Boğaziçi University AD-477 Mid Term Exam 20.11.2017

Q (1) (30 marks) “Net Interest Income” is the difference between Interest Income and Interest Expense. Assume that you are the CEO of a bank that reported a Net Interest Income Loss (negative NII) for the first quarter of the year. List 10 different specific actions you may recommend during an ALCO meeting that your bank should implement.

Q (2) (35 marks) Banking risks may be grouped as “CAMELSO”.
Explain in detail each risk C-A-M-E-L-S-O

Q (3) (35 marks) During Loan Management banks apply 6 C’s Test. Explain in detail the 6 C’s process in Loan Management.

Answers: