



## NEWS RELEASE

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### **EVEREST RE GROUP, LTD.**

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**Everest Re Group Reports Second Quarter 2022 Results**  
**\$386 Million of Net Operating Income and 15.3% Annualized Operating ROE**  
**\$123 Million of Net Income and 91.8% Combined Ratio**

HAMILTON, Bermuda -- (BUSINESS WIRE) – July 27, 2022 – Everest Re Group, Ltd. (“Everest” or the “Group”) today reported its second quarter 2022 results.

#### Second Quarter 2022 Highlights

- \$386 Million of Net Operating Income, 15.3% annualized Operating ROE, and Net Income of \$123 Million
- \$3.4 billion in gross written premium (“GWP”) with year over year growth of 8.1% for the Group (10.3% in constant dollars), 19.6% for Insurance (20.5% in constant dollars), and 2.5% for Reinsurance (5.2% in constant dollars)
- Combined ratios of 91.8% for the Group, 91.8% for Reinsurance and 91.5% for Insurance
- Attritional combined ratios of 87.2% for the Group, 86.0% for Reinsurance and 90.2% for Insurance
- Pre-tax underwriting income of \$240 million including \$85 million of catastrophe losses net of recoveries and reinstatement premiums. Catastrophe events comprised of South Africa flood losses, Canadian and European storms, and 2Q events in the United States
- Everest posted a \$45M estimate for the Russia/Ukraine war. We have limited direct exposure to the Russia/Ukraine war but, significant uncertainty regarding market and industry losses remains
- Net investment income of \$226 million, balanced between fixed income and a strong alternative investments performance



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

“Everest’s solid second quarter results reflect the successful execution of our strategy with strong momentum across our key performance objectives. Our focus on underwriting profitability and operational efficiency, supported by our investment portfolio delivered \$386 million in net operating income and a 15.3% operating ROE. We expanded margins across our insurance and reinsurance businesses with disciplined growth, continued to scale our insurance platform and in reinsurance capitalized on strategic market opportunities that improved the diversity and economics of our book, while reducing volatility. Everest’s breadth of global talent, disciplined underwriting and market leadership provide strength and stability to our customers in the increasingly complex environment. Entering the second half of the year, we are well-positioned to continue executing our strategy and providing attractive shareholder returns.”

Summary of Second Quarter 2022 Net Income and Other Items

- Net income of \$123 million, equal to \$3.11 per diluted share vs. second quarter 2021 net income of \$680 million, equal to \$16.95 per diluted share
- Net operating income of \$386 million, equal to \$9.79 per diluted share vs. second quarter 2021 net operating income of \$587 million, equal to \$14.63 per diluted share
- GAAP combined ratio of 91.8% including 2.9 points of catastrophe losses vs. the second quarter 2021 figures of 89.3% including 1.8 points of catastrophe losses
- Operating cashflow for the quarter of \$715 million vs. the second quarter 2021 figure of \$724 million

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

<b>Net income and operating income</b>	<b>Q2</b>	<b>Year to Date</b>	<b>Q2</b>	<b>Year to Date</b>
<b>All values in USD millions except for per share amounts and percentages</b>	<b>2022</b>	<b>2022</b>	<b>2021</b>	<b>2021</b>
<u>Everest Re Group</u>				
Net income	123	420	680	1,022
Net operating income (loss)	386	792	587	847
Net income per diluted common share	3.11	10.67	16.95	25.47
Net operating income per diluted common share	9.79	20.10	14.63	21.12
Net income annualized return on average equity	4.8%	8.4%	28.4%	21.6%
Net operating income annualized return on average equity	15.3%	15.8%	24.5%	17.9%

Notes

1/ Refer to the reconciliation of net income to net operating income found on page 6 of this press release



<b>Equity and Book Value per Share</b>	<b>Q2</b>	<b>Year to Date</b>	<b>Q2</b>	<b>Year to Date</b>
<b>All values in USD millions except for per share amounts and percentages</b>	<b>2022</b>	<b>2022</b>	<b>2021</b>	<b>2021</b>
Beginning shareholders' equity	9,528	10,139	9,683	9,726
Net income	123	420	680	1,022
Change- unrealized gains (losses) - Fixed inc. investments	(717)	(1,528)	86	(207)
Dividends to shareholders	(65)	(126)	(62)	(124)
Purchase of treasury shares	-	(1)	(17)	(40)
Other	(16)	(52)	47	40
Ending shareholders' equity	8,853	8,853	10,417	10,417
Common shares outstanding		39.42		40.02
Book value per common share outstanding		224.59		260.32
Less: Unrealized on fixed inc. investments ("URAD")		(32.68)		12.93
Book value excl. URAD per common share outstanding		257.27		247.39
Change in BVPS adjusted for dividends		-11.8%		
Total Shareholder Return ("TSR") - Annualized		6.6%		
Common share dividends paid - last 12 months		6.30		6.20

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.

