



**BANK OF ENGLAND**

# Monetary Policy Summary and minutes of the Monetary Policy Committee meeting ending on 19 December 2018

**Publication date: 20 December 2018**

These are the minutes of the Monetary Policy Committee meeting ending on 19 December 2018.

They are available at <https://www.bankofengland.co.uk/monetary-policy-summary-and-minutes/2018/december-2018>.

The Bank of England Act 1998 gives the Bank of England operational responsibility for setting monetary policy to meet the Government's inflation target. Operational decisions are taken by the Bank's Monetary Policy Committee. The minutes of the Committee meeting ending on 6 February will be published on 7 February 2019.

## Monetary Policy Summary, December 2018

The Bank of England's Monetary Policy Committee (MPC) sets monetary policy to meet the 2% inflation target, and in a way that helps to sustain growth and employment. At its meeting ending on 19 December 2018, the MPC voted unanimously to maintain Bank Rate at 0.75%. The Committee voted unanimously to maintain the stock of sterling non-financial investment-grade corporate bond purchases, financed by the issuance of central bank reserves, at £10 billion. The Committee also voted unanimously to maintain the stock of UK government bond purchases, financed by the issuance of central bank reserves, at £435 billion.

Since the MPC's previous meeting, the near-term outlook for global growth has softened and downside risks to growth have increased. Global financial conditions have tightened noticeably, particularly in corporate credit markets. Oil prices have fallen significantly, however, which should provide some support to demand in advanced economies. The decline in oil prices also means that UK CPI inflation is likely to fall below 2% in coming months. The Committee judges that the loosening of fiscal policy in *Budget 2018*, announced after the November *Inflation Report* projections were finalised, will boost UK GDP by the end of the MPC's forecast period by around 0.3%, all else equal.

Brexit uncertainties have intensified considerably since the Committee's last meeting. These uncertainties are weighing on UK financial markets. UK bank funding costs and non-financial high-yield corporate bond spreads have risen sharply and by more than in other advanced economies. UK-focused equity prices have fallen materially. Sterling has depreciated further, and its volatility has risen substantially. Market-based indicators of inflation expectations in the United Kingdom have risen, including at longer horizons.

The further intensification of Brexit uncertainties, coupled with the slowing global economy, has also weighed on the near-term outlook for UK growth. Business investment has fallen for each of the past three quarters and is likely to remain weak in the near term. The housing market has remained subdued. Indicators of household consumption have generally been more resilient, although retail spending may be slowing.

The MPC has previously noted that shifting expectations about Brexit among financial markets, businesses and households could lead to greater-than-usual short-term volatility in UK data. Judging the appropriate stance of monetary policy requires separating these shorter-term developments from other more persistent factors affecting inflation and from the dynamics of the economy once greater clarity emerges about the nature of EU withdrawal.

Domestic inflationary pressures have continued to build. The labour market remains tight, with employment growth picking up in the latest data and the unemployment rate likely to stay around 4% in the near term. Annual growth in regular pay has risen to 3¼%, stronger than anticipated in the November *Report*. In contrast, services CPI inflation has been subdued. The inflation expectations of households and professional forecasters have remained broadly unchanged.

The Committee judged in November that, were the economy to develop broadly in line with its *Inflation Report* projections, which were conditioned on a smooth adjustment to the average of a range of possible outcomes for the UK's eventual trading relationship with the European Union, a margin of excess demand was expected to emerge. In that context, an ongoing tightening of monetary policy over the forecast period, at a gradual pace and to a limited extent, would be appropriate to return inflation sustainably to the 2% target at a conventional horizon.

The broader economic outlook will continue to depend significantly on the nature of EU withdrawal, in particular: the form of new trading arrangements between the European Union and the United Kingdom; whether the transition to them is abrupt or smooth; and how households, businesses and financial markets respond. The appropriate path of monetary policy will depend on the balance of the effects on demand, supply and the exchange rate. The monetary policy response to Brexit, whatever form it takes, will not be automatic and could be in either direction. The MPC judges at this month's meeting that the current stance of monetary policy is appropriate. The Committee will always act to achieve the 2% inflation target.

## Minutes of the Monetary Policy Committee meeting ending on 19 December 2018

1 Before turning to its immediate policy decision, the Committee discussed: financial market developments; the international economy; money, credit, demand and output; and supply, costs and prices.

