FORM 10-Q
UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2000

or

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

For the transition period from _____ to _____

For Quarter Ended June 30, 2000 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 incorporation or organization)	(I.R.S. Employer Identification No.)

701 North Haven Ave, Suite 350, Ontario, California	91764
(Address of Principal Executive Offices)	(Zip Code)

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

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 X NO

Number of shares of common stock of the registrant: 25,125,509 outstanding as of June 30, 2000.

This Form 10-Q contains 30 pages. Exhibit index on page 28.

PART I - FINANCIAL INFORMATION
CVB FINANCIAL CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
dollar amounts in thousands

	June 30, 2000 (unaudited)	December 31, 1999
ASSETS		
Investment securities available-for-sale	$ 955,586	$ 877,332
Loans and lease finance receivables, net	973,199	935,791
Total earning assets	1,928,785	1,813,123
Cash and due from banks	103,380	118,360
Premises and equipment, net	27,335	27,726
Other real estate owned, net	519	703
Goodwill and intangibles	8,010	8,452
Accrued interest receivable	13,730	11,454
Other assets	29,112	30,939
TOTAL	$ 2,110,871	$ 2,010,757
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Deposits:		
Noninterest-bearing	$ 624,895	$ 649,821
Interest-bearing	852,889	851,252
	1,477,784	1,501,073
Demand note issued to U.S. Treasury	8,752	16,951
Federal Funds Purchased	48,000	23,000
Repurchase Agreement	390,000	300,000
Other liabilities	33,276	28,963
	1,957,812	1,869,987
Stockholders' Equity:		
Preferred stock (authorized, 20,000,000 shares without par; none issued or outstanding)	0	0
Common stock (authorized, 50,000,000 shares without par; issued and outstanding 25,125,509 and 24,716,832)	107,470	105,304

Retained earnings	62,106	51,857
Accumulated other comprehensive loss	(16,517)	(16,391)
	153,059	140,770
TOTAL	$ 2,110,871	$ 2,010,757

See accompanying notes to the consolidated financial statements.

CVB FINANCIAL CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EARNINGS
(unaudited)
dollar amounts in thousands, except per share

	For the Three Months Ended June 30, 2000	For the Three Months Ended June 30, 1999	For the Six Months Ended June 30, 2000	For the Six Months Ended June 30, 1999
Interest income:				
Loans, including fees	$ 22,112	$ 19,185	$ 43,369	$ 37,704
Investment securities:				
Taxable	12,379	10,003	24,180	20,450
Tax-advantaged	2,831	1,365	5,095	2,613
Total investment income	15,210	11,368	29,275	23,063
Federal funds sold and interest bearing deposits with other financial institutions	0	523	2	990
Total interest income	37,322	31,076	72,646	61,757
Interest expense:				
Deposits	7,522	6,308	14,386	12,556
Other borrowings	6,270	2,712	11,520	5,746
Total interest expense	13,792	9,020	25,906	18,302
Net interest income	23,530	22,056	46,740	43,455
Provision for credit losses	700	520	1,600	1,190
Net interest income after provision for credit losses	22,830	21,536	45,140	42,265
Other operating income:				
Service charges on deposit accounts	2,550	2,729	5,196	5,245
Loss on sale of securities	(57)	0	(131)	(1)
Gain on sale of other real estate owned	0	348	224	348
Trust services	969	894	2,010	1,925
Other	971	1,205	1,848	2,162
Total other income	4,433	5,176	9,147	9,679
Other operating expenses:				
Salaries and employee benefits	7,339	7,584	14,853	15,127
Occupancy	1,292	1,247	2,667	2,564
Equipment	1,217	1,378	2,488	2,632
Professional services	739	1,653	1,860	3,006
Other	3,331	3,721	6,395	7,433
Total operating expenses	13,918	15,583	28,263	30,762
Earnings before income taxes	13,345	11,129	26,024	21,182
Provision for income taxes	4,898	4,104	9,721	7,892
Net earnings	$ 8,447	$ 7,025	$ 16,303	$ 13,290
Basic earnings per common share	$ 0.34	$ 0.29	$ 0.65	$ 0.54
Diluted earnings per common share	$ 0.33	$ 0.28	$ 0.64	$ 0.52
Cash dividends per common share	$ 0.12	$ 0.09	$ 0.24	$ 0.18

See accompanying notes to the consolidated financial statements.

CVB FINANCIAL CORP. AND SUBSIDIARIES
STATEMENT OF CHANGES IN EQUITY
(unaudited)
dollar amounts in thousands

	Total	Comprehensive Income	Retained Earnings	Accumulated Other Comprehensive Income	Common Stock
Beginning balance, January 1, 1999	$139,430		$35,517	$1,348	$102,565
Comprehensive income					
Net Income	25,960	$25,960	25,960		
Other comprehensive income, net of tax					
Unrealized loss on securities, net of reclassification adjustment	(17,739)	(17,739)		(17,739)	
Comprehensive income		$8,221			
Common Stock issued	2,739				2,739
Tax benefit from exercise of stock options	221		221		
Dividends declared on common stock	(9,841)		(9,841)		
Ending balance, December 31, 1999	140,770		51,857	(16,391)	105,304
Comprehensive income					
Net Income	16,303	$16,303	16,303		
Other comprehensive income, net of tax					
Unrealized loss on securities, net of reclassification adjustment	(126)	(126)		(126)	
Comprehensive income		$16,177			
Common Stock issued	2,166				2,166
Dividends declared on common stock	(6,054)		(6,054)		
Ending balance, June 30, 2000	$153,059		$62,106	($16,517)	$107,470

Disclosure of reclassification amount

Unrealized holding losses arising during period, net of tax effects of $13,058	$ (17,790)
Less:	
Reclassification adjustment for losses included in net income, net of tax effects of $29	51
Net unrealized loss on securities, December 31, 1999	$ (17,739)
Unrealized holding losses arising during period, net of tax effects of $92	$ (202)
Less:	
Reclassification adjustment for losses included in net income, net of tax effects of $55	76
Net unrealized losses on securities, June 30, 2000	$ (126)

See accompanying notes to the consolidated financial statements.

