



EVEREST

NEWS RELEASE

EVEREST RE GROUP, LTD.

Seon Place, 141 Front Street, 4th Floor, Hamilton HM 19, Bermuda

Contacts

Media: Dawn Lauer
Chief Communications Officer
Everest Global Services, Inc.
908.300.7670

Investors: Jon Levenson
Head of Investor Relations
Everest Global Services, Inc.
908.604.3169

Everest Re Group Reports Third Quarter 2021 Results

25% Growth in Gross Written Premium with an 87.9% Attritional Combined Ratio

On Track to Achieve Strategic Plan Objectives

HAMILTON, Bermuda -- (BUSINESS WIRE) – October 27, 2021 – Everest Re Group, Ltd. (“Everest” or the “Company”) today reported its 2021 third quarter results.

Third Quarter 2021 Highlights

- Gross written premium (“GWP”) growth of 25% year over year to \$3.5 billion
- Insurance segment GWP growth of 43% year over year to \$1.0 billion. The second consecutive quarter above \$1.0 billion GWP
- Reinsurance segment GWP growth of 19% year over year to \$2.5 billion
- Attritional combined ratio of 87.9%
- Excellent Insurance segment attritional combined ratio of 90.3%, a 3.9-point improvement year over year
- Pre-tax Underwriting loss of \$323 million inclusive of pre-tax net catastrophe losses of \$635 million
- Robust net investment income of \$293 million, led by outstanding alternative asset performance of \$170 million
- Common share repurchases of \$160 million during the quarter and \$200 million year to date
- Annualized year to date Total Shareholder Return of 13.2%

Everest Re Group President & CEO Juan C. Andrade commented on the Company's results:

“During the third quarter of 2021, Everest made significant progress toward the strategic plan objectives detailed in the June investor day presentation. We achieved outstanding top line premium growth across both of our insurance and reinsurance businesses, continued to improve the attritional profitability for our Insurance Division, remained focused on risk appetite discipline and the diversification of our business, demonstrated strong expense management, delivered excellent investment income results, opportunistically reduced our cost of capital, and returned capital to our shareholders. Despite the high frequency and severity of the natural catastrophe activity in the quarter, we also benefited from the de-risking of the CAT portfolio and we remain on track to achieve our total shareholder return objective. We continue to consistently demonstrate our ability to relentlessly execute against our plans regardless of the external environment.”

Summary of Third Quarter 2021 Net Income and Other Items

- Net income (loss) of \$(73.5) million, equal to \$(1.88) per share vs. net income of \$243.1 million, equal to \$6.07 per share in the same period during 2020
- Net operating income (loss) of \$(52.6) million, equal to \$(1.34) per share vs. net operating income of \$97.0 million, equal to \$2.42 per share in the same period during 2020
- Underwriting loss of \$323.4 million inclusive of catastrophe losses from Hurricane Ida and European Floods during the quarter, in the amount of \$635 million net of recoveries and reinstatement premiums (\$555 million in reinsurance and \$80 million in Insurance)
- GAAP combined ratio of 112.2% which includes 26.2 points of catastrophe losses vs. 14.0 points of catastrophe losses in the same period during 2020
- No change to Covid-19 Pandemic (“Pandemic”) ultimate loss estimates of \$511 million
- Operating cashflow was \$1.2 billion vs \$1.1 billion a year ago. Year to date operating cashflow was \$2.8 billion vs \$2.2 billion a year ago.

The following table summarizes the Company's net income and related financial metrics.

Net income and operating income	Q3	Year to Date	Q3	Year to Date
All values in USD millions except for per share amounts and	2021	2021	2020	2020
Everest Re Group				
Net income	(73.5)	948.4	243.1	450.5
Net operating income (loss)	(52.6)	794.7	97.0	344.2
Net income per diluted common share	(1.88)	23.72	6.07	11.18
Net operating income per diluted common share	(1.34)	19.87	2.42	8.54
Net income annualized return on average equity	(3.0%)	13.6%	11.0%	6.8%
Net operating income annualized return on average equity	(2.2%)	11.4%	4.4%	5.2%

Period end equity and book value	Q3 2021	Year to Date
Shareholders' equity	9,978.6	
Book value per share	253.40	
Change in BVPS adjusted for dividends		6.1%
Total Shareholder Return ("TSR") - Annualized		13.2%

Notes

1/ Refer to the reconciliation of net income to net operating income found on page 7 of this press release

The following information summarizes the Company's underwriting results, on a consolidated basis and by segment – Reinsurance and Insurance, with selected commentary on results by segment.

