



Annual Report 2025

NOTICE OF
ARKLOW CREDIT UNION'S
57TH AGM



15th January 2026 at 7pm
in our offices
at Castlepark, Arklow



5.5%
Variable Rate
(5.6% APR)

Greenify

Your Home And Transport

- 🔌 Borrow up to €100,000 over 10 years
- 🔌 Unsecured lending
- 🔌 Personal service

Find out more about our Greenify
Home Energy Upgrade Loan today
www.greenify.ie



Representative Example: A 5-year Greenify loan of €30,000 will have 60 monthly repayments of €573. Interest rate is 5.5% variable, (5.7% APR). The total cost of credit is €4,383. The total amount payable is €34,383.

Loans are subject to approval. Terms and conditions apply.

Warning: The cost of your repayments may increase. If you do not meet the repayments on your loan, your account will go into arrears. This may affect your credit rating, which may limit your ability to access credit in the future.

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INVOCATION

LORD, make me an instrument of thy peace.

Where there is hatred, let me sow love;

where there is injury, pardon;

where there is doubt, faith;

where there is despair, hope;

where there is darkness, light;

and where there is sadness, joy.

O DIVINE MASTER, grant that I may not so

much seek to be consoled as to console;

to be understood as to understand;

to be loved as to love;

for it is in giving that we receive,

it is in pardoning that we are pardoned,

and it is in dying that we are born to eternal life.



Up to €225,000 up to 30 years



Ideal for large-scale capital expenditure like new sheds or land purchase. Get in touch for a personal service and local decision making.

Loans are subject to approval. Terms and conditions apply. If you do not meet the repayments on your loan, your account will go into arrears. This may affect your credit rating which may limit your ability to access credit in the future. The cost of your repayments may increase. All Cultivate Credit Unions are regulated by the Central Bank of Ireland. A list of participating credit unions is available at www.cultivate-cu.ie.

Visit : arklowcu.ie
Phone : 0402 39972

#FarmerFriendlyFinance

NOTICE OF ANNUAL GENERAL MEETING & AGENDA

INVITATION TO THE ANNUAL GENERAL MEETING

Notice is hereby given that the 57th Annual General Meeting of Arklow Credit Union Ltd will take place in our offices at Castlepark, Arklow, Co. Wicklow on the Thursday 15th January 2026 at 7.00pm. All eligible members are cordially invited to attend.

There will be a draw for six “One- for- All” Vouchers valued at €50 each, for Members attending the AGM and there will be refreshments served after the meeting. Please bring your passbook (blue wallet) as proof of membership.

NOTICE OF ELECTIONS

Elections will be held to fill:

- the position of Auditor.
- Four vacancies on the Board of Directors and
- One Board Oversight Committee vacancy (see Nominations Committee report for details)

Votes will be cast by secret ballot by members during the AGM. Members wishing to put themselves forward for consideration for election should submit a Nominations form well in advance of the AGM. The form is available in Arklow or Aughrim Branches or you may download at <https://www.arklowcu.ie/Downloads>

We do hope you can join us on the 15th January 2026.



Eilish Nolan
Secretary
Arklow Credit Union

AGENDA (ORDER OF BUSINESS)

01. Acceptance by the Board of Directors of the authorised representatives of Members that are not natural persons
02. Ascertainment that quorum is present
03. Adoption of Standing Orders
04. Reading and approval (or correction) of minutes of the last AGM
05. Report of the Board of Directors
06. Declaration of dividend and rebate of interest (if any)
07. Consideration of Accounts & Financial Statements
08. Report of the Auditor
09. Report of the Board Oversight Committee
10. Report of the Credit Committee
11. Report of the Credit Control Committee
12. Report of the Membership Committee
13. Report of any Sub-Committee – Liquidity & Investments Committee
14. Report of any Sub Committee – Risk & Audit Committee
15. Report of the Nomination Committee
16. Other Motions to AGM
17. Appointment of Tellers
18. Elections (External Auditor, 4 Board Directors and 1 Board Oversight Committee Member)
19. Questions & Answers
20. Prize Draw
21. Any Other Business
22. Announcement of Election Results
23. Adjournment or Close of Meeting

STANDING ORDERS

AGM to be held in accordance with Credit Union Rules and Credit Union and Co-operation with Overseas Regulators Act 2012 incorporating the Credit Union Act, 1997 (as amended).

VOTING

Each member shall be entitled to one vote irrespective of his / her shareholding, in accordance with section 82(2) of the Credit Union Act, 1997 (as amended).

ELECTION PROCEDURE

- Election to the Board of Directors, to the Board Oversight Committee and the position of Auditor shall be by majority vote and by secret ballot.
- When nominations are announced, tellers shall be appointed by the chair and ballot papers shall be distributed. Nominations shall be in the following order:
 - (a) nominations for Auditor
 - (b) nominations for the Board of Directors
 - (c) nominations for the Board Oversight Committee

When voting is completed, the votes shall be taken and tallied by the tellers. Any ballot paper which contains votes for more than the number required to be elected shall be void. All elections shall be by secret ballot and by majority vote.

When the votes have been counted by the tellers, the results shall be announced by the chairperson. In the event that all

vacancies are not filled by the first ballot further ballots shall be taken as required. In the event of an equality of votes between candidates for the remaining vacancies not filled in accordance with the above procedure one further ballot shall be taken and should that ballot fail to determine the issue, the vacancies shall be filled by lot from among such candidates having an equality of votes.

MOTIONS

All motions from the floor of the AGM must be proposed and seconded by members present at the AGM and moved by the proposer. If the proposer is absent when the motion is called, the motion shall be deemed to have failed.

MISCELLANEOUS

- The Chairperson of the credit union shall be the Chairperson of any general meeting, except where he/she is not available, in which case it shall be the Vice-Chair, except where he/she is not available, in which case the Board shall decide amongst themselves who shall act as Chair of any meeting.
- The Chairperson may at his/her discretion, extend the privilege of the floor to any person who is not a member.
- Matters not covered by the agenda may be introduced under 'Other business' at the discretion of the Chairperson.
- The Chairperson's decision on any matter relating to these standing orders or interpretation of same will be final.

STANDING ORDERS

- In accordance with Section 82(2) no member shall have more than one vote on each question at any general meeting of the credit union or any adjournment thereof, irrespective of his/her shareholding or the number of accounts in his/her name in the credit union, provided however, that except in voting at elections, the presiding member shall have a second or casting vote in the event of equality of voting. Voting by proxy shall be allowed only when a member other than a natural person votes through a representative, who is a member of the group, duly authorised in writing for that purpose and accepted as such by the Board of Directors.
- Any matter to be decided upon by vote at the AGM shall, unless otherwise expressly provided for by law or the rules, will be decided upon by simple majority.

SUSPENSION OF STANDING ORDERS

Any one of these orders or all of these Standing Orders may be suspended on a

motion to this effect receiving a two-thirds majority of those present and voting.

ALTERATION OF STANDING ORDERS

Standing Orders may be amended or altered at a general meeting and only if a motion to this effect has received a two-thirds majority of those present and voting.

ADJOURNMENTS

Adjournments of the AGM shall take place only in accordance with section 81(1) and the provisions concerning notice, voting and quorum are also set out in section 81 and the new section 80A inserted by the Finance (Miscellaneous Provisions) Act 2020.

NOMINATIONS

A complete list of candidates for election will be available at the AGM on the ballot paper.



Terms and Conditions Apply. Warning: Loans are subject to approval. If you do not meet the agreed repayments your account will fall into arrears. This may affect your ability to access credit in the future. Arklow Credit Union is regulated by the Central Bank of Ireland

REPORT OF THE CHAIRPERSON

On behalf of the Board of Directors, Board Oversight Committee, Management Team and Staff of Arklow Credit Union (ACU), I would like to welcome you to our 57th Annual General Meeting. I'm pleased to present the annual report of Arklow Credit Union for the year ended 30 September 2025.

During the past year the tariff policies of President Trump and the retaliatory moves by other countries have dominated the world of business and economics which has continued to adversely impact society and the financial wellbeing of our members. The environment for consumer-facing businesses such as retail and hospitality was more challenging, faced with a consumer under pressure from the escalation in the cost of living, and significant increases in business operating costs. Consumer confidence has been under pressure due to a combination of Trump-induced uncertainty, higher grocery prices and increased nervousness about the economic outlook.

Over the past year, the European Central Bank (ECB) has been lowering its key interest rates, with the deposit facility rate decreasing from around 4.00% in June 2024 to 2.00% by June 2025. Consequently, interest rates on new household term deposits in Ireland have also fallen over the last 12 months, while rates for overnight deposits remained low and stable.

FINANCIAL UPDATE

During the past year our loan book grew by €698,577 helped by the ongoing success in lending to the Agri sector with Cultivate Farm Finance.

The change in interest rate environment during 2023/24 reduced investment opportunities for surplus funds. However, through ongoing management, guided by our Investments & Liquidity committee we were able to continue to avail of attractive reinvestment opportunities. ACU's investment income of €514,912 in 2024/25 is up 9.54% on the previous year's figure €470,056.

ACU continues to benefit from a strong recovery of bad debts contributing €146,747 to the overall surplus this year of €711,038.

As your elected Board we are required to adopt a prudent approach to the management of the credit union's finances and, in that regard, the Central Bank in its circular of the 23rd September 2025 stated " The Registry of Credit Unions expects all credit unions to continue to take a prudent approach to distributions, taking account of liquidity, underlying surpluses and operational resilience positions and the need for prudent forward-looking reserve management. In the context of the 2025 financial year-end, credit union boards must be cognisant of the challenges and uncertainty in the economic outlook. Maintaining and building adequate

REPORT OF THE CHAIRPERSON

levels of reserves, including adequate operational risk reserves, remains key to ensuring credit union financial stability and resilience. Capital adequacy of credit unions remains key to financial resilience – underpinning member confidence, particularly where varying levels of longer-term sustainability risk exists for individual credit unions”.

Conscious of the Central Bank guidance and the continued strengthening of ACU’s finances the Board is proposing the payment of a similar dividend this year to last years of 0.1%.

In addition, the Board will continue to keep the credit union’s savings cap, introduced in January 2021, under ongoing review.

PRODUCT & CHANNEL UPDATE

- **SEPA Instant:** Since October 2025 Members can receive and make instant payments from their accounts with Arklow Credit Union. These payments will reach the receiving account within 10 seconds.
- **Mortgages:** As advised at last year’s AGM the Board of Arklow Credit Union have been keen for some time to add Mortgages to our product suite. ACU are now a shareholder in the ILCU led Mortgages CUSO and was one of the credit unions that took part in the pilot launch during the summer of 2025.
- **Green Loans:** Recognising the importance of your credit union playing its part in helping to reduce

all our carbon footprints and playing our part in the sustainability of all our futures, ACU have recently added the nationwide dual “green” loan product branded Greenify which will cater for both home and transport loan needs.

ACKNOWLEDGEMENTS

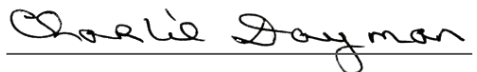
To our Management and Staff, I would like to say a warm thank you for your hard work and professionalism over the past year. I would particularly like to acknowledge the work the staff have taken in promoting ACU’s commitment to implementing its ESG policy. It is your dedication and friendliness that places Arklow Credit Union at the centre of our community.

Finally, I want to thank my fellow Directors and the Board Oversight Committee for their commitment and service on behalf of the members to the credit union in the past year.

I would like to wish all our members a prosperous 2026.



Charlie Dayman
Chairperson

A handwritten signature in black ink that reads "Charlie Dayman". The signature is written in a cursive style and is positioned above a horizontal line.