CVB FINANCIAL CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)
dollar amounts in thousands

	For the Six Months Ended June 30, 2000	For the Six Months Ended June 30, 1999
CASH FLOWS FROM OPERATING ACTIVITIES:		
Interest received	$ 74,239	$ 62,645
Service charges and other fees received	9,278	9,369
Interest paid	(24,040)	(18,526)
Cash paid to suppliers and employees	(20,374)	(28,109)
Income taxes paid	(10,432)	(8,002)
Net cash provided by operating activities	28,671	17,377
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sales of securities available for sale	22,146	105
Proceeds from maturities of securities available for sale	60,785	66,762
Proceeds from maturities of securities held to maturity	0	4,898
Purchases of securities available for sale	(159,792)	(82,668)
Purchases of securities held to maturity	0	(95)
Net increase in loans	(39,008)	(34,510)
Purchase of premises and equipment	(1,960)	(1,616)
Other investing activities	(5,446)	618
Net cash used in investing activities	(123,275)	(46,506)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net decrease in transaction deposits	(44,502)	(9,388)
Net increase (decrease) in time deposits	21,213	(472)
Net increase in short-term borrowings	106,801	22,721
Cash dividends on common stock	(6,054)	(4,578)
Proceeds from exercise of stock options	2,166	251
Net cash provided by financing activities	79,624	8,534
NET DECREASE IN CASH AND CASH EQUIVALENTS	(14,980)	(20,595)
CASH AND CASH EQUIVALENTS, beginning of period	118,360	174,963
CASH AND CASH EQUIVALENTS, end of period	$ 103,380	$ 154,368

See accompanying notes to the consolidated financial statements.

CVB FINANCIAL CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)
dollar amounts in thousands

	For the Six Months Ended June 30, 2000	1999
RECONCILIATION OF NET EARNINGS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Net earnings	$ 16,303	$ 13,290
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Loss on sale of investment securities	131	(1)
Amortization of premiums on investment securities.	3,869	1,353
Provisions for loan and OREO losses	1,600	1,290
Depreciation and amortization	2,284	1,890
Change in accrued interest receivable	(2,276)	(472)
Change in accrued interest payable	1,866	(225)
Change in other assets and liabilities	4,894	252
Total adjustments	12,368	4,087
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 28,671	$ 17,377

Supplemental Schedule of Noncash Investing and Financing Activities

	2000	1999
Securities sold and not settled	$ 0	$ 25,000
Securities purchased and not settled	$ 5,610	$ 36,028
Real estate acquired through foreclosure	$ 0	$ 1,795

CVB FINANCIAL CORP. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended June 30, 2000 and 1999

1. Summary of Significant Accounting Policies. See Note 1 of the Notes to Consolidated Financial Statements in CVB Financial Corp.'s 1999 Annual Report on Form 10-K.

   Goodwill resulting from purchase accounting treatment of acquired banks is amortized on a straight- line basis over 15 years.

   The Bank accounts for impaired loans in accordance with 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." Impaired loans totaled $2.7 million at June 30, 2000. These loans were supported by collateral with a fair market value, net of prior liens, of $3.4 million.

2. Certain reclassifications have been made in the 1999 financial information to conform to the presentation used in 2000.

3. In the ordinary course of business, the Company enters into commitments to extend credit to its customers. These commitments are not reflected in the accompanying consolidated financial statements. As of June 30, 2000, the Company had entered into commitments with certain customers amounting to $344.7 million compared to $250.8 million at December 31, 1999. Letters of credit at June 30, 2000, and December 31, 1999, were $15.6 million and $13.3 million, respectively.

4. The interim consolidated financial statements are unaudited and reflect all adjustments and reclassifications which, in the opinion of management, are necessary for a fair statement of the results of operations and financial condition for the interim period. All adjustments and reclassifications are of a normal and recurring nature. Results for the period ending June 30, 2000 are not necessarily indicative of results which may be expected for any other interim period or for the year as a whole.

5. The actual number of shares outstanding at June 30, 2000 was 25,125,509. Basic earnings per share are calculated on the basis of the weighted average number of shares outstanding during the period. Diluted earnings per share are calculated on the basis of the weighted average number of shares outstanding during the period plus shares issuable upon the assumed exercise of outstanding common stock options. All 1999 per share information in the financial statements and in Management's Discussion and Analysis has been restated to give retroactive effect to the 5-for-4 stock split declared December 15, 1999 and which was effective on January 14, 2000. The table below presents the reconciliation of earnings per share for the periods indicated.

Earnings Per Share Reconciliation
(Dollars and shares in thousands, except per share amounts)
For the Three Months
Ended June 30,

	2000			1999		
	Income (Numerator)	Weighted Average Shares (Denominator)	Per Share Amount	Income (Numerator)	Weighted Average Shares (Denominator)	Per Share Amount
BASIC EPS						
Income available to common stockholders	$ 8,447	25,070	$0.34	$ 7,025	24,456	$0.29
EFFECT OF DILUTIVE SECURITIES						
Incremental shares from assumed exercise of outstanding options		518	(0.01)		958	(0.01)
DILUTED EPS						
Income available to common stockholders	$ 8,447	25,588	$0.33	$ 7,025	25,414	$0.28

Earnings Per Share Reconciliation
For the Six Months
Ended June 30,

	2000			1999		
	Income (Numerator)	Weighted Average Shares (Denominator)	Per Share Amount	Income (Numerator)	Weighted Average Shares (Denominator)	Per Share Amount
BASIC EPS						
Income available to common stockholders	$ 16,303	25,004	$0.65	$ 13,290	24,451	$0.54
EFFECT OF DILUTIVE SECURITIES						
Incremental shares from assumed exercise of outstanding options		580	(0.01)		874	(0.02)
DILUTED EPS						
Income available to common stockholders	$ 16,303	25,584	$0.64	$ 13,290	25,325	$0.52

6. Supplemental Cash Flow Information - During the six-month period ended June 30, 1999, loans amounting to $1.8 million were transferred to Other Real Estate Owned ("OREO") as a result of foreclosure on the real properties held as collateral. No loans were transferred to OREO during the six-month period ended June 30, 2000.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's discussion and analysis is written to provide greater insight into the results of operations and the financial condition of CVB Financial Corp. and its subsidiaries. Throughout this discussion, "Company" refers to CVB Financial Corp. and its subsidiaries as a consolidated entity. "CVB" refers to CVB Financial Corp. as the unconsolidated parent company and "Bank" refers to Citizens Business Bank. For a more complete understanding of CVB Financial Corp. and its operations, reference should be made to the financial statements included in this report and in the Company's 1999 Annual Report on Form 10-K. Certain statements in this Report on Form 10-Q constitute "forward-looking statements" under the Private Securities Litigation Reform Act of 1995 which involve risks and uncertainties. The Company's actual results may differ significantly from the results discussed in such forward-looking statements. Factors that might cause such a difference include, but are not limited to, economic conditions, competition in the geographic and business areas in which the Company conducts operations, fluctuations in interest rates, credit quality, year 2000 data systems compliance, and government regulations. For additional information concerning these factors, see "Item 1. Business - Factors That May Affect Results" contained in the Company's Annual Report on Form 10-K for the year ended December 31, 1999.

