



Investments

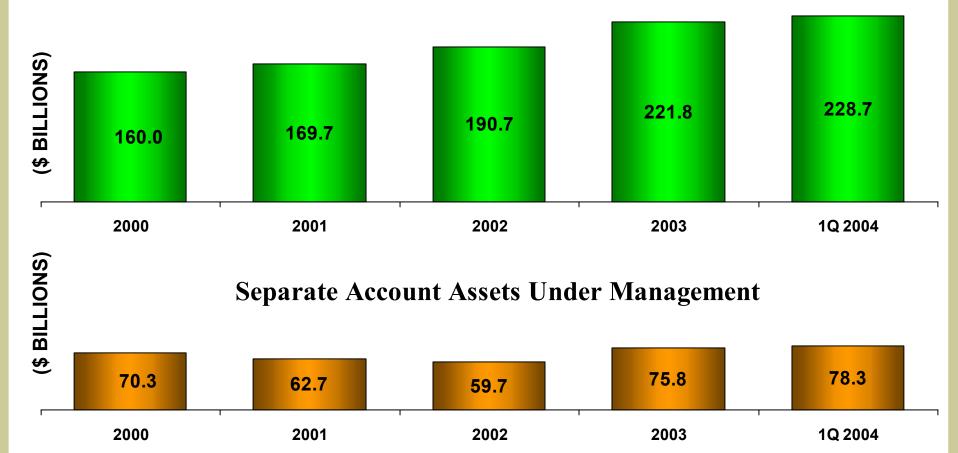
Lee Launer, Executive Vice President and Chief Investment Officer

Jessie Puchon, Director, MetLife Portfolio Management



Invested Assets

General Account Invested Assets Under Management





Investment Department

- 446 Professionals
- Portfolio Management
- Fixed Income and Equity
- Real Estate
- Supported by 250 IT, HR, Legal and Finance



Investment Department

- Single Client => MetLife
- 80/20 Compensation Formula
- We Get Options of Our Client
- Total, Focused Alignment



Investments - α Generation

- Products Themselves
- Customized Investment Planning
- Basic Asset Allocation
- Returns in Excess of β
- Ongoing Flexibility

Stable Value Investor Day



Asset Category	Amount (\$B)		Target Ranges and Holdings	
U.S. Treasury/Agency	\$17.1	5%	•	7%
 Residential MBS 	31.8	12%	•	15%
 Commercial MBS 	12.0	3%	•	5%
 Asset-Backed Securities 	12.3	3%	•	7%
 Invest. Grade Corporates 	88.6	36%	•	42%
 Below Invest. Grade Corps 	. 12.4	5%		8%
 Commercial Mortgages 	23.3	11%	•	13%
 Agricultural Mortgages 	5.5	3%	•	4%
 Real Estate Equity 	8.3	3%		5%
 Corporate Equity 	4.3	2%		3%
Cash & Short Term	5.1	2%		4%
MV of Mgd. Asset Base	\$220.7			
 Other Invested Assets 	5.1		Neutral	_
 Real Estate Value Adj. 	(5.9)	Minimum/Maximum Range		
Policy Loans	8.8			NA
Total Carrying Value	\$228.7		Portfolio Allocation	- March 31, 2004



Investments - Risks

- Corporate Bond Defaults/Bubbles
- Commercial Real Estate Market
- Inverted Yield Curve
- Very Low Rates



What is Asset/Liability Management?

Managing Assets to Profitably Fund Liabilities with the Minimum Amount of Risk

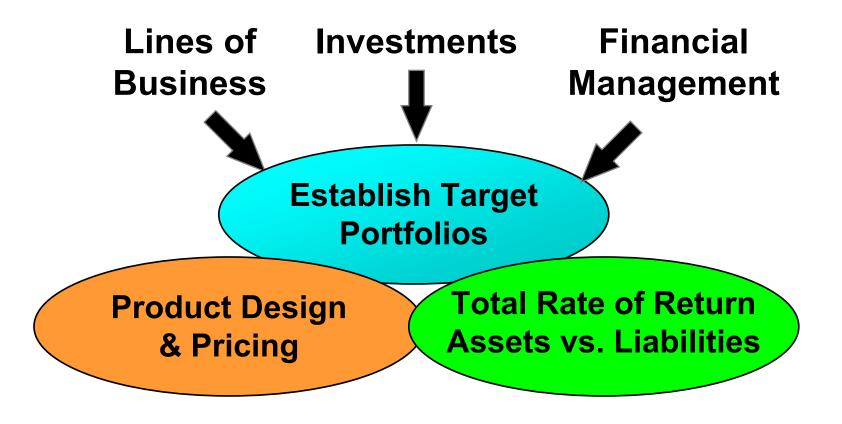


What is Target Portfolio Construction?

Determining the Optimal Investment Portfolio to Profitably Fund Liabilities with the Minimum Amount of Risk



Asset Liability Management Process





Strategic Asset Allocation Considerations

- Liability factors
- Asset factors
- Corporate factors



Strategic Asset Allocation Considerations

- Liability factors

 Cash flow characteristics
 Guaranteed / expected returns
 Optionality

Corporate factors



Strategic Asset Allocation Considerations

- Liability factors
- Asset factors
- Corporate factors

- Yields
- Risks
- Economic capital
- Diversification



Strategic Asset Allocation Considerations

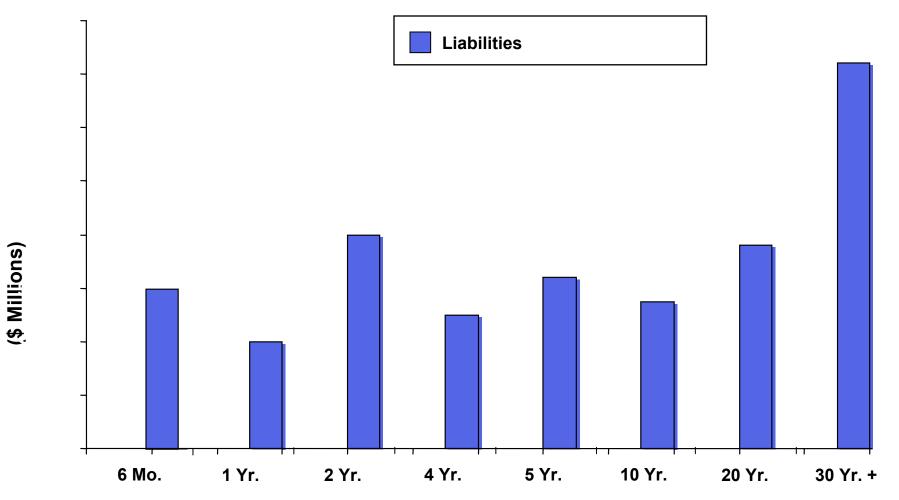
- Liability factors
- Asset factors
- Corporate factors
- EarningsRisk tolerance
 - Economic capital



