Banc Ceannais na hÉireann
Central Bank of Ireland
Eurosystem

Financial Conditions of Credit Unions: 2013-2018

Issue 4, December 2018

Registry of Credit Unions

Welcome to 'Financial Conditions of Credit Unions' Publication – 4th Edition

Our vision of "Strong Credit Unions in Safe Hand" aligns to our statutory mandate of ensuring protection by credit unions of members' funds and maintenance of the financial stability and the wellbeing of credit unions generally.

Welcome to the fourth edition of the statistical information release *'Financial Conditions of Credit Unions'*. In this edition, we continue our sectoral analysis based upon credit union asset size and common bond type, including new analysis by region. The analysis is based on data reported by each credit union in the regulatory returns for the year-end position as at 30 September 2013 to 30 September 2018 .

Overall, for the period 30 September 2013 to 30 September 2018, at a sectoral level, improvements have been observed in the financial position of credit unions, reflected in a strong overall reserves position, continuation of growth in new lending and a sustained reduction in arrears. A shift in the lending and investment maturity profiles have been observed during the period, with increased loan and investment balances in longer term maturity categories. While in 2018 the sector loan to asset ratio has started to reverse its sustained downward trend, it nonetheless remains at a low level, with an average of 28 per cent across the sector at 30 September 2018.

However, in terms of their underlying performance, credit unions continue to encounter difficulties with income generation and return on assets constrained by low interest rates, low loan to asset ratios and high cost income metrics. Challenges remain as savings inflows are outpacing lending growth over the period and consequently, increases in investments are translating into declining returns overall. There are also examples across the sector of new lending diluting income generation as longer term lending typically commands a lower return. Credit unions therefore must consider the adequacy of product pricing and related financial impacts, as they make important strategic business decisions for the long term.

During 2018, we continued to develop and enhance our communication and engagement with the sector. In addition to our range of sector publications, annual information seminars and regular presentations and speeches at sector events, we introduced a number of new engagement initiatives in 2018 including Credit Union Workshops and the CEO Forum on Business Model Development. Credit Union Workshops, for credit union board members, were introduced with the aim of supporting improved risk understanding by boards, and the strengthening of core prudential foundations across the sector. The CEO Forum was initiated in 2018 to facilitate strategic coherence in business model development, as well as providing a constructive environment for all credit union CEOs to share their views and foster collaboration regarding future business models. For 2019, focused engagement with the sector will remain a key priority for the Registry of Credit Unions. Through this ongoing prudential engagement we continue to support credit unions in building strong core prudential foundations in the areas of governance, risk management and operational capability, so that they are better placed to achieve a sustainable business model and serve members' needs.

We hope that you will find this publication useful and informative. We welcome your comments or feedback including any suggestions on other financial analysis to be covered in future publications. Any feedback should be provided to rcuanalytics@centralbank.ie.

Patrick Casey

Registrar of Credit Unions

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Notes

Source of Data:

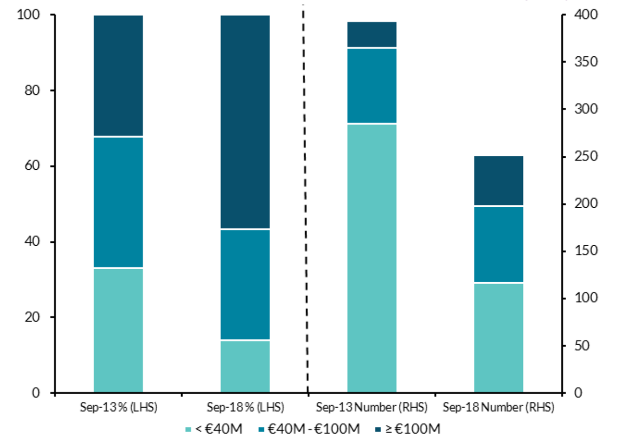
The data contained and presented in this publication is derived from recurring information submitted by credit unions to the Registry of Credit Unions. This data is sourced from the quarterly and annual regulatory submissions that have been collated and consolidated by the Central Bank of Ireland to provide a sector-wide view of financial performance. Data ranging from 30 September 2013 to 30 September 2018 relates to credit union data available as at 3 December 2018.

Notes:

1. Unless otherwise stated, this document refers to data available on 3 December 2018.
2. Unless otherwise stated, prudential return data is as at the reporting date from 2013 to 2018 and relates to 30 September of the relevant year.
3. Unless otherwise stated, the aggregate credit union data refers to all credit unions operating in the Republic of Ireland.
4. The list of registered credit unions is updated monthly and available at http://www.centralbank.ie.
5. Unless otherwise stated, "≥ €100M" relates to those credit unions with assets of €100 million or more, "€40M - €100M" relates to credit unions with assets between €40 million and €100 million and "<€40M" relates to credit unions with assets of under €40 million.

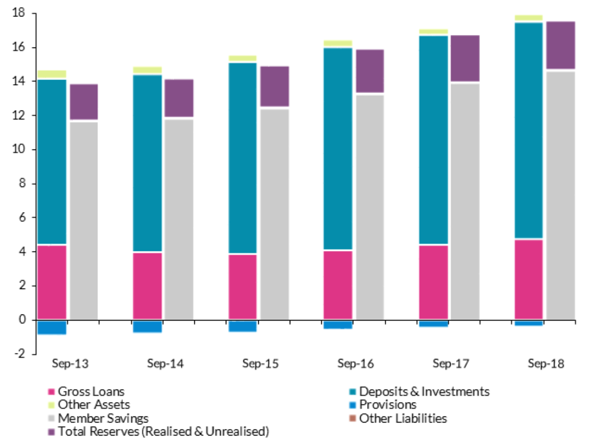
Financial Conditions of Credit Unions

Chart 1 | % Sector Assets by CU Asset Size



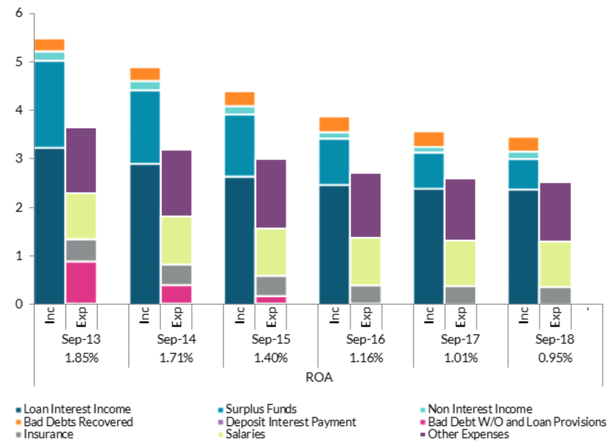
Source: Data submitted by credit unions to RCU

