



ISI Statistics
Quarter 2 2018



ISI
Tackling problem debt together

Insolvency Service of Ireland

Quarter 2 2018

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THE DEBT RELIEF NOTICE (DRN) PROVIDES FOR THE WRITE-OFF OF QUALIFYING DEBT UP TO €35,000 SUBJECT TO A 3-YEAR SUPERVISION PERIOD.

THE DEBT SETTLEMENT ARRANGEMENT (DSA) PROVIDES FOR THE AGREED SETTLEMENT OF UNSECURED DEBT WITH NO LIMITS INVOLVED OVER A PERIOD OF UP TO 5 YEARS.

THE PERSONAL INSOLVENCY ARRANGEMENT (PIA) PROVIDES FOR THE RESTRUCTURING OR SETTLEMENT OF SECURED DEBT UP TO €3M AND THE SETTLEMENT OF UNSECURED DEBT OVER A PERIOD OF UP TO 6 YEARS.

IN THE CASE OF A DSA OR PIA, AFTER A PROTECTIVE CERTIFICATE ISSUES, PERSONAL INSOLVENCY PRACTITIONERS (PIPS) WILL HAVE 70 DAYS IN WHICH TO DEVELOP AN ARRANGEMENT.

1 Foreword

I am pleased to publish the statistical report of the Insolvency Service of Ireland (ISI) covering the second quarter of 2018 (Q2).

In comparison to the last quarter, applications are marginally down following strong growth in recent quarters on the back of Abhaile (the Government's free mortgage arrears support scheme, which includes free Personal Insolvency Practitioner consultations for insolvent debtors). The number of Protective Certificates and approved Arrangements are up 19% and 15% respectively.

The number of debtors securing Personal Insolvency Arrangements (the solution that returns debtors to solvency while keeping them in their home in over 90% of cases), continues to rise.

Lorcan O'Connor

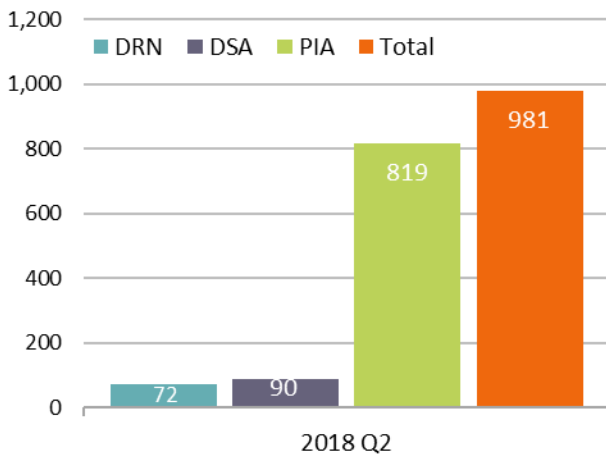
Director

July 2018

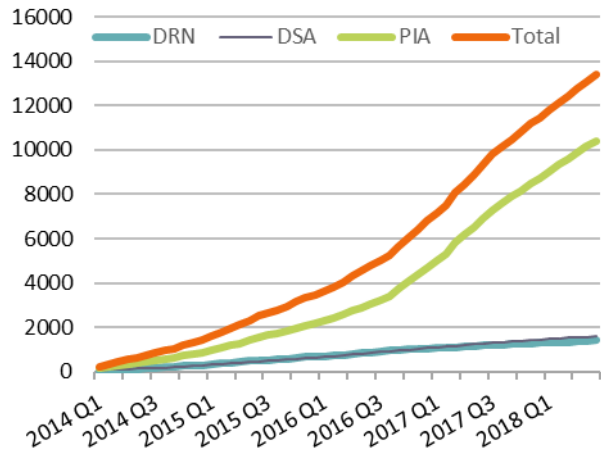
These statistics are for information purposes only. No person should place reliance on the accuracy of the statistics, nor should they act solely based on them. The statistics are primarily based upon cases created by duly authorised Approved Intermediaries and Personal Insolvency Practitioners on the ISI Case Management System, the official registers of Approved Intermediaries and Personal Insolvency Practitioners and the statement of affairs submitted by those seeking to be declared bankrupt. Figures cover the period 01 April 2018 to 30 June 2018, unless otherwise stated.

