

SEC Number 17514
PSE Code _____
File Number _____

**RIZAL COMMERCIAL BANKING
CORPORATION AND SUBSIDIARIES**

(Company's Full Name)

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

(Company's Address)

894-9000

(Telephone Number)

March 31, 2014

(Fiscal Quarter Ending)

SEC FORM 17-Q

Form Type

Amendment Designation (if applicable)

Period Ended Date

(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, 2014
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 Outstanding and Amount of Debt Outstanding</u>
Common Stock, P10 par value	1,275,658,638 (as of 03/31/14)

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 ^{1/}

RIZAL COMMERCIAL BANKING CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Amounts in Millions)

		(Unaudited)	(Audited)
		March 31	December 31,
		2014	2013
ASSETS			
Cash and Other Cash Items	P	9,076	P 9,826
Due From Bangko Sentral ng Pilipinas		37,348	52,491
Due From Other Banks		8,074	7,537
Investment Securities			
Financial Assets at Fair Value Through Profit or Loss		3,000	3,288
Available for Sale Securities, net		25,491	89,412
Held-to-Maturity Investments		67,765	0
Loans and Receivables, net		245,478	237,960
Investments in Associates, net		357	333
Bank Premises, Furniture, Fixtures & Equipment, net		8,767	8,814
Investment Properties, net		4,792	4,579
Deferred Tax Assets, net		67	83
Other Resources, net		6,865	7,546
TOTAL RESOURCES	P	417,080	P 421,869
LIABILITIES AND CAPITAL FUNDS			
Deposit Liabilities			
Demand Deposits	P	26,154	P 28,448
Savings Deposits		160,171	157,065
Time Deposits		113,943	112,340
Total Deposit Liabilities	P	300,268	P 297,853
Bills Payable		32,175	39,895
Bonds Payable		23,676	23,317
Accrued Taxes, Interest and Other Expenses Payable		4,002	4,537
Other Liabilities		10,865	11,459
Subordinated Debt		0	0
TOTAL LIABILITIES	P	370,987	P 377,061
Capital Funds			
Attributable to Parent Company Shareholders:			
Preferred Stock		3	3
Common Stock		12,757	12,757
Hybrid Perpetual Securities		4,883	4,883
Capital Paid in Excess of Par		16,148	16,148
Other Comprehensive Income			
Revaluation Reserves on Available-for-sale Securities		(4,826)	(5,005)
Accumulated Translation Adjustment		76	76
Retirement Plan		(225)	(225)
Reserve for Trust Business		348	348
Other Reserves		(282)	(282)
Retained Earnings		17,186	16,082
		46,068	44,785
Non-controlling Interest		25	23
TOTAL CAPITAL FUNDS		46,093	44,808
TOTAL LIABILITIES & CAPITAL	P	417,080	P 421,869

^{1/} The consolidated financial statements have been prepared in conformity with Financial Reporting Standards in the Philippines for Banks (FRSPB) and reflect amounts that are based on the best estimates and informed judgment of management with appropriate consideration to materiality.

RIZAL COMMERCIAL BANKING CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

(Amounts in Millions except for earnings per share)

	(Unaudited)	
	Jan. 1 to	Jan. 1 to
	Mar. 31	Mar. 31
	2014	2013
INTEREST INCOME ON		
Loans and receivables	P 3,970	P 3,484
Investment securities	1,066	1,076
Others	87	59
	<u>5,122</u>	<u>4,618</u>
INTEREST EXPENSE ON		
Deposit liabilities	610	827
Bills payable and other borrowings	668	747
	<u>1,278</u>	<u>1,574</u>
NET INTEREST INCOME	<u>3,844</u>	<u>3,044</u>
IMPAIRMENT LOSSES	<u>622</u>	<u>798</u>
NET INTEREST INCOME AFTER IMPAIRMENT LOSSES	<u>3,223</u>	<u>2,246</u>
OTHER OPERATING INCOME		
Trading and securities gain-net	433	2,136
Service fees & commissions	540	576
Foreign exchange gains (losses)-net	124	(23)
Trust fees	69	77
Miscellaneous	438	811
	<u>1,605</u>	<u>3,577</u>
OTHER OPERATING EXPENSES		
Employee benefits	1,004	959
Occupancy & equipment-related	630	588
Taxes & Licenses	366	506
Depreciation and amortization	338	327
Miscellaneous	974	1,263
	<u>3,312</u>	<u>3,643</u>
INCOME BEFORE TAX	<u>1,515</u>	<u>2,180</u>
TAX EXPENSE	<u>187</u>	<u>408</u>
NET INCOME	<u>1,328</u>	<u>1,772</u>
NET INCOME ATTRIBUTABLE TO NON-CONTROLLING INTEREST	<u>(0)</u>	<u>0</u>
NET INCOME ATTRIBUTABLE TO PARENT COMPANY'S SHAREHOLDERS	<u>P 1,329</u>	<u>P 1,772</u>
Earnings per Share (Annualized)		
Basic	<u>P 3.87</u>	<u>P 5.94</u>
Diluted	<u>P 3.87</u>	<u>P 5.94</u>

