



APS Bank plc (the "**Bank**")
Issue of up to €50,000,000 5.8% unsecured subordinated bonds 2028-2033 (the "**Bonds**")
€150,000,000 Unsecured Subordinated Bond Issuance Programme

ISIN: MT0002501212

Series: 2023-1

Tranche No: 1

Part A – Contractual Terms

These are the Final Terms for the issue of a Tranche of Bonds under the Bank's €150,000,000 Unsecured Subordinated Bond Issuance Programme (the "**Programme**") and comprise the final terms required for the issue and admission to trading on the Official List of the MSE of the Bonds described herein pursuant to the Programme.

Capitalised terms used herein which are not defined shall have the definitions assigned to them in the Base Prospectus dated 24 October 2023 which was approved by the MFSA in Malta on 24 October 2023 which constitutes a base prospectus for the purposes of the Prospectus Regulation.

This document constitutes the Final Terms of the Bonds described herein for the purposes of the Prospectus Regulation and must be read in conjunction with such Base Prospectus. Full information on the Bank and the offer of the Bonds is only available on the basis of the combination of these Final Terms and the Base Prospectus.

The Base Prospectus and any Supplement (if applicable), and these Final Terms are available for viewing at the office of the Bank and on the websites of: (a) the Competent Authority (www.mfsa.mt) during a period of twelve months from the date of approval of the Base Prospectus; and (b) the Bank (<https://www.apsbank.com.mt/investor-relations/>). Copies of the Base Prospectus and these Final Terms may be obtained free of charge from the registered office of the Bank. A summary of this individual issue is annexed to these Final Terms (Annex 1).

THE BONDS ARE COMPLEX FINANCIAL INSTRUMENTS

1.	Issuer	APS Bank plc
2.	Series Number	2023-1
3.	Tranche Number	1
4.	Specified Currency	Euro
5.	Aggregate Nominal Value:	
	i. Series	Up to €50,000,000
	ii. Tranche	Up to €50,000,000
6.	Issue Price of the Bonds	€100 in respect of each Bond
7.	Specified denomination (Nominal Value)	€100 in respect of each Bond
8.	Number of Bonds offered for subscription	Up to 500,000
9.	Issue Date	1 December 2023 (or earlier in terms of section C(7)(vi) below)
	Interest Commencement Date	1 December 2023 (or earlier in terms of section C(7)(vi) below)
10.	Maturity Date	1 December 2033
11.	Early Redemption Date/s	Any date between the 5th anniversary of Issue Date and the Maturity Date, subject to the MFSA granting its prior permission, and subject to the Bank giving the Bondholders at least thirty (30) days' notice in writing
12.	Redemption Value	Redemption at par

INTEREST

13.	Rate of Interest	5.8% per annum
14.	Interest Payment Date/s	1 December of each year (including 1 December 2024, being the first interest payment date) and the Maturity Date (or if any such date is not a Business Day, the next following day that is a Business Day)
15.	Calculation agent (if applicable)	Not applicable

GENERAL PROVISIONS

16.	Corporate authorisations for issuance of the Bonds	The issuance of the Bonds was authorised pursuant to a resolution of the Board of Directors passed on 11 October 2023
17.	Taxation	As per "Taxation" section of the Base Prospectus

Purpose of Final Terms

These Final Terms comprise the Final Terms required for the offer for subscription, issue and admission to trading on the Official List of the Bonds described herein pursuant to the Programme of the Bank dated 24 October 2023.

Responsibility

The Bank accepts responsibility for the information contained in these Final Terms.

Signed on behalf of APS Bank plc

Duly represented by:

A handwritten signature in blue ink, consisting of a large, stylized 'M' followed by several vertical strokes, positioned above a horizontal line.

Martin Scicluna

Part B – MiFID II Product Governance

MIFID II PRODUCT GOVERNANCE / RETAIL INVESTORS, PROFESSIONAL INVESTORS AND ELIGIBLE COUNTERPARTIES – SOLELY FOR THE PURPOSES OF THE MANUFACTURER’S (I.E. THE BANK’S) PRODUCT APPROVAL PROCESS, THE TARGET MARKET ASSESSMENT IN RESPECT OF THE BONDS HAS LED TO THE CONCLUSION THAT: (I) THE TARGET MARKET FOR THE BONDS IS ELIGIBLE COUNTERPARTIES, PROFESSIONAL CLIENTS AND RETAIL CLIENTS (EACH AS DEFINED IN MIFID II); (II) ALL CHANNELS FOR DISTRIBUTION TO ELIGIBLE COUNTERPARTIES AND PROFESSIONAL CLIENTS ARE APPROPRIATE; AND (III) ONLY THE FOLLOWING CHANNELS FOR DISTRIBUTION OF THE BONDS TO RETAIL CLIENTS ARE APPROPRIATE - INVESTMENT ADVICE, PORTFOLIO MANAGEMENT, AND NON-ADVISED SALES SUBJECT TO DISTRIBUTORS’ (AS DEFINED BELOW) SUITABILITY OBLIGATIONS UNDER MIFID II AND BRRD II, AS APPLICABLE. THE TARGET MARKET ASSESSMENT INDICATES THAT THE BONDS WOULD GENERALLY BE INCOMPATIBLE WITH THE NEEDS, CHARACTERISTICS AND OBJECTIVES OF CLIENTS WHO ARE FULLY RISK AVERSE / HAVE NO RISK TOLERANCE OR ARE SEEKING ON-DEMAND FULL REPAYMENT OF THE AMOUNTS INVESTED. ANY PERSON SUBSEQUENTLY OFFERING, SELLING OR RECOMMENDING THE BONDS (A ‘DISTRIBUTOR’) SHOULD TAKE INTO CONSIDERATION THE MANUFACTURER’S TARGET MARKET ASSESSMENT; HOWEVER, A DISTRIBUTOR SUBJECT TO MIFID II IS RESPONSIBLE FOR UNDERTAKING ITS OWN TARGET MARKET ASSESSMENT IN RESPECT OF THE BONDS (BY EITHER ADOPTING OR REFINING THE MANUFACTURER’S TARGET MARKET ASSESSMENT) AND DETERMINING APPROPRIATE DISTRIBUTION CHANNELS, SUBJECT TO THE DISTRIBUTOR’S SUITABILITY OBLIGATIONS UNDER MIFID II AND BRRD II, AS APPLICABLE.

THE TARGET MARKET ASSESSMENT IS WITHOUT PREJUDICE TO THE REQUIREMENTS OF ANY CONTRACTUAL, LEGAL OR REGULATORY SELLING RESTRICTIONS IN RELATION TO THE OFFERING. FOR THE AVOIDANCE OF DOUBT, THE TARGET MARKET ASSESSMENT DOES NOT CONSTITUTE: (A) AN ASSESSMENT OF SUITABILITY OR APPROPRIATENESS FOR THE PURPOSES OF MIFID II; OR (B) A RECOMMENDATION TO ANY INVESTOR OR GROUP OF INVESTORS TO INVEST IN, OR PURCHASE, OR TAKE ANY OTHER ACTION WHATSOEVER WITH RESPECT TO THE NOTES OR ANY OTHER SECURITIES.

Part C - Other Information

DEFINITIONS

The following words and expressions shall bear the following meanings, except where the context otherwise requires:

Cut-Off Date	23 October 2023;
Existing Bondholder/s	any (i) holder/s of the Existing Bonds, as evidenced by an electronic entry in the CSD Register and/or (ii) person for whom a member firm of the MSE holds Existing Bonds under a nominee relationship;
Existing Shareholder/s	any (i) holder/s of Shares, as evidenced by an electronic entry in the register of members held and maintained by the CSD on behalf of the Bank and/or (ii) person for whom a member firm of the MSE holds Shares under a nominee relationship;
Group Employee	any person who is a Director or employee of the Group;
Intermediaries’ Offer	the offer of Bonds, pursuant to these Final Terms, by the Bank to the Authorised Intermediaries, for their own account and/or for the purposes of allocating the Bonds to their own clients, consisting of a maximum aggregate amount of €35,000,000 in Nominal Value of Bonds, and which is equal to the balance of the Bonds not subscribed to in terms of the Pre-Allocation Agreements;
Offer Period	the period set out in section 7(vi) below, during which the Bonds are available for subscription;
Pre-Allocation Agreements	the conditional pre-allocation agreements entered into by the Bank as described in section 7(iii) below;
Preferred Applicant	any person that, as at the Cut-Off Date, is: (i) a Group Employee; (ii) an Existing Bondholder; and/or (iii) an Existing Shareholder; and
Preferred Application Form	the form of application for subscription for Bonds to be used by Preferred Applicants, a specimen of which is set out in Annex 3 of these Final Terms.

