RGA International Reinsurance Company dac Singapore Branch

MAS Notice 124 Public Disclosures

for the year ended December 31, 2024

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Overview of this document

The Monetary Authority of Singapore ("MAS") requires certain disclosures to be made which enable market participants to assess information on a business' risk profile, performance, capital and risk management procedures. This document is designed to provide these disclosures and applies to RGA International Reinsurance Company dac Singapore Branch, and to its ultimate parent company, Reinsurance Group of America, Incorporated.

a) Company profile

Reinsurance Group of America, Incorporated (RGA)

Reinsurance Group of America, Incorporated ("RGA") is an insurance holding company, the principal assets of which consist of several reinsurance operating companies and their branches, including RGA International Reinsurance Company dac.

Since its launch in 1973, RGA has since grown to become a leading global provider of traditional and non-traditional life and health reinsurance with operations in the United States, the European Union, Latin America, Canada, the United Kingdom, Africa, Asia, and Australia.

A FORTUNE 500 company, RGA has been listed on the New York Stock Exchange since 1993 (NYSE: RGA). As of December 31, 2024, RGA had approximately $3.9 trillion of life reinsurance in force and assets of $118.7 billion, and total annual revenues of $22.1 billion.

RGA International Reinsurance Company dac (RGAI)

RGAI was established in Ireland in 2003, it is regulated by the Central Bank of Ireland and operates throughout both the European Union and the European Economic Area through a European Union freedom of establishment branch network and freedom of services basis. In November 2015, RGAI established a branch office in Singapore, RGA International Reinsurance Company dac Singapore Branch.

RGAI is a wholly owned subsidiary of RGA Americas Investments LLC ("RAIL"), a limited liability company organised under the laws of Missouri, United States of America. The Company's ultimate parent company is Reinsurance Group of America, Incorporated, whose corporate headquarters is in St. Louis, Missouri and is listed on the New York Stock Exchange (NYSE: RGA).

RGAI has received an 'AA-' issuer credit and financial strength rating from Standard and Poor's. More information is available on the company's website, www.rgare.com, or by clicking here.

RGA International Reinsurance Company dac Singapore Branch (RGA Singapore)

RGA Singapore offers insurers a comprehensive line of products and services, including individual life reinsurance, group life reinsurance, health reinsurance, living benefits reinsurance (critical illness, long-term care, and related risks), facultative and electronic underwriting, risk management, claims support, and product development.

More information is available on the company website, www.rgare.com, or by clicking here.

b) Corporate governance framework and management controls

RGA International Reinsurance Company dac

RGAI is committed to ensuring an effective system of governance is in place to provide for sound and prudent management of the business. The governance structure has been developed giving due regard to the nature, size, and complexity of the company and is in accordance with the European Solvency II Directive and the Central Bank of Ireland's Corporate Governance Requirements for Insurance Undertakings 2015.

The RGAI Board of Directors is responsible for the corporate governance framework and reporting to the ultimate parent, RGA Inc. The Board has established appropriate corporate governance principles and policies, and ensures the company is managed in accordance with those principles and policies. Its Audit Committee and Risk Management and Compliance Committee are each chaired by an independent non-executive director and its Investment Committee is chaired by a non-executive director. These committees receive regular updates from control function holders, including the Chief Risk Officer, Head of Actuarial Function, Head of Compliance, Head of Internal Audit, Head of Finance, the Head of Investments and Data Protection Officer.

The Managing Director of RGAI, based in Ireland, is responsible for the governance and operations of the company and reports directly to the Board on matters of corporate governance. Individual branch managers are responsible for the activities of their local teams, which typically consist of the client-facing business development and underwriting staff. Each branch has a clearly defined mandate, and authorities delegated from the Board within which it operates.

RGAI's control framework is structured to ensure that risks are identified and appropriately managed and that internal controls are in place and operating effectively. The control function holders attend meetings of the committees as appropriate to report on their functional area:

- The Chief Risk Officer (CRO) is responsible for the implementation of RGAI's risk management framework. The CRO reports to the Managing Director and to the Risk Management and Compliance Committee on all matters of risk management.
- The Head of Actuarial Function (HoAF) is responsible for the coordination and monitoring of the evaluation of technical provisions, including methodology, assumptions, data, and reporting. The HoAF also supports the risk management function.
- The Head of Compliance is responsible for providing assurance that the compliance risks of RGAI are appropriately managed and identified.
- The Head of Internal Audit is responsible for auditing the risk management control and governance processes.
- The Head of Finance is responsible for monitoring the financial risks.
- The Head of Investments is responsible for management of Investments.
- The Data Protection Officer (DPO) is responsible for providing assurance that Data Protection Regulation applicable across RGAI are identified and appropriately managed.

