

CVB FINANCIAL CORP
Form DEF 14A
April 12, 2006

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SCHEDULE 14A INFORMATION

**PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE
SECURITIES EXCHANGE ACT OF 1934**

(AMENDMENT NO. __)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Definitive

Proxy

Statement

Confidential, for

Use of the

Commission Only

(as permitted by

Rule 14a-6(e)(2))

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Additional

Materials

Soliciting

Material Pursuant

to §240.14a-12

CVB Financial Corp.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

Fee not required.

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(1) Title of each

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(2) Aggregate number of securities to which transaction applies:

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(1) Amount Previously Paid:

(2) Form,
Schedule or
Registration
Statement No.:

(3) Filing Party:

(4) Date Filed:

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**CVB FINANCIAL CORP.
NOTICE OF 2006 ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD MAY 17, 2006**

TO OUR SHAREHOLDERS:

The 2006 Annual Meeting of Shareholders of CVB Financial Corp. will be held at the Ontario Convention Center, 2000 Convention Center Way, Ontario, California 91764 on Wednesday, May 17, 2006 at 7:00 p.m. local time.

At our meeting, we will ask you to act on the following matters:

1. Election of Directors. Elect seven persons to the Board of Directors to serve for a term of one year. The following seven persons are the nominees:

George A. Borba

John A. Borba

Robert M. Jacoby, C.P.A.

Ronald O. Kruse

James C. Seley

San E. Vaccaro

D. Linn Wiley

2. Ratification of Appointment of Independent Registered Public Accountants. Ratify the appointment of McGladrey & Pullen, LLP as independent registered public accountants for 2006.

3. Other Business. Transact any other business which properly comes before the meeting.

Our Bylaws provide for the nomination of directors in the following manner:

Nominations for election of members of the Board of Directors may be made by the Board of Directors or by any shareholder of any outstanding class of voting stock of the corporation entitled to vote for the election of directors. Notice of intention to make any nominations, other than by the Board of Directors, shall be made in writing and shall be received by the President of the corporation no more than 60 days prior to any meeting of shareholders called for the election of directors, and no more than 10 days after the date the notice of such meeting is sent to shareholders pursuant to Section 2.2 of these bylaws; provided, however, that if only 10 days notice of the meeting is given to shareholders such notice of intention to nominate shall be received by the President of the corporation not later than the time fixed in the notice of the meeting for the opening of the meeting. Such notification shall contain the following information to the extent known to the notifying shareholder: (a) the name and address of each proposed nominee; (b) the principal occupation of each proposed nominee; (c) the number of shares of voting stock of the corporation owned by each proposed nominee; (d) the name and residence address of the notifying shareholder; and (e) the number of shares of voting stock of the corporation owned by the notifying shareholder. Nominations not made in accordance herewith shall be disregarded by the then chairman of the meeting, and the inspectors of election shall then disregard all votes cast for each nominee. Additional information

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regarding procedures for shareholders recommending nominees for directors is set forth under the heading
Consideration of Shareholder Nominees.

If you were a shareholder of record at the close of business on March 27, 2006, you may vote at the meeting or at
any postponement or adjournment of the meeting.

IT IS IMPORTANT THAT ALL SHAREHOLDERS VOTE. WE URGE YOU TO SIGN AND RETURN THE
ENCLOSED PROXY AS PROMPTLY AS POSSIBLE, REGARDLESS OF WHETHER OR NOT YOU PLAN TO
ATTEND THE MEETING IN PERSON. IF YOU DO ATTEND THE MEETING, YOU MAY THEN WITHDRAW
YOUR PROXY AND VOTE IN PERSON.

By Order of the Board of Directors

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Corporate Secretary

Dated: April 13, 2006

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**PROXY STATEMENT FOR
CVB FINANCIAL CORP.
701 North Haven Avenue, Suite 350
Ontario, California 91764
(909) 980-4030**

This proxy statement contains information about the annual meeting of shareholders of CVB Financial Corp. to be held on Wednesday, May 17, 2006 beginning at 7:00 p.m., local time, at the Ontario Convention Center, 2000 Convention Center Way, Ontario, California 91764, and at any postponements or adjournments of the meeting. CVB Financial Corp. is also referred to as the Company in this Proxy Statement.

INFORMATION ABOUT THE ANNUAL MEETING AND VOTING

Why Did You Send Me This Proxy Statement?

