

## HANSE CONSULTANTS

### Overall Situation:

You work in the Financial Department at *Hanse Consultants*, an international company that operates in the financial, insurance and legal sectors and has subsidiaries all over the world.

### **Modul 1: Rezeption I (Hör-/Sehverstehen)**

(Erreichbare Punkte: 20)

#### **Situation**

A number of young interns and trainees have just started their training at *Hanse Consultants* in different fields. This month they are going to join different courses concerning *real estate*.

As you are running the course “*The real estate bubble*” by proxy of your colleague Peter Schneider, you still need some information. Peter has already started to collect information on this topic and has recommended the following *Youtube* video.

#### **Assignment**

Peter has asked you to complete his script by taking notes on the relevant details of the housing market on your notepad. He has said that keywords and key phrases would suffice.



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| Peter's notes                     | Your notes  |
|-----------------------------------|---|
| Factors →<br>housing crash        | <ul style="list-style-type: none"><li>• _____</li><li>• _____</li><li>• _____</li><li>• _____</li></ul> |
| Expected<br>economic<br>situation | _____<br>_____  |
| Stock bubble:<br>Consequence      | _____<br>_____  |
| Reason for<br>speculation         | _____<br>_____  |
| Information:<br>Real estate       | <ul style="list-style-type: none"><li>• _____</li><li>• _____</li><li>• _____</li></ul>                 |

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| Peter's notes  | Your notes  |
|--|---|
| Stack's warnings<br>reason and<br>effect                   | <hr/> <hr/> <hr/>   |
| Development of<br>mortgages:<br>applications and<br>rates  | <ul style="list-style-type: none"><li>• <hr/></li><li>• <hr/></li></ul> |
| Economic<br>development<br>and its<br>consequence          | <hr/> <hr/>   |
| Facts about<br>Robert Shiller                              | <ul style="list-style-type: none"><li>• <hr/></li><li>• <hr/></li></ul> |
| Causes for<br>slowdown                                     | <ul style="list-style-type: none"><li>• <hr/></li><li>• <hr/></li></ul> |
| Consequences<br>if homeowners<br>can't pay the<br>mortgage | <ul style="list-style-type: none"><li>• <hr/></li><li>• <hr/></li></ul> |

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## Modul 1b: Rezeption II (Leseverstehen) (Erreichbare Punkte: 20)



### Situation

In light of many digital fraudulent events within the last months, the main topic of next week's training session will be the fight against fraud, corruption and money laundering.

on some pieces of rough paper Your superior has already collected some important aspects that should be presented next week. You have been assigned with further detailing these aspects.

### Assignment

You have found the article and graph below as suitable sources. Check which information the article contains regarding the various aspects and complete your superior's grid with details from the text.

# Frontline: The UK's Fight Against Money Laundering

**The Economist**, May 16, 2019



[Candice de Monts-Petit](#)

Despite significant investment, anti-money laundering (AML) enforcement successes are limited. The banking industry alone spends some £5bn per year on people and systems to track and report criminals and money flows, yet only a very small fraction of laundered money is ever recovered. This report investigates how well frontline, regulated firms feel the UK's AML regime works. It also gauges the level of commitment to stamping out money laundering, from the C-suite to branch office.



PICTURE: BITSTARZ

The survey, conducted by The Economist Intelligence Unit on behalf of LexisNexis® Risk Solutions, details where the risks lie and how government policy, regulation, internal procedures and technology can best be deployed to ensure the private sector and enforcement agencies can counter flows of dirty money in, around and out of the UK. The growing threat of money laundering is increasing steadily as evolving criminal methodologies are the single biggest risk in the UK's fight against money laundering according to 24% of respondents. Money laundering is clever, technologically adept and changing fast in the digital world. Although the UK's AML regime is responding to these threats, it is still unable to completely stamp out financial crime.

Inconsistent AML controls across industries (cited by 42%) and a confusion of regulators (24%) often leave companies feeling they work in silos (46%). Regulated businesses are uncertain about where to direct their concerns and whether the information provided by their Suspicious Activity Reports (SARs) is used. The return on investment from their AML compliance, with costs rising, is hard to evaluate. Even so, banks, financial technology (fintech) firms, lawyers, estate agents, accountants and the gambling operators want to do more, but feel they lack appropriate guidance. It seems as if it necessary to prepare for combat. Respondents want clearer (36%) and more frequent (30%) communications between regulators and regulated business. Regulated firms need to adopt a zero-tolerance approach, through training and a company-wide focus on detecting and reporting suspected financial crimes. Government and enforcement agencies, notably the National Crime Agency (NCA), need to help frontline firms and staff, particularly as laundering methodologies change rapidly in the digital world.