1. ADMISSION TO TRADING AND LISTING

i.	Listing	Official List of the Malta Stock Exchange
ii.	Admission to trading	Application to the MSE has been made for the Bonds to be admitted to trading on the Official List. The Bonds are expected to be listed on or around 1 December 2023 with trading expected to commence thereafter.
iii.	Previous admission to trading	Not applicable
iv.	Estimate of total expenses related to admission to trading	€100,000, which expenses will be borne by the Bank

2. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE BOND ISSUE

The Bank (acting in its capacity as an MFSA licensed investment firm) has been designated as an Authorised Intermediary and investors may therefore subscribe for Bonds through the Bank. Accordingly, the Bank has a financial interest in the relevant transaction. The Bank also has an interest in the issue of Bonds pursuant to these Final Terms by virtue of the fact that the net proceeds from the Bond issue will constitute an integral part of the Bank's capital plan (to further strengthen its Tier 2 Capital requirements in terms of the CRR) and will be used by the Bank to meet part of its general financing requirements. Prospective investors should therefore note that there is, among other things, a risk that the Bank's investment advisors propose this investment over other available investments available at that time or otherwise seek to oversell the Bond Issue.

In this respect, the Bank has a conflicts of interest policy which addresses how it identifies and seeks to mitigate conflicts of interest in the provision of services to clients (including Applicants). A summary of this policy is available here: <https://www.apsbank.com.mt/document-downloads>.

Specifically in relation to the provision of investment services in relation to the Bonds issued by itself as issuer, the Bank has implemented the following additional organisational and administrative measures aimed at mitigating the risks:

(i) Remuneration: Bank personnel involved in the sale of the Bond Issue will not receive any variable remuneration (e.g. commission or performance bonuses) linked to such sales;

(ii) Information barriers: The Bank's investment officers were not involved in the design and structure of the Bond Issue; and

(iii) Enhanced procedures: Where applicable, the Bank has implemented enhanced procedures in relation to the collection of information to carry out a suitability assessment in relation to the Bonds.

Save for the above and the possible subscription for Bonds by Authorised Intermediaries (which include the Sponsor & Manager) and any fees payable to the various professional advisors and service providers in connection with the issue of Bonds, the Bank is not aware of any person involved in the Bond Issue that has a material interest in the issue of Bonds pursuant to these Final Terms.

3. THIRD PARTY INFORMATION

Not applicable.

4. REASONS FOR THE OFFER AND USE OF PROCEEDS, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

i.	Reasons for the offer and use of proceeds	The net proceeds from the Bond Issue will constitute an integral part of the Bank's capital plan to further strengthen its Tier 2 Capital requirements in terms of the CRR (and, as a result, its MREL and other regulatory requirements), and will be used by the Bank to meet part of its general financing requirements.
ii.	Estimated net proceeds and total expenses of the Bond Issue	<p>In the event that the aggregate Nominal Value of Bonds issued under this Tranche amounts to €50,000,000, the expenses of this Bond Issue are estimated to amount to <i>circa</i> €800,000 and shall be borne by the Bank. The amount of the expenses, which include professional fees and costs related to publicity, advertising, printing, selling commissions, listing and other miscellaneous expenses, will be deducted from the proceeds of the Bond Issue, which, accordingly, will result in net proceeds from the Bond Issue of <i>circa</i> €49,200,000. There is no particular order of priority with respect to such expenses.</p> <p>In the event that the aggregate Nominal Value of Bonds issued under this Tranche amounts to less than €50,000,000, the expenses of this Bond Issue will be reduced accordingly.</p>
iii.	Conditions to which the offer is subject	<p>The offer of the Bonds is conditional upon: (i) the Bonds being admitted to the Official List; and (ii) the proceeds raised under this Tranche amounting to at least €10,000,000.</p> <p>The Bank also reserves the right to withdraw the offer of Bonds prior to the Issue Date for reasons beyond its control, such as extraordinary events, substantial change of the political, financial, economic, legal, monetary or market conditions at national or international level and/or adverse events regarding the financial or commercial position of the Bank and/or other relevant events that in the reasonable discretion of the Bank may be prejudicial to the offer.</p> <p>In the event that any of these conditions is not satisfied, the subscription for the Bonds shall be deemed not to have been accepted by the Bank, any application monies will be returned without interest by direct credit into the Applicant's bank account, and the issue of Bonds shall be cancelled forthwith.</p> <p>In the event that the issue of Bonds under this Tranche is not fully subscribed the Bank will, subject to a minimum aggregate subscription amount of €10,000,000, proceed with the listing of the amount of Bonds subscribed for.</p> <p>In the event of a revocation of the Bond Issue or withdrawal of the offer of the Bonds as aforesaid, any application monies received by or on behalf of the Bank will be returned without interest (through the Registrar and/or the Authorised Intermediaries, as applicable) by direct credit into the Applicant's bank account indicated by the Applicant in the relative Application. If no such bank account number is provided, or in the event that bank account details in the Application are incorrect or inaccurate, such returns will be made by means of a cheque mailed to the Applicant's address (or, in the case of joint Applications, the address of the first named Applicant) indicated in the Application.</p>

5. YIELD

i.	Indication of yield	5.8%
ii.	Method of calculating the yield	The gross yield to maturity, calculated on the basis of the interest rate of the Bonds, the Issue Price, and the redemption value (at Nominal Value) of the Bonds is five point eight per cent (5.8%).

6. OPERATIONAL INFORMATION

i.	ISIN code	MT0002501212
ii.	Delivery	Delivery against payment.

7. DISTRIBUTION

i.	Categories of potential investors to which the Bonds are offered	The Bonds are open for subscription to all categories of investors
ii.	Conditions for use of the Base Prospectus by the Authorised Intermediary/ies	As set out in section 2.3 of the Base Prospectus
iii.	Plan of distribution and allotment	<p>Pre-Allocation and Intermediaries' Offer</p> <p>The Bonds will be distributed and are open for subscription as follows:</p> <p>(1) The Bank, together with the Registrar, have entered into Pre-Allocation Agreements with certain third party investors, for their own account or on behalf of their clients, in advance of the Offer Period, pursuant to which the Bank bound itself to allocate a total amount of €15,000,000 (in Nominal Value) of Bonds to such third party investors. Payment for these Bonds must be received by the Registrar in cleared funds by 17 November 2023, or any earlier date as the Bank may direct (the "Pre-Allocation Payment Date"); and</p> <p>(2) The remaining balance of €35,000,000 (in Nominal Value) of Bonds will be available for subscription by all categories of investors (including Preferred Applicants and the general public) and will be distributed by the Authorised Intermediaries participating in the Intermediaries' Offer. In the event of an oversubscription, the Bank shall give preference to Preferred Applicants in accordance with an allocation policy to be determined by the Bank at the time.</p> <p>Authorised Intermediaries subscribing for Bonds may do so for their own account or for the account of their underlying clients, and shall, in addition, be entitled to distribute any portion of the Bonds subscribed to their underlying clients upon commencement of trading or instruct the Registrar to issue a portion of the Bonds subscribed by them directly to their underlying clients. In any case, subscriptions and allocations shall be subject to a minimum Application and allocation of €10,000 in Nominal Value of Bonds to each underlying client of the Authorised Intermediaries.</p> <p>Prospective investors should note that the Bank will not fund, whether directly or indirectly, any subscription for Bonds.</p> <p>Pre-Allocation Agreements</p> <p>Each Pre-Allocation Agreement became binding on each of the parties thereto upon signing, and is subject to the terms and conditions of the Bond Issue and the Terms and Conditions of the Bonds as set out in the Base Prospectus as completed by these Final Terms. The Registrar must receive payment of all subscription proceeds in cleared funds by the Pre-Allocation Payment Date. In terms of each Pre-Allocation Agreement, the Bank is conditionally bound to issue, and the third-party investors, acting for their account or on behalf of their clients, are conditionally bound to subscribe for, the number of Bonds specified in the relevant Pre-Allocation Agreement subject to, among other things, the admissibility of the Bonds to listing on the Official List and the Bonds being admitted to listing and trading on the Official List.</p>

