Pedro Judice, Montepio Bank, Lisbon

A robust model for optimal bank asset structure

Given a liability structure, the optimal bank asset structure problem consists in determining an asset allocation that maximizes profit, but also takes into account the risks in the balance sheet. Most bank asset allocation models are very sensitive to inputs, making them difficult to use in practice. We develop an optimization method that guarantees the stability of the allocations against parameters, based on turnover constraints. Our tests confirm turnover constraints are important in order to achieve smooth allocations.

Date: Thursday, January 24, 2019

Time: 4:00–4:50 pm

Location: Alavi Commons (6625 Everett Tower)
Main Campus
Western Michigan University

Refreshments will be served beginning at 3:50 pm.

For more information about the Department Colloquium Series visit wmich.edu/math/colloquium. Email inquiries may be directed to gene.freudenburg@wmich.edu.