mr. Buckle has entered into a non-competition, non-solicitation and non-disclosure agreement and release, substantially in the form attached as Exhibit B-4 to the merger agreement attached as Annex A to this joint proxy statement/prospectus. Such agreement,

among other things, restricts the ability of Mr. Buckle from competing against Citizens following the merger in certain counties in which Community currently conducts its business, and covers the period from the date of the merger agreement to the expiration of twelve (12) months after the effective time of

Table of Contents

the merger. Pursuant to such agreement, Mr. Buckle will be paid \$250,000 on or prior to the effective time of the merger. Mr. Buckle has also agreed to release certain claims against Community and Citizens, effective as of the effective time of the merger.

Employee Non-Solicitation and Non-Disclosure Agreement and Release. Messrs. Baker, Rodeno, Smith and certain other key employees have each entered into a non-solicitation and non-disclosure agreement and release, substantially in the form attached as Exhibit B-5 to the merger agreement attached as Annex A to this joint proxy statement/prospectus. Such agreements cover the period from the date of the merger agreement to the expiration of twelve (12) months after the effective time of the merger. Pursuant to such agreements, each respective employee has also agreed to release certain claims against Community and Citizens, effective as of the effective time of the merger.

Employee 401(k) Retirement and Profit Sharing Plan.

The Employee 401(k) Retirement/Savings Plan of Community Bank, originally effective as of December 1, 1986, amended as of January 1, 2018, will be terminated in connection with the merger. Pursuant to such plan, Community makes nondiscretionary matching employer contributions of 50% of employee elective deferral contributions (matching contribution limited to 3% of compensation) on behalf of certain eligible participants and discretionary nonelective employer contributions on behalf of certain eligible participants based on compensation, in each case subject to limits as described in such plan. Such employer contribution accounts are subject to graded 5-year vesting that will accelerate upon termination of the plan. Messrs. Misch, Rodeno and Smith will each receive full accelerated vesting of such accounts.

Executive Deferred Compensation Plan.

Community provides a deferred compensation plan to a select group of management and highly compensated employees and to its directors through an unfunded top hat arrangement. All compensation deferred under the plan is deducted from the participants salary and bonus compensation or director fees, and all participants are fully vested in their deferred compensation accounts at all times. Messrs. Baker, Cook, and Stewart are participating in such plan. Pursuant to the executive deferred compensation plan, the merger will constitute a change in control event. Upon the completion of the merger, all accounts under such plan will become immediately payable in full, rather than continuing to be deferred and payable at a later date or dates.

Indemnification and Insurance.

As described under The Merger Agreement Interests of Community Directors and Executive Officers in the Merger beginning on page 95, after the effective time of the merger, CVB and Citizens will indemnify and hold harmless each present and former director and officer of Community and its subsidiaries against claims pertaining to matters occurring at or prior to the closing of the merger, including the transactions contemplated by the merger agreement, to the extent such indemnified parties are indemnified as of the date of the merger agreement to the fullest extent permitted under applicable law. Further, Community s present and former directors and officers will be entitled to the same indemnification afforded under Community s articles of incorporation and bylaws and Community s agreements in effect as of the date of the merger agreement to indemnify such directors and officers for their acts and omissions occurring at or prior to the effective time of the merger in their capacity as directors or officers. CVB will also advance expenses as incurred to the fullest extent permitted under applicable law.

CVB has also agreed to maintain, for a period of six years from the effective time of the merger, directors and officers liability insurance for Community s directors and officers through a tail policy or a substitute policy, which must contain at least the same coverage and amounts as, and with terms no less advantageous than, the coverage provided

by Community. However, CVB will not be required to expend more than an aggregate of 300% of the current annual premium paid by Community for its existing directors and officers liability insurance, which is considered the maximum amount. If the cost of such insurance to CVB exceeds such amount, then CVB will obtain as much comparable insurance as is available for the maximum amount.

Table of Contents*Merger-Related Compensation for Community's Named Executive Officers.*

This section sets forth the information required by Item 402(t) of Regulation S-K of the Securities and Exchange Commission rules regarding the compensation for each named executive officer of Community that is based on or otherwise relates to the merger. This compensation is referred to as "golden parachute" compensation by the applicable Securities and Exchange Commission disclosure rules.

The following table quantifies such compensation for each of the named executive officers of Community. Each of Community's named executive officers is potentially entitled to certain benefits under his existing arrangement with Community and/or CVB if, within twelve months following the merger, he is terminated by Community, CVB or Citizens other than for cause, disability or death, or he resigns for good reason. Payments under the retention bonus plan, the stay bonus pool, and the non-competition, non-solicitation and non-disclosure agreements and releases are also included below. Pursuant to the merger agreement and the Community stock incentive plan, each of Community's named executive officers will also receive full accelerated vesting of his Community restricted stock units, which accelerated vesting is also reflected below. Certain named executive officers will also benefit from the termination of the Employee 401(k) Retirement/Savings Plan of Community Bank in connection with the merger, which will cause the matching employer contribution and the nonelective employer contribution accounts to vest in full.

The table below quantifies only that merger-related compensation that would be provided under the existing Community arrangements, in each case assuming that the merger occurred on April 30, 2018 (the latest practicable date prior to the filing of this joint proxy statement/prospectus) and that all triggers are satisfied. The amounts indicated below are estimates of amounts that might become payable to the named executive officers. The estimates are based on multiple assumptions that may or may not prove correct, including the assumption that each of the named executive officers will experience a qualifying separation from service on the date of the merger. Some of the assumptions are based on information not currently available and, as a result, any actual amounts received by a named executive officer may differ in material respects from the amounts set forth below. The amounts set forth below have not been reduced to reflect assumptions about the effects of cutbacks due to parachute payment tax limitations because it is not possible to predict the effects of those limitations, if any, with certainty.

Name	Cash Severance	Cash Bonus (3)	Acceleration of Community RSUs (4)	401(k) Benefits (5)	Medical and Welfare Benefits (6)	Total
David R. Misch, <i>Chief Executive Officer</i>	\$ 2,283,333(1)		\$ 1,875,664	\$ 13,441	\$	\$ 4,172,438
J. Duncan Smith, <i>Chief Financial Officer</i>	\$ 306,000(2)	\$ 83,333	\$ 554,520	\$ 18,228	\$ 9,900	\$ 971,981
Alan P. Buckle, <i>President and Chief Banking Officer</i>	\$ 284,707(2)	\$ 333,333	\$ 554,520	\$	\$ 16,740	\$ 1,189,300
Paul F. Rodeno, <i>Chief Credit and Risk Officer</i>	\$ 284,708(2)	\$ 83,333	\$ 360,438	\$ 19,771	\$ 11,736	\$ 759,986
	\$ 252,023(2)	\$ 83,333	\$ 360,438	\$	\$ 14,952	\$ 710,746

Thomas C. Baker,
*Chief Operating
Officer*

- (1) Represents a double-trigger payment in the amount of two and one-half times (2.5x) Mr. Misch's average annual base salary for the calendar years 2015, 2016 and 2017, plus two and one-half times (2.5x) Mr. Misch's average annual bonus received for the calendar years 2015, 2016 and 2017, as described above in Interests of Community Directors and Executive Officers in the Merger Merger Related Payments

Table of Contents

Under Employment and Change in Control Severance Agreements Change in Control Severance Plan beginning on page 97 of this joint proxy statement/prospectus. Provided that all other conditions described in Mr. Misch's employment agreement are satisfied, such amount will be paid in a single lump sum payment within thirty (30) days after the date of termination. The amount indicated is subject to cutback as a result of a provision of Mr. Misch's employment agreement limiting such payments to the maximum amount permitted under Section 280G of the Internal Revenue Code, as amended, without creating adverse tax consequences. Assuming that the merger occurred on April 30, 2018, the estimated amount of such cutback would be approximately \$685,000, resulting in a total of \$3,487,142 in compensation based on or otherwise related to the merger.

- (2) Represents a double-trigger payment equal to one times (1x) such participant's annual base salary, as described above in Interests of Community Directors and Executive Officers in the Merger Merger Related Payments Under Employment and Change in Control Severance Agreements Change in Control Severance Plan beginning on page 97 of this joint proxy statement/prospectus.
- (3) Represents an assumed allocation of the stay bonus pool in the amount of \$83,333 for each named executive officer and certain other key employees and, in the case of Mr. Buckle, an additional \$250,000 pursuant to his Non-Competition, Non-Solicitation and Non-Disclosure Agreement and Release. Such stay bonuses may be higher or lower than the amounts shown in the table above as determined by Mr. Misch in his sole discretion. All cash bonuses are single-trigger payments, and are more fully described above in Interests of Community Directors and Executive Officers in the Merger Merger Related Payments Under Bonus and Employee Benefit Plans Stay Bonuses. beginning on page 98 of this joint proxy statement/prospectus and in Interests of Community Directors and Executive Officers in the Merger Non-Competition, Non-Solicitation and Non-Disclosure Agreements and Releases Buckle Non-Competition, Non-Solicitation and Non-Disclosure Agreement and Release beginning on page 98 of this joint proxy statement/prospectus.
- (4) Represents a single-trigger payment based upon the accelerated vesting of Community restricted stock units, which will be converted into, and be exchanged for, the merger consideration. For purposes of calculating the value of the Community restricted stock units, we have assumed April 30, 2018 to be the closing date of the merger (the latest practicable date prior to the filing of this joint proxy statement/prospectus), and, assuming no merger consideration adjustments, a merger consideration value of \$277.26 per share of Community common stock, calculated by adding (i) the cash consideration of \$56.00 per share and (ii) (x) \$23.39, the average closing price of CVB common stock over the first five business days following the February 26, 2018 public announcement of the merger multiplied by (y) the exchange ratio of 9.4595.
The Community restricted stock units are more fully described above in Interests of Community Directors and Executive Officers in the Merger Community Restricted Stock Units beginning on page 95 of this joint proxy statement/prospectus. Because the Community restricted stock units will be converted into, and be exchanged for, the merger consideration at the closing of the merger, the exact value of such Community restricted stock units is uncertain and the amount shown is only an approximation.
- (5) Represents the single-trigger accelerated vesting of the otherwise unvested balances in the matching employer contribution accounts and the nonelective employer contribution accounts under the Employee 401(k) Retirement/Savings Plan of Community Bank in connection with the termination of such plan immediately prior to the closing date of the merger, which we have assumed to occur on April 30, 2018 (the latest practicable date

prior to the filing of this joint proxy statement/prospectus).

- (6) Represents a double-trigger payment of the difference between the cost for health care and dental benefits for a period of 12 months as determined for purposes of COBRA and the amount that such participant would be required to pay for such coverage, as described above in [Interests of Community Directors and Executive Officers in the Merger](#) [Merger Related Payments Under Employment and Change in Control Severance Agreements](#) [Change in Control Severance Plan](#) beginning on page 97 of this joint proxy statement/prospectus.

Table of Contents

Material U.S. Federal Income Tax Consequences of the Merger

The following is a discussion of the material U.S. federal income tax consequences of the merger to U.S. holders (as defined below) of Community common stock who exchange shares of Community common stock for shares of CVB common stock and cash pursuant to the merger. This discussion does not address the tax consequences of transactions effectuated prior or subsequent to, or concurrently with, the merger (whether or not such transactions are undertaken in connection with the merger).

The following discussion is based on the Code, Treasury regulations promulgated thereunder, judicial decisions and published administrative rulings, all as currently in effect as of the date hereof, and all of which are subject to change, possibly with retroactive effect. Any such change could affect the continuing validity of this discussion.

For purposes of this discussion, a U.S. holder means a holder of Community common stock who is, for U.S. federal income tax purposes:

a citizen or resident of the United States;

a corporation, or an entity treated as a corporation, created or organized in or under the laws of the United States or any state or political subdivision thereof;

a trust that (1) is subject to (A) the primary supervision of a court within the United States and (B) the authority of one or more United States persons to control all substantial decisions of the trust or (2) has a valid election in effect under applicable Treasury regulations to be treated as a United States person ; or

an estate that is subject to U.S. federal income tax on its income regardless of its source.

If a partnership (including for this purpose any entity treated as a partnership for U.S. federal income tax purposes) holds Community common stock, the tax treatment of a partner generally will depend on the status of the partner and the activities of the partnership. If you are a partner of a partnership holding Community common stock, you should consult your tax advisor regarding the tax consequences of the merger.

This discussion addresses only those Community shareholders that hold their Community common stock as a capital asset within the meaning of Section 1221 of the Code, and does not address all U.S. federal income tax consequences that may be relevant to particular Community shareholders in light of their individual circumstances or to Community shareholders that are subject to special rules, such as:

financial institutions;

pass-through entities or investors in pass-through entities;

insurance companies;

tax-exempt organizations;

dealers in securities;

traders in securities that elect to use a mark to market method of accounting;

persons who exercise dissenters' rights;

persons that hold Community common stock as part of a straddle, hedge, constructive sale, conversion transaction, or other integrated transaction for U.S. federal income tax purposes;

certain expatriates or persons that have a functional currency other than the U.S. dollar;

persons who are not U.S. holders; and

shareholders who acquired their shares of Community common stock through the exercise of an employee stock option or otherwise as compensation or through a tax-qualified retirement plan.

Table of Contents

In addition, the discussion does not address any alternative minimum tax or any state, local or foreign tax consequences of the merger, nor does it address any federal laws other than those pertaining to income tax.

CVB and Community have structured the merger to qualify as a reorganization within the meaning of Section 368(a) of the Code. In connection with the filing of the registration statement of which this joint proxy statement/prospectus is a part, (i) CVB has received an opinion of Morrison & Foerster LLP that, as of the date of such opinion, if certain factual circumstances exist, the merger will be treated for U.S. federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Code and (ii) Community has received an opinion of Manatt, Phelps & Phillips, LLP that, as of the date of such opinion, if certain factual circumstances exist, the merger will be treated for U.S. federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Code. Additionally, CVB will not be required to consummate the merger unless CVB receives an additional opinion of Morrison & Foerster LLP, dated as of the closing date of the merger, confirming that the merger will be treated for U.S. federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Code. Similarly, Community will not be required to consummate the merger unless Community receives an additional opinion of Manatt, Phelps & Phillips, LLP, dated as of the closing date of the merger, confirming that the merger will be treated for U.S. federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Code. The opinions of Morrison & Foerster LLP and Manatt, Phelps & Phillips, LLP regarding the merger will be based on factual assumptions, representations, warranties and covenants, including those contained in the merger agreement and in tax representation letters provided by CVB, Citizens and Community. The accuracy of such assumptions, representations and warranties, and compliance with such covenants, could affect the conclusions set forth in such opinions. Neither of these opinions will be binding on the Internal Revenue Service or the courts. CVB and Community have not requested and do not intend to request any ruling from the Internal Revenue Service as to the U.S. federal income tax consequences of the merger. Accordingly, each Community shareholder should consult his, her or its tax advisor with respect to the particular tax consequences of the merger to such holder. The remainder of this discussion assumes that the merger will qualify as a reorganization within the meaning of Section 368(a) of the Code.

Tax Consequences of the Merger Generally. On the basis of the opinions delivered in connection herewith:

no gain or loss will be recognized by CVB or Community as a result of the merger;

gain (but not loss), if any, will be recognized by those U.S. holders who receive shares of CVB common stock and cash in exchange for shares of Community common stock pursuant to the merger in an amount equal to the lesser of (1) the amount of gain realized (*i.e.*, the excess of the sum of the amount of cash (excluding any cash received in lieu of a fractional share) and the fair market value of the CVB common stock received pursuant to the merger over the adjusted tax basis in the Community common stock surrendered), and (2) the amount of cash received by such holder of Community common stock (excluding any cash received in lieu of a fractional share);

the aggregate tax basis in the shares of CVB common stock received by a Community shareholder in the merger (including any fractional share interests deemed received and sold as described below) will equal the aggregate tax basis of the Community common stock surrendered, decreased by the amount of cash received in the merger (excluding any cash received in lieu of a fractional share), and increased by the amount of gain, if any, recognized (excluding any gain recognized with respect to cash received in lieu of a fractional share) on the exchange (regardless of whether such gain is treated as capital gain, or as dividend income, as

discussed below); and

the holding period of CVB common stock received in exchange for shares of Community common stock (including fractional shares of CVB common stock deemed received and sold as described below) will include the holding period of the Community common stock that is surrendered in the merger.

If a U.S. holder of Community common stock acquired different blocks of Community common stock at different times or at different prices, any gain or loss will be determined separately with respect to each block of

Table of Contents

Community common stock and such holder's basis and holding period in his or her shares of CVB common stock may be determined with reference to each block of Community common stock. Any such holders should consult their tax advisors regarding the manner in which cash and CVB common stock received in the exchange should be allocated among different blocks of Community common stock and with respect to identifying the bases or holding periods of the particular shares of CVB common stock received in the merger.

Taxation of Gains. Gain that U.S. holders of Community common stock recognize in connection with the merger generally will constitute capital gain and will constitute long-term capital gain if such holders have held (or are treated as having held) their Community common stock for more than one year as of the date of the merger. Long-term capital gain of non-corporate U.S. holders of Community common stock is generally taxed at preferential rates. In some cases, if a U.S. holder actually or constructively owns CVB stock other than CVB stock received pursuant to the merger, the recognized gain could be treated as having the effect of a distribution of a dividend under the tests set forth in Section 302 of the Code, in which case such gain would be treated as dividend income. Because the possibility of dividend treatment depends primarily upon each U.S. holder's particular circumstances, including the application of various constructive ownership rules, U.S. holders of Community common stock should consult their tax advisors regarding the application of the foregoing rules to their particular circumstances.

Cash Received Instead of a Fractional Share of CVB Common Stock. If a U.S. holder of Community common stock receives cash instead of a fractional share of CVB common stock, he or she will be treated as having received the fractional share of CVB common stock pursuant to the merger and then as having sold that fractional share of CVB common stock for cash. As a result, the U.S. holder of Community common stock will generally recognize gain or loss equal to the difference between the amount of cash received and the basis allocable to the fractional share interest as set forth above. Subject to the discussion above regarding possible dividend treatment, this gain or loss will generally be capital gain or loss, and will be long-term capital gain or loss if, as of the effective date of the merger, the holding period for such shares is greater than one year. The deductibility of capital losses is subject to limitations.

Additional Medicare Tax. Certain non-corporate U.S. holders of Community common stock whose income exceeds certain thresholds may also be subject to an additional 3.8% tax on their net investment income up to the amount of such excess. Gain or loss recognized in the merger will be includable in the holder's net investment income for purposes of this tax. Non-corporate U.S. holders of Community common stock should consult their own tax advisors regarding the possible effect of this tax.

Backup Withholding and Information Reporting. Payments of cash to a U.S. holder of Community common stock may, under certain circumstances, be subject to information reporting and backup withholding, unless the holder provides proof of an applicable exemption satisfactory to CVB and the exchange agent or, in the case of backup withholding, furnishes its correct taxpayer identification number and generally otherwise complies with all applicable requirements of the backup withholding rules. Any amounts withheld from payments to a U.S. holder under the backup withholding rules do not represent additional tax and will be allowed as a refund or credit against the holder's U.S. federal income tax liability, provided the required information is furnished in a timely manner to the Internal Revenue Service.

Reporting Requirements. If a U.S. holder of Community common stock who receives CVB common stock in the merger is considered a significant holder, such holder will be required (1) to file a statement with the holder's U.S. federal income tax return providing certain facts pertinent to the merger, including the tax basis in the Community common stock surrendered and the fair market value of the CVB common stock received in the merger, and (2) to retain permanent records of these facts relating to the merger. A significant holder for this purpose is any U.S. holder of Community common stock who, immediately before the merger, (i) owns at least 1% (by vote or value) of Community common stock or (ii) owns Community securities with a tax basis of \$1 million or more.

Table of Contents

The discussion set forth above does not address all U.S. federal income tax consequences that may be relevant to U.S. holders of Community common stock and may not be applicable to such holders that are subject to special rules. It is not a complete analysis or discussion of all potential tax effects that may be important to you. Thus, you are strongly encouraged to consult your tax advisor as to the specific tax consequences resulting from the merger, including tax return reporting requirements, the applicability and effect of federal, state, local, and other tax laws and the effect of any proposed changes in the tax laws.

Regulatory Approvals Required for the Merger

Completion of the merger is subject to the receipt of all approvals required to complete the transactions contemplated by the merger agreement, including the merger, from the FDIC and the DBO and the expiration of any applicable statutory waiting periods, in each case subject to the condition that none of the approvals shall contain any materially burdensome regulatory condition.

The merger agreement defines a materially burdensome regulatory condition as any action, condition or restriction that

would reasonably expected be likely to have a material adverse effect on CVB; or

require CVB, Citizens or the combined company to raise additional capital or accept any restriction on its ability to operate its businesses, in each case, that would materially reduce the economic benefits of the merger to CVB and Citizens to such a degree that CVB and Citizens, in good faith after consultation with Community, would not have entered into the merger agreement had such conditions, restrictions or requirements been known as of the date of the merger agreement.

CVB and Community have agreed to reasonably cooperate with each other and use their respective commercially reasonable efforts to obtain as promptly as practicable all consents and approvals of all governmental authorities to consummate the merger. CVB and Community have filed applications and notifications to obtain these regulatory approvals.

Although the parties currently believe they should be able to obtain all required regulatory approvals or waivers in a timely manner, they cannot be certain when or if they will obtain them or, if obtained, whether they will contain any materially burdensome regulatory condition to the merger.

FDIC Application under the Bank Merger Act

Prior approval of the bank merger is required pursuant to Section 18(c) of the Federal Deposit Insurance Act, which we refer to as the Bank Merger Act. Because Citizens is a state-chartered bank that is not a member of the Federal Reserve System, Citizens is required to file its Bank Merger Act application with the FDIC. In evaluating an application filed under the Bank Merger Act, the FDIC takes into consideration, among other things: (i) the competitive impact of the proposed transactions, (ii) financial and managerial resources and future prospects of the banks that are party to the merger, (iii) the convenience and needs of the communities served by the banks and their compliance with the CRA, (iv) the banks' effectiveness in combating money-laundering activities, and (v) the extent to which the proposed transactions would result in greater or more concentrated risks to the stability of the U.S. banking or financial system. In connection with its review under the Bank Merger Act, the FDIC provides an opportunity for public comment on the application for the merger and is authorized to hold a public meeting or other proceeding if it

determines that would be appropriate.

The CRA requires that the bank regulatory authorities, in deciding whether to approve the merger, assess the records of performance of Citizens and Community in meeting the credit needs of the communities they serve, including low and moderate income neighborhoods. A less than satisfactory CRA rating could delay or block the consummation of the merger.

Table of Contents

Citizens received a composite rating of *satisfactory* at its most recent CRA performance evaluation, and Community received a composite rating of *needs to improve* at its most recent CRA performance evaluation. Since its last evaluation, both Citizens and Community have developed and implemented action plans to improve their CRA performance, including on the CRA lending, investment and service tests. Citizens and Community also believe that the merger will facilitate the enhancement of the combined company's performance under the CRA guidelines as Citizens offers a broader range of services and products that will enhance the lending, investment and service offerings of Community's customers particularly for low to moderate income businesses and individuals. Additionally, the combined company will gain efficiencies that will allow, among other factors, for more investment in alternative delivery channels such as mobile banking, ATMs, and call centers. Although Citizens and Community believe that the merger meets the requirements of the CRA, particularly in light of the remedial actions being taken to improve their CRA performance, there is no assurance that bank regulatory authorities will approve the merger or will approve the merger without imposing conditions on the completion of the merger or requiring changes to the terms of the merger. Such conditions or changes could have the effect of delaying completion of the merger or imposing additional costs on or limiting the growth, revenues or other aspects of the business of the combined company following the merger. In addition, as part of the review process under the CRA, it is not unusual for the bank regulatory authorities to receive protests and other adverse comments from community groups and others. Any such protests or adverse comments could prolong the period during which the merger is subject to review by the bank regulatory authorities.

Transactions approved by the FDIC under the Bank Merger Act generally may not be completed until 30 days after the approval of the FDIC is received, during which time the Department of Justice may challenge the transaction on antitrust grounds. With the approval of the FDIC and the concurrence of the Department of Justice, the waiting period may be reduced to no less than 15 days. The commencement of an antitrust action would stay the effectiveness of such an approval unless a court specifically orders otherwise. In reviewing the merger, the Department of Justice could analyze the merger's effect on competition differently than does the FDIC, and, therefore, it is possible that the Department of Justice could reach a different conclusion than the FDIC does regarding the merger's effects on competition. A determination by the Department of Justice not to object to the merger may not prevent the filing of antitrust actions by private persons or state attorneys general.

California Department of Business Oversight Application

Because Citizens and Community are California state-chartered banks, the prior approval of the DBO will be required under the California Financial Code to merge Community with and into Citizens.

In reviewing the merger of Community with and into Citizens, the DBO will take into consideration, among other things: (i) the competitive impact of the merger, (ii) the adequacy of the surviving depository corporation's shareholders' equity and financial condition, (iii) whether the directors and executive officers of the surviving depository institution will be satisfactory, (iv) whether the surviving depository corporation will afford reasonable promise of successful operation and whether it is reasonable to believe that the surviving depository corporation will be operated in a safe and sound manner and in compliance with all applicable laws, and (v) whether the merger is fair, just and equitable to the disappearing depository corporation and the surviving depository corporation.

Federal Reserve Approval under the Bank Holding Company Act

CVB is a bank holding company under Section 3 of the BHC Act. Section 3(a) of the BHC Act generally requires the prior approval of the Federal Reserve for any bank holding company to merge with any other bank holding company or to acquire direct or indirect ownership or control over more than five percent of the voting shares of a bank. The Federal Reserve Bank of San Francisco has confirmed, however, that no application is required because the merger between Citizens and Community is part of a transaction that involves the merger of their subsidiary banks, which is

the subject of a separate application under the Bank Merger Act and CVB will not operate Community but instead Community will merge into Citizens immediately after the merger. Accordingly,

Table of Contents

the merger meets the requirements of the approval exemption set forth in Section 225.12(d)(1) of Regulation Y under the BHC Act.

Additional Regulatory Approvals, Notices and Filings

Additional notifications, filings and/or applications may be submitted to various other federal and state regulatory authorities and self-regulatory organizations in connection with the merger.

Although CVB, Citizens and Community expect to timely obtain the required regulatory approvals, there can be no assurances as to whether, or when, these regulatory approvals will be obtained, the terms and conditions on which the approvals will be granted or whether there will be litigation challenging such approvals. There can likewise be no assurances that U.S. or state regulatory authorities or other parties will not attempt to challenge the merger on antitrust grounds, on the basis of the Community Reinvestment Act or for other reasons or, if any such challenge is made, as to the result of the challenge.

Accounting Treatment

In accordance with current accounting guidance, the merger will be accounted for using the acquisition method. The result of this is that (i) the recorded assets and liabilities of CVB will be carried forward at their recorded amounts, (ii) CVB historical operating results will be unchanged for the prior periods being reported and (iii) the assets and liabilities of Community will be adjusted to fair value at the date of the merger. In addition, all identified intangibles will be recorded at fair value and included as part of the net assets acquired. The amount by which the purchase price, consisting of the value of shares of CVB common stock to be issued to former Community shareholders, the cash consideration, and the cash to be paid in lieu of fractional shares and to former option holders, exceeds the fair value of the net assets, including identifiable intangibles of Community at the merger date, will be reported as goodwill of CVB. In accordance with current accounting guidance, goodwill is not amortized and will be evaluated for impairment annually. Identified intangibles will be amortized over their estimated lives. Further, the acquisition method of accounting results in the operating results of Community being included in the operating results of CVB beginning from the date of completion of the merger.

Public Trading Markets

CVB common stock is listed on the NASDAQ Global Select Market under the symbol CVBF. Community common stock is quoted on the OTC Pink market under the symbol CYHT. Upon completion of the merger, Community common stock will cease trading on the OTC Pink market. CVB common stock issuable in the merger will be listed on the NASDAQ Global Select Market.

Exchange of Shares in the Merger

CVB will appoint Computershare as the exchange agent to handle the exchange of shares of Community common stock for shares of CVB common stock and cash. As soon as reasonably practicable after the effective time of the merger, the exchange agent will send to each holder of record of Community common stock at the effective time of the merger who holds shares of Community common stock, a letter of transmittal and instructions for effecting the exchange of Community common stock certificates for the per share merger consideration the holder is entitled to receive under the merger agreement. Upon surrender of stock certificates or book entry shares for cancellation, along with the executed letter of transmittal and other documents described in the instructions, a Community shareholder will receive the cash and any whole shares of CVB common stock such holder is entitled to receive under the merger agreement and cash in lieu of any fractional shares of CVB common stock such holder is entitled to receive. After the

effective time, neither Community nor Citizens will register any transfers of shares of Community common stock.

