



Banc Ceannais na hÉireann  
Central Bank of Ireland

Eurosystem

# Financial Conditions of Credit Unions: 2014-2019

Issue 5, August 2019

## Welcome to 'Financial Conditions of Credit Unions' Publication – 5<sup>th</sup> Edition

Welcome to the fifth edition of the statistical information release '*Financial Conditions of Credit Unions*'. In this edition, we continue our sectoral trend analysis by credit union asset size and common bond type, as well as providing further analysis on credit union lending including loan growth and maturity profile. The analysis is based on data reported by each credit union in the regulatory returns for the half-year position as at 31 March 2014 to 31 March 2019. It reflects an improving, yet still challenging, position for most credit unions.

Incremental changes in the overall lending profile continue to be reported by some credit unions, with early indications of an increase in credit risk appetite and an increase in the proportion of larger loans and loans of a longer duration. The previously observed loan to asset ratio decline is beginning to reverse, however it remains a concern at an average of 28 per cent across the sector as at 31 March 2019. The sector continues to experience a strong overall reserves position as well as a sustained reduction in arrears.

The financial health of the sector continues to highlight commercial challenges, and aligned to changing consumer expectations, emphasises the pressing need for ongoing business model development. The low loan to asset ratio, coupled with the low investment returns in a prevailing low interest rate environment, have contributed to declining overall returns in the credit union sector. Non-interest income, which is currently less than 3% of total sector income, should be an area of increasing focus for credit unions. Provision of services to credit union members requires investment in requisite expertise, risk and compliance, to ensure that members' interests are appropriately protected. The pace of decline in return on assets (ROA) is of concern given the current benign trading environment and the fact that ROA, through generated retained earnings, is the only source for credit unions to increase their reserves.

The proposals set out in CP125<sup>1</sup>, on potential changes to the lending framework, support diversification in credit union loan portfolios and would allow those credit unions with sufficient financial strength and competence and capability, to undertake additional house and commercial lending. For long term lending, the Central Bank emphasises the need for the boards of credit unions to ensure that they understand the risks involved, including financial, regulatory and consumer impacts. They must also understand how long term lending fits within their credit union's lending strategy, risk framework and capabilities.

Credit unions should continue to take account of the financial impact of the products and services they provide to members, as they consider the future strategic direction of their business.

For the Irish financial sector as a whole, Brexit continues to pose significant risks. The range of risk considerations flowing from Brexit should remain an area for continual assessment by credit unions given the wider economic and financial impacts. Accordingly, proactive contingency planning by credit unions, in particular regarding credit, savings and investments, is of key importance over the coming period.

Credit unions deservedly have a highly respected brand and continue to have the loyal trust of members. This trust, coupled with a member-centric ethos, is a competitive difference upon which to build the future business model of the credit union sector. Transformation in all its forms, will take shared co-operative leadership and collaboration. The Registry, as a key stakeholder in this process, remains supportive to provide appropriate regulatory oversight and challenge on a case-by-case basis.



**Patrick Casey**  
**Registrar of Credit Unions**

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<sup>1</sup> [Consultation on Potential Changes to the Lending Framework for Credit Unions](#)

**Notes:**

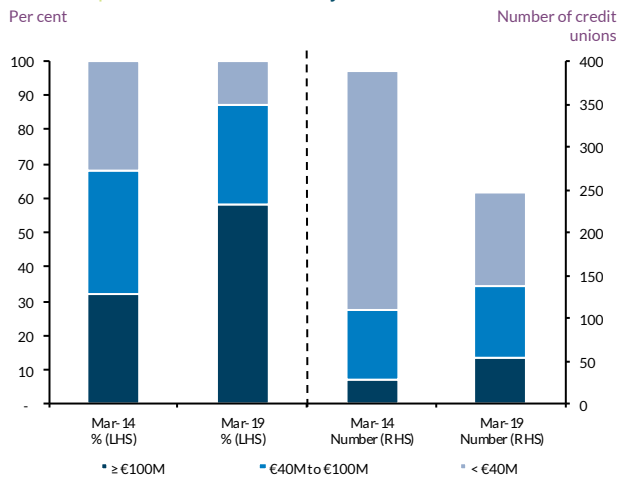
The data contained and presented in this publication is derived from data routinely submitted by credit unions to the Registry of Credit Unions. This data is sourced from the quarterly regulatory submissions and has been collated and consolidated by the Credit Union Analytics Team in the Risk Analysis, Data Analytics and Reporting Division of the Central Bank, in conjunction with the Registry of Credit Unions, to provide a sector-wide view of financial performance and position. Half-year data ranging from 31 March 2014 to 31 March 2019 relates to credit union data available as at 14 June 2019.

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](mailto:rcuanalytics@centralbank.ie).

1. Unless otherwise stated, this document refers to data available on 14 June 2019.
2. Unless otherwise stated, prudential return data is as at the reporting date from 2014 to 2019 and relates to 31 March of the relevant year.
3. Figures provided from the quarterly Income and Expenditure Statement and figures on new lending are reported on a year-to-date basis (from 1 October to date). Where stated, these figures are annualised.
4. Unless otherwise stated, the aggregate credit union data refers to all credit unions operating in the Republic of Ireland.
5. The list of registered credit unions is updated monthly and available at <http://registers.centralbank.ie/>.
6. Unless otherwise stated, “≥ €100M” relates to those credit unions with total assets of €100 million or more, “€40M - €100M” relates to credit unions with total assets between €40 million and €100 million and “<€40M” relates to credit unions with total assets of under €40 million.

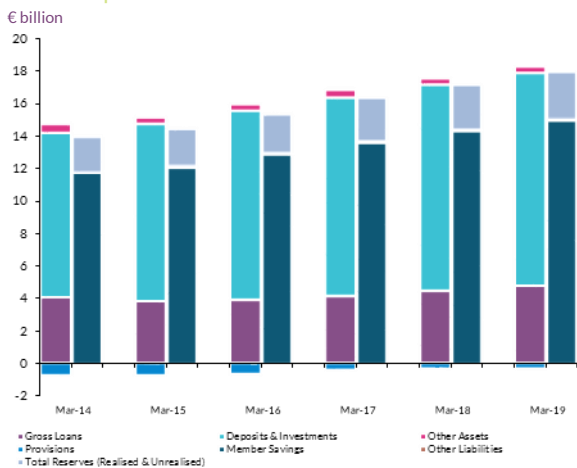
# Financial Conditions of Credit Unions

**Chart 1 | % Sector Assets by CU Asset Size**



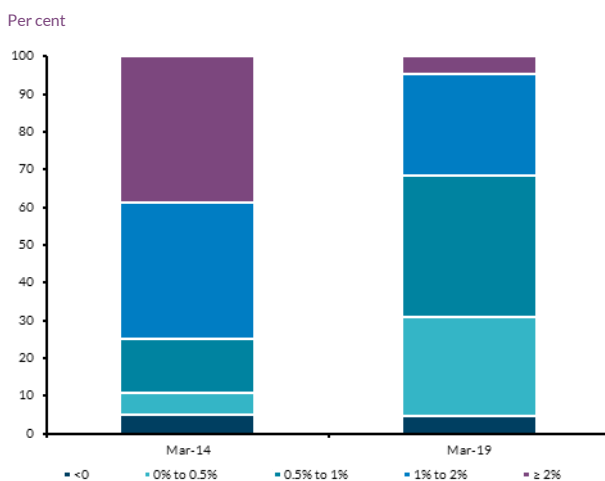
Source: Data submitted by credit unions to RCU