Example



Liability Position Along Yield Curve



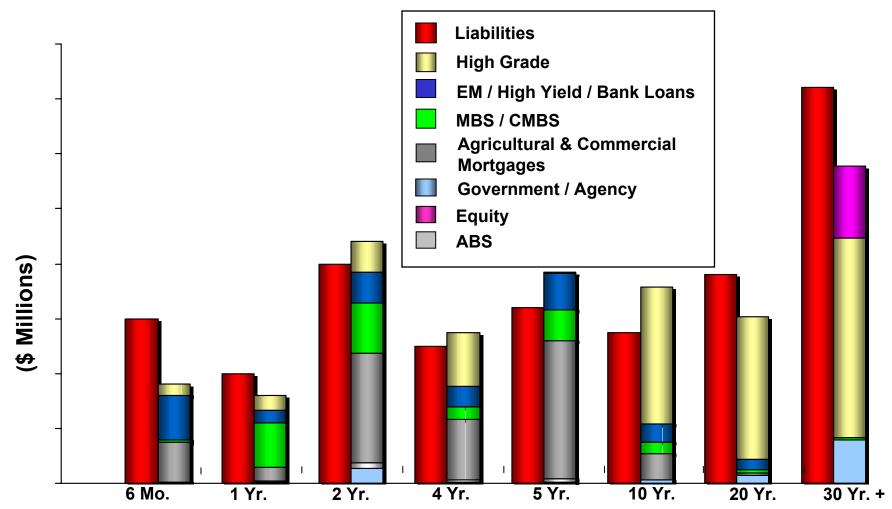
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Asset Liability Match

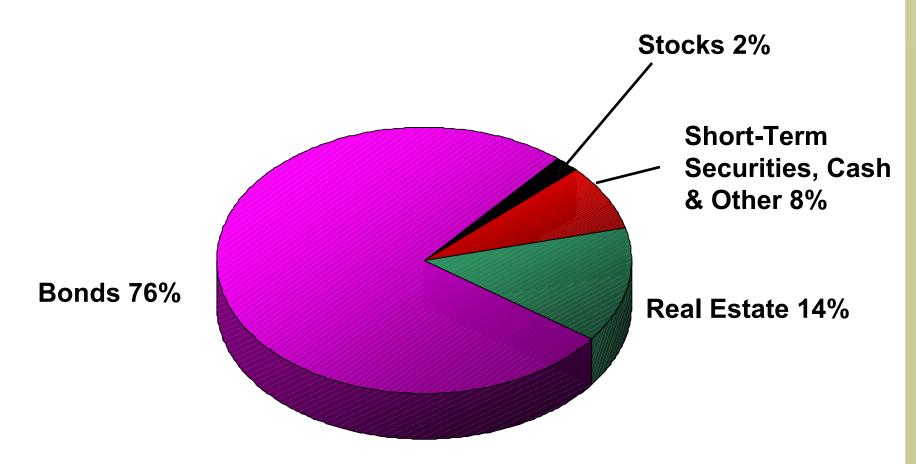




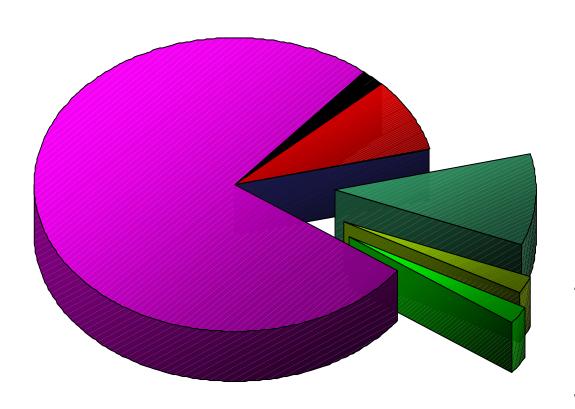
Summary

- Target Portfolio
- Execution
- Review and Assess
- Rebalance









Real Estate

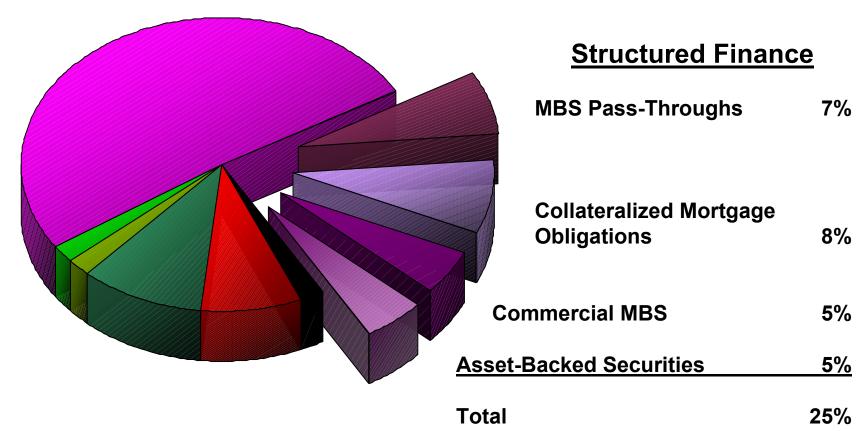
Commercial Mortgages 10%

Agricultural Mortgages 2%

Equity Real Estate 2%

Total 14%







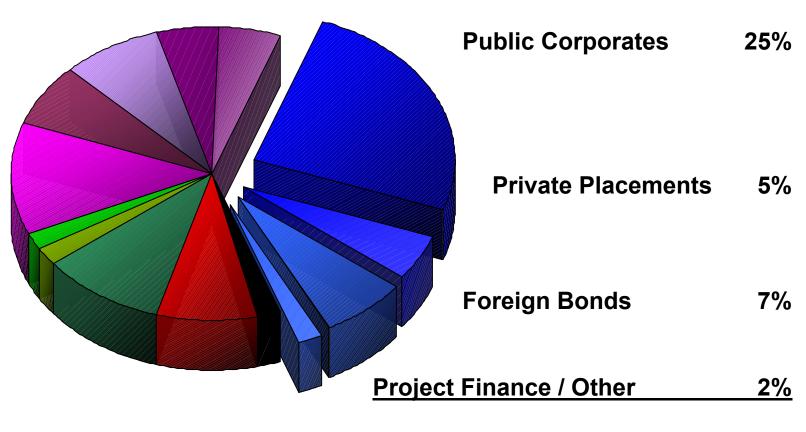
Residential Mortgage-Backed Securities

Portfolio Composition 99% Rated AAA

	MetLife	Lehman Index
Collateralized Mortgage Obligations	52%	0%
Pass-Throughs		
30-Year	19%	68%
15-Year	16%	26%
ARMs	11%	0%
Other	2%	6%
Total Pass-Throughs	48%	100%
Total	100%	100%

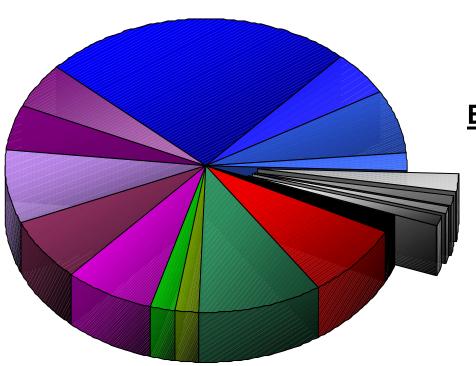


Investment Grade Bonds



Note: Assets as of 3/31/04 **Total** 39%





Below Investment Grade Bonds

High Yield	2%
Foreign Bonds	1%
Bank Loans	1%
Private Placements	1%
Total	5%

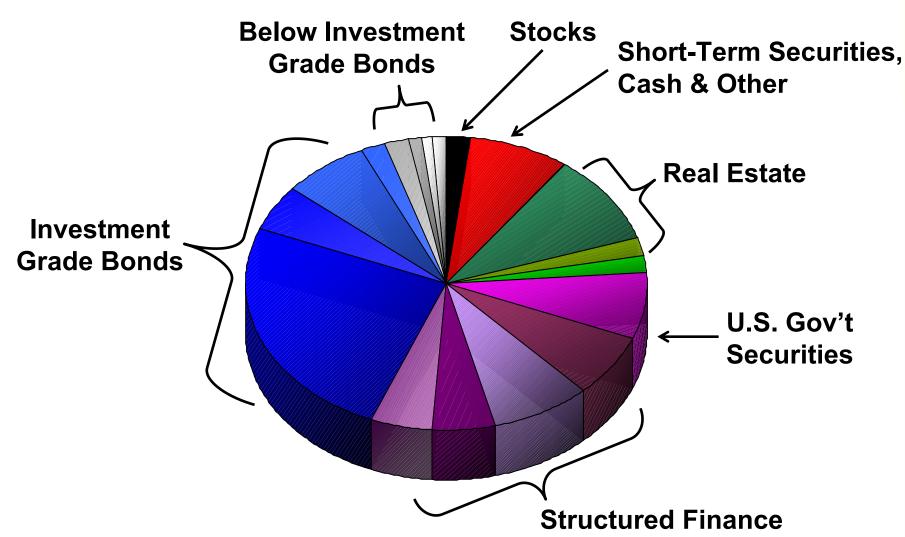


Below Investment Grade Credit

		Lehman
	MetLife	Index
NAIC 3	62%	36%
NAIC 4	33%	44%
NAIC 5 & 6	5%	20%
Secured	31%	3%
Unsecured	58%	74%
Subordinated	11%	23%

Stable Value Investor Day







Questions?





MetLife Highlights

Kevin Helmintoller, Vice President, MetLife Investor Relations



U.S. Insurance and Financial Services Businesses Facts

Institutional Business

- Number of Companies Served = 45,000
- Number of Products = 31
- Associates = 6,569
- 2003 Revenues = \$14.4 bill.*

Individual Business

- Number of Households
 Served = 13 million
- Number of Products = 23
- Associates = 13,625
- 2003 Revenues = \$12.6 bill.*



Diversified Earnings



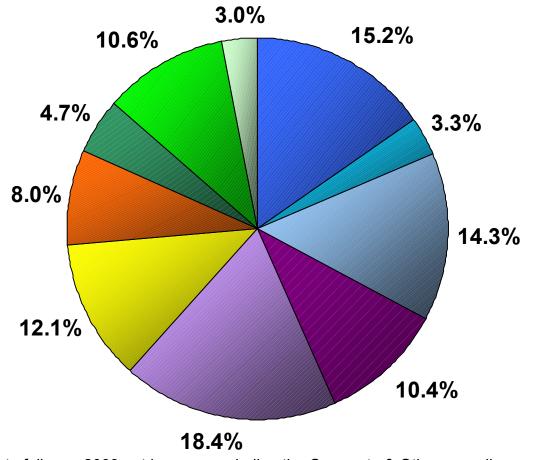
- Traditional Life
- Variable/Universal Life
- Group Life

Savings: 29%

- Annuities
- Retirement & Savings

Other Diversified: 38%

- Non-Medical Health
- Auto & Home
- Reinsurance
- International
- Other



Pie Chart represents percentage contribution to full year 2003 net income, excluding the Corporate & Other as well as the after-tax impact from the cumulative effect of a change in accounting, which is recorded in the Retirement & Savings business within the Institutional segment.



Business Mix Provides Balanced Exposure

- Equity Markets
- Financial Product Demand
- Desire for Growth
- Direct Distribution
- Long-Term Investments
- Trend in Morbidity

- Interest Rates
- Insurance Product Demand
- Need for Protection
- Workplace Distribution
- Short-Term Investments
- Trend in Mortality



Segment Operating Earnings Summary 1Q '04 vs. 1Q '03

<u>Segment</u>	<u>1Q04</u>	<u>1Q03</u>	<u>\$Chg</u>	<u>%Chg</u>
Institutional	\$317	\$219	\$98	44.7%
Individual	184	160	24	15.0%
Auto & Home	46	30	16	53.3%
International	44	28	16	57.1%
Reinsurance	18	20	(2)	(10.0%)
Asset Mgmt	5	1	4	400.0%
Corp & Other	(18)	(12)	(6)	(50.0%)
Total	\$596	\$446	\$150	33.6%

See reconciliation of operating earnings to net income at end of presentation.



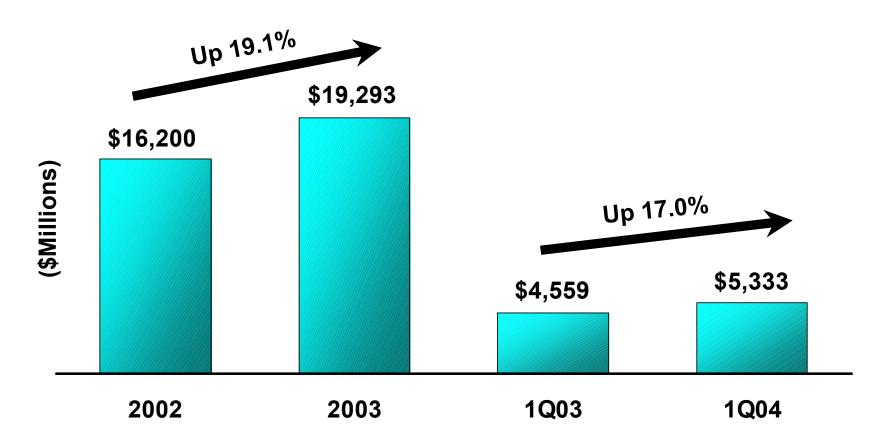
Individual Business Highlights

- Market Leader
- 35% of Enterprise Revenues
- 51% of Enterprise Assets
- Improving ROE
- Broad Product Offerings: Life & Annuities
- Multi-Channel Distribution

Note: Reflects MetLife, Inc. on a GAAP basis as of December 31, 2003.



Individual Business Statutory Premiums & Deposits





Individual Business Benchmarks

Benchmarks	Rank
Sales Reps/Agents	#1
Life Insurance In-Force	#1
Life Insurance Sales	#3
Variable Life Insurance Sales	#2
Variable Annuity Sales	#4

MetLife's broadly recognized brand names and strong distribution channels have allowed it to become the third largest provider of individual life insurance and annuities in the U.S., with \$12.7 billion of total statutory individual life and annuity premiums and deposits through September 30, 2003, the latest period for which OneSource, a database that aggregates U.S. insurance company statutory financial statements, is available. According to research performed by the Life Insurance Marketing and Research Association ("LIMRA"), based on sales through September 30, 2003, MetLife was the second largest issuer of individual variable life insurance in the U.S. and the fifth largest issuer of all individual life insurance products in the U.S. In addition, according to research done by LIMRA and based on new annuity deposits through September 30, 2003, MetLife was the fourth largest annuity writer in the U.S.



