



Reinsurance Group Of America Reports 17 Percent Gain In Operating Earnings For Fourth Quarter

January 28, 1998

ST. LOUIS, January 29, 1998 – Reinsurance Group of America, Incorporated (NYSE:RGA) reported a fourth quarter operating income increase of 17 percent, to \$22.5 million, or \$0.88 per share, from \$19.1 million, or \$0.75 per share, the year before, reflecting double-digit gains in net premium, net investment income, and total revenue. Fourth quarter earnings, including realized capital gains and losses, increased 21 percent, to \$0.88 per share from \$0.73 in the prior year.

Fourth quarter net premiums increased 20 percent, to \$230.6 million, from \$192.3 million in 1996. Net investment income increased 35 percent, to \$54.0 million, from \$40.0 million. Total revenues increased 35 percent, to \$317.8 million.

A. Greig Woodring, president and chief executive officer, remarked, "We are pleased with our fourth quarter results, which represent a continuation of the positive momentum of the first nine months of 1997. We experienced strong core earnings from our U.S. and Canadian life segments. We continue to believe that opportunities for significant growth exist in the North American marketplace. This quarter's strong performance can be attributed in part to growing activity in our financial and non-traditional reinsurance operations. The net result for the quarter, considering all operating segments, exceeded our original expectations."

Commenting on the company's operations outside of North America, Woodring said, "We continue to be encouraged by our prospects in international markets, where we've begun to establish our presence as a life reinsurer. The turmoil in Asia has had little effect on our business due to our newness in the region; in fact, we believe that the economic situation may actually present us with opportunities during the coming months. While future business levels are impossible to predict, we don't anticipate the need to make significant changes to our strategy for those markets."

"We continue to build our Latin American operations and see increasing premium levels from the region, particularly in annuity sales by our direct writing company in Chile. Our direct writing subsidiary in Argentina posted a respectable level of new premium; however, bottom line results for the Latin American segment fell below expectations because of an unfavorable level of group life claims."

"In contrast to the other business segments, results from most of our accident and health divisions again fell short of expectations and posted another loss for the year. Based on our lack of progress with this segment, we have placed our accident and health line into runoff and will cease marketing these services. This will allow us to focus our resources on growing our life reinsurance business. We have set aside a reserve to handle runoff claims experience and have written off all intangible assets associated with this line of business."

For the year, RGA reported operating earnings of \$64.8 million, or \$2.53 per share, compared with \$54.6 million, or \$2.15 per share, in 1996. These results exclude the \$10.4 million after-tax, nonoperating accident and health pool charge taken in the first quarter of 1997. Earnings for the year, including realized capital gains and losses and nonoperating charges, totaled \$2.13 per share, compared to \$2.17 per share in 1996.

For the year, net premiums rose 24 percent to \$835.5 million and revenues increased 29 percent to \$1.1 billion. Investment income totaled \$188.3 million, a 38 percent increase over 1996 results.

Commenting on the company's performance for the year, Woodring said, "1997 has been a good year for the company, with encouraging signs of growth in both traditional and new life markets. We continue to position the company to better meet our clients' needs and have re-directed our resources to better support our global expansion in life reinsurance markets. We've expanded our operations to include a local presence in Malaysia as a joint venture partner in that country's first life reinsurance company. We've continued to leverage knowledge and expertise across the organization, supplemented by our recent strategic alliance with TBOi, a UK-based financial services distribution consulting firm."

The board of directors declared a regular quarterly dividend of \$0.06 per share, payable February 27, 1998, to shareholders of record as of February 6, 1998.

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.

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

(\$ in thousands, except per share data)

(Unaudited)	Three Months Ended		Twelve Months Ended	
	December 31,		December 31,	
	1997	1996	1997	1996

Revenues:

Net premiums	\$230,610	\$192,286	\$835,460	\$674,885
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Net investment income	53,957	40,030	188,333	136,828
Realized capital gains (losses)	(232)	(992)	334	930
Other income	33,459	4,754	47,388	17,386
Total revenue	317,794	236,078	1,071,515	830,029
Benefits and expenses:				
Claims and other policy benefits	221,700	152,851	732,103	560,445
Accident and health pool charge	---	---	18,000	---
Underwriting, acquisition and insurance expenses	41,774	42,830	176,482	136,509
Other expenses	17,532	10,680	53,058	39,845
Interest expense	1,948	1,971	7,801	6,169
Total benefits and expenses	282,954	208,332	987,444	742,968
Income before taxes and minority interest	34,840	27,746	84,071	87,061
Income taxes	12,197	9,847	28,750	31,687
Income before minority interest	22,643	17,899	55,321	55,374
Minority interest	319	(560)	702	302
Net income	\$ 22,324	\$ 18,459	\$ 54,619	\$ 55,072
Earnings per share information:				
Basic Earnings (1)	0.88	0.73	2.15	2.18
Diluted Earnings (1)	0.88	0.73	2.13	2.17
Diluted earnings before realized investment gains/(losses) (1)				
	0.88	0.75	2.13	2.15
Weighted average number of shares outstanding (diluted) (in thousands)				
	25,512	25,434	25,604	25,410

(1) All periods reflect adoption of SFAS 128.

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

Twelve Months Ended

(Unaudited)

December 31,
1997 1996

Gross life reinsurance in force (in billions)

North American business	\$199.4	\$160.0
International business	27.9	8.3
Gross life reinsurance written (in billions)		
North American business	58.1	33.8
International business	17.8	4.1
Consolidated cash and invested assets (in millions)	3,671.4	2,285.2
Invested asset yield	7.23%	7.32%
Investment portfolio mix		
Cash and short-term investments	8.58%	4.67%
Fixed maturity securities	68.86%	66.40%
Mortgage loans	4.51%	4.30%
Policy loans	13.08%	18.66%
Funds withheld at interest	4.51%	5.69%
Other invested assets	0.46%	0.28%
Book value per share outstanding	\$ 19.62	\$ 16.71
Book value per share outstanding, before impact of SFAS 115	16.96	15.60
Treasury stock at December 31	844,535	584,031
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