Table of Contents

Dissenters' Rights for Holders of Community Shares

The shares of Community common stock held by Community shareholders who do not vote their Community common stock in favor of the merger proposal and who properly demand the purchase of such shares in accordance with Chapter 13 of the California Corporations Code will not be converted into the right to receive the merger consideration otherwise payable for Community common stock upon consummation of the merger, but will instead be converted into the right to receive such consideration as may be determined to be due pursuant to Chapter 13 of California Corporations Code.

The following discussion is not a complete statement of the law pertaining to dissenters' rights under the California Corporations Code. The full text of Sections 1300 through 1313 of the California Corporations Code is attached to this joint proxy statement/prospectus as Annex D and is incorporated herein by reference. Annex D should be reviewed carefully by any Community shareholder who wishes to exercise dissenters' rights or who wishes to preserve the right to do so, since failure to comply with the procedures of the relevant statute in any respect will result in the loss of dissenters' rights. The following discussion is qualified in its entirety by Annex D.

All references in Sections 1300 through 1313 of the California Corporations Code and in this summary to a shareholder are to the holder of record of Community common stock as to which dissenters' rights are asserted. A person having a beneficial interest in Community common stock held of record in the name of another person, such as a broker, bank or nominee, cannot enforce dissenters' rights directly and must act promptly to cause the holder of record to follow the steps summarized below properly and in a timely manner to perfect such person's dissenters' rights.

ANY HOLDER OF COMMUNITY COMMON STOCK WISHING TO EXERCISE DISSENTERS' RIGHTS IS URGED TO CONSULT LEGAL COUNSEL BEFORE ATTEMPTING TO EXERCISE SUCH RIGHTS. FAILURE TO COMPLY STRICTLY WITH ALL OF THE PROCEDURES SET FORTH IN CHAPTER 13 OF THE CALIFORNIA CORPORATIONS CODE, WHICH CONSISTS OF SECTIONS 1300-1313, WILL RESULT IN THE LOSS OF A SHAREHOLDER'S STATUTORY DISSENTERS' RIGHTS.

Under the California Corporations Code, Community common stock must satisfy each of the following requirements to qualify as dissenting shares, which are referred to as dissenting shares:

such dissenting shares must have been outstanding on the record date;

such dissenting shares must not have been voted in favor of the merger proposal;

the holder of such dissenting shares must timely make a written demand that Community repurchase such dissenting shares at fair market value (as defined below); and

the holder of such dissenting shares must submit certificates representing such dissenting shares for endorsement (as described below).

A vote AGAINST the merger proposal, or abstaining from voting, does not in and of itself constitute a demand for appraisal under California law.

Pursuant to Sections 1300 through 1313 of the California Corporations Code, holders of dissenting shares may require Community to repurchase their dissenting shares at a price equal to the fair market value of such shares determined as of the day before the first announcement of the terms of the merger, excluding any appreciation or depreciation as a consequence of the proposed merger, but adjusted for any stock split, reverse stock split or stock dividend that becomes effective thereafter, referred to as the fair market value.

Within 10 days following approval of the merger proposal by Community shareholders, Community is required to mail a dissenter's notice to each person who did not vote in favor of the merger proposal. The dissenter's notice must contain the following:

a notice of the approval of the merger proposal;

Table of Contents

a statement of the price determined by Community to represent the fair market value of dissenting shares (which will constitute an offer by Community to purchase such dissenting shares at such stated price unless such shares lose their status as dissenting shares under Section 1309 of the California Corporations Code);

a brief description of the procedure for such holders to exercise their rights as dissenting shareholders; and

a copy of Sections 1300 through 1304 of Chapter 13 of the California Corporations Code.

Within 30 days after the date on which the notice of the approval of the merger proposal by the outstanding shares is mailed to dissenting shareholders, Community or its transfer agent must have received from any dissenting shareholder a written demand that Community repurchase such shareholder's dissenting shares. The written demand must include the number and class of dissenting shares held of record by such dissenting shareholder that the dissenting shareholder demands that Community purchase. Furthermore, the written demand must include a statement of what such dissenting shareholder claims to be the fair market value of the dissenting shares (which will constitute an offer by the dissenting shareholder to sell the dissenting shares at such price). In addition, within such same 30-day period, a dissenting shareholder must submit to Community or its transfer agent certificates representing any dissenting shares that the dissenting shareholder demands Community purchase, so that such dissenting shares may either be stamped or endorsed with the statement that the shares are dissenting shares or exchanged for certificates of appropriate denomination so stamped or endorsed. If the dissenting shares are uncertificated, then such shareholder must provide written notice of the number of shares which the shareholder demands that Community purchase within 30 days after the date of the mailing of the notice of the approval of the merger proposal. The demand, statement and Community certificates should be delivered by overnight courier or certified mail, return-receipt requested to:

Community Bank

460 Sierra Madre Villa Avenue

Pasadena, California 91107

Attention: Corporate Secretary

If upon the dissenting shareholder's surrender of the certificates representing the dissenting shares, Community and a dissenting shareholder agree upon the price to be paid for the dissenting shares and agree that such shares are dissenting shares, then the agreed price is required by law to be paid (with interest thereon at the legal rate on judgments from the date of the agreement) to the dissenting shareholder within the later of (i) 30 days after the date of such agreement or (ii) 30 days after any statutory or contractual conditions to the completion of the merger are satisfied.

If Community and a dissenting shareholder disagree as to the price for such dissenting shares or disagree as to whether such shares are entitled to be classified as dissenting shares, such holder has the right to bring an action in California Superior Court of the proper county, within six months after the date on which the notice of the shareholders' approval of the merger proposal is mailed, to resolve such dispute. In such action, the court will determine whether the Community common stock held by such shareholder are dissenting shares and/or the fair market value of such dissenting shares.

In determining the fair market value for the dissenting shares, the court may appoint one or more impartial appraisers to make the determination. Within a time fixed by the court, the appraisers, or a majority of them, will make and file a

report with the court. If the appraisers cannot determine the fair market value within 10 days of their appointment, or within a longer time determined by the court, or the court does not confirm their report, then the court will determine the fair market value. Upon a motion made by any party, the report will be submitted to the court and considered evidence as the court considers relevant. The costs of the dissenters' rights action, including reasonable compensation to the appraisers appointed by the court, will be allocated between Community and the dissenting shareholder(s) as the court deems equitable. However, if the appraisal of the fair

Table of Contents

market value of Community shares exceeds the price offered by Community in the notice of approval, then Community will pay the costs. If the fair market value of the shares awarded by the court exceeds 125% of the price offered by Community, then the court may in its discretion impose additional costs on Community, including attorneys' fees, fees of expert witnesses and interest.

Community shareholders considering whether to exercise dissenters' rights should consider that the fair market value of their Community common stock determined under Chapter 13 of the California Corporations Code could be more than, the same as or less than the value of consideration to be paid in connection with the merger, as set forth in the merger agreement. Also, Community reserves the right to assert in any appraisal proceeding that, for purposes thereof, the fair market value of dissenting shares is less than the value of the merger consideration to be issued and paid in connection with the merger, as set forth in the merger agreement. Community shareholders considering whether to exercise dissenters' rights should consult with their tax advisors for the specific tax consequences of the exercise of dissenters' rights.

Strict compliance with certain technical prerequisites is required to exercise dissenters' rights. Community shareholders wishing to exercise dissenters' rights should consult with their own legal counsel in connection with compliance with Chapter 13 of the California Corporations Code. Any Community shareholder who fails to strictly comply with the requirements of Chapter 13 of the California Corporations Code, attached as Annex D to this joint proxy statement/prospectus, will forfeit the right to exercise dissenters' rights and will, instead, receive the consideration to be issued and paid in connection with the merger, as set forth in the merger agreement.

Except as expressly limited by Chapter 13 of the California Corporations Code, dissenting shares continue to have all the rights and privileges incident to their shares until the fair market value of their shares is agreed upon or determined.

Dissenting shares lose their status as dissenting shares, and holders of dissenting shares cease to be entitled to require Community to purchase such shares, upon the happening of any of the following:

the merger is abandoned;

the dissenting shares are transferred before their submission to Community for the required endorsement;

the dissenting shareholder and Community do not agree on the status of the shares as dissenting shares or do not agree on the purchase price, but neither Community nor the shareholder files a complaint or intervenes in a pending action within six months after Community mails a notice that its shareholders have approved the merger; or

with Community's consent, the dissenting shareholder withdraws the shareholder's demand for purchase of the dissenting shares.

Table of Contents

THE MERGER AGREEMENT

The following section of this joint proxy statement/prospectus describes the material terms of the merger agreement. This summary is qualified in its entirety by reference to the complete text of the merger agreement, which is incorporated by reference and attached as Annex A to this joint proxy statement/prospectus. We urge you to read the full text of the merger agreement since it, and not the following description, constitutes the agreement of CVB, Citizens and Community.

Explanatory Note Regarding the Merger Agreement

The merger agreement is described in this joint proxy statement/prospectus, and a copy of it is included as Annex A to this joint proxy statement/prospectus, to provide you with important information regarding the proposed merger. The representations, warranties and covenants made in the merger agreement by CVB, Citizens and Community are qualified by and subject to important limitations agreed to by the parties in connection with negotiating the terms of the merger agreement. In particular, in your review of the representations and warranties contained in the merger agreement and described in this summary, it is important to bear in mind that the representations and warranties were negotiated with the principal purposes of establishing the circumstances in which a party to the merger agreement may have the right not to complete the merger if the representations and warranties of the other party prove to be untrue, whether due to a change in circumstances or otherwise, and allocating risk between the parties to the merger agreement, rather than establishing matters as facts. The representations and warranties may also be subject to a contractual standard of materiality different from those generally applicable to shareholders or reports and documents filed with the SEC and in some cases are qualified by disclosures that were made by each party to the other, which disclosures were reflected in schedules to the merger agreement that have not been described or included in this joint proxy statement/prospectus, including Annex A. Factual disclosures about CVB and Citizens contained in the public reports filed by CVB with the SEC may also supplement, update or modify the factual disclosures and representations about CVB and Citizens contained in the merger agreement. Further, information concerning the subject matter of the representations and warranties in the merger agreement, which do not purport to be accurate as of the date of this joint proxy statement/prospectus, may have changed since the date of the merger agreement, and subsequent developments or new information qualifying a representation or warranty may have been included in this joint proxy statement/prospectus.

Effects of the Merger

The merger agreement provides for the merger of Community with and into Citizens, the separate existence of Community will cease and Citizens will continue as the surviving corporation immediately upon the closing of the merger. The merger agreement provides that the articles of incorporation and the bylaws of Citizens as in effect immediately prior to the merger will be the articles of incorporation and bylaws of the surviving corporation.

As a result of the merger, there will no longer be any shares of Community common stock authorized, issued or outstanding. Community shareholders will only participate in CVB's future earnings and potential growth through their ownership of CVB common stock. All of the other incidents of direct ownership of Community common stock, such as the right to vote on certain corporate decisions, to elect directors and to receive dividends and distributions from Community, will be extinguished at the effective time of the merger. All of the property, rights, privileges and powers of Citizens and Community will vest in the surviving corporation, and all claims, obligations, liabilities, debts and duties of Citizens and Community will become the claims, obligations, liabilities, debts and duties of the surviving corporation.

Effective Time of the Merger

The merger agreement provides that the merger will be consummated no later than the fifth business day following the satisfaction or waiver of the closing conditions in the merger agreement, which are described

Table of Contents

below, unless we agree to another date. The merger will be consummated legally at the time the agreement of merger between Citizens and Community, the form of which is included as Exhibit C to the merger agreement, has been certified by the Secretary of State of the State of California and filed with the DBO. As of the date of this joint proxy statement/prospectus, the parties expect that the merger will be completed in the third quarter of 2018. However, there can be no assurance as to when or whether the merger will occur.

If the merger is not completed by the close of business on the outside date, the merger agreement may be terminated by either Community or CVB, unless the failure of the closing to occur by such date is due to the failure of the party seeking to terminate the merger agreement to perform or observe the covenants and agreements of such party set forth in the merger agreement.

For a description of the merger consideration, please see the section entitled "The Merger" Merger Consideration beginning on page 48.

Covenants and Agreements

Conduct of Business Pending the Merger

Community Conduct of Business Pending the Merger

Under the merger agreement, Community has agreed that, during the period before completion of the merger, except as permitted by the merger agreement or consented to by CVB, Community will:

conduct its business in the ordinary course consistent with past practice in all material respects,

use its commercially reasonable best efforts to maintain and preserve intact its business organization and advantageous business relationships and goodwill and keep available the services of its employees and agents,

maintain its insurance, and

take no action that is intended to or would reasonably be expected to adversely affect or materially delay the ability to obtain any necessary regulatory approvals, to perform its covenants and agreements or to consummate the merger.

In addition to the above agreements regarding the conduct of business generally, Community has agreed to specific restrictions relating to the conduct of its businesses, including prohibitions of the following (in each case subject to exceptions specified in the merger agreement and except as consented to by CVB):

issue or sell additional shares of its capital stock, or securities convertible or exchangeable into, or exercisable for, any shares of its capital stock;

make, declare, pay or set aside for payment any dividend or other distribution on its capital stock, other than the payment of regular quarterly cash dividends not to exceed \$0.50 per share;

adjust, split, combine, redeem, reclassify, purchase or otherwise acquire any shares of its stock or other securities;

amend or modify the material terms of, waive, release or assign any rights under, terminate, renew or allow to renew automatically, make any payment not then required under, fail to comply with or violate the terms of or enter into (i) any material contract, lease or regulatory agreement, (ii) any restriction on its ability to conduct its business as it is conducted at the time the merger agreement was entered into or (iii) any contract governing the terms of Community common stock, related rights or any outstanding debt instrument, in each case, which is not terminable on 60 days notice or less without the payment of any amount other than for products delivered or services performed;

Table of Contents

sell, transfer, mortgage, lease, encumber or otherwise dispose of any of its assets, deposits, business or properties other than in the ordinary course of business and in a transaction that, together with other such transactions, does not exceed \$100,000;

acquire (other than by way of foreclosures, in satisfaction of a debt or in a fiduciary capacity) all or any portion of the assets, business, deposits or properties of any other entity, except in the ordinary course of business and in a transaction that, together with other such transactions, is not material to it, taken as a whole, and would not reasonably be expected to present a material risk that the completion of the merger will be materially delayed or the required regulatory approvals will not be obtained;

amend the articles of incorporation or bylaws of Community or those of its subsidiaries;

except as and when required under applicable law or an employee benefit plan, (i) increase the salary, wages or benefits of any director, officer or employee, except for ordinary-course, merit-based increases in the base salary of employees consistent with past practice; (ii) grant, pay or agree to pay any bonus or other incentive compensation, except for (A) quarterly or monthly bonuses paid or payable in 2018 consistent in all material respects with the Community Incentive and Commission Plan and (B) annual bonuses paid or payable for 2017, or for services rendered by certain employees between the date of the merger agreement and the effective time of the merger, not exceeding, in the aggregate, the amounts accrued on the Community financial statements as of December 31, 2017; (iii) adopt or amend any employee benefit plan; (iv) grant any new equity award; and (v) grant or pay any severance, retention, retirement or termination pay other than pursuant to (A) the Community employee benefit plans in effect as of the date of the merger agreement or (B) a pool for retention payments to certain Community employees to be mutually agreed upon by CVB and Community;

accelerate the payment or vesting of, or lapsing of restrictions with respect to, any stock-based compensation;

terminate the employment or services of any executive officer other than for cause;

forgive or issue any loans to any director, officer or employee;

hire any officer, employee or other service provider, except in the ordinary course of business consistent with past practices;

enter into any collective bargaining or other agreement with a labor organization;

knowingly take, or omit to take, any action that would prevent or impede, or could reasonably be expected to prevent or impede, the merger from qualifying as a reorganization within the meaning of Section 368(a) of

the Code;

incur or guarantee any indebtedness for borrowed money, other than in the ordinary course of business consistent with past practice and provided further that the maturity period for any such indebtedness shall not exceed 90 day from the date of incurrence of such indebtedness;

enter into any new line of business or make any material change in any basic policies and practices with respect to the operation of its business;

make any investment either by contributions to capital, property transfers or purchase of any property or assets of any person other than (i) in accordance with Community's investment policies in effect as of the date of the merger agreement and (ii) purchases of direct obligations of the United States of America or its government agencies with a remaining maturity of one year or less;

materially change Community's investment securities portfolio;

settle any action, suit, claim, proceeding, order or investigation for consideration not in excess of \$100,000 individually or \$250,000 in the aggregate;

Table of Contents

alter materially its interest rate or pricing fee or fee pricing policies with respect to depository accounts, except as determined in good faith to be necessary or advisable based on changes in market conditions, or waive any material fees with respect thereto;

change its interest rate policy or other risk management policies, procedures or practices or fail to follow such policies;

grant or commit to grant any extension of credit to (i) any existing obligor, if such extension of credit, would equal or exceed (A) \$5,000,000 if Community's aggregate relationship exposure to such obligor is less than \$15,000,000; (B) \$2,500,000 if Community's aggregate relationship exposure to such obligation is equal to or greater than \$15,000,000; and (ii) any new obligor, if such extension of credit would equal or exceed \$5,000,000;

sell any real estate, charge off any assets, compromise on any debt or release any collateral on loans if such sale, charge-off, compromise or release would exceed \$250,000 in the aggregate;

renew any extension of credit that would equal or exceed (i) \$500,000 if rated Substandard; (ii) \$1,000,000 if rated Special Mention; (iii) \$5,000,000 if rated Pass (including Pass/Watch); and (iv) \$2,500,000 if the aggregate relationship exposure equals or exceeds \$15,000,000;

purchase any loan or loan participation;

securitize any loan or create any special purpose funding or variable interest entity;

invest in any mortgage-backed or mortgage-related securities that would be considered high-risk securities or enter into a derivatives transaction;

solicit, accept, renew or roll over:

any brokered or listing service deposits with a maturity in excess of 90 days;

any ordinary commercial or consumer interest bearing deposit without a maturity or with a maturity of 12 months or less, in each case, by offering a yield that exceeds the yield set forth in a schedule to the merger agreement; and

any ordinary commercial or consumer interest bearing time deposit with a maturity in excess of 12 months by offering a yield that exceeds the yield for a deposit with the same maturity set forth in the

Community deposit rate sheet in effect as of February 7, 2018;

apply for the opening, relocation or closing of any branch office;

make any capital expenditures other than capital expenditures in the ordinary and usual course of business consistent with past practice in amounts not exceeding \$100,000 individually or \$250,000 in the aggregate;

pay, loan or advance any amount to, or sell, transfer or lease any properties, rights or assets to, or enter into any arrangement or agreement with, any of its officers or directors or any of their family members, or any affiliates or associates (as defined under the Exchange Act) of any of its officers or directors, other than loans originated in the ordinary course of business;

make or commit to make any loan or amend the terms of any outstanding loan to any directors, officers and principal shareholders of Community or waive any rights with respect to any such loan;

change its tax or accounting policies and procedures unless required by generally accepted accounting principles or any governmental entity;

change its fiscal year for tax or accounting purposes;

other than as required by generally accepted accounting principles or any governmental entity, reduce any material accrual or reserve, including its allowance for loan and lease losses (which allowance at all times shall not be less than 1.29% of Community's outstanding balance of total loans), or change the methodology with respect to any such reserves;

Table of Contents

make any material change in any basic policies and practices with respect to loans, deposits and services, liquidity management and cash flow planning, marketing, deposit origination, lending, reserves for loan or lease losses, budgeting, profit and tax planning, personnel practices or any other material aspect of its business or operations;

grant any power of attorney or similar authority;

take title to any real property without conducting prior thereto an environmental investigation, which investigation shall disclose the absence of any suspected environmental contamination;

acquire direct or indirect control over any entity, or make any other investment either by purchase of securities, contributions to capital, property transfers or purchase of any property or assets of any other Person, except, in either instance, in connection with a foreclosure of collateral or conveyance of such collateral in lieu of foreclosure taken in connection with collection of a loan in the ordinary course of business consistent with past practice and with respect to loans made to third parties who are not affiliates of Community;

make or change any material tax elections; change or consent to any change in its method of accounting for tax purposes, except as required by applicable tax law; settle or compromise any material tax liability, claim or assessment; enter into any closing agreement, waive or extend any statute of limitations with respect to a material amount of taxes; surrender any right to claim a refund for taxes; or file any material amended tax return;

make any charitable contributions exceeding, individually or in the aggregate, 110% of total charitable contributions made by Community during 2017, as determined and pro-rated on a quarterly basis;

issue any written communication to any Community employee related to employee benefits or compensation for post-Closing employment;

foreclose upon or otherwise take title to real property without first obtaining a Phase 1 environmental report, except as otherwise permitted in the merger agreement;

take any action, or omit to take any action, that is intended to or would reasonably be likely to result in any of its representations and warranties in the merger agreement becoming untrue in any respect, any of the conditions to the merger not being satisfied or delayed, or a violation or breach of any provision of the merger agreement; or

agree to take, or make any commitment to take, any of the foregoing prohibited actions.

CVB Forbearance

Under the merger agreement, CVB has agreed that, during the period before completion of the merger, except as permitted by the merger agreement or consented to by Community, CVB will not:

conduct its business other than in the ordinary course consistent with past practice in all material respects;

take any action that would reasonably be expected to prevent or materially impede or materially delay the consummation of the merger;

knowingly take or omit to take any action that would reasonably be expected to prevent or materially impede the merger from qualifying as a reorganization within the meaning of Section 368(a) of the Code;

amend its articles of incorporation or bylaws in a manner that would adversely affect the holders of Community common stock relative to and disproportionate to all other holders of CVB common stock;

accept any offer from any third party involving a business combination, unless such offer is conditioned upon the performance by CVB and Citizens of all of their obligations under the merger agreement; and

Table of Contents

take or omit to take any action that is reasonably likely to result in any of the conditions to the merger not being satisfied.

Regulatory Matters

CVB and Community have agreed to promptly prepare and file this joint proxy statement/prospectus, and CVB has agreed to promptly prepare and file with the SEC the registration statement on Form S-4, of which this joint proxy statement/prospectus is a part, in connection with the issuance of shares of CVB common stock in the merger. Each party has agreed to use its reasonable best efforts to have the S-4 registration statement declared effective under the Securities Act as promptly as practicable after such filing.

CVB and Community have agreed to cooperate with each other and use their respective commercially reasonable efforts to prepare and file all necessary documentation to obtain all permits, consents, approvals and authorizations of all third parties and governmental authorities that are necessary or advisable to consummate the merger. Nothing contained in the merger agreement will be deemed to require CVB or Citizens to take any action, or commit to take any action, or agree to any condition or restriction, in connection with obtaining the foregoing permits, consents, approvals and authorizations of governmental authorities that would reasonably be likely to be a materially burdensome regulatory condition. Under the merger agreement, a materially burdensome regulatory condition include any action, condition or restriction that (i) would reasonably expected be likely to have a material adverse effect on CVB or (ii) require CVB, Citizens or the combined company to raise additional capital or accept any restriction on its ability to operate its businesses that would materially reduce the economic benefits of the merger to CVB and Citizens to such a degree that CVB and Citizens would not have entered into the merger agreement had such conditions, restrictions or requirements been known as of the date of the merger agreement.

Shareholder Meetings

Each of CVB and Community has agreed to take all action necessary to convene a meeting of its respective shareholders, as promptly as reasonably practicable after the Form S-4 registration statement is declared effective, and in no event later than 45 days after the Form S-4 registration statement is declared effective, for the purpose of obtaining its shareholders' approval of the merger.

Except as permitted under the terms of the merger agreement, the Community board of directors shall at all times prior to and during such Community meeting recommend such approval and shall use its commercially reasonable efforts to solicit and obtain such approval. Unless the merger agreement is terminated in accordance with its terms, Community will convene such meeting regardless of whether or not (i) the Community board of directors has made an adverse change in recommendation or (ii) an acquisition proposal (as defined below) from a third party has been made. The CVB board of directors will use its reasonable best efforts to obtain CVB shareholders' approval of the merger. Unless the merger agreement has been terminated in accordance with its terms, CVB will submit the merger proposal for approval by CVB shareholders at the CVB meeting. Community and CVB will use commercially reasonable efforts to hold the Community meeting and CVB meeting within ten business days of each meeting.

No Solicitation of Alternative Transactions

The merger agreement contains detailed provisions prohibiting Community from seeking an alternative transaction to the merger. Under these no solicitation provisions, none of Community nor any of its officers, directors and employees shall, and Community will cause its officers, directors, agents, representatives, advisors and affiliates not to:

initiate, solicit, encourage or knowingly facilitate any inquiries with respect to, or make any proposal or offer that constitutes, or could reasonably be expected to lead to, an acquisition proposal (as defined below);

Table of Contents

engage or enter into, continue or otherwise participate in any discussions with or provide any confidential information to any person relating to, or engage in any negotiations concerning, or otherwise cooperate with or assist or participate in, or encourage or knowingly facilitate any such inquiries, proposals, discussions or negotiations or any effort or attempt to make an acquisition proposal or other proposal that could reasonably be expected to lead to an acquisition proposal; or

approve, endorse or recommend, or propose to approve, endorse or recommend, or enter into, any letter of intent, agreement in principle, merger agreement, asset purchase or share exchange agreement, option agreement or other similar agreement related to any acquisition proposal or propose or agree to do any of the foregoing.

Community has further agreed that it will:

immediately terminate any activities, discussions or negotiations conducted prior to the date of the merger agreement with any third parties with respect to any acquisition proposal; and

enforce any confidentiality or similar agreement relating to an acquisition proposal and request and confirm the return or destruction of any confidential information provided to any person pursuant to any such confidentiality or similar agreement.

The no solicitation restrictions notwithstanding, if Community receives an unsolicited bona fide written acquisition proposal after the date of the merger agreement, it may engage in discussions and negotiations with or provide nonpublic information to the entity or person in response to such acquisition proposal, but only if:

the Community board of directors receives the acquisition proposal prior to the approval by Community shareholders of the merger proposal;

Community first enters into a confidentiality agreement with the person making such acquisition proposal on terms no less restrictive to the counterparty than those contained in confidentiality agreement between CVB and Community and that expressly permits Community to comply with its obligations under the merger agreement;

the Community board of directors concludes in good faith such acquisition proposal constitutes or is reasonably likely to result in a superior proposal (as defined below); and

the Community board of directors determines that engaging in such discussions and negotiations with, or providing such nonpublic information or data to, such person is necessary in order for the Community board of directors to comply with its fiduciary duties to its shareholders under applicable law.

Community will notify CVB promptly (in no event later than 24 hours) after receipt of any acquisition proposal, or any request for nonpublic information relating to an acquisition proposal, or any inquiry from any person seeking to have discussions or negotiations with Community relating to an acquisition proposal or any other indication that any

person is considering making an acquisition proposal. Community will also notify CVB promptly (in no event later than 24 hours) if it enters into discussions or negotiations concerning any acquisition proposal or provides nonpublic information or data relating to an acquisition proposal. Community will keep CVB promptly and fully informed of the status and terms of any acquisition proposals, offers, discussions or negotiations on a current basis, including providing copies of any draft definitive agreement reflecting an acquisition proposal. Community will provide CVB with at least 5 business days notice prior to each meeting of the Community board of directors at which the Community board of directors considers and determines whether any offer constitutes a superior proposal.

For purposes of the merger agreement, the term acquisition proposal means, any proposal or offer that constitutes, or could reasonably be expected to lead to, a transaction to effect:

a merger, reorganization, share exchange, consolidation, business combination, recapitalization or similar transaction involving Community or any of its subsidiaries that, if consummated, would result

Table of Contents

in any person (or the shareholders of such person) beneficially owning 15% or more of any class of equity securities of Community (or of the surviving parent entity in such transaction) or of any of its subsidiaries;

any purchase or sale or other acquisition of 15% or more of Community's consolidated assets;

any purchase or sale of, or tender or exchange offer for, or other acquisition of, Community's voting securities that, if consummated, would result in any person (or the shareholders of such person) beneficially owning 15% or more of any class of equity securities or any amount of Community (or of the surviving parent entity in such transaction) or of any of its subsidiaries; or

a liquidation, dissolution or winding up of Community.

