

Everest Re Group, Ltd.

Analyst Supplement

December 31, 2011



EVEREST[®]

EVEREST RE GROUP, LTD.
Supplemental GAAP Operating Information

(Dollars in thousands, except per share amounts)

(unaudited)

	Twelve Months Ended		Three Months Ended							
	December 31, 2011	December 31, 2010	December 31, 2011	September 30, 2011	June 30, 2011	March 31, 2011	December 31, 2010	September 30, 2010	June 30, 2010	March 31, 2010
PRODUCTION INFORMATION:										
Gross written premiums	\$ 4,286,174	\$ 4,200,719	\$ 1,104,874	\$ 1,128,506	\$ 987,865	\$ 1,064,929	\$ 1,002,600	\$ 1,163,591	\$ 1,013,509	\$ 1,021,019
Net written premiums	4,108,899	3,945,578	1,043,104	1,090,790	955,121	1,019,884	942,130	1,085,225	948,970	969,253
Net premiums earned	4,101,347	3,934,625	1,005,728	1,044,338	1,039,835	1,011,446	1,020,159	997,265	989,899	927,302
INVESTMENT INCOME:										
Pre-tax investment income	\$ 620,041	\$ 653,463	\$ 126,253	\$ 156,465	\$ 158,618	\$ 178,705	\$ 184,865	\$ 141,368	\$ 165,731	\$ 161,499
Effective tax rate	13.7%	12.7%	13.6%	13.6%	14.7%	12.9%	14.2%	11.6%	12.6%	12.1%
After-tax investment income	\$ 535,150	\$ 570,538	\$ 109,128	\$ 135,123	\$ 135,314	\$ 155,585	\$ 158,677	\$ 124,926	\$ 144,897	\$ 142,038
Net pre-tax yield - amortized cost	4.1%	4.5%	3.3%	4.1%	4.2%	4.8%	5.0%	3.9%	4.6%	4.4%
Net after-tax yield - amortized cost	3.6%	3.9%	2.9%	3.6%	3.6%	4.2%	4.3%	3.4%	4.0%	3.9%
CATASTROPHE INFORMATION:										
Net pre-tax catastrophe losses ⁽¹⁾	\$ 1,237,606	\$ 544,082	\$ 370,732	\$ 119,386	\$ 112,992	\$ 634,496	\$ 52,600	\$ 89,448	\$ 64,603	\$ 337,431
After-tax effect of catastrophe losses on earnings per basic common share	(17.73)	(7.83)	(4.58)	(1.71)	(1.66)	(9.77)	(0.78)	(1.35)	(0.90)	(4.66)
After-tax effect of catastrophe losses on earnings per diluted common share	(17.73)	(7.81)	(4.57)	(1.71)	(1.65)	(9.77)	(0.77)	(1.34)	(0.90)	(4.66)
EFFECTIVE TAX RATE ON:										
Net income (loss)	-65.6%	-3.3%	-196.6%	-571.6%	6.8%	-7.5%	-28.1%	14.8%	2.3%	131.9%
Net realized capital gains (losses)	-89.4%	9.1%	33.2%	-39.3%	-45.1%	36.9%	-37.1%	34.9%	-32.5%	29.7%
Operating income	-61.1%	-5.9%	-71.8%	0.3%	8.0%	-8.6%	-26.6%	10.2%	8.5%	-10.5%
AFTER-TAX EARNINGS:										
Net income (loss)	\$ (80,486)	\$ 610,754	\$ 41,042	\$ 63,054	\$ 131,312	\$ (315,894)	\$ 302,533	\$ 174,200	\$ 156,673	\$ (22,652)
Per basic common share	(1.49)	10.73	0.76	1.16	2.42	(5.81)	5.53	3.12	2.70	(0.38)
Per diluted common share	(1.49)	10.70	0.76	1.16	2.41	(5.81)	5.51	3.11	2.70	(0.38)
Net realized capital gains (losses)	13,114	92,625	91,726	(83,619)	(2,661)	7,668	44,695	24,930	(28,141)	51,141
Per basic common share	0.24	1.63	1.71	(1.54)	(0.05)	0.14	0.82	0.45	(0.49)	0.86
Per diluted common share	0.24	1.62	1.70	(1.54)	(0.05)	0.14	0.81	0.45	(0.48)	0.86
Operating income, excl. net realized capital gains (losses) ⁽²⁾	(93,600)	518,129	(50,684)	146,673	133,971	(323,562)	257,838	149,270	184,814	(73,793)
Per basic common share	(1.73)	9.11	(0.94)	2.71	2.47	(5.95)	4.71	2.67	3.19	(1.25)
Per diluted common share	(1.73)	9.08	(0.94)	2.70	2.46	(5.95)	4.70	2.67	3.18	(1.25)

(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)

