



## NEWS RELEASE

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

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### **Everest Re Group Reports Third Quarter 2022 Results**

**Gross Written Premiums Up 6.3%<sup>1</sup> led by Consistent Double-Digit Growth in the Insurance Segment  
Underwriting Discipline Drove Strong Attritional Combined Ratio of 87.6%  
Consistent Execution of Diversification Strategy Mitigated Losses During Active Catastrophe Quarter**

HAMILTON, Bermuda -- (BUSINESS WIRE) – October 26, 2022 – Everest Re Group, Ltd. (“Everest” or the “Group”) today reported its third quarter 2022 results.

#### Third Quarter 2022 Highlights

- Net Operating Loss of \$205 million, and Net Loss of \$319 Million driven by an active catastrophe quarter and volatile market conditions. YTD 2022 Net Operating Income of \$587 million, Net Income of \$101 million, and Underwriting income of \$109 million
- \$3.7 billion in gross written premium (“GWP”) with year over year growth of 6.3% in constant dollars for the Group, 13.1% in constant dollars for Insurance, and 3.4% in constant dollars for Reinsurance
- Combined ratios of 112.0% for the Group, 115.0% for Reinsurance and 103.5% for Insurance elevated due to catastrophe losses in the quarter as previously announced
- Strong attritional combined ratios of 87.6% for the Group, 86.8% for Reinsurance and 89.8% for Insurance, which is a new record for that segment
- Pre-tax underwriting loss of \$367 million including \$730 million of pre-tax catastrophe losses net of estimated recoveries and reinstatement premiums as previously announced. The losses were primarily from Hurricane Ian and other events including European Hailstorms, Hurricane Fiona and Typhoon Nanmadol
- Net investment income of \$151 million, driven by stronger fixed income returns as new money yields continue to improve partially offset by volatile equity markets and the lag in private equity reporting

<sup>1</sup>In constant dollars



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

“The third quarter’s heightened risk environment, including global catastrophe events and continued global economic uncertainty further underscored the strength of Everest’s business and commitment to support our customers with solutions vital to navigating this turbulent period in history. Everest’s diversification strategy and underwriting discipline were key to mitigating our exposure to one of the industry’s largest hurricane losses in U.S. history. With our well-defined strategy, we’re poised to take advantage of the hardening market, focused on segments with the best risk adjusted returns.

Despite the challenging macroeconomic environment, both underwriting businesses delivered sub-90 attritional combined ratios and we continue to make an underwriting, operating, and net income profit on a year-to-date basis. We continued to grow and diversify across geographies, businesses and product lines with top talent leading our platform. We are focused on executing our strategic plan as we continue to build the company for the long-term.”

Summary of Third Quarter 2022 Net Income and Other Items

- Net loss of \$319 million, equal to \$(8.22) per diluted share versus third quarter 2021 net loss of \$73 million, equal to \$(1.88) per diluted share
- Net operating loss of \$205 million, equal to \$(5.28) per diluted share versus third quarter 2021 net operating loss of \$53 million, equal to \$(1.34) per diluted share
- GAAP combined ratio of 112.0% including 27.4 points of catastrophe losses versus the third quarter 2021 figures of 112.2% including 26.2 points of catastrophe losses
- Strong operating cashflow for the quarter of \$1.1 billion which is flat versus the third quarter 2021



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

<b>Net income and operating income</b>	<b>Q3</b>	<b>Year to Date</b>	<b>Q3</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 (loss)	(319)	101	(73)	948
Net operating income (loss)	(205)	587	(53)	795
Net income (loss) per diluted common share	(8.22)	2.57	(1.88)	23.72
Net operating income (loss) per diluted common share	(5.28)	14.91	(1.34)	19.87
Net income (loss) annualized return on average equity	-12.9%	1.4%	-3.0%	13.6%
Net operating income (loss) annualized return on average equity	-8.3%	8.0%	-2.2%	11.4%