For purposes of the merger agreement, the term "superior proposal" means an unsolicited bona fide written acquisition proposal that the Community board of directors, after consultation with its financial advisors and legal advisors, and taking into account all legal, financial, regulatory, shareholder approval risk and other aspects of the proposal and the person making the proposal (including any break-up fees, expense reimbursement provisions and conditions to consummation), concludes in good faith:

is more favorable to the shareholders of Community, from a financial point of view, than the merger (after taking into account all adjustments and modifications to the merger terms that CVB may propose);

is not subject to any financing contingencies or, if financing is required, then such financing is reasonably committed to the third party making the acquisition proposal and is reasonably likely to be provided; and

is reasonably likely to receive all required governmental approvals on a timely basis and otherwise reasonably capable of being completed on a timely basis on the terms proposed.

For the purpose of defining "superior proposal" in the merger agreement, each reference to "15%" in the definition of "acquisition proposal" shall be deemed to be a reference to "50%".

Community Board Recommendation

Subject to the terms of the merger agreement, the Community board of directors (including committees) shall not:

withdraw, modify or qualify its recommendation in favor of the merger in a manner adverse to CVB, or adopt a resolution to withdraw, modify or qualify such recommendation in a manner adverse to CVB or take any other action that is or becomes disclosed publicly and which can reasonably be interpreted as indicating that the Community board of directors does not support the merger and or believe that the merger is the best interests of its shareholders;

fail to reaffirm, without qualification, its recommendation or fail to state publicly, without qualification, that the merger and the merger agreement are in the best interests of its shareholders within five business days after CVB requests in writing that such action be taken;

fail to announce publicly within 10 business days after a tender offer or exchange offer relating to Community common stock shall have been commenced, that it recommends rejection of such tender or exchange offer;

fail to issue within 10 business days after an acquisition proposal is publicly announced with respect to Community a press release announcing its opposition to such acquisition proposal; or

approve, endorse or recommend any acquisition proposal.

Table of Contents

Each of the foregoing actions is referred to in the merger agreement as a change in recommendation. Notwithstanding the foregoing, and subject to the conditions described below, the board of directors of Community may, at any time prior to the approval of the principal terms of the merger by Community shareholders, make a change in recommendation in response to a superior proposal if:

after the date of the merger agreement, an unsolicited, bona fide written offer to effect a transaction constituting a superior proposal is made to Community and is not withdrawn

such offer was not obtained or made as a direct or indirect result of a breach of, or any action inconsistent with, the merger agreement;

Community has complied with its obligations to provide notices to CVB of any acquisition proposal and other matters requiring notice under the merger agreement;

at least two business days prior to each meeting of the Community board of directors at which it will consider and determine whether any such offer constitutes a superior proposal, Community provides CVB with a written notice specifying the meeting date and time, the reasons for holding such meeting, the terms and conditions of such offer (including a copy of any draft definitive agreement reflecting such offer) and the identity of the party making such offer;

the Community board of directors determines in good faith, after taking into account the advice of a financial advisor of nationally recognized reputation and its outside legal counsel, that such offer constitutes a superior proposal;

the Community board of directors does not effect, or cause Community to effect, a change in recommendation at any time within three business days after CVB receives written notice confirming that the Community board of directors has determined that the offer is a superior proposal and intends to effect a change in recommendation;

during a five business day period, if requested by CVB, Community engages in good faith negotiations with CVB to amend the merger agreement in such a manner that the offer that was determined to constitute a superior proposal no longer constitutes a superior proposal;

at the end of such five business day period, such offer has not been withdrawn and continues to constitute a superior proposal (taking into account any changes to the terms of the merger agreement as a result of negotiations); and

the Community board of directors reasonably determines in good faith, after taking into account the advice of its outside legal counsel that, in light of the superior proposal, a change in recommendation is required for the Community board of directors to comply with its fiduciary duties to its shareholders under applicable law.

Indemnification and Insurance

The merger agreement provides that, from and after the effective time of the merger, CVB and Citizens will indemnify and hold harmless each present and former director and officer of Community and its subsidiaries against any costs or expenses, including reasonable attorneys' fees, judgments, fines, losses, claims, damages or liabilities incurred in connection with any claim, action, suit, proceeding or investigation, whether civil, criminal, administrative or investigative, arising out of actions or omissions occurring at or prior to the effective time of the merger, including the transactions contemplated by the merger agreement, to the extent such indemnified parties are indemnified as of the date of the merger agreement to the fullest extent permitted under applicable law. CVB will also advance expenses as incurred to the fullest extent permitted under applicable law. Further, CVB and Citizens shall assume, perform and observe the obligations of Community under Community's articles of incorporation and bylaws and Community's agreements in effect as of the date of the merger agreement to indemnify such directors and officers for their acts and omissions occurring at or prior to the effective time of the merger in their capacity as directors or officers.

Table of Contents

The merger agreement also provides that CVB will maintain, for a period of six years from the effective time of the merger, director's and officer's liability insurance that serves to reimburse the officers and directors of Community with respect to claims against such directors and officers arising from facts or events which occurred at or before the effective time of the merger. Such insurance shall contain at least the same coverage and amounts, and contain terms and conditions no less advantageous to such officers and directors as the coverage provided by Community; although CVB will not be required to expend in the aggregate for such six-year period more than 300% of the amount expended on an annual basis by Community to maintain or procure such insurance. If CVB is unable to maintain or obtain such insurance, CVB will obtain as much comparable insurance as is available at a cost in the aggregate for such six-year period up to 300% of the current annual premium. In lieu of the foregoing requirements, CVB (or Community) may obtain, at or prior to the effective time of the merger, a six-year prepaid tail policy on terms and conditions providing substantially equivalent benefits as the current policies of the directors' and officers' liability insurance maintained by Community with respect to matters arising at or prior to the effective time of the merger.

Employment Matters

Except as otherwise provided in the merger agreement, all employee benefit plans of Community will be discontinued and employees of Community who become employees of Citizens, referred to as continuing employees, will be eligible to participate in the employee benefit plans of Citizens beginning on the first day of the month immediately after the closing date of the merger on the same terms as such plans and benefits are generally offered to employees of Citizens in comparable positions. Continuing employees, however, will be entitled to participate in any severance plans of Citizens immediately after the closing on the same terms as such plans and benefits are generally offered to employees of Citizens in comparable positions. For purposes of determining continuing employees' eligibility and vesting (but not for benefit accruals) under the employee benefit plans of Citizens and entitlement to severance and vacation benefits (to the extent permitted by applicable law), Citizens will recognize such employees' years of service with Community. Community shall terminate its 401(k) plan no later than the day immediately preceding the closing date of the merger.

Subject to the requirements of applicable law, Citizens has agreed to take commercially reasonable actions as are necessary to cause the group health plan maintained by Citizens and applicable insurance carriers and any other third parties, to the extent such group health plan is made available to continuing employees, to waive any evidence of insurability requirements, waiting periods and any limitations as to preexisting medical conditions under the group health plan applicable to continuing employees and their spouses and eligible dependents (but only to the extent that such preexisting condition limitations did not apply or were satisfied under the group health plan maintained by Community prior to the closing) and to provide continuing employees with credit, for the calendar year in which the closing occurs, for the amount of any out-of-pocket expenses and copayments or deductible expenses that are incurred by them during the calendar year in which the merger occurs under a group health plan maintained by Citizens or any of its affiliates.

The merger agreement specifies that none of its provisions confer upon any employee of Community who is employed by Citizens after the merger any right with respect to continuance of employment or other service. No current or former employee, independent contractor or any other individual associated with Community shall be regarded for any purpose as a third-party beneficiary under the merger agreement. The terms of the merger agreement do not constitute an amendment of, or interfere in any way with the right of CVB and its subsidiaries to amend, terminate or otherwise discontinue, any or all CVB employee plans and any other plans, practices or policies of CVB in effect from time to time.

Stock Market Listing

CVB has agreed to apply to have the shares of CVB common stock to be issued in the merger approved for listing on the NASDAQ Global Select Market, which is the principal trading market for existing shares of CVB common stock. It is a condition to CVB's and Community's obligations to complete the merger that such

Table of Contents

approval is obtained, subject to official notice of issuance. Following completion of the merger, Community common stock will cease trading and will no longer be quoted on the OTC Pink market.

Representations and Warranties

Community Representations and Warranties

The merger agreement contains representations and warranties made by Community to CVB and Citizens relating to a number of matters, including the following:

corporate organization, governing documents and subsidiaries;

capitalization;

corporate authority;

consents and approvals;

regulatory and governmental reports;

financial statements;

broker's fees;

absence of changes;

absence of undisclosed liabilities;

compliance with applicable law;

inapplicability of takeover laws;

employment and employee benefits matters;

accuracy of Community information provided in this joint proxy statement/prospectus;

fairness opinion from financial advisor;

legal proceedings;

material contracts;

environmental matters;

taxes and tax returns;

intellectual property, IT systems and privacy;

real estate properties and assets;

insurance;

accounting and internal controls;

derivatives;

deposits;

loans, notes and other borrowing arrangements;

investment securities;

related party transactions;

operating losses;

Table of Contents

employee and labor matters;

trust activities; and

credit card operations.

CVB Representations and Warranties

The merger agreement also contains representations and warranties made by CVB and Citizens to Community relating to a number of matters, including the following:

corporate organization, governing documents and subsidiaries;

capitalization;

corporate authority;

consents and approvals;

regulatory and governmental reports;

financial statements;

broker's fees;

compliance with applicable law;

IT systems;

inapplicability of takeover laws;

legal proceedings;

absence of certain changes;

accuracy of CVB information provided in this joint proxy statement/prospectus;

accounting and internal controls;

related party transactions;

taxes;

employee benefit plans; and

insurance.

Certain of these representations and warranties by Community and CVB are qualified as to knowledge, materiality or material adverse effect.

Material adverse effect means, with respect to any party, any fact, event, change, effect, or condition that (a) individually or in the aggregate has been, or would reasonably be expected to have, a material adverse effect on the business, assets or deposit liabilities, results of operations, or condition (financial or otherwise) of such party and its subsidiaries taken as a whole, or (b) prevents, materially delays or materially impairs the ability of such party to perform its obligations under the merger agreement to consummate the merger; except that a material adverse effect shall not be deemed to include effects arising out of, relating to or resulting from (i) changes after the date of the merger agreement in applicable laws and regulations, including any change in applicable generally accepted accounting principles or regulatory accounting requirements; (ii) changes in the U.S. economy or U.S. financial markets; (iii) changes in economic, business or financial conditions generally effecting the banking industry; (iv) any action taken by such party with the other party's written consent or that was expressly required by the merger agreement; (v) any failure in and of itself by such party to meet internal or other estimates (but not the underlying facts or circumstances that contributed to such failure); (vi) the

Table of Contents

commencement of any litigation that was primarily the result of the announcement or public disclosure of the merger agreement; and (vii) those matters disclosed in such party's disclosure schedules delivered at the signing of the merger agreement; provided further that that effects attributable to or resulting from any of the changes described in clauses (i), (ii), or (iii) shall not be excluded to the extent of any disproportionate impact they have on such party and its subsidiaries as compared to other comparable companies in the banking industry.

The representations and warranties in the merger agreement do not survive the effective time of the merger, and as described below under the section entitled "The Merger Agreement Termination Fee" beginning on page 126, if the merger agreement is validly terminated, there will be no liability or damages arising under the representations and warranties of CVB or Community, or otherwise under the merger agreement, unless CVB or Community willfully and intentionally breached the merger agreement.

Conditions to Completion of the Merger

Conditions to Each Party's Obligations.

The respective obligations of each of CVB and Community to complete the merger are subject to the satisfaction of the following conditions:

receipt by CVB of CVB shareholders' approval;

receipt by Community of Community shareholders' approval;

the receipt of all regulatory approvals required from the FDIC and the DBO;

the effectiveness of CVB's SEC registration statement on Form S-4, of which this joint proxy statement/prospectus is a part, and the absence of a stop order or proceeding initiated or threatened by the SEC for that purpose;

no injunction or decree or law prohibiting the consummation of the merger shall be in effect;

the shares of CVB common stock to be issued in the merger shall have been approved for listing on the NASDAQ Global Select Market; and

the aggregate value of CVB common stock to be issued in the merger must represent at least 42% of the aggregate cash plus such value of aggregate CVB common stock value.

Conditions to Obligation of Community

The obligation of Community to complete the merger is also subject to the satisfaction or waiver by Community of the following conditions:

the accuracy of the representations and warranties of CVB and Citizens set forth in the merger agreement, subject to the materiality standards set forth in the merger agreement, as of the date of the merger agreement and as of the closing date of the merger as though made at and as of the closing date (except that representations and warranties that by their terms speak as of the date of the merger agreement or some other date need only be true and correct as of such date);

performance in all material respects by CVB and Citizens of the obligations required to be performed by them at or prior to the closing date of the merger;

Community shall have received an officer's certificate from CVB certifying satisfaction by CVB of the conditions related to accuracy of the representations and warranties and performance of covenants and obligations;

the absence of a material adverse effect on CVB since the date of the merger agreement;

Table of Contents

the receipt by Community of the opinion of its tax counsel, dated the closing date of the merger, to the effect, that the merger will qualify as a reorganization within the meaning of Section 368(a) of the Code;

the CVB board of directors and the Citizens board of directors having taken all action necessary to appoint the current Chairman of the Community board of directors to serve as a director on the Citizens board of directors and the CVB board of directors, upon the closing of the merger; and

Community shall have received a voting agreement from the Vice Chairman of the CVB board of directors.

Conditions to Obligation of CVB and Citizens

The obligation of CVB and Citizens to complete the merger is also subject to the satisfaction or waiver by CVB of the following additional conditions:

the accuracy of the representations and warranties of Community set forth in the merger agreement, subject to the materiality standards set forth in the merger agreement, as of the date of the merger agreement and as of the closing date of the merger as though made at and as of the closing date (except that representations and warranties that by their terms speak as of the date of the merger agreement or some other date need only be true and correct as of such date);

performance in all material respects by Community of the obligations required to be performed by it at or prior to the closing date of the merger;

CVB's receipt of an officer's certificate from Community certifying satisfaction by Community of the conditions related to accuracy of the representations and warranties and performance of covenants and obligations;

CVB's receipt of satisfactory evidence that as of the last day of the month immediately preceding the month in which the closing of the merger occurs, which we refer to as the measurement date (except that if the closing occurs within the first 10 days of any month, the measurement date will be the last day of the second month immediately preceding the month in which the closing of the merger occurs):

the adjusted tier 1 capital of Community shall be equal to or greater than \$355.0 million; and

the total non-maturity deposits of Community shall be equal to or greater than \$2.1 billion;

all attorneys, accountants, investment bankers and other advisors and agents for Community shall have submitted to Community estimates of their fees and expenses, and Community shall have prepared and submitted CVB a final calculation of all transaction costs, certified by Community's chief financial officer;

the absence of a material adverse effect on Community since the date of the merger agreement;

the receipt by CVB of the opinion of its tax counsel, dated the closing date of the merger, to the effect, that the merger will qualify as a reorganization within the meaning of Section 368(a) of the Code;

Community shall have received voting agreements from the Vice Chairman of the CVB board of directors;

Holders of not more than 10% of the outstanding shares of Community common stock shall have duly exercised their dissenters' rights under Chapter 13 of the California Corporations Code;

CVB shall have received the written resignation of each director of Community and each of its subsidiaries effective as of the effective time of the merger;

CVB shall have received voting agreements, non-competition, non-solicitation and non-disclosure agreements and non-solicitation and non-disclosure agreements from certain Community directors and officers; and

Table of Contents

Community shall have delivered to CVB a properly executed statement from Community meeting the requirements of Treasury Regulations Sections 1.1445-2(c)(3) and 1.897-2(h)(1).

The merger agreement defines:

adjusted tier 1 capital as (a) tier 1 capital of Community determined on the measurement date and calculated in the same manner as shown on Community's call report filed with its primary regulator, plus (b) specified approved transaction costs not to exceed the limits set forth in the merger agreement; and

total non-maturity deposits as the average daily balance of Community's non-maturity deposits for the month of and ending on the measurement date, which shall consist of those deposits, and calculated as: (a) Total Deposits, less (b) time deposits (Schedule RC-E, Lines M.2.b., M.2.c., M.2.d.), less (c) total brokered deposits not included in time deposits (Schedule RC-E, Lines M.2.b., M.2.c., M.2.d.), less (d) deposits obtained through the use of deposit listing services that are not brokered deposits and not included in time deposits (Schedule RC-E, Lines M.2.b., M.2.c., M.2.d.), less (e) any deposits of commercial banks and other depository institutions in the U.S. that are not from deposit listing services, that are not brokered deposits and not included in time deposits (Schedule RC-E, Lines M.2.b., M.2.c., M.2.d.), and in the case of foregoing clauses (a), (b), (c), (d), and (e), calculated in the same manner as shown on (i) Schedule RC, Line 13.a., (ii) Schedule RC-E, Lines M.2.b., M.2.c., M.2.d., (iii) Schedule RC-E, Lines M.1.b., (iv) Schedule RC-E, Line M.1.f., and (v) Schedule RC-E, Line 4, respectively, of Community's call report as filed with its primary banking regulator for the period ended December 31, 2017, and, in each case, subject to adjustment for any changes in the call report format.

Termination

The merger agreement may be terminated under the following circumstances:

by mutual consent of CVB, Citizens and Community authorized by their respective board of directors, at any time prior to the effective time of the merger, whether before or after the receipt of the requisite CVB shareholder approval or Community shareholder approval;

by action of the CVB board of directors or the Community board of directors, if the merger is not completed on or before October 31, 2018 (which date may be extended to December 31, 2018 if the only unsatisfied condition to the completing the merger is receiving regulatory approval), except to the extent that the failure of the merger to be consummated results from the knowing action or inaction of the party seeking to terminate, which action or inaction is in violation of its obligations under the merger agreement;

by action of the CVB board of directors or the Community board of directors, if the approval of any governmental authority required for consummation of the merger and the other transactions contemplated by the merger agreement has been denied by final and nonappealable action of such governmental authority, or an application therefor has been permanently withdrawn by mutual agreement of the parties at the request or suggestion of a governmental authority;

by action of the CVB board of directors or the Community board of directors, if Community shareholder approval or CVB shareholder approval is not obtained;

by action of the CVB board of directors or the Community board of directors, if there has been a breach of any representation, warranty, covenant or agreement made by the other party, such that if continuing on the closing date of the merger, the condition as to the accuracy of the representations and warranties or the compliance with covenants by the other party would not be satisfied and such breach or condition is not curable or, if curable, is not cured within 30 calendar days after written notice thereof is given by the terminating party (or such shorter period as remaining prior to the outside date); provided, that the terminating party is not then in material breach of any representation, warranty, covenant or agreement;

Table of Contents

by action of the CVB board of directors at any time prior to the receipt of Community shareholder approval if: (i) Community materially breaches its non-solicitation obligations relating to alternative acquisition proposals; (ii) the Community board of directors shall have effected a change in recommendation to its shareholders; (iii) the Community board of directors fails to affirm its recommendation within the required time period after an acquisition proposal is made; or (iii) the Community board recommends a tender offer or fails to recommend against such tender offer within 10 business days after commencement thereof;

by action of the Community board of directors at any time prior to the receipt of Community shareholder approval in order to enter into a definitive agreement providing for a superior proposal obtained by Community without breaching the merger agreement; and

by action of the CVB board of directors or Community board of directors, if

CVB's average closing price over a 20-day period ending on the fifth business day prior to closing, which we refer to as the determination period, is less than \$20.13 per share (with a proportionate adjustment for any stock dividend, reclassification, recapitalization, split-up, combination, exchange of shares or similar transaction); and

the number obtained by dividing the average closing price of CVB common stock by the initial CVB stock price is less than the (i) the ratio of the initial and final average price of the KBW Regional Banking Index during the determination period (which we refer to as the index ratio) minus (ii) 0.15; provided that, if Community elects to so terminate the merger agreement, CVB may elect (without any obligation) to reinstate the merger and the other transactions contemplated by the merger agreement and adjust the exchange ratio to equal a number equal to the lesser of (i) a quotient, the numerator of which is \$190.40 and the denominator of which is the average closing price of CVB common stock and (ii) a quotient, the numerator of which is \$190.40 and the denominator of which is average closing price of CVB common stock, multiplied by the index ratio. Alternatively, CVB may elect not to adjust the exchange ratio, and, in lieu thereof, may increase the cash consideration per Community common stock such that the value of the total consideration received for each share is the same as if the exchange ratio had been adjusted as described above.

Termination Fee

Community must pay CVB a termination fee of \$35,132,000 in the following circumstances:

the merger agreement is terminated by Community in order to enter into a definitive agreement providing for a superior acquisition proposal;

CVB terminates the merger agreement due to (i) Community materially breaching its non-solicitation obligations relating to alternative acquisition proposals; (ii) the Community board of directors effecting a change in recommendation to its shareholders; (iii) the Community board of directors failing to affirm its recommendation within the required time period after an acquisition proposal is made; or (iii) the

Community board recommending a tender offer or failing to recommend against such tender offer within 10 business days after commencement thereof; or

(i) if an acquisition proposal is made to Community or to its shareholders publicly before the date of the Community meeting; (ii) if CVB or Community terminates the merger agreement for failure to consummate the merger by the Outside Date or obtain the approval of Community shareholders, or if CVB terminates the merger agreement for breach; and (iii) Community enters into a definitive agreement with respect to or consummates such acquisition proposal within 18 months of any such termination of the merger agreement.

The termination fee could discourage other companies from seeking to acquire or merge with Community prior to completion of the merger.

Table of Contents

Effect of Termination

If the merger agreement is validly terminated, the merger agreement will become void and of no effect, and none of Community, CVB, any of their respective subsidiaries or any of their officers or directors will have any liability of any nature whatsoever under the merger agreement, or in connection with the transactions contemplated by the merger agreement, except that (i) the provisions of the merger agreement relating to confidentiality obligations of the parties, the termination fees, publicity and certain other technical provisions will continue in effect notwithstanding termination of the merger agreement and (ii) neither Community nor CVB shall be relieved or released from any liabilities or damages arising out of its willful and intentional breach of any provision of the merger agreement.

Waiver; Amendment

Before the effective time of the merger, any provisions of the merger agreement may be:

waived, in whole or in part, by the party benefitted by the provision or by both CVB and Community; or

amended by an agreement in writing signed by CVB, Citizens and Community.

After approval of the merger by Community shareholders, however, no amendment may be made which would reduce the aggregate value of the consideration to be received by Community shareholders in the merger without any subsequent approval by Community shareholders.

Fees and Expenses

Whether or not the merger is completed, all costs and expenses incurred in connection with the merger and merger agreement (including costs and expenses of printing and mailing this document) will be paid by the party incurring the expense.

Community Voting and Support Agreements

In connection with entering into the merger agreement and as an inducement to the willingness of CVB and Citizens to enter into the merger agreement, each of Community's directors and executive officers executed and delivered to CVB a voting and support agreement, which we refer to collectively as the voting and support agreements. Each director and executive officer entered into the voting and support agreement in such person's capacity as the record or beneficial owner of shares of Community and not in such person's capacity as a director or executive officer of Community or as a trustee of any benefit plan. The following summary of the voting and support agreements is subject to, and qualified in its entirety by reference to, the full text of the form of the Community voting and support agreement included as Exhibit A-1 to the merger agreement, which is attached as Annex A to this joint proxy statement/prospectus.

Pursuant to the Community voting and support agreements, each Community shareholder party thereto agreed to vote such person's shares of Community common stock:

in favor of the merger, the merger agreement and the transactions contemplated by the merger agreement;

against any action or agreement that to such Community shareholder's knowledge would result in a breach in any material respect of any covenant, representation or warranty or any other obligation or agreement of Community under the merger agreement; and

except with the prior written consent of CVB or as otherwise contemplated or permitted by the merger agreement, against, the following actions (other than the merger and the transactions contemplated by the merger agreement): (1) any extraordinary corporate transactions, such as a merger, consolidation or

Table of Contents

other business combination involving Community; (2) any sale, lease or transfer of a material amount of Community assets; and (3) any other matter, to the extent such matter requires a Community shareholder vote, that to the knowledge of such shareholder could reasonably be expected to materially impede, interfere with, delay, postpone, discourage or adversely affect the consummation of the merger and the other transactions contemplated by the merger agreement.

Such Community shareholders also irrevocably and unconditionally waived, and agreed not to exercise or perfect, any rights of appraisal, dissenters' rights and any similar rights relating to the merger. Such Community shareholders also agreed not to, directly or indirectly:

sell, give, transfer, exchange, pledge, assign, hypothecate, encumber, tender or otherwise dispose of such person's Community shares;

enforce or permit execution of the provisions of any redemption, share purchase or sale, recapitalization or other agreement with Community or any other person or enter into any contract, option or other agreement, arrangement or understanding with respect to the transfer of any of the Community shares or any securities convertible into or exercisable for such shares;

deposit any of such person's Community shares into a voting trust or enter into a voting agreement with respect to such shares or grant any proxy or power of attorney with respect thereto;

enter into any swap or other arrangement with respect to the direct or indirect sale, assignment, transfer, exchange or other disposition of or transfer of any interest in or the voting of such person's Community shares; and

take any action that would make any of such person's representations or warranties contained in the voting and support agreement untrue or incorrect in any material respect or have the effect of preventing or disabling such person from performing such person's obligations under the voting and support agreement.

Such Community shareholders, however, may transfer Community shares to their immediate family or a trust for their benefit if the transferees agree to be bound by the Community voting and support agreements.

The obligations of such Community shareholders will terminate upon the earlier of the consummation of the merger or, if the merger is not consummated, upon the termination of the merger agreement.

As of the record date, the directors and executive officers of Community all of whom have signed voting and support agreements beneficially owned and were entitled to vote 1,137,796.09 shares of Community common stock, representing approximately 36.30% of the shares of Community common stock outstanding on that date.

CVB Voting and Support Agreement

In connection with entering into the merger agreement and as an inducement to the willingness of Community to enter into the merger agreement, the Vice Chairman of the CVB board of directors, or the CVB Vice Chairman, executed and delivered to Community a voting and support agreement, which we refer to as the CVB voting and support

agreement. The CVB Vice Chairman entered into the CVB voting and support agreement in his capacity as the record or beneficial owner of shares of CVB and not in his capacity as a director of CVB. The following summary of the CVB voting and support agreement is subject to, and qualified in its entirety by reference to, the full text of the CVB voting and support agreement included as Exhibit A-2 to the merger agreement, which is attached as Annex A to this joint proxy statement/prospectus.

Pursuant to the CVB voting and support agreement, the CVB Vice Chairman, in his capacity as a CVB shareholder, agreed to vote his shares of Community common stock:

in favor of the merger, including the CVB share issuance in connection therewith, and any other matter required to be approved by CVB shareholders to facilitate the merger;

Table of Contents

against any action or agreement that to such CVB shareholder's knowledge would result in a breach in any material respect of any covenant, representation or warranty or any other obligation or agreement of CVB under the merger agreement; and

except as otherwise contemplated or permitted by the merger agreement or consented to by Community, against any matter, to the extent such matter requires a CVB shareholder vote, that to the knowledge of such CVB shareholder could reasonably be expected to materially impede, interfere with, delay, postpone, discourage or adversely affect the consummation of the merger and the other transactions contemplated by the merger agreement.

Such CVB shareholder also agreed not to, directly or indirectly:

sell, give, transfer, exchange, pledge, assign, hypothecate, encumber, tender or otherwise dispose of such person's CVB shares until Community shareholder approval has been obtained;

enforce or permit execution of the provisions of any redemption, share purchase or sale, recapitalization or other agreement with CVB or any other person or enter into any contract, option or other agreement, arrangement or understanding with respect to the transfer of any of the CVB shares or any securities convertible into or exercisable for such shares;

deposit any of such person's CVB shares into a voting trust or enter into a voting agreement with respect to such shares or grant any proxy or power of attorney with respect thereto;

enter into any swap or other arrangement with respect to the direct or indirect sale, assignment, transfer, exchange or other disposition of or transfer of any interest in or the voting of such person's CVB shares; and

take any action that would make any of such person's representations or warranties contained in the voting and support agreement untrue or incorrect in any material respect or have the effect of preventing or disabling such person from performing such person's obligations under the voting and support agreement.

Such CVB shareholder, however, may transfer CVB shares to their immediate family or a trust for their benefit if the transferees agree to be bound by the CVB voting and support agreement.

The obligations of such CVB shareholder will terminate upon the earlier of the consummation of the merger or, if the merger is not consummated, upon the termination of the merger agreement.

