11 March 2009

Update is a newsletter produced by the investor relations department of Metropolitan Holdings Limited. It provides information on the different businesses in the group as well as financial news. Contact Nico Oosthuizen on (021) 9406111 or Sue Snow on (021) 940-6119 or send an e-mail to noosthuizen@metropolitan.co.za or ssnow@metropolitan.co.za for further information.

METROPOLITAN HOLDINGS FINANCIAL SERVICES GROUP
AUDITED GROUP RESULTS FOR THE YEAR ENDED 31 DECEMBER 2008

HIGHLIGHTS

- Net funds received from clients +R8bn
- Retail new business PVP +23%
- International new business PVP +18%
- Value of new insurance business +38%
- Health administration profits +56%
- Group CAR cover 3.1 times

REVIEW OF OPERATIONS AND PROSPECTS

Operating environment

Until very recently South Africa had been enjoying a prolonged period of buoyant equity and property markets, strong GDP growth and significant disposable income across most consumer classes. However, during 2008 there was an almost complete reversal. Investment markets were extremely turbulent and falling, interest rates rose and inflation soared to above 10%, driven mainly by imported price pressures (particularly relating to food and transport). All of these factors put pressure on financial and other operating measures.

2008 was characterised by extreme volatility in interest rates, in particular the government bond yield curve on which we base our assumptions to project asset returns and discount projected shareholder cashflows.

Salient features and highlights

- Diluted core headline earnings per share for the year remained strong at 151 cents, increasing by 6% over 2007.
- The growth in diluted core headline earnings per share was assisted by a 5% reduction of the average number of shares in issue – a direct result of capital management activities.
- Earnings and headline earnings, which include adjustments for negative economic and other market value impacts, reflected a loss for the year.

- Total recurring new business premium income was 16% higher, while the value of new insurance business increased by 38%.
- Investment income on shareholder assets was 30% up, driven by higher cash balances and increased interest rates.
- The economic capital model is subject to constant refinement and the capital required as at 31 December 2008 increased marginally despite the turbulent markets.
- The embedded value per share held up very well, reducing by 123 cents from 1 832 cents to 1 709 cents, almost exclusively owing to the falling markets.
- The group experienced strong cashflow from clients, recording a net inflow of R8 billion.
- Ordinary dividend per share of 95 cents was maintained.
- The general economic slow-down challenged operating profit across the group.

Operational overview

Retail

- New business PVP (present value of expected premiums) exceeded expectations, ending 23% higher.
- The increasingly difficult consumer conditions led to a higher propensity to lapse or surrender life insurance policies. However, management action in this area intensified, resulting in better overall persistency than would have been expected in the current operating environment.
- The new business margin increased from 2.0% to 2.8% (PVP basis), assisted by improvements in new business production, product mix and expense management.
- A deferred tax asset was recognised at the end of 2007 for accumulated tax losses in the policyholder funds. As a result, the tax profits (tax charged but not paid) that emerged during 2007 in the retail business were not repeated in the current year.
- Operating profit decreased by only 3%, reflecting the lower average investment assets towards the end of the year, the change in accounting policy referred to above as well as the worsening economic environment.

Corporate

- New business PVP could not match the performance recorded during 2007, and ended the year down 33%. Securing new business is a lengthy process and premium inflows remain volatile.
- Risk margins remained under pressure throughout the period, dampening both operating and new business profits.
- Similarly, the new business PVP margin decreased from 1.3% to 0.8%, reflecting the lower profit margins.
- Metropolitan Retirement Administrators successfully took on its first external client (15 000 members).
- Operating profit ended 13% lower, mostly as a result of lower risk profits.

International

- New business PVP, based on the established southern African operations, increased by 18%, boosted primarily by the individual life performance in Lesotho.
- The two western operations (Ghana and Nigeria) increased new business production and are progressing well.
- Overall, the southern operations recorded a strong new business margin of 3.4% (PVP), falling marginally from 3.6% in 2007.
- Total operating profit fell 15%, taking into account investments in the start-up businesses.

Asset management

- The value of new business, comprising collective investment inflows and third-party mandates, grew by 11% to R39 million.
- Operating profit, however, declined by 7% as a result of administration margin compression, lower absolute investment market performance as well as increased staff costs.

Health (MHG)

- New business continued to add value, mostly as a result of the tremendous growth in membership of the Government Employees Medical Scheme (GEMS), the tender for which was renewed during the year.
- Total principal members under administration, including franchise, at the year-end were in excess of 750 000 (almost two million lives), confirming MHG's status as South Africa's largest administrator of restricted medical schemes.
- As a result of the continued growth in members, together with improved operational efficiencies, operating profit increased by 56%.

Prospects

- Metropolitan continues to capitalise on its focused market positioning, in line with its strategy of creating prosperity for Africa's people, by providing accessible, affordable and appropriate products.
- All the businesses within the group are well prepared for the threats and opportunities posed by ongoing changes in the highly regulated environments in which they operate.
- Food, fuel and transport inflation, together with unemployment levels, remains the biggest challenge to our core target market. Any further increases are likely to curtail new business prospects and threaten the persistency of the in-force book.
- The board is satisfied that the business remains strategically well positioned, thanks to management's specific focus on client service, product innovation, business retention, cost containment, diversification and capital management.

DIRECTORS' STATEMENT

The directors take pleasure in presenting the audited results of the Metropolitan Holdings financial services group for the year ended 31 December 2008.

Basis of presentation of financial information

These results have been prepared in accordance with International Financial Reporting Standards (IFRS) and International Financial Reporting Interpretations Committee (IFRIC) interpretations issued and effective at the time of preparing these results, including compliance with IAS 34 *Interim Financial Reporting*. They are also in compliance with the listings requirements of the JSE Limited and the Companies Act of South Africa.

The accounting policies of the group have been applied consistently to all periods presented. The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates as well as the exercise of managerial judgement in the application of the group's accounting policies. Such judgement, assumptions and estimates are disclosed in detail in the annual financial statements for the year ended 31 December 2008.

Changes to presentation and restatement of 2007 results

The classification of certain policy loans, premium income and scrip lending fees was changed from that disclosed in 2007. These changes are not material, and do not have any impact on earnings attributable to equity holders of the group. The full details are disclosed in the annual financial statements at 31 December 2008.

CAPITAL MANAGEMENT

- The investment markets were extremely volatile and unpredictable, both locally and internationally.
- During the first half of the year Metropolitan bought back 16 million listed ordinary shares for R201 million.
- The group actively monitored its capital position throughout the operations with a view to protecting shareholder capital during these volatile investment market conditions.
- Dynamic asset allocation, capital protection and other strategies were applied where deemed appropriate, in order to ensure that the group maintained adequate capital.
- As a result of the poor investment markets, affecting both local equities and in our instance international bonds, some smoothed bonus funds ended the year with funding levels below 92.5%. Metropolitan believes that these funds will be able to recover to full funding within the required three years, as was the case after previous market falls.
- The year-end economic capital required by the Metropolitan group was R4.5 billion, 1.9 times the statutory requirement.
- The actual capital held by the group at the year-end exceeded this requirement by approximately R1 billion.
- The insurance operations remained well capitalised, with a group CAR (capital adequacy requirement) cover ratio of 3.1 times.
- No share buy-backs are anticipated.

