MetLife Foundation

Financial Statements

As of and for the Years Ended December 31, 2023 and December 31, 2022

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of MetLife Foundation

Opinion

We have audited the financial statements of MetLife Foundation (the "Foundation"), which comprise the statements of financial position as of December 31, 2023 and 2022, 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 (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as of December 31, 2023 and 2022, and the results of its changes in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation’s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Deloitte & Touche LLP

March 22, 2024

MetLife Foundation

Statements of Financial Position

As of December 31, 2023 and December 31, 2022

Assets	**2023**	**2022**
Investments:		
Equity investments, at fair value	$ 79,482,676	$ 71,888,689
Program-related investments	17,318,728	16,803,736
Total investments	96,801,404	88,692,425
Cash and cash equivalents	30,143,670	37,938,652
Accounts receivable	1,425	—
Federal excise tax receivable	48,965	97,620
Due and accrued investment income	116,084	136,253
Total Assets	$ 127,111,548	$ 126,864,950
Liabilities and Net Assets		
Cash overdraft	$ 2,780	$ 2,840
Amounts payable for investments acquired	10,021,493	—
Accrued expenses and other payables	—	3,102
Total liabilities	10,024,273	5,942
Net Assets without donor restrictions	117,087,275	126,859,008
Total Liabilities and Net Assets	$ 127,111,548	$ 126,864,950

See notes to financial statements

MetLife Foundation

Statements of Activities and Changes in Net Assets

For the Twelve Months Ended December 31, 2023 and 2022

Revenue	**2023**	**2022**
Net Investment income:		
Dividends and interest	$ 3,290,559	$ 2,264,902
Realized and unrealized gains (losses) on investments	6,252,765	(15,679,912)
Contribution from MetLife	18,344,141	30,976,847
Contributed services	1,765,700	1,482,814
Total revenue	29,653,165	19,044,651
Grants and Expenses		
Grants	37,401,844	37,919,846
General and administrative services:		
Professional and other services	181,701	222,056
Contributed services	1,765,700	1,482,814
Federal excise tax expense (benefit)	75,653	(161,125)
Total grants and expenses	39,424,898	39,463,591
Change in net assets without donor restrictions	(9,771,733)	(20,418,940)
Net assets without donor restrictions - beginning of year	126,859,008	147,277,948
Net assets without donor restrictions - end of year	$ 117,087,275	$ 126,859,008

See notes to financial statements

MetLife Foundation

Statements of Cash Flows

For the Years Ended December 31, 2023 and 2022

Cash Flow from Operating Activities	**2023**	**2022**
Change in net assets without donor restrictions	$ (9,771,733)	$ (20,418,940)
Adjustments to reconcile change in net assets without donor restrictions to net cash provided by (used in) operating activities:		
Realized and unrealized (gains) losses on investments	(6,252,765)	15,679,912
Change in accounts receivable	(1,425)	3,000
Change in federal excise tax receivable	48,655	(97,620)
Change in due and accrued investment income	20,169	33,940
Change in cash overdraft	(60)	(3,000)
Change in accrued expenses and other payables	(3,102)	(76,950)
Change in federal excise tax payable	—	(282,256)
Net cash provided by operating activities	(15,960,261)	(5,161,914)
Cash Flow from Investing Activities		
Proceeds from sales, maturities, and repayments of investments	28,606,144	30,435,484
Purchases of investments	(20,440,865)	(25,849,247)
Net cash provided by investing activities	8,165,279	4,586,237
Net change in cash and cash equivalents	(7,794,982)	(575,677)
Cash and cash equivalents - beginning of year	37,938,652	38,514,329
Cash and cash equivalents - end of year	$ 30,143,670	$ 37,938,652
Supplemental disclosures of cash flow information:		
Net federal excise taxes paid	$ 26,998	$ 218,352

See notes to financial statements

MetLife Foundation

Notes to Financial Statements

For the Years Ended December 31, 2023 and 2022

The MetLife Foundation (the "Foundation") was formed for the purpose of supporting various philanthropic organizations and activities. 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).

