

FORM 10-K
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT
OF 1934 [FEE REQUIRED]

For the fiscal year ended December 31, 1995

or
 TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934 [NO FEE REQUIRED]

For the transition period from N/A to N/A

Commission file number 1-10394

CVB FINANCIAL CORP.
(Exact name of registrant as specified in its charter)

California 95-3629339
State or other jurisdiction of (I.R.S. Employer Identification No.)
incorporation or organization

701 N. Haven Avenue, Suite 350
Ontario, California 91764
(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code (909) 980-4030

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock	American Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark whether the registrant (1) has filed all reports
required to be filed by Section 13 or 15(d) of the Securities Exchange Act of
1934 during the preceding 12 months (or for such shorter period that the
Registrant was required to file such reports), and (2) has been subject to
such filing requirements for the past 90 days. Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item
405 of Regulation S-K is not contained herein, and will not be contained, to the
best of registrant's knowledge, in definitive proxy or information statements
incorporated by reference in Part III of this Form 10-K or any amendment to this
Form 10-K.

As of March 15, 1996, the aggregate market value of the common stock held
by non-affiliates of the registrant was approximately \$121,008,317.

Number of shares of common stock of the registrant outstanding as of
March 15, 1996: 8,963,579.

The following documents are incorporated by reference herein:

Definitive Proxy Statement Part III of Form 10-K
for the Annual Meeting of Stockholders
which will be filed within 120 days of
the fiscal year ended December 31, 1995

This report includes a total of 76 pages.
Exhibit Index on Page 71.

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PART I

ITEM 1. BUSINESS

CVB FINANCIAL CORP.

CVB Financial Corp. (referred to herein on an unconsolidated basis as "CVB"
and on a consolidated basis as the "Company") is a bank holding company
incorporated in California on April 27, 1981 and registered under the Bank
Holding Company Act of 1956, as amended. The Company commenced business on
December 30, 1981 when, pursuant to a reorganization, it acquired all of the
voting stock of Chino Valley Bank (the "Bank"), which is the Company's
principal asset. The Company has one other operating subsidiary,
Community Trust Deed Services ("Community").

The Company's principal business is to serve as a holding company for the
Bank and Community and for other banking or banking related subsidiaries which
the Company may establish or acquire. The Company has not engaged in any other
activities to date. As a legal entity separate and distinct from its

subsidiaries, CVB's principal source of funds is and will continue to be dividends paid by and other funds advanced from primarily the Bank. Legal limitations are imposed on the amount of dividends that may be paid and loans that may be made by the Bank to CVB. See "Item 1. Business - Supervision and Regulation - Restrictions on Transfers of Funds to CVB by the Bank." At December 31, 1995, the Company had \$936.9 million in total consolidated assets, \$496.4 million in total consolidated net loans and \$803.6 million in total consolidated deposits.

The principal executive offices of the Company and the Bank are located at 701 North Haven Avenue, Suite 350, Ontario, California.

CHINO VALLEY BANK

The Bank was incorporated under the laws of the State of California on December 26, 1973, was licensed by the California State Banking Department and commenced operations as a California state chartered bank on August 9, 1974. The Bank's deposit accounts are insured under the Federal Deposit Insurance Act up to applicable limits. Like many other state chartered banks in California, the Bank is not a member of the Federal Reserve System. At December 31, 1995, the Bank had \$932.6 million in assets, \$498.9 million in net loans and \$804.5 million in deposits.

The Bank currently has 19 banking offices located in San Bernardino County, Riverside County and the eastern portion of Los Angeles County in Southern California. Of the 19 offices, the Bank opened seven as de novo branches and acquired the other twelve in acquisition transactions. Since 1990, the Bank has added seven offices, two in 1990, two in 1993, two in 1994 and one in 1995.

On March 5, 1993, the Company completed its acquisition of Fontana First National Bank, a one-branch bank located in Fontana, California ("Fontana") for

an aggregate cash purchase price of \$5.0 million. As of December 31, 1992, Fontana had total assets of \$26.3 million, net loans of \$18.5 million, deposits of \$22.8 million and shareholders' equity of \$3.4 million.

On October 21, 1993, the Bank entered into an agreement with the Federal Deposit Insurance Corporation (the "FDIC") for the purchase of certain assets and the assumption of deposits and other liabilities of the failed Mid City Bank. The agreement provided the Bank with the ability to re-price the deposits assumed within specific time frames, regardless of the original terms of the deposit. Net of the deposits that were re-priced and allowed to withdraw, the Bank assumed approximately \$20.0 million in deposits, \$2.0 million in investments, and \$18.0 million in loans.

On June 24, 1994, the Company completed its acquisition of Western Industrial National Bank, ("WIN") a two-branch bank located in El Monte, California for an aggregate cash purchase price of \$14.8 million. The Company assumed approximately \$43.5 million in deposits and acquired approximately \$34.1 million in loans. On August 11, 1995, and after regulatory approval, the Bank closed the branch located at 10602 Rush Street, El Monte.

On July 8, 1994, the Bank entered into an Insured Deposit Purchase and Assumption Agreement with the FDIC for the purchase of Pioneer Bank, Fullerton, California ("Pioneer"). The Bank assumed an aggregate of approximately \$52.7 million in deposits and certain assets of Pioneer Bank that included approximately \$12.3 million in loans and \$8.2 million in investments and federal funds sold.

On October 20, 1995, the Bank completed its acquisition of the Victorville office of Vineyard National Bank for an aggregate cash purchase price of \$200,000. The Bank assumed approximately \$4.1 million in deposits and \$952,000 in loans.

On November 1, 1995, the Bank, CVB and Citizens Commercial Trust and Savings Bank of Pasadena, California, ("Citizens Bank of Pasadena"), executed a definitive agreement and plan of reorganization pursuant to which the Bank will acquire Citizens Commercial Trust and Savings Bank by merger. The definitive agreement provides that the shareholders of Citizens Bank of Pasadena will receive \$18,999,999, plus accrued net earnings, subject to adjustments, for the period from October 1, 1995 until the acquisition is consummated. The transaction, which has been approved by the regulatory authorities and the shareholders of Citizens Bank of Pasadena, is expected to be completed either at the end of the first quarter of 1996 or during April of 1996. Citizens Bank of Pasadena had total assets of \$146.0 million, deposits of \$127.0 million, loans of \$62.0 million and shareholders' equity of \$15.7 million as of December 31, 1995. In addition, at December 31, 1995, Citizens Bank of Pasadena held trust assets of approximately \$800,000,000 that were not included on the balance sheet of the bank. Upon consummation of the acquisition of Citizens Bank of Pasadena, the Bank intends to change its name to Citizens Business Bank.

Through its network of banking offices, the Bank emphasizes personalized service combined with offering a full range of banking services to businesses, professionals and individuals located in the service areas of its offices. Although the Bank focuses the marketing of its services to small- and medium-sized businesses, a full range of retail banking services are made available to the local consumer market.

The Bank offers a wide range of deposit instruments. These include checking, savings, money market and time certificates of deposit for both business and personal accounts. The Bank also serves as a federal tax depository for its business customers.

The Bank also provides a full complement of lending products, including commercial, agribusiness, installment and real estate loans. Commercial products include lines of credit and other working capital financing, accounts receivable lending and letters of credit. Financing products for individuals include automobile financing, lines of credit and home improvement and home equity lines of credit. Real estate loans include mortgage and construction loans.

The Bank also offers a wide range of specialized services designed for the needs of its commercial accounts. These services include cash management systems for monitoring cash flow, a credit card program for merchants, courier pick-up and delivery, payroll services and electronic funds transfers by way of domestic and international wires and automated clearing house. The Bank also makes available investment products to customers, including a full array of fixed income vehicles and a program pursuant to which it places its customers' funds in federally insured time certificates of deposit of other institutions. Although the Bank does not currently operate a trust department, it has, in anticipation of the acquisition of Citizens Bank of Pasadena, applied for trust powers and will provide full trust services following consumation of the acquisition.

COMMUNITY TRUST DEED SERVICES

The Company owns 100% of the voting stock of Community, which has one office. Community's services, which are provided to the Bank and non-affiliated persons, include preparing and filing notices of default, reconveyances and related documents and acting as a trustee under deeds of trust. At present, the assets, revenues and earnings of Community are not material in amount as compared to the Bank.

COMPETITION

The banking and financial services business in California generally, and in the Bank's market areas specifically, is highly competitive. The increasingly competitive environment is a result primarily of changes in regulation, changes in technology and product delivery systems, and the accelerating pace of consolidation among financial services providers. The Bank competes for loans and deposits and customers for financial services with other commercial banks, savings and loan associations, securities and brokerage companies, mortgage

companies, insurance companies, finance companies, money market funds, credit unions, and other nonbank financial service providers. Many of these competitors are much larger in total assets and capitalization, have greater access to capital markets, and offer a broader array of financial services than the Bank. In order to compete with the other financial services providers, the Bank principally relies upon local promotional activities, personal relationships established by officers, directors and employees with its customers, and specialized services tailored to meet its customers' needs. In those instances where the Bank is unable to accommodate a customer's needs, the Bank will arrange for those services to be provided by its correspondents. The Bank has 19 offices located in San Bernardino, Riverside, northern Orange and eastern Los Angeles counties. Neither the deposits nor loans of the offices of the Bank exceed 1% of the aggregate deposits or loans of all financial services companies located in the counties in which the Bank operates.

EMPLOYEES

At December 31, 1995, the Company employed 345 persons -- 217 on a full-time and 128 on a part-time basis. The Company believes that its employee relations are satisfactory.

EFFECT OF GOVERNMENTAL POLICIES AND RECENT LEGISLATION

Banking is a business that depends on rate differentials. In general, the difference between the interest rate paid by the Bank on its deposits and its other borrowings and the interest rate received by the Bank on loans extended to its customers and securities held in the Bank's portfolio comprise the major portion of the Company's earnings. These rates are highly sensitive to many factors that are beyond the control of the Bank. Accordingly, the earnings and

growth of the Company are subject to the influence of domestic and foreign economic conditions, including inflation, recession and unemployment.

The commercial banking business is not only affected by general economic conditions but is also influenced by the monetary and fiscal policies of the federal government and the policies of regulatory agencies, particularly the Federal Reserve Board. The Federal Reserve Board implements national monetary policies (with objectives such as curbing inflation and combating recession) by its open-market operations in United States Government securities, by adjusting the required level of reserves for financial institutions subject to its reserve requirements and by varying the discount rates applicable to borrowings by depository institutions. The actions of the Federal Reserve Board in these areas influence the growth of bank loans, investments and deposits and also affect interest rates charged on loans and paid on deposits. The nature and impact of any future changes in monetary policies cannot be predicted.

From time to time, legislation is enacted which has the effect of increasing the cost of doing business, limiting or expanding permissible activities or affecting the competitive balance between banks and other

financial institutions. Proposals to change the laws and regulations governing the operations and taxation of banks, bank holding companies and other financial institutions are frequently made in Congress, in the California legislature and before various bank regulatory and other professional agencies. The Financial Services Modernization Act recently proposed in the House of Representatives would generally permit banks to expand activities further into the areas of securities and insurance, and would reduce the regulatory and paperwork burden that currently affects banks. Additionally, the proposed legislation would force the conversion of savings and loan holding companies into bank holding companies, although unitary savings and loan holding companies authorized to engage in activities as of January 1, 1995 would be exempted. Similar legislation has also been proposed in the Senate. In addition, legislation was recently introduced in Congress that would merge the deposit insurance funds applicable to commercial banks and savings associations and impose a one-time assessment on savings associations to recapitalize the deposit insurance fund applicable to savings associations. The likelihood of any major legislative changes and the impact such changes might have on the Company are impossible to predict. See "Item 1. Business - Supervision and Regulation."

SUPERVISION AND REGULATION

Bank holding companies and banks are extensively regulated under both federal and state law. Set forth below is a summary description of certain laws which relate to the regulation of the Company and the Bank. The description does not purport to be complete and is qualified in its entirety by reference to the applicable laws and regulations.

THE COMPANY

The Company, as a registered bank holding company, is subject to regulation under the Bank Holding Company Act of 1956, as amended (the "BHCA"). The Company is required to file with the Federal Reserve Board quarterly and annual reports and such additional information as the Federal Reserve Board may require pursuant to the BHCA. The Federal Reserve Board may conduct examinations of the Company and its subsidiaries.

The Federal Reserve Board may require that the Company terminate an activity or terminate control of or liquidate or divest certain subsidiaries or affiliates when the Federal Reserve Board believes the activity or the control of the subsidiary or affiliate constitutes a significant risk to the financial safety, soundness or stability of any of its banking subsidiaries. The Federal Reserve Board also has the authority to regulate provisions of certain bank holding company debt, including authority to impose interest ceilings and reserve requirements on such debt. Under certain circumstances, the Company must file written notice and obtain approval from the Federal Reserve Board prior to purchasing or redeeming its equity securities.

Under the BHCA and regulations adopted by the Federal Reserve Board, a bank holding company and its nonbanking subsidiaries are prohibited from requiring certain tie-in arrangements in connection with any extension of credit, lease or sale of property or furnishing of services. Further, the Company is required by the Federal Reserve Board to maintain certain levels of capital. See "Item 1. Business - Supervision and Regulation - Capital Standards."

The Company is required to obtain the prior approval of the Federal Reserve Board for the acquisition of more than 5% of the outstanding shares of any class of voting securities or substantially all of the assets of any bank or bank holding company. Prior approval of the Federal Reserve Board is also required for the merger or consolidation of the Company and another bank holding company.

The Company is prohibited by the BHCA, except in certain statutorily prescribed instances, from acquiring direct or indirect ownership or control of more than 5% of the outstanding voting shares of any company that is not a bank or bank holding company and from engaging directly or indirectly in activities other than those of banking, managing or controlling banks or furnishing services to its subsidiaries. However, the Company, subject to the prior approval of the Federal Reserve Board, may engage in any, or acquire shares of companies engaged in, activities that are deemed by the Federal Reserve Board to be so closely related to banking or managing or controlling banks as to be a proper incident thereto. In making any such determination, the Federal Reserve Board is required to consider whether the performance of such activities by the Company or an affiliate can reasonably be expected to produce benefits to the public, such as greater convenience, increased competition or gains in efficiency, that outweigh possible adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interest or unsound banking practices. The Federal Reserve Board is also empowered to differentiate between activities commenced de novo and activities commenced by acquisition, in whole or in part, of a going concern.

Under Federal Reserve Board regulations, a bank holding company is required to serve as a source of financial and managerial strength to its subsidiary banks and may not conduct its operations in an unsafe or unsound manner. In addition, it is the Federal Reserve Board's policy that in serving as a source of strength to its subsidiary banks, a bank holding company should stand ready to use available resources to provide adequate capital funds to its subsidiary banks during periods of financial stress or adversity and should maintain the financial flexibility and capital-raising capacity to obtain additional resources for assisting its subsidiary banks. A bank holding company's failure to meet its obligations to serve as a source of strength to its subsidiary banks will generally be considered by the Federal Reserve Board to be an unsafe and unsound banking practice or a violation of the Federal Reserve Board's regulations or both. This doctrine has become known as the "source of strength" doctrine. Although the United States Court of Appeals for the Fifth Circuit found the Federal Reserve Board's source of strength doctrine invalid in 1990,

stating that the Federal Reserve Board had no authority to assert the doctrine under the BHCA, the decision, which is not binding on federal courts outside the Fifth Circuit, was reversed by the United States Supreme Court on procedural grounds. The validity of the source of strength doctrine is likely to continue to be the subject of litigation until definitively resolved by the courts or by Congress.

The Company is also a bank holding company within the meaning of Section 3700 of the California Financial Code. As such, the Company and its subsidiaries are subject to examination by, and may be required to file reports with, the California State Banking Department.

Finally, the Company is subject to the periodic reporting requirements of the Securities Exchange Act of 1934, as amended, including but not limited to, filing annual, quarterly and other current reports with the Securities and Exchange Commission.

THE BANK

The Bank, as a California state chartered bank, is subject to primary supervision, periodic examination and regulation by the California Superintendent of Banks ("Superintendent") and the FDIC. If, as a result of an examination of a bank, the FDIC should determine that the financial condition, capital resources, asset quality, earnings prospects, management, liquidity or other aspects of the bank's operations are unsatisfactory or that the bank or its management is violating or has violated any law or regulation, various remedies are available to the FDIC. Such remedies include the power to enjoin "unsafe or unsound" practices, to require affirmative action to correct any conditions resulting from any violation or practice, to issue an administrative order that can be judicially enforced, to direct an increase in capital, to restrict the growth of the bank, to assess civil monetary penalties, to remove officers and directors and ultimately to terminate a bank's deposit insurance, which for a California state-chartered bank would result in a revocation of the bank's charter. The Superintendent has many of the same remedial powers. The Bank has never been the subject of any such actions by the FDIC or the Superintendent.

The deposits of the Bank are insured by the FDIC in the manner and to the extent provided by law. For this protection, the Bank pays a statutory assessment. See "Item 1. Business - Supervision and Regulation - Premiums for Deposit Insurance" Although the Bank is not a member of the Federal Reserve System, it is nevertheless subject to certain regulations of the Federal Reserve Board.

Various requirements and restrictions under the laws of the State of California and the United States affect the operations of the Bank. State and federal statutes and regulations relate to many aspects of the Bank's operations, including reserves against deposits, interest rates payable on deposits, loans, investments, mergers and acquisitions, borrowings, dividends, locations of branch offices and capital requirements. Further, the Bank is required to maintain certain levels of capital. See "Item 1. Business - Supervision and Regulation - Capital Standards."

RESTRICTIONS ON TRANSFERS OF FUNDS TO CVB BY THE BANK

CVB is a legal entity separate and distinct from the Bank. The Company's ability to pay cash dividends is limited by state law.

There are statutory and regulatory limitations on the amount of dividends which may be paid to CVB by the Bank. California law restricts the amount available for cash dividends by state chartered banks to the lesser of its retained earnings or its net income for its last three fiscal years (less any distributions to shareholders made during such period). Notwithstanding this restriction, a bank may, with the prior approval of the Superintendent, pay a cash dividend in an amount not exceeding the greater of the retained earnings of the bank, net income for such bank's last preceding fiscal year, and the net income of the bank for its current fiscal year.

The FDIC also has authority to prohibit the Bank from engaging in activities that, in the FDIC's opinion, constitute unsafe or unsound practices in conducting its business. It is possible, depending upon the financial condition of the bank in question and other factors, that the FDIC could assert that the payment of dividends or other payments might, under some circumstances, be such an unsafe or unsound practice. Further, the FDIC and the Federal Reserve Board have established guidelines with respect to the maintenance of appropriate levels of capital by banks or bank holding companies under their jurisdiction. Compliance with the standards set forth in such guidelines and the restrictions that are or may be imposed under the prompt corrective action provisions of federal law could limit the amount of dividends which the Bank or the Company may pay. See "Item 1. Business - Supervision and Regulation - Prompt Corrective Regulatory Action and Other Enforcement Mechanisms" and - "Capital Standards" for a discussion of these additional restrictions on capital distributions.

At present, substantially all of CVB's revenues, including funds available for the payment of dividends and other operating expenses, is, and will continue to be, primarily dividends paid by the Bank. At December 31, 1995, the Bank had 3.3 million in retained earnings available for the payment of cash dividends.