RESULTS OF OPERATIONS

The Company reported net earnings of $16.3 million for the six months ended June 30, 2000. This represented an increase of $3.0 million, or 22.67%, over net earnings of $13.3 million, for the six months ended June 30, 1999. Basic earnings per share for the six month period increased to $0.65 per share for 2000, compared to $0.54 per share for 1999. Diluted earnings per share increased to $0.64 per share for the first six months of 2000, compared to $0.52 per share for the same six month period last year. The annualized return on average assets was 1.61% for the first six months of 2000 compared to a return on average assets of 1.46% for the six months ended June 30, 1999. The annualized return on average equity was 21.85% for the six months ended June 30, 2000, compared to a return of 18.44% for the six months ended June 30, 1999.

For the quarter ended June 30, 2000, the Company generated net earnings of $8.4 million. This represented an increase of $1.4 million, or 20.25%, over net earnings of $6.3 million for the second quarter of 1999. Basic earnings per share increased to $0.34 for the second quarter of 2000 compared to $0.29 per share for the second quarter of 1999. Diluted earnings per share increased to $0.33 per share compared to $0.28 per share for the second quarter of 2000 and 1999, respectively. The annualized return on average assets was 1.65% for the second quarter of 2000 compared to 1.54% for the same period last year. The annualized return on average equity was 22.41% for the second quarter of 2000 and 19.34% for the second quarter of 1999.

Pre-tax operating earnings, which exclude the impact of gains or losses on sale of securities and OREO, and the provisions for credit and OREO losses, totaled $27.5 million for the six months ended June 30, 2000. This represented an increase of $5.4 million, or 24.33 %, compared to pre-tax operating earnings of $22.1 million for the first six months of 1999. For the second quarter of 2000, pre-tax operating earnings totaled $14.1 million. This represented an increase of $2.7 million, or 23.49%, from pre-tax operating earnings of $11.4 million for the second quarter of 1999.

Net Interest Income/Net Interest Margin

The principal component of the Company's earnings is net interest income, which is the difference between the interest and fees earned on loans and investments and the interest paid on deposits and other borrowed funds. When net interest income is expressed as a percentage of average earning assets, the result is the net interest margin. The net interest spread is the yield on average earning assets minus the average cost of interest-bearing deposits and borrowed funds. The Company's net interest income, interest spread, and net interest margin are sensitive to general business and economic conditions. These conditions include short-term and long-term interest rates, inflation, monetary supply, and the strength of the economy, in general, and the local economics in which the Company conducts business.

For the six months ended June 30, 2000, net interest income was $46.7 million. This represented an increase of $3.3 million, or 7.56%, over net interest income of $43.5 million for the six months ended June 30, 1999. Although net interest income increased, the net interest margin decreased to 5.27% for the six months ended June 30, 2000, compared to 5.33% for the six months ended June 30, 1999. Also, the net interest spread decreased to 3.85% for the six months ended June 30, 2000, compared to a spread of 4.10% for the six months ended June 30, 1999. The increase in net interest income for the most recent six month period was primarily the result of an increased volume of average earning assets and an increase in the yield on earning assets. Gross earning assets averaged $1.9 billion for the first six months of 2000. This represented an increase of $191.7 million, or 11.48%, compared to average earning assets of $1.7 billion for the first six months of 1999. The decrease in net interest spread from 4.10% for the six months ended June 30, 1999 to 3.85% for the six months ended June 30, 2000 was the result of interest earning assets increasing 50 basis points, while interest bearing liabilities increased 75 basis points.

The cost of interest bearing liabilities was 4.17% for the first six months of 2000 compared to 3.42% for the same period last year, an increase of 75 basis points. The yield on earning assets was 8.02% for the first six months of 2000 compared to 7.52% for the same period last year, an increase of 50 basis points.

For the second quarter of 2000, net interest income was $23.5 million. This represented an increase of $1.5 million, or 6.68%, compared to $22.1 million for the second quarter of 1999. The net interest margin was 5.22% during the second quarter of 2000 compared to 5.39% for the same period last year. The net interest spread was 3.79% during the second quarter of 2000 compared to 4.17% for the second quarter of 1999. The decrease in the net interest margin and net interest spread resulted as the yield on average earning assets increased less than the increase in the cost of interest-bearing liabilities.

The Company reported total interest income of $72.6 million for the six months ended June 30, 2000. This represented an increase of $10.9 million, or 17.63%, over total interest income of $61.8 million for the six months ended June 30, 1999. The increase reflected the greater volume of earning assets and an increase in yield noted above.

The increase in the yield on average earning assets resulted from higher yields on average loans and investments. The yield on average loans increased to 9.09% for the six months ended June 30, 2000, from a yield of 8.91% for the first six months of 1999. The yield (FTE) on average investments increased to 6.90% for the first six months of 2000, from a yield (FTE) of 6.18% for the first six months of 1999. Loans typically generate higher yields than investments. Accordingly, the higher the loan portfolio is as a percentage of earning assets, the higher the yield on earning assets. For the six months ended June 30, 2000, average loans represented 51.23% of average earning assets, compared to 50.66% for the six months ended June 30, 1999.

The interest expense for the six months ended June 30, 2000 increased when compared to the same periods for 1999. Interest expense totaled $25.9 million for the six months ended June 30, 2000. This represented an increase of $7.6 million, or 41.55%, over total interest expense of $18.3 million for the six months ended June 30, 1999.

The increase in interest expense reflected an increase in the average volume of interest-bearing liabilities and an increase in the cost of funds. Average interest-bearing liabilities were $1.2 billion for the first six months of 2000. This represented an increase of $172.9 million, or 16.16%, from average interest-bearing liabilities of $1.1 billion for the first six months of 1999.

For the three months ended June 30, 2000, interest expense totaled $13.8 million. This represented an increase of $4.8 million, or 52.91% over interest expense of $9.0 million for the same period last year. The increase in interest expense reflected an increase in the cost of funds.

Average interest-bearing deposits totaled $855.3 million for the six months ended June 30, 2000. This represented an increase of $6.2 million, or 0.73%, over average interest-bearing deposits of $849.0 million for the six months ended June 30, 1999.

Other borrowed funds averaged $375.4 million for the six months ended June 30, 2000. This represented an increase of $160.9 million, or 75.03%, over average other borrowed funds of $214.5 million for the six months ended June 30, 1999.

Average interest-bearing deposits totaled $859.2 million for the three months ended June 30, 2000. This represented a decrease of $1.3 million, or 0.15%, over average interest-bearing deposits of $860.5 million for the three months ended June 30, 1999.