**Chart 2 | Balance Sheet Structure**



Source: Data submitted by credit unions to RCU  
 Note: 'Deposits and Investments' includes cash & current accounts, deposit protection account, minimum reserve deposit held and total investments

**Chart 3 | Annualised ROA by % Number of Credit Unions**



Source: Data submitted by credit unions to RCU

## 1. Sector Overview

### “Asset profile of the sector continues to evolve”

The profile of the credit union sector, in terms of number of credit unions and asset size, has continued to change over the period since 31 March 2014. There are currently 246 credit unions trading, down from 388 at 31 March 2014. Ongoing restructuring within the sector has resulted in the number of credit unions with assets of less than €40 million decreasing from 278 to 109 over the period, with the proportion of sector assets for credit unions in this asset size bucket falling from 32 per cent at 31 March 2014 to 13 per cent at 31 March 2019. Over the same period, the number of credit unions with assets of at least €100 million has almost doubled – up from 28 at 31 March 2014 to 55 at 31 March 2019. The assets of these 55 larger credit unions represent 58 per cent of total sector assets at 31 March 2019. This shows the significant shift in the profile of the sector compared with 31 March 2014, at which time credit unions with assets of greater than €100 million represented 32 per cent of total sector assets. (Chart 1)

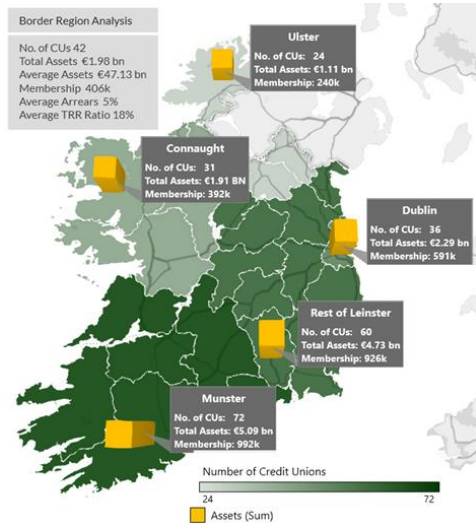
Total assets of the credit union sector have grown year-on-year over the same period. At 31 March 2019, total sector assets stand at €18 billion. Total sector loans outstanding stand at €4.9 billion at 31 March 2019 following year-on-year growth since 31 March 2015. Investments remain the largest component of credit union assets, accounting for c.70 per cent of total assets over the period, and show continued annual growth - at 31 March 2014 investments were €9.7 billion while at 31 March 2019 they amount to €12.4 billion representing 69 per cent of total assets. Members’ savings have increased from €11.8 billion to €15 billion and total reserves increased from €2.2 billion to €2.9 billion over the period. (Chart 2)

The median annualised return on assets<sup>2</sup> (ROA) has fallen from 1.6 per cent at 31 March 2014 to 0.7 per cent at 31 March 2019. 31 per cent of credit unions have an annualised ROA below 0.5 per cent at 31 March 2019, while 4 per cent have a negative annualised ROA. There has been a change in the ROA profile of the sector since 31 March 2014 when 11 per cent of credit unions reported annualised ROA below 0.5 per cent. Annualised ROA of greater than 2 per cent was reported by 5 per cent of credit unions at 31 March 2019 compared with 39 per cent of credit unions at 31 March 2014. Retained earnings are the only source of new capital for credit unions. (Chart 3)

Brexit continues to pose significant risks. The range of risk considerations flowing from Brexit will need to remain an area for continual assessment by all credit

<sup>2</sup> Income and expenditure of credit unions reported for the period to March is for a six-month period; accordingly, ROA has been annualised.

Chart 4 | Community Credit Unions<sup>9</sup> - March 2019



Source: Data submitted by credit unions to RCU  
 Note: Border counties include Donegal, Leitrim, Monaghan, Cavan and Louth.

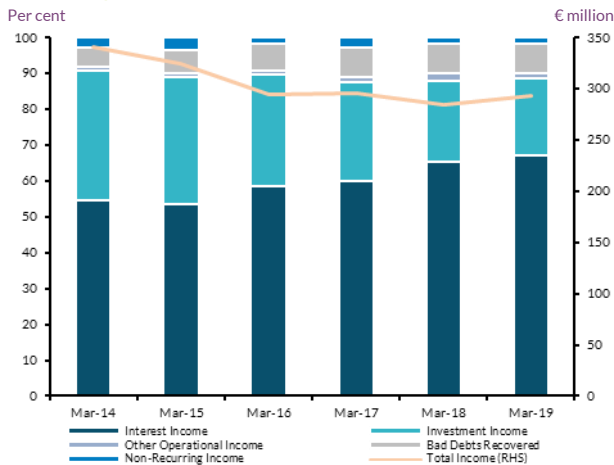
unions given wider economic and financial impacts. 42 community credit unions (with total assets of €1.98 billion and total membership of c.406,000) are operating in the counties along the border with Northern Ireland. The average arrears of these credit unions is 5 per cent at 31 March 2019 which is in line with the sector average of 5 per cent. The average total realised reserves ratio of these credit unions is 18 per cent - higher than the sector average of 17 per cent. Given their location, the impact of Brexit may be more pronounced for these credit unions. (Chart 4)

2. Income and Expenditure

“Average cost to income ratio remains high for the sector”

For the purpose of this section, operational cost and operational income exclude loan provisioning and non-recurring items and total cost and total income include provisioning and non-recurring items<sup>3</sup>.

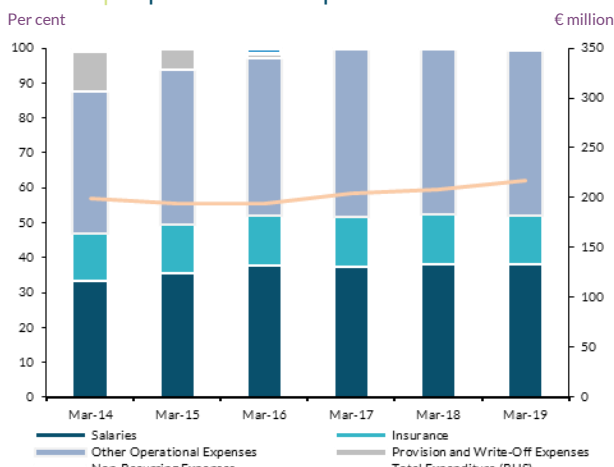
Chart 5 | Income Components



Source: Data submitted by credit unions to RCU  
 Note: Other Operational income includes financial support and other income (as reported by credit unions in the PR).

Total credit union income has fallen from €341 million for the six months to 31 March 2014 to €293 million for the six months to 31 March 2019. Credit union income comprises primarily loan interest income and investment income which has continued to account for c.90 per cent of total income throughout the period of 31 March 2014 to 31 March 2019. Other operational income - at 1 per cent of total income at 31 March 2019 - is broadly unchanged over the period. Non-recurring income accounts for 2 per cent of total income while bad debts recovered account for 8 per cent of total income at 31 March 2019.

Chart 6 | Expenditure Components



Source: Data submitted by credit unions to RCU  
 Note: Other operational expenses includes interest on borrowings, interest on deposits and other expenses (as reported by credit unions in the PR).