The Bank is subject to certain restrictions imposed by federal law on any extensions of credit to, or the issuance of a guarantee or letter of credit on behalf of, CVB or other affiliates, the purchase of or investments in stock or other securities thereof, the taking of such securities as collateral for loans

and the purchase of assets of CVB or other affiliates. Such restrictions prevent CVB and such other affiliates from borrowing from the Bank unless the loans are secured by marketable obligations of designated amounts. Further, such secured loans and investments by the Bank to or in CVB or to or in any other affiliate is limited to 10% of the Bank's capital and surplus (as defined by federal regulations) and such secured loans and investments are limited, in the aggregate, to 20% of the Bank's capital and surplus (as defined by federal regulations). California law also imposes certain restrictions with respect to transactions involving CVB and other controlling persons of the Bank. Additional restrictions on transactions with affiliates may be imposed on the Bank under the prompt corrective action provisions of federal law. See "Item 1. Business - Supervision and Regulation - Prompt Corrective Regulatory Action and Other Enforcement Mechanisms."

CAPITAL STANDARDS

The Federal Reserve Board and the FDIC have adopted risk-based minimum capital guidelines intended to provide a measure of capital that reflects the degree of risk associated with a banking organization's operations for both transactions reported on the balance sheet as assets and transactions, such as letters of credit and recourse arrangements, which are recorded as off balance sheet items. Under these guidelines, nominal dollar amounts of assets and credit equivalent amounts of off balance sheet items are multiplied by one of several risk adjustment percentages, which range from 0% for assets with low credit risk, such as certain U.S. Treasury securities, to 100% for assets with relatively high credit risk, such as commercial loans.

A banking organization's risk-based capital ratios are obtained by dividing its qualifying capital by its total risk adjusted assets. The regulators measure risk-adjusted assets, which includes off balance sheet items, against both total qualifying capital (the sum of Tier 1 capital and limited amounts of Tier 2 capital) and Tier 1 capital. Tier 1 capital consists primarily of common stock, retained earnings, noncumulative perpetual preferred stock (cumulative perpetual preferred stock for bank holding companies) and minority interests in certain subsidiaries, less most intangible assets. Tier 2 capital may consist of a limited amount of the allowance for possible loan and lease losses, cumulative preferred stock, long term preferred stock, eligible term subordinated debt and certain other instruments with some characteristics of equity. The inclusion of elements of Tier 2 capital is subject to certain other requirements and limitations of the federal banking agencies. The federal banking agencies require a minimum ratio of qualifying total capital to risk-adjusted assets of 8% and a minimum ratio of Tier 1 capital to risk-adjusted assets of 4%.

In addition to the risk-based guidelines, federal banking regulators require banking organizations to maintain a minimum amount of Tier 1 capital to total assets, referred to as the leverage ratio. For a banking organization rated in the highest of the five categories used by regulators to rate banking organizations, the minimum leverage ratio of Tier 1 capital to total assets is

3%. For all banking organizations not rated in the highest category, the minimum leverage ratio must be at least 100 to 200 basis points above the 3% minimum, or 4% to 5%. In addition to these uniform risk-based capital guidelines and leverage ratios that apply across the industry, the regulators have the discretion to set individual minimum capital requirements for specific institutions at rates significantly above the minimum guidelines and ratios.

In August 1995, the federal banking agencies adopted final regulations specifying that the agencies will include, in their evaluations of a bank's capital adequacy, an assessment of the exposure to declines in the economic value of the bank's capital due to changes in interest rates. The final regulations, however, do not include a measurement framework for assessing the level of a bank's exposure to interest rate risk, which is the subject of a proposed policy statement issued by the federal banking agencies concurrently with the final regulations. The proposal would measure interest rate risk in relation to the effect of a 200 basis point change in market interest rates on the economic value of a bank. Banks with high levels of measured exposure or weak management systems generally will be required to hold additional capital for interest rate risk. The specific amount of capital that may be needed would be determined on a case-by-case basis by the examiner and the appropriate federal banking agency. Because this proposal has only recently been issued, the Bank currently is unable to predict the impact of the proposal on the Bank if the policy statement is adopted as proposed.

In January 1995, the federal banking agencies issued a final rule relating to capital standards and the risks arising from the concentration of credit and nontraditional activities. Institutions which have significant amounts of their assets concentrated in high risk loans or nontraditional banking activities and who fail to adequately manage these risks, will be required to set aside capital in excess of the regulatory minimums. The federal banking agencies have not imposed any quantitative assessment for determining when these risks are significant, but have identified these issues as important factors they will review in assessing an individual bank's capital adequacy.

In December 1993, the federal banking agencies issued an interagency policy statement on the allowance for loan and lease losses which, among other things, establishes certain benchmark ratios of loan loss reserves to classified assets. The benchmark set forth by such policy statement is the sum of (a) assets classified loss; (b) 50 percent of assets classified doubtful; (c) 15 percent of assets classified substandard; and (d) estimated credit losses on other assets over the upcoming 12 months.

Federally supervised banks and savings associations are currently required to report deferred tax assets in accordance with SFAS No. 109. The federal banking agencies issued final rules governing banks and bank holding companies, which become effective April 1, 1995, which limit the amount of deferred tax assets that are allowable in computing an institutions regulatory

capital. The standard has been in effect on an interim basis since March 1993. Deferred tax assets that can be realized for taxes paid in prior carryback years and from future reversals of existing taxable temporary differences are generally not limited. Deferred tax assets that can only be realized through future taxable earnings are limited for regulatory capital purposes to the lesser of (i) the amount that can be realized within one year of the quarter-end report date, or (ii) 10% of Tier 1 capital. The amount of any deferred tax in excess of this limit would be excluded from Tier 1 capital and total assets and regulatory capital calculations.

Future changes in regulations or practices could further reduce the amount of capital recognized for purposes of capital adequacy. Such a change could affect the ability of the Bank to grow and could restrict the amount of profits, if any, available for the payment of dividends.

As of December 31, 1995, the Company and the Bank had total risk-based capital ratios of 13.06% and 12.39%, Tier 1 risk-based capital ratios of 11.79% and 11.12% and leverage ratios of 8.05% and 7.56%, respectively.

PROMPT CORRECTIVE ACTION AND OTHER ENFORCEMENT MECHANISMS

Federal law requires each federal banking agency to take prompt corrective action to resolve the problems of insured depository institutions, including but not limited to those that fall below one or more prescribed minimum capital ratios. The law required each federal banking agency to promulgate regulations defining the following five categories in which an insured depository institution will be placed, based on the level of its capital ratios: well capitalized, adequately capitalized, undercapitalized, significantly undercapitalized and critically undercapitalized.

In September 1992, the federal banking agencies issued uniform final regulations implementing the prompt corrective action provisions of federal law. An insured depository institution generally will be classified in the following categories based on capital measures indicated below:

"Well capitalized"

Total risk-based capital of 10%;
Tier 1 risk-based capital of 6%;
Leverage ratio of 5%.

"Adequately capitalized"

Total risk-based capital of 8%;
Tier 1 risk-based capital of 4% and
and Leverage ratio of 4%.

"Undercapitalized"

Total risk-based capital less than 8%;
Tier 1 risk-based capital less than 4%;
or Leverage ratio less than 4%.

"Significantly undercapitalized"

Total risk-based capital less than 6%;
Tier 1 risk-based capital less than 3%;
or Leverage ratio less than 3%.

"Critically undercapitalized"

Tangible equity to total assets less than 2%.

An institution that, based upon its capital levels, is classified as "well capitalized" "adequately capitalized" or "undercapitalized" may be treated as though it were in the next lower capital category if the appropriate federal banking agency, after notice and opportunity for hearing, determines that an unsafe or unsound condition or an unsafe or unsound practice warrants such treatment. At each successive lower capital category, an insured depository institution is subject to more restrictions. The federal banking agencies, however, may not treat an institution as "critically undercapitalized" unless its capital ratio actually warrants such treatment.

The law prohibits insured depository institutions from paying management fees to any controlling persons or, with certain limited exceptions, making capital distributions if after such transaction the institution would be undercapitalized. If an insured depository institution is undercapitalized, it will be closely monitored by the appropriate federal banking agency, subject to asset growth restrictions and required to obtain prior regulatory approval for acquisitions, branching and engaging in new lines of business. Any undercapitalized depository institution must submit an acceptable capital restoration plan to the appropriate federal banking agency 45 days after becoming undercapitalized. The appropriate federal banking agency cannot accept a capital plan unless, among other things, it determines that the plan (i) specifies the steps the institution will take to become adequately capitalized, (ii) is based on realistic assumptions and (iii) is likely to succeed in restoring the depository institution's capital. In addition, each company controlling an undercapitalized depository institution must guarantee that the institution will comply with the capital plan until the depository institution has been adequately capitalized on an average basis during each of four consecutive calendar quarters and must otherwise provide adequate assurances of performance. The aggregate liability of such guarantee is limited to the lesser of (a) an amount equal to 5% of the depository institution's total assets at the time the institution became undercapitalized or (b) the amount which is necessary to bring the institution into compliance with all capital standards applicable to such institution as of the time the institution fails to comply with its capital restoration plan. Finally, the appropriate federal banking agency may impose any of the additional restrictions or sanctions that it may impose on significantly undercapitalized institutions if it determines that such action will further the purpose of the prompt corrective action provisions.

An insured depository institution that is significantly undercapitalized, or is undercapitalized and fails to submit, or in a material respect to implement, an acceptable capital restoration plan, is subject to additional restrictions and sanctions. These include, among other things: (i) a forced sale of voting shares to raise capital or, if grounds exist for appointment of a receiver or conservator, a forced merger; (ii) restrictions on transactions with affiliates; (iii) further limitations on interest rates paid on deposits; (iv) further restrictions on growth or required shrinkage; (v) modification or termination of specified activities; (vi) replacement of directors or senior executive officers; (vii) prohibitions on the receipt of deposits from correspondent institutions; (viii) restrictions on capital distributions by the holding companies of such institutions; (ix) required divestiture of

subsidiaries by the institution; or (x) other restrictions as determined by the appropriate federal banking agency. Although the appropriate federal banking agency has discretion to determine which of the foregoing restrictions or sanctions it will seek to impose, it is required to force a sale of voting shares or merger, impose restrictions on affiliate transactions and impose restrictions on rates paid on deposits unless it determines that such actions would not further the purpose of the prompt corrective action provisions. In addition, without the prior written approval of the appropriate federal banking agency, a significantly undercapitalized institution may not pay any bonus to its senior executive officers or provide compensation to any of them at a rate that exceeds such officer's average rate of base compensation during the 12 calendar months preceding the month in which the institution became undercapitalized.

Further restrictions and sanctions are required to be imposed on insured depository institutions that are critically undercapitalized. For example, a critically undercapitalized institution generally would be prohibited from engaging in any material transaction other than in the ordinary course of business without prior regulatory approval and could not, with certain exceptions, make any payment of principal or interest on its subordinated debt beginning 60 days after becoming critically undercapitalized. Most importantly, however, except under limited circumstances, the appropriate federal banking agency, not later than 90 days after an insured depository institution becomes critically undercapitalized, is required to appoint a conservator or receiver for the institution. The board of directors of an insured depository institution would not be liable to the institution's shareholders or creditors for consenting in good faith to the appointment of a receiver or conservator or to an acquisition or merger as required by the regulator.

In addition to measures taken under the prompt corrective action provisions, commercial banking organizations may be subject to potential enforcement actions by the federal regulators for unsafe or unsound practices in conducting their businesses or for violations of any law, rule, regulation or any condition imposed in writing by the agency or any written agreement with the agency. See "Item 1. Business - Supervision and Regulation -- Potential Enforcement Actions."

SAFETY AND SOUNDNESS STANDARDS

In July 1995, the federal banking agencies adopted final safety and soundness guidelines for all insured depository institutions. The guidelines set forth operational and managerial standards relating to internal controls, information systems, internal audit systems, loan underwriting and documentation, compensation and interest rate exposure. In general, the guidelines are designed to assist the federal banking agencies in identifying and addressing problems at insured depository institutions before capital becomes impaired. If an institution fails to meet these guidelines, the appropriate federal banking agency may require the institution to submit a compliance plan. Failure to submit a compliance plan may result in enforcement

proceedings. Additional guidelines on earnings and classified assets are expected to be issued in the near future.

In December 1992, the federal banking agencies issued final regulations prescribing uniform guidelines for real estate lending. The regulations, which became effective on March 19, 1993, require insured depository institutions to adopt written policies establishing standards, consistent with such guidelines, for extensions of credit secured by real estate. The policies must address loan portfolio management, underwriting standards and loan to value limits that do not exceed the supervisory limits prescribed by the regulations.

Appraisals for "real estate related financial transactions" must be conducted by either state certified or state licensed appraisers for transactions in excess of certain amounts. State certified appraisers are required for all transactions with a transaction value of \$1,000,000 or more; for all nonresidential transactions valued at \$250,000 or more; and for "complex" 1-4 family residential properties of \$250,000 or more. A state licensed appraiser is required for all other appraisals. However, appraisals performed in connection with "federally related transactions" must now comply with the agencies' appraisal standards. Federally related transactions include the sale, lease, purchase, investment in, or exchange of, real property or interests in real property, the financing or refinancing of real property, and the use of real property or interests in real property as security for a loan or investment, including mortgage-backed securities.

PREMIUMS FOR DEPOSIT INSURANCE

Federal law has established several mechanisms to increase funds to protect deposits insured by the Bank Insurance Fund ("BIF") administered by the FDIC. The FDIC is authorized to borrow up to \$30 billion from the United States Treasury; up to 90% of the fair market value of assets of institutions acquired by the FDIC as receiver from the Federal Financing Bank; and from depository institutions that are members of the BIF. Any borrowings not repaid by asset sales are to be repaid through insurance premiums assessed to member institutions. Such premiums must be sufficient to repay any borrowed funds within 15 years and provide insurance fund reserves of \$1.25 for each \$100 of insured deposits. The result of these provisions is that the assessment rate on deposits of BIF members could increase in the future. The FDIC also has authority to impose special assessments against insured deposits.

The FDIC implemented a final risk-based assessment system, effective January 1, 1994, under which an institution's premium assessment is based on the probability that the deposit insurance fund will incur a loss with respect to the institution, the likely amount of any such loss, and the revenue needs of the deposit insurance fund. As long as BIF's reserve ratio is less than a specified "designated reserve ratio," 1.25%, the total amount raised from BIF members by the risk-based assessment system may not be less than the amount that would be raised if the assessment rate for all BIF members were .023% of

deposits. On August 8, 1995, the FDIC announced that the designated reserve ratio had been achieved and, accordingly, issued final regulations adopting an assessment rate schedule for BIF members of 4 to 31 basis points effective on June 1, 1995. On November 14, 1995, the FDIC further reduced deposit insurance premiums to a range of 0 to 27 basis points effective for the semi-annual period beginning January 1, 1996.

Under the risk-based assessment system, a BIF member institution such as the Bank is categorized into one of three capital categories (well capitalized, adequately capitalized, and undercapitalized) and one of three categories based on supervisory evaluations by its primary federal regulator (in the Bank's case, the FDIC). The three supervisory categories are: financially sound with only a few minor weaknesses (Group A), demonstrates weaknesses that could result in significant deterioration (Group B), and poses a substantial probability of loss (Group C). The capital ratios used by the FDIC to define well-capitalized, adequately capitalized and undercapitalized are the same in the FDIC's prompt corrective action regulations. The BIF assessment rates are summarized below; assessment figures are expressed in terms of cents per \$100 in deposits.

Assessment Rates Effective January 1, 1996

	Group A	Group B	Group C
Well Capitalized	0*	3	17
Adequately Capitalized	3	10	24
Undercapitalized	10	24	27

*Subject to a statutory minimum assessment of \$1,000 per semi-annual period (which also applies to all other assessment risk classifications).

A number of proposals have recently been introduced in Congress to address the disparity in bank and thrift deposit insurance premiums. On September 19, 1995, legislation was introduced and referred to the House Banking Committee that would, among other things: (i) impose a requirement on all SAIF member institutions to fully recapitalize the SAIF by paying a one-time special assessment of approximately 85 basis points on all assessable deposits as of March 31, 1995, which assessment would be due as of January 1, 1996; (ii) spread the responsibility for FICO interest payments across all FDIC-insured institutions on a pro-rata basis, subject to certain exceptions; (iii) require that deposit insurance premium assessment rates applicable to SAIF member institutions be no less than deposit insurance premium assessment rates applicable to BIF member institutions; (iv) provide for a merger of the BIF and SAIF as of January 1, 1998; (v) require savings associations to convert to state of national bank charters by January 1, 1998; (vi) require savings associations to divest any activities not permissible for commercial banks within five years; (vii) eliminate the bad-debt reserve deduction for savings associations, although savings associations would not be required to recapture into income their accumulated bad-debt reserves; (viii) provide for the conversion of savings and loan holding companies into bank holding companies as of January 1,

1998, although unitary savings and loan holding companies authorized to engage in activities as of September 13, 1995 would have such authority grandfathered (subject to certain limitations); and (ix) abolish the OTS and transfer the OTS' regulatory authority to the other federal banking agencies. The legislation would also provide that any savings association that would become undercapitalized under the prompt corrective action regulations as a result of the special deposit premium assessment could be exempted from payment of the assessment, provided that the institution would continue to be subject to the payment of semiannual assessments under the current rate schedule following the recapitalization of the SAIF. The legislation was considered and passed by the House Banking Committee's Subcommittee on Financial Institutions on September 27, 1995, and has not yet been acted on by the full House Banking Committee.

On September 20, 1995, similar legislation was introduced in the Senate, although the Senate bill does not include a comprehensive approach for merging the savings association and commercial bank charters. The Senate bill remains pending before the Senate Banking Committee.

The future of both these bills is linked with that of pending budget reconciliation legislation since some of the major features of the bills are included in the Seven-Year Balanced Budget Reconciliation Act. The budget bill, which was passed by both the House and Senate on November 17, 1995 and vetoed by the President on December 6, 1995, would: (i) recapitalize the SAIF through a special assessment of between 70 and 80 basis points on deposits held by institutions as of March 31, 1995; (ii) provide an exemption to this rule for weak institutions, and a 20% reduction in the SAIF-assessable deposits of so-called "akar banks"; (iii) expand the assessment base for FICO payments to include all FDIC-insured institutions; (iv) merge the BIF and SAIF on January 1, 1998, only if no insured depository institution is a savings association on that date; (v) establish a special reserve for the SAIF on January 1, 1998; and (vi) prohibit the FDIC from setting semiannual assessments in excess of the amount needed to maintain the reserve ratio of any fund at the designated reserve ratio. The bill does not include a provision to merge the charters of savings associations and commercial banks.

In light of ongoing debate over the content and fate of the budget bill, the different proposals currently under consideration and the uncertainty of the Congressional budget and legislative processes in general, management cannot predict whether any or all of the proposed legislation will be passed, or in what form. Accordingly, the effect of any such legislation on the Bank cannot be determined.

INTERSTATE BANKING AND BRANCHING

In September 1994, the Riegel-Neal Interstate Banking and Branching Efficiency Act of 1994 (the "Interstate Act") became law. Under the Interstate Act, beginning one year after the date of enactment, a bank holding company that is adequately capitalized and managed may obtain approval under the BHCA to

acquire an existing bank located in another state without regard to state law. A bank holding company would not be permitted to make such an acquisition if, upon consummation, it would control (a) more than 10% of the total amount of deposits of insured depository institutions in the United States or (b) 30% or more of the deposits in the state in which the bank is located. A state may limit the percentage of total deposits that may be held in that state by any one bank or bank holding company if application of such limitation does not discriminate against out-of-state banks. An out-of-state bank holding company may not acquire a state bank in existence for less than a minimum length of time that may be prescribed by state law except that a state may not impose more than a five year existence requirement.

The Interstate Act also permits, beginning June 1, 1997, mergers of insured banks located in different states and conversion of the branches of the acquired bank into branches of the resulting bank. Each state may permit such combinations earlier than June 1, 1997, and may adopt legislation to prohibit interstate mergers after that date in that state or in other states by that state's banks. The same concentration limits discussed in the preceding paragraph apply. The Interstate Act also permits a national or state bank to establish branches in a state other than its home state if permitted by the laws of that state, subject to the same requirements and conditions as for a merger transaction.

