

Everyday counts

2019
Annual Report





Mission Statement

To improve the economic and social well being of all members by providing financial services with dignity and integrity on a not-for-profit basis. We will meet the needs of our members by being the preferred provider of select personal financial services and we will apply best practice standards in all aspects of our business in the interest of our members.

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Limerick

Solicitor

Arthur Cox
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Dublin 2

REPORT OF THE BOARD OF DIRECTORS

On behalf of the Board of Directors, I am pleased to present the Annual Report of Savvi Credit Union for the year ended 30 September 2019. This Report also contains a message from our Chief Executive Officer (CEO) which covers the financial and operational elements of the Credit Union.

Firstly, I am delighted to have been appointed as your Chairman and President in August 2019. It is an honour to serve you, our members, and I look forward to us working together in the years ahead.

2019 was a year of further consolidation for Savvi Credit Union as we continued our journey, part of which involved a strategy renewal programme to assess where we are and where we want to get to as a credit union. Consolidation should not be read as being 'business as usual', and I would like to assure you that there was substantial headway made in improving member services.

Current accounts are a case in point. For many years, members have asked us if we would provide a current account and allow them "not to have to use a bank again". We have used the word 'transformative' quite a lot in recent years in describing our journey, and I definitely view the recent coming together of over 30 large-scale credit unions to offer current account services in this light. This promises to be a watershed moment for the credit union movement in Ireland, not only for the tangible benefits which current accounts bring but equally for the change in perception that accompanies them. At long last, the credit union is being spoken of as a genuine alternative to the mainstream banks. This is an opportunity which we will capitalise on, for it is pivotal to our future health.

Nothing represents the transformation of our credit union more than our presence in the Docklands. Sterling work has been done to integrate our credit union into this young and diverse community and I was delighted to see this work recognised last November

in the form of a Responsible Business Award at the Docklands Business Awards. The accolade reflects the myriad of enterprising events and activities which our team in the Docklands continues to devise to make us relevant to this community, and all of which advances our Money at Work programme. Our success in attracting partner companies through this programme, along with literally thousands of potential members, is something of which we can be proud.

Cognisant that the enlarged Savvi Credit Union serves a multitude of communities, we are committed to our One Big Family strategy of bringing together all our various parts, the most tangible expression of which is our annual Family Day Out. Once again it was great to see so many members gather to enjoy the delights of Tayto Park in August.

Notwithstanding the positives, many of which could be said to be taken for granted, our CEO's message emphasises how the prevailing economic conditions are impacting on us financially as a credit union. I believe these economic conditions, coupled with forecasts predicting little uplift in investment returns in the medium term, validate the difficult and unwished-for decision taken last year to reduce the Death Benefit Insurance and Life Savings Insurance to members. As promised, we reviewed our insurance offering to members during 2019 and, regrettably, we are unable to add to our current offering owing to our financial position. Rest assured that such decisions will be revisited if and when our economic fortunes improve.



€317.8m
Member Shares

€68.4m
Loans to Members

€50.7m
Total Reserves

I would like to broach a matter which I know is of concern to many members, namely the recent fine by the Central Bank in respect of breaches by Savvi of long-term lending limits and directors' remuneration. I can assure you as a member that the breaches highlighted belong firmly in the past and at no stage constituted a risk of loss to your savings. Also, in light of the issues, we commissioned external experts to review practices to ensure full compliance with our legislative obligations and have adopted all the recommendations made. As a Board we are fully committed to a programme to ensure the highest standards of governance and compliance across the organisation as we deliver the most comprehensive range of services possible for our members.

As stated by the Central Bank, the "matter is closed" and we are precluded from saying any more on it other than what is contained in either the Central Bank statement issued at the time on its website and our own response as displayed on our own website.

Despite the current unfavourable economic conditions, I believe our future is a bright one. Alongside the continuing development of new member services, 2020 should see the long-awaited easing of restrictions on longer term lending. In a more open market, I believe we have the capability and member profile to capitalise on this opportunity.

DIVIDEND AND INTEREST REBATE

The Board will be recommending a dividend of 0.01% and an interest rebate of 1% to our Members at the Annual General Meeting on 10 January 2020. We maintain the belief that

our policy of rewarding both savers and borrowers in this manner strikes a fair balance for both. Subject to your approval at the AGM, dividends and rebates will be paid in the weeks following the AGM.

ANNUAL GENERAL MEETING

Following last year's well-attended event, we have again opted for the traditional Friday evening for our upcoming Annual General Meeting. The AGM will take place at 6pm on Friday 10 January 2020 at The Convention Centre Dublin, North Wall Quay, Spencer Dock. I once again look forward to hearing your views and answering your questions on any aspect of our credit union, which exists purely to serve you the member. I would remind you that we welcome questions or comments either in person on the day or in advance through our website savvi.ie.

ACKNOWLEDGEMENTS

In assuming the Chair of the credit union last year, I have been very conscious of our unique ethos, an ethos that can only be upheld through the commitment and dedication of our Non-Executive Directors, Board Oversight Committee, Agents, Special Advisors, Volunteers and Staff. Let me remind our 22,000 or so members who enjoy the services of our credit union that as Savvi continues to grow, the demands placed on these individuals only increase. A sincere "thank you" to them all.

BOARD

I would like to pay a particular tribute to Valerie Little who is stepping down from the board after eight years of unstinting

service, including a period as Chair and also as Vice-Chair. We owe her a debt of gratitude for her huge contribution, wisdom and common-sense approach. My deepest thanks to Valerie for her outstanding service to Savvi and also for her support to me personally during my transition to the role of Chair.

I would also like to pay tribute to John Kelly who is stepping down from the Board Oversight Committee after nine years of service. My sincere thanks to John for his service to the Credit Union since his original appointment in 2010 and in particular his recent years as Chair of the Board Oversight Committee. His considerable experience, contribution, commitment and sound judgement were invaluable to the Credit Union.

Finally, I would like to pay tribute to Dermot Drew who is stepping down from the Board Oversight Committee. I would like to offer my thanks to Dermot for his work on the Committee and dedication to duty during his time with Savvi.

Regarding the Board itself, one of my most important tasks as Chair is to ensure effectiveness in all aspects of the Board's role and to ensure that it has the right balance of skills, experience and outlook to meet the changing needs of the Credit Union. In July 2019, we asked Governance Ireland, an experienced independent firm, to carry out a review of our board governance. I am happy to say that, as part of this review, the firm's evaluators commented favourably on governance arrangements at Savvi.

OUTLOOK

While the lending environment is stubbornly challenging, I am confident that Savvi Credit Union has the structures, resources and capabilities in place to thrive once the economic and regulatory landscape allows. Our fortunes can never be wholly separated from those of the wider credit union movement and in this regard, too, there is scope for optimism.

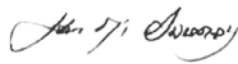
The annual CXi study, which ranks brands according to the customer experience they provide, makes for encouraging reading. While overall scores dipped marginally last year, the credit union movement succeeded in distancing itself from the competition at the very top of the rankings. Moreover, credit unions scored especially highly for the empathy they demonstrate to customers (or in our case, members!). This speaks to the heart of our ethos, an

ethos which guides everything we do, even in the midst of the great changes and challenges around us.

So long as we can enjoy the hard-earned trust of you, our members, by empathising with your own particular circumstances and needs, I believe our long-term position is assured.

On that note I would like to conclude by personally thanking you for the trust you continue to place in us as a Board as we carry on our journey to banking without banks.

With very best wishes for a happy and prosperous 2020 to all our members.



John McSweeney
President



AGM

FRIDAY
10th
JANUARY
2020

Commencing at 6 pm

**Dublin
Convention
Centre**

BOARD OF DIRECTORS 2019



John McSweeney
Chairman



Sean Martyn
Vice-Chair



Dara Connolly
Secretary



Deirdre Shields



Vincent Murphy



Emmett Dunleavy



Lorraine Malone



Valerie Little



Lorna Heron

REPORT OF THE CHIEF EXECUTIVE OFFICER

In last year's report, I highlighted the impact that low returns on investments and depressed demand for personal loans was having on our credit union. The intervening twelve months have brought little change in the economic landscape. Indeed, the prevailing assumption among analysts is that the horizon at which returns will improve has become even more distant.

It is a difficult truth for credit unions across the country that the operating environment in which we find ourselves is unsustainable. As I have often stated, our biggest challenge is the shape of our balance sheet, with over 80% of our income-generating assets in investments and less than 20% in loans. In an ideal scenario, these numbers would be inverted, particularly when investment and deposit rates hover around zero percent and in some cases are even negative. Without growing our loan book, we cannot continue to generate sufficient income to serve our members as we would like.

FINANCIAL RESULTS - SOME KEY NUMBERS:

In the first six months of the past financial year, we saw a decline in the loan book of around 2%, dictated chiefly by an inability to provide new lending in the longer-term lending space. In the second half of the year, with targeted campaigns across certain sections of our potential borrowing members, we turned this trend around and by year-end, the loan book had increased year-on-year by almost 2%, reflecting an increase of c.4% in the

second half of the year. Along with these initiatives and whilst maintaining an even sharper-than-normal focus on costs, we managed to keep services a priority, introduce the new current account for credit unions and improve the online experience for our members. Hence, in a difficult environment, Savvi Credit Union delivered a very creditable financial performance for the year and we will again return an end-of-year surplus, albeit a reduced one.

As outlined, the return on investments declined with income reducing by approximately €600k or c.17.3%. The surplus reduced by approximately €505k. Income on loans remained relatively static year-on-year, reflecting the initial drop in the loan book in the first half of the year, followed by the increase in the loan book in the second half of the year. Total expenditure declined marginally. As mentioned, the loan book increased by c.€1.277m to €68.379m (c.1.9%).

The Directors' Report makes specific reference to the breach of the longer-term lending limit of 15% between June and December 2017 and which was previously reported to the last two AGMs. Despite the continuing low appetite for loans, we managed to rectify the breach to within the regulatory limit of 15% and by year end it stood at 14.2%.

STRATEGY RENEWAL:

Given the fluid economic and regulatory environment in which we operate, it is our policy to review our transformation strategy on a regular basis. A clear take-away from this year's renewal programme was the solid commitment to proceed on our journey to 'banking without banks', and indeed 2019 was a year of very substantial progress on this journey. Since 2013 we have worked to put in place the building blocks for banking without banks.

PROGRESS IN PRODUCTS AND SERVICES

This year, Savvi was among the initial tranche of credit unions to provide current accounts under the 'Payac' shared services vehicle in August. The potential of this new offering to transform our relationship with our members and to attract new members is indisputable and one we will strive to maximise. The approach we have taken to the service has initially been a deliberately cautious one, piloting it on a limited basis to tease out any potential issues before launching it 'fully' in 2020.

PROGRESS IN COLLABORATION

A less conspicuous but equally significant milestone came with the official launch of 'Metamo' in July. This joint venture between 16 credit unions and the Irish-based fintech company Fexco stems from a realisation that only by working in unison can credit unions match the banks in the technology and breadth of services which they offer.

Supported by the professionalism that an entity such as Fexco can bring to such a joint venture, I am confident that Metamo has the right collaborative structure, with the right partners on board and the right executive in place to bring on stream capital-intensive products and services in the most cost-efficient way possible and hence deliver positive outcomes both directly and indirectly for members and their credit unions.

PROGRESS IN EASING LENDING LIMITS

Last year's report referred to the promise of a relaxing of long-term lending limits by the Central Bank. Unfortunately, its introduction has not come as speedily as was hoped, and our recent strategy planning assumes that it will now take effect in the first quarter of 2020. This in turn means

A year of challenge but progress along our journey

its impact on the financial year ahead will be more limited than hoped for. Nonetheless, an ability to offer more loans of over the 5-year threshold as currently exists, will be transformative for our credit union in the future, and critical for us to grow and leverage strategic opportunities, assuming of course that the changes are in line with expectations. In the event that this is not the case, we may well be forced into a rethink of our strategic objectives.

PROGRESS IN THE DOCKLANDS

We continued to make inroads with our unique Money at Work initiative in Dublin's Docklands, with over a dozen new companies joining the programme, representing prospectively over four thousand new members. Unlike many areas, the workplace is at the heart of the community in the Docklands, and this novel business-to-business offering enables us to play to our credit union's decades-old strengths in helping manage employees' finances. In some ways it is a modern-day application of our original function over a half-century ago.

Our active engagement with the Docklands community is illustrated through activities such as regular lunchtime events in our flagship branch on Sir John Rogerson's Quay, the hosting of the Classic Hits breakfast show which reached tens of thousands of listeners and our involvement with the Docklands Business Awards.

MEMBERS

We continue to connect with all communities, both new and old within our collective common bond. Members from the ESB, The IndoGroup and The Irish Times as well as those living and working in the Ringsend, Pearse and Laurence O'Toole areas were not only served by Savvi through the products and services offered through the year but also through local support and

sponsorship of sports clubs, social clubs and charities lead by our community committee and staff who do a great job. We will of course continue to deliver all that we can for our members as without you, we have no credit union.

STAFF

A happy, fulfilled staff is essential if we are to live up to our promise of serving our members in a uniquely personal way, characterised by individual care and attention. As our range of services grows, so too does the need for a highly trained workforce. We thus view staff retention and staff training and development as a key pillar for success and we have ensured that we have resourced this pillar appropriately.

We have reaped the rewards of this and have taken pride in the low levels of turnover in staff that we have enjoyed. However, as the labour market becomes more competitive, this is becoming a major challenge for us as we strive to deliver further services for members.

Additionally, because of the ever-increasing compliance demands from both a legislative and regulatory perspective, we have to contend with further resource demands, and it is often the case that we are unable to directly allay the costs associated with these. This 'cost-of-compliance' is an ongoing challenge faced by all credit unions.

TAKING STOCK:

As mentioned, we embarked some years ago on a strategy of delivering 'banking without banks'. As we near that destination, it has become apparent that attempting to take control of our own destiny was the correct approach. We have learned many lessons along the way, some painful perhaps but none fatal and I am convinced that the challenges encountered will stand us in good stead as we continue to navigate the choppy waters of transformation,

particularly in the current macro-economic environment.