RGA Singapore

RGA Singapore is committed to ensuring an effective system of governance is in place for the branch and is aligned with that of RGAI. The governance structure for the branch has been developed giving due regard to the Monetary Authority of Singapore's requirements.

The Chief Executive has responsibility for RGA Singapore and has a dotted line report to the Managing Director of RGAI next to his regional line report.

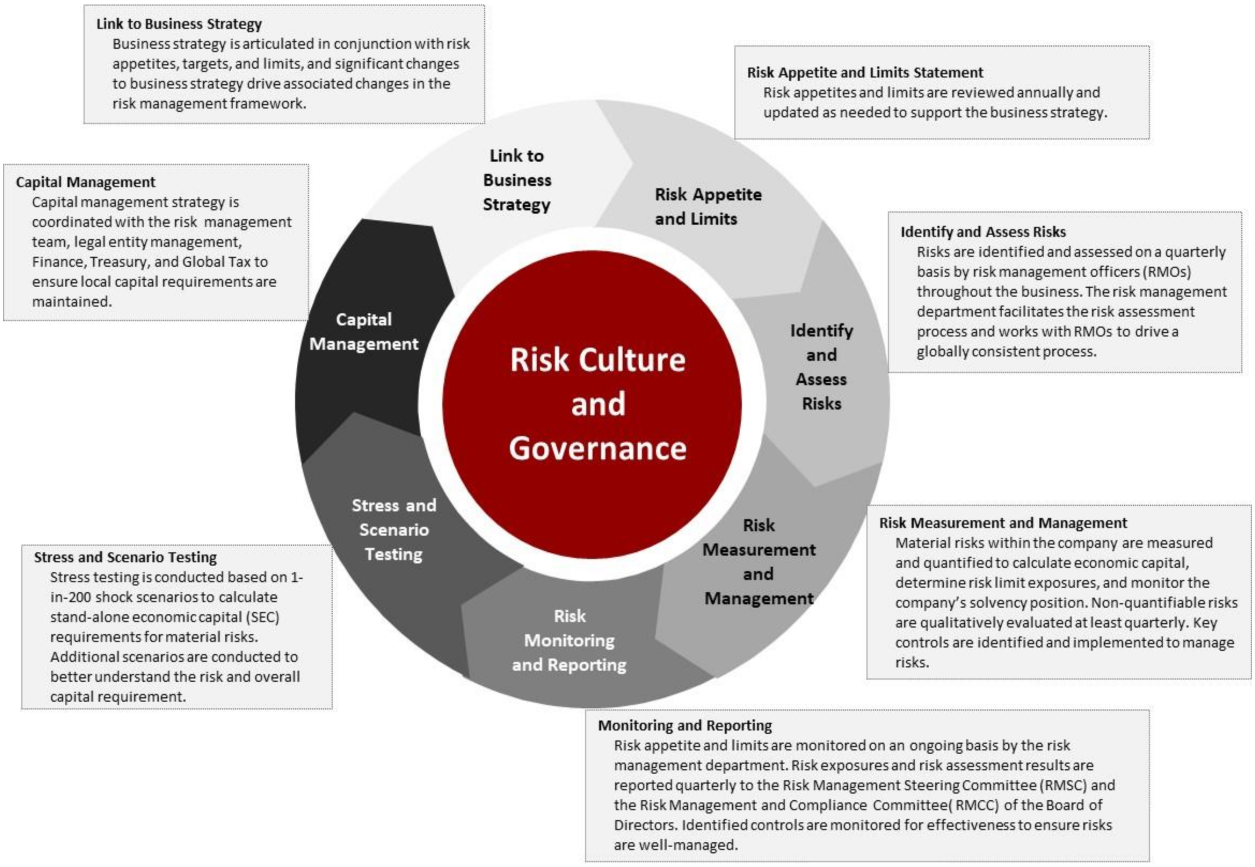
The local Associate Director for Finance has responsibility for the RGA Singapore finance function including regulatory reporting. The local Associate Director for Compliance has responsibility over the corporate and regulatory compliance for the branch and is also the appointed Data Protection Officer for the branch. The Appointed Actuary function is outsourced to Willis Towers Watson, Singapore.

