



**Savings Cap – effective as of 01<sup>st</sup> April 2021**

## **Frequently Asked Questions**

### **What is the Savings Restriction?**

Nenagh Credit Union will have a saving cap of €20,000 per member effective from 01st April 2021. This means that each member can only hold €20,000 with the Credit Union.

### **What does this mean for members with savings under €20,000?**

For members who currently have less than €20,000 with the Credit Union they can continue to make lodgements until the balance reaches €20,000.

### **What does this mean for members with savings over €20,000?**

For members that currently have over €20,000 in the Credit Union, these funds can remain in the Credit Union but cannot be increased further. As withdrawals are made from the account reducing the balance no further lodgement can be made until the balance is under €20,000.

### **How long will the cap last for?**

The Board of Nenagh Credit Union will keep the savings restriction under constant review, if they make any decision to change the current cap, members will be informed.

### **Does this mean the credit union is in difficulty?**

No, this has no bearing on the day-to-day operations of the Credit Union. Nenagh Credit Union is adequately capitalised and has assets of €78.5m. In the past year, savings have increased by 13%. Nenagh Credit Union is very well capitalised, well in excess of the regulatory requirements and is making this change to maintain that strength. Currently our total reserves are 21.7%.

Nenagh Credit Union continues to grow its loan book which is crucial in generating income in future years based on the current low interest environment. Last year with our members support we grew our loan book by 9% to €12.850m.

### **Are my savings safe in Nenagh Credit Union?**

Your savings remain safe and secure at Nenagh Credit Union. We are a financially strong and stable Credit Union with €17m in capital reserves and €78.5m in assets at the last financial year end on 30<sup>th</sup> September 2020.

In addition, your savings continue to be guaranteed by the Government Deposit Guarantee Scheme up to €100,000.

We will continue to provide valuable services to our members and will continue to provide improved and new ways of doing business for our members.

### **Does this mean the credit union cannot give out loans?**

Nenagh Credit Union is in a strong position to give out loans, subject to appropriate assessments being completed. Our ability to lend is in no way affected by the savings cap. We continue to provide valuable loan services to the local community and have a range of competitive products available. A priority in Nenagh Credit is to continue with your support to grown the Loan Book of the Credit Union.

Thank you for your understanding in this matter. Please be assured that we continue to innovate and work hard to ensure that Nenagh Credit Union Limited remains strong and viable, while offering exceptional personal service, products and services that meet our member needs.