RIZAL COMMERCIAL BANKING CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

(Amounts in Millions)

	Unaudited Jan. 1 to Mar. 31 2014 (03.31.14 vs. 12.31.13)	Unaudited Jan. 1 to Mar. 31 2013 (03.31.13 vs. 12.31.12)
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before tax	P 1,515	P 2,180
Adjustments for:		
Interest income	(5,122)	(4,618)
Interest expense	1,278	1,574
Impairment losses	602	798
Depreciation and amortization	397	383
Dividend income	(1)	(4)
Share in net earnings of associates	(8)	(48)
Operating income before working capital changes	<u>(1,338)</u>	<u>265</u>
Decrease (Increase) in financial assets at fair value through profit and loss	288	323
Decrease (Increase) in loans and receivables	(8,654)	(8,276)
Decrease (Increase) in investment property	(213)	1,528
Decrease (Increase) in other resources	775	(762)
Increase (Decrease) in deposit liabilities	2,415	(15,149)
Increase (Decrease) in accrued taxes, interest and other expenses	(242)	7
Increase (Decrease) in other liabilities	<u>(234)</u>	<u>(7,056)</u>
Cash generated from (used in) operations	<u>(7,202)</u>	<u>(29,119)</u>
Interest received	5,657	5,120
Interest paid	(1,726)	(2,003)
Cash paid for taxes	<u>(32)</u>	<u>(272)</u>
Net Cash From (Used in) Operating Activities	<u>(3,304)</u>	<u>(26,274)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Decrease (increase) in available-for-sale securities	64,081	(758)
Decrease (increase) in Held to Maturity Investments	(67,765)	-
Acquisitions of bank premises, furniture, fixtures and equipment (net)	(350)	(602)
Cash dividends received	(1,053)	4
Decrease (increase) in investments in subsidiaries and associates	1,058	(55)
Acquisitions of software	<u>(78)</u>	<u>(33)</u>
Net Cash From (Used in) Investing Activities	<u>(4,107)</u>	<u>(1,443)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceed from (payments of) bills payable	(7,720)	21,179
Dividends paid	(224)	(202)
Net proceeds from issuance of common shares	<u>(0)</u>	<u>3,988</u>
Net Cash From (Used in) Financing Activities	<u>(7,945)</u>	<u>24,965</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(15,356)</u>	<u>(2,752)</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		
Cash and other cash items	9,826	9,380
Due from Bangko Sentral ng Pilipinas	52,491	36,620
Due from other banks	<u>7,537</u>	<u>5,879</u>
	<u>69,854</u>	<u>51,879</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR		
Cash and other cash items	9,076	8,018
Due from Bangko Sentral ng Pilipinas	37,348	36,410
Due from other banks	<u>8,074</u>	<u>4,700</u>
	<u>54,498</u>	<u>49,128</u>
	P	P

RIZAL COMMERCIAL BANKING CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN CAPITAL FUNDS
(Amounts in Millions)

