



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 4 مخاطر تواجهها هذه الشركة .

لكل خطر من هذه المخاطر قم بالاجابة 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؟

** 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.

Banking sector is a huge sector in Saudi Arabia and such a big business comes with a lot of risks and requires a clear risk management plan.

Due to the large size of some banks, overexposure to risk can cause bank failure and impact millions of people. By understanding the risks posed to banks, governments can set better regulations to encourage prudent management and decision-making. The ability of a bank to manage risk also affects investors' decisions. Even if a bank can generate large revenues, lack of risk management can lower profits due to losses on loans. Value investors are more likely to invest in a bank that can provide profits and is not at an excessive risk of losing money.

We are going to take **The National Commercial Bank** in Saudi Arabia as an example and identify four risk they are facing.

First type of risk is compliance risk. Along with the term 'compliance risk' there are other similar terms in use in the financial practice such as 'risk of noncompliance with regulatory requirements', 'legislative risk', 'legal risk', and other types of risk.

highly regulated industries like banks compliance issues are very important. Failure to comply with local Saudi laws, regulations, internal rules and standards will have a huge impact as a result like significant financial losses or loss of reputation.

The National Commercial Bank strategy towards compliance risk is to ensure full compliance with all rules and regulations and run zero risk in this category by following all local rules and regulations that has been set by the government and Saudi Central Bank (SAMA). They have developed mechanisms and methods to manage possible risks, continuously enhance the risk culture while also raising the level of compliance with the international, local and internal regulations, they have a dedicated department for risk management. And such methods can minimize or eliminate the likelihood of the risk.

Banks are exposed to different types of risks, which can affect their financial performance and can even lead to failure of banks. The collapse of any bank is possible to happen due to the increase in non-performing loans which is a part of credit risk. Credit risk is one of

the most significant risks that banks face, in view of granting credit is the main source of income for commercial banks.

One of the National Commercial Bank most important offerings is loans and investments it's the highest income section for the Bank and its highly competitive since all banks are competing to offer the best loan package to its customers. But it is also carrying high risk and high likelihood with it.

Investing in loan is considered an opportunity risk and they are willing to invest in high-risk business for the long-term profit. But the running, operations and client follow up that is associated with it can be considered as control risk

strategies in anticipation of a high profit or return. Since they can face failure in the projects they invest in or failure and delays to payback from bank customer that received a cash loan or car payments loan or any type of other loans.

Security is also a major part for the National Commercial Bank since they have a large amount of cash in their branches that can be exposed to theft. And this is considered as hazard high risk that can have a big impact for the bank itself, their employees, and customers safety. Their strategy towards theft is to avoid and try to eliminate all the chances and they consider it as hazard risk. So, they take it very seriously by employing highly trained security guards and using advanced security systems to make so the likelihood for the risk can considered as low.

Lastly are technology related risks like using new software system and these software or apps can be exposed to hackers or viruses affect their client data and reputation. These are the hazard risks associated with this new software system. The National Commercial Bank strategy towards this kind of risk is to try to eliminate any chance of it. By hiring the best cyber security companies to work on data protection systems to help prevent this type of risks that will have a huge impact if occurred with low likelihood of happening since they are doing actions to prevent it.