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Clearing the obstacles is a must to tackle the AML issue. Nearly a third of respondents believe better monitoring and reporting of enforcement outcomes would be the most efficient way to boost AML. Hundreds of thousands of SARs are submitted, at substantial cost to regulated firms, but their quality is questionable, while crime agency units are too overstretched and under-resourced to efficiently make use of the information. Other conflicting rules and legislation, on data, confidentiality and collaboration, could be reworked.

Like in any business sector, communication and co-operation are basic values to guarantee good results. According to respondents, increasing information sharing between company departments (42%) and between regulated businesses (37%) is the key to better AML. Money laundering teams should be able to share their suspicions earlier with their peers and across sectors, if they are to successfully eradicate criminal activities. Legislators and regulators should be more transparent and realistic in their guidance on best practice and in the use of technologies designed to track transactions, individuals and unusual behavior



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## Fighting Money Laundering!!!

### Success / costs

1. \_\_\_\_\_  
\_\_\_\_\_
2. \_\_\_\_\_  
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### Surveys inquire

1. \_\_\_\_\_  
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2. \_\_\_\_\_  
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3. \_\_\_\_\_  
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4. \_\_\_\_\_  
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### Problem with analyzing information

- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
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### Factors curtailing the companies', banks' and lawyers' efforts

1. \_\_\_\_\_  
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2. \_\_\_\_\_  
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3. \_\_\_\_\_  
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4. \_\_\_\_\_  
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5. \_\_\_\_\_  
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### Impact of digital development on tackling the issue of ML

- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
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### Preconditions to fight money laundering

#### 1. Sharing and Reporting

- a. \_\_\_\_\_  
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- b. \_\_\_\_\_  
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- c. \_\_\_\_\_  
\_\_\_\_\_

#### 3. Legislators/regulators

- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

#### 4. Communication

- \_\_\_\_\_
- \_\_\_\_\_
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5. Tolerance \_\_\_\_\_  
\_\_\_\_\_

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## Modul 2: Produktion

(Erreichbare Punkte: 30)

### Situation

*Hanse Consultants'* Board of Directors has decided to increase the range of **green investment** products in the UK and in Germany. But some colleagues are highly skeptical towards this trend. They argue that green investment is a one hit wonder.

### Assignment

That's why your superior has asked you to create a short power point presentation on **green investment** for the next *jour fixe*. It should not only convince your colleagues, but make green investment tempting for clients.

The five statistics overleaf which you have found on the internet plus your background knowledge will serve as sources for your PowerPoint presentation.

Your Power PointPresentation should cover the following aspects:

- ✓ **Suitable headline(s)**
- ✓ **Short introduction to the topic of green investment**
- ✓ **Possible target group(s)**
- ✓ **Analysis of strengths and opportunities of green investment**
- ✓ **Your personal recommendation**



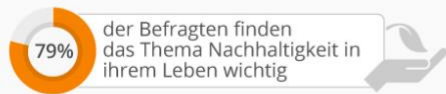
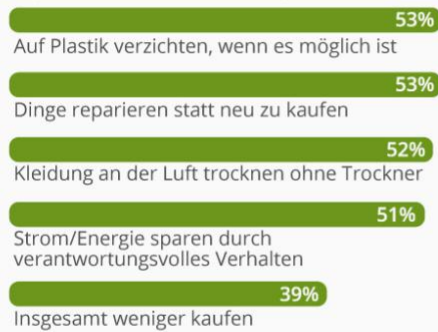
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## Statistic 1

### Die Deutschen wollen nachhaltig leben

Maßnahmen, die die Befragten ergreifen/sich vorstellen können, um nachhaltiger zu leben

#### Top 5 Maßnahmen der Befragten



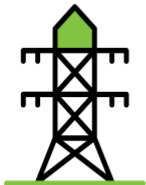
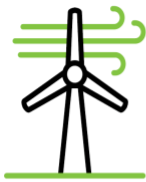
#### Maßnahmen, die sich die Befragten vorstellen können



