



Annual Credit Union Benchmarking Results

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Benchmarking 2025: Survey Context

- 13th Annual Benchmarking Survey
- Survey responses from 57 Credit Unions (PY – 43) and financial data used from 81 Credit Unions (PY - 74) from published annual reports
- Sample of Credit Unions represented €12.32B or 57.3% of total asset size of Credit Union movement in the State (Sector Asset size was approx. €21.5B across 183 Credit Unions as at 30 September 2024)
- Certain financial data: Results for 30 September 2024 with comparatives for 30 September 2023 from annual reports.
- Contributions from Credit Unions ranging in size from €17m to €580m
- Mix of Community based and Industrial Credit Unions

Benchmarking 2025: Key Survey Findings

- Continued strong loan demand reflected in increased Loan to Asset Ratios
- Continued consolidation in the sector with further credit unions remaining and increases in CU's with assets >100m
- Higher Returns on Investments leading to higher Return on Assets and stable reserves
- Lower Cost to income ratios but a warning of reducing interest rate effects on the Horizon
- Long term lending is growing and capacity under-utilised
- Online is where its at – utilising technology is a must
- Cyber Risk remains high and 3 fold increase in known identified attacks
- While there has been some improvement , ESG framework and policy is still lagging in terms of focus and not where it needs to be

Areas Covered in the Benchmarking



Financials



Loan Book



Strategy



Human Resources



Board and KPI's



Operational Resilience



Climate Change / ESG



Fitness & Probity



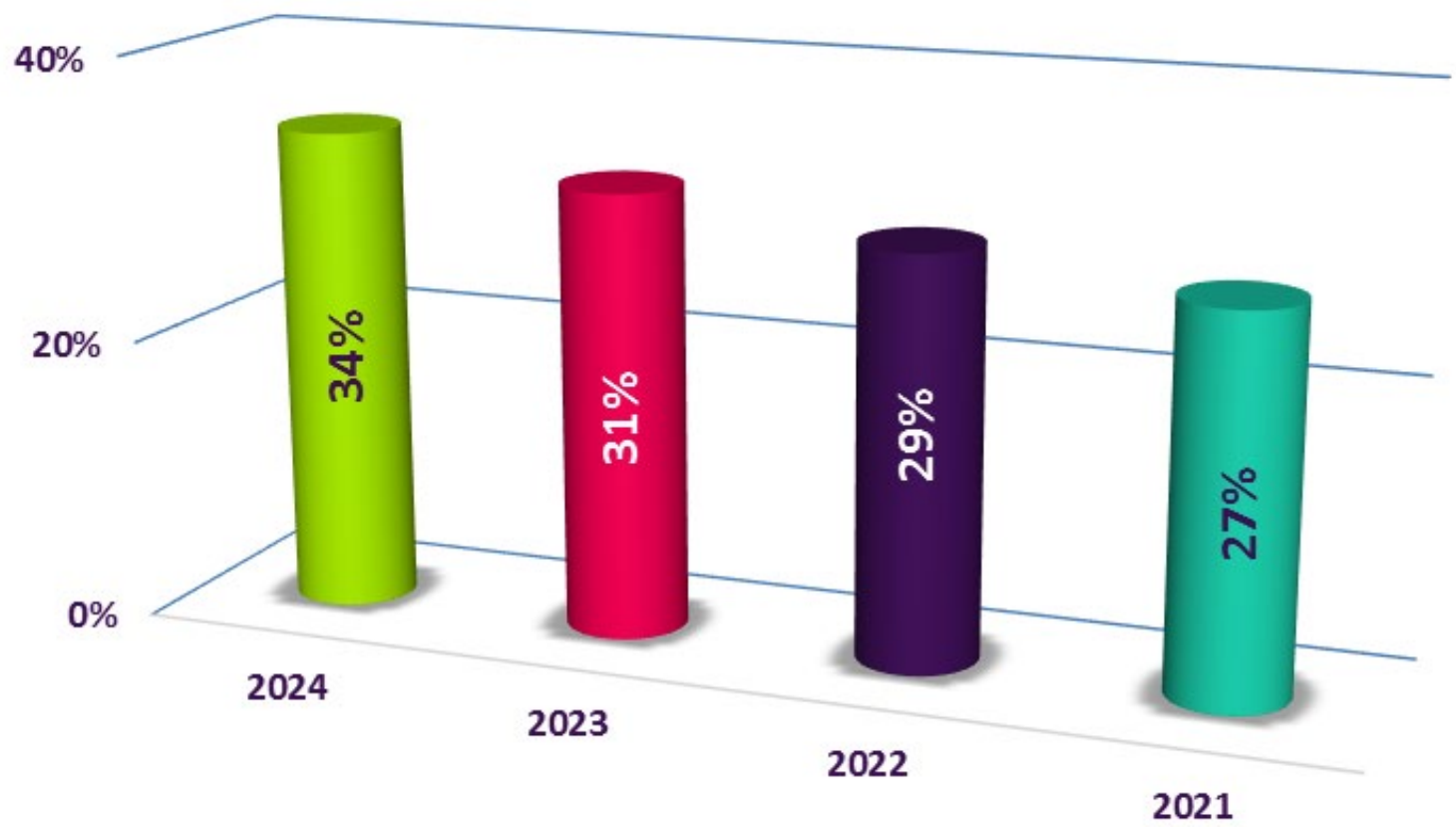
Marketing





Financials

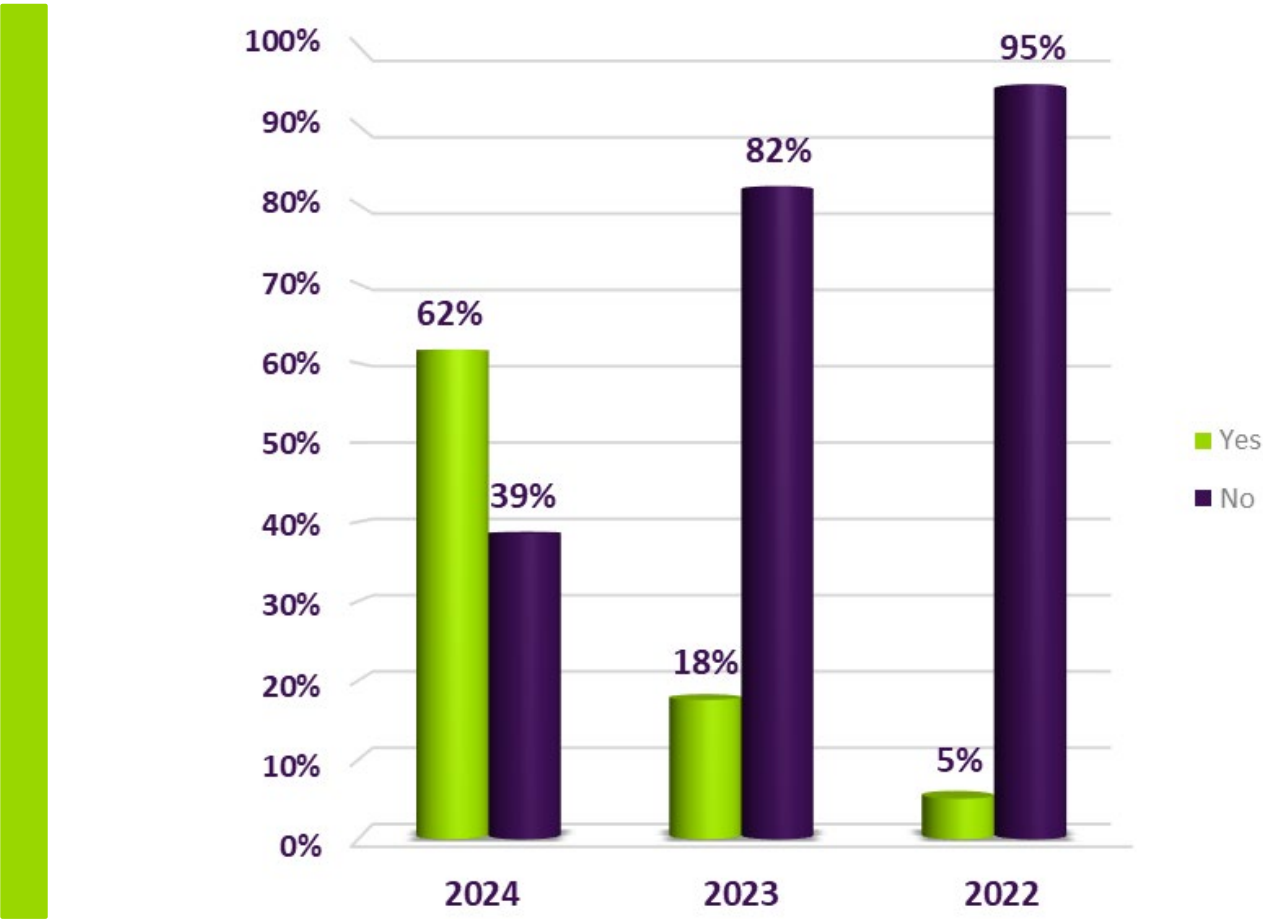
Gross Loan Book % of Assets



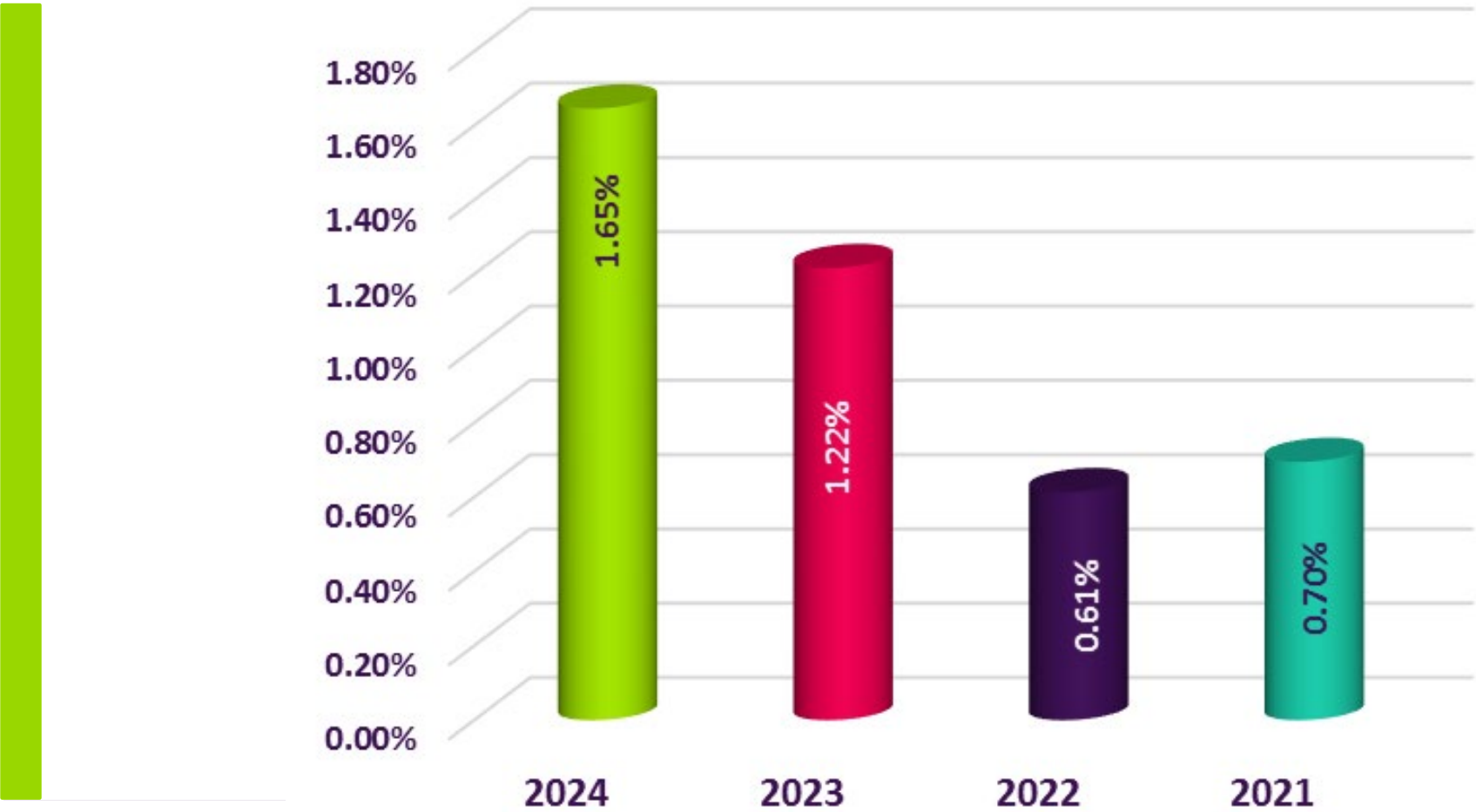
Average Interest Rate on Loans

	Community		Industrial	
	2024	2023	2024	2023
Average Interest Rate	7.8%	8.0%	6.2%	6.3%
Highest Average Interest Rate	11.7%	11.8%	8.3%	8.7%
Lowest Average Interest Rate	5.5%	5.8%	4.6%	4.6%

