life lessons

KNOW DO SHARE

2000 AR **Reinsurance Group of America, Incorporated ®**

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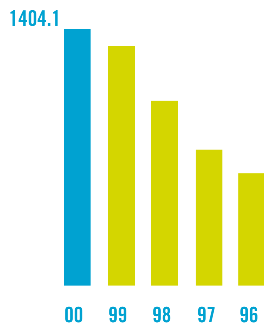
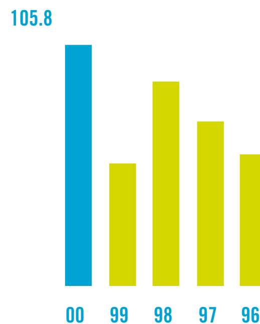
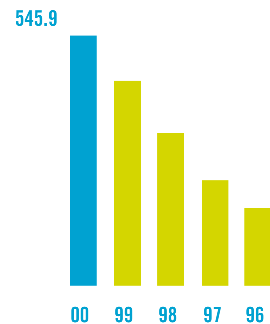
Our theme, ***life** lessons*, plays on the idea of universal truths you learn as a child and carry with you throughout your personal and professional life. We are using three life lessons–know who you are, do your homework, and share with others–to communicate, respectively, who RGA® is and what we do, our knowledge and expertise, and our spirit of sharing/partnership with our clients and shareholders.



Net premiums



Net income from continuing operations



Assumed ordinary life reinsurance

Years ending december 31	*2000*	*1999*	*1998*	*1997*	*1996*
Net premiums (in millions) [1]	$ 1404.1	1315.6	1016.4	744.8	617.7
Net income (in millions) [1]	105.8	53.0	89.7	72.6	57.8
Diluted earnings per share [1][2]	2.12	1.15	2.08	1.89	1.52
Diluted operating earnings per share [1][2]	2.55	2.21	2.04	1.89	1.52
Operating data (in billions)					
Assumed ordinary life insurance in force	545.9	446.9	330.6	227.3	168.3
Assumed new business production	$ 161.1	164.9	125.0	75.9	37.9

[1] Reflects results from continuing operations
[2] Per share information is adjusted for the three-for-two stock split paid on February 26, 1999

KNOW >

Anne Bookwalter, Senior Vice President and Chief Investment Officer
Shinnosuke Tateno, Director, Marketing and Planning, Japan
Gary Seifert, Vice President, Marketing, RGA Financial Group, L.L.C.

WHO YOU ARE

Reinsurance Group of America, Incorporated ranks among the largest life reinsurers in the world. We offer traditional life reinsurance, financially motivated reinsurance, product development and consulting services to life insurance and financial services companies.

We are the premier facultative life reinsurer in North America, and have processed more than 165,000 facultative cases worldwide in 2000. We have the expertise and capacity to help our clients solve problems associated with impaired risk and large cases.

RGA is an innovator in product development and financially motivated reinsurance for capital management planning. We are dedicated to helping our clients manage their capital and boost their bottom line. To our shareholders, we aim to provide financial strength and superior growth in value.

We know the business of life.

With 27 years in the life reinsurance industry, we have built a solid base of knowledge, experience, and resources.

We have studied the market trends, economic conditions, taxation, distribution and regulatory factors in each of our markets, and are helping our clients around the world to respond effectively to changes in the insurance industry.

We have assembled an unparalleled database of mortality information. Additionally, we co-sponsor the Longer Life Foundation with Washington University School of Medicine in St. Louis, Missouri. The foundation funds independent research on human longevity. RGA plans to apply the research findings to its underwriting practices and share our underwriting knowledge with our client companies worldwide.

Jeanne Mariani, Senior Underwriting Consultant, U.S. Facultative Underwriting
Emmanuel Kintu, Vice President, Account and Client Relations, U.S. Division
Lisa Renetzky, Vice President, Product Development
Tony Chen, Executive Director, Pricing, Asia Pacific Division

YOUR HOMEWORK

SHARE >

We share our experience. We are an industry leader in the United States, counting more than three-quarters of the 100 largest life companies as clients, and have successfully exported our extensive experience in North America to other locations, adapting proven concepts to meet the needs of our client companies around the world.

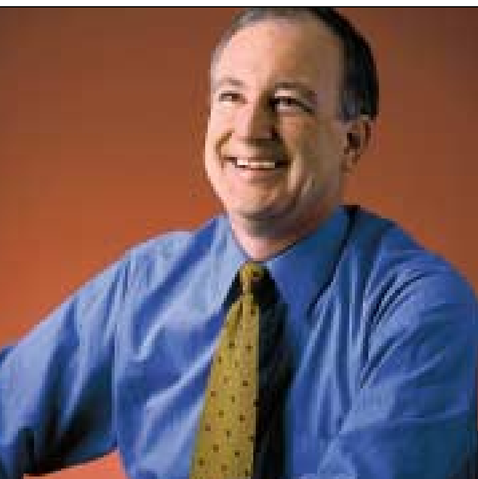
RGA shares risk through facultative underwriting, product development and financially motivated reinsurance. We partner with our clients to improve the design of new products and bring them to market in a timely manner. Sharing risk aligns our incentives with our clients and demonstrates our commitment to their success.

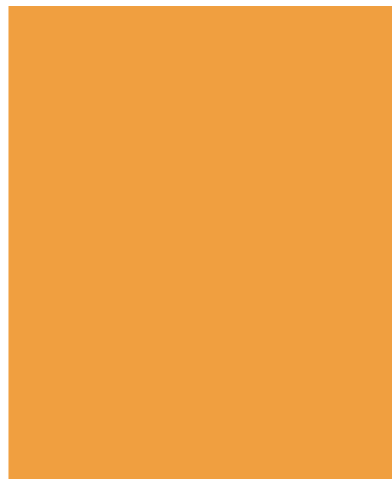
We share our medical and underwriting expertise at international conferences, client seminars, and through RGA's quarterly newsletter, *Re-flections*, providing medical directors and underwriters at our client companies with the latest medical information impacting life insurance underwriting.

WITH OTHERS

Emilio Medina, Senior Underwriting Consultant, Latin American Division
Phil Smalley, MD., Vice President and Medical Director, RGA International Ltd.;
Managing Director, Longer Life Foundation: An RGA/Washington University Partnership

A. Greig Woodring
President and
Chief Executive Officer





To Our Shareholders,

In 2000, Reinsurance Group of America continued its longstanding record of achievement and partnership. Over the past five years, we have posted a compound annual growth rate of 15 percent in operating earnings per share and 23 percent in revenue. In each of our geographic regions, we have achieved great success in building and deepening relationships with our clients. We would like to take this opportunity to thank our clients for their partnership and trust, our employees for their commitment and hard work, and our shareholders for their confidence and support. The contributions of these individuals and organizations form the bedrock of our success.

In November of 2000, RGA's life insurance in force reached $500 billion–an increase of $346 billion in just five years, and we finished the year with $546 billion in force. Net operating income from continuing operations reached $127 million, up 24 percent from 1999's total, and on an earnings per share basis, exceeded 1999 by 15 percent. Revenue in 2000 grew by 7 percent, a substantially slower rate than we have seen in recent years. While disappointing, much of the decrease in revenue growth resulted from a changing business mix, reporting anomalies and from deliberate strategy changes such as the sale of our Chilean joint venture. In fact, with $161 billion of new business written, 2000 was one of the strongest, most vital years in RGA's history.

Infrastructure Changes

RGA formally launched RGA UK in March of 2000. We have assembled a talented staff and are off to a tremendous start, securing several prominent treaties in the first year of operation. Increasing competition and the need for capital efficiency in the local insurance market make the U.K. an interesting place for RGA, since we are well-equipped to assist clients in these circumstances. The U.K. life insurance market, one of the most important in the world, figures prominently in RGA's future.

In October 2000, RGA acquired the 60 percent interest in RGA/Swiss Financial Group that it did not already own, making it a wholly owned subsidiary. By bringing the capabilities of these professionals together with those of RGA's existing Financial Markets unit, we believe that RGA has assembled the finest team in the financial reinsurance industry. We expect that large scale restructuring in the direct insurance market will spur financially motivated reinsurance to be the fastest growing segment of the U.S. life reinsurance market over the next few years.

Finally, in April RGA sold its stake in the Chilean direct annuity provider BHIFAmerica, allowing us to better focus our management and resources on growing our reinsurance business in South America.

Operational Review

RGA's facultative business enjoyed another outstanding year. We underwrote 165,000 cases worldwide, an increase of more than 16 percent from the prior year. Facultative reinsurance has traditionally been a strength for RGA and we continue to build this aspect of our business in each of our global markets. We expect to see strong growth over the next several years as RGA continues to develop new facultative markets and strengthen existing ones.

The Canadian Division excelled in every way in 2000, yielding pre-tax operating earnings of $41 million, an increase of 29 percent over 1999, while writing a record amount of recurring new business. The Canadian reinsurance market holds many challenges, but RGA's team consistently produces strong results. The Division's superior performance in 2000 offers the latest evidence of the quality of RGA Canada's operation.

The Asia Pacific Division also produced noteworthy results. Revenues exceeded $100 million for the first time, allowing the region as a whole to achieve profitability for the year. Profitability has been reached within a remarkably short time frame through aggressive expansion and good work by a skilled and experienced staff.

U.S. operations posted a solid year in 2000, with pre-tax operating income up 18 percent. New business volume exceeded $100 billion once again and facultative application volume increased 12 percent over the prior year. The Financial Markets unit enjoyed a successful year, developing and placing several significant transactions. Most importantly, the financial markets team expanded substantially in 2000 and carries a strong working agenda into the new year.

Closed and in runoff since 1998, RGA's discontinued Accident and Health business continued to disappoint in 2000. By the last half of the year, the premium flow had finally slowed to a trickle indicating that nearly all of the business has been reported, and allowing us to better establish appropriate runoff reserves. At 2000 year-end, we established an additional $25 million reserve for this business. We expect the runoff process to take several more years.

Industry Trends

When we tally the final reinsurance industry numbers for 2000, we expect to find that the explosive growth of recent years continued, and perhaps even accelerated. Moreover, in the most mature insurance markets like the U.S., U.K. and Canada, where reinsurance is increasingly being used to help direct insurers improve their financial performance, growth has outpaced other markets. Outsourcing of mortality to reinsurers has become commonplace. Insurers are increasingly reinsuring mortality risk on new business, and have occasionally reinsured in force blocks, allowing them to lock in their mortality results and better leverage their own capital to support their growth strategies. Reinsurers have become mortality risk accumulators able to develop good risk spread and mortality risk knowledge.

We anticipate that growth in the U.S. reinsurance market will slow from its current red-hot pace. Most direct writers already reinsure substantial portions of their new business and many in force blocks have already been placed. Even so, we expect widespread use of reinsurance to persist and substantial growth rates to continue for some time. Additional in force blocks will be reinsured and financially motivated reinsurance will continue to utilize increasingly sophisticated techniques as the industry evolves.

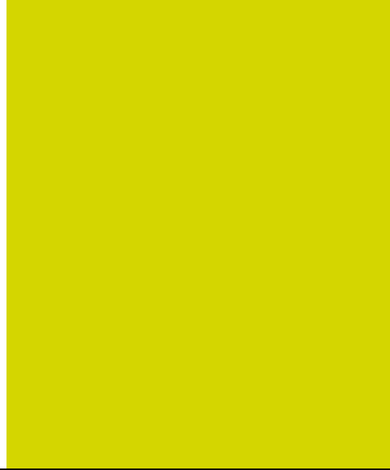
Know Do Share

RGA enjoys leading positions in the facultative reinsurance market and in financially motivated reinsurance. We have positioned ourselves to take advantage of favorable market opportunities and our low cost structure enables us to compete effectively. RGA's actuaries, underwriters and other professionals bring an attitude of responsiveness and a spirit of partnership to every region of the globe in which we operate. Most importantly, *we care about our clients* and we are committed to continually developing new ways to share with them our knowledge, experience and success. These qualities will carry RGA confidently into the future.

We know who we are, we know our strengths, and we share the benefits afforded by a clear focus and committed resources with our clients and shareholders. We've done our homework and made the grade.

Greig Woodring
President and Chief Executive Officer

Richard Liddy
Chairman of the Board



Paul Schuster
Executive Vice President
U.S. Operations

Frank Alvarez
President and Chief Executive Officer
RGA Financial Group L.L.C.
Executive Vice President
Reinsurance Group of America, Incorporated

U.S. DIVISION

Two thousand was another solid year for RGA's U.S. Division. For the third consecutive year, the Division's assumed new reinsurance exceeded $100 billion. This growth resulted from RGA's strong focus on three core areas of expertise: mortality risk, new product development and financially motivated reinsurance.

"With our long history and focus on life reinsurance, we are recognized as mortality experts," remarked Paul Schuster, Executive Vice President, U.S. Division, during a recent interview. "Mortality risk reinsurance–removing some or all of the risk associated with life insurance from the client company–is an important business for us." A significant aspect of RGA's mortality business is facultative underwriting–the process of underwriting insurance applications individually. In 2000, RGA's U.S. facultative team processed more than 87,000 applications, once again making RGA a leading facultative reinsurer.

"Our underwriters weren't the only members of our mortality team who had a good year. Our product development experts added more than a dozen products to their portfolio," said Schuster. "This is particularly noteworthy given the labor-intensive nature of this area of business. Our clients were pleased with the results and view this service as value-added reinsurance."

In addition to providing mortality risk solutions, the U.S. Division also offered clients financial management assistance. In October, RGA acquired the 60 percent interest in RGA/Swiss Financial Group that it did not already own and changed the name to RGA Financial Group, L.L.C. This group, along with the U.S. Financial Markets unit, designs financially motivated reinsurance, also known as financial or non-traditional reinsurance.

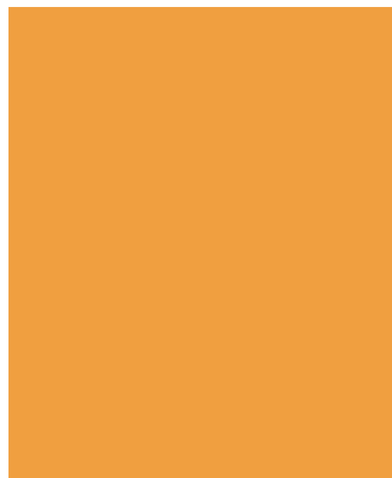
"We are seeing more reinsurance in North America being written for financial reasons. Many of our clients are searching for new ways to obtain capital for growth, mergers and acquisitions, demutualizations, or to improve return on equity," said Schuster. "Many are now publicly held companies, and they are paying close attention to how capital is deployed. They are also re-examining current levels of risk, looking at ways to lower risk and reinsure more of their business."

We help our clients tackle difficult capital planning problems. We also provide customized solutions to surplus management and risk-based capital issues. "We think our financial reinsurance team is the best in the world. We go to great lengths to understand our clients' businesses. We study their needs and look ahead for new opportunities. That said, 2001 should be a great year," Schuster commented.

"RGA is unique in its combination of mortality expertise, facultative service, financially motivated reinsurance and international scope."
Paul Schuster

André St-Amour
President and Chief Executive Officer
RGA Life Reinsurance Company of Canada
Executive Vice President
Reinsurance Group of America, Incorporated

Paul Nitsou
Executive Vice President
RGA International Ltd.
Senior Vice President
Other International



RGA CANADA

In 2000, RGA Life Reinsurance Company of Canada continued to hold a leading position in Canada's life reinsurance market. It is one of the foremost underwriters of mortality reinsurance in Canada, more than tripling its reinsurance in force over a five-year period. Total production surpassed $13 billion, increasing in force by 19 percent to over $54 billion. Additionally, the Canadian Division exceeded $175 million in net premiums, and pre-tax operating income rose to $41 million, largely due to good claim experience. "We concentrated on our core strengths–individual life and financially motivated reinsurance," said André St-Amour, Chief Executive Officer, RGA Canada. "We believe the tendency for insurers to outsource mortality and other financial risks will continue and perhaps accelerate."

In response to increased need for reinsurance, RGA Canada processed more than 22,000 facultative applications. Eighty-eight percent of these were reviewed within one day and 97 percent in less than 48 hours. "We are proud of our service," said St-Amour. "Also, our expenses tend to be lower than many of our competitors. This too gives us an advantage."

The Canadian Division is RGA's second largest operation, providing one-fifth of the group's income from continuing operations and approximately 13 percent of premiums. In August, RGA Canada received an independent rating from A.M. Best Company, and currently holds a financial strength rating of A+ (Superior).

"RGA is known by all life companies in Canada. Our clients often comment that we are the easiest reinsurer with which to do business, the most accessible, and the quickest to respond. With this positive feedback, $13 billion of new production, and an increase of over 12 percent in recurring new business, I am proud of our achievements in 2000," concluded St-Amour. "We have a strong portfolio of good business at prices we can support. Our results speak for themselves."

OTHER INTERNATIONAL
EUROPE AND SOUTH AFRICA

In 2000, RGA's newest division, Europe and South Africa, focused on creating solid infrastructures and establishing a presence in South Africa, Spain and the United Kingdom. "We have fulfilled these goals while growing revenues to $35 million and premiums to $30 million," said Paul Nitsou, Senior Vice President, Other International Division.

RGA Reinsurance Company of South Africa, Limited has been in business a little over two years. In that short time, it has met all premium targets and has established contact with all major companies in its market. In 2000 it exceeded its facultative underwriting goals by processing more than 25,000 applications, a 64 percent increase over 1999. As in all of RGA's markets, turnaround service was expeditious–70 percent of all facultative applications were reviewed within 12 hours, and more than 90 percent were reviewed within 24 hours.

After several years of building a market presence in Spain, RGA opened a Spanish representative office in 2000. "We established business with the two largest financial institutions there, and we anticipate that this will also lead to business with their Latin American affiliates," stated Nitsou. "RGA already has relationships with 18 of the country's leading life companies in Spain. Most reinsurance contracts in Spain are renewed annually, and RGA has been successful in retaining all existing contracts as well as developing new ones. This says a lot."

In 2000, RGA officially opened a new subsidiary, RGA Reinsurance UK Limited. The company now has treaties with several of the largest insurers in the U.K. and Ireland. "Overall, we achieved some significant wins that will give us a good base for building a presence in the U.K. and Ireland," explained Nitsou. "As a leader in underwriting preferred life products, RGA is developing that concept in the U.K. and South Africa. In fact, during 2000 we launched a preferred life initiative in the U.K. that can also be delivered on-line."

Brendan Galligan
Senior Vice President
Asia Pacific Division

Jaime Correa
Senior Vice President
Latin American Division

ASIA PACIFIC DIVISION

"The Asia Pacific Division exceeded very aggressive goals in 2000. We achieved profitability earlier in our development than expected, and reported over $100 million in revenue," said Brendan Galligan, Senior Vice President, Asia Pacific Division. "Premiums rose more than 27 percent to $94.3 million, and we surpassed our facultative underwriting goal by processing more than 22,000 applications, an increase of 70 percent over 1999. We also met our goals in each of our individual Asia Pacific operations: Australia, Hong Kong, Japan, Malaysia and Taiwan. Despite challenging economic conditions lingering in some markets, we had a tremendous year."

RGA is gaining status in Asia by focusing on its strengths: professional facultative underwriting, customized traditional reinsurance programs, product development, financially motivated reinsurance, and industry-leading customer service. "These strengths enabled us to attract a wealth of new talent to our team during 2000 and to exceed our goals, both in terms of top-line revenue and bottom-line profits," said Galligan.

Many of RGA's clients in Asia are multinational insurers facing similar issues in different markets. "We are able to address these issues by taking knowledge gained in one market and exporting it to another," explained Galligan. "With experience in more than 20 countries, RGA is positioned to serve our clients well wherever they are."

LATIN AMERICAN DIVISION

The primary goal for RGA's Latin American Division in 2000 was to increase its traditional life reinsurance share. "We concentrated on top-tier companies, securing individual and group life contracts as well as continuing to concentrate on facultative underwriting," explained Jaime Correa, Senior Vice President, Latin American Division. "As a result of this focused effort, we saw strong premium and revenue growth coming from our traditional reinsurance endeavors." For the year, net premiums for the Division were $65 million and total revenues were $76 million.

"We had a good year in spite of the difficult economic conditions in Argentina. Many of our client companies did not reach their goals and this affected the amount of reinsurance ceded," said Correa. "The expectation is that Argentina will show signs of rebounding in late 2001. The Mexican and Chilean economies showed improvement in 2000, a trend which we feel will be sustainable."

Since opening offices in Argentina and Mexico, RGA has established itself as a leader in product development and facultative underwriting. In 2000, we processed more than 2,700 facultative applications. "The majority of these cases were sent to us because of our expertise and responsiveness in dealing with complicated medical impairments and large sums insured," noted Correa. "In these special needs cases, as with all cases, we adhere to the same time service standards that established RGA as a premier facultative reinsurer in the U.S."

In 2001, RGA plans to continue to partner with its clients in Latin America, offering not only an array of excellent traditional reinsurance services, but also providing innovative reinsurance solutions to assist them in their capital planning processes.

Executive Officers of Reinsurance Group of America, Incorporated

RGA's continued growth reflects the commitment and dedication of our Executive Officers and fellow associates to the Company's Mission and Vision.

RGA's Mission: To provide life reinsurance products and services to quality companies in select international markets. To address our clients' needs through effective reinsurance solutions, innovative reinsurance products and services, and excellent facultative underwriting support.

To provide our owners with superior growth in value.

RGA's Vision: To be the leading global life reinsurer whose products and services are considered essential by its clients for their future prosperity and development.

Richard A. Liddy
Chairman of the Board and Director,
Reinsurance Group of America, Incorporated

A. Greig Woodring
President, Chief Executive Officer, and Director,
Reinsurance Group of America, Incorporated

David B. Atkinson
Executive Vice President and Chief Operating Officer,
Reinsurance Group of America, Incorporated;
President and Chief Executive Officer,
RGA Reinsurance Company

Jack B. Lay
Executive Vice President and Chief Financial Officer,
Reinsurance Group of America, Incorporated

Paul A. Schuster
Executive Vice President,
U.S. Division, Reinsurance Group of America, Incorporated

André St-Amour
Executive Vice President and Chief International Operating Officer,
Reinsurance Group of America, Incorporated;
President and Chief Executive Officer,
RGA Life Reinsurance Company of Canada

Graham S. Watson
Executive Vice President and Chief Marketing Officer,
Reinsurance Group of America, Incorporated;
President and Chief Executive Officer,
RGA International Ltd.

