



## 12 March 2008

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*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](mailto:noosthuizen@metropolitan.co.za) or [ssnow@metropolitan.co.za](mailto:ssnow@metropolitan.co.za) for further information.*

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# METROPOLITAN HOLDINGS FINANCIAL SERVICES GROUP

## AUDITED GROUP RESULTS FOR THE YEAR ENDED 31 DECEMBER 2007

### ADDING SHAREHOLDER VALUE

- Total assets under management exceed R100 billion
- Diluted core headline earnings exceed R1 billion
- Dividend per share of 95 cents
- Net funds received from clients – up 353%
- Value of new business – up 32%
- Total dividend per share - up 23%
- Diluted core headline earnings per share - up 26%

### REVIEW OF OPERATIONS AND PROSPECTS

#### Financial highlights

- Diluted core headline earnings per share, at 142 cents, increased by 26%.
- The reduction in the number of shares in issue, as a result of the share buy back activities, enhanced the growth of all the per-share numbers.
- Headline earnings and earnings, both at 280 cent per share; include investment market performance and actuarial basis changes.
- All of the operating businesses increased their contributions to group profits, with higher growth from the smaller businesses once again highlighting the benefits of the diversification strategy.
- Retail, the largest contributor to group profits, grew its operating profit by 6%; the corporate business by 21%; the health business by 25%; and international by 80%, while asset management profits were up 1%.
- The unbroken record of positive net cash flow not only continued, but set a new record at R12.5 billion.
- Investment income on shareholder assets was 24% higher despite another R1 651 million capital having been returned to shareholders during 2007 (15% of the opening market capitalisation).
- Good investment market performance contributed to sustained positive funding levels and the continued strong capital position of the group.
- The return on embedded value of 18% was driven by further operational improvements and the increased value of new business added.

#### Operational overview

- Gross funds received from clients grew by 26% to almost R40 billion.
- Group recurring premium income increased by 10% to R7 billion.
- Retail single premium income was 30% higher, confirming once again the progressive extension of the brand.
- Retail new business APE (recurring premium income plus 10% of single premiums) was 12% higher than in 2006, enhanced by the growth in single premium business. The APE new business margin, at 11.3%, and the PVP margin, at 2.0%, fell marginally below the targeted ranges and are receiving continued attention.
- In the international arena, new business margins were boosted from 6.7% to 14.6% (APE), and from 1.3% to 3.6% (PVP).
- An impressive 47% increase in corporate recurring new business premium income boosted the value of new business by 53% to R46 million.
- Metropolitan Retirement Administrators was successfully launched and integrated into the Metropolitan group.
- The health business continued to grow its principal members under administration, from 500 000 to over 660 000, with more than 200 000 members signed up with the Government Employees Medical Scheme (GEMS) by year-end.
- Once again positive operating experience variances emerged in the embedded value, mainly resulting from higher asset values driven by both better than expected investment performance and better than expected client inflows and retention in certain parts of the business (asset levels).

- Negative operating assumption changes dampened the embedded value profit, mainly driven by a strengthening of the valuation basis in respect of investment guarantees (R37 million - PGN 110).
- Good mortality experience across the group and non-recurring tax profit enhanced operating profits while the deterioration in persistency in certain parts of the business reduced the value of in-force.

#### **CEO succession**

- After ten years as group ceo, and almost thirty years with the group, Peter Doyle will be stepping down on 31 March 2008.
- The board embarked on a comprehensive selection process, considering both internal and external candidates, and Wilhelm van Zyl will succeed Peter Doyle as the group ceo.

#### **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 prices and transport inflation as well as credit extension remain 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 retail business is currently reviewing its business model with a view to managing future expense growth in order to enhance the value proposition for all stakeholders. This project is still in the planning phase, and as a result no account has been taken in these results of any future project costs or related expense savings.
- The board is satisfied that the business is sustainable, 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 2007.

##### **International Financial Reporting Standards (IFRS)**

The annual financial statements have been prepared in accordance with the provisions of the South African Companies Act, 1973 as amended (but excluding the amendments made to the Companies Act in terms of the Corporate Laws Amendment Act no 24 of 2006) and the Long-term Insurance Act, 1998 as amended and also comply with guidelines issued by the Actuarial Society of South Africa. The consolidated balance sheet and income statement, statement of changes in equity and cash flow statement have been prepared in accordance with International Financial Reporting Standards (IFRS) issued and effective at the time of preparing these statements. The accounting policies of the group have been applied consistently to all the years 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, estimates and accounting policies are disclosed in detail in the annual financial statements at 31 December 2007.

##### **Changes to presentation and restatement of 2006 results**

The group early adopted the amendment to SAICA circular 8/2007 – Headline earnings - from 1 January 2007. There was no impact on the group's headline earnings. The actuarial liabilities were calculated taking into account the requirements of the new PGN 110 – Allowance for embedded investment derivatives.

With the implementation of IFRS 7 the presentation of the balance sheet was changed and certain items reclassified. There were also reclassifications in the income statement, without any adjustment to earnings. The details are disclosed in detail in the annual financial statements at 31 December 2007.

#### **CAPITAL MANAGEMENT**

- In April 2007 Metropolitan paid out an additional 77 cents per share to shareholders by way of an extra dividend.

- During the year Metropolitan bought back 44 million listed ordinary shares (R690 million).
- Metropolitan Life Limited received a AA national insurer financial strength rating from Fitch Ratings.
- The economic capital model has been further refined, updated and used in product pricing and business expansion.
- The economic capital required by Metropolitan Life Limited, at 31 December 2007, is R3.9 billion, which is currently 2.7 times the statutory requirement.
- The group remains well capitalised and will continue to buy back shares up to fair value.
- The group acquired a 50% holding in HTG Life Ltd, an 80% holding in Metropolitan Retirement Administrators and a 70% holding in DFS (Pty) Ltd during 2007. These acquisitions were not material to the group and resulted in a net cash outflow of R62 million.

