

Press Release

July 2, 2018



Rabobank: response to the Dutch Government's intention to cancel tax deductibility of CoCo coupons

Rabobank took notice of the letter to Parliament and the press release by the Dutch Ministry of Finance dated 29 June 2018, in which it is stated that the Dutch Government intends to cancel the tax deductibility of coupons paid by banks and insurance companies on Additional Tier 1 capital instruments (also: Contingent Convertibles (CoCo's)) as from 1 January 2019.

Based on the press release and letter sent to Parliament, the current preliminary assessment is that such decision would focus on CRD IV compliant instruments. For Rabobank this means that the 5.5% EUR 1.5bn Capital Securities (XS1171914515) and EUR 1.25bn 6.625% Capital Securities (XS1400626690) could be in scope. Please note that there is no formal law change or amendment or any legislative proposal thereto available yet, so this is a preliminary conclusion.

The announced intention by the Ministry of Finance does not currently trigger any change in our views with regards to the role of CoCo's as part of Rabobank's capital strategy nor does Rabobank intend to exercise a Tax Call if the Government's intention or the materialisation thereof would constitute a Tax Law Change (as defined in the relevant terms and conditions of the capital instruments in scope).

Please find a link to the statement from the Ministry of Finance [here](#).

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