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Financial Conditions of Credit Unions

Anna Marie Finnegan

Statistical Release – Financial Conditions of Credit Unions

- Introduced in 2017 – 3 editions released to date - latest edition August 2018
- Assist Credit Union in analysing performance relative to sector and to peer groups
- Provide insights on key trends
- Data sourced from recurring (Quarterly PR, Annual DFS/FFS) and ad-hoc returns submitted by Credit Unions
- Collated by the Registry's Analytics Team



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Financial Conditions of Credit Union – Contents

Recurring Themes

- Return on Assets
- Investments
- Loans
- Arrears

1st Edition – additional content

- Reserves
- Re-investment Risk

2nd Edition – additional content

- Dividends
- New Lending
- Liquidity
- Savings
- Select Analysis by Common Bond and Asset Size

3rd Edition – additional content

- Loan Interest Rebate
- Longer Term Lending
- Select Analysis by Common Bond and Asset Size



Sector Overview

Chart 1 | % Sector Assets by CU Asset Size

Per cent

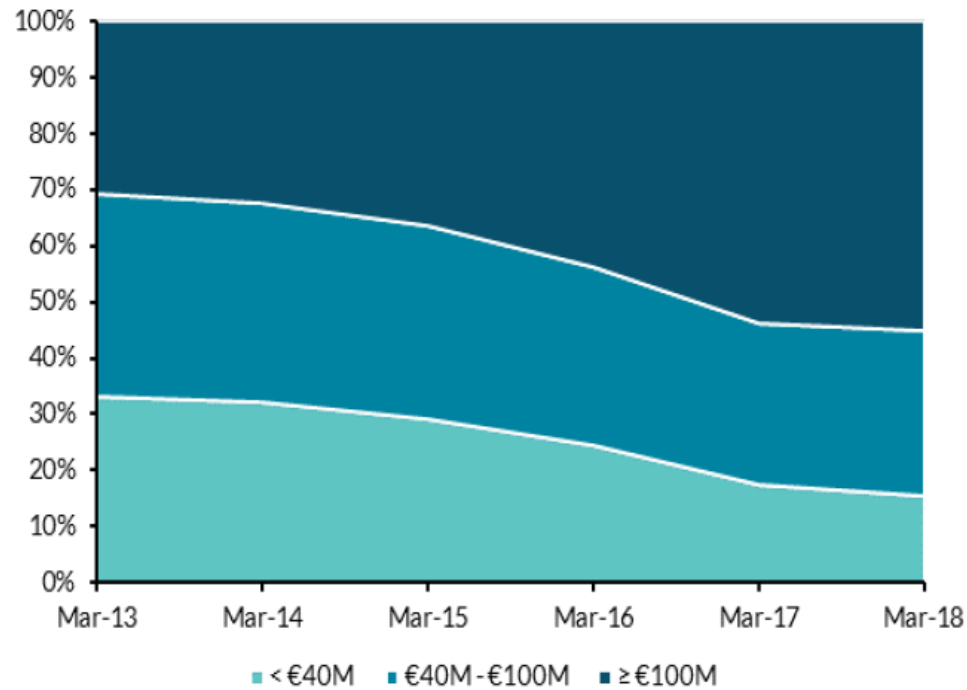
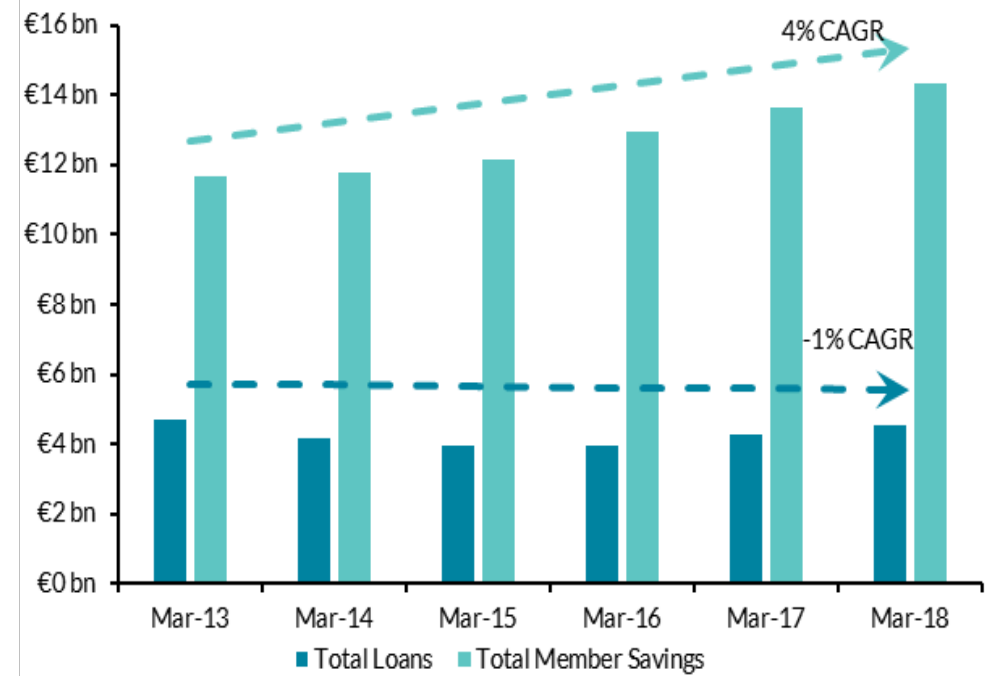