We sent you this Proxy Statement and the enclosed proxy card because the Board of Directors is soliciting your vote at the 2006 Annual Meeting of Shareholders.

This proxy statement summarizes the information you need to know to cast an informed vote at the meeting. However, you do not need to attend the meeting to vote your shares. Instead, you may simply complete, sign and return the enclosed proxy card.

We will begin sending this proxy statement, notice of annual meeting and the enclosed proxy card on or about April 13, 2006 to all shareholders entitled to vote. The record date for those entitled to vote is March 27, 2006. On March 27, 2006, there were 76,479,277 shares of our common stock outstanding. Common stock is our only class of stock outstanding. We are also sending our Annual Report, including our Annual Report on Form 10-K, to shareholders for the year ended December 31, 2005 along with this proxy statement.

How Do I Vote By Proxy?

Whether you plan to attend the meeting or not, we urge you to complete, sign and date the enclosed proxy card and to return it promptly in the envelope provided. Returning the proxy card will not affect your right to attend the meeting and vote.

If you properly fill in your proxy card and send it to us in time to vote, your proxy (one of the individuals named on your proxy card) will vote your shares as you have directed. If you sign the proxy card but do not make specific choices, your proxy will vote your shares as recommended by the Board of Directors as follows:

FOR the election of all seven nominees for director;

FOR ratification of the appointment of McGladrey & Pullen as our independent registered public accountants for 2006.

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If any other matter is presented, your proxy will vote in accordance with the recommendation of the Board of Directors, or, if no recommendation is given, in their own discretion. At the time this proxy statement went to press, we knew of no matters which needed to be acted on at the meeting, other than those discussed in this proxy statement.

How Many Votes Do I Have?

Each share of common stock entitles you to one vote. The proxy card indicates the number of shares of common stock that you own. However, in the election of directors, you are entitled to cumulate your votes if you are present at the meeting, the nominee s(s) name(s) have properly been placed in nomination, and a shareholder has given notice at the meeting prior to the actual voting of his intention to vote his shares cumulatively. Cumulative voting allows you to give one nominee as many votes as is equal to the number of directors to be elected, multiplied by the number of shares you own, or to distribute your votes in the same fashion between two or more nominees. The return of an executed proxy grants the Board of Directors the discretionary authority to also cumulate votes.

May I Change My Vote After I Return My Proxy Card?

Yes. Even after you have submitted your proxy, you may change your vote at any time before the proxy is exercised, if you file with CVB Financial Corp. s Secretary either a notice of revocation or a duly executed proxy bearing a later date. The powers of the proxy holders will be suspended if you attend the meeting in person and so request, although attendance at the meeting will not by itself revoke a previously granted proxy.

How Do I Vote in Person?

If you plan to attend the meeting and vote in person, we will give you a ballot form when you arrive. However, if your shares are held in the name of your broker, bank or other nominee, you must bring a legal proxy from your broker, bank or other nominee to vote the shares at the meeting.

What Constitutes a Quorum?

The presence at the meeting, in person or by proxy, of the holders of a majority of the shares of common stock outstanding on the record date will constitute a quorum, permitting the conduct of business at the meeting. Proxies which are marked as abstentions will be included in the calculation of the number of shares considered to be present at the meeting.

What Vote Is Required for Each Proposal?

The seven nominees for director who receive the most votes will be elected. So, if you do not vote for a particular nominee, or you indicate WITHHOLD AUTHORITY TO VOTE for a particular nominee on your proxy card, your vote will not count either FOR or AGAINST the nominee. Ratification of the appointment of our auditors requires the approval of a majority of the votes represented and voting at the meeting.

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If you hold your shares of common stock in street name (that is, through a broker or other nominee) and you fail to instruct your broker or nominee as to how to vote your shares, your broker or nominee may in its discretion, vote your shares FOR the election of directors and FOR ratification of the appointment of McGladrey & Pullen, LLP as our independent registered public accountants. Abstentions and broker nonvotes will have no effect on the proposals being submitted at the annual meeting.

What Are the Costs of Solicitation of Proxies?

We will bear the costs of this solicitation, including the expense of preparing, assembling, printing and mailing this Proxy Statement and the material used in this solicitation of proxies. The proxies will be solicited principally through the mails, but CVB Financial Corp.'s directors, officers and regular employees may solicit proxies personally or by telephone. Although there is no formal agreement to do so, we may reimburse banks, brokerage houses and other custodians, nominees and fiduciaries for their reasonable expense in forwarding these proxy materials to their principals. In addition, we may pay for and utilize the services of individuals or companies we do not regularly employ in connection with the solicitation of proxies.