	Unaudited Jan. 1 to Mar. 31 2014		Unaudited Jan. 1 to Mar. 31 2013	
ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS				
PREFERRED STOCK				
Balance, beginning	P	3	P	3
Issuance (Conversion) of preferred stock		0		0
Balance, end		<u>3</u>		<u>3</u>
COMMON STOCK				
Balance, beginning		12,757		11,409
Conversion of preferred stock to common stock				637
Issuance of common stock				<u>637</u>
Balance, end		<u>12,757</u>		<u>12,046</u>
HYBRID PERPETUAL SECURITIES				
		<u>4,883</u>		<u>4,883</u>
CAPITAL PAID IN EXCESS OF PAR				
Balance, beginning		16,148		9,397
Conversion of preferred stock to common stock		-		-
Excess of consideration given over cost of common shares issued		-		<u>3,351</u>
Balance, end		<u>16,148</u>		<u>12,748</u>
REVALUATION RESERVE ON AVAILABLE-FOR-SALE SECURITIES				
Balance, beginning		(5,005)		3,145
Fair value gains (losses) on available-for-sale securities, net of tax		179		<u>(232)</u>
Balance, end		<u>(4,826)</u>		<u>2,913</u>
ACCUMULATED TRANSLATION ADJUSTMENTS				
Balance, beginning		76		72
Translation adjustment during the period		1		<u>(2)</u>
Balance, end		<u>76</u>		<u>70</u>
OTHER COMPREHENSIVE INCOME - RETIREMENT PLAN				
Balance, beginning		(225)		548
Remeasurement of the defined benefits during the period		0		<u>-</u>
Balance, end		<u>(225)</u>		<u>548</u>
RESERVE FOR TRUST BUSINESS				
Balance, beginning		348		329
Transfer from surplus free		-		<u>0</u>
Balance, end		<u>348</u>		<u>329</u>
OTHER RESERVES				
		<u>(282)</u>		<u>(330)</u>
SURPLUS FREE				
Beginning balance, as previously reported		16,082		14,035
Prior period adjustments		-		<u>(1,316)</u>
Beginning balance, as restated		<u>16,082</u>		<u>12,719</u>
Net income		1,329		1,772
Cash dividends on preferred shares		(0)		(0)
Dividends on Hybrid Capital Securities		(224)		<u>(202)</u>
Transfer to reserves for trust business		-		<u>-</u>
Balance, end		<u>17,186</u>		<u>14,288</u>
ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS				
		<u>46,069</u>		<u>47,500</u>
NON-CONTROLLING INTEREST				
Balance, beginning		23		30
Prior period adjustments		-		-
Fair value gains (losses) on available-for-sale securities, net of tax		2		3
Net effect of change in percentage ownership over a subsidiary		-		-
Net Income (loss) for the year		0		0
Balance, end		<u>25</u>		<u>33</u>
TOTAL CAPITAL FUNDS				
	P	<u>46,094</u>	P	<u>47,533</u>

RIZAL COMMERCIAL BANKING CORPORATION AND SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE QUARTERS ENDED MARCH 31, 2014 AND 2013
(Amounts in Millions of Philippine Pesos)

	GROUP	
	2014	2013
NET PROFIT FOR THE YEAR	P 1,328	P 1,772
OTHER COMPREHENSIVE INCOME (LOSSES)		
Fair value gains (losses) on available-for-sale securities	179	(232)
Retirement Plan	0	548
Translation adjustment during the year	1	(2)
Other Comprehensive Income (Loss) for the period, net of tax	180	314
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	P 1,508	P 2,086
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO NON-CONTROLLING INTEREST	2	3
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS	P 1,507	P 2,083

Additional Disclosures to Item I – Financial Statements

Statement of Compliance with Generally Accepted Accounting Principles. The interim financial statements of the Bank have been prepared in accordance with the Financial Reporting Standards in the Philippines for Banks (FRSPB).

In compliance with SEC Memorandum Circular No. 6 Series of 2013, starting with the period ended June 30, 2013, the Bank has recognized in its financial statements the impact of the following applicable Philippine Reporting Financial Standards (PFRS) enumerated in the Memorandum Circular.

PAS 27 (Amended): *Separate Financial Statements*

PAS 28 (Amended): *Investments in Associates and Joint Ventures*

Amendment to PFRS 7: *Disclosures – Offsetting Financial Assets and Financial Liabilities*

PFRS 10: *Consolidated Financial Statements*

PFRS 11: *Joint Arrangements*

PFRS 12: *Disclosure of Interests in Other Entities*

PFRS 13: *Fair Value Measurement*

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 materially 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. There were no issuances, repurchases, and repayments of debts and equity securities in the interim financial statements as compared with the most recent annual financial statements.

Dividends Paid for Ordinary or Other Shares. In its meeting held on March 31, 2014, the Board of Directors approved the declaration and payment of cash dividends amounting to P1.00 per share or a total of approximately P1.276 billion payable to holders of Common Class shares, and a total of approximately P342 thousand payable to holders of Preferred Class shares, both subject to the final approval of the Bangko Sentral ng Pilipinas.

