

**Press Release**  
*For Immediate Release*

**Contact: Christopher D. Myers**  
**President and CEO**  
**(909) 980-4030**

**CVB Financial Corp. Reports Second Quarter Earnings**

**Ontario, CA, July 16, 2008-** CVB Financial Corp. (NASDAQ:CVBF) and its subsidiary, Citizens Business Bank (“the Company”), announced the results for the second quarter of 2008.

**Net Income**

CVB Financial Corp. reported net income of \$17.2 million for the second quarter ending June 30, 2008. This represents an increase of \$1.2 million, or 7.51%, when compared with net earnings of \$16.0 million for the second quarter of 2007. Diluted earnings per share were \$0.21 for the second quarter of 2008. This was up \$0.02, or 8.36%, from diluted earnings per share of \$0.19 for the same period last year. The net income for the second quarter of 2008 includes a provision of \$3.0 million for credit losses. There was no such provision in the second quarter of 2007. Had we not made a provision in the second quarter of 2008, our net income would have been \$19.3 million, an increase of \$3.3 million, or 21.13%, compared to the second quarter of 2007.

Net income for the second quarter of 2008 produced a return on beginning equity of 15.27%, a return on average equity of 14.85% and a return on average assets of 1.07%. The efficiency ratio for the second quarter was 56.06%, and operating expenses as a percentage of average assets were 1.90%.

Net income for the six months ending June 30, 2008 was \$33.3 million. This represents an increase of \$2.2 million, or 7.20%, when compared with net earnings of \$31.1 million for the same period of 2007. Diluted earnings per share were \$0.40. This was up \$0.03, or 8.18%, from diluted earnings per share of \$0.37 for the same period last year. The net income for the six months of 2008 includes a provision of \$4.7 million for credit losses. There was no such provision in the first six months of 2007. Had we not made a provision in the first six months of 2008, our net income would have been \$36.7 million, an increase of \$5.6 million, or 18.16%, compared to the same period in 2007.

Net income for the six months ending June 30, 2008 produced a return on beginning equity of 15.78%, a return on average equity of 14.88% and a return on average assets of 1.06%. The efficiency ratio for the six-month period was 56.11%, and operating expenses as a percentage of average assets was 1.87%.

### **Net Interest Income and Net Interest Margin**

Net interest income, after provision for credit losses, totaled \$45.5 million for the second quarter of 2008. This represents an increase of \$7.2 million, or 18.81%, from the \$38.3 million for the same period of 2007. This increase resulted from an \$11.0 million decrease in interest expense, offset by a \$0.8 million decrease in interest income and a \$3.0 million increase in the provision for credit losses. The decrease in interest income was primarily due to the decrease in interest rates, partially offset by the growth in average earning assets. The decrease in interest expense was due to the decrease in the cost of interest bearing deposits and borrowed funds, partially offset by the increase in average borrowed funds.

Net interest margin (tax equivalent) increased from 2.92% for the second quarter of 2007 to 3.43% for the second quarter of 2008. Total average earning asset yields decreased from 6.13% for the second quarter of 2007 to 5.69% for the second quarter of 2008. The cost of funds decreased from 4.21% for the second quarter of 2007 to 2.95% for the second quarter of 2008. The increase in net interest margin is due to the cost of interest-bearing liabilities decreasing faster than the decrease in yields on earning assets.

Net interest income totaled \$87.9 million for the six months ending June 30, 2008. This represents an increase of \$9.9 million, or 12.64%, from the net interest income of \$78.0 million for the same period in 2007. This increase resulted from a \$16.3 million decrease in interest expense, which was offset by a \$1.7 million decrease in interest income and a \$4.7 million increase in the provision for credit losses. Net interest income before the provision for credit losses increased \$14.6 million, or 18.66%, for the first six months of 2008. The decrease in interest income was primarily due to the decrease in interest rates partially offset by the growth in average earning assets. The decrease in interest expense was due to the decreases in interest rates on deposits and borrowed funds partially offset by the increase in average borrowed funds.

The net interest margin (tax equivalent) increased from 2.97% for the first six months of 2007 to 3.34% for the first six months of 2008. Total average earning asset yields have decreased from 6.16% for the first six months of 2007 to 5.80% for the first six months of 2008. The cost of funds has decreased from 4.18% for the first six months of 2007 to 3.20% for the first six months of 2008.

### **Balance Sheet**

The Company reported total assets of \$6.45 billion at June 30, 2008. This represented an increase of \$317.8 million, or 5.18%, over total assets of \$6.14 billion as of June 30, 2007. Earning assets totaled \$6.07 billion and were up \$364.4 million, or 6.39%, when

compared with earning assets of \$5.70 billion as of June 30, 2007. Total deposits and customer repurchase agreements were \$3.61 billion as of June 30, 2008. This represents a decrease of \$152.0 million, or 4.04%, when compared with total deposits and customer repurchase agreements of \$3.77 billion at June 30, 2007. Gross loans and leases totaled \$3.52 billion at June 30, 2008. This represents an increase of \$213.0 million, or 6.45%, when compared with gross loans and leases of \$3.30 billion at June 30, 2007.