2 Case Management – DRN, DSA, PIA

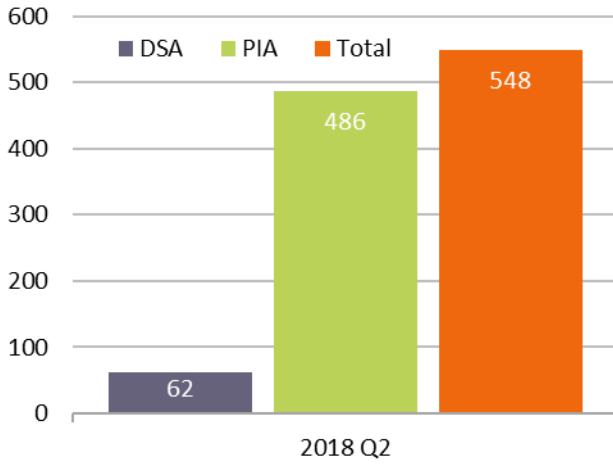
981 new applications in Q2



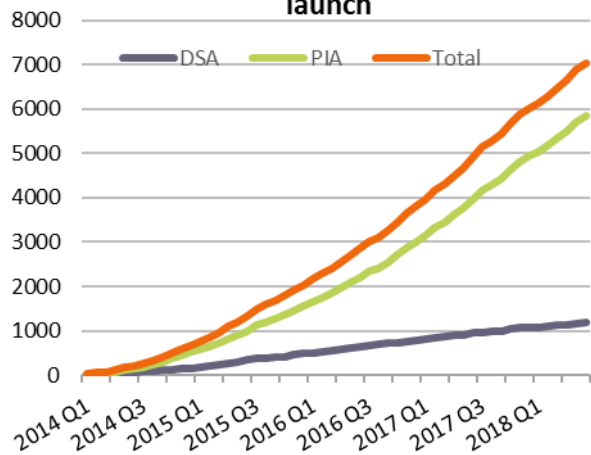
13,405 applications since launch



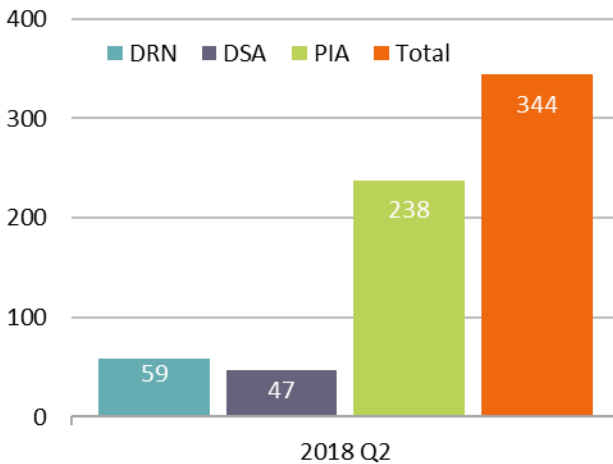
548 Protective Certificates in Q2



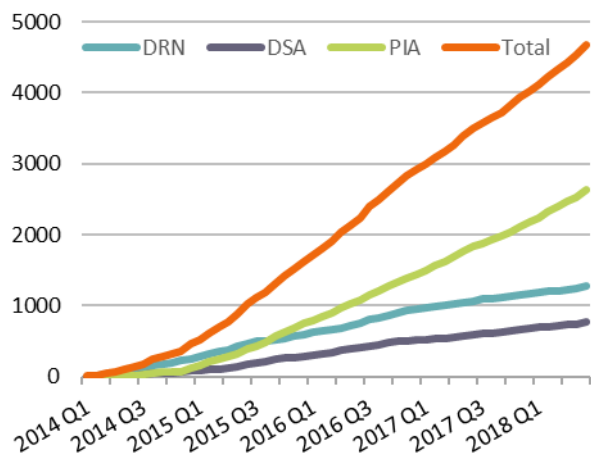
7,032 Protective Certificates since launch



