



## Reinsurance Group of America Reports 26 Percent Increase in Third-Quarter Operating Earnings Per Share From Continuing Operations

October 28, 1999

Premiums Up 32 Percent

ST. LOUIS, Oct. 28 /PRNewswire/ -- Reinsurance Group of America, Incorporated (NYSE: RGA) reported a 26 percent increase in third-quarter operating earnings per diluted share from continuing operations to \$0.58 from \$0.46 in the prior year. Operating earnings from continuing operations totaled \$26.5 million, a 25 percent increase over the prior year's \$21.2 million. The company reported a net loss of \$17.1 million, or \$0.38 per share, including capital gains and losses and discontinued operations versus net income of \$20.7 million, or \$0.45 per share, the year before. The loss included net capital losses incurred in connection with the liquidation of assets and related recapture of funding agreement business from RGA by General American Life Insurance Company. All remaining funding agreement business was recaptured by General American during the quarter.

Net premiums increased 32 percent to \$295.1 million from \$224.3 million the year before. Net investment income rose 29 percent to \$91.7 million.

"We have just completed an eventful third quarter, and are quite pleased with our operating results and overall business levels," commented A. Greig Woodring, president and chief executive officer. "As has been previously reported, the liquidity problems that affected our parent company, General American Life Insurance Company, led to an agreement by Metropolitan Life Insurance Company to acquire General American, including its investment in RGA. That transaction, which is expected to close before year-end, is subject to various legal and regulatory approvals."

Woodring continued, "We have been gratified by the extent to which our clients have shown confidence in us. Looking forward, we feel the affiliation with MetLife will prove to be an extremely positive development for RGA. As we recently announced, MetLife has agreed in principle to a \$125 million private placement of RGA common stock in a transaction expected to close shortly. This type of support should ensure that RGA has the resources to independently continue growing its operations."

Woodring concluded, "The third quarter operating results reflect a continuation of the growth RGA has exhibited for several years now. Almost all segments reported increases in premium levels, and we continue to be encouraged by business levels. In particular, premiums were up 29 percent in the U.S. operating segment, and up 66 percent in the Canada operating segment. These increases result in part from some of the large, in-force portfolios of reinsurance added over the last several years. Mortality results were positive for the quarter, and we continue to see a number of opportunities in our various markets."

For the first nine months of 1999, operating earnings from continuing operations totaled \$74.3 million, an increase of 35 percent over the \$54.9 million reported in the prior year. On a per share basis, operating earnings from continuing operations totaled \$1.62, up 23 percent from \$1.32 a year ago. Net income for the first nine months, including capital gains and losses and discontinued operations, declined 54 percent to \$25.5 million, or \$0.56 per share, from \$55.8 million, or \$1.35 per share. Premiums were up 37 percent, to \$965.6 million from \$705.4 million the prior year. Investment income totaled \$264.2 million, up 28 percent from the prior year.

The board of directors declared a regular quarterly dividend of \$0.06 per share, payable November 24 to shareholders of record November 3.

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 over \$400 billion of life reinsurance in force, and assets of \$5.2 billion. General American Life Insurance Company owns approximately 53 percent of RGA's outstanding shares. RGA completed the conversion of its non-voting common shares to voting common shares during September. The conversion brings the total of voting common shares outstanding to approximately 45.1 million.

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)

(Unaudited)	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	1999	1998	1999	1998
Revenues:				
Net premiums	\$295,079	\$224,327	\$965,603	\$705,352
Net investment income	91,697	71,126	264,231	206,180
Realized capital gains/				
(losses), net	(62,239)	639	(61,744)	3,358
Other income	1,707	6,573	10,568	16,671
Total revenue	326,244	302,665	1,178,658	931,561