STOCK OWNERSHIP**Who Are the Largest Owners of CVB Financial Corp.'s Common Stock?**

The following table shows the beneficial ownership of common stock as of March 27, 2006 by those persons we know to be the beneficial owners of more than 5% of the outstanding shares of common stock based on information those persons have filed with the Securities and Exchange Commission on Schedule 13G. Beneficial ownership is a technical term broadly defined by the Securities and Exchange Commission to mean more than ownership in the usual sense. So, for example, you beneficially own CVB Financial Corp.'s common stock not only if you hold it directly, but also if you indirectly, through a relationship, contract or understanding, have, or share, the power to vote the stock, to sell it or you have the right to acquire it within 60 days of March 27, 2006:

Name	Address	Common Stock Beneficially Owned	
		Number of Shares	Percent of Class
George A. Borba ⁽¹⁾	c/o Citizens Business Bank 701 N. Haven Avenue Ontario, CA 91764	10,480,476	13.7%
John Vander Schaaf	c/o Citizens Business Bank 701 N. Haven Avenue Ontario, CA 91764	3,840,405	5.0%

⁽¹⁾ Includes 89,479 shares Mr. Borba has the right to acquire within 60 days after March 27, 2006.

Table of Contents**How Much Stock Do CVB Financial Corp. s Directors and Officers Own?**

The following table shows the beneficial ownership of CVB Financial Corp. s common stock as of March 27, 2006 by (i) our Chief Executive Officer and President; (ii) those serving as our executive officers in 2005 and 2006; (iii) each director, all of whom are also nominees for director and (iv) by all directors and executive officers as a group.

Name	Common Stock Beneficially Owned	
	Number of Shares ⁽¹⁾	Percent of Class ⁽²⁾
George A. Borba ⁽³⁾ Chairman of the Board and Nominee	10,480,476	13.7%
John A. Borba ⁽³⁾ Director and Nominee	2,044,687	2.7%
Ronald O. Kruse ⁽³⁾ Director and Nominee	1,721,507	2.2%
Robert M. Jacoby Director and Nominee	6,375	*
James C. Seley ⁽⁴⁾ Director and Nominee	291,859	*
San E. Vaccaro ⁽⁵⁾ Director and Nominee	505,491	*
D. Linn Wiley ⁽⁶⁾ President, Chief Executive Officer, Director and Nominee	686,040	*
Frank Basirico Former Executive Vice President		0.0%
Edward J. Biebrich, Jr. ⁽⁷⁾ Executive Vice President and Chief Financial Officer	205,968	*
Jay W. Coleman ⁽⁸⁾ Executive Vice President	330,319	*
Edwin Pomplun Former Executive Vice President	82,215	*
Edward J. Mylett, Jr. ⁽⁹⁾ Executive Vice President	4,374	*
R. Scott Racusin ⁽¹⁰⁾ Executive Vice President	3,750	*
Current Directors and Executive Officers as a Group (13 persons) ⁽¹¹⁾	16,363,061	21.4%

* Less than 1%.

(1) Except as otherwise noted below, each person directly or indirectly has sole or shared voting and

*investment
power (as
community
property and/or
with such
person s
spouse) with
respect to the
shares listed.*

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- (2) *The percentage for each of these persons or group is based upon the total number of shares of CVB Financial Corp. s common stock outstanding as of March 27, 2006, plus the shares which the respective individual or group has the right to acquire within 60 days after March 27, 2006, by the exercise of stock options.*

- (3) *Includes 89,479 shares which each individual may acquire within 60 days after March 27, 2006, by the exercise of stock options.*

- (4) *Includes 236,683 shares which Mr. Seley may acquire within 60 days after March 27, 2006, by the exercise of stock options.*

- (5) *Includes 138,547 shares which Mr. Vaccaro can acquire*

*within 60 days
after March 27,
2006, by the
exercise of stock
options.*

- (6) *Includes 15,625
shares which
Mr. Wiley may
acquire within
60 days after
March 27, 2006,
by the exercise
of stock options.*

- (7) *Includes
181,362 shares
which
Mr. Biebrich
may acquire
within 60 days
after March 27,
2006, by the
exercise of stock
options.*

- (8) *Includes 6,252
shares which
Mr. Coleman
may acquire
within 60 days
after March 27,
2006, by the
exercise of stock
options.*

- (9) *Includes 4,374
shares which
Mr. Mylett may
acquire within
60 days after
March 27, 2006,
by the exercise
of stock options.*

- (10) *Includes 2,500
shares which
Mr. Racusin
may acquire
within 60 days
after March 27,*

2006, by the exercise of stock options.

