



Union Bank of the Philippines

(A corporation duly organized and existing under Philippine laws)

PRICING SUPPLEMENT

dated 2 June 2022

Offer of ₱11,000,000,000 Senior Fixed Rate Bonds
under its ₱39,000,000,000 Bond Program
consisting of

3.25% p.a. Series E Bonds due 2023

at an Offer Price of 100% of Face Value

to be listed and traded through
the Philippine Dealing and Exchange Corporation

Joint Lead Arrangers and Bookrunners



HSBC



standard
chartered

Selling Agents



UnionBank



HSBC



standard
chartered

OFFER OF SERIES E BONDS

This document constitutes the Pricing Supplement relating to the Series E Bonds being offered and described herein (the “Offer”). Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions (the “Terms and Conditions”) set forth in the Offering Circular dated 22 April 2022 (collectively referred to herein as the “Offering Circular”). This Pricing Supplement contains the final terms of this Offer and the Series E Bonds and must be read in conjunction with the Offering Circular. Full information on the Bank and the Offer is only available on the basis of the combination of this Pricing Supplement and the Offering Circular. In case of any inconsistencies between the Offering Circular and this Pricing Supplement, this Pricing Supplement shall prevail.

Issuer	Union Bank of the Philippines (the “Bank”)
Issue	Senior fixed rate bonds constituting the direct, unconditional, unsecured and unsubordinated obligations of the Bank
Specified Currency or Currencies	Philippine Peso
The Offer Size	₱11,000,000,000
Manner of Distribution	Public offering
Issue Price	At par (or 100% of face value)
Form and Denomination of the Bonds	The Series E Bonds shall be issued in digital form in minimum denominations of ₱1,000,000 each, and in multiples of ₱500,000 thereafter, and traded in minimum denominations of ₱10,000 each and in multiples of ₱10,000 thereafter, in the secondary market.
Offer Period	The offer of the Series E Bonds shall commence at 9:00 am on May 23, 2022 and end at 12:00 pm on May 27, 2022, or any other date as may be determined by the Bank and the Joint Lead Arrangers.
Issue Date	June 2, 2022 (or such other date as may be agreed between the Issuer and Joint Lead Arrangers)
Interest Commencement Date	September 2, 2022

Interest Payment Date(s)	Quarterly, every September 2, December 2, March 2 and June 2 of each year
Interest Rate	Series E Bonds: 3.25% per annum
Day Count Fraction	30/360-day count basis
Maturity Date	Series E Bonds: One and a half (1.5) years from Issue Date or December 2, 2023
Redemption/Payment Basis	Redemption at Par
Bond Rating	The Series E Bonds are not rated
Payment Account Name	Philippine Depository & Trust Corp. ("PDTC") as Paying Agent of: Series E Bonds: UNION BANK OF THE PHILIPPINES FAO UBP Series E Bondholders due 2023
Taxation	<p><i>Interest Income on Bonds</i></p> <p>The Tax Code provides that interest-bearing obligations of Philippine residents are Philippine sourced income subject to Philippine income tax. Interest income derived by Philippine citizens and alien resident individuals from the Bonds is thus subject to income tax, which is withheld at source, at the rate of 20% based on the gross amount of interest. Generally, interest on the Bonds received by non-resident aliens engaged in trade or business in the Philippines is subject to a 20% final withholding tax while that received by non-resident aliens not engaged in trade or business is subject to a final withholding tax rate of 25%. Interest income received by domestic corporations and resident foreign corporations from the Bonds is subject to a final withholding tax rate of 20%. Interest income received by nonresident foreign corporations from the Bonds is subject to a 25% final withholding tax.</p> <p>Except for such withholding tax and as otherwise provided, payments of principal and interest will be made free and clear of any deductions of any taxes, duties, or charges imposed by or on behalf of the Republic of the Philippines. If such taxes, duties, or charges are imposed, the same shall be for the account of the Bank; provided, however, that the Bank shall not</p>

be liable for:

1. Any creditable or final withholding tax applicable on interest earned on the Series E Bonds prescribed under the NIRC, as amended, and its implementing rules and regulations as be in effect from time to time; a corporate or institutional investor who is exempt from or not subject to such withholding tax shall be required to submit the following:
 - a. a current and valid Bureau of Internal Revenue-certified true copy of the tax exemption certificate, ruling or opinion issued by the Bureau of Internal Revenue confirming the exemption or preferential rate;
 - b. with respect to tax treaty relief, duly submitted BIR Form 0901-I (Interest Income) or Application Form for Treaty Purposes and apostilled/consularized Tax Residency Certificate duly issued by the foreign tax authority as required under BIR Revenue Memorandum Order No. 14-2021;
 - c. a duly notarized undertaking executed by (1) the corporate secretary or any authorized representative of such applicant or Bondholder, who has personal knowledge of the exemption based on his official functions, if the applicant purchases, or the Bondholder holds, the Offer Bonds for its account, or (2) the trust officer, if the applicant is a universal bank authorized under Philippine law to perform trust and fiduciary functions and purchase the Offer Bonds pursuant to its management of tax-exempt entities (i.e. Employee Retirement Fund, etc.), declaring and warranting such entities' tax-exempt status or preferential rate entitlement, undertaking to immediately notify the Issuer, the Registrar and the Paying Agent of any suspension or revocation of the tax exemption certificate, certificate, ruling or opinion issued by the BIR, executed using the prescribed form, with a declaration and warranty of its tax exempt status or entitlement to a preferential tax rate, and agreeing to indemnify and hold the Issuer, the Registrar and the Paying Agent, the Underwriters and the Selling Agents free and harmless against any claims, actions, suits, and liabilities resulting from the

non-withholding or incorrect withholding of the required tax; and

- d. such other documentary requirements as may be required by the Issuer and the Registrar and Paying Agent, or as required under the applicable regulations of the relevant taxing or other authorities which for purposes of claiming tax treaty withholding rate benefits, shall include evidence of the applicability of a tax treaty and consularized or apostilled (as the case may be) proof of the Bondholder's legal domicile in the relevant treaty state, and confirmation acceptable to the Issuer that the Bondholder is not doing business in the Philippines; provided that the Issuer shall have the exclusive discretion to decide whether the documents submitted are sufficient for purposes of applying the exemption or the reduced rate being claimed by the Bondholder on the interest payments to such Bondholder; provided further that, all sums payable by the Issuer to tax exempt entities shall be paid in full without deductions for taxes, duties, assessments or government charges, subject to the submission by the Bondholder claiming the benefit of any exemption of the required documents and of additional reasonable evidence of such tax-exempt status to the Registrar.
2. Gross receipts tax;
 3. Taxes on the overall income of any securities dealer or bondholder, whether or not subject to withholding; and
 4. Value-added tax.

Documentary stamp tax for the primary issue of the Series E Bonds shall be for the Bank's account.

Change in Tax Rates and New Taxes

In the event there is a change in the tax treatment of the Series E Bonds or on the tax rates applicable to a Bondholder because of new, or changes or repeal in, tax laws, or interpretations thereof, as a result of which, a Bondholder previously exempt from tax shall be subject to tax on income earned from the Series E Bonds or there is an increase in the applicable withholding tax rate, or any payments of principal and/or interest under the Series E Bonds shall be subject to deductions or withholdings for or on account of any taxes, duties,

assessments, or governmental charges of whatever nature imposed, levied, collected, withheld, or assessed within the Philippines by any authority therein or thereof having power to tax, including but not limited to stamp, issue, registration, documentary, value-added or similar tax, or other taxes, duties, assessments, or government charges, including interest, surcharges, and penalties thereon (the “New Taxes”), then such New Taxes imposed shall be for the account of the Bondholders and the Paying Agent, on behalf of the Bank, as applicable, shall make the necessary withholding or deduction for the account of the Bondholders concerned. All sums payable by the Bank to tax-exempt persons (upon presentation of acceptable proof of tax exemption) shall be paid without deductions for taxes, duties, assessments, or government charges.

Prohibited Bondholder

“Prohibited Bondholders” mean Persons which are prohibited from purchasing or holding the Bonds, specifically:

- (1) the Bank, including its related parties expressly prohibited under prevailing BSP Rules (subject to such exceptions as may be provided therein), provided that, unless otherwise provided in the BSP Rules:
 - (a) the phrase “related parties expressly prohibited under prevailing Rules” shall refer to the related parties (i) identified in Section 131 of the BSP Manual of Regulations for Banks (as defined below) and (ii) which are in possession of or have access to material and non-public information affecting the pricing and marketability of the Bonds or that which substantially impacts an investor’s decision to buy or sell the Bonds once the same is disseminated to the public; and
 - (b) the following shall not be considered as Prohibited Bondholders: (1) the Bank’s trust departments or related trust entities and (2) underwriters and/or arrangers that is a related party of the Bank, where such underwriter and/or arranger is part of the underwriting agreement;
- (2) non-resident aliens not-engaged in trade or business in the Philippines and non-resident foreign corporations; *provided* that in the event that the BIR provides guidelines to PDEx to supplement the PDEx rules, conventions and guidelines with respect to the withholding of interest income of non-resident aliens not engaged in trade or business in the Philippines and non-resident foreign corporation from Bonds with maturities

of not less than five (5) years, the Bank may exclude non-resident aliens not engaged in trade or business in the Philippines and non-resident foreign corporations in the list of Prohibited Bondholders.

