



Reinsurance Group Of America Reports 13 Percent Increase In Operating Earnings Per Share For Second Quarter

July 26, 2001

ST. LOUIS--(BUSINESS WIRE)--July 26, 2001--Reinsurance Group of America, Incorporated (NYSE:RGA) reported operating earnings from continuing operations of \$0.72 per diluted share for the second quarter, up 13 percent from \$0.64 per diluted share reported in the prior year. Operating earnings from continuing operations totaled \$35.8 million for the quarter, up 12 percent from the prior-year total of \$32.0 million. Net income for the quarter, including capital gains and losses and discontinued operations, rose to \$30.5 million, or \$0.61 per diluted share, from \$18.9 million, or \$0.38 per diluted share, the year before.

Second quarter premiums increased 12 percent, to \$387.3 million from \$345.4 million in 2000. Consolidated revenues increased 11 percent, to \$465.5 million from \$419.3 million in 2000.

President and Chief Executive Officer A. Greig Woodring commented, "We are pleased with the quarter's operating results. Mortality experience during the quarter was generally as expected in all segments, as the poor mortality experience reflected in the first quarter did not recur. On a year-to-date basis, consolidated net premiums are up 17 percent, which is within our long-term range of expectations."

Woodring continued, "Our U.S. and Canada operations continued to drive our results, representing 84 percent of the premium flow in the quarter. Moreover, these segments contributed \$61.3 million in pre-tax operating income, up approximately 10 percent over the year-earlier levels, which benefited from favorable mortality. Net premiums in the U.S. segment for the quarter totaled \$280.5 million, a 12 percent increase. Net premiums in Canada declined 4 percent, primarily as a result of weakness in the Canadian dollar and the timing of reported premiums on certain blocks of business.

"RGA's international operations reported a good quarter with operating earnings of \$0.7 million versus a modest loss in the prior year. Net premiums totaled \$62.7 million during the quarter. In particular, we saw robust activity in Asia Pacific and our other international markets, primarily the UK and South Africa. Net premiums for these operations increased 62 percent from the prior year quarter. Results in our international segment continue to fluctuate from period to period due to the relatively small scale of these operations."

Woodring concluded, "Overall, the quarter was in line with our expectations. We still see strong fundamentals driving our growth, and believe the various markets in which we operate continue to present growth opportunities."

For the first half of 2001, operating earnings from continuing operations were \$59.2 million, or \$1.19 per diluted share, compared with \$58.9 million, or \$1.18 per diluted share, in the year-ago period. Net income, including discontinued operations and capital gains and losses, increased to \$52.2 million, or \$1.04 per diluted share, from \$39.3 million, or \$0.79 per diluted share, the year before. Consolidated premiums were up 17 percent, to \$791.9 million from \$674.9 million.

The company announced that its board of directors declared a regular quarterly dividend of \$0.06 per share. The dividend is payable August 28 to shareholders of record as of August 7.

A conference call to discuss the company's second quarter results will begin at 9:00 a.m. Eastern Daylight Time on Friday July 27. A live audio webcast of the conference call will be available on the company's investor relations web page at www.rgare.com. A replay of the conference call will be available on the company's website for 10 days following the conference call.

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, branch offices or representative offices in Argentina, Australia, Barbados, Hong Kong, Japan, Mexico, South Africa, Spain, Taiwan and the United Kingdom. Worldwide, the Company has approximately \$614 billion of life reinsurance in force, and assets of \$6.2 billion. Metropolitan Life Insurance Company is the beneficial owner of approximately 59 percent of RGA's outstanding shares.

Forward-Looking Statements

This news release is based on preliminary financial results, which are subject to further review and adjustment. Statements in this press release regarding the business of Reinsurance Group of America, Incorporated which are not historical facts, including, without limitation, statements and information relating to the Company's future financial performance, growth potential, increases in premiums, the effect of mortality rates and experience, claims levels, its views on the life reinsurance industry and other statements related to the Company's business are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Important factors that could cause actual results and events to differ materially from those expressed or implied by forward-looking statements including, without limitation, (1) market conditions and the timing of sales of investment securities, (2) regulatory action taken by the New York or Missouri Departments of Insurance with respect to Metropolitan Life Insurance Company ("MetLife"), General American Life Insurance Company ("General American"), or the Company or its subsidiaries, (3) changes in the credit ratings of the Company, MetLife or General American and the effect of such changes on the Company's future results of operations and financial condition, (4) material changes in mortality and claims experience, (5) competitive factors and competitors' responses to the Company's initiatives, (6) general economic conditions affecting the demand for insurance and reinsurance in the Company's current and planned markets, (7) successful execution of the Company's entry into new markets, (8) successful development and introduction of new products, (9) the stability of governments and economies in foreign markets in which we operate, (10) fluctuations in U.S. and foreign currency exchange rates, interest rates, and securities and real estate markets, (11) the success of the Company's clients, (12) changes in laws, regulations, and accounting standards applicable to the Company and its subsidiaries, and (13) other risks and uncertainties described in its Annual Report and in the Company's other filings with the Securities and Exchange Commission.

