



Preventing meltdown -
an operational banker's
view on the financial crisis.
Centre for Banking, Finance and
Sustainable Development

Public Seminar

Thursday 24 February 2011 | 14:00 – 16:00

Preventing Meltdown - An Operational Banker's View on the Financial Crisis

Public Seminar | Centre for Banking, Finance and Sustainable Development

This seminar by the School of Management's Centre for Banking, Finance and Sustainable Development will see Joseph De Feo, one of the foremost Operations Bankers in the financial services industry, talk about the financial crisis: what happened, could have happened, and didn't happen? He will also provide an insight from the operational and group CEO perspective of the firm with the world's largest turnover: CLS Bank International.

Why is this little-known bank so crucial for the operation of international banking? How does it function? What did it do during the crisis? What can we learn from its operations about day-to-day international banking activity?

Date: Thursday 24 February 2011

Timings: 14:00 – 16:00

Venue: Room 1019, Building 58a (School of Management Executive Education building).

Mr. Joseph De Feo

Joseph De Feo is one of the foremost Operations Bankers in the Financial Services Industry. His experience spans 36 years and the major changes in the competitive and regulatory landscape of both the Securities and Banking sectors in the United States, Europe and Asia.

As a Board Director, President and Chief Executive Officer of CLS Bank International, Joseph has achieved global recognition for the leadership that has led it to the Bank's unprecedented success in a short time.

Prior to joining CLS Bank, Mr. De Feo was a part-time consultant with the Mitchell Madison Group and held Non-Executive Directorships on four Boards (one Public Sector, one UK Plc and two technology start-ups). Prior to this, Joseph was President and Chief Executive Office of The Open Group, an industry owned enterprise that had influenced the formation of the "Open Source Movement" in the Information Technology sector. Before this, Joseph was Director, Operations and Technology for the Barclays Banking Group in London, as well as a member of Barclays Group's Management Board, Chairman of the Group Information Technology Executive Committee, Chairman of the Group Operations Executive Committee and a Member of the Group Risk Policy Committee.

He holds an MBA (Honors) with concentrations in Banking and Financial Markets and Business Economics and an MS – Banking (Honors) with a concentration in International Banking and Finance.

Centre for Banking, Finance and Sustainable Development

The Centre focuses on the link between the financial sector, and here in particular the banking system, and economic growth and development. It collaborates with the School of Social Sciences, Division of Economics. It is the world's first research centre to focus on the sustainability aspects of banking and development. The Centre was founded by **Professor Richard Werner, D.Phil. (Oxon)**, Chair of International Banking at the School of Management. Richard has worked as researcher at the Bank of Japan, chief economist at an investment bank, senior consultant to the Asian Development Bank and as an international fund manager. He is known as central bank watcher and in his 2005 book warned about the coming banking crisis in the UK. In 2003 Richard was named 'Global Leader for Tomorrow' by the World Economic Forum in Davos.

What is the CLS Group?

CLS Group consists of three main subsidiaries, one of which is:

CLS Bank International

CLS Bank International (CLS Bank) is an international banking company supervised by the Federal Reserve under Cooperative Oversight Agreements with the other Central Banks of participating

currencies. The Cooperative Oversight arrangement for CLS Bank provides a mechanism for mutual assistance in carrying out the individual currency Central Bank's responsibilities in pursuit of their shared public policy objectives for the safety and efficiency of payment and settlement systems and their focus on the stability of the financial system overall. The Federal Reserve organizes and administers the CLS Oversight Committee, the primary forum for the participating central banks to carry out this cooperative oversight.

CLS Bank observes the Core Principles for Systemically Important Payment Systems published by the BIS Committee on Payment and Settlement Systems of the central banks of the G10 countries (CPSS).

The CLS Bank Settlement

CLS Bank provides a unique payment settlement service in satisfaction of trade settlement obligations for FX and related product transactions between counterparties. This settlement is via a proprietary "Payment versus Payment" mechanism that employs a multi-lateral, multi-currency netting algorithm across CLS' banking accounts and in the context of direct access to participating currency Central Bank payment systems that eliminates payment settlement risk (so-called "Herstatt Risk"). CLS Bank provides this service for 17 currencies representing some 95% of daily settlement value. This realizes some \$4.2 trillion of settled value on average each business day.