



ISI Statistics
Quarter 3 2018



ISI
Tackling problem debt together

Insolvency Service of Ireland

Quarter 3 2018

Table of Contents

1	Foreword	4
2	Case Management – DRN, DSA, PIA	5
3	Outcome of Protective Certificates	6
4	Qualifying Debt – DRN, DSA, PIA	8
5	Applicant Profile – DRN, DSA, PIA (from 2013 Q4 to 2018 Q3)	9
6	Bankruptcy	10
7	Appendix 1	11
7.1	Table: Case Management	11
7.2	Table: Bankruptcy	11
7.3	Table: Regulation	12
7.4	Geochart: Debt Solutions from 2014 Q1 to 2018 Q3	13
7.5	Geochart: DRN, DSA, and PIA Arrangements from 2014 Q1 to 2018 Q3	14
7.6	Geochart: Bankruptcy Adjudications from 2014 Q1 to 2018 Q3	15

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 third quarter of 2018 (Q3).

Key statistics for Quarter 3 2018 are as follows:

- 771 New Applications
- 418 Protective Certificates
- 305 Arrangements approved
- 64 Bankruptcies

Due to the Court's summer recess which occurs during Quarter 3, comparisons between Q3 2018 and Q3 2017 are more meaningful to identify trends than comparing Q3 2018 with Q2 2018.

The number of debtors securing Personal Insolvency Arrangements (the solution that returns debtors to solvency while keeping them in their home in over 95% of cases), are up 60% compared to Q3 2017. However, the number of applications, Protective Certificates and bankruptcies are down.

Lorcan O'Connor

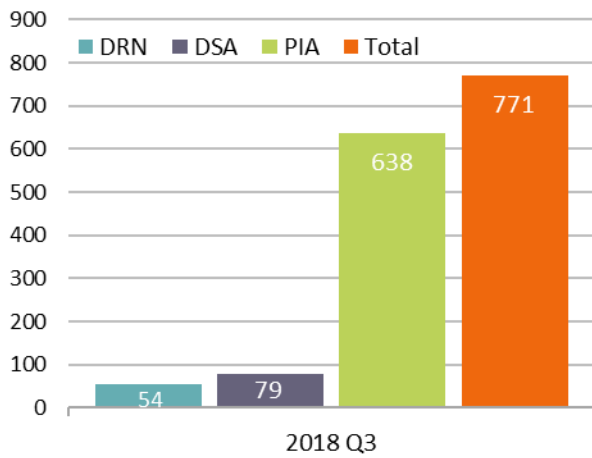
Director

October 2018

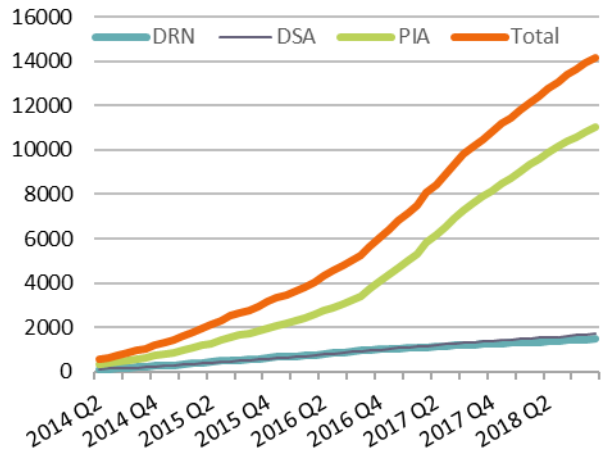
These statistics are for information purposes only. No person should place reliance on the accuracy of the statistics, nor should they act solely based on them. The statistics are primarily based upon cases created by duly authorised Approved Intermediaries and Personal Insolvency Practitioners on the 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 July 2018 to 30 September 2018, unless otherwise stated.