iii.	Plan of distribution and allotment <i>(Continued)</i>	<p>Intermediaries' Offer – Subscription Agreements</p> <p>During the Offer Period, the Bank and the Registrar shall enter into conditional subscription agreements with each Authorised Intermediary for the subscription of Bonds, whereby the Registrar will bind itself to allocate the Bonds to the Authorised Intermediaries in accordance with the terms of such subscription agreements and the allocation policy to be adopted by the Bank.</p> <p>In terms of each subscription agreement to be entered into with an Authorised Intermediary, the Bank will be conditionally bound to issue, and each Authorised Intermediary will be conditionally bound to subscribe for, such number of Bonds specified in the relevant subscription agreement subject to approval by the MSE of the Bank's application for the Bonds to be admitted to listing and trading on the Official List. Each subscription agreement will become binding on each of the Bank and the relevant Authorised Intermediary upon signing, subject to receipt by the Registrar of all subscription proceeds in cleared funds on delivery of the signed subscription agreement.</p> <p>Each Authorised Intermediary shall be required to indicate in its subscription agreement what portion (in aggregate Nominal Value) of Bonds being subscribed relates to clients of the Authorised Intermediary that are Preferred Applicants. The Bank and/or the Registrar reserve the right to request such further information from each Authorised Intermediary (which, in turn, may need to procure such information from the relevant Preferred Applicant/s) as may reasonably be required by them in order to verify that such portion of the Bonds is, in fact, being subscribed for on behalf of Preferred Applicants.</p>														
iv.	Placing and/or Underwriting	Please refer to section 7(iii). The Bond Issue will not be underwritten.														
v.	Selling commission	1.25%														
vi.	Expected timetable	<table border="0"> <tr> <td>1. Opening of Offer Period (Intermediaries' Offer):</td> <td>30 October 2023</td> </tr> <tr> <td>2. Pre-Allocation Payment Date:</td> <td>17 November 2023</td> </tr> <tr> <td>3. Closing of Offer Period (Intermediaries' Offer):</td> <td>17 November 2023</td> </tr> <tr> <td>4. Announcement of Intermediaries' Offer results:</td> <td>24 November 2023</td> </tr> <tr> <td>5. Issue Date & Interest Commencement Date:</td> <td>1 December 2023</td> </tr> <tr> <td>6. Expected date of admission of the Bonds to listing:</td> <td>1 December 2023</td> </tr> <tr> <td>7. Expected date of commencement of trading of the Bonds:</td> <td>4 December 2023</td> </tr> </table> <p>The Bank reserves the right to close the offer of Bonds prior to the end of the Offer Period, in which case (a) the events set out in steps 2 to 7 above shall be brought forward (although the number of Business Days between each of these events is not expected to be varied) and (b) the Bank will issue a company announcement to inform the market of the new dates.</p>	1. Opening of Offer Period (Intermediaries' Offer):	30 October 2023	2. Pre-Allocation Payment Date:	17 November 2023	3. Closing of Offer Period (Intermediaries' Offer):	17 November 2023	4. Announcement of Intermediaries' Offer results:	24 November 2023	5. Issue Date & Interest Commencement Date:	1 December 2023	6. Expected date of admission of the Bonds to listing:	1 December 2023	7. Expected date of commencement of trading of the Bonds:	4 December 2023
1. Opening of Offer Period (Intermediaries' Offer):	30 October 2023															
2. Pre-Allocation Payment Date:	17 November 2023															
3. Closing of Offer Period (Intermediaries' Offer):	17 November 2023															
4. Announcement of Intermediaries' Offer results:	24 November 2023															
5. Issue Date & Interest Commencement Date:	1 December 2023															
6. Expected date of admission of the Bonds to listing:	1 December 2023															
7. Expected date of commencement of trading of the Bonds:	4 December 2023															

8. ADDITIONAL INFORMATION

i.	Reservation of a Tranche, or part thereof, in favour of specific retail and/or non-retail investors or categories of either	The Bank has bound itself to allocate a total amount of €15,000,000 (in Nominal Value) of Bonds to certain third party investors, for their own account or on behalf of their clients, in terms of the Pre-Allocation Agreements.
ii.	Time period, including any possible amendments, during which the offer will be open	The period between 09:00 CET on 30 October 2023 and 17:00 CET on 17 November 2023, both days included (or such earlier date as may be determined by the Bank). Kindly refer to section 7(vi) regarding possible amendments to the Offer Period.
iii.	Manner and date in which results of the offer are to be made to public	The Bank shall announce the results of the Bond Issue, together with the basis of acceptance of Applications and the allocation policy to be adopted, through a company announcement, within five Business Days from closing of the Offer Period.

iv.	Description of the application process	<p>Applications must be made through an Authorised Intermediary participating in the Intermediaries' Offer.</p> <p><u>Preferred Applicants</u></p> <p>Preferred Applicants must subscribe for Bonds using the Preferred Application Form which will be provided to them in the manner set out below. Each Preferred Application Form must be lodged with an Authorised Intermediary and/or the Bank, as the case may be, by the end of the Offer Period. Applications must be accompanied by the full price of the Bonds applied for in Euro and in cleared funds at the Issue Price.</p> <p><i>Existing Bondholders and Existing Shareholders</i></p> <p>Preferred Application Forms to be used by Existing Bondholders and Existing Shareholders appearing on the CSD Register and the Bank's register of members, respectively, will be pre-printed and mailed on or around 26 October 2023. Existing Bondholders and Existing Shareholders must submit their duly completed Preferred Applications Forms to any of the Authorised Intermediaries listed in Annex 2 of these Final Terms during the Offer Period.</p> <p><i>Group Employees</i></p> <p>Preferred Application Forms to be used by Group Employees will be made available from the Bank's offices. Group Employees must submit their duly completed Applications to the Bank during the Offer Period.</p> <p><u>Non-Preferred Applicants</u></p> <p>Applicants who are not Preferred Applicants must subscribe for Bonds via any of the Authorised Intermediaries listed in Annex 2 of these Final Terms during the Offer Period.</p>
v.	Details of the minimum/ maximum amount of application (whether in numbers of securities or aggregate amount to invest)	<p>Applications shall be subject to a minimum subscription amount of €10,000 in Nominal Value of Bonds in relation to each underlying client to which an Application relates, and in multiples of €1,000 thereafter.</p>
vi.	Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants	<p>In the event that Applications exceed the amount available for subscription (€50,000,000) the Bank will (and in turn, the Authorised Intermediaries will be required to) scale down Applications in accordance with the allocation policy adopted by the Bank, subject in all cases to a minimum allocation of €10,000 in Nominal Value of Bonds for each underlying client of the Authorised Intermediaries.</p> <p>In this regard, subscription monies of any unsatisfied Applications, or part thereof, shall be returned by direct credit transfer to the relevant Authorised Intermediary to the account number indicated in the relevant subscription agreement within five Business Days from the announcement of the allocation policy. In view of the fact that prospective investors are required to subscribe to a minimum of €10,000 in Nominal Value of Bonds, the Bank (and in turn, the Authorised Intermediaries) may, in allocating the Bonds, resort to a ballot. As a result, Applicants are not guaranteed that they will be allocated any Bonds. The registration advice and other documents and any monies returnable to Applicants may be retained pending clearance of the remittance and any verification of identity as required by the PMLA. Such monies will not bear interest while retained as aforesaid.</p>
vii.	Method and time limits for paying up the securities and for delivery of the securities	<p>Applications must be accompanied by the full price of the Bonds applied for in Euro and in cleared funds at the Issue Price. In the event that any cheque accompanying an Application is not honoured on its first presentation, the Bank, Authorised Intermediaries and/or the Registrar reserve the right to invalidate the relative Application.</p>

viii.	Indication of the expected price at which the securities will be offered or the method of determining the price and the process for its disclosure	At Nominal Value.
ix.	Process for notification to applicants of the amount of Bonds allotted and indication whether dealing may begin before notification is made	Please refer to section 8(iii). Dealing in the Bonds may not commence before the Bonds are admitted to the Official List.
x.	Credit rating of the Bonds	Not applicable.

Annex 1: Issue Specific Summary

This summary is issued in accordance with the provisions of the Prospectus Regulation and the Capital Markets Rules. Capitalised terms used but not otherwise defined in this Summary shall have the meanings assigned to them in the 'Definitions' section of the Base Prospectus and these Final Terms, as the case may be.

A. INTRODUCTION AND WARNINGS

Prospective investors are hereby warned that:

- this summary should be read as an introduction to the Base Prospectus and these Final Terms;
- any decision to invest in the Bonds should be based on consideration of the Base Prospectus and these Final Terms as a whole by the prospective investor;
- a prospective investor may lose all or part of the capital invested in subscribing for Bonds;
- where a claim relating to the information contained in the Base Prospectus or these Final Terms is brought before a court, the plaintiff investor might, under Maltese law, have to bear the costs of translating the Base Prospectus and these Final Terms before the legal proceedings are initiated; and
- civil liability attaches only to those persons who have tabled the summary including any translation thereof and who applied for its notification, but only if the summary, when read together with the other parts of the Base Prospectus and these Final Terms, is misleading, inaccurate or inconsistent; or does not provide key information in order to aid investors when considering whether to invest in the Bonds; and
- this summary (and the entire Base Prospectus and these Final Terms) relate to a product that is not simple and may be difficult to understand.

International Securities Identification Number (ISIN) of the Bonds: MT0002501212

Identity and Contact Details of the Bank:

Legal & Commercial Name:	APS Bank plc
Company Registration Number:	C 2192
Registered Office Address:	APS Centre, Tower Street, Birkirkara BKR 4012, Malta
LEI:	213800A10379I6DMCU10
Telephone Number:	+356 2560 3000
E-mail Address:	investor.relations@apsbank.com.mt
Website:	www.apsbank.com.mt

The Base Prospectus has been approved by the Malta Financial Services Authority (MFSA), which is the competent authority in Malta for the purposes of the Prospectus Regulation, on 24 October 2023. The MFSA has only approved the Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation and such approval should not be considered as an endorsement of the Bank or of the quality of the Bonds.