Worldwide Operations

United States
World Headquarters
RGA Reinsurance Company
1370 Timberlake Manor Parkway
Chesterfield, Missouri 63017-6039
t. 1-636-736-7000
f. 1-636-736-7100

RGA Financial Group, L.L.C.
1370 Timberlake Manor Parkway
Chesterfield, Missouri 63017-6039
t. 1-636-736-7555
f. 1-636-736-7554

Argentina
RGA Argentina S.A.
Av. Alicia Moreau de Justo 846
4 Piso, Oficina 10
(1107) Buenos Aires, Argentina
t. 5411-4331-4852
f. 5411-4331-6765

General American Argentina
Seguros de Vida S.A.
Avenida Cordoba 673, Piso 10
(1054) Buenos Aires, Argentina
t. 5411-4314-0971
f. 5411-4314-0985

Australia
RGA Reinsurance Company
of Australia Limited
Level 8, 33 York Street
Sydney NSW 2000
Australia
t. 612-9290-7900
f. 612-9299-7624

Barbados
RGA Americas Reinsurance Company Ltd.
2nd Street, Holetown
St. James, Barbados
West Indies
t. 246-432-4000
f. 246-432-4004

RGA Reinsurance Company (Barbados) Ltd.
2nd Street, Holetown
St. James, Barbados
West Indies
t. 246-432-4000
f. 246-432-4004

Canada
RGA Life Reinsurance Company of Canada
1501 McGill College Avenue, Suite 2220
Montréal (Québec) Canada H3A 3M8
t. 1-514-985-5260
f. 1-514-985-3066
toll free. 1-800-985-4326

RGA Life Reinsurance Company of Canada
55 University Avenue, Suite 1200, Toronto,
Ontario, Canada, M5J 2H7
t. 1-416-682-0000
f. 1-416-777-9526
toll free. 1-800-433-4326

RGA International Ltd.
77 King Street West, Suite 4108
P.O. Box 321
Toronto, Ontario, M5K 1K7, Canada
t. 1-416-943-6770
f. 1-416-943-0880

Hong Kong
RGA Reinsurance Company
3410-3412, Tower II
Lippo Centre, 89 Queensway
Hong Kong
t. 852-2511-8688
f. 852-2511-8827

Japan
RGA Reinsurance Company
Tokyo Representative Office
Shin Aoyama Bldg. East 11F
1-1-1 Minami Aoyama, Minato-ku
Tokyo 107-0062 Japan
t. 81-33479-7191
f. 81-33479-7196

Malaysia
Malaysian Life Re
10th Floor, Bangunan Malaysian Re
No. 17 Lorong Dungun
Damansara Heights
50490 Kuala Lumpur, Malaysia
t. 603-2710-7711
f. 603-2710-7722

Mexico
RGA Reinsurance Company
Paris 1900 No.4, 2do. Nivel
Col. Pedregal Carrasco
04710 Mexico D.F. - Mexico
t. 52-5-665-5100
f. 52-5-665-5733

South Africa
RGA Reinsurance Company
of South Africa Limited
8th Floor, Letterstedt House
Fedsure on Main
Cnr Campground & Main Roads
Newlands, 7700
Cape Town, South Africa
t. 27-21-670-5999
f. 27-21-670-5960

RGA Reinsurance Company
of South Africa Limited
1st Floor, MPF House
32 Princess of Wales Terrace
Sunnyside Office Park
Parktown, 2193
Johannesburg, South Africa
t. 27-11-484-0577
f. 27-11-484-0734

Spain
RGA Reinsurance Company
Oficina de Representación
Europa Empresarial Edificio París,
Oficina 17 Ctra. A Coruña, Km. 24
28230 Las Rozas (Madrid) España
t. 34-91-640-4340
f. 34-91-640-4341

Taiwan
RGA Taiwan Liaison Office
Room 401, 4F, No. 2, Lane 150
Section 5, Sin-Yi Road
Taipei, Taiwan, R.O.C.
t. 886-2-8789-2217
f. 886-2-8789-2220

United Kingdom
RGA Reinsurance UK Limited
Level 32
The International Financial Centre
25 Old Broad Street
London EC2N 1HQ
United Kingdom
t. 44-207-448-8200
f. 44-207-448-8299

FORWARD-LOOKING AND CAUTIONARY STATEMENTS

The statements included in this Annual Report regarding the Company's business which are not historical facts, including, without limitations, statements and information relating to future financial performance, growth potential, the effect of mortality rates and experience, claims levels, 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. These "forward-looking" statements include, without limitation, certain statements in the "Letter to Shareholders," "Divisional Highlights," and "Management's Discussion and Analysis of Financial Condition and Results of Operations." Such statements also may include, but are not limited to, projections of earnings, revenues, income or loss, or capital expenditures; estimated fair values of fixed rate instruments; estimated cash flows of floating rate instruments; plans for future operations and financing needs, growth prospects and targets; industry trends; trends in or expectations regarding operations and capital commitments; the sufficiency of claims reserves; and assumptions relating to the foregoing. 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.

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") or 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 this Annual Report and in the Company's other filings with the Securities and Exchange Commission.

All subsequent written and oral forward-looking statements attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by the cautionary statements above. Readers are cautioned not to place undue reliance on such statements, which speak only as of March 1, 2001.

SELECTED CONSOLIDATED FINANCIAL AND OPERATING DATA

The selected financial data presented for, and as of the end of, each of the years in the five-year period ended December 31, 2000, have been prepared in accordance with accounting principals generally accepted in the United States of America for stock life insurance companies. All amounts shown are in millions, except per share and operating data. The following data should be read in conjunction with the Consolidated Financial Statements and the Notes to the Consolidated Financial Statements. See "Management's Discussion and Analysis of Financial Condition and Results of Operations."

(dollars in millions, except per share and operating data)

years ending December 31,	*2000*	*1999*	*1998*	*1997*	*1996*
Income Statement Data					
Revenues					
Net premiums	$1,404.1	$1,315.6	$1,016.4	$ 744.8	$ 617.7
Investment income, net of related expenses	326.5	340.3	301.8	187.1	135.8
Realized capital (losses) gains	(28.7)	(75.3)	3.1	0.3	0.9
Other income	23.8	26.5	23.2	46.0	16.8
Total revenue	1,725.7	1,607.1	1,344.5	978.2	771.2
Benefits and expenses					
Claims and other policy benefits	1,103.6	1,067.1	797.9	569.1	463.5
Interest credited	104.8	153.1	153.2	92.3	54.7
Policy acquisition costs and other insurance expenses	243.5	218.3	188.5	148.1	118.1
Other expenses	80.9	64.5	58.0	47.5	37.5
Interest expense	17.6	11.0	8.8	7.8	6.2
Total benefits and expenses	1,550.4	1,514.0	1,206.4	864.8	680.0
Income from continuing operations before income taxes and minority interest	175.3	93.1	138.1	113.4	91.2
Provision for Income taxes	69.2	39.1	49.1	40.4	33.1
Income from continuing operations before minority interest	106.1	54.0	89.0	73.0	58.1
Minority interest in earnings (losses) of consolidated subsidiaries	0.3	1.0	(0.7)	0.4	0.3
Income from continuing operations	105.8	53.0	89.7	72.6	57.8
Discontinued operations					
Loss on discontinued accident and health operations, net of income taxes	(28.1)	(12.1)	(27.6)	(18.0)	(2.7)
Net income	$ 77.7	$ 40.9	$ 62.1	$ 54.6	$ 55.1

years ending December 31,	*2000*	*1999*	*1998*	*1997*	*1996*
Basic Earnings Per Share					
Continuing operations	$ 2.14	$ 1.16	$ 2.11	$ 1.91	$ 1.53
Discontinued operations	$ (0.57)	$ (0.27)	$ (0.61)	$ (0.47)	$ (0.08)
Net income	$ 1.57	$ 0.89	$ 1.50	$ 1.44	$ 1.45
Diluted Earnings Per Share					
Continuing operations	$ 2.12	$ 1.15	$ 2.08	$ 1.89	$ 1.52
Discontinued operations	$ (0.56)	$ (0.27)	$ (0.60)	$ (0.47)	$ (0.08)
Net income	$ 1.56	$ 0.88	$ 1.48	$ 1.42	$ 1.44
Weighted average diluted shares, in thousands	49,920	46,246	42,559	38,406	38,114
Dividends per share on common stock [1]	$ 0.24	$ 0.22	$ 0.17	$ 0.15	$ 0.13
Balance Sheet Data					
Total investments	$4,560.2	$3,811.9	$5,129.6	$3,634.0	$2,272.0
Total assets	6,061.9	5,123.7	6,318.6	4,673.6	2,893.7
Policy liabilities	4,617.7	3,998.1	5,053.1	3,558.7	2,068.6
Total long-term debt	272.3	184.0	108.0	106.8	106.5
Stockholders' equity	862.9	732.9	748.5	499.3	425.6
Stockholders' equity per share	$ 17.51	$ 14.68	$ 16.52	$ 13.21	$ 11.14
Operating Data *(in billions)*					
Assumed ordinary life reinsurance business in force	$ 545.9	$ 446.9	$ 330.6	$ 227.3	$ 168.3
Assumed new business production	161.1	164.9	125.0	75.9	37.9

[1] Dividends are payable on voting and non-voting shares of common stock.

GENERAL

Reinsurance Group of America, Incorporated ("RGA") is an insurance holding company formed December 31, 1992. On December 31, 2000, Equity Intermediary Company, a Missouri holding company, directly owned approximately 49.0% of the outstanding shares of common stock of RGA. Equity Intermediary Company is a wholly owned subsidiary of General American, a Missouri life insurance company, which in turn is a wholly owned subsidiary of GenAmerica Financial Corporation ("GenAmerica"), a Missouri corporation. GenAmerica was acquired and became a wholly owned subsidiary of MetLife, a New York life insurance company, on January 6, 2000. On April 7, 2000, MetLife completed a demutualization and became a subsidiary of MetLife, Inc., a publicly traded company. As a result of MetLife's ownership of GenAmerica and its own direct investment in RGA, MetLife beneficially owns 58.7% of the outstanding shares of common stock of RGA at December 31, 2000.

The consolidated financial statements include the assets, liabilities, and results of operations of RGA; Reinsurance Company of Missouri, Incorporated ("RCM"); RGA Australian Holdings PTY, Limited ("Australian Holdings"); RGA Reinsurance Company (Barbados) Ltd. ("RGA Barbados"); RGA International, Ltd. ("RGA International"), a New Brunswick company that serves as a Canadian marketing and insurance holding company for RGA's Canadian operations; RGA Sudamerica, S.A., a Chilean holding company; RGA Holdings Limited ("RGA UK"), a United Kingdom holding company; General American Argentina Seguros de Vida, S.A. ("GA Argentina"), an Argentine life insurance company; RGA South African Holdings (Pty) Ltd. ("RGA South Africa"), a South African holding company; Benefit Resource Life Insurance Company (Bermuda) Ltd. ("RGA Bermuda"); RGA Americas Reinsurance Company, Ltd.; and Triad Re, Ltd. In addition, the consolidated financial statements include the subsidiaries of RCM, Australian Holdings, RGA International, RGA UK, RGA Sudamerica, S.A., and RGA South Africa subject to an ownership position of fifty percent or more (collectively, the "Company"). During 2000, the Company sold its interest in RGA Sudamerica, S.A. and its subsidiaries, and RGA Bermuda.

RESULTS OF OPERATIONS

The Company derives revenues primarily from renewal premiums from existing reinsurance treaties, new business premiums from existing or new reinsurance treaties, and income earned on invested assets.

The Company's primary business is life reinsurance, which involves reinsuring life insurance policies that are often in force for the remaining lifetime of the underlying individual insureds, with premiums earned typically over a period of 10 to 30 years. Each year, however, a portion of the business under existing treaties terminates due to, among other things, voluntary surrenders of underlying life insurance policies, lapses of underlying policies, deaths of underlying insureds, and the exercise of recapture options by the ceding companies.

Assumed insurance in force for the Company increased $99.0 billion to $545.9 billion at December 31, 2000. Assumed new business production for 2000 totaled $161.1 billion compared to $164.9 billion in 1999 and $125.0 billion in 1998. Significant growth in assumed new business in the U.S. and Canada operations of $129.5 billion provided most of this increase in 2000.

As is customary in the reinsurance business, life insurance clients continually update, refine, and revise reinsurance information provided to the Company. Such revised information is used by the Company in the preparation of its financial statements and the financial effects resulting from the incorporation of revised data are reflected currently.

The Company's profitability primarily depends on the volume and amount of death claims incurred. While death claims are reasonably predictable over a period of many years, claims become less predictable over shorter periods and are subject to fluctuation from quarter to quarter and year to year. A significant fluctuation from period to period could adversely affect the results of operations. The Company has catastrophe insurance coverage issued by 6 insurers rated "A" or higher by A.M. Best as of December 31, 2000, that provides benefits of up to $100.0 million per occurrence for claims involving three or more deaths in a single accident, with a deductible of $1.5 million per occurrence. This coverage is terminable annually as of August 13 with 90 days prior notice. The Company believes such catastrophe insurance coverage adequately protects it from risks associated with multiple deaths in a single accident of reinsured lives. Additionally, through December 31, 2000, the Company retained a maximum of $2.5 million of coverage per individual life. Effective January 1, 2001, the Company increased its retention to $4.0 million of coverage per individual life.

The Company has foreign currency risk on business conducted in foreign currencies to the extent that the exchange rates of the foreign currencies are subject to adverse change over time. The Company's operations in Canada transact business in Canadian dollars. The exchange rate from Canadian to U.S. currency was 0.6676, 0.6876, and 0.6535 at December 31, 2000, 1999, and 1998, respectively. The Company's Latin America operations primarily conduct business in Argentine pesos and, prior to the sale of RGA Sudamerica, S.A., Chilean pesos. The exchange rate from these currencies to the U.S. currency remained relatively stable during 2000, 1999, and 1998. The business generated from the Asia Pacific region is primarily denominated in U.S. dollars, Australian dollars, and Japanese yen. Additionally, the Company processes business in other international currencies including the Great British Pound Sterling and South African Rand. The Company was not materially affected by the decline in the foreign exchange rates during 2000 and 1999.

Since December 31, 1998, the Company has formally reported its accident and health division as a discontinued operation. The accident and health business was placed into run-off, and all treaties were terminated at the earliest possible date. Notice was given to all cedants and retrocessionaires that all treaties were being cancelled at the expiration of their terms. If a treaty was continuous, a written Preliminary Notice of Cancellation was given, followed by a final notice within 90 days of the expiration date. The nature of the underlying risks is such that the claims may take several years to reach the reinsurers involved. Thus, the Company expects to pay claims out of existing reserves over a number of years as the level of business diminishes. During 2000, the accident and health division lost $28.1 million, including a pre-tax charge of $25.0 million to strengthen its reserves.

The Company has five main operational segments segregated primarily by geographic region: U.S., Canada, Latin America, Asia Pacific, and other international operations. The U.S. operations provide traditional life reinsurance and non-traditional reinsurance to domestic clients. Non-traditional business includes asset-intensive and financial reinsurance. Asset-intensive products primarily include reinsurance of corporate-owned life insurance and annuities. The Canada operations provide insurers with traditional reinsurance as well as assistance with capital management activity. The Latin America operations include traditional reinsurance, reinsurance of privatized pension products primarily in Argentina, and direct life insurance through a joint venture and subsidiaries in Chile and Argentina. The Company sold its Chilean interests during 2000. Asia Pacific operations provide primarily traditional life reinsurance through RGA Reinsurance Company of Australia, Limited ("RGA Australia") and RGA Reinsurance Company ("RGA Reinsurance"). Other international operations include traditional business from Europe and South Africa, in addition to other markets being developed by the Company. The operational segment results do not include the corporate investment activity, general corporate expenses, interest expense of RGA, and the provision for income tax expense (benefit). In addition, the Company's discontinued accident and health operations are not reflected in the continuing operations of the Company. The Company measures segment performance based on profit or loss from operations before income taxes and minority interest.

Prior to September 29, 1999, the U.S. Operations reinsured funding agreements, an asset intensive product from General American. Effective September 29, 1999, General American completed the recapture of the entire block of General American's funding agreement business reinsured by the Company. Prior to the recapture, the Company reinsured approximately 25% of General American's funding agreement business. Pursuant to the recapture transaction, the Company transferred all remaining liabilities related to the funding agreement business and an equivalent amount of assets to General American. In the third quarter of 1999, the Company transferred to General American approximately $1.8 billion in market value of assets. Those assets, consisting primarily of investments in fixed maturity securities and cash, were transferred in satisfaction of $1.8 billion in funding agreement liabilities. The Company incurred an after tax net capital loss of approximately $33.2 million associated with the liquidation of investment securities and the transfer of assets to General American during the third quarter of 1999.

Consolidated income from continuing operations increased 99.4% in 2000 to $105.8 million and decreased 40.9% in 1999 to $53.0 million. Diluted earnings per share from continuing operations were $2.12 for 2000 compared to $1.15 for 1999 and $2.08 for 1998. Earnings during these years were attributed primarily to the strong performance of traditional reinsurance in the U.S. and Canada. Earnings during 1999 were affected by the investment losses incurred in connection with the recapture of the funding agreement business. Further discussion and analysis of the results for 2000 compared to 1999 and 1998 are presented by segment. Certain prior year amounts have been reclassified to conform to the current year presentation.

U.S. OPERATIONS *(dollars in thousands)*

for the year ending December 31, 2000	*Traditional*	*Non-traditional*		*Total U.S.*
		Asset-Intensive	*Financial Reinsurance*	
Revenues				
Net premiums	$1,036,656	$ 2,216	$ -	$1,038,872
Investment income, net of related expenses	139,688	89,001	(37)	228,652
Realized investment losses, net	(12,206)	(1,066)	-	(13,272)
Other revenue	321	686	16,370	17,377
Total revenues	1,164,459	90,837	16,333	1,271,629
Benefits and expenses				
Claims and other policy benefits	793,494	(95)	-	793,399
Interest credited	47,445	55,006	-	102,451
Policy acquisition costs and other insurance expenses	150,347	23,446	5,457	179,250
Other operating expenses	25,244	802	3,274	29,320
Total benefits and expenses	1,016,530	79,159	8,731	1,104,420
Income before income taxes and minority interest	$ 147,929	$ 11,678	$ 7,602	$ 167,209

U.S. OPERATIONS *(dollars in thousands)*

for the year ending December 31, 1999	*Traditional*	*Non-traditional*		*Total U.S.*
		Asset-Intensive	*Financial Reinsurance*	
Revenues				
Net premiums	$ 949,054	$ 1,380	$ -	$ 950,434
Investment income, net of related expenses	125,745	124,713	-	250,458
Realized investment losses, net	(17,043)	(65,844)	-	(82,887)
Other revenue	(597)	12,655	13,180	25,238
Total revenues	1,057,159	72,904	13,180	1,143,243
Benefits and expenses				
Claims and other policy benefits	740,339	1,009	-	741,348
Interest credited	40,240	109,644	-	149,884
Policy acquisition costs and other insurance expenses	145,529	2,850	9,370	157,749
Other operating expenses	23,002	623	100	23,725
Total benefits and expenses	949,110	114,126	9,470	1,072,706
Income (loss) before income taxes and minority interest	$ 108,049	$ (41,222)	$ 3,710	$ 70,537

U.S. OPERATIONS *(dollars in thousands)*

for the year ending December 31, 1998	*Traditional*	*Non-traditional*		*Total U.S.*
		Asset-Intensive	*Financial Reinsurance*	
Revenues				
Net premiums	$ 714,876	$ 1,368	$ -	$ 716,244
Investment income, net of related expenses	106,664	124,808	-	231,472
Realized investment gains, net	1,716	655	-	2,371
Other revenue	644	4	17,800	18,448
Total revenues	823,900	126,835	17,800	968,535
Benefits and expenses				
Claims and other policy benefits	538,775	2,258	-	541,033
Interest credited	44,053	107,948	-	152,001
Policy acquisition costs and other insurance expenses	112,964	6,790	12,942	132,696
Other operating expenses	15,904	740	132	16,776
Total benefits and expenses	711,696	117,736	13,074	842,506
Income before income taxes and minority interest	$ 112,204	$ 9,099	$ 4,726	$ 126,029

The U.S. operations segment continued to grow at a strong pace in 2000. Income before income taxes and minority interest totaled $167.2 million, up from $70.5 million in 1999 and $126.0 million in 1998. Income was down in 1999 due to realized losses primarily from liquidating securities in connection with the recapture of the General American funding agreement business. Excluding the realized gains (losses) from investments for the comparable years, income before taxes and minority interest rose 17.6% and 24.1% in 2000 and 1999, respectively . These increases are primarily the result of favorable mortality experience on the core traditional block of business, emerging profits from reinsurance of the large in-force blocks and growth in non-traditional reinsurance. Investment income is allocated to the various operating segments on the basis of net capital, and investment performance varies with the composition of investments.

TRADITIONAL REINSURANCE

The U.S. traditional reinsurance subsegment is the oldest and largest subsegment of the Company. This subsegment provides life reinsurance to domestic clients for a variety of life products through yearly renewable term agreements, coinsurance, and modified coinsurance arrangements. These reinsurance arrangements may be either facultative or automatic agreements. During 2000, production totaled $115.7 billion of new assumed in-force business, compared to $121.3 billion in 1999 and $102.7 billion in 1998. The decrease in 2000 can be attributed to more in-force blocks of business being reinsured in 1999 compared to 2000. This decrease was somewhat offset by continued strong production on new and existing treaties. Management believes industry consolidation, demutualizations, and the trend toward reinsuring mortality risks should continue to provide reinsurance opportunities.

Income before income taxes and minority interest for U.S. traditional reinsurance increased 36.9% and decreased 3.7% in 2000 and 1999, respectively. The increase in income for 2000 was primarily due to premium growth, improved investment performance and favorable mortality experience. The decrease in income for 1999 is attributable to realized investment losses of $17.0 million on securities transactions. Excluding realized investment losses on securities transactions, income before income taxes and minority interest increased 13.2% in 1999.

Net premiums for U.S. traditional reinsurance rose 9.2% and 32.8% in 2000 and 1999, respectively. The 2000 increase in premiums of 9.2% is smaller because not as many in-force blocks were reinsured in the current year. New premiums from facultative and automatic treaties and renewal premium on existing blocks of business all contributed to continued growth. Premium levels are significantly influenced by large transactions and reporting practices of ceding companies and therefore can fluctuate from period to period.

Net investment income increased 11.1% and 17.9% in 2000 and 1999, respectively. This increase in both years was due to the continued growth of business in this subsegment from facultative and automatic treaties, which resulted in an increase in the underlying invested asset base.

Realized investment losses of approximately $12.2 million were reported for 2000 compared to $17.0 million in 1999. Included in the net realized losses for 2000 was the write-down of several fixed income securities along with capital losses associated with the sale of some investments. The 1999 losses also included the write-off of the Company's investment in a financial services consulting firm specializing in the development of distribution systems.