### **Investment Securities**

Investment securities totaled \$2.50 billion at June 30, 2008. This represents an increase of \$153.5 million, or 6.55%, when compared with \$2.34 billion in investment securities at June 30, 2007.

### **CitizensTrust**

CitizensTrust has approximately \$2.5 billion in assets under administration and \$807 million in assets under management. They provide trust, investment and brokerage related services, as well as financial, estate and business succession planning. Income from CitizensTrust was \$2.0 million in the current quarter, up \$228,000 from the \$1.7 million in the second quarter of 2007.

### **Loan and Lease Quality**

The credit quality of the loan portfolio remains solid. The allowance for credit losses increased from \$30.2 million as of June 30, 2007 to \$37.3 million as of June 30, 2008. The increase was primarily due to the provision for credit losses of \$4.0 million in the fourth quarter of 2007 and \$4.7 million in the first six months of 2008. During the first six months of 2008, we had loan charge-offs totaling \$685,000 and recoveries on previously charged off loans of \$246,000. This resulted in net charge-offs of \$439,000. By comparison, during the first six months of 2007, the Company had net charge-offs of \$164,000, and no provision for credit losses. The allowance for credit losses was 1.06% and 0.92% of total loans and leases outstanding as of June 30, 2008 and 2007, respectively.

At December 31, 2007, we had \$1.4 million in non-performing loans. As of March 31, 2008, we had \$2.7 million in non-performing loans and we had \$12.3 million in non-performing loans at June 30, 2008, or 0.35% of total loans. The non-performing loans consist of \$9.8 million in residential construction and residential land loans, \$1.7 million in single family mortgage loans, \$0.5 million in commercial loans and \$0.3 million in consumer loans. In addition, we had \$1.1 million in Other Real Estate Owned. The OREO represents a foreclosed condominium project. The majority of the loan amount was charged-off in December 2007.

At December 31, 2007, we had loans delinquent 30 to 89 days of \$2.2 million. This increased to \$18.2 million at March 31, 2008 and decreased to \$1.0 million at June 30, 2008. Of the March 31, 2008 delinquencies, \$1.8 million became non-performing at June 30, 2008 and the remaining were brought current. As a percentage of total loans, delinquencies were 0.06% at December 31, 2007, 0.53% at March 31, 2008 and 0.03% at June 30, 2008.

Our construction loan portfolio totaled \$333.3 million as of June 30, 2008. This represents 9.45% of our total loans outstanding at the end of the quarter. Of the \$333.3 million, \$120.2 million is for residential construction and residential land loans. This represents 36.07% of the construction loans outstanding, or 3.41% of our total loan portfolio. Of note, 32.26% of our construction loan portfolio is based in the Inland Empire.

### **Stock Repurchase Program**

At the July 16, 2008 board meeting, the Board of Directors approved increasing the amount of shares in the Company's repurchase program to 10 million shares. "Due to the tremendous amount of short selling in the financial services sector, the Board felt that it was appropriate to increase our capacity to repurchase our shares," said Chris Myers, President and CEO.

### **Corporate Overview**

CVB Financial Corp. is the holding company for Citizens Business Bank. The Bank is the largest financial institution headquartered in the Inland Empire region of Southern California. It serves 40 cities with 44 business financial centers and 3 commercial banking groups in the Inland Empire, Los Angeles County, Orange County and the Central Valley areas of California. Its leasing division, Citizens Financial Services, provides vehicle leasing, equipment leasing and real estate loan services.

Shares of CVB Financial Corp. common stock are listed on the NASDAQ under the ticker symbol of CVBF. For investor information on CVB Financial Corp., visit our Citizens Business Bank website at [www.cbbank.com](http://www.cbbank.com) and click on the CVB Investor tab.

### **Safe Harbor**

*Certain matters set forth herein constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including forward-looking statements relating to the Company's current business plan and expectations regarding future operating results. These forward-looking statements are subject to risks and uncertainties that could cause actual results, performance or achievements to differ materially from those projected. These risks and uncertainties include, but are not limited to, the impact of changes in interest rates, a decline in economic conditions, adverse changes resulting from natural and manmade disasters, effects of government regulation and increased competition among financial services providers and other factors set forth in the Company's public reports including its Annual Report on Form 10-K for the year ended December 31, 2007, and particularly the discussion of risk factors within that document. The Company does not undertake, and specifically disclaims any obligation to update any forward-looking statements to reflect occurrences or unanticipated events or circumstances after the date of such statements except as required by law.*

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