Question for written answer E-015961/2015
to the Commission
Rule 130
Neena Gill (S&D)

Subject: Contingent convertibles

Recent figures show that contingent convertibles (COCOs) are becoming more and more popular as financing instruments issued by banks. Two major Dutch banks have issued more than 3.5 billion worth of this product. COCOs are an interesting alternative for issuing banks as they can contribute to building own capital.

1. Does the Commission believe that issuing this risky financial product is the right way to build up own bank capital?

2. Does the Commission agree with those who say that the interest paid by a bank on this product cannot be deducted from its company tax, as would this be considered as illegal state aid?