10 March 2010

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 Sue Snow (financial media) on (021) 940-6119 / ssnow@metropolitan.co.za or Natalie Amos (investor relations) on (021) 940-6112 / namos@metropolitan.co.za for further information.

Audited group results for the year ended 31 December 2009

METROPOLITAN HOLDINGS FINANCIAL SERVICES GROUP

AUDITED GROUP RESULTS FOR THE YEAR ENDED 31 DECEMBER 2009

HIGHLIGHTS

- 12% return on embedded value
- Embedded value increased 6% to 1 811 cents per share
- Group capital cover increased to 3.7 times
- Diluted earnings per share increased to 188 cents
- Dividend increased to 100 cents per share

REVIEW OF OPERATIONS AND PROSPECTS

Operating environment

The investment markets remained extremely turbulent and unpredictable throughout the year, long bond interest rates increased further. Increased inflation and extensive job losses put pressure on our clients' disposable income, as well as on the group's capital and operating profits during the year.

Salient features and highlights

- Diluted core headline earnings per share for the year held up well in a difficult environment, decreasing by only 7% over 2008 – 5% better than the 2009 half-year results comparison.
- Earnings and headline earnings, boosted by mark-to-market gains, increased significantly when compared to the loss disclosed in the prior year.
- The general economic slow-down affected growth in operating profit across the group.
- Total recurring new business premium income fell 9%, while the value of new insurance business declined 52%, driven primarily by the performance of the direct marketing channel.
- Investment income on shareholder assets was in line with the previous year and expectations.
- The economic capital requirement of the group remained stable, reducing marginally to R4.3 billion, mainly as a result of a decline in projected economic volatilities and improved capital modelling.
- The group's overall capital position improved, resulting in a strong group statutory capital adequacy requirement (CAR) cover of 3.7 times.
- Embedded value per share increased from 1 709 cents (31 December 2008) to 1 811 cents, despite the group paying out 95 cents per share in dividends.
- Cash flows from clients came under pressure during the year; net inflows of R1.5 billion were recorded by the group.
- The ordinary dividend per share was increased to 100 cents, reflecting the improved operating outlook.

Operational overview

Retail

- New business PVP (present value of expected premiums) ended 32% lower, primarily as a result of the closure of loss-making products.
- The mix of new recurring business sold during the period changed, with a switch from savings to risk policies.

- The increasingly difficult conditions experienced by consumers led to a higher propensity to lapse or surrender life insurance policies. However, ongoing focused management action in this area resulted in better overall persistency during the year than would have been expected in the current economic conditions.
- The direct marketing partnership, which was extensively scaled back during the year, had a negative impact on both operating profit and value of new business (VONB).
- The retail new business margin fell from 2.8% to 1.6% (PVP basis) as a result of higher discount rates, poor persistency at direct marketing and the new commission and early terminations dispensation for savings business.
- Operating profit decreased by 15%, dampened by lower average investment assets, the effects of the worsening economic environment on certain product lines and increased new business strain on the sale of investment products following the implementation of higher minimum surrender values and the new commission regulations.

Corporate

- Good single premium new business resulted in a 13% increase in new business PVP.
- In addition, a significant volume of off balance sheet administration business was written on the new Neon product.
- Risk margins remained under pressure throughout the period, dampening operating profits compared to 2008.
- The new business PVP margin increased from 0.8% to 0.9%, reflecting the improved volumes and changes in the business mix.
- Although the growth in off balance sheet administration business did not contribute to new business premium income, it did impact the new business margin as it assisted with the recovery of costs and boosted the value of new business.
- Operating profit ended 8% down, reduced by lower asset-based fees and weaker risk profits.

International

- New business recurring premium income, from all seven operations, was boosted by the inclusion of the “new” countries and good performance in Lesotho, growing 10% compared to 2008.
- With the inclusion of all operations in the number for the first time, a reduced new business margin of 2.0% (PVP) was recorded.
- We continue to seek strategic alliances and partners in the countries where we operate, particularly in Kenya, Swaziland and Lesotho.
- Total operating profit fell 5% as a result of higher start-up losses in the northern operations and increased claims on group business, as well as the negative effect of a volatile exchange rate and tough operating conditions in all markets.

Asset management

- The value of new business, comprising collective investment inflows and third-party mandates, remained flat at R39 million.
- MetAM delivered good absolute and relative investment performance over the period, with a particularly strong delivery on equity mandates.

- Net inflows of R1.5 billion were recorded for the year.
- Operating profit, however, declined by 6% as a result of administration margin compression and lower average investment asset levels.

Health (MHG)

- New business flows increased, mostly as a result of the tremendous growth in membership of the Government Employees Medical Scheme (GEMS).
- Total principal members under administration, including franchise, at the year-end were 855 000 (over 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 before tax increased by 8%.
- Operating profit after tax was reduced by STC on a dividend paid to Metropolitan Holdings during 2009.

Capital management

- The investment markets remained extremely volatile and unpredictable, both locally and internationally.
- The group actively monitored its capital position throughout the year in order to protect shareholder capital.
- Dynamic asset allocation, capital protection and other strategies were applied where deemed appropriate.
- Smoothed bonus funds recovered during the year, with all funds ending the year with strong funding levels well in excess of the 92.5% reporting threshold.
- The year-end economic capital required by the Metropolitan group was R4.3 billion, 2.1 times the statutory requirement.
- The actual capital held by the group at year-end exceeded this requirement by approximately R2 billion.
- The operations remained well capitalised, with a group CAR cover ratio of 3.7 times.

Prospects

- Metropolitan continues to create prosperity for Africa's people by providing appropriate products that are both accessible and affordable.
- Africa, as a largely untapped market, provides a number of opportunities for the group.
- All the businesses are facing opportunities and threats posed by ongoing changes in the highly regulated environments in which they operate.
- Food and transport inflation, together with rising unemployment, remain the biggest challenges to the group's core target market. Further deterioration in the above factors will reduce new business prospects and possibly challenge the persistency of the in-force book.
- The board is satisfied that the group remains strategically well positioned, thanks to its strong 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 2009.

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 2009.

