



## CVB Financial Corp. Reports Record Results

January 22, 2004

ONTARIO, Calif.--(BUSINESS WIRE)--Jan. 22, 2004--CVB Financial Corp. (NASDAQ:CVBF) and its subsidiary, Citizens Business Bank, announced record results for the fourth quarter ending Dec. 31, 2003. This was the 47th consecutive quarter of record results for the company. The results included record deposits, record loans, record assets and record earnings.

Net income for the fourth quarter was \$14.1 million. This compares with earnings of \$12.6 million for the fourth quarter of 2002, and represents an increase of \$1.5 million, or 12.03%. These earnings results produced a return on beginning equity of 21.34%, a return on average equity of 19.68% and a return on average assets of 1.50%. The efficiency ratio for the quarter was 49.14%.

Deposits ended the year at \$2.66 billion. This was up \$350.5 million, or 15.18%, from deposits of \$2.31 billion on Dec. 31, 2002. Gross loans and leases increased from \$1.45 billion at Dec. 31, 2002 to \$1.76 billion at Dec. 31, 2003. This reflects an increase of \$313.9 million, or 21.71%. Total assets grew from \$3.12 billion to \$3.85 billion. This was up \$730.9 million, or 23.40%.

The acquisition of Visalia-based Kaweah National Bank in September 2003 contributed to the growth. At Dec. 31, 2003, the four Business Financial Centers of the former Kaweah National Bank had \$77.9 million in deposits, \$69.0 million in loans and \$78.5 million in total assets. If these are removed from the final year-end totals for the company, deposit growth would have been \$272.7 million, or an 11.80% increase. Loan growth would have been \$244.9 million, or 16.94%, and total asset growth would have been \$652.4 million, or 20.89%.

CVB Financial Corp. reported net income of \$52.8 million for the year ending Dec. 31, 2003. This represents an increase of \$3.1 million, or 6.21%, when compared with the \$49.7 million in net income reported for the year 2002. Diluted earnings per share were \$1.08. This is up \$0.07, or 6.04%, when compared with earnings per share of \$1.01 for 2002.

During the year of 2003, the company restructured its investment portfolio and its advances with the Federal Home Loan Bank (FHLB). The company had security gains of \$4.2 million in 2003 compared with \$4.9 million in 2002. In 2003, the company restructured its advances with the FHLB to lower its interest costs. By doing this, the company paid a prepayment penalty of \$5.3 million. This expense was offset by the gains on securities. The effect will be to reduce the company's borrowing costs in 2004 and 2005 by renewing the advances at lower interest rates. The company also reversed an excess accrual of legal fees of \$3.3 million as a result of the settlement of a lawsuit.

Had the company not recognized the gain on sale of securities, prepayment penalties and the reversal of litigation accruals in 2003, the net income for the company would have been \$51.4 million in 2003 (\$52.8 million minus the tax effected security gains of \$2.7 million, the prepayment penalty of \$3.4 million, and the reversal of litigation accruals of \$2.1 million). Net income excluding the security gain in 2002 would have been \$46.6 million (\$49.7 million minus the tax effected security gains of \$3.1 million). The increase in income in 2003 over 2002 on this basis would have been \$4.8 million, or 10.31%.

Citizens Business Bank is the largest financial institution headquartered in the Inland Empire Region of Southern California. It serves 30 cities with 37 business financial centers in the Inland Empire, Los Angeles County, Orange County and the Central Valley areas of California. Its subsidiary, Golden West Financial Services, provides vehicle leasing, equipment leasing and real estate loan services. The Bank's Wealth Management Group, based in Pasadena, has over \$1 billion under administration.

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 the company's Citizens Business Bank Web site at [www.cbbank.com](http://www.cbbank.com) and click on the CVB Investor tab.

### Safe Harbor

This document may contain forward-looking statements that are subject to risks and uncertainties that could cause actual results to differ materially from the projected. For a discussion of factors that could cause actual results to differ, please see the publicly available Securities and Exchange Commission filings of CVB Financial Corp., including its Annual Report on Form 10-K for the year ended Dec. 31, 2002, and particularly the discussion on risk factors within that document.

CVB FINANCIAL CORP.

