

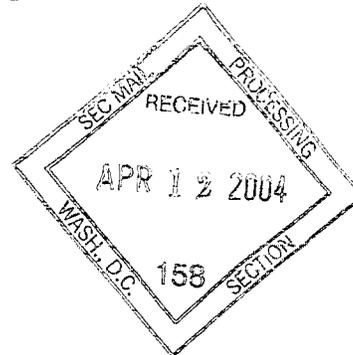


7 April 2004



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**Securities and Exchange Commission**  
Division of Corporation Finance  
Office of International Corporate Finance  
450 Fifth Street, N.W.  
Washington, D.C. 20549



SUPPL

Dear Sir or Madam

**Metropolitan Holdings Limited**  
Rule 12g3-2(b) exemption number: 82-34755  
Form – F6 registration number: 333-111300  
CUSIP number: 592144109

The documents attached are those issued and submitted to the company's shareholders and regulatory bodies since our previous correspondence dated 16 January 2004.

Listed below are the documents attached:

- Update 19 January 2004 – Metropolitan establishes ADR programme in New York
- SENS announcement 26 February 2004 – Trading statement and cautionary announcement
- Update 10 March 2004 – Metropolitan management team delivers
- Investor presentation – Year-end results 2003
- Annual report 2003

I hope you find these documents in order.

Yours truly,

Michelle Lotz  
Group finance manager  
Metropolitan Holdings Limited

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APR 21 2004  
THOMSON  
FINANCIAL



**19 January 2004**

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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.*

## **Metropolitan establishes ADR programme in New York**

Metropolitan Holdings Limited has established an American Depositary Receipt (ADR) programme in the United States in order to facilitate US investment in its shares.

Institutional and individual investors in the US can purchase ADRs representing ordinary Metropolitan shares through their customary US broker dealer arrangements and take delivery of the US instrument. All rights associated with the ordinary share, such as dividends and voting rights, are made available to ADR holders.

The price of the ADR is denominated in dollars, and reflects the rand price of the underlying share. ADRs can be traded over-the-counter in the US.

Metropolitan's ADR programme was granted effectiveness on 30 December 2003 after the Washington-based Securities and Exchange Commission (SEC) accepted Metropolitan on to the list of non US companies that are exempt from full SEC reporting obligations, and reviewed its ADR registration statement. Thanks to its exemption, Metropolitan is not subject to US GAAP reporting requirements, nor the corporate governance rules associated with the 2004 Sarbanes-Oxley Act.

The depositary bank for the ADR programme is The Bank of New York. Each ADR represents 10 shares in Metropolitan Holdings Limited.

The CUSIP number for clearing and settlement in the US DTC system is 592144109, and the trading symbol MPOHY.

Metropolitan joins 33 other South African companies with unlisted (or level 1) ADRs. These companies benefit from the fact that they do not incur listing or reporting costs. A further 10 SA companies have ADRs listed on either the NYSE or the NASDAQ.

Metropolitan believes that its free float, its active investor relations programme and the establishment of its ADR programme will help to make it attractive to overseas investors.

The main advantages of the ADR programme are:

- broadens the shareholder base by increasing the number of potential investors
- raises the profile of the company in the US equity markets
- adds incremental liquidity to global trading volume

- facilitates ownership by US employees.

As a matter of interest, in 2002 the trading volume for SA ADRs was \$23.8 billion, with South Africa ranked 8<sup>th</sup> in the world for ADR trading volumes.

In certain instances, ADRs represent up to 80% of the issued share capital of SA companies while some of these companies have as many as 50 000 ADR holders.

Currently some 2 100 companies participate in ADR programmes in over 70 countries worldwide.

*end*

Source : News - SENS

2004-02-26 13:52:35

METROPOLITAN HOLDINGS LIMITED - TRADING STATEMENT AND CAUTIONARY ANNOUNCEMENT  
METROPOLITAN HOLDINGS LIMITED

Formerly New Africa Capital Limited

(Incorporated in the Republic of South Africa)

Registration number: 2000/031756/06

("Metropolitan" or "the Company")

ISIN: ZAE000050456

JSE Share Code: MET

NSX Share Code: MTD

TRADING STATEMENT AND CAUTIONARY ANNOUNCEMENT

Metropolitan is currently finalising its results for the year ended 31 December 2003, which will be published on 10 March 2004. In terms of the amendments to the JSE Listings Requirements that became effective on 1 September 2003, companies are required to disclose any material change in their comparative financial results. In compliance with this requirement, Metropolitan advises that both the earnings and headline earnings will be substantially higher ("substantially" being a change equal to or greater than 30%, as defined by the JSE Listings Requirements). This is mainly as a result of the capital appreciation on investment assets arising from the equity market movements in the 2003 financial year relative to that of 2002. This item is not taken into account for the purposes of calculating the core headline earnings.

The financial information on which this trading statement is based has not been reviewed or reported on by the Company's auditors. Shareholders are therefore advised to exercise caution when trading in the Company's shares until the results are published.

Cape Town

26 February 2004

Sponsor in South Africa

Merrill Lynch South Africa (Proprietary) Limited

Sponsor in Namibia

Simonis Storm Securities (Proprietary) Limited

Date: 26/02/2004 01:52:37 PM Produced by the JSE SENS Department



**10 March 2004**

*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.*

## **Metropolitan management team delivers**

### **Summary**

- Substantial increase in overall profitability
- Significant growth in new business premium income
- Costs well contained
- Resulting in increases of
  - 15% in core headline earnings
  - 19% in group embedded value
- There has been a striking improvement in all aspects of Metropolitan's financial and operational performance for the year ended 31 December 2003.
- Results exceeded the expectations of investment analysts and fund managers, with the group having achieved some unprecedented percentage increases in current market conditions. The results buck the trend amongst the other large life companies whose life insurance profitability came under pressure in 2003.
- "Our figures speak for themselves, providing clear evidence that, thanks to incisive interventions by management, we are delivering on our promises to stakeholders. By writing more and better new business at a reduced cost while at the same time improving our investment performance in absolute terms, we have increased our profitability and enhanced our ability to meet stakeholder expectations," says group chief executive Peter Doyle.
- Following a decrease in 2002, the 2003 increase in life administration expenses was limited to 8% thanks to an unrelenting focus on effective cost management. The 8% was in line with the increase assumed by the actuaries at the beginning of the year.
- With management single-mindedly pursuing unit cost reductions, the actual cost of issuing an ordinary business policy decreased by 12% while renewal costs declined to R84 per policy.
- Further cost reductions and improvements in lapse rates remain key areas of focus for the group.
- Retail recurring premium new business was up 20% while retail single premium business showed solid growth of 16%, a particularly commendable achievement in the depressed single premium market.

- The retail annual premium equivalent (APE) also increased by 20%. APE, which comprises net new recurring premiums plus 10% of single premiums, is the best indicator of the overall growth in Metropolitan's core retail business.
- The group extended a twenty year unbroken record by achieving R3.1 billion in net fund inflows from clients, thanks largely to improved life insurance new business production both locally and internationally.
- "Given that we are first and foremost a life insurer, it is most encouraging that our life operations alone were responsible for R2 billion, or almost two thirds, of the inflows," says Doyle. "Unlike many of our competitors, we are not dependent to any significant extent on income from non-life sources. We are also the only large listed life company in SA without exposure to a banking balance sheet."
- "Industry commentators are starting to speculate about the future viability of certain segments of the life insurance market in South Africa. However, we believe the three factors that currently differentiate us from our competitors - our low and middle income market focus, our brand and our empowerment positioning - afford us more than adequate scope for increasing both our inflows and our profits."
- "The fact that we remain the best positioned competitor in the growing emerging market segments, with minimal reliance on the largely saturated segments at the upper end of the market, augurs particularly well for our future growth."
- The higher quantity and quality of life insurance new business, coupled with the lower cost of putting it on the books, resulted in an exceptional 51% increase in the embedded value thereof to R103 million, compared with R68 million in 2002.
- At R7.6 billion, the embedded value of the group as a whole was 19% up (2002: R6.3 billion), with a 17% increase in embedded value per share from R9.11 to R10.68.
- Retail operating profit before tax grew by 37% from R206 million to R283 million.
- "A retail margin of 8.2% in 2003, compared to a breakeven situation in 2002, highlights the fact that we are once again writing retail new business at a profit. It is exciting to be able to report that a 12.4% margin was achieved in the second half of the year. However, a great deal still needs to be done for us to raise this level of profitability still further," says Doyle.
- The other three businesses in the group continued to operate profitably, with the corporate business also recording a healthy increase of 17% in operating profits before tax. In the international business, Metropolitan Botswana and Metropolitan Namibia increased their operating profit by 98% and 104% respectively.
- Metropolitan's core headline earnings, the most meaningful measure of the group's overall performance, increased by 15% to R434 million, with the retail and corporate businesses recording growth of 22% to R 207 million and 18% to R111 million respectively. However, core headline earnings for the health and international businesses declined due to the start-up costs of new foreign operations.
- Headline earnings were boosted by inherently volatile factors like capital appreciation on investment assets and actuarial basis changes.
- At 62 cents, core headline earnings per share were up 12.4 % from the previous year's 55 cents.

- A final dividend of 25 cents per share was declared, resulting in a total dividend for 2003 of 43 cents per share, 13% higher than in 2002.
- Improved investment markets in the second half of the year, together with the implementation of downside protection strategies throughout 2003, contributed to increased funding levels in all smoothed bonus portfolios and helped to strengthen the group's capital position still further.
- Absolute investment returns were generally much better than in the previous two years. The return on shareholders' funds was an excellent 21%, driven primarily by good equity stock selection.
- Metropolitan's group CAR (capital adequacy requirement) cover, at 3.6 times, remains one of the highest in the industry.
- "We are currently assessing how best to utilise this excess capital; a return of capital to shareholders is one of the options under consideration and they will be kept informed of developments in this regard," says Doyle.
- Negotiations with prospective broad-based empowerment partners who will add value at both a strategic and an operational level are ongoing.
- Doyle says that despite all the talk about the need for further consolidation in the life industry, Metropolitan is not on the acquisition trail. "We are confident that ours is a growth model that will ensure continued business success, and while we will always give due consideration to opportunities that will create sustainable shareholder value, we undoubtedly have the capacity, and the potential, to go it alone."

*end*

# **METROPOLITAN HOLDINGS FINANCIAL SERVICES GROUP**

## **GROUP RESULTS FOR THE YEAR ENDED 31 DECEMBER 2003**

- Embedded value of life insurance new business up 51%
- Retail recurring premium new business up 20%
- Retail operating profit before tax up 37%
- Group embedded value up 19%
- Twenty year unbroken record of positive cashflows
- Growth in dividend per share of 13%
- Core headline earnings up 15%

### **DIRECTORS' STATEMENT**

The directors take pleasure in presenting the audited, unqualified annual financial statements of the Metropolitan Holdings Financial Services Group for the year ended 31 December 2003.

These results are prepared in accordance with the provisions of the South African Companies Act and the Long-term Insurance Act and comply with South African Statements of Generally Accepted Accounting Practice (GAAP); guidelines issued by the Actuarial Society of South Africa; and the disclosure requirements of the JSE Securities Exchange South Africa (JSE).

### **Presentation of financial statements**

The consolidated financial statements are prepared on the fair value and going concern bases. The group's principal accounting policies are consistent with those applied at 31 December 2002.

### **AC133 Financial instruments: recognition and measurement; and ED165 Insurance contracts**

A draft International Financial Reporting Standard (IFRS) on Insurance Contracts (Phase I) (ED5 or South African ED165) was issued for comment on 31 July 2003. This standard is due to come into force for listed insurers in Europe and Australia in 2005. The prior implementation of AC133 in South Africa has, however, raised many uncertainties about aspects of the statement relating to the insurance sector. The equivalent international statement, IAS39, is also only effective in 2005. An ongoing process to develop guidance for this sector, from both an accounting and an actuarial perspective, could result in changes to the treatment followed in these results.