CORPORATE GOVERNANCE

The board has satisfied itself that appropriate principles of corporate governance were applied throughout the year under review.

DIRECTORATE CHANGES AND DIRECTORS' SHAREHOLDING

Peter Doyle and Abel Sithole resigned as directors with effect from 31 March 2008. All transactions in listed shares involving directors were disclosed on SENS as required.

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

The group had no material capital commitments at 31 December 2008. The group is party to legal proceedings in the normal course of business, and appropriate provisions are made when losses are expected to materialise.

POST BALANCE SHEET EVENTS

In January 2009 Metropolitan reached a settlement with the curators of Ovation and agreed to compensate policyholders for losses incurred. This settlement has no impact on group earnings as the liability to policyholders already existed. No other material post balance sheet events occurred between the balance sheet date and the date of approval of the annual financial statements.

DIVIDEND DECLARATION

Ordinary listed shares

The dividend policy for ordinary listed shares, approved by the directors and consistent with prior years, is to provide shareholders with stable dividend growth that reflects expected growth in underlying earnings in the medium term, while allowing the dividend cover to fluctuate. The board felt it prudent not to increase the total dividend.

An interim dividend of 40.00 cents per ordinary share was declared in September and paid in October 2008. On 10 March 2009 a final divided of 55.00 cents per ordinary share was declared. This dividend is payable to the holders of ordinary shares recorded in the register of the company at the close of business on Friday, 3 April 2009 and will be paid on Monday, 6 April 2009. The last day to trade "cum" dividend will be Friday, 27 March 2009. The shares will trade "ex" dividend from the start of business on Monday, 30 March 2009. Share certificates may not be dematerialised or rematerialised between Monday, 30 March and Friday, 3 April 2009, both days inclusive.

Where applicable, dividends in respect of certificated shareholders will be transferred electronically to shareholders' bank accounts on payment date. In the absence of specific mandates, dividend cheques will be posted to certificated shareholders on or about payment date. Shareholders who have dematerialised their shares will have their accounts with their CSDP or broker credited on Monday, 6 April 2009.

Staff share purchase scheme dividend

A dividend of R11 million (2007: R16 million) was declared on the unlisted shares in the staff share purchase scheme, as provided for in the trust deed.

Preference share dividend

Dividends of R33 million (16.8%), R7 million (55.00 cents per share) and R30 million (19.0%) were declared on 10 March 2009 on the unlisted A1, A2 and A3 Metropolitan preference shares respectively, and are payable on 31 March 2009.

Dividends of R32 million (16.9%), R5 million (40.00 cents per share) and R29 million (18.7%) were declared in September 2008 on the unlisted A1, A2 and A3 Metropolitan preference shares respectively, and paid on 30 September 2008. The declaration rate was determined as set out in the company's articles. Preference share dividends are included under finance costs in these results.

AUDIT OPINION

The auditors, PricewaterhouseCoopers Inc, have issued their opinion on the group financial statements for the year ended 31 December 2008. A copy of their unqualified report is available for inspection at the company's registered office.

INDEPENDENT ACTUARIAL REVIEW

The embedded value and value of new business results have been reviewed by Deloitte & Touche.

Signed on behalf of the board

Wilhelm van Zyl *Group chief executive*
Preston Speckmann *Group finance director*

Cape Town
10 March 2009

Directors:

Prof Wiseman Nkuhlu (non-executive group chairman), Wilhelm van Zyl (group chief executive), Phillip Matlakala (executive director), Preston Speckmann (executive director), Fatima Jakoet, Peter Lamprecht, Syd Muller, John Newbury, JJ Njeke, Bulelwa Paledi, Andile Sangqu, Marius Smith, Franklin Sonn, Johan van Reenen

Secretary: Bongiwe Gobodo-Mbomvu

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JSE code:	MET
NSX code:	MTD
ISIN NO	ZAE000050456

Transfer secretaries

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Sponsor

Merrill Lynch

METROPOLITAN HOLDINGS FINANCIAL SERVICES GROUP

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The accounting policies of the group have been applied consistently to all periods presented. The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates as well as the exercise of managerial judgement in the application of the group's accounting policies. Such judgement, assumptions and estimates are disclosed in detail in the annual financial statements for the year ended 31 December 2008.

Restatement of 2007 results

- Certain policy loans were previously disclosed as loans and receivables within the financial instruments category. These policy loans (R175 million) together with the related insurance (R134 million) and investment contract liabilities (R41 million) were derecognised and the disclosure was changed from what was disclosed in 2007. The opening balances in 2007 for insurance (R94 million) and investment (R45 million) contract liabilities were also restated. This resulted in net insurance benefits and claims for 2007 increasing by R40 million as only insurance premiums are recorded in the income statement. This had no impact on earnings attributable to equity holders of the group.
- Certain investment contracts were accounted for as insurance business in 2007. Premium income and operating profit on insurance contracts was therefore reduced by R77 million with a corresponding increase in fee income from investment contracts in 2007. This had no impact on earnings attributable to equity holders of the group.
- The disclosure of scrip lending fees received was changed from that disclosed in the 2007 annual financial statements. Scrip lending fee income of R19 million, previously disclosed as investment income, has been reclassified as fee income as this class was considered more appropriate. This had no impact on earnings attributable to equity holders of the group.

Embedded value

Revised embedded value guidance from the Actuarial Society of South Africa, which is intended to be materially consistent with the CFO Forum's European Embedded Value (EEV) Principles issued in May 2004, became effective for reporting periods ending on or after 31 December 2008. The disclosed embedded value results have been prepared in accordance with these new guidelines. The diluted embedded value at 31 December 2007 has been restated accordingly, (decrease of R171 million).

Standards and interpretations of published standards effective in 2008 and relevant to the group

IFRIC 11 – IFRS 2 – Group and treasury share transactions

IFRIC 11 provides guidance in respect of share-based transactions involving treasury shares or group entities, for example options over a parent's shares should be accounted for as equity-settled or cash-settled share-based payment transactions in the stand-alone accounts of the parent and group. This interpretation does not have an impact on the group's financial results.

IFRIC 14 – IAS 19 – The limit on a defined benefit asset

IAS 19 – Employee benefits – limits the measurement of a defined benefit asset. Certain funds include minimum funding requirements which normally stipulate a minimum amount or level of contributions that must be made to a plan over a given period. Therefore, a minimum funding requirement may limit the ability of the entity to reduce future contributions. IFRIC 14 provides guidance on when a minimum funding requirement may give rise to a liability if the required contributions will not be available to the entity once they have been paid. This interpretation does not have an impact on the group's financial results.

