

# Everest Re Group, Ltd.

Financial Supplement

June 30, 2013



**EVEREST**<sup>®</sup>

**EVEREST RE GROUP, LTD.**  
**Supplemental GAAP Operating Information**

(Dollars in thousands, except per share amounts)

(unaudited)

	Six Months Ended		Three Months Ended							
	June 30, 2013	June 30, 2012	June 30, 2013	March 31, 2013	December 31, 2012	September 30, 2012	June 30, 2012	March 31, 2012	December 31, 2011	September 30, 2011
<b>PRODUCTION INFORMATION:</b>										
Gross written premiums	\$ 2,440,992	\$ 1,955,484	\$ 1,260,202	\$ 1,180,790	\$ 1,151,056	\$ 1,203,997	\$ 909,018	\$ 1,046,466	\$ 1,104,874	\$ 1,128,506
Net written premiums	2,362,319	1,871,543	1,212,626	1,149,693	1,109,076	1,100,452	856,681	1,014,862	1,043,104	1,090,790
Net premiums earned	2,240,292	2,035,778	1,151,533	1,088,759	1,119,396	1,009,454	1,037,800	997,978	1,005,728	1,044,338
<b>INVESTMENT INCOME:</b>										
Pre-tax investment income	\$ 294,510	\$ 301,767	\$ 148,729	\$ 145,781	\$ 146,411	\$ 152,024	\$ 149,329	\$ 152,438	\$ 126,253	\$ 156,465
Effective tax rate	16.8%	14.9%	17.2%	16.4%	15.0%	15.0%	14.3%	15.6%	13.6%	13.6%
After-tax investment income	\$ 245,061	\$ 256,691	\$ 123,200	\$ 121,861	\$ 124,438	\$ 129,162	\$ 128,040	\$ 128,651	\$ 109,128	\$ 135,123
Net pre-tax yield - amortized cost	3.8%	4.0%	3.8%	3.7%	3.8%	4.0%	3.9%	4.0%	3.3%	4.1%
Net after-tax yield - amortized cost	3.2%	3.4%	3.2%	3.1%	3.2%	3.4%	3.4%	3.4%	2.9%	3.6%
<b>CATASTROPHE INFORMATION:</b>										
Net pre-tax catastrophe losses <sup>(1)</sup>	\$ 84,097	\$ 47,415	\$ 84,688	\$ (591)	\$ 290,071	\$ 23,633	\$ 21,807	\$ 25,608	\$ 370,732	\$ 119,386
After-tax effect of catastrophe losses on earnings per basic common share	(1.38)	(0.76)	(1.49)	0.08	(4.37)	(0.40)	(0.35)	(0.41)	(4.58)	(1.71)
After-tax effect of catastrophe losses on earnings per diluted common share	(1.37)	(0.76)	(1.47)	0.08	(4.35)	(0.39)	(0.35)	(0.41)	(4.57)	(1.71)
<b>EFFECTIVE TAX RATE ON:</b>										
Net income (loss)	16.7%	10.8%	14.5%	18.2%	-54.3%	21.4%	10.4%	11.1%	-196.6%	-571.6%
Net realized capital gains (losses)	34.2%	31.4%	33.7%	34.3%	12.3%	35.7%	-49.0%	34.4%	33.2%	-39.3%
Operating income	12.3%	7.4%	12.3%	12.3%	-124.2%	17.9%	12.9%	1.7%	-71.8%	0.3%
<b>AFTER-TAX EARNINGS:</b>										
Net income (loss)	\$ 659,985	\$ 519,255	\$ 275,642	\$ 384,343	\$ 58,777	\$ 250,922	\$ 214,551	\$ 304,704	\$ 41,042	\$ 63,054
Per basic common share	13.19	9.81	5.60	7.56	1.14	4.84	4.10	5.70	0.76	1.16
Per diluted common share	13.09	9.79	5.56	7.50	1.13	4.82	4.08	5.68	0.76	1.16
Net realized capital gains (losses)	105,763	56,314	22,492	83,271	17,126	40,351	(8,462)	64,776	91,726	(83,619)
Per basic common share	2.11	1.06	0.46	1.64	0.33	0.78	(0.16)	1.21	1.71	(1.54)
Per diluted common share	2.10	1.06	0.45	1.63	0.33	0.78	(0.16)	1.21	1.70	(1.54)
Operating income, excl. net realized capital gains (losses) <sup>(2)</sup>	554,222	462,941	253,150	301,072	41,651	210,571	223,013	239,928	(50,684)	146,673
Per basic common share	11.08	8.75	5.14	5.92	0.81	4.06	4.26	4.49	(0.94)	2.71
Per diluted common share	10.99	8.72	5.10	5.88	0.80	4.05	4.25	4.48	(0.94)	2.70

(Some amounts may not reconcile due to rounding.)

**EVEREST RE GROUP, LTD.**

**Supplemental GAAP Operating Information (cont.)**

(Dollars in thousands, except per share amounts)

(unaudited)

