



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, 2016**

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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  
AMENDED 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 fiscal year ended March 31, 2016
2. SEC Identification Number 17514
4. BIR Tax Identification No. 000-599-760-000
3. Exact name of registrant as specified in its charter: RIZAL COMMERCIAL BANKING CORPORATION
5. Philippines  
Province, Country or other jurisdiction of  
incorporation or organization
6.  (SEC Use Only)  
Industry Classification Code:
7. RCBC Plaza Yuchengco Tower 6819 Ayala Ave. cor. Sen. Puyat Avenue, Makati City 0727  
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	1,399,908,746 (as of 31 March 2016)

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 17 of the SRC thereunder or Section 11 of the 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);

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 FINANCIAL POSITION

(Amounts in Millions)

		(Unaudited)		(Audited)
		March 31		December 31
		2016		2015
<b>ASSETS</b>				
Cash and Other Cash Items	P	13,176	P	14,070
Due From Bangko Sentral ng Pilipinas		45,054		50,617
Due From Other Banks		26,568		19,701
Investment Securities				
Financial Assets at Fair Value Through Profit or Loss		5,596		5,112
Financial Assets at Fair Value Through Other Comprehensive Income		4,189		4,208
Investment Securities At Amortized Cost		69,350		101,881
Loans and Receivables, net		301,750		299,119
Investments in Associates, net		394		363
Bank Premises, Furniture, Fixtures & Equipment, net		8,571		7,602
Investment Properties, net		3,385		3,370
Deferred Tax Assets, net		1,287		1,222
Other Resources, net		8,899		8,796
<b>TOTAL RESOURCES</b>	<b>P</b>	<b>488,220</b>	<b>P</b>	<b>516,061</b>
<b>LIABILITIES AND CAPITAL FUNDS</b>				
Deposit Liabilities				
Demand Deposits	P	41,206		44,311
Savings Deposits		163,476		178,197
Time Deposits		112,535		119,854
Total Deposit Liabilities		317,216		342,362
Bills Payable		44,830		49,404
Bonds Payable		38,531		39,364
Accrued Taxes, Interest and Other Expenses Payable		4,435		4,453
Other Liabilities		13,338		12,413
Subordinated Debt		9,940		9,936
<b>TOTAL LIABILITIES</b>		<b>428,290</b>		<b>457,932</b>
Capital Funds				
Attributable to Parent Company Shareholders:				
Preferred Stock		3		3
Common Stock		13,999		13,999
Hybrid Perpetual Securities		-		-
Capital Paid in Excess of Par		22,635		22,635
Net Unrealized Gains/(Losses) on Financial Assets At Fair Value Through Other Comprehensive Income		663		688
Remeasurement of Net Defined Benefits		(1,262)		(1,268)
Cumulative Translation Adjustment		79		62
Reserve for Trust Business		388		388
Other Reserves		(97)		(97)
Surplus		23,496		21,694
		59,904		58,105
Non-controlling Interest		25		24
<b>TOTAL CAPITAL FUNDS</b>		<b>59,930</b>		<b>58,129</b>
<b>TOTAL LIABILITIES &amp; CAPITAL</b>	<b>P</b>	<b>488,220</b>	<b>P</b>	<b>516,061</b>

<sup>1/</sup> The consolidated financial statements have been prepared in conformity with the 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 AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

(Amounts in Millions except for earnings per share)

	(Unaudited) Jan. 1 to Mar. 31 2016	(Unaudited) Jan. 1 to Mar. 31 2015
INTEREST INCOME ON		
Loans and receivables	P 4,808	P 4,135
Investment securities	1,047	841
Others	49	41
	<u>5,904</u>	<u>5,017</u>
INTEREST EXPENSE ON		
Deposit liabilities	721	735
Bills payable and other borrowings	972	669
	<u>1,693</u>	<u>1,404</u>
NET INTEREST INCOME	4,211	3,613
IMPAIRMENT LOSSES	464	1,003
NET INTEREST INCOME AFTER IMPAIRMENT LOSSES	<u>3,748</u>	<u>2,610</u>
OTHER OPERATING INCOME		
Trading and securities gain-net	831	1,723
Service fees & commissions	654	717
Trust fees	70	69
Foreign exchange gains (losses)-net	122	(4)
Miscellaneous	432	444
	<u>2,109</u>	<u>2,949</u>
OTHER OPERATING EXPENSES		
Employee benefits	1,333	1,183
Occupancy & equipment-related	714	645
Taxes & Licenses	406	402
Depreciation and amortization	411	378
Miscellaneous	1,105	1,146
	<u>3,969</u>	<u>3,753</u>
INCOME BEFORE TAX	1,888	1,805
TAX EXPENSE	86	203
NET INCOME	<u>1,802</u>	<u>1,602</u>
NET INCOME ATTRIBUTABLE TO NON- CONTROLLING INTEREST	0	(0)
NET INCOME ATTRIBUTABLE TO PARENT COMPANY'S SHAREHOLDERS	<u>P 1,801</u>	<u>P 1,602</u>
Earnings per Share (Annualized)		
Basic	<u>P 5.16</u>	<u>P 4.75</u>
Diluted	<u>P 5.16</u>	<u>P 4.75</u>

