FIRST CHOICE
Credit Union

MAKING MORE POSSIBLE

ACHILL - BALLA - BALLYHAUNIS - CASTLEBAR - KILTIMAGH - SWINFORD

Annual Report

2026

First Choice Credit Union Limited
Annual Report & Accounts 2026

First Choice Credit Union Limited is regulated by the Central Bank of Ireland.

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NOTICE OF AGM

Notice is hereby given that the 2026 Annual General Meeting of the members of First Choice Credit Union Limited will take place **via Zoom Webinar** on **Tuesday 8th December 2026 @ 7.00pm.**

Marie Quinn
Secretary, First Choice Credit Union Limited.

REGISTRATION

Members wishing to attend the Virtual AGM need to request an invitation to join and apply by visiting **www.firstchoicecreditunion.ie** or emailing **agm@fccu.ie** and include the following:

- Member Name
- Member Number
- Member Address
- Member email Address

A link to the AGM Zoom Webinar will be forwarded to the email address you provided at registration, prior to the meeting. Additionally, you will also receive a link to access AGM 2026 reports, biographies of those standing for election and additional information.

We encourage all members to register and attend.

Please note: Registration must be submitted no later than midnight Friday 4th December 2026.

THE FOLLOWING INFORMATION IS PERTINENT TO THIS NOTICE

- First Choice Credit Union will be using Zoom Webinar as the electronic platform for the meeting.
- We invite members to register for our virtual AGM on our website, www.firstchoicecreditunion.ie or by emailing agm@fccu.ie.
- The information required to request an invitation is your name, member number, address and email address. The Credit Union will validate members details prior to issuing invitations.
- Please note that registration for the AGM will close at midnight Friday 4th December 2026 to allow us sufficient time to validate all registrations.
- All non-presenting participants will be muted and will have their cameras switched off to allow the smooth running of the meeting. However, you can type a question to the host by clicking on the “Q&A” button on the bottom of the screen.
- Elections for the Board of Directors, Board Oversight Committee, Auditor and Rule Amendments (if any) will take place. Voting will be conducted by way of online poll and each member will be asked to vote Yes/No electronically for each of the above, when instructed by the Chairperson. The votes will be tallied electronically, verified and recorded by the meeting Secretary & Internal Auditor.
- The AGM meeting will be recorded for minute taking purposes. Members who register for the meeting will be agreeing to the recording of the meeting and their participation in it, on registering.

ORDER OF BUSINESS

a) Invocation
b) Acceptance of Proxies, if any, by the Board of Directors
c) Ascertainment that a quorum is present
d) Adoption of Standing Orders
e) Approval (or correction) of the minutes of the 2025 AGM and any intervening special general meeting
f) Report of the Board Oversight Committee
g) Report of the Board of Directors; incorporating the reports of the Credit Committee, Credit Control Committee and Membership Committee
h) Consideration of Accounts
i) Report of the Auditor
j) Declaration of Dividend and Rebate of Interest (if any)
k) Approval of Affiliation Fee
l) Report of the Nomination Committee
m) Appointment of Tellers
n) Election to fill vacancies on the Board of Directors
o) Election to fill vacancies on the Board Oversight Committee
p) Election of the Auditor
q) Rule Amendments Ballot
r) Announcement of Election Results
s) Results of Rule Amendments Ballot
t) Any Other Business
u) Adjournment or Close of Meeting

ELECTIONS

Election of Directors under Section 53 of the Credit Union Act 1997 (As Amended)
There are two vacancies to be filled on the Board of Directors at AGM 2026. The following candidates have been proposed by the Nomination Committee to fill those vacancies:

- Michael Callaghan
- Kevin Dunleavy

The following directors, having served full terms, offer themselves for re-election on the proposal of the Nomination Committee:

- Joe Butler
- Edel McCool
- Peter Mooney

Election of Board Oversight Committee Members under Section 76N of the Credit Union Act 1997 (As Amended)
There are two vacancies to be filled on the Board Oversight committee at AGM 2026. The following candidate offers themselves for election to fill one of those vacancies:

- Martin Parsons

One casual vacancy remains and the Board Oversight Committee is currently seeking a suitable candidate to fill this vacancy.

Election of Auditor under Section 115 of the Credit Union Act 1997 (As Amended)
The Auditors Grant Thornton, Mill House, Henry Street, Limerick being eligible, offer themselves for election.

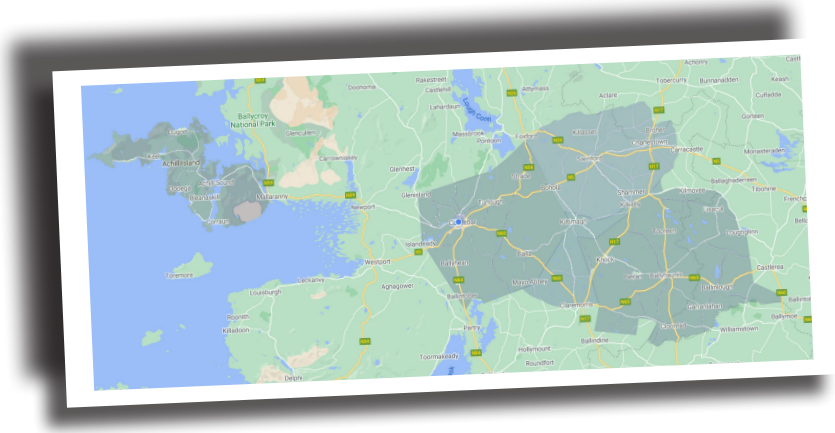
RULE AMENDMENTS

There are no rule amendments being brought forward to AGM 2026.

AFFILIATION FEE

It is proposed that an affiliation fee of €1.50 for the year ended 30th September 2026 be paid by deduction from the share account of each member. Affiliation fees are paid to the Irish League of Credit Unions to assist in its functioning.

