

SEC Number 17514  
PSE Code         
File Number       

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**RIZAL COMMERCIAL BANKING  
CORPORATION AND SUBSIDIARIES**

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(Company's Full Name)

**Yuchengco Tower, RCBC Plaza  
6819 Ayala Ave. corner Sen G.J. Puyat Ave., Makati City**

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(Company's Address)

**894-9000**

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(Telephone Number)

**March 31, 2010**

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(Fiscal Quarter Ending)

**SEC FORM 17-Q**

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Form Type

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Amendment Designation (if applicable)

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Period Ended Date

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(Secondary License Type and File Number)

SECURITIES AND EXCHANGE COMMISSION  
SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC  
RULE 17(2)(b) THEREUNDER

1. For the quarterly period ended March 31, 2010  
2. Commission identification number 17514  
3. BIR Tax Identification No. 000-599-760  
4. Exact name of registrant as specified in its charter : RIZAL COMMERCIAL BANKING  
CORP.

5. Philippines  
Province, Country or other jurisdiction of incorporation or organization

6.  (SEC Use Only) Industry Classification Code

7. 6819 Ayala Ave. cor. Sen. Puyat Avenue, Makati City 1200  
Address of principal office Postal Code

8. 632/ 894-9000  
Registrant's telephone number, including area code

9. Not applicable  
Former name, former address & former fiscal year, if changed since last report  
10. Securities registered pursuant to Sections 4 and 8 of the RSA

<u>Title of Each Class</u>	<u>Number of Shares of Common Stock</u> <u>Outstanding and Amount of Debt Outstanding</u>
Common Stock, P10 par value	941,082,952 (as of 03/31/10)

11. Are any or all of these securities listed on the Philippine Stock Exchange  
Yes (x) No ( )

12. Check whether the registrant:

(a) has filed all reports required to be filed by Section 11 of the Revised Securities Act (RSA) and RSA Rule 11(a)-1 thereunder and Sections 26 and 141 of the Corporation Code of the Philippines during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) :  
(Note : Sec. 26 of the CCP deals with reporting of election of directors or officers to the SEC; Sec. 141 with the submission of financial statements to the SEC.)

Yes (x) No ( )

(b) has been subject to such filing requirements for the past 90 days

Yes (x) No ( )

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**PART I - FINANCIAL INFORMATION**

Item 1. Financial Statements <sup>1/</sup>

**RIZAL COMMERCIAL BANKING CORPORATION AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF CONDITION**

(Amounts in Thousand)

		(Unaudited) March 31 2010		(Audited) December 31, 2009
<b>ASSETS</b>				
Cash and Other Cash Items	P	4,862,572	P	6,811,443
Due From Bangko Sentral ng Pilipinas		18,393,990		19,321,339
Due From Other Banks		2,410,342		3,066,922
Investment Securities				
Financial Assets at Fair Value Through Profit or Loss		10,133,905		9,415,889
Held-to-Maturity Investments		19,140,298		19,962,360
Available for Sale Securities		45,205,063		36,384,430
Loans and Receivables, net		154,127,883		164,892,417
Investments in Subsidiaries and Associates, net		3,707,229		4,021,767
Bank Premises, Furniture, Fixtures & Equipment, net		4,887,050		4,754,121
Investment Property, net		5,032,824		5,066,543
Deferred Tax Assets		1,435,048		1,408,302
Other Resources, net		13,512,584		13,410,044
<b>TOTAL RESOURCES</b>	<b>P</b>	<b>282,848,789</b>	<b>P</b>	<b>288,515,577</b>
<b>LIABILITIES AND CAPITAL FUNDS</b>				
<b>Deposit Liabilities</b>				
Demand Deposits	P	11,088,362	P	11,034,257
Savings Deposits		95,103,322		93,571,654
Time Deposits		95,590,901		115,671,983
<b>Total Deposit Liabilities</b>	<b>P</b>	<b>201,782,585</b>	<b>P</b>	<b>220,277,894</b>
Bills Payable		16,070,251		10,780,964
Bonds Payable		11,292,500		5,836,076
Outstanding Acceptances Payable		439,289		250,421
Due to Other Banks		404,345		21,042
Accrued Taxes, Interest and Other Expenses Payable		3,148,563		3,249,854
Other Liabilities		7,407,842		6,627,433
Subordinated Debt		10,888,809		10,926,978
<b>TOTAL LIABILITIES</b>	<b>P</b>	<b>251,434,183</b>	<b>P</b>	<b>257,970,663</b>
<b>Capital Funds</b>				
Attributable to Parent Company Shareholders:				
Preferred Stock		207,038		207,038
Common Stock		9,905,508		9,905,508
Hybrid Perpetual Securities		4,883,139		4,883,139
Capital Paid in Excess of Par		6,039,794		6,039,794
Treasury Shares, at Cost	(	952,709 )	(	952,709 )
Revaluation Reserves on Available-for-sale Securities		550,285		407,015
Revaluation Increment in Property of an Associate		58,917		58,917
Accumulated Translation Adjustment		91,251		97,771
Reserve for Trust Business		287,048		285,724
Other Reserves	(	240,889 )	(	240,889 )
Share in Additional Paid-in Capital of an Associate		532,583		532,583
Surplus		10,055,499		9,325,310
		<u>31,417,465</u>		<u>30,549,201</u>
Minority Interest	(	2,860 )	(	4,287 )
<b>TOTAL CAPITAL FUNDS</b>		<b>31,414,605</b>		<b>30,544,914</b>
<b>TOTAL LIABILITIES &amp; CAPITAL</b>	<b>P</b>	<b>282,848,789</b>	<b>P</b>	<b>288,515,577</b>