Chart 3: | Loans and Members Savings



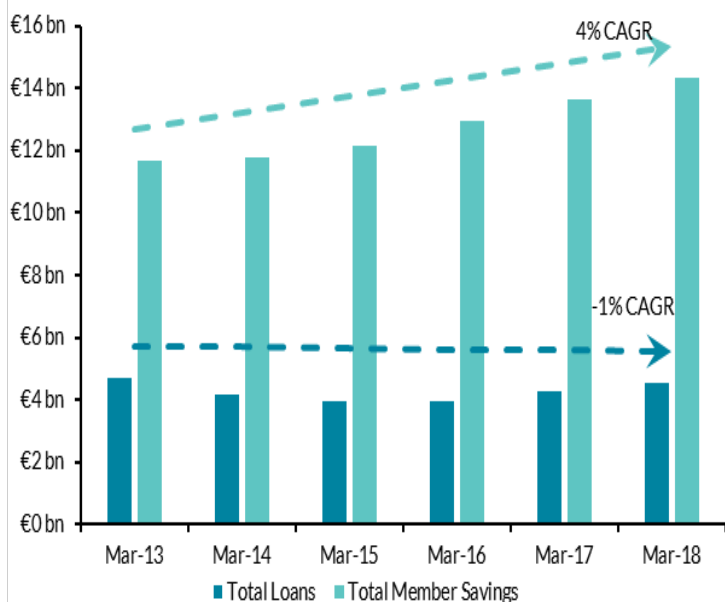
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Challenges Observed