Notes

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

<b>Shareholders' Equity and Book Value per Share</b>	<b>Q3</b>	<b>Year to Date</b>	<b>Q3</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	8,853	10,139	10,417	9,726
Net income (loss)	(319)	101	(73)	948
Change- unrealized gains (losses) - Fixed inc. investments	(671)	(2,199)	(101)	(308)
Dividends to shareholders	(65)	(191)	(61)	(186)
Purchase of treasury shares	(58)	(60)	(160)	(200)
Other	(91)	(141)	(43)	(2)
Ending shareholders' equity	7,649	7,649	9,979	9,979
Common shares outstanding		39.2		39.4
Book value per common share outstanding		195.27		253.40
Less: Unrealized on fixed inc. investments ("URAD")		(50.02)		10.57
Book value excl. URAD per common share outstanding		245.29		242.83
Change in BVPS adjusted for dividends		-22.5%		
Total Shareholder Return ("TSR") - Annualized		-1.0%		
Common share dividends paid - last 12 months		6.40		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>Q3</b>	<b>Year to Date</b>	<b>Q3</b>	<b>Year to Date</b>
<b>All values in USD millions except for percentages</b>	<b>2022</b>	<b>2022</b>	<b>2021</b>	<b>2021</b>
Gross written premium	3,680	10,313	3,498	9,619
Net written premium	3,323	9,156	3,026	8,389
Loss ratio	85.5%	71.7%	85.6%	73.3%
Commission and brokerage ratio	20.9%	21.4%	21.2%	21.2%
Other underwriting expenses	5.5%	5.7%	5.3%	5.6%
Combined ratio	112.0%	98.8%	112.2%	100.1%
Attritional combined ratio	87.6%	87.4%	87.9%	87.6%
Pre-tax net catastrophe losses	730	930	635	940
Pre-tax net covid losses	-	-	-	-
Pre-tax net Russian / Ukraine War losses	-	45	-	-
Pre-tax net prior year reserve development	-	(2)	(2)	(6)

#### 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 \$2.6 billion for the quarter versus \$2.5 billion a year ago. The quarter includes \$110 million of reinstatement premiums (vs \$60 million a year ago). Growth was driven by casualty lines and continued international expansion offset by targeted reductions in property and headwinds from the strong dollar
- Pre-tax catastrophe losses of \$620 million net of estimated recoveries and reinstatement premiums, primarily driven by Hurricane Ian (compared with \$555 million a year ago)
- Improved risk-adjusted profitability of the portfolio driven by targeted underwriting actions, resulting in a 110-basis point improvement in the attritional loss ratio for the quarter vs. the prior year (59.1% vs. 60.2%) and an attritional combined ratio of 86.8% (vs 87.1% a year ago)
- Continued expense discipline resulting in an operating expense ratio for the quarter of 2.4%, in line with a year ago



<b>Underwriting information - Reinsurance segment</b>	<b>Q3</b>	<b>Year to Date</b>	<b>Q3</b>	<b>Year to Date</b>
<b>All values in USD millions except for percentages</b>	<b>2022</b>	<b>2022</b>	<b>2021</b>	<b>2021</b>
Gross written premium	2,551	6,938	2,488	6,696
Net written premium	2,460	6,664	2,293	6,266
Loss ratio	88.7%	72.8%	89.4%	74.1%
Commission and brokerage ratio	23.9%	24.5%	23.8%	23.8%
Other underwriting expenses	2.4%	2.4%	2.3%	2.5%
Combined ratio	115.0%	99.8%	115.5%	100.5%
Attritional combined ratio	86.8%	86.3%	87.1%	86.3%
Pre-tax net catastrophe losses	620	810	555	803
Pre-tax net covid losses	-	-	-	-
Pre-tax net Russian / Ukraine War losses	-	45	-	-
Pre-tax net prior year reserve development	-	(2)	(2)	(5)

#### 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 \$1.1 billion, a 13.1% increase year over year in constant currency (11.9% increase when adjusting for FX), driven by balanced and strong diversified growth across most lines of business and geographies.
- The attritional combined ratio of 89.8%, a 50-basis point improvement compared to 90.3% in 3Q 2021, is the best in the segment's history
- Rate and exposure increases continue to exceed loss trend.



