

ROSCREA CREDIT UNION ANNUAL GENERAL MEETING

21st December 2007

“The Powerhouse for Community Development”



*Wishing all our Members a Happy Christmas
& a Prosperous New Year*



ROSCREA CREDIT UNION ANNUAL GENERAL MEETING

21ST/DECEMBER/2007

AGENDA

- (a)** The Acceptance By The Board Of Directors Of The Authorised Representative Of Members That Are Not Natural Persons
- (b)** Ascertainment That A Quorum Is Present
- (c)** Adoption Of Standing Orders
- (d)** Reading And Approval (Or Correction) Of The Minutes Of The Last Annual General Meeting; And Any Intervening Special General Meeting
- (e)** Report Of The Board Of Directors
- (f)** Report Of The Treasurer, Consideration Of Accounts And Approval Of Treasurer's Honorarium
- (g)** Report Of The Auditor
- (h)** Report Of The Supervisory Committee
- (i)** Declaration Of Dividend
- (j)** Report Of The Credit Committee
- (k)** Report Of Credit Control Committee
- (l)** Report Of Membership Committee
- (m)** Report Of Planning And Development Committee
- (n)** Report Of Social And Education Committee
- (o)** Report Of Any Sub-Committee
- (p)** Report Of Nominating Committee
- (q)** Appointment Of Tellers
- (r)** Election Of Auditor
- (s)** Election To Fill vacancies On The Supervisory Committee
- (t)** Election To Fill Vacancies On The Board Of Directors
- (u)** Any Other Business
- (v)** Announcement Of Election Results
- (w)** Adjournment Or Close Of Meeting





CHAIRMANS ADDRESS

It is with great pleasure that I report on behalf of the Board of Directors that 2007 was another successful year for Roscrea Credit Union Ltd.

As you may be aware, we celebrated our 40th anniversary this year, with a number of initiatives – the “Summer Fest”, sponsorship of Killavilla United and Roscrea GAA Club, together with a number of promotions. I would like to thank Brian King and the “40th anniversary” committee for their hard work during the year.

Unfortunately, 2007 brought a number of crises in the financial markets during the year – most notably, Northern Rock and a substantial drop in share prices. A number of credit unions also ran into difficulties with their investments – I can confirm that Roscrea Credit Union had no issues in this regard. On behalf of the shareholders, I would like to thank our Treasurer John Gunnell and our CEO Ray McCarthy for having our Credit Union in such a sound financial position.

I am delighted to see that the swimming pool saga is coming to a close and you will see that we have provided sufficient funds in our accounts this year to meet our full commitment to the pool. I hope that the pool will be well advanced when we meet again this time next year.

We are currently reviewing our strategic plan, and for the first time ever asked a focus group to give us their views and comments – both positive and negative. Coupled with recent survey results, we will shortly be reviewing this data in formulating our plan for the next three years.

You will hear from our treasurer that we have increased our dividend this year to 2.25%. Bearing in mind that this is a “demand deposit” product, a comparable rate in other financial institutions is currently less than 1%.

Credit Control continues to be an issue, particularly with the current “credit squeeze”. While we are sympathetic to individual circumstances, we have an obligation to other shareholders and have decided to improve our credit control collections by employing the services of a local solicitor. This will speed up our collection process.

I am delighted to hear there are a number of developments about to commence in the town. Coupled with the motorway starting next Spring, Roscrea needs to take advantage of its location. The Credit Union will continue to play its part in the development of the town and would encourage others to help make Roscrea an attractive town for inward investment. With a strong community spirit, and huge improvements in sports/leisure facilities, the future looks bright for Roscrea.

Seamus Mullaney
Chairman



Declaration & Adoption of Dividend Treasurer's Report

Highlights

Income:

- Interest Income Is Up By €422k
- Other Income Is up By €68k
- Total Income Is Up €490k - 12% Increase on last year

Expenditure:

- Salaries Up €38K - 7% Increase
- Other Management Expenses Up €138K
- Bad Debt Write-Off down €17K
- Bad Debts recovered - €106k. Down €46k on last year
- Bad Debt Provision €314K - Now At 5% Of Total Loans
- Debt Collection Costs Down €4k

Surplus:

Overall Surplus is €1.8 million. A decrease of €74k on last year – attributable to movement in bad debts and interest paid on members deposits.

Other Comments:

- €27 Million In Loans Approved This Year - Increase Of €3.5 million On Last Year.
- €21 Million In loans Repaid This Year
- Statutory Reserve Now Stands At €4.1 Million – 8% Of Total Savings
- Creating a further Community Reserve in the amount of €250k this year – towards swimming pool commitment
- Total Assets Now €58.1 Million
- A solid years performance in difficult conditions

Declaration & Adoption of Dividend

The Board Of Directors Recommends The Capitalisation Of €74,424 By Way Of A 2.25% Dividend On Member Shares.

