

Bank of England

Dame Meg Hillier MP

Chair, Treasury Select Committee
House of Commons
London
SW1A 0AA

David Roberts

Chair of Court

27 February 2026

Dear Chair

Approach to deferred compensation in relation to Katharine Braddick

I am writing in relation to Katharine Braddick and her appointment to become Deputy Governor for Prudential Regulation (DGPR). In particular, I wanted to make you aware of the Bank's approach to her deferred remuneration from Barclays.

As you will know, Katharine is Group Head of Strategic Policy and a Senior Adviser to the CEO at Barclays Bank. As is usual in such circumstances, Katharine has deferred cash and shares in Barclays PLC as part of deferred compensation arising from her current employment (as required by PRA rules). The PRA is of course the home supervisor of Barclays which is one of the major "Category 1" banks in the UK.

Deferred compensation arrangements, by their nature, present a challenge for conflicts management relating to individuals moving from the private to public sector. However, as the Treasury Committee has noted on other occasions – and the Bank agrees – it is important that the Bank is able to benefit from the appointment of individuals with private sector expertise, meaning that our approach should be to manage conflicts wherever possible.

In this instance, therefore, in order to sever any ongoing financial relationship with the firm of a kind that may result in an actual or perceived a conflict of interest, the Bank's view was that any vested equity should be divested and the deferred compensation should be converted fully into a cash payment without any possibility of malus by Barclays (preventing unvested awards from vesting). There would, however, still be a time-limited clawback by Barclays (recovery of awards that have already vested) in the event of Katharine being subsequently identified with reasonable evidence of misbehaviour or material error during her time of employment at Barclays. This means that Katharine will not receive any compensation from Barclays from the point she takes up her new role, but – as with other executives leaving PRA-regulated firms – she will nonetheless be accountable for her past conduct in her former role.

It was also agreed that Katharine would resign from Barclays upon announcement of her appointment and would have no involvement with the firm from that point. She would also not be involved in any supervisory or enforcement decisions in relation to Barclays for a

The content of this letter may be confidential. Please ensure you handle this information in accordance with the instructions set out in the Bank of England Information Security Classification Scheme available here: [b-o-e-uk/iscs](https://www.bankofengland.co.uk/b-o-e-uk/iscs) or from the Bank upon request.

Bank of England | Threadneedle Street London EC2R 8AH
+44 (0)20 3461 4444 | www.bankofengland.co.uk



period of six months from the date at which she starts in her role as Deputy Governor for Prudential Regulation.

Given this approach to deferred compensation is different to the expectation set out in regulatory rules, Barclays have applied and obtained a regulatory waiver from the PRA and FCA to facilitate the above. This allows a more complete severance of the financial relationship than envisaged in Supervisory Statement 2/17. The Bank's view is that there are good grounds for doing this in this case. The Deputy Governor for Prudential Regulation and CEO of the PRA is an appointment with a lengthy statutory term (five years, renewable once). It is also relevant that, under the 1998 Act, the Prudential Regulation Committee is obliged to delegate to the CEO of the PRA "the day-to-day management of the Bank's functions as the [PRA]". This means that, in effect, the vast majority of PRA activities are performed formally through delegation from the CEO of the PRA, the role to which Katharine is to be appointed. This is therefore a unique role and clearly distinguishable from other members of the PRC (who act as part of the committee) or from other PRA executives (who generally act as part of a committee or in defined remits). The only comparable role in the Bank, in many respects, is that of the Governor of the Bank to whom the day-to-day functions of the Bank are delegated by Court.

The need to manage any conflict relating to a PRA regulated firm is therefore particularly acute for the CEO of the PRA. If the appointee was conflicted in relation to a less significant firm, it may have been possible to consider an extended period of recusal from decisions relating to that firm. However, given the significance of Barclays in the UK financial services landscape, we do not consider it tenable for the CEO of the PRA to manage the conflict by recusing themselves from any decisions relating to it.

I know the Treasury Committee will be asking Katharine to complete the usual questionnaire ahead of appearing before you in due course. I did however want to take this opportunity, alongside the HM Treasury announcement, to explain the Bank's approach to the deferred compensation issue. Should you have any questions or if it would be helpful to discuss any of the above, please let me know.

Yours sincerely



David Roberts
Chair of Court