METLIFE INC
Form 424B5
June 08, 2005

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Prospectus Supplement
(To Prospectus dated April 27, 2005)

24,000,000 Shares
Floating Rate Non-Cumulative Preferred Stock, Series A

MetLife, Inc. is offering 24,000,000 shares of its Floating Rate Non-Cumulative Preferred Stock, Series A, $25 liquidation preference per share (the series A preferred shares).

Holders of series A preferred shares will be entitled to receive dividend payments only when, as and if declared by MetLife, Inc. s board of directors or a duly authorized committee of the board. Any such dividends will be payable from the date of original issue on a non-cumulative basis, quarterly in arrears on the 15th day of March, June, September and December of each year (each, a dividend payment date), commencing on September 15, 2005, at an annual rate of the greater of (a) 1.00% above three month LIBOR on the related LIBOR determination date or (b) 4.00%.

Dividends on the series A preferred shares are not cumulative. Accordingly, in the event dividends are not declared on the series A preferred shares for payment on any dividend payment date, then those dividends will cease to accrue and be payable. If we have not declared a dividend before the dividend payment date for any dividend period, we will have no obligation to pay dividends accrued for that dividend period, whether or not dividends on the series A preferred shares are declared for any future dividend period.

The Certificate of Designations for the series A preferred shares prohibits the declaration of dividends on the series A preferred shares if we fail to meet specified capital adequacy, net income and shareholders equity levels. In addition, under Federal Reserve Board policy, MetLife, Inc. may not be able to pay dividends if it does not earn sufficient operating income. See Description of the Series A Preferred Shares Dividend Payment Restrictions.

So long as any series A preferred shares remain outstanding, no dividend shall be paid or declared on MetLife, Inc. s common stock or any of its other securities ranking junior to the series A preferred shares (other than a dividend payable solely in common stock or in such other junior securities), unless the full dividends for the latest completed dividend period on all outstanding series A preferred shares and any parity stock have been declared and paid or provided for.

The series A preferred shares are not redeemable prior to September 15, 2010. On and after that date, the series A preferred shares will be redeemable at MetLife, Inc. s option, subject to the Federal Reserve Board s prior approval, in whole or in part, at a redemption price of $25 per series A preferred share, plus declared and unpaid dividends.

The series A preferred shares will not have voting rights, except as set forth under Description of the Series A Preferred Shares Voting Rights on page S-69.

See Risk Factors beginning on page S-12 of this prospectus supplement to read about important factors you should consider before buying series A preferred shares.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

	Per Series A Preferred Share	Total
Initial public offering price(1)	$ 25.0000	$ 600,000,000
Underwriting discount	$ 0.7875	$ 18,900,000
Proceeds, before expenses, to MetLife, Inc.	$ 24.2125	$ 581,100,000

(1) The initial public offering price does not include accrued dividends, if any, that may be declared. Dividends, if declared, will accrue from the date of original issuance, which is expected to be June 13, 2005.

The underwriting discount will be $0.50 per series A preferred share offered hereby with respect to any series A preferred shares sold in an aggregate liquidation preference of $500,000 or more to a single purchaser, which decreases the total underwriting discount and increases the total proceeds to MetLife, Inc. by $2,281,313.

To the extent that the underwriters sell more than 24,000,000 series A preferred shares, the underwriters have the option to purchase up to an additional 3,600,000 series A preferred shares from MetLife, Inc. at the initial public offering price less the applicable underwriting discount.

The series A preferred shares have been approved for listing on the New York Stock Exchange under the symbol METPrA, subject to official notice of issuance. Trading of the series A preferred shares on the New York Stock Exchange is expected to commence within a 30-day period after initial delivery.

The underwriters expect to deliver the series A preferred shares, in book-entry form only, through the facilities of The Depository Trust Company, against payment on or about June 13, 2005.

Banc of America Securities LLC **Goldman, Sachs & Co.** **Merrill Lynch & Co.**
Citigroup **Lehman Brothers** **Morgan Stanley** **UBS Investment Bank** **Wachovia Securities**

Advest, Inc.	**A.G. Edwards**	**HSBC**	**JPMorgan**
Janney Montgomery Scott LLC	**KeyBanc Capital Markets**	**Morgan Keegan & Company, Inc.**	**Piper Jaffray**
RBC Capital Markets	**Raymond James**	**SunTrust Robinson Humphrey**	**Wells Fargo Securities**

Prospectus Supplement dated June 6, 2005.

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You should rely only on the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. Neither we nor the underwriters have authorized anyone to provide you with additional or different information. If anyone provided you with additional or different information, you should not rely on it. Neither we nor the underwriters are making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information contained in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference, is accurate only as of their respective dates. MetLife s business, financial condition, results of operations and prospects may have changed since those dates.

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ABOUT THIS PROSPECTUS SUPPLEMENT

You should read this prospectus supplement along with the accompanying prospectus carefully before you invest. Both documents contain important information you should consider before making your investment decision. This prospectus supplement and the accompanying prospectus contain the terms of this offering of series A preferred shares. The accompanying prospectus contains information about our securities generally, some of which does not apply to the series A preferred shares covered by this prospectus supplement. This prospectus supplement may add, update or change information in the accompanying prospectus. If the information in this prospectus supplement is inconsistent with any information in the accompanying prospectus, the information in this prospectus supplement will apply and will supersede the inconsistent information in the accompanying prospectus.

Unless otherwise stated or the context otherwise requires, references in this prospectus supplement and the accompanying prospectus to MetLife, we, our, or us refer to MetLife, Inc., together with Metropolitan Life Insuran Company (Metropolitan Life), and their respective direct and indirect subsidiaries, while references to MetLife, Inc. refer only to the holding company on an unconsolidated basis.

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SUMMARY

This summary contains basic information about us and this offering. Because it is a summary, it does not contain all of the information that you should consider before investing in the series A preferred shares. You should read this entire prospectus supplement carefully, including the section entitled Risk Factors, our financial statements and the notes thereto incorporated by reference into this prospectus supplement, and the accompanying prospectus, before making an investment decision. Except as otherwise noted, all information in this prospectus supplement and the accompanying prospectus assumes no exercise of the underwriters option to purchase additional series A preferred shares.

MetLife

We are a leading provider of insurance and other financial services to individual and institutional customers. We offer life insurance, annuities, automobile and homeowners insurance and retail banking services to individuals, as well as group insurance, reinsurance, and retirement & savings products and services to corporations and other institutions. We serve individuals in approximately 13 million households in the United States and provide benefits to 37 million employees and family members through their plan sponsors, including 88 of the top one hundred FORTUNE® 500 companies. Outside the United States, we serve approximately 9 million customers through direct insurance operations in Argentina, Brazil, Chile, China, Hong Kong, India, Indonesia, Mexico, South Korea, Taiwan and Uruguay.

We are one of the largest insurance and financial services companies in the United States. We believe that our franchises and brand names uniquely position us to be the preeminent provider of protection and savings and investment products in the United States. In addition, our international operations are focused on markets where the demand for insurance, savings and investment products is expected to grow rapidly in the future.

We divide our business into five operating segments:

Institutional (41% of 2004 revenues). Our Institutional segment offers a broad range of group insurance and retirement & savings products and services to corporations and other institutions.

Our group insurance products and services include group life insurance, non-medical health insurance products such as accidental death and dismemberment, long-term care, short- and long-term disability and dental insurance, and related administrative services. We offer group insurance products as employer-paid benefits or as voluntary benefits where all or a portion of the premiums are paid by the employee. We have built a leading position in the U.S. group insurance market through long-standing relationships with many of the largest corporate employers in the United States. We distribute our group insurance products and services through a regional sales force consisting, as of December 31, 2004, of 374 marketing representatives. Voluntary products are sold through the same sales channels, as well as by specialists for these products.

Our institutional retirement & savings products and services include an array of annuity and investment products, as well as bundled administrative and investment services sold to sponsors of small- and mid-sized 401(k) and other defined contribution plans, guaranteed interest products and other stable value products, accumulation and income annuities, and separate account contracts for the investment of defined benefit and defined contribution plan assets. We distribute retirement & savings products and services through dedicated sales teams and relationship managers located in 21 offices around the country, as well as through the distribution channels in the Individual segment and in the group insurance area, which enable us to better reach and service customers, brokers, consultants and other intermediaries.

Individual (33% of 2004 revenues). Our Individual segment offers a wide variety of protection and asset accumulation products aimed at serving the financial needs of our individual customers throughout their entire life cycle. Individual segment products include traditional, universal and variable life insurance and variable and fixed annuities, as well as disability insurance, long-term care

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insurance products, mutual funds and other products offered by our other businesses.

Our Individual segment products are distributed nationwide through three main sales channels:

The MetLife Financial Services career agency system, which focuses on large middle-income and affluent markets, including multicultural markets, had 5,597 agents under contract in 126 agencies at December 31, 2004.

New England Financial s general agency system, which targets high net-worth individuals, owners of small businesses and executives of small- to medium-sized companies, and included 58 general agencies providing support to 2,383 agents and a network of independent brokers throughout the United States at December 31, 2004.

Independent distribution, which is managed primarily by GenAmerica Financial, a company that markets a portfolio of individual life insurance, annuity contracts, and related financial services to high net-worth individuals and small- to medium-sized businesses through 1,654 independent general agencies as of December 31, 2004. The GenAmerica distribution system includes 380 independent general agents who act as independent contractors and produced at least $25,000 in first-year insurance sales in 2004. Other independent distribution channels include independent general agents, financial advisors, consultants, brokerage general agencies and other independent marketing organizations.

Reinsurance (10% of 2004 revenues). Our Reinsurance segment is primarily comprised of our interest in the life reinsurance business of Reinsurance Group of America, Incorporated (RGA), a publicly traded company (NYSE: RGA), and our ancillary life reinsurance business. MetLife, Inc. owned approximately 52% of RGA s outstanding common shares at December 31, 2004.

Auto & Home (8% of 2004 revenues). Our Auto & Home segment offers personal lines property and casualty insurance directly to employees through employer-sponsored programs, as well as through a variety of retail distribution channels, including the MetLife Financial Services career agency system, independent agents, property and casualty specialists and direct response marketing.

International (7% of 2004 revenues). Our International segment provides life insurance, accident and health insurance, annuities and retirement & savings products to both individuals and groups. We focus on emerging markets primarily within the Latin America and Asia/Pacific regions. In Latin America, we operate in Mexico and Chile (which generated approximately 93% of our 2004 Latin America premiums and fees), as well as Brazil, Argentina and Uruguay. In the Asia/Pacific region we operate in South Korea and Taiwan (which generated approximately 95% of our total 2004 Asia premiums and fees), as well as Hong Kong, Indonesia, India and China.

Corporate & Other contains the excess capital not allocated to the operating segments, various start-up entities, including MetLife Bank, N.A., a national bank, and run-off entities, as well as the elimination of all intersegment amounts. Additionally, our asset management business, including amounts reported as discontinued operations, is included in the results of operations for Corporate & Other.

For the year ended December 31, 2004, we had total revenue of $38.8 billion and net income of $2.8 billion. At March 31, 2005, we had cash and invested assets of $244.9 billion, total assets of $362.7 billion and shareholders equity of $23.0 billion.

