



NEWS RELEASE

EVEREST RE GROUP, LTD.

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Everest Re Group Reports Second Quarter 2021 Results

Net Income of \$680 Million

35% Growth in Gross Written Premium with an 89.3% Combined Ratio

HAMILTON, Bermuda -- (BUSINESS WIRE) – July 28, 2021 – Everest Re Group, Ltd. (“Everest” or the “Company”) today reported its 2021 second quarter results.

Second Quarter 2021 Highlights

- Net income of \$680 million equal to \$16.95 per share
- Net operating income of \$587 million, equal to \$14.63 per share
- Gross written premium growth of 35% and net written premium growth of 39%
- GAAP calendar year combined ratio of 89.3%, an 8-point improvement year over year, and attritional combined ratio of 87.6%, a 0.9 point improvement year over year
- Underwriting income of \$274 million inclusive of pre-tax net catastrophe losses of \$45 million primarily from several global events in the Quarter.
- No change to Covid-19 Pandemic (“Pandemic”) loss provision of \$511 million
- Operating cashflow of \$724 million for the quarter

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

Net income and operating income	Q2	Year to Date	Q2	Year to Date
All values in USD millions except for per share	2021	2021	2020	2020
<u>Everest Re Group</u>				
Net income	680.0	1,021.8	190.9	207.5
Net operating income (loss)	587.0	847.2	82.9	247.3
Net income per diluted common share	16.95	25.47	4.77	5.13
Net operating income per diluted common share	14.63	21.12	2.07	6.12
Net income annualized return on average equity	28.4%	21.6%	8.9%	4.7%
Net operating income annualized return on average equity	24.5%	17.9%	3.9%	5.6%
Period end equity and book value				
	Q2 2021	Year to Date		Q4 2020
Shareholders' equity	10,416.8			9,726.2
Book value per share	260.32			243.25
Change in BVPS adjusted for dividends		8.3%		
Total Shareholder Return ("TSR") - Annualized		22.5%		

Notes

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

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

“Everest had an excellent quarter across the board with very strong growth and outstanding underwriting and investment performance. These results serve as the foundation for our exceptional net income result of \$1.02 billion through the first half of 2021 and are another important step toward achieving our strategic plan objectives. Everest achieved an annualized Total Shareholder Return (“TSR”) of 22.5% through the first half of 2021, exceeding our strategic plan target of 13.0%. Everest capitalized on market opportunities to expand our franchises in both reinsurance and insurance, driven by the relentless execution of our strategies and the valuable risk solutions provided to our customers and broker partners. Our focus on disciplined underwriting drove strong profitability in both reinsurance and insurance across our global operations. Finally, the standout performance this quarter demonstrates the quality of Everest’s diversified earnings, and it is an important step toward achieving our strategic objectives and the commitments made to our shareholders.”

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 All values in USD millions except for percentages	Q2	Year to Date	Q2	Year to Date	Year on Year Change	
	2021	2021	2020	2020	Q2	Year to Date
Gross written premium	3,190.1	6,121.6	2,369.3	4,940.2	34.6%	23.9%
Net written premium	2,809.4	5,363.3	2,017.5	4,219.0	39.3%	27.1%
Loss ratio	62.0%	66.7%	68.9%	69.6%	-6.9 pts	-2.9 pts
Commission and brokerage ratio	21.8%	21.2%	22.8%	22.4%	-1.0 pts	-1.2 pts
Other underwriting expenses	5.5%	5.7%	5.8%	6.1%	-0.3 pts	-0.4 pts
Combined ratio	89.3%	93.6%	97.5%	98.1%	-8.2 pts	-4.5 pts
Attritional combined ratio	87.6%	87.4%	88.5%	89.1%	-0.9 pts	-1.7 pts
Pre-tax net catastrophe losses	45.0	305.0	15.0	45.0		
Pre-tax net covid losses	-	-	160.0	310.0		
Pre-tax net prior year reserve development	(2.6)	(4.5)	5.3	2.7		

Notes

1/ Attritional ratios exclude prior year reserve development, Covid-19 pandemic impacts catastrophe losses, and reinstatement premiums

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

Reinsurance segment

- The reinsurance segment recorded 40% growth in gross written premiums for the quarter. This growth reflects the strength of the Everest global franchise, as we saw broad demand for our reinsurance solutions in the US and across the world, notably in Europe, Bermuda, London, and Latin America.
- Our growth was well balanced by product line and geography and illustrates our ability to deploy capital strategically in attractive markets and in attractive and diversifying product lines.
- We had favorable renewals at April 1 and June 1 and we continue to write a stronger, less volatile, more diversified, and more profitable book on a risk adjusted basis.

