MetLife’s Perspective on Consolidation

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Consolidation in Insurance: What is it about?

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MetLife Overview

- Operates in over 50 countries
- M&A has always been source for growth – fueled transformational transactions
  - General American – 2000
  - Travelers Life and Annuity – 2005
  - Alico – 2010
- Dramatic change with acquisition of Alico
  - “US and ROW” to “Global”
MetLife’s Global Presence

- **Russia**
  - #5 Life
  - MS 9%

- **Poland**
  - #8 Life
  - MS 6%

- **Turkey**
  - #8 Life
  - MS 4%

- **Gulf**
  - #5 Life
  - MS 3.6%

- **Japan**
  - #10 Life
  - MS 3.9%

- **Korea**
  - #8 Life
  - MS 3.6%

- **Mexico**
  - #1 Life
  - MS 30.0%

- **Brazil**
  - #2 Non-Bank Life
  - MS 3.5%

- **U.S.**
  - #1 Life
  - MS 16%

- **Chile**
  - #1 Life, AFP
  - MS 14.5%, 27.9%

Recent Activity Has Been Globally Focused

- Pre-2010: largely opportunistic
- Recent acquisition activity
  - AFP Provida (Chile)
  - CEE units of Aviva (Czech Republic, Hungary, Romania)
  - 50% interest in AmLife in Malaysia
  - Joint venture with BIDV in Vietnam
- Also optimized portfolio with divestitures
  - Taiwan
  - Caribbean
  - Pakistan
Key Challenges with International Consolidation

- Ability to estimate integration costs before a “deep dive”
- Execution of multi-jurisdictional transactions
- Shifting global platform initiatives over transaction period
- Regulatory limitation on shared service / local capabilities
Transaction Structures Present Difficult Challenges

- Increasing variety, especially outside of US
  - Greenfield joint venture
  - Bancassurance distribution arrangement
  - Majority investment
  - Virtual joint venture
- Differences between ownership / control / consolidation