



ISI Statistics
Quarter 1 2018



ISI
Tackling problem debt together

Insolvency Service of Ireland

Quarter 1 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 Q1) | 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 Q1 | 13 |
| 7.5 | Geochart: DRN, DSA, and PIA Arrangements from 2014 Q1 to 2018 Q1 | 14 |
| 7.6 | Geochart: Bankruptcy Adjudications from 2014 Q1 to 2018 Q1 | 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 first quarter of 2018 (Q1).

In comparison to the last quarter of 2017, applications are up but the number of Protective Certificates, Arrangements and Bankruptcies are down.

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

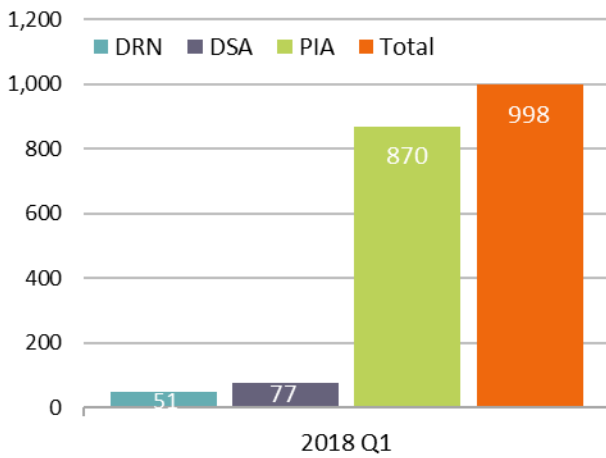
Director

May 2018

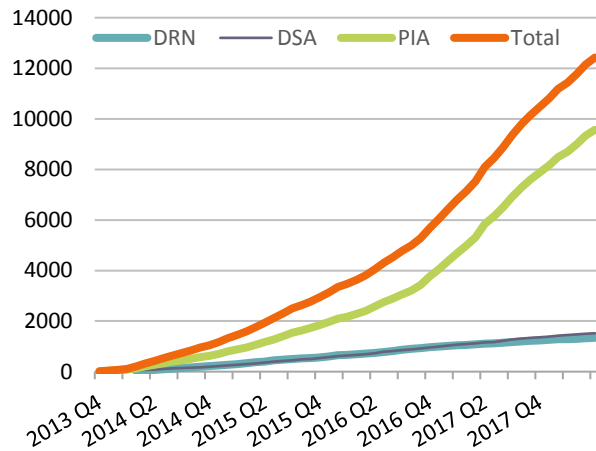
These statistics are for information purposes only. No person should place reliance on the accuracy of the statistics, nor should they act solely based on them. The statistics are primarily based upon cases created by duly authorised Approved Intermediaries and Personal Insolvency Practitioners on the 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 January 2018 to 31 March 2018, unless otherwise stated.