<sup>1/</sup> The consolidated financial statements have been prepared in conformity with Philippine Financial Reporting Standards (PFRS) and reflect amounts that are based on the best estimates and informed judgment of management with appropriate consideration to materiality.

**RIZAL COMMERCIAL BANKING CORPORATION**

**CONSOLIDATED STATEMENTS OF INCOME**

(Amounts in Thousand except for earnings per share)

	Jan. 1 to Mar. 31 2010	Jan. 1 to Mar. 31 2009
INTEREST INCOME ON		
Loans and receivables	P 2,775,071	P 3,041,511
Investment securities	1,151,953	1,027,286
Others	173,593	220,520
	<u>4,100,617</u>	<u>4,289,317</u>
INTEREST EXPENSE ON		
Deposit liabilities	1,022,635	1,414,256
Bills payable and other borrowings	462,368	525,582
	<u>1,485,003</u>	<u>1,939,839</u>
NET INTEREST INCOME	2,615,614	2,349,479
IMPAIRMENT LOSSES	485,236	238,461
NET INTEREST INCOME AFTER IMPAIRMENT LOSSES	<u>2,130,379</u>	<u>2,111,018</u>
OTHER OPERATING INCOME		
Trading and securities gain-net	515,751	232,749
Service fees	444,613	347,472
Foreign exchange gains (losses)-net	113,722	80,484
Trust fees	50,202	44,753
Commissions and other income	406,261	423,390
	<u>1,530,550</u>	<u>1,128,847</u>
OTHER OPERATING EXPENSES		
Employee benefits	709,958	674,463
Occupancy & equipment-related	439,228	411,553
Taxes & Licenses	313,270	302,053
Depreciation and amortization	138,651	114,793
Miscellaneous	871,574	749,658
	<u>2,472,682</u>	<u>2,252,519</u>
INCOME BEFORE TAX	1,188,247	987,346
TAX EXPENSE	211,235	205,367
NET INCOME	977,013	781,979
NET INCOME ATTRIBUTABLE TO MINORITY INTEREST	<u>1,723</u>	<u>2,235</u>
NET INCOME ATTRIBUTABLE TO PARENT COMPANY'S SHAREHOLDERS	<u>975,289</u>	<u>779,744</u>
Earnings per Share (Annualized)		
Basic	P 3.74	P 2.70
Diluted	P 3.73	P 2.61

**RIZAL COMMERCIAL BANKING CORPORATION**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Amounts in Thousand)

	Unaudited Jan. 1 to Mar. 31 2010 (03.31.10 vs. 12.31.09)	Unaudited Jan. 1 to Mar. 31 2009 (03.31.09 vs. 12.31.08)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before tax	P 1,188,247	P 987,346
Adjustments for:		
Impairment losses	485,236	238,461
Depreciation and amortization	138,651	114,793
Amortization of deferred charges	26,873	13,638
Equity in net earnings of associates	(53,030)	(110,531)
Operating income before working capital changes	<u>1,785,977</u>	<u>1,243,706</u>
Decrease (Increase) in financial assets at fair value through profit and loss	(718,016)	(3,935,988)
Decrease (Increase) in loans and receivables	10,279,298	14,218,863
Decrease (Increase) in investment property	33,719	2,482,545
Decrease (Increase) in other resources	(399,937)	850,509
Increase (Decrease) in deposit liabilities	(18,495,309)	4,285,335
Increase (Decrease) in outstanding acceptances payable	188,868	(17,488)
Increase (Decrease) in due to other banks	383,303	-
Increase (Decrease) in accrued taxes, interest and other expenses	(219,485)	(99,960)
Increase (Decrease) in other liabilities	<u>6,198,662</u>	<u>(1,272,471)</u>
Cash generated from (used in) operations	(962,918)	17,755,052
Cash paid for taxes	<u>(93,041)</u>	<u>(129,830)</u>
Net Cash From (Used in) Operating Activities	<u>(1,055,960)</u>	<u>17,625,222</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Decrease (increase) in available-for-sale securities	(8,677,659)	(10,720,146)
Decrease (increase) in Held to Maturity Investments	822,062	-
Acquisitions of bank premises, furniture, fixtures and equipment (net)	(271,580)	(185,614)
Cash dividends received	220	116,969
Decrease (increase) in investments in subsidiaries and associates	<u>360,828</u>	<u>(189,693)</u>
Net Cash From (Used in) Investing Activities	<u>(7,766,129)</u>	<u>(10,978,484)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceed from (payments of) bills payable	5,289,287	(4,989,375)
Purchase of Treasury shares	-	(1,594,246)
Net proceeds from issuance of subordinated debt	-	-
Dividends paid	-	(11,317)
Redemption of bonds payable	-	-
Issuance of common shares	<u>-</u>	<u>-</u>
Net Cash From (Used in) Financing Activities	<u>5,289,287</u>	<u>(6,594,938)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<u>(3,532,802)</u>	<u>51,799</u>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>		
Cash and other cash items	6,811,443	6,807,939
Due from Bangko Sentral ng Pilipinas	19,321,339	16,390,973
Due from other banks	<u>3,066,922</u>	<u>4,862,225</u>
	<u>29,199,704</u>	<u>28,061,137</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>		
Cash and other cash items	4,862,572	4,952,883
Due from Bangko Sentral ng Pilipinas	18,393,990	18,373,886
Due from other banks	<u>2,410,342</u>	<u>4,786,169</u>
	<u>P 25,666,904</u>	<u>P 28,112,938</u>

