

Scottish Friendly links up With United Co-operatives and takes over second Friendly Society

Scottish Friendly has announced a significant new distribution deal with United Co-operatives Ltd, plus the acquisition of a small friendly society, Preston Operative.

Chief Executive Fiona McBain confirmed the deals today at the organisation's annual general meeting in Glasgow, when record funds under management of over £520 million were reported.

The agreement with United Co-operatives, one of the largest retail co-operatives in Europe, sees Scottish Friendly appointed as the exclusive provider of Child Trust Fund (CTF) accounts via 520 Co-op retail stores across the north midlands and north of England. With an annual footfall of 7.9 million and 3.3 million transactions, United Co-operatives is a household name in the retail sector.

The Child Trust Fund accounts will be promoted to United Co-op customers via a mix of point-of-sale literature, in-store radio advertising, shelf-talkers and SMS messaging. Scottish Friendly already manages over 30,000 CTF accounts, and is one of the government's 13 approved stakeholder providers.

Fiona McBain, Chief Executive of Scottish Friendly, said: "This is a significant deal as it opens up a valuable new distribution channel for us with an organisation that mirrors our culture of excellence in customer service. This is a further demonstration of our strategy to seek out partnerships that help us grow our business."

Nigel Vernon, media sales manager at United Co-operatives Ltd, added: "Scottish Friendly is a progressive financial services provider with a deserved reputation as one of the most efficient in the industry while delivering consistently strong investment returns. We are confident its Child Trust Fund is a good choice for our customers."

Preston Operative

Scottish Friendly has also confirmed it is to take over a small friendly society - its second friendly society transfer in four months - subject to FSA approval. The investments of the 2,000 members of Preston Operative Friendly Society – which is closed to new members – will transfer to Scottish Friendly on 31 May. This deal follows the transfer of Manchester-based Rational Shelley to Scottish Friendly in January.

Fiona McBain said: "This deal will enable us to deliver considerable cost efficiencies to members of Preston Operative, as well as access to a wide range of tax efficient investment and protection products. It also continues our program of increasing economies of scale for the benefit of our existing members."

Notes to Editors:

- In January 2006, Rational Shelley Friendly Society transferred to Scottish Friendly with assets of £16m
- Scottish Friendly is ranked in the top 100 in Insider Magazine's Top 500 Scottish companies
- With 375,000 members, Scottish Friendly is the sixth largest friendly society in the UK
- It will shortly become the largest mutual life office headquartered in Scotland (following the planned demutualisation of Standard Life in summer 2006).
- Scottish Friendly offers a range of affordable investment plans, individual savings accounts and life insurance plans.

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