



## **Reinsurance Group Of America Reports Third Quarter Operating Earnings Increase 18 Percent; Revenues Increase 19 Percent**

October 30, 1996

RGA Financial Performance

ST. LOUIS, October 30, 1996 -- Reinsurance Group of America, Incorporated (NYSE:RGA) reported that third quarter operating income rose 18 percent to \$12.5 million, or \$0.74 per share, from \$10.6 million, or \$0.63 per share in 1995. Third quarter earnings, including realized capital gains and losses, increased 12 percent to \$12.6 million from \$11.2 million, or \$0.66 per share, in 1995 when the company's results benefited from almost \$1 million of capital gains.

Net premiums increased 10 percent, to \$151.3 million, from \$137.9 million in the third quarter of 1995. Net investment income rose 56 percent, to \$35.9 million from \$22.9 million, due primarily to a larger base of invested assets, which reflects in part some asset-intensive business initiated in the second half of 1995. Total revenues rose 19 percent, to \$192.0 million, from \$161.6 million a year ago.

[A. Greig Woodring](#), president and chief executive officer, commented, "We're pleased to report third quarter results that reflect a continuation of strong earnings and revenue growth year-to-date. Mortality trends, which exhibited some fluctuation during the previous two quarters, were in line with our expectations."

Woodring continued, "While the rate of increase in premium levels for the third quarter was not as dramatic as the increase reported for the first two quarters, premium levels for any one quarter are affected by the timing of business reported by our clients. The year-to-date increase in premiums of 19 percent is in line with our long-term expectations and our plan for the year."

Woodring added, "The U.S. operating segment reported particularly strong results for the quarter, including revenue growth of 21 percent over third quarter 1995 levels. For the first nine months, revenues are up 29 percent as compared to 1995. We're pleased with that segment's level of revenue growth, which has benefitted from the continued addition of asset-intensive business throughout the year."

Woodring also noted, "Our international operations continue to contribute to our premium growth rates. Our Canadian segment reported \$12.4 million in premiums in the third quarter. In addition, operations in South America and Asia contributed \$19.4 million during the third quarter. We see long-range opportunities in these markets, and plan to continue expanding our operations to capitalize on these opportunities."

Operating earnings for the first nine months totaled \$35.5 million, compared with \$30.9 million in 1995. Operating earnings per share increased 14 percent for the first nine months to \$2.09 from \$1.83 in 1995. Earnings per share, including realized capital gains and losses, increased 15 percent to \$2.15 from \$1.87. Net premiums rose 19 percent to \$483.0 million, and revenues increased 25 percent to \$594.0 million. Investment income totaled \$96.8 million, a 47 percent increase over the first nine months of 1995.

The board of directors declared a regular quarterly dividend of \$0.08 per share, payable November 29, to shareholders of record November 8.

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, RGA has subsidiary companies or branch offices in Argentina, Australia, Barbados, Bermuda, Chile, Great Britain, Hong Kong and Japan. Worldwide, RGA has more than \$163 billion of life reinsurance in force. General American Life Insurance Company owns approximately 63 percent of RGA's outstanding shares.