



Reinsurance Group Of America Reports 27 Percent Increase In Operating Earnings For Fourth Quarter; Charge To Discontinued Accident And Health Segment

January 25, 2001

ST. LOUIS--(BUSINESS WIRE)--Jan. 26, 2001--Reinsurance Group of America, Incorporated (NYSE:RGA) reported operating earnings from continuing operations of \$0.72 per share for the fourth quarter, up 22 percent from \$0.59 per share reported in the prior year. Operating earnings from continuing operations totaled \$35.8 million for the quarter, up 27 percent from the prior year total of \$28.2 million. Net income for the quarter, including capital gains and losses and discontinued operations, totaled \$9.2 million, or \$0.19 per share, compared to earnings of \$15.4 million, or \$0.32 per share, in the prior year. Net income for the fourth quarter of 2000 includes a \$25 million non-cash, pretax charge associated with the company's discontinued accident and health segment.

Fourth quarter premiums increased 18 percent, to \$413.0 million from \$350.0 million in 1999. Consolidated net investment income increased 16 percent, to \$88.1 million from \$76.0 million in 1999.

President and Chief Executive Officer A. Greig Woodring commented, "We are pleased with both the full year and quarter's operating results. The U.S. and Canada segments contributed approximately \$59 million in pre-tax operating income for the quarter. This represents an increase of approximately 28 percent from prior year, when we experienced adverse mortality in our U.S. segment. Mortality experience was generally as expected in all segments for the quarter and positive for the year as a whole. The U.S. segment was especially strong, and was the primary contributor to the 18 percent improvement in the quarter's consolidated net premiums."

Woodring continued, "RGA's other international operations reported a modest operating profit for the quarter and for the year. Premiums totaled approximately \$54 million in the international operations for the fourth quarter, and \$189 million for the year. Several of these operations are beginning to build some scale; however, we are still in the relatively early stages of our international development."

Commenting on discontinued operations, Woodring explained, "We took the \$25 million pre-tax charge to strengthen reserves supporting the accident and health segment. We discontinued this segment in 1998 and have been disappointed with the additional losses we have experienced over the last two years. As we have indicated previously, the flow of information on this business has made it quite difficult to reserve. Now, however, the flow of premiums has diminished significantly, and we have a better perspective. The current reserve levels are intended to alleviate what has been a consistent need for small reserve increases each quarter. We are aggressively managing the run-off of this business. However, the nature of the business is such that it will take several more years to complete the claims run-off."

Woodring concluded, "We are pleased in having achieved our goal of growing operating earnings, on a per share basis, by 15 percent during 2000. That growth rate continues to be our long-term target. We are looking forward to the new year and the opportunities our various markets present."

For the year, operating earnings from continuing operations totaled \$127.4 million, up 24 percent from the \$102.4 million reported for 1999. That represents \$2.55 per share, an increase of 15 percent over \$2.21 per share in the prior year. Net income for the year, including discontinued operations and capital gains and losses, totaled \$77.7 million, or \$1.56 per share, up from \$40.9 million, or \$0.88 per share, reported for the prior year. Consolidated premiums totaled \$1,404.1 million, up 7 percent over the prior year total of \$1,315.6 million.

The company announced that its board of directors declared a regular quarterly dividend of \$0.06 per share. The dividend is payable February 26 to shareholders of record as of February 5.

A conference call to discuss the company's fourth quarter results will begin at 9:00 a.m. Eastern Standard Time on Friday January 26. A live audio webcast of the conference call will be available on the company's investor relations web page at www.rgare.com. A replay of the conference call will be available on the company's website for ten days following the conference call.

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, Spain, Mexico, Hong Kong, Japan, Taiwan, South Africa and the United Kingdom. Worldwide, the Company has approximately \$546 billion of life reinsurance in force, and assets of \$6.1 billion. Metropolitan Life Insurance Company is the beneficial owner of approximately 58 percent of RGA's outstanding shares.

Statements in this press release regarding the business of Reinsurance Group of America, Incorporated which are not historical facts, including, without limitation, statements and information relating to the Company's future financial performance and growth potential, increase in premiums, the effect of mortality rates and experience, claims levels, its views on the life reinsurance industry and other statements related to the Company's business are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements should be evaluated together with the many risks and uncertainties that affect our business, including those mentioned in this document and the cautionary statements described in the periodic reports filed by the company with the Securities and Exchange Commission. For a discussion of these risks and uncertainties, which could cause actual results to differ materially from those contained in the forward-looking statements, you are advised to consult the section named "Forward-Looking and Cautionary Statements" in the Company's Annual Report on Form 10-K for the year ended December 31, 1999 and other documents filed with the Securities and Exchange Commission, which discussions are incorporated by reference into this document.