	Six Months Ended		Three Months Ended							
	June 30, 2013	June 30, 2012	June 30, 2013	March 31, 2013	December 31, 2012	September 30, 2012	June 30, 2012	March 31, 2012	December 31, 2011	September 30, 2011
<b>COMBINED RATIO:</b>										
Loss ratio	58.2%	59.5%	61.8%	54.4%	83.2%	59.8%	58.6%	60.4%	101.4%	69.0%
Commission and brokerage ratio	21.2%	24.7%	21.0%	21.4%	20.4%	21.9%	25.6%	23.8%	24.7%	21.8%
Other underwriting expense ratio	4.8%	4.8%	4.8%	4.9%	4.8%	5.5%	4.8%	4.8%	4.2%	4.8%
Combined ratio	84.2%	89.0%	87.6%	80.7%	108.4%	87.2%	89.0%	89.0%	130.3%	95.6%
<b>CASH FLOW INFORMATION:</b>										
Cash flow provided by operations	\$ 395,847	\$ 304,510	\$ 170,175	\$ 225,672	\$ 184,478	\$ 174,926	\$ 138,772	\$ 165,738	\$ 112,864	\$ 207,910
Paid losses, net	1,388,593	1,428,207	684,622	703,971	683,916	741,973	688,702	739,505	768,312	758,425
Paid cats, net	227,233	285,854	109,619	117,614	124,729	140,755	121,948	163,906	167,615	204,889
Paid (recovered) asbestos and environmental losses, net	21,217	29,507	11,598	9,619	12,195	12,891	16,811	12,696	15,844	9,913
Taxes paid (recovered)	66,738	23,801	47,550	19,188	5,291	30,662	12,617	11,184	(38,618)	6,627
<b>RETURN ON EQUITY:</b>										
Beginning of period shareholders' equity	\$ 6,733,467	\$ 6,071,375	\$ 6,816,866	\$ 6,733,467	\$ 6,785,372	\$ 6,417,351	\$ 6,330,998	\$ 6,071,375	\$ 6,091,841	\$ 6,152,558
Net unrealized depreciation (appreciation) of investments	(603,928)	(449,580)	(553,036)	(603,928)	(646,107)	(527,900)	(529,949)	(449,580)	(421,631)	(456,587)
Adjusted beginning of period shareholders' equity	\$ 6,129,539	\$ 5,621,795	\$ 6,263,830	\$ 6,129,539	\$ 6,139,265	\$ 5,889,451	\$ 5,801,049	\$ 5,621,795	\$ 5,670,210	\$ 5,695,971
End of period shareholders' equity	\$ 6,622,800	\$ 6,417,351	\$ 6,622,800	\$ 6,816,866	\$ 6,733,467	\$ 6,785,372	\$ 6,417,351	\$ 6,330,998	\$ 6,071,375	\$ 6,091,841
Net unrealized depreciation (appreciation) of investments	(278,668)	(527,900)	(278,668)	(553,036)	(603,928)	(646,107)	(527,900)	(529,949)	(449,580)	(421,631)
Adjusted end of period shareholders' equity	\$ 6,344,132	\$ 5,889,451	\$ 6,344,132	\$ 6,263,830	\$ 6,129,539	\$ 6,139,265	\$ 5,889,451	\$ 5,801,049	\$ 5,621,795	\$ 5,670,210
Average adjusted shareholders' equity	\$ 6,236,836	\$ 5,755,623	\$ 6,303,981	\$ 6,196,685	\$ 6,134,402	\$ 6,014,358	\$ 5,845,250	\$ 5,711,422	\$ 5,646,003	\$ 5,683,091
After-tax operating income, excluding after-tax net realized capital gains (losses) <sup>(2)</sup>	\$ 554,222	\$ 462,941	\$ 253,150	\$ 301,072	\$ 41,651	\$ 210,571	\$ 223,013	\$ 239,928	\$ (50,684)	\$ 146,673
After-tax net realized capital gains (losses)	105,763	56,314	22,492	83,271	17,126	40,351	(8,462)	64,776	91,726	(83,619)
Net income (loss)	\$ 659,985	\$ 519,255	\$ 275,642	\$ 384,343	\$ 58,777	\$ 250,922	\$ 214,551	\$ 304,704	\$ 41,042	\$ 63,054
<b>Return on equity (annualized)</b>										
After-tax operating income, excluding after-tax net realized capital gains (losses) <sup>(2)</sup>	17.8%	16.1%	16.1%	19.4%	2.7%	14.0%	15.3%	16.8%	-3.6%	10.3%
After-tax net realized capital gains (losses)	3.4%	1.9%	1.4%	5.4%	1.1%	2.7%	-0.6%	4.5%	6.5%	-5.9%
Net income (loss)	21.2%	18.0%	17.5%	24.8%	3.8%	16.7%	14.7%	21.3%	2.9%	4.4%

(Some amounts may not reconcile due to rounding.)

(1) Catastrophe losses are net of specific reinsurance and reinstatement premiums but before recoveries under corporate level reinsurance.

(2) The Company generally uses after-tax operating income (loss), a non-GAAP financial measure, to evaluate its performance. After-tax operating income (loss) consists of net income (loss) excluding after-tax net realized capital gains (losses). Although net realized capital gains (losses) are an integral part of the Company's insurance operations, the determination of net realized capital gains (losses) is independent of the insurance underwriting process. The Company believes that the level of net realized capital gains (losses) for any particular period is not indicative of the performance of the underlying business in that particular period. Providing only a GAAP presentation of net income (loss) makes it more difficult for users of the financial information to evaluate the Company's success or failure in its basic business, and may lead to incorrect or misleading assumptions and conclusions. The Company understands that the equity analysts who follow the Company focus on after-tax operating income (loss) in their analyses for the reasons discussed above. The Company provides after-tax operating income (loss) to investors so that they have what management believes to be a useful supplement to GAAP information concerning the Company's performance.

**EVEREST RE GROUP, LTD.**

**Supplemental GAAP Balance Sheet Information**

(Dollars in thousands, except per share amounts)

(unaudited)

