



# Improving the lives of our members

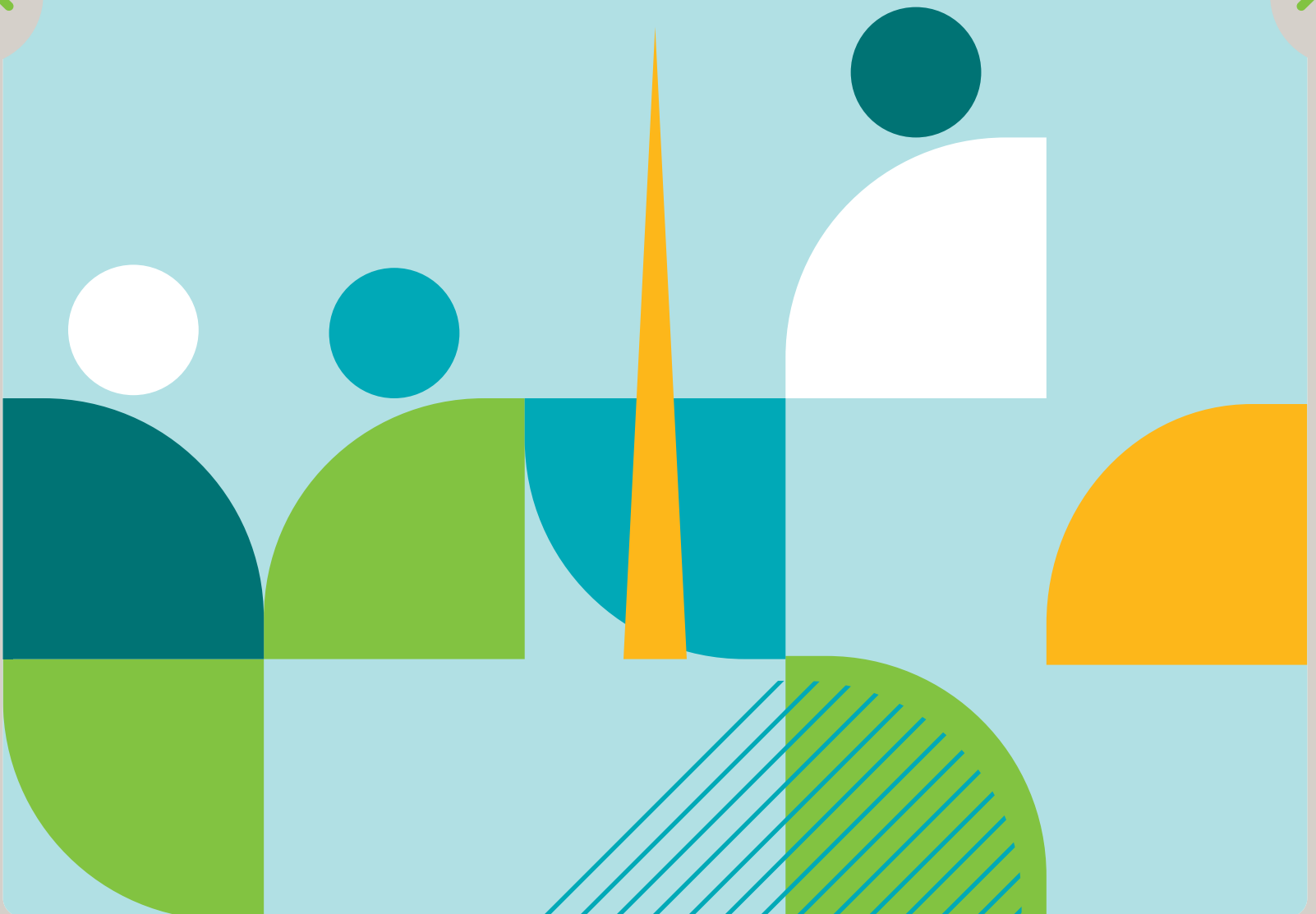
**2022** Annual  
Report



Savvi exists  
to improve  
the lives of  
its members

## Mission Statement

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



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## Board of Directors 2022



**Sean Martyn**

Chairman & Member of Credit Committee and People and Remuneration Committee

Sean is a former senior banker and also holds a number of non-executive director roles



**Philippa Cottle**

Vice-Chair & Member, Nomination and Governance Committee

Philippa is a lawyer and also a non-executive director



**Dara Connolly**

Chair — Asset & Liability Management Committee

Dara is Assets Flexibility Manager, ESB Smart Energy Services



**Lorraine Malone**

Chair— People & Remuneration Committee

Lorraine is Principal, L M Solutions Health & Safety Training



**Enda Faughnan**

Chair — Nomination Committee & Governance

Enda is a Tax Consultant at PwC and holds various non executive director positions

It remains our top priority to deliver an exceptional member experience for you and the many members, both personal and business, we hope to serve in the future.

Sean Martyn, Chairman, Board of Directors



**Emmett Dunleavy**  
Secretary to Board &  
Member Audit, Risk &  
Compliance Committee  
  
Emmett is Risk Manager,  
Treasury – ESB



**John Healy**  
Chair – Audit, Risk &  
Compliance Committee  
  
John is a former senior  
manager with ESB



**Graham Sutherland**  
Member – Asset & Liability  
Management Committee  
  
Graham is CEO,  
FirstGroup plc



**Roisin Cahill**  
Member — People &  
Remuneration Committee  
  
Roisin is Head of Managed  
Services, IT Force Ltd and is  
also non-executive director



**Deirdre Shields**  
Member — Asset & Liability  
Management Committee  
  
Deirdre is Head of Finance,  
RHC Management Limited  
and also holds non-executive  
director roles



**Sean Atkinson**  
Member — Audit, Risk &  
Compliance Committee  
  
Sean is Managing Director,  
ESB International



# REPORT OF THE BOARD OF DIRECTORS

for year ended 30 September 2022

**On behalf of the Board of Directors, it is my pleasure to present the Annual Report of Savvi Credit Union for the year ended 30 September 2022. Mark Beirne, our Chief Executive Officer, will elaborate on our financial and operational performance in his Review on pages 6 and 7 of this Report.**

At the outset, I want to thank you, our members, for your continued trust and loyalty. As I look back on 2022, I'm filled with admiration for the resilience and adaptability that you have demonstrated as we faced constantly evolving cost of living and other challenges brought about by events outside our control.

It remains our top priority to deliver an exceptional member experience for you and the many members, both personal and business, we hope to serve in the future.

## Review 2022

2022 was an important year for Savvi in the areas that matter most: our continued and growing service to you our members, the health, safety and wellbeing of our staff, the renewal of our strategy, the return to loan book growth, to our resilience as a credit union and our ability to be able to recommend a distribution of surplus to our members.

Significant exceptional items totalling €4.9m contributed to the majority of our surplus of €5.2m. In the year, we improved our reserves position (closing at €57.1m). We now maintain a healthy

14.47% of our assets in reserves and we did this during a time when our assets also grew by €11.6m, or 3%.

In line with our strategic objective of delivering quality and relevant services to our members, we added many new services throughout the year. This included opening our loan offering to those over 70 years of age and offering a financial planning service through our partnership with Irish Life. We modified our mortgage offering by reducing our rate to 2.95% in the year and we also extended our digital services with our Savvi app now facilitating members' ability to apply for loans via the app.

We were honoured to work with the Irish Red Cross with the launch of the Ukraine humanitarian account allowing credit union members nationwide to raise funds in humanitarian aid.

We are also very proud to have accepted the "Responsible Business" award at the 2022 Dublin Docklands Business Awards. This prestigious award, voted by the business community across the Docklands, recognises Savvi's contribution, leadership and ongoing commitment to our local community, environment, workplace, marketplace, and our strong governance ethic.

Through your continued loyalty, support and trust we remain strong, we have set ourselves stretching targets to achieve, we continue to grow and are optimistic about the future.

## Distribution

On account of our surplus in 2022, driven largely through exceptional gains, I am very pleased to announce that we will be recommending to our members at the AGM on 31 January

2023 that €715,254 of our surplus be distributed back to you. This will represent a dividend of 0.10% on shares and a loan interest rebate of 10%.

This is particularly important as our very healthy surplus in 2022 was down to a number of positive one-off items as outlined but our underlying or "business as usual" financial performance would not justify a distribution/rebate. That said, with interest rates and bond yields rising, and with a growing loan book, I do expect to see our "business as usual" surplus growing as well to a point where I am hopeful that distributions will be possible on an ongoing basis.

## Strategic Focus 2023 and Beyond

In 2023 we will be focused on delivering sustainable growth by creating deeper relationships with our members and by giving you the support you need at every stage of your lives — whether that is buying a house, carrying out home improvements, buying a car, saving for retirement or setting up and growing your own business.

In June 2022, Management presented a series of proposals to Board in order to refresh our Strategic Plan 2021-2023. Following very collaborative debates between Management and Board, the Board subsequently approved the proposals for incorporation in a revised Plan. The strategic deliverables within the Plan centre around loan book growth, cost transformation, value added strategic partnerships, financial resilience, operational excellence and our environmental, social and governance targets.

€11.3m  
Total Income

The progress that our CEO, Mark Beirne, and his capable management team have delivered in the last two years has helped to ensure that Savvi Credit Union is well placed to succeed and grow as the needs and expectations of our members evolve.

We are delivering on our purpose, underpinned by our strategic priorities, and as a result, we are generating long-term growth for our credit union, playing a positive role in our communities and aiming to drive sustainable returns to our members whenever our surplus allows us to do so.

**Board and Board Oversight Committee**

We have included a new Corporate Governance section at Pages 12 and 13 of this Report so that you can see at a glance how we govern and manage our credit union.

In terms of Board composition, we have only had one change to our membership in 2022 which was your election of John Healy as a director at our AGM in January 2022.

Dara Connolly, Director, has informed us that, owing to work commitments, he wishes to step down from the Board at our AGM in January 2023. I wish to express my sincerest gratitude to Dara, for his significant contributions since he joined in 2017. I would also like to offer him my very best wishes for the future.