In October 1995, California adopted "opt in" legislation under the Interstate Act that permits out-of-state banks to acquire California banks that satisfy a five-year minimum age requirement (subject to exceptions for supervisory transactions) by means of merger or purchases of assets, although entry through acquisition of individual branches of California institutions and de novo branching into California are not permitted. The Interstate Act and the California branching statute will likely increase competition from out-of-state banks in the markets in which the Company operates, although it is difficult to assess the impact that such increased competition may have on the Company's operations.

COMMUNITY REINVESTMENT ACT AND FAIR LENDING DEVELOPMENTS

The Bank is subject to certain fair lending requirements and reporting obligations involving home mortgage lending operations and Community Reinvestment Act ("CRA") activities. The CRA generally requires the federal banking agencies to evaluate the record of a financial institution in meeting the credit needs of their local communities, including low and moderate income neighborhoods. In addition to substantial penalties and corrective measures that may be required for a violation of certain fair lending laws, the federal banking agencies may take compliance with such laws and CRA into account when regulating and supervising other activities.

In May 1995, the federal banking agencies issued final regulations which change the manner in which they measure a bank's compliance with its CRA obligations. The final regulations adopt a performance-based evaluation system which bases CRA ratings on an institution's actual lending service and

investment performance rather than the extent to which the institution conducts needs assessments, documents community outreach or complies with other procedural requirements.

In March 1994, the federal Interagency Task Force on Fair Lending issued a policy statement on discrimination in lending. The policy statement describes the three methods that federal agencies will use to prove discrimination: overt evidence of discrimination, evidence of disparate treatment and evidence of disparate impact.

POTENTIAL ENFORCEMENT ACTIONS

Commercial banking organizations, such as the Bank, and their institution-affiliated parties, which include the Company, may be subject to potential enforcement actions by the Federal Reserve Board, the FDIC and the Superintendent for unsafe or unsound practices in conducting their businesses or for violations of any law, rule, regulation or any condition imposed in writing by the agency or any written agreement with the agency. Enforcement actions may include the imposition of a conservator or receiver, the issuance of a cease-and-desist order that can be judicially enforced, the termination of insurance of deposits (in the case of the Bank), the imposition of civil money penalties, the issuance of directives to increase capital, the issuance of formal and informal agreements, the issuance of removal and prohibition orders against institution-affiliated parties and the imposition of restrictions and sanctions under the prompt corrective action provisions of the FDIC Improvement Act. Additionally, a holding company's inability to serve as a source of strength to its subsidiary banking organizations could serve as an additional basis for a regulatory action against the holding company. Neither the Company nor the Bank have been subject to any such enforcement actions.

ITEM 2. PROPERTIES

The principal executive offices of the Company and the Bank are located at 701 N. Haven Avenue, Suite 350, Ontario, California. The office of Community is located at 125 East "H" Street, Colton, California.

The Bank occupies the premises for fourteen of its offices under leases expiring at various dates from 1995 through 2014. The Bank owns the premises for its six other offices.

The Company's total occupancy expense, exclusive of furniture and equipment expense, for the year ended December 31, 1994, was \$3.2 million. Management believes that its existing facilities are adequate for its present purposes. However, management currently intends to increase the Bank's assets over the next several years and anticipates that a substantial portion of this growth will be accomplished through acquisition or de novo opening of additional banking offices. For additional information concerning properties, see Notes 6 and 10 of the Notes to the Consolidated Financial Statements included in this report. See "Item 8. Financial Statements and Supplemental Data."

ITEM 3. LEGAL PROCEEDINGS

From time to time the Company and the Bank are party to claims and legal proceedings arising in the ordinary course of business. After taking into consideration information furnished by counsel to the Company and the Bank management believes that the ultimate aggregate liability represented thereby, if any, will not have a material adverse effect on the Company's consolidated financial position or results of operations.

ITEM 4. Submission of Matters to a Vote of Security Holders

No matters were submitted to shareholders during the fourth quarter of 1995.

ITEM 4(A). EXECUTIVE OFFICERS OF THE REGISTRANT

As of March 15, 1995, the principal executive officers of the Company and Chino are:

Name	Position	Age
George A. Borba	Chairman of the Board of the Company and the Bank	63
D. Linn Wiley	President and Chief Executive Officer of the Company and the Bank	57
Vincent T. Breitenberger	Executive Vice President/Senior Loan Officer of the Bank	62
Jay W. Coleman	Executive Vice President of the Bank	53
Robert J. Schurheck	Chief Financial Officer of the Company and Executive Vice President and Chief Financial Officer of the Bank	63

Other than George A. Borba, who is the brother of John A. Borba, a director of the Company and the Bank, there is no family relationship among any of the above-named officers or any of the Company's directors.

Mr. Borba has served as Chairman of the Board of the Company since its organization in April 1981 and Chairman of the Board of the Bank since its organization in December 1973. In addition, Mr. Borba is the owner of George Borba Dairy.

Mr. Wiley has served as President and Chief Executive Officer of the Company since October 4, 1991. Mr. Wiley joined the Company and Bank as a director and as President and Chief Executive Officer designate on August 21, 1991. Prior to that, Mr. Wiley served as an Executive Vice President of Wells Fargo Bank from April 1, 1990 to August 20, 1991. From 1988 to April 1, 1990 Mr. Wiley served as the President and Chief Administrative Officer of Central Pacific Corporation, and from 1983 to 1990 he was the President and Chief Executive Officer of American National Bank.

Mr. Breitenberger has served as Executive Vice President of the Bank since April 1982, and prior to that time was Senior Vice President of the Bank from November 1980 to March 1982. He has been the Senior Loan Officer of the Bank since November 1980.

Mr. Coleman assumed the position of Executive Vice President of the Bank on December 5, 1988. Prior to that he served as President and Chief Executive Officer of Southland Bank, N.A. from March 1983 to April 1988.

Mr. Schurheck assumed the position of Chief Financial Officer of the Company and Executive Vice President/Chief Financial Officer of the Bank on March 1, 1990. He served as Senior Vice President of the Bank from September 11, 1989 to February 28, 1990. Prior to that he served as Senior Vice President of General Bank from June 1988 to September 1989. From July 1987 to June 1988 Mr. Schurheck was a self-employed consultant; from December 1973 to June 1987 he was Senior Vice President of Operations and Finance of State Bank in Lake Havasu City, Arizona.

PART II

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS.

Shares of CVB Financial Corp. common stock price decreased from an average price of \$13.01 per share for the first quarter of 1995 to an average per share price of \$12.80 for the fourth quarter of 1995. Fears regarding the economy, weak California real estate prices, and bank capital levels continued to dominate investors' perceptions of bank stocks in the region, regardless of the performance of CVB Financial Corp. The average per share price for the fourth quarter of 1995 represented a multiple of book value of approximately 1.46. The following table presents the high and low sales prices for the Company's common stock during each quarter for the past three years. The share prices and cash dividend per share amounts presented for all periods have been restated to give retroactive effect, as applicable, of the ten percent stock dividend declared on December 20, 1995 and stock dividends declared in 1994 and 1993. The Company had approximately 1,032 shareholders of record as of December 31, 1995.

Three Year Summary of Common Stock Prices

Quarter Ended	High	Low	Dividends
3/31/93	\$10.14	\$7.05	\$.060 Cash Dividend
6/30/93	\$9.44	\$8.26	\$.060 Cash Dividend
9/30/93	\$11.08	\$9.02	\$.060 Cash Dividend
12/31/93	\$11.17	\$9.67	\$.060 Cash Dividend 10% Stock Dividend
3/31/94	\$10.95	\$9.40	\$.066 Cash Dividend
6/30/94	\$11.98	\$9.71	\$.066 Cash Dividend
9/30/94	\$13.23	\$11.67	\$.066 Cash Dividend
12/31/94	\$13.23	\$11.15	\$.066 Cash Dividend 10% Stock Dividend
3/31/95	\$14.09	\$12.05	\$.073 Cash Dividend
6/30/95	\$12.73	\$11.48	\$.073 Cash Dividend
9/30/95	\$11.93	\$11.48	\$.073 Cash Dividend
12/31/95	\$13.75	\$11.76	\$.073 Cash Dividend 10% Stock Dividend

The Company lists its common stock on the American Stock Exchange under the symbol "CVB."

ITEM 6. SELECTED FINANCIAL DATA

	1995	1994	1993	1992	1991
Net Interest Income	\$ 48,140,875	\$ 42,818,669	\$ 35,891,367	\$ 32,020,207	\$ 29,460,946
Provision for Credit Losses	2,575,000	350,000	1,720,000	1,772,109	604,000
Other Operating Income	9,090,442	7,586,410	10,744,921	7,897,796	7,038,897
Other Operating Expenses	35,053,016	32,434,624	29,353,759	23,419,389	22,709,783
Earnings Before Income Taxes	19,603,301	17,620,455	15,562,529	14,726,505	13,186,060
Income Taxes	8,145,842	7,185,679	6,040,178	5,711,445	5,217,380
NET EARNINGS	\$ 11,457,459	\$ 10,434,776	9,522,351	9,015,060	7,968,680
Net Earnings Per Common Share(F1)	\$ 1.22	\$ 1.13	\$ 1.05	\$ 1.02	\$ 0.91
Stock Dividends	10%	10%	10%	10%	---
Cash Dividends Declared Per Share(F1)	\$ 0.29	\$ 0.26	0.24	0.22	0.20
Dividend Pay-Out Ratio	23.77%	23.01%	22.86%	21.57%	21.98%

FINANCIAL POSITION:

Assets	\$ 936,939,922	\$ 836,095,349	\$ 687,407,957	\$ 592,097,857	\$ 560,324,296
Net Loans	496,448,905	484,617,731	442,083,848	374,661,538	365,573,877
Deposits	803,573,853	762,623,921	595,956,301	526,923,421	499,807,113
Stockholders' Equity	78,260,216	61,939,928	59,957,532	52,038,215	44,188,978
Book Value Per Share(F1)	8.77	6.99	6.81	5.95	5.16
Equity-to-Assets Ratio(F2)	8.35%	7.41%	8.72%	8.79%	7.89%

FINANCIAL PERFORMANCE:

Return on:					
Beginning Equity	18.50%	17.40%	18.30%	20.40%	20.77%
Average Equity	16.13%	16.84%	17.46%	18.72%	19.45%
Return on Average Assets	1.39%	1.40%	1.52%	1.62%	1.54%

CREDIT QUALITY:

Allowance for Credit Losses	\$ 9,625,586	\$ 9,470,736	\$ 8,849,442	\$ 6,461,345	\$ 5,262,614
Allowance/Total Loans	1.90%	1.92%	1.96%	1.70%	1.42%
Total Non Performing Loans	\$ 26,847,307	\$ 21,567,108	13,262,357	10,204,442	5,847,393
Non Performing Loans/Total Loans	5.31%	4.37%	2.94%	2.68%	1.58%
Allowance/Non Performing Loans	35.85%	43.91%	66.73%	63.32%	90.00%
Net Charge-Offs	\$ 2,420,150	\$ 853,363	918,898	573,378	433,065
Net Charge-Offs/Average Loans	0.50%	0.18%	0.22%	0.16%	0.12%

All per share information has been retroactively adjusted to reflect the 10% stock dividend declared December 20, 1995, as to holders of record on January 8, 1996, and paid January 23, 1996, and 10% stock dividends paid in 1995, 1994 and 1993. Stockholders' equity divided by total assets.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND THE RESULTS OF OPERATIONS.

Management's discussion and analysis is written to provide greater detail of the results of operations and the financial condition of CVB Financial Corp. and its subsidiaries. This analysis should be read in conjunction with the audited financial statements contained within this report including the notes thereto. CVB Financial Corp., (CVB) is a bank holding company. Its primary subsidiary, Chino Valley Bank, (the Bank) is a state chartered bank with 19 branch offices located in San Bernardino, Riverside, east Los Angeles, and north Orange Counties. Community Trust Deed Services (CTD) is a nonbank subsidiary providing services to the Bank as well as nonaffiliated persons. For purposes of

this analysis, the consolidated entities are referred to as the "Company".

During 1994 and 1993, the Company acquired two banks through merger and the Bank purchased assets and assumed deposits of two failed banks from the FDIC, as receiver of these banks. These acquisitions and mergers provided the Bank with four new branch offices and contributed significantly to the growth of the Company's deposits, loans, and assets during 1994 and 1993. On March 8, 1993, the Company acquired through merger Fontana First National Bank with deposits of approximately \$23.7 million and loans of approximately \$18.3 million. On October 21, 1993, the Bank assumed approximately \$30.6 million in deposits and purchased \$20.8 million in loans and \$4.6 million in investments of the former Mid City Bank, N.A. from the FDIC.

On June 24, 1994, the Company acquired through merger Western Industrial National Bank ("WIN") with deposits of approximately \$43.5 million, and loans of approximately \$34.1 million. On July 8, 1994, the Bank entered into an Insured Deposit Purchase and Assumption Agreement with the FDIC in its capacity as receiver for Pioneer Bank ("Pioneer"), assuming approximately \$52.7 million in deposits and purchasing approximately \$12.3 million in loans, and \$8.2 million in investments and federal funds sold.

On October 21, 1995, the Bank purchased a branch office from Vineyard National Bank with deposits of \$4.1 million and loans of \$952,000. In addition, on November 1, 1995, the Company and the Bank entered into a definitive agreement to acquire through merger Citizens Commercial Trust & Savings Bank of Pasadena ("Citizens Bank of Pasadena"). Citizens Bank of Pasadena has four banking offices and at December 31, 1995 had total assets of approximately \$146.0 million, total deposits of approximately \$127.0 million, total loans of approximately \$62.0 million, and total shareholders' equity of approximately \$15.7 million. At December 31, 1995, Citizens Bank of Pasadena held trust assets of approximately \$800.0 million that are not included on the balance sheet of the bank. Pursuant to the definitive agreement, the Bank will pay \$18 million plus an amount equal to the adjusted earnings of Citizens Bank of Pasadena between October 31, 1995 and the date of the consummation of the transaction to acquire Citizens Bank of Pasadena. The acquisition is subject to obtaining the necessary regulatory approvals and the approval of the shareholders of Citizens Bank of Pasadena. The acquisition is anticipated to close during April of 1996. If consummated, the acquisition of Citizens Bank of Pasadena will be accounted for under the purchase method of accounting and will provide significant growth in assets and liabilities and result in increases in the revenues and the expenses of the Company.

ANALYSIS OF THE RESULTS OF OPERATIONS

The Company reported net earnings of \$11.5 million for the year ended December 31, 1995. This represented an increase of \$1,023,000, or 9.80%, over earnings of \$10.4 million for the year ended December 31, 1994. For the year ended December 31, 1993, the Company reported earnings of \$9.5 million. Earnings

per share, adjusted for the effects of a 10% stock dividend declared each year, were \$1.22, \$1.13, and \$1.05 per share for 1995, 1994, and 1993, respectively.

The increase in earnings for 1995 compared to 1994 resulted primarily from the increase in net interest income and, to a lesser extent, the increase in other operating income. Increased net interest income for 1995 generally reflected the higher volume of average earning assets coupled with higher yields on these assets. The increases were partially offset by a higher provision for credit losses and increased other operating expenses.

The increase in earnings for 1994 compared to 1993 was also the result of an increase in net interest income due primarily to an increase in the volume of average earning assets and a lower cost of average deposits. A lower provision for credit losses also contributed to the increase in earnings for 1994 compared to the previous year. The lower provision for credit losses for 1994 compared to 1993 reflected nominal internal loan growth, net of acquired loans, and lower net charge offs for the year. Earnings for 1993 included a \$3.7 million gain on the sale of investment securities that resulted from a restructure of the investment portfolio in anticipation of the adoption of SFAS No. 115.

For the year ended December 31, 1995, the Company's return on average assets was 1.39%, compared to a return on average assets of 1.40% for the year ended December 31, 1994, and 1.52% for the year ended December 1993. The decrease in the return on average assets for the last two years is primarily the result of decreases in the level of average earning assets in relation to average total assets. Increases in other real estate owned and goodwill contributed to the increase in nonearning assets. The Company's return on average stockholders' equity was 16.13% for the year ended December 31, 1995, compared to 16.84% for the year ended December 31, 1994, and 17.46% for the year ended December 31, 1993.

NET INTEREST INCOME

Table 1 presents the average yield on each category of earning assets, the average rate paid for each category of interest bearing liabilities, and the resulting net interest spread and net interest margin for the years indicated. Rates for tax preferenced investments are provided on a taxable equivalent basis using the federal marginal tax rate of 35.00%.

TABLE 1 - Distribution of Average Assets, Liabilities, and Stockholders' Equity;
Interest Rates and Interest Differentials
(dollars in thousands)

ASSETS	1995			1994			1993		
	Average Balance	Interest	Rate	Average Balance	Interest	Rate	Average Balance	Interest	Rate
Investment Securities									
Taxable (F1)	\$ 220,427	\$ 13,736	6.23%	\$ 171,806	\$ 10,084	5.87%	\$ 120,288	\$ 8,188	6.81%
Tax preferred (F2)	11,012	553	7.04%	7,695	376	6.85%	3,142	131	5.87%
Federal Funds Sold	4,285	248	5.79%	10,297	432	4.20%	14,135	414	2.93%
Net Loans (F3) (F4)	477,588	50,158	10.50%	457,273	43,156	9.44%	410,097	37,036	9.03%
	-----	-----	-----	-----	-----	-----	-----	-----	-----
Total Earning Assets	713,312	64,695	9.10%	647,071	54,048	8.38%	547,662	45,769	8.37%
Total Non Earning Assets	112,238			98,086			79,537		
	-----	-----	-----	-----	-----	-----	-----	-----	-----
Total Assets	\$ 825,550			\$ 745,157			\$ 627,199		
	=====			=====			=====		
LIABILITIES AND STOCKHOLDERS' EQUITY									
Demand Deposits	\$ 268,709			\$ 236,945			\$ 178,539		
Savings Deposits (F5)	303,092	\$ 7,199	2.38%	321,631	\$ 6,834	2.12%	287,044	\$ 6,478	2.26%
Time Deposits	140,366	7,339	5.23%	108,515	3,939	3.63%	92,472	3,180	3.44%
	-----	-----	-----	-----	-----	-----	-----	-----	-----
Total Deposits	712,167	14,538	2.04%	667,091	10,773	1.61%	558,055	9,658	1.73%
	-----	-----	-----	-----	-----	-----	-----	-----	-----
Other Borrowings	35,232	2,016	5.72%	9,877	456	4.62%	8,440	220	2.61%
	-----	-----	-----	-----	-----	-----	-----	-----	-----
Interest Bearing Liabilities	478,690	16,554	3.46%	440,023	11,229	2.55%	387,956	9,878	2.55%
	-----	-----	-----	-----	-----	-----	-----	-----	-----
Other Liabilities	7,103			6,216			6,172		
Stockholders' Equity	71,048			61,973			54,532		
Total Liabilities and Stockholders' Equity	\$ 825,550			\$ 745,157			\$ 627,199		
	=====			=====			=====		
Net interest spread			5.64%			5.83%			5.82%
Net interest margin			6.78%			6.64%			6.56%
Net interest margin excluding loan fees			6.41%			6.31%			6.07%

Includes certificates of deposit purchased from other institutions

Yields are calculated on a taxable equivalent basis

Loan fees are included in total interest income as follows: 1995, \$2,662; 1994, \$2,138; 1993, \$2,694

Non performing loans are included in net loans as follows: 1995, \$26,847; 1994, \$21,567; 1993, \$13,262

Includes interest bearing demand and money market accounts

The Company's operating results depend primarily on net interest income, the difference between the interest earned on loans and investments less the interest paid on deposit accounts and borrowed funds. Net interest income was \$48.1 million for 1995, an increase of \$5.3 million, or 12.4%, over net interest income of \$42.8 million for 1994. Net interest income increased \$6.9 million, or 19.30%, for 1994, from a total of \$35.9 million for 1993. The increase in net interest income for 1995 was the result of higher yields on larger average balances of earning assets.