2 Case Management – DRN, DSA, PIA

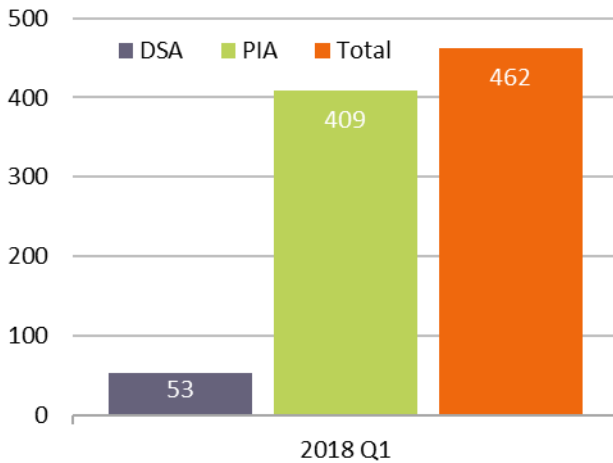
998 new applications in Q1



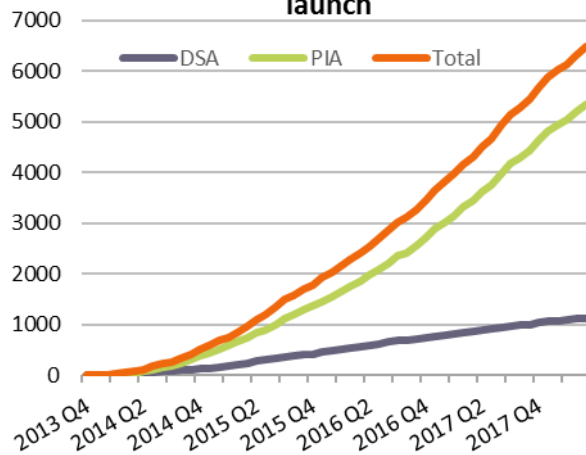
12,424 applications since launch



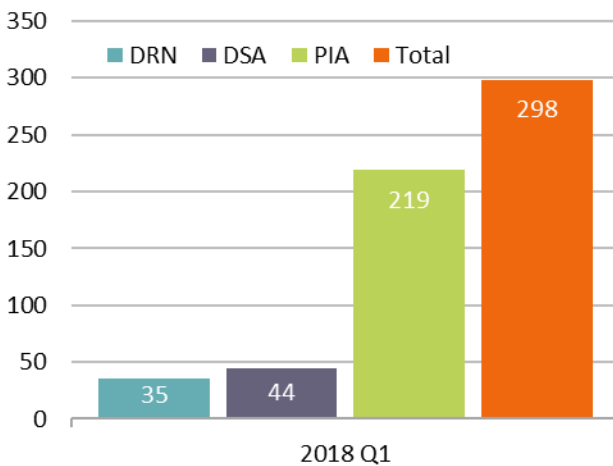
462 Protective Certificates in Q1



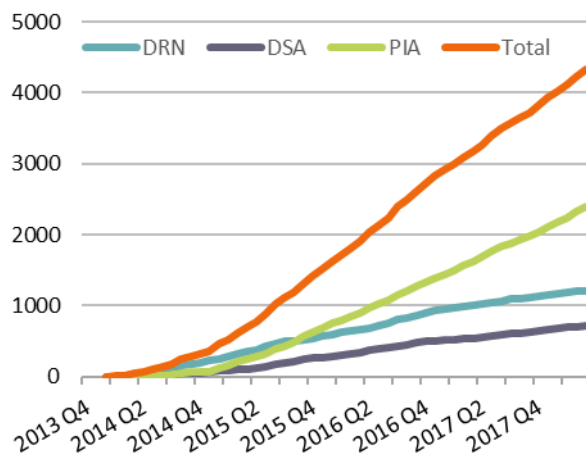
6,484 Protective Certificates since launch



298 Arrangements in Q1



4,328 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:

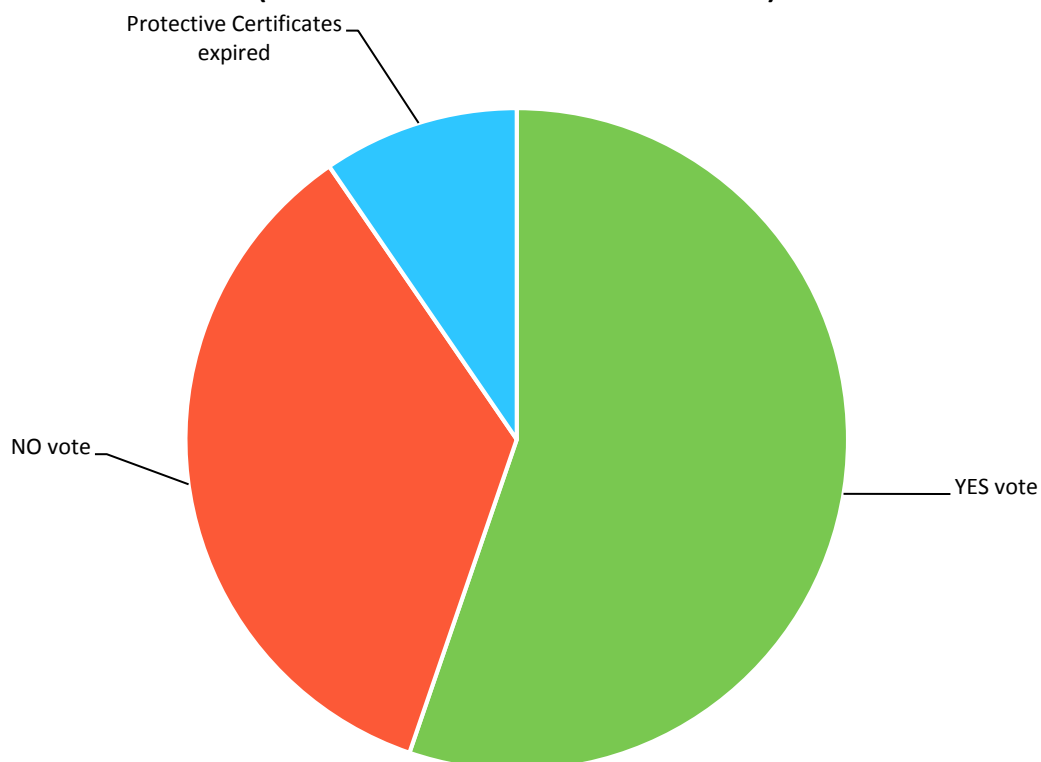
- **Yes Vote:** Personal Insolvency Practitioner (PIP) successfully uses the Protective Certificate period of 70 days to put an agreement in place between the debtor and his or her creditors, following a vote at the creditors' meeting.

