



1 September 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.

Unaudited group results for the six months ended 30 June 2010

- Net funds received from clients – R1 billion
- Value of Retail new business – up 108%
- Value of Health new business – up 39%
- Life insurance admin costs – down 11%
- Interim dividend per share increased to 42 cents
- Group CAR cover - 3 times
- Total earnings – up 17%

REVIEW OF OPERATIONS AND PROSPECTS

The group performed extremely well in a very difficult environment.

Operating environment

Volatile investment markets, difficult consumer conditions, World Cup activities and the proposed Merger all contributed to a challenging new business environment.

Salient features and highlights

- Diluted core headline earnings for the half-year increased by 11% over 2009, with good performances from all businesses.
- Total recurring new business premium income was 19% lower, curtailed by the closure of the direct marketing operations and the sale of Union Life Limited.
- The value of group new business, at R143 million, was an impressive 38% higher.
- Investment income after tax on shareholder assets was at a similar level to that of the prior year.
- The economic capital required by the group remained reasonably stable, increasing to R4.5 billion.
- The overall capital position of the group is strong at a group CAR cover of 3.0 times.
- The embedded value per share decreased marginally, from 1 811 cents (31 December 2009) to 1 809 cents, despite paying out a dividend of 60 cents per share in April.
- The group's unbroken record of positive cash flow from clients continued, with a net inflow of R1 billion being recorded.

Operational overview

Retail

- New recurring premium income, excluding the closed direct marketing operation, was in line with 2009, with good growth recorded in the personal financial adviser channel compensated by a reduction from the broker distribution channel.
- Single premium new business was down 13% as a result of slower independent broker business and restrictions on various third party distribution agreements.

- The mix of new recurring premium business sold during the period continued to move from savings to risk products.
- Despite the increasingly difficult consumer conditions, ongoing focused client management resulted in overall persistency remaining at acceptable levels during the period under review.
- Retail new business margin increased from 1.0% to 2.3% (present value of future premiums (PVP) basis) as a result of an improved new business focus (11.7% on the APE basis).
- Operating profit before tax increased by 13%, supported by higher average investment assets and good expense management, despite increased new business strain on investment products.

Corporate

- New single premium income ended the period up 13%, driven by an increase in annuity business.
- Once again, “off balance sheet” pure administration business was written on both the Neon product and by Metropolitan Retirement Administrators.
- The new business PVP margin, reduced from 0.8% to 0.7%, reflecting the reduction in recurring premium income and the resultant change in the mix of business written.
- Although the growth in off balance sheet administration business did not contribute to new business premium income, it did affect the new business margin as it assisted with the recovery of costs and boosted the value of new business.
- Risk margins, especially on funeral and disability business, remained under pressure throughout the period.
- Operating profit before tax was 31% higher, boosted by higher average investment levels, a change in the mix of business and a recovery in risk profits.

International

- New business recurring premium income, from all seven operations, was up 10% compared to 1H09.
- An improved new business PVP margin of 1.7% (1H09: 1.3%) was recorded.
- Total operating profit after tax increased by 11%, reflecting reduced start-up losses in the newer operations and continued tough conditions in all markets.

Asset management

- The value of new business, comprising collective investment inflows and new third-party mandates, fell by 17%.
- Operating profit before tax remained in line with 2009.

Health

- Total principal members under administration at the end of June were 912 000 (2.3 million lives) (1H09: 829 000 members; 2.0 million lives), confirming MHG’s status as South Africa’s largest administrator of closed medical schemes.
- As a result of the continued growth in members, together with improved operational efficiencies attributable to increasing economies of scale, operating profit after tax increased by 15% compared to 1H09.
- Operating profit after tax was reduced by STC of R9 million (1H09: R13 million).

Prospects

- The board is satisfied that the businesses remain strategically well positioned, with a strong focus on client service, product innovation, business retention, cost containment, diversification and capital management.
- The proposed merger between Metropolitan and Momentum will result in a significantly transformed, large and highly competitive financial services group in South Africa, with a material black empowerment shareholding.

DIRECTORS’ STATEMENT

The directors take pleasure in presenting the unaudited interim results of the Metropolitan Holdings financial services group for the six months ended 30 June 2010.

These results have been prepared in accordance with International Accounting Standard 34 (IAS34) – Interim financial reporting; guidelines issued by the Actuarial Society of South Africa; and the disclosure requirements of the JSE Limited (JSE).

The accounting policies of the group are in terms of IFRS and have been applied consistently to all the periods presented and the previous reporting period. The preparation of financial statements is in accordance with and contains the information required by IFRS and the AC 500 standards, as issued by the Accounting Practices Board or its successor, which 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 critical judgements and accounting estimates are disclosed in detail in the annual financial statements at 31 December 2009 and, with the exception of the principal economic assumptions, have remained unchanged since then. More information is available on the Metropolitan website, www.metropolitan.co.za.

Related parties

There have been no significant changes to the nature of the related party transactions as described in note 41 of the 2009 annual financial statements.

CORPORATE GOVERNANCE

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

DIRECTORATE CHANGES AND DIRECTORS' SHAREHOLDING

On 14 April the company announced that, following a prolonged illness, Peter Lamprecht could no longer continue as a director. The Board thank Peter for his valuable contribution to the group. No further changes have been made to the directorate. All transactions in listed shares involving directors were disclosed on SENS as required. On 12 April Zukelwa Rweqana was appointed as acting company secretary.

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

The group had no material capital commitments at 30 June 2010. 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 REPORTING PERIOD

A merger has been proposed between Metropolitan and Momentum. The full details were published on SENS on 26 August 2010, and the required documentation will be posted to shareholders on 3 September 2010. A shareholders meeting has been scheduled for 28 September 2010 and the outcome will be disclosed shortly thereafter.

No other material events occurred between the reporting date and the date of approval of the interim results.

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 42.00 cents per ordinary share was declared on 31 August 2010. This dividend is payable to the holders of ordinary shares recorded in the register of the company at the close of business on Thursday, 23 September 2010 and will be paid on Monday, 27 September 2010. The last day to trade "cum" dividend will be Thursday, 16 September 2010. The shares will trade "ex" dividend from the start of business on Friday, 17 September 2010. Share certificates may not be dematerialised or rematerialised between Friday, 17 September and Thursday, 23 September 2010, both days inclusive.