Benefits and expenses:				
Claims and other policy benefits	229,684	168,611	776,763	552,415
Interest credited	43,898	38,821	127,141	111,178
Policy acquisition costs and other insurance expenses	49,324	44,824	155,233	130,566
Other expenses	19,408	14,094	51,162	41,176
Interest expense	2,475	2,228	6,704	6,440
Total benefits and expenses	344,789	268,578	1,117,003	841,775
Income (loss) from continuing operations before taxes and minority interest				
	(18,545)	34,087	61,655	89,786
Income taxes	(4,950)	12,311	27,166	32,279
Income (loss) from continuing operations before minority interest				
	(13,595)	21,776	34,489	57,507
Minority interest	342	151	801	457
Net income/(loss) from continuing operations	(13,937)	21,625	33,688	57,050
Discontinued operations:				
(Loss) from discontinued operations, net of taxes	(3,212)	(968)	(8,204)	(1,266)
Net income/(loss)	\$(17,149)	\$ 20,657	\$ 25,484	\$ 55,784

Reinsurance Group Of America, Incorporated and Subsidiaries  
Condensed Consolidated Statements of Income  
(Dollars in thousands, except per share data)

(Unaudited)	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	1999	1998	1999	1998
Earnings/(loss) per share from continuing operations:				
Basic earnings per share	\$ (0.31)	\$ 0.48	\$ 0.74	\$ 1.39
Diluted earnings per share	\$ (0.31)	\$ 0.47	\$ 0.73	\$ 1.38
Diluted earnings before realized investment gains/(losses)				
	\$ 0.58	\$ 0.46	\$ 1.62	\$ 1.32
Earnings/(loss) per share from net income:				
Basic earnings per share	\$ (0.38)	\$ 0.46	\$ 0.56	\$ 1.36
Diluted earnings per share	\$ (0.38)	\$ 0.45	\$ 0.56	\$ 1.35
Weighted average number of common and common equivalent shares outstanding (in thousands)				
	45,311	45,788	45,854	41,474

Reinsurance Group Of America, Incorporated And Subsidiaries  
Condensed Consolidated Business Summary

At or For the

(Unaudited)	Nine Months Ended	
	September 30, 1999	1998
Gross life reinsurance in force (in billions)		
North American business	\$ 349.5	\$ 259.2
International business	64.2	34.5
Gross life reinsurance written (in billions)		
North American business	76.5	76.5
International business	18.1	4.4
Consolidated cash and invested assets (in millions)	3,870.1	4,617.0
Invested asset yield	6.87%	6.97%
Investment portfolio mix		
Cash and short-term investments	6.12%	3.82%
Fixed maturity securities	53.68%	76.84%
Mortgage loans	6.23%	4.63%
Policy loans	15.69%	10.22%
Funds withheld at interest	17.61%	4.02%
Other invested assets	0.67%	0.47%
Post-stock split:		
Book value per share outstanding	\$ 14.33	\$ 17.33
Book value per share outstanding, before impact of FAS 115	15.98	15.43
Treasury stock at September 30	1,138,595	1,208,645

Reinsurance Group Of America, Incorporated And Subsidiaries  
U.S. Operations  
(Dollars in thousands)

	Nine Months Ended September 30, 1999			
	Traditional	Non-traditional Asset- Intensive	Financial Reinsurance	Total U.S.
Revenues:				
Net premiums	\$696,220	\$ 781	\$ --	\$697,001
Investment income, net of related expenses	90,511	110,471	--	200,982
Realized investment gains/(losses), net	(14,988)	(56,439)	--	(71,427)
Other revenue	(1,521)	801	10,142	9,422
Total revenues	770,222	55,614	10,142	835,978
Benefits and expenses:				
Claims and other policy benefits	529,317	897	--	530,214
Interest credited	29,212	95,958	--	125,170
Policy acquisition costs and other insurance expenses	106,192	2,695	7,434	116,321
Other operating expenses	16,889	583	96	17,568
Total benefits and expenses	681,610	100,133	7,530	789,273
Income/(loss) before income taxes and minority interest	\$ 88,612	\$(44,519)	\$ 2,612	\$ 46,705

Reinsurance Group Of America, Incorporated And Subsidiaries  
U.S. Operations

(Dollars in thousands)