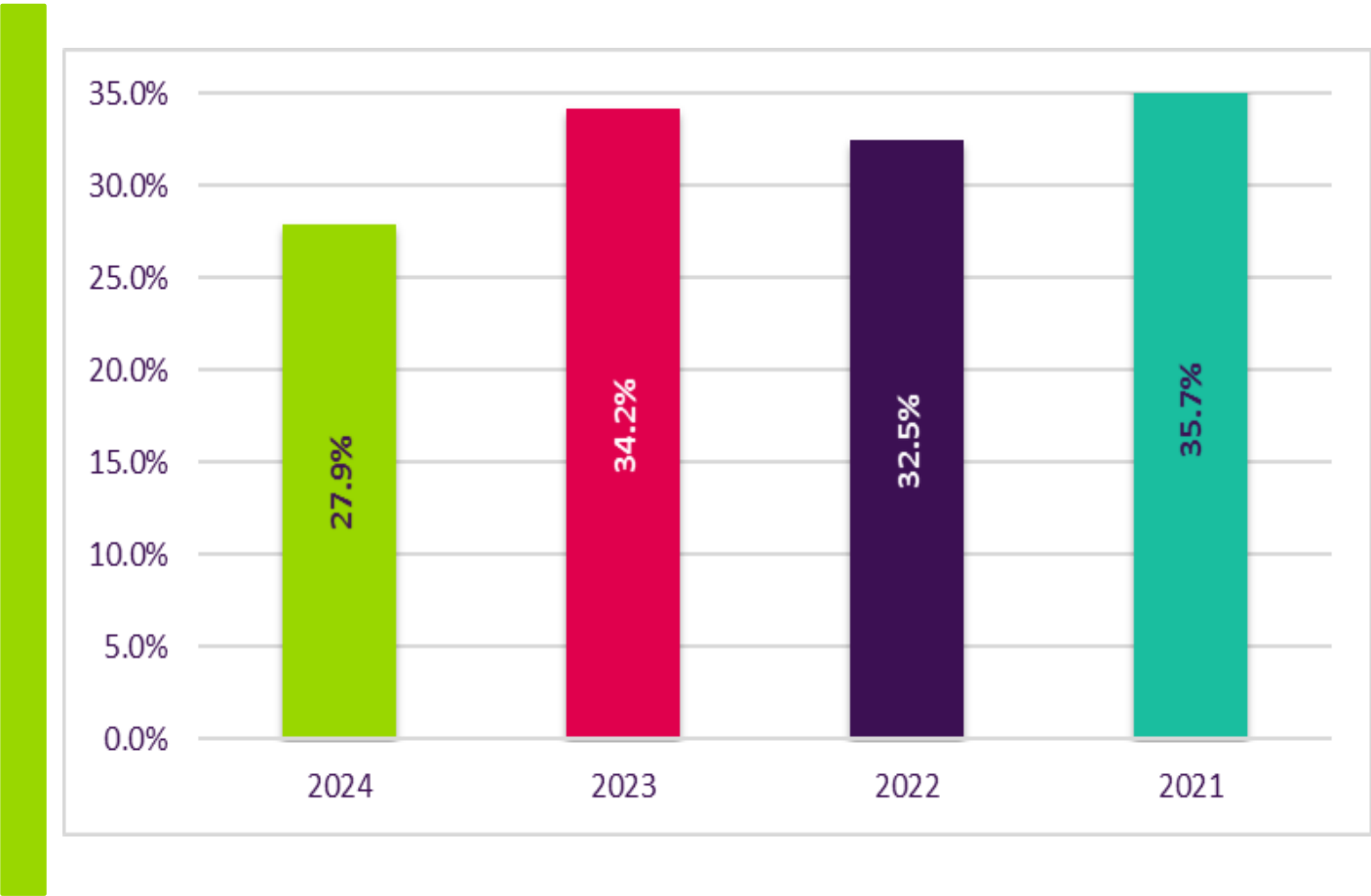
Did your Credit Union Pay a Dividend



Investment Performance



Wages % of Income



Wages/Income ratio		2024	2023
Community	Average	29.0%	31.7%
	Highest	47.6%	45.9%
	Lowest	15.7%	17.2%
Industrial	Average	22.4%	24.5%
	Highest	33.4%	34.2%
	Lowest	12.2%	13.6%

Cost to Income Ratio

Community

2024	2023
Average	
73%	79%

2024	2023
Highest	
99%	115%

2024	2023
Lowest	
44%	51%

Industrial

2024	2023
Average	
67%	74%

2024	2023
Highest	
90%	99%

2024	2023
Lowest	
52%	60%

Reserve Ratio

Community

2024	2023
Average	
16.6%	16.2%

2024	2023
Highest	
25.2%	25.2%

2024	2023
Lowest	
12.6%	12.1%

Industrial

2024	2023
Average	
16.4%	16.1%

2024	2023
Highest	
22.2%	21.9%

2024	2023
Lowest	
13.0%	13.3%

Bad Debt Provision as a % of the Loan Book

Community

2024	2023
Average	
5.8%	6.2%

2024	2023
Highest	
13.7%	15.6%

2024	2023
Lowest	
1.2%	1.6%

Industrial

2024	2023
Average	
3.1%	3.2%

2024	2023
Highest	
5.6%	5.9%

2024	2023
Lowest	
1.3%	0.9%



Loan Book

Loan Book Growth

Community

	2024	2023
	Average	
Loans Issued Growth	5%	9%
Loan Book Growth	9%	9%

2024	2023
Highest	
35%	45%
26%	37%

2024	2023
Lowest	
-34%	-13%
-5%	-3%

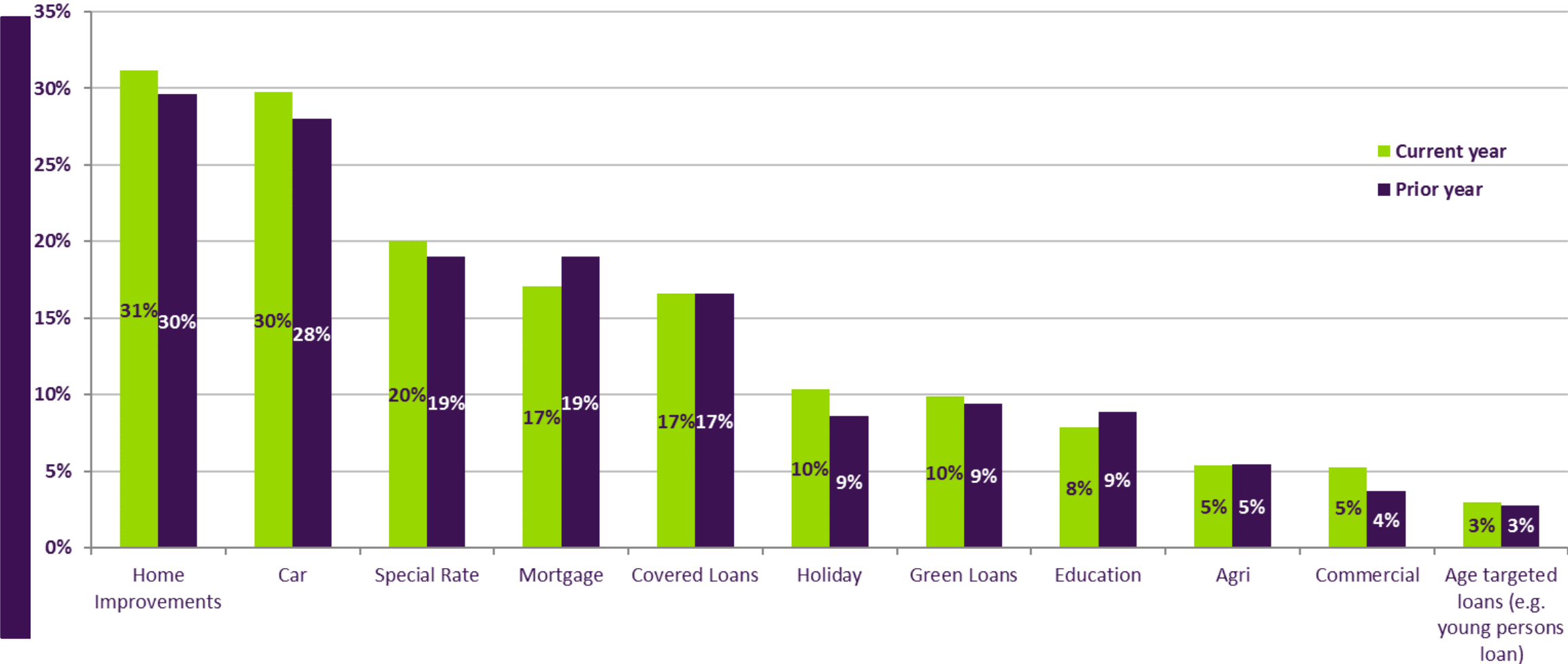
Industrial

	2024	2023
	Average	
Loans Issued Growth	7%	20%
Loan Book Growth	14%	15%

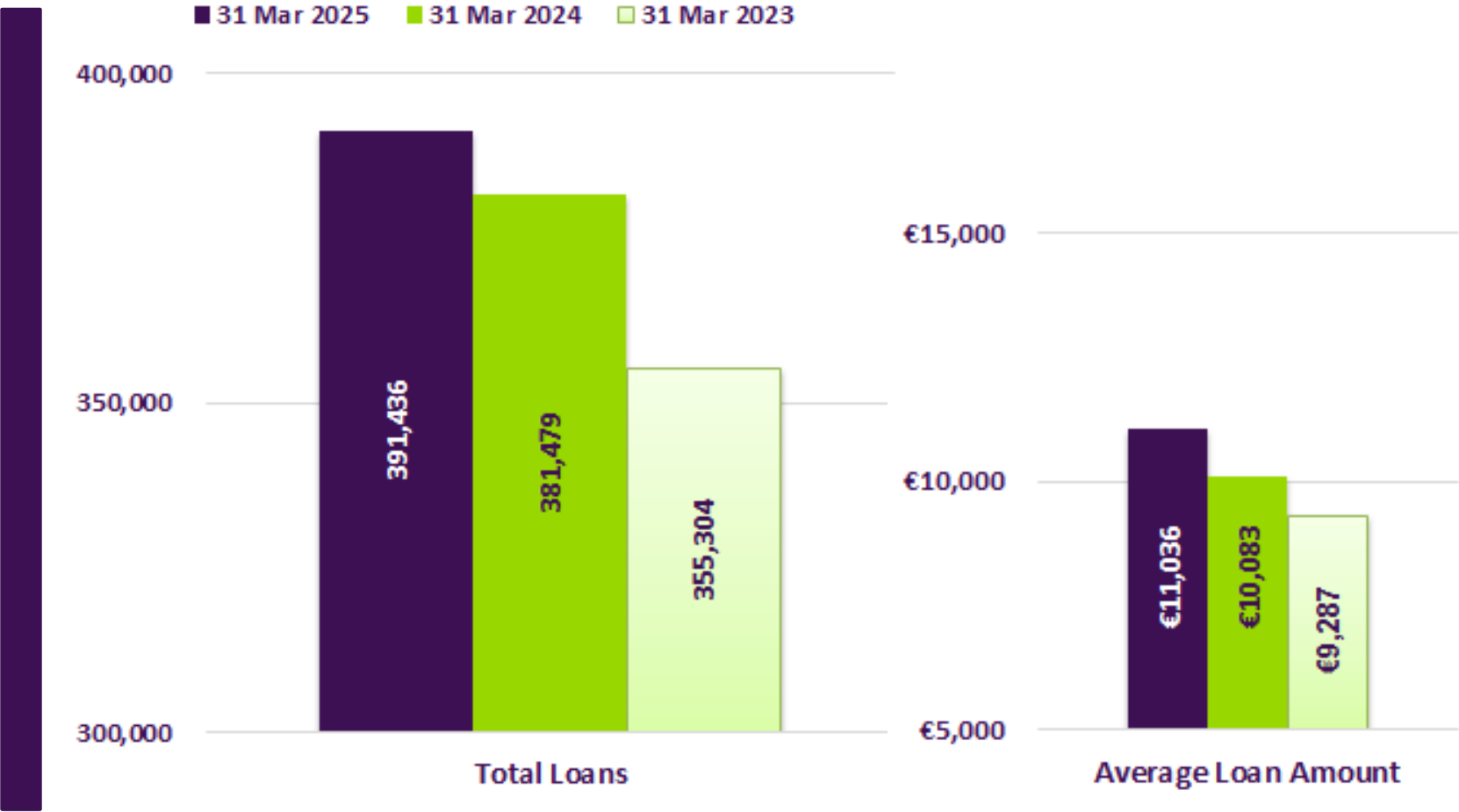
2024	2023
Highest	
23%	70%
23%	27%

2024	2023
Lowest	
-6%	-13%
6%	5%

Fastest Growing Loan Type



Lending Analysis

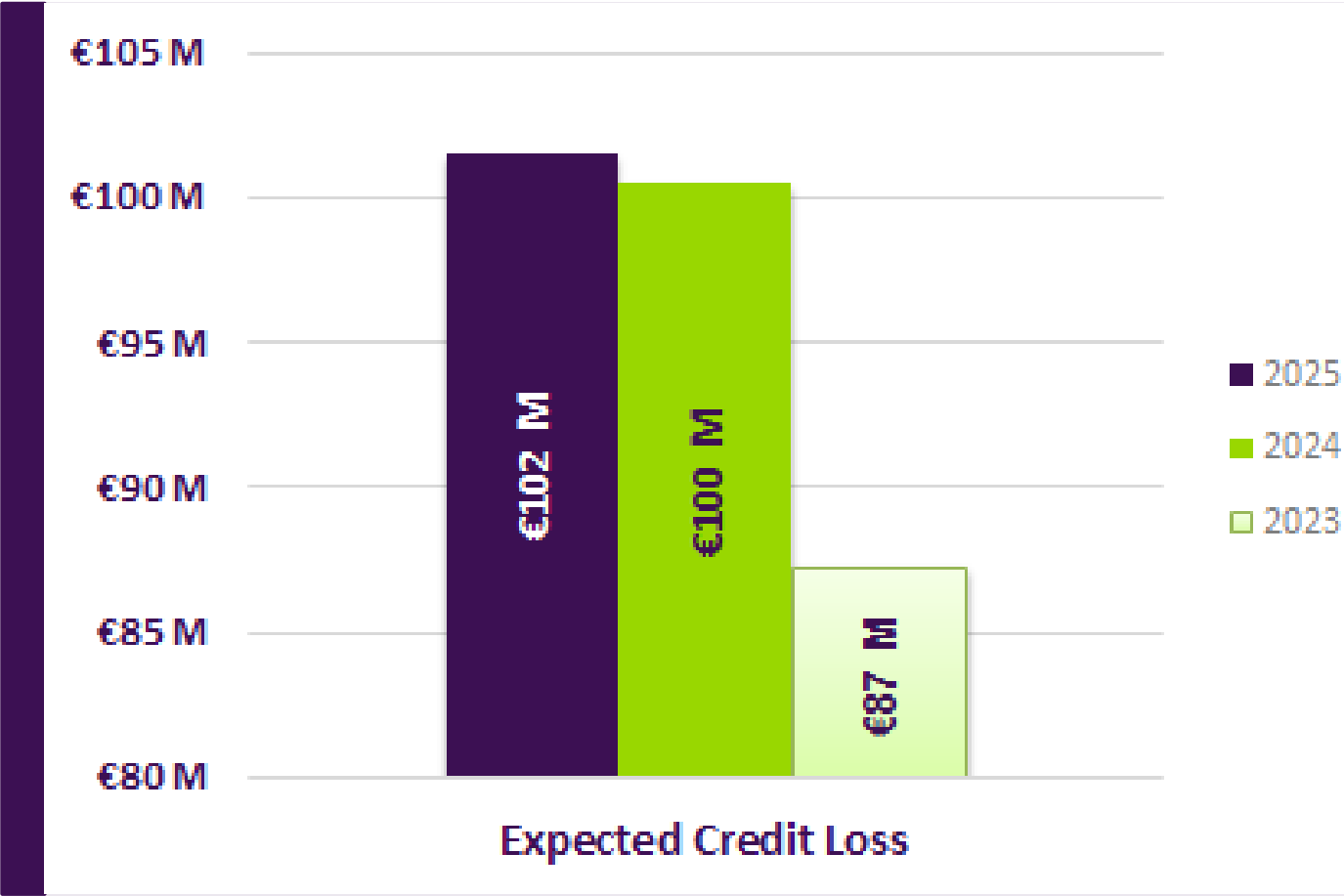


Thank you to CUFA for providing the following data.