REPORT OF THE CEO

The geopolitical uncertainty which prevailed throughout the past year has been the dominant feature of that period. The cost of living and in particular energy remains an ever-present issue which continued to impact on the day to day lives of our members over the past year. Even though recorded inflation levels began to ease in 2024 leading to the ECB reducing interest rates, day to day cost of living items remain expensive and members did not feel the benefits of this change in sentiment. The ECB cut rates eight times by a total of 2% between June 2024 and June 2025. Notwithstanding this trend, significant investment opportunities were available to your credit union throughout the past year which were availed of for reinvestment of maturing funds.

STRATEGIC INITIATIVES – UPDATE

- The Mortgage CUSO (Credit Union Service Organisation) which has been developed with the support of the ILCU and the participation of Credit Unions nationwide including Arklow Credit Union launched during the year with Arklow as one of the pilot credit unions to roll out the new credit union mortgage offering.
- The addition of Cultivate Secured to our product suite which is secured finance available for Agri capital projects up to €225,000 has also been a great success in driving loan growth.
- Also, the launch of Greenify as a singular product to cater for both home and transport “green” loan projects is a very welcome development with significant opportunity for loan growth in the years ahead.

ACU METRICS MOVING IN THE RIGHT DIRECTION

During the past year further progress has been made with your credit union’s KPIs (Key Performance Indicators) or PEARLS Ratios as evidenced by the table hereunder:

Ratios	September 2025	September 2024
Return on Investments	1.88%	1.73%
Capital/Assets	16.51%	15.79%
Cost to Income	70.77%	72.66%
Return on Assets	1.40%	1.33%
Arrears 10 weeks +	2.55%	4.05%

REPORT OF THE CEO

It is particularly pleasing to see the credit union's return on assets at 1.40% which is strong for the sector. Also, Capital to Assets Ratio is up from 15.79% in September 2024 to 16.51% at the year-end.

ACKNOWLEDGEMENTS

Finally, I would like to thank our staff and my management colleagues for all their hard work during the year to ensure that our members requirements and expectations are consistently met and the Board and Board Oversight Committee for their support and direction throughout 2025.

We thank all our members for your continued support and wish you a successful and prosperous 2026.



Hugh O'Keefe
CEO

Your New Home For Mortgages

Discover our capped
variable rate mortgage

CALL: 0402 39972
EMAIL: info@arklowcu.ie
WEB: www.arklowcu.ie



Your home is at risk if you do not keep up payments on a mortgage or any other loan secured on it. Payment rates on this housing loan may be adjusted by the lender from time to time based on changes to the variable rate policy. Loans are subject to approval. Terms & Conditions apply. Arklow Credit Union is regulated by the Central Bank of Ireland.

Your New Home For Mortgages

Discover our capped variable rate mortgage

BY PEOPLE FOR PEOPLE



**Variable rate
3.85% (APR 3.92%)
With 3 year cap
of 4.40%
T&C apply**

Lending criteria, terms and conditions apply. Applicants must be over 18 and resident in the Republic of Ireland. Mortgage approval is subject to a satisfactory assessment of suitability and affordability. The maximum loan amount is typically up to 3.5 times your gross annual income (or up to 4.0 times for first-time buyers) and can be no more than 90% of the property's value. The monthly repayment on a 20-year mortgage with a variable borrowing rate of 3.85% on a mortgage of €100,000 is €598.11 for 240 months. Total amount repayable is €143,533. If interest rates increase to the cap of 4.40%, an additional €29.15 would be payable per month. For this example, Annual Percentage Rate of Charge (APRC) of 3.92% applies and consists of variable borrowing rate of 3.85%. It does not include valuation fees, legal fees, or other third party charges that may apply.

Information correct at 26th November 2025 and subject to change.

Your home is at risk if you do not keep up payments on a mortgage or any other loan secured on it.

Payment rates on this housing loan may be adjusted by the lender from time to time based on changes to the variable rate policy. Loans are subject to approval. Terms & Conditions apply. Arklow Credit Union is regulated by the Central Bank of Ireland.

MARY MANLEY - AN INTRODUCTION



Mary is a native of Cork City and has been resident in Arklow town for some 43 years. Retired since 2012, she spent her working life with Bank of Ireland with whom she had 38 years service. Mary held the QFA and a Certificate in Mortgage Practice.

Since retirement, Mary has worked with the Money Advice and Budgeting Service (MABS) for some 6 years and also sings with the local Revival Gospel Choir. Mary has agreed to submit her name for election to the Board Oversight Committee at the upcoming AGM of Arklow Credit Union. Fitness and Probity has been completed in respect of Mary.

The BOC recommends her candidature to the meeting.

IMPORTANT NOTICE

AFFILIATION FEES

Please be aware that under our Standard Rules for Credit Unions we charge members an affiliation fee.

Are your ID's up to date?

We are happy to check it for you at the counter or over the phone 0402 39972

In order to comply with legislation to combat money laundering and terrorist financing, Arklow Credit Union is obliged to verify and maintain up to date proof of both your identity and your current permanent address whilst you are an active account holder.

BOARD OVERSIGHT COMMITTEE REPORT

The Board Oversight Committee (BOC) has the responsibility of overseeing the Board of Directors of our Credit Union and reporting to the membership at the AGM.

As per regulatory requirements, a member of the BOC attends at all Board meetings of Arklow Credit Union. In accordance with Parts IV and IV (a) of the 1997 Act (as amended) the Directors are observed and assessed by the BOC to ensure that their actions and decisions are at all times in compliance with regulatory and legislative requirements and the rules of Arklow Credit Union Ltd. BOC members also attended several committee meetings during the past year.

The BOC is satisfied that all Directors have acted in accordance with these requirements at all times. The BOC adopted a work plan for the year including, inter alia, the following items:

- Preparation of the Annual Review of the Board for year ended September 2025. Marks were allocated to all functions based on observation by the BOC. The total mark allocated, at 299, is down 10, from 309, last year.
- Preparation of the Compliance Assessment for year ended September 2025. The Assessment is a review of the relevant sections of the Credit Union Acts 1997 to 2023 to confirm compliance by the Board in these matters and contains the response to some 243 questions. Some 96% (87% last year) were answered in a positive manner, while the remaining issues have been notified to the Board for attention.
- “Minutes of Board Meetings” – The BOC carries out an ongoing check that these are prepared, circulated, approved, signed and filed in accordance with Rule.

The BOC has attended all mandatory (Ethics, Data Protection, Anti Money Laundering) as well as a number of other relevant training courses during the year.

The BOC is satisfied that the method of continual reviews of the Credit Union’s policies, processes and procedures, as employed by the Board, ensures that Arklow Credit Union meets all of the requirements laid down from a legal and regulatory perspective.

The BOC would like to extend it’s thanks and appreciation to the Board of Directors, the CEO, Mr Hugh O’Keeffe, and all staff at Arklow Credit Union Ltd for their assistance during the financial year to 30th September 2025.

A handwritten signature in black ink, appearing to be "B. Roberts", written over a horizontal line.

Billy Roberts
Chairperson of the Board Oversight Committee

CREDIT COMMITTEE REPORT

The committee's main role is to oversee the lending function and ensure policies and underwriting standards are being adhered to. The committee is also responsible for the performance of the loan book and the proposal of new loan products. The committee consists of 3 Board members – Billy Manley (Chair), Eilish Nolan (Secretary) and Charles Dayman.

When evaluating loan applications, we are acutely aware that we are lending our members savings. Therefore, the overriding principle for all lending decisions remains the members ability to repay. Although there are instances where we refuse a loan, in the last year, we have approved circa 95% of all applications. We will always strive to help members with their finances and all interactions are in strictest confidence.

In the last year, the committee has overseen the introduction of Home Mortgages to Arklow Credit Union's product range as one of 72 nationwide Credit Unions forming part of the Mortgage CUSO.

A single interest rate product to cater for both the housing and transport "green" agenda called Greenify was relaunched in 2025 by Collaborative Finance. Arklow Credit Union, as part of that group have added this flexible, lower rate product to our product suite.

The committee has fulfilled all its duties and is satisfied that the standard of lending was in line with the standards as set out by the Central Bank. Over €9.17m in

new loans were issued, with a significant increase seen in the demand for higher value loans, for example the Cultivate product. The loan book has increased by 3.62% year on year. At year end, the loan book stands at €19.97m.

Thank you to all of our members for their support throughout the year.

We would also like to thank the Board of Directors, Board Oversight Committee, our CEO and all the staff of Arklow Credit Union for their support and co-operations during the year.

Thank You,



Billy Manley
Chairperson, Credit Committee

Other Committee Members:
Eilish Nolan & Charles Dayman

CREDIT CONTROL COMMITTEE REPORT

The Credit Control Committee is appointed by the Board of Directors and is responsible for ensuring the repayment of loans by members of the Credit Union in accordance with the terms of their loan agreements.

The function of the Credit Control Committee is to monitor loan repayments by ensuring that adequate procedures are in place to deal with cases that fall into arrears. We have a dedicated team who work to assist Members who have difficulty with loan repayments. In most cases, satisfactory arrangements are worked out to assist the Member.

The key point is communication. We accept that it may be difficult, but communicating with us is always the best course of action. It can save, both for the Member and the Credit Union, time and money and may protect the Member's credit rating. The introduction of the Central Bank's Central Credit Register (CCR) means the reporting on loans over €500 is now mandatory.

In 2024/2025, we charged off 23 loans amounting to €145,995. In most cases, loans were granted to long standing Members, who found themselves in difficult circumstances and the majority of these are currently making efforts to repay the loan according to their means. Charged-off loans are not, however, forgotten. It means that the Member is given extra assistance to repay their loan to the credit union. We try to address each circumstance positively and, in many cases, the Member may be able to resume full membership of Arklow Credit Union, when their loan is repaid in full.

A provision against loans that may not be repaid in full is required as part of good accounting and governance practice. The

amount provided is reviewed on a regular basis and relates to the level of risk and arrears in the credit union's loan book. Improving personal circumstances for many Members has meant that the level of arrears in the loan book has reduced. However, given the economic uncertainty, due to high energy costs, and the ongoing cost-of-living challenges, we continue to take a prudent approach towards provisioning. As at the 30th September 2025 our total provisions amounted to €1,260,212 (6.31% of average of outstanding loans). This represents a decrease of €52,760 on the September 2024 position. The Credit Control Committee will continue to keep this under regular review.

Finally, we would like to acknowledge the work undertaken by Elaine Coade, Credit Control Officer in following the direction provided by this committee and we appreciate the support she has provided to us throughout the year.

A handwritten signature in black ink, appearing to read "Richie Hall", is written over a horizontal line.

Richie Hall
Chairperson, Credit Control Committee

Other Committee Members:
Mevis Mbendera, & Peter O'Brien

MEMBERSHIP COMMITTEE REPORT

The function of the Membership Committee is to consider applications for membership and to admit new members to the Credit Union.

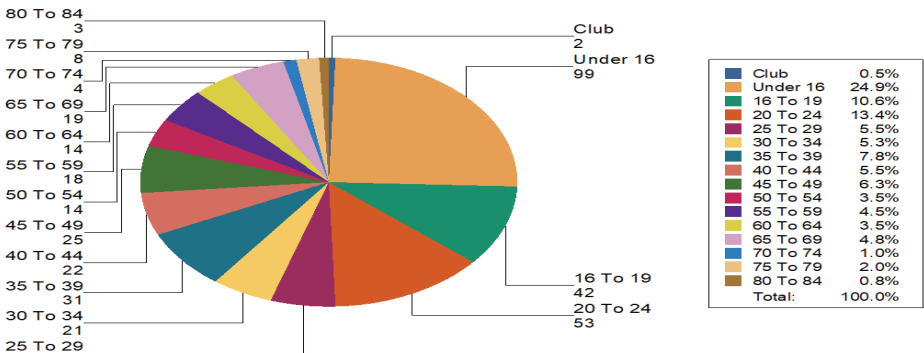
Over the past year, we were delighted to welcome 397 new members. It's great to see so many people choosing to be part of Arklow Credit Union. Of these, 86 joined us online, showing that our digital services continue to make it easier than ever to become a member.

