



Banc Ceannais na hÉireann  
Central Bank of Ireland

Eurosystem



# **Restructuring**

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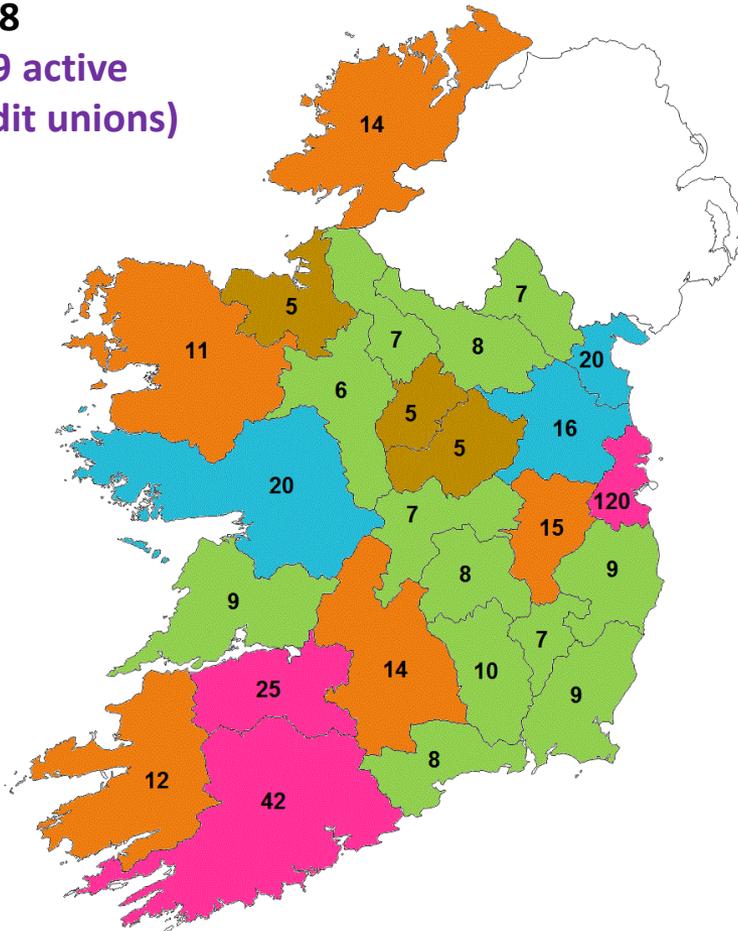
## Voluntary Restructuring – what has been achieved since 2012

- In 2012 the Commission on Credit Unions recommended that the credit union sector should be restructured on a voluntary, incentivised and time-bound basis.
- Credit Union Restructuring Board (ReBo) established in 2013.
- Since January 2013, 102 credit union transfers have occurred.
- The pace of restructuring increased substantially from Q4 2015 and into 2016 - **37** transfers in 2015, **46** transfers to date in 2016.
- As at 30 October 2016, there were 292 active credit unions (419 active credit unions 1 Jan 2008).
- Registry of Credit Unions has worked with ReBo and individual credit unions on transfer of engagement proposals.

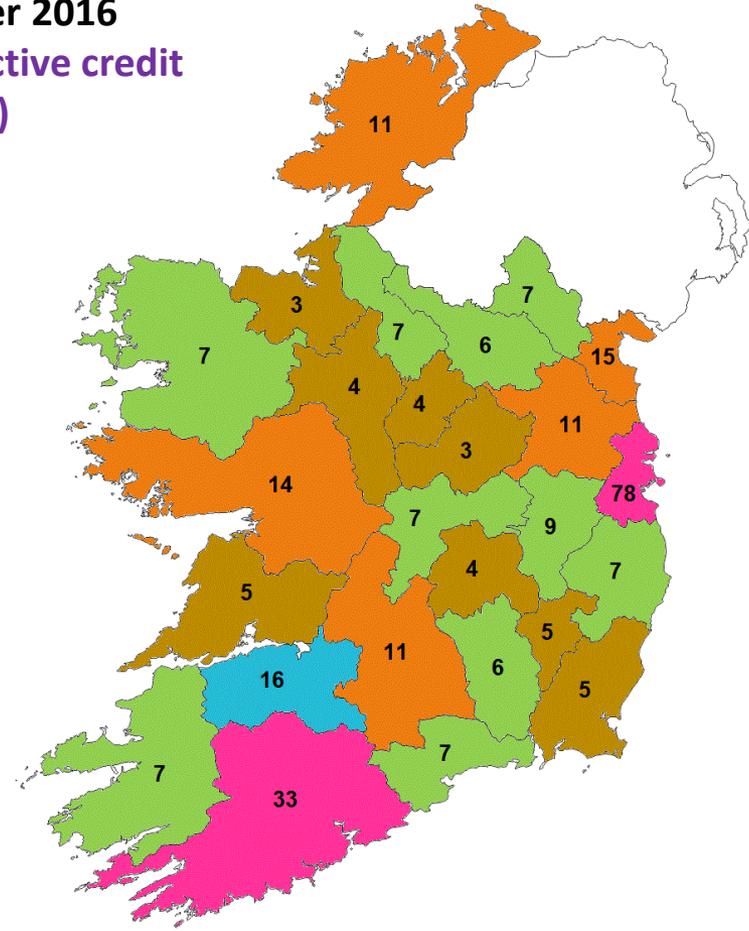


## Pace/location of Restructuring – 2008 to October 2016

2008  
(419 active  
credit unions)



October 2016  
(292 active credit  
unions)



Number of Credit Unions Per County





## Restructuring – what has been achieved

Year	Total No. CUs with assets below €20m	Total No. CUs with assets between €20m & €100m	Total No. CUs with assets above €100m	Total No. CUs with assets above €300m
2013	193	170	26	1
2014	179	166	30	1
2015	141	157	35	3
2016	97	147	44	4

\* Data in Table based on Prudential Returns.

- What has emerged is larger asset size credit unions and a reduction in the number of smaller credit unions.



## Restructuring – what has been achieved / challenges

- Recognise significant efforts of credit unions in undertaking transfers and moving to seeking to embed reforms needed to drive benefits from scale.
- Insufficient time elapsed to evaluate whether transfers are fully embedded.
- Deriving benefits from sectoral restructuring - consolidation alone will not guarantee stronger future viability.
- Challenge for post-transfer credit unions is to leverage their increased scale to achieve greater operational efficiencies and provide broader range of products and services to meet members needs and expectations;
  - Evidence of some cost efficiencies being realised - more needs to be done;
  - Investment in new systems and products, building reserves and paying dividends.
- Supervisory engagement in 2017 – will assess & monitor risks & drive benefits from restructuring



## **Voluntary Restructuring – what next**

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- A sector-wide communique was issued by ReBo on 6 April 2016, to highlight that post ReBo the Registry of Credit Unions would continue to engage with credit unions to facilitate future voluntary restructuring.
- Registry issued a letter to all credit unions on 27 May 2016:
  - encouraging credit unions considering restructuring to contact the Registry;
  - informed credit unions that guidance on the transfer process was published in the Credit Union Handbook.
- We will continue to support restructuring as an important contributing factor to putting credit unions on a sounder footing and contributing to the maintenance of financial stability and well-being of credit unions generally.