CONCLUSION

The status quo for credit unions is not sustainable. Without a reasonable return on members funds, a credit union loses the means to support itself. Without members looking for loans, a credit union loses its *raison d'être*. All credit unions are suffering under this double whammy at present and are doubtless asking themselves how long these conditions will persist. It is to be hoped that by the time of our AGM, the much-awaited change to the longer-term limits that Savvi has championed will have arrived and that those changes will in turn facilitate meaningful growth in our lending portfolio. What is also critical is that we continue to develop our systems and offerings so that we can exploit a more buoyant market when financial conditions 'normalise'.

It is clear from my report for the financial year that Savvi Credit Union, whilst facing challenges, has worked assiduously to grow and deliver better services for members, and I am convinced the ultimate rewards for current and future members will be both considerable and enduring.

On this note I would like to express my sincere thanks to the Board, volunteers, colleagues and members for their dedication, loyalty and support as, together, we work through these challenging times for credit unions.

Robert Cooper
Chief Executive
Officer



DIRECTORS' REPORT

For the financial year ended 30 September 2019

The directors present their annual report and the audited financial statements for the financial year ended 30 September 2019.

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 surplus for the financial year is set out in the income and expenditure account on page 9. The directors are proposing a dividend in respect of the year ended 30 September 2019 of €31,524 (0.01%) (2018: €307,490 (0.10%)) and a loan interest rebate of €47,737 (1.00%) (2018: €112,663 (2.50%)).

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.

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

CREDIT RISK

In order to manage this risk, the board of directors regularly reviews and approves the credit union's credit policy. All loan applications are assessed with reference to the credit policy in force at the time. Subsequently loans are regularly reviewed for any factors that may indicate that the likelihood of repayment has changed.

LACK OF LOAN DEMAND

The credit union provide lending products to its members and promote these products through various marketing initiatives.

MARKET RISK

The board of directors regularly reviews and approves the credit union's investment policy and funds are invested in compliance with this policy and regulatory guidance.

LIQUIDITY RISK

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

OPERATIONAL RISK

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

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 27-28 Herbert Place, Dublin 2.

EVENTS AFTER THE END OF THE FINANCIAL YEAR

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

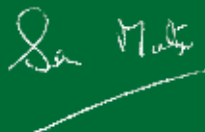
AUDITORS

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 on 6th November 2019 and signed on its behalf by:



John McSweeney
Chairperson of the
Board of Directors
6th November 2019



Sean Martyn
Member of the
Board of Directors
6th November 2019

Directors' Responsibilities Statement

For the financial year ended 30 September 2019

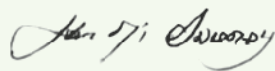
The directors are responsible for preparing the financial statements in accordance with applicable Irish law and regulations. The directors are also responsible for preparing the other information included in the annual report. The Credit Union Act, 1997 (as amended) requires the directors to prepare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

In preparing those financial statements the directors are required to:

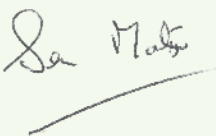
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and reason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

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

This statement was approved by the board on 6th November 2019 and signed on its behalf by:



John Mc Sweeney
Chairperson of the Board of Directors
6th November 2019




Sean Martyn
Member of the Board of Directors
6th November 2019

Board oversight committee's Responsibilities Statement

For the financial year ended 30 September 2019

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.

This statement was approved by the board oversight committee on 6th November 2019 and signed on its behalf by:



John Kelly
Chairperson of the
Board Oversight Committee
6th November 2019



Independent Auditors' Report

to the members of Savvi Credit Union Limited

OPINION

We have audited the financial statements of Savvi Credit Union Limited, which comprise the income and expenditure account, the statement of other comprehensive income, the balance sheet, the statement of changes in reserves and the statement of cash flows for the financial year ended 30 September 2019, and the related notes to the financial statements, including the summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is Irish law including the Credit Union Act, 1997 (as amended) and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland 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 2019 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, namely the Irish Auditing and Accounting Supervisory Authority (IAASA) Ethical Standard concerning the integrity, objectivity and independence of the auditor, 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

We have nothing to report in respect of the following matters in relation to which the ISAs (Ireland) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the credit union's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

OTHER INFORMATION

Other information comprises information included in the annual report, other than the financial statements and

our auditors' 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;

Independent Auditors' Report

to the members of Savvi Credit Union Limited (cont)

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

RESPONSIBILITIES OF DIRECTORS FOR THE FINANCIAL STATEMENTS

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements which give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland, including FRS 102, and for such internal 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 auditors' 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 auditors' 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 auditors' 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.

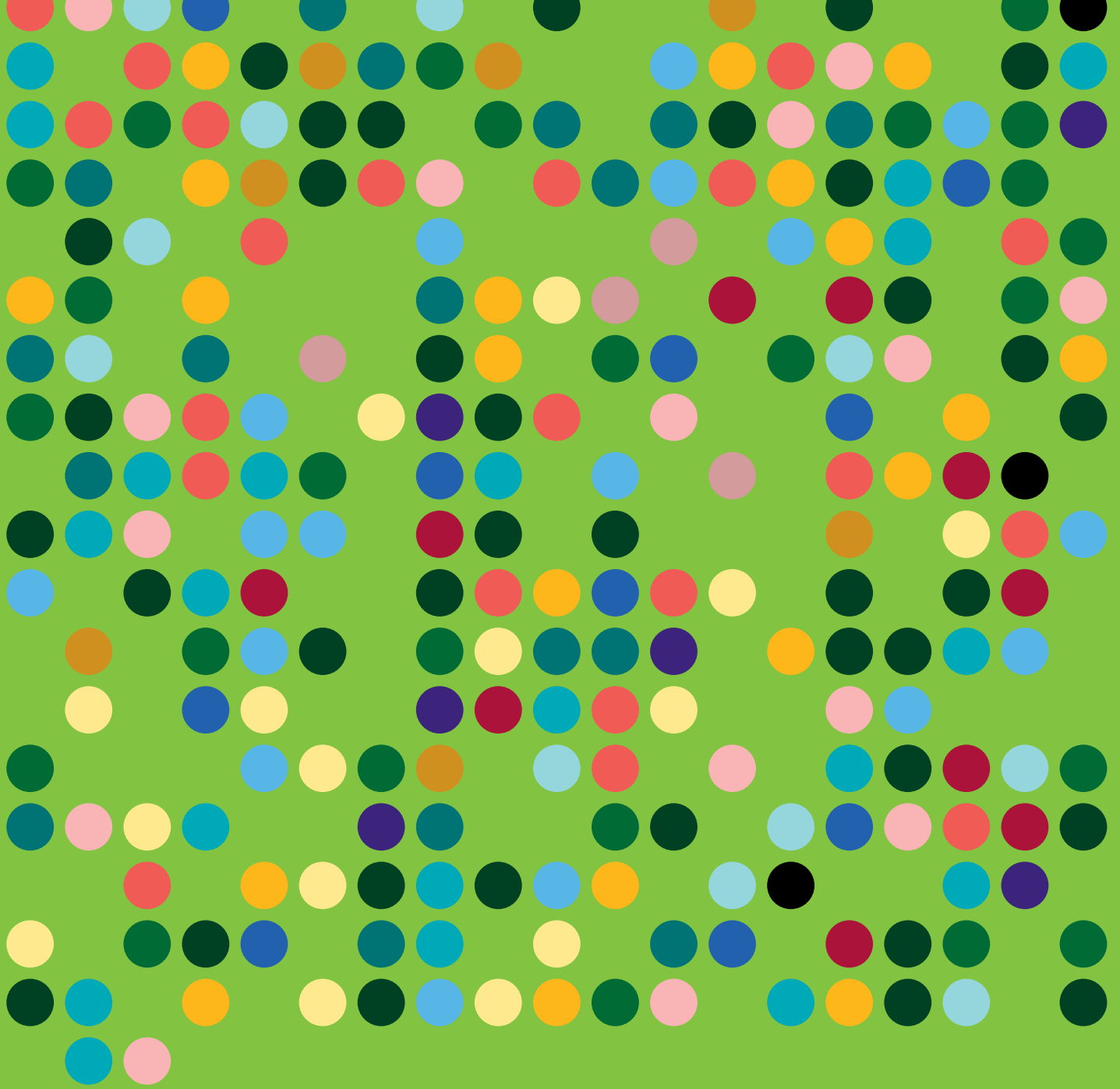
THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES

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 auditors' 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.

Denise O'Connell FCA

for and on behalf of
Grant Thornton
Chartered Accountants
& Statutory Audit Firm
Mill House, Henry Street, Limerick

6th November 2019



Accounts

For the year ended 30 September 2019

Income and Expenditure Account

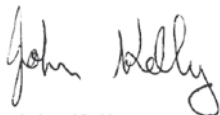
For the financial year ended 30 September 2019

| | Schedule | 2019 € | 2018 € |
|--|----------|------------------|------------------|
| INCOME | | | |
| Interest on members' loans | | 4,465,593 | 4,473,519 |
| Other interest and similar income | 1 | 2,869,957 | 3,470,706 |
| Net interest income | | 7,335,550 | 7,944,225 |
| Other income | 2 | 50,810 | 51,886 |
| Total income | | 7,386,360 | 7,996,111 |
| EXPENDITURE | | | |
| Employment costs | | 2,578,193 | 2,186,267 |
| Other management expenses | 3 | 3,896,700 | 4,864,049 |
| Depreciation | | 750,433 | 369,356 |
| Net impairment losses/(gains) on loans to members (note 5) | | (100,864) | (190,530) |
| Total expenditure | | 7,124,462 | 7,229,142 |
| Surplus for the financial year | | 261,898 | 766,969 |

The financial statements were approved and authorised for issue by the board on 6th November 2019 and signed on behalf of the credit union by:



John McSweeney
Member of the Board of Directors
6th November 2019



John Kelly
Member of the Board Oversight Committee
6th November 2019




Robert Cooper
Chief Executive Officer
6th November 2019

Statement of Other Comprehensive Income

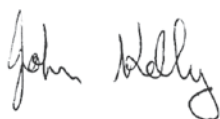
For the financial year ended 30 September 2019

| | 2019 € | 2018 € |
|--|----------------|----------------|
| Surplus for the financial year | 261,898 | 766,969 |
| Other comprehensive income | - | - |
| Total comprehensive income for the financial year | 261,898 | 766,969 |

The financial statements were approved and authorised for issue by the board on 6th November 2019 and signed on behalf of the credit union by:



John McSweeney
Member of the Board of Directors
6th November 2019



John Kelly
Member of the Board Oversight Committee
6th November 2019



Robert Cooper
Chief Executive Officer
6th November 2019

Balance Sheet

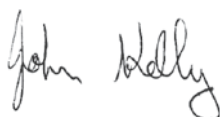
As at 30 September 2019

| | Notes | 2019 € | 2018 € |
|--|-------|--------------------|--------------------|
| ASSETS | | | |
| Cash and balances at bank | | 5,653,019 | 5,991,206 |
| Deposits and investments — cash equivalents | 7 | 70,183,956 | 65,145,376 |
| Deposits and investments — other | 7 | 231,994,477 | 233,574,369 |
| Loans to members | 8 | 68,378,615 | 67,101,244 |
| Provision for bad debts | 9 | (6,737,601) | (6,855,585) |
| Tangible fixed assets | 10 | 7,283,097 | 7,060,915 |
| Investments in associates | 11 | 265,000 | — |
| Prepayments and accrued income | 12 | 210,739 | 169,753 |
| Total assets | | 377,231,302 | 372,187,278 |
| LIABILITIES | | | |
| Members' shares | 13 | 317,861,505 | 313,002,134 |
| Members' budget accounts | 14 | 4,617,229 | 4,376,780 |
| Members' current accounts | 15 | 5,797 | — |
| Other liabilities, creditors, accruals and charges | 16 | 4,002,438 | 3,915,683 |
| Other provisions | 17 | 44,154 | 38,720 |
| Total liabilities | | 326,531,123 | 321,333,317 |
| RESERVES | | | |
| Regulatory reserve | 19 | 38,576,017 | 38,576,017 |
| Operational risk reserve | 19 | 2,173,946 | 2,173,946 |
| Other reserves | | | |
| – Realised reserves | 19 | 9,773,560 | 9,932,094 |
| – Unrealised reserves | 19 | 176,656 | 171,904 |
| Total reserves | | 50,700,179 | 50,853,961 |
| Total liabilities and reserves | | 377,231,302 | 372,187,278 |

The financial statements were approved and authorised for issue by the board on 6th November 2019 and signed on behalf of the credit union by:



John McSweeney
Member of the Board of Directors
6th November 2019



John Kelly
Member of the Board Oversight Committee
6th November 2019



Robert Cooper
Chief Executive Officer
6th November 2019

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

Statement of Changes in Reserves

For the financial year ended 30 September 2019

| | Regulatory Reserve € | Operational Risk Reserve € | Realised Reserves € | Unrealised Reserves € | Total € |
|--|----------------------------|-------------------------------------|---------------------------|-----------------------------|-------------------|
| As at 1 October 2017 | 38,576,017 | 1,334,822 | 10,962,148 | 136,178 | 51,009,165 |
| Surplus for the financial year | - | 39,124 | 672,797 | 55,048 | 766,969 |
| Dividends and loan interest rebates paid | - | - | (922,173) | - | (922,173) |
| Transfers between reserves | - | 800,000 | (780,678) | (19,322) | - |
| As at 1 October 2018 | 38,576,017 | 2,173,946 | 9,932,094 | 171,904 | 50,853,961 |
| Surplus for the financial year | - | - | 212,439 | 49,459 | 261,898 |
| Dividends and loan interest rebates paid | - | - | (415,680) | - | (415,680) |
| Transfers between reserves | - | - | 44,707 | (44,707) | - |
| As at 30 September 2019 | 38,576,017 | 2,173,946 | 9,773,560 | 176,656 | 50,700,179 |

- The regulatory reserve of the credit union as a percentage of total assets as at 30 September 2019 was 10.23% (2018: 10.36%).
- The operational risk reserve of the credit union as a percentage of total assets as at 30 September 2019 was 0.58% (2018: 0.58%).