Loan V's Savings Growth

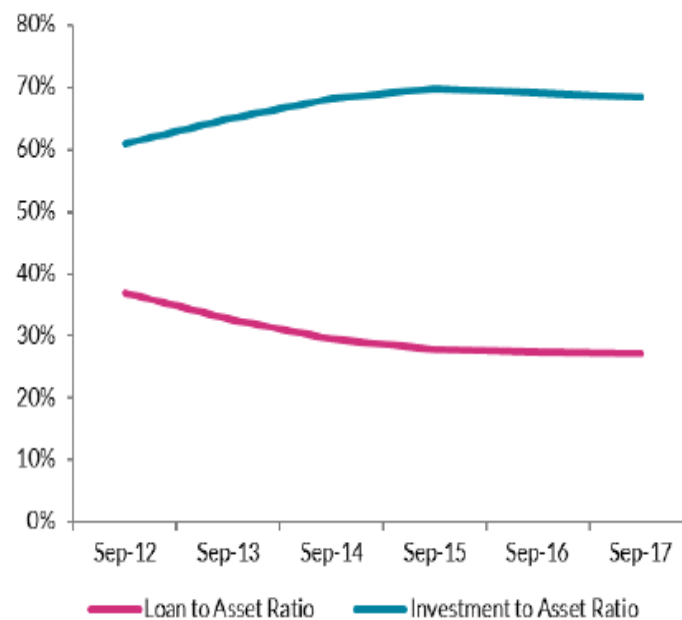
Chart 3: | Loans and Members Savings



Loan to Assets v's Investment to Assets

Chart A12 | Balance Sheet – Sector Averages

Per cent

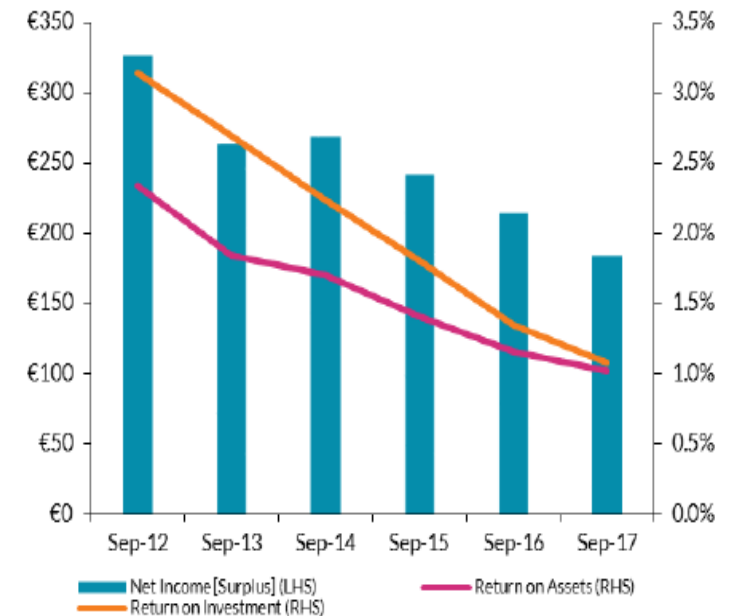


Return on Assets

Chart A4 | Return on Assets

€ million