### Financial markets

2 Risk sentiment had deteriorated in financial markets. Global financial conditions had tightened. Credit spreads had widened and equity prices had fallen. These developments had generally been more marked in the United Kingdom, reflecting increasing uncertainty related to the UK's withdrawal from the European Union. Sterling had fallen further.

3 In the period since the MPC's November meeting, there had been a reduction in market participants' expectations of the pace at which monetary policy would be tightened in the United States during 2019. Ten-year US Treasury yields had fallen by around 30 basis points. Ten-year UK gilt and German Bund yields had also fallen, although by less than the equivalent Treasury yield. The spread of Italian government bond yields to Bunds had fallen considerably. On 13 December, the European Central Bank (ECB) had announced that it was maintaining its key policy interest rates and forward interest rate guidance. It had, as expected, confirmed that net asset purchases would end in December 2018, and had announced enhanced forward guidance around reinvestments from maturing securities purchased under the asset purchase programme.

4 Dollar, euro and sterling non-financial investment-grade and high-yield corporate bond spreads had increased since the MPC's November meeting, to around their historical averages. Non-financial corporate bond issuance in these currencies, which had been relatively subdued in 2018, had slowed further towards the end of the year. Market participants had cited a number of factors as driving the worsening in corporate bond market conditions, including: the deterioration in sentiment around global growth prospects; the lower oil price; concerns about particular sectors and issuers; and the cessation of ECB corporate bond purchases. This deterioration had been more marked in the sterling corporate bond market, where there had been no issuance since mid-November and a larger increase in high-yield spreads. In addition, a number of UK corporates had withdrawn planned bond or loan issues in recent weeks. Market contacts had viewed uncertainty around Brexit as having had an adverse impact on the sterling market and the ability of UK companies to issue in other currencies.

5 Spreads on international banks' senior unsecured debt had also increased since the Committee's previous meeting. Those increases in funding costs had been larger for UK banks than other European and US peers, with contacts attributing the divergence to heightened uncertainty around the outcome of the Brexit process. Spreads over swap rates of the euro-denominated senior unsecured debt of the holding companies of major UK lenders had risen by around 60 basis points, on average, although credit default swap premia for these banks had increased by much less. Over the same period, the equity prices of most large international banks, including the most domestically focused of the major UK banks, had fallen. More broadly, the FTSE All-Share,

Euro Stoxx and S&P 500 indices had fallen since the Committee's November meeting, while UK-focused equities had seen a larger fall of around 7%. In recent weeks, some open-ended commercial property investment funds had seen increased redemptions.

6 The sterling exchange rate index had fallen by around 1% since the MPC's November meeting, and was 3% below the conditioning assumption underlying the November *Inflation Report*. Brexit developments had been a key driver of moves in sterling during this period. There had been a marked increase in sterling-dollar implied volatilities, which had recently reached their highest levels since the 2016 referendum, indicating that market participants were placing higher weight on large future moves in sterling, in either direction. Sterling-dollar risk reversals had remained negative, suggesting that market participants viewed risks to the exchange rate as more to the downside than the upside. Financial market indicators of UK inflation expectations had increased, including at longer horizons. Five-year inflation swap rates, five years forward, had risen by a further 10 basis points since the Committee's previous meeting, while the equivalent dollar and euro measures had fallen.

### **The international economy**

7 Global growth had been weaker than incorporated in the November *Inflation Report*, driven largely by slower growth in advanced economies, particularly the euro area. In the MPC's November projections, global activity had been expected to slow after a relatively buoyant 2017, but there had been signs in recent data that the deceleration could be occurring sooner than expected. Trade tensions had continued to depress survey measures of export orders.

8 Euro-area growth had slowed markedly in 2018 Q3, to 0.2%, 0.3 percentage points weaker than had been incorporated in the November *Report*. That slowing had been concentrated in a few countries. In particular, GDP in Germany had contracted by 0.2%, a decline in the growth rate of 0.7 percentage points from the previous quarter, and output in Italy had contracted by 0.1%. The Committee discussed the factors driving this slowdown.

9 There was evidence that weakness in growth, particularly in Germany, had reflected a temporary drag from the automobile sector as new EU-wide emissions tests had been extended to all new cars at the beginning of September. That had resulted in significant bottlenecks in car production. Industrial production data had indicated that car output had started to recover in September and to stabilise in October, both in Germany and in other euro-area economies.