METROPOLITAN HOLDINGS – GROUP RESULTS

CONSOLIDATED BALANCE SHEET	**31.12.2008 Rm**	31.12.2007 Rm
ASSETS		
Intangible assets	**525**	562
Owner-occupied properties	**678**	592
Property and equipment	**186**	233
Investment properties	**3 031**	2 710
Investment in associates	**663**	405
Investment in joint venture	**35**	61
Employee benefit assets	**248**	177
Financial instrument assets (1)	**53 692**	60 314
Insurance and other receivables	**1 507**	1 476
Deferred income tax	**12**	15
Reinsurance contracts	**212**	179
Current income tax assets	**14**	-
Cash and cash equivalents	**8 810**	8 274
Non-current assets held for sale	**-**	185
Total assets	**69 613**	75 183
EQUITY		
Capital and reserves attributable to equity holders	**5 847**	6 817
Minority interests	**141**	124
Total equity	**5 988**	6 941
LIABILITIES		
Insurance contract liabilities		
Long-term insurance contracts (2)	**32 023**	33 397
Capitation contracts	**2**	1
Financial instrument liabilities		
Investment contracts	**25 209**	28 385
– with discretionary participation features (2)	**11 278**	14 273
– designated as fair value through income	**13 931**	14 112
Other financial instrument liabilities (3)	**3 119**	2 863
Deferred income tax	**127**	492
Employee benefit obligations	**188**	252
Other payables	**2 934**	2 545
Current income tax liabilities	**23**	307
Total liabilities	**63 625**	68 242
Total equity and liabilities	**69 613**	75 183

(1) Financial instrument assets consist of the following:
Assets designated as fair value through income: R50 795 million (2007: R58 264 million)
Assets held for trading: R1 764 million (2007: R850 million)
Available-for-sale assets: R5 million (2007: R7 million)
Loans and receivables: R1 128 million (2007: R1 193 million)

(2) Under IFRS4, the group continues to account for long-term insurance contracts and investment contracts with discretionary participation features using SA GAAP.

(3) Other financial instrument liabilities consist of the following:
Liabilities designated as fair value through income: R272 million (2007: R635 million)
Liabilities held for trading: R1 498 million (2007: R858 million)
Liabilities at amortised cost: R1 349 million (2007: R1 370 million)

METROPOLITAN HOLDINGS – GROUP RESULTS

STATEMENT OF ACTUARIAL VALUES OF ASSETS AND LIABILITIES ON REPORTING BASIS	31.12.2008 Rm	31.12.2007 Rm
Total assets per balance sheet	**69 613**	75 183
Actuarial value of policy liabilities per balance sheet	**(57 232)**	(61 782)
Other liabilities per balance sheet	**(6 393)**	(6 460)
Minority interests	**(141)**	(124)
Excess – group per reporting basis	**5 847**	6 817
Net assets – other businesses	**(934)**	(1 102)
Excess – long-term insurance business (4)	**4 913**	5 715
LONG-TERM INSURANCE BUSINESS (4)		
Change in excess of long-term insurance business (4)	**(802)**	(121)
Increase in share capital	**(39)**	(12)
Acquisition of Union Life	**-**	(54)
Change in other reserves	**(45)**	(36)
Dividend paid	**1 053**	1 606
Total surplus arising	**167**	1 383
Operating profit	**734**	754
Investment income on excess	**309**	289
Net realised and fair value (losses)/gains on excess	**(329)**	364
Investment variances (5)	**(387)**	29
Basis and other changes	**(197)**	(180)
Employee benefit assets (6)	**37**	48
Deferred tax (7)	**-**	79
Consolidation adjustments	**75**	217
Income tax (credits)/expenses (8)	**(170)**	549
Adjustment for finance costs	**49**	47
Results of long-term insurance business (4)	**121**	2 196
Results of other group businesses	**(277)**	289
Results of operations per income statement	**(156)**	2 485

STATEMENT OF ACTUARIAL VALUES OF ASSETS AND LIABILITIES ON STATUTORY BASIS	31.12.2008 Rm	31.12.2007 Rm
Reporting excess – long-term insurance business (4)	**4 913**	5 715
Disregarded assets in terms of statutory requirements (9)	**(489)**	(293)
Capital adjustments	**300**	91
Statutory excess – long-term insurance business (4)	**4 724**	5 513
Capital adequacy requirement (CAR) (Rm)	**2 336**	1 609
Ratio of long-term insurance business excess to CAR (times)	**2.0**	3.4
Discretionary margins	**1 756**	2 151

(4) The long-term insurance business includes both insurance and investment contract business and is the simple aggregate of all the life insurance companies in the group. It includes minority interests and other items, which are eliminated on consolidation. It excludes non-insurance business.

(5) Investment variances reflect the impact of actual investment returns on the value of future expense recoveries and include any change in the PGN 110 (Allowance for embedded investment derivatives) liability.

(6) Recognition of Metropolitan Staff Retirement Fund surplus as well as movements in employee benefit assets not being utilised by the group.

(7) Deferred tax asset created at 31 December 2007 in respect of accumulated tax losses.

(8) 2007 and 2008 includes deferred tax on contract holder capital gains and losses.

(9) Disregarded assets are those as defined in the South African Long Term Insurance Act and are only applicable to South African Long Term insurance companies. Adjustments are also made for the international insurance companies from reporting excess to statutory excess as required by their regulators.

METROPOLITAN HOLDINGS – GROUP RESULTS

CONSOLIDATED INCOME STATEMENT	**12 mths to 31.12.2008 Rm**	12 mths to 31.12.2007 Rm
Net insurance premiums received	**10 405**	8 715
Fee income (10)	**1 151**	903
Investment income	**4 396**	3 613
Net realised and fair value (losses)/gains	**(8 484)**	4 407
Net income	**7 468**	17 638
Net insurance benefits and claims	**8 069**	6 232
Change in liabilities	**(4 468)**	4 175
Change in insurance contract liabilities	**(1 451)**	2 577
Change in investment contracts with DPF liabilities	**(2 990)**	1 562
Change in reinsurance provision	**(27)**	36
Fair value adjustments on investment contract liabilities	**269**	1 518
Fair value adjustments on collective investment scheme liabilities	**18**	13
Depreciation, amortisation and impairment expenses	**221**	169
Employee benefit expenses	**1 269**	1 145
Sales remuneration and distribution costs	**1 235**	1 127
Other expenses	**1 011**	774
Expenses	**7 624**	15 153
Results of operations	**(156)**	2 485
Share of (loss)/profit of associates	**(2)**	5
Share of loss of joint venture	**(26)**	-
Finance costs	**(188)**	(174)
(Loss)/profit before tax	**(372)**	2 316
Income tax credits/(expenses)	**77**	(788)
Earnings	**(295)**	1 528
Attributable to:		
Equity holders of group	**(319)**	1 503
Minority interests	**24**	25
	(295)	1 528