RGA Singapore is supported by RGAI and use services from other RGA Group companies. These relationships are governed by services agreements under the responsibility of the Chief Executive. These arrangements comply with the MAS's Guidelines on Outsourcing.

c) Risk Management and Asset-Liability Management

RGAI Risk Framework

Risk management is integrated within the business planning and strategy setting and is aligned to risk appetite. Through the management of common risks across the enterprise via the implementation of a robust risk assessment process, RGAI is able to improve capital deployment and resource allocation and reduce operational losses and surpluses as well as protect its reputation and brand through an enhanced understanding of risks while feeding into the decision-making process. The goal is to have a robust risk governance framework with transparency of risks to Senior Management and the Board of Directors, to enable improvements in performance and the ability to establish competitive advantages while optimising the cost of risk management. The RGAI framework closely follows the Enterprise Risk Management (ERM) Framework illustrated in the pin wheel below. RGAI's ERM Framework, its components and associated processes are adopted and implemented within RGA Singapore.



Risk Culture and Governance

A Group-wide risk management culture is the backbone that holds the ERM framework together, embedding risk management in all of the Group's business processes in accordance with its risk philosophy. Risk culture plays a prominent role in the effective management of risks that RGAI and RGA Singapore assumes. RGAI's and RGA Singapore's risk culture is focused on prudent risk management and the application of established best practices.

RGAI's risk management activities and all associated processes entail strong Board governance. Through the facilitated and ongoing risk monitoring process, review and continuous improvement, RGAI encourages a culture of sharing and open communication. A positive risk culture stems from personal accountability and responsibility where everyone is aware of what they need to be doing. This positive culture is further enhanced by ensuring that as many staff as possible receive regular enterprise risk management training and remain at the forefront of latest thinking. A rigorous annual training program is undertaken by the Risk Management Function across all countries within RGAI, including the RGA Singapore branch, reinforcing the message of openness and accountability.

Risk Assessment Process

In order to ensure that senior management and risk oversight committee members receive accurate risk information, RGAI assigns roles and responsibilities for risk management in a fashion that reflects the complexities inherent in its global and regional business model.

The Risk Management Function facilitates the regular risk assessment process as described in the RGAI's ERM Framework. The process followed is performed using a consistent risk assessment methodology across all offices.

In summary the Risk Assessment process encompasses:

- Risk Identification.
- Risk Measurement.
- Risk Management.
- Risk Monitoring.
- Risk Reporting.

Risk Policy Framework

The Enterprise Risk Management Framework at RGAI builds off three key policies. These include the Risk Management Strategy, Enterprise Risk Management Framework, and the Risk Appetite and Limits Statement.

Roles and Responsibilities

- **Board of Directors**: Through the Risk Management and Compliance Committee ("RMCC" a Board of Directors Committee) the Board oversees the management of the RGAI's ERM program and policy. The RMCC is a committee of the RGAI Board. The Board and RMCC meets quarterly., and they would discuss material items that involve the Singapore branch.
- **Audit, Risk Management and Compliance Committee ("ARMC"):** The objective of the ARMC is to promote overall effectiveness of corporate governance within the Singapore branch. In line with MAS Notice 124 Section 4A, the ARMC acts as an advisory committee and assists the Singapore branch's management on matters including finance, investments, risk management, compliance, and regulatory issues. The ARMC convenes quarterly and is chaired by the Head of Compliance, Hong Kong and Singapore. The members and invitees of the Committee include officers from RGAI, Asia regional office as well as local office that have the oversight responsibilities on the branch overall operations.
- **Management**: The Singapore branch's management is responsible for managing all risks taken by the Singapore branch of RGAI.
- **Associates ("staff")**: Associates or workforce members form the first line of defense, and their involvement is critical for interweaving risk management with daily activities including the identification and escalation of emerging risks.

