

Minutes of Core Credit Union Annual General Meeting, 20th January 2022

Virtual - Zoom platform

Board present: Alan Guerins, Chair, Elizabeth Harpur, Vice Chair & Secretary, Edel Churchill, Elaine Hughes; Paul O'Toole, Susan Bermingham, Michael Thomas, Annmarie Murtagh.

BOC present: Lia Downer. Siobhan Harding. Pat McAuliffe.

Chair discussed three types of users:

Hosts: Background operators

Panel: Includes Directors, Management team and Auditor, Denise O'Connell.

Attendee: All others present

The Chair called the meeting to order stating the board's acceptance of the authorised representatives of Members that are not natural persons and ascertained that a quorum was present there being 78 attendee's logged in. (Total 96 members registered representing 0.26 of membership) Chair discussed some technical considerations for meeting.

Declaration of Conflicts: None

1 Adoption of standing orders:

The standing orders are issued by the Irish League of Credit Unions and reflect changes required for electronic voting.

Hugh McGuire submitted proposed amendments in advance of this AGM:

1. To increase the voting time to 120 seconds from 60 seconds.

Chair outlined that most votes are cast within 20 seconds and the interest of conducting an effective meeting increasing the time as proposed is not necessary and therefore ruled the proposal out of order.

The chair also reviewed other amendments proposed by Mr. McGuire and ruled these out of order. Chair thanked Mr. McGuire for his submissions.

Proposed: Alan Guerins

Seconded: Elizabeth Harpur

No objectors - Poll to approve Standing Orders: 87% Approval. 13% Against.

Chair thanked John O'Reilly, former secretary for his time with the board. Also, former directors, Janie Lazar and Mary O'Riordan who stepped down following changed board size rule.

2 Approval of Minutes of AGM 2020: Taken as read.

Minutes were emailed to all registered attendees in advance of meeting.

No corrections.

Proposed: Edel Churchill

Seconded: Elaine Hughes

Poll to approve Minutes of AGM: Approved by 92%

3 Approval of Minutes of SGM April 2021. Taken as read.

Minutes were emailed to all registered attendees in advance of meeting.

Correction: Page 2, 'it's' should be 'it'

Proposed: Edel Churchill

Seconded: Liam McGovern

Poll to approve SGM Minutes: Approved.

Chairperson's Report 2021 - Alan Guerins, Chair, presented his report.

2021, a formidable year, our loan book now recovering following 2 difficult years with negative interests having impact. Our property shows a new office in Dun Laoghaire now opened with 3 apartments for sale above the office while Sussex St. is sale agreed. Our new office in Monkstown opened also with old building will be listed for sale.

Foxrock and Dalkey branches are closed permanently following an extensive analysis of both branches. It was agreed by the board that Core CU could not sustain the costs involved. It is expected to transfer the lease of the Foxrock branch while Dalkey will go for sale.

Chair encourages everyone to support their local branches offering a full range of digital banking products including current accounts. Chair thanked board, management, staff and members for their contributions and continued loyalty.

Finance Report 30th September 2021 presented by Paul Maher, Finance Manager.

Key points: Covid 19 had significant impact on financial performance. A surplus €291,840 was recorded. The loan book declined €696,148 in the financial year. Recovery commenced in June 2021 as Covid restrictions eased. Overall, loan book was down 1.5%.

Implementation of share cap resulted in a net reduction €9.35m. Interest income down 6% and Investment income down 20%. Total expenses reduced by €676,165 in the year.

Insurance report claims breakdown reported loan protected Insurance claims, €110,172.00, Life savings claims €239,775 and Death Benefit insurance claims €70,850.00. Total claims €420,798 and total premiums paid €679,352.

Auditor's Report

Denise O'Connell FCA for the auditors Grant Thornton presented her report and the accounts to the members which was unqualified. Denise thanked the board and staff for facilitating and enabling them to carry out their statutory duties and to the members for their continued support of their Credit union.

Question: On Housing body query from Jean O'Hara.

Chair: Property had been offered to AHB but due to continued delay in signing off, the opportunity was taken to put them up for sale.

Question: Accounts showing €1m spent in Construction work in progress. Is this not capital commitments?

GT: On 30th September 2020, there were no contracted capital commitments in place at that time.

Question: Cost of AGM shows €38k, increase of over €4k from previous year?

GT: AGM held by virtual means and had associated technology costs.

Comment: SGM cost of €36,667

GT: Costs disclosed in financial statements. There would be additional ancillary costs such as staffing costs.

Question: When were properties last valued?

GT: The last market valuation was October 2020.

Question: Has decision by DLR County council to refuse planning permission on Dunlaoghaire and Shankill properties compromised the current value stated in the accounts. How much has been spent to date on property development?

CEO: Dunlaoghaire has gone sale agreed, not impacting the value and Shankill planning refusal has been appealed, valuation on existing use basis of which no change. Approx €80-€90k spend on development of property at Carrickbrennan premises.

Question: Gary Kelly. Please explain key management compensation €591k.

GT: This is the salary and pension costs associated with management team.

Question: Mr. Hugh Maguire; On SGM expenses comparison

CEO: The second SGM was through electronic communication and placed ads on multi channels. Only costs were for advertising as everything else was done in house

Question: Gary Kelly; On earnings of management.

Elaine Hughes: The remuneration committee review salaries every year and are satisfied all are appropriately remunerated.

Questions on Current accounts and related costs were addressed by Paul Maher, Finance manager.

