Specialization, Diversification and the Structure of the Financial System

The Impact of Technological Change and Regulatory Reform

A conference sponsored by the Federal Reserve Bank of New York
Friday, June 9, 2000
A variety of forces are combining to reshape the financial services industry as we head into the new millennium. Rapid technological change, financial modernization legislation removing long-standing barriers to alliances combining banking, securities, and insurance activities, and innovations in the design and distribution of financial products and services have all influenced the strategies adopted by financial institutions as they plan for future profitability and growth.

This conference will bring together banking, securities, and insurance industry participants, economists, industry analysts, risk managers, and supervisors to examine the implications of divergent corporate strategies towards specialization and diversification. Participants will discuss the forces influencing financial institutions, the risks and rewards of various corporate strategies, and the issues raised for supervisors and risk managers.

9:00 - 9:15
Welcome and Introductory Remarks
Jamie B. Stewart, Jr.
First Vice President, Federal Reserve Bank of New York

9:15 - 10:45 Session One
Banking and Securities and Insurance: Economists' Views of the Synergies

Anthony Santomero
Wharton Financial Institutions Center, University of Pennsylvania
“The Determinants of Success in the New Financial Services Environment”

Randall Kroszner
Graduate School of Business, University of Chicago
“The Economics and Politics of Financial Modernization”

Cara Lown, Carol Osler, Philip Strahan and Amir Sufi
Federal Reserve Bank of New York

Discussant: Christopher Mahoney
Group Managing Director, Moody’s Investors Service

10:45 - 11:15 Break
11:15 - 12:00  Special Technology Address
Denis O’Leary
Executive Vice President, Chase Manhattan Bank

12:00 - 12:45  Session Two
Technology: Driving Specialization or Enabling Diversification (or Both)?
Till Guldimann
Senior Vice President, SunGard Data Systems
Jim Marks
Director, Credit Suisse First Boston

12:45 - 2:15  Lunch
Keynote Speaker
Tom de Swaan
Member of the Managing Board, ABN Amro Bank N.V.

2:15 - 3:45  Session Three
Why We Do What We Do: The Views of Bankers, Insurers, and Securities Firms on Specialization and Diversification
Panelists include:
Richard Heckinger
Senior Vice President, State Street Bank
Tony Candito
President and Chief Information Officer, NEF Information Services

3:45 - 4:00  Break

4:00 - 5:15  Session Four
The Changing Financial Structure: Challenges for Supervisors and Risk Managers
Petros Sabatacakis
Senior Risk Officer, Citigroup
Leslie Rahl
President, Capital Markets Risk Advisors
William Rutledge
Executive Vice President and Head of Bank Supervision
Federal Reserve Bank of New York
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Federal Reserve Bank of New York
(212) 720-7544
beverly.hirtle@ny.frb.org

Hotel Registration
We have reserved a block of rooms at the Club Quarters (52 William Street in lower Manhattan) for the night of June 8. The rate for a single room is $145, plus state and local tax. If you will require a hotel reservation, please send us this form by May 5, 2000. If you have questions, please call Linda Cimini at 212-720-1750. We will send you information regarding hotel confirmation after May 11.

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Registration form
Please send or fax your registration by May 5, 2000

Name ....................................................................................................
Title ....................................................................................................
Affiliation ..........................................................................................
Address .............................................................................................
City ...................................................... State ............ Zip..............
Phone number(s)................................................................................
fax number ........................................................................................
Email address ....................................................................................

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Send or fax this form to: