

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the stockholders and the Board of Directors of MetLife, Inc.

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of MetLife, Inc. and subsidiaries (the “Company”) as of December 31, 2018 and 2017, the related consolidated statements of operations, comprehensive income (loss), equity, and cash flows for each of the three years in the period ended December 31, 2018, and the related notes and the schedules listed in the Index to Consolidated Financial Statements, Notes and Schedules (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2018 and 2017, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2018, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company’s internal control over financial reporting as of December 31, 2018, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 21, 2019, expressed an unqualified opinion on the Company’s internal control over financial reporting.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ DELOITTE & TOUCHE LLP
New York, New York
February 21, 2019

We have served as the Company’s auditor since at least 1968; however, an earlier year could not be reliably determined.

MetLife, Inc.

**Consolidated Balance Sheets
December 31, 2018 and 2017**

(In millions, except share and per share data)

| | 2018 | 2017 |
|--|------------|------------|
| Assets | | |
| Investments: | | |
| Fixed maturity securities available-for-sale, at estimated fair value (amortized cost: \$286,816 and \$286,069, respectively) | \$ 298,265 | \$ 308,931 |
| Equity securities, at estimated fair value | 1,440 | 2,513 |
| Contractholder-directed equity securities and fair value option securities, at estimated fair value (includes \$4 and \$6, respectively, relating to variable interest entities) | 12,616 | 16,745 |
| Mortgage loans (net of valuation allowances of \$342 and \$314, respectively; includes \$299 and \$520, respectively, under the fair value option) | 75,752 | 68,731 |
| Policy loans | 9,699 | 9,669 |
| Real estate and real estate joint ventures (includes \$0 and \$25, respectively, of real estate held-for-sale) | 9,698 | 9,637 |
| Other limited partnership interests | 6,613 | 5,708 |
| Short-term investments, principally at estimated fair value | 3,937 | 4,870 |
| Other invested assets (includes \$141 and \$125, respectively, relating to variable interest entities) | 18,190 | 17,263 |
| Total investments | 436,210 | 444,067 |
| Cash and cash equivalents, principally at estimated fair value (includes \$52 and \$12, respectively, relating to variable interest entities) | 15,821 | 12,701 |
| Accrued investment income | 3,582 | 3,524 |
| Premiums, reinsurance and other receivables (includes \$3 and \$3, respectively, relating to variable interest entities) | 19,644 | 18,423 |
| Deferred policy acquisition costs and value of business acquired | 18,895 | 18,419 |
| Goodwill | 9,422 | 9,590 |
| Other assets (includes \$2 and \$2, respectively, relating to variable interest entities) | 8,408 | 8,167 |
| Separate account assets | 175,556 | 205,001 |
| Total assets | \$ 687,538 | \$ 719,892 |
| Liabilities and Equity | | |
| Liabilities | | |
| Future policy benefits | \$ 186,780 | \$ 177,974 |
| Policyholder account balances | 183,693 | 182,518 |
| Other policy-related balances | 16,529 | 15,515 |
| Policyholder dividends payable | 677 | 682 |
| Policyholder dividend obligation | 428 | 2,121 |
| Payables for collateral under securities loaned and other transactions | 24,794 | 25,723 |
| Short-term debt | 268 | 477 |
| Long-term debt (includes \$5 and \$6, respectively, at estimated fair value, relating to variable interest entities) | 12,829 | 15,686 |
| Collateral financing arrangement | 1,060 | 1,121 |
| Junior subordinated debt securities | 3,147 | 3,144 |
| Current income tax payable | 441 | 311 |
| Deferred income tax liability | 5,414 | 6,767 |
| Other liabilities (includes \$1 and \$3, respectively, relating to variable interest entities) | 22,964 | 23,982 |
| Separate account liabilities | 175,556 | 205,001 |
| Total liabilities | 634,580 | 661,022 |
| Contingencies, Commitments and Guarantees (Note 20) | | |
| Equity | | |
| MetLife, Inc.'s stockholders' equity: | | |
| Preferred stock, par value \$0.01 per share; \$3,405 and \$2,100 aggregate liquidation preference, respectively | — | — |
| Common stock, par value \$0.01 per share; 3,000,000,000 shares authorized; 1,171,824,242 and 1,168,710,101 shares issued, respectively; 958,613,542 and 1,043,588,396 shares outstanding, respectively | 12 | 12 |
| Additional paid-in capital | 32,474 | 31,111 |
| Retained earnings | 28,926 | 26,527 |
| Treasury stock, at cost; 213,210,700 and 125,121,705 shares, respectively | (10,393) | (6,401) |
| Accumulated other comprehensive income (loss) | 1,722 | 7,427 |
| Total MetLife, Inc.'s stockholders' equity | 52,741 | 58,676 |
| Noncontrolling interests | 217 | 194 |
| Total equity | 52,958 | 58,870 |
| Total liabilities and equity | \$ 687,538 | \$ 719,892 |