2 Case Management – DRN, DSA, PIA

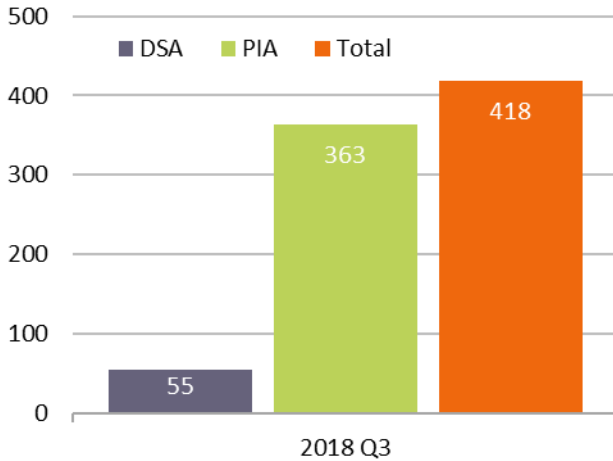
771 new applications in Q3



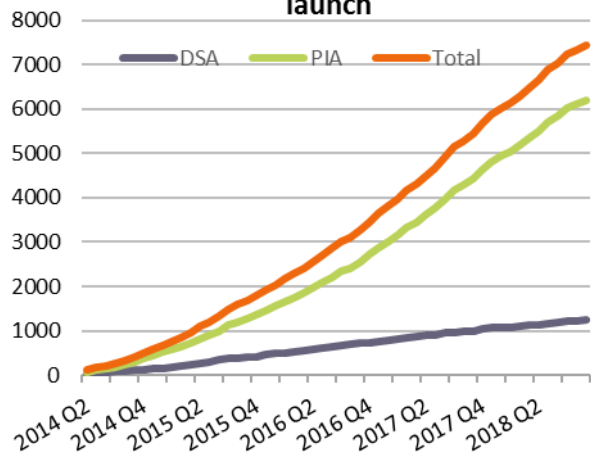
14,176 applications since launch



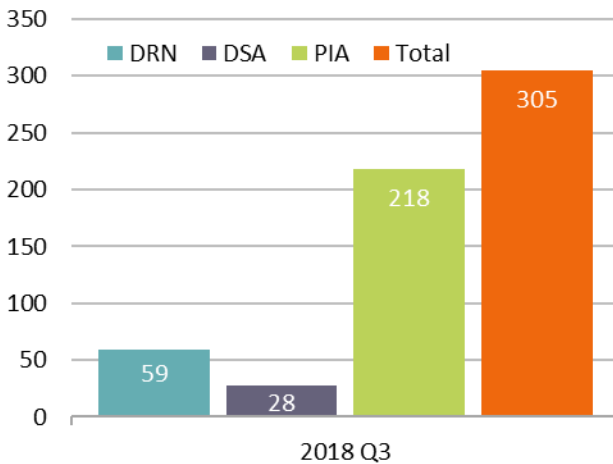
418 Protective Certificates in Q3



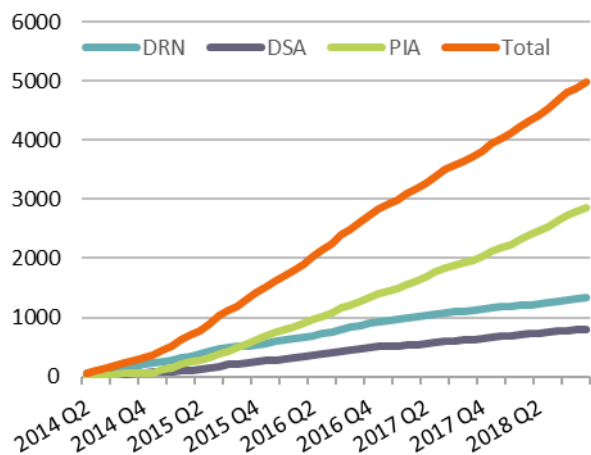
7,450 Protective Certificates since launch



