



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:

١. لماذا اعتبرته خطراً؟
٢. ماهو نوع هذا الخطر؟
٣. ماهي احتمالية هذا الخطر؟ وفي حالة وقوعه مامدى قوة وتأثير هذا الخطر؟
٤. 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.

The National Commercial Bank

The NCB faces risks today as much as it always has, and perhaps more so in the current financial market. Banking professionals must learn to identify and then protect themselves from common risks if they are going to succeed. Here are the four biggest risks for today's banks.

1. Credit Risk:

Credit risk is the biggest **high** risk for banks. It occurs when borrowers or counterparties fail to meet contractual obligations. An example is when borrowers default on a principal or interest payment of a loan. Defaults can occur on mortgages, credit cards, and fixed income securities. Failure to meet obligational contracts can also occur in areas such as derivatives and guarantees provided.

While banks cannot be fully protected from credit risk due to the nature of their business model, they can lower their exposure in several ways. Since deterioration in an industry or issuer is often unpredictable, banks lower their exposure through diversification. By doing so, during a credit downturn, banks are less likely to be overexposed to a category with large losses. To lower their risk exposure, they can loan money to people with good credit histories, transact with high-quality counterparties, or own collateral to back up the loans.

2. Operational Risk:

Operational risk is the risk of loss due to errors, interruptions, or damages caused by people, systems, or processes. The operational type of risk is **low** for simple business operations such as retail banking and asset management, and higher for operations such as sales and trading. Losses that occur due to human error include internal fraud or mistakes made during transactions. An example is when a teller accidentally gives an extra 50SR bill to a customer. On a larger scale, fraud can occur through the breaching a bank's cyber security. It allows hackers to steal customer information and money from the bank, and blackmail the institutions for additional money, and in order to reduce the operational risk we have to Keep Strong Business to Business Relationships, having adequate insurance and banks must stay up to date on central bank regulations.

3. Market Risk:

Market risk mostly occurs from a bank's activities in capital markets. It is due to the unpredictability of equity markets, commodity prices, interest rates, and credit spreads. Banks are more exposed if they are heavily involved in investing in capital markets or sales and trading.

Commodity prices also play a role because a bank may be invested in companies that produce commodities. As the value of the commodity changes, so does the value of the company and the value of the investment. Because the risk affects the entire market, it cannot be diversified in order to be mitigated but can be hedged for minimal exposure. As a result, investors may fail to earn expected returns despite the rigorous application of fundamental and technical analysis on the particular investment option. Volatility, or the absolute/percentage dispersion in prices, is often considered a good measure for market risk. Professional analysts also tend to use methods like Value at Risk modeling to identify potential losses via statistical risk management.

4. Liquidity Risk:

Liquidity risk refers to the ability of a bank to access cash to meet funding obligations. Obligations include allowing customers to take out their deposits. The inability to provide cash in a timely manner to customers can result in a snowball effect. If a bank delays providing cash for a few of their customer for a day, other depositors may rush to take out their deposits as they lose confidence in the bank. This further lowers the bank's ability to provide funds and leads to a bank run.

Reasons that banks face liquidity problems include over-reliance on short-term sources of funds, having a balance sheet concentrated in illiquid assets, and loss of confidence in the bank on the part of customers. Mismanagement of asset-liability duration can also cause funding difficulties. This occurs when a bank has many short term liabilities and not enough short-term assets. Regulations exist to lessen liquidity problems. They include a requirement for banks to hold enough liquid assets to survive for a period of time even without the inflow of outside funds.