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Acquisition of the Citigroup Life Insurance and Annuities Business

On January 31, 2005, MetLife, Inc. entered into a definitive agreement to acquire for $11.5 billion, subject to certain closing adjustments, all of the outstanding shares of capital stock held by Citigroup Inc. (Citigroup) and its affiliates, of certain of the domestic and international life insurance subsidiaries of Citigroup, referred to as the Citigroup Life Insurance and Annuities business (Citigroup L&A) (the Acquisition). The closing of the Acquisition is subject to certain conditions. Although no assurances can be given that these conditions will be timely satisfied or waived, we expect the Acquisition to close in the summer of 2005. In connection with the Acquisition, MetLife, Inc. will enter into ten-year distribution agreements with Citigroup, under which we will expand our distribution by making products available through certain Citigroup distribution channels, subject to appropriate suitability and other standards, including the competitiveness of our products and the financial strength of our providers. These channels include CitiStreet Retirement Services, Smith Barney, Citibank branches and Primerica Financial Services in the United States and various Citigroup consumer businesses internationally.

Overview of Citigroup L&A

Citigroup L&A provides insurance and other financial services to a broad spectrum of individual and institutional customers in the United States and select international markets. Citigroup L&A s U.S. business principally operates through The Travelers Insurance Company (TIC) based in Hartford, Connecticut. Citigroup L&A s international business operates in several countries, which include wholly-owned subsidiaries in Australia, Brazil, Argentina, the United Kingdom, Belgium and Poland and a joint venture in each of Japan and Hong Kong. Citigroup L&A also includes certain individual life and retail annuity businesses in run-off status since 2003.

At December 31, 2004, Citigroup L&A s total assets were $97.3 billion, approximately 96% of which was associated with domestic operations. Citigroup L&A s net income for the year ended December 31, 2004 was $901 million, to which domestic and international operations contributed 91% and 9%, respectively.

Citigroup L&A U.S. Operations

Citigroup L&A s principal U.S. product offerings include:

Retail annuity products, including fixed and variable deferred annuities and payout annuities. Citigroup L&A distributes its individual annuity products through Citigroup affiliated channels ($3.9 billion of individual annuity premium and deposits in 2004) and non-affiliated channels ($1.8 billion of individual annuity premium and deposits in 2004). The Citigroup affiliated channels include CitiStreet Retirement Services, Smith Barney, Citibank branches and Primerica Financial Services. Non-affiliated channels include a nationwide network of independent financial professionals and independent broker-dealers, including Morgan Stanley, Merrill Lynch & Co., Fidelity, AXA and Wachovia Securities.

Individual life insurance products, including term, universal and variable life insurance. Citigroup L&A s individual life insurance products are primarily marketed by independent financial professionals, who accounted for $745 million of the $964 million of total life insurance sales for 2004.

Institutional annuity products, including institutional pensions, guaranteed investment contracts (GICs), payout annuities, group annuities sold to employer-sponsored retirement and savings plans, structured settlements and funding agreements. Citigroup L&A s institutional annuity products are sold through direct sales and various intermediaries.

Citigroup L&A International Operations

Citigroup L&A s international operations offer a variety of insurance products, including credit insurance, basic indemnity policies (such as accident and health products), traditional term life, group life, whole life, endowment, fixed and variable annuities, pension annuities and unit-linked policies. Citigroup L&A distributes its products in international markets primarily through Citigroup s consumer businesses, including its retail banking, credit card and consumer finance franchises, as well as through non-proprietary channels.

International sales are also conducted through direct mail and telemarketing, branch sales, wholesaling networks, agencies and direct sales agents.

Financing of the Purchase Price

Our definitive agreement with Citigroup to acquire the Citigroup L&A business (the Acquisition Agreement) permits us to pay up to $3 billion of the $11.5 billion purchase price (with the amount to be determined by us) to Citigroup in MetLife, Inc. s common stock (or, in the circumstances described below in Proposed Acquisition of the Citigroup Life Insurance and Annuities Business, non-voting convertible participating preferred stock). We currently intend to pay $1 billion of the purchase price in common stock. The remainder of the purchase price must be paid in cash.

We intend to finance the cash portion of the purchase price through a combination of dividends from our insurance subsidiaries (which have already been paid), proceeds from the issuance of commercial paper and proceeds from offerings of various other forms of securities, including:

- the series A preferred shares offered hereby;
- a class of newly-issued fixed rate preferred stock;
- mandatorily convertible equity units; and
- senior debt.

In the event that any of the proposed offerings of securities cannot be completed on commercially acceptable terms, we may borrow up to $7 billion under a bridge financing facility. We currently expect to commence the offerings of fixed-rate preferred stock, mandatorily convertible equity units and senior debt shortly after the pricing of this offering of series A preferred shares. The form, manner and timing of the financing of the Acquisition is subject to change. Please refer to Unaudited Pro Forma Condensed Consolidated Financial Information for further discussion of the financing transactions.

Strategic Rationale

We believe the Acquisition will provide both immediate and long-term increases in shareholder value through the following strategic and financial benefits:

- ***Substantially enhanced scale and market position in individual life and annuity products.*** The Acquisition significantly enhances our position in products we know well. In particular, it increases the operating earnings of our Individual segment and reinforces our position as a leader in the individual life and annuity markets. As a result of the Acquisition, as of March 31, 2005, based on data from LIMRA, we will become the leading seller of individual life insurance products in the United States, as measured by premium dollars, and the second largest seller of individual annuities in the United States, as measured by total individual annuity sales.

- ***Highly complementary distribution channels.*** There is very little overlap between our distribution systems and those of Citigroup L&A. As part of the Acquisition, we will enter into ten-year distribution agreements with Citigroup, which will give us access to certain Citigroup distribution channels. In addition, we will gain expanded distribution capabilities to sell individual life products through independent financial professionals, with whom we have had only a limited presence until now. Citigroup L&A adds independent agents, national marketing organizations, Smith Barney and Citibank to our sales channels for life insurance products. Our individual annuity distribution capabilities will be significantly expanded by new distribution relationships with Citigroup-affiliated channels, including CitiStreet Retirement Services, Smith Barney, Citibank branches and Primerica Financial Services, as well as by non-affiliated channels, including a nationwide network of independent financial professionals and independent broker-dealers.

- ***Substantially increased international presence.*** The Acquisition increases our presence and adds new distribution channels in Brazil and Hong Kong and introduces us to new markets in Japan, Australia, Belgium, Poland and the United Kingdom. In total, as a result of the Acquisition, we will have a presence in 16 foreign countries.

The Offering

Issuer	MetLife, Inc.
Securities Offered	24,000,000 shares of Floating Rate Non-Cumulative Preferred Stock, Series A, $0.01 par value per share, with a liquidation preference of $25 per share, of MetLife, Inc. To the extent that the underwriters sell more than 24,000,000 series A preferred shares, the underwriters have the option to purchase up to an additional 3,600,000 series A preferred shares. In addition, MetLife, Inc. may from time to time elect to issue additional series A preferred shares, and all the additional shares would be deemed to form a single series with the series A preferred shares.
Dividends	Dividends on the series A preferred shares, when, as and if declared by MetLife, Inc. s board of directors or a duly authorized committee of the board, will accrue and be payable on the liquidation preference amount from the original issue date, on a non-cumulative basis, quarterly in arrears on each dividend payment date, at an annual rate of the greater of (a) 1.00% above three month LIBOR on the related LIBOR determination date or (b) 4.00%. Any such dividends will be distributed to holders of the series A preferred shares in the manner described under Description of the Series A Preferred Shares Dividends. A dividend period is the period from and including a dividend payment date to but excluding the next dividend payment date, except that the initial dividend period will commence on and include the original issue date of the series A preferred shares and will end on and exclude the September 15, 2005 dividend payment date. Dividends on the series A preferred shares are not cumulative. Accordingly, in the event dividends are not declared on the series A preferred shares and any parity stock for payment on any dividend payment date, then any accrued dividends shall cease to accrue and be payable. If MetLife, Inc. s board of directors or a duly authorized committee of the board has not declared a dividend before the dividend payment date for any dividend period, MetLife, Inc. will have no obligation to pay dividends accrued for such dividend period after the dividend payment date for that dividend period, whether or not dividends on the series A preferred shares are declared for any future dividend period.
Dividend Payment Dates	The 15th day of March, June, September and December of each year, commencing on September 15, 2005. If any date on which dividends would otherwise be payable is not a business day, then the dividend payment date will be the next succeeding business day unless such day falls in the next calendar month, in which case the dividend payment date will be the immediately preceding day that is a business day.
Redemption	The series A preferred shares are not redeemable prior to September 15, 2010. On and after that date, the series A preferred shares will be redeemable at MetLife, Inc. s option and subject to the

	Federal Reserve Board s prior approval, in whole or in part, at a redemption price equal to $25 per series A preferred share, plus any declared and unpaid dividends, without accumulation of any undeclared dividends. The series A preferred shares will not be subject to any sinking fund or other obligation of MetLife, Inc. to redeem, repurchase or retire the series A preferred shares. MetLife, Inc. intends that, if it redeems the series A preferred shares, it will redeem them only to the extent that the aggregate liquidation preference of the series A preferred shares redeemed is less than the amount, if any, of net proceeds to MetLife, Inc. or its affiliates of shares of certain types of junior stock or parity stock (each as defined herein) or certain other securities having sufficient equity characteristics, in each case that are issued within six months before the redemption. See Description of the Series A Preferred Shares Redemption.
Dividend Payment Restrictions	The Certificate of Designations for the series A preferred shares prohibits the declaration of dividends on the series A preferred shares if we fail to meet specified capital adequacy, net income and shareholders equity levels. In addition, under Federal Reserve Board policy, MetLife, Inc. may not be able to pay dividends if it does not earn sufficient operating income. See Description of the Series A Preferred Shares Restrictions on Declaration and Payment of Dividends.
Ranking	The series A preferred shares: will rank senior to MetLife, Inc. s junior stock with respect to the payment of dividends and distributions upon liquidation, dissolution or winding-up. Junior stock includes MetLife, Inc. s common stock, its Series A Junior Participating Preferred Stock, any non-voting convertible preferred stock that may be issued to Citigroup under the Acquisition Agreement in lieu of common stock and any other class of stock that ranks junior to the series A preferred shares either as to the payment of dividends or as to the distribution of assets upon any liquidation, dissolution or winding-up of MetLife, Inc. will rank at least equally with each other series of parity stock that MetLife, Inc. may issue with respect to the payment of dividends and distributions upon liquidation, dissolution or winding-up. As of the date of this prospectus supplement, no other series of parity stock is outstanding. In addition to the series A preferred shares offered hereby, MetLife, Inc. plans to issue a series of fixed rate preferred stock shortly after the completion of this offering of series A preferred shares as part of the financing of the Acquisition. This series of fixed rate preferred stock will rank equally with the series A preferred shares offered hereby. See Use of Proceeds and Capitalization. During any dividend period, so long as any series A preferred shares remain outstanding, unless the full dividends for the latest completed dividend period on all outstanding series A preferred

