

Everest Re Group, Ltd.

Financial Supplement

September 30, 2012



EVEREST[®]

EVEREST RE GROUP, LTD.
Supplemental GAAP Operating Information

(Dollars in thousands, except per share amounts)

(unaudited)

	Nine Months Ended		Three Months Ended							
	September 30, 2012	September 30, 2011	September 30, 2012	June 30, 2012	March 31, 2012	December 31, 2011	September 30, 2011	June 30, 2011	March 31, 2011	December 31, 2010
PRODUCTION INFORMATION:										
Gross written premiums	\$ 3,159,481	\$ 3,181,300	\$ 1,203,997	\$ 909,018	\$ 1,046,466	\$ 1,104,874	\$ 1,128,506	\$ 987,865	\$ 1,064,929	\$ 1,002,600
Net written premiums	2,971,995	3,065,795	1,100,452	856,681	1,014,862	1,043,104	1,090,790	955,121	1,019,884	942,130
Net premiums earned	3,045,232	3,095,619	1,009,454	1,037,800	997,978	1,005,728	1,044,338	1,039,835	1,011,446	1,020,159
INVESTMENT INCOME:										
Pre-tax investment income	\$ 453,791	\$ 493,788	\$ 152,024	\$ 149,329	\$ 152,438	\$ 126,253	\$ 156,465	\$ 158,618	\$ 178,705	\$ 184,865
Effective tax rate	15.0%	13.7%	15.0%	14.3%	15.6%	13.6%	13.6%	14.7%	12.9%	14.2%
After-tax investment income	\$ 385,853	\$ 426,022	\$ 129,162	\$ 128,040	\$ 128,651	\$ 109,128	\$ 135,123	\$ 135,314	\$ 155,585	\$ 158,677
Net pre-tax yield - amortized cost	3.9%	4.4%	4.0%	3.9%	4.0%	3.3%	4.1%	4.2%	4.8%	5.0%
Net after-tax yield - amortized cost	3.4%	3.8%	3.4%	3.4%	3.4%	2.9%	3.6%	3.6%	4.2%	4.3%
CATASTROPHE INFORMATION:										
Net pre-tax catastrophe losses ⁽¹⁾	\$ 71,048	\$ 866,874	\$ 23,633	\$ 21,807	\$ 25,608	\$ 370,732	\$ 119,386	\$ 112,992	\$ 634,496	\$ 52,600
After-tax effect of catastrophe losses on earnings per basic common share	(1.16)	(13.15)	(0.40)	(0.35)	(0.41)	(4.58)	(1.71)	(1.66)	(9.77)	(0.78)
After-tax effect of catastrophe losses on earnings per diluted common share	(1.16)	(13.15)	(0.39)	(0.35)	(0.41)	(4.57)	(1.71)	(1.65)	(9.77)	(0.77)
EFFECTIVE TAX RATE ON:										
Net income (loss)	14.6%	-36.5%	21.4%	10.4%	11.1%	-196.6%	-571.6%	6.8%	-7.5%	-28.1%
Net realized capital gains (losses)	33.3%	-39.7%	35.7%	-49.0%	34.4%	33.2%	-39.3%	-45.1%	36.9%	-37.1%
Operating income	11.0%	-29.8%	17.9%	12.9%	1.7%	-71.8%	0.3%	8.0%	-8.6%	-26.6%
AFTER-TAX EARNINGS:										
Net income (loss)	\$ 770,177	\$ (121,528)	\$ 250,922	\$ 214,551	\$ 304,704	\$ 41,042	\$ 63,054	\$ 131,312	\$ (315,894)	\$ 302,533
Per basic common share	14.66	(2.24)	4.84	4.10	5.70	0.76	1.16	2.42	(5.81)	5.53
Per diluted common share	14.61	(2.24)	4.82	4.08	5.68	0.76	1.16	2.41	(5.81)	5.51
Net realized capital gains (losses)	96,665	(78,612)	40,351	(8,462)	64,776	91,726	(83,619)	(2,661)	7,668	44,695
Per basic common share	1.84	(1.45)	0.78	(0.16)	1.21	1.71	(1.54)	(0.05)	0.14	0.82
Per diluted common share	1.83	(1.45)	0.78	(0.16)	1.21	1.70	(1.54)	(0.05)	0.14	0.81
Operating income, excl. net realized capital gains (losses) ⁽²⁾	673,512	(42,916)	210,571	223,013	239,928	(50,684)	146,673	133,971	(323,562)	257,838
Per basic common share	12.82	(0.79)	4.06	4.26	4.49	(0.94)	2.71	2.47	(5.95)	4.71
Per diluted common share	12.78	(0.79)	4.05	4.25	4.48	(0.94)	2.70	2.46	(5.95)	4.70

(Some amounts may not reconcile due to rounding.)

EVEREST RE GROUP, LTD.

Supplemental GAAP Operating Information (cont.)

(Dollars in thousands, except per share amounts)

(unaudited)

