

APS 330 Public Disclosure

As at 30th September 2021

[Dnister Ukrainian Credit Co-operative Limited](#)



Capital Disclosure as at 30 September 2021

Common Equity Tier 1: instruments & reserves		\$'000
1	Directly issued qualifying ordinary shares	
2	Retained Earnings including current year earnings	12,305
3	Accumulated other comprehensive income (and other reserves)	10,727
4	<i>Directly issued capital subject to phase out from CET1</i>	
5	Ordinary share capital issued by subsidiaries and held by third parties	
6	Common Equity Tier 1 capital before regulatory adjustments	23,032
Common Equity Tier 1 capital: regulatory adjustments		
7	Prudential valuation adjustments	
8	Goodwill (net of related tax)	
9	Other intangibles other than mortgage servicing rights (net of related tax)	
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax)	
11	Cash-flow hedge reserve	
12	Shortfall of provisions to expected losses	
13	Securitisation gain on sale	
14	Gains and losses due to changes in own credit risk on fair valued liabilities	
15	Defined benefits superannuation fund net assets	
16	Investment in own shares	
17	Reciprocal cross-holdings in common equity	
18	Investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the ADI does not own more than 10% of the issued share capital	397
19	Significant investments in the ordinary shares of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions	
20	Mortgage service rights (amount above 10% threshold)	
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax)	
22	Amount exceeding the 15% threshold	
23	of which: significant investments in the ordinary shares of financial entities	
24	of which: mortgage servicing rights	
25	of which: deferred tax assets arising from temporary differences	
26	National specific regulatory adjustment	187
26a	of which: treasury shares	
26b	of which: offset to dividends declared under a dividend reinvestment plan (DRP), to the extent that the dividends are used to purchase new ordinary shares issued by the ADI	
26c	of which: deferred fee income	
26d	of which: equity investments in financial institutions not reported in rows 18,19 and 23	
26e	of which: deferred tax assets not reported in rows 10, 21 and 25	
26f	of which: capitalised expenses	187
26g	of which: investments in commercial (non-financial) entities that are deducted under APRA prudential requirements	
26h	of which: covered bonds in excess of asset cover in pools	
26i	of which: undercapitalisation of a non-consolidated subsidiary	
26j	of which: other national specific regulatory adjustments not reported in rows 26a to 26i	

27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	
28	Total regulatory adjustments to Common Equity Tier 1	584
29	Common Equity Tier 1 Capital (CET1)	22,448
	Additional Tier 1 Capital Instruments	
30	Directly issued qualifying Additional Tier 1 Instruments	
31	of which: classified equity under applicable accounting standards	
32	of which: classified as liabilities under applicable accounting standards	
33	Directly issued capital instruments subject to phase out from Additional Tier 1	
34	Additional Tier 1 instruments issued by subsidiaries and held by third parties	
35	<i>of which: instruments issued by subsidiaries subject to phase out</i>	
36	Additional Tier 1 Capital before regulatory adjustments	-
	Additional Tier 1 Capital: regulatory adjustments	
37	Investments in own Additional Tier 1 instruments	
38	Reciprocal cross-holding in Additional Tier 1 instruments	
39	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the ADI does not own more than 10% of the issued share capital (amount above 10% threshold)	
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions	
41	National specific regulatory adjustments	
41a	of which: holdings of capital instruments in group members by other group members on behalf of third parties	
41b	of which: investments in the capital of financial institutions that are outside the regulatory consolidations not reported in rows 39 and 40	
41c	of which: other national specific regulatory adjustments not reported in rows 41a and 41b	
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to covered deductions	
43	Total regulatory adjustments to Additional Tier 1 Capital	-
44	Additional Tier 1 capital (AT1)	-
45	Tier 1 Capital (T1=CET1+AT1)	22,448
	Tier 2 Capital: instruments and provisions	
46	Directly issued qualifying Tier 2 Instruments	
47	Directly issued capital instruments subject to phase out from Tier 2	
48	Tier 2 instruments (and CET1 and AT1 instruments not included n row 5 or 34) issued by subsidiaries and held by third parties	
49	<i>of which: instruments issued by subsidiaries subject to phase out</i>	
50	Provisions	816
51	Tier 2 Capital before regulatory adjustments	816
52	Investments in own Tier 2 instruments	
53	Reciprocal cross-holdings in Tier 2 instruments	
54	Investments in the Tier 2 banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the ADI does not own more than 10% of the issue shared capital	
55	Significant investments in the Tier 2 capital of banking, finance and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions	
56	National specific regulatory adjustments	
56a	of which: holdings of capital instruments in group members by other group members on behalf of third parties	
56b	of which: investments in the capital of financial institutions that are outside the scope of regulatory consolidations not reported in rows 54 and 55	