Core headline earnings are defined by the group as operating profit plus investment income on shareholder assets. Capital appreciation, investment variances and actuarial basis changes, while part of headline earnings, are excluded from core headline earnings as they tend to be volatile by nature. Core headline earnings therefore present a more meaningful and stable earnings figure, and are directly comparable to the figures disclosed in previous reports.

### **Corporate transactions**

- The name of the listed holding company was changed from "New Africa Capital Limited" to "Metropolitan Holdings Limited" with effect from 15 December 2003.
- An offer was made to all shareholders who held in aggregate less than 100 Metropolitan Holdings Limited shares at the close of business on 12 December 2003. Shareholders were given the opportunity to sell their odd-lot holdings to the company at the offer price of R6.53 plus a premium of 5%, or to subscribe for a sufficient number of additional Metropolitan Holdings Limited shares at the offer price in order to increase their odd-lot holdings to 100 shares, or to retain their odd-lot holdings. As a result of this offer, a net 348 160 shares were bought back at a cost of R2.4 million and cancelled, while the number of shareholders reduced from 29 203 to 10779. These shares were deducted from shareholders' equity.

- The company was authorised, as a specific approval in terms of section 85 of the Companies Act, 1973 as amended, to repurchase 36 356 142 Metropolitan Holdings ordinary shares held by New Africa Investments Limited (NAIL) or its successors-in-title. This specific authority is subject to a number of conditions and is to remain valid until the next annual general meeting of the company.

## REVIEW OF OPERATIONS AND PROSPECTS

- The past year saw further improvements in all aspects of the business.
- The increase in the flow of new business, particularly on the retail side, was extremely positive.
- The unbroken record of positive cashflow from clients continued, exceeding R3 billion for the year.
- An increase of 20% in the new business annual premium equivalent (APE) for the retail business can be attributed to solid growth in both recurring and single premium income.
- Despite the surge in new business, lapse and surrender rates continued to improve; however, this remains a focus area for the group.
- Following the decrease in life administration expenses in the previous year, this year's increase was contained within the assumed inflation rate despite strong volume growth.
- This creditable all-round performance resulted in significant growth of 51% in the embedded value of life insurance new business, which in turn improved the retail and international profit margins.
- Improved investment markets in the latter part of 2003, together with the group's defensive investment strategy throughout the year, contributed to increased funding levels and a particularly sound capital position for the group.
- An excellent investment return of 21% was achieved on the shareholders funds, driven primarily by good equity stock selection.
- Core headline earnings, the most appropriate measure of the group's performance, grew by 15%.
- Headline earnings and earnings were boosted by capital appreciation on the shareholders' investment assets and on other assets, as well as by basis changes.
- All four businesses in the group continued to contribute positively to core headline earnings.
- Retail led the way with an increase of 37% in pre-tax operating profit while for corporate the equivalent figure was 17% up.
- In the international business, Namibia and Botswana increased their operating profits by 104% and 98% respectively; however, investments in new foreign ventures dampened international's contribution to core headline earnings.
- The core business of the health group improved with a particularly good contribution from Qualsa, the managed healthcare arm; total core headline earnings were, however, reduced by ongoing investment in the new Kenyan business.
- Shareholders' tax has continued to grow as the full effects of the existing four-fund tax legislation, together with CGT legislation, are starting to be felt.
- The economic conditions under which Metropolitan operated improved throughout 2003. The main underlying factors were further decreases in individual personal income tax together with real increases in salaries. These improvements are expected to continue into 2004.
- The improvement in the capital markets experienced in the last quarter of 2003 has been sustained during the first part of 2004.
- Metropolitan remains the largest long-term financial services group in Southern Africa focused on the low and middle income markets. The benefits of this focus, enhanced by Metropolitan's commitment to black economic empowerment, are reflected in these results.
- The board is satisfied that several significant operational issues have been successfully addressed and that operational improvements achieved in 2003 will carry on into 2004, with a strong focus on further increases in new business profit margins.

## **CORPORATE GOVERNANCE**

The board has satisfied itself that locally recognised principles of corporate governance were applied throughout the group during the year under review. Additional governance recommendations, as set out in the second King report, are currently being addressed and implemented.

## **DIRECTORATE CHANGES AND DIRECTORS' SHAREHOLDING**

Mr MM Ngoasheng and Dr IA Goldin, both non-executive directors, resigned from the board on 25 June and 18 August 2003 respectively. No further changes have been made to the directorate since 31 December 2002. All transactions in listed shares involving directors were disclosed on SENS as required.

## **CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES**

The group announced on 25 November 2003 that it had concluded an agreement to acquire the Metropolitan shares currently held by NAIL. The total capital commitments of the group as at 31 December 2003, including this repurchase, amounted to R274 million. These commitments will be funded from internal sources. 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**

The dividend policy 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.

A final dividend of 25.00 cents per share has been declared on 9 March 2004, giving a total dividend for 2003 of 43.00 cents and resulting in a dividend cover of 1.4 times based on core headline earnings. This dividend is payable to holders of ordinary shares recorded in the register of the company at the close of business on Friday, 2 April 2004 and will be paid on Monday, 5 April 2004. The last day to trade "cum" dividend will be Friday, 26 March 2004. The shares start trading "ex" dividend from the commencement of business on Monday, 29 March 2004. Share certificates may not be dematerialised or rematerialised between Monday, 29 March and Friday, 2 April 2004, 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, 5 April 2004.

## **AUDIT OPINION**

The auditors, Ernst & Young and PricewaterhouseCoopers Inc, have issued their opinion on the group financial statements for the year ended 31 December 2003. A copy of their unqualified report is available for inspection at the company's registered office.

## WITHDRAWAL OF CAUTIONARY ANNOUNCEMENT

Shareholders are advised that the cautionary announcement relating to the trading statement issued on 26 February 2004 has now been lifted.

Signed on behalf of the board

**Gloria Tomatoe Serobe** *Group chairman*

**Peter Doyle** *Group chief executive*

Cape Town, 9 March 2004

**Registration number:** 2000/031756/06 **Registered office:** 7 Parc du Cap, Mispel Road, Bellville 7535

**Transfer secretaries:** Computershare Limited (registration number 2000/006082), 70 Marshall Street, Johannesburg 2001, PO Box 61051  
Marshalltown 2107

Sponsor: Merrill Lynch

**JSE code:** MET – NSX CODE: MTD - ISIN NO. ZAE000050456

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**Directors:** Gloria Tomatoe Serobe (non-executive group chairman), Peter Doyle (group chief executive), Abel Sithole (executive), Preston Speckmann (executive), Ntuthukoyezwe Buthelezi, Irene Charnley, Willie Esterhuyse, Peter Lamprecht, Syd Muller, John Newbury, Marius Smith, Franklin Sonn, Johan van Reenen, Sandile Zungu

Secretary: Bongwiwe Gobodo-Mbomvu

# METROPOLITAN HOLDINGS – GROUP RESULTS

<b>TABLE 1: CONSOLIDATED INCOME STATEMENT</b>	<b>12 mths to 31.12.2003 Rm</b>	<b>12 mths to 31.12.2002 Rm</b>
Income from insurance and investment business (table 6; note 6)	1 205	(236)
Income from administration business (note 1)	65	62
Income from holding company (note 2)	140	(131)
<b>Income before goodwill and tax</b>	<b>1 410</b>	<b>(305)</b>
Goodwill amortised	(53)	(52)
<b>Income before tax</b>	<b>1 357</b>	<b>(357)</b>
Shareholders' tax paid	(272)	(25)
<b>Income after tax</b>	<b>1 085</b>	<b>(382)</b>
Outside shareholders' share of earnings	(21)	(3)
<b>Earnings</b>	<b>1 064</b>	<b>(385)</b>

<b>TABLE 2: RECONCILIATION OF HEADLINE EARNINGS</b>	<b>12 mths to 31.12.2003 Rm</b>	<b>12 mths to 31.12.2002 Rm</b>
<b>Earnings</b>	<b>1 064</b>	<b>(385)</b>
Goodwill amortised	53	52
<b>Headline earnings (1)</b>	<b>1 117</b>	<b>(333)</b>
Capital (appreciation)/depreciation on excess	(494)	729
Basis changes and investment variances	(189)	(18)
<b>Core headline earnings (2) (note 3)</b>	<b>434</b>	<b>378</b>

Core headline earnings per share (cents)	62.09	55.26
Headline earnings per share (cents)	159.80	(48.68)
Earnings per share (cents)	152.22	(56.29)
Weighted average number of shares in issue (million)	699	684

### Dividend per ordinary listed shares (cents)

Interim	18.00	17.50
Final	25.00	20.50
<b>Total</b>	<b>43.00</b>	<b>38.00</b>

(1) Headline earnings consist of operating profit, investment income, capital appreciation, investment variances and basis and other changes.

(2) Changes in market value of investments can be volatile, therefore core headline earnings have been disclosed which comprise operating profit and investment income only.

## METROPOLITAN HOLDINGS – GROUP RESULTS

TABLE 3: CONSOLIDATED BALANCE SHEET	31.12.2003 Rm	31.12.2002 Rm
<b>ASSETS</b>		
Non-current assets	35 493	30 931
Investment assets	34 930	30 279
Goodwill	337	389
Intangible assets	81	97
Deferred tax	24	40
Tangible assets	121	126
Current assets	1 615	1 468
<b>Total assets (note 5)</b>	<b>37 108</b>	<b>32 399</b>
<b>EQUITY AND LIABILITIES</b>		
Capital and reserves (table 4)	5 199	4 329
Outside shareholders' interest	72	52
Non-current liabilities	30 268	26 610
Policyholders' fund (note 6)	30 231	26 600
Deferred tax	37	10
Current liabilities	1 569	1 408
<b>Total equity and liabilities</b>	<b>37 108</b>	<b>32 399</b>
<b>TABLE 4: CONSOLIDATED STATEMENT OF CHANGES IN EQUITY</b>		
	12 mths to 31.12.2003 Rm	12 mths to 31.12.2002 Rm
Shareholders' equity at beginning	4 329	5 101
Changes in share capital	77	(86)
Issue of share capital	-	-
Share premium on new issue	79	174
Treasury shares acquired	-	(110)
Shares acquired and cancelled	(2)	(150)
Changes in distributable reserve	830	(705)
Revaluation of owner-occupied properties	33	(33)
Earnings	1 064	(385)
Dividend	(267)	(287)
Changes in foreign currency translation reserve	(4)	(14)
Foreign currency translation changes	(16)	(4)
Transfer to policyholders' fund	12	(10)
Change in non-distributable reserve	(33)	33
Revaluation of owner-occupied properties	(33)	33
<b>Shareholders' equity at end (table 3; note 9)</b>	<b>5 199</b>	<b>4 329</b>

## METROPOLITAN HOLDINGS – GROUP RESULTS

<b>TABLE 5: CONSOLIDATED CASH FLOW STATEMENT</b>	12 mths to 31.12.2003 Rm	12 mths to 31.12.2002 Rm
Net cash inflow from operating activities	1 953	2 061
Net cash outflow from investing activities	(1 549)	(1 705)
Net cash in/(out)flow from financing activities	77	(86)
<b>Net cash flow</b>	<b>481</b>	<b>270</b>
Cash resources and funds on deposit at beginning	3 395	3 125
<b>Cash resources and funds on deposit at end</b>	<b>3 876</b>	<b>3 395</b>

