

CU Focus



The magazine of the **Irish League of Credit Unions** – Summer 2017

FIRST INTERVIEW WITH NEW ILCU PRESIDENT CHARLES MURPHY



**Towards
2030
Report**

**AGM
2017
REVIEW**



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Cover image:
ILCU President Charles Murphy with outgoing ILCU President Brian McCrory at AGM 2017.

CONTRIBUTIONS

Letters to the Editor / contributions may be submitted via email to editor@creditunion.ie.

Editorial

Cooperation - the power within

Waves of 50th Anniversary celebrations this year point to 1967 being a highpoint of credit union development across this island. The sheer bravery and creativity of ordinary young women and men in setting up embryonic savings and loan cooperatives in their parishes and towns was nothing short of inspirational local development, and the embodiment of the traditional "meitheal" which had helped sustain our communities for centuries previously.

The credit union idea was a reaction to an underlying social dysfunction and crying economic need - an innovative strategy to provide a solution for the people by the people. Opposition among the powers that-be must have been immense. Professional classes could surely never envisage such an amateur initiative succeeding. What they underestimated entirely was the supremacy of **cooperation** as a driver of social and economic change - particularly when aligned with the powerful **not for profit** ethos. What made us strong was our perfect focus on cooperation.

In 2017, we are told we risk fragmentation and dysfunction as a cooperative movement with external pressures tending to deflect us from what made us strong initially - cooperating among ourselves. It is striking though that our Republic of Ireland regulator publicly endorses the concept of shared services (aka cooperation) as the best option through which to develop the modern credit union services that our members need (aka Business Model Development).

At our recent AGM, a number of strategic decisions were made which have the potential to help us cooperate better, and on an ever-broadening basis. Our Home-Loan project, our CUCC centre of excellence, and the further development of our electronic payments platform are examples of building blocks in a collaborative approach towards solving common challenges - but so much more work needs to be done to leverage the massive potential that really effective cooperation could bring to our individually autonomous credit unions. The wealth of intelligence, knowledge, commitment, expertise and sheer love of credit union ideals which was apparent from our AGM delegates must somehow be harnessed more effectively if we as a movement are to chime and rhyme to our potential.

The ILCU is mandated to lead our movement, but within that mandate we are always open to new ideas and suggestions from any credit union, Chapter, activist or other groups who are working in the best interests of our movement as a whole.

It was interesting that at our recent very successful Cyber Security Summit, the threat of cyber-attacks from external entities brought absolute focus to the necessity to build a strong protective ring around our movement and to protect it from malicious external threats including ransomware and phishing attacks. No less real is our internal threat of fragmentation which could allow external forces to pick us off one-by-one. So, for all our sake let us circle the wagons on all fronts - let us challenge each other internally within the credit union family - so that we try to build a stronger and more unified movement.

Let us stick together now and not allow outsiders to hold us to ransom.

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CU Focus Interview:

ILCU President CHARLES MURPHY

What style of leadership do you bring to the role of President?

For me it is all about inclusion. I don't believe in one person having all the answers, instead I believe the answers to our most pressing challenges lie with the members themselves and the representative structures they belong to.

These structures run from individual credit unions, their Boards, to Chapters right through to the Board of the Irish League of Credit Unions (ILCU) itself. My style is one where I will be sensitive to the inputs from these different parts of the movement and be a messenger for those inputs while leading on implementation.

I would see myself doing a lot of listening, in particular to the grass roots of the movement. Ideas and solutions for me come from the bottom up, not the other way around. The challenge is to make sure those messages are transmitted and decisions taken by the Board are reflective of the wider movement. I think the President can play a large part in being the bridge between the members and the Board and making sure both are moving in lock step. To achieve this the ILCU Board Officers will work collaboratively. I look forward to working closely with Gerry Thompson, Vice President and Eamonn Sharkey, Treasurer. Together with the Board acting as a collective we will make a thriving ILCU.

My style is one of embracing democracy, in its purest sense, as this is ultimately what the movement is all about and why we have been so resilient for so many decades.

What are your main areas of priority for your term as President?

My candidacy for President of the ILCU was not run or based on a personal agenda I have for the credit union movement, but on respecting the role of the ILCU Board and the input of credit unions. I believe that a mechanism must be devised to give life and power to the Chapter structure. Establishing clearer, more coherent communication channels bottom-up and top-down is a key goal.



To use an analogy of a car; the credit union movement is the car and the fuel that propels it is credit unions. Without this fuel i.e. ideas, product development, productive engagement, two way communication, the car will stutter and stand still. The car will only respond, performance wise, to what is put into it. Together as a collective the ILCU Board will guide and steer the car down the road and avoid pot holes and cul de sacs. Leadership from the ILCU is important - however, if credit unions don't want to be lead a certain way it will not be fruitful. That is why I believe that collective leadership - the ILCU listening, and credit unions productively engaging with the ILCU, will allow the ILCU to more effectively respond to, guide and develop solutions for credit unions that they want and importantly that they will use and be invested in.

At AGM 2017 a motion was passed to enable the ILCU to use funding to set up a centralised mortgage system for affiliated credit unions. How important do you consider mortgages for credit unions and their members? How will it work?

Credit unions have members of all ages at differing stages of life and our membership base is growing. Members want a "cradle to grave" product range available at their credit union, and credit unions are responding to their needs by seeking to expand their loan services to encompass mortgages. Credit unions can play an important role in diversifying the current mortgage lending market which is sorely lacking in competition.

Home loans however are not a silver bullet to significantly increase the poor loans to assets ratio across the credit union movement. They are however, an alternative that will bring longevity and growth to the credit unions loan book. Home loans will generate a long-term source of reliable interest income for credit unions over the duration of the loan.

Following the decision at the recent ILCU AGM, funding will be made available for the ILCU to engage an shared-services provider, to assist credit unions with the administrative burden associated with mortgage lending.

The centralised services partner will provide support by managing technical, regulatory and other administrative requirements of the mortgage lending process. It is anticipated that this initiative will give regulators the comfort and confidence around increasing the long-term lending limits and will gain the 'earned flexibility' of the regulators safe in the knowledge that these home loan mortgage assets are granted to the requested standards.

The use of a central support mechanism will ensure that through volume and product development, home loans will assist in growing the credit union loan books in a risk aware and compliant manner.

Under this model of operation, individual credit unions will still be responsible for the lending decision locally and will directly offer the

I would see myself doing a lot of listening, in particular to the grass roots of the movement.

Charles Murphy, ILCU President



Left to right: ILCU Treasurer Eamonn Sharkey, ILCU President Charles Murphy and ILCU Vice President Gerry Thompson.

mortgage loan to their members. It will be a full-service mortgage solution that will meet all regulatory requirements without taking away the local autonomy of credit unions.

What are your views on the current regulatory environment in which credit unions operate in both ROI and NI?

I believe in a cooperative, constructive approach in dealings with the respective credit union regulatory bodies.

Through heightened and constructive lobbying efforts with both legislative and regulatory bodies we hope to achieve proportionate regulation that is cognisant of risk but that doesn't hinder or stifle credit union development, whether that be in Northern Ireland or the Republic of Ireland.

Regulation that ties credit unions hands is neither warranted nor welcome. With today's bank branch closures in both markets, consolidation of product providers to a few, credit unions can be a real alternative for people to be able to do their day to day financial business, and not just be for savings and small personal loans. With proportionate and appropriate

regulation this can be achieved. However the ILCU supports the recommendation of the Commission on Credit Unions in 2012 and the Credit Union Advisory Committee Review in June 2016 that a "tiered regulatory approach" should be adopted.

What are your views on the development of the credit union movement into the future? Are there any specific areas which you would particularly like to see developed and enhanced?

We need to be a viable, vibrant, local financial service solution for our members. Credit unions will respond by developing alongside the communities they serve so that they remain strong and provide a member service that is not only friendly, but also provides a product and service range that is relevant for all its members and is fit for members' future needs.

Key business development areas are; Expansion of Electronic Services provided by the local credit union, using technology more effectively to connect and serve our members and SME Lending Products.

Member service is still as important as ever, and will remain an important

priority especially as credit unions engage in transfer of engagements and as a result expand common bonds - sometimes in completely different geographical areas. Member service now is more than just face-to-face. Using technology more effectively in conjunction with our great one-to-one service, credit unions will remain connected with their members and thus maintain our esteemed and award winning member service.

Any final thoughts that you would like to share with readers of CU Focus?

The Irish credit union movement is one of the most successful in the world. Credit unions continue to be a vibrant and integral part of local communities because of their award-winning service, not-for-profit ethos, user ownership and democratic basics. Credit unions continue to change and diversify to meet their members' needs.

As credit unions we are by definition part of a cooperative family, and the day that we fail to live that reality will be a sad day for the movement. Our principle; "co-operation among co-operatives" reminds us that "going it alone" will inevitably lead to isolation and a weaker movement. We need our collective strength to ensure our individual freedoms.

I am immensely proud to take up the mantle as the new President of the ILCU. I very much look forward to working with the Board of an organisation that has such a long and proud history and that continues to provide invaluable support to credit unions the length and breadth of the country. For so long the Irish movement has been a beacon to the credit union world in matters of efficiency, local co-operation and collective action.

We will continue to further develop a vibrant, financially healthy credit union movement which provides a full range of services with the interests of the member at the heart of everything it does. I look forward to travelling with the credit union movement along the successful road it will continue to carve out for itself.

AGM 2017 REVIEW

The Irish League of Credit Unions' (ILCU) AGM 2017 took place at the Citywest Convention Centre in south Co. Dublin on Saturday 22nd and Sunday 23rd April. Approximately 1,000 delegates from across the island of Ireland attended the two-day event, where a wide range of motions crucial to the future development of the credit union movement were discussed and debated. Credit Union Youth Ambassadors, Gary and Paul O'Donovan, also attended the event and spent some time meeting delegates. They also took part in a very entertaining interview on-stage with RTE sports broadcaster, Darragh Maloney.



AGM opened with an address from ILCU President, Brian McCrory, who began by speaking about the strength of the credit union movement, its unique ethos and democratic values.

For over sixty years, volunteers have given their best to credit unions. Today from local communities and from places of employment, we gather, as one movement, for a single purpose. We are volunteers not for any selfish interest, or for any sectoral advantage. Our purpose is the public good. It is the promise we made when we joined the movement – to make the world a better place.

Today, across this island members are visiting credit unions, with savings, with repayments, and with loan applications. Every transaction, is a financial fact. More fundamentally, every transaction is a statement of social solidarity. In a world driven by atomisation and globalisation, membership based and democratic co-operatives can not only survive; they can thrive. The common bond of credit unions is our democratic basis. It is the democratic basis and the community connection that defines a credit union. It is a core value which makes us who we are.

Mr McCrory went on to highlight the unique aspects of the credit union movement:

Credit unions will not be submerged into a global financial ether where money flows unaccountably. We are fundamentally different. We are defined communities of savers lending to one another. We are not an open money market. We are a community based co-operative movement. We are democratic. We are credit unions. And, we will defend our ethos.

Let us take stock today of our strengths, as well as our challenges. We can take pride in surviving successfully but not



unscathed the financial crisis. Credit unions are an ideal that meets the needs of people more than ever. We enjoy the loyalty and the respect of our members. Savings are increasing again, and so are loans though not as quickly as we would like. Credit unions are a platform for the future. In tackling the scourge of money lenders, we are living up to our ideals in deprived communities and in hard pressed households. Today we stand ready to be a vehicle for lending for social housing, for lending to SMEs and for mortgages.

WOCCU Address

The guest speaker for AGM 2017 was World Council of Credit Unions' (WOCCU) Chairperson, Daniel Burns. In his address, Daniel pointed to the technological advances that the credit union must continue to embrace in order to best serve members.

While the pace of technological advancement appears both daunting and threatening, it represents the greatest of opportunities that credit unions have seen. Consumers demand multiple channels. There is still a role for the office, but we also need virtual and mobile channels. Consumers want financial, payment and purchasing convenience on one platform. Mobile



We are a community based co-operative movement. We are democratic. We are credit unions. And, we will defend our ethos.

makes this possible. Credit unions must offer multiple channels to grow...and the credit unions network needs to offer multiple channels on the scale necessary to compete with the big institutions that can offer the technology.

Mr Burns continued:

Our Purpose is timeless; helping people achieve decent, dignified and fulfilling lives through financial empowerment and security. Technology can permit us to breathe life into these principles in new and better ways. One of the principle lessons that we have learned is that we need to provide online and mobile channels for services to attract members, and in particular, young members.

Motions Passed at AGM

Following the opening speeches, the motions of the day commenced and

were debated energetically and in earnest by delegates.

Delegates voted in favour of a motion for the ILCU's Home Loan Working Group to use funds to develop a centralised support structure to assist with the administrative burden associated with mortgage lending

Under this model of operation, credit unions will be responsible for the lending decision and will directly offer the mortgage loan to members. The centralised support service will manage the administrative requirements of the mortgage lending process. The Home Loan Working Group has been working to develop a full-service mortgage solution that will meet regulatory requirements.

Expanding loan services to encompass mortgages has been a priority area for credit unions for some time and is



directly in response to significant demand from credit union members. Credit unions can now begin to realise their full potential - and provide a viable alternative to current mortgage lenders in a more significant way.

Delegates also voted to fund the widespread roll-out of an enhanced risk and compliance support, under the ILCU's dedicated Credit Union Compliance Centre (CUCC), to foster an even stronger organisational culture in risk management and compliance. The roll-out of a standardised approach to risk management and mitigation will be particularly important as credit unions seek to develop new services, such as mortgages.

An overwhelming majority voted in favour of extending the National Advertising Campaign (NAC) for 2018 and 2019, while a motion to provide further funding to CUSOP, the ILCU's electronic payment services company, to enable it to provide EFT services to credit unions on a wider scale, was also passed.

DCU academic and credit union researcher Dr Ciarán Mac an Bhaird also presented a new report, *Towards 2030 – Lending Opportunities for Credit Unions* on Saturday afternoon. The report found that there are 'considerable benefits' to the participation of credit unions in the 'highly concentrated' mortgage lending market. It also said credit unions

entering the market will especially benefit consumers who will see more competition and choice. (For more on *Towards 2030* see page 10.)

