

### 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

**Product name:** Interest Rate Cap

**Manufacturer:** Coöperatieve Rabobank U.A. ('Rabobank')

**Contact:** For more information call +31 (30) 7123673 or go to our website [www.rabobank.nl/priips](http://www.rabobank.nl/priips)

**Competent authority:** Dutch Authority for the Financial Markets

**Date:** 17-6-2021



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

### What is this product?

**Type:** OTC - Derivatives contract (OTC means over the counter and indicates that the transaction is not executed on a trading platform).

#### Objectives:

Purpose: The Interest Rate Cap is used to limit the risk of an increasing interest rate.

When you enter into an Interest Rate Cap with us some of the elements that are agreed upon are as follows:

- The level of the interest rate ceiling ('Cap level')
- The start and end date of the Interest Rate Cap
- The dates and the periods for which the floating interest rate will be fixed ('interest rate fixing date')
- The notional of the Interest Rate Cap
- The interest rate which is used as reference ('reference rate')
- The amount of one-off premium which you pay to Rabobank upfront
- You do not have any payment obligations regarding the Interest Rate Cap during the term

**Method:** With an Interest Rate Cap you agree on a ceiling for a certain reference rate. If the floating interest rate exceeds the ceiling you will receive a compensation. The most used reference rate index is Euribor. Euribor rates are set and published every day.

This can lead to the following outcomes:

- If the floating interest rate at the interest rate fixing date is higher than the Cap level agreed upon, you will receive the difference between the floating interest rate and the Cap level calculated over the notional from Rabobank.
- If the floating interest rate at the interest rate fixing date is lower than the Cap level agreed upon, you will not receive any payment regarding the Interest Rate Cap over that period.

In this Key Information Document we chose for a constant notional during the tenor, the 3 months Euribor as a reference rate and a strike equal to the interest rate of an Interest Rate Swap with the same modalities (we call this the at-the-money strike).

**Return:** The sum of the interest received by you during the term of the product minus the premium.

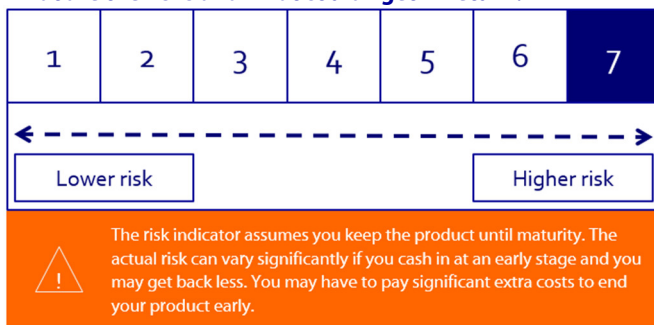
**Termination:** You can always terminate the Interest Rate Cap unless you have agreed otherwise with Rabobank. For more information on the effects of termination please read the section 'How long should I hold it and can I withdraw money earlier?'. An Interest Rate Cap can be unilaterally terminated or adjusted by Rabobank. This is only possible in the situations described in the Financial Derivatives Agreement (FDA).

### Intended retail investor:

To make use of this product, you are required to be a Rabobank client and you must have been given access to the product. The product description should be read in advance, so that you understand how this product works and understand the risks. Additionally, we expect you to understand the concept of hedging risks and how this product can be used for hedging. Moreover, you should understand which factors influence the price of a contract (such as interest rate curve, volatility and time value of money) and the difference between this product, an interest rate swap and a fixed term loan. You should also understand the basis of interest rate-, market-, liquidity- and counterparty risk. Furthermore, you should understand that this product is a bilateral contract between you and Rabobank. This product must be used for hedging purposes only; you may hedge up to a maximum of 100% of the underlying risk. The maximum tenor of the underlying interest rate swap is 10 years; but must never exceed the tenor of the underlying loan. With this product you are protecting the financial results and equity against an increasing variable market interest rate above the agreed Cap level. By receiving payment when the variable market interest rate exceeds the Cap level, you are protected against an increasing interest rate, but are able to profit from a decreasing interest rate. You may lose 100% of the invested amount.

The recommended holding period for the Interest Rate Cap is equal to the duration of the underlying risk. In our example we use 6 years for this period.

### 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 class 7 out of 7, which is the highest risk class. All derivatives are classified as category 7 by definition. As the Interest Rate Cap is a derivative the product is placed into the highest risk class

This product does not include any protection from future market performance so you could lose some or all of your investment. If we are not able to pay you what is owed, you could lose your entire investment. If you would like to end the contract before the end date, a settlement of market value will take place and handling costs will be settled. Market value is the difference between the agreed price and the market price of the product at that time. The handling costs are the costs made by Rabobank to end the contract and can be viewed in advance.