- **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.

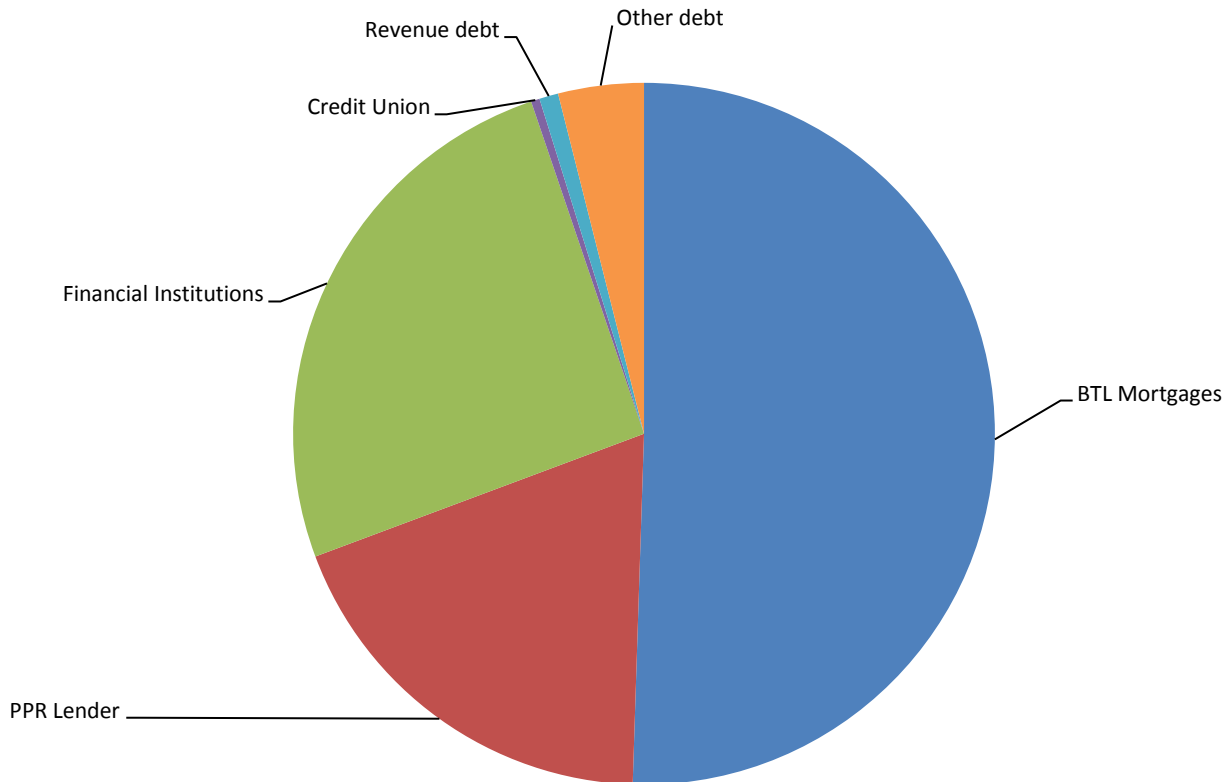
Outcome of Protective Certificates (from 2013 Q4 to 2018 Q1)



| Outcome | DSA | PIA | Total |
|---------------------------------|-------|-------|-------|
| YES vote | 71.6% | 51.3% | 55.0% |
| NO vote* | 19.2% | 39.0% | 35.4% |
| Protective Certificates expired | 9.2% | 9.7% | 9.6% |