€64.7m  
Loans to Members

We will be putting forward a new candidate for election at our AGM to replace Dara . Two other directors will be retiring by rotation, namely, Roisin Cahill and myself, and both will be going forward again for re-election by the membership.

In addition, two of our Board Oversight Committee members – John O'Donoghue, Committee Chair and Sinead Glennon, Committee Member – will be stepping down from the Committee after serving three year terms of office. I am most grateful to John and Sinead for their service to Savvi during that time and offer them my very best wishes for the future.

You will be provided with biographies of all directors and board oversight committee members who will be going up for election or re-election.

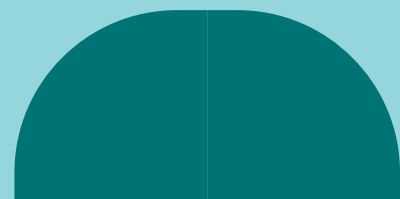
**Looking forward to 2023**

I look forward to us working together to ensure that we can deliver success in 2023. We will work hard to achieve continued growth in both our membership and our loan book as well as the further enhancement of our service offering – all with the aim of reaching a meaningful surplus. We remain committed to delivering enhanced solutions to serve your financial needs with the absolute best possible member experience we can deliver.

€394.6m  
Total Assets

Finally, I want to thank you, our members, for your continued support and loyalty to your credit union. I wish you and your families good health and happiness for 2023. stay safe and well and we look forward to seeing you all soon.

Sean Martyn  
Chairman



# REPORT OF THE CHIEF EXECUTIVE OFFICER

**2022 was a landmark year for Savvi Credit Union where we materially strengthened our financial position, returned to loan book growth, uplifted our own capabilities offering more quality services to our members.**

I am happy to report that we delivered a €5.2m surplus in the year (up from €947k in previous year), we grew our loan book by 5.5% to €64.7m, turning the tide on a book that had been in decline over the previous two years. Our increased level of reserves now stand at €57.1m which represents 14.47% of our assets (up from 13.55% last year). We also welcomed 850 new members to Savvi. These are key indicators of Savvi's financial strength, resilience and stability, particularly in the context of the macro environment that we witnessed during 2022.

Our purpose remains, which 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'.

### Exceptional Items in the Year

Savvi benefited from a number of one off items that totalled €4.9m.

#### Property Sale

In the year, Savvi moved its head quarters to the repurposed Sir John Rogerson Quay building and sold its premises at Herbert Place. This move best supports the levels of staff within Savvi with a modern, energy efficient building in the heart of the Dublin Docklands.

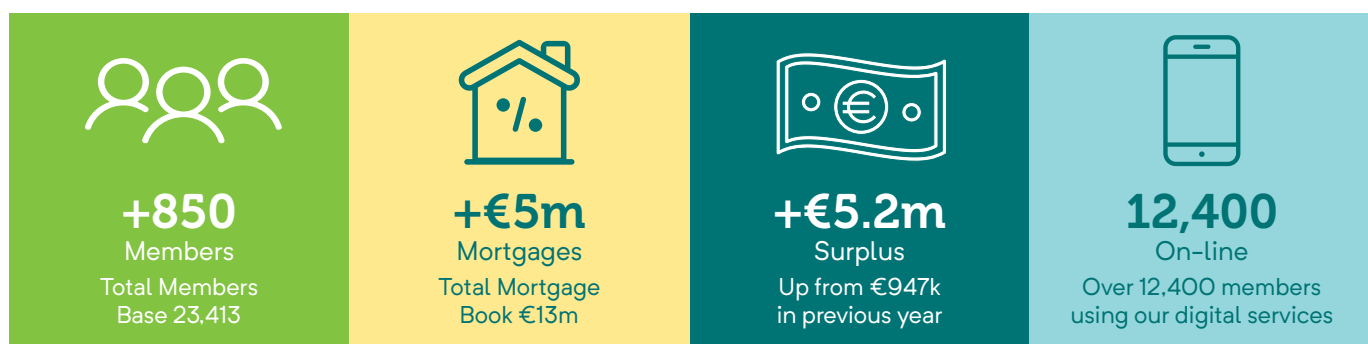
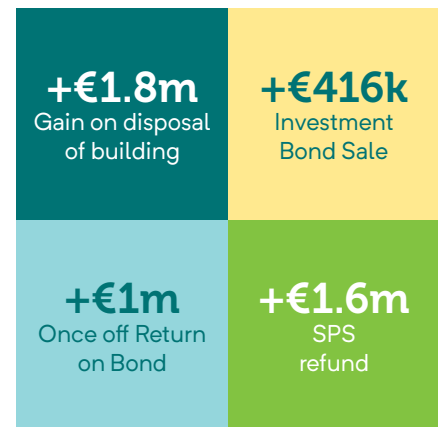
#### Investment Gains

Savvi continues to monitor its investment portfolio closely, and in an environment of low investment yields, will take the opportunity of crystallising investment gains whilst remaining within our risk appetite and regulations. In early 2022, Savvi sold some Government Bonds and replaced with more Government Bonds and, in doing so, generated a gain of €416k in the year.

In addition, we received a €1m coupon in relation to a Credit Suisse note that we held since February 2016.

### SPS Refund

Savvi received a €1.6m rebate in relation to its share of the Irish League of Credit Union ('ILCU') Stabilisation Protection Scheme ('SPS'). A rebate payable to all of the SPS participating Credit Unions was agreed at the AGM of the ILCU in April. This was in response to participating Credit Unions that had deficits emerging from their defined benefit pension scheme. Savvi does not operate a Defined Benefit Pension Scheme.





**Financial Performance**

**Lending Growth**

Lending growth was strong in the year where we issued €29m in new loans, up from €24.8m on the previous year representing an increase of 17%. The key growth driver was in mortgages and personal loans. Despite the changing and challenging market conditions, we grew our total loan book by 5.5% to €64.7m in the year. We saw an increased demand for larger loans with our average loan size growing to €14,982 from €13,938.

**Lending Performance**

The credit quality of our loans continued to improve during the year, reflecting our robust credit management policy at both the underwriting and collection phase. Loans greater than 9 weeks in arrears are still at less than 1% of our loan book and provision levels remain stable as members continue to repay their loans as expected. We recovered previous bad debts written off to the value of €152k in the year whilst writing off €154k. We continuously work with our members who experience difficulties with loan repayments and find solutions where possible.

**Investments**

Investment returns increased slightly in the year to €2.4m (taking out exceptional items) from €2.3m in the previous year as the interest yield environment started to improve in the latter months of this financial year and negative interest rates on deposits become a thing of the past. We expect to benefit further from a higher investment yield environment as we look ahead.

**Costs**

We continue to manage costs closely and have seen some increases. Our loans and savings insurance costs have risen in line with the growth in loans and savings whilst our loan insurance has also increased primarily on the back of extending our lending to members over 70 years of age. Staff, professional and marketing costs have increased as we invest in our people and marketing activities to meet our future growth ambitions. We will continue a robust cost management policy whilst factoring in certain inflationary cost impacts into our future plans.



**Our Strategic priorities remain as set out in 2021**

We remain focussed on executing our 5 strategic objectives which are:

1. **Loan Book Growth.** *Continue to grow our lending portfolio safely through product diversification, service enhancement, member penetration and member growth.*
2. **People Development.** *Continue to foster a culture of personal development, inclusivity and recognition through a transparent and robust people and culture framework geared to support individual and team growth.*
3. **Member & Operational Excellence.** *Build on the member service improvements made this year to deliver an operational model that ensures our members are being served with a best in class member experience.*
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.*

**Outlook**

The invasion of Ukraine has sparked a chain of events that presents significant challenges to the outlook for inflation and growth. Whilst the economy is still projected to grow, the outlook is for a slower pace of expansion with

markedly higher inflation over the short term than previously expected. We have reflected this into our more modest growth projections over the coming three years versus what we had anticipated this time last year.

Savvi is well placed for the future. We have a strong balance sheet and capital base. Our strategy will continue to centre on providing a widening range of services and choice for our members. We are building new initiatives to support our members obtain a faster, easier service as we also look to support our members to move to a more sustainable way of living whilst also looking at improved ways in reducing our own carbon footprint.

**Conclusion**

I would like to express my sincere thanks to you, our members, as well as to our Board, volunteers, and colleagues for their continued support through these challenging times and look forward to a brighter and more sustainable landscape that is kinder to the planet and each other.

As CEO, I am excited about the opportunity that we have as a leading financial service provider within our communities. We will remain focussed on the areas that we can influence, particularly where we can help to improve the lives of our members and deliver quality and relevant services to them whilst maintaining our resilience to an ever changing environment.



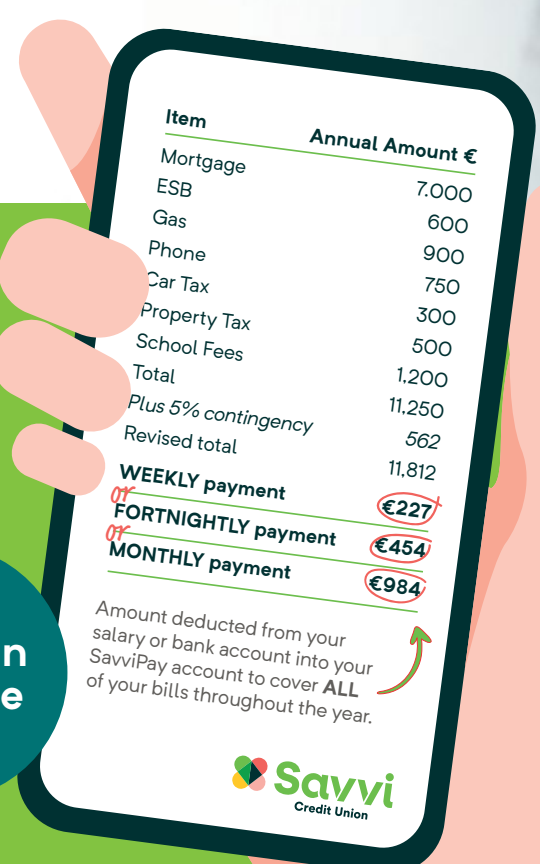
**Mark Beirne**  
Chief Executive Officer.