Risk Taxonomy

RGAI's risks are categorised in a Risk Taxonomy with five Risk Types (Level 1) of Insurance, Market & Credit, Capital, Operational and Strategic and corresponding Risk Categories (Level 2) and Sub-Risks (Level 3). This is in line with industry practice and fits well in the way that RGAI manages and quantifies its risks and calculates its economic capital.

The definitions of the Risk Types are as follows:

- **Insurance:** The risk of lower or negative earnings and potentially a reduction in enterprise value due to a greater amount of benefits and related expenses paid than expected, or from adverse policyholder or client behaviour.
- **Market and Credit:** The risk of lower/negative earnings and potentially a reduction in enterprise value due to unexpected changes in market prices or volatilities of market prices of an individual asset. Note: Market risks include Policyholder Behaviour related to market changes.
- **Capital:** The risk of lower/negative earnings, potential reduction in enterprise value and/or ability to conduct business due to insufficient financial capacity.
- **Operational:** The risk of lower/negative earnings and a potential reduction in enterprise value caused by unexpected losses associated with inadequacy or failure on the part of internal processes, people and systems or from external events.
- **Strategic:** The risk related to planning, implementing and managing RGAI's strategic business model.

Asset-Liability Management (ALM)

Liability cash flows are generated on a best-estimate basis by currency, with corresponding scenario analysis if the liability has features or options that could materially change the liability cash flow profile. This best-estimate liability is compared to assets backing the liability in the same currency on multiple metrics. This analysis provides an input into setting target duration and range for the asset portfolio(s).

The portfolio duration relative to targets is monitored by the RGA Investments team. The target duration and range are impacted by the amount of assets relative to the amount of liabilities. The analysis of liquidity strain informs asset allocation.

The ALM analysis is based on an economic best-estimate perspective of the liabilities. The impacts on a GAAP-accounting basis and the relevant statutory basis are evaluated in parallel to assure acceptable results from all perspectives.

d) Quantitative and qualitative information on reasonably foreseeable material insurance risk exposures

Information on these exposures for the RGA Group can be found in the "Risks Related to Our Business" section starting on page 22 of the 2024 RGA Annual Report, available by clicking here.

e) Quantitative and qualitative information about technical provisions including future cash flows

Policy Liability

The primary liabilities of RGA Singapore consist of risk premium mortality and morbidity business, under a series of premiums based on an increasing rate scale by policy year, which bears a reasonable relationship to the anticipated mortality pattern with a provision for profit.

The determination of policy liability is dependent on the assumptions made by RGA Singapore. Actual future experience may deviate from such estimates. RGA Singapore monitors the emerging experience by analyzing the loss experience from both internal claims reports and the external market data. Experience is closely reviewed on individual reinsurance contracts and ceding client company levels. Estimates are revised in light of emerging experience if appropriate.

Reserving Approach

The policy liability is calculated as the sum of the premium liability and the claims liability. Both liabilities are determined under the best-estimate basis with the provision made for any adverse deviation from the expected experience. The valuation of policy liability is carried out in compliance with the "Notice 133 Valuation and Capital Framework for Insurers" issued by the Monetary Authority of Singapore ("MAS").

Premium Liability

In terms of long-term businesses, a gross premium valuation ("GPV") is utilized in accordance with the regulations, with a certain floor imposed at treaty level. The reserve is calculated as the present value of future expected outgo less future income, from the projection model over the outstanding duration of the treaties.

The predominant mortality rate assumption is based on a certain percentage of the Singapore insured table S0408 to establish the best estimate assumptions with reference to past mortality analysis and the historical mortality claims experience. Provisions for Adverse Deviation (PAD) are added on top of the best estimate assumptions to come up with regulatory basis for base liability calculation.

The valuation interest rates are determined in accordance with MAS "Notice 133 Valuation and Capital Framework for Insurers" issued on the 28 February 2020 and any subsequent amendments. They are derived from the risk-free discount rates as at the valuation date corresponding to the currency of the reinsurance treaties.

In terms of renewable treaties, the premium liability shall be the higher of the unearned premium reserve ("UPR") and the unexpired risk reserve ("URR"):

- UPR is calculated as the annualized premium multiplied by the outstanding duration as at the valuation date for each treaty.
- URR is determined as a certain percentage of the unearned premium, with the consideration of expected future claims payment, expenses expected to be incurred in administering policies and setting relevant claims, and provision made for any adverse deviation from the expected experience.

