



**Chartered Accountants
& Business Advisers**

2026



Credit Union Benchmarking Survey Results

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Contents

1. Foreword
2. At a Glance
3. Executive Summary
4. Financials
5. Loan Book
6. Strategy
7. Human Resources
8. Key Performance Indicators
9. Asset & Liability Management
10. Climate Change & ESG
11. Operational Resilience
12. Marketing
13. Conclusions
14. RBK Team

This report summarises the findings of a survey of Credit Unions conducted in February/March 2026. It reflects responses from 72 Credit Unions and financial data from 85 published annual reports. This represents €14.43b or 64% of the total asset size of the Credit Union movement in the State. (The sector asset size was approximately €22.5b across 172 Credit Unions at 30 September 2025). The Credit Unions included in our research range in size from €5m to €613m and represent a mix of both community and industrial Credit Unions. Prior year data has been updated to reflect additional information that became available after our 2025 Credit Union Benchmarking Report was published. Non-financial data in this year's report refers to the current year to date and includes prior year comparisons where available.

1. Foreword

Welcome to RBK's 14th Annual Credit Union Benchmarking Survey

Welcome to RBK's 14th Annual Credit Union Benchmarking Survey. 2025 was a year of measured progress, with the Central Bank's revisions to lending concentration limits opening new capacity for house and business credit. Credit Unions are navigating a more complex operating environment, balancing the opportunity to grow their loan books with the imperative to strengthen resilience and people capabilities.

The return on assets has continued to improve, reflecting the impact of a higher interest rate environment and more disciplined cost management across the movement. Dividend payments reached their highest level in recent years, with 74% paying a dividend in 2025, up from 62% in 2024. Investment returns rose to 1.83% and wages-to-income and cost-to-income ratios have continued their positive trajectory. The loan-to-asset ratio improved for the fourth consecutive year yet the large gap relative to corresponding retail bank ratios highlights how much credit capacity remains available.

Reserve ratios are well in excess of the regulatory minimum. Bad debt provisions have continued to ease though Boards should guard against complacency as Credit

Unions move into more complex mortgage and commercial loan territory. Loan origination is the lifeblood of the movement and demand for home improvement and car finance continues to drive volume. Mortgage lending remains a modest portion of most portfolios but is attracting growing interest.

Niche skills shortages and gaps in organisational structure are ongoing challenges. Operational resilience has advanced considerably though testing of recovery procedures and response capabilities is a barrier to full implementation. Cybersecurity continues to demand sustained attention, and with the Digital Operational Resilience Act (DORA) taking effect from January 2028 the window to build the necessary oversight frameworks and controls is narrowing.

ESG and climate risk are being woven into the fabric of strategy and governance with growing adoption of formal policies. However, translating policy commitment into measurement and reporting remains a work in progress for many. Marketing effectiveness has rebounded modestly and Common Bond penetration points to considerable untapped potential within existing

membership pools. KPI adoption is broadening, even if ALM, marketing, and HR metrics remain underrepresented in reporting structures.

Our thanks to everyone who participated in this year's research. Without your experiences and insights it would not be possible to produce this comprehensive report. As always, if you have questions or would like more information about any of the topics covered, please let us know. We would be delighted to discuss our findings with you.



Ronan

Ronan Kilbane
Partner



Michelle

Michelle O'Donoghue
Partner



Colm

Colm O'Grady
Partner

2. The Results At a Glance

172

The number of active Credit Unions at September 2025, a fall of 11 from the previous year

51%

Have have reviewed or updated their Strategic Plan within the last 6 months

97%

Said Loan Book Growth was a strategic plan objective

74%

The number of Credit Unions who paid a dividend in 2025

78%

Credit Unions who have a Performance Management Framework in place

53%

Credit Unions who have up-to-date job descriptions in place for all positions

44%

Credit Unions who identified IT & Cyber Security as a top risk

78%

Credit Unions who are reporting on KPI's monthly

30%

Credit Unions who have conducted a Member Engagement Survey in the last 6 months

81%

Credit Unions who have an ESG Sustainability Strategy

3. Executive Summary

“The sector is stabilising its structural foundation while grappling with efficiency gaps and evolving operational risks.”



Ronan Kilbane
Partner - RBK Credit Unions

The fourth consecutive year of growth in the Loan to Asset Ratio, a near-trebling of investment performance since 2022, and an acceleration in dividend payments all point to measurable progress across the main financial metrics. That improvement reflects both the discipline of recent years and the benefits of a higher interest rate environment.

However, the demands on Boards and management teams have never been greater. The Central Bank's Regulatory & Supervisory Outlook 2026 sets clear expectations around lending growth, operational resilience, IT governance, and climate risk, while the revisions to concentration limits for house and business lending open up new growth opportunities.

At the same time, skills shortages, the challenge of embedding ALM and ESG frameworks into everyday practice and the unfinished work of operational resilience are live issues for much of the sector. Credit Unions are making progress on many fronts but cannot afford complacency. The pace of change required across technology, people, governance and lending shows no sign of slowing.

Key Findings:

Gross Loan Book: The positive trend in Loan to Asset Ratios continued through 2025, with the ratio rising to 35%, a fourth consecutive year of growth. The average interest rate on loans remained broadly stable year-on-year.

Dividends: The upward trajectory in dividend payments was maintained in 2025, with 74% paying a dividend to members, up from 62% in 2024 and 18% in 2023.

Investment Performance: Investment performance in 2025 was 1.83%, a near trebling of investment returns since 2022, with cash assets generating a better return than longer-dated investments.

Wages: The wages-to-income ratio of 28% was consistent with 2024 and continuing the positive trajectory from 32% in 2022.

Cost to Income Ratio: The average cost to income ratio of 72% for community Credit Unions is substantially above that of the main retail banks.

Bad Debt Provision: Bad debt provision levels eased in 2025, reflecting improved arrears levels and higher quality lending. The highest provision for community lenders was unchanged while the lowest decreased to 1.31%.

Performance Management: Four out of ten survey participants now link remuneration progression to performance measured against KPI's though a majority still don't make this connection.

Cybersecurity: 84% Unions have a documented Cyber Response Plan but weekly or monthly threat scanning is undertaken by just over 40% of survey participants.

Loan Book Growth: Community Credit Unions experienced a softening in loan book growth with the average falling to 8% from 10% in 2024. Home improvement loans and car loans are still the fastest growing loan categories.

Merger Plans: The data points to a sector that is stabilising structurally. However, consolidation pressures remain a live issue for many smaller Credit Unions.

Asset & Liability Management: Two out of three still find it challenging to embed ALM frameworks into their day-to-day workflows.

Recruitment: IT-related positions are the most frequently mentioned priority. Skills shortages are the main recruitment challenge, followed by salary competitiveness.

Operational Resilience: Just over half of the survey cohort still haven't fully integrated business continuity plans. While the number of respondents with unfinished frameworks has dropped, testing remains a bottleneck.

4. Financials

“ One of the most encouraging trends is the increased deployment of more assets into the core mission of lending and member loan demand remains robust for vehicle purchases and home improvements.”



Michelle O'Donoghue
Partner - RBK Credit Unions

Gross Loan Book

The upward trend in Loan to Asset Ratios continued through 2025 with the ratio rising to 35%. The fourth consecutive year of growth signals good momentum though this metric remains well below the ratios maintained by banks, pointing to considerable scope for further lending growth.

In its Regulatory & Supervisory Outlook 2026, the Central Bank highlighted the sector's low loan-to-asset ratios as a longer-term challenge. As Credit Unions move to avail of the new rules for house and business lending, the regulator expects this to be effected in a prudent manner. The Central Bank has cautioned that geopolitical instability will present an ongoing risk to credit quality and investment valuations, and lenders are urged to factor this into their asset and liability management and liquidity stress-testing. The average interest rate on loans remained broadly stable year-on-year.