Annuity Deposits - QFS

	Full	Year				
(\$Millions)	2003	2002	Change	1Q04	1Q03	Change
Variable	\$9,890	\$6,426	54%	\$2,930	\$2,187	34%
Fixed	1,341	1,467	-9%	506	424	19%
Total	\$11,231	\$7,893	42%	\$3,436	\$2,611	32%
MLI	\$3,847	\$3,594	7%	\$1,030	\$974	6%
Other	7,384	4,299	72%	2,406	1,637	47%
Total	\$11,231	\$7,893	42%	\$3,436	\$2,611	32%

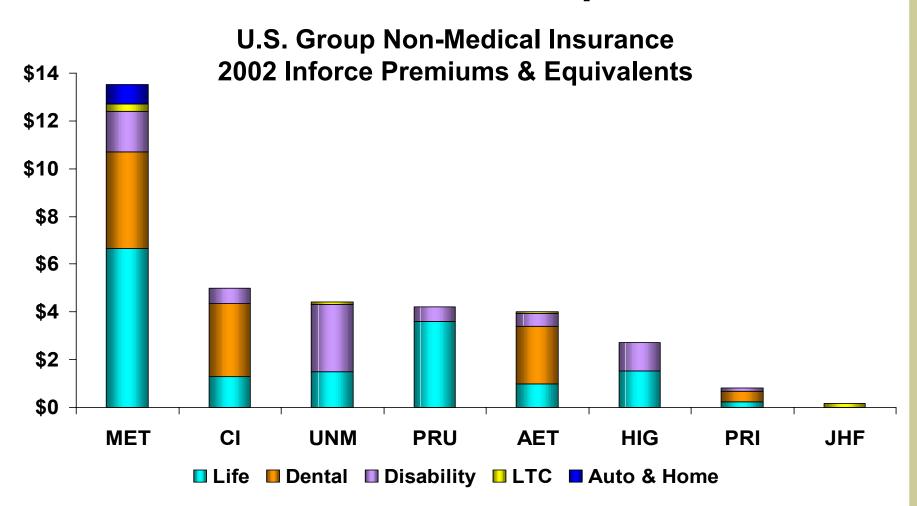


Institutional Business Highlights

- 88 of Fortune 100 as Customers
- 40% of Total Revenues
- 35% of Total Assets
- Superior ROE
- Focus on Workplace Benefits



Institutional Scope



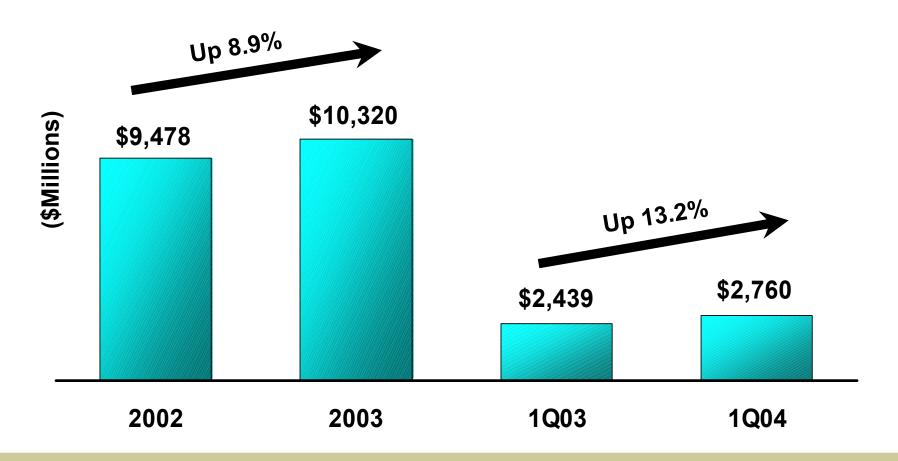


Breadth of Institutional Business

- Group Life
 - Term Life, GUL, GVUL, COLI, TCA, PRB
 - \$29.2 billion in assets
 - Premiums, fees and other revenues up 9.9% to \$1.47 billion
- Retirement & Savings
 - Annuities, GICs, Funding Agreement, Sep. Accounts
 - \$76.5 billion in assets
 - General account liabilities up 17.8% to \$42.6 billion
- Non-Medical Health
 - Dental, Disability, LTC, AD & D, Group Legal, SBC Products
 - \$8.3 billion in assets
 - Premiums, fees and other revenues up 9.8% to \$966 million



Institutional Business Premiums, Fees & Other Revenues





Institutional Investment Products Highlights

- Among the First GIC Providers in the Late 1970's
- #3 in traditional GIC Sales in 2002
- In LIBOR-Based FA Business Since 1994
- \$9.3 Billion of GIC/FA Assets
- \$14.8 Billion of Separate Account Gtd. Assets

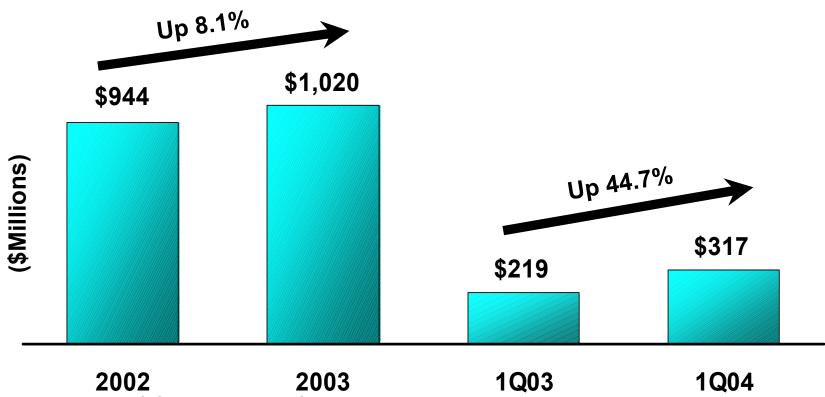


Institutional Investment Products (IIP) Operational Leverage

- \$19.7 B Total Risk Weighted IIP
- \$128.7 B General Account Reserves
- 15.3% Risk Weighted IIP/GA Reserves
- Compares Favorably to All AA-Rated GIC Issuers
- Excess Capacity Tapped Judiciously



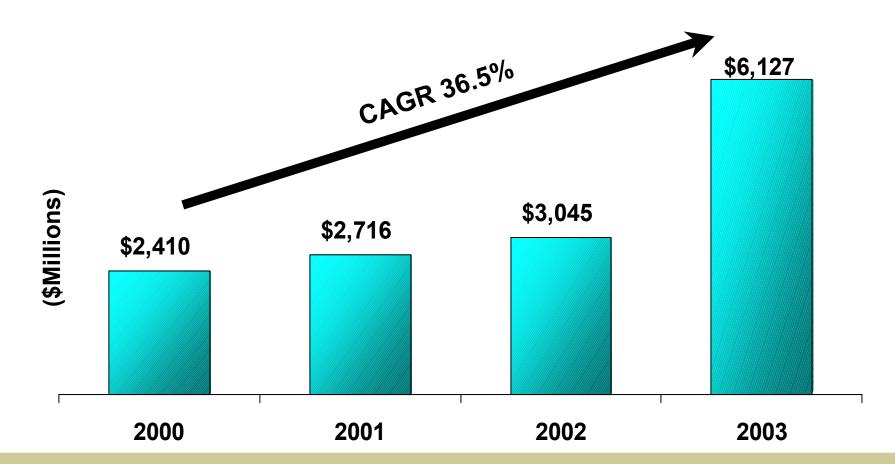
Institutional Business Operating Earningsh



^{* 2002} excludes benefit from the reduction of a previously established liability related to 2001 business realignment initiatives and benefit from reduction of a disability insurance related liability associated with the September 11, 2001 tragedies.



Voluntary Benefits Market Premiums and Fees





Auto & Home First Quarter 2004

- Operating earnings of \$46 million
- Average earned premium increased 4%
- Combined ratio 98.8% vs. 103.0% a year ago
 - Excluding catastrophes 96.5% vs. 101.2% a year ago



International Operations

Seed

India China

Feed

High Focus on Development

Mexico, South Korea, Chile, Taiwan

Moderate Focus on Development

Brazil, Indonesia & Hong Kong

Maintenance

Argentina & Uruguay

Weed

Philippines
Poland
Spain

Over 75% of operating revenues and operating earnings from: Mexico, South Korea, Chile



Summary

- Excellent Creditworthiness
 - Low Operational Leverage/Solid Capital Position
 - Attractive Growth and Profitability Prospects
- High Demand for MetLife Name in Credit Markets
 - Each Global GIC Offering Oversubscribed; 152 Investors
 - 21 Global Banks for \$2.25 Billion Bank Facilities
 - Recent \$700 Million Debt Issuance
- Capitalizes on GIC, ALM and Investments Expertise
 - Long-Term Player in Traditional GIC/Pension Market
 - Strong ALM Culture
 - Investments Department is a Competitive Strength



Questions?





