CVB Financial Corp.
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March 3, 2009

Neil M. Barofsky, Special Inspector General
Office of the Special Inspector General
Troubled Asset Relief Program
1500 Pennsylvania Ave., N.W., Suite 1064
Washington, D.C. 20220

Dear Mr. Barofsky:

This letter is in response to your letter of February 6, 2009 requesting information on our use of the funds received from the U. S. Treasury Department in conjunction with the Capital Purchase Program ("CPP") of the Trouble Asset Relief Program.

CVB Financial Corp is a one bank holding company for Citizens Business Bank, a $6.65 billion commercial bank headquartered in Ontario, California. We are a business bank and have few consumer customers. Our customers are small to medium sized businesses based in the Inland Empire, Orange and Los Angeles Counties and the Central Valley of California. Our consumer loans total $55 million out of $3.7 billion as of December 31, 2008. We do not have a mortgage division and only make mortgage loans as a convenience for our very good business customers.

In November 2008, we applied for $130 million under the CPP and received this money on December 5, 2008. Our main purpose for obtaining this additional capital was insurance/protection. The economy of our marketplace, particularly that of the Inland Empire, was deteriorating rapidly, and we wanted to ensure that we would have adequate capital to continue offering the financial services that we provide to our current and future customers. In essence, this would allow us to continue to lend in our marketplace. In addition, we have contemplated utilizing the funds to purchase troubled financial institutions. Thus far, we have submitted two bids in an attempt to acquire a troubled bank. Both bids were unsuccessful.

As mentioned above, we agreed to accept the CPP money as an insurance policy against a deteriorating financial environment. During the fall of 2008, we witnessed the demise of Lehman Brothers, Bear Stearns, and the bailout of AIG. We were shocked by the tremendous credit losses and 'mark-to-market' problems the major banks were experiencing. In addition, it became apparent that the economy was rapidly deteriorating and the housing market was in a free-fall.

Somewhat conversely, our Bank's performance has been remarkable given the economic conditions in which we now operate. The following will illustrate our financial performance over the last three years.

	2006	2007	2008
Net Income	$70,580	$60,584	$63,073
Return on Equity	19.45%	15.00%	13.75%
Provision for Credit Losses	$3,000	$4,000	$26,600
Non-Performing Loans/ Total Loans	0.00%	0.10%	0.78%
Allowance/Total Loans	0.90%	0.95%	1.44%
Capital Ratios without CPP			
Leverage	7.8%	7.6%	7.6%
Total	13.0%	11.9%	12.3%

As can be seen by the above, we are a strong-performing Bank. Given our capital ratios, even without the CPP money, we are considered well capitalized for the purposes of safety and soundness.

Over the years, we were unable to make adequate provisions for credit losses due to the fact that we did not have historical credit losses of any significance. Simply put, the accountants and SEC were not open to CBB's desire to make greater provisions. As such, our allowance fell from a peak of 2.00% of total loans in the early 1990's to 0.87% in 2005. We are now making provisions to increase our allowance to an appropriate level. The overall economy now dictates that we continue to make provisions. As of December 31, 2008, our allowance was 1.44%, much improved from the year before.

The funds we received through the CPP have not been segregated. They are intermingled with all of our other funds. Since we do not have a mortgage division and do not generally make mortgage loans, we participate in the mortgage market through the acquisition of mortgage-backed securities. Of our total assets of $6.65 billion as of December 31, 2008, $1.74 billion, or 26.2%, are mortgage-backed securities. 97% of these securities are issued by U.S. government-sponsored agencies. In addition to enhancing the earnings of the Company, this also helps support the mortgage market throughout the United States. Of mention, an additional $683.5 million of our assets are invested in municipal securities, further supporting our communities.

The $130 million received through the purchase of our preferred stock has been invested in mortgage-backed and municipal securities. The table below shows the balances of our mortgage-backed and municipal securities from the end of November 2008 to February 24, 2009.

	November 2008	February 2009	Increase
MBS/CMO	$1,668,822,022	$1,832,543,755	$163,721,733
Municipal Securities	665,107,000	669,203,000	4,096,000
	$2,333,929,022	$2,501,746,755	$167,817,733

Our strategy was to put the money to work immediately as we waited for an increase in our loans. As can be seen, we have continued our support for mortgages through an increase of $163.7 million in agency issued securities.

During the months of December 2008, the month in which we received the CPP money, and January 2009, we funded $108.3 million in new loans. Even though our Bank is in a difficult marketplace, we intend to continue to grow our loan portfolio. The table below indicates our projected loan growth for 2009.

Average Balances (000's omitted)	**Dec '08 Actuals**	**Dec '09 Plan**	**$ Variance**	**% Variance**
Real Estate Loans	$1,857,119	[redacted]	[redacted]	[redacted]
Business Commercial Loans	337,681	[redacted]	[redacted]	[redacted]
Asset Based Lending	25,837	[redacted]	[redacted]	[redacted]
SBA Loans	144,882	[redacted]	[redacted]	[redacted]
Dairy & Livestock	407,315	[redacted]	[redacted]	[redacted]
Consumer Loans	22,319	[redacted]	[redacted]	[redacted]
Equity Lines of Credit	41,134	[redacted]	[redacted]	[redacted]
Sub-Total/Growth Segments	$2,836,287	[redacted]	[redacted]	[redacted]
Leases	$46,299	[redacted]	[redacted]	[redacted]
Construction Loans	345,399	[redacted]	[redacted]	[redacted]
Mortgage Pools	272,372	[redacted]	[redacted]	[redacted]
Muni-Lease	173,841	[redacted]	[redacted]	[redacted]
Other Loans	9,414	[redacted]	[redacted]	[redacted]
Sub-Total/Declining Segments	$847,325	[redacted]	[redacted]	[redacted]
Total Loans	$3,683,612	[redacted]	[redacted]	[redacted]

b(4)

The balances on this report are average balances for the month of December 2008 and [redacted] b(4)

Executive Compensation

Our Company does not have the excessive compensation plans that have been seen on Wall Street. Our CEO is the highest compensated employee. [redacted] b(4) Given the size of our institution and the success we have had, this level of compensation is not excessive. Prior to receiving the funds, we analyzed all of our compensation plans and they complied with the CPP requirements. We understand that all compensation in excess of $500,000 is not deductible for tax purposes.

The Compensation Committee of the Board of Directors ("Committee") approves all salaries and bonus plans for all of the executives and, in fact, for all employees. The Committee reviewed all of the risks associated with our compensation plan criteria at its February meeting.

The undersigned, Edward J. Biebrich, Jr., Executive Vice President and Chief Financial Officer of CVB Financial Corp., hereby certifies that the statements, representations, and supporting information provided herein are accurate in all material respects.

Sincerely,

Edward J. Biebrich, Jr.

Edward J. Biebrich, Jr.
Executive Vice President – Chief Financial Officer

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