

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 Operations
For the Years Ended December 31, 2018, 2017 and 2016
(In millions, except per share data)

	2018	2017	2016
Revenues			
Premiums	\$ 43,840	\$ 38,992	\$ 37,202
Universal life and investment-type product policy fees	5,502	5,510	5,483
Net investment income	16,166	17,363	16,790
Other revenues	1,880	1,341	1,685
Net investment gains (losses):			
Other-than-temporary impairments on fixed maturity securities available-for-sale	(40)	(11)	(96)
Other-than-temporary impairments on fixed maturity securities available-for-sale transferred to other comprehensive income (loss)	—	1	(11)
Other net investment gains (losses)	(258)	(298)	424
Total net investment gains (losses)	(298)	(308)	317
Net derivative gains (losses)	851	(590)	(690)
Total revenues	67,941	62,308	60,787
Expenses			
Policyholder benefits and claims	42,656	38,313	36,358
Interest credited to policyholder account balances	4,013	5,607	5,176
Policyholder dividends	1,251	1,231	1,223
Other expenses	13,714	13,621	13,749
Total expenses	61,634	58,772	56,506
Income (loss) from continuing operations before provision for income tax	6,307	3,536	4,281
Provision for income tax expense (benefit)	1,179	(1,470)	693
Income (loss) from continuing operations, net of income tax	5,128	5,006	3,588
Income (loss) from discontinued operations, net of income tax	—	(986)	(2,734)
Net income (loss)	5,128	4,020	854
Less: Net income (loss) attributable to noncontrolling interests	5	10	4
Net income (loss) attributable to MetLife, Inc.	5,123	4,010	850
Less: Preferred stock dividends	141	103	103
Net income (loss) available to MetLife, Inc.'s common shareholders	\$ 4,982	\$ 3,907	\$ 747
Income (loss) from continuing operations, net of income tax, available to MetLife, Inc.'s common shareholders per common share:			
Basic	\$ 4.95	\$ 4.57	\$ 3.16
Diluted	\$ 4.91	\$ 4.53	\$ 3.13
Net income (loss) available to MetLife, Inc.'s common shareholders per common share:			
Basic	\$ 4.95	\$ 3.65	\$ 0.68
Diluted	\$ 4.91	\$ 3.62	\$ 0.67

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.