

KEY INFORMATION DOCUMENT (FOREIGN EXCHANGE SWAP)

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:	Foreign Exchange Swap Traded OTC
PRIIP manufacturer:	Banque et Caisse d'Épargne de l'État, Luxembourg (Spuerkeess)
Manufacturer's website:	http://www.spuerkeess.lu
Telephone number:	Call +352 4015 - 5270 for more information
Competent authority:	CSSF (Commission de Surveillance du Secteur Financier, Luxembourg)
Created on:	5 December 2022

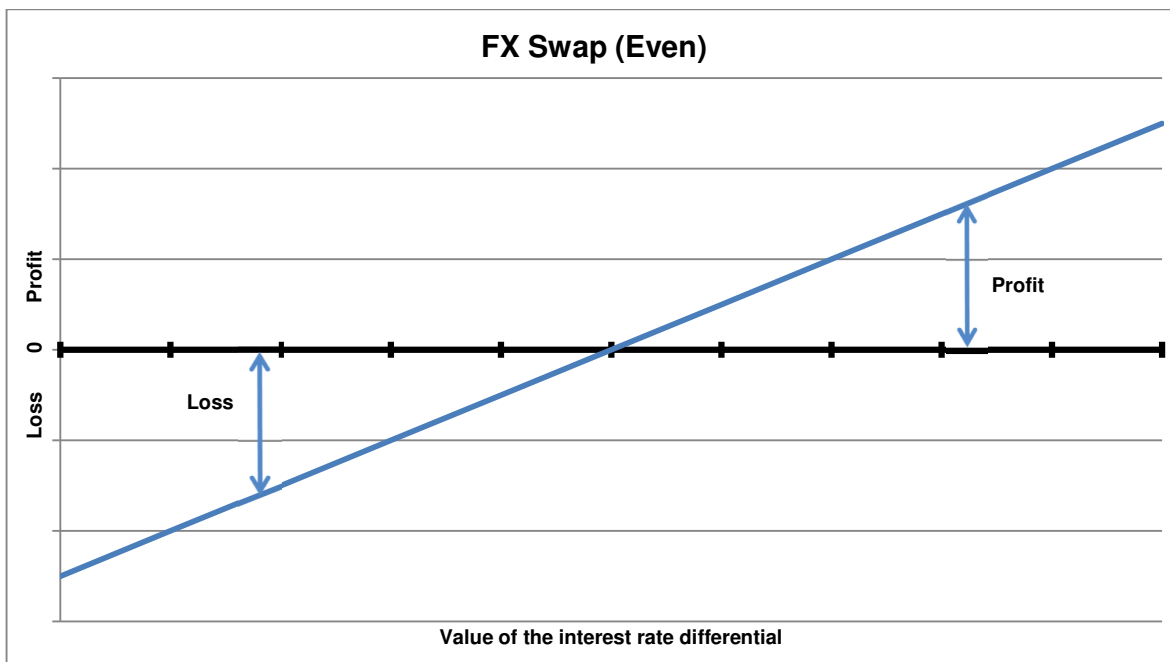
You are about to purchase a product that is not simple and may be difficult to understand.

WHAT IS THIS PRODUCT?

Type:	Foreign Exchange Swap
Objective:	A Foreign Exchange Swap is a simultaneous purchase and sale of identical amounts of one currency for another with two different value dates. Accordingly, a FX Swap has two legs, namely a spot and a forward transaction, which offset each other in terms of amounts of currency 1 bought (sold) and sold (bought) against currency 2. The spot transaction is settled at the spot rate, and the forward transaction is settled at the forward rate.
Intended retail investor:	The product is intended to be offered to retail investors who: <ul style="list-style-type: none"> • are looking for growth rather than income; • are willing and able to bear a loss; • have a short term investment horizon; • have advanced knowledge of and experience with these types of instruments and the relevant markets.
Term:	The product shows the following term structure: <ul style="list-style-type: none"> • This key information document covers all possible maturity dates up to 1 year. • The PRIIP manufacturer is not entitled to terminate the contract unilaterally. • On the initiation date, as well as on the expiry date, the contract will be exercised by the two engaging parties. Both parties have to accept the delivery of the currencies at the pre-determined rates.

WHAT ARE THE RISKS AND WHAT COULD I GET IN RETURN?

