



# Improving the lives of our members

**2023**  
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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61st Annual General Meeting

## Board of Directors 2023



**Sean Martyn**  
Chairman & Member,  
Credit Committee; Nomination,  
Remuneration & Governance  
Committee

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



**Philippa Cottle**  
Vice-Chair & Member,  
Risk Committee

Philippa is a lawyer and holds a number of non-executive director roles



**Maeliosa OhOgartaigh**  
Chair, Audit Committee

Maeliosa is a chartered accountant by profession and was formerly Group Chief Financial Officer, AIB



**Lorraine Malone**  
Member, Risk Committee

Lorraine is Principal, L M Solutions Health & Safety Training



**Enda Faughnan**  
Chair, Nomination,  
Remuneration and  
Governance Committee

Enda is a Tax Adviser at PwC and holds various non-executive director roles

We remain resolute in our determination that the Credit Union will continue to deliver quality, sustainable results in the years ahead to the benefit of all of our members.

Sean Martyn, Chairman, Board of Directors



**Emmett Dunleavy**  
Secretary to Board  
& Member, Risk Committee

Emmett is Risk Manager,  
Treasury at ESB



**John Healy**  
Chair of Risk Committee

John is a former Company  
Secretary and Corporate  
Governance Adviser  
with ESB



**Graham Sutherland**  
Member, Risk Committee

Graham is CEO, First Group  
PLC and holds a number  
of executive and non-  
executive director roles



**Roisin Cahill**  
Member, Audit Committee

Roisin is Managing Director,  
IT Force & Unity and holds  
a number of non-executive  
director roles



**Deirdre Shields**  
Member, Nomination,  
Remuneration & Governance  
Committee

Deirdre is a chartered accountant  
by profession and holds a number  
of senior consultancy and non-  
executive director roles



**Sean Atkinson**  
Member, Audit Committee

Sean is Managing Director,  
ESB International and holds  
a number of non-executive  
director roles



# REPORT OF THE BOARD OF DIRECTORS

## for year ended 30 September 2023

**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 2023. At the outset, I want to thank you, our members, for your continued trust and loyalty.**

### Review 2023

2023 was an important year for Savvi; our continued and growing service to you our members, the renewal of our strategy as well as our house mortgage and personal lending growth and our resilience as a credit union.

We delivered a very strong financial performance in 2023. Our surplus of €2.7m compares very favourably when analysed against our surplus of €5.2m in 2022 which comprised significant exceptional items totalling €4.9m. In addition, our key ratios such as Capital Ratio at 14.79%, from 14.47% in 2022, and Loan to Asset Ratio at 20.71%, from 16.41% in 2022, continue to strengthen. Our interest Income of €9.3m showed an increase of 18.96%, or €1.5m compared to 2022, and our overall loans to members at €82.8m showed an increase of 27.84%, or €18m, compared to 2022.

### Distribution

On account of our surplus in 2023, I am very pleased to announce that we will be recommending to our members at the AGM on 19 January 2024 that €970k of our surplus be distributed back to you by way of dividend of 0.30% on shares. This compares with our distribution of 0.10% on shares (€316k)

in 2022 and a 10% loan interest rebate (€393k).

In just focusing solely on providing a dividend, we feel it is important to recognise the contribution of our savers as the interest rate environment has changed over the past 12 months. With regard to the question of a loan interest rebate we believe that our borrowing rates have been very competitive in particular our personal loans and mortgages.

### Strategic Focus 2024 and Beyond

In 2024 we will be focused on delivering sustainable growth by continuing to develop 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 2023, Management presented a series of proposals to Board in order to refresh our Strategic Plan 2023–2026 and Board subsequently approved these proposals for incorporation in a revised Plan. The strategic deliverables within the Plan centre around maintaining our loan book growth ambition, operating within an organisational growth culture, delivering an excellent member experience, being operationally and financially resilient, and leading on the environmental, social and governance agenda.

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 over the coming years.

### Sustainability

Our 2023 Business Responsibility & Sustainability Report is published on Page 10 and it sets out our achievements in the areas of the Environmental, Social and Governance (ESG) agenda. It also describes our involvement in our community through volunteering, educational and charitable supports.

We are proud of our achievements through 2023, in particular the repurposing of our existing scholarship bursary which will, in future, be awarded on an annual basis to a deserving student. This award will now be in memory of our former Chairman, John McSweeney, and the student will be selected from within the HEAR (High Education Access Route) Programme which is a third level admissions scheme for school leavers from socio-economically disadvantaged backgrounds. The selected student will study at Trinity College Dublin for the period 2023 to 2027. Each year, a series of colleges will tender their proposals to be awarded the bursary. Subsequently our Bursary Committee will choose the college that should receive the award. Thereafter, students from the HEAR Programme will be invited to apply for the bursary and will be chosen by Savvi in conjunction with the McSweeney family.

**€9.4m**  
**Total Income**

**Board and Board Oversight Committee**

Board succession planning was a key area of focus in 2023 and we currently have eleven directors. At our AGM in January 2024, three of our directors will be retiring by rotation, namely, Philippa Cottle, Sean Atkinson and Graham Sutherland and I am happy to say that all will be going forward again for re-election by the membership.

However, owing to business and personal commitments, three directors will be stepping down — Roisin Cahill, Enda Faughnan and myself as both a director and as Chair of the Board. On behalf of the Board, I want to pay tribute to Roisin and Enda who made a significant contribution to the Board and its Committees during their time as Directors.

In view of the three directors stepping down from the total number of eleven, Nomination Committee undertook a full review of the requirements of the Board and subsequently recommended that we move back to our original nine directors. Our regulators have raised no objection to this proposal. Therefore, the net position will now be one new vacancy on the Board for which Nomination Committee will be proposing a candidate for election by our membership at the AGM in addition to the three candidates to be proposed for re-election.

With regard to my replacement as Chair, Maeliosa OhOgartaigh will, subject to regulatory approval, be proposed to the Board for election at the Organisation Meeting following our AGM. Maeliosa is a highly experienced Chief Financial Officer, Executive and

**€82.8m**  
**Loans to Members**

Non-Executive Director with significant management and Board experience in a number of sectors.

Turning to our Board Oversight Committee membership, both Aidan McGirr and Monika Samson will be stepping down from the Committee at our AGM. I am most grateful to Aidan and Monika for their service to Savvi during their tenure and they carry my very best wishes for the future. Two new members of the Committee will be proposed to our membership for election in order to fill the vacancies left by Aidan and Monika.

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

**Looking forward**

Our optimism for the future is based on the strengths of our Common Bond membership, our balance sheet and on our strategy. We will continue to 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 and distribution to our members in the years ahead. We remain resolute in our determination that the Credit Union will continue to deliver quality, sustainable results in the years ahead to the benefit of all of our members

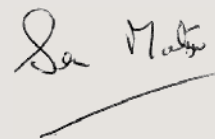
**Thank You**

The resilience of the Credit Union is clearly demonstrated by such a strong performance in 2023. These

**€399.7m**  
**Total Assets**

results were achieved through the commitment and diligence of our staff and, on behalf of the Board, I want to thank each of them for their teamwork, innovation and determination and for putting our members at the centre of everything we do. I also want to thank you, our valued members, and those who joined us in 2023 as well as those of longer standing, for their loyalty and support and for placing their trust in us to take care of their financial needs. We take none of this for granted.

