

	Management to correct the situation in a timely manner is doubtful.
1 - CRITICALLY DEFICIENT	CRITICALLY DEFICIENT to meet what is considered necessary given the size, risk profile and complexity of operations of the bank. The deficiencies/weaknesses pose an imminent threat to the safety and soundness of the bank.

- 2.1 The rating shall not be based on the average ratings assigned instead; judgment should be exercised on how much weight should be given to a particular factor based on the distinct circumstances. Identify the issues that are of greatest supervisory concern and in synthesizing how these have affected the quality of governance in the bank;
- 2.2 Apart from assigning a rating, it should come up with specific applicable action recommendations commensurate with the issues identified and the resulting assessment on the quality of governance;

IX. REPORTORIAL OR DISCLOSURE SYSTEM OF BANK'S CORPORATE GOVERNANCE

1. The reports or disclosures required under this revised Manual shall be prepared and submitted to the SEC/PSE/BSP by the responsible office/officer;
2. The Bank shall comply with the submission of reports to the regulatory agencies disclosing all entities in the group structure through conglomerate map/organizational structure where a bank belongs, as well as significant transactions between entities in the conglomerate;
3. The Bank shall submit all necessary reports that may be prescribed by the regulatory bodies/agencies in accordance with existing regulations covering related party transactions among entities within the PNB Group and entities belonging to the conglomerate;
4. All material information about the Bank which could adversely affect its viability or the interest of its stockholders and other stakeholders shall be publicly disclosed to the regulatory in a timely manner;

Such information shall include, among others, earnings results, acquisition or disposition of assets, off balance sheet transactions, related party transactions, and direct and indirect remuneration of members of the Board and Management. The Company shall not selectively disclose material non-public information except to:

- A person who is bound by duty to maintain trust and confidence to the Company such as but not limited to its auditors, legal counsels, investment bankers, financial advisers; and
 - A person who agrees in writing to maintain in strict confidence the disclosed material information and will not take advantage of it for his personal gain;
5. All disclosed information shall be released via the approved stock exchange procedure for company announcements as well as through the annual report; and
 6. The Board is primarily accountable to the stockholders. The Board shall commit at all times to fully disclose material information dealings for the interest of the stakeholders. It shall cause the filing of all required information through the Philippine Stock Exchange (PSE) and submission to the Commission for the interest of the Bank's stockholders and other stakeholders.

X. COMMUNICATION PROCESS

1. This revised Manual shall be available for inspection by any stockholder of the Bank at reasonable hours on business days;