

NEWS RELEASE



EVEREST RE GROUP, LTD.

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Everest Re Group Reports Fourth Quarter 2022 Results

**Fourth Quarter ROE of 20.1%, Operating ROE of 19.4%
Underwriting Discipline Drove Strong Combined Ratio of 87.8%
with Margin Improvement in both Segments
Significant Momentum Following Outstanding 1/1 Renewals**

HAMILTON, Bermuda - (BUSINESS WIRE) - February 8, 2023 - Everest Re Group, Ltd. ("Everest" or the "Group") today reported its fourth quarter 2022 results.

Fourth Quarter 2022 Highlights

- Net Operating Income of \$478 million, and Net Income of \$496 million driven by continued underwriting margin improvement. YTD 2022 Net Operating Income of \$1.1 billion, Net Income of \$597 million
- \$3.6 billion in gross written premium ("GWP") with year over year growth of 9% in constant dollars for the Group, 21% in constant dollars for Insurance, and 3.7% in constant dollars and excluding reinstatements for Reinsurance
- Combined ratios of 87.8% for the Group, 86.4% for Reinsurance and 91.4% for Insurance
- Strong attritional combined ratios of 87.3% for the Group, 86.0% for Reinsurance and 90.8% for Insurance
- Pre-tax underwriting income of \$368 million including \$15 million of pre-tax catastrophe losses net of estimated recoveries and reinstatement premiums. The catastrophe losses were from Winter Storm Elliott
- Net investment income of \$210 million, driven by stronger fixed income returns as new money yields continue to improve

“Everest’s fourth quarter results capped a strong year of consistent execution and positive momentum for the company,” said Juan C. Andrade, Everest President and CEO.

“We grew both underwriting franchises with improved margins, significantly reduced volatility and generated solid returns despite ongoing market uncertainty and another elevated catastrophe year. This led to over \$1 billion in operating income, and a double-digit operating return on equity for both the quarter and the full year. We had a successful January 1 reinsurance renewal executing a precise and well-orchestrated strategy. We leveraged Everest’s global leadership position to capitalize on the robust property market and the flight to quality was evident across virtually all lines and geographies. We drove improved pricing, terms and conditions and deepened relationships with new and existing core clients throughout the world, which significantly improved risk adjusted returns across the entire portfolio. We are well positioned with the talent and the platform to continue this momentum in 2023.”

Summary of Fourth Quarter 2022 Net Income and Other Items

- Net Income of \$496 million, equal to \$12.66 per diluted share versus fourth quarter 2021 net income of \$431 million, equal to \$10.94 per diluted share
- Net operating income of \$478 million, equal to \$12.21 per diluted share versus fourth quarter 2021 net operating income of \$359 million, equal to \$9.12 per diluted share
- GAAP combined ratio of 87.8% including 0.5 points of catastrophe losses versus the fourth quarter 2021 figures of 91.9% including 4.5 points of catastrophe losses
- Strong operating cashflow for the quarter of \$1.0 billion which is flat versus the fourth quarter 2021

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

Net income and operating income	Q4	Year to Date	Q4	Year to Date
All values in USD millions except for per share amounts and percentages	2022	2022	2021	2021
<u>Everest Re Group</u>				
Net income (loss)	496	597	431	1,379
Operating income (loss) ⁽¹⁾	478	1,065	359	1,153
Net income (loss) per diluted common share	12.66	15.19	10.94	34.62
Net operating income (loss) per diluted common share	12.21	27.08	9.12	28.97
Net income (loss) return on average equity (annualized)	20.1%	6.0%	17.7%	14.6%
After-tax operating income (loss) return on average equity (annualized)	19.4%	10.6%	14.8%	12.2%

Notes

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

Shareholders' Equity and Book Value per Share	Q4	Year to Date	Q4	Year to Date
All values in USD millions except for per share amounts and percentages	2022	2022	2021	2021
Beginning shareholders' equity	7,649	10,139	9,979	9,726
Net income (loss)	496	597	431	1,379
Change - unrealized gains (losses) - Fixed inc. investments	250	(1,948)	(177)	(485)
Dividends to shareholders	(65)	(255)	(61)	(247)
Purchase of treasury shares	-	(61)	(25)	(225)
Other	110	(31)	(7)	(10)
Ending shareholders' equity	8,441	8,441	10,139	10,139
Common shares outstanding		39.2		39.3
Book value per common share outstanding		215.54		258.21
Less: Unrealized appreciation/depreciation of fixed maturity investments ("URAD")		(43.64)		6.09
Adjusted book value per common share outstanding excluding URAD		259.18		252.12
Total Shareholder Return ("TSR") - Annualized		5.4%		14.7%
Common share dividends paid - last 12 months		6.50		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.

