

Risk Culture & Behavioral Risk Management

Psychological Skills to Complement Quantitative Techniques

Virtually every major risk management catastrophe in recent years has psychological pitfalls at its root. The list of catastrophes includes rogue trading scandals, Ponzi schemes, the global financial crisis, the nuclear meltdown at Fukushima Daiichi power plant, and the 2010 explosion at BP's Macondo well in the Gulf of Mexico. Although all of these catastrophes featured problematic quantitative frameworks, it was human psychology rather than problematic modeling that served as the key driver. Despite this fact, risk management education continues to overemphasize quantitative modeling and underemphasize psychological understanding.


If you are a risk manager, or interact with risk managers, this program can help you better understand the psychology of risk. At its core, the psychology of risk pertains to emotions, framing, personality, and judgmental errors. Through this program, you will acquire a vocabulary and skill set for analyzing the psychological dimension of risk management issues, thereby improving your effectiveness and the efficacy of your organization.

How you will benefit

- Learn to identify how psychological hard wiring predisposes people to make systematic mistakes in the assessment of risk
- Learn to identify the complex ways in which psychological hard wiring impacts risk tolerance and risk taking
- Acquire the ability to apply behavioral frameworks to map out the landscape of CEO - CRO interactions
- Describe how poor risk management culture fosters high levels of operational risk
- Build a behavioral toolkit



This program is eligible for **12 CE credit hours** as granted by CFA Institute.

	2 days (+2 days self-study)
	€ 2500
	Risk Management
	English
	4.7/5
	23 – 24 March 2017

Faculty

Hersh Shefrin is the Mario L. Belotti Professor of Finance at Santa Clara University. He is one of the pioneers in the behavioral approach to economics and finance. The January 2001 issue of CFO magazine listed him among the academic stars of finance. A 2003 article in the American Economic Review listed him as one of the top fifteen economic theorists to have influenced empirical work. In 2009, his behavioral finance book *Beyond Greed and Fear* was recognized by J.P. Morgan Chase as one of the top ten books published since 2000.

Among his other books are *Behavioral Risk Management*, *A Behavioral Approach to Asset Pricing*, *Behavioral Corporate Finance*, *Ending the Management Illusion*, and *Behavioralizing Finance*. His work with Meir Statman received the William Sharpe Award Best Paper Award for the article "Behavioral Portfolio Theory," published in the *Journal of Financial and Quantitative Analysis*, and a Graham and Dodd scroll from the Association of Investment Management Research.

Professor Shefrin received his PhD from the London School of Economics in 1974. He also holds an honorary doctorate from the University of Oulu, Finland. He is frequently interviewed by the press and his work was profiled by BBC-TV in February 2014. He intermittently writes for The Wall Street Journal, blogs for Forbes and The Huffington Post, and can be followed on Twitter at @HershShefrin.

EARLY ENROLLMENT DISCOUNT - Enroll more than 90 days in advance and receive a 10% discount on the program fee

ENROLL NOW
www.aif.nl

Pre-program preparation (approximately two full days of self-study): Completion of an extensive questionnaire regarding the participant's attitudes toward risk, saving, and investment. The results form the core of the program, making it crucial that each participant completes the questionnaire within the given deadline.

Program Content

Psychological foundations: vocabulary, concepts, and techniques

- Heuristics
- Biases
- Framing effects and reference-point risk preferences

Financial instability, systemic risk, psychological dimension of global financial crisis

- Financial Instability Hypothesis
- Systemic risk
- Global financial crisis, case studies
- Regulatory heuristics

Risk management in financial firms and regulatory agencies: case studies

- JPMorgan Chase, OCC
- MF Global, CFTC/SEC
- RBS, Fortis, Santander/ABN AMRO, FSA/DNB
- Madoff, SEC]

Risk management in operating firms and regulatory agencies: case studies

- Fukushima Daiichi, NISA
- Southwest Airlines, FAA
- BP, MMS
- GM, NHTSA

“Excellent course, providing
new insights”

- Director
ABN AMRO Bank
The Netherlands

Enrolling & Practical Information

Enrollment requirements

AIF considers each enrollment application carefully to ensure the quality and level of the program is maintained and that participation of candidates is beneficial to both themselves and their companies. The general prerequisite for all AIF programs is the possession of an academic or equivalent degree, as well as proficiency in English and practical experience.

How to enroll

Enrollment applications are available via www.aif.nl. There is no closing date for enrollment although it is advisable to enroll early as places are limited. General Terms & Conditions of enrollment are available via www.aif.nl

Program calendar

Program dates and information about all AIF programs are available at www.aif.nl or by contacting AIF directly.

Accommodation

AIF has special reduced rates available for participants at nearby hotels.

Program location

All AIF programs take place at AIF's premises in the center of Amsterdam. AIF's premises are easily accessible by public transport and car and are a 30-minute drive from Schiphol international airport and a 5-minute walk from Amsterdam's central train station.

Program fees

Program fees include all the comprehensive program materials, books, and software that are required per program, as well as daily luncheons. Accommodation is not included.

As an educational and not-for-profit foundation, AIF is exempt from charging VAT. For clients located within the Netherlands, the AIF program fee is exempt from VAT. For other EU and all non-EU clients, VAT may be due by client to the tax authority.

Certificates

An AIF certificate of attendance is awarded to all participants who successfully complete an AIF Open Enrollment or In-Company program.

About Amsterdam Institute of Finance

AIF is a global financial education and innovation institute headquartered in Amsterdam. Through our programs (open enrollment and in-company) we connect ambitious professionals with the best minds in finance. Taking part in one of our programs or events is a direct investment in your personal future. Joining the AIF alumni network means connecting with the world's leading financial experts, in addition to professionals from more than 1200 organizations. Together with them we endeavor to impact your career and shape the future of finance.

This is what makes AIF and the AIF experience unique:

- We believe in responsible and sustainable finance
- AIF is a not-for-profit foundation which allows us to independently select our faculty from the world's leading business schools (such as INSEAD, NYU Stern, Berkeley, etc.) and other institutions
- Our clients, rather than profits, come first for us
- AIF delivers top quality. Our alumni give our faculty an average rating of 4.6 out of 5.0
- Enrollment in one of our programs means you become part of the AIF network which connects you to professionals in more than 110 countries
- Our programs are applicable to daily practice and prepare you for the future of finance.

CONTACT US

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