

**Inishowen**



**Credit Union**

Let's Grow Together

**INISHOWEN CREDIT UNION**

# **2024 COMMITTEE REPORTS**

**MONDAY DECEMBER 16TH  
2024 AT 7.30PM**

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## **Report of the Finance, Audit and Remuneration Committee**

The Finance, Audit and Remuneration Committee is responsible, on behalf of the Board of Directors, for overseeing and reporting on the financial management of Inishowen Credit Union's assets, liabilities and reserves. It is also responsible for the operation of the internal audit function. The Committee also makes recommendations to the Board of Directors on staff remuneration.

The balance sheet of Inishowen Credit Union is in a very strong position, with total assets of €111.7 million and total reserves of €18.4 million, well in excess of the 10% minimum amount required by the Central Bank for all Irish credit unions.

Credit demand has increased in the year to 30 September 2024 with growth in loans of 16.03%. The relaxation in the value of savings caps, along with the increase in the monthly lodgment limits in October, resulted in 75% of this loan growth being funded by member shares.

Interest income from members' loans has also increased, a positive trend, and reflective of the work of the lending team. Investment income has also increased, reflecting the positive reinvestment rates for maturing funds alongside positive returns on short-term deposits.

The outlook for investment income in the long term is, however, uncertain. It is predicted that the ECB will lower interest rates in the short to medium term, although not to the low levels of the past which resulted in negative interest being charged on short term funds.

Overall Expenditure has increased during the year, mainly due to inflation in the cost of supplies and services and the recruitment of key staff members.

The Committee have also assessed the potential impact of macro-economic events on our loan book and continue to hold a bad debt provision which we deem adequate given the level of uncertainty in the economy and inflation pressures being felt by our members. Bad debt recoveries have remained very strong and bad debt offsets have reduced, reflecting the good work completed by our Credit Control team.

Your Credit Union has returned a surplus of €1.1 million in this financial year. It is important that the Credit Union continues to make responsible and prudent decisions to further strengthen the organisation to meet the future needs of our members when they need us. We are, however, recommending the payment of an appropriate dividend and loan interest rebate to members.

The Committee is also pleased to report that the internal auditors carried out their inspections as established in internal audit plans and that any recommendations made were implemented appropriately to strengthen the governance and internal control framework of Inishowen Credit Union.

In relation to the Committee's remuneration responsibilities, the Committee made appropriate recommendations to the Board of Directors in respect of staff remuneration.

Finally, we would like to express our thanks to the Board of Directors, volunteers, external auditor, internal auditor, management, and staff of Inishowen Credit Union for their assistance and co-operation during the year.

Signed: Paul Brogan, Kevin Helferty, Colm McColgan

## Report of Board Oversight Committee 2024

Under Section 76M of the 1997 Credit Union Act, the role of the Board Oversight Committee is to assess whether the Board of Directors has operated in accordance with Part IV and Part IVA of the 1997 Act, which parts relate to the Management of Credit Unions, and any regulations made under Part IV or Part IVA of the 1997 Act. In general, the functions of the Board Oversight Committee relate to assessment, evaluation and reporting on whether the Board of Directors has operated in accordance with Part IV and Part IVA of the 1997 Act.

This year has seen the Board Oversight Committee continue to monitor the activities of Inishowen Credit Union. As a general overview, this work reflects well on the governance of your Credit Union. We can report to the members that the Board of Directors during the past year has been compliant with Parts IV and IVA of the Credit Union Act 1997 (as amended).

The work of the BOC was reviewed at our monthly meetings which were held both remotely via Teams and at the Inishowen Credit Union Buncrana office. Board Oversight Committee members attended Board of Directors meetings throughout the year and met each quarter with Board members to deliver our findings and discuss the Boards performance.

We are very happy to report that we believe that the Inishowen Credit Union Board maintains a very and robust financial strategy and are ensuring policies and procedures are appropriate for the success of the Credit Union. We believe the Board of Directors, Management and Staff of Inishowen Credit Union carry out their duties with the ethos of the Credit Union and the overall sound financial welfare of the Members at the heart of each decision.

The BOC can report that a new environmental, social governance (ESG) committee has been set up and implemented several successful schemes.

We acknowledge that the Central Bank continues to challenge our Credit Union and that the BOD and management team address these issues in a professional manner.

The Board Oversight Committee commend the Board of Directors, Management and Staff of Inishowen Credit Union who continue to work efficiently to provide a very high level of service and we are happy to report that staff moral is very high.