Underwriting information - Everest Re Group	Q4	Year to Date	Q4	Year to Date	Year on Year Change	
All values in USD millions except for percentages	2022	2022	2021	2021	Q4	Year to Date
Gross written premium	3,639	13,952	3,431	13,050	6.1%	6.9%
Net written premium	3,188	12,344	3,056	11,446	4.3%	7.9%
Loss ratio	60.1%	68.7%	64.9%	71.0%	(4.8) pts	(2.3) pts
Commission and brokerage ratio	21.6%	21.4%	21.3%	21.2%	0.3 pts	0.2 pts
Other underwriting expenses	6.0%	5.8%	5.7%	5.6%	0.3 pts	0.2 pts
Combined ratio	87.8%	96.0%	91.9%	97.8%	(4.1) pts	(1.8) pts
Attritional combined ratio ⁽¹⁾	87.3%	87.4%	87.4%	87.6%	(0.1) pts	(0.2) pts
Pre-tax net catastrophe losses ⁽²⁾	15	945	125	1,065		
Pre-tax net Russia/Ukraine losses	-	45	-	-		
Pre-tax net prior year reserve development	-	(1)	(3)	(9)		

Notes

(1) Attritional ratios exclude catastrophe losses, net CAT reinstatement premiums earned, prior year development, COVID-19 losses, CECL and losses from the Russia/Ukraine war

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

Reinsurance Segment - Quarterly Highlights

- Gross written premiums of \$2.38 billion for the quarter versus \$2.37 billion a year ago. On a constant dollar basis, growth was 3.7% in the quarter. Casualty and Financial Lines grew by 3.9%, driven by growth with our core casualty clients and taking advantage of increased mortgage opportunities. This growth was largely offset by a combination of targeted reductions in our property portfolio and foreign exchange movements
- Pre-tax catastrophe losses of \$10 million net of estimated recoveries and reinstatement premiums, compared with \$110 million a year ago

- Improved profitability of the portfolio driven by targeted underwriting actions, resulting in a 150-basis point improvement in the attritional loss ratio for the quarter vs. the prior year (58.2% vs. 59.7%) and an attritional combined ratio of 86.0% vs 86.4% a year ago
- Continued expense discipline with a 2.8% expense ratio
- Execution for the January 1 renewals was precise and well-orchestrated achieving an excellent outcome

Underwriting information - Reinsurance segment All values in USD millions except for percentages	Q4	Year to Date	Q4	Year to Date	Year on Year Change	
	2022	2022	2021	2021	Q4	Year to Date
Gross written premium	2,378	9,316	2,372	9,067	0.3%	2.7%
Net written premium	2,320	8,983	2,270	8,536	2.2%	5.2%
Loss ratio	58.7%	69.2%	64.8%	71.6%	(6.1) pts	(2.4) pts
Commission and brokerage ratio	25.0%	24.6%	24.1%	23.9%	0.9 pts	0.7 pts
Other underwriting expenses	2.8%	2.5%	2.6%	2.6%	0.2 pts	(0.1) pts
Combined ratio	86.4%	96.4%	91.5%	98.1%	(5.1) pts	(1.7) pts
Attritional combined ratio ⁽¹⁾	86.0%	86.2%	86.4%	86.3%	(0.4) pts	(0.1) pts
Pre-tax net catastrophe losses ⁽²⁾	10	820	110	913		
Pre-tax net Russia/Ukraine losses	-	45	-	-		
Pre-tax net prior year reserve development	-	(2)	(3)	(8)		

Notes

(1) Attritional ratios exclude catastrophe losses, net CAT reinstatement premiums earned, prior year development, COVID-19 losses, CECL and losses from the Russia/Ukraine war

