

Winter 2018



Irish League
of **Credit Unions**

CU Focus



THE POWER OF FOUR **2019** SCHOOLS QUIZ LAUNCH

Fourth CX Award for Credit Unions | CP 125 Published



04

Editorial

As reported in this edition, the Central Bank of Ireland has published a *Consultation Paper, CP125*, on potential changes to the rules governing lending limits for credit unions. Since many of the suggestions in the consultation paper reflect the responses to a questionnaire on longer term lending issued by the Central Bank earlier in the year, it is unsurprising that these suggestions will be generally welcomed by credit unions.

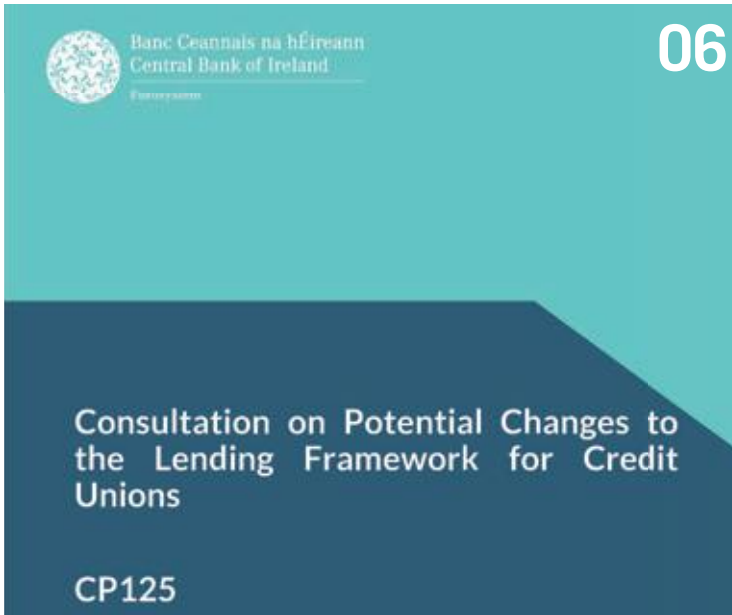
For some years now, credit unions have been trying to increase their loan books but have come up against limitations applying to all credit unions, often irrespective of their capacity to facilitate differing loan types. Now perhaps we are seeing the beginning of a process which will allow credit unions to meet more of their members' borrowing needs. It is vitally important that all credit unions take the opportunity presented by this consultation process to influence the future lending possibilities for their own credit union. Boards of Directors should ensure that the consultation paper is considered, and their replies given. They will also need to ensure that they can meet the Central Bank requirement to *develop, implement, document and maintain a risk management system with such governance arrangements and systems and controls to allow it to identify, assess, measure, monitor, report and manage the risks which it is, or might reasonably be exposed to* if they are to become involved in the newer types of lending envisaged.

Another welcome step in the direction of expanding the types of loans available is the recent launch of the standardised residential mortgage solution, CU Home. You can read an update on CU Home in this edition.

For the fourth year in a row, Irish credit unions have won the national Customer Experience (CX) Award. Not only have credit unions achieved this unprecedented four-in-a-row accolade, but they have also put further distance between themselves and the rest of the top ten making the CX rankings. While this achievement should be celebrated, at the same time it must not make us complacent, but encourage us to continue to serve our members and meet their expectations.

It is interesting to note that the survey found that "as companies place significant investment in technology they may have lost focus on the one thing that can create a connection with a customer better than anything else – the human touch".

While credit unions are embracing technology, they are doing so in a way that ensures the human touch remains at the heart of what they do and that members always feel valued. This is why credit unions play such a vital role in local communities the length and breadth of the island.



Main Cover Image: Kate, Donal and Brian Hewson with Abigail Naughton launch the 2019 All Ireland Schools Quiz.

The winner of the autumn CU Focus competition was Tom Scriven of Ballinlough Credit Union.

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Irish credit unions win a record-breaking, four-in-a-row CX award, making them the only organisation in the world to achieve this.

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WORLD FIRST FOR CUSTOMER EXPERIENCE AWARD

Credit unions have once again been awarded best customer experience in Ireland, leaving the banks trailing in their wake. For a record-breaking, fourth consecutive year, credit unions have been named the overall winners of the Customer Experience (CXi) Awards. This is the first time anywhere in the world that the same organisation has won this customer experience award four years in a row.



Why Credit Unions?

This year, credit unions put even further distance between them and the other organisations in the Top Ten. Overall, there was a noticeable drop in the CX scores amongst other companies. It appears that as companies place significant investment in technology, many have lost focus on the one thing that can create a connection with a customer better than anything else - the human touch. The CX report says that “significant decreases in Empathy, Personalisation & Resolution scores across companies this year show the need to balance technology with emotionally intelligent and empowered staff, who truly understand the customer, build rapport and deliver resolution”.

Credit unions on the other hand are singled out for the personal touch, even as technology plays an even bigger part in credit union services. This year, the CX report also examined ‘happiness’ among consumers and credit unions also came overall in the ‘happiness’ rankings. The report attributes this

to the “strong sense of community and human engagement.”

Commenting on the ability of credit unions to focus on the human connection in an increasingly technological financial services environment, ILCU Head of Marketing and Communications, Paul Bailey, said: “It is clear that members want even more services from credit unions. With more and more members choosing to interact online, we are working hard to ensure that the excellent member experience also comes through via our online offerings. Credit union members can rest assured that whatever way they choose to interact with their local credit union, there will always be someone on hand to deal with any queries they have face-to-face. All decisions within the credit union will continue to be made by real people who take the time to understand members’ real needs.”

Mr Bailey continued “We are delighted that our credit unions are receiving this award. It is testimony to the efforts of all credit union staff and volunteers in putting the member at the heart of everything they do. Credit unions care

about their members, and when you care about someone, that’s what they remember. This is the reason credit unions are collecting this award for the fourth year in a row.”

How the Survey Works

Put simply, CX is the emotional connection a person feels when engaging with a brand/organisation. The annual CXi survey examines this emotional connection in detail by asking a representative cross-section of Irish consumers to rate their experiences of 170 brands across 10 different sectors. The performance of the different brands is measured against the ‘Six Pillars’ which include Personalisation, Integrity, Expectations, Time & Effort, Empathy, and Resolution.

Over 42,000 experiences were evaluated for the 2018 survey using the Six Pillars, as well as loyalty, value for money, channel preference, switching intentions and the importance of staff to CX. New questions were also added this year, including customer happiness, the emotions customers most

associate with particular organisations and their willingness to engage with these organisations.

Credit unions again emerged as the number one brand, being rated highly for attributes such as integrity and for the commitment of staff. They were also singled out for the powerful bond forged with members - and the fact that the relationship with members was built completely on trust. Personalisation was another aspect of customer experience in which credit unions excelled. The CXi noted in its report that the products and services offered by credit unions are designed with the needs of their specific membership in mind, and said that credit unions were 'the perfect example' of organisations that 'genuinely care' about their members.

The Banks and CX

There was a notable gap in the performance between credit unions and the banks. The highest ranking bank was AIB in 79th place. However this is not something that credit unions can become complacent about. It is worth noting that AIB jumped to 79th place from 89th last year, when it entered the top 100 for the first time.

Permanent TSB also managed a strong jump of 14 places as did EBS (+10 places) and KBC (+19 places) – although they did not make it into the top 100. Interestingly, last year the CXi report did predict 'big strides' for some of the banks this year. However, Ulster Bank and Bank of Ireland fell back with some of the lowest empathy scores in this year's survey.

The CX report predicts that the banks will focus a lot on CX for 2019. They are still however expecting a small decrease in 2019 CX scores for the banks, because of what they see as a knowledge gap for "customer facing staff in how best to deliver CX excellence. Too much focus on technology investment and not enough in staff empathy training. More focus is needed on managing customer expectations while migrating them onto tech solutions."

The Top Ten CXi League Table 2018:

Credit unions were followed by Amazon in second place and Radisson Blu Hotels in third place. The CXi report said that what the top 10 brands all have in common is their ability to deliver the human touch to their customers, regardless of the channel and touchpoints they use to interact with them.

It's worth noting that credit unions are the only organisation in the financial services category which made it into the top ten.



Ireland's CXi Top Ten

- Credit Unions
- Amazon
- Radisson Blu
- Ikea
- Laya Healthcare
- Citylink
- An Post
- Boots
- Netflix
- Lidl

Those topping the league table had a Customer Experience Excellence score 10% higher than the overall survey average and 28% higher than those brands in the bottom 10.

Benefits for Credit Unions

The benefits to being named as the number one customer-experience-brand in the country are numerous. One of the most important implications is that members who feel they are receiving a quality customer experience will be more likely to look to the

credit union for a loan than another financial provider.

Members will be more likely to continue to do business with the credit union and more likely to recommend the credit union to other potential members. Another factor to take into consideration is that happy employees (the 'aligning employee experience with customer experience' factor) leads to greater staff longevity and therefore more knowledgeable CX experience delivery.

This amazing achievement follows hot on the heels of the Ireland RepTrak 2018 results, where credit unions emerged as the most highly regarded organisations in the country. Credit unions were ranked number one out of 100 companies surveyed for the report. With a score of 82, credit unions not only emerged in first place, but were also well ahead of the average score of 57.5 amongst other financial services organisations.

It's safe to say that 2018 has been a good year for credit unions – and there is no reason why credit unions cannot achieve another record-breaking CX five-in-a-row in 2019!

Consultation on the Lending Framework for Credit Unions

On October 24th last, the Central Bank of Ireland published a Consultation Paper, CP 125, on Potential Changes to the Lending Framework for Credit Unions. The Consultation Paper considers potential changes to the current lending limits imposed on the credit union movement, including the removal of the five year and 10 year lending maturity limits.

The Potential Changes

As part of a pre-consultation for CP 125, the Central Bank issued a longer term lending questionnaire to credit unions in April. 181 credit unions completed and submitted the questionnaire and the information gathered informed the proposals contained in CP 125.

The following are the proposals being put forward by the Central Bank. The consultation paper invites credit unions and other sector stakeholders to submit their views and suggestions on these potential changes;

- Removal of the 5 year and 10 year lending maturity limits.
- Introduction of a maximum loan term of 10 years for unsecured lending
- Introduction of a combined concentration limit (expressed as a percentage of total assets) for house and commercial lending for all credit unions on a tiered basis.
- Re-name and re-define the commercial loan category and;
- Introduction of a prescribed large exposures amount for credit union lending.

