

SCOTWEST CREDIT UNION LTD
MINUTES OF THE 34th ANNUAL GENERAL MEETING
Held on 2 December 2024 at 6.30 pm.

The meeting was held remotely on the meeting app, Attend 2It.

CHAIRPERSON'S OPENING REMARKS

The Chairperson, Cathy Jamieson (CJ), opened the meeting by welcoming everyone to the AGM of Scotwest Credit Union. CJ announced that as the quorum had been met, the meeting could continue. She advised members that the format of the meeting would be as the Agenda circulated on the website prior to the meeting. CJ also advised that there was an option box provided on screen which would allow voting and to raise questions as we proceed through the meeting.

1. ASCERTAINMENT OF QUORUM

Frances McCann	Cathy Jamieson	Ian Turner
John Begg	John Magill	Andrea Maguire
Stephen Wood	Scott Craig	Ann Welsh
Ian Fraser	Maurice Gilligan	Mark O'Donnell
Gerry Ross	Jane Randall	Chloe O'Hare
John McLaughlin	Jordan McNair	Justine Carter
Sean MacKinnon	Fiona Murphy	Claire Blackburn
John Mowat	Beatrice Charles	Steven Young
Keith Galbraith	Donald Smith	Irene Graham

In attendance: David McBain, (DMcB) from Johnston Carmichael, Chartered Accountants.

2. MINUTE OF PREVIOUS ANNUAL GENERAL MEETING - 4 December 2023

The minute of the previous Annual General Meeting was included in the papers which had been available on the website for two weeks prior to the AGM. CJ requested a proposer and a seconder for the minute and this was ascertained. There were no matters arising and the minute was approved and seconded as a true record of the meeting.

3. CHAIRPERSON'S REPORT

The Chairperson's Report was included in the AGM pack available on the website. CJ highlighted that whilst the global headlines have shifted, the cost of living crisis continues to impact our communities, with many families still relying on food banks and facing financial challenges. As a credit union, our role has become increasingly vital in supporting our members through these challenging times. CJ added that she is proud to report that Scotwest has not only maintained our commitment to financial support but has also achieved significant growth and development throughout the year.

This year marked a significant milestone in Scotwest's journey. Beyond welcoming nearly 2,500 new members organically, we welcomed a further 2,200 members following the successful mergers with Stirling and Perth & Kinross Credit Unions. This strategic expansion has strengthened our capacity to serve communities across Scotland while preserving the local identity these credit unions have built over the years. CJ expressed her sincere thanks to the dedication and hard work of staff across all three credit unions which has been instrumental in ensuring a successful transition.

In response to market conditions and our commitment to sustainable growth, we implemented necessary adjustments to our lending practices. This included revising our interest rates for the first time in many years and refining our loan products. While we temporarily withdrew our mortgage products from the open market, we continue to service existing mortgage holders. These measured decisions ensure we maintain our financial stability while serving our members' needs effectively.

Recent research has highlighted the crucial link between financial wellbeing and workplace performance, with 80% of employees reporting that financial stress impacts their work. In response, we've expanded our employer partnerships to 142 organisations, with over 40% of our members now using payroll deduction for savings or loan repayments. This free benefit demonstrates our commitment to promoting financial wellness in the workplace.

CJ invited members interested in finding out about signing up as one of our Employer Partners, to drop the team an email at wellbeing@scotwest.co.uk

This year marks an important transition in our reporting structure. As Scotwest has grown significantly, including our recent mergers with Stirling and Perth & Kinross Credit Unions, and with increasingly complex accounting standards, our previous timeline for preparing annual accounts has become unsustainable. To address this, we are adjusting our Annual General Meeting schedule to ensure we can maintain the highest standards of financial reporting. Moving forward, we will hold our AGMs in February each year, beginning February 2025. This extended preparation window will allow us to deliver comprehensive, accurately prepared accounts to our members, while the new timing should enable greater member participation by avoiding the busy holiday period. This change reflects both our commitment to robust financial governance and our desire to maximize member engagement.

Looking Forward Youth Engagement Strategy, we are launching a comprehensive initiative to engage younger members, moving beyond traditional school-based credit union branches. This includes

expanding our digital presence across platforms like TikTok and establishing a Young Members Forum to ensure our services evolve with the needs of our younger demographic. Watch out for upcoming announcements about the new Young Members Forum - your chance to help shape the future of Scotwest's services for young people.

Following Sarah Watters' departure from the Board, CJ thanked her for her service to the Board and stated that we are proposing the election of Steven Young, former Chair of Perth and Kinross Credit Union, to our Board of Directors. As we anticipate several board transitions in 2025/26, we encourage members with diverse expertise, particularly in accountancy, to consider joining our Board. Interested members can contact us at governance@scotwest.co.uk.

