

## The Central Role of a Bank in the Economy

1.

What is one of the main roles of banks?

- a) Mitigating the trust gap between exporters and importers
- b) Helping their clients to hedge their financial risks
- c) Exchanging currencies
- d) Bringing together parties with a surplus of money and parties with a shortage of money

2.

The chance that a producer will not be paid the invoice amount is greatest if the client is

- a) a domestic entity to whom the producer sells goods on a regular basis
- b) a domestic entity to whom the producer sells goods for the first time
- c) a foreign entity to whom the producer sells goods on a regular basis
- d) a foreign entity to whom the producer sells goods for the first time

3.

In what sense will the risk for an exporter increase if an invoice is stated in a foreign currency instead of in his domestic currency?

- a) The risk that the buyer will not be able to pay is greater
- b) The risk that the goods will not arrive in good shape is greater
- c) Except for the chance of non-payment he also has the risk that the sales proceeds in his domestic currency will decrease
- d) Except for the chance of non-payment he also risk that the contract will not be approved by the foreign authorities

4.

What is monetary policy?

- a) A policy carried out by the central bank to influence the state of the economy by managing interest rates
- b) A policy carried out by the ministry of economic affairs to influence the state of the economy by managing interest rate
- c) A policy carried out by the central bank to influence the exchange rates
- d) A policy carried out by the ministry of economic affairs to influence the exchange rates

## Licenses, Regulators and Supervision

5.

Which of the following is NOT required for being granted a banking license?

- a) Have a business plan in place
- b) Have a sufficient amount of capital
- c) Have a administrative and technical infrastructure
- d) Have a minimum number of branches

6.

For which of the following activities do banks need to apply for a separate license in the Netherlands?

- I. Payment Services
  - II. Leasing
  - III. Granting guarantees
- 
- a) Only I and II
  - b) Only I and III
  - c) Only II and III
  - d) I, II and III

7.

The requirement to hold sufficient capital is an example of

- a) Prudential regulation
- b) Conduct Regulation
- c) Market Efficiency Regulation
- d) Criminal law

8.

The aim of the deposit guarantee directive is to protect

- a) the depositors of the bank.
- b) the borrowers of the bank.
- c) the shareholders of the bank.
- d) the management of the bank.

9.

For which of the following types of risk are banks required to hold regulatory capital?

- a) Credit risk, market risk and operational risk
- b) Credit risk, liquidity risk and operational risk
- c) Market risk, liquidity risk and interest rate risk
- d) Credit risk, interest rate risk and operational risk

10.

A 'joint supervisory team' consists of supervisors from...

- a) DNB and AFM
- b) DNB and the Ministry of Finance
- c) ECB and AFM
- d) ECB and DNB

## Bank Management

11.

In which of the following cases is new money created?

- a) When a central bank buys bonds from a commercial bank.
- b) When a central bank lends money to a commercial bank
- c) When a client of commercial bank withdraws money from an ATM
- d) When a commercial bank gives a loan to a client without first borrowing the money

12.

Which of the following is a type of risk for which Rabobank has not formulated a risk appetite but which is inherent to the operation of the bank?

- a) Credit risk
- b) Liquidity Risk
- c) Interest Rate Risk
- d) Operational Risk

13.

What is liquidity risk?

- a) The risk that a bank does not have enough capital
- b) The risk that a bank does not make enough profit
- c) The risk that a bank cannot fulfil its short-term obligations
- d) The risk that a bank does not comply with the regulations

14.

The risk that an organization loses money as a result of the fact that a client cannot fulfil its obligations is referred to as ...

- a) Reputational risk
- b) Regulatory risk
- c) Operational risk
- d) Systemic risk

15.

Which statement about interest rate risk is correct?

- a) The interest rate of the assets is fixed for a longer term than the interest rate for the liabilities, i.e. the risk is that interest rates decrease
- b) The interest rate of the assets is fixed for a longer term than the interest rate for the liabilities, i.e. the risk is that interest rates increase
- c) The interest rate of the assets is fixed for a shorter term than the interest rate for the liabilities, i.e. the risk is that interest rates decrease
- d) The interest rate of the assets is fixed for a shorter term than the interest rate for the liabilities, i.e. the risk is that interest rates increase

16.

A bank has a sufficient solvency if it holds enough

- a) balances on its reserve account at the central bank
- b) capital
- c) high quality liquid assets
- d) foreign exchange reserves

17.

Wat is the aim of funds transfer pricing?

- a) Attributing the net interest income to the commercial business units
- b) Attributing the bank's available capital to the commercial business units
- c) Attributing the costs of the group functions to the commercial business units
- d) Attributing the revenues of the trading positions of the dealing room to the commercial business units

18.

