Reinsurance Group of America, Incorporated – Q1 2024

Financial Results and Business Highlights

On May 2, 2024, Reinsurance Group of America, Incorporated (NYSE: RGA) reported financial results for the first quarter of 2024.

“Our first quarter was exceptional, and we are off to a great start for the year, following a very strong 2023,” said Tony Cheng, President and Chief Executive Officer, RGA. “Our Traditional business performed very well and the Financial Solutions business also had a good quarter. On our in-force transactions, we had a record quarter of $737 million deployed, and we continued to see strong momentum in organic new business activity.

“Our balance sheet remains strong, and we ended the quarter with excess capital of approximately $0.6 billion. Based on favorable business conditions and RGA's global leadership position, we are optimistic about the future and expect to continue to deliver attractive financial results over time.”

Effective April 30, 2024, the board of directors declared a regular quarterly dividend of $0.85, payable May 28, 2024, to shareholders of record as of May 14, 2024.

Q1 2024 Financial Results*

- Net income available to RGA shareholders totaled $210 million, or $3.16 per diluted share, compared with $252 million, or $3.72 per diluted share, in the prior-year quarter.
- Adjusted operating income** for the first quarter totaled $401 million, or $6.02 per diluted share, compared with $349 million, or $5.16 per diluted share, the year before.
- Consolidated net premiums totaled $5.4 billion, an increase of 58.8% over the 2023 first quarter, with an adverse net foreign currency effect of $12 million. Net premiums for the quarter included a $1.9 billion contribution from a single premium pension risk transfer transaction in the U.S. Financial Solutions business.
- Book value per share was $143.92, including accumulated other comprehensive income (AOCI), and $146.96 excluding AOCI and B36.**

Q1 2024 News and Highlights:

- For the 13th consecutive year, RGA was rated #1 on NMG Consulting’s 2023 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’s Global Life & Health Reinsurance Study.

- Insurers also rated RGA #1 on NMG’s All Respondents BCI in Asia, Canada, Indonesia, Italy, Japan, Mexico, the Middle East, the Philippines, Portugal, South Africa, and Taiwan.

- RGA announced the election of Alison Rand to its Board of Directors. Ms. Rand is the retired Chief Financial Officer for Primerica, an insurance, investment, and financial services distribution firm with more than 140,000 independent agents in the U.S. and Canada. She is also an independent director of Regions Financial Corporation and a member of that board’s Audit and Technology Committees.

- RGA Canada and Manulife announced the completion of the largest universal life reinsurance transaction in the Canadian market to date. The coinsurance transaction has an RGA subsidiary reinsuring approximately CA$5.8 billion (US$4.4 billion) of reserves, accompanied by an equivalent asset transfer. This is the third large block reinsurance transaction between Manulife and RGA.

- RGA announced it reached an agreement with Japan Post Insurance Company (Kampo) for an RGA subsidiary to reinsure an approximately 700 billion JPY in-force block of individual life annuities through coinsurance. The transaction is a landmark transaction in the longevity space with one of Japan’s leading providers of life annuities.

- RGA and Legal & General Retirement America announced completion of a pension risk transfer transaction with FirstEnergy, one of the nation’s largest investor-owned electric utilities, for approximately $700 million. The retiree lift-out was executed in December and covers approximately 2,000 retirees – representing about 8% of the company’s total pension liability associated with its former generation subsidiaries.

- RGA and Prudential Financial, Inc. were selected in a pension risk transfer involving Verizon Communications Inc. The transaction will settle approximately $5.9 billion of Verizon pension liabilities and will provide retirement security for a population that includes 56,000 Verizon retirees and their beneficiaries who commenced their benefits before January 1, 2023.

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

About RGA

Reinsurance Group of America, Incorporated (NYSE: RGA) is a global industry leader specializing in life and health reinsurance and financial solutions that help clients effectively manage risk and optimize capital. Founded in 1973, RGA is today one of the world’s largest and most respected reinsurers and remains guided by a powerful purpose: to make financial protection accessible to all. As a global capabilities and solutions leader, RGA empowers partners through bold innovation, relentless execution, and dedicated client focus – all directed toward creating sustainable long-term value. RGA has approximately $3.7 trillion of life reinsurance in force and assets of $106.0 billion as of March 31, 2024 To learn more about RGA and its businesses, please visit rgare.com or follow RGA on LinkedIn and Facebook. Investors can learn more at investor.rgare.com.

* All figures in U.S. dollars.
** See "Non-GAAP Financial Measures" at end of this document

Non-GAAP Financial Measures

Reinsurance Group of America, Incorporated (the "Company") discloses certain financial measures that are not determined in accordance with U.S. GAAP. The Company principally uses such non-GAAP financial measures in evaluating performance because the Company believes that such measures, when reviewed in conjunction with relevant U.S. GAAP measures, present a clearer picture of our operating performance and assist the Company in the allocation of its resources. The Company believes that these non-GAAP financial measures provide investors and other third parties with a better understanding of the Company's results of operations, financial statements and the underlying profitability drivers and trends of the Company's businesses by excluding specified items which may not be indicative of the Company's ongoing operating performance and may fluctuate significantly from period to period. These measures should be considered supplementary to the Company's financial results that are presented in accordance with U.S. GAAP and should not be viewed as a substitute for U.S. GAAP measures. Other companies may use similarly titled non-GAAP financial measures that are calculated differently from the way the Company calculates such measures. Consequently, the Company's non-GAAP financial measures may not be comparable to similar measures used by other companies.