CONSOLIDATED BALANCE SHEET  
(unaudited)  
dollars in thousands

	December 31	
	2003	2002
<b>Assets:</b>		
Federal funds sold and reverse repos	\$-	\$40,000
Investment Securities available-for-sale	1,865,782	1,430,599
Investment in stock of Federal Home Loan Bank (FHLB)	37,966	21,900
Loans and lease finance receivables	1,759,941	1,446,009
Less allowance for credit losses	(21,282)	(21,666)

Net loans and lease finance receivables	1,738,659	1,424,343
Total earning assets	3,642,407	2,916,842
Cash and due from banks	112,008	124,973
Premises and equipment, net	31,069	29,413
Goodwill and intangibles	26,901	15,720
Other assets	41,964	36,463
TOTAL	\$3,854,349	\$3,123,411
Liabilities and Stockholders' Equity		
Liabilities:		
Deposits:		
Demand Deposits(noninterest-bearing)	\$1,142,330	\$958,671
Investment Checking	227,031	195,419
Savings/MMDA	732,992	589,280
Time Deposits	558,157	566,594
Total Deposits	2,660,510	2,309,964
Demand Note to U.S. Treasury	3,834	14,888
Borrowings	786,500	468,000
Trust Preferred	82,476	-
Other liabilities	35,593	70,738
Total Liabilities	3,568,913	2,863,590
Stockholders' equity:		
Stockholders' equity	268,156	234,165
Accumulated other comprehensive income		
(loss), net of tax	17,280	25,656
	285,436	259,821
TOTAL	\$3,854,349	\$3,123,411

CVB FINANCIAL CORP.  
CONSOLIDATED AVERAGE BALANCE SHEET  
(unaudited)  
dollars in thousands

	Three months ended		Twelve months ended	
	December 31		December 31	
	2003	2002	2003	2002
Assets:				
Federal funds sold and reverse repos	\$-	\$28,666	\$2,436	\$31,877
Investment securities available-for-sale	1,789,051	1,322,357	1,664,007	1,258,228
Investment in stock of Federal Home Loan Bank (FHLB)	38,425	21,232	34,169	20,988
Loans and lease finance receivables	1,679,099	1,353,391	1,529,944	1,247,384
Less allowance for credit losses	(23,639)	(22,479)	(21,970)	(22,173)
Net loans and lease finance receivables	1,655,460	1,330,912	1,507,974	1,225,211
Total earning assets	3,482,936	2,703,167	3,208,586	2,536,304
Cash and due from banks	104,780	117,044	109,227	112,535
Premises and equipment, net	31,545	28,772	31,049	29,387
Goodwill and intangibles	17,376	6,269	15,974	6,336
Other assets	84,493	34,297	75,205	39,937
TOTAL	\$3,721,130	\$2,889,549	\$3,440,041	\$2,724,499
Liabilities and Stockholders' Equity				
Liabilities:				
Deposits:				
Noninterest-bearing	\$1,080,209	\$872,327	\$975,134	\$807,505

Interest-bearing	1,543,094	1,354,709	1,460,296	1,253,790
Total Deposits	2,623,303	2,227,036	2,435,430	2,061,295
Other borrowings	766,488	364,575	672,827	384,928
Trust Preferred	14,344	-	3,615	-
Other liabilities	32,682	35,660	52,606	34,987
Total Liabilities	3,436,817	2,627,271	3,164,478	2,481,210
Stockholders' equity:				
Stockholders' equity	270,443	233,374	254,223	224,652
Accumulated other comprehensive income (loss), net of tax	13,870	28,904	21,340	18,637
	284,313	262,278	275,563	243,289
TOTAL	\$3,721,130	\$2,889,549	\$3,440,041	\$2,724,499

CVB FINANCIAL CORP. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF EARNINGS  
(unaudited)

dollar amounts in thousands, except per share

	For the Three Months Ended December 31,		For the Twelve Months Ended December 31,	
	2003	2002	2003	2002
Interest Income:				
Loans, including fees	\$26,780	\$24,014	\$99,042	\$90,351
Investment securities:				
Taxable	14,239	11,488	51,204	47,097
Tax-advantaged	3,977	4,145	16,065	16,273
Total investment income	18,216	15,633	67,269	63,370
Federal funds sold	(7)	124	34	602
Total interest income	44,989	39,771	166,345	154,323
Interest Expense:				
Deposits	3,818	4,925	16,323	21,470
Borrowings	5,098	4,418	20,730	18,969
Total interest expense	8,916	9,343	37,053	40,439
Net interest income before provision for credit losses	36,073	30,428	129,292	113,884
Provision for credit losses	-	-	-	-
Net interest income after provision for credit losses	36,073	30,428	129,292	113,884
Other Operating Income:				
Service charges on deposit accounts	3,758	3,818	15,039	14,154
Wealth Management services	1,000	872	3,904	3,764
Gain(Loss) on sale of securities	-	(43)	4,210	4,897
Other	1,721	1,746	6,836	6,203
Total other operating income	6,479	6,393	29,989	29,018
Other operating expenses:				

