



BANK OF ENGLAND

News release

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Three senior appointments to the Bank of England

HM Treasury has today announced that Her Majesty The Queen has agreed, on the recommendation of the Chancellor and Prime Minister, to appoint Anthony Habgood as the Chairman of Court, and Dr Ben Broadbent as Deputy Governor for Monetary Policy. In addition, the Chancellor and the Governor have agreed to appoint Dr Nemat Shafik as Deputy Governor of the Bank of England responsible for Markets and Banking.

The appointments of Anthony Habgood and Dr Ben Broadbent are effective 1 July 2014. The appointment of Dr Nemat Shafik is effective 1 August 2014.

Mr Habgood, who was appointed for a renewable term of four years, will succeed current Chair Sir David Lees, who will leave at the end of June. As Chair of the Bank's Court of Directors, Mr Habgood will lead Court in its responsibility for managing the affairs of the Bank, other than the formulation of monetary policy. Court's responsibilities include determining the Bank's objectives and strategy, and ensuring the effective discharge of the Bank's functions and the most efficient use of its resources. Since the 2009 Banking Act, the Bank has had a statutory objective to protect and enhance the stability of the financial systems of the United Kingdom and the Court, consulting HM Treasury and on advice from the Financial Policy Committee (FPC), determines the Bank's strategy in relation to that objective.

Mr Habgood will also chair the Oversight Committee of Court, which was established by the 2012 Financial Services Act. With a membership consisting entirely of Non-Executive Directors, the Oversight Committee reviews all aspects of the conduct of the Executive of the Bank, including the delivery of policy, the design of and adherence to rigorous processes and procedures, and the monitoring of the institution's transparency and openness.

As the Bank's Deputy Governor for Monetary Policy, Dr Broadbent will have specific responsibility for the Bank's research and analysis of the UK economy in support of Monetary Policy Committee (MPC) decisions, and for the provision and distribution of bank notes that are secure against the threat of counterfeiting. Dr Broadbent will sit on the Bank's Court of Directors, the Monetary Policy Committee, and the Financial Policy Committee. He is also responsible for chairing MPC in the event of the Governor's absence.

As Deputy Governor for Markets and Banking, reporting directly to the Governor, Dr Shafik will provide greater focus at the very top of the Bank on these two core policy areas. Dr Shafik will be appointed by the Governor to the Monetary Policy Committee (MPC) 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', filling the seat currently held by Paul Fisher, the Bank's Executive Director for Markets. The Government has indicated its intention to place this appointment on a statutory basis in due course. Once formalised, Dr Shafik will hold seats on the MPC, the Financial Policy Committee (FPC), and the Bank's Court of Directors. In addition, the Court of the Bank will appoint the Dr Shafik to the Board of the Prudential Regulation

Authority. Dr Shafik will therefore join the Governor and the Deputy Governor for Financial Stability, Sir Jon Cunliffe, as a member of all three main policy committees.

In her role as Deputy Governor for Markets and Banking, Dr Shafik will be responsible for reshaping the Bank's operations and balance sheet, including ensuring robust risk management practices and helping to lead the design and execution of an eventual exit from quantitative easing by the MPC. She will also oversee the implementation of reforms to the Bank's Sterling Monetary Framework, lead the Bank's work to build fair, efficient and effective financial markets, and review and strengthen the Bank's Markets and Banking areas, including a comprehensive review of the Bank's essential market intelligence function.

Dr Shafik will also be jointly responsible for the Bank's international surveillance, analysis and engagement. She will represent the Bank in international groups and institutions, including as G7 Deputy and in the Bank's engagement with the IMF, overseas central banks and the BIS.

Commenting on the appointments, the Governor of the Bank of England, Mark Carney, said:

"I am delighted that individuals of the calibre of Ben Broadbent, Minouche Shafik and Anthony Habgood will be joining the Bank's leadership group. With a diverse combination of skills and experience, these appointments result in a well-rounded senior management team at the Bank – one that will set the direction for an ambitious agenda of transformation for the institution and enable it to meet the challenges and opportunities it faces in maintaining monetary and financial stability."

"I would also like to thank Sir David Lees for the invaluable support and advice he has given to me over the past eight months, and to the Bank's senior management more broadly over the past five years."

"Finally, I would like to take the opportunity to extend my sincere thanks to Charlie Bean for his exemplary contributions to the Bank, and to public service, over the past fourteen years – first as Chief Economist and Executive Director for Monetary Analysis, and since 2008, as Deputy Governor for Monetary Policy. Charlie has played a central role at the Bank during the most challenging of times, and his presence at the Bank, and in international groups, will be greatly missed."

