

The NLCU Board recommend a merger with Clockwise CU

- We have operated successfully for a number of years initially as NCU and latterly as NLCU.
 - We planned to grow our membership and loan books and have invested in our infrastructure and digital services over the last few years, however loan growth has now stagnated.
 - We have consolidated our branches from 3 to 1 which has helped us to reduce our cost base.
- However, the last 2 years have been very challenging and future prospects are not as bright as hoped.
 - We have been hit with high bad debts following COVID and the ongoing Cost of Living Crisis which have impacted both our profitability and our Capital Assets Ratio. Bad debts continue this year and are worse than our plan.
 - We can no longer afford to invest in new key roles and the marketing needed to help grow our loans, and we have been unable to invest in new products and services.
 - We have been impacted by staff shortages and have also been unable to recruit new volunteer Board members.
 - We only paid nominal dividends the last few years and are unable to make a dividend payment at all this year.
- As a result, we must change strategy to protect our member interests and merge with Clockwise CU.
 - All of our existing NLCU members will become members of Clockwise CU.
 - Clockwise CU is the largest community based CU in the East Midlands and Clockwise's strategy to provide simple savings and affordable loans, is closely aligned to ours.
 - Clockwise is financially sound generating profit in each of the last 5 years. Credit Interest is paid rather than a dividend
 - They have invested heavily in technology and improved member services including 24/7 real time payments.
 - Clockwise have a wide range of products including loans, interest paying deposit accounts and current accounts.
 - They have branches in Leicester and Rugby. Our Nottingham branch will remain open with our staff transferring to Clockwise.
 - We do not believe that realistic or viable alternatives exist and there is a possibility we would have to close if we do not merge.
- The NLCU Board unanimously agreed that the current and future needs of our members would best be served by a merged Credit Union rather than continuing to operate alone and we recommend merger with Clockwise.