Board Oversight committee Report

Pat McAuliffe read the report and stated the Board Oversight Committee is satisfied that all duties and responsibilities were carried out in accordance with the rules and regulations as set down by the Act. We are satisfied that the Board of Directors has complied and operated in accordance with Part 4 and Part 4a of the Act.

Declaration of Dividend

The Chair declared that there would be no dividend or interest rebate this year.

Credit Committee Report presented by Amanda Dillon

Following review of data and despite our strong positioning on loans, 2021 was a difficult year. From December 2020 to February 2021, due to a surge in Covid cases and movement restrictions, our loan book dropped by €1.65m. Demand however increased subsequently and the year finished showing a decline in loan book of €696k.

The report of the Credit Control Committee, presented by Clare McCann.

Arrears are at their lowest at 3.57% in September 2021. Work has continued to assist members who have met difficulty in their payments through payment reductions and breaks. During 2021 €323,414 of bad debts were recovered. We would urge our members who find themselves in financial difficulties to contact us immediately and to remind members that the Central Credit Register will hold information on loan repayments for 5 years after the loan has been repaid.

The report of the Membership Committee, presented by Jennifer Bowe.

1119 members opened accounts with 26% joining online through website. Due to closure of banks, a switcher process has been introduced to assist members change over. Apple pay, google pay and fit bit payment are some of our features appealing to all age groups. We have 18 participating schools with over 900 children involved, although interaction has paused due to covid. It is envisioned to connect with secondary schools and build a TY programme.

CEO Report by Michael Byrne:

CEO acknowledged staff for their continued commitment during difficult times. Our property strategy was set out in 2018 and is being delivered and will be completed in 2022. The Current Account take up is increasing while the uptake of Peopl insurance has been poor and is being addressed. Lack of demand in Foxrock and Dalkey branches have resulted in their closure but we will strive to keep the remaining five branches open. While lending decreased during Covid, it is now recovering. We need more members engaging with the Credit Union for all their financial needs. CEO wishes to thank the Board and Management for their immense work and dedication.

Question on Current Accounts was addressed by Michael Byrne, the business case was based on 3,000 accounts.

Question: Gary Kelly; In the absence of no dividends, at what stage will management make the decision on not reaching the targeted 3,000?

CEO responded we must invest in the future services. Current accounts are our future and critical to our progress.

Report of the Risk, Compliance & Audit Committee

Paula O'Toole presented the Risk, Audit and Compliance Report. In the past year the Committee:

- Oversaw the implementation of the board approved Credit Union Risk, Compliance, and Internal Audit plans.
- Reviewed the performance and effectiveness of the Internal Audit function.
- Reviewed the Risk Register and appropriateness of the Risk Management system.
- Reviewed the performance and effectiveness of the risk and compliance functions.
- Reviewed the performance and effectiveness of the Internal Audit function.
- Monitored and reviewed the implementation of the Credit Union Business Continuity Plans from a governance and operational perspective in response to ongoing COVID-19 restrictions and reported findings monthly to Board of directors.
- The Risk, Compliance and Audit Committee has continued to implement the improvement of controls based on recommendations of our internal auditors, Moore and our external auditors, Grant Thornton.

Nominations Committee Report / Notice of Elections

Elizabeth Harpur presented the Nominations Committee Report and Notice of Elections.

The candidates for election to the Board of Directors:

Elizabeth Harpur, director, Paula O'Toole, director. Further proposal as candidate of Françoise Tritz as director.

Candidate for Election to the Board Oversight Committee:

Lia Downer

Voting was conducted. Mark Ryan and Brendan Kelly acted as tellers.

Chair announced elections as follows:

Position of Auditor: Grant Thornton are re-elected

Board Oversight committee (1): Lia Downer elected

Board of Directors (3): Elizabeth Harpur, Paula O'Toole and Françoise Tritz elected

Motions

Motion 1

" That this annual general meeting approves the deduction of an affiliation fee of €1.48 per adult member"

Proposed: Alan Guerins, Chair

Seconded: M. Lee

Voting: Motion is carried

Motion 2

Technical adjustment required by the Irish League of Credit Unions.

‘That this AGM agrees to delete rule 63/4 of the standard rules for Credit unions, Republic of Ireland, (2019) to remove the requirement for credit unions to complete and return the Return of Officers form to the Irish League of Credit Unions.

Proposed: Alan Guerins, Chair

Seconded: Brian Prunty

Voting: Motion is carried

Motion 3

That this Annual General Meeting agrees to amend Rule 45 of the Standards Rules for Credit Unions (Republic of Ireland) in paragraph (1), by deletion of “Six directors” and the insertion of “A majority” to read as follows:

A majority of the number of directors specified in the rules (inclusive of any vacancies) shall constitute a quorum for the transaction of any business at any meeting of the board of directors, but fewer than a quorum may adjourn to any date not less than two nor more than thirty days from the date of the meeting.

Proposed: Alan Guerins, Chair

Seconded: John O’Reilly

Voting: Motion is carried

Attendees Prize Draw:

There were 10 Prize draw winners.

AOB:

A proposed motion from Hugh Maguire

“That this AGM instruct the board of directors not to cease the life benefit insurance”

Chair reports this decision lies with the board of directors and therefore rules this motion out of order. An invitation was offered to the member to meet with the board on this motion.

Question Siobhán Hackett: How many current accounts have been closed?

CEO: We closed approximately 10% proactively with members where they are not being used and can incur charges.

Condolences expressed to family of Patsy McCann, a long-time member of staff in Dalkey.

Chair thanked the CEO, Staff, Management team and Board.

Meeting closed at 20:32 and the Chair thanked everyone for their attendance.