	shares have been declared or paid, or declared and a sum sufficient for the payment thereof has been set aside: no dividend shall be paid or declared on MetLife, Inc. s common stock or other junior stock; and no common stock or other junior stock shall be purchased, redeemed or otherwise acquired for consideration by MetLife, Inc., directly or indirectly (other than as a result of the reclassification of such junior stock for or into other junior stock, or the exchange or conversion of one share of such junior stock for or into another share of such junior stock). For any dividend period in which dividends are not paid in full upon the series A preferred shares and any parity stock, all dividends declared for such dividend period with respect to the series A preferred shares and such parity stock shall be declared on a pro rata basis. See Description of the Series A Preferred Shares Dividends.
Liquidation Rights	Upon any voluntary or involuntary liquidation, dissolution or winding up of MetLife, Inc., holders of the series A preferred shares are entitled to receive out of the assets of MetLife, Inc., available for distribution to stockholders, before any distribution is made to holders of common stock or other junior stock, a liquidating distribution in the amount of $25 per preferred share plus any declared and unpaid dividends, without accumulation of any undeclared dividends. Distributions will be made pro rata as to the series A preferred shares and any parity stock and only to the extent of MetLife, Inc. s assets, if any, that are available after satisfaction of all liabilities to creditors. See Description of the Series A Preferred Shares Liquidation Rights.
Voting Rights	Holders of the series A preferred shares will have no voting rights, except with respect to certain fundamental changes in the terms of the series A preferred shares and in the case of certain dividend non-payments. See Description of the Series A Preferred Shares Voting Rights.
Maturity	The series A preferred shares do not have any maturity date, and MetLife, Inc. is not required to redeem the series A preferred shares. Accordingly, the series A preferred shares will remain outstanding indefinitely, unless and until MetLife, Inc. decides to redeem them.
Preemptive Rights	Holders of the series A preferred shares will have no preemptive rights.
Listing	The series A preferred shares have been approved for listing on the New York Stock Exchange under the symbol METPrA, subject to official notice of issuance. MetLife, Inc. expects trading of the series A preferred shares on the New York Stock Exchange to commence within a 30-day period after initial delivery.
Tax Consequences	If you are a noncorporate United States holder, dividends paid to you in taxable years beginning before January 1, 2009 will be taxable to you at a maximum rate of 15%, subject to certain

	requirements described herein. If you are taxed as a corporation, except as described below under Certain United States Federal Income Tax Consequences United States Holders Distributions on Series A Preferred Shares, dividends generally would be eligible for the 70% dividends-received deduction. If you are a United States alien holder of series A preferred shares, dividends paid to you are subject to withholding tax at a 30% rate or at a lower rate if you are eligible for the benefits of an income tax treaty that provides for a lower rate. For further discussion of the tax consequences relating to the series A preferred shares, see Certain United States Federal Income Tax Consequences.
Ratings	The series A preferred shares are rated BBB by Standard & Poor s Ratings and Baal by Moody s Investors Service. Standard & Poor s Ratings has placed its BBB rating of the series A preferred shares on CreditWatch with negative implications, and Moody s Investors Service has placed its Baal rating of the series A preferred shares on negative outlook. The ratings of the series A preferred shares should be evaluated independently from similar ratings of other securities. A rating is not a recommendation to buy, sell or hold securities and may be subject to review, revision, suspension, reduction or withdrawal at any time by the assigning rating agency.
Use of Proceeds	MetLife, Inc. expects to receive net proceeds from this offering of approximately $582,750,000, after expenses and underwriting discounts. MetLife, Inc. intends to use the net proceeds from this offering to fund a portion of the purchase price for MetLife, Inc. s acquisition of Citigroup L&A. In the event the Acquisition is not consummated, MetLife, Inc. will use the net proceeds from the sale of the series A preferred shares for general corporate purposes.
Transfer Agent and Registrar	Mellon Investor Services LLC.
Calculation Agent	JPMorgan Chase Bank, N.A.

RISK FACTORS

In considering whether to purchase series A preferred shares, you should carefully consider all the information included or incorporated by reference in this prospectus supplement and in the accompanying prospectus. In particular, you should carefully consider the following risk factors.

Risks Relating to the Acquisition of Citigroup L&A

We Do Not Expect Citigroup L&A s Performance in 2004 and the First Quarter of 2005 to be Indicative of Its Future Contribution to Our Net Income

Citigroup L&A generated net income of $901 million in 2004 and $273 million in the first quarter of 2005. We expect Citigroup L&A s results in 2005 to be lower than the $901 million generated in 2004 due to the impact of certain items in 2004 that are unlikely to recur in 2005 and trends in Citigroup L&A s principal businesses. We also do not believe Citigroup L&A s net income for the first quarter of 2005 is an accurate indicator of its full year 2005 net income.

Citigroup L&A s 2004 net income of $901 million was positively affected by tax recoveries, releases of reserves, charges and other items and negatively affected by other items, including a change in assumptions relating to deferred policy acquisition costs (DAC) that, taken together, contributed a net amount of $61 million to Citigroup L&A s net income in 2004. We believe these items are unlikely to recur in 2005. Similarly, Citigroup L&A s net income of $273 million in the first quarter of 2005 was positively affected by unusually large realized gains of $36 million and better than expected results in Argentina due in part to a $16 million (after tax) release of reserves.

We expect the following trends, which Citigroup L&A management has reported to us, to affect the profitability of Citigroup L&A s various businesses in 2005:

Private Equity and Real Estate. According to Citigroup L&A management, Citigroup L&A has experienced significant declines in returns on its investments in arbitrage funds in 2005. In addition, Citigroup L&A s 2004 and first quarter 2005 net income benefitted from the exceptionally strong performance of its private equity and real estate investments. Total private equity and real estate investment income in 2004 was $193 million and $79 million, respectively, which represented 6.5% and 2.7%, respectively, of Citigroup L&A s total net investment income for the year. An adverse change in the private equity or real estate markets or continuing poor returns on arbitrage investments would have a negative impact on our returns from Citigroup L&A s investments. See Risks Relating to Our Business The Performance of Our Investments Depends on Conditions that Are Outside Our Control, and Our Net Investment Income Can Vary from Period to Period.

Institutional Annuities. According to the Quarterly Report on Form 10-Q filed by TIC for the first quarter of 2005, institutional annuities deposits were 30% lower in the three months ended March 31, 2005 than in the comparable period in 2004. The decline in volume was a result of lower sales under TIC s medium-term note program and GIC customers assessing concentration risk associated with the Acquisition. Structured settlement production also declined in the first quarter of 2005 as a result of initial uncertainty following the announcement of the Acquisition. Consistent with industry trends, Citigroup L&A has also experienced a slower group close-out market. The close-out business is characterized by large, infrequent transactions that contribute to volatility of quarterly premiums, benefits and losses.

Retail Annuities. Although retail annuity sales have shown some growth from 2004, they have been below expectations in 2005. A slowdown in new product introductions by Citigroup L&A has hampered the ability of Citigroup L&A to respond to new offerings by competitors, and plans to expand distribution in the financial planner market and in banks have been cancelled. Also, uncertainty regarding long-term integration plans has led to wholesaler turnover.

Life Insurance. The life insurance industry is facing numerous challenges that could have an impact in future periods. Reserve requirements under NAIC Model Regulation AXXX for universal life products with secondary guarantees are expected to constrain capital, while higher cost and decreased

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availability of life reinsurance, in addition to heightened competition from major U.S. life insurance market participants, are expected to pressure profitability.

International. Sales may be reduced in 2005 due to a number of factors. In Japan, Citigroup L&A has experienced a slowdown in sales of its variable annuity contracts and increased competition, reflecting lower overall variable annuity sales by Citigroup L&A s distributors and a loss by Citigroup L&A of market share within these channels. Sales also may be reduced by a slowdown in the United Kingdom due to reduced loan origination, changes in pension regulations in Australia, and continuing uncertainty in Argentina due in part to economic conditions and the potential for government and judicial action.

Citigroup L&A s Business is Also Subject to Risks

Citigroup L&A s business is affected by other market risks and other categories of risk described elsewhere in this section, in this prospectus supplement and in the documents incorporated by reference herein. In particular, we note that:

Citigroup L&A has experienced continued spread compression in 2005, as somewhat lower new money rates in 2005 were only partially offset by lower crediting rates on annuity products. Declining interest rates, continued low interest rates or rapidly rising interest rates could exacerbate this trend. See Risks Relating to Our Business Changes in Market Interest Rates May Significantly Affect Our Profitability.

Citigroup L&A s business is significantly affected by movements in the U.S. equity and fixed income credit markets. See Risks Relating to Our Business A Decline in Equity Markets or an Increase in Volatility in Equity Markets May Adversely Affect Sales of Our Investment Products and Our Profitability.

Citigroup L&A has experienced a sustained period of favorable credit trends in 2004. Adverse changes in the credit quality of issuers could have a negative effect on Citigroup L&A s investment portfolio and earnings. See Risks Relating to Our Business Defaults, Downgrades or Other Events Impairing the Value of Our Fixed-Income Securities Portfolio May Reduce Our Earnings.

Federal and state regulators have focused on, and continue to devote substantial attention to, the mutual fund and variable insurance product industries. See Risks Relating to Our Business Legal and Regulatory Investigations and Actions Are Increasingly Common in the Insurance Business and May Result in Financial Losses and Harm our Reputation.

Following the announcement of the Acquisition, the financial strength rating of each of TIC and its subsidiary, The Travelers Life and Annuity Company, was lowered one notch by certain rating agencies. While we believe the negative impact of these downgrades on Citigroup L&A s financial results was relatively modest, future downgrades, if any, could have a more pronounced impact. See Risks Relating to Our Business A Downgrade or a Potential Downgrade in Our Financial Strength or Credit Ratings Could Result in a Loss of Business and Adversely Affect Our Financial Condition and Results of Operations.

We May Experience Difficulties in Integrating the Citigroup L&A Business

Our ability to achieve the benefits we anticipate from the Acquisition will depend in large part upon whether we are able to integrate the businesses of MetLife and Citigroup L&A in an efficient and effective manner. We may not be able to integrate these businesses smoothly or successfully, and the process may take longer than expected. The integration of certain operations following the Acquisition will require the dedication of significant management resources, which may distract management s attention from day-to-day business. Integration planning, which commenced on January 31, 2005, has already required significant management resources. If we are unable to successfully integrate the operations of MetLife and Citigroup L&A, we may be unable to realize the cross-selling and other distribution benefits, cost savings, revenue growth and other anticipated benefits we expect to achieve as a result of the Acquisition and our business and results of operations could be adversely affected.

The success with which we are able to integrate the Citigroup L&A business will depend on our ability to manage a variety of issues, including the following:

Loss of key personnel or higher than expected employee attrition rates could adversely affect the performance of the Citigroup L&A business and our ability to integrate it successfully. Citigroup L&A management has advised us that since the announcement of the Acquisition, employee departures from the Citigroup L&A business have been running at a significantly higher rate than the historical average.

Citigroup L&A s customers may reduce, delay or defer decisions concerning their use of Citigroup L&A s products and services as a result of the Acquisition or uncertainties related to the consummation of the Acquisition. In particular, we expect that some existing Citigroup L&A customers that are also customers of MetLife will reduce their purchases from Citigroup L&A and MetLife as they assess concentration risk associated with the Acquisition. Citigroup L&A experienced lower institutional annuities deposits in the first quarter of 2005 following the announcement of the Acquisition.

The Citigroup L&A business relies in part upon independent distributors to distribute its products. According to Citigroup L&A management, financial professionals not affiliated with Citigroup accounted for $1.8 billion of the $5.7 billion total individual annuity premiums and deposits, and $745 million of the $964 million total individual life insurance sales, of the Citigroup L&A business in 2004. Unaffiliated distributors typically distribute products for many different financial institutions and may not continue to generate the same volume of business for MetLife after the Acquisition. Independent distributors may reexamine the scope of their relationship with Citigroup L&A as a result of the Acquisition and decide to curtail or eliminate their distribution of Citigroup L&A products.