Other borrowed funds averaged $397.9 million for the three months ended June 30, 2000. This represented an increase of $196.5 million, or 97.52%, over average other borrowed funds of $201.5 million for the three months ended June 30, 1999.

The cost of average interest-bearing liabilities increased to 4.17% for the six months ended June 30, 2000, compared to a cost of 3.42% for the first six months of 1999. The increase in the cost of interest-bearing liabilities was primarily the result of an increase in the interest rate environment. The cost of average interest bearing deposits was 3.36% for the first six months of 2000 as compared to 2.96% for the first six months of 1999. The cost of other borrowed funds increased to 5.94% for the six months ended June 30, 2000, compared to a cost of 5.20% for the six months ended June 30, 1999.

A higher interest rate environment would increase the Company's cost to borrow funds and increase the rate paid on deposits, which more than offset, in the net interest margin and interest spread, the increase in rates earned by the Company on new or floating rate loans or investments.

Table 1 shows the average balances of assets, liabilities, and stockholders' equity and the related interest income, expense, and rates for the six month periods ended June 30, 2000, and 1999. Rates for tax-preferenced investments are shown on a taxable equivalent basis using a 40.3% tax rate.

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

	Six-month periods ended June 30, 2000			1999		
ASSETS	Average Balance	Interest	Rate	Average Balance	Interest	Rate
Investment Securities						
Taxable	$ 719,336	$ 24,180	6.72%	$ 665,119	$ 20,450	6.15%
Tax-advantaged (1)	188,691	5,095	7.42%	115,672	2,613	6.34%
Federal Funds Sold & Interest-bearing deposits with other financial institutions	77	2	5.19%	43,249	990	4.58%
Loans (2) (3)	953,788	43,369	9.09%	846,166	37,704	8.91%
Total Earning Assets	1,861,892	$ 72,646	8.01%	1,670,206	$ 61,757	7.52%
Total Non-earning Assets	158,523			146,894		
Total Assets	$ 2,020,415			$ 1,817,100		
LIABILITIES AND STOCKHOLDERS' EQUITY						
Non-interest bearing deposits	$ 598,709			$ 579,787		
Savings Deposits (4)	518,894	6,074	2.34%	522,687	5,179	1.98%
Time Deposits	336,364	8,312	4.94%	326,358	7,377	4.52%
Total Deposits	1,453,967	14,386	1.98%	1,428,832	12,556	1.76%
Other Borrowings	387,916	11,520	5.94%	221,199	5,746	5.20%
Total Interest-Bearing Liabilities	1,243,174	$ 25,906	4.17%	1,070,244	$ 18,302	3.42%
Other Liabilities	29,293			22,962		
Stockholders' Equity	149,239			144,107		
Total Liabilities and Stockholders' Equity	$ 2,020,415			$ 1,817,100		
Net interest spread			3.84%			4.10%
Net interest margin			5.23%			5.33%

(1) Yields are calculated on a taxable equivalent basis.
(2) Loan fees are included in total interest income as follows: 2000, $1,879; 1999, $1,637.
(3) Nonperforming loans are included in loans as follows: 2000, $1,022; 1999, $6,095.
(4) Includes interest-bearing demand and money market accounts.

Table 2 summarizes the changes in interest income and interest expense based on changes in average asset and liability balances (volume) and changes in average rates (rate). For each category of interest earning assets and interest-bearing liabilities, information is provided with respect to changes attributable to (1) changes in volume (change in volume multiplied by initial rate), (2) changes in rate (change in rate multiplied by initial volume) and (3) changes in rate/volume (change in rate multiplied by change in volume).

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

	Comparison of six-month period ended June 30, 2000 and 1999 Increase (decrease) in interest income or expense due to changes in			
	Volume	Rate	Rate/ Volume	Total
Interest Income:				
Taxable investment securities	$ 1,667	$ 1,908	$ 155	$ 3,730
Tax-advantaged securities	1,649	510	323	2,482
Fed funds sold & interest bearing deposits with other institutions	(989)	547	(546)	(988)
Loans	4,796	771	98	5,665
Total earning assets	7,123	3,736	30	10,889
Interest Expense:				
Savings deposits	(37)	939	(7)	895
Time deposits	226	688	21	935
Other borrowings	4,331	823	620	5,774
Total interest-bearing liabilities	4,520	2,450	634	7,604
Net Interest Income	$ 2,603	$ 1,286	$ (604)	$ 3,285

During periods of changing interest rates, the ability to reprice interest earning assets and interest-bearing liabilities can influence net interest income, net interest margin, and, consequently, the Company's earnings. Interest rate risk is managed by attempting to control the spread between rates earned on interest-earning assets and the rates paid on interest-bearing liabilities within the constraints imposed by market competition in the Bank's service area. Short term repricing risk is minimized by controlling the level of floating rate loans and maintaining investment payments and maturities which are scheduled in approximately equal increments over time. Basis risk is managed by the timing and magnitude of changes to interest-bearing deposits rates. Yield curve risk is reduced by keeping the duration of the loan and investment portfolios relatively short. Options risk in the investment portfolio is monitored monthly and actions are recommended when appropriate.

Both the net interest spread and the net interest margin are largely affected by interest rate changes in the market place and the Company's ability to reprice assets and liabilities as these interest rates change. The Company's management utilizes the results of a dynamic simulation model to quantify the estimated exposure of net interest income to sustained changes in interest rates. The sensitivity of the Company's net interest income is measured over a rolling two year horizon. The simulation model estimates the impact of changing interest rates on the net interest income from all interest earning assets and interest expense paid on all interest bearing liabilities reflected on the Company's balance sheet. The sensitivity analysis is compared to policy limits which specify a maximum tolerance level for net interest income exposure over a one year time horizon assuming no balance sheet growth, given both a 200 basis point upward and downward shift in interest rates. A parallel and pro rata shift in interest rates over a 12 month period is assumed. The following reflects the Company's net interest income sensitivity over a one year horizon as of June 30, 2000.

Simulated Rate Changes	Estimated Net Interest Income Sensitivity
+200 basis points	(2.26%)
- -200 basis points	4.05%

The table indicates that net interest income would decrease by approximately 2.26% over a 12 month period if there was a sustained, parallel and pro rata 200 basis point upward shift in interest rates. Net interest income would increase approximately 4.05% over a 12 month period if there was a sustained, parallel and pro rata 200 basis point downward shift in interest rates. The ability to reprice assets and liabilities as interest rates change is effected by the mix between fixed rate and floating rate assets and liabilities. In addition, the maturity schedule of fixed rate assets and liabilities also impacts the ability to reprice.