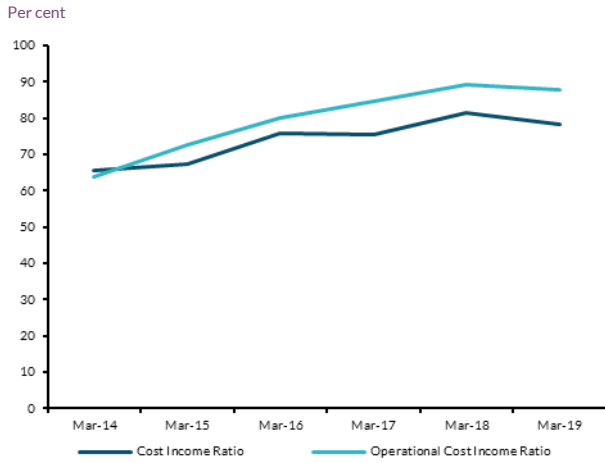
The proportion of investment income to total income for the six months to 31 March has fallen from 36 per cent at 31 March 2014 to 21 per cent at 31 March 2019. As total investments have increased significantly over the period - from €9.7 billion to €12.4 billion - the fall in income reflects the current low interest rate environment. (Chart 5)

Total credit union expenses have increased from €200 million for the six months to 31 March 2014 to €218 million for the six months to March 2019. Operational expenses accounted for 87 per cent of total expenditure at 31 March 2014 - comprising salaries of 33 per cent, insurance of 14 per cent and other operational expenses of 40 per cent of total expenditure. At 31 March 2019 operational expenses account for 99 per cent of total expenditure. This includes salaries of 38 per cent, insurance of 14 per cent and other operational expenses of 47 per cent of total expenditure. Provision and write-off expenses accounted for 1 per cent of total expenditure at 31 March 2019, compared with 12 per cent at 31 March 2014. (Chart 6)

The average sector operational cost income ratio for the six-month period to 31 March began to exceed the total

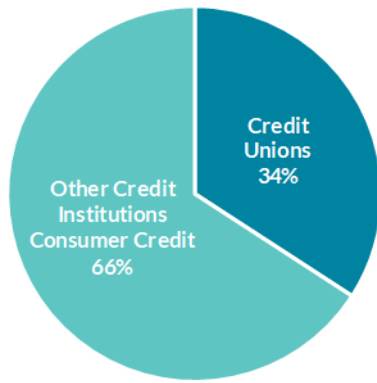
<sup>9</sup> As per section 6(3) of the Credit Union Act 1997, Community Common Bond - Admission to membership of a credit union is restricted to persons residing or being employed in a particular locality.  
<sup>3</sup> As the income and expenditure performance of credit unions is reported for the six-month period to March, the cost income analysis is based on the six months to 31 March of the relevant year.

Chart 7 | Average Cost-Income Ratio



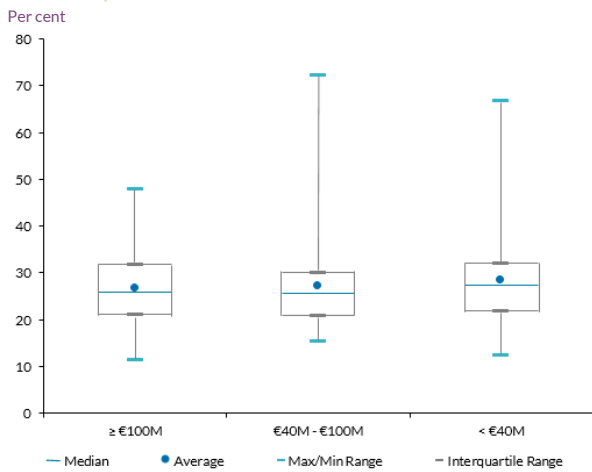
Source: Data submitted by credit unions to RCU  
 Note: Operational income includes interest income, investment income, financial support and other income (as reported by credit unions in the PR). Operational costs include net loan protection life savings insurance, salaries and related expenses, interest on borrowings, interest on deposits and other expenses (as reported in the PR).

Chart 8 | Consumer Credit Market - March 2019



Source: Money and Banking Statistics  
 Loans to Irish Households - [https://www.centralbank.ie/docs/default-source/statistics/data-and-analysis/credit-and-banking-statistics/bank-balance-sheets/bank-balance-sheets-data/ie\\_table\\_a-5-1\\_loans\\_to\\_irish\\_households\\_-\\_purpose\\_and\\_maturity.xls?sfvrsn=63](https://www.centralbank.ie/docs/default-source/statistics/data-and-analysis/credit-and-banking-statistics/bank-balance-sheets/bank-balance-sheets-data/ie_table_a-5-1_loans_to_irish_households_-_purpose_and_maturity.xls?sfvrsn=63)  
 Credit Advanced for Car Purchase - <https://www.centralbank.ie/docs/default-source/statistics/data-and-analysis/credit-and-banking-statistics/bank-balance-sheets/bank-balance-sheets-data/table-a-19-credit-advanced-to-irish-resident-private-households-for-car-purchase.xls?sfvrsn=11>  
 Note: Credit Union lending as reported in Loans to Irish Households - Consumer Credit constitutes personal lending as reported by credit unions in the regulatory returns.  
 Car finance relates to term loans and other finance associated with cars and light motor vehicles including hire-purchase agreements and personal contract plans  
 Car finance lending does not include credit union data.

Chart 9 | Loan to Assets - March 2019



Source: Data submitted by credit unions to RCU

cost income ratio for the six-month period after 31 March 2014. The average operational cost income ratio for the six months to 31 March 2019 stands at 88 per cent. The average total cost income ratio for the six months to 31 March 2019 stands at 78 per cent. The net effect of changes to provisions on loans (provisions, including in the form of releases, write-offs and bad debts recovered) for the sector has become positive in recent years - resulting in total sector net provision income for the six months to 31 March ranging between €20 million and €24 million since 31 March 2016 and creating an additional income buffer for credit unions. However, the non-operational nature of this income cannot be relied upon for contributing to surpluses in the future. (Chart 7)

### 3 Lending

#### “Signs of continued change in the loan book profile”

##### 3.1 Lending Overview

Following a decline in gross loans outstanding from 31 March 2014 to 31 March 2015, there has been year-on-year growth in the total sector loans outstanding over the period - at 31 March 2019 total sector loans amount to €4.9 billion with average sector arrears of 5 per cent. (Appendix)

Loans to Irish households (consumer credit) as reported by within-the-state offices of credit institutions stands at c€13.3bn at 31 March 2019. Credit union personal lending represents 34 per cent of the consumer credit market. 29 per cent of the remaining 66 per cent consumer credit market consists of car finance loans. (Chart 8)

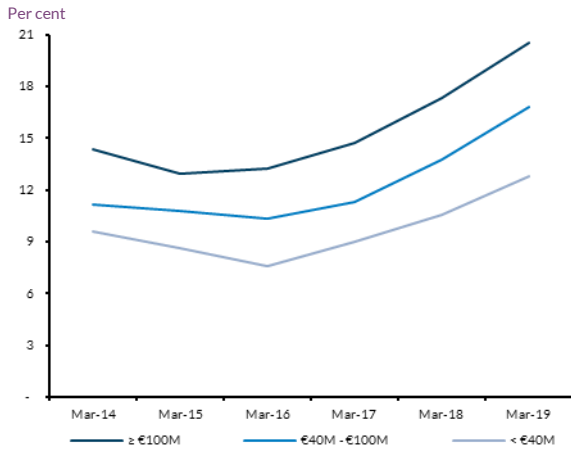
##### Loan to Asset Ratio Trends

The average sector loan to asset ratio stands at 28 per cent at 31 March 2019. Analysing this by credit union asset categories, the average loan to asset ratios for each asset bucket are broadly in line with the sector average.

