



6 January 2022

**TO: ALL LOCALLY INCORPORATED LCR ADIs**

**AGGREGATE COMMITTED LIQUIDITY FACILITY**

On 10 September 2021, APRA announced that it expects locally-incorporated ADIs subject to the Liquidity Coverage Ratio (LCR) to reduce their reliance on the Committed Liquidity Facility (CLF) to zero by the end of 2022 subject to financial market conditions. Further, APRA advised that an ADI's CLF allocation would decrease to zero through equal reductions on 1 January, 30 April, 31 August and 31 December 2022, and that an ADI may opt to reduce its CLF early if it considers it has sufficient surplus funding and liquidity.

The reduction in the CLF scheduled for 1 January 2022 has occurred. Given this and earlier reductions requested by some ADIs, the aggregate CLF has been reduced to approximately \$102 billion from around \$140 billion on 10 September 2021.

APRA expects to provide a further update on the size of the aggregate CLF in May 2022 following the second scheduled reduction mentioned above.

Yours sincerely,

Peter Diamond  
General Manager  
Banking Division