

Funding the Future

The Treasury has made Â£65 billion from the quantitat...

Published: January 13, 2026, 1:48 pm

I thought I should draw attention to a curious little feature of the annual accounts of Bank of England Asset Purchase Facility Fund Limited, [just published](#). This is the balance sheet:

Statement of financial position as at 29 February 2020

	Note	2020 £m	2019 £m
Assets			
Cash	10	4,632	4,880
Debt securities	5	509,732	472,887
Other assets	6	31	49
Total assets		514,395	477,816
Liabilities			
Loans and other borrowings	7	445,280	445,198
Due to HM Treasury under Indemnity	8	69,115	32,618
Total liabilities		514,395	477,816
Equity			
Capital	9	–	–
Retained earnings		–	–
Total equity attributable to shareholders		–	–
Total liabilities and equity attributable to shareholders		514,395	477,816

Note 5 shows this:

5 Debt securities

	2020 £m	2019 £m
Gilts	499,884	463,905
Corporate bonds	9,848	8,982
Total debt securities	509,732	472,887

So, the company was lent £445 billion by the Bank of England to buy bonds.

It spent £10 billion on corporate bonds and has lost a little as a result.

It spent £435 billion on government bonds and they're now worth £500 billion (near enough).

What this means is that the Bank of England has made £65 billion by buying the

government's own debts and holding them as rates have fallen. And as the balance sheet shows, all that money is due back to the Treasury.

Bizarrely, quantitative easing has been profoundly profitable for HM Treasury. Whoever knew that owing your own debt could be such a good thing to do?