305 Arrangements in Q3



4,977 Arrangements since launch



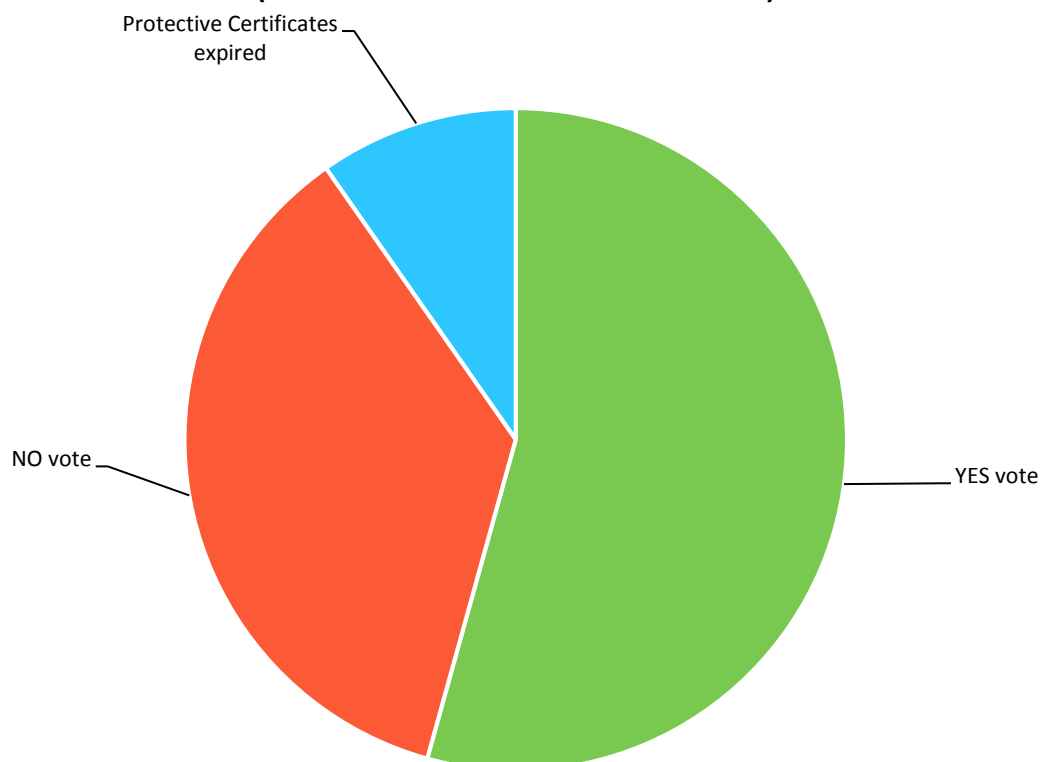
3 Outcome of Protective Certificates

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.

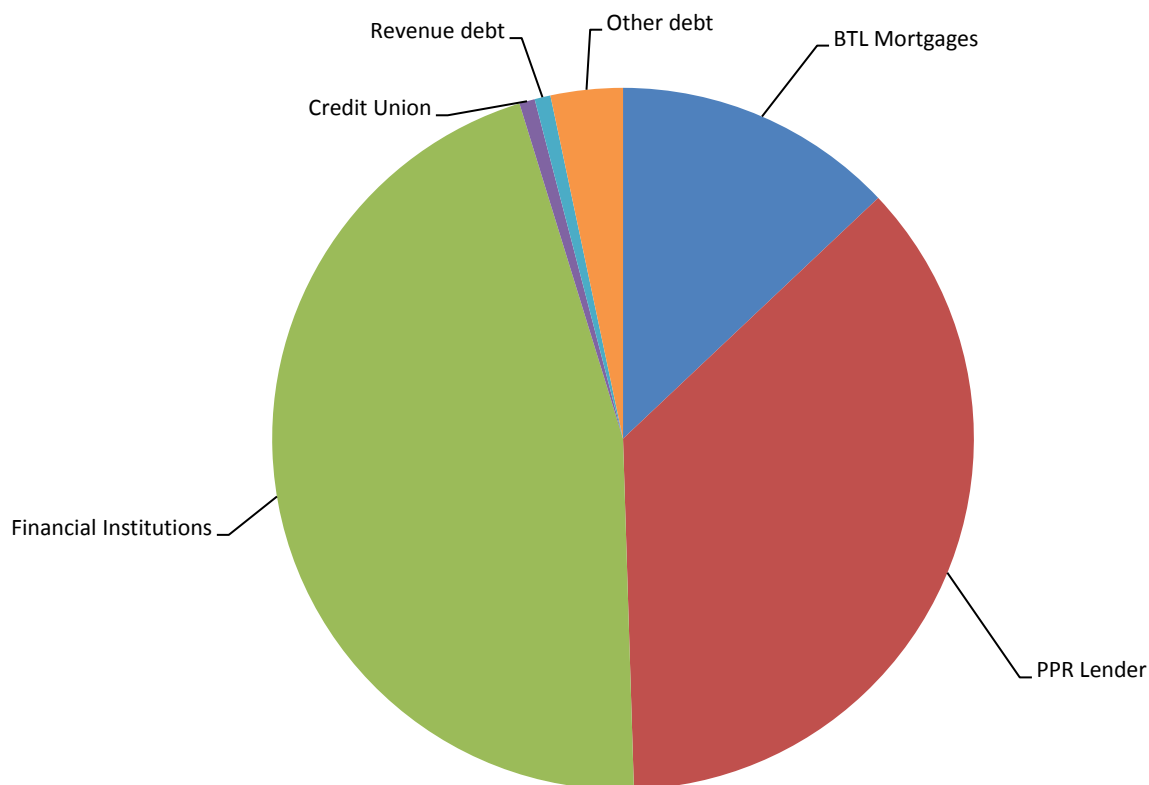
Outcome of Protective Certificates (from 2013 Q4 to 2018 Q3)



Outcome	DSA	PIA	Total
YES vote	70.5%	51.0%	54.3%
NO vote*	19.9%	39.3%	36.0%
Protective Certificates expired	9.6%	9.7%	9.7%

