

# Improving the lives of our members

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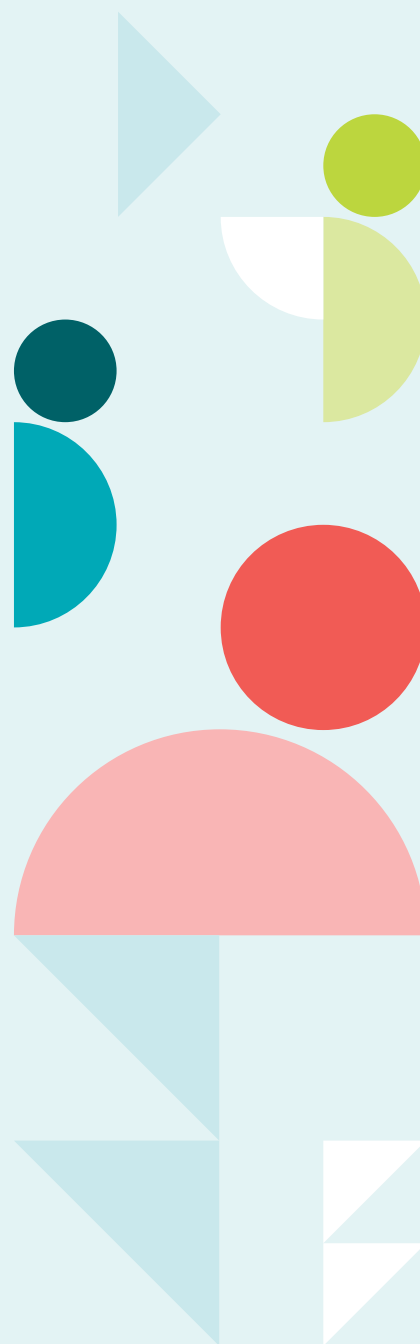
**2021** Annual  
Report

 **Savvi**  
Credit Union

**Savvi exists  
to improve  
the lives of  
its members**

## **Mission Statement**

Savvi's mission is to promote and provide affordable access to credit, deliver quality financial services whilst making a positive impact in our communities



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59th Annual  
General Meeting

## Investment Advisors

Goodbody  
Ballsbridge Park  
Ballsbridge  
Dublin 4

## Auditor

Grant Thornton  
Mill House  
Henry Street  
Limerick

## Solicitor

Arthur Cox  
Ten Earlsfort Terrace  
Dublin 2  
D02 T380

## Bank

AIB Bank  
Lower Baggot Street  
Dublin 2



# REPORT OF THE BOARD OF DIRECTORS

for year ended 30 September 2021

At the outset, it is with profound sadness that I pay tribute to our late Chairman, John McSweeney, who passed away on 11 October 2021. John departed this world peacefully, at his home surrounded by his loving family, having only been diagnosed with cancer just over two months earlier. He was brave to the end, as you would expect of John, and dealt with his illness with the acceptance, courage and dignity that was so typical of him.

John was an outstanding Chairman of Savvi. He led by example, was of the highest integrity and instilled strong values in our Credit Union. He was always the person that looked out for you and gave you that bit of advice when you needed it. John gave unstintingly to Savvi and we owe him a debt of gratitude that can never be repaid. We will miss him more than we can ever say.

At 70 years old John departed from us all too soon, but he leaves behind a lasting legacy to his family, in the first instance, as well as to Savvi and all the organisations with which he was involved. Our deepest sympathies to John's wife, Pauline, daughters Mairead and Grainne, son Eoin and their families as well as his brothers and sister. He will be greatly missed and forever in our hearts. We hope to honour John's legacy in a more meaningful way over the next twelve months.

Owing to the continued level of uncertainty around Covid-19 Government restrictions, the Board made a decision, which we felt was in the best interests of the safety of both our members and our staff, to hold our 2021 Annual General Meeting (AGM) virtually. We apologise for any inconvenience this may cause but keeping everyone safe is of paramount importance.

Our virtual AGM will now take place, via Zoom, on Friday, 28 January 2022 at 6pm, and we will be sending you separate details in this regard. As ever, this is your opportunity to communicate your views or questions on any aspect of the Credit Union. We would welcome hearing from you on the evening.

On behalf of the Board of Directors, it is now my pleasure to present the Annual Report of Savvi Credit Union for year ended 30 September 2021. The Report of Mark Beirne, our Chief Executive Officer (CEO), which covers our financial performance and strategy, can be found on page five of this Report.

Firstly, I want to thank you, our members, for your continued trust and loyalty. It will always be our top priority to deliver an exceptional member experience for you, and the many prospective members we hope to serve, in the future. Through the development and implementation of new technologies and products, as well as staff expertise, we are determined to make it easier for you to manage your money and achieve your financial ambitions.

2021 was a year of positive achievement for Savvi in the areas that matter most: our continued service to our members throughout Covid-19, the health and

safety of our employees, the renewal of our strategy, our financial resilience as a credit union and our activities to further embed the right culture. Through your continued loyalty, support and trust we remain strong, we continue to grow and are optimistic about the future despite the challenges that lie ahead.

We continued to face, and overcome, new headwinds in 2021 caused by the continuance of Covid-19, a low branch footfall, the dampened demand for borrowing and, in particular, negative interest rate returns on deposits and the continuing low yields on investments. For example, our loans issued in 2021 were €61m, down 1.12% on 2020 (€62m), with corresponding impact on interest received. With regard to investment income, market conditions have seen this drop from €5.1m in 2015 to €2.3m in 2021. The only way we can bridge this huge gap in investment income is by growing our loan book and containing costs. We believe our strategic plan for the next three years will address these areas whilst the issue of future investment income growth is dependent on global economic conditions.

Notwithstanding the challenges presented in 2021, we delivered a good financial result with a surplus of €947k compared to €303k in 2020.

## **Dividend Distribution and Interest Rebate**

It was incumbent on us as a Board to act with prudence and much caution in reaching our decision as to whether or not we should propose any dividend distribution or interest rebate for 2021. In this regard, the Board took guidance from our Management Team who maintain that the building of adequate levels of reserves remains key to

€6.3m  
Total Income

building Savvi's financial resilience and stability. Whilst reserves have grown year on year, Savvi still remains behind the sector across some key metrics such as capital reserves and loan to asset ratio.

It is against this backdrop that, the Board has taken a decision that Savvi should, as in 2020, bolster its reserve position by retaining this year's surplus and that it should show consistent and stable growth before it moves to reintroduce dividends and rebates to members.

I fully empathise with how you, our members, may view our decision not to pay a dividend or interest rebate. But I hope you will understand that we must put the financial safety and resilience of the Credit Union ahead of any other considerations in view of national and global economic uncertainties.

#### Strategic Renewal

In June 2021, Management presented a series of proposals to Board in order to refresh our Strategic Plan for 2021-2023. Following a very collaborative debate between Management and Board, the Board subsequently approved the proposals for incorporation in a revised Strategic Plan.

We will continue to work hard in 2022 in implementing our Strategic Plan, on further enhancing your member experience, increasing our new lending volumes materially whilst addressing the challenges in our underlying metrics and cost base as we consolidate our operations to confront the principal risks and uncertainties ahead.

€61.4m  
Loans to Members

#### Member Insurances

On the topic of member insurances, in 2019 we committed to you that we would keep member insurances under review as part of our strategic planning process. This we have done but, regrettably, our financial position – in particular low investment yields coupled with the cost of providing insurance – is such that we are unable to make any positive changes to insurances at this time. We will be keeping insurances at the forefront of our agenda during 2022 to ensure they continue to deliver value to you our members.

#### Community

For over 60 years, credit unions have been at the heart of Irish communities, paving the way for financial inclusion and stability and enabling progression in many households. Credit unions also support local community initiatives and charities because we understand that it's the little things that make the difference.

#### Sustainability

As an organisation, we continue to challenge ourselves to make our contribution to the sustainability of our environment. We are continuously enhancing our online services which further helps to reduce our carbon footprint. A further example in the year, that supports our vision of becoming a greener credit union, was our participation in the Credit Union ('CU') Greener Homes initiative which is a one stop solution for all your home energy efficiency improvements. The relocation of our head office, Herbert Place, to the more modern and energy efficient Sir John Rogerson's Quay building will also reduce our own carbon footprint as an organisation.

€382.9m  
Total Assets

#### Governance

The Board is responsible for corporate governance, encompassing the leadership, direction, and control of the Credit Union. It is also responsible for approving policy and strategic direction in relation to the nature and scale of risk that the Credit Union is prepared to assume in order to achieve its strategic objectives and for maintaining an appropriate system of internal controls.

The Board takes its responsibility for governance of Savvi very seriously. To this end we continued to implement continuous governance improvement initiatives during 2021 in order to ensure that we were carrying out our role, not alone in line with regulation, but with best practice across both the Credit Union and financial sectors. In addition, our Board is committed to ongoing training and development to ensure it is well equipped to carry out its oversight duties.

The Board continues to ensure that a risk management culture is fostered within Savvi to manage risks that may impact on its strategic objectives.

#### Executive Management

Mark Beirne joined us as CEO at beginning of January 2021 bringing with him a wealth of experience across strategy, product development, stakeholder management and lending. Mark has had a successful year, primarily in building upon the foundations that now position Savvi for growth and in delivering our obligation for continued innovation and widening of our lending reach so as to remain relevant to both new and existing members.

## We're invested in our members, employees and the communities of our Common Bond, and that commitment drives everything we do.



### Culture

Much progress has been made in advancing the culture of Savvi over the past eighteen months but the Board recognises that the evolution of culture is an ongoing journey. We aim to always respect our members and each other during the course of our work for Savvi. In addition, we always show respect to our regulators and acknowledge that they, too, have difficult and important tasks to carry out.

### Outlook

Although Ireland has had a successful vaccine rollout programme and the outlook for the economy was becoming increasingly positive, this has been dampened somewhat by the latest wave of Covid-19 in November 2021. However, following a strong financial performance in 2021, we believe we are on track to meet expectations for 2022.

While the fundamentals of our business are sound, we remain alert to the economic uncertainties that exist over the longer term as well as the evolution of the Irish financial service provider landscape. We are firmly committed to maintaining momentum in the implementation of our strategy and we look forward with confidence to 2022 and beyond, focusing on our revised targets.

We will continue to monitor developments in relation to distribution of dividends complying with both regulatory recommendations and adherence to our own dividend policy.

### Acknowledgements

As you are aware, the unique credit union ethos, which we cherish so dearly, hinges on the commitment and dedication of our Directors, Board Oversight Committee, Agents, Volunteers and, of course, our Management and Staff. I know that periods of transformation and challenge inevitably involve increased workloads which can test this commitment, so a very special 'thank you' to you all this year.

I look forward to us working together to ensure that we can deliver success in 2022.

Finally, I wish to thank you our members for your continuing support and for engaging with us.

Wishing you and your families a happy, healthy and safe 2022.

A handwritten signature in black ink that reads "Sean Martyn".

**Sean Martyn**  
Acting Chair

10 November 2021



# REPORT OF THE CHIEF EXECUTIVE OFFICER

## Building on strong foundations - we are moving from a phase of stabilisation to a phase of growth

As we enter our 60th year, Savvi Credit Union has a rich history and heritage within Ireland, and I am honoured to lead the next phase of its growth and development. Our purpose is to improve the lives of our members with a mission 'to promote and provide affordable access to credit, deliver quality financial services whilst making a positive impact in our communities'.

In my first set of financial results as CEO, I am delighted to report that the Credit Union had a robust performance, through challenging circumstances, for year-ending 30 September 2021. Our surplus for the financial year grew to €947K bolstering our capital base whilst we grew our loan advances of €24.8m to members in the year (up from €21.5m of new loans advanced in the prior year).

We are focussing our efforts in building a strong and resilient Credit Union which will positively impact our members and the communities we serve whilst delivering sustainable returns to our members.

### Our Members

Firstly, I would like to thank you, our members, for the continued trust and loyalty shown to Savvi. We promise to serve you to the best of our ability, bringing new and improved services and products that are relevant to you whilst giving you a safe place for your savings.

I am pleased to say that this year we welcomed 800 new members to Savvi bringing our total membership to 23,287.

### Our Team and Covid-19

I would also like to thank our dedicated team here in Savvi as they continued to maintain a quality service to our members throughout the year, keeping our three branches open whilst adapting to a new remote and hybrid working environment. It is a great testament to the team that, against this backdrop, we were still able to grow the business whilst also improving some of our member service offerings.

### Financial Performance

In terms of lending we can look at our financial year 2021 as a sum of two halves. We can see that new lending grew by €14.5m in the second six months versus €10.3m in the first six months representing a circa 40% uplift. Improving consumer sentiment and economic conditions played a key role in this turnaround. In addition, we also broadened our lending offerings throughout the course of the year with the launch of new products in personal lending, green lending and mortgages. However, when we look at the full year, the overall net loan book declined by approximately €700k from €62.1m to €61.4m or 1.12% – but actually grew from its low base of €59.4m in February 2021. As a result, interest income from members loans closed at €3.9m, down from €4.3m in the prior year.

Our overall deposit and investment portfolio stands at €314m generating returns of €2.3m for the year, reflecting the continuation of the low investment yield environment in which we operate including negative interest rates on the deposits we place with financial institutions on your behalf.

We introduced a savings cap of €100k per member in autumn 2020 that helped to stem the growth in

net assets of the Credit Union as we sought to adopt a prudent approach to our management of capital. Overall Members shares grew by 0.70% in year or €2.2m, i.e. from €321m to €323.2m.

I wish to thank our impacted members for their understanding and co-operation in implementing this savings cap. This decision is one of the ways that Savvi is adapting to ensure that we remain resilient for the future. Further reductions in the savings cap remain an option but are not being considered at this time.

Tight cost management remained the key mitigant to the downward pressures on income referenced above with total expenditure for the year coming in at €5.4m (€7.3m in financial year 2020).

The above measures resulted in a surplus for the year of €947k. These measures also improved our capital position, increasing our reserves as a percentage of total assets from 13.40% to 13.55%. Maintaining and building adequate levels of reserves remains key to ensuring Savvi's financial stability and resilience. At this early stage in the economic recovery Savvi anticipates taking a prudent approach to distributions for now with a positive forward-looking capital reserve management and distribution policy into the future.

The strategic plan that was approved by the Board in August 2021 will further bolster our capital base as we seek to reduce our reliance on investment markets and channel our members funds into more diverse and sustainable lending for our members via a competitive, quality, fast and efficient process. As we look forward, we expect the continuation of the new personal loan growth experienced in the second 6 months of the year whilst we look

to materially grow our mortgage and business lending area of the business.