As of the record date, the CVB Vice Chairman beneficially owned and was entitled to vote 6,897,959 shares of CVB common stock, representing approximately 6.3% of the shares of CVB common stock outstanding on that date.

Non-Competition, Non-Solicitation and Non-Disclosure Agreements

In order for CVB and Citizens to have the full benefit of ownership of Community and the business it conducts, including its goodwill, concurrently with the execution and delivery of the merger agreement, all of the Community

directors, the Chief Executive Officer of Community, and the President and Chief Banking Officer of Community have entered into non-competition, non-solicitation and non-disclosure agreements, which we collectively refer to as the non-competition, non-solicitation and non-disclosure agreements. The following summaries of such agreements are subject to, and qualified in their entirety by reference to, the full text of the applicable non-competition, non-solicitation and non-disclosure agreement included in the forms attached as Exhibit B-1, B-2, B-3 and B-4 to the merger agreement, which is attached as Annex A to this joint proxy statement/prospectus. Please also see The Merger Interests of Community Directors and Executive Officers in the Merger beginning on page 95.

Table of Contents

Pursuant to the non-competition, non-solicitation and non-disclosure agreements, each of the Community directors, the Chief Executive Officer of Community, and the President and Chief Banking Officer of Community has agreed not to, directly or indirectly, without the prior written consent of CVB or Citizens:

own, manage, operate, control or have any interest in the ownership, management, operation or control of, or be connected as a shareholder, member, partner, principal, director, officer, manager, investor, organizer, founder, trustee, employee, advisor, consultant, agent or representative of or with, any business or enterprise in providing financial services in Los Angeles County, Orange County, Riverside County, San Bernardino County, San Diego County and Ventura County;

solicit or aid in the solicitation of any customers or prospective customers of Community;

solicit or aid in the solicitation of any officers or employees of Community, or from and after the effective time of the merger, Citizens as successor to Community; and

induce or attempt to induce any person who is a customer or prospective customer, or induce or attempt to induce any supplier, distributor, officer or employee of Community, in each case, to terminate such person's relationships with the Citizens as successor to Community

Certain directors have agreed to comply with the non-competition and non-solicitation covenants for a period ending 24 months after the effective time of the merger. Other directors have agreed to comply with the non-competition covenants for a period ending six months after the effective time of the merger, except with respect to two specified banks, for which such directors have agreed not to become connected in any capacity (including as an employee, officer, shareholder or director) with such banks for a period of 24 months after the effective time of the merger, and to comply with the non-solicitation covenants for a period ending 24 months after the effective time of the merger.

The Chief Executive Officer of Community has agreed to comply with the non-competition and non-solicitation covenants for a period ending 24 months after the effective time of the merger. The President and Chief Banking Officer of Community has agreed to comply with the non-competition and non-solicitation covenants for a period ending 12 months after the effective time of the merger.

These directors and executive officers of Community also have agreed, among other things, not to make use of any trade secrets of Community or disclose any trade secrets to any other person on the terms set forth in the non-solicitation and non-disclosure agreement.

Certain other executive officers of Community have entered into non-solicitation and non-disclosure agreements, which we refer to collectively as the non-solicitation and non-disclosure agreements. The following summary of the non-solicitation and non-disclosure agreements is subject to, and qualified in its entirety by reference to, the full text of such agreements in the form of Exhibit B-5 to the merger agreement, which is attached as Annex A to this joint proxy statement/prospectus.

Pursuant to the non-solicitation and non-disclosure agreements, certain executive officers of Community have agreed, for a period of twelve months after effective time of the merger, not to, directly or indirectly, without the prior written consent of CVB or Citizens:

solicit or aid in the solicitation of any customers or prospective customers of Community;

solicit or aid in the solicitation of any officers or employees of Community, or from and after the effective time of the merger, Citizens as successor to Community; and

induce or attempt to induce any person who is a customer or prospective customer, or induce or attempt to induce any supplier, distributor, officer or employee of Community, in each case, to terminate such person's relationships with the Citizens as successor to Community.

These executive officers of Community also have agreed, among other things, not to make use of any trade secrets of Community or disclose any trade secrets to any other person on the terms set forth in the non-solicitation and non-disclosure agreement.

Table of Contents

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

The following unaudited pro forma condensed combined financial information and explanatory notes illustrate the effect of the merger on CVB's consolidated financial position and results of operations and its subsidiaries and of Community and its subsidiaries based upon the companies' respective historical consolidated financial positions and results of operations under the acquisition method of accounting with CVB treated as the acquirer. The unaudited pro forma condensed combined financial information has been derived from and should be read in conjunction with the historical consolidated financial statements and the related notes of CVB and Community, which are incorporated by reference or provided elsewhere in this joint proxy statement/prospectus.

In accordance with generally accepted accounting principles in the United States of America, or GAAP, the assets and liabilities of Community will be recorded by CVB at their estimated fair values as of the acquisition date. The unaudited pro forma condensed combined balance sheet gives effect to the merger, as if the transaction had occurred on December 31, 2017. The unaudited pro forma condensed combined income statement for the year ended December 31, 2017 assumes the merger took place on January 1, 2017.

The unaudited pro forma condensed combined financial information includes CVB's estimated adjustments to record assets and liabilities of Community at their respective fair values. These adjustments are subject to change depending on changes in interest rates and the components of assets and liabilities as of the merger date and as additional information becomes available and additional analyses are performed. The final amount and allocation of the purchase price will be determined after the merger is completed and after completion of further analyses to determine the fair value of Community's tangible and identifiable intangible assets and liabilities as of the date the merger is completed. Increases or decreases in the estimated fair values of the net assets acquired as compared with the information shown in the unaudited pro forma condensed combined financial information may change the amount of the purchase price allocated to goodwill and other assets and liabilities and may impact CVB's statements of income due to adjustments in yield and/or amortization of the adjusted assets or liabilities. Any changes to Community shareholders' equity, including results of operations from December 31, 2017 through the date the merger is completed, will also change the purchase price allocation, which may include the recording of a lower or higher amount of goodwill. The final adjustments may be materially different from the unaudited pro forma adjustments presented herein.

CVB anticipates that the merger with Community will provide the combined company with financial benefits that include reduced combined operating expenses. The pro forma information, which is intended to illustrate the financial characteristics of the merger and the combined company under one set of assumptions, does not reflect the benefits of expected cost savings or opportunities to earn additional revenue, or all integration costs that may be incurred and, accordingly, should not be considered a prediction of future results. It also does not necessarily reflect what the historical results of the combined company would have been had our companies been combined during the period shown.

The pro forma shareholders' equity and net income should not be considered indicative of the market value of CVB common stock or the actual or future results of operations of CVB for any period. Actual results may be materially different than the pro forma information presented.

The unaudited pro forma condensed combined financial statements included herein are presented for informational purposes only and do not necessarily reflect the financial results of the combined company had the companies actually been combined at the beginning of each period presented. As stated above, the adjustments included in these unaudited pro forma condensed combined financial statements are preliminary and maybe revised.

Table of Contents**Unaudited Pro Forma Condensed Combined Balance Sheet as of December 31, 2017**

	CVBF Historical	Community Historical	Pro Forma Adjustments	Notes	Pro Forma Combined
	<i>(Dollars in thousands)</i>				
Assets					
Cash and cash equivalents	\$ 144,377	\$ 44,298	\$ (177,519)	A	\$ 11,156
Interest-earning balances due from depository institutions	17,952				17,952
Investment securities	2,910,875	837,415			3,748,290
Investment in stock of Federal Home Loan Bank (FHLB)	17,688	17,250			34,938
Loans and lease finance receivables	4,830,631	2,739,859	(57,115)	B	7,513,375
Allowance for loan losses	(59,585)	(35,346)	35,346	C	(59,585)
Net loans and lease finance receivables	4,771,046	2,704,513	(21,769)		7,453,790
Premises and equipment, net	46,166	9,401	5,606	D	61,173
Bank owned life insurance	146,486	69,863			216,349
Intangibles	6,838		35,953	E	42,791
Goodwill	116,564	1,435	508,985	F	626,984
Other assets	92,594	63,223	(8,233)	G	147,584
Total assets	\$ 8,270,586	\$ 3,747,398	\$ 343,023		\$ 12,361,007
Liabilities and Stockholders Equity					
Liabilities:					
Deposits:					
Noninterest-bearing	\$ 3,846,436	\$ 1,177,453	\$		\$ 5,023,889
Interest-bearing	2,700,417	1,682,761	(6,682)	H	4,376,496
Total deposits	6,546,853	2,860,214	(6,682)		9,400,385
Customer repurchase agreements	553,773				553,773
Borrowings		502,500	(3,126)	I	499,374
Junior subordinated debentures	25,774				25,774
Other liabilities	74,920	32,274	(1,240)	J	105,954
Total liabilities	7,201,320	3,394,988	(11,048)		10,585,260
Commitments and Contingencies					
Stockholders Equity					
Common stock	573,453	12,907	693,574	K	1,279,934
Retained earnings	494,361	344,351	(344,351)	L	494,361
Accumulated other comprehensive income, net of tax	1,452	(4,848)	4,848	M	1,452

Total stockholders equity	1,069,266	352,410	354,071	1,775,747
Total liabilities and stockholders equity	\$ 8,270,586	\$ 3,747,398	\$ 343,023	\$ 12,361,007

See accompanying Notes to Unaudited Pro Forma Condensed Combined Financial Information.

Table of Contents**Unaudited Pro Forma Condensed Combined Statement of Earnings for the Year Ended December 31, 2017**

	CVBF Historical	VCBP Historical	Pro Forma Adjustments for VCBP Acquisition	Notes	Pro Forma Combined with VCBP	Community Historical	Pro Forma Adjustments for Community Acquisition	Notes	Pro Forma Combined with VCBP and Community
<i>(Dollars in thousands, except per share amounts)</i>									
Interest income	\$ 287,226	\$ 3,046	\$ 166	N	\$ 290,438	\$ 136,078	\$ 3,396	Q	\$ 429,912
Interest expense	8,296	122			8,418	16,840	(5,950)	R	19,308
Net interest income before recapture of provision for loan losses	278,930	2,924	166		282,020	119,238	9,346		410,604
Recapture of provision for loan losses	8,500				8,500	4,496			12,996
Net interest income after recapture of provision for loan losses	287,430	2,924	166		290,520	123,734	9,346		423,600
Noninterest income	42,118	1,444			43,562	9,378			52,940
Noninterest expense	140,753	5,341	26	O	146,120	78,887	6,911	S	231,918
Earnings before income taxes	188,795	(973)	140		187,962	54,225	2,435		244,622
Income taxes	84,384	788	53	P	85,225	27,501	913	T	113,639
Net earnings	\$ 104,411	\$ (1,761)	\$ 88		\$ 102,738	\$ 26,724	\$ 1,522		\$ 130,984
Basic earnings per common share	\$ 0.95								\$ 0.94
	\$ 0.95								\$ 0.93

Diluted
earnings per
common share

See accompanying Notes to Unaudited Pro Forma Condensed Combined Financial Information.

Table of Contents**Notes to Unaudited Pro Forma Condensed Combined Financial Information****Note 1 Basis of Presentation**

The unaudited pro forma condensed combined financial information has been prepared using the acquisition method of accounting giving effect to CVB's acquisition of Community through the merger of Community with and into Citizens. The unaudited pro forma condensed combined financial information is presented for illustrative purposes only and is not necessarily indicative of the financial position had the acquisition been consummated at December 31, 2017 or the results of operations had the acquisition been consummated at January 1, 2017, nor is it necessarily indicative of the results of operation in future periods or the future financial position of the combined entities. The acquisition, which is currently expected to be completed in July or August of 2018, provide for the issuance of 29,986,467 of CVB common shares based on a fixed exchange ratio of 9.45950 and \$177.5 million in cash (subject to adjustment based upon the effective time of the acquisition). Based on a \$23.60 per share closing price of CVB common stock on February 26, 2018, the last trading day before the first public announcement of the proposed merger, and assuming no merger consideration adjustments are required under the merger agreement, the aggregate merger consideration to be paid to Community shareholders would be approximately \$885.2 million, or \$279.24 per share of Community common stock.

Under the acquisition method of accounting, the assets and liabilities of Community will be recorded at the respective fair values on the closing date. The fair value on the closing date represents management's best estimates based on available information and facts and circumstances in existence on the closing date. The pro forma allocation of purchase price reflected in the unaudited pro forma condensed combined financial information is subject to adjustment and may vary from the actual purchase price allocation that will be recorded at the time the acquisition is completed. Adjustments may include, but not be limited to, changes in (i) Community's balance sheet through the effective time of the acquisition; (ii) the aggregate value of merger consideration paid if the price of CVB's common shares vary from the assumed \$23.60 per share; (iii) total acquisition-related expenses if consummation and/or implementation costs vary from currently estimated amounts; and (iv) the underlying values of assets and liabilities if market conditions differ from current assumptions.

The accounting policies of both CVB and Community are in the process of being reviewed in detail. Upon completion of such review, conforming adjustments or financial statement reclassification may be determined.

Note 2 Estimated Acquisition and Integration Costs

In connection with the acquisition, the plan to integrate CVB and Community's operations is still being developed. Over the next several months, the specific details of these plans will continue to be refined. CVB and Community are currently in the process of assessing the two companies' personnel, benefit plans, premises, equipment, computer systems, supply chain methodologies and service contracts to determine where they may take advantage of redundancies or where it will be beneficial or necessary to convert to one system. Certain decisions arising from these assessments may involve involuntary termination of Community's employees, vacating leased premises, changing information systems, canceling contracts between Community and certain service providers and selling or otherwise disposing of certain premises, furniture and equipment owned by Community. Additionally, as part of our formulation of the integration plan, certain actions regarding existing CVB information systems, premises, equipment, benefit plans, supply chain methodologies, supplier contracts and involuntary termination of personnel may be taken. CVB expects to incur acquisition-related expenses including system conversion costs, employee retention and severance agreements, branch consolidations, communications to customers and others. To the extent there are costs associated with these actions, the costs will be recorded based on the nature and timing of these integration actions. Most acquisition and restructuring costs are recognized separately from a business combination and generally will be

expensed as incurred. CVB estimated the acquisition-related costs to be approximately \$44.0 million and expect that such acquisition-related costs will be incurred in 2018 and 2019. These costs are not reflected in the accompanying pro forma financial information.

Table of Contents**Note 3 Estimated Annual Cost Savings**

CVB expects to realize approximately \$41.0 million in annual pre-tax cost savings following the acquisition, which management expects to be phased-in after the systems conversions and consolidation of branches which is expected to be completed in the first quarter of 2019. However, there is no assurance that the anticipated cost savings will be realized on the anticipated time schedule or at all. These cost savings are not reflected in the presented pro forma financial information.

Note 4 Estimated Regulatory Adjustments

Upon completion of the merger, Citizen Business Bank's total assets will exceed \$10 billion, therefore CVB and Citizens Business Bank will be subject to increased regulatory requirements under the Dodd-Frank Act. Implementation of the various provisions of the Dodd-Frank Act is expected to impose additional compliance costs on the combined company. No adjustments related to the impact from compliance with these additional requirements have been made to the pro forma financial information presented herein.

Note 5 Preliminary Purchase Accounting Allocations

The unaudited pro forma condensed combined balance sheet gives effect to the merger, as if the transaction had occurred on December 31, 2017. The unaudited pro forma condensed combined income statement for the year ended December 31, 2017 assumes the merger took place on January 1, 2017.

Total consideration (1)	\$ 884,000
Less equity at book value	(352,410)
Elimination of allowance for loan losses	(35,346)
Elimination of net deferred loan costs	3,454
Elimination of reserve for off-balance sheet commitments	(1,240)
Elimination of previously recorded goodwill and intangibles	1,435
Allocated to:	
Time deposit investments	
Loans	53,661
Premises and equipment	(5,606)
Deferred tax effect of adjustments (37.5%)	8,233
Core deposit intangible	(35,953)
Time Deposit Premium	(6,682)
FHLB Borrowing	(3,126)
Intangible liability for acquired leases	
Excess of consideration paid over fair value of net assets acquired (goodwill)	\$ 510,420

(1) The purchase price is based on \$177.5 million in cash and issuance of 29,986,467 of CVB common shares based on a fixed exchange ratio of 9.45950 and a \$23.56 per share closing price of CVB common stock on December 31, 2017.

Note 6 Pro Forma Adjustments

The following pro forma adjustments have been reflected in the unaudited pro forma condensed combined financial information. All taxable adjustments were calculated using the appropriate tax rate to arrive at deferred tax asset or liability adjustments. All adjustments are based on current assumptions and valuations, which are subject to change.

Table of Contents

Balance Sheet

- A.** To reflect cash consideration paid to acquire Community at a stated price of \$56.00 for each share of Common Stock and Restricted Stock Unit. Assumes no adjustments to the cash purchase price are required under the merger agreement.
- B.** Adjustment to loans, net of unearned income: To reflect the estimated fair value discount of \$53.7 million at the closing date. This includes a \$37.6 million credit loss discount and a \$16.1 million interest rate discount related to current market rates that is accretable and assumed to be amortized over approximately five years (straight line).
- C.** To reflect the elimination of Community's allowance for loan and lease losses, or ALLL.
- D.** To reflect estimated fair value of Community's premises and equipment.
- E.** To reflect the estimated fair value of acquired identifiable intangible assets of Community's core deposits. The acquired core deposit intangible (CDI) will be amortized over 10 years using a sum-of-the-years-digits method.
- F.** Adjustment to goodwill: To reflect elimination of Community's goodwill of \$1.4 million and \$510.4 million of estimated goodwill associated with the acquisition of Community.
- G.** To reflect the deferred tax liability created due to the acquisition related accounting adjustments, calculated using an estimated tax rate of 28%.
- H.** To reflect the estimated fair value of time deposits, based on current market rates.
- I.** To reflect the estimated fair value of term FHLB advances, based on current market rates.
- J.** To reflect the elimination of the reserve for off-balance sheet commitments.
- K.** To reflect stock consideration of \$706.5 million using the stock price of \$23.56 as of December 31, 2017, and the elimination of Community common stock of \$12.9 million.
- L.** To reflect the elimination of Community's retained earnings.

M. To reflect the elimination of Community's accumulated other comprehensive income.

Income Statement

- N.** To reflect accretion of loan discount resulting from loan fair value pro forma adjustment for acquired Valley Commerce Bancorp (VCBP) loans, as if acquired on January 1, 2017 rather than the acquisition date of March 10, 2017.
- O.** To reflect \$52,600 of amortization of intangible assets resulting from the fair value of acquired identifiable intangible assets, offset by \$26,900 of discount accretion of VCBP acquired premises and equipment, as if acquired on January 1, 2017 rather than the acquisition date of March 10, 2017.
- P.** To reflect income tax effect of pro forma adjustments using an effective tax rate of 37.5%.
- Q.** To reflect accretion of loan interest rate discount resulting from loan fair value pro forma adjustment for acquired Community loans based on an average life of approximately five years.
- R.** To reflect the discount accretion resulting from the fair value of time deposits and term FHLB advances of Community.
- S.** To reflect \$6.5 million of amortization of intangible assets resulting from the fair value of acquired identifiable intangible assets of Community and \$374,000 of additional depreciation resulting from fair value adjustments of Community's acquired premises and equipment.
- T.** To reflect income tax effect of pro forma adjustments using an estimated tax rate of 37.5%.

Table of Contents

INFORMATION ABOUT THE COMPANIES

CVB Financial Corp. and Citizens Business Bank

CVB Financial Corp. is a California corporation that is registered as a bank holding company under the Bank Holding Company Act of 1956, as amended. As of December 31, 2017, CVB had consolidated total assets of approximately \$8.27 billion, total deposits of approximately \$6.55 billion, and total shareholders' equity of approximately \$1.07 billion. CVB had 804 full-time equivalent employees as of December 31, 2017.

CVB provides a wide range of banking services through Citizens Business Bank, its wholly-owned subsidiary. Citizens is a California state-chartered bank headquartered in Ontario, California, and has been conducting business since 1974, originally under the name Chino Valley Bank. Citizens is an independent community bank that offers a full range of banking services in 51 banking centers located in the Inland Empire, Los Angeles County, Orange County, San Diego County, Ventura County, Santa Barbara County and the Central Valley area of California. Citizens also operates three trust offices located in Ontario, Newport Beach and Pasadena. These offices serve as sales offices for its wealth management, trust and investment products. Citizens Business Bank also operates one loan production office in Stockton, California.

Through its network of banking offices, Citizens emphasizes personalized service combined with a full range of banking and trust services for businesses, professionals and individuals. Although Citizens focuses the marketing of its services to small- and medium-sized businesses, a full range of banking, investment and trust services are made available to the local consumer market.

Citizens offers a standard range of bank deposit products. These include checking, savings, money market and time certificates of deposit for both business and personal accounts. Citizens' deposit accounts are insured by the FDIC up to applicable limits.

Citizens provides a full complement of lending products, including commercial, agribusiness, consumer, real estate loans and equipment and vehicle leasing. Commercial products include lines of credit and other working capital financing, accounts receivable lending and letters of credit. Agribusiness products are loans to finance the operating needs of wholesale dairy farm operations, cattle feeders, livestock raisers and farmers. Citizens also provides bank-qualified lease financing for municipal governments. Financing products include automobile leasing and financing, lines of credit, credit cards and home equity loans and lines of credit. Real estate loans include mortgage and construction loans.

Citizens also offers a wide range of specialized services designed for its commercial customers, including cash management systems for monitoring cash flow, a credit card program for merchants, courier pick-up and delivery, payroll services, remote deposit capture, electronic funds transfers by way of domestic and international wires and automated clearinghouse, and online account access.

Citizens offers financial services and trust services through its CitizensTrust division. These services include fiduciary services, mutual funds, annuities, 401(k) plans and individual investment accounts.

As a bank holding company, CVB is subject to the supervision of the Federal Reserve. It is required to file with the Federal Reserve reports and other information regarding its business operations and the business operations of its subsidiaries. As a California state-chartered bank, Citizens is subject to supervision, periodic examination and regulation by the DBO and by the FDIC as its primary federal regulator.

Edgar Filing: CVB FINANCIAL CORP - Form 424B3

CVB's principal executive office is located at 701 North Haven Avenue, Suite 350, Ontario, California 91764, telephone number: (909) 980-4030.

Table of Contents

CVB common stock is traded on the NASDAQ Global Select Market under the symbol CVBF.

The foregoing information concerning CVB does not purport to be complete. Certain additional information relating to CVB's business, management, executive officer and director compensation, voting securities and certain relationships is incorporated by reference in this joint proxy statement/prospectus from other documents filed by CVB with the Securities and Exchange Commission and listed under [Where You Can Find Additional Information](#). If you desire copies of any of these documents, you may contact CVB at its address or telephone number indicated under [Where You Can Find Additional Information](#).

Community Bank

General

Community Bank, headquartered in Pasadena, California, is an independent Southern California regional community bank, founded in 1945. Community's principal business is to provide banking services primarily in Southern California through 16 branch offices. Community offers commercial and retail banking services to businesses, professionals and retail customers located in Los Angeles, Orange, San Bernardino and Riverside Counties.

At December 31, 2017, Community had consolidated total assets of \$3.7 billion, loan balances of \$2.7 billion, and deposits of \$2.9 billion. Additional information regarding Community's business is included in the information set forth in [Management's Discussion and Analysis of Financial Condition and Results of Operations of Community](#) beginning on page 148.

Banking Business

Community is a full-service commercial and retail bank offering a broad range of banking products and services designed for small and medium-sized businesses, non-profit organizations, business owners and entrepreneurs, and the professional community, including attorneys, certified public accountants, financial advisors and healthcare providers, investors and consumers. Deposit products include demand, money market, and certificates of deposit. Loan products include commercial, real estate construction, commercial real estate, SBA and consumer loans. Community also provides cash management services, online banking, and other primarily business-oriented products.

The principal executive offices of Community are located at 460 Sierra Madre Villa Avenue, Pasadena, CA, 91107, and its telephone number is (800) 788-9999. In addition to the Pasadena headquarters office, there are sixteen additional full-service branches in the Ventura/Los Angeles/Orange County/San Bernardino and Riverside metropolitan areas.

Community Bank common stock is traded on the OTC Markets OTC Pink market under the symbol CYHT.

Products Offered

Community offers a full array of competitively priced commercial and consumer loan and deposit products, as well as other services delivered directly or through strategic alliances with other service providers. The products offered are primarily aimed at both business and individual clients in its target markets.

Loan Products

Community offers a mix of business loans including: (i) commercial and industrial loans; (ii) commercial real estate loans; (iii) construction loans; and (iv) SBA loans. Community also offers home equity lines of credit (HELOCs), to accommodate the needs of business owners and individual clients, as well as consumer loans (both secured and unsecured) for that customer segment. Community encourages relationship banking with the goal of obtaining a substantial portion of each borrower's banking business, including deposit accounts.

Table of Contents

Deposit Products

As a full-service commercial and retail bank, Community focuses deposit generation on relationship accounts, encompassing noninterest-bearing demand, interest bearing demand, and money market accounts. In order to facilitate generation of noninterest-bearing demand deposits, Community requires, depending on the circumstances and the type of relationship, borrowers to maintain deposit balances as a typical condition of granting loans. Community also offers certificates of deposit and savings accounts. Community markets deposits by offering a remote deposit capture product that allows deposits to be made via computer at the customer's business location.

For customers requiring full FDIC insurance on certificates of deposit and other deposits accounts in excess of \$250,000, Community offer the CDARS® and Insured Cash Sweep programs (ICS), products offered by Promontory Interfinancial Network, LLC, which allow Community to place the deposits with other participating banks to maximize the customers' FDIC insurance. Community receives a like amount of deposits from other participating financial institutions. These reciprocal CDARS and ICS deposits are classified as brokered deposits in regulatory reports but Community considers these deposits to be core in nature.

Electronic Banking

While personalized, service-oriented banking is the cornerstone of Community's business plan, Community uses technology and the Internet as a secondary means for servicing customers, to compete with larger banks and to provide a convenient platform for customers to review and transact business. Community offers sophisticated electronic or internet banking opportunities that permit commercial customers to conduct much of their banking business remotely from their home or business.

Community offers multiple electronic banking options to its customers. It does not allow the origination of deposit accounts through online banking, nor does it accept loan applications through its online services. All of Community's electronic banking services allow customers to review transactions and statements, review images of paid items, transfer funds between accounts, place stop orders, pay bills and export to various business and personal software applications. Online Banking also allows customers to initiate domestic wire transfers and ACH transactions, with the added security and functionality of assigning discrete access and levels of security to different employees of the client and division of functions to allow separation of duties, such as input and release.

Additionally, Community offers Positive Pay, an antifraud service that allows businesses to review all issued checks daily and provides them with the ability to pay or reject any item. ACH Positive Pay is also offered to allow customers to review ACH transactions on a daily basis.

Other Services

In addition to providing a full complement of lending and deposit products and related services, Community provides customers with many additional services, either directly or through other providers, including, but not limited to, commercial and stand-by letters of credit, domestic and international wire transfers, on site Automated Teller Machines (ATMs) and ATM cards. Community also provides bank-by-mail services, courier services, armored transport, lock box, cash vault, cash management services, telephone banking, credit cards and international services (some of these through arrangements with third parties).

Competition

The banking business in California, and in Community s market area, is highly competitive with respect to both loans and deposits and is dominated by a relatively small number of major financial institutions with many offices operating over a wide geographic area, including institutions based outside of California. The increasingly competitive environment faced by banks is a result primarily of changes in laws and regulations, changes in

Table of Contents

technology and product delivery systems, and the accelerating pace of consolidation among financial services providers. Community also competes for loans and deposits with other commercial banks, as well as with finance companies, credit unions, securities and brokerage companies, money market funds and other non-financial institutions. Larger financial institutions offer certain services (such as trust services or wealth management) that Community does not offer directly (but some of which are offered indirectly through correspondent institutions or other relationships). These institutions also have the ability to finance extensive advertising campaigns, and have the ability to allocate investment assets to regions of highest yield and demand. By virtue of their greater total capitalization, such institutions also have substantially higher lending limits than Community has. Customers may also move deposits into the equity and bond markets which also compete with us as an investment alternative.

Community's ability to compete is based primarily on the basis of relationship, customer service and responsiveness to customer needs. Community believes that its preferred lender status with the Small Business Administration allows Community to approve SBA loans faster than many competitors. Community distinguishes itself with the availability and accessibility of senior management to customers and prospects. In addition, Community's knowledge of markets and industries assists it in locating, recruiting and retaining customers. The ability to compete also depends on the ability to continue to attract and retain senior management and experienced relationship managers.