	June 30, 2013	March 31, 2013	December 31, 2012	September 30, 2012	June 30, 2012	March 31, 2012	December 31, 2011	September 30, 2011
<b>BALANCE SHEET HIGHLIGHTS:</b>								
Total investments and cash	\$ 16,027,902	\$ 16,562,194	\$ 16,576,196	\$ 16,533,957	\$ 16,029,819	\$ 16,116,958	\$ 15,797,381	\$ 15,713,917
Total assets	19,559,048	19,802,071	19,777,907	19,667,473	18,903,251	19,165,400	18,893,555	18,705,838
Reserve for losses and loss adjustment expenses ("LAE") (gross)	9,843,480	9,843,262	10,069,055	9,847,174	9,890,827	10,029,343	10,123,215	9,979,984
Future policy benefit reserve	65,541	65,311	66,107	65,734	66,269	66,842	67,187	61,971
Revolving credit borrowings	40,000	-	-	-	-	-	-	-
5.4% Senior notes due 10/15/2014	249,932	249,919	249,907	249,894	249,882	249,870	249,858	249,847
6.6% Long term notes due 5/1/2067	238,359	238,358	238,357	238,356	238,355	238,355	238,354	238,353
Junior subordinated debt securities payable	-	329,897	329,897	329,897	329,897	329,897	329,897	329,897
Shareholders' equity	6,622,800	6,816,866	6,733,467	6,785,372	6,417,351	6,330,998	6,071,375	6,091,841
Common shares outstanding	48,588	49,966	51,418	51,708	51,857	52,625	53,736	53,789
Book value per common share outstanding	\$ 136.31	\$ 136.43	\$ 130.96	\$ 131.22	\$ 123.75	\$ 120.30	\$ 112.99	\$ 113.26
<b>TOTAL LOSS RESERVES:</b>								
Gross reserve for losses and LAE	\$ 9,843,480	\$ 9,843,262	\$ 10,069,055	\$ 9,847,174	\$ 9,890,827	\$ 10,029,343	\$ 10,123,215	\$ 9,979,984
Reinsurance receivables on unpaid losses	(512,990)	(558,888)	(602,750)	(612,139)	(596,480)	(581,721)	(580,998)	(585,541)
Net reserve for losses and LAE	\$ 9,330,490	\$ 9,284,374	\$ 9,466,305	\$ 9,235,035	\$ 9,294,347	\$ 9,447,622	\$ 9,542,217	\$ 9,394,443
<b>ASBESTOS AND ENVIRONMENTAL LOSS RESERVES:</b>								
Gross loss and LAE reserves	\$ 420,817	\$ 432,789	\$ 442,821	\$ 455,592	\$ 468,841	\$ 486,492	\$ 499,911	\$ 516,395
Net loss and LAE reserves	404,475	416,072	425,691	437,886	450,777	467,588	480,160	496,004
Net asbestos 3 year survival ratio	6.9	7.0	7.1	7.4	6.4	5.7	5.8	5.0
Net asbestos 3 year survival ratio excluding settlements in place	7.8	8.1	8.1	8.6	8.6	8.5	8.9	8.9
<b>END OF PERIOD INVESTMENT PORTFOLIO INFORMATION:</b>								
Pre-tax yield - net of expenses, amortized cost basis	3.4%	3.4%	3.5%	3.6%	3.7%	3.7%	3.9%	3.9%
After-tax yield - net of expenses, amortized cost basis	2.9%	2.9%	3.0%	3.1%	3.2%	3.3%	3.4%	3.4%
Modified duration of fixed income portfolio (in years)	3.2	3.2	3.0	2.9	2.9	3.0	3.0	3.1
Average credit quality	Aa3	Aa3	Aa3	Aa3	Aa3	Aa3	Aa3	Aa3
<b>OPERATING LEVERAGE:</b>								
Ratio of net written premiums to shareholders' equity (12 month rolling)	0.69 TO 1	0.62 TO 1	0.61 TO 1	0.59 TO 1	0.62 TO 1	0.65 TO 1	0.68 TO 1	0.66 TO 1
Ratio of net loss and LAE reserves to shareholders' equity	1.41 TO 1	1.36 TO 1	1.41 TO 1	1.36 TO 1	1.45 TO 1	1.49 TO 1	1.57 TO 1	1.54 TO 1

**EVEREST RE GROUP, LTD.**

**Segment Results**

(Dollars in thousands)

(unaudited)

**TOTAL SEGMENTS**

	Six Months Ended		Three Months Ended							
	June 30, 2013	June 30, 2012	June 30, 2013	March 31, 2013	December 31, 2012	September 30, 2012	June 30, 2012	March 31, 2012	December 31, 2011	September 30, 2011
Gross written premiums	\$ 2,440,992	\$ 1,955,484	\$ 1,260,202	\$ 1,180,790	\$ 1,151,056	\$ 1,203,997	\$ 909,018	\$ 1,046,466	\$ 1,104,874	\$ 1,128,506
Net written premiums	2,362,319	1,871,543	1,212,626	1,149,693	1,109,076	1,100,452	856,681	1,014,862	1,043,104	1,090,790
Premiums earned	\$ 2,240,292	\$ 2,035,778	\$ 1,151,533	\$ 1,088,759	\$ 1,119,396	\$ 1,009,454	\$ 1,037,800	\$ 997,978	\$ 1,005,728	\$ 1,044,338
Incurred losses and LAE										
Attritional - current year	1,215,243	1,150,610	622,556	592,687	609,104	579,211	577,963	572,647	637,469	584,110
Attritional - prior year	(1,009)	(399)	(966)	(43)	(2,829)	(557)	(93)	(306)	2,376	4,314
Catastrophes	90,000	60,000	90,000	-	325,000	25,000	30,000	30,000	380,083	132,287
Asbestos & environmental	-	125	-	-	-	-	-	125	-	-
Total incurred losses and LAE	1,304,234	1,210,336	711,590	592,644	931,275	603,654	607,870	602,466	1,019,928	720,711
Commission and brokerage	475,113	503,292	242,067	233,046	228,327	221,082	265,789	237,503	248,721	227,969
Other underwriting expenses	107,847	98,170	54,901	52,946	53,727	55,762	49,675	48,495	42,113	49,437
Underwriting gain (loss)	\$ 353,098	\$ 223,980	\$ 142,975	\$ 210,123	\$ (93,933)	\$ 128,956	\$ 114,466	\$ 109,514	\$ (305,034)	\$ 46,221
Loss ratio										
Attritional - current year	54.2%	56.6%	54.1%	54.4%	54.5%	57.4%	55.7%	57.4%	63.4%	55.9%
Attritional - prior year	0.0%	0.0%	-0.1%	0.0%	-0.3%	-0.1%	0.0%	0.0%	0.2%	0.4%
Catastrophes	4.0%	2.9%	7.8%	0.0%	29.0%	2.5%	2.9%	3.0%	37.8%	12.7%
Asbestos & environmental	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total loss ratio	58.2%	59.5%	61.8%	54.4%	83.2%	59.8%	58.6%	60.4%	101.4%	69.0%
Commission and brokerage ratio	21.2%	24.7%	21.0%	21.4%	20.4%	21.9%	25.6%	23.8%	24.7%	21.8%
Other underwriting expenses	4.8%	4.8%	4.8%	4.9%	4.8%	5.5%	4.8%	4.8%	4.2%	4.8%
Combined ratio	84.2%	89.0%	87.6%	80.7%	108.4%	87.2%	89.0%	89.0%	130.3%	95.6%
Ratios excluding reinstatement premium impact										
Attritional loss ratio - current year	54.4%	56.9%	54.3%	54.5%	56.2%	57.5%	56.1%	57.6%	64.0%	56.6%
Attritional combined ratio	80.5%	86.6%	80.2%	80.7%	82.2%	84.9%	86.8%	86.4%	93.2%	83.5%

(Some amounts may not reconcile due to rounding.)

