



Reinsurance Group of America, Incorporated – Q3 2022

Financial Results and Business Highlights

On November 3, 2022, Reinsurance Group of America, Incorporated (NYSE: RGA) reported financial results for the third quarter of 2022.

“This was another strong quarter for us, following the record level of earnings in the second quarter,” said Anna Manning, President and Chief Executive Officer, RGA. “In the quarter, we had positive contributions from a range of segments and businesses. Premium growth on a constant currency basis was 10.1%, and we had another active and successful quarter for in-force transactions, deploying \$100 million of capital. COVID-19 claim costs were comfortably absorbed, and our underlying non-COVID-19 mortality was favorable in many markets. Our balance sheet remains strong, and we ended the quarter with excess capital of approximately \$1.3 billion.

“The underlying protection markets are active, organic new business activity is healthy, our in-force transactions pipelines are very robust, and we are better positioned to deliver valuable solutions to our clients than ever before.

“This quarter provides further evidence of the substantial value added through client-centered, focused execution on our strategy even during the challenges of COVID-19, and we are in a great position to continue the momentum going forward.”

Effective November 1, 2022, the board of directors declared a regular quarterly dividend of \$0.80, payable November 29, 2022 to shareholders of record as of November 15, 2022.

Q3 2022 Financial Results*

- Net income available for RGA shareholders for the quarter totaled \$284 million, or \$4.19 per diluted share, compared with net loss of \$22 million, or \$0.32 per diluted share, in the prior-year quarter.
- Adjusted operating income** totaled \$352 million, or \$5.20 per diluted share, compared with an adjusted operating loss of \$75 million, or \$1.11 per diluted share, the year before.
- Consolidated net premiums totaled \$3.2 billion, up 4.9% from last year’s third quarter, with an adverse net foreign currency effect of \$160 million.
- Book value per share was \$54.66 including accumulated other comprehensive income (AOCI), and \$143.91 excluding AOCI.**

* All figures in U.S. dollars.

** See “Use of Non-GAAP Financial Measures” at end of this document.



Q3 2022 News and Highlights

- In August, RGA launched its inaugural environmental, social, and governance (ESG) report. The report reflects the company’s long-standing and growing commitment to sustainability, ethical governance, community support, and diversity, equity, and inclusion (DEI), as well as RGA’s foundational vision to serve the insurance industry as a values-based and purpose-driven organization.
- On September 14, RGA announced the upcoming retirement of Board Chair J. Cliff Eason. Mr. Eason will retire from his position on December 31, 2022, and current Board Member Stephen T. O’Hearn will assume the role of Chair on January 1, 2023. Mr. Eason joined the Board at RGA’s initial public offering in May 1993 and became Chair in 2008. He retired as President and Chief Executive Officer of Southwestern Bell Telephone in January 2001 following a long career in the telecommunications industry. Mr. O’Hearn spent much of his career with PricewaterhouseCoopers (PwC) and was with the firm for 38 years. Most recently, he served as the Global Leader of PwC’s Insurance Practice, during which time he also served on PwC’s extended global leadership team.
- RGA partnered with medtech innovator RoadtoHealth (RTHG) to deliver “Heidi” (Health Ecosystem Integrating Digital Innovations), a fully integrated digital health ecosystem featuring a comprehensive and flexible suite of health services. The new platform was designed to help health insurers meet consumer demand for easy-to-use yet robust healthcare services via a one-stop digital network of providers and technology services.
- RGA announced a partnership with Sampo Holdings, Inc., a global property and casualty insurance company with a leading nursing care business in Japan, aimed at improving eldercare and promoting healthy aging. Together, Sampo and RGA will leverage their experience in eldercare, aging-related insights, and robust data assets to create products and solutions designed to improve health outcomes and financial security.