### Credit Control

The credit quality of our loans improved throughout the year, reflecting improved market conditions and our robust credit management policy at both the underwriting and collection phase. We recovered previous bad debts written off to the value of €158k in the year, whilst also releasing some loan provisions to the value of €154k as the credit quality of the loan book improved. Our loan provisions as at 30 September 2021 stood at 10.70% (down from 10.83% in the prior year). We continuously work with all of our members who experience difficulties with loan repayments finding solutions where possible and can report that all of our Covid-19 specific loan arrangements have now been resolved.

### Our Strategic Priorities

We have worked together to re-define our strategy against the backdrop of revaluing our purpose, vision and values, our optimal business model, future economic recovery, members expectations of service and products and a re-defined ways of working post Covid-19.

Our new vision and mission statement is centred around the member, reflecting Savvi's key purpose of providing access to credit for its members through a quality service model and contributing positively to the lives of both its own staff and members alike whilst retaining a key focus on financial resilience with a zero tolerance for risk and compliance issues. Our 5 key strategic objectives are summarised as follows:

**1. Loan Book Growth. Materially grow our lending portfolio safely through product diversification, service enhancement, member penetration and growth.**

We see the widening of our lending capabilities and propositions will allow Savvi:

- a) to offer a competitive service-led offer into growing lending markets that reach more members;
- b) the opportunity to reduce its over reliance on personal lending and lower yield investments;

c) to grow its lending income whilst utilising the revised Central Bank of Ireland lending limits;

d) to contribute positively to its own financial resilience and stability.

**2. People Development. Develop and foster a culture of development, inclusivity and recognition through a transparent and robust people and culture framework geared to support individual and team growth.**

Upon listening to our staff, and after experiencing a now proven new way of working over the past 18 months, it is fair to say that we are entering a new era of how we do business. A hybrid model where possible will become the new normal as we avail of the technology that allows more flexibility on where we physically work. As a part consequence of this new way of working, we are finalising the disposal of 27 /28 Herbert Place whilst repurposing our building in 56 Sir John Rogerson's Quay as our new headquarters with minimal disruption to our members. The sale of the building will also help us to bolster our capital reserves upon recognition of anticipated gain on the sale whilst also reducing our carbon footprint as we move to a more energy efficient single building

**3. Member & Operational Excellence. Develop and maintain a culture of operational excellence ensuring that our members are being served with an optimal member experience.**

We continue to look at ways of improving our member service and offering whilst giving members choice on how they prefer to interact with us. We are maintaining our three branches whilst investing in enhancements in other areas, like our new digital via app member onboarding process, our on-line loan application process with digital signing and our upcoming new mobile loan (via app) application process to be quickly followed by an enhanced credit decision capability with open-banking functionality that will speed the loan approval and release of funds process for our members whilst reducing our reliance on paper and having a positive knock on effect on the environment and costs.

**4. Robust Cost Management. Maintain a tight cost management policy ensuring that costs are aligned to income profile of the Credit Union and within appetite.**

**5. Financial & Governance Resilience. Remain financially sound through robust financial management and reporting focused on ensuring that sufficient capital reserves are maintained in tandem with a zero tolerance of risk and compliance failures.**

### Future Economic Recovery

The outlook looks bright, albeit tainted recently with increasing levels of Covid-19 cases. The rebound in the Irish economy is expected to be followed by a sustained period of robust growth. Domestic consumption and employment are currently growing at a pace at or above what was expected earlier in the year. This momentum contributes to an increasingly positive outlook for the economy out to 2023, with domestic activity anticipated to move back to pre-pandemic levels by the end of 2021.

### Conclusion

I would like to express my sincere thanks to the Board, volunteers, colleagues and members for their continued support through these challenging times and I look forward to a new and brighter landscape as we emerge from the pandemic a healthier and more robust credit union.

As CEO, I remain optimistically cautious and will remain focussed on the areas that are under our control, positioning ourselves to take advantage of the anticipated growth in the economy and within our communities, supporting our members lives whilst maintaining and building adequate reserves and continuing to invest in our people.



**Mark Beirne**  
Chief Executive Officer





# BOARD OF DIRECTORS 2021



**Late John McSweeney**  
Chairman 2019-2021  
Director 2014-2021



**Sean Martyn**  
Vice-Chair & Acting Chair  
(July 2021 to date)



**Dara Connolly**  
Secretary



**Deirdre Shields**



**Philippa Cottle**



**Emmett Dunleavy**



**Graham Sutherland**



**Lorraine Malone**



**Roisin Cahill**



**Sean Atkinson**



**Enda Faughnan**

# DIRECTORS' REPORT

For the financial year ended 30 September 2021

The Directors present their annual report and the audited financial statements for the financial year ended 30 September 2021.

## PRINCIPAL ACTIVITY

The principal activity of the business continues to be the operation of a credit union.

## AUTHORISATION

The Credit Union is authorised as follows:

- Entitled under the European Union (Payment Services) Regulations 2018 to provide payment services.

## BUSINESS REVIEW

The Directors acknowledge the results for the year and the year-end financial position of the Credit Union. The Directors expect to develop and expand the Credit Union's current activities and they are confident of its ability to continue to operate successfully in the future.

## DIVIDENDS AND LOAN INTEREST REBATES

The Directors are not proposing a dividend or loan interest rebate in respect of the financial year ended 30 September 2021 (2020: The Directors did not propose a dividend or loan interest rebate).

## PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties faced by the Credit Union are:

### CREDIT RISK

Credit risk is the risk that a borrower will default on their contractual obligations relating to repayments to the Credit Union, resulting in financial loss.

### LACK OF LOAN DEMAND

Lending is the principal activity of the Credit Union and the Credit Union is reliant on it for generating income to cover costs and generate a surplus.

### MARKET RISK

Market risk is the risk that the value of an investment will decrease. This risk can arise from fluctuations in values of, or income from, assets or changes in interest rates.

### LIQUIDITY RISK

Liquidity risk is the risk that the Credit Union will not have sufficient cash resources to meet day to day running costs and repay members' savings when demanded.

### OPERATIONAL RISK

Operational risk is the risk of loss resulting from inadequate or failed processes or systems of the Credit Union, any failure by persons connected with the Credit Union or from external events.

### COVID-19 RISK

There are economic and operational risks relating to the uncertainty surrounding the impact of the COVID-19 pandemic.

These risks and uncertainties are managed by the Board of Directors as follows:

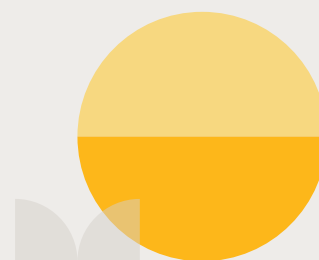
### CREDIT RISK

In order to manage these risks, the Board of Directors regularly reviews and approves the Credit Union's credit policy. All loan applications are assessed with reference to the credit policy in force at the time. Subsequently, loans are regularly reviewed for any factors that may indicate that the likelihood of repayment has changed.

### LACK OF LOAN DEMAND

The Credit Union provides lending products to its members and promotes these products through various marketing initiatives.





**MARKET RISK**

The Board of Directors regularly reviews and approves the Credit Union's investment policy and funds are invested in compliance with this policy and regulatory guidance.

**LIQUIDITY RISK**

The Credit Union's policy is to maintain sufficient funds in liquid form at all times to ensure that it can meet its liabilities as they fall due.

**OPERATIONAL RISK**

The operational risk of the Credit Union is managed through the employment of suitably qualified staff to ensure appropriate processes, procedures and systems are implemented and are further supported with a robust reporting structure.

**COVID-19 RISK**

The Board of Directors and management closely monitor the evolution of the COVID-19 pandemic and continue to take appropriate actions to mitigate any possible adverse effects on the Credit Union.

**ACCOUNTING RECORDS**

The Directors believe that they comply with the requirements of Section 108 of the Credit Union Act, 1997 (as amended) with regard to books of account by employing accounting personnel with appropriate expertise and by providing adequate resources to the finance function. The books of account of the Credit Union are maintained at the Credit Union's premises at 56 Sir John Rogerson's Quay, Dublin 2.

**EVENTS AFTER THE END OF THE FINANCIAL YEAR**

At 30 September 2021 the Credit Union plan to dispose of a property which is included in premises on the balance sheet. The sale of this property is expected to complete in the coming months.

**AUDITORS**

In accordance with Section 115 of the Credit Union Act, 1997 (as amended), the auditors Grant Thornton offer themselves for re-election.

This report was approved by the Board and signed on its behalf by:

**Sean Martyn**  
Acting Chair  
Board of Directors  
10 November 2021

*Deirdre Shields*

**Deirdre Shields**  
Member of the Board of Directors  
10 November 2021



# Directors' Responsibilities Statement

For the financial year ended 30 September 2021

The Directors are responsible for preparing the financial statements in accordance with applicable Irish law and regulations. The Directors are also responsible for preparing the other information included in the annual report. The Credit Union Act, 1997 (as amended) requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Credit Union and of the income and expenditure of the Credit Union for that period.

In preparing those financial statements the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and reason for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Credit Union will continue in business.

The Directors are responsible for ensuring that the Credit Union keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the Credit Union, enable at any time the assets, liabilities, financial position and income and expenditure of the Credit Union to be determined with reasonable accuracy, enable them to ensure that the financial statements comply with the Credit Union Act, 1997 (as amended) and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the Credit Union and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the Board:



**Sean Martyn**  
Acting Chair  
Board of Directors  
10 November 2021

*Deirdre Shields*

**Deirdre Shields**  
Member of the Board of Directors  
10 November 2021

# Board Oversight Committee's Responsibilities Statement

For the financial year ended  
30 September 2021

The Credit Union Act, 1997 (as amended) requires the appointment of a Board Oversight Committee to assess whether the Board of Directors has operated in accordance with part iv, part iv(a) and any regulations made for the purposes of part iv or part iv(a) of the Credit Union Act, 1997 (as amended) and any other matter prescribed by the Central Bank of Ireland in respect of which they are to have regard to in relation to the Board of Directors.

On behalf of the Board Oversight Committee:

*Sinead Glennon*

**Sinead Glennon**  
Chair  
Board Oversight Committee  
10 November 2021



# Independent Auditor's Report

## to the members of Savvi Credit Union Limited

### OPINION

We have audited the financial statements of Savvi Credit Union Limited, which comprise the income and expenditure account, the statement of other comprehensive income, the balance sheet, the statement of changes in reserves and the statement of cash flows for the financial year ended 30 September 2021, and the related notes to the financial statements, including the summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is Irish law including the Credit Union Act, 1997 (as amended) and accounting standards issued by the Financial Reporting Council including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (Generally Accepted Accounting Practice in Ireland).

In our opinion, Savvi Credit Union Limited's financial statements:

- give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland of the state of the Credit Union's affairs as at 30 September 2021 and of its income and expenditure and cash flows for the year then ended; and
- have been properly prepared so as to conform with the requirements of the Credit Union Act, 1997 (as amended).

### BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (Ireland) ('ISAs (Ireland)') and applicable law. Our responsibilities under those standards are further described in the 'responsibilities of the auditor for the audit of the financial statements' section of our report. We are independent of

the Credit Union in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, including the Ethical Standard for Auditors (Ireland) issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and the ethical pronouncements established by Chartered Accountants Ireland, applied as determined to be appropriate in the circumstances for the entity. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the Director's use of going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Credit Union's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

### OTHER INFORMATION

Other information comprises information included in the annual report, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other

information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed on the other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY THE CREDIT UNION ACT, 1997 (AS AMENDED)

Based solely on the work undertaken in the course of the audit, we report that:

- we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
- in our opinion proper accounting records have been kept by the Credit Union;
- the financial statements are in agreement with the accounting records of the Credit Union; and

# Independent Auditor's Report

## to the members of Savvi Credit Union Limited (cont)

- the financial statements contain all primary statements, notes and significant accounting policies required to be included in accordance with section 111(1)(c) of the Act.

### RESPONSIBILITIES OF DIRECTORS FOR THE FINANCIAL STATEMENTS

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements which give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland, including FRS 102, and for such internal control as they determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Credit Union's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intends to liquidate the Credit Union or to cease operations, or has no realistic alternative but to do so.

### RESPONSIBILITIES OF THE AUDITOR FOR THE AUDIT OF THE FINANCIAL STATEMENTS

The auditor's objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes their opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (Ireland), the auditor will exercise professional judgement and maintain professional scepticism throughout the audit. The auditor will also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Credit Union's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Credit Union's ability to continue as a going concern. If they conclude that a material uncertainty exists, they are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify their opinion. Their conclusions are based on the audit evidence obtained up to the date of the auditor's report. However,

future events or conditions may cause the Credit Union to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

The auditor communicates with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that may be identified during the audit.

### THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES

This report is made solely to the Credit Union's members, as a body, in accordance with section 120 of the Credit Union Act, 1997 (as amended). Our audit work has been undertaken so that we might state to the Credit Union's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Credit Union and the Credit Union's members as a body, for our audit work, for this report, or for the opinions we have formed.

