



RESERVE BANK

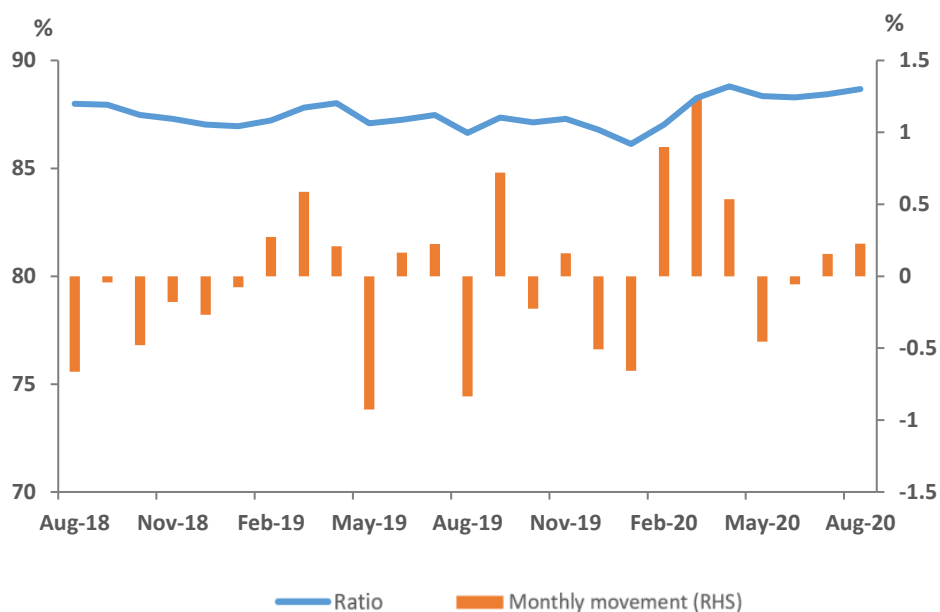
O F N E W Z E A L A N D
T E P Ū T E A M A T U A

Liquidity summary

Key points for August 2020:

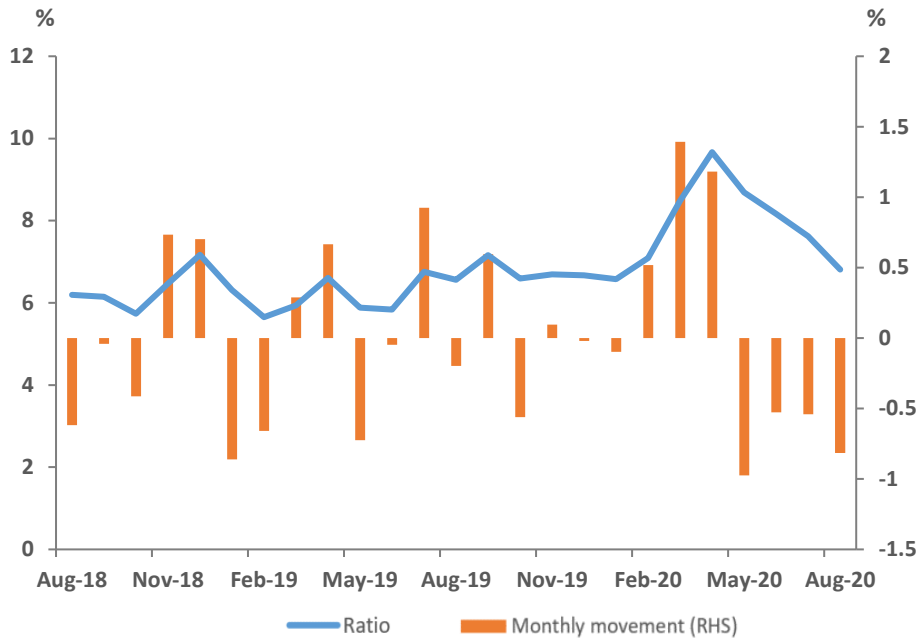
- The system-wide core funding ratio¹ (CFR) was 88.7% as at end of August 2020, marginally up from 88.4% in July, and an increase of 2.1% from August 2019.
- Total loans and advances increased from \$455.4b as at end of July to \$455.5b as at end of August 2020, while core funding increased from \$402.8b to 403.8b during the same period. The annual growth rate in core funding was 5.7% in August, up from 4.9% in July.
- The aggregate one month system-wide mismatch ratio as at end of August 2020 was 6.8%, down from 7.6% at the end of July, largely driven by an increase 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 \$104.0b as at end of August 2020, down from \$106.3b in July. This was mainly driven by a decrease in NZD cash in Exchange Settlement Account System (ESAS).

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