Basis: 1.129 Befragte (ab 18 Jahren) in Deutschland; 15.-19.06.2018  
Quelle: YouGov



## Statistic 2



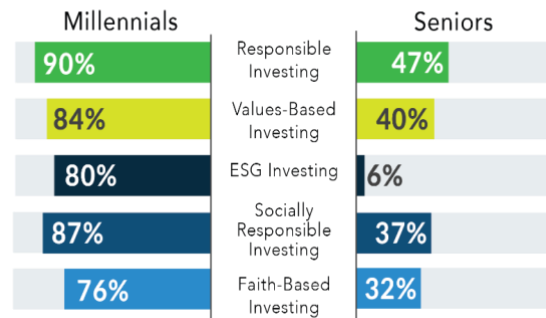
### Top five ways UK savers plan to use their money to have a positive impact

- 1 Buying ethically sourced goods
- 2 Refusing to invest in companies with questionable businesses or conduct
- 3 Paying tax
- 4 Refusing to buy products from certain companies
- 5 Putting pension savings into ethical funds

Source: Atomik Research, published on behalf of Rathbone Greenbank Investments in October 2017.

## Statistic 3

### How familiar are investors with the following types of investing?



## Statistic 4

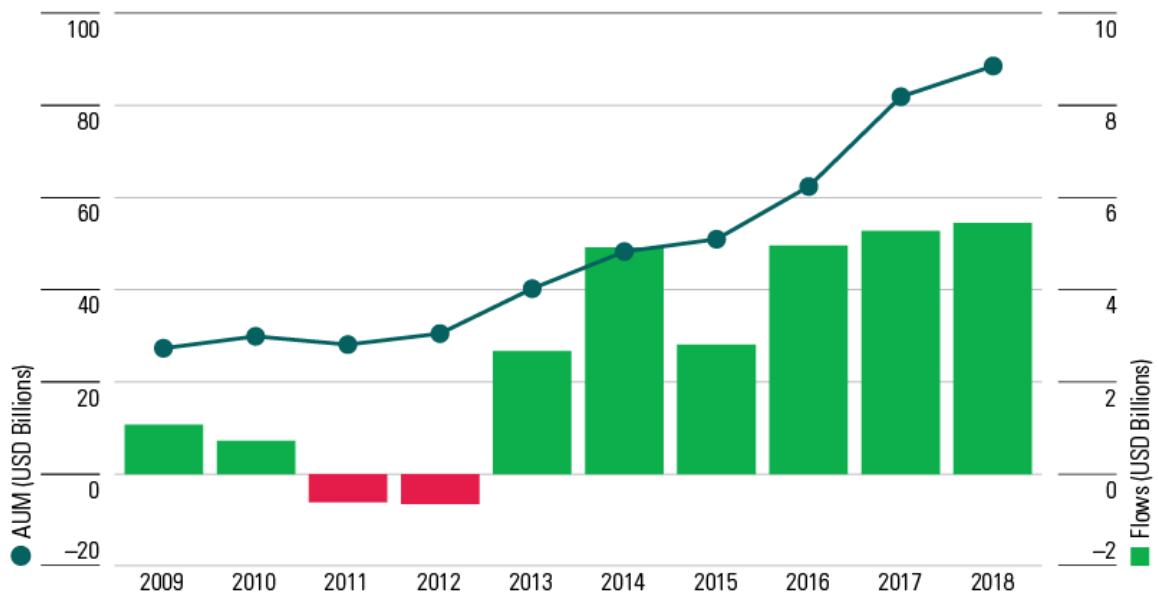
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| Funds categories   | Number of funds | 2017 AUM (€ M) | 2017 Inflows (€ M) | Average Performance (%) |
|--------------------|-----------------|----------------|--------------------|-------------------------|
| Panel              | 176             | 32 250         | 7 274              | 10,6%                   |
| Renewable energies | 8               | 340            | 10                 | 10,4%                   |
| Climate            | 22              | 3 993          | 596                | 12,1%                   |
| Water              | 18              | 11 301         | 1 789              | 12,7%                   |
| Environment        | 74              | 10 590         | 3 275              | 7,1%                    |
| Sustainability     | 26              | 3 108          | 707                | 6,7%                    |
| Low Carbon         | 28              | 2 720          | 867                | 17,6%                   |

Source: Novethic

## Statistic 5

### A Decade of Sustainable Fund Flows



Source: Morningstar Direct and author's calculations. Data as of 12/31/2018. Note: The 24 funds that closed during this period are included.