Dividends

Three out of four paid a dividend to members, up from 62% in 2024 and 18% in 2023. This follows from the substantial improvement in financial performance over recent years and the need to compete with deposit rates offered by other lenders. The rise in dividend-paying Credit Unions may serve as a further motivator for those institutions yet to resume payments. Higher dividend rates also have the potential to attract new members and strengthen the value proposition of membership relative to other financial services providers.

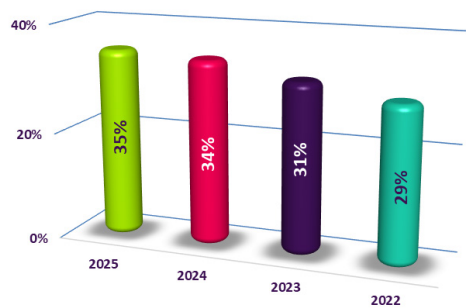


Fig. 4.1: Gross Loan Book as a Percentage of Assets

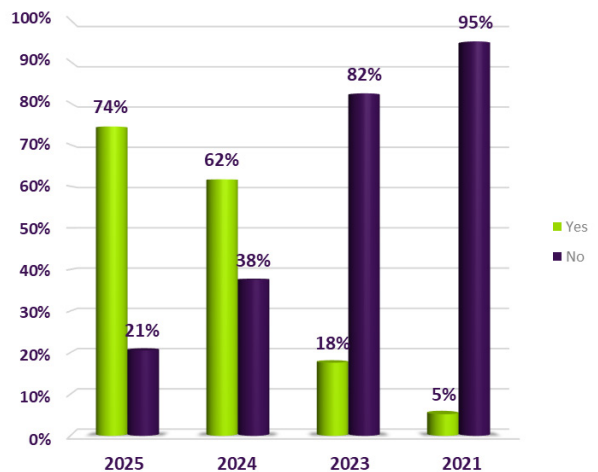


Fig. 4.2: Did your Credit Union Pay a Dividend



Investment Performance

Investment performance improved to 1.83%, up from 1.63% in 2024 and 1.22% in 2023. The main reason is the higher interest rate environment over this period. Liquidity requirements are driving higher levels of on-demand cash within investment books and cash assets are commanding a better return than longer-dated investments.

The European Central Bank's Deposit Facility Rate stood at 4.0% from September 2023 to June 2024. Successive cuts reduced the rate to 2.0% in June 2025, and since then the Governing Council has held the rate at this level. With the recent energy price shock reviving inflation the DRF is unlikely to reduce in the medium term.

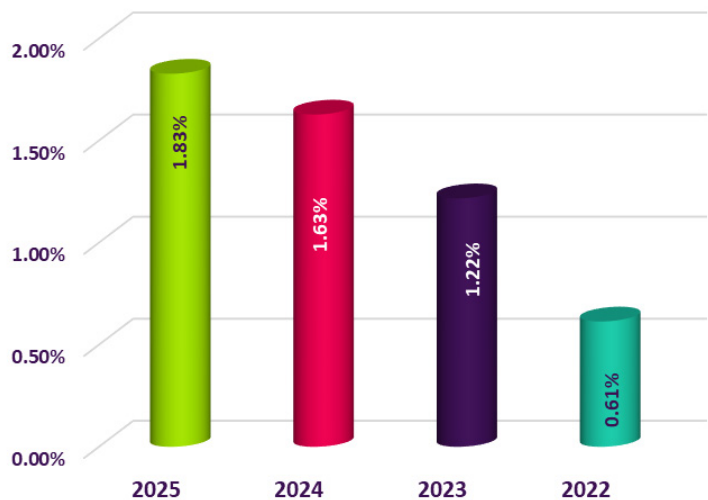


Fig. 4.3: Investment Performance

4. Financials contd.

Wages

The wages-to-income ratio of 28% in 2025 was broadly stable year-on-year and continued the positive trajectory from 32% in 2022. This improvement mirrors the income growth achieved in recent years which has diluted the ratio even as staff costs have increased.

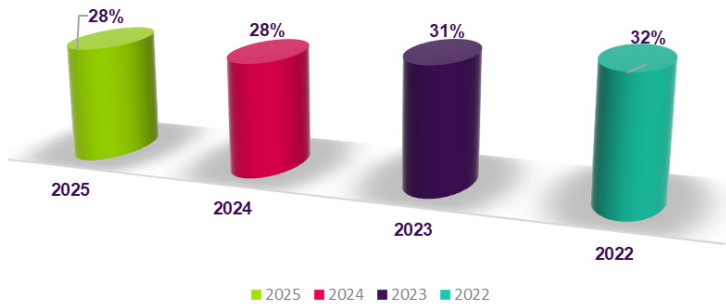


Fig. 4.4: Wages % of Income

Industrial Credit Unions continue to outperform on this metric while the spread between highest and lowest performers remains substantial in both segments.

Wages/Income ratio		2025	2024
Community	Average	29.0%	28.7%
	Highest	48.1%	47.6%
	Lowest	14.4%	15.7%
Industrial	Average	23.0%	22.4%
	Highest	34.2%	33.4%
	Lowest	11.7%	12.2%

Fig. 4.5: Wages / Income Ratio



Cost to Income Ratio

While costs have not reduced in absolute terms, growing income levels are continuing to dilute the ratio. The highest ratio among community Credit Unions increased to 106% in 2025 from 99% in 2024, which merits attention at an individual institution level.

The lowest ratios have improved across both segments. The average cost to income ratio of 72% for community institutions remains over 20 percentage points above that of the main retail banks. This gap is partly structural but it nonetheless highlights the scale of the efficiency challenge facing the sector.

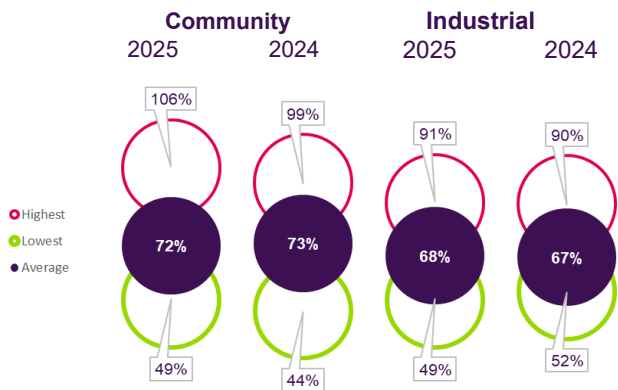


Fig. 4.6: Cost to Income Ratio

Reserves Ratio

All Credit Unions report a total reserves ratio well in excess of the minimum regulatory requirement of 10%, which ensures that they have sufficient capital reserves to meet their obligations.

Average community Credit Union reserves of 16.4% in 2025 were in line with 16.6% in 2024, with the reduction due to increased dividend payments. The corresponding figure for industrial Credit Unions edged up slightly to 16.6%. The lowest reserve ratios have moderated slightly across both segments.

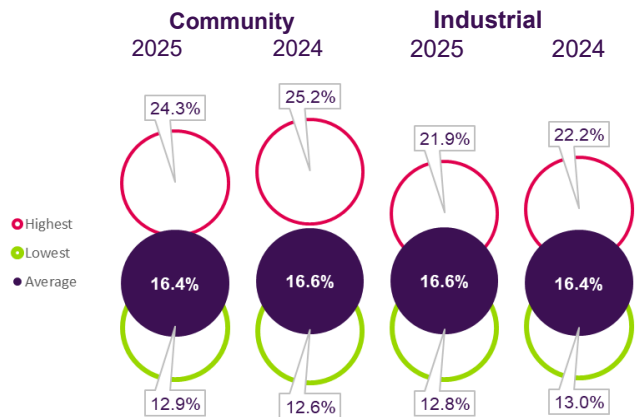


Fig. 4.7: Reserves Ratio

4. Financials contd.

Bad Debt Provision

Improved arrears levels and higher quality lending resulted in lower bad debt provisions in 2025. The highest provision for community Credit Unions was unchanged while the lowest increased to 1.31%. Though credit risk management has improved, Boards should ensure that current low arrears levels do not foster complacency.