There is some variance in the range of loan to asset ratios per asset bucket. For credit unions with assets of at least €100 million, the loan to asset ratios range from 11 per cent to 48 per cent. Analysing this further, 75 per cent of credit unions in this asset category have a loan to asset ratio of 32 per cent or less. Credit unions with assets between €40 million and €100 million have the largest range of loan to asset ratios ranging from 15 per cent to 72 per cent. Within this spread, 75 per cent of these credit unions have a loan to asset ratio of 30 per cent or less. The range of loan to asset ratios for credit unions with assets of less than €40 million is 12 per cent to 67 per cent, with 75 per cent of these credit unions reporting a loan to asset ratio of 32 per cent or less. (Chart 9)

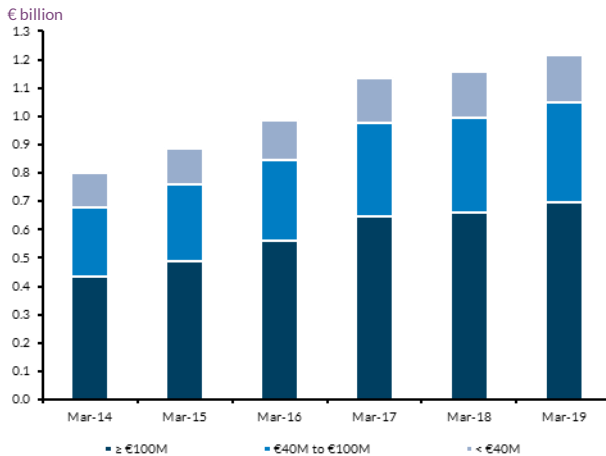


**Chart 10 | Lending Greater than 5 years as a % of Gross Loans**



Source: Data submitted by credit unions to RCU

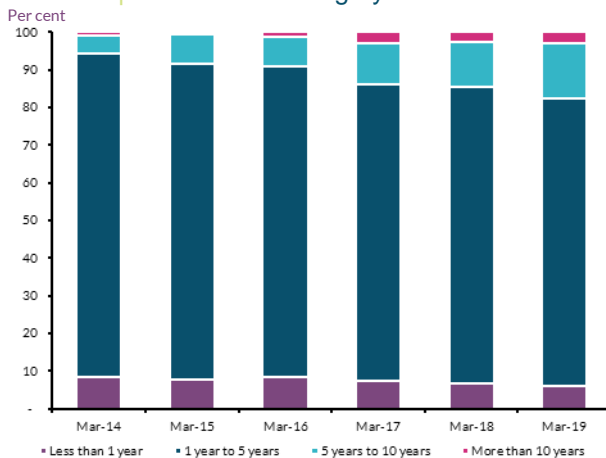
**Chart 11 | YTD New Lending Amount**



Source: Data submitted by credit unions to RCU

Note: This graph is based on the 246 credit unions that reported for 31 March 2019 with the loans of all transferee credit unions between March 2014 and March 2019 included in the loans of their transferee credit unions for the purpose of estimating more accurate growth.

**Chart 12 | YTD New Lending by Time Period**



Source: Data submitted by credit unions to RCU

*Maturity Profile Trends*

There has been a shift in the maturity profile of credit union lending with the average level of longer-term lending higher at 31 March 2019 compared with 31 March 2014 across each asset bucket. For credit unions with assets of at least €100 million, the average level of lending over 5 years was 14 per cent at 31 March 2014 with the average level of lending over 10 years at 3 per cent. At 31 March 2019 credit unions in this asset category reported an average level of 21 per cent of lending greater than 5 years and 5 per cent for lending greater than 10 years. The average lending over 5 years for credit unions with assets between €40 million and €100 million has increased from 11 per cent to 17 per cent over the period, with average lending over 10 years remaining broadly unchanged over the same timeframe. The average level of lending over 5 years has increased for credit unions with assets less than €40 million - from 10 per cent to 13 per cent over the period - with average lending over 10 years remaining broadly unchanged. (Chart 10, Appendix)

*3.2 New Lending*

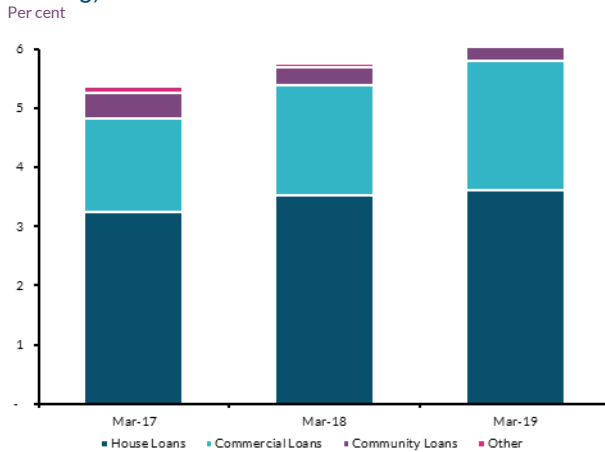
The total value of new loans advanced for the six months to 31 March<sup>4</sup> has increased year-on-year – up from €0.8 billion new loans issued for the six months to 31 March 2014 to €1.2 billion new loans issued for the six months to 31 March 2019; representing growth of 52 per cent. New lending growth was observed in each of the three asset buckets over the period. New loans issued by credit unions with assets of at least €100 million has grown 59 per cent - increasing from €435 million for the six months to 31 March 2014 to €694 million for the six months to 31 March 2019. Credit unions with assets of between €40 million and €100 million reported new loans issued of €244 million for the six months to 31 March 2014. €354 million new loans were issued by credit unions in this asset category for the 6 months to 31 March 2019 representing an increase of 45 per cent. New loans issued by credit unions with assets of less than €40 million were €120 million for the six months to 31 March 2014. €170 million new loans were issued by credit unions in this asset category for the 6 months to 31 March 2019 representing an increase of 41 per cent. (Chart 11)

*Maturity Profile*

Changes have also been observed in the maturity profile of new lending. 6 per cent of new loans issued for the 6 months to 31 March 2014 were loans with a maturity of greater than 5 years and 1 per cent of new loans issued were loans with a maturity of greater than 10 years. This increased to 18 per cent of new loans issued for the six months to 31 March 2019 with a maturity of greater than 5 years and 3 per cent with a maturity of greater than 10 years.

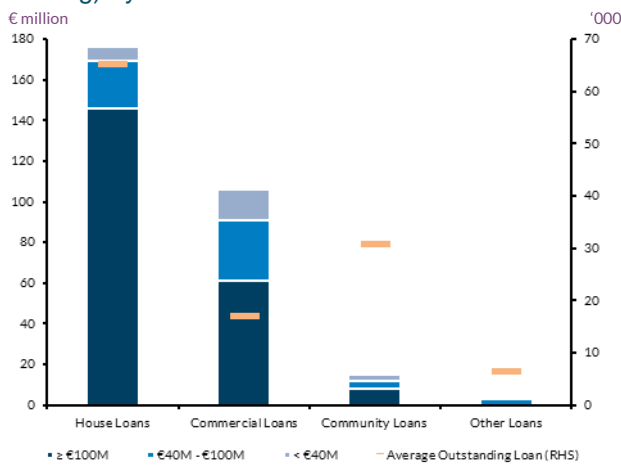
<sup>4</sup> New lending is reported on a year-to-date basis.

