



## Reinsurance Group Of America Reports 22 Percent Increase In Operating Earnings Per Share From Continuing Operations; Increases Dividend 20 Percent

August 2, 1999

ST. LOUIS, July 29, 1999 – Reinsurance Group of America, Incorporated (NYSE:RGA, RGA.A) reported operating earnings per diluted share from continuing operations of \$0.56 for the second quarter of 1999, an increase of 22 percent over the \$0.46 reported the year before. Operating earnings from continuing operations totaled \$25.7 million, an increase of 40 percent over the prior-year total of \$18.4 million. Net income for the quarter, including capital gains and losses and discontinued operations, totaled \$20.7 million, or \$0.45 per share, compared to \$19.2 million, or \$0.48 per share the year before.

The company also announced that the board of directors increased the quarterly dividend 20 percent to \$0.06 per share from \$0.05 per share. The dividend is payable August 27 to shareholders of record August 6.

RGA also reported a 33 percent increase in net premiums for the quarter, to \$316.8 million from \$237.9 million in the prior year. Net investment income increased 22 percent, to \$87.5 million. Consolidated revenues totaled \$409.3 million for the quarter, a 30 percent increase over the prior year. Revenue increases were reported in each operating segment, with the majority of the company's increases emanating from the U.S. and Canada operating segments.

"We are continuing to see strong results from the more established operating segments. In particular, the U.S. and Canada segments continue to report strong growth and earnings trends for the quarter," commented A. Greig Woodring, president and chief executive officer. "The U.S. segment reported a 27 percent premium increase over last year's level, and a strong increase in operating earnings. The Canada segment likewise reported strong growth, including a 70 percent increase in premiums. We do not expect this level of growth for the full year in Canada, as several large blocks of business were reported by client companies and processed during the quarter, as were premiums from in force blocks of business first recorded near the end of 1998. Both segments are benefiting from the continued high level of mortality outsourcing that has characterized the life reinsurance industry for some time.

"While the Canadian segment experienced slightly adverse mortality experience during the quarter, the larger U.S. segment reported mortality experience that was very good," Woodring continued. "We were pleased with the mortality experience of our business on a companywide basis. The negative experience reported in the Asia Pacific segment during the first quarter has moderated in the most recent quarter. The mortality experience on the Company's portfolio of life reinsurance drives the overall profitability over time."

Woodring further commented, "Our international segments reported results that were in line with our expectations. Regarding our discontinued accident and health operations, the premium volume from the treaties in run-off has exceeded our expectations so far this year. Because of that, we thought it prudent to add to our reserves in accordance with the expected claims development on that business. We will obviously continue to closely monitor the run-off of that operation over time."

Woodring concluded, "We are pleased with the operating performance over the first half of 1999, and the opportunities presented in our various markets. We also announced at the end of the quarter that we intend to convert the outstanding non-voting common stock into common voting shares. That action should simplify our capital structure from the viewpoint of our investors. We believe the exchange ratio of .97 shares of voting common stock for each share of non-voting common stock is fair for all shareholders, and should enhance liquidity for all investors upon completion of the conversion."

For the first half of 1999, the company reported operating earnings from continuing operations of \$47.7 million, an increase of 42 percent over the prior-year total of \$33.7 million. Operating earnings per diluted share from continuing operations totaled \$1.04, an increase of 21 percent over the \$0.86 reported the year before. Net income for the six months, including capital gains and losses and discontinued operations, totaled \$42.6 million, or \$0.93 per share, compared to \$35.1 million, or \$0.89 per share the year before. Revenues increased 36 percent to \$852.4 million for the first six months of 1999, and net premiums increased to \$670.5 million, a 39 percent increase. Investment income totaled \$172.5 million, up 28 percent from the first half of 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, Taiwan, South Africa and the United Kingdom. Worldwide, the Company has approximately \$390 billion of life reinsurance in force, and assets of \$6.7 billion. General American Life Insurance Company owns approximately 64 percent of RGA's outstanding shares of voting common stock and approximately 53 percent of all outstanding shares.