Statement of Cash Flows

For the financial year ended 30 September 2019

| | Notes | 2019 € | 2018 € |
|---|-------|-------------------|---------------------|
| Opening cash and cash equivalents | | 71,136,582 | 107,926,111 |
| Cash flows from operating activities | | | |
| Loans repaid by members | 8 | 27,946,391 | 28,539,857 |
| Loans granted to members | 8 | (29,439,338) | (29,012,161) |
| Loan interest | | 4,465,593 | 4,473,519 |
| Investment income | | 2,869,957 | 3,470,706 |
| Bad debts recovered and recoveries | | 198,455 | 254,300 |
| Other income | | 50,810 | 51,886 |
| Dividends paid | | (304,241) | (591,879) |
| Loan interest rebates paid | | (111,439) | (330,294) |
| Members' budget accounts lodgements | 14 | 14,992,422 | 14,814,983 |
| Members' budget accounts withdrawn | 14 | (14,751,973) | (14,696,961) |
| Members' current accounts lodgements | 15 | 7,024 | - |
| Members' current accounts withdrawals | 15 | (1,227) | - |
| Operating expenses | | (6,474,893) | (7,050,316) |
| Movement in other assets and liabilities | | 51,204 | (398,142) |
| Net cash flows from operating activities | | (501,255) | (474,502) |
| Cash flows from investing activities | | | |
| Fixed asset (purchases)/disposals | | (972,615) | (1,753,730) |
| Investments in associates | | (265,000) | - |
| Net cash flow from other investing activities | | 1,579,892 | (44,189,320) |
| Net cash flows from investing activities | | 342,277 | (45,943,050) |
| Cash flows from financing activities | | | |
| Members' shares received | 13 | 83,393,207 | 83,669,218 |
| Members' shares withdrawn | 13 | (78,533,836) | (74,041,195) |
| Net cash flow from financing activities | | 4,859,371 | 9,628,023 |
| Net (decrease)/increase in cash and cash equivalents | | 4,700,393 | (36,789,529) |
| Closing cash and cash equivalents | 6 | 75,836,975 | 71,136,582 |

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

Notes to the Financial Statements

For the financial year ended 30 September 2019

1. LEGAL AND REGULATORY FRAMEWORK

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

2. ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

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

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

The following principal accounting policies have been applied:

2.2 Statement of compliance

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

2.3 Going concern

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

2.4 Income

Interest on members' loans

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

Deposit and investment income

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 Investments

The specific investment products held by the credit union are accounted for as follows:

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 deposits with the Central Bank. These deposits are technically assets of the credit union but to which the credit union has restricted access. The funds on deposit with the Central Bank attract nominal interest and will not ordinarily be returned to the credit union while it is a going concern. The amounts are stated at the amount deposited plus accrued income and are not subject to impairment reviews.

Investments at fair value

Investments held for trading and investment in stock market shares (i.e. non-convertible preference shares and non-puttable ordinary shares or preference shares) are included in this category. Financial assets at fair value are classified as held for trading if they are acquired for sale in the short term. They are valued at fair value (market value) at the year-end date and all gains and losses are taken to the income and

expenditure account.

The fair value of quoted investments is determined by reference to bid prices at the close of business on the balance sheet date. Where there is no active market these assets will be carried at cost less impairment.

2.7 Financial assets — loans to members

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

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

2.8 Provision for bad debts

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

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

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

2.9 TANGIBLE FIXED ASSETS

Tangible fixed assets under the cost model are stated at historical cost less

Notes to the Financial Statements (cont)

For the financial year ended 30 September 2019

accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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

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

Depreciation is provided on the following basis:

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

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other gains' or 'other losses' in the income and expenditure account.

2.10 Impairment of assets

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

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

2.11 Investments in associates

Investments in associates are accounted for at cost less impairment.

2.12 Other receivables

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

2.13 Financial liabilities — members' savings

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

2.14 Members' current accounts

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

2.15 Other payables

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

2.16 Pension costs

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

2.17 Holiday pay

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

2.18 Termination benefits

Termination benefits are included in

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

2.19 Derecognition of financial liabilities

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

2.20 Regulatory reserve

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

2.21 Operational risk reserve

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

The directors have considered the requirements of the Act and have considered an approach to the calculation of the operational risk reserve. Savvi Credit Union Limited 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 Savvi Credit Union Limited will hold an operational risk reserve which will at a minimum equal 15% of the average positive gross income for the previous three years. For any year in which there was a deficit, this will be excluded from the calculation.

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

2.22 Other reserves

Other reserves are the accumulated surpluses to date that have not been

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

2.23 Distribution policy

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

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

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

all dominated by prudence and the need to sustain the long-term welfare of the credit union.

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

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

2.24 Taxation

The credit union is not subject to income

tax or corporation tax on its activities.

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

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

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

The annual depreciation charge depends primarily on the estimated lives of each type of asset and, in certain circumstances, estimates of residual values. The directors regularly review these useful lives and change them if necessary to reflect current conditions. In determining these useful lives management consider technological change, patterns of consumption, physical condition and expected economic utilisation of the assets. Changes in the useful lives can have a significant impact on the depreciation charge for the financial year. The net book value of tangible fixed assets subject to depreciation at the year end was €7,283,097 (2018: €7,060,915).

Provision for bad debts

Savvi Credit Union Limited's accounting policy for impairment of loans is set out in the accounting policy in note 2.8. The estimation of loan losses is inherently uncertain and depends upon many factors, including loan loss trends, credit risk characteristics in loan classes, local and international economic climates, conditions in various sectors of the economy to which the credit union is exposed, and, other external factors such as legal and regulatory requirements. The provision for bad debts in the financial statements at the year end was €6,737,601 (2018: €6,855,585) representing 9.85% (2018: 10.22%) 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.

Other liabilities, creditors, accruals and charges

Included in accruals is an amount for fees for the exit from the ILCU Defined Benefit Pension Scheme for certain transferor credit unions. This matter is subject to on-going negotiations. The timing and amount of the outcome is uncertain and is contingent on future events. Consequently it is impracticable at this time to estimate whether or not any adjustments may need to be made to the amount currently included in accruals.

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. Savvi Credit Union Limited uses the basic indicator approach as set out in the operational risk measurements techniques proposed under Basel II capital adequacy rules for banking institutions in calculating the minimum operational risk reserve. In addition, the credit union has included in its operational risk reserve a Member Personal Current Account Service operational risk reserve, in accordance with Section 49(3) of the Credit Union Act, 1997 (as amended). The operational risk reserve of the credit union at the year end was €2,173,946 (2018: €2,173,946).

Adoption of going concern basis for financial statements preparation

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

Notes to the Financial Statements (cont)

For the financial year ended 30 September 2019

4. KEY MANAGEMENT PERSONNEL COMPENSATION

The directors of Savvi Credit Union Limited are all unpaid volunteers. The key management personnel compensation is as follows.

| | 2019 | 2018 |
|---|------------------|------------------|
| | € | € |
| Short term employee benefits paid to key management | 1,178,702 | 1,011,358 |
| Payments to pension schemes | 105,513 | 123,936 |
| Total key management personnel compensation | 1,284,215 | 1,135,294 |

5. NET IMPAIRMENT LOSSES/(GAINS) ON LOANS TO MEMBERS

| | 2019 | 2018 |
|---|------------------|------------------|
| | € | € |
| Bad debts recovered | (178,916) | (215,326) |
| Impairment of loan interest reclassified as bad debt recoveries | (19,539) | (38,974) |
| Movement in bad debts provision during the year | (117,984) | (115,000) |
| Loans written off during the year | 215,575 | 178,770 |
| Net impairment losses/(gains) on loans to members | (100,864) | (190,530) |

6. CASH AND CASH EQUIVALENTS

| | 2019 | 2018 |
|--|-------------------|-------------------|
| | € | € |
| Cash and balances at bank | 5,653,019 | 5,991,206 |
| Deposits & investments (note 7) | 302,178,433 | 298,719,745 |
| Less: Deposit & investment amounts maturing after three months | (231,994,477) | (233,574,369) |
| Total cash and cash equivalents | 75,836,975 | 71,136,582 |

7. DEPOSITS AND INVESTMENTS

| | 2019 | 2018 |
|--|--------------------|--------------------|
| | € | € |
| Deposits and investments — cash equivalents | | |
| Accounts in authorised credit institutions (Irish and non-Irish based) | 70,183,956 | 64,895,376 |
| Other investments | - | 250,000 |
| Total deposits and investments — cash equivalents | 70,183,956 | 65,145,376 |
| Deposits and investments — other | | |
| Accounts in authorised credit institutions (Irish and non-Irish based) | 143,852,902 | 115,946,575 |
| Irish and EEA state securities | 27,354,522 | 27,395,858 |
| Bank bonds | 33,183,572 | 62,813,115 |
| Central Bank deposits | 2,992,179 | 2,917,930 |
| Other investments | 24,611,302 | 24,500,891 |
| Total deposits and investments — other | 231,994,477 | 233,574,369 |
| Total deposits and investments | 302,178,433 | 298,719,745 |

8. FINANCIAL ASSETS — LOANS TO MEMBERS

| | 2019 € | 2018 € |
|-----------------------------------|-------------------|-------------------|
| As at 1 October | 67,101,244 | 66,807,710 |
| Loans granted during the year | 29,439,338 | 29,012,161 |
| Loans repaid during the year | (27,946,391) | (28,539,857) |
| Gross loans and advances | 68,594,191 | 67,280,014 |
| Bad debts | | |
| Loans written off during the year | (215,576) | (178,770) |
| As at 30 September | 68,378,615 | 67,101,244 |

9. PROVISION FOR BAD DEBTS

| | 2019 € | 2018 € |
|---|------------------|------------------|
| As at 1 October | 6,855,585 | 6,970,585 |
| Movement in bad debts provision during the year | (117,984) | (115,000) |
| As at 30 September | 6,737,601 | 6,855,585 |

The provision for bad debts is analysed as follows:

| | 2019 € | 2018 € |
|--------------------------------|------------------|------------------|
| Grouped assessed loans | 6,737,601 | 6,855,585 |
| Provision for bad debts | 6,737,601 | 6,855,585 |

10. TANGIBLE FIXED ASSETS

| | Premises € | Fixtures & fittings € | Office equipment € | Total € |
|-----------------------------|------------------|-----------------------------|--------------------------|-------------------|
| COST | | | | |
| 1 October 2018 | 7,678,913 | 1,065,659 | 2,001,906 | 10,746,478 |
| Additions | - | 34,721 | 937,894 | 972,615 |
| At 30 September 2019 | 7,678,913 | 1,100,380 | 2,939,800 | 11,719,093 |
| DEPRECIATION | | | | |
| 1 October 2018 | 2,228,458 | 669,351 | 787,754 | 3,685,563 |
| Charge for year | 149,759 | 82,187 | 518,487 | 750,433 |
| At 30 September 2019 | 2,378,217 | 751,538 | 1,306,241 | 4,435,996 |
| NET BOOK VALUE | | | | |
| 30 September 2019 | 5,300,696 | 348,842 | 1,633,559 | 7,283,097 |
| 30 September 2018 | 5,450,455 | 396,308 | 1,214,152 | 7,060,915 |

Notes to the Financial Statements (cont)

For the financial year ended 30 September 2019

11. INVESTMENTS IN ASSOCIATES

| | € |
|-------------------------------|----------------|
| Cost | |
| At 1 October 2018 | - |
| Additions in the year | 265,000 |
| At 30 September 2019 | 265,000 |
| Accumulated impairment | |
| At 1 October 2018 | - |
| Impairment loss | - |
| At 30 September 2019 | - |
| Net book value | |
| 30 September 2019 | 265,000 |

| | |
|-------------------|---|
| 30 September 2018 | - |
|-------------------|---|

Interests in associate

The credit union has interests in the following associate:

| Associate | Type of shares held | Proportion held (%) | Net Assets € | Profit or loss € |
|---|--------------------------|---------------------------|--------------------|------------------------|
| Metacu Management Designated Activity Company | Redeemable A Ordinary | 6.25% | -* | -* |

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 € |
|---|-----------------------------|
| At 1 October 2018 | - |
| Investment during the year | 265,000 |
| Share of profit/(loss) for the financial year after tax | -* |
| Share of other comprehensive income | -* |
| At 30 September 2019 | 265,000 |

*Metacu Management Designated Activity Company commenced trading during 2019 and has not yet prepared its first year financial statements. Consequently the net assets or profit/loss of the company is not yet available.

