



Reinsurance Group Of America Reports Second-Quarter Results

July 25, 2002

ST. LOUIS, Jul 25, 2002 (BUSINESS WIRE) -- Reinsurance Group of America, Incorporated (NYSE:RGA) reported second-quarter net income of \$28.1 million, or \$0.56 per diluted share, compared with \$30.5 million, or \$0.61 per diluted share the year before. Operating earnings from continuing operations totaled \$33.9 million or \$0.68 per diluted share, and excluded \$4.9 million, after tax, in net capital losses and related deferred acquisition costs and \$0.9 million after-tax loss associated with the company's discontinued accident and health segment. Operating earnings from continuing operations in the prior year totaled \$35.8 million, or \$0.72 per diluted share, and excluded \$5.3 million, after tax, in net capital losses and related deferred acquisition costs.

Second-quarter premiums increased 20 percent, to \$465.3 million from \$387.3 million in 2001. Consolidated net investment income increased 18 percent, to \$90.3 million from \$76.3 million.

President and Chief Executive Officer A. Greig Woodring commented, "We are pleased with the results for the quarter, which are within our expectations. The prior-year quarter was very strong, in terms of operating income, so comparison to that quarter is difficult. We continue to see very good top-line growth as demonstrated by the increase in net premiums during the quarter. The markets upon which we focus continue to provide growth opportunities."

Woodring continued, "For the quarter, net premiums in the U.S. segment increased to \$335.0 million, or 19 percent over the prior year. This growth was primarily from recurring business. Pre-tax operating income totaled \$43.2 million. Mortality experience across the segment was in line with our expectations. The environment remains competitive and consolidation continues. We anticipate more of the same for the remainder of the year.

"For the second quarter, Canada reported pre-tax operating income of \$10.0 million compared with \$12.1 million in the prior year. Net premiums were flat. Pre-tax operating income was slightly below our expectations, primarily due to poor experience on one treaty.

"Our operations in Asia Pacific, Europe and South Africa continue to grow at a healthy pace. For the quarter, these operations reported net premiums of \$83.8 million, an increase of 89 percent from the prior-year quarter. We experienced particularly strong premium growth in the UK market, where we have several large treaties in place. Pre-tax operating income for these operations for the quarter was \$2.9 million compared with \$1.9 million in the prior-year quarter. We continue to see a number of opportunities in these markets and are pleased to officially announce the opening of RGA's Seoul, South Korea office during the quarter. This office will strengthen RGA's relationships with local insurance companies by offering a variety of life reinsurance services."

Commenting on Latin America, Woodring said, "Our situation in Argentina has remained relatively stable as we run-off our operations there. For the quarter, the Latin America operations reported pre-tax operating income of \$0.4 million on \$2.3 million of premium."

Turning to other corporate matters, Woodring said, "The \$50 million stock repurchase program we announced in January remains in effect, although we did not purchase any shares during the quarter. Year-to-date, we have 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 with the first-half results. We look forward to continued growth and success in the second half of 2002."

For the first half of 2002, net income totaled \$55.8 million, or \$1.12 per diluted share, compared with \$52.2 million, or \$1.04 per diluted share, in the year-ago period. Operating income, excluding \$2.2 million in after-tax losses associated with discontinued operations, \$7.6 million, after-tax, in net capital losses and related deferred acquisition costs and \$0.7 million, after-tax, of goodwill write-off in 2002, increased to \$66.3 million, or \$1.33 per diluted share, from \$59.2 million, or \$1.19 per diluted share, the year before. Prior year operating earnings exclude \$7.0 million, after-tax, in net capital losses and related deferred acquisition costs. Consolidated premiums were up 18 percent, to \$934.4 million from \$791.9 million.

The company announced that its board of directors declared a regular quarterly dividend of \$0.06 per share, payable August 27 to shareholders of record as of August 6.

A conference call to discuss the company's second quarter results will begin at 9:00 a.m. Eastern Time on Friday, July 26. Interested parties may access the call by dialing 800-967-7140 (domestic) or 719-457-2629 (international). The access code is 733065. 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. A replay of the conference call will also be available via telephone through August 2 at 888-203-1112, access code 733065.

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, Spain, Mexico, Hong Kong, Japan, Korea, Taiwan, South Africa and the United Kingdom. Worldwide, the company has approximately \$674 billion of life reinsurance in force, and assets of \$7.5 billion. MetLife, Inc. 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, except per share data)

(Unaudited)	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2002	2001	2002	2001
Revenues:				
Net premiums	\$465,258	\$387,336	\$934,363	\$791,921
Investment income, net of related expenses	90,267	76,276	178,280	160,365
Realized investment losses, net	(8,426)	(7,526)	(12,017)	(9,032)
Other income	10,210	9,441	16,895	15,928
Total revenues	557,309	465,527	1,117,521	959,182
Benefits and expenses:				
Claims and other policy benefits	366,770	302,204	754,496	639,770
Interest credited	29,896	19,547	57,621	46,951
Policy acquisition costs and other insurance expenses	84,804	67,442	156,303	133,275
Other operating expenses	21,859	21,819	41,376	44,078
Interest expense	8,915	4,377	17,469	9,288
Total benefits and expenses	512,244	415,389	1,027,265	873,362
Income from continuing operations before income taxes	45,065	50,138	90,256	85,820
Provision for income taxes	16,141	19,624	32,296	33,664
Income from continuing operations	28,924	30,514	57,960	52,156
Discontinued operations:				
Loss from discontinued accident and health operations, net of income taxes	(873)	-	(2,129)	-
Net income	\$ 28,051	\$ 30,514	\$ 55,831	\$ 52,156