## **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**

Prof Wiseman Nkuhlu was appointed group chairman on 31 May 2007. Sir Sam Jonah (non-executive) and Wilhelm van Zyl (executive) were appointed as directors with effect from 1 January 2008. Sir Sam Jonah resigned with effect from 23 January 2008 due to a conflict of interest. No further changes have been made to the directorate during the past year. 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 2007. 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**

No 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.

An interim dividend of 36.00 cents per ordinary share was declared in September and paid in October 2007. On 11 March 2008 a final dividend of 59.00 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, 4 April 2008 and will be paid on Monday, 7 April 2008. The last day to trade "cum" dividend will be Friday, 28 March 2008. The shares will trade "ex" dividend from the start of business on Monday, 31 March 2008. Share certificates may not be dematerialised or rematerialised between Monday, 31 March and Friday, 4 April 2008, 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, 7 April 2008.

### **Staff share purchase scheme dividend**

A dividend of R16 million (2006: R20 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 R31 million (16.1%), R8 million (59.00 cents per share) and R28 million (18.0%) were declared on 11 March 2008 on the A1, A2 and A3 Metropolitan preference shares respectively, and are payable on 31 March 2008.

Dividends of R27 million (14.4%), R5 million (36.00 cents per share) and R24 million (15.6%) were declared in September 2007 on the A1, A2 and A3 Metropolitan preference shares respectively, and paid on 30 September 2007. 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 2007. A copy of their unqualified report is available for inspection at the company's registered office.

Signed on behalf of the board

**Prof Wiseman Nkuhlu**  
**Peter Doyle**

*Group chairman*  
*Group chief executive*

Cape Town  
11 March 2008

### **Directors:**

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

**Secretary:** Bongwiwe Gobodo-Mbomvu

**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 – GROUP RESULTS

CONSOLIDATED BALANCE SHEET	31.12.2007 Rm	31.12.2006 Rm
<b>ASSETS</b>		
Intangible assets	562	413
Owner-occupied property	592	375
Property and equipment	233	166
Investment property	2 710	2 492
Investment in associates (2)	405	314
Investment in joint ventures	61	-
Employee benefit asset	177	126
Financial assets (1, 2)	60 489	54 033
Insurance and other receivables (2)	1 476	1 376
Deferred income tax	15	11
Reinsurance contracts	179	217
Cash and cash equivalents (2)	8 274	6 887
Non-current assets held for sale	185	-
<b>Total assets</b>	<b>75 358</b>	<b>66 410</b>
<b>EQUITY</b>		
Capital and reserves attributable to equity holders (2)	6 817	6 694
Minority interests (2)	124	109
<b>Total equity</b>	<b>6 941</b>	<b>6 803</b>
<b>LIABILITIES</b>		
Insurance contract liabilities		
Long-term insurance contracts (3)	33 531	30 790
Capitation contracts	1	2
Financial liabilities		
Investment contracts – designated as at fair value through income	14 153	11 137
Investment contracts – with discretionary participation features (3)	14 273	12 695
Other financial liabilities (4)	2 863	2 301
Deferred income tax	492	300
Employee benefit obligations	252	223
Other payables	2 545	1 957
Current income tax	307	202
<b>Total liabilities</b>	<b>68 417</b>	<b>59 607</b>
<b>Total equity and liabilities</b>	<b>75 358</b>	<b>66 410</b>

(1) Financial assets consist of the following:

Assets designated as at fair value through income: R58 264 million (2006: R52 304 million)

Assets held for trading (derivative financial assets): R850 million (2006: R599 million)

Available-for-sale assets: R7 million (2006: R10 million)

Loans and receivables: R1 368 million (2006: R1 120 million).

(2) Refer 2006 restated information under basis of presentation of financial information.

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

(4) Other financial liabilities consist of the following:

Liabilities designated as at fair value through income: R635 million (2006: R452 million)

Liabilities held for trading (derivative financial liabilities): R858 million (2006: R512 million)

Liabilities at amortised cost: R1 370 million (2006: R1 337 million)

# METROPOLITAN HOLDINGS – GROUP RESULTS

STATEMENT OF ACTUARIAL VALUES OF ASSETS AND LIABILITIES ON REPORTING BASIS	31.12.2007 Rm	31.12.2006 Rm
Total assets per balance sheet	75 358	66 410
Actuarial value of policy liabilities per balance sheet	(61 957)	(54 622)
Other liabilities per balance sheet	(6 460)	(4 985)
Minority interests	(124)	(109)
<b>Excess – group per reporting basis</b>	<b>6 817</b>	<b>6 694</b>
Net assets – other businesses	(1 102)	(858)
<b>Excess – long-term insurance business <sup>(5)</sup></b>	<b>5 715</b>	<b>5 836</b>
<b>LONG-TERM INSURANCE BUSINESS <sup>(5)</sup></b>		
<b>Change in excess of long-term insurance business <sup>(5)</sup></b>	<b>(121)</b>	<b>(308)</b>
Increase in share capital	(12)	(35)
Metropolitan Kenya included in insurance		(8)
Acquisition of HTG Life Ltd	(54)	
Exchange differences	-	-
Change in other reserves	(36)	232
Dividend paid	1 606	2 187
<b>Total surplus arising</b>	<b>1 383</b>	<b>2 068</b>
Operating profit	754	660
Investment income on excess	289	211
Net realised and fair value gains on excess	364	1 245
Investment variances <sup>(6)</sup>	29	70
Basis and other changes	(180)	(166)
Employee benefit asset/obligation	48	67
Deferred tax <sup>(8)</sup>	79	-
LOA statement of intent	-	(19)
Consolidation adjustments	217	(186)
Income tax expenses <sup>(9)</sup>	549	364
Adjustment for finance costs	47	-
<b>Results of long-term insurance business <sup>(5)</sup></b>	<b>2 196</b>	<b>2 246</b>
Results of other group businesses	289	316
<b>Results of operations per income statement</b>	<b>2 485</b>	<b>2 562</b>

STATEMENT OF ACTUARIAL VALUES OF ASSETS AND LIABILITIES ON STATUTORY BASIS	31.12.2007 Rm	31.12.2006 Rm
<b>Reporting excess – long-term insurance business <sup>(5)</sup></b>	<b>5 715</b>	<b>5 836</b>
Disallowed assets in terms of statutory requirements <sup>(7)</sup>	(293)	(194)
Capital adjustments	91	101
<b>Statutory excess – long-term insurance business <sup>(5)</sup></b>	<b>5 513</b>	<b>5 743</b>
Capital adequacy requirement	1 609	1 592
Capital adequacy multiple	3.4	3.6
Discretionary margins	2 205	2 058

(5) 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.