Introduction

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**Target  
group(s)**

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**Strengths**

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**Opportunities**

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**Your recommendation**

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## Modul 3: Mediation (Sprachmittlung)

(Erreichbare Punkte: 30)

### Situation

The next annual meeting of Hanse Consultants will be held next month. With reference to the Deutsche Bundesbank's "Green Finance Week" in June this year, the big talking point will be *green finance*.



You have already read and highlighted the big points of Dr. Mauderer's (executive board member of the Deutsche Bundesbank) speech on that topic.

### Assignment



Your superior is of the opinion that the content of Dr. Mauderer's speech serves perfectly well as an advance information in the form of a **circular letter**, which you are asked to write. It should contain all relevant information of the original source.

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## Green Finance – die Rolle der Zentralbanken

Rede beim 2019 Green Bond Principles and Social Bond Principles Annual General Meeting and Conference 13.06.2019 | Frankfurt am Main

Sehr geehrte Damen und Herren,

es ist mir eine große Freude, heute in Frankfurts berühmtem Palmengarten vor Ihnen sprechen zu dürfen. Heute noch ist der Palmengarten grünen Finanzen ganz nah: Die KfW als Deutschlands größter Emittent grüner Anleihen hat ihren Sitz direkt um die Ecke.

Die Bundesbank, die sich ebenfalls stark im Bereich Green Finance engagiert, liegt gleich nördlich des Palmengartens. Und da Frankfurt der größte Finanzplatz Deutschlands ist, eignet sich die Stadt hervorragend als Ausrichtungsort einer „Green Finance Week“.

Was das NGFS (Network for Greening the Financial System) betrifft, möchte Ihnen zunächst unsere Kernbotschaft übermitteln: Zentralbanken weltweit erkennen an, dass der Klimawandel Risiken für das Finanzsystem mit sich bringt. Deshalb ist Green Finance ein Bereich, in dem sich die Zentralbanken – wie auch der Finanzsektor insgesamt – engagieren müssen.

Der Kampf gegen den Klimawandel und für den Umweltschutz ist nicht länger ein Steckenpferd von Umweltaktivisten, sondern ein entscheidender Faktor für die Wirtschafts- und Finanzsysteme.

Die folgenden vier Empfehlungen richten sich an Zentralbanken und Aufsichtsbehörden:

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Erstens die Analyse klimabedingter Risiken im Finanzsystem und deren Integration in die Bankenaufsicht.

Zweitens die Integration von Nachhaltigkeitsfaktoren in das eigene Portfoliomanagement. Zentralbanken sollten bei ihren eigenen Aktivitäten mit gutem Beispiel vorangehen.

Drittens das Schließen von Datenlücken. Den öffentlichen Institutionen wird empfohlen, relevante Daten für die Bewertung von Klimarisiken auszutauschen und diese öffentlich zugänglich zu machen.

Viertens die Zusammenarbeit aller Finanzinstitute zum Aufbau interner Kapazitäten, um ihr Verständnis davon zu verbessern, wie sich klimabedingte Faktoren auf finanzielle Risiken und Chancen auswirken.

Zwei weitere Empfehlungen richten sich an die politischen Entscheidungsträger:

Die Verwirklichung einer soliden und international einheitlichen Klima- und umweltbezogenen Offenlegungspraxis. Investoren müssen die klimabezogenen Risiken ihrer Anlagen kennen.

Und die Entwicklung einer Taxonomie für wirtschaftliches Handeln. Eine Taxonomie vereinfacht grünes Anlegen und verhindert „Greenwashing“. Sie stärkt die Markttransparenz in Bezug darauf, welche wirtschaftlichen Tätigkeiten tatsächlich grün sind und welche nicht.

Auch die deutsche Politik nimmt sich immer stärker des Themas Green Finance an, denn Bundeskanzlerin Merkel hat vor einigen Wochen nochmals bekräftigt, dass Deutschland zu einem führenden Sustainable-Finance-Standort werden soll.

Für die Marktteilnehmer dürfte insbesondere von Interesse sein, dass die Idee einer grünen Bundesanleihe an Fahrt gewinnt. Es gibt verschiedene Modelle und unterschiedliche Vorstellungen dazu, wie ein solcher Green Bund aussehen kann.