Per cent



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Positive Trends Observed

New Lending

Arrears

Reserves

Chart 16 | New Loans Advanced

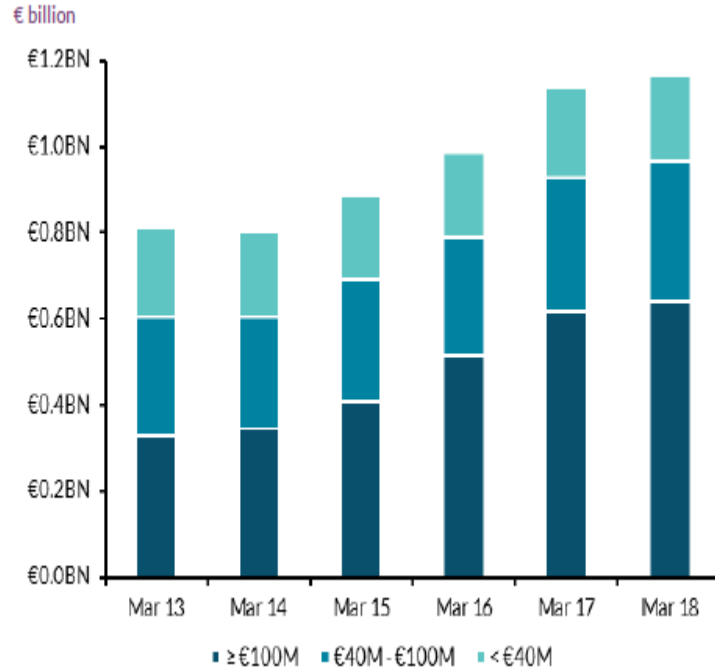


Chart 17 | Average Arrears by Common Bond

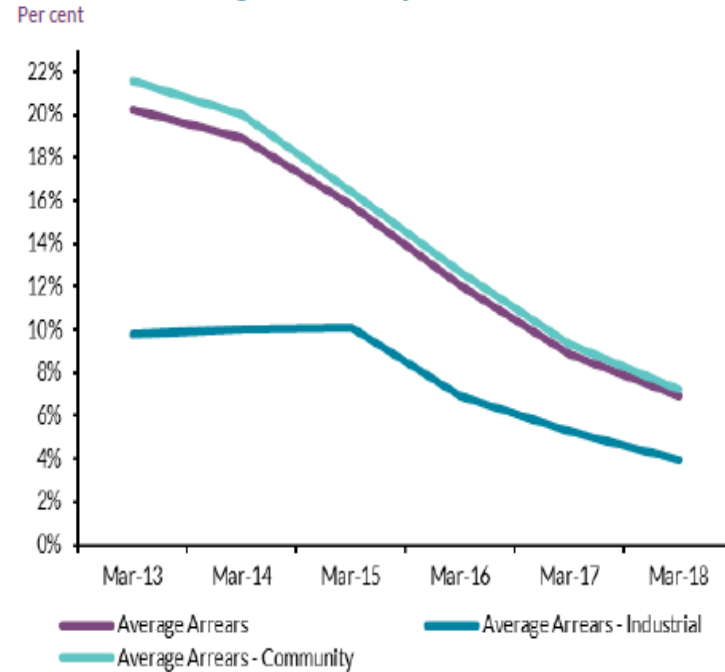


Chart A42 | Total Realised Reserves Ratio



