

# Key Information Document



## Purpose

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

This document sets out the generic risks of, performance scenarios for and costs of a **Cross Currency Swap**, being a PRIIP (Packaged Retail and Insurance-Based Investment Product) that you may be considering as an investment product, in order that you can compare it to other products. The specific terms of the product that you enter into will be set out in the confirmation and other transaction documents relating to that product.

## Product

|  |  |
|--|--|
| <b> PRIIP Name:</b>                            | Cross Currency Swap                                      |
| <b> PRIIP Manufacturer:</b>                    | The Governor and Company of the Bank of Ireland (“BOI”)  |
| <b> Website for PRIIP Manufacturer:</b>        | www.bankofireland.com                                    |
| <b> Contact number for PRIIP manufacturer:</b> | Call 00353 (0)1 790 0000 for more information            |
| <b> Competent Authority:</b>                   | Authorised by the Central Bank of Ireland                |
| <b> Date of this Key Information Document:</b> | The date of this Key Information Document is 01 Jan 2021 |

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

## What is this product?

**Type:** An Over the Counter Derivative (OTC) contract – Cross Currency Swap

### Objectives:

The objective of this product is to manage adverse movements in currency rates that you may experience. Note that it may not provide you with complete protection against such exposures. The product enables the conversion of borrowings on one currency into an alternative currency and achieves its objectives by BOI agreeing the terms of an OTC contract with you to an agreed date (the termination date) under which you will agree to exchange interest obligations in one currency for interest obligations in another currency. You may choose to exchange Notional Amounts and you may choose to pay or receive interest based on fixed or floating rates.

An example of how the product achieves its objectives as follows:

- On initial exchange you will pay BOI the agreed USD Notional Amount and in return receive the EUR equivalent converted at the agreed conversion rate.
- On each of the Pre-agreed dates for payments you will receive interest amounts based on the USD floating/fixed rate and USD Notional. You will pay interest amounts based on the EUR fixed/ floating rate and EUR Notional.
- On final exchange you will receive back the agreed USD Notional Amount and pay the EUR equivalent converted at the agreed conversion rate.

The product terms typically provide that if certain exceptional events occur (1) BOI may make adjustments to the product and/or (2) BOI or you may terminate the product early. These events are specified in the transaction documents for the specific product (“the Transaction Documents”, which Transaction Documents typically constitute a confirmation and ISDA Master Agreement between BOI and you) and principally relate to the underlying, the product and the condition of you and/or BOI. The return (if any) you receive on such early termination is likely to be different from the scenarios described above.

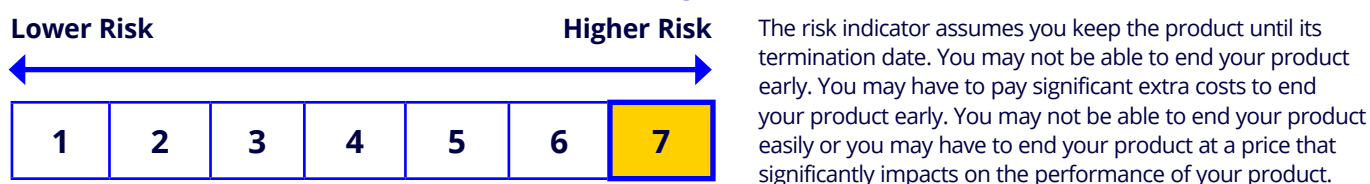
Sample product terms are set out below, which are indicative of the terms of a BOI Cross Currency Swap but which may not reflect the exact terms you agree with BOI. The exact terms of the product are flexible and can be adjusted to suit your requirements. The figures provided below are illustrative and may differ from the actual terms of the Transaction Documents. This applies in particular to the calculation of the performance scenarios and the costs, which are based on the following example parameters.

|  |                          |  |                                 |
|--|--------------------------|--|---------------------------------|
| <b>Fixed term</b>                        | 02/01/2021 to 02/01/2026 | <b>Fixed interest amount paid by BOI</b> | 0.25%                           |
| <b>Initial Exchange paid by You</b>      | \$1,184,000.00           | <b>Final Exchange paid by You</b>        | €1,000,000.00                   |
| <b>Initial Exchange paid by BOI</b>      | €1,000,000.00            | <b>Final Exchange paid by BOI</b>        | \$1,184,000.00                  |
| <b>Fixed interest amount paid by You</b> | -0.64%                   | <b>Pre-agreed dates (for payments)</b>   | Quarterly (i.e. every 3 months) |

**Intended retail investor:** This product is intended for retail investors with a short, medium or long time horizon who: (i) have sufficient knowledge or experience to understand complex financial products; and (ii) want a level of protection against adverse movements in interest rates.

**Term:** The length of the Cross Currency Swap will depend on how long you wish to convert borrowings on one currency into an alternative currency and will be agreed before you enter into the product. The Cross Currency Swap is a bilateral agreement that cannot ordinarily be terminated unilaterally by either you or BOI. Typically, the Cross Currency Swap cannot be automatically terminated.

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



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 are not able to pay you. We have classified this product as 7 out of 7, which is the highest risk class. This classification rates the potential losses from future performance at a very high level, and poor market conditions are very likely to impact your return in the event of an early termination of this product. Additional materially relevant risks of this product are outlined in **BOI's Terms of Business** and in our information document entitled '**Cross Currency Swap - Product Overview**' (which will be made available to you by your contact in BOI). This product does not include any protection from future market performance so you could incur significant losses. If we are not able to pay you what is owed, you could incur significant losses.