Olympic Medallists and Sporting Heroes at AGM

Credit Union Youth Ambassadors, and Olympic rowing silver medallists, Gary and Paul O'Donovan also paid a visit to Citywest to meet with delegates throughout the afternoon. The two champs were happy to spend time posing for photographs and signing autographs, before taking to the stage for a hugely entertaining interview with RTE sports broadcaster, Darragh Maloney.

The two regaled the room with their memories of their local credit union, Muintir Skibbereen Credit Union Ltd., and chatted about their determination to win gold at the upcoming World Rowing Championships in Florida in September 2017. Speaking about their role as Credit Union Youth Ambassadors, Paul said "We learned a lot about managing our finances through saving with our local credit union over the years. Being financially responsible was important for us and really helped us along the way, and we feel this is an important message to communicate to young people."

Gary added "We've had such great encouragement and support from young people we've met all over Ireland—and being Youth Ambassadors for an

organisation that encourages young people to become financially independent is a way for us to give something back to them."

Delegates were extremely enthusiastic in their response and were moved to a standing ovation at the end of the interview.

Day Two of AGM

On the second day of AGM, Charles Murphy was elected as the new ILCU President. Gerry Thompson was announced as ILCU Vice-President while Eamonn Sharkey was named ILCU Treasurer. Board members Nick Cashin and Pat Fay, and Supervisory Committee member Michael Doyle, were thanked for their years of contribution to the ILCU, as their retirement was announced. Michael Cogley replaced Mr Doyle on the Supervisory Committee while Helene McManus and Joe Mulvey joined the ILCU Board.

Delegates also heard from guest speaker on behalf of the ILCU Foundation, Solomon Mwongyere, County Manager in Sierra Leone, who gave a presentation on how the ILCU Foundation is helping to rebuild sustainable credit unions after the 2014 Ebola outbreak in West Africa. He also made an appeal to Irish credit unions to enable the ILCU Foundation to continue to support their partner countries in the future.



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TOWARDS 2030

Lending Opportunities for Credit Unions

A new report titled *Towards 2030 – Lending Opportunities for Credit Unions* was presented to delegates at the Irish League of Credit Unions (ILCU) AGM 2017. The report was written and compiled by DCU academic and credit union researcher Dr Ciarán Mac an Bhaird, who also presented the key findings of the report at AGM.

Summarising the in-depth report, Dr Mac an Bhaird said;

“The Irish credit union movement has undergone considerable change over the past five years. The number of credit unions has declined by over a quarter. There are now less than half the number of small credit unions as there were five years ago, and the number of large credit unions has doubled in this period. More importantly, the amount of assets under management by the largest group has almost doubled, and they now account for almost half the assets under management by the whole sector.

This consolidation has accelerated significantly in the past two years, and this pace of change is expected to continue in the near future. The movement has thrived since the financial crisis, and the Irish public have shown great trust in credit unions, as members’ funds have increased by 18% in the past five years. Costs have declined by over 25%, and there has been a decline of over 60% in the amount of loans written off. The long term arrears ratio has fallen below 9% - a remarkable achievement when compared with the level of non-performing loans in the three main domestic banks, which is approx. 15%.

Challenges remain, however. The average loans to assets ratio has fallen to 26%. A prominent feature of credit union loan books is the lack of diversification in lending, and credit unions need to increase the amount and term of loans. The report analyses four proposed initiatives for investment by credit unions; mortgage lending, social housing investment, loans for small and medium sized firms and an expansion of the Personal Micro-Credit Scheme. Each initiative is evaluated and appraised in the context of the credit union ethos. The report concludes by suggesting appropriate steps for policy makers, the regulator, and credit unions.”

Four key areas of investment opportunities for credit unions

The report identifies mortgages, social



housing investment, corporate loans for small and medium sized firms and an expansion of the successful Personal Micro-Credit Scheme ('It Makes Sense' loan) as the four main areas in which credit unions can diversify lending. The findings are summarised below;

• **Mortgages:** Engaging in residential mortgage lending is a relatively efficient solution to increasing loan to assets ratios in the short to medium term, and to diversifying credit union loan books by issuing larger loans of longer maturity. The ILCU is working on a model of mortgage lending that meets the approval of the regulator, and is attractive to credit unions willing to expand into this market. Experience from credit union movements in other countries is that regulatory reform is required to facilitate mortgage lending by credit unions. Participation of credit unions in mortgage lending has considerable benefits in diversifying and strengthening the financial system, and in providing competition and choice for consumers, as the residential mortgage lending business in Ireland is highly concentrated.

• **Social Housing:** The ILCU, in response to a request from Government in November 2014, contained within the Social Housing Strategy 2020, submitted a detailed

proposal on credit union funding for social housing. The most pressing requirement to facilitate the financing of social housing is a change in the regulatory guidance to expand investment schemes for credit unions. The report highlights the fact that there would be significant efficiencies for credit unions with this funding - and that the amount and duration of the funds would result in greater returns for credit unions as they would be significantly larger and longer than typical credit union loans. The Central Bank has recently published a consultation paper on potential changes to the Investment Framework for Credit Unions which includes a proposal to allow credit unions to invest in Approved Housing Bodies.

• **SME Lending:** The ILCU proposal to increase lending to the small firm sector is well founded on international evidence that community based credit unions have access to local knowledge, which gives them a much better understanding of the risk profile of their customers. This type of knowledge is particularly valuable when lending to small firms that are without access to collateral, including tangible assets and receivables. The report recommends that a pilot-lending project be established specifically targeting lending at small and micro-firms. The focus would be on loans of €10,000 - €20,000 with appropriate lending objectives and targets agreed with the regulatory authorities.

• **Personal Micro-Credit (PMC) Scheme:** Personal micro-lending to the financially excluded under the PMC Scheme is an area in which credit unions can further build on their success to date. While providing financially vulnerable people with a viable alternative to moneylenders, the scheme has also resulted in an increase in credit union membership. 43% of borrowers have joined credit unions to avail of the loan. While this initiative has tremendous social and community benefits, credit unions do not enter into it to improve profitability but rather to uphold their ethos of community self-help and development.

CU Focus meets RTE Sports Broadcaster DARRAGH MALONEY

Popular RTE Sports broadcaster and commentator Darragh Maloney interviewed Credit Union Youth Ambassadors Gary and Paul O'Donovan at AGM 2017. The hugely entertaining interview was very well-received by delegates at AGM, who gave all three a standing ovation. CU Focus found some time backstage at AGM to have a quick chat with Darragh about his spending habits, budgeting skills and his number one passion – sports!

Did you always want to be a sports broadcaster?

I always wanted to be a broadcaster for sure but I wasn't sure if I would get into sports broadcasting. I have always been a sports-nut so when the chance came up to have a go at it, I jumped at that. I suppose I watched so much sport on TV when I was younger, that it was normal to be drawn to the presenters and the commentators and what they did.

What is your favourite aspect of the job?

That's an easy one! I get paid to go to major sporting events and sit in the best seat in the house and get the views of former players and managers who know exactly what it is like to play in an All-Ireland Final or an FA Cup Final or even in a World Cup Final!

What would be your least favourite aspect?

I really don't dislike anything about what I do. Sometimes the unsociable hours and working at weekends can be an issue but my family are well used to that now and we can always work around it.

What is your favourite sport or sports event to cover/commentate on and why?

I am very lucky that I cover a few sports – but soccer and GAA are my main ones. Last summer was fantastic with the Republic of Ireland at the Euros and doing well too! Each match was a major national event and to be involved with that was very special. I also did the commentary on RTE Radio One for the All-Ireland Senior Football Final between Dublin and Mayo and that was an incredible experience also.

Who is your favourite sports star of all time?

With that question, I would not even know where to start! I would have a very long list and would not be able to give you my favourite of all-time. The likes of Diego Maradona, Matt Connor, Jack Nicklaus, Eamonn Coughlan, Ayrton Senna, Lionel Messi and loads more are there – but I could not possibly give you a favourite one!



What sporting event are you most excited about for 2017/2018?

Well the GAA Football and Hurling Championships are always special and RTE will be covering them again this year on TV and Radio. Looking ahead to 2018, I am really looking forward to the FIFA World Cup in Russia. Hopefully, the Republic of Ireland will be there and that would be a brilliant experience for the whole country if they get there.

Do you still manage to enjoy watching sport in your downtime or does it feel too much like work?

I have to say I would watch nearly all sports when I can and it never feels like work. Sure, there is an aspect of having to watch some events so you are able to involve yourself in the conversation at a later date, but I just love sport and will watch most things.

What would you say is the single most pronounced change in the Irish sports world since you started your career?

There have been lots of changes in Irish Sports but for me the developments in technology have been the most striking. The coverage on television and radio is far superior now and with social media, viewers and listeners can be involved in the event as it is taking place and then afterwards, when it is being analysed.

Could you describe your relationship with money? For example, would you have been good at saving from an early age or would you be more of a spender who saves only when necessary?

I would have an "ok" relationship with money. I have never been the best saver in the country and would have to describe myself more of a spender than a saver. I did start my pension at 20 so that has to count for something doesn't it?

How would you describe your spending habits – are you a prudent spender or do you tend to buy on impulse?

That would be a bit of both really but I did tend to "impulse-buy" in the past but now that my three children are older, they have cornered the market on the impulse-buying thing!

What is your best purchase you have made to date and why?

My best purchase would have to be my house. We bought it 17 years old in Co. Meath and while the commuting can be a hassle, we just got in the market before things got crazy. It's so hard for couples and families to get a home they are happy with, in a place they are happy with so that is my best purchase to date.

What would be your most regretted purchase and why?

I have to say I have not bought anything crazy although I am at that age where a Harley Davidson could be an issue! No, I am only joking. If I did impulse-buy anything, it would be small enough and would not do too much damage to the monthly household budget.

How disciplined are you at budgeting for events such as Christmas and family holidays?

I would be pretty good at budgeting for Christmas, but you can always be better and plan in advance for it. My son Jack is making his Communion this year so we have been putting a few quid away every month for that. Holidays with me tend to be tricky because a lot of the major events we cover are in the summer months. We didn't do a family holiday last year as RTE had the rights to Euro 2016 and the Olympic Games and I managed to squeeze some GAA in between the two events also!



Focus on ...

Beragh Credit Union Ltd

SOWING THE SEEDS OF THE CREDIT UNION

The weeks of 1974 were among the most challenging in modern Irish history, but in the parish of Beragh, it was also a time when people came together. It was during a meeting in St Mary's Hall that year that Beragh Credit Union Ltd was formed. It hadn't been a rash decision.

Jack McCann had been the first advocate of a credit union locally, but remembering old tales of failed banks in the locality, he was initially hesitant about the idea. The caution resulted in almost two years being spent in a study group sowing the seeds of a credit union. The first meeting to discuss the concept took place on November 3rd 1972.

Alongside Jack McCann, among those present were Frank Horisk, Packie Kelly, Seamus Rodgers and Jack Woods. That inaugural meeting led to another and eventually a study group was formed.

Armed with Irish credit union pioneer Nora Herlihy's booklet, the Standard Rules of Credit Union and literature from the Irish League of Credit Unions (ILCU), study began.

The credit union movement was already thriving in most local parishes in mid-Tyrone by the early 1970s, so there was no shortage of help. Assistance for Beragh Credit Union came from neighbours in Termonmaguirk, Fintona, Moyenir and Pomeroy. There was also help from Chapter 4, with guidance from Jack O'Hare, Armagh Credit Union Ltd and Bill Curran. ILCU Field Officer Jack Gorman also ensured the foundations being laid were well supervised.

DEVELOPMENT OF THE CREDIT UNION

Beragh Credit Union's first secretary, Jack Woods, proved a real tower of strength and a great organiser.

As a local teacher, he organised a strong team of young local tellers, while the Board of Directors also did their share of work in the office. On formation, Beragh Credit Union had

shares of £5,078 from savings gathered by the study group. The main office would take pride of place at 43 Main Street, Beragh, but a sub office was also opened in nearby Sixmilecross, reflecting its importance in the parish. Later, premises were purchased at number 46 Main Street, Beragh.

The team of Jack Woods, Paddy Bogan, Jack McCann, Ann Gallagher, Mary Tierney, Louis McNamee, Frank Horisk, Eugene McNelis, Brigid McCrystal, David Mullin, Liam Magee, Barney O'Neill, Hugh Colton, Jim Donaghy, Seamus Rodgers and later Joan Gallagher were second to none. The supervisors at this time were Francis Donnelly, Mary Rodgers and Francis Broderick. With the volunteer effort of a group of local members, a renovation of the office was carried out. Taking the advice of Jack Gorman, Beragh Credit Union entered the Credit Union Cup. It took a few valiant efforts before success eventually came in 1981. Four years later in 1985, a member was appointed as an employee when Joan Gallagher became a part-time manager.

In the years that followed, Beragh Credit Union faced down the typical problems common within the credit union movement. The introduction of a loans policy helped matters and by 1995, shares had grown to £602,600. The modern era saw Beragh Credit Union embrace computerisation as an essential component.

The Board purchased a system from ICE Computers in Galway.

MILESTONES FOR BERAGH CREDIT UNION

By 1997 the branch achieved the landmark total of £1,000,000 in shares. There was plenty of opportunity to bask in the success years later when Beragh Credit Union celebrated its silver jubilee in 1999. The silver jubilee year would also be the year when Kathleen Rodgers became manager.

Advances in technology required yet more change, and in 2007 the



Kathleen Rodgers and Joan Gallagher



Frank Owens, Gerard Hackett and Seamus Rodgers at the opening of the renovated offices in 1991.



Celebrating 40 years of Beragh Credit Union



Beragh Credit Union Staff, Kathleen McElduff, Rosemary Loughlin, Bridget Meenagh and Susan Grimes.



The current Board of Directors of Beragh Credit Union

computer system was updated once again, this time with the help of Langford Computer Services. The continued growth and success of the branch prompted Beragh Credit Union to once again move to refurbish its Main Street premises. Guest of honour for the opening of the beautifully refurbished office on Credit Union Day 2011, Mr Jimmy Johnstone, ILCU President, congratulated Beragh Credit Union on their achievements and wished it every success in the future.

On hand to help unveil the all new office were two of the founding directors, Louis McNamee and Mary Tierney, both of whom are now sadly deceased.