Chart 2 | Balance Sheet Structure



Source: Data submitted by credit unions to RCU

Chart 3 | ROA Components



Source: Data submitted by credit unions to RCU

1. Sector Overview

"Assets continue to increase as sector profile changes"

Total credit union assets reached a record high of €17.6 billion as at September 2018. In terms of sectoral profile of asset size, almost twice the number of credit unions reported assets of at least €100 million in September 2018 compared to September 2013. In September 2013, 28 credit unions reported assets of at least €100 million, when they accounted for 32 per cent of total sector assets; while in September 2018, 54 credit unions reported assets of at least €100 million, when they accounted for 57 per cent of total sector assets. Over the same period, in terms of the smaller asset size profile, the number of credit unions with assets less than €40 million decreased from 285 credit unions (representing 33 per cent of total sector assets) in September 2013, to 117 credit unions (representing 14 per cent of total sector assets) in September 2018. (Chart 1)

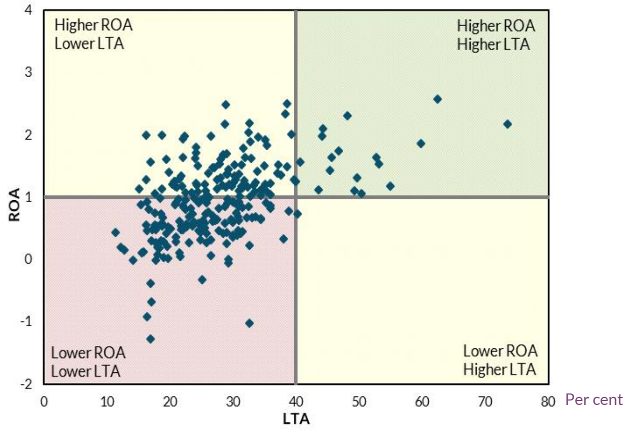
Total savings in the sector have grown at a faster pace than loans, increasing by 25 per cent over the period September 2013 to September 2018, from €11.7 billion to €14.6 billion, a compound annual growth rate (i.e. the effective annual growth rate) of 5 per cent. Total credit union lending has grown marginally since September 2013 with total loans outstanding increasing from €4.5 billion at September 2013 to €4.8 billion at September 2018, a compound annual growth rate of 1 per cent. There has been continued growth in investments year-on-year from €9.4 billion in September 2013 to €12.2 billion in September 2018. (Chart 2)

Return on assets (ROA) continued to fall over the period 2013 to 2018 and stands at 0.95 per cent at September 2018. Loan interest income and investment income were the primary positive contributors to ROA over the period; however, the impact has fallen from a positive impact of 5 per cent in September 2013 to 3 per cent in September 2018, reflecting the low loan to asset ratio and the low investment return environment. The operational costs that impact ROA include salaries and insurance. These account for a negative impact of 1.3 per cent on ROA. Bad debts written off and loan provisions combined had a negative impact of 0.9 per cent on ROA in September 2013. In September 2016 to September 2018, bad debts written off and loan provisions combined had no impact on ROA i.e., bad debts written off and loan provisions, including in the form of write-backs, had a nil net effect on income and expenditure. Incorporating bad debts recovered, the net provisioning effect has changed from a negative impact of 0.6 per cent on ROA in September 2013 to a positive impact of 0.3 per cent on ROA in September 2018. (Chart 3)

A lower loan to assets ratio (LTA) is observable across the sector at 30 September 2018 with 233 credit unions

Chart 4 | ROA vs LTA Sep-18

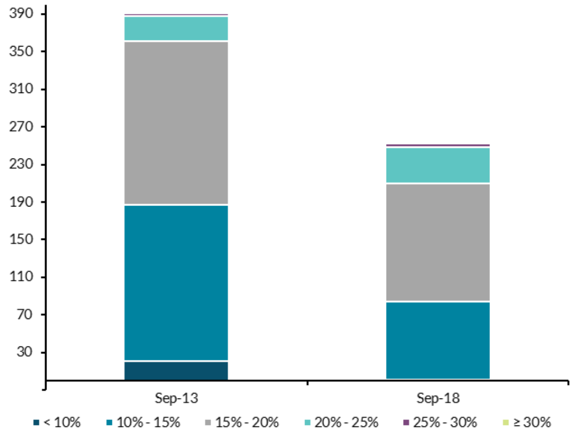
Per cent



Source: Data submitted by credit unions to RCU

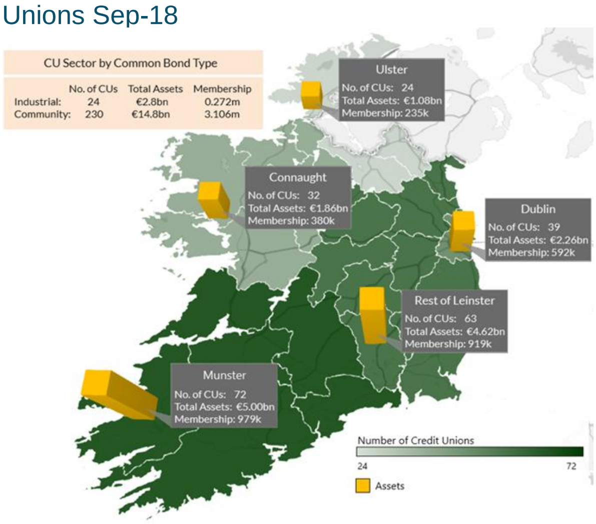
Chart 5 | Total Realised Reserves Ratio

Number of Credit Unions



Source: Data submitted by credit unions to RCU

Chart 6 | Regional Analysis – Community Credit Unions Sep-18



Source: Data submitted by credit unions to RCU
Note: One industrial credit union and one community credit union did not report a prudential return in September 2018. Total Assets and Membership does not include data in relation to these two credit unions.

