



Reinsurance Group of America Reports First-Quarter Results; Adverse Effect of High Claims

April 17, 2008

ST. LOUIS--(BUSINESS WIRE)--April 17, 2008--Reinsurance Group of America, Incorporated (NYSE:RGA), a leading global provider of life reinsurance, reported net income for the first quarter of \$31.5 million, or \$0.49 per diluted share, compared to \$76.3 million, or \$1.19 per diluted share, in the prior-year quarter. RGA uses a non-GAAP financial measure called operating income as a basis for analyzing financial results. The definition of operating income and reconciliations to GAAP net income are provided in the following tables. Operating income decreased to \$71.0 million, or \$1.10 per diluted share, from \$82.1 million, or \$1.28 per diluted share in the year-ago quarter, primarily reflecting adverse claims experience in the U.S. and UK. First-quarter net premiums rose 15 percent, to \$1,298.1 million, from \$1,125.5 million a year ago. Net investment income totaled \$199.5 million versus \$215.7 million the year before.

The company's conference call, previously scheduled for April 22, will be held tomorrow, April 18, at 9 a.m. Eastern Time. Telephone numbers and webcast information can be found later in this press release.

A. Greig Woodring, president and chief executive officer, commented, "The level of claims in both the U.S. and UK, our two largest mortality markets, was well above expectations, and as such, is not expected to continue on an ongoing basis. As we have pointed out in the past, our business is prone to periodic mortality fluctuations; however, when measured over longer periods of time, our mortality experience is stable.

"The U.S. segment reported pre-tax net income totaling \$15.3 million for the quarter versus \$93.2 million the year before. The current quarter includes a \$44.9 million pre-tax loss, net of deferred acquisition costs (DAC), due to a decline in the value of various embedded derivatives, including \$32.6 million associated with modified coinsurance and funds withheld treaty structures. The change in value of this embedded derivative is reflected in investment related gains (losses) before DAC offset and represents a non-cash, unrealized change due primarily to the impact of widening credit spreads on the investment portfolios underlying certain of our funds withheld annuity reinsurance treaties. Additionally, the impact of changes in risk free rates used in the present value calculations of embedded derivatives associated with equity-indexed annuity treaties resulted in a \$14.1 million loss after DAC offset. We consider these items to be non-operating since they are unrealized and do not affect current cash flows, crediting rates or spread performance on the underlying treaties.

"Pre-tax operating income decreased to \$64.4 million from \$93.5 million the year before. The total claim count and the level of large claims in our traditional mortality segment were higher than expected by approximately \$50.0 million, pretax. We have performed an extensive review of the claims and the mix of claims is consistent with prior periods, implying no obvious change in the expected ongoing performance of the underlying business. Rather, we view the results as random volatility that is an expected part of our business. Net premiums were up 8 percent to \$727.1 million from \$671.0 million in the prior-year quarter.

"Europe and South Africa results were adversely affected by poor claims experience in the UK and South Africa, with pre-tax net income decreasing to \$6.0 million from \$21.1 million a year ago. Pre-tax operating income decreased to \$5.3 million versus \$21.3 million last year, when we experienced favorable mortality. This represents a continuation of some degree of adverse mortality that began in the second half of 2007, effectively offsetting the positive mortality experience from the first half of 2007. On an inception-to-date basis, the business in this segment continues to perform within our pricing expectations. Net premiums increased 13 percent to \$189.2 million. Foreign currency exchange fluctuations favorably affected reported net premiums and pre-tax operating income by approximately \$4.2 million and \$0.7 million, respectively, due to relatively strong British pound and euro currencies.

"Our Canada operations reported a strong quarter, with pre-tax net income of \$23.7 million compared to \$15.0 million a year ago. Pre-tax operating income more than doubled to \$28.2 million from \$12.5 million a year ago, due in part to favorable claims experience. Net premiums increased 40 percent to \$139.0 million from \$99.5 million in the prior year. Net premiums and pre-tax operating income for the first quarter of 2008 were favorably affected by currency exchange rates relative to the prior year by approximately \$19.8 million and \$4.7 million, respectively, as the Canadian dollar has strengthened significantly since last-year's first quarter.