Changes to presentation and restatement of 2008 results

Distribution costs have been reallocated from sales remuneration to other expenses while fee income on certain investment contracts was changed from that disclosed in 2008. These changes are not material and have no impact on group earnings. The full details are disclosed in the annual financial statements at 31 December 2009.

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

Wiseman Nkuhlu resigned from the board with effect from 17 March 2009. JJ Njeke was appointed acting chairman at that time, and then on 26 January 2010 he was appointed chairman. Dr Sonn retired as a director on 11 October 2009 and Andile Sangqu resigned from the board on 8 December 2009. Mary Vilakazi and Joyce Matlala were appointed to the board on 2 November 2009 and 26 January 2010 respectively. On 7 January 2010 Bongiwe Gobodo-Mbomvu resigned as company secretary. No further changes have occurred. 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 2009. The group is party to legal proceedings in the normal course of business, and appropriate provisions are made when losses are expected to materialise.

EVENTS AFTER THE REPORTING PERIOD

No material events occurred between the reporting 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.

An interim dividend of 40.00 cents per ordinary share was declared and paid in September 2009. On 9 March 2010 a final dividend of 60.00 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, 9 April 2010 and will be paid on Monday, 12 April 2010. The last day to trade “cum” dividend will be Wednesday, 31 March 2010. The shares will trade “ex” dividend from the start of business on Thursday, 1 April 2010. Share certificates may not be dematerialised or rematerialised between Thursday, 1 April and Friday, 9 April 2010, 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 hold dematerialised shares will have their accounts with their CSDP or broker credited on Monday, 12 April 2010.

Staff share purchase scheme dividend

A dividend of R7 million (2008: R11 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 R12 million (8.9% p.a.), R5 million (8.9% p.a.), and R25 million (15.8% p.a.) were declared on 9 March 2010 on the unlisted A1, A2 and A3 Metropolitan preference shares respectively, and are payable on 31 March 2010.

Dividends of R31 million (14.1% p.a.), R6 million (40.00 cents per share) and R26 million (15.8% p.a.) were declared in September 2009 on the unlisted A1, A2 and A3 Metropolitan preference shares respectively, and paid on 30 September 2009. 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 2009. 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.

Signed on behalf of the board

JJ Njeke *Group chairman*
Wilhelm van Zyl *Group chief executive*

Cape Town
9 March 2010

Directors:

JJ Njeke (non-executive group chairman), Wilhelm van Zyl (group chief executive), Phillip Matlakala (executive director), Preston Speckmann (group finance director), Fatima Jakoet, Peter Lamprecht, Joyce Matlala, Syd Muller, John Newbury, Bulelwa Paledi, Marius Smith, Johan van Reenen, Mary Vilakazi

Secretary: Thobeka Sishuba-Mashego (designate)

Registration number:	2000/031756/06
Registered office:	7 Parc du Cap, Mispel Road, Bellville 7535
JSE code:	MET
NSX code:	MTD
ISIN NO.	ZAE000050456

Transfer secretaries

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Sponsor

Merrill Lynch

METROPOLITAN HOLDINGS FINANCIAL SERVICES GROUP

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 International Accounting Standard 34 (IAS34) – *Interim Financial Reporting*. They are also in compliance with the guidelines issued by the Actuarial Society of South Africa; the disclosure requirements of the JSE Limited (JSE) 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 accounting estimates are disclosed in detail in the annual financial statements for the year ended 31 December 2009.

Restatement of 2008 results

- The disclosure of sales remuneration has been reconsidered. Distribution costs are no longer considered part of sales remuneration and have been reallocated to other expenses. This resulted in an increase of other expenses of R140 million and a corresponding decrease in sales remuneration. This had no impact on the group's earnings. The distribution costs for the current year would have been R113 million.
- Fee income on certain investment contracts was incorrectly allocated in the December 2008 results. This resulted in a decrease in fee income of R80 million with a corresponding change in fair value adjustments. This had no impact on the group's earnings.

Standards and interpretations of published standards effective in 2009 and relevant to the group

- IAS 1 (Revised) - Presentation of financial statements. The revised standard prohibits the presentation of non-owner changes in equity in the statement of changes in equity, requiring all such income and expense items to be presented separately from owner changes in equity. The group has therefore prepared a statement of comprehensive income as well as a statement of changes in equity for the current results.
- The following standards: IFRS 2 (Amendment) - Share-based payments, IFRS 7 (Amendment) – Financial instruments disclosures: Improving disclosures about financial instruments, IFRIC 16 – Hedges of a net investment in a foreign operation and AC 503 (Revised) – Accounting for black economic empowerment transactions had no impact on the group's earnings.
- The International Accounting Standards Board (IASB) made amendments to various standards as part of their annual improvements project. These amendments had no impact on the group's earnings.

METROPOLITAN HOLDINGS – GROUP RESULTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION	**31.12.2009 Rm**	31.12.2008 Rm
ASSETS		
Intangible assets	**464**	525
Owner-occupied properties	**690**	678
Property and equipment	**202**	186
Investment properties	**3 193**	3 031
Investment in associates	**856**	663
Investment in joint venture	**-**	35
Employee benefit assets	**232**	248
Financial instrument assets (1)	**56 201**	53 692
Insurance and other receivables	**1 579**	1 507
Deferred income tax	**10**	12
Reinsurance contracts	**242**	212
Current income tax assets	**200**	14
Cash and cash equivalents	**7 702**	8 810
Total assets	**71 571**	69 613
EQUITY		
Equity attributable to owners of the parent	**6 612**	5 847
Minority interests	**167**	141
Total equity	**6 779**	5 988
LIABILITIES		
Insurance contract liabilities		
Long-term insurance contracts (2)	**35 807**	32 023
Capitation contracts	**2**	2
Financial instrument liabilities		
Investment contracts	**23 471**	25 209
– with discretionary participation features (2)	**12 022**	11 278
– designated as fair value through income	**11 449**	13 931
Other financial instrument liabilities (3)	**2 308**	3 119
Deferred income tax	**394**	127
Employee benefit obligations	**202**	188
Other payables	**2 601**	2 934
Current income tax liabilities	**7**	23
Total liabilities	**64 792**	63 625
Total equity and liabilities	**71 571**	69 613