- Your PPS Number (shown on an official document such as a payslip or P60)

Please note that we can't accept the Public Services Card as proof of your PPS number.

We'd also like to remind all members to make sure they've signed a Nomination Form for their shares. This ensures your savings go to the person you choose in the event of your passing.

New Members Approved by Age* YTD



As of 30th September 2025, our total membership stands proudly at 12,184. We're especially pleased to see so many young people getting involved — 99 new members under the age of 16 joined during the year, making up around 24.9% of our total new members. It's wonderful to see the next generation taking their first steps in learning about saving and financial responsibility.

Membership of Arklow Credit Union is open to anyone who lives, works, or attends school within our common bond area — or who lives with a relative who is already a member.

To join, you simply need to complete a membership form and provide:

- Proof of identity (such as a valid driving licence or passport)
- Proof of address (a recent utility bill or bank statement dated within the past three months)

In line with the Criminal Justice (Money Laundering and Terrorist Financing) Acts 2010 and 2013, we continue to verify identification and address details for all members. Thank you for your cooperation and understanding with this important requirement.

Lastly, we extend our sincere condolences to the families and friends of the 69 members who passed away during the year. Our thoughts are with you all.



Ciara Murray
Chairperson, Membership Committee

Other Committee Members:
Peter O'Brien, Hugh O'Keefe

INVESTMENTS & LIQUIDITY COMMITTEE REPORT

Investments, designed to generate a return for the credit union, amounted to €28,607,064 at 30th September 2025, representing 56.25% of total assets. This is an increase of €1,676,525 on the investments held at 30th September 2024. All investments are held in the name of Arklow Credit Union Ltd.

The Board is responsible for the investment portfolio and has appointed an Investment & Liquidity Committee to support it in discharging its duties.

The investment objectives of the Board are to maximise the return while minimising the risk to the credit union. To that end, and in compliance with our regulatory obligations, the recommendations for investment by the Investment and Liquidity Committee are limited to authorised investments for credit unions.

The Investment Committee is also cognisant of maintaining sufficient liquidity that fulfils statutory and regulatory requirements, balanced with the necessity of achieving as positive a return as possible on the investment portfolio.

Over the past year, the ECB has shifted from tightening to easing monetary policy. In June 2024, it made its first rate cut of the cycle, lowering the deposit rate from 4% to 3.75%, followed by further reductions through early 2025.

By June 2025, the deposit rate stood at 2%, where it has remained since. The cuts reflect easing inflation pressures and slower euro-area growth, with the ECB now maintaining a steady stance as it gauges the balance between price stability and economic resilience. The next ECB announcement will be on the 18th December 2025.

Notwithstanding this downward trend some attractive investment options were available coinciding with maturing funds over the past year which allowed your credit union to capitalise on these rates.

The Board retains responsibility for all investment decisions, with the appointed Investment Adviser, Cantor Fitzgerald, acting as an advisor only on investment issues.

A handwritten signature in black ink, appearing to read "S. Quirke", is written over a horizontal line.

Sean Quirke
Chairperson, Investments & Liquidity

Other Committee Members:
Eilish Nolan, Peter O'Brien, Hugh O'Keefe

NOMINATIONS COMMITTEE REPORT

The Nomination Committee is responsible for identifying suitable candidates for nomination to the Board of Directors, accepting nominations of prospective candidates, carrying out Fitness and Probity due diligence required by law on prospective candidates, and making proposals to the members at AGM of suitable candidates for election to the Board of Directors.

Under the current legislative requirements, the Nomination Committee has primary responsibility for ensuring that volunteers with the necessary skills and expertise are available to fill any vacancies that may arise on the Board of Directors. The Nominations Committee must also arrange that all directors receive annual training on all aspects of the governance, management & oversight of a credit union.

Under Section 53 of the Credit Union Act 1997 (as amended) the term of office of a director of a credit union shall not extend beyond the third subsequent annual general meeting after his or her election. Accordingly, the term of office of two members of the existing Board of Directors will come to an end at this Annual General Meeting.

Eilish Nolan and Leslie Brennan having served three years as Board Directors and being eligible are seeking re-election. Maria Kavanagh and Larry Doyle who were co-opted onto the Board on 22nd October are now seeking election to the Board. We have assessed their eligibility

for Board Membership for AGM 2025 and confirm that all meet the mandatory Fitness and Probity requirements.

We would ask members to consider putting themselves forward to serve on the Board or the Board Oversight Committee. It is a challenge to fill vacancies, so we would like to have a panel of volunteers available to us as vacancies arise during the year. These are vital roles within the credit union. Although these roles are voluntary, volunteers may participate in our education programme to earn a fully transferable qualification while they serve. Members also gain valuable experience of corporate governance. Both the education and experience will enhance a CV for those interested in progressing a career in financial services or a not-for-profit organisation. We are open to volunteers of all ages and backgrounds, whether starting out in your career, a student, an established professional or looking for a career change. If you are interested in putting your name forward, complete a nomination form and hand in to either our Arklow or Aughtrim offices.

A handwritten signature in black ink that reads "Mevis Mbendera".

Mevis Mbendera
Chairperson, Nomination Committee

Other Committee Members:
Leslie Brennan & Charlie Dayman.

RISK & AUDIT COMMITTEE REPORT

The Credit Union Act requires that a Credit Union must have a Risk Management function and an Internal Audit function in place as part of its overall Governance structure.

The Board of Directors has delegated to the Risk & Audit Committee the task of ongoing monitoring of both the Risk Management and the Internal Audit Functions. The Committee, in cooperation with the Management Team, agreed a Risk Management Plan and separately an Internal Audit Plan with the Internal Audit Function, both of which were approved by the Board of Directors.

RISK

The function of the Risk & Audit Committee is to oversee the Credit Union's Risk Management system to ensure that:

- Risks are properly identified, reported, assessed and controlled.
- Risk Management framework and internal controls reflect the approved risk appetite set by the Board.
- Strategy is implemented and aligned to our Risk Appetite.
- Policies and other internal controls are in place and tested to ensure effective risk management.

- All elements of the Risk Management System are reviewed, approved and reported to the Board of Directors.

The Board is strongly committed to a strong governance and compliance environment. Arklow Credit Union continues to monitor our risk register with key input from the Risk Management Officer who in 2024 completed an overhaul of our Risk Management system leading to a reduction in the overall number of recorded risks. This allows for greater prioritisation and focus on the management of our key risks. Our key risks are continually monitored and reported on. In addition to the monitoring of the key risks, the Risk Management Officer completes an annual review of each category of risk to ensure all risks and controls relevant and up to date.

The monthly reports of the Risk Management Officer and the quarterly reports of the Risk & Audit Committee enabled the Board to satisfy itself that risk is being well managed in Arklow Credit Union.

AUDIT

The function of the Risk & Audit Committee is to oversee the roles and performance of the Internal and External Auditors.

RISK & AUDIT COMMITTEE REPORT

INTERNAL AUDIT

During the last financial year our Internal Auditors, Colligan O’Gearbhaill carried out reviews of the processes and controls in place regarding key aspects of:

- Corporate Governance
- Strategic Planning & Benchmarking
- Planning, implementation and risk
- Financial reporting
- Financial and asset management
- Shares & deposits
- Loans and bad debts
- Income
- Security
- Liquidity & Insurance

We have used our Internal Audit process to provide:

- Independent Internal oversight; and
- Evaluate and improve the effectiveness of the Credit Union’s

risk management, internal controls and governance processes.

We are satisfied that the appointed Internal Auditor carried out their work with complete independence and have reported on all their findings.

EXTERNAL AUDIT

Grant Thornton, act as our External Auditor and provides independent assurance to the Membership as set out in their audit report in this AGM invite booklet. The Risk & Audit Committee wish to propose the re-appointment of Grant Thornton as our External Auditors for the coming year.



Billy Manley
Chairperson, Risk & Audit Committee

Other Committee Members:
Leslie Brennan & Mevis Mbendera

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Terms and Conditions Apply. Loans subject to approval. **WARNING:** If you do not meet the agreed repayments your account will fall into arrears. This may affect your ability to access credit in the future. Arklow Credit Union is regulated by the Central Bank of Ireland

TOM CRAINE – AN APPRECIATION



Our Annual General Meeting brings to a close Tom’s many years of voluntary service with Arklow Credit Union. Tom joined the Board in 1990 and has served since then in many roles including assistant secretary and assistant treasurer. In 2019 Tom joined the Board Oversight Committee and, in recent years, has acted as its secretary.

When Tom joined the board the role of the volunteer member was much different from what it is today. It was much more member facing. Also, we did not have the level of computing power now available. Records were always correctly and clearly kept by Tom, whose outstanding performance consistently set a high standard for all his colleagues while all the time maintaining his calm and friendly disposition.

A native of St Michael’s Terrace, Tom completed his Leaving Certificate in Arklow. Shortly afterwards, the family moved to New York. While stateside, Tom attended Iona University College where he was accredited on the Dean’s List for high results.

On returning to Arklow, Tom played soccer with Arklow Town FC and with his workplace, NET, or “The Fert”. He was known as a tough defender, one who didn’t go looking for trouble, but if any was visited upon him, it was repaid with interest. Indeed, he is recognised as the longest playing player with the club, consistently playing for 30 years. Tom was also heavily involved in the administration of the Arklow Town club acting as both Treasurer and Secretary. On numerous occasions he was invited to become club chairman but politely declined.

After finally hanging up his boots, Tom managed teams for several more seasons and turned his attention to the game of golf. He recorded the elusive ace, a hole in one, at Glen Mill Golf Club.

I have had the privilege to know Tom since I joined the volunteer team at Arklow Credit Union in 2016. During that time Tom has been a fantastic mentor to me and to other volunteer Board members over the years. He thoroughly subscribes to the credit union ethos.

All at Arklow Credit Union thank Tom for his service and wish him, his wife, Una, and family many years of health and happiness.



Billy Roberts
Chairperson of the Board Oversight Committee

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 30TH SEPTEMBER 2025

The directors present their annual report and the audited financial statements for the financial year ended 30 September 2025.

PRINCIPAL ACTIVITY

The principal activity of the business continues to be the operation of a credit union.

AUTHORISATION

The credit union is authorised as follows:

- Insurance, reinsurance or ancillary insurance intermediary under the European Union (Insurance Distribution) Regulations, 2018.
- Investment Intermediaries (Restricted Activity Investment Product Intermediary) pursuant to Section 26 of the Investment Intermediaries Act, 1995 (as amended).
- Entitled under the European Union (Payment Services) Regulations 2018 to provide payment services.

BUSINESS REVIEW

The directors acknowledge the results for the year and the year-end financial position of the credit union. The directors expect to develop and expand the credit union's current activities and they are confident of its ability to continue to operate successfully in the future.

DIVIDENDS

The directors are proposing a dividend of €41,513 (0.10%) in respect of the financial year ended 30 September 2025 (2024: €40,974 (0.10%)).

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties faced by the credit union are:

- **Credit risk:** Credit risk is the risk that a borrower will default on their contractual obligations relating to repayments to the credit union, resulting in financial loss.
- **Lack of loan demand:** Lending is the principal activity of the credit union and the credit union is reliant on it for generating income to cover costs and generate a surplus.
- **Market risk:** Market risk is the risk that the value of an investment will decrease. This risk can arise from fluctuations in values of, or income from, assets or changes in interest rates.
- **Liquidity risk:** Liquidity risk is the risk that the credit union will not have sufficient cash resources to meet day to day running costs and repay members' savings when demanded.
- **Operational risk:** Operational risk is the risk of loss resulting from inadequate or failed processes or systems of the credit union, any failure by persons connected with the credit union or from external events.
- **Global macro-economic risk:** There is an economic and operational risk relating to disruption to global supply chains and a general uncertainty in the markets as a result of the changing geopolitical landscape.