Risks and Uncertainties

Global inflation has continued to impact the global economy and financial markets. This factor may persist for some time and may continue to impact the Foundation's operations, business, financial results, or financial condition.

Equity Investments at Fair Value

The Foundation's equity investments are principally composed of exchange traded funds. Related holding gains and losses are reported in investment income. The Foundation is not exposed to any significant concentration of credit risk in its investment portfolio. Security transactions are recorded on the trade date. A receivable is recognized for securities sold and a payable is recognized for investments acquired, which are not yet settled as of a respective year-end. The payable for investments acquired was $10 million at December 31, 2023.

Program-Related Investments

Program-related investments are authorized by the board of directors of the Foundation (the "Board of Directors") and represent loans and or equity investments in qualified charitable organizations including investments for appropriate charitable purposes as set forth in the Internal Revenue Code and regulations thereunder. The program-related equity investments are accounted for using the equity method of accounting or the measurement alternative. The program-related loans are accounted for using the cost basis.

The Foundation uses the equity method of accounting for certain program-related investments when it has more than a minor ownership interest or more than a minor influence over the investee's operations. The Foundation recognizes its share of the investee's earnings in realized and unrealized gains (losses) on investments in the Statements of Activities and Changes in Net Assets. The Foundation recognizes its share of the investee's earnings on a lag in instances where the investee's financial information is not sufficiently timely or when the investee's reporting period differs from the Foundation's reporting period.

The Foundation routinely evaluates each of its program-related investments for impairment. The Foundation considers financial and other information provided by the investee, other known information and inherent risks in the underlying investments, as well as future capital commitments, in determining whether an impairment has occurred. An allowance for credit 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. 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.

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, 2023 and 2022, represent grant disbursements that cleared the operating bank account in 2024 and 2023, respectively.

Dividends and Interest

Dividends on investments are recognized in investment income when declared. Interest income is recognized when earned.

Contributions from MetLife

Contributions are recorded as revenue in the period received. All contributions received to date by the Foundation have been without donor restrictions and, therefore, all of its net assets are similarly without donor restrictions. All contributions are received from MetLife, Inc. and subsidiaries ("MetLife").

Contributed Services

The Foundation receives certain management and administrative services from MetLife without charge. These contributed services are recorded at the cost recognized by MetLife in providing these services. Such amounts are included in revenue, with an offsetting charge recorded in grants and expenses within the Statements of Activities and Changes in Net Assets.

Grants

Grants are authorized by the Board of Directors and are recorded as expenses in the period they are incurred. Conditional grants authorized for payment in future years are subject to further review and approval by the Board of Directors. Since the obligation to make payment of conditional multiyear grants and program related loans is dependent upon each grantee/borrower's satisfaction of the applicable conditions, the amount of conditional multiyear grants and program related loans reported as commitments is based upon the expected or estimated fulfillment of such conditions. These commitments are based on conditions that must be met and are therefore not included as a liability in the Statements of Financial Position. Multiyear unconditional grants are grants that will be paid in future years and are not dependent on the grantee achieving specific, measurable goals or any other conditions. These grants are included as liabilities in the Statements of Financial Position.

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, if any, 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.

Net Assets and Liquidity

Net assets without donor restrictions are assets not subject to limits by action of the donor. All of the Foundation's net assets are without donor-imposed restrictions, and, the Board of Directors has not imposed any restrictions on net assets of the Foundation.

The Foundation maintains sufficient unrestricted net assets to meet its cash needs for general expenditures within one year. The Foundation has $109.6 million of financial assets available within one year of the Statement of Financial Position date to meet cash needs for general expenditures consisting of cash and cash equivalents of $30.1 million and equity investments of $79.5 million. Other than potential funding of the commitments disclosed in Note 6, none of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the Statement of Financial Position date.