Metlife

have you met life today?



Reconciliation of Net Income to Operating Earnings - Total Company

(\$Millions)

	2001	2002	2003	1Q03	1Q04
Total Company					
Net income	\$ 473	\$ 1,605	\$ 2,217	\$ 362	\$ 523
Cumulative effect of a change in	-	-	26	-	158
accounting	433	139	4	84	(85)
Investment (gains) / losses	906	1,744	2,247	446	596
Operating earnings	159	_	(92)	_	_
Race conscious underwriting	155		. ,	_	_
Merger of Mexican operations	-	-	(40)	-	-
Change in reserve methodology	-	-	(22)	-	-
Revision of the estimate of 2002 income	-	-	(36)	-	-
taxes	_	-	31	_	_
New England Financial charge	_	169	_	_	_
Asbestos related litigation	404			_	_
4th quarter 2001 charges	404	(20)	-	-	-
September 11th 2001 tragedies	208	(17)	-	-	-
Sales practice liability	-	(30)	-	-	-
GenAm litigation		48	-	-	
Operating earnings, as presented	\$ 1,677	\$ 1,894	\$2,088	\$ 446	\$ 596



Return on Equity

Total Company	<u>2001</u>	2002	<u>2003</u>
Operating return on equity	6.1%	11.7%	13.3%
Operating return on equity, as presented	11.3%	12.7%	12.4%
Net income return on equity	3.2%	10.8%	13.1%



(\$Millions)	2001	2002	2003	1Q03	1Q04
Total Institutional					
Net income	\$ 428	\$ 798	\$ 849	\$ 175	\$ 310
Cumulative effect of a change in accounting	-	-	26	-	60
Investment (gains) / losses	(3)	222	145	44	(53)
Operating earnings	425	1,020	1,020	219	317
4th quarter 2001 charges	267	(20)	-	-	-
September 11th 2001 tragedies	182	(17)	-	-	-
Operating earnings, as presented	\$ 874	\$ 983	\$ 1,020	\$ 219	\$ 317



(\$Millions)

Total Individual

Net income

Cumulative effect of a change in accounting

Investment (gains) / losses

Operating earnings

4th quarter 2001 charges

September 11th 2001 tragedies

New England Financial charges

Operating earnings, as presented

2001	2002	2003	1Q03	1Q04
\$ 1,040	\$ 768	\$ 601	\$ 141	\$ 116
-	-	-	-	70
(510)	(56)	54	19	(2)
530	712	655	160	184
15	-	-	-	-
135	-	-	-	-
_	-	-		
\$ 680	\$ 712	\$ 655	\$ 160	\$ 184



(\$Millions)

Total Auto & Home

Net income
Investment (gains) / losses
Operating earnings
4th quarter 2001 charges
September 11th 2001 tragedies
Operating earnings, as presented

2001	2002	2003	1Q03	1Q04
\$ 33	\$ 121	\$ 157	\$ 27	\$ 46
11	30	10	3	-
44	151	167	30	46
2	-	-	-	-
4	-	-	-	-
\$ 50	\$ 151	\$ 167	\$ 30	\$ 46



	2001	2002	2003	1Q03	1Q04
Total International					
Net income	\$ 5	\$ 60	\$ 208	\$ 28	\$ 36
Cumulative effect of a change in accounting	-	-	-	-	30
Investment (gains) / losses	18	10	(7)	-	(22)
Operating earnings, as presented	23	70	201	28	44
Merger of Mexican operations	-	-	(40)	-	-
Change in reserve methodology		-	(22)	-	-
Operating earnings, as presented	\$ 23	\$ 70	\$ 139	\$ 28	\$ 44



(\$Millions)	2001	2002	2003	1Q03	1Q04
Total Reinsurance					
Net income	\$ 16	\$ 60	\$ 92	\$ 20	\$ 27
Cumulative effect of a change in accounting	-	-	-	-	(3)
Investment (gains) / losses	6	(5)	(15)	-	(6)
Operating earnings	22	55	77	20	18
September 11th 2001 tragedies	7	-	-	-	-
Operating earnings, as presented	\$ 29	\$ 55	\$ 77	\$ 20	\$ 18

	2001	2002	2003	1Q03	1Q04
Total Asset Management					
Net income	\$ 39	\$ 14	\$ 22	\$ 6	\$ 5
Investment (gains) / losses	(16)	2	(6)	(5)	-
Operating earnings, as presented	\$ 23	\$ 16	\$ 16	\$ 1	\$ 5



(\$Millions)

	2001	2002	2003	1Q03	1Q04
Corporate, Other & Eliminations					_
Net income	\$(1,088	\$ (216)	\$ 288	\$ (35)	\$ (17)
Cumulative effect of a change in	-	-	_	-	1
accounting Investment (gains) / losses -	927	(64)	(177)	23	(2)
Operating earnings	(161)	(280)	111	(12)	(18)
Race conscious underwriting	159	-	(92)	-	-
Asbestos related litigation	-	169	-	-	-
Sales practice liability	-	(30)	-	_	-
GenAm litigation	-	48	-		-
Revision of the estimate of 2002 income taxes	-	-	(36)	-	
Operating earnings, as presented	\$ (2)	\$ (93)	\$ (17)	\$ (12)	\$ (18)



Reconciliation of Premiums, Fees and Other Revenues

(\$Millions)

Premiums, Fees and Other Revenues
Less: Conning Corporation
Premiums, Fees and Other Revenues, as
presented

2001	2002	2003	1Q03	1Q04
\$ 20,607	\$ 22,556	\$ 24,511	\$ 5,702	\$ 6,396
32	-	-	-	-
-	-	-	-	-
\$ 20,575	\$ 22,556	\$ 24,511	\$ 5,702	\$ 6,396



Reconciliation of Operating Expenses and Expense Ratio

(\$Millions)	2001	2002	2003	1Q03	1Q04
Total Company	\$ 6,676	\$ 6,642	\$ 6,852	\$ 1,637	\$ 1,757
Other expenses	(250)	-	145	-	_
Race conscious underwriting	. ,	_	(5)	_	_
New England Financial charge Asbestos related liability	-	(266)	-	-	-
4th quarter 2001 charges	(288)	30	-	-	-
Sales practice liability	-	45	-	-	-
Conning Corporation	(33)	-	-	-	-
GenAm Litigation		(75)	-	-	
Operating expenses, as presented	\$ 6,105	\$ 6,376	\$ 6,992	\$ 1,637	\$ 1,757
Expense ratio:					
Operating expense ratio	32.4%	29.4%	27.8%	28.7%	27.5%
Operating expense ratio, as presented	29.6%	28.3%	28.5%	28.7%	27.5%

The operating expense ratio is calculated by dividing operating expenses by premiums, fees and other revenues. The operating expense ratio, as presented is calculated by dividing operating expenses, as presented by premiums, fee and other revenues, as presented.





Can Economic Recovery Be Sustained?