(92 per cent of the sector) recording an LTA of less than or equal to 40 per cent. A lower ROA is affecting a significant proportion of the sector with 134 credit unions (53 per cent of the sector) achieving an ROA of 1 per cent or less. 133 credit unions have recorded both a lower LTA (less than or equal to 40 per cent) and a lower ROA (less than or equal to 1 per cent).

18 credit unions (7 per cent of the sector) have recorded both a higher LTA (greater than 40 per cent) and a higher ROA (greater than 1 per cent) - 11 of these credit unions reported assets less than €40 million at September 2018. (Chart 4)

Total reserves in the sector have grown over the period 2013 to 2018 from €2.2 billion to €2.9 billion. The average total realised reserves ratio remains strong at 16.7 per cent in September 2018, which is in excess of the minimum regulatory requirement of 10 per cent. 168 credit unions, representing 67 per cent of credit unions, have realised reserves of 15 per cent or more. One credit union reported realised reserves below 10 per cent at September 2018, compared with September 2013 when 21 credit unions, representing 5 per cent of credit unions, reported realised reserves below 10 per cent. (Chart 5)

2. Regional Analysis

"High proportion of community credit union assets are in the eastern and southern regions of the country"

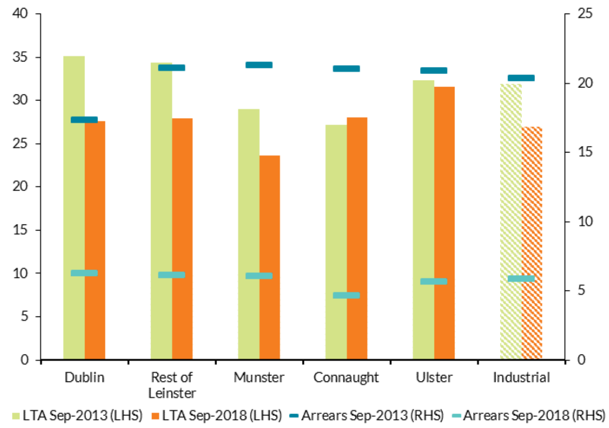
In September 2018, €14.8 billion of assets were held in 229 credit unions with a community common bond[1]. Eighty per cent of these assets were held in the eastern and southern regions of the country with €5 billion held by Munster-based credit unions, €2.3 billion held by Dublin-based credit unions and €4.6 billion in credit unions based in the rest of Leinster. Connaught and Ulster (Donegal, Cavan & Monaghan) based credit unions held a combined total of €2.9 billion in assets.

Munster has the highest number of credit unions with a community common bond at 72 credit unions and the highest membership at c.979,000. On a provincial basis, the smallest number of credit unions and membership is in Ulster with 24 credit unions and c.235,000 members respectively. (Chart 6)

The average loan to asset ratio has fallen across most regions during the period 2013 to 2018. The Dublin region experienced the most significant drop in loans to assets during this period, falling 7.5 percentage points from 35.1 per cent in September 2013 to 27.6 per cent in September 2018. Connaught was the only region to experience an increase in the average loan to asset ratio, increasing from 27.2 per cent in September 2013 to 28 per cent in September 2018.

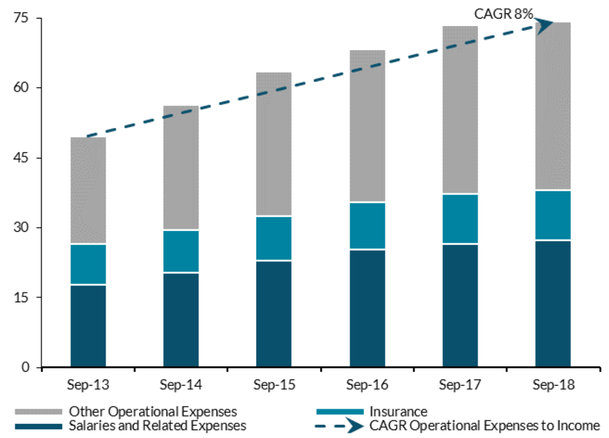
[1] As per section 6(3) of the Credit Union Act 1997, Community Common Bond - Admission to membership of a credit union is restricted to persons residing or being employed in a particular locality

Chart 7 | Regional Analysis – LTA & Arrears



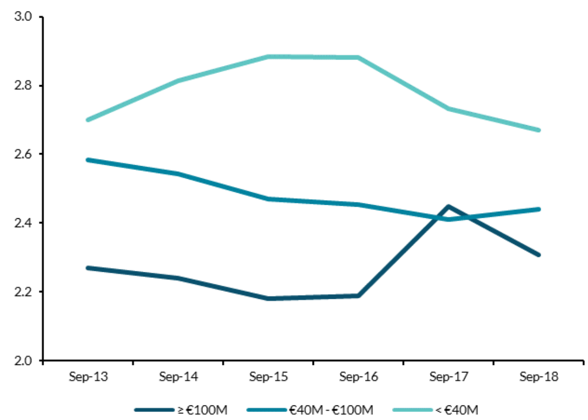
Source: Data submitted by credit unions to RCU

Chart 8 | Average Operational Expenses to Total Income



Source: Data submitted by credit unions to RCU

Chart 9 | Average Operational Expenses to Assets by Cohort



Source: Data submitted by credit unions to RCU

Average loan to asset ratio in credit unions with an industrial common bond[2] has fallen 5 percentage points, from 31.9 per cent in September 2013 to 26.9 per cent in September 2018. This compares to an overall sector average loan to asset ratio of 28 per cent in September 2018, which fell 5 percentage points from 33 per cent in September 2013.

Loan arrears decreased during the period 2013 to 2018 with average arrears standing at less than 6.5 per cent at 30 September 2018 across all regions. Community credit unions in Connaught experienced the most significant drop (a decline of 16.4 percentage points) from 21 per cent in September 2013 to 4.6 per cent in September 2018, which is the lowest level of average arrears across all regions. Average arrears in credit unions with an industrial common bond have fallen by 14.5 percentage points from 20.3 per cent in September 2013 to 5.8 per cent in September 2018. (Chart 7)

3. Operational Expenses

"Operational expenses increasing across the sector."