(1) Financial instrument assets consist of the following:
Assets designated as fair value through income: R54 441 million (2008: R50 795 million)
Assets held for trading: R718 million (2008: R1 764 million)
Available-for-sale assets: R2 million (2008: R5 million)
Loans and receivables: R1 040 million (2008: R1 128 million)

(2) Under IFRS4 – *Insurance contracts*, 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: R301 million (2008: R272 million)
Liabilities held for trading: R787 million (2008: R1 498 million)
Liabilities at amortised cost: R1 220 million (2008: R1 349 million)

METROPOLITAN HOLDINGS – GROUP RESULTS

STATEMENT OF ACTUARIAL VALUES OF ASSETS AND LIABILITIES ON REPORTING BASIS	**31.12.2009 Rm**	31.12.2008 Rm
Total assets per statement of financial position	**71 571**	69 613
Actuarial value of policy liabilities per statement of financial position	**(59 278)**	(57 232)
Other liabilities per statement of financial position	**(5 514)**	(6 393)
Minority interests per statement of financial position	**(167)**	(141)
Excess – group per reporting basis	**6 612**	5 847
Net assets – other businesses	**(721)**	(934)
Excess – long-term insurance business (4)	**5 891**	4 913
LONG-TERM INSURANCE BUSINESS (4)		
Change in excess of long-term insurance business (4)	**978**	(802)
Increase in share capital	**(25)**	(39)
Metropolitan Nigeria	**(74)**	-
Change in other reserves	**18**	(45)
Dividend paid	**336**	1 053
Total surplus arising	**1 233**	167
Operating profit	**634**	734
Investment income on excess	**313**	309
Net realised and fair value gains/(losses) on excess	**397**	(329)
Investment variances (5)	**279**	(387)
Basis and other changes	**(390)**	(197)
Employee benefit assets (6)	**-**	37
Consolidation adjustments	**125**	75
Income tax expenses/(credits) (7)	**357**	(170)
Adjustment for finance costs	**46**	49
Results of long-term insurance business (4)	**1 761**	121
Results of other group businesses	**73**	(277)
Results of operations per income statement	**1 834**	(156)

STATEMENT OF ACTUARIAL VALUES OF ASSETS AND LIABILITIES ON STATUTORY BASIS	**31.12.2009 Rm**	31.12.2008 Rm
Reporting excess – long-term insurance business (4)	**5 891**	4 913
Disregarded assets in terms of statutory requirements (8)	**(553)**	(489)
Capital adjustments	**501**	300
Statutory excess – long-term insurance business (4)	**5 839**	4 724
Capital adequacy requirement (CAR) (Rm)	**2 090**	2 336
Ratio of long-term insurance business excess to CAR (times)	**2.8**	2.0
Discretionary margins	**1 704**	1 756

(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.

(7) Includes deferred tax on contract holder capital gains and losses.

(8) 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 31.12.2009 Rm	12 mths to 31.12.2008 Rm
Net insurance premiums received	**10 240**	10 405
Fee income (9)	**1 185**	1 071
Investment income	**3 995**	4 396
Net realised and fair value gains/(losses)	**4 642**	(8 484)
Net income	**20 062**	7 388
Net insurance benefits and claims	**8 466**	8 069
Change in liabilities	**4 565**	(4 468)
Change in insurance contract liabilities	**3 852**	(1 451)
Change in investment contracts with DPF liabilities	**747**	(2 990)
Change in reinsurance provision	**(34)**	(27)
Fair value adjustments on investment contract liabilities	**1 235**	189
Fair value adjustments on collective investment scheme liabilities	**7**	18
Depreciation, amortisation and impairment expenses (*)	**148**	221
Employee benefit expenses (#)	**1 549**	1 269
Sales remuneration	**987**	1 095
Other expenses (*)	**1 271**	1 151
Expenses	**18 228**	7 544
Results of operations	**1 834**	(156)
Share of profit/(loss) of associates	**3**	(2)
Share of loss of joint venture	**-**	(26)
Finance costs (10)	**(168)**	(188)
Profit/(loss) before tax	**1 669**	(372)
Income tax (expenses)/credits	**(523)**	77
Earnings	**1 146**	(295)
Attributable to:		
Owners of the parent	**1 129**	(319)
Minority interests	**17**	24
	1 146	(295)
Basic earnings per share (cents)	**214**	(61)
Diluted earnings per share (cents)	**188**	(27)

(9) Fee income consists of the following:
Investment contracts: R67 million (2008: R94 million)
Trust and fiduciary services: R159 million (2008: R144 million)
Other fee income: R959 million (2008: R833 million)

(10) Finance costs consist of the following:
Preference shares: R118 million (2008: R138 million)
Subordinated redeemable debt: R46 million (2008: R47 million)
Other: R4 million (2008: R3 million)

(*) A provision for a loan impairment raised in prior years for Metropolitan Card Operations has been reversed during the current period and written off against other expenses.

(#) December 2008 is net of a R75 million employee benefit asset recognised.

METROPOLITAN HOLDINGS – GROUP RESULTS

RECONCILIATION OF HEADLINE EARNINGS attributable to owners of parent	Basic earnings		Diluted earnings	
	12 mths to 31.12.2009 Rm	12 mths to 31.12.2008 Rm	**12 mths to 31.12.2009 Rm**	12 mths to 31.12.2008 Rm
Earnings	**1 129**	(319)	**1 129**	(319)
Finance costs – preference shares			**118**	138
Diluted earnings			**1 247**	(181)
Goodwill impairment and adjustments relating to equity accounted associates	**61**	44	**61**	44
Headline earnings (11)	**1 190**	(275)	**1 308**	(137)
Net realised and fair value (gains)/losses on excess	**(466)**	603	**(466)**	603
Basis and other changes and investment variances	**92**	580	**92**	580
Employee benefit assets	**-**	(37)	**-**	(37)
Dilutory effect of subsidiaries (12)			**(1)**	1
Investment income on treasury shares – contract holders (13)			**1**	1
Core headline earnings (14)	**816**	871	**934**	1 011

(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 employee benefit assets.