(10) Fee income consists of the following:

Investment contracts: R174 million (2007: R97 million)

Trust and fiduciary services: R144 million (2007: R93 million)

Other fee income: R833 million (2007: R713 million)

METROPOLITAN HOLDINGS – GROUP RESULTS

RECONCILIATION OF HEADLINE EARNINGS attributable to equity holders of group	Basic earnings 12 mths to 31.12.2008 Rm	Basic earnings 12 mths to 31.12.2007 Rm	Diluted earnings 12 mths to 31.12.2008 Rm	Diluted earnings 12 mths to 31.12.2007 Rm
Earnings	**(319)**	1 503	**(319)**	1 503
Finance costs – preference shares			**138**	124
Diluted earnings			**(181)**	1 627
Goodwill impairment	**44**		**44**	
Headline earnings (11)	**(275)**	1 503	**(137)**	1 627
Net realised and fair value losses/(gains) on excess	**603**	(719)	**603**	(719)
Basis and other changes and investment variances	**580**	64	**580**	64
Employee benefit assets	**(37)**	(48)	**(37)**	(48)
Dilutory effect of subsidiaries (12)			**1**	6
Investment income on treasury shares – contract holders (13)			**1**	13
STC on special dividend		60		60
Core headline earnings (14)	**871**	860	**1 011**	1 003

(11) Headline earnings consist of operating profit, investment income, net realised and fair value gains, investment variances, basis and other changes and the first-time recognition of an employee benefit asset.

(12) Metropolitan Health and Metropolitan Kenya are consolidated at 100% in the results. For the purposes of diluted core headline earnings, minority interests and investment returns are reinstated.

(13) For diluted core headline earnings, treasury shares held on behalf of contract holders are deemed to be issued. For diluted earnings and headline earnings, these shares are deemed to be cancelled.

(14) Net realised and fair value gains on investment assets, investment variances and basis and other changes can be volatile; therefore core headline earnings have been disclosed that comprise operating profit and investment income on shareholder assets.

EARNINGS PER SHARE (cents) attributable to equity holders of group	12 mths to 31.12.2008	12 mths to 31.12.2007
Basic		
Core headline earnings	**167.18**	160.15
Headline earnings	**(52.78)**	279.89
Earnings	**(61.23)**	279.89
Weighted average number of shares (million)	**521**	537
Diluted		
Core headline earnings	**151.12**	142.27
Weighted average number of shares (million)	**669**	705
Headline earnings	**(20.48)**	232.43
Earnings	**(27.06)**	232.43
Weighted average number of shares (million)	**669**	700

DIVIDENDS	**2008**	2007
Ordinary listed shares (cents per share)		
Interim	**40.00**	36.00
Final	**55.00**	59.00
Total	**95.00**	95.00

DIVIDENDS

Convertible redeemable preference shares		A1	A2	A3
Paid – 31 March 2007	Rate	13.5%	125.00 cps	13.3%
	Rm	26	16	21
Paid – 30 September 2007	Rate	14.4%	36.00 cps	15.6%
	Rm	27	5	24
Paid – 31 March 2008	Rate	16.1%	59.00 cps	18.0%
	Rm	31	8	28
Paid – 30 September 2008	Rate	16.9%	40.00 cps	18.7%
	Rm	32	5	29
Payable – 31 March 2009	Rate	16.8%	55 cps	19.0%
	Rm	33	7	30
Redemption value (per share)	R	5.12	9.18	9.18

ANALYSIS OF DILUTED CORE HEADLINE EARNINGS	**12 mths to 31.12.2008 Rm**	12 mths to 31.12.2007 Rm
Retail business	**448**	460
Operating profit	**612**	622
Tax	**(164)**	(162)
Corporate business	**153**	176
Operating profit	**211**	248
Tax	**(58)**	(72)
International business	**94**	110
Operating profit	**107**	116
Tax	**(13)**	(6)
Asset management business	**65**	70
Operating profit	**92**	96
Tax	**(27)**	(26)
Health business	**100**	64
Operating profit	**142**	116
Tax	**(42)**	(52)
Shareholder capital	**151**	123
Holding company expenses	**(55)**	(58)
Strategic ventures	**(78)**	(44)
Investment income on shareholder excess	**501**	384
Income tax on investment income	**(217)**	(159)
Diluted core headline earnings	**1 011**	1 003

RESULTS OF OPERATIONS FROM ADMINISTRATION BUSINESS (gross of minority interests and before finance costs and tax)	**Net income** Rm	**Expenses** Rm	**Results of operations** **12 mths to 31.12.2008 Rm**	12 mths to 31.12.2007 Rm
Health business	823	(682)	**141**	111
Asset administration	114	(58)	**56**	62
Asset management	119	(82)	**37**	35
Metropolitan Card Operations	40	(88)	**(48)**	(22)
	1 096	(910)	**186**	186

METROPOLITAN HOLDINGS – GROUP RESULTS

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	**12 mths to 31.12.2008 Rm**	12 mths to 31.12.2007 Rm
Changes in share capital		
Balance at beginning	**19**	(136)
Staff share scheme shares released	**31**	105
Decrease in treasury shares held on behalf of contract holders	**1**	50
Balance at end	**51**	19
Changes in other reserves		
Balance at beginning	**495**	413
Total recognised income	**36**	70
Revaluation of land and buildings	**24**	65
Foreign currency translation differences	**12**	5
Employee share schemes – value of services provided	**4**	12
Transfer to retained earnings	**(3)**	-
Balance at end (15)	**532**	495
Changes in retained income		
Balance at beginning	**6 303**	6 417
Earnings for period	**(319)**	1 503
Dividend paid	**(520)**	(926)
Shares repurchased	**(203)**	(691)
Transfer from other reserves	**3**	-
Balance at end	**5 264**	6 303
Capital and reserves attributable to equity holders	**5 847**	6 817
Changes in minority interests		
Balance at beginning	**124**	109
Total recognised income	**28**	26
Earnings for period	**24**	25
Foreign currency translation differences	**4**	1
Dividend paid	**(12)**	(49)
Other	**1**	38
Balance at end	**141**	124
Total equity	**5 988**	6 941

(15) Other reserves consist of the following:

Land and buildings revaluation reserve: R182 million (2007: R161 million)

Foreign currency translation reserve: R1 million (2007: (R11 million))

Fair value reserve: R53 million (2007: R50 million)

Non-distributable reserve: R296 million (2007: R295 million)