<b>TABLE 6: STATEMENT OF ACTUARIAL VALUES OF ASSETS AND LIABILITIES</b>	31.12.2003 Rm	31.12.2002 Rm
Total assets per balance sheet (table 3)	37 108	32 399
Current liabilities and deferred tax per balance sheet	(1 606)	(1 418)
Outside shareholders' interest per balance sheet	(72)	(52)
<b>Net assets – group</b>	<b>35 430</b>	<b>30 929</b>
Actuarial liabilities under unmaturing policies	(29 570)	(25 857)
<b>Excess – group (table 7 &amp; 8; note 9)</b>	<b>5 860</b>	<b>5 072</b>
Net assets – non-insurance	(1 165)	(984)
<b>Excess – insurance and investment business</b>	<b>4 695</b>	<b>4 088</b>
<b>Change in excess of insurance and investment business</b>	<b>607</b>	<b>(651)</b>
Increase in share capital	(15)	(7)
Foreign currency translation changes	4	5
Dividend paid	278	313
<b>Total surplus arising</b>	<b>874</b>	<b>(340)</b>
Operating profit	246	246
Investment income	163	137
Basis and other changes	49	61
Investment variances	10	(85)
Capital appreciation/(depreciation)	406	(699)
Surplus arising (90:10 fund)	50	117
Shareholder's earnings (90:10 fund)	33	(12)
Consolidation adjustments	16	(21)
<b>Net profit from insurance and investment business</b>	<b>973</b>	<b>(256)</b>
Shareholders' tax paid	217	5
Goodwill amortised	15	15
<b>Income from insurance and investment business (before goodwill and tax) (table 1)</b>	<b>1 205</b>	<b>(236)</b>
Capital adequacy requirement (CAR) (Rm)	1 640	1 726
Capital adequacy multiple (group excess)	3.6	2.9
Capital adequacy multiple (insurance and investment business)	2.9	2.4
Second-tier margins	1 216	1 078

## METROPOLITAN HOLDINGS – GROUP RESULTS

NOTE 1 - INCOME FROM ADMINISTRATION BUSINESS (before tax, goodwill and outside shareholders)	Revenue Rm	12 mths to 31.12.2003 Expenses Rm	Total Rm	12 mths to 31.12.2002 Total Rm
Health administration	289	(259)	30	31
Asset management	71	(48)	23	20
Asset administration	37	(25)	12	11
<b>Total income from administration business (table 1)</b>	<b>397</b>	<b>(332)</b>	<b>65</b>	<b>62</b>

NOTE 2 – INCOME FROM HOLDING COMPANY (before tax)	12 mths to 31.12.2003 Rm	12 mths to 31.12.2002 Rm
Investment income	42	35
Realised and unrealised capital appreciation/(depreciation)	132	(142)
Administration expenses	(34)	(24)
<b>Net income from holding company (table 1)</b>	<b>140</b>	<b>(131)</b>

NOTE 3 – ANALYSIS OF CORE HEADLINE EARNINGS	12 mths to 31.12.2003 Rm	12 mths to 31.12.2002 Rm
<b>Corporate business</b>	111	94
Operating profit	154	132
Tax	(43)	(38)
<b>Retail business</b>	207	170
Operating profit	283	206
Tax	(76)	(36)
<b>International business</b>	3	13
Operating profit	8	16
Tax	(5)	(3)
<b>Metropolitan Health Group</b>	20	22
Operating profit	24	28
Tax	(4)	(6)
<b>Shareholders' equity</b>	93	79
Holding company expenses	(34)	(24)
Investment income on total shareholders' assets	168	145
Income tax on investment income	(41)	(42)
<b>Core headline earnings (table 2)</b>	<b>434</b>	<b>378</b>
Total operating profit	469	382
Holding company expenses	(34)	(24)
Investment income on total shareholder assets	168	145
Total tax	(169)	(125)
<b>Core headline earnings (table 2)</b>	<b>434</b>	<b>378</b>

## METROPOLITAN HOLDINGS – GROUP RESULTS

NOTE 4 - FUNDS RECEIVED FROM CLIENTS	Gross inflow	Gross outflow	12 mths Net inflow 31.12.2003	12 mths Net inflow 31.12.2002
	Rm	Rm	Rm	Rm
<b>On-balance sheet</b>				
Retail business	3 900	(2 467)	1 433	1 288
Corporate business	2 463	(2 281)	182	347
International business	721	(367)	354	268
<i>Total premiums/claims (note 7, 8)</i>	7 084	(5 115)	1 969	1 903
<b>Off-balance sheet</b>				
Health group	3 648	(3 245)	403	239
Corporate business	2 685	(1 951)	734	682
<b>Total</b>	13 417	(10 311)	3 106	2 824

NOTE 5 - ASSETS UNDER MANAGEMENT	31.12.2003	31.12.2002
	Rm	Rm
Investment assets	34 927	30 279
Strategic investments	3	-
Goodwill	337	389
Tangible and intangibles assets	202	223
Current assets and deferred tax	1 639	1 508
<b>Total on-balance sheet assets (table 3)</b>	37 108	32 399
Unit trusts	1 524	1 393
Health administration	1 577	1 281
Metropolitan Asset Managers	4 729	3 649
EB segregated assets	783	805
<b>Total assets under management</b>	45 721	39 527

## METROPOLITAN HOLDINGS – GROUP RESULTS

NOTE 6: POLICYHOLDERS' FUND	31.12.2003 Rm	31.12.2002 Rm
<b>Balance at beginning</b>	26 600	27 048
Inflow	11 454	5 583
Premiums received (note 7)	7 084	6 824
Investment return	4 370	(1 241)
Investment income	1 762	1 888
Realised and unrealised capital appreciation/(depreciation)	2 608	(3 129)
Outgo	(6 606)	(6 277)
Payments to policyholders (note 8)	(5 115)	(4 921)
Sales and distribution costs	(741)	(642)
Administration expenses	(769)	(697)
Policyholders' tax paid	19	(17)
Income from insurance and investment business (table 1 & 6)	(1 205)	236
Foreign currency translation changes	(12)	10
<b>Balance at end</b>	<b>30 231</b>	<b>26 600</b>
Liabilities under insurance contracts	23 948	21 172
Liabilities under investment contracts	5 622	4 685
90:10 fund surplus	661	743
<b>Total (table 3)</b>	<b>30 231</b>	<b>26 600</b>

NOTE 7 - PREMIUMS RECEIVED	12 mths to 31.12.2003 Rm	12 mths to 31.12.2002 Rm
<b>Recurring premiums</b>	4 593	4 332
Individual life	3 558	3 270
Employee benefits	1 304	1 278
Re-insurance	(269)	(216)
<b>Single premiums</b>	2 491	2 492
Individual life	1 040	930
Employee benefits	1 451	1 562
<b>Total (note 6)</b>	<b>7 084</b>	<b>6 824</b>
Insurance contracts	5 199	5 457
Investment contracts	1 885	1 367
	<b>7 084</b>	<b>6 824</b>
Metropolitan Life Ltd	6 107	5 997
Metropolitan Odyssey Ltd	416	333
Metropolitan Life (Namibia) Ltd	322	313
Metropolitan Life of Botswana Ltd	186	181
Metropolitan Lesotho Ltd	53	-
	<b>7 084</b>	<b>6 824</b>

## METROPOLITAN HOLDINGS – GROUP RESULTS

NOTE 8 – PAYMENTS TO POLICYHOLDERS	12 mths to 31.12.2003 Rm	12 mths to 31.12.2002 Rm
<b>Individual life</b>	<b>2 735</b>	<b>2 537</b>
Death and disability claims	734	661
Maturity claims	752	603
Annuities	416	378
Surrenders	898	935
Re-insurance recoveries	(65)	(40)
<b>Employee benefits</b>	<b>2 380</b>	<b>2 384</b>
Death and disability claims	474	342
Maturity claims	703	141
Annuities	278	199
Withdrawal benefits	206	339
Terminations	829	1 423
Re-insurance recoveries	(110)	(60)
<b>Total (note 6)</b>	<b>5 115</b>	<b>4 921</b>
Insurance contracts	3 719	3 773
Investment contracts	1 396	1 148
	<b>5 115</b>	<b>4 921</b>
Metropolitan Life Ltd	4 654	4 468
Metropolitan Odyssey Ltd	207	228
Metropolitan Life (Namibia) Ltd	176	180
Metropolitan Life of Botswana Ltd	75	45
Metropolitan Lesotho Ltd	3	-
	<b>5 115</b>	<b>4 921</b>

NOTE 9 - ANALYSIS OF ASSETS BACKING GROUP EXCESS	31.12.2003 Rm	%	31.12.2002 Rm	%
Listed equities	2 818	54.2	2 253	52.0
Foreign investments	439	8.4	599	13.8
Properties	373	7.2	432	10.0
Fixed interest	676	13.0	384	8.9
Money market	425	8.2	166	3.8
Intangible assets	337	6.5	389	9.0
Other assets	131	2.5	106	2.5
<b>Group net asset value (table 4)</b>	<b>5 199</b>	<b>100.0</b>	<b>4 329</b>	<b>100.0</b>
Surplus in 90:10 fund	661		743	
<b>Excess – group (table 6)</b>	<b>5 860</b>		<b>5 072</b>	

## METROPOLITAN HOLDINGS – GROUP RESULTS

TABLE 7: EMBEDDED VALUE	31.12.2003 Rm	31.12.2002 Rm
<b>Excess – group</b> (table 6)	5 860	5 072
Adjustments for:		
Asset management (table 15)	150	139
Health administration (table 15)	74	43
Holding company expenses	(220)	(163)
Surplus in 90:10 fund and goodwill (table 8)	(807)	(927)
<b>Adjusted net asset value</b>	5 057	4 164
<b>Net value of in-force business</b>	2 493	2 159
Individual life	1 993	1 745
Gross value of in-force business	2 078	1 860
Less: Cost of capital	(85)	(115)
Employee benefits	500	414
Gross value of in-force business	564	538
Less: Cost of capital	(64)	(124)
<b>Embedded value</b> (table 8)	7 550	6 323
Embedded value per share (cents)	1 068	911
Adjusted net asset value per share (cents)	715	600
Number of shares in issue (million) (net of 41 million treasury shares)	707	694

TABLE 8: EMBEDDED VALUE ATTRIBUTABLE TO GROUP	Net asset value Rm	Value of in-force Rm	31.12.2003 Total Rm	31.12.2002 Total Rm
Metropolitan Life Ltd	3 642	2 208	5 850	4 812
Metropolitan Odyssey Ltd	129	111	240	210
Metropolitan International Ltd	94	-	94	290
Metropolitan Life (Namibia) Ltd	146	128	274	177
Metropolitan Life of Botswana Ltd	58	42	100	73
Metropolitan Lesotho Ltd	3	4	7	-
Metropolitan Health Group	279	66	345	333
Methealth Namibia Administrators (Pty) Ltd	2	8	10	3
Asset management	43	150	193	198
Metropolitan Holdings (after consolidation adjustments)	803	(220)	583	411
Goodwill	(146)		(146)	(184)
<b>Total embedded value</b> (table 7)	5 053	2 497	7 550	6 323
Adjustment for surplus in 90:10 fund and goodwill (table 7)	807			
<b>Excess – group</b> (table 6)	5 860			

## METROPOLITAN HOLDINGS – GROUP RESULTS

TABLE 9: ANALYSIS OF CHANGES IN GROUP EMBEDDED VALUE	Non-insurance Rm	Insurance operations Rm	31.12.2003 Total Rm	31.12.2002 Total Rm
Profit from new business	75	109	184	141
Point of sale	72	103	175	132
Expected return to end of period	3	6	9	9
Profit from existing business	(118)	492	374	(51)
Expected return	55	298	353	425
Operating experience variances	(47)	(3)	(50)	(204)
Operating assumption changes	(126)	197	71	(272)
<b>Embedded value profit from operations</b>	(43)	601	558	90
Investment return on net worth	144	464	608	(566)
Economic assumption changes	32	160	192	(29)
Investment variances	2	63	65	(347)
Exchange rate movements	-	(6)	(6)	(5)
<b>Total embedded value profit</b>	135	1 282	1 417	(857)
Capital raised	64	15	79	174
Dividend paid	11	(278)	(267)	(287)
Share buy-back and share issue costs	(2)	-	(2)	(260)
<b>Increase in embedded value</b>	208	1 019	1 227	(1 230)
Return on embedded value (%)			22.4	(11.3)