	Twelve Months Ended		Three Months Ended							
	December 31, 2011	December 31, 2010	December 31, 2011	September 30, 2011	June 30, 2011	March 31, 2011	December 31, 2010	September 30, 2010	June 30, 2010	March 31, 2010
COMBINED RATIO:										
Loss ratio	90.9%	74.9%	101.4%	69.0%	70.8%	123.6%	70.6%	67.7%	65.1%	97.8%
Commission and brokerage ratio	23.2%	23.7%	24.7%	21.8%	22.8%	23.4%	24.0%	23.8%	23.9%	22.9%
Other underwriting expense ratio	4.4%	4.2%	4.2%	4.8%	4.4%	4.4%	4.1%	4.4%	4.2%	4.2%
Combined ratio	<u>118.5%</u>	<u>102.8%</u>	<u>130.3%</u>	<u>95.6%</u>	<u>98.0%</u>	<u>151.4%</u>	<u>98.7%</u>	<u>95.9%</u>	<u>93.2%</u>	<u>124.9%</u>
CASH FLOW INFORMATION:										
Cash flow provided by operations	\$ 659,520	\$ 918,475	\$ 112,864	\$ 207,910	\$ 150,640	\$ 188,106	\$ 127,862	\$ 297,771	\$ 221,510	\$ 271,332
Paid losses, net	2,818,837	2,557,079	768,312	758,425	599,435	692,665	765,342	682,292	597,907	511,538
Paid cats, net	559,170	410,850	167,615	204,889	73,106	113,560	98,813	168,583	92,559	50,895
Paid (recovered) asbestos and environmental losses, net	53,510	80,215	15,844	9,913	9,503	18,250	21,682	34,886	10,716	12,931
Taxes paid (recovered)	(44,537)	(30,978)	(38,618)	6,627	(24,470)	11,924	5,737	(877)	(48,597)	12,759
RETURN ON EQUITY:										
Beginning of period shareholders' equity	\$ 6,283,517	\$ 6,101,722	\$ 6,091,841	\$ 6,152,558	\$ 5,914,170	\$ 6,283,517	\$ 6,281,620	\$ 6,035,599	\$ 6,036,955	\$ 6,101,722
Net unrealized depreciation (appreciation) of investments	(369,439)	(309,275)	(421,631)	(456,587)	(344,949)	(369,439)	(621,761)	(457,098)	(343,846)	(309,275)
Adjusted beginning of period shareholders' equity	<u>\$ 5,914,078</u>	<u>\$ 5,792,448</u>	<u>\$ 5,670,210</u>	<u>\$ 5,695,971</u>	<u>\$ 5,569,221</u>	<u>\$ 5,914,078</u>	<u>\$ 5,659,859</u>	<u>\$ 5,578,501</u>	<u>\$ 5,693,109</u>	<u>\$ 5,792,448</u>
End of period shareholders' equity	\$ 6,071,375	\$ 6,283,517	\$ 6,071,375	\$ 6,091,841	\$ 6,152,558	\$ 5,914,170	\$ 6,283,517	\$ 6,281,620	\$ 6,035,599	\$ 6,036,955
Net unrealized depreciation (appreciation) of investments	(449,580)	(369,439)	(449,580)	(421,631)	(456,587)	(344,949)	(369,439)	(621,761)	(457,098)	(343,846)
Adjusted end of period shareholders' equity	<u>\$ 5,621,795</u>	<u>\$ 5,914,078</u>	<u>\$ 5,621,795</u>	<u>\$ 5,670,210</u>	<u>\$ 5,695,971</u>	<u>\$ 5,569,221</u>	<u>\$ 5,914,078</u>	<u>\$ 5,659,859</u>	<u>\$ 5,578,501</u>	<u>\$ 5,693,109</u>
Average adjusted shareholders' equity	\$ 5,767,937	\$ 5,853,263	\$ 5,646,003	\$ 5,683,091	\$ 5,632,596	\$ 5,741,650	\$ 5,786,969	\$ 5,619,180	\$ 5,635,805	\$ 5,742,778
After-tax operating income, excluding after-tax net realized capital gains (losses) ⁽²⁾	\$ (93,600)	\$ 518,129	\$ (50,684)	\$ 146,673	\$ 133,971	\$ (323,562)	\$ 257,838	\$ 149,270	\$ 184,814	\$ (73,793)
After-tax net realized capital gains (losses)	13,114	92,625	91,726	(83,619)	(2,661)	7,668	44,695	24,930	(28,141)	51,141
Net income (loss)	<u>\$ (80,486)</u>	<u>\$ 610,754</u>	<u>\$ 41,042</u>	<u>\$ 63,054</u>	<u>\$ 131,312</u>	<u>\$ (315,894)</u>	<u>\$ 302,533</u>	<u>\$ 174,200</u>	<u>\$ 156,673</u>	<u>\$ (22,652)</u>
Return on equity (annualized)										
After-tax operating income, excluding after-tax net realized capital gains (losses) ⁽²⁾	-1.6%	8.9%	-3.6%	10.3%	9.5%	-22.5%	17.8%	10.6%	13.1%	-5.1%
After-tax net realized capital gains (losses)	0.2%	1.5%	6.5%	5.4%	-0.2%	0.5%	3.1%	1.8%	-2.0%	3.6%
Net income (loss)	<u>-1.4%</u>	<u>10.4%</u>	<u>2.9%</u>	<u>4.4%</u>	<u>9.3%</u>	<u>-22.0%</u>	<u>20.9%</u>	<u>12.4%</u>	<u>11.1%</u>	<u>-1.6%</u>

(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. Effective with the June 30, 2010 reporting period, which includes June 30, 2010 year-to-date and quarter results, a catastrophe is a property event with expected reported losses of at least \$10.0 million before corporate level reinsurance and taxes. All prior periods reflect a catastrophe as a property event with expected reported losses of at least \$5.0 million before corporate level reinsurance and taxes.

(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)