In order to compete with the major financial institutions in Community's primary service area, Community uses, to the fullest extent possible, the familiarity of Community's directors, relationship managers, officers and advisors within Community's market, its residents, businesses and the flexibility that Community's independent status will permit. This includes an emphasis on specialized services, local promotional activity, and personal contacts. Community also works with the local Chambers of Commerce and professionals such as CPAs and attorneys to invite local businesses to meet relationship managers, management and directors.

Employees

As of December 31, 2017, Community had 426 full-time employees. Community employees are not represented by any union or other collective bargaining agreement.

Supervision and Regulation

The following discussion of statutes and regulations affecting Community is only a summary and does not purport to be complete nor does it address all applicable statutes and regulations. This discussion is qualified in its entirety by reference to such statutes and regulations referred to in this discussion. No assurance can be given that such statutes or regulations will not change in the future.

General

Community is extensively regulated under both federal and state laws. Regulation and supervision by the federal and state banking agencies is intended primarily for the protection of depositors, the Deposit Insurance Fund (DIF) administered by the FDIC, borrowers and the stability of the U.S. banking system, and not for the benefit of Community's shareholders.

As a California state-chartered bank that is not a member of the Federal Reserve System, Community is subject to supervision, periodic examination and regulation by the DBO, as Community's state regulator, and by the FDIC, as Community's primary federal regulator. The regulations of these agencies govern most aspects of Community's business, including the filing of periodic reports by Community, and Community's activities relating to dividends, investments, loans, borrowings, capital requirements, certain check-clearing activities, branching, mergers and

acquisitions, reserves against deposits, the timing of the availability of deposited funds, the nature and amount of and collateral for certain loans, and numerous other areas. Community is subject to significant

Table of Contents

regulation and restrictions by federal and state laws and regulatory agency regulations, policies and practices. The regulatory agencies have adopted guidelines to assist in identifying and addressing potential safety and soundness concerns before an institution's capital becomes impaired. The guidelines establish operational and managerial standards generally relating to: (1) internal controls, information systems, and internal audit systems; (2) loan documentation; (3) credit underwriting; (4) interest-rate exposure; (5) asset growth and asset quality; and (6) compensation, fees, and benefits. Further, the regulatory agencies have adopted safety and soundness guidelines for asset quality and for evaluating and monitoring earnings to ensure that earnings are sufficient for the maintenance of adequate capital and reserves. If, as a result of an examination, either the DBO or the FDIC should determine that the financial condition, capital resources, asset quality, earnings prospects, management, liquidity, or other aspects of Community's operations are unsatisfactory or that Community or its management is violating or has violated any law or regulation, various remedies are available to the DBO and the FDIC. These remedies include, but are not limited to, the power to (i) require affirmative action to correct any conditions resulting from any violation or unsafe and unsound practice; (ii) direct an increase in capital and the maintenance of higher specific minimum capital ratios, which may preclude Community from being deemed well capitalized and restrict its ability to accept certain brokered deposits; (iii) restrict Community's growth geographically, by products and services, or by mergers and acquisitions, including bidding in FDIC receiverships for failed banks; (iv) enter into informal nonpublic or formal public memoranda of understanding or written agreements and consent orders with Community to take corrective action; (v) issue an administrative cease and desist order that can be judicially enforced; (vi) enjoin unsafe or unsound practices; (vii) assess civil monetary penalties; and (viii) require prior approval of senior executive officers and director changes or remove officers and directors. Ultimately the FDIC could terminate Community's FDIC insurance and the CBDO could revoke Community's charter or take possession and close and liquidate Community.

Pursuant to the Federal Deposit Insurance Act (FDI Act) and the California Financial Code, California state chartered commercial banks may generally engage in any activity permissible for national banks. Therefore, Community may form subsidiaries to engage in the many so-called closely related to banking or nonbanking activities commonly conducted by national banks in operating subsidiaries or in subsidiaries of bank holding companies. Further, California banks may conduct certain financial activities permitted under the Gramm-Leach-Bliley Act of 1999 in a financial subsidiary to the same extent as may a national bank, provided Community is and remains well-capitalized, well-managed and in satisfactory compliance with the Community Reinvestment Act (the CRA). Generally, a financial subsidiary is permitted to engage in activities that are financial in nature or incidental thereto, even though they are not permissible for a national bank to conduct directly within Community. The definition of financial in nature includes, among other items, underwriting, dealing in or making a market in securities, including, for example, distributing shares of mutual funds. Community presently has no subsidiaries.

From time to time, federal and state legislation is enacted and implemented by regulations which may have the effect of materially increasing the cost of doing business, limiting or expanding permissible activities, or affecting the competitive balance between banks and other financial services providers. Changes in federal or state banking laws or the regulations, policies or guidance of the federal or state banking agencies could have an adverse cost or competitive impact on Community's operations. Community cannot predict whether or when potential legislation or new regulations will be enacted, and if enacted, the effect that new legislation or any implemented regulations and supervisory policies would have on our financial condition and results of operations. Such developments may further alter the structure, regulation, and competitive relationship among financial institutions, and may subject us to increased regulation, disclosure, and reporting requirements. Moreover, bank regulatory agencies continue to be aggressive in responding to issues, concerns and trends identified in examinations, and this has resulted in issuance of enforcement actions to financial institutions requiring action to address credit quality, capital adequacy, liquidity and risk management, as well as other safety and soundness, information technology and compliance concerns. In addition, the outcome of any investigations initiated by federal or state authorities or the outcome of litigation may result in additional regulation, necessary changes in operations and increased compliance costs. Community actively

works with its regulators to remedy any issues, concerns and trends raised in its examinations.

Table of Contents*Legislative and Regulatory Developments***The Dodd-Frank Act**

The implementation and impact of legislation and regulations enacted since 2008 in response to the U.S. economic downturn and financial industry instability continued in 2017 as modest recovery has returned to many institutions in the banking sector. Many institutions have repaid and repurchased U.S. Treasury investments under the Troubled Asset Relief Program and the federal banking agencies continue to implement the remaining requirements in the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank) as well as promulgating other regulations and guidelines intended to assure the financial strength and safety and soundness of banks and the stability of the U.S. banking system. Certain provisions of the Dodd-Frank are effective and have been fully implemented, including the revisions in the deposit insurance assessment base for FDIC insurance and the permanent increase in coverage to \$250,000; the permissibility of paying interest on business checking accounts; the removal of barriers to interstate branching and required disclosure and shareholder advisory votes on executive compensation. Implementation in 2014 of additional Dodd-Frank regulatory provisions included aspects of (i) the final new capital rules, and (ii) a final rule to implement the so called Volcker Rule restrictions on certain proprietary trading and investment activities. Legislation (the *Economic Growth, Regulatory Relief, and Consumer Protection Act*, S.2155, 115 Cong., 2 sess.) has been introduced in the U.S. Senate that would, among other things, eliminate the applicability or reduce the requirements of several provisions of Dodd-Frank to banks of our size. Unless and until any such or similar legislation is enacted, we cannot determine its effects on Community.

Many of the regulations to implement Dodd-Frank have not yet been published for comment or adopted in final form and/or will take effect over several years, making it difficult to anticipate the overall financial impact on Community, its customers or the financial industry more generally. Individually and collectively, these proposed regulations resulting from Dodd-Frank may materially and adversely affect Community's business, financial condition, and results of operations.

In the exercise of their supervisory and examination authority, the regulatory agencies have emphasized corporate governance, stress testing, enterprise risk management and other Board responsibilities; anti-money laundering compliance and enhanced high risk customer due diligence; vendor management; cyber security and fair lending and other consumer compliance obligations.

Capital Adequacy Requirements

Banks are subject to various regulatory capital requirements administered by state and federal banking agencies. New capital rules described below were effective on January 1, 2014, and are being phased in over various periods. The basic capital rule changes were fully effective on January 1, 2015, but many elements are being phased in over multiple future years. Capital adequacy guidelines and prompt corrective action regulations (See Prompt Corrective Action Regulations below) involve quantitative measures of assets, liabilities, and certain off-balance sheet items calculated under regulatory accounting practices. Capital amounts and classifications are also subject to qualitative judgments by regulators about components, risk weighting, and other factors. The risk-based capital guidelines for bank holding companies and banks require capital ratios that vary based on the perceived degree of risk associated with a banking organization's operations for both transactions reported on the balance sheet as assets, such as loans, and those recorded as off-balance sheet items, such as commitments, letters of credit and recourse arrangements. The risk-based capital ratio is determined by classifying assets and certain off-balance sheet financial instruments into weighted categories, with higher levels of capital being required for those categories perceived as representing greater risks and dividing its qualifying capital by its total risk-adjusted assets and off-balance sheet items. Banks engaged in significant trading activity may also be subject to the market risk capital guidelines and be required to incorporate

additional market and interest rate risk components into their risk-based capital standards. To the extent that the new rules are not fully phased in, the prior capital rules continue to apply.

Table of Contents

Under the risk-based capital guidelines in place prior to the effectiveness of the new capital rules, there were three fundamental capital ratios: a total risk-based capital ratio, a Tier 1 risk-based capital ratio and a Tier 1 leverage ratio. To be deemed well capitalized a bank must have a total risk-based capital ratio, a Tier 1 risk-based capital ratio and a Tier 1 leverage ratio of at least ten percent, six percent and five percent, respectively.

Prompt Corrective Action Regulations

The FDI Act requires the federal bank regulatory agencies to take prompt corrective action with respect to a depository institution if that institution does not meet certain capital adequacy standards, including requiring the prompt submission of an acceptable capital restoration plan. Depending on a bank's capital ratios, the agencies' regulations define five categories in which an insured depository institution will be placed: well capitalized, adequately capitalized, undercapitalized, significantly undercapitalized, and critically undercapitalized. At each successive lower capital category, an insured bank is subject to more restrictions, including restrictions on the bank's activities, operational practices or the ability to pay dividends. Based upon its capital levels, a bank that is classified as well capitalized, adequately capitalized, or undercapitalized may be treated as though it were in the next lower capital category if the appropriate federal banking agency, after notice and opportunity for hearing, determines that an unsafe or unsound condition, or an unsafe or unsound practice, warrants such treatment.

The prompt corrective action standards were changed when the new capital rule ratios became effective. Under the new standards, in order to be considered well capitalized, Community is required to meet the new Common Equity Tier 1 ratio of 6.5%, an increased Tier 1 ratio of 8% (increased from 6%), a total capital ratio of 10% (unchanged) and a leverage ratio of 5% (unchanged).

The regulatory capital guidelines as well as Community's actual capitalization as of December 31, 2017, are as follows:

Tier 1 Leverage Ratio	
Community Bank	9.43%
Minimum requirement for Well Capitalized institution	5.00%
Common Equity Tier 1 Risk-Based Capital Ratio	
Community Bank	10.91%
Minimum requirement for Well Capitalized institution	6.50%
Tier 1 Risk-Based Capital Ratio	
Community Bank	10.91%
Minimum requirement for Well Capitalized institution	8.00%
Total Risk-Based Capital Ratio	
Community Bank	12.04%
Minimum requirement for Well Capitalized institution	10.00%

The federal banking agencies may require banks subject to enforcement actions to maintain capital ratios in excess of the minimum ratios otherwise required to be deemed well capitalized, in which case institutions may no longer be deemed to be well capitalized and may therefore be subject to restrictions on taking brokered deposits.

Capital Rules and Minimum Capital Returns

The federal bank regulatory agencies adopted final regulations in July 2013, which revised their risk-based and leverage capital requirements for banking organizations to meet requirements of Dodd Frank and to implement Basel III international agreements reached by the Basel Committee. Although many of the rules contained in these final regulations are applicable only to large, internationally active banks, some of them will apply on a phased in basis to all banking organizations, including Community.

Table of Contents

The following are among the new requirements that were phased in beginning January 1, 2015:

An increase in the minimum Tier 1 capital ratio from 4.00% to 6.00% of risk-weighted assets;

A new category and a required 4.50% of risk-weighted assets ratio is established for Common Equity Tier 1 as a subset of Tier 1 capital limited to common equity;

A minimum non-risk-based leverage ratio is set at 4.00%, eliminating a 3.00% exception for higher rated banks;

Changes in the permitted composition of Tier 1 capital to exclude trust preferred securities, mortgage servicing rights and certain deferred tax assets and include unrealized gains and losses on available-for-sale debt and equity securities;

The risk-weights of certain assets for purposes of calculating the risk-based capital ratios are changed for high volatility commercial real estate acquisition, development and construction loans, certain past due non-residential mortgage loans and certain mortgage-backed and other securities exposures;

An additional countercyclical capital buffer is required for larger and more complex institutions; and

A new additional capital conservation buffer of 2.5% of risk weighted assets over each of the required capital ratios will be phased in from 2016 to 2019 and must be met to avoid limitations on the ability of Community to pay dividends, repurchase shares or pay discretionary bonuses.

Including the capital conservation buffer of 2.5%, the new final capital rule would result in the following minimum ratios: (i) a Tier 1 capital ratio of 8.5%, (ii) a Common Equity Tier 1 capital ratio of 7.0%, and (iii) a total capital ratio of 10.5%. The new capital conservation buffer requirement began to be phased in beginning in January 2016 at 0.625% of risk-weighted assets and increases each year until fully implemented in January 2019. While the new final capital rule sets higher regulatory capital standards for Community, bank regulators may also continue their past policies of expecting banks to maintain additional capital beyond the new minimum requirements. The implementation of the new capital rules or more stringent requirements to maintain higher levels of capital beyond the aforementioned or to maintain higher levels of liquid assets could adversely impact Community's net income and return on equity, restrict the ability to pay dividends or executive bonuses and require the raising of additional capital.

Management believes that, as of December 31, 2017, Community would meet all applicable capital requirements under the new capital rules on a fully phased-in basis if such requirements were currently in effect (see Legislative and Regulatory Developments described above).

Final Volcker Rule

In December 2013, the federal bank regulatory agencies adopted final rules that implement a part of Dodd-Frank commonly referred to as the Volcker Rule. Under these rules and subject to certain exceptions, banking entities, including Community, will be restricted from engaging in activities that are considered proprietary trading and from sponsoring or investing in certain entities, including hedge or private equity funds that are considered covered funds. These rules became effective on April 1, 2014, although certain provisions are subject to delayed effectiveness under rules promulgated by the Federal Reserve. Community held no investment positions at December 31, 2017 which were subject to the final Volcker Rule. Therefore, while these new rules may require us to conduct certain internal analysis and reporting, we believe that they will not require any material changes in our operations or business. The applicability of the Volker Rule to banks of our size may be eliminated if currently pending legislation is enacted into law (See, Legislation and Regulatory Developments The Dodd-Frank Act).

Table of Contents*Dividends and Other Transfers of Funds*

Community is subject to various statutory and regulatory restrictions on its ability to pay dividends. In addition, banking agencies have the authority to prohibit Community from paying dividends, depending upon Community's financial condition, if such payment would be deemed to constitute an unsafe or unsound practice.

The power of Community to declare cash dividends is subject to California law, which limits the amount available for cash dividends to the lesser of Community's retained earnings or net income for its last three fiscal years (less any distributions made to shareholders during that period). This restriction may only be exceeded with advance approval of the DBO, which may approve declaration of an amount not exceeding the greatest of retained earnings of Community, Community's prior fiscal year net income, or Community's current fiscal year net income.

Deposit Insurance

The FDIC is an independent federal agency that insures deposits, up to prescribed statutory limits, of federally insured banks and savings institutions and safeguards the safety and soundness of banking and savings industries. The FDIC insures our customer deposits through the DIF up to prescribed limits for each depositor. Dodd-Frank revised the FDIC's DIF management authority by setting requirements for the Designated Reserve Ratio (the DIF balance divided by estimated insured deposits) and redefining the assessment base, which is used to calculate banks' quarterly assessments. The amount of FDIC assessments paid by each DIF member institution is based on its relative risk of default as measured by regulatory capital ratios and other supervisory factors. The FDIC may terminate a depository institution's deposit insurance upon a finding that the institution's financial condition is unsafe or unsound or that the institution has engaged in unsafe or unsound practices that pose a risk to the DIF or that may prejudice the interest of Community's depositors. The termination of deposit insurance for a bank would also result in the revocation of Community's charter by the DBO.

Community's FDIC insurance expense totaled \$1.2 million for 2017. Community is generally unable to control the amount of premiums that it is required to pay for FDIC insurance, which can be affected by the cost of bank failures to the FDIC among other factors. The FDIC will, at least semi-annually, update its income and loss projections for the DIF and, if necessary, propose rules to further increase assessment rates. Any future increases in FDIC insurance premiums may have a material and adverse effect on Community's earnings and could have a material adverse effect on the value of, or market for, Community's common stock.

Federal Home Loan Bank System

Community is a member of the FHLB. Among other benefits, each of the 12 Federal Home Loan Banks serves as a reserve or central bank for its members within its assigned region. The FHLB makes available loans or advances to its members in compliance with the policies and procedures established by the Board of Directors of the individual FHLB. As an FHLB member, Community is required to own a certain amount of restricted capital stock and maintain a certain amount of cash reserves in the FHLB. As of December 31, 2017, Community had \$502.5 million of outstanding FHLB advances and total borrowing capacity of \$1.122 billion, of which \$619.7 million was still remaining. At December 31, 2017, Community was in compliance with the FHLB's stock ownership and cash reserve requirements. As of December 31, 2017 and 2016, Community's investment in FHLB capital stock totaled \$17.3 million and \$17.3 million, respectively.

Loans-to-One Borrower Limitations

With certain limited exceptions, the maximum amount of obligations, secured or unsecured, that any borrower (including certain related entities) may owe to a California state bank at any one time may not exceed 25% of the sum of the shareholders' equity, allowance for loan losses, capital notes and debentures of Community. Unsecured obligations may not exceed 15% of the sum of the shareholders' equity, allowance for loan losses,

Table of Contents

capital notes and debentures of Community. Community has established internal loan limits which are lower than the legal lending limits for a California state chartered bank. At December 31, 2017, Community's largest single lending relationship had a combined outstanding balance of \$41.1 million, secured predominantly by commercial real estate properties in Community's primary lending area, and which is performing in accordance with the terms of Community's loans.

Extensions of Credit to Insiders and Transactions with Affiliates

Community is subject to Federal Reserve Regulation O and companion California banking law limitations and conditions on loans or extensions of credit to:

Community's executive officers, directors and principal shareholders (*i.e.*, in most cases, those persons who own, control or have power to vote more than 10% of any class of voting securities);

Any company controlled by any such executive officer, director or shareholder; or

Any political or campaign committee controlled by such executive officer, director or principal shareholder. Loans extended to any of the above persons must comply with loan-to-one-borrower limits, require prior full Board approval when aggregate extensions of credit to the person exceed specified amounts, must be made on substantially the same terms (including interest rates and collateral) as, and follow credit-underwriting procedures that are not less stringent than those prevailing at the time for comparable transactions with non-insiders, and must not involve more than the normal risk of repayment or present other unfavorable features. In addition, Regulation O provides that the aggregate limit on extensions of credit to all insiders of a bank as a group cannot exceed Community's unimpaired capital and unimpaired surplus. Regulation O also prohibits a bank from paying an overdraft on an account of an executive officer or director, except pursuant to a written pre-authorized interest-bearing extension of credit plan that specifies a method of repayment or a written pre-authorized transfer of funds from another account of the officer or director at Community. California has laws and the DBO has regulations which adopt and also apply Regulation O to Community.

Community also is subject to certain restrictions imposed by Federal Reserve Act Sections 23A and 23B and Federal Reserve Regulation W on any extensions of credit to, or the issuance of a guarantee or letter of credit on behalf of, any affiliates, the purchase of, or investments in, stock or other securities thereof, the taking of such securities as collateral for loans, and the purchase of assets of any affiliates. Such restrictions prevent any affiliates from borrowing from Community unless the loans are secured by marketable obligations of designated amounts. Further, such secured loans and investments to or in any affiliate are limited, individually, to 10.0% of Community's capital and surplus (as defined by federal regulations), and such secured loans and investments are limited, in the aggregate, to 20.0% of Community's capital and surplus. A financial subsidiary is considered an affiliate subject to these restrictions whereas other non-banking subsidiaries are not considered affiliates. Additional restrictions on transactions with affiliates may be imposed on Community under the FDI Act prompt corrective action provisions and the supervisory authority of the federal and state banking agencies.

Operations and Consumer Compliance

Community must comply with numerous federal and state anti-money laundering and consumer protection statutes and implementing regulations, including the USA PATRIOT Act of 2001, Community Secrecy Act, the Foreign Account Tax Compliance Act, the Community Reinvestment Act, the Fair Credit Reporting Act, as amended by the Fair and Accurate Credit Transactions Act, the Equal Credit Opportunity Act, the Truth in Lending Act, the Fair Housing Act, the Home Mortgage Disclosure Act, the Real Estate Settlement Procedures Act, the National Flood Insurance Act, the California Homeowner Bill of Rights and various federal and state privacy protection laws. Community is also subject to federal and state laws prohibiting unfair or fraudulent business practices, untrue or misleading advertising and unfair competition. Community's most recent Community Reinvestment Act was needs to improve. As a result, Community is taking certain actions to improve its CRA rating.

Table of Contents

These laws and regulations mandate certain disclosure and reporting requirements and regulate the manner in which financial institutions must deal with customers when taking deposits, making loans, servicing, collecting and foreclosure of loans, and providing other services. Failure to comply with these laws and regulations can subject Community to various penalties, including but not limited to formal enforcement actions, injunctions, fines or criminal penalties, punitive damages to consumers, and the loss of certain contractual rights.

Dodd-Frank provided for the creation of the Consumer Finance Protection Bureau (CFPB) as an independent entity within the Federal Reserve with broad rulemaking, supervisory and enforcement authority over consumer financial products and services, including deposit products, residential mortgages, home-equity loans and credit cards. The CFPB s functions include investigating consumer complaints, conducting market research, rulemaking, supervising and examining bank consumer transactions, and enforcing rules related to consumer financial products and services. CFPB regulations and guidance apply to all financial institutions and banks with \$10 billion or more in assets. Accordingly, these financial institutions and banks are subject to examination by the CFPB. Banks with less than \$10 billion in assets, including Community, will continue to be examined for compliance by their primary federal banking agency.

In 2014, the CFPB adopted revisions to Regulation Z, which implement the Truth in Lending Act, pursuant to Dodd-Frank, and apply to all consumer mortgages (except home equity lines of credit, timeshare plans, reverse mortgages, or temporary loans). The revisions mandate specific underwriting criteria for home loans in order for creditors to make a reasonable, good faith determination of a consumer s ability to repay and establish certain protections from liability under this requirement for qualified mortgages meeting certain standards. In particular, it will prevent banks from making no doc and low doc home loans, as the rules require that banks determine a consumer s ability to pay based in part on verified and documented information.

The review of products and practices to prevent unfair, deceptive or abusive acts or practices (UDAAP) is a continuing focus of the CFPB, and of banking regulators more broadly. The ultimate impact of this heightened scrutiny is uncertain but could result in changes to pricing, practices, products and procedures. It could also result in increased costs related to regulatory oversight, supervision and examination, additional remediation efforts and possible penalties. In addition, Dodd-Frank provides the CFPB with broad supervisory, examination and enforcement authority over various consumer financial products and services, including the ability to require reimbursements and other payments to customers for alleged violations of UDAAP and other legal requirements and to impose significant penalties, as well as injunctive relief that prohibits lenders from engaging in allegedly unlawful practices. The CFPB also has the authority to obtain cease and desist orders providing for affirmative relief or monetary penalties. Dodd-Frank does not prevent states from adopting stricter consumer protection standards. State regulation of financial products and potential enforcement actions could also adversely affect Community s business, financial condition or results of operations.

Table of Contents

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF COMMUNITY

The following discussion provides information about the results of operations, financial condition, liquidity, and capital resources of Community and its wholly owned subsidiaries. This information is intended to facilitate the understanding and assessment of significant changes and trends related to Community's financial condition and results of operations. This discussion and analysis should be read in conjunction with Community's audited consolidated financial statements and accompanying notes presented elsewhere in this joint proxy statement/prospectus.

CRITICAL ACCOUNTING POLICIES

Critical accounting policies are defined as those that are reflective of significant judgments and uncertainties, and are essential to understanding this Management's Discussion and Analysis of Financial Condition and Results of Operations of Community. The following is a summary of the more judgmental and complex accounting estimates and principles. In each area, Community has identified the variables most important in the estimation process. Community has used the best information available to make the necessary estimates to value the related assets and liabilities. Actual performance that differs from estimates and future changes in the key variables could change future valuations and impact the results of operations.

Allowance for Loan Losses (ALL) Arriving at an appropriate level of allowance for loan losses involves a high degree of judgment. Community's allowance for loan losses provides for probable losses based upon evaluations of known and inherent risks in the loan and lease portfolio. The determination of the balance in the allowance for loan losses is based on an analysis of the loan portfolio using a systematic methodology and reflects an amount that, in Community's judgment, is appropriate to provide for probable credit losses inherent in the portfolio, after giving consideration to the character of the loan portfolio, current economic conditions, past credit loss experience, and such other factors as deserve current recognition in estimating inherent credit losses. The provision for loan losses is charged to expense. For a full discussion of Community's methodology of assessing the adequacy of the allowance for loan losses, see *Allowance for Loan Losses* in this Management's Discussion and Analysis and Note 1G *Summary of Significant Accounting Policies - Allowance for Loan Losses* and Note 4 *Loans* of the notes to Community's consolidated financial statements presented elsewhere in this joint proxy statement/prospectus.

Income Taxes Income taxes are accounted for under the asset and liability method. Deferred tax assets are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. Future realization of deferred tax assets ultimately depends on the existence of sufficient taxable income of the appropriate character (for example, ordinary income or capital gain) within the carryback or carryforward periods available under the tax law. Based on historical and future expected taxable earnings and available strategies, Community considers the future realization of these deferred tax assets more likely than not. See Note 1M *Summary of Significant Accounting Policies - Income Taxes* and Note 6 *Income Taxes* of the notes to Community's consolidated financial statements presented elsewhere in this joint proxy statement/prospectus.

The tax effects from an uncertain tax position are recognized in the financial statements only if, based on its merits, the position is more likely than not to be sustained on audit by the taxing authorities. Interest and penalties related to uncertain tax positions are recorded as part of other operating expense.

Table of Contents

Impact of New Accounting Standards- See Note 1T *Summary of Significant Accounting Policies Recent Accounting Pronouncements* of the notes to Community's consolidated financial statements presented elsewhere in this joint proxy statement/prospectus for a listing of recently issued accounting pronouncements and the impact of them on Community.

For complete discussion and disclosure of other accounting policies see Note 1 *Summary of Significant Accounting Policies* in the notes to Community's consolidated financial statements presented elsewhere in this joint proxy statement/prospectus.

EXECUTIVE OVERVIEW

The following provides a summary-level review of Community's results of operations for the year ended December 31, 2017 as compared to the year ended December 31, 2016 and for the year ended December 31, 2016 as compared to the year ended December 31, 2015, as well as a comparison of the December 31, 2017 balance sheet to the December 31, 2016 balance sheet. More detailed information regarding these comparisons can be found in the sections that follow.

Community believes that the presentation of net income before the effect of the tax rate change, and the effect of the tax rate change, which are both non-GAAP financial measures, provides useful supplemental information that is essential to an investor's proper understanding of the results of the operations and financial condition of Community. See *Tax Reform and Effect of Tax Rate Change Reconciliations (Non-GAAP)* and related table later in this Management's Discussion and Analysis for additional disclosures and reconciliations.

2017 Compared to 2016

Financial highlights:

Net income was \$26.7 million in 2017 compared with \$26.8 million in 2016. The decrease in net income during 2017 of \$99 thousand was primarily due to a \$6.8 million non-cash charge incurred in the fourth quarter of 2017 as a result of the passage of the Tax Cuts and Jobs Act (TCJA) in the fourth quarter of 2017 which required a revaluation of Community's deferred tax assets. Diluted earnings per share in 2017 were \$8.52 as compared with \$8.57 in 2016.

Net income before the effect of the tax rate change was \$33.5 million in the year ended December 31, 2017, an increase of \$6.7 million or 24.9% over the same period in 2016. This increase resulted primarily from an increase in net interest income of \$4.2 million and a \$4.5 million release in the provision for loan losses during the year. These increases were partially offset by a \$3.9 million decrease in non-interest income. Diluted earnings per share before the effect of the tax rate change was \$10.68 in 2017 compared with \$8.57 in 2016.