**RIZAL COMMERCIAL BANKING CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Amounts in Millions)

	(Unaudited) Jan. 1 to Mar. 31 2016 (03.31.16 vs. 12.31.15)	(Unaudited) Jan. 1 to Mar. 31 2015 (03.31.15 vs. 12.31.14)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before tax	P 1,888	P 1,805
Adjustments for:		
Interest income	(5,904)	(5,017)
Interest expense	1,693	1,404
Impairment losses	464	1,003
Depreciation and amortization	481	442
Dividend income	(9)	(16)
Equity in net earnings of associates	(32)	(20)
Operating income before working capital changes	(1,420)	(399)
Decrease (Increase) in financial assets at fair value through profit and loss	(484)	3,889
Decrease (Increase) in loans and receivables	(3,304)	(9,917)
Decrease (Increase) in investment property	(15)	89
Decrease (Increase) in other resources	(160)	(868)
Increase (Decrease) in deposit liabilities	(25,146)	100
Increase (Decrease) in accrued taxes, interest and other expenses	23	(193)
Increase (Decrease) in other liabilities	98	(508)
Cash generated from (used in) operations	(30,407)	(7,806)
Interest received	6,113	5,350
Interest paid	(1,845)	(1,734)
Cash paid for taxes	26	(53)
<b>Net Cash From (Used in) Operating Activities</b>	<b>(26,113)</b>	<b>(4,243)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Decrease (increase) in Financial Assets at FVOCI	(6)	725
Decrease (increase) in investment securities at amortized cost	32,532	15,385
Acquisitions of bank premises, furniture, fixtures and equipment (net)	(1,379)	(333)
Cash dividends received	146	16
Decrease (increase) in investments in subsidiaries and associates	(127)	(19)
Acquisitions of software	(52)	(57)
<b>Net Cash From (Used in) Investing Activities</b>	<b>31,114</b>	<b>15,717</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from (payments of) bills payable	(4,575)	(11,459)
Dividends paid	(0)	(0)
Net proceeds from (Redemption of) bonds payable	-	(367)
Redemption of subordinated debt	-	-
Net proceeds from issuance of common shares	0	-
<b>Net Cash From (Used in) Financing Activities</b>	<b>(4,575)</b>	<b>(11,826)</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>426</b>	<b>(352)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>		
Cash and other cash items	14,070	13,085
Due from Bangko Sentral ng Pilipinas	50,617	46,099
Due from other banks	19,685	16,600
	<b>84,373</b>	<b>75,784</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>		
Cash and other cash items	13,176	9,358
Due from Bangko Sentral ng Pilipinas	45,054	43,151
Due from other banks	26,568	22,923
	<b>84,798</b>	<b>75,432</b>

P **84,798** P **75,432**

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

	(Unaudited) Jan. 1 to Mar. 31 2016	(Unaudited) Jan. 1 to Mar. 31 2015
<b>ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS</b>		
<b>PREFERRED STOCK</b>		
Balance, beginning	P 3	3
Issuance (Conversion) of preferred stock	-	-
Balance, end	<u>3</u>	<u>3</u>
<b>COMMON STOCK</b>		
Balance, beginning	13,999	12,757
Conversion of preferred stock to common stock	-	-
Issuance of common stock	-	-
Balance, end	<u>13,999</u>	<u>12,757</u>
<b>HYBRID PERPETUAL SECURITIES</b>		
Balance, beginning	-	4,883
Redemption	-	-
Balance, end	<u>-</u>	<u>4,883</u>
<b>CAPITAL PAID IN EXCESS OF PAR</b>		
Balance, beginning	22,635	16,147
Conversion of preferred stock to common stock	-	-
Excess of consideration given over cost of common shares issued	0	-
Balance, end	<u>22,635</u>	<u>16,147</u>
<b>REVALUATION RESERVE ON FINANCIAL ASSETS AT FVOCI</b>		
Balance, beginning as previously reported	688	835
Fair value gains (losses) during the period	(26)	279
Balance, end	<u>663</u>	<u>1,114</u>
<b>ACCUMULATED TRANSLATION ADJUSTMENTS</b>		
Balance, beginning	62	71
Translation adjustment during the period	18	7
Balance, end	<u>79</u>	<u>78</u>
<b>OTHER COMPREHENSIVE INCOME - RETIREMENT PLAN</b>		
Balance, beginning	(1,268)	(224)
Remeasurement of the defined benefits during the period	6	(3)
Balance, end	<u>(1,262)</u>	<u>(227)</u>
<b>RESERVE FOR TRUST BUSINESS</b>		
Balance, beginning	388	366
Transfer from surplus free	-	-
Balance, end	<u>388</u>	<u>366</u>
<b>OTHER RESERVES</b>		
	<u>(97)</u>	<u>(97)</u>
<b>SURPLUS FREE</b>		
Beginning balance, as previously reported	21,694	18,367
Effect of adoption of PFRS 9	-	-
Beginning balance, as restated	<u>21,694</u>	<u>18,367</u>
Net income	1,801	1,602
Cash dividends on common shares	-	-
Cash dividends on preferred shares	(0)	(0)
Dividends on Hybrid Capital Securities	-	-
Redemption of Hybrid Capital Securities	-	-
Transfer of fair value reserves on FVOCI	-	-
Transfer to reserves for trust business	-	-
Balance, end	<u>23,496</u>	<u>19,969</u>
<b>ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS</b>		
	<u>59,904</u>	<u>54,995</u>
<b>NON-CONTROLLING INTEREST</b>		
Balance, beginning	24	22
Prior period adjustments	-	-
Fair value gains (losses) on available-for-sale securities, net of tax	1	1
Net Income (loss) for the year	0	(0)
Balance, end	<u>25</u>	<u>23</u>
<b>TOTAL CAPITAL FUNDS</b>	<b>P 59,930</b>	<b>55,018</b>



**RIZAL COMMERCIAL BANKING CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE QUARTERS ENDED MARCH 31, 2016 AND 2015**

	<u>2016</u> (Unaudited)	<u>2015</u> (Unaudited)
<b>NET PROFIT FOR THE YEAR</b>	<b>P 1,802</b>	<b>P 1,602</b>
<b>OTHER COMPREHENSIVE INCOME (LOSSES)</b>		
Fair value gains (losses) on financial assets at FVOCI	(26)	279
Retirement plan	6	(3)
Translation adjustment during the year	<u>18</u>	<u>7</u>
Other Comprehensive Income (Loss) for the period	(2)	46
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>1,800</b>	<b>1,886</b>
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO NON-CONTROLLING INTEREST</b>	<u>1</u>	<u>1</u>
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS</b>	<u><b>P 1,798</b></u>	<u><b>P 1,885</b></u>

## **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).

As permitted by PFRS 9 and BSP Circular 708, the Bank sold certain peso and dollar-denominated bonds classified as investment securities at amortized cost with an aggregate carrying amount of Php 24.72 billion. The disposal resulted in a gain of Php 602.3 million, which is included under Trading and securities gains-net in the statement of profit or loss. In addition, the Bank concluded that the sale did not result to changes in its business models for managing financial assets to collect contractual cash flows.