In its meeting held on January 27, 2014, the Board of Directors approved the declaration and payment of cash dividends amounting to P0.05615 per share or a total of approximately P19 thousand to holders of Preferred Class shares. This was approved by the Bangko Sentral ng Pilipinas on February 25, 2014 and paid on March 27, 2014.

In its meeting held on October 29, 2013, the Board of Directors approved the declaration and payment of cash dividends, which was approved by Bangko Sentral on February 25, 2014, amounting to P220.435 million to holders of Hybrid Tier 1 securities and paid on April 27, 2014. The Board also approved the declaration and payment of cash dividends amounting to P212.806 million to be paid to holders of Hybrid Tier 1 securities on October 27, 2014, subject to the final approval by the Bangko Sentral ng Pilipinas. The Board also approved the declaration and payment of cash dividends to holders of Preferred Class shares amounting to P0.05686 per share or P19 thousand which was approved by the Bangko Sentral on January 13, 2014 and paid on January 15, 2014.

The details of the 2014 cash dividend approvals and distributions for the first half 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			
November 26, 2012	P 0.0593	P 20	December 18, 2012	January 2, 2013	Preferred stock
November 26, 2012	*	P 203,524	March 4, 2013	April 27, 2013	Hybrid Tier 1
November 26, 2012	*	P 212,559	September 6, 2013	October 25, 2013	Hybrid Tier 1
January 28, 2013	P 0.0578	P 20	March 4, 2013	March 26, 2013	Preferred stock
March 25, 2013	P1.00	P 1,275,659	April 29, 2013	May 27, 2013	Common stock
March 25, 2013	P1.00	P 342	April 29, 2013	May 27, 2013	Preferred stock
April 29, 2013	P 0.05774	P 20	June 10, 2013	June 27, 2013	Preferred stock
July 29, 2013	P 0.05745	P 20	September 6, 2013	September 26, 2013	Preferred stock
October 29, 2013	P 0.05686	P 19	January 13, 2014	January 15, 2014	Preferred stock
October 29, 2013	*	P 220,435	February 25, 2014	April 25, 2014	Hybrid Tier 1
October 29, 2013	*	P 212,806	pending	October 27, 2014	Hybrid Tier 1
January 27, 2014	0.05615	P 19	February 25, 2014	March 27, 2014	Preferred Stock
March 31, 2014	P1.00	P 1,275,659	pending	pending	Common stock
March 31, 2014	P1.00	P 342	pending	pending	Preferred Stock

Segment Information. The following table presents revenues and expenses of the Parent Company that are directly attributable to primary business segments for the period ended March 31, 2014 (in millions).

	Retail Banking Group	Corporate Banking Group	Treasury / Trust	Others	Total
Results of Operations					
Net interest income	1,073	1,423	46	48	2,590
Non-interest income	599	477	186	119	1,380
Total revenue	1,671	1,900	232	167	3,971
Non-interest expense	1,590	274	115	529	2,509
Income (loss) before Income tax	81	1,626	116	(361)	1,462
Income tax provision	-	-	-	133	133
Net income (loss)	81	1,626	116	(495)	1,329

Material Events Subsequent to the End of the Interim Period Not Reflected in the Financial Statements. The Bangko Sentral ng Pilipinas, in its meeting on May 9, 2014, approved the application of the Bank to issue up to P10 Billion in Basel 3-compliant Tier 2 Unsecured Subordinated Notes subject to market conditions.

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

	Consolidated		Parent	
	Unaudited	Audited	Unaudited	Audited
	March 31, 2014	December 31, 2013	March 31, 2014	December 31, 2013
Return on Average Assets (ROA) ^{1/}	1.28%*	1.39%	2.34%*	1.49%
	0.32%		0.58%	
Return on Average Equity (ROE) ^{2/}	12.17%*	12.18%	22.19%*	12.96%
	3.00%		5.08%	
BIS Capital Adequacy Ratio ^{3/}	11.31%	16.52%	10.49%	15.10%
Non-Performing Loans (NPL) Ratio ^{4/}	1.08%	1.07%	0.54%	0.51%
Non-Performing Assets (NPA) Ratio ^{5/}	2.17%	2.10%	0.93%	1.02%
Net Interest Margin (NIM)	4.24%*	4.22%	3.64%*	3.75%
Cost-to-Income Ratio	60.78%	61.14%	47.45%	57.22%
Loans-to-Deposit Ratio	75.49%	72.21%	72.77%	68.55%
Current Ratio	0.41	0.42	0.44	0.50
Liquid Assets -to-Total Assets Ratio	0.24	0.43	0.25	0.46
Debt-to-Equity Ratio	8.05	8.42	7.47	8.07
Asset-to- Equity Ratio	9.05	9.42	8.47	9.07
Asset -to- Liability Ratio	1.12	1.12	1.13	1.12
Interest Rate Coverage Ratio	2.19	2.20	3.00	2.27
Earnings per share (EPS) ^{6/}				
Basic	3.87*	3.95	6.18*	3.52
Diluted	3.87*	3.95	6.18*	3.52

