

Hello and welcome to my report on the Society's developments during the year, and our upcoming plans across 2021 and 2022.

This is a somewhat different review to previous years. At the time of our AGM last year, we were then starting the first lockdown phase and I don't think anyone could have predicted how the rest of 2020, and into 2021, would have played out. It goes without saying it has been a year of change; and a year when we have all needed to adapt to change both personally and professionally.

One thing I am incredibly proud of is the way that Society employees have reacted. I would like to start by thanking them all for their commitment and resilience to the Society and, also stress that we have of course supported them throughout the difficult months of the pandemic. Our head office staff remain working from home where they can. That is obviously not possible in our branch network, but we have put in additional safety measures to safeguard our employees and our visiting members – we have protective screens in branches, the now ubiquitous antibac stations and of course rigorous cleaning procedures. We have been committed to keeping our branch facilities open as an essential service and, in line with government guidelines, have asked members to limit their visits to essential transactions only.

I am very pleased how our members have supported their Society throughout the pandemic. We have seen high volumes of business and, in fact, we opened over 3000 new savings accounts and welcomed nearly 1,500 new savers to the Society in our financial year. So, a warm welcome to our new members. In September, we started to see the first tranche of Child Trust Funds mature, as the initial wave of account holders reached their 18th birthday and were able to access their funds. This is a significant activity as we have a large number of Child Trust Fund holders, and we will be contacting them all ahead of their 18th birthdays to make them aware of the options available to them. This work will continue until 2029. A key improvement we have made during the year for our savings members was the roll out of electronic withdrawals; this means that members can quickly move money into a nominated current account and offers an alternative option to cash withdrawals and cheque payments. I do hope our savings members will take advantage of an easier, safer and free way to move money.

During the year we couldn't carry out our usual, wide range of exclusive member events across Suffolk, or hold any of our community activities and charity fundraisers in branch. One of the things I am very proud of is that the large, exterior wall of our Hadleigh branch was put to good use by the Hadleigh Royal British Legion, hosting two murals - one for the 75th anniversary of VE Day in May, and the second for the 75th anniversary of VJ Day later in August. In the last couple of months, a new mural has been put up celebrating the late Captain Sir Tom Moore, paying tribute to what he achieved in 2020 to raise money for the NHS and, I think you'll agree, how he kept our spirits up in difficult times. Please do take a look at our social media channels to see this wonderful mural.

Speaking of supporting local communities, we continued our work with the Suffolk Community Foundation, assisting with their Rebuilding Local Lives Appeal. Those of you based in Suffolk might have heard about this on BBC Radio Suffolk. This appeal is aimed at reaching the most vulnerable in the county with a message of "stay warm, stay well and stay connected". I am pleased that in our branches we were able to collect donations totalling over £2,000. Through our branches we were also able to help The Hearing Care Centre with their initiative for people with hearing loss, who, due to the mandatory wearing of face masks, have found it difficult to lip read when they are out and about. Our branches have a supply

of the Please Speak Clearly badges to alert people that the wearer has hearing loss and may need additional support. These badges are still available, so please do pick one up if you, or someone you know, would find it beneficial.

During 2020 we also struck up a partnership with Shop Suffolk, this is an online platform which promotes local retailers, keeping money circulating within the county's local economy and having a positive impact on employment. This showcases Suffolk retailers who could really do with our support throughout these difficult months, so do give Shop Suffolk a look.

Now, on the mortgage side of things, as you may be aware, measures came in in March last year via the Financial Conduct Authority to support borrowers whose finances have been affected by the pandemic, offering mortgage payment deferrals. Through this initiative we were able to help 574 borrowers. As at the end of our financial year in November, 98.6% of borrowers who had taken up a payment deferral had resumed their regular payments; so, we were pleased to offer such support when it was needed most.

In tandem with this, when the pandemic first hit, the property market came to a halt as valuers were not able to get out and value properties – meaning, lenders could not get the assurances they needed to lend the funds requested. Once activity was able to resume, we were pleased to see the market soon pick up. One thing which became apparent was that lenders were adapting to the economic conditions, and higher loan-to-value deals were in short supply. This was due in the most part to uncertainty over property prices, and also the effect of the pandemic on people's finances and their potential ability to repay a mortgage loan. However, we were keen to stay in the mortgage market with a reduced product range and witnessed unprecedented demand. We were especially careful to monitor market conditions and then make swift, but considered, decisions on when to withdraw, and when to re-enter with a limited range of products. Through this careful, balanced approach it is a great testament to the Society's adaptability that we were able to grow our mortgage book by 9% during our financial year, backed by the amazing efforts put in by our employees – that is the underwriters, mortgage consultants, sales and lending support teams and also our intermediary division who work with our broker partners.

In fact, through these broker partners, we actually received 92% of all our mortgage applications during the year. So, they are such an important relationship to us and offer consumers an independent, expert approach when seeking a mortgage. Obviously, the way we interacted with these intermediaries changed during the year, making use of video calling and by attending virtual conferences. We also looked at how we could shape our sales and support team internally, to better suit our brokers' requirements. We were able to strike up three new partnerships during the year, to increase the availability of our mortgages to intermediaries, joining the lender panels at Brilliant Solutions, TMA and Dynamo.

One of the overriding themes of this year has been change; and how the Society has adapted to change. Adapted to the evolving market; but also we have protected and grown our business. Our core aim remains to ensure the Society is run prudently, and this is a long-term strategy. To that effect we are making good progress on the digital transformation of our business, which is well underway with core projects. Namely, an online mortgage origination platform and, secondly, digital savings which we know our members have been asking for, for some time. As part of our corporate plan, work is underway on both of these projects, with our mortgage origination platform expected to launch late in 2021, and digital savings then becoming the focus.

Now, this financial year, 2020 to 2021, will see a landmark event and one which you may already be aware of. At our AGM last year, members voted to approve a name change to Suffolk Building Society. In fact, of the votes received, the proposal achieved a 93% approval rating which is a great response.

We are continuing to work towards implementing this at the appropriate time, with our current plan being to rollout in October this year; subject to the status of the pandemic. You will see and hear more about this later on in the meeting. In particular, this new name, and new look and feel, will give us an opportunity to be more relevant in our wider county and beyond. It will increase our geographic reach and also keep us true to our roots, for we were founded as the Ipswich AND Suffolk. Fundamentally, we must and will adapt our brand, so it works just as well in person and in print as it does online, as we continue to progress with our digital strategy.

This name change is crucial for the future sustainability of the Society, and I thank our members who voted to make that decision.

Finally, I remain grateful for the support of our members, intermediaries and our staff. The Society would not be where it is today without that support and dedication, especially during a difficult, unpredictable and undeniably tough twelve months. Thank you all.