



جامعة الجميع الذكية
EVERYONE'S SMART UNIVERSITY

Everyone's Smart University

Assignment 1 (Spring 2021)

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Section

**Master of Project
Management**

Date

18 / 02 / 2021

Course Code

(PMG510)

Project Risk Management

Instructions:

Instructor's Name: Eng. Mosaab M. Hamed

حتى الآن من المفترض أن تكون أصبحت قادراً على التعرف والتمييز بين أنواع المخاطر المختلفة وكيفية التعامل معها. كما يمكنك الآن رؤية كيف يتم هذا الأمر في الشركات الكبيرة والمرموقة.

في هذا الواجب: قم باختيار واحدة من الشركات التالية:

أرامكو السعودية

البنك الأهلي التجاري

شركة الاتصالات السعودية

قم باختيار واحدة من الشركات الثلاث المذكورة أعلاه ثم ابحث عن أي 4 مخاطر تواجهها هذه الشركة .

لكل خطر من هذه المخاطر قم بالاجابة عن الأسئلة التالية:

1. لماذا اعتبرته خطراً؟
2. ماهو نوع هذا الخطر؟
3. ماهي احتمالية هذا الخطر؟ وفي حالة وقوعه مامدى قوة وتأثير هذا الخطر؟
4. ماهي السياسة أو الاستراتيجية التي تتبعها هذه الشركة للتعامل مع هذا الخطر وادارته؟

** يمكنك الاجابة باللغة العربية أو الانجليزية على ألا تتجاوز اجابتك صفحتين من النوع A4

** يتم تسليم جميع الاجابات في ملف بصيغة pdf.

** حجم الخط 12.

** نوع الخط Arial.

** المسافة بين الأسطر (line spacing) 1.5

أمنياتي بالتوفيق.

Throughout this course you have learned about the different types of risk and how businesses manage them. Now you will be able to see how it is done in a well-known company.

Your assignment is to choose one of the following companies:

Saudi Aramco

The National Commercial Bank

Saudi Telecom Company

Do some research on any of the aforementioned companies and identify four risks they are facing.

For each risk please answer the following:

1. Why is this a risk?
2. What type of risk is it?
3. What is the likelihood of the risk? How great is the impact?
4. What strategy or policy does the company use to manage the risk?

** Your answers could either be in Arabic or English.

** You should submit your assignment in a pdf formatted file.

** Font size should be 12.

** Font type is Arial.

** Line spacing is 1.5.

All the best.

Risk is defined in financial terms as the chance that an outcome or investment's actual gains will differ from an expected outcome or return. Risk includes the possibility of losing some or all of an original investment.

Quantifiably, risk is usually assessed by considering historical behaviors and outcomes. In finance, standard deviation is a common metric associated with risk. Standard deviation provides a measure of the volatility of asset prices in comparison to their historical averages in a given time frame.

Overall, it is possible and prudent to manage investing risks by understanding the basics of risk and how it is measured. Learning the risks that can apply to different scenarios and some of the ways to manage them holistically will help all types of investors and business managers to avoid unnecessary and costly losses.

Firstly, Market risk is defined as the potential loss in value of financial instruments or a company's on or off-balance sheet positions arising from adverse movements in market variables such as commission or other profit rates, foreign exchange rates and the costs of debt, equity and commodity investments. The Group's financial condition and results of operations could be adversely and materially affected by market risks that are outside its control including, without limitation, volatility in one or more of these macroeconomic factors. Changes in special commission income levels, interest, spreads and maturity mismatches may affect the margin realized between NCB's lending and investment activities and its borrowing costs, and the values of assets and investments that are sensitive to special commission income and spread changes. The principal risk in relation to special commission income arises from the possibility that changes in special commission income will result in a mismatch or gap in the amounts of assets and liabilities and off-balance sheet instruments that mature or re-price in a given period. An

increase in special commission income generally may decrease the value of NCB's fixed rate loans, raise NCB's funding costs and decrease the value of fixed rate debt securities in NCB's securities portfolio. Volatility in special commission income may result in a re-pricing gap between NCB's special commission-income sensitive assets and liabilities and will adversely affect NCB's net special commission income. The persistence of special commission rates at prevailing low levels may curtail NCB's ability to sustain growth in net commission income and earnings. There is no guarantee that NCB can sustain growth in its net commission income through high growth in the volume of loans to customers which offsets the fall in yields resulting from lower special commission rates. However, in the event that the rate of growth in volume of customer loans slows down, and special commission rates remain at current levels or erode further, this would result in losses that could have an adverse effect on NCB's business, financial condition, results of operations or prospects. Changes in the prices of debt, equities, commodities and other securities may also affect the values of NCB's investment and trading portfolios. It is difficult to accurately predict changes in economic and market conditions and to anticipate the effects that such changes could have on NCB's financial condition and result of operations.

Secondly, NCB's credit ratings, which are intended to measure its ability to meet its debt obligations as they mature, are an important factor in determining NCB's cost of borrowings. The commission rates of NCB's borrowings are partly dependent on its credit ratings. There can be no assurance that any of NCB's ratings will remain the same in the future. A material downgrade of NCB's credit ratings to a rating below investment grade (or announcement of a material change of outlook) may increase its cost of borrowing and may also limit its or its subsidiaries or associates' ability to raise capital. Moreover, actual or anticipated changes in NCB's credit ratings may affect the market value of the Shares. Ratings may be subject to revision or withdrawal at any time by the assigning rating organization. A material downgrade of NCB's credit ratings to a rating below investment grade (or announcement of a material change of outlook)

could adversely affect NCB's liquidity, business, financial condition, results of operations or prospects.

Thirdly, A reputation for financial strength and integrity is critical to the Group's ability to attract and maintain customers and facilitate strong relationships with its business counterparties. The Group's reputation could be damaged in the future by various factors, including, without limitation, a decline in, or a restatement of, or other corrections to, its financial results, adverse legal or regulatory action or employee misconduct causing the Group to breach applicable legal and/or regulatory requirements. The loss of business that could result from damage to the Group's reputation and perception could affect its financial condition, results of operations and prospects.

Fourth, the growth rate of the banking sector in the Kingdom may not be as high and sustainable as currently anticipated by NCB as the pace of economic growth in the Kingdom, is currently not clear. The growth and development of the banking sector is subject to a number of uncertainties that are beyond the control of NCB, and which if sustained and materially unfavorable could have a material adverse effect on NCB's business, financial condition, results of operations or prospects.