



ANNUAL REPORT &\$&(!&\$&)

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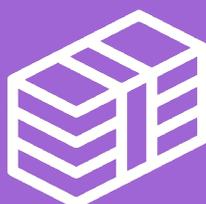
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MEMBER FEEDBACK



We have
3278
members



We look after over **£4.66**
million of our members'
savings



We have lent over
£2.1 million in the year

ABOUT US

1st Alliance Community Bank (our Trading name) is a financial cooperative that exists for the benefit of its members and is open to those who live, work or study in the West of Scotland. We are a Credit Union, owned and controlled by its members. Our head office is in Kilwinning.

OUR VISION

"To be the first choice for financial services and products in the communities we serve, providing accessible, affordable, and member-focused banking solutions."

OUR MISSION

"Our mission is to provide affordable financial products and services that are easily accessible to everyone within our Common Bond, regardless of their background or income, fostering financial resilience and economic well-being."

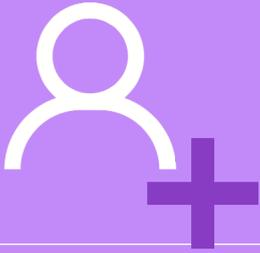
OUR VALUES

We will deliver our strategy by:

- **Finances** – we believe in providing a safe, responsible and financially sustainable place for our members to save together and lend to each other.
- **Inclusivity & impartiality** – we believe in treating everyone in our community who approaches us for financial services with respect, dignity and understanding regardless of their background or income.
- **Resources** – we believe in providing affordable, good value products that our bank can sustainably provide to enable our members to encourage financial resilience. To access affordable lending products and strengthen their financial resilience,
- **Services** – we believe in providing services that are easily accessible to our members and everyone else in our community.
- **Trust** – we believe in being honest, reliable, consistent, and acting with discretion to preserve the privacy and dignity of our members and anyone in our community that approaches us for financial services.

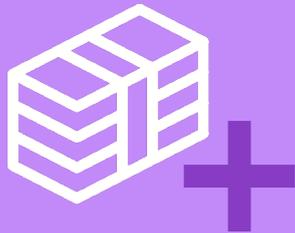
OUR YEAR AT A GLANCE

It's been a year of change for 1st Alliance, from new projects to a complete new operating system at the end of the year.



200 people joined

A quarter of our members are using online.



£2.14million lent
in 2024-2025



We hold over £4
million in
members savings.



We are a Living Wage and Living Hour employer.

Annual General Meeting Tuesday 3rd March 2026 @4.30pm

1. Confirmation of quorum
2. Minute of previous Annual General Meeting
3. Chairperson's Report
4. Chief Executive's Report
5. Questions from the meeting on Chairperson's and CE's Reports
6. Election of Directors
7. Financial Statements, Treasury and Auditors' Report
8. Questions on Financial Statements from the meeting
9. Appointment of Auditors
10. Any Other Competent Business
11. Close of meeting

MINUTES AGM 2024/2025

1st Alliance Community Bank Annual General Meeting 24th February 2025 Minutes

1) Confirmation of quorum

Ann Robertson opened the meeting and welcomed all in attendance. The meeting was established as quorate.

Sederunt: A McLaughlan, M Robertson MBE, T Pratt, C Gillon, D Arthur, D Woods, H Duffy, J M Hamilton, S Murphy, G Reid(zoom), E Forbes, M Fontana, E Guerrero, J O'Neil (zoom), F Stewart, P Rodgers, E Kerr, W Duffy, E Hamilton, L Walker, I Scott, M McGaw, J Hamilton,

Attending: R Henry - The Kelvin Partnership

Apologies: M Muir, E Muir, L Graham, E Dawson, A Hughes, J Cochrane, K Tuplin, W Forbes and D Reid.

2) Minutes of Previous Annual General Meeting:

Proposed as a true record by M Fontana and seconded by S Murphy.

3) Chairperson's Report

A Robertson gave the Chairpersons report.

A new loan application platform had been introduced, Nest Egg, we see our loan book to continue to grow. Low footfall in the office as we continue to see members utilise online access and phones.

Many thanks to Staff and Members for a good year.

4) Chief Executive's Report

Carol Gillon gave the Chief Executives report.

The annual members survey has shown an increase in score; this is reflective on our member services. As with last year negative feedback was around online access. This is being looked at. We welcomed E Hamilton into the team to cover maternity leave.