	December 31, 2011	September 30, 2011	June 30, 2011	March 31, 2011	December 31, 2010	September 30, 2010	June 30, 2010	March 31, 2010
BALANCE SHEET HIGHLIGHTS:								
Total investments and cash	\$ 15,797,381	\$ 15,713,917	\$ 15,836,619	\$ 15,365,817	\$ 15,365,019	\$ 15,487,491	\$ 15,102,116	\$ 15,044,388
Total assets	18,893,555	18,705,838	18,976,395	18,766,755	18,384,198	18,514,021	18,172,972	18,127,913
Reserve for losses and loss adjustment expenses ("LAE") (gross)	10,123,215	9,979,984	10,145,655	9,969,189	9,340,183	9,331,987	9,237,813	9,299,417
Future policy benefit reserve	67,187	61,971	62,608	62,785	63,002	63,747	63,968	64,401
Revolving credit borrowings	-	-	40,000	40,000	50,000	83,000	133,000	-
5.4% Senior notes due 10/15/2014	249,858	249,847	249,835	249,824	249,812	249,801	249,790	249,780
6.6% Long term notes due 5/1/2067	238,354	238,353	238,352	238,352	238,351	238,350	238,349	238,349
Junior subordinated debt securities payable	329,897	329,897	329,897	329,897	329,897	329,897	329,897	329,897
Shareholders' equity	6,071,375	6,091,841	6,152,558	5,914,170	6,283,517	6,281,620	6,035,599	6,036,955
Common shares outstanding	53,736	53,789	54,346	54,224	54,428	55,023	56,242	58,922
Book value per common share outstanding	\$ 112.99	\$ 113.26	\$ 113.21	\$ 109.07	\$ 115.45	\$ 114.16	\$ 107.31	\$ 102.46
TOTAL LOSS RESERVES:								
Gross reserve for losses and LAE	\$ 10,123,215	\$ 9,979,984	\$ 10,145,655	\$ 9,969,189	\$ 9,340,183	\$ 9,331,987	\$ 9,237,813	\$ 9,299,417
Reinsurance receivables on unpaid losses	(580,998)	(585,541)	(690,140)	(696,088)	(689,445)	(676,249)	(635,508)	(652,830)
Net reserve for losses and LAE	\$ 9,542,217	\$ 9,394,443	\$ 9,455,515	\$ 9,273,101	\$ 8,650,738	\$ 8,655,738	\$ 8,602,305	\$ 8,646,587
ASBESTOS AND ENVIRONMENTAL LOSS RESERVES:								
Gross loss and LAE reserves	\$ 499,911	\$ 516,395	\$ 526,722	\$ 535,764	\$ 554,790	\$ 577,537	\$ 614,135	\$ 625,208
Net loss and LAE reserves	480,160	496,004	505,916	514,656	532,906	554,588	589,474	600,190
Net asbestos 3 year survival ratio	5.8	5.0	5.1	4.9	5.9	5.7	6.7	6.3
Net asbestos 3 year survival ratio excluding settlements in place	8.9	8.9	9.0	8.1	8.7	9.6	9.4	8.8
END OF PERIOD INVESTMENT PORTFOLIO INFORMATION:								
Pre-tax yield - net of expenses, amortized cost basis	3.9%	3.9%	4.0%	3.9%	3.9%	4.1%	4.2%	4.1%
After-tax yield - net of expenses, amortized cost basis	3.4%	3.4%	3.5%	3.4%	3.5%	3.7%	3.8%	3.7%
Modified duration of fixed income portfolio (in years)	3.0	3.1	3.5	3.7	3.8	3.7	3.7	3.9
Average credit quality	Aa3	Aa3	Aa3	Aa3	Aa2	Aa2	Aa2	Aa2
OPERATING LEVERAGE:								
Ratio of net written premiums to shareholders' equity (12 month rolling)	0.68 TO 1	0.66 TO 1	0.65 TO 1	0.68 TO 1	0.63 TO 1	0.63 TO 1	0.65 TO 1	0.65 TO 1
Ratio of net loss and LAE reserves to shareholders' equity	1.57 TO 1	1.54 TO 1	1.54 TO 1	1.57 TO 1	1.38 TO 1	1.38 TO 1	1.43 TO 1	1.43 TO 1

EVEREST RE GROUP, LTD.
Segment Results

(Dollars in thousands)

(unaudited)

TOTAL SEGMENTS

	Twelve Months Ended		Three Months Ended							
	December 31, 2011	December 31, 2010	December 31, 2011	September 30, 2011	June 30, 2011	March 31, 2011	December 31, 2010	September 30, 2010	June 30, 2010	March 31, 2010
Gross written premiums	\$ 4,286,174	\$ 4,200,719	\$ 1,104,874	\$ 1,128,506	\$ 987,865	\$ 1,064,929	\$ 1,002,600	\$ 1,163,591	\$ 1,013,509	\$ 1,021,019
Net written premiums	4,108,899	3,945,578	1,043,104	1,090,790	955,121	1,019,884	942,130	1,085,225	948,970	969,253
Premiums earned	\$ 4,101,347	\$ 3,934,625	\$ 1,005,728	\$ 1,044,338	\$ 1,039,835	\$ 1,011,446	\$ 1,020,159	\$ 997,265	\$ 989,899	\$ 927,302
Incurred losses and LAE										
Attritional - current year	2,422,093	2,390,090	637,469	584,110	614,396	586,118	648,505	605,911	584,046	551,628
Attritional - prior year	2,927	(15,447)	2,376	4,314	(2,371)	(1,392)	14,352	(20,801)	(9,779)	781
Catastrophes	1,300,420	571,069	380,083	132,287	123,000	665,050	57,264	89,677	69,681	354,447
Asbestos & environmental	764	-	-	-	764	-	-	-	-	-
Total incurred losses and LAE	3,726,204	2,945,712	1,019,928	720,711	735,789	1,249,776	720,121	674,787	643,948	906,856
Commission and brokerage	950,521	931,855	248,721	227,969	237,374	236,457	245,227	237,473	236,493	212,662
Other underwriting expenses	182,403	166,258	42,113	49,437	45,897	44,956	41,230	44,337	41,747	38,944
Underwriting gain (loss)	\$ (757,781)	\$ (109,200)	\$ (305,034)	\$ 46,221	\$ 20,775	\$ (519,743)	\$ 13,581	\$ 40,668	\$ 67,711	\$ (231,160)
Loss ratio										
Attritional - current year	59.1%	60.8%	63.4%	55.9%	59.1%	57.9%	63.6%	60.8%	59.0%	59.5%
Attritional - prior year	0.1%	-0.4%	0.2%	0.4%	-0.2%	-0.1%	1.4%	-2.1%	-0.9%	0.1%
Catastrophes	31.7%	14.5%	37.8%	12.7%	11.8%	65.8%	5.6%	9.0%	7.0%	38.2%
Asbestos & environmental	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Total loss ratio	90.9%	74.9%	101.4%	69.0%	70.8%	123.6%	70.6%	67.7%	65.1%	97.8%
Commission and brokerage ratio	23.2%	23.7%	24.7%	21.8%	22.8%	23.4%	24.0%	23.8%	23.9%	22.9%
Other underwriting expenses	4.4%	4.2%	4.2%	4.8%	4.4%	4.4%	4.1%	4.4%	4.2%	4.2%
Combined ratio	118.5%	102.8%	130.3%	95.6%	98.0%	151.4%	98.7%	95.9%	93.2%	124.9%

(Some amounts may not reconcile due to rounding.)

