



# 2015 Annual Report

**MetLife Foundation**





## Message from Steven A. Kandarian

MetLife is proud of the groundbreaking work the Foundation is doing to help the two billion people around the world who live outside the financial mainstream acquire the tools they need to build better, more secure lives. At the same time, the Foundation continues to honor MetLife's longstanding commitment to the communities where we do business through support for arts and cultural organizations, health research, education, and community development.

### **Steven A. Kandarian**

Chairman, President & CEO of MetLife, Inc.

Report of 2015 contributions and community investments by MetLife and MetLife Foundation

## Message from A. Dennis White

Anyone who works in financial services comes to understand that financial well-being affects, and is affected by, virtually every other area of life—from health status to educational attainment to family formation and much more. So a person's ability to live the life he or she wants will depend, to a significant degree, on the ability to manage money. And the ability to manage money depends, in turn, on the availability of effective financial services—services grounded in a real understanding of the customers' needs.

A customer-focused approach is the heart of what MetLife Foundation wants to achieve. We are excited about the insights emerging from our grant-making in behavioral economics, including insights about improving financial education by making it action-oriented. Most adults already know that it is important to budget and save, just as we know it's important to exercise and eat right. Our failure to do those things cannot be addressed simply through information because lack of information is not the primary reason we fail to meet our goals in exercise, diet—or saving. The issue is behavioral: time management, or fear of the unknown, or simple inertia or procrastination, or some other behavioral factor.

So for adults, MetLife Foundation's grant-making deemphasizes classroom-style adult education in favor of what we call "edu-action"—the chance to put healthy financial behaviors into practice and to learn by doing. It's the difference between someone telling you that it's important to save—and someone helping you decide which account to open and how to set it up, and encouraging you to stick with it—as our grantee International Rescue Committee does for recent immigrants. Behavioral economics has important implications for product and service design, too. In Mexico, our grantee ideas42 discovered that one of the reasons people failed to plan for retirement was that they worried it was selfish, that all their money should go toward their children. So ideas42's recommendations to Mexico's retirement system included culturally appropriate messages that retirement planning is admirable and can help parents avoid becoming a financial burden to their adult children.

In the pages that follow, MetLife Foundation is pleased to share some of the exciting work our grantees are doing around our three thematic focus areas—Knowledge, Services, and Insights. We're grateful for the opportunity to work with some of the best organizations in the field and to share their work via high-profile partnerships. For example, the 2015 debut of our sponsorship of *The Wall Street Journal's* "Financial Inclusion Challenge-Asia" provided a prestigious global platform to showcase our grantees' work and to raise awareness about financial inclusion. The "Financial Inclusion Challenge-Asia" was so successful it has been renewed for a second year.

*(continued on next page)*



## eduaction

*We're emphasizing what we call "edu-action" – the chance to put healthy financial behaviors into practice.*





## Message from **A. Dennis White** *(continued from previous page)*

This report also describes the commitment of MetLife to our local communities. From medical and health research to arts and culture, disaster relief to workforce readiness, MetLife remains committed to being a positive force in every community where we work. I am particularly proud of the ever-growing support and enthusiasm the Foundation's work inspires among our associates. The Foundation's partnership with Kiva, for example, lets MetLife associates direct microloans to the clients of their choice. In Latin America alone, in just the fourth quarter of 2015, more than 1,500 associates participated, directing loans to borrowers in 44 different countries. In Eastern Europe and the Middle East, more than 900 MetLife associates in 19 countries volunteered their time to provide young people with financial education courses. In all, MetLife associates donated more than 72,000 hours of time—11 percent more than last year—and engaged in the Foundation's work as never before.

As we enter the second half of our five-year strategic plan, MetLife Foundation is on track against targets, disbursing nearly \$100 million against our five-year goal of \$200 million. Our portfolio continues to become more international in scope as well. But regardless of geography or size of disbursement, project type or specific tactics, MetLife Foundation's guiding principle remains the same. We work with partners driven to understand what customers need—and why—and then to deliver it conveniently, affordably, and efficiently.

On behalf of the Foundation's board and staff, thank you for your support of our work.

**A. Dennis White**

President & CEO, MetLife Foundation



# Our Global Focus: Financial Inclusion

MetLife Foundation works in both developing and developed economies to expand and improve financial services. We fund approaches that help low- and moderate-income people:

- improve basic cash flow management
- prepare for life's inevitable challenges
- take advantage of opportunities
- achieve their short- and long-term goals.

To advance our goals, MetLife Foundation chose three strategic areas—two that are client-focused and one that supports the financial inclusion industry as a whole.

**MetLife Foundation is proud to work with some of the best organizations in the financial inclusion field. The following pages detail a selection of what we are learning together.**



## Knowledge

**So that customers are**

- Well-informed and confident in future financial decision-making
- Prepared to meet the requirements of the financial sector



## Services

**So that customers are**

- Served by strong organizations that meet their financial needs now and in the future
- Able to access and use products and services that build their financial aptitude and health



## Insights

**So that the financial inclusion industry can**

- Learn from each other, through high-quality research and thought leadership
- Support each other's efforts, through meetings and conferences to share best practices and identify industry priorities



## KNOWLEDGE



### Partnering with Community Colleges to Reach Low-Income Students

**Working Student Success Network (WSSN)**  
*United States*



Community colleges have a proud tradition of educating working adults, parents, low-income immigrants, older, or other non-traditional student populations. Many of their students are highly motivated but financially- and time-stressed—one flat tire away from having to drop out. So community colleges are experimenting with models that can increase students' financial stability and in turn increase the likelihood of academic success. With support from MetLife Foundation and other like-minded funders, the Working Student Success Network (administered by Achieving the Dream), which includes 19 colleges and state coordinating agencies in Arkansas, California, Virginia, and Washington, is helping colleges implement a promising model of integrated services. The model incorporates job training, income and work supports, and financial coaching and products. MetLife Foundation's support focuses on helping develop, test, and scale the financial-services and coaching components of the model.

### *Dream, Save, Do* Financial Empowerment for Families

**Sesame Workshop**  
*Global*



The greatest predictor of whether a person is financially healthy is whether he or she is a planner. Planners don't necessarily produce detailed household budgets (although some do), but they have the general ability to project into the future, set goals, and make conscious choices accordingly. After a period of research, development, and consultation with financial experts, Sesame Workshop launched *Dream, Save, Do* to seed a "planner" mentality in children by encouraging them first to understand the basic difference between needs and wants. Through songs on savings and delayed gratification, story lines, games, and activities, *Dream, Save, Do* leads children and their caregivers – in an entertaining way – to dream of what they really want to spend money on, then save up for those goals, and then spend the money, after they have it, on that goal. The program includes print materials, comics, community engagement events, workshops, classrooms, songs, and fairs, all featuring Sesame's beloved global and local characters. Sesame has launched *Dream, Save, Do* in four countries – Brazil, China, India, Mexico – and is rolling it out in Chile, Japan, Egypt, and the United Arab Emirates in 2016.



## Financial Opportunity Centers

**LISC (Local Initiatives Support Corporation)**  
*United States*

Community-based organizations can better help lower-income people find work and achieve greater financial stability by “bundling” key services, including employment, financial coaching, and improved access to public benefits. This “integrated service delivery” approach has been proven to help clients achieve better outcomes in net worth, credit scores, and job placement and retention. And it is at the heart of LISC’s Financial Opportunity Center (FOC) network. LISC partners with community-based organizations to operate FOCs in lower-income communities, providing one-on-one financial coaching. The personalized coaching helps clients to develop a plan and then, most critically, take action to implement that plan—with ongoing support from their coaches. MetLife Foundation supports FOCs in 11 cities across the United States to expand “Bridges to Career Opportunities,” a program which connects core FOC offerings with tailored education and skills-development to help clients find good jobs. Our grant is also supporting training and technical assistance to LISC staff, and funds behavioral economics research and pilot tests to address issues like client retention and financial product uptake.



## SERVICES



## Scaling Up Alternatives to Subprime

**Fair Finance**  
*United Kingdom*

People sometimes assume that financial exclusion is strictly a developing world issue. But even in advanced economies, important disparities exist, often along racial or socioeconomic class lines, between who is and is not included in the financial mainstream. Fair Finance is a key MetLife Foundation partner in the United Kingdom, providing personal and business loans to low-income individuals who have been excluded from mainstream finance and left with few options other than borrowing from subprime lenders. Fair Finance's clientele are self-employed, part-time, and low-wage workers; recent immigrants; single mothers; and people of color. Along with more affordable credit, Fair Finance also provides counseling and mediation for tenants facing eviction. Although growing fast, Fair Finance is still meeting only a fraction of the local need, and wants to increase the number of individuals served from 10,000 to 100,000 over five years. MetLife Foundation's funding is supporting initiatives to strengthen Fair Finance's operational infrastructure to manage this growth.