EVEREST RE GROUP, LTD.

Segment Results (cont.)

(Dollars in thousands)

(unaudited)

**TOTAL REINSURANCE**

	Six Months Ended		Three Months Ended							
	June 30, 2013	June 30, 2012	June 30, 2013	March 31, 2013	December 31, 2012	September 30, 2012	June 30, 2012	March 31, 2012	December 31, 2011	September 30, 2011
Gross written premiums	\$ 1,871,923	\$ 1,488,488	\$ 943,814	\$ 928,109	\$ 879,440	\$ 869,466	\$ 653,760	\$ 834,728	\$ 879,518	\$ 892,212
Net written premiums	1,860,241	1,486,410	935,797	924,444	874,151	868,398	653,613	832,797	870,549	887,395
Premiums earned	\$ 1,792,178	\$ 1,643,611	\$ 902,251	\$ 889,927	\$ 877,649	\$ 790,935	\$ 825,632	\$ 817,979	\$ 826,450	\$ 828,118
Incurred losses and LAE										
Attritional - current year	902,965	873,178	448,798	454,167	421,410	404,220	427,655	445,523	475,185	416,008
Attritional - prior year	(8,084)	165	(5,240)	(2,844)	(50,888)	(6,607)	471	(306)	(34,309)	(20,686)
Catastrophes	90,009	60,000	89,979	30	318,358	24,988	30,000	30,000	380,083	129,787
Asbestos & environmental	-	125	-	-	-	-	-	125	-	-
Total incurred losses and LAE	984,890	933,468	533,537	451,353	688,880	422,601	458,126	475,342	820,959	525,109
Commission and brokerage	410,277	443,059	207,856	202,421	210,008	182,040	237,029	206,030	217,093	189,387
Other underwriting expenses	52,651	48,432	26,428	26,223	27,068	29,177	23,433	24,999	21,201	25,121
Underwriting gain (loss)	\$ 344,360	\$ 218,652	\$ 134,430	\$ 209,930	\$ (48,307)	\$ 157,117	\$ 107,044	\$ 111,608	\$ (232,803)	\$ 88,501
Loss ratio										
Attritional - current year	50.4%	53.1%	49.7%	51.0%	48.0%	51.0%	51.8%	54.5%	57.5%	50.2%
Attritional - prior year	-0.4%	0.0%	-0.6%	-0.3%	-5.8%	-0.8%	0.1%	0.0%	-4.2%	-2.5%
Catastrophes	5.0%	3.7%	10.0%	0.0%	36.3%	3.2%	3.6%	3.6%	46.0%	15.7%
Asbestos & environmental	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total loss ratio	55.0%	56.8%	59.1%	50.7%	78.5%	53.4%	55.5%	58.1%	99.3%	63.4%
Commission and brokerage ratio	22.9%	27.0%	23.0%	22.7%	23.9%	23.0%	28.7%	25.2%	26.3%	22.9%
Other underwriting expense ratio	2.9%	2.9%	3.0%	3.0%	3.1%	3.7%	2.8%	3.1%	2.6%	3.0%
Combined ratio	80.8%	86.7%	85.1%	76.4%	105.5%	80.1%	87.0%	86.4%	128.2%	89.3%
Ratios excluding reinstatement premium impact										
Attritional loss ratio - current year	50.6%	53.5%	50.0%	51.1%	50.0%	51.2%	52.3%	54.8%	58.2%	51.0%
Attritional combined ratio	76.5%	83.7%	76.2%	76.8%	78.1%	77.9%	84.2%	83.2%	87.3%	77.3%

(Some amounts may not reconcile due to rounding.)

**EVEREST RE GROUP, LTD.**

**Segment Results (cont.)**

(Dollars in thousands)

(unaudited)

**U.S. REINSURANCE**

	Six Months Ended		Three Months Ended							
	June 30, 2013	June 30, 2012	June 30, 2013	March 31, 2013	December 31, 2012	September 30, 2012	June 30, 2012	March 31, 2012	December 31, 2011	September 30, 2011
Gross written premiums	\$ 853,158	\$ 504,950	\$ 418,367	\$ 434,791	\$ 372,239	\$ 433,494	\$ 135,468	\$ 369,482	\$ 399,675	\$ 360,833
Net written premiums	852,678	503,552	418,039	434,639	370,458	432,453	135,321	368,231	399,000	360,331
Premiums earned	\$ 783,980	\$ 679,343	\$ 391,364	\$ 392,616	\$ 383,413	\$ 353,651	\$ 321,382	\$ 357,961	\$ 359,254	\$ 326,824
Incurred losses and LAE										
Attritional - current year	368,892	360,533	182,766	186,126	163,770	182,492	165,916	194,617	217,681	163,756
Attritional - prior year	(1,175)	6,281	368	(1,543)	(31,248)	(2,353)	4,183	2,098	42,397	(2,450)
Catastrophes	68,029	51,219	54,454	13,575	287,773	31,806	26,075	25,144	62,019	32,580
Asbestos & environmental	-	121	-	-	-	-	-	121	(30)	-
Total incurred losses and LAE	435,746	418,154	237,588	198,158	420,295	211,945	196,174	221,980	322,067	193,886
Commission and brokerage	173,053	201,482	85,727	87,326	72,062	77,090	109,927	91,555	96,359	71,131
Other underwriting expenses	20,528	20,774	9,994	10,534	11,235	12,767	10,022	10,752	8,669	10,843
Underwriting gain (loss)	\$ 154,653	\$ 38,933	\$ 58,055	\$ 96,598	\$ (120,179)	\$ 51,849	\$ 5,259	\$ 33,674	\$ (67,841)	\$ 50,964
Loss ratio										
Attritional - current year	47.0%	53.2%	46.7%	47.4%	42.8%	51.6%	51.6%	54.4%	60.5%	50.0%
Attritional - prior year	-0.1%	0.9%	0.1%	-0.4%	-8.2%	-0.7%	1.3%	0.6%	11.8%	-0.7%
Catastrophes	8.7%	7.5%	13.9%	3.5%	75.0%	9.0%	8.1%	7.0%	17.3%	10.0%
Asbestos & environmental	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total loss ratio	55.6%	61.6%	60.7%	50.5%	109.6%	59.9%	61.0%	62.0%	89.6%	59.3%
Commission and brokerage ratio	22.1%	29.7%	21.9%	22.2%	18.8%	21.8%	34.2%	25.6%	26.8%	21.8%
Other underwriting expense ratio	2.6%	3.0%	2.6%	2.7%	2.9%	3.6%	3.2%	3.0%	2.5%	3.3%
Combined ratio	80.3%	94.3%	85.2%	75.4%	131.3%	85.3%	98.4%	90.6%	118.9%	84.4%