Where applicable, dividends in respect of certificated shares 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, 27 September 2010.

Preference share (unlisted) dividend

Dividends of R12 million (8.5%), R5 million (8.5%) and R27 million (17%) were declared on 31 August 2010 on the A1, A2 and A3 Metropolitan preference shares respectively, payable on 30 September 2010. The declaration rates were determined as set out in the company's articles. These amounts are included under finance costs in these results.

Signed on behalf of the board

JJ Njeke

Group chairman

Wilhelm van Zyl

Group chief executive

Cape Town

1 September 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, Zanele (Joyce) Matlala, Syd Muller, John Newbury, Bulelwa Paledi, Marius Smith, Johan van Reenen, Mary Vilakazi

Acting company secretary: Zukelwa Rweqana

Registration number: 2000/031756/06

Registered office: 7 Parc du Cap, Mispel Road, Bellville 7535

Sponsor

Merrill Lynch South Africa (Pty) Limited

Transfer secretaries

Link Market Services SA (Proprietary) Limited

(Registration number 2000/007239/07)

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METROPOLITAN HOLDINGS FINANCIAL SERVICES GROUP

Basis of presentation of financial information

These results have been prepared in accordance with International Accounting Standard 34 (IAS34) – Interim financial reporting; guidelines issued by the Actuarial Society of South Africa; and the disclosure requirements of the JSE Limited (JSE). These results have been prepared in accordance with International Accounting Standard 34 (IAS34) – Interim financial reporting; guidelines issued by the Actuarial Society of South Africa; and the disclosure requirements of the JSE Limited (JSE). The accounting policies of the group are in terms of International Financial Reporting Standards (IFRS) and have been applied consistently to all the periods presented and the previous reporting period. The preparation of financial statements is in accordance with and contains the information required by IFRS and the AC 500 standards, as issued by the Accounting Practices Board or its successor, which 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 critical judgements and accounting estimates are disclosed in detail in the annual financial statements at 31 December 2009 and, with the exception of the principal economic assumptions, have remained unchanged since then.

Standards and interpretations of published standards effective in 2010 and relevant to the group

- The following standards became effective for the first time in the current year and had no significant impact on the group's earnings: IFRS 2 – Share based payment – group cash-settle share based payment transactions, IFRS 3 – Business combinations (revised), IAS 27 – Consolidated and separate financial statements (revised), AC 504 – IAS19: The limit on a defined benefit asset, minimum funding requirements and their interaction in the South African pension fund environment.
- 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	30.06.2010 Rm	30.06.2009 Rm	31.12.2009 Rm
ASSETS			
Intangible assets	439	488	464
Owner-occupied properties	714	700	690
Property and equipment	194	197	202
Investment properties	3 179	3 117	3 193
Investment in associates	1 207	1 365	856
Employee benefit assets	227	241	232
Financial instrument assets ⁽¹⁾	55 738	51 903	56 201
Insurance and other receivables	1 504	1 441	1 579
Deferred income tax	14	10	10
Reinsurance contracts	275	230	242
Current income tax assets	327	13	200
Cash and cash equivalents	7 288	8 971	7 702
Total assets	71 106	68 676	71 571
EQUITY			
Equity attributable to owners of the parent	6 516	5 749	6 612
Non-controlling interests	103	166	167
Total equity	6 619	5 915	6 779
LIABILITIES			
Insurance contract liabilities			
Long-term insurance contracts ⁽²⁾	35 936	32 573	35 807
Capitation contracts	3	2	2
Financial instrument liabilities			
Investment contracts	22 808	24 453	23 471
– with discretionary participation features ⁽²⁾	11 633	10 589	12 022
– designated as fair value through income	11 175	13 864	11 449
Other financial instrument liabilities ⁽³⁾	2 304	2 448	2 308
Deferred income tax	351	118	394
Employee benefit obligations	274	258	202
Other payables	2 806	2 870	2 601
Current income tax liabilities	5	39	7
Total liabilities	64 487	62 761	64 792
Total equity and liabilities	71 106	68 676	71 571

(1) Financial instrument assets consist of the following:

Assets designated as fair value through income: R53 723 million (30.06.2009: R50 002 million; 31.12.2009: R54 441 million)

Assets held for trading: R862 million (30.06.2009: R822 million; 31.12.2009: R718 million)

Available-for-sale assets: R2 million (30.06.2009: R5 million; 31.12.2009: R2 million)

Loans and receivables: R1 151 million (30.06.2009: R1 074 million; 31.12.2009: R1 040 million)

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

(3) Other financial instrument liabilities consist of the following:

Liabilities designated as fair value through income: R312 million (30.06.2009: R337 million; 31.12.2009: R301 million)

Liabilities held for trading: R772 million (30.06.2009: R768 million; 31.12.2009: R787 million)

Liabilities at amortised cost: R1 220 million (30.06.2009: R1 343 million; 31.12.2009: R1 220 million)

METROPOLITAN HOLDINGS – GROUP RESULTS

STATEMENT OF ACTUARIAL VALUES OF ASSETS AND LIABILITIES ON REPORTING BASIS	30.06.2010 Rm	30.06.2009 Rm	31.12.2009 Rm
Total assets per statement of financial position	71 106	68 676	71 571
Actuarial value of policy liabilities per statement of financial position	(58 744)	(57 026)	(59 278)
Other liabilities per statement of financial position	(5 743)	(5 735)	(5 514)
Non-controlling interests	(103)	(166)	(167)
Excess – group per reporting basis	6 516	5 749	6 612
Net assets – other businesses	(824)	(458)	(721)
Excess – long-term insurance business ⁽⁴⁾	5 692	5 291	5 891
LONG-TERM INSURANCE BUSINESS ⁽⁴⁾			
Change in excess of long-term insurance business ⁽⁴⁾	(199)	378	978
Increase in share capital	(45)	-	(25)
Sale of Union Life	83		
Metropolitan Nigeria accounted for as a subsidiary		(74)	(74)
Change in other reserves	(9)	16	18
Dividend paid	531	77	336
Total surplus arising	361	397	1 233
Operating profit	333	295	634
Investment income on excess	172	187	313
Net realised and fair value gains on excess	33	70	397
Investment variances ⁽⁵⁾	(99)	182	279
Basis and other changes	(78)	(337)	(390)
Consolidation adjustments	53	33	125
Income tax (credits)/expenses ⁽⁶⁾	(54)	168	357
Adjustment for finance costs	23	24	46
Results of long-term insurance business ⁽⁴⁾	383	622	1 761
Results of other group businesses and consolidation adjustments	(91)	(48)	73
Results of operations per income statement	292	574	1 834

