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## Appointment of Mark Carney as the next Governor of the Bank of England

Thank you for your letter of 19 December 2012 regarding the appointment of Mark Carney as the next Governor of the Bank of England. The Chancellor has asked me to reply as author of the process.

Taking your questions in turn, the Chancellor and I had a number of conversations with Dr Carney during the course of 2012.

Dr Carney was interviewed by the panel, which I chaired, on exactly the same basis as other candidates who applied. I also briefed Dr Carney about the post in advance, as I did with all other shortlisted candidates.

The Chancellor interviewed all candidates deemed appointable by the panel.

The only difference in the process followed in relation to Dr Carney and other candidates was that I decided a special process was necessary for serving Governors. It became clear that it was impossible for a serving Governor to apply to the timeframe and thus open their own position to uncertainty for two months (on professional, political and economic grounds).

Therefore I devised a process whereby serving Governors could apply at the same time as being interviewed, to limit the risk of potentially destabilising

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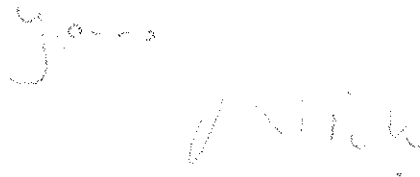


INVESTOR IN PEOPLE

speculation. Since no other serving Governor expressed an interest in the job, this special process only applied to Dr Carney.

After his five year term Dr Carney will have been a central banker for over 10 years, and he feels that five years is the right time needed to establish the Bank of England's new role and responsibilities.

The process followed on this occasion was designed to generate the best possible field. I made very clear to candidates that they would be applying in confidence, and I am not prepared to break confidence by naming those who applied. I can confirm that nine candidates were shortlisted by the panel and six were interviewed by the Chancellor.

A handwritten signature in blue ink, appearing to read 'N I Macpherson', is written over the printed name.

**N I Macpherson**