4 Qualifying Debt – DRN, DSA, PIA

€1.164 Billion Qualifying Debt

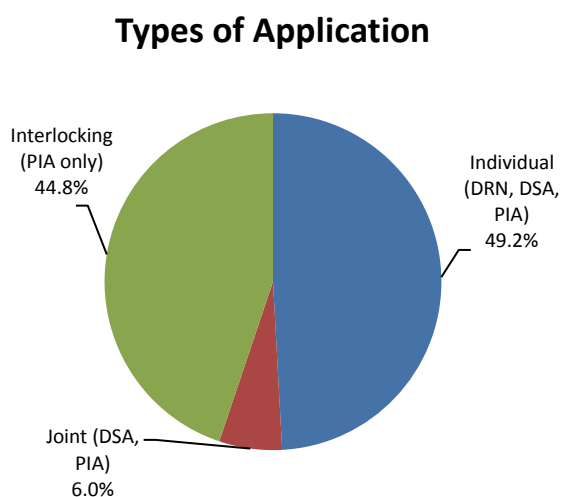
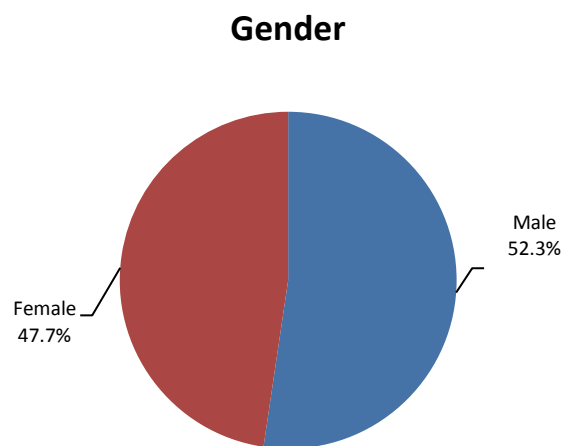
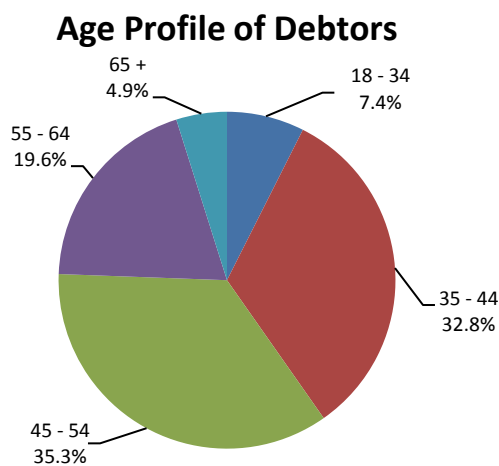
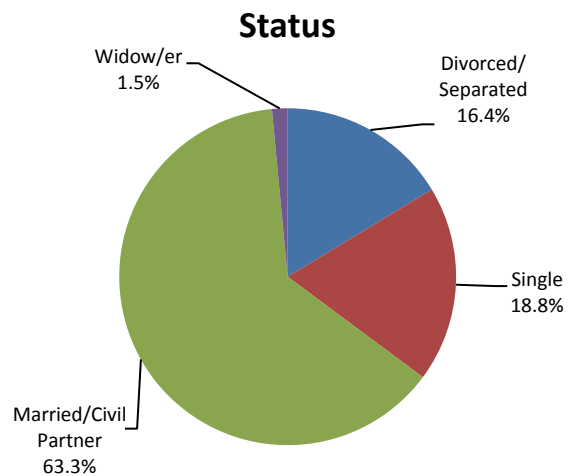
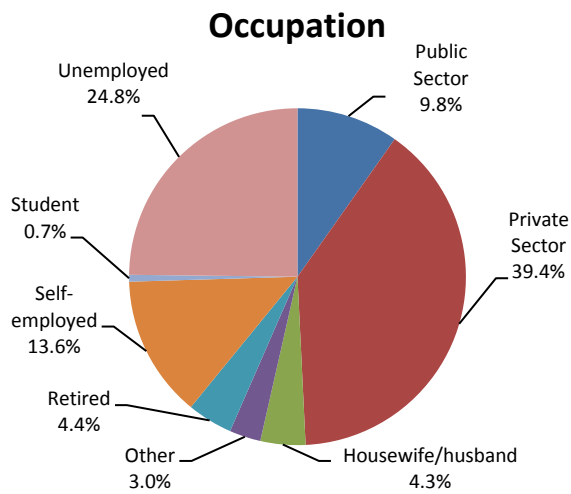


**Other debt includes trade creditors, connected creditors, contingent debt, hire purchase, personal guarantees, utilities, store cards/catalogues and professional fees.*