	Nine Months Ended		Three Months Ended							
	September 30, 2012	September 30, 2011	September 30, 2012	June 30, 2012	March 31, 2012	December 31, 2011	September 30, 2011	June 30, 2011	March 31, 2011	December 31, 2010
COMBINED RATIO:										
Loss ratio	59.6%	87.4%	59.8%	58.6%	60.4%	101.4%	69.0%	70.8%	123.6%	70.6%
Commission and brokerage ratio	23.8%	22.7%	21.9%	25.6%	23.8%	24.7%	21.8%	22.8%	23.4%	24.0%
Other underwriting expense ratio	5.0%	4.5%	5.5%	4.8%	4.8%	4.2%	4.8%	4.4%	4.4%	4.1%
Combined ratio	88.4%	114.6%	87.2%	89.0%	89.0%	130.3%	95.6%	98.0%	151.4%	98.7%
CASH FLOW INFORMATION:										
Cash flow provided by operations	\$ 479,436	\$ 546,656	\$ 174,926	\$ 138,772	\$ 165,738	\$ 112,864	\$ 207,910	\$ 150,640	\$ 188,106	\$ 127,862
Paid losses, net	2,170,180	2,050,525	741,973	688,702	739,505	768,312	758,425	599,435	692,665	765,342
Paid cats, net	426,609	391,555	140,755	121,948	163,906	167,615	204,889	73,106	113,560	98,813
Paid (recovered) asbestos and environmental losses, net	42,398	37,666	12,891	16,811	12,696	15,844	9,913	9,503	18,250	21,682
Taxes paid (recovered)	54,463	(5,919)	30,662	12,617	11,184	(38,618)	6,627	(24,470)	11,924	5,737
RETURN ON EQUITY:										
Beginning of period shareholders' equity	\$ 6,071,375	\$ 6,283,517	\$ 6,417,351	\$ 6,330,998	\$ 6,071,375	\$ 6,091,841	\$ 6,152,558	\$ 5,914,170	\$ 6,283,517	\$ 6,281,620
Net unrealized depreciation (appreciation) of investments	(449,580)	(369,439)	(527,900)	(529,949)	(449,580)	(421,631)	(456,587)	(344,949)	(369,439)	(621,761)
Adjusted beginning of period shareholders' equity	\$ 5,621,795	\$ 5,914,078	\$ 5,889,451	\$ 5,801,049	\$ 5,621,795	\$ 5,670,210	\$ 5,695,971	\$ 5,569,221	\$ 5,914,078	\$ 5,659,859
End of period shareholders' equity	\$ 6,785,372	\$ 6,091,841	\$ 6,785,372	\$ 6,417,351	\$ 6,330,998	\$ 6,071,375	\$ 6,091,841	\$ 6,152,558	\$ 5,914,170	\$ 6,283,517
Net unrealized depreciation (appreciation) of investments	(646,107)	(421,631)	(646,107)	(527,900)	(529,949)	(449,580)	(421,631)	(456,587)	(344,949)	(369,439)
Adjusted end of period shareholders' equity	\$ 6,139,265	\$ 5,670,210	\$ 6,139,265	\$ 5,889,451	\$ 5,801,049	\$ 5,621,795	\$ 5,670,210	\$ 5,695,971	\$ 5,569,221	\$ 5,914,078
Average adjusted shareholders' equity	\$ 5,880,530	\$ 5,792,144	\$ 6,014,358	\$ 5,845,250	\$ 5,711,422	\$ 5,646,003	\$ 5,683,091	\$ 5,632,596	\$ 5,741,650	\$ 5,786,969
After-tax operating income, excluding after-tax net realized capital gains (losses) ⁽²⁾	\$ 673,512	\$ (42,916)	\$ 210,571	\$ 223,013	\$ 239,928	\$ (50,684)	\$ 146,673	\$ 133,971	\$ (323,562)	\$ 257,838
After-tax net realized capital gains (losses)	96,665	(78,612)	40,351	(8,462)	64,776	91,726	(83,619)	(2,661)	7,668	44,695
Net income (loss)	\$ 770,177	\$ (121,528)	\$ 250,922	\$ 214,551	\$ 304,704	\$ 41,042	\$ 63,054	\$ 131,312	\$ (315,894)	\$ 302,533
Return on equity (annualized)										
After-tax operating income, excluding after-tax net realized capital gains (losses) ⁽²⁾	15.3%	-1.0%	14.0%	15.3%	16.8%	-3.6%	10.3%	9.5%	-22.5%	17.8%
After-tax net realized capital gains (losses)	2.2%	-1.8%	2.7%	-0.6%	4.5%	6.5%	5.4%	-0.2%	0.5%	3.1%
Net income (loss)	17.5%	-2.8%	16.7%	14.7%	21.3%	2.9%	4.4%	9.3%	-22.0%	20.9%

(Some amounts may not reconcile due to rounding.)

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

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

EVEREST RE GROUP, LTD.
Supplemental GAAP Balance Sheet Information

(Dollars in thousands, except per share amounts)

(unaudited)