Although we will enter into ten-year distribution arrangements with the Citigroup-affiliated distributors at the closing of the Acquisition, most of these distribution relationships will not require the distributor to distribute MetLife or Citigroup L&A products exclusively. We cannot assure you that the volume of distribution through these channels will not decrease after the Citigroup L&A business is no longer affiliated with these channels. Distribution channels affiliated with Citigroup account for significant volumes of the Citigroup L&A business, including $3.9 billion of the $5.7 billion total individual annuity premiums and deposits of the Citigroup L&A business in 2004.

Integrating the Citigroup L&A business with our existing operations will require us to coordinate geographically separated organizations, address possible differences in corporate culture and management philosophies and combine separate information technology platforms.

We expect to incur significant one-time costs in connection with the Acquisition and the related integration of approximately $196 million, or $127 million after income taxes. These costs have not been reflected in the accompanying unaudited pro forma condensed consolidated financial information because they are non-recurring. The costs and liabilities actually incurred in connection with the Acquisition and subsequent integration process may exceed those anticipated. Although we expect that the realization of efficiencies related to the Acquisition may offset additional expenses over time and result in net cost savings, we cannot ensure that this net benefit will be achieved soon or at all.

If the Citigroup L&A Business Does Not Perform Well or We Do Not Integrate It Successfully, We May Incur Significant Charges to Write Down the Goodwill Established in the Acquisition

As a result of the Acquisition, we expect to establish goodwill of approximately $4.5 billion based upon the March 31, 2005 unaudited pro forma interim condensed consolidated balance sheet included elsewhere in this prospectus supplement. Under Statement of Financial Accounting Standards No. 142, *Goodwill and Other Intangible Assets,* we must test our goodwill annually for impairment and, if we determine that the goodwill has been impaired, we must write down the goodwill by the amount of the impairment, with a corresponding charge to net income. If the

Citigroup L&A business does not perform well following the Acquisition or if we are unable to integrate it successfully into our operations, we may incur significant charges to net income to write down the goodwill, which could have a material adverse effect on our results of operations or financial condition.

We Must Obtain Many Governmental and Other Consents to Complete the Acquisition. If These Consents Are Delayed, Not Granted or Granted with Unacceptable Conditions, It May Jeopardize or Postpone the Completion of the Acquisition, Result in Additional Expenditures of Money and Resources and/or Reduce the Anticipated Benefits of the Acquisition

We must obtain numerous approvals and consents in a timely manner from federal, state and foreign agencies prior to the completion of the Acquisition. If we do not receive these approvals, or do not receive them on terms that satisfy the conditions set forth in the Acquisition Agreement, then we will not be obligated to complete the Acquisition. In such case, it is possible that we may forego or postpone acquiring all of Citigroup L&A and, instead, acquire only certain businesses and/or assets of Citigroup L&A for which we have obtained appropriate approvals, thereby reducing the anticipated benefits of the Acquisition. The governmental agencies from which we will seek these approvals have broad discretion in administering the governing regulations. As a condition to approval of the Acquisition, agencies may impose requirements, limitations or costs that could negatively affect the way we conduct, or Citigroup L&A conducts, business. These requirements, limitations or costs could jeopardize or delay the completion of the Acquisition. If we agree to any material requirements, limitations or costs in order to obtain any approvals required to complete the Acquisition, these requirements, limitations or additional costs could adversely affect our ability to integrate the Citigroup L&A operations or reduce the anticipated benefits of the Acquisition. This could result in a material adverse effect on our business and results of operations.

In the event the Acquisition is not consummated or we do not acquire all of Citigroup L&A, we may incur significant costs to redeem or repurchase securities issued, or repay any drawdowns under the bridge facility, in connection with the financing of the Acquisition. See Use of Proceeds for our plans to finance the Acquisition.

Risks Relating to Our Business

The Citigroup L&A business is similar to our own business in many respects, and the Acquisition will increase our exposure to many of the risks described below.

Changes in Market Interest Rates May Significantly Affect Our Profitability

Some of our products, principally traditional whole life insurance, fixed annuities and guaranteed investment contracts, expose us to the risk that changes in interest rates will reduce our spread, or the difference between the amounts that we are required to pay under the contracts in our general account and the rate of return we are able to earn on general account investments intended to support obligations under the contracts. Our spread is a key component of our net income.

As interest rates decrease or remain at low levels, we may be forced to reinvest proceeds from investments that have matured or have been prepaid or sold at lower yields, reducing our investment margin. Moreover, borrowers may prepay or redeem the fixed-income securities, commercial mortgages and mortgage-backed securities in our investment portfolio with greater frequency in order to borrow at lower market rates, which exacerbates this risk. Lowering interest crediting rates can help offset decreases in investment margins on some products. However, our ability to lower these rates could be limited by competition or contractually guaranteed minimum rates and might not match the timing or magnitude of changes in asset yields. As a result, our spread could decrease or potentially become negative. Our expectation for future spreads is an important component in the amortization of DAC and significantly lower spreads may cause us to accelerate amortization, thereby reducing net income in the affected reporting period. In addition, during periods of declining interest rates, life insurance and annuity products may be relatively more attractive investments to consumers, resulting in increased premium payments on products with flexible premium features, repayment of policy loans and increased persistency, or a higher percentage of insurance policies remaining in force from year to year, during a period when our new investments carry lower returns. A decline in market interest rates could also reduce our return on investments that do not support particular policy obligations. Accordingly, declining interest rates may materially adversely affect our results of operations and financial condition and significantly reduce our profitability.

Increases in market interest rates could also negatively affect our profitability. In periods of rapidly increasing interest rates, we may not be able to replace, in a timely manner, the assets in our general account with higher yielding assets needed to fund the higher crediting rates necessary to keep interest sensitive products competitive. We therefore may have to accept a lower spread and thus lower profitability or face a decline in sales and greater loss of existing contracts and related assets. In addition, policy loans, surrenders and withdrawals may tend to increase as policyholders seek investments with higher perceived returns as interest rates rise. This process may result in cash outflows requiring that we sell invested assets at a time when the prices of those assets are adversely affected by the increase in market interest rates, which may result in realized investment losses. Unanticipated withdrawals and terminations may cause us to accelerate the amortization of DAC, which would increase our current expenses and reduce net income. An increase in market interest rates could also have a material adverse effect on the value of our investment portfolio, for example, by decreasing the fair values of the fixed income securities that comprise a substantial majority of our investment portfolio.

A Decline in Equity Markets or an Increase in Volatility in Equity Markets May Adversely Affect Sales of Our Investment Products and Our Profitability

Significant downturns and volatility in equity markets could have a material adverse effect on our financial condition and results of operations in three principal ways.

First, market downturns and volatility may discourage purchases of separate account products, such as variable annuities, variable life insurance and mutual funds that have returns linked to the performance of the equity markets and may cause some existing customers to withdraw cash values or reduce investments in those products.

Second, downturns and volatility in equity markets can have a material adverse effect on the revenues and returns from our savings and investment products and services. Because these products and services depend on fees related primarily to the value of assets under management, a decline in the equity markets could reduce our revenues by reducing the value of the investment assets we manage. The retail annuity business in particular is highly equity market sensitive, and a sustained weakness in the markets will decrease revenues and earnings in variable annuity products.

Third, we provide certain guarantees within some of our products that protect policyholders against significant downturns in the equity markets. For example, we offer variable annuity products with guaranteed features, such as minimum death and withdrawal benefits. These guarantees may be more costly than expected in volatile or declining equity market conditions, causing us to increase reserves and negatively affecting net income.

The Performance of Our Investments Depends on Conditions that Are Outside Our Control, and Our Net Investment Income Can Vary from Period to Period

The performance of our investment portfolio depends in part upon the level of and changes in interest rates, equity prices, real estate values, the performance of the economy generally, the performance of the specific obligors included in our portfolio and other factors that are beyond our control. Changes in these factors can affect our net investment income in any period, and such changes can be substantial.

We invest a portion of our invested assets in pooled investment funds that make private equity investments. The amount and timing of income from such investment funds tend to be uneven as a result of the performance of the underlying private equity investments, which can be difficult to predict, as well as the timing of distributions from the funds, which depends on particular events relating to the underlying investments as well as the funds schedules for making distributions and their needs for cash. As a result, the amount of income that we record from these investments can vary substantially from quarter to quarter.

Competitive Factors May Adversely Affect Our Market Share and Profitability

Our business segments are subject to intense competition. We believe that this competition is based on a number of factors, including service, product features, scale, price, commission structure, financial strength, claims-paying ratings, credit ratings, business capabilities and name recognition. We compete with a large number of other insurers, as well as non-insurance financial services companies, such as banks, broker-dealers and asset managers, for individual consumers, employers and other group customers and agents and other distributors of insurance and investment products. Some of these companies offer a broader array of products, are regulated differently, have more competitive pricing or, with respect to other insurers, have higher claims paying ability ratings. Some may also have greater financial resources with which to compete and a greater market share. National banks, which may sell annuity products of life insurers in some circumstances, also have pre-existing customer bases for financial services products.

Many of our insurance products, particularly those offered by our Institutional segment, are underwritten annually, and, accordingly, there is a risk that group purchasers may be able to obtain more favorable terms from competitors rather than renewing coverage with us. The effect of competition may, as a result, adversely affect the persistency of these and other products, as well as our ability to sell products in the future.

In addition, the investment management and securities brokerage businesses have relatively few barriers to entry and continually attract new entrants. Many of our competitors in these businesses offer a broader array of investment products and services and are better known than we are as sellers of annuities and other investment products.

We May be Unable to Attract and Retain Sales Representatives for Our Products

We must attract and retain productive sales representatives to sell our insurance, annuities and investment products. Strong competition exists among insurers for sales representatives with demonstrated ability. We compete with other insurers for sales representatives primarily on the basis of our financial position, product features, the marketing and support services we provide to the representatives and compensation. We continue to undertake initiatives to grow our career agency force while continuing to enhance the efficiency and production of our existing sales force. We cannot provide assurance that these initiatives will succeed in attracting and retaining new agents. Sales of individual insurance, annuities and investment products and our results of operations and financial condition could be materially adversely affected if we are unsuccessful in attracting and retaining productive agents.

Differences Between Actual Claims Experience and Underwriting and Reserving Assumptions May Adversely Affect Our Financial Results

Our earnings significantly depend upon the extent to which our actual claims experience is consistent with the assumptions we use in setting prices for our products and establishing reserves. Our reserves for future policy benefits and claims are established based on estimates by actuaries of how much we will need to pay for future benefits and claims. For life insurance and annuity products, we calculate these reserves based on many assumptions and estimates, including estimated premiums to be received over the assumed life of the policy, the timing of the event covered by the insurance policy, the amount of benefits or claims to be paid and the investment returns on the assets we purchase with the premiums we receive. We establish property and casualty reserves based on assumptions and estimates of damages and liabilities incurred. To the extent that actual claims experience is less favorable than our underlying assumptions used in establishing such reserves, we could be required to increase our reserves.

Due to the nature of the underlying risks and the high degree of uncertainty associated with the determination of reserves, we cannot determine precisely the amounts which we will ultimately pay to settle our liabilities. Such amounts may vary from the estimated amounts, particularly when those payments may not occur until well into the future. We evaluate our reserves periodically based on changes in the assumptions used to establish the reserves, as well as our actual experience. We charge or credit changes in our reserves to expenses in the period the reserves are established or re-estimated. If the reserves originally established for future benefit payments prove inadequate, we must increase them. Such increases could affect our earnings negatively and have a material adverse effect on our business, results of operations and financial condition.