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Return on Assets – falling investment and loan returns leading to increased pressure on Return on Assets

Chart 6 | % of CU Reporting a Deficit

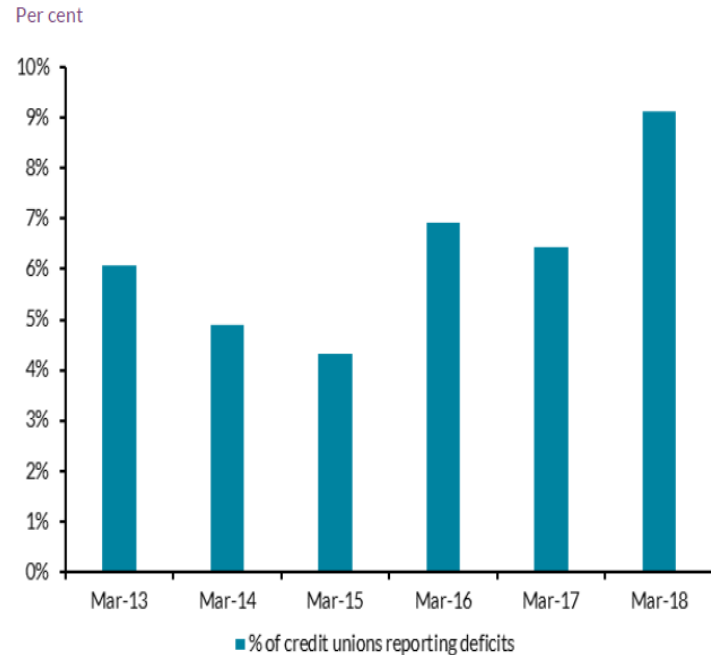
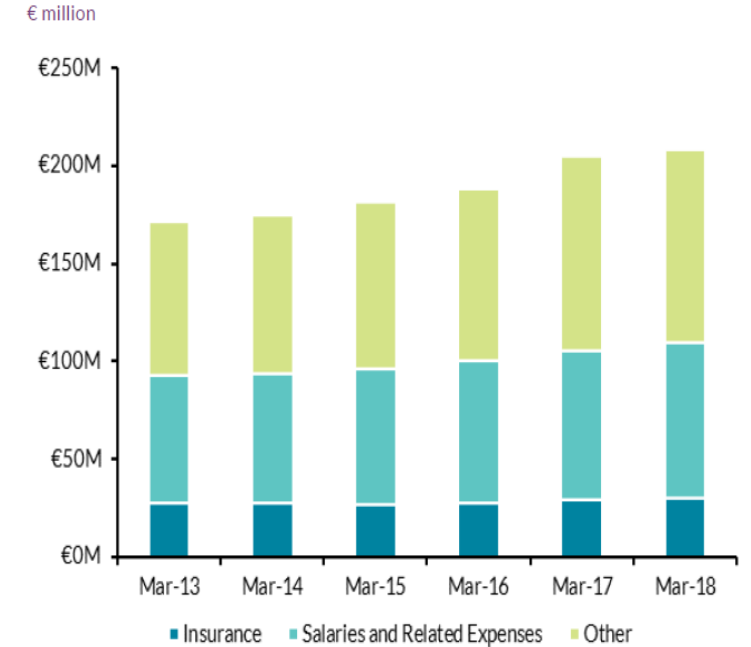