Beginning in the third quarter of 2011, the Specialty segment is no longer being reported as a separate segment. The businesses which were included within the Specialty segment previously - A&H Primary, A&H Reinsurance, Surety, and Marine & Aviation - have been reclassified within other reporting segments. The A&H primary business, which has increased significantly recently, has been reclassified as part of the Insurance segment. The A&H Reinsurance, Surety and Marine & Aviation businesses, which have declined recently, have been reclassified as part of the U.S. Reinsurance segment. These changes to the reporting segments have been made to better reflect the aggregation of similar businesses and to better reflect how management monitors its businesses. The segment results presented within this document have been restated for all prior reporting periods to reflect the changes in segment classification.

EVEREST RE GROUP, LTD.

Segment Results (cont.)

(Dollars in thousands)

(unaudited)

TOTAL INSURANCE

	Twelve Months Ended		Three Months Ended							
	December 31, 2011	December 31, 2010	December 31, 2011	September 30, 2011	June 30, 2011	March 31, 2011	December 31, 2010	September 30, 2010	June 30, 2010	March 31, 2010
Gross written premiums	\$ 975,639	\$ 865,371	\$ 225,356	\$ 236,294	\$ 242,528	\$ 271,461	\$ 214,923	\$ 214,701	\$ 205,813	\$ 229,934
Net written premiums	820,519	620,301	172,555	203,395	213,304	231,265	157,720	141,495	142,406	178,680
Premiums earned	\$ 821,159	\$ 641,108	\$ 179,278	\$ 216,220	\$ 212,037	\$ 213,624	\$ 162,553	\$ 158,840	\$ 156,194	\$ 163,521
Incurred losses and LAE										
Attritional - current year	641,394	499,997	162,284	168,102	151,795	159,213	147,171	122,750	113,599	116,477
Attritional - prior year	61,685	36,756	36,685	25,000	-	-	30,151	4,400	5,537	(3,332)
Catastrophes	2,835	-	-	2,500	335	-	-	-	-	-
Asbestos & environmental	-	-	-	-	-	-	-	-	-	-
Total incurred losses and LAE	705,914	536,753	198,969	195,602	152,130	159,213	177,322	127,150	119,136	113,145
Commission and brokerage	137,653	120,785	31,628	38,582	32,879	34,564	29,282	29,986	29,521	31,997
Other underwriting expenses	89,501	69,676	20,912	24,316	22,401	21,872	17,341	19,479	16,279	16,577
Underwriting gain (loss)	\$ (111,909)	\$ (86,106)	\$ (72,231)	\$ (42,280)	\$ 4,627	\$ (2,025)	\$ (61,392)	\$ (17,775)	\$ (8,742)	\$ 1,802
Loss ratio										
Attritional - current year	78.2%	78.0%	90.5%	77.7%	71.5%	74.5%	90.6%	77.2%	72.8%	71.2%
Attritional - prior year	7.5%	5.7%	20.5%	11.6%	0.0%	0.0%	18.5%	2.8%	3.5%	-2.0%
Catastrophes	0.3%	0.0%	0.0%	1.2%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%
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	86.0%	83.7%	111.0%	90.5%	71.7%	74.5%	109.1%	80.0%	76.3%	69.2%
Commission and brokerage ratio	16.8%	18.8%	17.6%	17.8%	15.5%	16.2%	18.0%	18.9%	18.9%	19.6%
Other underwriting expense ratio	10.8%	10.9%	11.7%	11.3%	10.6%	10.2%	10.7%	12.3%	10.4%	10.1%
Combined ratio	113.6%	113.4%	140.3%	119.6%	97.8%	100.9%	137.8%	111.2%	105.6%	98.9%

(Some amounts may not reconcile due to rounding.)

EVEREST RE GROUP, LTD.

Segment Results (cont.)

(Dollars in thousands)

(unaudited)

TOTAL REINSURANCE

	Twelve Months Ended		Three Months Ended							
	December 31, 2011	December 31, 2010	December 31, 2011	September 30, 2011	June 30, 2011	March 31, 2011	December 31, 2010	September 30, 2010	June 30, 2010	March 31, 2010
Gross written premiums	\$ 3,310,535	\$ 3,335,348	\$ 879,518	\$ 892,212	\$ 745,337	\$ 793,468	\$ 787,677	\$ 948,890	\$ 807,696	\$ 791,085
Net written premiums	3,288,380	3,325,277	870,549	887,395	741,817	788,619	784,410	943,730	806,564	790,573
Premiums earned	\$ 3,280,188	\$ 3,293,517	\$ 826,450	\$ 828,118	\$ 827,798	\$ 797,822	\$ 857,606	\$ 838,425	\$ 833,705	\$ 763,781
Incurred losses and LAE										
Attritional - current year	1,780,699	1,890,093	475,185	416,008	462,601	426,905	501,334	483,161	470,447	435,151
Attritional - prior year	(58,758)	(52,203)	(34,309)	(20,686)	(2,371)	(1,392)	(15,799)	(25,201)	(15,316)	4,113
Catastrophes	1,297,585	571,069	380,083	129,787	122,665	665,050	57,264	89,677	69,681	354,447
Asbestos & environmental	764	-	-	-	764	-	-	-	-	-
Total incurred losses and LAE	3,020,290	2,408,959	820,959	525,109	583,659	1,090,563	542,799	547,637	524,812	793,711
Commission and brokerage	812,868	811,070	217,093	189,387	204,495	201,893	215,945	207,487	206,972	180,665
Other underwriting expenses	92,902	96,582	21,201	25,121	23,496	23,084	23,889	24,858	25,468	22,367
Underwriting gain (loss)	\$ (645,872)	\$ (23,094)	\$ (232,803)	\$ 88,501	\$ 16,148	\$ (517,718)	\$ 74,973	\$ 58,443	\$ 76,453	\$ (232,962)
Loss ratio										
Attritional - current year	54.3%	57.4%	57.5%	50.2%	55.8%	53.5%	58.4%	57.6%	56.3%	57.0%
Attritional - prior year	-1.8%	-1.6%	-4.2%	-2.5%	-0.3%	-0.2%	-1.8%	-3.0%	-1.8%	0.5%
Catastrophes	39.6%	17.3%	46.0%	15.7%	14.9%	83.4%	6.7%	10.7%	8.4%	46.4%
Asbestos & environmental	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Total loss ratio	92.1%	73.1%	99.3%	63.4%	70.5%	136.7%	63.3%	65.3%	62.9%	103.9%
Commission and brokerage ratio	24.8%	24.6%	26.3%	22.9%	24.7%	25.3%	25.2%	24.7%	24.8%	23.7%
Other underwriting expense ratio	2.8%	3.0%	2.6%	3.0%	2.8%	2.9%	2.8%	3.0%	3.1%	2.9%
Combined ratio	119.7%	100.7%	128.2%	89.3%	98.0%	164.9%	91.3%	93.0%	90.8%	130.5%