12. PREPAYMENTS AND ACCRUED INCOME

| | 2019 € | 2018 € |
|--------------------------|----------------|----------------|
| Prepayments | 134,096 | 103,443 |
| Loan interest receivable | 76,643 | 66,310 |
| | 210,739 | 169,753 |

13. MEMBERS' SHARES

| | 2019 € | 2018 € |
|---------------------------|--------------------|--------------------|
| As at 1 October | 313,002,134 | 303,374,111 |
| Received during the year | 83,393,207 | 83,669,218 |
| Withdrawn during the year | (78,533,836) | (74,041,195) |
| As at 30 September | 317,861,505 | 313,002,134 |

Members' Shares are analysed as follows:

| | 2019 € | 2018 € |
|------------------------------|--------------------|--------------------|
| Regular share accounts | 67,205,570 | 67,180,707 |
| Special share accounts | 244,652,726 | 241,292,569 |
| 5 year special share balance | - | 25,729 |
| Christmas club account | 177,998 | 155,138 |
| MABS account | - | 215 |
| Independent special accounts | 444,375 | 533,196 |
| Online access accounts | 5,380,836 | 3,814,580 |
| Total members' shares | 317,861,505 | 313,002,134 |

14. MEMBERS' BUDGET ACCOUNTS

| | 2019 € | 2018 € |
|---------------------------|------------------|------------------|
| As at 1 October | 4,376,780 | 4,258,758 |
| Lodgements | 14,992,422 | 14,814,983 |
| Withdrawals | (14,751,973) | (14,696,961) |
| As at 30 September | 4,617,229 | 4,376,780 |

15. MEMBERS' CURRENT ACCOUNTS

| | 2019 € | 2018 € |
|---------------------------|--------------|-----------|
| As at 1 October | - | - |
| Lodgements | 7,024 | - |
| Withdrawals | (1,227) | - |
| As at 30 September | 5,797 | - |

| | No. of Accounts | Balance of Accounts € |
|----------------------|--------------------|-----------------------------|
| Debit | - | - |
| Credit | 24 | 5,797 |
| Permitted overdrafts | 2 | 5,200 |

Notes to the Financial Statements (cont)

For the financial year ended 30 September 2019

16. OTHER LIABILITIES, CREDITORS, ACCRUALS AND CHARGES

| | 2019 € | 2018 € |
|------------------------------|------------------|------------------|
| Trade creditors and accruals | 2,113,633 | 2,172,014 |
| Prize draw | 183,690 | 120,952 |
| PAYE/PRSI liability | 55,717 | 50,728 |
| Savings Protection Scheme | 1,649,398 | 1,571,989 |
| | 4,002,438 | 3,915,683 |

17. OTHER PROVISIONS

| | 2019 € | 2018 € |
|---|---------------|---------------|
| Holiday pay accrual | | |
| At 1 October | 38,720 | 45,066 |
| Charged to the income and expenditure account | 5,434 | (6,346) |
| At 30 September | 44,154 | 38,720 |

18. FINANCIAL INSTRUMENTS

18a. Financial instruments — amortised cost

| FINANCIAL ASSETS | 2019 € | 2018 € |
|--|------------------|------------------|
| Financial assets measured at amortised cost | 367,975,067 | 362,809,576 |
| Financial liabilities | 2019 € | 2018 € |
| Financial liabilities measured at amortised cost | 326,531,123 | 321,333,317 |

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

Financial liabilities measured at amortised cost comprise member savings, creditors and accruals 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 2019 | Total € | Level 1 € | Level 2 € | Level 3 € |
|-----------------------------|-------------------|---------------------|---------------------|---------------------|
| Bank bonds | 8,500,000 | - | 8,500,000 | - |
| Total | 8,500,000 | - | 8,500,000 | - |
| At 30 September 2018 | Total € | Level 1 € | Level 2 € | Level 3 € |
| Bank bonds | 8,500,000 | - | 8,500,000 | - |
| Other investments | 502,619 | - | 502,619 | - |
| Total | 9,002,619 | - | 9,002,619 | - |

There were no fair value adjustments recognised in the income and expenditure account for the year ended 30 September 2019 (2018: €nil).

19. RESERVES

| | Balance 01/10/18 € | Payment of dividends and loan interest rebate € | Appropriation of current year surplus € | Transfers between reserves € | Balance 30/09/19 € |
|-------------------------------------|--------------------------|--|--|---------------------------------------|--------------------------|
| Regulatory reserve | 38,576,017 | - | - | - | 38,576,017 |
| Operational risk reserve | 2,173,946 | - | - | - | 2,173,946 |
| Other Reserves | | | | | |
| Realised | | | | | |
| Social fund reserve | 325,520 | - | - | - | 325,520 |
| Dormant account written off reserve | 6,201 | - | - | - | 6,201 |
| General reserve | 8,600,373 | (415,680) | 212,439 | 544,707 | 8,941,839 |
| Future dividend reserve | 1,000,000 | - | - | (500,000) | 500,000 |
| Total realised reserves | 9,932,094 | (415,680) | 212,439 | 44,707 | 9,773,560 |
| Unrealised | | | | | |
| Interest on loans reserve | 66,310 | - | 10,333 | - | 76,643 |
| Investment income reserve | 105,594 | - | 39,126 | (44,707) | 100,013 |
| Total unrealised reserves | 171,904 | - | 49,459 | (44,707) | 176,656 |
| Total reserves | 50,853,961 | (415,680) | 261,898 | - | 50,700,179 |

20. CREDIT RISK DISCLOSURES

The credit union complies with Section 12 of the Credit Union Act, 1997 (Regulatory Requirements) Regulations 2016. This regulation:

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

The carrying amount of the loans to members represents Savvi Credit Union Limited'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.

| | 2019 € | % | 2018 € | % |
|--|-------------------|----------------|-------------------|----------------|
| LOANS NOT IMPAIRED | | | | |
| Total loans not impaired, not past due | 59,865,606 | 87.55% | 57,383,382 | 85.52% |
| IMPAIRED LOANS: | | | | |
| Not past due | 4,093,611 | 5.98% | 4,847,891 | 7.22% |
| Up to 9 weeks past due | 3,820,293 | 5.59% | 4,213,740 | 6.28% |
| Between 10 and 18 weeks past due | 116,023 | 0.17% | 117,982 | 0.18% |
| Between 19 and 26 weeks past due | 115,212 | 0.17% | 40,640 | 0.06% |
| Between 27 and 39 weeks past due | 107,350 | 0.16% | 9,528 | 0.01% |
| Between 40 and 52 weeks past due | 27,802 | 0.04% | 32,260 | 0.05% |
| 53 or more weeks past due | 232,718 | 0.34% | 455,821 | 0.68% |
| Total impaired loans | 8,513,009 | 12.45% | 9,717,862 | 14.48% |
| Total loans | 68,378,615 | 100.00% | 67,101,244 | 100.00% |

Notes to the Financial Statements (cont)

For the financial year ended 30 September 2019

21. RELATED PARTY TRANSACTIONS

21a. Loans

| | 2019 | | 2018 | |
|--|--------------|---------|--------------|---------|
| | No. of loans | € | No. of loans | € |
| Loans advanced to related parties during the year | 10 | 699,890 | 3 | 56,000 |
| Total loans outstanding to related parties at the year end | 17 | 627,374 | 8 | 411,926 |
| Total provision for loans outstanding to related parties | | 58,790 | | 22,444 |

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 0.92% of the total loans outstanding at 30 September 2019 (2018: 0.61%).

21b. Savings

The total amount of savings held by related parties at the year end was €567,751 (2018: €846,023).

22. ADDITIONAL FINANCIAL INSTRUMENTS DISCLOSURES

22a. Financial risk management

Savvi Credit Union Limited manages its members' shares and loans so that it earns income from the margin between interest receivable and interest payable. The main financial risks arising from Savvi Credit Union Limited'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 Savvi Credit Union Limited'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.

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: Savvi Credit Union Limited's main interest rate risk arises from adverse movements in interest rates receivable which would affect investment income. Savvi Credit Union Limited 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.

| | 2019 | | 2018 | |
|------------------------|-------------------|-------------------------|-------------------|-------------------------|
| | € | Average Interest Rate % | € | Average Interest Rate % |
| Gross loans to members | <u>68,378,615</u> | 6.69% | <u>67,101,244</u> | 6.81% |

The dividend payable is at the discretion of the directors and is therefore not a financial liability of the credit union until declared and approved at the AGM.

23. DIVIDENDS AND LOAN INTEREST REBATES

The following distributions were paid during the year:

| | | 2019 | | 2018 | |
|----------------------|-------|---------|-------|---------|--|
| | % | € | % | € | |
| Dividend on shares | 0.10% | 304,241 | 0.20% | 591,879 | |
| Loan interest rebate | 2.50% | 111,439 | 7.50% | 330,294 | |

The directors propose the following distributions in respect of the year:

| | | 2019 | | 2018 | |
|----------------------|------|--------|-------|---------|--|
| | % | € | % | € | |
| Dividend on shares | 0.01 | 31,524 | 0.10% | 307,490 | |
| Loan interest rebate | 1.00 | 43,737 | 2.50% | 112,663 | |

24. EVENTS AFTER THE END OF THE FINANCIAL YEAR

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

25. INSURANCE AGAINST FRAUD

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

26. CAPITAL COMMITMENTS

There were no capital commitments at 30 September 2019.

27. CONTINGENT LIABILITIES

In September 2018, the Registry of Credit Unions advised all credit unions of a potential matter in relation to accrued interest outstanding on certain top-up loans which may have led to a potential over-collection of interest. The credit union has commenced a review to ascertain whether any top-up loans made to members might be impacted by these circumstances, and if so, to determine what actions may need to be taken. Consequently it is impracticable at this time to estimate the impact, financial or otherwise, if any, of this matter and whether any net amounts will become payable or not in the future.

28. COMPARATIVE INFORMATION

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

29. APPROVAL OF FINANCIAL STATEMENTS

The board of directors approved these financial statements for issue on 6th November 2019

Schedules to the Income and Expenditure Account

For the financial year ended 30 September 2019

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

SCHEDULE 1 – OTHER INTEREST INCOME AND SIMILAR INCOME

| | 2019 € | 2018 € |
|---|------------------|------------------|
| Investment income and gains received/receivable within 1 year | 2,830,831 | 3,421,622 |
| Investment income receivable outside of 1 year | 39,126 | 49,084 |
| Total per income and expenditure account | 2,869,957 | 3,470,706 |

SCHEDULE 2 – OTHER INCOME

| | 2019 € | 2018 € |
|---|---------------|---------------|
| Budget accounts service fees and other income | 50,810 | 51,886 |
| Total per income and expenditure account | 50,810 | 51,886 |

SCHEDULE 3 – OTHER MANAGEMENT EXPENSES

| | 2019 € | 2018 € |
|---|------------------|------------------|
| Training | 49,989 | 75,733 |
| Rates | 58,035 | 61,179 |
| Affiliation and subscription fees | 73,374 | 68,309 |
| Savings protection scheme fund | 34,404 | 138,982 |
| Regulatory levies and costs | 777,655 | 678,700 |
| Share and loan insurance | 527,531 | 654,062 |
| Death benefit insurance | 574,701 | 662,630 |
| General insurance | 89,738 | 85,942 |
| Post and stationery | 59,218 | 61,307 |
| Printing | 52,134 | 7,688 |
| Marketing and publicity | 275,883 | 432,234 |
| Conference and meeting expenses | 119,138 | 102,118 |
| Repairs and maintenance | 33,895 | 164,860 |
| Service to equipment and I.T. | 481,359 | 532,957 |
| Legal and professional | 423,567 | 850,852 |
| Audit fee | 46,128 | 46,128 |
| Investment costs | 59,200 | 59,967 |
| General and office expenses | 120,510 | 126,929 |
| Bank interest and charges | 40,241 | 53,472 |
| Total per income and expenditure account | 3,896,700 | 4,864,049 |

Board Oversight Committee Report

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

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

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

identified in June 2017 and reported to you at last AGM, remained a material issue at 30 September 2019. This issue, and two other material issues – in relation to directors' remuneration and internal controls – were closed on 6 November 2019 when Savvi reached agreement in these matters with Central Bank of Ireland.

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

- Met at least monthly throughout the year;
- Attended all Board meetings;
- Met the Board once a quarter;
- Fulfilled all reporting requirements;
- Met with the external auditor;
- Assessed the performance of the board and the conduct of board meetings, and
- Assessed the board's implementation of the strategy for the credit union.

I would like to express my heartfelt gratitude and appreciation to each of my fellow volunteers on the Board Oversight Committee, Catherine O'Brien, Jag Basi, Dermot Drew, and Aidan McNally. Their diligence, commitment and teamwork have assured the committee's effectiveness throughout the past year. I'd like to say a special word of thanks to Dermot Drew who is stepping down from the committee after 2 years of unstinting service. On behalf of all the committee,

I wish him every success in his future endeavours.

I will also be stepping down both as Chair and Member of the Committee, having served on the Savvi Supervisory and Board Oversight committees since December 2010. I would like to thank all Supervisory Committee members, Board Oversight Committee members, and Board members that I have worked with since 2010, it has been a pleasure working with you all.

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

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

It is my pleasure to present the Board Oversight Committee's report for the year ended 30th September 2019 to the members of Savvi Credit Union.

John Kelly Chair, Board Oversight Committee



Audit Committee Report

While the board of directors of Savvi Credit Union has a duty to act in the interests of the Credit Union, the Audit Committee has a role, acting independently from the executive, to ensure that the interests of our members are properly protected in relation to financial reporting and internal control. This involves:

- monitoring the financial reporting process so that it is robust enough to ensure that the financial statements give a true and fair view of the performance and financial position of the Credit Union;
- monitoring the effectiveness of internal controls across the Credit Union;
- evaluating the independence and performance of the internal and external auditors;
- ensuring arrangements are in place by which staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting, financial control or any other matters;
- overseeing, in conjunction with the Risk & Compliance and Nominations & Governance Committees, the annual compliance statement submission to the Central Bank of Ireland and determining whether it is made after due and careful enquiry and is fair and reasonable.

ACTIVITIES DURING THE YEAR

FINANCIAL REPORTING

During the financial year 2018-19 the Committee continued to focus on oversight of financial reporting, including the half year and full year financial reports as well as related policies and practices. Overseeing financial reporting requires an assessment of key accounting judgements and related risks and disclosures, each of which are discussed in detail with management and the External Auditor. The Committee ensures a robust review and challenge to enable it to recommend to the Board that the financial reports are a fair, balanced and understandable assessment of the Credit Union's position and prospects.

INTERNAL CONTROL

Another area of primary focus is overseeing the effectiveness of internal controls, including those related to the financial reporting process. In undertaking its assessments, the Committee considers regular reports and presentations throughout the year from the External Auditor, Internal Auditor, Finance and Risk Management together with business management reports and updates on specific actions being undertaken to further strengthen the control environment.

INTERNAL AUDIT

The Committee approved the internal audit work plan for 2018-19, and subsequently carried out a review of the charter, reports, recommendations, and overall performance of the Internal Audit function. Arising from this we considered the effectiveness of the Internal Audit function, and the adequacy of associated resources, experience and expertise. We have deemed these to be satisfactory for Savvi's current needs. In addition, during the year the Committee met privately with the internal audit lead partner without management present.