4 Qualifying Debt – DRN, DSA, PIA

€454 Million Qualifying Debt

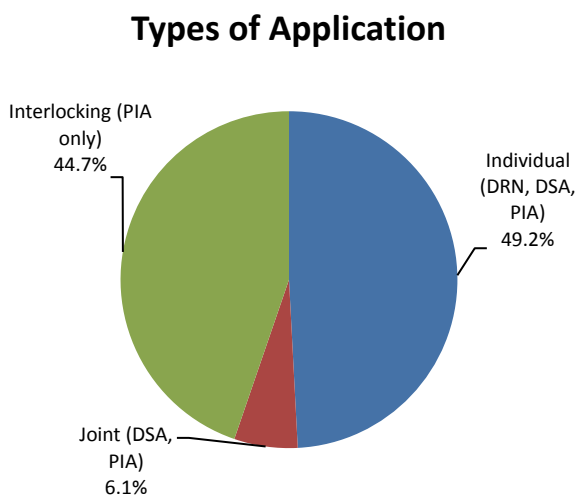
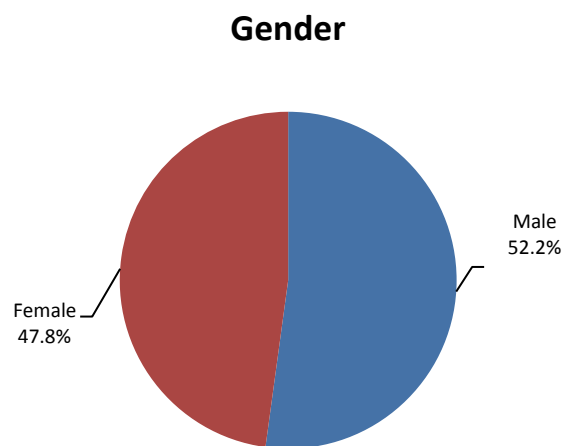
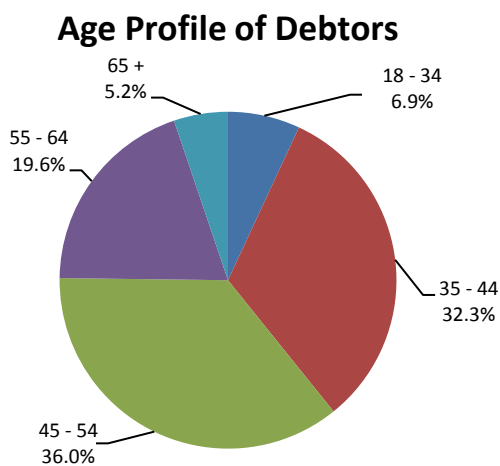
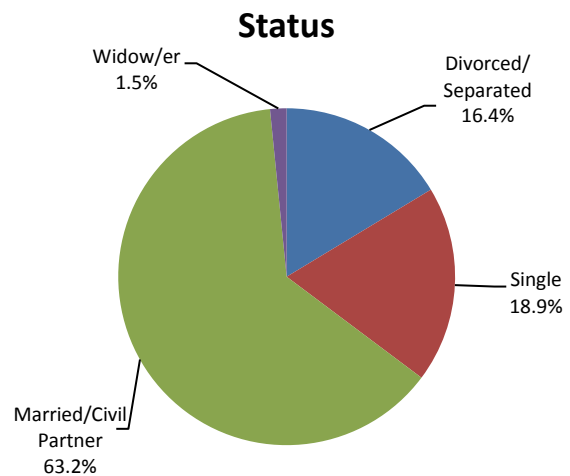
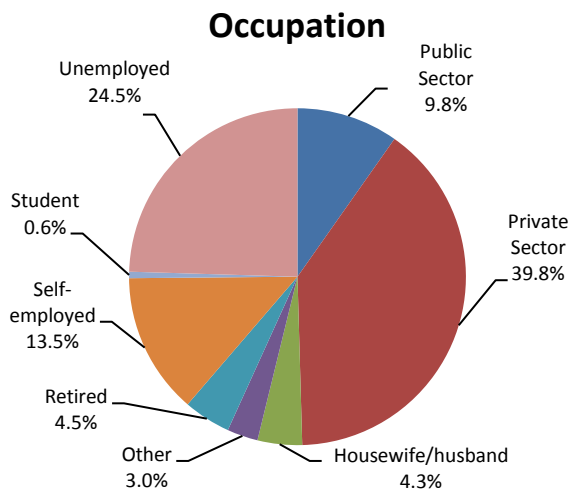