Finally, as I depart Savvi, I want to thank each and every one of you, from our members to my colleagues on the Board, Board Oversight Committee, as well as our CEO and his team, for your support and loyalty during my tenure as Chair of the Board. It was an honour and privilege to serve you and I look forward to seeing the Credit Union go from strength to strength in the years ahead.



**Chair — Savvi Credit Union  
11th December 2023**



# REPORT OF THE CHIEF EXECUTIVE OFFICER

**Throughout 2023 Savvi Credit Union has continued to grow and deliver on its purpose of 'improving the lives of its members'.**

We are progressing well on our strategic objectives of supporting our 24,136 members as well as our communities. We continued to successfully support more of our members in gaining access to credit with our lending growing across all of our business areas namely personal, mortgages and business. We have added more products and services for our members to avail of and have improved our processes, particularly in the area of automating elements of our lending decisioning allowing for a speedier access to funds for our members.

I am pleased to announce that we delivered a €2.7m surplus in the year, up from a 'like for like' €0.3m surplus in the previous year (taking out the €4.9m of exceptional items recognised as part of the €5.2m surplus in the previous year). We successfully grew our loan book by 27.8% to €82.8m in the year, continuing the loan growth experienced in 2022. Our reserves now stand at €59.1m which represent 14.79% of our assets (up from 14.47% last year). We were also happy to open 1,306 new accounts across the year. We are well positioned to continue

our drive for growth. We successfully executed against our underpinning strategic objectives set out in the 2021 strategic framework and will continue to deliver against our refreshed objectives set in mid-2023.

Our mission 'to promote and provide affordable access to credit, deliver quality financial services whilst making a positive impact in our communities' still holds.

### Lending Performance

The credit quality of our loan portfolio remains strong 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% and provision levels remain stable as members continue to repay their loans as expected.

### Delivering Quality Financial Services

A key objective of Savvi is to deliver excellent member service and provide products and services that our members value in their everyday lives. During the year, we added a number of new products and services namely; general insurances via our partnership with Allianz Ireland, a discounted fuel card via our relationship with Circle K and a new open banking service that allows Savvi members to access credit faster and easier.

### New General Insurances

Car, Home & Pet



### New Discounted Fuel Card

Discount on fuel at Circle K pump



### New Open Banking Solution

Loan applications quicker and easier



### Virtual Mortgage Meetings

More convenient for members



**+45.2%**

Loans Granted in Year

€42.2m FY 2023  
€29.0m FY 2022



**+€16.3m**  
Mortgages

Total Mortgage Book €26.8m



**+€24.3m**  
Personal Lending

Total Personal Book €52.5m



**+€1.6m**  
Business Lending

Total Business Book €2.8m



**Investments generating improving returns**

Investment returns increased in the year to €5m, up from €2.4m in the previous year (taking out the one off exceptional items experienced in the previous year) as the interest yield environment improved throughout the year.

**Costs managed closely with increases in certain areas**

We continue to manage costs closely and have seen increases in certain areas. Legal and Professional costs have increased by €198k in the year primarily from higher legal costs connected to our growing mortgage book, higher professional costs related to growth and operational resilience initiatives and professional recruitment costs incurred in the year. Regulatory costs, specifically the Central Bank of Ireland's Deposit Guarantee Scheme added €200k to our cost base in 2023. Our loans and savings insurance costs have risen in line with the growth of both our loans and savings books. General insurance and utility costs have also increased in the year which are reflective of the inflationary impacts we are witnessing.

We continue to maintain a robust cost management policy whilst factoring in certain inflationary cost impacts into our future plans.

Even with the higher costs incurred in the year, we were able to reduce our cost income ratio from 95.7% (excluding exceptional items from the prior year) to 70.7%.

<p><b>+1.3%</b> Assets</p> <p>Assets now at €399.7m</p>	<p><b>+3.5%</b> Capital Strength</p> <p>Reserves now stand at €59.1m</p>
<p><b>&lt;1%</b> Loan Quality</p> <p>Less than 1% of loan book in arrears</p>	<p><b>+27.8%</b> Loan Book</p> <p>Total Loan Book now €82.8m</p>

**Re-setting our strategic objectives for 2024 and beyond**

In considering our strategic direction we factored in the changing wider macro environment, the moving regulatory landscape, the growing expectations of our members and we then looked at our ability to meet these challenges whilst remaining resilient and relevant as we plan forwards.

We have put the building blocks in place to address this changing environment, and with a re-focused strategy, strong organisational and governance structure, we believe Savvi is well positioned to fulfil its ambition of being a leading, sustainable and systemically important Credit Union in Ireland.

Our revised 5 strategic objectives look to reflect this ambition. They are:

1. **Maintain Loan Book Growth.** *Continue to grow our lending portfolio safely through product diversification, service enhancement, member penetration and member growth.*
2. **Operate within an organisational growth culture.** *Ensure we operate within a culture of development, continuous learning, feedback & recognition and within an environment that supports our ability to remain agile in an everchanging world.*
3. **Deliver Member Experience Excellence.** *Ensure that we always remain relevant to the needs of our members and we deliver an easy, best in class experience.*
4. **Be Operationally & Financially Resilient.** *Ensure that we future proof Savvi from operational disruption and we build on a sustainable business and operating model that ensures Savvi's longevity.*
5. **Lead on Environment, Social & Governance ('ESG').** *Savvi to take a leadership role within the Credit Union sector on ESG.*

**Outlook**

Savvi commences 2024 from a position of strength. 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 will improve our digital offering for our members to make it easier for you to do business with us. We are committing to a progressive members dividend policy that rewards members fairly for their trust in placing their savings with us. We look forward to the months and years ahead with a sense of optimism and one where Savvi can continue to make a positive impact in the lives of our members and communities in which we serve.

**Conclusion**

I would like to express my sincere thanks to our members, the Board, volunteers and colleagues for their continued support through these changing times and look forward with confidence to the years ahead.



**Mark Beirne**  
Chief Executive Officer.





# Get what you need

From dishwashers to sofas and home improvements

Plan for your home essentials with a Savvi Personal Loan from €500 to €120K.

[Apply](#) online or in-app today

[savvi.ie](https://savvi.ie)

Loans are subject to approval. Terms & Conditions apply.  
Savvi Credit Union Ltd. is regulated by the Central Bank of Ireland.

**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.

# Get Electric with us

Our Electric & Hybrid  
Car Loan is just **5.5%**



Apply today online, in-app  
or scan the QR code.