METROPOLITAN HOLDINGS – GROUP RESULTS

CONSOLIDATED CASH FLOW STATEMENT	12 mths to 31.12.2008 Rm	12 mths to 31.12.2007 Rm
Net cash inflow from operating activities	**1 455**	3 166
Net cash outflow from investing activities	**(163)**	(115)
Net cash outflow from financing activities	**(760)**	(1 668)
Net cash flow	**532**	1 383
Effect of foreign exchange rate changes	**4**	4
Cash resources at beginning	**8 274**	6 887
Cash resources at end	**8 810**	8 274

SEGMENT REPORT	12 mths to 31.12.2008 Rm	12 mths to 31.12.2007 Rm
Revenue		
Premiums received	**11 855**	11 667
Retail	**7 931**	6 726
Corporate	**2 899**	3 947
Health	**19**	19
International	**1 006**	975
Fee income	**1 151**	903
Retail	**144**	93
Corporate	**92**	57
Asset management	**220**	217
Health	**787**	683
International	**34**	12
Shareholder capital	**11**	11
Inter-segment fee income	**(137)**	(170)
Expenses		
Payments to contract holders	**9 795**	7 575
Retail	**5 013**	4 180
Corporate	**4 141**	2 712
Health	**16**	17
International	**625**	666
Other expenses	**3 924**	3 389
Retail	**2 415**	1 987
Corporate	**325**	312
Asset management	**141**	133
Health	**664**	587
International	**381**	305
Shareholder capital	**119**	256
Inter-segment expenses	**(121)**	(191)

- The South African operations are segregated into retail, corporate, asset management, health and shareholder capital. The international companies - Botswana, Ghana, Kenya, Lesotho, Mauritius, Namibia, Nigeria and Swaziland - are all managed as a single operating segment.
- Segment assets did not change materially from 31 December 2007, except for market-related movements.
- Other segment information used to assess the performance of the operating segments is disclosed throughout the results and includes, diluted core headline earnings, new business premiums, value of new business and profitability of new business as a % of APE.
- Shareholder capital expenses are net of first-time recognition of employee benefit assets and the movements in employee benefit assets not being utilised by the group.

METROPOLITAN HOLDINGS – GROUP RESULTS

EMBEDDED VALUE	**31.12.2008 Rm**	31.12.2007 Rm
Reporting excess – long-term insurance business	**4 913**	5 715
Disregarded assets (16)	**(177)**	(124)
Dilutory effect of subsidiaries (17)	**(7)**	(8)
Reclassification from non-covered business	**7**	(7)
Diluted net asset value – covered business	**4 736**	5 576
Net value of in-force business	**4 161**	4 249
Individual life	**3 501**	3 430
Gross value of in-force business	**3 864**	3 871
Less cost of capital	**(363)**	(441)
Employee benefits	**660**	819
Gross value of in-force business	**842**	945
Less cost of capital	**(182)**	(126)
Diluted embedded value – covered business	**8 897**	9 825
Non-covered business		
Net assets – other businesses	**934**	1 102
Reclassification to covered business	**(7)**	7
Consolidation adjustments	**(121)**	(109)
Adjustments for dilution	**1 029**	1 072
Dilutory effect of subsidiaries (17)	**88**	81
Staff share scheme loans	**91**	141
Treasury shares held on behalf of contract holders	**9**	13
Liability – convertible redeemable preference shares	**841**	837
Diluted net asset value – non-covered business	**1 835**	2 072
Net value of in-force business	**598**	540
Asset management	**280**	257
Health	**664**	666
Holding company expenses(18)	**(346)**	(383)
Diluted embedded value – non-covered business	**2 433**	2 612
Diluted adjusted net asset value	**6 571**	7 648
Value of in-force business	**4 759**	4 789
Diluted embedded value	**11 330**	12 437
Required capital – covered business (adjusted for qualifying debt)	**3 813**	3 554
Surplus capital – covered business	**923**	2 022
Diluted embedded value per share (cents)	**1 709**	1 832
Diluted net asset value per share (cents)	**991**	1 126
Diluted number of shares in issue (million) (19)	**663**	679

(16) Disregarded assets as disclosed in the statement of actuarial values of assets and liabilities are adjusted for internally developed software, receivables older than 12 months and recognised employee benefit assets.

(17) For accounting purposes, Metropolitan Health and Metropolitan Kenya have been consolidated at 100% in 2007 and 2008 in the balance sheet. For embedded value purposes, disclosed on a diluted basis, the minority interests and related funding have been reinstated.

(18) The holding company expenses reflect the present value of projected recurring expenses of that company.

(19) The diluted number of shares in issue takes into account all issued shares, assuming conversion of the convertible redeemable preference shares and the release of staff share scheme shares, and includes the treasury shares held on behalf of contract holders.

METROPOLITAN HOLDINGS – GROUP RESULTS

EMBEDDED VALUE ATTRIBUTABLE TO GROUP	Net asset value Rm	Value of in-force Rm	31.12.2008 Rm	31.12.2007 Rm
Covered business				
Metropolitan Life Ltd	4 142	3 567	**7 709**	8 769
Metropolitan Odyssey	35	-	**35**	34
Union Life	34	11	**45**	41
International	525	583	**1 108**	981
Metropolitan Life International	58	-	**58**	50
Metropolitan Namibia	169	299	**468**	417
Metropolitan Botswana	125	69	**194**	178
Metropolitan Lesotho	113	202	**315**	307
Metropolitan Kenya	13	3	**16**	17
Metropolitan Ghana	-	8	**8**	12
Metropolitan Swaziland	12	-	**12**	-
Metropolitan Nigeria	35	2	**37**	-
Total covered business	4 736	4 161	**8 897**	9 825
Non-covered business				
Asset management	97	280	**377**	394
Metropolitan Health Group	259	664	**923**	831
Metropolitan Holdings (after consolidation adjustments)	1 479	(346)	**1 133**	1 387
Total non-covered business	1 835	598	**2 433**	2 612
Total embedded value	6 571	4 759	**11 330**	12 437
Diluted net asset value – non-covered business	(1 835)			
Disregarded assets	177			
Reporting excess – long-term insurance business	4 913			

- The value of the health business is net of R54 million at 31.12.2007, being the total liability in respect of the option held by MHG management. The liability was settled during February 2008.
- Net of minority interests.

METROPOLITAN HOLDINGS – GROUP RESULTS

VALUE OF NEW BUSINESS	**12 mths to 31.12.2008 Rm**	12 mths to 31.12.2007 Rm
Retail business	**211**	119
Gross value of new business	**223**	125
Less: Cost of capital	**(12)**	(6)
Corporate business	**20**	46
Gross value of new business	**31**	55
Less: Cost of capital	**(11)**	(9)
International business	**17**	15
Gross value of new business	**17**	15
Less: Cost of capital	**(0)**	(0)
Value of covered new business	**248**	180
Value of non-covered new business	**123**	156
Asset management	**39**	35
Health	**84**	121
Total value of new business	**371**	336

- 2008 and 2007 results exclude Metropolitan Ghana, Metropolitan Kenya and Metropolitan Nigeria and Metropolitan Swaziland as these businesses were in start-up phase. The 2007 also excludes results for Union Life as the company was acquired late in 2007.
- Net of minority interests.
- Due to rounding, the cost of capital for the international business is less than R1 million.

