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Stuart is a community leader and a retired Councillor of Colac Otway Shire (12 years). He is an active financial analyst and futures commodity trader (30 years) and also has a keen interest in global political and financial issues. (ph (03) 5235 8391).

***Submission to: Financial System Inquiry c/- Aust Govt.***

1. The Too Big To Fail Australian banks have now disposed of any meaningful risk management policies and strategies, as they are all, now, terminally over-exposed with "derivative liability products" that far exceeds their bank's capital assets and customer's savings held on deposit. Any dumb trader will tell you this is a recipe for inevitable disaster when the unsustainable "house of cards credit system" begins to falter more and more.
2. Please note that the Commonwealth Bank now refuses to report on its notional derivatives exposure, you must ask yourself why this is so. The answer is simple they are mindless gamblers and don't want the general public and their customers to know about their addiction to fraudulent and dangerous risk ridden derivative activities. Any trader knows not to risk more than 10% of your capital base, but these Too Big To Fail Australian Banks now have it in reverse, their risk is about 90% to their capital base of approximately 10%.
3. If the Too Big To Fail Australian Big 4 Banks and Macquarie wish to participate in this risky fraudulent investment behaviour they MUST separate from the commercial and savings sector of their investment banking operations. They MUST NOT be allowed to "BAIL IN" unsuspecting savings and term deposits belonging to private individuals who have constantly been given false and misleading information that Australian Banks are Too Big To Fail.
4. If the Big 4, Too Big To Fail Australian Banks and Macquarie Bank are separated into commercial and investment banks, then bank customers will be able to choose and make a deliberate informed decision with their banking and manage their personal risk without the current overriding of extreme risky bank derivatives exposure.

In Summary;

The only reasonable and fair way MUST be to separate the Big 4, "Too Big To Fail" Australian Banks into commercial and investment banking entities that are two distinct and unattached banks. Then "Bail In" legislation will not be needed.

The Australian Government MUST not be allowed to pass such misleading "Bail In" legislation upon an unsuspecting Australian community, that would allow confiscation of their life savings and term deposits. It will be a criminal characteristic for our Australian Banks to be allowed to confiscate private savings as was done in Cyprus and Spain not long ago.

A handwritten signature in black ink, appearing to read 'S E Hart', with a long horizontal flourish extending to the right.

Thank you for the opportunity to submit, S E Hart