Statements in this press release regarding the business of Reinsurance Group of America, Incorporated and the trading of its securities which are not historical facts are "forward-looking statements" that involve risks and uncertainties. For a discussion of such risks and uncertainties, which could cause actual results to differ from those contained in the forward-looking statements, see "Forward-Looking and Cautionary Statements" in the Company's Annual Report or Form 10-K for the most recently ended fiscal year.

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

	Three Months Ended June 30,	Six Months Ended June 30,
(Unaudited)		

	1999	1998	1999	1998
Revenues:				
Net premiums	\$316,765	\$237,948	\$670,524	\$481,025
Net investment income	87,491	71,807	172,534	135,054
Realized capital gains	578	1,797	495	2,719
Other income	4,473	3,875	8,861	10,098
Total revenue	409,307	315,427	852,414	628,896
Benefits and expenses:				
Claims and other policy benefits	246,652	185,940	547,079	383,804
Interest credited	43,691	37,845	83,243	72,357
Policy acquisition costs and other insurance expenses	56,698	46,205	105,909	85,742
Other expenses	15,550	12,404	31,754	27,082
Interest expense	2,273	2,187	4,229	4,212
Total benefits and expenses	364,864	284,581	772,214	573,197
Income from continuing operations before taxes and minority interest	44,443	30,846	80,200	55,699
Income taxes	18,446	11,141	32,116	19,968
Income from continuing operations before minority interest	25,997	19,705	48,084	35,731
Minority interest	350	155	459	306
Net income from continuing operations	25,647	19,550	47,625	35,425
Discontinued operations:				
Gain (loss) from discontinued operations, net of taxes	(4,971)	(332)	(4,992)	(298)
Net income	\$ 20,676	\$ 19,218	\$ 42,633	\$ 35,127

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

(Unaudited)	Three Months Ended June 30,		Six Months Ended June 30,	
	1999	1998	1999	1998
Earnings per share from continuing operations:				
Basic earnings per share	\$ 0.57	\$ 0.49	\$ 1.05	\$ 0.91
Diluted earnings per share	\$ 0.56	\$ 0.48	\$ 1.04	\$ 0.90
Diluted earnings before realized investment gains/ (losses)	\$ 0.56	\$ 0.46	\$ 1.04	\$ 0.86
Earnings per share from net income:				
Basic earnings per share	\$ 0.46	\$ 0.48	\$ 0.94	\$ 0.90
Diluted earnings per share	\$ 0.45	\$ 0.48	\$ 0.93	\$ 0.89

Weighted average number of common and common equivalent shares outstanding (in thousands)	45,861	40,400	45,874	39,316
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**REINSURANCE GROUP OF AMERICA, INCORPORATED AND SUBSIDIARIES**  
Condensed Consolidated Business Summary

(Unaudited)	At or For the Six Months Ended June 30, 1999	1998
Gross life reinsurance in force (in billions)		
North American business	\$ 336.6	\$ 244.8
International business	54.0	29.1
Gross life reinsurance written (in billions)		
North American business	56.4	57.9
International business	14.5	1.6
Consolidated cash and invested assets (in millions)	5,309.7	4,393.3
Invested asset yield	6.70%	7.03%
Investment portfolio mix		
Cash and short-term investments	5.12%	6.60%
Fixed maturity securities	72.96%	73.26%
Mortgage loans	4.52%	4.87%
Policy loans	9.79%	10.87%
Funds withheld at interest	7.22%	3.92%
Other invested assets	0.39%	0.48%
Post-stock split:		
Book value per share outstanding	\$ 15.79	\$ 16.80
Book value per share outstanding, before impact of FAS 115	16.80	15.14
Treasury stock at June 30	1,141,944	1,213,445

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

	FOR THE SIX MONTHS ENDED JUNE 30, 1999			
		Non-traditional		
	Traditional	Asset- Intensive	Financial Reinsurance	Total U.S.
Revenues:				
Net premiums	\$489,095	\$ 843	\$ --	\$489,938
Investment income, net of related expenses	59,833	73,620	--	133,453
Realized investment gains/ (losses), net	(5,575)	(3,374)	--	(8,949)
Other revenue	5	819	6,896	7,720
Total revenues	543,358	71,908	6,896	622,162
Benefits and expenses:				
Claims and other policy benefits	375,682	730	--	376,412
Interest credited	19,460	62,639	--	82,099
Policy acquisition costs and other insurance expenses	75,147	1,968	5,063	82,178
Other operating expenses	10,878	--	6	10,884
Total benefits and				

expenses	481,167	65,337	5,069	551,573
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Income before income taxes and minority interest	\$ 62,191	\$ 6,571	\$ 1,827	\$ 70,589
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FOR THE SIX MONTHS ENDED JUNE 30, 1998