These risks and uncertainties are managed by the board of directors as follows:

DIRECTORS' REPORT (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 30TH SEPTEMBER 2025

- **Credit risk:** In order to manage this risk, the board of directors regularly reviews and approves the credit union's lending policy. All loan applications are assessed with reference to the lending policy in force at the time. Subsequently loans are regularly reviewed for any factors that may indicate that the likelihood of repayment has changed.
- **Lack of loan demand:** The credit union provide lending products to its members and promote these products through various marketing initiatives.
- **Market risk:** The board of directors regularly reviews and approves the credit union's investment policy and funds are invested in compliance with this policy and regulatory guidance.
- **Liquidity risk:** The credit union's policy is to maintain sufficient funds in liquid form at all times to ensure that it can meet its liabilities as they fall due.
- **Operational risk:** The operational risk of the credit union is managed through the employment of suitably qualified staff to ensure appropriate processes, procedures and systems are implemented and are further supported with a robust reporting structure.
- **Global macro-economic risk:** The board of directors and management closely monitor the disruption to global supply chains and markets and continue to take appropriate actions to mitigate any possible adverse effects on the credit union.

ACCOUNTING RECORDS

The directors believe that they comply with the requirements of Section 108 of the Credit Union Act, 1997 (as amended) with regard to books of account by employing accounting personnel with appropriate expertise and by providing adequate resources to the finance function. The books of account of the credit union are maintained at the credit union's premises at Castle Park, Arklow, Co. Wicklow.

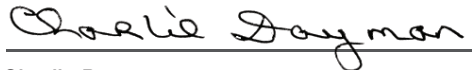
EVENTS AFTER THE END OF THE FINANCIAL YEAR

There have been no significant events affecting the credit union since the year end.

AUDITORS

In accordance with Section 115 of the Credit Union Act, 1997 (as amended), the auditors Grant Thornton offer themselves for re-election.

This report was approved by the board and signed on its behalf by:

A handwritten signature in black ink, appearing to read "Charlie Dayman", written over a horizontal line.

Charlie Dayman
Chairperson of the Board of Directors

A handwritten signature in black ink, appearing to read "Richie Hall", written over a horizontal line.

Richie Hall
Member of the Board of Directors

Date: 12 / 12 / 2025

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE FINANCIAL YEAR ENDED 30TH SEPTEMBER 2025

The directors are responsible for preparing the financial statements in accordance with applicable Irish law and regulations. The directors have elected to prepare the financial statements in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102). The directors are also responsible for preparing the other information included in the annual report. The Credit Union Act, 1997 (as amended) requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the credit union and of the income and expenditure of the credit union for that period.

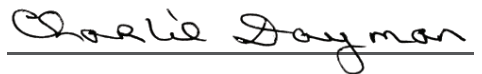
In preparing those financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and reason for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the credit union will continue in business.

The directors are responsible for ensuring that the credit union keeps or causes to be kept adequate accounting records

which correctly explain and record the transactions of the credit union, enable at any time the assets, liabilities, financial position and income and expenditure of the credit union to be determined with reasonable accuracy, enable them to ensure that the financial statements comply with the Credit Union Act, 1997 (as amended) and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the credit union and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the credit union's website.

On behalf of the board:

A handwritten signature in black ink, appearing to read "Charlie Dayman", written over a horizontal line.

Charlie Dayman

Chairperson of the Board of Directors

A handwritten signature in black ink, appearing to read "Richie Hall", written over a horizontal line.

Richie Hall

Member of the Board of Directors

Date: 12 / 12 / 2025

BOARD OVERSIGHT COMMITTEE'S RESPONSIBILITIES STATEMENT FOR THE FINANCIAL YEAR ENDED 30TH SEPTEMBER 2025

The Credit Union Acts require the appointment of a board oversight committee to assess whether the board of directors has operated in accordance with Part IV, Part IV(a) and any regulations made for the purposes of Part IV or Part IV(a) of the Acts and any other matter prescribed by the Central Bank of Ireland in respect of which they are to have regard to in relation to the board of directors.

On behalf of the board oversight committee:



Billy Roberts
Chairperson of the Board Oversight Committee

Date: 12 / 12 / 2025

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARKLOW CREDIT UNION LIMITED

OPINION

We have audited the financial statements of Arklow Credit Union Limited for the financial year ended 30 September 2025, which comprise:

- the Income and expenditure account;
- the Statement of other comprehensive income;
- the Balance sheet;
- the Statement of changes in reserves;
- the Statement of cash flows; and
- the related notes 1 to 27, including a summary of significant accounting policies as set out in note 2.

The financial reporting framework that has been applied in the preparation of the financial statements is Irish law including the Credit Union Act, 1997 (as amended) and accounting standards issued by the Financial Reporting Council including FRS 102 (as amended) "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (Generally Accepted Accounting Practice in Ireland).

In our opinion, Arklow Credit Union Limited's financial statements:

- give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland of the state of the credit union's affairs as at 30 September 2025 and of its income and expenditure for the year then ended; and
- have been properly prepared so as to

conform with the requirements of the Credit Union Act, 1997 (as amended).

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (Ireland) ('ISAs (Ireland)') and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the credit union in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, including the Ethical Standard for Auditors (Ireland) issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and the ethical pronouncements established by Chartered Accountants Ireland, applied as determined to be appropriate in the circumstances for the entity. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the director's use of going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARKLOW CREDIT UNION LIMITED

uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the credit union's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

OTHER INFORMATION

Other information comprises information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed on the other information,

we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY THE CREDIT UNION ACT, 1997 (AS AMENDED)

Based solely on the work undertaken in the course of the audit, we report that:

- we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
- in our opinion proper accounting records have been kept by the credit union;
- the financial statements are in agreement with the accounting records of the credit union;
- the financial statements contain all primary statements, notes and significant accounting policies required to be included in accordance with section 111(1)(c) of the Act.

RESPONSIBILITIES OF DIRECTORS FOR THE FINANCIAL STATEMENTS

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements which give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland, including FRS 102 (as amended), and for

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARKLOW CREDIT UNION LIMITED

such internal control as they determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the credit union's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intends to liquidate the credit union or to cease operations, or has no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

The auditor's objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes their opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Irish Auditing and

Accounting Supervisory Authority's website at: http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf. This description forms part of our auditor's report.

THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES

This report is made solely to the credit union's members, as a body, in accordance with section 120 of the Credit Union Act, 1997 (as amended). Our audit work has been undertaken so that we might state to the credit union's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the credit union and the credit union's members as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in black ink that reads "C Rogers".

Christopher Rogers FCA
for and on behalf of
Grant Thornton
Chartered Accountants
& Statutory Audit Firm
Dublin

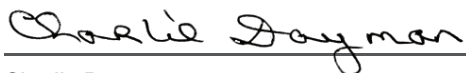
Date: 12 / 12 / 2025

INCOME AND EXPENDITURE ACCOUNT

FOR THE FINANCIAL YEAR ENDED 30TH SEPTEMBER 2025

	<i>Schedule</i>	2025 €	2024 €
INCOME			
Interest on members' loans		1,730,429	1,703,811
Other interest income and similar income	1	514,912	470,056
Net interest income		2,245,341	2,173,867
Other income	2	3,390	11,419
Total Income		2,248,731	2,185,286
EXPENDITURE			
Employment costs		625,764	587,865
Other management expenses	3	944,364	924,012
Depreciation		58,563	66,445
Net impairment gains on loans to members (Note 5)		(90,998)	(46,364)
Total Expenditure		1,537,693	1,531,958
Surplus for the financial year		711,038	653,328

The financial statements were approved and authorised for issue by the board and signed on behalf of the credit union by:



Charlie Dayman
Member of the Board of Directors



Hugh O'Keeffe
CEO

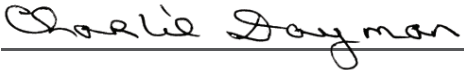
Date: 12 / 12 / 2025

STATEMENT OF OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30TH SEPTEMBER 2025

	2025 €	2024 €
Surplus for the financial year	711,038	653,328
Other comprehensive income	-	-
Total comprehensive income for the financial year	711,038	653,328

The financial statements were approved and authorised for issue by the board and signed on behalf of the credit union by:



Charlie Dayman
Member of the Board of Directors



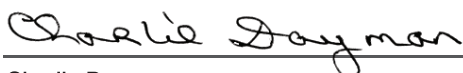
Hugh O'Keeffe
CEO

Date: 12 / 12 / 2025

BALANCE SHEET

AS AT 30TH SEPTEMBER 2025

	Notes	2025 €	2024 €
ASSETS			
Cash and balances at bank	6	1,511,951	2,070,329
Deposits and investments – cash equivalents	7	6,270,967	4,250,709
Deposits and investments – other	7	22,336,097	22,679,830
Loans to members	8	19,974,541	19,275,964
Provision for bad debts	9	(1,260,212)	(1,312,972)
Tangible fixed assets	10	1,812,908	1,866,241
Equity investment	11	10,000	-
Debtors, prepayments and accrued income	12	202,130	222,895
Total Assets		<u>50,858,382</u>	<u>49,052,996</u>
LIABILITIES			
Members' shares	13	41,968,923	40,875,347
Members' deposits	13	63,979	69,776
Other liabilities, creditors, accruals and charges	14	295,175	246,054
Other provisions	15	6,920	8,500
Total liabilities		<u>42,334,997</u>	<u>41,199,677</u>
RESERVES			
Regulatory reserve	17	5,340,130	5,150,933
Operational risk reserve	17	127,146	122,642
Other reserves			
- Realised reserves	17	2,932,499	2,470,698
- Unrealised reserves	17	123,610	109,046
Total reserves		<u>8,523,385</u>	<u>7,853,319</u>
Total liabilities and reserves		<u>50,858,382</u>	<u>49,052,996</u>



Charlie Dayman
Member of the Board of Directors



Hugh O'Keeffe
CEO

Date: 12 / 12 / 2025

The notes on pages 34 to 49 form part of these financial statements.

STATEMENT OF CHANGES IN RESERVES

FOR THE FINANCIAL YEAR ENDED 30TH SEPTEMBER 2025

The financial statements were approved and authorised for issue by the board and signed on behalf of the credit union by:

	Regulatory Reserve	Operational Risk Reserve	Realised Reserves	Unrealised Reserves	Total Reserves
	€	€	€	€	€
As at 1 October 2023	5,067,186	120,648	1,991,996	60,478	7,240,308
Surplus for the financial year	-	-	604,760	48,568	653,328
Transfer between reserves	83,747	1,994	(85,741)	-	-
Payment of dividend	-	-	(40,317)	-	(40,317)
As at 1 October 2024	5,150,933	122,642	2,470,698	109,046	7,853,319
Surplus for the financial year	-	-	674,997	36,041	711,038
Transfers between reserves	189,197	4,504	(172,224)	(21,477)	-
Payment of Dividend	-	-	(40,972)	-	(40,972)
As at 30 September 2025	5,340,130	127,146	2,932,499	123,610	8,523,385

- The regulatory reserve of the credit union as a percentage of total assets as at 30 September 2025 was 10.50% (2024: 10.50%).
- The operational risk reserve of the credit union as a percentage of total assets as at 30 September 2025 was 0.25% (2024: 0.25%).

The notes on pages 34 to 49 form part of these financial statements.