STATEMENT OF ACTUARIAL VALUES OF ASSETS AND LIABILITIES ON STATUTORY BASIS	30.06.2010 Rm	30.06.2009 Rm	31.12.2009 Rm
Reporting excess – long-term insurance business ⁽⁴⁾	5 692	5 291	5 891
Disregarded assets in terms of statutory requirements ⁽⁷⁾	(440)	(443)	(553)
Capital adjustments	501	501	501
Statutory excess – long-term insurance business ⁽⁴⁾	5 753	5 349	5 839
Capital adequacy requirement (CAR) (Rm)	2 554	2 186	2 090
Ratio of long-term insurance business excess to CAR (times)	2.3	2.4	2.8
Discretionary margins	1 774	1 583	1 704

(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 non-controlling 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) Includes deferred tax on contract holder capital gains and losses.

(7) 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	6 mths to 30.06.2010 Rm	6 mths to 30.06.2009 Rm	12 mths to 31.12.2009 Rm
Net insurance premiums received	4 964	4 809	10 240
Fee income ⁽⁸⁾	700	570	1 185
Investment income	1 672	2 140	3 995
Net realised and fair value (losses)/gains	(546)	(386)	4 642
Net income	6 790	7 133	20 062
Net insurance benefits and claims	4 444	4 270	8 466
Change in liabilities	(85)	(124)	4 565
Change in insurance contract liabilities	320	586	3 852
Change in investment contracts with DPF liabilities	(371)	(688)	747
Change in reinsurance provision	(34)	(22)	(34)
Fair value adjustments on investment contract liabilities	171	401	1 235
Fair value adjustments on collective investment scheme liabilities	6	5	7
Depreciation, amortisation and impairment expenses ⁽⁹⁾	100	46	148
Employee benefit expenses	858	799	1 549
Sales remuneration	476	501	987
Other expenses ⁽⁹⁾	528	661	1 271
Expenses	6 498	6 559	18 228
Results of operations	292	574	1 834
Share of profit/(loss) of associates	11	(17)	3
Finance costs ⁽¹⁰⁾	(66)	(88)	(168)
Profit before tax	237	469	1 669
Income tax expenses	(16)	(270)	(523)
Earnings	221	199	1 146
Attributable to:			
Owners of the parent	218	186	1 129
Non-controlling interests	3	13	17
	221	199	1 146
Basic earnings per share (cents)	40	36	214
Diluted earnings per share (cents)	40	38	188

(8) Fee income consists of the following:

Investment contracts: R63 million (30.06.2009: R33 million; 31.12.2009: R67 million)

Trust and fiduciary services: R76 million (30.06.2009: R73 million; 31.12.2009: R159 million)

Other fee income: R561 million (30.06.2009: R464 million; 31.12.2009: R959 million)

(9) A provision for a loan impairment of R72 million raised in prior years for Metropolitan Card Operations was reversed during 2009 and written off against other expenses.

(10) Finance costs consist of the following:

Preference shares: R42 million (30.06.2009: R64 million; 31.12.2009: R118 million)

Subordinated redeemable debt: R23 million (30.06.2009: R23 million; 31.12.2009: R46 million)

Other: R1 million (30.06.2009: R1 million; 31.12.2009: R4 million)

METROPOLITAN HOLDINGS – GROUP RESULTS

RECONCILIATION OF HEADLINE EARNINGS attributable to owners of the parent	Basic earnings			Diluted earnings		
	6 mths to 30.06.2010 Rm	6 mths to 30.06.2009 Rm	12 mths to 31.12.2009 Rm	6 mths to 30.06.2010 Rm	6 mths to 30.06.2009 Rm	12 mths to 31.12.2009 Rm
Earnings	218	186	1 129	218	186	1 129
Finance costs – preference shares				42	64	118
Diluted earnings				260	250	1 247
Profit on sale of Union Life	(3)			(3)		
Impairment of associate	17			17		
Goodwill impairment and adjustments relating to equity accounted associates	-	37	61	-	37	61
Headline earnings ⁽¹¹⁾	232	223	1 190	274	287	1 308
Net realised and fair value losses/(gains) on excess	9	(33)	(466)	9	(33)	(466)
Basis and other changes and investment variances	173	152	92	173	152	92
Dilutory effect of subsidiaries ⁽¹²⁾				(2)	2	(1)
Investment income on treasury shares – contract holders ⁽¹³⁾				-	-	1
Core headline earnings ⁽¹⁴⁾	414	342	816	454	408	934

(11) Headline earnings consist of operating profit, investment income, net realised and fair value gains, investment variances and basis and other changes.

(12) Metropolitan Health and Metropolitan Kenya are consolidated at 100% in the results. For the purposes of diluted core headline earnings, non-controlling 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 the parent	6 mths to 30.06.2010	6 mths to 30.06.2009	12 mths to 31.12.2009
Basic			
Core headline earnings	75	66	154
Headline earnings	42	43	225
Earnings	40	36	214
Weighted average number of shares (million)	549	522	529
Diluted			
Core headline earnings	70	62	141
Weighted average number of shares (million)	653	663	663
Headline earnings	42	43	197
Earnings	40	38	188
Weighted average number of shares (million)	652	663	663

DIVIDENDS	2010	2009
Ordinary listed shares (cents per share)		
Interim	42	40
Final		60
Total		100

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 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
Paid – 31 March 2010	Rate	8.9%	8.9%	15.8%
	Rm	12	5	25
Payable – 30 September 2010	Rate	8.5%	8.5%	17.1%
	Rm	12	5	27