(Some amounts may not reconcile due to rounding.)

**EVEREST RE GROUP, LTD.**

**Segment Results (cont.)**

(Dollars in thousands)

(unaudited)

**INTERNATIONAL (reinsurance)**

	Six Months Ended		Three Months Ended							
	June 30, 2013	June 30, 2012	June 30, 2013	March 31, 2013	December 31, 2012	September 30, 2012	June 30, 2012	March 31, 2012	December 31, 2011	September 30, 2011
Gross written premiums	\$ 645,662	\$ 621,535	\$ 348,102	\$ 297,560	\$ 326,483	\$ 244,288	\$ 344,241	\$ 277,294	\$ 314,795	\$ 326,053
Net written premiums	642,051	621,525	348,069	293,982	322,966	244,254	344,232	277,293	306,416	321,601
Premiums earned	\$ 638,048	\$ 630,524	\$ 326,070	\$ 311,978	\$ 315,441	\$ 268,875	\$ 334,407	\$ 296,117	\$ 310,305	\$ 300,692
Incurred losses and LAE										
Attritional - current year	326,790	308,113	162,345	164,445	155,067	125,859	159,482	148,631	167,611	138,644
Attritional - prior year	(1,909)	(3,327)	(608)	(1,301)	(4,443)	(4,462)	(535)	(2,792)	(78,175)	(20,017)
Catastrophes	20,647	3,635	22,592	(1,945)	12,473	(6,590)	1,302	2,333	287,052	50,848
Asbestos & environmental	-	-	-	-	-	-	-	-	-	-
Total incurred losses and LAE	345,528	308,421	184,329	161,199	163,097	114,807	160,249	148,172	376,488	169,475
Commission and brokerage	148,509	152,967	77,065	71,444	86,669	60,480	81,776	71,191	80,548	78,228
Other underwriting expenses	15,597	13,283	7,667	7,930	7,762	8,249	6,543	6,740	6,369	7,549
Underwriting gain (loss)	\$ 128,414	\$ 155,853	\$ 57,009	\$ 71,405	\$ 57,913	\$ 85,339	\$ 85,839	\$ 70,014	\$ (153,100)	\$ 45,440
Loss ratio										
Attritional - current year	51.3%	48.8%	49.8%	52.7%	49.1%	46.9%	47.7%	50.1%	54.0%	46.2%
Attritional - prior year	-0.3%	-0.5%	-0.2%	-0.4%	-1.4%	-1.7%	-0.2%	-0.9%	-25.2%	-6.7%
Catastrophes	3.2%	0.6%	6.9%	-0.6%	4.0%	-2.5%	0.4%	0.8%	92.5%	16.9%
Asbestos & environmental	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total loss ratio	54.2%	48.9%	56.5%	51.7%	51.7%	42.7%	47.9%	50.0%	121.3%	56.4%
Commission and brokerage ratio	23.3%	24.3%	23.6%	22.9%	27.5%	22.5%	24.5%	24.0%	26.0%	26.0%
Other underwriting expense ratio	2.4%	2.1%	2.4%	2.5%	2.4%	3.1%	1.9%	2.4%	2.0%	2.5%
Combined ratio	79.9%	75.3%	82.5%	77.1%	81.6%	68.3%	74.3%	76.4%	149.3%	84.9%

(Some amounts may not reconcile due to rounding.)

**EVEREST RE GROUP, LTD.**

**Segment Results (cont.)**

(Dollars in thousands)

(unaudited)

**BERMUDA (reinsurance)**

	Six Months Ended		Three Months Ended							
	June 30, 2013	June 30, 2012	June 30, 2013	March 31, 2013	December 31, 2012	September 30, 2012	June 30, 2012	March 31, 2012	December 31, 2011	September 30, 2011
Gross written premiums	\$ 373,103	\$ 362,003	\$ 177,345	\$ 195,758	\$ 180,718	\$ 191,684	\$ 174,051	\$ 187,952	\$ 165,048	\$ 205,326
Net written premiums	365,512	361,333	169,689	195,823	180,727	191,691	174,060	187,273	165,133	205,463
Premiums earned	\$ 370,150	\$ 333,744	\$ 184,817	\$ 185,333	\$ 178,795	\$ 168,409	\$ 169,843	\$ 163,901	\$ 156,891	\$ 200,602
Incurred losses and LAE										
Attritional - current year	207,283	204,532	103,687	103,596	102,573	95,869	102,257	102,275	89,893	113,608
Attritional - prior year	(5,000)	(2,789)	(5,000)	-	(15,197)	208	(3,177)	388	1,469	1,781
Catastrophes	1,333	5,146	12,933	(11,600)	18,112	(228)	2,623	2,523	31,012	46,359
Asbestos & environmental	-	4	-	-	-	-	-	4	30	-
Total incurred losses and LAE	203,616	206,893	111,620	91,996	105,488	95,849	101,703	105,190	122,404	161,748
Commission and brokerage	88,715	88,610	45,064	43,651	51,277	44,470	45,326	43,284	40,186	40,028
Other underwriting expenses	16,526	14,375	8,767	7,759	8,071	8,161	6,868	7,507	6,163	6,729
Underwriting gain (loss)	\$ 61,293	\$ 23,866	\$ 19,366	\$ 41,927	\$ 13,959	\$ 19,929	\$ 15,946	\$ 7,920	\$ (11,862)	\$ (7,903)
Loss ratio										
Attritional - current year	56.0%	61.3%	56.1%	55.9%	57.3%	56.9%	60.3%	62.5%	57.4%	56.6%
Attritional - prior year	-1.4%	-0.8%	-2.7%	0.0%	-8.5%	0.1%	-1.9%	0.2%	0.9%	0.9%
Catastrophes	0.4%	1.5%	7.0%	-6.3%	10.2%	-0.1%	1.5%	1.5%	19.7%	23.1%
Asbestos & environmental	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total loss ratio	55.0%	62.0%	60.4%	49.6%	59.0%	56.9%	59.9%	64.2%	78.0%	80.6%
Commission and brokerage ratio	24.0%	26.6%	24.4%	23.6%	28.7%	26.4%	26.7%	26.4%	25.6%	20.0%
Other underwriting expense ratio	4.4%	4.2%	4.7%	4.2%	4.5%	4.9%	4.0%	4.6%	4.0%	3.3%
Combined ratio	83.4%	92.8%	89.5%	77.4%	92.2%	88.2%	90.6%	95.2%	107.6%	103.9%