The amount of claims and other policy benefits increased 7.2% and 37.4% in 2000 and 1999, respectively. The increases are primarily due to the increased size of the business in force. Claims and other policy benefits, as a percentage of net premiums, were 76.5%, 78.0%, and 75.4% in 2000, 1999, and 1998, respectively. The lower percentage in 2000 compared to 1999 is the result of good mortality experience. The slightly higher percentage in 1999 is partially the result of large claims reported in the fourth quarter of 1999. Large claims are defined as claims over one million dollars. Mortality is expected to fluctuate somewhat from period to period, but remains fairly constant over the long term. Analysis of the claims activity suggests no significant variances by cause of death, client company, issue year, or automatic versus facultative which would indicate any pricing or profitability problems.

Interest credited relates to amounts credited on the Company's cash value products in this segment, which have a significant mortality component. This amount fluctuates with the changes in cash surrender value and changes in interest crediting rates.

The amount of policy acquisition costs and other insurance expenses rose 3.3% and 28.8% in 2000 and 1999, respectively. As a percentage of net premiums, policy acquisition costs and other insurance expenses were 14.5%, 15.3%, and 15.8% in 2000, 1999, and 1998, respectively. These percentages fluctuate slightly due to variations in the mixture of business being written.

Other operating expenses increased 9.7% and 44.6% in 2000 and 1999, respectively. As a percentage of net premiums, other operating expenses were 2.4%, 2.4%, and 2.2% in 2000, 1999, and 1998, respectively. The increase was primarily due to increases in costs associated with the growth of the business.

ASSET-INTENSIVE REINSURANCE

The U.S. asset-intensive reinsurance subsegment includes the reinsurance of annuities and corporate-owned life insurance. Most of these agreements are coinsurance or modified coinsurance of non-mortality risks such that the Company recognizes profits or losses primarily from the spread between the investment earnings and the interest credited on the underlying deposit liabilities.

Income before income taxes and minority interest increased significantly in 2000 as a result of funding agreement losses incurred in 1999. The funding agreement business in 1999 had a net loss before income taxes and minority interest of approximately $47.8 million, which included pre-tax investment losses of $52.9 million. Substantially all pre-tax investment losses in 1999 were incurred in connection with liquidating securities and the recapture of the funding agreement business by General American. Excluding the impact of the funding agreements, income grew 77.3% in 2000, from $6.6 million to $11.7 million. The income growth was primarily attributable to a new coinsurance agreement on a block of single premium deferred annuities.

Net premiums reported in this subsegment primarily relate to a yearly renewable term treaty that reinsures the mortality risk of a corporate-owned life insurance product.

Policy acquisition costs and other insurance expenses relate primarily to the commission payments and premium taxes (if applicable) on deposits received. The increase in these expenses for 2000 primarily relates to the increase in net acquisition costs of two annuity blocks.

FINANCIAL REINSURANCE

The U.S. financial reinsurance subsegment includes net fees earned on financial reinsurance agreements and the Company's investment in RGA/Swiss Financial Group, L.L.C. ("RGA/Swiss"). Effective July 1, 2000, the Company increased its ownership of RGA/Swiss from 40% to 80%. For 1998, 1999 and the first six months of 2000, the Company included its equity in the earnings of RGA/Swiss in other income due to the 40% ownership. For the third quarter 2000, results were consolidated and minority interest expense was recorded for the 20% not owned by the Company. Subsequent to the end of the third quarter, the Company acquired the remaining 20% interest and changed the name of RGA/Swiss to RGA Financial Group, L.L.C. ("RGA Financial Group"). Financial reinsurance agreements represent low mortality risk business that the Company assumes and subsequently retrocedes with a net fee earned on the transaction. The fees earned from the assumption of the financial reinsurance contracts are reflected in other revenues and the fees paid to retrocessionaires are reflected in policy acquisition costs and other insurance expenses.

Income before income taxes and minority interest increased 104.9% and decreased 21.5% in 2000 and 1999, respectively. The results in 2000 can be primarily attributed to the increased ownership interest in RGA Financial Group coupled with higher amounts of financial reinsurance placed in 2000. The decrease in 1999 was primarily attributable to the decrease in earnings from RGA Financial Group and the net fees earned on financial reinsurance agreements. A decrease in outstanding statutory financial reinsurance contributed to the decrease in 1999. At December 31, 2000, 1999, and 1998, the amount of outstanding statutory financial reinsurance provided to client companies was $498.4 million, $310.0 million, and $512.9 million, respectively.

CANADA OPERATIONS *(dollars in thousands)*

for the year ending December 31,	*2000*	*1999*	*1998*
Revenues			
Net premiums	$ 176,326	$ 162,482	$ 144,784
Investment income, net of related expenses	61,950	52,767	38,857
Realized investment (losses) gains, net	(1,291)	5,923	617
Other revenue	318	(38)	482
Total revenues	237,303	221,134	184,740
Benefits and expenses			
Claims and other policy benefits	171,417	154,194	127,821
Interest credited	763	1,799	1,059
Policy acquisition costs and other insurance expenses	16,563	19,970	26,163
Other operating expenses	8,702	7,292	6,943
Total benefits and expenses	197,445	183,255	161,986
Income before income taxes and minority interest	$ 39,858	$ 37,879	$ 22,754

The Company conducts reinsurance business in Canada through RGA Life Reinsurance Company of Canada ("RGA Canada"). RGA Canada is primarily engaged in traditional individual life reinsurance, including preferred underwriting products. The Canadian operation is one of the leading life reinsurers in Canada. Canadian reinsurance in-force has more than tripled over a five-year period, to approximately $54.3 billion in 2000 from approximately $17.3 billion in 1995. At December 31, 2000, RGA Canada included most of the life insurance companies in Canada as clients.

Income before income taxes and minority interest increased 5.2% in 2000 and 66.5% in 1999. Excluding net realized investment gains, income before taxes and minority interest increased by 28.8% in 2000 and 44.4% in 1999. The increase in 2000 was driven by a growth in premiums of 8.5%, an increase in investment income of 17.4% and favorable mortality experience. The increase during 1999 was driven by a growth in premiums of 12.2%, an increase in investment income of 35.8%, and favorable mortality experience. The effects of changes in the foreign exchange rates during 2000 and 1999 were not material.

Net premiums increased 8.5% to $176.3 million in 2000 and increased 12.2% to $162.5 million in 1999. The premium growth in 2000 and 1999 resulted primarily from increasing renewal premiums and new business premiums. Business premium levels are significantly influenced by large transactions and reporting practices of ceding companies and therefore can fluctuate from period to period.

Net investment income increased 17.4% and 35.8% during 2000 and 1999, respectively. Investment income is allocated to the various operating segments on the basis of net capital, and investment performance varies with the composition of investments. The increase in investment income was mainly the result of an increase in the invested asset base. For 2000 and 1999, the invested asset base growth was due to operating cash flows on traditional reinsurance, proceeds from capital contributions and interest on an increasing amount of funds withheld at interest related to an in-force block added in 1998. In 1999, the increase in the invested asset base was partially offset by a decline in interest rates. The average book yield on the Canadian investment portfolio increased slightly to 7.02% for year ended December 31, 2000 from 6.97% for 1999 and 7.37% for 1998.

Claims and other policy benefits increased 11.2% and 20.6% during 2000 and 1999, respectively. Claims and other policy benefits as a percentage of net premiums were 97.2% of total 2000 net premiums compared to 94.9% in 1999 and 88.3% in 1998. The increased percentages experienced are primarily the result of several large in-force blocks assumed in 1998 and 1997. These blocks are mature blocks of level premium business in which mortality as a percentage of premiums is expected to be higher than the historical ratios. The nature of level premium policies requires that the Company invest the amounts received in excess of mortality costs to fund claims in the later years. Claims and other policy benefits as a percentage of net premiums and investment income were 71.9% of total 2000 net premiums compared to 71.6% in 1999 and 69.6% in 1998. The Company expects mortality to fluctuate somewhat from period to period but believes it is fairly constant over longer periods of time. In addition, RGA Canada continues to monitor mortality trends to determine the appropriateness of reserve levels.

Policy acquisition costs and other insurance expenses as a percentage of net premiums totaled 9.4% in 2000, 12.3% in 1999, and 18.1% in 1998. The decrease in this ratio is primarily due to the changing mix of business to yearly renewable term from coinsurance agreements. These yearly renewable term agreements tend to have lower commission costs compared to coinsurance agreements.

Other operating expenses increased $1.4 million in 2000 and $0.3 million in 1999. The overall increase in operating expenses was attributed to planned increases in costs associated with the ongoing growth of the business.

LATIN AMERICA OPERATIONS *(dollars in thousands)*

for the year ending December 31,	*2000*	*1999*	*1998*
Revenues			
Net premiums	$ 64,897	$ 104,167	$ 98,679
Investment income, net of related expenses	19,782	23,753	17,785
Realized investment (losses) gains, net	(9,099)	95	4
Other revenue	364	(224)	243
Total revenues	75,944	127,791	116,711
Benefits and expenses			
Claims and other policy benefits	62,205	111,479	94,462
Interest credited	1,568	1,435	187
Policy acquisition costs and other insurance expenses	7,772	2,340	6,881
Other operating expenses	10,647	9,209	11,358
Total benefits and expenses	82,192	124,463	112,888
(Loss) income before income taxes and minority interest	$ (6,248)	$ 3,328	$ 3,823

During 2000, business was generated from reinsurance in the Latin America region through RGA Reinsurance and also through direct operations in Argentina and Chile. Historically, the Latin America reinsurance operations have derived revenue primarily from the reinsurance of privatized pension products in Argentina. Since 1999, the Company has reduced its participation in these types of treaties and is more actively marketing additional types of reinsurance in the region such as traditional individual life, credit, and group life insurance as well as non-traditional reinsurance transactions in Argentina and Mexico. It is anticipated that the mix of business will continue to evolve in the upcoming years.

RGA formed General American Argentina Seguros de Vida S.A. ("GA Argentina") in 1994 to develop markets in Argentina. GA Argentina writes direct individual and group life products, and life insurance primarily related to group life and disability insurance for the Argentine privatized pension system. Effective July 1998, GA Argentina no longer enters into new contracts related to the privatized pension system, but continues to market individual universal life and group life products.

In 1993, the Company entered into a joint venture in Chile to form BHIFAmerica Seguros de Vida, S.A. ("BHIFAmerica"). This company was a direct life insurer whose primary source of premium was generated from single premium immediate annuities in addition to other lines including credit, individual, and group life. During 1996, in an effort to support the growth of this business and develop additional reinsurance opportunities in Chile, the Company formed RGA Reinsurance Company Chile, S.A. ("RGA Chile"), a wholly-owned reinsurance company licensed to assume life reinsurance in Chile. As of April 1, 2000, the Company reached an agreement to sell its interest in all of its Chilean subsidiaries: RGA Sudamerica, S.A., RGA Reinsurance Company Chile, S.A. and BHIFAmerica. The transaction closed on April 27, 2000. The Company received approximately $26.5 million in proceeds and recorded a loss on the sale of approximately $8.6 million, primarily consisting of the realization of accumulated foreign currency depreciation on the Company's net investment.

Income before income taxes and minority interest decreased to a loss of approximately $6.2 million in 2000 from income of $3.3 million and $3.8 million in 1999 and 1998, respectively. This was a result of the losses in the direct operations, primarily from the sale of the Chilean companies during the second quarter of 2000. These losses offset earnings in the reinsurance operations that resulted from growth in the Mexican and Argentine traditional life reinsurance business. The Company has limited its participation in the reinsurance of privatized pensions in Argentina, and has focused its efforts on seeking traditional reinsurance opportunities in other areas. More limited participation in the Argentine privatized pension system, combined with continuing experience refund payments to the ceding companies, contributed to the fluctuation in net premiums compared to the prior year.

Net premiums decreased from prior years as a result of the sale of the Chilean operations and reduced reinsurance of privatized pensions during 2000. Premiums from other sources related primarily to the development of new business opportunities in Mexico and Argentina. Net investment income decreased 16.7% and increased 33.6% during 2000 and 1999, respectively. Investment income for direct business declined with the sale of the Chilean companies, but increased for the reinsurance business. Investment income is allocated to the various operating segments on the basis of net capital, and investment performance varies with the composition of investments. This increase was due to the continued growth of business in this segment that resulted in an increase in the invested asset base.

The claims and other policy benefits for the segment decreased $49.3 million during 2000 and increased $17.0 million during 1999. Claims and other policy benefits as a percentage of net premiums totaled 95.8%, 107.0%, and 95.7% for 2000, 1999, and 1998, respectively. The Company expects mortality to fluctuate somewhat from period to period, but expects it to be fairly constant over longer periods of time. The Company continues to monitor mortality trends to determine the appropriateness of reserve levels. Interest credited represents amounts credited on reinsurance of new and existing Mexican and Argentine universal life products.

Policy acquisition costs and other insurance expenses increased $5.4 million and decreased $4.5 million for 2000 and 1999, respectively. Policy acquisition costs and other insurance expenses as a percentage of net premiums represented 12.0%, 2.2%, and 7.0% for 2000, 1999, and 1998, respectively. The percentages fluctuate due to variations in the mixture of business being written in Argentina, Mexico, and Chile with an increased amount of new business in 2000 with higher allowances.

ASIA PACIFIC OPERATIONS *(dollars in thousands)*

for the year ending December 31,	*2000*	*1999*	*1998*
Revenues			
Net premiums	$ 94,282	$ 73,887	$ 53,072
Investment income, net of related expenses	4,628	2,182	2,545
Realized investment (losses) gains, net	(191)	(3)	23
Other revenue	2,266	1,263	3,089
Total revenues	100,985	77,329	58,729
Benefits and expenses			
Claims and other policy benefits	56,377	46,785	31,900
Policy acquisition costs and other insurance expenses	32,484	29,860	21,775
Other operating expenses	9,939	6,983	7,660
Interest expense	980	491	454
Total benefits and expenses	99,780	84,119	61,789
Income (loss) before income taxes and minority interest	$ 1,205	$ (6,790)	$ (3,060)

The Company conducts reinsurance business in the Asia Pacific region through branch operations in Hong Kong and Japan and a liaison office in Taiwan. Business is also conducted through RGA Australia, a wholly owned subsidiary in Australia, and Malaysian Life Reinsurance Group Berhad ("MLRe"), a joint venture in Malaysia. The principal types of reinsurance provided in the region are life, critical care, superannuation, and financial reinsurance. Superannuation is the Australian government mandated compulsory retirement savings program. Superannuation funds accumulate retirement funds for employees, and in addition, offer life and disability insurance coverage.

The Asia Pacific income before income taxes and minority interest was an $8.0 million improvement over 1999. The improvement in profitability was caused by a combination of better mortality and persistency, additional premium volume, and a full year of experience from a large financial reinsurance transaction executed at the end of 1999. The Asia Pacific loss before income taxes and minority interest increased $3.7 million in 1999. The increase in the Asia Pacific loss before income taxes in 1999 compared to 1998 was due to higher than expected mortality experience, termination of a large financial reinsurance contract, and higher than expected lapses.

Net premiums increased 27.6%, to $94.3 million in 2000 and increased 39.2%, to $73.9 million, in 1999. Renewal premiums from the existing block of business, new business premiums from facultative and automatic treaties, and premium flows from larger blocks of business all contributed to the premium increase. Business premium levels are significantly influenced by large transactions and reporting practices of ceding companies and therefore can fluctuate from period to period. Net investment income increased by 112.1% in 2000 and declined by 14.3% in 1999. Investment income is allocated on the basis of average net capital, and the investment performance varies with the composition of the assets.

Other revenue during 2000 and 1999 predominantly represented profit and risk fees associated with financial reinsurance in Taiwan and Japan. The Taiwanese treaty was commenced in late 1999, with a full year in 2000 versus a partial year in 1999. A Japanese financial reinsurance treaty was discontinued in early 1999, reducing the fees earned for 1999. Fees paid to retrocessionaires that were included in policy acquisition costs and other insurance expenses partially offset these fees earned for these years.

Claims and other policy benefits increased 20.5% in 2000 and 46.7% in 1999. Claims and other policy benefits as a percentage of net premiums decreased to 59.8% in 2000 and increased to 63.3% in 1999 from 60.1% in 1998. The increase in claims and other policy benefits as a percentage of premiums in 1999 was primarily the result of adverse experience in the Japanese business. The Company expects mortality to fluctuate somewhat from period to period, but believes it is fairly constant over longer periods of time. The Company continues to monitor mortality trends to determine the appropriateness of reserve levels.

Policy acquisition costs and other insurance expenses increased 8.8% in 2000 and 37.1% in 1999. Policy acquisition costs and other insurance expenses as a percentage of net premiums was 34.5%, 40.4%, and 41.0% for 2000, 1999, and 1998, respectively. These percentages fluctuate due to the timing of client company reporting and variations in the mixture of business being written in Asia Pacific. Other operating expenses increased 42.3% in 2000 and decreased 8.8% in 1999. As a percentage of premiums, other operating expenses increased to 10.5% in 2000 and decreased to 9.5% in 1999 from 14.4% in 1998. The Company believes that sustained growth in premiums should lessen the burden of start-up expenses and expansion costs.

OTHER INTERNATIONAL OPERATIONS *(dollars in thousands)*

for the year ending December 31,	*2000*	*1999*	*1998*
Revenues			
Net premiums	$ 29,690	$ 24,668	$ 3,641
Investment income, net of related expenses	2,056	775	479
Realized investment gains, net	365	101	81
Other revenue	3,177	105	938
Total revenues	35,288	25,649	5,139
Benefits and expenses			
Claims and other policy benefits	20,151	13,305	2,685
Policy acquisition costs and other insurance expenses	7,473	8,388	923
Other operating expenses	9,542	7,810	6,540
Interest expense	502	-	-
Total benefits and expenses	37,668	29,503	10,148
(Loss) before income taxes and minority interest	$ (2,380)	$ (3,854)	$ (5,009)

The other international segment is the newest segment of the Company. This segment includes business received from reinsurance clients located in Europe and South Africa in addition to business received as a Corporate Name supporting a life reinsurance syndicate at Lloyd's of London. The principal type of reinsurance provided through this segment has been life reinsurance for a variety of life products through yearly renewable term and coinsurance agreements. These agreements may be either facultative or automatic agreements. During 2000, the Company's United Kingdom subsidiary obtained approval as a licensed U.K. life reinsurer, and the Company opened a representative office in Spain.

Net premiums increased to $29.7 million in 2000 compared to $24.7 million for 1999. While the majority of the net premium for 2000 was a result of business generated from an automatic treaty with a United Kingdom client, the Company's operation in South Africa also was a significant contributor mainly through the facultative market. Investment income for the segment is allocated on the basis of average net capital, and the investment performance varies with the composition of the assets. Other revenue in 2000 represents fees associated with asset management consulting services provided by RGA Financial Products and other income from participation in the Lloyd's life syndicate.

Claims and other policy benefits increased as a percentage of premiums to 67.9% in 2000 from 53.9% in 1999. Policy acquisition costs and other insurance expenses decreased as a percent of premiums to 25.2% in 2000 from 34.0% in 1999. These amounts will fluctuate based upon claim levels and the mix of business being reinsured. Year to year comparisons of premiums and claims and other policy benefits are not considered meaningful due to the start-up nature of this segment. Other operating expenses increased $1.7 million during 2000 compared to 1999 and $1.3 million during 1999 compared to 1998. The overall increase in operating expenses was attributed to increases in costs associated with the expansion efforts within the segment. The interest expense in 2000 relates to a debt facility within the United Kingdom.

CORPORATE AND OTHER

Corporate activity generally represents investment income on the undeployed proceeds from the Company's capital raising efforts, corporate expenses that include unallocated overhead and executive costs, as well as the interest expense related to borrowings under the Company's $140 million credit agreement entered into during 2000 (the "Credit Agreement"), a $75.0 million term loan note with General American ("GA Note") issued during 1999 and the $100.0 million 7 1/4% Senior Notes ("Senior Notes") issued in 1996. In addition, the provision for income taxes is generally calculated based on the overall operations of the Company and allocated to the segments. Tax expense (benefit) is not used as a basis of measuring segment profit/loss.

Consolidated investment income decreased 4.0% during 2000 and decreased 12.8% during 1999. The decrease during 2000 was affected by the reduction in invested assets related to the recapture of the funding agreement business by General American on September 29, 1999. The cost basis of invested assets increased by $0.6 billion, or 14.9% in 2000 and decreased $1.0 billion, or 20.2% in 1999. The increase in invested assets during 2000 was primarily a result of positive operating cash flows and new reinsurance transactions involving asset-intensive products. The decrease in the invested assets during 1999 was primarily a result of the funding agreement recapture. The 1999 decrease was offset, in part, by positive operating cash flows, new reinsurance transactions involving asset-intensive products, proceeds from the GA Note, and proceeds from a private placement of 4,784,689 shares of the Company's common stock to MetLife. The aggregate value of the private placement was approximately $125 million. The average yield earned on investments was 7.30% in 2000 compared with 7.10% in 1999 and 6.84% in 1998. The average yield will vary from

year to year depending on a number of variables, including prevailing interest rate fluctuations, changes in the mix of asset intensive products, and yields related to funds withheld at interest. Investment income has been allocated to the operational segments on the basis of average capital per segment.

Consolidated interest expense increased 59.7% during 2000 and 25.2% during 1999. Interest expense relates primarily to borrowings outstanding under the Credit Agreement, the GA Note, and Senior Notes. Interest expense for 2000, 1999, and 1998, was $17.6 million, $11.0 million, and $8.8 million, respectively.

Consolidated other expenses represent general corporate expenses.

The consolidated provision for income taxes for continuing operations increased 77.3% in 2000 and decreased 20.4% in 1999 as a result of fluctuations in pre-tax income. Income tax expense from continuing operations represented approximately 39.5%, 42.0%, and 35.5% of pre-tax income for 2000, 1999, and 1998, respectively. The effective tax rate for 2000 and 1999 was affected by realized capital losses domestically and operating losses from foreign subsidiaries for which deferred tax assets cannot be fully established. The Company calculated a tax benefit of $15.1 million, $6.9 million, and $14.9 million related to the discontinued operations in 2000, 1999, and 1998, respectively. The effective tax rate on the discontinued operations was 35.0%, 36.0%, and 35.1% in 2000, 1999, and 1998, respectively.

DISCONTINUED OPERATIONS

Since December 31, 1998, the Company has formally reported its accident and health division as a discontinued operation. The accident and health business was placed into run-off, and all treaties were terminated at the earliest possible date. Notice was given to all cedants and retrocessionaires that all treaties were being cancelled at the expiration of their terms. If a treaty was continuous, a written Preliminary Notice of Cancellation was given, followed by a final notice within 90 days of the expiration date. The nature of the underlying risks is such that the claims may take several years to reach the reinsurers involved. Thus, the Company expects to pay claims out of existing reserves over a number of years as the level of business diminishes.