# SavviPay Budget Account

Spread out all of your bills and upcoming costs evenly over 12 months with a SavviPay Budget Account.

For a fixed fee of €48 per annum, this tool will help give you control over your finances and peace of mind that you're sorted for the year.



Item	Annual Amount €
Mortgage	
ESB	7,000
Gas	600
Phone	900
Car Tax	750
Property Tax	300
School Fees	500
Total	1,200
Plus 5% contingency	11,250
Revised total	562
	11,812
<b>WEEKLY payment</b>	<b>€227</b>
<b>OR FORTNIGHTLY payment</b>	<b>€454</b>
<b>OR MONTHLY payment</b>	<b>€984</b>

Here's an example

Amount deducted from your salary or bank account into your SavviPay account to cover ALL of your bills throughout the year.



For details on how to apply for a SavviPay Budget Account, visit [savvi.ie](https://savvi.ie)



# 10 reasons to choose Savvi for your mortgage



## 1. Top Service

You will have a dedicated mortgage advisor to guide you through the process. For 8 years in a row now, Credit Unions have occupied the No. 1 position for customer experience in Ireland.

## 2. No phone-waiting queues

If you have any queries or questions, you will be put straight through to our mortgage team. We are just a phone call away.

## 3. Not for profit

Our members own the Credit Union.

## 4. Full Transparency

There are no hidden fees, charges, or gimmicks!

## 5. No early repayment fees

After the first twelve months, no fees are applied if you decide to repay your mortgage earlier than planned.

## 6. Our rate

We have recently reduced our rate to 2.95%, guaranteed until June 2024.

## 7. Stability

We are funded by our members savings so compared to banks, are less impacted by external market conditions.

## 8. Trust

Savvi is here to help our members, not profit from them. Our decisions will be made with your best interest at heart.

## 9. No "vultures" allowed

Credit Unions don't sell their mortgages to so-called vulture funds.

## 10. Free mortgage protection insurance

We offer free mortgage protection insurance on mortgages up to €500k. Insurance that clears a member's mortgage in the event of death.

## Contact our mortgage team.

New buyer, switcher, or mover? Whether you want to make an appointment with us or just ask a question, get in touch.



Call 01-6325100 or email [mortgages@savvi.ie](mailto:mortgages@savvi.ie)

Lending criteria, terms and conditions apply. Credit facilities are subject to repayment capacity and financial status and are not available to persons under 18 years of age. Security and Insurance are required. A typical €250,000 twenty-five year loan with a variable interest rate of 2.95% and 2.99% APR (Annual Percentage Rate), where the APR does not vary during the term, would have monthly repayments of €1,179.04 and the total cost of credit (the total amount repayable less the amount of the loan) would be €103,709.16.

**Warning: If you do not meet the repayments on your loan, your account will go into arrears. This may affect your credit rating which may limit your ability to access credit in the future.**

**Warning: if you do not keep up your repayments you may lose your home.**

# Business Responsibility & Sustainability Report

For the financial year ended 30 September 2022

Sixty years ago, credit unions agreed a set of operating principles which we still operate under today. Sixteen years ago, the United Nations (UN) agreed the UN Sustainable Development Goals ('SDGs').

When we compare our principles and the UN goals, we see almost the same aspirations reflected in both and we are proud that Savvi Credit Union already closely matches what the UN and the world leaders adopted in 2006.

Savvi is on a journey to embed sustainability into every aspect of our operating principles and ethos.

We were delighted to accept the 'Responsible Business' award at the 2022 Dublin Docklands Business

Awards. This prestigious award recognises Savvi's contribution, leadership, and ongoing commitment to our local community, environment, workplace, marketplace, and our strong governance ethic. Given the calibre of competition in the area, winning the award is a great source of pride for us.

*Pictured below: Mark Beirne and the Savvi Team at the Docklands Business Awards. Savvi won the 'Responsible Business' award, presented by Pascal Donohoe, Minister for Finance.*



Some examples of what Savvi has these been doing in the area of Business Responsibility and Sustainability over the past 12 months are illustrated below:

### SDGs 3 & 4 Quality education and good health and well-being



- Over the past 17 years we have supported 17 students through third level education via the Alan Gallagher Award, distributing €204,000 in total
- This year we have supported over 80 members with educational loans to the value of €500,000
- We support the career development of our staff, through financially supporting their continuing education and development
- We launched our own Savvi Staff Academy which further supports internal knowledge and engagement
- We offer access for our staff to the bike to work scheme and tax saver travel card

### SDG 8 Decent work and economic growth



- We set up the Ukraine humanitarian account for the Irish Red Cross allowing credit union members to lodge funds — which raised thousands in humanitarian aid
- We supported a number of community groups in our local communities such as Seville Place Girl Guides and Ringsend Tidy Towns
- We participated in local community projects which included our staff using their volunteer day to clean up the gardens of Enable Ireland school in Sandymount
- We provide flexible and remote working for our staff

### SDG 11 Sustainable cities and communities



- We provided small business loans to the value of €900,000 in the year. Typically, this included a local micro / small business looking to buy stock, expand and grow their business
- We provided 36 families with mortgages to the value of €5m to purchase their homes
- We teamed up with Energia and House 2 Home on a service that allows homeowners to upgrade the energy efficiency of their homes adopting a 'one-stop-shop' model and SEAI grants

### SDG 13 Climate action



- We provide a suite of green loans that include:
  - electric/hybrid car loans;
  - energy efficient home improvement loans including insulating the attic, solar panels and heat source pumps
- Our digital member service offering allows members to register via our Savvi app and apply for loans via our app or via desktop and they can also upload their documents online and sign for their credit agreements digitally reducing the need for paper and postage
- We moved our headquarters to a more sustainable and energy efficient building reducing our carbon footprint

# Corporate Governance

**Sarvi Credit Union is governed by its Board and Committees. It is committed to the highest standards of corporate governance, business integrity and professionalism in all its activities.**

The Governance Framework of the Credit Union provides for a separation between two distinct sets of roles in the Credit Union, namely:

1. the functions carried out by the Board of Directors which involve determining and monitoring the implementation of the Strategic Plan for the credit union, oversight of management and setting out the systems of control required, and

2. the day to day responsibility for the operations of the Credit Union, which Board delegates to the Chief Executive Officer, who is supported by the management team and staff.

### Board Oversight Committee

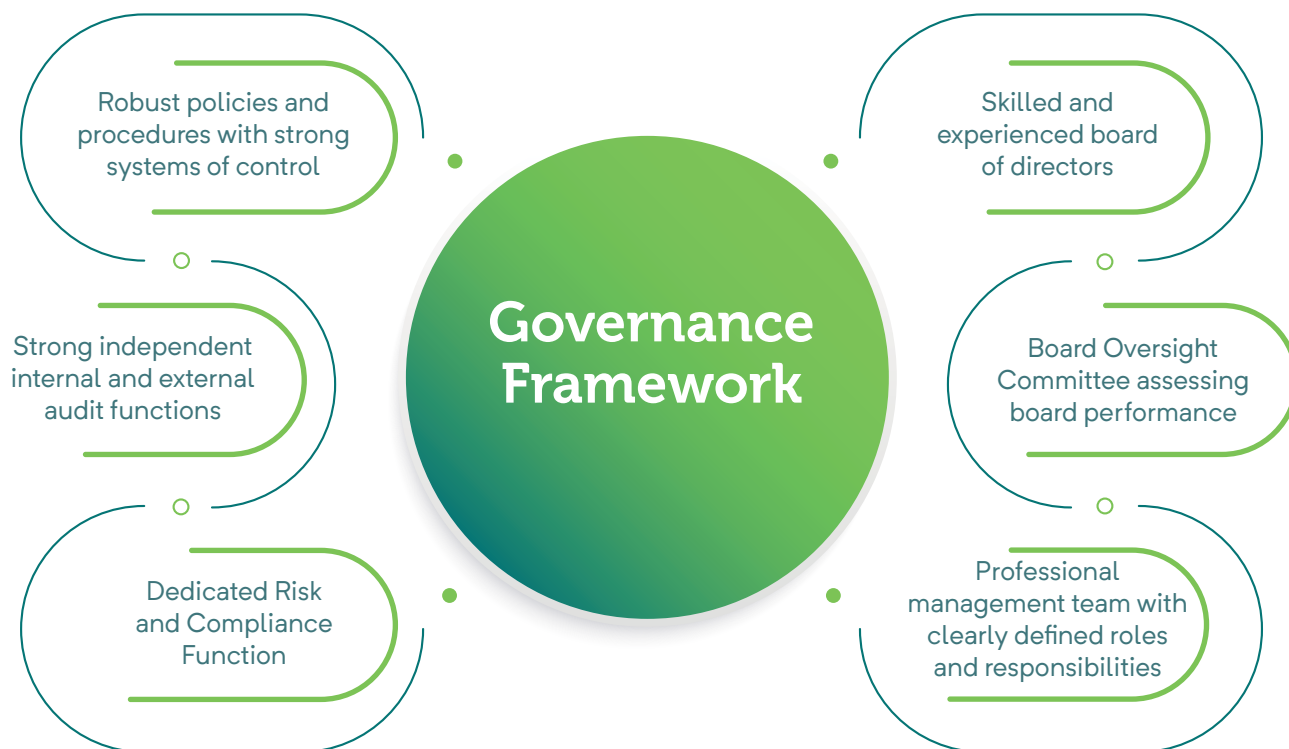
The main function of the Board Oversight Committee is to review whether the Board of Directors has operated in accordance with Part IV of the Credit Union Act 1997, as amended. In effect, this requires the Board Oversight Committee to review the governance of the Board of Directors and ensure that they are acting in the best interests of the credit union. In carrying out its functions the Board Oversight Committee operates independently of the Board of Directors of Savvi Credit Union.

### Board of Directors

The Board of Directors is the principal decision-making forum for the Credit Union. In order to provide effective oversight and leadership, the Board has established a number of Board Committees with particular responsibilities.

