



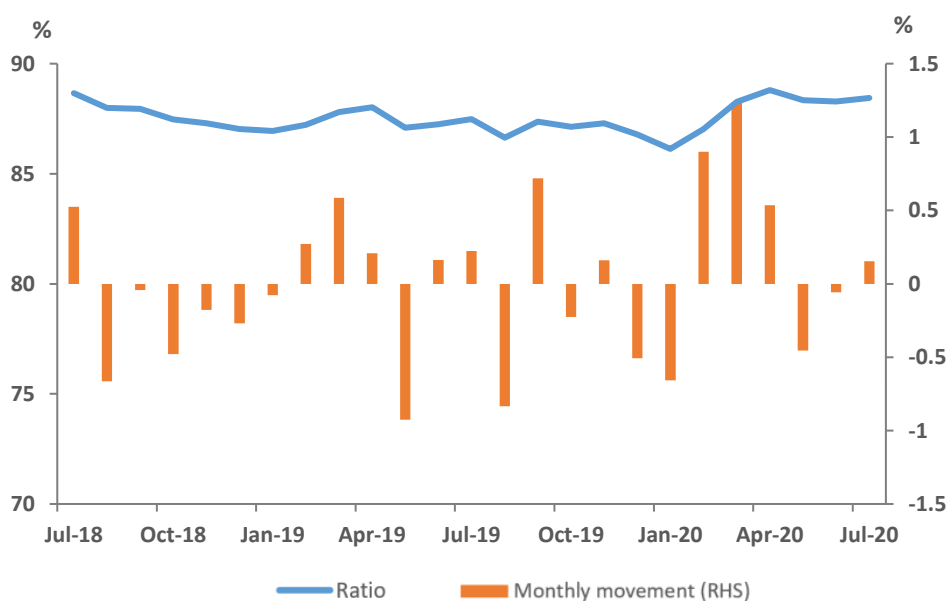
O F N E W Z E A L A N D
T E P Ū T E A M A T U A

Liquidity summary

Key points for July 2020:

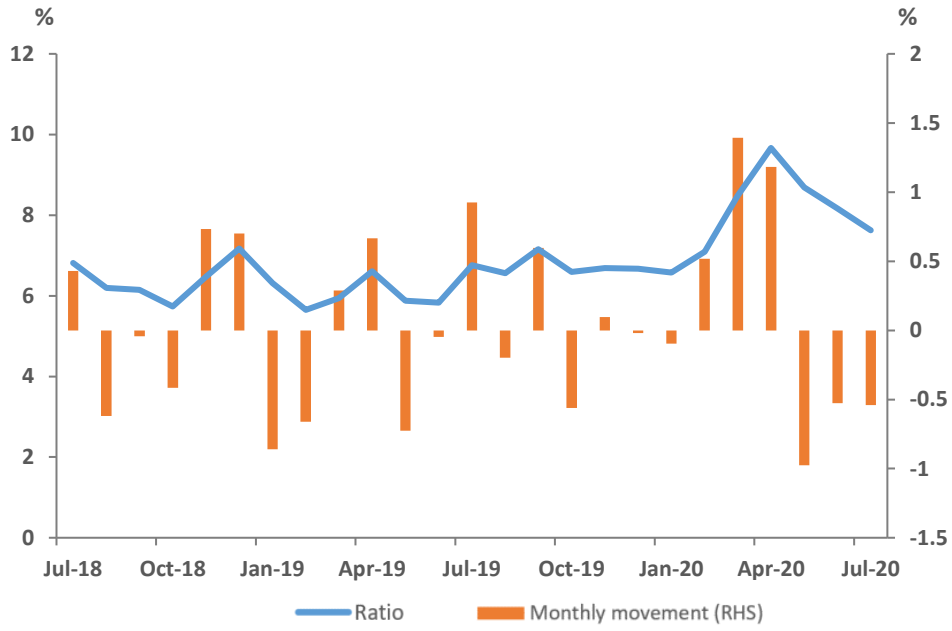
- The system-wide core funding ratio¹ (CFR) was 88.4% as at end of July 2020, marginally up from 88.3% in June, and an increase of 0.9% from July 2019.
- Total loans and advances increased from \$454.6b as at end of June 2020 to \$455.4b as at end of July 2020, while core funding increased from \$401.4b to \$402.8b during the same period. The annual growth rate in core funding was 4.9% in July, down from 5.6% in June.
- The aggregate one month system-wide mismatch ratio as at end of July 2020 was 7.6%, down from 8.2% at the end of June, largely driven by a decline in contractual cash inflows. Banks are required to hold a sufficient stock of liquid assets to be able to fill the projected 'mismatch' between cash inflows and outflows over the next week and month (refer to Liquidity policy [page](#) on our website).
- Total primary liquid assets was \$106.3b as at end of July 2020, up from \$102.6b in June. This was mainly driven by an increase in NZD cash in Exchange Settlement Account System (ESAS) and Residential mortgage backed securities (RMBS bonds).

Core Funding Ratio



¹ The Reserve Bank reduced banks' minimum core funding ratio requirement from 75% to 50%, effective from 2 April 2020.

One Month Mismatch Ratio



One Week Mismatch Ratio