(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 owners of parent	**12 mths to 31.12.2009**	12 mths to 31.12.2008
Basic		
Core headline earnings	**154**	167
Headline earnings	**225**	(53)
Earnings	**214**	(61)
Weighted average number of shares (million)	**529**	521
Diluted		
Core headline earnings	**141**	151
Headline earnings	**197**	(20)
Earnings	**188**	(27)
Weighted average number of shares (million)	**663**	669

DIVIDENDS	**2009**	2008
Ordinary listed shares (cents per share)		
Interim	**40**	40
Final	**60**	55
Total	**100**	95

METROPOLITAN HOLDINGS – GROUP RESULTS

DIVIDENDS

Convertible redeemable preference shares		**A1**	**A2**	**A3**
Redemption value (per share)	R	5.12	9.18	9.18
Paid – 31 March 2008	Rate	16.1%	59 cps	18.0%
	Rm	31	8	28
Paid – 30 September 2008	Rate	16.9%	40 cps	18.7%
	Rm	32	5	29
Paid – 31 March 2009	Rate	16.8%	55 cps	19.0%
	Rm	33	7	30
Paid – 30 September 2009	Rate	14.1%	40 cps	15.8%
	Rm	31	6	26
Payable – 31 March 2010	Rate	8.9%	8.9%	15.8%
	Rm	12	5	25

ANALYSIS OF DILUTED CORE HEADLINE EARNINGS	**12 mths to 31.12.2009 Rm**	12 mths to 31.12.2008 Rm
Retail business	**383**	448
Operating profit	**506**	612
Tax	**(123)**	(164)
Corporate business	**140**	153
Operating profit	**185**	211
Tax	**(45)**	(58)
International business	**89**	94
Operating profit	**100**	107
Tax	**(11)**	(13)
Asset management business	**61**	65
Operating profit	**88**	92
Tax	**(27)**	(27)
Health business	**95**	100
Operating profit	**153**	142
Tax	**(58)**	(42)
Shareholder capital	**166**	151
Holding company expenses	**(67)**	(55)
Strategic ventures	**(43)**	(78)
Investment income on shareholder excess	**433**	501
Income tax on investment income	**(157)**	(217)
Diluted core headline earnings	**934**	1 011

RESULTS OF OPERATIONS FROM ADMINISTRATION BUSINESS (gross of minority interests and before finance costs and tax)	**Net income**	**Expenses**	**Results of operations**	
			12 mths to 31.12.2009	12 mths to 31.12.2008
	Rm	**Rm**	**Rm**	Rm
Health business	991	(817)	**174**	141
Asset administration	119	(62)	**57**	56
Asset management	123	(92)	**31**	37
Metropolitan Card Operations	7	(38)	**(31)**	(48)
	1 240	(1 009)	**231**	186

METROPOLITAN HOLDINGS – GROUP RESULTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	**12 mths to 31.12.2009 Rm**	12 mths to 31.12.2008 Rm
Earnings for year	**1 146**	(295)
Other comprehensive income for the year, net of tax	**(10)**	40
Exchange differences on translating foreign operations	**(37)**	16
Land and buildings revaluation	**29**	30
Other	**2**	-
Income tax relating to components of other comprehensive income	**(4)**	(6)
Total comprehensive income for the year	**1 136**	(255)
Total comprehensive income attributable to:		
Owners of the parent	**1 129**	(283)
Minority interest	**7**	28
	1 136	(255)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	**12 mths to 31.12.2009 Rm**	12 mths to 31.12.2008 Rm
Changes in share capital		
Balance at beginning	**51**	19
Conversion of preference shares, net of issue costs	**114**	
Staff share scheme shares released	**17**	31
Decrease in treasury shares held on behalf of contract holders	**1**	1
Balance at end	**183**	51
Changes in other reserves		
Balance at beginning	**532**	495
Total comprehensive income	**(1)**	36
Employee share schemes – value of services provided	**1**	4
Transfer to retained earnings	**(4)**	(3)
Balance at end (15)	**528**	532
Changes in retained earnings		
Balance at beginning	**5 264**	6 303
Total comprehensive income	**1 130**	(319)
Dividend paid	**(497)**	(520)
Shares repurchased	**-**	(203)
Transfer from other reserves	**4**	3
Balance at end	**5 901**	5 264
Equity attributable to owners of the parent	**6 612**	5 847
Changes in minority interests		
Balance at beginning	**141**	124
Total comprehensive income	**7**	28
Dividend paid	**(17)**	(12)
Metropolitan Nigeria transferred to subsidiary	**36**	
Other	**-**	1
Balance at end	**167**	141
Total equity	**6 779**	5 988

(15) Other reserves consist of the following:
Land and buildings revaluation reserve: R203 million (2008: R182 million)
Foreign currency translation reserve: (R26 million) (2008: R1 million)
Fair value reserve: R54 million (2008: R53 million)
Non-distributable reserve: R297 million (2008: R296 million)

METROPOLITAN HOLDINGS – GROUP RESULTS

CONSOLIDATED STATEMENT OF CASH FLOWS	**12 mths to 31.12.2009 Rm**	12 mths to 31.12.2008 Rm
Net cash (outflow)/inflow from operating activities	**(475)**	1 455
Net cash outflow from investing activities	**(118)**	(163)
Net cash outflow from financing activities	**(515)**	(760)
Net cash flow	**(1 108)**	532
Effect of foreign exchange rate changes	**-**	4
Cash resources and funds on deposit at beginning	**8 810**	8 274
Cash resources and funds on deposit at end	**7 702**	8 810