As the Central Bank has stated, Credit Unions with aspirations to grow their mortgage and commercial lending books will need to demonstrate provisioning frameworks that are proportionate to the risk profiles of these more complex products.

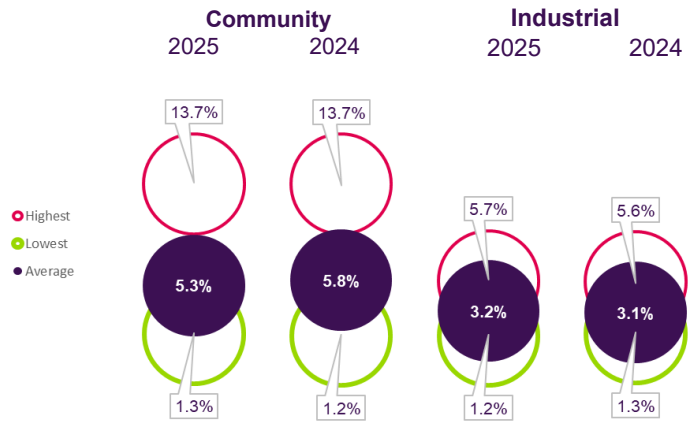


Fig. 4.8: Bad Debt Provision as a % of the Loan Book



5. Loan Book

Loan Book Growth

Community Credit Unions experienced a softening in loan book growth in 2025 with the average falling to 8% from 10% in 2024. This was likely due to tail-off in larger one-off loans like home improvement finance. The weakest performers recorded a contraction of -2%, an improvement from -5% in the prior year. Industrial Credit Unions also saw a moderation in performance.

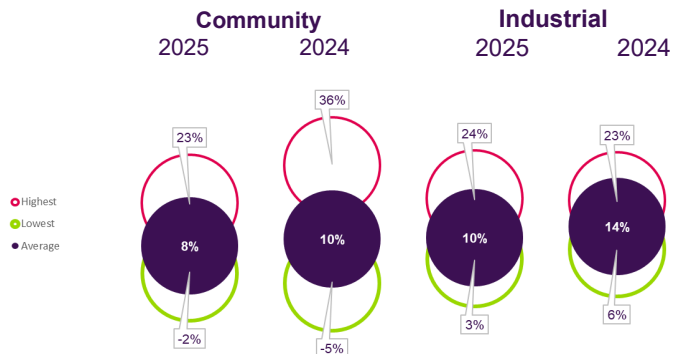


Fig. 5.1: Loan Book Growth

In 2025 the Central Bank confirmed a number of changes to the lending regulations for the sector. The main reform concerns the concentration limits for house and business lending. The previously combined limits have been decoupled, with separate limits now applying to each category. For house lending the new concentration limit is set at 30% of total assets, and for business lending the new limit is 15%. The removal of tiering levels the playing field for smaller Credit Unions, enabling them to compete more effectively in the mortgage and commercial loans markets.

These changes are expected to expand the overall capacity available to the sector for house and business lending to approximately €8.6 billion compared with €2.9 billion under the previous limits.

Loan Issued Growth

For community Credit Unions, average loans issued growth declined to -1% in 2025 from 5% in 2024, with the lowest performers recording a contraction of -29%.

Industrial Credit Unions were more resilient, with the average declining from 7% to 4% in 2025. The uneven distribution of lending activity points to the importance of proactive business development to sustain loan book momentum.

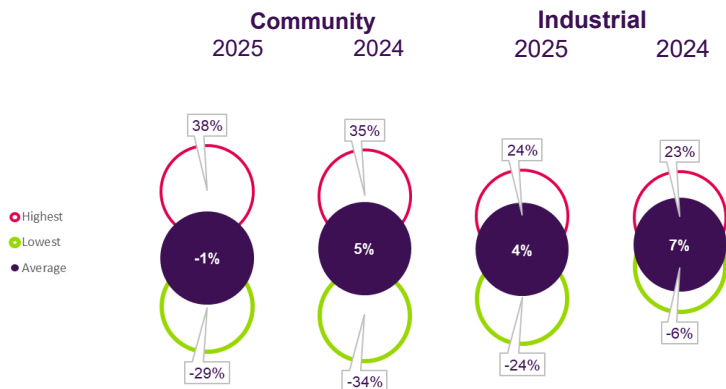


Fig. 5.2: Loan Issued Growth



Loan Types

Home improvement loans and car loans are still the two fastest growing loan categories. Mortgage lending continues to expand and this trend should accelerate after Central Bank revisions to concentration limits. Green loans were cited by 12% of respondents as a growth category, up from 10% the previous year. This is consistent with the broader embedding of

ESG considerations within product strategies as mandated by the Central Bank.

Special rate loans fell from 20% to 12%, suggesting that targeted promotions have reduced or that the stimulus effect of such offerings is diminishing as members become more accustomed to competitive rate structures. Commercial lending remains a minor component at 2%.

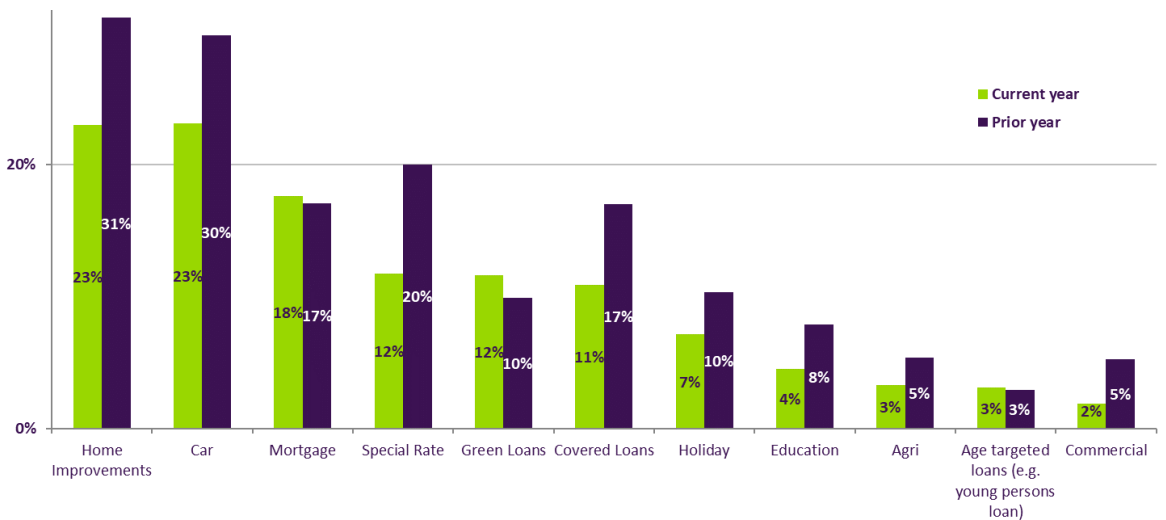


Fig. 5.3: What is the Fastest Growing Loan Type?

6. Strategy

“ Of the Credit Unions surveyed, just over half have reviewed or updated their business plan within the last six months. ”



Colm O'Grady
Partner - RBK Credit Unions

Strategic Plan Objectives

Growing the loan book remains the main priority as Credit Unions seek to deploy assets into lending rather than investments. Digital Transformation and Operational Resilience are also high on the agenda while ESG and Member Growth Strategy are each cited by 90% as strategic imperatives.

Succession Planning and Staff Retention, and Asset and Liability Management (ALM), are also strategic goals due to the challenges faced in attracting and retaining talent and managing balance sheet risk.