5) Questions from the meeting on Chairperson's and CEO's Reports

P Rogers – Closure of banks and the credit union no longer offering bank cards may be why membership is not growing. – A McLaughlan, we have the Banking Hub across the road where we recommend people to visit.

6) Financial Statements, treasury, and Auditors' Report

Report given by C Gillon, apologies from J Cochrane. No dividend has been proposed for this year. Spoke on increased costs, detailed on page 16 of the accounts.

7) Questions on Financial Statement from the meeting

R Henry – Good results for the year

B Forbes – Are we attracting younger members? C Gillon – Yes, the average age of membership is just under 50.

8) Appointment of Auditors

The Board recommended reappointing The Kelvin Partnership as Auditors. Proposed as a true record by W Duffy and seconded by M Fontana.

9) Election of Directors

Three spaces are open on the Board, following three directors due to step down. One nomination was received from the membership. A ballot was conducted and resulted in; A Roberson, J Cochrane and S Murphy being elected to the Board. Thanks, was given to S Mould for showing interest.

10) Any other competent Business

A Robertson informed the meeting that we are in the initial stages of looking at a transfer of engagement with Sovereign Credit Union. The meeting were happy for this to be looked at.

11) Close of meeting

Ann Robertson closed the meeting and invited the attendees to stay for refreshments.

CHAIR'S REPORT

Thank you for coming to support our Annual General Meeting.

This year has been one of change. Deciding to move operating systems was needed for our staff to carry out the work required by members and by Regulators.

The Board is extremely proud that we were able to continue to provide members with vital financial services in ways that are appropriate to them.

The biggest challenge that caused a real dilemma for the Board was the cancellation of the Family Protection Plan by the insurers Maiden Life., leaving our members who paid for this product with no life cover. This was a policy that started with us in 2005 and closed to new members in 2009. We have 83 policies which have been paid for by members for nearly 20 years on a monthly basis. For many of our members they would not now be able to access life cover.

So what were we to do as a Board, how can we support our members who are now without cover. After many meetings, discussions and projected impacts and plans this Board decided that as a mutual we had to support the members affected and therefore a fund has been set up that will rebate the value of one policy to each policy holder on the death of a named person on their policy. In total over 4 years we will set aside just over £120,000 from the surplus made.

In light of this we are looking to change the provider of our Life savings and Loan Protection insurance that we pay for all members till the age of 80. We are in discussion with the Irish League of Credit Unions who have their own insurance provider which is a mutual owned by credit unions. Other Credit Unions have recently moved, it is more cost effective and an improved insurance for loans. We are asking members to vote for dividend payment if feasible for the current year of 0.25%.

This year again the members survey and had a great response, 98% were extremely happy of our services and products, for those that were not as satisfied we listened and updated the Digital access.

I would like to thank everyone at 1st Alliance; the staff, for their open and honest hard work and commitment and for the care and respect that they show to our members every day.

Last, but not least, I would like to thank you, the members, for your continued engagement and support of 1st Alliance Community Bank.

Ann Robertson M.B.E,
Chair

CE'S REPORT

I first would like to thank the Board for their support throughout the year, to me personally and to the staff. The Board continue to ensure that they are a Living wage and Living Hour employer and that employees have a work life balance.

The staff for their continued support and input throughout the year and for adapting to the operational change introduced in November. This was a huge decision for the Board but it was right for our business to move forward.

We started a new project in Arran & Cumbrae, with thanks to North Ayrshire Council funding we have employed a staff member to work in these communities. It is still in its pilot phase and will hopefully encourage growth of members.

We will be offering a joint outreach service with 3 other financial social enterprises starting in March 2026, this is a pilot project funded through North Ayrshire Council's Child Poverty Early Intervention Programme.

I am proud to say that 1st Alliance Community Bank has continued to provide an excellent service, this is based on the outcome and feedback we received from the annual survey. We listened and have improved the digital access and will be introducing the APP in early March.

The loan book is growing steadily as are the savings. Membership is steady, the new project on the islands and the new project started this year on the mainland should have an impact on our membership growth.

Achieved 2024-25

- New operating system
- Easier digital access online
- Island Project

Going Forward

- APP for digital access
- Outreach Engagement work
- Benefits calculator project

FINANCE REPORT

The 2024–2025 financial year closed continuing on a surplus basis.

