



جامعة الجميع الذكية
EVERYONE'S SMART UNIVERSITY

Everyone's Smart University

Project (Spring 2021)

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Section

Master

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Course Code

(PMG510)

Project Risk Management

Risk management

Because the bank operates in a dynamic and highly competitive environment, it has focused over the past year on managing a range of risks

Credit risk

Credit risk is one of the most important risks to the bank and the group, namely the inability of the other party to meet the financial process

Its obligations result in the bank incurring a financial loss, and credit risks arise mainly from the credit facilities granted to customers, cash and deposits with other banks.

Credit risks are also present in some financial instruments outside the financial position list, including guarantees

Related to the purchase and sale of foreign exchange and letters of credit. We systematically study the customer's total credit solvency based on factors .Quantity and quality, which helps us maintain a strong financing portfolio. The bank can also take corrective measures by conducting reviews

.A funding patrol to detect weaknesses in portfolio quality

Liquidity risk

Liquidity risks are the bank's inability to meet its financial obligations upon maturity and to replace funds when withdrawn without incurring unacceptable losses, to the detriment of the bank's reputation and ability to continue to develop its business and services. Because the accuracy of the expectation of the level of cash flows and their equivalent is vital to the bank's ability to manage such risks, the bank expects them on the basis of practice and in accordance with

.for the limits set by the group and the movement of historical deposits

The bank's liquidity is also affected by market instability and low credit rating levels, which is why assets are managed wisely while maintaining an appropriate balance of cash, equivalents and other assets at all times, and to help reduce these risks, the bank focuses on the diversity of sources of financing. In a proactive action to address any liquidity risks that may arise in the future, the Bank is conducting a practical experiment with an internal liquidity adequacy assessment plan (ILAAP) to estimate the funding available during difficult situations and in a way that helps pre-anticipate any

.developments

Market risk

The market is represented by foreign exchange risks, profitability rates and market prices, which usually occur when the fair value of future cash flows fluctuates to a financial instrument as a result of changes in market prices. Market risks arise from products with profitability rates, products in foreign currencies and investment funds, all of which are subject to general and private changes in the market, and can change in the level of lower rates, and prices prevailing in the market

Such as profitability rates, foreign exchange rates, and market prices that affect the bank's performance.

The Bank is not exposed to market risks resulting from speculative operations such as hedge contracts, options, futures contracts and derivatives, because the bank is committed to sharia law provisions, while on the other hand the group is exposed to market risks such as profitability risk, foreign exchange risk, market price risks, and operational risks.

Operational risk

Operational risk scenarios are similar in nature and are generally due to failures or deficiencies in internal systems and processes, or faulty human behavior, as well as external events

With regard to Bank 1111 and during 2019, the combined results in this context indicated levels of controllable and thankful operational risks, reflecting the bank's overall flexibility as well as the success of its integrated approach in identifying, measuring and monitoring operational risks

Concentration risks

Fully aware at Bank 1111

Focusing on a single activity makes it vulnerable to concentration even from the least rifts that may occur in the work environment. Therefore, the Bank has been keen to achieve geographical diversity and rely on the confidence and loyalty of a diverse base of valued customers spanning different industries, countries and portfolios of different sizes. This diversity serves as a shield to protect against the dangers of concentration and stabilizes the face of external influences

Risk management practices

The purpose of the board's risk management committee is to help the Board maintain the responsibility of overseeing the bank's performance within the bank's risk tolerance within the risk management regulatory framework set by SAMA

The internal assessment of capital adequacy reduces the Bank's risk management framework and determines the bank's risk tolerance, risk management approach and key risk controls. The internal assessment of capital adequacy is an ongoing process adopted by the Board of Directors and presented to the Saudi Arabian Monetary Agency annually, and the Board's Risk Management Committee reviews the internal capital adequacy assessment plan and recommends that it be approved by the Board and then presented to the AMF annually by the Board's approval

The bank is keen to manage risk wisely and realistically so that it continues to make profits. To achieve this, the Bank has worked to accurately identify potential risks and analyse the potential effects of those risks on its value-achieving process, including setting limits on those risks based on the bank's affordability. The bank's policies and actions help identify and analyze relevant risks, manage its capital effectively and achieve sustained returns to shareholders

The results collected during 2019 indicated levels of manageable operational risk, thank God

The Credit and Risk Group, chaired by the Chairman of the Risk Group, plays a very important role in managing the bank's risks across its various operations, working within the frameworks and policies of the Board of Directors, and issues reports and submissions to the Board of Directors and Reputation Committees, technology risk, information security, etc

Related, dealing with credit risk, portfolio asset quality, radiation risks, liquidity risks, market risks, and risks

The Board's Risk Management Committee also reviews credit policy, allocations, operational risk policies, risk risk policy, liquidity and information security policy and recommends board approval

The Assets and Liabilities Committee monitors the bank's liquidity risk and the liquidity management process includes the day-to-day management of funds to ensure that they are available when necessary to ensure compliance with obligations and to monitor liquidity indicators against concentration management and debt benefit summary

Credit Risk Management regularly monitors market risks and reports are sent to the Assets and Liabilities Commission monthly for evaluation. The Assets and Liabilities Commission ensures that measures taken by risk management are improved but begins to take risk reduction measures if they are not within the bank's risk tolerance limits

Diversified risks support the performance of the financial bank, complemented by the customer base of banking services for reliable and strong companies. Our extensive branch network produces a loyal customer base, providing a high level of stable on-demand deposits, as well as positive effects on liquidity

.Bank

In support of long-term value-achieving plans, our risk management practices regulate all aspects of the bank's customer journey from recalling new customers to issuing financial transactions and providing reliable and relevant products and services

To enhance its reputation and standing at the domestic and international levels, Bank 1111 - for many consecutive years - has received positive credit ratings from international rating agencies. This good reputation and prestige did not change during 2019, as the Bank maintained its advanced ranking despite difficult economic and environmental challenges

Looking forward

Bank 1111 is primarily looking to expand sectors of its core functions in the service of individuals, companies and SMEs, in line with global risk management practices as well as regulatory and international standards and best practices
In this area

the conclusion

From the above we find that risk is an event that has not yet occurred but may occur and cause a problem or on the contrary is an opportunity for us, and for all we have demonstrated the mechanism of dealing. In any case, we wait for your question about risk management, that comprehensive article of many other articles that are just as important as this article for entrepreneurs and startups, or for those who are considering launching their own company and business soon

All risks you know must be recorded in a dedicated risk record, so that this record contains risks and assesses every risk for their likelihood or impact, and some increase two additional factors: the time frame, and the status of activities, as well as each risk that writes the method used to deal with them with the need to assign a responsible person for each risk

A person can be assigned different from each risk or a fixed risk management team can be assigned depending on the status of each project, but it is necessary to identify in the risk register the person responsible and have the appropriate plan to follow with risks or opportunities

What is mentioned in this article are simple basic concepts of risk management and we may speak in detail in upcoming articles on risk management if we find it necessary to do so

المراجع

[https://jadwa.om/blog/Risk analysis and management](https://jadwa.om/blog/Risk_analysis_and_management)

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