



BANK OF ENGLAND

Mark Carney
Governor

The Rt Hon George Osborne
Chancellor of the Exchequer
HM Treasury
Horse Guards Road
London
SW1A 2HQ

17 March 2014

Dear Chancellor

APPOINTMENTS TO MPC AND FPC

You and I have agreed on the need to create an additional Deputy Governor post at the Bank of England, responsible for Markets and Banking. This post will give greater focus at the most senior level of the Bank on two of its core areas of policy design and execution.

We have agreed to appoint Dr Nemat Shafik to this position with effect from 1 August and you have indicated your intention to legislate to place this appointment on a statutory basis in due course. Until that legislative change takes place, it is my intention to appoint Dr Shafik to the Monetary Policy Committee under Section 13(3)(b) of the Bank of England Act 1998 as 'the person who has executive responsibility within the bank for monetary policy operations'.

Dr Shafik will take the MPC seat currently held by Paul Fisher, the Bank's Executive Director for Markets. Paul will relinquish his membership of the MPC from 1 August.

In addition, at a meeting on Friday 14 March, the Court of the Bank approved the following two Executive Director appointments at the Bank of England:

- Andy Haldane, currently the Bank's Executive Director for Financial Stability, will become Chief Economist and Executive Director for Monetary Analysis, reporting to the Bank's Deputy Governor for Monetary Policy.
- Spencer Dale, currently Chief Economist and Executive Director for Monetary Analysis, will become the Bank's Executive Director for Financial Stability Strategy and Risk, reporting to the Deputy Governor for Financial Stability.

It is intended that both appointments will come into effect on 1 June.

Under Section 9B of the Bank of England Act 1998, as amended by the Financial Services Act 2012, it is my intention to appoint Spencer Dale to the Financial Policy Committee of the Bank of England, with effect from 1 June, as the 'person who has executive responsibility within the Bank for analysis of threats to financial stability'. Spencer will relinquish his membership of the Monetary Policy Committee from 1 June.

Under Section 13(3)(a) of the Bank of England Act 1998, it is my intention to appoint Andy Haldane to the Monetary Policy Committee of the Bank of England, with effect from 1 June, as 'the person who has executive responsibility within the Bank for monetary policy analysis'. Andy will relinquish his membership of the Financial Policy Committee from 1 June.

I am required to consult you on all of these appointments to the statutory policy committees of the Bank and would be grateful if you could confirm your approval of them.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'M. Cusack'. The signature is fluid and cursive, with a long horizontal stroke at the bottom.