

Controllership Division

November 10, 2016

MS. JANET A. ENCARNACION
HEAD, DISCLOSURE DEPARTMENT
Philippine Stock Exchange
3/F The Philippine Stock Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City

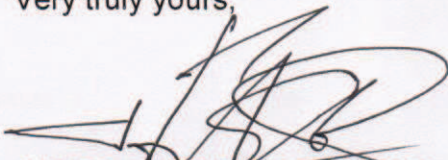
MS. VINA VANESSA S. SALONGA
Philippine Dealing & Exchange Corporation
37th Floor, Tower 1, The Enterprise Center
6766 Ayala Avenue cor Paseo de Roxas
Makati City

Mesdames,

In compliance with the reportorial requirements of Section 17 of the Securities Regulation Code (SRC) and Section 141 of the Corporation Code of the Philippines, we provide you the SEC Form 17-Q report of the Philippine National Bank as of September 30, 2016.

Thank you,

Very truly yours,



JAMES PATRICK Q. BONUS
FVP & Controller

Philippine National Bank
8/F PNB Financial Center
Pres. Diosdado Macapagal Blvd.,
Pasay City, Metro Manila 1300,
Philippines

T. (632) 526-3131 to 70 / 891-6040 to 70
L. 2271 / 4499
P.O. Box 1844 (Manila)
P.O. Box 410 (Pasay City)
www.pnb.com.ph

COVER SHEET

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S.E.C. Registration Number

P	H	I	L	I	P	P	I	N	E		N	A	T	I	O	N	A	L		B	A	N	K					
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Company's Full Name)

8	t	h		F	l	o	o	r		P	N	B		F	i	n	a	n	c	i	a	l		C	e	n	t	e	r
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M	a	c	a	p	a	g	a	l		B	l	v	.	,		P	a	s	a	y		C	i	t	y				
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(Business Address: No. Street City/Town/ Province)

James Patrick Q. Bonus

Contact Person

891-60-40

Company Telephone Number

9

Month

3	0
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Day

Fiscal Year

17 - Q

FORM TYPE

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Month *Day*
Annual Meeting

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Secondary License Type, If Applicable

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Dept. Requiring this Doc.

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Amended Articles Number/Section

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Total No. of Stockholders

Total amount of Borrowings

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Domestic

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Foreign

To be accomplished by SEC Personnel concerned

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File Number

LCU

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Document I.D.

Cashier

S T A M P S

Remarks = pls. use black ink for scanning purposes

SEC Number AS096-005555
File Number _____

**PHILIPPINE NATIONAL BANK
AND SUBSIDIARIES**

(Company's Full Name)

**PNB Financial Center,
Pres. Diosdado P. Macapagal Boulevard, Pasay City**

(Company's Address)

(632) 891-6040 to 70

(Telephone Number)

December 31, 2016

(Calendar Year Ended)

SEC FORM 17-Q REPORT

Form Type

(Amendment Designation (if applicable))

SEPTEMBER 30, 2016

Period Ended Date

LISTED

(Secondary License Type and File Number)

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarter ended September 30, 2016
2. Commission Identification No. AS096-005555
3. BIR Tax Identification No. 000-188-209-000
4. Exact name of issuer as specified in its charter: Philippine National Bank
5. Philippines
Province, Country or other jurisdiction of incorporation or organization
6. (SEC Use Only)
Industry Classification Code:
7. PNB Financial Center, Pres. Diosdado P. Macapagal Blvd, Pasay City 1300
Address of principal office Postal Code
8. (632)/891-60-40 up to 70 / (632)526-3131 to 70
Issuer's telephone number, including area code
9. not applicable
Former name, former address, and former fiscal year, if changed since last report
10. Securities registered pursuant to Sections 8 and 12 of the Code or 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 Shares	1,249,139,678 ^{1/}
11. Are any or all of these securities listed on a Stock Exchange:
Yes [] No []
If yes, state the name of such stock exchange and the classes of securities listed therein:

<u>Philippine Stock Exchange</u>	<u>Common Stocks</u>
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12. Indicate by check mark whether the registrant:
 - (a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 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 twelve (12) months (or for such shorter period that the registrant was required to file such reports):
Yes [] No []
 - (b) has been subject to such filing requirements for the past ninety (90) days.
Yes [] No []

¹ A total of 423,962,500 common shares were issued to the stockholders of Allied Banking Corporation (ABC) relative to the merger of PNB with ABC effective February 9, 2013. Said shares were registered with the Securities and Exchange Commission (SEC), and will be listed to the Philippine Stock Exchange, Inc. (PSE) upon the approval of the PSE.

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

The accompanying consolidated financial statements of Philippine National Bank (PNB) and its Subsidiaries (the PNB Group) which comprise the consolidated statements of financial position as of September 30, 2016 and December 31, 2015 and the consolidated statements of income, statements of comprehensive income, statements of changes in equity and statements of cash flows for the nine months ended September 30, 2016 and September 30, 2015 have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) and in accordance with Philippine Accounting Standards (PAS) 34, Interim Financial Reporting.

The same accounting policies and methods have been followed in the preparation of the accompanying financial statements, consistent with the 2015 Audited Financial Statements except for the new, amendments and improvements to PFRS which became effective beginning on or after January 1, 2016.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

A. Financial Condition

The Group's consolidated assets reached at ₱718.4 billion as of September 30, 2016, 5.7% or ₱38.7 billion higher compared to ₱679.7 billion reported as of December 31, 2015. Changes (more than 5%) in assets were registered in the following accounts:

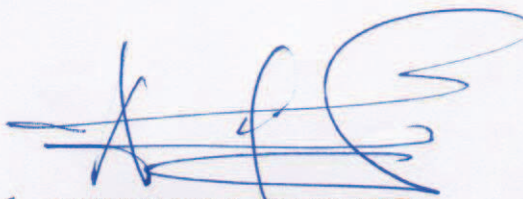
- Securities Held Under Agreements to Resell as of September 30, 2016 of ₱19.9 billion which represents lending transactions of the Bank with the BSP is higher by ₱5.4 billion compared to the ₱14.6 billion as of December 31, 2015.
- Investment Properties decreased by ₱1.2 billion from ₱13.2 billion as of December 31, 2015 to ₱12.0 billion as of September 30, 2016, mainly due to the disposal of foreclosed properties.
- Due from Bangko Sentral ng Pilipinas, Due from Other Banks and Interbank Loans Receivable also registered increases as of September 30, 2016, by ₱20.7 billion, ₱11.9 billion and ₱6.2 billion, respectively from ₱81.4 billion, ₱18.3 billion and ₱5.8 billion, respectively as of December 31, 2015. On the other hand, Cash and Other Cash Items decreased by ₱5.9 billion from ₱15.2 as of December 31, 2015.
- Loans and Receivables stood at ₱389.3 billion or ₱23.6 billion higher than the ₱365.7 billion December 2015 level mainly due to loan releases in the current year to various corporate borrowers.
- Available for Sale Investments went up to ₱70.4 billion as of September 30, 2016, ₱2.1 billion or by 3.0% from the ₱68.3 billion level as of December 31, 2015 due to acquisition of various investments securities.

SIGNATURES

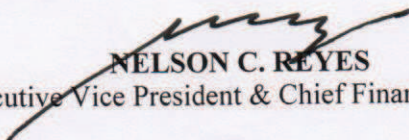
Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

PHILIPPINE NATIONAL BANK

Issuer



per
REYNALDO A. MACLANG
President



NELSON C. REYES
Executive Vice President & Chief Finance Officer

Date: November 10, 2016