	September 30, 2012	June 30, 2012	March 31, 2012	December 31, 2011	September 30, 2011	June 30, 2011	March 31, 2011	December 31, 2010
BALANCE SHEET HIGHLIGHTS:								
Total investments and cash	\$ 16,533,957	\$ 16,029,819	\$ 16,116,958	\$ 15,797,381	\$ 15,713,917	\$ 15,836,619	\$ 15,365,817	\$ 15,365,019
Total assets	19,667,473	18,903,251	19,165,400	18,893,555	18,705,838	18,976,395	18,766,755	18,384,198
Reserve for losses and loss adjustment expenses ("LAE") (gross)	9,847,174	9,890,827	10,029,343	10,123,215	9,979,984	10,145,655	9,969,189	9,340,183
Future policy benefit reserve	65,734	66,269	66,842	67,187	61,971	62,608	62,785	63,002
Revolving credit borrowings	-	-	-	-	-	40,000	40,000	50,000
5.4% Senior notes due 10/15/2014	249,894	249,882	249,870	249,858	249,847	249,835	249,824	249,812
6.6% Long term notes due 5/1/2067	238,356	238,355	238,355	238,354	238,353	238,352	238,352	238,351
Junior subordinated debt securities payable	329,897	329,897	329,897	329,897	329,897	329,897	329,897	329,897
Shareholders' equity	6,785,372	6,417,351	6,330,998	6,071,375	6,091,841	6,152,558	5,914,170	6,283,517
Common shares outstanding	51,708	51,857	52,625	53,736	53,789	54,346	54,224	54,428
Book value per common share outstanding	\$ 131.22	\$ 123.75	\$ 120.30	\$ 112.99	\$ 113.26	\$ 113.21	\$ 109.07	\$ 115.45
TOTAL LOSS RESERVES:								
Gross reserve for losses and LAE	\$ 9,847,174	\$ 9,890,827	\$ 10,029,343	\$ 10,123,215	\$ 9,979,984	\$ 10,145,655	\$ 9,969,189	\$ 9,340,183
Reinsurance receivables on unpaid losses	(612,139)	(596,480)	(581,721)	(580,998)	(585,541)	(690,140)	(696,088)	(689,445)
Net reserve for losses and LAE	\$ 9,235,035	\$ 9,294,347	\$ 9,447,622	\$ 9,542,217	\$ 9,394,443	\$ 9,455,515	\$ 9,273,101	\$ 8,650,738
ASBESTOS AND ENVIRONMENTAL LOSS RESERVES:								
Gross loss and LAE reserves	\$ 455,592	\$ 468,841	\$ 486,492	\$ 499,911	\$ 516,395	\$ 526,722	\$ 535,764	\$ 554,790
Net loss and LAE reserves	437,886	450,777	467,588	480,160	496,004	505,916	514,656	532,906
Net asbestos 3 year survival ratio	7.4	6.4	5.7	5.8	5.0	5.1	4.9	5.9
Net asbestos 3 year survival ratio excluding settlements in place	8.6	8.6	8.5	8.9	8.9	9.0	8.1	8.7
END OF PERIOD INVESTMENT PORTFOLIO INFORMATION:								
Pre-tax yield - net of expenses, amortized cost basis	3.6%	3.7%	3.7%	3.9%	3.9%	4.0%	3.9%	3.9%
After-tax yield - net of expenses, amortized cost basis	3.1%	3.2%	3.3%	3.4%	3.4%	3.5%	3.4%	3.5%
Modified duration of fixed income portfolio (in years)	2.9	2.9	3.0	3.0	3.1	3.5	3.7	3.8
Average credit quality	Aa3	Aa3	Aa3	Aa3	Aa3	Aa3	Aa3	Aa2
OPERATING LEVERAGE:								
Ratio of net written premiums to shareholders' equity (12 month rolling)	0.59 TO 1	0.62 TO 1	0.65 TO 1	0.68 TO 1	0.66 TO 1	0.65 TO 1	0.68 TO 1	0.63 TO 1
Ratio of net loss and LAE reserves to shareholders' equity	1.36 TO 1	1.45 TO 1	1.49 TO 1	1.57 TO 1	1.54 TO 1	1.54 TO 1	1.57 TO 1	1.38 TO 1

EVEREST RE GROUP, LTD.

Segment Results

(Dollars in thousands)

(unaudited)

TOTAL SEGMENTS

	Nine Months Ended		Three Months Ended							
	September 30, 2012	September 30, 2011	September 30, 2012	June 30, 2012	March 31, 2012	December 31, 2011	September 30, 2011	June 30, 2011	March 31, 2011	December 31, 2010
Gross written premiums	\$ 3,159,481	\$ 3,181,300	\$ 1,203,997	\$ 909,018	\$ 1,046,466	\$ 1,104,874	\$ 1,128,506	\$ 987,865	\$ 1,064,929	\$ 1,002,600
Net written premiums	2,971,995	3,065,795	1,100,452	856,681	1,014,862	1,043,104	1,090,790	955,121	1,019,884	942,130
Premiums earned	\$ 3,045,232	\$ 3,095,619	\$ 1,009,454	\$ 1,037,800	\$ 997,978	\$ 1,005,728	\$ 1,044,338	\$ 1,039,835	\$ 1,011,446	\$ 1,020,159
Incurred losses and LAE										
Attritional - current year	1,729,821	1,784,624	579,211	577,963	572,647	637,469	584,110	614,396	586,118	648,505
Attritional - prior year	(956)	551	(557)	(93)	(306)	2,376	4,314	(2,371)	(1,392)	14,352
Catastrophes	85,000	920,337	25,000	30,000	30,000	380,083	132,287	123,000	665,050	57,264
Asbestos & environmental	125	764	-	-	125	-	-	764	-	-
Total incurred losses and LAE	1,813,990	2,706,276	603,654	607,870	602,466	1,019,928	720,711	735,789	1,249,776	720,121
Commission and brokerage	724,374	701,800	221,082	265,789	237,503	248,721	227,969	237,374	236,457	245,227
Other underwriting expenses	153,932	140,290	55,762	49,675	48,495	42,113	49,437	45,897	44,956	41,230
Underwriting gain (loss)	\$ 352,936	\$ (452,747)	\$ 128,956	\$ 114,466	\$ 109,514	\$ (305,034)	\$ 46,221	\$ 20,775	\$ (519,743)	\$ 13,581
Loss ratio										
Attritional - current year	56.8%	57.6%	57.4%	55.7%	57.4%	63.4%	55.9%	59.1%	57.9%	63.6%
Attritional - prior year	0.0%	0.0%	-0.1%	0.0%	0.0%	0.2%	0.4%	-0.2%	-0.1%	1.4%
Catastrophes	2.8%	29.7%	2.5%	2.9%	3.0%	37.8%	12.7%	11.8%	65.8%	5.6%
Asbestos & environmental	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%
Total loss ratio	59.6%	87.4%	59.8%	58.6%	60.4%	101.4%	69.0%	70.8%	123.6%	70.6%
Commission and brokerage ratio	23.8%	22.7%	21.9%	25.6%	23.8%	24.7%	21.8%	22.8%	23.4%	24.0%
Other underwriting expenses	5.0%	4.5%	5.5%	4.8%	4.8%	4.2%	4.8%	4.4%	4.4%	4.1%
Combined ratio	88.4%	114.6%	87.2%	89.0%	89.0%	130.3%	95.6%	98.0%	151.4%	98.7%
Ratios excluding reinstatement premium impact										
Attritional loss ratio - current year	57.1%	58.7%	57.5%	56.1%	57.6%	64.0%	56.6%	59.7%	59.8%	63.9%
Attritional combined ratio	86.0%	86.3%	84.9%	86.8%	86.4%	93.2%	83.5%	87.2%	88.4%	92.1%