A 10 year loan that is funded by a 3 month deposit. Which rate is used as FTP for this loan?

- a) The 3 month client rate
- b) The 3 month inter-bank rate
- c) The 10 year client rate
- d) The 10 year inter-bank rate

## Introduction to Rabobank

19.

Which of the following subsidiaries is a Wholesale & Rural subsidiary?

- a) Obvion
- b) DLL
- c) BPD
- d) Vista

20.

Which of the following is not a full subsidiary of Rabobank DRB but a participation?

- a) Freo
- b) Vista
- c) DLL
- d) Achmea

21.

What is the largest contributor to the foreign business of Wholesale and Rural?

- a) South-America
- b) Mid and North America
- c) Australia and New Zealand
- d) Rest of Europe

22.

What is the main source of income for a bank?

- a) Fees from payment services
- b) Fees from investment activities
- c) Net interest income
- d) Gains from trading positions

23.

Which two are the largest items on Rabobank's balance sheet?

- a) 'Residential mortgages' and 'Deposits from Customers'
- b) 'Balances at central banks' and 'Deposits from Credit Institutions'
- c) 'Deposits from Credit Institutions' and 'Residential Mortgages'
- d) 'Balances at central bank' and 'Equity'

24.

What does the item 'Debt Securities Issued' in the balance sheet mainly represent?

- a) Investments in short-term bonds
- b) Client deposits and balances on client current accounts
- c) Investments in long-term bonds
- d) Long-term funding

25.

As a longer-term ambition, Rabobank is striving at a Cost/Income ratio of

- a) >14%
- b) >8%
- c) Mid 50%
- d) Low 60%

26.

Which of the following is NOT an explicitly formulated key performance indicator for Rabobank's sustainability performance?

- a) Improve the average sustainability performance of its clients
- b) Grow the relative share of sustainable products and services
- c) Reduce CO2 emissions per FTE in its own operations
- d) Maintain a MSCI sustainability rating of A

## Wholesale Clients and Types of Services

27.

Which of the following are examples of wholesale clients?

- I. Large Corporates
- II. Private Equity Organizations
- III. Financial Institutions

- a) Only I and II
- b) Only I and II
- c) Only II and III
- d) I, II and III

28.

What are considered to be commercial banking services to wholesale clients?

- a) Financing Products and Arranging Securities Issues
- b) Payments & Transaction Services and Capital Structuring
- c) Investments and Rabo Fund Management
- d) Financing Products and Payments & Transaction Services

29.

For which of the following facilities is the amount not fixed?

- a) Revolving credit facility
- b) Borrowing Base Facility
- c) Overdraft facility
- d) For none of these

30.

Which department of Wholesale Banking assists wholesale clients with the issuance of bonds?

- a) Debt Capital Markets
- b) Acquisition Finance
- c) Rabo Investments
- d) Capital Structuring



## Wholesale Loans

31.

Working capital is a means to finance

- a) A machine
- b) Laptops, desks and other inventory
- c) Stock
- d) Means of transportation

32.

The permission to hold a debit balance on a current account is referred to as

- a) Revolving credit facility
- b) Working capital finance
- c) Securitisation
- d) Overdraft facility

33.

The type of working capital finance whereby the bank offers the client the opportunity to take up loans for a total amount of up to a certain percentage of their inventory or outstanding receivables is referred to as

- a) Borrowing base finance
- b) Factoring
- c) Securitisation
- d) Supplier Finance

34.

In which cases is Rabobank the legal owner of the financed assets?

- a) Financial Lease and Factoring
- b) Factoring and Securitisation
- c) Borrowing Base Finance and Factoring
- d) Borrowing Base Finance Financial Lease

35.

What is true in regard to value chain finance?

- a) Both in case of factoring and in case of stock financing the bank becomes the legal owner of the client's assets
- b) Both in case of factoring and in case of stock financing the bank does not become the legal owner of the client's assets
- c) Only in case of factoring the bank becomes the legal owner of the client's assets
- d) Only in case of stock financing the bank becomes the legal owner of the client's assets

36.

Which of the following types of value chain finance is a loan?

- a) Lease
- b) Supplier finance
- c) Factoring
- d) Securitisation

37.

The credit risk of which type of loans are usually covered by export credit agencies?

- a) Export Finance
- b) Project Finance
- c) Structured Finance
- d) Trade and Commodity Finance

38.

What can be true?

- a) The fixed rate for a 10-year loan in euro is based on EURIBOR
- b) The fixed rate for a 10-year loan in euro is based on SOFR
- c) The floating rate for a 10-year loan in euro is based on EURIBOR
- d) The floating rate for a 10-year loan in euro is based on SOFR

## Syndications and Agency

39.

What is true in regard to syndicated lending?