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

Insurance Segment - Quarterly Highlights

- Gross written premiums of \$1.3 billion, a 21% increase year over year in constant dollars (19% increase as reported), driven by balanced and diversified growth across most lines of business and geographies
- Strong profitability with combined ratio of 91.4% and an attritional combined ratio of 90.8%
- Continued robust expense management with a total expense ratio of 27.4% versus 27.8% a year ago
- Rate and exposure trends remain favorable

Underwriting information - Insurance segment All values in USD millions except for percentages	Q4	Year to Date	Q4	Year to Date	Year on Year Change	
	2022	2022	2021	2021	Q4	Year to Date
Gross written premium	1,260	4,636	1,059	3,982	19.0%	16.4%
Net written premium	869	3,361	787	2,910	10.5%	15.5%
Loss ratio	64.0%	67.3%	65.1%	69.3%	(1.1) pts	(2.0) pts
Commission and brokerage ratio	12.4%	12.6%	13.4%	13.4%	(1.0) pts	(0.8) pts
Other underwriting expenses	15.0%	14.8%	14.4%	14.5%	0.6 pts	0.3 pts
Combined ratio	91.4%	94.8%	92.8%	97.1%	(1.4) pts	(2.3) pts
Attritional combined ratio ⁽¹⁾	90.8%	90.4%	90.4%	91.2%	0.4 pts	(0.8) pts
Pre-tax net catastrophe losses ⁽²⁾	5	125	15	153		
Pre-tax net Russia/Ukraine losses	-	-	-	-		
Pre-tax net prior year reserve development	-	1	-	(1)		

Notes

(1) Attritional ratios exclude catastrophe losses, net CAT reinstatement premiums earned, prior year development, COVID-19 losses, CECL and losses from the Russia/Ukraine war

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

Investments and Shareholders' Equity as of December 31, 2022

- Total invested assets and cash of \$29.9 billion versus the year end 2021 value of \$29.7 billion
- Shareholders' equity of \$8.4 billion vs. \$10.1 billion at year end 2021, largely driven by \$1.7 billion of unrealized net losses on fixed maturity investments
- Shareholders' equity excluding unrealized gains (losses) on fixed maturity investments of \$10.1 billion vs. \$9.9 billion at year end 2021
- Book value per diluted share of \$215.54 vs. \$258.21 at year end 2021
- Book value per diluted share excluding unrealized gains (losses) on fixed maturity investments of \$259.18 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

Everest is a global underwriting leader providing best-in-class property, casualty, and specialty reinsurance and insurance solutions that address customers' most pressing challenges. Known for a 50-year track record of disciplined underwriting, capital and risk management, Everest, through its global operating affiliates, is committed to underwriting opportunity for colleagues, customers, shareholders, and communities worldwide.

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

Additional information about Everest, our people, and our products can be found on our website at www.everestre.com.

A conference call discussing the results will be held at 8:00 a.m. Eastern Time on February 9, 2023. The call will be available on the Internet through the Company's web site at everestre.com/investors.

Recipients are encouraged to visit the Company's web site to view supplemental financial information on the Company's results. The supplemental information is located at

www.everestre.com in the “Investors/Financials/Quarterly Results” section of the website. The supplemental financial information may also be obtained by contacting the Company directly.

The Company generally uses after-tax operating income (loss), a non-GAAP financial measure, to evaluate its performance. After-tax operating income (loss) consists of net income (loss) excluding after-tax net gains (losses) on investments and after-tax net foreign exchange income (expense) as the following reconciliation displays:

(Dollars in millions, except per share amounts)	Three Months Ended December 31,				Twelve Months Ended December 31,			
	2022		2021		2022		2021	
	(unaudited)				(unaudited)			
	Per Diluted		Per Diluted		Per Diluted		Per Diluted	
Amount	Share	Amount	Share	Amount	Share	Amount	Share	
After-tax operating income (loss)	\$ 478	\$ 12.21	\$ 359	\$ 9.12	\$ 1,065	\$ 27.08	\$ 1,153	\$ 28.97
After-tax net gains (losses) on investments	\$ 49	\$ 1.25	\$ 90	\$ 2.29	\$ (366)	\$ (9.30)	\$ 202	\$ 5.06
After-tax net foreign exchange income (expense)	\$ (31)	\$ (0.80)	\$ (19)	\$ (0.48)	\$ (102)	\$ (2.60)	\$ 24	\$ 0.60
Net income (loss)	\$ 496	\$ 12.66	\$ 431	\$ 10.94	\$ 597	\$ 15.19	\$ 1,379	\$ 34.62

(Some amounts may not reconcile due to rounding.)

