



Reinsurance Group of America, Incorporated – Q1 2023

Financial Results and Business Highlights

On May 4, 2023, Reinsurance Group of America, Incorporated (NYSE: RGA) reported financial results for the first quarter of 2023.

“This was a strong quarter and a good start to the year,” said Anna Manning, Chief Executive Officer, RGA. “In the quarter, many regions and product lines performed very well, and we had another active quarter for in-force and other transactions, including our first U.S. pension risk transfer transaction. We are delivering on our strategy, our balance sheet remains strong, and we are well-positioned to add to this positive momentum going forward.”

Effective May 2, 2023, the board of directors declared a regular dividend of \$0.80, payable May 30, 2023, to shareholders of record as of May 16, 2023.

Q1 2023 Financial Results*

- Long-Duration Targeted Improvements (LDTI) accounting standard adopted this quarter; comparable periods revised to reflect adoption of LDTI
- Net income available to RGA shareholders totaled \$252 million, or \$3.72 per diluted share, compared with \$197 million, or \$2.91 per diluted share, in the prior-year quarter.
- Adjusted operating income** totaled \$349 million, or \$5.16 per diluted share, compared with \$283 million, or \$4.18 per diluted share, the year before.
- Consolidated net premiums totaled \$3.4 billion, an increase of 7.3% over the 2022 first quarter, with an adverse net foreign currency effect of \$112 million
- Book value per share was \$114.60, including accumulated other comprehensive income (AOCI), and \$136.56 excluding AOCI.**

Q1 2023 News and Highlights

- For the 12th consecutive year, RGA was ranked #1 on NMG Consulting’s 2022 Global All Respondents Business Capability Index (BCI), based on feedback from insurance companies worldwide. RGA has earned this recognition every year since the inception of NMG Consulting’s Global Life & Health Reinsurance Study.
- RGA also ranked #1 on NMG’s All Respondents BCI in Canada, Germany, Hong Kong, Italy, Japan, Mexico, the Middle East, the Philippines, Poland, South Africa, and the U.K., as well as in the EMEA region in aggregate and Australia and New Zealand combined.
- RGA announced that it reached an agreement with Daido Life Insurance Company, a subsidiary of T&D Holdings, Inc., to reinsure 153 billion JPY of statutory reserves through coinsurance. This is one of several recent asset-intensive transactions that RGA has completed in the Japanese market.
- RGA Italy was awarded "Best Reinsurer" and "Best Reinsurance Partner for Product Development and Innovation" at the Italy Protection Forum (IPF) Awards, an annual gala that brings together hundreds of Italy's most influential insurance industry professionals.

* All figures in U.S. dollars.

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



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

	RGA Reinsurance Company	RGA Americas Reinsurance Company, Ltd.	RGA Life Reinsurance Company of Canada	RGA International Reinsurance Company dac	RGA Global Reinsurance Company, Ltd.	RGA Reinsurance Company of Australia Ltd.	RGA Atlantic Reinsurance Company Ltd.	Omnilife Insurance Company Limited	RGA Reinsurance Company (Barbados) Ltd.
S&P Global Ratings	AA-	AA-	AA-	AA-	AA-	AA-		A+	AA-
A.M. Best Company	A+	A+	A+				A+		
Moody's Investors Service	A1								

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

About RGA

Reinsurance Group of America, Incorporated (NYSE: RGA) is a global industry leader specializing in life and health reinsurance and financial solutions that help clients effectively manage risk and optimize capital. Founded in 1973, RGA celebrates its 50th anniversary in 2023. Over the past five decades, RGA has become one of the world's largest and most respected reinsurers and is listed among Fortune's World's Most Admired Companies. The global organization is guided by a fundamental purpose: to make financial protection accessible to all. RGA is widely recognized for superior risk management and underwriting expertise, innovative product design, and dedicated client focus. RGA serves clients and partners in key markets around the world and has approximately \$3.4 trillion of life reinsurance in force and assets of \$89.1 billion as of March 31, 2023. To learn more about RGA and its businesses, visit www.rgare.com. Follow RGA on [LinkedIn](#) and [Facebook](#).

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

RGA also uses a non-GAAP financial measure called adjusted operating income, excluding notable items. Notable items currently represent the financial impact of RGA's assumption reviews on business subject to LDTI, reflected in future policy benefits remeasurement (gains) losses. In addition, notable items may in the future periods include other items RGA believes may not be indicative of future performance.

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

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

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



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

(Unaudited)	At March 31,	
	2023	2022
Book value per share outstanding	\$114.60	\$118.62
Less effect of AOCI:		
Accumulated currency translation adjustments	(1.41)	0.12
Unrealized appreciation (depreciation) of securities	(66.02)	(0.15)
Effect of updating discount rates on future policy benefits	45.59	(11.87)
Change in instrument-specific credit risk for market risk benefits	0.22	(0.17)
Pension and postretirement benefits	(0.34)	(0.75)
Book value per share outstanding, before impact of AOCI	<u>\$136.56</u>	<u>\$131.44</u>

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

(Unaudited)	Three Months Ended March 31,			
	2023		2022	
		Diluted Earnings Per Share		Diluted Earnings Per Share
Net income available to RGA shareholders	\$ 252	\$ 3.72	\$ 197	\$ 2.91
Reconciliation to adjusted operating income:				
Realized (gains) losses, derivatives and other, included in investment related gains/losses, net	102	1.52	92	1.37
Market risk benefits remeasurement (gains) losses	11	0.16	(27)	(0.40)
Realized (gains) losses on funds withheld, included in investment income, net of related expenses	-	-	6	0.09
Embedded derivatives:				
Included in investment related gains/losses, net	(29)	(0.43)	26	0.38
Included in interest credited	(6)	(0.09)	(13)	(0.19)
Investment (income) loss on unit-linked variable annuities	-	-	7	0.10
Interest credited on unit-linked variable annuities	-	-	(7)	(0.10)
Interest expense on uncertain tax positions	-	-	-	-
Other	6	0.09	1	0.01
Uncertain tax positions and other tax related items	12	0.18	1	0.01
Net income attributable to noncontrolling interest	1	0.01	-	-
Adjusted operating income	<u>\$ 349</u>	<u>\$ 5.16</u>	<u>\$ 283</u>	<u>\$ 4.18</u>
Notable items	-	-	-	-
Adjusted operating income excluding notable items	<u>\$ 349</u>	<u>\$ 5.16</u>	<u>\$ 283</u>	<u>\$ 4.18</u>