



KEY INFORMATION DOCUMENT CALLABLE STEP-UP NOTE

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

Name of the product:	Callable Step-Up Note
ISIN Code of the Product:	Listed on a regulated market XS2554090428
Initiator of the PRIIP:	Banque et Caisse d'Epargne de l'Etat, Luxembourg (Spuerkeess)
Initiator's website:	http://www.spuerkeess.lu
Phone number:	Call (+352) 4015-5075 for more information
Competent authority:	Commission de Surveillance du Secteur Financier, Luxembourg (CSSF)
Created on:	3 November 2022


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

WHAT IS THIS PRODUCT?

Type:	Bond claim in EMTN format with the right to reimbursement of the capital invested.								
Objective:	<p>The objective of the product is to achieve a return by capturing progressive coupons until final maturity in a scenario of stable or even slightly downward rate changes.</p> <p>The note pays a coupon of 2,20% p.a. for the first semester, 2,70% p.a. for the second semester, 3,20% p.a. for the third semester and 3,70% for the last semester, provided that the product is not recalled early.</p> <p>Reimbursement:</p> <p>This product entitles you, at the final maturity or on the date of early redemption, to the reimbursement of 100% of your capital initially invested. In the event of bankruptcy or restructuring of the issuer (Banque et Caisse d'Epargne de l'Etat, Luxembourg), imposed by the resolution authority in order to avoid bankruptcy, you run the risk of not recovering the sums to which you are entitled and partially or totally lose the amount invested. The right to redemption of 100% of the capital invested is not applicable in the event of disinvestment (i) before the date of early redemption or (ii) before the final maturity date, under the condition that there has not been an early redemption.</p>								
Targeted Retail Investors:	<p>The product is intended to be offered to retail investors who</p> <ul style="list-style-type: none"> • are looking for a product with guaranteed capital distributing fixed coupons known in advance; • accept to be repaid early at the option of the issuer; • wish to have a right to reimbursement of the capital invested at the final maturity or upon early redemption; • have sufficient knowledge and experience of bonds and • have a short to medium term investment horizon. 								
Term:	2 years								
Important dates and data:	<p>This product is issued by Banque et Caisse d'Epargne de l'Etat, Luxembourg</p> <p>Calendar</p> <table> <tr> <td>Date of issue</td> <td>22 November 2022</td> </tr> <tr> <td>Coupon Payment Date</td> <td>22 May 2023; 22 November 2023; 22 May 2024 and 22 November 2024</td> </tr> <tr> <td>Early Call Date</td> <td>22 November 2023; 22 May 2024</td> </tr> <tr> <td>Maturity date</td> <td>22 November 2024</td> </tr> </table>	Date of issue	22 November 2022	Coupon Payment Date	22 May 2023; 22 November 2023; 22 May 2024 and 22 November 2024	Early Call Date	22 November 2023; 22 May 2024	Maturity date	22 November 2024
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WHAT ARE THE RISKS AND WHAT COULD I GET IN RETURN?

Lower risk	Higher risk	<p>The synthetic risk indicator makes it possible to assess the level of risk of this product compared to other products. It indicates the probability that the investor will incur losses on the product in the event of a movement in the markets.</p> <p>We have classified this product in risk class 1 out of 7, which is the lowest risk class. In other words, the potential losses related to the future results of the product are at a very low level and, if the situation were to deteriorate on the markets, it is very unlikely that our ability to reimburse you will be affected.</p> <p>You are entitled to the return of at least 100% of your invested capital. This protection against future market performance does not apply in the event of an exit before the final maturity.</p> <p>If we are unable to pay you the sums due, you may lose all of the capital invested.</p>				
←	→					
1	2	3	4	5	6	7
 <p>The risk indicator assumes that you keep the product for the recommended holding period. The actual risk may be very different if you opt to exit before maturity, and you may get less in return. You may not be able to sell the product easily, or you may have to sell it at a price that will significantly affect the amount you receive in return.</p>						