Underwriting information - Everest Re Group	Q3	Year to Date	Q3	Year to Date	Year on Year Change	
All values in USD millions except for percentages	2021	2021	2020	2020	Q3	Year to Date
Gross written premium	3,497.6	9,619.2	2,791.6	7,731.8	25.3%	24.4%
Net written premium	3,025.8	8,389.1	2,448.7	6,667.6	23.6%	25.8%
Loss ratio	85.6%	73.3%	78.7%	72.8%	6.9 pts	0.5 pts
Commission and brokerage ratio	21.2%	21.2%	20.2%	21.7%	1.0 pts	(0.5) pts
Other underwriting expenses	5.3%	5.6%	6.3%	6.1%	(1.0) pts	(0.5) pts
Combined ratio	112.2%	100.1%	105.2%	100.6%	7.0 pts	(0.5) pts
Attritional combined ratio	87.9%	87.6%	85.8%	88.0%	2.1 pts	(0.4) pts
Pre-tax net catastrophe losses	635.0	940.0	300.0	345.0		
Pre-tax net covid losses	-	-	124.9	434.9		
Pre-tax net prior year reserve development	(1.6)	(6.1)	(1.3)	1.4		

Notes

1/ Attritional ratios exclude prior year reserve development, Covid-19 pandemic impacts, catastrophe losses, and reinstatement premiums

2/ Pre-tax net catastrophe losses are net of reinsurance and reinstatement premiums

Reinsurance segment

- Reinsurance achieved excellent growth in the quarter, growing premium 19% year over year to \$2.5 billion. The growth was driven by continued partnership with our core clients and Everest's position as a

preferred reinsurance platform. All target classes of business and geographies saw growth in the quarter, and our portfolio is benefiting from improved economic conditions and strong rate performance by our cedants.

- The attritional combined ratio for the quarter of 87.1% reflects the deliberate and targeted shaping of our portfolio to maximize long term results with a higher mix of pro rata structures, an improved balance of property and casualty exposures, prudence in loss ratio selections, and continuous expense discipline. The operating expense ratio of 2.3% is world class and demonstrates the scalability of our franchise.
- Reinsurance CAT losses for the quarter totaled \$555 million net of recoveries and reinstatement premiums, driven by Hurricane Ida and the Berndt flooding event in Europe. The cumulative, deliberate, and purposeful actions we have taken to reduce volatility have reduced our company's risk profile.

Underwriting information - Reinsurance segment All values in USD millions except for percentages	Q3	Year to Date	Q3	Year to Date	Year on Year Change	
	2021	2021	2020	2020	Q3	Year to Date
Gross written premium	2,488.3	6,695.6	2,087.0	5,403.1	19.2%	23.9%
Net written premium	2,293.0	6,265.8	1,936.9	4,974.0	18.4%	26.0%
Loss ratio	89.4%	74.1%	80.0%	72.2%	9.4 pts	1.9 pts
Commission and brokerage ratio	23.8%	23.8%	22.3%	24.3%	1.5 pts	(0.5) pts
Other underwriting expenses	2.3%	2.5%	3.1%	2.9%	(0.8) pts	(0.4) pts
Combined ratio	115.5%	100.5%	105.4%	99.4%	10.1 pts	1.1 pts
Attritional combined ratio	87.1%	86.3%	83.0%	85.7%	4.1 pts	0.6 pts
Pre-tax net catastrophe losses	555.0	802.5	262.5	287.0		
Pre-tax net covid losses	-	-	109.9	351.0		
Pre-tax net prior year reserve development	(1.6)	(4.9)	(1.3)	(3.1)		

