



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

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

5th May 2026

Dear Andrew,

Asset Purchase Facility

Thank you for your letter of 5 May 2026, setting out the change in the Asset Purchase Facility's (APF) stock of purchased assets.

On 3 February 2022 you jointly agreed with my predecessor that the maximum authorised size of the APF should be updated every six months in line with the reduction in the stock of assets.¹ In your letter of 5 May 2026, you confirmed the APF continues to be comprised solely of gilts, authorised to be held for monetary policy purposes, and that the current stock of APF gilt holdings, as of 29 April 2026, was £524.9 billion. I am therefore writing to reduce the authorised maximum size of the APF from £555 billion agreed in the exchange of letters on 11 November 2025 to £524.9 billion.² This amount will be reviewed and confirmed between us again in six months. As of 29 April 2026, the APF has been reduced by £370 billion from its peak of £894.9 billion in January 2022. This equates to a 41% reduction in the stock of assets held.

I note your update on unwind progress, and that unwind will continue to be implemented in line with the principles set out by the MPC, involving the use of Bank Rate as the MPC's active policy tool when adjusting the stance of monetary policy, and conducting sales so as not to disrupt market functioning and to do so in a relatively gradual and predictable manner over a period of time. HM Treasury and Bank of England officials will continue to

¹ <https://www.gov.uk/government/publications/asset-purchase-facility-apf-ceiling-february-2022>

² [Asset Purchase Facility \(APF\) ceiling, November 2025 - GOV.UK](#)

monitor the APF's implementation and risks to the Exchequer. Any future cash transfers will be handled under the terms of the indemnity as has been the case to date.

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

Yours sincerely,

A handwritten signature in black ink that reads "Rachel Reeves." The signature is written in a cursive, flowing style.

RT HON RACHEL REEVES MP
Chancellor of the Exchequer