



#### **Safe Harbor Statement**

These materials contain statements which constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements relating to trends in the operations and financial results and the business and the products of MetLife, Inc. and its subsidiaries (collectively, the "Company"), as well as other statements including words such as "anticipate," "believe," "plan," "estimate," "expect," "intend" and other similar expressions. Forward-looking statements are made based upon management's current expectations and beliefs concerning future developments and their potential effects on the Company. Such forward-looking statements are not guarantees of future performance.

Actual results may differ materially from those included in the forward-looking statements as a result of risks and uncertainties including, but not limited to, the following: (i) changes in general economic conditions, including the performance of financial markets and interest rates; (ii) heightened competition, including with respect to pricing, entry of new competitors and the development of new products by new and existing competitors; (iii) unanticipated changes in industry trends; (iv) MetLife, Inc.'s primary reliance, as a holding company, on dividends from its subsidiaries to meet debt payment obligations and the applicable regulatory restrictions on the ability of the subsidiaries to pay such dividends; (v) deterioration in the experience of the "closed block" established in connection with the reorganization of Metropolitan Life; (vi) catastrophe losses; (vii) adverse results or other consequences from litigation, arbitration or regulatory investigations; (viii) regulatory, accounting or tax changes that may affect the cost of, or demand for, the Company's products or services; (ix) downgrades in the Company's and its affiliates' claims paying ability, financial strength or credit ratings; (x) changes in rating agency policies or practices; (xi) discrepancies between actual claims experience and assumptions used in setting prices for the Company's products and establishing the liabilities for the Company's obligations for future policy benefits and claims; (xii) discrepancies between actual experience and assumptions used in establishing liabilities related to other contingencies or obligations; (xiii) the effects of business disruption or economic contraction due to terrorism or other hostilities; (xiv) the Company's ability to identify and consummate on successful terms any future acquisitions, and to successfully integrate acquired businesses with minimal disruption; and (xv) other risks and uncertainties described from time to time in MetLife, Inc.'s filings with the Securities and Exchange Commission, including its S-1 and S-3 registration statements. The Company specifically disclaims any obligation to update or revise any forward-looking statement, whether as a result of new information, future developments or otherwise.



## **Explanatory Note on Non-GAAP Financial Information**

The historical and forward-looking financial information presented at this conference and contained in the written materials provided include performance measures which are based on methodologies other than Generally Accepted Accounting Principles ("GAAP"). MetLife analyzes its performance using so called non-GAAP measures, including operating earnings, operating earnings per diluted share and operating return on equity ("ROE"). MetLife believes these measures enhance the understanding and comparability of its performance by excluding the net effect of investment-related gains and losses, which can fluctuate significantly from period to period, and the after-tax impact of the cumulative effect of accounting changes, thereby highlighting the results from operations and the underlying profitability drivers of the business.

Operating earnings is defined as net income, excluding certain after-tax net investment-related gains and losses, and the after-tax impact from the cumulative effect of accounting changes. Scheduled settlement payments on derivative instruments not qualifying for hedge accounting treatment are included in operating earnings.

Operating earnings per diluted share is calculated by dividing operating earnings as defined above by the number of weighted average diluted shares outstanding for the period indicated.

Operating return on equity is calculated by dividing operating earnings as defined above by average equity for the period indicated, excluding accumulated other comprehensive income.



## **Explanatory Note on Non-GAAP Financial Information - Cont'd**

For the historical periods presented, reconciliations of the non- GAAP measures used in this presentation to the most directly comparable GAAP measures are included in this presentation and are on the Investor Relations portion of the Company's website (www.metlife.com). Additional information about MetLife's historical financial results is available in the Company's Quarterly Financial Supplements which may be accessed through the Company's Website. The non-GAAP measures used in this presentation should not be viewed as substitutes for the most directly comparable GAAP measures.

In this presentation, MetLife provides guidance on its future earnings, earnings per share and return on equity on an operating, non-GAAP basis. A reconciliation of these measures to the most directly comparable GAAP measures is not accessible on a forward-looking basis because MetLife believes it is not possible to provide a reliable forecast of net investment gains and losses, which can fluctuate significantly from period to period and may have a significant impact on GAAP net income.

