



## Reinsurance Group of America, Incorporated – Q1 2022

### Financial Results and Business Highlights

On May 5, 2022, Reinsurance Group of America, Incorporated (NYSE: RGA) reported financial results for the first quarter of 2022. “This was a very good start to the year, and despite a meaningful level of COVID-19 mortality claims, many of our businesses performed well and our investment results were favorable.” said Anna Manning, President and Chief Executive Officer, RGA. “We continue to see good new business activity both in our organic business and in our global pipelines for in-force transactions.

“On the capital front, we deployed \$130 million into in-force and other transactions and repurchased \$25 million in common stock. Our balance sheet remains strong, and we ended the quarter with excess capital of approximately \$1.0 billion.

“I am proud to announce that once again, and for the 11<sup>th</sup> year in a row, RGA has been ranked #1 for global business capabilities by NMG in their 2021 global life and health reinsurance report.”

Effective May 3, 2022, the board of directors declared a regular dividend of \$0.73, payable May 31, 2022 to shareholders of record as of May 17, 2022.

#### **Q1 2022 Financial Results\***

- Net loss for the quarter totaled \$63 million, or \$0.93 per diluted share, compared with net income of \$139 million, or \$2.03 per diluted share, in the prior-year quarter.
- Adjusted operating income\*\* totaled \$32 million, or \$0.47 per diluted share, compared with an adjusted operating loss of \$84 million, or \$1.24 per diluted share, the year before.
- Consolidated net premiums totaled \$3.2 billion, up 8.3% from last year’s first quarter, with adverse net foreign currency effect of \$47 million
- Book value per share was \$137.08, including accumulated other comprehensive income (AOCI), and \$137.89 excluding AOCI.\*\*

\* All figures in U.S. dollars.

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



## **Q1 2022 News and Highlights**

- For the 11th consecutive year, RGA was ranked #1 on NMG Consulting's 2021 Global All Respondent 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. Mark Prichard, CEO of NMG Consulting said, "If there has been a constant in the Life & Health reinsurance industry over the last decade, it has been RGA's global Business Capability Index leadership. RGA's knowledge-led, partnership-driven approach coupled with its culture of innovation and client focus remain the cornerstones of its differentiation."
- RGA also ranked #1 on NMG's All Respondent BCI in Canada, Germany, Italy, Japan, Mexico, the Philippines, Poland, and South Africa, as well as in the EMEA region in aggregate.
- RGA announced the completion of a longevity reinsurance transaction with NN Life, the largest life insurance company in the Netherlands, covering approximately €4 billion of underlying reserves.
- RGA launched the FAC Optimization solution, which integrates machine learning, state-of-the-art OCR, and natural language processing (NLP) technology into the underwriting process to extract text, handwriting, and data from scanned documents.
- RGA announced that it has made a strategic minority investment into the holding company of Velocity Capital Advisors LLC through a wholly owned subsidiary and has also entered into a long-term investment management agreement on behalf of one or more subsidiaries of RGA.
- RGA reached an agreement with Taiyo Life Insurance Company (Taiyo Life), a subsidiary of T&D Holdings, Inc., to reinsure 160 Billion JPY of statutory reserves through coinsurance.



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-	not rated	A+	AA-
A.M. Best Company	A+	A+	A+	not rated	not rated	not rated	A+	not rated	not rated
Moody's Investors Service	A1	not rated	not rated	not rated	not rated	not rated	not rated	not rated	not rated

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](http://www.rgare.com).

### **About RGA**

Reinsurance Group of America, Incorporated (RGA), a Fortune 500 company, is among the leading global providers of life reinsurance and financial solutions, with approximately \$3.5 trillion of life reinsurance in force and assets of \$89.8 billion as of March 31, 2022. Founded in 1973, RGA today is recognized for its deep technical expertise in risk and capital management, innovative solutions, and commitment to serving its clients. With headquarters in St. Louis, Missouri, and operations around the world, RGA delivers expert solutions in individual life reinsurance, individual living benefits reinsurance, group reinsurance, health reinsurance, facultative underwriting, product development, and financial solutions. To learn more about RGA and its businesses, visit the company's website at [www.rgare.com](http://www.rgare.com).

\*\* 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.

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](http://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,	
	2022	2021
Book value per share outstanding	\$137.08	\$177.83
Less effect of AOCI:		
Accumulated currency translation adjustments	0.06	(0.57)
Unrealized appreciation of securities	(0.13)	45.79
Pension and postretirement benefits	(0.74)	(1.06)
Book value per share outstanding, before impact of AOCI	<u>\$137.89</u>	<u>\$133.67</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,			
	2022		2021	
		Diluted Earnings Per Share		Diluted Earnings Per Share
Net income (loss)	\$ (63)	\$ (0.93)	\$ 139	\$ 2.03
Reconciliation to adjusted operating income:				
Capital (gains) losses, derivatives and other, included in investment related gains/losses, net	94	1.39	(179)	(2.63)
Capital (gains) losses on funds withheld, included in investment income, net of related expenses	6	0.09	(1)	(0.01)
Embedded derivatives:				
Included in investment related gains/losses, net	15	0.22	(54)	(0.79)
Included in interest credited	(13)	(0.19)	(24)	(0.35)
DAC offset, net	(8)	(0.12)	9	0.13
Investment (income) loss on unit-linked variable annuities	7	0.10	1	0.01
Interest credited on unit-linked variable annuities	(7)	(0.10)	(1)	(0.01)
Interest expense on uncertain tax positions	-	-	2	0.03
Non-investment derivatives and other	-	-	9	0.13
Tax benefit on uncertain tax positions and tax rate changes	1	0.01	15	0.22
Adjusted operating income (loss)	<u>\$ 32</u>	<u>\$ 0.47</u>	<u>\$ (84)</u>	<u>\$ (1.24)</u>