The net interest margin is net interest income measured as a percentage of average earning assets. The net interest margin can be affected by changes in the yield on earning assets and the cost of interest bearing liabilities, as well as changes in the level of interest bearing liabilities in proportion to earning assets. The Company's net interest margin was 6.78% for 1995, compared to 6.64% for 1994, and 6.56% for 1993. The ability to fund higher levels of earning assets with noninterest bearing demand deposits contributed to the increases in the net interest margin for each of the last three years. Average noninterest bearing deposits as a percentage of earning assets increased to 32.9% for 1995, from 32.37% for 1994, and 29.9% for 1993.

The net interest spread is the difference between the yield on average earning assets less the cost of average interest bearing liabilities. The Company's net interest spread was 5.64% for 1995. This represented a decrease from a net interest spread of 5.83% for 1994 and 5.82% for 1993. The decrease in the net interest spread for 1995 resulted from the cost of interest bearing liabilities increasing faster than the yield on earning assets.

The Company earned total interest income of \$64.7 million for 1995. This represented an increase of \$10.6 million, or 19.70%, from interest income of \$54.0 million for 1994. Interest income totaled \$45.8 million for 1993. The increases in interest income for 1995 compared to 1994 was the result of the combined effects of an increase in the level of average earning assets and a higher yield earned on these assets. The increase in interest income for 1994 compared to 1993 was primarily due to an increase in the level of average earning assets.

The Company paid total interest expense on deposits and other borrowed funds of \$16.6 million for 1995. This represented an increase of \$5.3 million, or 47.43%, over total interest expense of \$11.2 million for 1994. For 1994, interest expense increased \$1.3 million, or 13.68%, from \$9.9 million for 1993. Greater levels of average interest bearing liabilities contributed to the increase for both years. For 1995, an increase in the cost of average interest bearing liabilities also contributed to the increase in interest expense.

The cost of average interest bearing deposits was 3.28% for 1995, compared to an average cost of 2.50% for 1994, and 2.54% for 1993. The increase for 1995 generally reflected higher interest rates paid for money market and time deposit accounts in response to increases in the market rates of interest. The Company's cost of average total deposits was 2.04% for 1995, compared to 1.61% for 1994, and 1.73% for 1993. The Company was able to offset, in part, the impact of the increased cost of interest bearing deposits in 1995 by obtaining a greater portion of its deposits from noninterest bearing demand deposits. As a percentage of total average deposits, average demand deposits were 37.73% for 1995, compared to 35.52% for 1994, and 31.99% for 1993.

Table 2 presents a comparison of interest income and interest expense resulting from changes in the volumes and rates on average earning assets and average interest bearing liabilities for the years indicated. Changes in interest income or expense attributable to volume changes are calculated by multiplying the change in volume by the initial average interest rate. The change in interest income or expense attributable to changes in interest rates are calculated by multiplying the change in interest rate by the initial volume. The changes attributable to interest rate and volume changes are calculated by multiplying the change in rate times the change in volume.

TABLE 2 - Rate and Volume Analysis for Changes in Interest Income, Interest Expense, and Net Interest Income
(amount in thousands)

	1995 Compared to 1994 Increase (decrease) due to				1994 Compared to 1993 Increase (decrease) due to			
	Volume	Rate	Volume	Total	Volume	Rate	Volume	Total
Interest Income:								
Taxable investment securities	\$ 2,854	\$ 622	\$ 176	\$ 3,652	\$ 3,506	\$ (1,127)	\$ (483)	\$ 1,896
Tax preferred securities	161	11	5	177	191	22	32	245
Fed funds	(252)	164	(96)	(184)	(112)	179	(49)	18
Loans	1,918	4,868	216	7,002	4,260	1,668	192	6,120

Total earning assets	4,681	5,665	301	10,647	7,845	742	(308)	8,279

Interest Expense:								
Savings deposits	(394)	805	(46)	365	780	(378)	(46)	356
Time deposits	1,156	1,735	509	3,400	552	176	31	759
Other borrowings	1,170	109	281	1,560	38	169	29	236

Total interest bearing liabilities	1,932	2,649	744	5,325	1,370	(33)	14	1,351

Net Interest Income	\$ 2,749	\$ 3,016	\$ (443)	\$ 5,322	\$ 6,475	\$ 775	\$ (322)	\$ 6,928
=====								

Interest and fees on loans, the Company's primary source of revenue, totaled \$50.2 million for 1995. This represented an increase of \$7.0 million, or 16.23%, from \$43.2 million for 1994. For 1994, interest and fees on loans increased \$6.1 million, or 16.52%, from \$37.0 million for 1993.

In general, the Company stops accruing interest on a nonperforming loan after its principal or interest become 90 days or more past due, charging to earnings all interest previously accrued but not collected. There was no interest income that was accrued and not reversed on any nonperforming loan at December 31, 1995, 1994, or 1993. Had nonperforming loans for which interest was no longer accruing complied with the original terms and conditions of their notes, interest income would have been \$988,000 higher in 1995, \$1,363,000 higher in 1994, and \$1,186,000 higher in 1993. Accordingly, yields on loans would have increased by 0.20%, 0.29%, and 0.28%, for 1995, 1994, and 1993, respectively.

Included in Other Real Estate Owned at December 31, 1994, were two loans totaling \$1.2 million which, although performing according to their original terms, were accounted for as other real estate owned as required under SFAS No. 66. As principal and interest payments on these loans were current at December 31, 1994, the average balance of the loans were included in total loans, and the yield on total loans was adjusted accordingly.

Fees collected on loans are an integral part of the loan pricing decision. Loan fees and the direct costs associated with origination of loans are deferred and netted against the loan balance. Deferred net loan fees are recognized in interest income over the term of the loan in a manner that approximates the level-yield method. For the year ended December 31, 1995, the Company recognized \$2.7 million in loan fee income. This represented an increase of \$524,000, or 24.51%, over loan fees of \$2.1 million recognized for 1994. For 1993, the

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TABLE 4 - Asset and Liability Maturity/Repricing Gap
(amounts in thousands)

	90 days or less	Over 90 days to 180 days	Over 180 days to 365 days	Over 365 days
1995				
Earning Assets:				
Fed Funds	\$ 7,000	\$ 0	\$ 0	\$ 0
Investment Securities and debt securities held for sale	23,766	9,715	20,823	230,342
Deposits with other financial institutions	0	0	0	0
Total Loans	296,031	14,795	13,377	181,874

Total	\$ 326,797	\$ 24,510	\$ 34,200	\$ 412,216
=====				
Interest Bearing Liabilities				
Savings Deposits	304,158	0	0	0
Time Deposits	84,581	36,573	36,500	8,910
Other Borrowings	0	0	40,000	0

Total	388,739	36,573	76,500	8,910

Period GAP	\$ (61,942)	\$ (12,063)	\$ (42,300)	\$ 403,306
	=====	=====	=====	=====
Cumulative GAP	\$ (61,942)	\$ (74,005)	\$ (116,305)	\$ 287,001
	=====	=====	=====	=====
1994				
Earning Assets:				
Fed Funds	\$ 15,000	\$ 0	\$ 0	\$ 0
Investment Securities and debt securities held for sale	6,864	6,504	\$ 16,989	\$ 161,909
Deposits with other financial institutions	99	100	0	0
Total Loans	333,447	16,965	15,479	128,197
	-----	-----	-----	-----
Total	355,410	23,569	32,468	290,106
	=====	=====	=====	=====
Interest Bearing Liabilities				
Savings Deposits	317,401	0	0	0
Time Deposits	62,182	26,960	21,697	6,576
Other Borrowings	10,248	0	0	0
	-----	-----	-----	-----
Total	389,831	26,960	21,697	6,576
	=====	=====	=====	=====
Period GAP	\$ (34,421)	\$ (3,391)	\$ 10,771	\$ 283,530
	=====	=====	=====	=====
Cumulative GAP	\$ (34,421)	\$ (37,812)	\$ (27,041)	\$ 256,489
	=====	=====	=====	=====

The interest rates paid on deposit accounts do not always move in unison with the rates charged on loans. In addition, the magnitude of changes in the rates charged on loans is not always proportionate to the magnitude of changes in the rate paid for deposits. Consequently, changes in interest rates do not necessarily result in an increase or decrease in the net interest margin solely as a result of the differences between repricing opportunities of earning assets or interest bearing liabilities. The fact that the Bank reported a negative gap at December 31, 1995, does not necessarily indicate that if interest rates decreased net interest income would increase, or if interest rates increased net interest income would decrease.

CREDIT RISK

Implicit in lending activities is the risk that losses will be experienced and that the amount of such losses will vary over time. Consequently, the Company maintains an allowance for credit losses by charging a provision for credit losses to earnings. Loans determined to be losses are charged against the allowance for credit losses. The Company's allowance for credit losses is maintained at a level considered by the Bank's management to be adequate to provide for estimated losses inherent in the existing portfolio, including commitments under commercial and standby letters of credit.

In evaluating the adequacy of the allowance for credit losses, the Bank's management estimates the amount of potential loss for each loan that has been identified as having greater than standard credit risk, including loans identified as nonperforming. Loss estimates also consider the borrowers' financial data and the current valuation of collateral when appropriate. In addition to the allowance for specific problem credits, an allowance is further allocated for all loans in the portfolio based on the risk characteristics of particular categories of loans including historical loss experience in the portfolio. Additional allowance is allocated on the basis of credit risk concentrations in the portfolio and contingent obligations under off-balance sheet commercial and standby letters of credit.

Effective January 1, 1995, the Company adopted SFAS No. 114, "Accounting by Creditors for the Impairment of a Loan.", as amended by SFAS No. 118, "Accounting by Creditors for Impairment of a Loan - Income Recognition and Disclosures." The statements prescribe that a loan is impaired when principal and interest are deemed uncollectable according to the original contractual terms of the loan. Impairment is to be measured as either the expected future cash flows discounted at each loan's effective interest rate, the fair value of the loan's collateral, or an observable market price of the loan (if one exists). The amount of impairment is to be reported as a part of the Company's allowance for credit losses.

At December 31, 1995, the Company reported an allowance for credit losses of \$9.6 million. Of this total, \$3.0 million represented reserves for specific problem loans, \$415,093 represented reserves for specific impaired loans, and \$6.0 million represented that portion allocated to provide for general risks inherent in the loan portfolio.

Nonperforming loans totaled \$26.8 million, or 5.30% of gross loans at December 31, 1995. Nonperforming loans totaled \$21.6 million, or 4.37% of gross loans at December 31, 1994, and \$13.3 million, or 2.94% of gross loans at December 31, 1993. Nonperforming loans include loans for which interest is no longer accruing. In addition, nonperforming loans include loans that have been renegotiated from their original contractual terms, even if the loan is paying as agreed under the renegotiated terms. The increase in nonperforming loans in 1995 was due to a \$4.6 million increase in restructured loans and a \$676,000 increase in nonaccrual loans. The increase in nonperforming loans for 1994 was the result of increases in restructured loans. All restructured loans were

paying in accordance with the renegotiated terms at December 31, 1995. See Table 9 - Nonperforming Assets for additional information concerning nonperforming loans. While management believes that the allowance was adequate to provide for both recognized potential losses and estimated inherent losses in the portfolio, no assurances can be given that future events may not result in increases in the provision for credit losses.

Table 5 presents a comparison of net credit losses, the provision for credit losses (including adjustments incidental to mergers), and the resulting allowance for credit losses for each of the years indicated.

TABLE 5 - Summary of Credit Loss Experience
(amounts in thousands)

	1995	1994	1993	1992	1991
Amount of Total Loans at End of Period	\$ 506,074	\$ 494,088	\$ 450,933	\$ 381,123	\$ 370,837
Average Total Loans Outstanding	\$ 486,504	\$ 466,514	\$ 416,984	\$ 368,452	\$ 362,457
Allowance for Credit Losses at Beginning of Period	\$ 9,471	\$ 8,849	\$ 6,461	\$ 5,263	\$ 5,092
Loans Charged-Off:					
Real Estate Loans	2,167	402	530	120	154
Commercial and Industrial	290	496	334	452	282
Consumer Loans	162	123	154	115	42
Total Loans Charged-Off	2,619	1,021	1,018	687	478
Recoveries:					
Real Estate Loans	55	47	0	0	0
Commercial and Industrial	100	92	57	94	15
Consumer Loans	44	29	42	19	30
Total Loans Recovered	199	168	99	113	45
Net Loans Charged-Off	2,420	853	919	574	433
Provision Charged to Operating Expense	2,575	350	1,720	1,772	604
Adjustments Incident to Mergers	0	1,125	1,587	0	0
Allowance for Credit Losses at End of period	\$ 9,626	\$ 9,471	\$ 8,849	\$ 6,461	\$ 5,263
Net Loans Charged-Off to Average Total Loans	0.50%	0.18%	0.22%	0.16%	0.12%
Net Loans Charged-Off to Total Loans at End of Period	0.48%	0.17%	0.20%	0.15%	0.12%
Allowance for Credit Losses to Average Total Loans	1.98%	2.03%	2.12%	1.75%	1.45%
Allowance for Credit Losses to Total Loans at End of period	1.90%	1.92%	1.96%	1.70%	1.42%
Net Loans Charged-Off to Allowance for Credit Losses	25.14%	9.01%	10.39%	8.88%	8.23%
Net Loans Charged-Off to Provision for Credit Losses	93.98%	243.71%	53.43%	32.39%	71.69%

At December 31, 1995, the allowance for credit losses was \$9.6 million. This represented an increase of \$154,850, or 1.6%, over the allowance for credit losses of \$9.5 million at December 31, 1994. For 1994, the allowance for credit losses increased \$621,294, or 7.02%, from \$8.8 million at December 31, 1993. The allowance for credit losses increased for 1995 as net loans charged to the allowance of \$2.4 million were lower than the provision for credit losses of \$2.6 million. Similarly, the allowance for credit losses increased for 1994 as net loan losses of \$853,000 charged to the allowance were lower than the provision of \$350,000, when combined with adjustments incidental to mergers of \$1.1 million. As a percentage of total loans at the end of each period, the allowance for loan losses declined to 1.90% at December 31, 1995, from 1.92% at December 31, 1994, and 1.96% at December 31, 1993.

The provision for credit losses totaled \$2.6 million for 1995, compared to \$350,000 for 1994, and \$1.7 million for 1993. The increased provision for credit losses for 1995 compared to 1994 was the result of increased loans charged to the allowance for credit losses. Net loans charged to the allowance for credit losses during 1995 included \$2.1 million in real estate loans, compared to \$355,000 in real estate loans charged to the allowance for credit losses during 1994. The increase reflects the continued soft Southern California economy and declining real estate values. The lower provision for credit losses for 1994, reflected a slower growth rate in loans net of acquisitions for that year. Loans acquired through merger for 1994 included an adjustment to the allowance for credit losses incidental to the merger of \$1.1 million.

While the Company's management believes that the allowance was adequate to provide for both recognized potential losses and estimated inherent losses in the portfolio, no assurances can be given that future events may not result in increases in the provision for credit losses. There is no precise method of predicting specific losses that ultimately may be charged against the allowance for credit losses. As such, the Company's management is unable to reasonably estimate the full amount of loans to be charged to the reserve in future periods.

Table 6 provides a summary of the allocation of the allowance for credit losses for specific loan categories at the dates indicated. The allocations presented should not be interpreted as an indication that loans charged to the allowance for credit losses will occur in these amounts or proportions, or that the portion of the allowance allocated to each loan category represents the total amount available for future losses that may occur within these categories. There is a large unallocated portion of the allowance for credit losses and the total allowance is applicable to the entire loan portfolio.

TABLE 6 - Allocation of Allowance for Credit Losses
(amounts in thousands)

	1995		1994		December 31, 1993		1992		1991	
	Allow- ance for Credit Losses	% of Category to Total Loans	Allow- ance for Credit Losses	% of Category to Total Loans	Allow- ance for Credit Losses	% of Category to Total Loans	Allow- ance for Credit Losses	% of Category to Total Loans	Allow- ance for Credit Losses	% of Category to Total Loans
Real Estate	\$ 155	34.0%	\$ 88	28.7%	\$ 43	30.1%	\$ 113	27.5%	\$ 77	29.5%
Commercial and Industrial	5,534	58.7%	4,182	63.5%	3,911	62.4%	2,422	68.0%	\$ 2,587	66.8%
Consumer	42	3.1%	43	3.1%	41	2.8%	\$ 164	3.0%	\$ 100	3.5%
Unallocated	3,895	N/A	5,158	N/A	4,854	N/A	\$ 3,762	N/A	\$ 2,499	N/A
Total	\$ 9,626	95.8%	\$ 9,471	95.3%	\$ 8,849	95.2%	\$ 6,461	98.5%	\$ 5,263	99.8%

OTHER OPERATING INCOME

Other operating income for the Company includes service charges and fees (primarily from deposit accounts), gains (net of losses) from the sale of investment securities, gains (net of losses) from the sale of other real estate owned, gains (net of losses) from the sale of fixed assets; gross revenue from CTD; and other revenues not included as interest on earning assets. Other operating income totaled \$9.1 million for 1995. This represented an increase of

\$1.5 million, or 19.83%, over other operating income of \$7.6 million for 1994. The increase was primarily due from increased service charges and fee income for 1995 compared to 1994.

For 1994, other operating income decreased \$3.2 million, or 29.40%, from \$10.7 million for 1993. The decrease was the result of gains on the sale of investment securities of \$3.7 million in 1993 compared to a loss from the sale of investment securities of \$128,000 for 1994. The gain for 1993 resulted from restructuring the investment portfolio in anticipation of adopting SFAS No. 115.

Other income also includes revenue from CTD, a subsidiary of the Company. Total revenue from CTD was approximately \$256,000, \$274,000, and \$271,000 for 1995, 1994, and 1993, respectively.

OTHER OPERATING EXPENSES

Other operating expenses totaled \$35.1 million for 1995. This represented an increase of \$2.6 million, or 8.07%, from total other operating expenses of \$32.4 million for 1994. For 1994, other operating expenses increased \$3.1 million, or 10.50%, from other operating expenses of \$29.4 million for the year ended December 31, 1993.

For the most part, other operating expenses reflect the direct expenses and related administrative expenses associated with staffing, maintaining, promoting, and operating branch facilities. Consequently, other operating expenses have increased as the asset size of the Company and the number of branch offices have increased. Management's ability to control costs in relation to asset growth can be measured in terms of other operating expenses as a percentage of average assets. For 1995, operating expenses as a percentage of average assets totaled 4.25%, compared to 4.35% for 1994, and 4.68% for 1993. Management's ability to control costs in relation to the level of revenue can be measured in terms of operating expenses as a percentage of total revenue. For 1995, operating expenses as a percentage of total revenue declined to 47.51%, compared to 52.61% for 1994, and 51.94% for 1993. The decline in the percentage for 1995 reflects the ability to generate greater levels of revenue with proportionately lower levels of operating expenses.

Salaries and related expenses comprise the greatest portion of other operating expenses. For 1995, salaries and related expenses totaled \$16.5 million. This represented an increase of \$1.3 million, or 8.22%, over salaries and related expenses of \$15.2 million for 1994. Salaries and related expenses totaled \$14.4 million for 1993. The increase primarily reflects an increase in average staffing levels during the year. Despite the increase in average staffing levels, at year end, full time equivalent employees decreased to 297 at December 31, 1995, compared to 321 at December 31, 1994, and 302 at December 31, 1993. As a percentage of average assets, salaries and related expenses totaled 2.00% for 1995, a decrease from 2.05% for 1994, and 2.30% for 1993.