ILCU Reaction

Responding to the publication of the paper, Irish League of Credit Unions (ILCU) CEO, Ed Farrell said:

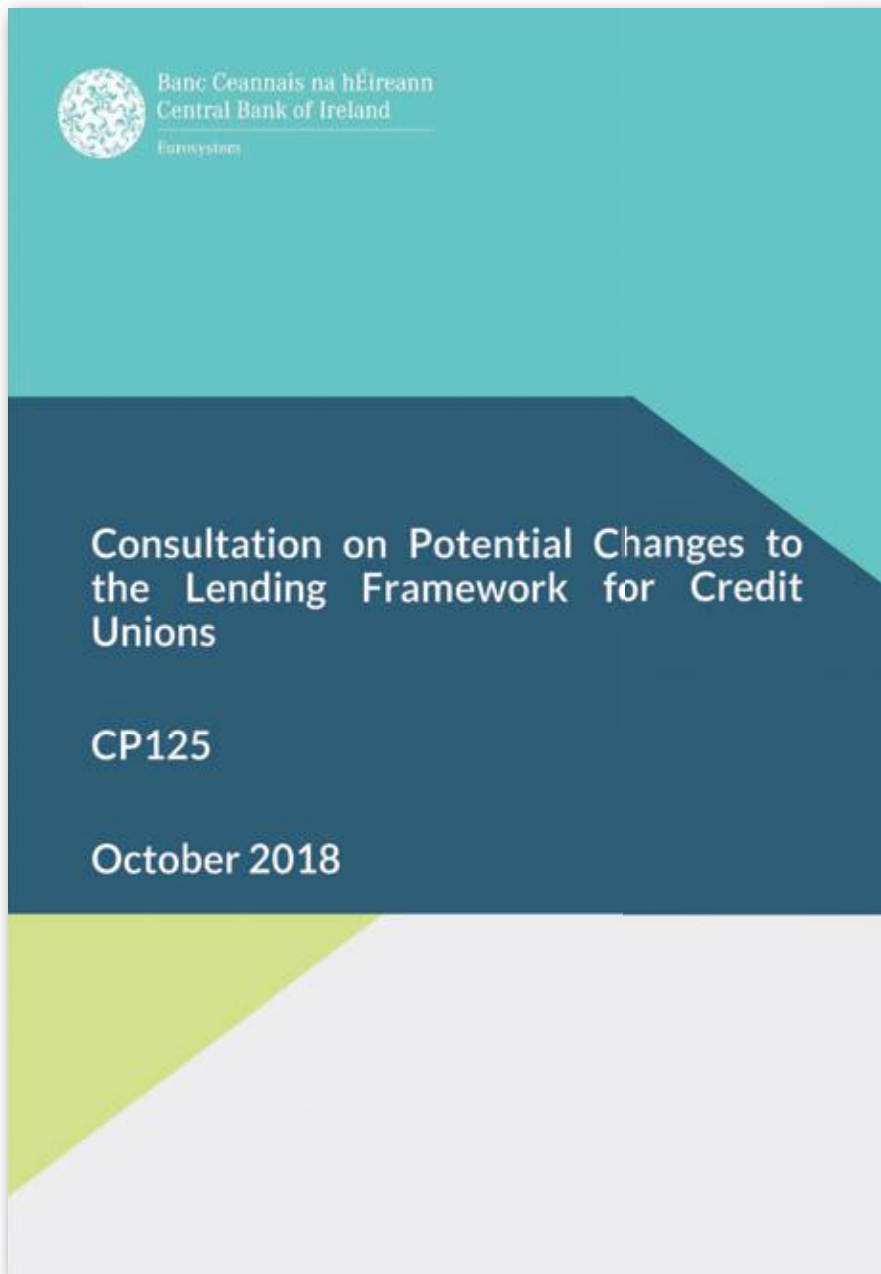
“The ILCU, on behalf of its affiliated credit unions, has long campaigned for a review of the restrictive, long-term



lending limits imposed on the credit union movement - and so welcomes this move by the Central Bank.

With the recent launch of the ILCU's new standardised residential mortgage solution, CU Home, it is now more crucial than ever that the lending limits are amended to enable credit unions to offer home loans in a meaningful way. While credit unions have always held a

significant share of the consumer lending market, we have been keenly aware of the need to expand our reach in the residential mortgage market in order to ensure credit union members, and consumers in general, are benefitting from real competition and diversity. We can only become significant players in the mortgage market with an amendment to the



current lending limits.”

The ILCU sees the response to this Consultation Paper as a key opportunity for the credit union movement to seek changes to the existing lending limits and is encouraging all credit unions to reply to this very important consultation paper by the closing date of January 9th 2019.

The ILCU will also be responding to this paper with a comprehensive submission in due course.

The Central Bank’s View

In its publication, the Central Bank says that the proposals to increase long term lending should be considered by credit union Boards in the context of the

issues and requirements set out in its document; Longer Term Lending Guidance for Credit Unions, which was published in December 2017. Any associated balance sheet transformation should consider maturity requirements and asset and liability management.

It goes on to say that “it is our intention to require credit unions to use the additional capacity to issue house and commercial loans in a gradual/phased way. This would be set as a condition of any approval for an individual credit union to avail of increased concentration limits for house and commercial lending.”

The paper also states that the Central Bank is supportive of credit unions growing their loan books on a prudent basis “recognising that some of this growth may come from longer term lending as part of a balanced loan portfolio; to diversify credit risk by borrower, loan category and duration.”

It says that credit unions wishing to undertake increased lending in house and commercial loans will have to demonstrate to the Central Bank that they have strong core foundations of governance and risk management, and an appreciation for the specific risks associated with these types of lending.

Potential Risks

The Central Bank says it will require credit unions to “develop, implement, document and maintain a risk management system with such governance arrangements and systems and controls to allow it identify, assess, measure, monitor, report and manage the risks which it is, or might reasonably be, exposed to.”

Risks which the Central Bank predicts include;

- Financial Risk
- Credit Risk
- Funding & Liquidity Risk
- Market Risk
- Governance & Management Risk
- Operational & Conduct Risk
- Regulatory & Compliance Risk

Further detail can be found on this in Section Six of the consultation paper.

Next Steps

The ILCU is working on a comprehensive submission in response to CP 125. The ILCU also encourages credit unions to submit their own responses, and to note the closing date of January 9th 2019.

The Central Bank says that it will undertake the consultation and publish a feedback statement and the draft regulations in Q2 2019, with the intention to commence the final regulations in Q2/Q3 2019.

The full consultation paper is available on the Central Bank’s website, while the full ILCU statement in response to the paper’s publication is available in the affiliate area of the credit union website, where a link to the paper can also be accessed.

Home Loans CUSO

Interested in coming on board?



The new Home Loans CUSO service has now moved from project status to 'business as usual'. As you know, the service has been developed to support credit unions in the Republic of Ireland in the processing and fulfilment of residential mortgages.

The service is managed by the Mortgage Hub, which is a dedicated unit within the Irish League of Credit Unions (ILCU). The core infrastructure is being outsourced from a leading service provider, Link Asset Services, which is regulated by the Central Bank of Ireland.

There has been a great deal of interest in the service from credit unions. To date, 18 credit unions, with combined assets of €2.3 billion and a combined loan book of €637 million, have signed up for the service. Of these, ten are live on the service and in excess of 20 mortgages are currently being processed. The other eight credit unions will be on-boarded by the end of 2018, or early in 2019. The Mortgage Hub will work closely with each of them to ensure that their entry to the service will be orderly and as smooth as possible.

While the autumn edition of CU Focus explained the key deliverables and benefits of the service, this article goes on to explain the three stages to joining the service. It also refers to a number of the documents that will be made available to credit unions.

The three stages to joining the service are:

- 1. Engagement**
- 2. Membership**
- 3. On-Boarding**

1. In this stage, an interested credit union will sign a letter of engagement and pay the once-off membership fee of €5,000 plus VAT. A comprehensive presentation will be given to the credit union to facilitate the briefing of their Board on the service. Also, upon request, the Mortgage Hub can schedule a visit to your credit union to explain first-hand any aspects of the service on which you require further clarification.

2. During this stage, the Mortgage Hub will provide support to credit unions preparing to join the service. This would cover a number of areas including:

- Updating the Strategic Plan, where necessary;
- Updating the Credit Policy;



Green pins reflect credit unions live with the service.

Orange pins are other credit unions signed up for the service.

- Deciding on the appropriate Interest Rate to be offered;
- Addressing Outsourcing obligations under S. 76(J) of the Credit Union Act 1997;
- The legal documentation, particularly the Participation Agreement, to be signed;
- Comprehensive user training by the Mortgage Hub and Link Asset Services in the latter's office in Maynooth.

The annual fee of €2,500 plus VAT would fall due upon signing the Participation Agreement.

3. The On-Boarding stage follows soon after the relevant credit union staff are trained on the service. The processing of mortgage applications can now be commenced. Again at this stage, a number of support documents are made available to the participating credit unions. These include:

- An Operations & Procedures Manual;
- Suite of legal documents for the Member Pack and the Solicitor Pack;
- Marketing material including the CU Home branding for the service;
- Web content and documentation on

Arrears Management ,including guidelines and a MARP booklet.

To find out more about the service in operation, why not give one of the participating credit unions a call? These credit unions include;

- Heritage Credit Union
- Birr Credit Union
- Mullingar Credit Union
- Westport Credit Union
- St. Paul's Garda Credit Union
- Ballincollig Credit Union
- Douglas Credit Union
- St. Joseph's Irish Airports & Aviation Credit Union
- Naomh Breandain Credit Union
- First South Credit Union

Alternatively, you can also visit the new ILCU website, which contains further information within the affiliate area.

To schedule a visit by the Mortgage Hub Team, or if your credit union would like to be included in the Spring 2019 on-boarding schedule, please contact the Mortgage Hub on 01 6769 724 or by email mortgagehub@creditunion.ie.

CU Focus
meets ...

Bernard Brogan



CU Focus recently sat down with Dublin GAA star Bernard Brogan at the Credit Union Compliance Centre (CUCC) Conference in October. Bernard shared his insights on the importance of volunteerism, community spirit, customer experience and the all-important 4 in-a-row!

CU FOCUS: SO BERNARD, HOW IMPORTANT ARE VOLUNTEERS IN ANY ORGANISATION?

BERNARD: Volunteers are an integral part of any organisation. In my sport GAA, it wouldn't survive without volunteers. Every parish, every club has volunteers, every Saturday morning, setting up pitches, cleaning dressing rooms, organising kids, giving lifts, in any organisation they are the life blood. The GAA is no different, like yourselves in the credit union, volunteerism is so important and these are the people, the unsung heroes that don't get the credit but are so important to the organisation.

CU FOCUS: WHAT IT'S LIKE TO WIN 4 IN-A-ROW?

BERNARD: It's been amazing to win four in a row and something that I would never

have dreamed of when I was a kid. Growing up playing for Dublin was all I cared about. Eventually we got over the line in 2011, we got one and would have taken your hand off at that. To be at four in-a-row, to have six All Irelands now - I've beaten my Dad who has three and my brother Alan who has four or five - so, I'm delighted.

CU FOCUS: LIKE YOURSELF AND YOUR DUBLIN TEAMMATES, CREDIT UNIONS HAVE WON 4-IN-A ROW FOR CUSTOMER EXPERIENCE IN RECENT WEEKS, HOW IMPORTANT DO YOU THINK CUSTOMER EXPERIENCE IS?

BERNARD: It's everything, it's the culture of an organisation, it's the people on the ground, it's what walks through the halls and what meets people. That's the life

blood of any organisation, and to see credit unions winning four in-a-row is amazing. In such a difficult time for financial services, and organisations like the credit union - to see customer experience like this and to see your reputation grow is a credit to yourselves.

CU FOCUS: HOW HAVE YOU FOUND YOUR OWN EXPERIENCE WITH THE CREDIT UNION?

BERNARD: I'm a member of the credit union since I was a kid, my Mam set up an account for me. The special thing about the credit union is that it is a community, very much like GAA, it is in every community, the local faces, the people that you know, and it's that warm feeling when you walk in. You always feel like you're in safe hands when you're in the credit union.

THE POWER OF FOUR!

The 2019 All Ireland Credit Union Schools Quiz has been officially launched with the new theme this year of the 'Power of Four'. The 2019 theme was selected to demonstrate to young people how teamwork and collaboration is an important step towards fulfilling their potential. The Quiz is now in its 28th year and will see around 25,000 schoolchildren participating from across the island of Ireland. Each year, questions cover a wide range of topics including geography, history, music, literature and sport.

PPrimary schools across the island of Ireland are welcome to contact their local credit unions and register to take part. As always, the Quiz begins with a knock-out stage at local level organised by the credit union, to take place at the end of January 2019. There will be some fantastic prizes for the winning teams-of-four in that round, who will also progress to the regional knockout stage in early March.

The winning teams from the March round of the Quiz will make it through to the Grand Final at the RDS, Dublin on Sunday 7th April 2019, where they will really have an opportunity to let the 'power of four' shine! Around 100 teams of four battle it out each year at the final which is always a hugely enjoyable, and at times nerve-wracking, event. This year, a total of €4,000 is up for grabs for the overall winning schools.

Last year, Drumconrath National School in Co Meath, representing Ardee Credit Union Ltd., claimed the under 11 years' title in the tense Grand Final. In the 11-13 years category, Scoil Mhuire, Abbeyside, Co Waterford, representing Dungarvan Credit Union Ltd., emerged as the winners.

Speaking about the annual Schools Quiz, Paul Bailey, Head of Marketing and Communications with the Irish League of Credit Unions said: "A core focus of the

Quiz is to encourage learning as part of a team to help equip children with the skills necessary for successful teamwork in the workplace. The 'Power of Four' theme was designed to show schoolchildren that working in conjunction with others is an important step towards achieving their goals."

"The annual event is a fantastic opportunity for schools across the island of Ireland to nurture a culture of partnership among students. It is always a popular event with large numbers of schools and schoolchildren participating. Registrations are in full swing at the moment and we are expecting the same high levels of participation again this year."

