



Consolidated¹ Statutory Financial Highlights Six Months Ended June 30, 2009

August 17, 2009, Springfield, Mass. – For the six months ended June 30, 2009, net gain from operations before dividends and taxes was \$774 million compared with \$1,225 million during the same period in 2008. Revenue for the period was \$9,174 million compared to \$9,718 million during the same period in 2008. Benefits and expenses were \$8,400 million compared to \$8,493 million during the same period in 2008. Total net loss, including realized capital losses, was \$(347) million compared with \$(132) million during the same period in 2008. This change primarily resulted from lower investment returns. The Company’s surplus remained strong at \$8,342 million at June 30, 2009 compared with \$8,463 million at year-end 2008.

“During the first half of 2009, we continued to generate stable premium levels despite a challenging business environment and, importantly, maintained our strong surplus position,” said Michael Rollings, Executive Vice President and Chief Financial Officer, Massachusetts Mutual Life Insurance Company (MassMutual). “We posted double-digit increases in the number of policyholder applications for whole life insurance compared to the first half of 2008 which highlights the long term value MassMutual provides to our participating policyholders as a highly-rated, mutual life insurance company. In addition, we also completed a \$750 million surplus note issuance in June that met with extremely strong investor interest, and bolstered the capital resources available to meet policyholder obligations going forward.”

Financial Highlights for the first six months of 2009 (compared to same period in 2008 unless otherwise noted):

- Assets under management by MassMutual and its subsidiaries² increased to \$373 billion compared to \$363 billion as of year-end 2008, due largely to the improvements in the credit and equity markets during the second quarter.
- Surplus was \$8,342 million at June 30, 2009 and this figure continues to provide a very strong buffer against continued market volatility. Regulatory capital increased to \$9,565 million at June 30, 2009 from \$9,548 million at December 31, 2008.
- As of June 30, 2009, total invested assets for the Company were \$84,323 million compared to \$86,218 million as of December 31, 2008.

¹ These consolidated statutory results of Massachusetts Mutual Life Insurance Company include its U.S.-domiciled wholly owned subsidiaries: C.M. Life Insurance Company and MML Bay State Life Insurance Company (collectively, the “Company”).

² Assets Under Management include assets and certain external investment funds managed by MassMutual subsidiaries, including OppenheimerFunds Inc., Babson Capital Management LLC, Baring Asset Management Limited, and Cornerstone Real Estate Advisers LLC.

- Revenue was \$9,174 million compared to \$9,718 million.
- Statutory premium was level with the prior year period at \$6,736 million.
- Net investment income was \$2,105 million compared to \$2,719 million. The reduction is primarily due to lower returns on investments and the timing of distributions from our subsidiaries.
- Benefits and expenses were \$8,400 million compared to \$8,493 million. Favorable mortality and morbidity experience and constrained growth in operating expenses were major drivers of the improvement.
- Policyholders' dividends were \$643 million compared to \$664 million. The reduction is reflective of the Company's 2009 dividend schedule decision announced in November 2008.
- Consolidated statutory net gain from operations before dividends and taxes was \$774 million.
- The Company recorded a net realized capital loss of \$515 million compared to a \$734 million capital loss during the equivalent period in 2008. The reduced losses resulted from a decrease in asset impairments.

Investment Highlights (as of June 30, 2009):

- The Company had invested assets of \$84,323 million, diversely held across multiple asset classes, industries and geographic regions.
 - Long-term Bonds comprised 57% of the portfolio
 - Mortgage Loans³ comprised 15%
 - Policy Loans comprised 11%
 - Partnerships & LLCs comprised 6%
 - Short-term Investments & Cash comprised 3%
 - Common Stock comprised 3%
 - Real Estate comprised 1%
 - Other Investments comprised 4%
- Of the Long-term Bonds, approximately 88% were investment grade.
- Approximately 23% of the company's bond portfolio was held in U.S. government securities.
- The Company had \$1.3 billion in subprime and \$3.0 billion in Alt-A residential mortgage-backed securities as part of its diversified bond portfolio, representing 5.1% of invested assets.

³ Mortgage loans are comprised of commercial mortgage loans and residential mortgage loan pools. Residential mortgage loan pools are pools of homogeneous residential mortgage loans substantially backed by Federal Housing Administration and Veterans Administration guarantees.

About MassMutual Financial Group

Founded in 1851, MassMutual is a leading mutual [life insurance company](#) that is run for the benefit of its members and participating policyholders. The company has a long history of [financial strength](#) and strong performance, and although dividends are not guaranteed, MassMutual has paid dividends to eligible participating policyholders every year since the 1860s. With [whole life insurance](#) as its foundation, MassMutual provides products to help meet the financial needs of clients, such as [life insurance](#), [disability income insurance](#), [long term care insurance](#), [retirement/401\(k\) plan services](#), and [annuities](#). In addition, the company's strong and growing network of financial professionals helps clients make good financial decisions for the long-term.

MassMutual Financial Group is a marketing name for Massachusetts Mutual Life Insurance Company (MassMutual) and its affiliated companies and sales representatives. MassMutual is headquartered in Springfield, Massachusetts and its major affiliates include: Babson Capital Management LLC; Baring Asset Management Limited; Cornerstone Real Estate Advisers LLC; The First Mercantile Trust Company; MassMutual International LLC; MML Investors Services, Inc., member [FINRA](#) and [SIPC](#); OppenheimerFunds, Inc.; and The MassMutual Trust Company, FSB.

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