## Applying Behavioral Science to Improve Financial Outcomes

**ideas42**  
*Latin America*

Nonprofits and donors working in financial inclusion have devoted great attention to the issue of access: that is, to ensuring that more of the 2 billion people currently excluded from the financial sector gain access to financial services. And while access is necessary, it's not sufficient to ensure long-term financial health. Behavioral science research from ideas42 found that people want to improve their financial health and often understand the steps they need to take. But they fail to follow through. Take retirement, for example. Despite significant expansion of financial access in Latin America, the majority of people do not save enough for retirement. Through their research, ideas42 discovered that short-term savings goals beat long-term ones, that people can't visualize what their lives will look like after they stop working, and that they are rarely prompted to think about their retirement. In response, ideas42 designed a range of tactics, from automatic bank account deductions to individualized goal-setting exercises and public awareness campaigns. With support from MetLife Foundation, ideas42 will partner with local financial institutions to analyze the behavioral factors that might increase uptake of a broad range of products and services intended to improve financial health. They will share findings from institutions in Mexico and Chile to design and test more effective ways to help customers actually use financial products. Successful interventions could be a model for the whole region.







## Beyond “One Size Fits All” Financial Services

**Svasti Microfinance**  
*India*

Microfinance in India traditionally involves providing small loans to a group of women who are required to cross-guarantee each other, and to attend weekly group meetings to make cash repayments. Although group-based lending can be a useful way to introduce clients to borrowing and using loans to grow a small business or meet other needs, over time, customers may come to chafe against the rigid methodology. Svasti, MetLife Foundation’s partner in Mumbai (Maharashtra), aims to upgrade the microfinance experience by focusing on individual customers’ needs and providing a one-stop shop for a wide range of products to help them lead a healthy financial life. MetLife Foundation is supporting Svasti, a credit-only institution, as they develop the technology to seamlessly connect with banks, enabling Svasti’s loan clients to open and use their bank-held savings accounts. The Svasti expansion will also let clients make bill payments and send remittances to distant family members. Svasti aims to enable more than 50,000 low-income customers to use their new bank accounts effectively, build their assets, and avoid the serious financial risks associated with storing cash at home.



## Pathways to Financial Empowerment

**National Federation of Community  
Development Credit Unions**  
*United States*

Community development credit unions collectively serve over five million consumers deemed the most challenging to reach, including low-wage workers, new immigrants, and individuals with damaged credit. Three-quarters of these credit unions offer financial counseling to connect consumers with advice and products to improve their financial well-being. But a Federation study found that credit union financial counseling varies significantly from one institution to another. The study also found that the majority of credit unions do not track the results of their financial capability programs. Together with Neighborhood Trust Financial Partners, the Federation has launched a new program, Pathways to Financial Empowerment, with pilot sites at five credit unions. The goal is to develop a scalable model integrating outcomes-driven financial counseling with the delivery of relevant financial products. A new, standardized platform not only tracks product usage, but also helps clients evaluate their progress toward improved credit, manageable debt levels, and short- and longer-term savings. This work helps credit unions deploy staff resources more effectively which, along with the development of great products, means the Pathways program should strengthen the participating institutions as well as the financial well-being of individual customers. In this pilot year, Federation credit union partners in New York, Texas, Ohio, Virginia, and Louisiana expect to collectively reach 1,250 low-income individuals, and help them find their own pathways to financial empowerment.



## INSIGHTS



# The Financial Inclusion Challenge/ "Multipliers of Prosperity"

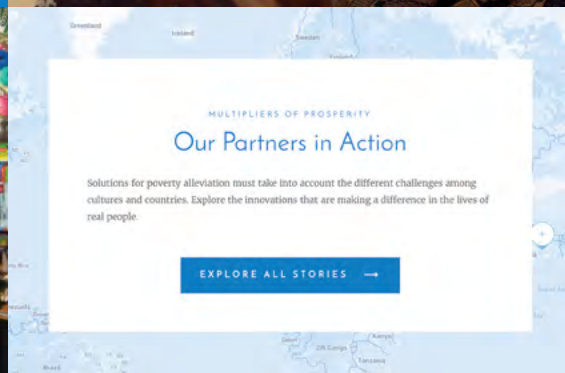
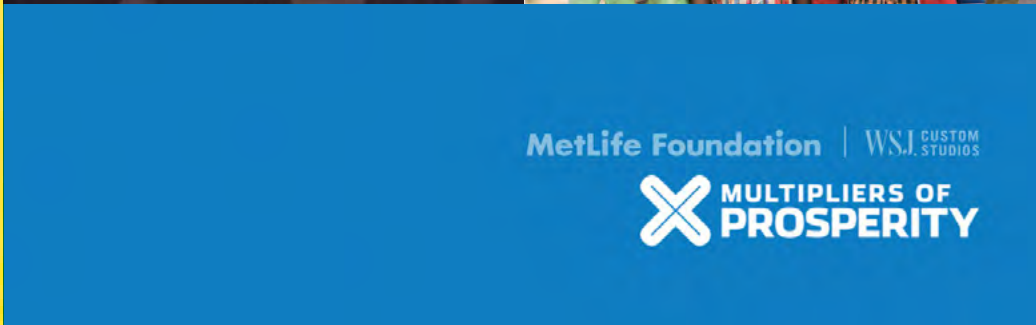
**The Wall Street Journal & WSJ. Custom Studios**  
*Asia*

MetLife Foundation sponsored **The Financial Inclusion Challenge**, managed by *The Wall Street Journal*, to reward excellence in programs to deliver innovative, sustainable solutions for people currently excluded from the financial mainstream. Winners of the 2015 Challenge were:

**Shanghai F-Road Commercial Services • Telenor Pakistan • Kiva**

To complement The Challenge, MetLife Foundation and WSJ. Custom Studios, the content marketing division within the *Journal's* advertising department, launched "**Multipliers of Prosperity**," a new website featuring stories from our grantees, videos, infographics, and other compelling content. As part of this custom hub, the Foundation and WSJ. Custom Studios co-produced *A Dispatch from India*, a video highlighting the work of MetLife Foundation partner Ujjivan. The piece won a Midas Award, which recognizes achievement in financial marketing and advertising on a global scale.

Wall Street Journal Asia also developed an editorial series, "**Financing the Future**," which received strong public response with more than 35,000 social shares and a tweet reach of more than 50 million people.

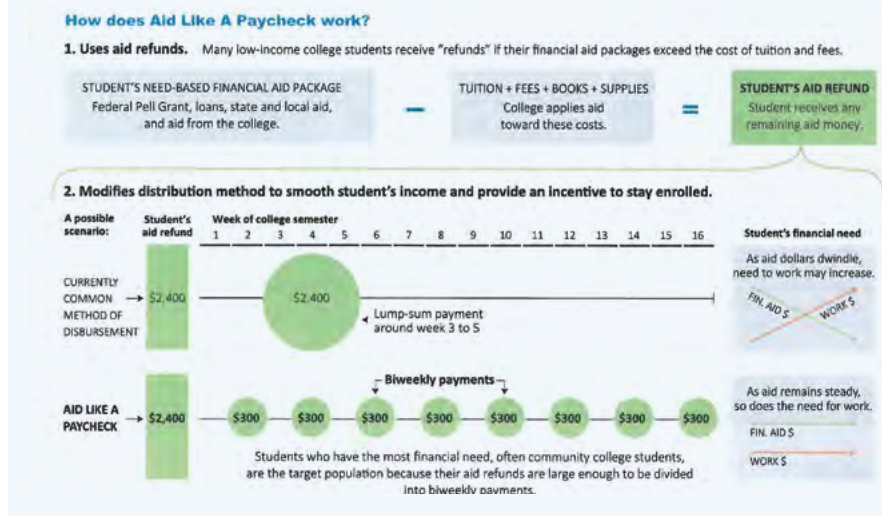




# Aid Like a Paycheck

MDRC  
United States

Sometimes even minor tweaks can have major impact. Consider financial aid for students. Higher education is an urgent priority for many individuals and families—and for our society as a whole. Financial constraints can put that important goal out of reach for low-income students unless they receive financial aid. Traditionally aid has been paid out in one lump sum near or at the beginning of the semester. Unless the student possesses an unusual degree of budgeting skill and discipline, it can be difficult to make the money last throughout the entire school term. He or she may end up having to drop classes, increase work hours, or leave school altogether. In response, some colleges have begun experimenting with disbursing aid every two weeks—like a paycheck—instead of all at once. The financial aid is deposited into a bank account and rather than feeling like a windfall, the funds come in smaller, more frequent payments that coincide with regular expenses and make it less stressful to stay on budget. In theory, less financial

