

Introduction

Mr Chairman, my name is John Doyle and I am the Interim Chief Executive Officer of the Credit Union Restructuring Board (“ReBo”). I am joined by Bobby McVeigh, Chairperson of ReBo, and Joe O Toole a Director of ReBo.

A core recommendation of the Report of the Commission on Credit Unions was that Credit Unions should be restructured on a voluntary, incentivised and time-bound basis with the guiding aims of protecting members’ savings, securing the stability and viability of the sector at large and preserving the Credit Union identity and ethos. Further to this ReBo was established under Part 3 of the Credit Union and Co-Operation with Overseas Regulators Act 2012 (“the Act”) on 1 January 2013.

ReBo seeks to engage with Credit Unions on a voluntary basis in order to facilitate and assist the restructuring process. Under section 44 of the Act ReBo’s function is broadly defined as engaging with Credit Unions in the development, preparation, assessment and approval of restructuring proposals. We do this by providing advice, assistance and support to enable Credit Unions identify and undertake suitable and sustainable mergers. Additionally, under section 65 of the Act, ReBo can make recommendations to the Central Bank that stand-alone Credit Unions, not party to a restructuring proposal, be considered for stabilisation support.

Credit Unions who engage in the restructuring process typically do so to enhance the services that they can provide their members, improve their governance and organisation structures and better equip themselves to remain in compliance with regulation.

The legislation under which ReBo was formed states that The Minister for Finance shall, no later than 1 January 2016, conduct a review to determine whether or not ReBo has completed the performance of its functions. ReBo aims to complete its work by December 2015.

The Credit Union Fund 2013

The Government has provided €250 million to the Credit Union Fund for the purposes of restructuring. The purpose of the Credit Union Fund under section 57 of the Act is primarily to provide a source of financial support for restructuring, to provide for stabilisation support and to provide for the expenses of ReBo in discharging its functions.

During 2013 ReBo drew down €750,000 from the credit union fund for the purpose of discharging its functions. This was done in accordance with the provisions of the Act and in consultation with the Department of Finance.

Much of 2013 was spent making ReBo operationally ready. In its initial stages ReBo had an organisation structure made up of temporary staff and staff seconded from Department of Finance and Central Bank. A CEO was appointed in June 2013 and a completed, permanent staffing structure was put in place in November 2013. A process of Credit Union engagement commenced in May 2013 and by year end 105 of 392 Credit

Unions had expressed a desire to engage with ReBo. As at December 31st 2013 ReBo had met with 100 Credit unions and 52 of these were actively involved in the restructuring process.

Update on 2014

In the nine months to September 2014 ReBo drew down a further €2.125M from the Credit Union Fund with €1.4M of this being provided to Credit Unions in direct assistance.

A number of mergers have already taken place or are in the process of being completed. ReBo has met with 323 Credit Unions, 20 of whom have now taken part in 8 completed merger projects. An additional 10 Credit Unions, in 4 separate merger projects are at approval stage and due to complete in the coming weeks. ReBo is working with a further 121 credit unions who wish to achieve a restructuring solution.

Our briefing paper sets out in more detail the financial and restructuring information relating to 2013 and 2014.

Conclusion

In summary, ReBo has completed a significant body of work in engaging with the entire Credit Union movement. Restructuring solutions have been delivered for 30 Credit Unions and ReBo's focus for 2015 is to deliver solutions for the remaining Credit Unions it engages with. The members of all these Credit Unions will benefit greatly from the mergers they have been party to and the stability and viability of the sector will have been significantly improved.

I thank the Committee for the opportunity to present details of our remit and work and am happy to answer any questions you may have.