- a) A bank does not need the approval of the borrower if it wishes to from a group of lenders
- b) Syndicated lending is only possible for loans and not for credit lines
- c) The reason for a joint lending is always the fact that a bank has to comply with a legal requirement
- d) The loan terms are identical for each of the participating lenders

40.

What is the main difference between a club deal and a syndicated loan?

- a) Club deals are only possible for loans and not for credit lines whereas syndications can be used for both
- b) With a club deal, the loans terms are identical for each lender whereas with syndications each lender can lend at his own terms
- c) Club deals usually involve less lenders than syndications
- d) In syndications, agreements are made in regards to cross selling whereas with club deals this is never the case.

41.

Which obligation does a bank accept if it is underwriting a syndicated loan?

- a) To hold a register of all the participating banks
- b) To find participating banks
- c) To also provide the part of the loan for which it was not able to find other lenders
- d) To execute all payments that are related to the loan

42.

What is NOT a role of an agent in a syndication?

- a) Keeping an administration of the lenders
- b) Arranging all the payments related to the loan
- c) Acting as intermediary between sellers and buyers of parts of the loan in the secondary market
- d) Monitoring whether the covenants are met

## Payments and Treasury Services

43.

What is true in regard to Payments and Treasury Services?

- a) All transactions are recorded in Flexcube
- b) All transactions are recorded in Murex
- c) Only Transaction Banking transactions are recorded in Flexcube
- d) Only Treasury Services transactions are recorded in Flexcube

44.

Which statement about the balances on a nostro account is correct? These balances represent...

- a) the positions that Rabo holds in a foreign currency
- b) the total positions that Rabo clients hold in a foreign currency
- c) the required regulatory capital in a foreign currency
- d) the net profit that Rabo has realized in a particular foreign currency

45.

Below are two statements about SWIFT:

- I. Only banks use the SWIFT network.
- II. The most important function of SWIFT is sending messages between members.

What is true?

- a) Only I is true
- b) Only II is true
- c) I en II are true
- d) I and II are false

46.

What is TARGET2?

- a) A RTGS system operated by a commercial company
- b) A RTGS system operated by the ECB
- c) A clearing system operated by a commercial company
- d) A clearing system operated by the ECB

47.

A client of a Rabobank France has sent a payment instruction in USD to the French branch. The ultimate beneficiary is a Mexican company. Whom does the French branch instruct for payment?

- a) Its correspondent bank in Mexico
- b) Its correspondent bank in the US
- c) The Federal Reserve Bank
- d) The central bank in Mexico

48.

What is Rabobank's correspondent bank for USD?

- a) Citigroup
- b) Bank of New York Mellon
- c) Bank of America
- d) JP Morgan Chase

49.

What is a bulk payment?

- a) A direct debit
- b) A payment instruction for a very large amount
- c) A collective payment instruction that is composed of many individual payment instructions
- d) A payment made by a telephone app

50.

What is the name of a cash pool whereby the balances of all but one account periodically are set at a certain pre-agreed amount?

- a) Balance compensation
- b) Cash concentration with target balancing
- c) Cash concentration with zero balancing
- d) Interest Compensation

51.

What is correct in regard to the conversion of currencies?

- a) A client cannot convert euro into another currency if he only holds a euro account with Rabobank
- b) A client cannot convert euro into another currency if he does not hold any account with Rabobank
- c) A client can only convert euro into another currency by contacting a salesman on the dealing room
- d) A non-account keeping client can only convert euro into another currency if the account in the other currency is mentioned in the SSI of this client

## Trade Finance

52.

For which of the following risks related to international trade does Rabobank offer a solution?

- a) Country Risk
- b) Transport Risk
- c) Payment Risk
- d) Sanction Risk

53.

Which of the following is NOT a product to mitigate payment risk in an international trade?

- a) Letter of Credit
- b) Cash Pool
- c) Guarantee
- d) Documentary Collection

54.

What is the main obligation that a bank accepts if it is issuing a Letter of Credit? The bank promises to

- a) provide a loan to the importer
- b) provide a loan to the exporter
- c) pay the importer if he hands over the appropriate documents
- d) pay the exporter if he hands over the appropriate documents

55.

Which of the following are both title instruments?

- a) Bill of lading and insurance certificate
- b) Packing list and insurance certificate
- c) Packing list and Invoice
- d) Invoice and Bill of Lading

56.

A bid bond guarantee is a protection for

- a) the contractor in case the awarding company gives the project to another company
- b) the contractor in case the awarding company is not able to pay the contractor's invoices
- c) the awarding company in case the chosen contractor is not able to take up the project
- d) the awarding company in case the chosen contractor requires an early payment

57.

Below are three types of documents that are used in international trade.

