



Asset Purchase Facility Quarterly Report - 2021 Q2

i In the interests of openness and transparency, we publish a quarterly report on the transactions carried out as part of the Asset Purchase Facility. The reports are published shortly after the end of each quarter.



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Overview

This report contains information on the Bank of England's Asset Purchase Facility (APF) for 2021 Q2, describing operations from 1 April 2021 to 30 June 2021. More information on what the APF is and what it does is available in our [Market Operations Guide](#). A short timeline describing the history of the APF is provided as background at the end of the report.

APF operations in the past quarter

This section contains details of gilt and corporate bond transactions, and gilts lent to the Debt Management Office (DMO), during the quarter.

At its meetings ending on 6 May and 24 June, the Monetary Policy Committee (MPC) voted to maintain the stock of sterling non-financial investment-grade corporate bond purchases, financed by the issuance of central bank reserves, at £20 billion. The MPC also voted to continue with the Bank of England's existing programme of UK government bond purchases, financed by the issuance of central bank reserves, maintaining the target for the total stock of these government bond purchases at £875 billion. This kept the total target stock of asset purchases at £895 billion.^[1] At the meeting ending 6 May, the MPC also confirmed that it would reinvest the proceeds (£16.4 billion) of a gilt maturity occurring on 7 June 2021.

During 2021 Q2 the APF made £49.7 billion of gilt purchases, including transactions as part of the ongoing programme of purchases and to replace maturing gilts.^[2] Details of the purchase programme for this period can be found in the Market Notices published on [4 February 2021](#) and [6 May 2021](#). The APF did not purchase corporate bonds in 2021 Q2.

Table A summarises the stock of APF gilt and corporate bond purchases in 2021 Q2.

**Table A: Summary of stocks in Asset Purchase Facility Schemes (a) (£ millions)**

Week ending	Gilts (b)	Corporate bond purchase scheme (c)
2021 Q1 (d)	774,143	19,939
7 April 2021	777,103	19,838
14 April 2021	783,023	19,838
21 April 2021	787,463	19,838
28 April 2021	791,903	19,838
5 May 2021	794,862	19,799
12 May 2021	800,116	19,799
19 May 2021	803,557	19,799
26 May 2021	806,998	19,799
2 June 2021	809,292	19,764
9 June 2021	797,478	19,764
16 June 2021	800,919	19,764
23 June 2021	804,360	19,764
30 June 2021	807,801	19,764

Source: Bank of England.

(a) The outstanding amount in each facility is reported on a settlement date basis.

(b) The overall stock of APF gilt purchases, less redemptions, valued at initial purchase price.

(c) The overall stock of APF Corporate Bond Purchase Scheme purchases, less redemptions, valued at initial purchase price.

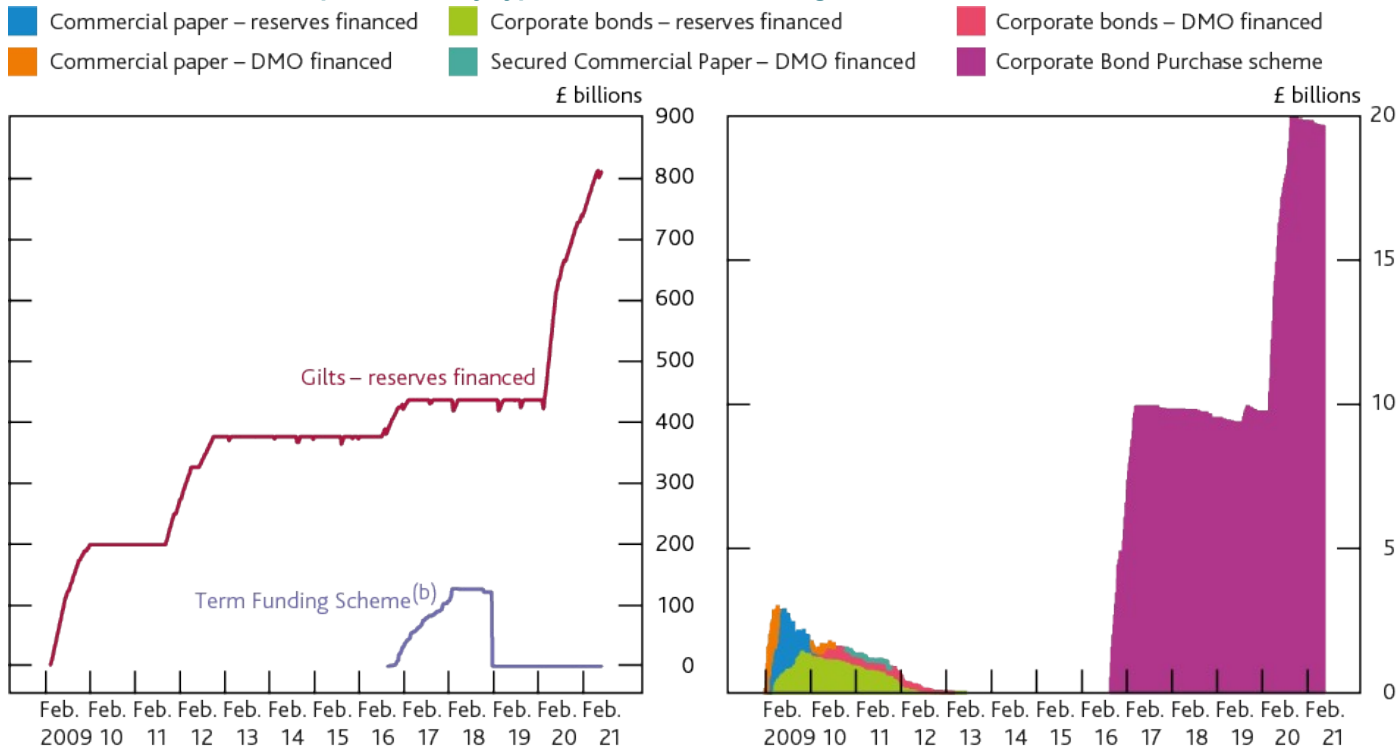
(d) 2021 Q1 measured as the amount outstanding as at 31 March 2021.