Beragh Credit Union passed another milestone in 2014, when League Treasurer Rosemary O'Doherty paid members a visit for a memorable night to help celebrate the 40th Anniversary. Although there has been much to celebrate, like many financial institutions around the country, Beragh Credit Union has felt the effects of the financial depression, which depleted credit unions severely in Ireland and elsewhere.

The Board of Directors has made efforts to counteract the crisis, adopting the following strategies; publicity in local press and on social media sites, updating loans policies, maintaining a 35% loan interest rebate, sponsorship of local community efforts and sports events,



The 1991 Board of Directors. Back row; Louis McNamee, Pat Munroe, Francie Grimes, Paddy Mullin, Eugene McNelis, Gerard Hackett, Paddy Bogan. Front row; Ann Gallagher, Claire Rodgers, Seamus Rodgers, Mary Tierney, Fanchea Donnelly, Siobhan Mullin

contacting inactive members and speedier decisions on loans.

These and other developments, such as DBI of £2,000, education of staff and officers and use of ILCU publicity methods have helped the growth of loans, shares and membership. Such measures have ensured that smaller co-operative agencies can survive in local communities despite the pressure of high finance and the juggernauts of modern economy.

BERAGH CREDIT UNION LOOKS TO THE FUTURE

The success of the credit union also depends greatly on its staff. Over the

years the staff of Beragh Credit Union has provided an excellent service, and our present personnel of Bridget Meenagh, Rosemary Loughlin, Kathleen McElduff and Susan Grimes have proved themselves to be very competent in their duties at a time where there are more stringent requirements from the regulators, and in their commitment to the credit union.

Beragh Credit Union can now look forward to the future with faith in its members and the aim of service to the community. Today shares are £4,538,943 and loans are £1,869,315 with membership standing at 1,837 and growing steadily year on year.

2017 GRAND FINAL OF CREDIT UNION ALL IRELAND SCHOOLS QUIZ A HUGE SUCCESS

The RDS Arena, Dublin played host to the Grand Final of the 2017 All Ireland Schools Quiz. 400 schoolchildren who made it through to the national final arrived at the venue with their parents, siblings, teachers and other supporters for an action-packed day.

They had an opportunity to meet Credit Union Youth Ambassadors and Olympic Champions, Gary and Paul O'Donovan, have their faces painted, join in the fun in the games area and listen to some great music by DJ and MC Lorcan Murray. And that was all before the Quiz itself got underway with this year's Quizmaster, radio and television personality Aidan Power, showing no mercy with the questions!

In the end, Donard National School (Co. Wexford) and Kilmacrennan National School (Co. Donegal) were crowned the national winners following 12 nail-biting rounds. They beat off stiff competition from 98 other competing teams to claim the titles. The details of the winning teams are as follows:

Competition A Winner: Under 11 years of age: Donard National School, Clonroche, Co. Wexford representing Enniscorthy Credit Union (Shane Kehoe, Leah Murphy, Bridin Quigley, Cormac Fleming).

Competition A Runners-Up: Holycross National School, Tramore, Co. Waterford (Scott Connerty, Laura Geary, Caoimhne Daly and Evan O'Shea).

Competition B Winner: 11-13 years of age: Kilmacrennan National School, Co Donegal, representing Letterkenny Credit Union (Thomas Cannon, Eoghan Quinn, Ronan McGinley and Eilis Russell).

Competition B Runners-Up: Scoil Mhuire, Dungarvan, Co. Waterford (John Power, Kate McKeon, Crea Frisby and Emily Fahey).

The hotly contested All Ireland Schools Quiz is run by the Irish League of Credit Unions (ILCU) each year and attracts more



Some of the finalists took the questions in their stride



Credit Union Youth Ambassadors Gary and Paul O'Donovan were a big hit with Schools Quiz finalists

than 25,000 participants. The local and regional knockout rounds were organised by volunteers from 400 ILCU affiliated credit unions, and took place in over 300 venues throughout the 32 counties over the winter months.

The 100 teams who made it through the first gruelling rounds to the grand final forgot the nerves for a few hours when the O'Donovan brothers arrived. The Olympic silver medallists, who are fronting the ILCU's 'Inspiring the Next Generation' social media campaign, joined in with some of the pre-Quiz fun and games and also took to the stage to hand down some words of encouragement to the youngsters.

Speaking at the event, the then ILCU President Brian McCrory said "Every school child who participated in all rounds of the Credit Union Schools Quiz this year should be hugely proud of their achievement. I would like to congratulate each and every one of them, along with their teachers and parents, for the time they dedicated and the effort they demonstrated. A special word of congratulations must be given to all of the 100 finalist teams. Making it to the national final takes a huge amount of effort and they should all be extremely proud. The competition was fiercely fought in the end and our four winning teams are extremely deserving of the title. I hope all of the children who participated enjoyed the event as much as those of us spectating did."

Mr McCrory continued "For 26 years now the ILCU has run the Schools Quiz because we see it as an important way of nurturing and developing children's social, research and team-work skills and abilities. The numbers taking part in the quiz each year is a testament to its continued popularity in communities throughout Ireland and I would like to thank all of the volunteers who gave of their time to make this year such a success."

The questions for the All Ireland Schools Quiz are compiled each year by primary school teachers and cover topics such as geography, history, music, literature and sport. The event is a popular fixture on the annual schools' calendar and aims to encourage and develop teamwork and collaboration between schoolchildren.



Above; Some of the finalists feeling the pressure. Left: Quizmaster Aidan Power with Youth Ambassador Gary O'Donovan.



The winning team in the under-11 years category from Donard National School.



The winning team in the 11-13 years category from Kilmacrennan National School.

What's In A Name?

Several credit unions have opted to rebrand and re-name in the past number of years. These decisions are usually prompted by mergers and Transfer of Engagements, but importantly, they have also afforded credit unions the opportunity for a fresh new brand to reflect their progression and development in their local communities.

While rebranding can oftentimes prove to be an extremely successful undertaking, for instance lending a new appeal younger generations, it's important that any name-change or re-brand adheres to the essence and ethos of the credit union movement.

Credit unions have an extremely good brand presence and recognition the length and breadth of the country. The hugely recognisable and very well-liked 'hands and globe' logo are an intrinsic aspect of the movement and one that resonates very well with members. Any re-branding process should take this into consideration.

Credit unions have also been rated as the best organisations for customer experience in Ireland, topping the national customer experience CXi Consumer Insights Poll for the past two years. This clearly shows that the credit union brand is synonymous with empathy, personalisation and integrity – and these important attributes should also be taken into account when considering a re-brand.

Carol Dempsey, Marketing & Business Development Executive at Peoples First Credit Union Ltd (Portlaoise, Abbeyleix, Stradbally and Ballinakill Credit Unions), which recently re-branded, says they found it really helpful to reach out to members and get them involved in the decision for a new name. "Members have a very strong connection to the name of their credit union and everything that it stands for and we wanted our members to have a full say in our new name choice. We had comment boxes in each office and ran a competition for





members with their suggestions for a new name. We also connected with students in local secondary schools and offered an IPAD as a reward for the best name. At our AGM, we brought forward the best suggestions for members to vote on - and from there our new name 'People First Credit Union' was born."

Ms Dempsey says that their re-branding exercise proved very successful, with positive feedback from members "It was an opportunity for lots of marketing and events, and because of that our members quickly got to know our new name. Our brand recognition is much stronger since we changed our name, we had so much publicity surrounding the choosing and launch of our name, backed up by social media, paper and radio advertising.

For us the main benefit is that our members know that they are at the forefront of our decisions. It made us closer to our members, involving them in each step along the way to make it a community project."

Jennifer Finnegan, Marketing & Business Development Officer with South Dublin Credit Union Ltd (Stillorgan and Donnybrook Credit Unions), agrees that a name-change can be an extremely positive step to take – as long as the already-established values and identity of the credit union are taken into consideration. "Stillorgan Credit Union merged with neighbouring St Mary's Credit Union in Donnybrook in March of this year. We wanted a new title that would better represent the membership of both localities. Both credit unions had worked hard to establish themselves and serve their local community and we wanted to keep the new name in line with this 'common bond'. We feel that the name 'South Dublin Credit Union' is a good reflection of who we are. The main benefit of the name change is that we are moving forward as a complete new entity that is committed to retaining the focus both establishments traditionally had in their respective communities. The name represents a



fresh start and a new era for both credit unions, but we feel it also re-establishes our focus and commitment to working with and for the local community."

Even though the credit union is embarking on a new name and a new era, Ms Finnegan said the credit union felt it was important to retain the hands and globe logo: "We have always felt that the hands and globe logo is a fantastic brand logo. It's so easily identifiable and we are lucky to have a brand that is instantly identifiable worldwide."

Assistant Manager with KRD Credit Union Ltd (Kilrea, Rasharkin and Dunloy Credit Unions), Karol Doherty says the credit union decided to abbreviate the name of their three credit unions, and then put this motion to members at AGM. The move has proved very constructive. "The abbreviated name has definitely been better for marketing purposes, as it's much catchier. By using the abbreviation we also ensured that we encompassed our expanding common bond into the new title. The new name has proved to be appealing to prospective members and has made KRD Credit Union more inclusive within our common bond."

The decision to re-name can be a very effective way to represent the image, plans, and identity of a new credit union, particularly following a merger or Transfer

of Engagements. This was how Brian Howard, Marketing & Business Development Officer at Progressive Credit Union Ltd (Balbriggan, Baldoyle, Donabate, Glasnevin, Rush, Skerries and Swords-Rivervalley Credit Unions) viewed their decision to re-name. "It's proved effective in creating new taglines and slogans for advertising campaigns - strengthening the brand.....there has been feedback (from members) that the name reflects our product development and involvement in the community. It's important to take into account a name that is appealing to the members, and allows personalisation through advertising and branding."

Carol Dempsey at Peoples First Credit Union has these last words of advice for any credit union considering a name change; "Start from the beginning 'go back to basics', do your research and create a vision for where you would like to see your branding for your credit union in 10-20 years' time. Talk to your members. It is their credit union at the end of the day. Make sure you give yourself realistic timelines across the board for everything to come together. For example, coordinating delivery of materials, staff getting used to answering the phones with a new name etc. Relish the moment when you make the change and enjoy celebrating with your members!"

First Choice Credit Union Ltd Celebrates 50th Anniversary

The growth of First Choice Credit Union Ltd from its small beginnings in Castlebar, Co. Mayo in 1966 to one of the largest community credit unions in Ireland has been a storied one. A huge testament must be given to the ongoing loyalty of its members, the efficiency and courtesy of its staff, and the dedication and hard work of the many volunteers who have devoted their time over the last 50 years.

It all began one evening just over 50 years ago, when a group of people discussed the possibility of starting a credit union in Castlebar. Several founding members were also members of the Legion of Mary, many of whom were in frequent contact with their fellow Legion members in Westport; who had successfully started a credit union savings group in 1964. It was then decided to investigate the possibility of doing likewise in Castlebar.

A meeting was organised in the parish centre which attracted a large group of interested people. From that May meeting the following volunteered to start a savings group in the parish centre each weekend: Tommy Byrne (RIP), John Cashin (RIP), Paddy O Toole (RIP), Joe Keane (RIP), Larry McHale (RIP), Greg McDonnell (RIP), Michael Carney (RIP), Liam Cronin (RIP), Pat Ward (RIP), Frank Durcan, Jimmy McHugh, Denis Ludden and Jack Loftus.

The credit union group grew year on year in strength and numbers. The savings group proved to be so successful, it was decided to look for a more permanent collection point. As luck would have it there was office space available in Eddie Cannons pub on Market Square. The credit union continued to thrive at an exponential rate and it became obvious a much bigger office was required to service the needs of its members. In 1976, the house next door to Eddie Cannons pub was purchased by the Board of Directors and in 1978, the credit union built its first office. As the business continued to grow, the office was extended in 1991 followed by a further extension in 1996.



The 50th Anniversary Organising Committee. Back row; Jimmy Murphy, John Bourke, John McTigue, John Walsh, John O'Brien. Front row; Denise Kinsella, Jack Loftus, Patricia Walsh.



Above left: Outside the credit union at Eddie Cannons

Above right: Some of the founder members of First Choice Credit Union, Jack Loftus, Seamus Cashin, Michael Carney, Paddy O'Toole, Joe Keane, Greg McDonnell, Larry McHale



Left: The new First Choice Credit Union building at Castlebar



The 1996 Official Opening

The most recent extension, which was officially opened on 25th November 2016, is further evidence of First Choice Credit Union's endeavour to provide its members with a first-class financial services.

In the true spirit of co-operation among co-operatives, in recent times the credit union has welcomed the former members of Ballyhaunis and Achill Credit Unions Ltd. In August 2016, to reflect the wider demographic of the membership, Castlebar Credit Union changed its name to 'First Choice'. This marked a new era for First Choice Credit Union - but its purpose remained the same as it did over 50 years ago, i.e. to provide inclusive access to financial services at a fair and reasonable rate. A new name perhaps, but, the same credit union principles and the same super service.

The challenge for the credit union now is adapting the business model in a rapidly changing landscape, while maintaining the credit union ethos, and keeping members' needs and the security of their savings at the centre of all decisions.

The credit union will continue to find ways of better serving its members and will deliver on the changing expectations, particularly of the younger generation and the potential members in the years to come. The environment within which credit unions now operate includes increased regulatory requirements and engagement, and fast paced innovation in

the financial and technological sectors generally. The pace of change has been particularly marked in the past 10 years in technology, and increased digitisation of retail financial services means members now expect the same high quality services delivered via multi-channels as well as convenient access 24/7.

First Choice Credit Union has embraced these changes and membership continues to grow. Where traditionally all business was done at the counter, through the application of innovation and technology the credit union now delivers a suite of banking services via the website and mobile app. Members can transfer funds and avail themselves of payroll deduction, standing order, direct debit and electronic fund transfer services. Members can also apply for loans online via the website. These online services are quick and convenient, extremely user friendly and becoming the transacting method of choice for a large percentage of the population.

For members who prefer one to one personal service, the credit union maintains a strong office presence with a wide geographical spread across the county in Castlebar, Balla, Ballyhaunis, Achill and Carnacon. Indeed, the new name, First Choice Credit Union was chosen to better represent all of the credit union members in the now expanded common bond.