SEGMENT REPORT	**12 mths to 31.12.2009 Rm**	12 mths to 31.12.2008 Rm
Revenue		
Premiums received	**11 207**	11 855
Retail	**6 831**	7 931
Corporate	**3 182**	2 899
Health	**12**	19
International	**1 182**	1 006
Fee income	**1 185**	1 071
Retail	**27**	37
Corporate	**128**	119
Asset management	**233**	220
Health	**944**	787
International	**-**	34
Shareholder capital	**2**	11
Inter-segment fee income	**(149)**	(137)
Expenses		
Payments to contract holders	**13 073**	9 795
Retail	**5 108**	5 013
Corporate	**7 308**	4 141
Health	**14**	16
International	**643**	625
Other expenses	**4 123**	3 924
Retail	**2 263**	2 415
Corporate	**355**	325
Asset management	**155**	141
Health	**803**	664
International	**449**	381
Shareholder capital	**238**	119
Inter-segment expenses	**(140)**	(121)

- The South African operations are segregated into retail, corporate, asset management, health and shareholder capital. The international companies - Botswana, Ghana, Kenya, Lesotho, Namibia, Nigeria and Swaziland - are all managed as a single operating segment.
- Segment assets did not change materially from 31 December 2008, 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.
- In 2008 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.
- Fee income of R27 million has been reallocated from retail to corporate for 2008.

METROPOLITAN HOLDINGS – GROUP RESULTS

EMBEDDED VALUE	**31.12.2009 Rm**	31.12.2008 Rm
Covered business		
Reporting excess – long-term insurance business	**5 891**	4 913
Disregarded assets (16)	**(183)**	(177)
Dilutory effect of subsidiaries (17)	**(3)**	(7)
Reclassification from non-covered business	**(54)**	7
Diluted net asset value – covered business	**5 651**	4 736
Net value of in-force business	**4 114**	4 161
Individual life	**3 450**	3 501
Gross value of in-force business	**3 795**	3 864
Less cost of capital	**(345)**	(363)
Employee benefits	**664**	660
Gross value of in-force business	**844**	842
Less cost of capital	**(180)**	(182)
Diluted embedded value – covered business	**9 765**	8 897
Non-covered business		
Net assets – other businesses	**721**	934
Reclassification to covered business	**54**	(7)
Consolidation adjustments	**(112)**	(121)
Adjustments for dilution	**877**	1 029
Dilutory effect of subsidiaries (17)	**83**	88
Staff share scheme loans	**73**	91
Treasury shares held on behalf of contract holders	**10**	9
Liability – convertible redeemable preference shares	**711**	841
Diluted net asset value – non-covered business	**1 540**	1 835
Net value of in-force business	**702**	598
Asset management	**282**	280
Health	**728**	664
Holding company expenses (18)	**(308)**	(346)
Diluted embedded value – non-covered business	**2 242**	2 433
Diluted adjusted net asset value	**7 191**	6 571
Value of in-force business	**4 816**	4 759
Diluted embedded value	**12 007**	11 330
Required capital – covered business (adjusted for qualifying debt)	**3 616**	3 813
Surplus capital – covered business	**2 034**	923
Diluted embedded value per share (cents)	**1 811**	1 709
Diluted net asset value per share (cents)	**1 085**	991
Diluted number of shares in issue (million) (19)	**663**	663

(16) Disregarded assets as disclosed in the statement of actuarial values of assets and liabilities are adjusted for internally developed software, receivables older than 90 days (2008: 12 months) and recognised employee benefit assets.

(17) For accounting purposes, Metropolitan Health and Metropolitan Kenya have been consolidated at 100%. 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 COMPANIES	**Net asset value Rm**	**Value of in-force Rm**	**31.12.2009 Rm**	31.12.2008 Rm
Covered business				
Metropolitan Life Ltd	4 983	3 498	**8 481**	7 709
Metropolitan Odyssey	36	-	**36**	35
Union Life	41	6	**47**	45
International	591	610	**1 201**	1 108
Metropolitan Life International	68	-	**68**	58
Metropolitan Namibia	186	307	**493**	468
Metropolitan Botswana	127	61	**188**	194
Metropolitan Lesotho	161	221	**382**	315
Metropolitan Kenya	5	3	**8**	16
Metropolitan Ghana	2	10	**12**	8
Metropolitan Swaziland	23	-	**23**	12
Metropolitan Nigeria	19	8	**27**	37
Total covered business	5 651	4 114	**9 765**	8 897
Non-covered business				
Asset management	109	282	**391**	377
Metropolitan Health Group	233	728	**961**	923
Metropolitan Holdings (after consolidation adjustments)	1 198	(308)	**890**	1 133
Total non-covered business	1 540	702	**2 242**	2 433
Total embedded value	7 191	4 816	**12 007**	11 330
Diluted net asset value – non-covered business	(1 540)			
Adjustments to covered business - net asset value	240			
Reporting excess – long-term insurance business	5 891			

- Net of minority interests.

METROPOLITAN HOLDINGS – GROUP RESULTS

VALUE OF NEW BUSINESS	12 mths to 31.12.2009 Rm	12 mths to 31.12.2008 Rm
Retail business	**81**	211
Gross value of new business	**86**	223
Less: Cost of capital	**(5)**	(12)
Corporate business	**25**	20
Gross value of new business	**45**	31
Less: Cost of capital	**(20)**	(11)
International business	**13**	17
Gross value of new business	**13**	17
Less: Cost of capital	**(0)**	(0)
Value of covered new business	**119**	248
Value of non-covered new business	**132**	123
Asset management	**39**	39
Health	**93**	84
Total value of new business	**251**	371

- The 2008 results excluded Metropolitan Ghana, Metropolitan Kenya, Metropolitan Nigeria and Metropolitan Swaziland as these businesses were in start-up phase.
- 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 31.12.2009 Rm**	12 mths to 31.12.2008 Rm
Recurring premiums	**1 160**	1 278
Retail business	**813**	961
Corporate business	**199**	210
International business	**148**	107
Single premiums	**3 422**	4 314
Retail business	**1 973**	3 239
Corporate business	**1 327**	979
International business	**122**	96
Annual premium equivalent (APE)	**1 501**	1 709
Retail business	**1 010**	1 285
Corporate business	**331**	308
International business	**160**	116
Present value of premiums (PVP)	**8 430**	10 354
Retail business	**5 050**	7 426
Corporate business	**2 737**	2 431
International business	**643**	497

- From 2009 all international premiums have been included.
- Net of minority interests.