* Annualized

^{1/} Average assets for the consolidated and parent ratios were computed based on the 4-month average of end of month balances of total assets. Unaudited net income for the 3-month period ended March 31, 2014 in the amount of P1.329 billion and P2.054 billion represented the consolidated and parent, respectively.

^{2/} Average equity for the consolidated and parent ratios were, likewise, computed based on the 4-month average of end of month balances. Unaudited net income for the 3-month period ended March 31, 2014 in the amount of P1.329 billion and P2.054 billion represented the consolidated and parent, respectively.

^{3/} BIS Capital Adequacy Ratio as of December 31, 2013 was computed based on Basel 2 while BIS Capital Adequacy Ratio as of March 31, 2014 is based on Basel 3.

^{4/} Non-performing loans (NPLs) were net of total specific allowance for probable losses per BSP Circular No. 772 of 2012.

^{5/} NPAs were net of total specific allowance for probable losses.

^{6/} Total weighted average number of issued and outstanding common shares (diluted) as of March 31, 2014 – 1,275,757,005 shares; as of December 31, 2013 – 1,240,239,894 shares.

Performance Indicators for Wholly-Owned/Majority Owned Subsidiaries

RCBC SAVINGS BANK		
In Php 000s	Unaudited	Audited
	March 31, 2014	2013
Net Income	P180,347	P1,212,543
Return on Average Assets (ROA)	1.08%*	1.88%
Return on Average Equity (ROE)	10.15%*	16.06%
BIS Capital Adequacy Ratio (CAR)	12.12%	16.63%
Non-Performing Loans (NPL) Ratio	2.18%	2.17%
Non-Performing Assets (NPA) Ratio	7.17%	7.06%
Earnings per Share (EPS)	23.69*	39.28

MERCHANTS BANK		
In Php 000s	Unaudited	Audited
	March 31, 2014	2013
Net Loss	(P14,551)	(P56,319)
Return on Average Assets (ROA)	(7.38%)*	(6.51%)
Return on Average Equity (ROE)	(12.27%)*	(10.65%)
BIS Capital Adequacy Ratio (CAR)	71.32%	69.79%
Non-Performing Loans (NPL) Ratio	1.07%	(0.15%)
Non-Performing Assets (NPA) Ratio	1.73%	1.49%
Loss per Share	(6.73)*	(6.43)

RCBC CAPITAL CORPORATION and Subsidiary		
In Php 000s	Unaudited	Audited
	March 31, 2014	2013
Net Income	P146,621	P438,637
Return on Average Assets (ROA)	12.19%*	8.29%
Return on Average Equity (ROE)	14.53%*	11.02%
BIS Capital Adequacy Ratio (CAR)	47.37%	49.00%
Non-Performing Loans (NPL) Ratio	-	-
Non-Performing Assets (NPA) Ratio	0.23%	0.21%
Earnings per Share (EPS)	5.03*	3.71

RCBC FOREX BROKERS CORPORATION		
In Php 000s	Unaudited	Audited
	March 31, 2014	2013
Net Income	P18,741	P76,829
Return on Average Assets (ROA)	15.95%*	16.98%
Return on Average Equity (ROE)	30.21%*	34.14%
Capital to Total Assets	50.74%	42.47%
Non-Performing Loans (NPL) Ratio	-	-
Non-Performing Assets (NPA) Ratio	-	-
Earnings per Share (EPS)	122.01*	153.66