(Some amounts may not reconcile due to rounding.)

**EVEREST RE GROUP, LTD.**

**Segment Results (cont.)**

(Dollars in thousands)

(unaudited)

**TOTAL INSURANCE**

	Six Months Ended		Three Months Ended							
	June 30, 2013	June 30, 2012	June 30, 2013	March 31, 2013	December 31, 2012	September 30, 2012	June 30, 2012	March 31, 2012	December 31, 2011	September 30, 2011
Gross written premiums	\$ 569,069	\$ 466,996	\$ 316,388	\$ 252,681	\$ 271,616	\$ 334,531	\$ 255,258	\$ 211,738	\$ 225,356	\$ 236,294
Net written premiums	502,078	385,133	276,829	225,249	234,925	232,054	203,068	182,065	172,555	203,395
Premiums earned	\$ 448,114	\$ 392,167	\$ 249,282	\$ 198,832	\$ 241,747	\$ 218,519	\$ 212,168	\$ 179,999	\$ 179,278	\$ 216,220
Incurred losses and LAE										
Attritional - current year	312,278	277,432	173,758	138,520	187,694	174,991	150,308	127,124	162,284	168,102
Attritional - prior year	7,075	(564)	4,274	2,801	48,059	6,050	(564)	-	36,685	25,000
Catastrophes	(9)	-	21	(30)	6,642	12	-	-	-	2,500
Asbestos & environmental	-	-	-	-	-	-	-	-	-	-
Total incurred losses and LAE	319,344	276,868	178,053	141,291	242,395	181,053	149,744	127,124	198,969	195,602
Commission and brokerage	64,836	60,233	34,211	30,625	18,319	39,042	28,760	31,473	31,628	38,582
Other underwriting expenses	55,196	49,738	28,473	26,723	26,659	26,585	26,242	23,496	20,912	24,316
Underwriting gain (loss)	\$ 8,738	\$ 5,328	\$ 8,545	\$ 193	\$ (45,626)	\$ (28,161)	\$ 7,422	\$ (2,094)	\$ (72,231)	\$ (42,280)
Loss ratio										
Attritional - current year	69.7%	70.7%	69.7%	69.7%	77.6%	80.1%	70.9%	70.6%	90.5%	77.7%
Attritional - prior year	1.6%	-0.1%	1.7%	1.4%	19.9%	2.8%	-0.3%	0.0%	20.5%	11.6%
Catastrophes	0.0%	0.0%	0.0%	0.0%	2.8%	0.0%	0.0%	0.0%	0.0%	1.2%
Asbestos & environmental	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total loss ratio	71.3%	70.6%	71.4%	71.1%	100.3%	82.9%	70.6%	70.6%	111.0%	90.5%
Commission and brokerage ratio	14.5%	15.4%	13.7%	15.4%	7.6%	17.9%	13.6%	17.5%	17.6%	17.8%
Other underwriting expense ratio	12.2%	12.6%	11.5%	13.4%	11.0%	12.1%	12.3%	13.1%	11.7%	11.3%
Combined ratio	98.0%	98.6%	96.6%	99.9%	118.9%	112.9%	96.5%	101.2%	140.3%	119.6%

(Some amounts may not reconcile due to rounding.)

**EVEREST RE GROUP, LTD.**  
**Supplemental Investment Portfolio Analysis**

(Dollars in thousands)  
(unaudited)

**INVESTMENTS AND CASH**

	At June 30, 2013			At December 31, 2012		
	Market Value	Cost/ Amortized Cost	Pre-tax Unrealized Gains/(Losses)	Market Value	Cost/ Amortized Cost	Pre-tax Unrealized Gains/(Losses)
<b>Investments and cash:</b>						
Fixed maturities-available for sale, at market value	\$ 12,879,955	\$ 12,544,171	\$ 335,784	\$ 13,141,657	\$ 12,444,880	\$ 696,777
Fixed maturities-available for sale, at fair value	18,129	18,129	-	41,470	41,470	-
Equity securities-available for sale, at market value	140,197	142,409	(2,212)	143,493	131,630	11,863
Equity securities-available for sale, at fair value	1,295,816	1,295,816	-	1,255,557	1,255,557	-
Other invested assets	526,704	526,704	-	596,590	596,590	-
Short-term investments	727,965	727,965	-	860,379	860,379	-
Cash	439,136	439,136	-	537,050	537,050	-
<b>Total</b>	<b>\$ 16,027,902</b>	<b>\$ 15,694,330</b>	<b>\$ 333,572</b>	<b>\$ 16,576,196</b>	<b>\$ 15,867,556</b>	<b>\$ 708,640</b>