Notes

1/ Attritional ratios exclude prior year reserve development, Covid-19 pandemic impacts catastrophe losses, and reinstatement premiums

2/ Pre-tax net catastrophe losses are net of reinsurance and reinstatement premiums

Insurance segment

- Everest Insurance reported another outstanding premium quarter with record quarterly growth of 43% driving over \$1.0 billion in gross written premium for a second consecutive quarter. The exceptional growth in Q3 was driven by increasingly favorable economic conditions, new business growth, and the combined impact of strong renewal retention and a continuing favorable rate environment.
- The Insurance segment also continues to expand attritional underwriting margins with improvement in the loss and expense ratio and delivered a record-setting attritional combined ratio of 90.3%.
- These results reflect our relentless focus on execution and the success of our nimble and disciplined underwriting, which reacts quickly to market conditions and best positions our portfolio for long term profitability.

Underwriting information - Insurance segment	Q3	Year to Date	Q3	Year to Date	Year on Year Change	
All values in USD millions except for percentages	2021	2021	2020	2020	Q3	Year to Date
Gross written premium	1,009.3	2,923.6	704.6	2,328.7	43.2%	25.5%
Net written premium	732.8	2,123.3	511.8	1,693.6	43.2%	25.4%
Loss ratio	74.7%	70.8%	74.8%	74.6%	(0.1) pts	(3.8) pts
Commission and brokerage ratio	13.7%	13.4%	13.4%	14.0%	0.3 pts	(0.6) pts
Other underwriting expenses	14.1%	14.5%	16.3%	15.4%	(2.2) pts	(0.9) pts
Combined ratio	102.5%	98.7%	104.5%	104.0%	(2.0) pts	(5.3) pts
Attritional combined ratio	90.3%	91.5%	94.2%	94.3%	(3.9) pts	(2.8) pts
Pre-tax net catastrophe losses	80.0	137.5	37.5	58.0		
Pre-tax net covid losses	-	-	15.0	84.0		
Pre-tax net prior year reserve development	-	(1.2)	-	4.6		

Notes

1/ Attritional ratios exclude prior year reserve development, Covid-19 pandemic impacts, catastrophe losses, and reinstatement premiums

2/ Pre-tax net catastrophe losses are net of reinsurance and reinstatement premiums

Investments and Shareholders' Equity

- Total invested assets and cash of \$27.8 billion at September 30, 2021, 9.0% growth versus year end 2020
- Shareholders' equity of \$10.0 billion as of September 30, 2021
- Book value per diluted share of \$253.40 at September 30, 2021 vs. \$243.25 at December 31, 2020
- Excluding unrealized gains (losses) on fixed income investments, book value per diluted share of \$242.83 at September 30, 2021, vs. \$225.15 at December 31, 2020
- Common share dividends declared and paid in the quarter of \$1.55 per share, equal to \$61.5 million
- Common share repurchases of \$160 million during the quarter, representing 625,358 shares at an average price of \$255.43 per share

Equity and Book Value per Share	Q3	Year to Date	Q3	Year to Date
All values in USD millions except for per share amounts	2021	2021	2020	2020
Beginning shareholders' equity	10,416.8	9,726.2	9,286.3	9,132.9
Net income	(73.5)	948.4	243.1	450.5
Change- unrealized gains (losses) - Fixed inc. investments	(101.4)	(307.9)	52.0	348.5
Dividends to shareholders	(61.5)	(185.7)	(61.9)	(187.1)
Purchase of treasury shares	(159.7)	(200.1)	-	(200.0)
Other	(42.1)	(2.3)	71.8	46.5
Ending shareholders' equity	9,978.6	9,978.6	9,591.3	9,591.3
Common shares outstanding		39.38		39.97
Book value per common share outstanding		253.40		239.98
Less: Unrealized on fixed inc. investments ("URAD")		10.57		16.34
Book value excl. URAD per common share outstanding		242.83		223.64
Common share dividends paid - last 12 months		6.20		6.20

