

Reference: 20230575

19 January 2024



Dear 

Thank you for your Official Information Act request, received on 15 December 2023. You requested:

*Can you provide information regarding the Funding for Lending Programme difference of \$1,443 billion between total in accounts (\$18,088) and total (\$19,531) used in Core Crown financial assets per the net debt definition?*

*If the difference is related to inter-segment; what is the name of the other entity?*

Under the Funding for Lending programme (FLP), the Reserve Bank offered to lend funds to eligible banks at the Official Cash Rate (OCR) for a defined term. Access to FLP funding was available over a two-year period from 7 December 2020 to 6 December 2022. Participants could access funding up to the value of its funding allocation (comprising an initial allocation and an additional allocation).

As part of the consolidation process, we eliminate any transactions from the programme that are held with other Government Reporting Entities. For this programme, the inter-entity balances are with Kiwi Group Capital Limited which is a crown entity company (under Schedule 4A of the Public Finance Act 1989) and owns KiwiBank Limited. Please see the breakdown below.

|                            | Reserve Bank<br>(Core Crown) | Inter-entity<br>balance (Kiwi<br>Group Capital) | Total Crown        |
|----------------------------|------------------------------|---|--------------------|
| <b><u>FLP Advances</u></b> | <b>22/23</b>                 | <b>22/23</b>                                    | <b>22/23</b>       |
| <b>Total FLP Advances</b>  | <b>\$ millions</b>           | <b>\$ millions</b>                              | <b>\$ millions</b> |
| Initial (tranche 1)        | 12,440                       | 968   | 11,472             |
| Additional (tranche 2)     | 7,091                        | 475   | 6,616              |
| Total                      | 19,531                       | 1,443   | 18,088             |

Please note that this letter (with your personal details removed) and enclosed documents may be published on the Treasury website.

This reply addresses the information you requested. You have the right to ask the Ombudsman to investigate and review my decision.

Yours sincerely

Kamlesh Patel  
**Acting Deputy Chief Government Accountant**