(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 REINSURANCE

	Nine Months Ended		Three Months Ended							
	September 30, 2012	September 30, 2011	September 30, 2012	June 30, 2012	March 31, 2012	December 31, 2011	September 30, 2011	June 30, 2011	March 31, 2011	December 31, 2010
Gross written premiums	\$ 2,357,954	\$ 2,431,017	\$ 869,466	\$ 653,760	\$ 834,728	\$ 879,518	\$ 892,212	\$ 745,337	\$ 793,468	\$ 787,677
Net written premiums	2,354,808	2,417,831	868,398	653,613	832,797	870,549	887,395	741,817	788,619	784,410
Premiums earned	\$ 2,434,546	\$ 2,453,738	\$ 790,935	\$ 825,632	\$ 817,979	\$ 826,450	\$ 828,118	\$ 827,798	\$ 797,822	\$ 857,606
Incurred losses and LAE										
Attritional - current year	1,277,398	1,305,514	404,220	427,655	445,523	475,185	416,008	462,601	426,905	501,334
Attritional - prior year	(6,442)	(24,449)	(6,607)	471	(306)	(34,309)	(20,686)	(2,371)	(1,392)	(15,799)
Catastrophes	84,988	917,502	24,988	30,000	30,000	380,083	129,787	122,665	665,050	57,264
Asbestos & environmental	125	764	-	-	125	-	-	764	-	-
Total incurred losses and LAE	1,356,069	2,199,331	422,601	458,126	475,342	820,959	525,109	583,659	1,090,563	542,799
Commission and brokerage	625,099	595,775	182,040	237,029	206,030	217,093	189,387	204,495	201,893	215,945
Other underwriting expenses	77,609	71,701	29,177	23,433	24,999	21,201	25,121	23,496	23,084	23,889
Underwriting gain (loss)	\$ 375,769	\$ (413,069)	\$ 157,117	\$ 107,044	\$ 111,608	\$ (232,803)	\$ 88,501	\$ 16,148	\$ (517,718)	\$ 74,973
Loss ratio										
Attritional - current year	52.5%	53.2%	51.0%	51.8%	54.5%	57.5%	50.2%	55.8%	53.5%	58.4%
Attritional - prior year	-0.3%	-1.0%	-0.8%	0.1%	0.0%	-4.2%	-2.5%	-0.3%	-0.2%	-1.8%
Catastrophes	3.5%	37.4%	3.2%	3.6%	3.6%	46.0%	15.7%	14.9%	83.4%	6.7%
Asbestos & environmental	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%
Total loss ratio	55.7%	89.6%	53.4%	55.5%	58.1%	99.3%	63.4%	70.5%	136.7%	63.3%
Commission and brokerage ratio	25.7%	24.3%	23.0%	28.7%	25.2%	26.3%	22.9%	24.7%	25.3%	25.2%
Other underwriting expense ratio	3.2%	2.9%	3.7%	2.8%	3.1%	2.6%	3.0%	2.8%	2.9%	2.8%
Combined ratio	84.6%	116.8%	80.1%	87.0%	86.4%	128.2%	89.3%	98.0%	164.9%	91.3%
Ratios excluding reinstatement premium impact										
Attritional loss ratio - current year	52.8%	54.4%	51.2%	52.3%	54.8%	58.2%	51.0%	56.6%	55.6%	58.8%
Attritional combined ratio	81.8%	82.2%	77.9%	84.2%	83.2%	87.3%	77.3%	84.4%	85.0%	86.9%

(Some amounts may not reconcile due to rounding.)

EVEREST RE GROUP, LTD.

Segment Results (cont.)

(Dollars in thousands)

(unaudited)

