

Purpose

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

Product

Product name	APS Kapital Plus 16
Product identifier	APS Kapital Plus 16
Product manufacturer	APS Bank plc (see www.apsbank.com.mt or call +356 2560 3000 for more information)
Competent Authority	Malta Financial Services Authority
Date of this document	5 July 2022

You are about to purchase an investment product that is not simple and may be difficult to understand.

What is the product?

Type	This product is in the form of a bank deposit under Maltese Law. It is an interest-bearing security.
Objectives	<p>The product is designed to provide a (1) fixed annual interest payment, (2) repayment of the principal amount (i.e., the amount deposited by you) on maturity date, and (3) a potential bonus payment on maturity date. What you will receive at maturity as a bonus payment will depend on the performance of the Index - APS Multi-Asset Strategy 6% Volatility Target EUR Strategy No.1. The product has a fixed term, ending on 9 September 2028. The minimum principal amount that may be invested in the product is of EUR 5,000. The product is not listed on an exchange.</p> <p>Interest: You will receive an interest payment of 0.5% (gross of tax) of the principal amount on each annual anniversary from the date you deposited the principal amount in the product up to (and including) the maturity date being 9 September 2028. The annual interest payment is fixed and is not subject to the performance of the Index.</p> <p>Repayment at maturity: On 9 September 2028 you will also receive the sum of the (i) principal amount, and (ii) a potential bonus payment linked to the performance of the Index recorded at maturity. The bonus payment shall be determined by multiplying the (i) principal amount invested, (ii) the participation rate set at 50%, and (iii) the change in price of the Index based on (A) the closing price of the Index on 1 September 2028 divided by (B) the initial price of the Index on 1 September 2022. However, if the change in price of the Index is negative, you will not receive a bonus but receive only the principal amount. The principal amount is treated as an amount deposited with APS Bank plc as a credit institution (bank deposit) and accordingly you may benefit from the Depositor Compensation Scheme (see the section "What happens if the manufacturer is unable to pay out").</p>

Intended retail investor	<p>This product is intended to be offered to retail investors who:</p> <ol style="list-style-type: none"> 1. are able to make an informed investment decision through sufficient knowledge and experience of investing in similar products and have the ability to understand the product and its specific risks and rewards, 2. seek income, capital growth or full capital protection, subject to the manufacturer's ability to pay, have an investment horizon of the recommended holding period specified below and understand that the product is to be held until maturity, 3. accept the risk that the manufacturer could fail to pay or perform its obligations under the product but otherwise are not able to bear any loss of their investment, and 4. are willing to accept a level of risk to achieve potential returns that is consistent with the summary risk indicator shown below.
---------------------------------	--

What are the risks and what could I get in return?

Risk indicator

1

2

3

4

5

6

7

←

→

Lower risk

Higher risk

!

The risk indicator assumes you keep the product for 6 years. You cannot cash in early. You may have to pay significant extra costs to cash in early.

The summary risk indicator is a guide to the level of risk in the product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you. We have classified this product as 3 out of 7, which is a medium-low risk class.

This takes into account two elements: (1) the market risk - that the potential losses for future performance are rated at a very low level; and (2) the credit risk - that poor market conditions are deemed unlikely to impact our capacity to pay you. You are entitled to receive back at least 100% of your principal. Any amount over this, any additional return, depends on future market performance and is uncertain.

If we are not able to pay you what is owed, you could lose your entire investment. However, you may benefit from the Depositor Compensation Scheme (see the section "What happens if the manufacturer is unable to pay out"). The indicator above does not consider this protection.

Performance scenarios

Investment: EUR 10,000

Scenarios

1 year

3 years

6 years

				(Recommended holding Period)
Stress scenario	What you might get back after costs	EUR 7,849.41	EUR 8,889.96	EUR 10,300.00
	Average return each year	-21.51%	-3.85%	0.50%
Unfavourable scenario	What you might get back after costs	EUR 9,220.77	EUR 9,509.44	EUR 10,300.00
	Average return each year	-7.79%	-1.66%	0.50%
Moderate scenario	What you might get back after costs	EUR 9,412.06	EUR 9,769.57	EUR 10,436.24
	Average return each year	-5.88%	-0.77%	0.71%
Favourable scenario	What you might get back after costs	EUR 9,719.37	EUR 10,367.00	EUR 11,547.23
	Average return each year	-2.81%	1.21%	2.43%

Market developments in the future cannot be accurately predicted. The scenarios shown are only an indication of some of the possible outcomes based on recent returns. Actual returns could be lower. This table shows the money you could get back over the next 6 years under different scenarios, assuming you invest EUR 10,000. The scenarios shown illustrate how your investment could perform. You can compare them with the scenarios of other products. The scenarios presented are an estimate of future performance based on evidence from the past on how the value of this investment varies and are not an exact indicator. What you get will vary depending on how the market performs and how long you keep the product. The stress scenario shows what you might get back in extreme market circumstances, and it does not consider the situation where we are not able to pay you. This product is required to be held until maturity (6 years). Early termination of the product prior to maturity is not allowed. The product cannot be cashed in. This means it is difficult to estimate how much you would get back prior to maturity and what losses or material costs, if any, you may incur. The figures shown include all the costs of the product itself but may not include all the costs that you pay to your advisor or distributor. The figures do not consider your personal tax situation, which may also affect how much you get back.