**savvi.ie**

Loans are subject to approval. Terms & Conditions apply. Savvi Credit Union Ltd is regulated by the Central Bank of Ireland. Representative Example – €25,000 loan repayable over 5 years. Rate of interest 5.5% per annum fixed. Apr (Annual Percentage Rate) 5.64%. 60 monthly repayments of €477.53 per month. Total amount payable is €28,651.74.

**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.**

# Business Responsibility & Sustainability Report

For the financial year ended 30 September 2023

Sustainability is embedded into every aspect of our operating principles and ethos. The Environmental, Social and Governance agenda is now a key pillar of our Strategic Plan 2023-26 and we have set monthly Key Performance Indicators to measure our success.



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

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



- We have launched the John McSweeney Bursary for students from disadvantaged socio economic groups
- We have supported over 66 members with educational loans to the value of €432,000
- We support the career development of our staff through financially supporting their continuing education and development
- We continue to further strengthen our Savvi Staff Academy which supports internal knowledge and engagement
- We are currently working towards achieving the IBEC KeepWell Mark which is a workplace wellbeing accreditation that helps companies demonstrate their commitment to improving the lives of their employees

### SDG 11 Sustainable cities and communities



- We provided loans of over €1.5m in the year to local micro/small business owners, supporting them in growing and expanding their businesses
- We provided 80 families with mortgages to the value of €16m to purchase their homes or switch from another mortgage provider
- We launched our Personal Lending Automation (PLA) solution in March 2023. This enables a materially quicker and easier member experience and is a best in class standard across the industry. A member can now obtain a credit decision in minutes from application
- In August 2023 we held our annual Family Day at Castlecomer Park, Kilkenny – a not for profit social enterprise

### SDG 8 Decent work and economic growth



- We supported 10 community groups in our local communities such as St Andrew's Resource Centre and the Dublin Docklands Business Forum
- We participated in 3 local community projects which included our staff using their volunteer day to clean and remove graffiti along our local quays in Dublin city
- We provide flexible and remote working for our staff

### SDG 13 Climate action



- We provide a suite of green loans that include:
  - electric/hybrid car loans;
  - energy efficient home improvement loans that cover many measures including insulating the attic, solar panels and heat source pumps
- We installed solar panels in our Ringsend and Erne Street branches in May 2023 and anticipate they will generate c.30% of our annual electricity demand for the 2 offices. We aim to install similar panels in our Sir John Rogerson's Quay offices in Quarter 1, 2024

# Corporate Governance

**Savvi 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

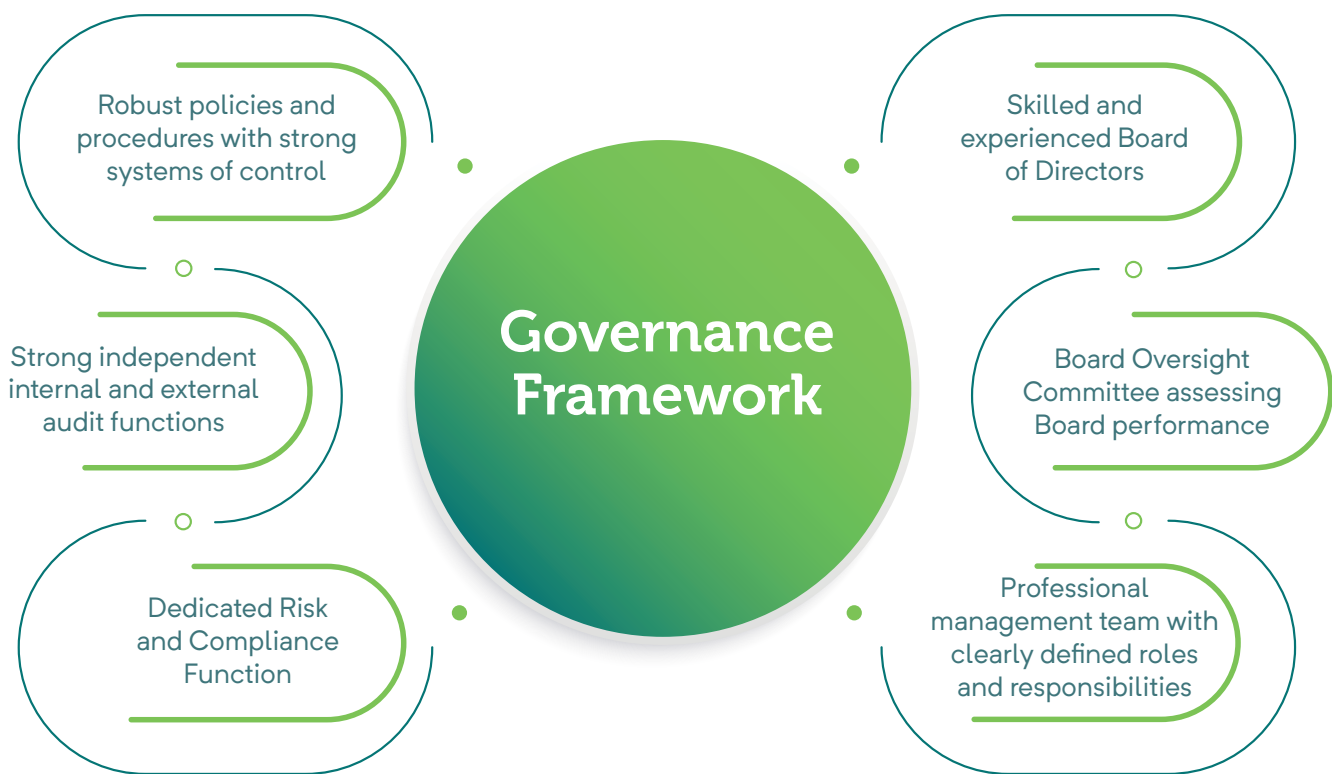
The main function of the Board Oversight Committee is to review whether the Board of Directors has operated in accordance with Part IV of the Credit Union Act 1997, as amended. In effect, this requires the Board Oversight Committee to review the governance of the Board of Directors and ensure that they 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 2023 is outlined in infographic below.



- |  |  |  |  |  |
|--|--|--|--|--|
| <p><b>External Auditor</b></p> <p>Grant Thornton<br/>13-18 City Quay<br/>Dublin 2<br/>D02 ED70</p> | <p><b>Internal Auditor</b></p> <p>Moore Chartered Accountants &amp; Registered Auditors<br/>Ulysses House<br/>Foley Street<br/>Dublin 1<br/>D01 W2T2</p> | <p><b>Solicitors</b></p> <p>Arthur Cox<br/>Ten Earlsfort Tce<br/>Dublin 2<br/>D02 T380</p> | <p><b>Bank</b></p> <p>AIB Bank<br/>Lower Baggot St<br/>Dublin 2<br/>D02 X342</p> | <p><b>Investment Advisers</b></p> <p>Goodbody<br/>2 Ballsbridge Park<br/>Ballsbridge<br/>Dublin 4<br/>D04 YW83</p> |
|--|--|--|--|--|

# Board Oversight Committee Report

For the financial year ended 30 September 2023

**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, the Board Oversight Committee has actively attended to the interests of the membership by monitoring each 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.