### David Lynch FCA

for and on behalf of  
Grant Thornton  
Chartered Accountants  
& Statutory Audit Firm  
13-18 City Quay, Dublin Docklands,  
Dublin

10 November 2021



# Accounts

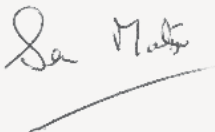
For the financial year ended 30 September 2021

# Income and Expenditure Account

For the financial year ended 30 September 2021

	Schedule	2021 €	2020 €
<b>INCOME</b>			
Interest on members' loans		3,943,672	4,325,229
Other interest income and similar income	1	2,334,578	3,207,464
<b>Net interest income</b>		<b>6,278,250</b>	<b>7,532,693</b>
Other income	2	57,188	54,580
<b>Total income</b>		<b>6,335,438</b>	<b>7,587,273</b>
<b>EXPENDITURE</b>			
Employment costs		2,308,912	2,565,335
Other management expenses	3	2,958,985	3,064,605
Depreciation		349,243	1,741,835
Net impairment gains on loans to members (note 5)		(228,391)	(87,127)
<b>Total expenditure</b>		<b>5,388,749</b>	<b>7,284,648</b>
<b>Surplus for the financial year</b>		<b>946,689</b>	<b>302,625</b>

The financial statements were approved and authorised for issue by the Board and signed on behalf of the Credit Union by:



**Sean Martyn**  
Member of the Board of Directors  
10 November 2021



**Sinead Glennon**  
Member of the Board Oversight Committee  
10 November 2021



**Mark Beirne**  
Chief Executive Officer  
10 November 2021



## Statement of Other Comprehensive Income

For the financial year ended 30 September 2021

	2021 €	2020 €
Surplus for the financial year	946,689	302,625
Other comprehensive income	-	-
<b>Total comprehensive income for the financial year</b>	<b>946,689</b>	<b>302,625</b>

The financial statements were approved and authorised for issue by the Board and signed on behalf of the Credit Union by:



**Sean Martyn**  
Member of the Board of Directors  
10 November 2021



**Sinead Glennon**  
Member of the Board Oversight Committee  
10 November 2021



**Mark Beirne**  
Chief Executive Officer  
10 November 2021

# Balance Sheet

As at 30 September 2021

	Notes	2021 €	2020 €
<b>ASSETS</b>			
Cash and balances at bank		7,898,898	17,684,130
Deposits and investments — cash equivalents	7	63,421,997	60,491,023
Deposits and investments — other	7	250,891,465	240,576,574
Loans to members	8	61,368,174	62,065,479
Provision for bad debts	9	(6,564,953)	(6,718,885)
Members' current accounts overdrawn	15	367	725
Tangible fixed assets	10	5,364,861	5,614,382
Investments in associates	11	265,000	265,000
Prepayments and accrued income	12	279,681	195,866
<b>Total assets</b>		<b>382,925,490</b>	<b>380,174,294</b>
<b>LIABILITIES</b>			
Members' shares	13	323,225,550	320,976,270
Members' budget accounts	14	6,114,719	5,486,979
Members' current accounts	15	287,643	366,990
Other liabilities, creditors, accruals and charges	16	1,360,629	2,342,712
Other provisions	17	62,575	73,658
<b>Total liabilities</b>		<b>331,051,116</b>	<b>329,246,609</b>
<b>RESERVES</b>			
Regulatory reserve	19	39,076,017	39,076,017
Operational risk reserve	19	2,173,946	2,173,946
Other reserves			
– Realised reserves	19	10,260,115	9,451,961
– Unrealised reserves	19	364,296	225,761
<b>Total reserves</b>		<b>51,874,374</b>	<b>50,927,685</b>
<b>Total liabilities and reserves</b>		<b>382,925,490</b>	<b>380,174,294</b>

The financial statements were approved and authorised for issue by the Board and signed on behalf of the Credit Union by:



**Sean Martyn**  
Member of the Board of Directors  
10 November 2021



**Sinead Glennon**  
Member of the Board Oversight Committee  
10 November 2021



**Mark Beirne**  
Chief Executive Officer  
10 November 2021

The notes on pages 19 to 30 form part of these financial statements.

## Statement of Changes in Reserves

For the financial year ended 30 September 2021

	Regulatory Reserve €	Operational Risk Reserve €	Realised Reserves €	Unrealised Reserves €	Total €
<b>As at 1 October 2019</b>	<b>38,576,017</b>	<b>2,173,946</b>	<b>9,773,560</b>	<b>176,656</b>	<b>50,700,179</b>
Surplus for the financial year	-	-	215,155	87,470	302,625
Dividends and loan interest rebates paid	-	-	(75,119)	-	(75,119)
Transfers between reserves	500,000	-	(461,635)	(38,365)	-
<b>As at 1 October 2020</b>	<b>39,076,017</b>	<b>2,173,946</b>	<b>9,451,961</b>	<b>225,761</b>	<b>50,927,685</b>
Surplus for the financial year	-	-	804,024	142,665	946,689
Transfers between reserves	-	-	4,130	(4,130)	-
<b>As at 30 September 2021</b>	<b>39,076,017</b>	<b>2,173,946</b>	<b>10,260,115</b>	<b>364,296</b>	<b>51,874,374</b>

- The regulatory reserve of the Credit Union as a percentage of total assets as at 30 September 2021 was 10.20% (2020: 10.28%).
- The operational risk reserve of the Credit Union as a percentage of total assets as at 30 September 2021 was 0.57% (2020: 0.57%).

## Statement of Cash Flows

For the financial year ended 30 September 2021

	Notes	2021 €	2020 €
<b>Opening cash and cash equivalents</b>		<b>78,175,153</b>	<b>75,836,975</b>
<b>Cash flows from operating activities</b>			
Loans repaid by members	8	25,406,000	27,707,836
Loans granted to members	8	(24,822,984)	(21,500,343)
Interest on members' loans		3,943,672	4,325,229
Other interest income and similar income		2,334,578	3,207,464
Bad debts recovered and recoveries		188,748	174,054
Other income		57,188	54,580
Dividends paid		-	(30,764)
Loan interest rebates paid		-	(44,355)
Members' budget accounts lodgements	14	14,601,065	14,760,769
Members' budget accounts withdrawn	14	(13,973,325)	(13,891,019)
Members' current accounts lodgements	15	3,013,506	1,420,921
Members' current accounts withdrawals	15	(3,092,495)	(1,060,453)
Operating expenses		(5,267,897)	(5,629,940)
Movement in other assets and liabilities		(1,076,981)	(1,615,349)
<b>Net cash flows from operating activities</b>		<b>1,311,075</b>	<b>7,878,630</b>
<b>Cash flows from investing activities</b>			
Fixed asset (purchases)/disposals		(99,722)	(73,120)
Net cash flow from other investing activities		(10,314,891)	(8,582,097)
<b>Net cash flows from investing activities</b>		<b>(10,414,613)</b>	<b>(8,655,217)</b>
<b>Cash flows from financing activities</b>			
Members' shares received	13	78,286,259	74,356,631
Members' shares withdrawn	13	(76,036,979)	(71,241,866)
<b>Net cash flow from financing activities</b>		<b>2,249,280</b>	<b>3,114,765</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(6,854,258)</b>	<b>2,338,178</b>
<b>Closing cash and cash equivalents</b>	6	<b>71,320,895</b>	<b>78,175,153</b>

The notes on pages 19 to 30 form part of these financial statements.

# Notes to the Financial Statements

For the financial year ended 30 September 2021

## 1. LEGAL AND REGULATORY FRAMEWORK

Savvi Credit Union Limited is registered with the Registry of Credit Unions and is regulated by the Central Bank of Ireland. The registered office of the Credit Union is located at 27-28 Herbert Place, Dublin 2.

## 2. ACCOUNTING POLICIES

### 2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with applicable Irish accounting standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and Irish statute comprising of the Credit Union Act, 1997 (as amended). The financial statements have been prepared on the historical cost basis.

The financial statements are presented in Euro (€) which is also the functional currency of the Credit Union.

The following principal accounting policies have been applied:

### 2.2 Statement of compliance

The financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102).

### 2.3 Going concern

After reviewing the Credit Union's projections, the Directors have reasonable expectation that the Credit Union has adequate resources to continue in operational existence for the foreseeable future. The Credit Union therefore continues to adopt the going concern basis in preparing its financial statements.

### 2.4 Income

#### Interest on members' loans

Interest on members' loans is recognised on an accruals basis using the effective interest method.

#### Deposit and investment income

Deposit and investment income is recognised on an accruals basis using the effective interest method.

#### Other income

Other income is recognised on an accruals basis.

### 2.5 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and deposits and investments with a maturity of less than or equal to three months.

### 2.6 Deposits and investments

#### Held at amortised cost

Investments designated on initial recognition as held at amortised cost are measured at amortised cost using the effective interest method less impairment. This means that the investment is measured at the amount paid for the investment, minus any repayments of the principal; plus or minus the cumulative amortisation using the effective interest method of any difference between the amount at initial recognition and the maturity amount, minus, in the case of a financial asset, any reduction for impairment or uncollectability.

#### Central Bank deposits

Credit unions are obliged to maintain certain minimum deposits with the Central Bank but may also hold an excess over the regulatory minimum. The regulatory minimum deposits are technically assets of the Credit Union but to which the Credit Union has restricted access. The regulatory minimum portion will not ordinarily be returned to the Credit Union while it is a going concern and is separately identified in note 7, Deposits and investments – other. Funds held with the Central Bank in excess of the regulatory minimum requirements are fully available to the Credit Union and are therefore treated as cash equivalents and are separately identified in note 7, Deposits and investments – cash equivalents. The amounts held on deposit with the Central Bank are not subject to impairment reviews.

#### Investments at fair value

Investments held for trading and investment in stock market shares (i.e. non-convertible preference shares and non-puttable ordinary shares or preference shares) are included in this category. Financial assets at fair value

are classified as held for trading if they are acquired for sale in the short term. They are valued at fair value (market value) at the year-end date and all gains and losses are taken to the income and expenditure account. The fair value of quoted investments is determined by reference to bid prices at the close of business on the balance sheet date. Where there is no active market these assets will be carried at cost less impairment.

### 2.7 Financial assets — loans to members

Loans are financial assets with fixed or determinable payments. Loans are recognised when cash is advanced to members and measured at amortised cost using the effective interest method.

Loans are derecognised when the right to receive cash flows from the asset has expired, usually when all amounts outstanding have been repaid by the member.

### 2.8 Provision for bad debts

The Credit Union assesses if there is objective evidence that any of its loans are impaired with due consideration of environmental factors. The loans are assessed collectively in groups that share similar credit risk characteristics. Individually significant loans are assessed on a loan by loan basis. In addition, if there is objective evidence that any individual loan is impaired, a specific loss will be recognised. Bad debt provisioning is monitored by the Credit Union, and the Credit Union assesses and approves its provisions and the adequacy of same on a regular basis.

Any bad debts/impairment losses are recognised in the income and expenditure account.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in the income and expenditure account.

## Notes to the Financial Statements (cont)

For the financial year ended 30 September 2021

### 2.9 TANGIBLE FIXED ASSETS

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Credit Union adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Credit Union. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the income and expenditure account during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Premises	2% straight line per annum
Fixtures and fittings	20% straight line per annum
Office equipment	25% straight line per annum

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other gains' or 'other losses' in the income and expenditure account.

### 2.10 Impairment of assets

At each reporting date assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in the income and expenditure account. If an impairment

loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the income and expenditure account.

### 2.11 Investments in associates

Investments in associates are accounted for at cost less impairment.

### 2.12 Other receivables

Other receivables such as prepayments are initially measured at transaction price including transaction costs and are subsequently measured at amortised cost using the effective interest method.

### 2.13 Financial liabilities — members' savings

Members' savings are redeemable and therefore are classified as financial liabilities. They are initially recognised at the amount of cash deposited and subsequently measured at amortised cost.

### 2.14 Members' current accounts

The Credit Union provides Member Personal Current Account Services in accordance with Section 49(3) of the Credit Union Act, 1997 (as amended).

### 2.15 Other payables

Short term other liabilities, creditors, accruals and charges are measured at the transaction price.

### 2.16 Pension costs

The Credit Union operates a defined contribution pension scheme. The assets of this scheme are held separately from those of the Credit Union in independently administered funds. Employer contributions to the pension scheme are charged to the income and expenditure account in the period to which they relate.

### 2.17 Holiday pay

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

### 2.18 Termination benefits

Termination benefits are included in employment costs where applicable and are expensed to the income and expenditure account on an accruals basis.

### 2.19 Derecognition of financial liabilities

Financial liabilities are derecognised when the obligations of the Credit Union specified in the contract are discharged, cancelled or expired.

### 2.20 Regulatory reserve

The Credit Union Act 1997 (Regulatory Requirements) Regulations 2016 requires credit unions to establish and maintain a minimum regulatory reserve requirement of at least 10 per cent of the assets of the Credit Union. This reserve is to be perpetual in nature, freely available to absorb losses, realised financial reserves that are unrestricted and non-distributable.

### 2.21 Operational risk reserve

Section 45(5)(a) of the Credit Union Act, 1997 (as amended) requires each credit union to maintain an additional reserve that it has assessed is required for operational risk having regard to the nature, scale and complexity of the Credit Union. Credit unions are required to maintain a minimum operational risk reserve having due regard for the sophistication of the business model.

The Directors have considered the requirements of the Act and have considered an approach to the calculation of the operational risk reserve. The Credit Union uses the Basic Indicator Approach as set out in the operational risk measurements techniques proposed under Basel II capital adequacy rules for banking institutions in calculating the operational risk reserve. Therefore the Credit Union will hold an operational risk reserve which will at a minimum equal 15% of the average positive gross income for the previous three years. For any year in which there was a deficit, this will be excluded from the calculation.

In addition, the Credit Union has included in its operational risk reserve a Member Personal Current Account Service operational risk reserve, in accordance with Section 49(3) of the Credit Union Act, 1997 (as amended).

## 2.22 Other reserves

Other reserves are the accumulated surpluses to date that have not been declared as dividends returnable to members. The other reserves are subdivided into realised and unrealised. The Credit Union has established a social finance fund reserve to be used by the Credit Union for social, cultural and charitable purposes in accordance with section 44 of the Credit Union Act, 1997 (as amended) and this is included in realised reserves. In accordance with the Central Bank guidance note for credit unions on matters relating to accounting for investments and distribution policy, investment income that has been recognised but will not be received within 12 months of the balance sheet date is classified as "unrealised" and is not distributable. A reclassification between unrealised and realised is made as investments come to within 12 months of maturity date. The Directors have deemed it appropriate that interest on loans receivable at the balance sheet date is also classified as "unrealised" and is not distributable. All other income is classified as "realised".

## 2.23 Distribution policy

Dividends and loan interest rebates payments are made from the current year's surplus or reserves set aside for that purpose. The Board's proposed dividends and loan interest rebates to members each year is based on the distribution policy of the Credit Union.

The rate of dividends and loan interest rebates recommended by the Board will reflect:

- the risk profile of the Credit Union, particularly in its loan and investments portfolios;
- the Board's desire to maintain a stable rather than a volatile rate of dividend each year; and
- members' legitimate dividend and loan interest rebate expectations;

all dominated by prudence and the need to sustain the long-term welfare of the Credit Union.

For this reason the Board will seek to build up its reserves to absorb unexpected shocks and still remain above minimum regulatory requirements.

The Credit Union accounts for dividends and loan interest rebates when members ratify such payments at the Annual General Meeting.

## 2.24 Taxation

The Credit Union is not subject to income tax or corporation tax on its activities.

## 3. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCE OF ESTIMATION UNCERTAINTY

Preparation of the financial statements requires the Directors to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

### Determination of depreciation, useful economic life and residual value of tangible assets

The annual depreciation charge depends primarily on the estimated lives of each type of asset and, in certain circumstances, estimates of residual values. The Directors regularly review these useful lives and change them if necessary to reflect current conditions. In determining these useful lives management consider technological change, patterns of consumption, physical condition and expected economic utilisation of the assets. Changes in the useful lives can have a significant impact on the depreciation charge for the financial year. The net book value of tangible fixed assets subject to depreciation at the year end was €5,364,861 (2020: €5,614,382).

### Provision for bad debts

The Credit Union's accounting policy for impairment of loans is set out in the accounting policy in note 2.8. The estimation of loan losses is inherently uncertain and depends upon many factors, including loan loss trends, credit risk characteristics in loan classes, local and international economic climates, conditions in various sectors of the economy to which the Credit Union is exposed, and, other external factors such as legal and regulatory requirements. The provision for bad debts in the financial statements at the year end was €6,564,953 (2020: €6,718,885) representing 10.70% (2020: 10.83%) of the total gross loan book.