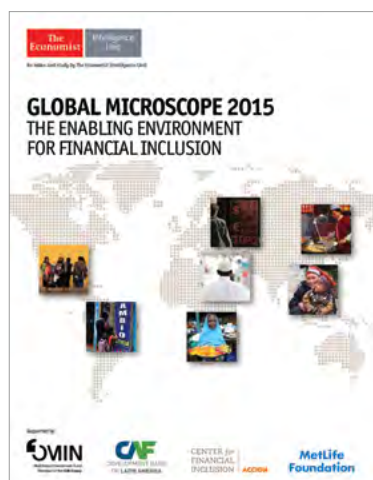


stress will allow students to concentrate on their studies and increase the likelihood that they complete their degree or certificates. Small-scale pilot studies of “aid like a paycheck” found promising initial results in 2010-2013. Now with support from MetLife Foundation, MDRC is testing the concept at scale.

MDRC is a research organization that demonstrates, evaluates, and scales up innovative ideas to improve the lives of low-income Americans. MDRC is partnering with community colleges, which have a long history of delivering post-secondary education to low-income communities, to conduct randomized control trials of the “Aid Like a Paycheck” concept among thousands of students in Texas and California. The findings from the Aid Like a Paycheck research may help providers of financial aid use billions in existing resources more effectively to enable better outcomes—both financial and academic—for millions of lower-income students.

## Global Microscope 2015 Report: The Enabling Environment for Financial Inclusion

Economist Intelligence Unit  
Global



Financial Inclusion is a global issue, but every country has its own policies and programs. Global Microscope 2015 takes a comprehensive look at the state of financial inclusion in more than 50 countries. The report lets readers scan by region or country and get a quick understanding of the current state of financial inclusion. Along with facts about the products, services, and providers in the various markets, Global Microscope 2015 also provides significant detail on the “enabling environment”—the policies and regulations for a range of financial products and services and the institutional support that can help ensure the safe provision of services to low-income people. Global Microscope 2015 scores these issues using a dozen indicators and more than 40 data points to give a nuanced picture of the practical realities of financial inclusion. Finally, the report ranks each country, allowing policymakers, funders, and others to benchmark progress. Index rankings suggest that the best-performing countries are those taking a comprehensive approach, with multi-pronged strategies that tackle simultaneously the multiple, often intertwined barriers to inclusion. MetLife Foundation hosted a launch event in New York for the Global Microscope Report in December 2015 to support EIU’s public outreach campaign and will continue to support this important resource in 2016.





**Mohanad  
Al Saray**  
**International  
Rescue Committee**  
*United States*

Mohanad Al Saray is a refugee from Iraq who was resettled in San Diego by the International Rescue Committee, or IRC, in February 2015. Mohanad's wife was killed in the violence in Iraq, and now, as a widower and single father to two young daughters, he is devoted to building a fresh start for his family in a new country. When Mohanad arrived in the United States, he had no knowledge of the English language and no understanding of the U.S. financial system. IRC enrolled him in its English as a Second Language (ESL) program, where in addition to learning English, Mohanad completed a series of MetLife Foundation-supported trainings on financial services. With support from IRC, Mohanad visited local banks to understand and evaluate the banking options within his new neighborhood. He was approved for a credit-building loan from the IRC's MetLife Financial Education for New Americans program, and received one-on-one financial coaching to establish a financial plan. Mohanad also received help from IRC's financial counselors to enroll in a program to help reduce his monthly expenses. Finally, IRC helped Mohanad land a job—his first in the United States—at a local grocery store. Now with a steady monthly income, a conservative spending plan, and banking products that minimize transaction costs, Mohanad is beginning to build financial stability, with a small but stable nest egg and a sense of optimism about the future. Mohanad says he feels in control of his finances and looks forward to seeing his daughters thrive in the United States.







## Jema Naik

### Trickle Up *India*

Like many very low-income Indians, Jema Naik and her husband, Basanta, combine subsistence farming with other income-generating activities. And like so many others, the Naiks worried constantly about how to put food on the table if the harvest was bad and how to make their very low wages stretch far enough to meet even the most basic needs for themselves and their three-year-old daughter. Basanta used to migrate to Goa, the nearest big city for as long as six months at a time, competing with a huge pool of other unskilled men for day labor. Along with the serious material privations the family faced, both Jema and Basanta suffered from periodic bouts of depression from the relentless stress. Trickle Up, a MetLife Foundation grantee, approached Jema and encouraged her to join one of its self-help groups. There she met other women who intimately understood her struggles and provided support that eased Jema's depression and sense of isolation. They boosted her confidence and encouraged her to pursue Trickle Up's suggestion that she launch a small business. With a grant from Trickle Up of 7,000 rupees (\$101), Jema opened a small grocery store. Trickle Up also provided coaching and technical training for Jema because she had no experience managing a business—or setting goals beyond survival. With Trickle Up's assistance, financial support, and the encouragement of her group, Jema has steadily invested in her grocery store and also leased an additional acre of more productive land for cultivation. Basanta no longer has to migrate in search of low-wage day labor; husband and wife now work together in the shop and on their land, and enjoy raising their daughter together. In the past two years, the family has earned 50,727 rupees (\$737), more than they dared hope. The family has enough food and clothes, their daughter is in school, and with Trickle Up's help, they enrolled in the Indian government's health insurance programs. Jema says that opening the shop has changed her life, and is committed to helping other women start the climb out of poverty.



# Community Investments

MetLife pursues its commitment to corporate social responsibility in many ways: responsible workplace practices, volunteer activities that engage our global workforce, grants via MetLife Foundation, and also community investments. These investments, which may take the form of debt or equity, are directed at organizations that engage in work that benefits underserved populations. The investments may be made on concessionary terms (lower returns, longer tenors) and are structured to provide innovative organizations with access to capital they might otherwise not be able to obtain.

MetLife and MetLife Foundation made \$52.5 million of social investments in 2015, providing vital resources to organizations serving smallholder coffee and cocoa farmers, delivering financial services to low-income consumers, building affordable housing, supplying primary healthcare, and many other vital goods and services.

Transaction	Amount (USD millions)	Geography	Description
Vital Healthcare	5.00	US (national)	Financing a new community development finance institution (CDFI) supporting primary health care delivery
Bridges Ventures	5.00	US (national)	Equity fund investment, supporting small and mid-size enterprise serving poor
ROC USA	15.00	US (national)	Mortgage financing for resident-owned communities of manufactured housing
MicroBuild	2.50	Global	Equity fund supported by Habitat for Humanity to support affordable housing lending
Genesis LA	3.00	Los Angeles	Loan to CDFI serving Los Angeles County (CA)
Living Cities Blended Capital Fund	5.00	US (national)	National innovative community development investments
Self-Help Federal Credit Union	11.00	California	Deposit in credit union serving low-income consumers
Root Capital	6.00	Global	Financing for global lender to agricultural small businesses
<b>2015 TOTAL</b>	<b>52.50</b>		







## Innovative Financing for Affordable Housing

**MicroBuild LLC**

*Global*

**MetLife Foundation**

investment: \$2.5 million (equity)



MicroBuild is an investment fund launched by Habitat for Humanity, one of the world's leading champions of affordable housing and an organization whose builds attract the enthusiastic participation of MetLife associates every year. Habitat launched MicroBuild to demonstrate the viability of housing-focused microloans as an effective financial tool for lower-income households in the developing world. The Fund and its related technical assistance component is a major strategic initiative in Habitat's effort to increase the scale of its activity dramatically in response to the immense global need for affordable housing. From MetLife Foundation's financial inclusion perspective, addressing a poor person's housing costs is one of the most effective tactics for building financial health. Along with other socially motivated investors including Omidyar Network, Triple Jump, and Overseas Private Investment Corporation (OPIC), MetLife Foundation's investment will provide funds that MicroBuild can on-lend to qualified microfinance institutions (MFIs) in Asia, Latin America, and Eastern Europe. Those MFIs' clients can apply for financing to build a new house or improve an existing one, buy land, or access legal aid pertaining to their housing or property situation. The Fund is expected ultimately to provide support to 100,000 low-income households around the world. But its greater promise is the proof of concept, encouraging more MFIs to add housing loans to their product offerings.