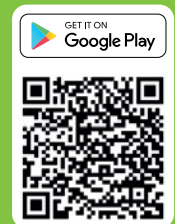
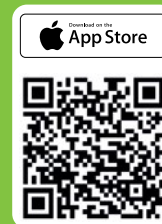
It is the assessment of the Board Oversight Committee that the Board has acted fully in accordance with its obligations for the betterment of all members of the credit union.

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.

**Brian Montayne**  
Chair - Board Oversight Committee

## Download the Savvi App

- ✓ Access your Savvi account 24/7
- ✓ Check your balance
- ✓ Transfer funds
- ✓ Apply for a loan
- ✓ Pay a Bill
- ✓ Upload documents





# Credit Committee Report

For the financial year ended 30 September 2023

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

- 3,101 loans issued this year with a value of €42.2m compared to 2,939 loans in the previous year with a value of €29m representing an increase of 45% in value in the year.
- 93% of all loan applications were approved.
- An analysis of our top 5 categories of issued loans (by € amount) is as follows:



	Y/E 2023	Y/E 2022	Movement
Secured Home Loans	€16.3m	€5.2m	+€11.1m
Motor Vehicles	€7.5m	€4.2m	+€3.3m
Home Improvements	€5.6m	€4.8m	+€0.8m
Other Personal	€11.2m	€13.9m	-€2.7m
Business Loans	€1.6m	€0.9m	+€0.7m
<b>TOTAL</b>	<b>€42.2m</b>	<b>€29m</b>	<b>+€13.2m</b>

## 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 93% 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 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 personal and business needs.

We enhanced our loan service further this year with a faster credit decisioning and draw down process that now includes 'open banking' capabilities. This helps 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 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

Two audits were 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.

I am pleased to report on the activities of the Credit Committee for the past year ended 30 September 2023.

**Mark Beirne**  
Chair, Credit Committee

# Credit Control Committee Report

For the financial year ended 30 September 2023

**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 write-offs. The Committee has met regularly throughout the year to review the loan book and members' repayments.**

## Committee Objectives during 2023

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 €180,196 compared with €153,988 in 2022 representing an increase of 17% year on year. Bad debt recoveries were €151,580 compared to €151,836 last year, representing a recovery decrease of 0.2%. Our bad debt provisions now stand at 7.8% 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. The Committee encourages any member who either falls behind with their loan payments or encounters any kind of financial difficulties to contact us at an early stage in complete confidence, either by phone 01- 6325100 or email [creditcontrol@savvi.ie](mailto:creditcontrol@savvi.ie). We are here to help wherever possible.

**David Woodward**  
Chair, Credit Control Committee



**Credit Union members save even more on car, home and pet insurance with Allianz.**

→ Find out more at [allianz.ie/savvi-credit-union](https://allianz.ie/savvi-credit-union)

Allianz p.l.c. is regulated by the Central Bank of Ireland. Standard acceptance criteria, terms & conditions apply.

# Our Year in Numbers



**24,136**  
members



**3,101**  
loans issued



**€42.2m**  
issued in loans



**30,861**  
calls answered



**1,457**  
app registrations

# Members & Community

## A big welcome to our new members

Savvi operates a Membership Committee which is an operational management committee reporting to the Board of Directors. Its primary objective is to oversee and make recommendations on activities that will improve the membership process and help increase our overall membership. Our membership at the year-end stood at 24,136 which is a net increase of 723 on the same time last year.

We would like to take this opportunity to extend a warm welcome to all the new members who joined us in 2023. We hope you are enjoying the great member experience in which we pride ourselves. If there is anything you need to enquire further 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 and events

Simon Dunne, our ESB relationship manager, visited over 30 offices and depots during 2023. These visits allow us to keep ESB staff informed and updated on what is happening in their credit union, and also allows them to talk to us on a one-to-one basis, which is very important to us.

We were also delighted to attend various ESB events held throughout the year, namely:

- Monthly corporate staff inductions
- Monthly retirement planning seminars
- October's graduate induction
- Apprentice inductions in September and October
- Apprentice Network Technician of the year awards in May
- We continue to support the annual Sligo Walk

## Car Draw – going electric

Since February 2023, we have been offering an electric car as the first prize. We have partnered up with Windsor Liffey Valley who are supplying the lucky winners with a Nissan Leaf SV. The runner-up prizes remain as cash.

Savvi Credit Union is committed to supporting green energy initiatives where we can, and we believe this was the right time to make a switch from a diesel/petrol car to an electric one.

As at the end of September 2023, 4 lucky winners drove off in a shiny new Leaf and we were also delighted to give cash prizes to a further 46 members. There were 4,691 members in the Prize Draw as at 30th of September 2023 (up from 4,657 in 2022).

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 will send you out an entry form.

## Movement in Prize Draw 01/10/2022-30/09/2023

Opening balance 01/10/2022	€16,104
Members funds paid in during year	€243,259
Prizes paid out during year	€258,634
Bank Charges during year	€68
<b>Closing Balance 30/09/2023</b>	<b>€661</b>



### Family Day

A big thank you to all our members who joined us at our family day in Castlecomer Discovery Park this year in Kilkenny. It was great to see so many families of all ages enjoy a great day outdoors. From flying across the lake on ziplines to discovering the park on foot, there was an activity for everyone. The Discovery Park is a not for profit social enterprise and its' aim is to create jobs and develop rural tourism by creating a brilliant day outdoors for the family. You will find something from the youngest to the oldest member of your family so if you fancy taking a trip there, you can book tickets at [www.discoverpark.ie](http://www.discoverpark.ie).

We have already started planning next year and will let our members know via newsletter, social media, website and in-branch when the next family day details are available and how to enter the draw for tickets.

### Community & sponsorships

During the year, Savvi was once again delighted to have had the opportunity to sponsor many events and initiatives involving our members and communities right across the country.

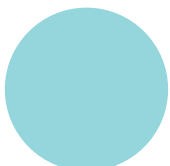
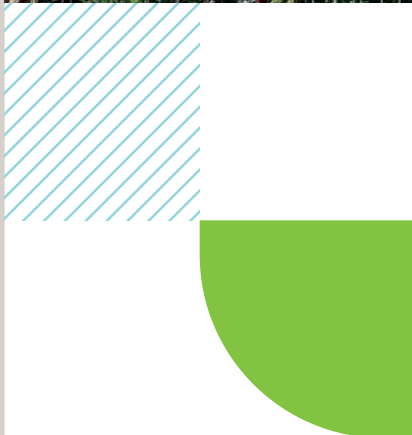
Our sponsorships and contributions throughout the year have supported members representing our country at international sporting levels and events, boys and girls sports teams including football clubs, rowing clubs, and golf societies, community organisations and associations, and several other charity/ fundraising events.

ESB has a long-standing connection with Savvi, so we were honoured to have once again contributed towards the 60th anniversary of the annual Sligo Walk.