EXTERNAL AUDIT

The Committee reviewed the report from the external auditors, Grant Thornton, regarding their findings in respect of the half-year review and the 2018-19 audit. This included a summary of internal control observations, which Management responded to in detail.

The Committee met with Grant Thornton on two occasions during the year to review the auditor's relationship, objectivity and independence, including two private meetings. Grant Thornton confirmed that in their view internal controls were adequate, and that there were no significant concerns or recommendations they wished to bring to the attention of the Committee.

REPORTING TO BOARD

As Committee Chairman I reported after each Committee meeting to the Board on the principal matters discussed to ensure all Directors were fully informed

of the Committee's work and I also provided the Board with formal quarterly written updates.

CREDIT UNION POLICIES AND PROCEDURES

During the year end 30 September 2019, the Committee reviewed nine of the Credit Union's policies, including those in respect of fraud prevention and detection, data protection and retention, whistleblowing procedures, information security, outsourcing and anti-money laundering. All policies were deemed to be comprehensive and proportionate to the nature, scale and complexity of the Credit Union.

COMMITTEE MEETINGS

The Committee met on six occasions during the year ended 30 September 2019, with the Financial Controller, Risk and Compliance Officer, and Head of Governance & Secretariat in attendance at these meetings, as appropriate. Meetings covered all areas of the Committee's responsibilities and thereby enabled the Committee to discharge its duties effectively.

CONCLUSION

The Committee is satisfied that its activities during the year supported the delivery of its responsibilities as set out above. In the opinion of the Committee, the financial control environment of the Credit Union is robust, and sufficient personnel with appropriate expertise have been employed to ensure compliance with the Credit Union's obligation to keep proper books of account and to provide to members' financial statements free from material misstatement.

I would like to express my thanks to each of my fellow Committee Members for their support and for the personal dedication and commitment which they demonstrated throughout the year.

In addition, I would like to convey the thanks of the Committee to the management of the Credit Union for their efforts and commitment on behalf of our members.

Together with my Committee colleagues Lorraine Malone and Deirdre Shields, it is my pleasure to present the report of the Audit Committee for the past financial year.

Vincent Murphy Chair, Audit Committee



Risk and Compliance Committee Report

The Committee, along with the Board of Directors, recognises the importance of safeguarding the reputation of the Credit Union and protecting members' funds, ensuring these are not put at risk.

The principal functions of the Committee are:

- Responsibility for monitoring the Credit Union's Risk Management Framework which embraces risk principles, policies, methodologies, systems, processes, procedures and people;
- Reviewing new, or material amendments to, risk principles and policies including oversight of any action resulting from material breaches of such policy.
- Providing assistance and advice to the Board in relation to current and potential future risks facing the Credit Union, and risk strategy in that regard, with a view to ensuring that the Credit Union is equipped to fulfil its oversight responsibilities in relation to these;
- Monitoring compliance with relevant laws and regulation obligations;
- Considering, and acting upon, the implications of both internal and external reviews of compliance and risk management.

ACTIVITIES DURING THE PAST YEAR:

COMMITTEE MEETINGS

The responsibilities of the Committee are discharged through its meetings, and through commissioning, receiving and considering reports from the Risk and Compliance Officer, the Financial Controller and the Internal Auditor, all of whom attend meetings of the Committee. Other individuals, including the Chief Executive Officer and members of the management team, also attend meetings by invitation, when appropriate.

The Committee met on five occasions during the year and the Committee Chair reported to the Board after each meeting, both verbally and in writing, on the standard of Risk and Compliance within the Credit Union. The Committee reports to Board are in addition to the reports provided to Board on a monthly basis by the Risk and Compliance Officer.

RISK MANAGEMENT

The Committee, in conjunction with the Risk & Compliance Officer, provides oversight of the Credit Union's Risk Management System. The Risk Management Policy and supporting risk related policies and frameworks, including the Risk Management System, were reviewed and the Committee's recommended changes were agreed by the Board and subsequently implemented.

The Committee assisted the Board in setting the Credit Union's risk tolerance and reviewed significant risks to ensure that they were mitigated to a level consistent with this risk tolerance.

The Committee also spent time tracking the continuing regulatory agenda which included taking, and subsequently acting upon, feedback from our Central Bank of Ireland supervisors. There were two particular areas of regulator focus for us during the past year, namely, the implementation of the Central Bank's Risk Mitigation Programme, following its onsite inspection of the Credit Union in August 2018, as well as the implementation of findings from the Bank's Anti Money Laundering inspection of June 2019.

Throughout the reporting period, through discussion with and challenge to Management, the Committee satisfied itself that the key risks

facing the Credit Union were being appropriately managed, with relevant mitigants in place and appropriate actions taken, where necessary.

COMPLIANCE MANAGEMENT

Ongoing assessment of our compliance with all legal and regulatory requirements took place on a risk basis. A compliance programme is in place to mitigate any areas of non-compliance and I updated the Board on this and general compliance issues following each Committee meeting.

CONCLUSION

The Credit Union's Risk and Compliance Officer has full access to both the Committee and to Board to ensure the independence of that role is safeguarded.

In 2020 the Committee will continue to focus on the Credit Union's regulatory compliance, as well as its risk culture, risk appetite, policies and procedures. It will also ensure that management controls are sufficiently robust to support the Credit Union's Strategic Plan.

I am satisfied that the skills and experience of the Committee Members enable the Committee to provide the independent risk oversight it is tasked with, while maintaining a constructive relationship with Management.

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

On behalf of the Risk and Compliance Committee ("the Committee"), I am pleased to report on the Committee's activities during the financial year ended 30 September 2019.

Deirdre Shields Chair, Risk and Compliance Committee



Credit Committee

Report

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

- 4,124 loan applications were processed during the year compared to 4,216 last year representing a marginal decrease of around 2%.
- 97% of all loan applications were approved.
- An analysis of approved loans (main categories (purpose & average amount) is as follows:

| | | |
|--------------------|----------|-------|
| Personal | €10,190m | 33.7% |
| Home Improvements | €10,149m | 33.6% |
| Motor Vehicles | € 7,052m | 23.3% |
| Secured Home Loans | € 2,850m | 9.4% |

- Value of loans approved decreased marginally from €30.3m (year-end 30th September 2018) to €30.24m (year-end 30th September 2019).
- This year our most popular loan by a small margin was for Personal purposes at 33.7% of which over half was made up of the popular 'Be Savvi' loan (chiefly for refinancing of non-credit union debt). This was followed very closely by the ever-popular Home Improvements loan at

33.56%. These categories together accounted for more than 67% of all loans approved this year

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 97% of loan applications which is a great achievement.

As we continue to grow our membership, availing of our expanded Common Bond and striving always to grow our loan book, 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.

MEMBERS NEEDS

We will continue to evaluate our lending criteria with a view to supporting our members financial and transactional needs, such as the budget planning service in existence many years now and overdraft facilities available with our new Current Account.

We will also continue to review our members borrowing needs and will continue to introduce new products to fulfil those requirements. One such product that proved popular with our members this year was the 'Be

Savvi' loan, which was available to all members to re-finance debt with other lenders, at a very favourable rate of 6.99%. In almost all cases this resulted in reduced overall debt repayments, thus helping those members spread their income further.

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

Four audits were conducted on the Loan Book over the course of the past year conducted by both our Internal and External Auditors. I am pleased to confirm that there were no material issues raised as a result of these audits and this gives the Committee comfort that our policies and underwriting procedures remain robust.

COMMITTEE MEETINGS AND REVIEW OF COMMITTEE PERFORMANCE

The Committee continues to meet most weeks and provides monthly updates to Board on its activities. The Committee has conducted the annual review of its own performance against the terms of reference and has deemed this to be effective. I believe that the effectiveness of the committee is best reflected in two numbers — the percentage of applications granted (c.97%) and the percentage of bad debts written off annually (c.0.3%).

ACKNOWLEDGMENTS:

Finally, I would like to advise that during the year, in line with requirements, the

It is my pleasure to report on the activities of the Credit Committee for the year ended 30 September 2019.

Robert Cooper Chair, Credit Committee

Credit Control Committee Report

committee was restructured and is now made up of a mixture of the Board and Senior Management Team. I would like to take this opportunity to thank all who have served on the Committee through the year and in particular, the previous committee, Eddie McDonnell, Philip Higgins and Paul Hand, for their time, effort and outstanding commitment to the Credit Union for many years.

Credit, or the issuance of loans to our members, is the principle raison d'être of our credit union. The applications for, the approval of and the issuing of loans, is what we are about and is why we exist. Without the demand for lending and the facility to provide loans, our credit union would be unsustainable. This therefore remains one of the biggest challenges we have and I would like to take this opportunity to thank all Staff and Agents for supporting our endeavours and the various lending initiatives over the year.

Committee Members:

Sean Martyn, Director
Fiona Connolly, Head of Operations
Angela Kelly, Head of Governance
Robert Cooper, CEO

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

COMMITTEE OBJECTIVES DURING 2019

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 figures this year is €215,575 compared with €178,770 in 2018 representing an increase of 20.59% year on year. Bad debt recoveries were €178,916 compared to €215,326 last year, representing a recovery decrease of 20.35%. Our bad debt provisions now stand at 9.85% of our loan book. This provision is monitored regularly to

ensure it adequately provides for possible future impairment.

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

CONCLUSION

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

Caroline Sweeney
Chairperson



Marketing & Membership Report

MARKETING

It has been an exciting and busy year at Savvi, which saw us launch a number of advertising campaigns and become even more involved with local initiatives and sponsorship opportunities. At the start of the 2019 financial year we set out a 12 month marketing strategy with the aim of communicating with our existing and potential members in a relevant and meaningful manner, while always remembering that 'People helping people' is at the heart of all that we do.

ADVERTISING CAMPAIGNS

We had several new advertising campaigns launch this year to highlight to existing and potential members the range of great loans, with competitive rates that they can avail of. Each of the campaigns were promoted by a mixture of online advertising, sponsorship, in-branch promotion as well as via email, our newsletter and across social media channels. Agents across the country were also sent posters to put up in their offices.

These included;

- **Be Savvi:** March saw the launch of our 'Be Savvi' campaign, promoting our debt consolidation loan offering which aims to help members consolidate loans with multiple sources into one manageable loan with Savvi.
- **Electric Car:** With climate change being to the forefront of a lot of discussions in 2019, many are looking

for ways in which they can reduce their carbon footprint and our Electric Car loan is one that can help them do this. Launched in May of this year, this campaign promoted the competitive rate attached to the loan and the benefits of 'going green' when it comes to our cars.

- **Healthcare Loan:** At Savvi, we pride ourselves on being a forward-thinking credit union and one that is on the lookout for new ways in which we can help our members. Our Healthcare Loan did just that, offering a loan to cover medical expenses from dental work to hair transplants.
- **Savvi School Loan:** Back-to-school expenses can stack up quite quickly for parents and become a stressful time. This is why we launched a campaign in August of this year to remind members that we are here to help, and we have a range of loan products that may suit their needs at that time.

SPONSORSHIP:

Throughout the year, we actively seek events and initiatives that we can become involved in and sponsor with the aim of promoting the Savvi name and quite often benefiting the community at the same time. Some of our top events this year include;

Schools' Quiz: Savvi hosted its first Credit Union Schools Quiz in January of this year, with 16 students in attendance and we hope to see this grow into a bigger event over the coming years.

Classic Hits: PJ & Jim from Classic Hits broadcast live from our Docklands' branch in September. As a result of this activity, we saw an increase in visitors to our website and had potential members ring and email to enquire about joining.

Samhain: Savvi sponsored this free, family Halloween event held in the

Dublin Docklands, which saw over 1000 people travel to the event on the day.

FAMILY DAY AT TAYTO PARK

We had just over 1000 Savvi members descend upon Tayto Park this year for our annual Family Day. With unlimited access to all the rides, attractions and exhibits, it was a fantastic day for members and their families, we hope you had as much as we did! Make sure to keep an eye out on our website and social media for the announcement regarding venue and date for 2020!

CHRISTMAS CINEMA DAY

We had another fantastic cinema day in the Savoy, Dublin last year. We had Aquaman and Wreck It Ralph 2 being screened as well as selection boxes for all those in attendance. We even convinced Santa to come along!

Please note that although we want to provide great member experiences at all of our events, keeping costs to a minimum is always something at the centre of all decisions that we make. We seek value for the money being spent and will continue to do so for the upcoming financial year.

'People helping people' is at the heart of all that we do...

Ciara McGowan Marketing Manager



MEMBERSHIP

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

Our membership at the year end stood at 21,800 which is a net increase of 700 on the same time last year, and these new members will now also enjoy the benefits of being with a thriving financial co-operative which prides itself on a personal and friendly approach.

We are delighted that our online membership application is now fully up and running and this makes it so much easier for our new sole account members as they can complete the relevant application and send us their ID documents online, eliminating the need to use postage.

We thank all members who replied to our letters requesting up-to-date documents and information earlier this year and your co-operation and understanding is greatly appreciated.

SUB-OFFICE VISITS

Well over 600 members availed of this service throughout the year and continues to be a vital service in maintaining that "personal touch" with our members. We were up as far north as ESB Letterkenny and enjoyed the unrivalled hospitality of the Credit Union Agent there, Sandra Connolly; and down south in the Wilton depot (in the "real capital" of Ireland!).

These visits enable members countrywide to avail of any of our services whilst we are on site and continues to go from strength to strength.

CAR DRAW

From January 2019 we were able to have a draw every month as a result of a competitive tender process and accordingly 12 lucky winners won a Kia Stonic K1 during the year and there were also about 50 cash prize winners.

The numbers in the car draw increased to over 4,800 so the odds on winning are still pretty good!

For any member that has not entered yet, you can do so through our website <https://savvi.ie/content/car-draw> or contact the office and we will send you out an application

MEMBER PRIZE DRAW/CAR DRAW INCOME AND EXPENDITURE ACCOUNT

| | |
|----------------------------------|------------|
| Opening Balance 30-Sep-2018 | 120,952.00 |
| Receipts | 866,456.23 |
| Disbursements | 803,718.07 |
| Closing Balance as at 30-09-2019 | 183,690.16 |

ESB EVENTS

We are always delighted to be invited back to the various ESB events which are run throughout the year.