Based on data from 63 Credit Unions

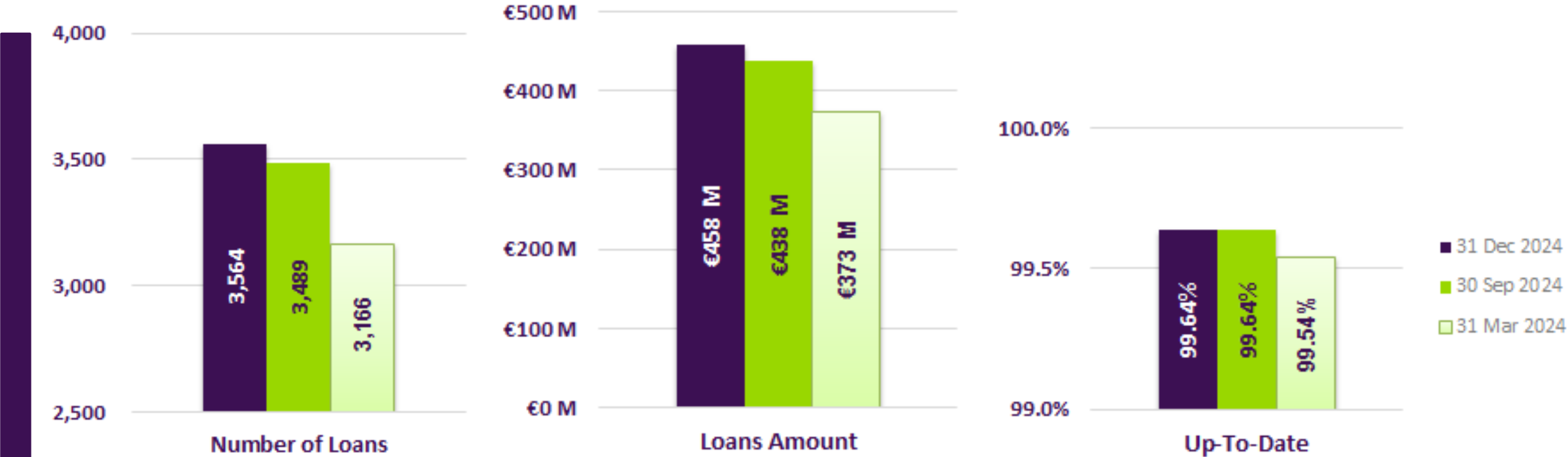
- 52 Community
- 11 Industrial

Value of Loans



As at 31 Mar	Loans in arrears > 0 per 1,000 issued	Loss Forecast % of NOB
2025	22.49%	2.81%
2024	28.1%	3.19%
2023	28.5%	3.31%

Mortgages



Expected loss on arrears of 23.86% (€395,601)

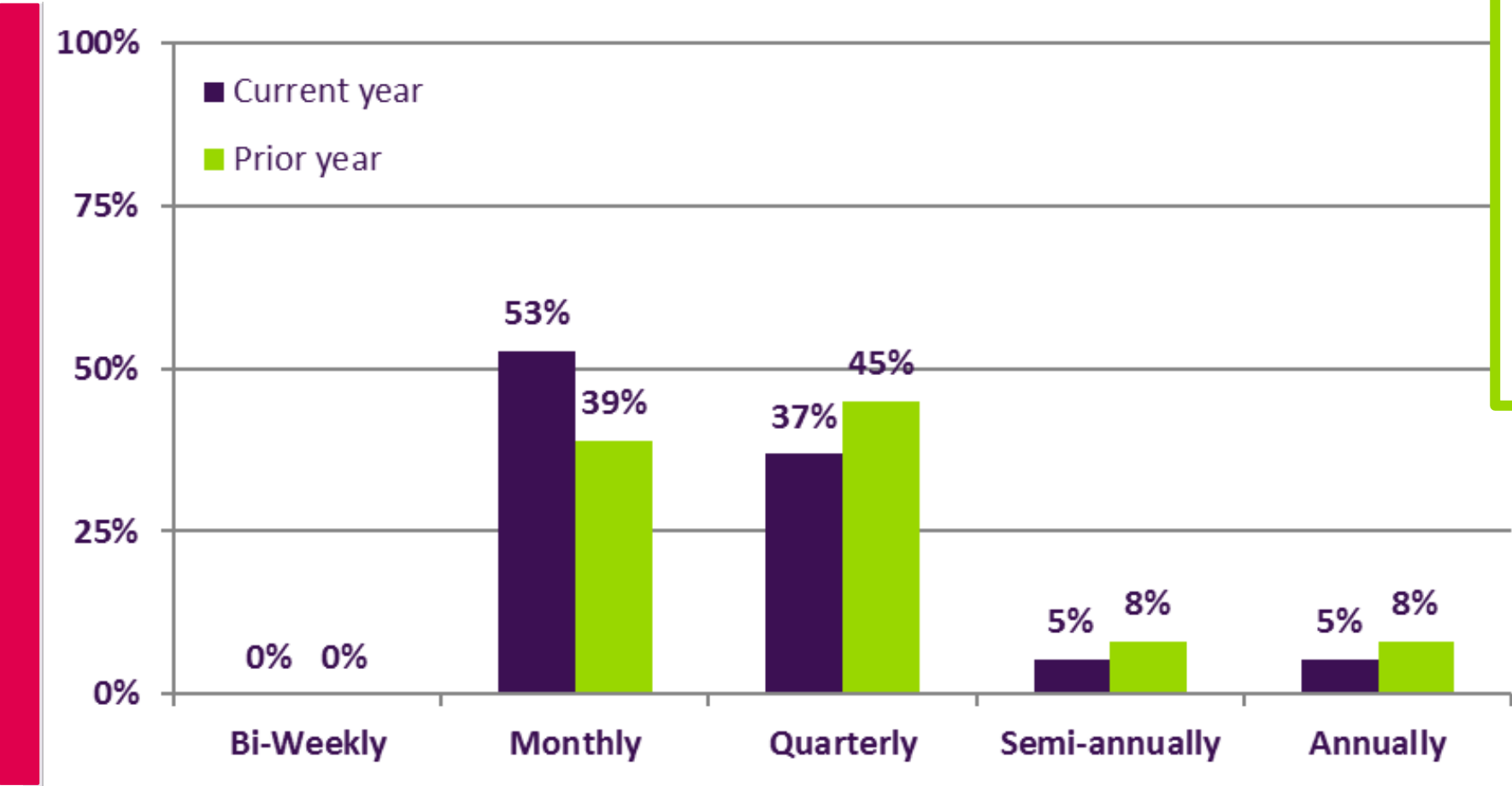
Good result considering in 2019 Expected loss on mortgage arrears was around 41%

STRATEGIC PLANNING

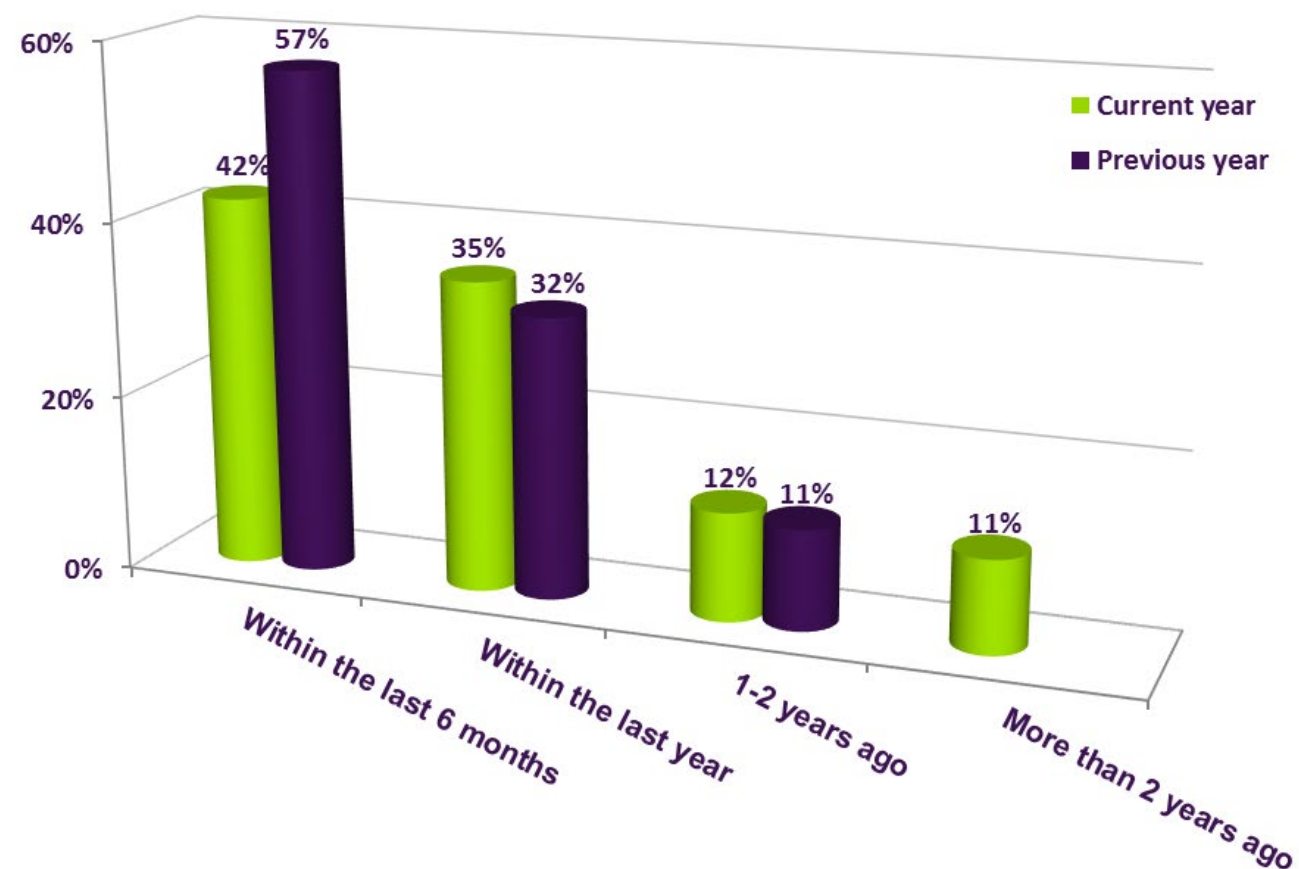


Strategy

Strategic Plan Tracking



Strategic Plan Review and Update

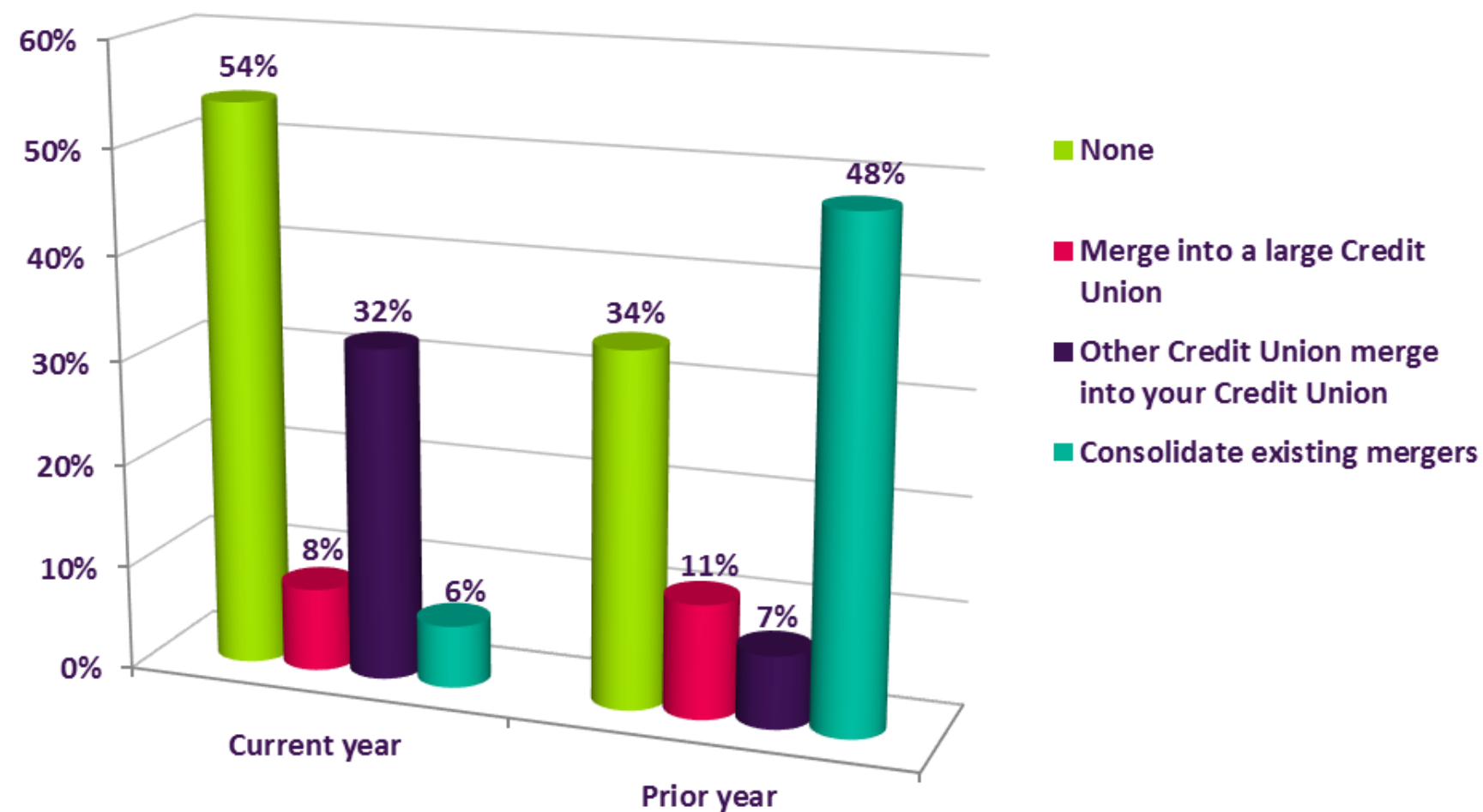


53% reported
tweaking
previous plan

44% re-wrote
their plan

3% made no
changes to the
previous plan

Merger Plans in next 3 years





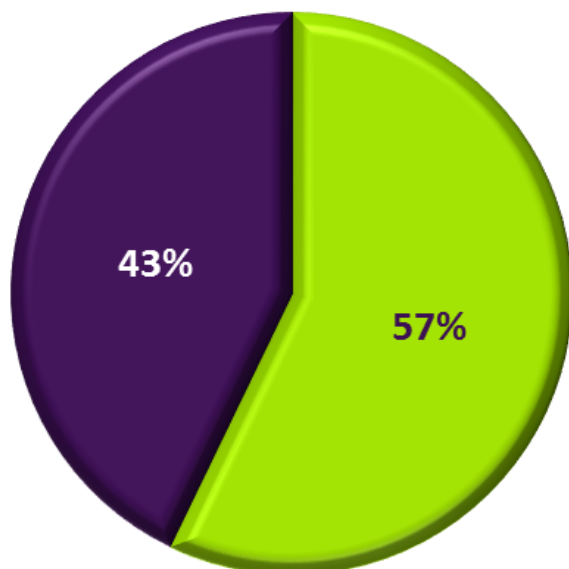
Human Resources

Human Resources

The employment landscape has changed significantly, have you conducted a HR Organisational Review in the past 3 years?