56c	of which: other national specific regulatory adjustments not reported in rows 56a and 56b	
57	Total regulatory adjustments to Tier 2 capital	-
58	Tier 2 capital (T2)	816
59	Total capital (TC=T1+T2)	23,264
60	Total risk weighted assets based on APRA standards	109,082
	Capital ratios and buffers	
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	20.58%
62	Tier 1 (as a percentage of risk weighted assets)	20.58%
63	Total Capital (as a percentage of risk weighted assets)	21.33%
64	Institution - specific buffer requirements	9.00%
65	of which: capital conservation buffer	1.50%
66	of which: ADI- specific countercyclical buffer requirements	0%
67	of which: G-SIB buffer requirement	N/A
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk-weighted assets)	10.08%
	National minima (if different from Basel III)	
69	National Common Equity Tier 1 minimum ratio	
70	National Tier 1 minimum ratio	
71	National total capital minimum ratio	
	Amount below thresholds for deductions (not risk weighted)	
72	Non-significant investments in the capital of other financial entities	
73	Significant investments in the capital of other financial entities	
74	Mortgage servicing rights (net of related tax liabilities)	
75	Deferred tax assets arising from temporary differences	
	Applicable caps on the inclusion of provisions in Tier 2	
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach	
77	Cap on inclusion of provisions in Tier 2 under standardised approach	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach	
79	Cap for inclusion of provisions in Tier 2 under ratings-based approach	
	Capital instruments subject to phase out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022)	
80	Current cap on CET1 instruments subject to phase out arrangements	
81	<i>Amount excluded from CET1 due to cap</i>	
82	<i>Current cap on AT1 instruments subject to phase out arrangements</i>	
83	<i>Amount excluded from AT1 due to cap</i>	
84	<i>Current cap on T2 instruments subject to phase out arrangements</i>	
85	<i>Amount excluded from T2 due to cap</i>	

Regulatory Balance Sheet

	30 Sep 21 \$'000
ASSETS	
Cash and cash equivalents	10,685
Financial investments – held to maturity	37,443
Loans and advances to members	158,089
Investment properties	3,968
Property, plant and equipment	11,546
Intangible assets	187
Deferred tax assets	238
Other investments	397
Other assets	342
Total Assets	222,895
LIABILITIES AND EQUITY	
Member deposits	191,794
Borrowings	2,737
Current tax liabilities	11
Deferred tax liabilities	1,753
Other liabilities	632
Provisions – Employees	484
Total Liabilities	197,410
Retained earnings	12,305
Credit loss reserve	816
FVOCI investment reserve	279
Business combination reserve	4,436
Asset revaluation reserve	7,649
Total Equity	25,485
TOTAL LIABILITIES AND EQUITY	228,895

Dnister Ukrainian Credit Co-operative Limited Capital Adequacy Calculation

Capital Adequacy	30 Jun-21 \$'000	30 Sep-21 \$'000
Total Risk Weighted Assets for Credit Risk	98,422	95,628
Total Risk Weighted Assets for Market Risk	-	-
Total Risk Weighted Assets for Operational Risk	13,454	13,454
Total Risk Weighted Assets	111,876	109,082
Common Equity Tier 1 Ratio	20.01%	20.58%
Tier 1 Ratio	20.01%	20.58%
Total Capital Adequacy Ratio	20.74%	21.33%

Dnister Ukrainian Credit Co-operative Limited
 Capital Adequacy Calculation
 For the period ending 30 September 2021

Risk Exposure \$'000	Gross Credit Exposure	Average Gross Exposure for this period	Risk Weighted Amounts	Specific Provision	Impaired Assets	Past Due Facilities	Bad Debts Written Off
Cash and Liquid Assets	48,214	46,791	15,960				
Loans and Advances							
- Secured by Eligible Mortgage	153,941	157,740	55,846			553	
- Other Loans and Advances	3,332	4,034	3,332				
Direct Credit Substitutes							
Other Commitments							
Plant & Equipment	286	303	286				
Other Investments	15,415	15,415	15,415				
Other Assets	1,707	1,364	1,707				
Totals	222,894	225,643	95,546	0	0	553	

General Reserve for Credit Losses	\$	816
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Dnister Ukrainian Credit Co-operative Limited
 Capital Adequacy Calculation
 For the period ending 30 June 2021

Risk Exposure \$'000	Gross Credit Exposure	Average Gross Exposure for this period	Risk Weighted Amounts	Specific Provision	Impaired Assets	Past Due Facilities	Bad Debts Written Off
Cash and Liquid Assets	45,368	45,551	15,380				
Loans and Advances							
- Secured by Eligible Mortgage	161,531	159,821	59,050			1,835	
- Other Loans and Advances	4,737	4,360	4,737				
Direct Credit Substitutes							
Other Commitments							
Plant & Equipment	319	602	319				
Other Investments	15,415	14,708	15,415				
Other Assets	1,019	929	1,019				
Totals	228,389	225,971	95,920			1,835	

General Reserve for Credit Losses	\$	816
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Remuneration APS330

The Remuneration Committee which sits within the Corporate Governance Committee is responsible for overseeing remuneration. This includes conducting regular reviews of, and making recommendations to the Board on, the Remuneration Policy; making annual recommendations to the Board on the remuneration of the Chief Executive Officer, direct reports of the Chief Executive Officer, other persons whose activities may, in the Remuneration Committee's opinion, affect the financial soundness of the regulated institution and any other person specified by APRA; and making annual recommendations to the Board on the remuneration of the categories of persons covered by the Remuneration policy. The Remuneration Committee operates in accordance with its written Corporate Governance Charter that outlines the Committee's roles, responsibilities and terms of operation.