ANALYSIS OF DILUTED CORE HEADLINE EARNINGS	6 mths to 30.06.2010 Rm	6 mths to 30.06.2009 Rm	12 mths to 31.12.2009 Rm
Retail business	211	192	383
Operating profit	306	270	506
Tax	(95)	(78)	(123)
Corporate business	62	50	140
Operating profit	92	70	185
Tax	(30)	(20)	(45)
International business	51	46	89
Operating profit	56	51	100
Tax	(5)	(5)	(11)
Asset management business	10	10	61
Operating profit	15	15	88
Tax	(5)	(5)	(27)
Health business	47	41	95
Operating profit	81	77	153
Tax	(34)	(36)	(58)
Shareholder capital	73	69	166
Holding company expenses	(38)	(38)	(67)
Strategic ventures	(24)	(37)	(43)
Investment income on shareholder excess	192	238	433
Income tax on investment income	(57)	(94)	(157)
Diluted core headline earnings	454	408	934

RESULTS OF OPERATIONS FROM ADMINISTRATION BUSINESS (gross of minority interests and before finance costs and tax)	Net income Rm	Expenses Rm	Results of operations		
			6 mths to 30.06.2010 Rm	6 mths to 30.06.2009 Rm	12 mths to 31.12.2009 Rm
Health business	569	(485)	84	77	174
Asset administration	63	(36)	27	18	57
Asset management	50	(63)	(13)	(2)	31
Metropolitan Card Operations	-	-	-	(28)	(31)
Metropolitan Retirement Administrators	40	(43)	(3)	(1)	(1)
	722	(627)	95	64	230

METROPOLITAN HOLDINGS – GROUP RESULTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	6 mths to 30.06.2010 Rm	6 mths to 30.06.2009 Rm	12 mths to 31.12.2009 Rm
Earnings	221	199	1 146
Other comprehensive income for the year, net of tax	14	(15)	(10)
Exchange differences on translating foreign operations	(3)	(35)	(37)
Land and buildings revaluation	25	29	29
Change in non-distributable reserves	(1)	1	1
Other	-	-	1
Income tax relating to components of other comprehensive income	(7)	(10)	(4)
Total comprehensive income for the year	235	184	1 136
Total comprehensive income attributable to:			
Owners of the parent	232	182	1 129
Non-controlling interests	3	2	7
	235	184	1 136

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	6 mths to 30.06.2010 Rm	6 mths to 30.06.2009 Rm	12 mths to 31.12.2009 Rm
Changes in share capital			
Balance at beginning	183	51	51
Conversion of preference shares, net of issue costs			114
Staff share scheme shares released	3	5	17
Decrease in treasury shares held on behalf of contract holders	-	1	1
Balance at end	186	57	183
Changes in other reserves			
Balance at beginning	528	532	532
Total comprehensive income	14	(4)	(1)
Employee share schemes – value of services provided	-	1	1
Transfer to retained earnings	(3)	(3)	(4)
Balance at end ⁽¹⁵⁾	539	526	528
Changes in retained earnings			
Balance at beginning	5 901	5 264	5 264
Total comprehensive income	218	186	1 130
Dividend paid	(331)	(287)	(497)
Transfer from other reserves	3	3	4
Balance at end	5 791	5 166	5 901
Equity attributable to owners of the parent	6 516	5 749	6 612
Changes in non-controlling interests			
Balance at beginning	167	141	141
Total comprehensive income	3	2	7
Dividend paid	(22)	(14)	(17)
Sale of Union Life	(47)		
Metropolitan Nigeria transferred to subsidiary		36	36
Other	2	1	-
Balance at end	103	166	167
Total equity	6 619	5 915	6 779

(15) Other reserves consist of the following:

Land and buildings revaluation reserve: R219 million (30.06.2009: R199 million; 31.12.2009: R203 million)

Foreign currency translation reserve: (R29 million) (30.06.2009: (R23 million); 31.12.2009: (R26 million))

Fair value reserve: R54 million (30.06.2009: R53 million; 31.12.2009: R54 million)

Non-distributable reserve: R295 million (30.06.2009: R297 million; 31.12.2009: R297 million)

METROPOLITAN HOLDINGS – GROUP RESULTS

CONSOLIDATED STATEMENT OF CASH FLOWS	6 mths to 30.06.2010 Rm	6 mths to 30.06.2009 Rm	12 mths to 31.12.2009 Rm
Net cash inflow/(outflow) from operating activities	34	507	(475)
Net cash outflow from investing activities	(111)	(43)	(118)
Net cash outflow from financing activities	(338)	(302)	(515)
Net cash flow	(415)	162	(1 108)
Effect of foreign exchange rate changes	1	(1)	-
Cash resources and funds on deposit at beginning	7 702	8 810	8 810
Cash resources and funds on deposit at end	7 288	8 971	7 702

SEGMENT REPORT	6 mths to 30.06.2010 Rm	6 mths to 30.06.2009 Rm	12 mths to 31.12.2009 Rm
Revenue			
Premiums received	5 256	5 335	11 207
Retail	3 261	3 418	6 831
Corporate	1 436	1 307	3 182
Health	12	6	12
International	547	604	1 182
Fee income	700	570	1 185
Retail	13	13	27
Corporate	90	60	128
Asset management	108	98	233
Health	552	456	944
International	6	-	-
Shareholder capital	-	2	2
Inter-segment fee income	(69)	(59)	(149)
Expenses			
Payments to contract holders	5 117	5 226	13 073
Retail	2 885	2 488	5 108
Corporate	1 872	2 403	7 308
Health	12	8	14
International	348	327	643
Other expenses	2 028	2 095	4 123
Retail	958	1 158	2 263
Corporate	188	176	355
Asset management	99	87	155
Health	472	388	803
International	232	213	449
Shareholder capital	139	126	238
Inter-segment expenses	(60)	(53)	(140)

- 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 2009, 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.
- Fee income of R14 million has been reallocated from retail to corporate for June 2009.