Credit Loss Experience

The allowance for credit losses is based upon estimates of probable losses inherent in the loan and lease portfolio. The amount of credit losses actually incurred can vary significantly from the estimated amounts. The Company's methodology includes several features which are intended to reduce the differences between estimated and actual losses.

Implicit in lending activities is the risk that losses will occur 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.

The Company's methodology for assessing the appropriateness of the allowance consists of several key elements, which include the formula allowance, specific allowances for identified problem loans and portfolio segments, and the unallocated allowance. In addition, the allowance incorporates the results of measuring impaired loans as provided in Statement of Financial Accounting Standards ("SFAS") No. 114, "Accounting by Creditors for Impairment of a Loan" and SFAS No. 118, "Accounting by Creditors for Impairment of a Loan - Income Recognition and Disclosures." These accounting standards prescribe the measurement methods, income recognition and disclosures related to impaired loans.

Specific allowances are established in cases where management has identified significant conditions or circumstances related to a credit that management believes indicates the probability that a loss has been incurred in excess of the amount determined by the application of the formula allowance.

Management performs a detailed analysis of these loans, including, but not limited to, appraisals of the collateral, conditions of the marketplace for liquidating the collateral and assessment of the guarantors. Management then determines the loss potential and allocates a portion of the allowance for losses as a specific allowance for each of these credits.

The unallocated allowance is based upon management's evaluation of various conditions, the effects of which are not directly measured in the determination of the formula and specific allowances. The evaluation of the inherent loss with respect to these conditions is subject to a higher degree of uncertainty because they are not identified with specific problem credits or portfolio segments. The conditions evaluated in connection with the unallocated allowance include the following conditions that existed as of the balance sheet date:

- then-existing general economic and business conditions affecting the key lending areas of the Company,
- then-existing economic and business conditions of areas outside the lending areas, such as other sections of the United States, Asia and Latin America,
- credit quality trends (including trends in non-performing loans expected to result from existing conditions),
- collateral values,
- loan volumes and concentrations,
- seasoning of the loan portfolio,
- specific industry conditions within portfolio segments,
- recent loss experience in particular segments of the portfolio,
- duration of the current business cycle,
- bank regulatory examination results, and
- findings of the Company's internal credit examiners.

Management reviews these conditions in discussion with the Company's senior credit officers. To the extent that any of these conditions is evidenced by a specifically identifiable problem credit or portfolio segment as of the evaluation date, management's estimate of the effect of such condition may be reflected as a specific allowance applicable to such credit or portfolio segment. Where any of these conditions is not evidenced by a specifically identifiable problem credit or portfolio segment as of the evaluation date, management's evaluation of the probable loss related to such condition is reflected in the unallocated allowance.

The Company maintains an allowance for potential credit losses that is increased by a provision for credit losses charged against operating results. The allowance for credit losses is also increased by recoveries on loans previously charged off and reduced by actual loan losses charged to the allowance. The provision for credit losses was $1.6 million for the six months ended June 30, 2000, as compared to $1.2 million for the same period of 1999, an increase of $410,000, or 34.45%.

The allowance for credit losses at June 30, 2000 was $18.2 million. This represented an increase of $2.2 million, or 13.72%, from the allowance for credit losses of $16.0 million at June 30, 1999. The allowance for credit losses was 1.91% of average gross loans for the first six months of 2000 and 1.89% of average gross loans for the first six months of 1999. For the six months ended June 30, 2000, net loan charge offs totaled $174,000, compared to net loan charge offs of $53,000 for the first six months of 1999.

Non-performing loans, which include non-accrual loans, loans past due 90 or more days and still accruing, and restructured loans were $1.0 million at June 30, 2000. This represented a decrease of $172,000, or 14.41%, from the level of non-performing loans at December 31, 1999. Non-performing assets, which include non-performing loans plus other real estate owned (foreclosed property) totaled $1.5 million at June 30, 2000. This represented a decrease of $356,000, or 18.77%, from non-performing assets of $1.9 million at December 31, 1999. Table 6 presents non-performing assets as of June 30, 2000, and December 31, 1999. The Company applies the methods prescribed by Statement of Financial Accounting Standards No. 114 for determining the fair value of specific loans for which the eventual collection of all principal and interest is considered impaired.

While management believes that the allowance at June 30, 2000 was adequate to absorb losses from any known or inherent risks in the portfolio, no assurance can be given that economic conditions which adversely affect the Company's service areas or other circumstances will not be reflected in increased provisions or credit losses in the future. Table 3 shows comparative information on net credit losses, provisions for credit losses, and the allowance for credit losses for the periods indicated.

TABLE 3 - Summary of Credit Loss Experience
(amounts in thousands)

	Six-months ended June 30, 2000	Six-months ended June 30, 1999
Amount of Total Loans at End of Period	$ 991,386	$ 864,932
Average Total Loans Outstanding	$ 953,788	$ 846,166
Allowance for Credit Losses at Beginning of Period	$ 16,761	$ 14,888
Loans Charged-Off:		
Real Estate Loans	186	40
Commercial and Industrial	73	118
Consumer Loans	4	7
Total Loans Charged-Off	263	165
Recoveries:		
Real Estate Loans	6	2
Commercial and Industrial	83	107
Consumer Loans	0	3
Total Loans Recovered	89	112
Net Loans Charged-Off	174	53
Provision Charged to Operating Expense	1,600	1,190
Allowance for Credit Losses at End of period	$ 18,187	$ 16,025
Net Loans Charged-Off to Average Total Loans*	0.04%	0.01%
Net Loans Charged-Off to Total Loans at End of Period*	0.04%	0.01%
Allowance for Credit Losses to Average Total Loans	1.91%	1.89%
Allowance for Credit Losses to Total Loans at End of Period	1.83%	1.85%
Net Loans Charged-Off to Allowance for Credit Losses*	1.91%	0.66%
Net Loans Charged-Off to Provision for Credit Losses	10.88%	4.45%

* Net Loan Charge-Off amounts are annualized.

Other Operating Income

Other operating income includes revenues earned from sources other than interest income. These sources include: service charges and fees on deposit accounts, fee income from the Asset Management Division, other fee oriented products and services, gain or loss on sale of securities or other real estate owned, and gross revenue from Community Trust Deed Services (the Company's nonbank subsidiary).

Other operating income totaled $9.1 million for the six months ended June 30, 2000. This represented a decrease of $600,000, or 5.50%, from other operating income of $9.7 million for the six months ended June 30, 1999. The decrease was primarily the result of lower other fees and charges, increased loss on the sale of securities, lower gain on the sale of other real estate owned, and lower service charges. For the three months ended June 30, 2000, other operating income totaled $4.4 million, a decrease of $800,000, or 14.36%, from $5.2 million for the same three month period ended June 30, 1999. The decrease was primarily the result of lower service charge income, lower other fees and charges, and lower gain on the sale of other real estate owned.