Forward-looking statements should be evaluated together with the many risks and uncertainties that affect our business, including those mentioned in this document and the cautionary statements described in the periodic reports filed by the company with the Securities and Exchange Commission. For a discussion of these risks and uncertainties, which could cause actual results to differ materially from those contained in the forward-looking statements, you are advised to consult the section named "Forward-Looking and Cautionary Statements" contained in Item 7 of the Company's Annual Report on Form 10-K for the year ended December 31, 2000 and other documents filed with the Securities and Exchange Commission, which discussions are incorporated by reference into this document.

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

(Unaudited)	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2001	2000	2001	2000
Revenues:				
Net premiums	\$387,336	\$345,400	\$791,921	\$674,943
Net investment income	76,276	82,292	160,365	156,302
Realized capital gains/ (losses), net	(7,526)	(10,892)	(9,032)	(15,524)
Other income	9,441	2,475	15,928	5,688
Total revenue	465,527	419,275	959,182	821,409
Benefits and expenses:				
Claims and other policy benefits	302,204	267,666	639,770	533,405
Interest credited	19,547	27,176	46,951	48,475
Policy acquisition costs and other insurance expenses	67,442	62,179	133,275	113,662
Other expenses	21,819	19,260	44,078	39,225
Interest expense	4,377	3,775	9,288	7,309
Total benefits and expenses	415,389	380,056	873,362	742,076
Income from continuing operations before taxes and minority interest				
	50,138	39,219	85,820	79,333
Income taxes	19,624	18,084	33,664	33,732
Income from continuing operations before minority interest				
	30,514	21,135	52,156	45,601
Minority interest	-	(275)	-	287
Net income from continuing operations	30,514	21,410	52,156	45,314
Discontinued operations:				
Loss from discontinued operations, net of taxes	-	(2,506)	-	(5,988)
Net income	\$ 30,514	\$ 18,904	\$ 52,156	\$ 39,326

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

(Unaudited)	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2001	2000	2001	2000

Earnings per share from continuing operations:

Basic earnings				
per share	\$ 0.62	\$ 0.43	\$ 1.06	\$ 0.91
Diluted earnings				
per share	\$ 0.61	\$ 0.43	\$ 1.04	\$ 0.90
Diluted earnings before				
realized investment gains/ (losses)	\$ 0.72	\$ 0.64	\$ 1.19	\$ 1.18

Earnings per share from net income:

Basic earnings				
per share	\$ 0.62	\$ 0.38	\$ 1.06	\$ 0.79
Diluted earnings				
per share	\$ 0.61	\$ 0.38	\$ 1.04	\$ 0.79

Weighted average number of common
and common equivalent
shares outstanding
(in thousands)

49,961	50,043	49,923	50,085
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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, 2001	2000
Gross life reinsurance in force (in billions)		
North American business	\$ 531.0	\$ 431.7
International business	82.5	53.0
Gross life reinsurance written (in billions)		
North American business	43.9	58.5
International business	17.1	2.6
Consolidated cash and invested assets (in millions)	4,734.9	4,429.9
Invested Asset book yield - trailing three months	7.16%	7.36%
Investment portfolio mix		
Cash and short-term investments	4.34%	4.79%
Fixed maturity securities	56.34%	56.26%
Mortgage loans	2.96%	2.90%
Policy loans	15.12%	15.08%
Funds withheld at interest	20.11%	20.45%
Other invested assets	1.13%	0.52%
Book value per share outstanding	\$ 17.98	\$ 15.80
Book value per share outstanding, before impact of FAS 115	19.20	17.79
Treasury stock	1,647,939	1,718,120