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

--Financial Details Follow--

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

	Three Months Ended		Twelve Months Ended	
	December 31,		December 31,	
	2022	2021	2022	2021
(Dollars in millions, except per share amounts)	(unaudited)		(unaudited)	
REVENUES:				
Premiums earned	\$ 3,012	\$ 2,804	\$ 11,787	\$ 10,406
Net investment income	210	205	830	1,165
Net gains (losses) on investments:				
Credit allowances on fixed maturity securities	(15)	2	(33)	(28)
Gains (losses) from fair value adjustments	2	108	(460)	236
Net realized gains (losses) from dispositions	77	9	38	50
Total net gains (losses) on investments	64	119	(455)	258
Other income (expense)	(30)	(7)	(102)	37
Total revenues	<u>3,256</u>	<u>3,121</u>	<u>12,060</u>	<u>11,866</u>
CLAIMS AND EXPENSES:				
Incurred losses and loss adjustment expenses	1,811	1,819	8,100	7,391
Commission, brokerage, taxes and fees	651	598	2,528	2,209
Other underwriting expenses	182	158	682	583
Corporate expenses	16	21	61	68
Interest, fees and bond issue cost amortization expense	27	23	101	70
Total claims and expenses	<u>2,687</u>	<u>2,620</u>	<u>11,472</u>	<u>10,321</u>
INCOME (LOSS) BEFORE TAXES	568	500	588	1,546
Income tax expense (benefit)	72	69	(9)	167
NET INCOME (LOSS)	\$ 496	\$ 431	\$ 597	\$ 1,379
Other comprehensive income (loss), net of tax:				
Unrealized appreciation (depreciation) ("URA(D)") on securities arising during the period	223	(184)	(2,037)	(488)
Reclassification adjustment for realized losses (gains) included in net income (loss)	28	7	89	4
Total URA(D) on securities arising during the period	<u>251</u>	<u>(177)</u>	<u>(1,948)</u>	<u>(485)</u>
Foreign currency translation adjustments	86	(33)	(77)	(62)
Benefit plan actuarial net gain (loss) for the period	15	17	15	17
Reclassification adjustment for amortization of net (gain) loss included in net income (loss)	-	1	2	6
Total benefit plan net gain (loss) for the period	<u>15</u>	<u>18</u>	<u>17</u>	<u>23</u>
Total other comprehensive income (loss), net of tax	<u>352</u>	<u>(192)</u>	<u>(2,008)</u>	<u>(523)</u>
COMPREHENSIVE INCOME (LOSS)	\$ 848	\$ 238	\$ (1,411)	\$ 856
EARNINGS PER COMMON SHARE:				
Basic	\$ 12.66	\$ 10.95	\$ 15.19	\$ 34.66
Diluted	12.66	10.94	15.19	34.62