Nominal amount 10.000 EUR		1 year	3 years	6 years (Recommended holding period)
<b>Stress scenario</b>	<b>What you might get back or pay after costs</b>	718,18 EUR	0,00 EUR	0,00 EUR
	Average return/loss over nominal amount each year	-92,71%	-100,00%	-100,00%
<b>Unfavourable scenario</b>	<b>What you might get back or pay after costs</b>	0,57 EUR	0,00 EUR	0,00 EUR
	Average return/loss over nominal amount each year	-99,99%	-100,00%	-100,00%
<b>Moderate scenario</b>	<b>What you might get back or pay after costs</b>	24,26 EUR	0,00 EUR	0,00 EUR
	Average return/loss over nominal amount each year	-99,75%	-100,00%	-100,00%
<b>Favourable scenario</b>	<b>What you might get back or pay after costs</b>	206,78 EUR	164,59 EUR	12,78 EUR
	Average return/loss over nominal amount each year	-97,89%	-74,53%	-67,04%

\*For this product (an OTC-derivative) the percentages in the performance scenarios will be calculated by dividing the performance of the product by the notional amount of the contract. The performance of the product will be determined by the development of the reference rate minus the applicable costs.

This table shows the money you could get back during the recommended holding period, under different scenarios, assuming that you invest 10,000 EUR. The scenarios shown illustrate how your investment could perform. You can compare them with the scenarios of other products. **Market developments in the future cannot be accurately predicted. The scenarios shown are only an indication of some of the possible outcomes based on recent returns. Actual returns could be lower.** The scenarios presented are an estimate of future performance based on evidence from the past on how the value of this investment varies, 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 in extreme market circumstances, and it does not take into account the situation where we are not able to pay you. 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.

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

When Rabobank is not able to meet its obligations, the payments to be made by Rabobank are not covered by the Dutch Investor Compensation Scheme (beleggerscompensatiestelsel) or any other government or private protection scheme or guarantee. This means you may face a financial loss.

### What are the costs?

The Reduction in Yield (RIY) shows what impact the total costs you pay will have on the investment return you might get. The total costs take into account one-off, ongoing and incidental costs.

The amounts shown here are the cumulative costs of the product itself. They include potential early exit penalties. The figures assume you invest 10,000 EUR. The figures are estimates and may change in the future.

**Table 1: 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 the notional amount over time.

Nominal amount 10.000 EUR	If you end after 1 year	If you end after 3 years	If you end after 6 years
Total costs	5.600,84 EUR	5.600,84 EUR	5.600,84 EUR
Impact on return (RIY) per year	0,32%	24,64%	13,17%

**Table 2: 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;
- the meaning of the different cost categories.

This table shows the impact on return per year			
one-off costs	Entry costs	13,17%	The impact of the costs you pay when entering your investment. The impact of the costs already included in the price. These costs will always be fully charged. Per transaction handling costs of 300 EUR will be added to this amount. These costs will be fixed when entering your contract.
	Exit costs	0,00%	The impact of the costs of exiting your investment when it matures.
ongoing costs	Portfolio transactions costs	0,00%	The impact of the costs of us buying and selling the underlying investments for the product.
	Other ongoing costs	0,00%	The impact of the costs that we take each year for managing your investments.
incidental costs	Performance fees	0,00%	The impact of the performance fee.
	Carried interests	0,00%	The impact of carried interests.

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

The recommended holding period: the duration of the underlying risk.

In our example we use 6 years for this period. The Interest Rate Cap is intended to hold until the end date in order to hedge the interest rate risk. The end date will be agreed with you.

In case you or Rabobank ends the product before the end date, the amount you will pay or receive will depend on the market value at that time. The market value depends amongst others on the reference rate at that time. When the market value of your product is positive, you will receive the settlement amount from us. Besides that handling costs will be charged. These costs cover the expenses for Rabobank to end the contract early and can be viewed in advance.

### How can I complain?

Do you have a complaint about the information provided or the functioning of the product? You can file a complaint at the website: [www.rabobank.nl/klachtbedrijven](http://www.rabobank.nl/klachtbedrijven) or send an e-mail to [treasury@rabobank.nl](mailto:treasury@rabobank.nl) or via the following postal address: Rabobank Klachtenservice, Antwoordnummer 750, 3500 ZJ Utrecht. We will then handle your complaint and provide you with a feedback as soon as possible.

### Other relevant information

This document should be read as an introduction. The decision to enter into the Interest Rate Cap or not should amongst others be based on all information provided by Rabobank. More information about the Interest Rate Cap, the market value and how you can use the product, can be found in the product leaflet. Please read the brochure Interest Rate Risk Management for more information about our services. The product leaflet and brochure are only available in Dutch. You can request a paper version of the Key Information Document free of charge.