RISK INDICATOR								
Lower risk						Higher risk	<p>The summary risk indicator is a guide to the level of risk of this 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 or the PRIIP manufacturer are not able to pay you.</p> <p>We draw your attention to the fact that we have classified this product as 7 out of 7, which is the highest risk class. This rates the potential losses from future performance at a very high level.</p> <p>Be aware of currency risk in the case the product is expressed in another currency than your base currency. In this case you will receive payments in a different currency, so the final return you will get depends on the exchange rate between the two currencies. The currency risk is not considered in the indicator shown above.</p> <p>Be aware of liquidity risk due to the non-existence of a secondary market, when negotiating the terms of the forward, including collateral provisions. You may not be able to sell (end) your product easily or you may have to sell (end) at a price that significantly impacts on how much you get back.</p> <p>This product does not include any protection from future market performance so you could lose part or all of your investment.</p>	
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This graph illustrates how your investment could perform. You can compare it with the pay-off graphs of other derivatives.

The graph presented gives a range of possible outcomes and is not an exact indication of what you might get back. What you get will vary depending on how the underlying develops. For each value of the underlying, the graph shows what the profit or loss of the product would be. The horizontal axis shows the various possible values of the interest rate differential on the expiry date and the vertical axis shows the respective profit or loss.

Entering an even swap transaction neutralizes the currency risk for the certain amount in currency 1. However, due to the interest rate differential, the investor is going to experience a currency risk for the difference in amounts on the spot and forward leg in currency 2. Accordingly, the maximum loss depends on how interest rates in currency 1 behave compared to interest rates in currency 2.

The figures shown include all the manufacturing costs of the product itself, but may not include all the costs 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.

WHAT HAPPENS IF BANQUE ET CAISSE D'EPARGNE DE L'ETAT, LUXEMBOURG IS UNABLE TO PAY OUT?

As Banque et Caisse d'Epargne de l'Etat, Luxembourg is an engaging party in the forward contract, the client holds counterparty risk vis-à-vis the Bank, as the PRIIP manufacturer. The client does, however, not face a financial loss due to the default of an entity other than the PRIIP manufacturer. It should also be noted that a potential loss is not covered by an investor compensation or guarantee scheme.

WHAT ARE THE COSTS?

COSTS OVER TIME

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

Scenario: foreign exchange swap for a counter-value of EUR 100.000,00

	If the product matures after 1 year	If the product matures after 2 years
Total costs	EUR 400,00	EUR 400,00
Impact of total costs on EUR 100.000,00 per year	0,40%	0,20%

COMPOSITION OF COSTS

The table below shows:

- the impact of the different types of costs on the investment return you might get at the end of the recommended holding period;
- the meaning of the different cost categories.

COSTS			
One-off costs	Entry costs	0,40%	Fee of 0,40% with a minimum of EUR 150,00.
	Exit costs	0,00%	The impact of the costs of exiting your investment when it matures.
Ongoing costs	Other ongoing costs	0,00%	The impact of the costs charged each year for managing your investments.
Incidental costs	Performance fees	0,00%	There is no performance fee for this product.

HOW LONG SHOULD I HOLD IT AND CAN I TAKE MONEY OUT EARLY?

The utility, and the concomitant recommended holding period for foreign exchange swap contracts largely depend on the client's needs for currency performance, be that for hedging or for speculation purposes.

In order to take out money prior to the expiry date of the contract, the client would be required to engage in an off-setting operation.

Such an off-setting operation is possible at all times and is composed of an opposite transaction compared to the initial transaction. Additional costs will be engendered on such a second operation. The overall result of these two transactions to the client will depend on the market conditions under which each of them has been completed.

HOW CAN I COMPLAIN?

Complaints about the product, the conduct of Banque et Caisse d'Epargne de l'Etat, Luxembourg or the financial entity advising on or selling the product, should be addressed to

Banque et Caisse d'Epargne de l'Etat, Luxembourg, Service Compliance, 1, Place de Metz, L-1930 Luxembourg, or to reclamations@spuerkeess.lu.

A link to the complaints section of Banque et Caisse d'Epargne de l'Etat, Luxembourg's website can be found here:

<https://www.spuerkeess.lu/en/private-customers/information-help/reclamations/what-to-do-in-case-of-a-complaint/>.

OTHER RELEVANT INFORMATION

Other relevant information may as well be found on the website of the Bank: www.spuerkeess.lu.