



Reinsurance Group of America, Incorporated – Q3 2024

Financial Results and Business Highlights

On October 31, Reinsurance Group of America, Incorporated (NYSE: RGA) reported financial results for the third quarter of 2024.

“The third quarter was an excellent one for us, as we produced record financial results and demonstrated our continued strong momentum in virtually all aspects of our business,” said Tony Cheng, President and Chief Executive Officer, RGA. “Our Asia Traditional and Financial Solutions businesses produced very good results, and our U.S. Traditional business and EMEA region performed well. We had a strong quarter of in-force block transactions, with \$382 million of capital deployed, and we continued to see good momentum in organic new business. While we are delighted with the excellent current results, we are also mindful of long-term value, and were proactive in pulling various levers in the quarter that we expect will add to returns and enhance value over the long-term.

“Our balance sheet remains strong, and we ended the quarter with excess capital of approximately \$0.7 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.”

The board of directors declared a regular quarterly dividend of \$0.89, payable November 26, 2024, to shareholders of record as of November 12, 2024.

Q3 2024 Financial Results*

- Net income available to RGA shareholders totaled \$156 million, or \$2.33 per diluted share, compared with \$287 million, or \$4.29 per diluted share, in the prior-year quarter.
- Adjusted operating income** for the third quarter totaled \$242 million, or \$3.62 per diluted share, compared with \$372 million, or \$5.57 per diluted share, the year before. Adjusted operating income excluding notable items of \$6.13 per diluted share**, a record quarterly result.
- Consolidated net premiums totaled \$4.4 billion, an increase of 3.2% over the third quarter of 2023, with a favorable net foreign currency effect of \$1 million.
- Book value per share was \$168.93, including accumulated other comprehensive income (AOCI), and \$151.79 excluding AOCI and B36.**

News and Highlights:

- RGA announced an agreement with American National Insurance Company and its affiliates (collectively, “American National”) to reinsure a diversified block of life business through a coinsurance arrangement. Under the agreement, approximately \$3.5 billion of American National’s statutory reserves will be transferred to subsidiaries of RGA. Policyholder service and support will remain with American National.
- RGA published findings from a survey regarding the aging population’s insurance needs across Asia. Titled “Aging in Asia: Inclusive Insurance Study on Seniors,” the report is based on RGA’s quantitative consumer survey of 1,636 respondents ages 55-80 with minor health impairments across eight key markets: China, Hong Kong, India, Japan, South Korea, Taiwan, Thailand, and Vietnam. The study reveals gaps in life and health insurance that the industry must address to meet the protection requirements of the region’s rapidly expanding senior demographic.
- RGA reached an agreement with Tongyang Life Insurance Company, Ltd. to increase coverage of an existing coinsurance contract originally executed in June 2024. Under this arrangement, coverage is expanded by an additional KRW 150 billion.
- Prudential Hong Kong partnered with RGA to launch MedScreen+, a first-in-market digital underwriting tool. The tool leverages optical character recognition and AI technology, coupled with RGA’s proprietary digital underwriting engine.
- RGA published an in-depth analysis of emerging US population data to identify how all-cause mortality and excess mortality have changed through the pandemic, determine what they look like in the short term, and understand where they may be headed. The **interactive digital report** will be updated regularly as new data becomes available, including comprehensive evaluations of specific causes of death.
- Insurers ranked RGA #1 on NMG Consulting’s 2024 All Respondents Business Capability Index in the Asia region, and in Hong Kong, Indonesia, Japan, South Korea, and Taiwan.

For more complete information and the full text of RGA’s announcement of third 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 \$4.0 trillion of life reinsurance in force and assets of \$120.3 billion as of September 30, 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:

- 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.
- 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 include the financial impact of the Company's assumption reviews.
- 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.
- 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.
- 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.

Appendix

Reconciliation of Book Value Per Share to Book Value Per Share
Excluding Accumulated Other Comprehensive Income ("AOCI") and B36 Derivatives

(Unaudited)	At September 30,	
	2024	2023
Book value per share outstanding	\$168.93	\$122.40
Less effect of AOCI:		
Accumulated currency translation adjustments	1.64	(0.49)
Unrealized appreciation (depreciation) of securities	(42.52)	(101.10)
Effect of updating discount rates on future policy benefits	60.54	81.46
Change in instrument-specific credit risk for market risk benefits	0.09	0.11
Pension and postretirement benefits	(0.45)	(0.21)
Book value per share outstanding, before impact of AOCI	\$149.63	\$142.63
Less effect of B36 derivatives	(2.16)	0.12
Book value per share outstanding, before impact of AOCI and B36 derivatives	\$151.79	\$142.51

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,			
	2024		2023	
		Diluted Earnings Per Share		Diluted Earnings Per Share
Net income available to RGA shareholders	\$ 156	\$ 2.33	\$ 287	\$ 4.29
Reconciliation to adjusted operating income:				
Realized (gains) losses, derivatives and other, included in investment related gains/losses, net	(18)	(0.26)	104	1.56
Market risk benefits remeasurement (gains) losses	25	0.37	(17)	(0.25)
Realized (gains) losses on funds withheld, included in investment income, net of related expenses	-	-	(4)	(0.06)
Embedded derivatives:				
Included in investment related gains/losses, net	88	1.32	(1)	(0.01)
Included in interest credited	8	0.12	(6)	(0.09)
Investment (income) loss on unit-linked variable annuities	(1)	(0.01)	1	0.01
Interest credited on unit-linked variable annuities	1	0.01	(1)	(0.01)
Interest expense on uncertain tax positions	1	0.01	1	0.01
Other (1)	(25)	(0.37)	-	-
Uncertain tax positions and other tax related items	5	0.07	6	0.09
Net income attributable to noncontrolling interest	2	0.03	2	0.03
Adjusted operating income	\$ 242	\$ 3.62	\$ 372	\$ 5.57
Notable items	168	3	-	-
Adjusted operating income excluding notable items	\$ 410	\$ 6.13	\$ 372	\$ 5.57

(1) The Other line item includes pension risk transfer day one loss, market value adjustments on surrender charges and other immaterial items.