

STANFORD UNIVERSITY  
DEPARTMENT OF STATISTICS  
JOINT PROBABILITY / STATISTICS SEMINAR

4:15 p.m., Wednesday, January 21, 2003  
Sequoia Hall Room 200  
(Cookies at 3:45 in 1st Floor Lounge)

*Amir Dembo (Math. & Stat.) & Darrell Duffie (GSB)*  
*Stanford University*

**Large Portfolio Losses**

We use large-deviations methods to analyse the tail risk of losses on large insurance or bank portfolios. Among other results, we calculate the approximate contribution to large tail losses of each type of position, as an input to portfolio structuring decisions. We provide conditions under which a portfolio lifetime risk measure can be reduced to a measure similar to value at risk.

This talk is based on a joint work with Jean-Dominique Deuschel.