

Bank of Ireland Global Markets Target Market Matrix Manufacturing and Distribution Strategy

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1. Background

Bank of Ireland Global Markets (“GM”) both manufactures and 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are in scope of the Product Governance requirements under the Markets in Financial Instruments Directive (as amended or superseded, “MiFID II”).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 products design, development and distribution lifecycle. This includes a client’s sustainability preference if applicable. 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 GM’s view of its Target Market for MiFID products it manufactures and its distribution strategy.

2. GM as a Manufacturer

As a manufacturer of Financial Instruments, we are required to meet certain Product Governance obligations under MiFID II. These responsibilities include the performance of scenario analysis as part of our product design phase in order to assess the risks of poor customer outcomes, including in which circumstances these outcomes may occur. The results of this scenario analysis inform our identification of product target market. Our Product Governance Process includes regular product lifecycle reviews.

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.

All GM Financial Instruments are manufactured and intended to be distributed to Professional and ECP Clients.

3. GM as a Distributor

Financial Instruments manufactured by GM are distributed through GM for risk management purposes on a non-advised execution only basis. GM does not distribute Financial Instruments to Retail Clients. GM are entitled to assume that a professional client has the necessary experience and knowledge in order to understand the risks involved in relation to those transactions for which the client is classified as a professional client.

In choosing to transact with us, you have:

- chosen Financial Instruments manufactured and 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 adverse outcomes.
- 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 request products from us on behalf of its underlying clients.
- chosen a product tenor that is 1. compatible with the risk management purpose 2. Intended to be held to maturity.

4. Target Market for Financial Instruments manufactured and distributed by GM

Product	Client Type ¹	Knowledge and experience ²	Objectives and needs	Risk Tolerance ³	Financial Situation ⁴	Negative target market	Distribution Strategy	Sustainability Preference
Interest Rate Swaps	Elective Professional, Professional Clients or ECP	Informed or Advanced	Interest Rate Hedging, Balance Sheet management.	High	Ability to bear loss of amount and/or sustain adverse outcomes exceeding investment. Margin calls applicable	Retail Clients	Non advised, Execution only	No
Interest Rate Caps	Elective Professional, Professional Clients or ECP	Informed or Advanced	Interest Rate Hedging, Balance Sheet management.	High	Ability to bear loss of amount and/or sustain adverse outcomes exceeding investment. Margin calls applicable	Retail Clients	Non advised, Execution only	No
Interest Rate Floors	Elective Professional, Professional Clients or ECP	Informed or Advanced	Interest Rate Hedging, Balance Sheet management.	High	Ability to bear loss of amount and/or sustain adverse outcomes exceeding investment. Margin calls applicable	Retail Clients	Non advised, Execution only	No
Interest Rate Options (Interest Rate Swaption, Interest Rate Collar)	Elective Professional, Professional Clients or ECP	Informed or Advanced	Interest Rate Hedging, Balance Sheet management.	High	Ability to bear loss of amount and/or sustain adverse outcomes exceeding investment. Margin calls applicable	Retail Clients	Non advised, Execution only	No
FX Forwards	Elective Professional, Professional Clients or ECP	Informed or Advanced	Fx Hedging, Balance Sheet management.	High	Ability to bear loss of amount and/or sustain adverse outcomes exceeding investment. Margin calls applicable	Retail Clients	Non advised, Execution only	No
Non Deliverable Forwards (NDFs)	Elective Professional, Professional Clients or ECP	Informed or Advanced	Fx Hedging, Balance Sheet management.	High	Ability to bear loss of amount and/or sustain adverse outcomes exceeding investment. Margin calls applicable	Retail Clients	Non advised, Execution only	No
Cross Currency Swaps	Elective Professional, Professional Clients or ECP	Informed or Advanced	Interest Rate Hedging, Fx Hedging, Balance Sheet management.	High	Ability to bear loss of amount and/or sustain adverse outcomes exceeding investment. Margin calls applicable	Retail Clients	Non advised, Execution only	No
Inflation Hedging Products (CPI Swap, RPI Swap)	Elective Professional, Professional Clients or ECP	Informed or Advanced	Inflation Hedging	High	Ability to bear loss of amount and/or sustain adverse outcomes exceeding investment. Margin calls applicable	Retail Clients	Non advised, Execution only	No
Emission Hedging Products (Spot EUA, Forward EUA)	Elective Professional, Professional Clients or ECP	Informed or Advanced	Carbon Hedging.	High	Ability to bear loss of amount and/or sustain adverse outcomes exceeding investment. Margin calls applicable	Retail Clients	Non advised, Execution only	No
FX Options (Call and Put Options, Barrier Options, Collar Options, Participating Forwards, Average Rate Forwards & Forward Extras)	Elective Professional, Professional Clients or ECP	Informed or Advanced	Fx Hedging Balance Sheet management.	High	Ability to bear loss of amount and/or sustain adverse outcomes exceeding investment. Margin calls applicable	Retail Clients	Non advised, Execution only	No
Deposit with embedded Options	Professional Clients or ECP	Informed or Advanced	Potential for enhanced yield	Medium	Ability to bear loss of investment	Retail clients & Elective Professional Clients	Non advised, Execution only	No
Sub Par (<100% Capital Guaranteed) Structured	Professional Clients or ECP	Informed or Advanced	Capital Protection	Medium	Ability to bear loss of investment	Retail clients & Elective Professional Clients	Non advised, Execution only	No

- Notes
1. MiFID client classifications.
 2. As determined by the BOIGM qualitative and quantitative assessment where relevant. 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 Elective Professionals clients knowledge and experience as Informed or Advanced based on an assessment of their prior experience and knowledge to understand the risks involved in the GM product required.
 3. As determined by BOI GM, a low risk tolerance means that the target market is not willing to accept any loss of the investment or initial amount, a medium risk tolerance means that the target market is willing to accept some loss of the investment or initial amount, and a high risk tolerance means that the target market is willing to accept the risk of losses up to exceeding the investment or initial amount.
 4. The financial situation for the target market refers to its ability to bear losses and/or sustain adverse outcomes for the relevant product (inability to benefit from subsequent rate movement) and whether any additional payment obligations may arise over the term of the product (e.g. margin calls). Adverse outcome can arise in some scenarios. EG Better outcome could have been achieved by not transacting product.

Bank of Ireland is regulated by the Central Bank of Ireland. In the UK, Bank of Ireland is regulated by the Central Bank of Ireland and authorised by the Prudential Regulation Authority. Subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. Details about the extent of our regulation by the Prudential Regulation Authority are available from us on request.