

Embrace

The members' magazine

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Join our online community

As you may know we launched our new website towards the end of last year with the very kind help from our members.

Throughout 2010 we have made numerous enhancements to our web pages to ensure that members and non-members alike can enjoy our famous customer services both off and online.

One major enhancement has been the introduction of the Friendly Forum section which can be found at www.nationalfriendly.co.uk/friendly-forum.



Here you will find articles on health and fitness and information about our member initiatives such as the Further Education & Training Awards.

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Meet your new chairman

Our new Chairman of the board offers his views on the society and being Chairman.

In June this year, following the retirement of Don Burgess, we appointed Alan Lewis as Chairman of the board. Alan, who has served on more than 20 boards in the UK, France, Italy, Holland and Finland, first joined the Society in October 2009 and was the natural choice to carry on with Don's great work.

With more than 30 years' experience in private equity, Alan is well placed to steer the strategic direction of the Society to help us achieve our vision of being a truly modern mutual for the 21st century. The National Friendly team are delighted that Alan accepted the role and we look forward to benefiting from Alan's expertise as we strive to provide the best products and services for our members. Turn to page 2



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Welcome to Embrace – the magazine for members of National Friendly.

Economic and social change has and continues to have a major impact on both organisations and individuals.

Despite this, 2010 has been a successful year for the Society – we have, for a third successive year, broken all records in terms of new business and building our position in the health insurance sector.

With the knowledge that the State will not be able to fully provide for its increasing ageing population and the government promoting the concept of the 'Big Society', National Friendly's founding principles are more relevant than ever.

We are committed to helping people in the UK access the care they need when they are ill or elderly – both through the products and services we provide as well as the initiatives we support in the community.

2011 will be another challenging year, but as I hope will be evident from just some of the activity detailed in this edition, we have an exceptional team of people at National Friendly.

Whatever the future brings, we will remain focused on putting our members' needs first and continuing on our strategic journey to ensure an exciting and successful future for National Friendly.

Richard Sear
Chief Executive

“National Friendly has great heritage and a big future”

On a chilly November morning, Alan took some time out from his very busy schedule to answer a few questions for us...

Q: When did you first become a boss and how did it feel?

A: Not a word I use much because we're all in the team with a role to play. I became my own boss when working the Manchester street markets in the late '70's if that counts. I first had my own team ten years later. I remember feeling challenge and responsibility!

Q: What have you learnt about leadership and how has your style evolved?

A: Leadership is about getting the best out of people, respect, transparency and integrity, searching for consensus but not shirking from making hard decisions and living with them. Time is usually on your side and good leaders know how to use it.

Q: What's the best part of being the Chairman — and the worst?

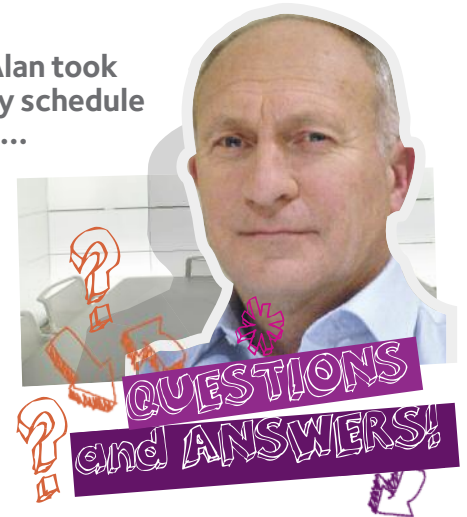
A: Best thing is joining life experiences together and witnessing them being relevant to unconnected situations. Not sure I've discovered the worst thing – perhaps there isn't one!

Q: What do you do to relax?

A: I spend time renovating houses in France and, not unconnected, I amble around my wine cellar. I walk a lot, on a daily basis wherever the dog takes me, but more seriously in the mountains. With some friends I'll finish the 1,000 kilometre walk from Lake Geneva down the spine of the Alps to the Mediterranean next year. A good walk with a lot of up and down!

Q: What's been the high point of your career so far?

A: Hard to say. Like walking the Alps, there have been a lot of ups and downs but the trick is to enjoy the contrast and the journey.



