



Reinsurance Group of America Reports First-Quarter Results

April 25, 2002

ST. LOUIS--(BUSINESS WIRE)--April 25, 2002--Reinsurance Group of America, Incorporated (NYSE:[RGA](#) - [news](#)) reported first-quarter net income of \$27.8 million, or \$0.56 per share, compared with \$21.6 million, or \$0.43 per share the year before. Operating earnings from continuing operations totaled \$32.4 million or \$0.65 per share, and excluded \$2.6 million, after tax, in net capital losses, a \$0.7 million after-tax loss associated with the write-off of goodwill, and a \$1.3 million after-tax loss associated with the company's discontinued accident and health segment. Operating earnings from continuing operations in the prior year totaled \$23.4 million, or \$0.47 per share, and excluded \$1.8 million, after tax, in net capital losses.

First-quarter premiums increased 16 percent, to \$469.1 million from \$404.6 million in 2001. Consolidated net investment income increased 5 percent, to \$88.0 million from \$84.1 million.

President and Chief Executive Officer A. Greig Woodring commented, "We are pleased with the results for the quarter. On a consolidated basis, our results were within our expectations and momentum has been re-established after a difficult fourth quarter. Notably, consolidated net premiums increased 16 percent over the year-earlier quarter, a period in which premiums had increased 23 percent from the previous year. We view this as a solid start to the year."

Woodring continued, "For the quarter, net premiums in the U.S. increased to \$345.0 million, or 13 percent over the prior year. This growth was primarily from recurring business. Pre-tax operating income totaled \$40.7 million, up 18 percent from the prior-year quarter. The fundamentals that have driven growth in the U.S. life reinsurance market continue. Preliminary industry information indicates that total ordinary life reinsurance face amount assumed during 2001 in the U.S. increased over 20 percent from 2000.

"For the first quarter, Canada reported pre-tax operating income of \$8.9 million compared with \$11.5 million in the prior year. Net premiums increased 9 percent to \$46.5 million from \$42.6 million in the prior year, in line with expectations. Pre-tax operating income in the current quarter was slightly below our expectations; however, the decrease from the prior year is primarily a reflection of better-than-expected mortality in each of the previous two years. We expect the Canada segment will continue to exhibit year-over-year earnings growth as it has historically.

"Our operations in Asia Pacific, Europe and South Africa continue to grow and have now combined to produce an operating profit in each of the last four quarters. For the quarter, these operations reported net premiums of \$73.4 million, an increase of 74 percent from the prior-year quarter. Pre-tax operating income for the quarter was \$2.3 million with both operations contributing to the profit. We continue to see good opportunities in these markets."

Commenting on Latin America, Woodring said, "The economic and political issues in Argentina continue. Our situation there has remained relatively stable as we continue to pursue settlements of our claim obligations associated with the reinsurance of the privatized pension program. During the quarter, we did settle some claims resulting in a modest gain due to currency translation. For the quarter, the Latin America segment reported pre-tax operating income of \$1.3 million. Should current trends continue, we believe that the weakness of the Argentine peso relative to the U.S. dollar could provide us with some advantage as we continue to pursue claim settlements."

Turning to other corporate matters, Woodring said, "In January, we announced that our board of directors authorized the company to purchase up to \$50 million of RGA stock, as conditions warrant. During the first quarter, we purchased 225,500 shares of stock at an average price of \$29.24. We will continue to evaluate additional purchases."

Woodring concluded, "We are pleased to be off to a good start in 2002. We look forward to continued growth and success throughout the remainder of 2002."

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

A conference call to discuss the company's first quarter results will begin at 9:00 a.m. Eastern Time on Friday, April 26. Interested parties may access the call by dialing 800/967-7140 (domestic) or 719/457-2629 (international). The access code is 775753. A live audio Webcast of the conference call will be available on the company's website 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 or branch offices in Argentina, Australia, Barbados, Bermuda, Spain, Mexico, Hong Kong, Japan, Taiwan, South Africa and the United Kingdom. Worldwide, the Company has approximately \$652 billion of life reinsurance in force, and assets of \$7.2 billion. MetLife is the beneficial owner of approximately 59 percent of RGA's outstanding shares.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including, among others, statements relating to projections of the earnings, revenues, income or loss, future financial performance and growth potential of Reinsurance Group of America, Incorporated and its subsidiaries (which we refer to in the following paragraphs as "we," "us" or "our"). The words "intend," "expect," "project," "estimate," "predict," "anticipate," "should," "believe," and other similar expressions also are intended to identify forward-looking statements. Forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified. Future events and actual results, performance and achievements could differ materially from those set forth in, contemplated by or underlying the forward-looking statements.