At the time it was accepting accident and health risks, the Company directly underwrote certain business using its own staff of underwriters. Additionally, it participated in pools of risks underwritten by outside managing general underwriters, and offered high level common account and catastrophic protection coverages to other reinsurers and retrocessionaires. Types of risks covered included a variety of medical, disability, workers compensation carve-out, personal accident, and similar coverages.

The reinsurance markets for several accident and health risks, most notably involving workers' compensation carve-out and personal accident business, have been quite volatile over the past several years. In particular, certain programs are alleged to have been inappropriately underwritten by third party managers, and some of the reinsurers and retrocessionaires involved have alleged material misrepresentation and non-disclosures by the underwriting managers. As a result, there have been a significant number of claims for recission, arbitration, and litigation among a number of the parties involved. This has had the effect of significantly slowing the reporting of claims between parties, as the various outcomes of a series of arbitrations and similar actions affects the extent to which higher level reinsurers and retrocessionaires may ultimately have exposure to claims.

While RGA did not underwrite workers' compensation carve-out business directly, it did offer certain high level common account coverages to other reinsurers and retrocessionaires. The Company continues to investigate to determine if any material indirect claims exposures arise from workers' compensation carve-out or personal accident plans through pool participations or high level common account retrocessional coverage. To date, no such material exposures have been identified. If any material exposure is identified at some point in the future, based upon the experience of others involved in these markets, any exposures will potentially be subject to claims for recission, arbitration, or litigation. Thus, resolution of any disputes will likely take several years. In any event, it is management's opinion that future developments, if any, will not materially adversely affect the Company's financial position, results of operations, or cash flows.

The only arbitrations currently underway to which the Company is a party involve three separate group medical reinsurance coverages. The Company expects those arbitrations to be completed during 2001 and 2002. Reserves are established on those treaties based upon estimates of the expected findings of the related arbitration panels. There are no arbitrations underway currently relative to the Company's portfolio of personal accident business, although such arbitrations could commence at some point in the future.

The calculation of the claim reserve liability for the entire portfolio of accident and health business requires management to make estimates and assumptions that affect the reported claim reserve levels. The reserve balance as of December 31, 2000 and 1999 was $89.1 million and $53.8 million, respectively. The balance as of December 31, 2000 includes an additional $25.0 million charge taken by the Company during the fourth quarter of 2000 based upon the most recent claims development to strengthen its reserves. Management must make estimates and assumptions based on historical loss experience, changes in the nature of the business, anticipated outcomes of claim disputes and claims for recission, and projected future premium run-off, all of which may affect the level of the claim reserve liability. Due to the significant uncertainty associated with the run-off of this business, net income in future periods could be affected positively or negatively. The consolidated statements of income for all periods presented reflect this line of business as a discontinued operation. Revenues associated with discontinued operations, which are not reported on a gross basis in the Company's consolidated statements of income, totaled $23.7 million, $113.6 million, and $158.2 million for 2000, 1999, and 1998.

LIQUIDITY AND CAPITAL RESOURCES

RGA is a holding company that has as its principal asset interests in RGA Reinsurance, RGA Canada, RGA Barbados, RGA Americas, Australian Holdings, RGA UK, and GA Argentina.

As RGA continues its expansion efforts, management continually analyzes capital adequacy issues. Funds generated through the Company's capital raising efforts are used for general corporate purposes, including, but not limited to, the immediate capital needs associated with the Company's primary businesses, dividends paid by RGA to its shareholders, and interest payments. On May 24, 2000, the Company entered into the Credit Agreement with a bank syndicate, under which it may borrow up to $140.0 million. Interest on borrowings is payable quarterly at rates based either on the prime, federal funds or LIBOR rates plus a base rate margin defined in the Credit Agreement. As of December 31, 2000, the Company had approximately $80.0 million outstanding under the Credit Agreement. The termination date of the Credit Agreement is May 24, 2003. On May 8, 2000, RGA UK, entered into a revolving credit facility, whereby it may borrow up to £15.0 million (approximately $22.0 million). Interest on borrowings is payable quarterly at LIBOR rates plus a base rate margin defined in the agreement. As of December 31, 2000, the Company had borrowed £6.0 million (approximately $8.8 million) under the U.K. Credit Agreement. The termination date of the U.K. Credit Agreement is May 8, 2003, extendable for

two, one-year terms. On November 23, 1999, RGA completed a private placement of securities in which it sold 4,784,689 shares of the Company's common stock, $0.01 par value per share, to MetLife. The price per share was $26.125, and the aggregate value of the transaction was approximately $125 million. On June 1, 1999, the Company entered into a term-loan agreement with General American, whereby it borrowed $75.0 million. Interest on the term loan is payable quarterly at 100 basis points over the British Bankers' Association three-month LIBOR rate. The term loan matures on June 30, 2004. On March 19, 1996, RGA issued 7 1/4% Senior Notes with a face value of $100.0 million in accordance with Rule 144A of the Securities Act of 1933. Interest is payable semiannually on April 1 and October 1 with the principal amount due on April 1, 2006. Australian Holdings had a line of credit with an outstanding balance at December 31, 2000 and 1999, of $9.5 million, which was amended and restated in January 2001 and now expires December 2005. The ability of RGA, Australian Holdings, and RGA UK to make principal and interest payments is ultimately dependent on the earnings and surplus of RGA's subsidiaries, the investment earnings on the undeployed funds at RGA, and the Company's ability to raise additional capital.

At RGA's annual stockholders' meeting on May 27, 1998, a new class of non-voting common stock was authorized. In June 1998, RGA completed a public offering in which it sold 7,417,500 shares of non-voting common stock, after split, traded on the New York Stock Exchange under the symbol RGA.A. The offering provided net proceeds of approximately $221.8 million that have been utilized to finance the continued growth of RGA's operations domestically and internationally. This non-voting class of stock was subsequently converted into voting common shares at a 0.97 conversion rate upon shareholder approval at a special meeting held September 14, 1999.

Historically, RGA has paid quarterly dividends ranging from $0.027 per share in 1993 to $0.06 per share in 2000. All future payments of dividends are at the discretion of the Company's Board of Directors and will depend on the Company's earnings, capital requirements, insurance regulatory conditions, operating conditions, and such other factors as the Board of Directors may deem relevant. The amount of dividends that the Company can pay will depend in part on the operations of its reinsurance subsidiaries. The transfer of funds from the subsidiaries to RGA is subject to applicable insurance laws and regulations.

RGA has repurchased shares in the open market in the past primarily to satisfy obligations under its stock option program. RGA purchased approximately 0.7 million shares of treasury stock in 2000 at an aggregate cost of $20.0 million. No shares were repurchased in 1999 or 1998.

As of December 31, 2000, RGA Reinsurance had statutory capital and surplus of $499.1 million. RGA Reinsurance is subject to statutory provisions that restrict the payment of dividends. It may not pay dividends in any 12-month period in excess of the greater of the prior year's statutory operating income or 10% of capital and surplus at the preceding year-end, without regulatory approval. Pursuant to this calculation, RGA Reinsurance's allowable dividend without prior approval for 2001 would be $80.6 million. However, the applicable statutory provisions only permit an insurer to pay a shareholder dividend from unassigned surplus. As of December 31, 2000, RGA Reinsurance had unassigned surplus of $67.1 million. Any dividends paid by RGA Reinsurance would be paid to RCM, who in turn has restrictions related to its ability to pay dividends to RGA. As of December 31, 2000, RCM could pay a maximum dividend to RGA equal to its unassigned surplus, approximately $39.0 million. As of December 31, 2000, RGA Canada's statutory capital was $167.7 million. The maximum amount available for dividends by RGA Canada under the Canadian Minimum Continuing Capital and Surplus Requirements ("MCCSR") is $28.7 million. Dividend payments from other subsidiaries and joint ventures are subject to regulations in the country of domicile.

The Company's net cash flows from consolidated operating activities for the years ended December 31, 2000, 1999, and 1998 were $192.8 million, $277.7 million, and $349.1 million, respectively. The sources of funds of the operating subsidiaries of RGA consist of direct investment by RGA, premiums and deposits received from ceding insurers and direct insureds, investment income, and proceeds from the sales and redemptions of investments. Premiums and deposits are generally received in advance of related claim payments and withdrawals. Funds are applied to policy claims and benefits, operating expenses, income taxes, and investment purchases. The Company believes the short-term cash requirements of its business operations will be sufficiently met by the positive cash flows generated. The Company expects to address its longer-term liquidity needs and capital required to support possible future growth and expansion of the business through equity or debt financing. Any public offering would only be made by means of a prospectus. Because its traditional life reinsurance business generates positive cash flow, the Company's future policy benefit liabilities generally are not subject to disintermediation risk, and because the reinsured treaties offer no withdrawal options and require no return of premium if canceled or allowed to lapse, the Company historically has had more than sufficient funds to pay claims and expenses. The Company expects any future increase in the need for liquidity due to relatively large policy loans or unanticipated material claim levels would be met first by operating cash flows and then by selling short-term investments or fixed maturity securities.

The Company's asset-intensive products are primarily supported by investments in fixed maturity securities. Investment guidelines are established to structure the investment portfolio based upon the type, duration and behavior of products in the liability portfolio so as to achieve targeted levels of profitability. The Company manages the asset-intensive business to provide a targeted spread between the interest rate earned on investments and the interest rate credited to the underlying interest sensitive contract liabilities. The Company periodically reviews models projecting different interest rate scenarios and their impact on profitability. One of the Company's asset intensive agreements reinsures a market value adjusted annuity product on a modified coinsurance basis. Pursuant to the terms of this reinsurance agreement, the ceding company withholds the annuity liabilities and funds supporting the liabilities. The underlying product reinsured provides the contract holder with a minimum return guarantee over the life of the product. The Company shares in this guarantee pursuant to the reinsurance agreement. The ceding company manages the underlying investment portfolio. The risk to RGA is that the return on the investment portfolio is not sufficient to satisfy the minimum guarantee. This investment risk is mitigated through the Company's participation in establishing investment guidelines and through management's regular monitoring of the underlying investment performance.

Effective December 31, 1993, the National Association of Insurance Commissioners ("NAIC") adopted risk-based capital ("RBC") statutory requirements for U.S.-based life insurance companies. These requirements measure statutory capital and surplus needs based on the risks associated with a company's mix of products and investment portfolio. At December 31, 2000, statutory capital and surplus of RGA Reinsurance and RCM exceeded all RBC thresholds and RGA Canada's capital levels exceeded any MCCSR requirements. All of the Company's insurance operating subsidiaries exceed the minimum capital requirements in their respective jurisdiction.

INVESTMENTS

All investments made by RGA and its subsidiaries conform to the qualitative and quantitative limits prescribed by the applicable jurisdiction's insurance laws and regulations. In addition, their respective Boards of Directors regularly review the investment portfolios of the international subsidiaries. The RGA Board of Directors also reviews all material investment portfolios. The Company's investment strategy is to maintain a predominantly investment-grade, fixed maturity portfolio, to provide adequate liquidity for expected reinsurance obligations, and to maximize total return through prudent asset management. The Company's asset/liability duration matching differs between the U.S. and Canada operating segments. The target duration for U.S. portfolios, which are segmented along product lines, range between four and seven years. Based on Canadian reserve requirements, a portion of the Canadian liabilities is strictly matched with long duration Canadian assets, with the remaining assets invested to maximize the total rate of return, given the characteristics of the corresponding liabilities and Company liquidity needs. The Company's earned yield on fixed maturity securities was 7.30% in 2000, compared with 7.10% in 1999, and 6.84% in 1998.

The Company's fixed maturity securities are invested primarily in commercial and industrial bonds, public utilities, Canadian government securities and, mortgage and asset-backed securities. As of December 31, 2000, more than 96% of the Company's consolidated investment portfolio of fixed maturity securities was investment-grade. Important factors in the selection of investments include diversification, quality, yield, total rate of return potential, and call protection. The relative importance of these factors is determined by market conditions and the underlying product or portfolio characteristics. Cash equivalents are invested in high-grade money market instruments. The largest asset class in which fixed maturities were invested was in commercial and industrial bonds, which represented approximately 23.3% of total investments as of December 31, 2000, an increase from 19.2% as of December 31, 1999. A majority of these securities were classified as corporate securities, with an average Standard and Poor's rating of A at December 31, 2000. The Company owns floating rate securities that represent approximately 4.7% of total investments at December 31, 2000. These investments may have a higher degree of income variability than the other fixed income holdings in the portfolio due to the floating rate nature of the interest payments.

For agreements written on a modified coinsurance basis and certain agreements written on a coinsurance basis, assets equal to the net statutory reserves are withheld and legally owned by the ceding company and are reflected as funds withheld at interest on the balance sheet. Interest accrues to these assets at rates defined by the treaty terms. Funds withheld at interest comprised approximately 20.6% and 20.9% of the Company's investments as of December 31, 2000 and 1999, respectively.

Policy loans comprised approximately 15.5% and 17.3% of the Company's investments as of December 31, 2000 and 1999, respectively. These policy loans present no credit risk because the amount of the loan cannot exceed the obligation due the ceding company upon the death of the insured or surrender of the underlying policy. The provisions of the treaties in force and the underlying policies determine the policy loan interest rates. Because policy loans represent premature distributions of policy liabilities, they have the effect of reducing future disintermediation risk. In addition, the Company earns a spread between the interest rate earned on policy loans and the interest rate credited to corresponding liabilities.

Mortgage loans represented approximately 2.8% and 5.6% of the Company's investments as of December 31, 2000 and 1999, respectively. The decrease is due to the sale of RGA Sudamerica, S.A. and its subsidiaries. As of December 31, 2000, all mortgages are U.S-based. The Company invests primarily in mortgages on commercial offices and retail locations. The Company's mortgage loans generally range in size from $0.3 million to $8.0 million, with the average mortgage loan investment as of December 31, 2000, totaling approximately $3.1 million. The mortgage loan portfolio was diversified by geographic region and property type as discussed further in Note 6 of the notes to the consolidated financial statements.

The Company utilizes derivative financial instruments on a very limited basis, primarily to improve the management of the investment-related risks on a small portfolio of equity-indexed annuities. The Company uses both exchange-traded and customized, over-the-counter derivative financial instruments. RGA Reinsurance has established minimum credit quality standards for counterparties and seeks to obtain collateral or other credit supports. The Company limits its total financial exposure to counterparties. The Company's use of derivative financial instruments historically has not been significant to its financial position.

As of December 31, 2000, the invested assets of RGA, RCM, RGA Reinsurance, RGA Barbados, Australian Holdings, and RGA Canada are primarily managed by a third-party.

MARKET RISK

Market risk is the risk of loss that may occur when fluctuation in interest and currency exchange rates and equity and commodity prices change the value of a financial instrument. Both derivative and nonderivative financial instruments have market risk so the Company's risk management extends beyond derivatives to encompass all financial instruments held that are sensitive to market risk. RGA is primarily exposed to interest rate risk and foreign currency risk.

INTEREST RATE RISK

This risk arises from many of the Company's primary activities, as the Company invests substantial funds in interest-sensitive assets and also has certain interest-sensitive contract liabilities. The Company manages interest rate risk and credit risk to maximize the return on the Company's capital effectively and to preserve the value created by its business operations. As such, certain management monitoring processes are designed to minimize the impact of sudden and sustained changes in interest rates on fair value, cash flows, and net interest income.

The Company's exposure to interest rate price risk and interest rate cash flow risk is reviewed on a quarterly basis. Interest rate price risk exposure is measured using interest rate sensitivity analysis to determine the change in fair value of the Company's financial instruments in the event of a hypothetical change in interest rates. Interest rate cash flow risk exposure is measured using interest rate sensitivity analysis to determine the Company's variability in cash flows in the event of a hypothetical change in interest rates. If estimated changes of fair value, net interest income, and cash flows are not within the limits established by the Board, the Board may direct management to adjust its asset and liability mix to bring interest rate risk within Board-approved limits.

In order to reduce the exposure of changes in fair values from interest rate fluctuations, RGA has developed strategies to manage its liquidity, and increase the interest rate sensitivity of its asset base. From time to time, RGA has utilized the swap market to manage the volatility of cash flows to interest rate fluctuations.

Interest rate sensitivity analysis is used to measure the Company's interest rate price risk by computing estimated changes in fair value of fixed rate assets and off-balance sheet items in the event of a range of assumed changes in market interest rates. Interest sensitive contract liabilities are generally supported by related policy loans or funds withheld at interest. As these amounts are affected similarly by interest rate changes, the net impact on estimated fair values or cash flows is not considered material and is excluded from the following sensitivity analysis. This analysis assesses the risk of loss in market risk sensitive fixed rate instruments in the event of a sudden and sustained 100 to 300 basis points increase or decrease in the market interest rates. The following table presents the Company's projected change in fair value of financial instruments for the various rate shock levels at its fiscal year ended December 31, 2000. All market risk sensitive instruments presented in this table are available for sale. RGA has no trading securities.

The calculation of fair value is based on the net present value of estimated discounted cash flows expected over the life of the market risk sensitive instruments, using market prepayment assumptions and market rates of interest provided by independent broker quotations and other public sources as of December 31, 2000, with adjustments made to reflect the shift in the Treasury yield curve as appropriate.

% CHANGE IN INTEREST RATE *(dollars in thousands)*	*Estimated Fair Value of Fixed Rate Instruments*	*Hypothetical Change*	*% Hypothetical Change*
300 basis point rise	$1,814,501	$ (515,068)	-22.11%
200 basis point rise	1,958,935	(370,634)	-15.91%
100 basis point rise	2,129,226	(200,343)	-8.60%
Base Scenario	2,329,569	-	0.00%
100 basis point decline	2,563,924	234,355	10.06%
200 basis point decline	2,843,006	513,437	22.04%
300 basis point decline	3,185,220	855,651	36.73%

At December 31, 2000, the Company's estimated changes in fair value were within the targets outlined in the Company's investment policy.

Interest rate sensitivity analysis is also used to measure the Company's interest rate cash flow risk by computing estimated changes in the cash flows expected in the near term attributable to floating rate assets, liabilities, and off-balance sheet items in the event of a range of assumed changes in market interest rates. This analysis assesses the risk of loss in cash flows in the near term in market risk sensitive floating rate instruments in the event of a sudden and sustained 100 to 300 basis points increase or decrease in the market interest rates. The following table presents the Company's projected change in cash flows in the near term associated with floating-rate instruments for various rate shock levels at December 31, 2000. All floating rate interest sensitive instruments presented in this table are classified as available for sale.

% CHANGE IN INTEREST RATE *(dollars in thousands)*	*Estimated Cash Flows of Floating Rate Instruments*	*Hypothetical Change*	*% Hypothetical Change*
300 basis point rise	$ 32,091	$ 8,699	37.19%
200 basis point rise	29,192	5,800	24.79%
100 basis point rise	26,292	2,900	12.40%
Base Scenario	23,392	-	0.00%
100 basis point decline	20,492	(2,900)	-12.40%
200 basis point decline	17,592	(5,800)	-24.79%
300 basis point decline	14,693	(8,699)	-37.19%

The cash flows from coupon payments move in the same direction as interest rates for the Company's floating rate instruments. The volatility in mortgage prepayments partially offsets the cash flows from interest. At December 31, 2000, the Company's estimated changes in cash flows were within the targets outlined in the Company's investment policy.

Computations of prospective effects of hypothetical interest rate changes are based on numerous assumptions, including relative levels of market interest rates, and mortgage prepayments, and should not be relied on as indicative of future results. Further, the computations do not contemplate any actions management could undertake in response to changes in interest rates.

Certain shortcomings are inherent in the method of analysis presented in the computation of the estimated fair value of fixed rate instruments and the estimated cash flows of floating rate instruments, which estimates constitute forward-looking statements. Actual values may differ materially from those projections presented due to a number of factors, including, without limitation, market conditions varying from assumptions used in the calculation of the fair value. In the event of a change in interest rates, prepayments could deviate significantly from those assumed in the calculation of fair value. Finally, the desire of many borrowers to repay their fixed-rate mortgage loans may decrease in the event of interest rate increases.

FOREIGN CURRENCY RISK

The Company is subject to foreign currency translation, transaction, and net income exposure. The Company generally does not hedge the foreign currency translation exposure related to its investment in foreign subsidiaries as it views these investments to be long-term. Translation differences resulting from translating foreign subsidiary balances to U.S. dollars are reflected in equity. The Company generally does not hedge the foreign currency exposure of its subsidiaries transacting business in currencies other than their functional currency (transaction exposure). Currently, the Company believes its foreign currency transaction exposure is not material to the consolidated results of operations. Net income exposure that may result from the strengthening of the U.S. dollar to foreign currencies will adversely affect results of operations since the income earned in the foreign currencies is worth less in U.S. dollars. When evaluating investments in foreign countries, the Company considers the stability of the political and currency environment. Devaluation of the currency after an investment decision has been made will affect the value of the investment when translated to U.S. dollars for financial reporting purposes.

INFLATION

The primary, direct effect on the Company of inflation is the increase in operating expenses. A large portion of the Company's operating expenses consists of salaries, which are subject to wage increases at least partly affected by the rate of inflation. The rate of inflation also has an indirect effect on the Company. To the extent that a government's policies to control the level of inflation result in changes in interest rates, the Company's investment income is affected.

NEW ACCOUNTING STANDARDS

In September 2000, the FASB issued SFAS No. 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities," which replaces SFAS No. 125, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities". SFAS No. 140 revises the standards for accounting for securitizations and other transfers of financial assets and collateral and requires certain disclosures, but carries over most of the provisions of SFAS No. 125. SFAS No. 140 is effective for transfers and servicing of financial assets and extinguishments of liabilities occurring after March 31, 2001 and is effective for recognition and reclassification of collateral and for disclosures relating to securitization transactions and collateral for fiscal years ending after December 15, 2000. Adoption of the provisions of SFAS No. 140 effective for the year ended December 31, 2000 did not have a material effect on the Company's consolidated financial statements. The Company is in the process of quantifying the impact, if any, of the provisions of SFAS No. 140 effective for future periods.

In June 2000, the FASB issued Statement No. 138, "Accounting for Certain Derivative Instruments and Certain Hedging Activities—an Amendment to FASB Statement No. 133". This Statement addresses a limited number of issues causing implementation difficulties for numerous entities that apply Statement 133. Statement 138 is effective for all fiscal quarters of all fiscal years beginning after June 15, 2000. SFAS No. 133 requires companies to record derivatives on the balance sheet as assets or liabilities, measured at fair value. It also requires that gains or losses resulting from changes in the values of those derivatives be reported depending on the use of the derivative and whether it qualifies for hedge accounting. Initial application for the Company will be January 1, 2001. The Company has determined that initial application of the accounting provisions of SFAS Nos. 138 and 133 will not have a material impact on the Company's financial condition or results of operations.