Net interest income increased \$4.2 million in 2017 as compared to 2016, primarily the result of a \$99 million of average loan growth and slightly higher yields on loans driven by Fed rate increases and collections of past due loan interest, partially offset by increased funding costs. The \$3.9 million decrease in non-interest income was primarily the result of lower loan sale revenue in 2017 and a large OREO property gain on sale in 2016, partially offset by smaller other amounts. Net interest margin increased to 3.35% from 3.31% in the same period due to the

above mentioned loan growth, plus growth in non-interest bearing deposits.

Total loan balance at December 31, 2017 was \$2.740 billion, representing a \$245.4 million or 9.8% increase from \$2.495 billion at December 31, 2016. This growth reflects Community's continued strong focus on origination of high quality loans in the greater Los Angeles area, primarily real estate and SBA loans.

During 2017, an impaired loan of \$5.4 million with a related charge off of \$4.5 million was paid in full, resulting in a recovery of \$4.5 million and past due interest of \$711 thousand. This recovery, along with the pay-off of approximately \$30 million of substandard loans earlier in 2017, were the primary drivers behind the 2017 reserve release of \$4.5 million.

Table of Contents

Loan credit quality improved as criticized loan totals decreased from \$61.7 million at December 31, 2016 to \$17.1 million at December 31, 2017. Non-performing assets at December 31, 2017 were \$9.9 million compared to \$19.2 million at the end of 2016.

The allowance for loan losses decreased to 1.29% at December 31, 2017 compared to 1.41% at December 31, 2016, reflecting overall improvement in credit quality. The coverage ratio related to non-performing loans at December 31, 2017 was 391% compared to 217% at the end of 2016.

Deposits grew to a total of \$2.860 billion as of December 31, 2017, an increase of \$178.2 million or 6.6% from December 31, 2016.

Non-interest bearing deposits increased 12.4%, or \$130.2 million to \$1.177 billion at December 31, 2017 compared to \$1.047 billion as of December 31, 2016, in part due to a focus on increasing deposits throughout the branch system and Community's specialty deposit group. Average non-interest bearing deposits grew \$124.8 million or 12.4% during 2017 over 2016.

Non-interest bearing deposits as a percentage of core deposits were 47.9% at December 31, 2017, up from 45.6% at December 31, 2016. Non-interest bearing deposits as a percentage of total deposits were 41.2% at December 31, 2017 compared to 39.0% at December 31, 2016. For purposes of this discussion, Community defines core deposits as those deposits generated by its branch network including specialty areas and excludes deposits generated through its Treasury area.

Dividend:

Community declared an aggregate per share cash dividend of \$2.00 (aggregating \$6.3 million) on its outstanding common stock during 2017.

2016 Compared to 2015

Financial highlights:

Net income for 2016 decreased \$0.9 million or 3.4%, as compared to 2015. The reduction in net income was primarily due to a \$6.9 million provision for loan losses recorded in 2016 relating to two large loans, offset by an \$11.4 million reduction in debt termination expense in 2016, and a \$4.8 million decrease in gain on sale of securities related to a balance sheet restructuring in 2015. Diluted earnings per share in 2016 were \$8.57 as compared with \$8.88 in 2015.

Net interest income increased during 2016 to \$115.0 million from \$111.3 million in 2015. Net interest margin also increased for 2016 to 3.31% from 3.28% during 2015.

Total loans as of December 31, 2016 increased 2.7%, or \$66.6 million, to \$2.5 billion compared to \$2.4 billion as of December 31, 2015. The increase is net of \$35 million in loan sales and \$33 million in strategic repositioning of certain credit exposures.

In an effort to add high quality floating rate loans to its balance sheet, in October 2016, Community began to hold most of its SBA loans versus selling them in the secondary market. Accordingly, fees from loan sales declined from \$4.4 million in 2015 to \$3.6 million in 2016.

Non-interest bearing deposits increased 14.2%, or \$130.5 million, to \$1,047.2 million as of December 31, 2016 compared to \$916.8 million as of December 31, 2015.

Core deposits represented 85.6% of total deposits, as of December 31, 2016, with the non-interest bearing component representing 45.6% of core deposits as compared to 40.6% in 2015.

The reserve for loan losses as of December 31, 2016 was \$35.2 million or 1.41% of total loans compared to \$36.3 million or 1.50% of total loans as of December 31, 2015. In 2016, a provision for loan losses of \$6.9 million was recognized compared with no provision in 2015.

Table of Contents

Community's nonperforming loans totaled \$16.2 million as of December 31, 2016 compared to \$11.8 as of December 31, 2015.

Community declared a \$2.00 per share aggregate cash dividend (aggregating \$6.2 million) on its outstanding common stock during 2016.

Financial Performance

	For the Year Ended December 31,			Variance			
	2017	2016	2015	2017	2016		
	\$	\$	\$	\$	%	\$	%
<i>(Dollars in thousands, except per share amounts)</i>							
Net interest income	\$ 119,238	\$ 115,027	\$ 111,339	\$ 4,211	3.7%	\$ 3,688	3.3%
Recapture of (provision for) loan losses	4,496	(6,948)		11,444	164.7%	(6,948)	100.0%
Noninterest income	9,378	13,307	17,701	(3,929)	(29.5%)	(4,394)	(24.8%)
Noninterest expense	(78,887)	(78,328)	(84,224) (2)	(559)	(0.7%)	5,896	7.0%
Income taxes	(27,501) (1)	(16,235)	(17,051)	(11,266)	(69.4%)	816	4.8%
Net income	\$ 26,724	\$ 26,823	\$ 27,765	\$ (99)	(0.4%)	\$ (942)	(3.4%)
Earnings per common share:							
Basic	\$ 8.53	\$ 8.57	\$ 8.88	\$ (0.04)		\$ (0.31)	
Diluted	\$ 8.52	\$ 8.57	\$ 8.88	\$ (0.05)		\$ (0.31)	
Cash dividends per common share							
	\$ 2.00	\$ 1.98	\$ 1.80				
Dividend pay-out ratio (3)	23.5%	23.1%	20.3%				
Return on average assets	0.72% (1)	0.74%	0.79% (2)	(0.02%)		(0.05%)	
Return on average shareholders equity	7.71% (1)	8.07%	9.08% (2)	(0.36%)		(1.01%)	
Equity to assets ratio (4)	9.40%	9.14%	8.76%	0.26%		0.38%	
Efficiency ratio	61.3%	61.0%	65.3% (2)	0.31%		(4.24%)	
Noninterest expense to average assets	2.13%	2.18%	2.40% (2)	(0.05%)		(0.22%)	

- (1) 2017 includes \$6.8 million DTA revaluation resulting from the Tax Cuts and Jobs Act.
- (2) 2015 includes \$11.4 million debt termination expense.
- (3) Dividends declared on common stock divided by net income.
- (4) Stockholder's equity divided by total assets.

See "Analysis of Financial Condition" in this Management Discussion and Analysis for changes in Community's balance sheet between December 31, 2017 and December 31, 2016.

Tax Reform and Effect of Tax Rate Change Reconciliations (Non-GAAP)

The year ended December 31, 2017 includes a one-time charge of \$6.8 million as a result of the December 22, 2017 enactment of the TCJA. Community believes that presenting the effective tax rate, income, return on average assets, return on average equity, earnings per common share, and dividend payout ratio, excluding the impact of the re-measurement of the net deferred tax asset, provides additional clarity to the users of financial statements regarding core financial performance.

Table of Contents

	For the Year Ended December 31,		
	2017	2016	2015
	<i>(Dollars in thousands, except per share amounts)</i>		
Income tax expense	\$ 27,501	\$ 16,235	\$ 17,051
Less: Effect of income tax rate change-DTA revaluation	(6,771)		
Adjusted income tax expense	\$ 20,730	\$ 16,235	\$ 17,051
Effective Tax Rate	50.72%	37.70%	38.05%
Adjusted effective tax rate	38.23%	37.70%	38.05%
Net income	\$ 26,724	\$ 26,823	\$ 27,765
Effect of income tax rate change-DTA revaluation	6,771		
Adjusted net income	\$ 33,495	\$ 26,823	\$ 27,765
Average assets	\$ 3,700,974	\$ 3,600,916	\$ 3,509,707
Return on average assets	0.72%	0.74%	0.79%
Adjusted return on average assets	0.91%	0.74%	0.79%
Average equity	\$ 346,746	\$ 332,217	\$ 305,640
Return on average equity	7.71%	8.07%	9.08%
Adjusted return on average equity	9.66%	8.07%	9.08%
Weighted average shares outstanding			
Basic	3,133,472	3,128,350	3,128,266
Diluted	3,136,431	3,128,266	3,128,266
Earnings per common share:			
Basic	\$ 8.53	\$ 8.57	\$ 8.88
Diluted	\$ 8.52	\$ 8.57	\$ 8.88
Adjusted earnings per common share:			
Basic	\$ 10.69	\$ 8.57	\$ 8.88
Diluted	\$ 10.68	\$ 8.57	\$ 8.88
Dividends declared (1)	\$ 6,268	\$ 6,193	\$ 5,631
Dividend payout ratio	23.5%	23.1%	20.3%
Adjusted dividend payout ratio	18.7%	23.1%	20.3%
Effective tax rate	50.7%	37.7%	38.1%
Adjusted effective tax rate	38.2%	37.7%	38.1%

(1) Dividends declared on common stock divided by net income.

Table of Contents**Noninterest Income / Noninterest Expense / Efficiency Ratio / Noninterest Expense to Average Assets Reconciliations (Non-GAAP)**

Community uses certain non-GAAP financial measures to provide supplemental information regarding performance. Noninterest expense for the years ended December 31, 2015 included debt termination expense of \$11.4 million. Noninterest income includes gain (loss) on sale of securities including \$5.3 million during 2015, \$4.8 million of which was related to the balance sheet restructuring. Community believes that presenting the efficiency ratio, and the ratio of noninterest expense to average assets, excluding the impact of debt termination expense and gain on sale of securities, provides additional clarity to the users of financial statements regarding core financial performance. Community did not incur debt termination expense during the years ended December 31, 2017 and 2016.

	For the Year Ended December 31,			2017		Variance		2016	
	2017	2016	2015	\$	%	\$	%	\$	%
	<i>(Dollars in thousands)</i>								
Net interest income	\$ 119,238	\$ 115,027	\$ 111,339	\$ 4,211	3.7%	\$ 3,688			3.3%
Noninterest income	9,378	13,307	17,701	(3,929)	(29.5%)	(4,394)			(24.8%)
Less: gain on sale of securities	(145)	(83)	(5,302)	(62)	74.7%	5,219			(98.4%)
Adjusted noninterest income	\$ 9,233	\$ 13,224	\$ 12,399	(3,991)	(30.2%)	825			6.7%
Noninterest expense	78,887	78,328	84,224	559	0.7%	(5,896)			(7.0%)
Less: debt termination expense			(11,414)			11,414			(100.0%)
Adjusted noninterest expense	\$ 78,887	\$ 78,328	\$ 72,810	559	0.7%	5,518			7.6%
Efficiency ratio	61.3%	61.0%	65.3%	0.3%		(4.2%)			
Adjusted efficiency ratio (1)	61.4%	61.1%	58.8%	0.3%		2.2%			
Adjusted noninterest expense	\$ 78,887	\$ 78,328	\$ 72,810	559	0.7%	5,518			7.6%
Average assets	3,700,974	3,600,916	3,509,707	100,058	2.8%	91,209			2.6%
Noninterest expense to	2.13%	2.18%	2.40%	(0.05%)		(0.22%)			

average assets

*Adjusted
noninterest
expense to
average assets*

2.13%	2.18%	2.07%	(0.04%)	0.10%
-------	-------	-------	---------	-------

(1) Adjusted for debt termination expense and gain on sale of securities.

Net Income

Net income is comprised of five major elements:

Net Interest Income, or the difference between the interest income earned on loans and investments and the interest expense paid on deposits and borrowed funds;

Provision for Loan Losses, or the amount added to the allowance to provide for estimated inherent losses on portfolio loans;

Non-Interest income, which is made up primarily of gains and losses from the sale of loans, gains and losses from the sale of investment securities, increase in cash surrender value of BOLI, and other fees from loan and deposit services;

Non-Interest Expense, which consists primarily of salaries and employee benefits, occupancy, professional fees, and other operating expenses; and

Income Tax Expense, which includes state and federal jurisdictions.

Table of Contents**Net Interest Income and Related Components**

The table below presents the interest rate spread, net interest margin and the composition of average interest-earning assets and average interest-bearing liabilities by category for the periods indicated.

Interest-Earning Assets and Interest-Bearing Liabilities

	2017			2016			2015		
	Average Balance	Interest	Yield/ Rate	Average Balance	Interest	Yield/ Rate	Average Balance	Interest	Yield/ Rate
	<i>(Dollars in thousands)</i>								
INTEREST EARNING ASSETS									
Loans (2)	\$ 2,607,885	\$ 114,938	4.41%	\$ 2,508,726	\$ 106,463	4.24%	\$ 2,314,701	\$ 98,969	4.28%
Investment securities-AFS (1)	910,132	19,507	2.14%	927,427	19,550	2.11%	1,036,900	23,074	2.23%
FHLB stock/dividends	17,793	1,335	7.50%	18,744	2,277	12.15%	24,097	3,372	13.99%
Interest bearing bank balances	26,549	298	1.11%	19,261	94	0.48%	20,914	53	0.25%
Total Earning Assets	3,562,359	136,078	3.82%	3,474,158	128,384	3.70%	3,396,612	125,468	3.69%
Nonearning assets	138,615			126,758			113,095		
Total Assets	\$ 3,700,974			\$ 3,600,916			\$ 3,509,707		
INTEREST BEARING LIABILITIES									
Interest bearing demand	77,362	122	0.16%	164,244	397	0.24%	205,578	553	0.27%
Money market	955,272	4,015	0.42%	854,987	2,927	0.34%	814,384	2,617	0.32%
Time deposits	564,348	5,661	1.00%	617,508	4,380	0.71%	677,495	4,165	0.61%
Savings	46,150	26	0.06%	39,347	19	0.05%	37,162	18	0.05%
Total Interest Bearing Deposits	1,643,132	9,824	0.60%	1,676,086	7,723	0.46%	1,734,619	7,353	0.42%
FHLB advances and other borrowings	546,082	7,016	1.28%	557,743	5,634	1.01%	547,649	6,776	1.24%
Total Interest Bearing Liabilities	2,189,214	16,840	0.77%	2,233,829	13,357	0.60%	2,282,268	14,129	0.62%
	1,132,495		0.00%	1,007,703		0.00%	900,987		0.00%

Non-interest bearing deposits						
Total Funding Sources						
	3,321,709	0.51%	3,241,532	0.41%	3,183,255	0.44%
Accrued interest payable and other liabilities						
	32,519		27,167		20,812	
Total Liabilities						
	3,354,228		3,268,699		3,204,067	
Shareholders equity						
	346,746		332,217		305,640	
Total Liabilities and Shareholders Equity						
	\$ 3,700,974		\$ 3,600,916		\$ 3,509,707	
Subtotal						
		3.31%		3.28%		3.25%
Effect of other noninterest-bearing sources						
		0.04%		0.03%		0.03%
Net interest income						
	\$ 119,238		\$ 115,027		\$ 111,339	
Net interest margin (3)						
		3.35%		3.31%		3.28%
Total cost of deposits						
		0.35%		0.29%		0.28%

- (1) Yields on tax-exempt securities are not presented on a tax equivalent basis. The taxable equivalent yields on tax exempt securities for 2017, 2016 and 2015 were 2.30%, 2.26% and 2.35%, respectively.
- (2) Non-accrual loans are included in averages.
- (3) Tax equivalent net interest margin for 2017, 2016 and 2015 was 3.39%, 3.35% and 3.32%, respectively.

Table of Contents

The following table presents the net changes in average balances, the composition of earning assets and funding sources by category for the periods indicated.

Net Changes in Average Balances, Composition

Years ended December 31, 2017 and 2016

	2017		2016		2015		Increase (Decrease) 2017 vs 2016	Increase (Decrease) 2016 vs 2015
	Average Balance	% of Total	Average Balance	% of Total	Average Balance	% of Total	Average Balance	Average Balance
<i>(Dollars in thousands)</i>								
INTEREST EARNING ASSETS								
Loans	\$ 2,607,885	73.2%	\$ 2,508,726	72.2%	\$ 2,314,701	68.1%	\$ 99,159	\$ 194,025
Investment securities-AFS	910,132	25.5%	927,427	26.7%	1,036,900	30.5%	(17,295)	(109,473)
FHLB stock/dividends	17,793	0.5%	18,744	0.5%	24,097	0.7%	(951)	(5,353)
Interest bearing bank balances	26,549	0.7%	19,261	0.6%	20,914	0.6%	7,288	(1,653)
Total Interest Earning Assets	3,562,359	100.0%	3,474,158	100.0%	3,396,612	100.0%	88,201	77,546
FUNDING SOURCES								
Interest Bearing Liabilities								
Interest bearing demand	77,362	2.3%	164,244	5.1%	205,578	6.5%	(86,882)	(41,334)
Money market	955,272	28.8%	854,987	26.4%	814,384	25.6%	100,285	40,603
Time deposits	564,348	17.0%	617,508	19.0%	677,495	21.3%	(53,160)	(59,987)
Savings	46,150	1.4%	39,347	1.2%	37,162	1.2%	6,803	2,185
Total Interest Bearing Deposits	1,643,132	49.5%	1,676,086	51.7%	1,734,619	54.5%	(32,954)	(58,533)
FHLB advances and other borrowings	546,082	16.4%	557,743	17.2%	547,649	17.2%	(11,661)	10,094
Total Interest Bearing Liabilities	2,189,214	65.9%	2,233,829	68.9%	2,282,268	71.7%	(44,615)	(48,439)

Edgar Filing: CVB FINANCIAL CORP - Form 424B3

Non-interest bearing deposits	1,132,495	34.1%	1,007,703	31.1%	900,987	28.3%	124,792	106,716
-------------------------------	-----------	-------	-----------	-------	---------	-------	---------	---------

Total Funding Sources	\$ 3,321,709	100.0%	\$ 3,241,532	100.0%	\$ 3,183,255	100.0%	80,177	58,277
------------------------------	---------------------	---------------	---------------------	---------------	---------------------	---------------	---------------	---------------

Excess of interest earning assets over funding sources	\$ 240,650		\$ 232,626		\$ 213,357		\$ 8,024	\$ 19,269
--	------------	--	------------	--	------------	--	----------	-----------

FUNDING SOURCES RECAP

Deposits	\$ 2,775,627	83.6%	\$ 2,683,789	82.8%	\$ 2,635,606	82.8%	\$ 91,838	\$ 48,183
Borrowings	546,082	16.4%	557,743	17.2%	547,649	17.2%	(11,661)	10,094

Total Funding Sources	\$ 3,321,709	100.0%	\$ 3,241,532	100.0%	\$ 3,183,255	100.0%	\$ 80,177	\$ 58,277
------------------------------	---------------------	---------------	---------------------	---------------	---------------------	---------------	------------------	------------------

Table of Contents

The following tables present a comparison of interest income and interest expense resulting from changes in the volumes and rates on average interest-earning assets and average interest-bearing liabilities for the periods indicated. Changes in interest income or expense attributable to volume changes are calculated by multiplying the change in volume by the initial average interest rate. The change in interest income or expense attributable to changes in interest rates is calculated by multiplying the change in interest rate by the initial volume. For purposes of this table, changes attributable to both rate and volume which cannot be segregated have been allocated proportionately based upon the absolute dollar amounts of the changes due to volume and rate.

Rate and Volume Analysis for Changes in Interest Income, Interest Expense and Net Interest Income

Years ended December 31, 2017, 2016 and 2015

	Comparison of Year Ended December 31, 2017 Compared to 2016				2016 Compared to 2015			
	Increase (Decrease) Due to				Increase (Decrease) Due to			
	Volume	Rate	Day (1)	Total	Volume	Rate	Day (1)	Total
	<i>(Dollars in thousands)</i>							
Interest Income:								
Loans	\$ 4,450	\$ 4,340	(315)	\$ 8,475	\$ 7,972	(\$ 769)	291	\$ 7,494
Investment securities-AFS	(368)	325	0	(\$ 43)	(2,350)	(1,174)	0	(3,524)
FHLB stock/dividends	(110)	(828)	(4)	(\$ 942)	(687)	(408)	0	(1,095)
Interest bearing bank balances	46	159	(1)	\$ 204	(5)	46	0	41
Total Interest Income	4,018	3,996	(320)	7,694	4,930	(2,305)	291	2,916
Interest Expense:								
Interest bearing demand	166	109	0	275	104	53	(1)	156
Money market	(366)	(711)	(11)	(1,088)	(131)	(171)	(8)	(310)
Time deposits	407	(1,672)	(16)	(1,281)	394	(597)	(12)	(215)
Savings	(4)	(3)	0	(7)	(1)	0	0	(1)
FHLB advances and other borrowings	121	(1,484)	(19)	(1,382)	(121)	1,278	(15)	1,142
Total Interest Expense	324	(3,761)	(46)	(3,483)	245	563	(36)	772
Net Interest Income	\$ 4,342	\$ 235	(\$ 366)	\$ 4,211	\$ 5,175	(\$ 1,742)	\$ 255	\$ 3,688

(1) The changes attributable to one more or one less day are calculated by dividing current interest income or expense by the number of days in the year. (2016 was a leap year).

2017 Compared to 2016

Net interest income grew by \$4.2 million, or 3.6%, to \$119.2 million for the year ended December 31, 2017 compared to \$115.0 million for the year ended December 31, 2016. The increase in net interest income is primarily due to increases in both the average earning loans and yield on those loans over the prior year.

Net interest margin increased by four basis points to 3.35% for the year ended December 31, 2017 compared to 3.31% for the year ended December 31, 2016. The increase in net interest margin is primarily due to an increase in both average earning loans and yield on those loans increasing from 4.24% in 2016 to 4.41% in 2017. This interest income increase on earning assets was partially offset by average rate paid on interest-bearing liabilities that increased to 0.77% for 2017, from 0.60% for 2016. Community's total cost of funds in 2017 was 0.51%, compared to 0.41% in 2016.

Dividend income from FHLB stock decreased by \$942,000 from 2016, partially due to a special dividend of \$634,000 from the FHLB in 2016.

2016 Compared to 2015

Net interest income grew by \$3.7 million, or 3.3%, to \$115.0 for the year ended December 31, 2017 compared to \$111.3 million for the year ended December 31, 2015. The increase in net interest income was primarily due to the increase in the average earning loans partially offset by a decrease in the yield on those loans over the prior year.

Table of Contents

The net interest margin increased three basis points to 3.31% for the year ended December 31, 2016, compared to 3.28% for the year ended December 31, 2015. The increase in net interest margin is primarily due to an increase in the balance of average earning loans and partially offset by the yield on those loans decreasing from 4.28% in 2015 to 4.24% in 2016. The low interest rate environment and competitive pricing pressures continued to impact loan yields during 2016. The decrease in interest rates on borrowings and the increase in non-interest bearing deposits resulted in a reduction in funding costs in 2016 compared to 2015. Community's total cost of funds in 2016 was 0.41%, compared to 0.44% in 2015.

Interest income from total investment securities decreased \$3.5 million for 2015. This decrease was the result of both a decline in average investment securities and a decrease in the average yield on securities for 2016. Dividend income from FHLB stock decreased by \$1.1 million from 2015 compared to 2016 due to both a reduction in average FHLB stock investments and a reduction in yield from 2015 to 2016.

Market Risk / Interest Rate Sensitivity

In the normal course of its business activities, Community is exposed to market risks, including price and liquidity risk. Market risk is the potential for loss from adverse changes in market rates and prices, such as interest rates (interest rate risk). Liquidity risk arises from the possibility that Community may not be able to satisfy current or future commitments or that Community may be more reliant on alternative funding sources such as long-term debt. Financial instruments that expose Community to market risk include the following: securities, loans, deposits, and borrowings of various forms.

Community's board of directors has an Asset/Liability Committee (ALCO) that meets at least quarterly. This committee provides oversight and direction to the balance sheet and liquidity management process and sets policies and guidelines. In addition, Community has a Management Pricing Committee that meets at least monthly to review the Company's pricing and liquidity position and makes tactical decisions to keep Community in-line with the policy and direction set by ALCO. Community's interest rate risk policy measures and guidelines for sensitivity of EVE and net interest income are set for -200 basis points and +200 to +400 basis points with sensitivity of net interest income measured for one and two year time horizons

During periods of changing interest rates, the ability to re-price interest-earning assets and interest-bearing liabilities can influence net interest income, the net interest margin, and consequently, earnings. Interest rate risk is managed by attempting to control the spread between rates earned on interest-earning assets and the rates paid on interest-bearing liabilities within the constraints imposed by market competition in Community's service area. The primary goal of interest rate risk management is to control exposure to interest rate risk, within policy limits approved by Community's board of directors. These limits and guidelines reflect Community's risk appetite for interest rate risk over both short-term and long-term horizons. Community measures these risks and their impact by identifying and quantifying exposures through the use of sophisticated simulation and valuation models, which, as described in additional detail below, are employed by management to understand repricing gaps in Community's balance sheet, net interest income (NII) at risk and economic value of equity (EVE) at risk. Net interest income at risk sensitivity captures asset and liability re-pricing mismatches and is considered a shorter term measure, while EVE sensitivity captures mismatches within the period end balance sheets through the financial instruments' respective maturities and is considered a longer term measure.

Derivative and Pricing Tools

Community, through various service providers and financial institutions, has the ability to offer interest rate derivative products to its customers and or utilize them for its own balance sheet and ALCO planning purposes.

See Note 1Q *Summary of Significant Accounting Policies - Derivative Financial Instruments* and Note 16 *Derivative Financial Instruments* of the notes to Community's financial statements for additional information.

Table of Contents**Re-pricing GAP Analysis**

The table below (GAP Table) provides the actual balances as of December 31, 2017 of assets, liabilities, and shareholders' equity and the earlier of the date at which the interest rate can change or projected cash flows over the next five years. Management uses a combination of sources to derive its estimates for prepayments, cash flows, run offs, and repricing data. These estimates are used in the repricing GAP analysis that follows, along with the NII at risk and EVE at risk analyses.

	Re-Pricing GAP						Non-Rate Sensitive	December 31, 2017
	0 to 90 Days	91 to 365 Days	Two Years	Three Years	Four Years	Five Years and Beyond		
Assets:								
Investment Securities available for sale	39,463	112,957	122,855	109,199	99,964	369,572	7,205	861,215
Investment in FHLB Stock	17,250							17,250
Interest-earning deposits due from Federal Reserve and with other institutions		1,000						1,000
Loans	788,739	380,673	293,272	276,304	238,172	758,777	3,922	2,739,859
Allowance for loan losses							(35,346)	(35,346)
Cash and due from banks	7,892	4,748	7,665	7,665	7,665	7,665		43,298
Other assets							120,122	120,122
Total assets	\$ 853,344	\$ 499,378	\$ 423,792	\$ 393,167	\$ 345,801	\$ 1,136,014	\$ 95,903	\$ 3,747,398
Liabilities and shareholders' equity:								
Non-interest-bearing deposits	82,016	69,429	92,572	92,572	92,572	748,292		1,177,453
Money market, interest-bearing dda and savings	1,187,907							1,187,907
Time deposits	165,296	175,805	21,055	61,912	66,001	4,786		494,854
Borrowings	197,500	20,000	75,000	10,000	200,000			502,500
Other liabilities							32,274	32,274
Shareholders' equity							352,410	352,410

Edgar Filing: CVB FINANCIAL CORP - Form 424B3

Total liabilities and shareholders equity	\$ 1,632,719	\$ 265,234	\$ 188,627	\$ 164,484	\$ 358,573	\$ 753,078	\$ 384,684	\$ 3,747,398
Interest-earning assets	\$ 853,344	\$ 499,378	\$ 423,792	\$ 393,167	\$ 345,801	\$ 1,136,014	\$	\$ 3,651,495
Interest-bearing liabilities	1,632,719	265,234	188,627	164,484	358,573	753,078		3,362,714
Difference between interest-earning assets and interest-bearing liabilities	\$ (779,375)	\$ 234,144	\$ 235,165	\$ 228,683	\$ (12,772)	\$ 382,936	\$	\$ 288,781
Cumulative difference between interest-earning assets and interest-bearing liabilities	\$ (779,375)	\$ (545,231)	\$ (310,066)	\$ (81,384)	\$ (94,155)	\$ 288,781	\$	\$ 288,781
Cumulative earning asset as a % of cumulative interest-bearing liabilities	52%	71%	85%	96%	96%	109%		

Table of Contents

Community's liabilities mature and/or reprice faster than assets with the cumulative amount of interest bearing liabilities maturing and/or repricing exceeding assets by less than \$100 million (less than 3% of total assets) after year two. The cumulative one year GAP of \$545 million at December 31, 2017 is \$110 million higher than the same measure one year earlier. Additionally, the cumulative one year GAP of \$545 million and \$435 million at December 31, 2017 and 2016, respectively was equal to 14.5% and 12.2% of total assets, respectively. This change reflects Community's higher reliance on deposits, particularly non-interest bearing deposits and money market accounts, compared with borrowings, as deposits as a percentage of total assets grew to 84.3% at December 31, 2017 compared with 82.3% at December 31, 2016.

