**Savings Limit €20,000 per member**

You may be aware that the credit union has reluctantly imposed an upper limit of €20,000 on the amount of savings that we can accept from an individual member. Just to explain, the reasons for introducing this limit are as follows:

* Savings in our credit union are increasing by around 10% per annum. By contrast, our loans have been growing at a much slower pace, resulting in our surplus funds increasing steadily to over €13.5 million.
* These surplus funds have to be invested, mainly in deposit accounts with local banks, but the banks are currently paying interest at less than 0.25% per annum and in some cases are charging us for holding deposits with them.
* Under Central Bank regulations, we must maintain our reserves at a minimum of 10% of our assets. While our reserves are well in excess of this requirement, we have to allocate €10,000 to them for every additional €100,000 of savings we receive in order to maintain our reserves at this prudent level.
* This €10,000 has to come from our surplus / profits, thereby reducing the amount we have available to pay dividends or interest rebates. It also reduces the amount we can afford to invest in new services and new technology options that can benefit all of our members.
* To reduce the impact of this savings growth, we reluctantly decided to limit the inflow of savings in order to benefit the greater number of our members.

**What does this mean for me?**

Members who already have savings of more than €20,000 can leave their savings in place but cannot increase them. Dividends on these accounts are posted out by cheque following payment. Members with less than €20,000 can increase their savings to €20,000 but to no more than that amount.

We thank you for your understanding in this matter and hope you understand the rationale for our decision, but if you have any queries please talk to a member of our staff. This was not a decision we took lightly and we will keep this €20,000 limit under constant review. Please be assured that we continue to innovate and work hard to ensure that Malahide Credit Union remains strong and continues to thrive.

BOARD OF DIRECTORS

April 2017