TABLE 10: VALUE OF LIFE INSURANCE NEW BUSINESS	12 mths to 31.12.2003 Rm	12 mths to 31.12.2002 Rm
Retail business	58	-
Gross value of new business	61	8
Less: Cost of capital	(3)	(8)
Corporate business	34	60
Gross value of new business	37	67
Less: Cost of capital	(3)	(7)
International business *	11	8
Gross value of new business	12	10
Less: Cost of capital	(1)	(2)
	103	68

\* Net of outside shareholders

### Outside shareholders' interest

Metropolitan Namibia – from 1 January to 30 June 2003: 80.2%, from 1 July to 31 December 2003: 78.7%

Metropolitan Botswana – full year: 75%

## METROPOLITAN HOLDINGS – GROUP RESULTS

TABLE 11: SOURCE OF NEW BUSINESS	31.12.2003		31.12.2002	
	APE %	Total %	APE %	Total %
General intermediary channel	16	13	16	17
Direct writers	49	46	43	40
Direct mail and telemarketing	20	12	27	13
Broker distribution	15	29	14	30

TABLE 12: VALUE OF NON-LIFE NEW BUSINESS	12 mths to 31.12.2003 Rm	12 mths to 31.12.2002 Rm
Health administration	36	14
Asset management	36	50

TABLE 13: NEW BUSINESS PREMIUMS	12 mths to 31.12.2003 Rm	12 mths to 31.12.2002 Rm
<b>Recurring premiums</b>		
Retail business	608	505
Corporate business	178	213
International business *	98	111
Individual life	84	92
Employee benefits	14	19
	<b>884</b>	<b>829</b>
<b>Single premiums</b>		
Retail business	1 019	882
Corporate business	1 398	1 556
International business *	67	54
	<b>2 484</b>	<b>2 492</b>
Annual premium equivalent (APE)	1 132	1 078
* Net of outside shareholders		

TABLE 14: VALUE OF NEW BUSINESS AS A % OF ANNUAL PREMIUM EQUIVALENT (APE)	Margin	
	31.12.2003 %	31.12.2002 %
Retail business	8.2	0.0
Corporate business	10.7	16.3
International business	10.5	6.9
Total	9.1	6.3

APE represents new recurring premiums (net of lapses at inception) plus 10% of single premiums.

## METROPOLITAN HOLDINGS – GROUP RESULTS

TABLE 15: VALUATION OF NON-LIFE SUBSIDIARIES	Value as per balance sheet Rm	Write-up to fair value Rm	Embedded value Rm
Asset management (table 7 & 8)	43	150	193
Health administration (table 7 & 8)	281	74	355

Table 16: PRINCIPAL ASSUMPTIONS	31.12.2003 %	31.12.2002 %
Pre-tax investment return		
Equities	11.3	12.8
Properties	11.3	12.8
Government stock	9.3	10.8
Cash	7.3	8.8
Risk discount rate	11.8	14.3
Investment return (before tax) – smoothed bonus	10.7	12.2
Expense inflation rate	6.5	8.0

TABLE 17: LIFE BUSINESS: SENSITIVITIES – 31.12.2003		Change in base value of:		Notes
		In-force business %	New business %	
1%	Increase in risk discount rate	(5.5)	(9.4)	(i)
1%	Reduction in risk discount rate	5.8	10.6	(i)
10%	Increase in initial/maintenance and recurring expenses	(7.1)	(15.5)	(ii)
1%	Increase in expense and salary inflation	(3.0)	(4.1)	(ii)
10%	Increase in assumed lapses and surrenders	(1.6)	(8.1)	
10%	Increase in mortality and morbidity for assurances / reduction in mortality for annuities	(17.2)	(62.2)	(ii)
1%	Reduction in assumed investment return	(10.7)	(6.2)	(iii)
10%	Fall in market value of assets	(6.0)		
10%	Reduction in premium indexation take-up rate (from 60% to 50%)	(1.6)	(4.7)	
10%	Reduction in the number of new policies written		(22.9)	
10%	Increase in non-commission related acquisition expenses		(19.6)	
1%	Increase in risk discount rate impact on cost of CAR	(2.3)		(iv)
1%	Reduction in risk discount rate impact on cost of CAR	2.7		(iv)
Base value before cost of CAR (rand million)		2 642	110	

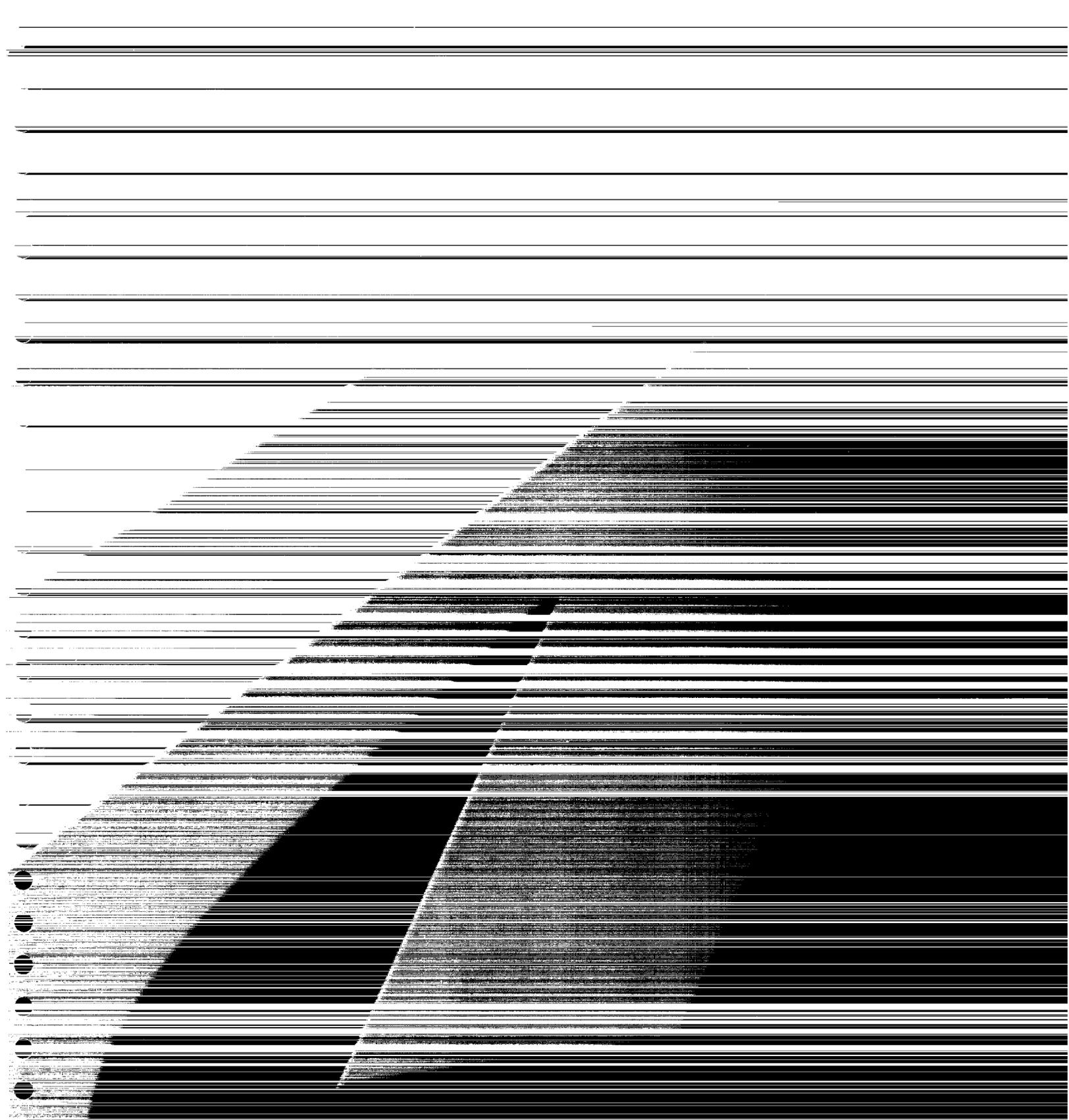
- (i) The risk discount rate appropriate to an investor depends on the investor's own requirements, tax position and perception of the risk associated with the realisation of the future profits of Metropolitan Holdings and its subsidiaries.
- (ii) No corresponding changes in variable policy charges are assumed, although in practice it is likely that variable charges will be modified according to circumstances.
- (iii) Bonus rates are assumed to change commensurately.
- (iv) A change in the risk discount rate also has a noticeable effect on the cost of holding the required CAR levels. The sensitivity of the cost of CAR to changes in the other assumptions was tested and found to be immaterial (under 0.1%). Other sensitivities above exclude the impact on the cost of CAR.

## METROPOLITAN HOLDINGS – GROUP RESULTS

TABLE 18: STOCK EXCHANGE PERFORMANCE	12 mths to 31.12.2003	12 mths to 31.12.2002	12 mths to 31.12.2001
Value of shares traded (rand million) *	994	1 652	2 472
Volume of shares traded (million) *	165	246	273
Shares traded (% of total shares in issue)	23.6	35.4	39.0
Value of shares traded – life insurance (J084 / IX42 – rand billion)	40.8	42.9	40.1
Value of shares traded – top 40 index (J200 / FI01 – rand million)	653.4	684.1	504.9
Trade prices (cents per share)			
Highest	750	902	1 060
Lowest	470	485	650
Last sale of year (31 December)	685	610	800
Percentage change during year	12.30	(23.75)	(18.28)
Percentage change – life insurance sector (J084)	0.45	(18.04)	(15.69)
Percentage change – top 40 index (J200)	9.37	(14.13)	28.41
<b>31 December</b>			
Price / core headline earnings ratio	11.03	11.04	15.24
Dividend yield % (dividend on listed shares)	6.28	6.23	4.38
Dividend yield – top 40 index (J200)	2.85	5.76	3.37
Total shares issued (million)			
Listed	637	635	667
Ordinary shares #	627	628	661
Share incentive scheme	10	7	6
Unlisted	70	59	33
Share purchase scheme	70	59	33
Total	707	694	700
Market capitalisation at year-end (rand billion)#			
	4.84	4.23	5.60
Percentage of life insurance sector			
	5.96	5.27	n/a

\* 2002 is net of 33 million shares acquired for R260 million and 2001 is net of 28 million shares acquired for R234 million as part of a share buy-back.