Claims Liability

The claims liability is taken as an estimate for the incurred but not reported (IBNR) claims at the valuation date. It is based on expected claims and the claim reporting lags between the insured and the ceding company, as well as the reinsurance statement lags between the ceding company and RGA Singapore.

Our statutory returns are published by the MAS on its Insurance Company Returns site, available by copying the hyperlink here.

f) Quantitative and qualitative information about capital adequacy

Capital Adequacy

At 2024 year-end, RGA Singapore was compliant with MAS capital requirements, with a 1252% capital-adequacy ratio. The capital adequacy ratio continues to be healthy. The decrease in capital adequacy ratio is mainly due to increased in total risk requirement from higher invested asset.

Our statutory returns are published by the MAS on its Insurance Company Returns site, available by copying the hyperlink here.

Capital Assessment

RGA Singapore monitors its regulatory solvency through the risk-based framework prescribed by MAS. The total risk requirements can be broken down into three components:

- C1: This component reflects the impact on policy liability calculation from various MAS prescribed shocks.
- C2: This component reflects market, credit and mismatching risk charges on both assets and liabilities.
- Operational Risk: This component covers the loss arising from complex operations, inadequate internal controls, processes and information systems, organizational changes, fraud or human errors (or unforeseen catastrophes including terrorist attacks).

Various risk charges from these components are considered in RGA Singapore's regulatory capital model. The calculation is consistent with the MAS regulations.

g) Quantitative and qualitative information about its financial instruments, other investments and investment risk

The primary investment objective is to ensure adequate funds to meet reinsurance obligations. This is done through prudent risk management, diversification and delivering investment income consistent with the risk appetite of the business.

RGAI strives to make investments where the risks are well-understood and well-priced. To that end, portfolio size, duration, and liquidity requirements are informed by targets arising from a robust ALM process, which informs investment policy and guidelines, as well as RGAI's compliance system. Operating within these bounds, the investment team makes investments in fixed income assets based upon solid fundamental credit analysis which allows a determination of the risk/reward profile. In addition, RGAI's investment policies state minimum credit rating requirements as well as prudent diversification among issuers and sectors. Capital for credit risk is held based on existing regulatory requirements as well as internal capital models.

The investment portfolio held by RGA Singapore are Singapore government bonds, Singapore corporate bonds and some USD denominated corporate bonds. The asset allocation is monitored to avoid concentration risk in a particular asset class or counter. As most of the branch's assets and liabilities are denominated in the local Singapore dollar, currency risk is minimal. The branch's profit/loss and equity are also not significantly affected by changes in market value due to interest rate and credit spread fluctuations, as the financial instruments are primarily short-term fixed income securities. Furthermore, the credit risk on liquid funds is limited because counterparties have high credit ratings assigned by independent rating agencies. RGA Singapore's existing asset portfolio is rated AA on average based on an effective rating. RGA Singapore only invests in public investment grade fixed-income assets, where valuations are generally transparent.

h) Quantitative and qualitative information on environmental risk management

RGA believes that creating long-term value for its stakeholders implicitly requires enacting and executing sustainable business practices and strategies that, while delivering competitive returns, also consider sustainability issues. RGA strives to operate in a sustainable manner that recognizes the need for strong governance, effective management systems and robust controls alongside its long-term operational goals and strategies. RGA understands that it has a responsibility to monitor and control its environmental and societal impact and adopt responsible practices on sustainability issues in addition to its obligations regarding corporate strategy, risks, opportunities, and performance. In 2022, RGA published its first voluntary ESG report detailing our strategies and goals on many environmental, social, and governance issues. For RGA's latest 2024 Sustainability report please click here for more information.

RGA considers sustainability risk as a cross-cutting risk, and, as such, it is considered a driver of existing risks within RGA's Global Risk Taxonomy. In 2021, qualitative environmental risk factors were included as part of the investments monitoring process. Environmental risk factors were also considered for potential impact on mortality and morbidity calculations. In addition to the qualitative aspects of environmental risk that were incorporated in the Singapore branch's 2024 Own Risk and Solvency Assessment (ORSA), the branch has performed its own climate change stress test by applying two biometric shocks.