FIRST CHOICE CREDIT UNION COMMON BOND



In order to become a member of First Choice Credit Union, you must satisfy the common bond criteria by either living or working in any of the areas highlighted in the map above. With six offices, our common bond covers the areas, and surrounding areas, of Achill, Balla, Ballyhaunis, Castlebar, Kiltimagh and Swinford. Anyone who would like to join, can apply for membership in any First Choice Credit Union office or apply online at www.firstchoicecreditunion.ie.

The common bond is the factor which unites the members of a Credit Union together. It defines the area in which a credit union can operate. For further information on our common bond, please don't hesitate to contact us on 094 9022969, visit any of our offices or go to www.firstchoicecreditunion.ie.

ILCU INTERNATIONAL DEVELOPMENT FOUNDATION

It is proposed that €2,000 be donated to the Irish League of Credit Unions International Development Foundation. The Foundation supports dedicated local partners to develop and strengthen the credit union movement in three core countries – Ethiopia, Sierra Leone and The Gambia.

NOMINATION ON ACCOUNTS

This is a unique facility for credit union members. If you are over 16 years of age you can nominate who is to receive the monies in your accounts with the credit union upon your death, which includes shares, deposits and insurance proceeds.

You may nominate a person(s) of choice to receive your property presently up to a maximum value of €27,000. Any amount in excess of this balance will form part of your estate.

We ask members to review their Nomination arrangements, particularly if you have not done so in the last five years, have married or have reached the age of 16 years. For more information visit any First Choice Credit Union office, call us on 094 9022969 or email us at info@fccu.ie.

Directors' report

For the financial year ended 30 September 2026

The directors present their annual report and the audited financial statements for the financial year ended 30 September 2026.

Principal activity

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

Authorisation

The credit union is authorised as follows:

- Entitled under the European Community (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 and loan interest rebates

The directors are proposing dividends in respect of the financial year ended 30 September 2026 of €288,997 (0.125%) (2025: €281,647 (0.125%)) and loan interest rebates on the standard rate loans of €49,987 (12.5%) (2025: €72,429 (12.50%)).

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.

Directors' report (continued)

For the financial year ended 30 September 2026

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

Credit risk
In order to manage this risk, the board of directors regularly reviews and approves the credit union's loan policy. All loan applications are assessed with reference to the loan 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 provides lending products to its members and promotes 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 Market Square, Castlebar, Co. Mayo.

Internal audit function
In accordance with Section 76K of the Credit Union Act, 1997 (as amended) the board of directors have appointed an internal audit function to provide for independent internal oversight and to evaluate and improve the effectiveness of the credit union's risk management, internal controls and governance process.

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, Grant Thornton offers itself for re-election as auditor.

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

Peter Mooney
Chairperson of the board of directors

Joe Butler
Member of the board of directors

Date: 7 November 2026

Directors' responsibilities statement

For the financial year ended 30 September 2026

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 (as amended) "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 of directors:

Peter Mooney
Chairperson of the board of directors

Joe Butler
Member of the board of directors

Date: 7 November 2026

Board oversight committee's responsibilities statement

For the financial year ended 30 September 2026

The Credit Union Act, 1997 (as amended) requires 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 Credit Union Act, 1997 (as amended) 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:

Aidan Staunton
Chairperson of the board oversight committee

Date: 7 November 2026

Independent auditor's report to the members of First Choice Credit Union Limited

Opinion

We have audited the financial statements of First Choice Credit Union Limited for the financial year ended 30 September 2026, 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 32, 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 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (Generally Accepted Accounting Practice in Ireland) ("the relevant accounting framework").

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

- give a true and fair view of the state of affairs of the credit union as at 30 September 2026 and of its income and expenditure for the financial year then ended,
- have been properly prepared in accordance with the relevant accounting framework, 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 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.

Independent auditor's report to the members of First Choice Credit Union Limited (continued)

Other information

The directors are responsible for the other information. Other information comprises information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

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.

Opinion on the matters prescribed by the Credit Union Act, 1997 (as amended)

- 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 credit union's annual accounts agree with the accounting records of the credit union, and
- the annual accounts 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 management and those charged with governance 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 the applicable financial reporting framework, and for 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

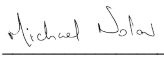
The objectives of an auditor are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes their opinion. Reasonable assurance is a high level of assurance, but is 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: https://iaasa.ie/publications/description-of-the-auditors-responsibilities-for-the-audit-of-the-financial-statements/. This description forms part of our auditor's report.

Independent auditor's report to the members of First Choice Credit Union Limited (continued)

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.



Michael Nolan
for and on behalf of
Grant Thornton
Chartered Accountants & Statutory Audit Firm
Cork
Ireland
Date: 7 November 2026

Income and expenditure account

For the financial year ended 30 September 2026

		2026	2025
Income	**Schedule**	**€**	**€**
Interest on members' loans		3,930,194	3,772,141
Other interest income and similar income	1	4,595,205	3,937,061
Net interest income		**8,525,399**	**7,709,202**
Other income	2	320,535	323,726
Total income		**8,845,934**	**8,032,928**
Expenditure			
Employment costs (note 4a)		2,434,396	2,149,501
Other management expenses	3	3,260,100	3,174,404
Depreciation		247,308	228,636
Net impairment movement on loans to members (note 5)		(467,059)	125,874
Total expenditure		**5,474,745**	**5,678,415**
Surplus for the financial year		**3,371,189**	**2,354,513**

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

Joe Butler
Member of the board of directors

Anne King
Chief Executive Officer

Date: 7 November 2026

The notes on pages 17 to 34 form part of these financial statements.

Statement of other comprehensive income

For the financial year ended 30 September 2026

	2026 €	2025 €
Surplus for the financial year	3,371,189	2,354,513
Other comprehensive income	-	-
Total comprehensive income for the financial year	**3,371,189**	**2,354,513**

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

Joe Butler
Member of the board of directors

Anne King
Chief Executive Officer

Date: 7 November 2026

The notes on pages 17 to 34 form part of these financial statements.