Salaries and employee benefits	11,099	9,204	41,493	35,970
Occupancy	1,794	1,608	6,738	6,339
Equipment	1,974	1,781	6,878	6,212
Professional services	985	1,073	4,005	4,084
Goodwill amortization	297	297	815	578
Other	4,760	3,379	17,864	12,873
Total other operating expenses	20,909	17,342	77,793	66,056
Earnings before income taxes	21,643	19,479	81,488	76,846
Income taxes	7,537	6,887	28,656	27,101
Net earnings	\$14,106	\$12,592	\$52,832	\$49,745
Basic earnings per common share	\$0.29	\$0.26	\$1.10	\$1.04
Diluted earnings per common share	\$0.29	\$0.26	\$1.08	\$1.01
Cash dividends per common share	\$0.12	\$0.14	\$0.54	\$0.56

All per share information has been retroactively adjusted to reflect the 10% stock dividend declared on December 17, 2003.

	Three months ended December 31		Twelve months ended December 31	
	2003	2002	2003	2002
Interest income - (Tax Effective)(te)	46,274	41,108	171,530	159,574
Interest Expense	8,916	9,343	37,053	40,439
Net Interest income - (te)	37,358	31,765	134,477	119,135
Net Earnings Reconciliation (non-GAAP disclosure):				
Net operating income without net gain on sale of securities, the prepayment penalty, and reversal of excess accrual on legal expense	14,105	12,617	51,373	46,571
Net gain on sale of securities, net of tax	0	(25)	2,724	3,174
Prepayment penalty, net of tax	0	0	(3,401)	0
Reversal of excess legal accrual, net of tax	0	0	2,136	0
Reported net earnings	14,105	12,592	52,832	49,745
Gain(Loss) on sale of securities	0	(43)	4,210	4,897
Gain on sale of OREO	0	0	0	0
Return on average assets	1.50%	1.73%	1.54%	1.83%
Return on average equity	19.68%	19.05%	19.17%	20.40%
Efficiency ratio	49.14%	47.08%	48.84%	46.22%

Net interest margin (te)	4.25%	4.83%	4.18%	4.66%
Weighted average shares outstanding				
Diluted	49,283,376	48,993,445	49,110,326	49,035,768
Basic	48,402,709	47,876,530	48,182,424	47,985,700
Dividend payout ratio	41.67%	41.38%	40.96%	41.81%
Number of shares outstanding-EOP	48,289,347	47,886,442		
Book value per share	5.91	5.43		

	December 31	
	2003	2002
Non-performing Assets (dollar amount in thousands):		
Non-accrual loans	\$548	\$190
Loans past due 90 days or more and still accruing interest	0	634
Restructured loans	0	0
Other real estate owned (OREO), net	0	0
Total non-performing assets	\$548	\$824
Percentage of non- performing assets to total loans outstanding and OREO	0.03%	0.06%
Percentage of non- performing assets to total assets	0.01%	0.03%
Non-performing assets to allowance for loan losses	2.57%	3.80%
Net loan losses to Average loans	0.09%	0.09%
Allowance for Credit Losses at Beginning of Period:		
Citizens Business Bank	\$21,666	\$20,469
Acquisition of Western Security Bank		2,325
Acquisition of Kaweah National Bank	2,767	
Reclass Uncommitted LOC Reserve to Other Liab	(1,733)	0
Total Loans Charged-Off	(3,017)	(2,409)
Total Loans Recovered	1,599	1,281
Net Loans Charged-Off Provision Charged to	(1,418)	(1,128)

Operating Expense	0	0
Allowance for Credit Losses at End of period	\$21,282	\$21,666

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SOURCE: CVB Financial Corp.