#### **Stable Value Investor Day**



#### **Agenda**

8:00 – 8:30 a.m. **Registration & Breakfast** 

8:30 – 8:40 a.m. Welcome & Introductory Remarks:

David Feldman, Vice President, MetLife Retirement & Savings

8:40 – 9:10 a.m. **Retirement & Savings:** 

Presley Surratt, Senior Vice President, MetLife Retirement & Savings

9:10 – 9:50 a.m. MetLife Financial Overview:

William Wheeler, Executive Vice President and Chief Financial Officer

9:50 – 10:05 a.m. **Break** 

10:05 – 11:00 a.m **Investments:** 

Lee Launer, Executive Vice President and Chief Investment Officer

Jessie Puchon, Director, MetLife Portfolio Management

11:00 a.m. – 12:00 p.m MetLife Highlights:

Kevin Helmintoller. Vice President. MetLife Investor Relations

12:00 – 12:30 p.m. **Working Lunch Begins** 

12:30 – 1:30 p.m. Can Economic Recovery Be Sustained?

John Balder, Senior Vice President, State Street Research & Management

Fixed Income Product Manager





## **Retirement & Savings**

Presley Surratt, Senior Vice President, MetLife Retirement & Savings



## What Is Retirement & Savings?

- Wealth Accumulation, Income Protection and Risk Solutions
  - Institutional & Individual clients
  - Accumulate assets
  - Assure income streams
  - Control investment and mortality risk
- An 80-year history of working with plan sponsors



## What Is Retirement & Savings?

- \$40.3 billion in General Account Assets
- \$27.1 billion in Separate Account Assets
- Over 8,700 Plan Sponsors
- 274,000 defined contribution participants
- 983,000 annuitants

Note: Amounts as of 12/31/03



#### **Institutional Business**

**Retirement and Savings** 

Premiums and Fees \$1.3 B
Assets Under Management \$67.4 B

MetLife

Retirement Plans

Retirement Income Strategies

Structured Risk Solutions

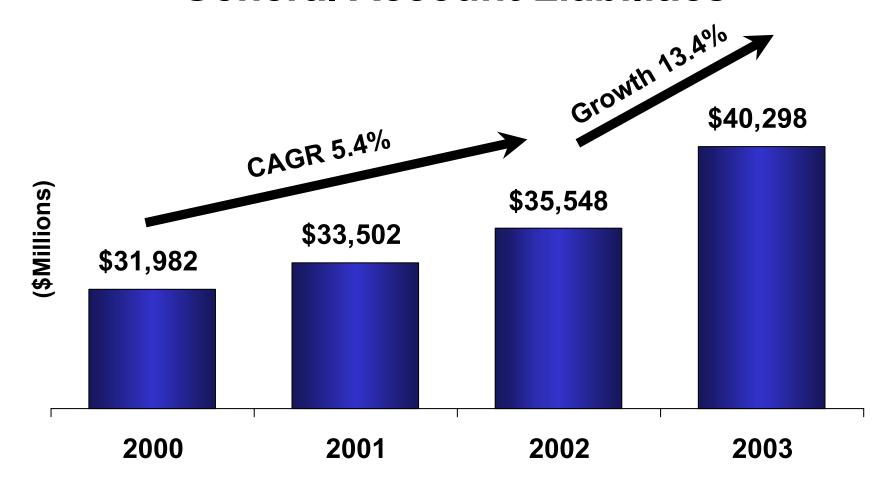


## Retirement & Savings Market Drivers

- Market drivers
  - Economic volatility buyers looking for stable returns
  - Balance sheet strength / ratings
  - Underwriting expertise
  - Communication of risks



## Retirement & Savings General Account Liabilities





### **Structure Of Retirement & Savings**

Retirement Income Strategies

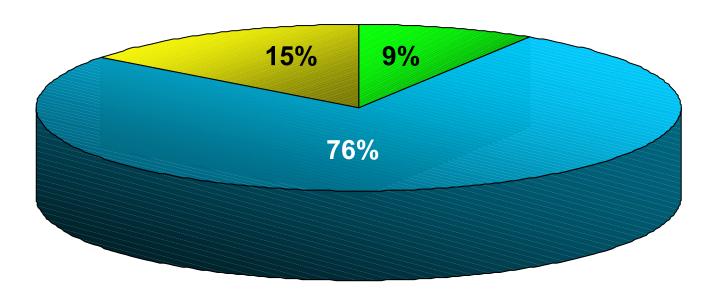






#### New Sales - 2003

\$10.9 Billion



- **■** Retirement Income Strategies
- Structured Risk Solutions
- MetLife Retirement Plans