Die Herausforderung wird darin liegen, ein solches Papier am Markt zu etablieren. Angesichts der jüngsten Erfahrungen ist davon auszugehen, dass eine grüne Bundesanleihe auf rege Nachfrage stoßen würde.

Meine Damen und Herren, die Frankfurter „Green Finance Week“ ist keine Eintagsfliege, sondern ein Dauerbrenner: Wir werden uns weiter um ein grüneres Finanzsystem bemühen – als Zentralbank wie auch in der Politik.

Vielen Dank für Ihre Aufmerksamkeit!

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Hanse Consultants, 19<sup>th</sup> Circular Letter, 30Sep2019

## Green finance

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### Modul 4: Interaction

(Erreichbare Punkte: 30)

### Instructions for Candidate A

#### Part 1 – warming up

You will talk to the examiner separately about your job / training, future perspectives.

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#### Part 2 - Role Play

##### Situation

You are a member of the strategic and marketing planning team.

Mr. Schneider, head of this department, wants your team to discuss the bank branch closures crisis.

From your point of view, there is no other way than to close some branches - especially in less affluent areas.

But you are open to new ideas and different views. Look at the statistics.





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Discuss your view with your colleague by presenting well-grounded arguments.

Refer to at least two of the attached info materials to support your view.

Develop and outline a brief concept together.

## Modul 4: Interaction

(Erreichbare Punkte: 30)

### Instructions for Candidate B

#### Part 1 – warming up

You will talk to the examiner separately about your job / training, future perspectives.

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#### Part 2 - Role Play

##### Situation

You are a member of the strategic and marketing planning team.



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Mr. Schneider, head of this department, wants your team to discuss the bank branch closures crisis.

In your view, there should be no more closures. You want to offer special events and services or adapt design and digital features etc. to your customers' needs to make the branches attractive again. Look at the statistics.

**Discuss your view with your colleague by presenting well-grounded arguments.**

**Refer to at least two of the attached info materials to support your view.**

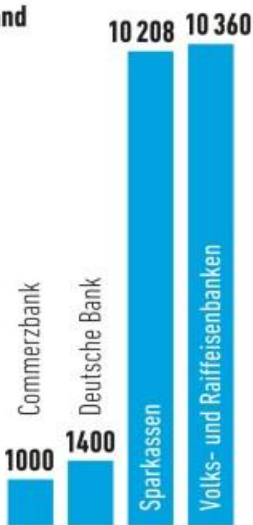
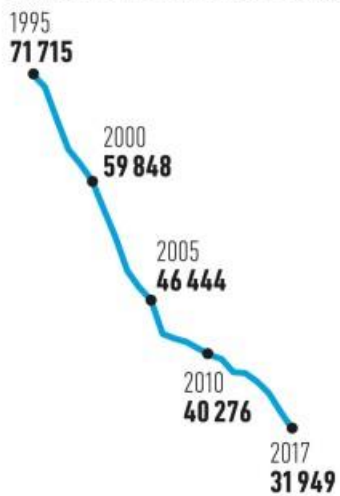
**Develop and outline a brief concept together.**

**Info 1**

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## Bankfilialen verlieren an Bedeutung

### Zahl der Bankfilialen in Deutschland



### Das erwarten Kunden von ihrer Bank:



Quelle: Deutsche Bundesbank; Splendid Research/FA.Z.-Grafik Walter

## Info 2

### Jeder dritte Nutzer von Online-Banking geht gar nicht in die Filiale

Verwenden Sie ausschließlich Online-Banking oder besuchen Sie zumindest hin und wieder auch eine Bankfiliale?

Wie lange ist es her, dass Sie das letzte Mal eine Bankfiliale besucht haben, um Bankgeschäfte zu tätigen?