**RIZAL COMMERCIAL BANKING CORPORATION**  
**STATEMENT OF CHANGES IN EQUITY**  
(Amounts in Thousands)

	Unaudited Jan. 1 to Mar. 31 2010	Unaudited Jan. 1 to Mar. 31 2009
<b>ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS</b>		
<b>PREFERRED STOCK</b>		
Balance, beginning	P 207,038	P 859,335
Issuance (Conversion) of preferred stock	-	-
Balance, end	<u>207,038</u>	<u>859,335</u>
<b>COMMON STOCK</b>		
Balance, beginning	9,905,508	9,628,430
Conversion of preferred stock to common stock	-	-
Issuance of common stock	-	-
Balance, end	<u>9,905,508</u>	<u>9,628,430</u>
<b>HYBRID PERPETUAL SECURITIES</b>		
	<u>4,883,139</u>	<u>4,883,139</u>
<b>CAPITAL PAID IN EXCESS OF PAR</b>		
Balance, beginning	6,039,794	5,571,906
Conversion of preferred stock to common stock	-	-
Issuance of common stock	-	-
Balance, end	<u>6,039,794</u>	<u>5,571,906</u>
<b>TEASURY SHARES, At Cost</b>		
	<u>(952,709)</u>	<u>(1,594,246)</u>
<b>REVALUATION RESERVE ON AVAILABLE-FOR-SALE SECURITIES</b>		
Balance, beginning	407,015	(1,568,758)
Fair value gains (losses) on available-for-sale securities, net of tax	143,320	760,631
Balance, end	<u>550,335</u>	<u>(808,127)</u>
<b>REVALUATION INCREMENT IN PROPERTY OF AN ASSOCIATE</b>		
	<u>58,917</u>	<u>28,840</u>
<b>ACCUMULATED TRANSLATION ADJUSTMENTS</b>		
Balance, beginning	97,771	83,889
Translation adjustment during the period	(6,520)	32,127
Balance, end	<u>91,251</u>	<u>116,016</u>
<b>RESERVE FOR TRUST BUSINESS</b>		
Balance, beginning	285,724	276,973
Transfer from surplus free	1,324	-
Balance, end	<u>287,048</u>	<u>276,973</u>
<b>OTHER RESERVES</b>		
	<u>(240,889)</u>	<u>(240,889)</u>
<b>SHARE IN ADDITIONAL PAID-IN CAPITAL OF AN ASSOCIATE</b>		
	<u>532,583</u>	<u>532,583</u>
<b>SURPLUS FREE</b>		
Balance, beginning		
As previously stated	9,325,310	7,626,144
Prior period adjustments	-	-
Net income	975,289	779,744
Cash dividends on common shares	-	-
Cash dividends on preferred shares	-	(11,317)
Stock dividend	-	-
Dividends on Hybrid Capital Securities	-	-
Amortization of deferred charges	(243,778)	-
Transfer to reserves for trust business	(1,324)	-
Balance, end	<u>10,055,498</u>	<u>8,394,571</u>
<b>ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS</b>		
	<u>31,417,513</u>	<u>27,648,532</u>
<b>MINORITY INTEREST</b>		
Balance, beginning	(4,287)	(44,271)
Fair value gains (losses) on available-for-sale securities, net of tax	(296)	(220)
Decrease in share of losses due to dilution	-	-
Increase in minority interest due to acquisition of a new subsidiary	-	-
Net Income (loss) for the year	1,723	2,235
Balance, end	<u>(2,860)</u>	<u>(42,256)</u>
<b>TOTAL CAPITAL FUNDS</b>		
	<u>P 31,414,654</u>	<u>P 27,606,276</u>

**RIZAL COMMERCIAL BANKING CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
*(Amounts in Thousand Philippine Pesos)*

	3/31/2010 (Unaudited)	3/31/2009 (Unaudited)
<b>NET INCOME FOR THE PERIOD</b>	<b><u>P 975,289</u></b>	<b><u>P 779,744</u></b>
<b>OTHER COMPREHENSIVE INCOME:</b>		
Fair value gains (losses) on available-for-sale securities, net of tax	143,320	760,631
Increase in revaluation increment in property of an associate	( 0 )	597
Translation adjustment during the period	( 6,520 )	32,127
Increase in other reserves	<u>0</u>	<u>-</u>
<b>Other Comprehensive Income for the year, net of tax</b>	<b><u>136,800</u></b>	<b><u>793,355</u></b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>P 1,112,089</b>	1,573,099
<b>COMPREHENSIVE INCOME ATTRIBUTABLE TO MINORITY INTEREST</b>	<b><u>( 296 )</u></b>	<u>(220)</u>
<b>COMPREHENSIVE INCOME ATTRIBUTABLE TO PARENT     COMPANY'S SHAREHOLDERS</b>	<b><u>P 1,112,385</u></b>	<b><u>P 1,572,879</u></b>

## Additional Disclosures to Item I – Financial Statements

**Accounting Policies and Methods of Computation.** There were no changes in the accounting policies and methods of computation followed in the interim financial statements as compared with the most recent annual financial statements.

**Seasonality or Cyclicity of Interim Operations.** Seasonal or cyclical events and/or conditions do not affect the year-round operations of the Bank.

**Changes in Estimates of Amounts Reported.** There were no changes in estimates of amounts reported in prior interim periods of the current financial year or in estimates of amounts reported in prior financial years.

**Issuances, Repurchases and Repayments of Debt and Equity Securities.** The BSP through the Monetary Board approved on March 12, 2010 the Bank's application to issue P5.0 billion long-term negotiable certificates of deposit which were issued on May 5, 2010. The LTNCD will have a maturity of five and a half years and was offered in two series, coupon-bearing carrying a rate of 6.50% per annum issued at 100% of face value and zero coupon carrying a yield-to-maturity of 6.75% issued at 69.20% of face value.

On February 08, 2010, the Bank issued \$250 million dollar senior notes. The notes will mature on February 9, 2015 and bear interest at the rate of 6.25% per annum. Part of the proceeds from the issue was used to pay off the previously remaining \$126 million dollar senior notes issued on February 23, 2005 which matured on February 24, 2010.

**Dividends Paid for Ordinary or Other Shares.** In its meeting held on March 29, 2010, the Board of Directors approved the declaration and payment of cash dividends, which was approved by Bangko Sentral on April 26, 2010, amounting to P0.60 per share or approximately P564.073 million payable to holders of Common Class shares, and approximately P1.573 million payable to holders of Preferred Class shares, both paid on May 12, 2010.

The Board also approved on January 25, 2010 the declaration and payment of cash dividends for the Bank's convertible preferred shares amounting to P0.0563 per share or a total of P143 thousand, which was approved by the Bangko Sentral on April 26, 2010 and paid on May 11, 2010.

In addition, in its meeting held on September 28, 2009, the Board of Directors approved the declaration and payment of cash dividends, which was approved by Bangko Sentral on April 26, 2010, amounting to P218.385 million paid to holders of Hybrid Tier 1 securities on April 27, 2010.

The details of the first quarter 2010 cash dividend distributions are as follows (amounts in thousands except per share figures):

Date Declared	Dividend		Date Approved BSP	Date Paid/Payable	Nature of Securities
	Per Share	Total Amount			
January 26, 2009	P 0.0881	P 5,978	April 16, 2009	May 8, 2009	Preferred stock
March 30, 2009	P 0.0824	P 5,589	June 10, 2009	July 3, 2009	Preferred stock
March 30, 2009	P 0.3060	P 20,762	June 10, 2009	July 13, 2009	Preferred stock
March 30, 2009	P 0.3060	P 266,349	June 10, 2009	July 13, 2009	Common stock

June 29, 2009	P 0.0667	P 4,524	September 1, 2009	September 10, 2009	Preferred stock
September 28, 2009	P 0.0579	P 3,931	December 7, 2009	January 5, 2010	Preferred stock
September 28, 2009	*	P 218,385	April 26, 2010	April 27, 2010	Hybrid Tier 1
January 25, 2010	P 0.0563	P 143	April 26, 2010	May 11, 2010	Preferred stock
March 29, 2010	P 0.60	P 564,073	April 26, 2010	May 12, 2010	Common stock
March 29, 2010	P 0.60	P 1,573	April 26, 2010	May 12, 2010	Preferred stock

\* Cash dividends on Hybrid Perpetual Securities

**Segment Information.** The following table presents revenues and expenses of the Parent Company that are directly attributable to primary business segments for the quarter ended March 31, 2010 (in millions).