The address of the MFSA is Malta Financial Services Authority, Triq l-Imdina, Zone 1, Central Business District, Birkirkara CBD 1010, Malta. Its telephone number is +356 2144 1155 and its website is www.mfsa.mt.

B. KEY INFORMATION ON THE ISSUER

WHO IS THE ISSUER OF THE SECURITIES?

The issuer of the Bonds is APS Bank plc, a public limited liability company registered in Malta in terms of the Companies Act. The Bank's Legal Entity Identifier (LEI) number is 213800A10379I6DMCU10. The Bank is licensed by the MFSA to carry out the business of banking and investment services in terms of the Banking Act and the Investment Services Act, respectively. The Bank is also enrolled in the Tied Insurance Intermediaries List in terms of the Insurance Distribution Act. The Bank's three principal activities are retail banking, commercial banking and investment services.

The Bank's largest shareholder is AROM Holdings Limited (C 40389), which holds approximately 55.20% of the issued share capital of the Bank. AROM Holdings Limited is wholly owned (save for one ordinary share) by the Archdiocese of Malta. The second largest shareholder of the Bank is the Diocese of Gozo, which holds 12.65% of the issued share capital of the Bank.

As at the date of the Base Prospectus, the Board is composed of nine (9) Directors who are responsible for the overall direction, management and strategy of the Bank, being Mr Martin Scicluna, Mr Victor E. Agius, Dr Ing. Joseph C. Attard, Dr Laragh Cassar, Prof Juanito Camilleri, Mr Joseph Rapa, Mr Michael Pace Ross, Mr Noel Mizzi and Ms Marisa Xuereb.

The Bank's statutory auditors are Deloitte Audit Limited (C 51312), of Deloitte Place, Triq l-Intornjatur, Zone 3, Central Business District, Birkirkara CBD 3050, Malta.

WHAT IS THE KEY FINANCIAL INFORMATION REGARDING THE ISSUER?

The below tables show the main financial information and relevant ratios of the Bank:

Income Statement (€000's)

Group data	Six-month period ended 30 June 2023	Six-month period ended 30 June 2022	Financial year ended 31 December 2022	Financial year ended 31 December 2021	Financial year ended 31 December 2020
Net interest income	37,121	29,783	65,093	55,362	48,846
Net fee and commission income	3,966	3,788	6,862	7,001	5,214
Net impairment loss on financial assets	117	(59)	254	1,488	(5,538)
Net gains/(losses) on foreign exchange, financial instruments and derecognition of financial assets at amortised cost	1,156	(6,835)	(7,979)	824	589
Operating profit	16,180	3,972	17,873	24,047	16,055
Net profit or loss attributable to equity holders of the Bank	10,816	(496)	8,003	14,638	9,853
Earnings per share	€0.0029	(€0.0009)	€0.0018	€0.0059	€0.0148

Statement of Financial Position (€000's)

Group data	Six-month period ended 30 June 2023	Six-month period ended 30 June 2022	Financial year ended 31 December 2022	Financial year ended 31 December 2021	Financial year ended 31 December 2020
Total assets	3,433,701	3,054,267	3,112,152	2,795,004	2,420,983
Senior debt	0	0	0	0	0
Subordinated debt	54,665	54,619	54,642	54,597	54,558
Loans and receivables from customers (net)	2,438,943	2,060,908	2,224,694	1,932,044	1,689,003
Deposits from customers	2,962,553	2,618,698	2,710,633	2,431,757	2,123,446
Total equity	274,630	258,840	261,458	220,822	206,219
Non-performing loans (based on net carrying amount / Loans and receivables)	58,252	81,130	80,424	78,110	45,486

WHAT ARE THE KEY RISKS THAT ARE SPECIFIC TO THE ISSUER?

The most material risk factors specific to the Bank are set out below. Wherever the term "Group" is used, the risk factor would also apply to the Bank.

Information and Communication Technology, Cyber-Security Risk and Third-Party Providers related Risks

The activities of the Group are reliant on the continuous and proper functioning of its operating systems, including its information technology and

communication ("ICT") systems and other technological arrangements. The Group is susceptible to a variety of risks relating to the functioning of these systems, including, but not limited to, the risk of cyber-attacks (such as malware attacks, ransomware, phishing, hacking, or any other form or type of cyber-attack), data theft or other unauthorised use of data, errors, bugs, malfunctions, inadequate maintenance service levels, or other malicious interference with or disruptions to the Group systems. A cyber-attack which would affect the Group, either directly or through a third-party provider, could adversely affect the Group's ability to provide services, reputation, financial performance and financial position.

In addition, to the extent that the Group is reliant upon technological solutions acquired from and developed by third-party providers for the efficient running of its business, it will be exposed to the risk of supply chain attacks, failures, errors or other interruptions in such systems. There is no assurance that the services or systems run by the Group will not be disrupted. Furthermore, advancements to the Bank's ICT infrastructure which are required in order to maintain secure posture and remain competitive, may be associated with substantial capital expenditures.

Reputational Risk

Reputational risk is the current or future risk of a loss or decline in profits as a result of a negative perception of the Group's image by relevant stakeholders. Reputation is considered by the Group to be a valuable corporate asset as it is a source of competitive advantage and customers' confidence and reflects the Group's level of professionalism, integrity and proper conduct of business. The Group recognises the increasing importance of this critical component of its brand value due to rapid changes in the business environment, development of media and communication channels, increased scrutiny from regulators and evolving competition and rising customer expectations. In the event that the Bank were to suffer any loss in reputation, whether for the reasons described above or otherwise, relevant stakeholders may become unwilling to do business with the Bank, which could in turn have a material adverse effect on the operations and performance of the Bank.

Credit risk

Credit risk is the possibility that a borrower or counterparty fails to meet its obligations in accordance with agreed terms, causing a financial loss. Credit risk arises mainly from interbank, commercial and consumer loans and advances, trade finance, syndicated facilities and forfaiting, but can also arise from credit enhancement provided, such as financial guarantees, letters of credit, endorsements and acceptances. The Group is also exposed to credit risk arising from investments in debt securities and other financial instruments purchased as part of its trading, investment activities and liquidity management including derivatives as well as settlement balances with market counterparties, reverse repurchase agreements and balances with the Central Bank of Malta. The Bank is subject to inherent risks concerning the credit quality of borrowers and counterparties, which could affect the value of the Group's assets. Changes in the credit quality of the Bank's customers, counterparties, and investments arising from systemic risks and macroeconomic factors in the Maltese and global financial system, can also negatively affect the value of the Bank's assets. Any failure by the Group to manage the credit quality of its borrowers or counterparties within prudent risk parameters or to monitor and regulate the adequacy of its provisioning levels could have a material adverse effect on the Group's business, financial condition, prospects and/or results of operations.

Liquidity and Funding Risk

Liquidity risk is the risk that the Bank cannot meet its financial obligations as they fall due in the short and medium term, either at all or without incurring unacceptable losses. Funding risk is the risk that the Bank cannot meet its financial obligations as they fall due in the medium to long term, either at all or without increasing funding costs at an unacceptable level. Funding risk can be seen as the risk that its assets are not stably funded in the medium and long term. The Bank is mainly funded through customer deposits and has only a small portion of wholesale funding. The management of liquidity and funding is central to the Bank's operations, just as the ability to fund asset growth and meet obligations as they come due is crucial to the on-going viability of the Bank. While the Bank's liquidity contingency plans can assist the Bank in mitigating unexpected liquidity situations after the fact, they are not intended to, nor can they eliminate, the Bank's liquidity and funding risk. Nor can the plans guarantee that unexpected liquidity events will be managed successfully if they were to occur. Retail funding is highly correlated to the public's perception of the Bank's trustworthiness and reputation. Given this feature of retail funding, a significant negative impact on the Bank's reputation could bring about a run on the Bank. If, for some reason, the Bank is unable to access the necessary liquidity to conduct its operations and/or meet its obligations, this could negatively impact the Bank's financial condition and performance.

Information Security and Data Protection Risk

This risk relates to the risk of loss caused by deliberate or accidental loss, alteration, falsification or leakage of information, or by destruction, disruption, errors or misuse of information systems. Loss or leakage of confidential information could have a material adverse effect on the operations and performance of the Group. The Group is also subject to comprehensive regulation regarding the use of personal customer data. Compliance with the GDPR creates significant regulatory obligations for the Group and it will continue to have an ongoing impact on the acceptance, processing and storage of personal sensitive data. The possible damage, loss, unauthorised processing or disclosure of personal data could have a negative impact on the activity of the Group, in reputational terms too, and could lead to the imposition of fines. In addition, any changes to the applicable laws and/or regulations, including at European Union level, could have a negative impact on the Group's activities, including the need to incur costs for adapting to the new regulations.