<b>Underwriting information - Everest Re Group</b>	<b>Q2</b>	<b>Year to Date</b>	<b>Q2</b>	<b>Year to Date</b>	<b>Year on Year Change</b>	
<b>All values in USD millions except for percentages</b>	<b>2022</b>	<b>2022</b>	<b>2021</b>	<b>2021</b>	<b>Q2</b>	<b>Year to Date</b>
Gross written premium	3,447	6,633	3,190	6,122	8.1%	8.4%
Net written premium	3,022	5,834	2,809	5,363	7.5%	8.8%
Loss ratio	64.3%	64.2%	62.0%	66.7%	2.3 pts	(2.5) pts
Commission and brokerage ratio	21.6%	21.6%	21.8%	21.2%	(0.2) pts	0.4 pts
Other underwriting expenses	5.8%	5.8%	5.5%	5.7%	0.3 pts	0.1 pts
Combined ratio	91.8%	91.7%	89.3%	93.6%	2.5pts	(1.9) pts
Attritional combined ratio	87.2%	87.3%	87.6%	87.4%	(0.4) pts	(0.1) pts
Pre-tax net catastrophe losses	85	200	45	305		
Pre-tax net covid losses	-	-	-	-		
Pre-tax net Russian / Ukraine War losses	45	45	-	-		
Pre-tax net prior year reserve development	(1)	(2)	(3)	(4)		

Notes

1/ Attritional combined ratio excludes catastrophe losses, reinstatement premiums, prior year development, Covid-19 losses, CECL, and losses from the Russian/Ukraine war.

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



## Reinsurance Segment – Quarterly Highlights

- Gross written premiums of \$2.2 billion for the quarter. The June 1 and July 1 renewals were successful as we continue to write a stronger, less volatile, more diversified, and more profitable book of business.
- Improved risk-adjusted profitability of the portfolio driven by targeted underwriting actions, resulting in a 30-basis point improvement in the attritional loss ratio for the quarter vs. the prior year (58.8% vs. 59.1%) and an attritional combined ratio of 86.0%
- Continued expense discipline resulting in an operating expense ratio for the quarter of 2.4%, and a combined ratio of 91.8%

Underwriting information - Reinsurance segment All values in USD millions except for percentages	Q2	Year to Date	Q2	Year to Date	Year on Year Change	
	2022	2022	2021	2021	Q2	Year to Date
Gross written premium	2,201	4,387	2,148	4,207	2.5%	4.3%
Net written premium	2,122	4,204	2,060	3,973	3.0%	5.8%
Loss ratio	64.6%	64.4%	60.8%	66.0%	3.8 pts	(1.6) pts
Commission and brokerage ratio	24.8%	24.8%	24.6%	23.8%	0.2 pts	1.0 pts
Other underwriting expenses	2.4%	2.4%	2.5%	2.7%	(0.1) pts	(0.3) pts
Combined ratio	91.8%	91.6%	87.9%	92.5%	3.9 pts	(0.9) pts
Attritional combined ratio	86.0%	86.1%	86.1%	85.8%	(0.1) pts	0.3 pts
Pre-tax net catastrophe losses	80	190	35	248		
Pre-tax net covid losses	-	-	-	-		
Pre-tax net Russian / Ukraine War losses	45	45	-	-		
Pre-tax net prior year reserve development	(1)	(2)	(1)	(3)		

### Notes

1/ Attritional combined ratio excludes catastrophe losses, reinstatement premiums, prior year development, Covid-19 losses, CECL, and losses from the Russian/Ukraine war.