RCBC INTERNATIONAL FINANCE, LTD. and Subsidiary		
In Php 000s	Unaudited	Audited
	March 31, 2014	2013
Net Loss	(P776)	(P5,384)
Return on Average Assets (ROA)	(2.29%)*	(3.97%)
Return on Average Equity (ROE)	(2.36%)*	(4.09%)
Capital to Total Assets	97.97%	100.87%
Non-Performing Loans (NPL) Ratio	(10.39%)	-
Non-Performing Assets (NPA) Ratio	(0.03%)	-
Loss per Share	(1.26)*	(2.15)

RCBC NORTH AMERICA, INC.		
In Php 000s	Unaudited	Audited
	March 31, 2014	2013
Net Income (Loss)	(P7,255)	(P22,198)
Return on Average Assets (ROA)	(34.13%)*	(18.94%)
Return on Average Equity (ROE)	(99.29%)*	(64.33%)
Capital to Total Assets	27.66%	39.36%
Non-Performing Loans (NPL) Ratio	-	-
Non-Performing Assets (NPA) Ratio	-	-
Earnings per Share	(672.90)*	(507.66)

RCBC TELEMONEY EUROPE S.P.A		
In Php 000s	Unaudited	Audited
	March 31, 2014	2013
Net Income (Loss)	P6,016	(P15,317)
Return on Average Assets (ROA)	7.82%*	(4.99%)
Return on Average Equity (ROE)	93.59%*	(135.93%)
Capital to Total Assets	6.81%	13.04%
Non-Performing Loans (NPL) Ratio	-	-
Non-Performing Assets (NPA) Ratio	-	-
Earnings/(Loss) per Share (EPS)	243.98*	(25.53)

RCBC-JPL HOLDING COMPANY, INC. (Formerly JP Laurel Bank, Inc.)		
In Php 000s	Unaudited	Audited
	March 31, 2014	2013
Net Income/(Loss)	P1,326	P2,873
Return on Average Assets (ROA)	2.20%*	1.10%
Return on Average Equity (ROE)	(4.72%)*	(2.52%)
Capital to Total Assets	(45.97%)	(47.64%)
Non-Performing Loans (NPL) Ratio	43.91%	40.03%
Non-Performing Assets (NPA) Ratio	63.90%	59.72%
Earnings/(Loss) per Share (EPS)	0.03*	2.59

NIYOG PROPERTY HOLDINGS, INC.		
In Php 000s	Unaudited	Audited
	March 31, 2014	2013
Net Income	P725	P20,391
Return on Average Assets (ROA)	0.36%*	5.88%
Return on Average Equity (ROE)	0.36%*	6.00%
Capital to Total Assets	99.44%	98.97%
Non-Performing Loans (NPL) Ratio	-	-
Non-Performing Assets (NPA) Ratio	-	-
Earnings per Share (EPS)	2.11*	14.66

RCBC LEASING AND FINANCE CORP. and Subsidiary		
In Php 000s	Unaudited	Audited
	March 31, 2014	2013
Net Income (Loss)	P2,266	P17,147
Return on Average Assets (ROA)	0.22%*	0.45%
Return on Average Equity (ROE)	1.68%*	3.24%
Capital to Total Assets	13.16%	13.31%
Non-Performing Loans (NPL) Ratio	21.96%	22.92%
Non-Performing Assets (NPA) Ratio	15.62%	17.79%
Earnings (Loss) per Share (EPS)	0.02*	0.06

* Annualized

31 March 2014 vs. 31 December 2013

Consolidated total resources for the period ended March 31, 2014 reached P417.080 billion, P4.789 billion lower than yearend's P421.869 billion.

Cash and other cash items decreased slightly by 7.63% or P750 million from P9.826 billion to P9.076 billion. Due from BSP declined by 28.85% or P15.143 billion from P52.491 to P37.348 billion while Due from other banks increased by 7.12% or P537 million from P7.537 billion to P8.074 billion.

Loans and receivables-net which accounted for 58.86% of total resources reached P245.478 billion.

Available for sale securities declined by 71.47% or P63.901 billion from P89.412 billion to P25.491 billion mainly due to reclassification to Held-to-Maturity Investments which stood at P67.765 billion as of quarter-end March 2014. Financial assets at fair value through profit or loss decreased by 8.77% or P288 million from P3.288 billion to P3.000 billion. Total investment securities accounted for 23.08% of total resources and totaled P96.276 billion.

Deferred tax assets (DTA), net decreased by 19.29% or P16 million from P83 million to P67 million mainly due to the utilization of the DTA by subsidiaries. Other resources, net also declined by 9.02% or P681million from P7.546 billion to P6.865 billion due to decrease in foreign currency checks and other cash items, prepayments, and inter-office accounts.