**Other debt includes trade creditors, connected creditors, contingent debt, hire purchase, personal guarantees, utilities, store cards/catalogues and professional fees.*

The total debt involved in the 771 new cases created in Q3 is approximately €454 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	€ 58.896	13.0%
PPR Lender	€ 166.029	36.5%
Financial Institutions	€ 207.731	45.7%
Credit Union	€ 3.261	0.7%
Revenue debt	€ 3.333	0.7%
Other debt	€ 15.087	3.3%
Total Q3 debt	€ 454.337	100.0%

5 Applicant Profile – DRN, DSA, PIA (from 2013 Q4 to 2018 Q3)



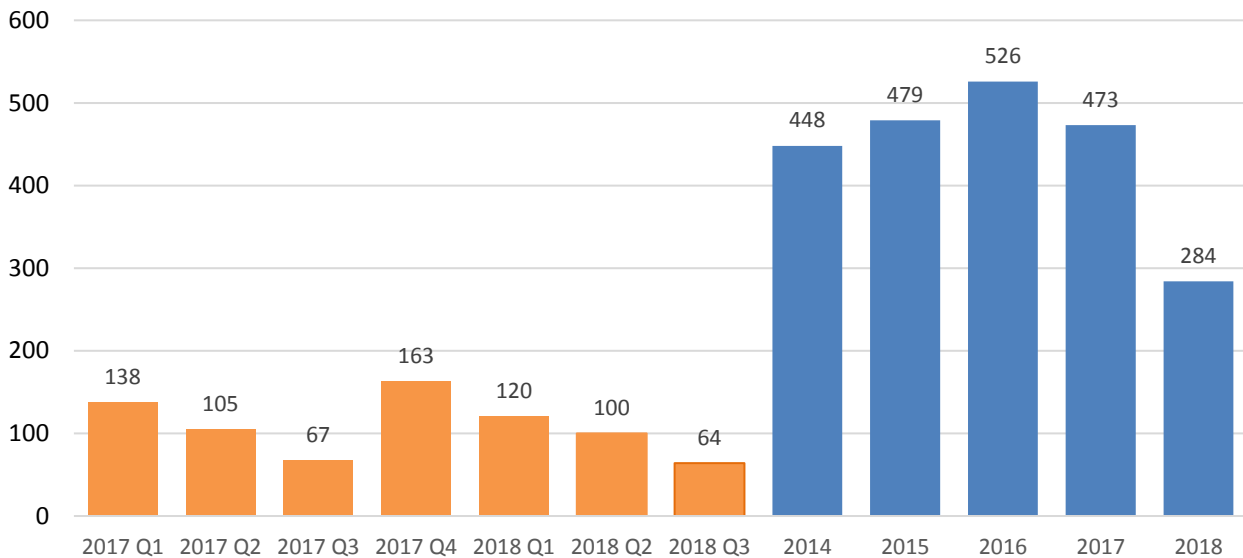
An individual application is an application by a sole debtor.

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.

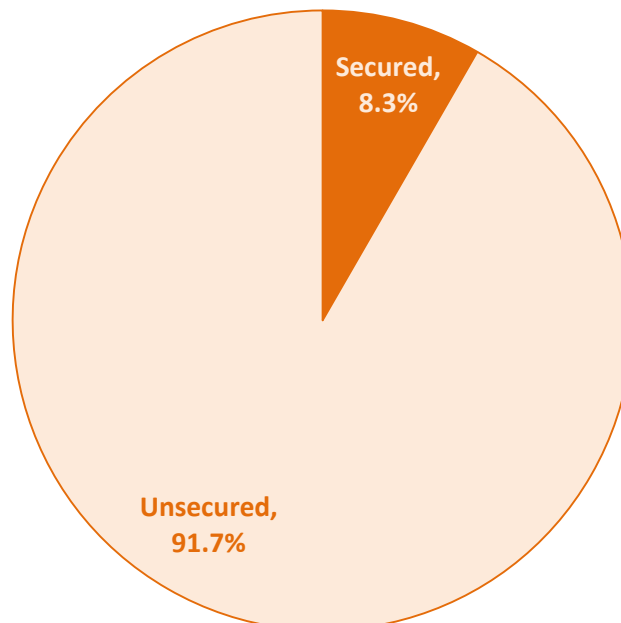
6 Bankruptcy

Bankruptcy Adjudications



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

€271 Million Bankruptcy Debt in Q3



The total debt involved in bankruptcy adjudications for Q3 is approximately €271 million. This comprises 8.3% secured debt and 91.7% 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 Q3	771	54	79	638	418	55	363	305	59	28	218
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	2,750	177	246	2,327	1,428	170	1,258	947	153	119	675
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	14,176	1,464	1,689	11,023	7,450	1,246	6,204	4,977	1,330	797	2,850
Percentage change, 2018 Q3 compared with:											
2018 Q2	-21%	-25%	-12%	-22%	-24%	-11%	-25%	-11%	0%	-40%	-8%
2017 Q3	-31%	-19%	-12%	-34%	-18%	4%	-21%	40%	31%	-32%	65%

