

October 01, 2014

**THE PHILIPPINE STOCK EXCHANGE, INC.**3<sup>rd</sup> Floor, Philippine Stock Exchange Plaza  
Ayala Triangle, Ayala Avenue  
Makati CityAttention : **MS. JANETA A. ENCARNACION**  
**Head-Disclosure Department**

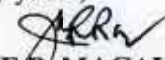
Gentlemen:

Please be informed that the Bangko Sentral ng Pilipinas (BSP) per its Letter dated September 30, 2014, received by UnionBank today, October 01, 2014, has approved the request of UnionBank to issue up to P10.0 Billion Unsecured Subordinated Debt (UnSD) notes qualifying as Tier 2 (T2) capital under Basel 3, with the following salient features:

Issue Size	Up to P10 billion
Manner of Issuance	Public Issuance
Interest Rate	Fixed rate determined based on the relevant market rates currently estimated at the 5-year PDST-R2 benchmark on pricing date plus spread (or other acceptable benchmark)
Maturity	10 years and 3 months from issue date of each tranche
Loss Absorption Mechanism	Write-down in part or in whole of the principal
Trigger Event	Point of Non-Viability, as determined by the Bangko Sentral ng Pilipinas
Issue Manager and Lead Underwriter	BDO Capital and Investment Corporation (BDOCIC)
Underwriter	China Banking Corporation (CBC)
Registry and Paying Agent	Deutsche Bank AG Manila Branch
Selling Agent	BDOCIC, CBC and Multinational Investment Bancorporation (MIB)
Market Maker	MIB
Trustee	Development Bank of the Philippines – Trust Services Group

For your information and guidance. Thank you.

Very truly yours,

  
s/ **ATTY. FE B. MACALINO**  
Corporate Secretary