The total debt involved in the 998 new cases created in Q1 is approximately €1.164 billion. 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 | € 588.169 | 50.5% |
| PPR Lender | € 218.832 | 18.8% |
| Financial Institutions | € 296.623 | 25.5% |
| Credit Union | € 4.634 | 0.4% |
| Revenue debt | € 10.194 | 0.9% |
| Other debt | € 45.897 | 3.9% |
| Total Q4 debt | € 1,164.349 | 100.0% |

5 Applicant Profile – DRN, DSA, PIA (from 2013 Q4 to 2018 Q1)



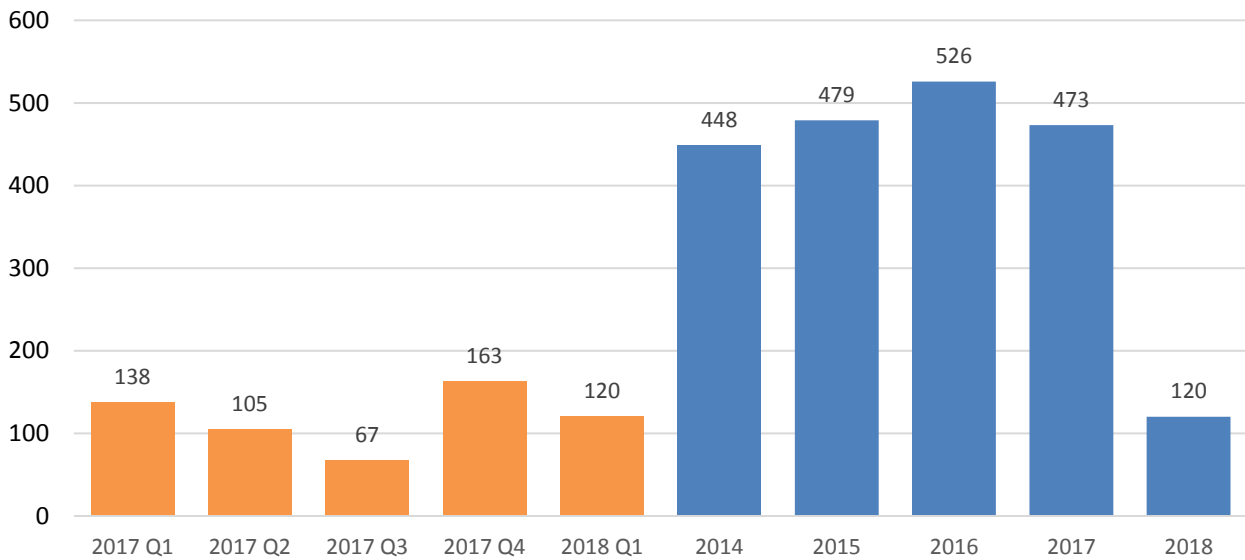
An individual application is an application by a sole debtor.

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.

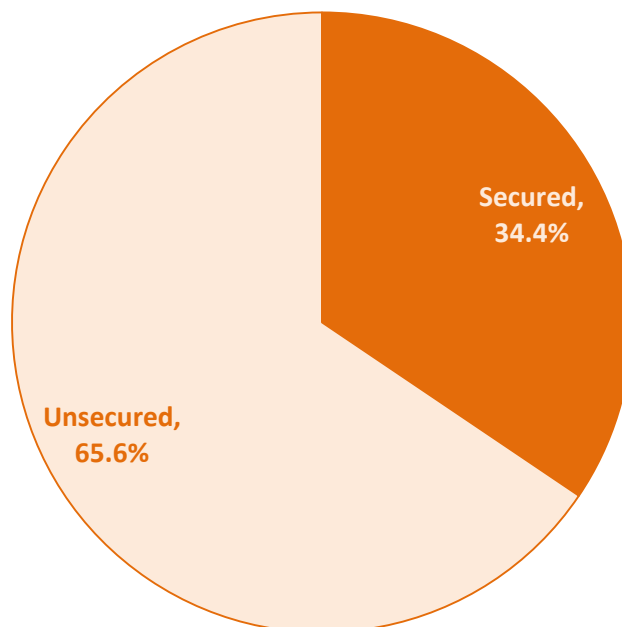
6 Bankruptcy

Bankruptcy Adjudications



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

€145 Million Bankruptcy Debt in Q1



The total debt involved in bankruptcy adjudications for Q1 is approximately €145 million. This comprises 34.4% secured debt and 65.6% 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 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 |
| 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 | 12,424 | 1,338 | 1,520 | 9,566 | 6,484 | 1,129 | 5,355 | 4,328 | 1,212 | 722 | 2,394 |
| Percentage change, 2018 Q1 compared with: | | | | | | | | | | | |
| 2017 Q4 | 5% | 9% | -10% | 7% | -20% | -28% | -19% | -4% | -44% | -4% | 9% |
| 2017 Q1 | -23% | -22% | -17% | -24% | -6% | -23% | -3% | 13% | -36% | 63% | 20% |