Financial strength ratings for RGA’s principal operating subsidiaries remained unchanged, and are shown in the following chart:

	RGA Reinsurance Company	RGA Americas Reinsurance Company, Ltd.	RGA Life Reinsurance Company of Canada	RGA International Reinsurance Company dac	RGA Global Reinsurance Company, Ltd.	RGA Reinsurance Company of Australia Ltd.	RGA Atlantic Reinsurance Company Ltd.	Omnilife Insurance Company Limited	RGA Reinsurance Company (Barbados) Ltd.
S&P Global Ratings	AA-	AA-	AA-	AA-	AA-	AA-	not rated	A+	AA-
A.M. Best Company	A+	A+	A+	not rated	not rated	not rated	A+	not rated	not rated
Moody’s Investors Service	A1	not rated	not rated	not rated	not rated	not rated	not rated	not rated	not rated

For more complete information and the full text of RGA’s announcement of second quarter financial results, please refer to RGA’s Investor Relations site at www.rgare.com.



About RGA

Reinsurance Group of America, Incorporated (NYSE: RGA) is a global industry leader specializing in life and health reinsurance and financial solutions that help clients effectively manage risk and optimize capital. Founded in 1973, RGA is one of the world's largest and most respected reinsurers and is guided by a fundamental purpose: to make financial protection accessible to all. RGA is widely recognized for superior risk management and underwriting expertise, innovative product design, and dedicated client focus. RGA serves clients and partners in key markets around the world and has approximately \$3.3 trillion of life reinsurance in force and assets of \$82.7 billion as of September 30, 2022. To learn more about RGA and its businesses, visit www.rgare.com. Follow RGA on [LinkedIn](#), [Twitter](#), and [Facebook](#).

** Use of Non-GAAP Financial Measures: RGA uses a non-GAAP financial measure called adjusted 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 adjusted 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 can be volatile, 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, adjusted 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 adjusted operating income can vary by company and is not considered a substitute for GAAP net income.

Book value per share excluding the impact of AOCI is a non-GAAP financial measure that management believes is 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.

Adjusted operating income per diluted share is a non-GAAP financial measure calculated as adjusted operating income divided by weighted average diluted shares outstanding. Similar to adjusted operating income, management believes this non-GAAP financial measure better reflects the ongoing profitability and underlying trends of the Company's continuing operations. It also serves as a basis for establishing target levels and awards under RGA's management incentive programs.

Reconciliations from GAAP net income, book value per share, and net income per diluted share are provided in the accompanying tables. Additional financial information can be found in the Quarterly Financial Supplement on RGA's Investor Relations website at www.rgare.com in the "Earnings" section.



REINSURANCE GROUP OF AMERICA, INCORPORATED AND SUBSIDIARIES
 Reconciliation of Consolidated Net Income to Adjusted Operating Income
 (Dollars in millions, except per share data)

(Unaudited)	Three Months Ended September 30,			
	2022		2021	
		Diluted Earnings Per Share		Diluted Earnings Per Share
Net income (loss) available to RGA shareholders	\$ 284	\$ 4.19	\$ (22)	\$ (0.32)
Reconciliation to adjusted operating income:				
Capital (gains) losses, derivatives and other, included in investment related gains/losses, net	120	1.79	(53)	(0.79)
Capital (gains) losses on funds withheld, included in investment income, net of related expenses	4	0.06	(1)	(0.01)
Embedded derivatives:				
Included in investment related gains/losses, net	(3)	(0.04)	13	0.19
Included in interest credited	(8)	(0.12)	(2)	(0.03)
DAC offset, net	9	0.13	1	0.01
Investment (income) loss on unit-linked variable annuities	4	0.06	2	0.03
Interest credited on unit-linked variable annuities	(4)	(0.06)	(2)	(0.03)
Interest expense on uncertain tax positions	1	0.01	1	0.01
Non-investment derivatives and other	(56)	(0.83)	(3)	(0.04)
Uncertain tax positions and other tax related items	-	-	(9)	(0.13)
Net income attributable to noncontrolling interest	1	0.01	-	-
Adjusted operating income (loss)	\$ 352	\$ 5.20	\$ (75)	\$ (1.11)

Reconciliation of Book Value Per Share to Book Value Per Share
 Excluding Accumulated Other Comprehensive Income ("AOCI")

(Unaudited)	At September 30,	
	2022	2021
Book value per share outstanding	\$54.66	\$190.60
Less effect of AOCI:		
Accumulated currency translation adjustments	(3.24)	(0.75)
Unrealized appreciation (depreciation) of securities	(85.25)	54.80
Pension and postretirement benefits	(0.76)	(1.05)
Book value per share outstanding, before impact of AOCI	\$143.91	\$137.60