### Structure Of Retirement & Savings

Retirement Income Strategies

Structured Risk Solutions

MetLife Retirement Plans

General Account Assets: \$11.3 B

Note: Assets as of 12/31/03



### **Retirement Income Strategies**

- Mission: to be the leader in providing immediate and deferred payout annuities to individuals who are accessed through either their employer or their advisor
- Product Set:
  - Payout Annuities Qualified and Non-qualified
  - Deferred Payout Annuities
  - Structured Settlements



# Retirement Income Strategies Growth Opportunities

- Expanding marketing and sales network
  - Health & welfare intermediaries
  - Banks, national firms and broker/dealers
- Enhancing strategies for agency sales forces
- Focusing on increasing sales through the broker channel
  - Expanding relationships with voluntary benefit and health & welfare benefit brokers/consultants
  - Enhancing broker communications and training



## Retirement Income Strategies Product Suite

**Immediate** 

**Deferred** 

**Fixed** 

Variable

Single PremiumImmediate Annuity(SPIA)

- Personal PensionBuilder Fixed
- Personal IncomeBuilder Fixed
- Retirement Income Insurance

- Personal IncomePlus
- Preference Plus Income Advantage
- Next Generation IVA

Variable Pension Builder



### Structure Of Retirement & Savings

Retirement Income Strategies

Structured Risk Solutions

MetLife Retirement Plans

General Account Assets: \$29.7 B

Separate Account Assets: \$22.7 B

Note: Assets as of 12/31/03



#### **Structured Risk Solutions**

Mission - to offer clients the opportunity to purchase customized risk transfer and risk management products:

- Increase benefit plan return
- Reduce corporations' earnings volatility
- Solve business problems or concerns



#### Structured Risk Solutions Product Set

- Stable Value
  - General Account Guaranteed Interest Contracts (GICs)
  - Separate Account "Met Managed GICs"
  - Trust GICs
  - Funding Agreements
- Pensions Related Risk Transfer
- Global GICs



# Structured Risk Solutions Growth Opportunities

- Focus on:
  - Enhancing our existing products and distribution
  - Developing products to address specific market needs
    - Close-outs for partially funded plans
    - Insurance solutions for non-benefit corporate needs

#### Specializing in:

- Guarantees
- Funding Agreements
- Customized Solutions



### Structure Of Retirement & Savings

Retirement Income Strategies

Structured Risk Solutions

MetLife Retirement Plans

General Account

Assets: \$2.2 B

Separate Account

Assets: \$5.9 B

Note: Assets as of 12/31/03



#### **MetLife Retirement Plans**

#### Mission:

- To be recognized as a premier provider of bundled employer-sponsored retirement plan programs for the small and mid-sized markets within 24 months
- To be the first choice of financial intermediaries when looking for the best retirement plan products and services for their customers



## **MRP Growth Opportunities**

- Maximize MetLife enterprise's agency sales forces
- Partner with GRO/SBC sales organizations
  - Tap established broker relationships
  - Incent broker referrals from existing relationships
- Establish distribution alliances with investment advisors and other market facilitators as appropriate



## **Summary**

- 61.9 million people will reach age 65 by year 2025\*
- MetLife positioned to best fulfill retirement needs
  - Leveraging broad distribution power of individual & institutional sales
- Full breadth of product offerings for both accumulation and distribution
- MetLife brand, financial strength and expertise are key attributes