We had our usual information stand at the ESB Networks Apprentice Technician of the Year Awards in Portlaoise last May; and were delighted to sponsor the winners' prizes for the Sligo Walk in May — a great achievement for everyone who took part and walked the 30km route!

ESB held several Health & Wellbeing Events throughout the country and we were thrilled to be able to take part in this great new initiative and offer our financial health-check at these events.

AGENTS

The ongoing support and commitment of our Agents is invaluable when it comes to reaching out and communicating with members throughout the country. We now have a network of 50 Agents, primarily in ESB but also in INM and The Irish Times, as well as a Community Agent and 2 Agents representing retired members. Their on-going dedication helps us in maintaining member loyalty and growing membership numbers, so once again a sincere thanks to all our Agents for your help throughout the year and especially for organising the sub-office visits.

ALAN GALLAGHER THIRD LEVEL AWARD

Since the Award was first launched in 2006, we are delighted to have helped 14 young people with the financial costs of attending college. The winner of the Award is selected on an open draw basis and is open to students who have completed their leaving cert and are commencing 3rd level studies in the same year.

The 2019 Award was won by Alan Mullins from Mitchelstown, Co. Cork, who has started a Bachelor of Business course in Cork Institute of Technology. We wish him all the best in his studies and future career.



Our membership at the year end stood at 21,800 which is a net increase of 700 on the same time last year

Simon Dunne Business Relationship Manager

Money at Work Report

Money at Work is our dedicated program which has been set up for businesses in the Docklands and IFSC areas. Here we look to help employees save and budget more efficiently to enhance their financial security.

The feedback to date has been extremely positive with over 27 companies in the area availing of our expertise. These range from The Clayton Hotel to Link Asset Services to CPL. Our biggest value proposition is that we bring Savvi Credit Union to employers at a time that suits them and fits around their employees' schedule. There is no cost at all to the employers.

This year we saw the launch of the Navigator where we offered each

staff member 20 minutes with our Savvi Navigator Expert to review their financial situations and helped plot a path that was right for them. This along with the BeSavvi loan were the most popular products for our MAW employees. The BeSavvi loan is one of the most competitive rates in the market and in some cases saw employees reduce their loan repayments with other financial institutions by up to €200 per month by amalgamating them into one loan with us.

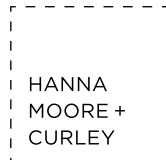
Other popular products that our MAW members love include:

- SavviPay Budget Account
- Current Accounts
- Car Draw
- Salary Deduction

By offering Salary Deduction employees can arrange with their employers to have a set amount of their wages paid directly into their Savvi Credit Union account. This can be increased or decreased at any stage and makes saving simpler.

We are proud to be offering our expertise to these companies and want to ensure that when a staff member requires a loan or just wants to save that we are at the forefront of their mind.

As I have always said we are the best kept secret in the area, and we look forward to supporting all employees who work in the area today and for many years ahead.



THE IRISH TIMES



The feedback to date has been extremely positive with over 27 companies in the area availing of our expertise.

Laura Shilling Business Development Manager

Community Committee Report

Community is the cornerstone of everything we do here at Savvi, whether its providing financial advice to our members to help them get to where they want to be in life or sponsoring local community causes.

Over the past year we have worked closely with lots of charities and organisations in the area. In Ringsend we sponsored Ringsend Rovers & R.I.T.E., George Reynolds Residents Association and were involved in the BADRA Harvest Festival. For Greenore Rostrevor, we were thrilled to sponsor their Art Classes and even got to display their paintings in our office for the month of May. We are also very excited to be sponsoring the kits for the junior academy for Sheriff YC. In February we were thrilled to be involved in the launch of the No. 11 Liffey Ferry and in August, the Liffey Clean up proposal. We have also held numerous events in our offices here in the Docklands for both people living or working in the area — Photography classes, Wellness Months, Drumming Workshops, Bike Maintenance classes, Toastmasters and we even had PJ & Jim from Classic hits hold an open broadcast here.

For the first time ever we were involved in the School quiz and we had 3 schools in total with 6 teams participated. Overall approx. 50 people attended the event with St Matthews qualified for the next round.

SOME OTHER EVENTS WE HAVE SPONSORED INCLUDE:

- Gardiner Street Primary School
- St. Matthews National School
- St. Andrews Children's Xmas Party
- For ESB – Simon Community, Irish Kidney Association, Ballymurray National School, St. Enda's GAA Club, Roscommon Gaels GAA club
- Greenore Art project
- South Docks festival
- City Quay Westland Row Summer Project
- Electric Aid
- Irish Pilgrimage Trust

COMMUNITY COMMITTEE

We would like to thank the community committee for all of their help and support over the year. We couldn't have done it without them. This is voluntary work and is made up of:

Lorraine Malone — Chairperson and is a Director of Savvi C U. She was previously a Director of Pearse C U and now sits on Savvi's Board. She is also Chairperson of Greenore Rostrevor Senior Citizens Club. She has over 31 years' experience in CUs and volunteer work in the community.

Betty Ashe — is a Community Activist and is a Volunteer on the Community committee. She is also a committee member of the Docklands Business Forum and the Nautical Trust.

Julie Agusta — was a former board

member of Pearse C U. She is also on the committee of Greenore Rostrevor Senior Citizens Club.

Lily Deegan — was previously Chairperson of St Laurence O'Toole credit union. She has been involved in her local community for over 40 years. She is an agent and committee member of Savvi C U community committee.

Lorraine Barry — Is the Manager of Ringsend and Irishtown Community Centre since 2006 and is a committee member of Savvi's community committee as well as serving on the board of St. Patricks Boys National School, Ringsend

Caitriona Somers is a former Board member of Savvi C U and has recently joined our community committee

Paul Hand — was previously on the Credit Committee of Savvi C U. He works in the ESB and has served as a community committee member for the last 2 years

Laura Shilling — Business Development Manager Savvi CU

Ciara McGowan — Marketing Manager Savvi CU".

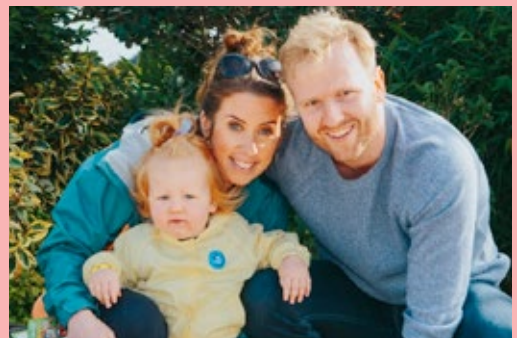
Finally we were the winners of the Docklands Business Awards for the Responsible Business Awards which we were honoured to accept"

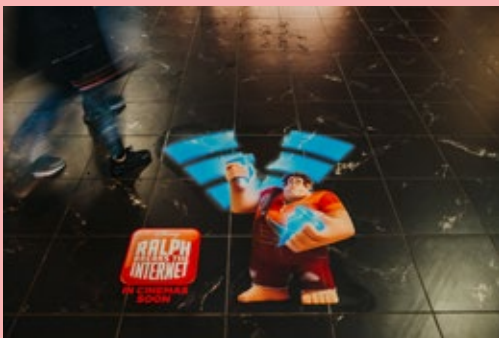
We were the winners of the Docklands Business Awards for the Responsible Business Awards which we were honoured to accept.

Lorraine Malone Chairperson, Community Committee



EVENTS 2019





Nomination & Governance Committee Report

The Committee is appointed by the Board to assist the Board in fulfilling its oversight responsibilities in relation to the composition of the Board, as well as corporate governance compliance and related policies.

DUTIES OF THE COMMITTEE

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

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

Succession planning for the Board is a very important part of the Committee remit. The Committee considers the future needs of the Board having regard for the Credit Union's strategy and the tenure of existing Directors to ensure that an appropriate succession plan is in place. Where appropriate, the Committee makes recommendations to the Board in that regard. In addition, it reviews the supporting policies on succession planning.

In considering those persons to be recommended for election to the Board at the Annual General Meeting, the Committee prepares a comprehensive job description, taking into account the existing skills and expertise of the board and the anticipated time commitment required. However, those recommendations for appointment to the Board are ultimately based on merit, measured against objective criteria, and on the skills and experience the individual can bring to the Board.

In addition, the Committee keeps under review updates to regulations

and best practice on corporate governance and briefs the Board on their implementation. The Committee also reviews and assesses the adequacy of our corporate governance policies and practices.

KEY ACTIVITIES FOR PAST YEAR

- Consideration of and recommendations with regard to Board and Board Committee composition in anticipation of known retirements/resignations from the Board;
- Further development of the Board succession plan taking into account current and future skillset and experience profile requirements to ensure future Directors are identified and inducted in a timely manner to allow appropriate succession and ensure a continued high-calibre Board composition appropriate to the business of the Credit Union;
- Reviewed the appropriateness of both nomination, succession planning and governance policies, in particular those policies relating to Nomination & Succession, Board Governance and Conflicts of Interest;
- Conducted Performance Evaluations of all members of the Board including a skills audit;
- An external review of Board governance was undertaken in July 2019 by Governance Ireland, a firm with no connection to the Credit Union. The committee provided overall governance for this review. I am pleased to confirm that the outputs of this review contained no material issues.
- Oversight of the Credit Union's compliance with the corporate governance requirements as outlined in the Committee's terms of reference.

COMMITTEE GOVERNANCE

The Committee comprises three non-Executive Directors, with two members constituting a quorum. There was full attendance by the three members at all

committee meetings. The committee met on six occasions during the year. Updates were provided to the Board after each committee meeting with written reports provided quarterly.

VOLUNTEERING FOR THE CREDIT UNION

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

We operate to a Board agreed Competency Matrix and the vacancies available at any given time reflect the competencies we require under our Matrix.

The areas of expertise required include legal, IT and marketing and I would encourage anyone thinking of volunteering to contact the Credit Union, either through individual directors or management, for a confidential discussion around the competency requirements for the role.

Board vacancies are advertised to our membership via our website and other local advertising where appropriate.

CONCLUSION

I would like to express my thanks, on behalf of the board, to the Nomination and Governance Committee members who served during the year, namely, Lorna Heron and John McSweeney. I would also like to thank John Kelly, Chairman of our Board Oversight Committee who acted as committee supervisor during the year.

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

On behalf of the Nomination and Governance Committee ('the Committee') I am pleased to introduce the Report of the Committee's activities for the financial year ended 30 September 2019. Sean Martyn Chairman, Nomination & Governance Committee



Introducing Your Local Agent

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

| ESB LOCATION | AGENT NAME |
|---|-------------------------------|
| Aghada | Neil Reilly |
| Ardnacrusha | Anne Reynolds |
| Arklow | Padraig Boyce |
| Athlone | Mary Hoare |
| Ballina | Mary Flynn |
| Ballyshannon | Thomas Gaughan |
| Carrick on Shannon | Brendan Kiernan |
| Castlebar | Padraig Mylett |
| Cavan | Siobhan Mannering |
| Cork | |
| Networks (Wilton) | Tim Keating |
| NCCC (Wilton) | Helena Crowley Hayes |
| ESB Engineering & Major Projects, Little Island | Mary Flanagan |
| Clonmel | Denis McGrath |
| Ennis | Geraldine Feighery |
| Dublin | |
| Finglas | Jacqui Cummins |
| Inchicore | Heidi Lynch |
| South Lotts Road | Clare Colgan |
| ESB Engineering & Major Projects, Dublin Airport | Ciara Dolan |
| Electric Ireland, Santry | Louise Rooney Aileen Leddy |
| Leopardstown Road | Rioghach Buckely |
| Dundalk, Avenue Road | Colin McMahon |
| Dunmanway | Norma O'Brien |
| Enniscorthy | Tommy Tyrrell |
| Galway | Tommy Murray |
| Kilkenny | Sharon Kelly |

| | |
|---------------------------|-------------------|
| Killarney | Gary McCormick |
| Lanesboro/Lough Ree Power | Niall Dennigan |
| Letterkenny | Sandra Connolly |
| Limerick (Rosbrien) | Noreen O'Brien |
| Longford | Ursula Moylan |
| Moneypoint Station | Geraldine Carmody |
| Mullingar | Ailish Brennan |
| Naas | Gile MacLochlainn |
| Newcastlewest | Zara O'Kelly |
| Nenagh/Roscrea | Mike Manning |
| Portlaoise | Fiona Canavan |
| Retired ESB Staff | James Lynch |
| Retired ESB Staff | Joe Kavanagh |
| Sligo | Sandra Carney |
| Tarbert (SSE Generation) | Gene McCarthy |
| Tipperary | Noreen Kinane |
| Tralee | Keith McCarthy |
| Tullamore | Mary Moyles |
| West Offaly Power | James Farrell |
| Waterford | Billy Hearne |

Irish Times

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

Independent News & Media (INM)

| | |
|---------------|----------------------|
| Talbot Street | AnneMarie O'Dwyer |
| Talbot Street | Noel Stafford |

Community Agent

| | |
|--------------|-------------|
| Oriel Street | Lily Deegan |
|--------------|-------------|

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)

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 tellers shall be appointed by the chair and ballot papers shall be distributed. 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).