Underwriting information - Reinsurance segment All values in USD millions except for percentages	Q2	Year to Date	Q2	Year to Date	Year on Year Change	
	2021	2021	2020	2020	Q2	Year to Date
Gross written premium	2,148.2	4,207.3	1,538.3	3,316.1	39.6%	26.9%
Net written premium	2,059.9	3,972.9	1,424.1	3,037.2	44.6%	30.8%
Loss ratio	60.8%	66.0%	67.0%	67.8%	-6.2 pts	-1.8 pts
Commission and brokerage ratio	24.6%	23.8%	25.8%	25.4%	-1.2 pts	-1.6 pts
Other underwriting expenses	2.5%	2.7%	2.6%	2.8%	-0.1 pts	-0.1 pts
Combined ratio	87.9%	92.5%	95.4%	96.0%	-7.5 pts	-3.5 pts
Attritional combined ratio	86.1%	85.8%	86.7%	87.2%	-0.6 pts	-1.4 pts
Pre-tax net catastrophe losses	35.0	247.5	-	24.5		
Pre-tax net covid losses	-	-	131.0	241.0		
Pre-tax net prior year reserve development	(1.4)	(3.3)	0.8	(1.8)		

Notes

1/ Attritional ratios exclude prior year reserve development, Covid-19 pandemic impacts catastrophe losses, and reinstatement premiums

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

Insurance segment

- Everest Insurance reported our first ever quarter with over \$1.0 billion in gross written premium, reflecting 25% growth year over year. New business in North America was the most significant contributor to this growth, as the economy regains momentum and our responsive and focused product offerings continue to resonate with our broker partners and insureds.
- We continue to expand our margins and the attritional loss ratio improvement for the quarter reflects the continuing success of our nimble and disciplined underwriting process, reacting quickly to market conditions to best position our portfolio for long term profitability.

Underwriting information - Insurance segment All values in USD millions except for percentages	Q2	Year to Date	Q2	Year to Date	Year on Year Change	
	2021	2021	2020	2020	Q2	Year to Date
Gross written premium	1,041.9	1,914.3	831.0	1,624.1	25.4%	17.9%
Net written premium	749.5	1,390.5	593.4	1,181.8	26.3%	17.7%
Loss ratio	65.6%	68.7%	74.3%	74.3%	-8.7 pts	-5.6 pts
Commission and brokerage ratio	13.3%	13.2%	14.6%	14.4%	-1.3 pts	-1.2 pts
Other underwriting expenses	14.6%	14.8%	14.5%	15.0%	0.1 pts	-0.2 pts
Combined ratio	93.5%	96.7%	103.4%	103.7%	-9.9 pts	-7.0 pts
Attritional combined ratio	92.1%	92.2%	93.7%	94.3%	-1.6 pts	-2.1 pts
Pre-tax net catastrophe losses	10.0	57.5	15.0	20.5		
Pre-tax net covid losses	-	-	29.0	69.0		
Pre-tax net prior year reserve development	(1.2)	(1.2)	4.5	4.6		

Notes

1/ Attritional ratios exclude prior year reserve development, Covid-19 pandemic impacts catastrophe losses, and reinstatement premiums

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

Investments and Shareholders' Equity

- Net investment income of \$407 million for the quarter including alternative investment gains of \$266 million for the quarter
- Total invested assets and cash of \$27.1 billion at June 30, 2021, 6.3% growth versus year end 2020
- Shareholders' equity of \$10.4 billion as of June 30, 2021
- Book value per diluted share of \$260.32 at June 30, 2021
- Common share dividends declared and paid in the quarter of \$1.55 per share, equal to \$62.0 million
- Common share repurchases of \$16.8 million during the quarter, representing 68,100 shares at an average price of \$246.44 per share