- (3) US Persons under the FATCA including: a U.S. citizen (including a dual citizen); a U.S. resident alien for U.S. tax purposes; a U.S. partnership; a U.S. corporation; any U.S. estate; any U.S. trust if: (a) a court within the United States is able to exercise primary supervision over the administration of the trust; or (b) one or more U.S. persons have the authority to control all substantial decisions of the trust; and any other person that is not considered a non-US person under the FATCA.

For purposes of the definition of Prohibited Bondholders, **“Related parties”** means the related parties identified in Section 131(n) of the BSP Manual of Regulations for Banks which includes the following: (i) subsidiaries and affiliates of the Bank, and any party (including their subsidiaries, affiliates and special purpose entities) that the Bank exerts direct or indirect control over or that exerts direct or indirect control over the Bank; (ii) the Bank’s directors, officers, stockholders, related interests and their close family members, as well as corresponding persons in affiliated companies; or (iii) persons and entities that have direct or indirect linkages to the Bank identified as (a) ownership, control or power to vote, of 10% to less than 20% of the outstanding voting stock of the Bank; (b) interlocking directorship or officership, except in cases involving independent directors as defined under existing regulations or directors holding nominal share in the Bank; (c) common stockholders owning at least 10% of the outstanding voting stock of the Bank and 10% to less than 20% of the common outstanding voting stock of the Bank; and (d) permanent proxy or voting trusts in favor of the Bank constituting 10% to less than 20% of the outstanding voting stock of the Bank, or vice versa.

A **“subsidiary”** shall refer to a corporation or firm more than fifty percent (50%) of the outstanding voting stock of which is directly or indirectly owned, controlled or held with power to vote by its parent corporation. An **“affiliate”** shall refer to an entity linked directly or indirectly to the Bank by means of: (1) ownership, control (as defined below), or power to vote of at least twenty percent (20%) of the outstanding voting stock of the entity, or vice-versa; (2) interlocking directorship or officership, where the director or officer concerned owns, controls, or has the power to vote, at least twenty percent (20%)

of the outstanding voting stock of the entity; (3) common ownership, whereby the common stockholders own at least ten percent (10%) of the outstanding voting stock of the Bank and at least twenty percent (20%) of the outstanding voting stock of the entity; (4) management contract or any arrangement granting power to the Bank to direct or cause the direction of management and policies of the entity; or (5) permanent proxy or voting trusts in favor of the Bank constituting at least twenty percent (20%) of the outstanding voting stock of the entity, or vice versa. As used herein, “control” of an enterprise exists when there is: (1) power over more than one-half of the voting rights by virtue of an agreement with other stockholders; or (2) power to govern the financial and operating policies of the enterprise under a statute or an agreement; or (3) power to appoint or remove the majority of the members of the board of directors or equivalent governing body; or (4) power to cast the majority votes at meetings of the board of directors or equivalent governing body; or (5) any other arrangement similar to any of the above.

Live Bond Tokenization

For the Series E Bonds, the Issuer, PDTC as Registrar, PDEX as Exchange on which the Series E Bonds are listed and traded and the Joint Lead Arrangers have agreed to utilize PDTC’s and PDEX’s new end-to-end solution for live issuance of the Bonds using infrastructure powered by STACS blockchain (“Live Bond Tokenization”).

As soon as reasonably practicable, the Issuer, PDTC, and/or PDEX shall disclose any interruptions, errors or other problems with the Live Bond Tokenization, including efforts undertaken or to be implemented to remedy such interruptions, errors or other problems.

Limitation on the Number of Bondholders

In accordance with the requirement of the PDTC, the number of registry accounts shall be limited to one thousand (1,000) at any given time (i.e., at the time of initial issuance and during secondary trading), subject to such adjustments as may be allowed by the PDTC from time to time.

When a transfer or recording of ownership in the Registry will result in registry accounts for the Series E Bonds exceeding one thousand (1,000), the transfer or recoding of ownership will not be allowed in the Registry.