10 There were risks that euro-area growth weakness could prove more persistent, however. Recent developments could be seen against a backdrop of weakening momentum since the end of 2017, when annual growth had reached 2.4%, its highest level since 2007. Net trade had been a key factor behind the subsequent slowdown. It was possible that recent global trade tensions could be affecting business sentiment more generally. Both German and euro-area PMIs had continued to fall in November. The euro-area flash composite

PMI for December had also decreased further, with the services activity index declining to a four-year low, and the French indices falling particularly sharply, in part reflecting recent political unrest.

11 Bank staff judged that euro-area GDP growth would pick up only slightly in 2018 Q4, to 0.3%, reflecting the partial unwind of the disruption to car production. That would leave growth 0.1 percentage points lower than had been expected at the time of the November *Report*. Combined with the news in Q3, the level of euro-area GDP in Q4 was likely to be materially lower than in the MPC's projections.

12 According to the second release, US GDP had grown by 0.9% in 2018 Q3, marginally weaker than had been incorporated in the November *Report*. Private consumption had remained robust, growing in October for the eighth consecutive month. Business investment had contributed significantly to US growth over the past 18 months, but had weakened in the most recent data. There was some evidence in survey data that recent trade tensions were affecting companies' plans. Bank staff judged that quarterly growth in Q4 was likely to be 0.6%, 0.2 percentage points lower than expected at the time of the November *Report*.

13 In China, quarterly GDP growth had slowed to 1.6% in 2018 Q3. Activity indicators had continued to show a mixed picture. Bank staff had estimated that industrial production had grown by 1.0% in the three months to November, close to the weakest rate since the global financial crisis. But the Caixin services PMI had rebounded in November, suggesting stronger momentum in that sector. Total social financing growth had continued to decline. Survey measures of export orders had remained at low levels in November.

14 In other emerging markets, there was some evidence that growth had stabilised following market turbulence earlier in the year. A weighted average of manufacturing PMIs for six of the major non-China emerging market economies had risen slightly in October and again in November. This had been in marked contrast to Turkey, for which the manufacturing PMI had continued to signal a further contraction in output.

15 The Brent dollar oil spot price had declined by around 32% relative to the 15-day average incorporated in the November *Report*. That had been the sharpest fall over such a short period of time since 2014. There was some evidence to suggest that lower oil prices had reflected a loosening in supply. In particular, Russian and Libyan production had risen, and Saudi Arabia had pledged to fill any shortfalls resulting from US sanctions on the purchase of Iranian oil. Inventories had begun to rise and OPEC had agreed to cut production at its latest meeting. More gradual falls had also been seen in other commodity prices, such as metals prices, since around the middle of this year, perhaps suggesting weaker global demand may have played some role too.

16 In the United States, annual headline PCE inflation had been in line with the FOMC's 2% target in October. Core PCE inflation had been a little lower at 1.8%. In the euro area, both annual HICP and core inflation had slowed, to 1.9% and 1.0% respectively, in November, as support from higher energy prices had faded and services price inflation had fallen.

## Money, credit, demand and output

17 The ONS's first estimate of GDP growth in 2018 Q3 had been 0.6%, in line with expectations at the time of the November *Inflation Report*. GDP growth had slowed to 0.4% in the three months to October, with monthly growth of 0.1% following two months of flat output. The slowing in growth was apparent in services, particularly in the distribution sector, and in manufacturing output.

18 Although net trade had been estimated to have made a significant positive contribution to GDP growth in the ONS's first estimate of the 2018 Q3 expenditure components, the subsequent monthly trade data had suggested that that contribution was likely to be revised down materially in the next quarterly release. This would continue the pattern of weak net trade outturns that had been recorded over the course of 2018. Survey indicators of export orders had also softened in recent months, consistent with a slowing in external demand.

19 Business investment had been estimated to have fallen by 1.2% in 2018 Q3, the third consecutive quarterly decrease, according to the latest vintage of ONS data. UK business investment had fallen by just under 2% over the past year, while it had grown by around 3½%, on average, for G7 economies excluding the United Kingdom. The level of business investment was now slightly weaker than in the MPC's central projection in August 2016, immediately following the EU referendum. Respondents to the Decision Maker Panel had increasingly viewed Brexit as one of the top three sources of uncertainty and there had been some tentative signs that that uncertainty had been depressing their nominal investment plans to a greater degree. The regular indicators from business surveys and intelligence from the Bank's Agents had also shown a weakening in investment intentions.

