

Everyone's Smart University

Assignment 1 (Spring 2021)



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Section

**Master of Project
Management**

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Course Code

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Project Risk Management

Instructions:

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- Market Risk:

Why is this a risk?

Because of the negative market price movements, then the price action tends to be unprofitable and unfit for the bank.

What type of risk is it?

Opportunity Risk

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

High likelihood and high impact

What strategy or policy does the company use to manage the risk?

The bank forming a committee to measure this range for specific years, and then studying the market to diversify activities so that no harm occurs.

- Interest rate Risk:

Why is this a risk?

Because the bank offers products at a fixed interest rate, and if the refinancing rate rises, the net return will be decline

What type of risk is it?

Hazard Risk

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

High likelihood and high impact

What strategy or policy does the company use to manage the risk?

In case of bad, the bank takes the position of the party who pays a cash flow based on fixed rates, then the bank takes a cash flow based on floating interest rates.

- Credit Risk:

Why is this a risk?

Due to fluctuations in profits that may arise because of loan and investment losses represented in debt backed.

What type of risk is it?

Compliance Risk

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

High likelihood and high impact

What strategy or policy does the company use to manage the risk?

The bank must take the necessary measures regarding currency exchange rates and grant loans in hard currency, so that the bank does not fall into the maze of low interest rates or lose money.

- Currency Risk:

Why is this a risk?

Because the currency exchange market contains sharp fluctuations in the exchange of buying and selling in the foreign market.

What type of risk is it?

Control Risk

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

High likelihood and high impact

What strategy or policy does the company use to manage the risk?

The bank is opening external branches of banks that branch out locally, expanding foreign branches, and using currency-hedging tools