Service charge income totaled $5.2 million for the first six months ended June 30, 2000. This represents a decrease of $48,000, or 0.92%, over service charge income of $5.2 million for the six months ended June 30, 1999. For the three months ended June 30, 1999, service charge income totaled $2.6 million, a decrease of $179,000, or 6.55%, from $2.7 million for the same three month period ended June 30, 1999.

Trust income totaled $2.0 million for the six months ended June 30, 2000. This represented an increase of $86,000, or 4.45%, over trust income of $1.9 million for the six months ended June 30, 1999. For the three months ended June 30, 2000, trust income totaled $969,000, an increase of $75,000, or 8.44%, from $894,000 for the same three month period ended June 30, 1999.

Other fees and charges totaled $3.9 million for the first six months ended June 30, 2000. This represents a decrease of $229,000 or 5.60%, over other fees and charges of $4.1 million for the six months ended June 30, 1999. For the three months ended June 30, 2000, other fees and charges totaled $1.9 million, a decrease of $160,000, or 7.61%, from $2.1 million for the same three month period ended June 30, 1999.

Gain on the sale of other real estate owned totaled $223,000 for the six months ended June 30, 2000. This represents a decrease of $125,000 or 35.78%, over the gain on the sale of other real estate owned of $348,000 for the six months ended June 30, 1999. For the three months ending June 30, 2000, there was no gain/loss on the sale of other real estate owned. For the three months ending June 30, 1999, the gain on the sale of other real estate owned totaled $348,000.

Other Operating Expenses

Other operating expenses totaled $28.3 million for the six months ended June 30, 2000. This represented a decrease of $2.5 million, or 8.12%, over other operating expenses of $30.8 million for the six months ended June 30, 1999. For the three months ended June 30, 2000, other operating expenses totaled $13.9 million. This compares with $15.6 million for the same period last year, a decrease of $1.7 million, or 10.69%.

Salaries and employee benefits totaled $14.9 million for the first six months of 2000. This represented a decrease of $274,000, or 1.81%, from salaries and employee benefits of $15.1 million for the same period last year. Equipment expense totaled $2.5 million for the six months ended June 30, 2000. This represents a decrease of $144,000, or 5.47%, over equipment expense of $2.6 million for the six months ended June 30, 1999. Occupancy expense totaled $2.7 million for the six months ended June 30, 2000. This represents an increase of $103,000, or 4.00%, over occupancy expense of $2.6 million for the same period last year. Professional expense, which includes legal and accounting expenses totaled $1.9 million for the first six months ended June 30, 2000. This represents a decrease of $1.1 million, or 38.12%, over professional expense of $3.0 million for the six months ended June 30, 1999. Other expense, which includes data processing, supplies, promotional, and other expenses, totaled $6.2 million for the first six months ended June 30, 2000. This represents a decrease of $1.1 million, or 14.67%, over other expense of $7.3 million for the first six months of 1999. The reduction in other operating expense resulted from economies of scale derived from the merger with Orange National Bancorp.

For the three months ended June 30, 2000, salary expenses totaled $7.3 million. This compares with $7.6 million for the same period last year, a decrease of $300,000, or 3.22%. Equipment expense totaled $1.2 million for the three months ended June 30, 2000. This represents a decrease of $161,000, or 11.67%, over equipment expense of $1.4 million for the three months ended June 30, 1999. Occupancy expense totaled $1.3 million for the three months ended June 30, 2000. This represents an increase of $45,000, or 3.60%, over occupancy expense of $1.2 million for the same period last year. Professional expense, which includes legal and accounting expenses totaled $739,000 for the three months ended June 30, 2000. This represents a decrease of $914,000, or 55.31%, over professional expense of $1.7 million for the three months ended June 30, 1999. Other expense, which includes data processing, supplies, promotional, and other expenses, totaled $3.3 million for the three months ended June 30, 2000. This represents a decrease of $404,000, or 11.04%, over other expense of $3.7 million for the three months ending June 30, 1999. The reduction in other operating expenses resulted from economies of scale derived from the merger with Orange National Bancorp.

The Company maintains an allowance for potential losses on other real estate owned. The allowance is increased by a provision for losses on other real estate owned, and reduced by losses on the sale of other real estate owned charged directly to the allowance. The allowance was established to provide for future losses. For the six months ended June 30, 2000, there was no additional provision made for other real estate owned. At June 30, 2000 the allowance for potential losses on other real estate owned was $116,000, or 18.20%, of the $635,000 in other real estate owned.

As a percent of average assets, annualized other operating expenses decreased to 2.80% for the six months ended June 30, 2000, compared to a ratio of 3.39% for the six months ended June 30, 1999. The decrease in the ratio indicates that the Company is managing a greater level of assets with proportionately lower levels of operating expenses. The Company's efficiency ratio decreased to 50.57% for the six months ended June 30, 2000, compared to a ratio of 57.90% for the six months ended June 30, 1999. The decrease in the efficiency ratio indicates that the Company is allocating a lower percentage of net revenue to operating expenses.

BALANCE SHEET ANALYSIS

The Company reported total assets of $2.11 billion at June 30, 2000. This represented an increase of $100.1 million, or 4.98%, over total assets of $2.01 billion at December 31, 1999. Gross loans, net of deferred loan fees, totaled $991.4 million at June 30, 2000. This represented an increase of $38.8 million, or 4.08%, over gross loans of $952.6 million at December 31, 1999. Total deposits decreased $23.3 million, or 1.55%, to $1.48 billion at June 30, 2000, from $1.50 billion at December 31, 1999. Investment Securities and Debt Securities Available-for-Sale totaled $955.6 million at June 30, 2000. This represented an increase of $78.3 million, or 8.92%, over total investment securities of $877.3 million at December 31, 1999. At June 30, 2000, the Company's net unrealized loss on securities available-for-sale totaled $28.6 million. Accumulated other comprehensive loss totaled $16.5 million, and deferred tax assets totaled $12.1 million. At December 31, 1999, the Company reported a net unrealized loss on investment securities available for sale of $28.4 million, with accumulated other comprehensive loss of $16.4 million and deferred taxes of $12.0 million. Note 2 of the Notes to the Consolidated Financial Statements in the Company's 1999 Annual Report on Form 10-K discusses current accounting policy as it pertains to recognition of market values for investment securities held as available-for-sale.