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Condensed Consolidated Statements of Income
(Dollars in thousands, except per share data)

(Unaudited)	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2002	2001	2002	2001

Earnings per share from continuing operations:

Basic earnings per share	\$ 0.59	\$ 0.62	\$ 1.17	\$ 1.06
Diluted earnings per share	\$ 0.58	\$ 0.61	\$ 1.17	\$ 1.04
Diluted earnings before realized investment gains/(losses) and related deferred acquisition costs and goodwill writeoff				
	\$ 0.68	\$ 0.72	\$ 1.33	\$ 1.19

Earnings per share from net income:

Basic earnings per share	\$ 0.57	\$ 0.62	\$ 1.13	\$ 1.06
Diluted earnings per share	\$ 0.56	\$ 0.61	\$ 1.12	\$ 1.04

Weighted average number of common and common equivalent shares

outstanding (in thousands)	49,669	49,961	49,703	49,923
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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,	
	2002	2001
Gross life reinsurance in force (in billions)		
North American business	\$ 563.8	\$ 531.0
International business	110.4	82.5
Gross life reinsurance written (in billions)		
North American business	78.7	43.9
International business	29.0	17.1
Consolidated cash and invested assets (in millions)	5,713.0	4,734.9
Invest Asset book yield - trailing three months excluding funds withheld	6.68%	7.16%
Investment portfolio mix		
Cash and short-term investments	3.38%	4.34%
Fixed maturity securities	54.35%	56.34%
Mortgage loans	3.33%	2.96%
Policy loans	13.65%	15.12%
Funds withheld at interest	23.27%	20.11%
Other invested assets	2.02%	1.13%
Book value per share outstanding	\$ 22.04	\$ 17.98
Book value per share outstanding, before impact of FAS 115	21.90	19.20
Treasury stock	1,743,556	1,647,939

REINSURANCE GROUP OF AMERICA, INCORPORATED AND SUBSIDIARIES

U.S. OPERATIONS

(Dollars in thousands)

Six Months Ended June 30, 2002

	Non-traditional			
	Traditional	Asset- Intensive	Financial Reinsurance	Total U.S.
Revenues:				
Net premiums	\$ 678,018	\$ 1,993	\$ --	\$ 680,011
Investment income, net of related expenses	75,963	46,448	127	122,538
Realized investment gains/(losses), net	(2,984)	(3,960)	--	(6,944)
Other revenues	780	3,169	11,855	15,804
Total revenues	751,777	47,650	11,982	811,409
Benefits and expenses:				
Claims and other policy benefits	550,573	7,716	--	558,289
Interest credited	27,639	28,811	--	56,450
Policy acquisition costs and other insurance expenses	92,168	6,429	3,838	102,435
Other operating expenses	11,955	386	4,392	16,733

Total benefits and expenses	682,335	43,342	8,230	733,907
Income before income taxes	\$ 69,442	\$ 4,308	\$ 3,752	\$ 77,502

Six Months Ended June 30, 2001

	Non-traditional			Total
	Traditional	Asset-Intensive	Financial Reinsurance	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 revenues	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	\$ 63,252	\$ 7,394	\$ 3,483	\$ 74,129

REINSURANCE GROUP OF AMERICA, INCORPORATED AND SUBSIDIARIES

CANADIAN OPERATIONS

(Dollars in thousands)

Six Months Ended
June 30,
2002 2001

Revenues:		
Net premiums	\$ 90,677	\$ 86,714
Investment income, net of related expenses	33,381	31,297
Realized investment gains/(losses), net	(186)	8,516
Other revenues	(78)	85
Total revenues	123,794	126,612
Benefits and expenses:		
Claims and other policy benefits	90,826	83,095
Interest credited	388	179
Policy acquisition costs and other insurance expenses	9,262	6,854
Other operating expenses	4,568	4,341
Total benefits and expenses	105,044	94,469
Income before income taxes	\$ 18,750	\$ 32,143

REINSURANCE GROUP OF AMERICA, INCORPORATED AND SUBSIDIARIES

OTHER INTERNATIONAL

(Dollars in thousands)

Six Months Ended June 30, 2002

	Latin America	Asia Pacific	Europe & South Africa	Total Inter-national
Revenues:				
Net premiums	\$ 6,528	\$64,992	\$92,155	\$163,675
Investment income, net of related expenses	3,902	3,154	248	7,304
Realized investment gains / (losses), net	(259)	(173)	(296)	(728)
Other revenues	94	1,275	336	1,705

Total revenues	10,265	69,248	92,443	171,956
Benefits and expenses:				
Claims and other policy benefits	3,025	44,160	58,196	105,381
Interest credited	783	--	--	783
Policy acquisition costs and other insurance expenses	2,310	14,016	28,280	44,606
Other operating expenses	3,418	6,277	5,349	15,044
Interest expense	--	388	351	739
Total benefits and expenses	9,536	64,841	92,176	166,553
Income before income taxes	\$ 729	\$ 4,407	\$ 267	\$ 5,403

Six Months Ended June 30, 2001

	Latin America	Asia Pacific	Europe & South Africa	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 revenues	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	\$(5,675)	\$ 1,315	\$(1,606)	\$ (5,966)

SOURCE: Reinsurance Group of America, Incorporated

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