



Reinsurance Group Of America Reports 16 Percent Gain In Third Quarter Operating Earnings; Revenues Increase 30 Percent

October 23, 1997

ST. LOUIS, October 23, 1997 - Reinsurance Group of America, Incorporated (NYSE:RGA) reported third quarter operating income rose 16 percent, to \$14.6 million, or \$0.57 per share, from \$12.5 million, or \$0.49 per share, the year before. Third quarter earnings per share, including realized capital gains and losses, increased 14 percent, to \$0.56 per share from \$0.49 the year before.

Net premiums increased 31 percent, to \$197.9 million from \$151.3 million in the third quarter of 1996. Net investment income increased 30 percent, to \$46.5 million from \$35.9 million. Total revenues increased 30 percent, to \$249.0 million from \$192.0 million.

A. Greig Woodring, president and chief executive officer, explained, "Increased premium volume and favorable mortality in the U.S. resulted in a strong showing from our U.S. operations in the third quarter. Premium increases were attributable to both new business volume and existing in-force business." He added that slightly better-than-anticipated mortality experience also contributed to the strong earnings performance of the U.S. operations. "In contrast, our Canadian operations experienced unfavorable mortality, which resulted in financial performance below our expectations for the quarter. Mortality experience, of course, is subject to quarterly fluctuations and we see no indication of any particular long-term trends," he observed.

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Add One

Woodring continued, "The accident and health line recorded a loss in the third quarter, primarily due to poor experience on existing personal accident business from U.K. operations. That poor experience relates to risks that were subject to our own underwriting and were not part of the outside managed pools for which we took a charge in the first quarter. We continue to evaluate the types of risks underwritten and to cancel those risks that are not reasonably predictable.

"Operations outside of North America, comprised primarily of businesses in the Asia Pacific and Latin America regions, continue to post results generally consistent with expectations, except for higher-than-anticipated group life claims in the third quarter incurred in Argentina. Both regions continue to show strong top-line growth."

He concluded, "We're pleased that we have consistently hit our growth targets. Moreover, we continue to see many opportunities, both in new markets and as our operations mature in existing markets."

Operating earnings for the first nine months totaled \$42.3 million, or \$1.64 per share, compared with \$35.5 million, or \$1.39 per share, in 1996. These results exclude the \$10.4 million after-tax, nonoperating charge taken in the first quarter of 1997 in connection with the Company's decision to exit all accident and health pools in which it didn't control the underwriting process. Earnings for the first nine months, including realized capital gains and losses and nonoperating charges, totaled \$1.25 per share, compared to \$1.44 in 1996.

Through the third quarter, net premiums rose 25 percent to \$604.9 million and revenues increased 27 percent to \$753.7 million. Premiums from U.S. operations and Canada totaled \$418.3 million and \$54.0 million, an increase of 17 percent and 31 percent, respectively, from the same period in 1996. Asia Pacific operations reported year-to-date premiums of \$24.6 million compared with \$15.5 million the year before, and Latin America operations posted year-to-date premiums of \$48.2 million, up from \$31.3 million in 1996.

The board of directors declared a regular quarterly dividend of \$0.06 per share, payable November 26 to shareholders of record as of November 5.

Reinsurance Group of America, Incorporated, through its subsidiaries, RGA Reinsurance Company and RGA Life Reinsurance Company of Canada, is among the largest providers of life reinsurance in North America. In addition to its North American operations, Reinsurance Group of America, Incorporated has subsidiary companies or branch offices in Argentina, Australia, Barbados, Bermuda, Chile, Hong Kong, Japan and the United Kingdom. Worldwide, the Company has more than \$200 billion of life reinsurance in force. General American Life Insurance Company owns approximately 64 percent of RGA's outstanding shares.

-tables attached -

Add Two

REINSURANCE GROUP OF AMERICA, INCORPORATED AND SUBSIDIARIES

Condensed Consolidated Statements of Income

(\$ in thousands, except per share data)

Three Months Ended Nine Months Ended

(Unaudited) September 30, September 30,

1997 1996 1997 1996

Revenues:

Net premiums \$197,910 \$151,284 \$604,850 \$482,599

Net investment income 46,532 35,873 134,376 96,798

Realized capital

gains (losses) (353) 127 566 1,922

Other income 4,938 4,754 13,929 12,632

Total revenue 249,027 192,038 753,721 593,951

Benefits and expenses:

Policyholder benefits 129,790 98,214 370,914 300,416

Accident and health

pool charge --- --- 18,000 ---

Policy reserve increases 35,748 28,128 139,489 107,178

Underwriting, acquisition

and insurance expenses 46,440 32,633 134,708 93,679

Other expenses 12,797 10,425 35,526 29,165

Interest expense 1,949 1,959 5,853 4,198

Total benefits and

expenses 226,724 171,359 704,490 534,636

Income before taxes and

minority interest 22,303 20,679 49,231 59,315

Income taxes 7,797 7,593 16,553 21,840

Income before minority

interest 14,506 13,086 32,678 37,475

Minority interest 134 469 383 862

Net income \$ 14,372 \$ 12,617 \$ 32,295 \$ 36,613

Earnings per share information:

Earnings per common and

common equivalent share

before realized investment

gains/(losses and

nonoperating charges): 0.57 0.49 1.64 1.39

Earnings per common and

common equivalent share: 0.56 0.49 1.25 1.44

Weighted average number

of common and common

equivalent shares

outstanding (in thousands) 25,766 25,513 25,758 25,499

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Add Three

REINSURANCE GROUP OF AMERICA, INCORPORATED AND SUBSIDIARIES

Condensed Consolidated Business Summary

Nine Months Ended

(Unaudited) September 30,

1997 1996

Gross life reinsurance in force (in billions)

North American business \$179.8 \$154.8

International business 20.4 8.2

Gross life reinsurance written (in billions)

North American business 32.5 23.2

International business 15.2 4.0

Consolidated cash and invested assets

(in millions) 3,026.2 2,094.6

Invested asset yield 7.25% 7.29%

Investment portfolio mix

Cash and short-term investments 3.20% 2.40%

Fixed maturity securities 71.58% 71.19%

Mortgage loans 5.01% 1.99%

Policy loans 14.18% 18.09%

Funds withheld at interest 5.54% 6.11%

Other invested assets 0.49% 0.22%

Book value per share outstanding 18.63 15.31

Book value per share outstanding, before

impact of FAS 115 16.32 14.96

Treasury stock at September 30 758,033 798,531