Recent Accounting Pronouncements

Changes to GAAP are established by the Financial Accounting Standards Board ("FASB") in the form of Accounting Standards Updates ("ASUs") to the FASB Accounting Standards Codification. The Foundation considers the applicability and impact of all ASUs. The following tables provide a description of ASUs recently issued by the FASB and the impact of their adoption on the Foundation's financial statements.

Standard	Description	Effective Date and Method of Adoption	Impact on Financial Statements
ASU 2022-02*, Financial Instruments —Credit Losses (Topic 326): Troubled Debt Restructurings and Vintage Disclosures*	The amendments in the new ASU eliminate the accounting guidance for troubled debt restructurings by creditors that have adopted the current expected credit loss guidance while enhancing disclosure requirements for certain loan refinancings and restructurings by creditors when a borrower is experiencing financial difficulty. In addition, the amendments require that a public business entity disclose current-period gross write-offs by year of origination for financing receivables and net investment in leases.	January 1, 2023, the Foundation adopted, using a prospective approach.	The new guidance has reduced the complexity involved with evaluating and accounting for certain loan modifications. The adoption of the guidance did not have a material impact on the Foundation's financial statements.
ASU No. 2016-13, Financial Instruments - *Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, as clarified and amended by* ASU No. 2018-19, *Codification Improvements to Topic 326, Financial Instruments - Credit Losses*; ASU No. 2019- 04, *Codification Improvements to Topic 326, Financial Instruments – Credit Losses Topic 815, Derivatives and Hedging, and Topic 825, Financial Instruments*; ASU No. 2019-05, *Financial Instruments – Credit Losses (Topic 326): Targeted Transition Relief*; ASU No. 2019-10 *Financial Instruments – Credit Losses (Topic 326), Derivatives and Hedging (Topic 815), and Leases (Topic 842); and* ASU No. 2019-11, *Codification Improvements to Topic 326, Financial Instrument – Credit Losses*	This new guidance requires an allowance for credit losses based on the expectation of lifetime credit losses on financing receivables carried at amortized cost. The new guidance also requires enhanced disclosures.	January 1, 2023, the Foundation adopted, using a modified retrospective basis.	The adoption of the guidance did not have a material impact on the Foundation's financial statements.

Future Adoption of New Accounting Pronouncements

New ASUs issued, but not yet adopted as of December 31, 2023, that are currently being assessed and may or may not have a material impact on the Foundation's financial statements are summarized in the table below:

Standard	Description	Effective Date and Method of Adoption	Impact on Financial Statements
ASU 2022-03, *Fair Value Measurement (Topic 820): Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions*	The amendments in this update clarify that a contractual restriction on the sale of an equity security is not considered part of the unit of account of the equity security and, therefore, is not considered in measuring fair value. In addition, the amendments clarify that an entity cannot, as a separate unit of account, recognize and measure a contractual sale restriction. The amendments also require entities that hold equity securities subject to contractual sale restrictions to make disclosures about the fair value of such equity securities, the nature and remaining duration of the restriction(s) and the circumstances that could cause a lapse in the restriction(s).	January 1, 2024, to be applied prospectively with any adjustments from the adoption of the amendments recognized in earnings and disclosed on the date of adoption (with early adoption permitted).	The Foundation does not expect the adoption of the guidance to have a material impact on its financial statements.

2. FAIR VALUE MEASUREMENTS

The Foundation measures its equity investments and cash equivalents at fair value with related holding gains and losses reported in investment income (loss).

When developing estimated fair values, the Foundation considers three broad valuation approaches: (i) the market approach, (ii) the income approach, and (iii) the cost approach. The Foundation determines the most appropriate valuation approach to use, given what is being measured and the availability of sufficient inputs, giving priority to observable inputs. The Foundation categorizes its assets 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. 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 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.

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. Unobservable inputs reflect the reporting entity's own assumptions about the assumptions that market participants would use in pricing the asset.

