



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

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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 ٤ 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 ١٢.**

**** 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.

Credit Risk

- 1) Credit risk is the biggest risk for banks. It occurs when borrowers or counterparties fail to meet contractual obligations, credit risk causes severe bank failures
- 2) Financial Risk Unsystematic risk. Pillar 1 risks
- 3) This risk relates to the possibility that loans will not be paid or that investments will deteriorate in quality or go into default with consequent loss to the bank. NCB is exposed to credit risk, market risk, liquidity risk, macroeconomic risk and interest rate risk in banking book as primary risks High levels of credit risk can impact the lender negatively by increasing collection costs and disrupting the consistency of cash flows.
- 4) Credit Risk Policies - There are two main credit risk management policies, viz. Corporate Banking Group Credit Policy Manual and Consumer Finance Islamic Credit Policy. Maintain their capital levels equal to 8% of risk-adjusted assets.
 - Setting up an Ideal Credit Risk Environment
 - Formulating a Full Proof Credit Granting Process
 - Securing Control Over Credit Risks
 - Intelligent Recruitment of Human Resource
 - Incorporation of Effective Information System

Operational Risk

- 1) Operational risk events can trigger huge losses.
- 2) Non-Financial risk Pillar 1 risks - HAZARD RISK
- 3) The impact on the bank's overall business and reputation, sometimes threatening its very existence and Losses from these operational risk episodes can be catastrophic.
- 4) The SAS Operational Risk Monitor is being used for collecting operational risk losses that occur within the bank. The Bank can record and consider major operational risks/incidents and effectively determine the appropriate measures to mitigate Banks must put in place suitable risk management policies and procedures to enable them to identify, assess, monitor and control/mitigate operational risk. These policies and procedures should be commensurate with the scale and complexity of the institution's operations.

Market Risk or systematic risk

- 1) 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. Sales and trading is the lifeblood that makes or breaks a securities firm.
- 2) Financial risk - Pillar 1 risks.
- 3) That price fluctuations or volatility increases and decreases in the day-to-day market. This type of risk mainly applies to both stocks and options and tends to perform well in a bull (increasing) market and poorly in a bear (decreasing) market. Generally, the more volatility within the market, the more probability there is that the investment will increase or decrease.
- 4) the Bank tries to mitigate the impact of risk by creating reserves and limits. Market risks are booked in the trading book, tend to inflate reserves for credit risk, to provide cover for market risks that may be hidden. It is difficult to demarcate where market risk begins and say operational risk ends.

Identifying the Risk and Measuring the risk.

Liquidity Risk

- 1) Not having enough liquid assets on hand to meet daily obligations.
- 2) asset/product risk.
- 3) Nearly every transaction has implications on your bank's liquidity ,and its impact on banking stability , market traders number .
- 4) Liquidity risk is managed through controlling concentrations and relative market sizes of portfolios in the case of asset liquidity risk, and through diversification, securing credit lines or other back-up funding, and limiting cash flow gaps in the case of funding liquidity risk.

Identify Liquidity Risks Early - Monitor & Control Liquidity Regularly

Conduct Scheduled Stress Tests - Create A Contingency Plan.