METROPOLITAN HOLDINGS – GROUP RESULTS

EMBEDDED VALUE	30.06.2010 Rm	30.06.2009 Rm	31.12.2009 Rm
Covered business			
Reporting excess – long-term insurance business	5 692	5 291	5 891
Disregarded assets ⁽¹⁶⁾	(181)	(174)	(183)
Dilutory effect of subsidiaries ⁽¹⁷⁾	(7)	(4)	(3)
Reclassification from non-covered business	2	(58)	(54)
Diluted net asset value – covered business	5 506	5 055	5 651
Net value of in-force business	4 129	3 866	4 114
Individual life	3 440	3 205	3 450
Gross value of in-force business	3 784	3 576	3 795
Less cost of capital	(344)	(371)	(345)
Employee benefits	689	661	664
Gross value of in-force business	871	840	844
Less cost of capital	(182)	(179)	(180)
Diluted embedded value – covered business	9 635	8 921	9 765
Non-covered business			
Net assets – other businesses	824	458	721
Reclassification to covered business	(2)	58	54
Consolidation adjustments	(108)	(121)	(112)
Adjustments for dilution	821	1 019	877
Dilutory effect of subsidiaries ⁽¹⁷⁾	79	88	83
Staff share scheme loans	23	85	73
Treasury shares held on behalf of contract holders	9	10	10
Liability – convertible redeemable preference shares	710	836	711
Diluted net asset value – non-covered business	1 535	1 414	1 540
Net value of in-force business	641	633	702
Asset management	270	219	282
Health	711	718	728
Holding company expenses ⁽¹⁸⁾	(340)	(304)	(308)
Diluted embedded value – non-covered business	2 176	2 047	2 242
Diluted adjusted net asset value	7 041	6 469	7 191
Value of in-force business	4 770	4 499	4 816
Diluted embedded value	11 811	10 968	12 007
Required capital – covered business (adjusted for qualifying debt)	3 789	3 644	3 616
Surplus capital – covered business	1 717	1 411	2 034
Diluted embedded value per share (cents)	1 809	1 654	1 811
Diluted net asset value per share (cents)	1 078	976	1 085
Diluted number of shares in issue (million) ⁽¹⁹⁾	653	663	663

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

(17) For accounting purposes, Metropolitan Health and Metropolitan Kenya have been consolidated at 100% in the statement of financial position. For embedded value purposes, disclosed on a diluted basis, the non-controlling interests and related funding have been reinstated.

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

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

METROPOLITAN HOLDINGS – GROUP RESULTS

EMBEDDED VALUE ATTRIBUTABLE TO GROUP	Net asset value Rm	Value of in-force Rm	30.06.2010 Rm	30.06.2009 Rm	31.12.2009 Rm
Covered business					
Metropolitan Life Ltd	4 893	3 507	8 400	7 754	8 481
Metropolitan Odyssey	44	-	44	36	36
Union Life	-	-	-	50	47
International	569	622	1 191	1 081	1 201
Metropolitan Life International	69	-	69	59	68
Metropolitan Namibia	147	314	461	453	493
Metropolitan Botswana	115	60	175	184	188
Metropolitan Lesotho	158	217	375	335	382
Metropolitan Kenya	15	2	17	11	8
Metropolitan Ghana	26	13	39	1	12
Metropolitan Swaziland	20	6	26	3	23
Metropolitan Nigeria	19	10	29	35	27
Total covered business	5 506	4 129	9 635	8 921	9 765
Non-covered business					
Asset management	63	270	333	273	391
Metropolitan Health Group	201	711	912	903	961
Metropolitan Holdings (after consolidation adjustments)	1 271	(340)	931	871	890
Total non-covered business	1 535	641	2 176	2 047	2 242
Total embedded value	7 041	4 770	11 811	10 968	12 007
Diluted net asset value – non-covered business	(1 535)				
Adjustments to covered business – net asset value	186				
Reporting excess – long-term insurance business	5 692				

- Net of non-controlling interests.

METROPOLITAN HOLDINGS – GROUP RESULTS

VALUE OF NEW BUSINESS	6 mths to 30.06.2010 Rm	6 mths to 30.06.2009 Rm	12 mths to 31.12.2009 Rm
Retail business	54	26	81
Gross value of new business	56	31	86
Less: Cost of capital	(2)	(5)	(5)
Corporate business	7	10	25
Gross value of new business	10	15	45
Less: Cost of capital	(3)	(5)	(20)
International business	6	4	13
Gross value of new business	6	4	13
Less: Cost of capital	(0)	(0)	(0)
Value of covered new business	67	40	119
Value of non-covered new business	76	64	132
Asset management	19	23	39
Health	57	41	93
Total value of new business	143	104	251

- Net of non-controlling 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	6 mths to 30.06.2010	6 mths to 30.06.2009	12 mths to 31.12.2009
	Rm	Rm	Rm
Recurring premiums	508	628	1 160
Retail business	364	450	813
Corporate business	69	110	199
International business	75	68	148
Single premiums	1 463	1 590	3 422
Retail business	960	1 103	1 973
Corporate business	472	419	1 327
International business	31	68	122
Annual premium equivalent (APE)	655	787	1 501
Retail business	460	560	1 010
Corporate business	117	152	331
International business	78	75	160
Present value of premiums (PVP)	3 674	4 138	8 430
Retail business	2 358	2 620	5 050
Corporate business	964	1 200	2 737
International business	352	318	643

- Net of non-controlling interests.

PROFITABILITY OF NEW BUSINESS – COVERED BUSINESS	6 mths to 30.06.2010	6 mths to 30.06.2009	12 mths to 31.12.2009
% of APE	10.2	5.1	7.9
Retail business	11.7	4.6	8.0
Corporate business	6.0	6.6	7.6
International business	7.7	5.3	8.1
% of PVP	1.8	1.0	1.4
Retail business	2.3	1.0	1.6
Corporate business	0.7	0.8	0.9
International business	1.7	1.3	2.0

- 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	30.06.2010		30.06.2009		31.12.2009	
	APE %	Total premium %	APE %	Total premium %	APE %	Total premium %
Individual life – insurance and investment business						
Personal financial advisors	60	63	44	52	50	55
Broker distribution	23	29	21	31	22	31
Wholesale distribution	1	1	20	8	11	4
Third party business	-	-	1	1	1	1
Union Life	-	-	2	1	2	1
International	16	7	12	7	14	8