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30TH SEPTEMBER 2025

	<i>Notes</i>	2025 €	2024 €
Opening cash and cash equivalents		6,321,038	8,146,242
Cash flows from operating activities			
Loans repaid by members	8	9,073,065	8,493,519
Loans granted to members	8	(9,917,637)	(9,595,481)
Interest on members' loans		1,730,429	1,703,811
Other interest income and similar income		514,912	470,056
Bad debts recovered and recoveries	5	184,233	204,101
Other income		3,390	11,419
Operating expenses		(1,570,128)	(1,511,877)
Movement in other assets and liabilities		68,306	(88,226)
Payment of dividend	21	(40,972)	(40,317)
Net cash flows from operating activities		<u>45,598</u>	<u>(352,995)</u>
Cash flows from investing activities			
Fixed asset purchases	10	(5,230)	(14,555)
Equity investment	11	(10,000)	-
Net cash flow from other investing activities		343,733	(1,645,042)
Net cash flows from investing activities		<u>328,503</u>	<u>(1,659,597)</u>
Cash flows from financing activities			
Members' savings received	13	12,775,441	11,759,040
Members' savings withdrawn	13	(11,687,662)	(11,571,652)
Net cash flow from financing activities		<u>1,087,779</u>	<u>187,388</u>
Net increase/(decrease) in cash and cash equivalents		<u>1,461,880</u>	<u>(1,825,204)</u>
Closing cash and cash equivalents	6	<u>7,782,918</u>	<u>6,321,038</u>

The notes on pages 34 to 49 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30TH SEPTEMBER 2025

1. LEGAL AND REGULATORY FRAMEWORK

Arklow Credit Union Limited is registered with the Registry of Credit Unions and is regulated by the Central Bank of Ireland. The registered office of the credit union is located at Castle Park, Arklow, Co. Wicklow.

2. ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with applicable Irish accounting standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and Irish statute comprising of the Credit Union Act, 1997 (as amended). The financial statements have been prepared on the historical cost basis.

The financial statements are presented in Euro (€) which is also the functional currency of the credit union.

The following principal accounting policies have been applied:

2.2 Statement of compliance

The financial statements have been prepared in accordance with FRS 102 (as amended) "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102).

2.3 Going concern

After reviewing the credit union's projections, the directors have a reasonable expectation that the credit union has adequate resources to continue in operational existence for the foreseeable future. The credit union therefore continues to adopt the going concern basis in preparing its financial statements.

2.4 Income

Interest on members' loans

Interest on members' loans is recognised on

an accruals basis using the effective interest method.

Deposit and investment income

Deposit and investment income is recognised on an accruals basis using the effective interest method.

Other income

Other income is recognised on an accruals basis.

2.5 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and deposits and investments with a maturity of less than or equal to three months.

2.6 Deposits and Investments

Held at amortised cost

Investments designated on initial recognition as held at amortised cost are measured at amortised cost using the effective interest method less impairment. This means that the investment is measured at the amount paid for the investment, minus any repayments of the principal; plus or minus the cumulative amortisation using the effective interest method of any difference between the amount at initial recognition and the maturity amount, minus, in the case of a financial asset, any reduction for impairment or uncollectability.

Central Bank deposits

Credit unions are obliged to maintain certain minimum deposits with the Central Bank but may also hold an excess over the regulatory minimum. The regulatory minimum deposits are technically assets of the credit union but to which the credit union has restricted access. The regulatory minimum portion will not ordinarily be returned to the credit union while it is a going concern and is separately identified in note 7, Deposits and investments - other. Funds held with the Central Bank in excess of the regulatory minimum requirements are fully

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 30TH SEPTEMBER 2025

available to the credit union and are therefore treated as cash equivalents and are separately identified in note 7, Deposits and investments – cash equivalents. The amounts held on deposit with the Central Bank are not subject to impairment reviews.

2.7 Financial assets – loans to members

Loans are financial assets with fixed or determinable payments. Loans are recognised when cash is advanced to members and measured at amortised cost using the effective interest method.

Loans are derecognised when the right to receive cash flows from the asset has expired, usually when all amounts outstanding have been repaid by the member.

2.8 Bad debts provision

The credit union assesses if there is objective evidence that any of its loans are impaired with due consideration of economic factors. The loans are assessed collectively in groups that share similar credit risk characteristics. Individually significant loans are assessed on a loan by loan basis. In addition, if there is objective evidence that any individual loan is impaired, a specific loss will be recognised. Bad debt provisioning is monitored by the credit union, and the credit union assesses and approves its provisions and the adequacy of same on a regular basis. Loans are written off when there is no reasonable expectation of recovery.

Any bad debts/impairment losses are recognised in the income and expenditure account. To provide more meaningful information about the performance of the credit union loan portfolio, it presents the net impairment movement on loans to members in the income and expenditure account, which includes both:

- the movement in bad debts provision during the year, and
- the loans written off during the year.

This presentation is considered to offer more transparent insight into the credit quality of the portfolio and the effectiveness of credit risk management.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in the income and expenditure account.

2.9 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The credit union adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the credit union. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the income and expenditure account during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

- Premises: 2% reducing balance per annum

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 30TH SEPTEMBER 2025

- Fixtures and fittings: 15% reducing balance per annum
- Computer equipment: 20% straight line per annum

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the income and expenditure account.

2.10 Impairment of assets

At each reporting date assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in the income and expenditure account. If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the income and expenditure account.

2.11 Equity investment

Equity investment made by the credit union is accounted for at cost less impairment.

2.12 Other receivables

Other receivables such as prepayments are initially measured at transaction price including transaction costs and are subsequently

measured at amortised cost using the effective interest method.

2.13 Financial liabilities – members' shares and members' deposits

Members' shares and members' deposits are redeemable and therefore are classified as financial liabilities. They are initially recognised at the amount of cash deposited and subsequently measured at amortised cost.

2.14 Members' deposits

Interest on members' deposits is recognised on an accruals basis using the effective interest method.

2.15 Other payables

Short term other liabilities, creditors, accruals and charges are measured at the transaction price.

2.16 Pension costs

The credit union operates a defined contribution pension scheme. The assets of these schemes are held separately from those of the credit union in independently administered funds. Employer contributions to the pension scheme are charged to the income and expenditure account in the period to which they relate. The amount payable at the year end in respect of same was €1,972 (2024: €nil).

2.17 Holiday pay

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

2.18 Derecognition of financial liabilities

Financial liabilities are derecognised when the obligations of the credit union specified in the

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 30TH SEPTEMBER 2025

contract are discharged, cancelled or expired.

2.19 Regulatory reserve

The Credit Union Act 1997 (Regulatory Requirements) Regulations 2016 requires credit unions to establish and maintain a minimum regulatory reserve requirement of at least 10 per cent of the assets of the credit union. This reserve is to be perpetual in nature, freely available to absorb losses, realised financial reserves that are unrestricted and non-distributable.

2.20 Operational risk reserve

Section 45(5)(a) of the Credit Union Act, 1997 (as amended) requires each credit union to maintain an additional reserve that it has assessed is required for operational risk having regard to the nature, scale and complexity of the credit union. Credit unions are required to maintain a minimum operational risk reserve having due regard for the sophistication of the business model.

The directors have considered the requirements of the Act and have calculated the operational risk reserve requirement by reference to the predicted impact of operational risk events that may have a material impact on the credit union's business.

2.21 Other reserves

Other reserves are the accumulated surpluses to date that have not been declared as dividends returnable to members. The other reserves are subdivided into realised and unrealised. In accordance with the Central Bank guidance note for credit unions on matters relating to accounting for investments and distribution policy, investment income that has been recognised but will not be received within 12 months of the balance sheet date is classified as unrealised and is not distributable. A reclassification between unrealised and

realised is made as investments come to within 12 months of maturity date. The directors have deemed it appropriate that interest on loans receivable at the balance sheet date be classified as unrealised and therefore not distributable. All other income, including the SPS refund receivable, is classified as realised.

2.22 Distribution policy

Dividends and loan interest rebates are made from the current year's surplus or reserves set aside for that purpose. The board's proposed dividends and loan interest rebates to members each year is based on the distribution policy of the credit union.

The rate of dividends and loan interest rebates recommended by the board will reflect:

- the risk profile of the credit union, particularly in its loan and investments portfolios;
- the board's desire to maintain a stable rather than a volatile rate of dividend each year; and
- members' legitimate dividend and loan interest rebate expectations;

all dominated by prudence and the need to sustain the long-term welfare of the credit union.

For this reason the board will seek to build up its reserves to absorb unexpected shocks and still remain above minimum regulatory requirements.

The credit union accounts for dividends when members ratify such payments at the Annual General Meeting.

2.23 Taxation

The credit union is not subject to income tax or corporation tax on its activities.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 30TH SEPTEMBER 2025

3. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCE OF ESTIMATION UNCERTAINTY

Preparation of the financial statements requires the directors to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

Determination of depreciation, useful economic life and residual value of tangible assets

The annual depreciation charge depends primarily on the estimated lives of each type of asset and, in certain circumstances, estimates of residual values. The directors regularly review these useful lives and change them if necessary to reflect current conditions. In determining these useful lives management consider technological change, patterns of consumption, physical condition and expected economic utilisation of the assets. Changes in the useful lives can have a significant impact on the depreciation charge for the financial year. The net book value of tangible fixed assets subject to depreciation at the year end was €1,812,908 (2024: €1,866,241).

Provision for bad debts

The credit union's accounting policy for impairment of loans is set out in note 2.8. The estimation of loan losses is inherently uncertain and depends upon many factors, including loan loss trends, credit risk characteristics in loan classes, local and international economic climates, conditions in various sectors of the economy to which the credit union is exposed, and, other external factors such as legal and regulatory requirements. The provision for bad debts in the financial statements at the year end was €1,260,212 (2024: €1,312,972) representing 6.31% (2024: 6.81%) of the total gross loan book.

Equity investment

The credit union holds an unlisted equity investment in CU Mortgage Services Designated Activity Company. This investment was made for operational purposes and is not held for trading. The investment is classified as a basic financial instrument in accordance with FRS 102 (as amended) and is measured at cost less impairment. The directors have assessed that the fair value of this investment cannot be reliably measured, due to the absence of an active market and the lack of recent observable transactions for similar instruments. The directors have carried out an impairment review as at the financial year end and are satisfied that there is no objective evidence of impairment. No impairment losses have been recognised during the financial year.

Operational risk reserve

The directors have considered the requirements of the Credit Union Act, 1997 (as amended) and established an operational risk reserve which is separate, distinct and in addition to the reserves the credit union is required to hold in its regulatory reserve. The amount held in the operational risk reserve is the estimated impact of operational risk events that may have a material impact on the credit union's business. The operational risk reserve of the credit union at the year end was €127,146 (2024: €122,642).

Adoption of going concern basis for financial statements preparation

The credit union continue to closely monitor developments within the global macro-economic environment. The directors have prepared projections and cash flows for a period of at least twelve months from the date of the approval of the financial statements which demonstrate that there is no material uncertainty regarding the credit union's ability to meet its liabilities as they fall due, and to continue as a

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 30TH SEPTEMBER 2025

going concern. On this basis the directors consider it appropriate to prepare the financial statements on a going concern basis. Accordingly, these financial statements do not include any adjustments to the carrying amounts and classification of assets and liabilities that may arise if the credit union was unable to continue as a going concern.

