



Reinsurance Group Of America Reports Second Quarter Operating Earnings Increase 12 Percent; Premiums Increase 27 Percent

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RGA Financial Performance

ST. LOUIS, August 1, 1996 -- Reinsurance Group of America, Incorporated (NYSE:RGA) reported that second quarter operating income rose 12 percent to \$12.8 million, or \$0.75 per share, from \$11.5 million, or \$0.68 per share, the year before. Second quarter earnings, including realized capital gains and losses, increased 17 percent to \$13.5 million, or \$0.79 per share, from \$11.6 million, or \$0.69 per share, the year before.

Net premiums increased 27 percent, to \$163.4 million, from \$128.7 million in the second quarter of 1995. This growth rate reflects continued strong production, particularly in the U.S. and Canadian segments. Net investment income rose 49 percent, to \$33.1 million from \$22.2 million, due primarily to a larger base of invested assets that resulted from strong operating cash flows and the \$100 million senior note offering in March 1996. Total revenues rose 33 percent, to \$201.5 million, from \$151.2 million a year ago.

The board of directors increased the company's quarterly dividend to \$0.08 per share from \$0.07 per share, payable August 30, to shareholders of record August 9. In addition, the board approved a stock repurchase plan to prevent potential dilution in connection with the company's stock option program and to enable the company to acquire larger blocks of stock. The program will involve purchases from time to time in the open market or through negotiated transactions.

[A. Greig Woodring](#), president and chief executive officer, commented, "The U.S. operations posted a strong second quarter, even though mortality experience was slightly higher than expected. Premiums for this segment increased approximately 35 percent from 1995 levels, and almost 28 percent for the first half. Although mortality experience is subject to short-term fluctuations, we expect U.S. operations to continue its strong performance in the second half."

Woodring further noted, "Our Canadian operations continue to add significantly to the company's premium growth rate. Premiums from the Canadian segment grew at a 26 percent rate for the first six months of 1996. Operations in South America and Asia contributed more than \$13.5 million in premium during the quarter, and \$27.4 million for the first half.

"While premium and revenue growth remained solid overall, the rate of growth in our Latin America and Asia Pacific Divisions fell below our expectations," Woodring added. "However, based on quote activity, timing of reporting of premium between quarters and other business opportunities, we anticipate the growth rate on international operations will accelerate, both for the remainder of 1996 and beyond."

First half operating earnings totaled \$23.0 million, compared with \$20.3 million in 1995. Operating earnings per share increased 13 percent for the first half to \$1.35 from \$1.20 in 1995. First half earnings, including realized capital gains and losses, increased 17 percent to \$1.41 per share, from \$1.21 per share the year before. For the first half, revenues increased 29 percent to \$401.9 million, and net premiums rose 23 percent to \$331.3 million. Investment income totaled \$60.9 million, a 42 percent increase over the first half of 1995.

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 Chile, Argentina, Great Britain, Hong Kong, Japan, Australia, Barbados and Bermuda. Worldwide, RGA has more than \$159 billion of life reinsurance in force. General American Life Insurance Company owns approximately 63 percent of RGA's outstanding shares.