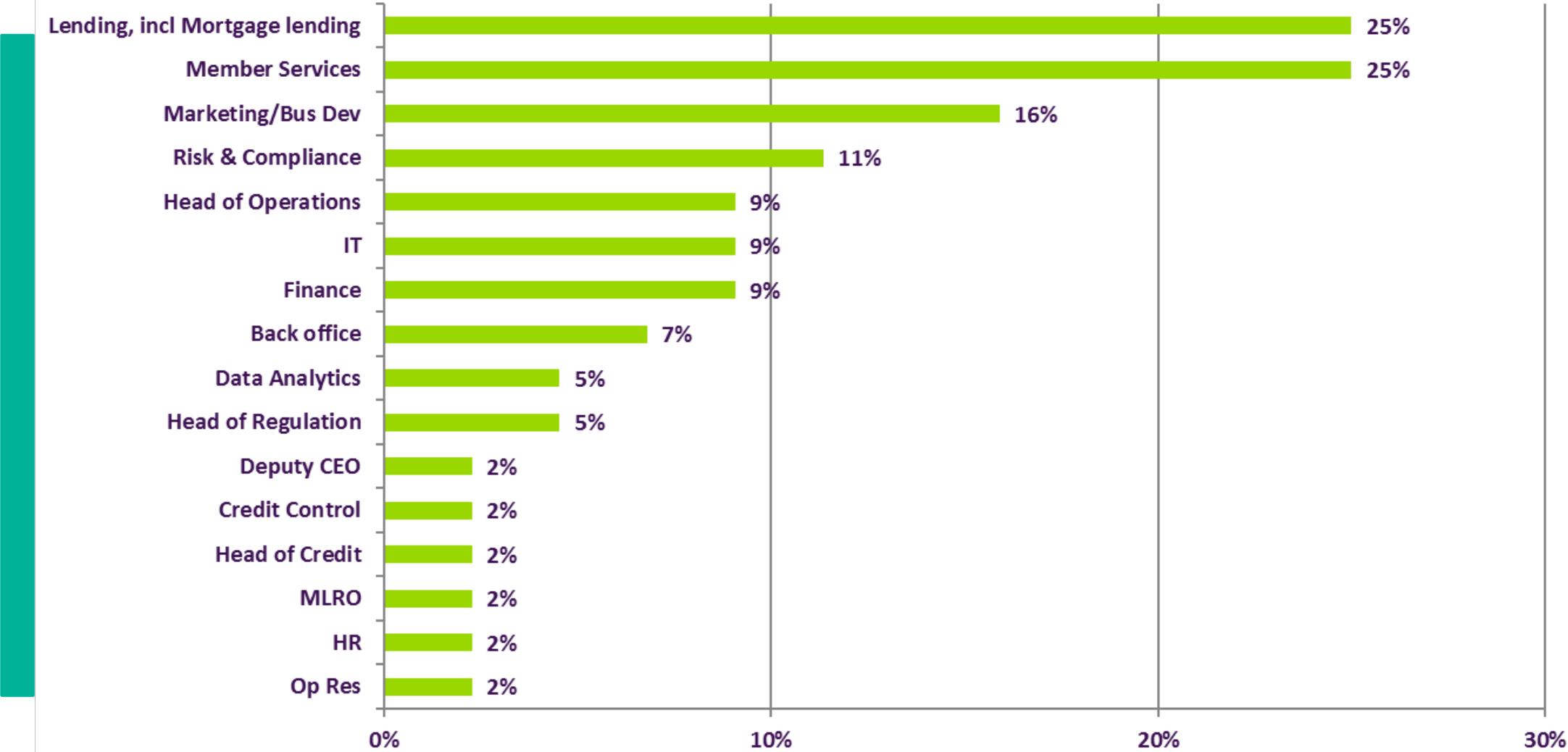
■ Yes

■ No



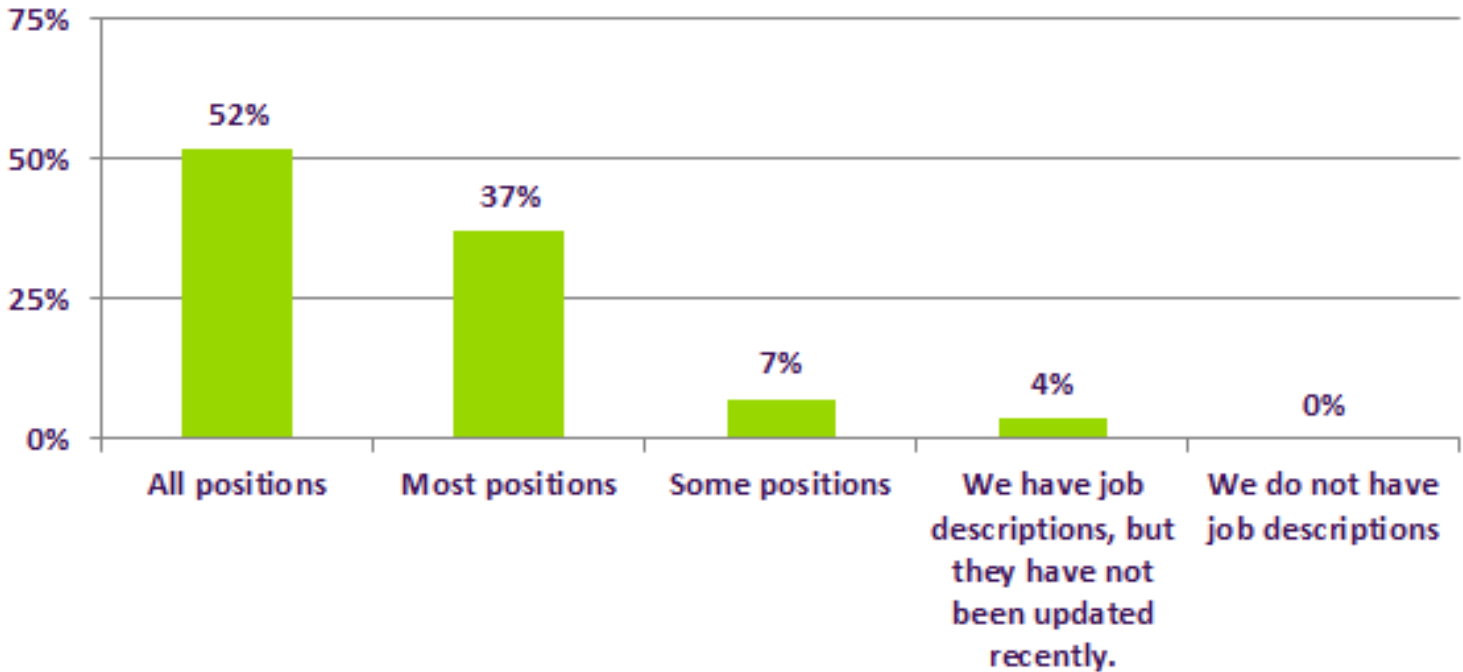
- ❖ **34%** of Credit Union said that their current structure and people operations **absolutely** support their operational needs – Strategic Plan in place and operations are aligned appropriately.
- ❖ **59%** said they **somewhat** support their operational needs – Operations support some, but not all areas adequately.
- ❖ **7%** admitted to lacking the operational structure to sustain and grow the Credit Union.

Human Resources – Key roles to be filled in next 12 months



Human Resources

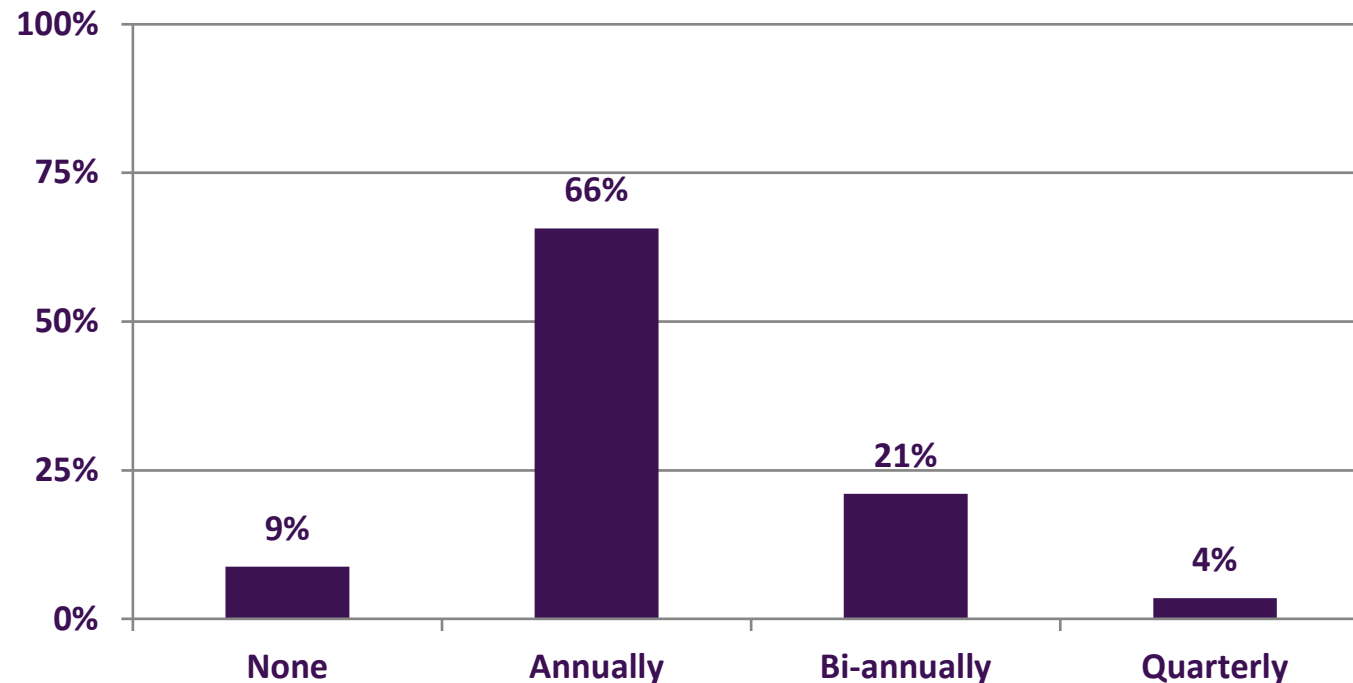
Does the credit union have Job Descriptions in place?



- ❖ 61% expect to maintain a steady hiring position in 2025/2026.
- ❖ 34% anticipate increasing hiring
- ❖ Only 5% expect to decrease the volume of external hiring

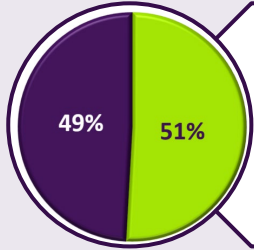
Performance Management

How often are Performance Appraisal Reviews conducted?

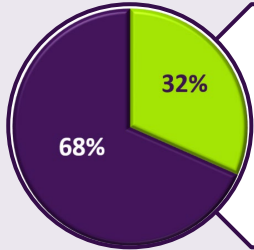


❖ 81% of Credit Unions have a Performance Management Framework in place.

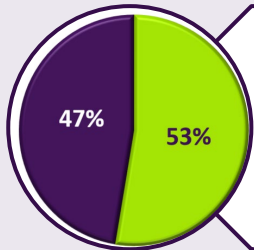
Performance Management



51% of Credit Union said employee objectives / KPIs were aligned to their Strategic Plan

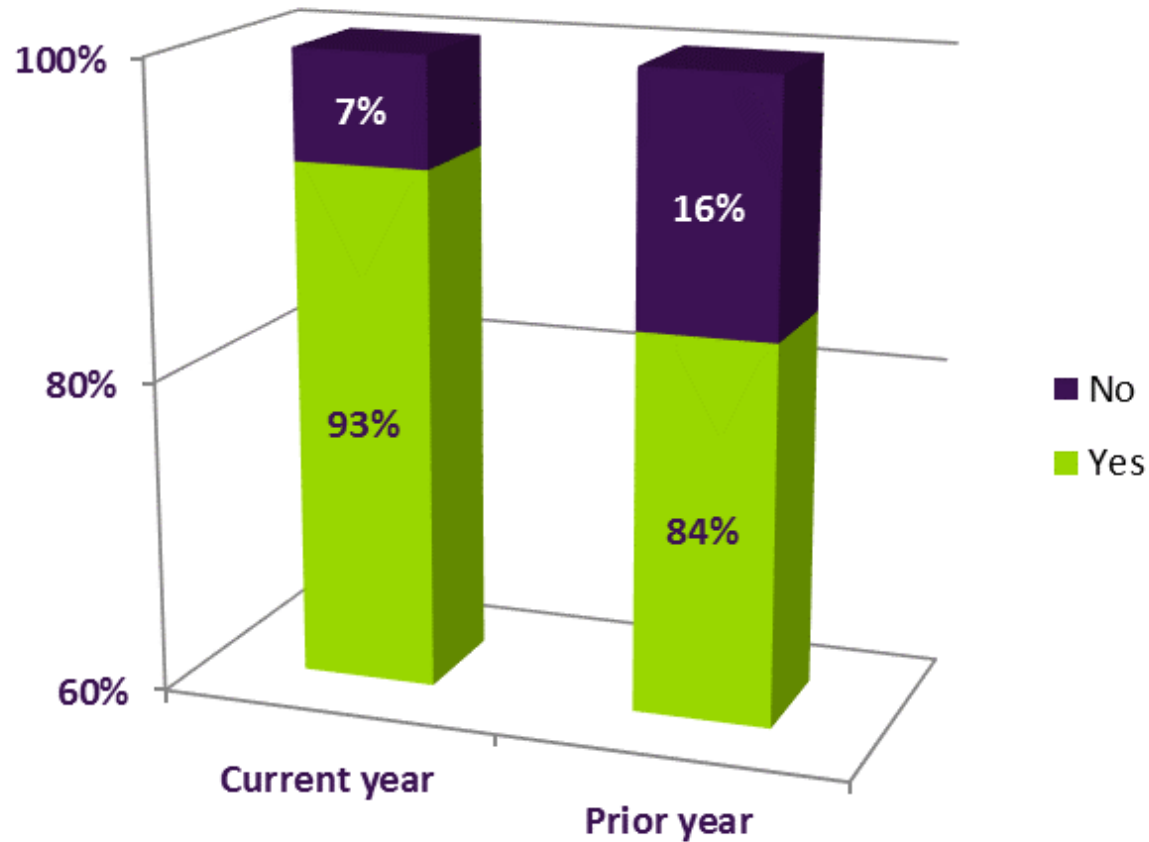


32% said salary progression was contingent on performance measured against objectives and KPIs