	Nine Months Ended September 30, 1998			
	Traditional	Non-traditional		Total U.S.
		Asset- Intensive	Financial Reinsurance	
Revenues:				
Net premiums	\$514,961	\$ 1,014	\$ --	\$515,975
Investment income, net of related expenses	78,296	92,286	--	170,582
Realized investment gains (losses), net	1,717	981	--	2,698
Other revenue	4	--	13,661	13,665
Total revenues	594,978	94,281	13,661	702,920
Benefits and expenses:				
Claims and other policy benefits	391,052	2,851	--	393,903
Interest credited	33,064	77,321	--	110,385
Policy acquisition costs and other insurance expenses	86,722	4,503	9,852	101,077
Other operating Expenses	11,827	555	99	12,481
Total benefits and expenses	522,665	85,230	9,951	617,846
Income before income taxes and minority interest	\$ 72,313	\$ 9,051	\$ 3,710	\$ 85,074

Reinsurance Group Of America, Incorporated And Subsidiaries  
Canadian Operations  
(Dollars in thousands)

	Nine Months Ended September 30,	
	1999	1998
Revenues:		
Net premiums	\$119,636	\$ 75,058
Investment income, net of related expenses	38,125	19,034
Realized investment gains/(losses), net	6,253	617
Other revenue	(24)	339
Total revenues	163,990	95,048
Benefits and expenses:		
Claims and other policy benefits	112,890	69,394
Interest credited	1,356	677
Policy acquisition costs and other insurance expenses	17,161	9,208
Other operating expenses	5,418	4,824
Total benefits and expenses	136,825	84,103
Income before income taxes and minority interest	\$ 27,165	\$ 10,945

Reinsurance Group Of America, Incorporated and Subsidiaries  
Other International  
(Dollars in thousands)

	Nine Months Ended September 30, 1999			
	Latin America	Asia	Other	Total
	Rein- Direct	surance Pacific	Markets	Inter- national
Revenues:				

Net premiums	\$33,882	\$44,598	\$51,188	\$19,298	\$148,966
Investment income, net of related expenses	11,471	4,260	1,612	608	17,951
Realized investment gains /(losses), net	12	268	(33)	275	522
Other revenue	104	(126)	643	420	1,041
Total revenues	45,469	49,000	53,410	20,601	168,480
Benefits and expenses:					
Claims and other policy benefits	35,096	42,645	41,242	14,676	133,659
Interest credited	239	377	--	--	616
Policy acquisition costs and other insurance expenses	2,911	1,190	14,193	3,456	21,750
Other operating expenses	5,575	2,411	5,607	5,980	19,573
Interest expense	--	--	355	1	356
Total benefits and expenses	43,821	46,623	61,397	24,113	175,954
Income/(loss) before Income taxes and minority interest	\$ 1,648	\$ 2,377	\$(7,987)	\$(3,512)	\$(7,474)

Reinsurance Group Of America, Incorporated And Subsidiaries  
Other International  
(Dollars in thousands)

	Nine Months Ended September 30, 1998				
	Latin America				Total
	Rein-	Asia	Other	Inter-	
	Direct	surance	Pacific	Markets	national
Revenues:					
Net premiums	\$35,072	\$37,035	\$37,630	\$ 4,582	\$114,319
Investment income, net of related expenses	4,675	2,685	1,715	274	9,349
Realized investment gains (losses), net	--	--	1	42	43
Other revenue	180	--	2,476	11	2,667
Total revenues	39,927	39,720	41,822	4,909	126,378
Benefits and expenses:					
Claims and other policy benefits	30,650	33,712	21,669	3,087	89,118
Interest credited	116	--	--	--	116
Policy acquisition costs and other insurance expenses	3,023	1,511	14,312	1,420	20,266
Other operating expenses	5,532	2,690	5,353	3,913	17,488
Interest expense	--	--	336	(4)	332
Total benefits and expenses	39,321	37,913	41,670	8,416	127,320
Income/(loss) before income taxes and minority interest	\$ 606	\$ 1,807	\$ 152	\$(3,507)	\$ (942)

SOURCE Reinsurance Group of America, Incorporated