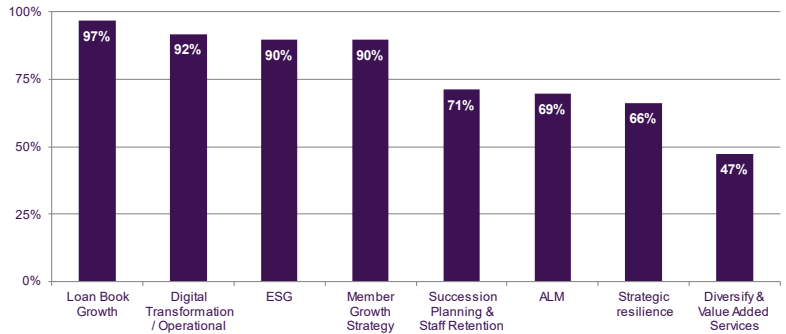


Fig. 6.1: Strategic Plan Objectives

Strategic Plan Tracking

Quarterly tracking has risen to 49% from 37% and now represents the most common reporting frequency. However, monthly review has decreased to 37%, a reversal of the trend observed in recent surveys. Monthly reporting is best practice, providing Boards and management with timely data to monitor variances against trading objectives.

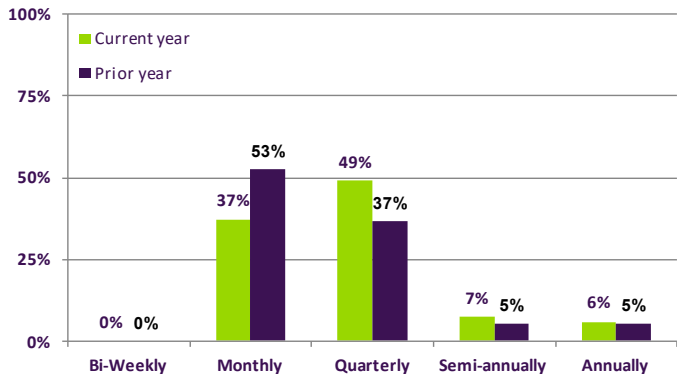


Fig. 6.2: Strategic Plan Tracking



Credit Unions that have moved to quarterly tracking should consider whether this frequency provides appropriate visibility of loan book growth and operational resilience. Of the survey participants, 85% said they have a formal Strategic Plan Tracker in place, leaving 15% without this fundamental governance tool.

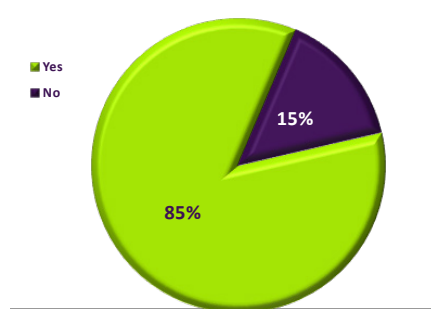


Fig. 6.3: Do you have a Strategic Plan Tracker

Strategic Plan Timeframes

The 3-year planning horizon is the most favoured with four out of five operating to this timeframe. A small proportion (6%) are operating to a 1-year plan, up from 2% previously, despite the regulator's requirement for a minimum 3-year timeframe. While the 3-year plan is well established, Credit Unions should ensure that their goals are ambitious and incorporate themes such as artificial intelligence and regulatory developments.

What timeframe is on your Strategic Plan?

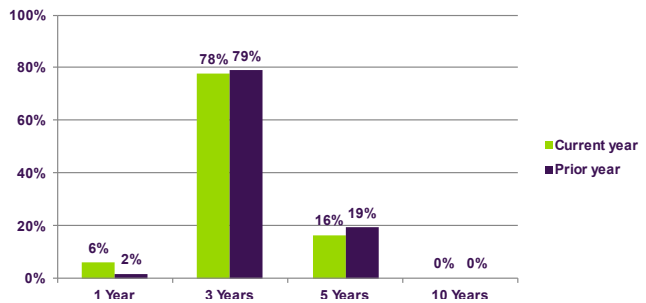


Fig. 6.4: What Timeframe is on your Strategic Plan?

6. Strategy contd.

Strategic Plan Review

Just over half have reviewed or updated their plan within the last six months, an increase from 42% in 2024. A further 36% have implemented a review within the past year. Credit Unions whose last review was over one year ago has reduced from 23% to 13% of the survey cohort. When updating, the majority said they made incremental adjustments, while one-third undertook a complete overhaul. A residual 7% have carried their previous plan forward without any changes. The year-on-year data reflects the stage of the strategic planning cycle rather than any targeted push to prioritise this area.

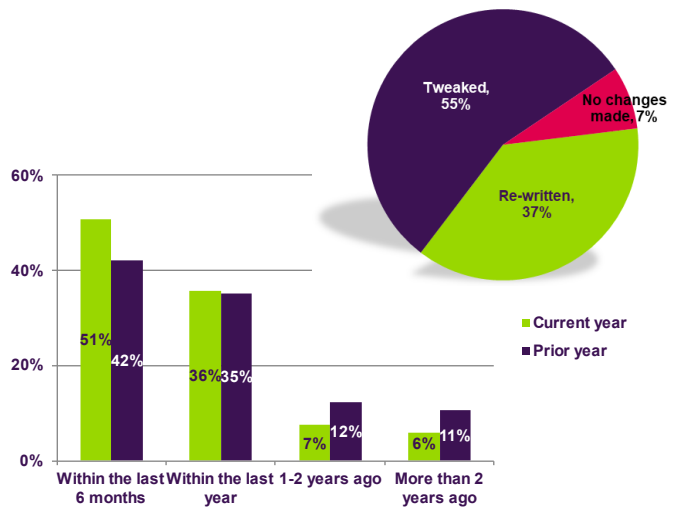


Fig. 6.5: When was your Strategic Plan last Reviewed / Updated

Merger Plans

The data indicates a shift in consolidation sentiment. The number not envisaging merger plans over the next three years has increased, though one in three are considering some form of alliance in the medium-term. Survey respondents also referenced a sharper focus on post-merger integration. The number of active Credit Unions has been declining steadily and the survey data indicates this trend will continue. Consolidation pressures remain a live issue for many smaller Credit Unions and those contemplating merger activity should start preparing now.

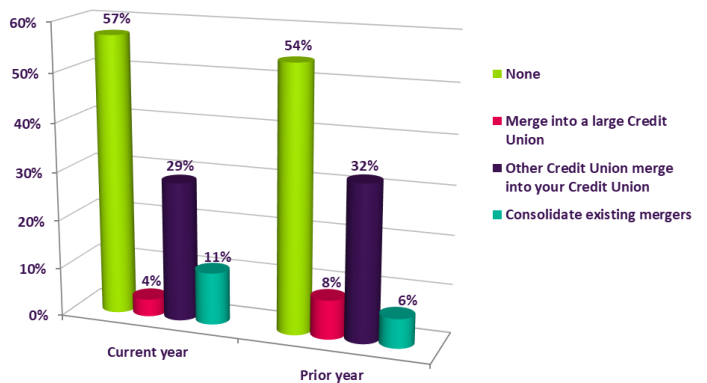


Fig. 6.6: Merger Plans in the Next 3 Years



7. Human Resources

“ Inflation and the cost of living is the main driver of pay adjustments. Performance-related increases are implemented by a small minority. ”



Yvonne Clarke
HR Solutions
Senior Manager - RBK

Performance Management

Four out of five have Performance Management Frameworks. The majority conduct performance appraisals on an annual basis only, with 17% opting for bi-annual reviews and a small number conducting them more frequently. Informal check-ins through the year remain the exception (13%).

Four out of ten survey respondents now link remuneration to performance measured against KPI's, an improvement on the prior year, though most still do not make this connection. More focus is advised on training staff to conduct these assessments and there is scope to strengthen the link between performance management processes and trading outcomes.

Performance Management KPI's

- > **78%** of Credit Unions have a Performance Management Framework in place.
- > Of these **75%** complete performance appraisals **annually**, 17% bi-annually and 4% more frequently
- > **13%** supplement annual appraisals with **informal check-ins / job chats** throughout the year.
- > **62%** of Credit Unions have trained their management team in conducting Performance Appraisal Reviews

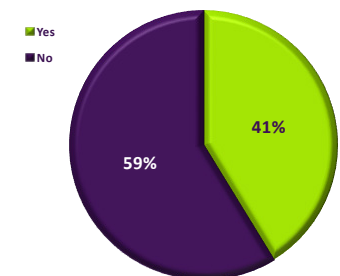


Fig. 7.1: Is salary progression contingent on performance measured against objectives and KPI's?