(6) Investment variances reflect the impact of actual investment returns on the value of future expense recoveries.

(7) Disallowed assets include goodwill, deferred acquisition costs, deferred revenue liabilities and employee benefit asset. 2006 was restated for the employee benefit liability.

(8) Deferred tax asset created in respect of accumulated tax losses.

(9) Includes deferred tax on contract holder capital gains.

# METROPOLITAN HOLDINGS – GROUP RESULTS

<b>CONSOLIDATED INCOME STATEMENT</b>	<b>12 mths to 31.12.2007 Rm</b>	<b>12 mths to 31.12.2006 Rm</b>
Net insurance premiums received	8 792	7 423
Fee income	807	665
Investment income <sup>(10)</sup>	3 632	2 685
Net realised and fair value gains <sup>(10)</sup>	4 407	9 848
<b>Net income</b>	<b>17 638</b>	<b>20 621</b>
Net insurance benefits and claims	6 192	5 634
Change in provisions	4 215	8 009
Change in insurance contract liability	2 617	5 233
LOA statement of intent	-	19
Change in investment contracts with DPF liability	1 562	2 792
Change in reinsurance provisions	36	(35)
Fair value adjustments on investment contracts liability	1 518	1 687
Fair value adjustments on collective investment scheme liability <sup>(10)</sup>	13	8
Depreciation, amortisation and impairment expenses	169	183
Employee benefit expenses	1 145	924
Sales remuneration and distribution costs <sup>(10)</sup>	1 127	995
Other expenses <sup>(8)</sup>	774	619
<b>Expenses</b>	<b>15 153</b>	<b>18 059</b>
<b>Results of operations</b>	<b>2 485</b>	<b>2 562</b>
Finance costs	(174)	(99)
Share of profit of associates	5	3
<b>Profit before tax</b>	<b>2 316</b>	<b>2 466</b>
Income tax expenses	(788)	(491)
<b>Earnings</b>	<b>1 528</b>	<b>1 975</b>
<b>Attributable to:</b>		
Equity holders of group	1 503	1 947
Minority interests <sup>(10)</sup>	25	28
	<b>1 528</b>	<b>1 975</b>

(10) Refer 2006 restated information under basis of presentation of financial information.



## METROPOLITAN HOLDINGS – GROUP RESULTS

<b>RECONCILIATION OF HEADLINE EARNINGS</b> attributable to equity holders of the group	<b>Basic earnings</b>		<b>Diluted earnings</b>	
	12 mths to 31.12.2007 Rm	12 mths to 31.12.2006 Rm	12 mths to 31.12.2007 Rm	12 mths to 31.12.2006 Rm
<b>Earnings</b>	<b>1 503</b>	1 947	<b>1 503</b>	1 947
Finance costs – preference shares			<b>124</b>	93
<b>Diluted earnings</b>			<b>1 627</b>	2 040
Goodwill impaired	-	4	-	4
<b>Headline earnings</b> <sup>(11)</sup>	<b>1 503</b>	1 951	<b>1 627</b>	2 044
Net realised and fair value gains on excess	<b>(719)</b>	(1 265)	<b>(719)</b>	(1 265)
Basis changes, LOA statement of intent and investment variances	<b>64</b>	111	<b>64</b>	111
Employee benefit asset/obligation	<b>(48)</b>	(67)	<b>(48)</b>	(67)
IFRIC 8 – adjustment <sup>(12)</sup>			<b>6</b>	9
Investment income on treasury shares – contract holders <sup>(13)</sup>			<b>13</b>	15
STC on special dividend	<b>60</b>		<b>60</b>	
<b>Core headline earnings</b> <sup>(14)</sup>	<b>860</b>	730	<b>1 003</b>	847

(11) Headline earnings consist of operating profit, investment income, net realised and fair value gains, investment variances and basis changes. Adjustments to headline earnings, as required by SAICA Circular 8/2007, relate to returns on shareholder assets only.

(12) In terms of IFRIC 8, 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 changes can be volatile; therefore core headline earnings have been disclosed that comprise operating profit and investment income on shareholder assets.

<b>EARNINGS PER SHARE</b> (cents) attributable to equity holders of the group	12 mths to 31.12.2007	12 mths to 31.12.2006
<b>Basic</b>		
Core headline earnings	<b>160.15</b>	130.36
Headline earnings	<b>279.89</b>	348.39
Earnings	<b>279.89</b>	347.68
Weighted average number of shares (million)	<b>537</b>	560
<b>Diluted</b>		
Core headline earnings	<b>142.27</b>	112.93
Diluted weighted average number of shares (million) <sup>(13)</sup>	<b>705</b>	750
Headline earnings	<b>232.43</b>	280.00
Earnings	<b>232.43</b>	279.45
Diluted weighted average number of shares (million) <sup>(13)</sup>	<b>700</b>	730

<b>DIVIDENDS</b>	2007	2006
<b>Ordinary listed shares</b> (cents per share)		
Interim	<b>36.00</b>	29.00
Final	<b>59.00</b>	48.00
Total	<b>95.00</b>	77.00
Special dividend		77.00

# METROPOLITAN HOLDINGS – GROUP RESULTS

## DIVIDENDS

Convertible redeemable preference shares		A1	A2	A3
Paid – 31 March 2006	Rate	10.4%	39.00 cps	9.2%
	Rm	24	5	10
Paid – 30 September 2006	Rate	11.7%	29.00 cps	11.6%
	Rm	22	4	18
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
Payable – 31 March 2008	Rate	16.1%	59.00 cps	18.0%
	Rm	31	8	28
Redemption value (per share)	R	5.12	9.18	9.18