**Chart 13 | Loans by Category (excluding personal lending) as a % of Total Loans**



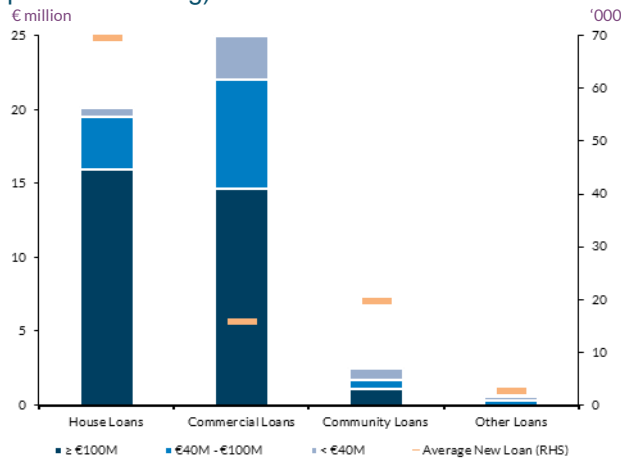
Source: Data submitted by credit unions to RCU  
 Note: Credit unions began reporting loans by category in 2016. As this was the first period to report, there was an element of misreporting. Data from 2017 onwards is more accurate.  
 Note: Personal loans accounted for 95% of total loans, 94% of total loans and 94% of total loans at 31 March 2017, 2018 and 2019 respectively.

**Chart 14 | Loans by Category (excluding personal lending) by Asset Bucket – March 2019**



Source: Data submitted by credit unions to RCU  
 Note: The average outstanding loan relates to credit unions that reported outstanding loans in the relevant category

**Chart 15 | YTD New Loans by Category (excluding personal lending) Asset Bucket – March 2019**



Source: Data submitted by credit unions to RCU  
 Note: The average new loan relates to credit unions that reported new loans in the relevant category

Over the same period, new loans issued with a maturity of less than 1 year decreased from 9 per cent of new loans issued for the six months to 31 March 2014 to 6 per cent of new loans issued for the six months to 31 March 2019. The level of new lending with a maturity of between 1 year and 5 years decreased from 86 per cent of new loans issued for the six months to 31 March 2014 to 76 per cent of new loans issued for the six months to 31 March 2019. (Chart 12)

### 3.3 Lending by Category

At 31 March 2019, 94 per cent of total loans outstanding are personal loans. There has been some increase in non-personal lending reported by credit unions since 31 March 2017. At 31 March 2019, house loans account for 3.6 per cent of total outstanding loans, commercial loans account for 2.2 per cent of outstanding loans, community loans account for 0.3 per cent of outstanding loans and other loans account for 0.1 per cent of loans outstanding. (Chart 13)

#### House Loans

At 31 March 2019, €176 million house loans were reported by 113 credit unions. The average outstanding house loan is c.€65,000. 45 credit unions with assets of at least €100 million reported €146 million of house loans. 41 credit unions with assets between €40 million and €100 million reported house loans of €24 million and 27 credit unions with assets of less than €40 million reported house loans of €7 million. €20 million in new house loans were issued in the six months to 31 March 2019 by 54 credit unions. The average new house loan issued is c.€70,000. (Chart 14, Chart 15)

#### Commercial Loans

The average commercial loan provided by the 146 credit unions involved in such loans stands at c.€17,000 at 31 March 2019. A total of €106 million commercial loans are outstanding across the sector. 46 credit unions with assets of at least €100 million reported €61 million commercial loans while 59 credit unions with assets between €40 million and €100 million reported €30 million commercial loans and 41 credit unions with assets less than €40 million reported €15 million commercial loans. 111 credit unions (45 per cent of credit unions) reported total new commercial loans advanced for the six months to 31 March 2019 of €25 million. The average new commercial loan issued is c.€16,000. (Chart 14, Chart 15)

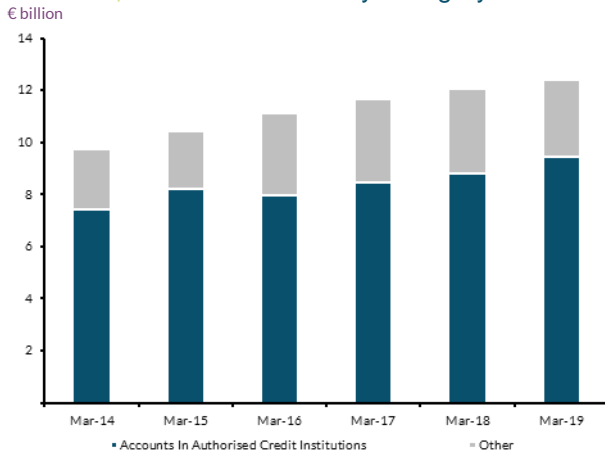
#### Community Loans<sup>5</sup>

The average new community loan is c.€20,000 based on €2.5 million new community loans issued by 58 credit unions in the six months to 31 March 2019. (Chart 15)

<sup>5</sup>“Community loan” means a loan to a community or voluntary organisation which is established for the express purpose of furthering the social, economic or environmental well-being of individuals within the common bond of the credit union in any of the following areas: sport and recreation; culture and heritage; the arts (within the meaning of the Arts Act 2003); health of the community; youth, welfare and amenities; and natural environment.

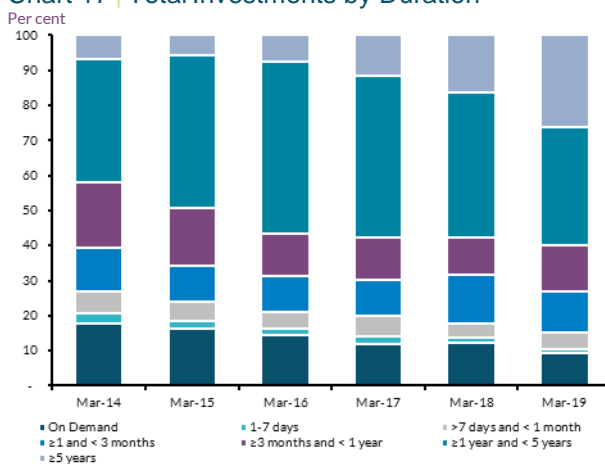


Chart 16 | Total Investments by Category



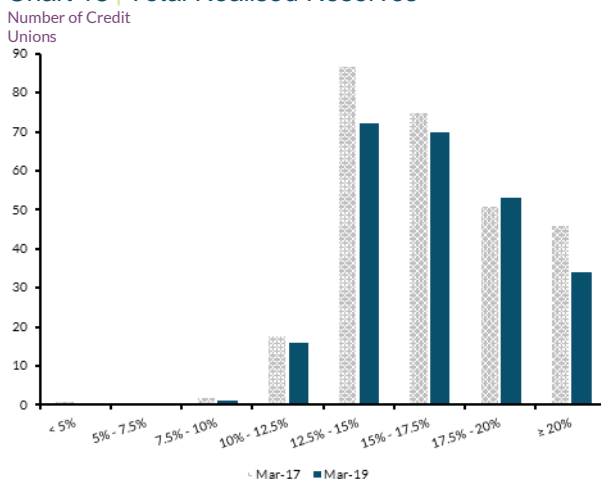
Source: Data submitted by credit unions to RCU  
Note: Other investments incorporate bank bonds, Irish and EEA state securities, collective investment schemes and other investments (as reported by credit unions in the PR)

Chart 17 | Total Investments by Duration



Source: Data submitted by credit unions to RCU

Chart 18 | Total Realised Reserves



Source: Data submitted by credit unions to RCU  
Note: The composition of credit union reserves changed in March 2016. As this was the first period to report, there was an element of misreporting. Data from 2017 onwards is more accurate.

