

**Press Release**  
*For Immediate Release*

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**CVB Financial Corp. Reports Record Results for Third Quarter 2009**

- **Quarterly Net Income of \$19.3 million, highest in company history**
- **Diluted Earnings per Common Share \$0.10 (reduced by \$0.07 for TARP repayment)**
- **Deposits, including customer repos, grew \$943.6 million over September 30, 2008**
- **Allowance for credit losses 2.43% of total loans & leases**

**Ontario, CA, October 21, 2009**-CVB Financial Corp. (NASDAQ:CVBF) and its subsidiary, Citizens Business Bank (“the Company”), announced record results for the third quarter of 2009. The Company reported net income of \$19.3 million for the third quarter of 2009. This represents the highest quarterly net income in the history of the Company.

Net income of \$19.3 million reflects an increase of \$1.8 million, or 10.66%, compared to net income of \$17.5 million for the third quarter of 2008. Diluted earnings per common share were \$0.10 for the third quarter of 2009, a decrease of \$0.11 or 49.43%, from diluted earnings per common share of \$0.21 for the third quarter of 2008. Due to the repayment of TARP preferred stock, current-quarter diluted earnings per common share reflected a one-time, non-cash reduction in net income applicable to common stockholders of \$7.6 million, or \$.07 per share.

“We are very pleased to report these outstanding results for the third quarter, particularly in these challenging times,” said Chris Myers, President & CEO. “Our net income increased 21.82% sequentially, our deposit growth (including customer repos) increased \$943.6 million year-over year, or 26.53%, and our overall credit quality remains sound.”

Net income for the third quarter of 2009 produced a return on beginning common equity of 15.30%, a return on average common equity of 12.77% and a return on average assets of 1.17%. The efficiency ratio for the third quarter was 52.44%. Excluding the

provision for credit losses and the gain on sale of securities, the efficiency ratio was 47.37%. Operating expenses as a percentage of average assets were 1.81%.

Net income for the nine months ending September 30, 2009 was \$48.4 million. This represents a decrease of \$2.4 million, or 4.82%, when compared with net income of \$50.8 million for the same period of 2008. Diluted earnings per common share for the nine months ending September 30, 2009 were \$0.40, a decrease of \$0.21, or 34.18%, from diluted earnings per common share of \$0.61 for the same period last year. A substantial portion of the decrease is due to the dividends and amortization of the discount on our preferred stock which was repaid in the third quarter.

The net income for the nine months of 2009 includes a provision of \$55.0 million for credit losses and a \$28.4 million gain on sale of investment securities, as compared to the provision for credit losses of \$8.7 million and no gain on sale of securities for the first nine months of 2008. Operating expenses increased \$6.4 million for the nine months ending September 30, 2009 compared to the same period last year. This was primarily due to \$6.1 million in charges for FDIC special assessments and increases in insurance premiums.

Net income for the nine months ending September 30, 2009 produced a return on beginning common equity of 13.10%, a return on average common equity of 11.99% and a return on average assets of 0.99%. The efficiency ratio for the nine-month period was 58.76%. Excluding the provision for credit losses, the gain on sale of securities, and the one-time FDIC special assessment, the efficiency ratio was 48.80%. Operating expenses as a percentage of average assets were 1.93%.

The Company made provisions for credit losses totaling \$13.0 million during the third quarter ending September 30, 2009. For the nine months ending September 30, 2009, provisions for credit losses totaled \$55.0 million. This compares with provisions of \$4.0 million for the third quarter of 2008 and \$8.7 million for the nine months ending September 30, 2008. The Company's non-performing assets increased from \$18.6 million as of September 30, 2008 to \$59.2 million as of September 30, 2009. This represents 0.29% of total assets as of September 30, 2008 and 0.91% of total assets as of September 30, 2009. Past due loans (defined as 30-89 days past due as all loans over 90 days are on non-accrual) as a percentage of total loans were 0.19% at September 30, 2009, compared to 0.20% at June 30, 2009, and 0.38% at March 31, 2009.

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

Net interest income, before provision for credit losses, totaled \$54.8 million for the third quarter of 2009. This represents an increase of \$5.8 million, or 11.82%, over net interest income of \$49.0 million for the same period in 2008. The increase resulted from a \$13.4 million decrease in interest expense, which overshadowed a \$7.6 million decrease in interest income. The decrease in interest income was primarily due to the decrease in interest rates. The decrease in interest expense was due to the decrease in the interest rates paid on deposits and borrowed funds, coupled with a decrease in average borrowed

funds of \$621.0 million, which was partially offset by the increase in average interest-bearing deposits.