Chart 1 shows the cumulative net value of APF transactions between the establishment of the Fund and end-June 2021. As at 30 June 2021, the Bank had reported cumulative asset purchases net of sales, redemptions and repayments totalling £827.6 billion.

Chart 1 is separated into two panels with different scales. Gilt purchases and the Term Funding Scheme (TFS – which from 2016 to 2019 was on the APF balance sheet before its transfer to the Bank's balance sheet) are on the left panel.[3] The corporate bond schemes and legacy commercial paper schemes that have been operated via the APF balance sheet

are on the right panel. The Covid Corporate Financing Facility (CCFF), which was launched in March 2020, is not part of the APF balance sheet.[4]

Chart 1: Cumulative APF purchases by type: amounts outstanding (a) (b)



Source: Bank of England.

(a) Data based on settled transactions.

(b) On 21 January 2019 the TFS drawings were moved to the Bank’s balance sheet and therefore are not reported after this date.

Gilts purchased via the APF continue to be made available for on-lending to the market through the [gilt lending arrangement](#) with the DMO. The average daily aggregate value of gilts lent by the APF to the DMO during the three months to 30 June 2021 was £7.8 billion.



APF history and background

Below is a summary of some of the key milestones in the history of the APF since its establishment in 2009.

- **19 January 2009** [Chancellor's Statement](#) [↗] announcing the intention to set up an asset purchase programme.
- **29 January 2009** Establishment of the APF Fund (see exchange of letters between the [Bank](#) [↗] and [HM Treasury](#) [↗]).
- **9 November 2012** HM Treasury announces the transfer of gilt coupon payments to the Exchequer (see exchange of letters between the [Bank](#) [↗] and [HM Treasury](#) [↗]).
- **4 August 2016** [MPC](#) agrees to expand the APF by launching a Term Funding Scheme (TFS) and a Corporate Bond Purchase Scheme (CBPS) (see [exchange of letters](#) between the Bank and HM Treasury).
- **21 June 2018** Bank and HM Treasury agree new capital and income framework codified by a new [Memorandum of Understanding](#).
- **21 January 2019** TFS drawings (and collateral) transferred from the APF to the Bank of England's [balance sheet](#).
- **19 March 2020** [MPC](#) agrees to expand the APF with a £200 billion increase to the stock of UK gilts and sterling non-financial investment-grade corporate bonds to reach £645 billion.
- **18 June 2020** [MPC](#) announces decision to expand the APF with a £100 billion increase to the stock of UK gilts to bring the total stock of asset purchases to £745 billion.
- **5 November 2020** [MPC](#) announces decision to expand the APF with a £150 billion increase to the stock of UK gilts to bring the total stock of asset purchases to £895 billion.

Links to additional information related to the APF

- Exchange of letters between the [Bank](#) [↗] and [HM Treasury](#) [↗], 17 February and 3 March 2009.
- [Asset Purchase Facility Annual Report 2019/20](#).
- [Asset Purchase Facility Quarterly Report – 2021 Q1](#).

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1. Access past minutes and decisions by the MPC [on our website](#).
 2. You can find further details in our [results and usage data](#).
 3. The Bank launched the Term Funding scheme with additional incentives for Small and Medium-sized Enterprises (TFSME) during April 2020. The TFSME does not appear in this report because it is operated from the Bank's balance sheet, rather than the APF.
 4. The CCFF is operated by the Covid Corporate Financing Facility Limited (the Fund). Further details on the operation of the Fund can be found in the [consolidated Market Notice](#). You can find data on the CCFF in our [results and usage data](#).



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