## 4. Investments

### “Total investments continue to grow with shift towards longer-term investments”

Arising from the growth in savings, investments have grown over the period from €9.7 billion at 31 March 2014 to €12.4 billion at 31 March 2019. Credit unions’ investments are concentrated primarily in deposits with authorised credit institutions. At 31 March 2019 €9.4 billion of investments were held in accounts in authorised credit institutions – representing 76 per cent of total credit union investments. (Chart 16)

There has been a shift in the maturity profile of investments with year-on-year growth in the proportion of investments with a maturity greater than 5 years over the period – from 7 per cent of total credit union investments at 31 March 2014 to 26 per cent at 31 March 2019. The proportion of investments with a maturity of less than 1 month (including investments available on demand) has decreased from 27 per cent of total investments at 31 March 2014 to 15 per cent at 31 March 2019. (Chart 17)

## 5. Reserves and Savings

### “Sector reserves strong. Total savings increasing with continued reduction in savings amounts over €100,000”

#### 5.1 Reserves

The spread of total realised reserves (TRR) has remained largely the same over the period from 31 March 2017<sup>6</sup>. The median realised reserves reported by credit unions was 16 per cent at 31 March 2017 and 31 March 2019. Three credit unions reported TRR below the 10 per cent minimum regulatory requirement at 31 March 2017<sup>7</sup>. One credit union has reported TRR between 7.5 per cent and 10 per cent at 31 March 2019. (Chart 18)

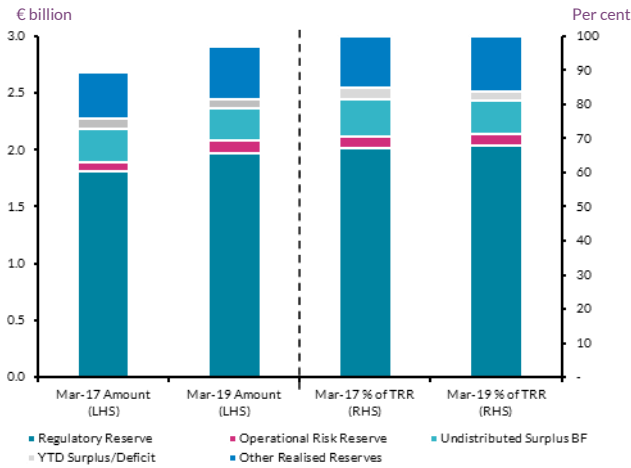
Total realised reserves have increased from €2.7 billion at 31 March 2017 to €2.9 billion at 31 March 2019. While the proportions of the realised reserves components have remained largely unchanged over the period, the total regulatory reserves held by credit unions has increased from €1.8 billion at 31 March 2017 (accounting for 67 per cent of total realised reserves) to €2.0 billion at 31 March 2019 (accounting for 68 per cent of total realised reserves). The reserves credit unions are required to hold against operational risks (in addition to regulatory reserves)<sup>8</sup> have increased from €88 million to €104 million over the period and now account for 4 per cent of total realised reserves. (Chart 19)

<sup>6</sup> The composition of credit union reserves changed in March 2016. As this was the first period to report, there was an element of misreporting. Data from 2017 onwards is more accurate.

<sup>7</sup> Two of these credit unions have since become inactive – one following a transfer of engagements and one following liquidation – and one is now reporting TRR above 10 per cent.

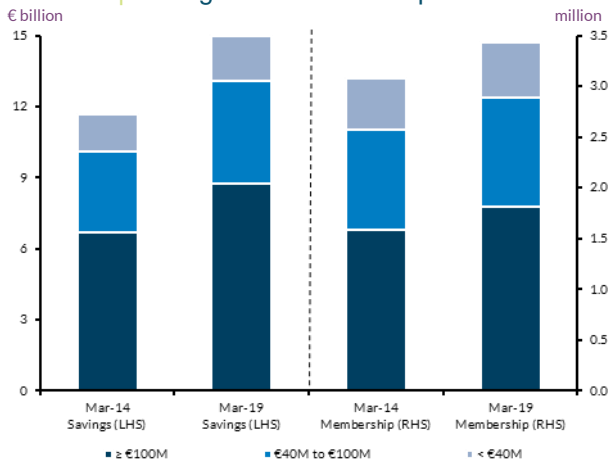
<sup>8</sup> As per section 45(6) of the Credit Union Act 1997 Regulations 2016, a credit union shall maintain reserves, in addition to the regulatory reserve requirement that it has assessed are required in respect of operational risk and which shall not be less than those required under any additional reserve requirement applicable to it.

**Chart 19 | Realised Reserves Components**



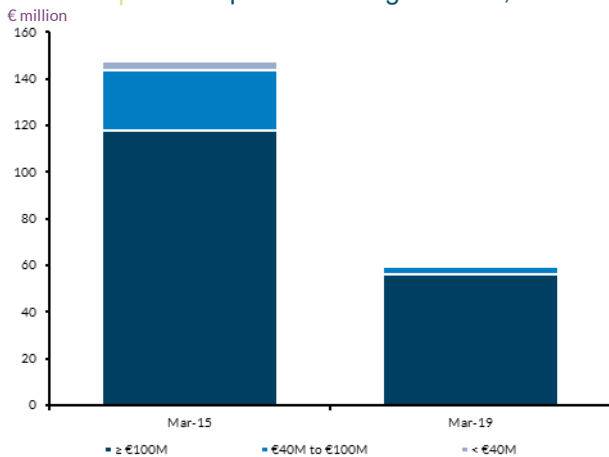
Source: Data submitted by credit unions to RCU  
 Note: The composition of credit union reserves changed in March 2016. As this was the first period to report, there was an element of misreporting. Data from 2017 onwards is more accurate.

**Chart 20 | Savings and Membership**



Source: Data submitted by credit unions to RCU  
 Note: This graph is based on the 246 credit unions that reported for 31 March 2019 with the savings and membership of all transferor credit unions between March 2014 and March 2019 included in the savings and membership of their transferee credit unions for the purpose of estimating more accurate growth.

**Chart 21 | Total Exposure Savings > €100,000**



Source: Data submitted by credit unions to RCU  
 Note: This graph is based on the 246 credit unions that reported for 31 March 2019 with the savings of all transferor credit unions between March 2015 and March 2019 included in the savings of their transferee credit unions for the purpose of estimating more accurate change.  
 Note: One credit union has been excluded for misreporting.  
 Note: Following the introduction of the new regulations on 1 Jan 2016, credit unions require approval from the Central Bank to hold savings > €100,000. This graph analyses savings > €100,000 before and after the introduction of the regulations.

**5.2 Savings**

Total sector member savings have increased over the period - from €11.8 billion at 31 March 2014 to €15.0 billion at 31 March 2019. Over the same period there has been an increase of over 350,000 in the total sector membership with credit unions reporting 3.4 million members at 31 March 2019. The average savings per member at 31 March 2019 is c. €4,400.

The amount of savings held in credit unions with assets of at least €100 million increased by €2.0 billion - up from €6.7 billion at 31 March 2014 to €8.7 billion at 31 March 2019. The total membership in these credit unions also increased over the period by c.221,000 members and stands at 1.8 million members at 31 March 2019.

There has also been growth in the membership and total savings held in smaller credit unions. Over the period, membership has increased by c.102,000 members in credit unions with assets between €40 million and €100 million and has increased by c.31,000 in credit unions with assets less than €40 million. The savings with these credit unions also increased over the period - from €3.4 billion to €4.3 billion for credit unions with assets between €40 million and €100 million and from €1.6 billion to €1.9 billion for credit unions with assets less than €40 million. (Chart 20, Appendix)

Credit unions are permitted to hold savings of €100,000 per member. Following the introduction of the €100,000 individual member savings limit regulation in the Credit Union Act 1997 (Regulatory Requirements) Regulations 2016, the sectoral exposure to savings over €100,000 has reduced significantly - down from €148 million reported by 170 credit unions at 31 March 2015, to €59.6 million reported by 67 credit unions at 31 March 2019. Credit unions with assets of at least €100 million may seek approval from the Central Bank to accept individual member savings greater than €100,000 and credit unions where individual members' savings exceeded €100,000 on commencement of the regulations were allowed to apply to the Central Bank for approval to continue to retain these savings.