ABOUT THE ALL-IRELAND SCHOOLS' QUIZ

The Quiz is divided into two sections; Competition A for children up to 11 years and Competition B for children between 11 and 13 years. The winning teams at the national finals will receive €1,250 per school, with the runner up teams in each category receiving €750 for their schools, adding up to a fantastic prize fund of €4,000. Local and regional winners will also receive a range of prizes.

- Local quiz winners go through to the regional final, and the regional winners

and runners-up will compete for the national titles on Sunday 7th April 2019.

- Local winners will receive prizes from their local participating credit union.
- Regional winners will also receive prizes and their schools will receive cheques or a cash prize.
- The national winners and runners-up receive a silver salver, significant personal prizes for each team, and their schools are each awarded a substantial cheque.
- Every team competing receives a special certificate marking their achievement.

For further information on the All Ireland Schools Quiz, please contact ilcuevents@creditunion.ie



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The ‘Power of Four’ theme was designed to show schoolchildren that working in conjunction with others is an important step towards achieving their goals.

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CREDIT UNION COMPLIANCE CENTRE ENABLING POSITIVE CULTURE THROUGH GOOD CONDUCT

The Credit Union Compliance Centre (CUCC) held its Annual Conference in The Helix, Dublin on October 16th. The theme for this year's conference was "Enabling Positive Culture through Good Conduct" with quality speakers invited from a variety of fields to give presentations.



Head of CUCC, Nicky Langton, opening the annual conference

The Theme

When considering the theme for this year's event, the CUCC team analysed some of the key areas challenging credit unions at present. What stood out was the increased focus on culture within financial institutions, including credit unions, and the impact this has not only on the behaviour of staff - but also the benefits for their members. This is emphasised by some of the recent documents issued by the regulatory bodies, e.g. *Behaviour and Culture of the Irish Retail Banks* issued by the Central Bank of Ireland in July 2018. The theme focuses on ensuring that members' best interests are at the heart of credit union decision making.

CUCC is committed to supporting its credit unions in preparing for meeting not only regulatory expectations, but also its members expectations. In order to prevent cultural failings within any credit

union, CUCC needs to understand the current cultures and behaviours and the associated risks within those credit unions. It is imperative that members' interests are prioritised, and that the team always looks to ensure there are always fair outcomes. However, culture is about more than just behaviour. Amongst other things, it is about offering responsible products, reviewing Board effectiveness and having robust risk management procedures.

The Conference

Gerry Thompson, the Vice President of the Irish League of Credit Unions opened the CUCC Annual Conference by welcoming the delegates, invited guests and speakers. He got the day off to a celebratory start by advising, hot of the press that morning, that credit unions had once again won the annual Customer Experience (CX) award for the

fourth consecutive year – the only organisation anywhere in the world to achieve this!

The keynote speaker, Bernard Brogan followed this opening and presented on the *5 C's of Sustained High Performance*. These are;

- Culture – the way we think act and interact
- Communication – clarity of role, preparation and courageous conversations
- Change – Embracing change by having a growth mindset and to "be comfortable being uncomfortable"
- Comradery – detailing the purpose of the team and making it their challenge
- Commitment – there is no substitute for hard work. Performance = Capability x Behaviour

Bernard also shared some of his experiences on the football field representing Dublin and what makes the teams he represents so successful. A variety of questions followed covering both his sporting and professional career.

Next up was Jenny Minogue from the Central Bank of Ireland who focused on the huge increase in attention Risk Culture has received, in particular since the global financial crisis. Jenny looked at how we define risk culture and how culture influences attitude and behaviour, yet attitude and behaviour shape and form culture.

The relationship between leadership, governance, competency and decision making within risk culture was then explored, looking at the system of values and behaviours present that consciously and unconsciously shapes the consideration of risk at all levels.

Further Insights

Tom Malone from the Charities Regulatory Authority gave an insightful view into the regulation and governance of the charities sector, duties and responsibilities of Trustees and the common challenges shared with credit unions.

Tom also presented on what makes an effective Board including; diversity,

“ Almost everything we do in our credit unions affects its culture. Good culture and trust arguably go hand in hand. Culture does not happen by accident.

communication, teamwork, strong relationships, constructive criticism and clearly defined roles and responsibilities.

After a quick coffee break it was Dermott Jewell from the Consumers Association of Ireland who provided an insight into the customer's perspective, and why credit unions are different; in their structure, trust, engagement, human element and expectation.

Dermott focused on the change in regulation after the financial crisis and the introduction of prudential oversight leading to stronger regulation and greater director responsibilities. He recommended the changes ahead should be seen as not only good for the member, but also good for potential business e.g. mortgage market.

Dermott was asked his opinion on how to attract more volunteers into the environment and how to increase diversity, whilst ensuring the appropriate skill-set was in place at Board level. He had experienced similar challenges in other fields and advised that credit unions need to offer a “unique experience” to volunteers that they could not get elsewhere, which would give them the necessary skills they could use in other areas or in the future.

Reputation

Marna Harmeay from Reprtrak gave a presentation on Reputation. Marna provided stats on the effects of reputation;

1. Enhanced stock price – companies with a strong reputation had 2.5 x better stock performance since 2006
2. Mitigate risk – in a crisis 63% of public give the benefit of the doubt to companies with excellent reputations
3. Increase sales – increase in purchase intent to higher reputable companies
4. Employer of choice – 57% of the public would work for a company with an excellent reputation.

Reputation is built across the touchpoints of a credit union which are i) direct experience, ii) what we communicate and iii) what others say. Marna confirmed culture and conduct are expressed in every touchpoint we have with members and potential members.

Data Protection

Daragh O'Brien welcomed everyone back after the lunch-break with a subject everyone is familiar with; GDPR. Daragh talked about the importance of how data ethics in general must be set by a clear



Keynote speaker, Bernard Brogan, giving his presentation on Culture

“Tone from the Top” and how principles are embedded into policies, procedures and processes. Unexpected events are addressed through principles.

He went on to add that according to a recent Data Protection SME study, although 69% of SMEs recognise Data Protection as a priority for their business and 60% recognise it as an indispensable part of business planning, only 25% of SMEs are actually developing a Risk Register.

A particular emphasis was placed on checks and balances taking place – not just tick-the-box exercises. Training on ethics in particular should be aligned to the ethics of the organisation.

Risk Management

The final presentation of the day was delivered by Conor Herley from AXA XL whose area of expertise lay in a Maturing Risk Management Culture. Conor confirmed that as organisations mature, the risks they are exposed to change and the management and monitoring of the risk becomes more complex. The risk culture must be able to accommodate change in order for the business to grow.

The challenge is to identify and categorise

all risks that have an ability to impact the business, to quantify the potential impact and likelihood of the event occurring, which will enable an appropriate response to be formulated to manage the risks i.e. a Risk Register.

Conor highlighted that risk management is seen as a valued business partner and an enabler to its success.

Charles Murphy, the ILCU President, closed the event adding; “Almost everything we do in our credit unions affects its culture. Good culture and trust arguably go hand in hand. Culture does not happen by accident. Honesty, transparency and accountability are just some of the key factors which we display on a daily basis which ensures we are held in such high regard.”

The day was a great success with extremely positive feedback received from those who attended. Delegates praised the quality of the speakers and their relevant content.

If you would like any additional information on the above, or would like to discuss the services and supports offered by CUCC, please don't hesitate to contact Nicky Langton at nlangton@creditunion.ie

A FIRST FOR NORTHERN IRELAND AS CLONARD

Clonard Credit Union Ltd. has introduced its own debit card. This debit card is not a pre-paid card, it performs exactly as any other debit card and is linked to the members' Easy Share Account

The New Debit Card Service

Clonard Credit Union recognised that local bank branches were closing down in the area of its common bond. In order to provide a complete service to members, the credit union decided to invest in the new debit card. Members can have their salaries or benefits paid into their Easy Share Account, which acts much like a current account. The credit union has retained the dividend element on the account. The credit union believes this will encourage members to take the opportunity to use a trusted name like Clonard Credit Union to provide these services within their own community, and earn interest at the same time.

The credit union believes it can offer the same range of services that the closed-down banks did, while still remaining embedded in the community it serves. In March 2019, the credit union also aims to complete its range of services with the introduction of the CUSOP service. This will enable the credit union to pay out standing orders and direct debits from members' current accounts (Easy Share).

There has been a fantastic response from the credit union's members. Since the official launch in September, the credit union has issued over 175 cards that are now in



ILCU and WOCCU Board director, Brian McCrory with Clonard CEO Ruth Clarke and CUSOP's John Chapman

CLONARD CREDIT UNION LAUNCHES DEBIT CARD

circulation - in just a 6 week period.

The credit union is offering its members not just another debit card, but a full range of banking services;

- An Interest Earning Debit Card
- Online & Mobile Banking APP
- Docu-Sign (an electronic signature, offering convenience to members)

The Official Launch

The new debit card service was officially launched by Brian McCrory, Irish League of Credit Unions (ILCU) Board member and former ILCU president, and current director for the World Council of Credit Unions (WOCCU). The launch was also attended by John Chapman as a representative of CUSOP.

The Board of Clonard Credit Union was delighted with the turnout of both company representatives and members at the official launch, and have been very pleased with the number of cards requested since the launch.

Mobile & Online Banking App

The introduction of the new Online & Mobile Banking App provides members with an interactive and user-friendly experience while 'on-the-go'. There are a range of beneficial and convenient features that save members valuable time and mean they don't have to visit the credit union office in person. The app allows members to move money between their own personal accounts and make transfers to other bank accounts. It gives members access to their balance enquiries, to download their e-statements, pay their bills and have access to their accounts 24/7. The app also includes a secure member login to ensure that all members' confidential information is safe, and that all other relevant GDPR regulations are adhered to.

Docu-Sign

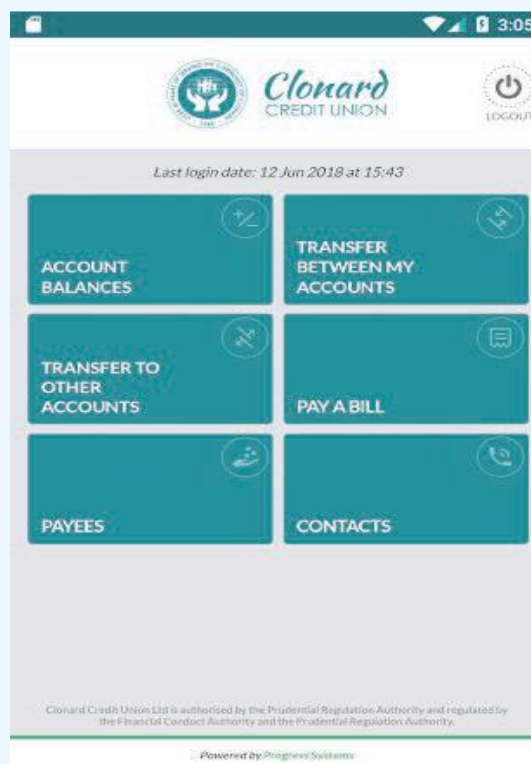
Clonard Credit Union also has a newly established feature Docu-Sign, which is an electronic signature that allows members to sign their credit agreement via an



The new Clonard Credit Union debit card

electronic signature. This feature was introduced to provide a fast and convenient service that enables members to apply for loans using any electronic device, mobile phone, tablet, PC etc. from anywhere. The credit union aims to have a 24 hour decision on every loan application received. This means the member can apply using their mobile, sign electronically and have the funds transferred to their nominated account – all without leaving their home or office. The feature Docu-Sign is compatible on all electronic devices.

Commenting on the new service, Clonard Credit Union's Chief Executive,



Ruth Clarke, said: "We are delighted to offer these services to our members and to our local community. The banks have closed their local branches in the surrounding area and we believe we can offer the services our members want. Keeping it local and offering convenient opening times in three locations six days a week, means we can offer all of our members the convenience of the credit union

how and when they choose, and they are not restricted to office opening hours Monday to Friday. We have been serving the community for over 50 years and we are pleased to keep driving forward to offer members a full banking service together with our established services of savings, loans, foreign exchange, oil stamps etc."