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May 26, 2004

Introduction

- U.S. economic recovery officially began in November 2001
 - This followed a brief recession that began in March 2001
- U.S. equity market valuations fell by more than \$8 trillion from March 2000 to October 2002
 - Markets rallied across-the-board in 2003 and have fallen modestly in 2004
- Recovery in U.S. employment and investment growth has lagged
 - Short-term interest rates are at 46-year lows
- Economic recovery to-date has benefited riskier asset classes
 - Uncertainty about rising interest rates contributing to current market volatility



"Financial markets can remain irrational for far longer than you or I can remain solvent"

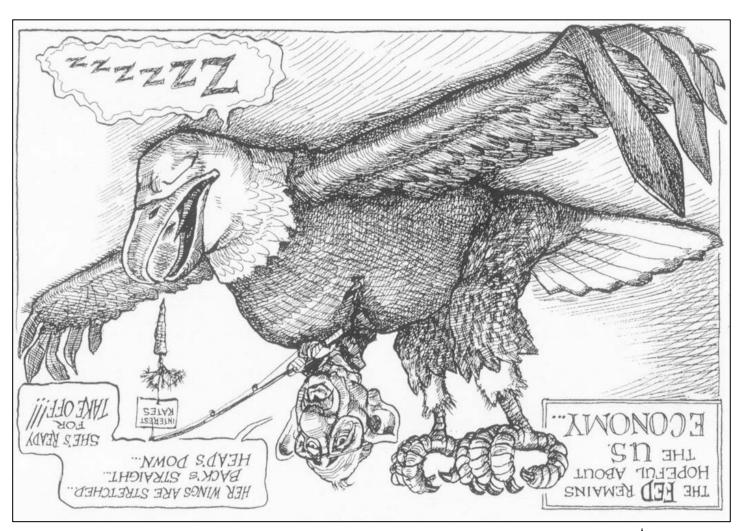
John Maynard Keynes





Source: The Economist





Source: The Economist



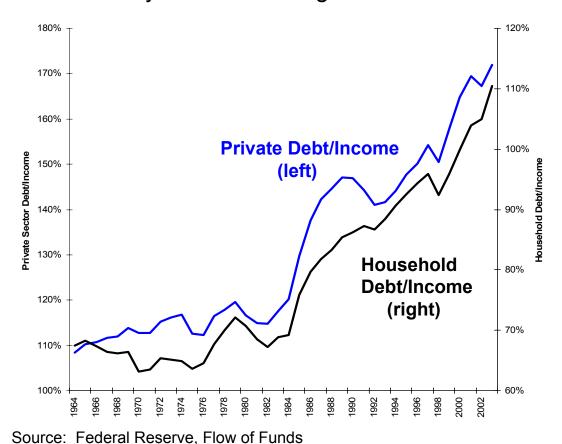
Snapshot of the U.S. Economic Recovery

- First two years of "post-bubble" growth fueled by "steroids"
 - Rising household indebtedness
 - Real estate/refinancing boom
 - Declining private sector savings
 - Loose fiscal and monetary policies
 - Rising current account deficit
- Employment and investment growth have rebounded this year
 - Is this sustainable?
- Short-term interest rates currently are at 46-year lows
 - Modest Fed rate hikes appear likely in 2004 and 2005
 - Path and timing are data and market dependent



Excessive Growth in Private Sector Indebtedness

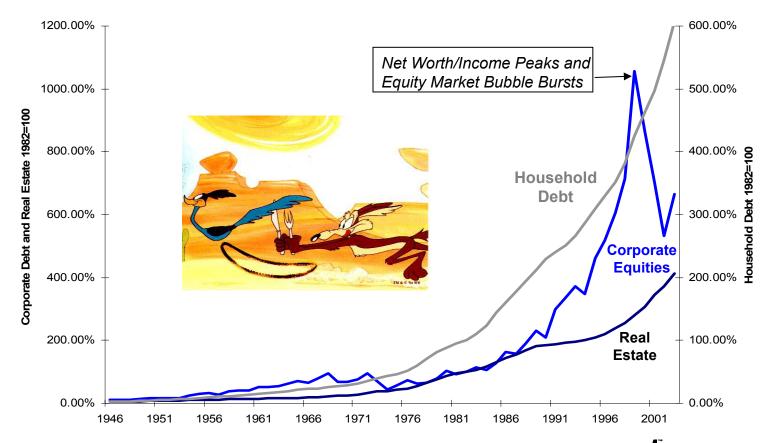
- Private sector debt has increased sharply relative to income over the past twenty years
 - Debt service today remains manageable because of low interest rates





The Wile E. Coyote Effect: Asset Price Valuations

- The equity market bubble "fell off a cliff" in March 2000 while real estate valuations have appreciated
 - real estate bubble?

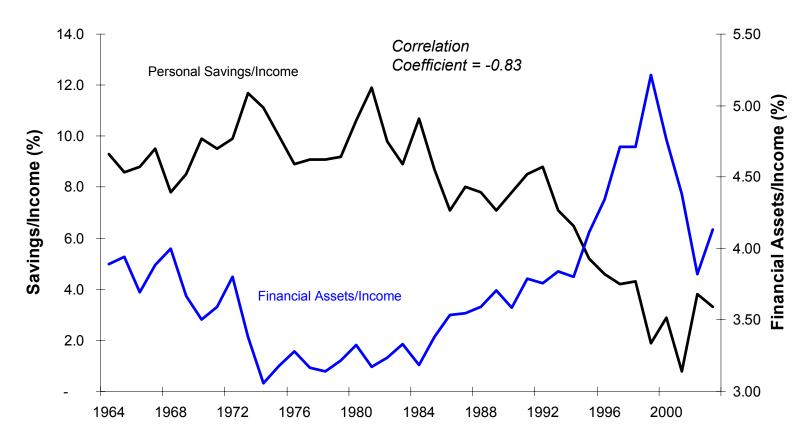


Source: Federal Reserve, Flow of Funds



Declining Savings Rates

- Personal savings rates fell sharply during the equity market bubble
 - Why save when the market can do it for us?



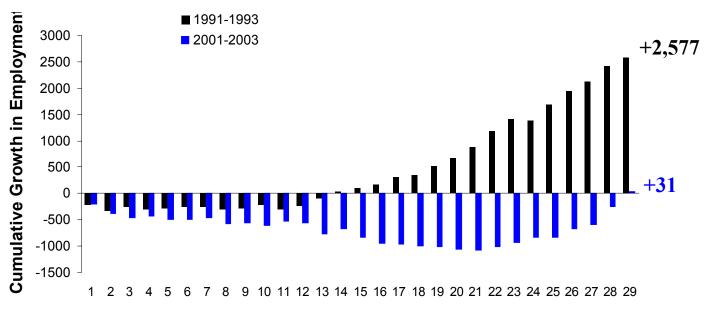
Source: Datastream



Employment Growth

- Employment growth has accelerated in 2004
 - Growth remains more than 2.5 million jobs short of the so-called "jobless" (1991-1993) recovery