## Investments in associates

The investments in associates represents Savvi Credit Union Limited's investment in Metacu Management Designated Activity Company. This investment was made for operational purposes. The Credit Union holds 6.25% Redeemable A Ordinary shares in the company and through the terms of the shareholders agreement agreed between each of the participating credit unions, Savvi Credit Union Limited is deemed to have influence over the operations of this company. Therefore the investment has been accounted for as an investment in an associate.

## Operational risk reserve

The Directors have considered the requirements of the Credit Union Act, 1997 (as amended) and have considered an approach to the calculation of the operational risk reserve. The Credit Union uses the basic indicator approach as set out in the operational risk measurements techniques proposed under Basel II capital adequacy rules for banking institutions in calculating the minimum operational risk reserve. In addition, the Credit Union has included in its operational risk reserve a Member Personal Current Account Service operational risk reserve, in accordance with Section 49(3) of the Credit Union Act, 1997 (as amended). The operational risk reserve of the Credit Union at the year end was €2,173,946 (2020: €2,173,946).

## Adoption of going concern basis for financial statements preparation

The Credit Union continue to closely monitor the evolution of the COVID-19 pandemic. The Directors have prepared projections and cash flows for a period of at least twelve months from the date of the approval of the financial statements which demonstrate that there is no material uncertainty regarding the Credit Union's ability to meet its liabilities as they fall due, and to continue as a going concern. On this basis the Directors consider it appropriate to prepare the financial statements on a going concern basis. Accordingly, these financial statements do not include any adjustments to the carrying amounts and classification of assets and liabilities that may arise if the Credit Union was unable to continue as a going concern.

## Notes to the Financial Statements (cont)

For the financial year ended 30 September 2021

### 4. KEY MANAGEMENT PERSONNEL COMPENSATION

The Directors of the Credit Union are all unpaid volunteers. The key management personnel compensation is as follows.

	2021	2020
	€	€
Short term employee benefits paid to key management	1,173,992	1,100,976
Payments to pension schemes	93,108	284,187
<b>Total key management personnel compensation</b>	<b>1,267,100</b>	<b>1,385,163</b>

### 5. NET IMPAIRMENT GAINS ON LOANS TO MEMBERS

	2021	2020
	€	€
Bad debts recovered	(158,406)	(151,814)
Impairment of loan interest reclassified as bad debt recoveries	(30,342)	(22,240)
Movement in bad debts provision during the year	(153,932)	(18,716)
Loans written off during the year	114,289	105,643
<b>Net impairment gains on loans to members</b>	<b>(228,391)</b>	<b>(87,127)</b>

### 6. CASH AND CASH EQUIVALENTS

	2021	2020
	€	€
Cash and balances at bank	7,898,898	17,684,130
Deposits and investments — cash equivalents (note 7)	63,421,997	60,491,023
<b>Total cash and cash equivalents</b>	<b>71,320,895</b>	<b>78,175,153</b>

### 7. DEPOSITS AND INVESTMENTS

	2021	2020
	€	€
Deposits and investments — cash equivalents		
Accounts in authorised credit institutions (Irish and non-Irish based)	44,998,853	52,530,906
Central Bank deposits	18,423,144	7,960,117
<b>Total deposits and investments — cash equivalents</b>	<b>63,421,997</b>	<b>60,491,023</b>
Deposits and investments — other		
Accounts in authorised credit institutions (Irish and non-Irish based)	135,866,855	136,186,821
Irish and EEA state securities	37,927,337	24,990,722
Bank bonds	69,016,071	61,066,082
Central Bank deposits	3,117,870	3,081,466
Other investments	4,963,332	15,251,483
<b>Total deposits and investments — other</b>	<b>250,891,465</b>	<b>240,576,574</b>
<b>Total deposits and investments</b>	<b>314,313,462</b>	<b>301,067,597</b>



**8. FINANCIAL ASSETS – LOANS TO MEMBERS**

	2021 €	2020 €
As at 1 October	62,065,479	68,378,615
Loans granted during the year	24,822,984	21,500,343
Loans repaid during the year	(25,406,000)	(27,707,836)
<b>Gross loans and advances</b>	<b>61,482,463</b>	<b>62,171,122</b>
<b>Bad debts</b>		
Loans written off during the year	(114,289)	(105,643)
<b>As at 30 September</b>	<b>61,368,174</b>	<b>62,065,479</b>

**9. PROVISION FOR BAD DEBTS**

	2021 €	2020 €
As at 1 October	6,718,885	6,737,601
Movement in bad debts provision during the year	(153,932)	(18,716)
<b>As at 30 September</b>	<b>6,564,953</b>	<b>6,718,885</b>

The provision for bad debts is analysed as follows:

	2021 €	2020 €
Grouped assessed loans	6,564,953	6,718,885
<b>Provision for bad debts</b>	<b>6,564,953</b>	<b>6,718,885</b>

**10. TANGIBLE FIXED ASSETS**

	Premises €	Fixtures & fittings €	Office equipment €	Total €
<b>COST</b>				
1 October 2020	7,678,913	1,101,504	3,011,796	11,792,213
Additions	-	30,690	69,032	99,722
<b>At 30 September 2021</b>	<b>7,678,913</b>	<b>1,132,194</b>	<b>3,080,828</b>	<b>11,891,935</b>
<b>DEPRECIATION</b>				
1 October 2020	2,527,976	835,511	2,814,344	6,177,831
Charge for year	149,759	82,062	117,422	349,243
<b>At 30 September 2021</b>	<b>2,677,735</b>	<b>917,573</b>	<b>2,931,766</b>	<b>6,527,074</b>
<b>NET BOOK VALUE</b>				
<b>At 30 September 2021</b>	<b>5,001,178</b>	<b>214,621</b>	<b>149,062</b>	<b>5,364,861</b>
At 30 September 2020	5,150,937	265,993	197,452	5,614,382

## Notes to the Financial Statements (cont)

For the financial year ended 30 September 2021

### 11. INVESTMENTS IN ASSOCIATES

	€
<b>Cost</b>	
At 1 October 2020 and 30 September 2021	265,000
<b>Accumulated impairment</b>	
At 1 October 2020 and 30 September 2021	-
<b>Net book value</b>	
<b>At 30 September 2021</b>	<b>265,000</b>
At 30 September 2020	265,000

#### Interests in associate

The Credit Union has interests in the following associate:

Associate	Registered Address	Type of shares held	Proportion held %	Net Assets €	Profit or (loss) €
Metacu Management Designated Activity Company	14 Ely Place Dublin 2 Ireland	Redeemable A Ordinary	6.25%	4,025,400	(103,564)

The above financial information in respect of Metacu Management Designated Activity Company was extracted from the audited financial statements for the year ended 31 December 2020.

The effect of including this investment as if it had been accounted for using the equity method would be as follows:

	Share of net assets €
<b>At 1 October 2020</b>	258,060
Share of profit/(loss) for the financial year after tax	(6,473)
<b>At 30 September 2021</b>	<b>251,587</b>

### 12. PREPAYMENTS AND ACCRUED INCOME

	2021 €	2020 €
Loan interest receivable	80,302	84,432
Prepayments	199,379	111,434
<b>As at 30 September</b>	<b>279,681</b>	<b>195,866</b>

### 13. MEMBERS' SHARES

	2021 €	2020 €
As at 1 October	320,976,270	317,861,505
Received during the year	78,286,259	74,356,631
Withdrawn during the year	(76,036,979)	(71,241,866)
<b>As at 30 September</b>	<b>323,225,550</b>	<b>320,976,270</b>

**14. MEMBERS' BUDGET ACCOUNTS**

	<b>2021</b>	<b>2020</b>
	€	€
As at 1 October	5,486,979	4,617,229
Lodgements during the year	14,601,065	14,760,769
Withdrawals during the year	(13,973,325)	(13,891,019)
<b>As at 30 September</b>	<b>6,114,719</b>	<b>5,486,979</b>

**15. MEMBERS' CURRENT ACCOUNTS**

	<b>2021</b>	<b>2020</b>
	€	€
As at 1 October	366,265	5,797
Lodgements during the year	3,013,506	1,420,921
Withdrawals during the year	(3,092,495)	(1,060,453)
<b>As at 30 September</b>	<b>287,276</b>	<b>366,265</b>

	<b>No. of</b>	<b>Balance of</b>
	<b>Accounts</b>	<b>Accounts</b>
		€
Debit	14	367
Credit	116	287,643
Permitted overdrafts	6	6,800

**16. OTHER LIABILITIES, CREDITORS, ACCRUALS AND CHARGES**

	<b>2021</b>	<b>2020</b>
	€	€
Trade creditors and accruals	1,135,454	2,124,600
Prize draw	173,292	158,570
PAYE/PRSI liability	51,883	59,542
<b>As at 30 September</b>	<b>1,360,629</b>	<b>2,342,712</b>

**17. OTHER PROVISIONS**

	<b>2021</b>	<b>2020</b>
	€	€
<b>Holiday pay accrual</b>		
At 1 October	73,658	44,154
Charged to the income and expenditure account	(11,083)	29,504
<b>As at 30 September</b>	<b>62,575</b>	<b>73,658</b>

## Notes to the Financial Statements (cont)

For the financial year ended 30 September 2021

### 18. FINANCIAL INSTRUMENTS

#### 18a. Financial instruments — measured at amortised cost

FINANCIAL ASSETS	2021	2020
	€	€
Financial assets measured at amortised cost	355,236,038	355,477,938

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Financial liabilities	2021	2020
	€	€
Financial liabilities measured at amortised cost	331,051,116	329,246,609

Financial assets measured at amortised cost comprise cash and balances at bank, deposits and investments, loans, members' current accounts overdrawn and investments in associates.

Financial liabilities measured at amortised cost comprise members' savings, members' current accounts, other liabilities, creditors, accruals and charges and other provisions.

#### 18b. Financial instruments — fair value measurements

FRS 102 requires fair value measurements to be disclosed by the source of inputs, using a three level hierarchy:

- Quoted prices for identical instruments in active market (level 1);
- Prices of recent transactions for identical instruments and valuation techniques using observable market data (level 2), and
- Valuation techniques using unobservable market data (level 3).

The table below sets out fair value measurements using the fair value hierarchy:

At 30 September 2021	Total	Level 1	Level 2	Level 3
	€	€	€	€
Accounts in authorised credit institutions (Irish and non-Irish based)	17,104,800	-	17,104,800	-
Bank bonds	11,505,063	-	11,505,063	-
<b>Total</b>	<b>28,609,863</b>	<b>-</b>	<b>28,609,863</b>	<b>-</b>

At 30 September 2020	Total	Level 1	Level 2	Level 3
	€	€	€	€
Accounts in authorised credit institutions (Irish and non-Irish based)	17,104,993	-	17,104,993	-
Bank bonds	8,500,000	-	8,500,000	-
<b>Total</b>	<b>25,604,993</b>	<b>-</b>	<b>25,604,993</b>	<b>-</b>

There were no fair value adjustments recognised in the income and expenditure account for the year ended 30 September 2021 (2020: €nil).

## 19. RESERVES

	Balance 01/10/20 €	Appropriation of current year surplus €	Transfers between reserves €	Balance 30/09/21 €
<b>Regulatory reserve</b>	<b>39,076,017</b>	-	-	<b>39,076,017</b>
<b>Operational risk reserve</b>	<b>2,173,946</b>	-	-	<b>2,173,946</b>
<b>Other Reserves</b>				
<b>Realised</b>				
Social fund reserve	325,520	-	-	325,520
Dormant accounts written off reserve	6,201	-	-	6,201
General reserve	9,120,240	804,024	4,130	9,928,394
<b>Total realised reserves</b>	<b>9,451,961</b>	<b>804,024</b>	<b>4,130</b>	<b>10,260,115</b>
<b>Unrealised</b>				
Interest on loans reserve	84,432	-	(4,130)	80,302
Investment income reserve	141,329	142,665	-	283,994
<b>Total unrealised reserves</b>	<b>225,761</b>	<b>142,665</b>	<b>(4,130)</b>	<b>364,296</b>
<b>Total reserves</b>	<b>50,927,685</b>	<b>946,689</b>	-	<b>51,874,374</b>

## 20. CREDIT RISK DISCLOSURES

In line with regulatory requirements, the Credit Union:

- restricts the concentration of lending by the Credit Union within certain sectors or to connected persons or groups (concentration limits);
- restricts the absolute amount of lending to certain sectors to a set percentages of the regulatory reserve (large exposure limit);
- restricts the loan duration of certain loans to specified limits (maturity limits);
- requires specified lending practices to be in place where loans are made to certain sectors such as business loans, community loans or loans to another credit union.

The carrying amount of the loans to members represents the Credit Union's maximum exposure to credit risk. The following provides information on the credit quality of loan repayments. Where loans are not impaired it is expected that the amounts repayable will be received in full.

	2021		2020	
	€	%	€	%
<b>LOANS NOT IMPAIRED</b>				
Total loans not impaired, not past due	51,568,685	84.03%	52,043,619	83.85%
<b>IMPAIRED LOANS:</b>				
Not past due	4,595,373	7.49%	4,486,784	7.23%
Up to 9 weeks past due	4,629,832	7.55%	4,345,950	7.00%
Between 10 and 18 weeks past due	63,072	0.10%	247,537	0.40%
Between 19 and 26 weeks past due	59,351	0.10%	611,077	0.98%
Between 27 and 39 weeks past due	188,780	0.31%	80,948	0.13%
Between 40 and 52 weeks past due	76,255	0.12%	84,306	0.14%
53 or more weeks past due	186,826	0.30%	165,258	0.27%
<b>Total impaired loans</b>	<b>9,799,489</b>	<b>15.97%</b>	<b>10,021,860</b>	<b>16.15%</b>
<b>Total loans</b>	<b>61,368,174</b>	<b>100.00%</b>	<b>62,065,479</b>	<b>100.00%</b>

## Notes to the Financial Statements (cont)

For the financial year ended 30 September 2021

### 21. RELATED PARTY TRANSACTIONS

#### 21a. Loans

	2021		2020	
	No. of loans	€	No. of loans	€
Loans advanced to related parties during the year	1	20,000	3	15,300
Total loans outstanding to related parties at the year end	10	323,665	11	496,037
Total provision for loans outstanding to related parties		64,500		32,708

The related party loans stated above comprise of loans outstanding to Directors and the management team (to include their family members or any business in which the Directors or management team had a significant shareholding).

Total loans outstanding to related parties represents 0.53% of the total loans outstanding at 30 September 2021 (2020: 0.80%).

#### 21b. Savings

The total amount of savings held by related parties at the year end was €492,773 (2020: €368,754).