7.2 Table: Bankruptcy

| Period | Bankruptcy Adjudications |
|---|--------------------------|
| 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 Q1 compared with: | |
| 2017 Q4 | -26.4% |
| 2017 Q1 | -13.0% |

7.3 Table: Regulation

| | |
|--|------------|
| Personal Insolvency Practitioners (PIP) | 109 |
| Approved Intermediaries (AI)* | 56 |
| Responsible Person (RP) | 147 |
| Total regulated persons available to help debtors | 256 |

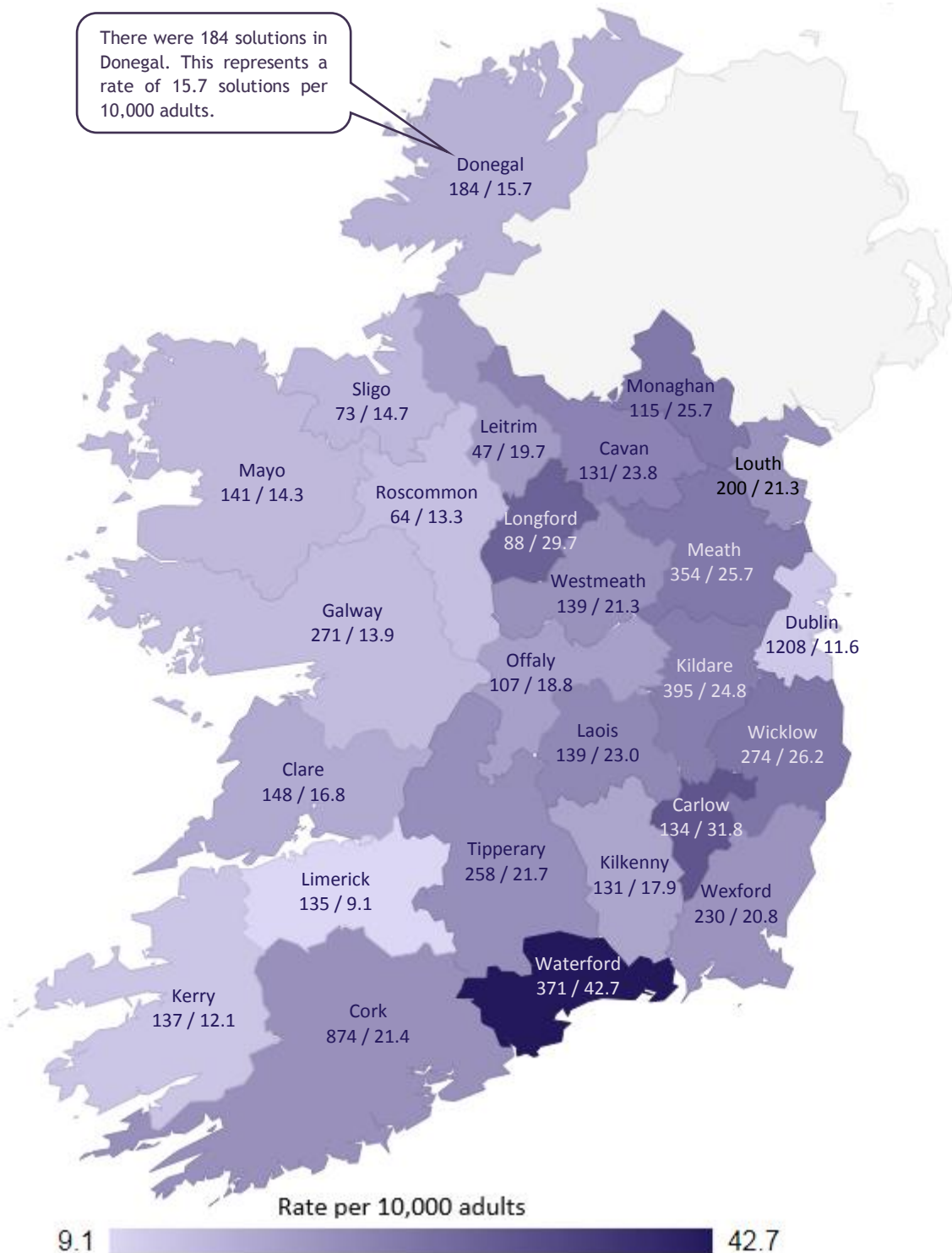
*The 56 Approved Intermediary entities are composed of the following:

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

There are 147 Responsible Persons linked to these 56 authorisations.