4. KEY MANAGEMENT PERSONNEL COMPENSATION

The directors of the credit union serve on a voluntary basis and do not receive any remuneration for services performed in that capacity. The compensation for key management personnel is as follows:

	2025 €	2024 €
Short term employee benefits paid to key management	265,428	295,827
Payments to pension schemes	3,075	2,958
Total key management personnel compensation	<u>268,503</u>	<u>298,785</u>

5. NET IMPAIRMENT MOVEMENT ON LOANS TO MEMBERS

	2025 €	2024 €
Bad debts recovered	(146,747)	(166,972)
Impairment of loan interest reclassified as bad debt recoveries	(37,486)	(37,129)
Movement in bad debts provision during the year	(52,760)	15,659
Loans written off during the year	145,995	142,078
Net impairment movement on loans to members	<u>(90,998)</u>	<u>(46,364)</u>

6. CASH AND CASH EQUIVALENTS

	2025 €	2024 €
Cash and balances at bank	1,511,951	2,070,329
Deposits & investments - cash equivalents (note 7)	6,270,967	4,250,709
Total cash and cash equivalents	<u>7,782,918</u>	<u>6,321,038</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 30TH SEPTEMBER 2025

7. DEPOSITS AND INVESTMENTS

	2025 €	2024 €
Deposits and investments – cash equivalents		
Accounts in authorised credit institutions (Irish and non-Irish based)	1,531,089	2,146,333
Central Bank deposits	15,000	3,041
Irish and EEA state securities	4,724,878	2,101,335
Total deposits and investments – cash equivalents	6,270,967	4,250,709
Deposits and investments – other		
Accounts in authorised credit institutions (Irish and non-Irish based)	6,548,666	7,813,323
Bank bonds	11,519,300	12,581,306
Central Bank deposits	260,321	252,280
Irish and EEA State securities	4,007,810	2,032,921
Total deposits and investments – other	22,336,097	22,679,830
Total deposits and investments	28,607,064	26,930,539

The rating category of counterparties with whom the investments were held at 30 September 2025 and 30 September 2024 is as follows:

	2025 €	2024 €
Aaa	3,076,022	1,035,794
Aa2	-	1,065,541
Aa3	3,769,118	4,177,183
A1	14,803,117	12,273,273
A2	1,068,630	-
A3	3,110,216	1,577,441
Baa1	2,504,640	4,537,561
Baa2	-	2,008,425
Central Bank	275,321	255,321
Total	28,607,064	26,930,539

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 30TH SEPTEMBER 2025

8. FINANCIAL ASSETS – LOANS TO MEMBERS

	2025 €	2024 €
As at 1 October	19,275,964	18,316,080
Loans granted during the year	9,917,637	9,595,481
Loans repaid during the year	<u>(9,073,065)</u>	<u>(8,493,519)</u>
Gross loans and advances	20,120,536	19,418,042
Bad debts		
Loans written off during the year	<u>(145,995)</u>	<u>(142,078)</u>
As at 30 September	<u>19,974,541</u>	<u>19,275,964</u>

9. PROVISION FOR BAD DEBTS

	2025 €	2024 €
As at 1 October	1,312,972	1,297,313
Movement in bad debts provision during the year	<u>(52,760)</u>	<u>15,659</u>
As at 30 September	<u>1,260,212</u>	<u>1,312,972</u>

The provision for bad debts is analysed as follows:

	2025 €	2024 €
Grouped assessed loans	<u>1,260,212</u>	<u>1,312,972</u>
Provision for bad debts	<u>1,260,212</u>	<u>1,312,972</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 30TH SEPTEMBER 2025

10. TANGIBLE FIXED ASSETS

	Premises	Fixtures and fittings	Computer equipment	Total
	€	€	€	€
Cost				
As at 1 October 2024	2,664,666	316,164	824,921	3,805,751
Additions	-	-	5,230	5,230
As at 30 September 2025	<u>2,664,666</u>	<u>316,164</u>	<u>830,151</u>	<u>3,810,981</u>
Depreciation				
As at 1 October 2024	878,026	269,647	791,837	1,939,510
Charge for year	35,736	6,976	15,851	58,563
As at 30 September 2025	<u>913,762</u>	<u>276,623</u>	<u>807,688</u>	<u>1,998,073</u>
Net book value				
As at 30 September 2025	<u>1,750,904</u>	<u>39,541</u>	<u>22,463</u>	<u>1,812,908</u>
As at 30 September 2024	<u>1,786,640</u>	<u>46,517</u>	<u>33,084</u>	<u>1,866,241</u>

11. EQUITY INVESTMENT

	€
Cost	
As at 1 October 2024	-
Initial investment	10,000
As at 30 September 2025	<u>10,000</u>
Accumulated impairment	
As at 30 September 2025	-
Net book value	
As at 30 September 2025	<u>10,000</u>
As at 30 September 2024	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 30TH SEPTEMBER 2025

Interests in equity investment

The credit union has interests in the following equity investment:

Entity Name	Registered Address	Type of Shares Held	Proportion Held %
CU Mortgage Services Designated Activity Company (Register number: 755686)	Suite 27-29 Morrison Chambers, 32 Nassau Street, Dublin 2, D02 XF22	Ordinary Share Capital	0.51

12. DEBTORS, PREPAYMENTS AND ACCRUED INCOME

	2025 €	2024 €
Prepayments	133,926	153,790
Loan interest receivable	48,788	49,689
Other debtors – SPS refund	19,416	19,416
As at 30 September	202,130	222,895

13. MEMBERS' SAVINGS

	2025 €	2024 €
As at 1 October	40,945,123	40,757,735
Received during the year	12,775,441	11,759,040
Withdrawn during the year	(11,687,662)	(11,571,652)
As at 30 September	42,032,902	40,945,123

Members' savings are analysed as follows:

	2025 €	2024 €
Members' shares	41,968,923	40,875,347
Members' deposits	63,979	69,776
Total members' savings	42,032,902	40,945,123

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 30TH SEPTEMBER 2025

14. OTHER LIABILITIES, CREDITORS, ACCRUALS AND CHARGES

	2025 €	2024 €
Accruals and other liabilities	282,734	233,034
PAYE/PRSI	12,441	13,020
As at 30 September	<u>295,175</u>	<u>246,054</u>

15. OTHER PROVISIONS

	2025 €	2024 €
Holiday pay accrual		
At 1 October	8,500	14,255
(Credited)/charged to the income and expenditure account	(1,580)	(5,755)
As at 30 September	<u>6,920</u>	<u>8,500</u>

16. FINANCIAL INSTRUMENTS – MEASURED AT AMORTISED COST

	2025 €	2024 €
Financial assets		
Financial assets measured at amortised cost	<u>48,852,760</u>	<u>46,983,276</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>42,334,997</u>	<u>41,199,677</u>

Financial assets measured at amortised cost comprise of cash and balances at bank, deposits and investments, loans, equity investment and other debtors.

Financial liabilities measured at amortised cost comprise of members' savings, other liabilities, creditors, accruals and charges and other provisions.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 30TH SEPTEMBER 2025

17. RESERVES

	Balance 01/10/24	Payment of dividend	Appropriation of current year surplus	Transfers between reserves	Balance 30/09/25
	€	€	€	€	€
Regulatory reserve	5,150,933	-	-	189,197	5,340,130
Operational risk reserve	122,642	-	-	4,504	127,146
Other reserves					
Realised					
General reserve	2,470,698	(40,972)	674,997	(172,224)	2,932,499
Total realised reserves	2,470,698	(40,972)	674,997	(172,224)	2,932,499
Unrealised					
Interest on loans reserve	49,689	-	(901)	-	48,788
Investment income reserve	39,941	-	36,942	(2,061)	74,822
SPS reserve	19,416	-	-	(19,416)	-
Total unrealised reserves	109,046	-	36,041	(21,477)	123,610
Total reserves	7,853,319	(40,972)	711,038	-	8,523,385

18. CREDIT RISK DISCLOSURES

In line with regulatory requirements, the credit union:

- restricts the concentration of lending by the credit union within certain sectors or to connected persons or groups (concentration limits);
- restricts the absolute amount of lending to certain sectors to a set percentages of the regulatory reserve (large exposure limit);
- restricts the loan duration of certain loans to specified limits (maturity limits); and
- requires specified lending practices to be in place where loans are made to certain sectors such as house loans, business loans, community loans or loans to another credit union.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 30TH SEPTEMBER 2025

The carrying amount of the loans to members represents the credit union's maximum exposure to credit risk. The following provides information on the credit quality of loan repayments. Where loans are not impaired it is expected that the amounts repayable will be received in full.

	2025		2024	
	€	%	€	%
Loans not impaired				
Total loans not impaired, not past due	<u>18,309,714</u>	<u>91.67%</u>	<u>17,161,720</u>	<u>89.03%</u>
Impaired loans				
Not past due	502,721	2.52%	462,085	2.40%
Up to 9 weeks past due	644,219	3.22%	867,058	4.50%
Between 10 and 18 weeks past due	157,346	0.79%	213,371	1.11%
Between 19 and 26 weeks past due	57,806	0.29%	126,746	0.66%
Between 27 and 39 weeks past due	50,148	0.25%	149,395	0.77%
Between 40 and 52 weeks past due	39,771	0.20%	73,504	0.38%
53 or more weeks past due	<u>212,816</u>	<u>1.06%</u>	<u>222,085</u>	<u>1.15%</u>
Total impaired loans	<u>1,664,827</u>	<u>8.33%</u>	<u>2,114,244</u>	<u>10.97%</u>
Total loans	<u>19,974,541</u>	100.00%	<u>19,275,964</u>	100.00%

19. RELATED PARTY TRANSACTIONS

19a. Loans

	2025		2024	
	No. of Loans	€	No. of Loans	€
Loans advanced to related parties during the year	5	47,000	10	45,695
Total loans outstanding to related parties at the year end	10	46,775	11	67,678
Total provision for loans outstanding to related parties		1,252		1,667
Total interest income received from loans to related parties		6,077		5,545

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 30TH SEPTEMBER 2025

The related party loans stated above comprise of loans outstanding to directors and the management team (to include their family members or any business in which the directors or management team had a significant shareholding). Total loans outstanding to related parties represents 0.23% of the total loans outstanding at 30 September 2025 (2024: 0.35%).

19b. Savings

The total amount of savings held by related parties at the year end was €140,848 (2024: €187,747).

20. ADDITIONAL FINANCIAL INSTRUMENTS DISCLOSURES

20a. Financial Risk Management

The credit union manages its members' savings and loans so that it earns income from the margin between interest receivable and interest payable. The main financial risks arising from the credit union's activities are credit risk, market risk, liquidity risk and interest rate risk. The board of directors reviews and agrees policies for managing each of these risks, which are summarised below.

Credit risk: Credit risk is the risk that a borrower will default on their contractual obligations relating to repayments to the credit union, resulting in financial loss. In order to manage this risk the board of directors regularly reviews and approves the credit union's lending policy. Credit risk mitigation may include the requirement to obtain collateral as set out in the credit union's credit policies. Where collateral or guarantees are required, they are usually taken as a secondary source of repayment in the event of the borrower's default. The credit union maintains policies which detail the acceptability of specific classes of collateral. The principal collateral types for loans are: an attachment over members' pledged shares; personal guarantees; and charges over assets. The nature and level of collateral required depends on a number of factors such as the term of the loan and the amount of exposure. All loan applications are assessed with reference to the lending policy in force at the time. Subsequently loans are regularly reviewed for any factors that may

indicate that the likelihood of repayment has changed. The credit union is also exposed to counterparty credit risk pertaining to its deposit and investment portfolio. In order to manage this risk the board of directors regularly reviews and approves the credit union's investment policy and funds are invested in compliance with this policy and regulatory guidance.

Market risk: Market risk is the risk that the value of an investment will decrease. This risk can arise from fluctuations in values of, or income from, assets or changes in interest rates. The board of directors regularly reviews and approves the credit union's investment policy and funds are invested in compliance with this policy and regulatory guidance.

Liquidity risk: Liquidity risk is the risk that the credit union will not have sufficient cash resources to meet day to day running costs and repay members' savings when demanded. The credit union's policy is to maintain sufficient funds in liquid form at all times to ensure that it can meet its liabilities as they fall due.