As part of the Dublin Docklands Business Forum, Savvi was proud to have participated in their annual awards ceremony and to have sponsored the

community award on the night. A team from Savvi also took part in the Forum's annual volunteer day in May, spending time cleaning and removing graffiti from our local area along Dublin's quays.

The South Docks Festival is an annual celebration of the local communities around Pearse Street, Westland Row, and City Quay, areas of the city that Savvi has a strong historic affiliation with. We were therefore delighted to sponsor this year's festival and have our staff volunteer as stewards for the parade and the Fair in the Square on the day.



# Testimonials



## Mortgage Lending

I recently switched my mortgage to Savvi from an existing high street bank. The process from start to finish was so easy and straightforward, from account opening to mortgage draw down. I would like to give a shout out to Siobhan, Sandra, and Dean who helped me with all of my queries. It was a pleasure to deal with Savvi. When I rang, the phone was answered straight away, which is a rarity these days. Siobhan always rang back when she said she would. Again, this kind of service is hard to find. I would recommend Savvi without hesitation to anyone looking to change mortgage provider. Thanks again Savvi team. It was a pleasure dealing with you.

**Ciara McLaverty**



## Mortgage Lending

We had been looking to switch mortgages for a while but contacting and getting any information from the usual providers was painful. My wife, who works for ESB, mentioned one day that she had heard that Savvi do mortgages. We contacted them and after one phone call we knew they were for us. Anything to do with mortgages is daunting but they put you at ease from the off. They are so friendly and helpful every step of the way. You can call them anytime and you always get to talk with the same person. The switch was effortless! While we were switching we were also on the hunt for a new house. A few months after our switch was complete we found the perfect home. We applied for a new mortgage through Savvi. Once again the process was simple. As with all mortgage applications there were a few bumps along the way but they were so helpful and got everything resolved. When it came time to draw down even our solicitor commented on how easy they were to deal with. We are now living in our dream home and it's all thanks to Savvi. We can't recommend them enough!

**Karl, Fernanda, Jack & Coco**



## Car Loan

I approached Savvi Credit Union in May 2023 for an EV loan for Hybrid Electric Car. From my initial call with Simon and following his advice, I applied online for the loan. Any queries I had were solved by a quick call to the ever helpful and efficient Simon. Loan was approved immediately and Funds were transferred without delay to my bank account. In fact I had started to pay the loan back before taking possession of the car!

**Ailish Brennan, ESB**



# Accounts

For the financial year ended  
30 September 2023



# DIRECTORS' REPORT

For the financial year ended 30 September 2023

The directors present their annual report and the audited financial statements for the financial year ended 30 September 2023.

## 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 2023 of €969,605 (0.30%) (2022: €326,289 (0.10%)) and a loan interest rebate of €nil (0.00%) (2022: €388,965 (10.00%)).

## 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 changing geopolitical landscape.

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

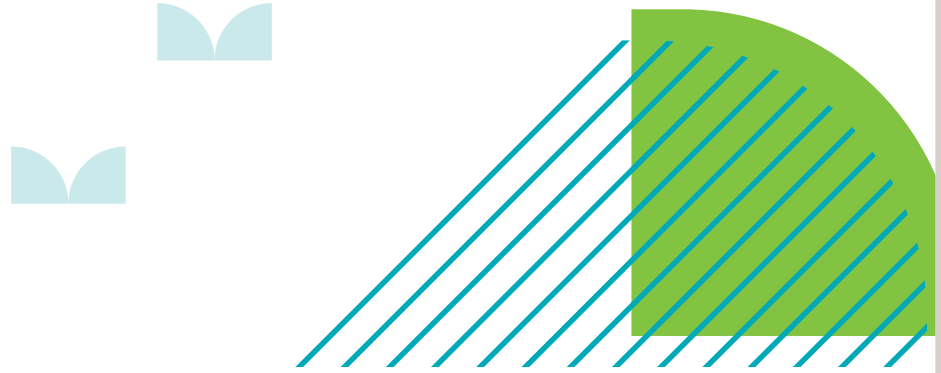
### CREDIT RISK

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 provides 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**  
Chairman of the Board of Directors  
11th December 2023

*Deirdre Shields*

**Deirdre Shields**  
Member of the Board of Directors  
11th December 2023



# Directors' Responsibilities Statement

For the financial year ended 30 September 2023

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**

Chairman of the Board of Directors  
11th December 2023



**Deirdre Shields**

Member of the Board of Directors  
11th December 2023

# Board Oversight Committee's Responsibilities Statement

For the financial year ended  
30 September 2023

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:



**Brian Montayne**

Chair - Board Oversight Committee  
11th December 2023

# Independent Auditor's Report

## to the members of Savvi Credit Union Limited

### OPINION

We have audited the financial statements of Savvi Credit Union Limited for the financial year ended 30 September 2023, which comprise:

- the Income and expenditure account;
- the Statement of other comprehensive income;
- the Balance sheet;
- the Statement of changes in reserves;
- the Statement of cash flows; and
- the related notes 1 to 29, including the summary of significant accounting policies as set out in note 2.

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 2023 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 the 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

# Independent Auditor's Report

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

fair view in accordance with Generally Accepted Accounting Practice in Ireland, including FRS 102, and for such internal control as they determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional

omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the credit union's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the credit union's ability to continue as a going concern. If they conclude that a material uncertainty exists, they are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify their opinion. Their conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Credit Union to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

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

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

This report is made solely to the credit union's members, as a body, in accordance

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



**David Lynch FCA**

for and on behalf of  
Grant Thornton  
Chartered Accountants  
& Statutory Audit Firm  
Dublin

11th December 2023

## Income and Expenditure Account


For the financial year ended 30 September 2023

	Schedule	2023 €	2022 €
<b>INCOME</b>			
Interest on members' loans		4,300,754	3,931,884
Other interest income and similar income	1	4,984,255	3,873,011
<b>Net interest income</b>		<b>9,285,009</b>	<b>7,804,895</b>
Other income	2	90,576	3,476,129
<b>Total income</b>		<b>9,375,585</b>	<b>11,281,024</b>
<b>EXPENDITURE</b>			
Employment costs		2,476,597	2,456,352
Other management expenses	3	3,861,898	3,336,678
Depreciation		298,812	371,699
Net impairment loss/(gain) on loans to members (note 5)		13,029	(112,166)
<b>Total expenditure</b>		<b>6,650,336</b>	<b>6,052,563</b>
<b>Surplus for the financial year</b>		<b>2,725,249</b>	<b>5,228,461</b>

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



**Séan Martyn**  
Member of the Board of Directors  
11th December 2023



**Brian Montayne**  
Member of the Board Oversight Committee  
11th December 2023



**Mark Beirne**  
Chief Executive Officer  
11th December 2023

## Statement of Other Comprehensive Income

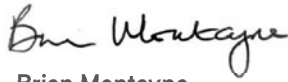
For the financial year ended 30 September 2023