7.4 Geochart: Debt Solutions from 2014 Q1 to 2018 Q1

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



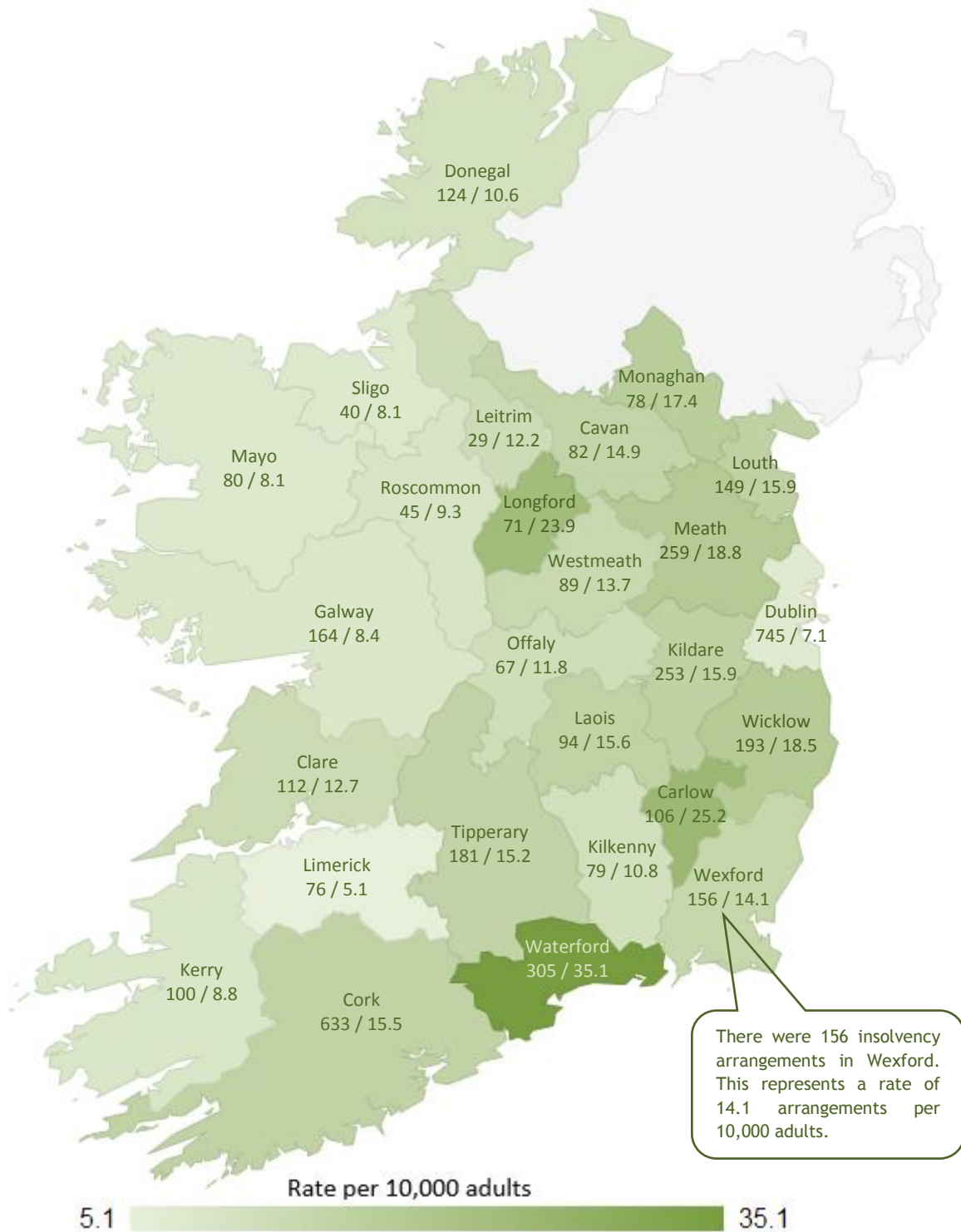
¹ Population data taken from the CSO's *Population 2011 to 2016 by Single Year of Age, Sex, County and City and CensusYear*. Available on the CSO's website at