## Expanding Access to Basic Healthcare

**Vital Healthcare Capital, Inc.**

*United States*

**MetLife Investment:**

\$5 million (debt)



Along with affordable housing, access to basic healthcare is one of the most important building blocks of financial well-being. Vital Healthcare Capital, or V-Cap, is a non-profit community development financial institution that provides capital to support quality healthcare services and good healthcare jobs in low-income communities. Founded in 2011, V-Cap has grown quickly, thanks to funding from MetLife and other impact investors. It prioritizes financing for better integrated healthcare for vulnerable populations including frail elderly, at-risk youth, the disabled, and people living with chronic disease or mental illness. V-Cap's jobs strategy supports employment models that create new or better job opportunities for low-income people with a particular focus on frontline, patient-facing jobs that are critical to the needs of vulnerable populations, and that can help meet the increasing demand for healthcare in the wake of the Affordable Care Act's passage. V-Cap intends to place financing with high-performing healthcare channels, including hospitals, nursing facilities, specialty practices, and physicians groups, which have demonstrated their effectiveness and for whom access to capital is a potential barrier.




## Support to Smallholder Farmers

**Root Capital**  
*Global*

**MetLife Investment:**  
\$6 million (debt)

Financial inclusion efforts must include outreach to smallholder farmers because hundreds of millions of the developing world's poorest people make their living, in whole or in part, via agriculture. Smallholder farmers are typically excluded from formal markets and are constrained by lack of market information and lack of affordable access to inputs such as seeds and fertilizers, equipment, transportation, and credit. Root Capital provides loans to rural enterprises or small and growing businesses that aggregate hundreds to thousands of smallholder farmers in Africa and Latin America and link them to competitive markets. Root Capital provides short-term trade credit and pre-harvest loans as well as long-term working capital in amounts that typically range from \$50,000 to \$4 million. Agricultural aggregator businesses can combine the efforts of hundreds or even thousands of smallholder farmers to create the economies of scale that can break down barriers to markets. Such businesses can link farmers to formal markets in efficient, stable value chains that pay farmers a higher share of the end price, while also helping them to invest in climate-smart practices that increase productivity and incomes, enhance farmer and ecosystem resilience to climate change, and reduce and remove greenhouse gas emissions. Most importantly, these businesses can reduce the vulnerability and anxiety faced by farmers who cannot otherwise count on having a well-paying market for their product.





Latin America is an important market for financial inclusion—and for women's empowerment. For too long, the assumption was that a "one size fits all" approach would suffice to address the financial needs of low-income women. In reality, meaningful progress isn't possible unless Latin America's women—half the region's population—have the financial tools they actually need. Pro Mujer is proud to be a part of the solution by empowering these women to realize their goals through individualized loans and personalized services. We are deeply grateful for the MetLife Foundation's generous support, which allows us to extend our reach and strengthen our offering.

— **Maria Cavalcanti**

President and CEO | Pro Mujer

MetLife Foundation is an incredibly important partner for Accion. Its commitment to advancing financial inclusion is extraordinary. MetLife Foundation is helping us to build on-the-ground capacity in China, Myanmar, and the United States and to strengthen the industry through its participation on the Center for Financial Inclusion's Advisory Council. We also highly value its support for the Economist Intelligence Unit's Microscope, an important annual review of the enabling environment for financial inclusion around the world. MetLife Foundation's extraordinary leadership, vision, and action help expand and improve financial inclusion at every level.

— **Michael Schlein**

President and CEO | Accion

MetLife Foundation embodies the ideal philanthropic partner for Women's World Banking. The Foundation is our ally and strategic partner in the mission to reach underserved women around the world with vital financial services. MetLife Foundation supports Women's World Banking's work to develop innovative financial products for low-income women who are historically left behind. We are not only grateful for the Foundation's support and counsel, we continue to be inspired by its leadership and commitment to achieving full financial inclusion around the world.

— **Mary Ellen Iskenderian**

President and CEO, Women's World Banking



MetLife Foundation has become one of our favorite funders to work with. There is truly a talent to being a good donor – one doesn't simply give money away – and MetLife Foundation consistently exemplifies the traits of a good donor. Not only are they flexible and open to a wide range of ideas for projects, but they are also excellent thought partners in developing an idea so that it harnesses all its potential for impact. Development work of any sort is difficult—it almost never goes exactly according to plan. To have a funder who is so experienced in the field that they not only expect challenges but can offer solid experience on how to work through them, that is the sort of partner that can really effect change.

– **Daryl Collins**

Managing Director  
Bankable Frontier Associates

MetLife Foundation's grant came to Svasti at a critical time and is helping us transform from a single product conventional microfinance company into a multi-product, comprehensive financial services provider for low-income people. We are using the grant to develop and deliver new and innovative loan products and other financial services to our customers by building proprietary technology, processes and a one-of-a-kind credit rating system. The Foundation team that evaluated the grant had deep knowledge of the sector that helped them quickly understand and appreciate the potential impact of our proposal, which convinced them to support us.

– **Arun Padmanabhan**

CEO & Co-Founder  
Svasti



**MetLife Foundation**



# MetLife Foundation in Our Communities

MetLife Foundation was founded in 1976 to continue MetLife's long tradition of corporate contributions and community involvement. While financial inclusion is our global focus, we are proud to sponsor initiatives in other philanthropic areas. Our impact expands beyond the financial health of our communities to support for medical research, arts and cultural institutions, disaster relief, and civic initiatives. The Foundation remains committed to being a positive force in every community where we work.





# ...acting globally

## Health and Medical Research

### Damon Runyon Cancer Research Foundation Clinical Investigator Award

Worldwide, one in seven deaths is due to cancer. Cancer kills more people than AIDS, tuberculosis, and malaria combined. It is the second leading cause of death in the high-income countries (following cardiovascular disease) and the third leading cause of death in low- and middle-income countries (behind cardiovascular disease and infectious and parasitic diseases). Given the scale and seriousness of cancer, and our commitment to healthy communities, MetLife Foundation chose to expand our partnership with Damon Runyon Cancer Research Foundation through sponsorship of the Clinical Investigator Award. Over the next three years, MetLife Foundation funding will provide support to early career physician-scientists whose research will directly impact patients by bridging the gap between laboratory and clinical work. The goal is to identify and fund the future leaders in biomedical research by giving them the resources to continue their training. An important additional goal is to provide exceptional young scientists and doctors with opportunities to interact with industry leaders in cancer research to facilitate collaboration that will lead to new therapies.



### Awards for Medical Research in Alzheimer's Disease

Alzheimer's medical research and public awareness campaigns have been a signature project for MetLife Foundation for more than 25 years. MetLife Foundation Awards for Medical Research recognize excellence in medical advances and provide outstanding researchers with resources to pursue promising ideas. At the heart of the program is a belief in research as the road to understanding and ultimately curing Alzheimer's and other devastating forms of dementia. The 2015 award winners were Randall Bateman MD and Christian Haass, PhD. A research scientist and practicing physician based in St. Louis, Dr. Bateman is known for developing a technique known as stable isotope-linked kinetics, or SILK, that made it possible for the first time to measure central nervous system proteins in living people. Dr. Bateman's lab is now developing a SILK method for studying the abnormal protein that destroys the structure of brain cells in Alzheimer's patients. He is also director and principal investigator of the first Alzheimer's prevention trials testing drugs for people who show no symptoms but are at high genetic risk for the disease. Dr. Haas, a professor of biochemistry in Munich, was the first to demonstrate that one of the enzymes implicated in Alzheimer's is critical to the proper regulation of the electrical insulation of brain cells. His work warned that inhibiting beta-secretase's work could disrupt the development of healthy neurons, and his work has been critical to ensuring that treatments currently in development or trials are both effective and safe.