7.2 Table: Bankruptcy

Period	Bankruptcy Adjudications
2018 Q3	64
2018 Q2	100
2018 Q1	120
2017 Q4	163
2017 Q3	67
2017 Q2	105
2017 Q1	138
2018	284
2017	473
2016	526
2015	479
2014	448
Percentage change, 2018 Q3 compared with:	
2018 Q2	-36.0%
2017 Q3	-4.5%

7.3 Table: Regulation

Personal Insolvency Practitioners (PIP)	110
Approved Intermediaries (AI)*	16
Responsible Person (RP)	128
Total regulated persons available to help debtors	238

*The 16 Approved Intermediary entities are composed of the following:

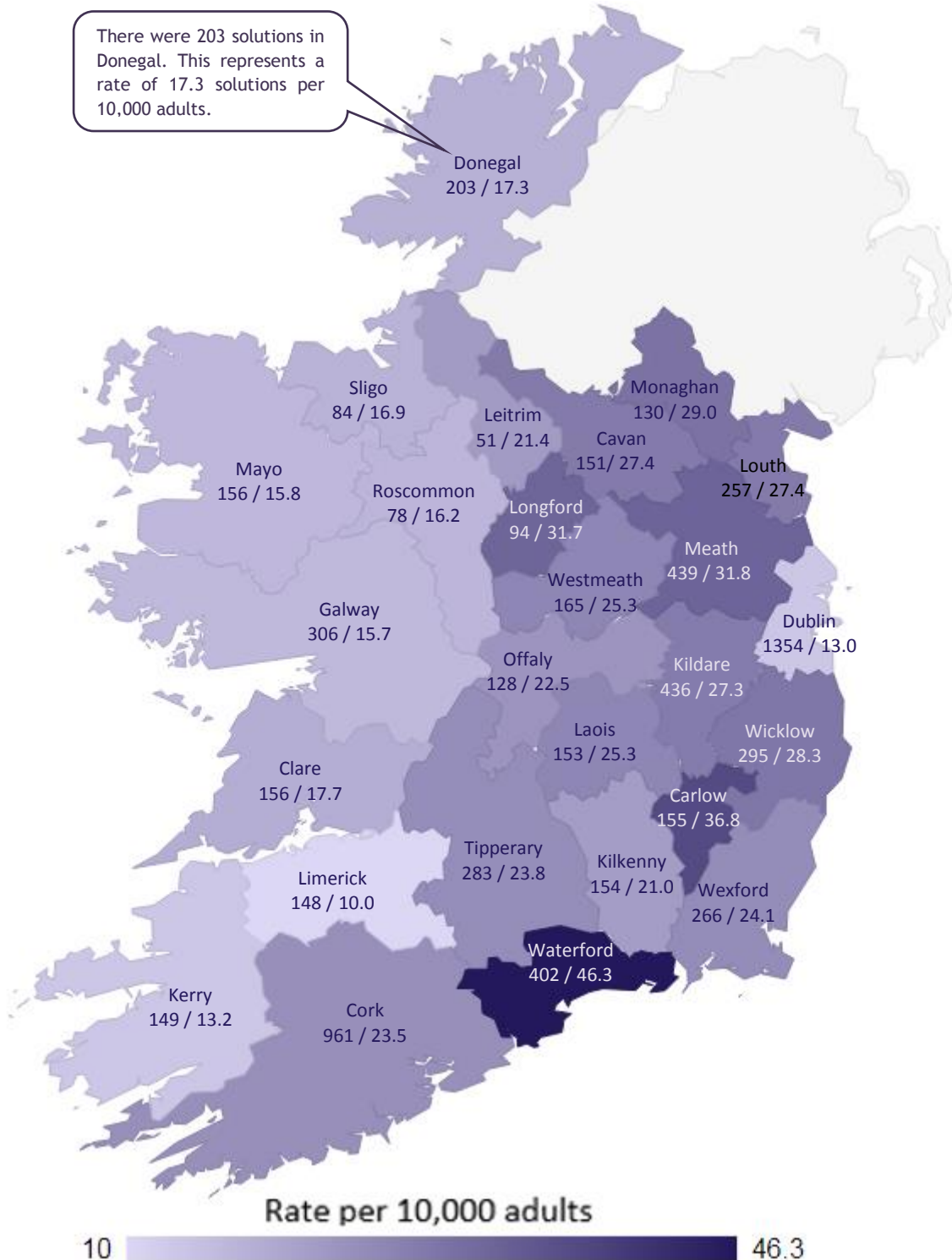
- 12 MABS companies
- Irish Mortgage Holders Organisation (IMHO)
- AMI Financial Solutions
- Insolvency Resolution Service
- David Keogh