	<b>Retail Banking Group</b>	<b>Corporate Banking Group</b>	<b>Treasury / Trust</b>	<b>Others</b>	<b>Total</b>
<b>Results of Operations</b>					
Net interest income	1,004	465	346	(126)	1,689
Non-interest income	484	302	607	99	1,492
Total revenue	1,488	767	953	(27)	3,181
Non-interest expense	1,014	210	102	745	2,072
Income (loss) before Income tax	474	557	850	(772)	1,109
Income tax provision				134	134
Net income (loss)	474	557	850	(906)	975

**Material Events Subsequent to the End of the Interim Period Not Reflected in the Financial Statements.** There were no material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period.

**Changes in Composition of the Issuer During the Interim Period.** During the interim period, there were no changes in the composition of the issuer including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinued operations.

**Changes in Contingent Liabilities or Contingent Assets.** There were no changes in contingent liabilities or contingent assets since the last annual balance sheet date.

**Material Contingencies and Any Other Events or Transactions.** There exists no material contingencies and any other events or transactions that are material to an understanding of the current interim period.

## **Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.**

### **Financial Performance**

	<b>Consolidated</b>		<b>Parent</b>	
	<b>Unaudited</b>	<b>Audited</b>	<b>Unaudited</b>	<b>Audited</b>
	<b>March 31, 2010</b>	<b>December 31, 2009</b>	<b>March 31, 2010</b>	<b>December 31, 2009</b>
Return on Average Assets	1.42%*	1.24%	1.30%	1.14%

(ROA) <sup>1/</sup>	0.35%		0.32%	
Return on Average Equity (ROE) <sup>2/</sup>	13.46%	11.95%	11.91%	10.46%
	3.32%		2.94%	
BIS Capital Adequacy Ratio <sup>3/</sup>	18.22%	18.47%	16.68%	17.23%
Non-Performing Loans (NPL) Ratio <sup>4/</sup>	4.50%	3.75%	4.19%	2.93%
Non-Performing Assets (NPA) Ratio <sup>5/</sup>	4.71%	4.40%	3.63%	5.68%
Earnings per share (EPS) <sup>6/</sup>				
Basic	3.74	3.13	2.75	2.30
Diluted	3.73	3.06	2.74	2.25

\* Annualized

<sup>1/</sup> Average assets for the consolidated and parent ratios were computed based on the 3-month average of end of month balances of total assets. Unaudited net income for the 3-month period ended March 31, 2010 in the amount of P975 million and P746 million represented the consolidated and parent net income, respectively.

<sup>2/</sup> Average equity for the consolidated and parent ratios were, likewise, computed based on the 3-month average of end of month balances. Unaudited net income for the 3-month period ended March 31, 2010 in the amount of P975 million and P746 million represented the consolidated and parent net income, respectively.

<sup>3/</sup> Risk-based capital adequacy ratio was determined based on BSP Circular No. 538 and covers combined credit risk, market risk and operational risk.

<sup>4/</sup> Non-performing loans (NPLs) were net of accounts fully provided with valuation reserves.

<sup>5/</sup> NPLs net of accounts fully provided with allowance for losses plus gross ROPA

<sup>6/</sup> Total weighted average number of issued and outstanding common shares (diluted) as of March 31, 2010 – 941,082,952 shares; as of December 31, 2009 – 928,453,865 shares.

### Performance Indicators for Wholly-Owned/Majority Owned Subsidiaries

<b>RCBC SAVINGS BANK</b>		
<b>in Php</b>	<b>Unaudited</b>	<b>Audited</b>
	<b>March 31, 2010</b>	<b>2009</b>
Return on Average Assets (ROA)	1.83%*	1.68%
Return on Average Equity (ROE)	12.80%*	12.70%
BIS Capital Adequacy Ratio (CAR)	17.40%	16.84%
Non-Performing Loans (NPL) Ratio	5.21%*	3.54%
Non-Performing Assets (NPA) Ratio	11.94%*	10.44%
Earnings per share (EPS)	28.87*	26.94

<b>RCBC CAPITAL CORPORATION and Subsidiaries</b>		
<b>in Php</b>	<b>Unaudited</b>	<b>Audited</b>
	<b>March 31, 2010</b>	<b>2009</b>
Return on Average Assets (ROA)	7.16%*	6.11%
Return on Average Equity (ROE)	8.83%*	7.88%
BIS Capital Adequacy Ratio (CAR)	76.33%	56.77%
Non-Performing Loans (NPL) Ratio	-	-
Non-Performing Assets (NPA) Ratio	-	-
Earnings per share (EPS)	4.36*	3.68