Our Risk Management Policies and Procedures May Leave Us Exposed to Unidentified or Unanticipated Risk, Which Could Negatively Affect Our Business

Management of operational, legal and regulatory risks requires, among other things, policies and procedures to record properly and verify a large number of transactions and events. We have devoted significant resources to develop our risk management policies and procedures and expect to continue to do so in the future. Nonetheless, our policies and procedures may not be fully effective. Many of our methods for managing risk and exposures are based upon our use of observed historical market behavior or statistics based on historical models. As a result, these methods may not predict future exposures, which could be significantly greater than our historical measures indicate. Other risk management methods depend upon the evaluation of information regarding markets, clients, catastrophe occurrence or other matters that is publicly available or otherwise accessible to us. This information may not always be accurate, complete, up-to-date or properly evaluated.

Catastrophes May Adversely Impact Liabilities for Policyholder Claims and Reinsurance Availability

Our life insurance operations are exposed to the risk of catastrophic mortality events, such as a pandemic or other catastrophe that causes a large number of deaths. In our group insurance operations, a localized event that affects the workplace of one or more of our group insurance customers could cause a significant loss due to mortality or morbidity claims. These events could cause a material adverse effect on our results of operations in any period and, depending on their severity, could also materially and adversely affect our financial condition.

Our Auto & Home business has experienced, and will likely in the future experience, catastrophe losses that may have a material adverse impact on the business, results of operations and financial condition of the Auto & Home segment. Although Auto & Home makes every effort to minimize its exposure to catastrophic risks through volatility management and reinsurance programs, these efforts may not succeed. Catastrophes can be caused by various events, including hurricanes, windstorms, earthquakes, hail, tornadoes, explosions, severe winter weather (including snow, freezing water, ice storms and blizzards), fires, as well as man-made events such as terrorist attacks. Historically, substantially all of our catastrophe-related claims have related to homeowners coverages. However, catastrophes may also affect other Auto & Home coverages. Due to their nature, we cannot predict the incidence, timing and severity of catastrophes.

Hurricanes and earthquakes are of particular note for our homeowners coverages. Areas of major hurricane exposure include coastal sections of the northeastern United States (including Long Island and the Connecticut, Rhode Island and Massachusetts shorelines) and Florida. We also have some earthquake exposure, primarily along the New Madrid fault line in the central United States and in the Pacific Northwest. Losses incurred by Auto & Home from all catastrophes, net of reinsurance but before taxes, were $189 million, $77 million and $55 million in 2004, 2003 and 2002, respectively.

Terrorism is a recently emerging risk. A major terrorist attack not only could cost lives and destroy property, but could also have a material adverse effect on the value of investments that we hold, which could in turn have a material adverse impact on investment income and on fees we earn that are based on the value of investments we manage for others. It is possible that both the frequency and severity of man-made catastrophic events will increase.

The extent of losses from a catastrophe is a function of both the total amount of insured exposure in the area affected by the event and the severity of the event. Most catastrophes are restricted to small geographic areas; however, hurricanes and earthquakes may produce significant damage in larger areas, especially those that are heavily populated. Claims resulting from natural or man-made catastrophic events could cause substantial volatility in our financial results for any fiscal quarter or year and could materially reduce our profitability or harm our financial condition. Our ability to write new business could also be affected. It is possible that increases in the value and geographic concentration of insured property and the effects of inflation could increase the severity of claims from catastrophic events in the future.

Consistent with industry practices, we establish reserves for claim liabilities arising from a catastrophe only after assessing the probable losses arising from the event. We cannot be certain that the reserves we have established will be adequate to cover actual claim liabilities. From time to time, states have passed legislation that has the effect of limiting the ability of insurers to manage risk, such as legislation restricting an insurer s ability to withdraw from catastrophe-prone areas. While we attempt to limit our exposure to acceptable levels, subject to restrictions imposed by insurance regulatory authorities, a catastrophic event or multiple catastrophic events could have a material adverse effect on our business, results of operations and financial condition.

Our ability to manage this risk and the profitability of our property and casualty and life insurance businesses depends in part on our ability to obtain catastrophe reinsurance, which may not be available at commercially acceptable rates in the future. See Risks Relating to Our Business Reinsurance May Not Be Available, Affordable or Adequate to Protect Us Against Losses.

A Downgrade or a Potential Downgrade in Our Financial Strength or Credit Ratings Could Result in a Loss of Business and Adversely Affect Our Financial Condition and Results of Operations

Financial strength ratings, which various Nationally Recognized Statistical Rating Organizations (NRSROs) publish as indicators of an insurance company s ability to meet contractholder and policyholder obligations, are important to maintaining public confidence in our products, the ability to market our products and our competitive position. Metropolitan Life Insurance Company, our principal life insurance subsidiary, has a financial strength rating of A+ from A.M. Best Company, AA from Fitch Ratings, Aa2 from Moody s Investors Service and AA from Standard & Poor s.

A downgrade in our insurance subsidiaries financial strength ratings, or an announced potential for a downgrade, could have a material adverse effect on our financial condition and results of operations in many ways, including:

- reducing new sales of insurance products, annuities and other investment products;
- adversely affecting our relationships with our sales force and independent sales intermediaries;
- materially increasing the number or amount of policy surrenders and withdrawals by contractholders and policyholders;
- requiring us to reduce prices for many of our products and services to remain competitive; and
- adversely affecting our ability to obtain reinsurance at reasonable prices or at all.

In addition to the financial strength ratings of our insurance subsidiaries, NRSROs also publish credit ratings for our company. A downgrade in our credit ratings could increase our cost of borrowing, which could have a material adverse effect on our financial condition and results of operations.

Following the announcement of the Acquisition, a number of NRSROs, including Moody s Investors Service, Standard & Poor s and A.M. Best Company, placed our ratings on credit watch or changed our rating outlook from stable to negative. We do not expect these NRSROs to remove our ratings from credit watch or return our outlook to stable until we have established, to their satisfaction, a successful track record in integrating the Citigroup L&A business and we have reduced our financial leverage and increased our interest coverage to levels closer to those which existed prior to the Acquisition.

As a result of the additional securities that we plan to issue to finance a portion of the purchase price for the Acquisition, we estimate that our leverage ratio will increase moderately. While we expect our leverage ratio to decrease over time as a result of the accumulation of retained earnings, there is no assurance that it will decrease as we expect. The increased leverage will reduce our flexibility in managing our capital.

Rating agencies assign ratings based upon several factors, some of which relate to general economic conditions and circumstances outside of our control. In addition, rating agencies may employ different models and formulas to assess our financial strength, and may alter these models from time to time in their discretion. We cannot predict what actions rating agencies may take, or what actions we may be required to take in response to the actions of rating agencies, which could adversely affect our business.

Defaults, Downgrades or Other Events Impairing the Value of Our Fixed Maturity Securities Portfolio May Reduce Our Earnings

We are subject to the risk that the issuers of the fixed maturity securities we own may default on principal and interest payments they owe us. At March 31, 2005, the fixed maturity securities of $182.7 billion in our investment portfolio represented 74.6% of our total cash and invested assets. The occurrence of a major economic downturn, acts of corporate malfeasance or other events that adversely affect the issuers of these securities could cause the value of our fixed maturities portfolio and our net earnings to decline and the default rate of the fixed maturity securities in our investment portfolio to increase. A ratings downgrade affecting particular issuers or securities could also have a similar effect. With recent downgrades in the automotive sector, as well as economic uncertainty and increasing interest rates, credit quality of issuers could be adversely affected. Any event reducing the value of these securities other than on a temporary basis could have a material adverse effect on our business, results of operations and financial condition.

Defaults on Our Mortgage and Consumer Loans May Adversely Affect Our Profitability

Our mortgage and consumer loan investments face default risk. Our mortgage and consumer loans are principally collateralized by commercial, agricultural and residential properties, as well as automobiles. At March 31, 2005, our mortgage and consumer loan investments of $32.0 billion represented 13.1% of our total cash and invested assets. At March 31, 2005, loans that were either delinquent or in the process of foreclosure totaled less than 1% of our mortgage and consumer loan investments. The performance of our mortgage and consumer loan investments, however, may fluctuate in the future. In addition, substantially all of our mortgage loan investments have balloon payment maturities. An increase in the default rate of our mortgage and consumer loan investments could have a material adverse effect on our business, results of operations and financial condition.

Some of Our Investments Are Relatively Illiquid

Our investments in private placement bonds, mortgage and consumer loans, equity real estate, including real estate joint ventures and other limited partnership interests, are relatively illiquid. These asset classes represented 24.7% of the carrying value of our total cash and invested assets as of March 31, 2005. If we require significant amounts of cash on short notice in excess of our normal cash requirements, we may have difficulty selling these investments in a timely manner, be forced to sell them for less than we otherwise would have been able to realize, or both.

Fluctuations in Foreign Currency Exchange Rates and Foreign Securities Markets Could Negatively Affect Our Profitability

We are exposed to risks associated with fluctuations in foreign currency exchange rates against the U.S. dollar resulting from our holdings of non-U.S. dollar denominated securities and investments in foreign subsidiaries. The principal currencies which create foreign exchange rate risk in our investment portfolios are Canadian dollars, Euros, British pounds, Japanese yen and Chilean pesos. If the currencies of the non-U.S. dollar denominated securities we hold in our investment portfolios decline against the U.S. dollar, our investment returns, and thus our profitability, may be adversely affected. Although we use foreign currency swaps and forward contracts to mitigate foreign currency exchange rate risk, there is no assurance that these methods will be effective or that our counterparties will perform their obligations.

From time to time, various emerging market countries have experienced severe economic and financial disruptions, including significant devaluations of their currencies. Our exposure to foreign exchange rate risk is exacerbated by our investments in emerging markets.

Through our investments in foreign subsidiaries, we are primarily exposed to the Canadian dollar, the Mexican peso and the Chilean peso. We have matched substantially all of our foreign currency liabilities in our foreign subsidiaries with their respective foreign currency assets, which limits the effect of currency exchange rate fluctuation on local operating results; however, fluctuations in such rates affect the translation of these results into our consolidated financial statements. Although we take certain actions to address this risk, foreign currency exchange rate fluctuation could materially adversely affect our reported results due to unhedged positions or the failure of our hedges to effectively offset the impact of the foreign currency exchange rate fluctuation.

Our International Operations Face Political, Legal, Operational and Other Risks That Could Negatively Affect Those Operations or Our Profitability

Our international operations face political, legal, operational and other risks that we do not face in our domestic operations. We face the risk of discriminatory regulation, nationalization or expropriation of assets, price controls and exchange controls or other restrictions that prevent us from transferring funds from these operations out of the countries in which they operate or converting local currencies we hold into U.S. dollars or other currencies. Some of our foreign insurance operations are, and are likely to continue to be, in emerging markets where these risks are heightened. In addition, we rely on local sales forces in these countries and may encounter labor problems resulting from workers associations and trade unions in some countries. If our business model is not successful in a particular country, we may lose all or most of our investment in building and training the sales force in that country.

We are currently planning to expand our international operations in markets where we operate and in selected new markets. This may require considerable management time, as well as start-up expenses for market development before any significant revenues and earnings are generated. Operations in new foreign markets may achieve low margins or may be unprofitable, and expansion in existing markets may be affected by local economic and market conditions. Therefore, as we expand internationally, we may not achieve the operating margins we expect and our results of operations may be negatively impacted.