20 In contrast, most indicators of consumer spending had been more resilient through much of 2018, supported by a gradual recovery in real income growth. Household consumption was estimated to have risen by 0.5% in 2018 Q3, slightly stronger than had been expected in the November *Report*. There were signs, however, that retail spending growth might fall in Q4. Retail sales volumes had grown by 1.2% in Q3 but fell by 0.5%, on the month, in October. Some surveys, and evidence from the Bank's Agents, suggested that retail sales growth had weakened in November.

21 The annual growth rate of consumer credit had fallen back further, to 7.5%. Recent official data suggested that housing activity had strengthened a little. On the other hand, the latest RICS Residential Market Survey had seen declines in price and activity balances. The Bank's Agents had also reported weakening housing activity, partly due to increased uncertainty about the economic outlook.

22 The Committee discussed the near-term outlook for GDP growth. Most surveys of companies' output had weakened in recent months, as Brexit uncertainties had intensified. The declines in the IHS Markit/CIPS series had been particularly marked, although these had under-predicted GDP growth in the period of heightened uncertainty immediately following the EU referendum. The equivalent CBI series had also weakened recently, however. Combined with the available official GDP data for October, the staff's preferred nowcasting model was pointing to GDP growth of 0.2% in 2018 Q4, 0.1 percentage points weaker than had been expected in the November *Report*. More generally, shifting expectations among businesses and households could continue to lead to greater-than-usual short-term volatility in economic data over coming months.

23 The Committee also discussed the implications for growth of the measures announced in *Budget 2018* that had occurred too late to be incorporated in its November projections. Over the MPC's three-year forecast period, the predominant loosening measure had been higher health spending as *Budget 2018* had confirmed the funding for the NHS settlement announced in June. Smaller increases in other departments' current spending budgets and higher Universal Credit work allowances had been partly offset by slight reductions in government investment plans. Taxes had been cut on net for the next fiscal year, but not beyond that. Taken together, the Committee judged that the loosening of fiscal policy was likely to boost GDP by around 0.3% over the MPC's forecast period.

### **Supply, costs and prices**

24 Twelve-month CPI inflation had fallen to 2.3% in November, slightly lower than expected at the time of the November *Inflation Report*. Bank staff now projected that inflation would fall below target in January, to around 1¾%, and remain under the target over the subsequent few months. That lower near-term outlook primarily reflected the drag from recent oil price declines feeding through to lower petrol prices, as well as the part-freezing of alcohol duties, and the freezing of fuel duties, announced in *Budget 2018*.

25 Higher domestically generated inflation was expected to support CPI inflation over the forecast period. Twelve-month core CPI inflation had been 1.8% in November and services CPI inflation had been 2.5%. Most official estimates of output price inflation had picked up slightly, with the annual growth rate of the Gross Value Added deflator increasing to 2.2% in 2018 Q3 from 1.9% in Q2.

26 Rising earnings and unit wage cost growth had remained the clearest indicators of building domestic cost pressures. Median pay settlements, weighted by employment, had risen to 3% according to the Bank's database, similar to the pre-crisis average, and up from 2% a year ago and 1% two years ago. Whole-economy total and regular average weekly earnings had both grown by 3.3% in the three months to October compared with a year earlier, the highest growth rates since 2008. And annual private-sector regular pay growth had reached 3.4%. These outturns were all higher than expected at the time of the November *Report*.

27 Empirical estimates by Bank staff using ONS microdata suggested that compositional effects related to factors including the occupational and industry mix of the workforce had pushed up significantly on average pay growth in the year to 2018 Q3, by about 0.6 percentage points more than average. Taken at face value, this suggested that some of the recent strength in pay growth might prove transitory. But the sampling variability around these estimates warranted caution in reading too much into a single quarter's figures. In any case, as those compositional changes should have a similar effect on average productivity, the implications for unit wage costs were likely to be limited.

28 Whole-economy unit wage costs, based on the latest available National Accounts data, had grown by 2.3% on a year earlier in 2018 Q2. Using a proxy based on average weekly earnings, LFS employment and GDP, Bank staff estimates suggested that annual unit wage cost growth may have risen to slightly over 3% in 2018 Q4.