Underwriting information - Insurance segment	Q3	Year to Date	Q3	Year to Date
All values in USD millions except for percentages	2022	2022	2021	2021
Gross written premium	1,129	3,376	1,009	2,924
Net written premium	862	2,492	733	2,123
Loss ratio	76.8%	68.4%	74.7%	70.8%
Commission and brokerage ratio	12.7%	12.7%	13.7%	13.4%
Other underwriting expenses	14.0%	14.8%	14.1%	14.5%
Combined ratio	103.5%	95.9%	102.5%	98.7%
Attritional combined ratio	89.8%	90.3%	90.3%	91.5%
Pre-tax net catastrophe losses	110	120	80	138
Pre-tax net covid losses	-	-	-	-
Pre-tax net Russian / Ukraine War losses	-	-	-	-
Pre-tax net prior year reserve development	-	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 September 30, 2022

- Total invested assets and cash of \$28.5 billion versus the year end 2021 value of \$29.7 billion
- \$58 million of share repurchases in 3Q 2022 at an average price of \$251.98 per share
- Repurchased \$6.2 million par amount of Long-Term Subordinated Notes due 2067 for \$5.1 million plus accrued interest
- Shareholders' equity of \$7.6 billion vs. \$10.1 billion at year end 2021, largely driven by \$2.2 billion of unrealized net losses on fixed maturity investments
- Book value per diluted share of \$195.27 vs. \$258.21 at year end 2021
- Book value per diluted share excluding unrealized gains (losses) on fixed maturity investments of \$245.29 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.everest.com](http://www.everest.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 October 27, 2022. The call will be available on the Internet through the Company’s web site at [everest.com/investors](http://everest.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.everest.com](http://www.everest.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:

(Dollars in millions, except per share amounts)	<u>Three Months Ended September 30,</u>				<u>Nine Months Ended September 30,</u>			
	2022		2021		2022		2021	
	(unaudited)				(unaudited)			
	Per Diluted				Per Diluted			
	Amount	Share	Amount	Share	Amount	Share	Amount	Share
Net income (loss)	\$ (319)	\$ (8.22)	\$ (73)	\$ (1.88)	\$ 101	\$ 2.57	\$ 948	\$ 23.72
After-tax net gains (losses) on investments	\$ (102)	\$ (2.63)	\$ (3)	\$ (0.07)	\$ (415)	\$ (10.53)	\$ 111	\$ 2.78
After-tax net foreign exchange income (expense)	\$ (12)	\$ (0.31)	\$ (18)	\$ (0.47)	\$ (71)	\$ (1.80)	\$ 43	\$ 1.06
After-tax operating income (loss)	\$ (205)	\$ (5.28)	\$ (53)	\$ (1.34)	\$ 587	\$ 14.91	\$ 795	\$ 19.87

(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)