(11) Includes 853,780 shares which members of the group may acquire within 60 days after March 27, 2006, by the exercise of stock options.

CORPORATE GOVERNANCE PRINCIPLES AND BOARD MATTERS

The Board of Directors is committed to good business practices, transparency in financial reporting and the highest level of corporate governance. To that end, over the course of a number of months, the Board reviewed its governance policies and practices, as well as the requirements of the Sarbanes-Oxley Act of 2002 and the listing standards of the Nasdaq Stock Market. As a result of this review, we have adopted Corporate Governance Principles, which among other things, provide for:

At least a majority of independent directors;

Audit, compensation and nominating/corporate governance committees consisting solely of independent directors;

Periodic executive sessions of non-management directors;

An annual self-evaluation process for the Board and its committees;

Ethical conduct of directors;

Director access to officers and employees;

Director access to independent advisors;

Periodic review of a management succession plan; and

Methodology for reporting concerns to non-employee directors or the Audit Committee.

A copy of our Corporate Governance Principles is available on our website at www.cbcbank.com under the tab Investor Relations and then Corporate Governance.

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Board Selection Process

We have established a Nominating and Corporate Governance Committee. This committee assists the Board in director selection, as well as review and consideration of developments in corporate governance practices. This committee also recommends to the Board director nominees for each Board committee, and reviews director candidates submitted by shareholders. The Nominating and Corporate Governance Committee is responsible for annually reviewing and evaluating with the Board the appropriate skills and characteristics required of Board members in the context of the current composition of the Board and our goals for nominees to the Board, including nominees who are current Board members. The Nominating and Corporate Governance Committee has the authority to utilize third party providers, as appropriate, to assist it in fulfilling its Board selection function.

In identifying and evaluating nominees for director, the goals of the Nominating and Corporate Governance Committee include maintaining a strong and experienced Board by continually assessing the Board's business background, current responsibilities, community involvement, independence, commitment to CVB Financial Corp. (including meaningful ownership of our common stock with a market value of at least \$100,000) and time available for service. Other important factors the Nominating and Corporate Governance Committee will consider in evaluating nominees include current knowledge and contacts in CVB Financial Corp.'s industry and other industries relevant to CVB Financial Corp.'s business, ability to work together with other Board members and ability to commit adequate time to serve as a director.

Messrs. George Borba, John Borba, Ronald Kruse, James Seley, San Vaccaro, and D. Linn Wiley were elected at the 2005 Annual Meeting of Shareholders. Following the 2005 Annual Meeting of Shareholders, Mr. Robert M. Jacoby was identified as a potential director by George Borba. Mr. Jacoby subsequently joined our Board of Directors on September 21, 2005.

Consideration of Shareholder Nominees

The policy of the Nominating and Corporate Governance Committee is to consider properly submitted shareholder nominations for candidates for membership on the Board of Directors. In evaluating nominees, the Nominating and Corporate Governance Committee will look at the same factors described under the heading Board Selection Process that it uses for nominees which come to its attention from persons other than the Board of Directors.

Recommendations must be submitted in writing to the attention of the Chair of the Nominating and Corporate Governance Committee at the following address:

CVB Financial Corp.
701 N. Haven Avenue, Suite 350
Ontario, California 91764

Shareholders should include in such recommendation, (a) the name and address of each proposed nominee; (b) the principal occupation of each proposed nominee; (c) the number of shares of voting stock of CVB Financial Corp. owned by each proposed nominee and the notifying shareholder; (d) the name and residence address of the notifying shareholder; and (e) a letter from the proposed nominee indicating that such proposed nominee wishes to be considered

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as a nominee for the CVB Financial Corp. Board of Directors and will serve as a member of the CVB Financial Corp. Board if elected. In addition, each recommendation must set forth in detail the reasons why the notifying shareholder believes the proposed nominee meets the criteria set forth in the Nominating and Corporate Governance Committee Charter for serving on CVB Financial Corp. s Board of Directors.