**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 April 25, 2016, the Board of Directors approved the declaration and payment of cash dividends amounting to P0.066 per share or a total of approximately P21 thousand payable to holders of Preferred Class shares. The Board of Directors also approved the declaration and payment of cash dividends amounting to P0.72 per share or a total of approximately P1.007 billion payable to holders of Common Class and a total of approximately P223 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 25, 2016, the Board of Directors approved the declaration and payment of cash dividends amounting to P0. 6495 per share, or a total of approximately P20 thousand payable to holders of Preferred Class shares subject to the approval of Bangko Sentral ng Pilipinas.

In its meeting held on November 4, 2015, the Board of Directors approved the declaration and payment of cash dividends amounting to P0.05928 per share, or a total of approximately P18 thousand payable to holders subject to the approval of Bangko Sentral ng Pilipinas.

In its meeting held on July 27, 2015, the Board of Directors approved the declaration and payment of cash dividends amounting to P0.0583 per share, or a total of approximately P18 thousand payable to holders of Preferred Class shares, which was approved by the Bangko Sentral ng Pilipinas on September 11, 2015 and paid on September 24, 2015.

In its meeting held on April 27, 2015, the Board of Directors approved the declaration and payment of cash dividends amounting to P0.05667 per share, or a total of approximately P18 thousand payable to holders of Preferred Class shares, which was approved by the Bangko Sentral ng Pilipinas on September 11, 2015 and paid on September 22, 2015.

In its meeting held on March 30, 2015, the Board of Directors approved the declaration and payment of cash dividends amounting to P0.60 per share, or a total of approximately P839.945 million payable to holders of Common Class shares, and a total of approximately P186 thousand payable to holders of

Preferred Class shares, which was approved by the Bangko Sentral on May 13, 2015 and paid on June 8, 2015.

In its meeting held on January 26, 2015, the Board of Directors approved the declaration and payment of cash dividends amounting to P0.05630 per share, or a total of approximately P19 thousand payable to holders of Preferred Class shares, which was approved by the Bangko Sentral on March 20, 2015 and paid on March 27, 2015.

The details of the 2016 cash dividend approvals and distributions for the first quarter of 2016 are as follows (amounts in Thousand Php except per share figures):

Date Declared	Dividend		Date Approved by the BSP	Date Paid / Payable	Nature of Securities
	Per Share	Total Amount			
27-Oct-14	P 0.05496	P 19	19-Dec-14	28-Jan-15	Convertible Preferred Stock
27-Oct-14	*	P 218,608	20-Mar-15	27-Apr-15	Hybrid Tier 1
26-Jan-15	P 0.05630	P 18	20-Mar-15	27-Mar-15	Convertible Preferred Stock
30-Mar-15	P 0.60000	P 839,945	13-May-15	8-Jun-15	Common Stock
30-Mar-15	P 0.60000	P 186	13-May-15	8-Jun-15	Preferred stock
27-Apr-15	P 0.05667	P 19	11-Sep-15	22-Sep-15	Convertible Preferred Stock
27-Jul-15	P 0.05830	P 18	11-Sep-15	22-Sep-15	Convertible Preferred Stock
4-Nov-15	P 0.05928	P 18	N/A	22-Dec-15	Convertible Preferred Stock
25-Jan-16	P 0.64950	P 20	N/A	23-Mar-16	Convertible Preferred Stock
25-Apr-16	P 0.06600	P 21	Pending	Pending	Convertible Preferred Stock
25-Apr-16	P 0.72000	P 1,007,934	Pending	Pending	Common Stock
25-Apr-16	P 0.72000	P 223	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, 2016 (in millions).

RESULTS OF OPERATIONS					
	Retail Banking Group	Corporate Banking Group	Treasury / Trust	Others	Total
Net interest income	2,559	1,884	121	(1,647)	2,917
Non-interest income	658	384	897	74	2,013
Total revenue	3,217	2,267	1,018	(1,573)	4,930
Non-interest expense	1,803	487	189	585	3,064
Income (loss) before income tax	1,414	1,780	829	(2,158)	1,866
Income tax provision	-	-	-	64	64
Net income (loss)	1,414	1,780	830	(2,223)	1,801

**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.** RCBC TeleMoney Europe S.p.a ceased its operations in March 2016. It is a wholly-owned subsidiary of the bank and was established in 1995 in Rome, Italy to engage in the remittance business.

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

**Material Contingencies and Any Other Events or Transactions.** During the interim period, there were no changes in material contingencies and any other events or transactions.

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

### Financial Performance

RIZAL COMMERCIAL BANKING CORPORATION AND SUBSIDIARIES				
	Consolidated		Parent	
	Unaudited	Audited	Unaudited	Audited
	31-Mar-16	31-Dec-15	31-Mar-16	31-Dec-15
Return on Average Assets (ROA)* <sup>1/</sup>	1.43%	1.09%	1.49%	1.11%
Return on Average Equity (ROE)* <sup>2/</sup>	12.24%	9.33%	11.85%	8.84%
BIS Capital Adequacy Ratio	16.26%	15.72%	16.24%	15.63%
Non-Performing Loans (NPL) Ratio <sup>3/</sup>	0.82%	0.79%	0.24%	0.26%
Non-Performing Assets (NPA) Ratio <sup>4/</sup>	1.57%	1.45%	0.39%	0.37%
Net Interest Margin (NIM)*	4.27%	4.15%	3.71%	3.62%
Cost-to-Income Ratio	62.79%	67.74%	61.02%	65.75%
Loans-to-Deposit Ratio	95.05%	86.74%	94.10%	87.12%
Current Ratio	0.45	0.43	0.48	0.43
Liquid Assets -to-Total Assets Ratio	0.19	0.17	0.23	0.18
Debt-to-Equity Ratio	7.15	7.88	6.63	7.32
Asset-to- Equity Ratio	8.15	8.88	7.63	8.32
Asset -to- Liability Ratio	1.14	1.13	1.15	1.14
Interest Rate Coverage Ratio	2.12	1.81	2.15	1.89
Earnings per share (EPS)* <sup>5/</sup>				
Basic and Diluted	PHP 5.16	PHP 3.76	PHP 4.37	PHP 3.13

\*March 31, 2016 ratios/amounts were annualized

<sup>1/</sup> 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, 2016 in the amount of P1.801 billion and P1.526 billion represented the consolidated and parent, respectively.

<sup>2/</sup> 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, 2016 in the amount of P1.801 billion and P1.526 billion represented the consolidated and parent, respectively.

<sup>3/</sup> Non-performing loans (NPLs) were net of total specific allowance for probable losses per BSP Circular No. 772 of 2012.

<sup>4/</sup> NPAs were net of total specific allowance for probable losses.

<sup>5/</sup> Total weighted average number of issued and outstanding common shares (diluted) as of March 31, 2016 – 1,399,980,113 shares; as of December 31, 2015 – 1,362,537,128 shares.

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

<b>RCBC SAVINGS BANK</b>		<b>Unaudited</b>	<b>Audited</b>
<b>In Php 000s</b>		<b>March 31, 2016</b>	<b>December 31, 2015</b>
Net Income	PHP	200,022	Php 1,250,962
Return on Average Assets (ROA)*		0.87%	1.48%
Return on Average Equity (ROE)*		8.12%	14.10%
BIS Capital Adequacy Ratio (CAR)		13.34%	13.99%
Non-Performing Loans (NPL) Ratio		2.07%	1.94%
Non-Performing Assets (NPA) Ratio		5.89%	5.23%
Earnings per Share (EPS)*	PHP	25.99	Php 40.52

<b>RIZAL MICROBANK</b>		<b>Unaudited</b>	<b>Audited</b>
<b>In Php 000s</b>		<b>March 31, 2016</b>	<b>December 31, 2015</b>
Net Loss	PHP	(7,283)	Php (64,848)
Return on Average Assets (ROA)*		-2.83%	-7.47%
Return on Average Equity (ROE)*		-4.74%	-14.11%
BIS Capital Adequacy Ratio (CAR)		82.22%	90.26%
Non-Performing Loans (NPL) Ratio		2.49%	-0.75%
Non-Performing Assets (NPA) Ratio		2.27%	0.89%
Loss per Share (EPS)*	PHP	(3.33)	Php (5.76)

<b>RCBC CAPITAL CORPORATION and Subsidiaries</b>		<b>Unaudited</b>	<b>Audited</b>
<b>In Php 000s</b>		<b>March 31, 2016</b>	<b>December 31, 2015</b>
Net Income	PHP	170,182	Php 133,505
Return on Average Assets (ROA)*		17.39%	3.02%
Return on Average Equity (ROE)*		19.33%	3.59%
BIS Capital Adequacy Ratio (CAR)		27.73%	26.27%
Non-Performing Loans (NPL) Ratio		-	-
Non-Performing Assets (NPA) Ratio		0.04%	0.01%
Earnings per Share (EPS)*	PHP	5.78	Php 1.13

<b>RCBC FOREX BROKERS CORPORATION</b>		<b>Unaudited</b>	<b>Audited</b>
<b>In Php 000s</b>		<b>March 31, 2016</b>	<b>December 31, 2015</b>
Net Income	PHP	12,672	Php 70,914
Return on Average Assets (ROA)*		19.82%	15.36%
Return on Average Equity (ROE)*		23.05%	32.73%
Capital to Total Assets Ratio		76.65%	63.92%
Non-Performing Loans (NPL) Ratio		-	-
Non-Performing Assets (NPA) Ratio		-	-
Earnings per Share (EPS)*	PHP	101.65	Php 141.83

*\*March 31, 2016 ratios/amounts were annualized*

RCBC INTERNATIONAL FINANCE, LTD. and Subsidiary	Unaudited	Audited
In Php 000s	March 31, 2016	December 31, 2015
Net Income	PHP 2,503	Php 3,749
Return on Average Assets (ROA)*	7.22%	2.92%
Return on Average Equity (ROE)*	7.35%	3.02%
Capital to Total Assets Ratio	98.35%	95.02%
Non-Performing Loans (NPL) Ratio	-	-
Non-Performing Assets (NPA) Ratio	-	-
Earnings per Share (EPS)*	PHP 4.02	Php 1.50

RCBC NORTH AMERICA, INC.	Unaudited	Audited
In Php 000s	March 31, 2016	December 31, 2015
Net Loss	PHP (759)	Php (3,825)
Return on Average Assets (ROA)*	-119.48%	-76.41%
Return on Average Equity (ROE)*	-133.76%	-178.16%
Capital to Total Assets Ratio	90.77%	215.19%
Non-Performing Loans (NPL) Ratio	-	-
Non-Performing Assets (NPA) Ratio	-	-
Loss per Share (EPS)*	PHP (69.66)	Php (87.47)

