



## **Authority to be a NOHC of an authorised deposit-taking institution**

*Banking Act 1959*

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I, Mark Adams, a delegate of APRA, under subsection 11AA(2) of the *Banking Act 1959* (the Act), GRANT volt Corporation Limited ABN 60 622 084 959, authority to be a NOHC.

Under paragraph 11AAA(1)(a) of the Act, I IMPOSE upon this Authority the conditions specified in the attached Schedule.

This Authority operates as an authority in relation to volt Corporation Limited and any ADIs that are its subsidiaries from time to time.

This Authority commences on 7 May 2018.

Dated: 7 May 2018

[signed]

Mark Adams  
Executive General Manager  
Specialised Institutions Division

## Interpretation

In this Notice

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

**ADI** is short for authorised deposit-taking institution and has the meaning given in subsection 5(1) of the Act.

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

*Note 1* Under subsection 11AAA(1) of the Act, APRA may at any time, by notice in writing given to a NOHC, impose conditions or additional conditions or vary or revoke conditions imposed on its NOHC authority. The conditions must relate to prudential matters.

*Note 2* Under subsection 11AAB(1) of the Act, a NOHC is guilty of an offence if it does or fails to do an act and doing or failing to do that act results in a contravention of a condition of the NOHC authority, and there is no determination in force under section 11 of the Act that subsection 11AAB(1) does not apply to the NOHC. The maximum penalty is 300 penalty units. Under subsection 11AAB(2) of the Act, where an individual commits an offence against subsection 11AAB(1) of the Act because of Part 2.4 of the *Criminal Code*, or commits an offence under Part 2.4 of the *Criminal Code* in relation to an offence against subsection 11AAB(1) of the Act, the individual is punishable on conviction by a fine not exceeding 60 penalty units. Under subsection 11AAB(3) of the Act, an offence against section 11AAB of the Act is an offence of strict liability.

*Note 3* The circumstances in which APRA may revoke a NOHC authority are set out in section 11AB of the Act.

*Note 4* Under subsection 11AA(3) of the Act, APRA must publish notice of this Authority in the *Gazette* and may cause notice of the Authority to be published in any other way it considers appropriate.

*Note 5* Under subsection 11AAA(5) of the Act, a decision to impose conditions on this Authority is a decision to which Part VI of the Act applies. If a person whose interests are affected is dissatisfied with that decision, the person may seek reconsideration of the decision by APRA in accordance with section 51B(1) of the Act. The request for reconsideration must be in writing, must state the reasons for the request, and must be given to APRA within 21 days after the decision first comes to the person's notice or within such further period as APRA allows. If dissatisfied with APRA's reconsidered decision confirming or varying the first decision, the person may, subject to the *Administrative Appeals Act 1975*, apply to the Administrative Appeals Tribunal for review of the reconsidered decision.

The address where written notice may be given to APRA is Level 12, 1 Martin Place, Sydney NSW 2000.

## **Schedule - the conditions imposed on the Authority**

Unless otherwise approved in writing by APRA, volt Corporation Limited must:

1. maintain, at all times on a Level 2 basis, Common Equity Tier 1 Capital equal to the greater of:
  - (a) \$3 million plus the resolution reserve, which is \$1 million unless otherwise determined by APRA; or
  - (b) 20 per cent of adjusted assets.
2. hold, at all times on a Level 2 basis, liquid assets equal to the greater of:
  - (a) 20 per cent of total liabilities; or
  - (b) the aggregate balance of all protected accounts held with the ADI plus an amount equal to the resolution reserve;
3. ensure that any of its subsidiaries that are not an APRA regulated-institution do not enter into an arrangement to perform, on a continuing basis, a business activity with a party other than the ADI or a related body corporate, unless otherwise agreed by APRA;
4. comply, and ensure that its subsidiaries (including the ADI) comply, with the conditions on the prudential standard determination and the reporting standard exemption;
5. if the ADI enacts its exit plan, carry out all actions outlined in the exit plan; and
6. meet the full prudential requirements within a maximum period of two years from the commencement of this authority. Should volt Corporation Limited be unable to do so, APRA may seek to revoke this authority and the authority to carry on banking business granted to volt bank Limited.

## Interpretation

In this Schedule

**adjusted assets** is the sum, on a level 2 basis, of all assets, within the meaning given in the Australian Accounting Standards, minus an amount equal to the value of regulatory adjustments required to be made under *Prudential Standard APS 111 Capital Adequacy: Measurement of Capital*.

**Common Equity Tier 1 Capital** has the meaning given in in *Prudential Standard APS 111 Capital Adequacy: Measurement of Capital*.

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

**liabilities** for the purpose of this authority, liabilities are defined as total on-balance sheet liabilities and irrevocable commitments, except where approved for a prudential purpose by APRA.

**liquid assets** are those that meet the requirements of attachment B of *Prudential Standard APS 210 Liquidity*

**prudential standard determination** means a determination under subsection 11(1) of the Act that section 11AG of the Act does not apply to volt bank limited and volt Corporation Limited.

**full prudential requirements** means the prudential requirements that will apply to the volt Corporation Limited after the prudential standard determination and reporting standard exemption are no longer in force. This includes requirements imposed by the Act, prudential standards made under the Act, reporting standards made under the *Financial Sector (Collection of Data) Act 2001*, conditions on the volt Corporation Limited's NOHC authority and any other requirements imposed by APRA in writing.

**resolution reserve** means the reserve to cover potential APRA costs of resolving the ADI which may, as a last resort, include administration of the Financial Claims Scheme if activated by the Australian Government.**reporting standard exemption** means a notice under subsection 16(1) of the *Financial Sector (Collection of Data) Act 2001* exempting the ADI and volt Corporation Limited from the requirement to comply with requirements in one or more applicable reporting standards.