The Registrar will inform PDEX of such disallowed transfer or recording of ownership and PDEX shall in turn inform the

Trading Participant

PROVISIONS RELATING TO REDEMPTION

Notice period for early redemption Minimum period: 30 calendar days prior written notice to the Trustee and the Registrar

Maximum period: 60 calendar days prior written notice to the Trustee and the Registrar

Issuer Redemption Option The Bank may, at its sole option, redeem the Series E Bonds at par plus accrued interest (if any), without premium or penalty, (i) in the event that payments by the Bank under the Series E Bonds become subject to additional or increased taxes (other than taxes and rates thereof prevailing on the Issue Date) as a result of any change in or application of any law, rule, or regulation in the Philippines or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, rules or regulations (including but not limited to any decision by a court of competent jurisdiction), and such additional or increased rate of such tax cannot be avoided by use of reasonable measures available to the Bank; (ii) in the event that the Series E Bonds become subject to additional or increased reserves other than the reserves prevailing on the Issue Date as a result of certain changes in law, rule or regulation, or in the interpretation thereof; (iii) in the event that any of the related documents is or shall become for any reason, invalid, illegal or unenforceable to the extent that it shall become, for any reason, unlawful for the Bank to give effect to its rights or obligations thereunder; and (iv) in such other instances as may be indicated in the final Terms and Conditions of the Series E Bonds and as may be allowed under the BSP Rules.

Final Redemption Amount The Series E Bonds will be redeemed at par on the Maturity Date.

Early Redemption Date On any Interest Payment Date

Early Redemption Amount The Bank shall redeem the Series E Bonds at par plus accrued and unpaid interest thereon as of the Early Redemption Date. If, as a consequence of the exercise of the Early Redemption Option, interest income already earned under the Early Redemption Bonds shall be subjected to incremental taxes, such

taxes shall be for the account of the Bank.

PARTIES/DISTRIBUTION

Trustee	Development Bank of the Philippines – Trust Banking Group
Registrar & Paying Agent	Philippine Depository & Trust Corp. (PDTC)
Joint Lead Arrangers	The Hongkong and Shanghai Banking Corporation Limited Standard Chartered Bank
Selling Agents	Union Bank of the Philippines The Hongkong and Shanghai Banking Corporation Limited Standard Chartered Bank
Market Maker	Metropolitan Bank & Trust Company
Ranking	The Series E Bonds constitute the direct, unconditional, unsecured, and unsubordinated obligations of the Bank, enforceable according to the Terms and Conditions, and shall at all times rank <i>pari passu</i> and without any preference or priority among themselves and at least <i>pari passu</i> with all other present and future direct, unconditional, unsecured, and unsubordinated obligations of the Bank, except for any obligation enjoying a statutory preference or priority established under Philippine laws
Listing	The Series E Bonds are intended to be listed at the Philippine Dealing & Exchange Corp. (PDEX), or such other securities exchange licensed as such by the Securities and Exchange Commission
Governing Law	Philippine Law

ADDITIONAL INFORMATION

Changes to the Offering Circular

On 19 April 2022, the Bank released the audited consolidated financial statements of the Bank and its subsidiaries for the years ended 31 December 2021 and 2020 which shall be incorporated by reference to the Offering Circular and can be accessed and downloaded from the PSE Edge (<https://edge.pse.com.ph/>) and the Bank's website (<https://www.unionbankph.com>). The Offering Circular for the Bond Program was updated on 22 April 2022.

The following are the material information/transactions of the Bank after the Offering Circular was updated on 22 April 2022:

1. On 8 April 2022, the Bank received the clearance of the Philippine Competition Commission ("PCC") dated April 5, 2022, of the proposed acquisition by the Bank of assets in Citibank N.A., Philippine Branch and Citi Square Building Corporation, and shares in Citicorp Financial Services & Insurance Brokerage Philippines, Inc.
2. On 16 May 2022, the Bank issued 617,188,705 common shares via a stock rights offering to existing shareholders, and raised PHP 39,999,999,971.05. The shares were listed in the PSE on the same date.
3. On 17 May 2022, the Bank released the unaudited interim consolidated financial statements for the three months ended 31 March 2022 filed with the Securities and Exchange Commission and disclosed on the Philippine Stock Exchange. The Bank reported a net income of PHP2,607,618,000.00.

RESPONSIBILITY

The Bank accepts responsibility for the information contained in this Pricing Supplement.

UNION BANK OF THE PHILIPPINES
(the Bank)

By:

A handwritten signature in black ink, appearing to read 'J. Hilado', is written over a horizontal line.

JOSE EMMANUEL U. HILADO
Senior Executive Vice President
and Treasurer