U.S. REINSURANCE

	Nine Months Ended		Three Months Ended							
	September 30, 2012	September 30, 2011	September 30, 2012	June 30, 2012	March 31, 2012	December 31, 2011	September 30, 2011	June 30, 2011	March 31, 2011	December 31, 2010
Gross written premiums	\$ 938,444	\$ 947,155	\$ 433,494	\$ 135,468	\$ 369,482	\$ 399,675	\$ 360,833	\$ 280,231	\$ 306,091	\$ 318,819
Net written premiums	936,005	945,273	432,453	135,321	368,231	399,000	360,331	279,388	305,554	318,464
Premiums earned	\$ 1,032,994	\$ 953,459	\$ 353,651	\$ 321,382	\$ 357,961	\$ 359,254	\$ 326,824	\$ 307,584	\$ 319,051	\$ 376,411
Incurred losses and LAE										
Attritional - current year	543,025	502,614	182,492	165,916	194,617	217,681	163,756	171,628	167,230	216,292
Attritional - prior year	3,928	(1,391)	(2,353)	4,183	2,098	42,397	(2,450)	1,344	(285)	56,748
Catastrophes	83,025	210,821	31,806	26,075	25,144	62,019	32,580	63,248	114,993	17,869
Asbestos & environmental	121	-	-	-	121	(30)	-	-	-	-
Total incurred losses and LAE	630,099	712,044	211,945	196,174	221,980	322,067	193,886	236,220	281,938	290,909
Commission and brokerage	278,572	231,486	77,090	109,927	91,555	96,359	71,131	77,488	82,867	103,728
Other underwriting expenses	33,541	30,621	12,767	10,022	10,752	8,669	10,843	9,872	9,906	9,893
Underwriting gain (loss)	\$ 90,782	\$ (20,692)	\$ 51,849	\$ 5,259	\$ 33,674	\$ (67,841)	\$ 50,964	\$ (15,996)	\$ (55,660)	\$ (28,119)
Loss ratio										
Attritional - current year	52.6%	52.7%	51.6%	51.6%	54.4%	60.5%	50.0%	55.8%	52.4%	57.5%
Attritional - prior year	0.4%	-0.1%	-0.7%	1.3%	0.6%	11.8%	-0.7%	0.4%	-0.1%	15.1%
Catastrophes	8.0%	22.1%	9.0%	8.1%	7.0%	17.3%	10.0%	20.6%	36.0%	4.7%
Asbestos & environmental	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total loss ratio	61.0%	74.7%	59.9%	61.0%	62.0%	89.6%	59.3%	76.8%	88.3%	77.3%
Commission and brokerage ratio	27.0%	24.3%	21.8%	34.2%	25.6%	26.8%	21.8%	25.2%	26.0%	27.6%
Other underwriting expense ratio	3.2%	3.2%	3.6%	3.2%	3.0%	2.5%	3.3%	3.2%	3.1%	2.6%
Combined ratio	91.2%	102.2%	85.3%	98.4%	90.6%	118.9%	84.4%	105.2%	117.4%	107.5%

(Some amounts may not reconcile due to rounding.)

EVEREST RE GROUP, LTD.

Segment Results (cont.)

(Dollars in thousands)

(unaudited)

INTERNATIONAL (reinsurance)

	Nine Months Ended		Three Months Ended							
	September 30, 2012	September 30, 2011	September 30, 2012	June 30, 2012	March 31, 2012	December 31, 2011	September 30, 2011	June 30, 2011	March 31, 2011	December 31, 2010
Gross written premiums	\$ 865,823	\$ 923,649	\$ 244,288	\$ 344,241	\$ 277,294	\$ 314,795	\$ 326,053	\$ 288,749	\$ 308,847	\$ 300,864
Net written premiums	865,779	912,145	244,254	344,232	277,293	306,416	321,601	286,043	304,501	297,917
Premiums earned	\$ 899,399	\$ 934,187	\$ 268,875	\$ 334,407	\$ 296,117	\$ 310,305	\$ 300,692	\$ 317,160	\$ 316,335	\$ 298,299
Incurred losses and LAE										
Attritional - current year	433,972	472,670	125,859	159,482	148,631	167,611	138,644	168,825	165,201	159,876
Attritional - prior year	(7,789)	(30,027)	(4,462)	(535)	(2,792)	(78,175)	(20,017)	(5,013)	(4,997)	(11,121)
Catastrophes	(2,955)	553,178	(6,590)	1,302	2,333	287,052	50,848	57,806	444,524	26,247
Asbestos & environmental	-	-	-	-	-	-	-	-	-	-
Total incurred losses and LAE	423,228	995,821	114,807	160,249	148,172	376,488	169,475	221,618	604,728	175,002
Commission and brokerage	213,447	230,444	60,480	81,776	71,191	80,548	78,228	73,786	78,430	67,068
Other underwriting expenses	21,532	20,938	8,249	6,543	6,740	6,369	7,549	6,950	6,439	7,283
Underwriting gain (loss)	\$ 241,192	\$ (313,016)	\$ 85,339	\$ 85,839	\$ 70,014	\$ (153,100)	\$ 45,440	\$ 14,806	\$ (373,262)	\$ 48,946
Loss ratio										
Attritional - current year	48.3%	50.6%	46.9%	47.7%	50.1%	54.0%	46.2%	53.3%	52.3%	53.6%
Attritional - prior year	-0.9%	-3.2%	-1.7%	-0.2%	-0.9%	-25.2%	-6.7%	-1.6%	-1.6%	-3.7%
Catastrophes	-0.3%	59.2%	-2.5%	0.4%	0.8%	92.5%	16.9%	18.2%	140.5%	8.8%
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	47.1%	106.6%	42.7%	47.9%	50.0%	121.3%	56.4%	69.9%	191.2%	58.7%
Commission and brokerage ratio	23.7%	24.7%	22.5%	24.5%	24.0%	26.0%	26.0%	23.3%	24.8%	22.5%
Other underwriting expense ratio	2.4%	2.2%	3.1%	1.9%	2.4%	2.0%	2.5%	2.1%	2.0%	2.4%
Combined ratio	73.2%	133.5%	68.3%	74.3%	76.4%	149.3%	84.9%	95.3%	218.0%	83.6%

(Some amounts may not reconcile due to rounding.)

EVEREST RE GROUP, LTD.

Segment Results (cont.)

(Dollars in thousands)

(unaudited)

BERMUDA (reinsurance)