# Net of 41 million treasury shares held by a subsidiary company for both 2002 and 2003.

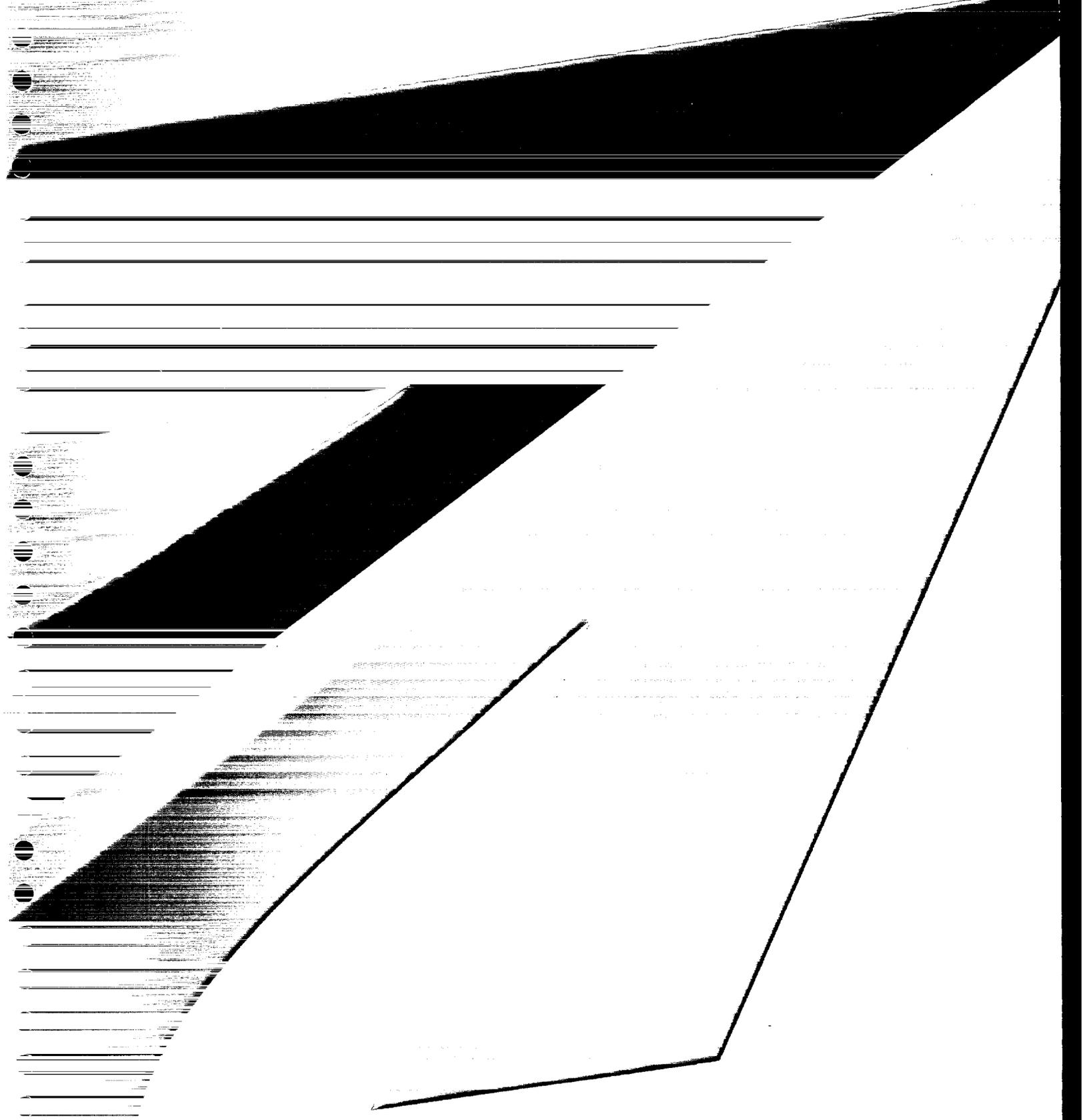


# Investor Presentation



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**2003**

Year-end results

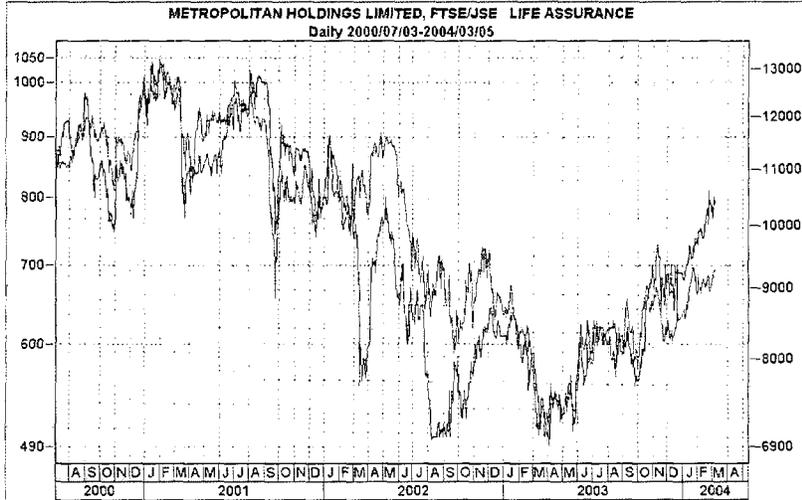
10 | 03 | 2004

# Index

	<b>PAGE</b>
Share price vs sector	1
Management delivered ...	1
<b>2003 results</b>	<b>2</b>
Achievements for 2003	2
Achievements for 2003 in Rands	3
Growth in core headline earnings	3
Strong growth in embedded value	4
NAV & NB contribution	4
<b>What management action produced these results?</b>	<b>5</b>
Management actions	5
<b>New business margins</b>	<b>6</b>
Achieved targeted growth in value of new business	6
Retail margin improvement	7
Retail NB production cycle	7
Further reduction in lapses	8
<b>Cost management</b>	<b>8</b>
Headcount changing trend	9
Growth in life expenses (excluding commissions)	9
In-force growth taking off	10
2003 unit costs	10
<b>International operations</b>	<b>11</b>
Excellent profit growth from current international operations	11
Excellent EV growth from current international operations	12
Investing in new international opportunities	12
<b>Health business</b>	<b>13</b>
Diversification @ MHG pays off ...	13
<b>Investment performance</b>	<b>14</b>
Investment performance contributed strongly in 2003	14
How did we achieve our good investment performance?	15
Funding levels improved ...	15
<b>Strategy</b>	<b>16</b>
Our view on "industry consolidation"	16
Medium term scenario	17
Demographic scenario	17
Impact on Metropolitan	18
Adjacent market strategy	18

<b>Management</b>	19
Remaining management “issues”?	19
Management confidence survey	20
<b>Shareholder value</b>	20
Performance objectives aligned to shareholders’ interest	21
Creating shareholder value	21
<b>Conclusion</b>	22
<b>Summary of financial information</b>	
Analysis of surplus	23
Table 1: Consolidated income statement	24
Table 2: Reconciliation of headline earnings	24
Table 3: Consolidated balance sheet	25
Table 4: Consolidated statement of changes in equity	25
Table 5: Consolidated cash flow statement	26
Table 6: Statement of actuarial values of assets and liabilities	26
Note 1 - Income from administration business ( <i>before tax, goodwill and outside shareholders</i> )	27
Note 2 – Income from holding company ( <i>before tax</i> )	27
Note 3 – Analysis of core headline earnings	27
Note 4 - Funds received from clients	28
Note 5 - Assets under management	28
Note 6 - Policyholders’ fund	29
Note 7 - Premiums received	29
Note 8 – Payments to policyholders	30
Note 9 - Analysis of assets backing group excess	30
Table 7: Embedded value	31
Table 8: Embedded value attributable to group	31
Table 9: Analysis of changes in group embedded value	32
Table 10: Value of life insurance new business	32
Table 11: Source of new business	33
Table 12: Value of non-life new business	33
Table 13: New business premiums	33
Table 14: Value of new business as a % of annual premium equivalent (APE)	33
Table 15: Valuation of non-life subsidiaries	34
Table 16: Principal assumptions	34
Table 17: Life business: sensitivities – 31.12.2003	34
Table 18: Stock exchange performance	35

## Share price vs sector



Management delivered ...



**The 2003 results delivered  
exciting growth for our  
shareholders**

# 2003 results



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## Achievements for 2003



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▶ Embedded value of life new business	<b>+51%</b>
▶ Retail recurring premium new business	<b>+20%</b>
▶ Retail operating profit before tax	<b>+37%</b>
▶ Core headline earnings	<b>+15%</b>
▶ Dividend per share	<b>+13%</b>
▶ Embedded value	<b>+19%</b>

## Achievements for 2003 in Rands



Headline earnings	<b>R1.1 billion</b>
Core headline earnings	<b>R434m</b>
Embedded value	<b>R7.6 billion</b>
Net cash flow from clients	<b>R3.1 billion</b>
Embedded value of new business	<b>R103m</b>

## Growth in core headline earnings



**+15% to R434m**

	2002	2003	% growth
Corporate business	94	111	18
Retail business	170	207	22
International business	13	3	(77)
Health business	22	20	(9)
Shareholders' equity	79	93	18
Total	378	434	15

## Strong growth in embedded value



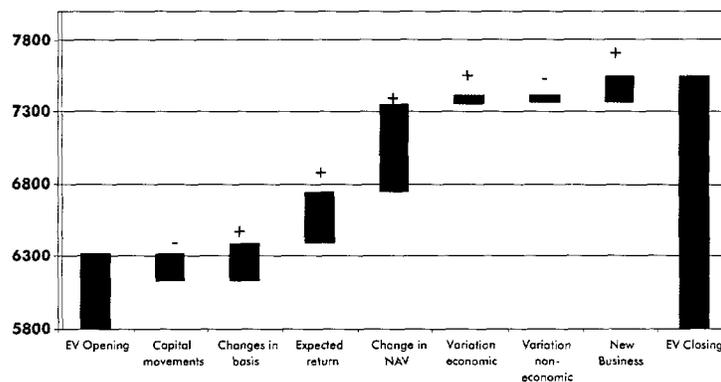
### 22% return on EV

	31/12/02	31/12/03	%
	Rbn	Rbn	growth
Adjusted net asset value	4.1	5.1	24
Value of in-force	2.2	2.5	14
<b>Embedded value</b>	<b>6.3</b>	<b>7.6</b>	<b>19</b>
<b>Embedded value per share (cents)</b>	<b>911</b>	<b>1 068</b>	<b>17</b>
<b>Return on embedded value (%)</b>	<b>(11)</b>	<b>22</b>	

## NAV & NB contribution



Movement in EV for 12 months to 31 December 2003



**What management  
action produced  
these results?**



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**Management actions**



**METROPOLITAN**

**New business margins ▶**

**Investment performance ▶**

**International growth ▶**

**Cost management ▶**

**Health business ▶**

# New business margins



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**Achieved targeted growth in value  
of new business**



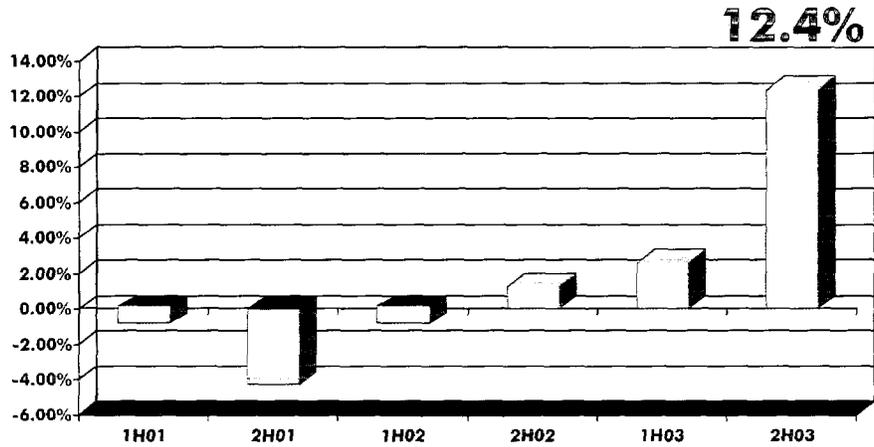
METROPOLITAN

**51% growth from R68m  
to R103m**

**Total NB margin increased from  
6.3% to 9.1%**

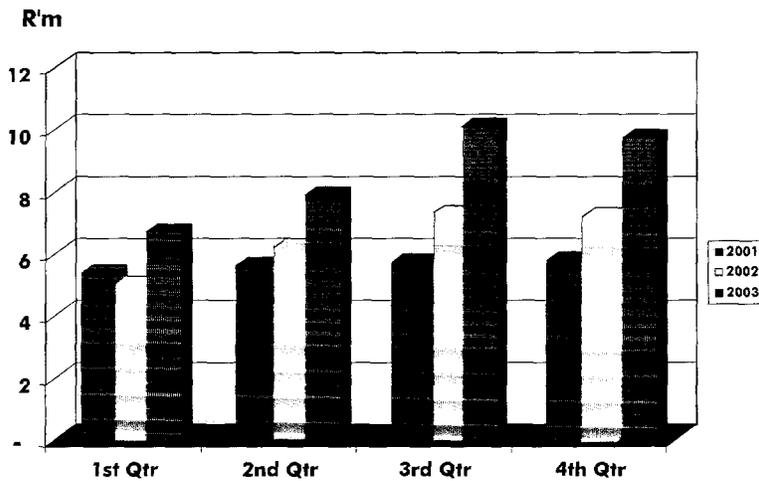
*... but more improvement to come in 2004*