Salary Increases

Inflation and the cost of living is the main driver of pay adjustments. The reactive nature of pay decisions across much of the sector does little to differentiate high performers or address specific skills shortages. Credit Unions that wish to increase their lending will require a more tactical approach to how they handle pay.

Seven out of ten report that they have a pay band for each role category. Of these, 61% apply increases based on annual increments while 39% apply a general increase across the board. Practices around the disclosure of pay and compensation information are far from uniform. Over half do not disclose salary ranges, 31% communicate ranges internally only, and just 14% include salary information in external job advertisements.

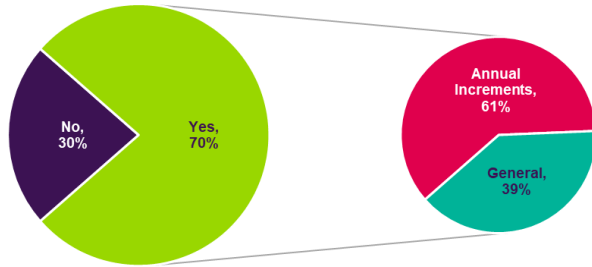


Fig. 7.2: Have you implemented salary increases in the last 12 months?

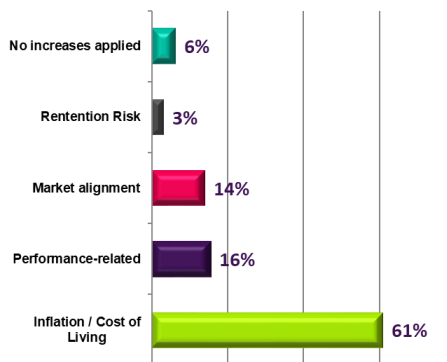


Fig. 7.3: What was the primary driver of pay adjustments in the past 12 months?

7. Human Resources contd.

Training Plan

Nearly all of the survey cohort have a formal Training Plan with an emphasis on AML and Cyber awareness training. Credit Unions should ensure that their Training Plans are aligned with their strategic objectives and not limited to compliance modules.

Organisation Structure

Survey responses relating to organisational structure disclose a gap between aspiration and reality. Only one-third report that their system and people operations fully support their goals. Over half acknowledge only partial effectiveness while a small minority admit to lacking the necessary setup to sustain and grow their organisation. Half the respondents have up-to-date descriptions for all job positions and one-third for most functions. To mitigate governance risk it is important that roles and responsibilities are formally documented.

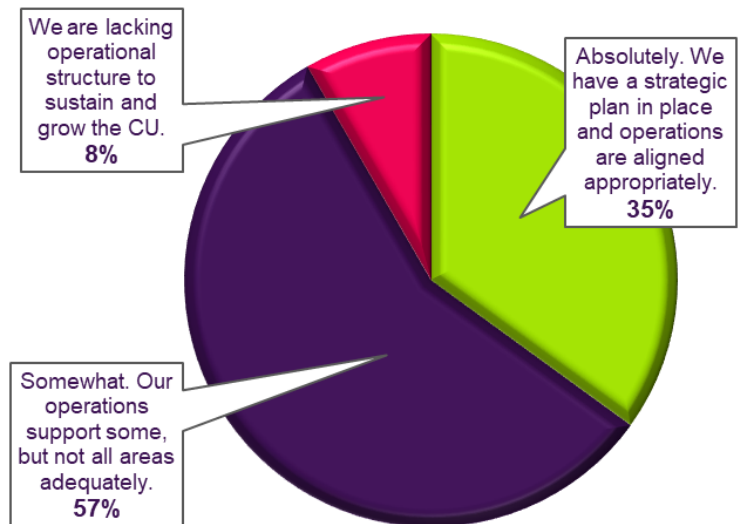


Fig. 7.4: Do you feel your current structure and people operations support your organisational needs?



Recruitment

Hiring intentions are positive, with under one-in-ten expecting to reduce the volume of external hiring. IT-related positions are the most frequently mentioned priority, followed by Member Services and Tellers, Operations, and Finance. Skills shortages are the most widely referenced hiring challenge, followed by salary competitiveness and internal capability gaps. Location constraints and regulatory demands are each identified by one-in-four. To ensure their people strategies are scalable Credit Unions should fast-track an HR review if they have not conducted one lately.

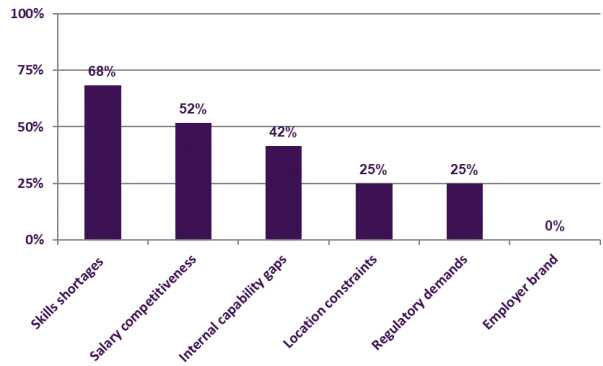


Fig. 7.5: What are your biggest recruitment challenges currently?

8. Key Performance Indicators

KPI Reporting

Two-thirds report that their KPI's are actively assisting with driving efficiencies. The same proportion have KPI's aligned to their Strategic Plan objectives while one-third report partial alignment. The next step is to ensure that partial adopters reach full compliance.

Monthly reporting on KPI's is the established benchmark and Credit Unions still operating on a quarterly or semi-annual reporting cycle ought to re-evaluate how often they track their data. The proportion analysing non-financial KPI's has increased to 72%, up

from two-thirds in the prior year. The corollary is that over a quarter continue to focus exclusively on financial metrics. Three out of four respondents refreshed their KPI's within the past year, a promising sign that the sector is proactive about tracking progress.

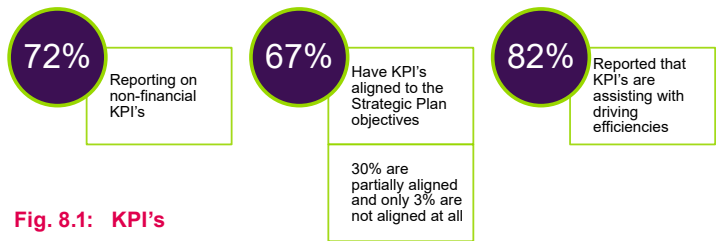


Fig. 8.1: KPI's

KPI Enhancement

When asked to identify the area where they would like to enhance their KPI suite, respondents highlighted ALM as the top priority. Survey participants also identified KPI shortcomings for Marketing and Member Services, Membership, and Operational Resilience.

Beyond the data itself, some Credit Unions are struggling with the 'last mile' i.e. effectively communicating and using those insights at the Board level. The low 4% focus on ESG metrics is an outlier compared with the rest of the data. It's likely not a lack of appetite but rather that Credit Unions are still figuring out how to actually track ESG performance in a meaningful way.

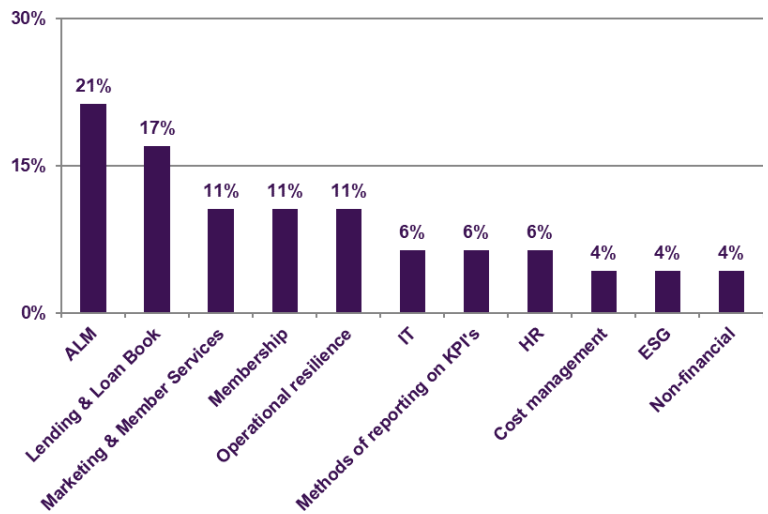


Fig. 8.2: If you could enhance the Credit Union's KPI's in one area, what would it be?