In March 1998, the National Association of Insurance Commissioners ("NAIC") adopted the Codification of Statutory Accounting Principles ("Codification"). The purpose of Codification is to establish a uniform set of accounting rules and regulations ("SSAP") for use by insurance companies in financial report preparation in connection with financial reporting to regulatory authorities. The proposed effective date of the uniform statutory accounting principles is January 1, 2001. As of December 31, 2000, the State of Missouri has not amended its laws and rules to closely mirror SSAP, but the Missouri Department of Insurance has instructed its domestic insurers to conform to the new codified SSAP in anticipation of changes to applicable Missouri laws and rules during 2001. The Company estimates that the adoption of Codification as modified by the Missouri Department of Insurance, as currently interpreted, will not decrease statutory capital and surplus as of January 1, 2001.

December 31, *(Dollars in thousands)*	*2000*	*1999*
Assets		
Fixed maturity securities available for sale, at fair value	$2,692,840	$1,876,166
Mortgage loans on real estate	128,111	213,187
Policy loans	706,877	660,062
Funds withheld at interest	938,362	797,949
Short-term investments	68,735	238,424
Other invested assets	25,233	26,069
Total investments	4,560,158	3,811,857
Cash and cash equivalents	70,797	24,316
Accrued investment income	37,555	37,175
Premiums receivable	226,365	295,153
Reinsurance ceded receivables	296,368	295,460
Deferred policy acquisition costs	621,475	478,389
Other reinsurance balances	202,158	164,294
Other assets	46,984	17,099
Total assets	$6,061,860	$5,123,743
Liabilities and Stockholders' Equity		
Future policy benefits	$1,933,508	$1,870,099
Interest sensitive contract liabilities	2,128,743	1,545,893
Other policy claims and benefits	555,423	582,066
Other reinsurance balances	69,343	53,866
Deferred income taxes	170,905	67,914
Other liabilities	68,758	83,238
Long-term debt	272,257	183,954
Total liabilities	5,198,937	4,387,030
Minority interest	-	3,765
Commitments and contingent liabilities (Note 15)		
Stockholders' equity:		
Preferred stock (par value $.01 per share; 10,000,000 shares authorized; no shares issued or outstanding)	-	-
Common stock (par value $.01 per share; 75,000,000 shares authorized, 51,053,273 shares issued at December 31, 2000 and 1999)	511	511
Additional paid-in-capital	611,349	611,016
Retained earnings	348,158	282,389
Accumulated other comprehensive (loss):		
Accumulated currency translation adjustment, net of income taxes	(15,867)	(9,909)
Unrealized depreciation of securities, net of income taxes	(42,004)	(131,341)
Total stockholders' equity before treasury stock	902,147	752,666
Less treasury shares held of 1,759,715 and 1,112,820 at cost at December 31, 2000 and 1999, respectively	(39,224)	(19,718)
Total stockholders' equity	862,923	732,948
Total liabilities and stockholders' equity	$6,061,860	$5,123,743

See accompanying notes to consolidated financial statements.

Year ended December 31, *(Dollars in thousands except per share data)*	*2000*	*1999*	*1998*
Revenues			
Net premiums	$1,404,066	$1,315,638	$1,016,420
Investment income, net of related expenses	326,505	340,280	301,780
Realized investment (losses) gains, net	(28,651)	(75,308)	3,092
Other revenue	23,815	26,472	23,200
Total revenues	1,725,735	1,607,082	1,344,492
Benefits and expenses			
Claims and other policy benefits	1,103,548	1,067,111	797,901
Interest credited	104,782	153,118	153,247
Policy acquisition costs and other insurance expenses	243,542	218,314	188,471
Other operating expenses	80,922	64,447	58,021
Interest expense	17,596	11,020	8,805
Total benefits and expenses	1,550,390	1,514,010	1,206,445
Income from continuing operations before income taxes and minority interest	175,345	93,072	138,047
Provision for income taxes	69,271	39,059	49,055
Income from continuing operations before minority interest	106,074	54,013	88,992
Minority interest in earnings (losses) of consolidated subsidiaries	287	968	(717)
Income from continuing operations	105,787	53,045	89,709
Discontinued operations:			
Loss from discontinued accident and health operations, net of income taxes	(28,118)	(12,187)	(27,628)
Net income	$ 77,669	$ 40,858	$ 62,081
Earnings per share from continuing operations			
Basic earnings per share	$ 2.14	$ 1.16	$ 2.11
Diluted earnings per share	$ 2.12	$ 1.15	$ 2.08
Earnings per share from net income			
Basic earnings per share	$ 1.57	$ 0.89	$ 1.50
Diluted earnings per share	$ 1.56	$ 0.88	$ 1.48
Weighted average number of diluted shares outstanding *(in thousands)*	49,920	46,246	42,559

See accompanying notes to consolidated financial statements.

(dollars in thousands)	Preferred Stock	Common Stock	Non-Voting Common Stock
Balance, January 1, 1998	$ -	$ 261	$ -
Comprehensive income:			
Net income			
Other comprehensive income, net of tax			
Currency translation adjustments			
Unrealized investment losses on securities, net of related offsets and reclassification adjustment			
Other comprehensive loss			
Comprehensive income			
Dividends to stockholders		131	25
Issuance of non-voting stock			49
Reissuance of treasury stock			
Balance, December 31, 1998	-	392	74
Comprehensive income:			
Net income			
Other comprehensive income, net of tax			
Currency translation adjustments			
Unrealized investment losses on securities, net of related offsets and reclassification adjustment			
Other comprehensive loss			
Comprehensive loss			
Dividends to stockholders			
Conversion of non-voting into voting stock		72	(74)
MetLife private placement		47	
Reissuance of treasury stock			
Balance, December 31, 1999	-	511	-
Comprehensive income:			
Net income			
Other comprehensive income, net of tax			
Currency translation adjustments			
Unrealized investment gains on securities, net of related offsets and reclassification adjustment			
Other comprehensive income			
Comprehensive income			
Dividends to stockholders			
Purchase of treasury stock			
Reissuance of treasury stock			
Balance, December 31, 2000	$ -	$ 511	$ -

See accompanying notes to consolidated financial statements.

Additional Paid In Capital	*Retained Earnings*	*Comprehensive Income (Loss)*	*Accumulated Other Comprehensive Income (Loss)*	*Treasury Stock*	*Total*
$ 264,748	$ 196,685		$ 59,089	$ (21,462)	$ 499,321
	62,081	$ 62,081			62,081
		(6,767)			(6,767)
		(22,017)			(22,017)
		(28,784)	(28,784)		
		33,297			
(156)	(7,254)				(7,254)
221,788					221,837
289				987	1,276
486,669	251,512		30,305	(20,475)	748,477
	40,858	$ 40,858			40,858
		5,059			5,059
		(176,614)			(176,614)
		(171,555)	(171,555)		
		(130,697)			
	(9,981)				(9,981)
(655)					(657)
124,873					124,920
129				757	886
611,016	282,389		(141,250)	(19,718)	732,948
	77,669	$ 77,669			77,669
		(5,958)			(5,958)
		89,337			89,337
		83,379	83,379		
		161,048			
	(11,900)				(11,900)
				(20,000)	(20,000)
333				494	827
$ 611,349	$ 348,158		$ (57,871)	$ (39,224)	$ 862,923

Year ended December 31, *(Dollars in thousands)*	*2000*	*1999*	*1998*
Cash flows from operating activities:			
Net income	$ 77,669	$ 40,858	$ 62,081
Adjustments to reconcile net income to net cash provided by operating activities:			
Change in:			
Accrued investment income	(379)	25,288	(28,523)
Premiums receivable	68,407	(121,032)	(55,687)
Deferred policy acquisition costs	(154,229)	(112,085)	(65,393)
Reinsurance ceded balances	(908)	(35,914)	49,204
Future policy benefits, other policy claims and benefits, and other reinsurance balances	188,595	383,672	417,364
Deferred income taxes	57,210	48,013	26,785
Other assets and other liabilities	(24,958)	(2,490)	(32,914)
Amortization of net investment discounts, goodwill and other	(35,884)	(26,692)	(19,127)
Realized investment losses (gains), net	28,651	75,308	(3,091)
Other, net	(11,375)	2,775	(1,552)
Net cash provided by operating activities	192,799	277,701	349,147
Cash flows from investing activities:			
Proceeds from sale of subsidiaries	26,509	-	-
Purchase of business - net of cash received	(21,850)	-	-
Sales of investments:			
Fixed maturity securities - available for sale	576,240	2,873,723	495,589
Mortgage loans on real estate	-	8,136	3,416
Maturities of fixed maturity securites - available for sale	20,153	6,204	109,577
Purchases of fixed maturity securities - available for sale	(1,352,647)	(1,369,576)	(1,860,673)
Cash invested in:			
Mortgage loans on real estate	(21,951)	(50,300)	(75,281)
Policy loans	(63,812)	(146,177)	(50,987)
Funds withheld at interest	(64,394)	(73,684)	(194,373)
Principal payments on:			
Mortgage loans on real estate	9,525	24,378	7,088
Policy loans	16,997	4,475	17,335
Change in short-term and other invested assets	162,746	64,644	(54,051)
Net cash (used in) provided by investing activities	(712,484)	1,341,823	(1,602,360)
Cash flows from financing activities:			
Dividends to stockholders	(11,900)	(9,981)	(7,254)
Proceeds from stock offering	-	124,920	221,837
Debt issuance and borrowings under credit agreements	88,303	75,000	-
Purchase of treasury stock	(20,000)	-	-
Reissuance of treasury stock	827	886	987
Exchange of voting for non-voting shares	-	(657)	-
Excess deposits (withdrawals) on universal life and other investment type policies and contracts	508,259	(1,801,601)	1,016,245
Net cash provided by (used in) financing activities	565,489	(1,611,433)	1,231,815
Effect of exchange rate changes	677	259	(31)
Change in cash and cash equivalents	46,481	8,350	(21,429)
Cash and cash equivalents, beginning of year	24,316	15,966	37,395
Cash and cash equivalents, end of year	$ 70,797	$ 24,316	$ 15,966

See accompanying notes to consolidated financial statements.

NOTE 1 ORGANIZATION

Reinsurance Group of America, Incorporated ("RGA") is an insurance holding company formed December 31, 1992. On December 31, 2000, Equity Intermediary Company, a Missouri holding company, directly owned approximately 49.0% of the outstanding shares of common stock of RGA. Equity Intermediary Company is a wholly owned subsidiary of General American Life Insurance Company ("General American"), a Missouri life insurance company, which in turn is a wholly owned subsidiary of GenAmerica Financial Corporation ("GenAmerica"), a Missouri corporation. GenAmerica was acquired and became a wholly owned subsidiary of Metropolitan Life Insurance Company ("MetLife"), a New York life insurance company on January 6, 2000. As a result of MetLife's ownership of GenAmerica and its own direct investment in RGA, MetLife beneficially owns 58.7% of the outstanding shares of common stock of RGA at December 31, 2000 (See Note 3).

The consolidated financial statements include the assets, liabilities, and results of operations of RGA; Reinsurance Company of Missouri, Incorporated ("RCM"); RGA Australian Holdings PTY, Limited ("Australian Holdings"); RGA Reinsurance Company (Barbados) Ltd. ("RGA Barbados"); RGA International, Ltd. ("RGA International"), a New Brunswick company that serves as a Canadian marketing and insurance holding company for RGA's Canadian operations; RGA Sudamerica, S.A., a Chilean holding company; RGA Holdings Limited ("RGA UK"), a United Kingdom holding company; General American Argentina Seguros de Vida, S.A. ("GA Argentina"), an Argentine life insurance company; RGA South African Holdings (Pty) Ltd. ("RGA South Africa"), a South African holding company; Benefit Resource Life Insurance Company (Bermuda) Ltd. ("RGA Bermuda"); RGA Americas Reinsurance Company, Ltd.; and Triad Re, Ltd. In addition, the consolidated financial statements include the subsidiaries of RCM, Australian Holdings, RGA International, RGA UK, RGA Sudamerica, S.A., and RGA South Africa subject to an ownership position of fifty percent or more (collectively, the "Company"). In 2000, the Company sold its interest in RGA Sudamerica, S.A. and its subsidiaries, and RGA Bermuda.

The Company is primarily engaged in life reinsurance. Reinsurance is an arrangement under which an insurance company, the reinsurer, agrees to indemnify another insurance company, the ceding company, for all or a portion of the insurance risks underwritten by the ceding company. Reinsurance is designed to (i) reduce the net liability on individual risks, thereby enabling the ceding company to increase the volume of business it can underwrite, as well as increase the maximum risk it can underwrite on a single life or risk; (ii) stabilize operating results by leveling fluctuations in the ceding company's loss experience; (iii) assist the ceding company to meet applicable regulatory requirements; and (iv) enhance the ceding company's financial strength and surplus position.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Consolidation and Basis of Presentation. The consolidated financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America for stock life insurance companies. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenues and expenses during the reporting period. Significant accounts that the Company deems to be sensitive to changes in estimates include deferred policy acquisition costs, premiums receivable, future policy benefits, and other policy claims and benefits. In all instances, actual results could differ materially from such estimates and assumptions.

The accompanying financial statements consolidate the accounts of RGA and its subsidiaries, both direct and indirect, subject to an ownership position greater than fifty percent. Entities in which the company has an ownership position of twenty percent or more, but less than or equal to fifty percent are recorded on the equity method of accounting. All significant intercompany balances and transactions have been eliminated.

Investments. Fixed maturity securities available for sale are reported at fair value and are so classified based upon the possibility that such securities could be sold prior to maturity if that action enables the Company to execute its investment philosophy and appropriately match investment results to operating and liquidity needs.

Impairments in the value of securities held by the Company, considered to be other than temporary, are recorded as a reduction of the carrying value of the security, and a corresponding realized capital loss is recognized in the consolidated statements of income. The Company's policy is to recognize such impairment when the projected cash flows of these securities have been reduced on other than a temporary basis so that the realizable value is reduced to an amount less than the carrying value.

Mortgage loans on real estate are carried at unpaid principal balances, net of any unamortized premium or discount and valuation allowances. Valuation allowances on mortgage loans are being established based upon losses expected by management to be realized in connection with future dispositions or settlement of mortgage loans, including foreclosures. The valuation allowances are being established after management considers, among other things, the value of underlying collateral and payment capabilities of debtors.

Short-term investments are stated at amortized cost, which approximates fair value.

Policy loans are reported at the unpaid principal balance.

Funds withheld represent amounts contractually withheld by ceding companies in accordance with reinsurance agreements. For agreements written on a modified coinsurance basis and certain agreements written on a coinsurance basis, assets equal to the net statutory reserves are withheld and legally owned by the ceding company and are reflected as funds withheld at interest on the balance sheet. Interest accrues to these assets at rates defined by the treaty terms.

For reinsurance transactions executed prior to December 31, 1994, assets and liabilities related to treaties written on a modified coinsurance basis with funds withheld are reported on a gross basis. For reinsurance transactions executed on or after December 31, 1994, assets and liabilities from reinsurance agreements written on a modified coinsurance basis with funds withheld have generally been reported on a net basis and included in other reinsurance balances on the consolidated balance sheet because a right of offset exists.

Other invested assets, including derivative and equity securities, are carried at fair value.

The Company has a variety of reasons to use derivative instruments, such as to attempt to protect the Company against possible changes in the market value of its investment portfolio as a result of interest rate changes and to manage the portfolio's effective yield, maturity, and duration. The Company does not invest in derivatives for speculative purposes. The Company uses both exchange-traded and customized over-the-counter derivative financial instruments. The Company's use of derivatives historically has not been significant to its financial position. Income or expense on derivative financial instruments used to manage interest-rate exposure is recorded on an accrual basis as an adjustment to the yield of the related interest-earning assets or interest-bearing liabilities for the periods covered by the contracts. Gains or losses from early terminations of derivative contracts are deferred and amortized as an adjustment to the yield of the designated assets or liabilities over the remaining period originally contemplated by the derivative financial instrument. The Company is currently holding exchange-traded derivatives with a notional amount of $25.6 million, which are carried at fair value of $9.3 million.

The Company is exposed to credit-related risk in the event of nonperformance by reinsurance counterparties to financial instruments but does not expect any counterparties to fail to meet their obligations. Where appropriate, master netting agreements are arranged and collateral is obtained in the form of rights to securities to lower the Company's exposure to credit risk. It is the Company's policy to deal primarily with highly rated companies. There are no significant concentrations with counterparties. The Company has established minimum credit quality standards for counterparties and seeks to obtain collateral or other credit support where considered appropriate.

Investment income is recognized as it accrues or is legally due. Realized gains and losses on sales of investments are included in net income, as are write-downs of securities where declines in value are deemed to be other than temporary in nature. The cost of investment securities sold is determined based upon the specific identification method. Unrealized gains and losses on marketable equity securities and fixed maturity securities, less applicable deferred income taxes as well as related adjustments to deferred acquisition costs, are reflected as a direct charge or credit to accumulated other comprehensive income in stockholders' equity on the consolidated balance sheet.

Additional Information Regarding Statements of Cash Flows. Cash and cash equivalents include cash on deposit and highly liquid debt instruments purchased with an original maturity of three months or less. The consolidated statement of cash flows includes the results of discontinued operations in net cash from operations for all years presented, as the impact of the discontinued operations on cash flows is not considered material.

Deferred Policy Acquisition Costs. Costs of acquiring new business, which vary with and are primarily related to the production of new business, have been deferred to the extent that such costs are deemed recoverable from future premiums or gross profits. Such costs include commissions and allowances as well as certain costs of policy issuance and underwriting. The Company performs periodic tests to determine that the cost of business acquired remains recoverable, and the cumulative amortization is re-estimated and adjusted by a cumulative charge or credit to current operations.

Deferred costs related to traditional life insurance contracts, substantially all of which relate to long duration contacts, are amortized over the premium paying period of the related policies in proportion to the ratio of individual period premium revenues to total anticipated premium revenues over the life of the policy. Such anticipated premium revenues are estimated using the same assumptions used for computing liabilities for future policy benefits.

Deferred costs related to interest-sensitive life and investment-type policies are amortized over the lives of the policies, in relation to the present value of estimated gross profits from mortality, investment income, and expense margins.

Other Reinsurance Balances. The Company assumes and retrocedes financial reinsurance contracts which represent low mortality risk reinsurance treaties. These contracts are reported as deposits and included in other reinsurance assets/liabilities. The amount of revenue reported on these contracts represents fees and the cost of insurance under the terms of the reinsurance agreement. Balances resulting from the assumption and/or subsequent transfer of benefits and obligations resulting from cash flows related to variable annuities have also been classified as other reinsurance balance assets and/or liabilities.

Goodwill and Value of Business Acquired. Goodwill representing the excess of purchase price over the fair value of net assets acquired is amortized on a straight-line basis over ten to twenty years. The value of business acquired is amortized in proportion to the ratio of annual premium revenues to total anticipated premium revenues or in relation to the present value of estimated profits. Anticipated premium revenues have been estimated using assumptions consistent with those used in estimating reserves for future policy benefits. The carrying value is reviewed periodically for indicators of impairment in value. Goodwill and the value of business acquired were approximately $22.1 million and $2.8 million as of December 31, 2000 and 1999, respectively. Accumulated amortization amounted to $5.2 million and $3.5 million at December 31, 2000 and 1999, respectively, and related amortization expense for the years ended December 31, 2000, 1999 and 1998 was $2.2 million, $1.7 million, and $1.7 million, respectively. These amortized balances are included in other assets on the consolidated balance sheet.

Future Policy Benefits and Interest-Sensitive Contract Liabilities. Liabilities for future benefits on life policies are established in an amount adequate to meet the estimated future obligations on policies in force. Liabilities for future policy benefits under long-term life insurance policies have been computed based upon expected investment yields, mortality and withdrawal rates, and other assumptions. These assumptions include a margin for adverse deviation and vary with the characteristics of the plan of insurance, year of issue, age of insured, and other appropriate factors. Interest rates range from 6.0% to 8.0%. The mortality and withdrawal assumptions are based on the Company's experience as well as industry experience and standards. Liabilities for future benefits on interest-sensitive life and investment-type contract liabilities are carried at the accumulated contract holder values without reduction for potential surrender or withdrawal charges.

The Company perodically reviews actual and anticipated experience compared to the assumptions used to establish policy benefits. The Company establishes premium deficiency reserves if actual and anticipated experience indicates that existing policy liablitlities together with the present value of future gross premiums will not be sufficient to cover the present value of future benefits, settlement and maintenance costs and to recover unamortized acquisition costs. The premium deficiency reserve is established by a charge to income, as well as a reduction in unamortized acquisition costs and, to the extent there are no unamortized acquisition costs, an increase in future policy benefits.

In establishing reserves for future policy benefits, the Company assigns policy liability assumptions to particular time frames (eras) in such a manner as to be consistent with the underlying assumptions and economic conditions at the time the risks are assumed. The Company generally maintains a consistent level of provision for adverse deviation between eras.

The reserving process includes normal periodic reviews of assumptions used and adjustments of reserves to incorporate the refinement of the assumptions. Any such adjustments relate only to policies assumed in recent periods and the adjustments are reflected by a cumulative charge or credit to current operations. During the fourth quarter of 2000, the Company reflected a cumulative pretax credit to current operations of approximatley $6.9 million as a result of its periodic review of reserves.

The Company reinsures asset-intensive products, including annuities, corporate-owned life insurance and, prior to September 1999, funding agreement products, on a coinsurance basis. The investment portfolios for these products are segregated within the general account of RGA Reinsurance Company ("RGA Reinsurance"). During 1999, the assets and liabilities of two major asset-intensive blocks of business were recaptured by the ceding companies. The results of these recaptures are included in the 1999 consolidated statement of income. The liabilities for the remaining asset-intensive reinsurance contracts are included in interest sensitive contract liabilities on the consolidated balance sheet.

Other Policy Claims and Benefits. Claims payable for incurred but not reported losses are determined using case basis estimates and lag studies of past experience. These estimates are periodically reviewed and required adjustments to such estimates are reflected in current operations. The Company has no material policy claims liability balances that would require fair value disclosure.

Other Liabilities. Liabilities primarily related to investments in transit, separate accounts, employee benefits, and current federal income taxes payable are included in other liabilities on the consolidated balance sheet.

Income Taxes. RGA and its eligible U.S. subsidiaries file a consolidated federal income tax return. The U.S. consolidated tax return includes RGA, RGA Reinsurance, RCM and Fairfield Management Group, Incorporated ("Fairfield"). Due to rules which affect the ability of an entity to join in a consolidated tax return, RGA Barbados, RGA Americas Reinsurance Company, Ltd., and Triad Re Ltd. file separate tax returns even though these entities are considered to be U.S. taxpayers. The Company's Argentine, Australian, Bermudan, Canadian, Chilean, Malaysian, South African and United Kingdom subsidiaries are taxed under applicable local statutes.

