



## ANNUAL USE OF CAPITAL SURVEY - 2009

### NAME OF INSTITUTION

(Include Holding Company Where Applicable)

CVB Financial Corp. & Citizens Business Bank

Person to be contacted regarding this report:	Edward J. Biebrich, Jr.	RSSD: (For Bank Holding Companies)	933966
UST Sequence Number:	106	Holding Company Docket Number: (For Thrift Holding Companies)	n/a
CPP Funds Received:	130,000,000	FDIC Certificate Number: (For Depository Institutions)	21716
CPP Funds Repaid to Date:	130,000,000	City:	Ontario
Date Funded (first funding):	Dec 5, 2008	State:	California
Date Repaid <sup>1</sup> :	Sep 2, 2009		

<sup>1</sup>If repayment was incremental, please enter the most recent repayment date.

*American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP). To answer that question, Treasury is seeking responses that describe generally how the CPP investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP investment was deployed or how many CPP dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.*

What specific ways did your institution utilize CPP capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP funds were outstanding).

<input checked="" type="checkbox"/>	Increase lending or reduce lending less than otherwise would have occurred.	As we experienced the down turn in the economy, the request for loans diminished significantly. In 2008, we averaged \$59.9 million in monthly loan approvals. They went down to \$10.7 million in January 2009.
<input type="checkbox"/>	To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).	
<input checked="" type="checkbox"/>	Increase securities purchased (ABS, MBS, etc.).	We immediately invested these funds in mortgage backed securities issued by FNMA and Freddie Mac. We did so to support the mortgage market and to have cash flow to pay the dividends on the preferred stock. They were a "parking place" for the funds until they could be lent out.

<input type="checkbox"/>	Make other investments	
<input checked="" type="checkbox"/>	Increase reserves for non-performing assets	During 2009, we added \$80.5 million to our reserves for non-performing assets and had net charge-offs of \$25.5 million. This brought our reserves to loans up to 3.04% as of December 31, 2009.
<input checked="" type="checkbox"/>	Reduce borrowings	Due to our strong marketing efforts and in part, our participation in the TAG program, we were able to increase our deposits by \$930.5 million. This, along with our strong capital position, has allowed us to reduce our borrowings by \$1 billion during 2009.
<input checked="" type="checkbox"/>	Increase charge-offs	Our charge-offs did increase during 2009. However we would have charged-off those assets whether or not we had the funds from the CPP.
<input checked="" type="checkbox"/>	Purchase another financial institution or purchase assets from another financial institution	We received the CPP funds on December 4, 2008. We only acquired another financial institution in October 2009, after we repurchased our preferred stock.
<input type="checkbox"/>	Held as non-leveraged increase to total capital	

What actions were you able to avoid because of the capital infusion of CPP funds?

We did not know what was going to happen in the fall of 2008 due to the decline in the economy and the turmoil in the financial industry. The CPP funds gave us capital to make sure that we had a strong balance sheet and could continue to take in deposits and lend under the same underwriting standards that we have always had.

What actions were you able to take that you may not have taken without the capital infusion of CPP funds?

The fact that we received CPP funds at first was a "badge of honor". We were "allowed" to participate in the program. This became a strong point for the bank. However, after the bonus debacle in January 2009 and the reaction by Congress with the passage of the February legislation, the fact that we receive the funds became more of an albatross than a benefit. We had customers and prospects tell us that they did not want to bank with us if we had taken "bailout" money from the government. They did not understand, and many people today do not understand, this was not free money from the government. We had to pay interest on it and pay it back. Therefore, we felt it was imperative that we raise capital and repurchase our preferred shares from the Treasury. We raised the capital in July 2009 and repurchased our stock in September and our warrant in October.

Please describe any other actions that you were able to undertake with the capital infusion of CPP funds.



According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 1505-0222. The time required to complete this information collection is estimated to average 80 hours per response.