Total deposit liabilities, which accounted for 71.99% of total resources, reached P300.268 billion. Savings deposits stood at P160.171 billion and accounted for 38.40% of total resources. Demand deposits accounted for 6.27% of total resources and stood at P26.154 billion while the higher-costing time deposits reached P113.943 billion and accounted for 27.32% of total resources.

Bills payable decreased by 19.35% or P7.720 billion from P39.895 billion to P32.175 billion due to lower foreign currency denominated borrowings for this period. Bonds payable stood at P23.676 billion and represented 5.68% of total resources.

Accrued taxes, interest, and other expenses payable declined by 11.79% or P535 million from P4.537 billion to P4.002 billion. Likewise, other liabilities went down by 5.18% or P594 million from P11.459 billion to P10.865 billion.

Total liabilities reached P370.987 billion and accounted for 88.95% of total resources.

Retained earnings grew by 6.86% or P1.104 billion higher from P16.082 billion to P17.186 billion driven by the P1.329 billion net profits generated for the first quarter partially reduced by dividends on HT1 securities. Non-controlling interest went up by 7.72% or P2 million from P23 million to P25 million due to the profitable operations of the subsidiaries not wholly owned during the first quarter of the year. The Bank's capital, excluding non-controlling interest, grew to P46.068 billion and accounted for 11.05% of total resources.

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

31 March 2014 vs. 31 March 2013

RCBC posted a net income of P1.329 billion for the first quarter of 2014, P443 million or 25.00% lower than the P1.772 billion reported for the same period last year. Net income of P1.329 billion accounted for 24.38% of total operating income during the period.

Net interest income, representing 70.55% of total operating income, was higher by 26.28% or P800 million from P3.044 billion to P3.844 billion. Interest income of P5.122 billion, representing 94.00% of total operating income, mainly consisted of interest income from loans and receivables and investment securities that accounted for 72.86% and 19.55% of total operating income, respectively. Other interest income increased by 47.04% or P28 million from P59 million to P87 million mainly due to higher average volume of Reserve Deposit Account and Special Deposit Account for the period.

Total interest expense, making up 23.45% of total operating income, consisted of interest on deposit liabilities and interest on bills payable and other borrowings which accounted for 11.20% and 12.26% of total operating income, respectively. Total interest expense declined by 18.80% or P296 million from P1.574 billion to P1.278 billion, with interest expense on deposit liabilities decreasing by 26.26% or P217 million from P827 million to P610 million mainly due to the year-on-year decline in the average cost of deposits. Interest expense on bills payable and other borrowings likewise went down by 10.54% or P79 million from P747 million to P668 million.

Provisioning for impairment losses this period amounted to P622 million, 22.08% or P176 million lower from last year's P798 million.

Accounting for 29.45% of total operating income, other operating income reached P1.605 billion contributed by the following:

- Trading and securities gain-net decreased by 79.73% or P1.703 billion from P2.136 billion to P433 million
- Service fees and commissions reached P540 million and accounted for 9.92% of total operating income
- Foreign exchange gains (losses)-net increased by 635.51% to P124 million
- Trust fees reached P69 million
- Miscellaneous income declined by 46.01% or P373 million from P811 million to P438 million mainly due to last year's one-off gain recorded on the sale of the Bank's non-performing assets

Other operating expenses at P3.312 billion, representing 60.78% of total operating income, were 9.09% or P331 million lower year on year due to the following:

- Miscellaneous expenses decreased by 22.89% or P289 million from P1.263 billion to P974 million due to lower litigation expenses related to non-performing assets since the latter have been reduced after the sale of a significant portion to IFC last year
- Taxes and licenses went down by 27.61% or P140 million from P506 million to P366 million mainly driven by lower gross income
- Occupancy and equipment-related costs increased by 7.14% or P42 million from P588 million to P630 million due to branch expansion and escalation on rental fees
- Manpower costs increased by 4.66% or P45 million from P959 million to P1.004 billion due to additional workforce as a result of branch expansion
- Depreciation and amortization increased by 3.36% or P11 million from P327 million to P338 million primarily as a result of the setting up of additional banking channels and additional investment in software

Tax expense declined by 54.27% or P222 million mainly as a result of lower income.

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 P1.278 billion for capital expenditures.

