

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 runs the risk that the sales proceeds in his domestic currency will decrease
- d) Except for the chance of non-payment he also runs the 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 does not have enough liquid assets
- 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) Legal risk
- b) Regulatory risk
- c) Credit 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 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 only 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) A short-term investments
- b) A long-term investment
- c) Funding in the form of client deposits
- d) Funding in the form of issuing bonds

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

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 III
- 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 stock 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 borrowing base 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 syndicated 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 loan 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 and 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

52.

What is true for an FX Forward?

- a) The rate is set on the maturity date of the contract
- b) The rate of an FX Forward can fluctuate during the contract term
- c) On the moment of the contract, the client knows what exchange rate will be used for the future conversion
- d) A bank will only conclude an FX Forward if it has a clear vision on the future development of the exchange rate

53.

A company has a loan with the interest condition: EURIBOR + 3%. If the company would conclude an interest rate swap in which it pays a fixed rate of 5% and receives EURIBOR, then what are the effective interest costs for this company during the term of the interest rate swap?

- a) 2%
- b) 8%
- c) EURIBOR + 2%
- d) EURIBOR + 8%

54.

A company has bought an oil swap with a contract price of 85, a contract size of 12,000 barrels and a term of 12 months (1,000 barrels per month). On a fixing date, the oil price is 80. What is true?

- a) The company can buy 1,000 barrels of oil from the bank at a price of 80.
- b) The company can buy 1,000 barrels of oil in the market at a price of 80 and does not have to pay or receive anything as a result of the oil swap
- c) The company has to pay 5,000 US dollars to the bank
- d) The company will receive 5,000 US dollars from the bank

Trade Finance

55.

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

56.

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

- a) Letter of Credit
- b) Export finance
- c) Guarantee
- d) Documentary Collection

57.

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

58.

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

59.

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

60.

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

61.

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

62.

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

63.

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

64.

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

65.

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 3?

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

66.

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

67.

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

68.

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

69.

Which of the following is NOT a functionality of Flexcube?

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

70.

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

71.

Which of the following is operated outside Rabobank?

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

72.

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

- a) Loan module and CNA
- b) Loan module and SAA
- c) A&P and SAA
- d) ELCM and A&P

73.

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

74.

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

75.

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

76.

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