For all years presented the Company uses the asset and liability method to record deferred income taxes. Accordingly, deferred income tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases, using enacted tax rates.

Foreign Currency Translation. The functional currency is the Argentine peso for the Company's Argentine operations, the Australian dollar for the Company's Australian operations, the Canadian dollar for the Company's Canada operations, the South African Rand for the Company's South African operations and the British Pound Sterling for the Company's United Kingdom operations. The translation of the foreign currency into U.S. dollars is performed for balance sheet accounts using current exchange rates in effect at the balance sheet date and for revenue and expense accounts using a weighted average exchange rate during each year. Gains or losses, net of deferred income taxes, resulting from such translation are included in accumulated currency translation adjustments, net of income taxes, in accumulated other comprehensive income (loss) on the consolidated balance sheet.

Retrocession Arrangements and Reinsurance Ceded Receivables. The Company generally reports retrocession activity on a gross basis. Amounts paid or deemed to have been paid for reinsurance are reflected in reinsurance ceded receivables. The cost of reinsurance related to long-duration contracts is recognized over the terms of the reinsured policies on a basis consistent with the reporting of those policies.

In the normal course of business, the Company seeks to limit its exposure to loss on any single insured and to recover a portion of benefits paid by ceding reinsurance to other insurance enterprises or reinsurers under excess coverage and coinsurance contracts. Through December 31, 2000, the Company retained a maximum of $2.5 million of coverage per individual life. Effective January 1, 2001, the Company increased its retention to $4.0 million of coverage per individual life. RGA Reinsurance has a number of retrocession arrangements whereby certain business in force is retroceded on an automatic or facultative basis. The Company also retrocedes most of its financial reinsurance business to other insurance companies to alleviate capital requirements created by this business.

Generally, RGA's insurance subsidiaries retrocede amounts in excess of their retention to RGA Reinsurance. Retrocessions are arranged through RGA Reinsurance's retrocession pools for amounts in excess of its retention. As of December 31, 2000, substantially all retrocession pool participants followed by the A.M. Best Company were rated A- or better. For a majority of the retrocessionaires that were not rated, security in the form of letters of credit or trust assets has been given as additional security in favor of RGA Reinsurance. In addition, the Company performs annual financial reviews of its retrocessionaires to evaluate financial stability and performance.

The Company has never experienced a material default in connection with retrocession arrangements, nor has it experienced any difficulty in collecting claims recoverable from retrocessionaires; however, no assurance can be given as to the future performance of such retrocessionaires or as to recoverability of any such claims.

Recognition of Revenues and Related Expenses. Revenues and expenses are reported gross, except that initial reserve changes are netted against premiums when an in force block of business is reinsured. Life and health premiums are recognized as revenue over the premium paying periods of the policies. Benefits and expenses are associated with earned premiums so that profits are recognized over the life of the related contract. This association is accomplished through the provision for future policy benefits and the amortization of deferred policy acquisition costs. Other revenue includes items such as treaty recapture fees, profit and risk fees associated with financial reinsurance as well as earnings in unconsolidated subsidiaries. Any fees that are collected in advance of the period benefited are deferred and recongnized over the period benefited.

Revenues for interest-sensitive and investment-type products consist of investment income, policy charges for the cost of insurance, policy administration, and surrenders that have been assessed against policy account balances during the period. Interest-sensitive contract liabilities for these products represent policy account balances before applicable surrender charges. Deferred policy acquisition costs are recognized as expenses over the term of the policies. Policy benefits and claims that are charged to expenses include claims incurred in the period in excess of related policy account balances and interest credited to policy account balances. The weighted average interest-crediting rates for interest-sensitive products were 6.7%, 6.4%, and 6.2%, during 2000, 1999, and 1998, respectively. Interest crediting rates for U.S. dollar-denominated investment-type contracts ranged from 5.3% to 7.2% during 2000, 5.2% to 6.7% during 1999, and 5.4% to 6.5% during 1998. Interest crediting rates for Mexican peso-denominated investment-type contracts ranged from 9.3% to 19.4% during 2000.

Net Earnings Per Share. Basic earnings per share exclude any dilutive effects of options. Diluted earnings per share include the dilutive effects assuming outstanding stock options were exercised. All share and earnings per share information has been adjusted to reflect the three-for-two stock split paid in the form of a dividend on February 26, 1999.

New Accounting Standards. In September 2000, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities," which replaces SFAS No. 125, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities". SFAS No. 140 revises the standards for accounting for securitizations and other transfers of financial assets and collateral and requires certain disclosures, but carries over most of the provisions of SFAS No. 125. SFAS No. 140 is effective for transfers and servicing of financial assets and extinguishments of liabilities occurring after March 31, 2001 and is effective for recognition and reclassification of collateral and for disclosures relating

to securitization transactions and collateral for fiscal years ending after December 15, 2000. Adoption of the provisions of SFAS No. 140 effective for the year ended December 31, 2000 did not have a material effect on the Company's consolidated financial statements. The Company is in the process of quantifying the impact, if any, of the provisions of SFAS No. 140 effective for future periods.

In June 2000, the FASB issued SFAS No. 138, "Accounting for Certain Derivative Instruments and Certain Hedging Activities — an Amendment to FASB Statement No. 133". This Statement addresses a limited number of issues causing implementation difficulties for numerous entities that apply SFAS 133. SFAS 138 is effective for all fiscal quarters of all fiscal years beginning after June 15, 2000. SFAS No. 133 requires companies to record derivatives on the balance sheet as assets or liabilities, measured at fair value. It also requires that gains or losses resulting from changes in the values of those derivatives be reported depending on the use of the derivative and whether it qualifies for hedge accounting. Initial application for the Company will be January 1, 2001. The Company has determined that initial application of the accounting provisions of SFAS Nos. 138 and 133 will not have a material impact on the Company's financial condition or results of operations.

In March 1998, the National Association of Insurance Commissioners ("NAIC") adopted the Codification of Statutory Accounting Principles ("Codification"). The purpose of Codification is to establish a uniform set of accounting rules and regulations ("SSAP") for use by insurance companies in financial report preparation in connection with financial reporting to regulatory authorities. The proposed effective date of the uniform statutory accounting principles is January 1, 2001. As of December 31, 2000, the State of Missouri has not amended its laws and rules to closely mirror SSAP, but the Missouri Department of Insurance has instructed its domestic insurers to conform to the new codified SSAP in anticipation of changes to applicable Missouri laws and rules during 2001. The Company estimates that the adoption of Codification as modified by the Missouri Department of Insurance, as currently interpreted, will not decrease statutory capital and surplus as of January 1, 2001.

Reclassification. The Company has reclassified the presentation of certain prior period information to conform to the 2000 presentation.

NOTE 3 STOCK TRANSACTIONS

During 2000, the Company purchased 689,953 shares of treasury stock at an aggregate cost of $20.0 million. The Company plans to use the repurchased shares to support the future exercise of options granted under its stock option plan. On November 23, 1999, RGA completed a private placement of securities in which it sold 4,784,689 shares of the Company's common stock, $0.01 par value per share (the "Shares"), to MetLife. The price per share was $26.125, and the aggregate value of the transaction was approximately $125 million.

In June 1998, RGA completed a public offering in which it sold 7,417,500 shares of non-voting common stock traded on the New York Stock Exchange under the symbol RGA.A. The offering was priced to the public at $31.33 per share and provided net proceeds of approximately $221.8 million. On September 14, 1999, the Company held a special shareholders' meeting at which an amendment to the Company's restated articles of incorporation, as amended, was approved which converted 7,417,500 shares of non-voting common stock into 7,194,971 shares of voting common stock, with cash paid in lieu of any fractional shares. The conversion ratio of one share of non-voting common stock to .97 shares of voting common stock was determined after weighing the economic interests of both securities then outstanding. The conversion price was subject to a review of fairness by a third-party financial advisor.

NOTE 4 DIVIDENDS

RGA paid cash dividends on common shares of $0.24 per share in 2000, $0.22 per share in 1999, and $0.17 per share in 1998.

NOTE 5 SIGNIFICANT TRANSACTIONS

1999 Reinsurance Agreement

During 1999, the Company entered into a new agreement reinsuring a market value adjusted annuity product on a modified coinsurance basis. Pursuant to the terms of the reinsurance agreement, the annuity liabilities and funds supporting the liabilities are withheld by the ceding company. To reflect the Company's obligations under the agreement, the amounts withheld have been reflected in "Funds withheld at interest" and "Interest sensitive contract liabilities" on the balance sheet. As of December 31, 2000, approximately $457.9 million and $470.3 million related to this agreement were included in funds withheld at interest and interest sensitive contract liabilities, respectively. As of December 31, 1999, approximately $364.5 million and $395.7 million were included in funds withheld at interest and interest sensitive contract liabilities, respectively.

The Company subsequently retrocedes approximately 5/12ths of this business to a GenAmerica subsidiary and 2/12ths to a subsidiary of MetLife. The Company reports the effect of the retrocessions by reflecting a net receivable or payable from/to the retrocessionaires in other reinsurance balances. The underlying product reinsured by the Company provides the contract holder with a minimum return guarantee over the life of the product. The Company shares in this guarantee pursuant to the reinsurance agreement. The guarantee is mitigated by applicable surrender charges over the first ten years of the contract. Also, the Company mitigates the investment risk through participation in establishing investment guidelines and through management's regular monitoring of the underlying investment performance.

Recapture Transaction

Effective September 29, 1999, General American completed the recapture of the entire block of General American's funding agreement business reinsured by the Company. Prior to the recapture, the Company reinsured approximately 25% of General American's funding agreement business. Pursuant to the recapture transaction, the Company transferred all remaining liabilities related to the funding agreement business and an equivalent amount of assets to General American. Over the course of the third quarter of 1999, the Company transferred to General American approximately $1.8 billion in market value of assets, including $1.5 billion in connection with the recapture. Those assets, consisting primarily of investments in fixed maturity securities and cash, were transferred in satisfaction of $1.8 billion in funding agreement liabilities. Associated with the liquidation of investment securities and the transfer of assets to General American during the third quarter of 1999, the Company incurred an after tax net capital loss of approximately $33.2 million, including $26.0 million associated with the recapture transaction.

NOTE 6 INVESTMENTS

Major categories of net investment income consist of the following *(in thousands):*

Years Ended December 31	*2000*	*1999*	*1998*
Fixed maturity securities	$ 189,750	$ 252,399	$ 234,465
Mortgage loans on real estate	10,003	11,284	9,705
Policy loans	44,712	42,378	37,807
Short-term investments	11,129	10,901	9,033
Funds withheld at interest	69,715	23,490	13,373
Other	3,497	2,912	309
Investment revenue	328,806	343,364	304,692
Investment expense	2,301	3,084	2,912
Net investment income	$ 326,505	$ 340,280	$ 301,780

The amortized cost, gross unrealized gains and losses, and estimated fair values of investments in fixed maturity securities at December 31, 2000 and 1999 are as follows *(in thousands):*

2000	*Amortized Cost*	*Unrealized Gains*	*Unrealized Losses*	*Fair Value*
Available for sale				
Commercial and industrial	$1,138,047	$ 21,837	$ 97,220	$1,062,664
Public utilities	366,767	39,285	20,273	385,779
Asset-backed securities	319,929	3,631	55,178	268,382
Canadian government	289,144	58,565	7,924	339,785
Mortgage-backed securities	266,171	6,202	10,538	261,835
Finance	213,654	6,081	6,726	213,009
U.S. Government and agencies	87,208	2,513	25	89,696
Other Foreign Government	18,373	177	-	18,550
Australian government agencies	14,889	18	30	14,877
Argentine government and agencies	39,339	205	1,281	38,263
	$2,753,521	$ 138,514	$ 199,195	$2,692,840

1999	*Amortized Cost*	*Unrealized Gains*	*Unrealized Losses*	*Fair Value*
Available for sale				
Commercial and industrial	$ 816,134	$ 1,106	$ 86,414	$ 730,826
Public utilities	341,881	24,619	35,612	330,888
Asset-backed securities	283,622	2	82,063	201,561
Canadian government	217,345	28,641	19,400	226,586
Mortgage-backed securities	173,777	13	26,248	147,542
Finance	106,705	93	9,811	96,987
Chilean government and agencies	87,089	-	3,055	84,034
U.S. Government and agencies	32,533	21	1,554	31,000
Other Foreign Government	13,123	33	1,486	11,670
Australian government agencies	10,938	39	267	10,710
Argentine government and agencies	4,393	-	31	4,362
	$2,087,540	$ 54,567	$ 265,941	$1,876,166

There were no investments in any entity in excess of 10% of stockholders' equity at December 31, 2000 or 1999, other than investments issued or guaranteed by the U.S. government.

Equity investments and derivative financial instruments are included in other invested assets in the Company's consolidated balance sheet. The cost basis of equity investments at December 31, 2000 and 1999 was approximately $15.4 million and $12.0 million, respectively. The cost basis of the derivative financial instruments at December 31, 2000 and 1999 was approximately $4.4 million.

The amortized cost and estimated fair value of fixed maturity investments at December 31, 2000 are shown by contractual maturity for all securities except U.S. Government agencies mortgage-backed securities, which are distributed to maturity year based on the Company's estimate of the rate of future prepayments of principal over the remaining lives of the securities. These estimates are developed using prepayment rates provided in broker consensus data. Such estimates are derived from prepayment rates experienced at the interest rate levels projected for the applicable underlying collateral and can be expected to vary from actual experience. Actual maturities can differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

At December 31, 2000, the contractual maturities of investments in fixed maturity securities were as follows *(in thousands):*

	Amortized Cost	*Fair Value*
Available for sale		
Due in one year or less	$ 51,089	$ 48,746
Due after one year through five years	523,734	535,610
Due after five years through ten years	715,998	666,514
Due after ten years	1,196,529	1,180,135
Mortgage-backed securities	266,171	261,835
	$2,753,521	$2,692,840

Net realized investment gains or losses, consist of the following *(in thousands):*

Years Ended December 31	*2000*	*1999*	*1998*
Fixed maturities and equity securities available for sale:			
Realized gains	$ 2,487	$ 19,683	$ 4,082
Realized losses	(23,142)	(81,936)	(1,064)
Other, net	(7,996)	(13,055)	74
Net (losses) gains	$ (28,651)	$ (75,308)	$ 3,092

Included in net realized losses are permanent write-downs of fixed maturity securities of approximately $10.1 million, $15.4 million, and $0.8 million in 2000, 1999, and 1998, respectively. Other losses during 2000 include $8.9 million in realized losses associated with the sale of subsidiaries.

Securities with an amortized cost of $3.1 million and $3.7 million were on deposit with various state or governmental insurance departments to comply with applicable insurance laws at December 31, 2000 and 1999, respectively. Securities with an amortized cost of $411.6 million and $321.4 million were held in trust in Canada at December 31, 2000 and 1999, respectively, to satisfy collateral requirements for reinsurance business conducted in Canada. Additionally, securities with an amortized cost of $821.5 million and $385.0 million at December 31, 2000 and 1999, respectively, were held in trust to satisfy collateral requirements of certain treaties.

At December 31, 2000, fixed maturities held by the Company that were below investment grade or not rated by an independent rating agency had an estimated fair value of approximately $66.4 million. At December 31, 2000, the Company owned non-income producing securites with an amortized cost of $7.2 million.

The Company makes mortgage loans on income producing properties, such as apartments, retail and office buildings, light warehouses and light industrial facilities. Loan to value ratios at the time of loan approval are 64 percent or less for domestic mortgages. The distribution of mortgage loans by property type is as follows *(dollars in thousands):*

	2000		*1999*	
	Carrying Value	*Percentage Of Total*	*Carrying Value*	*Percentage Of Total*
Property Type				
Apartment	$ 1,028	.80%	$ 78,375	36.65%
Retail	48,290	37.65%	50,088	23.42%
Office building	50,299	39.21%	52,136	24.38%
Industrial	26,423	20.60%	28,144	13.16%
Other commercial	2,227	1.74%	5,113	2.39%
	128,267	100.00%	213,856	100.00%
Less: Allowance	(156)		(669)	
Total	$ 128,111		$ 213,187	

All the Company's mortgage loans are amortizing loans. As of December 31, 2000 and 1999, the Company's mortgage loans were distributed as follows *(in thousands):*

	2000		*1999*	
	Carrying Value	*Percentage Of Total*	*Carrying Value*	*Percentage of Total*
United States:				
Arizona	$ 13,606	10.61%	$ 13,970	6.53%
California	20,538	16.01%	21,170	9.92%
Colorado	1,924	1.50%	1,955	.91%
Florida	5,787	4.51%	5,868	2.74%
Georgia	8,013	6.25%	8,344	3.90%
Illinois	12,606	9.83%	9,498	4.44%
Indiana	5,497	4.29%	5,634	2.63%
Kansas	7,663	5.97%	7,924	3.71%
Maryland	4,686	3.65%	4,898	2.29%
Missouri	7,475	5.83%	7,620	3.56%
Nevada	1,414	1.10%	1,482	.69%
North Carolina	16,688	13.01%	17,047	7.97%
Pennsylvania	5,759	4.49%	4,872	2.28%
Texas	2,233	1.74%	2,291	1.07%
Washington	14,378	11.21%	14,793	6.92%
Chile	-	-	86,490	40.44%
	128,267	100.00%	213,856	100.00%
Less: Allowance	(156)		(669)	
Total	$ 128,111		$ 213,187	

There were no loans delinquent at December 31, 2000.

The maturities of the mortgage loans are as follows *(in thousands):*

	2000	*1999*
Due within one year	$ 311	$ -
Due one year through five years	1,160	1,501
Due after five years	45,446	46,453
Due after 10 years	81,350	165,902
Subtotal	128,267	213,856
Less: Allowance	(156)	(669)
Total	$ 128,111	$ 213,187

NOTE 7 FAIR VALUE OF FINANCIAL INSTRUMENTS

The following table presents the carrying amounts and estimated fair values of the Company's financial instruments at December 31, 2000 and 1999. SFAS No. 107, "Disclosures about the Fair Value of Financial Instruments," defines fair value of a financial instrument as the amount at which the instrument could be exchanged in a current transaction between willing parties *(in thousands):*

	2000		*1999*	
	Carrying Value	*Estimated Fair Value*	*Carrying Value*	*Estimated Fair Value*
Assets				
Fixed maturities	$2,692,840	$2,692,840	$1,876,166	$1,876,166
Mortgage loans on real estate	128,111	131,730	213,187	209,917
Policy loans	706,877	706,877	660,062	660,062
Funds withheld at interest	938,362	935,748	797,949	810,670
Short-term investments	68,735	68,735	238,424	238,424
Other invested assets	25,233	25,233	26,069	26,069
Liabilities				
Interest-sensitive contract liabilities	$2,128,743	$2,074,491	$1,545,893	$1,500,510
Long-term debt	272,257	274,420	183,954	177,057

Publicly traded fixed maturity securities are valued based upon quoted market prices. Private placement securities are valued based on the credit quality and duration of marketable securities deemed comparable by the Company's investment advisor, which may be of another issuer. The fair value of mortgage loans on real estate is estimated using discounted cash flows. Policy loans typically carry an interest rate that is tied to the crediting rate applied to the related policy and contract reserves. The carrying value of funds withheld at interest generally equals fair value except were the funds withheld are specifically identified in the agreement. The carrying value of short-term investments at December 31, 2000 and 1999 approximates fair value. Equity investments and derivative financial instruments included in other invested assets are reflected at fair value on the consolidated balance sheet.

The fair value of the Company's interest sensitive contract liabilities is based on the cash surrender value of the liabilities, adjusted for recapture fees. The fair value of the Company's long-term debt is estimated based on quoted market prices for corporations with similar credit quality.

NOTE 8 REINSURANCE

Reinsurance contracts do not relieve the Company from its obligations to direct writing companies. Failure of retrocessionaires to honor their obligations could result in losses to the Company; consequently, allowances would be established for amounts deemed uncollectible. At December 31, 2000 and 1999, no allowances were deemed necessary. The Company regularly evaluates the financial condition of its reinsurers/retrocessionaires.

The effect of reinsurance on premiums and amounts earned is as follows *(in thousands):*

Years Ended December 31	*2000*	*1999*	*1998*
Direct premiums and amounts assessed against policyholders	$ 26,077	$ 41,174	$ 50,961
Reinsurance assumed	1,598,197	1,543,634	1,213,780
Reinsurance ceded	(220,208)	(269,170)	(248,321)
Net premiums and amounts earned	$1,404,066	$1,315,638	$1,016,420

The effect of reinsurance on policyholder claims and other policy benefits is as follows *(in thousands):*

Years Ended December 31	*2000*	*1999*	*1998*
Direct	$ 27,327	$ 53,358	$ 52,879
Reinsurance assumed	1,275,223	1,200,155	981,867
Reinsurance ceded	(199,002)	(186,402)	(236,845)
Net policyholder claims and benefits	$1,103,548	$1,067,111	$ 797,901

At December 31, 2000, there were no reinsurance receivables associated with a single reinsurer with a carrying value in excess of 5% of total assets.

The impact of reinsurance on life insurance in force is shown in the following schedule *(in millions):*

Life Insurance In Force	*Direct*	*Assumed*	*Ceded*	*Net*	*Assumed/ Net %*
December 31, 2000	$ 86	$ 545,950	$ 78,226	$ 467,810	116.70%
December 31, 1999	81	446,943	36,569	410,455	108.89%
December 31, 1998	83	330,615	16,171	314,527	105.11%

At December 31, 2000, RGA Reinsurance has provided approximately $498.4 million of statutory financial reinsurance to other insurance companies under financial reinsurance transactions to assist ceding companies in meeting applicable regulatory requirements and to enhance ceding companies' financial strength. Generally, such financial reinsurance is provided by the Company committing cash or assuming insurance liabilities, which are collateralized by future profits on the reinsured business. The Company retrocedes the majority of the assumed financial reinsurance, including approximately $42.9 million to MetLife and its subsidiaries. The Company earns a fee based on the amount of net outstanding financial reinsurance.