**Performance scenarios:** This table shows the money you could get back or pay on the termination date, under different scenarios, assuming a nominal value of €1,000,000. The scenarios shown illustrate how your investment could perform. You can compare them with the scenarios of other products. The scenarios presented are an estimate of future performance based on evidence from the past, and are not an exact indicator. What you get will vary depending on how the market performs and how long you keep the investment/product. The stress scenario shows what you might get back or pay in extreme market circumstances, and it does not take into account the situation where we are not able to pay you. This product cannot be easily ended. This means it is difficult to estimate how much you would get if you end before the end of the recommended holding period. You will either be unable to end early or you will have to pay high costs or make a large loss if you do so. The figures shown include all the costs of the product itself, but may not include all the costs that you pay to your advisor or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back.

## Performance Scenarios Nominal amount €1,000,000

| Scenarios                    |   | 1 year post-trade | 3 years post-trade | 5 years (Maturity Date) |
|------------------------------|---|-------------------|--------------------|-------------------------|
| <b>Stress Scenario</b>       | What you might get back or pay after costs        | -€82,800          | -€163,500          | -€294,400               |
|                              | Average return/loss over nominal amount each year | -8.28%            | -16.35%            | -29.44%                 |
| <b>Unfavourable Scenario</b> | What you might get back or pay after costs        | -€15,200          | -€71,800           | -€128,900               |
|                              | Average return/loss over nominal amount each year | -1.52%            | -7.18%             | -12.89%                 |
| <b>Moderate Scenario</b>     | What you might get back or pay after costs        | €56,000           | €55,300            | €64,400                 |
|                              | Average return/loss over nominal amount each year | 5.60%             | 5.53%              | 6.44%                   |
| <b>Favourable Scenario</b>   | What you might get back or pay after costs        | €131,300          | €180,900           | €226,700                |
|                              | Average return/loss over nominal amount each year | 13.13%            | 18.09%             | 22.67%                  |

In the above table and in each case, average return/loss is calculated as the Cross Currency Swap's market value under each scenario divided by the Nominal amount of €1,000,000.

## What happens if BOI is unable to pay out?

The product is not protected by either the Investor Compensation Scheme in Ireland, the Financial Services Compensation Scheme in the United Kingdom or any other investor compensation or guarantee scheme. This means that if BOI is unable to pay out, you may not receive any amount from BOI under the Cross Currency Swap.

## What are the costs?

The Reduction in Yield (RIY) shows what impact the total costs you pay will have on the performance of the product. The total costs take into account one-off, ongoing and incidental costs. The amounts shown here are cumulative costs of the product itself, over the recommended holding period (in this example 5 years). They include potential early exit penalties. The figures assume a nominal value of €1,000,000. The figures are estimates and may change in the future.

**Costs over time:** The person selling you or advising you about this product may charge you other costs. If so, this person will provide you with information about these costs, and show you the impact that all costs will have on your investment over time. For the avoidance of doubt, BOI provides this product on a non-advised basis only.

| Nominal amount €1,000,000 Scenarios | If you end at the end of the recommended holding period |
|-------------------------------------|---|
| Total costs                         | €8,750  |
| Impact on return (RIY) per year     | 0.18%   |

**Composition of costs:** The table below shows the impact each year of the different types of costs on the performance of the product at the end of the recommended holding period and the meaning of the different cost categories.

|               |                             |       |   |
|---------------|-----------------------------|-------|---|
| One-off costs | Entry costs                 | n.a   | The impact of the costs you pay when entering your investment. The impact of the costs already included in the price. This is the most you will pay, and you could pay less. This includes the costs of distribution of your product. |
|               | Exit costs                  | n.a   | The impact of the costs of exiting your investment at the end of the recommended holding period.  |
| Ongoing costs | Portfolio transaction costs | n.a   | The impact of the costs of us buying and selling underlying investments for the product.  |
|               | Other ongoing costs         | 0.18% | The impact of the costs that we take each year for managing your investment (i.e. credit spread and execution costs which incorporate BOI's risk, administration costs and revenue margin).   |

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

**Recommended holding period:** This product is designed to be held until its expiry date based on the requirements you have identified when executing this product with BOI and may not be easily sold or transferred. Early termination may occur in the event of a default or disruption situation or if you or BOI agree for it to be terminated early, in which case, additional costs to those costs outlined under "What are the costs?" above may be incurred.

## How can I complain?

Complaints will be dealt with in accordance with Clause 28 of **BOI's Terms of Business**. Complaints about the product, the conduct of BOI and/or the person advising on, or selling the product, can be referred in writing to Head of Customer Group Dublin, Bank of Ireland Global Markets, 3rd Floor, Baggot Plaza, 27-33 Upper Baggot Street, Dublin 4, D04 VX58 or by **email**. Separately, information about the general feedback and complaints process for customers of BOI can be found on the BOI group's **website**.

## Other relevant information

The terms and conditions for dealing in these products are set out in **BOI's Terms of Business**. Further information on these products is available in our information document entitled '**Cross Currency Swap - Product Overview**'. The specific terms of the product that you enter into will be set out in the Transaction Documents relating to that product.