See accompanying notes to the consolidated financial statements.

MetLife, Inc.
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2018, 2017 and 2016
(In millions)

| | 2018 | 2017 | 2016 |
|--|------------|-------------|------------|
| Cash flows from operating activities | | | |
| Net income (loss) | \$ 5,128 | \$ 4,020 | \$ 854 |
| Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities: | | | |
| Depreciation and amortization expenses | 628 | 795 | 652 |
| Amortization of premiums and accretion of discounts associated with investments, net | (1,013) | (1,044) | (1,110) |
| (Gains) losses on investments and from sales of businesses, net | 298 | 363 | (183) |
| (Gains) losses on derivatives, net | (207) | 3,610 | 8,779 |
| (Income) loss from equity method investments, net of dividends or distributions | 251 | 194 | 475 |
| Interest credited to policyholder account balances | 4,013 | 6,260 | 6,282 |
| Universal life and investment-type product policy fees | (5,502) | (7,708) | (9,207) |
| Goodwill impairment | — | — | 260 |
| Change in contractholder-directed equity securities and fair value option securities | 2,212 | (436) | 111 |
| Change in accrued investment income | (121) | (280) | (31) |
| Change in premiums, reinsurance and other receivables | (1,809) | (991) | (2,158) |
| Change in deferred policy acquisition costs and value of business acquired, net | (249) | (693) | (937) |
| Change in income tax | 940 | (2,796) | (1,522) |
| Change in other assets | 260 | 691 | 3,248 |
| Change in insurance-related liabilities and policy-related balances | 7,454 | 8,511 | 6,321 |
| Change in other liabilities | (483) | 1,603 | 2,801 |
| Other, net | (62) | 184 | 139 |
| Net cash provided by (used in) operating activities | 11,738 | 12,283 | 14,774 |
| Cash flows from investing activities | | | |
| Sales, maturities and repayments of: | | | |
| Fixed maturity securities available-for-sale | 106,677 | 95,945 | 150,658 |
| Equity securities | 342 | 1,433 | 1,241 |
| Mortgage loans | 9,918 | 10,353 | 12,977 |
| Real estate and real estate joint ventures | 1,227 | 972 | 826 |
| Other limited partnership interests | 675 | 1,082 | 1,542 |
| Purchases and originations of: | | | |
| Fixed maturity securities available-for-sale | (105,401) | (105,683) | (146,397) |
| Equity securities | (235) | (920) | (1,006) |
| Mortgage loans | (17,059) | (14,374) | (21,017) |
| Real estate and real estate joint ventures | (1,118) | (1,446) | (1,515) |
| Other limited partnership interests | (1,406) | (1,486) | (1,313) |
| Cash received in connection with freestanding derivatives | 3,778 | 5,315 | 4,259 |
| Cash paid in connection with freestanding derivatives | (4,173) | (8,696) | (6,963) |
| Cash disposed due to distribution of Brighthouse | — | (663) | — |
| Sales of businesses, net of cash and cash equivalents disposed of \$0, \$0 and \$135, respectively | — | — | 156 |
| Purchases of businesses | — | (211) | — |
| Net change in policy loans | (37) | (67) | 195 |
| Net change in short-term investments | 870 | 2,087 | 1,270 |
| Net change in other invested assets | 340 | (171) | (306) |
| Other, net | (32) | (346) | (457) |
| Net cash provided by (used in) investing activities | \$ (5,634) | \$ (16,876) | \$ (5,850) |

See accompanying notes to the consolidated financial statements.