

Key Information Document

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 17 - Second Issue. This document refers to the extended offer of this product.
Product identifier	APS Kapital Plus 17 - Second Issue
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	16 October 2023, 12:00pm CEST

You are about to purchase a 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. The product provides full principal repayment at maturity.
Term	The product has a fixed term and will be due on 28 July 2028.
Objectives	<p>The product is a capital guaranteed structured product and is designed to provide:</p> <ol style="list-style-type: none"> (1) an annual fixed interest payment; (2) a bonus interest payment linked to the performance of an underlying index, APS Multi-Asset Strategy 6% Volatility Target EUR Strategy No. 2; and (3) repayment of principal amount on the maturity date. <p>The minimum principal amount that may be invested is EUR 5,000. The product is not listed on an exchange.</p> <p>Fixed Interest: On each annual anniversary from the date you deposited the principal amount in the product up to (and including) the maturity date you will receive an amount equal to the principal amount multiplied by the fixed interest rate of 2.0%, pro rata. This interest payment is not subject to the performance of the underlying index.</p> <p>Bonus Interest: You will also be entitled to a bonus interest payment calculated at each bonus interest observation date. This amount shall be equal to (i) the principal amount multiplied by (ii) the higher of (A) the reference price of the underlying index at the bonus interest observation date divided by the initial reference price of the underlying index, minus 102.35%, or (B) 0%, and (C) divided by the number of respective bonus interest observations dates (t). However, if the performance of the underlying index is negative or does not exceed 2.35%, you will only receive the fixed interest payment.</p> <p>The initial reference price of the underlying index is the closing price on 11 December 2023.</p> <p>The relevant dates and other details are shown in the table below.</p>

t	Bonus interest observation date (t)	Bonus interest rate (t)	Bonus interest payment date
1	29 July 2024	$\frac{1}{t} \times \max\left(\frac{\text{Reference Price (t)}}{\text{Reference Price (Initial)}} - 102.35\%, 0\%\right)$	29 August 2024
2	28 July 2025	$\frac{1}{t} \times \max\left(\frac{\text{Reference Price (t)}}{\text{Reference Price (Initial)}} - 102.35\%, 0\%\right)$	28 August 2025
3	28 July 2026	$\frac{1}{t} \times \max\left(\frac{\text{Reference Price (t)}}{\text{Reference Price (Initial)}} - 102.35\%, 0\%\right)$	28 August 2026
4	28 July 2027	$\frac{1}{t} \times \max\left(\frac{\text{Reference Price (t)}}{\text{Reference Price (Initial)}} - 102.35\%, 0\%\right)$	28 August 2027
5	28 July 2028	$\frac{1}{t} \times \max\left(\frac{\text{Reference Price (t)}}{\text{Reference Price (Initial)}} - 102.35\%, 0\%\right)$	28 August 2028

Interest rates are expressed as a percentage of the principal amount and interest payments are gross of tax.

Repayment at maturity: On 28 July 2028 you will receive 100% of the principal amount.

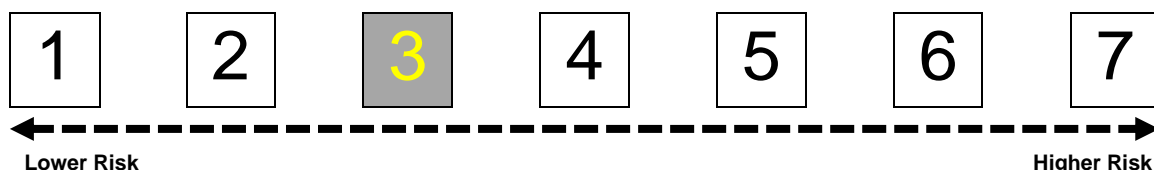
Intended retail investor

The product is intended to be offered to retail investors who:

1. have sufficient knowledge and experience of investing in similar products and able to understand the product and its specific risks and rewards to make an informed investment decision;
2. seek income and/or full capital protection, 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 product manufacturer could fail to pay or perform its obligations under the product but otherwise are not able to bear any loss of their investment;
4. are willing to accept a level of risk to achieve potential returns that is consistent with the summary risk indicator shown below; and
5. are making use of professional advice.

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

Risk Indicator



The risk indicator assumes you keep the product until maturity. You cannot 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. This classification is not guaranteed, may change over time and is not a reliable indication of future risk. The lower category does not mean risk free.

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

What you will get from this product depends on future market performance. Market developments in the future are uncertain and cannot be accurately predicted.

The scenarios shown are illustrations based on results from the past and on certain assumptions. Markets could develop very differently in the future.

Recommended Holding Period:	4 years and 10 months		
Example investment:	EUR 10,000		
Scenarios		1 year	If you exit after 4 years and 10 months (Recommended holding period)
Minimum	EUR 11,000. The return is only guaranteed if product is held until maturity.		
Stress scenario	What you might get back after costs	EUR 8,880	EUR 11,000
	Average return each year	-11.20%	2.01%
Unfavourable scenario	What you might get back after costs	EUR 9,706	EUR 11,000
	Average return each year	-2.9%	2.06%
Moderate scenario	What you might get back after costs	EUR 10,356	EUR 12,114
	Average return each year	3.56%	4.06%
Favourable scenario	What you might get back after costs	EUR 11,838	EUR 14,264
	Average return each year	18.38%	7.65%

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 take into account your personal tax situation, which may also affect how much you get back.

The favourable, moderate and unfavourable scenarios represent possible outcomes that have been calculated based on simulations using the underlying asset's performance up to 5 past years. The stress scenario shows what you might get back in extreme market circumstances and does not consider if we are not able pay you.

This product is required to be held until maturity. Early termination of the product prior to maturity is not allowed. This 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.

What happens if the product manufacturer is unable to pay out?

You are exposed to the risk that the product 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 person advising on or selling you this product may charge you other costs. If so, this person will provide you with information about these costs and how they affect your investment.

Costs over time The tables show the amounts that are taken from your investment to cover different types of costs. These amounts depend on how much you invest, how long you hold the product and how well the product does. The amounts shown here are illustrations based on an example investment amount and different possible investment periods.

We have assumed:

- In the first year you would get back the amount that you invested (0% annual return). For other holding periods we have assumed the product performs as shown in the moderate scenario.
- EUR 10,000 is invested.

Investment: EUR 10,000		
Scenario	If you cash in after 1 year	If you exit after recommended holding period
Total costs	EUR 85	EUR 175
Annual cost impact*	0.8%	0.3% each year

*This illustrates how costs reduce your return each year over the holding period. For example it shows that if you exit at the recommended holding period your average return per year is projected to be 4.3% before costs and 4.0% after costs.

Composition of costs

One-off costs upon entry or exit		If you exit after 1 year
Entry costs	0.0% of the amount you pay when entering this investment. These costs are already included in the price you pay.	EUR 0
Exit costs	Not applicable.	EUR 0
Ongoing costs taken each year		
Management fees and other administrative or operating expenses	0.35% of the value of your investment per year.	EUR 35

How long should I hold it and can I take money out early?

Recommended holding period: 4 years and 10 months

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.

How can I complain?

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. More information about the Bank's Feedback and Complaints Handling Policy is available on the following link: <https://www.apsbank.com.mt/feedback>.

Other relevant information

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.