Balance sheet

As at 30 September 2026

	Notes	2026	2025
Assets		**€**	**€**
Cash and balances at bank	6	15,952,387	9,457,689
Deposits and investments – cash equivalents	7	59,997,050	59,174,111
Deposits and investments – other	7	155,200,384	155,724,254
Loans to members	8	56,588,158	52,574,813
Provision for bad debts	9	(3,057,922)	(3,560,123)
Tangible fixed assets	10	2,026,645	2,162,323
Equity investment	11	50,000	50,000
Investments in associates	12	296,250	296,250
Debtors, prepayments and accrued income	13	2,500,661	2,286,098
Total assets		**289,553,613**	**278,165,415**
Liabilities			
Members' shares	14	227,729,621	219,201,961
Members' deposits	15	-	169,575
Members' current accounts	16	7,787,309	7,732,548
Other liabilities, creditors, accruals and charges	17	1,352,100	1,281,259
Other provisions	18	45,794	39,131
Total liabilities		**236,914,824**	**228,424,474**
Reserves			
Regulatory reserve	20	29,692,860	28,567,860
Operational risk reserve	20	1,503,926	1,403,926
Other reserves			
- Realised reserves	20	20,307,224	19,067,785
- Unrealised reserves	20	1,134,779	701,370
Total reserves		**52,638,789**	**49,740,941**
Total liabilities and reserves		**289,553,613**	**278,165,415**

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

Joe Butler
Member of the board of directors

Anne King
Chief Executive Officer

Date: 7 November 2026

The notes on pages 17 to 34 form part of these financial statements.

Statement of changes in reserves

For the financial year ended 30 September 2026

	Regulatory reserve	Operational risk reserve	Realised reserves	Unrealised reserves	Total
	€	€	€	€	€
As at 1 October 2024	**28,567,860**	**1,403,926**	**17,195,073**	**649,065**	**47,815,924**
Payment of dividend and loan interest rebate	-	-	(333,298)	-	(333,298)
Surplus for the financial year	-	-	2,045,415	159,098	2,204,513
Community fund reserve	-	-	150,000	-	150,000
Transfers between reserves	-	-	106,793	(106,793)	-
Payments from reserves	-	-	(96,198)	-	(96,198)
As at 30 September 2025	**28,567,860**	**1,403,926**	**19,067,785**	**701,370**	**49,740,941**
Payment of dividend and loan interest rebate	-	-	(333,675)	-	(333,675)
Surplus for the financial year	-	-	2,900,400	470,789	3,371,189
Community fund reserve	-	-	150,000	-	150,000
Transfers between reserves	1,125,000	100,000	(1,337,620)	(37,380)	(150,000)
Payments from reserves	-	-	(139,666)	-	(139,666)
As at 30 September 2026	**29,692,860**	**1,503,926**	**20,307,224**	**1,134,779**	**52,638,789**

- The regulatory reserve of the credit union as a percentage of total assets as at 30 September 2026 was 10.25% (2025: 10.27%).
- The operational risk reserve of the credit union as a percentage of total assets as at 30 September 2026 was 0.52% (2025: 0.50%).

The credit union's regulatory reserves meet the minimum requirement set down by the Central Bank of Ireland.

The notes on pages 17 to 34 form part of these financial statements.

Statement of cash flows

For the financial year ended 30 September 2026

	Notes	2026 €	2025 €
Opening cash and cash equivalents		**68,631,800**	**52,764,489**
Cash flows from operating activities			
Loans repaid by members	8	23,378,207	21,336,117
Loans granted to members	8	(27,693,770)	(25,953,318)
Interest on members' loans		3,930,194	3,772,141
Other interest income and similar income		4,595,205	3,937,061
Bad debts recovered and recoveries	5	267,076	429,559
Other income		320,535	323,726
Dividends paid	24	(267,483)	(259,228)
Loan interest rebate paid	24	(66,192)	(74,070)
Other disbursements		(139,666)	(96,198)
Members' current account lodgements	16	66,238,337	62,858,300
Members' current account withdrawals	16	(66,183,765)	(62,270,580)
Operating expenses		(5,694,307)	(5,323,109)
Movement in other assets and liabilities		(137,059)	1,841,238
Net cash flows from operating activities		**(1,452,688)**	**521,639**
Cash flows from investing activities			
Fixed assets purchases / (disposals)	10	(111,630)	(204,903)
Net cash flow from other investing activities		523,870	7,512,212
Net cash flows from investing activities		**412,240**	**7,307,309**
Cash flows from financing activities			
Members' shares received	14	153,466,021	212,575,670
Members' shares withdrawn	14	(144,938,361)	(204,300,237)
Members' deposits received	15	41,079	98,443
Members' deposits withdrawn	15	(210,654)	(335,513)
Net cash flow from financing activities		**8,358,085**	**8,038,363**
Net increase in cash and cash equivalents		**7,317,637**	**15,867,311**
Closing cash and cash equivalents	6	**75,949,437**	**68,631,800**

The notes on pages 17 to 34 form part of these financial statements.

Notes to the financial statements

For the financial year ended 30 September 2026

1. Legal and regulatory framework

First Choice 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 Market Square, Castlebar, Co. Mayo.

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, as modified by the recognition of certain financial assets measured at fair value as specified in the accounting policies below.

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

The following significant 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
Deposits 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, demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash, subject to an insignificant risk of changes in value and normally have a maturity of three months or less from the date of acquisition.

Notes to the financial statements (continued)

For the financial year ended 30 September 2026

2. Accounting policies (continued)

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 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 contractual rights to receive cash flows from the asset expire, usually when all amounts outstanding have been repaid by the member.

2.8 Provision for bad debts

The credit union assesses at each reporting date whether there is objective evidence that any of its loans or groups of loans are impaired, with due consideration of economic factors.

