



Reinsurance Group of America, Incorporated – Q3 2023

Financial Results and Business Highlights

On November 2, 2023, Reinsurance Group of America, Incorporated (NYSE: RGA) reported financial results for the third quarter of 2023.

“This was another strong quarter, with most regions and business lines performing very well,” said Anna Manning, Chief Executive Officer, RGA. “We continue to see very strong momentum in our new business activities and pipelines. Industry dynamics are favorable and we are well-positioned, with the capabilities and proven track record to benefit from all those dynamics. We are optimistic about our future and our ability to deliver attractive returns for our shareholders.”

Effective October 31, 2023, the board of directors declared a regular dividend of \$0.85, payable November 28, 2023, to shareholders of record as of November 14, 2023.

Q3 2023 Financial Results*

- Net income available to RGA shareholders totaled \$287 million, or \$4.29 per diluted share, compared with a net loss available to RGA shareholders of \$76 million, or \$1.13 per diluted share, in the prior-year quarter.
- Adjusted operating income* for the third quarter totaled \$372 million, or \$5.57 per diluted share, compared with \$16 million, or \$0.24 per diluted share, the year before. Consolidated net premiums totaled \$4.3 billion, an increase of 31.0% over the 2022 third quarter, with a favorable net foreign currency effect of \$13 million. Net premiums include an \$820 million contribution from the U.S. Financial Solutions business, primarily due to a single premium pension risk transfer transaction.
- Book value per share was 122.40, including accumulated other comprehensive income (AOCI), and \$142.63 excluding AOCI.**

Q3 2023 News and Highlights

- RGA announced the appointment of Michele Bang to its Board of Directors. Michele is the former Deputy Chief Executive Officer of Eastspring Investments, the Asia asset management arm of Prudential plc, where she concurrently served as executive team member that drove digital innovation and technology integration throughout the firm. Prior to her role with Prudential, Michele held senior leadership roles and board seats in Asia for Deutsche Asset Management (now DWS Group). Since leaving Prudential, she has been active in new economy innovation as an investor, judge, and advisor to entrepreneurs in the health, education, and fintech space.
- RGA was selected by the National Association of Corporate Directors (NACD) as the winner of the 2023 Diversity, Equity, and Inclusion Award in the Mid Cap, Public Company category. Representing more than 23,000 corporate board members, NACD is the authority on boardroom practices. Each year NACD recognizes boards that have improved their governance and created long-term value for stakeholders by implementing forward-thinking diversity, equity, and inclusion (DEI) practices.
- Ceding companies ranked RGA #1 on NMG Consulting’s 2023 All Respondents Business Capability Index in the Asia region, and in the Indonesia, Japan, Philippines, and Taiwan markets.

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

* All figures in U.S. dollars.

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

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 remains guided by a fundamental 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 \$3.5 trillion of life reinsurance in force and assets of \$87.4 billion as of September 30, 2023. 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.

****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, any of which 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. **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 a non-GAAP financial measure called shareholders' 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 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 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 shareholders' 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

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 September 30,			
	2023		2022	
		Diluted Earnings Per Share		Diluted Earnings Per Share
Net income (loss) available to RGA shareholders	\$ 287	\$ 4.29	\$ (76)	\$ (1.13)
Reconciliation to adjusted operating income:				
Realized (gains) losses, derivatives and other, included in investment related gains/losses, net	104	1.56	120	1.79
Market risk benefits remeasurement (gains) losses	(17)	(0.25)	18	0.27
Realized (gains) losses on funds withheld, included in investment income, net of related expenses	(4)	(0.06)	3	0.04
Embedded derivatives:				
Included in investment related gains/losses, net	(1)	(0.01)	14	0.21
Included in interest credited	(6)	(0.09)	(8)	(0.12)
Investment (income) loss on unit-linked variable annuities	1	0.01	4	0.06
Interest credited on unit-linked variable annuities	(1)	(0.01)	(4)	(0.06)
Interest expense on uncertain tax positions	1	0.01	-	-
Other	-	-	(56)	(0.83)
Uncertain tax positions and other tax related items	6	0.09	-	-
Net income attributable to noncontrolling interest	2	0.03	1	0.01
Adjusted operating income	<u>\$ 372</u>	<u>\$ 5.57</u>	<u>\$ 16</u>	<u>\$ 0.24</u>
Notable items	-	-	248	3.68
Adjusted operating income excluding notable items	<u>\$ 372</u>	<u>\$ 5.57</u>	<u>\$ 264</u>	<u>\$ 3.92</u>

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

(Unaudited)	At September 30,	
	2023	2022
Book value per share outstanding	\$122.40	\$101.08
Less effect of AOCI:		
Accumulated currency translation adjustments	(0.49)	(2.20)
Unrealized appreciation (depreciation) of securities	(101.10)	(86.61)
Effect of updating discount rates on future policy benefits	81.46	59.69
Change in instrument-specific credit risk for market risk benefits	0.11	0.29
Pension and postretirement benefits	(0.21)	(0.77)
Book value per share outstanding, before impact of AOCI	<u>\$142.63</u>	<u>\$130.68</u>