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

## Insurance Segment – Quarterly Highlights

- Gross written premiums of \$1.2 billion reflecting a 19.6% increase year over year, driven by balanced and diversified growth across most lines of business and geographies, partially offset by our continued focus to reduce exposure in property CAT
- Excellent profitability with a 91.5% combined ratio and 90.2% attritional combined ratio (a 1.9 points improvement compared to 2Q 2021)
- Rate increases remain solid and above loss trend



Underwriting information - Insurance segment All values in USD millions except for percentages	Q2	Year to Date	Q2	Year to Date	Year on Year Change	
	2022	2022	2021	2021	Q2	Year to Date
Gross written premium	1,246	2,247	1,042	1,914	19.6%	17.4%
Net written premium	899	1,630	749	1,390	20.0%	17.2%
Loss ratio	63.6%	63.9%	65.6%	68.7%	(2.0) pts	(4.8) pts
Commission and brokerage ratio	12.8%	12.7%	13.3%	13.2%	(0.5) pts	(0.5) pts
Other underwriting expenses	15.1%	15.2%	14.6%	14.8%	0.5 pts	0.4 pts
Combined ratio	91.5%	91.7%	93.5%	96.7%	(2.0) pts	(5.0) pts
Attritional combined ratio	90.2%	90.6%	92.1%	92.2%	(1.9) pts	(1.6) pts
Pre-tax net catastrophe losses	5	10	10	58		
Pre-tax net covid losses	-	-	-	-		
Pre-tax net Russian / Ukraine War losses	-	-	-	-		
Pre-tax net prior year reserve development	-	1	(1)	(1)		

#### Notes

1/ Attritional combined ratio excludes catastrophe losses, reinstatement premiums, prior year development, Covid-19 losses, CECL, and losses from the Russian/Ukraine war.

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

## Investments and Shareholders' Equity at June 30, 2022

- Total invested assets and cash of \$28.7 billion versus the year end 2021 value of \$29.7 billion
- Shareholders' equity of \$8.9 billion vs. \$10.1 billion at year end 2021, largely driven by \$1.5 billion of unrealized net losses on fixed maturity investments
- Book value per diluted share of \$224.59 vs. \$258.21 at year end 2021
- Book value per diluted share excluding unrealized gains (losses) on fixed maturity investments of \$257.27 vs. \$252.12 at year end 2021
- Common share dividends declared and paid in the quarter of \$1.65 per share equal to \$65 million

*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](http://www.everestre.com). All issuing companies may not do business in all jurisdictions.

A conference call discussing the results will be held at 8:00 a.m. Eastern Time on July 28, 2022. The call will be available on the Internet through the Company’s web site at [everestre.com/investors](http://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](http://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 gains (losses) on investments and after-tax net foreign exchange income (expense) as the following reconciliation displays:

	Three Months Ended June 30,				Six Months Ended June 30,			
	2022		2021		2022		2021	
	(unaudited)				(unaudited)			
	Per Diluted				Per Diluted			
	Amount	Share	Amount	Share	Amount	Share	Amount	Share
Net income (loss)	\$ 122,630	\$ 3.11	\$ 679,982	\$ 16.95	\$ 420,381	\$ 10.67	\$ 1,021,844	\$ 25.47
After-tax net (gains) losses on investments	\$ (189,060)	\$ (4.79)	\$ 83,752	\$ 2.09	\$ (312,429)	\$ (7.93)	\$ 113,787	\$ 2.84
After-tax net foreign exchange income (expense)	\$ (74,217)	\$ (1.88)	\$ 9,222	\$ 0.23	\$ (58,879)	\$ (1.49)	\$ 60,840	\$ 1.52
After-tax operating income (loss)	\$ 385,907	\$ 9.79	\$ 587,008	\$ 14.63	\$ 791,689	\$ 20.10	\$ 847,217	\$ 21.12

(Some amounts may not reconcile due to rounding.)