“Two-thirds report that their KPI's are actively assisting with driving efficiencies, and monthly reporting is the established benchmark for the sector.”



Michelle O'Donoghue
Partner - RBK Credit Unions

Preferred KPI's

Financial and credit risk metrics dominate reporting frameworks. Operational Resilience tracking has grown as the regulatory focus expands while ESG criteria are now tracked by one-third of the survey cohort.

Metrics for ALM and Marketing are still largely untapped, with HR data and Loan Book Approval Rates also being overlooked. Adopting a balanced scorecard would offer the Board a better vantage point than the current narrow focus.

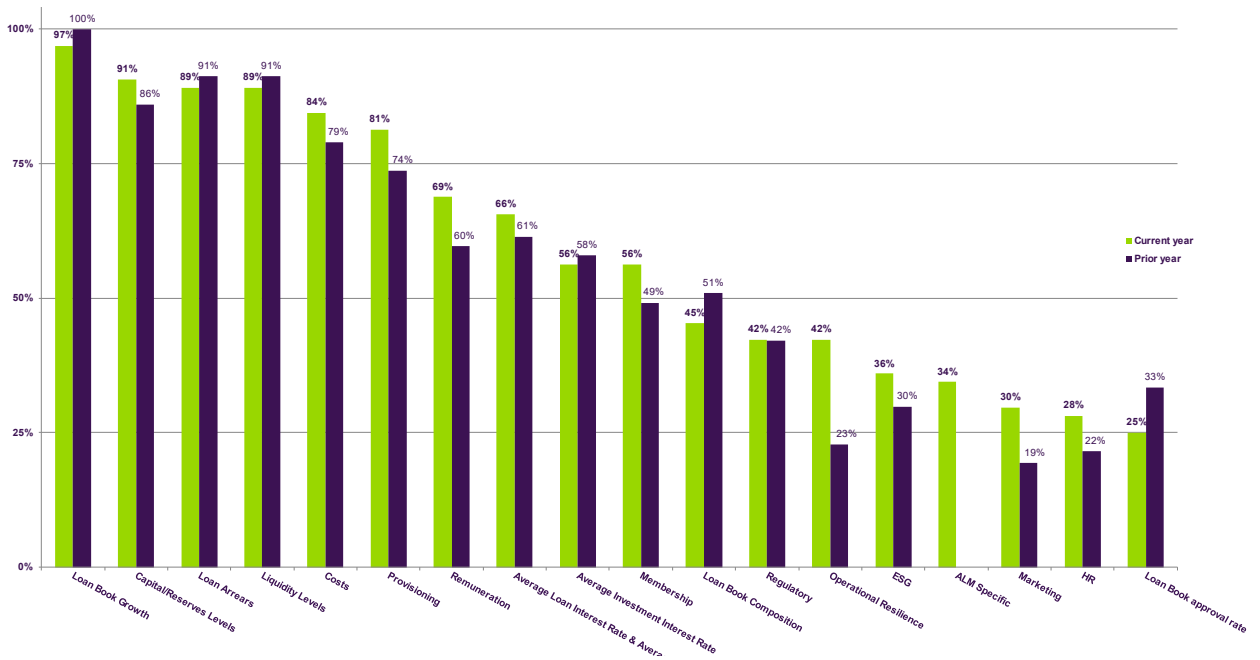


Fig. 8.3: What areas do you have KPI's for?

9. Asset & Liability Management

ALM Framework

Two out of three find it challenging to embed ALM frameworks into their day-to-day workflows. Most are conducting Liquidity Forecasting and/or Stress Testing but under half of survey respondents have a Loan Interest Pricing mechanism in place. Without this Credit Unions will struggle to balance thin margins against the need to stay competitive.

Top Risks

IT and Cyber Security is the main risk concern identified, rising to 44% from 30% in the prior year. Digital resilience is a key focus for the Central Bank's supervisory agenda as members want their money to be available 24/7. The Board is ultimately responsible for tech infrastructure and the regulator expects directors to oversee everything from the initial rollout to ongoing security.

Planned supervisory activities include the validation of Risk Mitigation programmes issued to some Credit Unions arising from the Central Bank's thematic review and the sector wide letter generally.

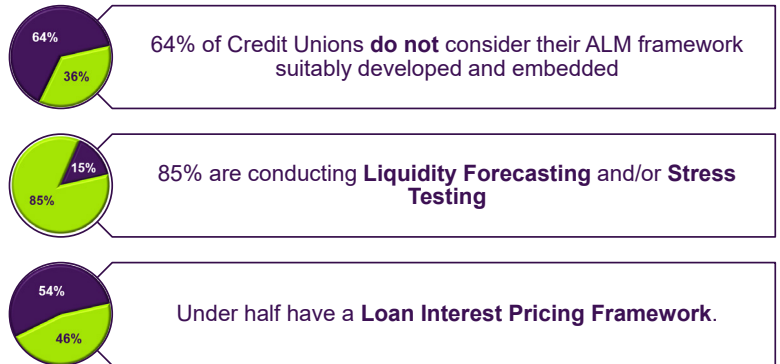


Fig. 9.1: Asset & Liability Management

The Digital Operational Resilience Act (DORA) takes effect from January 2028. Building the necessary governance and controls takes time, so Credit Unions need to start looking at their DORA readiness immediately.

Operational Resilience remains the second most cited risk, and Loan Book Growth concerns have also persisted. While outsourcing issues rank among the top four risks, ALM is gaining traction as a specific threat too.

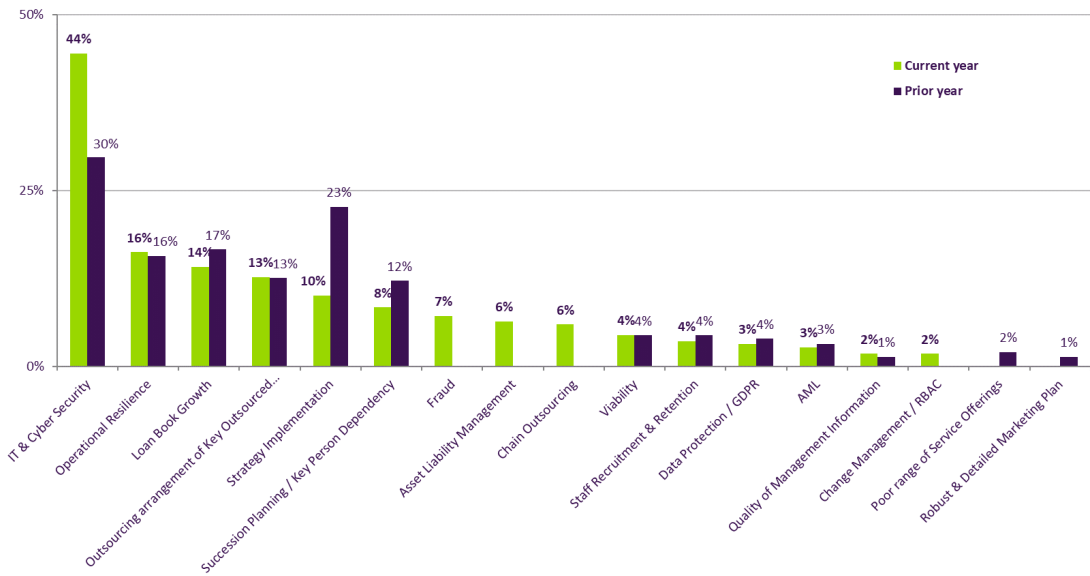


Fig. 9.2: Top risks identified by Credit Unions

Fraud

Fraud losses are still a reality despite a big improvement over the 2024 outcome and the survey data shows that one-fifth of Credit Unions experienced a loss due to fraud in the survey period. This compares with 57% in prior year. Though the sector ranks cybersecurity as its number one concern, resilience measures alone aren't a silver bullet. Effective protection requires a mix of human and process controls, specifically better staff awareness and more transparent escalation procedures.