	2023 €	2022 €
Surplus for the financial year	2,725,249	5,228,461
Other comprehensive income	-	-
<b>Total comprehensive income for the financial year</b>	<b>2,725,249</b>	<b>5,228,461</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  
11th December 2023



**Brian Montayne**  
Member of the Board Oversight Committee  
11th December 2023



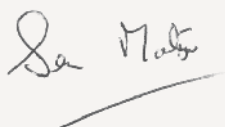
**Mark Beirne**  
Chief Executive Officer  
11th December 2023

## Balance Sheet

As at 30 September 2023

	Notes	2023 €	2022 €
<b>ASSETS</b>			
Cash and balances at bank	6	7,185,094	15,648,865
Deposits and investments — cash equivalents	7	67,871,470	59,910,159
Deposits and investments — other	7	244,151,413	256,365,423
Loans to members	8	82,759,338	64,737,773
Provision for bad debts	9	(6,473,858)	(6,473,858)
Tangible fixed assets	10	3,548,255	3,753,873
Investments in associates	11	265,000	265,000
Debtors, prepayments and accrued income	12	398,144	365,987
<b>Total assets</b>		<b>399,704,856</b>	<b>394,573,222</b>
<b>LIABILITIES</b>			
Members' shares	13	332,682,210	329,814,431
Members' budget accounts	14	6,251,423	6,255,041
Other liabilities, creditors, accruals and charges	16	1,607,428	1,345,343
Other provisions	17	45,116	55,572
<b>Total liabilities</b>		<b>340,586,177</b>	<b>337,470,387</b>
<b>RESERVES</b>			
Regulatory reserve	19	50,036,017	49,376,017
Operational risk reserve	19	1,373,946	1,373,946
Other reserves			
– Realised reserves	19	6,782,927	5,645,601
– Unrealised reserves	19	925,789	707,271
<b>Total reserves</b>		<b>59,118,679</b>	<b>57,102,835</b>
<b>Total liabilities and reserves</b>		<b>399,704,856</b>	<b>394,573,222</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  
11th December 2023



**Brian Montayne**  
Member of the Board Oversight Committee  
11th December 2023



**Mark Beirne**  
Chief Executive Officer  
11th December 2023

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 2023

	Regulatory Reserve €	Operational Risk Reserve €	Realised Reserves €	Unrealised Reserves €	Total €
<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 1 October 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>
Surplus for the financial year	660,000	-	1,820,303	244,946	2,725,249
Transfers between reserves	-	-	26,428	(26,428)	-
Payment of dividend and loan interest rebates	-	-	(709,405)	-	(709,405)
<b>As at 30 September 2023</b>	<b>50,036,017</b>	<b>1,373,946</b>	<b>6,782,927</b>	<b>925,789</b>	<b>59,118,679</b>

- The regulatory reserve of the Credit Union as a percentage of total assets as at 30 September 2023 was 12.52% (2022: 12.51%).
- The operational risk reserve of the Credit Union as a percentage of total assets as at 30 September 2023 was 0.34% (2022: 0.35%).



## Statement of Cash Flows

For the financial year ended 30 September 2023

	Notes	2023 €	2022 €
<b>Opening cash and cash equivalents</b>		<b>75,559,024</b>	<b>71,320,895</b>
<b>Cash flows from operating activities</b>			
Loans repaid by members	8	23,977,249	25,516,327
Loans granted to members	8	(42,179,010)	(29,039,914)
Interest on members' loans		4,300,754	3,931,884
Other interest income and similar income		4,984,255	3,873,011
Bad debts recovered and recoveries		167,167	175,059
Other income		90,576	3,476,129
Members' budget accounts lodgements	14	14,124,040	14,393,246
Members' budget accounts withdrawn	14	(14,127,658)	(14,252,924)
Members' current accounts lodgements	15	-	459,889
Members' current accounts withdrawals	15	-	(747,165)
Operating expenses		(6,338,495)	(5,793,030)
Dividends paid	23	(316,385)	-
Loan interest rebates paid	23	(393,020)	-
Movement in other assets and liabilities		219,472	(108,595)
<b>Net cash flows from operating activities</b>		<b>(15,491,055)</b>	<b>1,883,917</b>
<b>Cash flows from investing activities</b>			
Fixed asset (purchases)/disposals		(93,194)	1,239,289
Net cash flow from other investing activities		12,214,010	(5,473,958)
<b>Net cash flows from investing activities</b>		<b>12,120,816</b>	<b>(4,234,669)</b>
<b>Cash flows from financing activities</b>			
Members' shares received	13	70,757,959	74,901,861
Members' shares withdrawn	13	(67,890,180)	(68,312,980)
<b>Net cash flow from financing activities</b>		<b>2,867,779</b>	<b>6,588,881</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(502,460)</b>	<b>4,238,129</b>
<b>Closing cash and cash equivalents</b>	6	<b>75,056,564</b>	<b>75,559,024</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 2023

## 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 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 ended 30 September 2022.

### 2.15 Other payables

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

### 2.16 Pension

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 €16,382 (2022: €14,720).

### 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.

### 2.22 Other reserves

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

## Notes to the Financial Statements (cont)

For the financial year ended 30 September 2023

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 €3,548,255 (2022: €3,753,873).

### 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 (2022: €6,473,858) representing 7.82% (2022: 10.00%) 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. The operational risk reserve of the Credit Union at the year end was €1,373,946 (2022: €1,373,946).

### 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.

	2023	2022
	€	€
Short term employee benefits paid to key management	1,077,719	1,091,912
Payments to pension schemes	90,810	83,911
<b>Total key management personnel compensation</b>	<b>1,168,529</b>	<b>1,175,823</b>

#### 5. NET IMPAIRMENT LOSS/(GAIN) ON LOANS TO MEMBERS

	2023	2022
	€	€
Bad debts recovered	(151,580)	(151,836)
Impairment of loan interest reclassified as bad debt recoveries	(15,587)	(23,223)
Movement in bad debts provision during the year	-	(91,095)
Loans written off during the year	180,196	153,988
<b>Net impairment loss/(gain) on loans to members</b>	<b>13,029</b>	<b>(112,166)</b>

#### 6. CASH AND CASH EQUIVALENTS

	2023	2022
	€	€
Cash and balances at bank	7,185,094	15,648,865
Deposits and investments — cash equivalents (note 7)	67,871,470	59,910,159
<b>Total cash and cash equivalents</b>	<b>75,056,564</b>	<b>75,559,024</b>

#### 7. DEPOSITS AND INVESTMENTS

	2023	2022
	€	€
Deposits and investments — cash equivalents		
Accounts in authorised credit institutions (Irish and non-Irish based)	60,765,759	46,563,268
Irish and EEA state securities	7,013,525	-
Central Bank deposits	92,186	13,346,891
<b>Total deposits and investments — cash equivalents</b>	<b>67,871,470</b>	<b>59,910,159</b>
Deposits and investments — other		
Accounts in authorised credit institutions (Irish and non-Irish based)	135,325,699	131,113,903
Irish and EEA state securities	39,487,053	39,437,118
Bank bonds	61,107,917	77,644,387
Central Bank deposits	3,229,189	3,187,661
Other investments	5,001,555	4,982,354
<b>Total deposits and investments — other</b>	<b>244,151,413</b>	<b>256,365,423</b>
<b>Total deposits and investments</b>	<b>312,022,883</b>	<b>316,275,582</b>