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

² There have been 17 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 Q1

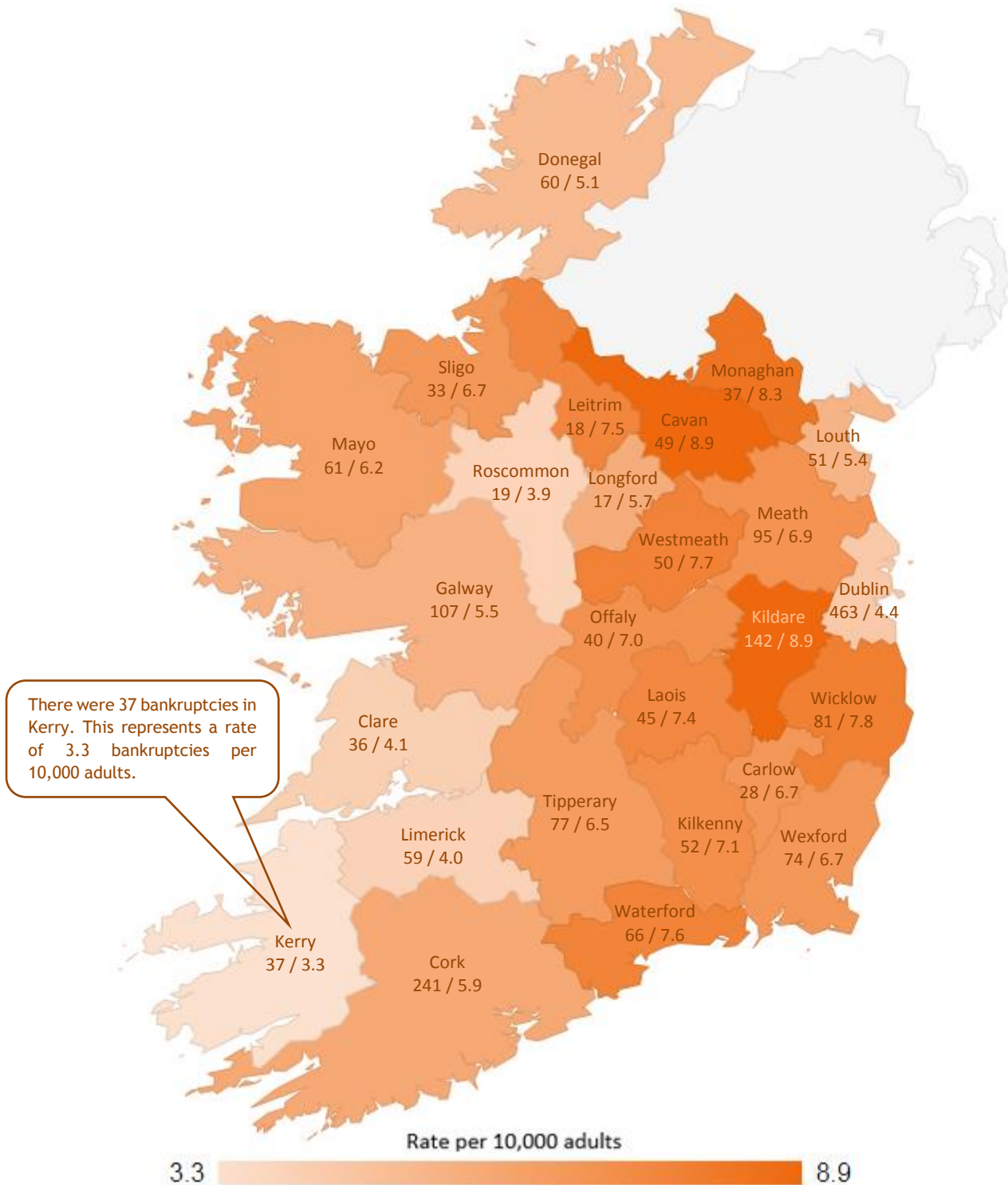
The geochart below shows the number of DRN, DSA and PIA arrangements approved by Court from 2014 Q1 to 2018 Q1, together with the rate per 10,000 adults³.



³ There have been 17 insolvencies where the debtors have been residing outside of the State.

7.6 Geochart: Bankruptcy Adjudications from 2014 Q1 to 2018 Q1

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



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