The Board of Directors is collectively responsible for promoting the long-term sustainable success of Savvi Credit Union, driving member value and contribution to the communities within its Common Bond. The Board's role is to provide leadership of the Credit Union within a framework of prudent and effective controls which enables risk to be assessed and managed.

## Governance Structure



**Board Committees**

Information on three of the key Board Committees and their activities in year ended 30 September 2022 is outlined in infographic below.



# Board Oversight Committee Report

For the financial year ended 30 September 2022

**The main function of the Board Oversight Committee is to review whether the Board of Directors has operated in accordance with Part IV of the Credit Union Act 1997, as amended. In effect, this requires the Board Oversight Committee to review the governance of the Board of Directors and ensure that they are acting in the best interests of the credit union. In carrying out its functions the Board Oversight Committee operates independently of the Board of Directors of Savvi Credit Union.**

The Committee holds monthly meetings to review the effectiveness of the Board of Directors. Since appointment, this Board Oversight Committee has actively attended to the interests of the membership by monitoring each monthly meeting of the Board of Directors and assessing the strategies and decision making processes of the Board.

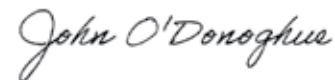
Members of the Board Oversight Committee also attend meetings of Board Committees to get a better understanding and in-depth knowledge of the committee agenda and deliverables.

The Board Oversight Committee has met with the Board of Directors to assess whether the Board of Directors has operated in accordance with: (a) Part IV, IVA and the regulations made for the purposes of either part; and (b)

Any other matter prescribed by the Central Bank in respect of which they are to have regard to in relation to the Board of Directors.

It is the assessment of the Board Oversight Committee that the Board has acted fully in accordance with its obligations for the betterment of all members of the credit union.

The Board Oversight Committee would like to acknowledge the assistance and support provided to it by the Board of Directors, by the management and all staff of Savvi Credit Union during the year.



**John O'Donoghue**  
Chair - Board Oversight Committee

## Download the Savvi App

You'll be able to gain access to your account straight away and you can apply for loans here too.





# Credit Committee Report

For the financial year ended 30 September 2022

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

- 2,939 loans issued this year with a value of €29m compared to 2,476 loan in the previous year with a value of €24.8m representing an increase of 17% in the year.
- 95% of all loan applications were approved.
- An analysis of our top 5 categories of issued loans (by € amount) are as follows:



	Y/E 2022	Y/E 2021	Movement
Personal	€13.9m	€11.8m	+€2.1m
Home Improvements	€4.8m	€4.9m	-€0.1m
Motor Vehicles	€4.2m	€4.2m	-----
Secured Home Loans	€5.2m	€3.6m	+€1.6m
Business Loans	€0.9m	€0.3m	+€0.6m

### 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.

As we continue to grow our membership, availing of our expanded Common Bond, 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 our range and service for members

We will continue to evaluate our lending range with a view to supporting our members financial and lifestyle needs.

We look forward to enhancing our loan service further this year with a faster credit decisioning and draw down process that will include 'open banking' capabilities. This will help members apply for loans with a faster turnaround, less paperwork and quicker access to funds.

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 we are always open for new members – and we 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 and Review of Committee Performance

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

I would like to take this opportunity to thank the Lending Staff and Agents for their help and support throughout this busy year of growth.

**Mark Beirne**  
Chair, Credit Committee

# Credit Control Committee Report

For the financial year ended 30 September 2022

**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 2022

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

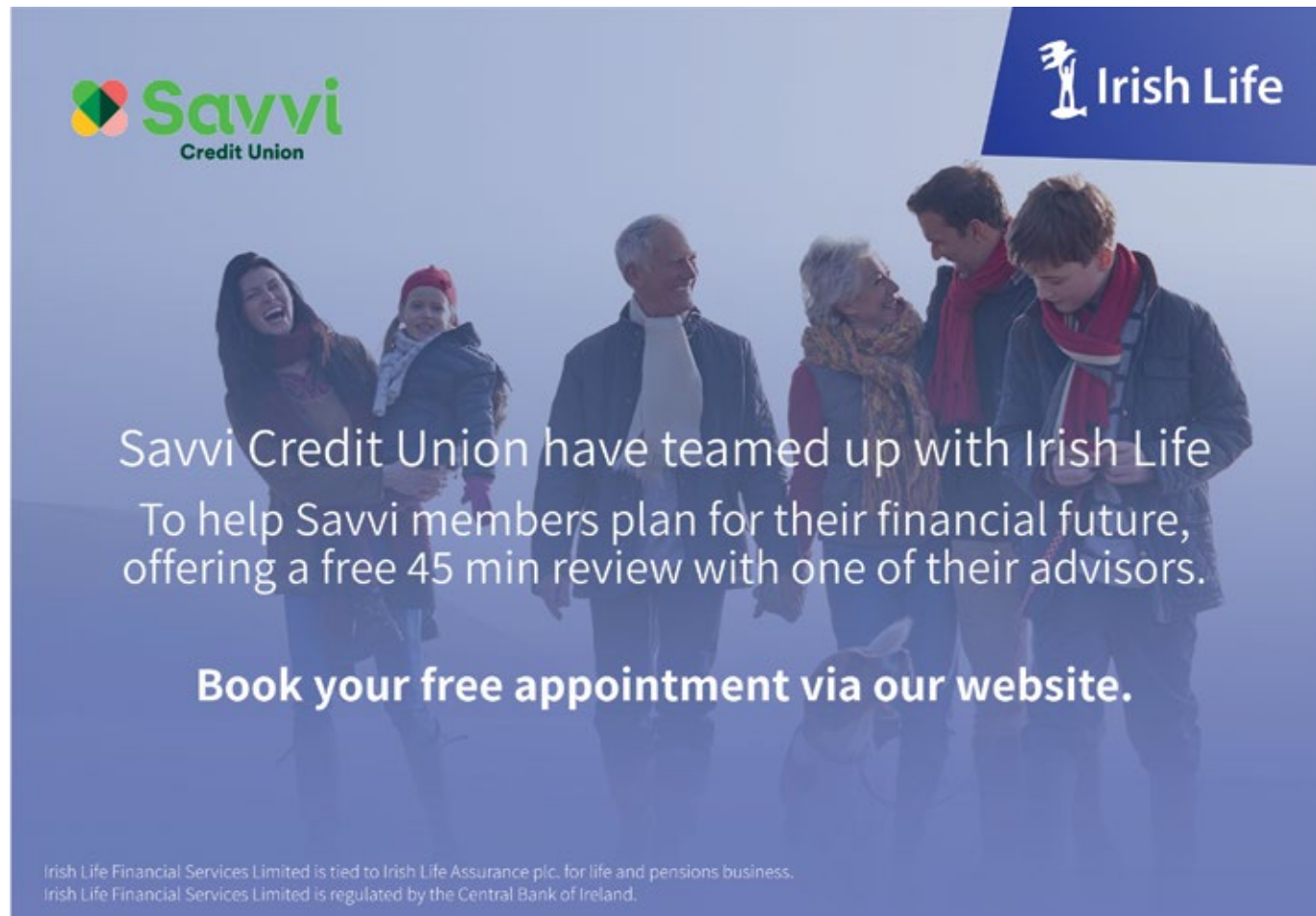
Our write-off figure this year is €153,988 compared with €114,289 in 2021 representing an increase of 35% year on year. Bad debt recoveries were €151,836 compared to €158,406 last year, representing a recovery decrease of 4.15%. Our bad debt provisions now stand at 10% of our loan book. This provision is monitored regularly to ensure it adequately provides for possible future impairment.

The committee continues with a 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**  
Chairperson



**Savvi**  
Credit Union

**Irish Life**

Savvi Credit Union have teamed up with Irish Life  
To help Savvi members plan for their financial future,  
offering a free 45 min review with one of their advisors.

**Book your free appointment via our website.**

Irish Life Financial Services Limited is tied to Irish Life Assurance plc, for life and pensions business.  
Irish Life Financial Services Limited is regulated by the Central Bank of Ireland.

# Our year in numbers



**23,470**  
members



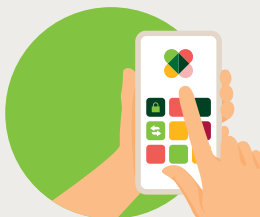
**2,939**  
loans issued



**€29m**  
issued in loans



**26,705**  
calls answered



**1,174**  
app registrations

# Members & Community

## A big welcome to our new members

Savvi operates a membership committee which is an operational committee reporting to the Board of Directors. Its primary objective is to oversee and make recommendations on activities that will improve the membership process and help increase our overall membership. Our membership at the year end stood at 23,413 which is a net increase of 126 on the same time last year.

We would like to take this opportunity to extend a warm welcome to the new members who joined us in 2022. We hope you are experiencing the great member experience in which we pride ourselves. If there is anything you need to enquire about in relation to your membership or our services please get in touch with us at [hello@Savvi.ie](mailto:hello@Savvi.ie) or on 01-6325100 and we would be delighted for the opportunity to help.