Chart 7 | Loan Book Related I&E Items



Chart 9 | Operational Expenses



Dividend and Loan Interest Rebate - *Increased number of credit unions proposing loan interest rebate while average proposed dividend has fallen.*

Chart 11 | Average Dividend by CU Size

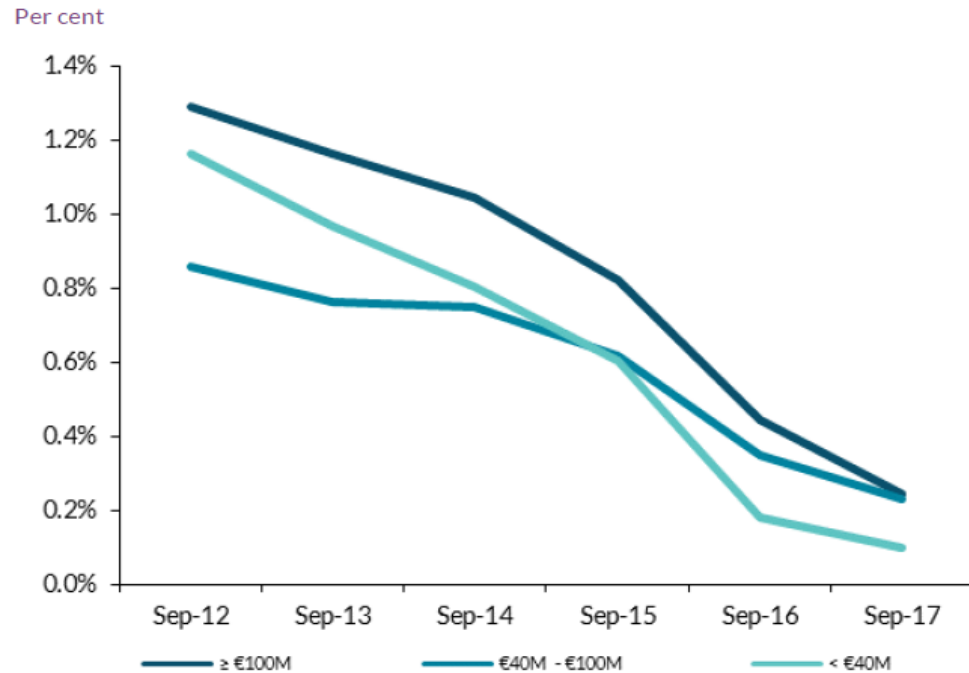
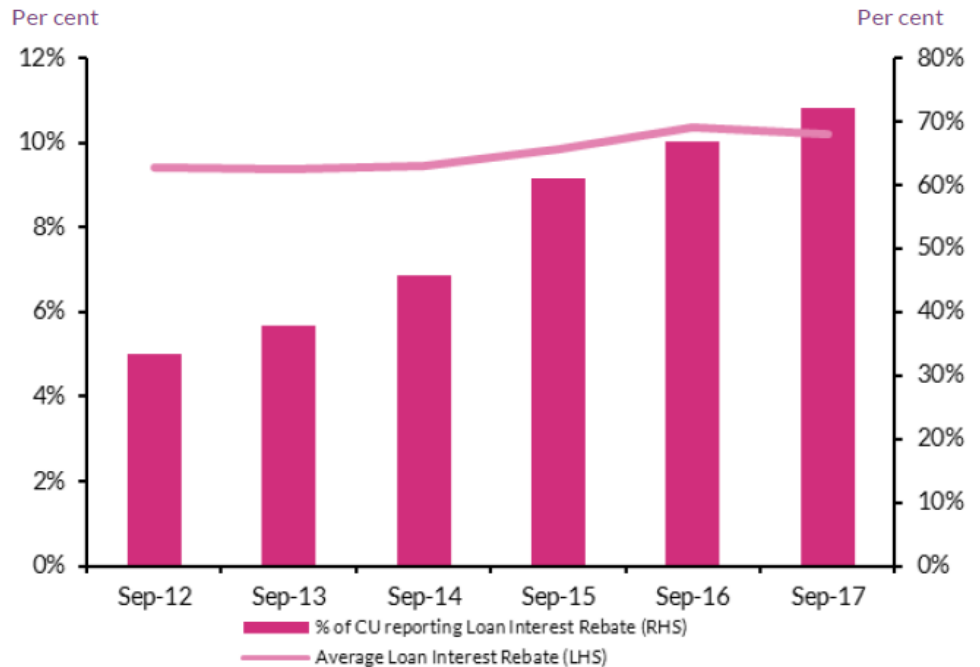