EVEREST RE GROUP, LTD.
CONSOLIDATED BALANCE SHEETS

	December 31,	
	2022	2021
	(unaudited)	
ASSETS:		
Fixed maturities - available for sale, at fair value (amortized cost: 2022, \$24,191; 2021, \$22,064, credit allowances: 2022, (\$54); 2021, (\$30))	\$ 22,236	\$ 22,308
Fixed maturities - held to maturity, at amortized cost (fair value: 2022, \$821, credit allowances: 2022, (\$9))	839	-
Equity securities, at fair value	281	1,826
Other invested assets	4,085	2,920
Short-term investments (cost: 2022, \$1,032; 2021, \$1,178)	1,032	1,178
Cash	1,398	1,441
Total investments and cash	<u>29,872</u>	<u>29,673</u>
Accrued investment income	217	149
Premiums receivable (credit allowances: 2022, (\$29); 2021, (\$26))	3,619	3,294
Reinsurance paid loss recoverables (credit allowances: 2022, (\$23); 2021, (\$17))	136	107
Reinsurance unpaid loss recoverables	2,105	1,946
Funds held by reinsureds	1,056	869
Deferred acquisition costs	962	872
Prepaid reinsurance premiums	610	515
Income tax asset, net	459	2
Other assets (credit allowances: 2022, (\$5); 2021, (\$4))	930	757
TOTAL ASSETS	<u>\$ 39,966</u>	<u>\$ 38,185</u>
LIABILITIES:		
Reserve for losses and loss adjustment expenses	22,065	19,009
Future policy benefit reserve	29	36
Unearned premium reserve	5,147	4,610
Funds held under reinsurance treaties	13	18
Other net payable to reinsurers	567	450
Losses in course of payment	74	261
Senior notes	2,347	2,346
Long term notes	218	224
Borrowings from FHLB	519	519
Accrued interest on debt and borrowings	19	17
Unsettled securities payable	1	17
Other liabilities	526	540
Total liabilities	<u>31,525</u>	<u>28,046</u>
SHAREHOLDERS' EQUITY:		
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	2,302	2,274
Accumulated other comprehensive income (loss), net of deferred income tax expense (benefit) of (\$250) at 2022 and \$27 at 2021	(1,996)	12
Treasury shares, at cost; 30.8 (2022) and 30.5 shares (2021)	(3,908)	(3,847)
Retained earnings	12,042	11,700
Total shareholders' equity	<u>8,441</u>	<u>10,139</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>\$ 39,966</u>	<u>\$ 38,185</u>

EVEREST RE GROUP, LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Twelve Months Ended	
	December 31,	
	2022	2021
(Dollars in millions)	(unaudited)	
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	\$ 597	\$ 1,379
Adjustments to reconcile net income to net cash provided by operating activities:		
Decrease (increase) in premiums receivable	(435)	(649)
Decrease (increase) in funds held by reinsureds, net	(197)	(151)
Decrease (increase) in reinsurance recoverables	(413)	(125)
Decrease (increase) in income taxes	(181)	68
Decrease (increase) in prepaid reinsurance premiums	(166)	(128)
Increase (decrease) in reserve for losses and loss adjustment expenses	3,477	2,805
Increase (decrease) in future policy benefit reserve	(7)	(2)
Increase (decrease) in unearned premiums	655	1,146
Increase (decrease) in other net payable to reinsurers	201	186
Increase (decrease) in losses in course of payment	(186)	134
Change in equity adjustments in limited partnerships	(94)	(613)
Distribution of limited partnership income	180	211
Change in other assets and liabilities, net	(291)	(290)
Non-cash compensation expense	45	43
Amortization of bond premium (accrual of bond discount)	55	76
Net (gains) losses on investments	455	(258)
Net cash provided by (used in) operating activities	<u>3,695</u>	<u>3,833</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from fixed maturities matured/called/repaid - available for sale	2,626	3,893
Proceeds from fixed maturities sold - available for sale	1,403	1,916
Proceeds from fixed maturities matured/called/repaid - held to maturity	39	-
Proceeds from equity securities sold	2,217	990
Distributions from other invested assets	266	257
Cost of fixed maturities acquired - available for sale	(7,344)	(8,825)
Cost of fixed maturities acquired - held to maturity	(153)	-
Cost of equity securities acquired	(1,003)	(1,098)
Cost of other invested assets acquired	(1,547)	(757)
Net change in short-term investments	149	(43)
Net change in unsettled securities transactions	(71)	(203)
Net cash provided by (used in) investing activities	<u>(3,418)</u>	<u>(3,869)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Common shares issued (redeemed) during the period for share-based compensation, net of expense	(17)	(14)
Purchase of treasury shares	(61)	(225)
Dividends paid to shareholders	(255)	(247)
Proceeds from issuance of senior notes	-	968
Cost of debt repurchase	(6)	-
Net FHLB borrowings (repayments)	-	209
Cost of shares withheld on settlements of share-based compensation awards	(20)	(17)
Net cash provided by (used in) financing activities	<u>(359)</u>	<u>674</u>
EFFECT OF EXCHANGE RATE CHANGES ON CASH	<u>39</u>	<u>1</u>
Net increase (decrease) in cash	(42)	639
Cash, beginning of period	1,441	802
Cash, end of period	<u>\$ 1,398</u>	<u>\$ 1,441</u>
SUPPLEMENTAL CASH FLOW INFORMATION:		
Income taxes paid (recovered)	\$ 171	\$ 98
Interest paid	98	62
NON-CASH TRANSACTIONS:		
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	\$ 722	\$ -