(Some amounts may not reconcile due to rounding.)

EVEREST RE GROUP, LTD.

Segment Results (cont.)

(Dollars in thousands)

(unaudited)

U.S. REINSURANCE

	Twelve Months Ended		Three Months Ended							
	December 31, 2011	December 31, 2010	December 31, 2011	September 30, 2011	June 30, 2011	March 31, 2011	December 31, 2010	September 30, 2010	June 30, 2010	March 31, 2010
Gross written premiums	\$ 1,346,830	\$ 1,395,433	\$ 399,675	\$ 360,833	\$ 280,231	\$ 306,091	\$ 318,819	\$ 435,218	\$ 333,198	\$ 308,198
Net written premiums	1,344,273	1,392,637	399,000	360,331	279,388	305,554	318,464	434,337	332,147	307,689
Premiums earned	\$ 1,312,713	\$ 1,386,951	\$ 359,254	\$ 326,824	\$ 307,584	\$ 319,051	\$ 376,411	\$ 353,245	\$ 354,829	\$ 302,466
Incurred losses and LAE										
Attritional - current year	720,295	796,534	217,681	163,756	171,628	167,230	216,292	207,008	207,376	165,858
Attritional - prior year	41,006	63,690	42,397	(2,450)	1,344	(285)	56,748	1,143	5,645	154
Catastrophes	272,840	40,714	62,019	32,580	63,248	114,993	17,869	(4,669)	(4,933)	32,447
Asbestos & environmental	(30)	-	(30)	-	-	-	-	-	-	-
Total incurred losses and LAE	1,034,111	900,938	322,067	193,886	236,220	281,938	290,909	203,482	208,088	198,459
Commission and brokerage	327,845	351,559	96,359	71,131	77,488	82,867	103,728	86,288	87,739	73,803
Other underwriting expenses	39,290	42,510	8,669	10,843	9,872	9,906	9,893	11,076	11,784	9,757
Underwriting gain (loss)	\$ (88,533)	\$ 91,944	\$ (67,841)	\$ 50,964	\$ (15,996)	\$ (55,660)	\$ (28,119)	\$ 52,399	\$ 47,218	\$ 20,447
Loss ratio										
Attritional - current year	54.9%	57.4%	60.5%	50.0%	55.8%	52.4%	57.5%	58.6%	58.4%	54.7%
Attritional - prior year	3.1%	4.6%	11.8%	-0.7%	0.4%	-0.1%	15.1%	0.3%	1.6%	0.1%
Catastrophes	20.8%	3.0%	17.3%	10.0%	20.6%	36.0%	4.7%	-1.3%	-1.4%	10.8%
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	78.8%	65.0%	89.6%	59.3%	76.8%	88.3%	77.3%	57.6%	58.6%	65.6%
Commission and brokerage ratio	25.0%	25.3%	26.8%	21.8%	25.2%	26.0%	27.6%	24.4%	24.7%	24.4%
Other underwriting expense ratio	2.9%	3.1%	2.5%	3.3%	3.2%	3.1%	2.6%	3.2%	3.4%	3.2%
Combined ratio	106.7%	93.4%	118.9%	84.4%	105.2%	117.4%	107.5%	85.2%	86.7%	93.2%

(Some amounts may not reconcile due to rounding.)

EVEREST RE GROUP, LTD.

Segment Results (cont.)

(Dollars in thousands)

(unaudited)

INTERNATIONAL (reinsurance)