344 Arrangements in Q2



4,672 Arrangements since launch



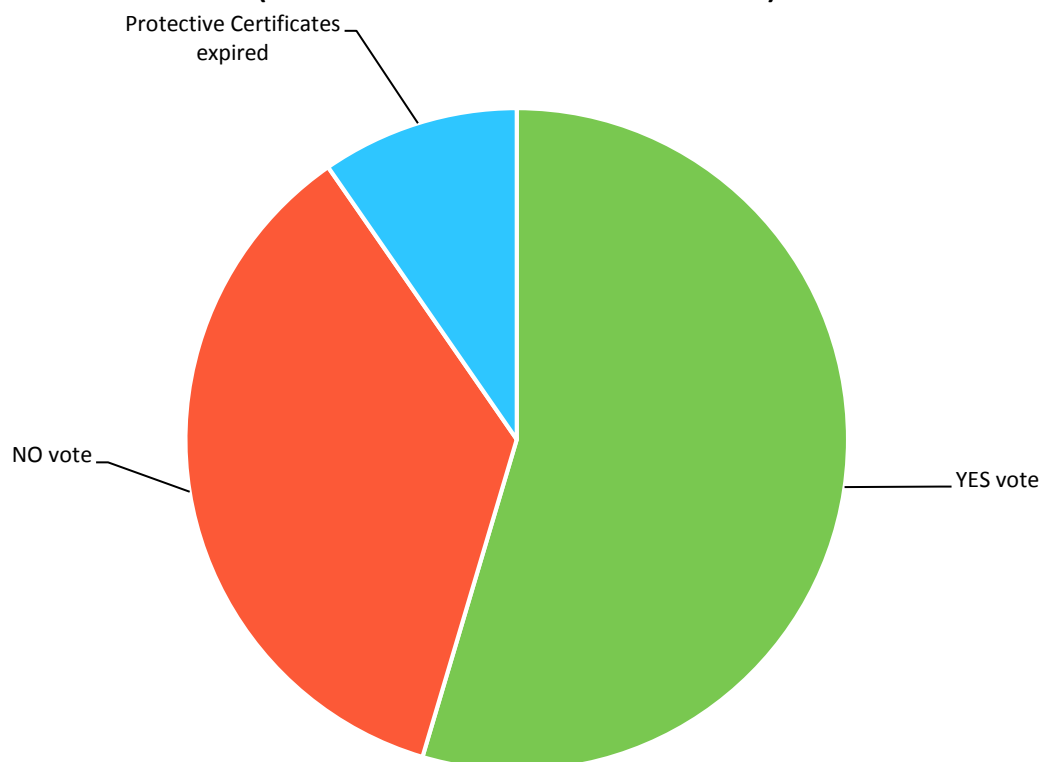
3 Outcome of Protective Certificates

The ISI has undertaken an analysis of Protective Certificates issued and their outcomes. The analysis has been broken down into three categories:

- **Yes Vote:** Personal Insolvency Practitioner (PIP) successfully uses the Protective Certificate period of 70 days to put an agreement in place between the debtor and his or her creditors, following a vote at the creditors' meeting.
- **No Vote:** PIP is unsuccessful in reaching an agreement, following a vote at the creditors' meeting, between the debtor and his or her creditors.
- **Protective Certificate Expired:** The Protective Certificate can expire, without a formal insolvency solution in place, if the PIP is of the view that a Debt Settlement Arrangement/Personal Insolvency Arrangement is no longer appropriate. For example, where further time is required to prepare the case, where the debtor's circumstances have changed, where the PIP is of the view that a No vote is inevitable or where an alternative solution has been put in place between the debtor and his or her creditors. Once a Protective Certificate expires, information relating to any further action taken by the debtor in relation to their financial situation is not readily available to the ISI as the Debt Settlement Arrangement/Personal Insolvency Arrangement procedure is deemed to have ended.

Where a proposal for a PIA is not approved at a creditors' meeting, the Court may be asked to review the case in certain circumstances, in accordance with Section 115A of the Personal Insolvency Act. Further details concerning the Section 115A Court Review process is contained in the [ISI's Annual Report for 2017](#). It is intended that further analysis will also be included in future Annual Reports.

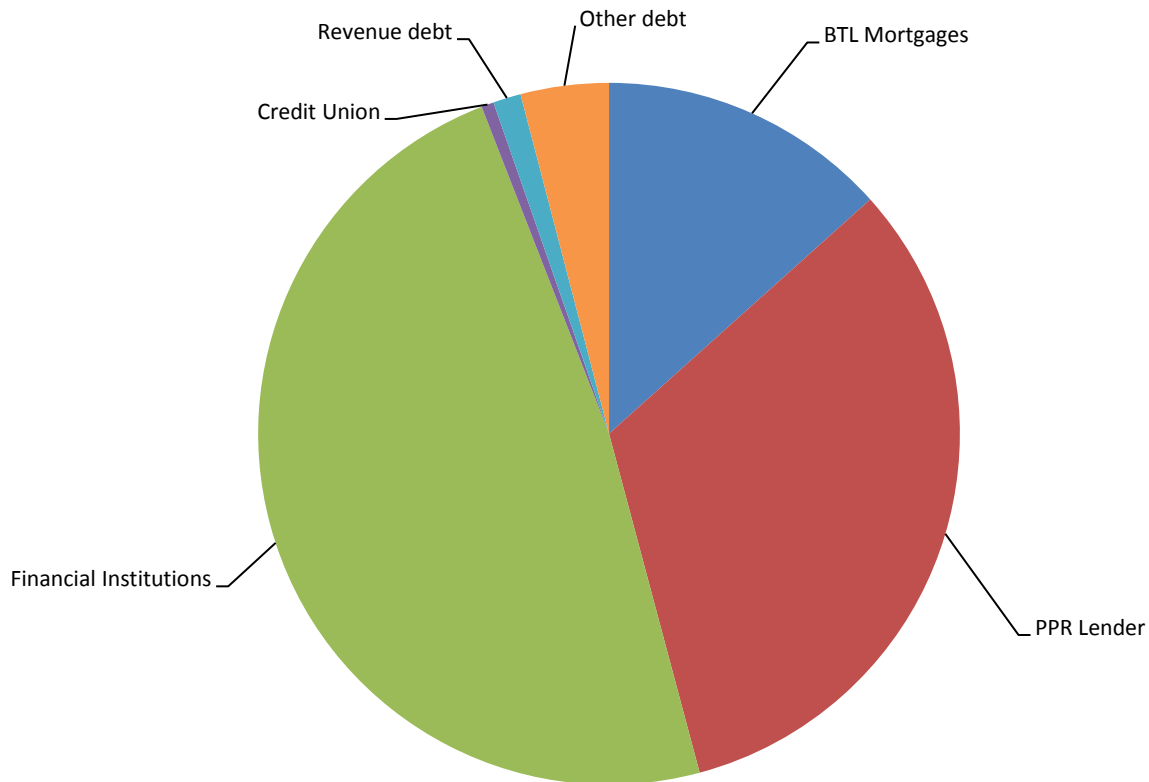
Outcome of Protective Certificates (from 2013 Q4 to 2018 Q2)