Risks Connected with the Performance of the Property Market

The Group is exposed to the risks of the property market, as a result of, among other things: (i) loans granted to clients where the collateral securing the loan is immovable property; and (ii) loans granted by the Bank to companies operating in the property sector where the cash flow is generated mainly by the rental or sale of properties (commercial real estate). With regard to (i) above, poor market conditions and/or, more generally, a protracted economic or financial downturn could lead to a fall in value of the collateral properties as well as create significant difficulties in terms of monetisation of the said collateral under the scope of enforcement procedures, with possible negative effects in terms of realisation times and values. With respect to (ii) above, any downturn in the real estate market could lead to a fall in market prices and a consequent fall in the demand for commercial real estate. As a result, the Bank's customers operating in the property sector may face a decrease in transaction volumes and margins, an increase in commitments resulting from financial expenses, as well as greater difficulties

in refinancing, with negative consequences on the profitability of their activities, which could have a negative impact on their ability to repay the loans granted by the Bank. The significant increase in real estate prices in recent years is a result of both demand and supply factors. Although the Group has a diversified lending portfolio, the Group is substantially exposed to real estate, which implies a heightened sensitivity to a potential correction in property prices.

Risks Related to Competition in the Banking Industry

The banking industry is particularly competitive and competitive pressures could increase due to several aspects including shifts in customer demand, competitors' strategies, regulatory changes, technological developments and general economic trends. The Group is exposed to competition in the markets in which it operates, including from competitors that may have greater financial and other resources. In addition, the Bank may experience increased competition from new entrants in certain products. The banking sector is also experiencing significant technology related trends impacting the competitive landscape, which include competition from entities such as non-bank technology companies that provide digital-only products and services. As technology continues to disrupt the way traditional banking services are carried out, the Group is subject to the risk of adapting to this form of potential competition. At the same time, banks are operating in a highly volatile and uncertain environment. Such technology driven financial institutions may benefit from process digitisation, lower operating costs, and favourable product pricing, compared to traditional banks including the Group. If the Bank does not respond appropriately to such competitive pressures, including by the introduction of innovative products and services, it may lose market share which in turn may have a negative impact on the Group's financial performance and prospects.

Financial Crime Compliance Risk

Financial crime risks refer to the potential exposure the Bank faces from illegal activities that may impact the integrity and stability of its financial operations. These risks include: (a) money laundering: money laundering is the process of concealing the proceeds of criminal activity in order to make them appear legitimate. Criminals may use the Bank as a conduit for money laundering which increases the risk of incurring financial losses and regulatory fines; (b) terrorist financing: this refers to the provision of financial support or resources to individuals or groups engaged in terrorism. The Bank may be targeted by terrorists seeking to launder funds or move money to finance their operations; (c) sanctions violations: the Bank must comply with international sanctions regimes designed to restrict trade and financial transactions with designated individuals and countries. Failure to comply with sanctions regulations may result in significant penalties and reputational damage for the Bank; (d) bribery and corruption: the Bank may be exposed to risks related to bribery and corruption, such as when bank employees or customers engage in bribery or other corrupt practices to secure financial gain; and (e) fraud: fraudulent activities, such as identity theft, credit card fraud, internal (corporate) fraud may cause significant financial harm to the Bank and its customers. The Bank may face reputational damage and legal liability if it fails to implement adequate fraud prevention measures. Financial crime compliance risks may materialise from: (i) lack of adherence to the appropriate regulatory environment and/or market practice; (ii) failures arising from the lack of implementation of updated directives, rules, regulations, and/or internal operating procedures; and/or (iii) inadequate internal controls to monitor level of adherence to the required standards inclusive of illegal practices such as bribery and corruption. The materialisation of such risks could have a detrimental impact on customers and expose the Bank to financial sanctions and regulatory reprimands, reputational risks and regulatory censure.

Resolution Risk

The Recovery & Resolution Regulations provide for the application of resolution tools by the Resolution Committee to credit institutions at risk of failure, as an alternative to liquidation proceedings. These resolution tools include: (i) the sale of business tool; (ii) the bridge institution tool; (iii) the asset separation tool; and (iv) the bail-in tool. In addition, the Resolution Committee has the power to write-down and/or convert capital instruments and eligible liabilities pursuant to the Recovery & Resolution Regulations immediately before or together with the application of a resolution tool. A write-down may result in the reduction (including to zero) of the nominal value of the Bonds. Furthermore, the Resolution Committee is empowered by the Recovery & Resolution Regulations to take control of a credit institution under resolution and exercise all the rights and powers conferred upon shareholders, other owners, and the board of directors of the institution under resolution. The exercise by the Resolution Committee of any of these powers may have a material effect on the business and prospects of the Bank.

C. KEY INFORMATION ON THE BONDS

WHAT ARE THE MAIN FEATURES OF THE BONDS?

Securities:	Subordinated callable bonds
Amount:	Up to €50,000,000
Nominal Value:	€100 per Bond
Denomination:	Euro (€)
ISIN:	MT0002501212
Issue Price:	At Nominal Value (€100 per Bond)
Minimum subscription:	€10,000 (and in multiples of €1,000 thereafter)
Interest:	5.8% per annum
Issue Date:	1 December 2023 (or earlier if the Bank closes the offer of Bonds prior to the end of the Offer Period)
Interest Payment Dates:	1 December of each year (including 1 December 2024, being the first interest payment date and the Maturity Date) or if any such date is not a Business Day, the next following day that is a Business Day
Redemption:	On an Early Redemption Date and/or on the Maturity Date
Maturity Date:	1 December 2033
Rights:	The only rights attached to the Bonds are the right to (i) attend, participate in and vote at meetings of Bondholders in accordance with the Terms and Conditions; (ii) receive payment of capital and interest in accordance with the ranking as provided in the Terms and Conditions; and (iii) enjoy such other rights attached to the Bonds emanating from the Base Prospectus and the Final Terms.

Status: The Bonds shall be the general, direct, subordinated, unsecured and unconditional obligations of the Bank to the Bondholders, and shall at all times rank *pari passu*, without any priority or preference among themselves. In a dissolution and winding up of the Bank, the claims of Bondholders in respect of the Bonds will be subordinated to the claims of all depositors and other unsubordinated secured and unsecured creditors of the Bank, and will not be repaid until all other unsubordinated debt outstanding at the time has been settled in full. In the event of a resolution of the Bank or in any other instances under applicable law, the Bonds are subject to conversion or write down by the applicable resolution authorities as provided by law.

Transferability: The Bonds shall be freely transferable.

WHERE WILL THE BONDS BE TRADED?

Application has been made to the MSE for the Bonds to be listed and traded on the Official List.

WHAT ARE THE KEY RISKS THAT ARE SPECIFIC TO THE BONDS?

The most material risk factors specific to the Bank are the following:

Subordinated Status

The Bonds (their redemption and the payment of interest thereon) shall constitute the general, direct, subordinated, unsecured and unconditional obligations of the Bank to the Bondholders, and shall at all times rank *pari passu*, without any priority or preference among themselves and with all other Tier 2 Claims. In the event of the dissolution and winding up of the Bank, the claims of Bondholders in respect of the payment of capital and interest on the Bonds will have the ranking set out in the Ranking Legislation and will be subordinated to Preferred Claims, all Ordinary Unsecured Claims and Secondary Unsecured Claims. In addition, as per the said Ranking Legislation, to the extent that the Bonds qualify as Tier 2 instruments, they shall also rank below Senior Subordinated Claims. All claims of Bondholders will therefore not be repaid until Preferred Claims, Ordinary Unsecured Claims, Secondary Unsecured Claims and Senior Subordinated Claims have been settled in full. If any Bonds cease to qualify as Tier 2 Instruments, the claims in respect of such Bonds will, in the event of the dissolution and winding up of the Bank, rank *pari passu* with all Senior Subordinated Claims, subject to the Ranking Legislation. If, on a dissolution and winding-up of the Bank, the assets of the Bank are insufficient to enable the Bank to repay the claims of more senior-ranking creditors in full, the Bondholders will lose their entire investment in the Bonds. If there are sufficient assets to enable the Bank to pay the claims of senior-ranking creditors in full but insufficient assets to enable it to pay claims in respect of the Bonds and all other claims that rank *pari passu* with the Bonds, Bondholders may lose some (or all) of their investment in the Bonds. The same principles would apply to the Bank where the relevant resolution authority applies the appropriate powers of write-down or conversion of capital (the Bonds) (whether in the event of a resolution of the Bank or in any other instances under applicable law), in which case it must respect the *pari passu* treatment of creditors and the statutory ranking of claims under the applicable insolvency law.

Moreover, pursuant to the Recovery & Resolution Regulations, all claims resulting from own funds items of relevant institutions (such as the Bank) are to rank lower than any claim that does not result from an own funds item. Therefore, this may affect the amount of recovery (if any) a Bondholder may expect to receive in a winding-up or resolution of the Bank. It is expected that, in certain circumstances, this may have an impact on the effective ranking of own funds instruments, such as the Bonds. For example, if any own funds instruments issued by the Bank, including the Bonds, cease to be eligible to qualify as own funds instruments of the Bank, the ranking of such disqualified instruments is likely to be adjusted so that such disqualified instruments would rank ahead of any instruments which continue to qualify as own funds in (such as any Bonds, as the case may be). In such circumstances, if the Bank is wound-up or resolved, the claims of Bondholders which qualify as Tier 2 Capital of the Bank may be subordinated to claims of holders of such disqualified instruments (if any), and accordingly any recovery of amounts in respect of such qualifying Bonds in a winding-up or resolution of the Bank may be adversely affected.