	Twelve Months Ended		Three Months Ended							
	December 31, 2011	December 31, 2010	December 31, 2011	September 30, 2011	June 30, 2011	March 31, 2011	December 31, 2010	September 30, 2010	June 30, 2010	March 31, 2010
Gross written premiums	\$ 1,238,444	\$ 1,206,953	\$ 314,795	\$ 326,053	\$ 288,749	\$ 308,847	\$ 300,864	\$ 323,741	\$ 306,998	\$ 275,350
Net written premiums	1,218,561	1,199,594	306,416	321,601	286,043	304,501	297,917	319,405	306,960	275,312
Premiums earned	\$ 1,244,492	\$ 1,168,130	\$ 310,305	\$ 300,692	\$ 317,160	\$ 316,335	\$ 298,299	\$ 301,267	\$ 291,964	\$ 276,600
Incurred losses and LAE										
Attritional - current year	640,281	647,689	167,611	138,644	168,825	165,201	159,876	172,350	153,478	161,985
Attritional - prior year	(108,202)	(41,917)	(78,175)	(20,017)	(5,013)	(4,997)	(11,121)	(24,797)	(5,764)	(235)
Catastrophes	840,230	444,307	287,052	50,848	57,806	444,524	26,247	75,807	76,413	265,840
Asbestos & environmental	-	-	-	-	-	-	-	-	-	-
Total incurred losses and LAE	1,372,309	1,050,079	376,488	169,475	221,618	604,728	175,002	223,360	224,127	427,590
Commission and brokerage	310,992	288,423	80,548	78,228	73,786	78,430	67,068	78,574	77,846	64,935
Other underwriting expenses	27,307	27,646	6,369	7,549	6,950	6,439	7,283	6,675	7,308	6,380
Underwriting gain (loss)	\$ (466,116)	\$ (198,018)	\$ (153,100)	\$ 45,440	\$ 14,806	\$ (373,262)	\$ 48,946	\$ (7,342)	\$ (17,317)	\$ (222,305)
Loss ratio										
Attritional - current year	51.5%	55.5%	54.0%	46.2%	53.3%	52.3%	53.6%	57.1%	52.6%	58.6%
Attritional - prior year	-8.7%	-3.6%	-25.2%	-6.7%	-1.6%	-1.6%	-3.7%	-8.2%	-2.0%	-0.1%
Catastrophes	67.5%	38.0%	92.5%	16.9%	18.2%	140.5%	8.8%	25.2%	26.2%	96.1%
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	110.3%	89.9%	121.3%	56.4%	69.9%	191.2%	58.7%	74.1%	76.8%	154.6%
Commission and brokerage ratio	25.0%	24.7%	26.0%	26.0%	23.3%	24.8%	22.5%	26.1%	26.7%	23.5%
Other underwriting expense ratio	2.2%	2.4%	2.0%	2.5%	2.1%	2.0%	2.4%	2.2%	2.4%	2.3%
Combined ratio	137.5%	117.0%	149.3%	84.9%	95.3%	218.0%	83.6%	102.4%	105.9%	180.4%

(Some amounts may not reconcile due to rounding.)

EVEREST RE GROUP, LTD.

Segment Results (cont.)

(Dollars in thousands)

(unaudited)

BERMUDA (reinsurance)

	Twelve Months Ended		Three Months Ended							
	December 31, 2011	December 31, 2010	December 31, 2011	September 30, 2011	June 30, 2011	March 31, 2011	December 31, 2010	September 30, 2010	June 30, 2010	March 31, 2010
Gross written premiums	\$ 725,261	\$ 732,962	\$ 165,048	\$ 205,326	\$ 176,357	\$ 178,530	\$ 167,994	\$ 189,931	\$ 167,500	\$ 207,537
Net written premiums	725,546	733,046	165,133	205,463	176,386	178,564	168,029	189,988	167,457	207,572
Premiums earned	\$ 722,983	\$ 738,436	\$ 156,891	\$ 200,602	\$ 203,054	\$ 162,436	\$ 182,896	\$ 183,913	\$ 186,912	\$ 184,715
Incurred losses and LAE										
Attritional - current year	420,123	445,870	89,893	113,608	122,148	94,474	125,166	103,803	109,593	107,308
Attritional - prior year	8,438	(73,976)	1,469	1,781	1,298	3,890	(61,426)	(1,547)	(15,197)	4,194
Catastrophes	184,515	86,048	31,012	46,359	1,611	105,533	13,148	18,539	(1,799)	56,160
Asbestos & environmental	794	-	30	-	764	-	-	-	-	-
Total incurred losses and LAE	613,870	457,942	122,404	161,748	125,821	203,897	76,888	120,795	92,597	167,662
Commission and brokerage	174,031	171,088	40,186	40,028	53,221	40,596	45,149	42,625	41,387	41,927
Other underwriting expenses	26,305	26,426	6,163	6,729	6,674	6,739	6,713	7,107	6,376	6,230
Underwriting gain (loss)	\$ (91,223)	\$ 82,980	\$ (11,862)	\$ (7,903)	\$ 17,338	\$ (88,796)	\$ 54,146	\$ 13,386	\$ 46,552	\$ (31,104)
Loss ratio										
Attritional - current year	58.0%	60.3%	57.4%	56.6%	60.2%	58.2%	68.4%	56.4%	58.6%	58.1%
Attritional - prior year	1.2%	-10.0%	0.9%	0.9%	0.6%	2.4%	-33.6%	-0.8%	-8.1%	2.3%
Catastrophes	25.6%	11.7%	19.7%	23.1%	0.8%	64.9%	7.2%	10.1%	-1.0%	30.4%
Asbestos & environmental	0.1%	0.0%	0.0%	0.0%	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%
Total loss ratio	84.9%	62.0%	78.0%	80.6%	62.0%	125.5%	42.0%	65.7%	49.5%	90.8%
Commission and brokerage ratio	24.1%	23.2%	25.6%	20.0%	26.2%	25.0%	24.7%	23.2%	22.1%	22.7%
Other underwriting expense ratio	3.6%	3.6%	4.0%	3.3%	3.3%	4.2%	3.7%	3.8%	3.5%	3.3%
Combined ratio	112.6%	88.8%	107.6%	103.9%	91.5%	154.7%	70.4%	92.7%	75.1%	116.8%

(Some amounts may not reconcile due to rounding.)