## ANALYSIS OF DILUTED CORE HEADLINE EARNINGS

	12 mths to 31.12.2007 Rm	12 mths to 31.12.2006 Rm
<b>Retail business</b>	<b>460</b>	436
Operating profit	622	627
Tax	(162)	(191)
<b>Corporate business</b>	<b>176</b>	145
Operating profit	248	204
Tax	(72)	(59)
<b>International business</b>	<b>110</b>	61
Operating profit	116	67
Tax	(6)	(6)
<b>Asset management business</b>	<b>70</b>	69
Operating profit	96	94
Tax	(26)	(25)
<b>Health business</b>	<b>64</b>	51
Operating profit	116	78
Tax	(52)	(27)
<b>Shareholder capital</b>	<b>123</b>	85
Holding company expenses	(58)	(44)
Strategic ventures	(44)	(21)
Investment income on shareholder excess	384	310
Income tax on investment income	(159)	(160)
<b>Diluted core headline earnings</b>	<b>1 003</b>	847

## RESULTS OF OPERATIONS FROM ADMINISTRATION BUSINESS

(gross of minority interests, before finance costs and tax)	Net income	Expenses	Results of operations	
	Rm	Rm	12 mths to 31.12.2007 Rm	12 mths to 31.12.2006 Rm
Health business	714	(603)	111	72
Asset administration	102	(40)	62	58
Asset management <sup>(15)</sup>	128	(93)	35	36
Metropolitan Card Operations	44	(66)	(22)	(21)
	988	(802)	186	145

(15) Included are Inter-segment income and expenses of R160 million (2006: R114 million) and R17 million (2006: R12 million) respectively.

# METROPOLITAN HOLDINGS – GROUP RESULTS

<b>CONSOLIDATED STATEMENT OF CHANGES IN EQUITY</b>	<b>12 mths to 31.12.2007 Rm</b>	<b>12 mths to 31.12.2006 Rm</b>
<b>Changes in share capital</b>		
Balance at beginning	(136)	559
Staff scheme shares released	105	86
Shares repurchased and cancelled	-	(200)
Treasury shares held on behalf of contract holders	50	61
Capital reduction	-	(642)
Balance at end	19	(136)
<b>Changes in other reserves</b>		
Balance at beginning	413	428
Total recognised income	70	(30)
Earnings directly accounted in equity	65	(29)
Foreign currency translation differences	5	(1)
Employee share schemes – value of services provided	12	10
Fair value gains – available-for-sale financial assets	-	1
Transfer from retained income	-	4
Balance at end <sup>(16)</sup>	495	413
<b>Changes in retained income</b>		
Balance at beginning	6 417	5 219
Earnings for period	1 503	1 947
Dividends paid	(926)	(386)
Shares repurchased	(691)	(358)
Transfer to other reserves	-	(5)
Balance at end	6 303	6 417
<b>Capital and reserves attributable to equity holders</b>		
	6 817	6 694
<b>Changes in minority interests</b>		
Balance at beginning	109	112
Total recognised income	26	28
Earnings for period	25	28
Foreign currency translation differences	1	-
Dividend paid	(49)	(34)
Net change in minority interests	38	3
Balance at end	124	109
<b>Total equity</b>	<b>6 941</b>	<b>6 803</b>

(16) Other reserves consist of the following:

Land and buildings revaluation reserve: R161 million (31.12.2006: R96 million)

Foreign currency translation reserve: (R11 million) (31.12.2006: (R16 million))

Fair value reserve: R50 million (31.12.2006: R38 million)

Non-distributable reserve: R295 million (31.12.2006: R295 million)

# METROPOLITAN HOLDINGS – GROUP RESULTS

<b>CONSOLIDATED CASH FLOW STATEMENT</b>	<b>12 mths to 31.12.2007 Rm</b>	<b>12 mths to 31.12.2006 Rm</b>
Net cash inflow from operating activities	3 277	2 024
Net cash outflow from investing activities	(112)	(232)
Net cash outflow from financing activities	(1 666)	(1 198)
<b>Net cash flow</b>	<b>1 499</b>	<b>594</b>
Net realised and fair value gains/(losses) on cash resources	(112)	10
Cash resources and funds on deposit at beginning	6 887	6 283
<b>Cash resources and funds on deposit at end</b> <sup>(17)</sup>	<b>8 274</b>	<b>6 887</b>

(17) Refer 2006 restated information under basis of presentation of financial information.

<b>SEGMENT ASSETS AND LIABILITIES</b>	<b>31.12.2007 Rm</b>	<b>31.12.2006 Rm</b>
<b>Segment assets</b>		
Retail business	37 403	32 513
Corporate business	28 171	24 749
Health business	322	293
Asset management business	241	187
Shareholder capital	4 241	4 145
International business	4 980	4 523
<b>Total assets per balance sheet</b>	<b>75 358</b>	<b>66 410</b>
<b>Segment liabilities</b>		
Retail business	34 680	30 303
Actuarial value of policy liabilities	32 400	28 905
Other liabilities	2 280	1 398
Corporate business	26 931	23 010
Actuarial value of policy liabilities	25 650	22 140
Other liabilities	1 281	870
Health business	141	97
Asset management business	71	51
Shareholder capital	2 187	2 332
International business	4 407	3 814
Actuarial value of policy liabilities	3 907	3 577
Other liabilities	500	237
<b>Total liabilities per balance sheet</b>	<b>68 417</b>	<b>59 607</b>

- The South African operations are segregated into retail, corporate, asset management, health and shareholders capital. The international companies, Botswana, Ghana, Kenya, Lesotho, Mauritius, Namibia and Nigeria, are all managed as a single operating segment.
- The assets for both the retail and corporate segments are set equal to the contract holder liabilities, as these liabilities are equally matched with assets, plus the allocated economic capital.
- Other segment information used to assess the performance of the operating segments is disclosed throughout the results and include, diluted core headline earnings, premiums received, fee and other income, payments to contract holders, total expenses, new business premiums, value of new business and profitability of new business as a % of APE.