Q: What attracted you to National Friendly?

A: National Friendly has a great heritage and a big future. It has a dedicated and resourceful team who can punch well above their current weight. The attraction is helping mould those attributes into something which is commercially successful and relevant to the future.

Q: What is your vision for the society and how do you think it will change over the next five years?

A: My vision is clear. We will build a business which understands its members and customers, has products which are wanted and has a thriving environment for the team to realise its full potential. NF will have to grow in a controlled way. Standing still is not an option. It will have to face its constraints and deal with them in a commercially viable way, respecting the needs of stakeholders.



2011 AGM

The 138th AGM will be held at 1pm on Tuesday 7th June 2011 at the Mercure Holland Hotel, Bristol. Every member is welcome to attend and formal invitations will be sent out in Spring next year.

Foundation Fund update



The National Friendly Foundation Fund was established back in 2008 to provide discretionary grants to deserving causes, put forward by members.

Over the period of four years prior to its establishment, £500,000 was added to our investment portfolio and at the end of each year a share of the profits from the portfolio is made available for grants. We currently have around £50,000 which we can use to make a difference to charities or individuals that you, our members, feel are worthy.

The Foundation Fund has the general aim of making discretionary grants for the following purposes:

- To provide benevolent support to any member of the Society or their family at a time of need
- For any activity or undertaking which promotes the engagement of the Society with its membership generally
- To provide additional services or benefits to any or all of the Society's members/families

2010 has seen some major changes to the way we manage the Fund and in July the newly formed Foundation Fund committee,

consisting of three members of staff and three members from our Focus Group (pictured), met for the first time to agree the role of the Fund. The committee also agreed to two new grant payments. The first was that the amount raised by staff for the Lily Foundation in 2010 will be matched up to £5,000 and the second grant was for a £2,000 payment to Houghton on the Hill charity Parklife Youth.

To nominate an individual or organisation, please download an application form from the Friendly Forum pages of our website.

Alternatively please write to: National Friendly Foundation Fund, 4-5 Worcester Road, Clifton, Bristol, BS8 3JL, call us on 0808 168 3302 or email members@nationalfriendly.co.uk to request a form.

The cut off date for applications is 28th February. Details of approved grants will be sent out with the 2011 AGM communications.

Engage:

with our online community

From page 1 National Friendly is now on Facebook and Twitter, where we aim to engage with members and non-members in a slightly less formal way.

This year we have been discussing health and fitness and we'd love to hear your top tips – you could write a review for us on a fitness class or maybe you have some tasty healthy recipes you would like to share.

Please email members@nationalfriendly.co.uk



Become a fan on Facebook - www.facebook.com/nationalfriendly or follow us on twitter at - www.twitter.com/nat_friendly

Join the National Friendly Focus Group

The National Friendly Focus Group is still going strong, meeting twice a year with members of the National Friendly senior management team and board of directors.

This year the Focus Group has been involved in research on funding long term care, discussed how the Society can continue to evolve using online channels while maintaining its excellent customer service standards and in November the team were invited to a Q and A session with CEO, Richard Sear.

The output from the Focus Group sessions is highly valued by the Society and in particular, the feedback we received on people's views on long term care will form a key piece of research in an ongoing welfare project National Friendly is undertaking. You can find more information on our

membership engagement programme in the Friendly Forum section of our website. We are always on the lookout for new members and if you are interested in attending future events please email: members@nationalfriendly.co.uk

National Friendly in the community



In April this year staff chose to support The Lily Foundation as our charity of the year, pledging to raise a minimum of £10,000 to help the charity to continue its fantastic work across the UK.

The Lily Foundation was set up in 2007 by Liz Curtis and Dave Merritt following the loss of their eight-month old baby, Lily, to mitochondrial disease. The Foundation is committed to finding a cure for mitochondrial disease and other metabolic disorders through funding research and providing support to those involved with and affected by metabolic disorders.

The charity's work is close to the heart of National Friendly employees Neil and Debbie Thompson whose granddaughter, Freya, has the disease. National Friendly is proud to be its partner this year as we are committed to supporting worthy charities and we are thrilled to be able to dedicate our support to the work of The Lily



Foundation, especially as the charity's work has had such a valuable role in the lives of two of our staff members.