METROPOLITAN HOLDINGS – GROUP RESULTS

NEW BUSINESS PREMIUMS – COVERED BUSINESS	**12 mths to 31.12.2008 Rm**	12 mths to 31.12.2007 Rm
Recurring premiums		
Retail business	**961**	804
Corporate business	**210**	207
International business	**107**	91
	1 278	1 102
Single premiums		
Retail business	**3 239**	2 519
Corporate business	**979**	2 154
International business	**96**	121
	4 314	4 794
Annual premium equivalent (APE)	**1 709**	1 581
Retail business	**1 285**	1 056
Corporate business	**308**	422
International business	**116**	103
Present value premiums (PVP)	**10 354**	10 068
Retail business	**7 426**	6 033
Corporate business	**2 431**	3 613
International business	**497**	422

- 2008 and 2007 exclude Metropolitan Ghana (2008: R13 million; 2007: R9 million APE), Metropolitan Kenya (2008: R2 million; 2007: R4 million APE), Metropolitan Nigeria (2008: R14 million) and Metropolitan Swaziland (2008: R2 million) as these businesses are in start-up phase. 2007 excludes results for Union Life as the company was acquired late in 2007.
- Net of minority interests.

PROFITABILITY OF NEW BUSINESS – COVERED BUSINESS	**12 mths to 31.12.2008**	12 mths to 31.12.2007
% of APE	**14.5**	11.4
Retail business	**16.4**	11.3
Corporate business	**6.5**	10.9
International business	**14.7**	14.6
% of PVP	**2.4**	1.8
Retail business	**2.8**	2.0
Corporate business	**0.8**	1.3
International business	**3.4**	3.6

METROPOLITAN HOLDINGS – GROUP RESULTS

SOURCE OF NEW BUSINESS PRODUCTION – COVERED BUSINESS Individual life – insurance and investment business	**31.12.2008** **APE** **%**	**31.12.2008** **Total premium** **%**	31.12.2007 APE %	31.12.2007 Total premium %
Tied agents and personal financial advisors	**39**	**31**	36	26
Brokers	**27**	**36**	25	25
Wholesale and credit life	**20**	**7**	21	8
Third party business	**5**	**19**	9	34
International	**9**	**7**	9	7

PRINCIPAL ASSUMPTIONS (South Africa) (20)	**31.12.2008** **%**	31.12.2007 %
Pre-tax investment return		
Equities	**11.0**	10.5
Properties	**8.5**	10.5
Government stock	**7.5**	8.5
Cash	**6.5**	6.5
Risk discount rate (RDR) (21)	**10.0**	10.3
Investment return (before tax) – smoothed bonus	**9.8**	9.9
Expense inflation rate	**4.3**	5.3

(20) The principal assumptions relate only to the South African life insurance business. Assumptions relating to international life insurance businesses are based on local requirements and can differ from the South African assumptions.

(21) The 2007 RDR has been restated to comply with PGN 107 (Embedded value reporting).

MINORITY INTERESTS	**31.12.2008** **%**	31.12.2007 %
Metropolitan Health Group	**17.6**	17.6
Union Life	**50.0**	50.0
Metropolitan Namibia	**18.0**	19.0
Metropolitan Botswana	**24.2**	24.2
Metropolitan Kenya	**33.3**	33.3
Metropolitan Ghana	**40.0**	40.0
Metropolitan Nigeria	**50.0**	50.0

METROPOLITAN HOLDINGS – GROUP RESULTS

LONG-TERM INSURANCE BUSINESS: SENSITIVITIES – 31.12.2008		Net worth	In-force business			New business written		
			Net value	Gross value	Cost of CAR	Net value	Gross value	Cost of CAR
		Rm	Rm	Rm	Rm	Rm	Rm	Rm
Base value		**4 736**	**4 161**	**4 706**	**(545)**	**248**	**271**	**(23)**
1%	increase in risk discount rate		3 862	4 407	(545)	216	239	(23)
	% change		(7)	(6)	-	(13)	(12)	-
1%	reduction in risk discount rate		4 507	5 052	(545)	285	308	(23)
	% change		8	7	-	15	14	-
10%	increase in future expenses		3 869	4 414	(545)	213	236	(23)
	% change (1)		(7)	(6)	-	(14)	(13)	-
10%	decrease in lapse, paid-up and surrender rates		4 327	4 872	(545)	323	346	(23)
	% change		4	4	-	30	28	-
5%	decrease in mortality and morbidity for assurance business		4 305	4 850	(545)	284	306	(23)
	% change		3	3	-	15	13	-
5%	decrease in mortality for annuity business		4 143	4 688	(545)	245	268	(23)
	% change		-	-	-	(1)	(1)	-
1%	reduction in gross investment return, inflation rate and risk discount rate	4 809	4 311	4 823	(512)	284	305	(22)
	% change (2)	2	4	2	(6)	15	13	(4)
1%	reduction in gross investment return only (no change in risk discount rate)	4 664	4 048	4 560	(512)	216	238	(22)
	% change (2)	(2)	(3)	(3)	(6)	(13)	(12)	(4)
1%	reduction in inflation rate	4 900	4 097	4 642	(545)	263	286	(23)
	% change	3	(2)	(1)	-	6	6	-
10%	fall in market value of equities and properties	4 427	3 926	4 471	(545)			
	% change	(7)	(6)	(5)	-			
10%	reduction in premium indexation take-up rate		4 076	4 621	(545)	234	257	(23)
	% change		(2)	(2)	-	(6)	(5)	-
10%	decrease in non commission related acquisition expenses					281	304	(23)
	% change					13	12	-

Notes

(1) No corresponding changes in variable policy charges are assumed, although in practice it is likely that these will be modified according to circumstances.

(2) Bonus rates are assumed to change commensurately.

(3) The change in the value of cost of CAR is disclosed as nil where the sensitivity test results in an insignificant change in the value.

