

**From:** [Tripe, David](#)  
**To:** [Tobias Irrcher](#); [Stocktake](#)  
**Subject:** RE: RBNZ's dashboard consultation  
**Date:** Wednesday, 14 December 2016 8:48:43 a.m.

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Hi Jeremy, Ashley & Tobias

You have received from Martien Lubberink a submission on the dashboard proposals which includes my name. I am fully supportive of what Martien has written in this regard, but there are some further points that I wish to make which do not relate specifically to any of the questions you have asked in the consultation document.

I want the Reserve Bank to be mindful of the importance of disclosure, particularly in the absence of any deposit insurance scheme, and to make sure that there is sufficient disclosure so that informed commentators can at least try and make some assessment of what is happening with the New Zealand banking sector, and respond to queries accordingly. I was reminded of this by a somewhat confusing conversation on Monday 5 December with a newspaper reporter who seemed to believe that one of the major banks was in trouble.

To deal properly with such situations, we need good disclosure from the banks, and if banks have both a branch and a subsidiary, we need to be confident that we know the bank's overall position in New Zealand. This may have some cost implications for banks, but the cost of providing this information is likely to be much less than the potential costs of not providing it and allowing rumours to circulate about the bank's soundness. Having more information, rather than less, also allows us to comment with greater confidence on the banks' performance and interest rate setting behaviours – not providing the necessary information to allow us to do this is unlikely to be good for the banks' positions and profile in the market in the longer run.

Disclosure that we need to allow us to do this includes balance sheet and income statement information, plus additional information on interest-bearing assets and liabilities, non-performing loans and provisions (and the current confusion around restructured loans should be remedied by requiring these to be reported every quarter), capital and risk-weighted assets, and derivatives and other off-balance sheet positions. I would not want this data to be reported to me privately, as I could not then invite people to confirm what I say by examining the data for themselves.

My view is that the Reserve Bank is far too fearful of bank complaints about cost of disclosure, and is not willing enough to confront them and make them disclose what is necessary if people are going to be able to understand banks' financial performance and soundness. It would otherwise be hard to argue that disclosure was providing an adequate alternative to a deposit insurance system.

I am happy for these comments to be made public.

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