Equity and Book Value per Share	Q2	Year to Date	Q2	Year to Date
All values in USD millions except for per share	2021	2021	2020	2020
Beginning shareholders' equity	9,682.9	9,726.2	8,580.9	9,132.9
Net income	680.0	1,021.8	190.9	207.5
Change in investment unrealized gains (URAD)	85.8	(206.5)	544.5	296.5
Dividends to shareholders	(62.0)	(124.3)	(61.9)	(125.2)
Purchase of treasury shares	(16.8)	(40.3)	-	(200.0)
Other	46.9	39.9	31.9	(25.4)
Ending shareholders' equity	10,416.8	10,416.8	9,286.3	9,286.3
Diluted common shares outstanding	40.0	40.0	40.0	40.0
Book value per diluted common share	260.32	260.32	232.32	232.32
Common share dividends paid - last 12 months	6.20	6.20	6.05	6.05

This news release contains forward-looking statements within the meaning of the U.S. federal securities laws. We intend these forward-looking statements to be covered by the safe harbor provisions for forward-looking statements in the U.S. Federal securities laws. These statements involve risks and uncertainties that could cause actual results to differ materially from those contained in forward-looking statements made on behalf of the Company. These risks and uncertainties include the impact of general economic conditions and conditions affecting the insurance and reinsurance industry, the adequacy of our reserves, our ability to assess underwriting risk, trends in rates for property and casualty insurance and reinsurance, competition, investment market and investment income fluctuations, trends in insured and paid losses, catastrophes, pandemic, regulatory and legal uncertainties and other factors described in our latest Annual Report on Form 10-K. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

About Everest Re Group, Ltd.

Everest Re Group, Ltd. (“Everest”) is a leading global provider of reinsurance and insurance, operating for close to 50 years through subsidiaries in the U.S., Europe, Singapore, Canada, Bermuda, and other territories.

Everest offers property, casualty, and specialty products through its various operating affiliates located in key markets around the world.

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

Additional information about Everest, our people, and our products can be found on our website at

www.everestre.com. All issuing companies may not do business in all jurisdictions.

A conference call discussing the second quarter results will be held at 8:00 a.m. Eastern Time on July 29, 2021. 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/Financial Reports/Quarterly Reports” 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 realized capital gains (losses) and after-tax net foreign exchange income (expense) as the following reconciliation displays:

(Dollars in thousands, except per share amounts)	Three Months Ended June 30,				Six Months Ended June 30,			
	2021		2020		2021		2020	
	(unaudited)				(unaudited)			
	Per Diluted				Per Diluted			
	Amount	Share	Amount	Share	Amount	Share	Amount	Share
Net income (loss)	\$ 679,982	\$ 16.95	\$ 190,880	\$ 4.77	\$ 1,021,844	\$ 25.47	\$ 207,492	\$ 5.13
After-tax net realized capital gains (losses)	\$ 83,752	\$ 2.09	\$ 150,519	\$ 3.76	\$ 113,787	\$ 2.84	\$ (21,844)	\$ (0.54)
After-tax net foreign exchange income (expense)	\$ 9,222	\$ 0.23	\$ (42,528)	\$ (1.06)	\$ 60,840	\$ 1.52	\$ (17,924)	\$ (0.44)
After-tax operating income (loss)	\$ 587,008	\$ 14.63	\$ 82,889	\$ 2.07	\$ 847,217	\$ 21.12	\$ 247,260	\$ 6.12

(Some amounts may not reconcile due to rounding.)

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

operating income (loss) to investors so that they have what management believes to be a useful supplement to GAAP information concerning the Company's performance.