	Nine Months Ended		Three Months Ended							
	September 30, 2012	September 30, 2011	September 30, 2012	June 30, 2012	March 31, 2012	December 31, 2011	September 30, 2011	June 30, 2011	March 31, 2011	December 31, 2010
Gross written premiums	\$ 553,687	\$ 560,213	\$ 191,684	\$ 174,051	\$ 187,952	\$ 165,048	\$ 205,326	\$ 176,357	\$ 178,530	\$ 167,994
Net written premiums	553,024	560,413	191,691	174,060	187,273	165,133	205,463	176,386	178,564	168,029
Premiums earned	\$ 502,153	\$ 566,092	\$ 168,409	\$ 169,843	\$ 163,901	\$ 156,891	\$ 200,602	\$ 203,054	\$ 162,436	\$ 182,896
Incurred losses and LAE										
Attritional - current year	300,401	330,230	95,869	102,257	102,275	89,893	113,608	122,148	94,474	125,166
Attritional - prior year	(2,581)	6,969	208	(3,177)	388	1,469	1,781	1,298	3,890	(61,426)
Catastrophes	4,918	153,503	(228)	2,623	2,523	31,012	46,359	1,611	105,533	13,148
Asbestos & environmental	4	764	-	-	4	30	-	764	-	-
Total incurred losses and LAE	302,742	491,466	95,849	101,703	105,190	122,404	161,748	125,821	203,897	76,888
Commission and brokerage	133,080	133,845	44,470	45,326	43,284	40,186	40,028	53,221	40,596	45,149
Other underwriting expenses	22,536	20,142	8,161	6,868	7,507	6,163	6,729	6,674	6,739	6,713
Underwriting gain (loss)	\$ 43,795	\$ (79,361)	\$ 19,929	\$ 15,946	\$ 7,920	\$ (11,862)	\$ (7,903)	\$ 17,338	\$ (88,796)	\$ 54,146
Loss ratio										
Attritional - current year	59.8%	58.4%	56.9%	60.3%	62.5%	57.4%	56.6%	60.2%	58.2%	68.4%
Attritional - prior year	-0.5%	1.2%	0.1%	-1.9%	0.2%	0.9%	0.9%	0.6%	2.4%	-33.6%
Catastrophes	1.0%	27.1%	-0.1%	1.5%	1.5%	19.7%	23.1%	0.8%	64.9%	7.2%
Asbestos & environmental	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.4%	0.0%	0.0%
Total loss ratio	60.3%	86.8%	56.9%	59.9%	64.2%	78.0%	80.6%	62.0%	125.5%	42.0%
Commission and brokerage ratio	26.5%	23.6%	26.4%	26.7%	26.4%	25.6%	20.0%	26.2%	25.0%	24.7%
Other underwriting expense ratio	4.5%	3.6%	4.9%	4.0%	4.6%	4.0%	3.3%	3.3%	4.2%	3.7%
Combined ratio	91.3%	114.0%	88.2%	90.6%	95.2%	107.6%	103.9%	91.5%	154.7%	70.4%

(Some amounts may not reconcile due to rounding.)

EVEREST RE GROUP, LTD.

Segment Results (cont.)

(Dollars in thousands)

(unaudited)

TOTAL INSURANCE

	Nine Months Ended		Three Months Ended							
	September 30, 2012	September 30, 2011	September 30, 2012	June 30, 2012	March 31, 2012	December 31, 2011	September 30, 2011	June 30, 2011	March 31, 2011	December 31, 2010
Gross written premiums	\$ 801,527	\$ 750,283	\$ 334,531	\$ 255,258	\$ 211,738	\$ 225,356	\$ 236,294	\$ 242,528	\$ 271,461	\$ 214,923
Net written premiums	617,187	647,964	232,054	203,068	182,065	172,555	203,395	213,304	231,265	157,720
Premiums earned	\$ 610,686	\$ 641,881	\$ 218,519	\$ 212,168	\$ 179,999	\$ 179,278	\$ 216,220	\$ 212,037	\$ 213,624	\$ 162,553
Incurred losses and LAE										
Attritional - current year	452,423	479,110	174,991	150,308	127,124	162,284	168,102	151,795	159,213	147,171
Attritional - prior year	5,486	25,000	6,050	(564)	-	36,685	25,000	-	-	30,151
Catastrophes	12	2,835	12	-	-	-	2,500	335	-	-
Asbestos & environmental	-	-	-	-	-	-	-	-	-	-
Total incurred losses and LAE	457,921	506,945	181,053	149,744	127,124	198,969	195,602	152,130	159,213	177,322
Commission and brokerage	99,275	106,025	39,042	28,760	31,473	31,628	38,582	32,879	34,564	29,282
Other underwriting expenses	76,323	68,589	26,585	26,242	23,496	20,912	24,316	22,401	21,872	17,341
Underwriting gain (loss)	\$ (22,833)	\$ (39,678)	\$ (28,161)	\$ 7,422	\$ (2,094)	\$ (72,231)	\$ (42,280)	\$ 4,627	\$ (2,025)	\$ (61,392)
Loss ratio										
Attritional - current year	74.1%	74.6%	80.1%	70.9%	70.6%	90.5%	77.7%	71.5%	74.5%	90.6%
Attritional - prior year	0.9%	3.9%	2.8%	-0.3%	0.0%	20.5%	11.6%	0.0%	0.0%	18.5%
Catastrophes	0.0%	0.5%	0.0%	0.0%	0.0%	0.0%	1.2%	0.2%	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	75.0%	79.0%	82.9%	70.6%	70.6%	111.0%	90.5%	71.7%	74.5%	109.1%
Commission and brokerage ratio	16.3%	16.5%	17.9%	13.6%	17.5%	17.6%	17.8%	15.5%	16.2%	18.0%
Other underwriting expense ratio	12.4%	10.7%	12.1%	12.3%	13.1%	11.7%	11.3%	10.6%	10.2%	10.7%
Combined ratio	103.7%	106.2%	112.9%	96.5%	101.2%	140.3%	119.6%	97.8%	100.9%	137.8%

(Some amounts may not reconcile due to rounding.)