REINSURANCE GROUP OF AMERICA, INCORPORATED AND SUBSIDIARIES
Condensed Consolidated Statements of Income
(Dollars in thousands, except per share data)

Three Months Ended Twelve Months Ended

(Unaudited)	December 31,		December 31,	
	2000	1999	2000	1999
Revenues:				
Net premiums	\$413,007	\$350,035	\$1,404,066	\$1,315,638
Net investment income	88,085	76,049	326,505	340,280
Realized capital gains/ (losses), net	(10,306)	(13,564)	(28,651)	(75,308)
Other income	11,178	15,904	23,815	26,472
Total revenue	501,964	428,424	1,725,735	1,607,082
Benefits and expenses:				
Claims and other policy benefits	327,222	290,348	1,103,548	1,067,111
Interest credited	30,220	25,977	104,782	153,118
Policy acquisition costs and other insurance expenses	72,285	63,081	243,542	218,314
Other expenses	21,733	13,285	80,922	64,447
Interest expense	5,179	4,316	17,596	11,020
Total benefits and expenses	456,639	397,007	1,550,390	1,514,010
Income from continuing operations before taxes and minority interest	45,325	31,417	175,345	93,072
Income taxes	16,528	11,893	69,271	39,059
Income from continuing operations before minority interest	28,797	19,524	106,074	54,013
Minority interest	(306)	167	287	968
Net income from continuing operations	29,103	19,357	105,787	53,045
Discontinued operations:				
Loss from discontinued operations, net of taxes	(19,869)	(3,983)	(28,118)	(12,187)
Net income	\$ 9,234	\$ 15,374	\$ 77,669	\$ 40,858

REINSURANCE GROUP OF AMERICA, INCORPORATED AND SUBSIDIARIES
Condensed Consolidated Statements of Income
(Dollars in thousands, except per share data)

(Unaudited)	Three Months Ended		Twelve Months Ended	
	December 31,		December 31,	
	2000	1999	2000	1999
Earnings per share from continuing operations:				
Basic earnings per share	\$ 0.59	\$ 0.41	\$ 2.14	\$ 1.16
Diluted earnings per share	\$ 0.58	\$ 0.41	\$ 2.12	\$ 1.15
Diluted earnings before realized investment gains/ (losses)				
	\$ 0.72	\$ 0.59	\$ 2.55	\$ 2.21
Earnings per share from net income:				
Basic earnings per share	\$ 0.19	\$ 0.33	\$ 1.57	\$ 0.89
Diluted earnings per share	\$ 0.19	\$ 0.32	\$ 1.56	\$ 0.88

Weighted average number of common and common equivalent shares outstanding (in thousands)	49,802	47,483	49,920	46,246
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REINSURANCE GROUP OF AMERICA, INCORPORATED AND SUBSIDIARIES
Condensed Consolidated Business Summary

(Unaudited)	At or For the Twelve Months Ended December 31, 2000 1999	
Gross life reinsurance in force (in billions)		
North American business	\$ 467.0	\$ 391.5
International business	78.9	55.5
Gross life reinsurance written (in billions)		
North American business	129.5	130.7
International business	31.6	34.2
Consolidated cash and invested assets (in millions)	4,631.0	3,836.2
Invested asset book yield - trailing three months	7.30%	7.10%
Investment portfolio mix		
Cash and short-term investments	3.01%	6.85%
Fixed maturity securities	58.15%	48.90%
Mortgage loans	2.77%	5.56%
Policy loans	15.26%	17.21%
Funds withheld at interest	20.26%	20.80%
Other invested assets	0.55%	0.68%
Book value per share outstanding	\$ 17.51	\$ 14.68
Book value per share outstanding, before impact of FAS 115	18.36	17.31
Treasury stock	1,759,715	1,112,820

REINSURANCE GROUP OF AMERICA, INCORPORATED AND SUBSIDIARIES
U.S. OPERATIONS
(Dollars in thousands)

	Twelve Months Ended December 31, 2000			
		Non-traditional Asset- Intensive	Financial Reinsurance	Total U.S.
Revenues:				
Net premiums	\$1,036,656	\$ 2,216	\$ --	\$1,038,872
Investment income, net of related expenses	139,688	89,001	(37)	228,652
Realized investment gains/(losses), net	(12,206)	(1,066)	--	(13,272)
Other revenue	321	686	16,370	17,377
Total revenues	1,164,459	90,837	16,333	1,271,629
Benefits and expenses:				
Claims and other policy benefits	793,494	(95)	--	793,399
Interest credited	47,445	55,006	--	102,451
Policy acquisition costs and other insurance expenses	150,347	23,446	5,457	179,250