# METROPOLITAN HOLDINGS – GROUP RESULTS

EMBEDDED VALUE	31.12.2007 Rm	31.12.2006 Rm
Reporting excess – long-term insurance business	5 715	5 836
Disallowed assets <sup>(18)</sup>	(124)	(73)
Adjustments to reporting excess	2 057	2 085
Net assets – other businesses	1 102	858
Dilutory effect of subsidiaries <sup>(19)</sup>	73	80
Staff share scheme loans	141	227
Liability – convertible redeemable preference shares	837	832
Treasury shares held on behalf of contract holders	13	197
Goodwill	(109)	(109)
Adjustments for	540	405
Asset management business	257	210
Health business <sup>(20)</sup>	666	481
Holding company expenses	(383)	(286)
<b>Adjusted net asset value</b>	<b>8 188</b>	<b>8 253</b>
<b>Net value of in-force business</b>	<b>4 420</b>	<b>4 096</b>
Individual life	3 566	3 338
Gross value of in-force business	3 696	3 475
Less: Cost of capital	(130)	(137)
Employee benefits	854	758
Gross value of in-force business	911	830
Less: Cost of capital	(57)	(72)
<b>Diluted embedded value</b>	<b>12 608</b>	<b>12 349</b>
Diluted embedded value per share (cents)	1 857	1 710
Diluted adjusted net asset value per share (cents)	1 206	1 143
Diluted number of shares in issue (million) <sup>(21)</sup>	679	722

(18) Disallowed assets include goodwill, deferred acquisition costs and deferred revenue liabilities.

(19) For accounting purposes and in terms of IFRIC 8, Metropolitan Health and Metropolitan Kenya have been consolidated at 100% (2006: 100%) in the balance sheet. For embedded value purposes, disclosed on a diluted basis, minority interests and related funding have been reinstated.

(20) The value of the health business is net of R54 million, being the total liability of the option held by MHG management (31.12.2006: R53 million).

(21) 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	31.12.2007 Rm	31.12.2006 Rm
Metropolitan Life Ltd	5 029	3 911	<b>8 940</b>	8 781
Metropolitan Odyssey Ltd	34	-	<b>34</b>	34
HTG Life Ltd	41	-	<b>41</b>	-
Metropolitan Life International Ltd	50	-	<b>50</b>	48
Metropolitan Life (Namibia) Ltd	149	268	<b>417</b>	479
Metropolitan Life of Botswana Ltd	109	69	<b>178</b>	160
Metropolitan Lesotho Ltd	141	166	<b>307</b>	295
Metropolitan Life Insurance Kenya Ltd	15	2	<b>17</b>	7
Metropolitan Life Insurance Ghana Ltd	8	4	<b>12</b>	13
Asset management business	137	257	<b>394</b>	320
Metropolitan Health Group	165	666	<b>831</b>	622
Metropolitan Holdings (after consolidation adjustments)	1 879	(383)	<b>1 496</b>	1 699
Goodwill	(109)		<b>(109)</b>	(109)
<b>Total embedded value</b>	<b>7 648</b>	<b>4 960</b>	<b>12 608</b>	<b>12 349</b>
Adjustments to reporting excess	(2 057)			
Disallowed assets	124			
<b>Reporting excess – long-term insurance business</b>	<b>5 715</b>			

VALUE OF LONG-TERM INSURANCE NEW BUSINESS	12 mths to 31.12.2007 Rm	12 mths to 31.12.2006 Rm
Retail business	<b>119</b>	114
Gross value of new business	<b>122</b>	116
Less: Cost of capital	<b>(3)</b>	(2)
Corporate business	<b>46</b>	30
Gross value of new business	<b>53</b>	37
Less: Cost of capital	<b>(7)</b>	(7)
International business	<b>15</b>	7
Gross value of new business	<b>15</b>	9
Less: Cost of capital	<b>(0)</b>	(2)
<b>Value of long-term insurance new business</b>	<b>180</b>	151
Asset management business	<b>35</b>	25
Health business	<b>121</b>	78
<b>Total value of new business</b>	<b>336</b>	254

- 2007 and 2006 results exclude Metropolitan Ghana, Metropolitan Kenya and Cover2Go 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.
- No value of new business is included for HTG Life Ltd as the company was acquired late in 2007.

## METROPOLITAN HOLDINGS – GROUP RESULTS

NEW BUSINESS PREMIUMS	12 mths to 31.12.2007 Rm	12 mths to 31.12.2006 Rm
<b>Recurring premiums</b>		
Retail business	804	753
Corporate business	207	141
International business	91	89
	<b>1 102</b>	983
<b>Single premiums</b>		
Retail business	2 519	1 872
Corporate business	2 154	2 661
International business	121	157
	<b>4 794</b>	4 690
<b>Annual premium equivalent (APE)</b>		
	<b>1 581</b>	1 452
Retail business	1 056	940
Corporate business	422	407
International business	103	105
<b>Present value premiums (PVP)</b>		
	<b>10 068</b>	9 502
Retail business	6 033	5 410
Corporate business	3 613	3 563
International business	422	529

- 2007 and 2006 exclude Metropolitan Ghana (2007: R9 million and 2006: R4 million APE), Metropolitan Kenya (2007: R4 million and 2006: R4 million APE) and Cover2Go as these businesses were in start-up phase.
- Net of minority interests.

