

EXPLANATION AND RATIONALE OF AGENDA ITEMS

1. Call to Order

Chairman Jose T. Pardo will welcome stockholders and guests to formally begin the 2020 Annual Stockholders' Meeting of PSBank.

2. Certification on Notice and Quorum

The Corporate Secretary, Pocholo V. dela Pena, will certify that the Notice of Meeting has been duly sent and circulated via appropriate disclosures and publications pursuant to the regulations of the Securities and Exchange Commission (SEC) for the purpose of informing the Stockholders of record. The Corporate Secretary will further announce whether or not a quorum is present constituting two-thirds of the outstanding capital stock.

3. Approval of the Minutes of the Annual Stockholders' Meeting held on April 15, 2019

The stockholders will be requested to approve the minutes of the Annual Stockholders' Meeting held on April 15, 2019, which contain among others, the (a) Annual Report to Stockholders, (b) Confirmation of all acts of the Board of Directors, the Management and all Committees, (c) Election of the members of the Board of Directors (d) Appointment of the External Auditor, and (e) Increase in Authorized Capital Stock with corresponding amendment of Article VII of the Bank's Articles of Incorporation and its related declaration of Stock Dividends.

Resolution to be Adopted: Stockholders will vote for the adoption of a resolution approving the minutes of the April 15, 2019 Annual Stockholders' Meeting.

4. Presentation and Approval of the President's Report and the PSBank's Audited Financial Statements (AFS) as of December 31, 2019

The President will render his Annual Report on the Bank's activities, business and financial performance for year-end 2019. It includes the summary of the AFS which is incorporated in the Definitive Information Statement for dissemination to stockholders of record within prescribed period and in a manner pursuant to the SEC rules. Due to logistical limitations of the meeting conducted virtually, voting and open forum/discussion will not be possible during the virtual meeting. However, a stockholder, once validated/ registered, will be given an opportunity to raise any relevant questions or express an appropriate comment limited to the agenda items by sending an email to psbas2020@psbank.com.ph not later than May 22, 2020 to be properly noted and addressed accordingly.

Resolution to be Adopted: Stockholders will vote for the adoption of a resolution noting and approving the President's Annual Report for 2019 and the Bank's Audited Financial Statements as of December 31, 2019

5. Confirmation of all Acts of the Board of Directors, Management and All Committees in 2019

The stockholders will be requested to confirm all acts, transactions and resolutions of the Board of Directors, including transactions with the Bank's DOSRI and other related parties, Management and all Committees during the year 2019.

Resolution to be Adopted: Stockholders will vote for the adoption of a resolution confirming the acts of the Board of Directors and all Committees during the year 2019.

6. Election of the Members of the Board of Directors

The Chairman of the Corporate Governance Committee will present nominees for election as members of the Board of Directors, including independent directors. This is in compliance with regulatory requirements of the Bangko Sentral ng Pilipinas and the Securities and Exchange Commission on the nomination of directors, and after the Corporate Governance Committee's review and evaluation of the qualifications of all persons nominated to the Board.

7. Appointment of the External Auditor

As endorsed by the Audit Committee and approved by the Board of Directors, the stockholders will be requested to confirm appointment of the selected External Auditor for 2020.

Resolution to be Adopted: Stockholders will vote for the adoption of a resolution for the appointment of said auditing firm as independent external auditor of the Bank for 2020.

8. Other Matters

Other relevant matters or issues may be taken up during the meeting. Any relevant questions or comments received by the Office of the Secretary via email within the prescribed period given to registered stockholders shall be properly acknowledged, noted and addressed accordingly.

9. Adjournment

Upon determination that there are no other matters to be considered, the Chairman shall declare the meeting adjourned. The meeting proceedings shall be recorded in audio and video format to be safekept by the Office of the Corporate Secretary and shall be made available in a secured manner to stockholders upon request by sending an email to psbas2020@psbank.com.ph.