This news release contains forward-looking statements within the meaning of the U.S. federal securities laws. We intend these forward-looking statements to be covered by the safe harbor provisions for forward-looking statements in the U.S. Federal securities laws. These statements involve risks and uncertainties that could cause actual results to differ materially from those contained in forward-looking statements made on behalf of the Company. These risks and uncertainties include the impact of general economic conditions and conditions affecting the insurance and reinsurance industry, the adequacy of our reserves, our ability to assess underwriting risk, trends in rates for property and casualty insurance and reinsurance, competition, investment market and investment income fluctuations, trends in insured and paid losses, catastrophes, pandemic, regulatory and legal uncertainties and other factors described in our latest Annual Report on Form 10-K. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

About Everest Re Group, Ltd.

Everest Re Group, Ltd. (“Everest”) is a leading global provider of reinsurance and insurance, operating for close to 50 years through subsidiaries in the U.S., Europe, Singapore, Canada, Bermuda, and other territories.

Everest offers property, casualty, and specialty products through its various operating affiliates located in key markets around the world.

Everest common stock (NYSE:RE) is a component of the S&P 500 index.

Additional information about Everest, our people, and our products can be found on our website at www.everestre.com. All issuing companies may not do business in all jurisdictions.

A conference call discussing the third quarter results will be held at 8:00 a.m. Eastern Time on October 28, 2021. The call will be available on the Internet through the Company’s web site at everestre.com/investors.

Recipients are encouraged to visit the Company’s web site to view supplemental financial information on the Company’s results. The supplemental information is located at www.everestre.com in the “Investors/Financials/Quarterly Results” section of the website. The supplemental financial information may also be obtained by contacting the Company directly.

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) and after-tax net foreign exchange income (expense) as the following reconciliation displays:

(Dollars in thousands, except per share amounts)	Three Months Ended September 30,				Nine Months Ended September 30,			
	2021		2020		2021		2020	
	(unaudited)				(unaudited)			
	Per Diluted				Per Diluted			
	Amount	Share	Amount	Share	Amount	Share	Amount	Share
Net income (loss)	\$ (73,468)	\$ (1.88)	\$ 243,057	\$ 6.07	\$ 948,376	\$ 23.72	\$ 450,549	\$ 11.18
After-tax net realized capital gains (losses)	\$ (2,591)	\$ (0.07)	\$ 88,911	\$ 2.22	\$ 111,196	\$ 2.78	\$ 67,067	\$ 1.66
After-tax net foreign exchange income (expense)	\$ (18,314)	\$ (0.47)	\$ 57,157	\$ 1.43	\$ 42,526	\$ 1.06	\$ 39,233	\$ 0.97
After-tax operating income (loss)	\$ (52,563)	\$ (1.34)	\$ 96,989	\$ 2.42	\$ 794,654	\$ 19.87	\$ 344,249	\$ 8.54

(Some amounts may not reconcile due to rounding.)

Although net realized capital gains (losses) and net foreign exchange income (expense) are an integral part of the Company's insurance operations, the determination of net realized capital gains (losses) and foreign exchange income (expense) is independent of the insurance underwriting process. The Company believes that the level of net realized capital gains (losses) and net foreign exchange income (expense) 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.

--Financial Details Follow--

EVEREST RE GROUP, LTD.
CONSOLIDATED STATEMENTS OF OPERATIONS
AND COMPREHENSIVE INCOME (LOSS)