NOTE 9 DEFERRED POLICY ACQUISITION COSTS

The following reflects the amounts of policy acquisition costs deferred and amortized *(in thousands):*

Years Ended December 31	*2000*	*1999*	*1998*
Deferred acquisition cost			
Assumed	$ 715,318	$ 542,393	$ 359,946
Retroceded	(93,843)	(64,004)	(8,904)
Net	$ 621,475	$ 478,389	$ 351,042
Beginning of year	$ 478,389	$ 351,042	$ 289,842
Capitalized			
Assumed	382,772	333,020	234,066
Retroceded	(43,452)	(30,922)	(2,480)
Amortized			
Assumed	(209,847)	(177,440)	(171,470)
Retroceded	13,613	2,689	1,084
End of year	$ 621,475	$ 478,389	$ 351,042

Some reinsurance agreements involve reimbursing the ceding company for allowances and commissions in excess of first-year premiums. These amounts represent an investment in the reinsurance agreement, and are capitalized to the extent deemed recoverable from the future premiums and amortized against future profits of the business. This type of agreement presents a risk to the extent that the business lapses faster than originally anticipated resulting in future profits being insufficient to recover the Company's investment.

NOTE 10 INCOME TAX

Provision for income taxes attributable to income from operations consists of the following *(in thousands):*

Years Ended December 31	*2000*	*1999*	*1998*
Current income tax	$ 12,789	$ (20,835)	$ 16,807
Deferred income tax expense	46,494	40,430	23,662
Foreign current tax	(728)	11,881	5,463
Foreign deferred tax	10,716	7,583	3,123
Provision for income taxes	$ 69,271	$ 39,059	$ 49,055

Provision for income taxes differed from the amounts computed by applying the U.S. federal income tax statutory rate of 35% to pre-tax income as a result of the following *(in thousands):*

Years Ended December 31	*2000*	*1999*	*1998*
Tax provision at U.S. statutory rate	$ 61,371	$ 32,575	$ 48,316
Increase in income taxes resulting from:			
Foreign tax rate in excess of U.S. tax rate	1,049	994	752
Foreign tax credit	—	—	(1,194)
Travel and entertainment	134	136	97
Intangible amortization	215	284	394
Deferred tax valuation allowance	2,369	2,655	200
Basis differential on sale of Chilean subsidiaries	2,447	—	—
Other, net	1,686	2,415	490
Total provision for income taxes	$ 69,271	$ 39,059	$ 49,055

Total income taxes were as follows *(in thousands):*

Years Ended December 31	*2000*	*1999*	*1998*
Income tax from continuing operations:	$ 69,271	$ 39,059	$ 49,055
Tax benefit from discontinued operations	(15,140)	(6,855)	(14,939)
Income tax from stockholders' equity			
Unrealized holding gain or (loss) on debt and equity securities recognized for financial reporting purposes	51,766	(104,174)	(11,090)
Exercise of stock options	(344)	(194)	(583)
Foreign currency translation	3,208	2,702	(3,644)
Total income tax provided	$ 108,761	$ (69,462)	$ 18,799

The tax effects of temporary differences that give rise to significant portions of the deferred income tax assets and liabilities at December 31, 2000 and 1999, are presented in the following tables *(in thousands):*

Years Ended December 31	*2000*	*1999*
Deferred income tax assets:		
Nondeductible accruals	$ 12,271	$ 10,732
Differences in foreign currency translation	11,349	5,360
Deferred acquisition costs capitalized for tax	24,976	20,621
Net operating loss carryforward	94,781	47,157
Foreign tax & AMT credit carryforward	2,347	-
Capital loss carryforward	1,759	-
Differences in the tax basis of cash and invested assets	-	69,713
Subtotal	147,483	153,583
Valuation allowance	(6,204)	(3,747)
Total deferred income tax assets	141,279	149,836
Deferred income tax liabilities:		
Deferred acquisition costs capitalized for financial reporting	208,060	178,975
Differences between tax and financial reporting amounts concerning certain reinsurance transactions and reserve for policies	95,400	38,606
Pension plan overfunding	-	169
Differences in the tax basis of cash and invested assets	8,724	-
Total deferred income tax liabilities	312,184	217,750
Net deferred income tax liabilities	$ 170,905	$ 67,914

As of December 31, 2000, and 1999, a valuation allowance for deferred tax assets of approximately $6.2 million and $3.7 million respectively, was provided on the net operating and capital losses of RGA, RGA Australia, GA Argentina, RGA South Africa, and RGA UK. The Company utilizes valuation allowances when it determines, based on the weight of available evidence, that it is more likely than not that the deferred income tax assets will not be realized. The Company has not recognized a deferred tax liability for the undistributed earnings of its wholly owned domestic and foreign subsidiaries because the Company currently does not expect those unremitted earnings to become taxable to the Company in the foreseeable future. This is due to the fact that the unremitted earnings will not be repatriated in the foreseeable future, or because those unremitted earnings that may be repatriated will not be taxable through the application of tax planning strategies that management would utilize.

The Company received federal income tax refunds of approximately $44.8 million during 2000. The Company made federal income tax payments of approximately $6.5 million, $18.4 million, and $22.9 million during 2000, 1999 and 1998, respectively. At December 31, 2000, the Company recognized deferred tax assets associated with net operating losses of approximately $247.7 million. This net operating loss is expected to be utilized in the normal course of business during the period allowed for carry forwards and in any event, will not be lost due to the application of tax planning strategies that management would utilize.

NOTE 11 EMPLOYEE BENEFIT PLANS

Most of the Company's U.S. employees participate in a non-contributory, defined benefit pension plan sponsored by RGA Reinsurance. The benefits are based on years of service and compensation levels. RGA Reinsurance's funding policy is to contribute the maximum amount deductible for federal income tax purposes annually.

Also, certain management individuals participate in several nonqualified defined benefit and contribution plans sponsored by GenAmerica and RGA Reinsurance. Those plans are unfunded and are deductible for federal income tax purposes when the benefits are paid. Additionally, full-time salaried employees with at least one year of service participate in a profit-sharing plan sponsored by RGA Reinsurance. The Company's contributions are tied to RGA's operating results. Contributions to that plan have been determined annually by the RGA Board of Directors and are based upon the salaries of eligible employees. Full vesting occurs after five years of continuous service.

The Company also provides certain health care and life insurance benefits for retired employees through a self-insured, unfunded plan. Employees become eligible for these benefits if they meet minimum age and service requirements. The retiree's cost for health care benefits varies depending upon the credited years of service.

The liabilities and periodic pension costs associated with the Company's employee benefit plans are not material to the consolidated financial statements.

NOTE 12 RELATED PARTY TRANSACTIONS

Prior to September 1, 2000, Conning Asset Management Company ("Conning"), a majority-owned subsidiary of General American, provided investment management and advisory services to RGA, RGA Reinsurance, RGA Barbados, Australian Holdings and RGA Life Reinsurance Company of Canada ("RGA Canada"). These services were provided pursuant to agreements at the rate of 0.09% of fixed maturity assets managed and 0.22% of mortgage loans managed, payable quarterly, based on the average book value of the portfolios managed during each calendar quarter. On September 1, 2000, the Company contracted with a third party to provide the majority of investment management and advisory services for these portfolios. Conning, however, continues to provide accounting services for such portfolios, and certain accounting, management, and advisory services related to the Company's mortgage loan and collateralized mortgage back securitization portfolios. The cost for Conning's services for the years ended December 31, 2000, 1999, and 1998, was approximately $1.7 million, $2.8 million, and $2.9 million, respectively. Management does not believe that the various amounts charged by Conning to the Company would have been materially different if they had been incurred from an unrelated third party.

Subject to written agreements with RGA and RGA Reinsurance, General American has historically provided certain administrative services to RGA and RGA Reinsurance. Such services include legal, treasury, employee benefit, payroll, and personnel. The cost for the years ended December 31, 2000, 1999, and 1998, was approximately $2.6 million, $2.2 million, and $2.7 million, respectively. Management does not believe that the various amounts charged by General American to the Company would be materially different if they had been incurred from an unrelated third party.

Prior to moving its operations in August of 1999 to a leased facility owned by a third-party, the Company conducted its business primarily from premises leased by RGA Reinsurance from General American. RGA Reinsurance made rental payments in 1999 and 1998 to General American, principally for office space, of approximately $1.1 million and $1.6 million, respectively.

The Company also has direct policies and reinsurance agreements with MetLife and certain of its subsidiaries. As of December 31, 2000, the Company had assets and liabilities related to these agreements totaling $103.3 million and $114.1 million, respectively. Additionally, the Company reflected net assumed premiums of approximately $144.0 million, $130.3 million, and $111.5 million in 2000, 1999, and 1998, respectively. The premiums reflect the net of business assumed from and ceded to MetLife and its subsidiaries. The pre-tax gain (loss) on this business was approximately $17.8

million, $(31.0) million, and $17.7 million in 2000, 1999, and 1998, respectively. This includes realized gains (losses) on the disposal of investment securities of ($70.4) million and $0.6 million for 1999 and 1998, respectively.

The loss in 1999 includes the impact of reinsuring the General American funding agreements and an annuity coinsurance agreement with Cova Financial Services Life Insurance Company ("Cova"), a subsidiary of General American, both of which were recaptured during 1999. The funding agreement and annuity coinsurance agreement contributed net pre-tax earnings (loss) of $(47.8) million and $2.6 million, respectively, during 1999, including pre-tax net capital losses on disposal of investment securities of $52.9 million and $13.1 million, respectively. Deposits related to funding agreements and the annuity coinsurance at the time of recapture were $1.5 billion and $206.6 million, respectively.

NOTE 13 LEASE COMMITMENTS

The Company leases office space and furniture and equipment under non-cancelable operating lease agreements, which expire at various dates. Future minimum office space annual rentals under non-cancelable operating leases at December 31, 2000 are as follows:

2001	$ 3.9 million
2002	$ 3.4 million
2003	$ 3.3 million
2004	$ 3.2 million
2005	$ 3.3 million
Thereafter	$ 11.4 million

Rent expenses amounted to approximately $4.7 million, $4.3 million, and $2.8 million for the years ended December 31, 2000, 1999, and 1998, respectively.

NOTE 14 FINANCIAL CONDITION AND NET INCOME ON A STATUTORY BASIS-SUBSIDIARIES

The statutory basis financial condition of RGA Reinsurance and RGA Canada, as of December 31, 2000 and 1999 was as follows *(in thousands)*:

	RGA Reinsurance		*RGA Canada*	
	2000	*1999*	*2000*	*1999*
Assets	$4,876,745	$4,013,607	$ 826,841	$ 742,015
Liabilities	4,377,685	3,578,591	659,096	593,285
Total capital and surplus	$ 499,060	$ 435,016	$ 167,745	$ 148,730

The statutory basis net income of RGA Reinsurance and RGA Canada for the periods indicated was as follows *(in thousands)*:

	RGA Reinsurance			*RGA Canada*		
	2000	*1999*	*1998*	*2000*	*1999*	*1998*
Net income (loss)	$ 80,575	$ (51,283)	$ 12,785	$ 6,646	$ 2,087	$ 6,855

The total capital and surplus positions of RGA Reinsurance and RGA Canada exceed the risk-based capital requirements of the applicable regulatory bodies. RGA Reinsurance is subject to statutory provisions that restrict the payment of dividends. It may not pay dividends in any 12-month period in excess of the greater of the prior year's statutory operating income or 10% of capital and surplus at the preceding year-end, without regulatory approval. Pursuant to this calculation, RGA Reinsurance's allowable dividend without prior approval for 2001 would be $80.6 million. However, the applicable statutory provisions only permit an insurer to pay a shareholder dividend from unassigned surplus. As of December 31, 2000, RGA Reinsurance had unassigned surplus of $67.1 million. Any dividends paid by RGA Reinsurance would be paid to RCM, its parent company, which in turn has restrictions related to its ability to pay dividends to RGA. The assets of RCM consist primarily of its investment in RGA Reinsurance. As of December 31, 2000, RCM could pay a maximum dividend to RGA equal to its unassigned surplus, approximately $38.9 million. The maximum amount available for dividends by RGA Canada under the Canadian Minimum Continuing Capital and Surplus Requirements ("MCCSR") is $28.7 million. Dividend payments from other subsidiaries and joint ventures are subject to regulations in the country of domicile.

NOTE 15 COMMITMENTS AND CONTINGENT LIABILITIES

The Company is currently a party in arbitrations that involve three separate group medical reinsurance coverages as discussed in Note 21 to the consolidated financial statements. From time to time, the Company is subject to litigation and arbitration related to its reinsurance business and to employment-related matters in the normal course of its business. While it is not feasible to predict or determine the ultimate outcome of the pending arbitration or legal proceedings or provide reasonable ranges of potential losses, it is the opinion of Management that their outcomes after consideration of the provisions made in the Company's consolidated financial statements would not have a material adverse effect on its consolidated financial position.

The Company has obtained letters of credit in favor of various affiliated and unaffiliated insurance companies from which the Company assumes business. This allows the ceding company to take statutory reserve credit. The letters of credit issued by banks represent a guarantee of performance under the reinsurance agreements. At December 31, 2000, there were approximately $34.9 million of outstanding bank letters of credit in favor of unaffiliated entities and $5.5 million in favor of General American.

NOTE 16 DEBT FINANCING ACTIVITIES

On May 24, 2000, the Company entered into a credit agreement (the "Credit Agreement") with a bank syndicate, under which it may borrow up to $140.0 million to continue expansion of the Company's business. Interest on borrowings is payable quarterly at rates based either on the prime, federal funds or LIBOR rates plus a base rate margin (7.07% as of December 31, 2000) defined in the Credit Agreement. As of December 31, 2000, the Company had approximately $80.0 million outstanding under the Credit Agreement. The termination date of the Credit Agreement is May 24, 2003.

On May 8, 2000, RGA Holdings Limited, a wholly-owned subsidiary of the Company, entered into a revolving credit facility (the "U.K. Credit Agreement"), whereby it may borrow up to £15.0 million (approximately $22.0 million) for expansion of the Company's business in the United Kingdom. Interest on borrowings is payable quarterly at LIBOR rates plus a base rate margin (6.67% as of December 31, 2000) defined in the U.K. Credit Agreement. As of December 31, 2000, the Company had borrowed £6.0 million (approximately $8.8 million) under the U.K. Credit Agreement. The termination date of the U.K. Credit Agreement is May 8, 2003, extendable for two, one-year terms.

On June 1, 1999, the Company entered into a term loan agreement with General American, whereby it borrowed $75.0 million to continue expansion of the Company's business. Interest on the term loan is payable quarterly at 100 basis points over the British Bankers' Association three-month LIBOR rate (7.81% and 7.02% as of December 31, 2000 and 1999, respectively). The term loan matures on June 30, 2004.

On March 19, 1996, RGA issued 7 1/4% Senior Notes with a face value of $100.0 million in accordance with Rule 144A of the Securities Act of 1933, as amended. The net proceeds from the offering were approximately $98.9 million and interest is payable semiannually on April 1 and October 1, with the principal amount due April 1, 2006.

On January 8, 1996, Australian Holdings established a $15.9 million unsecured, three month, revolving line of credit. The debt is guaranteed by the Company and is utilized to provide operating capital to RGA Australia. The outstanding balance as of December 31, 2000 and 1999 was approximately $9.5 million. Interest is paid every three months at a variable rate with a rate of 6.54% and 5.80% as of December 31, 2000 and 1999, respectively. Subsequent to December 31, 2000, Australian Holdings amended and restated its credit agreement. With the new agreement, Australian Holdings rolled over all outstanding borrowings into a new AUS$35.0 million facility (approximately $19.6 million). The outstanding balance as of December 31, 2000 is included in long-term debt on the face of the consolidated balance sheet.

The ability of the Company to make debt principal and interest payments as well as make dividend payments to shareholders is ultimately dependent on the earnings and surplus of subsidiaries, investment earnings on the undeployed debt proceeds, and the ability of the Company to raise additional funds. The transfer of funds from the insurance subsidiaries to RGA is subject to applicable insurance laws and regulations. In addition, the debt agreements contain certain financial covenant restrictions related to, among others, liens, the issuance and disposition of stock of restricted subsidiaries, minimum requirements of net worth, and minimum rating requirements. The Company must also comply with specific reporting requirements with notices given to the respective fiscal agents at prescribed dates. As of December 31, 2000, the Company was in compliance with all covenants under its debt agreements.

Interest paid on debt during 2000, 1999, and 1998 was $16.9 million, $9.6 million and $8.8 million, respectively.

NOTE 17 SEGMENT INFORMATION

The Company has five main operational segments segregated primarily by geographic region: U.S., Canada, Latin America, Asia Pacific, and other international operations. The U.S. operations provide traditional life reinsurance and non-traditional reinsurance to domestic clients. Non-traditional business includes asset-intensive and financial reinsurance. Asset-intensive products include reinsurance of corporate-owned life insurance, annuities and, prior to September 30, 1999, funding agreement products. The Canada operations provide insurers with traditional reinsurance as well as assistance with capital management activity. The Latin America operations include direct life insurance through a joint venture and subsidiaries in Chile and Argentina. The Company sold its Chilean operations in April 2000. See Note 22. The Latin America operations also include traditional reinsurance and reinsurance of privatized pension products, primarily in Argentina. Asia Pacific operations provide primarily traditional life reinsurance through RGA Australia and RGA Reinsurance. Other international operations include traditional business from Europe and South Africa, in addition to other markets being developed by the Company. The operational segment results do not include the corporate investment activity, general corporate expenses and interest expense of RGA. In addition, the Company's discontinued accident and health operations are not reflected in the continuing operations of the Company.

The accounting policies of the segments are the same as those described in the Summary of Significant Accounting Policies in Note 2. The Company measures segment performance based on profit or loss from operations before income taxes and minority interest. There are no intersegment transactions and the Company does not have any material long-lived assets. Investment income is allocated to the segments based upon average assets and related capital levels deemed appropriate to support the segment business volumes.

The Company's reportable segments are strategic business units that are segregated by geographic region. Information related to revenues, income (loss) before income taxes and minority interest, and assets of the Company's continuing operations are summarized below.

For the Years ending December 31, *(Dollars in thousands)*	*2000*	*1999*	*1998*
Revenues			
U.S.	$1,271,629	$1,143,243	$ 968,535
Canada	237,303	221,134	184,740
Latin America	75,944	127,791	116,711
Asia Pacific	100,985	77,329	58,729
Other international	35,288	25,649	5,139
Corporate	4,586	11,936	10,638
Total from continuing operations	$1,725,735	$1,607,082	$1,344,492

For the Years ending December 31, *(Dollars in thousands)*	*2000*	*1999*	*1998*
Income (loss) from continuing operations before income taxes and minority interest			
U.S.	$ 167,209	$ 70,537	$ 126,029
Canada	39,858	37,879	22,754
Latin America	(6,248)	3,328	3,823
Asia Pacific	1,205	(6,790)	(3,060)
Other international	(2,380)	(3,854)	(5,009)
Corporate	(24,299)	(8,028)	(6,490)
Total from continuing operations	$ 175,345	$ 93,072	$ 138,047

Unconsolidated subsidiaries with an ownership position less than fifty percent are recorded on the equity basis of accounting. The equity in the net income of unconsolidated subsidiaries is not material to the results of operations or financial position of individual segments or the Company taken as a whole.

For the Years ending December 31, *(Dollars in thousands)*	*2000*	*1999*	*1998*
Interest expense			
Asia Pacific	$ 980	$ 491	$ 455
Other International	502	—	—
Corporate	16,114	10,529	8,350
Total from continuing operations	$ 17,596	$ 11,020	$ 8,805

For the Years ending December 31, (Dollars in thousands)	*2000*	*1999*	*1998*
Depreciation and amortization			
U.S.	$ 178,490	$ 158,135	$ 115,165
Canada	16,794	17,215	28,109
Latin America	5,204	(5,615)	6,599
Asia Pacific	20,170	31,930	20,324
Other international	4,001	8,819	125
Total from continuing operations	$ 224,659	$ 210,484	$ 170,322

For the Years ending December 31, (Dollars in thousands)	*2000*	*1999*	*1998*
Assets			
U.S.	$ 4,001,272	$2,987,710	$4,558,425
Canada	1,384,768	1,245,243	1,068,498
Latin America	140,610	340,502	248,536
Asia Pacific	236,031	160,785	123,508
Other international	33,214	5,791	(1,865)
Corporate and discontinued operations	265,965	383,712	321,451
Total assets	$6,061,860	$5,123,743	$ 6,318,553

Capital expenditures of each reporting segment were insignificant in the periods noted.

NOTE 18 STOCK OPTIONS

The Company adopted the RGA Flexible Stock Plan (the “Plan”) in February 1993 and the Flexible Stock Plan for Directors (the “Directors Plan”) in January 1997 (collectively, the “Stock Plans”). The Stock Plans provide for the award of benefits (collectively “Benefits”) of various types, including stock options, stock appreciation rights (“SARs”), restricted stock, performance shares, cash awards, and other stock based awards, to key employees, officers, directors and others performing significant services for the benefit of the Company or its subsidiaries. In general, options granted under the Plan become exercisable over vesting periods ranging from one to eight years while options granted under the Directors Plan become exercisable after one year. As of December 31, 2000, shares authorized for the granting of Benefits under the Plan and the Directors Plan totaled 4,111,933 and 112,500, respectively. Options are granted with an exercise price equal to the stock’s fair value at the date of grant and expire 10 years after the date of grant. Information with respect to option grants under the Stock Plans follow.

	2000			1999			1998		
	Options		Weighted Average Exercise Price	Options		Weighted Average Exercise Price	Options		Weighted Average Exercise Price
Balance at beginning of year	1,653,137	$	21.41	1,536,960	$	19.07	1,280,740	$	15.51
Granted	456,407	$	23.38	220,124	$	35.63	357,875	$	30.06
Exercised	(43,058)	$	12.37	(65,476)	$	12.10	(73,290)	$	11.81
Forfeited	(755)	$	35.33	(27,600)	$	21.01	(28,365)	$	15.35
Impact of exchange of voting for Non-voting grants	—		—	(10,871)		—	—		—
Balance at end of year	2,065,731	$	22.03	1,653,137	$	21.41	1,536,960	$	19.07

	Options Outstanding				Options Exercisable		
Range of Exercise Prices	Outstanding as of 12/31/00	Weighted Average Remaining Contractual Life		Weighted Average Exercise Price	Exercisable as of 12/31/00		Weighted Average Exercise Price
$10.00 - $14.99	507,908	2.9	$	12.04	291,719	$	11.90
$15.00 - $19.99	32,522	5.0	$	15.61	17,953	$	15.61
$20.00 - $24.99	963,558	6.5	$	21.67	417,151	$	20.38
$25.00 - $29.99	216,887	6.9	$	26.55	99,528	$	26.81
$30.00 - $34.99	24,750	8.3	$	32.12	13,500	$	33.00
$35.00 - $39.99	320,106	7.7	$	35.79	93,781	$	35.67
Totals	2,065,731	5.8	$	22.03	933,632	$	20.04

The per share weighted-average fair value of stock options granted during 2000, 1999, and 1998 was $9.40, $11.24, and $10.05 on the date of grant using the Black-Scholes option-pricing model with the following weighted-average assumptions: 2000-expected dividend yield of 0.8%, risk-free interest rate of 6.12%, expected life of 5.8 years, and an expected rate of volatility of the stock of 33% over the expected life of the options; 1999-expected dividend yield of 0.8%, risk-free interest rate of 5.64%, expected life of 5.0 years, and an expected rate of volatility of the stock of 26% over the expected life of the options; 1998-expected dividend yield of 0.7%, risk-free interest rate of 5.50%, expected life of 6.0 years, and an expected rate of volatility of the stock of 24% over the expected life of the options.