In addition, our Bylaws permit shareholders to nominate directors for consideration at an annual meeting. For a description of the process, see the Notice of 2006 Annual Meeting of Shareholders included herein.

Executive Sessions

Executive sessions of non-management directors are held at least three times a year. The person who presides at these meetings is chosen by the independent directors.

Attendance at Annual Meetings

The Board encourages all of its members to attend the Annual Meeting of Shareholders. Messrs. George Borba, John Borba, Ronald Kruse, James Seley, San Vaccaro, and D. Linn Wiley attended the 2005 Annual Meeting of Shareholders.

Communications with the Board

Shareholders wishing to contact CVB Financial Corp. s Board of Directors, including a committee of the Board, may do so by writing to the following address to the attention of the Board or a committee of the Board at:

Board of Directors

CVB Financial Corp.

701 North Haven Avenue, Suite 350

Ontario, California 91764

Confidential communications may be sent through the internet by logging on to <http://www.reportit.net> and entering the username: Citizens and the password: Citizens. All communications sent to the Board of Directors will be communicated with the entire Board of Directors unless the Chairman of the Board reasonably believes communication with the entire Board of Directors is not appropriate or necessary or the communication is intended only for a specific committee. Shareholders wishing to communicate solely with non-management directors, or confidentially, may do so by writing to the foregoing address at Confidential Corporate Solutions, and sending their communication to the attention of the Nominating and Corporate Governance Committee. The Company s Corporate Secretary keeps a log of all communications sent to the Board of Directors or its committees. This log is available for inspection by the members of the Board of Directors.

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DISCUSSION OF PROPOSALS RECOMMENDED BY THE BOARD
PROPOSAL 1
ELECTION OF DIRECTORS

We have nominated seven directors for election at the annual meeting, which is the number fixed for the election of directors.

We will nominate the persons named below, all of whom are present members of CVB Financial Corp.'s Board of Directors, for election to serve until the 2007 Annual Meeting of Shareholders and until their successors have been elected and qualified. Each of these persons is also a member of the Board of Directors of our principal subsidiary, Citizens Business Bank. With the exception of Mr. Wiley, each of these directors is independent within the meaning of the rules and regulations promulgated by the Nasdaq Stock Market and has been determined to be independent by our Nominating and Corporate Governance Committee. The Board will cast its votes to effect the election of these nominees. If any nominee is unable to serve, your proxy may vote for another nominee proposed by the Board.

The Nominees

The directors standing for reelection are:

Name and Position	Principal Occupation For Past Five Years	Age	Year First Elected or Appointed a Director
George A. Borba ⁽¹⁾ Chairman of the Board	Dairy Farmer, George Borba & Son Dairy	73	1981
John A. Borba ⁽¹⁾ Director	Dairy Farmer, John Borba & Sons	78	1981
Robert M. Jacoby, C.P.A. Director	Certified Public Accountant Chairman, Kruse Investment Co., Inc. and Feed Commodities, LLC	64	2005
Ronald O. Kruse Vice Chairman of the Board and Director	Partner, Seley & Co. (commodity merchant)	67	1981
James C. Seley Director	Attorney	64	1996
San E. Vaccaro Director	President and Chief Executive Officer, CVB Financial Corp. and Citizens Business Bank	73	1999
D. Linn Wiley President, Chief Executive Officer and Director		67	1991

(1) *George A. Borba and John A. Borba are brothers.*

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Biographical information about all of our executive officers is contained under Item 4(a) of our Annual Report on Form 10-K, a copy of which is being mailed with this proxy statement and which is available on the Securities and Exchange Commission's website at <http://www.sec.gov>.

The Board of Directors and Committees

The Board of Directors oversees our business and affairs. The Board also has three standing committees: an Audit Committee, a Compensation Committee and a Nominating and Corporate Governance Committee.

Audit Committee

The Audit Committee of the Board is composed of Messrs. John Borba (Chairman), Robert Jacoby, Ronald Kruse, James Seley, and San Vaccaro. The Audit Committee operates under a written charter, attached hereto as Appendix A, adopted by the Board of Directors. The Audit Committee is a separately designated standing Audit Committee established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended. Each of the members of the Audit Committee is independent within the meaning of the rules and regulations of the Nasdaq Stock Market.