(Dollars in millions, except per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
	(unaudited)		(unaudited)	
<b>REVENUES:</b>				
Premiums earned	\$ 3,067	\$ 2,656	\$ 8,775	\$ 7,603
Net investment income	151	293	620	960
Net gains (losses) on investments:				
Credit allowances on fixed maturity securities	(5)	(7)	(18)	(30)
Gains (losses) from fair value adjustments	(136)	(5)	(462)	128
Net realized gains (losses) from dispositions	12	8	(39)	41
Total net gains (losses) on investments	(129)	(4)	(519)	139
Other income (expense)	(16)	(20)	(71)	44
Total revenues	<u>3,073</u>	<u>2,925</u>	<u>8,805</u>	<u>8,746</u>
<b>CLAIMS AND EXPENSES:</b>				
Incurred losses and loss adjustment expenses	2,623	2,274	6,289	5,572
Commission, brokerage, taxes and fees	641	564	1,877	1,611
Other underwriting expenses	169	141	500	424
Corporate expenses	16	18	45	46
Interest, fees and bond issue cost amortization expense	25	16	74	47
Total claims and expenses	<u>3,474</u>	<u>3,013</u>	<u>8,785</u>	<u>7,700</u>
INCOME (LOSS) BEFORE TAXES	(401)	(88)	20	1,046
Income tax expense (benefit)	(82)	(14)	(81)	97
NET INCOME (LOSS)	\$ (319)	\$ (73)	\$ 101	\$ 948
Other comprehensive income (loss), net of tax:				
Unrealized appreciation (depreciation) ("URA(D)") on securities arising during the period	(712)	(100)	(2,260)	(304)
Reclassification adjustment for realized losses (gains) included in net income (loss)	41	(1)	61	(3)
Total URA(D) on securities arising during the period	(671)	(101)	(2,199)	(308)
Foreign currency translation adjustments	(101)	(54)	(163)	(29)
Reclassification adjustment for amortization of net (gain) loss included in net income (loss)	1	2	2	6
Total benefit plan net gain (loss) for the period	1	2	2	6
Total other comprehensive income (loss), net of tax	<u>(771)</u>	<u>(153)</u>	<u>(2,360)</u>	<u>(331)</u>
COMPREHENSIVE INCOME (LOSS)	\$ (1,090)	\$ (227)	\$ (2,259)	\$ 617
<b>EARNINGS PER COMMON SHARE:</b>				
Basic	\$ (8.22)	\$ (1.88)	\$ 2.57	\$ 23.74
Diluted	(8.22)	(1.88)	2.57	23.72

EVEREST RE GROUP, LTD.  
CONSOLIDATED BALANCE SHEETS

	September 30, 2022 (unaudited)	December 31, 2021
(Dollars and share amounts in millions, except par value per share)		
<b>ASSETS:</b>		
Fixed maturities - available for sale, at fair value (amortized cost: 2022, \$23,204; 2021, \$22,064, credit allowances: 2022, (\$38); 2021, (\$30))	\$ 21,009	\$ 22,308
Fixed maturities - held to maturity, at amortized cost, net of credit allowances (fair value: 2022, \$817, credit allowances: 2022, (\$9))	837	-
Equity securities, at fair value	1,301	1,826
Short-term investments (cost: 2022, \$611; 2021, \$1,178)	611	1,178
Other invested assets	3,079	2,920
Cash	1,679	1,441
Total investments and cash	<u>28,516</u>	<u>29,673</u>
Accrued investment income	200	149
Premiums receivable	3,452	3,294
Reinsurance recoverables	2,240	2,053
Funds held by reinsureds	893	869
Deferred acquisition costs	867	872
Prepaid reinsurance premiums	556	515
Income tax asset, net	544	2
Other assets	876	757
<b>TOTAL ASSETS</b>	<u>\$ 38,144</u>	<u>\$ 38,185</u>
<b>LIABILITIES:</b>		
Reserve for losses and loss adjustment expenses	21,222	19,009
Future policy benefit reserve	34	36
Unearned premium reserve	4,795	4,610
Funds held under reinsurance treaties	18	18
Other net payable to reinsurers	511	450
Losses in course of payment	110	261
Senior notes	2,347	2,346
Long term notes	218	224
Borrowings from FHLB	519	519
Accrued interest on debt and borrowings	39	17
Unsettled securities payable	134	17
Other liabilities	548	540
Total liabilities	<u>30,495</u>	<u>28,046</u>
<b>SHAREHOLDERS' EQUITY:</b>		
Preferred shares, par value: \$0.01; 50.0 shares authorized; no shares issued and outstanding	-	-
Common shares, par value: \$0.01; 200.0 shares authorized; (2022) 69.9 and (2021) 69.8 outstanding before treasury shares	1	1
Additional paid-in capital	2,293	2,274
Accumulated other comprehensive income (loss), net of deferred income tax expense (benefit) of (\$269) at 2022 and \$27 at 2021	(2,348)	12
Treasury shares, at cost; 30.8 (2022) and 30.5 shares (2021)	(3,907)	(3,847)
Retained earnings	11,610	11,700
Total shareholders' equity	<u>7,649</u>	<u>10,139</u>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<u>\$ 38,144</u>	<u>\$ 38,185</u>