<sup>\*</sup> Source: U.S. Census Bureau; Cerulli Associates



## Questions?





#### **MetLife Financial Overview**

William Wheeler, Executive Vice President and Chief Financial Officer

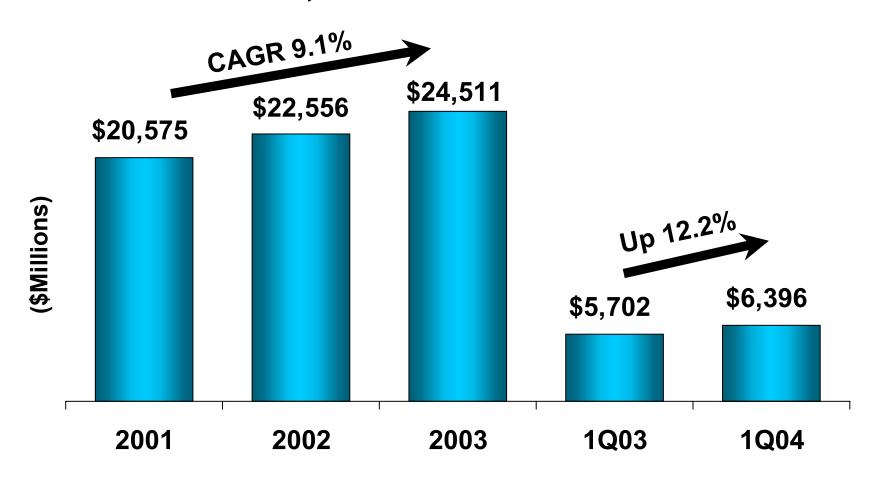


### **Agenda**

- Top Line Growth
- Operating Margins
  - Underwriting
  - Investment
  - Expense
- Earnings
- Capital Management and ROE



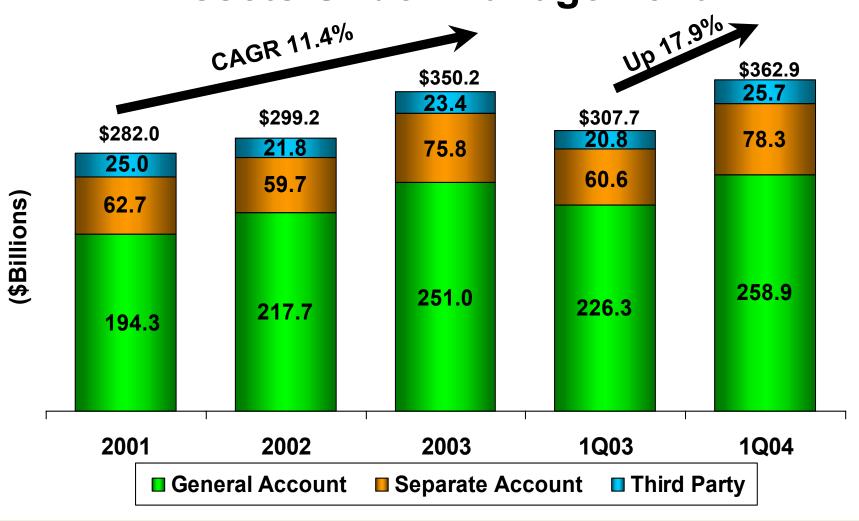
#### Premiums, Fees & Other Revenues



Excludes \$32 million for Conning, which was divested in 2001.



### **Assets Under Management**



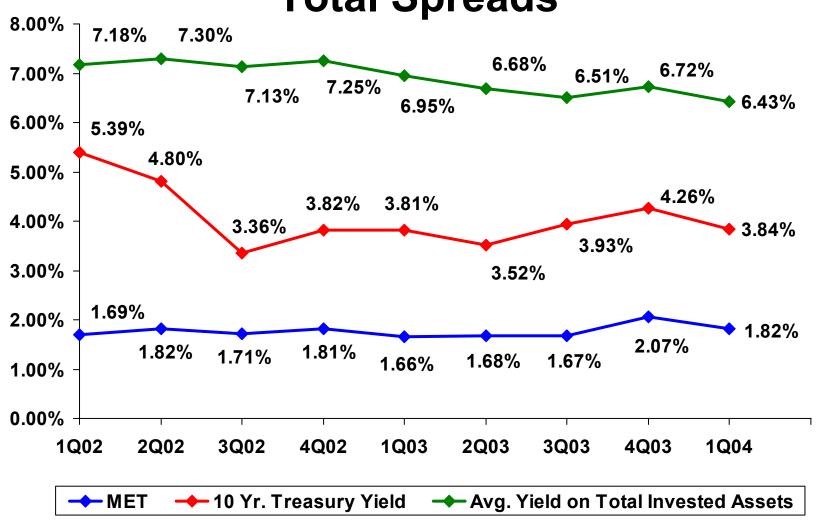


## **Underwriting Margins**

- Mortality experience very steady favorable experience over past two quarters
  - Projected to return to normal levels in 2004
- Morbidity experience steady
- Auto & Home claims experience continuing to improve