A key driver of our success is the loyalty and engagement of our members, who remain the foundation of our continued growth and our reputation as a leader in ethical financial services.

Addressing challenges and capitalising on emerging opportunities will be essential to sustaining long-term growth. To support this, we will maintain a strategic focus by improving member engagement, with particular emphasis on attracting new members.

Continuing to look ahead, enhancing digital services, refining marketing strategies, and exploring innovations, such as immediate borrowing access, will help us remain competitive. Supported by strong cost management, 1st Alliance Community Bank effective controls and procedures have maintained consistently low delinquency rates, highlighting our operational excellence and prudent management

1st Alliance's performance this year highlights a resilient, forward-looking institution built on ethical values, financial strength, and member trust.

We would like to thank The Kelvin Partnership for carrying out the audit.

As you will see from the accounts three largest costs are:

- Salaries are our highest cost, our core costs are static any new staff are funded posts for projects.
- Life and Loan protection insurance is the second highest cost.
- Software system is the third highest cost

Bank interest continued to be paid changing as the banks respond to interest rate changes. £51, 940 was received in the year.

The regulatory capital at 8.59% is higher than the 5% required .

Bad debt is steady at just over 5%. The new system provides a much improved credit control function.

INTERNAL AUDIT REPORT

The Internal Audit function is a regulatory requirement for financial firms including credit unions. Its purpose is to provide oversight of the policies and procedures adopted and to ensure that there are effective systems and controls in place to safeguard members savings and to comply with the many regulations that apply to credit unions. We are dual regulated by both the Prudential Regulatory Authority (PRA) and the Financial Conduct Authority (FCA) who have set regulation specific to credit unions, but we must also follow other regulation common to all financial institutions including areas such as Money Laundering and Data Protection.

The Internal Audit function's role is to strengthen our governance and risk management frameworks by advising on and recommending improvements to the systems and controls we have in place, which assists the Board of Directors in fulfilling its responsibilities, including but not limited to:

- ✓ Regulatory compliance and reporting requirements adherence to our to our Rulebook
- ✓ Internal policies, systems & controls, including our Code of Conduct Consumer Duty – ensuring fair outcomes for members
- ✓ Risk assessment & monitoring, ensuring processes and controls effectively manage key risks IT systems & cybersecurity, including data protection and resilience planning
- ✓ Review and follow through of external audit reports

All of our Directors give their time voluntarily and receive no honorarium or remuneration for their work. At 1st Alliance the Internal Audit function consists of :

1. An Internal Audit employee

Over the last year the reviews have covered areas including:

- > Unsecured Lending
- > Shares & Deposits
- > Account Maintenance
- > The internal audit function employee report directly to the Board of Directors at the monthly Board Meetings.

- > There were no issues raised with The Board.

Member Temperature Check - In Partnership with 1872 Culture

As part of our continued commitment to Consumer Duty, we're always listening to what our members have to say. Working with 1872 Culture, we've once again carried out our Member Temperature Check Survey to understand how supported, valued, and confident our members feel when engaging with 1st Alliance.

Now in its second year, the survey has become a trusted way to measure progress. Using the 1872 Culture Scoring System, members rate their experiences across key areas, giving us a clear view of where we are excelling and where we can enhance our services even further.

Overall Member Satisfaction (October 2024 - September 2025)

2889	72.30%
683	17.09%
321	8.03%
75	1.88%
28	0.70%

WHAT OUR MEMBERS SAID

- I am completely happy with the excellent service. I would definitely recommend this credit union to friends and family.
- All staff at Kilwinning credit union are incredible and you feel good when they know who you are and about your family and always ask for them something you'd never get in other banks where you are just a number it's a nice touch
- the staff are great , as i am not sure with tech etc. , they understand and guide me through in a cool calm manner that puts me at ease
- Staff are very efficient in what they do , and provide an excellent service to the community.
- I would like the opportunity to borrow more but I appreciate that the credit union are acting in my best interest
- Great asset to the community

1872 Culture survey which measures a potential scale of superb at 36°F to very poor at 108°F, at 42.34° F 1st Alliance has been given a high score of great member satisfaction.” We received an award at the ABCUL conference for our Member Satisfaction score.

We are proud that our members continue to report high levels of trust and satisfaction. To hear their stories in their own words is integral to our services and products.

As we move forward, we'll keep building on your feedback, ensuring that every member feels heard, valued, and supported in every interaction.



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