TALLAGHT & DISTRICT CREDIT UNION LTD

50th
ANNIVERSARY

SERVING THE LOCAL COMMUNITY FOR 50 YEARS



Tallaght and District Credit Union Office

BEGINNINGS

In 1968, Fr Paul Hynes O.P. was Prior of St. Mary's Dominican Priory in Tallaght and through his work in founding Tallaght Welfare Society, met with Norah Herlihy. He became interested in the idea of forming a credit union for the people of Tallaght.

In those days, Tallaght was a small village, nestling at the foothills of the Dublin mountains, but Fr Hynes had the foresight to see that it had enormous potential for development. He suggested that Fr Pius Doherty would act as tutor in the formation of a credit union. This

proved to be an excellent choice as Fr Pius was a teacher of ethics and practical moral theology at the time. Ethics and morals are the core values of all credit unions.

Fr Pius brought his enthusiasm for this project to the pulpit at Sunday masses and preached to the congregation until he found a small group of eight people to start a study group. With Fr Pius at the helm, this small group studied for a year and eventually completed training in ethics and legislation relevant to credit unions, as well as the Credit Union Act



and Rules.

When £1 had been collected by the original founders, a bank account was opened and so Tallaght & District Credit Union Ltd. prepared to open for business. The people of Tallaght owe a huge debt of gratitude to these founder members who put so much work into this project,



Staff members at Tallaght and District Credit Union offices

volunteers and staff over the past 50 years, and the late Fr Pius for all his teachings. Fr Pius continued to offer support to the founding members for many years after the foundation of the credit union.

Out of the eight original founder members, there is only one surviving to the present day. His name is Jack Ennis and at over 80 years of age, he still attends AGMs and credit union functions. His original contribution of a half crown coin is held in a case in Tallaght & District Credit Union's premises.

OFFICE MOVES

The credit union, with the kind permission of the Dominican Fathers, was originally based in St Dominic's Hall. The credit union then moved to the back of the old post office, which was situated on the Old Blessington Road. However, opening times were restricted and a new premises was needed.

Finally, the current premises at 516 Main Street opened in 1981, in a prime location in the village of Tallaght, opposite St Mary's Priory. The offices were extended in the 1990s and a major refurbishment will also take place during this 50th Anniversary year.

TALLAGHT VILLAGE 1968 - 2018

The largest established housing estate in close proximity to the village was Newtown. This estate is situated on the southeast side of the village off the Templeogue Road. The other long



Sean Christian, Chair of Tallaght and District Credit Union holding the first half-crown that was lodged with the credit union

established estate is St Maelruain's. Bancroft Estate was the newest private estate near to the village. During this time period houses were also being built at Westpark, Seskin View, and Millbrook Lawns. It was not long before other houses were started and constructed at an accelerated rate and major changes began to take place in Tallaght. The credit union was always there to welcome new members and lend money for the benefit of the community.

In the early years there was just one small supermarket in Tallaght village and along with small local shops these served the needs of the population. Today, there is a major shopping centre – The Square

– which opened in 1990, and boasts major shops, restaurants, and cinemas. There are also smaller shopping centres dotted around the perimeters of the village. Shamrock Rovers also have their stadium in Tallaght which attracts huge crowds to the various matches. There are also a vast number of sports clubs, and it's also home to the National Basketball arena.

The challenges of the 2008 financial crisis were met by managers, staff and volunteers of the credit union, with training being provided on changing legislation and procedures. In this year of the 50th Anniversary, Tallaght & District Credit Union has gone from strength to strength with assets of €60,000,000 and membership of over 12,000. This compares with 159 members in 1968.

PRESENT

Tallaght & District Credit Union organised a number of events to celebrate the 50th Anniversary, events which will honour members and volunteers past and present, young and old, and without whom the credit union would not be the success it is today. As the credit union enters into the next decade, it is the intention of the Board of Directors and management to avail of the most advanced technology available. This will enable the credit union to offer the best and most up-to-date services for the benefit of members. With continued support from members, the credit union can look forward to serving the community for the next 50 years.

ZEMINAR 2018

Credit unions were once again proud to be one of the main sponsors of the popular Zeminar, an event which champions the needs and interests of Ireland's young people. Now in its fourth year, the three-day event was held at the RDS in Dublin from November 13th to 15th. It's the only event of its size in the country which is exclusively for Generation Z. The unique event attracted around 30,000 students from all over Ireland. Sponsorship of the event is an important aspect of the Irish League of Credit Unions (ILCU) Youth Programme.

Queueing Up for the Credit Union

The credit union stand at Zeminar was also a big hit over the three days, with crowds of secondary school students forming queues to take part in the Cyclone challenge. The game, which challenges the competitor to grab as many flying sponge balls as possible in 30 seconds while standing still, was tougher than it looked, but nonetheless there were some highly impressive scores. On each of the three days, students with the highest scores in the morning and afternoon were given credit union goodie bags which were packed with smartphone accessories, power-banks, credit union pens and many more goodies! The challenge was such a hit that even the Lord Mayor of Dublin, Councillor Nial Ring stopped by to have a go!

Instagram Competition

In addition to the popular Cyclone challenge, attendees were invited to take part in an Instagram competition. They simply had to follow the credit union Instagram page, and upload photos of themselves at the credit union stand using #OwnIt. This specific hashtag was chosen for the event to convey the fact that credit unions always stand ready to support young people as they progress towards fulfilling their potential and 'owning' their future. The other aspect of the message was that everyone who is a member of the credit union 'owns' the credit union!

There were some fantastic entries to the competition, which featured students posing with a 3D cut-out of #OwnIt. Those with the three best pictures on each of the days won an Amazon Echo – the much



James Kavanagh at the credit union stand

sought-after home virtual assistant.

Special Appearance

The highlight for many on the opening day of Zeminar was the appearance at the credit union stand of one of Ireland's top social media influencers, James Kavanagh.

James – who is collaborating with the credit union on a social media campaign – officially launched the Instagram campaign, and struck a pose with the 3D hashtag. He also took part in the Cyclone challenge – where he achieved a not-so-impressive score of 11! The Generation Z

competitors proved more successful with top scores of 56, but none-the-less James' attempts made for some great video footage on social media.

James spent some time chatting with his young fans and posing for pictures. He also posted an Instagram story live to his feed (which has more than 119,000 followers) from the event. James also interviewed the ILCU International Development Foundation's Gilly O'Sullivan about the great work that The Foundation does in countries like Sierra Leone and The Gambia.

Keep an eye out for James' upcoming Instagram story in December also, which will be the final instalment of his 2018 campaign with the credit union.

The Event Itself

Throughout the three days, students attended talks by some of the country's most inspirational activists, sports stars and well-being experts on the main stage. Outside the main arena, there were a range of other amenities and activities for students to enjoy.

These included nine mini-Zeminars or hubs where information was available on everything from mental health, stress management and healthy life choices to career selection, sports and hobbies and everything in between.

For example, there was a 'Well-Being Gym' where the young attendees learned how to look after their mind, body and soul. 'CEO Boss-It!' was a hub where the students could access essential information on career choices, exam preparation and the opportunities available to them. The 'Activation Zone' was a science, technology and exhibitor space for broadening horizons and captivating young people's imaginations.

Speakers this year included gender rights activist and larger-than-life personality, Panti Bliss, gaelic football star Cora Staunton, who spoke on mental toughness, and comedian and blogger 'Rory's Stories' who focused on self-belief and happiness. Other speakers included 'Izzy's Wheels' an Irish company created by two sisters who were featured in the 2018 Forbes 30 Under 30 for their success with designing stylish covers for wheelchairs, and Olympic boxing medallist, Kenneth Egan who looked at stumbling blocks in life. The credit union sponsored the main stage on Wednesday 14th November.



James Kavanagh with the ILCU Foundation's Gilly O'Sullivan

What is Zeminar?



Zeminar is a social enterprise created to bring all those invested in the development and well-being of young people in Ireland to one place.

Zeminar is a Wellbeing & Education movement for Generation Z that caters for all 15-20 year olds and their parents, teachers, mentors and coaches, irrespective of academic ability or socio-economic background. The event facilitates the introduction of young people to some of the best and most innovative organisations on this island. Throughout the event there are workshops, influential speakers, essential resources and fun activities. Attendees leave the event with new knowledge to help them live happier, safer, and more fulfilling lives.

TDS ATTEND ICU DAY BREAKFAST

Irish credit unions had a lot to celebrate this International Credit Union Day®. 2018 marked the year in which the movement celebrated 60 successful years of service across the island. It also marked the year that Irish credit unions achieved a world first in winning the CX award for customer experience four years in a row. Not only that, but this was also the year that credit unions emerged as number one in the RepTrak Ireland 2018 study of the most highly regarded organisations in the country.



Fianna Fail Spokesperson on Finance, Michael McGrath TD with ILCU President, Charles Murphy, and ILCU CEO, Ed Farrell

While credit unions have achieved so much in the past six decades, the Irish League of Credit Unions (ILCU) is cognisant of the fact that credit unions want to do, and are capable of doing, so much more for the local communities they serve. They can only be enabled to do so however, if the political will and determination exists to make a government strategy for credit unions a reality. This was one of the key messages ILCU representatives communicated to finance spokespeople and TDs from across the political parties when they attended the fourth annual Oireachtas Breakfast Briefing on Thursday October 18th to mark ICU Day®.

This event is an important date in the ILCU's lobbying calendar. ILCU representatives, including CEO Ed Farrell and President Charles Murphy, met with a number of TDs and Senators who attended the event. They pressed them for action on delivering a strategy for credit unions. Another important topic on the morning was the delivery of a funding vehicle to enable credit unions to invest in social housing. The ILCU has tirelessly lobbied



Sinn Fein Spokesperson on Finance, Pearse Doherty TD, with ILCU President Charles Murphy

for this – and at the Breakfast Briefing pressed members of the opposition parties to keep the pressure on government to deliver.

In attendance at the event were, amongst many others; Fianna Fail Spokesperson on Finance, Michael McGrath TD, Sinn Fein Spokesperson on Finance, Pearse Doherty TD, Fianna Fail Spokesperson Public Expenditure and Reform, Dara Calleary TD, Labour Party spokesperson on Housing, Planning and Local Government, Jan O'Sullivan TD, Independent TD Maureen O'Sullivan and Labour Party leader Brendan Howlin.

Speaking about the event, ILCU CEO Ed Farrell said "The ILCU has been calling for some time now for delivery from the Government on a mechanism to use credit union funds for investment in social housing. Again and again the ILCU has come to the table with our plans and proposals, and now we need real commitment from the Government to finally deliver on this. The lack of clarity from the Government on the establishment of a financial vehicle to allow this investment to go ahead cannot continue. We are urging the Government to ensure we face into 2019 with a real and actionable plan to help alleviate the worst crisis affecting the country today."



**JOINT COMMITTEE
ON FINANCE, PUBLIC
EXPENDITURE AND
REFORM, AND
TAOISEACH**



Credit Union

**LOCAL PUBLIC
BANKING IN IRELAND**

“ *Local public banking is an idea whose time has come. I can tell you today that the foundations are in place, and those foundations are credit unions.* ”

ED FARRELL, CEO, ILCU

CEO of the Irish League of Credit Unions, Ed Farrell, appeared before the Oireachtas Joint Committee on Finance, Public Expenditure & Reform, and Taoiseach in October. The roundtable discussion was called by the Oireachtas Committee to discuss the recent Government report on Local Public Banking in Ireland.

The Central Bank of Ireland also appeared before the Committee ahead of Mr Farrell’s address, and announced it was due to publish its Consultation Paper on Potential Changes to the Lending Framework for Credit Unions (For more on CP 125 see pages 6 and 7).

Responding to this, Mr Farrell told the Committee that he welcomed the move and said that credit unions had the appropriate risk appetite for entering the residential mortgage market in a more significant way. Mr Farrell said that credit unions making the decision to start offering mortgages would engage in a ‘de-risking’ process.

Below is an excerpt from Mr Farrell’s address to the Committee, where he called for a move from aspiration to action on a strategy for the growth and development of the credit union sector.

“The challenge now, and it is essentially a political one, is whether kind words of reassurance are going to translate into political prioritisation. The challenge credit unions face is the challenge for the development of more localised banking and financial services, that we are ambitious to lead, is not any lack of good will. It is the much scarcer commodity of determined prioritisation.