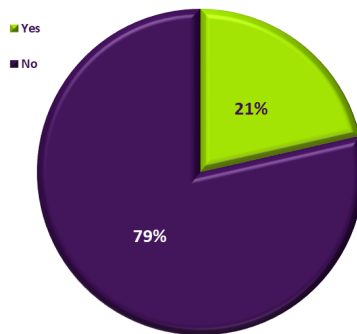


Fig. 9.3: Have you experienced a loss due to fraud?

10. Climate Change & ESG

“ The proportion of survey respondents with products and services incorporating ESG elements has increased to 83% and a similar number now have a defined Sustainability Strategy. ”



Ronan Kilbane
Partner - RBK Credit Unions

ESG Improvements

ESG has become central to how Boards and management teams are structuring their oversight and decision-making. The proportion of survey respondents with products and services incorporating ESG elements has increased to 83% from 67% and a similar number now have a defined Sustainability Strategy. Governance structures are evolving in parallel, with two-thirds having established a sub-committee dedicated to the ESG agenda.

When relaxing lending structures, the Central Bank stressed that increased capacity for house and business lending should support the transition to a low carbon economy. Green lending considerations are expected to form part of Credit Unions' product development as they deploy their loan funding.

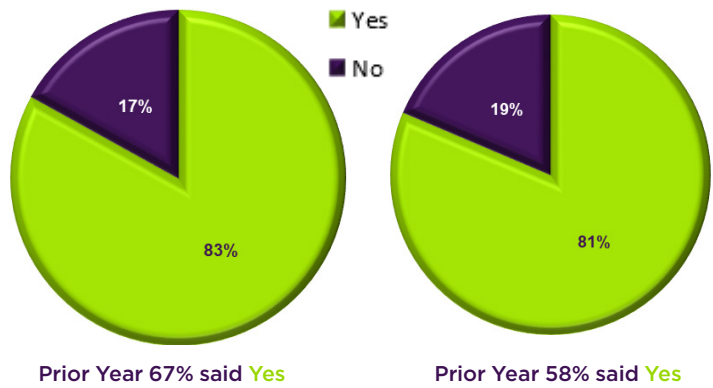


Fig. 10.1: Do your products & services have ESG considerations or options?

Fig. 10.2: Does your organisation have an ESG Sustainability Strategy?



ESG / Climate Risk

While Credit Unions are writing climate and environmental risks into their official policies, the rollout of these risk management practices is still uneven. Four-fifths factor these issues into business continuity and 71% consider them when investing but the sector hasn't yet reached a consistent standard of practice. More organisations are considering ESG in their risk registers and there has been a small increase in those including ESG in broader risk assessments. Only one-in-five have tested their exposure to climate risks, down 5% from 2024.

The Central Bank has been vocal about scenario analysis being a 'must-have' and its 2026 Outlook cautions that poor data and weak reporting leads to blind spots for Boards. While the sector acknowledges ESG risks, very few are stress-testing for them. The regulator's focus on geopolitical and economic instability is a relevant issue for institutions with large investment portfolios. In that context, climate sensitivities should be central to asset management frameworks.

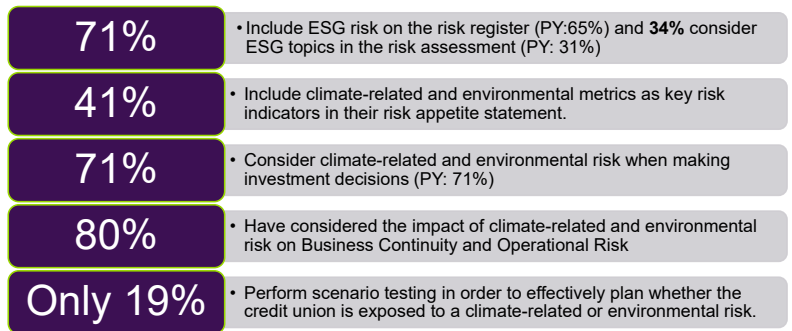


Fig. 10.3: ESG / Climate risk

11. Operational Resilience

Operational Resilience Framework

In 2021 the Central Bank urged the sector to strengthen operational resilience but survey data discloses that just over half of Credit Unions still haven't fully integrated business continuity plans. While the number of respondents with unfinished frameworks has dropped, testing remains a bottleneck, resource-related issues have increased, and skills gaps have widened. The heavy lifting on framework design is mostly done and the challenge has shifted from writing the policy to finding the people and time to test it.

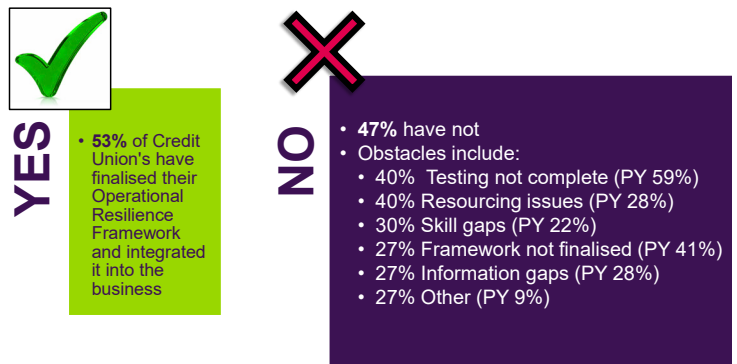


Fig. 11.1: Operational Resilience

BCP

The Central Bank's resilience guidance is clear that Business Continuity Plan (BCP) arrangements must be reviewed and tested at least annually. The current year data shows that four-fifths are completing regular review of their adverse impact tolerances. Two-thirds only test their plans annually. While 20% have moved to quarterly testing, a meagre 4% conduct more frequent reviews and 12% are appraising less than once a year. Rather than just ticking a compliance box, the sector should treat BCP testing as a regular health check that gives the Board the data it needs to strengthen the business.

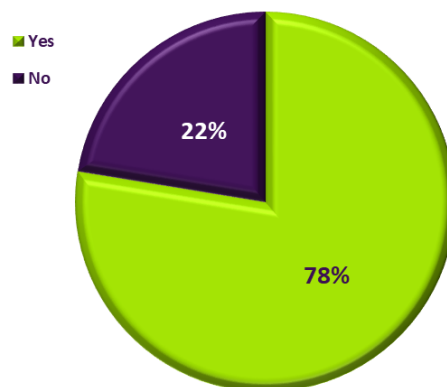


Fig. 11.2: Do you complete regular testing of your impact tolerance and BCP arrangement?



Cyber

The Central Bank is scrutinising IT vulnerability and many Credit Unions have not adopted the vigilance expected by the regulator. Quarterly threat scanning is the most frequently selected response at 31% and recurring weekly or monthly review is undertaken by just approximately two-fifths of the survey cohort. However, with 29% of respondents still conducting annual vulnerability scanning, there remains scope for improvement. Survey data discloses that a large majority have a documented Cyber Response Plan. This is of limited value if underlying vulnerabilities are not remediated on a consistent basis.

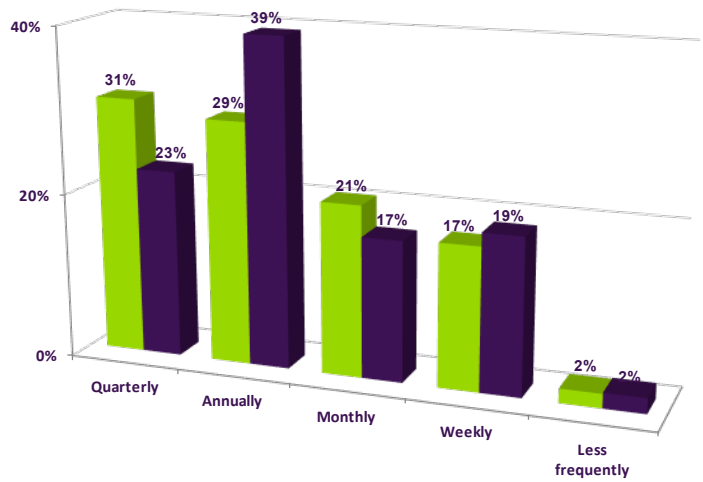


Fig. 11.3: How often do you undertake vulnerability scanning?