A deduction of €2.50 per adult member towards the ILCU affiliation fee – same as last year – is also recommended.





Supervisory Committee Report

In our opinion, internal operations and transactions within the credit union were conducted for the benefit of the members and in accordance with statutory regulation and requirements. Members of the Supervisory Committee attended and observed monthly Board meetings.

As outlined last year, we continue to use the services of an external accountant to perform a number of our duties. We feel, with the substantial growth and volume of business in the credit union, that this is the only way to properly supervise a credit union of this size. The external auditor has issued verification statements to 10% of the membership during the year, as required. We thank members who replied to his requests, as this is a very important part of our function. There were no issues with this process.

Compliance is becoming a major part of credit union operations and, we understand that this area will be addressed and improved in the year ahead. Indeed, the upgrade of the computer system brings in controls that have been lacking in the past – this is a welcome development.

We would like to assure our members that the Board of Directors and all committees are working for the betterment of Roscrea Credit Union.

Supervisory Committee:

Matt Talbot, Maura Coughlan & Tony Mason





Credit Committee Report

The past year has seen some dramatic changes to borrowing and lending tendencies. Interest rates are increasing putting pressure on banks and other institutions to be more careful in their lending policies. This means that in the future some members may find it harder to get approval for their application as Roscrea Credit Union are just as challenged to be more prudent in our lending. To this end, we do require that all loan applicants consent to an Irish Credit Bureau check. In the past number of years we have become subscribers to this service. It helps us verify that there are no negative claims against the borrower and is especially necessary for all larger loans. While all loans are issued on merit and the ability to repay, loans, especially larger ones, may be required to offer security other than shares as a condition of their approval. We ask that all members supply as full and up-to-date details as possible when applying for a loan and not to be offended if they are asked for extra information.

The Credit Committee meets every Friday afternoon to discuss and approve or reject loans. To this end, if other paperwork is needed as part of the Loan Request – as in the case of a Bridging Loan where an offer of mortgage is given by the building society or bank, we request that this be attached to the application as it otherwise cannot be considered.

In the past year, the committee met **50** times and a quorum was present each time. During the year approximately **5,000** loans to the value of **€27m** were issued while borrowers repaid **€1.3m** in loans. During the same period the committee rejected **444** loan requests for a total value of **€2.3m** - less than **10%** of all loans issued. The committee would like to encourage members to be especially prudent in their borrowing during the coming year for reasons already outlined. We would like to thank all those members who make repayments on time and we would encourage any member having difficulty to come and see us in the credit union before their loan becomes a bad debt. We are here to help.

Finally, on behalf of the Credit Committee, I would like to thank Mr. Ray McCarthy, the Loan Officers and the Credit Union staff for their assistance throughout the year and the courteous and professional manner in which they perform their duties.

Credit Committee:

Jim Bolger, Dick Conroy, Paul Ryan, and Hugh Keane.





Credit Control Committee Report

With a downturn in the economy, Credit Control is proving to be a very important area of Credit Union operations.

Our write-off figure this year is down from €636k last year to €419k this year. While bad debt recoveries are down from €152k to €106k, the recovery figure is ahead of our budget of €100k. Coupled with this, our debt collection costs have decreased by €4k on last year.

Our Bad Debt Provisions now stand at 5% of our loan book - €2.1m – an increase of €391k on last year. The board consider this a prudent level of provisions.

As a credit union, we have an obligation to our shareholders to ensure that every effort is made to recover all loans. As the chairman advised, we have now employed the services of a local solicitor for debt collection. This should help speed up our collection processes. This, coupled with our use of the Irish Credit Bureau, should help improve our Credit Control operations.

We would urge any member who is having financial difficulties to contact Sarah Beasley – our Credit Controller, who is always at hand for help and advice.

*Credit Control Committee:
Tom McCarthy, Seamus Mullaney, Liam Phelan.*





Membership Committee Report

The membership of Roscrea Credit Union has increased by approx 560 new members in the past year. Considering the fact that the membership has almost reached saturation point this is another excellent performance, of which the membership committee are very proud.

We encourage all members of Roscrea Credit Union to introduce new members. We would also appreciate if you would inform any potential new members that under legislation with regard the Money Laundering Act all new members are now requested to produce Full ID and proof of address before they can be accepted as members of Roscrea Credit Union. This is no different to any other financial institution in the country.

