

ADDITIONAL FINANCIAL INFORMATION

Impact of Conversion plan on the Society's financial position immediately after the conversion

This document contains other financial information which is considered material to the Offer but which is not contained elsewhere in the product disclosure statement (PDS) or the register entry for the Offer of Fraternal Bonds by Manchester Unity Friendly Society (the Society).

Capitalised terms used but not defined in this document have the meanings given to those terms in the PDS.

Conversion will impact the Society's financial position in comparison with its existing financial position. Insurance liabilities will be replaced by Fraternal Bond liabilities, transferred or cashed out. Reserves will be applied towards Benevolent Fund liabilities.

For comparability purposes, the table below contains selected financial information showing financial impacts immediately after the insurance policies have been transferred or cancelled and the Fraternal Bonds issued. The basis of calculation, and the assumptions on which the information is based, are set out below the table.

Selected financial information		Interims Nov 2022	Estimated financial impact on Day 1*
Total assets ¹		72,654	72,654
Insurance liabilities ²		30,726	-
Fraternal Bonds ²			29,393
Other liabilities ³		13,277	29,011
Equity ⁴		28,651	14,251

***Day 1** means the business day after the Issue Date.

Notes: The information in the column headed "Interims Nov 2022" is based on Society's unaudited financial statements for the financial half year ended 30 November 2022.

The information in the column headed "Estimated financial impact on Day 1":

- is also based on information taken from Society's financial statements for the financial half year ended 30 November 2022;
- is intended to show the comparable position on Day 1; and
- has been prepared on the basis and assumptions set out below:

1. On or prior to the Issue Date, the Society will have cashed out its other insurance or similar products (at an approximate value of \$800,000) and migrated medical products (at an approximate value of \$500,000) to a third party insurer, reducing its total assets.
2. Insurance Liabilities cancelled and Fraternal Bonds issued reflect actuarial calculations dated 31 May 2022, less the amount by which insurance liabilities have reduced in the six months to 30 November 2022 due to payment of claims on Policies maturing during that period. The amount of the Fraternal Bonds set out in the table:
 - assumes that every Policyholder elects to accept the Fraternal Bond offered by this PDS; and
 - accounts for the fact that the Offer is not open to Overseas Policyholders and that Overseas Policyholders will instead be entitled to receive a cash payment by the Society and is included in Other Liabilities.
3. The Society will constitute a proposed new Benevolent Benefit Fund and, assuming 100% take-up of the Fraternal Bonds, will make an appropriations to that fund of approximately \$14,400,000 thereby increasing its other liabilities.
4. The Society's one-off appropriation of a portion of its reserves to the proposed new Benevolent Benefit Fund, and payments to cash-out and cancel its other insurance products, will correspondingly reduce the Society's equity.