# ...and locally

## Disaster Relief

### Nepal Earthquake Response

In April 2015, Nepal was devastated by a 7.8 magnitude earthquake, the worst the country had experienced in more than 80 years. More than 8,000 were killed and more than 21,000 injured, with immense damage to property and loss of homes. To help aid the victims, MetLife Foundation donated \$250,000 to the International Medical Corps Nepal Earthquake Relief Fund and matched the personal contributions of 700 associates from 26 countries to the Fund.





## Arts & Culture



### Smithsonian National Museum of African American History and Culture

The newest museum on the National Mall in Washington D.C., the Smithsonian National Museum of African American History and Culture will be the only national museum devoted to telling the story of the United States through the lens of African American life, art, history, and culture. Scheduled to open in Fall 2016, the architecturally stunning, environmentally state-of-the-art Museum sits on a five-acre site adjacent to the Washington Monument. It will display more than 30,000 treasures from African American history, including Louis Armstrong's trumpet, a Jim Crow-era railroad car, one of the planes flown by the Tuskegee Airmen, and extensive collections of African American fashion, fine arts, and Civil War-era photographs. The Museum features 380,000 square feet of space with nine galleries on five levels, providing space for educational and public programs, performances, presentations, and forums. In order to reach young people, the Museum also offers dedicated education spaces for K-12 students, with interactive learning and digital access programming focused on STEAM (science, technology, art, and mathematics) subject matter. The Museum will be free to the public and is projected to draw three to five million visitors annually. MetLife Foundation is proud to continue its long tradition of advancing cultural and artistic diversity by supporting the Museum as a Founding Donor with a \$1 million grant.





### Frida Kahlo: Art, Garden, Life Exhibition at the New York Botanical Garden

The first solo presentation of artist Frida Kahlo's work in New York City in more than 25 years, Frida Kahlo: Art, Garden, Life was also the first ever to focus on the artist's fascination with nature, especially vivid botanical imagery. MetLife Foundation was the presenting sponsor of the exhibition which included a re-creation of Kahlo's famous garden and studio at Casa Azul, her home in Mexico. The show also displayed more than a dozen of her paintings, and bilingual (English/Spanish) programs provided historical and cultural background information, with photos of the garden as it appeared during Kahlo's lifetime along with quotes from the artist about Casa Azul and her deep connection to the botanical world. The exhibit broke attendance records, bringing more than 500,000 visitors of all ages to the Botanical Garden. More than 35,000 children took part in youth-focused programs including "Cooking with Frida" and "Frida's Flora and Fauna." MetLife Foundation has a long history of supporting cultural initiatives that foster understanding of diverse cultures and that showcase the work of diverse artists to broad audiences.



### Children's Museum of Jordan

MetLife Foundation supports the Children's Museum of Jordan's Celebrations program, an initiative to build greater cultural understanding among the nation's youth. A year-round program, Celebrations commemorates important national occasions such as Mother's Day, Labor Day, and Independence Day. In honor of these and other special occasions throughout the year, the Museum features musicians, dramatic performances, and interactive activities for the children, all built around the themes of those holidays.

The Children's Museum of Jordan has become a central location for empowering children through exciting, innovative, authentic learning experiences rooted in Jordanian culture. It is committed to enabling young Jordanians to become thinkers, future leaders, and innovators as well as active citizens in their communities. The Celebrations program is one important way the Children's Museum of Jordan advances its mission of bringing children and their families closer to their community, as they explore together their nation's heritage, values, traditions, and culture.



## Associate Involvement



### Directing Microloans to Low-Income Borrowers

#### *Kiva*

Kiva is the world's first and largest crowdfunding platform for social good, with a mission to alleviate poverty by connecting people one-to-one for borrowing and lending. With as little as \$25, anyone can make a loan to help a low-income borrower start or grow a business, go to school, access clean energy, or otherwise pursue their goals. In a new partnership with Kiva, MetLife associates volunteer their time to direct MetLife Foundation-funded microloans to the borrower of their choice. The program engages volunteering associates in the Foundation's financial inclusion focus, helps them understand microfinance—and most important, provides vital support for microentrepreneurs who lack access to conventional financing. To date, more than 4,200 volunteers in MetLife's Latin America and Europe Middle East Africa (EMEA) regions have directed microloans to borrowers in 48 countries. EMEA's level of participation—54 percent of all associates—set a new Kiva record for corporate engagement over a six-week period.





## Sharing Expertise to Help Nonprofits Solve Challenges

### *Taproot Foundation*

Most community-based nonprofits rely on supporters for funding, but they often need technical assistance and business advice as well. Knowing who has the necessary expertise and then finding those people can be a significant challenge. Taproot Foundation plays matchmaker, connecting professionals from fields such as marketing, information technology, human resources, and strategic planning with nonprofits which need those skills. MetLife associates have enthusiastically joined forces with Taproot, providing pro bono consulting to nonprofits ranging from Junior Achievement to housing organizations to cultural groups. During single-day ScopeAthon™ events, teams of MetLife volunteers helped more than 20 nonprofit organizations in the United States diagnose problems and begin to develop solutions to address their challenges.

## Suiting Up and Showing Up

### *Dress for Success*

MetLife has a long-standing partnership with Dress for Success, an international nonprofit that empowers women to achieve economic independence by providing gently used professional attire and other workforce readiness needs. MetLife has coordinated suiting drives for many years, and in 2015, clothing drives took place in 15 MetLife locations. But a cross-section of associates, from diverse departments as well as MetLife's Women's Business Network, decided to take the partnership with Dress for Success to the next level. In addition to the suiting drives, MetLife offices in the United States, Mexico, and the United Kingdom sponsored workshops where MetLife women volunteered with Dress for Success clients to strengthen their resumes, build interviewing skills, and explore career goals.

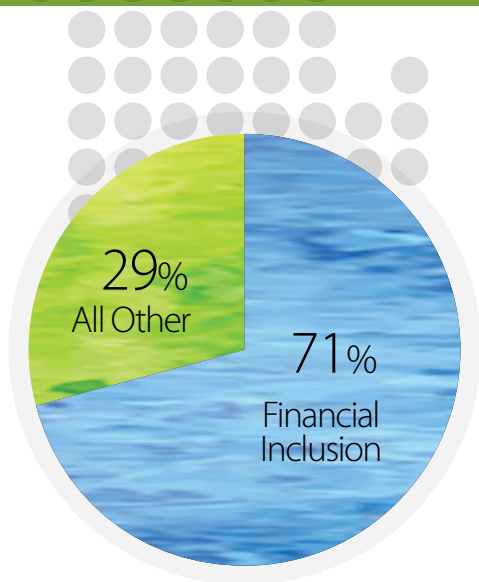




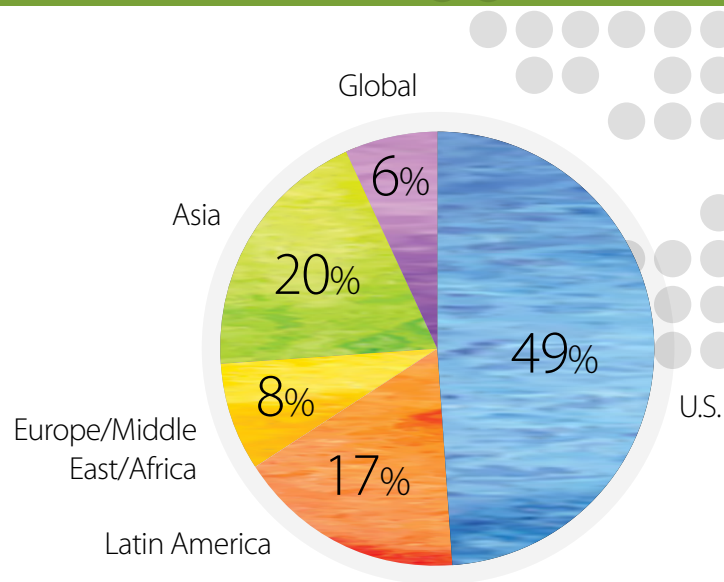
# 2015 at a Glance



## Total Commitments 2015



Total Commitments



Commitments by Region



# 2015 Grant-Making

## Grants in Financial Inclusion

2015 Paid

### Access & Knowledge

Achieving the Dream	500,000
Girl Scouts of the USA	223,000
JA Worldwide (Various)	1,351,772
Local Initiatives Support Corporation	2,000,000
Network for Teaching Entrepreneurship	250,000
Sesame Workshop	4,000,000
TechnoServe	250,000
Trickle Up	600,000
uAspire	250,000
Veterans Plus	250,000