**FIXED INCOME AND CASH**

	At June 30, 2013		At December 31, 2012	
	Market Value	% of Total	Market Value	% of Total
<b>Fixed income investments and cash:</b>				
Fixed maturities-available for sale, at market value	\$ 12,879,955	91.6%	\$ 13,141,657	90.1%
Fixed maturities-available for sale, at fair value	18,129	0.1%	41,470	0.3%
Short-term investments	727,965	5.2%	860,379	5.9%
Cash	439,136	3.1%	537,050	3.7%
<b>Total</b>	<b>\$ 14,065,185</b>	<b>100.0%</b>	<b>\$ 14,580,556</b>	<b>100.0%</b>

	At June 30, 2013			At December 31, 2012		
	Market Value	% of Total	Pre-tax Unrealized Gains/(Losses)	Market Value	% of Total	Pre-tax Unrealized Gains/(Losses)
<b>Investment Sectors:</b>						
Treasury	\$ 293,066	2.1%	\$ 4,453	\$ 312,122	2.1%	\$ 10,072
Agency	9,768	0.1%	333	10,349	0.1%	496
Corporate	3,920,649	27.9%	138,719	4,061,559	27.8%	239,845
Mortgage-backed securities						
Agency	2,396,903	17.0%	11,690	2,152,136	14.8%	60,463
Non-agency residential	1,989	0.0%	216	3,233	0.0%	467
Alt-A	3,915	0.0%	(213)	4,816	0.0%	(78)
Commercial	308,121	2.2%	17,946	320,088	2.2%	25,492
Asset-backed securities						
Other	142,783	1.0%	4,275	174,558	1.2%	6,580
Subprime	1,683	0.0%	149	2,020	0.0%	382
Municipal	1,096,049	7.8%	42,327	1,291,963	8.9%	76,973
Non-US	4,723,158	33.6%	115,889	4,850,283	33.3%	276,085
Cash & short-term investments	1,167,101	8.3%	-	1,397,429	9.6%	-
<b>Total</b>	<b>\$ 14,065,185</b>	<b>100.0%</b>	<b>\$ 335,784</b>	<b>\$ 14,580,556</b>	<b>100.0%</b>	<b>\$ 696,777</b>

	At June 30, 2013		At December 31, 2012	
	Market Value	% of Total	Market Value	% of Total
<b>Credit Quality:</b>				
AAA	\$ 5,793,952	41.2%	\$ 6,494,694	44.5%
AA	2,698,333	19.2%	2,343,124	16.1%
A	2,647,814	18.8%	2,680,852	18.4%
BBB	1,443,898	10.3%	1,613,591	11.1%
BB	922,643	6.5%	1,008,013	6.9%
B	407,850	2.9%	341,496	2.3%
Other	150,695	1.1%	98,786	0.7%
<b>Total</b>	<b>\$ 14,065,185</b>	<b>100.0%</b>	<b>\$ 14,580,556</b>	<b>100.0%</b>

**EVEREST RE GROUP, LTD.****Supplemental Investment Portfolio Analysis (cont.)**

(Dollars in thousands)

(unaudited)

**FIXED INCOME AND CASH (cont.)**

	June 30, 2013	
	Market Value	Unrealized Gain / (Loss)
<u>Top 20 Largest Corporate Fixed Income Positions:</u>		
Royal Bank of Canada	\$ 82,301	\$ 841
JPMorgan Chase & Co.	80,501	6,522
National Australia Bank Limited	77,008	1,219
Kredit Fuer Wiederaufbau	69,335	2,354
Bank of Nova Scotia	67,898	974
General Electric Capital Corporation	65,336	4,795
European Investment Bank	57,200	3,139
Daimler AG	55,379	(14)
Westpac Banking Corporation	55,077	98
The Toronto-Dominion Bank	54,540	3,113
PNC Financial Services Group, Inc.	52,480	3,444
Canadian Imperial Bank of Commerce	52,361	(395)
Credit Suisse Group	52,295	2,537
Toyota Motor Credit Corporation	50,759	(56)
Caterpillar Financial Services Corporation	50,195	2,535
The Goldman Sachs Group, Inc.	50,176	2,580
American Express Company	48,101	4,954
ConocoPhillips	46,420	3,677
Council of Europe	44,483	696
Rockies Express Pipeline, LLC	43,783	(278)
Total	\$ 1,155,628	\$ 42,735

	December 31, 2012	
	Market Value	Unrealized Gain / (Loss)
<u>Top 20 Largest Corporate Fixed Income Positions:</u>		
National Australia Bank Limited	\$ 90,754	\$ 2,587
European Investment Bank	87,113	4,633
JPMorgan Chase & Co.	85,984	8,550
General Electric Capital Corporation	77,489	5,997
Kredit Fuer Wiederaufbau	71,913	3,485
Bank of Nova Scotia	66,045	2,552
Royal Bank of Canada	64,537	1,939
PNC Financial Services Group, Inc.	59,160	5,374
Daimler AG	57,403	437
Credit Suisse Group	53,516	3,384
Caterpillar Financial Services Corporation	53,413	3,479
The Goldman Sachs Group, Inc.	51,965	3,621
The Toronto-Dominion Bank	49,748	4,564
Australia and New Zealand Banking Group Limited	49,469	723
ConocoPhillips	48,342	5,329
Barclays Bank PLC	48,275	3,615
Duke Energy Corporation	47,658	2,649
MetLife, Inc.	47,646	1,537
American Express Company	45,339	6,929
Council of Europe	44,882	1,205
Total	\$ 1,200,651	\$ 72,589

**EVEREST RE GROUP, LTD.****Supplemental Investment Portfolio Analysis (cont.)**

(Dollars in thousands)

(unaudited)