EVEREST RE GROUP, LTD.
Supplemental Investment Portfolio Analysis

(Dollars in thousands)
(unaudited)

INVESTMENTS AND CASH

	At September 30, 2012			At December 31, 2011		
	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	\$ 12,846,495	\$ 12,100,746	\$ 745,749	\$ 12,293,524	\$ 11,731,173	\$ 562,351
Fixed maturities-available for sale, at fair value	52,217	52,217	-	113,606	113,606	-
Equity securities-available for sale, at market value	279,375	265,563	13,812	448,930	463,620	(14,690)
Equity securities-available for sale, at fair value	1,301,522	1,301,522	-	1,249,106	1,249,106	-
Other invested assets	602,230	602,230	-	558,232	558,232	-
Short-term investments	973,560	973,560	-	685,332	685,332	-
Cash	478,558	478,558	-	448,651	448,651	-
Total	\$ 16,533,957	\$ 15,774,396	\$ 759,561	\$ 15,797,381	\$ 15,249,720	\$ 547,661

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	\$ 12,846,495	89.5%	\$ 12,293,524	90.8%
Fixed maturities-available for sale, at fair value	52,217	0.4%	113,606	0.8%
Short-term investments	973,560	6.8%	685,332	5.1%
Cash	478,558	3.3%	448,651	3.3%
Total	\$ 14,350,830	100.0%	\$ 13,541,113	100.0%

	At September 30, 2012			At December 31, 2011		
	Market Value	% of Total	Pre-tax Unrealized Gains/(Losses)	Market Value	% of Total	Pre-tax Unrealized Gains/(Losses)
Investment Sectors:						
Treasury	\$ 311,611	2.2%	\$ 11,920	\$ 300,634	2.2%	\$ 16,120
Agency	10,457	0.1%	573	21,007	0.2%	1,100
Corporate	3,920,438	27.3%	254,525	3,707,040	27.4%	169,760
Mortgage-backed securities						
Agency	2,128,190	14.8%	77,664	2,282,593	16.8%	83,656
Non-agency residential	3,489	0.0%	366	43,816	0.3%	(107)
Alt.-A	8,121	0.1%	526	9,273	0.1%	(169)
Commercial	326,523	2.3%	25,299	321,427	2.4%	11,040
Asset-backed securities						
Other	195,961	1.4%	7,356	191,745	1.4%	6,588
Subprime	1,805	0.0%	141	1,661	0.0%	(118)
Municipal	1,366,328	9.5%	90,362	1,660,905	12.3%	102,290
Non-US	4,625,789	32.2%	277,017	3,867,029	28.5%	172,191
Cash & short-term investments	1,452,118	10.1%	-	1,133,983	8.4%	-
Total	\$ 14,350,830	100.0%	\$ 745,749	\$ 13,541,113	100.0%	\$ 562,351

Credit Quality: ⁽¹⁾

	Market Value	% of Total	Market Value	% of Total
AAA	\$ 6,714,675	46.8%	\$ 6,652,217	49.1%
AA	2,321,707	16.2%	2,587,950	19.1%
A	2,525,167	17.6%	2,162,421	16.0%
BBB	1,446,543	10.1%	995,058	7.3%
BB	990,504	6.9%	791,937	5.8%
B	289,517	2.0%	293,931	2.2%
Other	62,717	0.4%	57,599	0.5%
Total	\$ 14,350,830	100.0%	\$ 13,541,113	100.0%

⁽¹⁾ Prior to the first quarter of 2012, the credit quality of an investment was based on the lowest indicated credit rating. The Company has converted to using the highest indicated rating and the December 31, 2011 table has been adjusted to reflect this change.

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

(Dollars in thousands)

(unaudited)

FIXED INCOME AND CASH (cont.)

	September 30, 2012			December 31, 2011	
	Market Value	Unrealized Gain / (Loss)		Market Value	Unrealized Gain / (Loss)
<u>Top 20 Largest Corporate Fixed Income Positions:</u>			<u>Top 20 Largest Corporate Fixed Income Positions:</u>		
National Australia Bank Limited	\$ 90,779	\$ 2,590	European Investment Bank	\$ 102,733	\$ 2,382
European Investment Bank	87,414	4,889	JPMorgan Chase & Co.	81,798	4,669
JPMorgan Chase & Co.	85,688	8,226	Kredit Fuer Wiederaufbau	76,516	2,649
Kredit Fuer Wiederaufbau	75,233	2,828	General Electric Capital Corporation	75,561	4,066
General Electric Capital Corporation	72,277	6,094	ConocoPhillips	57,700	6,144
Royal Bank of Canada	65,124	2,266	PNC Financial Services Group, Inc.	57,335	3,563
PNC Financial Services Group, Inc.	59,527	5,747	National Australia Bank Limited	54,488	1,630
Daimler AG	57,903	865	Credit Suisse Group	51,689	1,596
Credit Suisse Group	53,599	3,401	MetLife, Inc.	51,630	1,376
The Goldman Sachs Group, Inc.	51,618	3,184	The Goldman Sachs Group, Inc.	50,841	(1,779)
The Toronto-Dominion Bank	50,315	4,926	Caterpillar Financial Services Corporation	47,343	3,713
Caterpillar Financial Services Corporation	49,592	3,470	Morgan Stanley	44,370	(1,284)
Australia and New Zealand Banking Group Limited	49,474	720	Barclays Bank PLC	43,900	92
Bank of Nova Scotia	48,637	2,897	Bank Nederlandse Gemeenten	43,372	237
Duke Energy Corporation	48,021	2,992	Verizon Communications, Inc.	42,609	4,742
MetLife, Inc.	47,919	1,785	Bank of New York Mellon Corporation	42,474	1,852
Barclays Bank PLC	47,889	3,200	Wal-Mart Stores, Inc.	42,218	3,343
Bank of Thailand	47,252	(789)	Australia and New Zealand Banking Group Limited	41,289	(274)
ConocoPhillips	46,061	5,717	The Toronto-Dominion Bank	38,885	3,308
Council Of Europe	45,111	1,457	U.S. Bancorp	38,140	1,714
Total	\$ 1,179,433	\$ 66,465	Total	\$ 1,084,891	\$ 43,739