We greatly appreciate the support provided by the Board of Directors, Management and Staff in assisting us to carry out our duties throughout 2023 and 2024.

Signed: Shane Crossan, Anne Parker and Peter Lavelle.

## Credit Committee Report 2024

The Credit Committee is happy to report that during the financial year ended 30 September 2024, Inishowen Credit Union issued loans totalling €18,647,508 to our members. Our gross loan book grew by 16% in the past year, standing at over €35 million at year end.

This continued loan growth is very positive and shows a proactive approach by the credit union to be ambitious in a competitive market. More of our members both existing and new are borrowing locally and this contributes to and strengthens the local economy.

The credit committee would also like to highlight a number of successes this year.

- An additional €1.4 million in loans issued compared to 2023.
- After the launch of Open Banking to help our members with an easier application process. We have continued to see growth of members using this facility and the convenience for the members who sign up, the credit union sends a connection email where members can share their bank statements with the credit union as part of the loan application process.
- The number of first-time borrowers has increased by a further 442 in 2024.
- We have increased the Cultivate Agri Loan product limit to €75,000 in 2024.

We encourage all our members to look to your credit union for your borrowing needs. Members can meet a Loans Officer in the Buncrana, Merville and Carndonagh offices, where they can take your application and help you with any additional documentation that may be required.

We continue to invest in our online services which allows our members to apply online, upload supporting documentation, sign the credit agreement and have the funds electronically sent to them. Members can do this without having to visit the office.

Members can apply:

- Online
- Through the mobile app
- By emailing [loans@inishowencu.ie](mailto:loans@inishowencu.ie)
- By calling the office on (074) 9361017

Unlike other financial institutions, Inishowen Credit Union continues to offer many additional benefits:

- Free loan protection insurance included for eligible members\*
- No hidden charges
- No penalties for early repayment of loan
- Competitive variable interest rates
- A choice of attractive repayment options

*\*Terms and Conditions apply*

We issued the following types of loans during the year:

	2024	2023
<b>Standard rate loan 10.51% APR</b>	5,824,344	4,801,264
<b>Car rate loan 7.78% APR</b>	6,211,640	5,609,325
<b>First Time Borrowers/Back-to-School 8.84%</b>	107,550	83,450
<b>Secured rate loan 6.18% APR</b>	3,019,424	3,298,512
<b>Student rate loan 6.18% APR</b>	305,300	561,400
<b>Home Improvement loans 7.19%/8.25% APR</b>	2,738,000	1,945,000
<b>Christmas 10.51% APR</b>	52,750	39,400
<b>Low-Cost/COVID 19 5.12%APR</b>	-	57,000
<b>Black Friday 6.11%</b>	20,500	13,100
<b>Cultivate (Agri) 6.55%</b>	368,000	838,500
<b>Total loans issued</b>	<b>18,647,508</b>	<b>17,246,951</b>

The Credit Committee wish to stress the importance of members disclosing their full financial situation to us when applying for a loan. This will allow the credit union to make an informed decision that will avoid financial stress in the future for members. Members should be aware that proof of PPS number is required for loan applications.

It is unfortunate that we had to reject some applications this year, but during these difficult times and amid a cost-of-living crisis, where there is no clear repayment capacity, it is our duty not to add any further financial pressure to a member's income.

Finally, the credit committee would like to thank the members, board, management, staff, and volunteers of Inishowen Credit Union for their assistance during the year.

Signed: Paul Brogan, Helen Mc Intyre & Gretta McLaughlin

## **Credit Control Committee Report 2024**

*The role of the Credit Control Committee in Inishowen Credit Union is to monitor loans to ensure that borrowers are repaying according to their credit agreement and to liaise with the Credit Committee and staff to ensure that policies and practices in relation to credit control are effective. The Committee meets regularly to review accounts in arrears and to discuss the appropriate action to take in relation to these accounts. We recognise our duty of care to safeguard our members' funds.*

*A total of €103,536 was offset during the year but it is our firm commitment, wherever possible, to recover this over the next few years. In the past year €196,845 has been recovered. We provide for loans where we believe there is a possibility that all or part of the loan may not be recovered. At the year-end, our bad debt provision was €2,053,971.*

*We invest a lot of time and resources in communicating with our members in arrears. We believe that early intervention is key in recovering loans and we find that most arrears cases are resolved following initial contact from our credit control team. We employ a variety of methods to contact members, including telephone calls, letters, email and face to face meetings.*