"Asia Pacific also reported a strong quarter with pre-tax net income of \$18.6 million compared with \$10.3 million in the year-ago quarter. Pre-tax operating income totaled \$18.0 million compared with \$10.4 million a year ago. Segment-wide claims experience was slightly favorable. Net premium flow increased 29 percent, to \$240.9 million from \$186.8 million. Foreign currency fluctuations favorably affected net premiums and pre-tax operating income by approximately \$22.4 million and \$2.1 million, respectively, primarily due to the strength of the Australian dollar and Japanese yen.

"Our balance sheet remains solid and our investment portfolio is conservative. Investment-related writedowns were not significant during the quarter at \$5.2 million, pretax. Our subprime mortgage exposure totaled \$255.4 million in book value, or less than 2 percent of total invested assets. 77 percent of those subprime-related holdings are rated "AA" or higher, with 43 percent in the "AAA" category. There are no subprime-related securities in the non-investment grade category and we largely avoided investing in securities originated in the second half of 2005 and beyond, which we believe was a period of lessened underwriting quality.

"Net income for the quarter included \$5.1 million in losses associated with our discontinued accident and health business. We settled the remaining largest disputed claim situation during the quarter and are now facing no arbitrations or significant claims disputes for the first time in years.

"Our international expansion is moving forward as planned and we are benefiting from increased diversification of our business. During the quarter, new business production outside of the U.S. exceeded the U.S. production, an indication of that continued diversification."

Woodring concluded, "While we are disappointed with the poor mortality results this quarter, prior to this quarter we had experienced 10 consecutive quarters of expected or better-than-expected mortality experience on a consolidated basis. We are in a long-term business and when measured over longer periods of time, mortality volatility is significantly reduced and mortality rates are predictable. We expect to continue our long-term track record of producing stable returns on our mortality business."

The company also announced that its board of directors declared a regular quarterly dividend of \$0.09, payable May 27 to shareholders of record as of May 5.

A conference call to discuss the company's first-quarter results will begin at 9 a.m. Eastern Time on Friday, April 18. Interested parties may access the call by dialing 877-718-5092 (domestic) or 719-325-4760 (international). The access code is 3503284. 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 at the same address for three months following the conference call. A replay of the conference call will also be available via telephone through April 29 at 888-203-1112 (domestic) or 719-457-0820, access code 3503284.

Reinsurance Group of America, Incorporated, through its various operating subsidiaries, is among the largest global providers of life reinsurance. Reinsurance Group of America, Incorporated has subsidiary companies or offices in Australia, Barbados, Bermuda, Canada, China, Germany, Hong Kong, India, Ireland, Japan, Mexico, Poland, South Africa, South Korea, Spain, Taiwan, the United Kingdom and the United States. Worldwide, the company has approximately \$2.2 trillion of life reinsurance in force, and assets of \$21.8 billion. MetLife, Inc. is the beneficial owner of approximately 52 percent of RGA's outstanding shares.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This 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) adverse changes in mortality, morbidity, lapsation or claims experience, (2) changes in our financial strength and credit ratings or those of MetLife, Inc. ("MetLife"), the beneficial owner of a majority of our common shares, or its subsidiaries, and the effect of such changes on our future results of operations and financial condition, (3) inadequate risk analysis and underwriting, (4) general economic conditions or a prolonged economic downturn affecting the demand for insurance and reinsurance in our current and planned markets, (5) the availability and cost of collateral necessary for regulatory reserves and capital, (6) market or economic conditions that adversely affect our ability to make timely sales of investment securities, (7) risks inherent in our risk management and investment strategy, including changes in investment portfolio yields due to interest rate or credit quality changes, (8) fluctuations in U.S. or foreign currency exchange rates, interest rates, or securities and real estate markets, (9) adverse litigation or arbitration results, (10) the adequacy of reserves, resources and accurate information relating to settlements, awards and terminated and discontinued lines of business, (11) the stability of and actions by governments and economies in the markets in which we operate, (12) competitive factors and competitors' responses to our initiatives, (13) the success of our clients, (14) successful execution of our entry into new markets, (15) successful development and introduction of new products and distribution opportunities, (16) our ability to successfully integrate and operate reinsurance business that we acquire, (17) regulatory action that may be taken by state Departments of Insurance with respect to us, MetLife, or its subsidiaries, (18) our dependence on third parties, including those insurance companies and reinsurers to which we cede some reinsurance, third-party investment managers and others, (19) the threat of natural disasters, catastrophes, terrorist attacks, epidemics or pandemics anywhere in the world where we or our clients do business, (20) changes in laws, regulations, and accounting standards applicable to us, our subsidiaries, or our business, (21) the effect of our status as an insurance holding company and regulatory restrictions on our ability to pay principal of and interest on our debt obligations, and (22) 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. These forward-looking statements 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.