53% said that their Management team had been trained on conducting Performance Appraisal Reviews

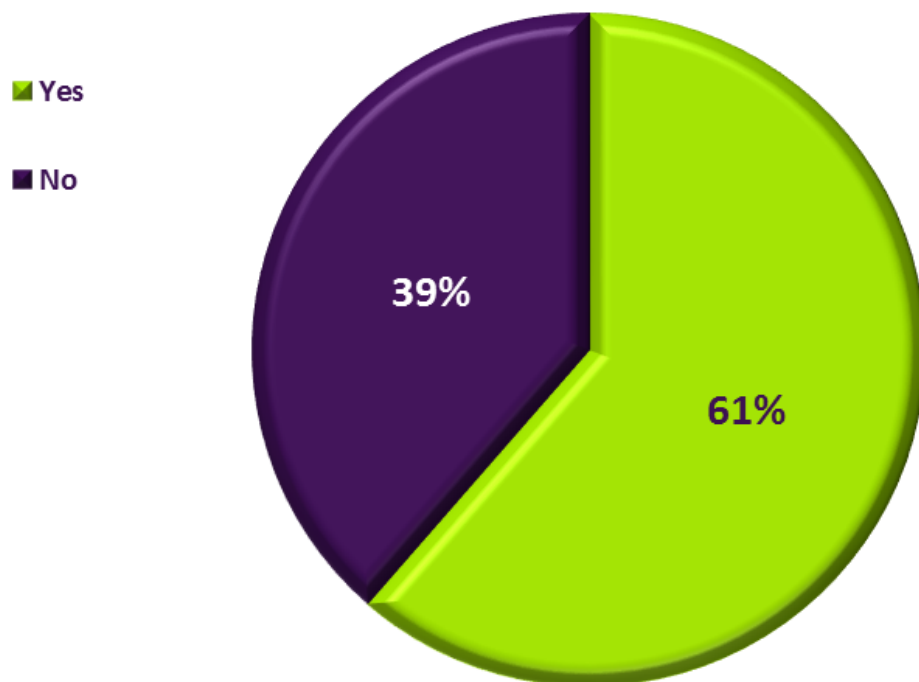
Have you implemented salary increases in the last 12 months?



- ❖ 66% applied a general increase to all roles across the Credit Union.
- ❖ The average salary increase was around 4%.
- ❖ 34% are implementing salary increases based on annual increments.

Compensation & Benefits

Have you conducted a Compensation & Benefits Review in your CU in the past 12 months?

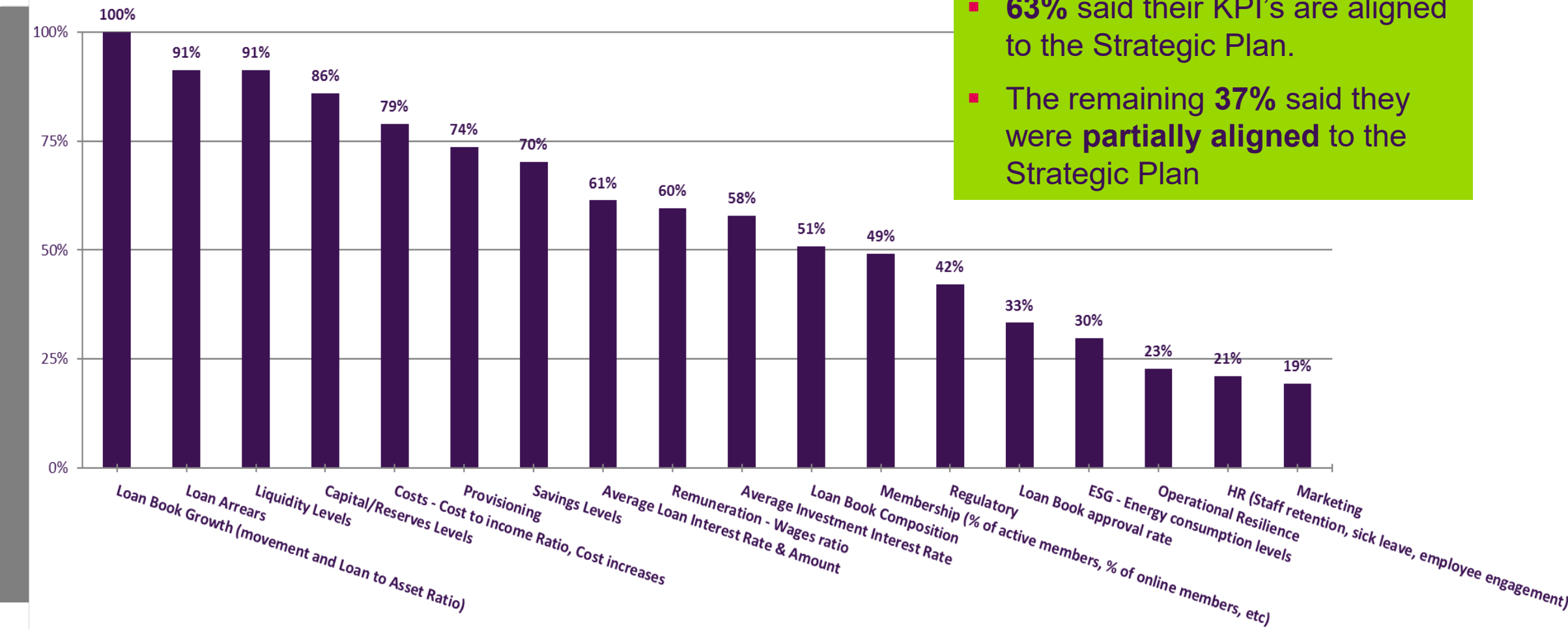


❖ Of the Credit Unions that responded **NO**, **38%** are planning on conducting a Compensation and Benefits Review in the **next 12 months**.

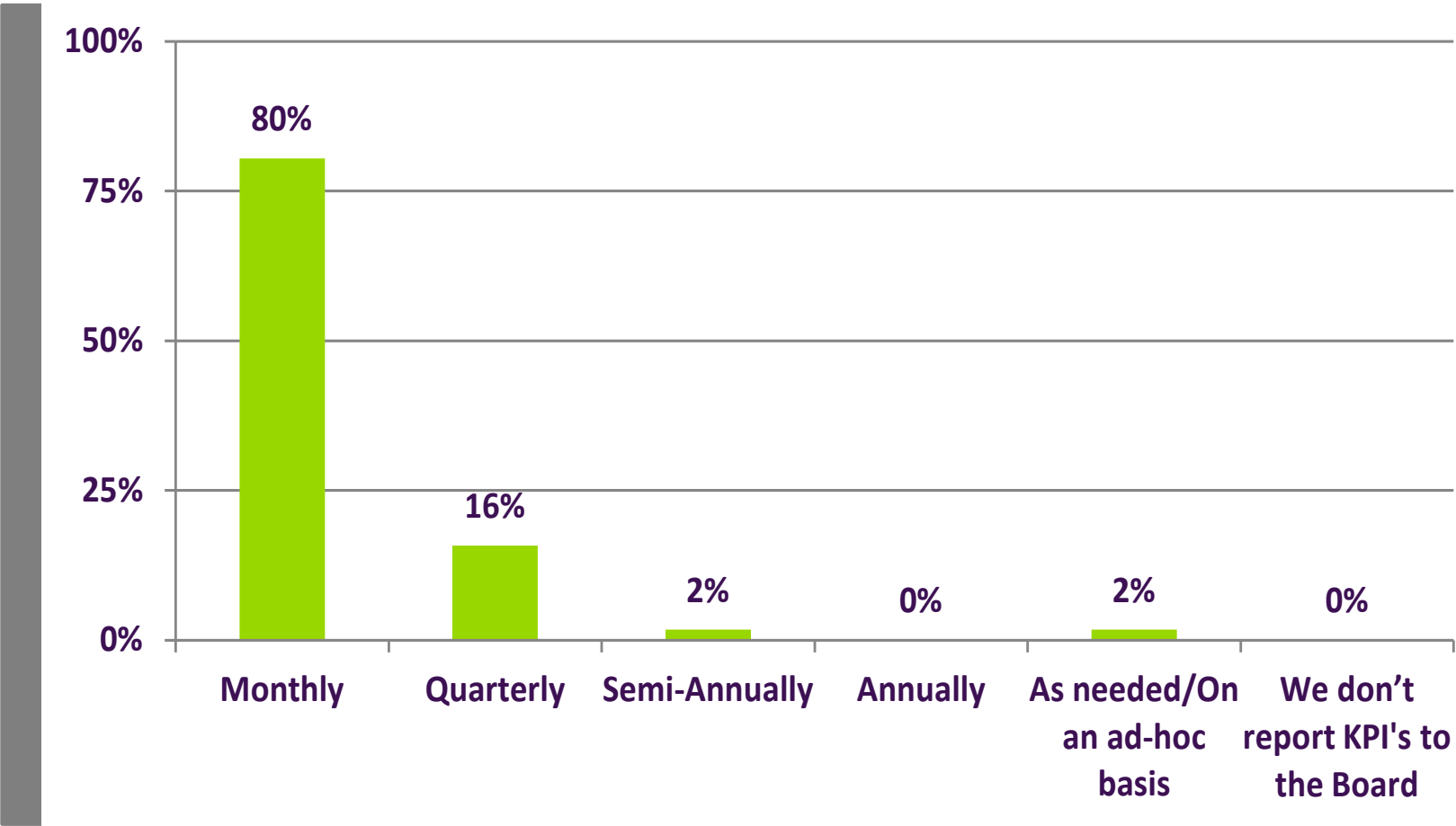


Board & KPI's

KPI's

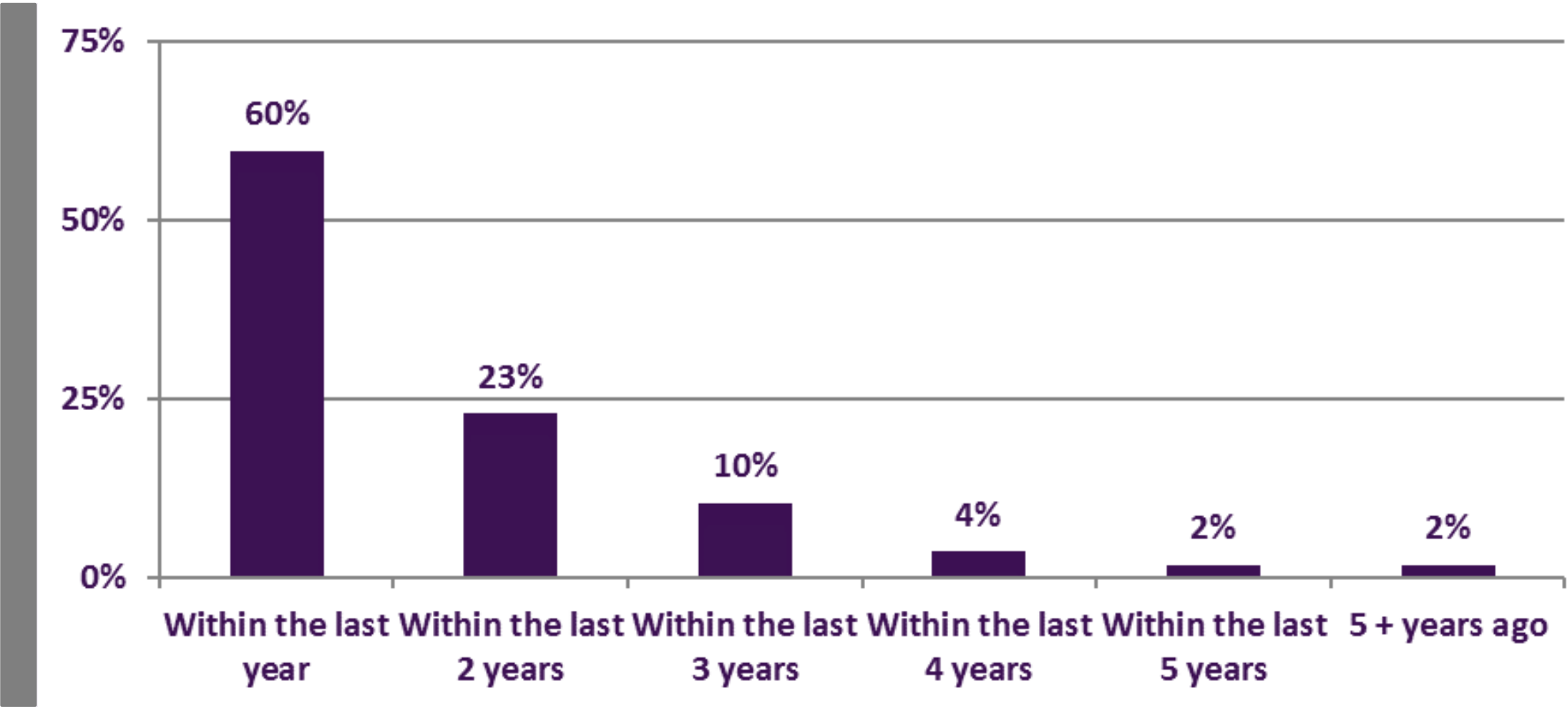


KPI Reporting



- **63%** of Credit Unions are reporting non-financial KPIs
- **75%** reported that KPIs are assisting with driving efficiencies.