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, as well as 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 the market data used 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 measured at estimated fair value on a recurring basis and their corresponding placement in the fair value hierarchy are presented below at:

	Level 1	Level 2	Level 3	Total Estimated Fair Value
December 31, 2023:				
Equity investments	$ 79,482,676	$ —	$ —	$ 79,482,676
Cash equivalents	28,906,626	—	—	28,906,626
Total	$ 108,389,302	$ —	$ —	$ 108,389,302
December 31, 2022:				
Equity investments	$ 71,888,689	$ —	$ —	$ 71,888,689
Cash equivalents	13,979,966	—	—	13,979,966
Total	$ 85,868,655	$ —	$ —	$ 85,868,655

Equity Investments and Cash Equivalents

The estimated fair value of these financial instruments is based on quoted prices in active markets that are readily and regularly obtainable.

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 Level 3

Assets are transferred into Level 3 when a significant input cannot be corroborated with market observable data. This occurs when market activity decreases significantly and underlying inputs cannot be observed, current prices are not available, and/or when there are significant variances in quoted prices, thereby affecting transparency. Assets and liabilities are transferred out of Level 3 when circumstances change such that a significant input can be corroborated with market observable data. This may be due to a significant increase in market activity, a specific event, or one or more significant input(s) becoming observable. There were no transfers into or out of Level 3 for the years ended December 31, 2023 and 2022.

3. PROGRAM-RELATED INVESTMENTS

Program-related investments in the Statements of Financial Position represent loans and equity investments with outstanding principal totaling $17.3 million and $16.8 million at December 31, 2023 and 2022, respectively. This consisted of equity investments of $13.8 million and $13.3 million at December 31, 2023 and 2022, respectively, and loans of $3.5 million at both December 31, 2023 and 2022. Expected credit losses on program-related loans are not significant.

The Foundation accounted for one program-related investment using the measurement alternative. The carrying amount of this investment in the Statements of Financial Position was $2.9 million at both December 31, 2023 and 2022. As of December 31, 2023 and 2022, the cumulative upward adjustment was $2.5 million.

Maturities of the loan investments range from 2026 through 2029. Interest rates range from 2.75% to 3.00% at both December 31, 2023 and 2022.

4. RELATED-PARTY TRANSACTIONS

The Foundation received contributions of $18.3 million and $31.0 million from MetLife during the years ended December 31, 2023 and 2022.

MetLife provides the Foundation with management and administrative services without charge, which are reflected as contributed services in the Statements of Activities and Changes in Net Assets. Contributed services amounted to $1.8 million and $1.5 million for the years ended December 31, 2023 and 2022, respectively.

In support of its mission, the Foundation pays grants to certain organizations whose board members include a board member or member of the Foundation. These grants, which are subject to specific policies and procedures surrounding their approval, amounted to $1.2 million and $2.0 million for years ended December 31, 2023 and 2022, respectively.

For the years ended December 31, 2023 and 2022, the Foundation held no program-related investments with organizations whose board members include a board member of the Foundation.

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 both current and deferred excise taxes was 1.39% in both December 31, 2023 and 2022. The Foundation had current and deferred excise tax asset (liability) for December 31, 2023 of $86,684 and ($37,719) respectively, resulting from changes in the fair value of investments. The Foundation had current and deferred excise tax asset for December 31, 2022 of $4,873 and $92,747, respectively. Cash payments for federal excise tax were $26,998 and $218,352 for December 31, 2023 and 2022, respectively. There were no uncertain tax positions taken by the Foundation as of December 31, 2023 and 2022.

6. COMMITMENTS

As of December 31, 2023, the Board of Directors had authorized conditional grants and program-related investments for future years as follows.

	Conditional Grants	Program- Related Investments
2024 - thereafter	$ 6,849,671	$ 1,892,324

7. SUBSEQUENT EVENTS

The Foundation has evaluated all subsequent transactions and events through March 22, 2024, which is the date these financial statements were available to be issued. There are no transactions or events requiring disclosure.