PRINCIPAL ASSUMPTIONS (South Africa) ⁽²⁰⁾	30.06.2010 %	30.06.2009 %	31.12.2009 %
Pre-tax investment return			
Equities	12.8	12.8	13.0
Properties	10.3	10.3	10.5
Government stock	9.3	9.3	9.5
Cash	8.3	8.3	8.5
Risk discount rate (RDR)	11.8	11.8	12.0
Investment return (before tax) – smoothed bonus	11.6	11.6	11.8
Expense inflation rate	6.0	6.0	6.3

(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	30.06.2010 %	30.06.2009 %	31.12.2009 %
Metropolitan Health Group	17.6	17.6	17.6
Union Life	N/A	50.0	50.0
Metropolitan Namibia	18.0	18.0	18.0
Metropolitan Botswana	24.2	24.2	24.2
Metropolitan Kenya	33.6	33.3	34.4
Metropolitan Ghana	7.8	40.0	20.0
Metropolitan Nigeria	50.0	50.0	50.0

- Union Life was sold during 2010.

METROPOLITAN HOLDINGS – GROUP RESULTS

LONG-TERM INSURANCE BUSINESS: SENSITIVITIES – 30.06.2010	Net worth	In-force business			New business written		
	Rm	Net value Rm	Gross value Rm	Cost of CAR Rm	Net value Rm	Gross value Rm	Cost of CAR Rm
Base value	5 506	4 129	4 655	(526)	67	72	(5)
1% increase in risk discount rate % change		3 840 (7)	4 366 (6)	(526) -	54 (19)	59 (18)	(5) -
1% reduction in risk discount rate % change		4 454 8	4 980 7	(526) -	82 22	87 21	(5) -
10% decrease in future expenses % change ⁽¹⁾		4 448 8	4 974 7	(526) -	83 24	88 22	(5) -
10% decrease in lapse, paid-up and surrender rates % change		4 279 4	4 805 3	(526) -	88 31	93 29	(5) -
5% decrease in mortality and morbidity for assurance business % change		4 270 3	4 796 3	(526) -	82 22	87 21	(5) -
5% decrease in mortality for annuity business % change		4 104 (1)	4 630 (1)	(526) -	65 (3)	70 (3)	(5) -
1% reduction in gross investment return, inflation rate and risk discount rate % change ⁽²⁾	5 595 2	4 208 2	4 713 1	(505) (4)	84 25	89 24	(5) -
1% reduction in gross investment return only (no change in risk discount rate) % change ⁽²⁾	5 441 (1)	3 965 (4)	4 470 (4)	(505) (4)	60 (10)	65 (10)	(5) -
1% reduction in inflation rate % change	5 687 3	4 047 (2)	4 573 (2)	(526) -	76 13	81 13	(5) -
10% fall in market value of equities and properties % change	5 150 (6)	3 935 (5)	4 461 (4)	(526) -			
10% reduction in premium indexation take-up rate % change		4 059 (2)	4 585 (2)	(526) -	62 (7)	67 (7)	(5) -
10% decrease in non commission related acquisition expenses % change					84 25	89 24	(5) -

Notes

- (1) No corresponding changes in variable policy charges are assumed, although in practice it is likely that these will be modified according to circumstances.
- (2) Bonus rates are assumed to change commensurately.
- (3) The change in the value of cost of CAR is disclosed as nil where the sensitivity test results in an insignificant change in the value.

METROPOLITAN HOLDINGS – GROUP RESULTS

ANALYSIS OF CHANGES IN GROUP EMBEDDED VALUE	Non-covered business Rm	Covered business			Total covered Rm	6 mths to 30.06.2010	6 mths to 30.06.2009	12 mths to 31.12.2009
		NAV Rm	VoIF Rm	Cost of CAR Rm		Total group EV Rm	Total group EV Rm	Total group EV Rm
Profit from new business	78	(80)	154	(5)	69	147	108	266
Embedded value from new business	76	(80)	152	(5)	67	143	104	251
Expected return to end of year	2	-	2	-	2	4	4	15
Profit from existing business	(157)	321	(43)	(38)	240	83	(79)	188
Expected return – unwinding of RDR	47	-	272	(19)	253	300	255	495
Expected (or actual) net of tax profit transfer to net	-	332	(332)	-	-	-	-	-
Operating experience variances	(143)	77	(22)	-	55	(88)	(76)	(100)
Operating assumption changes	(61)	(88)	39	(19)	(68)	(129)	(258)	(207)
Embedded value profit from operations	(79)	241	111	(43)	309	230	29	454
Investment return on net worth	(62)	210	-	22	232	170	246	846
Investment variances	(15)	(100)	(121)	-	(221)	(236)	44	442
Economic assumption changes	1	22	47	14	83	84	(291)	(407)
Change in risk margin	-	-	-	-	-	-	-	-
Exchange rate movements	-	(2)	(9)	-	(11)	(11)	(25)	(28)
Total embedded value profit	(155)	371	28	(7)	392	237	3	1 307
Changes in share capital	(86)	36			36	(50)	-	-
Dividend paid	170	(511)			(511)	(341)	(301)	(512)
Finance costs – preference shares	(42)				-	(42)	(64)	(118)
Sale of Union Life	47	(41)	(12)	6	(47)	-		
Change in embedded value	(66)	(145)	16	(1)	(130)	(196)	(362)	677
Time weighted return on embedded value (%)						4.1	0.0	11.9

Operating experience variances

Non-covered business Negative variances from losses or a reduction in profit margins in certain of the non-life companies as well as merger related costs incurred by Metropolitan Holdings.

Covered business

Net asset value (NAV) Positive contribution from higher than expected mortality profits partially offset by negative variances from lower than expected expense recoveries on withdrawals.

Value of in force (VoIF) Negative contribution mainly due to the loss of a significant credit life scheme.

Operating assumption changes

Non-covered business Negative contributions from methodology changes in respect of managed healthcare business and higher expenses in Metropolitan Holdings.

Covered business

Net asset value (NAV) Negative changes due to a strengthening of reserves and the introduction of premium holidays on grouped individual business reduced by a weakening of the mortality basis on grouped individual business.

Value of in force (VoIF) Positive changes due to the impact of a strengthening of reserves as well as better persistency and mortality experience on retail business.

