

It concerns me very much that the RBNZ is being pressured to change the capital ratio requirements for NZ banks. Until now I have felt comfortable investing significant sums with the NZ major banks and Kiwibank, because of the buffer the banks were required to hold in case of unforeseen economic issues. Like other people I know, it would seem preferable to move funds to U.S. banks that hold better capital ratios if the RBNZ changes the ratio. As well, those U.S. banks have a guarantee up to \$250,000 U.S. on deposited funds, unlike the paltry NZ \$100,000 guaranteed per bank in New Zealand. That guarantee is fine under the current capital ratio regime, because one can still feel comfortable keeping deposits well over \$100,000 NZ. in the New Zealand banks. However, if the capital ratio required is going to change, it would make sense to invest funds outside of New Zealand.

I sincerely hope the RBNZ will not bend to political pressure and will act independently in making its decisions on these requirements. The RBNZ has acted with diligence and responsibility until now. Those who bring funds from overseas to invest in NZ banks would have to reconsider should there be a change.

Thank you for your consideration.

Dan McGuire

Nelson

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