Numerous important factors could cause actual results and events to differ materially from those expressed or implied by forward-looking statements including, without limitation, (1) material changes in mortality and claims experience, (2) market or economic conditions that adversely affect our ability to make timely sales of investment securities, (3) competitive factors and competitors' responses to our initiatives, (4) general economic conditions affecting the demand for insurance and reinsurance in our current and planned markets, (5) changes in our financial strength and credit ratings or those of Metropolitan Life Insurance Company ("MetLife"), General American Life Insurance Company ("General American"), and their respective affiliates, and the effect of such changes on our future results of operations and financial condition, (6) fluctuations in U.S. or foreign currency exchange rates, interest rates, or securities and real estate markets, (7) changes in investment portfolio yields due to interest rate or credit quality changes, (8) the stability of governments and economies in the markets in which we operate, (9) adverse litigation or arbitration results, (10) the success of our clients, (11) successful execution of our entry into new markets, (12) successful development and introduction of new products, (13) regulatory action that may be taken by state Departments of Insurance with respect to us, MetLife, or General American, (14) changes in laws, regulations, and accounting standards applicable to us, our subsidiaries, or our business, and (15) other risks and uncertainties described in this document and in our 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 described in the periodic reports we file with the Securities and Exchange Commission. You are cautioned not to place undue reliance on the forward-looking statements, which speak only as of the date on which they are made. We do not undertake any obligations to update these forward-looking statements, even though our situation may change in the future. We qualify all of our forward-looking statements by these cautionary statements.

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

(Unaudited)	Three Months Ended March 31, 2002	2001
Revenues:		
Net premiums	\$469,105	\$404,585
Investment income, net of related expenses	88,013	84,089
Realized capital losses, net	(3,591)	(1,506)
Other revenues	6,685	6,487
Total revenues	560,212	493,655
Benefits and expenses:		
Claims and other policy benefits	387,726	337,566
Interest credited	27,725	27,404
Policy acquisition costs and other insurance expenses	71,499	65,833
Other operating expenses	19,517	22,259
Interest expense	8,554	4,911
Total benefits and expenses	515,021	457,973
Income from continuing operations before income taxes	45,191	35,682
Income taxes	16,155	14,040
Income from continuing operations	29,036	21,642
Discontinued operations:		
Loss from discontinued accident and health operations, net of income taxes	(1,256)	---
Net income	\$ 27,780	\$ 21,642

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

(Unaudited)	Three Months Ended March 31, 2002	2001
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Earnings per share from continuing operations:

Basic earnings per share	\$ 0.59	\$ 0.44
Diluted earnings per share	\$ 0.58	\$ 0.43

Diluted earnings before realized
investment gains/(losses) and
goodwill write-off in 2002

\$ 0.65	\$ 0.47
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Earnings per share from net income:

Basic earnings per share	\$ 0.56	\$ 0.44
Diluted earnings per share	\$ 0.56	\$ 0.43

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

49,750	49,886
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REINSURANCE GROUP OF AMERICA, INCORPORATED AND SUBSIDIARIES
Condensed Consolidated Business Summary

(Unaudited)	At or For the Three Months Ended March 31,	
	2002	2001
Gross life reinsurance in force (in billions)		
North American business	\$ 559.7	\$ 507.3
International business	92.2	78.4
Gross life reinsurance written (in billions)		
North American business	38.6	19.4
International business	3.4	2.2
Consolidated cash and invested assets (in millions)	5,557.9	4,665.0
Invested asset book yield - trailing three months excluding funds withheld	6.64%	7.25%
Investment portfolio mix		
Cash and short-term investments	2.38%	3.25%
Fixed maturity securities	53.60%	57.94%
Mortgage loans	3.11%	2.77%
Policy loans	13.94%	15.16%
Funds withheld at interest	25.03%	20.37%
Other invested assets	1.94%	0.51%
Book value per share outstanding	\$ 20.17	\$ 17.83
Book value per share outstanding, before impact of FAS 115	21.10	18.46
Treasury stock	1,751,230	1,662,082