Further developments in services, through for example, the provision of a

full payments account and debit card, are currently being researched and prudently considered by the Board and management.

Finding the most appropriate, reliable, secure and viable solution for the long-term welfare of the membership is at the core of the credit union's decision making. First Choice Credit Union continues to be committed to providing quality financial services in the community sphere, dedicated to serving its membership in an efficient and professional manner, to provide value relative to cost while enhancing members' financial health and quality of life, through the application of innovation and technology accessible 24 hours a day, seven days a week.

The key challenge for First Choice Credit Union, and all credit unions in the years ahead, will be leveraging the sector's capital strength and the trust of its members to gain market share. This will be crucial in enabling credit unions to continue to deliver quality, affordable financial services to the communities they serve while holding true to the central values of equality, inclusiveness and mutual self-help.

A personal service with the members' needs at the heart is crucial to everything First Choice Credit Union does. Time may have moved forward, technology may have advanced and the numbers may have grown, but the members' needs remain fundamentally the same.

CUSOP

CUSOP GROWTH

With 117 credit unions live on CUSOP's EFT platform, the number of transactions processed for members will shortly exceed 10 million (see chart).

More credit unions are in the process of joining throughout Ireland. CUSOP enables credit unions to broaden their range of services on offer to members. This should help to attract new members and potential lending opportunities.

JOIN TODAY

Benefits of joining

- Access to payment schemes:
 - Republic of Ireland (ROI) credit union members access the Single Euro Payments Area (SEPA).
 - Northern Ireland (NI) members access the Bacs and Faster Payments Schemes for EFT's throughout the UK.
- Cost Savings & Efficiencies:
 - Potentially lower bank charges for the credit union.
 - Automation can free up resources.
 - Direct debits can facilitate regular savings, loan repayments and bill payments.
 - Easy reconciliations using online access to settlement account using Danske eBanking.
- Improved service to members:
 - Salaries, welfare and pensions paid-in directly provides members with faster access.
 - Using CUSOP and services of your ITSP can enable online and mobile connectivity for members.

SWITCH TODAY

Switch to Your 'credit union owned' EFT platform

The switch-over to CUSOP has already been done by a number of large credit unions, so the process is well proven. BIC and member IBANs do not change when switching, and the knowledgeable CUSOP team works closely with credit union staff to always ensure a successful transfer. CUSOP can also put you in touch with credit unions who undertook the transfer and would be happy to share their experiences. If your credit union switches to CUSOP, the operations



team will carefully guide you along the way. They are available to meet you and your Board at your convenience.

YOUR VOICE

User Group Meeting

CUSOP's recent User Group meeting took place on 29th March 2017, in Athlone at which a business and financial update was provided in addition to developments in Northern Ireland, the benefits of using Direct Debits and EBA Minimum Security Guidelines.

Amongst the items covered on the day was a regulatory update on PSD2. Those present were briefed on the implications of PSD2 for credit unions and the ILCU/CUSOP submission to the Department of Finance in response to their public Consultation Paper on national derogations. The Department of Finance subsequently published the derogations and CUSOP is pleased to advise that the Department of Finance agreed with the ILCU/CUSOP position that credit unions should be exempt initially from certain elements of PSD2. Further details on PSD2 for CUSOP credit unions will be provided.

The meeting was also briefed on the Member Personal Current Account Service (MPCAS) project and the current MPCAS application process. CUSOP is in discussion with a number of credit unions to progress applications.

These meetings are an opportunity for CUSOP and credit unions to share information. There was a very good discussion on the day which allows CUSOP to obtain valuable feedback from

credit unions, address concerns and take account of customers' needs, which is CUSOP's primary objective.

CUSOP would like to thank all credit unions for their tremendous support for CUSOP at the recent ILCU AGM.

CUSOP STRENGTH

Most recent new Joiners

CUSOP recently welcomed on board the following new users:



CUSOP



Clockwise from the top: Section of audience at CUSOP Users Group meeting in Athlone, CUSOP at Fern Software seminar in Belfast, CUSOP with the O'Donovan brothers Credit Union Youth Ambassadors at the ILCU AGM 2017, CUSOP at Oakwood seminar in Omagh.



Credit Unions said this about CUSOP...

"We will shortly be coming up to our third anniversary of on-boarding. Both CUSOP and our IT suppliers, Wellington, have worked together to enable us to significantly expand the payment options available to our members, while at the same time allowing us to automate many of our back office operations. We found the initial process and the subsequent add on of new services, such as Direct Debits, to be quite seamless. We look forward to working with CUSOP and Wellington in the future as we seek to deliver additional services and payment options to our members in the most cost effective manner. It would not be possible for us to provide the choices that our members demand without CUSOP and I would encourage any credit unions who have not already done so to join"

Des Morrissey CEO, Tallaght West Credit Union Ltd – February 2017

"We were one of the first credit unions to use CUSOP in 2014, initially for outward credit transfers and subsequently we were the pilot credit union for direct debits, in March 2015. The CUSOP team made the transfer very smooth, being available on site in our office for training alongside our ITS provider Wellington, for conference calls and always at the end of the phone if needed, no matter what the query. Through our partnership with CUSOP, it has allowed us to provide key additional services to our members. We feel that this has led to an increase in our membership in recent times, enabling us to provide new services that are required across the board for all age groups. Providing these new services has put us at the forefront of the financial services industry and put us on a level playing field with mainstream banks. We would highly recommend CUSOP to any credit union who would like to advance to the next level."

Peter Walsh, Manager, New Ross Credit Union Ltd – January 2017

"Carrickmacross Credit Union Ltd joined CUSOP in February 2014 offering our members the facility to transfer funds through Credit Transfer. In August 2015 we enhanced these facilities by offering our members Direct Debits. The transition to CUSOP ran smoothly. CUSOP transferred our old BOI Standing Orders automatically to the IBAN process, which reduced our workload. The daily operation of transactions and the reconciliation runs smoothly. Each week we can see the increase in our CUSOP transactions, which indicates the convenience of the service for our members.

The back-up support is excellent, there is always someone at the end of the phone to resolve any query in a fast and efficient manner. CUSOP also facilitate User Group Meetings giving us an opportunity to learn of any updates being rolled out and the opportunity to interact with other CUSOP Users. We look forward to the introduction of Debit Cards from CUSOP as another service we can provide to our members."

Noleen Byrne, Member Services Officer, Carrickmacross Credit Union Ltd – February 2017

TEACHERS' UNION OF IRELAND CREDIT UNION LTD MARKS 50TH ANNIVERSARY

BEGINNINGS

This year the Teachers Union of Ireland Credit Union Ltd celebrates a significant milestone. It is the credit union's 50th Anniversary operating as a "not for profit – but for service" financial services provider to members of the Teachers Union of Ireland and their families.

With the enactment of the Credit Union Act in 1967, vocational teachers in the Electrical Installation Department in Kevin Street, Dublin, saw huge benefits in setting up a credit union for teachers. It cost half a crown to become a member and one pound sterling a month thereafter. The first president of the Vocational Teachers Credit Union Ltd (VTCU) was Peadar Halpin, and Liam Trundle acted as secretary/treasurer. In the same year the credit union was invited to occupy an office at TUI headquarters at 73 Orwell Road.

Within a year, it became a registered credit union.



The first Board of TUI Credit Union. Back row; P. O'Shea, J. Duffy, J. Cahill, P. O'Dúill and B. Damery. Front row; L. Trundle, P. Halpin, D. Harley and J. Lavelle

TUI CREDIT UNION LTD TODAY:
TUI Credit Union was the first Teachers' Credit Union to be established.

Total Membership: 5,000

Assets: €35 million

Savings: €28 million

Loans: €15 million

Staff: 5

FIRST MEETING

The first meeting of VTCU took place on Saturday 16th September 1967 at Orwell Road. The Security Fund of the trade union agreed to kick-start the venture with a substantial loan of £5,000.

It was agreed that VTCU would be a separate entity and was to be distinct from the teachers' trade union proper. By the end of 1968 there were 97 members in the credit union and shares stood at £2,594 with 47 outstanding loans. Today the active membership is in excess of 5,000.

In 1975, VTCU changed its name to the Teachers' Union of Ireland (TUI) Credit

Union Ltd. The advent of deduction-at-source salary started in the early 1970s and the work of the credit union progressed quietly during the decade.

THE 1980s

In 1981, TUI Credit Union was involved in discussions with the Irish National Teachers Organisation (INTO) who had formed Comhar Linn Study Group with a view to forming their own credit union, or joining TUI Credit Union. TUI Credit Union members Jack Lennox, Chris Sands and Michael Norris offered assistance. At that time, minutes of the meeting record that TUI Credit Union had 800 members and an annual turnover of £250,000.

The minutes indicated that members needed to have made five monthly payments to savings before being eligible for a loan. The maximum first loan at that time was £700, and subsequent loans up to £2,000 were available, when the first loan was fully paid off.

Since 1967, the credit union has gone from strength to strength. Major growth

arrived at the end of the recession in the 1980s and membership numbers expanded. In the 1990s the credit loan book took a quantum leap as the Celtic Tiger era took root, and the credit union was able to pay dividends to members of 7%.

SPECIAL SAVINGS ACCOUNTS

In 2001 the Irish Government initiated the countrywide Special Savings Incentive Account (SSIA) saving scheme, introduced in the Finance Act 2001, whereby the Government contributed one euro for every four euro invested by the account holder. Credit union members availed of the opportunity to invest the maximum €254 per month.

This had the effect of hugely growing the assets of TUI Credit Union. When the scheme finished in 2006 after five years, TUI Credit Union assets had reached €35.5 million with savings at €24 million. This also had a positive effect on the members' financial confidence, and over the following four years the TUI Loan



25th Anniversary of TUI Credit Union. Back row; A. Germaine, M. Sweeney, M. Kelly, W. Brazil, D. Cox and F. McGinn. Front row; T. Leahy, J. Lennox, M. Ganly, A. Stewart and P. Gallagher.



40th Anniversary of TUI Credit Union. Back row; JJ. Walsh, E. Mullarkey, P. Conway, B. Greene, A. Whelan, W. Brazil, P. Gallagher, A. Stewart, A. Germaine and P. Moloney. Front row L-R; A. Ryan, F. Goulding, F. McGinn, A. Bray and E. Clancy



Some of the founding members of TUI Credit Union; J. Cahill, J. Lavelle, P. Halpin, J. Duffy and P. O'Shea



TUI Credit Union Board members. Back row; A. Stewart, F. McGinn and P. Gallagher. Front row: J. Lavelle, original board member 1967 and P. Roche, CEO.

Portfolio averaged €16.5 million each year.

RECESSION

After the property crash in 2008 and the ensuing economic depression, there was a decrease in loan demand and members consolidated their finances by paying off their debts. This caused the loan book to drop below €10 million.

However, there are signs of economic recovery once again, reminiscent of the late 1980s. In 2015, there was unprecedented levels of demand for loans not experienced since the economic downturn of 2008.

The loan book grew by almost €1.4 million, an increase of 15%. In the last year the loan book grew by 23% and is over €15 million at present, heading back to our earlier highs.

NEW PREMISES

In 2011, TUI Credit Union moved to new modern premises at The Exchange, Calmount Park, Ballymount, Dublin. This was a welcome move after a number of years searching for a suitable premise.

NEW MANAGEMENT STRUCTURE

Two years later in 2013, TUI Credit Union appointed its first full-time manager, Paul Roche, to be responsible for the day-to-day operational work of the credit union's financial services. This appointment coincided with the much heralded 2012 Credit Union Act which brought with it new regulations and legislation.

A key legislative requirement was the separation of Operational and Governance functions. Chairperson Tina Reddin and former chairperson Austin Stewart led the Board in making this a smooth and efficient transformation.

Previously, the Board of TUI Credit Union were very much "hands on" in terms of the operation of the credit union. The heavy workload of two of the most recent credit union treasurers, Fred Goulding and Frank Mc Ginn, was significantly reduced as computerisation of money withdrawals and the advent of Electronic Fund Transfers (EFTs) streamlined the business, eliminating the need for the issue of hardcopy cheques. The new process enabled members to receive their loans and share withdrawals

directly into their own accounts in a much quicker timeframe.

NEW LICENCE

Four years ago (2013), the introduction of the Single Euro Payments Area (SEPA) opened up a new and exciting horizon for the credit union movement to provide electronic services to its members. The significance of this was that it brought forward the day when a progressive credit union would offer the equivalent of a current account service to its members. Presently, members can access their account through a mobile app at all times, while the drive to provide a current account facility to members is currently ongoing.

THE FUTURE

Today, TUI Credit Union celebrates its outstanding success over the past fifty years. The credit union looks forward to the next fifty years with equanimity, bounding confidence and belief that the ethos and practices of credit union endeavour for the good of all was never more important.

INTERNAL AUDIT

WORKING FOR THE CREDIT UNION MOVEMENT IN BOTH ROI & NI



Internal Audit Services Ltd (IAS) is an Irish League of Credit Unions' group company, now in its fourth year providing outsourced internal audit services dedicated to credit unions across the island of Ireland.

The internal audit function is dedicated to providing internal audit to credit unions only. Audits are undertaken with a credit union movement perspective by a team of experienced credit union internal auditors with backgrounds in Credit Union Management, Credit Union Risk Management & Compliance, Credit Union Financial Controlling, Retail banking and Internal/External Audit.

IAS is a not-for-profit function dedicated to supporting continuous improvements in corporate governance, risk management, and internal controls.

Vision, Mission and Values

Vision: To be recognised as the preferred provider of internal audit services and other assurance services to credit unions.

Mission: To provide excellent internal audit services and thereby contribute to the enhancement of the credit union control environment.

Values: Adhere to the highest standards of collaboration, integrity and service excellence. To continuously improve the provision of internal audit services to the credit union movement.

Co-operation amongst co-operatives

– An 'in-house' credit union movement audit function. Not-for-profit, fit for purpose and operating an efficient

credit union centric audit process in collaboration with the credit union

- The sharing of knowledge and experience of the credit union movement is fundamental to the work of IAS
- Dedicated to auditing credit unions only
- Working closely with the credit union's risk and compliance functions
- A standard framework on processes, risks and controls is in place. This enables the credit union, Risk/Compliance functions and Internal Audit to work within the same terminology and thereby optimising resources, creating transparency and sharing a common perspective
- Providing on-the-job audit and internal controls training for internal auditors, risk and compliance functions. Co-auditing with credit union staff and supervisory function (Northern Ireland)
- An audit management system is provided to the credit union. The system manages all audit engagements, and offers a single point of entry to manage the IA plan, Risk Assessments, audit reports and action audit recommendations.