## Retail margin improvement



... but further improvement planned in 2004

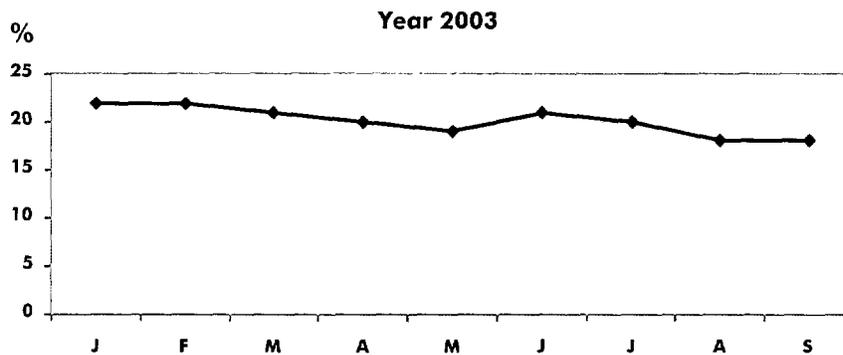
## Retail NB production cycle



## Further reduction in lapses



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*... but more improvement to come in 2004*

## Cost management

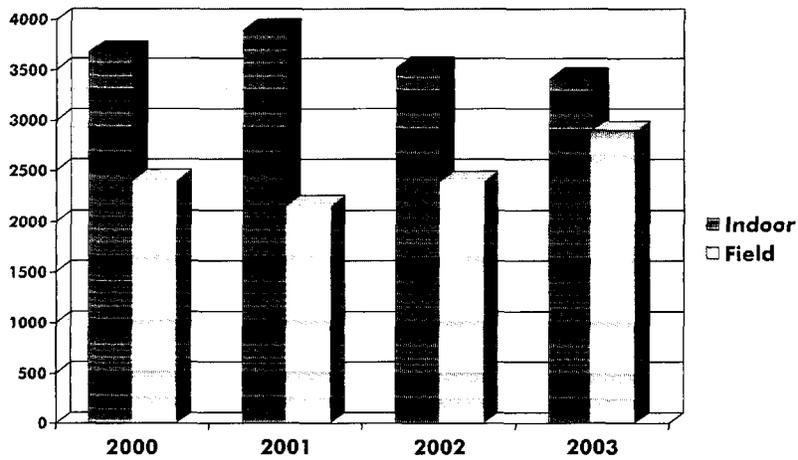


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## Headcount changing trend



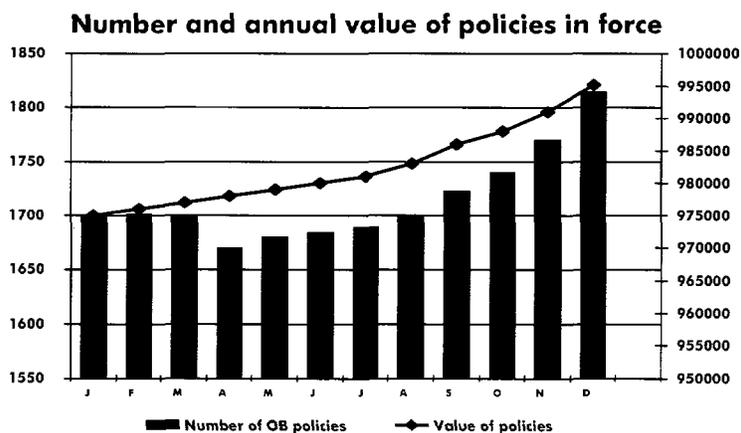
## Growth in life expenses (excluding commissions)



	Compound growth	CPI adjusted growth
1 year	8.0%	1.3%
2 years	2.0%	-5.3%
3 years	5.9%	-1.1%

... but further absolute reduction in 2004

## In-force growth taking off



## 2003 unit costs



**12% reduction in actual issue cost  
of ordinary business policies**

**Renewal cost of R84 per policy**

*.. but further reductions planned in 2004*

# International operations



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## Excellent profit growth from current international operations



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### Operating profits

**Namibia up 104% to N\$9.0m**

**Botswana up 98% to P8.7m**

*Includes outside shareholders*

**Excellent EV growth from current international operations**



**Embedded value**

**Namibia up 55% to R274m**

**Botswana up 37% to R100m**

*In ZAR and net of outside shareholders*

**Investing in new international opportunities**



- ▶ **Lesotho established**
- ▶ **Metropolitan International established**
- ▶ **Kenyan Health operation near break-even**
- ▶ **New markets being explored**

***Excluding these investments, both International and Health grew core headline earnings***

# Health business



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## Diversification @ MHG pays off ..



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- ▶ All schemes over **22.5%** statutory solvency level
- ▶ OpenPlan surplus of **30%**
- ▶ Income from non-admin sources now **22%** of total, eg Qualsa
- ▶ **66 000** new members taken on 1 Jan 04
- ▶ Total members now **330 000**, or **800 000** lives

# Investment performance



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## Investment performance contributed strongly in 2003



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- ▶ Performance exceeded all benchmarks
- ▶ Relative underweight SA equities hurt comparative performance in Q4

**Total shareholders' funds delivered an  
investment return of 21%**

## How did we achieve our good investment performance



- ▶ **Equity stock picking**
- ▶ **Protected downside on smoothed bonus funds**
- ▶ **Clearly ring-fenced liability funds and mandates**

## Funding levels improved ...



- ▶ **For all smoothed bonus funds**
- ▶ **Only one ex-CU fund under 92.5% Group**
- ▶ **CAR cover increased from 2.9 times to 3.6 times**

*Capital management project in 2004*

# Strategy



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## Our view on "industry consolidation"



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- ▶ Turnaround in 2003 results
- ▶ Further improvements in FY04
- ▶ Further cost reductions in FY04
- ▶ Under-valued - poor timing
- ▶ "Low-hanging fruit" for our shareholders
- ▶ Merger risks are underestimated
- ▶ Metropolitan better positioned to sustain profitable growth in the medium term than its competitors ...

*...given our strategic view ...*

## Medium term scenario



### Macro environment

- ▶ **Political stability**
- ▶ **Pressure on government to deliver**
- ▶ **Moderate, volatile investment returns**
- ▶ **Low inflation and interest rates**
- ▶ **Moderate GDP growth - 2% to 3%**

*Not very exciting, but ....*

## Demographic scenario ...



### Shifting dynamics in SA

- ▶ **Growth in SME sector**
- ▶ **Growing black middle class**
- ▶ **Growing buying power for black people & women**
- ▶ **Increased use of cellular and other technologies**
- ▶ **Health-care impact from HIV/AIDS**
- ▶ **Need for low cost financial services**
- ▶ **Low-income access to financial services**
- ▶ **Impact of the financial services charter**

*...will impact our industry...*

## Impact on Metropolitan



### 'Rules of the game'

- ▶ Maintain focus on growing low/middle-income markets
- ▶ Understand strong brand vs. low cost dynamic
- ▶ Explore significantly lower cost processes
- ▶ Explore innovative products & distribution
- ▶ Explore high-tech/low-income service delivery
- ▶ Explore "adjacent" markets ...

*... growth, but lower cost of doing business*

## Adjacent market strategy



# Management



METROPOLITAN

Together we can

PEOPLE | TRUST | PERFORMANCE

## Remaining management "issues"?



METROPOLITAN

### 2001/2002

- ▷ Group structure
- ▷ Strategic focus
- ▷ Health funds
- ▷ Cost growth
- ▷ NB margins
- ▷ NB growth
- ▷ NB pricing
- ▷ Lapses
- ▷ Investment performance
- ▷ Disclosure

### 2003/2004

- ▷ -
- ▷ -
- ▷ -
- ▷ **Cost reductions**
- ▷ **NB margins**
- ▷ -
- ▷ -
- ▷ -
- ▷ -
- ▷ -

## Management confidence survey



### 2002

- ✗ Focus was on confidence
- ✗ 39% survey response
- ✗ Some strong negatives
- ✓ Fewer strong positives
- ✓ Management action starting to deliver results
- ✗ Still a long way to go

### 2003

- ✓ Focus was on performance
- ✓ 68% survey response
- ✓ Majority agreed that performance had turned
- ✓ Need recognised need for further improvements
- ✓ Strong and committed leadership would succeed
- ✓ Management and staff "hungry for success"

## Shareholder value



METROPOLITAN

Together we can

PEOPLE | TRUST | PERFORMANCE

## Performance objectives aligned to shareholders' interest



METROPOLITAN

Objective	Target	Weighting
Growth in value of in-force	+11.75%	20%
Growth in headline earnings	+12%	20%
Retail NB profit margin	12.5%	10%
EB NB profits	R45m	20%
Customers	various	10%
People & empowerment	various	20%

## Creating shareholder value



METROPOLITAN

- ▶ Good results
- ▶ Strong brand and focus in growth markets
- ▶ Scale business (over 5 million customers)
- ▶ Industry leader in disclosure
- ▶ Mid-cap stock, US\$827 million, with good liquidity
- ▶ No exposure to bank balance sheet
- ▶ Well capitalised - plan to address capital utilisation
- ▶ Strong dividend growth

# CONCLUSION

Our 2003 results delivered  
good performance

Our strategy demonstrates  
sustainable performance



METROPOLITAN  
Together we can

**Summary of financial  
information**

## Analysis of surplus

	Surplus Rm	90:10 FSV Rm	90:10 earnings Rm	Total Rm
<b>2003</b>				
Operating profit	246	29	13	288
Investment income on excess	163	(41)	6	128
Basis and other changes	49	137	-	186
Investment variances	10	-	-	10
Capital appreciation on excess	406	(75)	14	345
Net consolidation adjustments				16
	874	50	33	973
<b>2002</b>				
Operating profit	246	(17)	17	246
Investment income on excess	137	(50)	6	93
Basis and other changes	61	42	-	103
Investment variances	(85)	-	-	(85)
Capital appreciation on excess	(699)	142	(35)	(592)
Net consolidation adjustments				(21)
	(340)	117	(12)	(256)

## METROPOLITAN HOLDINGS – GROUP RESULTS

<b>TABLE 1: CONSOLIDATED INCOME STATEMENT</b>	<b>12 mths to 31.12.2003 Rm</b>	<b>12 mths to 31.12.2002 Rm</b>
Income from insurance and investment business (table 6; note 6)	1 205	(236)
Income from administration business (note 1)	65	62
Income from holding company (note 2)	140	(131)
<b>Income before goodwill and tax</b>	<b>1 410</b>	<b>(305)</b>
Goodwill amortised	(53)	(52)
<b>Income before tax</b>	<b>1 357</b>	<b>(357)</b>
Shareholders' tax paid	(272)	(25)
<b>Income after tax</b>	<b>1 085</b>	<b>(382)</b>
Outside shareholders' share of earnings	(21)	(3)
<b>Earnings</b>	<b>1 064</b>	<b>(385)</b>

<b>TABLE 2: RECONCILIATION OF HEADLINE EARNINGS</b>	<b>12 mths to 31.12.2003 Rm</b>	<b>12 mths to 31.12.2002 Rm</b>
<b>Earnings</b>	<b>1 064</b>	<b>(385)</b>
Goodwill amortised	53	52
<b>Headline earnings (1)</b>	<b>1 117</b>	<b>(333)</b>
Capital (appreciation)/depreciation on excess	(494)	729
Basis changes and investment variances	(189)	(18)
<b>Core headline earnings (2) (note 3)</b>	<b>434</b>	<b>378</b>

Core headline earnings per share (cents)	62.09	55.26
Headline earnings per share (cents)	159.80	(48.68)
Earnings per share (cents)	152.22	(56.29)
Weighted average number of shares in issue (million)	699	684

### Dividend per ordinary listed shares (cents)

Interim	18.00	17.50
Final	25.00	20.50
<b>Total</b>	<b>43.00</b>	<b>38.00</b>

(1) Headline earnings consist of operating profit, investment income, capital appreciation, investment variances and basis and other changes.