In your own report Mr Chairman, this Committee recognised that the ‘common bond’ structure inherent in the credit union movement is essential in underpinning the community and democratic base of credit unions. The common bond is the essential fabric of what binds community and credit unions together. Its continuance is correctly supported by the Committee, and is clearly the obvious foundation stone for enhanced financial services delivered at local level.

In a world of globalisation and homogenisation there is consolidation among credit unions. There is also a continued enhanced level of service provided by credit unions in over five hundred separate communities. Because we are membership based, and cooperative, we have values that banks do not. Because of our common bond, we are a real

community of members saving together, and lending to one another. A mark of our values is that, for the fourth year in a row, Irish credit unions have come first place in the annual Customer Experience (CX) awards. Customer experience is measured by how customers perceive an organisation’s brand through their interactions with its employees. The fact that the credit unions are the only organisation in the world to win this accolade in four consecutive years speaks for itself.

The next step, to deliver financial services locally through credit unions is to deliver now as the CUAC review process concludes on the commitment to “develop a strategy for the growth and development of the credit union sector”. The welcome report on Public Banking is a backdrop to inform that development as is the excellent report of this Committee. A strategy of itself, however, will not be sufficient. Any strategy worthy of the name must be accompanied by an implementation plan. Implementation to be effective must marry policy driven by the Department of Finance with regulation which is the responsibility of the Central Bank. Any initiative which falls into the void between the two – a void where credit unions have already spent too long – is pointless. Political prioritisation must be accompanied by effective means to translate aspiration into action. This has to be the critical move-on required to progress this issue.

And credit unions have been moving on. For example, among other things, credit unions are now processing electronic payments and issuing mortgages. These are significant and welcome developments, but the scale of what we can do is severely restricted by regulation. Our aim is to deliver current accounts and debit cards, and support our members with the full range of services they need, on a day to day basis. We are ambitious to deliver lending for SMEs and family farms, and we are ready to invest in social housing as asked by Government.

Mr Chairman, local public banking is an idea whose time has come. I can tell you today that the foundations are in place, and those foundations are credit unions.”

IRELAND'S FIRST CREDIT UNION WITH FULL WEBSITE MEMBERSHIP APPLICATIONS

Health Services Staffs Credit Union Ltd. (HSSCU) is proud to announce it is Ireland's first credit union to have a full digital membership application process on their website. HSSCU identified this need for its nationwide common bond, and has been working closely with an IT partner to create this function for all potential members. This has been a huge project and it is with great pride that the new facility was launched on October 24th 2018, with the majority of new member applications now being done through the website.

MORE ABOUT THE PRODUCT

The on-boarding of the digital membership allows all potential members to visit the credit union's website, check that they are eligible to join and make a membership application.

Potential members can apply in minutes by simply filling in all of the usual, relevant data. For risk tolerance, members securely upload their ID, proof of address and proof of PPS, which is then verified by the credit union. The credit union can ascertain that each applicant is who they are stating to be, as they take a 'Capture ID Shot' (selfie) when applying, which is then used to check against their photo ID.

Once a potential member has completed all of the above steps, the credit union will receive their application, and should everything be correct, the new member will be approved immediately. Of course, not all applicants might have filled out everything correctly, or they might have uploaded out-of-date

documentation, etc. In those cases, the credit union can make requests for specific fields to be filled in correctly or up-to-date documentation be uploaded in the back-end of the on-boarding, and this will be emailed promptly to the member so that they can fix any issues. A huge advantage is that all the information goes directly into the credit union's IT system, cutting out the need for scanning and filing, etc.

WHY WAS ON-BOARDING DEVELOPED?

On-boarding was developed purely out of necessity and improvement of service. As HSSCU holds a nationwide common bond, it does not make sense to expect people to have to call into the office to become a member. With that in mind, the credit union has historically, and will continue to, operate postal membership applications. The problem with post however, is that it takes a lot more time for both members and staff. With onboarding, a member can do everything via the website and from the comfort of their home. They do not have to wait days for postage and responses. They send in their information, the credit union verifies it - and they immediately become a member.

RESULTS AND FEEDBACK:

Thus far, the credit union is receiving very positive feedback from new members. As with any new technology, there have of course been teething issues and these are being worked through. The credit union



plans to utilise on-boarding to its maximum, continuing to push the envelope by introducing in-branch onboarding screens and continually assessing the process to improve it. Speaking about the new service, HSSCU's Marketing Manager, Pádraig Power stated: "We are so proud and happy to offer this service to our members. At present, we have members all over the country – everywhere from Dublin to Cork, Galway, Waterford and all of the other 26 counties. What we do not have is an office in each county. With the introduction of our Online Membership Applications, everyone can now join from the comfort of their own homes in as easy and quick a manner as possible. No longer do you have to come into our office or download and post forms to join – it's now fully available and secure online. This addition to our digital portfolio is the icing on the cake of our full online account access with CUOnline, fingerprint login App CUAnywhere and more, all culminating to make an excellent member experience and strengthening our relationships with our members. In the words of our CEO, we offer a 'Bricks & Clicks' policy and it is vital to complement our in-branch services with equally outstanding online services. This is particularly important in order to facilitate members and grow with Ireland's ever-progressing youth."



GLOBAL CREDIT UNION MOVEMENT SURPASSES 260 MILLION

The World Council of Credit Unions (WOCCU) has released its latest Statistical Report. The document contains international information on membership figures and financial data from credit unions, accurate to December 2017. This year's report includes information from over 89,000 credit unions serving over 260 million members in 117 countries.

The report reveals that since 2013, credit union membership figures increased by 12 million in the US, 11 million each in Latin America and Africa, seven million in Asia and one million across Europe. Overall in Europe, there are more than 3,500 credit unions in 16 countries serving over 9.2 million members. Membership across the island of Ireland is at 3.6 million, illustrating the huge reach and success of the movement in this country.

Globally, credit union assets now stand at \$2,114,191,236,787. Savings are at \$1,668,806,101,161 and loans have reached \$1,504,117,294,476. (All figures in US dollars).

Commenting on this achievement, Brian Branch, WOCCU President and CEO said: "This year we can celebrate as a global community. We have realised our vision of reaching 250 million members by the year 2020. We see that membership growth continues to

reflect the important role that credit unions have in providing economic empowerment to people worldwide."

Mr Branch continued: "The three primary challenges we hear from credit unions everywhere are advocacy, disruptive technology and membership growth. For 2019, we will launch the logical next step and take on the second global challenge, which is disruptive technology. We are gearing our efforts toward digitisation, including access to core services by online and mobile channels, automation of internal processes and connection to local payments and electronic ecosystems. If we want to continue growing and competing in tomorrow's disruptive markets, we take on this challenge, make it our own and market the advantage to serve the under-served."

WOCCU reports data based on country responses to its annual survey and does not make estimates for non-reporting countries. The

Statistical Report provides the most comprehensive data on the global credit union movement available and is cited widely by governments, international institutions and analysts as an expert resource. The full report is available to download on the WOCCU website.

WOCCU is the global trade association and development platform for credit unions. World Council promotes the sustainable development of credit unions and other financial cooperatives around the world to empower people through access to high quality and affordable financial services. World Council advocates on behalf of the global credit union system before international organisations and works with national governments to improve legislation and regulation.

World Council has implemented more than 30 technical assistance programs in 89 countries. Worldwide, 89,026 credit unions in 117 countries serve 260 million people.

Our Global Reach



CREDIT UNIONS HOST PUBLIC MEETINGS TO PREPARE FOR IMPACT OF BREXIT

With just a few months to go before Britain exits the European Union (EU) on March 29th 2019 and prolonged uncertainty on the final deal that may be reached, speculation continues on the potential fallout for individuals, businesses and communities both North and South of the border. The Irish League of Credit Unions (ILCU), in support of their local credit unions, and members, hosted two public information meetings in September 2018, bringing together Brexit commentators and experts in the fields of journalism, business, politics and education to discuss the perceived and potentially likely impacts that Brexit could bring to border areas.

Credit unions intend to be central to the pre-and-post-Brexit effort in border region communities to safeguard families and the local economy. The public summits provided an opportunity for these communities to put their Brexit-related questions to expert speakers.

DUNDALK MEETING

The first of these meetings took place on Tuesday September 18th in the Crowne Plaza Hotel, Dundalk. Chaired by the President of Dundalk Institute of Technology (DkIT), Dr Michael Mulvey, keynote speakers included The Irish Times' political editor, Pat Leahy, The Sunday Business Post's health editor, Susan Mitchell and The Irish Independent's personal finance correspondent, Sinead Ryan.

Each panel expert focused on key Brexit-related area.

Dr Michael Mulvey, DkIT stressed the fact that an open border was key in respect of education and training for our young people, both now and into the future. Dr Mulvey was encouraged that DkIT continued to have increasing numbers of students from across the border in Northern Ireland.

Pat Leahy of the Irish Times updated the Dundalk audience on the expected twists and turns that lay ahead with the informal gathering of EU leaders at the Salzburg summit and the Conservative Party Conference, and then set out where a possible landing place for a future agreement might be, summing up to the audience that a 'no deal' was unlikely but not impossible.

Susan Mitchell, health editor of the Sunday Business Post, concentrated on health matters and how Brexit might impact



the increased cross border cooperation between North and South health authorities, explaining that, in recent years, there has been a marked increase in the exercise of health rights between jurisdictions. Patients have elected to undertake operations and procedures in alternate jurisdictions due to increasing waiting lists. Susan then looked at the impacts Brexit might have on the current all-Ireland health services being offered, such as specialist heart procedures.

Sinead Ryan, personal finance correspondent with the Irish Independent, highlighted potential opportunities from Brexit for Irish residents. The euro already goes further when shopping in Northern Ireland, however, it is unclear whether there may be issues with tax in the future on

online shopping. Sinead also looked at areas such as pension rights, banks and card payments in light of a potential no-deal scenario.

The speakers were then followed by a panel question and answer session with the audience putting forward their Brexit concerns and questions to the panel members.

DERRY MEETING

The second of the two meetings took place in the City Hotel, Derry, on Thursday September 27th, and was chaired by the BBC Northern Ireland Economics and Business Editor, John Campbell. Keynote speakers were Dr Katy Hayward, a border expert from Queens University, Belfast, Dr Esmond Birnie, Senior



Economist from Ulster University, and Senator Ian Marshall, Seanad Eireann and former President of the Ulster Farmers Union.

Speaking to a packed room, discussions focused on employment, the specific impact on the North West, the North/South border, and the unknown impact of withdrawal from the EU on businesses and communities in the North West. Many of the questions coming from the floor dealt with the 'what-ifs' in a no-deal hard-Brexit scenario.

John Campbell, Economics and Business Editor from BBC Northern Ireland chaired the meeting, setting out the political landscape at the European, UK and

Northern Ireland levels.

Dr Katy Hayward, Border Expert, Queens University, Belfast navigated the audience through the specifics of the negotiations to date in respect of the border. Dr Hayward highlighted very clearly the significant impact that separation from the EU could have without a deal in place, and in particular the great number of areas that would be affected, from aviation security, through to import and export controls, to workplace rights.

Dr Esmond Birnie, Senior Economist, Ulster University had a more positive outlook on what post-Brexit Northern Ireland could look like. Dr Birnie suggested

that Brexit could be the push to do things differently and with long-term benefits for Northern Ireland, "There could be a trade-off between what is good for us in the short term and what would be advantageous in the longer term." However, he accepted that many uncertainties still surrounded the UK's withdrawal from the EU next March.

Senator Ian Marshall, Seanad Eireann was the final speaker of the night. Coming direct to the Derry meeting from meetings in Dublin relating to Brexit, the former President of the Ulster Farmers' Union, and recently elected independent member of the Seanad, told the audience that Brexit would be disadvantageous and detrimental for the farming and agri-food sector in Northern Ireland.

Both meetings raised concerns from the audience for consumers on the likely increase in the cost of goods moving between the Republic of Ireland and Northern Ireland.

