



## SUMMARY OF THE OFFERING

HSBC in its capacity as Sole Lead Arranger has agreed with the Bank, subject to the satisfaction of certain conditions, to distribute and sell the LTNCDS at the Issue Price (defined below) in consideration for certain fees and expenses. The Sole Lead Arranger will offer the LTNCDS to selected prospective LTNCDS Holders.

The distribution and sale of the LTNCDS to prospective LTNCDS Holders shall be undertaken by the Sole Lead Arranger and the Selling Agents for the issue. Nothing herein shall limit the right of the Sole Lead Arranger to purchase the LTNCDS for its own account. The Sole Lead Arranger may, from time to time, engage in transactions with and perform services for the Bank or its shareholders or affiliates in the ordinary course of its business.

The following is a general summary of the terms of the LTNCDS. This summary is derived from and should be read in conjunction with the full text of the Terms and Conditions of the LTNCDS (the “Terms and Conditions”). The Terms and Conditions shall prevail in the event of any inconsistency with the terms set out in this section.

ISSUER	Union Bank of the Philippines
CDs OFFERED	<i>Fixed Rate Long Term Negotiable Certificates of Time Deposits</i>
DENOMINATION	Minimum of ₱250,000.00 per Certificate, and increments of ₱50,000.00 beyond the minimum.
ISSUE PRICE	100% of the face value of each Certificate.
INDICATIVE INTEREST RATE	[3.25% to 3.50%] <i>per annum</i> , payable to the Holder for the period from and including the Issue Date up to, but excluding, the Maturity Date.
ISSUE DATE	18 October 2013
MATURITY DATE	The last day of the twenty-second (22 <sup>nd</sup> ) Interest Period, as specified in the Terms and Conditions.
MATURITY VALUE	The LTNCDS will be redeemed on Maturity Date at their face value plus unpaid accrued applicable Interest.
OFFER PERIOD	30 September to 11 October 2013 However, UnionBank, in its discretion, may close the offer at any time during the Offer Period.
FORM	The LTNCDS will be issued scripless and will be maintained in electronic form with the Registrar, subject to the payment of fees to the Registrar and in compliance with the provisions of Republic Act No. 8792, otherwise known as the Electronic Commerce Act, particularly on the existence of an assurance on the integrity, reliability, and authenticity of the LTNCDS in electronic form. The LTNCDS shall be registered in the name of individuals or corporations, are negotiable and pre-numbered serially. A Registry Confirmation will be issued by the Registrar in favor of the Holders in accordance with the BSP Rules.

<b>INTEREST ACCRUAL</b>	The face value of the LTNCD multiplied by the Interest Rate calculated on the basis of a three hundred and sixty (360)-day year consisting of twelve (12) months of thirty (30) days each month.
<b>INTEREST PERIODS</b>	Consecutive three (3) calendar month period reckoned from the Issue Date up to the numerically same day of the third (3 <sup>rd</sup> ) month from Issue Date, and every succeeding three (3) calendar month periods beginning on the last day of the prior period up to the numerically same day of every third (3 <sup>rd</sup> ) month thereafter, until the Maturity Date.
<b>INTEREST PAYMENT DATE</b>	The last day of an Interest Period, subject to the Modified Business Day Convention, except for the last Interest Payment Date which shall fall on the Maturity Date.
<b>PRINCIPAL REPAYMENT</b>	Any payment of principal or interest under the LTNCDs shall be made to the Holders through the Paying Agent.
<b>NON-PRETERMINABILITY</b>	The LTNCDs shall not be redeemable or terminable at the instance of any Holder before Maturity Date. However, negotiation or transfer from one holder to another is allowed and shall not constitute pretermination of the Certificate.
<b>STATUS AND PDIC INSURANCE</b>	The LTNCDs constitute direct, unconditional, unsecured, and unsubordinated peso-denominated obligations of the Issuer, enforceable according to these Terms and Conditions. The LTNCDs shall be insured with the PDIC, subject to applicable rules and regulations.
<b>TAXATION</b>	The Market Makers and/or Registrar may, unless properly provided with satisfactory proof of the tax-exempt status of a Holder, assume that said Holder is taxable and proceed to apply the tax due on the LTNCDs. LTNCD Holders who are individual citizens, resident aliens and non-resident aliens engaged in trade and business in the Philippines who shall hold on to the LTNCDs for at least five (5) years shall be exempt from the twenty percent (20.0%) final withholding tax.
<b>GOVERNING LAW</b>	Laws of the Republic of the Philippines
<b>GOVERNING REGULATIONS</b>	Securities Regulation Code (Republic Act No. 8799), the Revised Implementing Rules and Regulations to the Securities Regulation Code, General Banking Law of 2000 (Republic Act No. 8791), the New Central Bank Act (Republic Act No. 7653), Manual of Regulations for Banks updated as of December 2011, BSP Circular No. 778, which govern the issuance of long term negotiable certificates of time deposit, and other related circulars and issuances, as these may be amended from time to time
<b>INVESTMENT CONSIDERATIONS</b>	These relate to considerations relating to the: Bank; Philippine Banking Industry; and the LTNCDs. (See discussion on Investment Considerations on page 13.)
<b>SOLE LEAD ARRANGER</b>	The Hongkong and Shanghai Banking Corporation Limited
<b>SELLING AGENTS</b>	Union Bank of the Philippines, The Hongkong and Shanghai Banking Corporation Limited, and Multinational Investment Bancorporation.
<b>REGISTRAR AND PAYING AGENT</b>	Deutsche Bank AG, Manila Branch - Direct Securities Services
<b>MARKET MAKER</b>	The Hongkong and Shanghai Banking Corporation Limited and Multinational Investment Bancorporation.
<b>BANKING DAY</b>	Any day in a week, other than Saturday or Sunday, when banks are not required or authorized to close in Pasig City and Manila.