### 22. ADDITIONAL FINANCIAL INSTRUMENTS DISCLOSURES

#### 22a. Financial risk management

The Credit Union manages its members' savings and loans so that it earns income from the margin between interest receivable and interest payable. The main financial risks arising from the Credit Union's activities are credit risk, market risk, liquidity risk and interest rate risk. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

**Credit risk:** Credit risk is the risk that a borrower will default on their contractual obligations relating to repayments to the Credit Union, resulting in financial loss. In order to manage this risk the Board of Directors regularly reviews and approves the Credit Union's credit policy. Credit risk mitigation may include the requirement to obtain collateral as set out in the Credit Union's credit policy. Where collateral or guarantees are required, they are usually taken as a secondary source of repayment in the event of the borrower's default. The Credit Union maintains policies which detail the acceptability of specific classes of collateral. The principal collateral types for loans are: an attachment over members' pledged shares; personal guarantees; and charges over assets. The nature and level of collateral required depends on a number of factors such as the term of the loan and the amount of exposure. All loan applications are assessed with reference to the credit policy in force at the time. Subsequently loans are regularly reviewed for any factors that may indicate that the likelihood of repayment has changed.

**Market risk:** Market risk is the risk that the value of an investment will decrease. This risk can arise from fluctuations in values of, or income from, assets or changes in interest rates. The Board of Directors regularly reviews and approves the Credit Union's investment policy and funds are invested in compliance with this policy and regulatory guidance.

**Liquidity risk:** Liquidity risk is the risk that the Credit Union will not have sufficient cash resources to meet day to day running costs and repay members' savings when demanded. The Credit Union's policy is to maintain sufficient funds in liquid form at all times to ensure that it can meet its liabilities as they fall due.

**Interest rate risk:** The Credit Union's main interest rate risk arises from adverse movements in interest rates receivable which would affect investment income. The Credit Union reviews any potential new investment product carefully to ensure that minimum funds are locked in low yielding long term investments yet at the same time maximising investment income receivable.

#### 22b. Liquidity risk disclosures

The Credit Union's policy is to maintain sufficient funds in liquid form at all times to ensure that it can meet its liabilities as they fall due. The Credit Union adheres on an ongoing basis to the minimum liquidity ratio and minimum short term liquidity ratio as set out in regulatory requirements.

#### 22c. Interest rate risk disclosures

The following shows the average interest rates applicable to relevant financial assets and financial liabilities.

	2021		2020	
	€	Average Interest Rate %	€	Average Interest Rate %
Gross loans to members	<u>61,368,174</u>	6.47%	<u>62,065,479</u>	6.69%

Any dividend payable is at the discretion of the Directors and is therefore not a financial liability of the Credit Union until declared and approved at the AGM.

### 23. DIVIDENDS AND LOAN INTEREST REBATES

The following distributions were paid during the year:

	2021		2020	
	%	€	%	€
Dividend on shares	0.00%	-	0.01%	30,764
Loan interest rebate	0.00%	-	1.00%	44,355

The Directors are not proposing a dividend or loan interest rebate in respect of the financial year ended 30 September 2021 (2020: The Directors did not propose a dividend or loan interest rebate).

### 24. EVENTS AFTER THE END OF THE FINANCIAL YEAR

At 30 September 2021 the Credit Union plan to dispose of a property which is included in premises on the balance sheet. The sale of this property is expected to complete in the coming months.

### 25. INSURANCE AGAINST FRAUD

The Credit Union has Insurance against fraud in the amount of €5,200,000 (2020: €5,200,000) in compliance with Section 47 of the Credit Union Act, 1997 (as amended).

### 26. CAPITAL COMMITMENTS

The Credit Union had capital commitments as follows:

	2021	2020
	€	€
Contracted for but not provided in these financial statements (excl. VAT)	386,450	-
	<b>386,450</b>	<b>-</b>

### 27. CONTINGENT LIABILITIES

In September 2018, the Registry of Credit Unions advised all credit unions of a potential matter in relation to accrued interest outstanding on certain top-up loans which may have led to a potential over-collection of interest. Following this, the Credit Union undertook a review to ascertain whether any top-up loans made to members might be impacted by these circumstances, and if so, to determine what actions may need to be taken. The Credit Union has concluded its review and is satisfied that no over-collection of interest has occurred.

### 28. LEASING COMMITMENTS

The Credit Union had future minimum lease payments under operating leases as follows:

	2021	2020
	€	€
Less than 1 year	6,270	7,374
1 to 5 years	6,298	12,568
<b>As at 30 September</b>	<b>12,568</b>	<b>19,942</b>

### 29. COMPARATIVE INFORMATION

Comparative information has been reclassified where necessary to conform to current year presentation.

### 30. APPROVAL OF FINANCIAL STATEMENTS

The Board of Directors approved these financial statements for issue on 10 November 2021.

# Schedules to the Income and Expenditure Account

For the financial year ended 30 September 2021

The following schedules do not form part of the statutory financial statements which are the subject of the Independent Auditor's report on pages 11 to 12.

## SCHEDULE 1 – OTHER INTEREST INCOME AND SIMILAR INCOME

	2021 €	2020 €
Investment income and gains received/receivable within 1 year	2,191,913	3,127,783
Investment income receivable outside of 1 year	142,665	79,681
<b>Total per income and expenditure account</b>	<b>2,334,578</b>	<b>3,207,464</b>

## SCHEDULE 2 – OTHER INCOME

	2021 €	2020 €
Budget accounts service fees and other income	49,102	49,842
Current account fees and charges	8,086	4,738
<b>Total per income and expenditure account</b>	<b>57,188</b>	<b>54,580</b>

## SCHEDULE 3 – OTHER MANAGEMENT EXPENSES

	2021 €	2020 €
Training	41,090	29,728
Rates	21,146	55,383
Affiliation and subscription fees	60,400	68,142
Savings protection scheme fund	46,703	(224,144)
Regulatory levies and costs	596,856	684,679
Share and loan insurance	397,990	358,361
Death benefit insurance	414,232	480,967
General insurance	102,486	96,568
Post and stationery	37,810	58,487
Printing	11,332	11,721
Marketing and publicity	145,612	95,682
Conference and meeting expenses	50,959	107,402
Repairs and maintenance	19,387	19,266
Service to equipment and I.T.	497,995	535,290
Legal and professional	212,663	371,456
Audit fee	43,090	45,375
Investment costs	57,943	59,067
General and office expenses	176,319	169,178
Bank interest and charges	24,972	41,997
<b>Total per income and expenditure account</b>	<b>2,958,985</b>	<b>3,064,605</b>



# Board Oversight Committee Report 2021

**The role and responsibilities of the Board Oversight Committee are set out in the Credit Union Act, 1997, as amended by the Credit Unions and Co-operation with Overseas Regulators Act, 2012. The Board Oversight Committee is responsible to the members of the Credit Union and acts at all times in good faith to safeguard their interests.**

The Act stipulates that the Committee shall report to the members at the annual general meeting on whether the Board of Directors has operated in compliance with its legislative requirements as set out in Part IV and Part IVa of the Act, and regulations made thereunder, as well as any other matters prescribed by the Central Bank.

The Committee is pleased to report that, in its view and based on the specific reviews carried out by the Committee, there was no material deviation by the Board in the discharge of their legal and regulatory obligations. This finding is based on a systematic, evidence-based methodology whereby each of the legal requirements of the Board is individually assessed over the course of the year.

The Board Oversight Committee has also discharged all of its own legal obligations, including:

- Met at least monthly throughout the year;
- Attended all Board meetings;
- Met the Board once a quarter;
- Fulfilled all reporting requirements;
- Met with the External Auditor;
- Assessed the performance of the Board and the conduct of Board meetings, and
- Assessed the Board's implementation of the strategy for the Credit Union.

I would like to express my heartfelt gratitude and appreciation to each of my fellow volunteers on the Board Oversight Committee, John O'Donoghue, Aidan McNally, Brian Montayne and Aidan McGirr. Their diligence, commitment and teamwork have ensured the Committee's effectiveness throughout the past year.

I would like to pay particular tribute to Aidan McNally who will be stepping down from the Committee this year after having served a three year term of office. Aidan has made a first class contribution to the Committee during this time. I would like to take this opportunity to express my gratitude to him and I offer him my best wishes for the future.

We will be proposing a replacement candidate for Aidan at our AGM on 28 January 2022.

I would also extend my thanks to the staff of the Credit Union whose unfailing help and support have been indispensable in carrying out our duties on behalf of the members, and to the Board of Directors for their continued openness and co-operation.

I remain confident in the strength of our Credit Union and its ability to continue to thrive and grow in the challenging years ahead. The greatest strength of this organisation is its people, and I believe the staff and volunteers of the Credit Union have the talent, imagination and courage to face the challenges ahead and deliver the best possible outcome for our members.

**On behalf of the Board Oversight Committee I am pleased to introduce the Report of the Committee's activities for the financial year ended 30 September 2021.**

**Sinead Glennon** Chair, Board Oversight Committee



# Audit, Risk and Compliance Committee Report

**In early 2020, the Board of Savvi decided to merge its Audit Committee with its Risk & Compliance Committee primarily as the Audit Committee already had members with the skills needed to evaluate policies for assessing and managing the range of business and operational risks which the Credit Union faces. In addition, Board succession planning for the next three years provided assurance that the Committee would have the right skills to support the merged Committee into the future taking into account Board and Committee rotation.**

While the Board of Directors of Savvi Credit Union has a duty to act in the interests of the Credit Union, the Audit, Risk & Compliance Committee has a role, acting independently from the executive, to ensure that the interests of our members are properly protected in relation to financial reporting and internal control. In addition, the Committee, along with the Board of Directors, recognises the importance of safeguarding the reputation of the Credit Union and protecting members' funds, ensuring these are not put at risk.

## ACTIVITIES DURING THE YEAR

### FINANCIAL REPORTING

During the financial year 2020–21 the Committee continued to focus on oversight of financial reporting, including the half year and full year financial reports as well as related policies and practices. Overseeing financial reporting requires an assessment of key accounting judgements and related risks and disclosures, each of which are discussed in detail with management and the External Auditor. The Committee ensures a robust review and challenge to enable it to recommend to the Board that the financial reports are a fair, balanced and understandable assessment of the Credit Union's position and prospects.

### INTERNAL CONTROL

The importance of a strong control environment, and the assessment by the Committee of the effectiveness of these controls is central to ensuring that the interests of our members and other stakeholders are appropriately protected. In view of the significant changes to work practices in 2020, the operation of these controls was of huge importance and required degrees of flexibility throughout the year. In that regard, the Committee reviewed reports on matters relating to the effectiveness of the control environment including the key internal controls in relation to financial reporting, health and safety including Covid-19, risk appetite, credit control, anti-money laundering, information technology and business continuity.

In undertaking its assessments, the Committee considers regular reports and presentations throughout the year from the External Auditor, Internal Auditor, Finance and Risk & Compliance Management together with business management reports and updates on specific actions being undertaken to further strengthen the control environment.

Throughout the year, the Committee also maintained focus on continued enhancements to the three lines of defence model.

The Committee was satisfied with the assessments of the control environment and specifically the impact of the COVID-19 pandemic on the efficacy of control effectiveness.

### INTERNAL AUDIT

The Committee approved the internal audit work plan for 2020–21, and subsequently carried out a review of the charter, reports, recommendations, and overall performance of the Internal Audit function. Arising from this we considered the effectiveness of the Internal Audit function, and the adequacy of associated resources, experience and expertise. We have deemed these to be satisfactory for Savvi's current needs.

### EXTERNAL AUDIT

The Committee reviewed the reports of Grant Thornton, our External Auditor, in respect of the half-year review as well as the full 2020–21 audit. This included the Auditor's findings, conclusions and recommendations arising from their work. The Committee satisfied itself with regard to the Auditor's effectiveness, independence and objectivity through a number of mechanisms during the year. This included consideration of the work undertaken, confidential discussions with the Auditor and feedback received from Management.

The Committee met with the External Auditor on two occasions during the year, including private conversations. The External Auditor confirmed that in their view that there were strong management and finance teams in place, internal controls were adequate, and that there were no significant concerns or recommendations they wished to bring to the attention of the Committee.





## RISK MANAGEMENT

The Committee, in conjunction with the Risk Management Officer, provides oversight of the Credit Union's Risk Management System. The Risk Management Policy and supporting risk related policies and frameworks, including the Risk Management System, were reviewed with just one change recommended by the Committee in relation to implementation of an annual review of the role of the Risk Management & Compliance Officer. This recommendation was duly acted upon by us.

The Committee assisted the Board in setting the Credit Union's risk tolerance and reviewed all risks on the Risk Register to ensure that they were brought within tolerance.

The Committee also spent time tracking the continuing regulatory agenda which included taking, and subsequently acting upon, feedback from our Central Bank of Ireland supervisors

Throughout the reporting period, through discussion with and challenge to Management, the Committee satisfied itself that the key risks facing the Credit Union were being appropriately managed, with relevant mitigants in place and appropriate actions taken, where necessary.

## COMPLIANCE MANAGEMENT

Ongoing assessment of our compliance with all legal and regulatory requirements took place on a risk basis. A compliance programme

is in place to mitigate any areas of non-compliance and the Committee updated the Board on this and general compliance issues following each Committee meeting.

## CREDIT UNION POLICIES AND PROCEDURES

During the year end 30 September 2021, the Committee reviewed 17 of the Credit Union's policies, including those in respect of anti-money laundering, fraud prevention and detection, risk and compliance management, data protection and retention, whistleblowing procedures, outsourcing, procurement, information security and business continuity. All policies were deemed to be comprehensive and proportionate to the nature, scale and complexity of the Credit Union.

## COMMITTEE MEETINGS

The Committee met on eight occasions during the year ended 30 September 2021, with the CEO, Finance Director, Internal Auditor, External Auditor, Risk and Compliance Officer, Money Laundering Reporting Officer and Head of Governance & Secretariat in attendance at these meetings, as appropriate. Meetings covered all areas of the Committee's responsibilities and thereby enabled the Committee to discharge its duties effectively.

## REPORTING TO BOARD

The Committee reported to the Board on the principal matters discussed at each of its meetings to ensure all Directors were fully informed of the

Committee's work. In addition, the Committee also provided Board with formal quarterly written updates.

## CONCLUSION

The Committee is satisfied that its activities during the year supported the delivery of its responsibilities as set out above.

In the opinion of the Committee, the financial control environment of the Credit Union is robust, and sufficient personnel with appropriate expertise have been employed to ensure compliance with the Credit Union's obligation to keep proper books of account and to provide to members' financial statements free from material misstatement.

In addition, the Committee maintained a clear focus on the Credit Union's regulatory compliance, as well as its risk culture, risk appetite, policies and procedures. It also ensured that management controls were sufficiently robust to support the Credit Union's Strategic Plan and that a risk assessment was carried out in this regard.