Interest rate risk: The credit union's main interest rate risk arises from adverse movements in interest rates receivable which would affect investment income. The credit union reviews any potential new investment product carefully to ensure that minimum funds are locked in low yielding long term investments yet at the same time maximising investment income receivable.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE FINANCIAL YEAR ENDED 30TH SEPTEMBER 2025

20b. Liquidity Risk Disclosures

The credit union's policy is to maintain sufficient funds in liquid form at all times to ensure that it can meet its liabilities as they fall due. The credit union adheres on an ongoing basis to the minimum liquidity ratio and minimum short term liquidity ratio as set out in regulatory requirements.

20c. Interest Rate Risk Disclosures

The following shows the average interest rates applicable to relevant financial assets and financial liabilities.

	2025		2024	
	€	Average interest rate %	€	Average interest rate %
Gross loans to members	<u>19,974,541</u>	8.80%	<u>19,275,964</u>	8.97%

Any distributions payable are at the discretion of the directors and are therefore not a financial liability of the credit union until declared and approved at the AGM.

21. DIVIDENDS AND LOAN INTEREST REBATES

The following distributions were paid during the year:

	2025		2024	
	%	€	%	€
Dividend on shares	<u>0.10%</u>	<u>40,972</u>	<u>0.10%</u>	<u>40,317</u>

The directors are proposing a dividend of €41,513 (0.10%) in respect of the financial year ended 30 September 2025 (2024: €40,974 (0.10%)).

22. RATE OF INTEREST PAID ON MEMBERS' DEPOSIT ACCOUNTS

	2025		2024	
	%	€	%	€
Interest on deposits	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

23. EVENTS AFTER THE END OF THE FINANCIAL YEAR

There have been no significant events affecting the credit union since the year end.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 30TH SEPTEMBER 2025

24. INSURANCE AGAINST FRAUD

The credit union has Insurance against fraud in the amount of €5,200,000 (2024: €5,200,000) in compliance with Section 47 of the Credit Union Act, 1997 (as amended).

25. CAPITAL COMMITMENTS

There were capital commitments as at 30 September 2025. Arklow Credit Union is working towards migration of servers to a Cloud based system. Arklow Credit Union is also scheduled to replace all IT Assets including PCs & Laptops with an expected cost of €33,901.

26. COMPARATIVE INFORMATION

Comparative information has been reclassified where necessary to conform to current year presentation.

27. APPROVAL OF FINANCIAL STATEMENTS

The board of directors approved these financial statements for issue on 12th December 2025.

The following schedules do not form part of the statutory financial statements which are the subject of the Independent Auditor's report on pages 26 to 28.

SCHEDULES TO THE INCOME & EXPENDITURE ACCOUNT

FOR THE FINANCIAL YEAR ENDED 30TH SEPTEMBER 2025

SCHEDULE 1 – OTHER INTEREST INCOME AND SIMILAR INCOME

	2025 €	2024 €
Investment income received/receivable within 1 year	477,970	432,403
Investment income receivable outside of 1 year	36,942	37,653
Total per income and expenditure account	514,912	470,056

SCHEDULE 2 – OTHER INCOME

	2025 €	2024 €
Commissions	2,898	4,226
Grant income	-	6,567
Other fees	492	626
Total per income and expenditure account	3,390	11,419

SCHEDULES TO THE INCOME & EXPENDITURE ACCOUNT FOR THE FINANCIAL YEAR ENDED 30TH SEPTEMBER 2025 (CONTINUED)

SCHEDULE 3 – OTHER MANAGEMENT EXPENSES

	2025	2024
	€	€
Rent and rates	16,384	15,990
Light, heat and cleaning	25,862	26,811
Repairs and renewals	39,195	31,238
Printing and stationery	7,535	9,810
Postage and telephone	10,975	12,023
Donation and sponsorship	7,512	10,525
Debt collection	27,206	30,582
Promotions and advertising	57,305	43,517
Training costs	16,097	13,665
AGM expenses	20,131	25,174
Travel and subsistence	4,727	1,891
Bank charges	45,192	58,145
Audit fees	24,305	18,758
Accountancy charges	2,706	4,649
General insurance	32,053	29,165
Share and loan insurance	251,896	229,506
Affiliation fees and SPS	5,812	3,935
Legal and professional fees	35,545	36,267
Computer maintenance	203,149	165,928
Miscellaneous expenses	7,470	6,829
Uniforms	-	1,699
Death benefit insurance	78,733	78,675
Regulatory levies	24,574	69,230
Total per income and expenditure account	<u>944,364</u>	<u>924,012</u>

OFFICERS & OTHER INFORMATION

BOARD OF DIRECTORS

- Charles Dayman (Chairperson)
- Richie Hall (Vice-Chairperson)
- Eilish Nolan (Secretary)
- Billy Manley
- Mevis Mbendera
- Leslie Brennan
- Sean Quirke

BOARD OVERSIGHT COMMITTEE

- Billy Roberts (Chairperson)
- Tom Craine (Secretary)
- Margaret Randle

NOMINATIONS COMMITTEE

- Mevis Mbendera (Chairperson)
- Charles Dayman (Secretary)
- Leslie Brennan

CREDIT COMMITTEE

- Billy Manley (Chairperson)
- Eilish Nolan (Secretary)
- Charlie Dayman

NOTICE OF ELECTIONS

Elections will be held to fill the following vacancies:

- The Position of Auditor
- 4 Vacancies on the Board of Directors
- 1 Vacancy on the Board Oversight Committee

CREDIT CONTROL COMMITTEE

- Richie Hall (Chairperson)
- Peter O'Brien (Secretary)
- Mevis Mbendera



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**Loans are subject to approval.
Terms and conditions apply.**

Warning: The cost of your repayments may increase. If you do not meet the repayments on your loan, your account will go into arrears. This may affect your credit rating, which may limit your ability to access credit in the future. Arklow Credit Union is regulated by the Central Bank of Ireland.

OFFICERS & OTHER INFORMATION

RISK & AUDIT COMMITTEE

- Billy Manley (Chairperson)
- Eilish Nolan (Secretary)
- Leslie Brennan

MEMBERSHIP COMMITTEE

- Ciara Murray (Chairperson)
- Hugh O’Keeffe (Secretary)
- Peter O’Brien

LIQUIDITY & INVESTMENT COMMITTEE

- Sean Quirke (Chairperson)
- Eilish Nolan (Secretary)
- Peter O’Brien
- Hugh O’Keeffe

BANKERS

- AIB Bank, Main Street, Arklow

INVESTMENT ADVISORS

- Cantor Fitzgerald Ireland,
23 St. Stephen’s Green, Dublin 2

COMPANY SOLICITORS

- C J Louth & Co. Ferrybank, Arklow

DEBT RECOVERY SOLICITORS

- M D O’Loughlin & Company Solicitors,
Bray, Co Wicklow

INTERNAL AUDITORS

- Colligan O’Cearbhaill & Co. Bri
Chualann Court, Adelaide Road, Bray,
Co Wicklow

AUDITORS

- Grant Thornton, Mill House,
Henry Street, Limerick



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DATA PROTECTION AND AML

As you will be aware the General Data Protection Regulation came into effect on the 25 of May 2018. In accordance with these new regulations, Arklow Credit Union has updated all our privacy notices detailing how we process your data. These privacy notices are available to all members. If you would like to view these notices you can request a copy from our branches or alternatively you can view these privacy notices on our website, please see link below.

<https://www.arklowcu.ie/privacy-notice>

AML REQUIREMENTS IDENTIFICATION REQUIREMENTS

In order comply with legislation to combat money laundering and terrorist financing, Arklow Credit Union is obliged to verify and maintain up to date proof of both your identity and your current permanent address whilst you are an active account holder. We are also obliged to seek a proof of your Personal Public Service Number (PPSN).

Perhaps you may have received a letter requesting this documentation or a member of staff has advised you that your account documentation requires updating. If so, please assist the credit union in fulfilling its legal obligations by providing your information in branch at your earliest convenience. You are required to provide the original of one Photo ID and one Proof of Address as outlined below.

Suitable Proof of Photographic Identification:

- Current Valid signed Passport

- Passport Card
- Current Valid EU Driving License– must contain photograph (Irish Learner Permit accepted)

Suitable Proof of Address:

Documents must be issued to you at your home address within the past 3 months

- Utility Bill e.g. telephone, mobile, gas, electricity, heating, oil, waste collection, etc
- Correspondence from a Regulated Financial Institution operating in the Republic of Ireland (Insurance / Assurance Co., Bank, Building Society, Credit Union, Credit Card Company).
- Correspondence from a Government Department / Body.

Note: The name on your photographic identification (e.g. name on your passport) must exactly match the name on your proof of address. Failure to provide requested identification and Proof of Address may lead to the suspension of some Arklow Credit Union services on your account

Suitable Proof of PPSN:

- Payslip
- A Revenue letter/document displaying the number
- A Social Welfare letter
- A GP Visit Card
- A Medical Card
- An E11 Card

Note: Unfortunately, we cannot accept the Public Service Card

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RESOLUTIONS

RESOLUTION 1 (APPROVAL & ADOPTION OF STANDING ORDERS)

“That this Annual General Meeting approves and adopts the Standing Orders as presented to the meeting”

RESOLUTION 2. (APPROVAL & ADOPTION OF ACCOUNTS)

“that this Annual General Meeting approves and adopts the Accounts of Arklow Credit Union Ltd as presented for the year ended 30th September 2025”

RESOLUTION 3 (ILCU AFFILIATION FEE) AFFILIATION FEE TO THE IRISH LEAGUE OF CREDIT UNIONS (ILCU)

“that an affiliation fee of €1.50 be deducted from each member account excluding members under the age of sixteen and forwarded to the ILCU”

RESOLUTION 4 RULE 14. PERSON UNDER AGE 16

“that this Annual General Meeting agrees to amend Rule 14(1) of the Standard Rules for Credit Unions (Republic of Ireland) by the insertion of the word “natural” to read as follows:

- (1) A natural person under the age of sixteen: a) may be a member of the credit union, and b) subject to paragraph (2), may enjoy all the rights of membership, other than voting rights, and can give all necessary receipts.”

RESOLUTION 5 RULE 109 (3) COMPLAINTS

“that this Annual General Meeting agrees to amend Rule 109 of the Standard Rules for Credit Unions (Republic of Ireland) by the

deletion of Rule 109(3) (a) to (f) inclusive and replacing it with the following:

- (3) All complaints under this rule shall be decided in the following manner:
- a) For the purposes of this rule the complaining party or parties described under paragraph (1) shall be referred to as the complainant.
 - b) The board of directors shall appoint a complaints officer who is suitably qualified and authorised to investigate, and wherever possible resolve complaints, received from complainants.
 - c) In the event that a complaint is not resolved to the satisfaction of the complainant, the complainant may refer the complaint to the Financial Services & Pensions Ombudsman, or other adjudication body as appropriate.
 - d) Nothing in this rule shall prevent the Financial Services & Pensions Ombudsman from investigating and adjudicating a complaint made against a credit union about the provision of, or failure to provide, a financial service, so long as the complaint:
 - a) falls within the jurisdiction of that Ombudsman, and
 - b) does not relate to a matter that involves only the governance of the credit union.”

MINUTES OF THE 56TH AGM OF ARKLOW CREDIT UNION HELD IN CASTLEPARK ON THURSDAY THE 16TH JANUARY 2025 AT 7PM

Attendance: including Board of Directors and Members: 38.

Before the commencement of the meeting, the Chairperson ran through some housekeeping, including escape routes, welfare facilities and use of mobile phones.

At the commencement of the AGM, the Chairperson called the meeting to order and welcomed everybody to ACU's 56th AGM.