If you would like to help support The Lily Foundation please visit our just giving page at: www.justgiving.com/National-Friendly We will be accepting donations until March 2011.

Helping change young lives

National Friendly was delighted to announce its support of The Prince's Trust work in the South West, and we have pledged £5,000 a year for four years to the youth charity.

Raising funds to support
The Prince's Trust



All net proceeds donated to The Prince's Trust (registered charity no. 1070675)

To demonstrate how the National Friendly donation will be spent in the South West, our staff met local born Sam Teale, a shining example of how The Prince's Trust's work transforms lives. Sam had a difficult upbringing, was bullied at school and lost her father when she was very young. On leaving school, she worked for a year but soon found herself homeless. During this time, Sam was helped significantly by The Prince's Trust, obtained qualifications in youth work and is currently helping The Trust work with other young people in these unexpected and difficult situations from The Trust's Bristol office.



We were keen to get involved with the work of the charity as the values of The Trust mirror our own community values and beliefs. Social responsibility is a key part of our agenda and we are thrilled that we are able to assist The Prince's Trust with its fantastic work.

Further education and training awards



We are proud to offer educational incentives for the Society's members that go on to study post A level, through our annual Further Education and Training Awards.

Each year three winners are selected and awarded with a prize of £1,000 a year for three years.

This year the awards were open to all members aged over 17, including mature and part time students and we received a good mix of entrants ranging from 17 year old Oxbridge undergraduate students to 42 year old Open University mature students. Everyone who entered was asked to write up to 250 words on 'Embracing change' and here are some passages from the three winning essays.

To read the full essays please visit: www.nationalfriendly.co.uk/Friendly-Forum/Further-Education-Awards

The Awards are open to all members so remember to keep an eye out for information on the 2011 competition.

If you would like to be one of the first to know about the competition you can join our mailing list by emailing: members@nationalfriendly.co.uk and quoting 'FETA 2011' in the subject line. Please make sure you include your name and member reference number in the email.



Claire Coday, 49, studying Psychotherapeutic Counselling in Chelmsford

We can each work to increase our abilities to manage, influence and embrace change in a number of ways; by gaining insight through learning about the world and the people in it, by being self aware and deploying our abilities for good, by listening to and receiving guidance and support from knowledgeable others. But most of all, through accessing our own incredible inbuilt mental, physical and emotional resources we can endeavour to maximise positive change and minimise negative change and so contribute to helping make life for all of us safe, fulfilling and happy.

Emma Jane Scatterty, 18, studying French & German at Warwick

2010. A year of change. Big change. Running, pushing, stumbling. I feel my way through the crowd. A crowd exhilarated with excited anticipation. I know that I have to be there, at the forefront. I want to see history being made before my eyes. Clasp my camera in my hand, I capture my journey. I film these magnificent buildings which look upon today's events. Can they sense the importance of this next hour which could change the lives of so many?

Zara Hayat, 22, studying Graduate Entry Medicine at Kings College London

Witnessing a caesarean section on a work placement, I never allowed myself to imagine that one day I could make medicine my career. I was going into the final year of a law degree, fulfilling family ambitions rather than my own. I saw before me career options for which I held no passion or interest. That afternoon in theatre, seeing the miracle of a new life became a defining moment in my own life. It was my 'calling'. I would make my career in medicine, whatever it took.

