

STRATEGIC LEADERSHIP IN FINANCIAL SERVICES

EXAMINER’S REPORT OCTOBER 2025

The general standard of answers in October 2025 was above average. The overall pass rate was 83%. This is the third report on the performance of candidates who participated in the April exam diet (new syllabus) in 2025.

The Table 1 below presents the summary of examinees’ performance.

Total No. of candidates	Question No.	No. of Candidates who attempted each Question	% of candidates who attempted each Question	No. Passed	No. Failed	% Passed	% Failed
Nineteen (19)	One	40	97.5	24	15	61.5	38.5
	Two	40	97.5	34	05	87.1	12.9
	Three	40	90	22	14	61.1	38.9
	Four	40	95	30	08	78.9	21.1
	Five	40	97.5	32	7	82.0	18.0
	Six	-	-	-	-	-	-
	*Total Answers marked		191				

Table 1: Summary Performance of Candidates.

Question 1 (a)

Question 1 was satisfactorily answered. Candidates were expected to apply their understanding of leadership principles and techniques to a bank’s drive to improve its systems security which included digital infrastructure. Candidates were expected to present practical leadership qualities related to having adequate knowledge and what to demand from partners including third parties in relation to

sleeping threats, anti-invasion facilities, dashboards from reports on threat intelligence, Detection capability, automation and integration etc.

Commitment to proper establishment of ISMS organisational and institutional structure requires a leadership with clear vision and understanding of what ISMS does for a digitalised or IT driven bank.

Failed candidates focussed on leadership style with limited relevance to ISMS implementation in banks.

Question 1(b)

This question required candidates to assess the inadequacies in corporate governance given the strategies the board had considered. The main element on how Islamic finance impacts on corporate governance structures against the current conventional banking governance directive were not adequately addressed by many candidates.

Question 2

Question 2 was well answered in part by many candidates. Candidates were able to identify the ethical gaps operationally and but did not explain them strategically. Few candidates were able to apply the red flags to ethical management in banks. For example, staff replicating solutions with high liquidity risks should require tighter reconciliation, monitoring of staff daily postings to provide the needed assurance by Senior Management. Highflyer movements signalled some deep-seated operational failures which could not be cured by the current design of staff conduct assessment processes including the risk register reports.

Question 3

This question was well answered in part by many candidates. Business planning and analyses and correspondent strategy for conventional banking were adequately presented. The part required for non-conventional strategy was ignored by many candidates. Few candidates distinguished between the adoption of Islamic

Window and a fully established Islamic financial institution as a strategic business arm and their implications on proposed solutions, governance, regulatory reporting and systems.

Question 4

This question required candidates to present and analyse the adequacy of the current risks management system in place and present potential and emergent risks that the bank will encounter. Most candidates presented the standard risks that banks face in their normal course of business.

Few candidates indicated the differences between the conventional and non-conventional risks and in particular, because the non-conventional transactions are contract -based and banks are partners, the emerging risks like anti-money laundering and combating the financing of terrorism (AML/CFT), liquidity risk given limited monetary policy instruments to support Islamic Finance , reporting and disclosure risks on return on deposits and investments were hardly presented and explained by candidates.

Question 5

This question was not well answered across board. No candidate could present the use of weighted probability NPV to justify the green banking decision. All examinees failed to apply the probability of failure to the initial investment but did well to compute the wealth created in situations of success. The practice of evaluating green decisions with implicit greeniums should be of interest to participating future candidates as they reflect the rigour of green project practice.