Bail-In Risk

The Recovery & Resolution Regulations provide for various powers and tools of the Resolution Committee in the event that the Resolution Committee considers that all of the relevant conditions are met. Resolution occurs at the point where the applicable authority determines that a bank is failing or likely to fail, that there is no other private sector intervention or supervisory action, including early intervention measures or the write-down or conversion of relevant capital instruments, that would prevent the failure of the institution within a reasonable timeframe and that a resolution action is necessary in the public interest. The Resolution Committee may exercise the bail-in tool in respect of the Bank if the Bank is under resolution pursuant to which the Bonds may be subject to a write-down and/or conversion into equity. Such a development would have a direct adverse impact on the Bondholders, including a cancellation and complete loss in value of the Bonds.

Limited Remedies of Bondholders

The Bonds are the obligations of the Bank only and do not establish any liability or other obligation of any other person mentioned in this Base Prospectus. Payment of principal and accrued but unpaid interest on the Bonds may be accelerated only in the event of (i) an extraordinary resolution passed at a general meeting for the dissolution, winding-up or liquidation of the Bank or (ii) an order by the applicable judicial authorities is made for the dissolution, liquidation, winding-up of the Bank or (iii) an order for liquidation is made by the competent authority in respect of the Bank under the Controlled Companies (Procedure for Liquidation) Act (Chapter 383 of the laws of Malta) or (iv) the dissolution, winding-up or liquidation of the Bank carried out in terms of any other law that may come into force from time to time. The right of acceleration will not be triggered solely by any resolution carried out under the Recovery & Resolution Regulations or any moratorium provided for thereunder. Furthermore, there is no right of acceleration that arises merely as a result of non-payment of principal or interest on the Bonds or of the Bank's failure to perform any of its obligations under or in respect of the Bonds. The only remedy available to the Bondholders in the case of non-performance by the Bank of any of its obligations or any other breach by the Bank of the Terms and Conditions (including the non-payment of interest and principal) shall be the ability to institute court proceedings

for the dissolution and winding-up of the Bank in those instances set out by law. The Bondholders are not entitled to any other remedy in such cases and are not able to call an event of default or otherwise bring any enforcement action in respect of the Bank or its assets. The remedies under the Bonds are, therefore, more limited than those typically available to the Bank's unsubordinated creditors.

Waiver of Set-Off

Bondholders waive any right of set-off in relation to the Bonds. Therefore, the Bondholders will not be entitled to set-off the Bank's obligations under the Bonds against obligations owed by them to the Bank.

Complex Financial Instrument and Suitability Risk

The Bonds are complex financial instruments and may not be suitable for all prospective investors. Subject to the overarching requirement that Applicants who are Retail Clients may only subscribe for Bonds after passing a Suitability Test, all prospective investors are urged to consult an independent investment advisor licensed under the Investment Services Act as to the suitability or otherwise of an investment in the Bonds before making an investment decision. In particular, such advice should be sought with a view to ascertaining that each prospective investor: (a) has sufficient knowledge and experience to make a meaningful evaluation of the Bonds and understand the merits and risks of investing in the Bonds and the information contained, or incorporated by reference, in the Base Prospectus or in the relevant Financial Terms, or any Supplement; (b) has sufficient financial resources and liquidity to bear all the risks of an investment in the Bonds, including where the currency for principal or interest payments is different from the prospective investor's currency; (c) understands thoroughly the terms of the Bonds and is familiar with the behaviour of any relevant indices and financial markets; and (d) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Bonds are Redeemable at the Option of the Bank

Any or all of the Bonds may be redeemed by the Bank (subject to obtaining the prior permission of the MFSA and provided that the Bank meets the conditions set out in article 78 of the CRR) on an Early Redemption (Exceptional Event) Date; and/or, if provided for in the applicable Final Terms, on an Early Redemption Date, in each case on at least 30 days' prior written notice to the relevant Bondholders. Bondholders will be entitled to, in respect of the Bonds being redeemed, repayment of all principal together with interest accrued until the date of redemption but once the Bonds are redeemed the relevant Bondholders will no longer be entitled to any interest or other rights in relation to those Bonds. If Bonds are redeemed prior to the Maturity Date a Bondholder would not receive the same return on its investment that it would have received if those Bonds were redeemed on the Maturity Date. In addition, the Bondholder may not be able to re-invest the proceeds from the early redemption at yields that would have been received on the Bonds had they not been redeemed early. This optional redemption feature may also have a negative impact on the market value of the Bonds. During a period when the Bank may opt to redeem the Bonds, it is unlikely that the market value will rise above the price at which the Bond will be redeemed.

D. KEY INFORMATION ON THE OFFER OF BONDS TO THE PUBLIC AND THE ADMISSION TO TRADING ON A REGULATED MARKET

UNDER WHICH CONDITIONS AND TIMETABLE CAN I INVEST IN THE BONDS?

General Terms and Conditions

The Bond Issue, the listing of the Bonds on the Official List and the publication of the Base Prospectus were authorised by a resolution of the Board passed on 11 October 2023. Application has been made to the MSE for the Bonds to be listed and traded on the Official List. The Bonds are being issued at their Nominal Value (€100 per Bond) subject to a maximum aggregate principal amount of the Bonds that may be issued not exceeding €50,000,000. Authorised Intermediaries who shall be subscribing to Bonds pursuant to subscription agreements shall be doing so for their own account and/or for the account of their underlying clients, subject to a minimum subscription amount of €10,000 in Nominal Value of Bonds (and in multiples of €1,000 thereafter) in relation to each underlying client. In the event that Applications exceed the amount available for subscription (€50,000,000), the Bank will (and in turn, the Authorised Intermediaries will be required to) scale down Applications in accordance with the allocation policy adopted by the Bank, subject in all cases to a minimum allocation of €10,000 in Nominal Value of Bonds for each underlying client of the Authorised Intermediaries.

The issue and allotment of the Bonds is conditional, *inter alia*, upon: (i) the Bonds being admitted to the Official List; and (ii) the proceeds raised under this Tranche amounting to at least €10,000,000. The Bank also reserves the right to withdraw the offer of Bonds prior to the Issue Date for reasons beyond its control, such as extraordinary events, substantial change of the political, financial, economic, legal, monetary or market conditions at national or international level and/or adverse events regarding the financial or commercial position of the Bank and/or other relevant events that in the reasonable discretion of the Bank may be prejudicial to the offer. In the event that any of these conditions is not satisfied, the subscription for the Bonds shall be deemed not to have been accepted by the Bank, any application monies will be returned without interest by direct credit into the Applicant's bank account, and the issue of Bonds shall be cancelled forthwith.

Expected Timetable of the Bond Issue

i. Opening of Offer Period (Intermediaries' Offer):	30 October 2023
ii. Pre-Allocation Payment Date:	17 November 2023
iii. Closing of Offer Period (Intermediaries' Offer):	17 November 2023
iv. Announcement of Intermediaries' Offer results:	24 November 2023
v. Issue Date & Interest Commencement Date:	1 December 2023
vi. Expected date of admission of the Bonds to listing:	1 December 2023
vii. Expected date of commencement of trading of the Bonds:	4 December 2023

The Bank reserves the right to close the offer of Bonds prior to the end of the Offer Period, in which case (a) the events set out in steps 2 to 7 above shall be brought forward (although the number of Business Days between each of these events is not expected to be varied) and (b) the Bank will issue a company announcement to inform the market of the new dates.

Plan of Distribution

The Bonds will be distributed and are open for subscription as follows:

1. The Bank, together with the Registrar, have entered into Pre-Allocation Agreements with certain third party investors, on their own account or on behalf of their clients, in advance of the Offer Period, pursuant to which the Bank bound itself to allocate a total amount of €15,000,000 (in Nominal Value) of Bonds to these third party investors. Payment for these Bonds must be received by the Registrar in cleared funds by 17 November 2023, or any earlier date as the Bank may direct; and
2. The remaining balance of €35,000,000 (in Nominal Value) of Bonds will be available for subscription by all categories of investors (including Preferred Applicants and the general public) and will be distributed by the Authorised Intermediaries participating in the Intermediaries' Offer. In the event of an oversubscription, the Bank shall give preference to Preferred Applicants in accordance with an allocation policy to be determined by the Bank at the time.

Authorised Intermediaries subscribing for Bonds may do so for their own account or for the account of their underlying clients, and shall, in addition, be entitled to distribute any portion of the Bonds subscribed to their underlying clients upon commencement of trading or instruct the Registrar to issue a portion of the Bonds subscribed by them directly to their underlying clients. In any case, subscriptions and allocations shall be subject to a minimum Application and allocation of €10,000 in Nominal Value of Bonds to each underlying client of the Authorised Intermediaries.