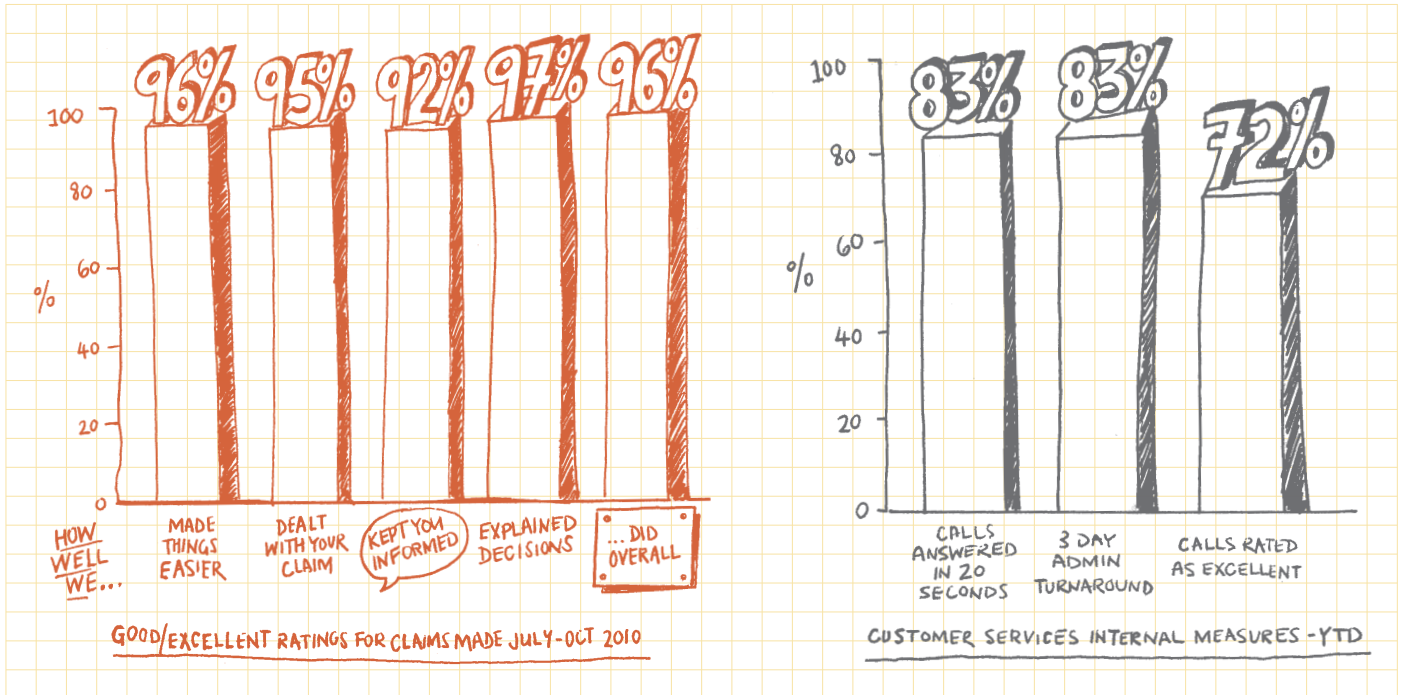


"I'm delighted that National Friendly chose my essay over hundreds of other entries. The money that it has generously awarded me will help cover the cost of fees and the important books that are needed for my course. I would like to thank the society for its support during my time of study."
Claire Coday



"I'm thrilled to have been awarded the funding from National Friendly. As University life can put a strain on finances, this kind donation from the society is going to be very beneficial to me during my time of studying. It's great to have this support from them and I would like to thank National Friendly for its generosity."
Emma Jane Scatterty

What our members say - 2010 customer services satisfaction survey



2010 has been a great year for the customer services team. Our aim is always to provide a personal, friendly and timely service for our members and the results of our monthly customer services surveys would reflect us achieving this in most instances.

We regularly receive very positive feedback about how delighted our members are that we do many of the simple things right in terms of answering the telephone quickly, taking responsibility for resolving customer queries and so on. There is still more we need to do and our continued investment in training and technology is a recognition that we can further improve the service we provide and the systems that support the customer services team. These will be priorities for us in 2011.



National Friendly has fantastic, loyal customers and it is our aim to continue to offer an exceptional service for our members.
Alun Thomas
 Head of Operations

You should extend your categories to include "Excellent"- My wife and I have received nothing but excellent service from you.

"You don't get professional service like yours many other places these days."

"I am extremely pleased with the service, the advice and the courtesy shown by your staff and have recommended you to many of my friends."

'In our 50 years of membership your staff in Clifton have always been 1st class'

'With the level of service provided it is no surprise National Friendly won the PMI provider of the year award.'

Our Products...