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

Three Months Ended March 31, 2002				
	Traditional	Asset- Intensive	Financial Reinsurance	Total U.S.
Revenues:				
Net premiums	\$344,142	\$ 868	\$ --	\$ 345,010
Investment income, Net of related				

expenses	36,826	23,718	103	60,647
Realized investment (losses)/gains, net	(2,027)	564	--	(1,463)
Other revenues	101	261	6,151	6,513
Total revenues	379,042	25,411	6,254	410,707
Benefits and expenses:				
Claims and other policy benefits	286,003	6,001	--	292,004
Interest credited	13,780	13,693	--	27,473
Policy acquisition costs and other insurance expenses	40,802	1,845	1,900	44,547
Other operating expenses	5,778	200	1,932	7,910
Total benefits and expenses	346,363	21,739	3,832	371,934
Income before income taxes	\$ 32,679	\$ 3,672	\$ 2,422	\$ 38,773

Three Months Ended March 31, 2001				
	Traditional	Asset-Intensive	Financial Reinsurance	Total U.S.
Revenues:				
Net premiums	\$305,489	\$ 298	\$ --	\$ 305,787
Investment income, net of related expenses	36,701	23,159	199	60,059
Realized investment (losses)/gains, net	(4,568)	234	--	(4,334)
Other revenues	118	(718)	6,216	5,616
Total revenues	337,740	22,973	6,415	367,128
Benefits and expenses:				
Claims and other policy benefits	249,430	3,081	--	252,511
Interest credited	12,616	14,388	--	27,004
Policy acquisition costs and other insurance expenses	42,496	3,102	2,854	48,452
Other operating expenses	6,692	129	2,068	8,889
Total benefits and expenses	311,234	20,700	4,922	336,856
Income before income taxes	\$ 26,506	\$ 2,273	\$ 1,493	\$ 30,272

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

Three Months Ended March 31,		
	2002	2001
Revenues:		
Net premiums	\$ 46,533	\$ 42,566
Investment income, net of related expenses	15,605	15,646
Realized investment (losses)/gains, net	(81)	5,614
Other revenues	(29)	247
Total revenues	62,028	64,073

Benefits and expenses:		
Claims and other policy benefits	45,723	41,207
Interest credited	--	107
Policy acquisition costs and other insurance expenses	5,217	3,486
Other operating expenses	2,243	2,124
Total benefits and expenses	53,183	46,924
Income before income taxes	\$ 8,845	\$ 17,149

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

	Three Months Ended March 31, 2002			
	Latin America	Asia Pacific	Europe & South Africa	Total Inter-national
Revenues:				
Net premiums	\$ 4,197	\$33,152	\$40,213	\$77,562
Investment income, net of related expenses	2,557	1,369	231	4,157
Realized investment losses, net	(155)	(50)	(295)	(500)
Other revenues	25	696	6	727
Total revenues	6,624	35,167	40,155	81,946
Benefits and expenses:				
Claims and other policy benefits	2,241	22,568	25,190	49,999
Interest credited	252	--	--	252
Policy acquisition costs and other insurance expenses	1,555	8,224	11,948	21,727
Other operating expenses	2,154	2,731	2,487	7,372
Interest expense	--	173	78	251
Total benefits and expenses	6,202	33,696	39,703	79,601
Income before income taxes	\$ 422	\$ 1,471	\$ 452	\$ 2,345

	Three Months Ended March 31, 2001			
	Latin America	Asia Pacific	Europe & South Africa	Total Inter-national
Revenues:				
Net premiums	\$14,098	\$28,887	\$13,247	\$ 56,232
Investment income, net of related expenses	2,879	1,035	655	4,569
Realized investment (losses) / gains, net	(388)	85	(36)	(339)
Other revenues	91	725	(4)	812
Total revenues	16,680	30,732	13,862	61,274
Benefits and expenses:				
Claims and other policy benefits	14,336	19,502	10,010	43,848
Interest credited	293	--	--	293
Policy acquisition costs and other insurance expenses	2,274	8,312	3,309	13,895
Other operating expenses	2,126	2,858	2,480	7,464
Interest expense	--	270	145	415
Total benefits and expenses	19,029	30,942	15,944	65,915

Loss before income taxes \$(2,349) \$ (210) \$(2,082)\$ (4,641)

SOURCE: Reinsurance Group of America, Incorporated

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