The Citigroup L&A business includes operations in several foreign countries, including Australia, Brazil, Argentina, the United Kingdom, Belgium, Poland, Japan and Hong Kong. Those operations, and operations in other new markets, are subject to the risks described above, as well as our unfamiliarity with the business, legal and regulatory environment in any of those countries.

In recent years, the operating environment in Argentina has been challenging. In Argentina, both we and Citigroup L&A are principally engaged in the pension business. This business has incurred significant losses in recent years as a result of actions taken by the Argentinean government in response to a sovereign debt crisis in December 2001. Further governmental or legal actions related to pension reform could impact our obligations to our customers and could result in future losses in our combined Argentinean operations. The Acquisition will increase our exposure to such potential losses. For certain liabilities which will be established upon our acquisition of the Citigroup L&A Argentina operations, see pro forma adjustment 3(ff) in Unaudited Pro Forma Condensed Consolidated Financial Information.

Reinsurance May Not Be Available, Affordable or Adequate to Protect Us Against Losses

As part of our overall risk and capacity management strategy, we purchase reinsurance for certain risks underwritten by our various business segments. For example, MetLife currently reinsures up to 90% of the mortality risk for all new individual life insurance policies that it writes through its various insurance companies. Market conditions beyond our control determine the availability and cost of the reinsurance protection we purchase. Any decrease in the amount of our reinsurance will increase our risk of loss and any increase in the cost of our reinsurance will, absent a decrease in the amount of reinsurance, reduce our earnings. Accordingly, we may be forced to incur additional expenses for reinsurance or may not be able to obtain sufficient reinsurance on acceptable terms, which could adversely affect our ability to write future business or result in our assuming more risk with respect to those policies we issue.

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As a result of consolidation of the life reinsurance market and other market factors, capacity in the life reinsurance market has decreased. Further, life reinsurance is currently available at higher prices and on less favorable terms than those prevailing between 1997 and 2003. It is likely that this trend will continue, although we cannot predict to what extent. Further consolidation, regulatory developments, catastrophic events or other significant developments affecting the pricing and availability of reinsurance could materially harm the reinsurance market and our ability to enter into reinsurance contracts.

If the Counterparties to Our Reinsurance Arrangements or to the Derivative Instruments We Use to Hedge Our Business Risks Default or Fail to Perform, We May Be Exposed to Risks We Had Sought to Mitigate, Which Could Materially Adversely Affect Our Financial Condition and Results of Operations

We use reinsurance and derivative instruments to mitigate our risks in various circumstances. Reinsurance does not relieve us of our direct liability to our policyholders, even when the reinsurer is liable to us. Accordingly, we bear credit risk with respect to our reinsurers. We cannot assure you that our reinsurers will pay the reinsurance recoverables owed to us now or in the future or that they will pay these recoverables on a timely basis. A reinsurer s insolvency, inability or unwillingness to make payments under the terms of its reinsurance agreement with us could have a material adverse effect on our financial condition and results of operations.

In addition, we use derivative instruments to hedge various business risks. We enter into a variety of derivative instruments, including options, forwards, interest rate and currency swaps and options to enter into interest rate and currency swaps with a number of counterparties. If our counterparties fail or refuse to honor their obligations under these derivative instruments, our hedges of the related risk will be ineffective. Such failure could have a material adverse effect on our financial condition and results of operations.

Our Insurance Businesses Are Heavily Regulated, and Changes in Regulation May Reduce Our Profitability and Limit Our Growth

Our insurance operations are subject to a wide variety of insurance and other laws and regulations. State insurance laws regulate most aspects of our U.S. insurance businesses, and our insurance subsidiaries are regulated by the insurance departments of the states in which they are domiciled and the states in which they are licensed. Our non-U.S. insurance operations are principally regulated by insurance regulatory authorities in the jurisdictions in which they are domiciled and operate.

State laws in the United States grant insurance regulatory authorities broad administrative powers with respect to, among other things:

- licensing companies and agents to transact business;
- calculating the value of assets to determine compliance with statutory requirements;
- mandating certain insurance benefits;
- regulating certain premium rates;
- reviewing and approving policy forms;
- regulating unfair trade and claims practices, including through the imposition of restrictions on marketing and sales practices, distribution arrangements and payment of inducements;
- regulating advertising;
- protecting privacy;
- establishing statutory capital and reserve requirements and solvency standards;

fixing maximum interest rates on insurance policy loans and minimum rates for guaranteed crediting rates on life insurance policies and annuity contracts;

approving changes in control of insurance companies;

- restricting the payment of dividends and other transactions between affiliates; and

- regulating the types, amounts and valuation of investments.

State insurance guaranty associations have the right to assess insurance companies doing business in their state for funds to help pay the obligations of insolvent insurance companies to policyholders and claimants. Because the amount and timing of an assessment is beyond our control, the reserves that we have currently established for these potential liabilities may not be adequate.

State insurance regulators and the National Association of Insurance Commissioners, or NAIC, regularly re-examine existing laws and regulations applicable to insurance companies and their products. Changes in these laws and regulations, or in interpretations thereof, are often made for the benefit of the consumer at the expense of the insurer and, thus, could have a material adverse effect on our financial condition and results of operations.

The NAIC and several states have recently proposed regulations and/or laws that would prohibit agent or broker practices that have been the focus of recent investigations of broker compensation in the State of New York and elsewhere. The NAIC has adopted a Compensation Disclosure Amendment to its Producers Licensing Model Act which, if adopted by the states, would require disclosure by agents or brokers to customers that insurers will compensate such agents or brokers for the placement of insurance and documented acknowledgement of this arrangement in cases where the customer also compensates the agent or broker. Some larger states, including California and New York, are considering additional provisions that would require the disclosure of the amount of compensation and/or require (where an agent or broker represents more than one insurer) placement of the best coverage. We cannot predict how many states, if any, may promulgate the NAIC amendment or similar regulations or the extent to which these regulations may have a material adverse impact on our business.

Currently, the U.S. federal government does not directly regulate the business of insurance. However, federal legislation and administrative policies in several areas can significantly and adversely affect insurance companies. These areas include financial services regulation, securities regulation, pension regulation, privacy, tort reform legislation and taxation. In addition, various forms of direct federal regulation of insurance have been proposed. These proposals include The State Modernization and Regulatory Transparency Act, which would maintain state-based regulation of insurance, but would affect state regulation of certain aspects of the business of insurance, including rates, agent and company licensing and market conduct examinations. We cannot predict whether this or other proposals will be adopted, or what impact, if any, such proposals or, if enacted, such laws, could have on our business, financial condition or results of operations.

Our international operations are subject to regulation in the jurisdictions in which they operate, which in many ways is similar to that of the state regulation outlined above. Many of our customers and independent sales intermediaries also operate in regulated environments. Changes in the regulations that affect their operations also may affect our business relationships with them and their ability to purchase or distribute our products. Accordingly, these changes could have a material adverse effect on our financial condition and results of operations. Compliance with applicable laws and regulations is time consuming and personnel-intensive, and changes in these laws and regulations may materially increase our direct and indirect compliance and other expenses of doing business, thus having a material adverse effect on our financial condition and results of operations.

From time to time, regulators raise issues during examinations or audits of our subsidiaries that could, if determined adversely, have a material impact on us. We cannot predict whether or when regulatory actions may be taken that could adversely affect our operations. In addition, the interpretations of regulations by regulators may change and statutes may be enacted with retroactive impact, particularly in areas such as accounting or reserve requirements.

Legal and Regulatory Investigations and Actions Are Increasingly Common in the Insurance Business and May Result in Financial Losses and Harm our Reputation

We face a significant risk of litigation and regulatory investigations and actions in the ordinary course of operating our businesses, including the risk of class action lawsuits. Our pending legal and regulatory actions include proceedings specific to us and others generally applicable to business practices in the industries in which we operate. In connection with our insurance operations, plaintiffs lawyers may bring or are bringing class actions and individual suits alleging, among other things, issues relating to sales or underwriting practices, claims payments and procedures, product design, disclosure, administration, additional premium charges for premiums paid on a periodic basis, denial or delay of benefits and breaches of fiduciary or other duties to customers. Plaintiffs in class action and other lawsuits against us may seek very large or indeterminate amounts, including punitive and treble damages, and the damages claimed and the amount of any probable and estimable liability, if any, may remain unknown for substantial periods of time.

Due to the vagaries of litigation, the outcome of a litigation matter and the amount or range of potential loss at particular points in time may normally be inherently impossible to ascertain with any degree of certainty. Estimates of possible additional losses or ranges of loss for particular matters cannot in the ordinary course be made with a reasonable degree of certainty. Liabilities are established when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated. It is possible that some of the matters could require MetLife, Inc. to pay damages or make other expenditures or establish accruals in amounts that could not be estimated as of a balance sheet date.

Metropolitan Life and its affiliates are currently defendants in approximately 450 lawsuits raising allegations of improper marketing and sales of individual life insurance policies or annuities. These lawsuits are generally referred to as sales practices claims. Metropolitan Life is also a defendant in numerous lawsuits seeking compensatory and punitive damages for personal injuries allegedly caused by exposure to asbestos or asbestos-containing products. These lawsuits are principally based upon allegations relating to certain research, publication and other activities of one or more of Metropolitan Life s employees during the period from the 1920 s through approximately the 1950 s and have alleged that Metropolitan Life learned or should have learned of certain health risks posed by asbestos and, among other things, improperly publicized or failed to disclose those health risks. Additional litigation relating to these matters may be commenced in the future. The ability of MetLife to estimate its ultimate asbestos exposure is subject to considerable uncertainty due to numerous factors. The availability of data is limited and it is difficult to predict with any certainty numerous variables that can affect liability estimates, including the number of future claims, the cost to resolve claims, the disease mix and severity of disease, the jurisdiction of claims filed, tort reform efforts and the impact of any possible future adverse verdicts and their amounts. The number of asbestos cases that may be brought or the aggregate amount of any liability that MetLife may ultimately incur is uncertain. Accordingly, it is reasonably possible that MetLife s total exposure to asbestos claims may be greater than the liability recorded by MetLife in its financial statements and that future charges to income may be necessary. The potential future charges could be material in particular quarterly or annual periods in which they are recorded. In addition, Metropolitan Life and MetLife, Inc. have been named as defendants in several lawsuits brought in connection with Metropolitan Life s demutualization in 2000.

We are also subject to various regulatory inquiries, such as information requests, subpoenas and books and record examinations, from state and federal regulators and other authorities. A substantial legal liability or a significant regulatory action against us could have a material adverse effect on our business, financial condition and results of operations. Moreover, even if we ultimately prevail in the litigation, regulatory action or investigation, we could suffer significant reputational harm, which could have a material adverse effect on our business, financial condition and results of operations, including our ability to attract new customers, retain our current customers and recruit and retain employees. Regulatory inquiries may cause increased volatility in the price of stocks of companies in our industry.

Recently, the insurance industry has become the focus of increased scrutiny by regulatory and law enforcement authorities concerning certain practices within the insurance industry. This scrutiny includes the commencement of investigations and other proceedings by the New York State Attorney General and other governmental authorities relating to allegations of improper conduct in connection with the payment of, and disclosure with respect to, contingent commissions paid by insurance companies to intermediaries, the solicitation and provision of fictitious or inflated quotes, the use of inducements to brokers or companies in the sale of insurance products and the accounting treatment for finite insurance and reinsurance or other non-traditional or loss mitigation insurance and reinsurance products.