The Chairperson gave an overview of the year in review and looked to the year ahead, in terms of the growth of ACU.

The Chairperson then advised that the meeting was going to take some reports as read and would focus on the essential business of the AGM, namely, the presentation of the financial statements, the auditor's report and the election of the Board members and the external auditors.

The Chairperson advised that all questions would be addressed during the Q&A section near the end of the meeting.

The first item of the AGM on the order of business in the AGM booklet on page 1 was the acceptance by the Board of Directors of the authorised representatives of members that are not natural persons.

It was noted that there were no proxies notified in advance of the meeting.

The next item was the matter of the quorum present. Arklow CU quorum is 30 members and 38 attended the meeting. So, the AGM could proceed.

The next item, the adoption of Standing Orders, as noted on pages 3 and 4 of the AGM booklets.

Resolution 1 (approval and adoption of Standing Orders). "That this Annual General Meeting approves and adopts the Standing Orders as presented to this meeting". The Chairperson asked for a proposer and seconder for the resolution.

Proposer: Jim Mulkern

Seconder: Mevis Mbendera

Then, the resolution was put to the members to vote. The Chairperson, on receipt of the results, declared the resolution was passed.

Next item was the review of the minutes of the last AGM, which were present on pages 52 to 56 of the AGM booklet. They were taken as read.

The Chairperson asked for a proposer and seconder for the minutes.

Proposer: Richie Hall

Seconder: Sean Quirke

The Minutes of the January 2024 AGM was put to the members present to seek votes in favour of approving the minutes as presented in the booklet.

Upon receipt of the results, the Chairperson declared that the 2024 minutes had been approved by the members present and voting.

Next item was the report of the Board of Directors. Billy Manley, Board Director, was nominated by the Board to present the report on their behalf. A dividend of 0.10% was proposed in respect of the last financial year. The Chairperson then asked for a proposer and seconder of the report.

Proposer: Shelly Menton

Seconder: Richie Hall

The report of the Board of Directors was then put

MINUTES OF THE 56TH AGM OF ARKLOW CREDIT UNION HELD IN CASTLEPARK ON THURSDAY THE 16TH JANUARY 2025 AT 7PM

to the members in attendance to vote to approve the report. The Chairperson, on receipt of the votes from the members in attendance, declared that the report of the Board of Directors had been approved by the members present.

The Chairperson advised the AGM that the next item would be presented by David Kelly of Grant Thornton.

Once presented by David, Hugh O’Keeffe read out Resolution 2 (approval and adoption of accounts). “That this Annual General Meeting approves and adopts the accounts of Arklow Credit Union Limited as presented for the year ended 30th September 2024”.

Proposer: Aisling Rees

Secunder: Mevis Mbendera

Then Resolution 2, approval and adoption of the accounts was put to the members present to vote. On receipt of the results, the Chairperson declared that the resolution was passed.

Next, the Chairperson sought a proposer and seconder for the report of the auditor.

Proposer: Shelly Menton

Secunder: Kay O’Keeffe

Then, the report of the auditor was put to the members to vote. On receipt of the results, the Chairperson declared that the report of the auditor was passed.

The next item was the report of the Board Oversight Committee (BOC). This was presented by Billy Roberts, Chairperson of the BOC. Billy Roberts then proposed the report of the Board Oversight Committee to the meeting and Kay O’Keeffe

seconded it. The Board Oversight Committee report was then put to the members in attendance to vote. On receipt of the results, the Chairperson declared that the report had been approved by the members.

The next item was the report of the Credit Committee, which was on page 11 of the AGM booklet. The report was taken as read and proposed by Billy Manley, Chairperson of the Credit Committee. The report was seconded by Billy Roberts.

Then, the report of the Credit Committee was put to the members present to vote. On receipt of the results, the Chairperson declared that the report of the Credit Committee had been approved.

The next item was the report of the Credit Control Committee, which was on page 12 of the AGM booklet. The report was taken as read and proposed by Richie Hall, member of the Credit Control Committee. The report was seconded by Dorothy Rees.

Then, the report of the Credit Control Committee was put to a vote of the members present. On receipt of the results, the Chairperson declared that the report of the Credit Control Committee had been approved.

The next item was the report of the Membership Committee, which was on page 13 of the AGM booklet. The report was taken as read and proposed by Hugh O’Keeffe, Secretary of the Membership Committee. The report was seconded by Tom Craine.

Then, the report of the Membership Committee was put to a vote of the members present. On receipt of the results, the Chairperson declared

MINUTES OF THE 56TH AGM OF ARKLOW CREDIT UNION HELD IN CASTLEPARK ON THURSDAY THE 16TH JANUARY 2025 AT 7PM

that the report of the Membership Committee had been approved.

The next item was the report of the Investments and Liquidity Committee, which was on page 14 of the AGM booklet. The report was taken as read and proposed by Eilish Nolan, Secretary of the Investment and Liquidity Committee and Board Director. The report was seconded by Jim Mulkern.

Then, the report of the Investments and Liquidity Committee was put to the members present to vote. On receipt of the results, the Chairperson declared that the report of the Investments and Liquidity Committee had been approved.

The next item was the report of the Risk and Audit Committee, which was on pages 16 and 17 of the AGM booklet. The report was taken as read and proposed by Billy Manley, Chairperson of the Risk and Audit Committee and Board Director. The report was seconded by Aisling Rees.

Then, the report of the Risk and Audit Committee was put to the members present to vote. On receipt of the results, the Chairperson declared that the report of the Risk and Audit Committee had been approved.

The next item was the report of the Nominations Committee, which was on page 15 of the AGM booklet. The report was taken as read and proposed by Charlie Dayman, member of the Nominations Committee and Board Director. The report was seconded by Dorothy Rees.

Then, the report of the Nominations Committee was put to the members present to approve. On receipt of the results, the Chairperson declared that the report of the Nominations Committee had been approved.

The next item on the order of business was the Other Motions of the AGM. Hugh O'Keeffe read out Resolution 3, ILCU affiliation fee:

"That the affiliation fee of €1.50 be deducted from each member account, excluding members under the age of 16 and forwarded to the ILCU"

Proposer: Richie Hall

Secunder: Paul Doyle

The resolution 3, ILCU affiliation fee was put to a vote of the members in attendance. On receipt of the results, the Chairperson declared that the resolution was approved by the members.

The next item was resolution 4, (membership and general provisions) amendment to rule 40(2). This was read out by Hugh O'Keeffe:

"That this Annual General Meeting amends rule 40(2) of the Standard Rules for Credit Unions (Republic of Ireland) by the replacing the existing rule 40(2) with the following Rule 40(2) to read:

"At the time of adoption of these rules, the board of directors shall consist of 9 members, all of whom shall be members of the credit union"

The Chairperson then asked for a proposer and secunder for Resolution 4.

Proposer: Billy Roberts

Secunder: Richie Hall

The Resolution 4, ILCU Rule Amendment was put to the members to vote. On receipt of the results, the Chairperson declared that the resolution had been approved by the members.

The next item was the appointment of the Tellers. The Chairperson appointed Shelly Menton and

MINUTES OF THE 56TH AGM OF ARKLOW CREDIT UNION HELD IN CASTLEPARK ON THURSDAY THE 16TH JANUARY 2025 AT 7PM

Lisa Sheehy.

Next were the elections (External Auditor, 4 Board members for re-election, 1 member of the BOC).

First was the election of the External Auditor. Billy Manley, on behalf of the Risk and Audit Committee proposed to reappoint Grant Thornton. This was seconded by Paul Doyle.

Then the proposal was put to the members in attendance to vote. To facilitate the counting of votes, the results of all votes were given towards the end of the meeting.

Next was the election of 4 Board of Directors. Charlie Dayman, chair of the Nominations Committee proposed Richie Hall for election to the Board of Directors. This was seconded by Dorothy Rees. Charlie Dayman then proposed Mevis Mbendera for election to the Board of Directors. This was seconded by Richie Hall. Charlie Dayman then proposed Billy Manley for election to the Board of Directors. This was seconded by Paul Doyle. Charlie Dayman then proposed Sean Quirke for election to the Board of Directors. This was seconded by Billy Manley.

Then these proposals were put to the members in attendance to vote.

Next item was the election of a Board Oversight Committee member. Charlie Dayman proposed Billy Roberts for election to the Board Oversight Committee. This was seconded by John Moules.

Then this proposal was put to the members in attendance to vote.

The Chairperson then spoke about the plans for the future of ACU, including but not limited to

mortgages, green loans, ESG agenda and the success of the Cultivate product.

Next was the questions and answers section.

- **Q1:** In relation to the Central Bank concentration limits for credit unions the current restriction for mortgages limits ACU to say 4/5 mortgages. If the credit union was to increase its lending to say 10 mortgages would the credit union find itself in a position where it could not lend in other areas such as business lending?
- **A1:** This question was addressed by the Chair. We expect the CB to review lending limits and this will have a positive impact on the amount of mortgages that ACU can lend.
- **Q2:** What if the market crashes again and we find ourselves in a position where we have properties in negative equity.
- **A2:** This question was addressed by the Chair. There are robust processes in place to prevent this from happening. ACU liquidity & finances are managed by the Management within the CU and actively governed by the Board.
- **Q3:** What is the motivation for increasing Board from 7 to 9.
- **A3:** In 2023 we were invited to look into the possibility of a merger. The intention was to merge all 4 CU's at the same time. At that time we had agreed to reduce the Board in ACU as we were facing the possibility of merging the Board with the other CU's. Merger discussions took longer than expected and ACU felt that there was no benefit to the membership to merge so we removed ourselves from this

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process. Bringing the Board back up to 9 helps to spread the workload better.

- **Q4:** Is the intention to not go ahead with any future mergers.
- **A4:** The merger with Bray didn't show any benefits for us but we are always open to this in the future if it will bring a benefit to the membership of ACU

Following the Q&A was the Prize Draw. The prizes were 6 One-for-All vouchers worth 450 each. The six winners were:

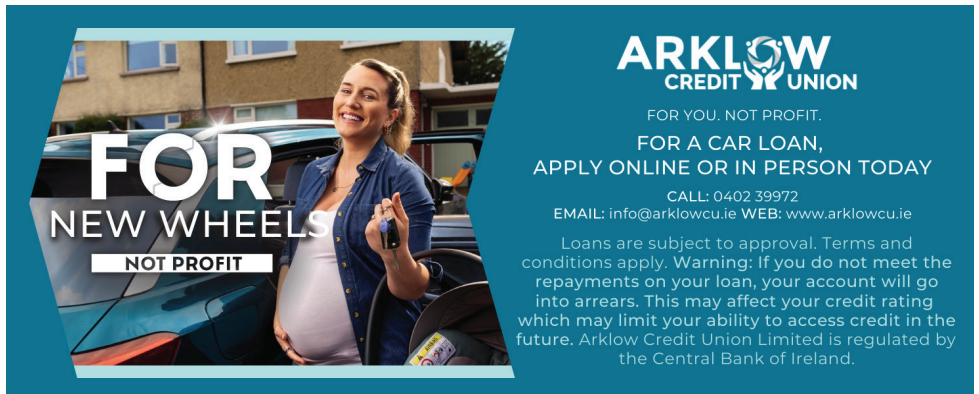
1. Dorothy Rees
2. Patricia Doyle
3. John Moules
4. Tom Byrne
5. Charmaine Alexander
6. Brid Mulkern

The next item was AOB, there were no other items to discuss.

The Chairperson then announced the results of the elections:

- Grant Thornton was elected as Auditors for 2024-2025.j
- The 4 positions on the Board were returned.
- The 1 position on the Board Oversight Committee was returned.

Finally, the Chairperson thanked all for attending and then formally declared the meeting closed.



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