Operational expenses relative to total income increased over the period 2013 to 2018. The average of operational expenses, as a percentage of total income, has increased from 50 per cent in September 2013 to 74 per cent in September 2018. The compound annual growth rate of operational expenses, as a percentage of total income, was 8 per cent during the period 2013 to 2018.

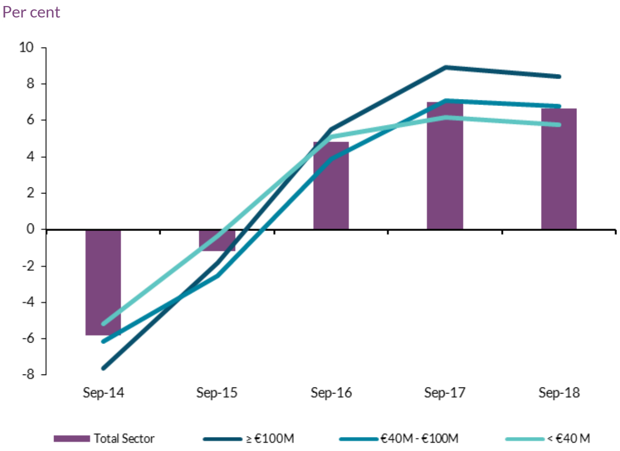
Salaries, as a percentage of total income, have increased from 18 per cent in September 2013 to 27 per cent in September 2018, while insurance, as a percentage of total income, increased from 9 per cent to 11 per cent over the same period. Other operational expenses, as a percentage of total income, have increased from 23 per cent in September 2013 to 36 per cent in September 2018. (Chart 8)

During the period, 2013 to 2018 credit union total sector assets have experienced growth of 26 per cent. The average of operational expenses, as a percentage of total assets, have remained relatively static over this period across all asset size cohorts.

The average of operational expenses, as a percentage of total assets, at 2.3 per cent is lowest for credit unions with assets greater than or equal to €100 million and highest for credit unions with assets less than €40 million at 2.7 per cent. Credit unions with assets greater than or equal to €40 million and less than €100 million have an average of operational expenses as a percentage of total assets of 2.4 per cent. (Chart 9)

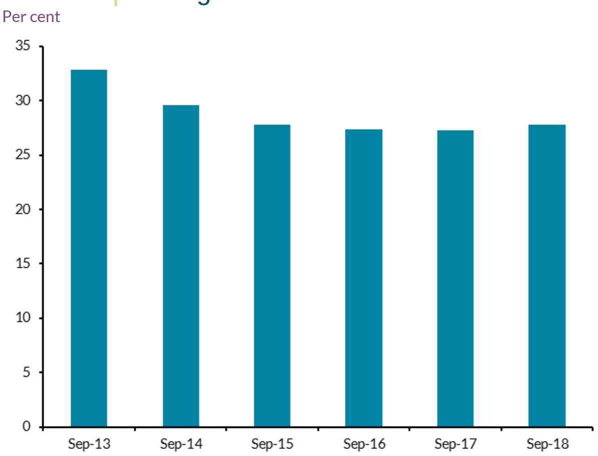
[2] As per section 6(3) of the Credit Union Act 1997, Industrial Common Bond - Admission to membership of a credit union is restricted to persons each of whom has, in relation to all the other members, at least one of the following common bonds; i) following a particular occupation; ii) being employed by a particular employer or having retired from employment with a particular employer; iii) being a member of a bona fide organisation or being otherwise associated with other members of the society for a purpose other than that of forming a society to be registered as a credit union; iv) any other common bond approved by the Central Bank

Chart 10 | Growth in Loans Outstanding



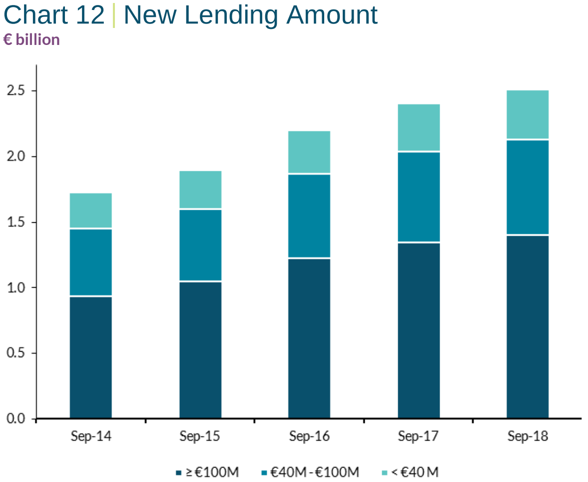
Source: Data submitted by credit unions to RCU
Note: This graph is based on the 252 credit unions that reported for 30 September 2018 with the loans of all transferor credit unions between September 2013 and September 2018 included in the loans of their transferee credit unions for the purpose of estimating a more accurate growth rate

Chart 11 | Average Loans to Assets Ratio



Source: Data submitted by credit unions to RCU

Chart 12 | New Lending Amount



Source: Data submitted by credit unions to RCU
Note: This graph is based on the 252 credit unions that reported for 30 September 2018 with the loans of all transferor credit unions between September 2013 and September 2018 included in the loans of their transferee credit unions for the purpose of estimating a more accurate growth rate

4. Lending

" Lending continues to increase and reported credit quality improves"

4.1 Lending Overview

Following a period of declining gross loans outstanding in the sector, total sector loans began to increase after September 2015 and this trend has continued up to September 2018. Total loans grew by 6.7 per cent on average over the year to September 2018 to €4.8 billion.