Speaking about the events, ILCU President Charles Murphy said; "Although the full consequences of Brexit remain speculative, what is certain is that the border region economy will come under additional pressures and will face serious disruption. Daily life will be affected because high level political issues will have bread-and-butter consequences. To put Brexit in a credit union perspective; when people lose income, or worse lose their jobs, credit unions are the ultimate, and often the only door open to them. We want these communities to know that credit unions stand ready to deliver for them."



CU CPD Scheme: Individuals and the Movement as a Team

Continuing Professional Development (CPD) is an organisation responsibility as well as an individual one. The Credit Union CPD (CU CPD) scheme is a planned, interactive and blended programme, committed to supporting all its members in complying with changes in the Minimum Competency Code (MCC) in the Republic of Ireland (ROI) and Accredited Persons Regime in Northern Ireland (NI). Promoting best practice in the sector assists in developing credit union officers skills and knowledge and is relevant in today's rapidly changing environment.

In the winter 2017 edition of CU Focus, Learning and Development (CU L&D) discussed the MCC in ROI. The article focused on how MCC had created the obligation to become qualified, and to maintain CPD in order to offer advice on certain retail financial products with the changes taking effect from January 2018. This remains the key driver for the CU CPD Scheme.

Recently, credit unions have again been voted number one for Customer Experience (CX) in the 2018 CXi Ireland

Customer Experience Report. Your credit union teams are rated highest for empathy and for the commitment of their staff, where there will always be someone on hand to deal with queries. An element of this success is that decisions within the credit union are made by real people who take time to understand members' real needs. The CU L&D team, inclusive of the CU CPD Accreditation Panel, assists in preparing them for the challenges and changes they face.

It is timely at this stage of the year, to consider the structure, requirements and some common questions of the scheme.

The scheme has Operations and Governance streams which have their own characteristics. In addition, MCC recognised designations require at least one hour for each product area offered by that individual, i.e. Loans, Mortgages, or Insurances. Under the Central Banks MCC 2017, all members must complete at least one hour of CPD related to Ethics.

The differences between Operations and Governance streams are outlined below.



CU CPD Operations Relevancy

The Operations stream is specific in that it is for those who provide **advice to members on retail financial products** and the regulation and legislation of such products. For this reason insurance, lending or mortgage topics, such as the recent CU L&D *Mortgage Securities Webcast* will receive CPD hours. AML or DP training will receive CPD hours as they regulate the provision of the above products.

CU CPD Governance Relevancy

The relevancy requirements are different for Governance members. Business Development, Finance, Strategy, Sales, or Marketing topics will provide CU CPD hours. Governance stream members are also permitted a maximum of four hours in soft skills courses in any one year, in order to ensure an adequate mix of topics and to ensure that the Governance Scheme remains reasonably focused on technical training.

For further details on the CU CPD Scheme, the Operations stream and the Governance stream see *CU CPD Guidelines 2018* available on CU Learn. If you missed the Mortgage Securities Webcast, you can access it through CU Learn.

To achieve the required 15 CPD hours, CU L&D detailed 8 Steps to CU CPD Success through the newsletter The Learning Curve in the autumn edition, these are;

1. Access CU CPD Guidelines
2. Check your CU Learn profile early
3. Complete mandatory topics
4. Update your attendance
5. Updater Pro Rata Adjustments
6. Manage your learning
7. Check emails updates from the CU CPD Team
8. Look forward to 2019

The structure of the CU CPD Scheme encourages engagement from the scheme's membership through the CU CPD Accreditation Panel. Details of the panel and an opportunity to join it are described below.

CU CPD Accreditation Panel

The ILCU wishes to invite members of the CU CPD to consider applying to become a member of the CU CPD Accreditation Panel in 2019 for a two year term.

Outline Panel Role

The CU CPD Accreditation Panel provides organisational leadership to the CU CPD Scheme. This role of the Panel is most important as it provides guidance from within the membership of the scheme;

- Decide on which courses and events attain CU CPD hours based on CU CPD scheme guidelines, the obligations of MCC 2017 and the requirements of the FCA/PRA in NI).
- Determine the amount of CPD hours for both CU Operations and CU Governance members awarded to each new course/event.
- Adjudicate on new event accreditation applications.

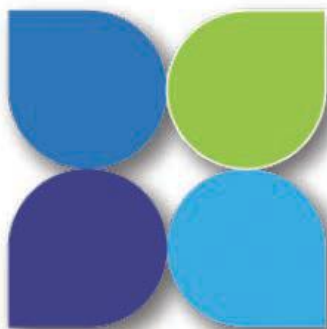
Brief Candidate Specification

Prospective members of the panel should meet the following minimum criteria;

- They must be actively engaged in credit union activities either as staff or volunteers.
- They must be actively involved in training and development within their personal or credit union roles.
- They must have a good understanding of how the CU CPD Scheme or other similar schemes operate.
- They must be able to attend bi-annual meetings in the ILCU offices in Dublin (out of pocket expenses will be paid for such meetings attended).
- They should be active and compliant members of the CU CPD Scheme.

To apply to become a CU CPD Panel Member

Please send a CV and short cover note outlining your suitability for the role by **December 17th, 2018** to cucpd@creditunion.ie – subject line **CU CPD Panel Membership**.



Common Questions

How do I know how many hours I have to do for my CU CPD this year?

Your ongoing CU CPD requirement is clearly indicated on CU Learn in the CU CPD Zone.

How do I record and track my CPD hours?

All ILCU courses are updated automatically in CU Learn upon receipt of attendance sheets. There is a section on Adding Non ILCU Events in the CU CPD section of CU Learn, you can add the five digit CU CPD accreditation number for the course and select the appropriate course – it will then be added to your record, or if you do not know the code you can use the organisers name to list courses from that organiser and select the appropriate course. If this does not locate the course you undertook contact cucpd@creditunion.ie for advice.

What happens if I do not meet my annual CPD requirements?

Any individual who fails to complete the required CPD hours in a given year has a chance to make up the shortfall by the end of the following year. This grace period will only be given once in any five year period. Failure to comply with any of the CPD requirements may ultimately result in the removal of a CPD designation or grandfathering status. Should an individual lose their CPD designation, they will need to be removed from the credit unions register of Accredited Persons and might not, therefore, be in a position to continue their role within the credit union. Please see the steps involved in the removal process as detailed in the Removal from the CU CPD scheme section.

Further Reading



CU L&D Guidelines 2018
www.culearn.ie



Central Bank – The Minimum Competency Code, September 2017

The Accountability Regime NI and the CREDS NI can be found on the FCA website, www.the-fca.org.ok.

Giving back to the wider credit union movement

In October, the Irish League of Credit Unions International Development Foundation (The Foundation) piloted a new initiative to encourage Board members to volunteer alongside programme partners in The Gambia. This five day programme allowed a group of seven volunteers to visit The Gambia and share their expertise and knowledge of their credit unions with their counterparts in The Gambian credit union movement. The volunteers also had the opportunity to visit credit unions and see firsthand the work that is supported by credit unions across the island of Ireland.

For over 20 years The Foundation has been providing support to help develop the credit union movement in The Gambia. The Gambia, a small country on the coast of West Africa, has a population of almost two million. The Gambian credit union movement has a fully functioning apex body – National Association of Cooperatives and Credit Unions (NACCUG) who is responsible for the development of credit unions across the country. There are 75 credit unions, with over 76,000 members and almost 12,000 rural members.

The group arrived in Banjul, the capital of The Gambia, in the very early hours of October 1st after almost a full day travelling. The first day was spent visiting workplace credit unions in Banjul, meeting the staff and Board members to discuss all things credit union.

The volunteers hosted a Governance and Risk workshop on the second day, this was held in NACCUG's new training centre and attended by 19 participants. There was a great deal of engagement between the volunteers and the participants and indeed the feedback provided from the participants is they would have liked to have another day with the volunteers to learn even more from them.

Day three and four involved a good deal of travelling as the group ventured out to the rural communities to visit community credit unions. On Wednesday morning, they took the ferry from the South Bank to the North Bank, the only way to get from the south of the country to the north as the river Gambia divides the country in two. NACCUG organised for the volunteers to visit Kunta Kinteh island to allow the group to understand the history of the country and hear about the impact of slavery on their people. The group received an unbelievable welcome from Jokadu District Credit Union in Kuntair, and the local tribes in the community showcased their culture with some amazing singing and dancing, before



Receiving a fantastic welcome from the community of Jokadu District Credit Union



Boarding the ferry to cross from the South Bank to the North Bank.



Stacy, James and Tomás providing advice to Sibanor Credit Union

meeting the Board members and the District Chief, who is also a credit union member.

On Thursday the group split in two and visited different credit unions to meet with staff and Board members. These visits allowed the volunteers to hear about the credit unions and to share their own experience with them. The conversations were very engaging and the volunteers were widely welcomed. Their advice and

knowledge was taken on-board by everyone in the credit union as they are keen to learn more to develop their own respective credit unions. The final day of the trip consisted of meeting NACCUG officials to debrief them on the busy week, and to get feedback from both the volunteers and NACCUG. This was followed by a quick trip to the market to see all the local wares before getting ready to head back home.

Patrick Mendy, Financial Manager at



Savings boxes – a simple concept proves invaluable

Foni Berefet Credit Union Ltd. has 516 members and two staff members. The credit union has a voluntary Board of 11 members and a supervisory committee. All of the Board works hard to raise awareness about the credit union and the importance of savings among the different communities in the district. Lamin, has been manager for 10 years, and Adama is the assistant manager. The nearest bank from Foni Berefet credit unions is 35km away. The only form of transport is to get a taxi bus or travel by donkey and cart, as most people can't afford a bicycle let alone a motorcycle. Adama believes that **“having a credit union has eased the burden on the community, most of the people living in the area and surrounding areas have welcomed it as you can just walk to it”**.

However, some of the rural members are using savings boxes to save. These are heavy metal boxes, the member has the key to the outer door, and the inner door has a small opening to allow the member to insert money. However, the members do not have access to the inner door. Lamin, the manager, has the key to access the inner door. Lamin is responsible for travelling out to members in very rural areas to collect their savings as they live very far from the credit union. The member opens the outer door, Lamin opens the inner door and collects the savings and updates the pass book. The savings boxes means members have a secure place for saving money and their savings are collected monthly on Lamin's visits.

There are 210 savings boxes and from January to September of this year 267,714 dalasi (€4,500/£4,000) was saved, **on average €22/£19 per savings box**. The savings boxes are manufactured at a **cost of €30** and last a lifetime.



Paul, Ann and Kay with Abdoulie Ceesay manager of Gambia Technical Training Institute Credit Union

NACCUG, spoke of how the ILCU Foundation sowed the seeds for the credit union movement in The Gambia. “We are indebted to the ILCU Foundation, when we say ILCU Foundation we mean the credit union members whether north or south.” The ILCU Foundation would like to thank each of the volunteers and their credit unions for participating on this programme and for giving back to the wider credit union community. The volunteers provided positive feedback about their experience on this pilot programme:

“It has been an extraordinary week, and it's been a privilege to be part of it.”

“Experience was unbelievable, reminds me of the credit union when we started off.”

“It was a fabulous experience, and to see the impact of the credit union has been extraordinary.”

“It's fantastic the way they are so dedicated to their credit union.....Knowledge sharing is important.”



Tomás O'Maonaile, An Post Employees Credit Union and Ceesay, NACCUG Compliance Officer, with the savings boxes used by rural members



Volunteers meeting with Board members from Foni Jarrol District Credit Union

NEWS AND UPDATES

VOLUNTEERS: James Cole – Halston Street Credit Union, Kay Geoghegan – Heritage Credit Union, Paul Gibbons – Castleblayney Credit Union, Ann Keenan – Enniskillen Credit Union, Stacy McGrath – Palmerstown Credit Union, Seamus McLaughlin – Lifford Credit Union, Tomás O'Maonaile – An Post Employees' Credit Union

Annual Report: The 2017 annual report is now available online, and provides an overview of the work undertaken by the ILCU Foundation last year.

Ezine: The new quarterly Ezine is available online, to keep you updated on everything happening in the ILCU Foundation – please visit the website and make sure to subscribe.