Amendments to Standard Rules

That this Annual General Meeting agrees to insert a new 84A into the Standard Rules for Credit Unions (Republic of Ireland), to read as follows:

RULE 84A. MEMBERSHIP OFFICER

- (1) The board of directors may approve the appointment of a person by the manager as a membership officer to assist the membership committee and work under its supervision and control.
- (2) A record of each application for membership which has or has not been approved shall be furnished by the membership officer to the membership committee no later than seven days of receipt of the application

That this Annual General Meeting agrees to amend Rule 13(1)(ii) of the Standard Rules for Credit Unions (Republic of Ireland) by the insertion of "or by a duly appointed and authorised Membership Officer", to read as follows:

RULE 13. QUALIFICATIONS FOR MEMBERSHIP

- (1) An applicant shall be admitted to membership only when:
 - (i) it shall have been determined that he is eligible for membership in accordance with rule 11; and
 - (ii) his application for membership shall have been approved by the affirmative vote of a majority of the board of directors or by a duly appointed and authorised membership committee present at a meeting at which the application is considered, or by a duly appointed and authorised Membership Officer; and

That this Annual General Meeting agrees to amend Rule 83 of the Standard Rules for Credit Unions (Republic of Ireland) by the insertion of "and/or membership officer", to read as follows:

RULE 83. DUTIES OF MEMBERSHIP COMMITTEE AND/OR MEMBERSHIP OFFICER

Subject to these rules and the Act, the membership committee and/or membership officer shall.....

That this Annual General Meeting agrees to amend Rule 1(a) of the Standard Rules for Credit Unions (Republic of Ireland) by the insertion of "membership officer", to read as follows:

RULE 1. INTERPRETATION

'officer' includes:

- (a) the chair, the secretary or any other member of the board of directors, a member of a principal committee, a member of the board oversight committee, risk management officer, compliance officer, credit officer, membership officer or credit control officer of the credit union,
- (b) an employee of the credit union to whom paragraph (a) does not apply, and
- (c) a voluntary assistant of the credit union, but does not include an auditor appointed by the credit union in accordance with the requirements of the Act

Deposit Guarantee Scheme

– Depositor Information Sheet

BASIC INFORMATION ABOUT THE PROTECTION OF YOUR ELIGIBLE DEPOSITS

| | |
|--|--|
| Eligible deposits in Savvi Credit Union Ltd are protected by: | The Deposit Guarantee Scheme (DGS) ^[1] |
| Limit of Protection: | €100,000 per depositor per credit institution ^[2] |
| If you have more eligible deposits at the credit institution: | All your eligible deposits at the same credit institution are 'aggregated' and the total is subject to the limit of €100,000 ^[2] |
| If you have a joint account with other person(s): | The limit of €100,000 applies to each depositor separately ^[3] |
| Reimbursement period in case of credit institution's failure: | 15 working days ^[4] |
| Currency of reimbursement | Euro or, for branches of Irish Banks operating in another member state of the EEA, the currency of that member state |
| To contact Savvi Credit Union Ltd for enquiries relating to your account: | Savvi Credit Union Ltd 27/28 Herbert Place Dublin 2 Telephone: 01 632 5100 Email: hello@savvi.ie |
| To contact the DGS for further information on compensation: | Deposit Guarantee Scheme Central Bank of Ireland PO BOX 11517 Spencer Dock North Wall Quay Dublin 1 Tel: 1890 777 777 Email: info@depositguarantee.ie |
| More information: | www.depositguarantee.ie |
| Acknowledgement of receipt by the depositor: | Signed: _____ (Applicant) Signed: _____ (2nd applicant – in the case of a Joint Membership Parent/Guardian – in the case of a Junior Member Application) |

Additional information

(1) SCHEME RESPONSIBLE FOR THE PROTECTION OF YOUR DEPOSIT

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

(2) GENERAL LIMIT OF PROTECTION

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

(3) LIMIT OF PROTECTION FOR JOINT ACCOUNTS

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

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

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

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

More information can be obtained at www.depositguarantee.ie

(4) REIMBURSEMENT

The responsible deposit guarantee scheme is:

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

Tel: 1890 777 777.

Email: info@depositguarantee.ie

Website: www.depositguarantee.ie

It will repay your eligible deposits (up to €100,000) within 15 working days from 1 January 2019 until 31 December 2020; within 10 working days from 1 January 2021 to 31 December 2023; and within 7 days from 1 January 2024 onwards, save where specific exceptions apply.

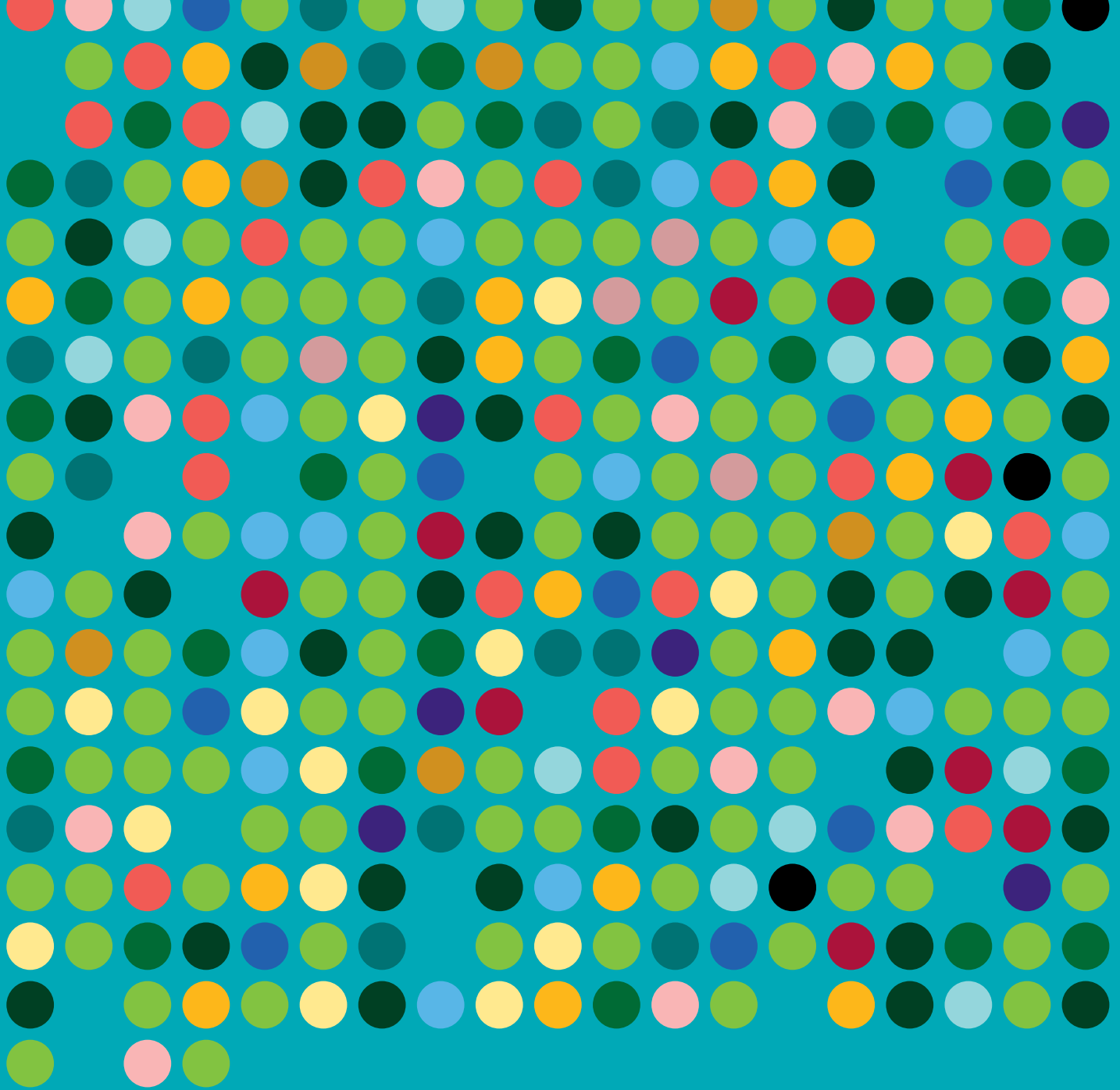
Where the repayable amount cannot be made available within seven working

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

Further information can be obtained under www.depositguarantee.ie

OTHER IMPORTANT INFORMATION

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



Data Protection Notice

1. ABOUT THIS NOTICE

Savvi Credit Union Ltd "Savvi" recognises that protecting Personal Data, including special categories of data (sometimes referred to as sensitive Personal Data), is very important to you. We have published this document to clearly outline, in a transparent way, how we will collect, use, store, protect and retain your Personal Data.

2. WHO WE ARE

Savvi is a member-owned financial cooperative, democratically controlled by its members, and operated for the purpose of promoting thrift, providing credit at competitive rates, and providing other financial services to its members. Data collection, processing and use are conducted solely for the purpose of carrying out the above mentioned objectives.

3. DATA PROTECTION CO-ORDINATOR

You may contact our Data Protection Co-Ordinator about all issues related to this policy, your personal data and to exercise your rights under Data Protection laws.

Data Protection Co-Ordinator,
Savvi Credit Union Ltd.,
27-18 Herbert Place, Dublin 2.

Tel. 01 632 5100

Email: compliance@savvi.ie

4. PERSONAL DATA WE COLLECT

The personal data we hold about you can vary depending on the products and services you use e.g. when you open a share account or apply for a loan.

We may collect, store and use the following category of personal information:

Your name, address, date of birth, email, telephone, financial data, status and history, transaction data, contract data, details of the credit union products you hold with us, signatures, identification documents, salary, occupation, accommodation status,

mortgage details, property details, previous addresses, spouse, partners, nominations, Tax Identification/PPSN numbers, passport details, interactions with credit union staff and officers on the premises, by phone, or email, current or past complaints, CCTV footage, telephone voice recordings.

In addition, our website uses "cookie" technology. This is to help our website work better for you. For more information on our cookie policy, please see our Privacy Statement for Online Media and Mobile Banking on our website savvi.ie.

5. PURPOSE OF THE COLLECTION OF YOUR PERSONAL DATA

The credit union will use your personal data to assist it in carrying out the following:

- To open and maintain an account for you;
- To meet our obligations to you under the Credit Union's Standard Rules
- To contact you in respect of your account and any product or service you avail of; and
- To comply with our legal obligations, for example anti-money laundering
- Assessing your loan application and determining your creditworthiness for a loan.
- Verifying the information provided by you in the application.
- The purchase of loan protection and life savings protection
- Processing electronic payments services on your account (such as credit transfers, standing orders and direct debits)
- Conducting credit searches and making submissions to Irish Credit Bureau and the Central Credit Register.
- Administering the loan, including where necessary, to take steps to recover the loan or enforce any security taken as part of the loan.
- We may use credit scoring techniques and other automated

decision-making systems to either partially or fully assess your application.

- To comply with Central Bank Regulations to determine whether you are a connected borrower or related party borrower.
- Providing updates on our loan products and services by way of directly marketing to you.

We may also collect, store and use "special categories" of more sensitive personal information including Information about your health, including any medical condition, health and sickness (See Insurance for further details).

We need all the categories of information in the list above to allow us to identify you, contact you, comply with our legal obligations and in order that we perform our contract with you.

We also need your personal identification data to enable us to comply with legal obligations. Some of the above grounds for processing will overlap and there may be several grounds which justify our use of your personal data.

6. HOW WE USE PARTICULARLY SENSITIVE PERSONAL DATA

"Special categories" of particularly sensitive personal data require higher levels of protection. We need to have further justification for collecting, storing and using this type of personal data. We may process special categories of personal data in the following circumstances:

- In limited circumstances, with your explicit written consent.
- Where we need to carry out our legal obligations and in line with our data protection policy.
- Where it is needed in the public interest, and in line with our data protection policy.

Less commonly, we may process this type of information where it is needed

Data Protection Notice (Continued)

in relation to legal claims or where it is needed to protect your interests (or someone else's interests) and you are not capable of giving your consent, or where you have already made the information public.

7. HOW SECURE IS MY INFORMATION WITH THIRD-PARTY SERVICE PROVIDERS?

All our third-party service providers are required to take appropriate security measures to protect your personal data in line with our policies. We do not allow our third-party service providers to use your personal data for their own purposes unless they are deemed to be controllers in their own right. We only permit them to process your personal data for specified purposes and in accordance with our instructions. Usually, information will be anonymised but this may not always be possible. The recipient of the information will also be bound by confidentiality obligations.

8. IF YOU FAIL TO PROVIDE PERSONAL INFORMATION

If you fail to provide certain information when requested, we may not be able to perform the contract we have entered into with you or we may be prevented from complying with our legal obligations.

9. CHANGE OF PURPOSE

You can be assured that we will only use your data for the purpose it was provided and in ways compatible with that stated purpose. If we need to use your personal information for an unrelated purpose, we will notify you and we will explain the legal basis which allows us to do so.

10. PROFILING

We sometimes use systems to make decisions based on personal data we have (or are allowed to collect from others) about you. This information is used for loan-assessment, provisioning and anti-money

laundering purposes and compliance with our legal duties in those regards.

11. DATA RETENTION PERIODS

We will only retain your personal data for as long as necessary to fulfil the purpose(s) for which it was obtained, taking into account any legal/contractual obligation to keep it. We do not hold personal information for longer than is necessary.

12. INTERNATIONAL TRANSFERS OF DATA

We do not transfer personal data outside of the European Economic Area (EEA).

13. UPDATES TO THIS NOTICE

We will make changes to this notice from time to time, particularly when we change how we use your information, and change our technology and products. You can always find an up-to-date version of this notice on our website at savvi.ie or you can ask us for a copy.

14. OUR USE AND SHARING OF YOUR INFORMATION

We will collect and use relevant information about you, your transactions, your use of our products and services, and your relationships with us. We will typically collect and use this information for the following purposes:



FULFILLING CONTRACT

This basis is appropriate where the processing is necessary for us to manage your accounts and credit union services to you

Administrative Purposes:

We will use the information provided by you, either contained in this form or any other form or application, for the purpose of assessing this application, processing applications you make and to maintaining and administer any accounts you have with the credit union.

Security:

In order to secure repayment of the loan, it may be necessary to obtain security such as a charge on your property or other personal assets.

Third parties:

We may appoint external third parties to undertake operational functions on our behalf. We will ensure that any information passed to third parties conducting operational functions on our behalf will do so with respect for the security of your data and will be protected in line with data protection law.

Guarantors:

As part of your loan conditions, we may make the requirement for the

appointment of a guarantor a condition of your loan agreement in order that credit union ensures the repayment of your loan. Should your account go into arrears, we may need to call upon the guarantor to repay the debt in which case we will give them details of the outstanding indebtedness. If your circumstances change it may be necessary to contact the guarantor.