Equipment expense totaled \$2.3 million for 1995, an increase of \$309,000, or 15.70%, from \$2.0 million for 1994. Equipment expense increased \$443,000, or 29.02%, in 1994 from \$1.5 million for 1993. Stationary and supplies totaled \$1.8 million for 1995, an increase of \$276,000, or 17.75%, from \$1.6 million for 1994. Stationary and supplies increased \$488,000, or 45.65% in 1994, from \$1.1 million for 1993. The increases reflected the greater number of branch offices in 1994 and 1995. Professional expenses totaled \$2.9 million for 1995, an increase of \$1.0 million, or 54.62%, from total professional expenses of \$1.9 million for 1994. Professional expenses increased \$136,000, or 7.94%, in 1994, from \$1.7 million for 1993. The increase in professional expenses for 1995 reflects increased litigation expense.

Included as other operating expenses is a provision charged to earnings for potential losses from the sale of other real estate owned. This provision totaled \$1.9 million, \$2.4 million, and \$2.8 million, for the years ended December 31, 1995, 1994, and 1993, respectively. These charges contributed to the increase in other operating expenses for each year. Additional expenses associated with the foreclosure, maintenance and disposition of other real estate owned totaled \$1,360,000 for 1995, \$908,000 for 1994, and \$1,004,000 for 1993. Other real estate owned is property acquired by the Bank through foreclosure (See LOANS). Primarily as a result of the current economic climate in Southern California, real estate values have decreased significantly over the last three years. In anticipation of a possible continuation of this declining trend in both commercial and residential real estate values, the Bank's management has provided an allowance for potential declining values of real estate .

Other operating expenses for 1995 were affected by a decrease in insurance premiums paid by the Company to the FDIC for the Bank Insurance Fund (the BIF). For 1995, the Company paid a total premium of \$811,000, compared to a premium of \$1.3 million for 1994, and \$1.2 million for 1993. The decrease for 1995 reflects the reduction in premiums as the BIF attained target reserve levels.

INCOME TAXES

The Company's effective tax rate for 1995 was 41.55%, compared to an effective tax rate of 40.80% for 1994, and 38.80% for 1993. These rates are below the nominal combined Federal and State tax rates as a result of tax preferenced income for each period. The increases in the combined effective tax rates each year resulted from increases in the Federal tax rate for revenues in excess of \$10.0 million, and increases in the State tax rate.

ANALYSIS OF FINANCIAL CONDITION

The Company reported total assets of \$936.9 million at December 31, 1995. This represented an increase of \$100.8 million, or 12.06%, from total assets of \$836.1 million at December 31, 1994. During 1994, total assets increased \$148.7 million, or 21.63%, from total assets of \$687.4 million at December 31, 1993. The level of assets at December 31, 1995, and 1994, included short term deposits of approximately \$48.0 million and \$40.0 million, respectively. These funds were

reflected in the level of demand deposits and cash and due from banks at December 31, 1995, and 1994. Asset and deposit growth for 1994 was affected significantly by the acquisitions of Western Industrial National Bank and Pioneer Bank.

A greater portion of the increase in assets for 1995 was allocated to investment securities. The increase in assets for 1994 was allocated approximately equally between loans and investment securities. Increases in assets for 1995 were funded by both increases in deposits and other borrowed funds. Increases in assets for 1994 were primarily funded by increased deposits.

INVESTMENT SECURITIES

The Company maintains a portfolio of investment securities to provide income and serve as a source of liquidity for its ongoing operations. Note 2 of the Notes to the Consolidated Financial Statements sets forth information concerning the composition and the maturity distribution of the investment securities portfolio at December 31, 1995, and 1994. At December 31, 1995, the Company reported total investment securities of \$284.6 million. This represented an increase of \$92.4 million, or 48.05%, over total investment securities of \$192.3 million at December 31, 1994. In addition, at December 31, 1995, federal funds sold totaled \$7.0 million, compared to \$15.0 million at December 31, 1994.

The Company adopted SFAS No. 115, "Accounting for Certain Investments in Debt and Equity Securities" effective January 1, 1994. Under this standard, securities held as "available for sale" are reported at current market value for financial reporting purposes. The market value, less the amortized cost of investment securities, net of income taxes, is adjusted directly to stockholders' equity. At December 31, 1995, securities held as available for sale totaled \$260.4 million, representing 91.47% of total investment securities of \$284.6 million at December 31, 1995. At December 31, 1995, net unrealized gains on investment securities available for sale totaled \$303,789, which includes the unamortized loss on an investment security that was transferred from available for sale to held to maturity.

LOANS

At December 31, 1995, the Company reported net loans of \$496.4 million. This represented an increase of \$11.8 million, or 2.44%, from net loans of \$484.6 million at December 31, 1994. During 1994, net loans increased \$42.5 million, or 9.62%, from \$442.1 million at year ended December 31, 1993. Gross loans acquired through acquisitions totaled approximately \$46.4 million for 1994, and approximately \$39.1 million for 1993.

Table 7 presents the distribution of the Company's loan portfolio at the dates indicated.

TABLE 7 - Distribution of Loan Portfolio by Type
(amounts in thousands)

	1995	1994	December 31, 1993	1992	1991	1990
Commercial and Industrial	\$ 234,709	\$ 262,494	\$ 249,648	\$ 260,322	\$ 248,168	\$ 238,533
Real Estate						
Construction	23,805	26,302	56,358	43,879	40,788	39,775
Mortgage	149,039	116,077	79,929	61,619	68,753	75,006
Consumer, net of unearned discount	15,876	15,553	12,517	11,642	13,067	13,948
Municipal Lease Finance Receivables	21,529	23,246	21,556	5,501	779	1,014
Agribusiness	63,580	52,920	32,529	0	0	0
Gross Loans	508,538	496,592	452,537	382,963	371,555	368,276
Less:						
Allowance for Credit Losses	9,626	9,471	8,849	6,461	5,263	5,092
Deferred Loan Fees	2,463	2,503	1,604	1,840	718	426
Total Net Loans	\$ 496,449	\$ 484,618	\$ 442,084	\$ 374,662	\$ 365,574	\$ 362,758

Table 8 provides the maturity distribution for commercial and industrial loans as well as real estate construction loans as of December 31, 1995. Amounts are also classified according to repricing opportunities or rate sensitivity.

TABLE 8 - Loan Maturities and Interest Rate Sensitivity
(amounts in thousands)
December 31, 1995

	Within One Year	After One But Within Five Years	After Five Years	Total
Types of Loans:				
Commercial and industrial (1)	\$ 229,401	\$ 93,078	\$ 51,904	\$ 374,383
Construction	23,805	0	0	23,805
Agribusiness	55,121	3,144	5,315	63,580
	\$ 308,327	\$ 96,222	\$ 57,219	\$ 461,768
Amount of Loans based upon:				
Fixed Rates	\$ 61,103	\$ 93,078	\$ 51,904	\$ 206,085
Floating or adjustable rates	247,224	3,144	5,315	255,683
	\$ 308,327	\$ 96,222	\$ 57,219	\$ 461,768

Includes approximately \$125.6 million in fixed rate commercial real estate loans. These loans are classified as real estate mortgage loans for the financial statements, but are accounted for as commercial and industrial loans on the Company's books.

As a normal practice in extending credit for commercial and industrial purposes, the Bank may accept trust deeds on real property as collateral. In some cases, when the primary source of repayment for the loan is anticipated to come from cash flow from normal operations of the borrower, the requirement of real property as collateral is not the primary source of repayment but an abundance of caution. In these cases, the real property is considered a secondary source of repayment for the loan. Since the Bank lends primarily in

Southern California, its real estate loan collateral is concentrated in this region. At December 31, 1995, approximately 97.00% of the Bank's loans secured by real estate were collateralized by properties located in Southern California. This concentration is considered when determining the adequacy of the Company's allowance for credit losses.

At December 31, 1995, nonperforming assets, which included nonperforming loans (see CREDIT RISK) and other real estate owned, totaled \$35.1 million. This represented an increase of \$3.7 million, or 11.69%, from total nonperforming assets of \$31.4 million at December 31, 1994. The increase in nonperforming assets for 1995 was the result of increased nonperforming loans. Other real estate owned declined 16.30%, to \$8.3 million at December 31, 1995, compared to \$9.9 million at December 31, 1994.

Although management believes that nonperforming loans are generally well secured and that potential losses are provided for in the Company's allowance for credit losses, there can be no assurance that future deterioration in economic conditions or collateral values will not result in future credit losses. Table 9 provides information on nonperforming loans and other real estate owned at the dates indicated.

TABLE 9 - Non-Performing Assets
(amounts in thousands)

	December 31,				
	1995	1994	1993	1992	1991
Non accrual loans	\$ 13,289	\$ 12,613	\$ 12,492	\$ 6,642	\$ 3,684
Loans past due 90 days or more	0	0	0	272	85
Restructured loans	13,558	8,954	770	3,291	2,078
Other real estate owned (OREO)	8,253	9,860	9,768	8,797	3,586

Total non performing assets	\$ 35,100	\$ 31,427	\$ 23,030	\$ 19,002	\$ 9,433
	=====				
Percentage of non performing assets to total loans outstanding & OREO	6.82%	6.24%	5.00%	4.87%	2.52%
	=====				
Percentage of non performing assets to total assets	3.75%	3.76%	3.35%	3.21%	1.68%
	=====				

At December 31, 1995, the Company had loans for which interest was no longer accruing totaling \$13.3 million. Approximately 40.00% of these nonaccrual loans were secured by real property which had a current appraisal that was less than one year old. The estimated ratio of the outstanding loan balances to the fair values of the related collateral for nonaccrual loans at December 31, 1995, ranged between approximately 26.00% to 103.00%. The Bank has allocated specific reserves included in the allowance for credit losses for potential losses on these loans.

A restructured loan is a loan for which the Bank has reduced the rate of interest to a lower rate, forgiven all or a part of the interest income, or forgiven part of the principal balance of the loan, due to the borrower's financial condition. At December 31, 1995, the Company had a total of \$13.6 million in loans that were classified as restructured.

Except for nonperforming loans as set forth in Table 9, and loans disclosed as impaired, the Bank's management is not aware of any loans as of December 31, 1995, for which known credit problems of the borrower would cause serious doubts as to the ability of such borrowers to comply with their present loan repayment terms, or any known events that would result in the loan being designated as nonperforming at some future date. The Bank's management cannot, however, predict the extent to which the current economic environment may persist or worsen or the full impact the current economic environment may have on the loan portfolio.

At December 31, 1995, the net book value of the 17 properties held as other real estate owned totaled \$8.3 million. The Bank is actively marketing these properties. The Bank's management cannot predict when these properties will be sold or what the terms of sale will be when they are sold. While the Bank's management recognizes that the Southern California real estate market continues to remain weak, the Bank has recent appraisals on each property that support the carrying costs of these properties at December 31, 1995. No assurances can be given that further charges to earnings may not occur if Southern California real estate values continue to decrease, and the Bank cannot promptly dispose of the properties held.

DEPOSITS

The Company reported total deposits of \$803.6 million at December 31, 1995. This represented an increase of \$40.9 million, or 5.37%, from total deposits of \$762.6 million at December 31, 1994. Total deposits included approximately \$48.0 million in short term demand deposits at December 31, 1995, and \$40.0 million in short term demand deposits at December 31, 1994. At December 31, 1993, total deposits were \$596.0 million. During 1994, deposits assumed through acquisitions totaled approximately \$96.2 million. This represented 57.75% of the \$166.7 million increase in deposits for that year.

Average noninterest bearing demand deposits totaled \$268.7 million for the year ended December 31, 1995. This represented an increase of \$31.7 million, or 13.41%, over average noninterest bearing demand deposits of \$236.9 million for the year ended December 31, 1994. Noninterest bearing demand deposits averaged \$178.5 million for the year ended December 31, 1993. The ability to fund greater portions of average assets with noninterest bearing demand deposits has contributed significantly to increases in the Company's net interest margin for each of the last three years.

Table 10 provides the remaining maturities of large denomination (\$100,000 or more) time deposits, including public funds, at December 31, 1995.

TABLE 10 - Maturity Distribution of Large Denomination Time Deposits
(amounts in thousands)

DECEMBER 31, 1995

3 months or less	\$ 61,940
Over 3 months through 6 months	18,778
Over 6 months through 12 months	23,705
Over 12 months	4,617

Total	\$ 109,040
	=====

LIQUIDITY

Liquidity is actively managed to ensure sufficient funds are available to meet the ongoing needs of both the Bank and CVB. Liquidity management includes projections of future sources and uses of funds to insure the availability of sufficient liquid reserves to provide for unanticipated circumstances.

For the Bank, sources of funds normally include principal payments on loans and investments, other borrowed funds, and growth in deposits. Uses of funds include withdrawal of deposits, interest paid on deposits, increased loan balances, purchases, and other operating expenses. The Bank maintains funds as overnight federal funds sold and other short term investment securities to provide for short term liquidity needs. In addition, the Bank maintains short term unsecured lines of credit with correspondent banks to provide for contingent liquidity needs.

Other borrowed funds averaged \$35.2 million for the year ended December 31, 1995. This represented an increase of \$26.5 million over average borrowed funds of \$8.7 million for the year ended December 31, 1994. The increased borrowing for 1995 is primarily the result of a secured short term loan from the Federal Home Loan Bank. Borrowed funds were used to purchase investment securities at a positive net interest spread.

Net cash provided by operating activities, primarily representing net interest income, totaled \$18.2 million for 1995, \$9.5 million for 1994, and \$10.6 million for 1993. Financing activities were primarily comprised of increased time certificates of deposits of \$47.8 million, short term borrowed funds of \$40.3 million, and a decrease in noninterest bearing deposits and money market and savings accounts of \$11.0 million. Net cash provided by financing activities was \$60.4 million for 1994, and \$18.1 million for 1993. Cash and cash equivalents received as a result of acquisitions totaled \$126,000 for 1995, \$22.6 million for 1994 and \$13.3 million for 1993. Net cash used in investing activities, primarily representing purchases of investments and to a lesser extent increases in loans, totaled \$91.1 million for 1995, \$43.6 million for 1994, and \$52.4 million for 1993.

At December 31, 1995, the Bank reported liquid assets, including cash, federal funds sold, and unpledged investment securities of \$280.1 million. Liquid assets represented 29.90% of total assets at December 31, 1995.

Since the primary sources and uses of funds for the Bank are loans and deposits, the relationship between gross loans and total deposits provides a useful measure of the Bank's liquidity. Typically, the closer the ratio of loans to deposits is to 100%, the more reliant the Bank is on its loan portfolio to provide for short term liquidity needs. Since repayment of loans tends to be less predictable than the maturity of investments and other liquid resources, the higher the loan to deposit ratio the less liquid are the Bank's assets. For 1995, the Bank's loan to deposit ratio averaged 68.31%, compared to an average of 69.93% for 1994 and an average of 74.72% for 1993.

The liquidity ratio provides another measure of the Bank's liquidity. This ratio is calculated by dividing the difference between short term liquid assets less short term volatile liabilities by the sum of loans and long term investments. This ratio measures the percentage of illiquid long term assets that are being funded by short term volatile liabilities. At December 31, 1995, this ratio was 13.44%, compared to 4.48% at December 31, 1994, and 2.72%, at December 31, 1993.

CVB is a company separate and apart from the Bank that must provide for its own liquidity. Substantially all of CVB's revenues are obtained from dividends declared and paid by the Bank. There are statutory and regulatory provisions that could limit the ability of the Bank to pay dividends to CVB. At December 31, 1995, approximately \$3.3 million of the Bank's equity was unrestricted and available to be paid as dividends to CVB. Management of CVB believes that such restrictions will not have an impact on the ability of CVB to meet its ongoing cash obligations. As of December 31, 1995, neither the Bank nor CVB had any material commitments for capital expenditures. The purchase of Citizens Bank of Pasadena will require approximately \$18.0 million in cash from the Bank. Investment securities maturing in the first quarter of 1996, coupled with the projected cash and cash equivalents to be purchased from Citizens Bank of Pasadena will provide sufficient funds to provide for the required cash purchase price.

CAPITAL RESOURCES

Historically, the primary source of capital for the Company has been the retention of operating earnings. In order to insure adequate levels of capital, the Company conducts an ongoing assessment of projected sources and uses of capital in conjunction with projected increases and mixes of assets.

Tier 1 capital, stockholders' equity less intangible assets, was \$69.4 million at December 31, 1995. This represented an increase of \$10.0 million, or 16.86%, over Tier 1 capital of \$59.4 million at December 31, 1994. Total adjusted capital, Tier 1 capital plus the lesser of the reserve for credit losses or 1.25% of risk weighted assets, totaled \$76.9 million at December 31,

1995. This represented an increase of \$10.6 million, or 15.97%, over total adjusted capital of \$66.3 million at December 31, 1994.

Bank regulators have established minimum capital adequacy guidelines requiring that qualifying capital be at least 8.0% of risk-based assets, of which at least 4.0% must be Tier 1 capital (primarily stockholders' equity). These ratios represent minimum capital standards. Under Prompt Corrective Action rules, certain levels of capital adequacy have been established for financial institutions. Depending on an institution's capital ratios, the established levels can result in restrictions or limits on permissible activities. In addition to the aforementioned requirements, the Company and Bank must also meet minimum leverage ratio standards. The leverage ratio is calculated as Tier 1 capital divided by the most recent quarterly period's average total assets.

The highest level for capital adequacy under Prompt Corrective Action is "Well Capitalized". To qualify for this level of capital adequacy an institution must maintain a total risk-based capital ratio of at least 10.00% and a Tier 1 risk-based capital ratio of at least 6.00%.

For purposes of calculating capital ratios, Federal bank regulators have excluded adjustments to stockholders' equity that result from mark to market adjustments of available for sale investment securities. At December 31, 1995, the Company had an unrealized gain on investment securities net of taxes of \$304,000, compared to a loss net of taxes of \$6.6 million at December 31, 1994. At December 31, 1995, and 1994, the Company exceeded all of the minimum capital ratios required to be considered well capitalized.

At December 31, 1995, the Company's total risk-based capital ratio was 13.06%, compared to a ratio of 12.06% at December 31, 1994. The ratio of Tier 1 capital to risk weighted assets was 11.79%, compared to a ratio of 10.81% at December 31, 1994. At December 31, 1995, the Company's leverage ratio was 8.05%, compared to a ratio of 7.53% at December 31, 1994. (See NOTE 13 of the Notes to the Consolidated Financial Statements.)

Management has prepared calculations of the resulting capital ratios based on projected asset size and additional goodwill that will result from the purchase of Citizens Bank of Pasadena. Projected increases in goodwill were based on estimates of the market values of the assets to be purchased and liabilities assumed. Based on these projections, it is anticipated that the Company will continue to exceed all of the minimum capital ratios required to be considered well capitalized

During 1995, the Board of Directors of the Company declared quarterly cash dividends that totaled 32 cents per share for the full year (29 cents per share after retroactive adjustment of the ten percent stock dividend declared on December 20, 1995). After retroactive adjustment, cash dividends declared during 1995 were the same as paid for 1994. Management does not believe that the

continued payment of cash dividends will impact the ability of the Company to exceed the current minimum capital standards.

In October of 1995, the Financial Standards Accounting Board issued the SFAS No. 123, "Accounting for Stock-Based Compensation". SFAS No. 123 does not rescind or interpret the existing accounting rules for stock-based arrangements. The Company currently accounts for stock-based compensation under APB Opinion No. 25. The Company has unequivocally elected not to adopt SFAS No. 123 and continue to account for stock-based compensation as provided under APB Opinion No. 25.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

CVB Financial Corp.
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and Financial Statement Schedules

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All schedules are omitted because they are not applicable, not material or because the information is included in the financial statements or the notes thereto.