Cumulative Employment Growth in Economic Recoveries: 1990s and Today

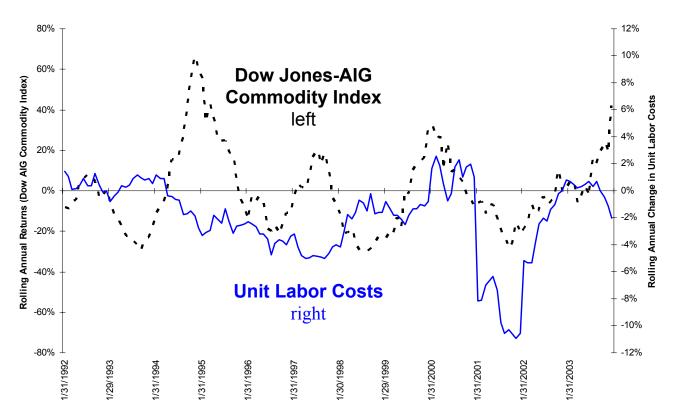


Number of Months Into Recovery



Commodity Prices versus Unit Labor Costs

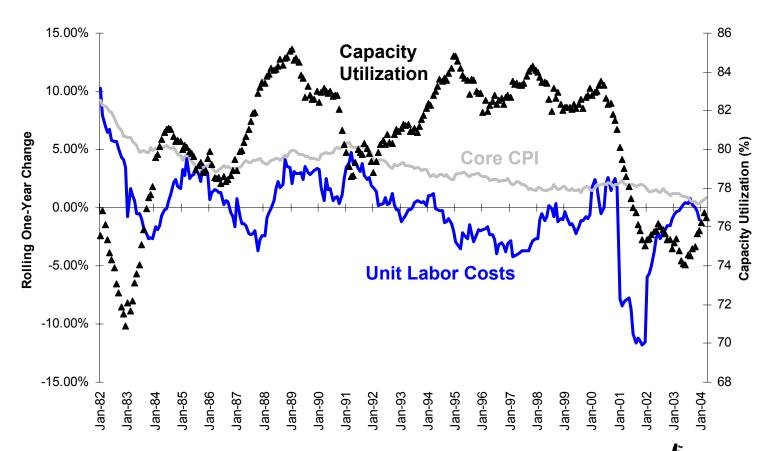
- Strong productivity growth has reduced unit labor costs
 - This has more than offset the rise in commodity prices





Output Gap = Modest Inflation in 2004

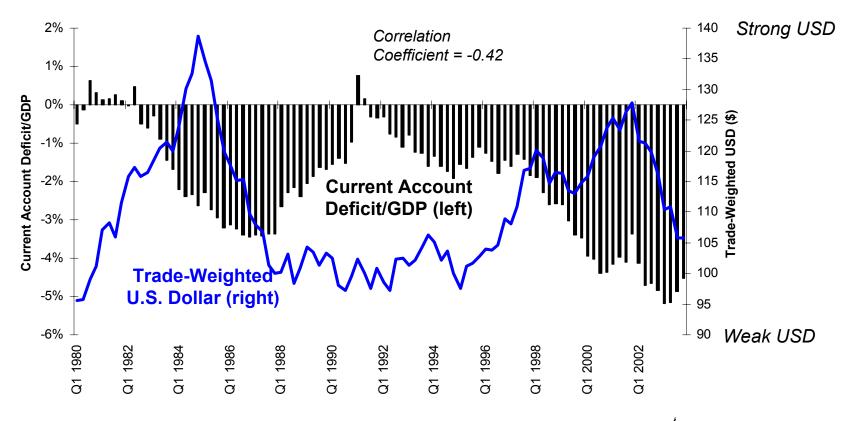
- The "output gap" measures unused labor and capital
 - Inflation recently has risen to 1.8% (YOY)





Trade-Weighted U.S. Dollar

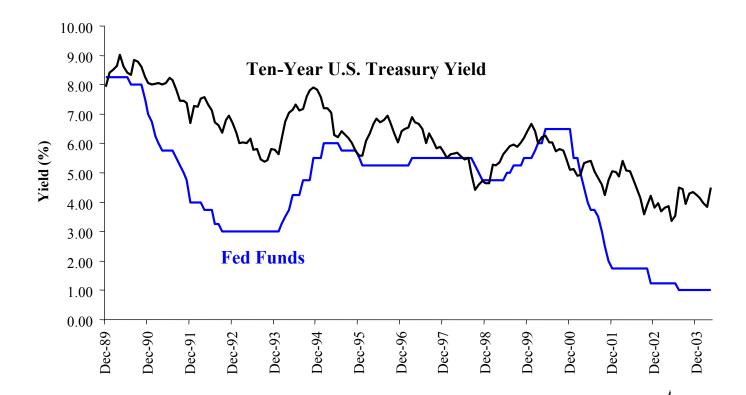
- The U.S. dollar appears likely to decline further in response to the ongoing imbalance between savings and investment
 - Timing and path are uncertain and the adjustment process could take time





Short-Term Interest Rates

- Short-term interest rates are at 46-year lows today, but not for long
 - Fed Fund Futures and the Eurodollar market have priced in about 250 basis points of tightening between now and the end of 2005



Current Macroeconomic Snapshot

- Recent economic reports have been bullish
 - 200,000 jobs per month created so far this year
 - "Measured" hikes in interest rates are likely to begin this summer
- Yet, inflationary pressures remain quiescent, despite rising oil prices
 - Excess capacity remains sizable
 - Employment growth remains significantly below previous recoveries
 - Global competition will restrain inflationary pressures
- The U.S. economy remains "vulnerable" to rising interest rates and/or a sharp decline in the U.S. dollar
 - Market expectations could force the Fed to hike rates more aggressively
 - Rising rates could pose threats to financial stability (as in 1994)



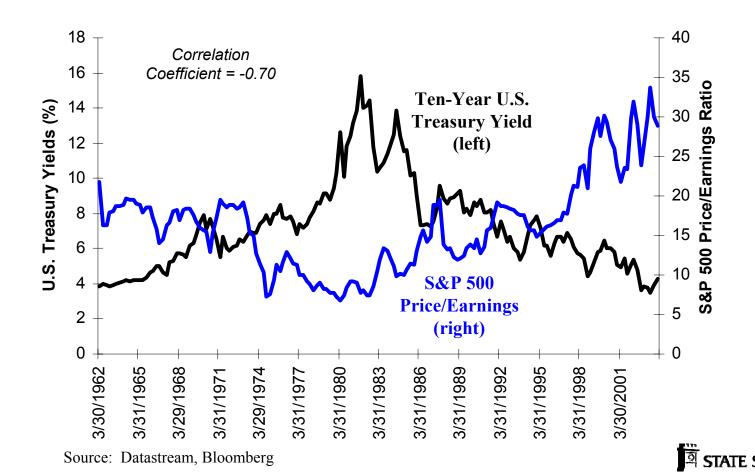
Investment Implications

- Robust real U.S. economic growth (4-5%) expected in 2004
 - Further out, growth prospects appear less certain
- Traditional asset classes appear "priced for perfection"
 - Modest returns appear likely in the current market environment
- Rising interest rates tend to favor specific asset classes
 - Equities over bonds
 - Growth over value
 - International over U.S. stocks
- The Fed is more relaxed about inflation than the market
 - Rising inflation unlikely in the short-run, but more likely further out



Traditional Assets Appear "Priced for Perfection"

 S&P 500 price to earnings ratios have increased fourfold since 1979, while bond yields are close to record lows



End to Disinflation?