The IAS TEAM







The ever changing legal and regulatory environment presents many challenges for credit unions.

With the extensive knowledge and experience within the IAS team, and as a dedicated credit union specific Internal Audit function, IAS believes it is best placed to support the continuous improvements in corporate governance, risk management and internal controls.

For more information on the services offered by IAS please don't hesitate to contact a member of the team;

Phone: +353 1 614 6700

Email: internalaudit@creditunion.ie

	<p>Jacob Berg E: jberg@creditunion.ie P: +353 1 614 6917</p> <p>Jacob is a qualified accountant with 15 years of experience from internal and external audits.</p>
	<p>John Colhoun E: jcolhoun@creditunion.ie P: (+44) 07814 412899</p> <p>John has worked in marketing, risk and operations and private banking with extensive mortgage and personal lending experience.</p>
	<p>Denise Dalton E: ddalton@creditunion.ie P: +353 1 614 6962</p> <p>Denise is a qualified Compliance Officer with many years' compliance and quality assurance experience in the insurance sector.</p>
	<p>Ian Dunne E: idunne@creditunion.ie P: +353-1-614 6963</p> <p>Ian is a qualified compliance officer with the Association of Compliance Officers in Ireland, and has been working as an internal audit senior in the credit union sector for two years.</p>
	<p>Iide McCormack E: imccormack@creditunion.ie P: +353 1 614 6726</p> <p>Iide has been with the credit union movement since 1999 and has held director, treasurer and manager positions.</p>
	<p>Karen Sheehy E: kshreehy@creditunion.ie P: +353-1-614 6918</p> <p>Karen is a qualified accountant with 12 years' experience in audit, accountancy and tax. She has also worked as a Credit Union Financial and Compliance Officer for 8 years.</p>

ICU (Internal Audit Services) Ltd.
33-41 Lower Mount St., Dublin 2.

ECCU's PREMIUM REBATE EXPLAINED

ECCU is a Life Assurance Company which was established in 1980 by the credit unions affiliated to the Irish League of Credit Unions to provide for the "life protection" needs of the credit unions on a not-for-profit basis. The primary reason for the establishment of ECCU was the recognition by credit union Boards that the insurance companies providing this cover had to generate a profit from the business, which was paid out to meet the interests of stakeholders outside of the credit union movement in Ireland.

Although it was recognised that an insurance company could not run at a loss it was decided to set up the movement's own insurance company **on a "not for profit basis"**. This would provide the best value for the movement as any surplus generated by the company could be used within the movement for the benefit of the movement, through premium rebates paid to credit unions.

How Does the Surplus Arise?

ECCU, like all companies, expects to generate a trading surplus in the year. Once expenses and reserving requirements are met this resulting trading surplus is returned to the movement each year through the payment of what is called *the Claims Experience Refund*. To put it in more technical terms, any remaining *Surpluses* on ECCU's Profit & Loss Technical Account, which is also known as the Policyholders Account, are returned to policyholders in the form of a *Claims Experience Refund*.

How is the Surplus Distributed?

A credit union's share of the *Claims Experience Refund* (i.e. its individual premium rebate) is calculated using the claims to premiums loss ratios over one year and over three years. An 80% weighting is applied to the three most recent calendar years' loss ratio and a 20% weighting to the most recent year's loss ratio.

Some credit unions may not receive a premium rebate in a particular year due to their own individual claims experiences.

The Movement's Unique Success Story

Key to ECCU's success over the years has been its simplified business model which gives the company its low cost base. By offering a simple range of products with



simplified administration and underwriting, ECCU can afford to pay more claims by offering better and wider cover and at a lower cost, to help credit unions better serve their members.

Of course the amount of the *Claims Experience Refund* will vary from year to year depending on the company's

underwriting performance, its investment returns and most importantly its incurred claims in the year.

For example there were 24,257 claims processed in 2016 compared with 22,349 processed in 2015 which clearly impacted each of the respective years' premium rebates to credit unions.



So the Good News Is ...

ECCU has €4.8 million to return to credit unions as a *Claims Experience Refund* in respect of its financial year 2016.

And as per ECCU's Customer Charter, the individual premium rebates are distributed within 6 months of the company's 31st December year-end i.e. on this occasion before 30th June 2017.

Annually ECCU returns almost all of the premiums it receives from credit unions to the movement in the form of claims paid to credit unions, commission paid to the ILCU and last but not least the Claims Experience Refund, to credit unions.

If you have any queries please contact Eithne O'Mahony or Rory Minto in ECCU on: Eithne O'Mahony at +353 1 614 6744 or email eomahony@eccu.ie Rory Minto at +353 1 614 6944 or email rminto@eccu.ie

Think Digital Marketing for Your Credit Union

At its most basic definition, digital marketing is the promotion of products or brands via one or more forms of electronic media.

For credit unions serious about growing both their brand and business within their common bond, digital or online marketing channels will be key to their marketing strategy. Credit unions, as with other small and medium-sized businesses today, must keep up with developments and evolving technology to maintain their presence in the growing online marketplace.

Traditional marketing approaches often necessitate significant investment in resources and skills, often committing the organisation to a long-term media advertisement or campaign. The good news for credit unions is that digital marketing, for a relatively small investment in the basics; learning the



fundamental skills and technology, coupled with an abundance of creativity and enthusiasm, is a cost-effective, timely, easy to measure, accessible way to reach your target market – your members – online.

Digital marketing facilitates targeting your promotional message to the specific members you wish to reach. By engaging with your members to determine their online and social media preferences you can optimise the potential to convert visits to your credit union website and social media pages to increase demand for your services. If, for example, your marketing strategy highlights a need for growth in back-to-school loans, determining the online habits of parents of school-going children; what time of day they typically go online, what other community services or pages they currently subscribe to, e.g. local GAA page, what competitions or news items are of interest to them etc., may offer you crucial insight into how to promote the right loan products to the right members using a digital marketing presence.

To assist credit unions to actively utilise digital marketing to support your strategy and grow your business, CU Learning & Development (CU L&D), in partnership with Irish Times Training, now offer a new, two-day programme to credit unions; *Get Started with Digital Marketing (ROI/NI)*.

This programme is for marketing officers, marketing committee members or any officer tasked with promoting the credit union and wishing to develop skills and techniques to enable them to implement their digital marketing strategy.

Students will complete four modules;

- **Social Media** – how to leverage your credit union's online presence
- **Online Brand** – building customer communities and managing your online brand
- **Web Analytics** – collecting and utilising online data to measure and increase traffic to your sites
- **Search Engine Optimisation (SEO)** – using SEO to drive traffic to your site

The *Get Started with Digital Marketing* 2 day programme is currently available to book **in-house for your credit union officers or a cluster of credit unions, up to 16 participants, for €2,300/£1,840 in total**, includes trainer and materials.

It will be available on the autumn training schedule (€400/£320 per participant).

This programme is a follow-on from the e-learning course offered by CU L&D, *Grow Your Credit Union with Digital Marketing*. Providing an introductory overview of utilising digital marketing for credit unions, this course is available on CU Learn Hub www.culearn.ie (€30/£24 or free to CU CPD/Bundle members).

Get Started with Digital Marketing is the latest in a range of **Personal Effectiveness Skills courses** from CU L&D.

- Business Writing
- Managing Change in your CU
- Communicating with Confidence
- Working through Change in your CU
- Leadership for CU Chairs
- Powerful Presentation Skills
- Leadership for CU Managers/CEOs
- Project Management

All courses promote a practical approach to learning key personal skills, which are brought to life with credit union examples and application and are relevant to credit unions in both ROI and NI. All courses qualify for CU CPD Gov hours, see individual course description for details.

To book or for more information visit CU Learn Hub, www.culearn.ie.

Creating a Business Development Culture in your Credit Union

For many high performing organisations, the values, mind-sets and behaviours that constitute the working culture are conducive to commercial success. In a recent survey conducted by management consultants Bain & Company, 91% of the 1,200 senior executives at global companies surveyed agreed that “culture is as important as strategy for business success.”

A winning culture has two defining characteristics:

- A unique personality based on shared values and heritage
- Cultural norms and behaviours that translate the unique personality of the organisation into customer-focused actions and bottom-line results

Culture is like the air we breathe – vitally important but also invisible, culture can also be modified or sculpted and key to that modification can be the role of senior management. For this reason CU L&D launched a new **Business Development and Marketing Strategies** course earlier this year, aimed at the boards, managers and business development personnel in credit unions.

Areas covered in this course include credit unions’ core values and operating principles as being at the heart of each credit union. Investing the time to create service standards builds a culture and ensures the member gets the best possible service. Creating a clear set of service standards to be acted on by all involved, and sending a strong message to the members is the key requirement of having a Mission Statement and a Customer Service Charter.

The high standards set by credit unions are evidenced in the CXI surveys of both 2015 and 2016 where credit unions came out Number 1,

scoring particularly highly on Empathy, Personalisation, and Integrity.

To give the Business Development course practical focus, participants concentrated on the marketing strategy to be employed for a summer car loan campaign. Participants reflected on the strengths, weaknesses, opportunities, and threats (SWOT analysis) of their credit union in relation to the provision of car loans in the market and from this developed a marketing strategy for the summer car loan campaign.

The course also focusses on Key Service Objectives and Key Service Indicators (KSI’s) required to run a successful car loan campaign. KSI’s are used to measure and evaluate the success of the activities employed to achieve set objectives. They help us to frame our activities and behaviours so we are serving our members to the best of our ability whilst being value driven. Reflecting on the outcomes of our activities inform us if we are doing what we set out to do and to evaluate if the behaviours we are using to achieve our objectives are effective.

Below is an example of a Key Service Objective and the corresponding activities to support the objective:

Key Service Objective

Improve product knowledge so all staff understand and can explain the features, advantages and benefits of the car loan.

Key Service Indicator Activity

Prior to the start of the loan campaign, weekly training sessions facilitated by the loans officers, attended by all staff, covering all the car loan features, advantages and benefits. Loan officers to create an easy to use fact sheet detailing the features, advantages and benefits.



A number of key service indicators were presented during the business development courses, presenting a chance to share good practices and explore what works in terms of getting results in a real life setting.

This course was designed in conjunction with the **Promoting Services to Members** course – aimed at credit union staff where participants are required to explore the life stages of our members and the financial products to support them throughout this journey, and are also asked to look at the practical steps that can be taken to support a car loan campaign as an example of a common marketing campaign for many credit unions.

Business Development and Marketing Strategies and **Promoting Services to Members** are both available now to book on an In-House basis at www.culearn.ie. This allows credit unions an opportunity to thoroughly review its business development and marketing strategies and create buy-in to sculpt a culture within their credit union that sees providing services to members as a key ingredient in providing service to members.



CREDIT UNION COMPLIANCE CENTRE

The Credit Union Compliance Centre Expands its Reach

On 22nd April at the ILCU AGM 2017 in the Citywest Hotel, Dublin, credit unions voted to support the Credit Union Compliance Centre (CUCC) motion to establish a compliance and risk management centre of excellence for all credit unions.

Building on the success of the CUCC to date, and working directly with your compliance and risk management officer(s), CUCC now has the opportunity to build better supports for credit unions and achieve a more consistent approach to compliance, risk management and control frameworks. Due to increased regulatory expectations, the rapid pace of change within the movement and the strategic ambitions of credit unions, this initiative is very timely.

The benefits for credit unions of a more standardised approach to compliance and risk management are:

- A consistent framework for compliance and risk management will allow the internal functions to focus more time on output, with less time required on developing and maintaining the process;
- It will better position a credit union to tackle business model development and implement new services;
- It improves the availability of resources to allow for a more pro-active approach to tackling upstream compliance requirements and emerging risk areas;
- Risk data can be collected and aggregated centrally, which can then be disseminated and used by the risk function to benchmark against the organisation's performance;
- It facilitates better information-sharing and networking amongst credit union risk and compliance professionals; and
- Ultimately it leads to better protection of members' savings.

TIMELINE

July 2014	CUCC is established
September 2014	Launch of Compliance Advisory Service (CAS)
November 2014	First compliance working group
August 2015	First CUCC annual conference held in Trinity College
October 2015	Risk Advisory Service (RAS) launched
October 2015	First Risk user group
May 2016	MLRO forum jointly held with CUMA & CUDA
August 2016	Second annual conference held
October 2016	ILCU Financial Crime forum (NI)
January 2017	DP working group in Croke Park
APRIL 2017	CUCC MOTION PASSED AT ILCU AGM
July 2017	Year 1 contribution paid by credit unions
August 2017	Regional information sessions on CAS
September 2017	CAS provided to all credit unions
October 2017	Third annual conference – Croke Park
July 2018	Year 2 contribution paid by credit unions
August 2018	Regional information sessions on RAS
September 2018	RAS is provided to all credit unions

What happens next?

The landscape in which credit unions now operate has changed dramatically, and is no more evident than in the area of compliance. Taking a systematic approach to compliance is not just a good idea, it is an expectation of the regulators. As compliance is an ever increasing area of priority within the financial services sector, the new Compliance Advisory Service is a compliance community whose mission is to provide a support network and compliance-specific resources to officers involved in credit union compliance.

The Compliance Advisory Service is the first part of the project to become available to credit unions and will be available from September 2017. The advisory service is provided by a team that has significant expertise in areas of compliance. More importantly the team has extensive experience of working with credit union officers and volunteers. It is this unique blend of expertise and credit union know-how that ensures the guidance and support provided to credit unions is professional, tailored and practical.

The CUCC Compliance Advisory Service provides all the supports necessary to embed an effective compliance programme within the credit union.

Key Compliance Supports

Regional Working Groups

As this is a centre for compliance professionals, the guidance and support is not just one way. The compliance function and other senior officers within a credit union have the opportunity to share knowledge and best practice with each other and with neighbouring credit unions. This is facilitated through regional working groups in both the Republic of Ireland and Northern Ireland.