The purpose of the Audit Committee is to oversee and monitor (i) the integrity of our financial statements and its systems of internal accounting and financial controls; (ii) our compliance with applicable legal and regulatory requirements; (iii) our independent auditor qualifications and independence; and (iv) the performance of our internal audit function and independent auditors. The Board of Directors has determined that Mr. Vaccaro and Mr. Jacoby are CVB Financial Corp.'s audit committee financial experts within the meaning of the rules and regulations of the Securities and Exchange Commission.

The Audit Committee has sole authority to appoint or replace the independent auditors (including oversight of audit partner rotation). The Audit Committee is also directly responsible for the compensation and oversight of the work of the independent auditors. The independent auditors report directly to the Audit Committee. Among other things, the Audit Committee prepares the audit committee report for inclusion in the annual proxy statement, reviews and discusses with management and the independent auditor our independent certified audits; reviews and discusses with management and the independent auditor quarterly and annual financial statements; reviews the adequacy and effectiveness of our disclosure controls and procedures; approves all auditing and permitted non-auditing services; reviews significant findings by bank regulators and management's response thereto; establishes procedures to anonymously and confidentially handle complaints we receive regarding auditing matters and accounting and internal accounting controls; and handles the confidential, anonymous submission to it by employees of CVB Financial Corp. of concerns regarding questions to accounting or auditing matters. The Audit Committee also has authority to retain independent legal, accounting and other advisors as the Audit Committee deems necessary or appropriate to carry out its duties. The Audit Committee held 12 meetings during 2005, plus 4 special meetings for the purpose of reviewing SEC filings.

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The report of the Audit Committee is included below.

Audit Committee Report

The following Report of the Audit Committee does not constitute soliciting material and should not be deemed filed or incorporated by reference into any of our other filings under the Securities Act of 1933 or under the Securities Exchange Act of 1934, as amended, except to the extent we specifically incorporate this Report by reference.

The Audit Committee reports to the Board and is responsible for overseeing and monitoring financial accounting and reporting, the system of internal controls established by management and the audit process of CVB Financial Corp. The Audit Committee manages the Company's relationship with its independent auditors (who report directly to the Audit Committee).

In discharging its oversight responsibility, the Audit Committee has met and held discussions with management and McGladrey & Pullen, LLP, the independent auditors for CVB Financial Corp., regarding the audited consolidated financial statements. Management represented to the Audit Committee that the consolidated financial statements were prepared in accordance with generally accepted accounting principles, and the Audit Committee has reviewed and discussed the consolidated financial statements with management and the independent auditors. The Audit Committee discussed with the independent auditors matters required to be discussed by Statement on Auditing Standards No. 61 (*Communications with Audit Committees*).

The Audit Committee also obtained from the independent auditors a formal written statement describing all relationships between CVB Financial Corp. and the auditors that bear on the auditors' independence consistent with Independence Standards Board Standard No. 1, *Independence Discussions with Audit Committee*. The Audit Committee discussed with the independent auditors any relationships that may impact on the firm's objectivity and independence and satisfied itself as to the auditors' independence.

Based on these discussions and reviews, the Audit Committee recommended that the Board of Directors approve the inclusion of CVB Financial Corp.'s audited consolidated financial statements in the Annual Report on Form 10-K for the year ended December 31, 2005, for filing with the Securities and Exchange Commission.

Respectfully submitted by the members of the Audit Committee of the Board of Directors:

Dated: March 27, 2006

THE AUDIT COMMITTEE

JOHN A. BORBA, Chairman

ROBERT M. JACOBY, C.P.A.

RONALD O. KRUSE

JAMES C. SELEY

SAN E. VACCARO

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The Compensation Committee

The Compensation Committee's responsibilities are to oversee CVB Financial Corp.'s compensation and employee benefit plans and practices, including its executive compensation plans and its incentive compensation and equity-based plans. This committee is composed of Messrs. George Borba (Chairman), John Borba, Robert Jacoby, Ronald Kruse, James Seley, and San Vaccaro. Each of the members of the Compensation Committee is independent within the meaning of the rules and regulations of the Nasdaq Stock Market. The Compensation Committee met seven times during 2005.

Nominating and Corporate Governance Committee

The Board of Directors has a Nominating and Corporate Governance Committee consisting of Messrs. George Borba, Chairman, John Borba, Robert Jacoby, Ronald Kruse, James Seley, and San Vaccaro. Each of the members of the Nominating and Corporate Governance Committee is independent within the meanings of the rules and regulations of the Nasdaq Stock Market.