**EQUITIES AT FAIR VALUE**

	June 30, 2013		December 31, 2012
<u>Top 20 Largest Equity Positions:</u>	<u>Fair Value</u>	<u>Top 20 Largest Equity Positions:</u>	<u>Fair Value</u>
Johnson & Johnson	\$ 32,791	Johnson & Johnson	\$ 29,283
Wells Fargo & Company	29,237	Chevron Corporation	28,648
Chevron Corporation	28,630	Wells Fargo & Company	24,637
Microsoft Corporation	22,219	Pfizer, Inc.	22,038
Merck & Company, Inc.	18,157	Lowe's Companies, Inc.	21,003
ConocoPhillips	18,110	Exxon Mobil Corporation	20,710
Exxon Mobil Corporation	17,644	Merck & Company, Inc.	19,942
JPMorgan Chase & Co.	17,096	Berkshire Hathaway, Inc.	19,148
McDonald's Corp.	16,507	Microsoft Corporation	18,620
Berkshire Hathaway, Inc.	15,574	AT&T, Inc.	18,388
United Parcel Service, Inc.	15,545	ConocoPhillips	16,905
Pfizer, Inc.	15,154	JPMorgan Chase & Co.	15,462
Verizon Communications, Inc.	14,807	Oracle Corporation	15,064
AT&T, Inc.	14,312	Marsh & McLennan Companies, Inc.	14,041
Kinder Morgan Energy Partners, LP	13,773	Fiserv, Inc.	13,353
Marsh & McLennan Companies, Inc.	13,421	Simon Property Group, Inc.	13,118
Oracle Corporation	12,811	Kinder Morgan Energy Partners, LP	12,868
Lowe's Companies, Inc.	12,446	Phillip Morris International, Inc.	12,335
General Electric Company	12,410	Equity Residential	12,206
DIRECTV	12,288	General Electric Company	12,040
Total	<u>\$ 352,932</u>	Total	<u>\$ 359,809</u>

EVEREST RE GROUP, LTD.

Supplemental Investment Income and Realized Capital Gains (Losses)

(Dollars in thousands)

(unaudited)

	Six Months Ended		Three Months Ended							
	June 30, 2013	June 30, 2012	June 30, 2013	March 31, 2013	December 31, 2012	September 30, 2012	June 30, 2012	March 31, 2012	December 31, 2011	September 30, 2011
<b>NET INVESTMENT INCOME</b>										
Fixed maturities	\$ 241,010	\$ 244,946	\$ 120,253	\$ 120,757	\$ 122,031	\$ 122,824	\$ 120,602	\$ 124,344	\$ 124,787	\$ 131,680
Equity securities	22,536	33,504	12,795	9,741	12,258	13,394	16,228	17,276	16,760	15,794
Short-term investments and cash	480	527	176	304	341	384	358	169	239	366
Other invested assets										
Limited partnerships	37,068	29,286	19,585	17,483	17,039	18,571	16,439	12,847	(9,849)	15,725
Other	4,256	1,026	1,935	2,321	1,398	1,427	(492)	1,518	(462)	(1,520)
Gross investment income before adjustments	305,350	309,289	154,744	150,606	153,067	156,600	153,135	156,154	131,475	162,045
Funds held interest income (expense)	6,276	6,381	1,847	4,429	1,734	2,465	3,268	3,113	1,715	958
Future policy benefit reserve income (expense)	(1,152)	(1,147)	(621)	(531)	(1,259)	(496)	(509)	(638)	(1,815)	(476)
Gross investment income	310,474	314,523	155,970	154,504	153,542	158,569	155,894	158,629	131,375	162,527
Investment Expenses	15,964	12,756	7,241	8,723	7,131	6,545	6,565	6,191	5,122	6,062
Net investment income	\$ 294,510	\$ 301,767	\$ 148,729	\$ 145,781	\$ 146,411	\$ 152,024	\$ 149,329	\$ 152,438	\$ 126,253	\$ 156,465

	Six Months Ended		Three Months Ended							
	June 30, 2013	June 30, 2012	June 30, 2013	March 31, 2013	December 31, 2012	September 30, 2012	June 30, 2012	March 31, 2012	December 31, 2011	September 30, 2011
<b>NET REALIZED CAPITAL GAINS (LOSSES)</b>										
Fixed maturities	\$ 2,891	\$ 6,132	\$ (1,822)	\$ 4,713	\$ 5,573	\$ 596	\$ (285)	\$ 6,417	\$ 5,231	\$ 17,360
Equity securities	157,735	76,008	35,727	122,008	13,944	62,163	(16,295)	92,303	132,051	(155,032)
Short-term investments	14	(1)	-	14	1	(16)	-	(1)	1	1
Total net realized capital gains (losses)	\$ 160,640	\$ 82,139	\$ 33,905	\$ 126,735	\$ 19,518	\$ 62,743	\$ (16,580)	\$ 98,719	\$ 137,283	\$ (137,671)

**EVEREST RE GROUP, LTD.**  
**Supplemental Investment Portfolio Analysis**

(Dollars in thousands)  
(unaudited)

**BREAKOUT OF FOREIGN CORPORATE, SOVEREIGN AND SUPRANATIONAL**

**FIXED INCOME SECURITIES BY REGION**

	At June 30, 2013				
	Foreign Banks	Foreign Corporate	Sovereign	Supranational	Grand Total
Asia	\$ 320,682	\$ 97,672	\$ 259,326	\$ -	\$ 677,680
Canada	349,643	355,973	663,739	-	1,369,355
Europe	517,548	520,324	816,908	-	1,854,780
Europe (distressed) <sup>(1)</sup>	9,949	55,167	-	-	65,116
Latin America	66,010	152,903	70,950	-	289,863
Other Countries	23,503	204,347	38,977	199,537	466,364
Total	\$ 1,287,335	\$ 1,386,386	\$ 1,849,900	\$ 199,537	\$ 4,723,158

	At December 31, 2012				
	Foreign Banks	Foreign Corporate	Sovereign	Supranational	Grand Total
Asia	\$ 315,763	\$ 126,173	\$ 258,654	\$ -	\$ 700,590
Canada	286,517	334,087	669,255	-	1,289,859
Europe	562,157	537,997	862,544	-	1,962,698
Europe (distressed) <sup>(1)</sup>	13,102	45,055	-	-	58,157
Latin America	64,674	175,950	78,643	-	319,267
Other Countries	23,728	209,932	43,132	242,920	519,712
Total	\$ 1,265,941	\$ 1,429,194	\$ 1,912,228	\$ 242,920	\$ 4,850,283

<sup>(1)</sup> Europe (distressed) encompasses Portugal, Italy, Ireland, Greece and Spain.