For the year to September 2018, credit unions with assets of €100 million or greater experienced the largest loan growth at 8.4 per cent, having experienced the largest decline in loans for the year to September 2014 at 7.6 per cent. Credit unions with assets of less than €40 million experienced growth of 5.8 per cent for the year to September 2018, having experienced the smallest decline in loans for the year to September 2014 at 5.2 per cent. (Chart 10)

The average sector loan to asset ratio was 33 per cent in September 2013. This decreased to 27 per cent in September 2016. The sustained downward trend in the loan to asset ratio has started to reverse and at September 2018 stands at 28 per cent. This is still 5 percentage points lower than the September 2013 level. (Chart 11)

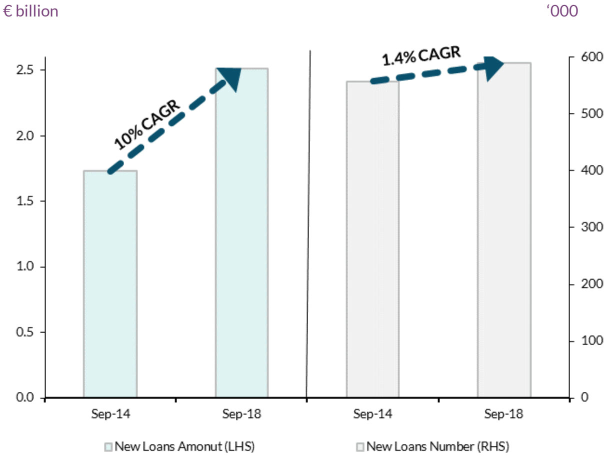
4.2 New Lending

New loans issued continued to increase over the period September 2014[3] to September 2018, from €1.7 billion to €2.5 billion. New lending growth was observed in each of the three asset buckets over the period. The amount of new loans issued by credit unions with assets of €100 million or greater expanded by almost 50 per cent between 2013 and 2018, with €1.4 billion new loans issued for the year to September 2018. This accounts for over half of sector new lending for the year to September 2018. The new loans issued by credit unions with assets between €40 million and €100 million increased from €0.5 billion for the year to September 2014 to €0.7 billion for the year to September 2018, while new lending by credit unions with assets less than €40 million increased from €0.3 billion for the year to September 2014 to €0.4 billion for the year to September 2018. (Chart 12)

The number of new loans advanced also increased over the period from c.558,000 new loans for the year to September 2014 to c.589,000 new loans for the year to September 2018, representing a compound annual growth rate of 1.4 per cent. The compound annual growth rate by monetary value of new loans issued per year over the same period is 10 per cent. Although there has been some increase in the volume of lending, the higher rate of increase in the monetary value of new

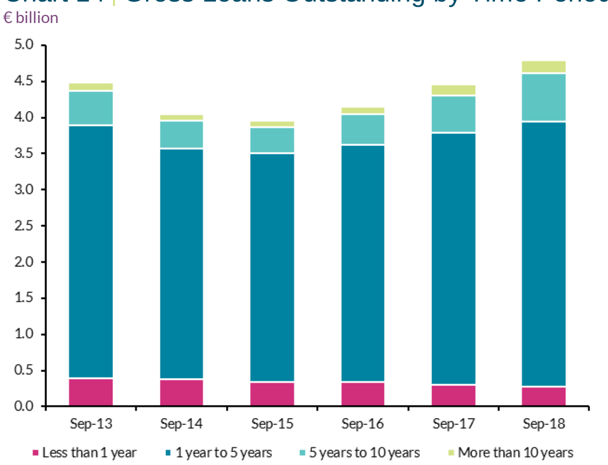
[3] Credit unions started reporting data on new loans in 2014

Chart 13 | New Lending by Amount and Number



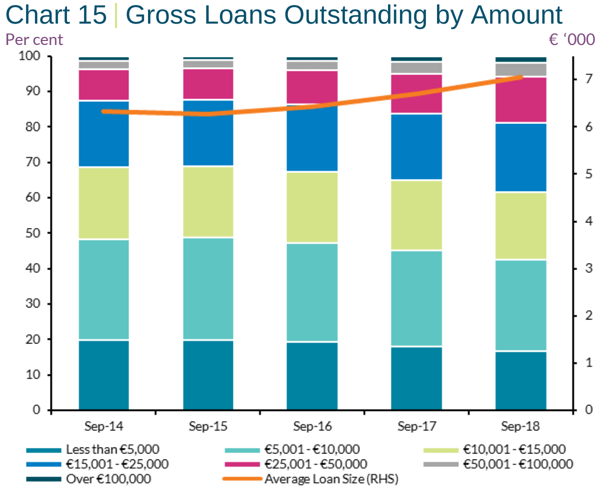
Source: Data submitted by credit unions to RCU
Note: This graph is based on the 252 credit unions that reported for 30 September 2018 with the loans of all transferor credit unions between September 2013 and September 2018 included in the loans of their transferee credit unions for the purpose of estimating a more accurate growth rate

Chart 14 | Gross Loans Outstanding by Time Period



Source: Data submitted by credit unions to RCU

Chart 15 | Gross Loans Outstanding by Amount



Source: Data submitted by credit unions to RCU
Note: Credit unions began reporting loans by amount in 2014

loans issued over the number of new loans indicates that credit unions are issuing loans for higher monetary amounts. (Chart 13)

4.3 Long Term Lending and House Loans

Changes have been observed in the maturity and size profile of credit union lending over the period. In September 2018, €850 million (17.8 per cent) of credit union gross loans outstanding had a maturity of greater than five years, while €182 million (3.8 per cent) had a maturity of greater than ten years. This has increased since September 2013 when €595 million (13.3 per cent) of credit union gross loans outstanding had a maturity of greater than five years, while €111 million (2.5 per cent) had a maturity of greater than ten years[4].

Current regulations provide that a credit union may have up to 30 per cent and 10 per cent of total gross loans outstanding for a period of greater than 5 years and 10 years respectively. Subject to Central Bank approval, these limits may be increased to 40 per cent and 15 per cent respectively. A Consultation Paper on Potential Changes to the Lending Framework for Credit Unions (CP125)[5] was published on 24 October 2018. The proposed changes set out in CP125 include the removal of existing longer term lending limits based on a percentage of outstanding loans and the introduction of tiered concentration limits for house and commercial lending. (Chart 14)

Coinciding with the increase in longer term lending, there has been a shift towards larger size loans. The average loan size in the sector has increased from c.€6,300 in September 2014[6] to c.€7,100 in September 2018. Over the same period, the proportion of total loans outstanding in loans of €25,000 or more has increased from 13 per cent to 19 per cent. Analysing this further, the main contributor to this increase was the increase in loan amounts of '€25,001 - €50,000' where the proportion increased from 9 per cent to 13 per cent of total loans outstanding over the period 2014 to 2018. The proportion of total lending in loans of '€50,001 - €100,000' increased from 2 per cent of loans outstanding to 4 per cent over the period 2014 to 2018 while loans over €100,000 have increased from 1 per cent to 2 per cent of loans outstanding over the same period.