As set forth above, the Nominating and Corporate Governance Committee:

assists the Board by identifying individuals qualified to become Board members;

recommends to the Board the director nominees for the next annual meeting;

recommends to the Board director nominees for each committee; and

develops and recommends a set of corporate governance principles applicable to CVB Financial Corp.

Other specific duties and responsibilities of the Nominating and Corporate Governance Committee include: retaining and terminating any search firm to identify director candidates; receiving communications from shareholders regarding any matters of concern; recommend to the Board directors for each committee; and reviewing and reassessing the adequacy of its charter and its own performance on an annual basis. The procedures for nominating directors, other than by the Board of Directors itself, are set forth in the bylaws and reprinted in the Notice of Annual Meeting of Shareholders. The Charter of the Nominating and Corporate Governance Committee is available on our website at www.cbbank.com under the tab Investor Relations and then Corporate Governance. The Nominating and Corporate Governance Committee held two meetings during 2005.

The Number of Meetings Attended

During 2005, CVB Financial Corp.'s Board of Directors held 12 meetings, and the Board of Directors of Citizens Business Bank held 12 meetings. All of the directors of CVB Financial Corp. and Citizens Business Bank during 2005 attended at least 75% of the aggregate of (i) the total number of CVB Financial Corp. and Citizens Business Bank Board meetings and (ii) the total number of meetings held by all committees of the Board of Directors of CVB Financial Corp. or Citizens Business Bank on which he served during 2005.

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EXECUTIVE COMPENSATION

How Do We Compensate Executive Officers?

Summary of Cash and Certain Other Compensation

The tables on pages 13 and 14 show salaries and bonuses paid during the last three years and 2005 fiscal year-end option values and 2005 option grants for our Chief Executive Officer and our four most highly compensated executive officer during 2005 and one other individual who would have been one of our most highly compensated executive officers at the end of 2005 had he still been an executive officer for us. These are our named executive officers.

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Name and Principal Position	Year	Annual Compensation			Long-Term Compensation Awards	
		Salary(\$)	Bonus(\$)	Other Annual Compensation(\$)	Options(2)(#)	All Other Compensation(\$)(3)
D. LINN WILEY President and Chief Executive Officer of the Company and Citizens Business Bank	2005	518,366	616,875	13,202		16,800
	2004	500,271	72,500	9,308	78,125	16,400
	2003	438,420	248,566	10,957		16,000
EDWARD J. BIEBRICH, Jr. Chief Financial Officer of the Company and Executive Vice President/Chief Financial Officer of Citizens Business Bank	2005	242,346	140,875	5,689		16,800
	2004	233,539	170,375	7,176	31,250	16,400
	2003	192,311	87,001	3,307		16,000
FRANK BASIRICO Former Executive Vice President and Senior Loan Officer of Citizens Business Bank	2005	242,346	140,875	13,356		16,800
	2004	233,088	170,375	12,874	31,250	16,400
	2003	203,811	80,393	9,536		16,000
JAY W. COLEMAN Executive Vice President of Sales and Service Division of Citizens Business Bank	2005	242,346	140,875	11,422		16,800
	2004	234,138	170,375	7,882	31,250	16,400
	2003	196,404	77,265	8,113		16,000
R. SCOTT RACUSIN Executive Vice President of the Financial Advisory Service Group of Citizens Business Bank	2005					
	2004					
	2003	116,923	15,000	8,408	15,625	16,800
EDWIN POMPLUN Former Executive Vice President and Trust Division Manager of Citizens Business Bank	2005	164,204	39,600	9,633		16,800
	2004	166,432	46,170	9,068	1,562	15,894
	2003	170,323	31,590	7,871		14,782

(1) The amount of the aggregate of the other annual compensation did not exceed the lesser of \$50,000 or 10% of the total of annual salary

and bonus for the named executive officer. For each named executive officer, other annual compensation related to the use of Citizens Business Bank owned automobiles and, for Messrs. Wiley and Coleman, country club dues.

- (2) Represents stock options we granted, retroactively adjusted, as appropriate, for the five- for- four stock split effective in January 2006, for the five- for- four stock split effective in December 2004 and the 10% stock dividend distributed in January 2004.*
- (3) Represents amounts Citizens Business Bank contributed to the 401(k) and Profit Sharing Plan and allocated to the named executives vested or*

*unvested
account under
such plan.*

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The following table provides certain information with respect to the grant of stock options during 2005 to our named executive officers.