As mentioned, re-pricing GAP is only one of several tools to manage and measure market risk and should be viewed in conjunction with the NII and EVE tools. More specifically the GAP analysis does not capture the varying sensitivities that different types of assets and liabilities have to market rates.

Net Interest Income Sensitivity Analysis

One of the primary methods that Community uses to quantify and manage interest rate risk is simulation analysis, which is used to model NII from the balance sheet under various interest rate scenarios. Community uses simulation analysis to project rate sensitive income under many scenarios. The analyses may include rapid and gradual ramping of interest rates, rate shocks, and yield curve twists. Specific balance sheet management strategies are also analyzed to determine their impact on NII and EVE. Key assumptions in the simulation analysis relate to the behavior of interest rates and pricing spreads, the changes in product balances, and the behavior of loan and deposit clients in different rate environments. This analysis incorporates several assumptions, the most material of which relate to the re-pricing characteristics and balance fluctuations of deposits with indeterminate or non-contractual maturities, and prepayment of loans and securities.

The simulation model estimates the impact of changing interest rates on interest income from all interest-earning assets and interest expense paid on all interest-bearing liabilities reflected on Community's balance sheet. This sensitivity analysis is compared to policy limits, which specify a maximum tolerance level for net interest income exposure over one-year and two-year horizons assuming no balance sheet growth. The simulation model uses a parallel instantaneous yield curve shock up or down.

Community reduced its liability sensitivity position at December 31, 2017 from December 31, 2016 by increasing non-interest bearing deposits by \$130.2 million and between December 31, 2016 and December 31, 2015 by extending funding of approximately \$200 million in FHLB advances and \$100 million in brokered deposits in June 2016 for a term of approximately five years. These results can be seen in the GAP, NII and EVE sensitivity analyses.

The following depicts net interest income sensitivity analysis for the periods presented below.

Interest Rate Scenario (12-month Period)	Estimated Net Interest Income Sensitivity (1)				Community ALCO Policy Limit	
	December 31, 2017		December 31, 2016		Year 1	Year 2
	Year 1	Year 2	Year 1	Year 2		
+400 basis points	(1.16%)	8.99%	(5.41%)	7.15%	+/- 20.0%	+/- 20.0%
+300 basis points	(0.94%)	6.64%	(4.16%)	5.24%	+/- 15.0%	+/- 15.0%
+200 basis points	(1.43%)	3.59%	(3.63%)	2.72%	+/- 12.5%	+/- 12.5%

Edgar Filing: CVB FINANCIAL CORP - Form 424B3

+100 basis points	(0.32%)	2.20%	(1.41%)	1.92%	N/A	N/A
-100 basis points	(4.19%)	(6.91%)	(0.72%)	(1.64%)	N/A	N/A

- (1) All percentages in the table above refer to changes from forecasted net interest income for the particular scenario and period.

Table of Contents

Based on December 31, 2017 simulation model results, Community believes that the interest rate risk profile of the balance sheet is slightly liability sensitive over a one year horizon and slightly asset sensitive over a two year period. The estimated sensitivity does not necessarily represent a forecast and the results may not be indicative of actual changes to net interest income. These estimates are based upon a number of assumptions including, the nature and timing of interest rate levels, yield curve shape, re-pricing characteristics and balance fluctuations of deposits with non-contractual maturities, prepayments on loans and securities, pricing strategies on loans and deposits, and replacement of asset and liability cash flows.

The change in sensitivity over the prior year was primarily due to a shift in deposit mix from interest-bearing to non-interest bearing and changes in certain assumptions regarding re-pricing characteristics for non-contractual maturity deposits. While the assumptions used are based on current economic and local market conditions, there is no assurance as to the predictive nature of these conditions including how customer preferences or competitor influences might change.

Economic Value of Equity Sensitivity

Community also performs a valuation analysis which incorporates all cash flows over the estimated remaining life of all balance sheet and derivative positions. The valuation of the balance sheet, at a point in time, is defined as the discounted present value of all asset cash flows and derivative cash flows minus the discounted present value of all liability cash flows, the net of which is referred to as EVE. The sensitivity of EVE to changes in the level of interest rates is a measure of the longer-term re-pricing risk and options risk embedded in the balance sheet. EVE uses instantaneous changes in rates, as shown in the table below. Assumptions about the timing and variability of balance sheet cash flows are critical in the EVE analysis. Particularly important are the assumptions driving prepayments and the expected duration and pricing of the indeterminate deposit portfolios. EVE sensitivity is reported in both upward and downward rate shocks.

At December 31, 2017, the EVE profile indicates a decline in net balance sheet value due to instantaneous downward and upward changes in rates. The decline in the -100 basis point scenario is due to margin compression as funding/deposits rates cannot decline 100 basis points. The improvement in the increase 100, 200, 300 and 400bps scenarios from the prior year is primarily due to a shift in deposit mix from interest-bearing to non-interest bearing, a decrease in the investment portfolio and a lower level of borrowings.

Instantaneous Rate Change	December 31, 2017	December 31, 2016	Policy Limit
100 bp decrease in interest rates	(3.9%)	(0.8%)	N/A
100 bp increase in interest rates	(1.5%)	(2.3%)	N/A
200 bp increase in interest rates	(4.0%)	(7.0%)	20%
300 bp increase in interest rates	(5.1%)	(10.2%)	30%
400 bp increase in interest rates	(6.8%)	(13.5%)	35%

As EVE measures the discounted present value of cash flows over the estimated lives of instruments, the change in EVE does not directly correlate to the degree that earnings would be impacted over a shorter time horizon (i.e., the current year). Further, EVE does not take into account factors such as future balance sheet growth, changes in asset and liability mix, changes in yield curve relationships, and changing product spreads that could mitigate the adverse impact of changes in interest rates.

Liquidity Sensitivity

The liquidity position is managed on a daily basis as part of the daily settlement function and on a monthly basis as part of the asset liability management process. In addition, at least quarterly, Community conducts a liquidity stress test measuring available funding under varying degrees of adverse scenarios. These stress scenarios are conducted using Community's most recent growth projections. If a stress scenario concludes that available funding does not meet policy limits, then relief scenarios are developed to bring projected liquidity back to policy limits. Community has significant sources of liquidity at December 31, 2017. See "Liquidity and Cash Flow" in this Management's Discussion and Analysis for details of liquidity sources.

Table of Contents**Provision for Loan Losses**

Community periodically assesses the credit quality of the portfolio to determine whether additional provisions for loan losses are necessary.

The following table depicts the activity in the allowance for loan losses as of the periods presented.

	2017	As of and For the Year Ended December 31,			2013
		2016	2015	2014	
	<i>(Dollars in thousands)</i>				
Allowance for loan losses at beginning of period	\$ 35,166	\$ 36,327	\$ 35,329	\$ 34,444	\$ 34,876
(Release of) provision for loan losses	(4,496)	6,948			
Net recoveries (charge-offs)	4,676	(8,109)	998	885	(432)
Allowance for loan losses at end of period	\$ 35,346	\$ 35,166	\$ 36,327	\$ 35,329	\$ 34,444
Allowance for loan losses to total loans at end of period.	1.29%	1.41%	1.50%	1.55%	1.68%
Total nonperforming assets at period end	\$ 9,866	\$ 19,187	\$ 19,838	\$ 20,308	\$ 31,160

The allowance for loan losses as a percentage of period-end loans has declined each year since 2013. This change correlates with the decline in non-performing assets over the same periods. In 2016, Community recorded a provision of \$6.9 million and charged off \$8.1 million related to two large loans. Subsequently, in 2017, Community recorded net recoveries of \$4.7 million and a release of the provision for loan losses of \$4.5 million, as one of the 2016 large loan charge-offs was collected in full.

No assurance can be given that economic conditions which adversely affect Community's service areas or other circumstances will not be reflected in increased provisions for loan losses in the future, as the nature of this process requires considerable judgment. See [Allowance for Loan Losses](#) below.

Nonperforming Assets, Troubled Debt Restructurings (TDRs) and Delinquencies

The following table provides information on nonperforming assets, as of December 31, for each of the last five years.

	2017	2016	December 31,		2013
			2015	2014	
	<i>(Dollars in thousands)</i>				
Nonaccrual loans, excluding nonperforming TDR loans	\$ 9,041	\$ 13,230	\$ 4,243	\$ 4,339	\$ 8,459
Nonperforming TDR loans		2,957	7,506	10,914	16,612

Edgar Filing: CVB FINANCIAL CORP - Form 424B3

Total Nonaccrual Loans	9,041	16,187	11,749	15,253	25,071
Performing TDR loans	4,983	4,747	16,558	15,284	18,339
Total Impaired Loans	\$ 14,024	\$ 20,934	\$ 28,307	\$ 30,537	\$ 43,410
Total Nonaccrual Loans	9,041	16,187	11,749	15,253	25,071
OREO, net	825	3,000	8,089	5,055	6,089
Total nonperforming assets	\$ 9,866	\$ 19,187	\$ 19,838	\$ 20,308	\$ 31,160
Percentage of nonperforming assets to total loans	0.36%	0.77%	0.82%	0.89%	1.52%
Percentage of nonperforming assets to total assets	0.26%	0.54%	0.56%	0.57%	0.93%
Percentage of impaired loans to total loans	0.51%	0.84%	1.17%	1.34%	2.11%

Table of Contents

Of the \$14.0 million total impaired loans as of December 31, 2017, \$13.1 million were considered collateral dependent and measured using the fair value of the collateral based on current appraisals (obtained within one year). The amount of impaired loans measured using the present value of expected future cash flows discounted at the loans effective rate was \$870,000. For complete discussion and disclosure policies related to non-accrual loans see Note 1E1 *Summary of Significant Accounting Policies Loans and Interest and Fees on Loans Nonaccrual loans* in the notes to Community's consolidated financial statements presented elsewhere in this joint proxy statement/prospectus.

For complete discussion and disclosure of non-accrual loans, impaired loans and TDRs see Note 4E *Loans Impaired Loans by Portfolio Segment*, Note 4F *Loans Troubled Debt Restructurings* and Note 4G *Loans Age Analysis of Past Due Loans* in the notes to Community's consolidated financial statements presented elsewhere in this joint proxy statement/prospectus.

The following table provides a summary of TDRs, for the periods presented.

	December 31, 2017		December 31, 2016	
	Balance	Number of Loans (Dollars in thousands)	Balance	Number of Loans
Performing TDRs:				
Commercial loans	\$ 355	2	\$	
Real Estate				
Construction and land loans				
Residential				
Non-residential - owner occupied				
Non-residential - non-owner occupied	4,628	1	4,747	1
Consumer and other loans				
Total performing TDRs	\$ 4,983	3	\$ 4,747	1
Nonperforming TDRs:				
Commercial loans	\$		\$	
Real Estate				
Construction and land loans				
Residential				
Non-residential - owner occupied				
Non-residential - non-owner occupied			1,401	3
Consumer and other loans				
Total nonperforming TDRs	\$		\$ 2,957	4
Total TDRs	\$ 4,983	3	\$ 7,704	5

At both December 31, 2017 and 2016, there was no allowance for loan losses specifically allocated to TDRs. Impairment amounts identified are typically charged off against the allowance at the time a probable loss is determined. Total charge-offs on TDRs for 2017 and 2016 were \$141,000 and \$3.9 million, respectively.

Table of Contents

The table below provides trends in nonperforming assets and delinquencies, for the quarters presented.

	December 31, 2017	September 30, 2017	June 30, 2017	March 31, 2017	December 31, 2016
<i>(Dollars in thousands)</i>					
<u>Nonperforming loans:</u>					
Commercial loans	\$ 5,518	\$ 2,022	\$ 9,267	\$ 9,967	\$ 10,943
Real Estate loans	3,523	1,929	2,890	5,012	5,244
Consumer and other loans					
Total	\$ 9,041	\$ 3,951	\$ 12,157	\$ 14,979	\$ 16,187
% of Total loans	0.33%	0.15%	0.46%	0.60%	0.65%
<u>Past due 90+ days and still accruing:</u>					
Commercial loans	\$	\$	\$	\$	\$
Real Estate					
Consumer and other loans					2
Total	\$	\$	\$	\$	\$ 2
% of Total loans	0.00%	0.00%	0.00%	0.00%	0.00%
<u>Past due 30-89 days:</u>					
Commercial loans	\$ 622	\$ 130	\$ 500	\$ 312	\$ 690
Real Estate	3,353	1,223	179	181	1,886
Consumer and other loans	200	271	22	1	132
Total	\$ 4,175	\$ 1,624	\$ 701	\$ 494	\$ 2,708
% of Total loans	0.15%	0.06%	0.03%	0.02%	0.11%
<u>OREO</u>					
Commercial loans	\$	\$	\$	\$	\$
Real Estate	825	825			3,000
Consumer and other loans					
Total	\$ 825	\$ 825	\$	\$	\$ 3,000

Non-performing assets have been at relatively low levels throughout 2017 as shown in the table above in correlation with improvements in general economic conditions and an overall increase in the quality and performance of the loan portfolio.

Allowance for Loan Losses

The allowance for loan losses is established as management's estimate of probable losses inherent in the loan portfolio. The allowance is increased (decreased) by the provision for (release of) loan losses and decreased by charge-offs when management believes the uncollectability of a loan is confirmed. Subsequent recoveries, if any, are added to the allowance. The determination of the balance in the allowance for loan losses is based on an analysis of the loan portfolio using a systematic methodology and reflects an amount that, in management's judgment, is appropriate to provide for probable credit losses inherent in the portfolio, after giving consideration to the character of the loan portfolio, current economic conditions, past loan loss experience, and such other factors that are considered in estimating inherent credit losses.

The allowance for loan losses totaled \$35.3 million as of December 31, 2017, compared to \$35.2 million as of December 31, 2016, a reduction of \$180,000. The allowance for loan losses was reduced by a \$4.5 million provision release offset by net recoveries of \$4.7 million for the year ended December 31, 2017. This compares to a \$6.9 million loan loss provision, offset by net charge-offs of \$8.1 million for the same period of 2016.

Table of Contents

The table below presents a summary of net charge-offs and recoveries by type and the resulting allowance for loan losses and recapture of provision for loan losses for the periods presented.

	As of and For the Year Ended December 31,				
	2017	2016	2015	2014	2013
	<i>(Dollars in thousands)</i>				
Allowance for loan losses at beginning of period	\$ 35,166	\$ 36,327	\$ 35,329	\$ 34,444	\$ 34,876
Charge-offs:					
Commercial loans	(539)	(9,149)	(78)	(475)	(1,324)
Real Estate					
Construction and land loans					(150)
Residential					
Non-residential - owner occupied					(218)
Non-residential - non-owner occupied	(141)				
Other loans and credit cards	(10)	(12)	(6)	(48)	(45)
Total charge-offs	(690)	(9,161)	(84)	(523)	(1,737)
Recoveries:					
Commercial loans	4,934	1,026	200	1,032	969
Real Estate					
Construction and land loans			178		
Residential					
Non-residential - owner occupied	247		620	332	12
Non-residential - non-owner occupied	171				177
Other loans and credit cards	14	26	84	44	147
Total recoveries	5,366	1,052	1,082	1,408	1,305
Net recoveries (charge-offs)	4,676	(8,109)	998	885	(432)
(Release of) provision for loan losses	(4,496)	6,948			
Allowance for loan losses at end of period	\$ 35,346	\$ 35,166	\$ 36,327	\$ 35,329	\$ 34,444
Summary of reserve for unfunded loan commitments:					
Reserve for unfunded loan commitments at beginning of period	\$ 1,500	\$ 1,400	\$ 1,361	\$ 1,221	\$ 1,323

(Release of) provision for unfunded loan commitments	(260)	100	39	140	(102)
Reserve for unfunded loan commitments at end of period	\$ 1,240	\$ 1,500	\$ 1,400	\$ 1,361	\$ 1,221
Amount of total loans at end of period	\$ 2,739,859	\$ 2,494,507	\$ 2,419,734	\$ 2,280,259	\$ 2,055,009
Average total loans outstanding	\$ 2,607,885	\$ 2,508,726	\$ 2,314,701	\$ 2,135,924	\$ 1,985,435
Net recoveries (charge-offs) to average loans	0.18%	(0.32%)	0.04%	0.04%	(0.02%)
Net recoveries (charge-offs) to loans at end of period	0.17%	(0.33%)	0.04%	0.04%	(0.02%)
Allowance for loan losses to average loans	1.36%	1.40%	1.57%	1.65%	1.73%
Allowance for loan losses to loans at end of period.	1.29%	1.41%	1.50%	1.55%	1.68%
Net recoveries (charge-offs) to allowance for loan losses	13.23%	(23.06%)	2.75%	2.51%	(1.25%)
Net recoveries (charge-offs) to (release of) provision for loan losses	(104.00%)	(116.71%)			

Table of Contents

The methodology utilized to determine the ALL is primarily based on the application of the following two principles:

Specific Components. Specific allocations are made for impaired loans in accordance with Accounting Standards Codification (ASC) 310. Refer to Note 4D *Loans Allowance for Credit Losses by Portfolio Segment* of the notes to Community's consolidated financial statements for more information.

General Components. Homogenous pools of loans are identified and losses in those pools are estimated in accordance with guidance promulgated by ASC 450. Pooled portfolios include pass, other loans especially mentioned and non-impaired substandard loans, stratified by loan type. The reserves calculated for pooled portfolios are derived from the application of historical loss experience, migration analysis and qualitative and environmental factors.

Community implemented a new loan risk rating system in December 2016 as shown in Note 4H *Loans Loan Portfolio Credit Quality Indicators* of the notes to Community's consolidated financial statements. Community is in process of implementing a new loan loss reserve analysis model provided by Main Street Technology (MST) and will run several reporting periods parallel with the new model to ensure reliability, consistency, and validity. This new model will be a significant enhancement in many ways over the current process.

Community determined that the ALL balance of \$35.3 million was appropriate as a result of the net effect of reduced reserve requirements for (i) continued, moderate reductions in the historical loss rates for all portfolio segments (ii) positive migration in risk grades, and (iii) significant net recoveries of \$4.7 million; offset by (x) modest increase in qualitative factors due to increases in the effect from economic factors associated with commercial real estate and metrics associated with loan portfolio concentrations, and (y) requirements related to continued loan growth experienced during the year.

While Community believes that the allowance at December 31, 2017 was appropriate to absorb losses from any known or inherent risks in the portfolio, no assurance can be given that economic conditions, interest rate fluctuations, conditions of borrowers, or natural disasters, which adversely affect Community's service areas, or other circumstances or conditions, including those defined above, will not be reflected in increased provisions for loan losses in the future. In addition, regulatory agencies, as an integral part of their examination process, may require additions to the allowance based on their judgement about information available at the time of their examinations.

The following table provides a summary of the allocation of the allowance for loan losses for specific loan categories at the dates indicated for total loans. The allocations presented should not be interpreted as an indication that loans charged to the allowance for loan losses will occur in these amounts or proportions, or that the portion of the allowance allocated to each loan category represents the total amount available for future losses that may occur within these categories.

Table of Contents**Allocation of Allowance for Loan Losses**

	2017		2016		December 31, 2015		2014		2013	
	% of Loans in Allowance for Loan Losses	% of Each Category to Total	% of Loans in Allowance for Loan Losses	% of Each Category to Total	% of Loans in Allowance for Loan Losses	% of Each Category to Total	% of Loans in Allowance for Loan Losses	% of Each Category to Total	% of Loans in Allowance for Loan Losses	% of Each Category to Total
<i>(Dollars in thousands)</i>										
Commercial loans	\$ 8,615	22.1%	\$ 10,051	21.9%	\$ 11,989	24.4%	\$ 9,279	23.5%	\$ 9,023	22.7%
Real Estate										
Construction and land loans	614	1.1%	368	0.4%	127	0.2%	1,043	0.3%	1,129	0.5%
Residential	3,037	10.5%	2,477	9.9%	2,791	8.6%	2,487	7.6%	1,818	5.8%
Non-residential										
- owner occupied	13,513	37.3%	13,449	37.9%	11,642	36.5%	12,127	39.5%	13,611	43.0%
Non-residential - non-owner occupied	9,391	28.2%	8,404	28.0%	9,600	29.6%	10,074	27.8%	8,676	27.4%
Other loans and credit cards	176	0.8%	417	1.9%	178	0.7%	319	1.3%	187	0.6%
Total	35,346	100.0%	35,166	100.0%	36,327	100.0%	35,329	100.0%	34,444	100.0%

Noninterest Income

Noninterest income includes income derived from financial services offered, international banking, and other business services. Also included in noninterest income are service charges and fees, primarily from deposit accounts, changes in the cash surrender value of bank owned life insurance, gains (losses) from the disposition of investment securities, sale of loans, other real estate owned, and fixed assets, and other revenues not included as interest on earning assets.

The following table sets forth the various components of noninterest income and the related variances for the periods presented.

For the Year Ended					Variance	
December 31,						
2017	2016	2015	\$	%	\$	%
<i>(Dollars in thousands)</i>						

Edgar Filing: CVB FINANCIAL CORP - Form 424B3

Noninterest income:							
Service charges on deposit accounts	\$ 4,081	\$ 3,838	\$ 4,084	\$ 243	6.3%	\$ (246)	-6.0%
International income	\$ 969	\$ 960	\$ 892	9	0.9%	68	7.6%
Fees and commissions	927	1,274	1,274	(347)	-27.2%		0.0%
Bank owned life insurance income	1,519	1,576	1,539	(57)	-3.6%	37	2.4%
Swap fee income	494			494			
Other non-interest income	588	275	292	313	113.8%	(17)	-5.8%
Net gain (loss) on sale of premised and equipment	484	(93)	(50)	577	620.4%	(43)	-86.0%
Net gain on sale of OREO	3	1,795		(1,792)	-99.8%	1,795	
Net gain on sale of securities	145	83	5,302	62	74.7%	(5,219)	-98.4%
Net gain on sale of loans	168	3,599	4,368	(3,431)	-95.3%	(769)	-17.6%
Total noninterest income	\$ 9,378	\$ 13,307	\$ 17,701	\$ (3,929)	-29.5%	\$ (4,394)	-24.8%
Less net gain on sale of securities	(145)	(83)	(5,302)	(62)	-74.7%	5,219	98.4%
Adjusted total non interest income (1)	\$ 9,233	\$ 13,224	\$ 12,399	\$ (3,991)	-30.2%	\$ 825	6.7%

(1) See non-GAAP reconciliation table earlier in this Management's Discussion and Analysis.

Table of Contents**2017 Compared to 2016**

The \$3.9 million decrease in noninterest income for 2017 was primarily due to a \$3.4 million reduction in the gain on loan sales during 2017 compared to 2016 and a \$1.8 million gain on sale of OREO in 2016 not recurring in 2017. The decrease in the gain on loan sales was due to a strategic decision to hold floating rate SBA loans on the balance sheet beginning in October 2016. Noninterest income for 2017 included a \$535,000 net gain on the sale of Community s Fontana branch in the second quarter of 2017.

2016 Compared to 2015

The \$4.4 million decrease in noninterest income for 2016 compared to 2015 was primarily due to a \$5.2 million net gain on the sale of investment securities in the second quarter of 2015, \$4.8 million of which was related to a balance sheet restructuring. Gain on sale of loans decreased by \$769,000 due to a strategic decision during the fourth quarter 2016 to add floating rate SBA loans to the balance sheet versus selling the loans in the secondary market. These decreases were partially offset by a \$1.8 million gain on sale of OREO during 2016 compared to \$0 in 2015.

Noninterest Expense

The following table summarizes the various components of noninterest expense and the related variances for the periods presented.

	For the Year Ended			Variance			
	December 31,		2015	2017 vs 2016		2016 vs 2015	
	2017	2016		\$	%	\$	%
	<i>(Dollars in thousands)</i>						
Noninterest expense:							
Salaries and employee benefits	\$ 59,616	\$ 56,789	\$ 51,987	\$ 2,827	5.0%	\$ 4,802	9.2%
Deferral of loan origination costs	(5,873)	(2,955)	(1,766)	(2,918)	98.7%	(1,189)	67.3%
Occupancy expense	6,808	6,919	6,888	(111)	-1.6%	31	0.5%
Professional services	4,975	3,114	1,612	1,861	59.8%	1,502	93.2%
Data processing expense	3,401	3,489	3,110	(88)	-2.5%	379	12.2%
FDIC insurance expense	1,241	1,724	2,091	(483)	-28.0%	(367)	-17.6%
Debt termination expense			11,414			(11,414)	-100.0%
Net OREO (income) expense	106	388	(80)	(282)	-72.7%	468	-585.0%
Other (2)	8,613	8,860	8,968	(247)	-2.8%	(108)	-1.2%
Total noninterest expense	\$ 78,887	\$ 78,328	\$ 84,224	\$ 559	0.7%	\$ (5,896)	-7.0%
Less debt termination expense			(11,414)			11,414	-100.0%
Adjusted total noninterest expense (3)	\$ 78,887	\$ 78,328	\$ 72,810	\$ 559	0.7%	\$ 5,518	7.6%
	2.1%	2.2%	2.4%				

Noninterest expense to average assets

Adjusted noninterest expense to average assets, excluding debt termination expense (3)	2.1%	2.2%	2.1%
Efficiency ratio (1)	61.3%	61.0%	65.3%
Adjusted efficiency ratio, excluding debt termination expense and gain (loss) on sale of securities (1), (3)	61.4%	61.1%	58.8%

- (1) Noninterest expense divided by net interest income before provision for loan losses plus noninterest income.
 (2) See Note 15 - *Components of Other Non-Interest Expense* in the notes to Community's consolidated financial statements.
 (3) See non-GAAP reconciliation table earlier in this Management's Discussion and Analysis.

Table of Contents

The ability to control noninterest expenses in relation to asset growth can be measured in terms of total noninterest expenses as a percentage of average assets and the ability to control noninterest expenses in relation to the level of total revenue (net interest income before provision for loan losses plus noninterest income) is measured by the efficiency ratio and indicates the percentage of net revenue that is used to cover expenses. The adjusted ratios above indicate that adjusted operating expense levels are in line with asset size and revenue generated.

2017 Compared to 2016

Noninterest expense of \$78.9 million for the year ended December 31, 2017 was \$0.6 million higher than 2016. The \$2.8 million, or 5.0%, increase in compensation and benefit expense includes both normal year-over-year escalation in wages and benefits and an increase of approximately \$664 thousand of stock based compensation costs over 2015. Partially offsetting these expense increases is the deferral of loan origination costs that increased by \$2.9 million as a result of the both the increase in average loans and the strategic decision during late 2016 to hold for investment the SBA loans that were previously being sold.

2016 Compared to 2015

Noninterest expense of \$78.3 million for the year ended December 31, 2016 was \$5.9 million lower than 2015, as \$11.4 million in debt termination expense was incurred in 2015. Excluding the impact of debt termination expense during 2015, noninterest expense of \$78.3 million increased \$5.5 million, or 7.6%, over adjusted 2015. Salaries and employee benefits increased \$4.8 million, principally due to additional compensation related costs resulting strategic new hires and normal year-over-year increases in wages. The deferral of loan origination costs increased by \$1.2 million during 2016 as a result of the both the increase in average loans and the decision during late 2016 to hold for investment on the balance sheet the SBA loans that were previously being sold.

Income Taxes

On December 22, 2017, the TCJA was enacted into law. Beginning in 2018, the TCJA reduces the federal tax rate for corporations from 35% to 21% and changes or limits certain tax deductions. During the fourth quarter of 2017, Community recorded a \$6.8 million one-time charge to income tax expense due to the tax rate reduction and re-measurement of Community's deferred tax assets (DTA). The effects of the law's impacts have been reflected in Community's financial statements for the period ended December 31, 2017. Refer to Note 6 *Income Taxes* of the notes to Community's consolidated financial statements for more information.

Community's effective tax rates, with and without the effect of the DTA revaluation adjustment are shown below.