We are delighted with the profile Roscrea Credit Union has in the local community. This profile was enhanced this year thanks to the 40th anniversary promotions committee and the numerous initiatives that they embarked upon during the year to celebrate our Credit Union's forty years of service to the local community.

2008 sees the National Credit Union movement celebrate 50 years of existence in Ireland. Next year will also see the first national advertising campaign by Credit Unions in Ireland. This is certainly very welcomed and will give a fresh impetus to Credit Union's and their role in the Irish Financial market.

The Membership Committee look forward to the introduction of the Credit Union's new Strategic Plan in the coming weeks. Proposals that will be adopted from that plan will facilitate more member days, more promotional weeks and mechanisms for encouraging more youth participation in their local Credit Union.

The Membership Committee are always interested in new marketing and promotional ideas. We are also very interested in general comments and suggestions you may have that could help enhance our Credit Union. Feel free to contact any of the Membership Committee or log on to our revamped website www.roscreacu.ie which is equipped with a facility to allow members give comments and suggestions.

We would like to thank the staff of the Credit Union for their support during the past year and look forward to another busy year ahead.

Membership Committee:
Patsy Treacy, Brian King & Denis Shanahan





Planning and Development Committee Report

Members might not be aware that we upgraded our computer system recently, which has introduced greater controls and has reduced our pre-printed stationery requirements. Indeed, we can now photograph members, which attaches to their membership application. Marketing of new services and products will be far simpler with the new system.

The revised Credit Agreement and loan application were introduced during the year, which require fewer signatures.

We have also re-visited all our internal policies, which have been presented to both the board and staff. A Money Laundering course has also been undertaken by staff and directors. Two staff members are also currently undertaking the Qualified Financial Adviser course.

A new Travel Insurance product was introduced, with very competitive rates and all types of cover. This product has proven to be very popular.

www.roscreaonline.com is as popular as ever with c.10,000 visitors per month. This is an excellent means of promoting our town and a great way of keeping people in touch with home. There are now over 100 businesses registered with roscreaonline. During the year, we upgraded the credit union website – www.roscreacu.ie which is now a very professional website promoting our credit union. Our credit union has signed up to the “Home Computer Initiative” recently launched, which will help promote computer usage. Brochures are available in our office.

The Youth Group remains in place and you can expect a number of projects in the New Year. We are indebted to this group for all their hard work over the past 12 months.

We are currently reviewing our Strategic Plan and have recently undertaken a survey and formed a “focus group” to look at how we do business.

Over the past number of weeks, we have been reviewing possibilities regarding ATM card provision. These will be looked at with the Strategic Plan. We have also built an interview room in the main banking hall for mortgage provision through EBS Building Society and have recently met with EBS and hope to launch this service in the New Year.

We invite any constructive suggestions for improvements/new services – these can be relayed to Brian King, Business Development Officer or Ray McCarthy, CEO.

Planning and Development Committee:

John Gunnell, Brendan Wright, Liam Phelan, Noel Ryan, Ray McCarthy.





Social & Educational Committee Report

With a sub-committee formed to deal with our 40th anniversary celebrations, 2007 proved to be a busy year.

On the youth side, our schools quiz was very popular, with 140 primary students participating. Our Youth Committee held the “Battle of the Bands” in February, which 500 students attended. This was one of the most successful youth events ever staged in Roscrea. Our thanks go to Brian King, Tracy Hynes and the Youth Committee.

The Roscrea People of the Year awards was, once again, a huge success – an event that honours local people for their contribution to our community. We are delighted to be associated with the event.

For the first time, we linked up with Tidy Towns to encourage resident’s associations/groups to improve the approach roads to their area. This proved very popular and, hopefully, helped Roscrea increase its result in the National Tidy Towns competition.

The highlight of the year was the Summer Fest, held in June. Unfortunately, the weather was against us, but didn’t dampen spirits. The music was a great success as were the fireworks on the Saturday night. All events were provided free of charge.

While we sponsored a number of events and clubs this year, the larger sponsorships were with Killavilla Soccer Club, Roscrea GAA Club and Roscrea Scout Troops development at the Srahan complex in Laois.

Numerous clubs and charities were allowed use the credit union office for their fundraising collections during the year, which proved very popular.

The quarterly “cash draws” continue, which are now held in Grants Hotel. Indeed, as with last year, the December draw will take place after the AGM tonight.

As our 40th anniversary is now coming to a close, we will be decreasing our level of sponsorships in the year ahead, but hope to continue supporting the community as we have done in the past.

Social and Educational Committee:

Noel Ryan, Brendan Wright, Matt Harte, Dymphna Breen, Mai Phelan, Miriam Phelan, Tracy Hynes, A L Mitchell.