Over the same period, there was a decrease in the proportion of small loans with the proportion of loans outstanding in loans of 'less than €5,000' falling from 20 per cent in September 2014 to 17 per cent in September 2018 and loans outstanding of '€5,001 - €10,000' falling from 29 per cent of loans outstanding to 26 per cent. (Chart 15)

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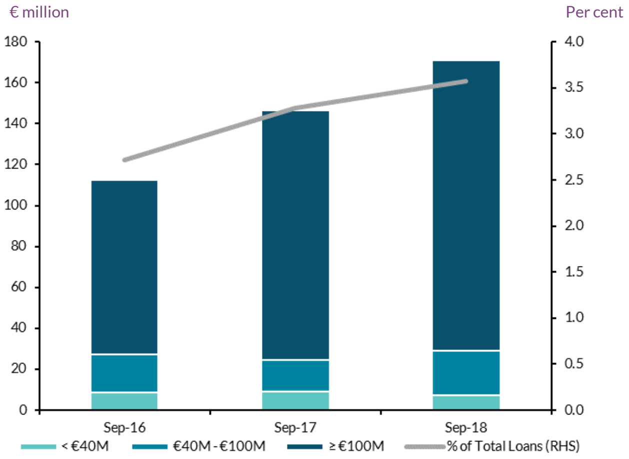
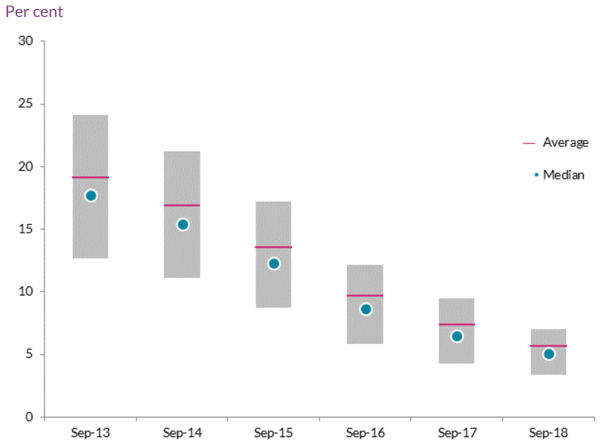
[4] Appendix includes average per cent of loan book in loans with maturity greater than 5 per cent and greater than 10 per cent
[5] Consultation on Potential Changes to the Lending Framework for Credit Unions, CP125
[6] Credit unions began reporting loans by amount in 2014

Chart 16 | Credit Union Lending in House Loans



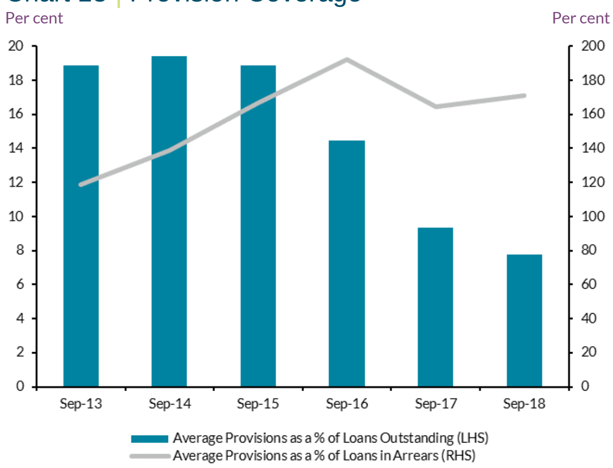
Source: Data submitted by credit unions t RCU
Note: Credit unions only began reporting House Loans in 2016

Chart 17 | Arrears Between 25th and 75th Percentile



Source: Data submitted by credit unions to RCU

Chart 18 | Provision Coverage



Source: Data submitted by credit unions to RCU

There has also been an increase in house loans, albeit they only account for 3.6 per cent of total credit union lending at September 2018 as credit union lending primarily comprises personal loans. At September 2018, €171 million house loans were reported by 110 credit unions. This is an increase on September 2016[7] when 106 credit unions reported €113 million in house loans, accounting for 2.7 per cent of credit union lending at the time.

The growth in house loans has been driven mainly by credit unions with assets greater than €100 million, with total house loans of credit unions in this asset category growing by 66 per cent over the period and accounting for €142 million (83 per cent) of credit union house loans in September 2018. The house loans of credit unions with assets of between €40 million and €100 million and the house loans of credit unions with assets of less than €40 million were €22 million and €7 million respectively. (Chart 16)

4.4 Credit Quality

The credit quality of credit union lending, as evidenced by the fall in reported arrears, has improved over the period 2013 to 2018. Credit union sector average arrears have fallen from 19 per cent in September 2013 to 6 per cent in September 2018. The median[8] arrears in September 2018 was 5 per cent, showing that half of credit unions are in line with the WOCCU benchmark level[9].

The range of arrears between the 75th and the 25th percentile[10] for credit unions has improved significantly over the period. In September 2018, 75 per cent of credit unions had arrears less than 7 per cent of loans. This is a marked improvement on the September 2013 position when 75 per cent of credit unions had arrears above 13 per cent of loans. (Chart 17)

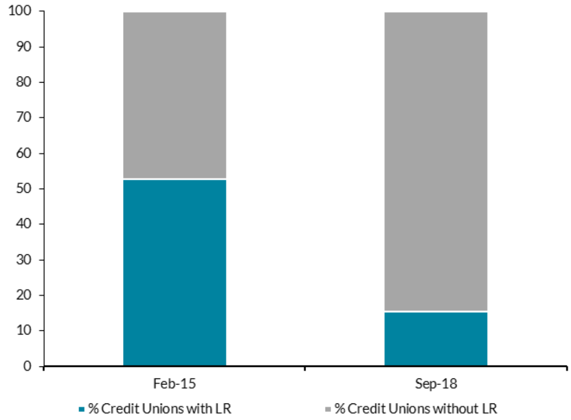
The average level of bad debt provisions to total loans has fallen from 19 per cent in September 2013 to 8 per cent in September 2018. Given the fall in reported arrears, average level of provision coverage on loans in arrears has increased over the same period. The average provision coverage on arrears was 119 per cent in September 2013 and has risen to 171 per cent in September 2018. (Chart 18)

A review of lending restrictions imposed on credit unions by the Central Bank took place in 2015. Prior to this review, 53 per cent of the 374 active credit unions at the time (197 credit unions) had lending restrictions in place. Credit unions can apply to have lending restrictions reviewed and, provided that they can provide evidence of having made the required improvements and embedding associated changes to

[7] Credit unions began reporting loans by category in 2016
[8] The middle value in a group of numbers
[9] The World Council of Credit Unions (WOCCU) benchmark for loans in arrears is 5 per cent.
[10] The value below which the given percentage of observations in a group of observations fall.