**Access & Knowledge Total 9,674,772**

### Access to Services

Accion International	504,000
Accion, The US Network	350,000
Bankable Frontiers Associates via Rockefeller Philanthropy Advisors	2,989,469
Behavioral Ideas Lab	1,652,775
BURO via Rockefeller Philanthropy Advisors	82,400
Community Solutions International	170,000
Credit Builders Alliance	250,000
Duke University - CommonCents Lab	3,000,000
Freedom from Hunger	250,000
Habitat for Humanity (Various)	455,600
Inter-American Development Bank	925,000
Kiva Microfunds	375,000
MicroSave India via Rockefeller Philanthropy Advisors	249,260
PlaNet Finance	238,000
PlaNet Finance Japan via Rockefeller Philanthropy Advisors	433,000
Swisscontact North America	250,000
Un TECHO	76,647
Women's World Banking	997,250

**Access to Services Total 13,248,401**

### Access to Insights

Access India via Rockefeller Philanthropy Advisors	49,955
Accion International	272,000
Aeris Insights	25,000
Asian Strategy & Leadership Institute via Rockefeller Philanthropy Advisors	3,811
Aspen Institute	275,000
Austin Community Foundation - Verb	1,287,000
Bankable Frontiers Associates via Rockefeller Philanthropy Advisors	250,000
Boulder Institute of Microfinance	160,000
Community Solutions International	100,000
Corporation for Enterprise Development	50,000
D2D Fund	750,000
Encore.org	225,000
Financial Innovations Center	835,000
Greene Institute	10,000
Inter-American Development Bank	100,000
Japan NPO Center via Rockefeller Philanthropy Advisors	74,103

Microfinance Association of Chile via Rockefeller Philanthropy Advisors	250,000
Microfinance Information Exchange	250,000
National League of Cities	750,000
Pro Mujer	47,000
SEEP Network	35,000
Taproot Foundation	92,000
Trickle Up	50,000
United Way Worldwide	250,000
University of Kansas Center for Research	240,000
University of Texas at Austin	250,000
Women's World Banking	47,000

**Access to Insights Total 6,727,869**

**Financial Inclusion Total 29,651,042**

## Other Grant-Making

### Health

Alzheimer's Association	250,000
Alzheimer's Association, NYC Chapter	35,000
Alzheimer's Disease Research Foundation	80,000
American Federation for Aging Research	100,000
Awards for Medical Research working with American Federation for Aging Research	600,000
Damon Runyon Cancer Research Foundation	400,000
New York Blood Center	250,000
Grants \$10,000 and under	5,000

**Health Total 1,720,000**

### Civic Engagement

All Stars Project	250,000
CASA of Morris & Sussex Counties	25,000
Human Rights Campaign Foundation	25,000
Independent Sector	15,000
LatinoJustice PRLDEF	53,815
New York City Partnership Foundation	70,000
PFLAG	40,000
Regional Plan Association	25,000
SAGE	50,000
Women In Need	25,000
Grants \$10,000 and under	50,000

**Civic Engagement Total 628,815**

### Veterans

American Corporate Partners	75,000
Blue Star Families	250,000
Community Hope	15,000
En Garde Arts	60,000
Folds of Honor Foundation	50,000
Local Initiatives Support Corporation	150,000
Massachusetts General Hospital - Home Base	50,000
Operation Finally Home	25,000
Semper Fido	15,000
Sentinels of Freedom Scholarship Foundation	15,000
Team Rubicon	15,000
Wounded Warrior Family Support	15,000
Grants \$10,000 and under	27,500

**Veterans Total 762,500**



## Community Development

Advertising Council	75,000
American Red Cross	250,000
Common Ground	150,000
Community Loan Fund of New Jersey	25,000
Focus Ireland via Rockefeller Philanthropy Advisors	41,200
Food Bank Initiative	180,000
Generations United	175,000
International Medical Corps	318,000
Living Cities	100,000
Local Initiatives Support Corporation	60,000
Mondo Challenge Foundation (Nepal) via Rockefeller Philanthropy Advisors	25,750
Neighborhood Housing Services of New York City	50,000
Trust for Public Land	100,000
United Neighborhood Houses	15,000
United Way Romania via Rockefeller Philanthropy Advisors	195,274
Grants \$10,000 and under	66,425

**Community Development Total 1,826,649**

## Arts & Culture

Afro-American Cultural Center	30,000
American Museum of Natural History	150,000
Americas Society	75,000
Ballet Hispanico of New York	125,000
Bechtler Museum of Modern Art	25,000
Boston Symphony Orchestra	15,000
Brooklyn Academy of Music	50,000
Brooklyn Children's Museum	25,000
Carnegie Hall	50,000
Chamber Music Society of Lincoln Center	35,000
Charlotte Symphony Orchestra Society	25,000
Chicago Children's Museum	25,000
Children's Museum Jordan via Rockefeller Philanthropy Advisors	25,750
Dayton Art Institute	15,000
Foundation for the Carolinas	25,000
High Line	50,000
Japan Society	75,000
Levine Museum of the New South	15,000
Lincoln Center for the Performing Arts	50,000
Lower East Side Tenement Museum	15,000
Marbles Kids Museum	75,000
Metropolitan Museum of Art	130,000
Museum of Science and Industry	25,000
Museum of Science, Boston	25,000
National Museum of African American History and Culture	650,000
New York Botanical Garden	250,000
New York City Ballet	25,000
New York City Center	50,000
New York Hall of Science	25,000
New York Philharmonic	250,000
New York Public Library	25,000
New York Public Radio	50,000
North Carolina Symphony Society	25,000
Providence Children's Museum	25,000
Public Theater	35,000

Repertorio Espanol	100,000
St. Louis Symphony Orchestra	20,000
State Theatre Regional Arts Center at New Brunswick	15,000
Tampa Bay Performing Arts Center	25,000
Taronga Zoo via Rockefeller Philanthropy Advisors	51,500
Grants \$10,000 and under	87,500

**Arts & Culture Total 2,864,750**

## Youth/Education

American Indian College Fund	15,000
Asia Society	100,000
Boys & Girls Clubs of America	150,000
Boys & Girls Clubs of Delaware	25,000
Central Piedmont Community College Foundation	75,000
CRY India via Rockefeller Philanthropy Advisors	15,450
Dejme Detem Sanci (Let's Give Children a Chance) via Rockefeller Philanthropy Advisors	25,750
Hispanic Scholarship Fund	30,000
INROADS	250,000
Matching Gifts for Higher Education	774,322
Naruc (Armfu) via Rockefeller Philanthropy Advisors	20,600
National FFA Foundation	22,000
Natural Heritage Trust	100,000
New Leaders	100,000
New Teacher Center	100,000
Opportunity Network	50,000
Police Athletic League	50,000
Scholarship Programs for Employees' Children	904,948
StriveTogether	125,000
United Negro College Fund	50,000
Grants \$10,000 and under	42,750

**Youth/Education Total 3,025,820**

## Associate Involvement

Various Charities with an Employee Engagement Component	781,959
KaBOOM!	497,072
Local United Ways	615,000
Special Olympics	200,000

**Associate Involvement Total\* 2,094,031**

**Other Grant-Making/Total 12,922,565**

**Financial Inclusion 29,651,042**  
**Grant-Making/Total** (brought forward from page 27)

**Total MetLife Foundation Giving 42,573,607**

\*An additional \$1,884,019 of Associate Involvement is included in Financial Inclusion





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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of MetLife Foundation:

We have audited the accompanying financial statements of MetLife Foundation (the "Foundation"), which comprise the statements of financial position as of December 31, 2015 and 2014, and the related statements of activities and changes in net assets and cash flows for the years then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Foundation's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of December 31, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

February 12, 2016



**METLIFE FOUNDATION**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2015 AND 2014**

<b><u>ASSETS</u></b>	<b><u>NOTES</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>
Investments:			
Investments, at fair value:			
Equity investments	1	\$ 168,735,597	\$ 168,090,542
Short-term investments	1	-	16,697,762
Program-related investments, net of allowance	1	3,835,065	4,085,065
Total investments		172,570,662	188,873,369
Cash and cash equivalents	1	19,965,464	1,154,376
Due and accrued investment income		2,930	2,930
Amounts receivable for investments sold	1	3,743,275	5,629,607
<b>TOTAL ASSETS</b>		<b>\$ 196,282,331</b>	<b>\$ 195,660,282</b>
<b><u>LIABILITIES AND NET ASSETS</u></b>			
Cash overdraft	1	\$ 1,269,850	\$ 1,455,693
Accrued expenses and other payables		1,525	376,500
Federal excise tax payable		304,548	490,192
Total liabilities		1,575,923	2,322,385
Net assets – unrestricted		194,706,408	193,337,897
<b>TOTAL LIABILITIES AND NET ASSETS</b>		<b>\$ 196,282,331</b>	<b>\$ 195,660,282</b>
See notes to financial statements			

