



Reinsurance Group of America, Incorporated – Q2 2017

Financial Results and Business Highlights

On July 27, 2017, Reinsurance Group of America, Incorporated (NYSE: RGA) reported financial results for the second quarter of 2017. Anna Manning, President and Chief Executive Officer, commented, “We are very pleased with the quarter as the bottom-line number was very strong, all key segments performed well, and we deployed a significant amount of capital both into block transactions and organic business growth. Further, in recognition of the strong, ongoing financial results, the board increased the common stock dividend by 22 percent, marking the seventh straight year of double-digit percentage increases.

“Highlights of the quarter included solid overall top-line growth, favorable U.S. individual mortality claims, and ongoing strength in our EMEA and Asia Pacific segments. Australia was profitable, and Asia was particularly strong.

“We ended the quarter with an excess capital position of approximately \$1.0 billion, and thus we remain positioned to continue pursuing a balanced approach to capital management by deploying capital into in-force and other attractive transactions, share repurchases, and shareholder dividends.

“In summary, this was an excellent quarter, providing further evidence that we are successfully executing our strategy. Looking forward, we are well positioned in our markets, we have a proven approach, and we are optimistic about our ability to deliver attractive financial returns.”

The RGA Board of Directors increased the quarterly dividend by 22 percent, to \$0.50 from \$0.41, payable August 29 to shareholders of record as of August 8.

Q2 2017 Financial Results*

- Net income declined to \$232.2 million, or \$3.54 per diluted share, compared to \$236.1 million, or \$3.64 per diluted share in Q2 2016
- Adjusted operating income** totaled \$193.7 million, or \$2.95 per diluted share, compared to \$181.2 million, or \$2.80 per diluted share in Q2 2016
- Consolidated net premiums increased 6% to \$2.5 billion from Q2 2016
- Book value per share was \$123.60 including accumulated other comprehensive income (AOCI), and \$97.68 excluding AOCI**

* All figures in U.S. dollars.

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



Q2 2017 News and Highlights

- RGA was ranked #246 on the 2017 Fortune 500 list, moving up 25 positions from its 2016 rank. The annual list, which ranks U.S.-based publicly held companies by total revenue, appeared in the June 15 issue of *Fortune* magazine.
- RGA announced the completion of an asset-intensive transaction with Farmers New World Life, a subsidiary of Zurich Insurance Group. RGA will reinsure a closed block of U.S. annuity business representing reserves of approximately \$2.3 billion. Farmers will continue to service and administer the policies. The transaction closed on May 17, with an effective date of April 1.
- RGA partnered with Berlin-based insurtech start-up Getsurance to develop the first digital life insurance products for the German market. Getsurance announced its launch of a new disability insurance offering in June.

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

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

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

About RGA

Reinsurance Group of America, Incorporated (RGA), a Fortune 500 company, is among the leading global providers of life reinsurance and financial solutions, with approximately \$3.2 trillion of life reinsurance in force and assets of \$58.1 billion as of June 30, 2017. Founded in 1973, RGA today is recognized for its deep technical expertise in risk and capital management, innovative solutions, and commitment to serving its clients. With headquarters in St. Louis, Missouri, and operations in 26 countries, RGA delivers expert solutions in individual life reinsurance, individual living benefits reinsurance, group reinsurance, health reinsurance, facultative underwriting, product development, and financial solutions. To learn more about RGA and its businesses, visit the company's website at www.rgare.com.



** Use of Non-GAAP Financial Measures: RGA uses a non-GAAP financial measure called adjusted operating income as a basis for analyzing financial results. Beginning with the announcement of first-quarter 2017 results, the Company is changing the labeling of its non-GAAP measure “operating income” to “adjusted operating income”.

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

Book value per share excluding the impact of AOCI is a non-GAAP financial measure that management believes is important in evaluating the balance sheet in order to ignore the effects of unrealized amounts primarily associated with mark-to-market adjustments on investments and foreign currency translation.

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

Adjusted operating return on equity is a non-GAAP financial measure calculated as adjusted operating income divided by average shareholders’ equity excluding AOCI. Reconciliations from GAAP net income, book value per share, and net income per diluted share are provided in the accompanying tables. Additional financial information can be found in the Quarterly Financial Supplement on RGA’s Investor Relations website at www.rgare.com in the “Earnings” section.

((See tables on next page))



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

(Unaudited)	Three Months Ended June 30,			
	2017		2016	
		Diluted Earnings Per Share		Diluted Earnings Per Share
Net income	\$ 232,190	\$ 3.54	\$ 236,103	\$ 3.64
Reconciliation to adjusted operating income:				
Capital (gains) losses, derivatives and other, included in investment related gains/losses, net	(25,420)	(0.40)	(46,490)	(0.71)
Capital (gains) losses on funds withheld, included in investment income, net of related expenses	(2,771)	(0.04)	(7,577)	(0.12)
Embedded derivatives:				
Included in investment related gains/losses, net	(10,054)	(0.15)	(31,739)	(0.49)
Included in interest credited	(4,771)	(0.07)	(11,287)	(0.17)
DAC offset, net	4,462	0.07	42,147	0.65
Investment (income) loss on unit-linked variable annuities	189	-	(1,928)	(0.03)
Interest credited on unit-linked variable annuities	(189)	-	1,928	0.03
Non-investment derivatives	38	-	71	-
Adjusted operating income	\$ 193,674	\$ 2.95	\$ 181,228	\$ 2.80

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

	At June 30,	
	2017	2016
Book value per share outstanding	\$ 123.60	\$ 118.32
Less effect of AOCI:		
Accumulated currency translation adjustments	(2.34)	(1.46)
Unrealized appreciation of securities	28.91	33.20
Pension and postretirement benefits	(0.65)	(0.75)
Book value per share outstanding, before impact of AOCI	\$ 97.68	\$ 87.33