

**Chair: Malcolm Hayes**

The Chair informed all present of the administrative protocols for the Annual General Meeting (AGM) which were as follows:

- The Zoom meeting would be recorded
- Any questions should be raised using the 'Chat' option within Zoom at the end of the main presentation
- Voting would be conducted using the 'Raise Hand' option within Zoom

#### **Order of Business (Rule 42)**

- a. Ascertain a Quorum is present as per Rule 46
- b. Approval of the last AGM minutes
- c. Board Report
- d. Treasurer's Report
- e. Auditor's Report
- f. Declaration of Surplus Available for Distribution and a Board of Directors Recommendation of Application of Same
- g. Loans Report
- h. Chief Officer Report

#### **a. Quorum**

The Chair declared the meeting Quorate with more than fifteen members present.

#### **b. Approval of the last AGM minutes**

The Chair asked the members present to confirm that the minutes from the last AGM were a true and fair record of the meeting. The members confirmed this, with no objections or points of amendment raised by those present.

#### **c. Board Report – Chair**

The Chair noted that this was his first AGM since taking over the position from Andy Carswell, who he thanked for his long service to Citysave.

**Strong Governance** – The Chair reported that he considered that the Board had continued to exercise effective oversight of the Executive team on behalf of the members. Opportunities continued to be taken to maintain the skills and expertise on the Board with a proposal to appoint a new Director included in the agenda for this AGM.

**Responsible Lending** - The Board have continued to follow a clear, responsible lending approach for Citysave, as this was considered to be in the best interests of individual applicants and the members as a whole.

**Agile working** – The Chair noted that UK Government guidelines during the Covid pandemic had meant asking all those in the office to work from home. The Chair thanked the Chief Executive Officer, Nigel Bailey, and his team, for ensuring this process was undertaken seamlessly, with no material disruption to the services provided to members.

**Overhead Control** – The Chair reported that overhead costs had been controlled well which was very positive given the challenging circumstances experienced during the year.

In conclusion, the Chair noted that the Board were pleased with Citysave’s overall results given the difficulties of operating during the Pandemic.

#### **d. Treasurer’s Report**

##### **Overview of Financial Performance**

The Treasurer, Andrew Ayres, began his report to the AGM by noting that the majority of members had been saving during the year, with borrowing demand reduced due to economic uncertainty during the pandemic and the lack of opportunities for expenditure.

The Treasurer reported that, in the circumstances, the results for 2020 were good and noted the following:

- Citysave had experienced considerable income pressure/subdued loan demand, particularly in the lockdown months as members were saving more than borrowing.
- Arrears and impairment had remained low.
- Overhead costs remained low with good governance.
- Headroom against key regulatory ratios was very good.
- Independent compliance continued to report to a Supervisory Committee, of which he was Chair.

The Treasurer’s slide demonstrated the reduction in lending and increased savings. Impairment losses on loans to members had reduced which he believed reflected good control within the business and its sensible approach to lending.

##### **Regulatory Compliance - Mandatory Tests as at 30<sup>th</sup> September 2020**

The Treasurer reported that Citysave was in a strong position holding almost double the requirement of 5% of the capital total assets needed in order to comply and three times the requirement of 15% of total shares and liabilities. However, the preference would be to change the shape of the balance sheet by having less savings and more loans.

#### **e. Auditor’s Report – Haines Watts**

Kevin Hodgetts, representing the external auditor Haines Watts, confirmed that a full external audit had been conducted with no significant issues raised. The auditors were of the opinion that the financial statements gave a true and fair view of the state of the credit union’s affairs as at 30<sup>th</sup> September 2020. Kevin also reported that the Report & Accounts had been properly prepared in accordance with UK general accounting principles and in accordance with the Community Benefit Society Act and Credit Unions Act.

#### **f. Declaration of Surplus Available for Distribution and the Board of Directors' Recommendation of Application of Same**

The Chair advised that the Board had considered the dividend position very carefully given the potential longer-term impact of the Pandemic and other economic uncertainties. In view of this, the Chair recommended, on behalf of the Board, that a dividend of 0.25% should be paid.

The Chief Executive Officer (CEO), Nigel Bailey, invited members to vote on the proposal to pay a dividend of 0.25% with a show of hands. A clear majority of 17 hands were raised in favour and the resolution was duly passed.

#### **g. Loans Report – Chief Executive Officer**

The CEO referenced a slide which provided a summary of the quality of Citysave's loan book. The shrinkage in loans outstanding in recent years had been matched by significant falls in loan losses. However, inevitably given the smaller loan book, there had also been a substantial reduction over the last three years in gross interest income received. The CEO considered that, as lockdowns hopefully eased, there would be renewed demand for loans in 2021.

#### **h. Chief Executive Officer's Report**

The CEO thanked Citysave's staff for their incredible teamwork during a particularly challenging period whilst adapting to having to work from home. Communications had to be robustly secure, which had been achieved using a virtual private network behind appropriate firewalls and security protocols.

The CEO reflected that in 2019, Citysave introduced mobile phone technology for members and open banking technology had been introduced in 2020. A secure portal was now also available to members allowing them to view financial records and statements. These had proven to be valuable developments given the changes required to operate successfully during the Pandemic.

The CEO advised that Citysave had an annual independent assessment by National Cyber Essentials and were an accredited business which should give members confidence in the security of their data.

The CEO noted that partnering with employers was very valuable in encouraging families to save and making it easy for them to fund loan payments. Citysave had seen a demonstrable increase in savings, greater than required to support its current lending operation. However, encouraging members to save remained an important objective of Citysave and credit unions generally.

The CEO invited questions, but none were received.

#### **Appointment of Auditors Rule 86.4 – Chair**

On behalf of the Board, the Chair requested ratification of its resolution to re-appoint Haines Watts Birmingham LLP of Sterling House, 71 Francis Road, Edgbaston, Birmingham, B16 8SP as Citysave's auditors for a further year and invited members to vote by raising their hand.

Approval was duly given by members with 17 in favour and none against.

## **Motions**

No motions were received.

## **Election of Directors**

The Chair advised that Nikhil Dhiri had offered to be re-elected to the Board for a further year. After requesting ratification, a show of 17 hands confirmed a clear majority and Mr Dhiri's re-appointment was duly agreed.

The Chair proposed ratification of the Board's decision, using the dispensation available to it, to appoint a new board member, Jo Swain, during 2020. The Chair referred to a slide within the AGM pack summarising Mrs Swain's significant financial services experience. A show of 17 hands confirmed a clear majority in favour of the Chair's proposal and Mrs Swain's appointment was duly agreed. The Chair formally welcomed Mrs Swain to the Board.

The Chair indicated that it was a requirement of Citysave's Rulebook to note the number of current Directors at each AGM. He advised that there were currently seven Directors. In order to provide the Board with the ability, if required, to appoint additional Directors prior to the next AGM, the Chair requested members to agree to a maximum Board size of eight Directors. Any appointments made during the year using this delegated authority would be subject to formal ratification at the next AGM in 2022.

The Chair thanked members for their attendance at the AGM, before inviting any final questions from those present. None having been received, the Chair formally closed the meeting.