Net interest margin (tax equivalent) increased from 3.43% for the third quarter of 2008 to 3.75% for the third quarter of 2009. Total average earning asset yields decreased from 5.65% for the third quarter of 2008 to 5.11% for the third quarter of 2009. The cost of funds decreased from 2.28% for the third quarter of 2008 to 1.43% for the third quarter of 2009. 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, before the provision for credit losses, totaled \$164.2 million for the nine months ending September 30, 2009. This represents an increase of \$22.6 million, or 15.93%, compared to the same period in 2008. The increase resulted from a \$41.6 million decrease in interest expense which overshadowed a \$19.0 million decrease in interest income.

The net interest margin (tax equivalent) increased from 3.37% for the first nine months of 2008 to 3.75% for the first nine months of 2009. Total average earning asset yields decreased from 5.75% for the first nine months of 2008 to 5.18% for the first nine months of 2009. Total cost of funds decreased from 2.43% for the first nine months of 2008 to 1.51% for the first nine months of 2009.

### **Assets**

The Company reported total assets of \$6.55 billion at September 30, 2009. This represented an increase of \$124.5 million, or 1.94%, over total assets of \$6.42 billion at September 30, 2008. Earning assets totaling \$6.05 billion increased \$3.3 million, or 0.05%, when compared with earning assets of \$6.04 billion at September 30, 2008. Total loans and leases remained flat at \$3.60 billion at September 30, 2009 and 2008.

Total assets of \$6.55 billion at September 30, 2009 decreased \$103.4 million, or 1.55%, from total assets of \$6.65 billion at December 31, 2008. This was due to the decrease in investment securities of \$210.6 million partially offset by an increase in cash. Total earning assets of \$6.05 billion decreased \$230.8 million, or 3.68%, from total earning assets of \$6.28 billion at December 31, 2008. Loans and leases totaled \$3.60 billion at September 30, 2009, decreasing by \$136.8 million or 3.66%, from loans and leases of \$3.74 billion at December 31, 2008.

### **Investment Securities**

Investment securities totaled \$2.29 billion at September 30, 2009. This represents a decrease of \$104.9 million, or 4.38%, when compared with \$2.40 billion in investment securities at September 30, 2008. It also represents a decrease of \$210.6 million, or 8.42%, when compared with \$2.50 billion in investment securities at December 31, 2008. During the first nine months of 2009, we sold certain securities with relatively short maturities and recognized a gain on sale of securities of \$28.4 million.

During the third quarter of 2009, we also recognized an other-than-temporary impairment on a private-label mortgage-backed investment security. The total impairment of \$1.8 million was reduced by \$1.6 million for the non-credit portion which was reflected in other comprehensive income. The remaining \$200,000 loss was recognized in third quarter earnings.

Our investment portfolio continues to perform well. We have no preferred stock and no trust preferred securities. Virtually all of our mortgage-backed securities are issued by Freddie Mac or Fannie Mae, which have the guarantee of the U.S. Government. Except for the bond discussed above, the remaining private-label mortgage-backed issues of approximately \$31 million are performing well. Ninety-four percent of our \$696.7 million municipal bond portfolio contains securities which have an underlying rating of investment grade. Our municipal securities are located throughout the United States, with approximately \$43.5 million, or 6.2%, located within the state of California. All municipal bond securities are fully performing.

### **Deposits**

Total deposits and customer repos were \$4.50 billion at September 30, 2009. This represents an increase of \$943.6 million, or 26.53%, when compared with total deposits and customer repos of \$3.56 billion at September 30, 2008. Total deposits and customer repos of \$4.50 billion at September 30, 2009 increased by \$634.1 million, or 16.40%, when compared to total deposits and customer repos of \$3.87 billion at December 31, 2008. “Last year we expanded our deposit gathering initiatives through the creation of our Specialty Banking Group and our Commercial Banking Centers,” said Chris Myers. “The growth in deposits and customer repos is a reflection of the success of those initiatives.”

### **Borrowings**

Borrowings decreased by \$782.7 million, or 45.04%, from December 31, 2008. As a result of the increase in deposits and customer repurchases of \$634.1 million and the net decrease of \$210.6 million in securities, it was possible for us to reduce our reliance on borrowed funds. The replacement of high cost borrowings with low cost deposits helped to improve our margin during the first nine months of 2009. “One of our goals has been to decrease our reliance on borrowed funds; we have made significant progress thus far and will continue our efforts going forward” commented Mr. Myers.

### **Asset Quality**

The overall credit quality of the loan portfolio is sound. Our allowance for credit losses increased from \$40.1 million as of September 30, 2008 and \$54.0 million as of December 31, 2008 to \$87.3 million as of September 30, 2009. The increase was primarily due to provisions for credit losses of \$17.9 million during the fourth quarter of 2008 and a provision for credit losses of \$55.0 million during the first nine months of 2009. The allowance for credit losses was 2.43% and 1.11% of total loans and leases outstanding as of September 30, 2009 and 2008, respectively.