--Financial Details Follow--

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

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2021	2020	2021	2020
	(unaudited)		(unaudited)	
(Dollars in thousands, except per share amounts)				
REVENUES:				
Premiums earned	\$ 2,558,372	\$ 2,042,405	\$ 4,946,237	\$ 4,079,219
Net investment income	407,095	38,083	667,508	185,883
Net realized capital gains (losses):				
Credit allowances on fixed maturity securities	(15,927)	(4,063)	(22,904)	(25,837)
Other net realized capital gains (losses)	120,036	188,711	165,915	(103)
Total net realized capital gains (losses)	104,109	184,648	143,011	(25,940)
Other income (expense)	7,114	(20,621)	63,707	(12,631)
Total revenues	3,076,690	2,244,515	5,820,463	4,226,531
CLAIMS AND EXPENSES:				
Incurred losses and loss adjustment expenses	1,586,141	1,407,016	3,297,560	2,837,856
Commission, brokerage, taxes and fees	557,749	466,316	1,046,760	914,838
Other underwriting expenses	140,844	118,130	283,075	246,990
Corporate expenses	16,168	8,733	28,546	18,566
Interest, fees and bond issue cost amortization expense	15,607	7,253	31,246	14,836
Total claims and expenses	2,316,509	2,007,448	4,687,187	4,033,086
INCOME (LOSS) BEFORE TAXES	760,181	237,067	1,133,276	193,445
Income tax expense (benefit)	80,199	46,187	111,432	(14,047)
NET INCOME (LOSS)	\$ 679,982	\$ 190,880	\$ 1,021,844	\$ 207,492
Other comprehensive income (loss), net of tax:				
Unrealized appreciation (depreciation) ("URA(D)") on securities arising during the period	84,171	551,753	(204,444)	272,354
Reclassification adjustment for realized losses (gains) included in net income (loss)	1,590	(7,257)	(2,076)	24,142
Total URA(D) on securities arising during the period	85,761	544,496	(206,520)	296,496
Foreign currency translation adjustments	34,295	20,586	24,713	(30,238)
Reclassification adjustment for amortization of net (gain) loss included in net income (loss)	2,043	1,806	4,086	2,726
Total benefit plan net gain (loss) for the period	2,043	1,806	4,086	2,726
Total other comprehensive income (loss), net of tax	122,099	566,888	(177,721)	268,984
COMPREHENSIVE INCOME (LOSS)	\$ 802,081	\$ 757,768	\$ 844,123	\$ 476,476
EARNINGS PER COMMON SHARE:				
Basic	\$ 16.97	\$ 4.78	\$ 25.50	\$ 5.14
Diluted	16.95	4.77	25.47	5.13

EVEREST RE GROUP, LTD.
CONSOLIDATED BALANCE SHEETS

(Dollars and share amounts in thousands, except par value per share)

	<u>June 30,</u> <u>2021</u> (unaudited)	<u>December 31,</u> <u>2020</u>
ASSETS:		
Fixed maturities - available for sale, at market value (amortized cost: 2021, \$20,718,717; 2020, \$19,225,067, credit allowances: 2021, (\$24,650); 2020, (\$1,745))	\$ 21,275,199	\$ 20,040,173
Equity securities, at fair value	1,485,833	1,472,236
Short-term investments (cost: 2021, \$629,943; 2020, \$1,135,088)	629,943	1,134,950
Other invested assets (cost: 2021, \$2,558,631; 2020, \$2,012,581)	2,558,631	2,012,581
Cash	1,106,345	801,651
Total investments and cash	<u>27,055,951</u>	<u>25,461,591</u>
Accrued investment income	170,907	141,304
Premiums receivable	3,199,024	2,680,562
Reinsurance receivables	2,032,363	1,994,555
Funds held by reinsureds	798,780	716,655
Deferred acquisition costs	748,897	622,053
Prepaid reinsurance premiums	495,657	412,015
Income taxes net recoverable	-	17,253
Other assets	868,477	742,369
TOTAL ASSETS	<u>\$ 35,370,056</u>	<u>\$ 32,788,357</u>
LIABILITIES:		
Reserve for losses and loss adjustment expenses	17,645,762	16,398,997
Future policy benefit reserve	36,497	37,723
Unearned premium reserve	4,024,050	3,501,359
Funds held under reinsurance treaties	17,520	15,807
Other net payable to reinsurers	379,524	294,347
Losses in course of payment	198,352	127,971
Senior notes due 6/1/2044	397,254	397,194
Senior notes due 10/1/2050	979,784	979,524
Long term notes due 5/1/2067	223,724	223,674
Borrowings from FHLB	310,000	310,000
Accrued interest on debt and borrowings	9,641	10,460
Unsettled securities payable	124,559	206,693
Income taxes net payable	35,089	-
Other liabilities	571,511	558,432
Total liabilities	<u>24,953,267</u>	<u>23,062,181</u>
SHAREHOLDERS' EQUITY:		
Preferred shares, par value: \$0.01; 50,000 shares authorized; no shares issued and outstanding	-	-
Common shares, par value: \$0.01; 200,000 shares authorized; (2021) 69,817 and (2020) 69,620 outstanding before treasury shares	698	696
Additional paid-in capital	2,256,390	2,245,301
Accumulated other comprehensive income (loss), net of deferred income tax expense (benefit) of \$56,797 at 2021 and \$80,451 at 2020	357,178	534,899
Treasury shares, at cost; 29,802 shares (2021) and 29,636 shares (2020)	(3,662,499)	(3,622,172)
Retained earnings	<u>11,465,022</u>	<u>10,567,452</u>
Total shareholders' equity	<u>10,416,789</u>	<u>9,726,176</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>\$ 35,370,056</u>	<u>\$ 32,788,357</u>

