



House of Commons  
Treasury Committee

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# Appointment of Elisabeth Stheeman to the Financial Policy Committee

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**Sixth Report of Session 2017–19**

*Report, together with formal minutes relating  
to the report*

*Ordered by the House of Commons  
to be printed 6 February 2018*

## The Treasury Committee

The Treasury Committee is appointed by the House of Commons to examine the expenditure, administration, and policy of HM Treasury, HM Revenue and Customs and associated public bodies

### Current membership

[Nicky Morgan MP](#) (*Conservative, Loughborough*) (Chair)

[Rushanara Ali MP](#) (*Labour, Bethnal Green and Bow*)

[Charlie Elphicke MP](#) (*Independent, Dover*)

[Stephen Hammond MP](#) (*Conservative, Wimbledon*)

[Stewart Hosie MP](#) (*Scottish National Party, Dundee East*)

[Mr Alister Jack MP](#) (*Conservative, Dumfries and Galloway*)

[Alison McGovern MP](#) (*Labour, Wirral South*)

[Catherine McKinnell MP](#) (*Labour, Newcastle upon Tyne North*)

[Kit Malthouse MP](#) (*Conservative, North West Hampshire*)

[John Mann MP](#) (*Labour, Bassetlaw*)

[Wes Streeting MP](#) (*Labour, Ilford North*)

### Powers

The committee is one of the departmental select committees, the powers of which are set out in House of Commons Standing Orders, principally in SO No. 152. These are available on the internet via [www.parliament.uk](http://www.parliament.uk).

### Publication

Committee reports are published on the Committee's website at [www.parliament.uk/treascom](http://www.parliament.uk/treascom) and in print by Order of the House.

Evidence relating to this report is published on the [inquiry publications page](#) of the Committee's website.

### Committee staff

The current staff of the Committee are Sarah Rees (Clerk), Peter Stam (Second Clerk), Gavin Thompson, Marcus Wilton and Dan Lee (Senior Economists), Adam Wales (Chief Policy Adviser), George James (Senior Committee Assistant), Nick Berry (Committee Support Assistant), Matt Panteli (Senior Media and Policy Officer), Anne Stark (on secondment from HM Revenue & Customs), Tom Ludlow (on secondment from the Bank of England), Ruthanne Straughan (on secondment from the Financial Conduct Authority), Alexander Knight (on secondment from the National Audit Office) and Mei Jie Wang (on secondment from the Prudential Regulation Authority)

### Contacts

All correspondence should be addressed to the Clerk of the Treasury Committee, House of Commons, London SW1A 0AA. The telephone number for general enquiries is 020 7219 5769; the Committee's email address is [treascom@parliament.uk](mailto:treascom@parliament.uk).

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# 1 Introduction

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1. A vacancy on the Bank of England's Financial Policy Committee arose following the resignation of Dame Clara Furse on 1 November 2016.<sup>1</sup>
2. The Treasury announced the appointment of Elisabeth Stheeman as the new external member to the Financial Policy Committee on 2 November 2017.<sup>2</sup> Her term is due to begin in early 2018. Ms Stheeman has been appointed for a renewable three-year term.
3. In this report, the Committee has considered the suitability of Ms Stheeman for this role against the following criteria—personal independence and professional competence—in line with the practice of previous Treasury Committees when considering appointments to the Bank of England's Policy Committees.
4. The Committee took oral evidence from Ms Stheeman on 6 February 2018. She provided a full CV and answered a written questionnaire prior to giving oral evidence. The Committee thanks Ms Stheeman for this evidence, which is appended to this Report.

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1 ["Dame Clara Furse steps down from the Financial Policy Committee", Bank of England, 1 November 2016](#)

2 [Correspondence from the Chancellor of the Exchequer, External Member of the Financial Policy Committee, 2 November 2017](#)

## 2 The Appointment of Elisabeth Stheeman

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### Background on Elisabeth Stheeman

5. Ms Stheeman is a Senior Advisor to the Bank of England's Prudential Regulation Authority (PRA). Her other current roles include: Member of the Supervisory Board, Deputy Chair of the Risk Committee and Member of the Technology and Innovation Committee at Aareal Bank AG; Member of the Supervisory Board and Audit Committee, TLG Immobilien; and Member of the Supervisory Board and Audit Committee at Korian SA, a French provider of retirement and nursing homes. Her areas of expertise include capital markets, investment banking, asset management, real estate, and private equity.

