



BANK OF ENGLAND

The Rt Hon Rishi Sunak MP
Chancellor of the Exchequer
HM Treasury
1 Horse Guards Road
London
SW1A 2HQ

Andrew Bailey
Governor

24 March 2022

Dear Rishi,

In March 2020, HM Treasury and the Bank jointly launched the Covid Corporate Financing Facility (CCFF). The CCFF was designed to support liquidity among larger companies helping them to bridge disruption to their cash flows through the purchase of short term debt in the form of fixed-term commercial paper (CP).

I am writing to mark the formal closure of the CCFF, following the successful repayment of all CP purchased by the facility between March 2020 and March 2021.

Over its lifetime, the CCFF purchased over £37bn of commercial paper from 107 different companies. This, plus the facility making available over £85bn of borrowing limits to over 230 companies, represented significant support for firms that represent over 2.5 million jobs. Furthermore, by lending to large companies directly, the CCFF protected the space for commercial banks to lend to a wider population of companies, complementing other Bank and UK Government schemes launched at the onset of the Covid-19 crisis.

As you are aware, HM Treasury fully indemnified the Bank against any losses and expenses arising from the operation of the CCFF. I am happy to report that this indemnity was not drawn on by the Bank during the lifetime of the CCFF and can now be cancelled. Indeed, the CCFF will in due course return a profit to the taxpayer of over £60 million.

I would like to thank you and HMT staff for your support in helping the Bank to establish and operate the CCFF in exceptional circumstances. I am proud to say that the CCFF provided a significant level of support to the UK economy during the Covid-19 crisis, and I am sure you will agree that its success was the result of timely, co-ordinated response to the crisis by officials at both HM Treasury and the Bank.

Yours Sincerely,

A handwritten signature in black ink that reads 'Andrew Bailey'.