Compliance Software

In addition to the extensive guidance and support, from September 2017 credit unions will also have access to credit union-specific compliance management software. This software will enable credit unions to track, analyse and report on their compliance requirements and breaches in line with regulatory requirements. In addition to this, the software will enable the credit union to produce a set of reports to support the credit unions in its ongoing management of its compliance risks.

Compliance Programme Components	CUCC Supports
A Compliance Plan A Compliance Policy	<ul style="list-style-type: none"> • Compliance plan guidance • Compliance policy guidance
Clearly documented roles and reporting lines	<ul style="list-style-type: none"> • Governance structure policy guidance • Compliance reporting template • Sample terms of reference and role descriptions
A well-resourced and knowledgeable compliance officer	<ul style="list-style-type: none"> • Regional working groups • Annual conference • Monthly compliance updates • Weekly compliance digests
Robust compliance reviews	<ul style="list-style-type: none"> • Comprehensive compliance working papers • Annual Compliance Monitoring Programme (CMP) • Detailed CMP guidance issued monthly
Accurate reporting to the Regulator(s)	<ul style="list-style-type: none"> • Annual Compliance Statement Guidance (ROI) • Legislation and regulation library
Buy-in from all officers	<ul style="list-style-type: none"> • On-going professional advice and support • Webinars with subject matter experts • Quick guides for key credit union roles

Dedicated Website

A dedicated website www.cucc.ie is available to all credit unions. This online resource includes relevant regulation and legislation, compliance templates, updates and briefing documents.

Ongoing Advice and Support

Credit unions receive on-going phone and email support and guidance on regulatory matters. The main point of contact in each credit union is the compliance officer / function, however other officers such as directors and management may also avail of the service.

Analysis of Compliance Requirements

From years of working directly with compliance officers, the CUCC recognises that these professionals must prioritise their

time in order to deliver for their credit union. As such, complex legal and regulatory requirements are analysed and distilled down to key compliance requirements which can then be acted upon by the credit union. This analysis is delivered through monthly updates and guidance sent directly to the key contacts within each credit union.

Contribution

The CUCC has developed its business model to enable it to provide more supports to a wider number of credit unions. It is now funded through an annual financial contribution made by each credit union. The contribution must be paid by the 1st of July of each year in order for credit unions to avail of the service and obtain access to the supports and dedicated resources from CUCC.



First Credit Union Coaching Programme to Sierra Leone

Cork Volunteers, Barry Treacy (Youghal Credit Union Ltd) and Ted O'Sullivan (Douglas Credit Union Ltd), are Helping People Help Themselves!

Barry and Ted, two experienced Irish credit union professionals from Cork, spent two weeks in February 2017 volunteering in Freetown, Sierra Leone, as part of the first ever ILCU Foundation's Sierra Leonean Coaching Programme

Both Barry Treacy (manager of Youghal Credit Union Ltd) and Ted O'Sullivan (former chair of Douglas Credit Union Ltd) had visited Africa several times in the past to provide training on behalf of the Foundation, and are two of the Foundation's most experienced credit union international development coaches.

The purpose of the Foundation's coaching programme is to:

- Provide training to credit unions to improve their own skills;
- Develop the capacity of credit union managers, volunteers and staff to effectively manage and run their credit union;
- Provide an opportunity for Irish credit unions to contribute their skills to the developing world and see, first-hand, the work of the ILCU Foundation.

Sierra Leone had a thriving cooperative movement prior to its 11-year civil war, which ended in 2002. In 2010, there were only ten credit unions left with a total membership of 2,000. It was against this backdrop that, in 2012, the Foundation, in partnership with the Canadian Cooperative Association (CCA), started to support credit union development in Sierra Leone.

Credit union revival was going well until May 2014, when the country, and much of West Africa, was hit by Ebola Virus Disease. Ebola almost wiped out the credit union movement in Sierra Leone: people lost their businesses, credit unions closed, members used their savings to cope, and thousands died – many of whom were credit union members and leaders.

In November 2015, after almost one and a half years, Sierra Leone was declared Ebola-free, and the Foundation was able to start its work of re-building sustainable credit unions. As Solomon Mwongyere, the country manager for the Foundation's credit union projects in Sierra Leone, told delegates at the recent 2017 ILCU AGM, when he arrived in Sierra Leone in September 2015 to start work, "It was like



Credit unions offer Sierra Leoneans an alternative to large financial institutions: run by the people, for the people, they consider credit unions a secure place for their savings and for obtaining loans.

having to start a whole credit union movement from scratch."

Nonetheless, from September 2015 to December 2016, Solomon told 2017 AGM delegates that credit union growth in Sierra Leone has been impressive:

- Credit-union membership grew by over 20% to approx. 5,500;
- Credit unions increased from 20 to 27, representing a 35% increase;
- Total savings grew by over 50%;
- Total loans grew by 84%.

The first coaching mission to Sierra Leone was designed to build on this success and ensure that the Foundation can honour its commitment to our Sierra Leonean partner: the Foundation aims to have 100 credit union access points and 100,000 credit union members in Sierra Leone by 2025.

Barry and Ted provided training directly to three of the largest credit unions in Freetown. One of the first credit unions they visited was called the United Progressive Services (UPS) Credit Union Ltd, located in the heart of a busy street market. Many of the market's stallholders were members and

visited their credit union daily to deposit their day's takings, or to take out a loan to purchase more stock for their stall. A €5 loan, when repaid becomes a €10 loan; in that way, their business builds and loans increase.

When visiting the UPS Credit Union in the market for the first time, Barry and Ted were told to "take any valuables out of their pockets, zip up their rucksacks, strap them on in front of them, and wrap their arms around them." However, Barry then recalls; "On the second day we went there, Mr Koroma, the charismatic chairperson of UPS Credit Union, was introducing us to everyone, shaking hands and interacting with the public. People were so grateful that we had given of our time and experience to help make their credit unions work for them, that we never had to take such precautions again." Indeed, both Barry and Ted noted that Mr Koroma used their visit as a marketing tool to gain more members, as their visit instilled confidence in his marketplace credit union, which received an A+ rating after analysis by Barry and Ted. On hearing the news, Mr Koroma stood up



A day in the life of the UPS Market Credit Union, Freetown, Sierra Leone.



Hassanatu Turay (orange hat) will use the next loan to make her first buying trip to Guinea.



Barry Treacy, Youghal Credit Union, and Ted O'Sullivan, Douglas Credit Union with credit union board and staff of A+-rated United Progressive Services (UPS) Credit Union, Freetown, Sierra Leone.

on one of the market stalls and announced it. According to Barry; "It was as if he'd won the All-Ireland Final. He shouted out the news from the middle of the marketplace so that everyone could hear!"

While visiting Sierra Leone, both Barry and Ted met many people who had changed their lives by becoming members of a credit union: one woman is now able to send her son to school, and another stallholder can now take trips to Guinea and Liberia to buy cloth and materials for her stall.

In addition to credit union visits, Barry and Ted held a four-day workshop for credit unions. Two of the credit union representatives travelled for three days just to attend the workshop. Barry and Ted divided workshop duties between them, with Barry focusing on managerial issues, loan management and accounting, and Ted providing training on board governance.

"One issue of significance is that family members who work in credit unions approve loans for their relatives. Another occurs

when, in rural provinces, the chief of an area requests a loan, and it is refused. It's hard to create a comparable analogy in Ireland, since chiefs have not been particularly prominent in East Cork for the past couple of hundred years, but I told the story of someone I'd refused a loan to 20 years ago, and he still doesn't talk to me today" Barry said. It also seems that Barry has even more in common with the people of Sierra Leone: "When I went into meetings and would say, 'Hello, I'm Barry Treacy,' people would laugh. It turns out that the Fullah tribe of Sierra Leone has a lot of people with the last name Barry. After I'd found that out, I'd walk into meetings and say, 'Hello, I'm Barry, a Fullah from Ireland!'"

In their make-up, credit unions in Sierra Leone do not differ so much from those in Ireland: each credit union has a volunteer Board and one or two staff. There are two primary differences, however: a €5 loan is a standard request - and there's no electricity.

Surprisingly, in Sierra Leone, with a population that is 80% Muslim, religion does not pose a problem; credit union meetings that Barry and Ted attended started with both a Muslim and a Christian prayer. People live in harmony, realising, perhaps, that there is more that unites them than divides them after 11 years' brutal civil war and the 2014 tragic Ebola outbreak. "The country has the scars of a civil war, but the next generation won't even remember it" Barry concludes, "They're the future of Sierra Leone. The credit unions are there to help them in the same way credit unions in Ireland helped people out of poverty in the 1950s."

Want to hear more news from the ILCU Foundation?

Email your name to ocooke@creditunion.ie with the word E-ZINE in the subject line to join our mailing list.

HR FREQUENTLY ASKED QUESTIONS

We have an employee on long term sick leave – what level of contact can/should we have with that employee?

There may be circumstances where the credit union may justifiably contact an employee during long-term sick leave. This includes where the employee's sick certificates have expired and no contact has been made regarding a return date; where the credit union needs to establish a likely return to work date; or where the credit union may be concerned regarding the wellbeing of the employee. You may also make contact where there is a business case to do so, for example, where the business is being restructured and a redundancy or TUPE situation arises.

The credit union may also contact an employee on sick leave in order to complete a disciplinary or grievance process, but only where the employee has been medically certified to participate in that process.

Ultimately, the matter should be handled sensitively and the appropriate level of contact should be decided on a case by case basis having consideration to the particular facts of each case. Consideration should be given as to the nature of the illness and whether the employee has indicated a preference to be kept up to date, or whether he or she has made it clear that little or no contact should be made.

The credit union should have a detailed sickness absence policy and procedure which sets out the frequency in which sick certificates must be submitted and the fact that the credit union may contact the employee once a sick certificate expires. The policy should also provide that employees may be required to attend the company doctor to determine their fitness to work and/or to establish a likely return to work date.

We are currently reviewing our Employee Handbook. Do we need to ask our employees to consent to any changes?

Under current employment legislation a contract cannot be amended unilaterally and the consent of both parties is required. Therefore, if the Handbook is expressed to form a part of the employees' terms and conditions of employment, the consent of the employees is technically required. Furthermore, legislation provides that changes to an employee's contract of employment must be notified to the employee no later than one month after the change.

Standard practice is to notify employees of



the changes and to keep a record of the efforts made by the credit union in this regard. It is important that the credit union is able to produce evidence at any hearing that employees were notified of the changes. Preferably, this can be done by asking employees to sign an acknowledgement that they were notified of and understand the changes.

At the very least, a credit union should take some other action to notify staff of changes by, for example, sending an email to all staff attaching the Handbook or issuing a hard copy of the Handbook to each employee.

If an employee raises a grievance during a disciplinary process, which takes precedence, or should both run concurrently?

The Grievance and Disciplinary Procedures should be consulted to confirm that there is no provision which allows for the disciplinary process to be suspended in the event of a grievance being raised. Where the Grievance and Disciplinary Procedure is silent on this point, the processes can run separately and concurrently, and in the absence of any other relevant factors, neither process should take precedence.

If the grievance in no way relates to the subject matter of the disciplinary process, the employee should be informed that the grievance will be dealt with in the normal manner under the established grievance procedures.

Care should be taken to ensure there is no legitimate basis upon which an employee

could raise an argument as to lack of fair procedures. Employees may assert that they are being disciplined and/or penalised for taking a grievance. The utmost care should be taken to maintain separate and distinct processes to avoid the two matters being linked in this regard.

We have an employee who failed to attend a disciplinary hearing. May we proceed to consider the matter in his/her absence?

It is generally deemed to be unfair to continue with a disciplinary process in the absence of the employee in question. Employees in a disciplinary process should be afforded the opportunity to put forward submissions in their defence and a sanction imposed on an employee in the absence of such an opportunity could be overturned on grounds of fair procedure, if the employee challenges the sanction.

However, if, despite repeated requests and warnings that the disciplinary process will proceed without the employee if he/she does not attend, the credit union may be in a position to proceed with the disciplinary process without the employee's involvement.

Before proceeding, the credit union would be required to explore the reason for the employee's failure to attend. For example, the credit union should confirm it has the correct contact information for the employee. It should attempt different methods of contacting the employee - e.g. by email, telephone and registered post.

If the employee has refused to attend the

disciplinary hearing for a specific reason, the credit union should explore and attempt to resolve these issues. Examples of why an employee may not attend could be that he/she is asserting that the decision maker is biased against him /her or that his/her representative cannot attend the meeting for a specific reason.

Furthermore, if the employee is on certified sick leave, the credit union will be expected to wait until the employee has been certified as fit to attend the disciplinary hearing by the credit union doctor before proceeding. Similarly, if the employee is on pre-booked annual leave, it would be expected that the credit union would wait until he/she returns before proceeding with the disciplinary meeting.

If it is simply the case that the employee refuses to attend the disciplinary meeting, this could be a disciplinary matter in and of itself – as an employee is expected to follow the reasonable directions of his/her credit union. The employee should be advised that his/her continued non-attendance at the disciplinary meeting is potentially a disciplinary matter.

If the credit union has made all reasonable efforts to identify and address the concerns of an employee and has made several attempts to invite him/her to the disciplinary meeting, the credit union may be justified in proceeding with the disciplinary hearing in the absence of the employee. Proceeding with the disciplinary hearing in the absence of the employee would only be considered to be reasonable in very exceptional circumstances of continued non-cooperation on the part of the employee.

If a sanction is imposed on the employee following the disciplinary hearing, the employee should be advised of their right of appeal in respect of that decision, in accordance with usual fair procedures.

Can we renew a fixed term contract for an employee?

If a credit union wishes to renew a fixed-term contract, the employee should be advised in writing as to the reason for the renewal and be able to justify why a contract of indefinite duration is not being offered.

This should be done, at the latest, by the date of the renewal of the contract.

The use of successive fixed-term contracts is regulated by legislation which outlines that:

- Once fixed-term employees have completed their third year of continuous employment, their fixed-term contracts may only be renewed on one further occasion, and for a maximum of one year.
- For employees engaged on fixed-term contracts after 14 July 2003 – once an employee has been engaged on two or more fixed-term contracts, the aggregate duration of these contracts may not exceed four years.

Where either limit has been reached, the next contract must be one of indefinite duration.

What is best practice in terms of providing references for employees?