(Dollars in thousands, except per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
	(unaudited)		(unaudited)	
REVENUES:				
Premiums earned	\$ 2,656,403	\$ 2,205,811	\$ 7,602,640	\$ 6,285,030
Net investment income	292,759	234,233	960,267	420,116
Net realized capital gains (losses):				
Credit allowances on fixed maturity securities	(7,329)	6,196	(30,234)	(19,641)
Other net realized capital gains (losses)	3,107	104,007	169,023	103,904
Total net realized capital gains (losses)	(4,222)	110,203	138,789	84,263
Other income (expense)	(19,517)	59,937	44,190	47,306
Total revenues	<u>2,925,423</u>	<u>2,610,184</u>	<u>8,745,886</u>	<u>6,836,715</u>
CLAIMS AND EXPENSES:				
Incurred losses and loss adjustment expenses	2,274,301	1,736,210	5,571,861	4,574,066
Commission, brokerage, taxes and fees	564,335	445,332	1,611,095	1,360,170
Other underwriting expenses	141,150	138,875	424,225	385,865
Corporate expenses	17,817	10,618	46,363	29,184
Interest, fees and bond issue cost amortization expense	15,539	6,641	46,785	21,477
Total claims and expenses	<u>3,013,142</u>	<u>2,337,676</u>	<u>7,700,329</u>	<u>6,370,762</u>
INCOME (LOSS) BEFORE TAXES	(87,719)	272,508	1,045,557	465,953
Income tax expense (benefit)	(14,251)	29,451	97,181	15,404
NET INCOME (LOSS)	\$ (73,468)	\$ 243,057	\$ 948,376	\$ 450,549
Other comprehensive income (loss), net of tax:				
Unrealized appreciation (depreciation) ("URA(D)") on securities arising during the period	(100,021)	63,480	(304,465)	335,835
Reclassification adjustment for realized losses (gains) included in net income (loss)	(1,388)	(11,453)	(3,464)	12,689
Total URA(D) on securities arising during the period	(101,409)	52,027	(307,929)	348,524
Foreign currency translation adjustments	(53,599)	60,628	(28,886)	30,390
Reclassification adjustment for amortization of net (gain) loss included in net income (loss)	1,563	1,806	5,649	4,532
Total benefit plan net gain (loss) for the period	1,563	1,806	5,649	4,532
Total other comprehensive income (loss), net of tax	<u>(153,445)</u>	<u>114,461</u>	<u>(331,166)</u>	<u>383,446</u>
COMPREHENSIVE INCOME (LOSS)	\$ (226,913)	\$ 357,518	\$ 617,210	\$ 833,995
EARNINGS PER COMMON SHARE:				
Basic	\$ (1.88)	\$ 6.08	\$ 23.74	\$ 11.20
Diluted	(1.88)	6.07	23.72	11.18

EVEREST RE GROUP, LTD.
CONSOLIDATED BALANCE SHEETS

	September 30, 2021	December 31, 2020
	(unaudited)	
(Dollars and share amounts in thousands, except par value per share)		
ASSETS:		
Fixed maturities - available for sale, at market value (amortized cost: 2021, \$21,182,756; 2020, \$19,225,067, credit allowances: 2021, (\$31,980); 2020, (\$1,745))	\$ 21,623,119	\$ 20,040,173
Equity securities, at fair value	1,523,595	1,472,236
Short-term investments (cost: 2021, \$713,144; 2020, \$1,135,088)	713,144	1,134,950
Other invested assets	2,855,372	2,012,581
Cash	1,068,441	801,651
Total investments and cash	27,783,671	25,461,591
Accrued investment income	170,364	141,304
Premiums receivable	3,408,338	2,680,562
Reinsurance recoverables	2,215,380	1,994,555
Funds held by reinsureds	811,269	716,655
Deferred acquisition costs	797,735	622,053
Prepaid reinsurance premiums	552,468	412,015
Income taxes net recoverable	-	17,253
Other assets	866,872	742,369
TOTAL ASSETS	\$ 36,606,097	\$ 32,788,357
LIABILITIES:		
Reserve for losses and loss adjustment expenses	18,956,953	16,398,997
Future policy benefit reserve	36,533	37,723
Unearned premium reserve	4,421,098	3,501,359
Funds held under reinsurance treaties	18,279	15,807
Other net payable to reinsurers	485,682	294,347
Losses in course of payment	150,784	127,971
Senior notes due 6/1/2044	397,284	397,194
Senior notes due 10/1/2050	979,915	979,524
Long term notes due 5/1/2067	223,749	223,674
Borrowings from FHLB	310,000	310,000
Accrued interest on debt and borrowings	23,267	10,460
Unsettled securities payable	83,626	206,693
Income taxes net payable	4,074	-
Other liabilities	536,218	558,432
Total liabilities	26,627,462	23,062,181
SHAREHOLDERS' EQUITY:		
Preferred shares, par value: \$0.01; 50,000 shares authorized; no shares issued and outstanding	-	-
Common shares, par value: \$0.01; 200,000 shares authorized; (2021) 69,806 and (2020) 69,620 outstanding before treasury shares	698	696
Additional paid-in capital	2,266,342	2,245,301
Accumulated other comprehensive income (loss), net of deferred income tax expense (benefit) of \$44,338 at 2021 and \$80,451 at 2020	203,733	534,899
Treasury shares, at cost; 30,427 shares (2021) and 29,636 shares (2020)	(3,822,235)	(3,622,172)
Retained earnings	11,330,097	10,567,452
Total shareholders' equity	9,978,635	9,726,176
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 36,606,097	\$ 32,788,357