Finally, I would like to express my gratitude to my fellow Committee members, Emmett Dunleavy and Sean Atkinson for their contribution to the effective working of the Committee during the year. I would also like to thank, in particular, our Risk Management and Compliance Officer and our Money Laundering Reporting Officer for the support provided to the Committee as well as the overall Management Team of the Credit Union.

**On behalf of the Audit Risk and Compliance Committee  
I am pleased to introduce the Report of the Committee's  
activities for the financial year ended 30 September 2021.**

**Deirdre Shields** Chair, Audit, Risk & Compliance Committee



# Credit Committee Report

**During 2021 we continued to support our members impacted by Covid-19 whilst we also looked to broaden our lending offering to our members in anticipation of meeting their demands as their needs change now and into the future.**

The provision of loans to members is the primary service of the Credit Union. All loan applications are individually assessed and, whilst every effort is made to approve each application, the process has to ensure that there is no undue risk to the individual borrower or to the Credit Union as a whole.

## ACTIVITIES DURING THE PAST YEAR

### LOANS

- The value of loans advanced increased from €21.8m for year ending September 2020 to €24.8m in this financial year representing a €3m (14%) growth in new lending in the year.
- 2,476 loan applications were processed during the year compared to 3,176 in the previous year which represented a higher average loan value in the current year of €10k versus €7k in the previous year.
- 96% of all loan applications were approved.
- An analysis of our top 4 categories of issued loans (by € amount) are as follows:

Personal Home Improvements	€12.1m	+€6.3m
Motor Vehicles	€4.9m	-€3.5m
Secured Home Loans	€4.2m	-€1m
	€3.6m	+€2.3m

We conducted member surveys in 2021 and subsequently acted on our members feedback by broadening our lending offering. Our ambition is that all of our members will consider Savvi first for their credit needs. Throughout the year, we launched three new loan propositions. These include:

**In February 2021** we launched our 'Get Ready Loan' which offered a low rate of 5.5% (APR 5.64%) for terms of up to 10 years for borrowing of €20k to €70k. The key purpose of this loan was to incentivise new members or existing members who have not borrowed recently to avail of a reduced rate over a longer term with Savvi. The proposition proved successful running to June 2021 representing circa 41% of our personal loans issued in the year.

**In April 2021**, we launched our Savvi Member Mortgage. This proposition offers our members a competitive, straightforward mortgage with a variable interest rate of APR 3.30% with free mortgage protection insurance. The mortgage can range from €50k to €500k and all members over the age of 18 can apply. There is a maximum term of up to 35 years. A maximum loan to value of 90% applies for first time buyers and 80% for non-first time buyers. The maximum loan to income ratio is 3.5 times income.

The mortgage can be applied for the purpose of any of the following:

- To buy a house that you plan to live in as your principal residence
- To improve or renovate a house that you currently use as your principal residence
- To switch a mortgage loan on your principal residence with another institution
- To construct a house for the purpose of your principal residence

**In May 2021**, Savvi also announced our participation in the CU Greener Homes initiative — an Irish League of Credit Unions ('ILCU') established initiative

that has 16 credit unions participating nationwide with a 'one-stop-shop' portal for homeowners to upgrade the energy efficiency of their homes via a simple streamlined process including access to a new suite of Savvi green loans starting from an APR of 4.9%. It is a straightforward proposition to members that links in House2Home (who are the retrofit company) and Savvi. It offers our members:

- A dedicated website and calculator that gives details of all works available specific to their home, with costings, potential energy savings, grant discounts and funding costs.
- Makes the member aware of the grants and supports (up to 40%) that are available for eligible works.
- Offers a dedicated project manager to ensure all works brought to completion.
- Offers lending from Savvi's green suite of loans from a 4.9% APR over 10 years.

### EVALUATION OF LOAN APPLICATIONS

When evaluating loan applications, we are always conscious of the fact that we are lending members' savings. We are, therefore, obliged to establish that the member has the ability to repay the loan. There are times when, unfortunately, we have to refuse a loan and the most common reasons for such an outcome are either a member's overall indebtedness and/or their inability to repay. There are also times when the purpose for a loan requested by a member is not allowed under regulatory rules. It should however be noted that in the last year our credit union approved circa 96% of loan applications which we believe is a strong approval rate given the changing environment we are operating in.

We will continue to review our Credit Policy and Procedures to ensure they remain fit for purpose and that all our members are treated fairly.



### IMPROVING MEMBER SERVICE

We will continue our work on improving our lending service. We look forward to launching our new faster credit decisioning and release of funds process that will include 'open banking' capabilities and our mobile loan application process in early 2022 which will help members apply for loans on the go and have a quicker and easier access to their funds.

In addition, we are also proud of our recent participation (one of 5 Credit Unions) in the Strategic Banking Corporation of Ireland ('SBCI') Brexit Impact Loan Scheme ('BILS'). Within this scheme, Savvi can offer credit to eligible businesses impacted by brexit with loan amounts from €25,000 to a maximum of €1,000,000 per borrower. The key purpose of the BILS scheme is to provide access to medium term finance and is available to eligible Irish businesses and the primary agriculture and seafood sectors to support strategic long-term investment in a post Brexit environment. The SBCI guarantee up to a maximum of 80% of each newly originated loan.

We would encourage all members to talk to the Credit Union about their borrowing requirements and/or their financial position if they find themselves in difficulty. We are a credit union for our members and strive at all times to help members with their finances. It is rare that we are unable to help a member sort out their finances when they are open and forthcoming with their situation.

### INTERNAL AND EXTERNAL AUDITS

One audit was conducted on the loan book over the course of the past year. I am pleased to confirm that there were no material issues raised as a result.

### COMMITTEE MEETINGS

The Committee continues to meet weekly and provides monthly updates to Board on its activities.

### CONCLUSION

I would like to take this opportunity to thank the Lending Team and Agents for their help and support throughout the year.



**I am pleased to report on the activities of the Credit Committee for the year ended 30 September 2021.**

**Mark Beirne** Chair, Credit Committee



# Credit Control Committee Report

**The role of the Credit Control Committee is to ensure the repayment of loans by members of Savvi Credit Union ('Savvi') in accordance with their credit agreements and to review and recommend for approval all member loan reschedules. The Committee has met regularly throughout the year to review the loan book and members' repayments.**

## COMMITTEE OBJECTIVES DURING 2021

As a credit union, we have an obligation to our members to ensure that every effort is made to:

- Minimise the level of bad debts at Savvi
- Reduce the risk of loan delinquency
- Make adequate provision for non-performing loans
- Monitor loans in arrears to understand the trends and difficulties

## RESULTS AND COMMENTARY

Our write-off figure this year is €114,289 compared with €105,643 in 2020 representing an increase of 8.18% year on year. Bad debt recoveries were €158,406 compared to €151,814 last year, representing a recovery increase of 4.34%. Our bad debt provisions now stand at 10.7% of our loan

book. This provision is monitored regularly to ensure it adequately provides for possible future impairment.

The Committee continues with its policy of early intervention. We invest a considerable amount of time in communicating with members in arrears. Most cases are resolved following an initial contact from the credit control officer.

## CONCLUSION

The Committee is aware that there are several members who find themselves in very difficult circumstances. It, therefore, encourages any member who either falls behind with their loan payments or encounters any kind of financial difficulties to contact the Credit Union office at an early stage.

**Caroline Sweeney**  
Chair, Credit Control Committee



# Marketing Report

2021 was another challenging year for us all, so our marketing focus needed to ensure that Savvi was here for those who needed it. Our purpose statement is 'to help improve the lives of our members' and this can mean different things to different people.

Our marketing goal was to remind our members and potential members about the range of different helpful products and services we have available, from helping you manage your monthly budget with our 'SavviPay' service to our great loan rate for green energy upgrades to your home. Further details of some of the campaigns we ran can be found in the next section. Campaigns were promoted via a number of channels including in-branch, press, outdoor and digital.

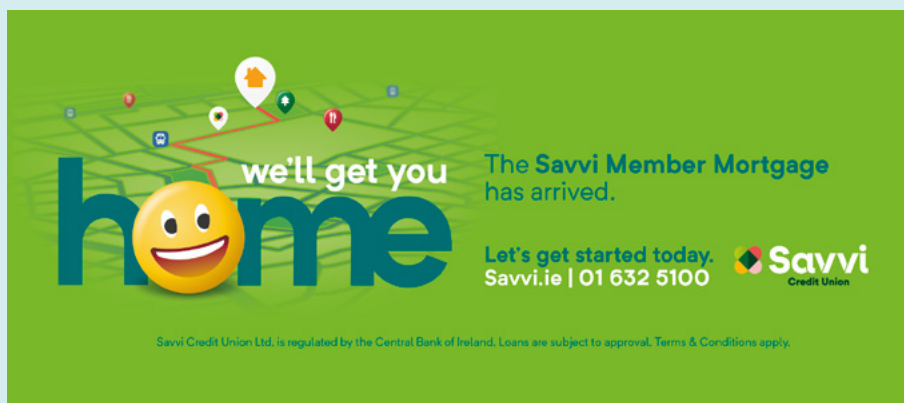
## ADVERTISING CAMPAIGNS

**Get Ready Loan:** Early in the year we launched a special rate of 5.5% to help our members 'Get Ready' for life after lockdown. The purpose of the loan wasn't restricted, with the aim being to help members in a way they felt they needed it most from a new kitchen to a dream holiday.

**Mortgages:** Savvi can officially offer mortgages to our members and it is something we are eager to let you all know about! Our campaign helped communicate the great customer experience you get from start to finish with our mortgage team, providing the sense of support that only a Credit Union can on such an important journey

**Our purpose statement is 'to help improve the lives of our members' and this can mean different things to different people.**

**Ciara McGowan** Head of Marketing & Communications



**CU Greener Loan:** With climate change being an ever-growing concern, it has led many to reflect on ways in which they can do their bit to help. Many of our members started at home and made energy saving improvements to their homes, with the help of the Cu Greener Home Initiative Loan. This a collective scheme that Savvi is involved in along with many other Credit Unions across the country. You can find out about grants available and apply for a low-cost credit loan. Find out more at [cugreenerhomes.ie](http://cugreenerhomes.ie)

## NEW WEBSITE LAUNCH

This year saw the launch of our brand new website and we are delighted with the feedback it has received from our members so far. The aim of the upgraded site was to ensure that it was easier to navigate, find what you were looking for quickly and just an overall improved user experience. We will be adding additional features throughout the year to further optimise the site and, if you have any feedback on what you would like to see more of, let us know at [marketing@savvi.ie](mailto:marketing@savvi.ie)

## FAMILY DAY & THE FUTURE

Unfortunately, our well-loved Family Day had to be cancelled again this year due to Covid restrictions. Our highest priority is to ensure the safety and wellbeing of staff and members. In lieu of this, we ran a competition for six members and their families to win a trip to Dublin Docklands. This included a stay in the Clayton Hotel and trips to Epic Museum, the Jeanie Johnston as well as trip on Dublin Bay Cruises. Hopefully next year, there'll be plenty more members enjoying a day out with Savvi!

We will keep you updated with details of any events as soon as we have them so keep on eye out on our social pages or sign-up to receive our quarterly newsletter. You can let us know if you want to be added to the list by emailing us at [marketing@savvi.ie](mailto:marketing@savvi.ie)



# Membership Report

**The Membership Committee is an operational management Committee reporting to the Board of Directors. Its primary objective is to oversee and make recommendations on activities that will improve the membership process.**

A big Savvi welcome to all our new members and we trust you are already experiencing the benefits of being with us.

We thank all members who replied to our requests for up-to-date identification (ID) documents during the year, and kindly remind any member who has still to send in ID documents to do so as soon as possible. Otherwise, due to current legislation we may not be able to accept lodgements or process withdrawals in the future. We sincerely appreciate your ongoing co-operation and understanding in this regard.

**Family membership has been available since August 2014. We ask every member to encourage their sons and daughters to become members of Savvi, thereby enabling them to also enjoy the many benefits of membership.**

## MEMBER SURVEY

In July 2021 we sent out a survey to over 3,000 members to establish the borrowing propensity of our members. The results of the survey also helped us to get a better understanding of our members recent experiences when applying for a loan and what they expect from us in the future.

For every completed survey we donated €1 to The Irish Cancer Society, so we are delighted to advise that a total of €1,074 was donated to this very important charity.

## ESB SUB-OFFICE VISITS

Unfortunately, due to the ongoing COVID-19 pandemic we were unable to resume the ESB sub-office visits in 2021. We do hope that we will be able to resume these in 2022 as we are all about providing a personal service, and the ability of our members to talk to us face-to-face is important to us — fingers crossed for 2022!

## PRIZE DRAW

We continued our partnership with Kia Ireland/Gowan Motors in 2021 with 12 lucky winners driving off in a shiny new Kia Rio during the year. We were also delighted to give cash prizes to a further 60 members.

There are 4,841 members in the Prize Draw as at 30th of September 2021 (down from 4,930 in 2020) so the odds on winning are even better!

For any member that has not entered yet, you can do so through our website <https://savvi.ie/content/prize-draw> or contact the office and we will send you out an application form — remember, if you're not in you can't win!

## MEMBER CAR DRAW INCOME & EXPENDITURE ACCOUNT

Opening balance 30-09-2020	€158,569.21
Receipts	€674,432.56
Disbursements	€659,710.18
Closing Balance 30-09-2021	€173,291.59

## ESB EVENTS

With the ongoing COVID-19 pandemic a lot of the annual ESB events we would have attended were cancelled, but we were delighted to virtually attend the apprenticeship inductions in September/October and the ongoing monthly general staff inductions. We look forward to serving these new Savvi members in the future.

The ESB Sligo Walk did take place virtually in May 2021 and we were delighted to once again sponsor some of the spot prizes — hopefully next year this fantastic event will be held as normal “in person”, and we look forward to sponsoring some more prizes!

## ESB AGENTS

We now have 48 Agents countrywide who help us look after our member's personal financial saving and borrowing requirements. We are most grateful for our Agents' support in this regard.

We had several Agents who stepped down during the year due to retirement from ESB or relocation within the ESB group. We warmly welcome their replacements.

- Pat Wall replaced Neil Reilly in Aghada
- Aileen Creed replaced Tim Keating in Networks, Wilton
- Carragh Cole replaced Helena Crowley Hayes in NCCC, Wilton
- James Sammon replaced Mary Flanagan in Little Island, Cork
- Ciara Dolan replaced Heidi Lynch in Inchicore
- Donal Fitzgerald replaced Rioghnach Buckley in Leopardstown Road
- Liam O'Reilly replaced Ciara Dolan in Dublin Airport
- Teresa Arnold replaced Colin McMahon in Dundalk
- Stephen O'Gorman replaced Tommy Tyrrell in Enniscorthy
- Roisin Phelan replaced Mary Moyles in Tullamore





### ALAN GALLAGHER THIRD LEVEL EDUCATION AWARD

2021 was the 17th year where we have given one lucky winner the prize of €3,000 payable each year for up to 4 years, to assist with the financial costs of attending third level education.