For more information on the ILCU Foundation, contact Sinéad on 01 614 6945 or email slynam@creditunion.ie

Keep up to date with the Foundation on Facebook and Twitter @ILCU Foundation



The Domestic Economy

Overview

The Irish economy grew strongly in the first half of the year underpinned by robust domestic demand and a strong net export performance. Reflecting the strength of the first half outturn, the prospects for growth in 2018 have improved markedly compared to the previous Quarterly Bulletin. Underlying domestic demand is forecast to increase by 5.6% in 2018, moderating to growth of 4.2% in 2019. This represents an upward revision to the outlook of 1.2% for 2018 and 0.1% for next year, reflecting the increased momentum in the domestic economy. As the economy approaches full employment and spare capacity diminishes, growth in underlying domestic demand is projected by the Central Bank of Ireland to moderate to 3.6% in 2020.

The Central Bank has revised upwards its forecasts for GDP growth by two percentage points to 6.7% this year, and by 0.4 of a percentage point to 4.8% in 2019. These revisions reflect both the more positive outlook for underlying growth and a significant downward revision to the outlook for imports. GDP growth of 3.7% in 2020 would be broadly in line with underlying developments.

Growth in underlying domestic demand picked up strongly in the first half of the year, reflecting increased momentum in consumer spending and a marked acceleration in underlying investment. Following a surprisingly muted outturn last year, consumer spending accelerated to 3.9% year-on-year, in the first half of 2018. This pick-up in consumption growth reflected the positive trend in disposable incomes and the strength of high frequency indicators such as retail sales and consumer confidence. The stronger first half outturn has prompted an upward revision in the forecast for consumption growth to 3% this year. The Central Bank forecast for growth in consumer spending remains unchanged at 2.5% in 2019, with a further moderation to 2.3% forecast in 2020.



The Labour Market

The strength of activity in the domestic economy is reflected in corresponding strength in the performance of the labour market. Employment growth averaged 3.1%, year-on-year, in the first half of 2018. With labour supply growth also picking up, the pace of decline in unemployment has slowed but, at 5.8% in the second quarter, the unemployment rate is over ten percentage points lower than its peak six years ago. For 2018 as a whole, the Central Bank projects employment will grow at a stronger rate than labour supply, the unemployment rate is projected to fall to an average rate of 5.6% this year. The Central Bank forecasts the unemployment rate will average 4.9% next year, and 4.7% in 2020.

Inflation

Inflationary pressures remain low in the

Irish economy despite the strength of domestic demand and tightening labour market conditions. While headline inflation, as measured by the Harmonised Index of consumer Prices (HICP), picked up to 0.9% in August on foot of rising energy prices, the underlying rate, excluding energy, remained close to zero. Headline HICP inflation is projected by the Central Bank to remain stable at 0.8% in 2018 and 2019, rising marginally to 1.1% in 2020.

Risks to the Economic Outlook

As always, risks to the outlook emanate from both domestic and external factors. On the domestic side, risks relate to the strength of domestic economic activity and the cyclically advanced state of the economy. On the external side, there are a number of risk factors, with uncertainty surrounding the terms of Brexit being the most prominent of these. Other external



THE LABOUR MARKET

Employment growth averaged 3.1%, year-on-year, in the first half of 2018.

risks that have the potential to undermine Ireland's growth prospects include changes to international tax regimes that can have an impact on Foreign Direct Investment (FDI) decisions by multinational firms, disruptive movements in bilateral exchange rates and risks to the world trading architecture.

The latter risk was highlighted by recent unilateral tariff increases by the US, and retaliatory measures by its trading partners including the EU, China and Canada.

Pay

In light of labour market prospects, wage pressures are expected to build. The Central Bank forecasts compensation per employee will increase by 2.8% in 2018, rising to 3.3% in 2019 and 3.4% in 2020. The most recent earnings data points to some increase in wage inflation. The CSO's Earnings Hours and Employment survey reported a 2.65% rise in hourly earnings in the first half of 2018. While

sectoral results were mixed, there were notable increases in finance and insurance, professional services, education and real estate services.

Residential Property

The CSO's Residential Property Price Index for July shows an increase of 10.4% in the last 12 months. The annual rate of price growth has been slowing every month since March, and is currently at its lowest level since April 2017.

When broken down into Dublin and non-Dublin regions, the data points to annual increases of 7.2% and 13.7%, respectively, with price growth faster outside of Dublin since mid-2014. On a regional basis, the biggest price increases over the past year have been seen in the mid-west, where house prices rose by 23.7% in the year to July. Dublin residential property prices are 21.8% lower than their peak, while residential property prices outside of Dublin remain 23.1% below their peak.

Commercial Property

The latest data from MSCI/IPD shows the pace of growth in commercial property prices continues to moderate. The quarter two figures show that commercial property prices increased by 2.2% per year, just marginally higher than the yearly rate of 2.1% recorded in quarter two.

The Public Finances

The Central Bank believes that the latest fiscal data suggests that there will be a modest improvement in the fiscal position this year. The general government deficit ratio was broadly unchanged in the first quarter of 2018 on an annual basis, while the Exchequer position was better than expected in the year to August. Within the latter, however, tax receipts were weaker than expected – particularly with corporation tax receipts excluded – while current voted spending is above profile. This, alongside the continued elevated level of general government debt, highlights the fiscal challenges that persist.

FAMILY RELATED EMPLOYMENT LEAVE – THE FUTURE

Republic of Ireland

The EU has placed great emphasis on equality of treatment in the workplace. This has resulted in attempts to remove barriers within the workplace for women by increasing measures to make childcare more affordable and offering both parents more flexibility in terms of being able to take leave for the purpose of childcare. The EU is proposing a new directive on work-life balance for parents and carers. It is proposed to enhance the terms of parental leave and is suggesting parental leave be paid, and that two months of the leave not be transferrable between parents.

In Ireland, the Parental Leave (Amendment) Bill 2017 (the “Bill”) which was originally proposed by the Social Democrats, was passed by the Dáil in June 2018.

The Bill proposes to increase unpaid parental leave from 18 weeks to 26 weeks and to raise the age requirement of the relevant child from eight years up to the age of 12, which will have the effect of lengthening the duration of time that parents can avail of parental leave. This Bill is currently going through the Seanad in order to complete its passage into law. Once it is passed into law, it will become operational within three months after its passing. Unlike the EU proposal, it will still be unpaid.

However, in the recent budget 2019 announcements, the Government confirmed the introduction of a new paid parental leave scheme of two extra weeks’ leave for relevant parents of children up to the age of one year. It is expected that the benefit payment will be similar to the current statutory maternity benefit. This will come into force in November 2019. The Government also signalled that they intend to increase the number of paid weeks over time.

Note: Ireland is one of six EU countries that does not require employers to pay for parental leave.

Ireland is also in the process of considering a private members Bill proposed by Fianna Fail entitled The Shared Maternity Leave and Benefit Bill 2018. This Bill, while still in the first stage of its processing, has proposed that a mother’s entitlement to 42 weeks



maternity leave (26 weeks ordinary maternity leave and 16 weeks additional maternity leave) be allowed to be shared between both parents (relevant parents). The proposal of sharing maternity leave would be in addition to Paternity Leave i.e. where a father/ relevant person can avail of two weeks statutory paternity leave.

Northern Ireland

It is interesting to note that since the introduction of the Work and Families (Northern Ireland) Act 2015, Northern Ireland operates a scheme entitled Shared Parental leave. This allows for the sharing of leave and pay entitlement between parents following the birth or adoption of a child. This leave arises from untaken maternity leave or untaken adoption leave. An eligible mother or adopter must curtail her maternity or adoption leave in order for shared parental leave to arise. It may be taken at any time between the birth of a child, or the placement of a child for adoption or with prospective adopters, and must be taken before the child’s first birthday or first anniversary of the placement. The Act also facilitated the

extension of the right to request flexible working to all employees with an appropriate length of service.

Conclusion

In summary, when one looks at the various directives and Bills that are being proposed in the Republic of Ireland, and what is already in place in Northern Ireland, employers will need to prepare for an increased number of requests from parents seeking to take some form of unpaid leave in respect of childcare. Needless to say these requests will have to be facilitated in a fair and timely manner in order to meet your obligations as an employer under the different pieces of protective leave legislation.

As with any form of leave, it can be a difficult balancing act for employers to facilitate the various leave requests given the increased cost associated with same, while also ensuring continuity of service standards for members. Hence, it is very important that employers plan ahead and factor in sufficient budget to take account of the future landscape regarding family related employment leave/more flexible working.

CREDIT UNION PAY & CONDITIONS OF EMPLOYMENT REPORT 2018

In 2018 a survey of pay and benefits in credit unions was undertaken by Ibec on behalf of the Irish League of Credit Unions (ILCU).

A total of 149 credit unions responded to the survey of which 97 were based in the Republic of Ireland and 52 were based in Northern Ireland, equating to over 43% of the movement north and south of the island. The ILCU HR Department would like to thank all those who responded. These credit unions employed a total of 2,136 staff members.

The report provides a summary of pay for 16 different job titles as well as comprehensive information on a wide variety of conditions of employment in respondent credit unions.

The list of employment related topics that the report covers are as follows:

- Sick pay
- Income continuance
- Medical health insurance
- Flexible working arrangements
- Overtime
- Maternity benefit
- Paternity benefit
- Training and education
- Allowances or bonuses
- Mileage allowance
- Pension schemes
- Leave
- Other conditions of employment

An analysis of pay data collected for each of the job titles is provided.

As stated in circulations, the credit unions who returned the form received a full copy of the final report. A copy of the report is available to all other credit unions by request, however, again as stated in earlier circulations, there will be a charge of €100 or £85 to those credit unions that did not complete the questionnaire. Please note, the report will not be available on the website due to the confidential information included.



If you have any queries or concerns, or would like to request a copy of the report, please do not hesitate to contact any member of the HR Team as follows:

**Margaret Davern,
HR Adviser**

Direct Line: 01 6146974
Email: mdavern@creditunion.ie

**Maura Behan,
HR Executive**

Direct Line: 01 6146941
Email: mbehan@creditunion.ie

Legislative Update



Insurance Distribution Directive

On October 1st 2018, the European Union (Insurance Distribution) Regulations 2018 (S.I. No. 229 of 2018) (the "IDD Regulations") commenced. The IDD Regulations transpose Insurance Distribution Directive ((EU) 2016/97) (IDD) into Irish law.

As the IDD replaces the Insurance Mediation Directive (2002/91/EC) (IMD), the IDD Regulations will revoke the European Communities (Insurance Mediation) Regulations 2005 which transposed the IMD into Irish law.

The IDD Regulations represent a significant change in the regulation of the distribution of (re)insurance products and are relevant to all market participants to varying degree, including credit unions where they act as insurance intermediaries.

CP125 – Consultation on Potential Changes to the Lending Framework

The Central Bank has published CP125 - Consultation on Potential Changes to the Lending Framework for Credit Unions along with a Regulatory Impact Analysis. The consultation seeks feedback from credit unions and other interested parties.

The new proposals have been informed by the Central Bank's engagement with industry stakeholders and an examination of the current regulatory framework and recent lending trends. As part of this review, the Central Bank issued a questionnaire to all credit unions in April 2018 to gather information on current and forecasted lending and savings activity. The review also took into account broader balance sheet impacts- these include the changing maturity profile of credit union lending and investments, and related funding considerations.

The proposed amendments to the credit union lending framework include:

- Removal of the existing lending maturity limits which cap the percentage of credit union lending which may be outstanding for periods of greater than 5 and 10 years;
- Introduction of concentration limits, on a tiered basis, for home mortgage and commercial loans expressed as a percentage of total assets; and
- Clarification of the scope and parameters for commercial lending, to reflect credit union focus on local owner managed business lending.

The consultation is open until January 9th 2019.

E-Privacy Directive 2018

On July 10th 2018, the Council of the European Union published a draft of revisions to the proposed ePrivacy Regulation (ePR). The ePR is likely to come into force in 2019 and will repeal and replace the Privacy and Electronic Communications Directive 2002/58/EC. It is intended to align Europe's ePrivacy regime more closely with the privacy regime set out in the General Data Protection Regulation (GDPR) which came into effect on May 25th 2018.