Other operating expenses	25,244	802	3,274	29,320
Total benefits and expenses	1,016,530	79,159	8,731	1,104,420
Income before income taxes and minority interest	\$ 147,929	\$ 11,678	\$ 7,602	\$ 167,209

Twelve Months Ended December 31, 1999				
	Non-traditional			
	Asset- Financial			
	Traditional	Intensive	Reinsurance	Total U.S.
Revenues:				
Net premiums	\$ 949,054	\$ 1,380	\$ --	\$ 950,434
Investment income, net of related expenses	125,745	124,713	--	250,458
Realized investment gains/(losses), net	(17,043)	(65,844)	--	(82,887)
Other revenue	(597)	12,655	13,180	25,238
Total revenues	1,057,159	72,904	13,180	1,143,243
Benefits and expenses:				
Claims and other				
Policy benefits	740,339	1,009	--	741,348
Interest credited	40,240	109,644	--	149,884
Policy acquisition costs and other insurance expenses	145,529	2,850	9,370	157,749
Other operating expenses	23,002	623	100	23,725
Total benefits and expenses	949,110	114,126	9,470	1,072,706
Income before income taxes and minority interest	\$108,049	\$ (41,222)	\$ 3,710	\$ 70,537

REINSURANCE GROUP OF AMERICA, INCORPORATED AND SUBSIDIARIES
CANADIAN OPERATIONS
(Dollars in thousands)

Twelve Months Ended		
December 31,		
	2000	1999
Revenues:		
Net premiums	\$176,326	\$162,482
Investment income, net of related expenses	61,950	52,767
Realized investment gains/(losses), net	(1,291)	5,923
Other revenue	318	(38)
Total revenues	237,303	221,134
Benefits and expenses:		
Claims and other policy benefits	171,417	154,194
Interest credited	763	1,799
Policy acquisition costs and other insurance expenses	16,563	19,970
Other operating expenses	8,702	7,292
Total benefits and expenses	197,445	183,255
Income before income taxes and minority interest	\$ 39,858	\$ 37,879

REINSURANCE GROUP OF AMERICA, INCORPORATED AND SUBSIDIARIES
OTHER INTERNATIONAL
(Dollars in thousands)

	Twelve Months Ended December 31, 2000			
	Latin America	Asia Pacific	Other Markets	Total Inter- national
Revenues:				
Net premiums	\$ 64,897	\$ 94,282	\$29,690	\$188,869
Investment income, net of related expenses	19,782	4,628	2,056	26,466
Realized investment gains /(losses), net	(9,099)	(191)	365	(8,925)
Other revenue	364	2,266	3,177	5,807
Total revenues	75,944	100,985	35,288	212,217
Benefits and expenses:				
Claims and other policy benefits	62,205	56,377	20,151	138,733
Interest credited	1,568	--	--	1,568
Policy acquisition costs and other insurance expenses	7,772	32,484	7,473	47,729
Other operating expenses	10,647	9,939	9,542	30,128
Interest expense	--	980	502	1,482
Total benefits and expenses	82,192	99,780	37,668	219,640
Income before income taxes and minority interest	\$ (6,248)	\$ 1,205	\$(2,380)	\$ (7,423)

	Twelve Months Ended December 31, 1999			
	Latin America	Asia Pacific	Other Markets	Total Inter- national
Revenues:				
Net premiums	\$104,167	\$ 73,887	\$24,668	\$202,722
Investment income, net of related expenses	23,753	2,182	775	26,710
Realized investment gains/ (losses), net	95	(3)	101	193
Other revenue	(224)	1,263	105	1,144
Total revenues	127,791	77,329	25,649	230,769
Benefits and expenses:				
Claims and other policy benefits	111,479	46,785	13,305	171,569
Interest credited	1,435	--	--	1,435
Policy acquisition costs and other insurance expenses	2,340	29,860	8,388	40,588
Other operating expenses	9,209	6,983	7,810	24,002
Interest expense	--	491	--	491
Total benefits and expenses	124,463	84,119	29,503	238,085
Income before income taxes and minority interest	\$ 3,328	\$ (6,790)	\$(3,854)	\$ (7,316)

SOURCE: Reinsurance Group of America, Incorporated

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