## Notes to the Financial Statements (cont)

For the financial year ended 30 September 2023

### 8. FINANCIAL ASSETS — LOANS TO MEMBERS

	2023 €	2022 €
As at 1 October	64,737,773	61,368,174
Loans granted during the year	42,179,010	29,039,914
Loans repaid during the year	(23,977,249)	(25,516,327)
<b>Gross loans and advances</b>	<b>82,939,534</b>	<b>64,891,761</b>
<b>Bad debts</b>		
Loans written off during the year	(180,196)	(153,988)
<b>As at 30 September</b>	<b>82,759,338</b>	<b>64,737,773</b>

### 9. PROVISION FOR BAD DEBTS

	2023 €	2022 €
As at 1 October	6,473,858	6,564,953
Movement in bad debts provision during the year	-	(91,095)
<b>As at 30 September</b>	<b>6,473,858</b>	<b>6,473,858</b>

The provision for bad debts is analysed as follows:

	2023 €	2022 €
Grouped assessed loans	6,473,858	6,473,858
<b>Provision for bad debts</b>	<b>6,473,858</b>	<b>6,473,858</b>

### 10. TANGIBLE FIXED ASSETS

	Premises €	Fixtures & fittings €	Office equipment €	Total €
<b>COST</b>				
1 October 2022	3,619,003	1,486,258	3,201,418	8,306,679
Additions	-	38,569	54,625	93,194
<b>As at 30 September 2023</b>	<b>3,619,003</b>	<b>1,524,827</b>	<b>3,256,043</b>	<b>8,399,873</b>
<b>DEPRECIATION</b>				
1 October 2022	436,750	1,038,154	3,077,902	4,552,806
Charge for year	72,380	152,037	74,395	298,812
<b>As at 30 September 2023</b>	<b>509,130</b>	<b>1,190,191</b>	<b>3,152,297</b>	<b>4,851,618</b>
<b>NET BOOK VALUE</b>				
<b>As at 30 September 2023</b>	<b>3,109,873</b>	<b>334,636</b>	<b>103,746</b>	<b>3,548,255</b>
As at 30 September 2022	3,182,253	448,104	123,516	3,753,873

## 11. INVESTMENTS IN ASSOCIATES

	€
<b>Cost</b>	
As at 1 October 2022 and 30 September 2023	<b>265,000</b>
<b>Accumulated impairment</b>	
As at 1 October 2022 and 30 September 2023	-
<b>Net book value</b>	
<b>As at 30 September 2023</b>	<b>265,000</b>
As at 30 September 2022	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 €
MetaCU Management Designated Activity Company	14 Ely Place Dublin 2 Ireland	Redeemable A Ordinary	6.25%	4,048,205	18,198

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 2022.

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

	Share of net assets €
<b>As at 1 October 2022</b>	251,875
Share of profit for the financial year after tax	1,137
<b>As at 30 September 2023</b>	<b>253,012</b>

## 12. DEBTORS, PREPAYMENTS AND ACCRUED INCOME

	2023 €	2022 €
Loan interest receivable	96,752	65,461
Other debtor — SPS refund	161,000	161,000
Prepayments	140,392	139,526
<b>As at 30 September</b>	<b>398,144</b>	<b>365,987</b>

## Notes to the Financial Statements (cont)

For the financial year ended 30 September 2023

### 13. MEMBERS' SHARES

	2023 €	2022 €
As at 1 October	329,814,431	323,225,550
Received during the year	70,757,959	74,901,861
Withdrawn during the year	(67,890,180)	(68,312,980)
<b>As at 30 September</b>	<b>332,682,210</b>	<b>329,814,431</b>

### 14. MEMBERS' BUDGET ACCOUNTS

	2023 €	2022 €
As at 1 October	6,255,041	6,114,719
Lodgements during the year	14,124,040	14,393,246
Withdrawals during the year	(14,127,658)	(14,252,924)
<b>As at 30 September</b>	<b>6,251,423</b>	<b>6,255,041</b>

### 15. MEMBERS' CURRENT ACCOUNTS

	2023 €	2022 €
As at 1 October	-	287,276
Lodgements during the year	-	459,889
Withdrawals during the year	-	(747,165)
<b>As at 30 September</b>	<b>-</b>	<b>-</b>

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

	2023 €	2022 €
Trade creditors and accruals	1,378,106	1,133,540
Prize draw	172,012	162,036
PAYE/PRSI liability	57,310	49,767
<b>As at 30 September</b>	<b>1,607,428</b>	<b>1,345,343</b>

### 17. OTHER PROVISIONS

	2023 €	2022 €
<b>Holiday pay accrual</b>		
As at 1 October	55,572	62,575
Credited to the income and expenditure account	(10,456)	(7,003)
<b>As at 30 September</b>	<b>45,116</b>	<b>55,572</b>



## 18. FINANCIAL INSTRUMENTS

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

FINANCIAL ASSETS	2023 €	2022 €
Financial assets measured at amortised cost	366,278,230	353,899,212

Financial liabilities	2023 €	2022 €
Financial liabilities measured at amortised cost	340,586,177	337,470,387

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

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

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

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

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

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

At 30 September 2023	Total €	Level 1 €	Level 2 €	Level 3 €
Accounts in authorised credit institutions	17,106,234	-	17,106,234	-
Bank bonds	12,534,993	-	12,534,993	-
<b>Total</b>	<b>29,641,227</b>	<b>-</b>	<b>29,641,227</b>	<b>-</b>

As at 30 September 2022	Total €	Level 1 €	Level 2 €	Level 3 €
Accounts in authorised credit institutions	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>

There was no fair value adjustment recognised in the income and expenditure account for the year ended 30 September 2023 (2022: €nil).

## Notes to the Financial Statements (cont)

For the financial year ended 30 September 2023

### 19. RESERVES

	Balance 01/10/22 €	Appropriation of current year surplus €	Transfers between reserves €	Payment of dividend and loan interest rebates €	Balance 30/09/23 €
<b>Regulatory reserve</b>	<b>49,376,017</b>	<b>660,000</b>	-	-	<b>50,036,017</b>
<b>Operational risk reserve</b>	<b>1,373,946</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	5,313,880	1,820,303	26,428	(709,405)	6,451,206
<b>Total realised reserves</b>	<b>5,645,601</b>	<b>1,820,303</b>	<b>26,428</b>	<b>(709,405)</b>	<b>6,782,927</b>
<b>Unrealised</b>					
Interest on loans reserve	65,461	31,291	-	-	96,752
Investment income reserve	480,810	213,655	(26,428)	-	668,037
SPS reserve	161,000	-	-	-	161,000
<b>Total unrealised reserves</b>	<b>707,271</b>	<b>244,946</b>	<b>(26,428)</b>	-	<b>925,789</b>
<b>Total reserves</b>	<b>57,102,835</b>	<b>2,725,249</b>	-	<b>(709,405)</b>	<b>59,118,679</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 house loans, 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.

