



Consolidated¹ Statutory Financial Highlights of Massachusetts Mutual Life Insurance Company (MassMutual) Full Year 2010

February 24, 2011, Springfield, Mass. – MassMutual’s financial results for the year ended December 31, 2010 included strong increases in earnings and record levels of surplus and capital at the end of 2010. For the year ended December 31, 2010, net gain from operations before dividends and taxes was \$1,854 million compared to \$1,794 million for 2009. Revenue for the year was \$17,005 million compared to \$18,274 million during the same period in 2009. Benefits and expenses were \$15,151 million compared to \$16,480 million in 2009. Net income was \$594 million compared to a net loss of \$283 million in 2009. The Company’s surplus² increased to \$10,352 million from \$9,259 million at year-end 2009.

“Our 2010 financial results include very strong earnings and capital growth that were generated by the solid operating fundamentals of our businesses,” said Michael Rollings, Executive Vice President and Chief Financial Officer, MassMutual. “We achieved record levels of surplus and capital while paying one of the most competitive dividends in the industry to our eligible participating policyholders.³ In addition to the strong performance of our insurance operations, our major subsidiaries – including Babson Capital Management, Baring Asset Management and OppenheimerFunds – continued to provide additional earnings and capital growth. Overall, the continued consumer and institutional demand for our products and services shows that the marketplace continues to see strength in the MassMutual franchise and the value of doing business with a mutual company.”

Financial Highlights for the full year 2010 (compared to full year 2009 unless otherwise noted):

- Assets Under Management (AUM)⁴ by MassMutual and its subsidiaries were \$448 billion at December 31, 2010 compared to \$408 billion as of year-end 2009, an increase of 10 percent. This increase was due to strong sales, positive cash flows and favorable market performance.

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

² Surplus is the amount the Company has on hand after setting aside reserves to meet projected future obligations.

³ Dividends are determined annually, subject to change and not guaranteed.

⁴ 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. The results of MassMutual Mercuries Life Insurance Company in Taiwan, which was sold in 2010, have been excluded.

- Surplus totaled \$10,352 million at December 31, 2010, a 12 percent increase from \$9,259 million at year-end 2009. In addition, regulatory capital totaled \$12,421 million, a 13 percent increase from \$11,026 million at year-end 2009, driven by higher operating earnings, increased investment gains, and reduced impairments.
- As of December 31, 2010, total invested assets for the Company were \$90,787 million compared to \$86,574 million at the end of 2009, with the increase driven by strong sales, positive cash flows and favorable market performance.
- Revenue was \$17,005 million compared to \$18,274 million.
 - Statutory premium was \$11,617 million compared to \$13,245 million, primarily due to a strategic decision announced previously to decrease third-party distribution of annuities and reduce sales of certain variable annuities with guaranteed living benefits.
 - Net investment income was \$4,748 million compared to \$4,363 million resulting from higher portfolio yields, an increase in average assets and an increase in dividends received from MassMutual Holding LLC.
- Benefits and expenses were \$15,151 million compared to \$16,480 million, largely the result of lower reserve requirements related to the decrease in annuity premium.
- Consolidated statutory net gain from operations before dividends and taxes was \$1,854 million compared to \$1,794 million.
- Dividends³ to eligible participating policyholders were \$1,209 million compared to \$1,212 million.
- The Company recorded a net realized capital loss of \$268 million compared to a net realized capital loss of \$913 million for 2009. The reduced losses were primarily the result of a significant decrease in asset impairments.

Investment Highlights (as of December 31, 2010)

- The Company had invested assets of \$90,787 million, which were widely diversified across multiple asset classes, industries and geographic regions.
 - Long-term Bonds comprised 60% of the portfolio
 - Mortgage Loans⁵ comprised 13%
 - Policy Loans comprised 10%
 - Partnerships & LLCs comprised 6%
 - Common Stock comprised 4%
 - Short-term Investments & Cash comprised 2%
 - Real Estate comprised 1%
 - Other Investments comprised 4%

⁵ 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.

- Of the Long-term Bonds, approximately 93 percent were investment grade.
- Approximately 17 percent of the Company's bond portfolio was held in U.S. government securities.

About MassMutual

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, LLC, member FINRA and SIPC; OppenheimerFunds, Inc.; and The MassMutual Trust Company, FSB.

CRN201303-145523