Chart 12 | Average Loan Interest Rebate



Source: Data submitted by credit unions to RCU
 Note: Data is taken from the Year-End Draft Financial Statements submitted by credit unions



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Lending – continued decrease in arrears and indications of change in loan book structure

Chart 14 | Growth in Loans Outstanding

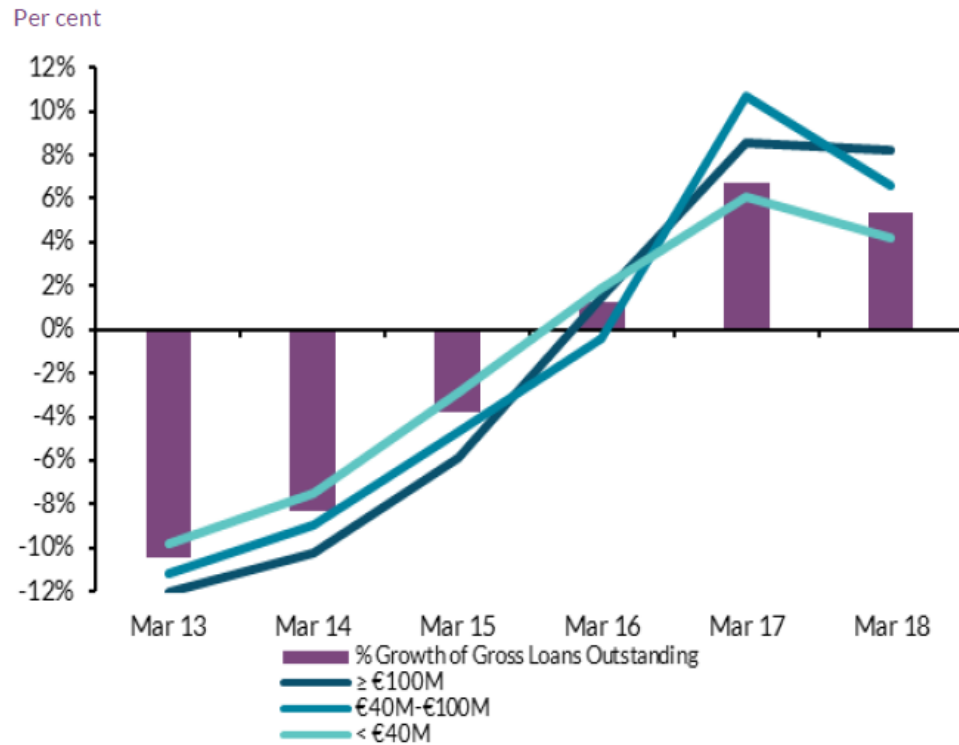
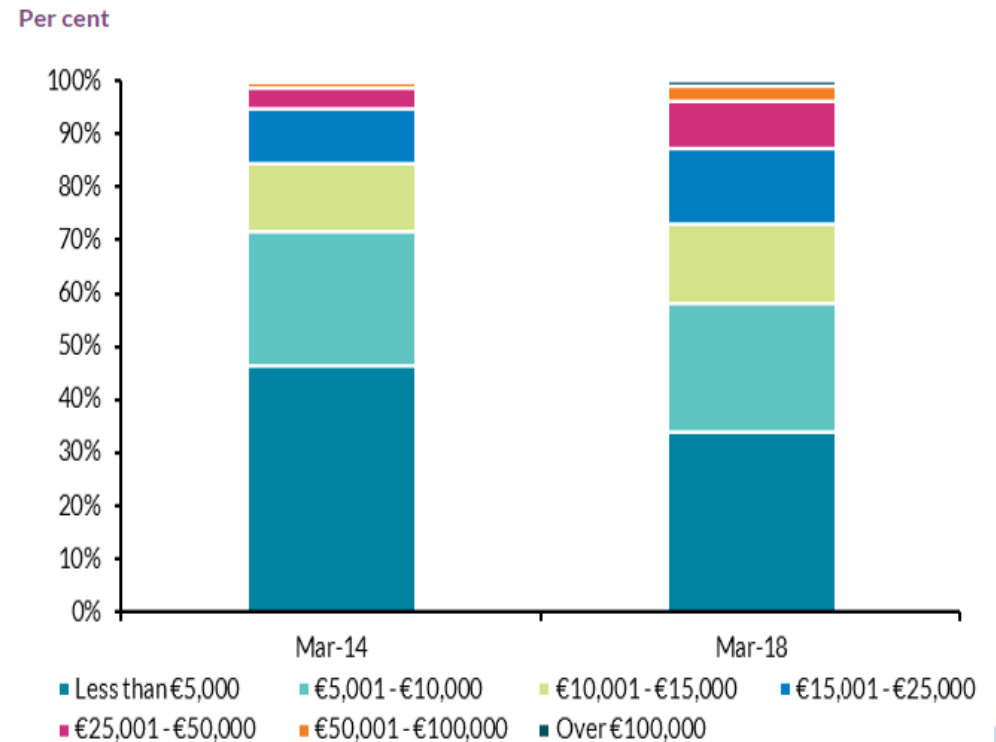


Chart 15 | New Loans Advanced by Amount



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Investments and Liquidity – *Investment income continues to fall as investments increase*