RCBC TELEMONEY EUROPE S.P.A	Unaudited	Audited
In Php 000s	March 31, 2016	December 31, 2015
Net Income (Loss)	PHP (8,154)	Php 5,276
Return on Average Assets (ROA)*	-18.74%	1.94%
Return on Average Equity (ROE)*	161.58%	45.69%
Capital to Total Assets Ratio	-20.27%	-5.67%
Non-Performing Loans (NPL) Ratio	-	-
Non-Performing Assets (NPA) Ratio	-	-
Earnings (Loss) per Share (EPS)*	PHP (327.07)	Php 52.76

RCBC-JPL HOLDING COMPANY, INC. (Formerly JP Laurel Bank, Inc.)	Unaudited	Audited
In Php 000s	March 31, 2016	December 31, 2015
Net Income (Loss)	PHP (221)	Php (5,745)
Return on Average Assets (ROA)*	-0.40%	-2.53%
Return on Average Equity (ROE)*	0.76%	5.03%
Capital to Total Assets Ratio	-53.13%	-50.14%
Non-Performing Loans (NPL) Ratio	0.00%	-
Non-Performing Assets (NPA) Ratio	0.00%	-
Loss per Share (EPS)*	PHP (0.00)	Php (0.03)

\*March 31, 2016 ratios/amounts were annualized

NIYOG PROPERTY HOLDINGS, INC.		Unaudited	Audited
In Php 000s		March 31, 2016	December 31, 2015
Net Income	PHP	1,759	Php 88,670
Return on Average Assets (ROA)*		0.87%	10.68%
Return on Average Equity (ROE)*		0.90%	11.43%
Capital to Total Assets Ratio		95.69%	86.06%
Non-Performing Loans (NPL) Ratio		-	-
Non-Performing Assets (NPA) Ratio		-	-
Earnings per Share (EPS)*	PHP	5.07	Php 63.75

RCBC LEASING AND FINANCE CORP. and Subsidiary		Unaudited	Audited
In Php 000s		March 31, 2016	December 31, 2015
Net Income	PHP	16,638	Php 33,983
Return on Average Assets (ROA)*		1.21%	0.81%
Return on Average Equity (ROE)*		11.64%	5.86%
Capital to Total Assets Ratio		9.28%	20.54%
Non-Performing Loans (NPL) Ratio		14.36%	15.70%
Non-Performing Assets (NPA) Ratio		12.65%	13.94%
Earnings per Share (EPS)*	PHP	0.15	Php 0.07

*\*March 31, 2016 ratios/amounts were annualized*



### **31 March 2016 vs 31 December 2015**

Consolidated Total Resources of the Bank for the period ended March 31, 2016 was recorded at ₱488.220 billion, 5.39% down or ₱27.841 billion lower than ₱516.061 billion as of end-December 31, 2015.

Cash and other Cash Items decreased by 6.35% or ₱894 million from ₱14.070 billion to ₱13.176 billion. Due from Bangko Sentral recorded at ₱45.054 billion, 10.99% lower from ₱50.617 billion and accounted for 9.23% of the Total Resources. Due from other Banks increased by 34.86% or ₱6.867 billion, from ₱19.701 billion to ₱26.568 billion.

Loans and Receivables, Net was recorded at ₱301.750 billion and accounted for 61.81% of the Banks's Total Resources.

Total Investment Securities accounted for 16.21% of Total Resources and totaled ₱79.135 billion; there was a 28.84% decrease or ₱32.066 billion from ₱111.201 billion mainly due to the sale of certain securities.

As permitted by PFRS 9 and BSP Circular 708, the Bank sold certain peso and dollar-denominated bonds classified as investment securities at amortized cost with an aggregate carrying amount of Php 24.72 billion. The disposal resulted in a gain of Php 602.3 million, which is included under Trading and securities gains-net in the statement of profit or loss. In addition, the Bank concluded that the sale did not result to changes in its business models for managing financial assets to collect contractual cash flows.

Bank Premises, Furniture, Fixtures and Equipment, net grew by 12.74% or ₱969 million from ₱7.602 billion to ₱8.571 billion attributable to the opening of new bank branches and acquisition of equipment for lease.

Total Deposit Liabilities, which accounted for 64.97% of Total Resources, settled at ₱317.216 billion. Savings Deposits stood at ₱163.476 billion and accounted for 33.48% of total resources. Demand Deposits accounted for 8.44% of total resources and stood at ₱41.206 billion while higher-costing time deposits reached ₱112.535 billion and accounted for 23.05% of total resources. CASA-to-deposit ratio stood at 64.52% as of end-March 2016 compared to 64.99% as of end-December 2015.

Bills Payable decreased by 9.26% or ₱4.574 billion from ₱49.404 billion to ₱44.830 billion due to lower foreign currency dominated borrowings for this period. Other Liabilities, on the other hand, went up by 7.45% or ₱ 925 million from ₱12.413 billion to ₱13.338 billion mainly due to increase in derivative liabilities and payment orders payable.

Total Liabilities decreased by 6.47% or ₱29.642 billion from ₱457.932 billion to ₱428.290 billion mainly due to decrease in Deposit Liabilities and Bills Payable, and accounted for 87.72% of Total Resources.

Cumulative Translation Adjustment increased by 29.05% or ₱17 million from ₱62 million to ₱79 million mainly due to the changes in the peso exchange rates used in the conversion of foreign subsidiaries.

Retained Earnings of ₱23.496 billion represented 39.22% of Total Capital Funds. The Bank's Capital, excluding Non-controlling Interest grew to ₱59.904 billion and accounted for 12.27% 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 operational performance and ability to service obligations.

### **31 March 2016 vs. 31 March 2015**

RCBC posted a Net Income of P1.801 billion for the first quarter of 2016, P199.16 million or 12.43% higher than the P1.602 billion income for the same period last year.