Events or circumstances that may necessitate a review of a loan for potential impairment include significant financial difficulty experienced by the borrower; a breach of the loan agreement, including default or delinquency; concessions granted because of the borrower's financial difficulty; indications of insolvency or financial reorganisation; adverse changes affecting the borrower's repayment capacity; deterioration in available security; and other observable information indicating a measurable reduction in estimated future cash flows.

Loans are assessed for impairment on both an individual and collective basis. Individual assessments are performed on individually significant loans and loans for which specific indicators of impairment have been identified. Loans that are not considered individually impaired are subsequently included in the collective impairment assessment.

Collective impairment assessments are performed on groups of loans sharing similar credit risk characteristics. Where objective evidence indicates that a loss event has occurred and that the event has an adverse impact on the estimated future cash flows from the loan, an impairment provision is recognised.

The provision is determined in accordance with the credit union's approved provisioning methodology, having regard to relevant information, including arrears and repayment performance, historical loss and recovery experience, expected future recoveries, current economic and borrower-specific conditions, and the availability and recoverability of attached savings, collateral or other security.

Notes to the financial statements (continued)

For the financial year ended 30 September 2026

2. Accounting policies (continued)

2.8 Provision for bad debts (continued)

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

- The movement in the provision for bad debts during the year; and
- Loans written off during the year.

If, in a subsequent period, the amount of an impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the impairment loss 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, using the straight-line method.

Depreciation is provided on the following basis:

Premises	40 years straight line
Computers and equipment	5 years straight line
Fixtures and fittings	7 years straight line

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.

Notes to the financial statements (continued)

For the financial year ended 30 September 2026

2. Accounting policies (continued)

2.10 Impairment of assets

At each reporting date fixed 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 Investments in associates

Investments in associates are accounted for at cost less impairment.

2.13 Other receivables

Other receivables are initially measured at transaction price, including transaction costs where applicable, and subsequently at amortised cost using the effective interest method. Prepayments are recognised at the amount paid and expensed as the related goods or services are received.

2.14 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.

2.15 Interest on members' deposits

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

2.16 Members' current accounts

Credit balances on members' current accounts are recognised as financial liabilities when funds are received from members. These balances are repayable on demand. They are initially measured at the amount deposited and subsequently measured at amortised cost.

Debit balances on members' current accounts represent amounts advanced to members, which are classified as financial assets measured at amortised cost. These balances are assessed for impairment at each reporting date. Any impairment losses identified are recognised in the income and expenditure account.

2.17 Other payables

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

2.18 Operating leases

Rentals payable under operating leases are charged to the income and expenditure account on a straight line basis over the lease term.

Notes to the financial statements (continued)

For the financial year ended 30 September 2026

2. Accounting policies (continued)

2.19 Pension

The credit union operates a defined contribution pension scheme. The assets of this scheme 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 €26,671 (2025: €23,979).

2.20 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.

2.21 Derecognition of financial liabilities

Financial liabilities are derecognised when the obligations of the credit union specified in the contract are discharged, cancelled or expired.

2.22 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.

2.23 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.

2.24 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. The credit union has a community fund reserve to be used by the credit union for social, cultural and charitable purposes in accordance with section 44 of the Credit Union Act, 1997 (as amended) and this is included in realised reserves. 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 is classified as realised.

2.25 Distribution policy

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

Notes to the financial statements (continued)

For the financial year ended 30 September 2026

2. Accounting policies (continued)

2.25 Distribution policy (continued)

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 and loan interest rebates when members ratify such payments at the Annual General Meeting.

2.26 Taxation

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

3. Judgements in applying accounting policies and key sources 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 €2,026,645 (2025: €2,162,323).

Provision for bad debts
The credit union's accounting policy for impairment of loans is set out in the accounting policy 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 €3,057,922 (2025: €3,560,123) representing 5.40% (2025: 6.77%) 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.

Investments in associates
The investments in associates represents the credit union's investment in Metacu Management Designated Activity Company. This investment was made for operational purposes. The credit union holds 6.25% Redeemable A Ordinary shares in the company and through the terms of the shareholders agreement agreed between each of the participating credit unions, the credit union is deemed to have influence over the operations of this company. Therefore the investment has been accounted for as an investment in an associate.

Notes to the financial statements (continued)

For the financial year ended 30 September 2026

3. Judgements in applying accounting policies and key sources of estimation uncertainty (continued)

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 €1,503,926 (2025: €1,403,926).

Adoption of going concern basis for financial statements preparation

The credit union continues to monitor developments in the global macroeconomic environment closely. 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 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:

	2026	2025
	€	€
Short term employee benefits paid to key management	691,102	640,126
Payments to pension schemes	61,387	54,852
Total key management personnel compensation	**752,489**	**694,978**

4a. Total employment costs (inclusive of key management personnel compensation)

	2026	2025
	€	€
Wages and salaries	2,186,507	1,904,450
Payments to pension schemes	247,889	245,051
Total employment costs	**2,434,396**	**2,149,501**

4b. Number of employees

The average monthly number of employees during the year was:

	2026	2025
Management	7	7
Other staff	38	36
Total number of employees	**45**	**43**

5. Net impairment movement on loans to members

	2026	2025
	€	€
Bad debts recovered	(222,978)	(383,131)
Impairment of loan interest reclassed as bad debt recoveries	(44,098)	(46,428)
Movement in bad debts provision during the year	(502,201)	215,157
Loans written off during the year	302,218	340,276
Net impairment movement on loans to members	**(467,059)**	**125,874**

Notes to the financial statements (continued)

For the financial year ended 30 September 2026

6. Cash and cash equivalents

	2026 €	2025 €
Cash and balances at bank	15,952,387	9,457,689
Deposits and investments – cash equivalents (note 7)	59,997,050	59,174,111
Total cash and cash equivalents	**75,949,437**	**68,631,800**