METROPOLITAN HOLDINGS – GROUP RESULTS

FUNDS RECEIVED FROM CLIENTS	Gross inflow Rm	Gross outflow Rm	6 mths to 30.06.2010 Net inflow Rm	6 mths to 30.06.2009 Net inflow Rm	12 mths to 31.12.2009 Net inflow Rm
Retail business	3 261	(2 885)	376	930	1 723
Corporate business	1 436	(1 872)	(436)	(1 096)	(4 126)
International business	547	(348)	199	277	539
Long-term insurance business cash flows	5 244	(5 105)	139	111	(1 864)
Health business	11 463	(10 049)	1 414	(582)	1 760
Asset administration business	9 077	(8 382)	695	1 751	2 901
Asset management business	37	(1 088)	(1 051)	640	(1 420)
Corporate business	5	-	5	48	118
Total funds received from clients	25 826	(24 624)	1 202	1 968	1 495

PREMIUMS RECEIVED	6 mths to 30.06.2010 Rm	6 mths to 30.06.2009 Rm	12 mths to 31.12.2009 Rm
Recurring premiums	3 778	3 726	7 779
Retail business	2 301	2 313	4 856
Corporate business	964	888	1 863
International business	513	525	1 060
Single premiums	1 466	1 603	3 416
Retail business	960	1 105	1 975
Corporate business	472	419	1 319
International business	34	79	122
Capitation contracts – health business	12	6	12
Segment premiums received	5 256	5 335	11 207
Adjustment for premiums received from investment contract holders	(336)	(555)	(1 071)
Transfers between insurance, investment and investment with DPF contracts	44	29	104
Net insurance premiums per income statement	4 964	4 809	10 240

METROPOLITAN HOLDINGS – GROUP RESULTS

PAYMENTS TO CONTRACT HOLDERS	6 mths to 30.06.2010 Rm	6 mths to 30.06.2009 Rm	12 mths to 31.12.2009 Rm
Retail	2 885	2 488	5 108
Death and disability claims	484	532	1 099
Maturity claims	959	748	1 487
Annuities	394	359	768
Withdrawal benefits	35	57	108
Surrenders	1 056	821	1 752
Re-insurance recoveries	(43)	(29)	(106)
Corporate	1 872	2 403	7 308
Death and disability claims	626	570	1 159
Maturity claims	31	69	101
Annuities	257	373	696
Withdrawal benefits	78	141	269
Terminations	131	286	3 405
Disinvestments	868	1 063	1 879
Re-insurance recoveries	(119)	(99)	(201)
International	348	327	643
Death and disability claims	92	96	195
Maturity claims	58	61	138
Annuities	20	19	38
Withdrawal benefits	26	48	69
Surrenders	104	104	199
Terminations	1	-	3
Disinvestments	57	11	24
Re-insurance recoveries	(10)	(12)	(23)
Capitation contracts	12	8	14
Total payments to contract holders	5 117	5 226	13 073
Adjustment for payments to investment contract holders	(717)	(985)	(4 711)
Transfers between insurance, investment and investment with DPF contracts	44	29	104
Net insurance benefits and claims per income statement	4 444	4 270	8 466

- Segment information is disclosed in the segment report and reconciles to total payments to policyholders.
- Payments to contract holders have been restated for June and December 2009 to separate the international payments to contract holders.

METROPOLITAN HOLDINGS – GROUP RESULTS

NUMBER OF EMPLOYEES	30.06.2010	30.06.2009	31.12.2009
Indoor staff	5 509	5 496	5 512
Insurance companies	2 680	2 708	2 780
Retail	1 236	1 227	1 274
Union Life	-	112	98
Cover2Go	-	13	13
Employee benefits	412	404	400
International	491	419	453
Group services	541	533	542
Metropolitan Health Group	2 509	2 360	2 382
Asset management	80	80	81
Asset administration	65	66	67
Metropolitan Card Operations	-	14	-
Metropolitan Retirement Administrators	138	138	138
DirectFin Solutions	22	114	47
Holding company	15	16	17
Field staff	4 178	3 762	4 210
Retail	3 035	2 686	2 822
Union Life	-	187	304
International	1 143	889	1 084
Total	9 687	9 258	9 722

- Union Life was sold during 2010

ANALYSIS OF EXPENSES	6 mths to 30.06.2010 Rm	6 mths to 30.06.2009 Rm	12 mths to 31.12.2009 Rm
Depreciation, amortisation and impairment expenses	100	46	148
Employee benefit expenses	858	799	1 549
Sales remuneration	476	501	987
Other expenses	528	661	1 271
Finance costs	66	88	168
Total expenses	2 028	2 095	4 123
Long-term insurance business	1 378	1 502	3 018
Administration expenses	757	853	1 705
Sales remuneration	475	501	984
Asset management fees	93	96	210
Direct property expenses	53	52	119
Administration business	571	511	996
Finance costs – preference shares and subordinated redeemable debt	65	87	164
Holding company	61	38	67
Consolidation adjustments	(47)	(43)	(122)
Total expenses	2 028	2 095	4 123

- Segment information is disclosed in the segment report.

METROPOLITAN HOLDINGS – GROUP RESULTS

ASSETS UNDER MANAGEMENT	30.06.2010 Rm	30.06.2009 Rm	31.12.2009 Rm
Intangible assets	439	488	464
Owner-occupied properties	714	700	690
Property and equipment	194	197	202
Investment properties	3 179	3 117	3 193
Investment in associates	1 207	1 365	856
Employee benefit assets	227	241	232
Financial assets	55 738	51 903	56 201
Equity securities	22 648	20 225	24 687
Debt securities	13 525	15 737	13 014
Funds on deposit and other money market instruments	5 635	4 134	5 484
Unit-linked investments	11 917	9 911	11 258
Derivative financial instruments	862	822	718
Loans and receivables	1 151	1 074	1 040
Insurance and other receivables	1 504	1 441	1 579
Deferred income tax	14	10	10
Reinsurance contracts	275	230	242
Current income tax assets	327	13	200
Cash and cash equivalents	7 288	8 971	7 702
Total on-balance sheet assets	71 106	68 676	71 571
Collective investments	22 462	18 777	22 189
Health	5 113	4 808	5 006
Asset management – segregated assets	1 970	4 443	2 948
Employee benefits – segregated assets	808	1 499	1 508
Total assets under management	101 459	98 203	103 222