(2) Changes in market value of investments can be volatile, therefore core headline earnings have been disclosed which comprise operating profit and investment income only.

## METROPOLITAN HOLDINGS – GROUP RESULTS

TABLE 3: CONSOLIDATED BALANCE SHEET	31.12.2003 Rm	31.12.2002 Rm
<b>ASSETS</b>		
Non-current assets	35 493	30 931
Investment assets	34 930	30 279
Goodwill	337	389
Intangible assets	81	97
Deferred tax	24	40
Tangible assets	121	126
Current assets	1 615	1 468
<b>Total assets (note 5)</b>	<b>37 108</b>	<b>32 399</b>
<b>EQUITY AND LIABILITIES</b>		
Capital and reserves (table 4)	5 199	4 329
Outside shareholders' interest	72	52
Non-current liabilities	30 268	26 610
Policyholders' fund (note 6)	30 231	26 600
Deferred tax	37	10
Current liabilities	1 569	1 408
<b>Total equity and liabilities</b>	<b>37 108</b>	<b>32 399</b>

TABLE 4: CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	12 mths to 31.12.2003 Rm	12 mths to 31.12.2002 Rm
<b>Shareholders' equity at beginning</b>	<b>4 329</b>	<b>5 101</b>
<b>Changes in share capital</b>	<b>77</b>	<b>(86)</b>
Issue of share capital	-	-
Share premium on new issue	79	174
Treasury shares acquired	-	(110)
Shares acquired and cancelled	(2)	(150)
<b>Changes in distributable reserve</b>	<b>830</b>	<b>(705)</b>
Revaluation of owner-occupied properties	33	(33)
Earnings	1 064	(385)
Dividend	(267)	(287)
<b>Changes in foreign currency translation reserve</b>	<b>(4)</b>	<b>(14)</b>
Foreign currency translation changes	(16)	(4)
Transfer to policyholders' fund	12	(10)
<b>Change in non-distributable reserve</b>	<b>(33)</b>	<b>33</b>
Revaluation of owner-occupied properties	(33)	33
<b>Shareholders' equity at end (table 3; note 9)</b>	<b>5 199</b>	<b>4 329</b>

## METROPOLITAN HOLDINGS – GROUP RESULTS

TABLE 5: CONSOLIDATED CASH FLOW STATEMENT	12 mths to 31.12.2003 Rm	12 mths to 31.12.2002 Rm
Net cash inflow from operating activities	1 953	2 061
Net cash outflow from investing activities	(1 549)	(1 705)
Net cash in/(out)flow from financing activities	77	(86)
<b>Net cash flow</b>	<b>481</b>	<b>270</b>
Cash resources and funds on deposit at beginning	3 395	3 125
<b>Cash resources and funds on deposit at end</b>	<b>3 876</b>	<b>3 395</b>

TABLE 6: STATEMENT OF ACTUARIAL VALUES OF ASSETS AND LIABILITIES	31.12.2003 Rm	31.12.2002 Rm
Total assets per balance sheet (table 3)	37 108	32 399
Current liabilities and deferred tax per balance sheet	(1 606)	(1 418)
Outside shareholders' interest per balance sheet	(72)	(52)
<b>Net assets – group</b>	<b>35 430</b>	<b>30 929</b>
Actuarial liabilities under unmaturred policies	(29 570)	(25 857)
<b>Excess – group</b> (table 7 & 8; note 9)	<b>5 860</b>	<b>5 072</b>
Net assets – non-insurance	(1 165)	(984)
<b>Excess – insurance and investment business</b>	<b>4 695</b>	<b>4 088</b>
<b>Change in excess of insurance and investment business</b>	<b>607</b>	<b>(651)</b>
Increase in share capital	(15)	(7)
Foreign currency translation changes	4	5
Dividend paid	278	313
<b>Total surplus arising</b>	<b>874</b>	<b>(340)</b>
Operating profit	246	246
Investment income	163	137
Basis and other changes	49	61
Investment variances	10	(85)
Capital appreciation/(depreciation)	406	(699)
Surplus arising (90:10 fund)	50	117
Shareholder's earnings (90:10 fund)	33	(12)
Consolidation adjustments	16	(21)
<b>Net profit from insurance and investment business</b>	<b>973</b>	<b>(256)</b>
Shareholders' tax paid	217	5
Goodwill amortised	15	15
<b>Income from insurance and investment business (before goodwill and tax)</b> (table 1)	<b>1 205</b>	<b>(236)</b>
Capital adequacy requirement (CAR) (Rm)	1 640	1 726
Capital adequacy multiple (group excess)	3.6	2.9
Capital adequacy multiple (insurance and investment business)	2.9	2.4
Second-tier margins	1 216	1 078

## METROPOLITAN HOLDINGS – GROUP RESULTS

<b>NOTE 1 - INCOME FROM ADMINISTRATION BUSINESS</b> (before tax, goodwill and outside shareholders)	<b>Revenue</b>	<b>12 mths to 31.12.2003 Expenses</b>	<b>Total</b>	<b>12 mths to 31.12.2002 Total</b>
	<b>Rm</b>	<b>Rm</b>	<b>Rm</b>	<b>Rm</b>
Health administration	289	(259)	30	31
Asset management	71	(48)	23	20
Asset administration	37	(25)	12	11
<b>Total income from administration business (table 1)</b>	<b>397</b>	<b>(332)</b>	<b>65</b>	<b>62</b>

<b>NOTE 2 – INCOME FROM HOLDING COMPANY (before tax)</b>	<b>12 mths to 31.12.2003 Rm</b>	<b>12 mths to 31.12.2002 Rm</b>
Investment income	42	35
Realised and unrealised capital appreciation/(depreciation)	132	(142)
Administration expenses	(34)	(24)
<b>Net income from holding company (table 1)</b>	<b>140</b>	<b>(131)</b>

<b>NOTE 3 – ANALYSIS OF CORE HEADLINE EARNINGS</b>	<b>12 mths to 31.12.2003 Rm</b>	<b>12 mths to 31.12.2002 Rm</b>
<b>Corporate business</b>	<b>111</b>	<b>94</b>
Operating profit	154	132
Tax	(43)	(38)
<b>Retail business</b>	<b>207</b>	<b>170</b>
Operating profit	283	206
Tax	(76)	(36)
<b>International business</b>	<b>3</b>	<b>13</b>
Operating profit	8	16
Tax	(5)	(3)
<b>Metropolitan Health Group</b>	<b>20</b>	<b>22</b>
Operating profit	24	28
Tax	(4)	(6)
<b>Shareholders' equity</b>	<b>93</b>	<b>79</b>
Holding company expenses	(34)	(24)
Investment income on total shareholders' assets	168	145
Income tax on investment income	(41)	(42)
<b>Core headline earnings (table 2)</b>	<b>434</b>	<b>378</b>
<b>Total operating profit</b>	<b>469</b>	<b>382</b>
Holding company expenses	(34)	(24)
Investment income on total shareholder assets	168	145
Total tax	(169)	(125)
<b>Core headline earnings (table 2)</b>	<b>434</b>	<b>378</b>

## METROPOLITAN HOLDINGS – GROUP RESULTS

NOTE 4 - FUNDS RECEIVED FROM CLIENTS	Gross inflow	Gross outflow	12 mths Net inflow 31.12.2003	12 mths Net inflow 31.12.2002
	Rm	Rm	Rm	Rm
<b>On-balance sheet</b>				
Retail business	3 900	(2 467)	1 433	1 288
Corporate business	2 463	(2 281)	182	347
International business	721	(367)	354	268
<i>Total premiums/claims (note 7, 8)</i>	7 084	(5 115)	1 969	1 903
<b>Off-balance sheet</b>				
Health group	3 648	(3 245)	403	239
Corporate business	2 685	(1 951)	734	682
<b>Total</b>	13 417	(10 311)	3 106	2 824
<b>NOTE 5 - ASSETS UNDER MANAGEMENT</b>			<b>31.12.2003</b>	<b>31.12.2002</b>
			<b>Rm</b>	<b>Rm</b>
Investment assets			34 927	30 279
Strategic investments			3	-
Goodwill			337	389
Tangible and intangibles assets			202	223
Current assets and deferred tax			1 639	1 508
<b>Total on-balance sheet assets (table 3)</b>			<b>37 108</b>	<b>32 399</b>
Unit trusts			1 524	1 393
Health administration			1 577	1 281
Metropolitan Asset Managers			4 729	3 649
EB segregated assets			783	805
<b>Total assets under management</b>			<b>45 721</b>	<b>39 527</b>

## METROPOLITAN HOLDINGS – GROUP RESULTS

NOTE 6: POLICYHOLDERS' FUND	31.12.2003 Rm	31.12.2002 Rm
<b>Balance at beginning</b>	26 600	27 048
<b>Inflow</b>	11 454	5 583
Premiums received (note 7)	7 084	6 824
Investment return	4 370	(1 241)
Investment income	1 762	1 888
Realised and unrealised capital appreciation/(depreciation)	2 608	(3 129)
<b>Outgo</b>	(6 606)	(6 277)
Payments to policyholders (note 8)	(5 115)	(4 921)
Sales and distribution costs	(741)	(642)
Administration expenses	(769)	(697)
Policyholders' tax paid	19	(17)
Income from insurance and investment business (table 1 & 6)	(1 205)	236
Foreign currency translation changes	(12)	10
<b>Balance at end</b>	30 231	26 600
Liabilities under insurance contracts	23 948	21 172
Liabilities under investment contracts	5 622	4 685
90:10 fund surplus	661	743
<b>Total (table 3)</b>	30 231	26 600
<hr/>		
NOTE 7 - PREMIUMS RECEIVED	12 mths to 31.12.2003 Rm	12 mths to 31.12.2002 Rm
<b>Recurring premiums</b>	4 593	4 332
Individual life	3 558	3 270
Employee benefits	1 304	1 278
Re-insurance	(269)	(216)
<b>Single premiums</b>	2 491	2 492
Individual life	1 040	930
Employee benefits	1 451	1 562
<b>Total (note 6)</b>	7 084	6 824
Insurance contracts	5 199	5 457
Investment contracts	1 885	1 367
	7 084	6 824
Metropolitan Life Ltd	6 107	5 997
Metropolitan Odyssey Ltd	416	333
Metropolitan Life (Namibia) Ltd	322	313
Metropolitan Life of Botswana Ltd	186	181
Metropolitan Lesotho Ltd	53	-
	7 084	6 824

