



Approval to hold a stake of more than 20% in a financial sector company No. 18 of 2021

Financial Sector (Shareholdings) Act 1998

To: Liberty Financial Group Limited ABN 59 125 611 574 and the other persons named in the schedule (the applicants)

SINCE:

- A. the applicants have applied to the Treasurer under subsection 13(1) of the *Financial Sector (Shareholdings) Act 1998* (the Act) for approval to hold a stake of more than 20% in the financial sector company, Avenue Hold Limited ABN 50 628 071 198 (the NOHC);
- B. I have considered the matters prescribed in the *Financial Sector (Shareholdings) Rules 2019*; and
- C. I am satisfied that the criteria in subsection 14A(1) of the Act are met in relation to the applicants and the NOHC,

I, Therese McCarthy Hockey, a delegate of the Treasurer, under paragraph 14(1)(b) of the Act, APPROVE the applicants holding a stake of 70% in the NOHC.

Under subsection 16(1) of the Act, the approval is subject to the conditions set out in the schedule.

This instrument commences on the day it is made and remains in force for the period worked out under section 15A of the Act.

Dated: 7 September 2021

Therese McCarthy Hockey
Executive Director
Banking Division

Interpretation

In this instrument:

APRA means the Australian Prudential Regulation Authority.

financial sector company has the meaning given in section 3 of the Act.

relevant licensed company has the meaning given in section 3 of the Act.

stake in relation to a company, has the meaning given in clause 10 of Schedule 1 to the Act.

Notes

This instrument will be registered on the Federal Register of Legislation as a notifiable instrument.

The Treasurer or the Treasurer's delegate is required to give a copy of this instrument to the financial sector company and, where applicable, the relevant licensed company.

Section 16A of the Act sets out conditions that apply to an approval under paragraph 14(1)(b) of the Act.

Section 19A of the Act provides for flow-on approvals for an approval under paragraph 14(1)(b) of the Act. If the approval relates to a financial sector company that is a holding company of the relevant licensed company for the approval, subsection 19A(1)(a) provides for flow-on approvals that relate to the relevant licensed company and to each financial sector company that is both a 100% subsidiary of the holding company and a holding company of the relevant licensed company. If the approval is held by a company, subsection 19A(4) provides for flow-on approvals to be held by each officer of the company.

Schedule – the applicants

1. Liberty Financial Group Limited ABN 59 125 611 574
2. US Trust Company of Delaware (3185789, Delaware, USA) as trustee of the Ma Family Trust
3. Hestia Vesta LLC (4515326, Delaware, USA)
4. Zayucel Limited (14613, British Virgin Islands)
5. Isocrates Limited (123699, British Virgin Islands) as trustee of the Isocrates Trust
6. Z-LF Holdco LLC (7701992, Delaware, USA)
7. Hestia Holdings BV (Netherlands)
8. Vesta Financial BV (Netherlands)
9. Vesta Funding BV (Netherlands)
10. Sherman Ma
11. Alexandra Crammond
12. Colin Morgan
13. George Confos
14. Stephen Rix

Schedule – the conditions

Conditions on LFG

1. LFG must not carry on, and must also ensure that no subsidiary of LFG other than the ADI carries on, lending business after the end of 2 years after the threshold day if:
 - (a) the value of the total resident assets of the ADI has exceeded its asset threshold under subsection 14A(6) of the Act;
 - (b) LFG, in accordance with subsections 15A(2) or 15A(3) of the Act, has applied for approval under paragraph 14(1)(a) of the Act in respect of LFG's stake in the NOHC; and

- (c) approval has been granted to LFG under paragraph 14(1)(a) of the Act in respect of LFG's stake in the NOHC.
- 2. LFG must provide the following information to APRA on APRA's request within 14 days of the request or as otherwise agreed with APRA:
 - (a) information relevant to APRA's prudential assessment of the ADI;
 - (b) information regarding any matters or issues that may present a risk to the ADI's financial stability or the viability of the ADI's banking business; and
 - (c) details of any material business events relating to the ADI.
- 3. LFG must not accept funding from the NOHC, any of the NOHC's subsidiary entities or any other entity that receives funding from the NOHC's corporate group, for the purpose of any of LFG's debt instruments or 'special purpose vehicles' (including but not limited to securitisation trusts and warehouse facilities) or any other credit/lending arrangement.
- 4. LFG must not vary the Subscription Agreement – Series B entered into with the NOHC on 3 June 2021 or enter into any other share subscription agreement with the NOHC, unless LFG has obtained prior written approval from APRA to do so.
- 5. LFG must:
 - (a) operate its business activities independently of the NOHC and the NOHC's subsidiaries;
 - (b) not share any services or staff with the NOHC or any of the NOHC's subsidiaries; and
 - (c) not share any management or business strategies with the NOHC or any of the NOHC's subsidiaries except in relation to the "White Label savings and transactional accounts" specified in the Subscription Agreement – Series B entered into with the NOHC on 3 June 2021,unless LFG obtains APRA's prior written consent to do otherwise.

Limits on individual shareholdings

- 1. Z-LF Holdco LLC (7701992, Delaware, USA), Zayucel Limited (14613, British Virgin Islands) and Isocrates Limited (123699, British Virgin Islands) as trustee of the Isocrates Trust must not individually hold a direct control interest of more than 25% in the NOHC without prior approval from the Treasurer or a delegate of the Treasurer.
- 2. Sherman Ma, US Trust Company of Delaware (3185789, Delaware, USA) as trustee of the Ma Family Trust and Hestia Vesta LLC (4515326, Delaware, USA) must not individually hold a direct control interest of more than 35% in the NOHC without prior approval from the Treasurer or a delegate of the Treasurer.
- 3. Hestia Holdings BV (Netherlands), Vesta Financial BV (Netherlands) and Vesta Funding BV (Netherlands) must not individually hold a direct control interest of more than 55% in the NOHC without prior approval from the Treasurer or a delegate of the Treasurer.
- 4. Alexandra Crammond, Colin Morgan, George Confos and Stephen Rix must not individually hold a direct control interest of more than 20% in the NOHC without prior approval from the Treasurer or a delegate of the Treasurer.

Interpretation

In this schedule:

banking business has the meaning given in 5 of the *Banking Act 1959*.

direct control interest has the meaning given in clause 11 of Schedule 1 to the Act.

LFG means Liberty Financial Group Limited.

the ADI means Avenue Bank Limited.

threshold day means the day that the value of the total resident assets of the ADI first exceeds the assets threshold for the ADI under subsection 14A(6) of the Act.