- The Fed officially declared "victory" over inflation in May 2003
 - Market participants today are less confident

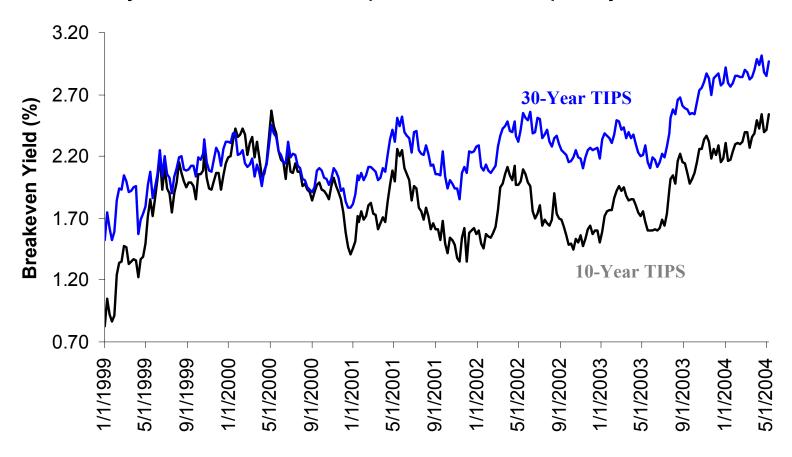


Source: Bloomberg



Inflationary Expectations: TIPS Breakeven Yields

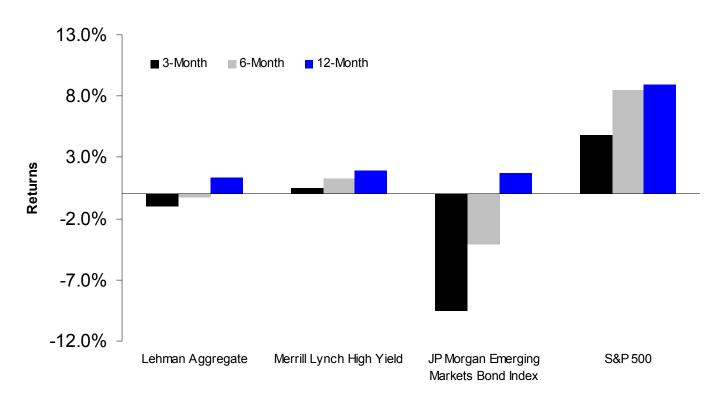
 TIPS breakeven yields suggest inflationary expectations have risen by close to 100 basis points over the past year





Equities vs. Bonds: Rising Interest Rate Environment

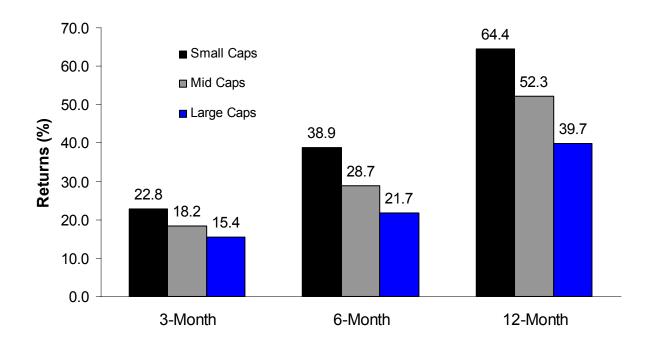
 Since 1976, equities have outperformed bonds when the Fed has hiked short-term rates





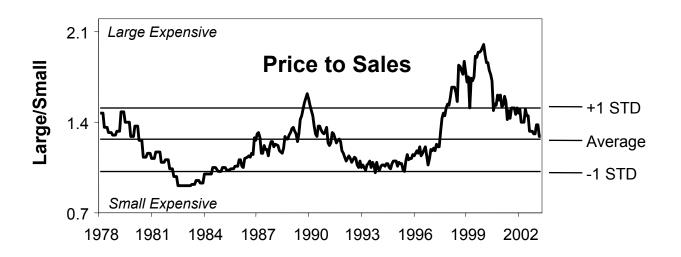
Small Versus Large: Initial Phase of Economic Recovery

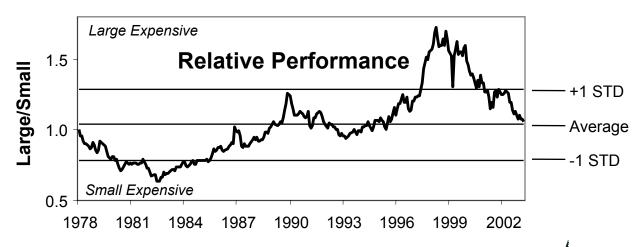
 In the early phase of the current recovery, small outperformed large cap stocks





Small vs. Large Caps Today Are Close to Fair Value

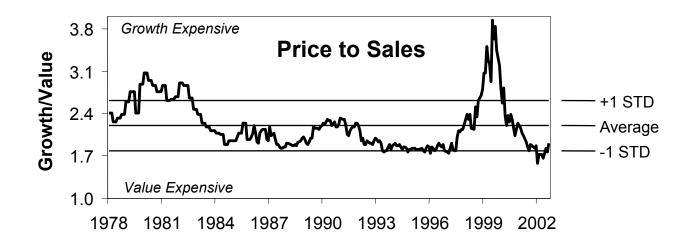


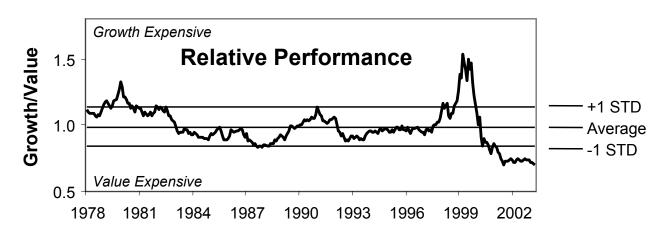


Source: Russell/Mellon Analytical Services, SSR Quantitative Research Group



Growth Stocks Are Cheap Relative to Value

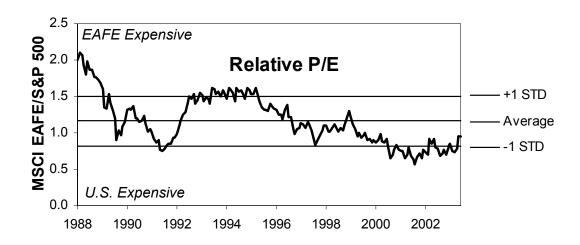


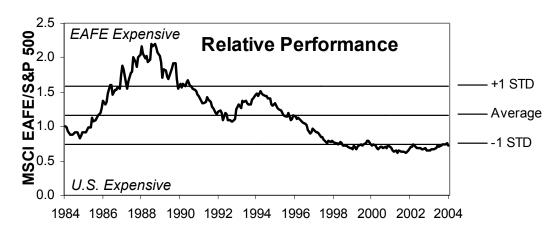


Source: Russell/Mellon Analytical Services, SSR Quantitative Research Group



International Appears Cheap Relative to U.S. Stocks



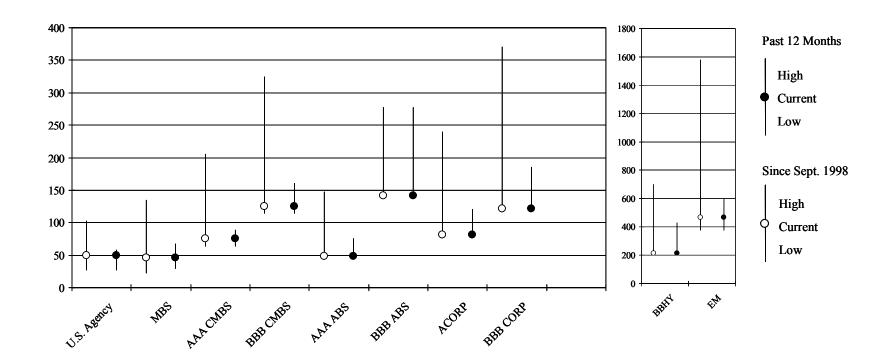


Source: Russell/Mellon Analytical Services, SSR Quantitative Research Group



Credit Spreads

Credit spreads are close to historic lows across-the-board



Source: Bloomberg



Conclusion

- Risks to recovery after 2004 are difficult to assess
 - Growth is expected to slow in H2 '04
 - Fiscal stimulus disappears at year-end
 - Structural imbalances have continued to grow
- Riskier assets tend to perform well in the early phase of recovery
 - Can this be sustained as rates rise?
- Given current market valuations, investors should expect modest returns from equities and bonds
- Inflation inevitably will rise, but more than likely not before H2 '05
 - Secular trends favor "real assets" (e.g., TIPS and commodities)