39 credit unions with assets of at least €100 million reported a €56.2 million exposure above €100,000 per member. 20 credit unions with assets between €40 million and €100 million reported a €3.1 million exposure above €100,000 per member and 8 credit unions with assets of less than €40 million reported a €0.3 million exposure above €100,000 per member. (Chart 21)

## Appendix | 2014 to 2019 Credit Union Sector Data Tables

31-Mar-14				
	Asset Bucket			Total Sector
	< €40M	€40M - €100M	≥ €100M	
<b>No. Credit Unions that have Submitted Returns</b>	<b>278</b>	<b>82</b>	<b>28</b>	<b>388</b>
Average Surplus / Deficit (6 months)	€0.14M	€0.60M	€1.87M	€0.36M
Total Surplus / Deficit (6 months)	€39.07M	€49.47M	€52.45M	€140.99M
Average Assets	€16.16M	€60.93M	€161.45M	€36.11M
Total Assets	€4.49BN	€5.00BN	€4.52BN	€14.01BN
Total Loans	€1.40BN	€1.45BN	€1.32BN	€4.16BN
Total Investments	€3.01BN	€3.54BN	€3.17BN	€9.72BN
Total Savings	€3.81BN	€4.19BN	€3.79BN	€11.78BN
Total Reserves	€0.67BN	€0.79BN	€0.72BN	€2.18BN
Average Annualised ROA	1.62%	1.90%	2.21%	1.72%
Average Liquidity	51.0%	39.6%	37.5%	47.7%
Average Arrears > 9 weeks	19.2%	18.9%	16.2%	18.9%
Average Realised Reserves	15.1%	15.4%	15.5%	15.2%
Lending > 5 Years	9.6%	11.1%	14.3%	10.3%
Lending > 10 Years	1.5%	2.5%	2.9%	1.8%
Average Loan	€5,839	€6,104	€7,491	€6,380
Average New Loan	€2,830	€2,874	€3,182	€2,942
Average Savings per Member	€3,132	€3,580	€5,213	€3,786

31-Mar-15				
	Asset Bucket			Total Sector
	< €40M	€40M - €100M	≥ €100M	
<b>No. Credit Unions that have Submitted Returns</b>	<b>256</b>	<b>81</b>	<b>32</b>	<b>369</b>
Average Surplus / Deficit (6 months)	€0.13M	€0.59M	€1.55M	€0.36M
Total Surplus / Deficit (6 months)	€33.71M	€47.98M	€49.49M	€131.18M
Average Assets	€16.54M	€61.93M	€164.71M	€39.35M
Total Assets	€4.23BN	€5.02BN	€5.27BN	€14.52BN
Total Loans	€1.21BN	€1.31BN	€1.40BN	€3.93BN
Total Investments	€2.94BN	€3.66BN	€3.84BN	€10.44BN
Total Savings	€3.56BN	€4.19BN	€4.41BN	€12.16BN
Total Reserves	€0.66BN	€0.81BN	€0.84BN	€2.30BN
Average Annualised ROA	1.46%	1.81%	1.86%	1.57%
Average Liquidity	47.5%	37.1%	33.1%	43.9%
Average Arrears > 9 weeks	15.9%	16.4%	13.6%	15.8%
Average Realised Reserves	16.0%	15.9%	15.7%	15.9%
Lending > 5 Years	8.6%	10.8%	12.9%	9.5%
Lending > 10 Years	1.2%	2.5%	2.7%	1.7%
Average Loan	€5,714	€5,969	€7,148	€6,250
Average New Loan	€3,088	€3,247	€3,596	€3,306
Average Savings per Member	€3,179	€3,652	€5,096	€3,881

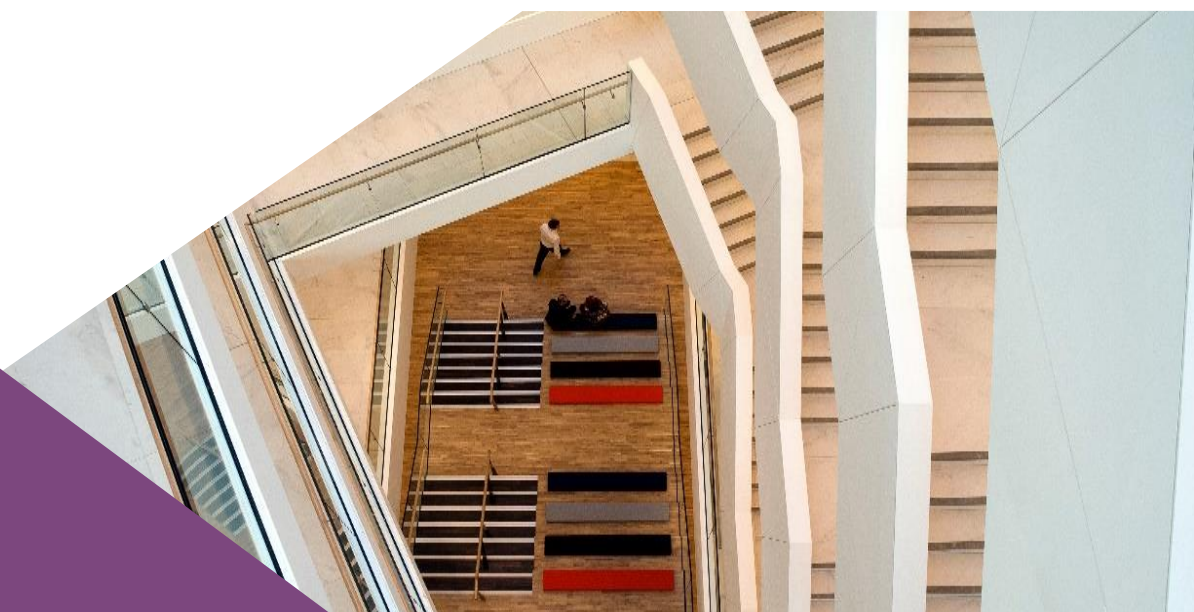
31-Mar-16				
	Asset Bucket			Total Sector
	< €40M	€40M - €100M	≥ €100M	
<b>No. Credit Unions that have Submitted Returns</b>	<b>213</b>	<b>79</b>	<b>41</b>	<b>333</b>
Average Surplus / Deficit (6 months)	€0.09M	€0.41M	€1.20M	€0.30M
Total Surplus / Deficit (6 months)	€19.33M	€32.05M	€49.26M	€100.63M
Average Assets	€17.62M	€62.24M	€164.23M	€46.26M
Total Assets	€3.75BN	€4.92BN	€6.73BN	€15.40BN
Total Loans	€1.03BN	€1.21BN	€1.72BN	€3.96BN
Total Investments	€2.61BN	€3.62BN	€4.89BN	€11.13BN
Total Savings	€3.16BN	€4.12BN	€5.65BN	€12.93BN
Total Reserves	€0.58BN	€0.78BN	€1.06BN	€2.42BN
Average Annualised ROA	0.86%	1.27%	1.43%	1.03%
Average Liquidity	42.7%	35.5%	31.9%	39.6%
Average Arrears > 9 weeks	12.6%	11.7%	10.0%	12.1%
Average Realised Reserves	16.0%	15.7%	15.5%	15.9%
Lending > 5 Years	7.6%	10.3%	13.3%	8.9%
Lending > 10 Years	1.0%	2.0%	2.5%	1.4%
Average Loan	€5,718	€5,888	€7,011	€6,276
Average New Loan	€3,366	€3,380	€3,901	€3,583
Average Savings per Member	€3,278	€3,726	€4,875	€4,005