In the normal course of operations of the Bank, there are various outstanding commitments and contingent liabilities such as guarantees, commitments to extend credit, tax assessments, etc., which are not reflected in the accompanying financial statements. Management does not anticipate losses from these transactions that will adversely affect operations.

In the opinion of Management, the suits and claims arising from the normal course of operations of the Bank that remain unsettled, if decided adversely, will not involve sums that would have a material effect on Bank's financial position or operating results.

In October 2008, Global Steel Philippines (SPV-AMC), Inc. (GSPI) and Global Ispat Holdings (SPV-AMC), Inc. (GIHI), which purchased the Iligan Plant assets of the NSC from the Liquidator in 2004, filed a Notice of Arbitration with the Singapore International Arbitration Centre (SIAC) seeking damages arising from the failure of Liquidator and the secured creditors, including the Bank and RCBC Capital, to deliver the Plant assets free and clear from liens and encumbrance; purportedly depriving them of the opportunity to use the assets in securing additional loans to fund the operations of the Plant and upgrade the same. On May 9, 2012, the SIAC Arbitral Tribunal rendered a Partial Award in favor of GSPI and GIHI in the total amount of (a) US\$80,000,000.00, as and by way of lost opportunity to make profits and (b) P1,043,000,000.00, representing the value of the Lost Land Claim. A petition to set aside the Partial Award was filed with the Singapore High Court, and remains pending. The Bank's exposure is approximately P506 Million, while it has a receivable from Global Steel of P534.8 Million. On account of the full provisioning already made by the Bank, the aforesaid share is currently classified in the books of the Bank as an UDSCL with zero net book value. The Bank's exposure, however, may be varied should the amount of awarded damages be reduced and should the Iligan City agree to enter into another tax agreement. In the event of an adverse decision, the same may be elevated via an appeal to the Singapore Court of Appeals.

In October 2011, the Bank filed a case before the Court of Tax Appeals questioning the 20 per cent. final withholding tax applied to Poverty Eradication and Alleviation Certificates (PEACe Bonds) by the Bureau of Internal Revenue. The Bank subsequently withdrew this petition and joined various other banks in a petition before the Supreme Court on the same matter. Notwithstanding the issuance of a temporary restraining order by the Supreme Court, the [Bureau of Treasury] withheld a sum of ₱198.8 million in October 2011 from the Bank on its PEACe Bonds holdings. The case is still pending before the Supreme Court.

In December 2011, RCBC Securities initiated the filing of a criminal case for falsification against a former agent who carried out certain questionable transactions with her own personal clients. Since then, RCBC Securities has filed additional criminal and civil cases, including charges of BP 22, against the aforesaid former agent. These cases are now pending with the Regional Trial Court and Metropolitan Trial Court of Makati City.

Except for the above-mentioned proceedings, the Bank is not aware of any suits and claims by or against it or its subsidiaries, which if decided adversely would have a 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, 2014 and December 31, 2013:

(in Millions-Php)	Consolidated		Parent	
	Unaudited	Audited	Unaudited	Audited
	March 31, 2014	December 31, 2013	March 31, 2014	December 31, 2013
Derivative liabilities	51,228	44,283	51,228	44,283
Derivative assets	36,653	33,091	36,653	33,091
Trust department accounts	84,565	78,964	70,871	68,211
Outstanding guarantees issued	26,530	25,976	26,530	25,976
Spot foreign exchange bought	6,779	7,744	6,779	7,744
Spot foreign exchange sold	6,781	7,737	6,781	7,737
Unused commercial letters of credit	12,679	11,778	12,595	11,684
Inward bills for collection	2,781	874	2,781	874
Late deposits/payments received	642	882	577	736
Outward bills for collection	167	131	152	129

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.

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 15, 2014**



LORENZO V. TAN
President & CEO



ZENAIDA F. TORRES
FSVP/Head- Controllershship Group



GERALD O. FLORENTINO
SVP/Head- Corporate Planning

Date **May 15, 2014**

RIZAL COMMERCIAL BANKING CORPORATION

Aging of Accounts Receivable

As of March 31, 2014

(Amounts in Million Pesos)

	Total	1-90 days	91-180 days	181 days-1 year	more than 1 Year	Past Due accounts & Items in Litigation
Accounts Receivables	2,783	788	683	198	1,114	
Less: Allow For Doubtful Acct.	631					
Net Accounts Receivables	<u>2,151</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.*