There is no legal entitlement for former credit unions to provide references to former employees, however, it is usual practice to do so. There are two types of reference which a credit union may give to future credit unions/former employees:

- (i) a statement of employment; and
- (ii) a reference including comments on performance, conduct etc.

References can be given in writing or orally (or both). If a statement of employment is issued orally, the provider of the statement should keep a detailed record of the conversation on file. Such records can be released to the employee under a Data Access Request or in Discovery in the context of a civil claim against the credit union.

Statements of employment are statements of fact issued on behalf of the organisation and contain details of the employee's employment. Details which are usually included are: the former employee's name, date of commencement of employment, date of termination of employment (if applicable), attendance record, job title, brief description of duties and reason for leaving employment (if applicable).

Personal references usually provide detail of the job title and functions, but will also include credit union comments on the employee's standard of conduct and work. Statements of opinion in relation to performance or conduct should be based on fact.

A credit union will have a duty of care to both the former employee and the future credit union in respect of references, and the former credit union will be liable for the consequences

of any inaccurate or untrue references.

It is good practice for credit unions to have a reference policy in place so that all members of the organisation are clear on the procedure in relation to the provision of references in respect of departing/departed employees. Employees who provide references on behalf of the credit union should also be advised that the employee will generally have an entitlement to see the reference and/or notes of calls with future credit unions.

We have a casual worker, what is their public holiday entitlement for public holidays?

The rules for casual workers entitlements regarding public holiday pay are the same as for a part-time employees. It is also dependant on whether the casual worker is normally required to work on the day that a public holiday falls on or not.

It is calculated as follows:

- An average of the casual worker's daily earnings over the last 13 weeks before the public holiday should be calculated (excluding overtime).
- That daily rate should be given to the casual worker as compensation for the public holiday if they are required to work on the public holiday.
- If they are not required to work on the public holiday and they have worked at least 40 hours in the last five weeks before the public holiday, then they are entitled to 'one-fifth of their last working week'.

The calculation for a standard working week for a casual employee should be calculated over a 13 week reference period as outlined above.

Are employers obliged to give employees a written contract of employment?

Under current employment legislation an employer must provide to all new employees a written statement of the terms and conditions governing his/her employment within two months of commencing employment.

The following details must be included in the written statement to the employee:

- Full names of the employer and employee
- Address of the employer
- Place of Work, or where there is no fixed or principle place of work, a statement that the employee is required or permitted to work at various places
- Job title/description
- Commencement date of the employee's contract of employment
- Duration of a temporary contract or the date on which a fixed term contract is due to expire
- Rate or method of calculation of the employee's remuneration
- Payment Interval i.e. weekly or monthly
- Hours of Work (including overtime)
- Holidays and other paid leave
- Sick Leave arrangements and pension

scheme provisions (if applicable)

- Notice requirements
- Reference to any collective agreements
- Details of rest periods and breaks

The written statement must be signed and dated by, or on behalf of, the employer and the employee. Furthermore, a copy of the statement must be retained by the employer during the employment and for a period of one year after the ending of the employment

Changes in Conditions

Where there are changes in conditions, an employer is required to notify the employee of any and all changes to the particulars contained in the written statement not later than one month after the change comes into effect.

This requirement does not apply if the change results from a change in statutory law, other laws, and/or administrative provisions or collective agreements. It would, however, be good practice to do so, as change arising from these sources may give rise to unnecessary problems in the event that the employees are not aware of the statutory changes.



Health Services Staffs Credit Union Uses Cutting-Edge Fingerprint Technology

Health Services Staffs Credit Union Ltd (HSSCU) members can now access their accounts using the fingerprint reader on their smartphone or tablet. This cutting-edge service is being provided in partnership with software company Wellington IT and authentication solutions provider TouchTech.

HSSCU is the first financial institution in Ireland to launch this service, which uses a QR-code and fingerprint as a secure convenient gateway to the HSSCU's online banking portal. It also allows access to cuOnline and the smartphone app

cuAnywhere. HSSCU members are benefitting from the latest technology available to check their balance, view statements, transfer funds and pay bills from anywhere which is secure, convenient and free of charge for HSSCU members.

Commenting on the new service, Sean Hosford, CEO of the HSSCU said "As one of Ireland's largest and strongest credit unions, we continue to build the range of financial services we offer our members. As the first financial institution in Ireland to launch

this service, we are demonstrating our commitment to our members in offering the most innovative and secure online and mobile user experience."

Further roll-outs are planned for the rest of 2017 alongside TouchTech's new product offerings in online payments and eSignatures, which will boost the security and convenience of signing documents for member onboarding and loan agreements. More information on this service is available on HSSCU's Facebook page @hsscu.

Baltinglass Credit Union Marks Retirement of Mary Heslin



Baltinglass Credit Union Ltd would like to wish Mary Heslin the very best in her recent retirement. Mary was a founder member of Castledermot Credit Union Ltd in 1984 and was integral to the smooth transfer of engagements to Baltinglass Credit Union in 2014.

The growth and success of Castledermot Credit Union over the years was in no small

way due to her and her colleagues' hard work and determination. Following the transfer of engagements, Mary continued to serve as a volunteer for Baltinglass and will be sorely missed by all within the credit union. Mary will now be devoting much of her time to her beloved grandchildren and of course, a spot of gardening here and there.

Hope and Dream Runners Kitted Out by Enniscorthy Credit Union



Enniscorthy Credit Union Ltd has for the fourth consecutive year sponsored the t-shirts for runners participating in the Hope and Dream 10K charity run. The credit union generously contributed €10,000 towards the cost of the distinctive, bright pink t-shirts for the run which took place on Sunday April 9th.

More than 2,100 participants took part in the

2017 run which was a record number. The Hope Cancer Support Centre and Wexford Hospice Homecare were the two very deserving beneficiaries of this year's event, which is organised by a voluntary committee.

Enniscorthy Credit Union's contribution to date totals €32,500. The credit union also assisted with registration and promoted the event on social media.

Governance and Compliance Certs Earned by Thurles Credit Union Staff

The directors, oversight committee and members of the management team of Thurles Credit Union Ltd were awarded a significant accolade recently following months of intensive study at the University of Limerick. They were presented with Certificates in Credit Union Governance and Compliance by Professor Thomas Garavan at a special function. The skills learned on the course will enhance the established compliance culture within Thurles Credit Union.

Additional certification from the International Institute of Management was also arranged, which was a much appreciated bonus to all those

who studied for the course. On the evening, Professor Garavan paid tribute to the very high standard of knowledge, governance acumen and understanding of the legal and regulatory requirements of credit union activities displayed by those taking the course.

Allied to the range of courses successfully completed by front-line staff over recent times, this is another step forward in the continuing training and development of all involved with the development and strengthening of Thurles Credit Union.



First Home Show Event for Drogheda Credit Union



Drogheda Credit Union Ltd recently held its first ever Home Show 2017 which was a runaway success! 20 exhibitors showcased products and services while there was a host of industry experts on hand to answer home improvement questions of all descriptions.

Attendees had the opportunity to speak with credit union loan officers and also pick up some tips and insights during an hour-long seminar on décor, planning permission, what's new in trend and much more. With almost 400 people in the room at the end of the night and a mega prize draw of €8,000 worth of home improvements

for one lucky winner, it certainly was a fantastic night for those who attended.

Drogheda Credit Union also launched its new home improvement loan on the night with a highly competitive APR rate. Paul Brassil, Chairman of Drogheda Credit Union said of the event: "There hasn't been a home show of this scale in Drogheda previously and the turn-out certainly showed that people are interested in picking up tips and insights into the big and small jobs. We in Drogheda Credit Union Ltd are just so pleased to be able to bring an event like this to the community."

St Anthony's and Claddagh Credit Union Pays Tribute to Jack Phelan

St Anthony's and Claddagh Credit Union Ltd would like to extend its deepest sympathies to the family and relatives of John (Jack) Phelan, a founder member of the credit union. Jack (96) passed away following a short illness at University College Hospital in Galway recently. He is deeply missed by his wife Kathleen, daughter Helena, sons Pat and Kieran, daughters-in-law, son-in-law, grandchildren and great-grandchildren.

In 1963, Jack together with 11 fellow parishioners formed what was then known as St Anthony's Credit Union. The credit union has grown since then from having 12 members and 12 shillings and sixpence in savings to a having over 40,000 members and just over €200 million in savings. Jack was a loyal credit union man and up to a short time ago he visited his local credit union on a weekly basis.

Ar Deis Dé go raibh a anam.

Carnew Credit Union celebrates 50 years serving the community

Carnew Credit Union Ltd is celebrating 50 successful years of service to its local community this year. The first Annual General Meeting was held on 7th February, 1967 in St. Aidan's Club. The Chairman present for the first AGM was Fr Michael O'Regan, who joined the Secretary Pauline Quinn, Treasurer John Wilkinson, Loan Officer James Browne and Director Patrick O'Connor.

Mr O'Connor, was one of the longest serving Directors at Carnew Credit Union and was Secretary for over 31 years until he retired in 2003. He was involved in the purchase of the new building and was especially proud when the premises was officially opened by Tom McCarthy, President of the Irish League of Credit Unions on the 25th July, 1992.

Maureen Brennan of Fern Lodge in Carnew, was also one of the longest serving officers. She held various positions from 1971 until her retirement on the 31st March, 2013 as Deputy Manager. Ben Murphy and Elizabeth Kennedy served as voluntary members for many years on the Board of Directors, as well as on various committees. Leonard Poole and Tom Culkin, who are still on the Board of Directors today, have also served in many roles over the past fifty years.

A tiny church in a South Wicklow village turned out to be the answer to a prayer for the credit union when, in 1991, the Wesleyan Church on Main Street which dates back to 1839, was purchased. The new office was opened there in 1992 and the credit union currently operates from the same premises, with a membership of some 3,000.

Carnew Credit Union now has nine members on the Board of Directors, three members on the Board Oversight



Committee, along with five staff and eight voluntary workers. The credit union's assets stand at €15,424,000. In 2016, a dividend of .75% and a loan interest rebate of 15% was paid to Carnew Credit Union's members.

There are some fantastic plans for the 50th anniversary celebrations, some of which have started already! In early February, past Directors and Managers were invited to the credit union for a get-together. Refreshments were served in the lobby of the credit union and past and present staff members, directors and managers mingled for a chat and a catch-up. A lovely afternoon was enjoyed by all. A 50th anniversary dinner was also held in March and there will be further events throughout the year for members.

Carnew Credit Union would like to give its members a huge thank you for their continued support. The credit union's customer service and attitude to its valued members will never change. Carnew Credit Union believes in the ethos of the wider credit union movement; credit unions do things differently, they are and will always be not-for-profit financial co-operatives who exist to serve their members' needs.

Fond Farewell for Anna and Berna at St Canice's Credit Union

In February, St Canice's Credit Union Ltd honoured sisters Anna and Berna on their retirement. The sisters had a combined 83 years of service to the credit union! Berna started out in her career at the credit union in May 1973 and Anna soon followed in October 1976.

St Canice's Credit Union wishes them fantastic fun together for their retirement!



Innovative 'Young & Free' Loan Product launched by Member First Credit Union

Member First Credit Union Ltd has launched a new loan product aimed at the next generation of credit union members. The 'Young and Free' loan is available exclusively to students and young working adults with a highly competitive interest rate. The loan offers access to the exclusive interest rate for amounts between €250 and €5,000.

Member First Credit Union engages students and young working adults in non-traditional ways. Recognising that the internet and social media play an integral part of this

demographics' daily lives, a dedicated website www.youngandfree.mfcu.ie has been created. Details of the loan product, registration for online account access and more are all outlined on the website.

The credit union also ran a very inventive social media campaign on Snapchat to launch the new loan. William Murray, social media star and the popular partner of social media mega-influencer James Kavanagh, announced on Snapchat

that he was going through a 'break-up'. This garnered huge traction and engagement from young people who followed his Snapchat story until he revealed that he was breaking up with his bank and going to the credit union!

Commenting on the new loan, Member First Credit Union Chairperson Joan Barker said it will "put it up to the banks" while helping young adults to borrow in a meaningful and responsible manner, whilst also establishing a credit history.



Altan Performs at Trad Music Fest Thanks to Progressive Credit Union



Progressive Credit Union Ltd recently sponsored the headline act at the acclaimed Skerries Traditional Music Weekend. Renowned music group Altan opened the three day festival with a highly anticipated performance on Friday 19th May. The million-record selling international act wowed the audience with a dynamic performance which ranged from tear-jerking old Irish ballads to lively jigs and energetic reels. The band's appearance was a coup for the popular music festival which

also featured a host of other legendary groups and artists, including the Kilfenora Ceili Band and Shane McGowan.

Each year Progressive Credit Union's community and social fund provides financial support to local groups, clubs and festivals. Over 2017 the credit union will give €150,000 - encouraging community spirit, involvement and promoting the local communities to domestic and foreign visitors attending annual events like the Skerries Trad Music Weekend.

New Chairman for Chapter 16

The Chapter 16 AGM was held in St Columbas Credit Union Ltd Enterprise Centre, Ballybane, Galway on the 22nd of February. On the night, Mr Paddy Rabbitte, of CIE Credit Union Ltd Galway, stepped down as Chairman and handed over the chain of office to Mr Liam Kelly, of St Columbas Credit Union, Galway. Chapter 16 would like to extend best wishes to Mr Kelly in his new role.



Enniskillen Credit Union donates to Cancer Connect NI



Enniskillen Credit Union Ltd was delighted to hand over a cheque for £2,355.00 to Cancer Connect Northern Ireland. The Co Fermanagh charity does a fantastic job at supporting and guiding those affected by cancer in the local area. Manger of the credit union, Louise Mulrone,

presented the cheque to Phil McGrenaghan from Cancer Connect NI after the donation was voted on by members at AGM. Enniskillen Credit Union is dedicated to supporting the local community through a programme of events and donations.

Legislative Update **ROI** **NI**

Central Credit Register: Republic of Ireland

All Republic of Ireland (ROI) credit unions at this point should have completed registration for the new mandatory credit reporting system. Under the Central Credit Register (CCR), credit unions must submit personal and credit information for all credit agreements and loans of €500 or greater. Credit unions must access the register and make an enquiry on all credit applications and loans of €2,000 or more. Reporting obligations commence once funds agreed under a new credit agreement are drawn down or made available for use.