Outcome	DSA	PIA	Total
YES vote	71.5%	51.0%	54.6%
NO vote*	19.2%	39.3%	35.8%
Protective Certificates expired	9.3%	9.7%	9.6%

4 Qualifying Debt – DRN, DSA, PIA

€680 Million Qualifying Debt

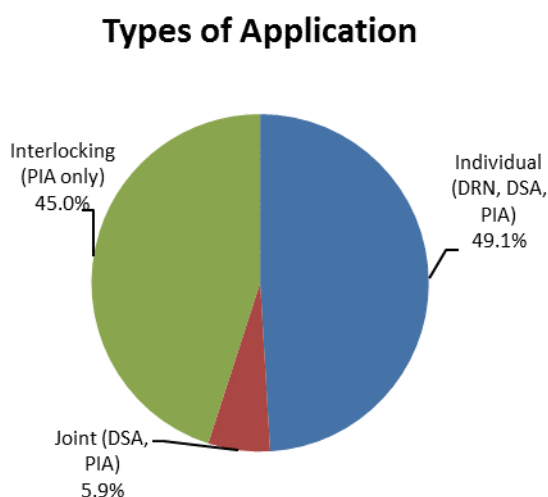
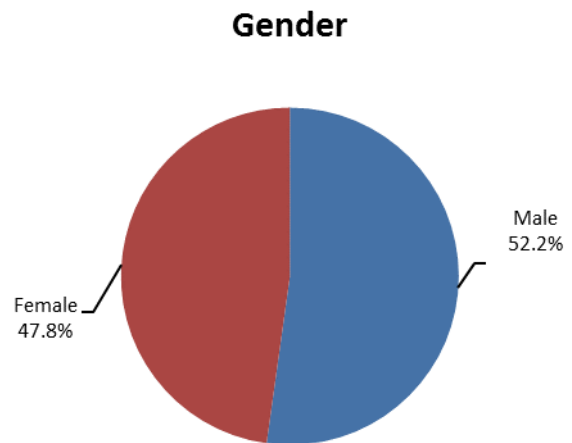
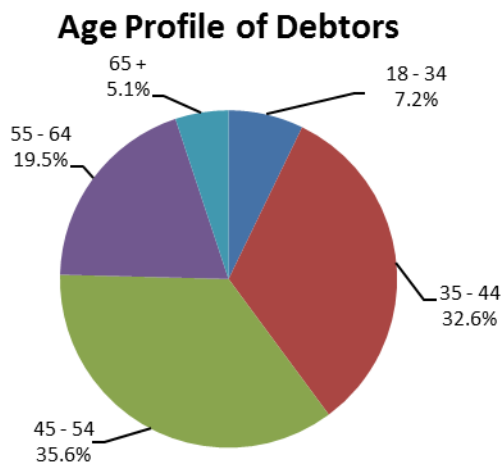
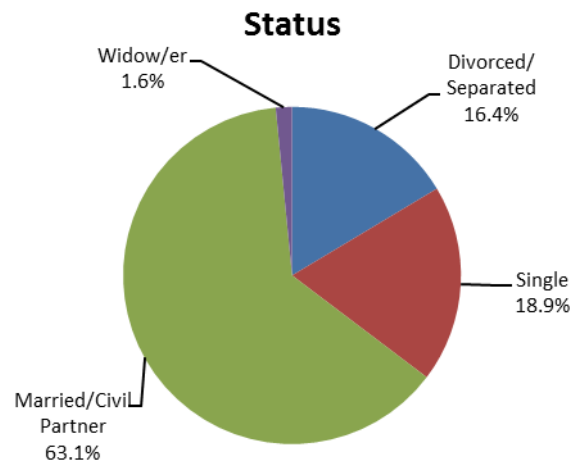
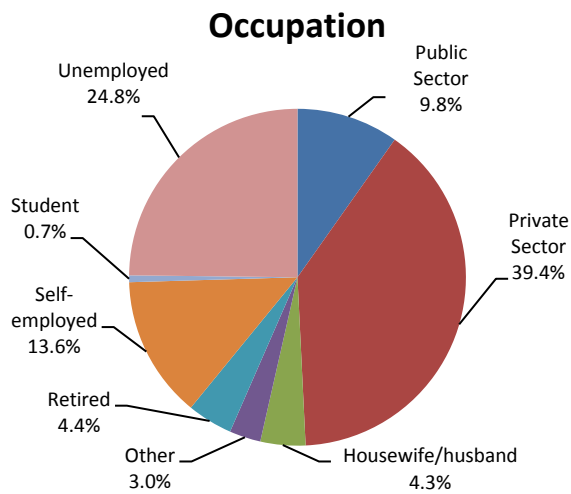


**Other debt includes trade creditors, connected creditors, contingent debt, hire purchase, personal guarantees, utilities, store cards/catalogues and professional fees.*

The total debt involved in the 981 new cases created in Q2 is approximately €640 million. You can find a breakdown of the type of debt in the chart above and the table below.