PROFITABILITY OF NEW BUSINESS	12 mths to 31.12.2007	12 mths to 31.12.2006
<b>% of APE</b>	<b>11.4</b>	10.4
Retail business	11.3	12.1
Corporate business	10.9	7.4
International business	14.6	6.7
<b>% of PVP</b>	<b>1.8</b>	1.6
Retail business <sup>(23)</sup>	2.0	2.1
Corporate business	1.3	0.8
International business	3.6	1.3

## METROPOLITAN HOLDINGS – GROUP RESULTS

SOURCE OF NEW BUSINESS PRODUCTION – GROUP Individual life – insurance and investment business	31.12.2007		31.12.2006	
	APE %	Total %	APE %	Total %
Tied agents & personal financial advisors	36	26	36	26
Brokers	25	25	27	25
Wholesale & credit life	21	8	21	9
3 <sup>rd</sup> party business	9	34	8	34
International	9	7	8	6

PRINCIPAL ASSUMPTIONS (South Africa) <sup>(22)</sup>	31.12.2007 %	31.12.2006 %
Pre-tax investment return		
Equities	10.5	10.0
Properties	10.5	10.0
Government stock	8.5	8.0
Cash	6.5	6.0
Risk discount rate	11.0	10.5
Investment return (before tax) – smoothed bonus	9.9	9.4
Expense inflation rate	5.3	4.8

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

MINORITY INTERESTS	31.12.2007 %	31.12.2006 %
HTG Life Ltd	50.0	-
Metropolitan Life (Namibia) Ltd	19.0	19.0
Metropolitan Life of Botswana Ltd	24.2	24.2
Metropolitan Life Insurance Kenya Ltd <sup>(19)</sup>	33.3	40.0
Metropolitan Life Insurance Ghana Ltd <sup>(19)</sup>	40.0	40.0
Metropolitan Health Group	17.6	17.6

- The group acquired 50% joint control of UBA Metropolitan Life Insurance Nigeria Ltd in December 2007, which is treated as a joint venture.



## METROPOLITAN HOLDINGS – GROUP RESULTS

LONG-TERM INSURANCE BUSINESS: SENSITIVITIES – 31.12.2007	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
<b>Base value</b>	<b>5 715</b>	<b>4 420</b>	<b>4 607</b>	<b>(187)</b>	<b>180</b>	<b>190</b>	<b>(10)</b>
1% increase in risk discount rate % change		4 032 (9)	4 331 (6)	(299) 61	151 (16)	168 (12)	(17) 62
1% reduction in risk discount rate % change		4 852 10	4 907 7	(55) (70)	212 18	215 13	(3) (72)
10% increase in future expenses % change <small>(note 1)</small>		4 135 (6)	4 322 (6)	(187) -	149 (17)	159 (16)	(10) -
10% increase in policy discontinuance % change		4 282 (3)	4 468 (3)	(186) -	136 (24)	146 (23)	(10) -
10% increase in mortality and morbidity % change <small>(note 2)</small>		4 050 (8)	4 237 (8)	(187) -	120 (33)	130 (31)	(10) -
1% reduction in gross investment return, inflation rate and risk discount rate % change <small>(note 3)</small>	5 728 -	4 373 (1)	4 559 (1)	(186) -	190 6	203 7	(13) 17
1% reduction in gross investment return only (no change in risk discount rate) % change <small>(note 3)</small>	5 589 (2)	4 063 (8)	4 379 (5)	(316) 69	147 (18)	166 (13)	(19) 80
1% reduction in inflation rate % change	5 810 2	4 376 (1)	4 563 (1)	(187) -	199 11	209 10	(10) -
10% fall in market value of equities % change	5 453 (5)	4 180 (5)	4 380 (5)	(200) 7			
10% reduction in premium indexation take-up rate % change		4 322 (2)	4 509 (2)	(187) -	172 (4)	182 (4)	(10) -
10% increase in non commission related acquisition expenses % change					147 (18)	157 (17)	(10) -

### Notes

- (1) No corresponding changes in variable policy charges are assumed, although in practice it is likely that these charges will be modified according to circumstances.
- (2) Mortality decreases by 10% for annuities; mortality and morbidity increase by 10% for assurance.
- (3) Bonus rates are assumed to change commensurately.
- (4) 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	Other	Long-term insurance		12 mths to	12 mths to
	businesses	business		31.12.2007	31.12.2006
	Rm	NAV Rm	VoIF Rm	Total Rm	Total Rm
Profit from new business	164	(78)	266	<b>352</b>	267
Embedded value from new business	156	(78)	258	<b>336</b>	254
Expected return to end of year	8	-	8	<b>16</b>	13
Profit from existing business	83	718	(20)	<b>781</b>	604
Expected return – unwinding of risk discount rate	67	-	473	<b>540</b>	440
Expected (or actual) net of tax profit transfer to net worth	-	632	(632)	-	-
Operating experience variances	139	165	110	<b>414</b>	381
Operating assumption changes	(123)	(79)	29	<b>(173)</b>	(166)
LOA statement of intent		-	-	-	(51)
<b>Embedded value profit from operations</b>	247	640	246	<b>1 133</b>	871
Investment return on net worth	92	676	-	<b>768</b>	1 387
Investment variances	8	76	54	<b>138</b>	480
Economic assumption changes	3	(30)	26	<b>(1)</b>	(12)
Exchange rate movements	-	(3)	(1)	<b>(4)</b>	-
<b>Total embedded value profit</b>	350	1 359	325	<b>2 034</b>	2 726
Changes in share capital	(702)	11		<b>(691)</b>	(1 200)
Dividend paid	596	(1 556)		<b>(960)</b>	(429)
Acquisition of HTG Life Ltd	(41)	41		-	
Redeemable preference shares	-			-	(123)
Finance costs – preference shares	(124)			<b>(124)</b>	(93)
<b>Increase in embedded value</b>	79	(145)	325	<b>259</b>	881
Time weighted return on embedded value (%)				<b>17.8</b>	26.1

## ANALYSIS OF VARIANCES AND OPERATING ASSUMPTION CHANGES – 31.12.2007

### Operating experience variances

Other businesses Positive variances from a significant increase in membership of administered medical schemes as well as higher than expected net fee income from asset management resulted in an increase in embedded value.

Long-term insurance business

NAV Positive variances from mortality profits across most product lines and geographic markets, unexpected tax profits and the impact of better than expected investment performance, including a higher than expected return on working capital.

Negative variances from worse than expected withdrawal experience on direct marketing and smoothed bonus business as well as expenses, including start-up costs of strategic ventures.

VoIF

Positive variances from better than expected retention of employee benefits business as well as positive contributions from mortality.

### Operating assumption changes

Other businesses Negative change from an increase in future expected expenses in the holding company, partly offset by a reduction in the assumed future STC rate.