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

Six Months Ended June 30, 2001
Non-traditional

	Traditional	Asset- Intensive	Financial Reinsurance	Total U.S.
Revenues:				
Net premiums	\$ 584,866	\$ 1,388	\$ --	\$ 586,254
Investment income, net of related expenses	74,083	36,708	394	111,185
Realized investment gains/ (losses), net	(10,347)	846	--	(9,501)
Other revenue	504	1,370	12,518	14,392
Total revenues	649,106	40,312	12,912	702,330
Benefits and expenses:				
Claims and other policy benefits	463,541	3,868	--	467,409
Interest credited	25,258	20,745	--	46,003
Policy acquisition costs and other insurance expenses	83,151	8,022	5,265	96,438
Other operating expenses	13,904	283	4,164	18,351
Total benefits and expenses	585,854	32,918	9,429	628,201
Income before income taxes and minority interest	\$ 63,252	\$ 7,394	\$ 3,483	\$ 74,129

	Traditional	Non-traditional Asset- Intensive	Financial Reinsurance	Total U.S.
Revenues:				
Net premiums	\$ 496,528	\$ 1,044	\$ --	\$ 497,572
Investment income, net of related expenses	70,441	36,700	--	107,141
Realized investment gains/ (losses), net	(4,414)	(85)	--	(4,499)
Other revenue	(77)	399	3,240	3,562
Total revenues	562,478	38,058	3,240	603,776
Benefits and expenses:				
Claims and other policy benefits	383,357	742	--	384,099
Interest credited	22,905	23,064	--	45,969
Policy acquisition costs and other insurance expenses	70,315	9,799	1,961	82,075
Other operating expenses	12,442	277	37	12,756
Total benefits and expenses	489,019	33,882	1,998	524,899
Income before income taxes and minority interest	\$ 73,459	\$ 4,176	\$ 1,242	\$ 78,877

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

Six Months Ended
June 30,
2001 2000

Revenues:

Net premiums	\$ 86,714	\$ 87,173
Investment income, net of related expenses	31,297	30,284
Realized investment gains/(losses), net	8,516	(647)
Other revenue	85	127
Total revenues	126,612	116,937

Benefits and expenses:

Claims and other policy benefits	83,095	79,965
Interest credited	179	494
Policy acquisition costs and other insurance expenses	6,854	10,780
Other operating expenses	4,341	4,168
Total benefits and expenses	94,469	95,407

Income before income taxes and minority interest	\$ 32,143	\$ 21,530
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REINSURANCE GROUP OF AMERICA, INCORPORATED AND SUBSIDIARIES
OTHER INTERNATIONAL
(Dollars in thousands)

Six Months Ended June 30, 2001

	Latin America	Asia Pacific	Other Markets	Total Inter-national
Revenues:				
Net premiums	\$32,495	\$54,821	\$31,637	\$118,953
Investment income, net of related expenses	7,736	2,281	1,251	11,268
Realized investment gains/(losses), net	(2,868)	143	(30)	(2,755)
Other revenue	179	1,342	96	1,617
Total revenues	37,542	58,587	32,954	129,083

Benefits and expenses:

Claims and other policy benefits	32,121	36,763	20,382	89,266
Interest credited	769	--	--	769
Policy acquisition costs and other insurance expenses	6,106	14,877	9,000	29,983
Other operating expenses	4,221	5,168	4,888	14,277
Interest expense	--	464	290	754
Total benefits and expenses	43,217	57,272	34,560	135,049

Income before income taxes and minority interest	\$ (5,675)	\$ 1,315	\$ (1,606)	\$ (5,966)
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Six Months Ended June 30, 2000

	Latin America	Asia Pacific	Other Markets	Total Inter-national
Revenues:				
Net premiums	\$38,262	\$41,203	\$10,733	\$ 90,198
Investment income, net of related expenses	12,624	2,051	691	15,366

Realized investment gains/(losses), net	(8,918)	19	318	(8,581)
Other revenue	153	741	1,102	1,996
Total revenues	42,121	44,014	12,844	98,979
Benefits and expenses:				
Claims and other policy benefits	37,074	24,638	7,629	69,341
Interest credited	2,012	--	--	2,012
Policy acquisition costs and other insurance expenses	3,865	14,668	2,274	20,807
Other operating expenses	6,335	4,754	4,777	15,866
Interest expense	--	297	--	297
Total benefits and expenses	49,286	44,357	14,680	108,323
Income before income taxes and minority interest				
	\$(7,165)	\$ (343)	\$(1,836)	\$ (9,344)

SOURCE: Reinsurance Group of America, Incorporated

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