Please note that the consent of the member is not required as the obligation for credit reporting is compulsory. However, the credit union should notify the borrower of the credit union's obligations under the Common Reporting Standard (CRS) to report personal and financial data to the CCR and to access that information. Where no PPSN was obtained from the member at account opening stage, then the credit union must obtain the PPSN at loan application stage.

Reporting to the CCR will take place on a monthly basis. Data collection for credit unions will begin on 30th June 2017. It is expected that enquiries can be made of the register after 31st December 2017.

Common Reporting Standard (CRS): Republic of Ireland deadlines

Key CRS dates

30 June 2017	First CRS reporting by financial institutions
September 2017	Exchange of information between Competent Authorities commences
31 December 2017	Due diligence for identifying low-value pre-existing individual accounts and entity accounts to be completed

Common Reporting Standard (CRS): Northern Ireland Deadlines

Key CRS dates

31 May 2017	First CRS reporting by financial institutions
30 September 2017	Exchange of information between Competent Authorities commences
31 December 2017	Due diligence for identifying low-value pre-existing individual accounts and entity accounts to be completed



Anti-Money Laundering

Republic of Ireland

In the Republic of Ireland, a Heads of Bill was recently published to give effect to the 4th Anti-Money Laundering Directive (4AMLD) and a consultation process took place. The Irish League of Credit Unions (ILCU) made a submission to this consultation paper and again sought clarification on a number of issues including the definition of PEPs and the extent to which this will apply in a domestic context.

Northern Ireland

The UK government issued a number of draft documents in preparation for the transposition of 4AMLD into domestic UK legislation. The draft Money Laundering Regulations 2017 (MLRs) have been issued by HM Treasury to come into force in June 2017.

The Financial Conduct Authority (FCA) published a guidance consultation (GC17/2) concerning how financial services firms should treat customers who are politically exposed persons (PEPs) when meeting their anti-money laundering obligations. The ILCU has responded to the FCA's PEP guidance setting out its disappointment and its belief that the FCA has failed to comply with its statutory duties to provide appropriate and detailed guidance to the financial sector.

Payment Services

Republic of Ireland

Last year the Department of Finance ran a public consultation in relation to the transposition of the revised EU Payment Services Directive II (PSD2) into Irish law and in particular in relation to matters over which Member States have discretion. Article 2(5) of PSD2 permits credit unions to be exempted from all or part of the provisions of the Directive. The response to this consultation was published on 11th April 2017. The general policy in place under PSD1 has been retained and PSD2 will apply to credit unions when providing payment services in the same way as PSD1 did, though with a broader scope now that PSD2 extends to 'one-leg transactions' and non-EU currencies. However, the Department of Finance has chosen to exempt credit unions from certain aspects of the Directive which would prove particularly onerous to credit unions. As such, credit unions will be



exempted from the requirement to provide third party providers with access to members' accounts. The Department of Finance have acknowledged that it is not considered appropriate to extend these new provisions to credit unions at this time.

Northern Ireland

In February 2017, the ILCU provided a response to HM Treasury's Consultation on the PSD2. The UK government has chosen to continue to exempt credit unions from the PSD2. The ILCU responded, agreeing with the exemption and emphasising the need to continue to apply proportionate regulation to credit unions.

Following this, the FCA has published a consultation on the PSD2. This largely affects payment service providers subject to the Payment Services Regulations (PSRs). However, it is also consulting on some changes which affect credit unions. The FCA is proposing to amend the Banking Conduct of Business Sourcebook (BCOBs) to extend a number of the new requirements introduced by PSD2 to retail banking services and service providers outside the scope of the PSRs, including credit unions, in respect of the payment services they provide. A response to the FCA will be submitted by the ILCU.

ANTI-MONEY LAUNDERING

In the Republic of Ireland, a Heads of Bill was recently published to give effect to the 4th Anti-Money Laundering Directive (4AMLD)

General Data Protection Regulation (GDPR)

Republic of Ireland and Northern Ireland

Europe's newest regulations on Data Protection are a year away from implementation in Member States. On 23rd May 2018, data subjects will be granted enhanced rights under the new regulations including data portability and a "right to be forgotten". The General Data Protection Regulation (GDPR) will require credit unions to evidence how they comply with the GDPR and where new processes are engaged they must be designed with the data subjects' privacy in mind ("privacy by design"). Fines will increase dramatically under the GDPR to €20,000,000 or 4% of global turnover whichever is greater in respect of the most serious offences.

The Domestic Economy

OVERVIEW

The Central Bank has revised upwards its outlook for growth this year and for 2018 relative to previous forecasts reflecting stronger momentum in the domestic economy and an improved outlook for external demand. The Central Bank projects that the economy will expand in GDP terms by 3.5% in 2017 and by 3.2% in 2018. This follows estimated GDP growth of 5.2% in 2016.

Demand

For 2017 and 2018, domestic demand (consumption and investment) is widely expected to provide the main impetus to growth, reflecting a robust outlook for consumption and investment spending. Labour market and income developments should lend further support to consumer spending despite significant risks on the external side (principally Brexit). The Central Bank's adjusted measure of domestic demand - underlying domestic demand - is projected to grow by 4% in 2017 and by 3.5% in 2018.

Consumption

In 2017, the Central Bank forecasts that personal consumption expenditure will grow by 3% with 2.5% growth anticipated for 2018. The recent year-end Quarterly National Accounts (QNA) data points to estimated growth in consumption of 3% in 2016, with seasonally adjusted growth of 0.7% in the fourth quarter. While goods consumption was robust (and tallied with higher frequency indicators such as retail sales), services consumption was much weaker. Monthly industrial production and turnover data showed a decrease of 10.5% on an annual basis for the manufacturing sector in January.

The Labour Market

The labour market is expected to continue performing very strongly over the forecast period with the Central Bank predicting employment growth of 2.6% in 2017 and



1.9% in 2018. This is equivalent to an additional 91,000 persons at work and would bring employment to over the 2.1 million threshold for the first time since 2008.

The labour market outlook builds on an exceptionally strong outturn in 2016 – numbers at work increased by 2.9%, with the labour force up by 1.2%. This resulted in a sharp decline in the rate of unemployment – to an average rate of 7.9% (down 1.6% in the year). Within this, the long-term unemployment rate (i.e. those unemployed for more than a year) fell to 3.6% which is a seven year low. For the year as a whole, the Central Bank expects the unemployment rate to average 6.4%. In 2018, the unemployment rate is expected by the Central Bank to fall further to 5.6%, with numbers in the labour force rising by a further 1%.

As stated above, in 2016 the performance of the Irish labour market was exceptionally strong with broad based employment gains across the main sectors. In the final quarter of the year all 14 sectors recorded employment gains with numbers at work increasing by 65,100 year-on-year – with close to a fifth of the gains recorded in the fast growing construction sector. Most of the employment was again generated in services – specifically in the areas of professional services, information and communications and accommodation.

Pay

For 2017 and 2018, economy wide compensation levels are set to rise further with projected annual increases of 2.8% in both years in compensation per employee – the same rate as estimated for 2016. Detailed earnings data on



CONSUMPTION

0.7% in the fourth quarter. While goods consumption was robust (and tallied with higher frequency indicators such as retail sales), services consumption was much weaker.

wages and salaries for the years up to 2016 will be published in the CSO's forthcoming National Income and Expenditure Accounts.

Inflation

While euro area inflation has picked up, inflation in Ireland remains subdued. The Harmonised Index of Consumer Prices (HICP) registered an increase of just 0.3% year-on-year in February 2017, with a month-on-month increase of 0.5%. HICP inflation excluding energy however remains in negative territory. Weakness in sterling likely contributed to downward pressure on consumer prices in Ireland as imports from the UK became cheaper. All else being equal, a rise in the value of the euro relative to sterling (a decline in sterling) serves to decrease the euro price that foreign producers selling in Ireland need to charge to maintain profits in their own currency. Weakness in sterling has, however, been partially offset by strength in the dollar.

Energy prices for consumers

returned to positive year-on-year rates in December 2016 and January 2017 following sustained declines since mid-2013. Recent oil price increases are the main factor driving energy prices. In line with this, headline HICP rates are expected to increase in 2017, driven mainly by the energy component; the HICP is expected to rise by 0.7% in 2017 while the HICP excluding energy is expected to remain muted at around 0.1%.

Residential Property

Residential property prices increased by 7.9% in January 2017 on an annual basis. Property prices, excluding Dublin, increased by 11.3% over this period while prices in Dublin rose by a more moderate, but still strong, 5.3%. With existing supply constraints and strong demand, property price inflation is unlikely to moderate significantly in the short term.

On the supply side, 14,932 houses were completed in 2016. This represented a 17.9% increase on 2015. Planning permissions were

granted for 5,814 houses/ apartments in the third quarter of 2016. This represents a large annual increase of 3,110 units (115%). Through the first three quarters of 2016, planning permissions were granted for 12,046 units, a 33% increase on the same period in 2015. A large part of this increase is centred on the Dublin region, although other areas, such as the South-West, have also seen significant rises.

The Public Finances

The general Government deficit was 1.6% of GDP in the third quarter of 2016, broadly unchanged from the same period in 2015. This remains consistent with the 1% of GDP contraction estimated in the Budget (from 1.9 to 0.9%) for the year as a whole. The debt-to-GDP ratio recorded a more notable decline in the first nine months of last year, falling from 85.6% to 77.1%, although it should be noted that this ratio is affected by revisions to 2015 GDP. A gross debt ratio of 76% was projected for 2016 in the Budget.

Gerry the Giraffe

A BIG HIT FOR GR8 SAVERS WEEK 2017

The Irish League of Credit Unions (ILCU) ran its annual youth savings initiative, GR8 Savers Week, from Monday May 8th to Friday May 14th. Credit unions across the island participated in the very worthwhile initiative, which also aims to encourage parents to educate children about the value of money. This year, the new mascot Gerry the Giraffe was introduced. His motto was 'Watch Your Savings Grow with the Credit Union!' Marketing material branded with Gerry's image, including tips and guidance for parents and activity sheets for youngsters, were distributed to all participating credit unions.

The central focus of this year's GR8 Savers week was to encourage parents to take advantage of the event to talk to their children about the importance of saving for the future. On average, children are now receiving over €200 in pocket money annually and 75% of parents are opting to give their children a regular allowance. With these financial arrangements now being the norm, there is great potential to educate children about the value of money.

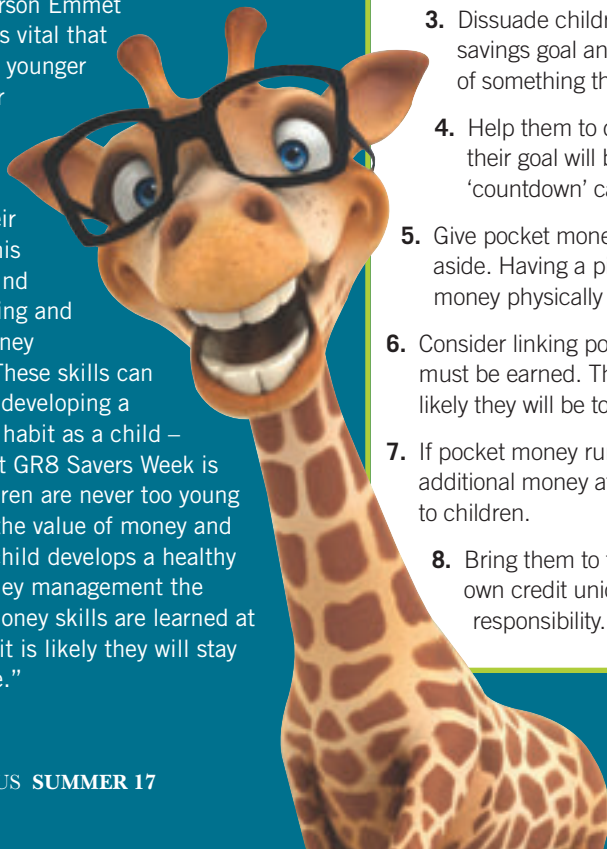
Throughout the week, credit unions around the country hosted a variety of events and credit union staff were on hand with savings tips and goodies for junior savers.

Speaking about GR8 Savers Week, ILCU spokesperson Emmet Oliver said "It is vital that we educate the younger members of our communities about the benefits of investing in their own futures. This comes with sound financial planning and responsible money management. These skills can be nurtured by developing a regular savings habit as a child – and this is what GR8 Savers Week is all about. Children are never too young to learn about the value of money and the younger a child develops a healthy attitude to money management the better. When money skills are learned at an early stage, it is likely they will stay with you for life."



TOP TIPS TO HELP CHILDREN BECOME GR8 SAVERS

1. Consider rewarding children for regular saving. Don't focus on the amount saved – rather the fact that they are developing a savings habit. Supporting and rewarding children to save even very small amounts on a regular basis will help to imbed the habit.
2. Help children to decide on a savings goals – it's good for them to have both a short term and a long term goal. Children will find it much easier to save regularly when they are savings towards something they really want.
3. Dissuade children from spending their savings on impulse. Remind them of their savings goal and what they originally wanted to save for. Share with them a story of something that you would have saved for as a child.
4. Help them to develop a savings plan, calendar or moodboard to highlight when their goal will be achieved. Having a visual prop which children can use to 'countdown' can also encourage children to stick to their target.
5. Give pocket money in small denominations and encourage children to put a little aside. Having a piggy bank, or better still a transparent jar so they can watch their money physically increase, is also a good idea.
6. Consider linking pocket money to chores. This helps to embed the idea that money must be earned. The more effort required by children to earn pocket money, the less likely they will be to spend on impulse or all at once.
7. If pocket money runs out at an early stage, don't rush to replace it. Providing additional money at the drop of a hat will defeat the purpose of giving a set allowance to children.
8. Bring them to the local credit union to become a GR8 Saver. Opening their very own credit union account will give them a sense of independence and responsibility.





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Email your answer and contact details to editor@creditunion.ie with "CU Focus Competition" in the subject line.

The closing date for entries is Friday 7th July 2017. The judges' decision is final and no correspondence will be entered into. Only one entry will be accepted from each email address. T&C apply. Subject to availability



consultant

[noun: person who provides expert advice in a professional manner]

Moore Stephens: consultants by definition

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