EVEREST RE GROUP, LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Six Months Ended	
	June 30,	
	2021	2020
	(unaudited)	
(Dollars in thousands)		
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	\$ 1,021,844	\$ 207,492
Adjustments to reconcile net income to net cash provided by operating activities:		
Decrease (increase) in premiums receivable	(499,647)	(252,609)
Decrease (increase) in funds held by reinsureds, net	(79,485)	(23,498)
Decrease (increase) in reinsurance receivables	15,836	(147,515)
Decrease (increase) in income taxes	76,452	(25,000)
Decrease (increase) in prepaid reinsurance premiums	(71,566)	(29,699)
Increase (decrease) in reserve for losses and loss adjustment expenses	1,144,620	800,816
Increase (decrease) in future policy benefit reserve	(1,226)	(1,933)
Increase (decrease) in unearned premiums	500,077	159,744
Increase (decrease) in other net payable to reinsurers	72,850	89,499
Increase (decrease) in losses in course of payment	70,653	147,427
Change in equity adjustments in limited partnerships	(377,120)	84,066
Distribution of limited partnership income	49,053	40,447
Change in other assets and liabilities, net	(211,735)	(10,313)
Non-cash compensation expense	22,439	19,175
Amortization of bond premium (accrual of bond discount)	37,928	20,547
Net realized capital (gains) losses	(143,011)	25,940
Net cash provided by (used in) operating activities	<u>1,627,962</u>	<u>1,104,586</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from fixed maturities matured/called - available for sale, at market value	1,897,536	1,261,650
Proceeds from fixed maturities sold - available for sale, at market value	599,737	990,273
Proceeds from equity securities sold, at fair value	474,663	213,185
Distributions from other invested assets	112,398	164,975
Cost of fixed maturities acquired - available for sale, at market value	(3,949,973)	(2,301,701)
Cost of equity securities acquired, at fair value	(360,016)	(224,086)
Cost of other invested assets acquired	(309,691)	(343,332)
Net change in short-term investments	506,285	(439,457)
Net change in unsettled securities transactions	(103,527)	49,504
Net cash provided by (used in) investing activities	<u>(1,132,588)</u>	<u>(628,989)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Common shares issued during the period for share-based compensation, net of expense	(11,349)	(12,841)
Purchase of treasury shares	(40,328)	(200,019)
Dividends paid to shareholders	(124,274)	(125,205)
Cost of debt repurchase	-	(10,647)
Cost of shares withheld on settlements of share-based compensation awards	(13,713)	(14,141)
Net cash provided by (used in) financing activities	<u>(189,664)</u>	<u>(362,853)</u>
EFFECT OF EXCHANGE RATE CHANGES ON CASH	<u>(1,016)</u>	<u>1,699</u>
Net increase (decrease) in cash	304,694	114,443
Cash, beginning of period	801,651	808,036
Cash, end of period	<u>\$ 1,106,345</u>	<u>\$ 922,479</u>
SUPPLEMENTAL CASH FLOW INFORMATION:		
Income taxes paid (recovered)	\$ 34,780	\$ 10,895
Interest paid	31,695	14,992