Type of debt	Value of debt (millions)	As a % of total
BTL Mortgages	€ 90.736	13.4%
PPR Lender	€ 220.493	32.4%
Financial Institutions	€ 328.123	48.2%
Credit Union	€ 3.878	0.6%
Revenue debt	€ 8.713	1.3%
Other debt	€ 27.570	4.1%
Total Q4 debt	€ 679.513	100.0%

5 Applicant Profile – DRN, DSA, PIA (from 2013 Q4 to 2018 Q2)



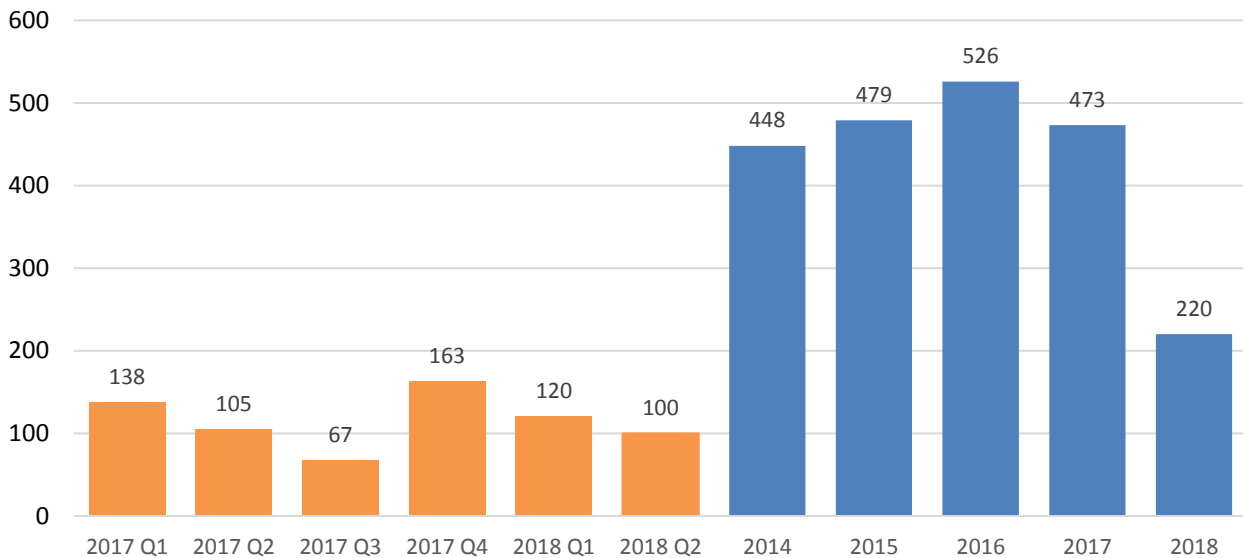
An individual application is an application by a sole debtor.

Where there are two (or more) debtors who are jointly liable for **all** of the debts to be included in a DSA or a PIA, a joint application is appropriate.

An interlocking application would be appropriate where two (or more) PIAs are to be administered in common - usually because of the financial relationship of the debtors involved. Examples would be a couple or business partners, where they are jointly liable for some - but not all - of the debts to be included in the PIA.

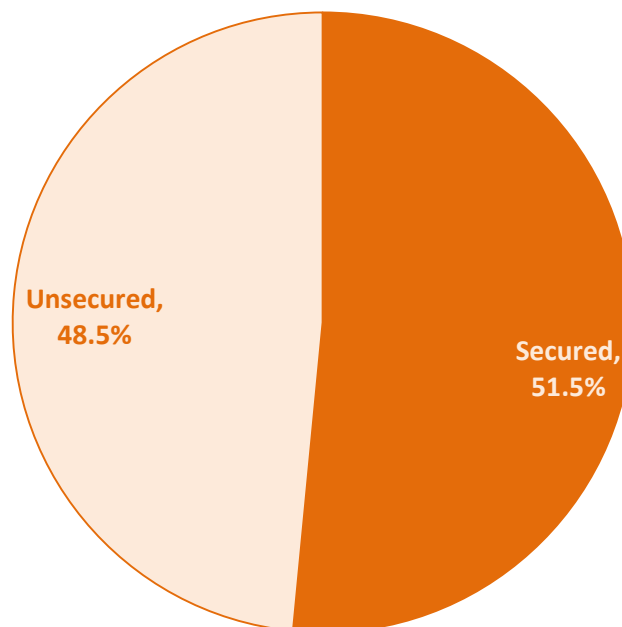
6 Bankruptcy

Bankruptcy Adjudications



The one-year bankruptcy term was introduced on the 29th January 2016.

€153 Million Bankruptcy Debt in Q2



The total debt involved in bankruptcy adjudications for Q2 is approximately €153 million. This comprises 51.5% secured debt and 48.5% unsecured debt. In the case of secured debt, it is likely that current market values of securities are significantly below debt levels.