Operating Income

RGA uses a non-GAAP financial measure called operating income as a basis for analyzing financial results. This measure also serves as a basis for establishing target levels and awards under RGA's management incentive programs. Management believes that operating income, on a pre-tax and after-tax basis, better measures the ongoing profitability and underlying trends of the company's continuing operations, primarily because that measure excludes the effect of net investment related gains and losses, as well as changes in the fair value of certain embedded derivatives and related deferred acquisition costs. These items tend to be highly variable, primarily due to the credit market and interest rate environment and are not necessarily indicative of the performance of the company's underlying businesses. Additionally, operating income excludes any net gain or loss from discontinued operations and the cumulative effect of any accounting changes, which management believes are not indicative of the company's ongoing operations. The definition of operating income can vary by company and is not considered a substitute for GAAP net income.

REINSURANCE GROUP OF AMERICA, INCORPORATED AND SUBSIDIARIES
Reconciliation of Net Income From Continuing Operations
to Operating Income
(Dollars in thousands)

(Unaudited)

Three Months Ended
March 31,

2008 2007

GAAP net income-continuing operations	\$ 36,589	\$76,937	
Capital losses and other, net	624	5,654	
Embedded Derivatives:			
Included in investment related (gains) losses, net	100,633	(1,845)	
Included in interest credited/policy acquisition costs and other insurance expenses, net	34,057	--	
DAC offset, net	(100,946)	1,338	
Operating income	\$ 70,957	\$82,084	

REINSURANCE GROUP OF AMERICA, INCORPORATED AND SUBSIDIARIES
Reconciliation of Pre-tax Net Income From Continuing Operations
to Pre-tax Operating Income
(Dollars in thousands)

(Unaudited) Three Months Ended March 31, 2008

	Pre-tax net income (loss)	Capital (gains) losses and other, net	Change in value of embedded derivatives, net	Pre-tax operating income (loss)
U.S. Operations:				
Traditional	\$ 54,448	\$ 2,508	\$ --	\$ 56,956
Asset Intensive	(41,102)	1,746(1)	44,903(2)	5,547
Financial Reinsurance	1,939	1	--	1,940
Total U.S.	15,285	4,255	44,903	64,443
Canada Operations	23,671	4,507	--	28,178
Europe & South Africa	6,043	(745)	--	5,298
Asia Pacific Operations	18,563	(514)	--	18,049
Corporate and Other	(6,874)	371	--	(6,503)
Consolidated	\$ 56,688	\$ 7,874	\$44,903	\$109,465

(1) Asset Intensive is net of \$7,012 DAC offset.

(2) Asset Intensive is net of DAC offsets of \$(162,313).

(Unaudited) Three Months Ended March 31, 2007

	Pre-tax net income (loss)	Capital (gains) losses and other, net	Change in value of embedded derivatives, net	Pre-tax operating income (loss)
U.S. Operations:				
Traditional	\$ 86,011	\$ 338	\$ --	\$ 86,349
Asset Intensive	4,462	734(1)	(731)(2)	4,465
Financial Reinsurance	2,704	--	--	2,704
Total U.S.	93,177	1,072	(731)	93,518
Canada Operations	15,034	(2,526)	--	12,508
Europe & South Africa	21,124	224	--	21,348

Asia Pacific Operations	10,332	71	--	10,403
Corporate & Other	(20,437)	9,852	--	(10,585)
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Consolidated	\$119,230	\$ 8,693	\$ (731)	\$127,192
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(1) Asset Intensive is net of \$(49) DAC offset.

(2) Asset Intensive is net of DAC offsets of \$2,107.