PROFITABILITY OF NEW BUSINESS – COVERED BUSINESS	**12 mths to 31.12.2009**	12 mths to 31.12.2008
% of APE	**7.9**	14.5
Retail business	**8.0**	16.4
Corporate business	**7.6**	6.5
International business	**8.1**	14.7
% of PVP	**1.4**	2.4
Retail business	**1.6**	2.8
Corporate business	**0.9**	0.8
International business	**2.0**	3.4

- Corporate value of new business includes value generated in respect of new administration contracts secured, where premium income is not applicable.

METROPOLITAN HOLDINGS – GROUP RESULTS

SOURCE OF NEW BUSINESS PRODUCTION – COVERED BUSINESS Individual life – insurance and investment business	**31.12.2009** **APE** **%**	 **Total premium** **%**	31.12.2008 APE %	 Total premium %
Personal financial advisors	**48**	**48**	38	31
Broker distribution	**22**	**31**	27	36
Wholesale distribution	**13**	**5**	18	7
Third party business	**2**	**7**	5	19
Union Life	**2**	**1**	2	1
International	**13**	**8**	10	6

PRINCIPAL ASSUMPTIONS (South Africa) (20)	**31.12.2009** **%**	31.12.2008 %
Pre-tax investment return		
Equities	**13.0**	11.0
Properties	**10.5**	8.5
Government stock	**9.5**	7.5
Cash	**8.5**	6.5
Risk discount rate (RDR)	**12.0**	10.0
Investment return (before tax) – smoothed bonus	**11.8**	9.8
Expense inflation rate	**6.3**	4.3

(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.

MINORITY INTERESTS	**31.12.2009** **%**	31.12.2008 %
Metropolitan Health Group	**17.6**	17.6
Union Life	**50.0**	50.0
Metropolitan Namibia	**18.0**	18.0
Metropolitan Botswana	**24.2**	24.2
Metropolitan Kenya	**34.4**	33.3
Metropolitan Ghana	**20.0**	40.0
Metropolitan Nigeria	**50.0**	50.0

METROPOLITAN HOLDINGS – GROUP RESULTS

LONG-TERM INSURANCE BUSINESS: SENSITIVITIES – 31.12.2009		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		**5 651**	**4 114**	**4 639**	**(525)**	**119**	**144**	**(25)**
1%	increase in risk discount rate		3 840	4 365	(525)	95	120	(25)
	% change		(7)	(6)	-	(20)	(17)	-
1%	reduction in risk discount rate		4 429	4 954	(525)	147	172	(25)
	% change		8	7	-	24	19	-
10%	decrease in future expenses		4 427	4 952	(525)	150	175	(25)
	% change (a)		8	7	-	26	22	-
10%	decrease in lapse, paid-up and surrender rates		4 274	4 799	(525)	175	200	(25)
	% change		4	3	-	47	39	-
5%	decrease in mortality and morbidity for assurance business		4 269	4 794	(525)	150	175	(25)
	% change		4	3	-	26	22	-
5%	decrease in mortality for annuity business		4 099	4 624	(525)	116	141	(25)
	% change		-	-	-	(3)	(2)	-
1%	reduction in gross investment return, inflation rate and risk discount rate	5 740	4 193	4 696	(503)	155	179	(24)
	% change (b)	2	2	1	(4)	30	24	(4)
1%	reduction in gross investment return only (no change in risk discount rate)	5 586	3 954	4 457	(503)	109	133	(24)
	% change (b)	(1)	(4)	(4)	(4)	(8)	(8)	(4)
1%	reduction in inflation rate	5 805	4 037	4 562	(525)	137	162	(25)
	% change	3	(2)	(2)	-	15	13	-
10%	fall in market value of equities and properties	5 355	3 886	4 411	(525)			
	% change	(5)	(6)	(5)	-			
10%	reduction in premium indexation take-up rate		4 053	4 578	(525)	112	137	(25)
	% change		(1)	(1)	-	(6)	(5)	-
10%	decrease in non commission related acquisition expenses					153	178	(25)
	% change					29	24	-

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

(b) Bonus rates are assumed to change commensurately.

(c) 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 HOLDINGS – GROUP RESULTS

ANALYSIS OF CHANGES IN GROUP EMBEDDED VALUE	**Non-covered business Rm**	**Covered business** NAV Rm	VoIF Rm	**Cost of CAR Rm**	**Total covered Rm**	**12 mths to 31.12.2009 Total group EV Rm**	12 mths to 31.12.2008 Total group EV Rm
Profit from new business	140	(173)	324	(25)	126	**266**	388
Embedded value from new business	132	(173)	317	(25)	119	**251**	371
Expected return to end of year	8	-	7	-	7	**15**	17
Profit from existing business	(56)	552	(305)	(3)	244	**188**	391
Expected return – unwinding of RDR	75	-	469	(49)	420	**495**	550
Expected (or actual) net of tax profit transfer to net worth	-	675	(675)	-	-	**-**	-
Operating experience variances	(80)	43	(65)	2	(20)	**(100)**	76
Operating assumption changes	(51)	(166)	(34)	44	(156)	**(207)**	(235)
Embedded value profit from operations	84	379	19	(28)	370	**454**	779
Investment return on net worth	83	705	-	58	763	**846**	(281)
Investment variances	9	336	97	-	433	**442**	(982)
Economic assumption changes	(31)	(188)	(178)	(10)	(376)	**(407)**	247
Change in risk margin	-	-	-	-	-	**-**	(8)
Exchange rate movements	-	(23)	(5)	-	(28)	**(28)**	16
Total embedded value profit	145	1 209	(67)	20	1 162	**1 307**	(229)
Changes in share capital	(23)	23			23	**-**	(201)
Dividend paid	(195)	(317)			(317)	**(512)**	(539)
Finance costs – preference shares	(118)	-			-	**(118)**	(138)
Change in embedded value	(191)	915	(67)	20	868	**677**	(1 107)
Time weighted return on embedded value (%)						**11.9**	(2.1)