## ESB sub office visits

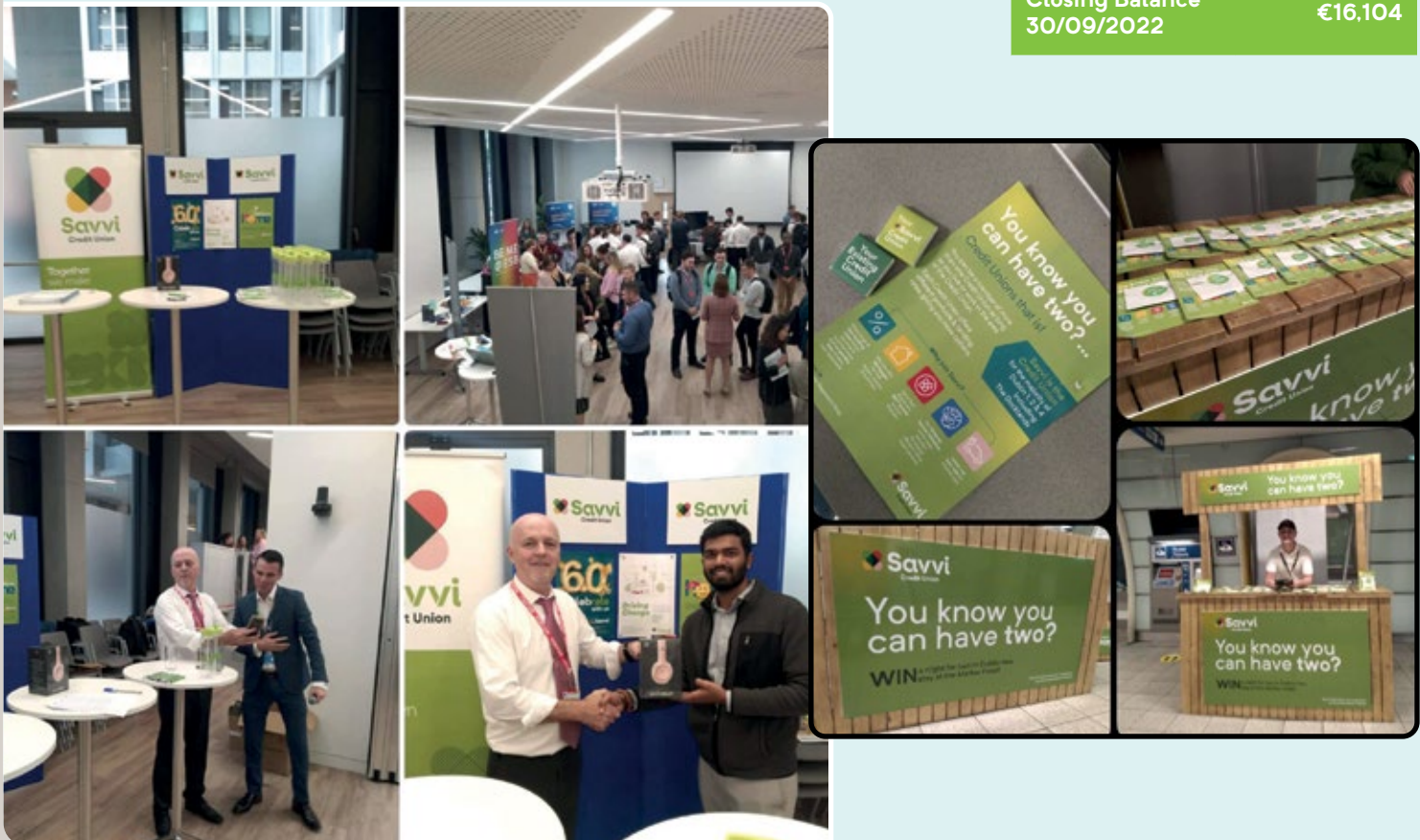
Due to the COVID-19 pandemic we were unable to carry out our ESB sub-office visits for 2020 and 2021 in person. Thankfully that all changed in 2022 and we were able to hit the road again. Simon Dunne, our ESB relationship manager was back on site for one-to-one meetings and presentations including inductions and retirement seminars. We like to make things as convenient as possible for our members to get in touch with us but we are all about the personal service and the ability of our members to talk to us face-to-face is important to us.

## Car Draw

We continued our partnership with Kia Ireland/Gowan Motors this year and saw 12 lucky winners driving off in a shiny new Kia Picanto during the year. We were also delighted to give cash prizes to a further 60 members. There are 4,657 members in the Prize Draw as at 30th of September 2022 (down from 4,841 in 2021). Not a car draw member yet? Join via our website at the cost of just €1 per week! If online application is not possible, get in touch and we'll send you out an entry form.

## Movement in Prize Draw 01/10/2021-30/09/2022

Opening balance 01/10/2021	€15,980
Members funds paid in during year	€247,555
Prizes paid out during year	€247,431
<b>Closing Balance 30/09/2022</b>	<b>€16,104</b>



### Alan Gallagher Award

2022 was the 18th year where we have given one lucky winner the sum of €3,000 payable each year for up to 4 years, to assist with the financial costs of attending third level education. We had 66 entries this year and the lucky winner was Aaron Carey from Co. Monaghan who has started a science course in DCU. We wish Aaron, and everyone else who submitted an entry for the award, the very best in their future studies and careers.



Aaron Carey being presented Savvi's Alan Gallagher 3rd level education award, by his dad Seamus

### Family Day

After a 2 year hiatus, we were absolutely thrilled to be back for our annual Family Day this year at Tayto Park. We had over 1,000 Savvi members attend on the day, from grandkids to grandparents! It gives us the chance to catch up with our members and discuss all things Savvi. Tickets have traditionally been handed out on a first come, first serve basis and this year the tickets were gone in record time. In order to give everyone an equal chance of getting tickets next year, we will ask members to register their interest for our 2023 family day and run a lottery to pick member names.

### Community & sponsorships

Throughout the year, we were happy to provide sponsorship support to local community initiatives. Among these included our sponsorship of a writing competition at the first-ever Bloomsday Festival in Ringsend & Irishtown to celebrate the centenary of the publishing of James Joyce's Ulysses. We also contributed sponsorship support for a much needed water carrier for the local planters in the area

in conjunction with Ringsend Tidy towns as well as donations to the local Seville Place Girl Guides, a summer trip for local pre-schoolers and local coffee mornings.

Savvi proudly sponsored the spot prizes at the ESB Sligo Walk in June as well as the sponsorship of staff in ESB Wilton taking part in the Broadway Battle Dancing event to raise funds for local causes.

Thanks to the easing of Covid restrictions this year, we were able to get out and about in the local areas surrounding our Docklands branch in Sir John Rogerson's Quay. Some of our favourites included the annual community clean-up thanks to the Docklands Business Forum. The Savvi Team were given the role of painting, weeding and upgrading the garden in the Enable Ireland school in Sandymount. We also were up bright and early in the local train stations to spread the word to commuters and potential members that you can have more than one Credit Union—one where you live and one where you work.



# Testimonials



## Business Lending

My experience with Savvi was wonderful and my loan was approved without any hassle. Conall and his team are very cooperative and they supported Axon during pandemic times when most businesses were struggling to get out of the depressive stage. They went the extra mile to speed up the process. Thank you Savvi and the team for getting this done quickly.

**Rohith Garg**  
FCA FIPA | Managing Partner  
Axon Outsourcing



## Mortgage Lending

When we were recently looking for a mortgage we were introduced to Savvi Credit Union by our daughters who are members through their work with the ESB. When we contacted Savvi to discuss a mortgage application we were immediately put at ease with the friendly personal attention we were shown. Right from the start, the Savvi mortgage team were most helpful and explained everything in an easy to understand step by step manner, relieving the stresses of what can be a daunting process. Now – a short time later – we have just moved in to our new home. We cannot recommend Savvi Credit Union enough. The friendly professionalism and personal attention they provide are second to none.

**Jack & Sharon Eaton**



## Mortgage Lending

I am delighted to have contacted the Savvi Credit Union Mortgage team, where I switched my mortgage from a high street bank. They made this process very straight forward from start to finish. I feel going with the Credit Union for my mortgage was the right choice for me as I am reassured, they are always reachable by phone, email or by going into a branch face to face.

**Chris McGee**



# Accounts

For the financial year ended 30 September 2022



# DIRECTORS' REPORT

For the financial year ended 30 September 2022

The directors present their annual report and the audited financial statements for the financial year ended 30 September 2022.

## 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 proposing a dividend in respect of the financial year ended 30 September 2022 of €326,289 (0.10%) and a loan interest rebate of €388,965 (10%) (2021: 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.

### GLOBAL MACRO-ECONOMIC RISK

There is an economic and operational risk relating to rising inflation rates, disruption to global supply chains and a general uncertainty in the markets as a result of the pandemic and the on-going war in Eastern Europe.

These risks and uncertainties are managed by the board of directors as follows:

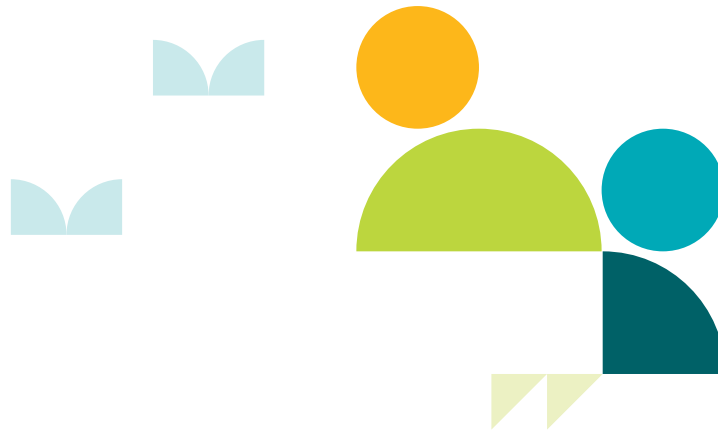
### CREDIT RISK

In order to manage this risk, 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 provide lending





products to its members and promote 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.

**GLOBAL MACRO-ECONOMIC RISK**

The board of directors and management closely monitor the developments of rising inflation rates and disruption to global supply chains and markets, 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**

There have been no significant events affecting the credit union since the financial year end.

**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**  
Chairperson of the Board of Directors  
19 December 2022

*Deirdre Shields*

**Deirdre Shields**  
Member of the Board of Directors  
19 December 2022



# Directors' Responsibilities Statement

For the financial year ended 30 September 2022

The directors are responsible for preparing the financial statements in accordance with applicable Irish law and regulations. The directors have elected to prepare the financial statements in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102). 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. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the credit union's website.

