

CALL FOR PAPERS

The 2008 UniCredit Conference on Banking and Finance

Beyond the Illusion of Risk Diffusion

**Vienna, Austria
6-7 November 2008**

The current turmoil in the credit and securities market has exposed the limitations of current risk-based measures of bank capital, the potential dangers from loan securitization and the difficulties of locating and evaluating risk in opaque markets. These events raise important issues for regulation: should bank capital ratios be based on marked-to-market measures of bank assets? What are appropriate accounting rules for SIVs/Conduits, and should prudential rules restrict the maturity mismatches that SIVs/Conduits can generate? Is regulation needed to raise the level of transparency in securitization and/or set standards for credit rating agencies? Are there risks of an excessive regulatory response to the crisis? The crisis also raises thorny questions regarding the future viability of the banking business model known as “originate-to-distribute”: is this system truly capable of distributing credit risks beyond the boundaries of the banking system? Can it be made to work in a situation of low market liquidity when marking to market is required? Can the model be modified so as not to lead to mispricing of risk? If, instead, this banking business model cannot be saved, should we expect a permanently lower supply of credit, or anyway a structural change in bank-firms interactions? And how will this change the impact of monetary policy on bank behavior?

To address these issues, a conference titled “Beyond the Illusion of Risk Diffusion” will be held in Vienna, Austria, on 6-7 November 2008, in collaboration with the Vienna University of Economics and Business Administration, the Wharton Financial Institutions Center and the *Review of Finance*. The program committee is formed by Viral Acharya, Franklin Allen, Elena Carletti, Giovanni Dell’Ariccia, Itay Goldstein, Robert Marquez, Alan Morrison, Steven Ongena, Marco Pagano, Lucy White and Josef Zechner. The conference is sponsored by the Unicredit Group and organized jointly with Elena Belli, Stefano Chiarlone and Marianne Kager of its Research and Strategy Unit.

The program committee invites the submission of high-quality research papers on issues relevant to the conference’s topic. The topics listed below are of particular interest.

TOPICS:

- Valuation uncertainty, transparency and accounting rules
- Liquidity risk and market risk
- Marking-to-market of bank assets in prudential regulation
- Securitization of bank loans and instrument design
- SIV and conduits
- Credit derivative markets and risk management
- Role of credit rating agencies
- Role of mortgage brokers and lenders
- Interbank markets
- Regulation of financial institutions
- Crisis management and role of central banks as liquidity providers
- Bank-firms relationships

KEYNOTE SPEAKERS (to be finally confirmed):

- Douglas W. Diamond
- Randall S. Kroszner

PAPER SUBMISSION:

Papers or extended abstracts should be submitted electronically in Acrobat format to Tina Horowitz (horowitt@wharton.upenn.edu) by **June 16, 2008**. Authors will be notified about the acceptance of papers and the conference program by the end of July. The UniCredit Group will cover travel and accommodation costs of presenters and discussants. Authors will retain copyrights of papers presented at the conference, and submission to the conference does not imply submission to the *Review of Finance*. However, if submitted to the *Review of Finance*, papers presented at the conference are eligible for free “fast track” reviewing – that is, are guaranteed an editorial decision in 2 weeks without any submission fee.