**METLIFE FOUNDATION**  
**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

<b><u>REVENUE</u></b>	<b><u>NOTES</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>
Investment income:			
Dividends and interest		\$ 4,898,620	\$ 4,109,505
Change in fair value of investments	1	(2,064,364)	13,512,871
Allowance for program-related investments	1	(750,000)	-
Contributions from MetLife	3	44,000,000	44,000,000
Contributed services	1,4	1,441,593	-
Total revenue		47,525,849	61,622,376
<b><u>GRANTS AND EXPENSES</u></b>			
Grants paid		42,573,607	41,068,034
General expenses	4	2,084,782	472,557
Expense of contributed services	1,4	1,441,593	-
Federal excise tax	5	57,356	353,063
Total grants and expenses		46,157,338	41,893,654
<b>CHANGE IN NET ASSETS</b>		1,368,511	19,728,722
Net assets – beginning of year		193,337,897	173,609,175
<b>NET ASSETS – end of year</b>		<b>\$ 194,706,408</b>	<b>\$ 193,337,897</b>
See notes to financial statements			



**METLIFE FOUNDATION**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

<b><u>CASH FLOWS FROM OPERATING ACTIVITIES:</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>
Change in net assets	\$ 1,368,511	\$ 19,728,722
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Change in fair value of investments	2,064,364	(13,512,871)
Change in allowance for program-related investments	750,000	-
Accretion of discount/amortization of premiums on investments	(20,947)	(15,828)
Change in due and accrued investment income	-	542
Change in cash overdraft	(185,843)	(1,392,819)
Change in accrued expenses and other payables	(374,975)	59,075
Change in federal excise tax payable	(185,644)	127,763
Net cash provided by operating activities	3,415,466	4,994,584
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES:</u></b>		
Proceeds from sale of investments	101,344,373	71,843,276
Purchase of investments	(85,948,751)	(84,999,046)
Net cash provided by (used in) investing activities	15,395,622	(13,155,770)
<b><u>NET CHANGE IN CASH AND CASH EQUIVALENTS</u></b>	<b>18,811,088</b>	<b>(8,161,186)</b>
Cash and cash equivalents – beginning of year	1,154,376	9,315,562
<b><u>CASH AND CASH EQUIVALENTS – end of year</u></b>	<b>\$ 19,965,464</b>	<b>\$ 1,154,376</b>
<b><u>Supplemental disclosures of cash flow information –</u></b>		
<b><u>Federal excise taxes paid</u></b>	<b>\$ 243,000</b>	<b>\$ 225,300</b>
See notes to financial statements		

**METLIFE FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**

**AS OF DECEMBER 31, 2015 AND 2014 AND FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

The MetLife Foundation (the “Foundation”) was formed for the purpose of supporting various philanthropic organizations and activities, principally in the United States. During 2013, the Foundation began an initiative of devoting resources to advancing financial inclusion, helping to build a secure future for individuals and communities around the world.

**1. ACCOUNTING POLICIES**

***Summary of Significant Accounting Policies***

The Foundation’s financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) which recognize income when earned and expenses when incurred.

**Investments at Fair Value** – The Foundation’s equity investments are principally comprised of Exchange Traded Funds (ETFs). Short-term investments include investments with remaining maturities of one year or less, but greater than three months, at the time of acquisition. Related holdings gains and losses are reported in investment income. The Foundation is not exposed to any significant concentration of credit risk in its investment portfolio.

**Program-Related Investments** - Such investments are authorized by the Board of Directors and represent loans to or equity investments in qualified charitable organizations or investments for appropriate charitable purposes as set forth in the Internal Revenue Code and regulations thereunder, and are carried at outstanding indebtedness or cost. An allowance for possible losses is established when the Foundation does not expect repayment in full on any program-related loan and when such uncollectible amount can be reasonably estimated. At December 31, 2015 the Foundation recorded an allowance for possible losses on program-related investments of \$750,000 in investments income on the statements of activities and changes in net assets. At December 31, 2014, this allowance was zero. In addition, the income generated by the program-related loans is generally dependent upon the financial ability of the borrowers to keep current on their obligations. For disclosure purposes, a reasonable estimate of fair value was not made since the difference between fair value and the outstanding indebtedness or cost would not be significant. Maturities of the loan investments range from 2021 through 2022.

**Cash Equivalents and Cash Overdraft** - Cash equivalents are highly liquid investments purchased with an original or remaining maturity of three months or less at the date of purchase and are carried at fair value. The Foundation generally invests funds required for cash disbursements in cash equivalents and transfers such funds to its operating bank account when checks are presented for payment. The cash overdrafts at December 31, 2015 and December 31, 2014 represent grant disbursements that cleared the operating bank account in 2016 and 2015, respectively.



Amounts Receivable for Investments Sold – Security transactions are recorded on the trade date. A receivable is recognized for securities sold but not yet settled as of December 31, 2015.

Contributions - All contributions received to date by the Foundation have been unrestricted and, therefore, all of its net assets are similarly unrestricted. All contributions received during 2015 and 2014 have been from MetLife, Inc. and subsidiaries (“MetLife”).

Contributed Services – For the year ended December 31, 2015, contributed services from MetLife are recorded at the cost recognized by MetLife in providing those services and are included in revenue and grants and expenses in the statements of activities. See “Adoption of New Accounting Pronouncements.”

Grants - Such transactions are authorized by the Board of Directors. Conditional grants authorized for payment in future years are subject to further review and approval by the Foundation.

Use of Estimates - The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and changes therein and the disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Since the obligation to make payment of conditional multi-year grants and program-related loans is dependent upon each grantee/borrower’s satisfaction of the applicable conditions, the amount of conditional multi-year grants and program-related loans reported as commitments is based upon the expected or estimated fulfillment of such conditions.

#### ***Adoption of New Accounting Pronouncements***

Effective January 1, 2015, the Foundation prospectively adopted new guidance requiring a recipient not-for-profit (“NFP”) entity to recognize all services received from personnel of an affiliate that directly benefit the NFP and for which the affiliate does not charge the NFP. Those services should be measured at the cost recognized by the affiliate for the personnel providing those services. However, if measuring a service received from personnel of an affiliate at cost will significantly overstate or understate the value of that service, the recipient NFP may elect to recognize that service at its fair value. The adoption resulted in an increase to revenues and a corresponding increase to general expenses in the amount of \$1,441,593 for the year ended December 31, 2015.

#### ***Future Adoption of New Accounting Pronouncements***

In January 2016, the Financial Accounting Standards Board (“FASB”) issued new guidance (Accounting Standards Update (“ASU”) 2016-01, *Financial Instruments-Overall: Recognition and Measurement of Financial Assets and Financial Liabilities*) on the recognition and measurement of financial instruments. The new guidance changes the current accounting guidance related to (1) the classification and measurement of certain equity investments, (2) the presentation of changes in the fair value of financial liabilities measured under the fair value option that are due to instrument-specific credit risk, and (3) certain disclosures associated with the fair value of financial instruments. The new guidance is effective for fiscal years beginning after December 15, 2018. Early adoption is permitted for the instrument-specific credit risk provision and a provision that eliminates the fair value disclosures for financial instruments not recognized at fair value. The Foundation is currently evaluating the impact of this guidance on its financial statements.

In May 2014, the FASB issued a comprehensive new revenue recognition standard (Accounting Standards Update (“ASU”) 2014-09, *Revenue from Contracts with Customers (Topic 606)*), effective retrospectively for fiscal years beginning after December 15, 2016. In August 2015, the FASB amended the guidance to defer the effective date by one year, effective for fiscal years beginning after December 15, 2017. Earlier application is permitted only as of annual reporting periods beginning after December 15, 2016. The new guidance will supersede nearly all existing revenue recognition guidance under GAAP; however, it will not impact the accounting for insurance contracts, leases, financial instruments and guarantees. For those contracts that are impacted by the new guidance, the guidance will require an entity to recognize revenue upon the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled to, in exchange for those goods or services. The Foundation is currently evaluating the impact of this guidance on its financial statements.