On behalf of the board:



**Sean Martyn**  
Chairperson of the Board of Directors  
19 December 2022

*Deirdre Shields*

**Deirdre Shields**  
Member of the Board of Directors  
19 December 2022

# Board Oversight Committee's Responsibilities Statement

For the financial year ended 30 September 2022

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:



**John O'Donoghue**  
Chairperson of the  
Board Oversight Committee  
19 December 2022

# 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 2022, 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 2022 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
- 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

# Independent Auditor's Report

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

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  
Dublin

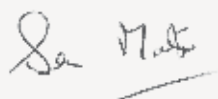
19 December 2022

## Income and Expenditure Account

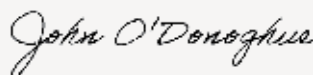
For the financial year ended 30 September 2022

	Schedule	2022 €	2021 €
<b>INCOME</b>			
Interest on members' loans		3,931,884	3,943,672
Other interest income and similar income	1	3,873,011	2,334,578
<b>Net interest income</b>		<b>7,804,895</b>	<b>6,278,250</b>
Other income	2	3,476,129	57,188
<b>Total income</b>		<b>11,281,024</b>	<b>6,335,438</b>
<b>EXPENDITURE</b>			
Employment costs		2,456,352	2,308,912
Other management expenses	3	3,336,678	2,958,985
Depreciation		371,699	349,243
Net impairment gains on loans to members (note 5)		(112,166)	(228,391)
<b>Total expenditure</b>		<b>6,052,563</b>	<b>5,388,749</b>
<b>Surplus for the financial year</b>		<b>5,228,461</b>	<b>946,689</b>

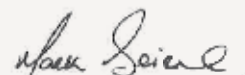
The financial statements were approved and authorised for issue by the Board and signed on behalf of the Credit Union by:



**Sean Martyn**  
Member of the Board of Directors  
19 December 2022



**John O'Donoghue**  
Member of the Board Oversight Committee  
19 December 2022



**Mark Beirne**  
Chief Executive Officer  
19 December 2022

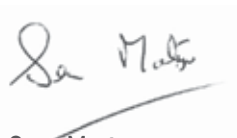
The notes on pages 32 to 42 form part of these financial statements.

## Statement of Other Comprehensive Income

For the financial year ended 30 September 2022

	2022 €	2021 €
Surplus for the financial year	5,228,461	946,689
Other comprehensive income	-	-
<b>Total comprehensive income for the financial year</b>	<b>5,228,461</b>	<b>946,689</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  
19 December 2022



**John O'Donoghue**  
Member of the Board Oversight Committee  
19 December 2022



**Mark Beirne**  
Chief Executive Officer  
19 December 2022

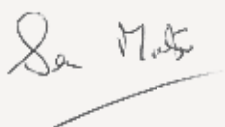
The notes on pages 32 to 42 form part of these financial statements.

## Balance Sheet

As at 30 September 2022

	Notes	2022 €	2021 €
<b>ASSETS</b>			
Cash and balances at bank		15,648,865	7,898,898
Deposits and investments — cash equivalents	7	59,910,159	63,421,997
Deposits and investments — other	7	256,365,423	250,891,465
Loans to members	8	64,737,773	61,368,174
Provision for bad debts	9	(6,473,858)	(6,564,953)
Members' current accounts overdrawn	15	-	367
Tangible fixed assets	10	3,753,873	5,364,861
Investments in associates	11	265,000	265,000
Debtors, prepayments and accrued income	12	365,987	279,681
<b>Total assets</b>		<b>394,573,222</b>	<b>382,925,490</b>
<b>LIABILITIES</b>			
Members' shares	13	329,814,431	323,225,550
Members' budget accounts	14	6,255,041	6,114,719
Members' current accounts	15	-	287,643
Other liabilities, creditors, accruals and charges	16	1,345,343	1,360,629
Other provisions	17	55,572	62,575
<b>Total liabilities</b>		<b>337,470,387</b>	<b>331,051,116</b>
<b>RESERVES</b>			
Regulatory reserve	19	49,376,017	39,076,017
Operational risk reserve	19	1,373,946	2,173,946
Other reserves			
- Realised reserves	19	5,645,601	10,260,115
- Unrealised reserves	19	707,271	364,296
<b>Total reserves</b>		<b>57,102,835</b>	<b>51,874,374</b>
<b>Total liabilities and reserves</b>		<b>394,573,222</b>	<b>382,925,490</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  
19 December 2022



**John O'Donoghue**  
Member of the Board Oversight Committee  
19 December 2022



**Mark Beirne**  
Chief Executive Officer  
19 December 2022

The notes on pages 32 to 42 form part of these financial statements.

## Statement of Changes in Reserves

For the financial year ended 30 September 2022

	Regulatory Reserve €	Operational Risk Reserve €	Realised Reserves €	Unrealised Reserves €	Total €
<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 1 October 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>
Surplus for the financial year	-	-	4,847,127	381,334	5,228,461
Transfers between reserves	10,300,000	(800,000)	(9,461,641)	(38,359)	-
<b>As at 30 September 2022</b>	<b>49,376,017</b>	<b>1,373,946</b>	<b>5,645,601</b>	<b>707,271</b>	<b>57,102,835</b>

- The regulatory reserve of the credit union as a percentage of total assets as at 30 September 2022 was 12.51% (2021: 10.20%).
- The operational risk reserve of the credit union as a percentage of total assets as at 30 September 2022 was 0.35% (2021: 0.57%).

The notes on pages 32 to 42 form part of these financial statements.



## Statement of Cash Flows

For the financial year ended 30 September 2022

	Notes	2022 €	2021 €
<b>Opening cash and cash equivalents</b>		<b>71,320,895</b>	<b>78,175,153</b>
<b>Cash flows from operating activities</b>			
Loans repaid by members	8	25,516,327	25,406,000
Loans granted to members	8	(29,039,914)	(24,822,984)
Interest on members' loans		3,931,884	3,943,672
Other interest income and similar income		3,873,011	2,334,578
Bad debts recovered and recoveries		175,059	188,748
Other income		3,476,129	57,188
Members' budget accounts lodgements	14	14,393,246	14,601,065
Members' budget accounts withdrawn	14	(14,252,924)	(13,973,325)
Members' current accounts lodgements	15	459,889	3,013,506
Members' current accounts withdrawals	15	(747,165)	(3,092,495)
Operating expenses		(5,793,030)	(5,267,897)
Movement in other assets and liabilities		(108,595)	(1,076,981)
<b>Net cash flows from operating activities</b>		<b>1,883,917</b>	<b>1,311,075</b>
<b>Cash flows from investing activities</b>			
Fixed asset (purchases)/disposals		1,239,289	(99,722)
Net cash flow from other investing activities		(5,473,958)	(10,314,891)
<b>Net cash flows from investing activities</b>		<b>(4,234,669)</b>	<b>(10,414,613)</b>
<b>Cash flows from financing activities</b>			
Members' shares received	13	74,901,861	78,286,259
Members' shares withdrawn	13	(68,312,980)	(76,036,979)
<b>Net cash flow from financing activities</b>		<b>6,588,881</b>	<b>2,249,280</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>4,238,129</b>	<b>(6,854,258)</b>
<b>Closing cash and cash equivalents</b>	6	<b>75,559,024</b>	<b>71,320,895</b>

The notes on pages 32 to 42 form part of these financial statements.

# Notes to the Financial Statements

For the financial year ended 30 September 2022

## 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 56 Sir John Rogerson's Quay, 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 designated on initial recognition as non basic are recognised at fair value. They are subsequently measured at fair value (market value) at the year-end date and all gains and losses are taken to the income and expenditure account.

### 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.

### 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 provided Member Personal Current Account Services in accordance with Section 49(3) of the Credit Union Act, 1997 (as amended) during the financial year.

#### 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. The amount payable at the year end in respect of same was €14,720 (2021: €16,809).

#### 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 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

## Notes to the Financial Statements (cont)

For the financial year ended 30 September 2022

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 and the balance of the SPS refund receivable 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 €3,753,873 (2021: €5,364,861).

### Provision for bad debts

The credit union's accounting policy for impairment of loans is set out 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 €6,473,858 (2021: €6,564,953) representing 10.00% (2021: 10.70%) 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 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 €1,373,946 (2021: €2,173,946).

### Adoption of going concern basis for financial statements preparation

The credit union continue to closely monitor developments within the global macro-economic environment. 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.

#### 4. KEY MANAGEMENT PERSONNEL COMPENSATION

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

	2022	2021
	€	€
Short term employee benefits paid to key management	1,091,912	1,173,992
Payments to pension schemes	83,911	93,108
<b>Total key management personnel compensation</b>	<b>1,175,823</b>	<b>1,267,100</b>

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

	2022	2021
	€	€
Bad debts recovered	(151,836)	(158,406)
Impairment of loan interest reclassified as bad debt recoveries	(23,223)	(30,342)
Movement in bad debts provision during the year	(91,095)	(153,932)
Loans written off during the year	153,988	114,289
<b>Net impairment gains on loans to members</b>	<b>(112,166)</b>	<b>(228,391)</b>

#### 6. CASH AND CASH EQUIVALENTS

	2022	2021
	€	€
Cash and balances at bank	15,648,865	7,898,898
Deposits and investments — cash equivalents (note 7)	59,910,159	63,421,997
<b>Total cash and cash equivalents</b>	<b>75,559,024</b>	<b>71,320,895</b>

#### 7. DEPOSITS AND INVESTMENTS

	2022	2021
	€	€
Deposits and investments — cash equivalents		
Accounts in authorised credit institutions (Irish and non-Irish based)	46,563,268	44,998,853
Central Bank deposits	13,346,891	18,423,144
<b>Total deposits and investments — cash equivalents</b>	<b>59,910,159</b>	<b>63,421,997</b>
Deposits and investments — other		
Accounts in authorised credit institutions (Irish and non-Irish based)	131,113,903	135,866,855
Irish and EEA state securities	39,437,118	37,927,337
Bank bonds	77,644,387	69,016,071
Central Bank deposits	3,187,661	3,117,870
Other investments	4,982,354	4,963,332
<b>Total deposits and investments — other</b>	<b>256,365,423</b>	<b>250,891,465</b>
<b>Total deposits and investments</b>	<b>316,275,582</b>	<b>314,313,462</b>

## Notes to the Financial Statements (cont)

For the financial year ended 30 September 2022

### 8. FINANCIAL ASSETS – LOANS TO MEMBERS

	2022 €	2021 €
As at 1 October	61,368,174	62,065,479
Loans granted during the year	29,039,914	24,822,984
Loans repaid during the year	(25,516,327)	(25,406,000)
<b>Gross loans and advances</b>	<b>64,891,761</b>	<b>61,482,463</b>
<b>Bad debts</b>		
Loans written off during the year	(153,988)	(114,289)
<b>As at 30 September</b>	<b>64,737,773</b>	<b>61,368,174</b>