	Traditional	Non-traditional Asset- Intensive	Financial Reinsurance	Total U.S.
Revenues:				
Net premiums	\$354,537	\$ 687	\$ --	\$355,224
Investment income, net of related expenses	52,942	58,731	--	111,673
Realized investment gains/(losses), net	1,264	837	--	2,101
Other revenue	(109)	--	7,778	7,669
Total revenues	408,634	60,255	7,778	476,667
Benefits and expenses:				
Claims and other policy benefits	273,088	2,299	--	275,387
Interest credited	22,597	49,220	--	71,817
Policy acquisition costs and other insurance expenses	60,515	2,609	5,946	69,070
Other operating expenses	7,900	370	66	8,336
Total benefits and expenses	364,100	54,498	6,012	424,610
Income before income taxes and minority interest	\$ 44,534	\$ 5,757	\$ 1,766	\$ 52,057

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

	Six Months Ended June 30,	
	1999	1998
Revenues:		
Net premiums	\$ 76,873	\$ 49,354
Investment income, net of related expenses	23,972	12,476
Realized investment gains/(losses), net	6,253	617
Other revenue	(62)	370
Total revenues	107,036	62,817
Benefits and expenses:		
Claims and other policy benefits	75,818	44,331
Interest credited	905	461
Policy acquisition costs and other insurance expenses	9,719	5,494
Other operating expenses	3,426	3,400
Total benefits and expenses	89,868	53,686
Income before income taxes and minority interest	\$ 17,168	\$ 9,131

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

For the Six Months Ended  
June 30, 1999

	LATIN AMERICA		ASIA	OTHER	Total
	Direct	Rein- surance	PACIFIC	MARKETS	Inter- national
Revenues:					
Net premiums	\$22,267	\$37,974	\$32,321	\$11,150	\$103,712
Investment income, net of related expenses	6,674	1,235	1,356	528	9,793
Realized investment gains / (losses), net	12	268	(33)	120	367
Other revenue	78	0	386	612	1,076
Total revenues	29,031	39,477	34,030	12,410	114,948
Benefits and expenses:					
Claims and other policy benefits	23,128	35,128	27,164	9,429	94,849
Interest credited	240	--	--	--	240
Policy acquisition costs and other insurance expenses	2,074	658	10,444	835	14,011
Other operating expenses	3,206	2,177	3,960	3,378	12,721
Interest expense	--	--	232	1	233
Total benefits and expenses	28,648	37,963	41,800	13,643	122,054
Income before income taxes and minority interest	\$ 383	\$ 1,514	\$ (7,770)	\$ (1,233)	\$ (7,106)

For the Six Months Ended  
June 30, 1998

	LATIN AMERICA		ASIA	OTHER	Total
	Direct	Rein- surance	PACIFIC	MARKETS	Inter- national
Revenues:					
Net premiums	\$25,574	\$25,423	\$23,406	\$ 2,044	\$ 76,447
Investment income, net of related expenses	3,846	1,790	1,152	178	6,966
Realized investment gains/ (losses), net	--	--	1	--	1
Other revenue	(48)	--	2,127	(20)	2,059
Total revenues	29,372	27,213	26,686	2,202	85,473
Benefits and expenses:					
Claims and other policy benefits	23,523	23,918	15,156	1,489	64,086
Interest credited	79	--	--	--	79
Policy acquisition costs and other insurance expenses	1,987	958	7,627	606	11,178
Other operating expenses	3,350	1,863	3,529	2,515	11,257
Interest expense	--	--	221	--	221
Total benefits and expenses	28,939	26,739	26,533	4,610	86,821
Income before income taxes and minority interest	\$ 433	\$ 474	\$ 153	\$ (2,408)	\$ (1,348)