Chart 19 | Lending Restrictions

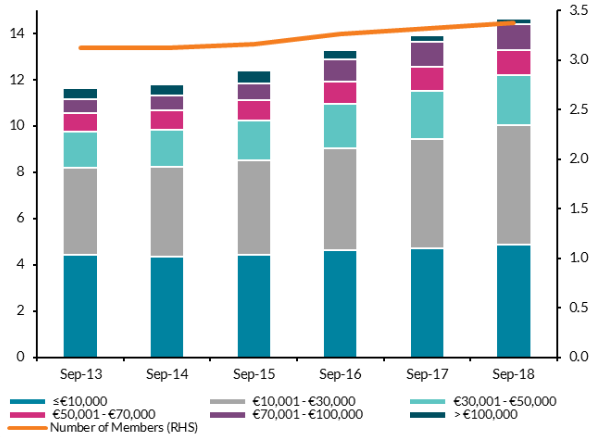
Per cent



Source: Data submitted by credit unions to RCU
Note: February 2015 refers to lending restrictions in place prior to the review

Chart 20 | Savings by Amount

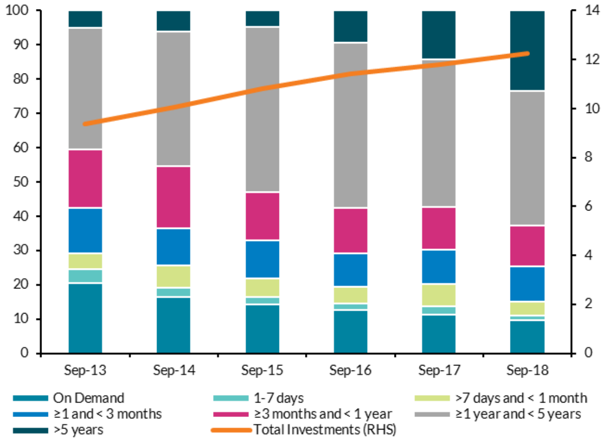
€ billion Million



Source: Data submitted by credit unions to RCU
Note: The total savings figure post September 2016 is inclusive of Other Member Funds while the figure pre September 2016 does not include this figure. The total sector Other Member Funds for Sep 13, Sep 14 and Sep 15 are €0.07BN, €0.07BN and €0.08 respectively

Chart 21 | Investments by Duration

Per cent € billion



Source: Data submitted by credit unions to RCU

address identified weaknesses, the Central Bank can remove the lending restriction. Reflecting the improved quality of credit union lending as reported by credit unions, the proportion of credit unions with lending restrictions in place has fallen to 15 per cent of the 254 active credit unions at September 2018 (39 credit unions). (Chart 19)

5. Savings and Investments

"Growth in total membership and members' savings. Increase in longer-term investments."

5.1 Savings

Savings have grown by 25 per cent during the period 2013 to 2018, from €11.7 billion in September 2013 to €14.6 billion in September 2018. The majority of members' savings are for amounts of less than or equal to €30,000, with 33 per cent of savings for amounts of €10,000 or less and 35 per cent of savings for amounts of greater than €10,000 but less than €30,000 in September 2018. Savings of greater than €100,000[11] account for less than 2 per cent of sector savings.

Total sector credit union membership has increased during the period 2013 to 2018, growing from 3.1 million members in September 2013 to 3.4 million members in September 2018. (Chart 20)

5.2 Investments

Arising from the growth in savings which continues to outpace growth in loans, investments have grown significantly from €9.4 billion in 2013 to €12.2 billion in 2018, a compound annual growth rate of 6 per cent. During this period, there has been a shift in the maturity profile of investments with a higher proportion of longer-term investments held in investment portfolios in September 2018 compared to September 2013. Investments with a maturity of greater than five years accounted for 23.5 per cent of total investments in September 2018 compared to 5 per cent in September 2013. Investments with a maturity of less than one month (including investments available on demand) accounted for 15 per cent of total investments in September 2018 compared to 29.3 per cent in September 2013. (Chart 21)

[11] Under regulation 35 of the Credit Union Act 1997 (Regulatory Requirements) Regulations 2016 credit unions are required to ensure that no member shall have total savings which exceed €100,000. A number of credit unions were approved to retain individual member savings in excess of €100,000 that were held on commencement of the regulations under regulation 36(2). Additionally, under regulation 37, a number of credit unions with assets in excess of €100,000 were approved to increase individual member savings in excess of €100,000.

Appendix 1 | 2013 to 2018 Credit Union Sector Data Tables

30-Sep-13				
	Asset Bucket			Total Sector
	< €40M	€40M - €100M	≥ €100M	
No. Credit Unions that have Submitted Returns	**285**	**80**	**28**	**393**
Average Surplus	€0.30M	€1.04M	€3.40M	€0.67M
Total Surplus	€85.09M	€83.50M	€95.18M	€263.77M
Average Assets	€16.16M	€60.63M	€159.94M	€35.46M
Total Assets	€4.61BN	€4.85BN	€4.48BN	€13.94BN
Average ROA	1.86%	1.72%	2.01%	1.85%
Average Liquidity	49.9%	40.8%	42.9%	47.6%
Average Arrears > 9 weeks	19.3%	19.5%	16.3%	19.1%
Average Reserves	15.2%	15.2%	15.7%	15.3%
Lending > 5 Years	10.2%	11.9%	14.7%	10.9%
Lending > 10 Years	1.6%	2.5%	2.7%	1.9%