# METROPOLITAN HOLDINGS – GROUP RESULTS

## ANALYSIS OF VARIANCES AND OPERATING ASSUMPTION CHANGES – 31.12.2007

### Long-term insurance business

#### NAV

Positive changes from the assumed mortality of most lines of business as well as the creation of a deferred tax asset in respect of contract holder funds.

Negative changes from a strengthening of the valuation basis in respect of worsening lapse rates on direct marketing business as well as methodology changes in the valuation of investment guarantees in contract holder funds.

#### VoIF

Positive change from better than expected mortality experience on direct marketing schemes, recognised through an increase in discretionary margins. A reduction in the assumed future STC rate had a further positive impact.

Negative change from a changed approach to providing for future tax on contract holder funds. The reduction in the VoIF was offset by a corresponding increase in the NAV by creating a deferred tax asset.

FUNDS RECEIVED FROM CLIENTS	Gross inflow Rm	Gross outflow Rm	12 mths to	12 mths to
			31.12.2007 Net inflow Rm	31.12.2006 Net inflow Rm
Retail business	6 726	(4 140)	2 586	1 845
Corporate business	3 947	(2 712)	1 235	1 623
International business	975	(670)	305	410
<b>Long-term insurance business cash flows</b>	11 648	(7 522)	4 126	3 878
Health business	10 701	(9 337)	1 364	373
Asset management business	16 511	(9 581)	6 930	(1 863)
Corporate business	78	-	78	371
<b>Total funds received from clients</b>	38 938	(26 440)	12 498	2 759

PREMIUMS RECEIVED	12 mths to	12 mths to
	31.12.2007 Rm	31.12.2006 Rm
<b>Recurring premiums</b>	6 913	6 301
Retail business	4 288	3 918
Corporate business	1 793	1 592
International business	832	791
<b>Single premiums</b>	4 735	4 729
Retail business	2 438	1 872
Corporate business	2 154	2 661
International business	143	196
Health business – capitation contracts	19	17
<b>Segment premiums received</b>	11 667	11 047
Adjustment for premiums received from investment contract holders	(2 875)	(3 624)
<b>Net insurance premiums per income statement</b>	8 792	7 423

## METROPOLITAN HOLDINGS – GROUP RESULTS

PAYMENTS TO CONTRACT HOLDERS	12 mths to 31.12.2007 Rm	12 mths to 31.12.2006 Rm
<b>Individual life</b>	<b>4 623</b>	<b>4 377</b>
Death and disability claims	952	934
Maturity claims	1 417	1 307
Annuities	581	519
Withdrawal benefits	7	-
Surrenders	1 759	1 697
Re-insurance recoveries	(93)	(80)
<b>Employee benefits</b>	<b>2 899</b>	<b>2 775</b>
Death and disability claims	886	726
Maturity claims	136	136
Annuities	614	387
Withdrawal benefits	469	358
Terminations	106	631
Disinvestments	837	676
Re-insurance recoveries	(149)	(139)
Capitation contracts	17	16
<b>Total payments to contract holders</b>	<b>7 539</b>	<b>7 168</b>
Retail business	4 140	3 945
Corporate business	2 712	2 630
International business	670	577
Health business	17	16
<b>Segment payments to contract holders</b>	<b>7 539</b>	<b>7 168</b>
Adjustment for payments to investment contract holders	(1 347)	(2 077)
<b>Net insurance benefits and claims per income statement</b>	<b>6 192</b>	<b>5 091</b>

## METROPOLITAN HOLDINGS – GROUP RESULTS

ANALYSIS OF EXPENSES	12 mths to 31.12.2007 Rm	12 mths to 31.12.2006 Rm
Depreciation, amortisation and impairment expenses	169	183
Employee benefit expenses	1 145	924
Sales remuneration and distribution costs	1 127	995
Other expenses	774	619
Finance costs	174	99
<b>Total expenses</b>	<b>3 389</b>	2 820
Long-term insurance business	2 547	2 263
Management expenses	1 237	1 115
Administration expenses	1 114	988
Distribution costs	123	127
Sales remuneration	1 001	904
Asset management fees	242	163
Direct property operating expenses	67	81
Administration business	771	594
Finance costs – preference shares and subordinated redeemable debt	170	93
Holding company	65	59
Metropolitan Card Operations	67	29
Retirement asset/obligation	(51)	(67)
Consolidation adjustments	(180)	(151)
<b>Total expenses</b>	<b>3 389</b>	2 820
Retail business	1 987	1 808
Corporate business	312	224
Health business	587	483
Asset management business	133	121
Shareholder capital	256	61
International business	305	296
<b>Segment expenses</b>	<b>3 580</b>	2 993
Inter-segment expenses	(191)	(173)
<b>Total expenses</b>	<b>3 389</b>	2 820

# METROPOLITAN HOLDINGS – GROUP RESULTS

NUMBER OF EMPLOYEES	31.12.2007	31.12.2006
Indoor staff	4 866	4 321
Insurance companies	2 566	2 506
Retail business (23)	1 305	1 325
Employee benefits business	359	332
International business	381	346
Group services	521	503
Metropolitan Health Group	1 956	1 638
Asset management	75	70
Asset administration	69	58
Metropolitan Card Operations	42	28
Metropolitan Retirement Administrators	132	-
Cover2Go	7	-
Holding company	19	21
Field staff	3 409	3 316
Retail business	2 554	2 551
International business	855	765
<b>Total</b>	<b>8 275</b>	<b>7 637</b>

(23) Staff numbers for HTG Life Ltd and DirectFin Solutions (Pty) Ltd are excluded.