There are 128 Responsible Persons linked to these 16 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 and a further 4 between May and September 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 Q3

The geochart below shows the number of DRNs, DSAs, PIAs and bankruptcies approved from 2014 Q1 to 2018 Q3, together with the rate per 10,000 adults^{1 2}.



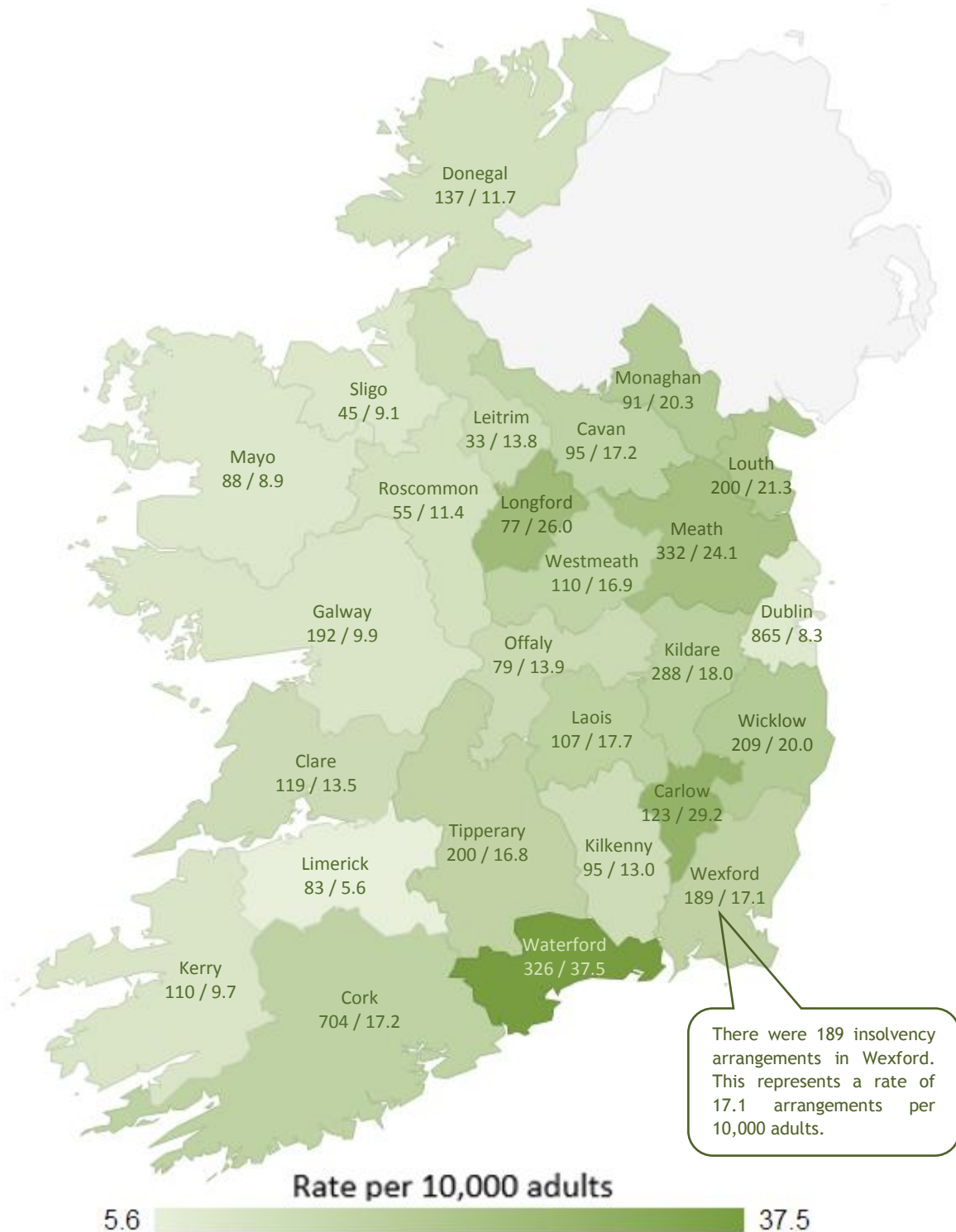
¹ Population data taken from the CSO's *Population 2011 to 2016 by Single Year of Age, Sex, County and City and Census Year*. Available on the CSO's website at