Chart 20 | Investments by Category

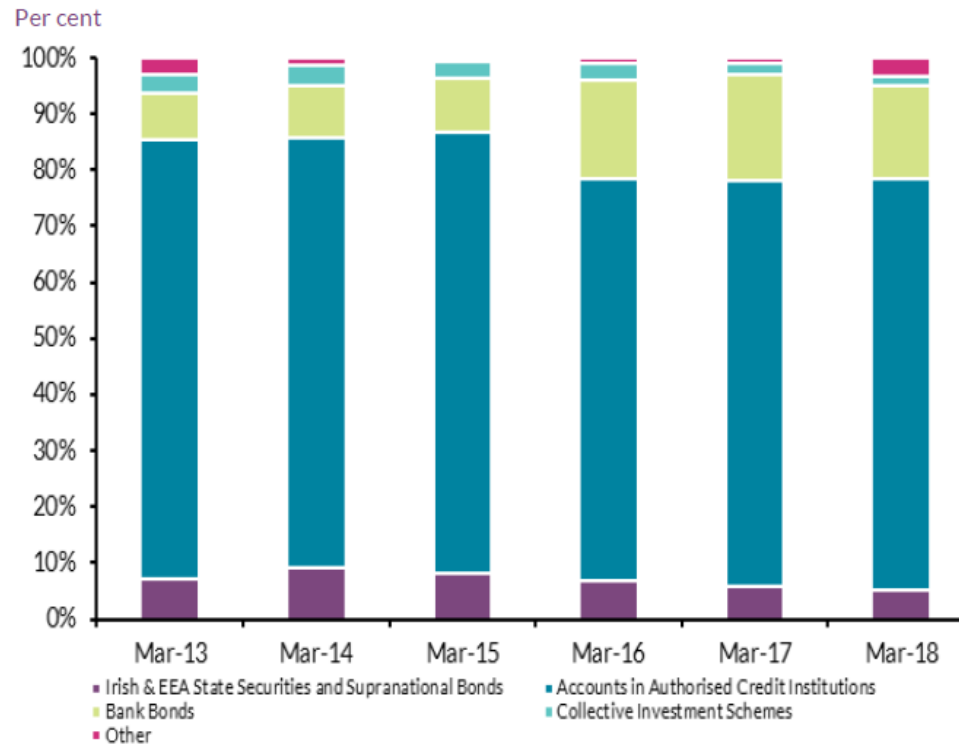
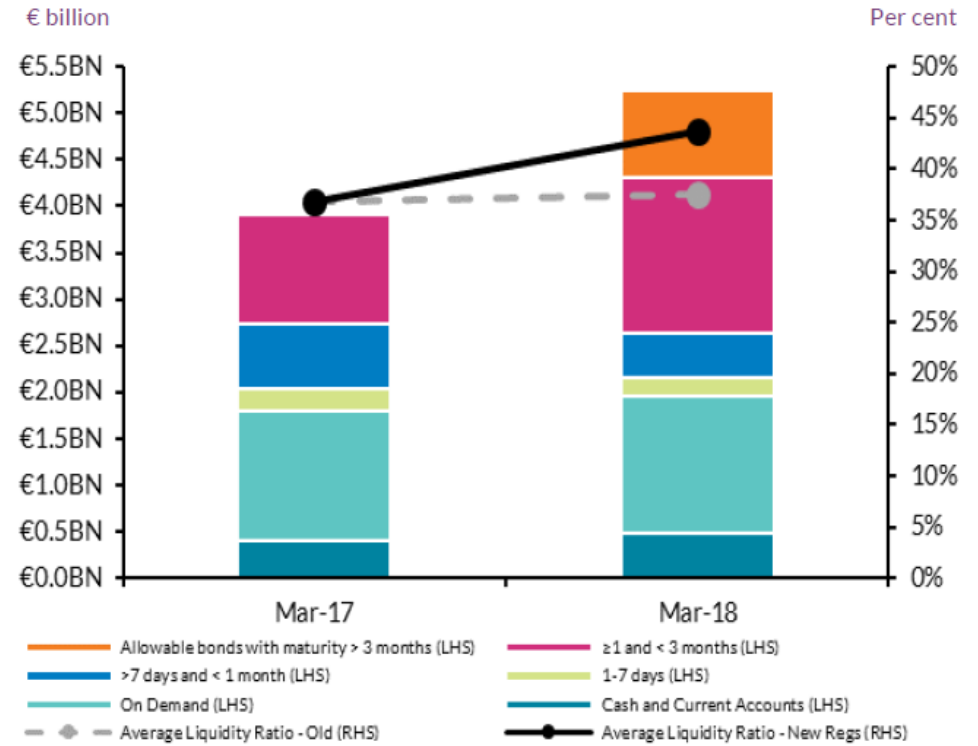


Chart 22 | Composition of Sector Liquid Assets



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Available at:

- The publications are available in the Credit Unions section of the Central Bank Website.

<https://www.centralbank.ie/regulation/industry-market-sectors/credit-unions/communications>

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Feedback

- Feedback should be provided to rcuanalytics@centralbank.ie



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