30-Sep-14				
	Asset Bucket			Total Sector
	< €40M	€40M - €100M	≥ €100M	
No. Credit Unions that have Submitted Returns	**268**	**81**	**31**	**380**
Average Surplus	€0.26M	€1.19M	€3.28M	€0.71M
Total Surplus	€70.99M	€96.46M	€101.78M	€269.23M
Average Assets	€16.17M	€60.39M	€161.39M	€37.45M
Total Assets	€4.33BN	€4.89BN	€5.00BN	€14.23BN
Average ROA	1.60%	1.94%	1.97%	1.71%
Average Liquidity	50.3%	37.5%	35.7%	46.3%
Average Arrears > 9 weeks	17.0%	17.3%	14.6%	16.9%
Average Reserves	15.9%	16.1%	16.1%	15.9%
Lending > 5 Years	8.9%	10.6%	13.5%	9.6%
Lending > 10 Years	1.3%	2.2%	2.9%	1.6%

30-Sep-15				
	Asset Bucket			Total Sector
	< €40M	€40M - €100M	≥ €100M	
No. Credit Unions that have Submitted Returns	**227**	**78**	**37**	**342**
Average Surplus	€0.25M	€0.99M	€2.93M	€0.71M
Total Surplus	€56.01M	€77.45M	€108.24M	€241.70M
Average Assets	€17.26M	€63.23M	€165.08M	€43.74M
Total Assets	€3.92BN	€4.93BN	€6.11BN	€14.96BN
Average ROA	1.31%	1.50%	1.80%	1.40%
Average Liquidity	44.4%	35.4%	34.8%	41.3%
Average Arrears > 9 weeks	13.8%	13.5%	11.9%	13.5%
Average Reserves	16.3%	16.0%	16.0%	16.2%
Lending > 5 Years	8.7%	10.3%	13.3%	9.6%
Lending > 10 Years	1.3%	2.2%	2.7%	1.6%

30-Sep-16				
	Asset Bucket			Total Sector
	< €40M	€40M - €100M	≥ €100M	
No. Credit Unions that have Submitted Returns	**163**	**81**	**48**	**292**
Average Surplus	€0.22M	€0.77M	€2.44M	€0.73M
Total Surplus	€35.38M	€62.05M	€116.93M	€214.37M
Average Assets	€18.45M	€60.57M	€167.56M	€54.65M
Total Assets	€3.01BN	€4.91BN	€8.04BN	€15.96BN
Average ROA	1.04%	1.24%	1.43%	1.16%
Average Liquidity	39.3%	32.0%	30.6%	35.8%
Average Arrears > 9 weeks	10.3%	9.4%	8.2%	9.7%
Average Reserves	16.6%	16.3%	16.3%	16.5%
Lending > 5 Years	8.4%	10.5%	14.0%	9.9%
Lending > 10 Years	1.1%	1.7%	3.1%	1.6%

30-Sep-17				
	Asset Bucket			Total Sector
	< €40M	€40M - €100M	≥ €100M	
No. Credit Unions that have Submitted Returns	**141**	**78**	**53**	**272**
Average Surplus	€0.20M	€0.70M	€1.94M	€0.68M
Total Surplus	€27.59M	€54.52M	€102.62M	€184.74M
Average Assets	€19.85M	€61.66M	€173.05M	€61.69M
Total Assets	€2.80BN	€4.81BN	€9.17BN	€16.78BN
Average ROA	0.92%	1.15%	1.07%	1.01%
Average Liquidity	40.3%	32.3%	31.1%	36.2%
Average Arrears > 9 weeks	8.3%	6.4%	6.3%	7.4%
Average Reserves	16.8%	17.2%	16.2%	16.8%
Lending > 5 Years	9.8%	12.9%	16.2%	11.9%
Lending > 10 Years	1.3%	1.7%	4.0%	1.9%

30-Sep-18				
	Asset Bucket			Total Sector
	< €40M	€40M - €100M	≥ €100M	
No. Credit Unions that have Submitted Returns	**117**	**81**	**54**	**252**
Average Surplus	€0.19M	€0.64M	€1.78M	€0.68M
Total Surplus	€22.69M	€51.74M	€96.32M	€170.75M
Average Assets	€21.09M	€63.48M	€185.15M	€69.87M
Total Assets	€2.47BN	€5.14BN	€10.00BN	€17.61BN
Average ROA	0.90%	1.02%	0.96%	0.95%
Average Liquidity*	41.1%	33.9%	34.5%	37.4%
Average Arrears > 9 weeks	6.5%	5.0%	4.8%	5.6%
Average Reserves	16.8%	17.0%	16.2%	16.7%
Lending > 5 Years	11.9%	15.4%	19.2%	14.6%
Lending > 10 Years	1.4%	2.0%	4.7%	2.3%

Definitions	
Average Surplus	Average of all 'Year to Date Surplus (Deficit)' reported by individual credit unions in the quarterly prudential return
Total Surplus	Total of all 'Year to Date Surplus (Deficit)' reported by individual credit unions in the quarterly prudential return
Average Assets	Average of 'Total Assets' reported by individual credit unions in the quarterly prudential return
Total Assets	Total of 'Total Assets' reported by individual credit unions in the quarterly prudential return
Average Annualised ROA	ROA (Return on Assets): Average of annualised credit union ROA as calculated from data points reported by individual credit unions in the quarterly prudential returns. ROA calculation is annualised 'Year to Date Surplus (Deficit)' divided by 'Total Assets'
Average Liquidity	Average of credit union liquidity as calculated from data points reported by individual credit unions in the quarterly prudential returns. Liquidity calculation is the sum of 'Investments available in less than 3 months' and 'Cash and Current Accounts' divided by 'Total Unattached Savings'. *Following the commencement of the Credit Union Act 1997 (Regulatory Requirements) Regulations 2016 (as amended) on 1 March 2018, Irish and EEA state securities, bank bonds and supranational bonds with a maturity of greater than 3 months (with discounts applied to the current market value) are now included within the definition of relevant liquid assets.
Average Arrears	Average of credit union arrears as calculated from data points reported by individual credit unions in the quarterly prudential returns. Arrears calculation is 'Gross Loans in Arrears > 9 weeks' divided by 'Total Gross Loans'
Average Reserves	Average of total realised reserves reported by individual credit unions in the quarterly prudential returns
Lending > 5 Years	Average of loans greater than 5 years maturity as a percentage of total loans outstanding reported by individual credit unions in the prudential return
Lending > 10 Years	Average of loans greater than 10 years maturity as a percentage of total loans outstanding reported by individual credit unions in the prudential return

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