Net Interest Income, representing 66.64% of Total Operating Income, improved by 16.56% or up by P598.35 million from P3.613 billion to P4.211 billion. Interest Income from Loans and Receivables grew by 16.27% or P672.67 million from P4.135 billion to P4.808 billion and accounted for 76.08% of the Total Operating Income. Interest Income from Investment Securities which accounted for 16.56% of Total Operating Income, increased by 24.48% or P205.82 million from P841 million to P1.047 billion.

Total Interest Expense, accounted for 26.79% of Total Operating Income, was made up of Interest on Deposit Liabilities and Interest on Bills Payable and Other Borrowings which are 11.41% and 15.38% of the Total Operating Income, respectively. Total Interest Expense increased by 20.58% or P288.97 million from P1.404 billion to P1.693 billion, with Interest Expense in Bills Payable and Other Borrowings by 45.31% or P303 million from P669 million to P972 million mainly due to the increase in the average volume of Bills Payable and issuances of bonds.

Provisioning for Impairment Losses this period, which accounted for 7.34% of the Total Operating Income was at P464 million, 53.77% or P539.32 million lower from P1.003 billion that was set for the same period last year.

Other Income settled at P2.109 billion and accounted for 33.36% of Total Operating Income. Items under Operating Income posted the following results:

- Service fees and commissions stood at P654 million and accounted for 10.34% of total operating income.
- Trading and securities gain-net recorded at P831 million and is 13.16% of Total Operating Income
- Trust fees stood at P70 million.
- Foreign exchange gains improved by P125.24 million from a loss of P4 million last year, now at P122 million gain.
- Miscellaneous income was recorded at P432 million.

Representing 62.79% of Total Income, Other Operating Expenses increased by 5.73% or P215.05 million from P3.753 billion to P3.969 billion due to the following:

- Employee benefits went up by 12.64% or P145.59 million from P1.183 billion to P1.333 billion mainly due to the additional headcount as a result of branch expansion.
- Occupancy & equipment related expenses increased by 10.66% or P68.74 million from P645 million to P714 million and consumed 11.29% of total operating income. The increase is attributable to opening of new bank branches and annual escalation on leases.
- Taxes and licenses settled at P406 million.
- Depreciation and amortization increased by 8.79% or P33.17 million from P378 million to P411 million as a result of setting up of additional banking channels and renovation of existing branches
- Miscellaneous expenses settled at P1.105 billion and used up 17.49% of total operating income.

Tax expense was lower by 57.68% or P117.10 million from P203 million to P86 million as a result of impact of application of Deferred Tax Accounting (DTA).

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

## Commitments and Contingent Liabilities

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 results of 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 the 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) P1,403,000,000.00, representing the value of the Lost Land Claim. A petition to set aside the Partial Award was filed with the Singapore High Court, which granted the same on July 31, 2014. The Singapore High Court likewise subsequently heard and granted on November 17, 2014 the secured creditors' application, among others, for the issuance of consequential orders relating to the discharge of the injunctions issued in 2008, such that applying the principle of legal set-off, the secured creditors directed the release of GSPI and GIHI's installment payment by the Facility Agent. Accordingly, the Bank and RCBC Capital received their respective share in the funds previously held in escrow. Moreover, the secured creditors may now compel GSPI and GIHI to comply with their obligations under the Omnibus Agreement (OMNA)/Asset Purchase Agreement (APA) and take legal action upon GSPI and GIHI's failure to do so.

The Singapore Court of Appeals heard GSPI and GIHI's appeal on January 26, 2015. On March 31, 2015, the Singapore Court of Appeals rendered a decision which affirmed the earlier decision of the Singapore High Court insofar as it set aside (a) the monetary award of US\$80 million and P1,403 million representing lost opportunity to make profit and the value of the Lost Land Claim in favor of GSPI and GIHI, and (b) the deferment of GSPI and GIHI's obligation to pay the purchase price of the Plant Assets. The Singapore Court of Appeals ruled that (a) the issue of lost opportunity to make profit was not properly brought before the SIAC Arbitral Tribunal, and the award in issue is unsupported by evidence; (b) the SIAC Arbitral Tribunal erred in putting a value on the Lost Land, since the secured creditors did not, at any point, concede that they will be unable to deliver the same to GSPI and GIHI by October 15, 2012; and (c) the dispute relating to GSPI and GIHI's payment obligation is an obligation under the OMNA, which is beyond the ambit of arbitration, so that the SIAC Arbitral Tribunal could not properly order the Bank, RCBC Capital and the other secured creditors to defer holding GSPI and GIHI in default. However, the Singapore Court of Appeals held that the NSC Liquidator and Secured Creditors are still required to deliver to GSPI and GIHI clean title to the NSC Plant Assets.

On 12 August 2015, the Singapore Court of Appeals heard the oral arguments of the parties on the following issues: (a) the remand of the case back to the Arbitral Tribunal or a new Arbitral Tribunal, as prayed for by GSPI and GIHI, so it can present evidence on their lost opportunity to make profit, and (b) the costs to be awarded to the NSC Liquidator and the Secured Creditors, which have been the subject of the submissions of the parties. On November 27, 2015, the Singapore Court of Appeals held that, applying the provisions of the International Arbitration Act (IAA) of Singapore, which governed the proceedings between the parties, the issue of GSPI and GIHI's lost opportunity to make profit cannot be remanded to the Arbitral Tribunal, or to a new Arbitral Tribunal for that matter, to be litigated anew after the earlier award relating thereto has been set aside by the courts. The doctrines of *res judicata* and *abuse of process* also operate to

preclude the reopening of this issue. However, as to the issue of the Lost Land Claims, the Singapore Court of Appeals opined that since this issue was not actually fully litigated before the Arbitral Tribunal, the award to GSPI and GIHI of the amount of P1,403 million is premature. Thus, this issue, covering the Billet Shop Land of 3.4071 hectares (as set out in Schedule VI of the APA), may be the subject of a fresh arbitration proceedings before a new arbitral tribunal. The Singapore Court of Appeals likewise awarded litigation costs to the liquidator but none to the secured creditors.