Table 4 sets forth investment securities available-for-sale, at June 30, 2000 and December 31, 1999.

Table 4 - Composition of Securities Portfolio
(dollars in thousands)

	June 30, 2000				December 31, 1999			
	Amortized Cost	Market Value	Net Unrealized Gain/(Loss)	Yield	Amortized Cost	Market Value	Net Unrealized Gain/(Loss)	Yield
U.S. Treasury securities Available for Sale	$ 999	$ 988	$ (11)	5.91%	$ 999	$ 991	$ (8)	5.91%
FHLMC, FNMA CMO's, REMIC's and mortgage-backed pass-through securities Available for Sale	630,345	605,557	(24,788)	6.55%	608,007	586,036	(21,971)	6.45%
Other Government Agency Securities Available for Sale	23,684	23,248	(436)	6.11%	35,392	34,882	(510)	6.02%
GNMA mortgage-backed pass-through securities Available for Sale	56,498	54,917	(1,581)	6.81%	57,907	56,201	(1,706)	6.68%
Tax-exempt Municipal Securities Available for Sale	241,333	239,625	(1,708)	5.57%	165,137	160,946	(4,191)	5.21%
Corporate Bond Available for Sale	9,538	9,417	(121)	7.05%	9,536	9,493	(43)	7.05%
Other securities Available for Sale	21,834	21,834	0	0.00%	28,783	28,783	0	0.00%
	$984,231	$ 955,586	$ (28,645)	6.31%	$905,761	$877,332	$(28,429)	6.22%

Loan Composition and Non-performing Assets

Table 5 sets forth the distribution of the loan portfolio by type as of the dates indicated (dollar amounts in thousands):

Table 5 - Distribution of Loan Portfolio by Type

	June 30, 2000	December 31, 1999
Commercial and Industrial	$395,364	$392,094
Real Estate:		
Construction	49,109	48,078
Mortgage	404,672	375,387
Consumer	24,343	24,731
Municipal lease finance receivales	26,004	21,268
Agribusiness	95,382	94,560
Gross Loans	$994,874	$956,118
Less:		
Allowance for credit losses	18,187	16,761
Deferred net loan fees	3,488	3,566
Net Loans	$973,199	$935,791

As set forth in Table 6, non-performing assets (non-accrual loans, loans 90 days or more past due and still accruing interest, restructured loans, and other real estate owned) totaled $1.5 million at June 30, 2000. This represented a decrease of $356,000, or 18.77%, from non-performing assets of $1.9 million at December 31, 1999. As a percent of total assets, non-performing assets were unchanged at 0.09% on June 30, 2000, and 0.09% on December 31, 1999.

Although management believes that non-performing assets are generally well secured and that potential losses are reflected in the allowance for credit losses, there can be no assurance that a general deterioration of economic conditions or collateral values would not result in future credit losses.

TABLE 6 - Non-performing Assets (dollar amount in thousands)

	June 30, 2000	December 31, 1999
Non-accrual loans	$611	$1,191
Loans past due 90 days or more and still accruing interest	411	3
Restructured loans	0	0
Other real estate owned (OREO), net	519	703
Total non-performing assets	$1,541	$1,897
Percentage of non-performing assets to total loans outstanding and OREO	0.16%	0.20%
Percentage of non-performing assets to total assets	0.07%	0.09%

The decrease in non-performing assets was primarily the result of a decrease in non-accrual loans and other real estate owned (OREO) which was partially offset by an increase in loans 90 days or more and still accruing interest. Non-accrual loans totaled $611,000 at June 30, 2000. This represented a decrease of $580,000, or 48.70%, from total non-accrual loans of $1.2 million at December 31, 1999.

At June 30, 2000, the majority of non-accrual loans were collateralized by real property. The estimated loan balances to the fair value of related collateral (loan-to-value ratio) for non-accrual loans ranged from approximately 14% to 93%.

Loans 90 days or more and still accruing interest totaled $411,000 at June 30, 2000. This represents an increase of $408,000 or 136.00%, over loans 90 days or more past due and still accruing interest of $3 at December 31, 1999.

Other real estate owned (OREO) totaled $519,000 at June 30, 2000. This represents a decrease of $184,000 or 26.17%, from OREO of $703,000 at December 31, 2000.

The Bank has allocated specific reserves to provide for any potential loss on non-performing loans. Management cannot, however, predict the extent to which the current economic environment may persist or worsen or the full impact such environment may have on the Company's loan portfolio.

Deposits and Other Borrowings

At June 30, 2000, total deposits were $1.48 billion. This represented a decrease of $23.3 million, or 1.55%, from total deposits of $1.50 billion at December 31, 1999. Demand deposits totaled $624.9 million at June 30, 2000, representing a decrease of $24.9 million, or 3.84%, from total demand deposits of $649.8 million at December 31, 1999. The decrease in demand deposits from the year end total reflects normal seasonal fluctuations relating to agricultural and other depositors. Average demand deposits for the first six months of 2000 were $598.7 million. This represented an increase of $18.9 million, or 3.26%, from average demand deposits of $579.8 million for the first six months of 1999. The comparison of average balances for the first six months of 2000 and 1999 is more representative of the Company's growth in deposits as it excludes the seasonal peak in deposits at year end.

Savings deposits totaled $501.4 million at June 30, 2000. This represents a decrease of $19.6 million, or 3.76%, from savings deposits of $521.0 million at December 31, 1999.

Time deposits totaled $351.5 million at June 30, 2000. This represented an increase of $21.2 million, or 6.42%, over total time deposits of $330.3 million at December 31, 1999. Time deposits are not affected by the Company's seasonal fluctuation in demand deposits.

Other borrowed funds totaled $438.0 million at June 30, 2000. This represented an increase of $115.0 million, or 35.60% over other borrowed funds of $323.0 million at December 31, 1999. The increase in other borrowed funds during the first six months of 2000 was primarily the result of an increase Federal Home Loan Bank borrowing.

Liquidity

Liquidity risk is the risk to earnings or capital resulting from the Bank's inability to meet its obligations when they come due without incurring unacceptable losses. It includes the ability to manage unplanned changes in funding sources and to recognize or address changes in market conditions that affect the Bank's ability to liquidate assets quickly and with minimum loss of value. Factors considered in liquidity risk management are stability of the deposit base; marketability, maturity, and pledging of investments; and the demand for credit.

In general, liquidity risk is managed daily by controlling the level of Fed funds and the use of funds provided by the cash flow from the investment portfolio. To meet unexpected demands, lines of credit are maintained with correspondent banks, the Federal Home Loan Bank and the Federal Reserve Bank. The sale of investments maturing in the near future can also serve as a contingent source of funds. Increases in deposit rates are considered a last resort as a means of raising funds to increase liquidity.