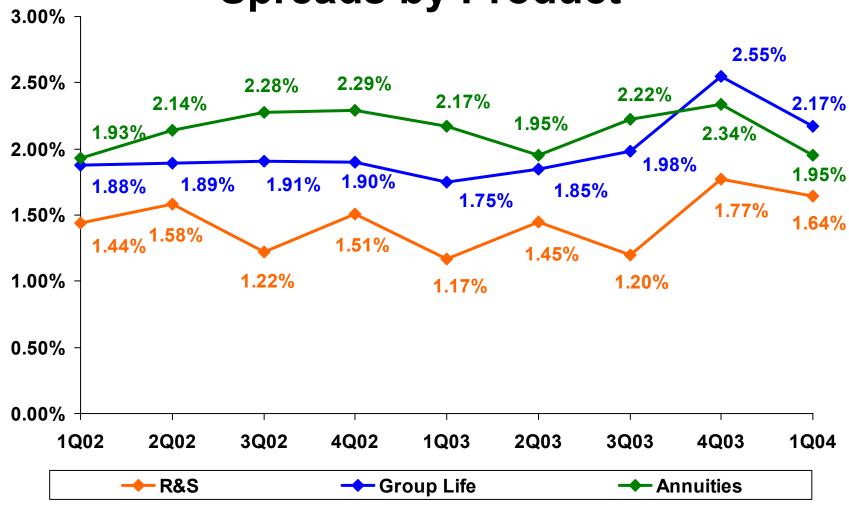














#### If Interest Rates Rise...

#### **Positive Impact**

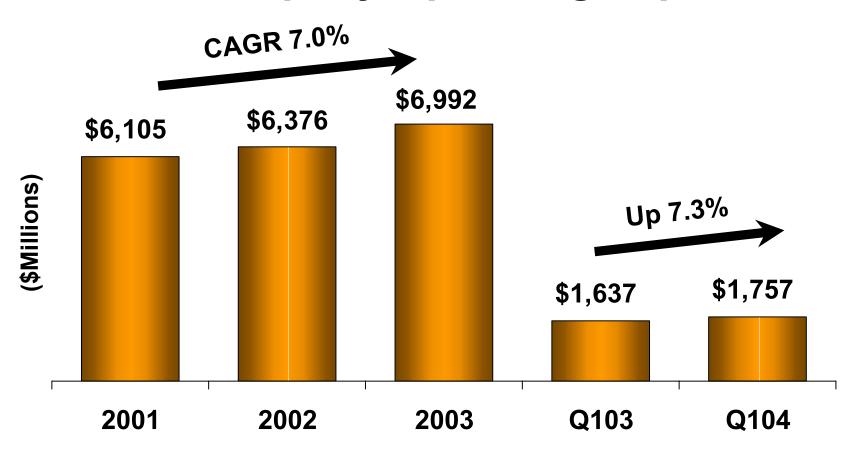
- New money yields rise
- Crediting rates move away from floors
  - Universal Life
  - Fixed Annuity
- Annuity guarantees further out of the money
- Discount rate improvement on reserves and pension

#### **Negative Impact**

- Unrealized gain in fixed income sector evaporates
- Financing costs
  - New financings
  - Floating rate debt



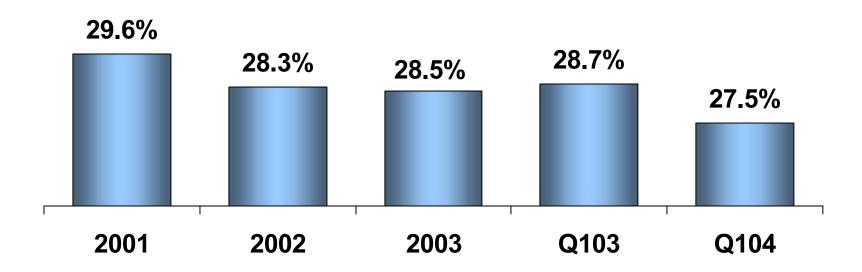
### **Total Company Operating Expenses**



Operating expenses as presented exclude certain items.