ANALYSIS OF ASSETS UNDER MANAGEMENT	30.06.2010 Rm	30.06.2009 Rm	31.12.2009 Rm
On-balance sheet assets			
Managed and administered by Metam	52 258	49 362	51 017
Properties	3 893	3 802	3 869
Collective investment schemes	2 044	2 014	1 982
Investment assets	46 321	43 546	45 166
Administered and/or managed by Metropolitan Collective Investments (excludes managed by Metam)	1 108	1 043	1 320
Managed by external managers	12 780	14 014	14 521
Other assets	4 960	4 257	4 713
	71 106	68 676	71 571
Off-balance sheet assets			
Managed and administered by Metam	6 035	8 600	6 629
Collective investment schemes	3 397	3 344	3 004
Segregated assets	2 638	5 256	3 625
Administered and/or managed by Metropolitan Collective Investments (includes white label funds)	19 065	15 432	19 185
Employee benefits – segregated assets	140	687	831
Health	5 113	4 808	5 006
Total assets under management	101 459	98 203	103 222

METROPOLITAN HOLDINGS – GROUP RESULTS

ANALYSIS OF ASSETS BACKING GROUP EXCESS	30.06.2010		30.06.2009		31.12.2009	
	Rm	%	Rm	%	Rm	%
Equity securities	2 248	34.5	1 900	33.0	2 489	37.7
Collective investment schemes	1 353	20.8	636	11.1	1 260	19.1
Debt securities	480	7.4	703	12.2	723	10.9
Owner-occupied properties	675	10.4	655	11.4	638	9.7
Investment properties	374	5.6	303	5.2	223	3.4
Cash and cash equivalents	1 485	22.8	1 947	33.9	1 781	26.9
Goodwill	149	2.3	177	3.1	154	2.3
Other net assets	963	14.8	765	13.3	556	8.4
	7 727	118.6	7 086	123.2	7 824	118.4
Redeemable preference shares	(710)	(10.9)	(836)	(14.5)	(711)	(10.8)
Subordinated redeemable debt	(501)	(7.7)	(501)	(8.7)	(501)	(7.6)
Excess - group per reporting basis	6 516	100.0	5 749	100.0	6 612	100.0

GROUP EXCESS – TOP 10 EQUITY HOLDINGS	30.06.2010		30.06.2009		31.12.2009	
	Rm	%	Rm	%	Rm	%
MTN Group Ltd	178	7.9	137	7.2	196	7.9
Sasol Ltd	146	6.5	88	4.6	128	5.1
Standard Bank Group Ltd	122	5.4	81	4.3	104	4.2
Billiton Plc	119	5.3	96	5.0	139	5.6
Anglo American Plc	112	5.0	70	3.7	113	4.5
SAB Miller Plc	101	4.5			87	3.5
FirstRand Ltd	97	4.3	67	3.5	117	4.7
Impala Platinum Holdings Ltd	90	4.0			116	4.7
Telkom SA Ltd	78	3.5				
Compagnie Financiere Richemont	72	3.2	66	3.5	62	2.5
Bidvest Ltd			44	2.3		
Vodacom group Ltd			53	2.8		
ABSA Ltd			60	3.2		
Naspers Ltd					87	3.5
	1 115	49.6	762	40.1	1 149	46.2
Total equities backing excess	2 248	100.0	1 900	100.0	2 489	100.0

METROPOLITAN HOLDINGS – GROUP RESULTS

STOCK EXCHANGE PERFORMANCE	30.06.2010	31.12.2009	30.06.2009	31.12.2008
6 month period				
Value of listed shares traded (rand million) ⁽²¹⁾	2 724	2 470	2 180	2 126
Volume of listed shares traded (million) ⁽²¹⁾	177	191	195	192
Shares traded (% of average listed shares in issue) ⁽²¹⁾	64.0	70.5	72.9	71.1
Value of shares traded – life insurance (J857 – Rbn)	49.3	50.9	43.1	45.2
Value of shares traded – top 40 index (J200 – Rbn)	1 211	1 152	1 045	1 320
Trade prices				
Highest (cents per share)	1 731	1 395	1 295	1 367
Lowest (cents per share)	1 291	1 140	941	890
Last sale of period (cents per share)	1 606	1 342	1 165	1 080
Percentage (%) change during period	43.2	32.7	16.4	(2.4)
Percentage (%) change – life insurance sector (J857)	(4.7)	65.2	32.0	(44.7)
Percentage (%) change – top 40 index (J200)	(13.2)	59.1	3.9	(54.1)
30 June/31 December				
Price/diluted core headline earnings ratio	10.78	9.52	9.47	7.15
Dividend yield % (dividend on listed shares)	6.35	7.45	8.15	8.80
Dividend yield % – top 40 index (J200)	2.17	1.96	3.80	4.27
Total shares issued (million)				
Listed on JSE	553	553	528	542
Ordinary shares	549	549	524	538
Share incentive scheme	4	4	4	4
Unlisted – share purchase scheme	10	10	12	14
Total ordinary shares in issue	563	563	540	556
Treasury shares held by subsidiary	-	-	-	(16)
Treasury shares held on behalf of contract holders	(1)	(1)	(1)	(1)
Adjustment to staff share scheme shares ⁽²²⁾	(12)	(12)	(16)	(17)
Share incentive scheme	(2)	(2)	(4)	(4)
Share purchase scheme	(10)	(10)	(12)	(13)
Basic number of shares in issue	550	550	523	522
Adjustment to staff share scheme shares	2	12	16	17
Treasury shares held on behalf of contract holders	1	1	1	1
Convertible redeemable preference shares	100	100	123	123
Diluted number of shares in issue ⁽²³⁾	653	663	663	663
Market capitalisation at end (Rbn) ⁽²⁴⁾	10.65	8.90	7.72	7.16
Percentage (%) of life insurance sector	7.33	6.01	6.69	7.05

(21) Percentages have been annualised.

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

(23) 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.

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