Operating experience variances	
Non-covered business	Negative variances from losses in certain of the non-life companies partially offset by profits in the health and asset management businesses.
Covered business	
Net asset value (NAV)	Positive contribution from higher than expected mortality profits partially offset by negative variances from higher than expected expenses and lower than expected withdrawal profits.
Value of in force (VoIF)	Negative contributions mainly from greater than expected net employee benefit outflows.
Operating assumption changes	
Non-covered business	Negative contribution from lower future profitability expected from the asset management businesses and higher non-life company expenses.
Covered business	
Net asset value (NAV)	Negative changes from the strengthening of the mortality basis at longer durations for grouped individual business, an increase in the assumed per policy expense for individual life contracts and a strengthening of the expense basis for international.
Value of in force (VoIF)	Negative change mainly 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 31.12.2009 Net inflow Rm	12 mths to 31.12.2008 Net inflow Rm
Retail business	6 831	(5 108)	**1 723**	2 920
Corporate business	3 182	(7 308)	**(4 126)**	(1 243)
International business	1 182	(643)	**539**	382
Long-term insurance business cash flows	11 195	(13 059)	**(1 864)**	2 059
Health business	18 470	(16 710)	**1 760**	1 837
Asset administration business	18 734	(15 833)	**2 901**	3 321
Asset management business	1 208	(2 628)	**(1 420)**	959
Corporate business	118	-	**118**	159
Total funds received from clients	49 725	(48 230)	**1 495**	8 335

PREMIUMS RECEIVED	12 mths to 31.12.2009 Rm	12 mths to 31.12.2008 Rm
Recurring premiums	**7 779**	7 472
Retail business	**4 856**	4 689
Corporate business	**1 863**	1 924
International business	**1 060**	859
Single premiums	**3 416**	4 364
Retail business	**1 975**	3 242
Corporate business	**1 319**	975
International business	**122**	147
Capitation contracts – health business	**12**	19
Segment premiums received	**11 207**	11 855
Adjustment for premiums received from investment contract holders	**(1 071)**	(1 706)
Transfers between insurance, investment and investment with DPF contracts	**104**	256
Net insurance premiums per income statement	**10 240**	10 405

- 2008 excludes premiums received in Metropolitan Nigeria as it was a joint venture.

METROPOLITAN HOLDINGS – GROUP RESULTS

PAYMENTS TO CONTRACT HOLDERS	**12 mths to 31.12.2009 Rm**	12 mths to 31.12.2008 Rm
Individual life	**5 571**	5 475
Death and disability claims	**1 202**	1 084
Maturity claims	**1 604**	1 710
Annuities	**797**	664
Withdrawal benefits	**136**	156
Surrenders	**1 950**	1 977
Re-insurance recoveries	**(118)**	(116)
Employee benefits	**7 488**	4 304
Death and disability claims	**1 251**	1 191
Maturity claims	**121**	211
Annuities	**705**	695
Withdrawal benefits	**310**	378
Terminations	**3 408**	508
Disinvestments	**1 904**	1 538
Re-insurance recoveries	**(211)**	(217)
Capitation contracts	**14**	16
Total payments to contract holders	**13 073**	9 795
Adjustment for payments to investment contract holders	**(4 711)**	(1 982)
Transfers between insurance, investment and investment with DPF contracts	**104**	256
Net insurance benefits and claims per income statement	**8 466**	8 069

- Segment information is disclosed in the segment report and reconciles to total payments to policyholders.
- 2008 excludes payments to contract holders in Metropolitan Nigeria as it was a joint venture.

NUMBER OF EMPLOYEES	**31.12.2009**	31.12.2008
Indoor staff	**5 512**	5 338
Insurance companies	**2 780**	2 751
Retail	**1 274**	1 280
Union Life	**98**	107
Cover2Go	**13**	16
Employee benefits	**400**	400
International	**453**	425
Group services	**542**	523
Metropolitan Health Group	**2 382**	2 108
Asset management	**81**	81
Asset administration	**67**	77
Metropolitan Card Operations	**-**	34
Metropolitan Retirement Administrators	**138**	139
DirectFin Solutions	**47**	129
Holding company	**17**	19
Field staff	**4 210**	3 715
Retail	**2 822**	2 713
Union Life	**304**	173
International	**1 084**	829
Total	**9 722**	9 053

METROPOLITAN HOLDINGS – GROUP RESULTS

ANALYSIS OF EXPENSES	**12 mths to 31.12.2009 Rm**	12 mths to 31.12.2008 Rm
Depreciation, amortisation and impairment expenses	**148**	221
Employee benefit expenses	**1 549**	1 269
Sales remuneration	**987**	1 095
Other expenses	**1 271**	1 151
Finance costs	**168**	188
Total expenses	**4 123**	3 924
Long-term insurance business	**3 018**	2 979
Administration expenses	**1 705**	1 555
Sales remuneration	**984**	1 095
Asset management fees	**210**	209
Direct property expenses	**119**	120
Administration business	**996**	888
Finance costs – preference shares and subordinated redeemable debt	**164**	186
Holding company	**67**	63
Employee benefit assets	**-**	(75)
Consolidation adjustments	**(122)**	(117)
Total expenses	**4 123**	3 924

- Segment information is disclosed in the segment report.

METROPOLITAN HOLDINGS – GROUP RESULTS

ASSETS UNDER MANAGEMENT	31.12.2009 Rm	31.12.2008 Rm
Intangible assets	**464**	525
Owner-occupied properties	**690**	678
Property and equipment	**202**	186
Investment properties	**3 193**	3 031
Investment in associates	**856**	663
Investment in joint venture	**-**	35
Employee benefit assets	**232**	248
Financial assets	**56 201**	53 692
Equity securities	**24 687**	21 167
Debt securities	**13 014**	15 968
Funds on deposit and other money market instruments	**5 484**	3 409
Unit-linked investments	**11 258**	10 256
Derivative financial instruments	**718**	1 764
Loans and receivables	**1 040**	1 128
Insurance and other receivables	**1 579**	1 507
Deferred income tax	**10**	12
Reinsurance contracts	**242**	212
Current income tax assets	**200**	14
Cash and cash equivalents	**7 702**	8 810
Total on-balance sheet assets	**71 571**	69 613
Collective investments	**22 189**	18 832
Health	**5 006**	4 624
Asset management – segregated assets	**2 948**	3 238
Employee benefits – segregated assets	**1 508**	1 550
Total assets under management	**103 222**	97 857