6. Prior to joining the PRA, Ms Stheeman was Global Chief Operations Officer as LaSalle Investment Management (2013–14). Before that, she spent over 20 years at Morgan Stanley, including as the Executive Director of their Financial Institutions Group (2003–07), Global COO of Real Estate Investing (Morgan Stanley Real Estate Funds) (2007–10), and finally COO of the Investment Banking Division: Real Estate and Natural Resources (2011–12). From 2014–16, she was a Senior Adviser to Courno, a startup peer-to-peer digital lending platform focusing on the German SME market.

7. Ms Stheeman is a Member of the London School of Economics (LSE) Council and Court—as Vice Chair of its Finance Committee—and as a Member of Council at the German British Chamber of Industry and Commerce. She holds a Diploma in Business Studies from the LSE and a Bachelor's Degree in Business Administration from the Hamburg School of Business.

### Oral evidence

8. In oral evidence, the Committee questioned Ms Stheeman about the work of the Financial Policy Committee and the outlook for financial stability. Topics covered during the session included:

- banking culture and its role in the global financial crisis, and how the FPC can influence culture within banking;
- the Senior Managers Regime and the accountability of senior managers in the financial sector;
- misconduct, and the threat misconduct fines might pose to financial stability;
- her declaration of interests and how she will manage any perceived conflicts, including by writing to the FPC before she takes up her appointment to set out her conflicts and how she will manage them;
- the role of external members in providing independent insight as part of FPC decision-making;
- the likelihood of a 'disorderly' exit from the European Union, the risks this might present for financial stability, and policies which might mitigate these risks;

- asset valuations, commercial real estate, and the risk of re-pricing;
- the impact of FinTech and competition on financial stability and financial services consumers;
- trends in consumer credit, and the Bank's policy responses;
- trends in mortgage lending;
- the tools and indicators used by the FPC; and
- the Committee's *Women in Finance* inquiry, and her experience of the appointment process.

## Conclusion

9. The Committee is satisfied that Ms Elisabeth Stheeman has the professional competence and personal independence to be an external member of the Financial Policy Committee of the Bank of England. We wish her every success in her role.

## Formal minutes

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**Tuesday 6 February 2018**

Members present:

Nicky Morgan, in the Chair

Rushanara Ali

Mr Alister Jack

Charlie Elphicke

John Mann

Stephen Hammond

Catherine McKinnell

Stewart Hosie

Wes Streeting

Draft Report (*Appointment of Elisabeth Steeman to the Financial Policy Committee*), proposed by the Chair, brought up and read.

*Ordered*, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 9 read and agreed to.

*Resolved*, That the Report be the Sixth Report of the Committee to the House.

*Ordered*, That the Chair make the Report to the House.

*Ordered*, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134.

[Adjourned till Tuesday 6 February at 11.45 a.m.]



## Witnesses

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The following witnesses gave evidence. Transcripts can be viewed on the [inquiry publications page](#) of the Committee's website.

### Tuesday 6 February 2018

**Elisabeth Steeman**, appointed external member of the Financial Policy Committee

## Published written evidence

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The following written evidence was received and can be viewed on the [inquiry publications page](#) of the Committee's website.

FPC numbers are generated by the evidence processing system and so may not be complete.

- 1 Elisabeth Steeman ([FPC0001](#))
- 2 Elisabeth Steeman ([FPC0002](#))

## List of Reports from the Committee during the current Parliament

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All publications from the Committee are available on the [publications page](#) of the Committee's website.

### Session 2017–19

First Report	Appointment of Sir Dave Ramsden as Deputy Governor for Markets and Banking at the Bank of England	HC 472
Second Report	Appointment of Professor Silvana Tenreyro to the Bank of England Monetary Policy Committee	HC 471
Third Report	The Solvency II Directive and its impact on the UK Insurance Industry	HC 324
Fourth Report	Transitional arrangements for exiting the European Union	HC 473
Fifth Report	Autumn Budget 2017	HC 600