<b>RCBC FOREX BROKERS CORPORATION</b>		
<b>in Php</b>	<b>Unaudited</b>	<b>Audited</b>
	<b>March 31, 2010</b>	<b>2009</b>
Return on Average Assets (ROA)	17.69%*	15.16%
Return on Average Equity (ROE)	30.18%*	28.40%
Capital to Total Assets	46.37%	81.93%
Non-Performing Loans (NPL) Ratio	-	-
Non-Performing Assets (NPA) Ratio	-	-
Earnings per share (EPS)	135.37*	121.17

<b>RCBC INTERNATIONAL FINANCE LIMITED</b>		
<b>in Php</b>	<b>Unaudited</b>	<b>Audited</b>
	<b>March 31, 2010</b>	<b>2009</b>
Return on Average Assets (ROA)	(1.34%)*	1.97%
Return on Average Equity (ROE)	(1.41%)*	2.07%
Capital to Total Assets	96.01%	93.92%
Non-Performing Loans (NPL) Ratio	-	-
Non-Performing Assets (NPA) Ratio	-	-
Earnings per share (EPS)	(1.01)*	1.55

<b>RCBC NORTH AMERICA, INC.</b>		
<b>in Php</b>	<b>Unaudited</b>	<b>Audited</b>
	<b>March 31, 2010</b>	<b>2009</b>
Return on Average Assets (ROA)	(29.58%)*	(40.62%)
Return on Average Equity (ROE)	(97.28%)*	(211.99%)
Capital to Total Assets	44.85%	9.13%
Non-Performing Loans (NPL) Ratio	-	-
Non-Performing Assets (NPA) Ratio	-	-
Earnings per share (EPS)	(53.63)*	(68.55)

<b>RCBC TELEMONEY EUROPE S.P.A.</b>		
<b>in Php</b>	<b>Unaudited</b>	<b>Audited</b>
	<b>March 31, 2010</b>	<b>2009</b>
Return on Average Assets (ROA)	3.46%*	(0.26%)
Return on Average Equity (ROE)	16.63%*	(2.82%)
Capital to Total Assets	24.71%	17.86%
Non-Performing Loans (NPL) Ratio	-	-
Non-Performing Assets (NPA) Ratio	-	-
Earnings per share (EPS)	11.46*	(0.95)

<b>BANKARD</b>		
<b>in Php</b>	<b>Unaudited</b>	<b>Audited</b>
	<b>March 31, 2010</b>	<b>2009</b>
Return on Average Assets (ROA)	12.74%*	15.27%
Return on Average Equity (ROE)	14.22%*	17.39%
Capital to Total Assets	89.18%	90.08%
Non-Performing Loans (NPL) Ratio	-	-
Non-Performing Assets (NPA) Ratio	-	-
Earnings per share (EPS)	45.77*	51.63

<b>MERCHANTS BANK</b>		
<b>in Php</b>	<b>Unaudited</b>	<b>Audited</b>
	<b>March 31, 2010</b>	<b>2009</b>
Return on Average Assets (ROA)	0.42%*	(2.21%)
Return on Average Equity (ROE)	0.43%*	(2.25%)
Capital to Total Assets	98.08%	80.49%
Non-Performing Loans (NPL) Ratio	0.67%*	0.69%
Non-Performing Assets (NPA) Ratio	0.20%*	0.20%
Earnings per share (EPS)	0.17*	(0.89)

<b>JP LAUREL RURAL BANK, INC.</b>		
<b>in Php</b>	<b>Unaudited</b>	<b>Audited</b>
	<b>March 31, 2010</b>	<b>2009</b>
Return on Average Assets (ROA)	(12.26%)*	(20.23%)
Return on Average Equity (ROE)	45.30%*	66.67%
Capital to Total Assets	(24.14%)	(30.35%)
Non-Performing Loans (NPL) Ratio	92.40%	92.97%
Non-Performing Assets (NPA) Ratio	79.34%	90.81%
Earnings per share (EPS)	(50.23)	

<b>NIYOG PROPERTY HOLDINGS, INC.</b>		
<b>in Php</b>	<b>Unaudited</b>	<b>Audited</b>
	<b>March 31, 2010</b>	<b>2009</b>
Return on Average Assets (ROA)	(0.34%)*	(0.40%)
Return on Average Equity (ROE)	(0.39%)*	(0.46%)
Capital to Total Assets	87.43%	87.02%
Non-Performing Loans (NPL) Ratio	-	-
Non-Performing Assets (NPA) Ratio	99.66%-	98.73%
Earnings per share (EPS)	(0.82)*	(0.95)

\* Annualized

\*\* Statement of Income and Expenses for the period ended March 31, 2010 not available

### **31 March 2010 vs. 31 December 2009**

Consolidated total resources for the quarter ended March 31, 2010 stood at P282.849 billion, P5.667 billion lower than yearend's P288.516 billion.