In addition to the direct physical risks, climate change risks also have an indirect impact on the economy and financial system through a range of different transmission channels. Transition risks resulting from climate change affect business profitability by means of its impact on investments, productivity, and relative price channels.

The Group has conducted a qualitative impact assessment of physical and transition risks resulting from climate change on RGA in 2024. The assessment was performed using the Shared Socioeconomic Pathways (SSPs) from the Intergovernmental Panel on Climate Change (IPCC) and scenarios from the Network for Greening the Financial System (NGFS).

Singapore's geographic location has fortunately shielded the country from much of the devastating natural disasters experienced by other Southeast Asian countries but lying one degree north of the equator as a small island nation, climate change will nevertheless have a significant impact on the city-state. Singapore is one of the regions the World Economic Form estimates will be significantly impacted by floods and heatwaves. Effects of climate change include a global rise in temperatures, warming oceans, sinking ice sheets, glacial retreat, decreased snow cover, rising sea levels, declining arctic sea ice, extreme events, and ocean acidification.

Singapore has a tropical climate with little seasonal variation in temperature and significant rainfall. Data is not available on the percentage of deaths in Singapore that are due to non-optimal temperatures, but in other countries of Southeast Asia, such as Philippines, Thailand, and Vietnam, around 5% of annual deaths are due to non-optimal temperatures, with 50-90% of these being cold-related deaths. Around 5% of annual deaths in Singapore are estimated to be due to air pollution. The air quality can be significantly affected by the 'Southeast Asia haze' that typically arises from 'slash and burn' land clearing in Indonesia. Singapore is relatively close to the equator and so rarely experiences tropical cyclones. Singapore experiences floods, but with little mortality impact. Malaria is well controlled in Singapore.

Over the long-term, Southeast Asia is expected to see a negative impact from increasing average temperatures (after allowing for the aging of the population), and a positive impact from reduced air pollution due to the fact that Singapore has a comprehensive set of climate mitigation and adaptation policies in place that will assist in the transition to a low carbon economy and hence improve the air quality in the region.

In terms of ESG considerations in investments, RGA Singapore supports the global goals and policies of RGA Inc. Currently, those goals include reducing the carbon intensity of RGA's corporate bond portfolio by 20% by the end of 2026 and engaging carbon-intensive investees to understand their climate change reduction goals. At the end of 2024, we have reduced the carbon intensity of the public corporate bonds by 22%. ESG criteria in alignment with these goals as part of our investment decision-making process. In the longer term a more structured approach may be adopted in monitoring on-going compliance with ESG factors as the industry's approach to ESG continues to evolve.

i) Quantitative and qualitative information on financial performance

RGA continues to generate solid financial results through a client-centric and solutions-oriented strategy that delivered value to clients and positive returns to shareholders. With a global operating platform, strategically diversified by geography, product line, and risk, saw generation of new business opportunities and positive momentum across RGA's various business segments.

Information regarding the financial performance of RGA is available from the RGA website, www.rgare.com, in the "About RGA" and "Investors" pages.

Information regarding the financial performance of RGA Singapore is available from MAS's Insurance Company Returns by copying the hyperlink here, and ACRA's Bizfile by clicking here.

j) Quantitative and qualitative information on liquidity risk

The primary source of liquidity risk to RGA is an unexpected increase in claim payments due to external events or market movements resulting in the inability to meet payment obligations at expected costs or in the capacity required. RGA Singapore however does not face significant liquidity risk related to policy behaviors. Most of our reinsurance transactions are quota share arrangements reinsuring the biometric risks of the insurance policies.

RGA Singapore manages its liquidity risk in the traditional methods including active management of the branch’s liquidity positions, asset liability management and maintaining a portion of its invested assets in government debt securities. The branch maintains sufficient cash resources within the branch to fund, in conjunction with expected cash inflows from operations and investments, expected operational cash outflows and maintains a minimum buffer of 3 months of expected net claims to account for any short-term volatility. In extreme scenario, contingent liquidity considers the liquidity available for a significant adverse event plus a minimum buffer of 5 months of net claims payments. As of 31 December 2024, RGA Singapore has maintained in excess of the 5 months buffer of liquidity needs.