



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:

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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 بالإجابة 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 وإدارته؟

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:

The National Commercial Bank

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

For each risk please answer the following:

Why is this a risk?

What type of risk is it?

What is the likelihood of the risk? How great is the impact?

The Oxford English Dictionary definition of risk is as follows: 'a chance or possibility of danger, loss, injury or other adverse consequences' and the definition of at risk is 'exposed to danger'. Taking a risk can result in a positive or negative outcome. Risk management provides a framework for companies to cope with uncertainty and to adapt to it. This essay describes the different risks that occur in National Commercial Bank.

1. **CREDIT RISK:** For banks, this is the greatest *Financial risk*. It happens when contractual obligations are not fulfilled by creditors or counterparties. In all activities where success depends on counterparty, issuer, or borrower results, credit risk is identified. Credit risk is most likely caused by loans, acceptances, interbank transactions, trade financing, financial futures, swaps, bonds, equities, options, and in the extension of commitments and guarantees, and the settlement of transactions. To determine the likelihood of credit risk occurrence we use a likelihood and magnitude matrix. Credit risks have *high likelihood and high magnitude*.
2. **Breaching A Bank's Cybersecurity Risk:** is the *operational risk* type of loss due to errors, interruptions, or damages caused by people, systems, or processes. This 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. It allows hackers to steal customer information and money from the bank and blackmail the institutions for additional money. In such a situation, banks lose capital and trust from customers. This type of risk has *low likelihood and high magnitude*.
3. **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. Changes in commodity prices are caused by supply and demand shifts that are often hard to predict. This type of *Financial risk* is *high likelihood and high magnitude*.
4. **MORAL HAZARD:** is a risk that occurs when a big bank or large financial institution takes risks, knowing that someone else will have to face the burden of those risks. The national bank should pay more attention to the activities of the banks to eliminate the losses caused by moral hazards. The banks should also not indulge in risky businesses and should follow the proper path. This type of *hazard risk* is *high likelihood and high magnitude*.