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 1995 AND 1994

ASSETS	1995	1994
Federal funds sold	\$ 7,000,000	\$ 15,000,000
Investment securities held to maturity (Note 2)	24,272,507	19,018,218
Investment securities available for sale (Note 2)	260,373,597	173,248,095
Loans and lease finance receivables, net (Notes 3,4 and 5)	496,448,905	484,617,731
Total earning assets	788,095,009	691,884,044
Cash and due from banks	104,886,440	94,828,593
Premises and equipment, net (Note 6)	17,219,247	12,801,481
Other real estate owned, net (Note 5)	8,253,002	9,860,467
Deferred taxes (Note 7)	4,472,177	7,956,906
Goodwill	8,508,237	9,139,391
Other assets	5,505,810	9,624,467
TOTAL	\$ 936,939,922	\$ 836,095,349
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES:		
Deposits (Note 8):		
Noninterest-bearing	\$ 332,851,336	\$ 327,807,389
Interest-bearing	470,722,517	434,816,532
	803,573,853	762,623,921
Demand note to U.S. Treasury	6,738,465	6,429,970
Short-term borrowings (Note 9)	40,000,000	
Other liabilities	8,367,388	5,101,530
Total liabilities	858,679,706	774,155,421
COMMITMENTS AND CONTINGENCIES (Note 10)		
STOCKHOLDERS' EQUITY (Notes 12 and 13):		
Preferred stock - authorized, 20,000,000 shares without par value; no shares issued or outstanding		
Common stock - authorized, 50,000,000 shares without par value: issued and outstanding, 8,926,707 (1995) and 8,056,774 (1994)	43,436,317	32,437,767
Retained earnings	34,520,110	36,128,068
Unrealized gain (loss) on investment securities available for sale, net of tax (Note 2)	303,789	(6,625,907)
Total stockholders' equity	78,260,216	61,939,928
TOTAL	\$ 936,939,922	\$ 836,095,349
	=====	=====

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF EARNINGS
THREE YEARS ENDED DECEMBER 31, 1995

	1995	1994	1993
INTEREST INCOME:			
Loans, including fees	\$ 50,158,139	\$ 43,155,882	\$ 37,036,068

Investment securities:			
Taxable	13,736,369	10,084,324	8,187,804
Tax-advantaged	552,926	375,525	131,424
	-----	-----	-----
	14,289,295	10,459,849	8,319,228

Federal funds sold	247,966	431,699	413,834

Total interest income	64,695,400	54,047,430	45,769,130

INTEREST EXPENSE:			
Deposits (Note 8)	14,538,843	10,773,128	9,657,636
Other borrowings	2,015,682	455,633	220,127

Total interest expense	16,554,525	11,228,761	9,877,763

NET INTEREST INCOME BEFORE PROVISION FOR CREDIT LOSSES	48,140,875	42,818,669	35,891,367
PROVISION FOR CREDIT LOSSES (Note 5)	2,575,000	350,000	1,720,000

NET INTEREST INCOME AFTER PROVISION FOR CREDIT LOSSES	45,565,875	42,468,669	34,171,367

OTHER OPERATING INCOME:			
Service charges on deposit accounts	6,727,166	5,970,972	5,214,765
Gain (loss) on sale of investment securities, net (Note 2)	369	(127,815)	3,721,041
Other	2,362,907	1,743,253	1,809,115

Total other operating income	9,090,442	7,586,410	10,744,921

OTHER OPERATING EXPENSES:			
Salaries, wages and employee benefits (Notes 11 and 12)	\$ 16,494,846	\$ 15,241,684	\$ 14,439,434
Occupancy (Note 10)	2,984,170	2,805,380	2,169,864
Equipment	2,278,699	1,969,544	1,526,519
Deposit insurance premiums	810,969	1,342,976	1,175,710
Stationery and supplies	1,832,810	1,556,527	1,068,657
Professional services	2,860,529	1,850,000	1,713,993
Data processing	659,252	831,049	877,542
Promotion	1,448,851	1,494,757	1,115,182
Other real estate owned expense (Note 5)	3,259,884	3,308,133	3,834,015
Other	2,423,006	2,034,574	1,432,843

Total other operating expenses	35,053,016	32,434,624	29,353,759

EARNINGS BEFORE INCOME TAXES	19,603,301	17,620,455	15,562,529
INCOME TAXES (Note 7)	8,145,842	7,185,679	6,040,178

NET EARNINGS	\$ 11,457,459	\$ 10,434,776	\$ 9,522,351
=====			
NET EARNINGS PER COMMON SHARE	\$ 1.22	\$ 1.13	\$ 1.05
=====			

See accompanying notes to consolidated financial statements.

(Concluded)

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
THREE YEARS ENDED DECEMBER 31, 1995

	COMMON SHARES OUTSTANDING	COMMON STOCK	RETAINED EARNINGS	UNREALIZED GAIN/(LOSS) ON SECURITIES AVAILABLE FOR SALE
BALANCE, JANUARY 1, 1993	6,577,865	\$ 11,866,467	\$ 40,171,748	
Common stock issued under stock option and deferred compensation agreements	35,753	490,922		
10% stock dividend, declared on December 15, 1993 and distributed on January 17, 1994	660,964	8,262,050	(8,262,050)	
Tax benefit from exercise of certain stock options			17,485	
Cash dividends			(2,111,441)	
Net earnings			9,522,351	
	-----	-----	-----	
BALANCE, DECEMBER 31, 1993	7,274,582	20,619,439	39,338,093	
Common stock issued under stock option plan and deferred compensation agreements	50,084	470,654		
10% stock dividend, declared on December 21, 1994 and distributed on January 24, 1995	732,108	11,347,674	(11,347,674)	
Tax benefit from exercise of certain stock options			46,415	
Cash dividends			(2,343,542)	
Net earnings			10,434,776	
Unrealized losses on securities available for sale, net of tax				\$(6,625,907)
	-----	-----	-----	-----
BALANCE, DECEMBER 31, 1994	8,056,774	32,437,767	36,128,068	(6,625,907)
Common stock issued under stock option plan and deferred compensation agreements	58,843	454,380		
10% stock dividend, declared on December 20, 1995 and distributed on January 23, 1996	811,090	10,544,170	(10,544,170)	
Tax benefit from exercise of certain stock options			75,825	
Cash dividends			(2,597,072)	
Net earnings			11,457,459	
Unrealized gains on securities available for sale, net of tax				6,929,696
	-----	-----	-----	-----
BALANCE, DECEMBER 31, 1995	8,926,707	\$ 43,436,317	\$34,520,110	\$ 303,789
	=====	=====	=====	=====

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS
THREE YEARS ENDED DECEMBER 31, 1995

	1995	1994	1993
CASH FLOWS FROM OPERATING ACTIVITIES:			
Interest received	\$ 62,860,948	\$ 51,205,480	\$ 45,518,868
Service charges and other fees received	9,090,073	7,714,225	7,023,880
Interest paid	(14,960,400)	(10,663,359)	(10,246,921)
Cash paid to suppliers and employees	(31,269,910)	(31,894,127)	(25,509,643)
Income taxes paid	(7,557,407)	(6,818,811)	(6,145,842)
	-----	-----	-----
Net cash provided by operating activities	18,163,304	9,543,408	10,640,342
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from sales of securities available for sale	13,516,987	53,296,643	63,864,087
Proceeds from maturities of securities available for sale	28,692,902	62,480,377	
Proceeds from maturities of securities held to maturity	1,667,623	1,119,772	42,248,230
Purchases of securities available for sale	(117,966,851)	(163,500,011)	
Purchases of securities held to maturity	(6,767,297)	(2,366,781)	(117,560,921)
Net increase in loans	(20,186,658)	(1,448,189)	(35,577,319)
Loan origination fees received	2,622,019	2,857,475	2,394,180
Proceeds from sale of other real estate owned	5,775,784	4,423,508	2,374,291
Proceeds from sale of premises and equipment	586,858	56,728	24,212
Purchases of premises and equipment	(6,828,719)	(5,324,476)	(2,324,386)
Consideration received (paid) in business combinations	2,822,309	13,324,176	(5,043,323)
Other investing activities	4,974,883	(8,496,214)	(2,843,235)
	-----	-----	-----
Net cash used in investing activities	(91,090,160)	(43,576,992)	(52,444,184)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net (decrease) increase in noninterest-bearing deposits and money market and savings accounts	(10,948,901)	53,601,842	28,949,459
Net increase (decrease) in time certificates of deposit	47,832,612	16,821,858	(14,064,629)
Net increase (decrease) in short-term borrowings	40,288,754	(7,792,948)	5,246,056
Cash dividends on common stock	(2,597,072)	(2,343,542)	(2,111,441)
Proceeds from exercise of stock options	283,014	128,829	106,173
	-----	-----	-----
Net cash provided by financing activities	74,858,407	60,416,039	18,125,618
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS			
	\$ 1,931,551	\$ 26,382,455	\$ (23,678,224)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR			
	109,828,593	60,852,849	71,229,035
CASH AND CASH EQUIVALENTS, END OF YEAR, BEFORE ACQUISITIONS			
	111,760,144	87,235,304	47,550,811
CASH AND CASH EQUIVALENTS RECEIVED IN ACQUISITIONS			
	126,296	22,593,289	13,302,038
CASH AND CASH EQUIVALENTS, END OF YEAR			
	\$ 111,886,440	\$ 109,828,593	\$ 60,852,849
RECONCILIATION OF NET EARNINGS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Net earnings	\$ 11,457,459	\$ 10,434,776	\$ 9,522,351
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Gain on sales of investment securities	(184,430)	(3,333)	(3,724,956)
Loss on sales of investment securities	184,061	131,148	3,915
Gain on sale of premises and equipment	(3,960)	(16,789)	
Gain on sale of other real estate owned	(277,608)	(6,563)	(5,967)
Amortization of premiums on investment securities	274,095	336,308	710,718
Provision for credit losses	2,575,000	350,000	1,720,000
Provision for losses on other real estate owned	1,900,000	2,400,000	2,830,000
Accretion of deferred loan fees and costs	(1,137,727)	(1,905,470)	(1,628,527)
Loan fees and costs deferred	(1,097,674)	(2,624,409)	(1,328,458)
Depreciation and amortization	1,881,702	1,549,006	1,097,152
Change in accrued interest receivable	(970,821)	(1,272,788)	667,547
Change in accrued interest payable	1,594,125	565,402	(369,158)
Deferred tax (benefit) provision	(1,382,537)	308,734	(944,053)
Change in other assets and liabilities	3,351,619	(702,614)	2,089,778
	-----	-----	-----
Total adjustments	6,705,845	(891,368)	1,117,991
NET CASH PROVIDED BY OPERATING			

ACTIVITIES	\$ 18,163,304	\$ 9,543,408	\$ 10,640,342
	=====	=====	=====

SUPPLEMENTAL SCHEDULE OF NONCASH

INVESTING AND FINANCING ACTIVITIES -

Real estate acquired through foreclosure	\$ 6,345,927	\$ 6,598,432	\$ 5,204,093
	=====	=====	=====

See accompanying notes to consolidated financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of CVB Financial Corp. and subsidiaries are in accordance with generally accepted accounting principles and conform to practices within the banking industry. A summary of the significant accounting policies consistently applied in the preparation of the accompanying consolidated financial statements follows:

Principles of Consolidation - The consolidated financial statements include the accounts of CVB Financial Corp. (the "Company") and its wholly owned subsidiaries, Chino Valley Bank (the "Bank") and Community Trust Deed Services, after elimination of all material intercompany transactions and balances.

Nature of Operations - The Company's primary operations are related to traditional banking activities, including the acceptance of deposits and the lending and investing of money through the operations of the Bank. The Bank's customers consist of small to mid-sized businesses and individuals located in the Inland Empire, San Gabriel Valley and Orange County. The Bank operates 19 branches with the headquarters located in the City of Ontario.

Investment Securities - The Company classifies as held to maturity those debt securities that it has the positive intent and ability to hold to maturity. All other debt and equity securities are classified as available for sale. Securities held to maturity are accounted for at cost, adjusted for amortization of premiums and accretion of discounts. Securities available for sale are accounted for at fair value, with the net unrealized gains and losses (unless other than temporary), net of income tax effects, presented as a separate component of stockholders' equity. Realized gains and losses on sales of securities available for sale are recognized in earnings at the time of sale and are determined on a specific identification basis.

Loans and Lease Finance Receivables - Loans and lease finance receivables are reported at the principal amount outstanding, less deferred net loan origination fees and the allowance for credit losses. Interest on loans and lease finance receivables is credited to income based on the principal amount outstanding. Interest income is not recognized on loans and lease finance receivables when collection of interest is deemed by management to be doubtful.

The Bank receives collateral to support loans, lease finance receivables and commitments to extend credit for which collateral is deemed necessary. The most significant category of collateral is real estate, principally

commercial and industrial income-producing properties.

Nonrefundable fees and direct costs associated with the origination or purchase of loans are deferred and netted against outstanding loan balances. The deferred net loan fees and costs are recognized in interest income over the loan term in a manner that approximates the level-yield method.

Provision and Allowance for Credit Losses - The determination of the balance in the allowance for credit losses is based on an analysis of the loan and lease finance receivables portfolio and reflects an amount that, in management's judgment, is adequate to provide for potential credit losses after giving consideration to the character of the loan portfolio, current economic conditions, past credit loss experience and such other factors as deserve current recognition in estimating credit losses. The provision for credit losses is charged to expense.

On January 1, 1995, the Bank adopted Statement of Financial Accounting Standards ("SFAS") No. 114, "Accounting by Creditors for Impairment of a Loan," as amended by SFAS No. 118, "Accounting by Creditors for Impairment of a Loan -- Income Recognition and Disclosures." This statement prescribes that a loan is impaired when it is probable that a creditor will be unable to collect all amounts due (principal and interest) according to the contractual terms of the loan agreement and provides guidance concerning the measurement of impairment on such loans and the recording of the related reserves. The adoption of this statement did not have a material effect on the results of operations or the financial position of the Bank taken as a whole.

Premises and Equipment - Premises and equipment are stated at cost less accumulated depreciation, which is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives using the straight-line method. Properties under capital lease and leasehold improvements are amortized over the shorter of their economic lives or the initial term of the lease.

Other Real Estate Owned - Other real estate owned, shown net of an allowance for losses of \$1,195,843 and \$1,180,090 at December 31, 1995 and 1994, respectively, represents real estate acquired through foreclosure in satisfaction of commercial and real estate loans and is stated at fair value, minus estimated costs to sell (fair value at time of foreclosure). Loan balances in excess of fair value of the real estate acquired at the date of acquisition are charged against the allowance for credit losses. Any subsequent operating expenses or income, reduction in estimated values, and gains or losses on disposition of such properties are charged to current operations.

Business Combinations and Intangible Assets - The Company has engaged in the acquisition of financial institutions and the assumption of deposits and purchase of assets from other financial institutions in its market area. The

Company has paid a premium on each transaction that has been determined to be an intangible asset, in the form of goodwill. These intangible assets are being amortized over a 15-year period on a straight-line basis.

Income Taxes - Deferred income taxes are recognized for the tax consequences in future years of differences between the tax basis of assets and liabilities and their financial reporting amounts at each year-end, based on enacted tax laws and statutory tax rates applicable to the periods in which the differences are expected to affect taxable income.

Earnings per Common Share - Earnings per common share are computed on the basis of the weighted average number of common shares outstanding during the year, plus shares issuable upon the assumed exercise of outstanding common stock options (common stock equivalents). The weighted average number of common shares outstanding and common stock equivalents was 9,322,681 (1995), 9,211,154 (1994) and 9,089,379 (1993). Earnings per common share and stock option amounts have been retroactively restated to give effect to all stock splits and dividends.

Statement of Cash Flows- Cash and cash equivalents as reported in the statements of cash flows include cash and due from banks and federal funds sold.

Recent Accounting Pronouncements - In 1995, the Financial Accounting Standards Board ("FASB") issued SFAS No. 123, "Accounting for Stock-Based Compensation," which is effective for fiscal years beginning after December 15, 1995 and encourages companies to account for stock compensation awards based on their fair value at the date the awards are granted. This statement does not require the application of the fair value method and allows the continuance of the current accounting method, which requires accounting for stock compensation awards based on their intrinsic value as of the grant date. The Company has chosen not to adopt the fair value provisions of SFAS No. 123 and will continue accounting for stock compensation awards at their intrinsic value at the date of grant.

Use of Estimates in the Preparation of Financial Statements - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications - Certain amounts in previous years' financial statements and related footnote disclosures were reclassified to conform to the current year presentation.

2. INVESTMENT SECURITIES

The amortized cost and estimated fair value of investment securities are shown below. All securities held are publicly traded, and estimated fair value was obtained from an independent pricing service.

	1995			
	AMORTIZED COST	GROSS UNREALIZED HOLDING GAINS	GROSS UNREALIZED HOLDING LOSSES	FAIR VALUE
Investment securities held to maturity:				
Mortgage-backed securities	\$ 8,759,019	\$ 576,366	\$ (145,242)	\$ 9,190,143
Municipal bonds	14,465,144	380,424	(52,922)	14,792,646
Other debt securities	1,048,344			1,048,344
	-----	-----	-----	-----
	\$ 24,272,507	\$ 956,790	\$ (198,164)	\$ 25,031,133
	=====	=====	=====	=====
Investment securities available for sale:				
U.S. Treasury securities	\$ 30,612,310	\$ 445,285	\$ (29,615)	\$ 31,027,980
Mortgage-backed securities	15,259,068	27,893	(58,265)	15,228,696
CMO/REMIC's	165,226,252	934,042	(464,368)	165,695,926
Government agency	41,659,418	182,579	(53,002)	41,788,995
FHLB stock	6,632,000			6,632,000
	-----	-----	-----	-----
	\$ 259,389,048	\$ 1,589,799	\$ (605,250)	\$ 260,373,597
	=====	=====	=====	=====

	1994			
	AMORTIZED COST	GROSS UNREALIZED HOLDING GAINS	GROSS UNREALIZED HOLDING LOSSES	FAIR VALUE
Investment securities held to maturity:				
Mortgage-backed securities	\$ 10,171,946	\$ 60,732	\$ (397,368)	\$ 9,835,310
Municipal bonds	8,213,760		(608,227)	7,605,533
Other debt securities	632,512			632,512
	-----	-----	-----	-----
	\$ 19,018,218	\$ 60,732	\$ (1,005,595)	\$ 18,073,355
	=====	=====	=====	=====
Investment securities available for sale:				
U.S. Treasury securities	\$ 59,294,064	\$ 59,331	\$ (1,228,499)	\$ 58,124,896
Mortgage-backed securities	15,848,051		(1,034,674)	14,813,377
CMO/REMIC's	97,556,299	99,626	(7,949,330)	89,706,595
Government agency	10,632,860		(554,733)	10,078,127
FHLB stock	525,100			525,100
	-----	-----	-----	-----
	\$ 183,856,374	\$ 158,957	\$(10,767,236)	\$173,248,095
	=====	=====	=====	=====

A mortgage-backed security classified as held to maturity at December 31, 1995 and 1994 was transferred from the available for sale portfolio in June 1994. The unrealized loss on this security was approximately \$467,000 and \$672,000, net of accretion, at December 31, 1995 and 1994, respectively.

The CMO/REMIC securities noted above represent collateralized mortgage obligations and real estate mortgage investment conduits. All are issues of U.S. government agencies that guarantee payment of principal and interest of the underlying mortgages.