IT

Under half of Credit Unions employ IT specialists and while 90% of the remainder use external consultants, this requires in-depth oversight. Furthermore, one-third feel their Board-level IT reporting is inadequate. As IT and cyber issues are identified as the sector's main threats, Boards require accurate data to make informed decisions. For those relying on third parties, best practice demands robust service level agreements (SLAs) and performance reviews that align with the regulator's outsourcing guidance.

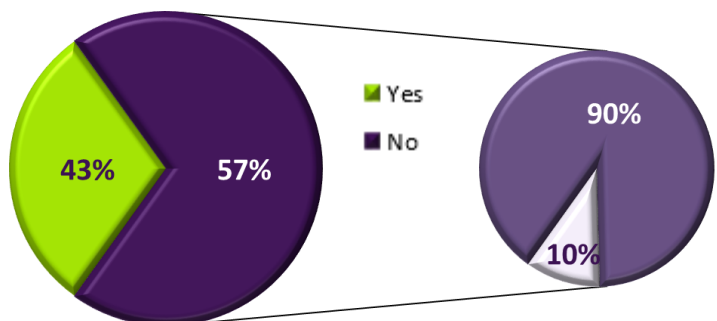


Fig. 11.4: Do you have dedicated in-house IT expertise?

12. Marketing

Marketing & Business Development

The majority rated their Marketing/ Business Development function as 3 or 4 out of 5, a rebound from the decline in effectiveness ratings recorded last year. And two-thirds reported meeting their new member targets in the year, a small annual increase. With four-fifths now operating a separate Marketing/ Business Development function there is recognition of the importance of this activity. The one in five that lack a dedicated marketing department face a structural disadvantage in competing for business.

Member Engagement

Most Credit Unions use social media and their websites to communicate with members, with email following close behind, and three-quarters of survey respondents estimate that at least half of their membership is active online. There has been a rise in radio and TV advertising spend as some institutions become more ambitious with their reach. More organisations are listening to their members and the number relying on 'stale' data (surveys over two years old) has more than halved. This trend shows the sector is using more regular feedback to pinpoint how they can improve the member experience.

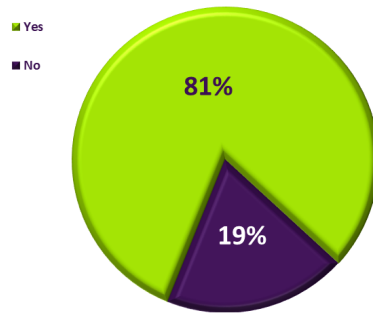


Fig. 12.1: Do you have a separate Marketing / Business Development Function in your Credit Union?

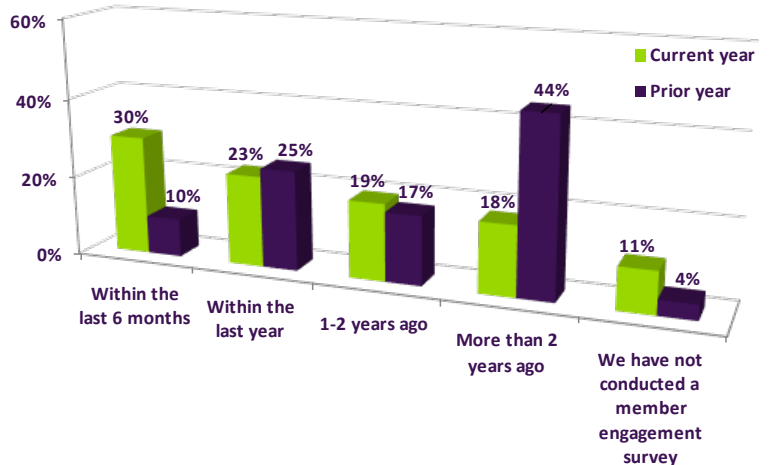


Fig. 12.2: When have you last conducted a Member Engagement Survey?

“ Two-thirds reported meeting their new member targets in the year and there has been a rise in radio and TV advertising spend. ”



Colm O'Grady
Partner - RBK Credit Unions

Common Bond

Common Bond penetration - the share of eligible people who are actually members - remains an untapped opportunity. While the average penetration rate has increased four points to roughly 49% the gap between the highest and lowest performers has widened.

One-third either aren't sure of their penetration rate or find it difficult to track, despite this metric being fundamental to devising a growth strategy. While those with lower penetration have the most room to expand through targeted campaigns, they cannot measure success without first establishing an accurate baseline.

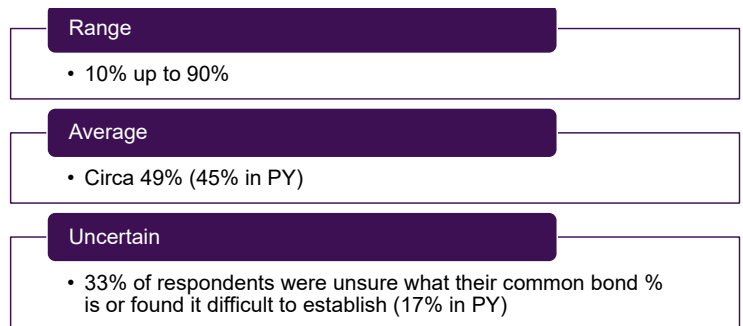


Fig. 12.3 Common Bond Penetration

13. Conclusions

The sector is stabilising its structural foundation while grappling with efficiency gaps and evolving operational risks. One of the most encouraging trends is the increased deployment of more assets into the core mission of lending, and member loan demand remains robust for vehicle purchases and home improvements.

Financial resilience has been bolstered by investment performance. Improved liquidity and profitability has benefited members, as evidenced by the upward trajectory of dividend payments. The sector's balance sheet health is supported by easing bad debt provisions.

Inflation is the primary driver of pay adjustments, though four in ten now link remuneration to KPI performance. Elevated cost to income ratios underscore a major efficiency challenge and recruitment for IT-related roles is a bottleneck. The sector is also modernising its governance, with a large majority incorporating ESG elements into their products and maintaining sustainability strategies. However, technical resilience requires further attention.

Marketing efforts are yielding results, with two-thirds of the sector meeting new member targets supported by increased spending on radio and TV advertising.

Priorities for 2026

Based on the findings, Credit Unions should focus on:

- > Continuing to grow their Loan to Asset Ratio, building on the positive momentum already established
- > Strengthening operational resilience, with emphasis on Business Continuity Plan testing and cyber readiness
- > Enhancing ESG strategy development and broadening ESG reporting to reflect a more integrated approach
- > Further developing and implementing KPI reporting frameworks to ensure metrics are linked to strategic objectives
- > Aligning performance management practices with strategy and KPI's to drive accountability and sustainable improvement
- > Improving marketing effectiveness and member engagement to grow Common Bond penetration and maximise the opportunity within existing membership pools.

Our thanks once again to everyone who participated in our survey. If you would like more information and/or advice on any of the matters discussed, please contact a member of our team.



14. RBK Team

RBK have over 55 years experience working with Credit Unions and continue to offer a range of comprehensive services to meet Credit Unions' needs.

Our experience in working with Credit Unions has been diverse. The challenges faced by all our Credit Union clients are individual to their circumstances. The breadth of our experience ranges from strategic direction review and auditing, to day-to-day operations.

Our specialist commitment to the Credit Union sector also includes the completion of an annual Credit Union benchmarking survey as well as hosting regular Credit Union seminars on topical issues.

We know Credit Unions, their ethos and have a specialist team dedicated to the sector. We work to your requirements.



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