The rating category of institutions with whom the Cash and cash equivalents were held is as follows:

	2026 €	2025 €
A+	4,008,549	3,847,868
BBB+	9,488,615	3,212,428
NR	2,455,223	2,397,393
Total	**15,952,387**	**9,457,689**

7. Deposits and investments

	2026 €	2025 €
Deposits and investments – cash equivalents		
Accounts in credit institutions	39,753,401	47,575,115
Irish and EEA state securities	11,417,205	8,851,530
Bank bonds	8,177,765	2,000,000
Central Bank deposits	648,679	747,466
Total deposits and investments – cash equivalents	**59,997,050**	**59,174,111**
Deposits and investments – other		
Accounts in credit institutions	44,381,650	56,430,100
Irish and EEA state securities	27,297,973	10,653,467
Bank bonds	81,301,681	86,520,394
Central Bank deposits	2,219,080	2,120,293
Total deposits and investments – other	**155,200,384**	**155,724,254**
Total deposits and investments	**215,197,434**	**214,898,365**

The rating category of counterparties with whom the investments were held is as follows:

	2026 €	2025 €
Aa2	7,070,051	2,029,764
Aa3	42,549,349	43,720,530
A1	126,012,930	128,250,022
A2	12,947,139	9,869,600
A3	20,750,206	21,948,766
Baa1	3,000,000	6,211,924
Central bank	2,867,759	2,867,759
Total	**215,197,434**	**214,898,365**

Notes to the financial statements (continued)

For the financial year ended 30 September 2026

8. Financial assets – loans to members

	2026 €	2025 €
As at 1 October	52,574,813	48,297,888
Loans granted during the year	27,693,770	25,953,318
Loans repaid during the year	(23,378,207)	(21,336,117)
Gross loans and advances	**56,890,376**	**52,915,089**
Bad debts		
Loans written off during the year	(302,218)	(340,276)
As at 30 September	**56,588,158**	**52,574,813**

9. Provision for bad debts

	2026 €	2025 €
As at 1 October	3,560,123	3,344,966
Movement in bad debts provision during the year	(502,201)	215,157
As at 30 September	**3,057,922**	**3,560,123**

The provision for bad debts is analysed as follows:

	2026 €	2025 €
Grouped assessed loans	3,057,922	3,560,123
Provision for bad debts	**3,057,922**	**3,560,123**

10. Tangible fixed assets

	Premises €	Computers and equipment €	Fixtures and fittings €	Total €
Cost				
As at 1 October 2025	4,853,955	1,326,564	418,881	6,599,400
Additions	-	105,705	5,925	111,630
As at 30 September 2026	**4,853,955**	**1,432,269**	**424,806**	**6,711,030**
Depreciation				
As at 1 October 2025	2,894,501	1,212,455	330,121	4,437,077
Charge for the year	124,841	93,732	28,735	247,308
As at 30 September 2026	**3,019,342**	**1,306,187**	**358,856**	**4,684,385**
Net book value				
As at 30 September 2026	**1,834,613**	**126,082**	**65,950**	**2,026,645**
As at 30 September 2025	1,959,454	114,109	88,760	2,162,323

Notes to the financial statements (continued)

For the financial year ended 30 September 2026

10. Tangible fixed assets (continued)

Arising from the Ballyhaunis & District Credit Union Limited voluntary transfer of engagement on 8 May 2015, the credit union entered into a Transfer of Rights Agreement with the Irish League of Credit Unions ("ILCU") in relation to the two transferred premises. Material benefits accrue to the ILCU on any sale of the transferred premises where the sale proceeds exceed the transferred values. One of these premises was sold during 2020 and the other premises remains retained by the credit union at 30 September 2026.

11. Equity investment

	€
Cost	
As at 1 October 2025	50,000
Additions	-
As at 30 September 2026	**50,000**
Accumulated impairment	
As at 30 September 2026	**-**
Net book value	
As at 30 September 2026	**50,000**
As at 30 September 2025	50,000

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	2.54%

12. Investments in associates

	€
Cost	
As at 1 October 2025	296,250
Additions	-
As at 30 September 2026	**296,250**
Accumulated impairment	
As at 1 October 2025 and 30 September 2026	**-**
Net book value	
As at 30 September 2026	**296,250**
As at 30 September 2025	296,250

Notes to the financial statements (continued)

For the financial year ended 30 September 2026

12. Investments in associates (continued)

Interests in associates
The credit union has interests in the following associate:

Associate	Registered address	Type of shares held	Proportion held %	Net assets €	Profit or (loss) €
MetaCU Management Designated Activity Company	14 Ely Place Dublin 2 Ireland	Redeemable A Ordinary	6.25%	4,677,426	58,776

The above financial information in respect of MetaCU Management Designated Activity Company was extracted from the audited financial statements for the year ended 31 December 2025.

The effect of including this investment as if it had been accounted for using the equity method would be as follows:

	Share of net assets €
As at 1 January 2025	288,666
Share of profit for the financial year after tax	3,673
As at 31 December 2025	**292,339**

13. Debtors, prepayments and accrued income

	2026 €	2025 €
Prepayments	153,822	180,450
Other debtors	-	106,793
Accrued investment income	2,204,358	1,886,490
Loan interest receivable	142,481	112,365
As at 30 September	**2,500,661**	**2,286,098**

14. Members' shares

	2026 €	2025 €
As at 1 October	219,201,961	210,926,528
Received during the year	153,466,021	212,575,670
Withdrawn during the year	(144,938,361)	(204,300,237)
As at 30 September	**227,729,621**	**219,201,961**

15. Members' deposits

	2026 €	2025 €
As at 1 October	169,575	406,645
Received during the year	41,079	98,443
Withdrawn during the year	(210,654)	(335,513)
As at 30 September	**-**	**169,575**

Notes to the financial statements (continued)