The Bank's exposure is approximately P260.0 million in terms of estimated property taxes and transfer costs due on the Iligan Plant assets, while it has a receivable from Global Steel of P485.5 million, taking into consideration the P49.3 million installment payment it had received from the funds previously in escrow. The Bank has fully provisioned the receivable, which is classified in the books of the Bank as UDSC with zero net book value. The Bank's exposure, however, may be varied depending on (a) whether the Iligan City's assessment of the post-closing taxes will be sustained as valid (including those imposed on non-operational machineries), now that all pre-closing taxes on the NSC assets sold to GSPI and GIHI are deemed paid, following the denial with finality of its Petition for Review by the Supreme Court and the issuance of an Entry of Judgment on 16 March 2016, and (b) should Iligan City agree to enter into another tax agreement with NSC on its outstanding post-closing tax obligation.

In 2011, Verotel Merchant Services B.V. ("VMS"), a Netherlands corporation, and Verotel International Industries, Inc. ("VII"), a Philippine corporation civilly sued the Bank, Bankard, Grupo Mercarse Corp., CNP Worldwide, Inc. ("CNP") and several individuals before the Los Angeles Superior Court for various causes of action including fraud, breach of contract and accounting, claiming that VII and its alleged parent company, VMS, failed to receive the total amount of US\$1.5 million, which the defendants allegedly misappropriated. VMS is an Internet merchant providing on-line adult entertainment and on-line gambling, in addition to the sale of pharmaceuticals over the Internet.

On December 4, 2014, Judge Bruguera of the Los Angeles Superior Court declared a mistrial and recused herself from hearing the case after one of the plaintiffs' counsel unilaterally set a mandatory settlement conference with another judge of the Los Angeles Superior Court without any directive/clearance from her court. The case was subsequently raffled to Judge Mitchell Beckloff, who heard and denied the Bank and Bankard's Motion to Vacate the orders of Judge Bruguera, who had earlier denied the Bank and Bankard's motions for summary judgment. Judge Beckloff ruled that there are material facts in dispute which will require a full-blown trial. Due to the reassignment of Judge Beckloff to another court county effective September 14, 2015, the case was heard in January 2016 by a new judge, Judge Michael J. Raphael.

After (a) the January 7, 2016 Final Status Conference, where Judge Raphael modified the order of presentation of evidence (so as not to prolong the service of the twelve (12)-man jury and the two (2) alternates) and where Judge Raphael likewise reserved for his disposition the issues of prescription, VII's lack of capacity to sue and VMS' lack of standing to sue, which the Bank/Bankard raised via a motion for nonsuit, (b) a mandatory settlement conference on January 8, 2016 before Judge Sanchez-Gordon, and (c) the jury selection process which transpired from January 12 to 13, 2016, the jury heard the opening statements, evidence and closing arguments of VII/VMS and the Bank/Bankard from January 13 to 26, 2016. On January 27, 2016, the jury rendered a verdict solely in favor of VMS. However, recognizing that his disposition of the Bank/Bankard's pending motion for nonsuit (which cited, among others, the ruling of the California Supreme Court in the case of *Greb v. Diamond International Corp.* (56 Cal. 4<sup>th</sup> 243 [2013])), will impact the jury verdict, Judge Raphael, on his own, deferred the entry of such jury verdict until after the March 10, 2016 hearing on the Bank/Bankard's motion for nonsuit.

On 10 March 2016, the Bank/Bankard informed Judge Raphael that they will, instead, be filing a motion for judgment notwithstanding verdict (JNOV) and motion for new trial, as these are more appropriate to address the fact that, not only was the litigated claim time-barred, and VII/VMS do not have the capacity and standing to sue, respectively, the very evidence presented by VII/VMS showed that (a) the monetary claim arose from transactions involving websites not owned by VII/VMS, (b) these have been registered

under another merchant, and (c) therefore, the website are not covered by VII's Tripartite Merchant Agreement with Bankard. On 11 April 2016, the Bank/Bankard timely filed their motions for JNOV and new trial where they likewise assailed the many misleading statements made by the counsel for VII/VMS in his closing argument, which incited the passion and prejudice of the jurors. On April 27, 2016, the Bank/Bankard likewise timely filed their Reply to the Oppositions filed by VII/VMS. Judge Raphael is set to hear the Bank/Bankard's motion for JNOV and new trial on May 12, 2016 at 10:00 am (Los Angeles Time).

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. There is also an investigation before the Capital Markets Integrity Corporation ("CMIC") of the Philippine Stock Exchange initiated in May 2012 requesting for an investigation on the operations of RSEC in relation to the accounts handled by the former agent and requesting the CMIC to take appropriate action. The CMIC, in its letter dated 4 December 2014, dismissed the complaint on the ground of prescription and res judicata. The complainants' motion for reconsideration of the CMIC decision remains pending to date. There is also a complaint filed in December 2013 before the Securities and Exchange Commission ("SEC") for alleged violations by RSEC of the Securities Regulation Code for improperly accounting for shares handled by the former agent. The complaints sought for penalties against RSEC, including the suspension or revocation of RSEC's license. The complaint is still pending before the SEC.

In October 2011, the Bank filed a case before the Court of Tax Appeals questioning the 20% final withholding tax on PEACe Bonds by the BIR. The Bank subsequently withdrew its petition and joined various banks in their petition before the Supreme Court on the same matter. Notwithstanding the pendency of the case and the issuance of a Temporary Restraining Order by the Supreme Court, the Bureau of Treasury withheld P199 million in October 2011 from the Bank on the interest on its PEACe bonds holdings. The amount was recognized as part of Loans and Receivables account in the statements of financial position.