## METROPOLITAN HOLDINGS – GROUP RESULTS

NOTE 8 – PAYMENTS TO POLICYHOLDERS	12 mths to 31.12.2003 Rm	12 mths to 31.12.2002 Rm
<b>Individual life</b>	<b>2 735</b>	<b>2 537</b>
Death and disability claims	734	661
Maturity claims	752	603
Annuities	416	378
Surrenders	898	935
Re-insurance recoveries	(65)	(40)
<b>Employee benefits</b>	<b>2 380</b>	<b>2 384</b>
Death and disability claims	474	342
Maturity claims	703	141
Annuities	278	199
Withdrawal benefits	206	339
Terminations	829	1 423
Re-insurance recoveries	(110)	(60)
<b>Total (note 6)</b>	<b>5 115</b>	<b>4 921</b>
Insurance contracts	3 719	3 773
Investment contracts	1 396	1 148
	<b>5 115</b>	<b>4 921</b>
Metropolitan Life Ltd	4 654	4 468
Metropolitan Odyssey Ltd	207	228
Metropolitan Life (Namibia) Ltd	176	180
Metropolitan Life of Botswana Ltd	75	45
Metropolitan Lesotho Ltd	3	-
	<b>5 115</b>	<b>4 921</b>

NOTE 9 - ANALYSIS OF ASSETS BACKING GROUP EXCESS	31.12.2003 Rm	%	31.12.2002 Rm	%
Listed equities	2 818	54.2	2 253	52.0
Foreign investments	439	8.4	599	13.8
Properties	373	7.2	432	10.0
Fixed interest	676	13.0	384	8.9
Money market	425	8.2	166	3.8
Intangible assets	337	6.5	389	9.0
Other assets	131	2.5	106	2.5
<b>Group net asset value (table 4)</b>	<b>5 199</b>	<b>100.0</b>	<b>4 329</b>	<b>100.0</b>
Surplus in 90:10 fund	661		743	
<b>Excess – group (table 6)</b>	<b>5 860</b>		<b>5 072</b>	

## METROPOLITAN HOLDINGS – GROUP RESULTS

TABLE 7: EMBEDDED VALUE	31.12.2003 Rm	31.12.2002 Rm
<b>Excess – group</b> (table 6)	5 860	5 072
Adjustments for:		
Asset management (table 15)	150	139
Health administration (table 15)	74	43
Holding company expenses	(220)	(163)
Surplus in 90:10 fund and goodwill (table 8)	(807)	(927)
<b>Adjusted net asset value</b>	5 057	4 164
<b>Net value of in-force business</b>	2 493	2 159
Individual life	1 993	1 745
Gross value of in-force business	2 078	1 860
Less: Cost of capital	(85)	(115)
Employee benefits	500	414
Gross value of in-force business	564	538
Less: Cost of capital	(64)	(124)
<b>Embedded value</b> (table 8)	7 550	6 323
Embedded value per share (cents)	1 068	911
Adjusted net asset value per share (cents)	715	600
Number of shares in issue (million) (net of 41 million treasury shares)	707	694

TABLE 8: EMBEDDED VALUE ATTRIBUTABLE TO GROUP	Net asset value Rm	Value of in-force Rm	31.12.2003 Total Rm	31.12.2002 Total Rm
Metropolitan Life Ltd	3 642	2 208	5 850	4 812
Metropolitan Odyssey Ltd	129	111	240	210
Metropolitan International Ltd	94	-	94	290
Metropolitan Life (Namibia) Ltd	146	128	274	177
Metropolitan Life of Botswana Ltd	58	42	100	73
Metropolitan Lesotho Ltd	3	4	7	-
Metropolitan Health Group	279	66	345	333
Methealth Namibia Administrators (Pty) Ltd	2	8	10	3
Asset management	43	150	193	198
Metropolitan Holdings (after consolidation adjustments)	803	(220)	583	411
Goodwill	(146)		(146)	(184)
<b>Total embedded value</b> (table 7)	5 053	2 497	7 550	6 323
Adjustment for surplus in 90:10 fund and goodwill (table 7)	807			
<b>Excess – group</b> (table 6)	5 860			

## METROPOLITAN HOLDINGS – GROUP RESULTS

TABLE 9: ANALYSIS OF CHANGES IN GROUP EMBEDDED VALUE	Non-insurance Rm	Insurance operations Rm	31.12.2003 Total Rm	31.12.2002 Total Rm
Profit from new business	75	109	184	141
Point of sale	72	103	175	132
Expected return to end of period	3	6	9	9
Profit from existing business	(118)	492	374	(51)
Expected return	55	298	353	425
Operating experience variances	(47)	(3)	(50)	(204)
Operating assumption changes	(126)	197	71	(272)
<b>Embedded value profit from operations</b>	(43)	601	558	90
Investment return on net worth	144	464	608	(566)
Economic assumption changes	32	160	192	(29)
Investment variances	2	63	65	(347)
Exchange rate movements	-	(6)	(6)	(5)
<b>Total embedded value profit</b>	135	1 282	1 417	(857)
Capital raised	64	15	79	174
Dividend paid	11	(278)	(267)	(287)
Share buy-back and share issue costs	(2)	-	(2)	(260)
<b>Increase in embedded value</b>	208	1 019	1 227	(1 230)
Return on embedded value (%)			22.4	(11.3)

TABLE 10: VALUE OF LIFE INSURANCE NEW BUSINESS	12 mths to 31.12.2003 Rm	12 mths to 31.12.2002 Rm
Retail business	58	-
Gross value of new business	61	8
Less: Cost of capital	(3)	(8)
Corporate business	34	60
Gross value of new business	37	67
Less: Cost of capital	(3)	(7)
International business *	11	8
Gross value of new business	12	10
Less: Cost of capital	(1)	(2)
	103	68

\* Net of outside shareholders

### Outside shareholders' interest

Metropolitan Namibia – from 1 January to 30 June 2003: 80.2%, from 1 July to 31 December 2003: 78.7%

Metropolitan Botswana – full year: 75%

## METROPOLITAN HOLDINGS – GROUP RESULTS

TABLE 11: SOURCE OF NEW BUSINESS	31.12.2003		31.12.2002	
	APE %	Total %	APE %	Total %
General intermediary channel	16	13	16	17
Direct writers	49	46	43	40
Direct mail and telemarketing	20	12	27	13
Broker distribution	15	29	14	30

TABLE 12: VALUE OF NON-LIFE NEW BUSINESS	12 mths to 31.12.2003	12 mths to 31.12.2002
	Rm	Rm
Health administration	36	14
Asset management	36	50

TABLE 13: NEW BUSINESS PREMIUMS	12 mths to 31.12.2003	12 mths to 31.12.2002
	Rm	Rm
<b>Recurring premiums</b>		
Retail business	608	505
Corporate business	178	213
International business *	98	111
Individual life	84	92
Employee benefits	14	19
	<b>884</b>	<b>829</b>
<b>Single premiums</b>		
Retail business	1 019	882
Corporate business	1 398	1 556
International business *	67	54
	<b>2 484</b>	<b>2 492</b>
Annual premium equivalent (APE)	1 132	1 078
<i>* Net of outside shareholders</i>		

TABLE 14: VALUE OF NEW BUSINESS AS A % OF ANNUAL PREMIUM EQUIVALENT (APE)	Margin	
	31.12.2003 %	31.12.2002 %
Retail business	8.2	0.0
Corporate business	10.7	16.3
International business	10.5	6.9
Total	<b>9.1</b>	<b>6.3</b>

*APE represents new recurring premiums (net of lapses at inception) plus 10% of single premiums.*

## METROPOLITAN HOLDINGS – GROUP RESULTS

TABLE 15: VALUATION OF NON-LIFE SUBSIDIARIES	Value as per balance sheet Rm	Write-up to fair value Rm	Embedded value Rm
Asset management (table 7 & 8)	43	150	193
Health administration (table 7 & 8)	281	74	355

Table 16: PRINCIPAL ASSUMPTIONS	31.12.2003 %	31.12.2002 %
Pre-tax investment return		
Equities	11.3	12.8
Properties	11.3	12.8
Government stock	9.3	10.8
Cash	7.3	8.8
Risk discount rate	11.8	14.3
Investment return (before tax) – smoothed bonus	10.7	12.2
Expense inflation rate	6.5	8.0

TABLE 17: LIFE BUSINESS: SENSITIVITIES – 31.12.2003	Change in base value of:		Notes
	In-force business %	New business %	
1% Increase in risk discount rate	(5.5)	(9.4)	(i)
1% Reduction in risk discount rate	5.8	10.6	(i)
10% Increase in initial/maintenance and recurring expenses	(7.1)	(15.5)	(ii)
1% Increase in expense and salary inflation	(3.0)	(4.1)	(ii)
10% Increase in assumed lapses and surrenders	(1.6)	(8.1)	
10% Increase in mortality and morbidity for assurances / reduction in mortality for annuities	(17.2)	(62.2)	(ii)
1% Reduction in assumed investment return	(10.7)	(6.2)	(iii)
10% Fall in market value of assets	(6.0)		
10% Reduction in premium indexation take-up rate (from 60% to 50%)	(1.6)	(4.7)	
10% Reduction in the number of new policies written		(22.9)	
10% Increase in non-commission related acquisition expenses		(19.6)	
1% Increase in risk discount rate impact on cost of CAR	(2.3)		(iv)
1% Reduction in risk discount rate impact on cost of CAR	2.7		(iv)
Base value before cost of CAR (rand million)	2 642	110	

- (i) The risk discount rate appropriate to an investor depends on the investor's own requirements, tax position and perception of the risk associated with the realisation of the future profits of Metropolitan Holdings and its subsidiaries.
- (ii) No corresponding changes in variable policy charges are assumed, although in practice it is likely that variable charges will be modified according to circumstances.
- (iii) Bonus rates are assumed to change commensurately.
- (iv) A change in the risk discount rate also has a noticeable effect on the cost of holding the required CAR levels. The sensitivity of the cost of CAR to changes in the other assumptions was tested and found to be immaterial (under 0.1%). Other sensitivities above exclude the impact on the cost of CAR.

## METROPOLITAN HOLDINGS – GROUP RESULTS

TABLE 18: STOCK EXCHANGE PERFORMANCE	12 mths to 31.12.2003	12 mths to 31.12.2002	12 mths to 31.12.2001
Value of shares traded (rand million) *	994	1 652	2 472
Volume of shares traded (million) *	165	246	273
Shares traded (% of total shares in issue)	23.6	35.4	39.0
Value of shares traded – life insurance (J084 / IX42 – rand billion)	40.8	42.9	40.1
Value of shares traded – top 40 index (J200 / FI01 – rand million)	653.4	684.1	504.9
Trade prices (cents per share)			
Highest	750	902	1 060
Lowest	470	485	650
Last sale of year (31 December)	685	610	800
Percentage change during year	12.30	(23.75)	(18.28)
Percentage change – life insurance sector (J084)	0.45	(18.04)	(15.69)
Percentage change – top 40 index (J200)	9.37	(14.13)	28.41
<b>31 December</b>			
Price / core headline earnings ratio	11.03	11.04	15.24
Dividend yield % (dividend on listed shares)	6.28	6.23	4.38
Dividend yield – top 40 index (J200)	2.85	5.76	3.37
Total shares issued (million)			
Listed	637	635	667
Ordinary shares #	627	628	661
Share incentive scheme	10	7	6
Unlisted	70	59	33
Share purchase scheme	70	59	33
Total	707	694	700
Market capitalisation at year-end (rand billion)#	4.84	4.23	5.60
Percentage of life insurance sector	5.96	5.27	n/a

\* 2002 is net of 33 million shares acquired for R260 million and 2001 is net of 28 million shares acquired for R234 million as part of a share buy-back.

# Net of 41 million treasury shares held by a subsidiary company for both 2002 and 2003.



**METROPOLITAN**