



# Conditions on NOHC authority 2024 – Avenue Hold Limited

## *Banking Act 1959*

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To: Avenue Hold Limited ABN 50 628 071 198 (the body corporate)

Since the body corporate holds an authority to be a NOHC under subsection 11AA(2) of the *Banking Act 1959* (the Act) and the NOHC authority is subject to conditions,

I, Renée Roberts, a delegate of APRA:

- (a) under paragraph 11AAA(1)(b) of the Act, REVOKE the conditions imposed on the body corporate's NOHC authority; and
- (b) under paragraph 11AAA(1)(a) of the Act, IMPOSE the conditions specified in the schedule on the body corporate's NOHC authority.

This instrument commences on the day it is made.

Dated: 21 February 2024

Renée Roberts  
Executive Director  
Banking Division

### **Interpretation**

In this instrument:

**APRA** means the Australian Prudential Regulation Authority.

**NOHC** is short for non-operating holding company and has the meaning given in subsection 5(1) of the Act.

**NOHC authority** has the meaning given in subsection 5(1) of the Act.

APRA is required to publish this notice in the *Gazette*.

A decision to impose conditions or additional conditions, or vary conditions, on an authority is a decision to which Part VI of the Act applies. You may request APRA reconsider the decision in accordance with subsection 51B(1) of the Act. The request for reconsideration must be made in writing, must set out the reasons for making the request, and must be given to APRA within 21 days after the day on which you first received notice of this decision, or within such further period as APRA allows. If you are dissatisfied with the outcome of APRA's reconsideration of the decision, you may, subject to the *Administrative Appeals Tribunal Act 1975*, apply to the Administrative Appeals Tribunal for review of the reconsidered decision.

## Schedule – conditions on NOHC authority

1. The NOHC must consult with, and receive written agreement from, APRA prior to:
  - a) commencing any activities not previously agreed with APRA;
  - b) establishing or acquiring a subsidiary other than an entity whose sole purpose is to be a special purpose vehicle for providing finance to the NOHC or the ADI;
  - c) committing to a proposal to acquire (whether directly or indirectly) greater than, or equal to, 20 per cent of an equity interest in an entity;
  - d) committing to a proposed exposure to a related body corporate, except for the ADI, that is greater than, or equal to, 10 per cent of the NOHC's Tier 1 Capital; or
  - e) entering into an arrangement that relates to or may result in:
    - i. the disposal of any shares in a specified subsidiary; or
    - ii. a related body corporate of the NOHC providing, or ceasing to provide, services to a related regulated entity that are necessary to maintain the entity's operations.
2. Where a related body corporate of the NOHC provides services to a related regulated entity that are necessary or significant to maintain the entity's operations, the related body corporate must be a subsidiary of the NOHC.
3. Unless otherwise approved in writing by APRA, the NOHC must:
  - a) not, and must ensure that the NOHC's subsidiaries and any other entity that receives funding from the NOHC does not, provide funding to Liberty Financial Group Limited for the purpose of any of Liberty Financial Group Limited's debt instruments or 'special purpose vehicles' (including but not limited to securitisation trusts and warehouse facilities) or any other credit/lending arrangement;
  - b) not vary the Subscription Agreement;
  - c) operate its business activities independently of Liberty Financial Group Limited and Liberty Financial Group Limited's subsidiaries;
  - d) not share any services or staff with Liberty Financial Group Limited or Liberty Financial Group Limited's subsidiaries; and
  - e) not share any management or business strategies with Liberty Financial Group Limited or Liberty Financial Group Limited's subsidiaries except in relation to the "White Label savings and transactional accounts" specified in the Subscription Agreement.

4. The NOHC must, prior to the issuance of Common Equity Tier 1 (CET1) Capital instruments by any member of the Level 2 group to which the ADI belongs and as soon as practicable:
- a) consult with APRA;
  - b) provide APRA with complete information associated with the proposed issue to allow APRA to assess the eligibility of the instruments for inclusion as CET1 Capital in the ADI's or NOHC's Regulatory Capital, including:
    - i. all regulatory and marketing documentation;
    - ii. any other information necessary for APRA to assess the eligibility of the instruments, including information requested by APRA;
    - iii. a statement of compliance of the capital instruments signed by a senior manager of the ADI or NOHC issuer or, if issued by a non-APRA regulated member of the Level 2 group, a senior manager of the ADI or NOHC with group responsibility, which must:
      - A. address how the issuer is satisfied that each required capital eligibility criterion set out in *Prudential Standard APS 111 Capital Adequacy: Measurement of Capital* is met and will continue to be met in the future; and
      - B. clearly set out references to supporting documents and opinions that demonstrate that the criteria are met.

## Interpretation

In this schedule:

**Level 2** has the meaning given in *Prudential Standard APS 001 Definitions*.

**related body corporate** means a related body corporate within the meaning given in section 50 of the *Corporations Act 2001*.

**related regulated entity** means a related body corporate of the NOHC that is a body regulated by APRA within the meaning given in subsection 3(2) of the *Australian Prudential Regulation Authority Act 1998*.

**senior manager** has the meaning given in *Prudential Standard APS 001 Definitions*.

**specified subsidiary** means:

- (i) a related regulated entity; or
- (ii) a related body corporate of the NOHC that provides services to a related regulated entity.

**Subscription Agreement** means the Subscription Agreement – Series B entered into between Liberty Financial Group Limited and the NOHC on 16 May 2023, and any subsequent approved version of the Subscription Agreement.

**the ADI** means Avenue Bank Ltd ABN 24 628 073 085.

**the NOHC** means Avenue Hold Limited ABN 50 628 071 198.

Unless the contrary intention appears, a reference in this schedule to an Act or Prudential Standard is a reference to the Act or Prudential Standard as in force from time to time.