29 Persistent job market tightness was likely to be a key driver of the recent strengthening in labour cost growth. Employment had increased by 79,000 in the three months to October. A rise in the number of full-time employees had accounted for this increase, offset by a small decline in self-employment. Surveys had continued to point to solid private sector employment growth in the near term. The unemployment rate had remained at 4.1% in the three months to October, in line with Bank staff expectations immediately prior to the release, but slightly higher than expected in the November *Report*. Survey measures of recruitment difficulties had remained elevated relative to historical norms, while the vacancy to unemployment ratio was well above pre-crisis levels. Job-to-job flows had risen further, and were now only a little below their pre-crisis average in the third quarter.

30 Average hours had surprised to the upside in the three months to October, generating upside news for total hours worked relative to the MPC's forecast. Net desired hours, an indicator of underemployment, had been about zero since the start of 2018, suggesting little in the way of slack on this margin.

31 The Committee would be undertaking its annual assessment of supply side developments in the run-up to the February *Inflation Report*.

32 Indicators of household inflation expectations had picked up slightly at shorter horizons. The Bank/TNS survey of households had shown an increase in one-year ahead inflation expectations in 2018 Q4, to 3.2%. But longer-term household measures had eased slightly, and professional forecasters had shown little overall change in their expectations in the most recent data.

### **The immediate policy decision**

33 The MPC sets monetary policy to meet the 2% inflation target, and in a way that helps to sustain growth and employment. In pursuing that objective, the main challenges the Committee faced had been to assess the economic implications of the United Kingdom withdrawing from the European Union and to identify the appropriate policy response to that changing outlook. That outlook depended significantly on the nature of EU withdrawal, in particular: the form of new trading arrangements between the European Union and the United Kingdom; whether the transition to them was abrupt or smooth; and how households, businesses and financial markets responded. The implications for the appropriate path of monetary policy would depend on the balance of the effects on demand, supply and the exchange rate. The MPC judged that the monetary policy response to Brexit, whatever form it took, would not be automatic and could be in either direction.

34 Since the Committee's previous meeting, Brexit uncertainties had intensified. Judging the appropriate stance of monetary policy required separating these shorter-term developments from the dynamics of the economy once more clarity emerged about EU withdrawal and from other more persistent factors affecting inflation. The Committee considered each in turn.

35 Heightened Brexit uncertainties were evident across a range of domestic financial markets. UK bank funding costs and non-financial high-yield corporate bond spreads had risen to a greater degree than elsewhere

and UK-focused equity prices had fallen sharply. Sterling had depreciated further and there had been a marked increase in sterling-dollar implied volatilities, while risk reversals had continued to indicate that market participants viewed risks to the exchange rate as more to the downside than the upside.

36 Financial market indicators of UK inflation expectations had also increased, in contrast to declines in the equivalent dollar and euro instruments. Those increases had been more marked at shorter horizons, but five-year inflation swap rates, five years forward, had risen to their highest level since 2010. Measures of households' and professional forecasters' inflation expectations had remained broadly stable and close to their past averages. The MPC would monitor closely the full range of indicators to assess whether inflation expectations remained consistent with meeting the inflation target.

37 The near-term outlook for UK growth had weakened. GDP growth had slowed to 0.4% in the three months to October, with monthly growth of 0.1% following two months of flat output. Most surveys of companies' output growth had also weakened in recent months. In the current environment of heightened uncertainty about developments relating to EU withdrawal, it was possible that these surveys might be overstating the extent of any slowing. GDP growth was nevertheless now expected to be 0.2% in 2018 Q4, 0.1 percentage points weaker than in the November *Inflation Report*. Based on the limited information available at this stage, the Committee judged that growth was likely to remain around that level in the first quarter of 2019.

38 Business investment had fallen for each of the past three quarters and, based on evidence from business surveys and intelligence from the Bank's Agents, was likely to remain weak in the near term. Companies had a greater incentive to delay investment decisions during this period of heightened uncertainty. Conditional on a smooth adjustment to new trading arrangements with the European Union, investment growth was expected to pick up subsequently. But some investment plans might not be re-initiated immediately following a resolution of uncertainty, and some uncertainties could in any case persist for longer.

39 Employment had been growing as investment spending had been cut back. That might reflect companies' greater flexibility in adjusting labour inputs rather than capital, although most of the recent growth in employment had been accounted for by full-time employees. Another possibility was that different types of firm were hiring and cutting investment, with the latter more likely to be the case for external facing businesses.

40 The housing market had remained subdued. Indicators of household consumption had generally been more resilient, supported by a gradual recovery in real wage growth, although retail spending might be slowing.