ASSETS UNDER MANAGEMENT	31.12.2007 Rm	31.12.2006 Rm
Intangible assets	562	413
Owner-occupied property	592	375
Property and equipment	233	166
Investment property	2 710	2 492
Investment in associates	405	314
Investment in joint ventures	61	-
Employee benefit asset	177	126
Financial assets	60 489	54 033
Equity securities	31 990	29 984
Debt securities	14 268	13 141
Funds on deposit and other money market instruments	2 150	1 351
Unit linked investments	9 863	7 838
Derivative financial instruments	850	599
Loans and receivables	1 368	1 120
Insurance and other receivables	1 476	1 376
Deferred income tax	15	11
Reinsurance contracts	179	217
Cash and cash equivalents	8 274	6 887
Non-current assets held for sale	185	-
<b>Total on-balance sheet assets</b>	<b>75 358</b>	<b>66 410</b>
Collective investments	18 403	12 241
Health	4 091	2 669
Asset management – segregated assets	2 950	3 368
Employee benefits – segregated assets	1 392	1 170
<b>Total assets under management</b>	<b>102 194</b>	<b>85 858</b>

## METROPOLITAN HOLDINGS – GROUP RESULTS

ANALYSIS OF ASSETS BACKING GROUP EXCESS	31.12.2007		31.12.2006	
	Rm	%	Rm	%
Equity securities	3 575	52.4	2 451	36.6
Collective investment schemes	1 325	19.4	2 088	31.2
Debt securities	523	7.7	597	8.9
Owner-occupied properties	592	8.7	344	5.1
Investment properties	103	1.5	18	0.3
Cash and cash equivalents	1 490	21.9	1 478	22.1
Goodwill	244	3.6	148	2.2
Other net assets	303	4.4	903	13.5
Redeemable preference shares	(837)	(12.3)	(832)	(12.4)
Subordinated redeemable debt	(501)	(7.3)	(501)	(7.5)
<b>Excess - group per reporting basis</b>	<b>6 817</b>	<b>100.0</b>	<b>6 694</b>	<b>100.0</b>

GROUP EXCESS – TOP 10 EQUITY HOLDINGS	31.12.2007		31.12.2006	
	Rm	%	Rm	%
MTN Group Ltd	293	8.2	177	7.2
Standard Bank Group Ltd	211	5.9	137	5.6
Billiton Plc	182	5.0	110	4.5
Sasol Ltd	167	4.7	88	3.6
Impala Platinum Holdings Ltd	157	4.4	75	3.1
Anglo American Plc	133	3.7	128	5.2
FirstRand Ltd	130	3.7	86	3.5
Nedbank Group Ltd	111	3.1	76	3.1
Remgro Plc	90	2.5	-	-
Naspers N-ord Ltd	70	2.0	-	-
SABMiller Plc	-	-	83	3.4
Imperial Holdings Ltd	-	-	78	3.2
	<b>1 544</b>	<b>43.2</b>	<b>1 038</b>	<b>42.4</b>
<b>Total equity securities backing group excess</b>	<b>3 575</b>	<b>100.0</b>	<b>2 451</b>	<b>100.0</b>

# METROPOLITAN HOLDINGS – GROUP RESULTS

<b>STOCK EXCHANGE PERFORMANCE</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
<b>12 month period</b>				
Value of listed shares traded (rand million) <sup>(24)</sup>	<b>7 024</b>	5 614	3 347	2 049
Volume of listed shares traded (million) <sup>(24)</sup>	<b>456</b>	442	315	250
Shares traded (% of average listed shares in issue) <sup>(24)</sup>	<b>79.7</b>	75.0	51.1	37.9
Value of shares traded – life insurance (J857 – Rbn)	<b>108.0</b>	81.9	70.0	47.3
Value of shares traded – top 40 index (J200 – Rbn)	<b>2 328.0</b>	1 735.0	1 028.2	829.8
<b>Trade prices</b>				
Highest (cents per share)	<b>1 691</b>	1 581	1 220	1 100
Lowest (cents per share)	<b>1 314</b>	1 020	950	680
Last sale of period (cents per share)	<b>1 509</b>	1 500	1 185	1 090
Percentage (%) change during period <sup>(25)</sup>	<b>6.04</b>	38.25	19.70	59.12
Percentage (%) change – life insurance sector (J857)	<b>3.11</b>	28.18	21.18	36.04
Percentage (%) change – top 40 index (J200)	<b>16.11</b>	37.53	44.12	20.11
<b>31 December</b>				
Price/core headline earnings ratio (diluted)	<b>10.61</b>	13.28	12.35	12.24
Dividend yield % (dividend on listed shares)	<b>6.30</b>	5.13	5.32	4.77
Dividend yield % – top 40 index (J200)	<b>2.39</b>	2.06	2.24	2.49
<b>Total shares issued (million)</b>				
Listed on JSE	<b>559</b>	585	594	641
Ordinary shares	<b>553</b>	578	587	632
Share incentive scheme	<b>6</b>	7	7	9
Unlisted – share purchase scheme	<b>23</b>	41	48	63
<b>Total ordinary shares in issue</b>	<b>582</b>	626	642	704
Treasury shares held in subsidiary company	<b>(26)</b>	(27)	-	(41)
Treasury shares held on behalf of contract holders	<b>(1)</b>	(13)	(22)	
Adjustment to staff share scheme shares <sup>(26)</sup>	<b>(26)</b>	(47)	(50)	(53)
Share incentive scheme	<b>(4)</b>	(7)	(5)	(5)
Share purchase scheme	<b>(22)</b>	(40)	(45)	(48)
<b>Basic number of shares in issue</b>	<b>529</b>	539	570	610
Adjustment to staff share scheme shares	<b>26</b>	47	50	53
Treasury shares held on behalf of contract holders	<b>1</b>	13	22	
Convertible redeemable preference shares	<b>123</b>	123	123	-
<b>Diluted number of shares in issue</b> <sup>(27)</sup>	<b>679</b>	722	765	663
Market capitalisation at period-end (Rbn) <sup>(28)</sup>	<b>10.25</b>	10.83	9.07	8.06
Percentage (%) of life insurance sector	<b>4.93</b>	5.45	6.83	7.04

(24) 31.12.2007 is net of 44 million shares acquired for R690 million as part of a share buy-back programme (31.12.2006: 42 million shares acquired for R558 million; 31.12.2005: 22 million shares acquired for R242 million).

(25) 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.

(26) These shares were issued after 1 January 2001, the date on which the group adopted AC133 (now IAS39).

(27) 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.

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