



ASSOCIATESHIP EXAMINATION

STRATEGIC LEADERSHIP IN FINANCIAL SERVICES (CASE STUDY)

LEVEL IV

APRIL 2025

[NEW SYLLABUS]

NB

1. Read carefully the instructions on the cover of the answer booklet.
2. **The total number of questions in this paper is five (5).**
3. **You are required to answer ALL questions.**
4. Marks allotted for questions are shown in brackets.
5. **Candidates will be allowed to refer to their own printed pre-seen material, the Institute's Manual for Level 4 and also type-written notes or photocopy notes or analysis from the Pre-Seen Case Study. (Hand-written notes on sheets of paper are not allowed.)**
6. **No electronic gadgets or devices will be allowed to be brought by candidates into the examination room. References to the internet are not allowed.**
7. **Time allowed: THREE HOURS. An additional 15 minutes of reading time is allowed** at the beginning of the examination during which time candidates may write on this paper but not in the answer booklet.
8. Candidates must ensure that they answer questions in the appropriate answer booklets and NOT on loose sheets which may be used only as supplementary sheets. Such answers will be cancelled.
9. **DO NOT WRITE YOUR NAME ON THE ANSWER BOOKLET.**
10. **DO NOT OPEN THIS QUESTION PAPER UNTIL YOU ARE INSTRUCTED TO DO SO.**

ADDITIONAL INFORMATION AND QUESTIONS

The External Board Performance Evaluation (EBPE) report for 2024 has recommended four (4) important issues for the Board to consider. The first is related to the speed at which the Governance and Leadership of the Bank needs to respond to the market and operational vulnerabilities the Bank faces. The second is the quality of Proactive Risk Control and Awareness across the Bank. The third is specifically related to Ethical and Conduct Management in the Bank's operations and processes. They concluded that the overall strategy of the Bank should be integrated to reflect the Bank's response to Climate and Sustainability issues. In the course of deliberating on these issues, the Board was informed by the Chief Executive Officer (CEO) of some news report some minutes ago, that the Central Bank of Goldland has launched an investigation into the operations of Money Transfer Organisations (MTOs) and Fintechs concerning their remittance operations, with the aim of improving the Regulatory Framework and minimize Product Life Cycle Risks that tend to affect Banks in Goldland. In addition, it is reported that two Fintech Organisations have applied to the regulator to formalize the introduction of Fintech Loans in response to the strategic impact of the Open Banking Regime in Goldland. The market expects them to enter the Loan Market with their Digital Loans in June 2025.

In response to the fourth issue raised in the EBPE, the Board has decided to engage a Financial Services Monitoring Firm to support the implementation of the Green Lending Solutions in the Agribusiness sector. The firm will receive 2% on the interest margin and the relationship will be co-ordinated from the Area Manager's Office through three (3) branches located at Finsu, Trampo and Lantani.

The Board is concerned about the Bank's Profit Appetite, and it wants to be sure that achieving the target would not affect the long-term stability and viability of the Bank. This view is driven by the Allocative Function of the Board in the areas of Credit and other related Investments. If the strategy is to play to the strengths of Simple Bank Plc, the expectation is that the entire Bank's machinery should be aligned to ensure its success.

ANSWER ALL QUESTIONS

QUESTION 1

- (i) Critically examine the Leadership Style that the Board could adopt to effectively respond to the emerging industry and regulatory challenges. **(10 marks)**
- (ii) Critically examine the quality of the Ethical and Conduct Framework (ECF) in the light of the ethical and professional challenges and recommend a Strategic Approach to the Board on how the Ethical and Professional Conduct of staff can be improved.

(10 marks)

[Total: 20 marks]

QUESTION 2

As a Consultant to the Board, advise the Chairperson on how and why the Sub-Committees of the Board of Simple Bank Plc should be structured to ensure the Strategic Alignment of the Bank with its Strategic Intents.

(15 marks)

QUESTION 3

In the light of the Strategic Intents of the Board, prepare a report for the Chief Executive Officer (CEO) identifying the key dimensions of the Bank's Strategic Implementation Programme and how the main strategic theme, the Profit Target might be introduced to the organization. In doing this, you should pay particular attention to issues of implementation.

(20 marks)

QUESTION 4

As a Consultant to the Bank, present to the Board an appropriate Risk Appetite Statement (RAS) to be integrated into the Bank's Enterprise Risk Management Framework to guide the Board and Management in their Risk Oversight Responsibilities.

(25 marks)

QUESTION 5

You have been appointed as the Head of Sustainability Banking Division and the Chairperson of the Board has asked you to provide for the Board's consideration, a

Structured and Implementable Approach to the Bank's Sustainability Strategy and drive using the information provided by the Area Manager. **(20 marks)**