

Financial results of co-operative savings and credit unions in 2019

15 October 2020


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Annually dynamics of the value of loans and advances in CSCU

The gross financial result of co-operative savings and credit unions in 2019 amounted to PLN 7.8 million and net financial result PLN 8.9 million. The value of memberships deposits at the end of 2019 amounted to PLN 8.7 billion, and the debt of members – PLN 6.0 billion.

Compared with the previous year, the gross financial result decreased by PLN 50.0 million, while the decrease of the net financial result amounted to PLN 38.3 million

Basic data on co-operative savings and credit unions

The survey covered 25 co-operative savings and credit unions (hereinafter unions, CSCU) which conducted the operating activity at the end of 2019. Compared with the year 2018 the number of surveyed unions decreased by five, of which one union was taken over by a domestic bank and four unions by other CSCU.

The distribution network of CSCU decreased over 2019 year by 95 branches and checkout points to 779 units. In 2019 on average, there were 31 customer service facilities for every union. The employment in unions decreased by 19.0%, i.e. by 431 full time equivalents. Number of members of CSCU decreased by 9.5%. At the end 2019 on average, there were 56.1 thousand of associated members for every union.

The solvency ratio of surveyed CSCU at the end of 2019 reached 6.3%, i.e. increased by 2.8 percentage points compared with the end of 2018 and was above the legal minimum on the level of 5.0%.

The number of members of CSCU amounted 1 402 thousand at the end of 2019, i.e. by 147 thousand less than the year earlier

Table 1. General information on co-operative savings and credit unions

SPECIFICATION	2018	2019
Number of surveyed CSCU	30	25
Number of branches and checkout points	874	779
Average employment	2 263	1 832
Members total	1 548 656	1 402 005
Balance sheet total <i>in million PLN</i>	9 574.5	9 430.8
Solvency ratio <i>in %</i>	3.5	6.3

The most important information on the value of received deposits and granted loans and advances by co-operative savings and credit unions

The value of deposits, according to state at the end of 2019, reached level PLN 8 711.9 million, i.e. decreased by 3.7% in relation to the corresponding period of the previous year. At the end of 2019, membership deposits amounted to PLN 348.5 million on the average for every union, compared with PLN 301.6 million at the end of 2018. The average value of deposits for one active at the end of 2019 deposit contract (the number of contracts – 2 496.3 thousand) amounted to PLN 3.5 thousand.

Deposits in CSCU obtaining in 2019 the positive net financial result had a 95.2% share in deposits of CSCU total.

Table 2. Value of membership deposits received by co-operative savings and credit unions

SPECIFICATION	2018	2019
	<i>million PLN</i>	
Deposits total	9 048.3	8 711.9
up to 12 months inclusive	8 001.5	7 820.4
over 12 months	1 046.8	891.5

The debt of members of unions at the end of 2019 amounted to PLN 6.0 billion, increased by 2.2% compared with the previous year. On the average, members' loans and advances at the end of 2019 amounted to PLN 241.5 million for every one union, compared with PLN 196.9 million at the end of 2018. The average value of loans and advances for one active at the end of 2019 loan contract (the number of contracts – 388.0 thousand) amounted to PLN 15.6 thousand.

Loans and advances granted by CSCU obtaining in 2019 year the positive net financial result had a 95.6% share in loans and advances of CSCU total.

Table 3. Value of loans and advances granted to members by co-operative savings and credit unions

SPECIFICATION	2018	2019
	<i>million PLN</i>	
Loans and advances total	5 907.2	6 037.1
up to 12 months inclusive	1 193.3	1 156.1
over 12 months	4 713.9	4 881.1

Main items of the balance sheet and profit and loss account of co-operative savings and credit unions

Assets of CSCU at the end of 2019 reached the value PLN 9 430.8 million and they decreased by 1.5% compared with the year before. The value of financial assets decreased by 1.0%, while loans and advances increased by 2.2%. Tangible fixed assets, in analysed period, decreased by 15.7%.

Assets of CSCU obtaining in 2019 year a positive net financial result had a 95.4% share in assets of surveyed CSCU total.

The value of deposits in CSCU at the end of 2019 was lower by PLN 0.3 billion

The value of granted loans and advances at the end of 2019 increased by PLN 0.1 billion

The value of assets of CSCU, at the end of 2019, was lower than a year earlier by PLN 0.1 billion

Table 4. Selected items of assets and liabilities as of the end of the reporting period

SPECIFICATION	2018	2019
	<i>million PLN</i>	
Assets		
Financial Assets of which:	9 084.8	8 996.8
Cash on hand and on accounts	327.1	289.0
Loans and advances	5 907.2	6 037.1
Tangible fixed assets	69.0	58.2
Liabilities		
Commitments and provisions for commitments	9 272.4	8 967.7
Financial liabilities	9 129.7	8 795.7
of which savings	9 048.3	8 711.9
Provisions	45.0	99.5
Own funds	302.1	463.1
Share fund	364.0	358.2
Resource fund	69.7	63.5
Revaluation reserves	302.4	350.4
Profit or loss from the previous years	-481.2	-317.8

In liabilities of CSCU the main item was commitments and provisions for commitments which decreased by 3.3% in relation to the previous year. Own funds of CSCU increased by PLN 161.1 million, on what the main influence had a decrease of losses from previous years by PLN 163.4 million as well as an increase of revaluation reserves by PLN 48.0 million.

Value of own funds of CSCU, in the end 2019, was higher than a year earlier by 53.3%

Table 5. Selected items of the profit and loss account for the reporting period

SPECIFICATION	2018	2019
	<i>million PLN</i>	
Interest income	815.9	757.5
Interest expenses	165.5	150.8
Net interest income	650.4	606.7
Fee and commission income	72.9	59.6
Fee and commission expenses	22.1	22.3
Net fee and commission income	50.8	37.4
Result on unions' activity	439.6	347.5
Other operating income	131.4	100.9
Other operating expenses	86.3	81.4
Costs of unions' activity	376.1	342.5
Gross financial result	57.8	7.8
Income tax and other compulsory decrease of profit/ increase of loss	10.6	-1.1
Net financial result	47.2	8.9

The result of unions' activity in 2019 decreased by 20.9% to PLN 347.5 million. The main factors influencing this value were: the net interest income lower by 6.7% and the net fee and commission income lower by 26.4%. At the same time, the negative value of net gains (losses) on financial assets and liabilities increased by 11.7%.

Costs of unions' activity decreased in 2019 by 8.9% to PLN 342.5 million. The highest share in these costs was noted for staff expenses (PLN 122.1 million, i.e. 35.6%) as well as costs of external services (PLN 123.1 million, 35.9%).

The net financial result of CSCU resulted from net profits of 19 unions in the amount of PLN 13.8 million and net losses of 6 unions in the amount of PLN 5.0 million.

This news release has been prepared on data for 2019 approved by general meetings of CSCU and received from the Polish Financial Supervision Authority on 10/09/2020.

Annex: tabular appendix – Excel file

In case of quoting Statistics Poland data, please provide information: "Source of data: Statistics Poland", and in case of publishing calculations made on data published by Statistics Poland, please include the following disclaimer: "Own study based on figures from Statistics Poland".

Prepared by:
**Macroeconomics Studies
and Finance Department**
Director Miroslaw Blazej
Office: tel. (+48 22) 608 37 73

Issued by:
**The Spokesperson for the President
of Statistic Poland**
Karolina Banaszek
Mobile: (+48) 695 255 011

Press Office

Office: tel. (+48 22) 608 34 91, 608 38 04

e-mail: obslugaprasowa@stat.gov.pl



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