Irish League of Credit Unions (ILCU) Affiliation:

The ILCU (a trade and representative body for credit unions in Ireland and Northern Ireland) provides professional and business support services such as marketing and public affairs representation, monitoring, financial, compliance, risk, learning and development, and insurance services to affiliated credit unions. As this credit union is affiliated to the ILCU, the credit union must also operate in line with the ILCU Standard Rules (which members of the credit union are bound to the credit union by) and the League Rules (which the credit union is bound to the ILCU by). We may disclose information in your application or in respect of any account or transaction of yours from the date of your original membership to authorised officers or employees of the ILCU for the purpose of the ILCU providing these services to us.

The Privacy Notice of ILCU can be found at www.creditunion.ie

The ILCU Savings Protection Scheme (SPS): We may disclose information in any application from you or in respect of any account or transaction of yours from the date of your original membership to authorised officers or employees of the ILCU for the purpose of the ILCU providing these services and fulfilling requirements

under our affiliation to the ILCU, and the SPS.

Insurance:

As part of our affiliation with the ILCU, we purchase insurance from ECCU Assurance DAC (ECCU), a life insurance company, wholly owned by the ILCU. This includes Life Savings (LS), Loan Protection (LP), and optional related riders (where applicable).

If you choose to take out a loan with us, it is a term of your membership, by virtue of our affiliation with the ILCU that the credit union will apply to ECCU for Loan Protection (LP). In order that we apply for LP it may be necessary to process 'special category' data, which includes information about your health. This information will be shared with ECCU to allow it deal with insurance underwriting, administration and claims on our behalf.

Credit Assessment:

When assessing your application for a loan, the credit union will take a number of factors into account and will utilise personal data provided from:

- your application form or as part of your loan supporting documentation
- your existing credit union file,
- credit referencing agencies such as the Irish Credit Bureau and the Central Credit Registrar

The credit union then utilises this information to assess your loan application in line with the applicable legislation and the credit unions lending policy.

Member Service:

To help us improve our service to you, we may use information about

your account to help us improve our services to you.

Electronic Payments:

If you use our electronic payment services to transfer money into or out of your credit union account or make payments through your debit card into your credit union account, we are required to share your personal data with our electronic payment service provider BNP Paribas.

Debit Cards:

If we issue you a debit card, Transact Payments Limited (which is an authorised e-money institution) will also be a controller of your personal data. In order for you to understand what they do with your personal data, and how to exercise your rights in respect of their processing of your personal data, you should review their Privacy Policy which is available here <http://currentaccount.ie/files/tpl-privacy-policy.pdf>

Data Protection Notice (Continued)



LEGAL DUTY

This basis is appropriate when we are processing personal data to comply with an Irish or EU Law.

Regulatory and statutory requirements:

To meet our duties to the Regulator, the Central Bank of Ireland, we may allow authorised people to see our records (which may include information about you) for reporting, compliance and auditing purposes. For the same reason, we will also hold the information about you when you are no longer a member. We may also share information with certain statutory bodies such as the Department of Finance, the Department of Social Protection and the Financial Services and Pensions Ombudsman Bureau of Ireland if required by law.

Tax liability:

We may share information and documentation with domestic and foreign tax authorities to establish your liability to tax in any jurisdiction. Where a member is tax resident in another jurisdiction the credit union has certain reporting obligations to Revenue under the Common Reporting Standard. Revenue will then exchange this information with the jurisdiction of tax residence of the member. We shall not be responsible to you or any third party for any loss incurred as a result of us taking such actions.

Under the "Return of Payments (Banks, Building Societies, Credit Unions and Savings Banks) Regulations 2008" credit unions are obliged to report details to the Revenue in respect of dividend or interest payments to members, which include PPSN where held.

Nominations:

The Credit Union Act 1997 (as amended) allows members to nominate a person(s) to receive a certain amount from their account on their death, subject to a statutory maximum. Where a member wishes to make a nomination, the credit union must record personal data of nominees in this event.

Incapacity to Act on your account:

The Credit Union Act 1997 (as amended) provides, in the circumstances where you become unable to transact on your account, due to a mental incapability and no person has been legally appointed to administer your account, that the Board may allow payment to another who it deems proper to receive it, where it is just and expedient to do so, in order that the money be applied in your best interests. In order to facilitate this, medical evidence of your incapacity will be required which will include data about your mental health. This information will be treated in the strictest confidentiality.

Purpose of the loan:

We are obliged to ensure that the purpose for the loan falls into one of our categories of lending.

Compliance with our anti-money laundering and combating terrorist financing obligations:

The information provided by you will be used for compliance with our customer due diligence and screening obligations under anti-money laundering and combating terrorist financing obligations under

The Money Laundering provisions of the Criminal Justice (Money Laundering and Terrorist Financing) Act 2010, as amended by Part 2 of the Criminal Justice Act 2013.

Audit:

To meet our legislative and regulatory duties to maintain audited financial accounts, we appoint an external auditor. We will allow the external auditor to see our records (which may include information about you) for these purposes.

Credit Reporting:

Where a loan is applied for in the sum of €2,000 or more, the credit union is obliged to make an enquiry of the Central Credit Register (CCR) in respect of the borrower. Where a loan is granted in the sum of €500 or more, the credit union is obliged to report both personal details and credit details of the borrower [and guarantor shortly] to the CCR.

House Loan:

Where you obtain a house loan from us, it will be necessary for the credit union to obtain a first legal charge on the property to be purchased and it will be necessary for us to process your personal data in order to register this charge or have this charge registered on our behalf.

Connected/Related Party

Borrowers: We are obliged further to Central Bank Regulations to identify where borrowers are connected in order to establish whether borrowers pose a single risk. We are also obliged to establish whether a borrower is a related party when lending to them, i.e. whether they are on the Board/Management Team or a member of the Board/ Management team's family or a business in which a member of the Board /Management Team has a significant shareholding.



LEGITIMATE INTERESTS

A legitimate interest is when we have a business or commercial reason to use your information. But even then, it must not unfairly go against what is right and best for you. If we rely on our legitimate interest, we will tell you what that is.

Credit Assessment and Credit Reference Agencies:

When assessing your application for a loan, as well as the information referred to above in credit assessment, the credit union also utilises credit data from credit referencing agencies such as the Irish Credit Bureau and the Central Credit Registrar (see Legal Duty).

Our legitimate interest:

The credit union, for its own benefit and therefore the benefit of its members, must lend responsibly and will use your credit scoring information in order to determine your suitability for the loan applied for. When using the service of a credit referencing agency we will pass them your personal details and details of your credit performance.

ICB are using Legitimate Interests

(GDPR Article 6 (f)) as the legal basis for processing of your personal and credit information. These Legitimate Interests are promoting greater financial stability by supporting a full and accurate assessment of loan applications, aiding in the avoidance of over-indebtedness, assisting in lowering the cost of credit, complying with and supporting compliance with legal and regulatory requirements, enabling more consistent, faster decision-making in the provision of credit and assisting in fraud prevention.

Please review ICB's Fair Processing Notice which is available at <http://www.icb.ie/pdf/Fair Processing Notice.pdf>. It documents who they are, what they do, details of their Data Protection Officer, how they get the data, why they take it, what personal data they hold, what they do with it, how long they retain it, who they share it with, what entitles them to process the data (legitimate interests), what happens if your data is inaccurate and your rights i.e. right to information, right of access, right to complain, right to object, right to restrict, right to request erasure and right to request correction of your personal data.

Debt Collection:

Where you breach the loan agreement we may use the service of a debt collection agency, solicitors or other third parties to recover the debt. We will pass them details of the loan application in order that they make contact with you and details of the indebtedness in order that they recover the outstanding sums.

Our legitimate interest: The credit union, where appropriate will necessary take steps to recover a debt to protect the assets and equity of the credit union

Judgements Searches:

We carry out searches in Stubbs Gazette in order to assess your credit worthiness to repay a loan.

Our legitimate interest: The credit union, for its own benefit and therefore the benefit of its members, must lend responsibly and will use your credit scoring information in order to determine your suitability for the loan applied for. In carrying out such a search we can better determine your overall financial position in order to lend to you.

CCTV:

We have CCTV footage installed on the premises with clearly marked signage. The purpose of this is for security.

Our legitimate interest: With regard to the nature of our business, it is necessary to secure the premises, property herein and any staff / volunteers/members or visitors to the credit union.

Voice Recording: We record phone conversations both incoming and outgoing for the purpose of verifying information and quality of service.

Our Legitimate interest: To ensure a good quality of service, to ensure that correct instructions were given or taken due to the nature of our business and to quickly and accurately resolve any disputes.

Data Protection Notice (Continued)



YOUR CONSENT

We will only carry out processing which is based on your consent and will cease processing once you withdraw such consent

Marketing and Market Research: To help us improve and measure the quality of our products and services we undertake market research from time to time. This may include using the Irish League of Credit Unions and/or specialist market research companies.

YOUR MARKETING PREFERENCES

As part of improving our service to you, from time to time, we would like to inform you of goods, services, competitions and/or promotional offers available from us. We may wish to use different means when sending such marketing communications.

You have a right to notify us free of charge at any time that you wish to refuse such marketing by writing to us at our address at the top of this document or by using the “opt-out” options in any marketing message we send you.

Please contact us directly should you wish to change or withdraw your consent.

15. YOUR DATA PROTECTION RIGHTS

YOUR RIGHTS

The following are your rights in connection with your personal data.



To find out whether we hold any of your personal data **and if we do to request access** to that data that to be furnished a copy of that data. You are also entitled to request further information about the processing.



Request correction of the personal data that we hold about you. This enables you to have any incomplete or inaccurate information we hold about you rectified.



Request erasure of your personal information. This enables you to ask us to delete or remove personal data where there is no good reason for us continuing to process it. You also have the right to ask us to delete or remove your personal data where you have exercised your right to object to processing (see below).



Object to processing of your personal data where we are relying on a legitimate interest (or those of a third party) and there is something about your particular situation which makes you want to object to processing on this ground. You also have the right to object where we are processing your personal data for direct marketing purposes.



Request the restriction of processing of your personal information. You can ask us to suspend processing personal data about you, in certain circumstances.



Where we are processing your data based solely on your consent **you have a right to withdraw that consent at any time and free of charge.**



Request that we: a) **provide you with a copy of any relevant personal data in a reusable format;** or b) **request that we transfer your relevant personal data to another controller** where it's technically feasible to do so.

Relevant personal data is personal data that: You have provided to us or which is generated by your use of our service, which is processed by automated means and where the basis that we process it is on your consent or on a contract that you have entered into with us.

YOU HAVE A RIGHT TO COMPLAIN TO THE DATA PROTECTION COMMISSIONER IN RESPECT OF ANY PROCESSING OF YOUR DATA AT

POST

Data Protection Commissioner
Canal House Station Road
Portarlinton R32 AP23 Co. Laois

.....

TELEPHONE

+353 (0)57 868 4800
+353 (0)761 104 800
1890 252 231

.....

E-MAIL

info@dataprotection.ie

16. EXERCISING YOUR RIGHTS WITH US

If you want access and/ or copies of any of your personal data or if you want to review, verify, correct or request erasure of your personal information, object to the processing of your personal data, or request that we send you or a third party a copy your relevant personal data in a reusable format please contact our Risk & Compliance Officer in writing using their contact details on page 1 of this document.

There is no fee in using any of your above rights, unless your request for access is clearly unfounded or excessive. We also reserve the right to refuse to comply with the request in such circumstances.

We may need to verify your identity if we have reasonable doubts as to who you are. This is another appropriate security measure to ensure that personal data is not disclosed to any person who has no right to receive it.

Ensuring our information is up to date and accurate. We want the service provided by us to meet your expectations at all times. Please help us by telling us straight away if there are any changes to your personal information. If you wish to avail of either of these rights, please contact us using our contact details on Page 49 of this document.

PLEASE NOTE THAT THE ABOVE RIGHTS ARE NOT ALWAYS ABSOLUTE AND THERE MAY BE SOME LIMITATIONS

57th Annual General Meeting

FRIDAY
10th
JANUARY
2020

Commencing at 6.00pm

**The
Convention
Centre Dublin**
Spencer dock,
North Wall Quay, Dublin 1

Savvi Credit Union is required to send each member important AGM documentation under the Credit Union Act. If you have more than one member in your household, this will result in multiple copies being printed and posted to the same house. As the world becomes 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. 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 — Two

Board Oversight Committee — Two

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 the Credit Union office. Our vacancies for non-executive directors, Board Oversight Committee members and volunteers in general are all advertised on our website www.savvi.ie from time to time.

AGENDA

1. Invocation
2. The acceptance by the Board of Directors of the authorised representatives of members that are not natural persons
3. Ascertainment of a quorum
4. Adoption of standing orders
5. Appointment of tellers
6. Minutes of AGM 2018
7. Adoption of Credit Union Rule Amendments
8. Report of Directors
9. Financial Report, Auditors Report and Declaration of Dividend
10. Strategy Presentation
11. Report of Nomination Committee
12. Elections — Auditor, Board Oversight Committee, Directors
13. Report of Board Oversight Committee
14. Report of Audit Committee
15. Report of Risk & Compliance Committee
16. Report of Credit Committee
17. Report of Credit Control Committee
18. Report of Membership and Marketing Committee
19. Election results
20. Other business
21. Close of meeting

The Standard Rules for Credit Unions can be inspected in the Head Office of the Credit Union during opening hours, Monday — Friday, 8.30am — 4.45pm and will be available for inspection at the meeting.





Savvi Credit Union Ltd.
27-28 Herbert Place, Dublin 2

Also at 1a Upper Oriel St, Dublin 1;
22 Upper Erne Street, Dublin 2;
5 Irishtown, Ringsend, Dublin 4;
56 Sir John Rogerson's Quay, Dublin 2.

Tel 01 632 5100
Fax 01 632 5133
Email hello@savvi.ie

www.savvi.ie

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