EVEREST RE GROUP, LTD.
Supplemental Investment Portfolio Analysis

(Dollars in thousands)
(unaudited)

INVESTMENTS AND CASH

	At December 31, 2011			At December 31, 2010		
	Market Value	Cost/ Amortized Cost	Pre-tax Unrealized Gains/(Losses)	Market Value	Cost/ Amortized Cost	Pre-tax Unrealized Gains/(Losses)
Investments and cash:						
Fixed maturities-available for sale, at market value	\$ 12,293,524	\$ 11,731,173	\$ 562,351	\$ 12,450,469	\$ 12,011,336	\$ 439,133
Fixed maturities-available for sale, at fair value	113,606	113,606	-	180,482	180,482	-
Equity securities-available for sale, at market value	448,930	463,620	(14,690)	363,736	363,283	453
Equity securities-available for sale, at fair value	1,249,106	1,249,106	-	721,449	721,449	-
Other invested assets	558,232	558,232	-	605,196	603,681	1,515
Short-term investments	685,332	685,332	-	785,279	785,279	-
Cash	448,651	448,651	-	258,408	258,408	-
Total	\$ 15,797,381	\$ 15,249,720	\$ 547,661	\$ 15,365,019	\$ 14,923,918	\$ 441,101

FIXED INCOME AND CASH

Fixed income investments and cash:

	Market Value	% of Total	Market Value	% of Total
Fixed maturities-available for sale, at market value	\$ 12,293,524	90.8%	\$ 12,450,469	91.1%
Fixed maturities-available for sale, at fair value	113,606	0.8%	180,482	1.3%
Short-term investments	685,332	5.1%	785,279	5.7%
Cash	448,651	3.3%	258,408	1.9%
Total	\$ 13,541,113	100.0%	\$ 13,674,638	100.0%

Investment Sectors:

	At December 31, 2011			At December 31, 2010		
	Market Value	% of Total	Pre-tax Unrealized Gains/(Losses)	Market Value	% of Total	Pre-tax Unrealized Gains/(Losses)
Treasury	\$ 300,634	2.2%	\$ 16,120	\$ 401,807	3.0%	\$ 7,117
Agency	21,007	0.2%	1,100	27,168	0.2%	1,691
Corporate	3,707,040	27.4%	169,760	3,111,621	22.8%	150,478
Mortgage-backed securities						
Agency	2,282,593	16.8%	83,656	2,093,282	15.3%	74,899
Non-agency residential	43,816	0.3%	(107)	57,560	0.4%	142
Alt.-A	9,273	0.1%	(169)	18,181	0.1%	(661)
Commercial	321,427	2.4%	11,040	337,219	2.5%	12,297
Asset-backed securities						
Other	191,745	1.4%	6,588	216,311	1.6%	7,133
Subprime	1,661	0.0%	(118)	1,990	0.0%	451
Municipal	1,660,905	12.3%	102,290	2,901,505	21.2%	91,991
Non-US	3,867,029	28.5%	172,191	3,464,307	25.3%	93,595
Cash & short-term investments	1,133,983	8.4%	-	1,043,687	7.6%	-
Total	\$ 13,541,113	100.0%	\$ 562,351	\$ 13,674,638	100.0%	\$ 439,133

Credit Quality:

	Market Value	% of Total	Market Value	% of Total
AAA	\$ 3,693,582	27.3%	\$ 6,336,787	46.3%
AA	4,866,695	35.9%	2,717,742	19.9%
A	2,446,502	18.1%	2,660,366	19.5%
BBB	1,267,964	9.4%	1,224,163	9.0%
BB	708,847	5.2%	401,499	2.9%
B	492,303	3.6%	260,460	1.9%
Other	65,220	0.5%	73,621	0.5%
Total	\$ 13,541,113	100.0%	\$ 13,674,638	100.0%

EVEREST RE GROUP, LTD.

Supplemental Investment Portfolio Analysis (cont.)

(Dollars in thousands)

(unaudited)

FIXED INCOME AND CASH (cont.)

	<u>December 31, 2011</u>	
	<u>Market Value</u>	<u>Unrealized Gain / (Loss)</u>
Top 20 Largest Corporate Fixed Income Positions:		
European Investment Bank	\$ 102,733	\$ 2,382
JPMorgan Chase & Co.	81,798	4,669
Kredit Fuer Wiederaufbau	76,516	2,649
General Electric Capital Corporation	75,561	4,066
ConocoPhillips	57,700	6,144
PNC Financial Services Group, Inc.	57,335	3,563
National Australia Bank Limited	54,488	1,630
Credit Suisse Group	51,689	1,596
MetLife, Inc.	51,630	1,376
The Goldman Sachs Group, Inc.	50,841	(1,779)
Caterpillar Financial Services Corporation	47,343	3,713
Morgan Stanley	44,370	(1,284)
Barclays Bank PLC	43,900	92
Bank Nederlandse Gemeenten	43,372	237
Verizon Communications, Inc.	42,609	4,742
Bank of New York Mellon Corporation	42,474	1,852
Wal-Mart Stores, Inc.	42,218	3,343
Australia and New Zealand Banking Group Limited	41,289	(274)
The Toronto-Dominion Bank	38,885	3,308
U.S. Bancorp	38,140	1,714
Total	<u>\$ 1,084,891</u>	<u>\$ 43,739</u>

	<u>December 31, 2010</u>	
	<u>Market Value</u>	<u>Unrealized Gain / (Loss)</u>
Top 20 Largest Corporate Fixed Income Positions:		
JPMorgan Chase & Co.	\$ 81,159	\$ 4,954
European Investment Bank	74,726	982
PNC Financial Services Group, Inc.	62,159	4,382
Credit Suisse Group	62,077	3,730
AT&T, Inc.	58,808	2,997
General Electric Capital Corporation	57,084	2,192
Kredit Fuer Wiederaufbau	56,777	(436)
ConocoPhillips	56,272	4,437
Citigroup, Inc.	46,589	2,499
Bank Nederlandse Gemeenten	45,388	(1,323)
The Goldman Sachs Group, Inc.	44,724	517
US Bancorp	44,331	1,774
Bank of America Corporation	43,762	(3,531)
Wal-Mart Stores, Inc.	43,690	1,095
MetLife, Inc.	40,975	712
Bank of New York Mellon Corporation	40,069	1,505
Network Rail	38,403	(1,899)
Barclays Bank PLC	37,981	680
Wells Fargo & Company	37,769	2,378
Merck & Company, Inc.	37,491	876
Total	<u>\$ 1,010,234</u>	<u>\$ 28,521</u>

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

(Dollars in thousands)

(unaudited)