When was the suite of KPI's last updated



Improving KPI's

56% said that a change to their KPIs was required

21% indicated **no** change to KPIs

11% noted that they were currently in the process of updating their KPIs

7% said they would like to streamline the KPI reporting process

5% indicated that KPI's could be enhanced with more benchmarking

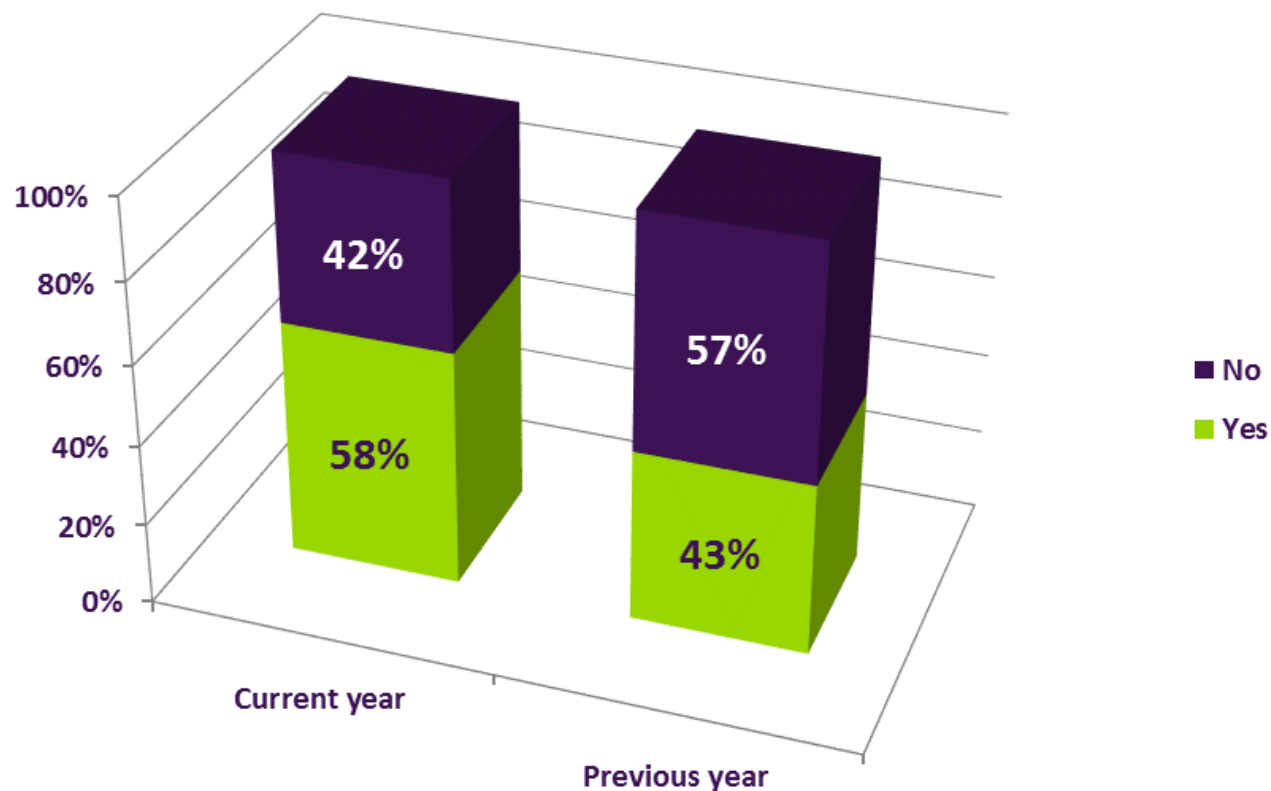


OPERATIONAL RESILIENCE

Operational Resilience

Operational Resilience

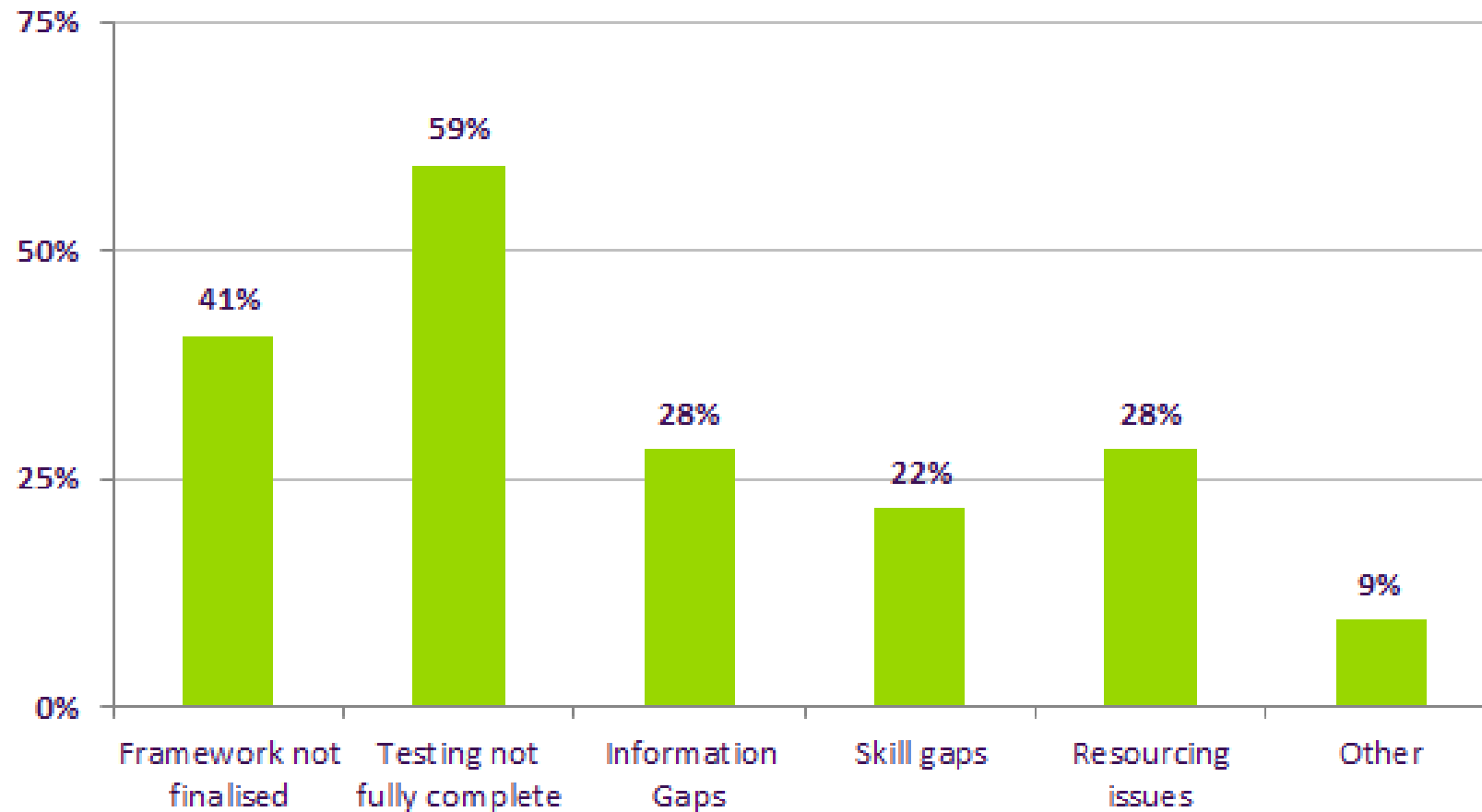
% of Credit Unions that have completed their Operational Resilience Framework



❖ Over half (51%) of the Credit Unions surveyed also had integrated operational resilience into the business.

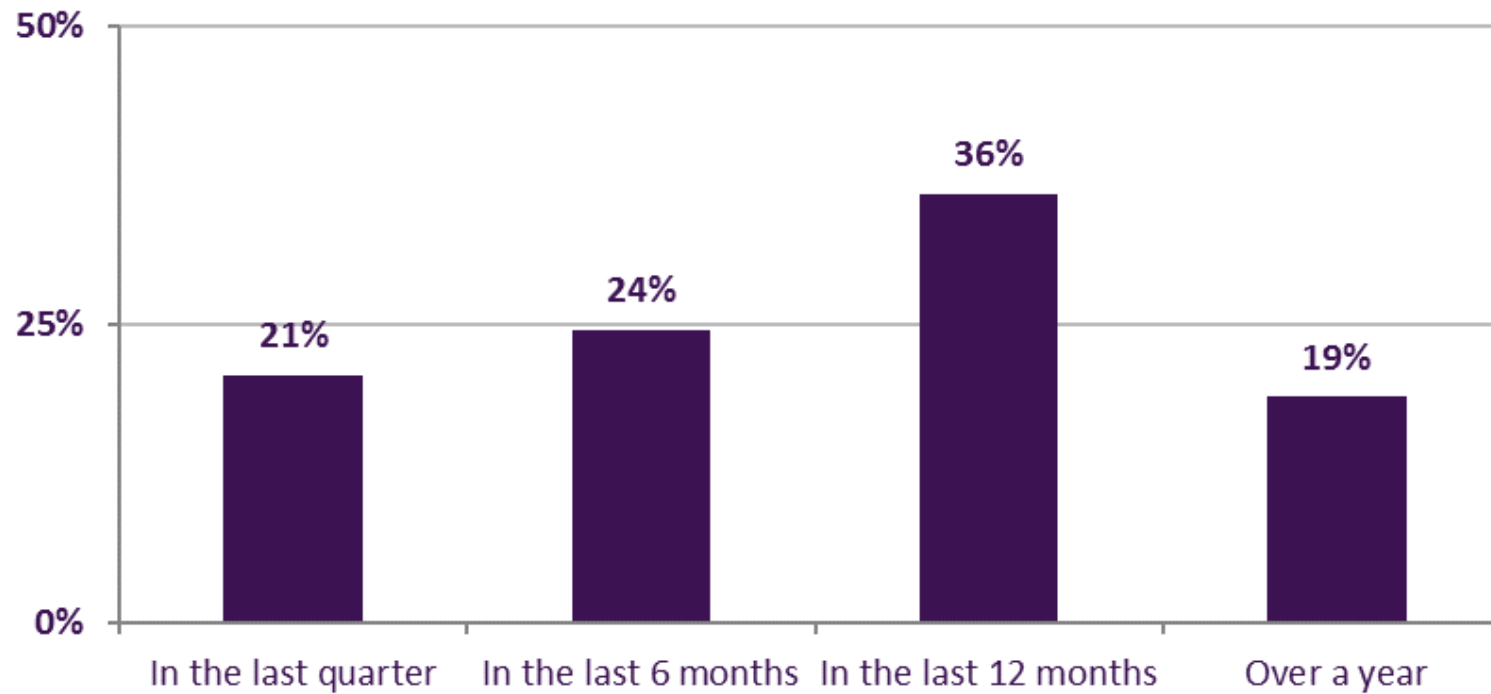
Operational Resilience

Of those who have not integrated operational resilience into the business yet, the following obstacles were highlighted.

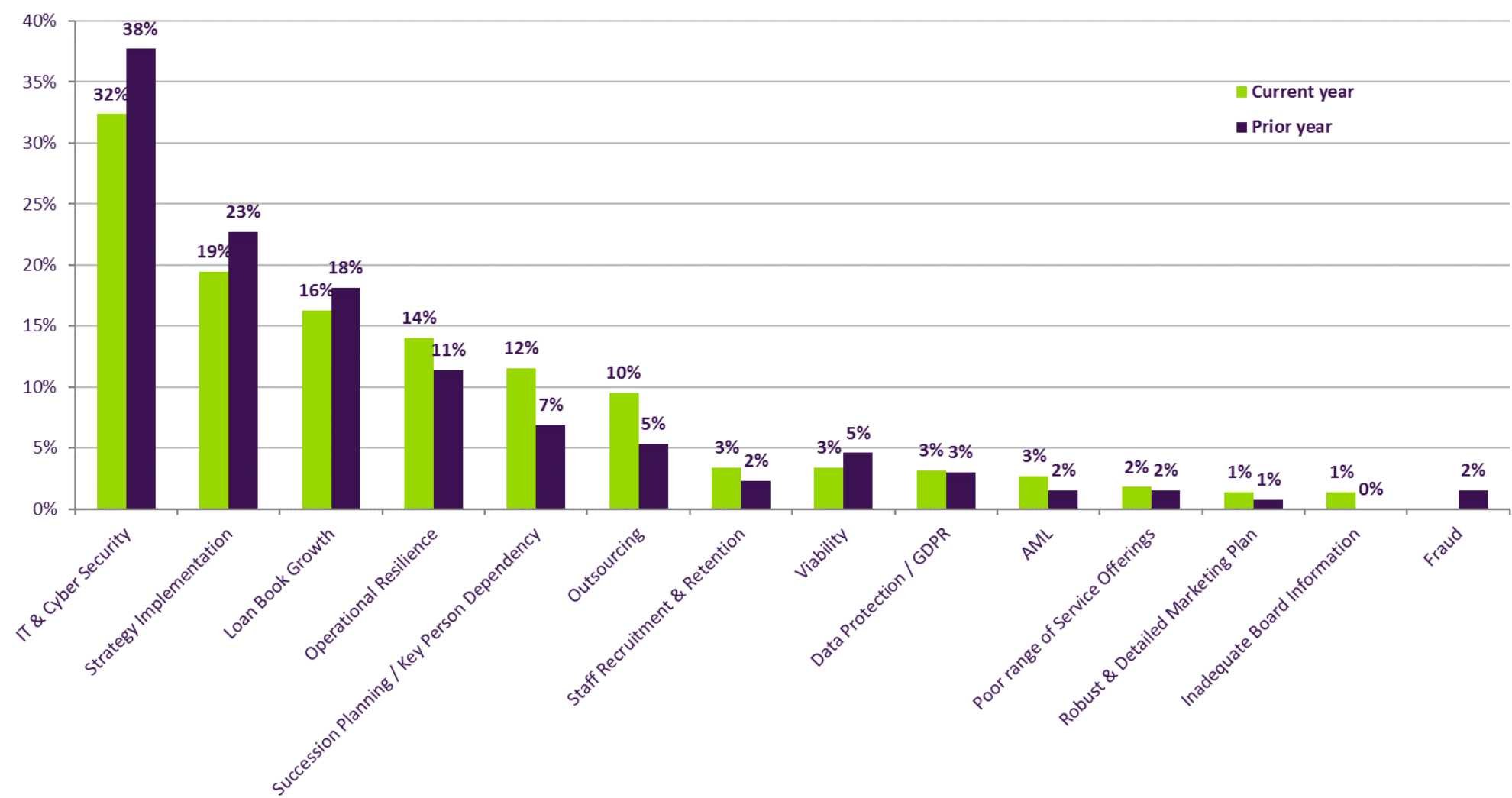


Operational Resilience - BCP

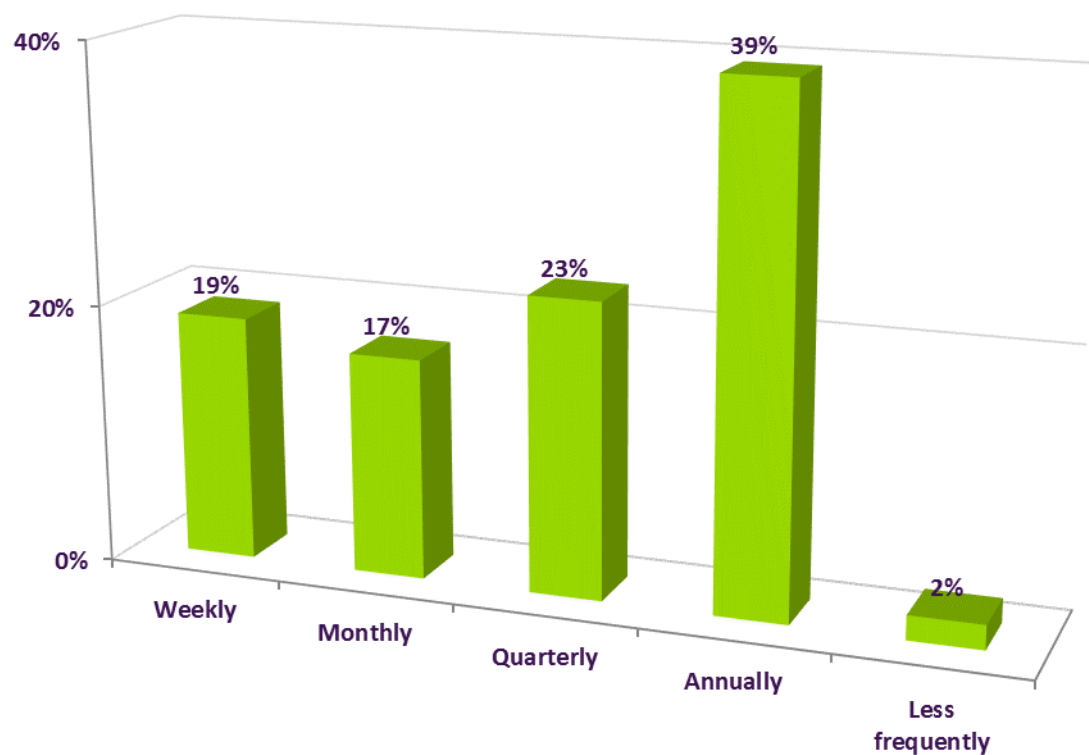
When was the last time you conducted BCP testing?