At December 31, 1995 and 1994, investment securities having an amortized cost of approximately \$116,056,000 and \$114,669,000, respectively, were pledged to secure public deposits, short-term borrowings, and for other purposes as required or permitted by law.

The amortized cost and fair value of debt securities at December 31, 1995, by contractual maturity, are shown below. Although mortgage-backed securities and CMO/REMIC's have contractual maturities through 2022, expected maturities will differ from contractual maturities because borrowers may have the right to prepay such obligations without penalty.

	HELD TO MATURITY			AVAILABLE FOR SALE		
	AMORTIZED COST	FAIR VALUE	WEIGHTED AVERAGE YIELD	AMORTIZED COST	FAIR VALUE	WEIGHTED AVERAGE YIELD
Due in one year or less				\$ 37,434,086	\$ 37,564,705	6.48%
Due after one year through five years	\$ 333,486	\$ 339,388	4.40 %	34,837,642	35,252,270	5.91%
Due after five years through ten years	4,770,474	4,771,939	4.78 %			
Due after ten years	10,409,528	10,729,663	5.48 %			
	-----	-----	-----	-----	-----	-----
FHLB stock	15,513,488	15,840,990	4.89 %	72,271,728	72,816,975	6.19%
Mortgage-backed securities and CMO/REMICs				6,632,000	6,632,000	
	8,759,019	9,190,143	6.26 %	180,485,320	180,924,622	6.10%
	-----	-----	-----	-----	-----	-----
	\$ 24,272,507	\$ 25,031,133	5.42 %	\$ 259,389,048	\$ 260,373,597	6.13%
	=====	=====	=====	=====	=====	=====

Net realized gains and losses on sales of investment securities are as follows:

	1995	1994	1993
Gross realized gains	\$ 184,430	\$ 3,333	\$ 3,724,956
Gross realized losses	(184,061)	(131,148)	(3,915)
	-----	-----	-----
	\$ 369	\$ (127,815)	\$ 3,721,041
	=====	=====	=====

3. LOANS AND LEASE FINANCE RECEIVABLES

The Bank grants loans to its customers throughout its primary market in the San Gabriel Valley, Inland Empire and Orange County areas of Southern California, which have recently experienced adverse economic conditions, including declining real estate values. These factors have adversely affected certain borrowers' ability to repay loans. Although management believes the level of allowances for credit losses is adequate to absorb losses inherent in the loan portfolio, additional declines in the local economy and/or increases in the interest rate charged on adjustable rate loans may result in increasing loan losses that cannot be reasonably predicted at December 31, 1995.

The Bank makes loans to borrowers in a number of different industries. No industry had aggregate loan balances exceeding 10% of the December 31, 1995 or 1994 loan and lease finance receivables balance, with the exception of loans made to the agribusiness industry, which represents 13% and 11% of net loans outstanding at December 31, 1995 and 1994, respectively. At December 31, 1995, the Bank's loan portfolio included approximately \$326.7 million of loans secured by commercial and residential real estate properties where the borrowers are involved in several industries.

At December 31, 1995 the Bank held approximately \$247.6 million of fixed rate loans.

The following is a summary of the components of loan and lease finance receivables:

	1995	1994
Commercial, financial and industrial	\$234,708,614	\$262,494,137
Real estate:		
Construction	23,804,890	26,301,562
Mortgage	149,037,733	116,076,598
Loans to individuals for household, family and other consumer expenditures	15,876,904	15,552,790
Municipal lease finance receivables	21,528,868	23,246,272
Agribusiness	63,580,122	52,919,802
	-----	-----
Allowance for credit losses (Note 5)	508,537,131	496,591,161
Deferred loan origination fees, net	(9,625,586)	(9,470,736)
	(2,462,640)	(2,502,694)
	-----	-----
	\$496,448,905	\$484,617,731
	=====	=====

4. TRANSACTIONS INVOLVING DIRECTORS AND SHAREHOLDERS

In the ordinary course of business, the Bank has granted loans to certain directors, executive officers and the businesses with which they are associated. All such loans and commitments to lend were made under terms

that are consistent with the Bank's normal lending policies.

The following is an analysis of the activity of all such loans:

	1995	1994
Outstanding balance, beginning of year	\$ 3,343,000	\$ 3,073,000
Credit granted, including renewals	270,000	486,000
Repayments	(558,000)	(216,000)
	-----	-----
Outstanding balance, end of year	\$ 3,055,000	\$ 3,343,000
	=====	=====

5. ALLOWANCE FOR CREDIT AND OTHER REAL ESTATE OWNED LOSSES

Activity in the allowance for credit losses was as follows:

	1995	1994	1993
Balance, beginning of year	\$ 9,470,736	\$ 8,849,442	\$ 6,461,345
Provision charged to operations	2,575,000	350,000	1,720,000
Additions to allowance resulting from acquisitions		1,124,657	1,586,995
Loans charged off	(2,619,620)	(1,021,230)	(1,018,370)
Recoveries on loans previously charged off	199,470	167,867	99,472
	-----	-----	-----
Balance, end of year	\$ 9,625,586	\$ 9,470,736	\$ 8,849,442
	=====	=====	=====

At December 31, 1995, the Bank had classified \$559,233 of its loans as impaired and recorded a specific reserve of approximately \$415,093 on such loans. At December 31, 1995, the Bank also classified \$29,676,000 of its loans impaired, however, these loans are collateral dependent and, because the estimated fair value of the collateral exceeds the book value of the related loans at the date of measurement, no specific loss reserve was recorded on these loans in accordance with SFAS No. 114 at that date. The average recorded investment in impaired loans during the year ended December 31, 1995, was approximately \$30,459,000. Interest income of \$2,267,300 was recognized on impaired loans during the year ended December 31, 1995.

At December 31, 1995, loans on nonaccrual status totaled \$13,289,000, all of which are included in the impaired loans discussed above, compared to \$12,613,000 at December 31, 1994.

Due to financial difficulties encountered by certain borrowers, the Bank has restructured the terms of certain loans to facilitate loan payments. As of December 31, 1995 and 1994, loans with these restructured terms totaled \$13,558,000 and \$8,954,000, respectively. The balance of impaired loans disclosed above includes all troubled debt restructured loans that, as of December 31, 1995, are considered impaired.

Interest foregone on nonaccrual and restructured loans outstanding during the years ended December 31, 1995, 1994 and 1993 amounted to approximately \$988,000, \$1,363,000, and \$1,186,000, respectively.

Activity in the allowance for other real estate owned losses was as follows:

	1995	1994	1993
Balance, beginning of year	\$ 1,180,090	\$ 1,650,903	\$ 100,000
Provision charged to operations	1,900,000	2,400,000	2,830,000
Charge-offs of real estate owned	(1,884,247)	(2,870,813)	(1,279,097)
	-----	-----	-----
Balance, end of year	\$ 1,195,843	\$ 1,180,090	\$ 1,650,903
	=====	=====	=====

The Company incurred additional expenses of \$1,359,884 (1995), \$908,133 (1994) and \$1,004,015 (1993) related to the holding and disposition of other real estate owned.

6. PREMISES AND EQUIPMENT

Premises and equipment consist of:

	1995	1994
Land	\$ 2,613,493	\$ 1,205,845
Bank premises	8,819,086	6,060,974
Furniture and equipment	17,073,983	15,607,727
Leased property under capital lease	649,330	649,330
	-----	-----
Accumulated depreciation and amortization	29,155,892	23,523,876
	(11,936,645)	(10,722,395)
	-----	-----
	\$ 17,219,247	\$ 12,801,481
	=====	=====

7. INCOME TAXES

Income tax expense (benefit) comprised the following:

	1995	1994	1993
Current provision:			
Federal	\$ 7,141,463	\$ 4,995,206	\$ 5,088,401
State	2,386,916	1,881,739	1,895,830
	-----	-----	-----
	9,528,379	6,876,945	6,984,231
	-----	-----	-----
Deferred (benefit) provision:			
Federal	(1,144,867)	165,756	(728,828)
State	(237,670)	142,978	(215,225)
	-----	-----	-----
	(1,382,537)	308,734	(944,053)
	-----	-----	-----
	\$ 8,145,842	\$ 7,185,679	\$ 6,040,178
	=====	=====	=====

Income tax liability (asset) comprised the following:

	1995	1994
Current:		
Federal	\$ 1,868,265	\$ 7,577
State	248,461	46,938
	-----	-----
	2,116,726	54,515
	-----	-----
Deferred:		
Federal	(3,563,446)	(6,547,639)
State	(908,731)	(1,409,267)
	-----	-----
	(4,472,177)	(7,956,906)
	-----	-----
	\$(2,355,451)	\$(7,902,391)
	=====	=====

The components of the net deferred tax asset are as follows:

FEDERAL	1995	1994
Deferred tax liabilities:		
Depreciation	\$ 400,038	\$ 389,835
Leases	183,558	204,023
Unrealized gains on securities	181,000	
Other	75,608	65,748
	-----	-----
Gross deferred tax liability	840,204	659,606
	-----	-----
Deferred tax assets:		
California franchise tax	437,663	382,938
Bad debt and credit loss deduction	2,965,394	2,390,997
Other real estate owned reserves	940,153	413,032
Unrealized loss on securities		3,948,060
Other	60,440	72,218
	-----	-----
Gross deferred tax asset	4,403,650	7,207,245
	-----	-----
Net deferred tax asset - federal	\$ 3,563,446	\$ 6,547,639
	=====	=====
STATE	1995	1994
Deferred tax liabilities:		
Depreciation	\$ 164,420	\$ 153,601
Unrealized gain on securities	32,000	
Other	17,674	13,823
	-----	-----
Gross deferred tax liability	214,094	167,424
	-----	-----
Deferred tax assets:		
Bad debt and credit loss deduction	756,110	673,418
Other real estate owned reserves	303,535	131,073
Unrealized loss on securities		706,205
Other	63,180	65,995
	-----	-----
Gross deferred tax asset	1,122,825	1,576,691
	-----	-----
Net deferred tax asset - state	\$ 908,731	\$ 1,409,267
	=====	=====

A reconciliation of the statutory income tax rate to the consolidated effective income tax rate follows:

	1995		1994		AMOUNT	PERCENT
	AMOUNT	PERCENT	AMOUNT	PERCENT		
Federal income tax at statutory rate	\$ 6,861,155	35.0 %	\$ 6,167,159	35.0%	\$ 5,342,369	34.3%
State franchise taxes, net of federal benefit	1,397,010	7.1	1,316,067	7.5	1,140,830	7.3
Tax-exempt interest	(627,409)	(3.2)	(561,837)	(3.2)	(335,131)	(2.2)
Other, net	515,086	2.6	264,290	1.5	(107,890)	(0.6)
	-----		-----		-----	
	\$ 8,145,842	41.5 %	\$ 7,185,679	40.8%	\$ 6,040,178	38.8%
	=====		=====		=====	

8. DEPOSITS

Time certificates of deposit with balances of \$100,000 or more amounted to approximately \$109,040,000 and \$68,089,000 at December 31, 1995 and 1994, respectively. Interest expense on such deposits amounted to approximately \$4,924,000 (1995), \$2,471,000 (1994) and \$1,804,000 (1993).

9. SHORT-TERM BORROWINGS

On November 29, 1995, the Bank entered into a short-term borrowing agreement with the Federal Home Loan Bank ("FHLB") maturing on November 29, 1996. At December 31, 1995, the Bank had borrowed \$40,000,000 at 5.5% annual interest. The FHLB is holding certain investment securities of the Bank as collateral for the borrowings.

10. COMMITMENTS AND CONTINGENCIES

The Company leases land and buildings under operating leases for varying periods extending to 2014, at which time the Company can exercise options that could extend the leases to 2031. The future minimum annual rental payments required, which have initial or remaining noncancelable lease terms in excess of one year as of December 31, 1995, excluding property taxes and insurance, are approximately as follows:

1996	\$ 1,198,000
1997	1,178,000
1998	1,062,000
1999	1,086,000
2000	1,060,000
Succeeding years	3,117,000

Total minimum payments required	\$ 8,701,000
	=====

Total rental expense for the Company was approximately \$1,785,000 (1995), \$1,670,000 (1994) and \$1,449,000 (1993).

At December 31, 1995, the Bank had commitments to extend credit of approximately \$79,373,000 and obligations under letters of credit of \$8,871,000. Commitments to extend credit are agreements to lend to customers, provided there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Commitments are generally variable rate, and many of these commitments are expected to expire without being drawn upon. As such, the total commitment amounts do not necessarily represent future cash requirements. The Company uses the same credit underwriting policies in granting or accepting such commitments or contingent obligations as it does for on-balance-sheet instruments, which consist of evaluating customers' creditworthiness individually.

Standby letters of credit written are conditional commitments issued by the Company to guarantee the financial performance of a customer to a third party. Those guarantees are primarily issued to support private borrowing arrangements. The credit risk involved in issuing letters of credit is essentially the same as that involved in extending loan facilities to customers. When deemed necessary, the Company holds appropriate collateral supporting those commitments. Management does not anticipate any material losses as a result of these transactions.

In the ordinary course of business, the Company becomes involved in litigation. In the opinion of management and based upon discussions with legal counsel, the disposition of such litigation will not have a material effect on the Company's consolidated financial position or results of operations.

11. EMPLOYEE PROFIT SHARING PLAN

The Bank sponsors a 401(k) and profit-sharing plan for the benefit of its employees. Employees are eligible to participate in the plan after 12 months of consecutive service, provided they have completed 1,000 service hours in the plan year. Employees may make contributions to the plan under the plan's 401(k) component, and the Bank may make contributions under the plan's profit-sharing component, subject to certain limitations. The Bank's contributions are determined by the Board of Directors, and amounted to approximately \$780,000 (1995), \$715,000 (1994) and \$680,000 (1993).

12. STOCK OPTION PLANS

The Company has 1981 and 1991 plans under which options to purchase shares of the Company's common stock have been or may be granted to certain officers and directors. Under the 1981 plan, which expired in 1994, there are 84,795 options outstanding. No further grants can be made under this plan. Although no more options can be granted under this plan, the options granted thereunder will remain outstanding until they are exercised or canceled pursuant to their terms. The 1991 plan authorizes the issuance of

up to 1,244,485 shares. Option prices under both plans are to be determined at the fair market value of such shares on the date of grant, and options are exercisable in such installments as determined by the Board of Directors. Each option shall expire no later than ten years from the grant date.

At December 31, 1995, options for the purchase of 711,271 shares of the Company's common stock were outstanding under both plans, of which options to purchase 538,528 shares were exercisable at prices ranging from \$2.00 to \$12.81; 545,452 shares of common stock were available for the granting of future options under the 1991 plan. The status of all optioned shares is as follows:

	SHARES	PRICE RANGE
Outstanding at January 1, 1993	605,130	\$ 2.00 - \$ 9.48
Granted	74,197	\$ 8.17 - \$ 10.89
Exercised	(18,305)	\$ 5.63 - \$ 8.79
Canceled	(18,741)	\$ 5.63 - \$ 8.80

Outstanding at December 31, 1993	642,281	\$ 2.00 - \$ 10.89
Granted	54,813	\$ 9.80 - \$ 12.81
Exercised	(31,320)	\$ 2.91 - \$ 6.82
Canceled	(13,891)	\$ 5.64 - \$ 10.89

Outstanding at December 31, 1994	651,883	\$ 2.00 - \$ 12.81
Granted	123,603	\$ 12.73 - \$ 13.49
Exercised	(50,093)	\$ 5.64 - \$ 10.89
Canceled	(14,122)	\$ 5.64 - \$ 5.64

Outstanding at December 31, 1995	711,271	\$ 2.00 - \$ 13.49
	=====	

In 1995, 1994 and 1993, the Company granted to a key executive 13,310, 24,200, and 22,000 shares, respectively, of the Company's common stock in accordance with his compensation agreement. The agreement also provides for the granting of an additional 29,282 shares through 1996, for which the executive is entitled to receive stock and cash dividends.

13. REGULATORY MATTERS

The Company is subject to various regulatory capital requirements administered by the federal banking agencies. Under capital adequacy guidelines, the Company must meet specific capital guidelines that involve quantitative measures of the Company's assets, liabilities, and certain off-balance-sheet items as calculated under regulatory accounting practices. The Company's capital amounts and classification are also subject to qualitative judgments by the regulators about components, risk weightings, and other factors. Quantitative measures established by regulation to ensure capital adequacy require the Company to maintain minimum amounts and ratios of total and Tier I capital (primarily common stock and retained earnings less goodwill) to risk-weighted assets, and of Tier I capital to average assets.

The Company meets all capital adequacy requirements to which it is subject as of December 31, 1995. The Company is considered well capitalized. To be categorized as well capitalized, the Company must maintain minimum total risk-based, Tier I risk-based, and Tier I leverage (tangible Tier 1 capital divided by average total assets) ratios.

The Company's actual capital ratios at December 31 are as follows:

	WELL CAPITALIZED REQUIREMENT	ACTUAL 1995	1994
Total Capital (to Risk Weighted Assets)	10.0 %	13.0 %	12.0 %
Tier I Capital (to Risk Weighted Assets)	6.0 %	11.8 %	10.8 %
Tier I Capital (to Average Assets)	5.0 %	8.0 %	7.5 %

In addition, California Banking Law limits the amount of dividends a bank can pay without obtaining prior approval from bank regulators. Under this law, the Bank could, as of December 31, 1995, declare and pay additional dividends of approximately \$3,278,000.

Banking regulations require that all banks maintain a percentage of their deposits as reserves at the Federal Reserve Bank. On December 31, 1995, this reserve requirement was approximately \$16,684,000.

14. CONDENSED FINANCIAL INFORMATION OF PARENT COMPANY

BALANCE SHEETS (IN THOUSANDS)

	1995	1994
Assets:		
Investment in Chino Valley Bank	\$ 73,832	\$ 59,566
Other assets, net	7,736	3,083
	-----	-----
Total assets	\$ 81,568	\$ 62,649
	=====	=====
Liabilities	\$ 3,308	\$ 709
Stockholders' equity	78,260	61,940
	-----	-----
Total liabilities and stockholders' equity	\$ 81,568	\$ 62,649
	=====	=====

STATEMENTS OF EARNINGS (IN THOUSANDS)

	1995	1994	1993
Equity in earnings of Chino Valley Bank	\$ 11,632	\$ 10,724	\$ 9,935
Other expense, net	(175)	(289)	(413)
	-----	-----	-----
Net earnings	\$ 11,457	\$ 10,435	\$ 9,522
	=====	=====	=====

STATEMENTS OF CASH FLOWS
(IN THOUSANDS)

	1995	1994	1993
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net earnings	\$ 11,457	\$ 10,435	\$ 9,522
	-----	-----	-----
Adjustments to reconcile net earnings to cash (used in) provided by operating activities			
Earnings of Chino Valley Bank	(11,632)	(10,724)	(9,935)
Other operating activities, net	(1,839)	(1,088)	1,405
	-----	-----	-----
Total adjustments	(13,471)	(11,812)	(8,530)
	-----	-----	-----
Net cash (used in) provided by operating activities	(2,014)	(1,377)	992
	-----	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES:			
Dividends received from Chino Valley Bank	4,296	18,619	6,098
Investment in subsidiaries		(14,797)	(4,693)
	-----	-----	-----
Net cash provided by operating activities	4,296	3,822	1,405
	-----	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES:			
Cash dividends on common stock	(2,597)	(2,344)	(2,111)
Proceeds from exercise of stock options	283	129	106
	-----	-----	-----
Net cash used in financing activities	(2,314)	(2,215)	(2,005)
	-----	-----	-----
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(32)	230	392
	-----	-----	-----
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	792	562	170
	-----	-----	-----
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 760	\$ 792	\$ 562
	=====	=====	=====

15. QUARTERLY FINANCIAL DATA (UNAUDITED)

Summarized quarterly financial data follows:

	THREE MONTHS ENDED			
	MARCH 31	JUNE 30	SEPTEMBER 30	DECEMBER 31
1995	(IN THOUSANDS, EXCEPT PER-SHARE AMOUNTS)			
Net interest income	\$ 12,104	\$ 11,643	\$ 11,870	\$ 12,524
Provision for credit losses	1,225	350		1,000
Net earnings	2,541	2,647	2,985	3,284
Earnings per common share	0.27	0.28	0.32	0.35
1994				
Net interest income	\$ 9,424	\$ 9,923	\$ 11,644	\$ 11,828
Provision for credit losses	50	100	200	
Loss on sale of investment securities, net	128			
Net earnings	2,221	2,430	2,899	2,885
Earnings per common share	0.24	0.26	0.32	0.31

16. FAIR VALUE INFORMATION

The following disclosure of the estimated fair value of financial instruments is made in accordance with the requirements of SFAS No. 107, "Disclosures about Fair Value of Financial Instruments." The estimated fair value amounts have been determined by the Company using available market information and appropriate valuation methodologies. However, considerable judgment is required to develop the estimates of fair value. Accordingly, the estimates presented below are not necessarily indicative of the amounts the Company could have realized in a current market exchange as of December 31, 1995 and 1994. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value amounts.