EQUITIES AT FAIR VALUE

	December 31, 2011
<u>Top 20 Largest Equity Positions:</u>	<u>Fair Value</u>
Chevron Corporation	\$ 30,809
AT&T, Inc.	26,668
Pfizer, Inc.	26,023
E.I. du Pont de Nemours and Company	22,244
ConocoPhillips	22,221
Wells Fargo & Company	22,169
Johnson & Johnson	21,687
Xcel Energy, Inc.	21,369
The Home Depot, Inc.	19,540
Exxon Mobil Corporation	18,961
Kimberly-Clark Corporation	18,520
Merck & Company, Inc.	18,477
Kinder Morgan Energy Partners, LP	17,948
Lowe's Companies, Inc.	17,088
Kraft Foods, Inc.	15,268
Automatic Data Processing, Inc.	15,107
Marsh & McLennan Companies, Inc.	15,068
Verizon Communications, Inc.	15,028
General Electric Company	14,136
Eaton Corporation	12,571
Total	<u>\$ 390,902</u>

	December 31, 2010
<u>Top 20 Largest Equity Positions:</u>	<u>Fair Value</u>
Chevron Corporation	\$ 25,641
AT&T, Inc.	18,674
Pfizer, Inc.	17,492
E.I. du Pont de Nemours and Company	16,430
Automatic Data Processing, Inc.	16,291
ConocoPhillips	15,636
Xcel Energy, Inc.	14,898
Waste Management, Inc.	14,586
The Home Depot, Inc.	13,989
Johnson & Johnson	13,830
Exxon Mobil Corporation	13,564
General Electric Company	13,096
Wells Fargo & Company	12,814
JPMorgan Chase & Co.	12,641
3M Company	12,626
Merck & Company, Inc.	12,459
Marsh & McLennan Companies, Inc.	12,147
Occidental Petroleum Corporation	12,145
Marathon Oil Corporation	11,213
Kraft Foods, Inc.	11,060
Total	<u>\$ 291,232</u>

EVEREST RE GROUP, LTD.

Supplemental Investment Income and Realized Capital Gains (Losses)

(Dollars in thousands)

(unaudited)

	Twelve Months Ended		Three Months Ended							
	December 31, 2011	December 31, 2010	December 31, 2011	September 30, 2011	June 30, 2011	March 31, 2011	December 31, 2010	September 30, 2010	June 30, 2010	March 31, 2010
NET INVESTMENT INCOME										
Fixed maturities	\$ 521,991	\$ 581,870	\$ 124,787	\$ 131,680	\$ 132,668	\$ 132,856	\$ 143,853	\$ 143,801	\$ 149,017	\$ 145,199
Equity securities	57,573	12,200	16,760	15,794	13,156	11,863	4,058	2,763	2,856	2,523
Short-term investments and cash	1,281	151	239	366	439	237	177	364	(82)	(308)
Other invested assets										
Limited partnerships	56,851	70,740	(9,849)	15,725	14,344	36,631	40,339	(1,108)	15,611	15,898
Other	2,741	1,274	(462)	(1,520)	4,126	597	389	183	330	372
Total gross investment income	640,437	666,235	131,475	162,045	164,733	182,184	188,816	146,003	167,732	163,684
Interest (debited) credited on funds held	(2,349)	(2,694)	(1,715)	(958)	955	(631)	(668)	688	(1,269)	(1,445)
Interest (debited) credited to future policy benefit reserves	2,998	3,084	1,815	476	637	70	1,252	626	585	621
Other investment expenses	19,747	12,382	5,122	6,062	4,523	4,040	3,367	3,321	2,685	3,009
Total investment expenses	20,396	12,772	5,222	5,580	6,115	3,479	3,951	4,635	2,001	2,185
Total net investment income	\$ 620,041	\$ 653,463	\$ 126,253	\$ 156,465	\$ 158,618	\$ 178,705	\$ 184,865	\$ 141,368	\$ 165,731	\$ 161,499

	Twelve Months Ended		Three Months Ended							
	December 31, 2011	December 31, 2010	December 31, 2011	September 30, 2011	June 30, 2011	March 31, 2011	December 31, 2010	September 30, 2010	June 30, 2010	March 31, 2010
NET REALIZED CAPITAL GAINS (LOSSES)										
Fixed maturities	\$ (12,268)	\$ 40,382	\$ 5,231	\$ 17,360	\$ (5,079)	\$ (29,780)	\$ (9,604)	\$ (1,526)	\$ (4,577)	\$ 56,089
Equity securities	19,189	61,521	132,051	(155,032)	235	41,935	42,194	39,823	(37,124)	16,628
Other invested assets	-	-	-	-	-	-	-	-	-	-
Short-term investments	2	8	1	1	(1)	1	1	(2)	8	1
Total net realized capital gains (losses)	\$ 6,923	\$ 101,911	\$ 137,283	\$ (137,671)	\$ (4,845)	\$ 12,156	\$ 32,591	\$ 38,295	\$ (41,693)	\$ 72,718

EVEREST RE GROUP, LTD.
Supplemental Investment Portfolio Analysis

(Dollars in thousands)
(unaudited)

BREAKOUT OF FOREIGN CORPORATE, SOVEREIGN AND SUPRANATIONAL

FIXED INCOME SECURITIES BY COUNTRY

	At December 31, 2011				
	Foreign Banks	Foreign Corporate	Sovereign	Supranational	Grand Total
Asia	\$ 146,538	\$ 107,074	\$ 236,951	\$ -	\$ 490,563
Canada	159,070	298,406	668,102	-	1,125,578
Europe	484,449	499,267	756,833	-	1,740,549
Europe (distressed) ⁽¹⁾	8,723	57,012	-	-	65,735
Latin America	15,336	106,541	48,306	-	170,183
Other Countries	6,799	24,337	4,092	239,194	274,422
Total	\$ 820,915	\$ 1,092,637	\$ 1,714,284	\$ 239,194	\$ 3,867,030

⁽¹⁾ Europe (distressed) encompasses Portugal, Italy, Ireland, Greece and Spain.