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, purchase of assets, and other operating expenses.

Net cash provided by operating activities totaled $28.7 million for the first six months of 2000, compared to net cash provided by operating activities of $17.4 million for the same period last year. The increase was primarily the result of an increase in interest received.

Net cash used by investing activities totaled $123.3 million for the first six months of 2000, compared to net cash used for investing activities of $46.5 million for the same period last year. The increase in net cash used by investing activities was primarily the result of additional purchases of investment securities. Financing activities provided net cash flows of $79.6 million for the six months ended June 30, 2000. This compares to $8.5 million in net cash provided by financing activities for the six months ended June 30, 1999. The increase in net cash provided by financing activities was primarily the result of additional short-term borrowings. At June 30, 2000, cash and cash equivalents totaled $103.4 million compared to $154.4 million at June 30, 1999.

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 the first six months of 2000, the Bank's average net loan to deposit ratio averaged 64.40%, compared to an average ratio of 58.14% for the first six months of 1999.

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 June 30, 2000, approximately $58.7 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 June 30, 2000, neither the Bank nor CVB had any material commitments for capital expenditures.

Capital Resources

The Company's equity capital was $153.1 million at June 30, 2000. The primary source of capital for the Company continues to be the retention of net after tax earnings. The Company's 1999 Annual Report on Form 10-K (Management's Discussion and Analysis and Note 15 of the accompanying financial statements) describes the regulatory capital requirements of the Company and the Bank.

The Bank and the Company are required to meet risk-based capital standards set by their respective regulatory authorities. The risk-based capital standards require the achievement of a minimum ratio of total capital to risk-weighted assets of 8.0% (of which at least 4.0% must be Tier 1 capital). In addition, the regulatory authorities require the highest rated institutions to maintain a minimum leverage ratio of 4.0%. At June 30, 2000, the Bank and the Company exceeded the minimum risk-based capital ratio and leverage ratio required to be considered "Well Capitalized".

Table 7 below presents the Company's and the Bank's risk-based and leverage capital ratios as of June 30, 2000, and December 31, 1999.

Table 7 - Regulatory Capital Ratios

Capital Ratios	Required Minimum Ratios	June 30, 2000 Company	June 30, 2000 Bank	December 31, 1999 Company	December 31, 1999 Bank
Risk-based capital ratios					
Tier I	4.00%	13.10%	13.12%	12.60%	12.33%
Total	8.00%	14.36%	14.38%	13.86%	13.59%
Leverage ratio	4.00%	7.91%	7.91%	7.73%	7.56%

Risk Management

The Company's management has adopted a Risk Management Policy to ensure the proper control and management of all risk factors inherent in the operation of the Company and the Bank. The policy is designed to address specific risk factors defined by federal bank regulators. These risk factors are not mutually exclusive. It is recognized that any product or service offered may expose the Bank to one or more of these risks. The Risk Management Policy identifies the significant risks as: credit risk, interest rate risk, liquidity risk, transaction risk, compliance risk, strategic risk, reputation risk, price risk, and foreign exchange risk.

Year 2000

The financial institutions industry, as with other industries, was faced with year 2000 issues. These issues centered around computer programs that do not recognize a year which begins with "20" instead of "19", or uses only 2 digits for the year.

As of December 31, 1999, all phases of Year 2000 Plan were complete. As of June 30, 2000, the Company experienced no problems with Year 2000 issues. The Company will continue to monitor critical dates throughout the Year 2000. It is not anticipated that there will be any problems from Year 2000 issues.

PART II - OTHER INFORMATION

Item 1 - Legal Proceedings

CVB Financial has received a tentative opinion on the disposition of the MRI Grand Terrace, Inc. ("MRI") litigation from the California Appellate Court indicating that the verdict of the lower court should be reversed and remanded to the lower court for re-trial. At this time, the appellate court is preparing to hear oral arguments before it renders its final decision. Until a decision is final, the funds placed in reserve for this case will not be released. If the case goes to a new trial, final resolution could take several years.

Item 2 - Changes in Securities
Not Applicable

Item 3 - Defaults upon Senior Securities
Not Applicable

Item 4 - Submission of Matters to a Vote of Security Holders

The Annual Meeting of Shareholders was held May 17, 2000. At the meeting, the following individuals were elected to serve as the Company's Board of Directors until the 2001 Annual Meeting of Shareholders and until their successors are elected and have qualified:

	For	Withheld	Against or Abstained	Broker Non-Votes
George A. Borba	20,556,528	170,164	-0-	-0-
John A. Borba	20,662,113	64,579	-0-	-0-
Ronald O. Kruse	20,662,545	64,147	-0-	-0-
John J. LoPorto	20,661,337	65,355	-0-	-0-
James C. Seley	20,662,545	64,147	-0-	-0-
San Vaccaro	20,662,525	64,167	-0-	-0-
D. Linn Wiley	20,556,548	70,144	-0-	-0-

The appointment of Deloitte & Touche LLP as independent public accountants of the Company for the year ended December 31, 2000 was ratified at the 2000 Annual Meeting of Shareholders by the following:

For	Against or Withheld	Abstained	Broker Non-Votes
20,551,815	5,744	169,133	-0-

The approval of CVB Financial Corp. 2000 Stock Option Plan was ratified at the 2000 Annual Meeting of Shareholders by the following:

For	Against or Withheld	Abstained	Broker Non-Votes
15,418,680	1,188,848	323,462	3,708,472

Item 5 - Other Information
Not Applicable

Item 6 - Exhibits and Reports on Form 8-K

(a) Exhibits

Exhibit 27 - Financial Data Schedule

(b) Reports on Form 8-K

None

Exhibit Index

SIGNATURES

Pursuant to the requirements 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.

CVB FINANCIAL CORP.
(Registrant)

Date: August 9, 2000

/s/ Edward J. Biebrich, Jr.

Edward J. Biebrich, Jr.
Chief Financial Officer

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THE SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE JUNE 30, 2000, CONSOLIDATED BALANCE SHEET, AND THE JUNE 30, 2000, CONSOLIDATED STATEMENT OF EARNINGS AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS

1,000

6-MOS
DEC-31-2000
JUN-30-2000
103,380
0
0
0
955,586
0
0
991,386
18,187
2,110,871
1,477,784
438,000
41,671
357
0
0
107,470
45,589
2,110,871
43,369
29,275
2
72,646
14,386
25,906
46,740
1,600
(131)
28,263
26,024
16,303
0
0
16,303
0.65
0.64
5.23
611
411
0
2,032
16,761
263
89
18,187
9,936
0
8,251