Each year this award is open to students who are commencing their third level studies and this year we had 70 entries, with a huge variety of courses being pursued across the country.

This year's lucky winner was John Gorman from Co. Offaly, who has started an engineering course in NUIG. We wish John, and everyone else who submitted an entry for the award, the very best in their future studies and careers.



*Pictured above is John receiving the award from his father Paul, who works in ESB Tullamore.*

**Our membership at 30th of September 2021 stood at 23,287 which is up 195 from last year.**

**Simon Dunne** Business Relationship Manager



# Money at Work

## Report

Since its' inception in 2017, our Money at Work scheme has grown to include over 30 local companies operating in the IFSC, Docklands, and the wider Dublin 1,2, and 4 areas. This dedicated service is provided at no cost and can be tailored to either run independently of, or alongside, an employer's existing employee wellbeing offering. Our scheme aims to assist in educating and supporting your employees by providing access to financial advice at a time and a place/method that is most convenient for them.

Having recently claimed top position for a record 7th year in a row for the best customer experience at the official CXi awards, Irish Credit Unions member-centric approach continues to be recognised as a unique selling point in a highly competitive financial services marketplace. Savvi Credit Union's Money at Work scheme is closely aligned to our mission to promote and provide affordable access to credit, delivering quality financial services whilst making a positive impact in our communities. We are proud to play our part in continuing to provide our expertise to both current and future members in our local communities.

For the year ahead, our focus will be on incorporating new local companies and innovating to improve upon our existing offering. In line with these goals, we have recently added our new Savvi Member Mortgage to our product suite. If one of your personal goals for the coming year involves the purchase of your own property, Savvi is ready to help. We'll get you home!

For further information on delivering our scheme into your company please contact our Money at Work Team at [maw@savvi.ie](mailto:maw@savvi.ie)



**We are proud to play our part in continuing to provide our expertise to companies in our community.**

Conall O'Callaghan Head of Business Growth

# Community Committee

## Report

**Savvi Credit Union wouldn't be in existence if it wasn't for the community it serves and supports. 2021 was another challenging year for not only the Savvi community, but communities all over Ireland. Due to Covid restrictions, many events were again cancelled this year which prevented us from engaging with the community to the same levels as previous years.**

Despite that, we made every effort to support and sponsor community initiatives where we could.

We were delighted to welcome The Centre Circle Gardening Group of Ringsend as our newest community partnership. Thanks to some sponsorship from Savvi they were able to plant some beautiful flowers and planters around the Ringsend area. We also provided some sponsorship support to 1st Port of Dublin Sea Scouts. The group was formed over 100 years ago and is one of Ireland's oldest Scout groups.

Other sponsorship activity this year included support of the Ballymote Community Development in Co. Sligo that many ESB staff were involved in. They helped to modernise and add extra facilities to their community at large and bring vibrancy to their local region. We also sponsored the football jerseys for the Ardara U16/U18 Ladies Football Teams in Co. Donegal where a number of staff from ESB Killybegs are involved.

### COMMUNITY COMMITTEE

The community is comprised of voluntary roles and is made up of:

**Lorraine Malone:** Chairperson and a Director of Savvi Credit Union. Lorraine brings over 32 years' experience in Credit Unions and volunteer work in the community.

**Betty Ashe:** Community Activist and volunteer on the Community Committee.

**Julie Agusta:** Former Board member of Pearse CU and current Committee member of Greenore Rostrevor Senior Citizens Club.

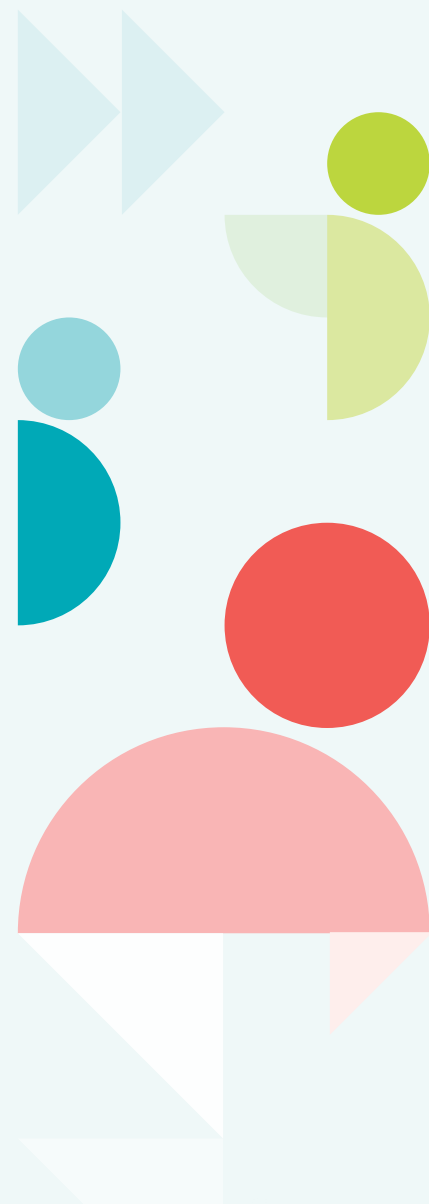
**Lily Deegan:** Previously Chairperson of St Laurence O'Toole Credit Union, Lily has been involved in her local community for over 40 years. She is a Savvi agent and member of our Community Committee.

**Lorraine Barry:** Lorraine is the manager of Ringsend & Irishtown Community Centre and is a member of the Savvi Community Committee.

**Caitriona Somers** is a former Board member of Savvi CU and joined our Community Committee last year.

**Adam Doran:** Business Development Manager at Savvi.

**Ciara McGowan** — Head of Marketing at Savvi.



**Lorraine Malone**, Chair, Community Committee

# Nomination & Governance Committee Report

## DUTIES OF THE COMMITTEE

A key priority for the Committee is to keep the composition of the Board and its Committees under review and to make appropriate recommendations in this regard to the Board.

The Committee reviews, at least annually, the size, structure and composition of the Board, including its numerical strength, the balance of skills, knowledge and experience of individual members of the Board and of the Board collectively, and the diversity and service profiles of the Directors. It then makes recommendations to the Board with regard to any changes considered appropriate.

In addition, the Committee keeps under review updates to regulations and best practice on corporate governance and briefs the Board on their implementation. The Committee also reviews and assesses the adequacy of our corporate governance policies and practices.

## COMMITTEE GOVERNANCE

The Committee comprises three non-Executive Directors, with two members constituting a quorum. The Committee met on at least four occasions during the year. Updates were provided to the Board after each Committee meeting with written reports provided quarterly.

## VOLUNTEERING FOR THE CREDIT UNION

We actively encourage members who have expertise and experience in any relevant area to consider putting themselves forward for election as either a Director or a member of the Board Oversight Committee or a volunteer Committee or forum member.

We operate to a Board agreed Competency Matrix and the vacancies available at any given time reflect the competencies we require under our Matrix which, in turn, is informed by the oversight requirements for our Strategic Plan. Earlier in the financial year the Committee reviewed and refreshed the Board Skills Matrix. Resulting from this the Committee recommended that the Board increase its number from nine to eleven and our new directors were duly elected at our 2020 AGM. The Committee is satisfied that the composition of the Board is strongly positioned to support and lead the Credit Union into the future.

The areas of expertise required in future years include IT, finance, risk, business development and marketing and I would encourage anyone thinking of volunteering to contact the Credit Union, either through individual Directors or management, for a confidential discussion around the competency requirements for the role. Expressions of interest can be made directly to [nomcom@savvi.ie](mailto:nomcom@savvi.ie)

Board vacancies, when they occur, are advertised to our membership via our website and other local advertising such as within our branches.

## CHAIR OF BOARD

Our Acting Chair, in his Annual Report of the Directors, has referred to our deep sadness at the passing of our Chairman, John McSweeney on 11th October 2021 and our heartfelt gratitude for his outstanding service to Savvi during his tenure both as Chair and as a Director. May John rest in peace.

Subsequently, as part of its remit the Committee needed to recommend a candidate to Board to fill the role of Chair. To that end we proposed that our Vice-Chair, Sean Martyn, had

the suitable skills and experience for the role and was the most appropriate candidate for election as Chairman Designate of Savvi. This was unanimously agreed by Board but, as of this report going to press, the appointment is subject to approval by the Central Bank of Ireland under its Fitness and Probity process. Sean joined us as a Director in 2016 and is a former senior banker having held a number of executive positions with Ulster Bank in the areas of personal, commercial and business lending.

Likewise, the Committee must oversee the process for the appointment of a Vice-Chair to fill the vacancy left by Sean Martyn and also the role of Secretary in which Dara Connolly has served his full three year term of office. I would like to express my heartfelt thanks to Sean and Dara for their outstanding service over the past three years and look forward to serving alongside both of them on the Savvi Board in the future.

## CORPORATE GOVERNANCE

The Committee undertook its annual schedule of work including oversight of developments in best practice in relation to corporate governance generally. In addition, it conducted the annual reviews of our corporate governance policies and recommended changes to Board where appropriate.

Finally, I would like to thank the management team for their efforts and commitment on behalf of the members in ensuring that we continue to meet our governance requirements.

**Enda Faughnan**, Chair-Nomination & Governance Committee



# Introducing Your Local Agent

Our Agents provide invaluable support nationwide ensuring our members have local, onsite assistance on any matter relating to the Credit Union.



ESB LOCATION	AGENT NAME
Aghada	Pat Wall
Ardnacrusha	Anne Reynolds
Arklow	Padraig Boyce
Athlone	Mary Hoare
Ballina	Mary Flynn
Ballyshannon	Thomas Gaughan
Carrick on Shannon	Brendan Kiernan
Castlebar	Padraig Mylett
Cavan	Siobhan Mannering
Cork	
Networks (Wilton)	Aileen Creed
NCCC (Wilton)	Carragh Cole
ESB Engineering & Major Projects, Little Island	James Sammon
Clonmel	Denis McGrath
Ennis	Geraldine Feighery
Dublin	
Finglas	Jacqui Cummins
Inchicore	Ciara Dolan
South Lotts Road	To be confirmed
ESB Engineering & Major Projects, Dublin Airport	Liam O'Reilly
Electric Ireland, Santry	Louise Rooney
	Aileen Leddy
Leopardstown Road	Donal Fitzgerald
Dundalk, Avenue Road	Teresa Arnold
Dunmanway	Norma O'Brien
Enniscorthy	Stephen O'Gorman
Galway	Tommy Murray
Kilkenny	To be confirmed
Killarney	Gary McCormick

Letterkenny	Sandra Connolly
Limerick (Rosbrien)	Noreen O'Brien
Longford	Ursula Moylan
Moneypoint Station	Declan O'Donovan
Mullingar	Ailish Brennan
Naas	Gile MacLochlainn
Newcastlewest	Zara O'Kelly
Nenagh/Roscrea	Brenda Madden
Portlaoise	Fiona Canavan
Retired ESB Staff (Dublin)	James Lynch
Retired ESB Staff (Cork)	To be confirmed
Sligo	Sandra Carney
Tarbert (SSE Generation)	Gene McCarthy
Tipperary	Noreen Kinane
Tralee	Keith McCarthy
Tullamore	Roisin Phelan
Waterford	Billy Hearne

## Irish Times

Tara Street	Anne Marie Peakin
City West	Darragh Kennan
City West	Greg Lawless

## Independent News & Media (INM)

Talbot Street	AnneMarie O'Dwyer
Talbot Street	Noel Stafford

## Community Agent

Oriel Street	Lily Deegan
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# Standing Orders

## for the Annual General Meeting

### 1. VOTING

Each member shall be entitled to one vote irrespective of his/her shareholding, in accordance with section 82(2) of the Credit Union Act, 1997 (as amended).

Due to the fact that this year's AGM will be a virtual meeting, voting on motions and elections will be by **electronic means**.

### 2. ELECTION PROCEDURE

#### ELECTRONIC VOTING

When nominations are announced, voting procedures and instructions shall be advised. The mechanics of the virtual voting process will be explained in more detail at the AGM by the Chair. Elections shall be in the following order:

- (a) Election of auditor;
- (b) Election for membership of the Board of Directors; and
- (c) Election for membership of the Board Oversight Committee.

When the votes have been counted by the tellers, the results shall be announced by the chair.

### 3 - 4 MOTIONS

3. Due to the specific difficulties we are facing in holding an Annual General Meeting this year due to Covid-19, the purpose of this year's AGM is to deal with the essential business of the Credit Union. This includes reporting to members on the financial status of the Credit Union, declare a dividend/ interest rebate, and elect officers. Any other non-urgent matters will be dealt with at next year's AGM.

As such, there will be no motions from the floor due to the difficulties in managing same remotely. [Members have been invited to submit questions

to the Board in advance of the AGM and the Board will address these during the AGM, and same will be included in the minutes of the AGM].

4. The Chairpersons's decision on any matter relating to these Standing Orders or interpretation of same shall be final

### 5 - 9 MISCELLANEOUS

5. The Chairperson of the Credit Union shall be the Chairperson of any general meeting, except where he/ she is not available, in which case it shall be the Vice-Chair, except where he/she is not available, in which case the Board shall decide amongst themselves who shall act as Chair of any general meeting.
6. The Chairperson may at his/her discretion, extend the privilege of the floor to any person who is not a member.
7. Matters not covered by the Agenda may be introduced under "Other Business" at the discretion of the Chairperson. At a virtual AGM in the current circumstances, this may not be practical, however, the option may be invoked if required.
8. The Chairperson shall have a second or casting vote in addition to his/her own vote on matters other than voting at elections where there is an equality of votes (Standard Rule 99(1)).
9. Any matter to be decided upon by a vote at the AGM shall, unless otherwise expressly provided for by law or the rules be decided upon by majority vote.

### 10. ADJOURNMENTS

Adjournments of the AGM shall take place only in accordance with section 81(1) and the provisions concerning notice, voting and quorum are also set out in section 81 (and the new section 80A inserted by the Finance (Miscellaneous Provisions) Bill 2020).



# Amendments to Standard Rules

## IRISH LEAGUE OF CREDIT UNIONS RULE AMENDMENT

### RULE 63(4)

That this Annual General Meeting agrees to delete Rule 63(4) of the Standard Rules for Credit Unions (Republic of Ireland) (2019) to remove the requirement for credit unions to complete and return the Return of Officers form to the Irish League of Credit Unions.