31-Mar-17				
	Asset Bucket			Total Sector
	< €40M	€40M - €100M	≥ €100M	
<b>No. Credit Unions that have Submitted Returns</b>	<b>150</b>	<b>78</b>	<b>52</b>	<b>280</b>
Average Surplus / Deficit (6 months)	€0.08M	€0.33M	€1.02M	€0.32M
Total Surplus / Deficit (6 months)	€12.29M	€25.40M	€52.90M	€90.58M
Average Assets	€19.19M	€60.55M	€169.39M	€58.61M
Total Assets	€2.88BN	€4.72BN	€8.81BN	€16.41BN
Total Loans	€0.80BN	€1.19BN	€2.26BN	€4.25BN
Total Investments	€1.95BN	€3.41BN	€6.30BN	€11.66BN
Total Savings	€2.39BN	€3.91BN	€7.35BN	€13.64BN
Total Reserves	€0.48BN	€0.80BN	€1.43BN	€2.70BN
Average Annualised ROA	0.77%	1.10%	1.16%	0.94%
Average Liquidity	40.9%	33.6%	30.3%	36.9%
Average Arrears > 9 weeks	9.9%	8.0%	7.4%	8.9%
Average Realised Reserves	16.7%	16.8%	16.1%	16.6%
Lending > 5 Years	9.0%	11.3%	14.7%	10.7%
Lending > 10 Years	1.1%	1.6%	3.5%	1.7%
Average Loan	€5,891	€6,088	€6,982	€6,491
Average New Loan	€3,618	€3,570	€4,124	€3,854
Average Savings per Member	€3,452	€3,802	€4,674	€4,145

31-Mar-18				
	Asset Bucket			Total Sector
	< €40M	€40M - €100M	≥ €100M	
<b>No. Credit Unions that have Submitted Returns</b>	<b>130</b>	<b>80</b>	<b>53</b>	<b>263</b>
Average Surplus / Deficit (6 months)	€0.06M	€0.30M	€0.83M	€0.29M
Total Surplus / Deficit (6 months)	€8.22M	€23.97M	€43.84M	€76.03M
Average Assets	€20.47M	€62.91M	€179.56M	€65.44M
Total Assets	€2.66BN	€5.03BN	€9.52BN	€17.21BN
Total Loans	€0.73BN	€1.29BN	€2.52BN	€4.54BN
Total Investments	€1.78BN	€3.56BN	€6.69BN	€12.04BN
Total Savings	€2.21BN	€4.16BN	€7.96BN	€14.34BN
Total Reserves	€0.44BN	€0.85BN	€1.52BN	€2.81BN
Average Annualised ROA	0.46%	0.96%	0.92%	0.71%
Average Liquidity*	46.4%	41.3%	40.4%	43.6%
Average Arrears > 9 weeks	8.0%	6.0%	5.8%	7.0%
Average Realised Reserves	16.4%	16.8%	16.0%	16.5%
Lending > 5 Years	10.5%	13.7%	17.3%	12.9%
Lending > 10 Years	1.4%	1.8%	4.4%	2.1%
Average Loan	€6,129	€6,320	€7,292	€6,788
Average New Loan	€3,800	€3,824	€4,332	€4,083
Average Savings per Member	€3,547	€3,970	€4,748	€4,281

31-Mar-19				
	Asset Bucket			Total Sector
	< €40M	€40M - €100M	≥ €100M	
<b>No. Credit Unions that have Submitted Returns</b>	<b>109</b>	<b>82</b>	<b>55</b>	<b>246</b>
Average Surplus / Deficit (6 months)	€0.07M	€0.30M	€0.78M	€0.31M
Total Surplus / Deficit (6 months)	€8.13M	€24.50M	€42.99M	€75.62M
Average Assets	€21.33M	€63.84M	€189.67M	€73.14M
Total Assets	€2.33BN	€5.23BN	€10.43BN	€17.99BN
Total Loans	€0.65BN	€1.39BN	€2.83BN	€4.87BN
Total Investments	€1.53BN	€3.64BN	€7.24BN	€12.41BN
Total Savings	€1.93BN	€4.33BN	€8.73BN	€15.00BN
Total Reserves	€0.38BN	€0.88BN	€1.66BN	€2.92BN
Average Annualised ROA	0.65%	0.95%	0.85%	0.80%
Average Liquidity*	40.5%	36.4%	36.0%	38.1%
Average Arrears > 9 weeks	5.9%	4.7%	4.5%	5.2%
Average Realised Reserves	16.6%	16.7%	16.0%	16.5%
Lending > 5 Years	12.8%	16.8%	20.5%	15.9%
Lending > 10 Years	1.5%	2.3%	5.1%	2.6%
Average Loan	€6,378	€6,674	€7,681	€7,177
Average New Loan	€3,994	€4,030	€4,547	€4,304
Average Savings per Member	€3,609	€4,011	€4,828	€4,379

Definitions	
<b>Average Surplus / Deficit</b>	Average of all 'Year to Date Surplus (Deficit)' reported by individual credit unions in the quarterly prudential returns
<b>Total Surplus / Deficit</b>	Sum of all 'Year to Date Surplus (Deficit)' reported by individual credit unions in the quarterly prudential returns
<b>Average Assets</b>	Average of 'Total Assets' reported by individual credit unions in the quarterly prudential returns
<b>Total Assets</b>	Sum of 'Total Assets' reported by individual credit unions in the quarterly prudential returns
<b>Total Loans</b>	Sum of total gross loans outstanding reported by individual credit unions in the quarterly prudential returns
<b>Total Investments</b>	Sum of 'Total Investments' reported by individual credit unions in the quarterly prudential returns
<b>Total Savings</b>	Sum of 'Members' Shares Regular', 'Members' Shares Term', 'Members' Shares Special', 'Members' Deposits' and 'Other Members' Funds' reported by individual credit unions in the quarterly prudential returns
<b>Total Reserves</b>	Sum of 'Total Reserves' reported by individual credit unions in the quarterly prudential returns
<b>Average Annualised ROA</b>	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'
<b>Average Liquidity</b>	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 maturing 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.
<b>Average Arrears</b>	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 outstanding.
<b>Average Realised Reserves</b>	Average of total realised reserves ratios as calculated from data points reported by individual credit unions in the quarterly prudential returns
<b>Lending &gt; 5 Years</b>	Average of gross loans outstanding greater than 5 years maturity as a percentage of total gross loans outstanding as calculated from data points reported by individual credit unions in the prudential returns
<b>Lending &gt; 10 Years</b>	Average of gross loans outstanding greater than 10 years maturity as a percentage of total gross loans outstanding as calculated from data points reported by individual credit unions in the prudential returns
<b>Average Loan</b>	Sum of total gross loans outstanding divided by the sum of total number of loans outstanding reported by individual credit unions in the quarterly prudential returns
<b>Average New Loan</b>	Sum of total amount of new loans advanced (year-to-date) divided by sum of total of number of new loans advanced (year-to-date) reported by individual credit unions in the quarterly prudential returns
<b>Average Savings per Member</b>	Sum of total of 'Members' Shares Regular', 'Members' Shares Term', 'Members' Shares Special', 'Members' Deposits' and 'Other Members' Funds' divided by sum of total of 'Total Membership' reported by individual credit unions in the quarterly prudential returns





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