The members of the Remuneration Committee for the year from 1 July 2020 are:

Jul 21 – Nov 21	Nov 21 – Jun 22
David Hasset	TBC
Bohdan Wojewidka	TBC
Walentyn Mykytenko	TBC
Andrew Pavuk	TBC
John Lipkiewicz	TBC

The Remuneration Committee meets at least twice a year and as required. The number of meetings during the year and the Committee members' attendance record is disclosed in the table of quantitative disclosure.

During the year, the Remuneration Committee did not engage an external consultant to review and provide advice on the variable remuneration structure for material risk takers

Dnister Ukrainian Credit Co-operative's Remuneration Policy was reviewed during the year by the Remuneration Committee and approved by the Board and effective June 2020. There were no significant changes.

The Remuneration Policy applies to all employees of Dnister Ukrainian Credit Co-operative Limited.

The Remuneration Committee has reviewed the risks and remuneration structures and considers the following employees material risk takers and senior managers in accordance with CPS510:

Type of Employee	Number
Senior Managers	
Managers including functions of operational, finance, risk / compliance and lending.	5
Material Risk Takers	
Persons subject to significant bonus or performance based remuneration and whose activities, individually or collectively, may affect the financial soundness of the regulated institution.	Nil

The Remuneration Policy is considered an important component to recruit and retain those who have the necessary skills for the effective and prudent operation and are committed to making a long-term career with Dnister Ukrainian Credit Co-operative Ltd. The Remuneration Policy is designed to ensure:

- Alignment of Dnister Ukrainian Credit Co-operative's interest with those of its employees and members
- Dnister Ukrainian Credit Co-operative's long-term financial soundness; and
- Support of an effective risk management framework

As detailed in the Remuneration Policy, the structure of the remuneration arrangements comprises the following:

- Fixed Component
- Variable Component

Fixed Component

Fixed component consists of salary, fees, and FBT charges related to applicable employee benefits including motor vehicles, leave entitlements and employer contributions to superannuation funds.

Compensation levels are reviewed annually by the Remuneration Committee through a process that considers individual and the overall performance of the Dnister Ukrainian Credit Co-operative Limited.

Variable Component

Employees have opportunities to participate in variable pay arrangements. Discretionary variable pay is dependent on the achievement of financial objectives as set by Senior Management, outlined in the Budget and approved by the Board.

The variable component is differentiated by performance. With consideration for the expected value of Awards, the performance related elements of pay make up a small proportion of the total remuneration for mid management, whilst maintaining an appropriate balance between fixed and variable elements. The Chief Executive Officer and Executive Management bonus structure is defined in the Remuneration Policy. Remuneration is structured to provide an opportunity for compensation for higher levels of performance and achievement.

The Remuneration Policy allows for performance pay adjustment as a result of adverse unexpected consequences and payment deferral if outcomes cannot yet be reliably measured.

Risk and Compliance Staff

The performance and remuneration of risk and compliance staff is assessed according to objectives specific to the roles they undertake. These roles are remunerated with a fixed salary which is reviewed and benchmarked against the industry and internally to ensure that it is set at an appropriate level.

Dnister Ukrainian Credit Co-operative has developed a risk management framework which describes the type of risks it is prepared to take in executing its strategic plan. However, Dnister Ukrainian Credit Co-operative Limited does not have a direct link from this risk management framework to the attainment of variable remuneration.

The members of the Risk Committee for the year to 30 June 2021 are:

Director	Meetings Held	Meeting Attended
John Lipkiewicz (Chair)	5	4
Walentyn Mykytenko	5	5
Michael Kwas	5	5
David Makohon	5	5

Remuneration of the Remuneration Committee	2021
Remuneration Committee does not receive additional remuneration to their annual Directors remuneration.	\$NIL

The table below presents the number of employees who received variable remuneration, guaranteed bonuses, sign-on awards or termination payments during the current financial year:

Variable remuneration, guaranteed bonuses, sign on award and termination payment	2021	
	No of employees	Total (\$)
Variable remuneration award – discretionary bonus	0	-
Guaranteed Bonus	0	-
Sign-On Award	0	-
Termination Payments	0	-
Total	0	-

The table below presents total value of remuneration awards for senior managers till June 2021:

Total value of remuneration awards for the current financial year	Unrestricted	Deferred	Total
	\$	\$	\$
Fixed Remuneration			
Cash-based	\$677,888	-	\$677,888
Shares and share linked instruments	-	-	-
Other	-	-	-
	\$677,888	-	\$677,888
Variable remuneration			
Cash-based	-	-	-
Shares and share linked instruments	-	-	-
Other	-	-	-
	\$677,888	-	\$677,888