

Financial results of co-operative savings and credit unions in 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 2020 amounted to PLN 14.0 million and the net financial result PLN minus 4.3 million. The value of memberships deposits at the end of 2020 amounted to PLN 8.9 billion, and the value of member's loans and advances – PLN 6.5 billion.

Compared with the previous year, the gross financial result increased by PLN 6.2 million

Basic data on co-operative savings and credit unions

The survey covered 23 co-operative savings and credit unions (hereinafter unions, CSCU) which conducted the operating activity at the end of 2020. Compared with the year 2019 the number of surveyed unions decreased by two unions, which were taken over by other CSCU.

The distribution network of CSCU decreased over 2020 year by 42 branches and checkout points to 737 units. In 2020 on average, there were 32 customer service facilities for every union. The employment in unions decreased by 13.1%, i.e. by 241 full time equivalents. The number of members of CSCU decreased by 26.4 thousand, but the average number of associated members per union amounted to 59.8 thousand (56.1 thousand in 2019).

The solvency ratio of surveyed CSCU at the end of 2020 reached 5.2%, i.e. decreased by 1.1 percentage point compared with the end of 2019 and was close to the legal minimum on the level of 5.0%.

The number of members of CSCU at the end of 2020 was lower than the year earlier by 1.9%

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

SPECIFICATION	2019	2020
Number of surveyed CSCU	25	23
Number of branches and checkout points	779	737
Average employment	1 832	1 591
Members total	1 402 005	1 375 628
Balance sheet total in PLN million	9 430.8	9 549.3
Solvency ratio in %	6.3	5.2

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 the state at the end of 2020, reached level PLN 8 863.9 million, i.e. increased by PLN 152.0 million concerning the corresponding period of the previous year. At the end of 2020, membership deposits amounted to PLN 385.4 million on the average for every union, compared with PLN 348.5 million at the end of 2019. The average value of deposits for one active at the end of 2020 deposit contract (the number of contracts – 2 379.3 thousand) amounted to PLN 3.7 thousand.

Deposits in CSCU, obtaining in 2020 the positive net financial result, had a share of 23.6% in deposits of CSCU total.

The value of deposits in CSCUs at the end of 2020 was higher by 1.7%

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

SPECIFICATION	2019	2020
	PLN million	
Deposits total	8 711.9	8 863.9
up to 12 months inclusive	7 820.4	8 217.5
over 12 months	891.5	646.4

At the end of 2020, the value of loans and advances amounted to PLN 6 531.9 million, increased by PLN 494.8 million compared with the previous year. On the average, members' loans and advances at the end of 2020 amounted to PLN 284.0 million for every one union, compared with PLN 241.5 million at the end of 2019. The average value of loans and advances for one active at the end of 2020 loan contract (the number of contracts – 371.2 thousand) amounted to PLN 17.6 thousand.

Loans and advances granted by CSCU, obtaining in 2020 the positive net financial result, had a share of 18.3% in loans and advances of CSCU total.

The value of granted loans and advances at the end of 2020 increased by 8.2%

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

SPECIFICATION	2019	2020
	PLN million	
Loans and advances total	6 037.1	6 531.9
up to 12 months inclusive	1 156.1	1 208.5
over 12 months	4 881.1	5 323.4

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 2020 reached the value PLN 9 549.3 million and they increased by PLN 118.5 million compared with the year before. The value of financial assets increased by 2.0%, while loans and advances increased by 8.2%. Tangible fixed assets, in the analysed period, decreased by 8.3%.

The value of assets of CSCU, at the end of 2020, was higher than a year earlier by 1.3%

Assets of CSCU, obtaining in 2020 the positive net financial result, had a share of 23.7% in assets of surveyed CSCU total.

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

SPECIFICATION	2019	2020
	<i>PLN million</i>	
Assets		
Financial Assets of which:	8 996.8	9 174.5
Cash on hand and on accounts	289.0	216.9
Loans and advances	6 037.1	6 531.9
Tangible fixed assets	58.2	53.3
Liabilities		
Commitments and provisions for commitments	8 967.7	9 167.7
Financial liabilities	8 795.7	8 987.0
of which deposits	8 711.9	8 863.9
Provisions	99.5	96.8
Own funds	463.1	381.6
Share fund	358.2	357.6
Resource fund	63.5	57.7
Revaluation reserves	350.4	283.7
Profit or loss from the previous years	-317.8	-313.0

In liabilities of CSCU the main item was commitments and provisions for commitments which increased by 2.2% concerning the previous year. Own funds of CSCU decreased by PLN 81.5 million, mainly due to the reduction of revaluation reserves by PLN 66.7 million.

Value of own funds of CSCU, at the end of 2020, was lower than a year earlier by 17.6%

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

SPECIFICATION	2019	2020
	<i>PLN million</i>	
Interest income	757.5	590.0
Interest expenses	150.8	114.5
Net interest income	606.7	475.5
Fee and commission income	59.6	62.6
Fee and commission expenses	22.3	20.5
Net fee and commission income	37.4	42.2
Result on unions' activity	347.5	335.4
Other operating income	100.9	101.2
Other operating expenses	81.4	76.9
Costs of unions' activity	342.5	323.3
Gross financial result	7.8	14.0
Income tax and other compulsory decrease of profit/ increase of loss	-1.1	18.3
Net financial result	8.9	-4.3

The result of unions' activity in 2020 decreased by 3.5% to PLN 335.4 million. The main factor influencing this value was the net interest income lower by 21.6%. Other items making up the result of unions' activity had a positive impact for its value. The net fee and commission income increased by 12.9%, dividend income soared 32-times and the negative value of net gains (losses) on financial assets and liabilities decreased by 35.9%.

In 2020, costs of unions' activity decreased by 5.6% to PLN 323.3 million. The highest share in these costs was noted for staff expenses 33.9% (PLN 109.5 million) as well as costs of external services 36.0% (PLN 116.4 million).

The net financial result of CSCU resulted from net profits of 18 unions of PLN 4.5 million and net losses of 5 unions for PLN 8.8 million.

This news release has been prepared on data for 2020 approved by general meetings of CSCU and received from the Polish Financial Supervision Authority on 10/09/2021.

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".

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