PERFORMANCE SCENARIOS

Investment EUR 10.000 (under the assumption of holding until maturity or early redemption at the option of the issuer).				
Scenarios		1 year	1 year and 6 months	2 years (Recommended holding period)
Stress scenario	What you might get after costs Average annual return	EUR 10.245 2,44%	EUR 10.405 2,66%	EUR 10.590 2,89%
Unfavourable scenario	What you might get after costs Average annual return	EUR 10.245 2,44%	EUR 10.405 2,66%	EUR 10.590 2,89%
Moderate scenario	What you might get after costs Average annual return	EUR 10.245 2,44%	EUR 10.405 2,66%	EUR 10.590 2,89%
Favourable scenario	What you might get after costs Average annual return	EUR 10.245 2,44%	EUR 10.405 2,66%	EUR 10.590 2,89%

These figures do not take into account your personal tax situation, which can also influence the amounts you will receive (e.g. taking into account the withholding tax "RTS").

This table shows how much you could get over 2 years, under different scenarios, assuming you invest EUR 10.000. The different scenarios show how your investment might perform. You can compare them with the scenarios of other products. The scenarios presented are an estimate of future performance based on past data relating to variations in the value of this investment. They are not an exact indicator. What you get will depend on how the market moves, on the exercise or not of the "Call" by the issuer, as well as on how long you hold onto the investment or product. The stress scenario shows what you could get in extreme market situations, and does not take into account if we cannot pay you.

The figures shown include all costs of the product itself, but not necessarily all charges due to your advisor or distributor.



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

In the event of bankruptcy or restructuring (e.g. bail-in) of the issuer, pursuant to Directive 2014/59/EU, you run the risk that the capital initially invested will only be reimbursed partially, or even not at all, at maturity. In this case, you also run the risk that the capital gain will not be paid. This product cannot be considered as a deposit and is therefore not protected under the Luxembourg deposit protection system.

WHAT ARE THE COSTS?

COSTS OVER TIME

The person selling you this product or giving you advice about it may ask you to pay additional costs. If so, this person will tell you about these costs and show you how all costs affect your investment over time.

Scenario 1: subscription of 6 denominations at EUR 10.000

Investment EUR 60.000 Scenarios	If you exit after 1 year	If you exit after 1 year and 6 months	If you keep the product until final maturity (recommended holding period)
Total costs	EUR 60	EUR 60	EUR 0
Yield impact (yield reduction) per year	0,10%	0,07%	0,00%

Scenario 2: subscription of 1 denomination at EUR 10.000

Investment EUR 10.000 Scenarios	If you exit after 1 year	If you exit after 1 year and 6 months	If you keep the product until final maturity (recommended holding period)
Total costs	EUR 50	EUR 50	EUR 0
Yield impact (yield reduction) per year	0,50%	0,33%	0,00%

These figures do not take into account your personal tax situation, which can also influence the amounts you will receive (e.g. taking into account the withholding tax "RTS").

COST BREAKDOWN

The table below shows:

- the impact of the different types of charges on the return on the investment that you could obtain over time;
- the meaning of the different categories of costs.

FEES			
One-time charges	Entry costs	0,00%	
	Exit costs	0,10% (minimum EUR 50)	Charges related to an early sale on the Luxembourg Stock Exchange
Recurring charges	Other recurring costs	0,00%	
Incidental charges	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?

Recommended holding period: until final maturity with the option of accepting early redemption at the option of the issuer.

Under normal market conditions, Banque et Caisse d'Epargne de l'Etat, Luxembourg (Spuerkeess) ensures a daily secondary market throughout the life of the product by providing purchase and sale prices expressed as a percentage of the nominal value and the difference between the buy and sell prices (the spread) will not be greater than 1% of this nominal value. If you wish to sell this product before the maturity date, the price of the product will depend on the evolution of market parameters at the time of release. In this case, this could lead to a partial loss of the amount invested.

HOW CAN I COMPLAIN?

Complaints about the product, the conduct of Banque et Caisse d'Epargne de l'Etat, Luxembourg or the financial institution selling the product to you or advising you should be addressed to Banque et Caisse d'Epargne de l'Etat, Luxembourg, Service Compliance, 1, Place de Metz, L-1930 Luxembourg or at reclamations@spuerkeess.lu.

You will find a link to the "Complaints" section of Banque et Caisse d'Epargne de l'Etat, Luxembourg website at the following address:

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

OTHER RELEVANT INFORMATION

You will also find other relevant information on Spuerkeess's website: www.spuerkeess.lu.