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

(Unaudited)	Three Months Ended March 31,	
	2008	2007
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Revenues:		
Net premiums	\$1,298,065	\$1,125,450
Investment income, net of related expenses	199,526	215,743
Investment related losses, net	(155,260)	(5,646)
Other revenues	17,936	19,102
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Total revenues	1,360,267	1,354,649
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Benefits and expenses:		
Claims and other policy benefits	1,119,512	902,810
Interest credited	73,897	61,066
Policy acquisition costs and other insurance expenses	16,262	182,981
Other operating expenses	63,340	55,422
Interest expense	23,094	20,453
Collateral finance facilities expense	7,474	12,687
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Total benefits and expenses	1,303,579	1,235,419
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Income from continuing operations before income taxes	56,688	119,230
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Provision for income taxes	20,099	42,293
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Income from continuing operations	36,589	76,937
Discontinued operations:		
Loss from discontinued accident and health operations, net of income taxes	(5,084)	(685)
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Net income	\$ 31,505	\$ 76,252
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REINSURANCE GROUP OF AMERICA, INCORPORATED AND SUBSIDIARIES
Condensed Consolidated Statements of Income
(In thousands, except per share data)

(Unaudited)	Three Months Ended March 31,	
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	2008	2007
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Earnings per share from continuing operations:		
Basic earnings per share	\$ 0.59	\$ 1.25
Diluted earnings per share	\$ 0.57	\$ 1.20
Diluted earnings per share from operating income	\$ 1.10	\$ 1.28
Earnings per share from net income:		
Basic earnings per share	\$ 0.51	\$ 1.24
Diluted earnings per share	\$ 0.49	\$ 1.19
Weighted average number of common and common equivalent shares outstanding	64,230	63,895

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

	At or For the Three Months Ended March 31,	
(Unaudited)		
	2008	2007
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Gross life reinsurance in force (in billions)		
U.S.	\$ 1,247.0	\$ 1,178.5
Canada	\$ 221.2	\$ 164.1
Europe & South Africa	\$ 383.0	\$ 349.7
Asia Pacific	\$ 351.6	\$ 273.1
Gross life reinsurance written (in billions)		
U.S.	\$ 34.7	\$ 40.2
Canada	\$ 12.9	\$ 9.8
Europe & South Africa	\$ 18.5	\$ 8.1
Asia Pacific	\$ 10.3	\$ 3.7
Balance sheet information (in millions, except share and per share figures)		
Consolidated cash and invested assets	\$ 16,629.9	\$ 15,523.8
Invested asset book yield - trailing three months excluding funds withheld	6.06%	5.93%
Investment portfolio mix		
Cash and short-term investments	2.11%	3.31%
Fixed maturity securities	56.45%	56.30%
Mortgage loans	4.89%	4.84%
Policy loans	6.25%	6.54%
Funds withheld at interest	27.97%	27.46%
Other invested assets	2.33%	1.55%
Collateral finance facilities	\$ 850.2	\$ 850.4
Short-term debt	\$ --	\$ 29.5
Long-term debt	\$ 925.9	\$ 944.1
Company-obligated mandatorily redeemable preferred securities of subsidiary	\$ 158.9	\$ 158.7
Total stockholders' equity	\$ 3,058.9	\$ 2,889.3

Less: Accumulated other comprehensive income		
"AOCI" (a)	362.7	452.1
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Total stockholders' equity, before impact of		
AOCI (a)	\$ 2,696.2	\$ 2,437.2
Treasury shares	893,575	1,403,514
Common shares outstanding	62,234,698	61,724,759
Book value per share outstanding	\$ 49.15	\$ 46.81
Book value per share outstanding, before		
impact of AOCI (a)	\$ 43.32	\$ 39.49

(a) Book value per share outstanding and total stockholders' equity, before impact of AOCI, are non-GAAP financial measures that management believes are important in evaluating the balance sheet in order to ignore the effects of unrealized amounts primarily associated with mark-to-market adjustments on investments and foreign currency translation.

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

(Unaudited)	Three Months Ended March 31, 2008			
	Traditional	Asset- Intensive	Financial Reinsurance	Total U.S.
Revenues:	-----	-----	-----	-----
Net premiums	\$725,393	\$ 1,663	\$ --	\$ 727,056
Investment income, net				
of related expenses	97,431	25,031	40	122,502
Investment related				
losses, net	(2,508)	(149,554)	(1)	(152,063)
Other revenues	60	11,495	2,744	14,299
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Total revenues	820,376	(111,365)	2,783	711,794
Benefits and expenses:				
Claims and other policy				
benefits	651,850	185	--	652,035
Interest credited	14,790	58,968	--	73,758
Policy acquisition costs				
and other insurance				
expenses	86,050	(131,750)	198	(45,502)
Other operating expenses	13,238	2,334	646	16,218
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Total benefits and				
expenses	765,928	(70,263)	844	696,509
Income (loss) before				
income taxes	\$ 54,448	\$ (41,102)	\$1,939	\$ 15,285
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(Unaudited)	Three Months Ended March 31, 2007			
	Traditional	Asset- Intensive	Financial Reinsurance	Total U.S.
Revenues:	-----	-----	-----	-----
Net premiums	\$669,419	\$ 1,626	\$ --	\$ 671,045
Investment income, net				
of related expenses	84,928	67,952	20	152,900
Investment related gains				
(losses), net	(338)	2,055	--	1,717
Other revenues	106	7,424	5,889	13,419
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Total revenues	754,115	79,057	5,909	839,081
Benefits and expenses:				