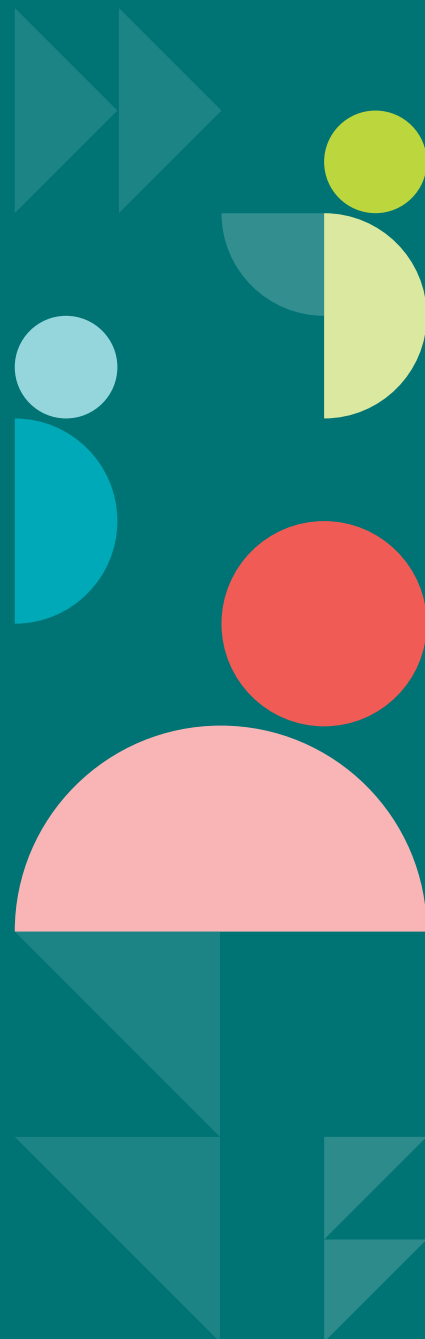
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## CHANGE TO REGISTERED RULES OF SAVVI CREDIT UNION LTD

### RULE 11 MEMBERSHIP

That this Annual General Meeting agrees to amend Rule 11 of the Standard Rules to allow membership to students of educational establishments in its geographical Common Bond incorporating:

- Westland Row Parish, City Quay Parish and Ringsend
- Laurence O'Toole Parish from Amiens Street - Custom House Quay - North Wall Quay - Alexander Basin - Alexander Quay - Upper, Sheriff Street - Spencer Dock - Seville Place.



# Deposit Guarantee Scheme

## Section A Information

### BASIC INFORMATION ABOUT THE PROTECTION OF YOUR ELIGIBLE DEPOSITS

<b>Eligible deposits in Savvi Credit Union Ltd are protected by:</b>	The Deposit Guarantee Scheme (DGS) <sup>[1]</sup>
<b>Limit of Protection:</b>	€100,000 per depositor per credit institution <sup>[2]</sup>
<b>If you have more eligible deposits at the credit institution:</b>	All your eligible deposits at the same credit institution are 'aggregated' and the total is subject to the limit of €100,000 <sup>[2]</sup>
<b>If you have a joint account with other person(s):</b>	The limit of €100,000 applies to each depositor separately <sup>[3]</sup>
<b>Reimbursement period in case of credit institution's failure:</b>	10 working days <sup>[4]</sup>
<b>Currency of reimbursement</b>	Euro or, for branches of Irish Banks operating in another member state of the EEA, the currency of that member state
<b>To contact Savvi Credit Union Ltd for enquiries relating to your account:</b>	Savvi Credit Union Ltd 56 Sir John Rogerson's Quay Dublin 2  Telephone: 01 632 5100 Email: <a href="mailto:hello@savvi.ie">hello@savvi.ie</a>
<b>To contact the DGS for further information on compensation:</b>	Deposit Guarantee Scheme Central Bank of Ireland PO BOX 11517 Spencer Dock North Wall Quay Dublin 1  Tel: 1890 777 777 Email: <a href="mailto:info@depositguarantee.ie">info@depositguarantee.ie</a>
<b>More information:</b>	<a href="http://www.depositguarantee.ie">www.depositguarantee.ie</a>
<b>Acknowledgement of receipt by the depositor:</b>	Signed: _____ (Applicant)  Signed: _____ (2nd applicant - in the case of a Joint Membership Parent/Guardian - in the case of a Junior Member Application)



## Section B Additional Information

### (1) SCHEME RESPONSIBLE FOR THE PROTECTION OF YOUR DEPOSIT

Your deposit is covered by a statutory deposit guarantee scheme. If insolvency should occur, your eligible deposits would be repaid up to €100,000.

### (2) GENERAL LIMIT OF PROTECTION

If a covered deposit is unavailable because a credit institution is unable to meet its financial obligations, depositors are repaid by the DGS. This repayment covers at maximum €100,000 per credit institution. This means that all eligible deposits at the same credit institution are added up in order to determine the coverage level. If, for instance, a depositor holds a savings account with €90,000 and a current account with €20,000, he or she will only be repaid €100,000.

### (3) LIMIT OF PROTECTION FOR JOINT ACCOUNTS

In the case of joint accounts, the limit of €100,000 applies to each depositor. However, eligible deposits in an account to which two or more persons are entitled as members of a business partnership, association or grouping of a similar nature, without legal personality, are aggregated and treated as if made by a single depositor for the purpose of calculating the limit of €100,000.

In some cases eligible deposits which are categorised as "temporary high balances" are protected above €100,000 up to a limit of €1,000,000 for six months after the amount has been credited or from the moment when such eligible deposits become legally transferable. These are eligible deposits relating to certain events which include:

(a) certain transactions relating to the purchase, sale or equity release by the depositor in relation to a private residential property by the depositor;

- (b) sums paid to the depositor in respect of insurance benefits, personal injuries (a claim for compensation for personal injury is not subject to the limit of €1 million for 6 months after that amount has been credited), disability and incapacity benefits, wrongful, conviction, unfair dismissal, redundancy, and retirement benefits;
- (c) the depositor's marriage, judicial separation, dissolution of civil partnership, and divorce;
- (d) sums paid to the depositor in respect of benefits payable on death; claims for compensation in respect of a persons death or a legacy or distribution from the estate of a deceased person;
- (e) where it is held in an account on behalf of a depositor in his or her capacity as personal representative of a deceased person for the purpose of realising and administering the deceased estate.

More information can be obtained at [www.depositguarantee.ie](http://www.depositguarantee.ie)

### (4) REIMBURSEMENT

The responsible deposit guarantee scheme is:

Deposit Guarantee Scheme, Central Bank of Ireland, PO Box 11517, Spencer Dock, North Wall Quay, Dublin 1.

Tel: 1890- 777777.

Email: [info@depositguarantee.ie](mailto:info@depositguarantee.ie)

Website: [www.depositguarantee.ie](http://www.depositguarantee.ie)

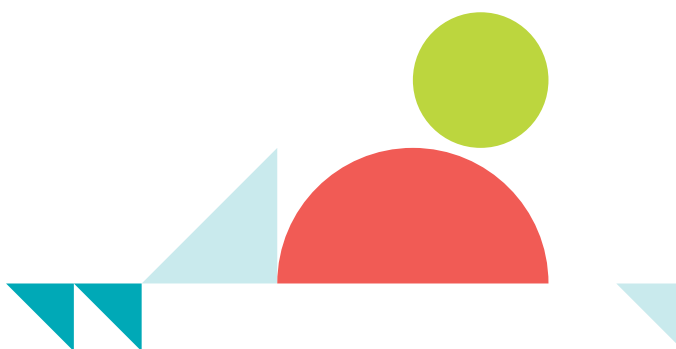
It will repay your eligible deposits (up to €100,000) within 10 working days from 1 January 2021 to 31 December 2023; and within 7 days from 1 January 2024 onwards, save where specific exceptions apply.

Where the repayable amount cannot be made available within seven working days depositors will be given access to an appropriate amount of their covered deposits to cover the cost of living within five working days of a request. Access to the appropriate amount will only be made on the basis of data provided by the credit institution. If you have not been repaid within these deadlines, you should contact the deposit guarantee scheme.

Further information can be obtained under [www.depositguarantee.ie](http://www.depositguarantee.ie)

### OTHER IMPORTANT INFORMATION

In general, all retail depositors and businesses are covered by the Deposit Guarantee Scheme. Exceptions for certain deposits as stated on the website of the Deposit Guarantee Scheme. Your credit institution will also inform you on request whether certain products are covered or not. If deposits are eligible, the credit institution shall also confirm this on the statement of account.





# 59th Annual General Meeting

FRIDAY  
**28th**  
JANUARY  
2022

Commencing  
at 6.00pm

## Zoom Call

Please see [www.savvi.ie](http://www.savvi.ie) for details on how to register for the meeting, as well as FAQs.

Savvi Credit Union is required to send each member important AGM documentation under the Credit Union Act. If you have more than one member in your household, this will result in multiple copies being printed and posted to the same house. As we all become more environmentally conscious we ask that you consider reading future annual reports digitally.

If you would like to sign up to have your AGM/EGM documentation sent to you via email next year, please send us your request and email address to [hello@savvi.ie](mailto:hello@savvi.ie). You can change your preferences at any time using this same email address.

### ELECTIONS

Pursuant to Rule 102 the Board of Directors has appointed a Nomination Committee to ensure at least one candidate for each vacancy for which an election is being held.

### VACANCIES

Board of Directors — 4 (1 new, 3 re-election)

Board Oversight Committee — 1

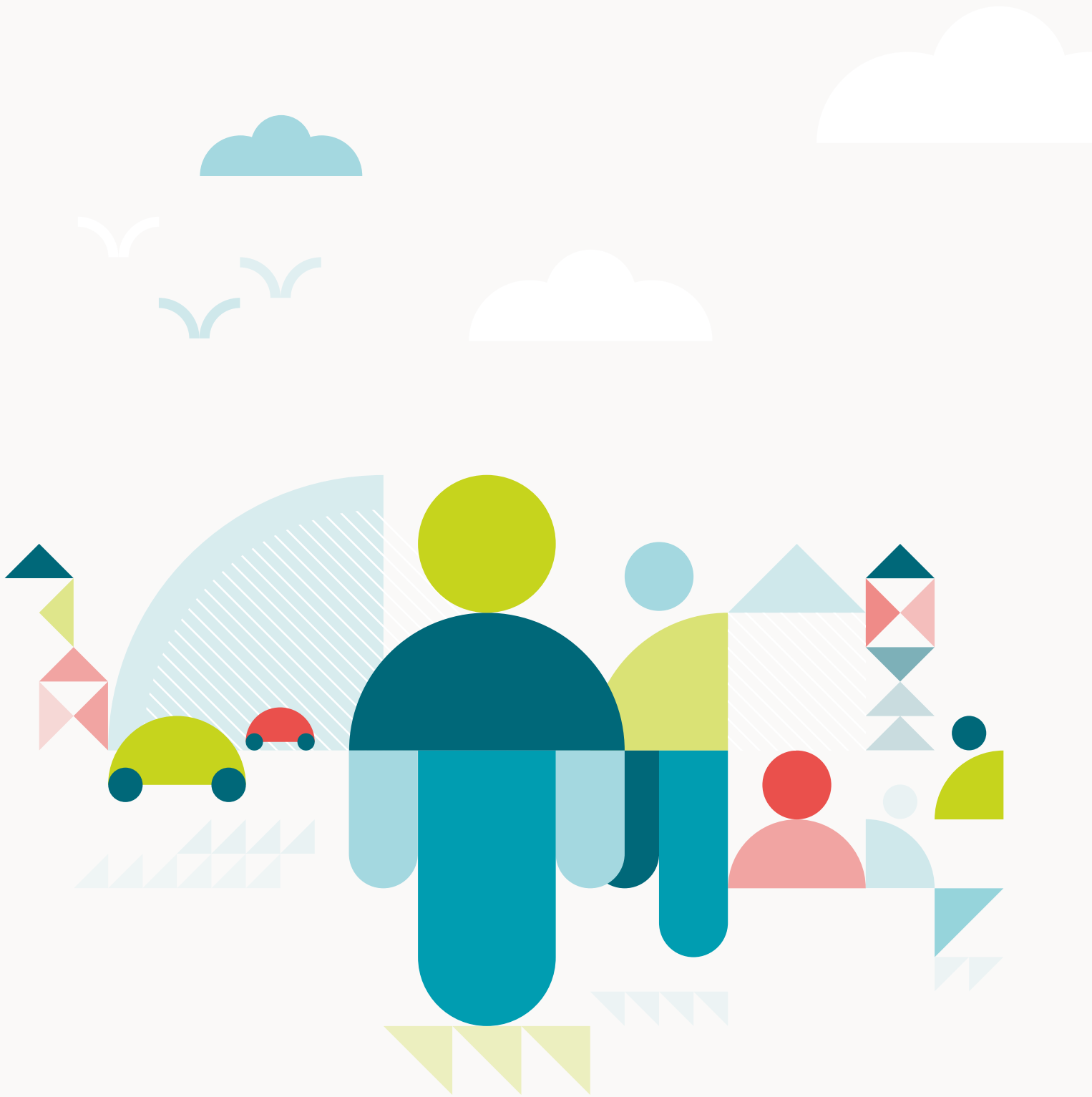
Any member who wishes to put themselves forward for election as either a director or member of the Board Oversight Committee, please contact the Chair of the Nomination Committee or any of the Credit Union's offices. Our vacancies for non-executive directors, Board Oversight Committee members and volunteers in general are all advertised on our website [www.savvi.ie](http://www.savvi.ie) from time to time.

### AGENDA

1. Invocation
2. The acceptance by the Board of Directors of the authorised representatives of members that are not natural persons
3. Ascertainment of quorum
4. Adoption of standing orders
5. Appointment of tellers
6. Minutes of Annual General Meeting 2020
7. Report of the Board of Directors
8. Financial Report, Auditors Report and Declaration of Dividend
10. Strategy and Financial Presentation
11. Elections — Auditor, Board Oversight Committee and Directors
12. Report of the Nomination & Governance Committee
13. Report of Board Oversight Committee
14. Report of Audit, Risk & Compliance Committee
15. Report of Credit Committee
16. Report of Credit Control Committee
17. Report of Marketing Committee
18. Report of Membership Committee
19. Report of Community Committee
20. Any other business
21. Close of meeting

The Standard Rules for Credit Unions can be inspected on our website [www.savvi.ie](http://www.savvi.ie) and will be available for inspection at the meeting.





**Savvi Credit Union Ltd.**

56 Sir John Rogerson's Quay, Dublin 2

Also at 1a Upper Oriel St, Dublin 1; 22 Upper Erne Street,  
Dublin 2; 5 Irishtown, Ringsend, Dublin 4;

Tel 01 632 5100 Email [hello@savvi.ie](mailto:hello@savvi.ie)

[www.savvi.ie](http://www.savvi.ie)

Savvi Credit Union Ltd is regulated by the Central  
Bank of Ireland. Registered in Republic of Ireland:  
Register No. 275CU