For the financial year ended 30 September 2026

16. Members' current accounts

	2026 €	2025 €
As at 1 October	7,732,548	7,144,032
Lodgements during the year	66,238,337	62,858,300
Withdrawals during the year	(66,183,765)	(62,270,580)
Provision movement	189	796
As at 30 September	**7,787,309**	**7,732,548**

	2026		2025	
	No. of Accounts	Balance of Accounts €	No. of Accounts	Balance of Accounts €
Debit	108	5,736	74	5,547
Debit (net of provision)	108	-	74	-
Credit	2,946	7,787,309	2,916	7,732,548
Permitted overdrafts	40	17,047	38	16,142

17. Other liabilities, creditors, accruals and charges

	2026 €	2025 €
Accruals and other liabilities	1,303,823	1,237,659
PAYE/PRSI	48,277	43,600
As at 30 September	**1,352,100**	**1,281,259**

18. Other provisions

Holiday pay accrual	2026 €	2025 €
At 1 October	39,131	38,529
Charged to the income and expenditure account	6,663	602
As at 30 September	**45,794**	**39,131**

19. Financial instruments

Financial assets	2026 €	2025 €
Equity investments	50,000	50,000
Financial assets measured at amortised cost	286,884,415	275,364,027
	286,934,415	**275,414,027**

Financial liabilities	2026 €	2025 €
Financial liabilities measured at amortised cost	**236,914,824**	**228,424,474**

Financial assets comprise of equity investments, cash and balances at bank, deposits and investments, loans, members' current accounts overdrawn, accrued investment income, and other debtors.

Financial liabilities measured at amortised cost comprise of members' shares, members' deposits, members' current accounts, other liabilities, creditors, accruals and charges and other provisions.

20. Reserves

	Balance 01/10/25	Payment of dividend and loan interest rebate	Appropriation of surplus	Transfers between reserves	Payments from reserves	Balance 30/09/26
	€	€	€	€	€	€
Regulatory reserve	**28,567,860**	**-**	**-**	**1,125,000**	**-**	**29,692,860**
Operational risk reserve	**1,403,926**	**-**	**-**	**100,000**	**-**	**1,503,926**
Other reserves						
Realised						
Community fund	203,802	-	-	150,000	(139,666)	214,136
General reserve	18,863,983	(333,675)	2,900,400	(1,337,620)	-	20,093,088
Total realised reserves	**19,067,785**	**(333,675)**	**2,900,400**	**(1,187,620)**	**(139,666)**	**20,307,224**
Unrealised						
Interest on loans reserve	112,365	-	30,116	-	-	142,481
Investment income reserve	589,005	-	440,673	(37,380)	-	992,298
Total unrealised reserves	**701,370**	**-**	**470,789**	**(37,380)**	**-**	**1,134,779**
Total reserves	**49,740,941**	**(333,675)**	**3,371,189**	**-**	**(139,666)**	**52,638,789**

Notes to the financial statements (continued)

For the financial year ended 30 September 2026

21. Credit risk disclosures

In line with regulatory reporting, 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 percentage 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.

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.

	2026		2025	
	€	%	€	%
Loans not impaired				
Total loans not impaired, not past due	52,270,873	92.37%	48,172,153	91.63%
Impaired loans:				
Not past due	308,808	0.55%	299,272	0.56%
Up to 9 weeks past due	2,938,976	5.19%	2,805,870	5.34%
Between 10 and 18 weeks past due	427,768	0.76%	366,682	0.70%
Between 19 and 26 weeks past due	136,029	0.24%	195,403	0.37%
Between 27 and 39 weeks past due	164,964	0.29%	215,592	0.41%
Between 40 and 52 weeks past due	86,599	0.15%	203,913	0.39%
53 or more weeks past due	254,141	0.45%	315,928	0.60%
Total impaired loans	4,317,285	7.63%	4,402,660	8.37%
Loans to members	**56,588,158**	**100.00%**	**52,574,813**	**100.00%**

22. Related party transactions

22a. Loans

	2026		2025	
	No. of loans	€	No. of loans	€
Loans advanced to related parties during the year	5	100,401	2	11,500
Total loans outstanding to related parties at the year end	9	128,969	7	68,083
Total provisions for loans outstanding to related parties		2,130		2,130
Total interest income received from loans to related parties		6,700		6,443

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 2026 (2025: 0.13%). These loans were approved in accordance with the credit union's lending policy and the Credit Union Act 1997 (as amended).

Notes to the financial statements (continued)

For the financial year ended 30 September 2026

22b. Savings

The total amount of savings held by related parties at the year end was €671,726 (2025: €580,965).

23. Additional financial instruments disclosures

23a. 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 loan policy. Credit risk mitigation may include the requirement to obtain collateral as set out in the credit union's loan policy. 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 loan 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.

23b. 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 the minimum short term liquidity ratio as set out in regulatory requirements. All of the financial liabilities of the credit union are repayable on demand except for some members' shares attached to loans.

At 30 September 2026, the credit union held cash and cash equivalents of €75,949,437 (2025: €68,631,800). Cash and cash equivalents represented approximately 32% of members' savings at 30 September 2026 (2025: 29.10%). Total deposits and investments amounted to €215,197,434 (2025: €214,898,365), of which 27.90% was classified as cash equivalents (2025: 27.50%).

Notes to the financial statements (continued)

For the financial year ended 30 September 2026

23b. Liquidity risk disclosures (continued)

The following table presents the remaining contractual maturities of the credit union's financial liabilities at 30 September 2026. The amounts presented are undiscounted contractual amounts.