During the third quarter 2009, we increased provision for credit losses by \$13.0 million and had net charge-offs of only \$439,000. Net charge-offs as a percentage of average loans were .01% for the third quarter.

During the first nine months of 2009, we had loan charge-offs totaling \$22.4 million and recoveries on previously charged-off loans of \$718,000. This resulted in net charge-offs of \$21.6 million. By comparison, during the first nine months of 2008, the Company had net charge-offs of \$1.7 million.

“We continue to make greater provisions for credit losses in order to build our reserves. One of our key internal measurements is the ratio of our loan loss allowance to our non-performing loans. We are pleased to report that this ratio improved from 146% at June 30, 2009 to 150% at September 30, 2009. In looking forward, our goal is to be proactive in building our reserves, preparing for any further deterioration in economic conditions,” said Chris Myers.

We had \$58.1 million in non-performing loans at September 30, 2009 or 1.61% of total loans. This compares to \$17.7 million at December 31, 2008 and \$16.6 million at September 30, 2008. At September 30, 2009, we had loans delinquent 30 to 89 days of \$6.9 million. This compares to delinquent loans of \$5.2 million as of December 31, 2008, and \$4.9 million as of September 30, 2008. Please see attached schedule for a breakdown of our non-performing assets and delinquency trends by loan type for the past five consecutive quarters.

A misconception is that most of our loans are in the Inland Empire, one of the hardest hit areas of the United States during this recession. However, of our total loan portfolio, approximately 22% is based in the Inland Empire and 33% is based in L.A. County. Please see attached schedules for a geographic breakdown of our loan portfolio.

Our construction loan portfolio totaled \$295.3 million as of September 30, 2009 down from \$351.5 million as of December 31, 2008. This represents 8.2% of our total loans outstanding at September 30, 2009. Of the \$295.3 million, \$76.7 million is for residential construction and residential land loans. This represents 26% of the construction loans outstanding or 2.1% of our total loan portfolio. Of note, 34% of our total construction loan portfolio is based in the Inland Empire.

### **CitizensTrust**

CitizensTrust has approximately \$1.9 billion in assets under administration, including \$991.9 million in assets under management, as of September 30, 2009. This compares with \$2.0 billion in assets under administration, including \$839.0 million in assets under management at September 30, 2008. CitizensTrust provides trust, investment and brokerage related services, as well as financial, estate and business succession planning.

### **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. On October 16<sup>th</sup>, 2009, we acquired most of the assets of San Joaquin Bank (SJB) headquartered in Bakersfield, CA. Upon acquisition, SJB had approximately \$732 million in total assets and five branch locations.

On a current-day basis, CVB Financial Corp. now has approximately \$7.3 billion in assets. The Company serves 40 cities with 46 business financial centers and 5 commercial banking centers in the Inland Empire, Los Angeles County, Orange County, and the Central Valley areas of California.

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 (including the exhibits hereto) 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, local, regional, national and international economic conditions and events and the impact they may have on us and our customers; ability to attract deposits and other sources of liquidity; oversupply of inventory and continued deterioration in values of California real estate, both residential and commercial; a prolonged slowdown in construction activity; changes in the financial performance and/or condition of our borrowers; changes in the level of non-performing assets and charge-offs; ability to repurchase our securities issued to the U.S. Treasury pursuant to its Capital Purchase Program; the effect of changes in laws and regulations (including laws and regulations concerning taxes, banking, securities, executive compensation and insurance) with which we and our subsidiaries must comply; changes in estimates of future reserve requirements based upon the periodic review thereof under relevant regulatory and accounting requirements; inflation, interest rate, securities market and monetary fluctuations; political instability; acts of war or terrorism, or natural disasters, such as earthquakes, or the effects of pandemic flu; the timely development and acceptance of new banking products and services and perceived overall value of these products and services by users; changes in consumer spending, borrowing and savings habits; technological changes; the ability to increase market share and control expenses; changes in the competitive environment among financial and bank holding companies and other financial service providers; continued volatility in the credit and equity markets and its effect on the general economy; the effect of changes in accounting policies and practices, as may be adopted by the regulatory agencies, as well as the Public Company Accounting Oversight Board, the Financial Accounting Standards Board and other accounting standard setters; changes in our organization, management, compensation and benefit plans; the costs and effects of legal and regulatory developments including the resolution of legal proceedings or regulatory or other*

*governmental inquiries and the results of regulatory examinations or reviews; our success at managing the risks involved in the foregoing items 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, 2008, 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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