



The Credit Union Restructuring Board
An Bord Athchóiriú Comhar Creidmheasa

Restructuring Irish Credit Unions





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- ReBo background
- Analysis of movement
- Reasons to consider a merger
- Role ReBo will play





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ReBo Background



Background

- Report of the Commission - March 2012
- CUCORA legislation enacted December 2012
- ReBo established January 2013
- CEO appointed June 2013
- Restructuring team operational November 2013

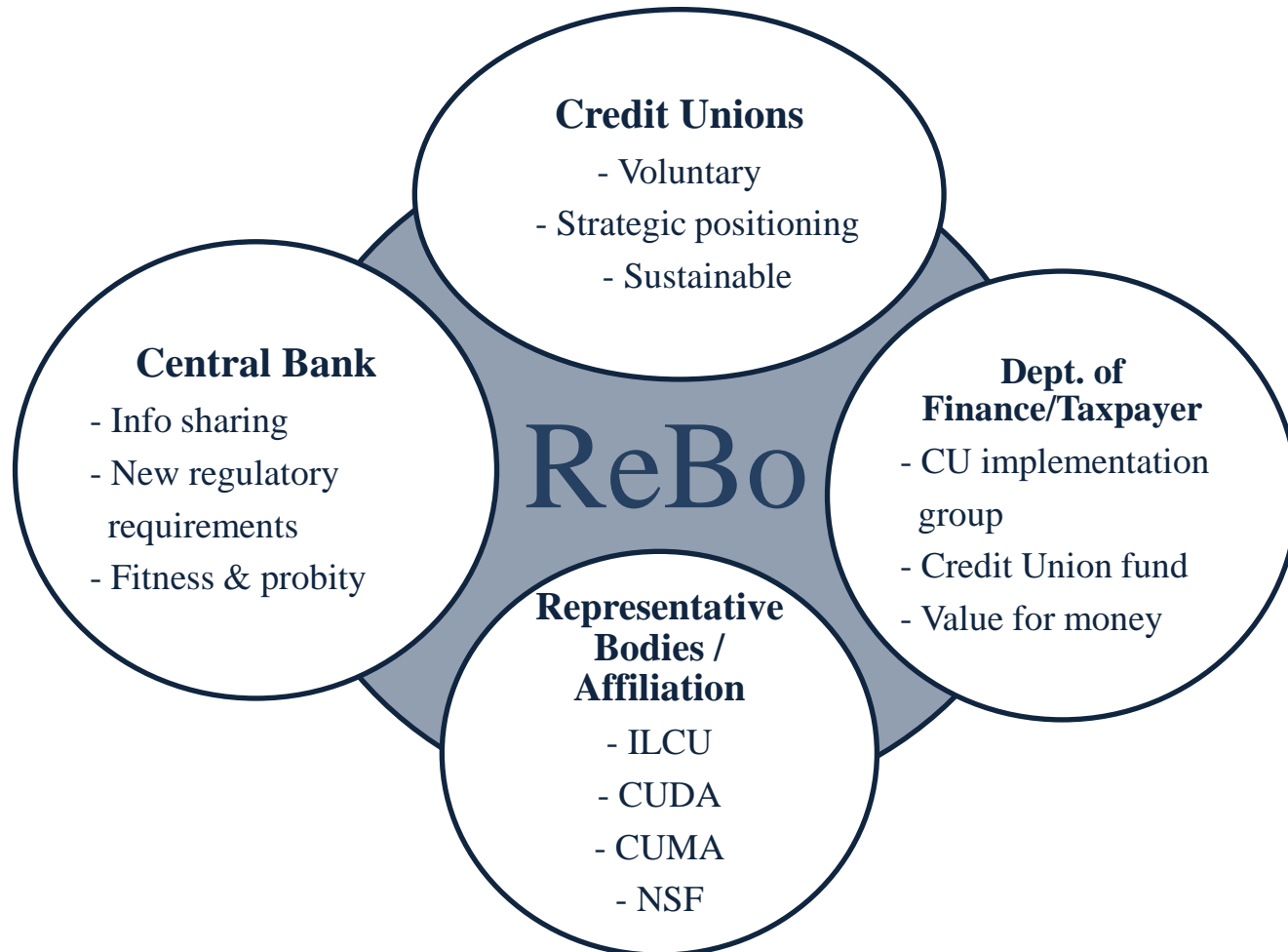


Commission Restructuring Recommendations

- Voluntary, incentivised, time bound
- Will not apply to all credit unions
- Need for viable business models
- Funded by:
 - excess capital from participating credit unions;
 - sector wide contributions;
 - exchequer funding
- Overseen by ReBo



Stakeholders



CUCORA 2012 – Core ReBo Functions



Analysis

- Analyse & examine data of individual credit unions & sector
- Develop provisional proposals & plans with credit unions for the restructuring of the sector



Engagement & Assessment

- Engage with credit unions to facilitate agreement on proposals
- Assist with the preparation of restructuring plans
- Consider, assess, approve/reject those restructuring plans



Restructuring Implementation

- Recommend restructuring plans to the Minister that require funding
- Oversee implementation of plans including provision of post restructuring support
- Make recommendations for stabilisation support

ReBo is...

- For voluntary transfers & amalgamations
- Independent & confidential with information
- In support of a sustainable & viable movement
- There to listen & help

ReBo is not...