Estimated Expenses of the Bond Issue

In the event that the aggregate Nominal Value of Bonds issued under this Tranche amounts to €50,000,000, the expenses of this Bond Issue are estimated to amount to *circa* €800,000 and shall be borne by the Bank. The amount of the expenses, which include professional fees and costs related to publicity, advertising, printing, selling commissions, listing and other miscellaneous expenses, will be deducted from the proceeds of the Bond Issue. There is no particular order of priority with respect to such expenses.

In the event that the aggregate Nominal Value of Bonds issued under this Tranche amounts to less than €50,000,000, the expenses of this Bond Issue will be reduced accordingly.

WHY IS THIS PROSPECTUS BEING PRODUCED?

The net proceeds from the Bond Issue, which net of Bond Issue expenses are expected to amount to *circa* €49,200,000, will constitute an integral part of the Bank's capital plan to further strengthen its Tier 2 Capital requirements in terms of the CRR (and, as a result, its MREL and other regulatory requirements), and will be used by the Bank to meet part of its general financing requirements. The Bond Issue is not underwritten.

Conflicts of interest

The Bank (acting in its capacity as an MFSA licensed investment firm) has been designated as an Authorised Intermediary and investors may therefore subscribe for Bonds through the Bank. Accordingly, the Bank has a financial interest in the relevant transaction. The Bank also has an interest in the issue of Bonds pursuant to these Final Terms by virtue of the fact that the net proceeds from the Bond issue will constitute an integral part of the Bank's capital plan (to further strengthen its Tier 2 Capital requirements in terms of the CRR) and will be used by the Bank to meet part of its general financing requirements. Prospective investors should therefore note that there is, among other things, a risk that the Bank's investment advisors propose this investment over other available investments available at that time or otherwise seek to oversell the Bond Issue.

In this respect, the Bank has a conflicts of interest policy which addresses how it identifies and seeks to mitigate conflicts of interest in the provision of services to clients (including Applicants). A summary of this policy is available here: <https://www.apsbank.com.mt/document-downloads>.

Specifically in relation to the provision of investment services in relation to the Bonds issued by itself as issuer, the Bank has implemented the following additional organisational and administrative measures aimed at mitigating the risks: (i) remuneration: Bank personnel involved in the sale of the Bond Issue will not receive any variable remuneration (e.g. commission or performance bonuses) linked to such sales; (ii) information barriers: The Bank's investment officers were not involved in the design and structure of the Bond Issue; and (iii) enhanced procedures: Where applicable, the Bank has implemented enhanced procedures in relation to the collection of information to carry out a suitability assessment in relation to the Bonds.

Save for the above and the possible subscription for Bonds by Authorised Intermediaries (which include the Sponsor & Manager) and any fees payable to the various professional advisors and service providers in connection with the issue of Bonds, the Bank is not aware of any person involved in the Bond Issue that has a material interest in the issue of Bonds pursuant to these Final Terms.

Annex 2: List of Authorised Intermediaries

Name	Address	Telephone
APS Bank plc	APS Centre, Tower Street, Birkirkara BKR 4012	21226644
Bank of Valletta plc	Premium Banking Centre, 475, Triq il-Kbira San Guzepp, St Venera SVR 1011 <i>(Applications accepted from Investment Centres and Wealth Management)</i>	22751732
Calamatta Cuschieri Investment Services Ltd	Ewropa Business Centre, Triq Dun Karm, Birkirkara BKR 9034	25688688
CiliaFormosa Financial Advisors Ltd	Triq id-Delu, Mosta MST 3355	22260200
Curmi & Partners Ltd	Finance House, Princess Elizabeth Street, Ta' Xbiex XBX 1102	21347331
FINCO Treasury Management Ltd	The Bastions Office No. 2, Emvin Cremona Street, Floriana FRN 1281	21220002
GlobalCapital Financial Management Ltd	Testaferrata Street, Ta' Xbiex XBX 1403	21342342
Hogg Capital Investments Ltd	NuBis Centre, Mosta Road, Lija LJA 9012	21322872
Jesmond Mizzi Financial Advisors Ltd	67, Level 3, South Street, Valletta VLT 1105	21224410
Lombard Bank Malta plc	67, Republic Street, Valletta VLT 1117	25581112
MeDirect Bank Malta plc	The Centre, Tigne` Point, Sliema TPO 0001	25574400
Michael Grech Financial Investment Services Ltd	The Brokerage, Level 0 A, St Marta Street, Victoria VCT 2551	22587000
MZ Investment Services Ltd	61, St Rita Street, Rabat RBT 1523	21453739
Rizzo Farrugia & Co (Stockbrokers) Ltd	Airways House, Fourth Floor, High Street, Sliema SLM 1551	22583000
Timberland Invest Ltd	CF Business Centre, Triq Gort, Paceville, St Julian's STJ 9023	20908100

This application form is not transferrable and entitles you to subscribe for 5.8% Unsecured Subordinated Bonds 2028-2033 (the "Bonds") in APS Bank plc (the "Bank") as either (i) an employee or a director of the Group; or (ii) an Existing Bondholder appearing on the Bank's register of bondholders or (iii) an Existing Shareholder appearing on the Bank's register of shareholders – in each case as at the Cut-Off Date, being 23 October 2023 (trading session of 19 October 2023); together referred to as 'Preferred Applicants' as defined in the Final Terms dated 24 October 2023 (the "Final Terms"). Please read the notes overleaf before completing this Preferred Application Form. **Complete in BLOCK LETTERS and Mark 'X' where applicable.**

A APPLICANT <i>(see notes 2 to 8)</i>			
		MSE A/C NO. <i>(mandatory)</i>	I.D. CARD / PASSPORT / COMPANY REG. NO. <i>(mandatory)</i>
DOCUMENT TYPE <i>(mandatory)</i>	COUNTRY OF ISSUE <i>(mandatory)</i>	DATE OF BIRTH <i>(mandatory)</i>	NATIONALITY <i>(mandatory)</i>
LEI - Legal Entity Identifier <i>(if applicant is NOT an individual)</i>			MOBILE NUMBER <i>(mandatory)</i>
<input type="checkbox"/> REGISTER FOR E-PORTFOLIO <i>(mobile number is used for e-portfolio registration)</i>			
B ADDITIONAL (JOINT) APPLICANTS <i>(see note 3)</i> <i>(please use Addendum to Preferred Application Form if space is not sufficient)</i>			
TITLE (Mr/Mrs/Ms/...)	FULL NAME & SURNAME		I.D. CARD / PASSPORT NO.
DOCUMENT TYPE	COUNTRY OF ISSUE	DATE OF BIRTH	NATIONALITY
C DECISION MAKER/MINOR'S PARENTS/LEGAL GUARDIAN(S)/USUFRUCT <i>(see notes 4, 7 and 8)</i> <i>(to be completed ONLY if applicable)</i>			
TITLE (Mr/Mrs/Ms/...)	FULL NAME & SURNAME		I.D. CARD / PASSPORT NO.
DOCUMENT TYPE	COUNTRY OF ISSUE	DATE OF BIRTH	NATIONALITY
TITLE (Mr/Mrs/Ms/...)	FULL NAME & SURNAME		I.D. CARD / PASSPORT NO.
DOCUMENT TYPE	COUNTRY OF ISSUE	DATE OF BIRTH	NATIONALITY
D I/WE APPLY TO PURCHASE AND ACQUIRE <i>(see note 9)</i>			
AMOUNT OF NEW BONDS IN FIGURES €		AMOUNT IN WORDS	
APS Bank p.l.c. 5.8% Unsecured Subordinated Bonds 2028-2033 ("Bonds") (minimum subscription of €10,000 and in multiples of €1,000 thereafter) at the Issue Price, as defined in the Final Terms, payable in full upon application in terms of the Additional Information as set out in the Final Terms.			
E RESIDENT - WITHHOLDING TAX DECLARATION <i>(see note 10)</i> <i>(to be completed ONLY if the Applicant is a resident of Malta)</i>			
<input type="checkbox"/> I/We elect to receive interest NET of FWT		<input type="checkbox"/> I/We elect to receive interest GROSS (i.e. without FWT)	
F NON-RESIDENT - DECLARATION FOR TAX PURPOSES <i>(see note 11)</i> <i>(to be completed ONLY if the Applicant is a non-resident)</i>			
TAX COUNTRY		CITY OF BIRTH	
T.I.N. (Tax Identification Number)		COUNTRY OF BIRTH	
<input type="checkbox"/> NOT resident in Malta but resident in the European Union		<input type="checkbox"/> NOT resident in Malta and NOT resident in the European Union	
G INTEREST, REFUND AND REDEMPTION MANDATE <i>(see notes 12 and 13)</i> <i>(completion of this panel is MANDATORY)</i>			
BANK	IBAN		
I/We have fully understood the instructions for completing this Preferred Application Form, and am/are making this Application solely on the basis of the Base Prospectus, and subject to its Terms and Conditions as contained therein, and Final Terms, which I/we fully accept.			
I/We hereby authorise the Bank to forward the details to the Malta Stock Exchange ("MSE") for the purposes of registering the Bonds in my/our MSE account, to register for the e-portfolio (where applicable) and to enable the reporting of all necessary transaction and personal information provided in this Preferred Application Form in compliance with Article 26 of MiFIR (Markets in Financial Instruments Regulation) to the Malta Financial Services Authority as competent authority ("Transaction Reporting"). Furthermore, I/we understand and acknowledge that the Bank may require additional information for Transaction Reporting purposes and agree that such information will be provided.			
Signature/s of Applicant/s		Date	
<small>(Parent/s or legal guardian/s are/is to sign if Applicant is a minor) [All parties are to sign in the case of a joint Application] [Bare owner/s and usufructuary/ies to sign in the case of holdings that are subject to usufruct]</small>			