One possible result of these investigations and attendant lawsuits is that many insurance industry practices and customs may change, including, but not limited to, the manner in which insurance is marketed and distributed through independent brokers and agents. Our business strategy contemplates that we will rely heavily on both intermediaries our internal sales force to market and distribute insurance products. We cannot predict how industry regulation with respect to the use of intermediaries may change. Such changes, however, could adversely affect our ability to implement our business strategy, which could materially affect our growth and profitability.

Recent industry-wide inquiries also include those regarding market timing and late trading in mutual funds and variable annuity contracts, variable annuity sales practices/exchanges and electronic communication document retention practices. The Securities and Exchange Commission (the SEC) has commenced an investigation with respect to market timing and late trading in a limited number of privately-placed variable insurance contracts that were sold through our subsidiary, General American Life Insurance Company (General American). In May 2004, General American received a so called Wells Notice stating that the SEC staff is considering recommending that the SEC bring a civil action alleging violations of the U.S. securities laws against General American. General American has responded to the Wells Notice, and we are fully cooperating with the SEC with regard to this investigation. TIC has also received inquiries regarding market timing and other matters from the SEC. In addition, new laws and regulations have been enacted affecting the mutual fund industry generally, and it is difficult to predict at this time whether changes resulting from those new laws and regulations will affect our business and, if so, to what degree.

Other recent industry-wide inquiries include those relating to finite insurance and reinsurance. On May 23, 2005, we received a subpoena from the Office of the Attorney General of the State of Connecticut requesting information regarding our participation in any finite reinsurance transactions. We have also received information requests relating to finite insurance or reinsurance from other regulatory and governmental entities. We believe we have appropriately accounted for these transactions and intend to cooperate fully with these information requests. We believe that a number of other industry participants have received similar requests from various regulatory and investigative authorities. It is reasonably possible that we may receive additional requests. We will fully cooperate with all such requests.

The Citigroup L&A business is also subject to risk of litigation and regulatory investigations and actions in the ordinary course of operations similar to the risks described above. The legal and regulatory actions pending against the Citigroup L&A business include proceedings, including those specified below, specific to the Citigroup L&A business and others generally applicable to business practices in the industries in which the Citigroup L&A business operates, many of which are the same industries in which we operate. TIC and certain of its affiliates are defendants in a nationwide class action which was certified by the Connecticut Superior Court on May 26, 2004. The class action complaint claims that TIC and certain of its affiliates are in violation of the Connecticut Unfair Trade Practice Statute, and asserts unjust enrichment and civil conspiracy claims. The complaint alleges that Travelers Property Casualty Corporation, TIC s former affiliate and also a defendant in the class action, purchased a lower amount of structured settlement annuities from TIC than agreed with claimants, and that commissions paid to brokers of structured settlement annuities, including a TIC affiliate, were paid, in part, to Travelers Property Casualty Corporation. On June 15, 2004, TIC and certain of its affiliates appealed the Connecticut Superior Court s May 26, 2004 class certification order. TIC has been sued in a number of asbestos related claims, vigorously defends itself in these matters and seeks indemnification with respect to these claims from its former affiliates. Other claims may be brought against TIC with respect to its historical business operations.

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We cannot assure you that current claims, litigation, unasserted claims probable of assertion, investigations and other proceedings against us or the Citigroup L&A business will not have a material adverse effect on our business, financial condition or results of operations. It is also possible that related or unrelated claims, litigation, unasserted claims probable of assertion, investigations and proceedings may be commenced in the future, and we could become subject to further investigations and have lawsuits filed or enforcement actions initiated against us. In addition, increased regulatory scrutiny and any resulting investigations or proceedings could result in new legal actions and precedents and industry-wide regulations that could adversely affect our business, financial condition and results of operation. For further details regarding the litigation in which we are involved, see Note 5 to MetLife s interim condensed consolidated financial statements included in our Form 10-Q for the three months ended March 31, 2005, filed on May 6, 2005, and our Form 8-K filed on May 27, 2005, both incorporated by reference in the accompanying prospectus. For further details regarding the litigation in which the Citigroup L&A business is involved, see our Form 8-K filed on May 13, 2005, which is incorporated by reference in the accompanying prospectus.

Changes in U.S. Federal and State Securities Laws May Affect Our Operations and Our Profitability

U.S. federal and state securities laws apply to investment products that are also securities, including variable annuities and variable life insurance policies. As a result, some of our subsidiaries and the policies and contracts they offer are subject to regulation under these federal and state securities laws. Our insurance subsidiaries separate accounts are registered as investment companies under the Investment Company Act of 1940, as amended. Some variable annuity contracts and variable life insurance policies issued by our insurance subsidiaries also are registered under the Securities Act of 1933, as amended (the Securities Act). Other subsidiaries are registered as broker-dealers under the Securities Exchange Act of 1934, as amended, and are members of, and subject to, regulation by the National Association of Securities Dealers, Inc. In addition, some of our subsidiaries also are registered as investment advisers under the Investment Advisers Act of 1940, as amended.

Securities laws and regulations are primarily intended to ensure the integrity of the financial markets and to protect investors in the securities markets or investment advisory or brokerage clients. These laws and regulations generally grant supervisory agencies broad administrative powers, including the power to limit or restrict the conduct of business for failure to comply with those laws and regulations. Changes to these laws or regulations that restrict the conduct of our business could have a material adverse effect on our financial condition and results of operations.

Changes in Tax Laws Could Make Some of Our Products Less Attractive to Consumers

Changes in tax laws could make some of our products less attractive to consumers. For example, reductions in the federal income tax that investors are required to pay on long-term capital gains and on some dividends paid on stock may provide an incentive for some of our customers and potential customers to shift assets into mutual funds and away from products, including life insurance and annuities, designed to defer taxes payable on investment returns. Because the income taxes payable on long-term capital gains and some dividends paid on stock have been reduced, investors may decide that the tax-deferral benefits of annuity contracts are less advantageous than the potential after-tax income benefits of mutual funds or other investment products that provide dividends and long-term capital gains. A shift away from life insurance and annuity contracts and other tax-deferred products would reduce our income from sales of these products, as well as the assets upon which we earn investment income.

We cannot predict whether any other legislation will be enacted, what the specific terms of any such legislation will be or how, if at all, this legislation or any other legislation could have a material adverse effect on our financial condition and results of operations.

As a Holding Company, We Depend on the Ability of Our Subsidiaries to Transfer Funds to Us to Pay Dividends and Meet Our Obligations

We are a holding company for our insurance and financial subsidiaries and do not have any significant operations of our own. Dividends from our subsidiaries and permitted payments to us under our tax sharing arrangements with our subsidiaries are our principal sources of cash to pay stockholder dividends and to meet our obligations. If the cash we receive from our subsidiaries is insufficient for us to fund our debt and other holding company obligations, we may be required to raise cash through the incurrence of debt, the issuance of additional equity or the sale of assets.

The payment of dividends and other distributions to us by our insurance subsidiaries is regulated by insurance laws and regulations. In general, dividends in excess of prescribed limits are deemed extraordinary and require insurance regulatory approval. In addition, insurance regulators may prohibit the payment of ordinary dividends or other payments by our insurance subsidiaries to us if they determine that the payment could be adverse to our policyholders or contractholders. As a result of certain restructuring transactions by Citigroup prior to the closing, all dividends paid by TIC during the first year following the Acquisition would be deemed extraordinary. It is possible that TIC and its subsidiary, The Travelers Life and Annuity Company, may be subject to additional restrictions imposed by Connecticut law or the Connecticut Department of Insurance on their ability to pay dividends to us after the Acquisition.

During the years ended December 31, 2004, 2003 and 2002, we received dividends from our domestic insurance subsidiaries of $1,162 million ($300 million of which were deemed extraordinary), $1,721 million ($844 million of which were deemed extraordinary) and $929 million ($369 million of which were deemed extraordinary), respectively. Based on statutory results as of December 31, 2004, our insurance subsidiaries could pay dividends of approximately $1,186 million to us in 2005 without obtaining regulatory approval. Metropolitan Life and Metropolitan Tower Life Insurance Company recently paid dividends to us in the aggregate amount of $4.1 billion (approximately $3.2 billion of which were deemed extraordinary). As a result of these dividends, any further dividend from Metropolitan Life during 2005 will require prior approval from the New York Insurance Department and any further dividend from Metropolitan Tower Life Insurance Company will require prior approval from the Delaware Department of Insurance until the end of 2005 and may require prior approval until the end of May 2006.

Any payment of interest, dividends, distributions, loans or advances by our subsidiaries to us could be subject to taxation or other restrictions on dividends or repatriation of earnings under applicable law, monetary transfer restrictions and foreign currency exchange regulations in the jurisdiction in which our foreign subsidiaries operate.

We May Need to Fund Deficiencies in Our Closed Block; Assets Allocated to the Closed Block Benefit Only the Holders of Closed Block Policies

The plan of reorganization entered into in connection with MetLife s 2000 demutualization required that we establish and operate an accounting mechanism, known as a closed block, to ensure that the reasonable dividend expectations of policyholders who own certain individual insurance policies of MetLife are met. We allocated assets to the closed block in an amount that will produce cash flows which, together with anticipated revenue from the policies included in the closed block, are reasonably expected to be sufficient to support obligations and liabilities relating to these policies, including, but not limited to, provisions for the payment of claims and certain expenses and taxes, and to provide for the continuation of the policyholder dividend scales in effect for 1999, if the experience underlying such scales continues, and for appropriate adjustments in such scales if the experience changes. We cannot assure that the closed block assets, the cash flows generated by the closed block assets and the anticipated revenue from the policies included in the closed block will be sufficient to provide for the benefits guaranteed under these policies. If they are not sufficient, we must fund the shortfall. Even if they are sufficient, we may choose, for competitive reasons, to support policyholder dividend payments with our general account funds.

The closed block assets, the cash flows generated by the closed block assets and the anticipated revenue from the policies in the closed block will benefit only the holders of those policies. In addition, to the extent that these amounts are greater than the amounts estimated at the time the closed block was funded, dividends payable in respect of the policies included in the closed block may be greater than they would be in the absence of a closed block. Any excess earnings will be available for distribution over time only to closed block policyholders.

The Continued Threat of Terrorism and Ongoing Military Actions May Adversely Affect the Level of Claim Losses We Incur and the Value of Our Investment Portfolio

The continued threat of terrorism, both within the United States and abroad, ongoing military and other actions and heightened security measures in response to these types of threats may cause significant volatility in global financial markets and result in loss of life, property damage, additional disruptions to commerce and reduced economic activity. Some of the assets in our investment portfolio may be adversely affected by declines in the equity markets and reduced economic activity caused by the continued threat of terrorism. We cannot predict whether, and the extent to which, companies in which we maintain investments may suffer losses as a result of financial, commercial or economic disruptions, or how any such disruptions might affect the ability of those companies to pay interest or principal on their securities. The continued threat of terrorism also could result in increased reinsurance prices and reduced insurance coverage and potentially cause us to retain more risk than we otherwise would retain if we were able to obtain reinsurance at lower prices. Terrorist actions also could disrupt our operations centers in the United States or abroad. In addition, the occurrence of terrorist actions could result in higher claims under our insurance policies than we had anticipated.

