

Bank of Ireland Global Markets Target Market and Distribution Strategy for Financial Instruments

June 2022

1. Background

Bank of Ireland Global Markets (“GM”) manufactures and/or distributes a number of Financial Instruments (as defined in our Terms of Business) to its clients and counterparties (“you”) that are in scope of the Product Governance requirements under the Markets in Financial Instruments Directive (as amended or superseded, “MiFID II”).

The Product Governance requirements of MiFID II aim to ensure that firms which manufacture and distribute Financial Instruments act in the best interests of investors at all stages of a product’s development and distribution life-cycle. Product Governance requirements apply to all MiFID II products traded on both primary and secondary markets.

GM has implemented a framework for MiFID II Product Governance requirements that is aligned to its business model and customer base and this disclosure sets out GMs view of the Target Market for MiFID products it manufactures and/or distributes.

Whilst MiFID II Product Governance requirements apply to both primary and secondary capital market Financial Instruments, this disclosure does not cover (i) primary market capital markets Financial Instruments and (ii) Financial Instruments where we are a co-manufacturer, and the other co-manufacturer is solely responsible for the target market assessment. For these Financial Instruments, the target market will be clearly communicated in the offering and/or transaction documentation.

2. GM as a Manufacturer

As a manufacturer of Financial Instruments, we are required to meet certain Product Governance obligations under MiFID II, including the identification of a target market for the Financial Instruments that we manufacture.

- All GM Financial Instruments are manufactured and intended to be distributed to Retail, Professional and ECP clients, though certain limitations may apply to Elective Professional clients and Retail clients who do not meet appropriateness test.
- If you are a Per Se Professional client or ECP dealing with GM, we are entitled to assume that you fully understand the risks and potential adverse consequences, including the potential for unlimited losses, of each Financial Instrument that you choose to transact with us.

In choosing to transact with us, you have:

- chosen Financial Instruments manufactured and/or distributed by GM from the range of Financial Instruments and/or related services available to you in the market generally;
 - carried out independent analysis of these Financial Instruments and the potential outcomes to the extent that you have considered necessary;
 - had the opportunity to request from us (and consider) the information you deem necessary or appropriate in connection with your decision to enter into a Financial Instruments transaction with us; and
 - understood the risks associated with the Financial Instruments, as well as the market factors which may cause the Financial Instruments to underperform (compared to other investments or strategies) or that may result in losses.
- An over-the-counter (“OTC”) derivative is a standalone bilateral contract and is not capable of onward distribution without the consent of all parties.
 - GM does not use third party distributors to distribute its Financial Instruments, although some firms (e.g. asset managers) may purchase products from us on behalf of its underlying clients.

3. GM as a Distributor

Financial Instruments manufactured by GM are distributed through Bank of Ireland Global Markets on a non-advised basis. The distribution of Financial Instruments is conducted on an execution only basis. Retail and Professional clients are subject to an appropriateness assessment. This appropriateness assessment is broader for Retail clients. Bank of Ireland Global Markets will not provide investment advice to clients in relation to the distribution of these Financial Instruments.

We have obligations under MiFID II to identify the target market for Financial Instruments we distribute. Where we do distribute Financial Instruments to you, our target market (and the relevant distribution strategy) is on the basis set out in this document as well as the table below.

4. Target Market for GM Financial Instruments

The target market for Financial Instruments manufactured and distributed by GM is set out below.

Bank of Ireland Global Markets as Distributor - No products distributed for Third Parties

| MiFID Categorisation | Retail | Elective Professional | Per-Se Professional | Eligible Counterparty | Knowledge and Experience* | Distribution Strategy | Negative Target market |
|--|--------|-----------------------|---------------------|-----------------------|-----------------------------------|---|---|
| MiFID Product | | | | | | | |
| Interest Rate Swaps | ✓ | ✓ | ✓ | ✓ | Informed Advanced | Non advised or execution only with appropriateness assessment | Personal Mass Market, Retail basic Knowledge, Clients who have no underlying risk that requires hedging |
| IR Caps | ✓ | ✓ | ✓ | ✓ | Informed Advanced | Non advised or execution only with appropriateness assessment | Personal Mass Market, Retail basic Knowledge, Clients who have no underlying risk that requires hedging |
| IR Floors | ✓ | ✓ | ✓ | ✓ | Informed Advanced | Non advised or execution only with appropriateness assessment | Personal Mass Market, Retail basic Knowledge, Clients who have no underlying risk that requires hedging |
| IR Options | ✓ | ✓ | ✓ | ✓ | Informed Advanced | Non advised or execution only with appropriateness assessment | Personal Mass Market, Retail basic Knowledge, Clients who have no underlying risk that requires hedging |
| FX Forwards | ✓ | ✓ | ✓ | ✓ | Informed Advanced | Non advised or execution only with appropriateness assessment | Personal Mass Market, Retail basic Knowledge, Clients who have no underlying risk that requires hedging |
| NDFs | ✓ | ✓ | ✓ | ✓ | Informed Advanced | Non advised or execution only with appropriateness assessment | Personal Mass Market, Retail basic Knowledge, Clients who have no underlying risk that requires hedging |
| Cross CCY Swaps | ✓ | ✓ | ✓ | ✓ | Informed Advanced | Non advised or execution only with appropriateness assessment | Personal Mass Market, Retail basic Knowledge, Clients who have no underlying risk that requires hedging |
| Emission Hedging Products | ✗ | ✓ | ✓ | ✓ | Informed (Prof/ECP Only) Advanced | Non advised or execution only with appropriateness assessment | Personal Mass Market, All Retail Clients, Clients who have no underlying risk that requires hedging |
| Inflation Hedging Products | ✗ | ✓ | ✓ | ✓ | Informed (Prof/ECP Only) Advanced | Non advised or execution only with appropriateness assessment | Personal Mass Market, All Retail Clients, Clients who have no underlying risk that requires hedging |
| FX Options | ✓ | ✓ | ✓ | ✓ | Informed Advanced | Non advised or execution only with appropriateness assessment | Personal Mass Market, Retail basic Knowledge, Clients who have no underlying risk that requires hedging |
| Deposit with embedded Options | ✗ | ✗ | ✓ | ✓ | Informed, Advanced | Non advised or execution only with appropriateness assessment | Personal Mass Market, Retail and Elective Professional |
| Sub Par (<100% Capital Guaranteed) Structured Deposits | ✗ | ✗ | ✓ | ✓ | Informed, Advanced | Non advised or execution only with appropriateness assessment | Personal Mass Market, Retail and Elective Professional |

*Assessment of Knowledge and Experience is dependent on client MiFID classification. We are entitled to assume knowledge and experience for ECP and Per Se Professional clients. GM will assess Retail and Elective Professionals clients knowledge and experience as Basic, Informed or Advanced based on an assessment of their prior experience and knowledge to understand the risks involved in the GM product required.

Bank of Ireland is authorised and regulated by the Central Bank of Ireland. Authorised by the Prudential Regulation Authority and with deemed variation of permission. Subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. The nature and extent of consumer protections may differ from those for firms based in the UK. Details of the Temporary Permissions Regime, which allows EEA-based firms to operate in the UK for a limited period while seeking full authorisation, are available on the Financial Conduct Authority's website. Bank of Ireland is incorporated in Ireland with limited liability.