EVEREST RE GROUP, LTD.  
CONSOLIDATED STATEMENTS OF CASH FLOWS

(Dollars in millions)	Nine Months Ended	
	September 30,	
	2022	2021
	(unaudited)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net income (loss)	\$ 101	\$ 948
Adjustments to reconcile net income to net cash provided by operating activities:		
Decrease (increase) in premiums receivable	(405)	(737)
Decrease (increase) in funds held by reinsureds, net	(35)	(93)
Decrease (increase) in reinsurance recoverables	(662)	(231)
Decrease (increase) in income taxes	(249)	57
Decrease (increase) in prepaid reinsurance premiums	(194)	(147)
Increase (decrease) in reserve for losses and loss adjustment expenses	3,117	2,560
Increase (decrease) in future policy benefit reserve	(2)	(1)
Increase (decrease) in unearned premiums	435	928
Increase (decrease) in other net payable to reinsurers	242	199
Increase (decrease) in losses in course of payment	(150)	24
Change in equity adjustments in limited partnerships	(126)	(543)
Distribution of limited partnership income	139	106
Change in other assets and liabilities, net	(134)	(230)
Non-cash compensation expense	35	33
Amortization of bond premium (accrual of bond discount)	49	57
Net (gains) losses on investments	519	(139)
Net cash provided by (used in) operating activities	<u>2,680</u>	<u>2,791</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from fixed maturities matured/called/repaid - available for sale	2,171	2,757
Proceeds from fixed maturities matured/called/repaid - held to maturity	18	-
Proceeds from fixed maturities sold - available for sale	1,177	883
Proceeds from equity securities sold, at fair value	1,030	579
Distributions from other invested assets	244	217
Cost of fixed maturities acquired - available for sale	(5,958)	(5,671)
Cost of fixed maturities acquired - held to maturity	(133)	-
Cost of equity securities acquired, at fair value	(960)	(508)
Cost of other invested assets acquired	(455)	(604)
Net change in short-term investments	568	423
Net change in unsettled securities transactions	102	(177)
Net cash provided by (used in) investing activities	<u>(2,196)</u>	<u>(2,102)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Common shares issued (redeemed) during the period for share-based compensation, net of expense	(16)	(12)
Purchase of treasury shares	(60)	(200)
Dividends paid to shareholders	(191)	(186)
Cost of debt repurchase	(6)	-
Cost of shares withheld on settlements of share-based compensation awards	(19)	(15)
Net cash provided by (used in) financing activities	<u>(292)</u>	<u>(413)</u>
<b>EFFECT OF EXCHANGE RATE CHANGES ON CASH</b>	<u>46</u>	<u>(9)</u>
Net increase (decrease) in cash	238	267
Cash, beginning of period	1,441	802
Cash, end of period	<u>\$ 1,679</u>	<u>\$ 1,068</u>
<b>SUPPLEMENTAL CASH FLOW INFORMATION:</b>		
Income taxes paid (recovered)	\$ 167	\$ 40
Interest paid	51	33
<b>NON-CASH TRANSACTIONS:</b>		
Reclassification of specific investments from fixed maturity securities, available for sale at fair value to fixed maturity securities, held to maturity at amortized cost net of credit allowances	\$ 783	\$ -