



Reinsurance Group Of America Reports 22 Percent Gain In Second Quarter Operating Earnings; Dividend Increase

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ST. LOUIS, July 23, 1998 - Reinsurance Group of America, Incorporated (NYSE:RGA, RGA.A) reported second quarter operating income rose 22 percent, to \$18.1 million from \$14.8 million the year before. Operating earnings per share for the second quarter were \$0.67 compared with \$0.58 in 1997, a 16 percent increase. Net income for the period, including realized capital gains and losses, was up 27 percent, to \$19.2 million from \$15.1 million in 1997. Earnings per share were \$0.71 and \$0.59, respectively.

The company announced that the board of directors increased the quarterly dividend to \$0.07 per share from \$0.06 per share. The dividend, payable August 28 to shareholders of record August 7, represents a 17 percent increase over the previous dividend rate.

The company also reported a 37 percent increase in net premium income for the quarter, to \$276.5 million from the prior year's \$201.6 million. Net investment income showed a 57 percent increase, to \$72.2 million for the period from \$46.0 million. The increase is due in part to the company's continued growth of its asset-intensive reinsurance business. Total revenues grew 40 percent, to \$354.7 million from \$252.9 million in 1997.

"We've seen a lot of activity in all of our markets," commented A. Greig Woodring, president and chief executive officer. "Our North America operations maintain strong growth trends, both in traditional and non-traditional reinsurance, with large opportunities coming to the market as companies look more to reinsurers to help manage their mortality risk. For the quarter, North America operations posted \$272.7 million in revenues, 37 percent over last year. Revenue generated in North America totals \$544.3 million for the year to date, up 33 percent relative to the first half of 1997.

"Our reinsurance operations outside North America continue to expand as we develop numerous opportunities in those markets," Woodring continued. "Total revenues for our international operations, consisting primarily of Latin America and Asia Pacific, were up 30 percent for the quarter over last year. The increase realized in Latin America revenue levels was due to direct premium written by our Chilean and Argentine subsidiaries, along with increases from reinsurance of Argentine pension products. Our Asia Pacific segment continues to build on its market bases in Hong Kong, Japan and Australia."

Woodring concluded, "All in all, it was another strong quarter for us. Operating expenses have generally stayed within our range of expectations. We are comfortable moving forward with our expansion activities and have just completed an equity offering which added \$222 million in new capital."

For the first half of 1998, the company reported operating income of \$33.4 million, a 21 percent increase over the first six months of the prior year, during which the company reported \$27.7 million in operating income (excluding the \$10.4 million non-operating, after-tax charge taken in the first quarter of 1997). Operating earnings per share increased 18 percent, to \$1.27 from \$1.08 from the prior year.

Reported net income for the first half increased to \$35.1 million, or \$1.34 per share, from \$17.9 million, or \$0.70 per share. Revenues increased 38 percent to \$695.8 million for the first six months of 1998 and net premiums increased to \$546.5 million, a 34 percent increase. Investment income totaled \$135.9 million, up 55 percent from the first half of 1997.

Reinsurance Group of America, Incorporated, through its U.S. and Canadian subsidiaries, RGA Reinsurance Company and RGA Life Reinsurance Company of Canada, is one of the largest life reinsurers in North America. Reinsurance Group of America, Incorporated also operates through offices or subsidiary companies in Argentina, Australia, Barbados, Bermuda, Chile, Hong Kong, Japan, Mexico and the United Kingdom. Worldwide, it has more than \$273 billion of life reinsurance in force. General American Life Insurance Company owns approximately 64 percent of RGA's outstanding voting shares and 52 percent of all shares outstanding.

REINSURANCE GROUP OF AMERICA, INCORPORATED AND SUBSIDIARIES Condensed Consolidated Statements of Income

(\$ in thousands, except per share data)

(Unaudited)	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	1998	1997	1998	1997
Revenues:				
Net premiums	\$276,535	\$201,568	\$546,513	\$406,940
Net investment income	72,225	45,995	135,904	87,844
Realized capital gains	1,797	532	2,719	919
Other income	4,101	4,836	10,655	8,991
Total revenue	354,658	252,931	695,791	504,694

Benefits and expenses:

Claims and other policy benefits	212,774	144,579	430,070	303,339
Interest credited	37,845	22,404	72,357	41,526
Accident and health pool charge	---	---	---	18,000
Policy acquisition costs and other insurance expenses	57,428	47,801	104,362	88,268
Other expenses	14,089	12,210	29,553	22,729
Interest expense	2,187	1,956	4,212	3,904
Total benefits & expenses	324,323	228,950	640,554	477,766
Income before taxes and minority interest	30,335	23,981	55,237	26,928
Income taxes	10,957	8,757	19,797	8,756
Income before minority interest	19,378	15,224	35,440	18,172
Minority interest	160	129	313	249
Net income	\$ 19,218	\$ 15,095	\$ 35,127	\$ 17,923
Earnings per share information:				
Basic Earnings (1)	0.72	0.59	1.35	0.70
Diluted Earnings (1)	0.71	0.59	1.34	0.70
Diluted earnings before realized investment gains/(losses) (1)	0.67	0.58	1.27	0.68
Weighted average number of common and common equivalent shares outstanding (in thousands)	26,933	25,657	26,210	25,643

(1) All periods reflect adoption of SFAS 128.

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REINSURANCE GROUP OF AMERICA, INCORPORATED AND SUBSIDIARIES
Condensed Consolidated Business Summary

(Unaudited)	Six Months Ended	
	1998	June 30, 1997
Gross life reinsurance in force (in billions)		
North American business	\$244.8	\$172.0
International business	29.1	10.5
Gross life reinsurance written (in billions)		
North American business	57.9	20.7
International business	1.6	1.2
Consolidated cash and invested assets (in millions)	4,393.3	2,598.5
Invested asset yield	7.03%	7.26%
Investment portfolio mix		
Cash and short-term investments	6.61%	2.88%
Fixed maturity securities	73.25%	69.88%
Mortgage loans	4.87%	4.35%
Policy loans	10.87%	16.33%
Funds withheld at interest	3.92%	6.08%

Other invested assets	0.48%	0.48%
Book value per share outstanding (1)	\$ 25.20	\$ 17.33
Book value per share outstanding, before impact of FAS 115 (1)	22.70	15.99
Treasury stock at June 30	808,963	643,881

(1) Shares outstanding include the 4,945,000 non-voting shares that were issued on June 10, 1998.

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