41 The MPC's November *Inflation Report* projections had been conditioned on a smooth adjustment to the average of a range of possible outcomes for the United Kingdom's eventual trading relationship with the European Union. On that basis, and conditioned on a gently rising path of Bank Rate, GDP had been expected to grow slightly faster than the diminished rate of supply growth. With aggregate supply and demand judged to be already broadly in balance, a margin of excess demand had therefore been expected to emerge. That had been expected to raise domestic inflationary pressures, while the contributions to inflation from energy and import prices diminished. Taking these influences together, CPI inflation had been projected to remain above the target for most of the forecast period, before reaching 2% by the end of the third year.

42 The Committee considered how this outlook had changed since the November *Report*, focusing particularly on recent global developments, news in UK fiscal policy, and underlying developments in the labour market and price pressures. The Committee would undertake a full re-assessment of its projections ahead of the February *Inflation Report*.

43 Global growth had softened, suggesting that the modest slowing in the Committee's November projections was occurring sooner than anticipated. That had been particularly evident in the euro area where growth had slowed markedly and was judged likely to remain weaker than previously expected at the end of this year. Some, but not all, of that weakness could be accounted for by temporary factors. GDP growth in the United States was also set to be weaker than expected over the second half of 2018, and there were some signs that Chinese growth was slowing further. In general, indicators of global trade prospects had remained weak and the Committee judged that downside risks to global growth had increased.

44 Global financial conditions had also tightened noticeably, particularly in corporate credit markets, which could pose an additional downside risk to global growth. On the other hand, market participants may have previously been too optimistic about the outlook, relative to the MPC's projections and other economic forecasts.

45 Domestically, the Committee judged that the loosening of fiscal policy in *Budget 2018*, announced after the November *Report* projections were finalised, would boost GDP by around 0.3% over the MPC's forecast period, all else equal. In turn, that would be expected to boost inflation slightly during the second half of that period. The near-term inflation news from *Budget 2018* was slightly to the downside, however, reflecting the freezing or part-freezing of some duties.

46 CPI inflation had been 2.3% in November. The recent marked decline in oil prices meant that the short-term outlook for inflation was weaker than previously expected, with Bank staff estimating that inflation would fall below target in January, to around 1¾%, and remain under the target over the subsequent few months.

47 More fundamentally, domestic inflationary pressures had continued to build. The labour market remained tight, with employment growth picking up in the latest data and the unemployment rate likely to stay around 4% in the near term. Annual growth in regular pay had risen to 3¼%, stronger than anticipated in the November *Report*, and the Committee judged that the near-term risks were slightly to the upside. The recent pace of pay growth, coupled with subdued productivity growth, suggested that unit wage cost growth was likely to have risen notably during the second half of 2018. Most official estimates of output price inflation had also picked up slightly in recent data, although services CPI inflation had been subdued.

48 The Committee turned to its immediate policy decision.

49 The MPC had judged in November that, were the economy to develop broadly in line with its *Inflation Report* projections, an ongoing tightening of monetary policy over the forecast period, at a gradual pace and to a limited extent, would be appropriate to return inflation sustainably to the 2% target at a conventional horizon.

50 The MPC judged at this month's meeting that the current stance of monetary policy was appropriate.

51 The Governor invited the Committee to vote on the propositions that:

Bank Rate should be maintained at 0.75%;

The Bank of England should maintain the stock of sterling non-financial investment-grade corporate bond purchases, financed by the issuance of central bank reserves, at £10 billion;

The Bank of England should maintain the stock of UK government bond purchases, financed by the issuance of central bank reserves, at £435 billion.

The Committee voted unanimously in favour of all three propositions.

52 The following members of the Committee were present:

Mark Carney, Governor  
Ben Broadbent, Deputy Governor responsible for monetary policy  
Jon Cunliffe, Deputy Governor responsible for financial stability  
Dave Ramsden, Deputy Governor responsible for markets and banking  
Andrew Haldane  
Jonathan Haskel  
Michael Saunders  
Silvana Tenreyro  
Gertjan Vlieghe

Clare Lombardelli was present as the Treasury representative.

As permitted under the Bank of England Act 1998, as amended by the Bank of England and Financial Services Act 2016, Bradley Fried was also present on 13 and 17 December, as an observer for the purpose of exercising oversight functions in his role as a member of the Bank's Court of Directors.