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

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2022	2021	2022	2021
	(unaudited)		(unaudited)	
(Dollars in thousands, except per share amounts)				
<b>REVENUES:</b>				
Premiums earned	\$ 2,916,237	\$ 2,558,372	\$ 5,708,003	\$ 4,946,237
Net investment income	225,978	407,095	468,808	667,508
Net gains (losses) on investments:				
Credit allowances on fixed maturity securities	(1,490)	(15,927)	(13,343)	(22,904)
Gains (losses) from fair value adjustments	(188,924)	103,525	(325,784)	132,581
Net realized gains (losses) from dispositions	(45,851)	16,511	(50,765)	33,334
Total net gains (losses) on investments	(236,265)	104,109	(389,892)	143,011
Other income (expense)	(71,337)	7,114	(55,977)	63,707
Total revenues	<u>2,834,613</u>	<u>3,076,690</u>	<u>5,730,942</u>	<u>5,820,463</u>
<b>CLAIMS AND EXPENSES:</b>				
Incurred losses and loss adjustment expenses	1,876,247	1,586,141	3,666,110	3,297,560
Commission, brokerage, taxes and fees	630,294	557,749	1,235,523	1,046,760
Other underwriting expenses	169,533	140,844	330,826	283,075
Corporate expenses	15,018	16,168	29,038	28,546
Interest, fees and bond issue cost amortization expense	24,398	15,607	48,476	31,246
Total claims and expenses	<u>2,715,490</u>	<u>2,316,509</u>	<u>5,309,973</u>	<u>4,687,187</u>
<b>INCOME (LOSS) BEFORE TAXES</b>	<b>119,123</b>	<b>760,181</b>	<b>420,969</b>	<b>1,133,276</b>
Income tax expense (benefit)	(3,507)	80,199	588	111,432
<b>NET INCOME (LOSS)</b>	<b>\$ 122,630</b>	<b>\$ 679,982</b>	<b>\$ 420,381</b>	<b>\$ 1,021,844</b>
<b>Other comprehensive income (loss), net of tax:</b>				
Unrealized appreciation (depreciation) ("URA(D)") on securities arising during the period	(732,364)	84,171	(1,547,540)	(204,444)
Reclassification adjustment for realized losses (gains) included in net income (loss)	15,841	1,590	20,019	(2,076)
Total URA(D) on securities arising during the period	<u>(716,523)</u>	<u>85,761</u>	<u>(1,527,521)</u>	<u>(206,520)</u>
Foreign currency translation adjustments	(28,269)	34,295	(62,371)	24,713
Reclassification adjustment for amortization of net (gain) loss included in net income (loss)	758	2,043	1,515	4,086
Total benefit plan net gain (loss) for the period	<u>758</u>	<u>2,043</u>	<u>1,515</u>	<u>4,086</u>
Total other comprehensive income (loss), net of tax	<u>(744,034)</u>	<u>122,099</u>	<u>(1,588,377)</u>	<u>(177,721)</u>
<b>COMPREHENSIVE INCOME (LOSS)</b>	<b>\$ (621,404)</b>	<b>\$ 802,081</b>	<b>\$ (1,167,996)</b>	<b>\$ 844,123</b>
<b>EARNINGS PER COMMON SHARE:</b>				
Basic	\$ 3.11	\$ 16.97	\$ 10.67	\$ 25.50
Diluted	3.11	16.95	10.67	25.47

EVEREST RE GROUP, LTD.  
CONSOLIDATED BALANCE SHEETS

	June 30, 2022	December 31, 2021
(Dollars and share amounts in thousands, except par value per share)	(unaudited)	
<b>ASSETS:</b>		
Fixed maturities - available for sale, at fair value (amortized cost: 2022, \$23,408,417; 2021, \$22,063,592, credit allowances: 2022, (\$42,714); 2021, (\$29,738))	\$ 21,880,443	\$ 22,308,272
Fixed maturities - held to maturity, at amortized cost, net of credit allowances (fair value: 2022, \$71,245, credit allowances: 2022, (\$366))	71,390	-
Equity securities, at fair value	1,299,221	1,825,908
Short-term investments (cost: 2022, \$300,854; 2021, \$1,178,386)	300,840	1,178,337
Other invested assets	3,055,356	2,919,965
Cash	2,116,049	1,440,861
Total investments and cash	28,723,299	29,673,343
Accrued investment income	178,123	149,105
Premiums receivable	3,406,564	3,293,598
Reinsurance recoverables	2,096,968	2,053,354
Funds held by reinsureds	909,454	868,601
Deferred acquisition costs	836,496	872,289
Prepaid reinsurance premiums	562,550	515,445
Income taxes	336,646	2,381
Other assets	857,550	757,167
<b>TOTAL ASSETS</b>	<b>\$ 37,907,650</b>	<b>\$ 38,185,283</b>
<b>LIABILITIES:</b>		
Reserve for losses and loss adjustment expenses	19,993,054	19,009,486
Future policy benefit reserve	33,580	35,669
Unearned premium reserve	4,681,010	4,609,634
Funds held under reinsurance treaties	12,658	18,391
Other net payable to reinsurers	492,556	449,723
Losses in course of payment	79,549	260,684
Senior notes	2,346,495	2,345,800
Long term notes	223,824	223,774
Borrowings from FHLB	519,000	519,000
Accrued interest on debt and borrowings	16,664	17,348
Unsettled securities payable	66,150	16,698
Other liabilities	590,244	539,896
Total liabilities	29,054,784	28,046,103
<b>SHAREHOLDERS' EQUITY:</b>		
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; (2022) 69,947 and (2021) 69,790 outstanding before treasury shares	700	698
Additional paid-in capital	2,283,513	2,274,431
Accumulated other comprehensive income (loss), net of deferred income tax expense (benefit) of (\$208,066) at 2022 and \$26,781 at 2021	(1,576,854)	11,523
Treasury shares, at cost; 30,529 (2022) and 30,524 shares (2021)	(3,848,630)	(3,847,308)
Retained earnings	11,994,137	11,699,836
Total shareholders' equity	8,852,866	10,139,180
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$ 37,907,650</b>	<b>\$ 38,185,283</b>