	2023		2022	
	€	%	€	%
<b>LOANS NOT IMPAIRED</b>				
Total loans not impaired, not past due	74,409,001	89.91%	58,482,451	90.34%
<b>IMPAIRED LOANS:</b>				
Not past due	2,590,620	3.13%	2,850,035	4.40%
Up to 9 weeks past due	5,165,227	6.24%	2,947,008	4.55%
Between 10 and 18 weeks past due	255,905	0.31%	107,800	0.17%
Between 19 and 26 weeks past due	145,968	0.18%	87,812	0.14%
Between 27 and 39 weeks past due	26,819	0.03%	29,058	0.04%
Between 40 and 52 weeks past due	26,937	0.03%	18,931	0.03%
53 or more weeks past due	138,861	0.17%	214,678	0.33%
<b>Total impaired loans</b>	<b>8,350,337</b>	<b>10.09%</b>	<b>6,255,322</b>	<b>9.66%</b>
<b>Total loans</b>	<b>82,759,338</b>	<b>100.00%</b>	<b>64,737,773</b>	<b>100.00%</b>

## 21. RELATED PARTY TRANSACTIONS

### 21a. Loans

	2023		2022	
	No. of loans	€	No. of loans	€
Loans advanced to related parties during the year	1	10,000	3	48,002
Total loans outstanding to related parties at the year end	7	201,755	9	257,500
Total provision for loans outstanding to related parties		18,710		27,334

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 0.24% of the total loans outstanding as at 30 September 2023 (2022: 0.40%).

### 21b. Savings

The total amount of savings held by related parties at the year end was €530,908 (2022: €541,593).

## 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.

	2023		2022	
	€	Average Interest Rate %	€	Average Interest Rate %
Gross loans to members	<u>82,759,338</u>	5.70%	<u>64,737,773</u>	6.26%

Any distributions payable are at the discretion of the directors and are 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 2023

### 23. DIVIDENDS AND LOAN INTEREST REBATES

The following distributions were paid during the year:

		2023		2022
	%	€	%	€
Dividend on shares	0.10%	316,385	-	-
Loan interest rebate	10.00%	393,020	-	-

The following distributions were proposed during the year:

		2023		2022
	%	€	%	€
Dividend on shares	0.30%	969,605	0.10%	326,289
Loan interest rebate	-	-	10.00%	388,965

### 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 (2022: €5,200,000) in compliance with Section 47 of the Credit Union Act, 1997 (as amended).

### 26. CAPITAL COMMITMENTS

There were no capital commitments as at 30 September 2023.

### 27. LEASING COMMITMENTS

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

	2023	2022
	€	€
Less than 1 year	5,335	5,335
1 to 5 years	14,458	19,793
<b>As at 30 September</b>	<b>19,793</b>	<b>25,128</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 11th December 2023.

# Schedules to the Income and Expenditure Account

For the financial year ended 30 September 2023

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

	2023 €	2022 €
Investment income received/receivable within 1 year	4,770,600	3,236,921
Investment gains received	-	415,756
Investment income receivable outside of 1 year	213,655	220,334
<b>Total per income and expenditure account</b>	<b>4,984,255</b>	<b>3,873,011</b>

## SCHEDULE 2 – OTHER INCOME

	2023 €	2022 €
Budget accounts service fees	90,576	77,554
Current account fees and charges	-	2,105
Gain on disposal of premises	-	1,786,471
SPS refund	-	1,609,999
<b>Total per income and expenditure account</b>	<b>90,576</b>	<b>3,476,129</b>

## SCHEDULE 3 – OTHER MANAGEMENT EXPENSES

	2023 €	2022 €
Training	11,105	16,366
Rates	40,593	45,752
Affiliation and subscription fees	104,057	65,030
Savings protection scheme fund	-	30,294
Regulatory levies and costs	857,683	654,003
Share and loan insurance	474,850	424,048
Death benefit insurance	469,902	448,491
General insurance	115,384	107,605
Post and stationery	57,323	49,811
Printing	22,412	18,677
Marketing and publicity	296,282	283,391
Conference and meeting expenses	60,078	53,486
Repairs and maintenance	11,004	15,033
Service to equipment and I.T.	524,251	567,732
Legal and professional	517,286	319,235
Audit fee	46,494	44,280
Investment costs	52,920	53,360
General and office expenses	178,649	113,959
Bank interest and charges	21,625	26,125
<b>Total per income and expenditure account</b>	<b>3,861,898</b>	<b>3,336,678</b>

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**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.

# 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).

# Irish League of Credit Unions Rule Amendment

## RULE 30 (1)(a)

That this Annual General Meeting amends Rule 30 of the Standard Rules for Credit Unions (Republic of Ireland) by the deletion of the following Rule 30 (1)(a)

(1) (a) Provided a share dividend has been declared in accordance with the Act, the directors may recommend to the annual general meeting for approval a refund to the members on record as of the end of each financial year who have been borrowers during such year of a percentage of interest which such borrowers have paid during such year, and such rate of refund shall apply to all such member borrowers. Where a Credit Union operates a system whereby

different rates of interest are charged for different classes of loans, the Board of Directors may recommend a different rate of refund applicable to each class of loan. Such refunds shall apply to all member borrowers in each class of loan.

And by the insertion of the following Rule 30 (1)(a) to read:

(1) (a) The directors may recommend to the annual general meeting for approval a refund to the members on record as of the end of each financial year who have been borrowers during such year of a percentage of interest which such borrowers have paid during such year, and such rate of refund shall apply to

all such member borrowers. Where a Credit Union operates a system whereby different rates of interest are charged for different classes of loans, the Board of Directors may recommend a different rate of refund applicable to each class of loan. Such refunds shall apply to all member borrowers in each class of loan.

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# 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:	
F27	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
Killarney	Dan Hickey
Letterkenny	Sandra Connolly
Limerick (Rosbrien)	Noreen O'Brien
Longford	Ursula Moylan
Moneypoint Generating 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	Rebecca Robinson

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

# 61st Annual General Meeting

FRIDAY  
**19th**  
JANUARY  
2024

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 – 4 (1 new, 3 re-election)

Board Oversight Committee – 3 (2 new, 1 re-election)

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. 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 last AGM held 31 January 2023
8. Motions – Change to Standard Rules
9. Report of Board of Directors
10. Report of the CEO
11. Auditor's Report
12. Approval of Distribution Proposal
13. Report of the Board Oversight Committee
14. Election of Auditor
15. Election of Directors (4) and Board Oversight Committee Members (3)
16. Report of the Credit Committee
17. Report of the Credit Control Committee
18. Result of Elections
19. Any other Business
20. 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.**  
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Dublin 2

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

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