7 Appendix 1

7.1 Table: Case Management

Case Management Quarterly Statistics											
Period	New Applications				Protective Certificates			Arrangements Approved			
	Total	DRN	DSA	PIA	Total	DSA	PIA	Total	DRN	DSA	PIA
2018 Q2	981	72	90	819	548	62	486	344	59	47	238
2018 Q1	998	51	77	870	462	53	409	298	35	44	219
2017 Q4	946	47	86	813	581	74	507	310	63	46	201
2017 Q3	1,119	67	90	962	510	53	457	218	45	41	132
2017 Q2	1,259	68	109	1,082	617	82	535	323	59	46	218
2017 Q1	1,302	65	93	1,144	490	69	421	264	55	27	182
2018	1,979	123	167	1,689	1,010	115	895	642	94	91	457
2017	4,626	247	378	4,001	2,198	278	1,920	1,115	222	160	733
2016	3,329	371	428	2,530	1,786	314	1,472	1,289	357	235	697
2015	2,028	372	365	1,291	1,363	326	1,037	1,170	347	204	619
2014	1,331	297	243	791	664	153	511	455	251	78	126
2013	112	0	29	83	11	5	6	1	0	1	0
Total	13,405	1,410	1,610	10,385	7,032	1,191	5,841	4,672	1,271	769	2,632
Percentage change, 2018 Q2 compared with:											
2018 Q1	-2%	41%	17%	-6%	19%	17%	19%	15%	69%	7%	9%
2017 Q2	-22%	6%	-17%	-24%	-11%	-24%	-9%	7%	0%	2%	9%

7.2 Table: Bankruptcy

Period	Bankruptcy Adjudications
2018 Q2	100
2018 Q1	120
2017 Q4	163
2017 Q3	67
2017 Q2	105
2017 Q1	138
2017	473
2016	526
2015	479
2014	448
Percentage change, 2018 Q2 compared with:	
2018 Q1	-16.7%
2017 Q2	-4.8%

7.3 Table: Regulation

Personal Insolvency Practitioners (PIP)	109
Approved Intermediaries (AI)*	39
Responsible Person (RP)	151
Total regulated persons available to help debtors	260

*The 39 Approved Intermediary entities are composed of the following:

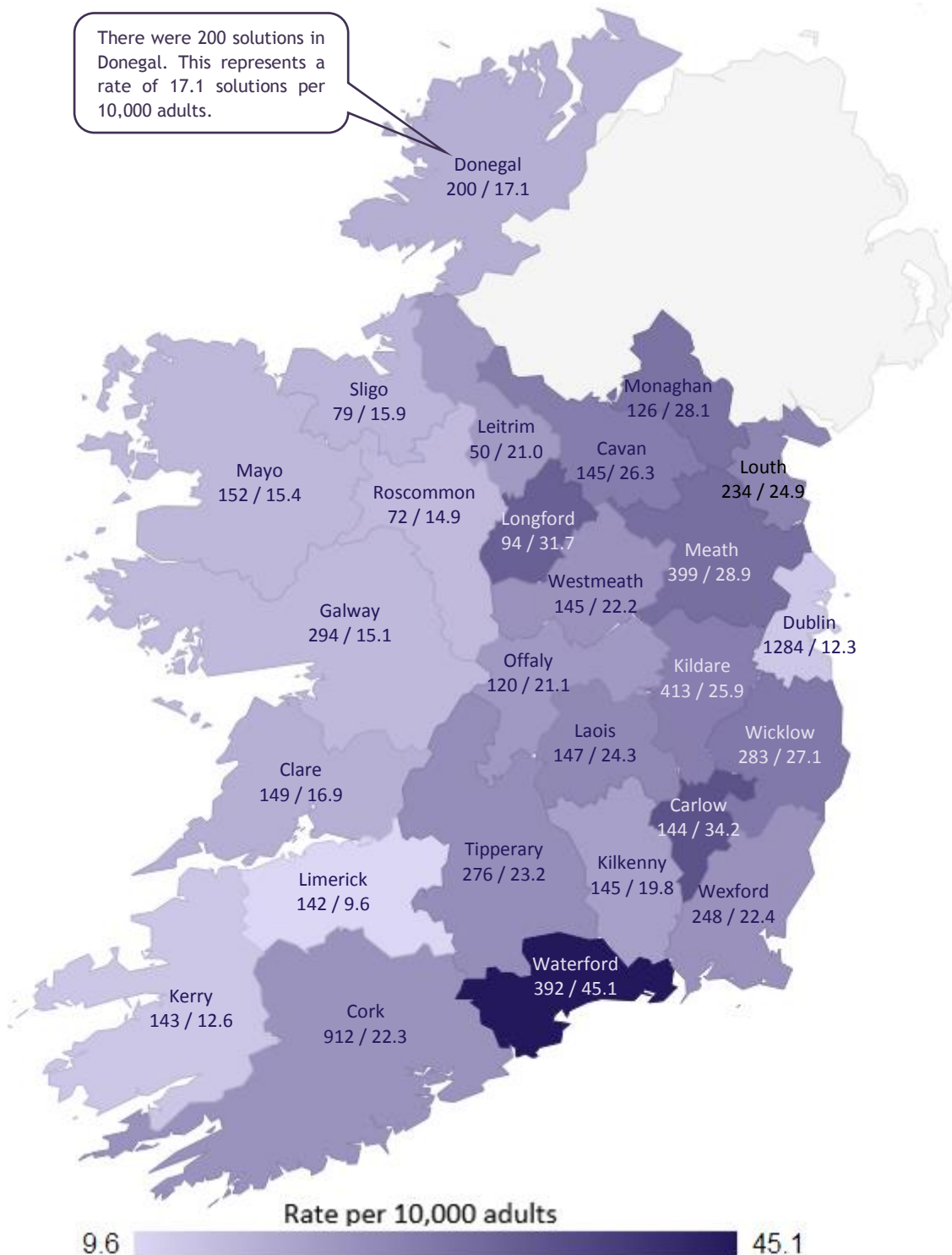
- 35 MABS companies
- Irish Mortgage Holders Organisation (IMHO)
- AMI Financial Solutions
- Insolvency Resolution Service
- David Keogh

There are 151 Responsible Persons linked to these 39 authorisations.