EVEREST RE GROUP, LTD.  
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Six Months Ended	
	June 30,	
	2022	2021
	(unaudited)	
(Dollars in thousands)		
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net income (loss)	\$ 420,381	\$ 1,021,844
Adjustments to reconcile net income to net cash provided by operating activities:		
Decrease (increase) in premiums receivable	(223,030)	(499,647)
Decrease (increase) in funds held by reinsureds, net	(51,451)	(79,485)
Decrease (increase) in reinsurance recoverables	(236,849)	15,836
Decrease (increase) in income taxes	(100,230)	76,452
Decrease (increase) in prepaid reinsurance premiums	(109,716)	(71,566)
Increase (decrease) in reserve for losses and loss adjustment expenses	1,360,076	1,139,879
Increase (decrease) in future policy benefit reserve	(2,089)	(1,226)
Increase (decrease) in unearned premiums	176,631	500,077
Increase (decrease) in other net payable to reinsurers	119,858	72,850
Increase (decrease) in losses in course of payment	(178,091)	70,653
Change in equity adjustments in limited partnerships	(156,868)	(377,120)
Distribution of limited partnership income	105,452	49,053
Change in other assets and liabilities, net	(11,031)	(206,994)
Non-cash compensation expense	23,919	22,439
Amortization of bond premium (accrual of bond discount)	35,052	37,928
Net (gains) losses on investments	389,892	(143,011)
Net cash provided by (used in) operating activities	<u>1,561,906</u>	<u>1,627,962</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from fixed maturities matured/called/repaid - available for sale	1,661,128	1,897,536
Proceeds from fixed maturities matured/called/repaid - held to maturity	333	-
Proceeds from fixed maturities sold - available for sale	772,148	599,737
Proceeds from equity securities sold, at fair value	437,815	474,663
Distributions from other invested assets	204,790	112,398
Cost of fixed maturities acquired - available for sale	(4,070,949)	(3,949,973)
Cost of fixed maturities acquired - held to maturity	(72,061)	-
Cost of equity securities acquired, at fair value	(283,352)	(360,016)
Cost of other invested assets acquired	(307,525)	(309,691)
Net change in short-term investments	878,360	506,285
Net change in unsettled securities transactions	22,512	(103,527)
Net cash provided by (used in) investing activities	<u>(756,801)</u>	<u>(1,132,588)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Common shares issued during the period for share-based compensation, net of expense	(14,835)	(11,349)
Purchase of treasury shares	(1,322)	(40,328)
Dividends paid to shareholders	(126,079)	(124,274)
Cost of shares withheld on settlements of share-based compensation awards	(17,352)	(13,713)
Net cash provided by (used in) financing activities	<u>(159,588)</u>	<u>(189,664)</u>
<b>EFFECT OF EXCHANGE RATE CHANGES ON CASH</b>	<u>29,671</u>	<u>(1,016)</u>
Net increase (decrease) in cash	675,188	304,694
Cash, beginning of period	1,440,861	801,651
Cash, end of period	<u>\$ 2,116,049</u>	<u>\$ 1,106,345</u>
<b>SUPPLEMENTAL CASH FLOW INFORMATION:</b>		
Income taxes paid (recovered)	\$ 100,506	\$ 34,780
Interest paid	31,835	31,695