

2020 Annual General Meeting

Status Update from the Board of Directors

September 2020

Formal Cancellation of 2020 AGM

With the easing of Covid-19 Lockdown measures, the Board has considered whether to hold the deferred 2020 AGM which was scheduled to take place on 31st March 2020.

The Directors took into account

- there were no pressing decisions requiring members' votes on the agenda,
- formal appointment of new Directors can be bound over to next year's AGM without detrimental impact and
- no objections to the cancellation were received from any members.

On this basis the Board agreed the 2020 AGM is permanently cancelled. The next AGM will be held on a date to be agreed in March 2021 either at a venue with social distancing if appropriate or by virtual video conferencing arrangements.

Operations Update in Coronavirus Era

During the lockdown and subsequent Covid related working restrictions, the Kent Savers team successfully continued to provide an uninterrupted service to members, processing online and paper loan and membership applications and answering telephone queries and savings withdrawal requests as normal.

We pro-actively reached out to borrowers we identified as vulnerable to income shocks and/or loan repayment problems to offer immediate 3 month temporary interest and/or principal repayment holidays. A significant number of forbearance arrangements has been agreed, many of them have approved extensions beyond the initial 3 months. Consistent with FCA and UK Finance's guidance these have been reported to the CRAs as special Covid arrangements without further adversely impacting borrowers' credit scores. The impact of the deferred interest on loan arrangements and increasing arrears will be reflected in next year's income budget forecasts.

The number of loan applications received during March, April and May was significantly below forecast. Loan volumes have increased marginally in subsequent months, but we have also tightened the lending policy in particular for first time borrowers. Therefore both interest income and arrears levels will be under pressure in the months ahead.

We are grateful to Maidstone Borough Council for approving our Covid-19 Discretionary Grant, and to Kent County Council for the prompt and significant financial support provided.