METROPOLITAN **H**OLDINGS – **G**ROUP **R**ESULTS

ANALYSIS OF CHANGES IN GROUP EMBEDDED VALUE	**Non-covered business Rm**	**Covered business**				**2008**	2007
		NAV Rm	**VoIF Rm**	**Cost of CAR Rm**	**Total covered Rm**	**Total group EV Rm**	Total group EV Rm
Profit from new business	129	(116)	398	(23)	259	**388**	352
Embedded value from new business	123	(116)	387	(23)	248	**371**	336
Expected return to end of year	6	-	11	-	11	**17**	16
Profit from existing business	(4)	457	(19)	(43)	395	**391**	781
Expected return – unwinding of RDR	84	-	523	(57)	466	**550**	540
Expected (or actual) net of tax profit transfer to net worth	-	700	(700)	-	-	**-**	-
Operating experience variances	(94)	130	40	-	170	**76**	414
Operating assumption changes	6	(373)	118	14	(241)	**(235)**	(173)
Embedded value profit from operations	125	341	379	(66)	654	**779**	1 133
Investment return on net worth	(330)	(9)	-	58	49	**(281)**	768
Investment variances	(59)	(345)	(578)	-	(923)	**(982)**	138
Economic assumption changes	15	79	123	30	232	**247**	(1)
Change in risk margin	-	32	(40)	-	(8)	**(8)**	
Exchange rate movements	-	10	6	-	16	**16**	(4)
Total embedded value profit	(249)	108	(110)	22	20	**(229)**	2 034
Changes in share capital	(231)	30			30	**(201)**	(691)
Dividend paid	492	(1 031)			(1 031)	**(539)**	(960)
Finance costs – preference shares	(138)					**(138)**	(124)
PGN 107 restatement							(171)
Reallocations	(53)	53			53	**-**	
Change in embedded value	(179)	(840)	(110)	22	(928)	**(1 107)**	88
Time weighted return on embedded value (%)						**(2.1)**	17.8

ANALYSIS OF VARIANCES AND OPERATING ASSUMPTION CHANGES – 31.12.2008

Operating experience variances

Other businesses	Negative variances from losses or a reduction in profit margins in certain of the non-life companies.
Long-term insurance business	
Net asset value (NAV)	Positive contribution from higher than expected mortality profits and profit from the employee benefit asset partially offset by negative variances from higher than expected lapses and expenses.
Value of in force (VoIF)	Positive contributions from mortality profits.

Operating assumption changes

Other business	Positive contribution from the reduction in the corporate tax rate from 29% to 28%.
Long-term insurance business	
Net asset value (NAV)	Negative change from the strengthening of lapse basis at longer durations for grouped individual business. Negative change from an increase in the assumed per policy expense for individual life contracts. Positive change in respect of the assumed mortality on certain lines of business.
Value of in force (VoIF)	Positive contribution mainly from the reduction in the transfer tax rate from 29% to 28%. Negative change due to an increase in the assumed future expenses of the corporate business.

METROPOLITAN HOLDINGS – GROUP RESULTS

FUNDS RECEIVED FROM CLIENTS	Gross inflow Rm	Gross outflow Rm	**12 mths to 31.12.2008 Net inflow Rm**	12 mths to 31.12.2007 Net inflow Rm
Retail business	7 931	(5 011)	**2 920**	2 546
Corporate business	2 899	(4 142)	**(1 243)**	1 235
International business	1 006	(624)	**382**	309
Long-term insurance business cash flows	11 836	(9 777)	**2 059**	4 090
Health business	14 494	(12 657)	**1 837**	1 364
Asset administration business	21 074	(17 753)	**3 321**	6 708
Asset management business	1 722	(763)	**959**	222
Corporate business	159	-	**159**	78
Total funds received from clients	49 285	(40 950)	**8 335**	12 462

PREMIUMS RECEIVED	**12 mths to 31.12.2008 Rm**	12 mths to 31.12.2007 Rm
Recurring premiums	**7 472**	6 913
Retail business	**4 689**	4 288
Corporate business	**1 924**	1 793
International business	**859**	832
Single premiums	**4 364**	4 735
Retail business	**3 242**	2 438
Corporate business	**975**	2 154
International business	**147**	143
Capitation contracts – health business	**19**	19
Segment premiums received	**11 855**	11 667
Adjustment for premiums received from investment contract holders	**(1 706)**	(3 069)
Transfers between insurance, investment and investment with DPF contracts	**256**	117
Net insurance premiums per income statement	**10 405**	8 715

- Excluding premiums received in Nigeria.

METROPOLITAN HOLDINGS – GROUP RESULTS

PAYMENTS TO CONTRACT HOLDERS	12 mths to 31.12.2008 Rm	12 mths to 31.12.2007 Rm
Individual life	**5 475**	4 659
Death and disability claims	**1 084**	952
Maturity claims	**1 710**	1 417
Annuities	**664**	581
Withdrawal benefits	**156**	7
Surrenders	**1 977**	1 795
Re-insurance recoveries	**(116)**	(93)
Employee benefits	**4 304**	2 899
Death and disability claims	**1 191**	886
Maturity claims	**211**	136
Annuities	**695**	614
Withdrawal benefits	**378**	469
Terminations	**508**	106
Disinvestments	**1 538**	837
Re-insurance recoveries	**(217)**	(149)
Capitation contracts	**16**	17
Total payments to contract holders	**9 795**	7 575
Adjustment for payments to investment contract holders	**(1 982)**	(1 460)
Transfers between insurance, investment and investment with DPF contracts	**256**	117
Net insurance benefits and claims per income statement	**8 069**	6 232

- Segment information is disclosed in the segment report and reconciles to total payments to policyholders.
- Excluding payments to contract holders in Nigeria.

NUMBER OF EMPLOYEES	31.12.2008	31.12.2007
Indoor staff	**5 256**	4 866
Insurance companies	**2 751**	2 573
Retail	**1 280**	1 305
Union Life	**107**	-
Cover2Go	**16**	7
Employee benefits	**400**	359
International	**425**	381
Group services	**523**	521
Metropolitan Health Group	**2 108**	1 956
Asset management	**81**	75
Asset administration	**77**	69
Metropolitan Card Operations	**34**	42
Metropolitan Retirement Administrators	**139**	132
DirectFin Solutions	**47**	-
Holding company	**19**	19
Field staff	**3 794**	3 409
Retail	**2 713**	2 554
Union Life	**173**	-
DirectFin Solutions	**79**	-
International	**829**	855
Total	**9 050**	8 275

- 2007 excludes employees for Union Life and DirectFin Solutions as the companies were acquired late in 2007.

METROPOLITAN HOLDINGS – GROUP RESULTS

ANALYSIS OF EXPENSES	**12 mths to 31.12.2008 Rm**	12 mths to 31.12.2007 Rm
Depreciation, amortisation and impairment expenses	**221**	169
Employee benefit expenses	**1 269**	1 145
Sales remuneration and distribution costs	**1 235**	1 127
Other expenses	**1 011**	774
Finance costs	**188**	174
Total expenses	**3 924**	3 389
Long-term insurance business	**2 979**	2 598
Management expenses	**1 656**	1 288
Administration expenses	**1 416**	1 165
Distribution costs	**240**	123
Sales remuneration	**994**	1 001
Asset management fees	**209**	242
Direct property expenses	**120**	67
Administration business	**888**	787
Finance costs – preference shares and subordinated redeemable debt	**186**	170
Holding company	**63**	65
Employee benefit assets	**(75)**	(51)
Consolidation adjustments	**(117)**	(180)
Total expenses	**3 924**	3 389

- Segment information is disclosed in the segment report.