§ Basis: Online-Banking-Nutzer bzw. Online-Banking-Nutzer, die hin und wieder auch eine Bankfiliale besuchen | Quelle: Bitkom Research

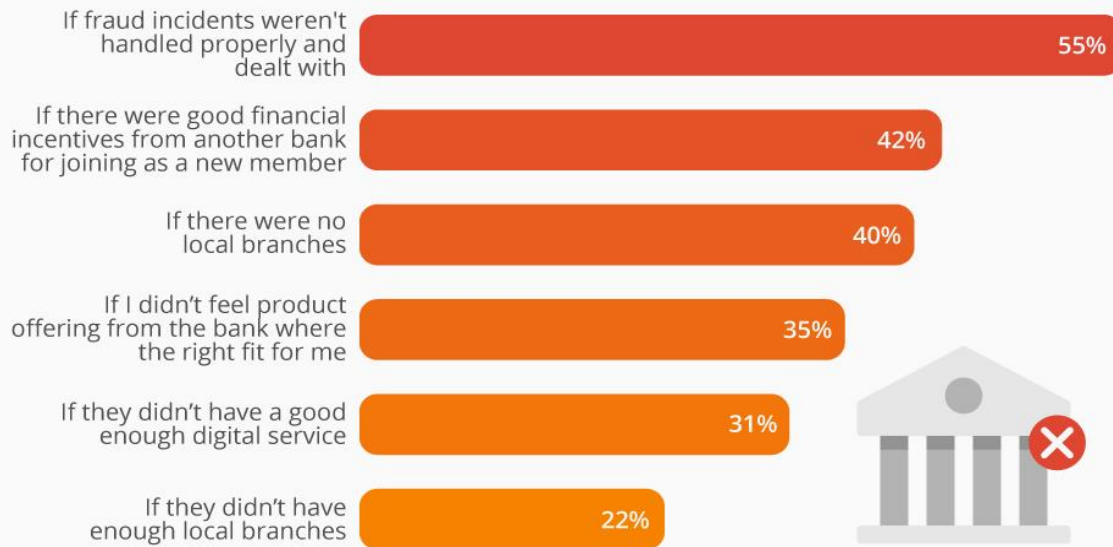
bitkom

## Info 3

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## Why People Would Leave Their Bank

Most cited factors that could make consumers leave their bank



@StatistaCharts

n=4,698 (excluding 'N/A' and 'don't know' respondents). Conducted December 2017 in the United States, United Kingdom and Australia.

Source: Genpact

statista

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## Lösungs- und Bewertungshinweise:

|   |  |
|---|--|
| Factors → housing crash 2cr                           | Prices are going up<br>Interest rates are increasing<br>Home sales have dropped<br>Prices begin to drop  |
| Expected economic situation 1cr                       | Economy will slow down - foreclosures will increase.   |
| Stock Bubble: consequences 1cr                        | Not only the increasing stock bubbles cause a financial crisis.  |
| Reason for speculation 1cr                            | Low interest rates, as people don't just buy for better value.   |
| Information on real estate (Punkte?)                  | Real estate is the greatest real estate bubble.<br><br>If you love your house, keep it-<br>Otherwise it should be sold before the crash (or pass it down to heirs).<br><br>The real estate market will freeze fast.<br><br>Experts warned of a slowdown. |
| Stack's warnings (reason and effect) 4 cr             | Rising mortgage rates → lead to housings affordability problems<br><br>Highly inflated housing market shares ended the year down by more than a third.   |
| Economic development and its consequences 2cr         | Economic numbers always go up and down.<br><br>That does not necessarily mean that the economy will turn out to be disastrous.   |
| Facts about Robert Shiller 2cr                        | He is a Nobel prize-winning economist.<br>Warned of the dot-com and housing bubbles.   |
| Causes for slowdown 2 cr                              | Buyers can no longer afford a home after years of steady price increases.<br><br>Others are worried about buying at the top.   |
| Consequences if homeowners can't pay the mortgage 2cr | Houses are being sold.<br><br>Foreclosures will skyrocket.   |

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**Modul 1b: Rezeption II (Leseverstehen)** (Erreichbare Punkte: 20)

## Lösungs- und Bewertungshinweise:

### Aim of regulations

**Ensure the private sector and enforcement agencies can counter (entgegenwirken) flows of dirty money in, around and out of the UK**

### Success / costs

- Successes are limited
- Some £5bn per year are being spent

### The survey inquired

- Where the risks lied
- How regulations can best be deployed
- How regulated firms feel about how well the AML works
- The level of commitment (Anstrengung) to stamping out (ausmerzen) money laundering, from the C-suite (Vorstandsebene) to branch office

### Factors curtailing the companies', banks' and lawyers' efforts

- Inconsistent controls
- Confusion of regulators
- Uncertain where to direct their concerns
- Uncertain if the information is used
- Lack of appropriate guidance