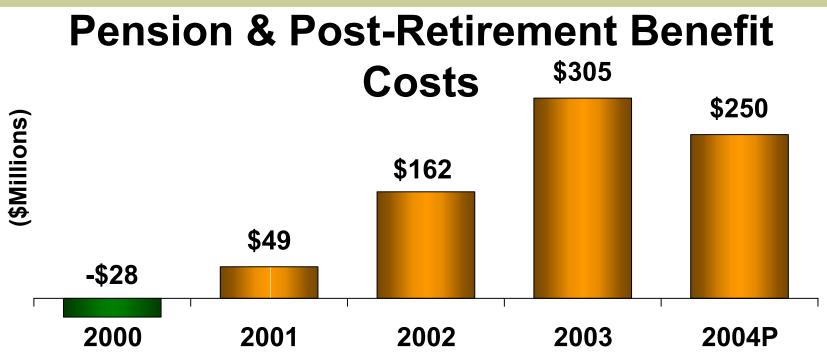


# Total Company Operating Expense Ratio



Operating expense ratio is defined as expenses excluding certain items, divided by premiums, fees and other income.





- Pension & PRB costs have increased approximately \$333 million between 2000 and 2003
- \$700 million contribution to pension plan in 4Q 2003/1Q 2004
- 2004 projection assumes decrease of approximately \$50 million due to improved asset performance and pension contributions



# Metropolitan Life Financial Highlights Statutory Indicators

	Year Ended	Year Ended
	<u>12/31/03</u>	<u>12/31/02</u>
Total Assets	\$229.1 B	\$201.0 B
Capital	\$10.5 B	\$10.1 B
Insurance/Annuity Revenues	\$24.9 B	\$22.4 B

Note: Capital represents capital and surplus plus the asset valuation reserve.



# Metropolitan Life Financial Highlights Statutory Indicators

	<u>1Q 2004</u>	<u>1Q 2003</u>
Operating Earnings	\$578 M	\$405 M
Capital Gains (Losses)	(\$52 M)	(\$159 M)
Net Income	\$526 M	\$246 M



# All U.S. Entities Combined Statutory Indicators

	<u>1Q 2004</u>	<u>1Q 2003</u>
Operating Earnings	\$713 M	\$448 M
Capital Gains (Losses)	(\$45 M)	(\$198 M)
Net Income	\$668 M	\$250 M



## **Capital Management Strategy**

Debt to total adjusted capital ratio around 25%

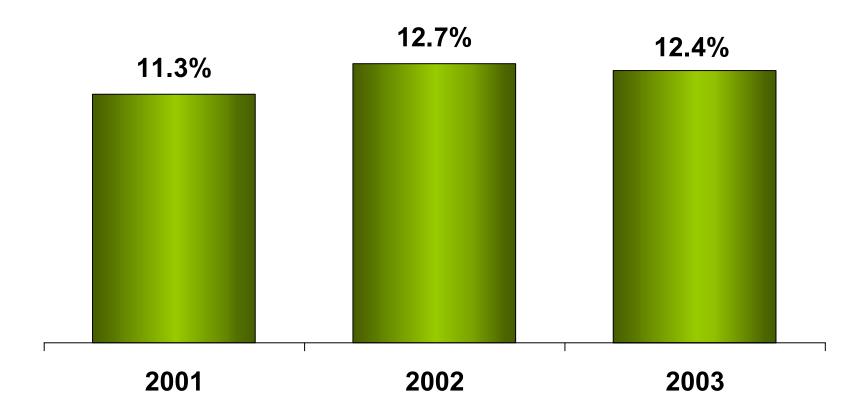
Potential Closed Block securitization

Acquisitions

Share Repurchase / Dividend Strategy



### **Operating Return On Equity**



Operating Earnings as presented excludes certain items. See Reconciliation slides for a description of these items.



## **Ratings Agency Update**

Moody's affirmed & removed negative outlook

Fitch affirmed

Moody's Aa2 A.M Best A+

Standard & Poor's AA Fitch AA



### 2004 - 2006: Targets

- Operating Earnings \$2,275 M to \$2,350 M
  - Growing 10% to 15% annually
- Operating EPS \$3.08 to \$3.18
  - Growing 10% to 15% annually
- Operating ROE 12.2% to 12.6%
  - 14% by 2006



## Questions?