Mr Habgood said:

"I am delighted to join the Court at such an interesting time. I look forward to working with Mark Carney and my new colleagues."

Dr Broadbent said:

"I am honoured to be able to continue serving the British public in this new role as Deputy Governor for Monetary Policy of the Bank of England. I have found my role as an external MPC member immensely rewarding, and I look forward to working with Mark Carney, my future fellow MPC and FPC members, and all Bank staff in this new capacity, as we work together to maintain monetary and financial stability."

Dr Shafik said:

"I am excited to be joining the Bank at such a critical time of institutional change, and I look forward to fulfilling this challenging new role on the Bank's senior leadership team, as we re-shape the Bank's balance sheet, review and strengthen the Bank's operational roles, and, through continued international engagement, reform financial markets for the post-crisis world."

Notes for Editors

1.HM Treasury's announcement regarding these three appointments is available on the HM Treasury <https://www.gov.uk/government/organisations/hm-treasury>.

2.Anthony Habgood has been appointed as Chair of Court for a renewable term of four years. He will take over from Sir David Lees, who will leave at the end of June. Anthony Habgood will attend the May meeting of Court as an observer. He will take over from Sir David Lees on 1 July 2014.

3.Mr Habgood has been Chairman of Whitbread plc since 2005 and Chairman of Reed Elsevier plc and NV since 2009. He is also Chairman of Preqin Holding Limited. He was previously Chairman of Bunzl plc and of Mölnlycke Healthcare Limited and served as Chief Executive of Bunzl plc, Chief Executive of Tootal Group plc and a Director of The Boston Consulting Group Inc.

4.He has previously served as a Non-Executive Director of Geest plc; Marks and Spencer plc; National Westminster Bank plc; Powergen plc; and SVG Capital plc. Anthony has an MA (Economics) from Gonville and Caius College, Cambridge, an MS, Industrial Administration, Carnegie Mellon University, Pittsburgh, Pennsylvania and he is a visiting Fellow at Oxford University.

5.Dr Ben Broadbent has been appointed for a five year term starting on 1 July 2014. He is replacing Charlie Bean, who is retiring from the Bank after 14 years, 6 of which as Deputy Governor, Monetary Policy.

6.Dr Ben Broadbent joined the Monetary Policy Committee in 2011. He was formerly an Economic Adviser at HM Treasury, and Assistant Professor of Economics at Columbia University from 1997 2000.

7.For the decade prior to his appointment to the MPC, Dr. Broadbent was Senior European Economist at Goldman Sachs, during which time he researched and wrote widely on the UK economy and monetary policy.

8.He graduated with a BA (First Class) in Natural Sciences and Economics from Trinity Hall, Cambridge, where he was a Bateman Scholar. He has a PhD in Economics from Harvard University, where he was a Fulbright Scholar.

9.Dr Nemat "Minouche" Shafik has been appointed to a new role of Deputy Governor, Markets and Banking, starting on 1 August 2014. Like other Deputy Governors, she has been appointed for a five year term.

10.Dr Shafik has been Deputy Managing Director of the IMF since April 2011 where she oversees work on countries in Europe and the Middle East. She is also responsible for the IMF's \$1 billion administrative budget, human resources for its 3,000 staff and oversees the IMF's training and technical assistance for policy makers around the world. She regularly chairs the Board of the IMF and represents the organization in a variety of global fora.

11.She was Permanent Secretary of the Department for International Development (DFID) from March 2008 to March 2011. As chief executive of the department responsible for all UK development efforts she oversaw a bilateral aid programme in over 100 countries, multilateral policies and financing for the United Nations, European Union and international financial institutions, and overall development policy and research. Prior to coming to DFID in 2004, Nemat was the youngest ever Vice President at the World Bank.

12.She has held a number of academic appointments at the Wharton Business School, University of Pennsylvania and the Economics Department at Georgetown University. Nemat has a BA in Economics and Politics from the University of Massachusetts-Amherst, an MSc in Economics from the London School of Economics and a DPhil in Economics from St. Antony's College, Oxford University.

13. All appointments to the Bank's Court of Directors are made on merit, and political activity plays no part in the selection process. However, in accordance with the original Nolan recommendations, there is a requirement for appointees' political activity (if any declared) to be made public. Mr. Habgood, Dr Broadbent and Dr Shafik have all confirmed that they have not engaged in any political activity in the last five years.