2026	Less than 1 year €	1-3 years €	3-5 years €	5-10 years €	More than 10 years €	Total €
Members' savings	232,195,581	1,821,313	1,442,609	54,479	2,948	**235,516,930**
Trade creditors and accruals	1,303,823	-	-	-	-	**1,303,823**
	233,499,404	**1,821,313**	**1,442,609**	**54,479**	**2,948**	**236,820,753**

2025	Less than 1 year €	1-3 years €	3-5 years €	5-10 years €	More than 10 years €	Total €
Members' savings	226,930,605	90,880	68,332	14,257	10	**227,104,084**
Trade creditors and accruals	1,237,659	-	-	-	-	**1,237,659**
	228,168,264	**90,880**	**68,332**	**14,257**	**10**	**228,341,743**

23c. Interest rate risk disclosures

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

	2026 €	2026 Average interest rate %	2025 €	2025 Average interest rate %
Loans to members	56,588,158	7.18%	52,574,813	7.50%

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.

Set out below is a sensitivity analysis for the credit union's interest rate risk, illustrating the effect of a 10% increase and a 10% decrease on investment income, surplus for the financial year and total reserves. The interest income on members' loans has not been adjusted on the basis that interest rates do not tend to vary.

	2026 €	Effect of 10% increase €	Effect of 10% decrease €
Investment income	4,595,205	5,054,726	4,135,685
Surplus for the financial year	3,371,189	3,830,710	2,911,669
Total reserves	52,638,789	53,098,310	52,179,269

Notes to the financial statements (continued)

For the financial year ended 30 September 2026

24. Dividends and loan interest rebates

The following distributions were paid during the year:

	2026		2025	
	%	€	%	€
Dividend on shares	0.125%	267,483	0.125%	259,228
Loan interest rebate	12.5%	66,192	10.00%	74,070

The directors are proposing dividends in respect of the financial year ended 30 September 2026 of €288,997 (0.125%) (2025: €281,647 (0.125%)) and loan interest rebates on the standard rate loans of €49,987 (12.5%) (2025: €72,429 (12.50%)).

25. Rate of interest paid on members' deposit accounts

	2026		2025	
	%	€	%	€
Interest on members' deposits	-	-	-	-

26. Events after the end of the financial year

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

27. Insurance against fraud

The credit union maintained insurance against fraud of €5,200,000 at 30 September 2026 (2025: €5,200,000).

28. Commitments under operating leases

The credit union had future minimum lease payments under operating leases as follows:

	2026	2025
	€	€
Less than 1 year	25,609	25,609
1 to 5 years	51,216	76,825
As at 30 September	**76,825**	**102,434**

29. Contingent liabilities

Arising from the Ballyhaunis & District Credit Union Limited voluntary transfer of engagement on 8 May 2015, the credit union entered into a Transfer of Rights Agreement with the Irish League of Credit Unions ("ILCU") in relation to the two transferred premises. Material benefits accrue to the ILCU on any sale of the transferred premises where the sale proceeds exceed the transferred values. One of these premises was sold during 2020 and the other premises remains retained by the credit union at 30 September 2026.

30. Capital commitments

There were no capital commitments at 30 September 2026.

Notes to the financial statements (continued)

For the financial year ended 30 September 2026

31. Comparative information

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

32. Approval of financial statements

The board of directors approved these financial statements for issue on 7 November 2026.

Schedules to the income and expenditure account

For the financial year ended 30 September 2026

The following schedules do not form part of the statutory financial statements which are the subject of the Independent Auditor's report on pages 9 to 11.

Schedule 1 – Other interest income and similar income

	2026 €	2025 €
Investment income received/receivable within 1 year	4,154,532	3,786,755
Investment income receivable outside of 1 year	440,673	150,306
Total per income and expenditure account	**4,595,205**	**3,937,061**

Schedule 2 – Other income

	2026 €	2025 €
Commissions, fees and charges	88,530	102,579
Miscellaneous income	29,538	15,368
Current account services income	202,467	205,779
Total per income and expenditure account	**320,535**	**323,726**

Schedules to the income and expenditure account (continued)

For the financial year ended 30 September 2026

Schedule 3 – Other management expenses

	2026	2025
	€	€
Rent and rates	60,888	47,705
Lighting, heating and cleaning	119,497	112,318
Repairs and renewals	34,660	61,311
Security costs	90,693	50,321
Printing and stationery	74,095	68,645
Postage, telephone and broadband	74,209	80,356
Donations and sponsorship	19,578	23,738
Promotion and advertising	177,169	171,661
Training costs	17,580	23,742
AGM and convention expenses	53,104	39,487
Travel expenses	26,566	21,199
Bank and cash handling charges	142,459	172,421
Audit fee	39,591	37,672
Board oversight committee expenses	-	600
Operating lease - rental charge	2,521	2,664
General insurance	111,688	112,910
Share and loan insurance	320,030	306,463
Legal and professional costs	509,214	409,868
Computer maintenance	787,960	534,804
League affiliation fees and SPS fund	18,766	41,868
Regulatory levies	107,007	478,174
Subscriptions	109,794	76,155
Other expenses	73,322	76,887
Current account services charges	289,520	222,639
Provision on current accounts	189	796
Total per income and expenditure account	**3,260,100**	**3,174,404**

MEMBERS DRAW

The operation of the Members' cash draw is fully financed by the draw entry fee of €1 per week paid by each entrant. The cash draw is operated on a nonprofit basis - all entry fees are used for the provision of prizes. There are 6 draws each year with a top prize of €10,000 cash, with other cash prizes to be won from €500 to €5,000. The results of each draw are published on our website and each winner receives a confirmation letter in the post.

If you are not part of the draw and would like to sign up, please contact our office or go to www.firstchoicecreditunion.ie where you can download an entry form.

FIRST CHOICE CREDIT UNION

Members Draw Year Ended September 30th 2026

2026	**€**
Opening Balance as at 1st October 2025	153.08
Lodgements - Entries	312,080.42
Less Withdrawals - Prizes	(312,100.00)
Miscellaneous	4.60
Closing Balance as at 30th September 2026	138.10

DON'T MISS OUT!

ENTER THE MEMBERS DRAW BY COMPLETING AN ENTRY FORM IN BRANCH OR BY EMAILING A COMPLETED ENTRY FORM TO DRAW@FCCU.IE.