You can find full details on all our products at www.nationalfriendly.co.uk or alternatively call our friendly team on **0808 168 3302**



Healthcare Deposit Account

With its origins dating back to our roots, our flagship private medical insurance is a cost-effective option for those looking for choice and control over their health cover.

FOR COMPANIES:

Group Healthcare Deposit Account

This benefits you AND your employees. They get the security of wide ranging private medical insurance and you get a happy healthier workforce.

One Fund

Filling the gap between traditional cash plans and full private medical insurance, One Fund is a genuinely innovative plan that helps cover the costs associated with keeping your employees healthy.



50+ Life Plan

It's never easy to think about leaving your loved ones behind, but it is reassuring to know that after 12 months our 50+ Life Plan will pay them a guaranteed amount when the time comes.



Investment ISA

Make the most of your ISA allowance. Invest in a diversified fund with less risk than playing the stock market on your own.

With-Profits Bond

Our With-Profits Bond could be an attractive choice for the investor with £1,000 or more to invest.

Tax-Free Savings Plan

Exclusive to friendly societies - a Tax-Free* Savings Plan enables you to invest £25 a month tax-free – on top of your ISA allowance.



Please note that with all investment products, you could get back less than you have paid in.

*Except for the tax National Friendly pays on share dividend income. Inheritance tax may also apply.

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To request a free information pack complete the details below in BLOCK CAPITALS and return this coupon to: National Friendly, FREEPOST (SW 3073), Bristol BS8 3BR.

Your friend's full name (incl. title) _____
 Date of birth _____ Daytime telephone _____
 Address _____

 _____ Postcode _____

Investment ISA 50+ Life Plan With-Profits Bond
 Tax-Free Savings Plan Healthcare Deposit Account

Please tick this box if you **do not** wish to receive information from National Friendly or its subsidiary companies on other products and services that may be of interest to you.

MGM/Embrace

It had been a great year for the National Friendly PR team, with our stories being picked up by many of the mainstream UK newspapers and magazines.

You may have seen us in The Mail on Sunday, on GMTV, Richard featuring in The Sunday Times or maybe you read about us in your local paper. Here is a selection of stories from 2010...

For more information please visit www.nationalfriendly.co.uk/Media-Centre

Unique proposition for Cash plan market

Specialist health insurer National Friendly is challenging the cash plan market with the launch of One Fund, an innovative new corporate health product.

Over 80% not saving for their care.

New research from specialist health insurer National Friendly, reveals that 84% of Brits are not putting any money aside to pay for care when they are elderly, further highlighting the severity of the escalating long term care issue.

Merthyr rugby team boosted by some friendly support

Local rugby team, the Merthyr Under 15's, are kicking off the season in style with a new sponsorship deal from specialist health insurer National Friendly. When Ian Talbot, head of commercial distribution at National Friendly, learned that the team from his home town was struggling to find funding for a new kit he knew that his employer would be keen to help.

425 direct update

In September 2009 we bolstered our call centre capabilities through the acquisition of 425 Direct Ltd, previously the telephony arm of independent financial advice company AWD Chase De Vere.

The 425 Direct team has now been with us for 14 months, helping sell and administer the full suite of National Friendly products. They have been integral in the success of the society this year, handling thousands of requests and administering hundreds of applications, enabling us to turn around record volumes of new business.

425 Direct also offer an independent, whole of market compare and buy service for protection, annuities and savings plans and their IFA arm provides full advice on investments, pensions and mortgages.

To find out more please visit www.425direct.co.uk

National Friendly is home to the PA of the year...



In October this year, Dawn Carey, PA to our CEO Richard Sear, was named PA of the Year by national magazine, Executive PA.

Dawn was nominated for the prestigious award by Richard, who has come to find her organisational skills, enthusiasm and creative ideas invaluable to his own working life, and that of the company as a whole. The national awards are run by Executive PA magazine and aim to reward the best PAs in the industry through a number of prestigious gongs. As part of the PA of the Year award, the magazine was looking for an executive assistant that excels within their role and who sets a high benchmark of professionalism for the industry.



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0808 168 3302

(8am-6pm weekdays, excluding public holidays, calls are recorded for quality purposes).

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INVESTOR IN PEOPLE