*We are aware that some of our members may find themselves in difficult financial circumstances and we would ask members to let us know, as early as possible, of any change in circumstances which affects their ability to repay as promised. We can assist members to find a solution which allows them to meet their loan obligations and addresses their difficult circumstances. Please be assured that our staff deal with any such problems in a sympathetic manner and in total confidence. Our aim is to help all our members to manage their own finances effectively.*

*We are pleased that the vast majority of members continue to meet their loan repayments however, there is still a hard core who do not take their responsibility seriously and, in such cases, we seek recovery of any debt due to Credit Union members - from those who can pay but won't pay – through debt collection and legal channels. Members who are in arrears must realise that the money they borrowed is the hard-earned savings of their fellow members and all measures within the law may be taken to recover the debt.*

*The Committee wishes to acknowledge the hard work and co-operation of colleagues and staff whom we have worked closely with during the year.*

*We look forward to your continued co-operation and loyalty to your Credit Union.*

*Signed: Denis O' Donnell, Margaret Doherty, William McCorkell, Grainne Gillen & Frank Togher*

## Report of the Membership Committee 2024

Inishowen Credit union continued to grow in 2024 with membership standing at 26372-year-end 30<sup>th</sup> September 2024.

Our members are spread across Inishowen, as illustrated below:

<b>Where Members Live</b>	<b>No</b>	<b>%</b>
Buncrana & Surrounding area	13520	51%
Carndonagh & Surrounding area	3370	13%
Moville & Surrounding area	4104	16%
Muff & Surrounding area	2595	10%
Malin & Surrounding area	1863	7%
Outside Inishowen	920	3%
<b>Total</b>	<b>26372</b>	<b>100%</b>

The age profile of our members is also spread across the generations, as illustrated below:

<b>Member Age Range</b>	<b>No</b>	<b>%</b>
0 - 18	4098	16%
19 - 24	2200	8%
25 - 44	8326	32%
45 - 64	7460	28%
65 - 69	1305	5%
70 + Years	2983	11%
<b>Total</b>	<b>26372</b>	<b>100%</b>

Our credit union exists to serve our members – not to profit from their needs. Please encourage your families and friends to join us and experience the credit union experience for themselves!

Credit unions offer several unique services which are not available anywhere else. One is free life savings and loan protection insurance – see the Insurance Report in this booklet for more information on this important benefit. Another unique facility that credit unions offer is the ability for members to nominate someone else to receive their credit union savings plus insurance in the event of their death, without having to go through a lengthy probate process. This nomination is subject to a maximum of €27,000. If you would like to complete a nomination, or indeed update an existing nomination, please speak to a member of staff who will be happy to help you.

We would like to advise our members that we are currently updating our account details, and we may need to obtain the following information from you:

- Photographic ID (driving license or passport)
- Proof of Address (official document such as a utility bill dated within the last six months)



It is a regulatory requirement that we hold this information and access to your account may be restricted without it. We apologise for any inconvenience that this may cause. We would like to thank you in advance for your co-operation.

We would like to thank the Board of Directors, management, and staff of Inishowen Credit Union for their assistance and support throughout the year.

Signed: Claire Grant, Deirdre Forbes & Josephine Doherty

## Annual Report of the Marketing Committee 2024

The primary role of the Marketing Committee is to oversee the marketing efforts of Inishowen Credit Union and report to the Board on the progress made in line with the approved Marketing Plan. The committee's objective is to make recommendations on activities to enhance the promotion of Inishowen Credit Union, attracting both existing members and potential new members.

Our key duties include:

### **Promotion of Services and Products:**

The committee actively works to promote the full range of services and products offered by Inishowen Credit Union. The ultimate goal is to grow the loan book and membership base, ensuring that more people benefit from the credit union's offerings.

### **Community Support:**

In keeping with our commitment to the economic and social wellbeing of the Inishowen community, we continuously support local initiatives, groups, and clubs.

### **Monitoring and Reporting:**

The committee monitors the progress of the strategic marketing objectives and activities, ensuring they align with the overall goals of Inishowen Credit Union.

Inishowen Credit Union remains deeply committed to improving the wellbeing of its members across the region. Over the past year, we have sponsored various local organisations, clubs, and community initiatives. Every decision regarding sponsorship is made with care, fairness, and inclusivity, to ensure our support reaches as many local groups as possible. We take pride in fostering strong ties within our community and continue to strive for greater positive impact.

In addition to sponsorships a number of promotional activities were held during the year.