What happens if the manufacturer is unable to pay out?

You are exposed to the risk that the manufacturer might not be able to meet its obligations in connection with the product for instance in the event the manufacturer becomes insolvent or defaults on its obligations (including payment obligations). This may adversely affect the value of the product and could lead to you losing some or all of your investment in the product.

APS Bank plc is a participant in the Depositor Compensation Scheme in Malta. The Depositor Compensation Scheme pays compensation to eligible depositors if an authorised credit institution is unable to meet its obligations or has otherwise suspended payment. The Scheme pays compensation on eligible deposits subject to a maximum payment of EUR 100,000. More information on the Depositor Compensation Scheme and on the eligibility can be obtained from <https://www.compensationschemes.org.mt/>.

What are the costs?

The Reduction in Yield (RIY) shows what impact the total costs you pay will have on the investment return you might get. The total costs take into account one-off, ongoing and incidental costs.

The amount shown here is the cumulative costs of the product itself. The figures assume you invest EUR 10,000. The figures are estimate and may change in the future.

Costs over time

The person selling you or advising you about this product may charge you other costs. If so, this person will provide you with information about these costs and show you the impact that all costs will have on your investment over time.

Investment: EUR 10,000

Scenario	If you cash in after 1 year	If you cash in after 3 years	If you cash in at end of recommended holding period
Total costs	EUR 325.00	EUR 375.00	EUR 400.00
Impact on Return (RIY) per year	3.14%	1.27%	0.69%

The costs shown in the table above represent how much the expected costs of the product would affect your return, assuming the product performs in line with the moderate performance scenario which indicates the product has matured after 6 years. Disregarding the impact on your return in that scenario, the estimated entry and exit costs as a percentage of the product notional amount are estimated to be 3.00% if you cash in after year 1, 3.00% if you cash in after 3 years and 2.50% if you cash in after the recommended holding period.

Composition of costs

The table below shows:

- the impact each year of the different types of costs on the investment return you might get at the end of the recommended holding period
- what the different cost categories mean

This table shows the impact on return per year

One-off costs	Entry costs	0.43%	The impact of the costs already included in the price.
	Exit costs	0.00%	Not applicable.

<p>Ongoing costs</p>	<p><i>Other ongoing costs</i></p>	<p>0.25%</p>	<p>The impact of the costs that we take each year for managing your investments.</p>
<p>The costs shown in the table above represent the split of the reduction in yield shown in the 'costs over time' table at the end of the recommended holding period. The split of the actual estimated costs of the product as a percentage of the product notional amount is estimated to be as follows: entry costs: 2.50% and exit costs: 0.00%. In addition, the product includes other ongoing costs of just over 0.25% per annum.</p>			
<p>How long should I hold it and can I take money out early?</p>			
<p>Recommended holding period: 6 years</p>			
<p>You should only invest if you intend to hold the product until maturity, and the product may not be right for you if you may need immediate access to your money before maturity and if you cannot commit to the full product term. You have no contractual right to terminate the product prior to maturity.</p>			
<p>How can I complain?</p>			
<p>Any complaint regarding the person advising on or selling the product (such as your intermediary) can be submitted directly to that person. Complaints about the product and/or the conduct of the product manufacturer may be lodged online through the Feedback Form on APS Bank plc's website (https://www.apsbank.com.mt/feedback), calling Contact Centre on +356 21226644 or writing a letter addressed to The Voice of the Customer Unit, APS Bank plc, APS Centre, Tower Street, Swatar BKR 4012, Malta.</p>			
<p>More information about the Bank's Feedback and Complaints Handling Policy is available on the following link - (https://www.apsbank.com.mt/feedback)</p>			
<p>Other relevant information</p>			
<p>Any additional information in relation to the product, in particular the Terms and Conditions are disclosed on the product's Term Sheet which is available free of charge upon request. The product has a minimum investment amount of EUR 5,000. The information disclosed in this Key Information Document does not constitute a recommendation to buy or sell the product and is no substitute to individual professional advice.</p>			

Approved and issued by APS Bank plc, APS Centre, Tower Street, Birkirkara BKR 4012. APS Bank plc is regulated by the Malta Financial Services Authority as a Credit Institution under the Banking Act 1994 and to carry out Investment Services activities under the Investment Services Act 1994. The Bank is also registered as a Tied Insurance Intermediary under the Insurance Distribution Act 2018.