ASSETS	1995	
	CARRYING AMOUNT	ESTIMATED FAIR VALUE
Cash and due from banks	\$ 104,886,440	\$ 104,886,400
Federal funds sold	7,000,000	7,000,000
Investment securities held to maturity	24,272,507	25,031,133
Investment securities available for sale	260,373,597	260,373,597
Loans and lease finance receivables, net	496,448,905	496,956,000
LIABILITIES		
Deposits:		
Noninterest-bearing	332,851,336	332,851,336
Interest-bearing	470,722,517	471,475,000
Demand note to U.S. Treasury	6,738,465	6,738,465
Short-term borrowings	40,000,000	40,000,000

ASSETS	CARRYING AMOUNT	ESTIMATED FAIR VALUE
Cash and due from banks	\$ 94,828,593	\$ 94,828,593
Federal funds sold	15,000,000	15,000,000
Investment securities held to maturity	19,018,218	18,073,355
Investment securities available for sale	173,248,095	173,248,095
Loans and lease finance receivables, net	484,617,731	466,828,000
LIABILITIES		
Deposits:		
Noninterest-bearing	327,807,389	327,807,389
Interest-bearing	434,816,532	434,034,000
Demand note to U.S. Treasury	6,429,970	6,429,970

The methods and assumptions used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value are explained below:

For federal funds sold and cash and due from banks the carrying amount is considered to be a reasonable estimate of fair value. For investment securities, fair values are based on quoted market prices, dealer quotes and prices obtained from an independent pricing service.

The carrying amount of loans and lease financing receivables is their contractual amounts outstanding, reduced by deferred net loan origination fees, and the allocable portion of the allowance for credit losses. Variable rate loans are composed primarily of loans whose interest rates float with changes in the prime interest rate. The carrying amount of variable rate loans, other than such loans in nonaccrual status, is considered to be their estimated fair value.

The fair value of fixed rate loans, other than such loans in nonaccrual status, was estimated by discounting the remaining contractual cash flows using the estimated current rate at which similar loans would be made to borrowers with similar credit risk characteristics and for the same remaining maturities, reduced by deferred net loan origination fees and the allocable portion of the allowance for credit losses.

Accordingly, in determining the estimated current rate for discounting purposes, no adjustment has been made for any change in borrowers' credit risks since the origination of such loans. Rather, the allocable portion of the allowance for credit losses is considered to provide for such changes in estimating fair value.

The fair value of loans on nonaccrual status has not been specifically estimated because it is not practicable to reasonably assess the credit risk adjustment that would be applied in the market place for such loans. As such, the estimated fair value of total loans at December 31, 1995 and

1994 includes the carrying amount of nonaccrual loans at each respective date.

The amounts payable to depositors for demand, savings, money market accounts, the demand note to the U.S. Treasury, and short-term borrowings with the FHLB are considered to be stated at fair value. The fair value of fixed-maturity certificates of deposit is estimated using the rates currently offered for deposits of similar remaining maturities.

The fair value estimates presented herein are based on pertinent information available to management as of December 31, 1995 and 1994. Although management is not aware of any factors that would significantly affect the estimated fair value amounts, such amounts have not been comprehensively revalued for purposes of these financial statements since that date, and, therefore, current estimates of fair value may differ significantly from the amounts presented above.

17. BUSINESS ACQUISITIONS

On November 3, 1995, the Board of Directors of the Company and Citizens Commercial Trust and Savings Bank of Pasadena ("Citizens"), announced the execution of a definitive agreement regarding the acquisition of Citizens by the Bank.

The transaction is subject to appropriate regulatory approvals and approval by the shareholders of Citizens. It is anticipated that the transaction will close during the second quarter of 1996, with Citizens being merged into the Bank.

On October 20, 1995, the Bank purchased the Victorville branch of Vineyard National Bank ("VNB"). On June 24, 1994, the Company purchased Western Industrial National Bank ("WINB") and contributed the assets and liabilities of WINB to the Bank. In addition, the Bank assumed deposits and purchased certain assets of a failed institution, Pioneer Bank ("PB"), as of July 8, 1994, from the Federal Deposit Insurance Corporation. The results of operations since the dates of these acquisitions are included in the accompanying consolidated statements of earnings. A summary of the significant components of these transactions are as follows:

	1995 VNB	1994 WINB	PB
Cash and cash equivalents	\$ 126,296	\$ 16,594,750	\$ 5,998,539
Fair value of other assets	1,155,703	36,375,489	17,505,877
Fair value of liabilities assumed	(4,104,308)	(44,150,079)	(52,925,330)
Goodwill		5,976,578	1,300,000
	-----	-----	-----
Consideration (received) paid	\$ (2,822,309)	\$ 14,796,738	\$(28,120,914)
	=====	=====	=====

INDEPENDENT AUDITORS' REPORT
To the Board of Directors and Stockholders of
CVB Financial Corp.
Ontario, California:

We have audited the accompanying consolidated balance sheets of CVB Financial Corp. and subsidiaries, as of December 31, 1995 and 1994, and the related consolidated statements of earnings, stockholders' equity, and cash flows for each of the three years in the period ended December 31, 1995. These consolidated financial statements are the responsibility of CVB Financial Corp.'s management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of CVB Financial Corp. and subsidiaries as of December 31, 1995 and 1994, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1995, in conformity with generally accepted accounting principles.

/S/Deloitte & Touche LLP
Deloitte & Touche LLP
January 26, 1996
Los Angeles, California

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

Except as hereinafter noted, the information concerning directors and executive officers of the Company is incorporated by reference from the section entitled "DIRECTORS AND EXECUTIVE OFFICERS - Election of Directors" and "COMPLIANCE WITH SECTION 16(A) OF THE SECURITIES EXCHANGE ACT OF 1934" of the Company's definitive Proxy Statement to be filed pursuant to Regulation 14A within 120 days after the end of the last fiscal year. For information concerning executive officers of the Company, see "Item 4(A). EXECUTIVE OFFICERS OF THE REGISTRANT" above.

ITEM 11. EXECUTIVE COMPENSATION

Information concerning management remuneration and transactions is incorporated by reference from the section entitled "DIRECTORS AND EXECUTIVE OFFICERS - Compensation of Executive Officers and Directors - Executive Compensation, - Employment Agreements and Termination of Employment Arrangements, - Stock Options, - Option Exercises and Holdings and - Compensation Committee Interlocks and Insider Participation" of the Company's definitive Proxy Statement to be filed pursuant to Regulation 14A within 120 days after the end of the last fiscal year.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Information concerning security ownership of certain beneficial owners and management is incorporated by reference from the sections entitled "INTRODUCTION - -Principal Shareholders" and "DIRECTORS AND EXECUTIVE OFFICERS - Election of Directors" of the Company's definitive Proxy Statement to be filed pursuant to Regulation 14A within 120 days after the end of the last fiscal year.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Information concerning certain relationships and related transactions with management and others is incorporated by reference from the section entitled "DIRECTORS AND EXECUTIVE OFFICERS--Certain Transactions" of the Company's definitive Proxy Statement to be filed pursuant to Regulation 14A within 120 days after the end of the last fiscal year.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS
ON FORM 8-K

Financial Statements

Reference is made to the Index to Financial Statements at page 43 for a list of financial statements filed as part of this Report.

Exhibits

See Index to Exhibits at Page 71 of this Form 10-K.

EXECUTIVE COMPENSATION PLANS AND ARRANGEMENTS

The following compensation plans and arrangements are filed as exhibits to this Form 10-K: 1981 Stock Option Plan, Exhibit 10.1; Agreement by and among D. Linn Wiley, CVB Financial Corp. and Chino Valley Bank dated August 8, 1991, Exhibit 10.2; Chino Valley Bank Profit Sharing Plan, Exhibit 10.3; 1991 Stock Option Plan, Exhibit 10.17; Severance Agreement between John Cavallucci, Chino Valley Bank and CVB Financial Corp. dated March 26, 1991 and Waiver Agreement dated October 4, 1991, Exhibit 10.18; Key Employee Stock Grant Plan, Exhibit 10.19. See Index to Exhibits at Page 71 to this Form 10-K.

REPORTS ON FORM 8-K

None

UNDERTAKING FOR REGISTRATION STATEMENT ON FORM S-8

For the purpose of complying with the amendments to the rules governing Form S-8 (effective July 13, 1990) under the Securities Act of 1933, the undersigned registrant hereby undertakes as follows, which undertaking shall be incorporated by reference into registrant's Registration Statement on Form S-8 No. 2-76121 (filed February 18, 1982): Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the

payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on the 27th day of March, 1996.

CVB FINANCIAL CORP.
(Registrant)

By
/S/D.Linn Wiley
D. LINN WILEY
President and
Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant in the capacities and on the dates indicated.

Signature	Title	Date
/S/George A. Borba George A. Borba	Chairman of the Board	March 27, 1996
/S/John A. Borba John A. Borba	Director	March 27, 1996
/S/Ronald O. Kruse Ronald O. Kruse	Director	March 27, 1996
/S/John J. LoPorto John J. LoPorto	Director	March 27, 1996
/S/Charles M. Magistro Charles M. Magistro	Director	March 27, 1996
/S/John Vander Schaaf John Vander Schaaf	Director	March 27, 1996
/S/Robert J. Schurheck Robert J. Schurheck	Chief Financial Officer (Principal Financial and Accounting Officer)	March 27, 1996
/S/D. Linn Wiley D. Linn Wiley	Director, President and Chief Executive Officer (Principal Executive Officer)	March 27, 1996

INDEX TO EXHIBITS

Exhibit No.	Page
3.1 Articles of Company, as amended.(1)	*
3.2 Bylaws of Company, as amended.(2)	*
10.1 1981 Stock Option Plan, as amended.(1)	*
10.2 Agreement by and among D. Linn Wiley, CVB Financial Corp. and Chino Valley Bank dated August 8, 1991.(2)	*
10.3 Chino Valley Bank Profit Sharing Plan, as amended.(3)	*
10.4 Definitive Agreement by and between CVB Financial Corp. and Huntington Bank dated January 6, 1987.(4)	*
10.5 Transam One Shopping Center Lease dated May 20, 1986, by and between Transam One and Chino Valley Bank for the East Chino Office.(4)	*
10.6 Sublease dated November 1, 1986, by and between Eldorado Bank and Chino Valley Bank for the East Highland Office.(4)	*
10.7 Lease Assignment, Acceptance and Assumption and Consent dated December 23, 1986, executed by the FDIC, Receiver of Independent National Bank, Covina, California, as Assignor, Chino Valley Bank, as Assignee, and INB Bancorp, as Landlord under that certain Ground Lease dated September 30, 1983 by and between INB Bancorp and Independent National Bank for the Covina Office.(4)	*
10.8 Lease Assignment dated May 15, 1987 and Consent of Lessor dated April 21, 1987 executed by Huntington Bank, as Assignor, Chino Valley Bank as Assignee and Gerald G. Myers and Lynn H. Myers as Lessors under that certain lease dated March 1, 1979 between Lessors and Huntington Bank for the Arcadia Office.(5)	*
10.9 Lease Assignment dated May 15, 1987 and Consent of Lessor dated March 18, 1987 executed by Huntington Bank, as Assignor, Chino Valley Bank as Assignee and George R. Meeker as Lessor under that certain Memorandum of Lease dated May 1, 1982 between Lessor and Huntington Bank for the South Arcadia Office.(5)	*
10.10 Lease Assignment dated May 15, 1987 and Consent of Lessor dated March 17, 1987 executed by Huntington Bank, as Assignor, Chino Valley Bank as Assignee and William R. Hayden and Marie Virginia Hayden as Lessor under that Certain Lease and Sublease, dated March 1, 1983, as amended, between Lessors and Huntington Bank for the San Gabriel Office.(5)	*

- 10.11 Lease Assignment dated May 15, 1987 executed by Huntington Bank as Assignor and Chino Valley Bank as Assignee under that certain Shopping Center Lease dated June 1, 1982, between Anita Associates, a limited partnership and Huntington Bank for the Santa Anita ATM Branch.(5) *
- 10.12 Office Building Lease between Havenpointe Partners Ltd. and CVB Financial Corp. dated April 14, 1987 for the Ontario Airport Office.(5) *
- 10.13 Form of Indemnification Agreement.(7) *
- 10.14 Office Building Lease between Chicago Financial Association I, a California Limited Partnership and CVB Financial Corp. dated October 17, 1989, as amended, for the Riverside Branch.(1) *
- 10.15 Office Building Lease between Lobel Financial Corporation and Chino Valley Bank dated June 12, 1990, for the Premier Results data processing center.(3) *
- 10.16 Office Space Lease between Rancon Realty Fund IV and Chino Valley Bank dated September 6, 1990, for the Tri-City Business Center Branch.(3) *
- 10.17 1991 Stock Option Plan.(6) *
- 10.18 Severance Agreement between John Cavallucci, Chino Valley Bank and CVB Financial Corp. dated March 26, 1991 and Waiver Agreement dated October 4, 1991.(2) *
- 10.19 Key Employee Stock Grant Plan.(8) *
- 10.20 Lease by and between Allan G. Millew and William F. Kragness and Chino Valley Bank dated March 5, 1993 for the Fontana Office. (9) *
- 10.21 Office Lease by and between Mulberry Properties and Chino Valley Bank dated October 12, 1992. (9) *
- 10.22 First Amended and Restated Agreement and Plan of Reorganization by and between CVB Financial Corp., Chino Valley Bank and Fontana First National Bank, dated October 8, 1992 (11) *
- 10.23 Purchase and Assumption Agreement among FDIC receiver of Mid City Bank, National Association, FDIC and Chino Valley Bank, dated October 21, 1993 (10) *
- 10.24 Agreement and Plan of Reorganization by and between CVB Financial Corp., Chino Valley Bank and Western Industrial National Bank, dated November 16, 1993 (11) *

10.24.1	Amendment No. 1 to Agreement and Plan of Reorganization by and between CVB Financial Corp., Chino Valley Bank and Western Industrial National Bank dated February 14, 1994. (12)	*
10.24.2	Amendment No. 2 to Agreement and Plan of Reorganization by and between CVB Financial Corp., Chino Valley Bank and Western Industrial National Bank dated June 23, 1994.(12)	*
10.25	Lease by and between Bank of America and Chino Valley Bank dated October 15, 1993, for the West Arcadia Office.(11)	*
10.26	Lease be and between RCI Loring and CVB Financial Corp dated March 11, 1993, for the Riverside Office. (11)	*
10.27	Lease by and between 110 Wilshire Building Partners, a California Partnership and Chino Valley Bank dated October 21, 1994 for the Fullerton Office (13)	*
10.28	Agreement and Plan of Reorganization between Chino Valley Bank, CVB Financial Corp. and Citizens Commercial Trust & Savings Bank of Pasadena, dated November 1, 1995. (14)	*
22	Subsidiaries of Company. (9)	*
23	Consent of Independent Certified Public Accountants.	75
27	Financial Data Schedule	76

*Not applicable.

- (1) Filed as Exhibits 3.1, 10.1 and 10.14 to Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1989, Commission file number 1-10394, which are incorporated herein by this reference.
- (2) Filed as Exhibits 3.2, 10.2 and 10.18 to Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1991, Commission file number 1-10394, which are incorporated herein by this reference.
- (3) Filed as Exhibits 10.3, 10.15 and 10.16 to Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1990, Commission file number 1-10394, which are incorporated herein by this reference.
- (4) Filed as Exhibits 10.4, 10.5, 10.6 and 10.7 to Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1986, Commission file number 1-10394, which are incorporated herein by this reference.

- (5) Filed as Exhibits 10.8, 10.9, 10.10, 10.11 and 10.12 to Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1987, Commission file number 1-10394, which are incorporated herein by this reference.
- (6) Filed as Exhibit 4.1 to Registrant's Registration Statement on Form S-8 (33-41318) filed with the Commission on June 21, 1991, which is incorporated herein by this reference.
- (7) Filed as Exhibit 10.13 to Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1988, Commission file number 1-10394, which is incorporated herein by this reference.
- (8) Filed as Exhibit 4.1 to Registrant's Registration Statement on Form S-8 (33-50442) filed with the Commission on August 1, 1992, which is incorporated herein by this reference.
- (9) Filed as Exhibit 10.20, 10.21 and 22 to Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1992, Commission file number 1-10394, which are incorporated herein by this reference.
- (10) Filed as Exhibit 99 to the Registrant's Current Report on Form 8-K filed with the Commission on November 4, 1993, which is incorporated herein by this reference.
- (11) Filed as Exhibit 10.22, 10.24, 10.25 and 10.26 to Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1993, Commission file number 1-10394, which are incorporated herein by this reference.
- (12) Filed as Exhibit 10.24.1 and 10.24.2 to the Registrant's current report on Form 8-K filed with the Commission on July 8, 1994, which are incorporated herein by this reference.
- (13) Filed as Exhibit 10.27 to the Registrants Annual Report on Form 10-K for the fiscal year ended December 31, 1994, Commission file number 1-10394, which is incorporated herein by this reference.
- (14) Filed as Exhibit 10.28 to the Registrants Quarterly report on Form 10-Q filed with the Commission on November 13, 1995 which is incorporated herein by this reference.

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in the 1981 Stock Option Plan Registration Statement No. 2-76121 on Form S-8, the 1991 Stock Option Plan Registration Statement No. 33-41318 on Form S-8 and the Key Employee Stock Grant Plan Registration Statement No. 33-50442 on Form S-8 of our report dated January 26, 1996, appearing on page 66 in this Annual Report on Form 10-K of CVB Financial Corp. for the fiscal year ended December 31, 1995.

/S/Deloitte & Touche LLP
Deloitte & Touche LLP
March 27, 1996
Los Angeles, California

THE SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE DECEMBER 31, 1995, CONSOLIDATED BALANCE SHEET, AND THE DECEMBER 31, 1995, CONSOLIDATED STATEMENT OF EARNINGS AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

1,000

YEAR	DEC-31-1995	DEC-31-1995
		104,886
	0	
	7,000	
	0	
260,374		
	24,272	
	25,031	
		506,074
		9,626
	936,940	
		803,574
		40,000
	14,631	
		475
	0	
		0
		43,436
		34,824
936,940		
	50,158	
	14,286	
	252	
	64,696	
	14,539	
	16,555	
	48,141	
		2,575
	0	
	35,053	
	19,603	
19,603		
	0	
		0
		11,457
		1.22
		1.22
		6.78
		13,289
		0
	13,558	
	1,164	
	9,471	
		2,619
		199
	9,626	
	5,731	
	0	
	3,895	