The Occurrence of Events Unanticipated In Our Disaster Recovery Systems and Management Continuity Planning Could Impair Our Ability to Conduct Business Effectively

In the event of a disaster such as a natural catastrophe, an industrial accident, a blackout, a computer virus, a terrorist attack or war, unanticipated problems with our disaster recovery systems could have a material adverse impact on our ability to conduct business and on our results of operations and financial condition, particularly if those problems affect our computer-based data processing, transmission, storage and retrieval systems and destroy valuable data. Despite our implementation of network security measures, our servers could be subject to physical and electronic break-ins, and similar disruptions from unauthorized tampering with our computer systems. In addition, in the event that a significant number of our managers were unavailable in the event of a disaster, our ability to effectively conduct our business could be severely compromised.

We Face Unforeseen Liabilities Arising from Other Possible Acquisitions and Dispositions of Businesses

We have engaged in numerous dispositions and acquisitions of businesses in the past, and expect to continue to do so in the future. There could be unforeseen liabilities that arise in connection with the businesses that we may sell or the businesses that we may acquire in the future. In addition, there may be liabilities that we fail, or are unable, to discover in the course of performing due diligence investigations on each business that we have acquired or may acquire.

Risks Relating to the Series A Preferred Shares

General Market Conditions and Unpredictable Factors Could Adversely Affect Market Prices for the Series A Preferred Shares

There can be no assurance about the market prices for the series A preferred shares. Several factors, many of which are beyond MetLife, Inc. s control, will influence the market value of the series A preferred shares. Factors that might influence the market value of the series A preferred shares include:

- whether dividends have been declared and are likely to be declared on the series A preferred shares from time to time;
- MetLife, Inc. s creditworthiness;
- the market for similar securities; and

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economic, financial, geopolitical, regulatory or judicial events that affect MetLife, Inc. or the financial markets generally.

Accordingly, if you purchase series A preferred shares, whether in this offering or in the secondary market, the series A preferred shares may trade at a discount to the price that you paid for them.

The Series A Preferred Shares Are Equity and Are Subordinate to MetLife, Inc. s Existing and Future Indebtedness

The series A preferred shares are equity interests in MetLife, Inc. and do not constitute indebtedness. As such, the series A preferred shares will rank junior to all indebtedness and other non-equity claims on MetLife, Inc. with respect to assets available to satisfy claims on MetLife, Inc., including in a liquidation of MetLife, Inc. MetLife, Inc. s existing and future indebtedness may restrict payments of dividends on the series A preferred shares. Additionally, unlike indebtedness, where principal and interest would customarily be payable on specified due dates, in the case of preferred stock like the series A preferred shares (1) dividends are payable only if declared by MetLife, Inc. s board of directors (or a duly authorized committee of the board) and (2) as a corporation, MetLife, Inc. is subject to restrictions on payments of dividends and redemption price out of lawfully available funds.

Dividends on the Series A Preferred Shares Are Non-Cumulative

Dividends on the series A preferred shares are non-cumulative. Consequently, if MetLife, Inc. s board of directors (or a duly authorized committee of the board) does not authorize and declare a dividend for any dividend period, holders of the series A preferred shares would not be entitled to receive any such dividend, and such unpaid dividend will cease to accrue and be payable. MetLife, Inc. will have no obligation to pay dividends accrued for a dividend period after the dividend payment date for such period if MetLife, Inc. s board of directors (or a duly authorized committee of the board) has not declared such dividend before the related dividend payment date, whether or not dividends are declared for any subsequent dividend period with respect to the series A preferred shares or any other preferred stock MetLife, Inc. may issue.

Banking Regulations May Restrict MetLife, Inc. s Ability to Pay Dividends

MetLife, Inc. may not be able to pay dividends in the future if it does not earn sufficient operating income or meet specified capital adequacy requirements.

MetLife, Inc. is a bank holding company registered with, and subject to the examination of, the Federal Reserve Board as a result of the company s ownership of MetLife Bank, N.A., a subsidiary bank with total assets of approximately $4.0 billion as of March 31, 2005. MetLife, Inc. is also a financial holding company under the Gramm-Leach-Bliley Act (GLB Act). This status is important to MetLife, Inc., for it permits MetLife, Inc. to engage in a broader range of insurance, securities and other financial activities and investments than is otherwise permitted to traditional bank holding companies. To maintain such status, MetLife, Inc. s subsidiary bank must continue to be well capitalized and well managed under Federal Reserve Board regulations and must continue to hold a Satisfactory or better rating under the Community Reinvestment Act. If these requirements are not met in the future, MetLife, Inc. would be required to take corrective measures and remedy the matter, generally within six months, or could be required to divest the bank.

As a bank holding company, MetLife, Inc. is subject to capital adequacy requirements established by the Federal Reserve Board. The company s banking, insurance and securities subsidiaries are also subject to capital regulations of their respective functional regulators. Under Federal Reserve Board policy, a bank holding company is expected to act as a source of strength to a subsidiary bank and to commit resources to its support when necessary. It is also the Federal Reserve Board s policy that dividends by a bank holding company should be paid only out of current operating income. Both of these policies may limit MetLife, Inc. s ability to declare dividends under certain circumstances. Under the GLB Act, however, the Federal Reserve Board generally cannot impose capital requirements on regulated insurance and securities subsidiaries or require them to contribute support to the holding company s subsidiary bank.

MetLife, Inc. s Ability to Declare and Pay Dividends on the Series A Preferred Shares Will Be Limited If It Fails to Achieve Specified Net Income, Capital Adequacy and Shareholders Equity Levels

MetLife, Inc. is prohibited from declaring or paying dividends on the series A preferred shares in excess of the amount of net proceeds from an issuance of common stock taking place within 90 days before a dividend declaration date, if, on that dividend declaration date, either:

- the risk-based capital ratio of our largest U.S. life insurance subsidiaries that collectively account for 80% or more of the general account admitted assets of all of our U.S. life insurance subsidiaries was less than 175% of the company action level as of the end of the most recent year; or

- MetLife, Inc. s consolidated net income for the four-quarter period ending on the preliminary quarter end test date (the quarter that is two quarters prior to the most recently completed quarter) is zero or negative and its consolidated shareholders equity (minus accumulated other comprehensive income, and subject to certain other adjustments relating to changes in GAAP) as of each of the preliminary quarter test date and the most recently completed quarter has declined by 10% or more from its level as measured at the end of the benchmark quarter (the date that is ten quarters prior to the most recently completed quarter).

If MetLife, Inc. fails to satisfy either of the above tests on any dividend declaration date, the restrictions on dividends will continue until MetLife, Inc. is able again to satisfy both tests on a dividend declaration date. In addition, in the case of a restriction arising under the second bullet point above, the restrictions on dividends will continue until MetLife, Inc. s consolidated shareholders equity (minus accumulated other comprehensive income, and subject to certain other adjustments relating to changes in GAAP) has increased, or has declined by less than 10%, in either case as compared to its level at the end of the benchmark quarter for each dividend payment date as to which dividend restrictions were imposed under the second bullet point above.

See Description of the Preferred Shares Restrictions on Declaration and Payment of Dividends for more information on these restrictions.

The Series A Preferred Shares May Not Have an Active Trading Market

The series A preferred shares are a new issue with no established trading market. Although the series A preferred shares have been approved for listing on the New York Stock Exchange, subject to official notice of issuance, there may be little or no secondary market for the series A preferred shares. Even if a secondary market for the series A preferred shares develops, it may not provide significant liquidity, and transaction costs in any secondary market could be high. As a result, the difference between bid and ask prices in any secondary market could be substantial.

The Voting Rights of Holders of the Series A Preferred Shares Will Be Limited

Holders of the series A preferred shares have no voting rights with respect to matters that generally require the approval of voting shareholders. The limited voting rights of holders of the series A preferred shares include the right to vote as a class on certain fundamental matters that may affect the preference or special rights of the series A preferred shares, as described under Description of the Series A Preferred Shares Voting Rights. In addition, if dividends on the series A preferred shares have not been declared or paid for the equivalent of six dividend payments, whether or not for consecutive dividend periods, holders of the outstanding series A preferred shares, together with holders of any other series of MetLife, Inc. s preferred stock ranking equal with the series A preferred shares with similar voting rights, will be entitled to vote for the election of two additional directors, subject to the terms and to the limited extent described under Description of the Series A Preferred Shares Voting Rights.

If holders of the series A preferred shares become entitled to vote for the election of directors, there is a risk that the series A preferred shares could be deemed a class of voting securities. In this instance, certain holders of specified percentages of series A preferred shares could then be subject to regulation under the Bank Holding Company Act as described under Description of the Series A Preferred Shares Certain Regulatory Issues Related to Voting Rights.

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SELECTED HISTORICAL CONSOLIDATED FINANCIAL INFORMATION FOR METLIFE

The following table sets forth selected historical consolidated financial information for MetLife. The selected historical consolidated financial information as of and for the years ended December 31, 2004 and 2003 has been derived from our audited consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2004, the selected historical consolidated financial information as of and for the year ended December 31, 2002 has been derived from our audited consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2002, and the selected historical consolidated financial information as of and for the years ended December 31, 2001 and 2000 has been derived from our audited consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2001. This selected consolidated financial information should be read in conjunction with and is qualified by reference to these financial statements and the related notes. The selected historical consolidated financial information at and for the three months ended March 31, 2005 and 2004 has been derived from the unaudited interim condensed consolidated financial statements included in our Quarterly Report on Form 10-Q for the three months ended March 31, 2005. The following consolidated statements of income and consolidated balance sheet data have been prepared in conformity with GAAP. Some previously reported amounts have been reclassified to conform with the presentation for the three months ended March 31, 2005.

	For the Three Months Ended March 31,		For the Year Ended December 31,				
	2005	2004	2004	2003	2002	2001	2000
				(In millions)			
Statements of Income Data							
Revenues:							
Premiums	$ 6,002	$ 5,386	$ 22,204	$ 20,576	$ 19,021	$ 16,963	$ 15,999
Universal life and investment-type product policy fees	791	663	2,868	2,496	2,147	1,889	1,820
Net investment income(1)	3,217	2,939	12,367	11,484	11,139	11,127	10,926
Other revenues	299	313	1,198	1,199	1,166	1,340	2,070
Net investment gains (losses)(1)(2)(3)	(15)	116	175	(551)	(892)	(713)	(444)
Total revenues(4)(5)(6)	10,294	9,417	38,812	35,204	32,581	30,606	30,371
Expenses:							
Policyholder benefits and claims	5,962	5,475	22,666	20,812	19,456	18,330	16,764
Interest credited to policyholder account balances	795	738	2,998	3,035	2,950	3,084	2,935
Policyholder dividends	415	425	1,666	1,731	1,803	1,802	1,771
Payments to former Canadian policyholders(7)							327
Demutualization costs							230
Other expenses(1)	1,973	1,851	7,822	7,176	6,869	6,899	7,189

Total expenses(4)(5)(6)(7)	9,145	8,489	35,152	32,754	31,078	30,115	29,216
Income from continuing operations before provision for income taxes	1,149	928	3,660	2,450	1,503	491	1,155
Provision for income taxes(1)(4)(8)	350	290	1,030	620	454	177	363
Income from continuing operations	799	638	2,630	1,830	1,049	314	792
Income from discontinued operations, net of income taxes(1)(4)	188	46	214	413	556	159	161
Income before cumulative effect of a change in accounting	987	684	2,844	2,243	1,605	473	953
Cumulative effect of a change in accounting, net of income taxes		(86)	(86)	(26)			
Net income	$ 987	$ 598	$ 2,758	$ 2,217	$ 1,605	$ 473	$ 953

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