Claims and other policy benefits	542,586	4,523	1	547,110
Interest credited	14,270	46,158	--	60,428
Policy acquisition costs and other insurance expenses	99,380	22,293	2,194	123,867
Other operating expenses	11,868	1,621	1,010	14,499

Total benefits and expenses	668,104	74,595	3,205	745,904
Income before income taxes	\$ 86,011	\$ 4,462	\$2,704	\$ 93,177
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REINSURANCE GROUP OF AMERICA, INCORPORATED AND SUBSIDIARIES
Canada Operations
(Dollars in thousands)

(Unaudited)	Three Months Ended March 31,	
	2008	2007

Revenues:		
Net premiums	\$138,992	\$ 99,492
Investment income, net of related expenses	36,033	26,432
Investment related gains (losses), net	(4,085)	2,784
Other revenues	13	86

Total revenues	170,953	128,794
Benefits and expenses:		
Claims and other policy benefits	115,271	91,148
Interest credited	139	186
Policy acquisition costs and other insurance expenses	26,426	18,476
Other operating expenses	5,446	3,950

Total benefits and expenses	147,282	113,760
Income before income taxes	\$ 23,671	\$ 15,034
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REINSURANCE GROUP OF AMERICA, INCORPORATED AND SUBSIDIARIES
Europe & South Africa
(Dollars in thousands)

(Unaudited)	Three Months Ended March 31,	
	2008	2007

Revenues:		
Net premiums	\$189,196	\$167,796
Investment income, net of related expenses	7,551	5,774
Investment related gains (losses), net	745	(224)
Other revenues	60	131

Total revenues	197,552	173,477
Benefits and expenses:		

Claims and other policy benefits	158,535	114,154
Interest credited	-	452
Policy acquisition costs and other insurance expenses	17,230	26,060
Other operating expenses	15,744	11,687
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Total benefits and expenses	191,509	152,353
Income before income taxes	\$ 6,043	\$ 21,124
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REINSURANCE GROUP OF AMERICA, INCORPORATED AND SUBSIDIARIES
Asia Pacific
(Dollars in thousands)

(Unaudited)	Three Months Ended March 31,	
	2008	2007
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Revenues:		
Net premiums	\$240,935	\$186,838
Investment income, net of related expenses	11,414	8,663
Investment related gains (losses), net	514	(71)
Other revenues	2,552	1,827
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Total revenues	255,415	197,257
Benefits and expenses:		
Claims and other policy benefits	193,669	150,483
Policy acquisition costs and other insurance expenses	28,081	24,614
Other operating expenses	15,102	11,828
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Total benefits and expenses	236,852	186,925
Income before income taxes	\$ 18,563	\$ 10,332
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REINSURANCE GROUP OF AMERICA, INCORPORATED AND SUBSIDIARIES
Corporate and Other
(Dollars in thousands)

(Unaudited)	Three Months Ended March 31,	
	2008	2007
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Revenues:		
Net premiums	\$ 1,886	\$ 279
Investment income, net of related expenses	22,026	21,974
Investment related losses, net	(371)	(9,852)
Other revenues	1,012	3,639
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Total revenues	24,553	16,040
Benefits and expenses:		
Claims and other policy benefits	2	(85)
Interest credited	--	--
Policy acquisition costs and other insurance expenses	(9,973)	(10,036)

Other operating expenses	10,830	13,458
Interest expense	23,094	20,453
Collateral finance facilities expense	7,474	12,687
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Total benefits and expenses	31,427	36,477
Income (loss) before income taxes	\$ (6,874)	\$(20,437)
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 Senior Executive Vice President
 and Chief Financial Officer

SOURCE: Reinsurance Group of America, Incorporated