



Reinsurance Group Of America Reports 1996 Operating Earnings Per Share Increase 15 Percent; Fourth Quarter Operating Earnings Also Up 15 Percent

January 30, 1997

RGA Financial Performance

ST. LOUIS, MO, January 30, 1997 -- Reinsurance Group of America, Incorporated (NYSE:RGA) reported operating earnings per share rose 15 percent, to \$3.21 for 1996 from \$2.80 in 1995. Operating earnings for 1996 totaled \$54.6 million, compared to \$47.3 million in 1995. Fourth quarter operating income also increased 15 percent to \$1.12 per share, or \$19.1 million, from \$0.97 per share, or \$16.4 million, the year before.

Net premiums for 1996 were up 18 percent to \$674.9 million. North American operations exhibited strong growth, with premiums increasing 17 percent in the U.S. segment and 28 percent in the Canadian segment. Other international operations contributed \$67.9 million in premiums for the year, representing a 15 percent increase over 1995 levels. Net premiums increased 17 percent in the fourth quarter, to \$192.3 million, from \$163.8 million in 1995.

Net investment income increased 52 percent in 1996 to \$136.8 million and rose 65 percent to \$40.0 in the fourth quarter, due in part to several large coinsurance treaties related to stable value products. Total revenues were up 24 percent for the year, to \$830.0 million from \$668.1 million, and increased 21 percent to \$236.1 million in the fourth quarter.

"We're pleased to report that 1996 was another strong year for RGA," said [A. Greig Woodring](#), president and chief executive officer. "We have set aggressive growth goals for the company, and have met those goals in each year since becoming a public company. We also continued to invest in expansion efforts during 1996 which we believe are important to our long-term success. We are well positioned to experience a continuation of our favorable operating momentum in 1997."

Woodring commented, "The U.S. and Canadian segments, which account for about 80 percent of RGA's revenues, continued to report strong results. The U.S. segment posted double-digit revenue increases in the fourth quarter, due to continued growth of traditional new business enhanced by growth in non-traditional business, such as financially motivated and credit life business. The Canadian segment reported a significant rise in new business production for the year.

"We continued to generate increasing amounts of revenue from our international operations during 1996," added Woodring. "We experienced premium increases in our Latin American and Asia Pacific segments, including new business generated by our Australian office, which opened earlier in the year. We're particularly pleased with our inroads into several of the Asian markets, where we continue to build relationships and exhibit RGA's capabilities.

"Finally, 1996 was a record year for the number of facultative applications submitted to RGA," Woodring noted. "We underwrote more than 100,000 applications last year, which we believe reflects our leadership position in this specialized market niche."

The board of directors declared a regular quarterly dividend of \$0.08 per share, payable February 28, to shareholders of record February 7.

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 \$168.3 billion of life reinsurance in force. General American Life Insurance Company owns approximately 63 percent of RGA's outstanding shares.