### Impact of digital development on tackling the issue of ML

Evolving criminal methodologies make it difficult to tackle this problem as technology is adept and changing fast

### Preconditions to fight money laundering

- Sharing information between company departments and between regulated businesses
- Share their suspicions earlier not only with peers but across sectors
- Legislators and regulators should be more transparent and realistic in their guidance

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- Monitoring and reporting of enforcement outcomes
- Clearer and more frequent communications between regulators and regulated business
- Regulated firms need to adopt a zero-tolerance approach
- Training and reporting suspected financial crimes

### **Information cannot be analyzed efficiently (Reason?)**

Crime agency units are too overstretched and under-resourced

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## Modul 2: Produktion

(Erreichbare Punkte: 30)

### Lösungs- und Bewertungshinweise

#### **Introduction/General Information – Should we go green?**

The growing trend of living environmentally and socially aware has not reached its peak: More and more people follow this trend and adopt a green attitude towards life. (Examples → statistic)

For this reason, central banks and governments have also become aware or have been forced to accept this topic as a top priority one, as pressure has risen.

#### **Possible target group(s) – Young & Old**

Environmentally aware younger people who can afford to buy any kind of asset (millennials)

Older investors who need a bit more information to be brave enough to trust this kind of investment

#### **Strengths - Looking for a strong investment?**

Financial institutions are scaling up and directing financing toward green investments

Sustainable funds have enjoyed a strong relative performance

On average, they have outperformed expectations

#### **Opportunities - Good investment – green investment**

Despite unfavorable market conditions, green investment is always a good investment – either for the environment and / or for the customer

Green bonds are said to attract record net flows

ESG funds continued a six-year string of ever-higher annual net flows – this performance will probably continue

As more and more investors prefer a green lifestyle, this is a solid chance to integrate ESG into their portfolios



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## **Recommendation / Own view**

Target is to make the UK and Germany hubs for innovation in sustainable investment.

What was once seen as niche will become mainstream.

Own view

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## Modul 3: Mediation

(Erreichbare Punkte: 30)

### Lösungs- und Bewertungshinweise:

#### Der Rundbrief sollte folgende Kriterien erfüllen:

- ✓ Introductory Sentence
- ✓ Circular letter layout
- ✓ Addressing the reader

#### Mögliche Formulierung der Fakten:

### Latest news: Green Finance Week in Frankfurt - Green Finance in Germany

The Palmengarten is close to green finance: KfW, the biggest German Green Bond issuer is located close to the Palmengarten and the Bundesbank, which is also closely involved in Green Finance, too. As Frankfurt is the financial centre of Germany, it is the perfect place for the "Green Finance Week".

The key message of the NGFS is that Central banks all over the world acknowledge that climate change is a source of financial risks. Therefore, green finance is a field of work for central banks. Combating climate change and protecting the environment: this is no longer a hobby-horse of eco-activists, but a key factor for economic and financial systems.

The four recommendations addressed to central banks and supervisors are:

1. Assessing/analyzing climate-related risks in the financial system and integrating them into banking supervision.
2. Integrating sustainability factors into own portfolio management. Central banks should set a good example.
3. Bridging data gaps. Public authorities are asked to share data relevant to Climate Risk Assessment and make these data public.
4. The NGFS encourages all financial institutions to collaborate to improve their understanding of how climate-related factors translate into financial risks and opportunities.

Two NGFS recommendations are addressed to policymakers: Achieving robust and internationally consistent climate and environment-related disclosure. Investors need to know about the climate risks in their investments.

And the development of a taxonomy of economic activities. A taxonomy makes investing green easier and prevents "green washing". It creates more market transparency on which activities are really green and which are not.

All this comes at a time when German politics has been paying ever-closer attention to Green Finance. Chancellor Merkel has declared that Germany should become a leading hub for sustainable finance.

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Most important for **market participants**: the idea **of issuing a Green Bund** is gaining traction. There are different models and ideas of how to **design such a Green Bund**.

The **challenge** is to **establish this Green Bund on the market**. We can expect a **high demand for a Green Bund**.

The current Frankfurt Green Finance Week is not **a one-hit wonder**, but an **evergreen**: Our work for up **green finance** will continue – as a **central bank**, but also in the **political arena**.