The Citizens Information Board (CIB) has statutory responsibility for the Money Advice and Budgeting Service (MABS) national network. The Board of CIB are changing its governance arrangements from 51 individual service delivery companies to an 8-region model. The first 3 regional MABS companies were formed on April 16th 2018, thus reducing the number of Approved Intermediaries since the last quarterly report. Further information is available in the ISI June Stakeholder [e-brief](#).

7.4 Geochart: Debt Solutions from 2014 Q1 to 2018 Q2

The geochart below shows the number of DRNs, DSAs, PIAs and bankruptcies approved from 2014 Q1 to 2018 Q2, together with the rate per 10,000 adults^{1 2}.



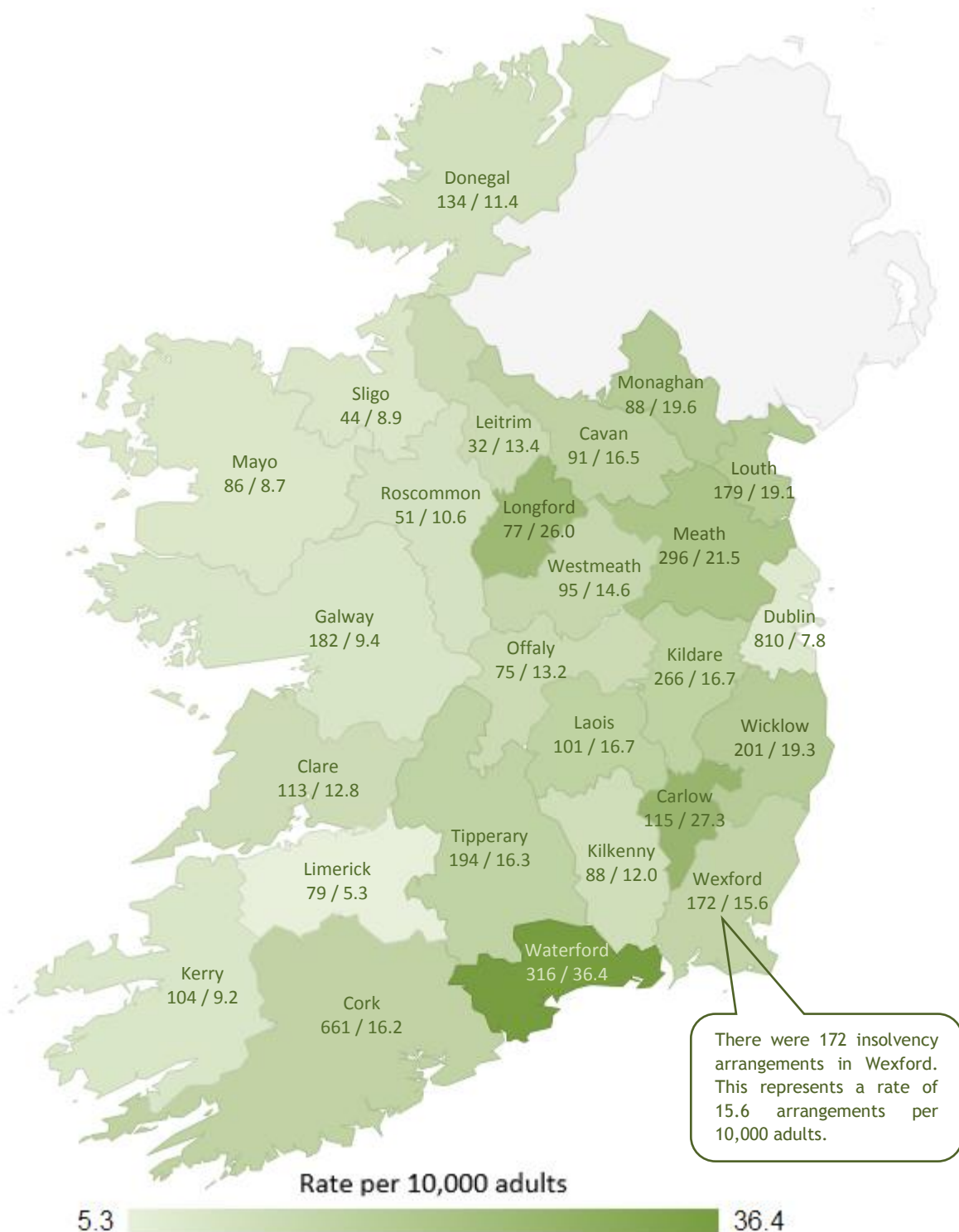
¹ Population data taken from the CSO's *Population 2011 to 2016 by Single Year of Age, Sex, County and City and Census Year*. Available on the CSO's website at

<http://www.cso.ie/px/pxeirestat/Statire/SelectVarVal/Define.asp?maintable=E3003&PLanguage=0>.