Some of these activities were:

- Competitions
- Two Members' Prize Draws with a top prize of €10,000
- Art Competition
- Junior Saver's Week
- Student Bursary Awards
- International Credit Union Day celebration
- Attendance at local trade shows

We were thrilled to host Member Appreciation Days at two of our branches this year. The events were a tremendous success, receiving strong support from our local communities. We are grateful for the participation and enthusiasm of our members, which made these days truly special.

Inishowen Credit Union is also dedicated to reducing paper waste and advancing its sustainability efforts as part of its ongoing development. To this end, the Marketing Committee is actively promoting the following green initiatives:

**Online and App Loan Applications:** Encouraging members to apply for loans through the credit union's online platforms and mobile app, reducing the need for physical paperwork and enhancing convenience.

**E-Statements and E-AGM Sign-ups:** Promoting the switch to E-statements and online AGM participation to minimize paper usage. These environmentally friendly practices help reduce waste while improving member engagement and service accessibility.

We would like to thank the Board of Directors, volunteers, management, and staff of Inishowen Credit Union for their assistance and support throughout the year.

Signed: *Catherine Gillespie (Chairperson), Elizabeth Lynch (Secretary), Mairead Diggin, Eoghan Gleeson, Kevin Helferty, Carol Irwin, Sarah Webster, Joanne McCormick.*

## **AGM 2024 - Nomination Committee Report**

The Nomination Committee is a statutory committee charged with making sure that the Board of Directors have the necessary expertise and independence to govern the affairs of Inishowen Credit Union effectively.

They do this by retaining a good balance between renewal and continuity.

### **They are responsible for:**

- Identifying and recruiting volunteers to become members of the Board of Directors or other committees.
- Proposing candidates for election by the members at a general meeting.
- Conducting fitness and probity requirements in line with legal and Central Bank requirements.
- Overseeing succession planning policy and procedures.
- Facilitating the assignment of volunteers to committees to ensure a best fit of skill and experience.
- Supporting the on-going training and development of all volunteers.

One current member of the Board of Directors is stepping down at the AGM and a replacement is proposed for election.

Following the retirement of a Director in June 2024, a Director was recruited and co-opted to the Board and is now proposed for election.

One Director has completed a 3-year term of office and is being proposed for re-election.

Each of the candidates proposed for election, meet the fitness and probity requirements as set out in the 'Notice for Election '.

The Nomination Committee further confirm that all remaining Board members not due for re-election continue to be eligible and are able to serve as Directors for a further year.

We would like to thank all our volunteers for their commitment and time throughout the year. Your contribution is very much valued.

We would also like to thank the staff and members of the management team for their assistance and support during the past year.

Paul Brogan (Chair) Catherine Gillespie (Secretary) John McGonigle, Brid McGinley

## **Report of the Risk and Compliance Committee 2024**

The principal function of the Risk & Compliance Committee is to monitor and oversee risk and compliance throughout Inishowen Credit Union and to report to the Board of Directors. The Committee, along with the Board of Directors, recognise the importance of protecting members' savings and safeguarding the reputation of the Credit Union, in particular ensuring savings are not put at undue risk.

The Committee promotes a strong risk and compliance culture at all levels within the Credit Union and, in this regard, work very closely with the Risk Management Officer, the Money Laundering Reporting Officer and the Compliance Officer. During the year, the Committee monitored their work and ensured that appropriate actions were put in place by the management team to mitigate risks where necessary and ensure compliance with regulation.

The Committee would like to express our thanks to the management team and all the staff in Inishowen Credit Union's three branches for their efforts and commitment on behalf of our members in ensuring that we continue to meet our regulatory requirements and responsibilities.

Signed: David Doherty, Nadean Cavanagh and Victoria Coleman

OCTOBER 2024

Report of the Strategy Committee

The vision of Inishowen Credit Union is:

***To grow and maintain a safe and sound credit union that all members can be justifiably proud of, as our lasting legacy to future generations of members in the 21st century.***

Our mission is:

***As a member owned not for profit financial co-operative embedded in the local Inishowen community, our mission is to build lifelong beneficial relationships with our members by offering financial services that meet their needs.***

The Strategy Committee is responsible for considering strategies to sustain Inishowen Credit Union's success, putting these to the Board of Directors for approval in the form of a strategic plan, monitoring the implementation of the strategic plan, and reporting on progress to the Board of Directors.

Inishowen Credit Unions performance against our Strategic Plan 2022-2024 continues to be successful. In June 2024 the CBI undertook a targeted review of Inishowen Credit union with a focus on Strategy. The initial feedback has been positive both in terms of performance against the existing plan, our reporting to the board on this plan and our vision for the next plan.

