COO SIMPSON JOINS ICBC
ICBC Standard Bank has appointed Gary Simpson as chief operating officer for global markets. Simpson, who has 25 years’ experience, joins from HSBC, where he ran the FX option and global commodities businesses. His role will be to enhance strategy around global markets, commodities, fixed income, currencies and equities.

ICG HIRES NED SCHIOLDAGER
Asset management firm Intermediate Capital Group has hired former BlackRock executive Amy Schioldager as its new non-executive director. She spent 23 years at BlackRock, where she founded and chaired a women’s initiative. Her tenure began on 25 January.

BOARD ROLE FOR DIGITAL CHIEF
Banco Santander’s chief digital and innovation officer Lindsey Argalas has become a non-executive director of Santander UK. Argalas, who only joined the bank in September 2017, took up her Ned role on 1 January.

NEW CHARITIES BOSS AT S&W
Smith & Williamson’s head of charities for its investment management and banking division is now Nick Murphy.

The start of a new monetary era got under way in the United States on 5 February when Jerome Powell became chairman of the Federal Reserve. His predecessor, Janet Yellen, was an Obama-era appointment who oversaw the American economy’s gradual return to pre-2008 unemployment and interest rates. Her departure leaves the Federal Open Market Committee’s board short of a governor, meaning President Trump has some more big appointments on the horizon.

FS Focus profiles the current permanent board members to explore the financial implications of this shifting balance of power.

JEROME POWELL
Described as the “business-as-usual candidate” for heading up the Fed, Powell (below) has voted with Yellen on every major monetary policy decision of her term, promising to continue her gradual raising of interest rates.

However, he is not an entirely conventional choice for the role. Powell is a lawyer by training, making him the first non-economist to head up the Fed in decades. Yet despite this, commentators are saying a Powell chairmanship could bring a period of much-needed stability for America and global finance.

LAEL BRAINARD
Brainard took a more conventional path on her way to the Fed’s board. Following an associate professorship in applied economics at MIT, she held top-level positions at the Brookings...
potential patterns or trends in transaction data - and because AI is able to process huge amounts of data, its impact can be significant across an organisation.

This insight will typically be in the form of a percentage probability. For example, AI could indicate that there is a 60% chance that a particular customer profile will want a mortgage offer based upon the analysis of a number of different data elements.

To become even more effective, the actual outcomes need to be fed back into the AI for it to learn and update its algorithms. Due to this ability to learn, the more data it has access to, the more accurate its future output will be.

WHERE IS AI MAKING A DIFFERENCE FOR FIRMS?

Fraud detection and credit assessments are two areas in which AI is already delivering value to a number of different financial services firms.

CAN BANKS USE AI, MACHINE LEARNING AND BIG DATA TO RAISE THEIR CUSTOMER OFFERING?

Many brands and businesses are now using AI to target consumers, customers and prospective buyers with the right content at the right time, and this is no different for banks and financial services.

Based on existing customer behaviour and data collected through previous buying habits and previous activity, banks can use this technology to make informed decisions about customers, targeting them with new and relevant products and services. AI can also be used to identify prospective customers who have similar characteristics to your existing customers.

Used effectively, AI improves personalisation, prediction, productivity and customer experience, while freeing up employees’ time to perform the high-value creative tasks they do best.

HOW CAN AI COMBAT MONEY LAUNDERING?

Certain patterns of transaction data can be detected when an individual or organisation is attempting to place, layer or integrate illegally obtained money into the financial system. AI can be very effective at detecting trends or patterns in large amounts of transaction or account data.

Once identified, the bank can investigate potential cases until resolution. Either it was money laundering, which now is a reportable event, or a false positive.

WHAT CHALLENGES DOES FINANCE FACE USING AI OR MACHINE LEARNING?

The development of AI will unlock enormous potential within organisations to understand customers and businesses better. However, it is not the complete answer. Only when you take action on the insight provided by AI can you transform your business.

Appian’s low code platform integrates with your AI. Appian Applications can then manage a process or task to act on this insight. Once an outcome is known, this information can be fed back into the AI to further improve the accuracy of its output.

HOW DO YOU SEE AI CHANGING IN TIME?

The potential uses for AI are unlimited and we will see its growth through 2018 and beyond. It is being used for customer servicing, fraud and risk management and new product development.

AI and natural language programming will grow and thrive. This is well under way with chatbots and systems such as Amazon’s Echo. It will transform the way people work.

WHAT TIPS DO YOU HAVE FOR AI FIRST TIMERS?

First, it’s important to embrace it across the business, as it can deliver real value now. Second, it needs to be used alongside other technologies to reach its full potential. Third, don’t ignore regulation. Laws are there to make processing customer data more transparent and give a level of control to people. The more organisations use AI to make decisions that have an impact on people, the more transparent and open to challenge those decisions will need to be.

Institute and in government, as undersecretary of the US Department of Treasury from 2010 to 2013.

Brainard is considered one of the Board’s most dovish members; publicly stressing the need for caution lest future rate rises should choke off embryonic price stabilisation.

Her influence tips the Fed firmly in the direction of monetary leniency.

RANDEL QUARLES

Appointed by Donald Trump to the board of governors in 2017, Quarles has a reputation of being less dovish than his colleagues.

After qualifying as a lawyer, he immersed himself in the world of finance, advising top firms as a partner at Davis Polk & Wardwell.

Quarles boosted his global credentials under George W Bush, serving as policy chairman of the Committee on Foreign Investment and undersecretary of the Treasury for International Affairs. Having spent Obama’s presidency at investment and private equity firms, Quarles is keenly attuned to what goes on in the financial world and the ideal conditions for stability.

WILLIAM DUDLEY

President of New York’s central bank automatically get a permanent place in the Fed’s top tier and Dudley is the most recent officeholder. He is a Goldman Sachs veteran, where he spent a decade as the company’s chief US economist before arriving at the New York Fed in 2007.

Quickly rising through the ranks, Dudley (left) eventually became the bank’s president and CEO in 2009.

He has stated his intention to retire by the middle of 2018, which will create a whole new power dynamic at the central bank. Until then, his moderating influence will continue.