### 9. PROVISION FOR BAD DEBTS

	2022 €	2021 €
As at 1 October	6,564,953	6,718,885
Movement in bad debts provision during the year	(91,095)	(153,932)
<b>As at 30 September</b>	<b>6,473,858</b>	<b>6,564,953</b>

The provision for bad debts is analysed as follows:

	2022 €	2021 €
Grouped assessed loans	6,473,858	6,564,953
<b>Provision for bad debts</b>	<b>6,473,858</b>	<b>6,564,953</b>

### 10. TANGIBLE FIXED ASSETS

	Premises €	Fixtures & fittings €	Office equipment €	Total €
<b>COST</b>				
1 October 2021	7,678,913	1,132,194	3,080,828	11,891,935
Additions	-	447,229	27,786	475,015
Disposals	(3,868,954)	-	-	(3,868,954)
<b>At 30 September 2022</b>	<b>3,809,959</b>	<b>1,579,423</b>	<b>3,108,614</b>	<b>8,497,996</b>
<b>DEPRECIATION</b>				
1 October 2021	2,677,735	917,573	2,931,766	6,527,074
Charge for year	104,621	163,057	104,021	371,699
Disposals	(2,154,650)	-	-	(2,154,650)
<b>At 30 September 2022</b>	<b>627,706</b>	<b>1,080,630</b>	<b>3,035,787</b>	<b>4,744,123</b>
<b>NET BOOK VALUE</b>				
<b>At 30 September 2022</b>	<b>3,182,253</b>	<b>498,793</b>	<b>72,827</b>	<b>3,753,873</b>
At 30 September 2021	5,001,178	214,621	149,062	5,364,861

## 11. INVESTMENTS IN ASSOCIATES

	€
<b>Cost</b>	
At 1 October 2021 and 30 September 2022	<b>265,000</b>
<b>Accumulated impairment</b>	
At 1 October 2021 and 30 September 2022	-
<b>Net book value</b>	
<b>At 30 September 2022</b>	<b>265,000</b>
At 30 September 2021	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%	4,030,007	4,607

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 2021.

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

	<b>Share of net assets</b>
	<b>€</b>
<b>At 1 October 2021</b>	251,587
Share of profit/(loss) for the financial year after tax	288
<b>At 30 September 2022</b>	<b>251,875</b>

## 12. DEBTORS, PREPAYMENTS AND ACCRUED INCOME

	<b>2022</b>	<b>2021</b>
	<b>€</b>	<b>€</b>
Loan interest receivable	65,461	80,302
Other debtor — SPS refund	161,000	-
Prepayments	139,526	199,379
<b>As at 30 September</b>	<b>365,987</b>	<b>279,681</b>

## Notes to the Financial Statements (cont)

For the financial year ended 30 September 2022

### 13. MEMBERS' SHARES

	2022 €	2021 €
As at 1 October	323,225,550	320,976,270
Received during the year	74,901,861	78,286,259
Withdrawn during the year	(68,312,980)	(76,036,979)
<b>As at 30 September</b>	<b>329,814,431</b>	<b>323,225,550</b>

### 14. MEMBERS' BUDGET ACCOUNTS

	2022 €	2021 €
As at 1 October	6,114,719	5,486,979
Lodgements during the year	14,393,246	14,601,065
Withdrawals during the year	(14,252,924)	(13,973,325)
<b>As at 30 September</b>	<b>6,255,041</b>	<b>6,114,719</b>

### 15. MEMBERS' CURRENT ACCOUNTS

	2022 €	2021 €
As at 1 October	287,276	366,265
Lodgements during the year	459,889	3,013,506
Withdrawals during the year	(747,165)	(3,092,495)
<b>As at 30 September</b>	<b>-</b>	<b>287,276</b>

	2022 Balance of Accounts €	2021 Balance of Accounts €
Debit	-	367
Credit	-	287,643
Permitted overdrafts	-	6,800

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

	2022 €	2021 €
Trade creditors and accruals	1,133,540	1,135,454
Prize draw	162,036	173,292
PAYE/PRSI liability	49,767	51,883
<b>As at 30 September</b>	<b>1,345,343</b>	<b>1,360,629</b>



## 17. OTHER PROVISIONS

	2022	2021
	€	€
<b>Holiday pay accrual</b>		
At 1 October	62,575	73,658
Charged to the income and expenditure account	(7,003)	(11,083)
<b>As at 30 September</b>	<b>55,572</b>	<b>62,575</b>

## 18. FINANCIAL INSTRUMENTS

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

<b>FINANCIAL ASSETS</b>	<b>2022</b>	<b>2021</b>
	€	€
Financial assets measured at amortised cost	360,373,070	355,236,038

<b>Financial liabilities</b>	<b>2022</b>	<b>2021</b>
	€	€
Financial liabilities measured at amortised cost	337,470,387	331,051,116

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

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:

<b>At 30 September 2022</b>	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
	€	€	€	€
Accounts in authorised credit institutions (Irish and non-Irish based)	17,036,526	-	17,036,526	-
Bank bonds	19,678,624	-	19,678,624	-
<b>Total</b>	<b>36,715,150</b>	<b>-</b>	<b>36,715,150</b>	<b>-</b>

<b>At 30 September 2021</b>	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
	€	€	€	€
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>

There was no fair value movement recognised in the income and expenditure account for the year ended 30 September 2022 (2021: €nil).

## Notes to the Financial Statements (cont)

For the financial year ended 30 September 2022

### 19. RESERVES

	Balance 01/10/21 €	Appropriation of current year surplus €	Transfers between reserves €	Balance 30/09/22 €
<b>Regulatory reserve</b>	<b>39,076,017</b>	-	<b>10,300,000</b>	<b>49,376,017</b>
<b>Operational risk reserve</b>	<b>2,173,946</b>	-	<b>(800,000)</b>	<b>1,373,946</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	9,928,394	4,847,127	(9,461,641)	5,313,880
<b>Total realised reserves</b>	<b>10,260,115</b>	<b>4,847,127</b>	<b>(9,461,641)</b>	<b>5,645,601</b>
<b>Unrealised</b>				
Interest on loans reserve	80,302	-	(14,841)	65,461
Investment income reserve	283,994	220,334	(23,518)	480,810
SPS reserve	-	161,000	-	161,000
<b>Total unrealised reserves</b>	<b>364,296</b>	<b>381,334</b>	<b>(38,359)</b>	<b>707,271</b>
<b>Total reserves</b>	<b>51,874,374</b>	<b>5,228,461</b>	-	<b>57,102,835</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); and
- 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.

	2022		2021	
	€	%	€	%
<b>LOANS NOT IMPAIRED</b>				
Total loans not impaired, not past due	57,960,782	89.53%	51,568,685	84.03%
<b>IMPAIRED LOANS:</b>				
Not past due	3,494,037	5.40%	4,595,373	7.49%
Up to 9 weeks past due	2,825,213	4.36%	4,629,832	7.55%
Between 10 and 18 weeks past due	107,262	0.17%	63,072	0.10%
Between 19 and 26 weeks past due	87,812	0.14%	59,351	0.10%
Between 27 and 39 weeks past due	29,058	0.04%	188,780	0.31%
Between 40 and 52 weeks past due	18,931	0.03%	76,255	0.12%
53 or more weeks past due	214,678	0.33%	186,826	0.30%
<b>Total impaired loans</b>	<b>6,776,991</b>	<b>10.47%</b>	<b>9,799,489</b>	<b>15.97%</b>
<b>Total loans</b>	<b>64,737,773</b>	<b>100.00%</b>	<b>61,368,174</b>	<b>100.00%</b>

## 21. RELATED PARTY TRANSACTIONS

### 21a. Loans

	2022		2021	
	No. of loans	€	No. of loans	€
Loans advanced to related parties during the year	3	48,002	1	20,000
Total loans outstanding to related parties at the year end	9	257,500	10	323,665
Total provision for loans outstanding to related parties		27,334		64,500

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 0.40% of the total loans outstanding at 30 September 2022 (2021: 0.53%).

### 21b. Savings

The total amount of savings held by related parties at the year end was €541,593 (2021: €492,773).

## 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.

	2022		2021	
	€	Average Interest Rate %	€	Average Interest Rate %
Gross loans to members	<u>64,737,773</u>	6.26%	<u>61,368,174</u>	6.47%

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.

## Notes to the Financial Statements (cont)

For the financial year ended 30 September 2022

### 23. DIVIDENDS AND LOAN INTEREST REBATES

The following distributions were paid during the year:

		2022		2021
	%	€	%	€
Dividend on shares	-	-	-	-
Loan interest rebate	-	-	-	-

The directors are proposing a dividend in respect of the financial year ended 30 September 2022 of €326,289 (0.10%) and a loan interest rebate of €388,965 (10%) on standard rate loans (2021: The directors did not propose a dividend or loan interest rebate).

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

There have been no significant events affecting the credit union since the financial year end.

### 25. INSURANCE AGAINST FRAUD

The credit union has Insurance against fraud in the amount of €5,200,000 (2021: €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:

	2022	2021
	€	€
Contracted for but not provided in the financial statements (excl. VAT)	-	386,450

### 27. LEASING COMMITMENTS

The credit union had future minimum lease payments under operating leases as follows:

	2022	2021
	€	€
Less than 1 year	5,335	6,270
1 to 5 years	19,793	6,298
<b>At 30 September</b>	<b>25,128</b>	<b>12,568</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 19 December 2022.

## Schedules to the Income and Expenditure Account

For the financial year ended 30 September 2022

The following schedules do not form part of the statutory financial statements which are the subject of the Independent Auditor's report on pages 25 to 26.

