



HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ

Andrew Bailey
Governor
Bank of England
Threadneedle Street
London
EC2R 8HA

5 May 2022

Dear Andrew,

Asset Purchase Facility

Thank you for your letter of 5 May 2022, setting out the change in the Asset Purchase Facility's (APF) stock of purchased assets.

As you noted, we jointly agreed on 3 February 2022 that the maximum authorised size of the Asset Purchase Facility should be updated every six months in line with the reduction in the stock of assets.¹ I am writing to agree to reduce the authorised maximum size of the APF from £895bn to £866.6bn, of which up to £19.6bn can be corporate bonds. This aligns with the current size of the APF that you reported to me. I confirm that the Government will continue to indemnify the Bank, the APF and its directors from any losses arising out of or in connection with the operation of the facility in accordance with the terms of the existing indemnity agreement.

I am copying this letter to the Chair of the Treasury Committee and depositing it immediately in the libraries of both Houses of Parliament and on the HM Treasury website.

Best wishes,

A handwritten signature in blue ink, appearing to read 'Rishi Sunak'.

RISHI SUNAK

¹ [Exchange of letters between the Chancellor and the Governor of the Bank of England – February 2022](#)