	For the Year Ended December 31,		
	2017	2016	2015
Effective tax rate	50.7%	37.7%	38.1%
<i>Adjusted effective tax rate (1)</i>	38.2%	37.7%	38.1%

(1) See non-GAAP reconciliation table earlier in this Management's Discussion and Analysis.

The effective tax rates are less than the nominal combined Federal and State tax rate as a result of tax exempt income from certain municipal security investments and BOLI income as a percentage of total income as well as available tax

credits for each period.

Table of Contents**ANALYSIS OF FINANCIAL CONDITION****Overview**

See the table below for changes in financial position at December 31, 2017 from December 31, 2016.

Financial Position:	As of December 31,		Variance	
	2017	2016	\$	%
	<i>(Dollars in thousands)</i>			
Cash and cash equivalents	\$ 44,298	\$ 47,552	\$ (3,254)	(6.8%)
Investment securities available-for-sale	837,415	913,781	(76,366)	(8.4%)
FHLB stock	17,250	17,250		0.0%
Loans	2,739,859	2,494,507	245,352	9.8%
Allowance for loan losses	(35,346)	(35,166)	(180)	0.5%
Other assets	143,922	147,035	(3,113)	(2.1%)
Total Assets	3,747,398	3,584,959	\$ 162,439	4.5%
Non-interest bearing deposits	1,177,453	1,047,221	\$ 130,232	12.4%
Time deposits	494,854	584,350	(89,496)	(15.3%)
Interest bearing demand	73,839	84,192	(10,353)	(12.3%)
Money market accounts	1,066,397	921,917	144,480	15.7%
Savings and other	47,671	44,314	3,357	7.6%
Total interest bearing deposits	1,682,761	1,634,773	47,988	2.9%
Total Deposits	2,860,214	2,681,994	178,220	6.6%
Short-term borrowings	197,500	228,000	(30,500)	(13.4%)
Long-term borrowings	305,000	315,000	(10,000)	(3.2%)
Total borrowings	502,500	543,000	(40,500)	(7.5%)
Other liabilities	32,274	32,256	18	0.1%
Total Liabilities	3,394,988	3,257,250	137,738	4.2%
Shareholders equity	352,410	327,709	24,701	7.5%
Total Liabilities and Shareholders Equity	3,747,398	3,584,959	\$ 162,439	4.5%
Credit Quality:				
Allowance for loan losses	\$ 35,346	\$ 35,166	\$ 180	
Allowance/loans	1.29%	1.41%		
Nonaccrual loans	\$ 9,041	\$ 16,186	\$ (7,145)	
Nonaccrual loans/loans	0.33%	0.65%		

Edgar Filing: CVB FINANCIAL CORP - Form 424B3

Allowance/nonaccrual loans	390.95%	217.26%	
Net recoveries, (charge offs)	\$ 4,676	\$ (8,109)	\$ 12,785
Net recoveries, (charge offs)/average loans	0.18%	(0.32%)	
Capital Ratios:			
Equity-to-assets ratio (1)	9.40%	9.14%	
Tier 1 leverage ratio	9.43%	9.36%	
Common equity tier 1 risk-based capital ratio	10.91%	10.88%	
Tier 1 risk-based capital ratio	10.91%	10.88%	
Total risk-based capital ratio	12.04%	12.08%	

(1) Shareholders' equity divided by total assets .

Asset growth for the year ended December 31, 2017 of \$162.4 million resulted from deposit increases of \$178.2 million and a reduction in borrowings of \$40.5 million. Additionally, the investment portfolio decreased by \$76.4 million or 8.4%

Table of Contents

and the loan portfolio had a strong year with growth of \$245.3 million or 9.8%. Equity grew by \$24.7 million or 7.5%, primarily due to net income of \$26.7 million, partially offset by dividends paid of \$6.3 million.

Asset Changes:**Investment Securities**

Community maintains a portfolio of available for sale investment securities to serve as a source of liquidity for its ongoing operations and as a secondary source of interest income. At December 31, 2017, Community reported total investment securities of \$837.4 million. This represented a decrease of \$76.4 million or 8.4%, from total investment securities of \$913.8 million at December 31, 2016 reflecting a strategic decision to reduce the size of the portfolio.

As of December 31, 2017, Community had a pre-tax net unrealized holding loss on total investment securities of \$6.9 million, compared to a pre-tax net unrealized holding loss of \$11.5 million at December 31, 2016. The changes in the net unrealized holding loss resulted primarily from fluctuations in market interest rates. For 2017, total repayments/maturities and proceeds from sales of investment securities totaled \$163.1 million, compared to \$149.4 million for 2016. Community purchased additional investment securities totaling \$85.8 million and \$116.9 million for 2017 and 2016.

The tables below summarize the fair value of available for sale investment securities for the periods presented.

	2017		December 31, 2016		2015	
	Fair Value	Percent	Fair Value	Percent	Fair Value	Percent
<i>(Dollars in thousands)</i>						
Investment securities available-for-sale						
Securities in U.S. Government agencies	\$ 30,145	3.6%	\$ 37,212	4.1%	\$ 33,317	3.5%
U.S. Government sponsored-mortgage backed securities, residential	714,269	85.3%	770,983	84.4%	816,862	85.2%
Total U. S. Government agency or sponsored securities	744,414	88.9%	808,195	88.4%	850,179	88.7%
Municipals	90,839	10.8%	105,586	11.6%	108,213	11.3%
Equity security	2,162	0.3%		0.0%		0.0%
Total available-for-sale securities	\$ 837,415	100.0%	\$ 913,781	100.0%	\$ 958,392	100.0%

The maturity distribution of the available for sale portfolio consists of the following for the period presented.

	One Year or Less	After One	December 31, 2017		Total	Percent to Total
			After Five	After Ten Years		

Edgar Filing: CVB FINANCIAL CORP - Form 424B3

Year
Through
Five Years

Years
Through
Ten Years

(Dollars in thousands)

Investment securities available-for-sale						
Securities in U.S. Government agencies	\$ 26,419	\$ 3,726	\$	\$	\$ 30,145	3.60%
U.S. Government sponsored-mortgage backed securities, residential	1,228	6,240	213,192	493,609	714,269	85.29%
Municipal bonds (1)	20	335	19,573	70,911	90,839	10.85%
Equity security	2,162				2,162	0.26%
Total	\$ 29,829	\$ 10,301	\$ 232,765	\$ 564,520	\$ 837,415	100.00%

Table of Contents

	December 31, 2017					Percent to Total
	One Year or Less	After One Year Through Five Years	After Five Years Through Ten Years	After Ten Years	Total	
<i>(Dollars in thousands)</i>						
Weighted average yield						
Securities in U.S. Government agencies	1.10%	1.19%				1.11%
U.S. Government sponsored-mortgage backed securities, residential	4.27%	4.90%	2.04%	2.14%	2.14%	
Municipals	1.35%	2.36%	2.42%	2.69%	2.63%	
Total	1.15%	3.48%	2.07%	2.21%	2.15%	

(1) The weighted average yield for the portfolio is based on projected duration and is not tax-equivalent. The tax equivalent yield at December 31, 2017 was 2.30%.

The maturity of each security category is defined as the contractual maturity except for the categories of mortgage-backed securities whose maturities are defined as the estimated average life. The final maturity of mortgage-backed securities will differ from their contractual maturities because the underlying mortgages have the right to repay such obligations without penalty. The speed at which the underlying mortgages repay is influenced by many factors, one of which is interest rates. Community obtains the estimated average life of each security from independent third parties.

The weighted-average yield on the total investment portfolio at December 31, 2017 was 2.15% with a weighted-average duration of 3.6 years. This compares to a weighted-average yield of 2.13% at December 31, 2016 with a weighted-average duration of 4.1 years.

Approximately 89% of the securities in the total investment portfolio, at December 31, 2017, are issued by the U.S. government or U.S. government-sponsored agencies and enterprises, which have the implied guarantee of payment of principal and interest. Municipal bonds, which represented approximately 11% of the total investment portfolio are predominately AA or higher rated securities.

Included in the U.S. Government sponsored-mortgage backed securities, residential were the following securities from issuers that are in the aggregate in excess of 10% of shareholders equity for the following the periods.

	December 31,			
	2017		2016	
	Book Value	Market Value	Book Value	Market Value
<i>(Dollars in thousands)</i>				
Greater than 10% of shareholders equity issuers				
Federal National Mortgage Association	\$ 518,456	\$ 513,570	\$ 551,065	\$ 544,504
Federal Home Loan Mortgage Association	216,453	213,049	245,226	240,638

Table of Contents

Municipal securities in the portfolio are issued by various states and municipalities. The following tables present municipal securities by state for the periods presented.

	Amortized Cost	December 31, 2017		Percent of Total
		Percent of Total	Fair Value	
<i>(Dollars in thousands)</i>				
Municipal Securities available-for-sale				
New York	\$ 9,363	10.4%	\$ 9,463	10.4%
Minnesota	8,763	9.8%	8,827	9.7%
Massachusetts	7,455	8.3%	7,506	8.3%
Texas	6,964	7.7%	7,034	7.7%
Connecticut	6,661	7.4%	6,743	7.4%
Pennsylvania	6,447	7.2%	6,469	7.1%
Washington	4,283	4.8%	4,345	4.8%
Iowa	4,135	4.6%	4,148	4.6%
All other states (20 states)	35,789	39.8%	36,304	40.0%
Total	\$ 89,860	100.0%	\$ 90,839	100.0%

	Amortized Cost	December 31, 2016		Percent of Total
		Percent of Total	Fair Value	
<i>(Dollars in thousands)</i>				
Municipal Securities available-for-sale				
Texas	\$ 12,239	11.5%	\$ 12,164	11.5%
Minnesota	9,915	9.4%	9,902	9.4%
Pennsylvania	9,880	9.3%	9,703	9.2%
New York	9,382	8.9%	9,384	8.9%
Massachusetts	8,285	7.8%	8,237	7.8%
Connecticut	6,674	6.3%	6,626	6.3%
Washington	5,848	5.5%	5,858	5.5%
All other states (23 states)	43,782	41.3%	43,712	41.4%
Total	\$ 106,005	100.0%	\$ 105,586	100.0%

Table of Contents

The tables below show investment securities' gross unrealized losses and fair value by investment category and length of time that individual securities have been in a continuous unrealized loss position at December 31, 2017 and 2016. The unrealized losses on these securities were primarily attributed to changes in interest rates. The issuers of these securities have not, to Community's knowledge, evidenced any cause for default on these securities. These securities have fluctuated in value since their purchase dates as market rates have fluctuated. However, Community has the ability and the intention to hold these securities until their fair values recover to cost or maturity. As such, management does not deem these securities to be other-than-temporarily-impaired. A summary of the analysis of these securities and the unrealized losses is described more fully in Note 2 *Investment Securities* of the notes to Community's consolidated financial statements. Economic trends may adversely affect the value of the portfolio of investment securities that Community holds.

	Less Than 12 months		December 31, 2017 12 Months or Longer		Total	
	Fair Value	Gross Unrealized Holding Losses	Fair Value	Gross Unrealized Holding Losses	Fair Value	Gross Unrealized Holding Losses
<i>(Dollars in thousands)</i>						
Investment securities available-for-sale						
Securities in U.S. Government agencies	\$ 20,958	\$ (38)	\$ 9,187	\$ (49)	\$ 30,145	\$ (87)
U.S. Government sponsored-mortgage backed securities, residential	327,358	(2,672)	277,271	(7,305)	604,629	(9,977)
Municipals	9,728	(84)	2,668	(28)	12,396	(112)
Total available-for-sale securities	\$ 358,044	\$ (2,794)	\$ 289,126	\$ (7,382)	\$ 647,170	\$ (10,176)

	Less Than 12 months		December 31, 2016 12 Months or Longer		Total	
	Fair Value	Gross Unrealized Holding Losses	Fair Value	Gross Unrealized Holding Losses	Fair Value	Gross Unrealized Holding Losses
<i>(Dollars in thousands)</i>						
Investment securities available-for-sale						
Securities in U.S. Government agencies	\$ 17,078	\$ (34)	\$	\$	\$ 17,078	\$ (34)
U.S. Government sponsored-mortgage backed securities, residential	628,680	(11,828)	43,969	(1,826)	672,649	(13,654)
Municipals	47,741	(1,191)			47,741	(1,191)
Total available-for-sale securities	\$ 693,499	\$ (13,053)	\$ 43,969	\$ (1,826)	\$ 737,468	\$ (14,879)

Community did not record any charges for other-than-temporary impairment losses for the years ended December 31, 2017 and 2016.

Loans

Loans of \$2.74 billion at December 31, 2017, increased by \$245.4 million, or 9.8%, from \$2.5 billion at December 31, 2016. The increase in total loans was principally due to growth of \$148.3 million in non-residential real estate loans, \$59.6 million in commercial and industrial loans, \$40.5 million in residential loans, and \$18.1 million in construction loans and land loans. This growth was partially offset by a decrease of \$25.6 million in consumer and other loans. Loans comprise 76.0% of Community's total earning assets as of December 31, 2017. The following table presents the loan portfolio by type for the periods presented.

Table of Contents**Distribution of Loan Portfolio by Type**

	2017	2016	December 31,		
			2015	2014	2013
	<i>(Dollars in thousands)</i>				
Commercial loans	\$ 606,076	\$ 546,457	\$ 592,788	\$ 535,283	\$ 466,221
Real Estate					
Construction and land loans	29,260	11,187	3,825	7,874	9,560
Residential	288,040	247,501	208,929	172,874	119,897
Non-residential - owner occupied	1,020,706	944,620	887,076	900,940	882,587
Non-residential - non-owner occupied	770,946	698,722	718,770	632,943	562,635
Total Non-residential Real Estate	1,791,652	1,643,342	1,605,846	1,533,883	1,445,222
Total Real Estate Loans	2,108,952	1,902,030	1,818,600	1,714,631	1,574,679
Other loans and credit cards	21,339	46,907	17,260	29,475	12,838
Gross loans	\$ 2,736,367	\$ 2,495,394	\$ 2,428,648	\$ 2,279,389	\$ 2,053,738
Less: Deferred (fees) costs, net	3,492	(887)	(723)	870	1,271
Total loans	2,739,859	2,494,507	2,427,925	2,280,259	2,055,009
Less: Allowance for loan losses	(35,346)	(35,166)	(36,327)	(35,329)	(34,444)
Net loans	\$ 2,704,513	\$ 2,459,341	\$ 2,391,598	\$ 2,244,930	\$ 2,020,565

Composition of Loans by Percent to Total Loans

Commercial loans	22.1%	21.9%	24.4%	23.5%	22.7%
Construction and land loans	1.1%	0.4%	0.2%	0.3%	0.5%
Residential	10.5%	9.9%	8.6%	7.6%	5.8%
Non-residential - owner occupied	37.3%	37.9%	36.5%	39.5%	43.0%
Non-residential - non-owner occupied	28.2%	28.0%	29.6%	27.8%	27.4%
Other loans and credit cards	0.8%	1.9%	0.7%	1.3%	0.6%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Real estate loans are loans secured by conforming trust deeds on real property, including property under construction, commercial property and single-family and multi-family residences. Real estate loans are comprised of industrial, office, retail, medical, single-family residences, multi-family residences, and farmland. Other loans and credit cards include installment loans to consumers as well as other loans.

As of December 31, 2017, Community had \$29.3 million in construction loans or 1.0% of total gross loans. Although construction loans are located throughout Community's market footprint, the majority of construction loans consist of commercial construction projects in Los Angeles County, Orange County, and the Inland Empire region of Southern California. At December 31, 2017, construction loans consisted of \$7.8 million in single family residential construction loans and \$21.5 million in commercial construction loans. There were no nonperforming construction loans at December 31, 2017.

The loan portfolio is geographically disbursed throughout Community's marketplace, with less than 1% located outside of California. The following is the breakdown of the total held-for-investment loans and commercial real estate loans by region as of December 31, 2017.

Table of Contents

	December 31, 2017			
	Total Loans		Non-Residential Real Estate Loans	
	<i>(Dollars in thousands)</i>			
Los Angeles County	\$ 1,755,930	64.2%	\$ 1,118,585	62.4%
Central Valley	7,601	0.3%	6,626	0.4%
Inland Empire	387,632	14.2%	280,100	15.6%
Orange County	359,839	13.2%	216,823	12.1%
Central Coast	72,142	2.6%	51,567	2.9%
San Diego	77,254	2.8%	66,443	3.7%
Other California	56,956	2.1%	51,085	2.9%
Out of State	19,013	0.7%	423	0.0%
Total	\$ 2,736,367	100.0%	\$ 1,791,652	100.0%

The table below breaks down the real estate loan portfolio:

	December 31, 2017			
	Loan Balance	Percent	Percent Owner-Occupied (1)	Average Loan Balance
	<i>(Dollars in thousands)</i>			
Land	\$ 6,124	0.29%	10.2%	\$ 3,062
Construction	29,260	1.39%		2,926
1 - 4 Residential	155,752	7.39%	100.0%	441
Multi-Family Residential	134,311	6.37%	0.2%	1,658
Commercial Retail	325,083	15.41%	18.6%	1,578
Commercial Office	325,950	15.46%	44.1%	1,393
Commercial Mixed	41,646	1.97%	45.7%	992
Commercial RE Medical	17,389	0.82%	80.7%	828
Commercial RE Schools	28,273	1.34%	100.0%	1,229
Commercial RE Asst. Living Facilities/Nursing Center	2,023	0.10%	33.8%	289
Commercial Industrial	954,224	45.25%	72.3%	1,414
Commercial Other	88,917	4.22%	71.0%	1,140
Total Real Estate Loans	\$ 2,108,952	100.00%	55.8%	\$ 1,218

(1) Represents percentage of reported owner-occupied at origination in each real estate loan category. The table below provides the maturity distribution for held-for-investment gross loans, as of December 31, 2017. The loan amounts are based on contractual maturities although the borrowers have the ability to prepay the loans. Amounts are also classified according to repricing opportunities or rate sensitivity.

Loan Maturities and Interest Rate Categories at December 31, 2017

	Within One Year	After One But Within Five Years <i>(Dollars in thousands)</i>	After Five Years	Total
Types of Loans:				
Commercial loans	\$ 272,781	\$ 206,364	\$ 126,931	\$ 606,076
Real Estate				
Construction and land loans	20,648	8,407	205	29,260
Residential	9,311	26,495	252,234	288,040

Table of Contents

	Within One Year	After One But Within Five Years <i>(Dollars in thousands)</i>	After Five Years	Total
Non-residential - owner occupied	\$ 44,794	\$ 236,778	\$ 739,134	\$ 1,020,706
Non-residential - non-owner occupied	68,126	283,791	419,029	770,946
Other loans and credit cards	8,450	3,635	9,254	21,339
Gross Loans	\$ 424,110	\$ 765,470	\$ 1,546,787	\$ 2,736,367
Amount of Loans based upon				
Fixed Rates	\$ 97,537	\$ 528,037	\$ 846,237	\$ 1,471,811
Floating or adjustable rates	326,573	237,433	700,550	1,264,556
Gross Loans	\$ 424,110	\$ 765,470	\$ 1,546,787	\$ 2,736,367

As a normal practice in extending credit for commercial and industrial purposes, Community may accept trust deeds on real property as collateral. In some cases, when the primary source of repayment for the loan is anticipated to come from the cash flow from normal operations of the borrower, and real property has been taken as collateral, the real property is considered a secondary source of repayment for the loan. At December 31, 2017, substantially all of the loans secured by real estate were collateralized by properties located in California. This concentration is considered when determining the adequacy of the allowance for loan losses.

Liability Changes:**Deposits**

The primary source of funds to support asset growth is the generation of deposits. Total deposits were \$2.86 billion at December 31, 2017, an increase of \$178.2 million, or 6.6%, over total deposits of \$2.68 billion at December 31, 2016. This compares to asset growth of \$162.4 million over the same time period.

	As of December 31,				
	2017	2016	2015	2014	2013
	<i>(Dollars in thousands)</i>				
Noninterest-bearing deposits	\$ 1,177,453	\$ 1,047,221	\$ 916,753	\$ 882,601	\$ 729,887
Interest-bearing deposits					
Interest-bearing demand	73,839	84,192	220,831	206,823	106,064
Money market	1,066,397	921,917	809,118	713,143	701,129
Savings	47,671	44,314	37,980	36,611	31,484
Time deposits	494,854	584,350	604,760	757,612	947,698
Total deposits	\$ 2,860,214	\$ 2,681,994	\$ 2,589,442	\$ 2,596,790	\$ 2,516,262

The 2017 deposit growth of \$178.2 million included \$130.2 million in non-interest bearing demand deposits and \$48.0 million in interest bearing accounts. Community is focused on growing its non-interest bearing deposit balances. Community generally requires borrowing customers to bring their primary deposit relationship to the bank as a condition of obtaining credit. Additionally, Community has certain incentive programs in place to encourage non-interest bearing demand deposit generation.

Table of Contents

The average balance of deposits by category and the average effective interest rates paid on deposits is summarized for the periods presented in the table below.

	For the Year Ended December 31,					
	2017		2016		2015	
	Balance	Rate	Balance	Rate	Balance	Rate
	<i>(Dollars in thousands)</i>					
Noninterest-bearing deposits	\$ 1,132,495		\$ 1,007,703		\$ 900,987	
Interest-bearing deposits						
Interest-bearing demand	77,362	0.16%	164,244	0.24%	205,578	0.27%
Money market	955,272	0.42%	854,987	0.34%	814,384	0.32%
Savings	46,150	0.06%	39,347	0.05%	37,162	0.05%
Time deposits	564,348	1.00%	617,508	0.71%	677,495	0.61%
Total deposits	\$ 2,775,627	0.60%	\$ 2,683,789	0.46%	\$ 2,635,606	0.42%

Average deposits by type and the year over year changes are shown in the table below.

	For the Year Ended December 31,									
	2017		2016		2015		2017 vs 2016		2016 vs 2015	
	Balance	% of Total	Balance	% of Total	Balance	% of Total	Dollar Change	Percent Change	Dollar Change	Percent Change
	<i>(Dollars in thousands)</i>									
Noninterest-bearing deposits	\$ 1,132,495	40.8%	\$ 1,007,703	37.5%	\$ 900,987	34.2%	\$ 124,792	12.4%	\$ 106,716	11.8%
Interest-bearing deposits										
Interest-bearing demand	77,362	2.8%	164,244	6.1%	205,578	7.8%	\$ (86,882)	(52.9%)	\$ (41,334)	(20.1%)
Money market	955,272	34.4%	854,987	31.9%	814,384	30.9%	\$ 100,285	11.7%	\$ 40,603	5.0%
Savings	46,150	1.7%	39,347	1.5%	37,162	1.4%	\$ 6,803	17.3%	\$ 2,185	5.9%
Time deposits	564,348	20.3%	617,508	23.0%	677,495	25.7%	\$ (53,160)	(8.6%)	\$ (59,987)	(8.9%)
Total deposits	\$ 2,775,627	100.0%	\$ 2,683,789	100.0%	\$ 2,635,606	100.0%	\$ 91,838	3.4%	\$ 48,183	1.8%

Non-interest bearing demand and money market accounts have grown significantly, as shown over the past two years in line with strategic goals.

Time deposits by balance are shown in the table below.

For the Year Ended December 31,
2017 2016 2015

(Dollars in thousands)

TCDs under \$100,000	\$ 141,550	\$ 148,433	\$ 64,405
TCDs \$100,000 through \$250,000	150,190	178,628	263,364
TCDs over \$250,000	203,114	257,289	276,991
Total time deposits	\$ 494,854	\$ 584,350	\$ 604,760

Table of Contents

Time deposits by type of depositor are shown in the table below.

	For the Year Ended December 31,		
	2017	2016	2015
	<i>(Dollars in thousands)</i>		
Brokered deposits	\$ 99,290	\$ 99,488	\$
Public funds	144,619	188,286	188,329
CDARs	34,900	30,538	72,625
Treasury	82,172	115,621	163,266
Other	133,873	150,417	180,540
Total time deposits	\$ 494,854	\$ 584,350	\$ 604,760

Time deposits totaled \$494.9 million at December 31, 2017, representing a decrease of \$89.5 million, or 15.3%, from total time deposits of \$584.4 million at December 31, 2016. Time deposits included \$135.0 million, \$170.0 million and \$170.0 million at December 31, 2017, 2016 and 2015, respectively on deposits from the State of California. These deposits are collateralized with marketable securities of \$148.9 million, 187.0 million and \$187.1 million for each of the respective year end periods.

In 2017, the State of California announced they will not renew these time deposits due to Community s needs to improve CRA rating. The remaining time deposits mature before June 30, 2018. The securities pledged for time deposits will be available to pledge for other borrowings.

The following table provides the remaining maturities of large denomination (\$100,000 or more) time deposits at December 31, 2017.

Maturity Distribution of Large Denomination Time Deposits

	\$100,000 through \$250,000			December 31, 2017 Greater than \$250,000			Total		
	Amount	Weighted Average Rate	% of Total Deposits	Amount	Weighted Average Rate	% of Total Deposits	Amount	Weighted Average Rate	% of Total Deposits
	<i>(Dollars in thousands)</i>								
3 months or less	54,089	0.83%	1.89%	87,789	1.12%	3.07%	141,878	1.01%	4.96%
Over 3 months through 6 months	35,468	0.93%	1.24%	71,281	1.16%	2.49%	106,749	1.08%	3.73%
Over 6 months through 12 months	27,377	0.83%	0.96%	31,904	0.95%	1.12%	59,281	0.90%	2.07%
Over 12 months	33,256	1.28%	1.16%	12,140	1.33%	0.42%	45,396	1.30%	1.59%
Total	150,190	0.95%	5.25%	203,114	1.12%	7.10%	353,304	1.05%	12.35%

Table of Contents**Borrowings**

The following table summarizes information about short-term borrowings (original maturities less than 92 days) outstanding as of and for the periods presented.

	Short-term FHLB Advances	Repurchase Agreements	Fed Funds Purchased	Total Short-term Borrowings
(Dollars in thousands)				
At December 31, 2017				
Amount Outstanding	\$ 197,500	\$	\$	\$ 197,500
Weighted-average interest rate	1.36%			1.36%
For the year ended December 31, 2017				
Highest amount at month-end	400,000		10,000	410,000
Daily-average amount outstanding	233,383	475	93	233,951
Weighted-average interest rate	0.93%	0.91%	1.09%	0.93%
At December 31, 2016				
Amount Outstanding	\$ 228,000	\$	\$	\$ 228,000
Weighted-average interest rate	0.59%			0.59%
For the year ended December 31, 2016				
Highest amount at month-end	480,000	50,000		530,000
Daily-average amount outstanding	294,136	10,246		304,382
Weighted-average interest rate	0.44%	0.74%		0.45%
At December 31, 2015				
Amount Outstanding	\$ 410,000	\$	\$	\$ 410,000
Weighted-average interest rate	0.28%			0.28%
For the year ended December 31, 2016				
Highest amount at month-end	400,000	50,000		450,000
Daily-average amount outstanding	257,897	12,808	27	270,732
Weighted-average interest rate	0.21%	0.34%	1.17%	0.22%

Long-term borrowings (original maturities exceeding 91 days) are FHLB term advances while short-term borrowings are primarily FHLB advances, but also include repurchase agreements and Fed Funds purchased. In June 2016, Community extended approximately \$200 million in FHLB advances for a term of approximately five years to reduce the liability sensitivity of the balance sheet. At December 31, 2017, \$1.74 billion of loans and \$447.3 million of investment securities, at carrying value, were pledged to secure public deposits, short and long-term borrowings, and for other purposes as required or permitted by law.

For complete discussion and disclosure of long-term borrowings see Note 9B *Borrowings Long-term FHLB Advances* in the notes to Community's consolidated financial statements presented elsewhere in this joint proxy statement/prospectus.

See the *Liquidity and Cash Flow* in this Management's Discussion and Analysis for additional information about FHLB, Fed Funds and FRB funding sources, and securities available for pledging purposes.

Table of Contents**Aggregate Contractual Obligations**

The following table summarizes the aggregate contractual obligations as of December 31, 2017.

	Total	Maturity by Period			
		Less Than One Year	One Year Through Three Years	Four Years Through Five Years	Over Five Years
		<i>(Dollars in thousands)</i>			
Deposits	\$ 2,860,214	\$ 2,705,797	\$ 83,631	\$ 70,786	\$
FHLB advances	502,500	217,500	85,000	200,000	
Deferred compensation	2,306	2,306			
Operating leases	11,050	4,051	6,049	905	45
Affordable housing investment	10,823	3,388	6,289	1,116	30