### SCHEDULE 1 – OTHER INTEREST INCOME AND SIMILAR INCOME

	2022 €	2021 €
Investment income received/receivable within 1 year	3,236,921	2,191,913
Investment gains received	415,756	-
Investment income receivable outside of 1 year	220,334	142,665
<b>Total per income and expenditure account</b>	<b>3,873,011</b>	<b>2,334,578</b>

### SCHEDULE 2 – OTHER INCOME

	2022 €	2021 €
Budget accounts service fees and other income	77,554	49,102
Current account fees and charges	2,105	8,086
Gain on disposal of premises	1,786,471	-
SPS refund	1,609,999	-
<b>Total per income and expenditure account</b>	<b>3,476,129</b>	<b>57,188</b>

### SCHEDULE 3 – OTHER MANAGEMENT EXPENSES

	2022 €	2021 €
Training	16,366	41,090
Rates	45,752	21,146
Affiliation and subscription fees	65,030	60,400
Savings protection scheme fund	30,294	46,703
Regulatory levies and costs	654,003	596,856
Share and loan insurance	424,048	397,990
Death benefit insurance	448,491	414,232
General insurance	107,605	102,486
Post and stationery	49,811	37,810
Printing	18,677	11,332
Marketing and publicity	283,391	145,612
Conference and meeting expenses	53,486	50,959
Repairs and maintenance	15,033	19,387
Service to equipment and I.T.	567,732	497,995
Legal and professional	319,235	212,663
Audit fee	44,280	43,090
Investment costs	53,360	57,943
General and office expenses	113,959	176,319
Bank interest and charges	26,125	24,972
<b>Total per income and expenditure account</b>	<b>3,336,678</b>	<b>2,958,985</b>



# 58%

## don't know where to start with a **home energy** efficiency upgrade

As the evenings get shorter, the weather gets colder and energy bills on the rise, many of us want to focus on making our homes more energy efficient and comfortable to live in. From solar panels and heat pumps to insulation, it can all be a bit confusing and a large majority of us don't know where to start.

Savvi are involved in the 'CU Greener Homes' scheme which is a one-stop-shop to help credit union members to get all the supports necessary to carry out home energy upgrades, including a low-cost credit union loan.

Get a quick  
quote today at  
[cugreenerhomes.ie](http://cugreenerhomes.ie).

**Our greenest ever loan**  
starts at **4.79%** which can help  
take your home to an A BER rating.



Any further questions about the scheme?  
Contact the Savvi Team at [loans@savvi.ie](mailto:loans@savvi.ie)

Terms and Conditions Apply.

# 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 hybrid meeting, voting on motions and elections will be by paper ballot and by electronic means.

### 2 - 3 ELECTION PROCEDURE

2. Elections to the board of directors, to the board oversight committee and the position of auditor shall be by majority vote and by secret ballot.
3. 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. Nominations shall be in the following order:
  - (a) nominations for auditor;
  - (b) nominations for members of the board oversight committee;
  - (c) nominations for directors.

When voting is completed, the votes shall be taken and tallied by the tellers. Any ballot paper which contains votes for more than the number required to be elected shall be void. All elections shall be by secret ballot and by majority vote. When the votes have been counted by the tellers, the results shall be announced by the chair. In the event that all vacancies are not filled by the first ballot further ballots shall be taken as required. In the event of an equality of votes between candidates for the remaining vacancies not filled in accordance with the above procedure one further ballot shall be taken and should that ballot fail to determine the issue, the vacancies shall be filled by lot from among such candidates having an equality of votes.

### 4 - 9 MOTIONS

4. All motions from the floor of the AGM must be proposed and seconded by members present at the AGM and moved by the proposer. If the proposer is absent when the motion is called, the motion shall be deemed to have failed.
5. A proposer of a motion may speak for such period as shall be at the discretion of the chair of the meeting and shall have the right of reply before the motion is put to the meeting for a vote.
6. In exercising his/her right of reply, a proposer may not introduce new material.
7. The seconder of a motion shall have such time as shall be allowed by the chair to second the motion.
8. Members are entitled to speak on any such motion and must do so through the chair. All speakers to any motion shall have such time as shall be at the discretion of the chair.
9. The chair shall have the absolute right to decide at any time when a motion has been sufficiently discussed and may put the motion to the meeting giving the proposer the right of reply before doing so.

### 10 - 15 MISCELLANEOUS

10. The chair of the board of directors shall be the chair 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.
11. The chair may at his/her discretion, extend the privilege of the floor to any person who is not a member.
12. Matters not covered by the Agenda may be introduced under "Other Business" at the discretion of the chair.

13. The chairman's decision on any matter relating to these Standing Orders or interpretation of same shall be final.
14. No member shall have more than one vote on each question at any general meeting of the credit union or any adjournment thereof irrespective of his/her shareholding or the number of accounts in his/her name in the credit union provided, however, that except in voting at elections, the presiding member shall have a second or casting vote in the event of equality of voting. Voting by proxy shall be allowed only when a member other than a natural person votes through a representative, who is a member of the group, duly authorised in writing for that purpose and accepted as such by the board of directors.
15. Any matter to be decided upon by vote at the AGM shall, unless otherwise expressly provided for by law or the rules, be decided upon by simple majority.

### 16. SUSPENSION OF STANDING ORDERS

Any one of these Orders or all of these Standing Orders may be suspended on a motion to this effect receiving a two-thirds majority of those present and entitled to vote.

### 17. ALTERATION OF STANDING ORDERS

Standing Orders may be amended or altered at a general meeting and only if a motion to this effect has received a two-thirds majority of those present and voting.

### 18. ADJOURNMENTS

Adjournments of the AGM shall take place only in accordance with section 81(1) of the Credit Union Act, 1997 (as amended).

# Testimonials



## Louise, ESB

I joined Savvi Credit Union 16 years ago when it was then known as 'St. Patrick's Credit Union, ESB Staff'. During those years I have constantly been in contact regarding many different products not only my shares and special shares but also the budget plan (which I think everyone should use as it's brilliant), loans and in recent years the car draw.

Every time I interacted with Savvi I found the staff very helpful, friendly and professional. Response to queries were always quick through email or by phone. Savvi staff are always looking to improve and create new products or efficiencies in order to benefit their customers e.g. great improvements to loans application online, well done!, Savvi App — brilliant!

I suppose I should mention Simon & Siobhan in Loans, they are very helpful and their knowledge and guidance when applying for a loan is very refreshing, it takes the stress out of borrowing. I couldn't recommend the Savvi Credit Union enough as I've been a member of other credit unions and didn't get as well looked after as I do with Savvi. Keep up the great work folks, well done to everyone at Savvi!



## Celine, Money at Work

I would highly recommend Savvi Credit Union both for personal use and as a service for company employees. Savvi have been dedicated in reaching out to all our employees to engage and advise on services, the positive feedback confirms the excellent customer service provided for by Savvi, not to mention the regular interaction with me as contact point for circulating any updates on services.



## Paul, Community

Always a friendly smile and great personal service when calling to CU each week, not a service that you would get in the banks. All of my children & grandchildren are members of Savvi & they understand the needs of the community.



# 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	Ann Gilmartin
Ballyshannon	Thomas Gaughan
Carrick on Shannon	Brendan Kiernan
Castlebar	Pat Needham
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:	
Head Office	Emma Lynch
Finglas	Dave Kearns
Inchicore	Ciara Dolan
South Lotts Road	Aisling Roche
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	TBC
Killarney	Dan Hickey
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)	TBC
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

Independent News & Media (INM)	
Talbot Street	AnnMarie O'Dwyer
Talbot Street	Noel Stafford

Community Agent	
Oriel Street	Lily Deegan

# 60th Annual General Meeting



**TUESDAY  
31st  
JANUARY  
2023**

Commencing  
at 6pm

**Aviva Stadium,  
Dublin / Zoom**

If you would like to join the AGM virtually, please see [savvi.ie](http://savvi.ie) for details on how to register as well as FAQs.

Savvi Credit Union is required to send each member important AGM documentation under the Credit Union Act 1997. 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 – 3 (1 new, 2 re-election)  
Board Oversight Committee – 2 (new)

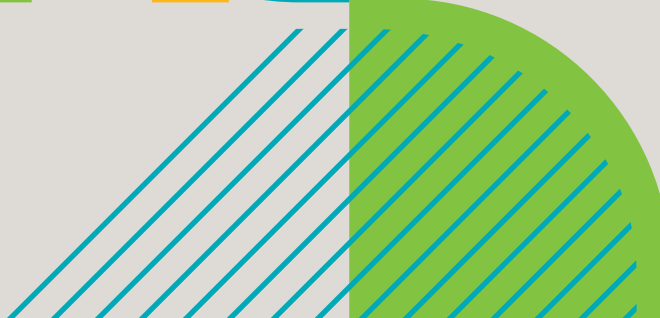
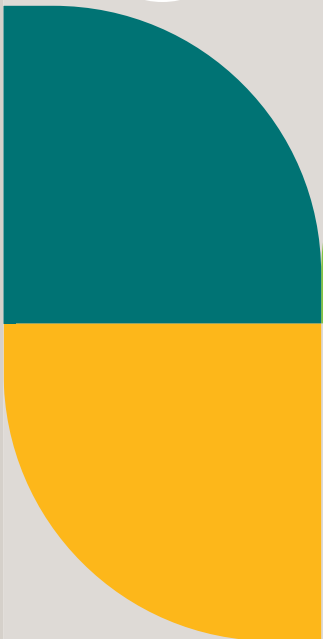
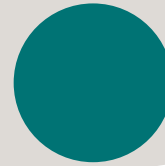
Any member who wishes to put themselves forward for election as either a director or member of the Board Oversight Committee, please contact the Chair of the Nomination Committee or any of the Credit Union's offices. Our vacancies for non-executive directors, Board Oversight Committee members and volunteers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

## AGENDA

1. An overview of proceedings
2. Invocation
3. The acceptance by the Board of Directors of the authorised representatives of members that are not natural persons
4. Ascertainment of quorum
5. Adoption of Standing Orders
6. Appointment of tellers
7. Minutes of AGM 2021
8. Report of Board of Directors
9. Report of the CEO
10. Financial Statements
11. Auditor's Report
12. Approval of Dividend & Interest Rebate
13. Report of the Board Oversight Committee
14. Election of Auditor
15. Election of Directors (3) and Board Oversight Committee Members (2)
16. Result of Elections
17. Any other business
18. 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