- I. Letter of Credit
- II. Accepted bill of exchange
- III. Invoice

Which of these documents can be used as a security for a bank loan?

- a) Only I and II
- b) Only I and III
- c) Only II and III
- d) I, II and III

58.

Below are, given in random order, the five alternative ways in which the payment of an international trade can be arranged.

- I. Bank guarantee
- II. Payment after delivery
- III. Payment in Advance
- IV. Documentary Collection
- V. Letter of Credit

Put these in the right order from the lowest level of certainty for the exporter to the highest level of certainty.

- a) I, II, IV, V, III
- b) II, III, I, IV, V
- c) II, IV, V, I, III
- d) III, IV, II, I, V

## Credit Risk Journey

59.

Below are, given in random order, the five phases in the so-called client journey.

- I. Legal Documentation
- II. Credit Approval
- III. Credit Application
- IV. Monitoring
- V. Prospecting and Deal Origination

What is the correct order of these phases?

- a) I, III, II, IV and V
- b) IV, II, V, I and III
- c) V, III, II, I and IV
- d) III, II, I, IV and V

60.

Which party is NOT officially involved in the prospecting and deal origination phase?

- a) The client
- b) The client owner
- c) A credit analyst
- d) A credit risk officer

61.

What does RAROC show?

- a) The risk that the bank will take
- b) The ratio between risk and revenues
- c) The profitability of a client
- d) The creditworthiness of the client

62.

Below are six different parties who could be involved in the credit approval process:

- I. Client Owner
- II. Regional Product Head
- III. Local Risk Officer 1
- IV. Local Risk Officer 2
- V. Global Risk Officer
- VI. CCCRG

Who have to approve the credit risk for a deal which has been assigned the Lane Colour Yellow?

- a) Only I and III
- b) Only I, II and IV
- c) I, II, III, IV
- d) I, II, III, IV and V



63.

What right does a cross-default covenant give to the lender?

- a) The right to put the borrower in default if the borrower defaults in another loan
- b) The right to ask for the same type of collateral as the new other lenders
- c) The right to cancel the loan if the borrower is defaulting
- d) The right to cancel the loan if the lender is defaulting

64.

What is the initial consequence of a credit trigger in case of a loan?

- a) There will be an additional review of the client
- b) The client is immediately sent to FR&R
- c) The loan will be cancelled
- d) There is no immediate consequence, this will be checked at the next planned review

65.

What is the responsibility of the recovery team of FR&R?

- a) Make up a plan to enlarge the likelihood for full repayment
- b) Minimize the loss for Rabobank
- c) Transfer the loan to an external debt collection agency
- d) Perform the annual credit revision on loans

## Flexcube

66.

Which of the following is NOT a functionality of Flexcube?

- a) Syndications
- b) Lease
- c) Trade Finance
- d) Accounts and Payments

67.

The ELCM module is the part of Flexcube where

- a) all the loan details are registered
- b) a part of the credit line is blocked in case of a loan
- c) the payment instructions related to the loan are made
- d) the credit risk approval takes place

68.

Which of the following systems is operated outside Rabobank?

- a) People Soft
- b) SWIFT
- c) Global Financial System
- d) GCDS

69.

Which modules are used in case of a payment of the loan amount to a client who holds his account in the Utrecht branch?

- a) Only the loan system and CNA
- b) Only the loan system and Flexcube
- c) The loan system, CNA and SAA
- d) The loan system, Flexcube and SAA

70.

Which systems and/or modules are used in case of a payment of the loan amount to a non-account keeping client that is serviced through the Singapore Branch?

- a) Only the loan module and CNA
- b) Only the loan module and A&P
- c) The loan module, CNA and SAA
- d) The loan module, A&P and SAA

71.

Where does the (liquidation-)check take place whether a non-account keeping client dealing from Canada has paid an interest amount?

- a) At the Global Nostro Administration
- b) In the A&P module by matching a credit on a settlement account with an incoming payment advice from the loan module
- c) In the A&P module by matching a credit on a the client's current account with an incoming payment advice from the loan module
- d) In the A&P module by matching a credit on Rabobank's nostro account with an incoming payment advice from the loan module

72.

Below are three systems that are used by Rabobank

- I. Flexcube
- II. Murex
- III. ELCM

Which systems are used in case of the funding of a loan?

- a) Only I and II
- b) Only I and III
- c) Only II and III
- d) I, II and III

73.

For which types of payment can a settlement account be used?

- a) Only for outgoing payments to third parties initiated by a client
- b) Only for incoming payments initiated by a client in favour of Rabobank
- c) Both, for outgoing payments to third parties and for incoming payments in favour of Rabobank initiated by a client
- d) Only for payments from an internal Rabo account to another internal Rabo account