The following non-GAAP financial measures are used in this document or in other public disclosures made by the Company from time to time:

1. **Adjusted operating income, on a pre-tax and after-tax basis, and adjusted operating income per diluted share**. The Company uses these measures as a basis for analyzing financial results because the Company believes that such measures better reflect the ongoing profitability and underlying trends of the Company's continuing operations. Adjusted operating income is calculated as net income available to the Company's shareholders (or, in the case of pre-tax adjusted operating income, income before income taxes) excluding, as applicable:
    - substantially all of the effect of net investment related gains and losses;
    - changes in the fair value of certain embedded derivatives;
    - changes in the fair value of contracts that provide market risk benefits;
    - non-economic losses at contract inception for direct pension risk transfer single premium business (which are amortized into adjusted operating income within claims and other policy benefits over the estimated lives of the contracts);
    - any net gain or loss from discontinued operations;
    - the cumulative effect of any accounting changes;
    - the impact of certain tax-related items; and
    - any other items that the Company believes are not indicative of the Company's ongoing operations

    as such items can be volatile and may not reflect the underlying performance of the Company's business. In addition, adjusted operating income per diluted share is calculated as adjusted operating income divided by weighted average diluted shares outstanding. These measures also serve as a basis for establishing target levels and awards under the Company's management incentive programs.

2. **Adjusted operating income (on a pre-tax and after-tax basis), excluding notable items**. Notable items are items the Company believes may not be indicative of its ongoing operating performance which are excluded from adjusted operating income to provide investors and other third parties with a better understanding of the Company's results. Such items may be unexpected, unknown when the Company prepares its business plan or otherwise. Notable items presented may include the financial impact of the Company's assumption reviews on business subject to the Financial Accounting Standards Board's Accounting Standards Update No. 2018-12, "Targeted Improvements to the Accounting for Long-Duration Contracts" and related amendments, reflected in future policy benefits remeasurement gains or losses.
3. **Adjusted operating revenue**. This measure excludes the effects of net realized capital gains and losses, and changes in the fair value of certain embedded derivatives.
4. **Shareholders' equity position excluding the impact of accumulated other comprehensive income (loss) ("AOCI"), shareholders' average equity position excluding AOCI, and book value per share excluding the impact of AOCI**. The Company believes that these measures provide useful information since such measures exclude AOCI-related items that are not permanent and can fluctuate significantly from period to period, and may not reflect the impact of the underlying performance of the Company's businesses on shareholders' equity and book value per share. AOCI primarily relates to changes in interest rates, credit spreads on its investment securities, future policy benefits discount rate measurement gains (losses), market risk benefits instrument-specific credit risk remeasurement gains (losses) and foreign currency fluctuations. The Company also discloses the following non-GAAP financial measures:
    - Shareholders' average equity position excluding AOCI and B36, where B36 refers to the cumulative change in fair value of funds withheld embedded derivatives;
    - Shareholders' average equity position excluding AOCI and notable items; and
    - Shareholders' average equity position excluding AOCI, B36 and notable items.
5. **Adjusted operating return on equity**. This measure is calculated as adjusted operating income divided by average shareholders' equity excluding AOCI. Adjusted operating return on equity also serves as a basis for establishing target levels and awards under the Company's management incentive programs. The Company also discloses the following non-GAAP financial measures:
    - Adjusted operating return on equity excluding AOCI and B36;
    - Adjusted operating return on equity excluding AOCI and notable items, which is calculated as adjusted operating income excluding notable items divided by average shareholders' equity excluding notable items and AOCI; and
    - Adjusted operating return on equity excluding AOCI, B36 and notable items.

Reconciliations of the foregoing non-GAAP financial measures (to the extent disclosed in this document) to the most comparable GAAP financial measures are provided in the Appendix at the end of this document.

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,			
	2024		2023	
		Diluted Earnings Per Share		Diluted Earnings Per Share
Net income (loss) available to RGA shareholders	$ 210	$ 3.16	$ 252	$ 3.72
Reconciliation to adjusted operating income:				
Realized (gains) losses, derivatives and other, included in investment related gains (losses), net	185	2.77	102	1.52
Market risk benefits remeasurement (gains) losses	(28)	(0.42)	11	0.16
Realized (gains) losses on funds withheld, included in investment income, net of related expenses	(2)	(0.03)	—	—
Embedded derivatives:				
Included in investment related gains/losses, net	(61)	(0.92)	(29)	(0.43)
Included in interest credited	10	0.15	(6)	(0.09)
Investment (income) loss on unit-linked variable annuities	1	0.02	—	—
Interest credited on unit-linked variable annuities	(1)	(0.02)	—	—
Interest expense on uncertain tax positions	—	—	—	—
Other [(1)]	89	1.34	6	0.09
Uncertain tax positions and other tax related items	(4)	(0.06)	12	0.18
Net income attributable to noncontrolling interest	2	0.03	1	0.01
Adjusted operating income	401	6.02	349	5.16
Notable items	—	—	—	—
Adjusted operating income, excluding notable items	$ 401	$ 6.02	$ 349	$ 5.16

(1) The Other line item includes pension risk transfer day one loss and other immaterial items.

Reconciliation of Book Value Per Share to Book Value Per Share Excluding AOCI and B36 Derivatives

(Unaudited)

	At March 31,	
	2024	2023
Book value per share outstanding	$ 143.92	$ 114.60
Less effect of AOCI:		
Accumulated currency translation adjustment	0.88	(1.41)
Unrealized (depreciation) appreciation of securities	(61.74)	(66.02)
Effect of updating discount rates on future policy benefits	59.36	45.59
Change in instrument-specific credit risk for market risk benefits	0.04	0.22
Pension and postretirement benefits	(0.45)	(0.34)
Book value per share outstanding, before impact of AOCI	145.83	136.56
Less effect of B36 derivatives	(1.13)	0.34
Book value per share outstanding, before impact of AOCI and B36 derivatives	$ 146.96	$ 136.22