The Company applies APB Opinion No. 25 in accounting for its Stock Plans and, accordingly, no compensation cost has been recognized for its stock options in the financial statements. Had the Company determined compensation cost based on the fair value at the grant date for its stock options under Statement of Financial Accounting Standards No. 123, the Company's net income and earnings per share would have been reduced to the pro forma amounts indicated below. The effects of applying Statement of Financial Accounting Standards No. 123 may not be representative of the effects on reported net income for future years.

		2000	1999	1998
Net income *(in thousands)*	As reported	$ 77,669	$ 40,858	$ 62,081
	Pro forma	$ 75,105	$ 38,953	$ 60,675
Basic earnings per share	As reported	$ 1.57	$ 0.89	$ 1.50
	Pro forma	$ 1.52	$ 0.85	$ 1.47
Diluted earnings per share	As reported	$ 1.56	$ 0.88	$ 1.48
	Pro forma	$ 1.50	$ 0.84	$ 1.45

In January 1998 and 1999, the Board approved restricted stock awards of 15,000 voting shares and 13,500 non-voting shares, respectively, under the Company's Flexible Stock Plan. During 1999, the 13,500 shares of non-voting restricted stock were converted into 13,096 shares of voting restricted stock. Compensation expense related to restricted stock awards is being amortized over the individual agreements vesting periods. In January 2001, the Board approved an additional 474,168 incentive stock options at $29.81 per share under the Company's Flexible Stock Plan.

NOTE 19 EARNINGS PER SHARE

The following table sets forth the computation of basic and diluted earnings per share *(in thousands except per share information):*

Earnings:	2000	1999	1998
Income from continuing operations			
(numerator for basic and diluted calculations)	$ 105,787	$ 53,045	$ 89,709
Shares:			
Weighted average outstanding shares (denominator for basic calculation)	49,538	45,794	42,086
Equivalent shares from outstanding stock options	382	452	473
Diluted shares (denominator for diluted calculation)	49,920	46,246	42,559
Earnings per share from continuing operations:			
Basic	$ 2.14	$ 1.16	$ 2.11
Diluted	$ 2.12	$ 1.15	$ 2.08

NOTE 20 COMPREHENSIVE INCOME

The following table presents the components of the Company's other comprehensive income for the years ending December 31, 2000, 1999 and 1998 *(in thousands):*

For the twelve month period ending December 31, 2000:	*Before-Tax Amount*	*Tax (Expense) Benefit*	*Net-of-Tax Amount*
Foreign currency translation adjustments:			
Change arising during year	$ (13,855)	$ 4,849	$ (9,006)
Less: reclassification adjustment for losses realized in net income	(4,689)	1,641	(3,048)
Net currency translation adjustments	(9,166)	3,208	(5,958)
Unrealized gains on securities:			
Unrealized holding gains arising during the year	117,141	(46,359)	70,782
Less: reclassification adjustment for losses realized in net income	(23,962)	5,407	(18,555)
Net unrealized gains	141,103	(51,766)	89,337
Other comprehensive income	$ 131,937	$ (48,558)	$ 83,379

For the twelve month period ending December 31, 1999:	*Before-Tax Amount*	*Tax (Expense) Benefit*	*Net-of-Tax Amount*
Foreign currency translation adjustments	$ 7,761	$ (2,702)	$ 5,059
Unrealized gains on securities:			
Unrealized holding losses arising during the year	(356,096)	130,117	(225,979)
Less: reclassification adjustment for losses realized in net income	(75,308)	25,943	(49,365)
Net unrealized losses	(280,788)	104,174	(176,614)
Other comprehensive income loss	$ (273,027)	$ 101,472	$ (171,555)

For the twelve month period ending December 31, 1998:	*Before-Tax Amount*	*Tax (Expense) Benefit*	*Net-of-Tax Amount*
Foreign currency translation adjustments	$ (10,411)	$ 3,644	$ (6,767)
Unrealized gains on securities:			
Unrealized holding losses arising during the year	(30,015)	9,965	(20,050)
Less: reclassification adjustment for gains realized in net income	3,092	(1,125)	1,967
Net unrealized losses	(33,107)	11,090	(22,017)
Other comprehensive loss	$ (43,518)	$ 14,734	$ (28,784)

A summary of the components of net unrealized (depreciation) appreciation of balances carried at fair value is as follows *(in thousands):*

Years Ended December 31	*2000*	*1999*	*1998*
Change in net unrealized appreciation (depreciation) on:			
Fixed maturity securities available for sale	$ 147,598	$ (302,486)	$ (23,967)
Other investments	1,592	7,514	(6,948)
Effect of unrealized (depreciation) on:			
Deferred policy acquisition costs	(8,716)	14,271	(3,794)
Other	629	(87)	1,602
Net unrealized appreciation (depreciation)	$ 141,103	$ (280,788)	$ (33,107)

NOTE 21 DISCONTINUED OPERATIONS

Since December 31, 1998, the Company has formally reported its accident and health division as a discontinued operation. The accident and health business was placed into run-off, and all treaties were terminated at the earliest possible date. Notice was given to all cedants and retrocessionaires that all treaties were being cancelled at the expiration of their terms. If a treaty was continuous, a written Preliminary Notice of Cancellation was given, followed by a final notice within 90 days of the expiration date. The nature of the underlying risks is such that the claims may take several years to reach the reinsurers involved. Thus, the Company expects to pay claims out of existing reserves over a number of years as the level of business diminishes.

At the time it was accepting accident and health risks, the Company directly underwrote certain business using its own staff of underwriters. Additionally, it participated in pools of risks underwritten by outside managing general under-

writers, and offered high level common account and catastrophic protection coverages to other reinsurers and retrocessionaires. Types of risks covered included a variety of medical, disability, workers compensation carve-out, personal accident, and similar coverages.

The reinsurance markets for several accident and health risks, most notably involving workers' compensation carve-out and personal accident business, have been quite volatile over the past several years. In particular, certain programs are alleged to have been inappropriately underwritten by third party managers, and some of the reinsurers and retrocessionaires involved have alleged material misrepresentation and non-disclosures by the underwriting managers. As a result, there have been a significant number of claims for recission, arbitration, and litigation among a number of the parties involved. This has had the effect of significantly slowing the reporting of claims between parties, as the various outcomes of a series of arbitrations and similar actions affects the extent to which higher level reinsurers and retrocessionaires may ultimately have exposure to claims.

While RGA did not underwrite workers' compensation carve-out business directly, it did offer certain high level common account coverages to other reinsurers and retrocessionaires. The Company continues to investigate to determine if any material indirect claims exposures arise from workers' compensation carve-out or personal accident plans through pool participations or high level common account retrocessional coverage. To date, no such material exposures have been identified. If any material exposure is identified at some point in the future, based upon the experience of others involved in these markets, any exposures will potentially be subject to claims for recission, arbitration, or litigation. Thus, resolution of any disputes will likely take several years. In any event, it is management's opinion that future developments, if any, will not materially adversely affect the Company's financial position.

The only arbitrations currently underway to which the Company is a party involve three separate group medical reinsurance coverages. The Company expects those arbitrations to be completed during 2001 and 2002. Reserves are established on those treaties based upon estimates of the expected findings of the related arbitration panels. There are no arbitrations underway as of December 31, 2000, relative to the Company's portfolio of personal accident business, although such arbitrations could commence at some point in the future.

The calculation of the claim reserve liability for the entire portfolio of accident and health business requires management to make estimates and assumptions that affect the reported claim reserve levels. The reserve balance as of December 31, 2000 and 1999 was $89.1 million and $53.8 million, respectively. The balance as of December 31, 2000 includes an additional $25.0 million charge taken by the Company during the fourth quarter of 2000 based upon the most recent claims development to strengthen its reserves. Management must make estimates and assumptions based on historical loss experience, changes in the nature of the business, anticipated outcomes of claim disputes and claims for recission, anticipated outcomes of arbitrations, and projected future premium run-off, all of which may affect the level of the claim reserve liability. Due to the significant uncertainty associated with the run-off of this business, net income in future periods could be affected positively or negatively. The consolidated statements of income for all periods presented reflect this line of business as a discontinued operation. Revenues associated with discontinued operations, which are not reported on a gross basis in the Company's consolidated statements of income, totaled $23.7 million, $113.6 million, and $158.2 million for 2000, 1999, and 1998.

NOTE 22 SALE OF SUBSIDIARIES

As of April 1, 2000, the Company reached an agreement to sell its interest in RGA Sudamerica, S.A. and its subsidiaries, RGA Reinsurance Company Chile, S.A. and Bhif America Seguros de Vida, S.A. The transaction closed on April 27, 2000. The Company received approximately $26.5 million in proceeds and recorded a loss on the sale of approximately $8.6 million. The loss included $4.7 million of accumulated foreign currency depreciation on the Company's net investment and $1.4 million in previously unrealized depreciation of the investment portfolio. During 2000, the Company also sold its interest in RGA Bermuda for nominal consideration.

We have audited the accompanying consolidated balance sheet of Reinsurance Group of America, Incorporated and subsidiaries (the Company) as of December 31, 2000 and the related consolidated statements of income, stockholders' equity, and cash flows for the year ended December 31, 2000. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. The consolidated financial statements of the Company for each of the two years in the period ended December 31, 1999 were audited by other auditors whose report, dated January 25, 2000, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Reinsurance Group of America, Incorporated and subsidiaries as of December 31, 2000 and the results of their operations and their cash flows for the year ended December 31, 2000, in conformity with accounting principles generally accepted in the United States of America.

Deloitte & Touche LLP

St. Louis, Missouri
February 5, 2001

The consolidated balance sheets of Reinsurance Group of America, Incorporated and subsidiaries as of December 31, 2000 and 1999, and the related consolidated statements of income, cash flows and stockholders' equity for the years ended December 31, 2000, 1999, and 1998, have been prepared by management, which is responsible for their integrity and objectivity. The statements have been prepared in accordance with accounting principles generally accepted in the United States of America and include some amounts that are based upon management's best estimates and judgments. The financial information contained elsewhere in this annual report is consistent with that contained in the financial statements.

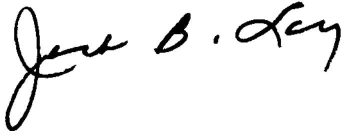
Management is responsible for establishing and maintaining a system of internal control designed to provide reasonable assurance is based on the recognition that there are inherent limitations in all systems of internal control, and that the cost of such systems should not exceed the benefits derived therefrom. A professional staff of internal auditors reviews, on an ongoing basis, the related internal control system design, the accounting policies and procedures supporting this system, and compliance therewith. Management believes this system of internal control effectively meets its objective of reliable financial reporting.

In connection with annual audits, independent certified public accountants perform an audit in accordance with auditing standards generally accepted in the United States of America, which includes the consideration of the system of internal control to the extent necessary to form an independent opinion on the financial statements prepared by management.

The Board of Directors, through its Audit Committee, which is composed solely of Directors who are not employees of the Company, is responsible for overseeing the integrity and reliability of the Company's accounting and financial reporting practices and effectiveness of its system of internal controls. The independent certified public accountants and internal auditors meet regularly with, and have access to, this committee, with and without management present, to discuss the results of their audit work.

Richard A. Liddy
Chairman of the board of Directors

A. Greig Woodring
President and Chief Executive Officer



Jack B. Lay
Executive Vice President
Chief Financial Officer

Todd Larson
Senior Vice President, Controller and Treasurer

Years Ended December 31 2000 *(in thousands, except per share data)*	*First*	*Second*	*Third*	*Fourth*
Revenues from continuing operations	$ 402,134	$ 419,275	$ 402,362	$ 501,964
Revenues from discontinued operations	$ 18,196	$ 1,358	$ 2,837	$ 1,267
Income from continuing operations before income taxes and minority interest	$ 40,114	$ 39,219	$ 50,687	$ 45,325
Income from continuing operations	$ 23,904	$ 21,410	$ 31,370	$ 29,103
Loss from discontinued operations [1]	$ (3,482)	$ (2,506)	$ (2,261)	$ (19,869)
Net income	$ 20,422	$ 18,904	$ 29,109	$ 9,234
Total outstanding common shares -end of period	49,869	49,335	49,258	49,294
Basic Earnings (Loss) Per Share				
Continuing operations	$ 0.48	$ 0.43	$ 0.64	$ 0.59
Discontinued operations	$ (0.07)	$ (0.05)	$ (0.05)	$ (0.40)
Net Income	$ 0.41	$ 0.38	$ 0.59	$ 0.19
Diluted Earnings (Loss) Per Share				
Continuing operations	$ 0.48	$ 0.43	$ 0.63	$ 0.58
Discontinued operations	$ (0.07)	$ (0.05)	$ (0.04)	$ (0.39)
Net Income	$ 0.41	$ 0.38	$ 0.59	$ 0.19
Dividends per share	$ 0.06	$ 0.06	$ 0.06	$ 0.06
Market price of common stock				
Quarter end	$ 23 13/16	$ 30 1/8	$ 34 1/4	$ 35 1/2
Common stock price, high	30 1/4	35 1/8	34 1/2	38 3/8
Common stock price, low	15 3/8	22	26 1/4	31 7/8

Years Ended December 31 1999 *(in thousands, except per share data)*	*First*	*Second*	*Third*	*Fourth*
Revenues from continuing operations	$ 443,107	$ 409,307	$ 326,244	$ 428,424
Revenues from discontinued operations	$ 39,903	$ 22,059	$ 25,749	$ 25,919
Income (loss) from continuing operations before income taxes and minority interest	$ 35,757	$ 44,443	$ (18,545)	$ 31,417
Income (loss) from continuing operations	$ 21,978	$ 25,647	$ (13,937)	$ 19,357
Loss from discontinued operations	$ (21)	$ (4,971)	$ (3,212)	$ (3,983)
Net income (loss)	$ 21,957	$ 20,676	$ (17,149)	$ 15,374
Outstanding common shares (voting) [2] -end of period	37,929	37,931	45,130	49,940
Outstanding common shares (non-voting) [2] -end of period	7,418	7,418	-	-
Total outstanding common shares [2] -end of period	45,347	45,349	45,130	49,940
Basic Earnings (Loss) Per Share				
Continuing operations	$ 0.48	$ 0.57	$ (0.31)	$ 0.41
Discontinued operatioins	$ -	$ (0.11)	$ (0.07)	$ (0.08)
Net Income	$ 0.48	$ 0.46	$ (0.38)	$ 0.33
Diluted Earnings (Loss) Per Share				
Continuing operations	$ 0.48	$ 0.56	$ (0.31)	$ 0.41
Discontinued operatioins	$ -	$ (0.11)	$ (0.07)	$ (0.09)
Net Income	$ 0.48	$ 0.45	$ (0.38)	$ 0.32
Dividends per share [3]	$ 0.05	$ 0.05	$ 0.06	$ 0.06
Market price of common stock (voting)				
Quarter end	$ 42 9/16	$ 35 1/4	$ 25 11/16	$ 27 3/4
Common stock price, high	49 1/6	44 1/4	40 3/4	34 1/2
Common stock price, low	38 11/12	34 1/4	24 3/4	22 1/8
Market price of common stock (non-voting) [2]				
Quarter end [2]	$ 33 49/60	$ 33 1/2	N/A	N/A
Common stock price, high [2]	41 33/53	33 7/8	N/A	N/A
Common stock price, low [2]	31 15/17	28 1/2	N/A	N/A

[1] Loss from discontinued operations for the fourth quarter of 2000 includes a $25.0 million pre-tax charge to increase reserves.
[2] Non-voting shares were issued on June 6, 1998 and were converted to voting shares on September 14, 1999.
[3] Dividends are payable on voting and non-voting shares of common stock.

Reinsurance Group of America, Incorporated common stock is traded on the New York Stock Exchange (NYSE) under the symbol "RGA".
There were 116 stockholders of record of RGA's common stock on March 1, 2001.

Board of Directors

Mary Ann Brown
Director,
President,
New England Products and Services

J. Cliff Eason
Director,
Former President,
Southwestern Bell Telephone

Stuart I. Greenbaum
Director,
Dean of the John M. Olin
School of Business,
Washington University in St. Louis

Terrence I. Lennon
Director,
Executive Vice President,
Metropolitan Life Insurance Company

Richard A. Liddy
Chairman of the Board and Director,
Chairman,
General American Life Insurance
Company and GenAmerica
Financial Corporation

William A. Peck, M.D.
Director,
Executive Vice Chancellor
for Medical Affairs and
Dean of the School of Medicine,
Washington University in St. Louis

William P. Stiritz
Director,
Chief Executive Officer, President and
Chairman, Agribrands International, Inc.

John H. Tweedie
Director,
Senior Executive Vice President,
Metropolitan Life Insurance Company

H Edwin Trusheim
Director,
Retired Chairman of the Board,
General American
Life Insurance Company

A. Greig Woodring
President, Chief Executive Officer
and Director,
Reinsurance Group
of America, Incorporated

Executive Officers

Wayne D. Adams
Senior Vice President and Chief
Marketing Officer, U.S. Division

Frank A. Alvarez
Executive Vice President,
Financial Markets

David B. Atkinson
Executive Vice President
and Chief Operating Officer

Anne E. Bookwalter
Senior Vice President
and Chief Investment Officer

Jaime Correa
Senior Vice President,
Latin American Division

James W. Dallas
Senior Vice President
Financial Markets

Brendan J. Galligan
Senior Vice President,
Asia Pacific Division

Joel S. Iskiwitch
Senior Vice President,
Accident and Health

Todd C. Larson
Senior Vice President,
Controller and Treasurer

John P. Laughlin
Senior Vice President
Financial Markets

Jack B. Lay
Executive Vice President
and Chief Financial Officer

Denis Loring
Senior Vice President
Financial Markets

Robert M. Musen
Executive Vice President

Paul Nitsou
Senior Vice President,
Other International Division

Paul A. Schuster
Executive Vice President,
U.S. Division

James E. Sherman
Senior Vice President,
General Counsel and Secretary

Kenneth D. Sloan
Senior Vice President,
U.S. Facultative Division

André St-Amour
Executive Vice President and
Chief International Operating Officer

Michael Stein
Senior Vice President
and Chief Actuary,
U.S. Division

Graham S. Watson
Executive Vice President
and Chief Marketing Officer

Melville J. Young
Executive Vice President

Shareholder Information

Transfer Agent
Mellon Investor Services, L.L.C.
Overpeck Centre
85 Challenger Road
Ridgefield Park, New Jersey 07660
888.213.0965
www.chasemellon.com

Independent Auditors
Deloitte and Touche LLP

Annual Report on Form 10-K
Reinsurance Group of America, Incorporated
files with the Securities and Exchange Commission an Annual Report (Form 10-K).
Shareholders may obtain a copy of the Form 10-K without charge by writing to:

Jack B. Lay
Chief Financial Officer
1370 Timberlake Manor Parkway
Chesterfield, Missouri 63017

Shareholders may contact us through our Internet site at **www.rgare.com**
or may email us at **investrelations@rgare.com**

RGA® is a registered mark in the United States and Canada

design tyler stallings
photography greg rannells, ferguson & katzman
printing advertiser's, st. louis, missouri
production julie hardeman, rga communications
strategy compass rose marketing

Actuary
Mathematics professional who specializes in the probability of insurance, annuities, and financial instruments.

Annuity
Contract that provides for income payments to an insured at regular intervals, either for a specific period or for the lifetime of the annuitant, in exchange for premium.

Assumed reinsurance
Insurance risk that a reinsurer accepts (assumes) from a ceding company.

Automatic reinsurance
Reinsurance arrangement whereby the ceding company and reinsurer agree that all business of a certain description will be ceded to the reinsurer. Under this arrangement, the ceding company assumes full underwriting responsibility for all business reinsured.

Cedant/Ceding company
Direct insurer or reinsurer that passes on shares of its insured or reinsured risks to a reinsurer in exchange for premium.

Claim
Demand on an insurer or reinsurer for payment under the terms of an insurance policy.

Demutualization
Process of converting the ownership of a mutual company (owned by its policyholders) to stock ownership.

Direct insurance
(also known as Primary insurance) Insurance business relating to contracts directly between insurers and policyholders. The insurance company is directly responsible to the insured.

Expected mortality
Number of deaths predicted to occur in a defined group of people.

Face Amount
Amount payable at the death of the insured or at the maturity of the policy.

Facultative reinsurance
A type of reinsurance in which the reinsurer makes an underwriting decision, to accept or decline, on each risk sent to it by the ceding company.

Financially motivated reinsurance
(also known as financial reinsurance, asset-intensive reinsurance or non-traditional reinsurance)
Reinsurance designed to meet a financial objective of an insurer. For example, financial reinsurance can aid in an insurer's tax planning efforts or can provide capital in order to support an insurer's future growth.

Group life insurance
Insurance policy under which the lives of a group of people are insured in accordance with the terms of one master contract.

In force sum insured
A measure of insurance in effect at a specific date.

Individual life insurance
Insurance policy that is issued to insure the life of a named person or persons, rather than that of a group.

Mortality experience
Actual number of deaths occurring in a defined group of people.

Preferred risk coverage
Coverage designed for applicants who represent a better-than-average risk to an insurer.

Premium
Amounts paid to insure a risk.

Private placement
An issue of securities that is not directed to the public and where the issued security is not registered or handled by any securities exchange.

Production
Refers to new business that was produced during a specified period.

Portfolio
The totality of risks assumed by an insurer or reinsurer.

Recapture
The right to cancel reinsurance under certain conditions.

Reinsurance
A type of insurance coverage that one company, the ceding company, purchases from another company, the reinsurer, in order to transfer risk associated with insurance. Through reinsurance a reinsurer “insures”the ceding company.

Reserves
The amount required to be carried as a liability in the financial statement of an insurer or reinsurer, to provide for future commitments under outstanding policies and contracts.

Retention limit
The maximum amount of risk a company will insure on one life. Any amount in excess of the retention limit must be reinsured.

Retrocession
Transaction in which the reinsurer transfers all or part of the risks it has assumed to another reinsurer (the retrocessionare), in return for payment of premium.

Underwriting
The process by which a company assesses the risk inherent in an application for insurance prior to acceptance of the policy.

made from recycled paper

reinventing reinsuranceSM

Reinsurance Group of America, Incorporated®
Headquarters
1370 Timberlake Manor Parkway
Chesterfield, Missouri 63017-6039