Top Risks Identified by Credit Unions

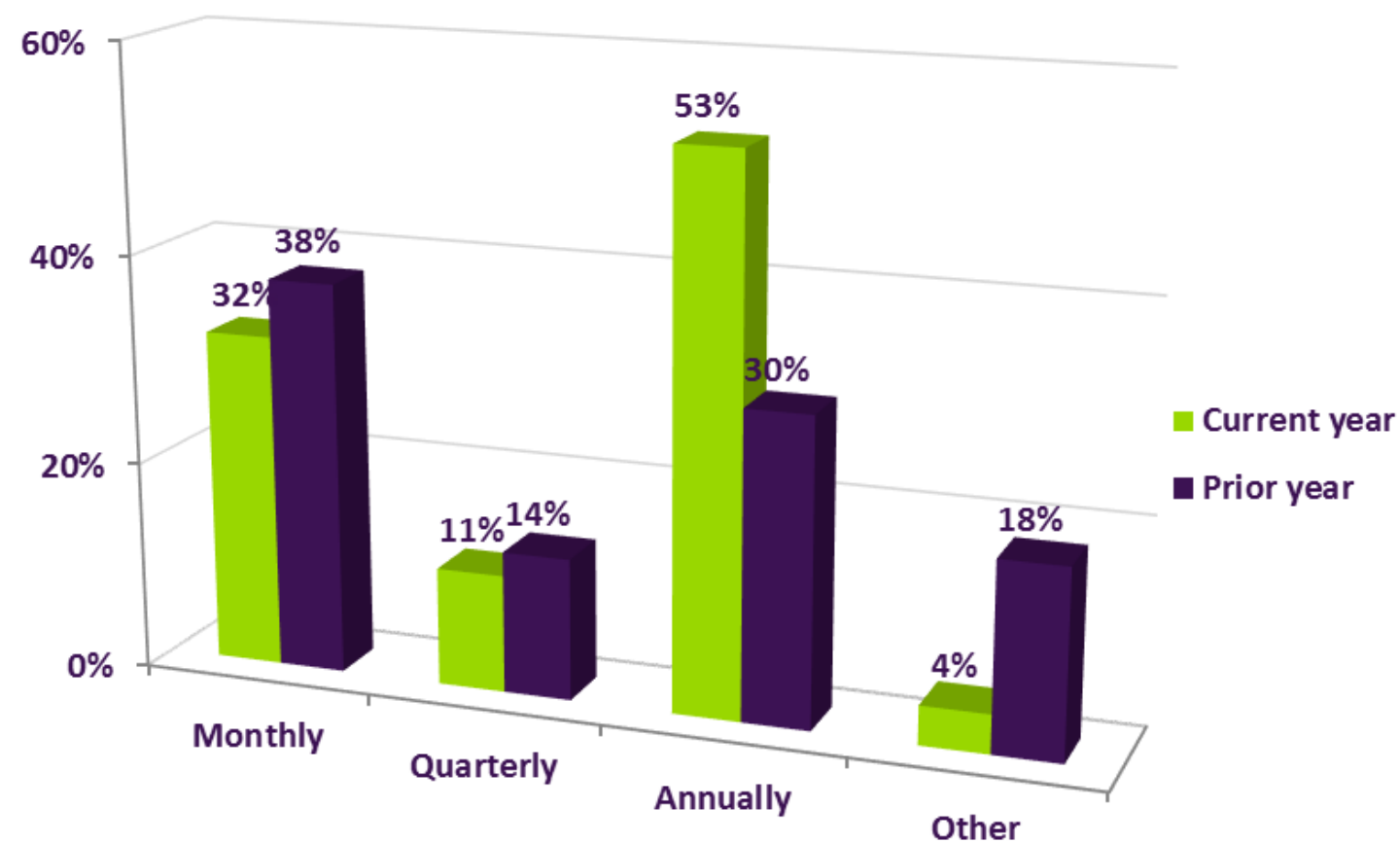


How often do you undertake vulnerability scanning?



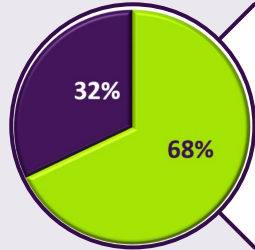
- ❖ 81% of Credit Unions have a documented Cyber Response Plan in place

Frequency of Cyber Awareness Training

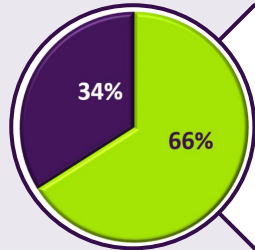


❖ 6% have experienced a Cyber Attack in the past 12 months, which is an increase from PY 2%

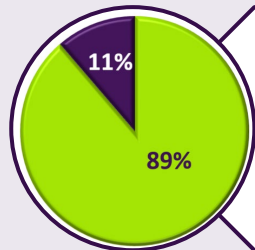
Outsourcing



68% of Credit Unions have updated their **Outsourcing Policy** for the requirements of Cross Industry Guidance on Outsourcing



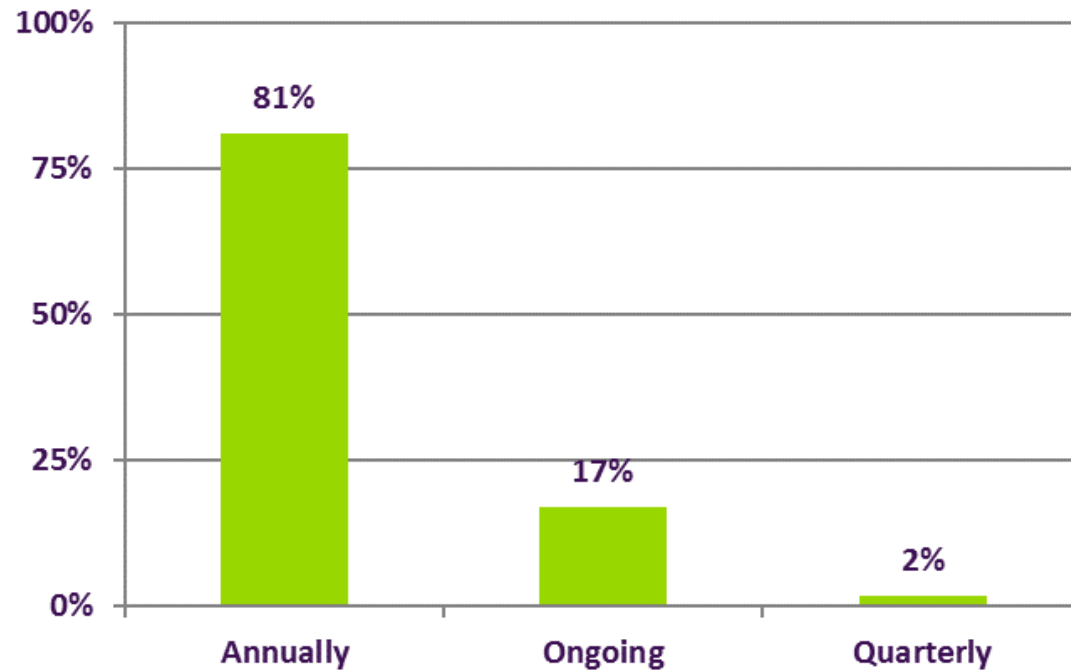
66% have updated their **Outsourcing Register** for the requirements of Cross Industry Guidance on Outsourcing



89% have appropriately defined **critical and important services**.

Reviewing Outsourced Providers

How often do you do performance reviews of your outsourced providers?

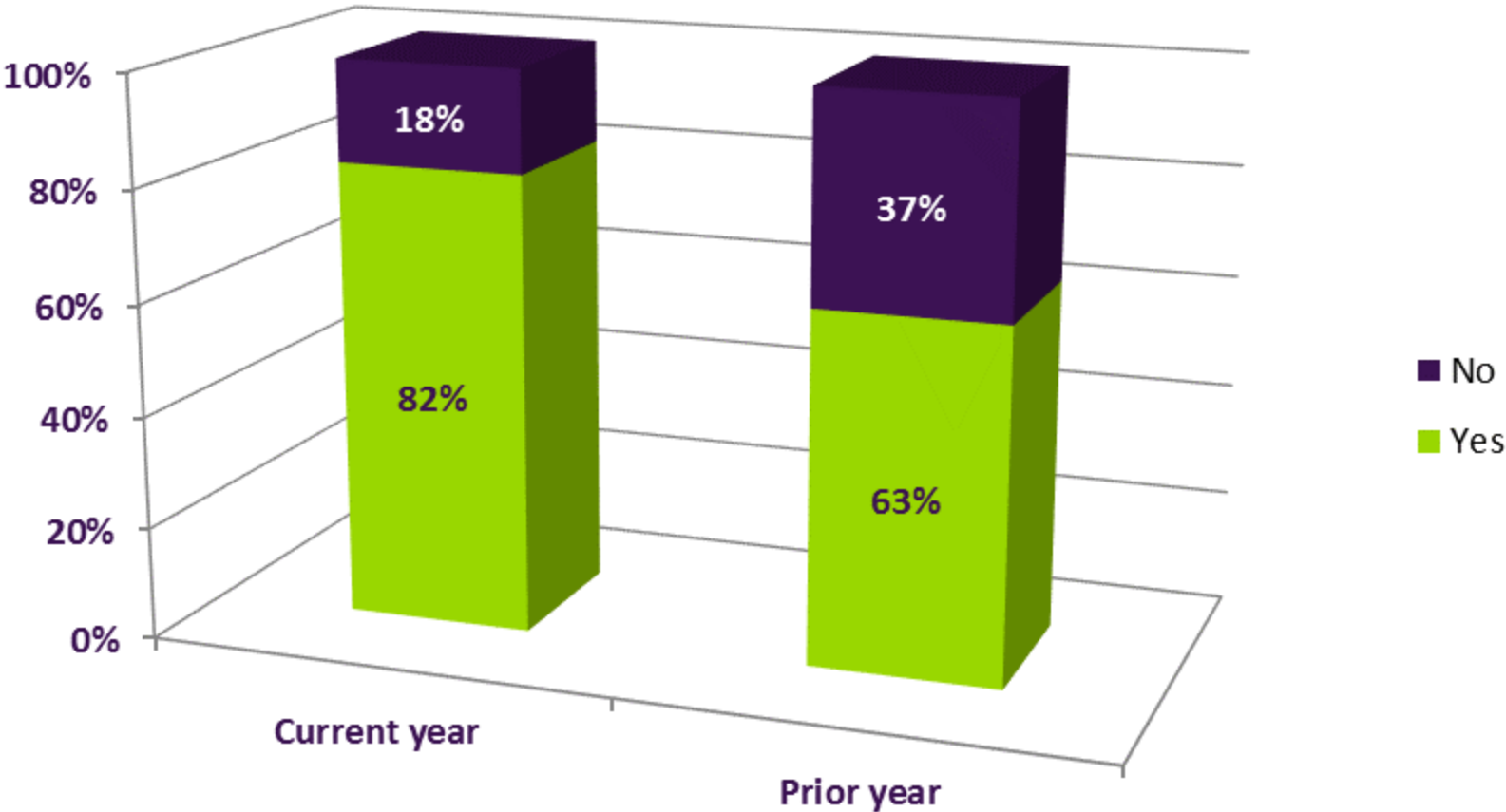


- ❖ **51%** of the Credit Unions survey do not think they have appropriate KPI's to measure the performance of their critical and important outsourcing arrangement.
- ❖ Only **32%** of respondents provide the output of performance reviews to the service providers.