EVEREST RE GROUP, LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Nine Months Ended	
	September 30,	
	2021	2020
	(unaudited)	
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	\$ 948,376	\$ 450,549
Adjustments to reconcile net income to net cash provided by operating activities:		
Decrease (increase) in premiums receivable	(736,614)	(357,162)
Decrease (increase) in funds held by reinsureds, net	(92,512)	(53,878)
Decrease (increase) in reinsurance recoverables	(230,593)	(172,454)
Decrease (increase) in income taxes	57,270	184,311
Decrease (increase) in prepaid reinsurance premiums	(146,639)	(7,963)
Increase (decrease) in reserve for losses and loss adjustment expenses	2,576,049	1,665,982
Increase (decrease) in future policy benefit reserve	(1,189)	(2,218)
Increase (decrease) in unearned premiums	927,524	392,904
Increase (decrease) in other net payable to reinsurers	198,954	68,784
Increase (decrease) in losses in course of payment	23,661	132,208
Change in equity adjustments in limited partnerships	(543,401)	(12,475)
Distribution of limited partnership income	105,571	55,576
Change in other assets and liabilities, net	(247,615)	(131,224)
Non-cash compensation expense	33,199	29,337
Amortization of bond premium (accrual of bond discount)	57,289	32,594
Net realized capital (gains) losses	(138,789)	(84,263)
Net cash provided by (used in) operating activities	<u>2,790,541</u>	<u>2,190,608</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from fixed maturities matured/called - available for sale, at market value	2,756,963	1,781,821
Proceeds from fixed maturities sold - available for sale, at market value	883,149	1,390,747
Proceeds from fixed maturities sold - available for sale, at fair value	-	2,054
Proceeds from equity securities sold, at fair value	578,894	329,750
Distributions from other invested assets	216,573	210,527
Cost of fixed maturities acquired - available for sale, at market value	(5,670,636)	(3,874,890)
Cost of equity securities acquired, at fair value	(507,862)	(460,953)
Cost of other invested assets acquired	(604,180)	(392,650)
Net change in short-term investments	422,643	(804,744)
Net change in unsettled securities transactions	(177,259)	89,064
Net cash provided by (used in) investing activities	<u>(2,101,715)</u>	<u>(1,729,274)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Common shares issued during the period for share-based compensation, net of expense	(12,156)	(13,617)
Purchase of treasury shares	(200,064)	(200,020)
Dividends paid to shareholders	(185,731)	(187,110)
Cost of debt repurchase	-	(10,647)
FHLB borrowings (repayments)	-	90,000
Cost of shares withheld on settlements of share-based compensation awards	(15,133)	(15,298)
Net cash provided by (used in) financing activities	<u>(413,084)</u>	<u>(336,691)</u>
EFFECT OF EXCHANGE RATE CHANGES ON CASH	<u>(8,952)</u>	<u>6,203</u>
Net increase (decrease) in cash	266,790	130,845
Cash, beginning of period	801,651	808,036
Cash, end of period	<u>\$ 1,068,441</u>	<u>\$ 938,881</u>
SUPPLEMENTAL CASH FLOW INFORMATION:		
Income taxes paid (recovered)	\$ 39,767	\$ (169,149)
Interest paid	33,422	16,731