## **2. FAIR VALUE MEASUREMENTS**

The Foundation has elected to measure its equity investments, short-term investments and cash equivalents at fair value with related holdings gains and losses reported in investment income.

When developing estimated fair values, the Foundation considers three broad valuation techniques: (i) the market approach, (ii) the income approach, and (iii) the cost approach. The Foundation determines the most appropriate valuation technique to use, given what is being measured and the availability of sufficient inputs, giving priority to observable inputs. The Foundation categorizes its assets and liabilities measured at estimated fair value into a three-level hierarchy, based on the significant input with the lowest level in its valuation. The input levels are as follows:

Level 1	Unadjusted quoted prices in active markets for identical assets or liabilities. The Foundation defines active markets based on average trading volume for equity securities. The size of the bid/ask spread is used as an indicator of market activity for fixed maturity securities.
Level 2	Quoted prices in markets that are not active or inputs that are observable either directly or indirectly. These inputs can include quoted prices for similar assets or liabilities other than quoted prices in Level 1, quoted prices in markets that are not active, or other significant inputs that are observable or can be derived principally from or corroborated by observable market data for substantially the full term of the assets or liabilities.
Level 3	Unobservable inputs that are supported by little or no market activity and are significant to the determination of estimated fair value of the assets or liabilities. Unobservable inputs reflect the reporting entity’s own assumptions about the assumptions that market participants would use in pricing the asset or liability.

Financial markets are susceptible to severe events evidenced by rapid depreciation in asset values accompanied by a reduction in asset liquidity. The Foundation's ability to sell securities, or the price ultimately realized for these securities, depends upon the demand and liquidity in the market and increases the use of judgment in determining the estimated fair value of certain securities.

Considerable judgment is often required in interpreting market data to develop estimates of fair value, and the use of different assumptions or valuation methodologies may have a material effect on the estimated fair value amounts.

#### ***Recurring Fair Value Measurements***

The assets and liabilities measured at estimated fair value on a recurring basis and their corresponding placement in the fair value hierarchy presented below.

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total Estimated Fair Value</b>
December 31, 2015:				
Equity investments	\$ 168,720,597	\$ -	\$ 15,000	\$ 168,735,597
Cash equivalents	9,499,969	9,997,432	-	19,497,401
Short-term investments	-	-	-	-
Total	\$ 178,220,566	\$ 9,997,432	\$ 15,000	\$ 188,232,998
December 31, 2014:				
Equity investments	\$ 67,214,766	\$ 100,860,776	\$ 15,000	\$ 168,090,542
Cash equivalents	399,998	199,993	-	599,991
Short-term investments	-	16,697,762	-	16,697,762
Total	\$ 67,614,764	\$ 117,758,531	\$ 15,000	\$ 185,388,295

The following describes the valuation methodologies used to measure assets and liabilities at fair value. The description includes the valuation techniques and key inputs for each category of assets or liabilities that are classified within Level 2 and Level 3 of the fair value hierarchy.

#### **Equity Investments, Cash Equivalents and Short-term Investments**

When available, the estimated fair value of these financial instruments is based on quoted prices in active markets that are readily and regularly obtainable. Generally, these are the most liquid of the Company's securities holdings and valuation of these securities does not involve management's judgment.

When quoted prices in active markets are not available, the determination of estimated fair value is based on market standard valuation methodologies, giving priority to observable inputs. The significant inputs to the market standard valuation methodologies for certain types of securities with reasonable levels of price transparency are inputs that are observable in the market or can be derived principally from, or corroborated by, observable market data. When observable inputs are not available, the market standard valuation methodologies rely on inputs that are significant to the estimated fair value that are not observable in the market or cannot be derived principally from, or corroborated by, observable market data. These unobservable inputs can be based in large part on management's judgment or estimation and cannot be supported by reference to market activity. Even though these inputs are unobservable, management believes they are consistent with what other market participants would use when pricing such securities and are considered appropriate given the circumstances.

All instruments have valuations using independent pricing sources, matrix pricing, discount cash flow methodologies or other similar techniques that use market observable and/or unobservable inputs.

<b>Instrument</b>	<b>Level 2: Observable Inputs</b>	<b>Level 3: Unobservable Inputs</b>
<b>Equity Securities</b>		
	Valuation Techniques: Principally the market approach. Key Input: • quoted prices in markets that are not considered active	Valuation Techniques: Principally the market and income approaches. Key Inputs: • credit ratings; issuance structures • quoted prices in markets that are not active for identical or similar securities that are less liquid and based on lower levels of trading activity than securities classified in Level 2 • independent non-binding broker quotations
<b>Cash Equivalents and Short-term investments</b>		
	Valuation Techniques: Principally the market approach. Key Inputs: • quoted prices in markets that are not active • benchmark U.S. Treasury yield or other yields • the spread off the U.S. Treasury yield curve for the identical security • issuer ratings and issuer spreads; broker-dealer quotes • comparable securities that are actively traded	• N/A



### Transfers between Levels

Overall, transfers between levels occur when there are changes in the observability of inputs and market activity. Transfers into or out of any level are assumed to occur at the beginning of the period.

For assets measured at estimated fair value and still held at December 31, 2015, transfers between Levels 1 and 2 were \$82 million. There were no transfers into or out of Level 3 during the year ended December 31, 2015. For assets measured at estimated fair value and still held at December 31, 2014, transfers between Levels 1 and 2 were \$80 million.

The following tables summarize the change of all assets measured at estimated fair value on a recurring basis using significant unobservable inputs (Level 3). There were no unrealized or realized gains (losses) on Level 3 assets during the years ended December 31, 2015 and 2014.

	Balance, January 1	Investment Income (1)	Purchases	Sales	Balance, December 31
December 31, 2015:					
Equity investments	\$ 15,000	\$ -	\$ -	\$ -	\$ 15,000

	Balance, January 1	Investment Income (1)	Purchases	Sales	Balance, December 31
December 31, 2014:					
Equity investments	\$ 15,000	\$ -	\$ -	\$ -	\$ 15,000

(1) Amortization of premium/accretion of discount is included within investment income. Interest and dividend accruals, as well as cash interest coupons and dividends received, are excluded from the rollforward.

### 3. CONTRIBUTIONS

In 2015 and 2014, MetLife contributed cash of \$44,000,000 to the Foundation.

### 4. RELATED PARTY TRANSACTIONS

The Foundation is supported by MetLife. MetLife also provides the Foundation with management and administrative services without charge. The Statements of Activities and Changes in Net Assets include revenue from contributed services and a corresponding cost of contributed services of \$1,441,593 for the year ended December 31, 2015. See Note 1.

### 5. FEDERAL TAXES

The Foundation is exempt from Federal income taxes; however, as a private foundation, it is subject to Federal excise taxes on its net taxable investment income and realized capital gains. The rate for current excise taxes was 2% in 2015 and 2014. The rate for deferred excise taxes was 2% in 2015 and 2014. There were no uncertain tax positions taken by the Foundation as of December 31, 2015.

### 6. COMMITMENTS

As of December 31, 2015, the Board of Directors had authorized grants and program-related investments for future years as follows:

	Conditional Grants	Program-Related Investments
2016	\$12,975,662	\$2,500,000
2017	11,686,119	-
2018	2,674,100	-
	<u>\$27,335,881</u>	<u>\$2,500,000</u>

These commitments are based on conditions that must be met and are therefore not included as a liability on the Statements of Financial Position.

As of December 31, 2015, none of the conditional grants required further review and approval by the Board of Directors prior to payment.

### 7. SUBSEQUENT EVENTS

The Foundation has evaluated all subsequent transactions and events after the statement of financial position date and through February 12, 2016, which is the date these financial statements were available to be issued. There are no transactions or events requiring disclosure.

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# MetLife Foundation Board and Staff

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Executive Vice President &  
Chief Human Resources Officer

Michel Khalaf  
President, Europe, Middle East,  
and Africa

Esther Lee  
Executive Vice President  
& Global Chief Marketing Officer

Maria Morris  
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Financial inclusion means that households and businesses have convenient access to a full suite of quality, affordable financial services, delivered by trustworthy providers, with respect for the customer. These services promote better management of incomes and assets, ultimately contributing to greater self-sufficiency and financial security.

MetLife Foundation is proud to contribute to financial inclusion. The global effort is making great progress. And it succeeds by focusing on customers.