Cash and other cash items declined by 28.61% from P6.811 billion to P4.863 billion as a result of a shift to interest earning assets and a more efficient management of CIV levels. Consequently, Due from BSP, representing 6.50% of total assets, stood at P18.394 billion. Due from other banks also declined by 21.41% from P3.067 billion to P2.410 billion.

Loans and receivables-net went down by 6.53%, from P164.892 billion to P154.128 billion largely due to the lower interbank loans outstanding during the period. Loans and receivables-net accounted for 54.49% of total resources.

Financial assets at fair value through profit or loss increased by 7.63%, from P9.416 billion to P10.134 billion due to favorable trading conditions. Available for sale (AFS) securities posted a 24.24% growth from P36.384 billion to P45.205 billion as proceeds from the low-yielding interbank loans and due from other banks were reinvested to higher-yielding securities in light of better market conditions. Investment securities accounted for 26.33% of total resources. Of total investment securities, AFS and Held-to-Maturity securities accounted for 15.98% and 6.77%, respectively, of total assets.

Investments in subsidiaries and associates, net went down by 7.82%, from P4.022 billion to P3.707 billion mainly on account of the redemption of preferred shares of RCBC Realty amounting to P250 million.

Bills payable increased by 49.06% from P10.781 billion to P16.070 billion due to higher foreign currency denominated borrowings this period. Bills payable represented 5.68% of total resources. Bonds payable increased by 93.49% from P5.836 billion to P11.293 billion mainly due to the issuance of \$250 million dollar senior notes in February 2010. Outstanding acceptances payable increased by 75.42% from P250 million to P439 million on account of a higher volume of import bills acceptances under usance that were negotiated during the period. Due to other banks grew by 1821.62% from P21 million to P404 million due to overdrafts which are temporary in nature. Other liabilities also went up by 11.78% from P6.627 billion to P7.408 billion on account of increases in accounts payable and bills purchase-contra account.

Savings deposits and time deposits represented 33.62% and 33.80%, respectively, of total resources. Total deposit liabilities, which accounted for 71.34% of total resources, declined by 8.40% from P220.278 billion to P201.783 billion. This was mainly due to the decrease in time deposits which went down by 17.36% from P115.672 billion to P95.591 billion a result of the deliberate drive to reduce higher cost deposits to improve yields.

Total liabilities reached P251.434 billion and accounted for 88.89% of total resources.

Revaluation reserves on AFS securities went up by 35.20% from P407 million to P550 million primarily due to the declining interest rates leading to the appreciation of AFS securities. Accumulated translation adjustment went down by 6.67% from P98 million to P91 million due to the appreciation of the peso. The peso dollar exchange rate closed at P45.17 at end March 2010, 2.23% stronger than yearend's P46.20. The year to date average exchange rate was pegged at P45.99, a 3.38% appreciation from the previous year's P47.60 to the US dollar.

Surplus account was 7.83% higher on account of the P975 million net profits generated for the first quarter and partially reduced by the cash dividends paid to holders of common, convertible preferred shares, and HT1 security. Minority interest went down by 33.29% from P4.287 million to P2.860 million due to lower net income attributable to minority interest of P1.723 million. The Bank's capital, excluding minority interest, stood at P31.415 billion and accounted for 11.11% of total resources.

There are no known trends, demands, and commitments, events, or uncertainties that will have a material impact on Bank's liquidity.

### **31 March 2010 vs. 31 March 2009**

RCBC posted a net income of P975 million in the first quarter of 2010, P196 million or 25.08% higher than the P780 million net income reported for the same period last year. Net income of P975 million accounted for 17.32% of gross revenues during the period.

Net interest income, representing 46.45% of gross revenues, rose by 11.33% to P2.616 billion.

Interest income of P4.101 billion, accounting for 72.82% of gross income, mainly consisted of interest income from loans and receivables and investment securities that accounted for 49.28% and 20.46% of gross revenues, respectively. Interest income from loans went down by 8.76% to P2.775 billion mainly due to lower yields. Interest income from investment securities grew by 12.14% to P1.152 billion mainly due to higher volume. Other interest income declined by 21.28% to P173.593 million.

Total interest expense, making up 26.37% of total revenues, consisted of interest on deposit liabilities, and bills payable and other borrowings which accounted for 18.16% and 8.21% of gross revenues, respectively. Total interest expense decreased by 23.45% to P1.485 billion, with interest expense on deposit liabilities going down by 27.69% from P1.414 billion to P1.023 billion mainly due to the decline in costs and better funding mix. Interest expense on bills payable and other borrowings also decreased by 12.03% from P525.582 million to P462.368 million.

Provisioning for probable losses this period at P485 million was 103.49% higher year on year and accounted for 8.62% of gross revenues.

