

# Metfriendly AGM Questions & Answers

Thank you to Members who submitted questions for the Board prior to the AGM. Our Chair, Joanna Young answered these as follows:

**Question 1:** "I recently considered purchasing Junior ISAs for two of my Grandchildren aged 8 and 6. The application form I encountered online was far from welcoming and as a loving Grandad I was made to feel a minor participant in this process as just a "Payee"

I appreciate that the parents must sign the forms, but will you consider redesigning the application to make Grandparents a more major part of financing their loved one's future?"

**Answer:** Joanna said that the short answer is "yes we will" and that she was sorry the member felt that way as that is never our intention. She thanked the member for bringing it to our attention as we genuinely welcome feedback. The longer answer is we are always looking at ways to improve and try to get the balance right. We have to comply with HMRC rules, and we will be working with our Metfriendly community panel to design more engaging forms.

Joanna Young said she would take the next 3 questions together:

**Question 2:** "I have noted that Police Mutual is to be taken over by Royal London, the UK's largest mutual insurer. What impact does the Board think this will have on Metfriendly?"

**Question 3:** This issue only came up this morning, when it landed on my doormat. You may or may not be aware that Police Mutual appear to be in difficulty, so much so that they have recommended a takeover by Royal London be approved by their membership. It has already been approved by their various committees and their force reps. The alternative is for them to close to new business and effectively become a zombie fund! In light of this development, what assurances can Metfriendly, a significantly smaller Friendly Society give its loyal membership, that it won't be forced to seek a partner or indeed be taken over by a larger company in the future?

**Question 4:** On reviewing the Police Mutual documentation more closely it would appear that the transfer of business to Royal London has already been agreed (without the need for 4 member approval), subject to the regulators' approval. I, as I am sure many other Metfriendly members, would be interested to know the Boards view on these somewhat surprising developments. It is reassuring to know that the Society has a healthy £29m surplus above its liabilities but doesn't that make us a prime target for an aggressive takeover?

**Answers to Questions 2, 3 and 4:** Joanna Young mentioned that the merger is subject to the Prudential Regulation Authority (PRA)'s approval and that the Board and Leadership Team have been very aware for some time and are considering it in great detail. The Board and Leadership Team are looking carefully at the opportunities and potential risks and what lessons can be learned from their situation. Joanna Young reminded our members that we manage our members money prudently to balance risk and reward and maintain a healthy level of solvency and highlighted that our solvency is strong.

Joanna explained that we are owned by our members so they would be involved in any important decision and an aggressive takeover could not happen because this is when someone buys shares to own a high percentage of a company's shares in order to take it over. She explained that we do not operate like that and we have one member, one vote. Joanna said that the vision of the Board and Leadership Team is to build on the long history of the Society and there are no plans or intentions to move away from being a mutual Society owned by its members.