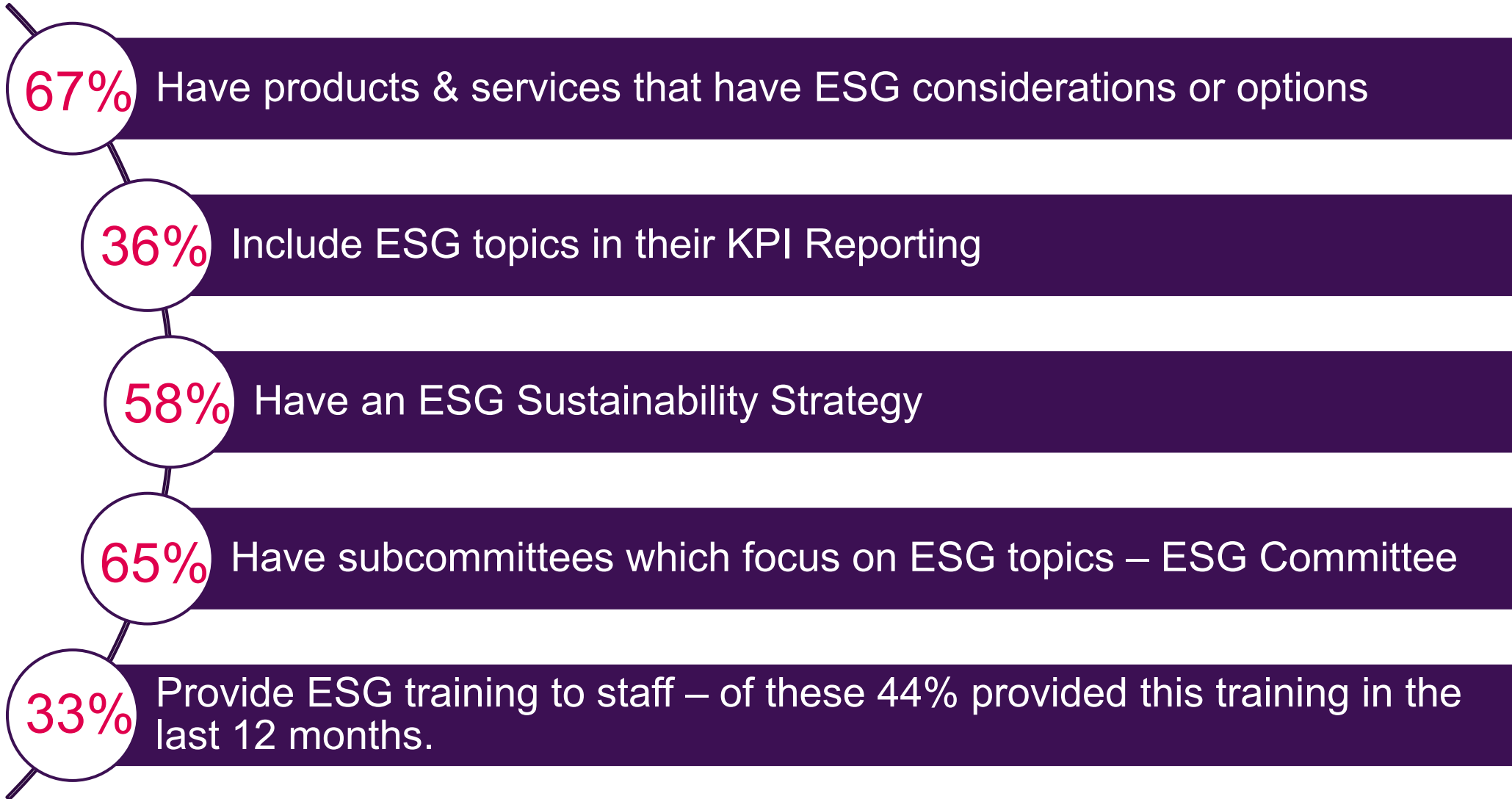


Climate Change/ESG

Credit Unions with a Climate Change/ESG Policy



Climate Change / ESG Considerations





Fitness & Probity

How often do you complete due diligence checks?

How often do you complete due diligence checks/ F&P certification on CPs?



- ✓ **92%** have completed a skills/qualification gap analysis to determine gaps in complying with the Minimum Competency Code.
- ✓ **91%** have put a plan in place to ensure that individuals obtain a relevant recognized qualification.
- ✓ **35%** are having difficulties getting employees / board member to obtain a relevant recognized qualification.

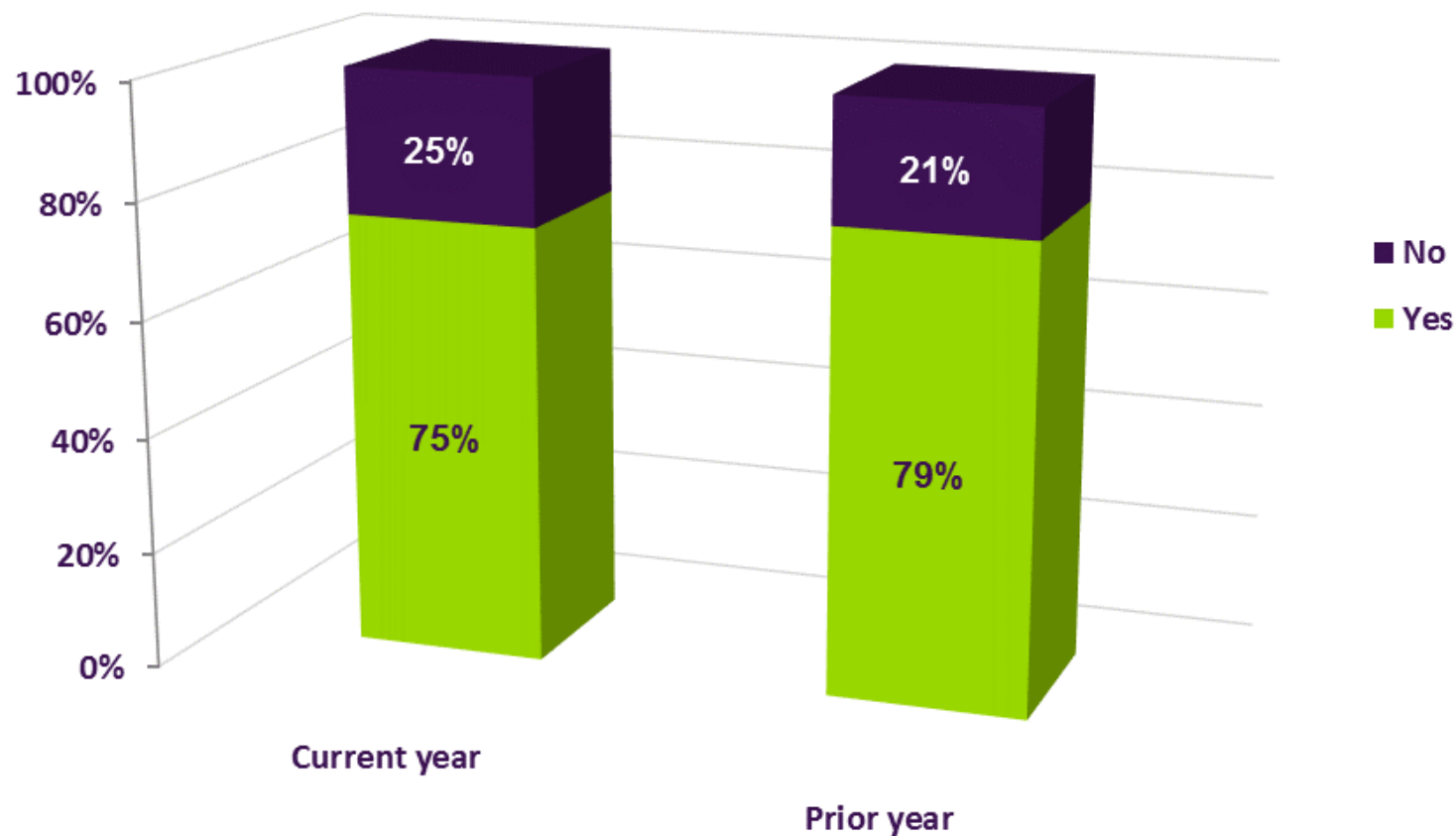
Challenges in implementing MCC

- ✓ Credit Unions surveyed have highlighted the following challenges in implementing the MCC:
 - ❑ 25% expressed concerns around recruiting /attracting staff with the appropriate qualifications
 - ❑ 25% said uptake of training for current team and passing exams is a challenge.
 - ❑ 18% were worried about having a smaller pool to select from for Board and Committees.
 - ❑ 8% noted the cost and managing the process of qualifications was a burden on the Credit Union
- ✓ 24% were happy with the progress they were making and noted **no challenges** at this time



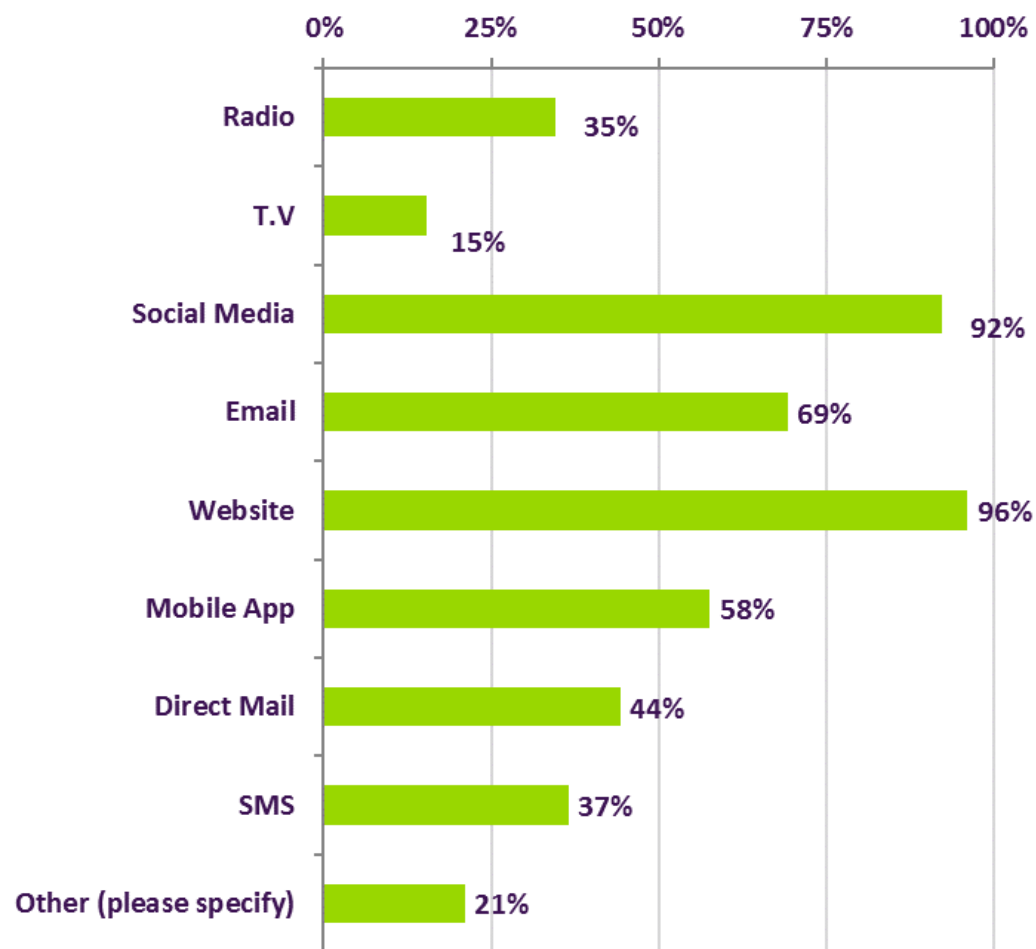
Marketing

Credit Unions with a specific/separate Marketing/Bus Development Function



65% of Credit Unions met their new member targets in the last financial year

Platforms used to target members

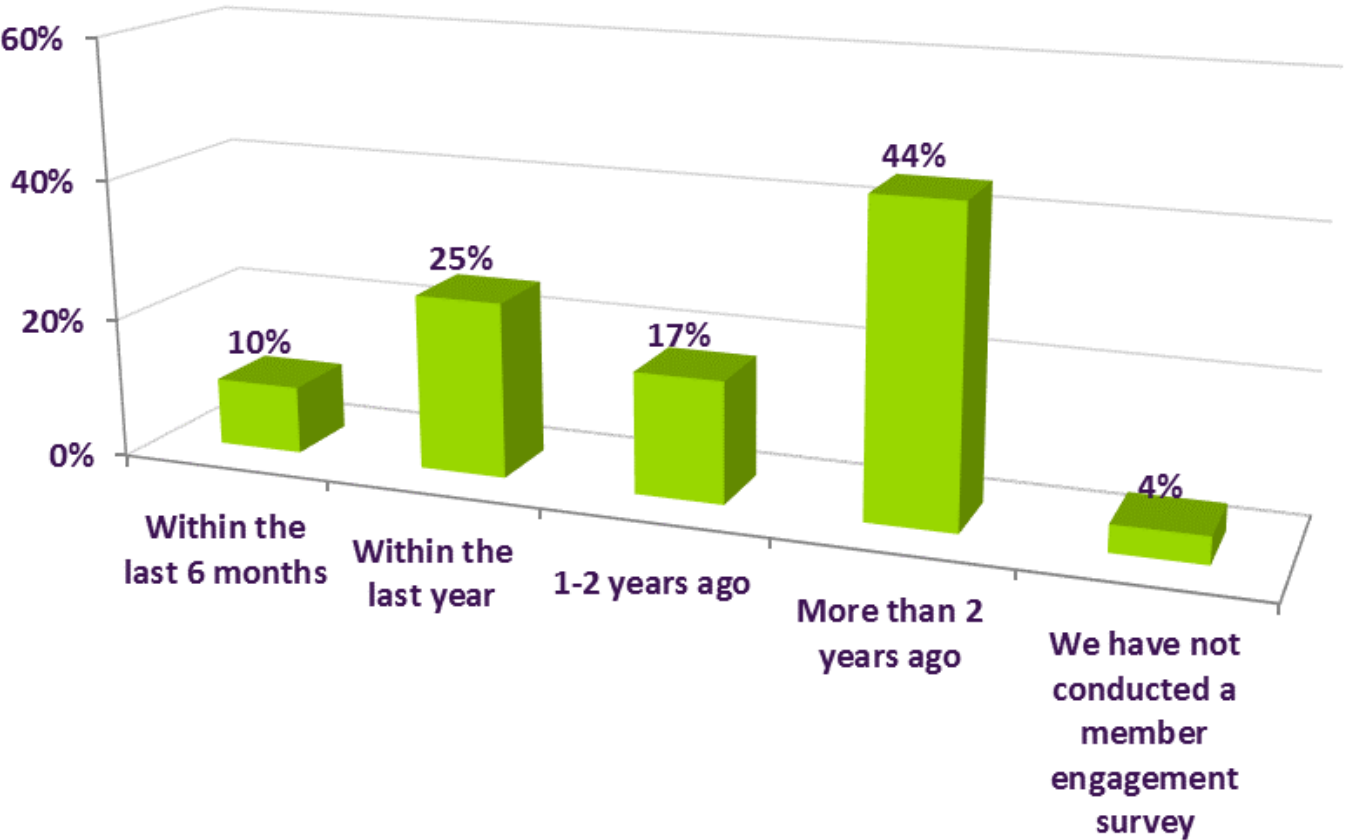


Other methods of targeting members include:

- ✓ Leaflet door drops (8%)
- ✓ Daft.ie (2%)
- ✓ On street survey (2%)
- ✓ Bank at Work initiatives (2%)
- ✓ Billboards (2%)
- ✓ Cinema ads (2%)

Member Engagement Survey

When have you last conducted a Member Engagement Survey?



Common Bond Penetration



Range

- 10% up to 80%



Average

- Circa 45%



Uncertain

- 17% of respondents were unsure what their common bond % is or found it difficult to establish

Summary and Conclusions



Positives

- Brand and Reputation
- Stable reserves
- Improved profitability
- Dividend Payments
- Increasing Loan Books



Areas for Improvement

- Focus on growing Loan to Asset Ratio
- Strengthen Operational Resilience, BCP and Cyber Readiness
- Enhancement of ESG Strategy and Reporting
- Enhanced KPI reporting
- Performance Management to be aligned with Strategy and KPIs
- Improved Marketing Effectiveness



**Please Put
Questions In
Menti-Meter for
Panel Discussion**



Thank you



We're by your side

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