On 13 January 2015, the Supreme Court nullified the 2011 BIR Rulings classifying all bonds as deposit substitutes and ordered the Bureau of Treasury to return the 20% final withholding tax it withheld on the PEACe Bonds on 18 October 2011. On 16 March 2015, RCBC filed a Motion for Clarification and/or Partial Reconsideration, seeking clarification to exclude from the definition "deposit substitutes" the PEACe Bonds since there was only one lender at the primary market, and subsequent sales in the secondary market pertain to a sale or assignment of credit, which is not subject to withholding tax. RCBC also sought partial reconsideration to the ruling that should the PEACe Bonds be considered as deposit substitutes, the BIR should collect the unpaid final withholding tax directly from RCBC Capital / Code NGO, or any lender or investor, as withholding agents, since there was no interest earned and collection of the withholding tax, if at all, has already prescribed. RCBC also reiterated its arguments that the tax constitutes double taxation, violates the non-impairment clause of the Constitution, and is a breach of the obligations by the Bureau of Treasury when it issued the PEACe Bonds. The Office of the Solicitor General also filed a Motion for Reconsideration and Clarification, reiterating the BIR's right to withhold 20% as Final Withholding Tax and asking for clarification on the effect of the ruling on other government securities.

On March 15, 2011, the BIR issued Revenue Regulations No. 4-2011 (RR 4-2011) which prescribed that for income tax reporting purposes, banks and other financial institutions must (a) report costs and expenses either under RBU or FCDU/EFCDU or OBU if specifically identified as such; or (b) allocate such cost and expenses, which cannot be specifically identified, based on percentage share of gross income earnings of a unit.

The BIR, however, issued assessment notices to banks and other financial institutions for deficiency income tax for alleged non-intra-unit allocation of costs and expenses to exempt income and income subjected to final tax within RBU and within FCDU.

On April 6, 2015, Petitioner-Banks, including RCBC and member-banks of the Bankers Association of the Philippines (BAP), filed a Petition for Declaratory Relief with Application for Temporary Restraining Order (TRO) and/or Preliminary Injunction (P.I.), with the Regional Trial Court (RTC) of Makati. Further, in Civil Case No. 15-287, the Petitioner-Banks assailed the validity of RR 4-2011 on various grounds including but not limited to (a) that the said RR was issued and implemented in violation of the petitioner-banks' substantive due process rights; (b) it is not only illegal but also unfair; (c) that it serves as a deterrent to banks to invest in capital market transactions to the prejudice of the economy; and (d) it sets a dangerous precedent for the disallowance of full deductions due to the prescribed method of allocation.

On April 8, 2015, RTC Makati issued a TRO enjoining the BIR from enforcing RR 4-2011. Also, on April 27, 2015, RTC Makati issued a Writ of Preliminary Injunction enjoining the BIR from enforcing, carrying out, or implementing in any way or manner RR 04-2011 against the Petitioner-Banks, including the issuance of Preliminary Assessment Notice or Final Assessment Notice, as the case may be, based on the revenue regulations, pending litigation, unless sooner dissolved.

On 10 June 2015, RTC Makati issued a Confirmatory Order which confirms the effects of the TRO and WPI, that the writ of preliminary injunction currently in effect includes a prohibition against the BIR from ruling or deciding on any administrative matter pending before it in relation to the subject revenue regulations and insofar as Petitioners are concerned.

There are no known trends, demands, and commitments, events, or uncertainties that will have a material impact on the Bank's operational performance and ability to service obligations.

In February 2016, there was an alleged unauthorized transfer of funds from the Bank of Bangladesh to 4 accounts in RCBC, which were eventually transferred to various accounts outside of RCBC. Regulatory penalties and various cases may arise from this. The Bank does not expect these penalties to be of a material nature that would affect its ability to perform its existing obligations or unduly hamper its operations.

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, 2016 and December 31, 2015:

In Million Php	Consolidated		Parent	
	Unaudited	Audited	Unaudited	Audited
	31-Mar-2016	31-Dec-2014	31-Mar-2016	31-Dec-2015
Derivative liabilities	36,002	22,154	36,002	22,154
Derivative assets	41,043	23,432	41,043	23,432
Trust department accounts	88,166	82,552	66,376	66,156
Outstanding guarantees issued	28,634	25,328	28,634	25,328
Spot foreign exchange bought	6,058	6,055	6,058	6,055
Spot foreign exchange sold	6,058	6,514	6,058	6,062
Unused commercial letters of credit	9,413	12,095	9,358	12,038
Inward bills for collection	1,813	724	1,813	724
Late deposits/payments received	622	630	523	581
Outward bills for collection	73	147	73	146

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

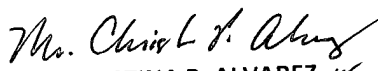
Pursuant to the requirements of the Securities Regulation Code, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Issuer **RIZAL COMMERCIAL BANKING CORPORATION**

Date **May 16, 2016**

  
**HELEN Y. DEE**  
President & CEO

  
**FLORENTINO M. MADONZA**  
SVP, Head - Controllershship Group

  
**MA. CHRISTINA P. ALVAREZ**  
SVP, Head - Corporate Planning



**RIZAL COMMERCIAL BANKING CORPORATION**  
**Aging of Other Receivables**  
**31-Mar-16**  
**(Amounts in PHP)**

	1-90 days	91-180 days	181-1 year	Over one year	Total	Allow	Net
Accounts Receivable	493,040,299.98	37,723,820.92	361,387,852.84	811,611,324.69	1,703,763,298.43	510,132,144.61	1,193,631,153.82