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

² There have been 23 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 Q3

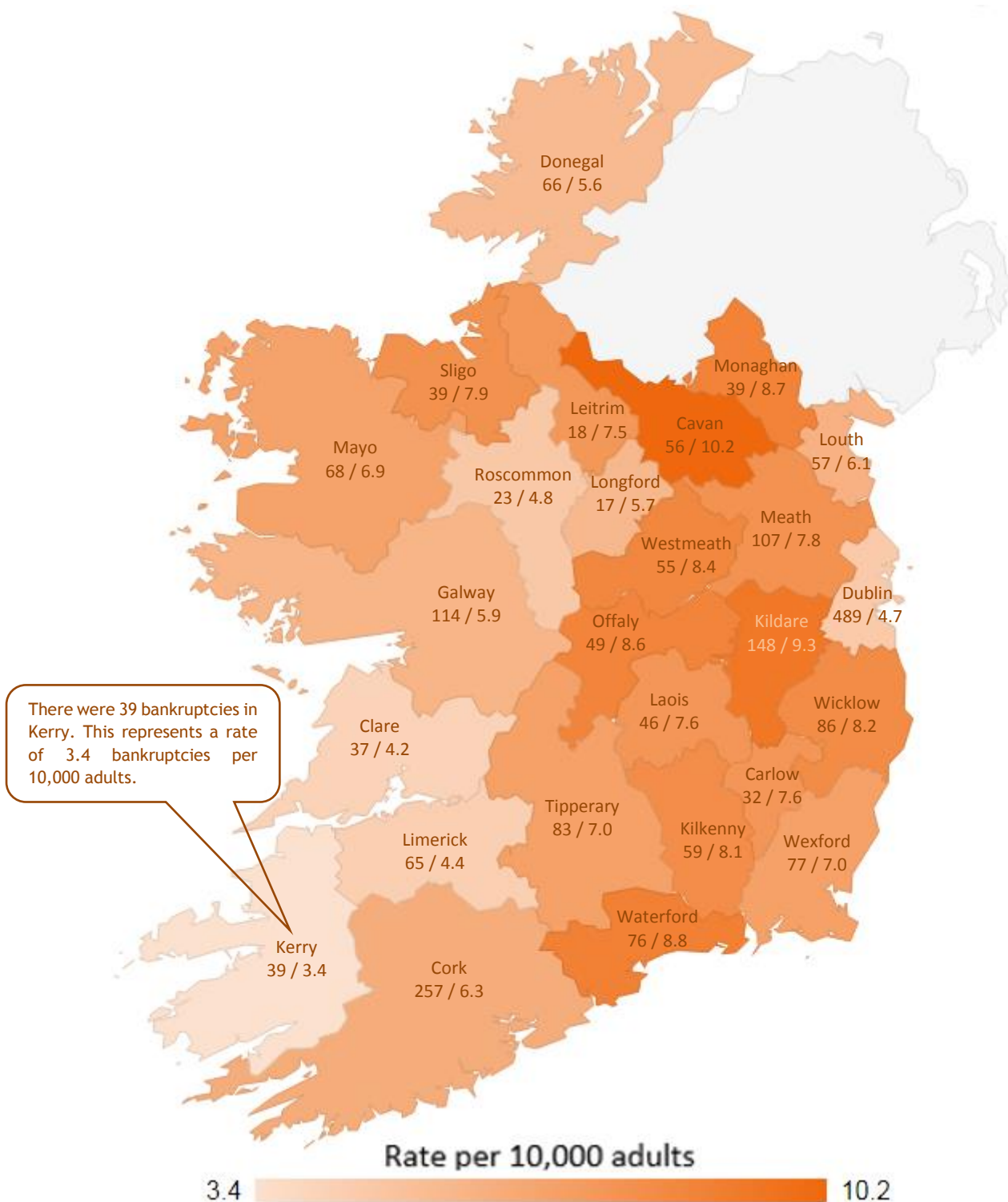
The geochart below shows the number of DRN, DSA and PIA arrangements approved by Court from 2014 Q1 to 2018 Q3, together with the rate per 10,000 adults³.



³ There have been 23 insolvencies where the debtors have been residing outside of the State.

7.6 Geochart: Bankruptcy Adjudications from 2014 Q1 to 2018 Q3

The geochart below shows the number of bankruptcy adjudications from 2014 Q1 to 2018 Q3, 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.