ANALYSIS OF ASSETS UNDER MANAGEMENT	31.12.2009 Rm	31.12.2008 Rm
On-balance sheet assets		
Managed and administered by Metam	**51 017**	50 092
Properties	**3 869**	3 689
Collective investment schemes	**1 982**	1 647
Investment assets	**45 166**	44 756
Administered and/or managed by Metropolitan Collective Investments (excludes managed by Metam)	**1 320**	977
Managed by external managers	**14 521**	13 754
Other assets	**4 713**	4 790
	71 571	69 613
Off-balance sheet assets		
Managed and administered by Metam	**6 629**	6 567
Collective investment schemes	**3 004**	2 559
Segregated assets	**3 625**	4 008
Administered and/or managed by Metropolitan Collective Investments (includes white label funds)	**19 185**	16 273
Employee benefits – segregated assets	**831**	780
Health	**5 006**	4 624
Total assets under management	**103 222**	97 857

METROPOLITAN HOLDINGS – GROUP RESULTS

ANALYSIS OF ASSETS BACKING GROUP EXCESS	**31.12.2009**		31.12.2008	
	Rm	**%**	Rm	%
Equity securities	**2 489**	**37.7**	2 471	42.3
Collective investment schemes	**1 260**	**19.1**	948	16.2
Debt securities	**723**	**10.9**	175	3.0
Owner-occupied properties	**638**	**9.7**	671	11.5
Investment properties	**223**	**3.4**	286	4.9
Cash and cash equivalents	**1 781**	**26.9**	2 113	36.1
Goodwill	**154**	**2.3**	209	3.6
Other net assets	**556**	**8.4**	316	5.4
	7 824	**118.4**	7 189	123.0
Redeemable preference shares	**(711)**	**(10.8)**	(841)	(14.4)
Subordinated redeemable debt	**(501)**	**(7.6)**	(501)	(8.6)
Excess - group per reporting basis	**6 612**	**100.0**	5 847	100.0

GROUP EXCESS – TOP 10 EQUITY HOLDINGS	**31.12.2009**		31.12.2008	
	Rm	**%**	Rm	%
MTN Group Ltd	**196**	**7.9**	192	7.8
Billiton Plc	**139**	**5.6**	125	5.1
Sasol Ltd	**128**	**5.1**	100	4.0
FirstRand Ltd	**117**	**4.7**	132	5.3
Impala Platinum Holdings Ltd	**116**	**4.7**	122	4.9
Anglo American Plc	**113**	**4.5**	90	3.6
Standard Bank Group Ltd	**104**	**4.2**	115	4.7
SAB Miller Plc	**87**	**3.5**		
Naspers Ltd	**87**	**3.5**		
Compagnie Financiere Richemont	**62**	**2.5**	70	2.8
Imperial Holdings Ltd			78	3.2
RMB Holdings			60	2.4
	1 149	**46.2**	1 084	43.8
Total equities backing excess	**2 489**	**100.0**	2 471	100.0

METROPOLITAN HOLDINGS – GROUP RESULTS

STOCK EXCHANGE PERFORMANCE	2009	2008	2007	2006
12 month period				
Value of listed shares traded (rand million) (21)	**4 650**	4 718	7 024	5 614
Volume of listed shares traded (million) (21)	**386**	392	456	442
Shares traded (% of average listed shares in issue) (21)	**70.4**	71.1	79.7	75.0
Value of shares traded – life insurance (J857 – Rbn)	**94.0**	93.0	108.0	81.9
Value of shares traded – top 40 index (J200 – Rbn)	**2 196**	2 688	2 328	1 735
Trade prices				
Highest (cents per share)	**1 395**	1 520	1 691	1 581
Lowest (cents per share)	**941**	890	1 314	1 020
Last sale of period (cents per share)	**1 342**	1 080	1 509	1 500
Percentage (%) change during period (22)	**24.3**	(28.4)	6.0	38.3
Percentage (%) change – life insurance sector (J857)	**47.7**	(50.2)	3.1	28.2
Percentage (%) change – top 40 index (J200)	**28.6**	(25.9)	16.1	37.5
31 December				
Price/diluted core headline earnings ratio	**9.52**	7.15	10.61	13.28
Dividend yield % (dividend on listed shares)	**7.45**	8.80	6.30	5.13
Dividend yield % – top 40 index (J200)	**1.96**	4.27	2.39	2.06
Total shares issued (million)				
Listed on JSE	**553**	542	559	585
Ordinary shares	**549**	538	553	578
Share incentive scheme	**4**	4	6	7
Unlisted – share purchase scheme	**10**	14	23	41
Total ordinary shares in issue	**563**	556	582	626
Treasury shares held by subsidiary	**-**	(16)	(26)	(27)
Treasury shares held on behalf of contract holders	**(1)**	(1)	(1)	(13)
Adjustment to staff share scheme shares (23)	**(12)**	(17)	(26)	(47)
Share incentive scheme	**(2)**	(4)	(4)	(7)
Share purchase scheme	**(10)**	(13)	(22)	(40)
Basic number of shares in issue	**550**	522	529	539
Adjustment to staff share scheme shares	**12**	17	26	47
Treasury shares held on behalf of contract holders	**1**	1	1	13
Convertible redeemable preference shares	**100**	123	123	123
Diluted number of shares in issue (24)	**663**	663	679	722
Market capitalisation at end (Rbn) (25)	**8.90**	7.16	10.25	10.83
Percentage (%) of life insurance sector	**6.01**	7.05	4.93	5.45

(21) 2008 is net of 16 million shares acquired for R200 million as part of a share buy-back programme (2007: 44 million shares acquired for R690 million; 2006: 42 million shares acquired for R558 million).

(22) 2007 has been adjusted for the special dividend of 77 cents per share, while 2006 has been adjusted for a capital reduction of 100 cents.

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

(24) 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.

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