Name	Option Grants in 2005				Potential realizable value at assumed annual rates of stock price appreciation for option terms	
	Individual Grants Number of securities underlying options granted	Percent of total options granted to employees in fiscal year	Exercise or base price	Expiration date	5% (\$)	10% (\$)
(a)	(#)(1) (b)	(%)(c)	(\$/Sh) (d)	(e)	(f)	(g)
R. Scott Racusin	12,500	9.71%	14.96	5-16-15	117,603.75	298,030.00

(1) *The grant was for stock options (both incentive and nonqualified) which vest at a rate of 20% a year for five years. The grant was made at the fair market value of CVB Financial Corp. common stock on the date of grant pursuant to the Company's 2000 Stock Option Plan which provides for acceleration of vesting in the event of a change in control. The number of*

*securities
underlying
options granted
and option price
has been
adjusted for the
five-for-four
stock split
effective in
January 2006.*

Option Exercises and Holdings

The following table provides information with respect to the exercise of stock options during 2005 by our named executive officers and the value of unexercised options at December 31, 2005.

**Aggregated Option⁽¹⁾ Exercises in Fiscal Year 2005
and Fiscal Year-End Option Values**

Name	Shares Acquired on Exercise ⁽²⁾ (#)	Value Realized (\$)	Number of Unexercised Options at 12/31/05 (#) ⁽²⁾		Value of Unexercised In-the- Money Options at 12/31/05 (\$) ⁽³⁾	
			Exercisable	Unexercisable	Exercisable	Unexercisable
D. Linn Wiley	19,945	108,166		62,501		176,253
Frank Basirico	45,167	353,238		46,485		218,532
Edward J. Biebrich, Jr.			175,110	46,484	1,614,417	218,525
Jay W. Coleman	37,836	260,461		46,485		218,532
R. Scott Racusin				12,500		15,250
Edwin Pomplun	102,770	1,128,123		5,548		32,713

(1) We have no plans pursuant to which stock appreciation rights may be granted.

(2) The number of securities acquired on exercise and available as unexercised options have been adjusted for the five-for-four stock split effective in January 2006.

(3) *Value of unexercised in-the-money options is the difference between the fair market value of the securities underlying the options and the exercise or base price of the options as of December 31, 2005 which was \$16.18, as adjusted for five-for-four stock split effective in January 2006.*

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The following table summarizes information as of December 31, 2005 relating to our equity compensation plans pursuant to which grants of options, restricted stock, or other rights to acquire shares may be granted from time to time.

Equity Compensation Plan Information

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted-average Exercise Price of Outstanding Options, Warrants and Rights(b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	1,869,115	\$9.34	4,060,409
Equity compensation plans not approved by security holders			
Total	1,869,115	\$9.34	4,060,409

Employment Agreement with Our President and Chief Executive Officer

On August 8, 1991, we entered into a renewing one-year employment agreement with Mr. Wiley which sets forth his compensation as President and Chief Executive Officer of CVB Financial Corp. and Citizens Business Bank. The agreement provides for an annual base salary of at least \$300,000. Mr. Wiley's base salary for 2005 was set at \$525,000. This base salary is reviewed and adjusted on an annual basis at the discretion of the Board of Directors. The agreement further provides for Mr. Wiley to receive an annual bonus of \$200,000 for each year after 1991, although Mr. Wiley's actual bonus may be more or less than \$200,000 depending on the attainment of certain performance goals. Additionally, the agreement provides for the use of an automobile, a country club membership, participation in Citizens Business Bank's Profit Sharing Plan and medical and life insurance benefits. In 2003, Mr. Wiley agreed that he would continue to serve CVB Financial Corp. for an additional three years under the same terms of his existing employment agreement. Mr. Wiley also has a severance compensation agreement as described below.

In addition, pursuant to the terms of our 2000 Stock Option Plan, upon a reorganization, merger, or consolidation of CVB Financial Corp. with one or more corporations as a result of which we will not be the surviving or resulting corporation, or a sale of substantially all the assets of CVB Financial Corp. to another person, or a reverse merger in which we are the surviving corporation but the shares of our stock outstanding immediately preceding the merger are converted by virtue of the merger into other property, all outstanding unvested options Mr. Wiley may hold under our 2000 Stock Option Plan will become immediately exercisable.

Severance Compensation Agreements with Our Executive Officers

On March 15, 2006, the Compensation Committee approved new Severance Compensation Agreements for each of the Executive Officers, including its President and C