BRENDAN HOPKINS STUDENT BURSARY

Each year we award 5 Bursaries to student members of First Choice Credit Union who are continuing their education to third level. In 2026, the Bursaries were increased from 5 x €1,000 to 5 x €2,000.

Applications for next year's Brendan Hopkins Bursary, in memory of former Director Brendan Hopkins, will open during the summer of 2027 and we do encourage all student members to apply. Applications can be made via a short, simple form on our website www.firstchoicecreditunion.ie.

The bursaries are exclusive to First Choice Credit Union members to assist them with their chosen education path and is not based on academic results which means that all entries have an equal chance of winning.

The 2026 Brendan Hopkins Bursary Winners were as follows: **Simon Byrne, Jack Kelly, Melanie Moran, Chloe Nally and Ryan Nolan.**

Congratulations to all the 2026 recipients and we wish them continued success in their future endeavours.

COMMUNITY FUND

The First Choice Credit Union Community Fund is an initiative designed to support projects within our common bond of Achill, Balla, Ballyhaunis, Castlebar, Kiltimagh, Swinford and surrounding areas, for Social, Cultural or Charitable purposes (including Community Development).

The Community Fund is for larger scale projects and initiatives that will benefit the wider community and is separate to the sponsorship and financial supports that First Choice Credit Union has long been associated with. These smaller sponsorships and financial supports will continue to be issued by the Credit Union.

IN 2026, WE AWARDED €150,000 to 20 very worthy recipients through our Community Fund. Applications for our next round of funding will open in 2027. To those who were unsuccessful last time around, we would encourage all to apply again in the future.

2026 COMMUNITY FUND RECIPIENTS

- **Achill Rovers F.C.**
- **Achill Sound N.S.**
- **Balla Tidy Towns (In partnership with Balla Town Park and Balla CRD)**
- **Ballyhaunis G.A.A. & L.G.F.A.**
- **Ballyhaunis R.F.C.**
- **Ballyvary Blue Bombers F.C.**
- **Ballyvary Hurling Club**
- **Brickens Logboy Tulrahan Housing Ass. (Meals on Wheels)**
- **Bright Horizons, Western Care Association**
- **Castlebar Golf Club**
- **Castlebar Men's Shed**
- **Dooega Drama Group**
- **Foxford Community Garden**
- **Islandeady G.A.A. Club**
- **Kiltimagh Amenity Park CLG**
- **Kiltimagh G.A.A. Club**
- **Midfield N.S.**
- **Order of Malta Castlebar Unit**
- **St Peter's N.S. Snugboro**
- **Swinford G.A.A. Club**

COMMUNITY SPONSORSHIPS & DONATIONS

Whilst our Community Fund is aimed at larger projects and initiatives, we continue to provide smaller sponsorships & donations to many clubs, community groups, schools and more, throughout our common bond.

In 2026, we provided over 75 such sponsorships totalling almost €20,000 and we encourage all to apply to help support your goals.

A sponsorship application form can be completed in any First Choice Credit Union Office. Alternatively, a form can be downloaded from our website www.firstchoicecreditunion.ie. Due to the number of applications we receive, reviews can take up to 2 - 3 weeks. However, for any urgent applications please do let us know and we will try to facilitate the request as best as we can.

FRAUD AWARENESS

Unfortunately, cases of fraud are continuing to increase and in particular relating to online and SMS fraud. Please continue to be aware of scams being used by fraudsters. Anyone can be the target of financial fraud and scams, and at any time. Your best defence is to stay informed, alert, and secure.

Remember:

- Your Credit Union will never call you asking for personal financial details.
- If you are in doubt about a message or phone call in relation to your Credit Union account, do not engage.
- Always contact us directly on 094 9022969 to talk to a member of staff or visit your local Credit Union Office.

Criminals often go to extreme measures to convince you of their expertise and professionalism, promising substantial returns for minimal investment and effort. However, keep in mind that if a deal appears too good to be true, it likely is!

Look out for:

- You receive an unexpected phone call, email, or social media message promoting an enticing investment opportunity.
- You feel rushed and pressured to make an immediate decision, with no time to properly evaluate the investment.
- The offer guarantees a quick and profitable return on investment, claiming little to no risk involved.

Top Tips to avoid being scammed:

1. **STOP, THINK, CHECK:** Does this opportunity seem too good to be true? If it does, it likely is.
2. **Confirm the Details:** Validate all information with a reliable third party, such as a legal or financial professional, and seek advice from family and trusted friends.
3. **Don't Rush:** It's essential to remember that there are very few genuine investment opportunities that necessitate an immediate transfer or payment of funds.

If you believe you have been involved in an Investment Scam or any kind report it immediately to your Finanical Services provider and An Garda Siochana.

If at any stage you provide your Credit Union account information to a third party like the scenarios described above, or if you are in any doubt about a company that you have provided your account details to, please contact First Choice Credit Union immediately on **094 9022969.**

If you need to report current account or debit card fraud, please call our Card Services team on 01 693 3333 immediately to advise so we can protect your account.

BE FRAUD AWARE!

MORTGAGE

3.85%

(3.92% APR*)

VARIABLE RATE

FIRST CHOICE
Credit Union
MAKING MORE POSSIBLE

Borrow up to €400,000.

Find out more

094 902 2969

firstchoicecreditunion.ie

Achill, Balla, Ballyhaunis, Castlebar, Kiltimagh & Swinford.



Warning: If you do not meet the repayments on your loan, your account will go into arrears. This may affect your credit report, which may limit your ability to access credit, a hire-purchase agreement, a consumer-hire agreement or a BNPL agreement in the future.

Warning: The cost of your repayments may increase.

Warning: If you do not keep up your repayments you may lose your home.

*** Annual Percentage Rate.**

Loans are subject to approval. Terms & Conditions apply.
First Choice Credit Union Limited is regulated by the Central Bank of Ireland.