- An imposer of a view or model
- A rescuer of failed credit unions



ReBo Engagement to date

- Expressions of interest, 125 responses
- Full engagement with all respondents
- ILCU chapter meetings, CUMA, NSF
- Information evenings





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Analysis of Movement



Financial Issues

- Loans to Assets ratio
- Loan income coverage of costs
- Return on investments

Non Financial Issues

- New compliance framework
- Fitness & Probity
- Retaining member activity
- Demographics
- IT capabilities
- External factors



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Reasons to Consider a Merger



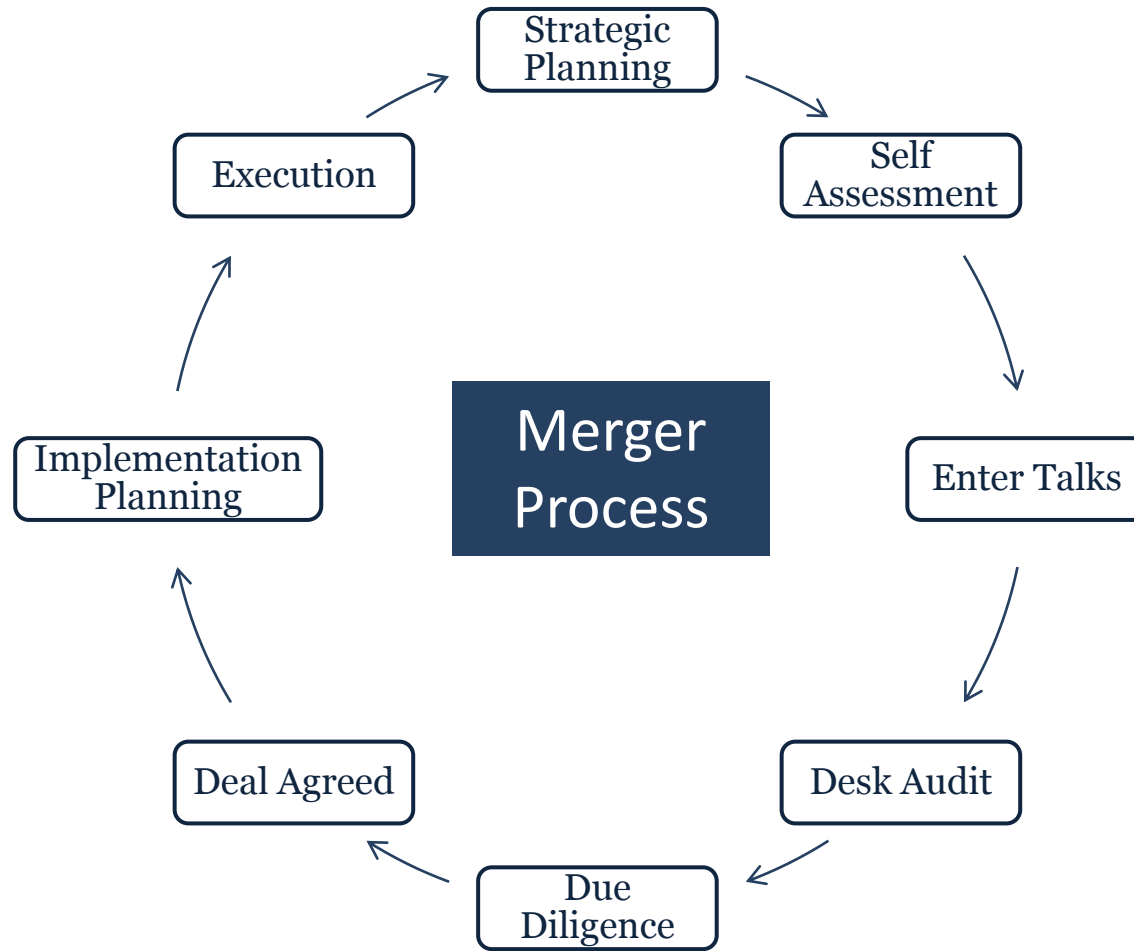
Reasons to consider a Merger

- Scale to extend products and services
- Provide better technology solution
- Tiered regulation
- Cost efficiencies through economies of scale
- CUSOP
- Wider access to directors & volunteers

Reasons to consider a Merger

- Organic Growth vs Inorganic Growth
- Governance issues
- Effective use of volunteers
- Secure long term viability and stability
- Opportunity to provide real alternative to banking sector

Stages in Restructuring





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Role ReBo Will Play



Reasons to engage with ReBo

- Independent body specialising in CU Restructuring
- An ability to find suitable restructuring partners
- Facilitation of a faster, smoother & more cost efficient process
- Experience reviewing merger and implementation plans
- Provision of post restructuring support



How ReBo can help you

- Provide expertise, guidance and practical assistance
 - Legislative
 - Practical steps
 - Templates
 - Manage Central Bank interaction
- Provide financial assistance for merger process
 - Due Diligence & Project Management throughout the process
 - Planning
 - Integration
 - Post integration support
- Clear process, minimise risks and ensure delivery



Financial Support for Funding Requirements

- Funding from Credit Union Fund available:
 - Where requirement is identified as part of a restructuring proposal
 - Credit Union Fund managed by Minister for Finance
- Merged credit unions must be viable
- Financial support repayable by participating credit unions
- Costs will be determined by DoF with DG Comp (EU)
- ReBo will not cut across Central Bank role



How we are currently assisting Mergers

- 43 credit unions actively pursuing mergers
- All positively engaging with ReBo
- A mix of small, medium & large credit unions
- A mix of community and industrial credit unions
- Potentially reduce to 18
- Represents €1.5B in assets, 11% of movement total





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Thank You

Questions & Answers