² There have been 20 insolvencies and eight bankruptcies where the debtors have been residing outside of the State.

7.5 Geochart: DRN, DSA, and PIA Arrangements from 2014 Q1 to 2018 Q2

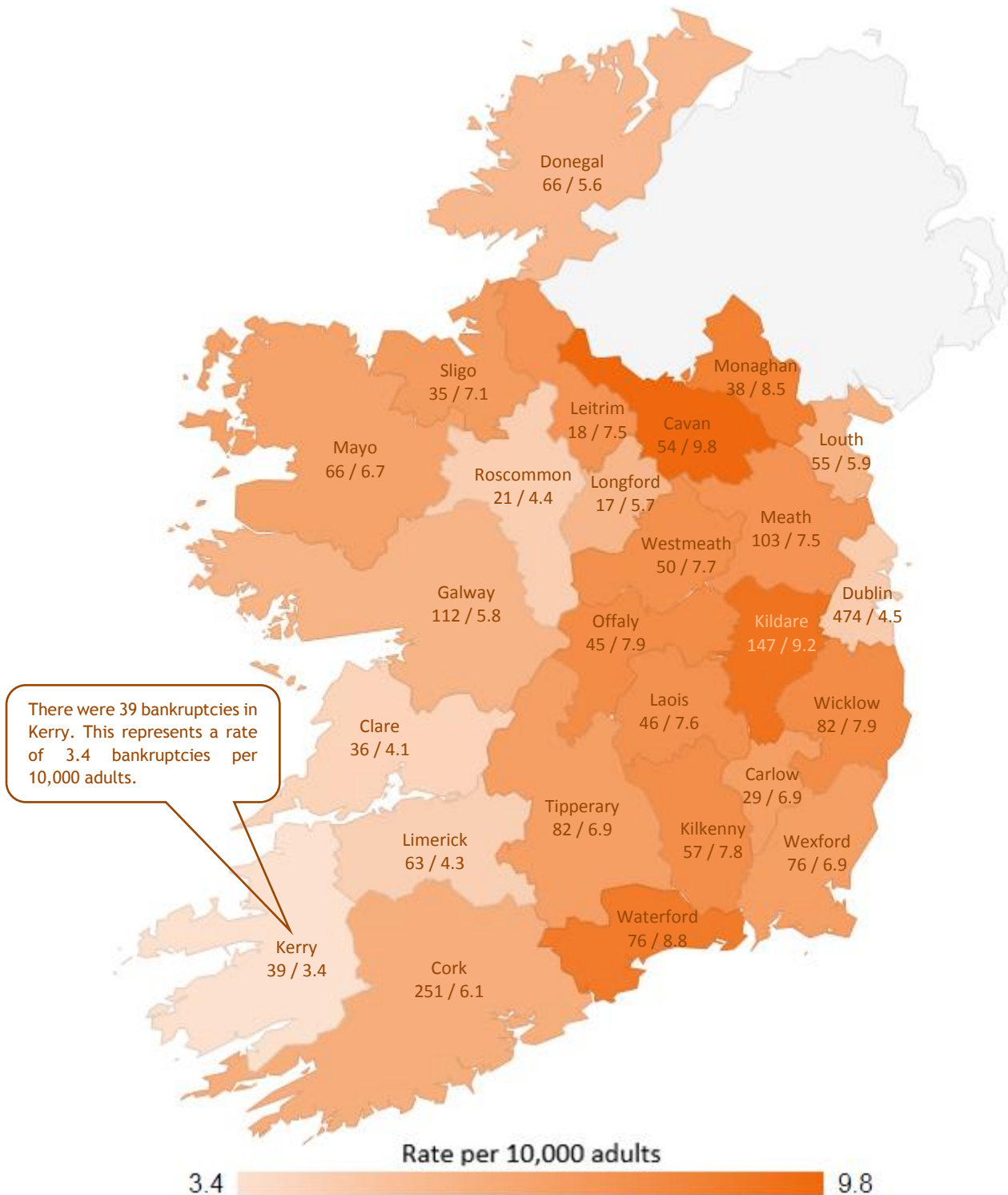
The geochart below shows the number of DRN, DSA and PIA arrangements approved by Court from 2014 Q1 to 2018 Q2, together with the rate per 10,000 adults³.



³ There have been 20 insolvencies where the debtors have been residing outside of the State.

7.6 Geochart: Bankruptcy Adjudications from 2014 Q1 to 2018 Q2

The geochart below shows the number of bankruptcy adjudications from 2014 Q1 to 2018 Q2, together with the rate per 10,000 adults⁴.



There were 39 bankruptcies in Kerry. This represents a rate of 3.4 bankruptcies per 10,000 adults.

⁴ There have been eight bankruptcies where the debtors have been residing outside of the State at the time of adjudication.