AUTHORISED INTERMEDIARY'S STAMP

AUTHORISED INTERMEDIARY'S CODE

APPLICATION NUMBER

Notes on how to complete this Preferred Application Form and other information

The following notes are to be read in conjunction with the Base Prospectus dated 24 October 2023 (the "**Base Prospectus**") and the Final Terms regulating the Bond Issue

1. This Application is governed by the Terms and Conditions of Application contained in section 9 of the Base Prospectus, and the Final Terms. Capitalised terms not defined herein shall, unless the context otherwise requires, have the meaning ascribed to them in the Base Prospectus.
2. The Preferred Application Form is to be completed in BLOCK LETTERS. Applicants who are non-residents in Malta for tax purposes, must indicate their passport number in Panel A and complete Panel F.
3. The MSE Account Number pertaining to Existing Bondholders and Existing Shareholders has been pre-printed in Panel A and reflects the MSE account number on the Bank's register of bondholders and shareholders at the CSD as at the Cut-Off Date.

Employees and directors of the Group as at the Cut-Off Date are to insert full personal details in Panel A (including MSE account number which is mandatory). In the case of an Application by more than one person (including husband and wife) full details of all individuals must be given in Panels A and B but the person **whose name appears in Panel A shall, for all intents and purposes, be deemed to be the registered holder of the Bonds (vide note 6 below)**. Applications by more than two persons are to use an addendum to the Preferred Application Form.

Upon submission of a Preferred Application Form, Applicants who opt to have an online e-portfolio facility (by marking the relative box in Panel A), will receive by mail at their registered address a handle code to activate the new e-portfolio login. Registration for the e-portfolio facility requires a mobile number to be provided on the Preferred Application Form. The bondholder's statement of holdings evidencing entitlement to Bond held in the register kept by the central securities depository operated by the MSE ("CSD") and registration advices evidencing movements in such register will be available through the said e-portfolio facility on <https://eportfolio.borzamalta.com.mt/>. Further details on the e-portfolio may be found on <https://eportfolio.borzamalta.com.mt/help>.

4. Applications in the name and for the benefit of **minors** shall be allowed provided that the applicant already holds an account with the MSE. Any Bonds allocated pursuant to such an Application shall be registered in the name of the minor as Bondholder, with interest and redemption proceeds payable to the parents or legal guardian/s signing the Preferred Application Form until such time as the minor attains the age of eighteen (18) years, following which all interest and redemption proceeds shall be payable directly to the registered holder, provided that the Bank has been duly notified in writing of the fact that the minor has attained the age of eighteen (18) years. Panel C must be inserted with full details of the parents/legal guardians.
5. In the case of a body corporate, a valid Legal Entity Identifier ("LEI") needs to be inserted in Panel A. **Failure to include a valid LEI code, will result in the Application being cancelled by the Registrar.** Applications must be signed by duly authorised representatives indicating the capacity in which they are signing.
6. **PREFERRED APPLICANTS ARE TO NOTE THAT ANY SECURITIES ALLOTTED TO THEM WILL BE RECORDED BY THE MSE IN THE MSE ACCOUNT QUOTED ON THIS PREFERRED APPLICATION FORM EVEN IF THE DETAILS OF SUCH MSE ACCOUNT NUMBER, AS HELD BY THE CSD OF THE MSE, DIFFER FROM ANY OR ALL OF THE DETAILS APPEARING OVERLEAF. A SEPARATE REQUEST BY THE APPLICANT TO CHANGE THESE DETAILS AS RECORDED AT THE MSE, WILL HAVE TO BE AFFECTED.**
7. Where a decision to invest is taken by a third party authorised to transact on behalf of the Applicant (a "**decision maker**") such as an individual that holds a power of attorney to trade on the Applicant's account or applications under a discretionary account, details of the decision maker need to be included in Panel C.
8. Where an Applicant quotes an MSE account number which is held subject to **usufruct**, both the bare owner/s and the usufructuary/ies are to sign the Preferred Application Form.
9. Applications must be for a minimum subscription of €10,000 and thereafter in multiples of €1,000 and must be accompanied by the relevant subscription amount in Euro.
10. Only Applicants who hold a valid official Maltese Identity Card or companies registered in Malta will be treated as resident in Malta. In such a case the Applicant may elect to have final withholding tax, currently 15%, deducted from interest payments in which case such interest need not be declared in the Applicant's income tax return. The Applicant may elect to receive the interest gross (i.e. without deduction of final withholding tax), but will be obliged to declare interest so received in the tax return. The Bank will render an account to the Maltese Commissioner for Revenue of all interest paid, all amounts of tax deducted by the payor in respect of the interest paid and of the identity of all such recipients. Interest received by non-resident Applicants is not taxable in Malta and non-residents will receive interest gross. Authorised entities applying in the name of a prescribed fund (having indicated their status in the appropriate box in Panel A) will have final withholding tax (currently 10%), deducted from interest payments.

In terms of section 12 of the Base Prospectus, unless the Bank is otherwise instructed by a Bondholder, or if the Bondholder does not fall within the definition of "recipient" in terms of article 41(c) of the Income Tax Act (Cap. 123 of the laws of Malta), interest shall be paid to such person net of final withholding tax, (currently 15%) of the gross amount of interest, pursuant to article 33 of the Income Tax Act (Cap. 123 of the laws of Malta).

11. Non-residents of Malta should note that payment of interest to individuals and certain residual entities residing in another EU Member State is reported on an annual basis to the Director General Inland Revenue, Malta, who will in turn exchange the information with the competent tax authority of the Member State where the recipient of interest is resident. This exchange of information takes place in terms of the Council Directive 2014/107/EU, of 9 December 2014 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation.

The contents of Notes 10 and 11 above do not constitute tax advice by the Bank and Applicants are to consult their own independent tax advisors in case of doubt.

12. Interest and redemption proceeds will be credited to the bank account indicated in Panel G or as otherwise amended by the Bondholder/s during the term of the Bond.
13. The Offer Period will open at 09:00 hours on 30 October 2023 and will close at 17:00 hours on 17 November 2023, or earlier if the Bank exercises its right to close the offer earlier. Completed Preferred Application Forms may be submitted at any of the Authorised Intermediaries listed in Annex 2 of the Final Terms during regular office hours. **Remittances by post are made at the risk of the Applicant and the Bank disclaims all responsibility for any such remittances not being received by the date of closing of the subscription lists.** If any Application is not accepted after the closure of the subscription lists or is accepted for fewer Bonds than those applied for, the monies equivalent to the number of Bonds not being accepted will be returned by direct credit into the IBAN specified in Panel G.
14. The Bank reserves the right to refuse any Application which appears to be in breach of the Terms and Conditions of the Bond Issue as contained in the Base Prospectus and the Final Terms dated 24 October 2023.
15. Any Applicant who submits a Preferred Application Form to the Bank and/or receives any investment advice from the Bank in respect of the Bond Issue should refer to section 2 of the Base Prospectus which (a) sets out certain conflicts of interest that arise in connection with the Bank acting as an Authorised Intermediary and its provision of investment advisory services in respect of the Bond Issue, and (b) describes how the Bank mitigates such conflicts of interest.
16. By completing and delivering a Preferred Application Form you (as the Applicant(s)) acknowledge that:
 - a. the Bank or its duly appointed agents including the CSD and the Registrar, may process the personal data that you provide in the Preferred Application Form in accordance with the Data Protection Act (Cap. 586 of the laws of Malta) and the General Data Protection Regulation (GDPR)(EU) 2016/679 as amended from time to time;
 - b. the Bank may process such personal data for all purposes necessary for and related to the Bonds applied for; and
 - c. you, as the Applicant, have the right to request access to and rectification of the personal data relating to you, as processed by the Bank.

Any such requests must be made in writing and addressed to the Bank. The request must be signed by yourself as the Applicant to whom the personal data relates.

The value of investments can go up or down and past performance is not necessarily indicative of future performance. Prospective investors should carefully consider all the information contained in the Base Prospectus and Final Terms and should consult their own financial and other professional advisors.