METROPOLITAN HOLDINGS – GROUP RESULTS

ASSETS UNDER MANAGEMENT	31.12.2008 Rm	31.12.2007 Rm
Intangible assets	**525**	562
Owner-occupied properties	**678**	592
Property and equipment	**186**	233
Investment properties	**3 031**	2 710
Investment in associates	**663**	405
Investment in joint venture	**35**	61
Employee benefit assets	**248**	177
Financial assets	**53 692**	60 314
Equity securities	**21 167**	31 990
Debt securities	**15 968**	14 268
Funds on deposit and other money market instruments	**3 409**	2 150
Unit-linked investments	**10 256**	9 863
Derivative financial instruments	**1 764**	850
Loans and receivables	**1 128**	1 193
Insurance and other receivables	**1 507**	1 476
Deferred income tax	**12**	15
Reinsurance contracts	**212**	179
Current income tax assets	**14**	-
Cash and cash equivalents	**8 810**	8 274
Non-current assets held for sale	**-**	185
Total on-balance sheet assets	**69 613**	75 183
Collective investments	**18 832**	18 403
Health	**4 624**	4 091
Asset management – segregated assets	**3 238**	2 950
Employee benefits – segregated assets	**1 550**	1 392
Total assets under management	**97 857**	102 019

ANALYSIS OF ASSETS BACKING GROUP EXCESS	31.12.2008 Rm	31.12.2008 %	31.12.2007 Rm	31.12.2007 %
Equity securities	**2 504**	**42.8**	3 575	52.4
Collective investment schemes	**629**	**10.8**	1 325	19.4
Debt securities	**295**	**5.0**	523	7.7
Owner-occupied properties	**671**	**11.5**	592	8.7
Investment properties	**286**	**4.9**	103	1.5
Cash and cash equivalents	**2 100**	**35.9**	1 490	21.9
Goodwill	**209**	**3.6**	244	3.6
Other net assets	**495**	**8.5**	303	4.4
	7 189	**123.0**	8 155	119.6
Redeemable preference shares	**(841)**	**(14.4)**	(837)	(12.3)
Subordinated redeemable debt	**(501)**	**(8.6)**	(501)	(7.3)
Excess - group per reporting basis	**5 847**	**100.0**	6 817	100.0

METROPOLITAN HOLDINGS – GROUP RESULTS

GROUP EXCESS – TOP 10 EQUITY HOLDINGS	31.12.2008		31.12.2007	
	Rm	**%**	Rm	%
MTN Group Ltd	**192**	**7.6**	293	8.2
FirstRand Ltd	**132**	**5.3**	130	3.7
Billiton Plc	**125**	**5.0**	182	5.0
Impala Platinum Holdings Ltd	**122**	**4.9**	157	4.4
Standard Bank Group Ltd	**115**	**4.6**	211	5.9
Sasol Ltd	**100**	**4.0**	167	4.7
Anglo American Plc	**90**	**3.6**	133	3.7
Imperial Holdings Ltd	**78**	**3.1**	111	3.1
Compagnie Financiere Richemont	**70**	**2.8**	-	-
RMB Holdings	**60**	**2.4**	-	-
Remgro Plc	**-**	**-**	70	2.0
Nedbank Group Ltd	**-**	**-**	90	2.5
	1 084	**43.3**	1 544	43.2
Total equities backing excess	**2 504**	**100.0**	3 575	100.0

METROPOLITAN HOLDINGS – GROUP RESULTS

STOCK EXCHANGE PERFORMANCE	2008	2007	2006	2005
12 month period				
Value of listed shares traded (rand million) (23)	**4 718**	7 024	5 614	3 347
Volume of listed shares traded (million) (23)	**392**	456	442	315
Shares traded (% of average listed shares in issue) (23)	**71.1**	79.7	75.0	51.1
Value of shares traded – life insurance (J857 – Rbn)	**93.0**	108.0	81.9	70.0
Value of shares traded – top 40 index (J200 – Rbn)	**2 687.7**	2 328.0	1 735.0	1 028.2
Trade prices				
Highest (cents per share)	**1 520**	1 691	1 581	1 220
Lowest (cents per share)	**890**	1 314	1 020	950
Last sale of period (cents per share)	**1 080**	1 509	1 500	1 185
Percentage (%) change during period (24)	**(28.43)**	36.04	38.25	19.70
Percentage (%) change – life insurance sector (J857)	**(50.18)**	3.11	28.18	21.18
Percentage (%) change – top 40 index (J200)	**(25.93)**	16.11	37.53	44.12
31 December				
Price/diluted core headline earnings ratio	**7.15**	10.61	13.28	12.35
Dividend yield % (dividend on listed shares)	**8.80**	6.30	5.13	5.32
Dividend yield % – top 40 index (J200)	**4.27**	2.39	2.06	2.24
Total shares issued (million)				
Listed on JSE	**542**	559	585	594
Ordinary shares	**538**	553	578	587
Share incentive scheme	**4**	6	7	7
Unlisted – share purchase scheme	**14**	23	41	48
Total ordinary shares in issue	**556**	582	626	642
Treasury shares held by subsidiary	**(16)**	(26)	(27)	-
Treasury shares held on behalf of contract holders	**(1)**	(1)	(13)	(22)
Adjustment to staff share scheme shares (25)	**(17)**	(26)	(47)	(50)
Share incentive scheme	**(4)**	(4)	(7)	(5)
Share purchase scheme	**(13)**	(22)	(40)	(45)
Basic number of shares in issue	**522**	529	539	570
Adjustment to staff share scheme shares	**17**	26	47	50
Treasury shares held on behalf of contract holders	**1**	1	13	22
Convertible redeemable preference shares	**123**	123	123	123
Diluted number of shares in issue (26)	**663**	679	722	765
Market capitalisation at end (Rbn) (27)	**7.16**	10.25	10.83	9.07
Percentage (%) of life insurance sector	**7.05**	4.93	5.45	6.83

(23) 31.12.2008 is net of 16 million shares acquired for R200 million as part of a share buy-back programme (31.12.2007: 44 million shares acquired for R690 million; 31.12.2006: 42 million shares acquired for R558 million; 31.12.2005: 22 million shares acquired for R242 million).

(24) 2007 has been adjusted for the special dividend of 77 cents per share paid in April, while both 2006 and 2005 have been adjusted for a capital reduction of 100 cents.

(25) These are shares which have been issued since 1 January 2001, the date on which the group adopted AC133 (now IAS39).

(26) The diluted number of shares in issue takes into account all issued shares, assuming conversion of the convertible redeemable preference shares and the release of staff share scheme shares, and includes the treasury shares held on behalf of contract holders.

(27) The market capitalisation is calculated on the fully diluted number of shares in issue.