Summary

As CJ enters her final year on the Scotwest Board of Directors, she looks forward to contributing to Scotwest's continued growth and the broader advancement of credit unions across Scotland. She extended her gratitude to our Directors and staff for their exceptional work during this transformative year and to our members for their continued trust and participation in our community.

Regulatory Compliance

Scotwest, like all credit unions in the UK, is dual regulated by the Financial Conduct Authority and the Prudential Regulation Authority (PRA). The PRA requires that each credit union's governing body will report to the members at the annual general meeting in respect of compliance as follows:

Depositor Protection

Scotwest members are protected by the Financial Services Compensation Scheme. This means we are required to comply with various regulatory requirements in respect of the deposits we hold. In accordance with the PRA Credit Union Rule Book Part 10.1 we can confirm that we are compliant with the requirements of Depositor Protection 11 and 49 to 51.

Policy of Insurance

The PRA Credit Union Rule Book Part 2.10 requires us to maintain insurance to protect against any loss suffered or liability incurred by reason of the fraud or other dishonesty of any of our officers or employees. In accordance with the PRA Credit Union Rule Book Part 10.1, we can confirm that we have complied with those requirements.

Additional Activities

The PRA Credit Union Rule Book Part 4 allows a credit union to carry out "additional activities" and provides additional compliance requirements. In accordance with the PRA Credit Union Rule Book Part 10.1, we can confirm that we have carried out the additional activities of "additional investments", "additional lending" and "mortgages" and that we are compliant with the additional requirements thereon.

4. CHIEF EXECUTIVE'S REPORT

The Chief Executive's Report had been tabled prior to the meeting on the website.

FM thanked CJ and extended a warm welcome to everyone in attendance.

FM acknowledged that it has been a pivotal time for the sector and the discussions around the financial future of the UK and of course, Scotland. It has been a challenging year for Scotwest with the shift in interest rates where we have had to make a number of strategic adjustments to our lending. However it has been a successful year with savings grown by £2 million and lending grown by £5 million.

We have also been involved in a number of strategic initiatives, working with some of our trusted partners in several innovations which you will hear about in the coming months. We have engaged in conversations with the treasury, regulators, trade bodies and some of our peers in the sector. We look forward to helping facilitate growth now that the Government is focussed on doubling the mutuals sector which bodes well for us and for the credit union sector. We will continue to speak up on behalf of our members and hopefully amplify our reach and for the credit union sector throughout Scotland. We are working internally on some AI technologies and plan to adopt AI technologies to help make us more efficient and cut down on any friction that members may experience in terms of accessing services. We are also looking at how we can use AI to support our regularity reporting, our loan processing and our data analysis and will continue work on this over the next year.

Moving forward, FM recently had the privilege to visit some credit unions in the USA where it was good to see that we can continue with our mutual culture and still manage to potentially achieve that growth which would be quite significant in terms of financial services in the UK. We continue to focus on our strategic vision, which includes expanding our reach in the community, providing ethical finance to our current members as well as our members of the future. We continue to collaborate quite widely with the sector and stakeholders and continue to work on our technical enhancements, whilst preserving our mutual values.

FM thanked the board of directors, who give up their time freely, year after year, without whom we would struggle to achieve our strategic aims and continue to grow. FM also echoed CJ's thanks to the staff who have worked hard in a challenging year.

5. QUESTIONS FROM THE MEETING ON CHAIRPERSON'S AND CEO'S REPORTS

There were no questions.

6. ELECTION OF DIRECTOR

As noted in the papers previously circulated, CJ asked the meeting to vote for the election of that Steven Young (SY) as a new director.

SY was elected unanimously and CJ welcomed SY to the Board.

7. APPOINTMENT OF AUDITORS

CJ asked the meeting to vote for the re-election of external auditors, Johnston Carmichael, Chartered Accountants.

DM reinforced CJ's message regarding the date change in the timetable for the audit and advised that this was very much planned for from both sides. DM advised that this is the right thing to do due to the growth of the credit union with the mergers and the increasing demands of an audit process. The timetable extension will allow more time to make sure that the process meets everything it should and give members the comfort that they should get from an audit process. DM stated that there is nothing that needs to be brought to the attention of members at present. The process is carrying on as scheduled and will progress over the next few months to a point of completion.

The re-appointment of Johnston Carmichael was approved by the meeting.

8. RULE BOOK – PROPOSAL FOR AMENDMENT TO SCOTWEST RULE BOOK

The Rule Book amendments were included in the AGM pack available on the website.

CJ highlighted the proposed changes to The Rule Book and asked the members to vote.

There were no questions and all amendments were approved by the meeting.

CJ thanked everyone for their participation and support for the credit union over the past year and looks forward to working with you all in the year ahead.

CJ reminded the meeting that the Lottery AGM will take place in a few minutes and invited members present, who take part in the Lottery, to attend.

9. CLOSE OF MEETING

The Chairperson thanked everyone involved in facilitating the meeting which closed at 7pm.