Throughout 2024, the Strategy Committee together with the CEO/Management team have been developing a new three-year plan 2024-2027 which will set out a new strategy building upon our strong foundations and the growing strength of the Inishowen Brand.

Our broad strategic goal will remain the same namely to support and improve the wellbeing of our members by offering a range of financial services suitable for their needs, either in person or digitally, and to support the wider community of Inishowen. However, we believe that there is tremendous opportunity for us to take greater advantage of technology improvements and changed market conditions to provide a best-in-class service offering to our members.

The committee would like to thank volunteers, management, and staff for the successful delivery against the strategy plan and look forward to their input and support with our evolving strategic planning process.

Signed: Kevin Helferty, Catherine Gillespie, Nadean Cavanagh and Jonathan Coyle.

## Insurance Report 2024

Inishowen Credit Union provides insurance for free to all eligible members – Life Savings Insurance and Loan Protection Insurance. A brief description of each type of insurance is given below:

**Life Savings Insurance** – currently we provide cover for all our eligible members up to a maximum savings balance limit of €10,200. Provided an account is opened before the age of 70, it will attract an insurance payment following the death of the member. The maximum insurance payment added to the member's share balance is €10,200.

Please see below how the insurance amount is calculated.

The Life Savings Insurance is calculated as follows:

1. The member's shares (subject to the maximum savings balance limit) at age 55 which are not withdrawn thereafter are insured at a rate of 100%.
2. Amounts lodged to the account between the ages of 55 and 60 (subject to the maximum savings balance limit) which are not withdrawn thereafter are insured at a rate of 75%.
3. Amounts lodged to the account between the ages of 60 and 65 (subject to the maximum savings balance limit) which are not withdrawn thereafter are insured at a rate of 50%.
4. Amounts lodged to the account between the ages of 65 and 70 (subject to the maximum savings balance limit) which are not withdrawn thereafter are insured at a rate of 25%.

The insurance is paid on the death of a member and terms & conditions apply. In all instances, after the age of 55 when a member dies the calculation is based on the lowest amount of savings in the account. To summarise, if a member had €10,200 or more in their account at age 55 and this was not withdrawn before the member died, the amount that would be paid out on death is the total in the account plus the insurance payment of €10,200. Therefore, it may be more beneficial to borrow what you need at a fair and reasonable interest rate (6.18% APR for secured loans) and not to withdraw your savings.

Loan Protection Insurance – covers the life of the borrowing member. When a member dies their outstanding loan, balance is covered and may be paid off in full under the scheme. Terms & conditions apply.

Inishowen Credit Union during the year ended 30th September 2024, had 98 insurance claims settled in respect of members who died. Seventeen (17) of these claims included Loan Protection Insurance, and a total of €74280.44 was received from ECCU Assurance Company to clear outstanding loan balances at the date of death. Eighty-nine (89) claims were Life Savings Insurance claims, and a total of €202440.61 was received from ECCU Assurance Company on deceased members' savings.

The total premium paid by Inishowen Credit Union during the year for Loan Protection and Life Savings Insurance amounted to €389648.30.

Signed: Brendan Malone, Claire Grant & Josephine Doherty

OCTOBER 2024

## Report of the ESG (Environmental, Social & Governance) Committee

Inishowen Credit Union is committed to embedding and fostering a sustainable and responsible approach into every aspect of our business. We recognise the importance of ESG factors in ensuring the long-term success of the credit union and contributing positively to the well-being of our members, employees, and the communities we serve.

Whilst the Board retain the overall responsibility for this policy, the ESG Committee was delegated authority for the development and co-ordination of ESG as part of the overall governance framework

In this financial year the ESG committee has completed a number of key tasks

- Created a Inishowen Credit Union ESG framework consisting of four main pillars. (The concept refers to the environmental, social and governance characteristics and the impact on our credit union).
- Created a new ESG Policy to align our Business strategy to be consistent with and contribute to our members needs and society's goals as expressed in the Credit Union Operating Principles and the UN Sustainable Development goals.
- Reviewed and made recommendations to the Board of Directors in relation to the credit unions ongoing climate and ESG related initiatives.
- Assisted in promoting and raising awareness of ESG factors within the credit union.
- Supported the investment committee in moving towards sustainable investments.

The committee would like to thank volunteers, management, and staff for the successful delivery against the ESG framework and look forward to their input and support with our evolving ESG journey.

Signed: David Doherty, Colm McColgan, Jonathan Coyle, Liam Grant, Gemma Gallagher & Joanne McCormick.