Accounting for 27.18% of gross revenues, other operating income grew by 35.59% to P1.531 billion driven by the following:

- Trust fees went up by 12.18% to P50 million
- Foreign exchange gains-net, rose by 41.30% to P114 million owing to the increase in volumes of trade transactions
- Trading and securities gain-net, increased by 121.59% to P516 million mainly due to a sustained favorable trading opportunities
- Service fees rose by 27.96% to P445 million

Other operating expenses at P2.473 billion, representing 43.91% of gross revenues, were 9.77% higher year on year due to the following:

- Depreciation and amortization went up by 20.78% to P139 million mainly due to the Bank's investments in information technology to support its thrust to provide new products and services as well as improve existing ones and the establishment of additional channels to service clients' needs
- Occupancy and equipment-related costs grew by 6.72% to P439 million as a result of branch network expansion
- Manpower costs increased by 5.26% to P710 million due to additional headcount for branch expansion
- Miscellaneous expenses went up by 16.26% to P872 million due to business expansion

- JP Laurel Rural Bank, Inc. was not yet consolidated with the Bank in 1st quarter 2009

Minority interest in net income declined by 22.88% to P1.723 million primarily due to the curtailed profitability of the Bank's not wholly-owned subsidiaries for the period as against the same period last year..

There were no significant elements of income or loss that did not arise from the bank's continuing operations.

### **Commitments and Contingent Liabilities**

For the year, the Bank has budgeted P1.813 billion for capital expenditures.

Likewise, in the normal course of operations of the Bank, there are various outstanding commitments and contingent liabilities that are not reflected in the accompanying financial statements. Management does not anticipate losses from these transactions that will adversely affect its operations.

Several suits and claims also remain unsettled. Management is of the opinion that even if these are decided adversely, it will not involve sums that would have material effect on its financial position or operating results.

The following is a summary of contingencies and commitments arising from off-balance sheet items at their equivalent peso contractual amounts as of March 31, 2010 and December 31, 2009:

(in 000s)	Consolidated		Parent	
	Unaudited	Audited	Unaudited	Audited
	March 31, 2010	December 31, 2009	March 31, 2010	December 31, 2009
Trust department accounts	58,289,811	52,420,149	51,191,925	47,277,735
Derivatives	106,116,193	92,918,002	106,116,193	92,918,002
Unused commercial letters of credit	5,145,771	4,484,766	5,145,771	4,484,766
Spot foreign exchange bought	3,074,500	2,823,634	3,074,500	2,823,634
Spot foreign exchange sold	5,852,988	3,138,383	5,852,988	3,138,383
Inward bills for collection	8,649,615	4,127,816	8,649,615	4,127,816
Outward bills for collection	299,588	454,530	299,308	454,283
Late deposits/payments received	1,473,108	634,677	780,106	592,893
Traveler's check unsold	-	1,225	577	1,225
Items held for safekeeping	-	1,387	1,311	1,372

To the knowledge and / or information of the Bank, there are no events that will trigger a direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation.

There are also no known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations.

There were no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period.

Similarly, there were no significant elements of income or loss that did not arise from the Bank's continuing operations.

Lastly, there were no seasonal aspects that have a material effect on the financial condition or results of operation of the Bank.

**SIGNATURES**

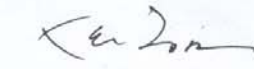
Pursuant to the requirements of the Securities Regulation Code, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Issuer **RIZAL COMMERCIAL BANKING CORPORATION**

Date **May 14, 2010**

  
**LORENZO V. TAN**  
President & CEO

  
**ZENAIDA F. TORRES**  
FVP/Head- Controllership Group

  
**ELBERT M. ZOSA**  
EVP/Corporate Information Officer

Date **May 14, 2010**

**RIZAL COMMERCIAL BANKING CORPORATION**  
**Aging of Accounts Receivable**  
**As of March 31, 2010**

	<b>Total</b>	1-90 days	91-180 days	181-1 year	more than 1 Year	Past Due accounts & Items in Litigation
<b>a) Trade Receivables</b>	9,895	169	248	161	9,317	-
Less: Allow For Doubtful Acct.	-	-	-	-	-	-
<b>Net Trade Receivable</b>	9,895	169	248	161	9,317	-
<b>b) Non-Trade Receivables</b>	1,185,268	320,715	26,369	12,962	485,688	339,533
Less: Allow For Doubtful Acct.	339,533	-	-	-	-	339,533
<b>Net Non-Trade Receivable</b>	845,734	320,715	26,369	12,962	485,688	-
<b>Net Receivables (a + b)</b>	<u>855,629</u>					

*Notes : If the Company's collection period does not match with the above schedule and revision is necessary to make the schedule not misleading, the proposed collection in this schedule may be changed to appropriately reflect the Company's actual collection period.*