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

(Dollars in thousands)

(unaudited)

EQUITIES AT FAIR VALUE

	September 30, 2012		December 31, 2011
<u>Top 20 Largest Equity Positions:</u>	<u>Fair Value</u>	<u>Top 20 Largest Equity Positions:</u>	<u>Fair Value</u>
Chevron Corporation	\$ 32,952	Chevron Corporation	\$ 30,809
Wells Fargo & Company	26,345	AT&T, Inc.	26,668
Pfizer, Inc.	26,227	Pfizer, Inc.	26,023
Johnson & Johnson	25,069	E.I. du Pont de Nemours and Company	22,244
Exxon Mobil Corporation	23,921	ConocoPhillips	22,221
Merck & Company, Inc.	23,766	Wells Fargo & Company	22,169
Lowe's Companies, Inc.	23,420	Johnson & Johnson	21,687
AT&T, Inc.	21,707	Xcel Energy, Inc.	21,369
Berkshire Hathaway, Inc.	18,863	The Home Depot, Inc.	19,540
Microsoft Corporation	17,756	Exxon Mobil Corporation	18,961
Kraft Foods, Inc.	15,857	Kimberly-Clark Corporation	18,520
Fiserv, Inc.	15,756	Merck & Company, Inc.	18,477
ConocoPhillips	15,563	Kinder Morgan Energy Partners, LP	17,948
Marsh & McLennan Companies, Inc.	15,090	Lowe's Companies, Inc.	17,088
The Home Depot, Inc.	14,779	Kraft Foods, Inc.	15,268
JPMorgan Chase & Co.	14,559	Automatic Data Processing, Inc.	15,107
Intel Corporation	14,402	Marsh & McLennan Companies, Inc.	15,068
General Electric Company	14,008	Verizon Communications, Inc.	15,028
E.I. du Pont de Nemours and Company	13,800	General Electric Company	14,136
Kinder Morgan Energy Partners, LP	13,305	Eaton Corporation	12,571
Total	<u>\$ 387,145</u>	Total	<u>\$ 390,902</u>

EVEREST RE GROUP, LTD.

Supplemental Investment Income and Realized Capital Gains (Losses)

(Dollars in thousands)

(unaudited)

	Nine Months Ended		Three Months Ended							
	September 30, 2012	September 30, 2011	September 30, 2012	June 30, 2012	March 31, 2012	December 31, 2011	September 30, 2011	June 30, 2011	March 31, 2011	December 31, 2010
NET INVESTMENT INCOME										
Fixed maturities	\$ 367,770	\$ 397,204	\$ 122,824	\$ 120,602	\$ 124,344	\$ 124,787	\$ 131,680	\$ 132,668	\$ 132,856	\$ 143,853
Equity securities	46,898	40,813	13,394	16,228	17,276	16,760	15,794	13,156	11,863	4,058
Short-term investments and cash	911	1,042	384	358	169	239	366	439	237	177
Other invested assets										
Limited partnerships	47,857	66,700	18,571	16,439	12,847	(9,849)	15,725	14,344	36,631	40,339
Other	2,453	3,203	1,427	(492)	1,518	(462)	(1,520)	4,126	597	389
Total gross investment income	465,889	508,962	156,600	153,135	156,154	131,475	162,045	164,733	182,184	188,816
Interest (debited) credited on funds held	(8,846)	(634)	(2,465)	(3,268)	(3,113)	(1,715)	(958)	955	(631)	(668)
Interest (debited) credited to future policy benefit reserves	1,643	1,183	496	509	638	1,815	476	637	70	1,252
Other investment expenses	19,301	14,625	6,545	6,565	6,191	5,122	6,062	4,523	4,040	3,367
Total investment expenses	12,098	15,174	4,576	3,806	3,716	5,222	5,580	6,115	3,479	3,951
Total net investment income	\$ 453,791	\$ 493,788	\$ 152,024	\$ 149,329	\$ 152,438	\$ 126,253	\$ 156,465	\$ 158,618	\$ 178,705	\$ 184,865

	Nine Months Ended		Three Months Ended							
	September 30, 2012	September 30, 2011	September 30, 2012	June 30, 2012	March 31, 2012	December 31, 2011	September 30, 2011	June 30, 2011	March 31, 2011	December 31, 2010
NET REALIZED CAPITAL GAINS (LOSSES)										
Fixed maturities	\$ 6,728	\$ (17,499)	\$ 596	\$ (285)	\$ 6,417	\$ 5,231	\$ 17,360	\$ (5,079)	\$ (29,780)	\$ (9,604)
Equity securities	138,171	(112,862)	62,163	(16,295)	92,303	132,051	(155,032)	235	41,935	42,194
Short-term investments	(17)	1	(16)	-	(1)	1	1	(1)	1	1
Total net realized capital gains (losses)	\$ 144,882	\$ (130,360)	\$ 62,743	\$ (16,580)	\$ 98,719	\$ 137,283	\$ (137,671)	\$ (4,845)	\$ 12,156	\$ 32,591

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 September 30, 2012					
	Foreign Banks	Foreign Corporate	Sovereign	Supranational	Grand Total
Asia	\$ 307,056	\$ 96,622	\$ 253,799	\$ -	\$ 657,477
Canada	255,528	328,395	697,345	-	1,281,268
Europe	557,985	535,815	838,200	-	1,932,000
Europe (distressed) ⁽¹⁾	13,180	44,494	-	-	57,674
Latin America	48,603	123,689	52,491	-	224,783
Other Countries	24,833	173,090	34,738	239,926	472,587
Total	\$ 1,207,185	\$ 1,302,105	\$ 1,876,573	\$ 239,926	\$ 4,625,789

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.