

From: Kevin Nicholl **s9(2)(a) privacy**  
Sent: Monday, 1 May 2017 5:26 p.m.  
To: Angus Barclay  
Subject: Capital Adequacy of Banks Revue

Hello Angus

Thank you for your excellent Revue Framework parameters paper. As I'm a mere investor of less than \$1M in Banks my guess is that this submission will be treated as largely irrelevant however the subject has concerned me a great deal since the OBR legislation came into force, for obvious reasons.

I shan't take up any more of your time other than to say that it must be clear to all, that anything other than CET1 capital is merely another form of borrowing (or obfuscation), regardless of how it is dressed up. Of course the Banks will disagree with the legislators on this issue and of course the banks will find it more difficult to attract equity capital in times of stress. That is the whole point of the issue. Responsible banking should see Banks reduce lending before "irrational exuberance" creates that situation. That hasn't happened and that is why the current situation is more than concerning.

My only hope is that there are enough "good men" in our governing bodies who will act to avert a crisis, the effects of which would have a terrible impact on the NZ population and it's perception of who we are.

Kind Regards

Kevin Nicholl

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