



Reinsurance Group of America, Incorporated – Q2 2023

Financial Results and Business Highlights

On August 3, 2023, Reinsurance Group of America, Incorporated (NYSE: RGA) reported financial results for the second quarter of 2023.

“This was a strong quarter, with most regions and business lines performing very well, highlighting RGA’s differentiated, diversified and valuable global franchise,” said Anna Manning, Chief Executive Officer, RGA. “We continue to see strong momentum in our new business activities, both organic and in-force transactions. Favorable industry dynamics are creating many growth opportunities, and we continue to partner with our clients for shared success. Our balance sheet is strong, and we are benefiting from the higher yield environment while maintaining our risk discipline. Looking forward, we see a bright future and expect to continue to deliver attractive financial results over time, consistent with our new financial targets.”

Effective August 1, 2023, the board of directors declared a regular dividend of \$0.85, payable August 29, 2023, to shareholders of record as of August 15, 2023.

Q2 2023 Financial Results*

- Net income available to RGA shareholders totaled \$205 million, or \$3.05 per diluted share, compared with \$105 million, or \$1.55 per diluted share, in the prior-year quarter.
- Adjusted operating income** totaled \$297 million, or \$4.40 per diluted share, compared with \$316 million, or \$4.67 per diluted share, the year before.
- Consolidated net premiums totaled \$3.3 billion, an increase of 3.3% over the 2022 first quarter, with an adverse net foreign currency effect of \$45 million
- Book value per share was \$117.87, including accumulated other comprehensive income (AOCI), and \$138.99 excluding AOCI.**

Q2 2023 News and Highlights

- RGA and partner Legal & General Retirement America announced a \$309 million pension risk transfer transaction with PPG, a Pittsburgh-based Fortune 500 global leader in manufacturing paints, coatings, and specialty materials. The lift-out covers more than 4,000 retirees and beneficiaries with benefits under a defined benefit pension plan sponsored by PPG.
- In May, RGA launched an updated version of its public-facing website, rgare.com. The new site features a refreshed and modern mobile-first design with improved functionality and organization for a better user experience. It also includes additional content showcasing RGA’s industry-leading expertise and insights on the topics that matter most to the industry.
- In June, RGA published its 2022 Sustainability Report, which details progress on environmental, social, and governance goals. This second annual report highlights the company’s long-standing and growing commitment to sustainability, ethical governance, community support, and diversity, equity, and inclusion and demonstrates the importance of these efforts to RGA’s long-term success.
- For the fifth consecutive year, ceding companies most often identified RGA as best in class by risk class on NMG Consulting’s 2022 Global Life & Health Reinsurance Study.

* 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 second 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 \$3.5 trillion of life reinsurance in force and assets of \$89.0 billion as of June 30, 2023. To learn more about RGA and its businesses, visit www.rgare.com. Follow RGA on [LinkedIn](#) and [Facebook](#).

****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 substantially all of the effect of net investment related gains and losses, changes in the fair value of certain embedded derivatives, and changes in the fair value of contracts that provide market risk benefits, which items can be volatile and may not reflect the underlying performance of the Company's businesses. Additionally, adjusted operating income excludes, to the extent applicable, 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. 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. **Stockholders' equity position excluding the impact of accumulated other comprehensive income (loss) ("AOCI"), stockholders' 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 stockholders' 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 a non-GAAP financial measure called stockholders' average equity position excluding AOCI and notable items.
5. **Adjusted operating return on equity.** This measure is calculated as adjusted operating income divided by average stockholders' 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 a non-GAAP financial measure called adjusted operating return on equity excluding notable items, which is calculated as adjusted operating income excluding notable items divided by average stockholders' equity excluding notable items and AOCI.

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.



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

(Unaudited)	At June 30,	
	2023	2022
Book value per share outstanding	\$117.87	\$110.27
Less effect of AOCI:		
Accumulated currency translation adjustments	0.38	0.04
Unrealized appreciation (depreciation) of securities	(73.69)	(52.96)
Effect of updating discount rates on future policy benefits	52.26	31.66
Change in instrument-specific credit risk for market risk benefits	0.20	(0.14)
Pension and postretirement benefits	(0.27)	(0.75)
Book value per share outstanding, before impact of AOCI	<u>\$138.99</u>	<u>\$132.42</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 June 30,			
	2023		2022	
		Diluted Earnings Per Share		Diluted Earnings Per Share
Net income available to RGA shareholders	\$ 205	\$ 3.05	\$ 105	\$ 1.55
Reconciliation to adjusted operating income:				
Realized (gains) losses, derivatives and other, included in investment related gains/losses, net	88	1.30	154	2.29
Market risk benefits remeasurement (gains) losses	(24)	(0.36)	32	0.47
Realized (gains) losses on funds withheld, included in investment income, net of related expenses	2	0.03	8	0.12
Embedded derivatives:				
Included in investment related gains/losses, net	16	0.24	44	0.65
Included in interest credited	3	0.04	(22)	(0.33)
Investment (income) loss on unit-linked variable annuities	2	0.03	6	0.09
Interest credited on unit-linked variable annuities	(2)	(0.03)	(6)	(0.09)
Interest expense on uncertain tax positions	-	-	-	-
Other	-	-	(9)	(0.13)
Uncertain tax positions and other tax related items	5	0.07	3	0.04
Net income attributable to noncontrolling interest	2	0.03	1	0.01
Adjusted operating income	<u>\$ 297</u>	<u>\$ 4.40</u>	<u>\$ 316</u>	<u>\$ 4.67</u>
Notable items	-	-	(17)	(0.26)
Adjusted operating income excluding notable items	<u>\$ 297</u>	<u>\$ 4.40</u>	<u>\$ 299</u>	<u>\$ 4.41</u>