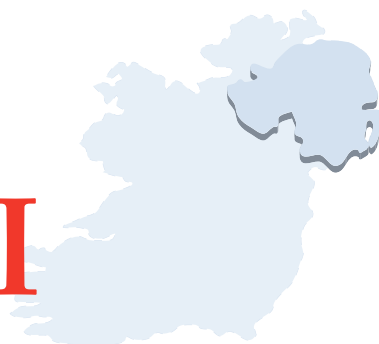
The ePR was originally scheduled to come into effect simultaneously with the GDPR, however, further debate required by various European bodies have delayed its implementation. A recent statement from the European Data Protection Board, calling for a swift implementation of the ePR indicates that there is a strong willingness in Europe to finalise the regulations.

The focus of the ePR will be on the confidentiality of users' electronic communications. It will also regulate activities such as direct marketing, website audience measurement, the transmission of communications across devices and browsers, and cookies set on users' machines, in a way which will complement the provisions laid down by the GDPR, as well as putting the principles espoused by the GDPR into specific rules.

While the GDPR applies to all categories of personal data—hard copy and electronic—the ePrivacy Regulation will only apply to electronic communications data. The Regulation, if adopted, would cover not only traditional telecommunications operators and providers of electronic communication services but also "over-the-top" communications services.

Legislative Update

NI



A halfway house to democracy? The Northern Ireland (Executive Formation and Exercise of Functions) Act 2018

With no functioning Northern Ireland Executive since January 2017, an increasingly paralysed domestic and UK political system, and the continuing saga of Brexit, the UK government recently took the decision to introduce legislation to attempt to clarify a number of issues in the running and delivery of public services within Northern Ireland¹.

On November 1st 2018, the Northern Ireland (Executive Formation and Exercise of Functions) Act 2018 (The NI Act 2018) received Royal Assent, finalising a piece of legislation which had been fast-tracked through the UK Parliament in the previous week.

In essence, the NI Act 2018 facilitates a number of different things. It will:

- Extend the period provided in the Northern Ireland Act 1998 for Northern Ireland Ministers to be appointed until March 26th 2019, with the possibility to extend that period for up to five months with the agreement of Parliament;
- Clarify that a senior officer of a Northern Ireland department is not prevented from exercising a function of the department during the period for forming an Executive if they are satisfied that it is in the public interest to do so;
- Require the Secretary of State to provide guidance to Northern Ireland departments about the exercise of those functions;
- Enable the Secretary of State and the Lord Chancellor to exercise appointment functions normally exercised by Northern Ireland Ministers in relation to specified offices, and enable by regulations further such functions to be exercised by UK Ministers;
- Replace the requirement for UK Ministers to consult, or obtain the approval of, Northern Ireland Ministers or the Executive Committee before exercising appointment functions with a requirement to consult the relevant Northern Ireland department; and
- Enable the Secretary of State to exercise any appointment function of a Northern Ireland Minister that is exercisable jointly with other persons who include the Secretary of State, following consultation with the relevant Northern Ireland department.

In addition, the NI Act 2018 will in effect suspend the statutory duty on the Secretary of State to call a Northern Ireland Assembly election.

It remains to be seen whether the NI Act 2018 can push the political parties towards political agreement. Without a doubt what it does do is raise many more questions not only as to the manner in which it was fast-tracked through Parliament without adequate time for scrutiny, but the increasingly widening chasm of a democratic deficit in Northern Ireland; just at the time that an Executive and Assembly is most needed.

¹ The Northern Ireland Court of Appeal held in the recent Buick case ([2018] NICA 26) that powers exercisable by NI departments in the absence of Ministers are subject to limitations. In particular – and for the purposes of that appeal – that NI departments may not exercise functions in respect of matters that would normally be required to be referred to the Executive Committee of the Assembly because they are cross-cutting, significant or controversial.



CLONDALKIN CREDIT UNION LAUNCHES NEW BRAND NAME

Tower Credit Union Ltd. (formerly Clondalkin Credit Union) opened its doors to the public for the first time, under their new brand name on Tuesday 31st July 2018. As the credit union's common bond had recently expanded into Citywest, Rathcoole and Newcastle a name change was necessary for new members and existing members.

The iconic tower in Clondalkin village stands as an integral part of a modern interactive heritage centre and was the obvious choice for the credit union to highlight. The new name reflects the credit union's roots and pays homage to its beginnings back in Clondalkin library in 1962.

Television presenter and author Mary Kennedy was a perfect choice as master of



ceremonies for the official opening. Ms. Kennedy's father, the late Tom Kennedy, was a founder member of Clondalkin Credit Union, serving 14 years on the Board of Directors, two of which he served as Chair. Mary expressed her delight and honour to be part of the occasion.

The credit union has been at the heart of its community serving Clondalkin and surrounding areas for over 56 years. Tower Credit Union plans to extend its branch network to service an ever-growing membership and has commenced, in co-operation with 30 other credit unions, the development of a modern platform to enable them to provide the range of services expected by members.

IN MEMORY OF JOHN MULLEN

It was with deep sadness that the credit union movement heard of the passing of John Mullen. John was involved in credit unions for four decades, since he became a volunteer in Thurles Credit Union Ltd. in 1979.

Following his time volunteering at Thurles Credit Union, he became manager from 1985 – 2008. The credit union movement was fortunate that, upon his retirement, John sought election to the Board of the Irish League of Credit Unions, and was elected in 2009. John made a huge contribution to the Board where his wisdom, business acumen and common-sense were much appreciated on the various committees he served on. The roles John carried out with distinction included those on the management, insurance, legislation,



John Mullen (standing, third from left) with the ILCU Board of Directors

administration and technology committees.

John was a great ambassador for the

credit union movement. He was a true gentleman and will be deeply missed. Ar dheis Dé go raib a anam.

CARA CREDIT UNION CELEBRATES 5 AWARDS IN ONE DAY

Friday October 19th will be remembered as an historical milestone for Cara Credit Union Ltd. The credit union won five awards at two leading award ceremonies in Dublin and Kerry. At the Credit Management Training's Top 20 Credit Teams in Ireland Awards, Cara Credit Union won both the 'Credit Union Team of the Year Award' and "Financial Services Team of the Year Award". In a major coup, the credit union was also crowned the 'Overall Credit Team of the Year.'

Later that evening, Cara

Credit Union won the 'Corporate Social Responsibility Award' at the Kerryman Business Awards. To top off a remarkable day for the credit union, they also came away with the 'Overall Award Winner's Prize.' Speaking at the ceremony, Cara Credit Union's CEO Pa Laide said "Results like these are hard to achieve, they don't just happen, they take years of dedication, commitment and hard work from our voluntary Board of directors, our amazing staff and our members who support us and keep us strong."



Olympic Gold for Midleton Credit Union

Midleton Credit Union Ltd. celebrated International Credit Union Day with a visit from one of East Cork's internationally renowned world class athletes - Orla Barry. Orla, who is an Olympic Discus Thrower brought along her Olympic gold medal on the day.

Orla has won three Paralympic medals in total and is three times European Champion. She is the Midleton Credit Union Sports Ambassador and attends all promotional events. She is a lifelong member of Midleton Credit Union.



Bantry Credit Union opens permanent Beara office

Bantry Credit Union Ltd. first opened the doors of its Castletownbere sub-office in August 2014. It was always Bantry Credit Union's intention to buy a premises in the town as the permanent home for the credit union. This intention came to fruition with the purchase and rebuild of an old shop on Main Street. Speaking at the official opening, Chairperson Anna Fitzgerald, said 'Bantry Credit Union has been committed to Beara from the outset. The purchase and development of this purpose-built and state-of-the-art credit union office is our assurance to the people of Beara that we are here to stay.'

Anna commented on the strong links that have always existed between Bantry and the Beara peninsula. She also reflected on the huge voluntary commitment of Beara people to the credit union

over the decades. This shared self-help ethos is also evident in the second-level schools in the two towns of Bantry and Castletownbere, which share the slogan: 'Ní neart go cur le chéile.'

Manager of Bantry Credit Union, Finbarr O'Shea, commented on the success of the Beara office over the past four years. Over 1,700 Beara people have become members. The credit union will continue the tradition of supporting many local organisations, including the Castletownbere Development Association and student awards at Scoil Phobail Bhéara. Finbarr concluded: 'Our new purpose-built office will enable us to expand the range of services we can offer to the people of Beara – and to become an ever-more integral part of the financial, economic and social life of the peninsula.'



SCCUL Enterprises CLG

SCCUL Enterprises CLG is a registered charity set up by (but independent to) St Columba's Credit Union Ltd., Galway in 2002. As a not-for-profit, social enterprise SCCUL aims to champion societal change by promoting community, enterprise, wellbeing and social inclusion. This is achieved through a number of successful initiatives including the SCCUL Enterprise Centre in Ballybane, a mentoring programme called bizmentors®, and the SCCUL Sanctuary for people facing difficult life challenges.

The SCCUL Enterprise Centre strives to encourage the establishment and growth of start-ups and small businesses. The centre offers affordable, high-quality enterprise space to individual enterprises, companies and community groups. bizmentors® is a mentoring programme for start-ups/emerging businesses currently servicing Galway city and county. The rapid growth and success of the program has seen it recognised by the



European Union and funded to roll-out across four regions in northern Europe as a pilot programme between 2018 and 2021. SCCUL Sanctuary runs tailored therapeutic retreat days for community

groups and members of the public who are facing a crisis in their lives or are in need of healing. St Columba's Credit Union is proud of its involvement with this fantastic charity.

Anniversary Celebrations at An Post Credit Union

There was a great sense of celebration among the 200 guests that attended the 50th anniversary dinner of An Post Employees Credit Union Ltd. in May. The credit union has grown from modest beginnings in the Sherriff Street sorting office in Dublin in 1968 to become the nationwide operation it is today. The credit union now has 6,500 members and along the way has evolved to become a popular financial support for the wider An Post family.

At the anniversary dinner, Irish League of Credit Unions President Charles Murphy gave the keynote address and helped to cut the anniversary cake together with founder members Frank Hession, Liam O'Reilly, Bill Brophy and Eugene Lynch. Other guests of honour included the families of credit union veterans, the late Jimmy O'Connor, the late John Sunderland and the late



Sean O'Broin.

The guests were entertained by comedian Alan Shortt who acted as MC, and is himself a great supporter of credit

unions. Many stories were told and friendships renewed among those attending and all danced the night away. The 50th Anniversary celebrations

also featured a family day in August where 200 children enjoyed a free day out at the popular Tayto Park.

Celebrations At Enniskillen Credit Union

Enniskillen Credit Union Ltd. celebrated its 50th Anniversary in September 2018. To mark the milestone the credit union held a dinner-dance in the local Killyhevlin hotel. Four of the credit union's founding members were invited and were presented with a certificate to mark the occasion. Chair, Mr Jackie Harte, told the story of Enniskillen Credit Union and its development over the past half century. Jackie said "from under 20 members in 1968 to around 7,000 members in 2018, Enniskillen continues to grow not just in membership but also in developing modern products to meet members' needs in our community in the 21st century."

During the 50th year, the credit union also held open days, competitions and a coffee morning which included raising funds for the ILCU International Development Foundation. This was a very enjoyable morning with local



businesses helping out with entertainment for all the kids including Disney mascots and balloon modelling to name a few. In September, Ann

Keenan, a Board Director with Enniskillen Credit Union was one of the volunteers who visited the Gambia with the ILCU Foundation.

Enniskillen Credit Union was also delighted during this special year to welcome Kinawley Credit Union in a transfer of engagements.

New Office for North Longford & Arva Credit Union



North Longford & Arva Credit Union Ltd. officially opened a new office on Main Street, Arva, Co Cavan in late November. The decision to purchase the building was made following the closure of Ulster Bank in Sept 2017. The demand for additional services, increasing membership, privacy for members and additional staff made the decision an easy one. The new state-



of-the-art office will ensure that all of these needs are catered for. Members will benefit from an enhanced service experience when they are doing business with the credit union.

North Longford & Arva Credit Union looks forward to providing the same level of face-to-face, personalised and quality service to its valued members for many years to come.

Workforce
& Culture
Change

Performance
Management

Leadership
Assessment &
Development

Organisational
& Management
Review

HR
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HELENA BRODERICK
Managing Consultant

B.Sc. (IT and Maths), H.Dip.Ed, C.Dip.A.F, MBA, Cert Employment Law, Advanced Diploma in Executive Coaching, Master NLP Practitioner, Certified Mediator, Marshall Goldsmith Stakeholder Centered Coach



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