



RESERVE BANK

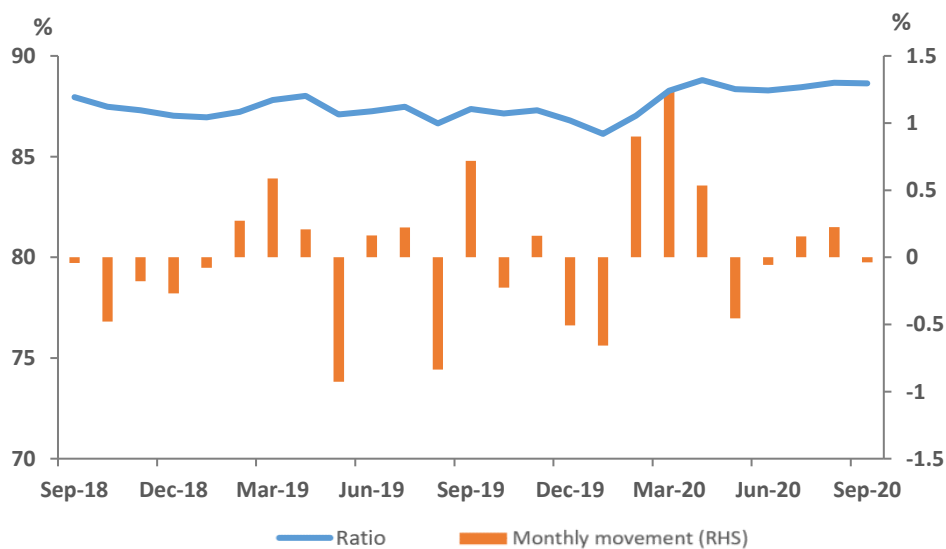
O F N E W Z E A L A N D
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Liquidity summary

Key points for September 2020:

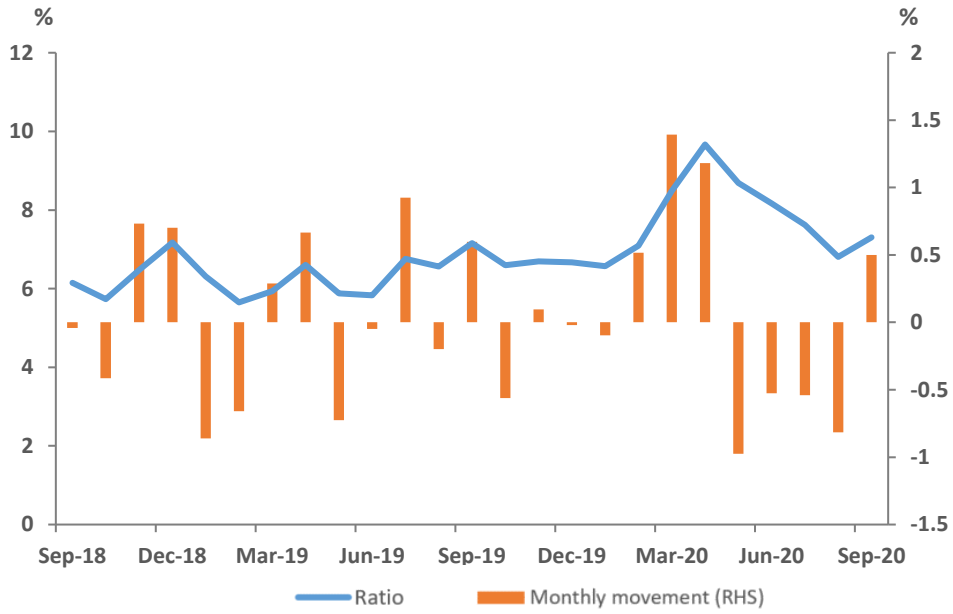
- The system-wide core funding ratio¹ (CFR) was 88.6% as at end of September 2020, marginally down from 88.7% in August, and an increase of 1.2% from September 2019.
- Total loans and advances increased from \$455.5b as at end of August to \$456.4b as at end of September 2020, while core funding increased from \$403.8b to \$404.5b during the same period. The annual growth rate in core funding was 4.4% in September, down from 5.7% in August.
- The aggregate one month system-wide mismatch ratio as at end of September 2020 was 7.3%, up from 6.8% at the end of August, largely driven by a decrease in contractual outflows. 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 \$107.4b as at end of September 2020, up from \$104.0b in August. This was mainly driven by an increase in holdings of New Zealand government and sovereign 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

