

# NEWS RELEASE



---

EVEREST RE GROUP, LTD.

Seon place, 141 Front Street, 4<sup>th</sup> Floor, Hamilton HM 19, Bermuda

## Contacts

Media: Dawn Lauer  
Chief Communications Officer  
Everest Global Services, Inc.  
908.300.7670

Investors: Matt Rohrmann  
Head of Investor Relations  
Everest Global Services, Inc.  
908.604.7343

## **Everest Re Group Reports First Quarter 2023 Results**

19.5%<sup>1</sup> GWP Growth and 16.2% Underwriting Income Growth, Led by Record Reinsurance Growth and Strong Pricing Momentum

14.2% Net Income ROE, 17.2 % Operating ROE

91.2% Combined Ratio and 87.5% Attritional Combined Ratio

**HAMILTON, Bermuda - (BUSINESS WIRE) - May 1, 2023** - Everest Re Group, Ltd. ("Everest" or the "Group") today reported its first quarter 2023 results.

### First Quarter 2023 Highlights

- Strong year-over-year improvements in Net Operating Income of \$443 million, and Net Income of \$365 million driven by continued underwriting margin improvement
- 14.1% Total Shareholder Return, 14.2% Net Income ROE, and 17.2% Operating Income ROE
- \$3.7 billion in gross written premium ("GWP") with year-over-year growth of 19.5% in constant dollars as reported for the Group, 23.2% in constant dollars excluding reinstatements for Reinsurance and 11.5% in constant dollars for Insurance
- Combined ratios of 91.2% for the Group, 90.8% for Reinsurance and 92.4% for Insurance driven by improved pricing and lower catastrophe losses year-over-year
- Strong attritional combined ratios of 87.5% for the Group, 85.9% for Reinsurance and 91.7% for Insurance
- Pre-tax underwriting income of \$273 million, third highest result over past 5 years
- \$110 million of pre-tax catastrophe losses net of estimated recoveries and reinstatement premiums driven by the Turkey earthquake as well as the New Zealand floods and cyclone.
- Year-over-year improvement in net investment income of \$260 million, driven by stronger fixed income returns as new money yields remain attractive
- Strong operating cashflow for the quarter of \$1.1 billion versus \$846 million in the first quarter 2022

Footnote 1 in header denotes constant currency figure.

“Everest had a strong start to the year, with first quarter results that delivered significant underwriting profit, a 17.2% operating return on equity and a total shareholder return in excess of 14%,” said Juan C. Andrade, Everest President & CEO. “We delivered profitable growth across both underwriting franchises, particularly in reinsurance, where we continued to drive expanding margins. With our industry leading position, ongoing flight to quality, and relentless execution, we are well equipped to take advantage of market tailwinds. We also continued to invest in scaling our primary business in a disciplined manner. The insurance division generated an increased year-over-year underwriting profit by capitalizing on our diversified portfolio and improved pricing conditions. We advanced many of our strategic objectives this quarter, resulting in improved risk adjusted returns across the portfolio, and continued to manage natural catastrophe volatility demonstrated by the limited exposure to the severe weather events in North America during the quarter. We remain focused on bolstering our world class talent and I am confident in their ability to capitalize on attractive market opportunities in the year ahead.”

#### Summary of First Quarter 2023 Net Income and Other Items

- Net Income of \$365 million, equal to \$9.31 per diluted share versus first quarter 2022 net income of \$298 million, equal to \$7.56 per diluted share
- Net operating income of \$443 million, equal to \$11.31 per diluted share versus first quarter 2022 net operating income of \$406 million, equal to \$10.31 per diluted share
- GAAP combined ratio of 91.2% including 3.7 points of catastrophe losses versus the first quarter 2022 figures of 91.6% including 4.1 points of catastrophe losses

The following table summarizes the Company’s Net Income and related financial metrics.

<b>Net income and operating income</b>	<b>Q1</b>	<b>Year to Date</b>	<b>Q1</b>	<b>Year to Date</b>
<b>All values in USD millions except for per share amounts and percentages</b>	<b>2023</b>	<b>2023</b>	<b>2022</b>	<b>2022</b>
<u>Everest Re Group</u>				
Net income (loss)	365	365	298	298
Operating income (loss) <sup>(1)</sup>	443	443	406	406
Net income (loss) per diluted common share	9.31	9.31	7.56	7.56
Net operating income (loss) per diluted common share	11.31	11.31	10.31	10.31
Net income (loss) return on average equity (annualized)	14.2%	14.2%	11.9%	11.9%
After-tax operating income (loss) return on average equity (annualized)	17.2%	17.2%	16.2%	16.2%

#### Notes

<sup>(1)</sup> 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	Q1	Year to Date	Q1	Year to Date
All values in USD millions except for per share amounts and percentages	2023	2023	2022	2022
Beginning shareholders' equity	8,441	8,441	10,139	10,139
Net income (loss)	365	365	298	298
Change - unrealized gains (losses) - Fixed inc. investments	249	249	(811)	(811)
Dividends to shareholders	(65)	(65)	(61)	(61)
Purchase of treasury shares	-	-	(1)	(1)
Other	24	24	(36)	(36)
Ending shareholders' equity	9,014	9,014	9,528	9,528
Common shares outstanding		39.3		39.4
Book value per common share outstanding		229.49		241.52
Less: Unrealized appreciation/depreciation of fixed maturity investments ("URAD")		(37.15)		(14.49)
Adjusted book value per common share outstanding excluding URAD		266.64		256.01
Change in BVPS adjusted for dividends		7.2%		
Total Shareholder Return ("TSR") - Annualized		14.1%		
Common share dividends paid - last 12 months		6.60		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	Q1	Year to Date	Q1	Year to Date	Year on Year Change	
All values in USD millions except for percentages	2023	2023	2022	2022	Q1	Year to Date
Gross written premium	3,743	3,743	3,186	3,186	17.5%	17.5%
Net written premium	3,329	3,329	2,812	2,812	18.4%	18.4%
Loss ratio	63.4%	63.4%	64.1%	64.1%	(0.7) pts	(0.7) pts
Commission and brokerage ratio	21.3%	21.3%	21.7%	21.7%	(0.4) pts	(0.4) pts
Other underwriting expenses	6.4%	6.4%	5.8%	5.8%	0.6 pts	0.6 pts
Combined ratio	91.2%	91.2%	91.6%	91.6%	(0.4) pts	(0.4) pts
Attritional combined ratio <sup>(1)</sup>	87.5%	87.5%	87.4%	87.4%	0.1 pts	0.1 pts
Pre-tax net catastrophe losses <sup>(2)</sup>	110	110	115	115		
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

## Reinsurance Segment - Quarterly Highlights

- Gross written premiums grew 23.2% on a constant dollar basis to \$2.64 billion, a new quarterly premium record for the segment, and broad-based, double-digit growth across every business unit.
- Growth was driven by 19.4% growth in property pro-rata, 27.5% growth in property Cat, 22.1% in Casualty pro-rata as a flight to quality continues across various markets.
- Robust pricing momentum at April 1 renewal continued, with Cat pricing up over 44% in North America and 26% Internationally, with improved terms/conditions.
- 90-basis point improvement in the attritional loss ratio to 58.0% year over year and an attritional combined ratio of 85.9% vs 86.2% a year ago.
- Pre-tax catastrophe losses of \$108 million net of estimated recoveries and reinstatement premiums, compared with \$110 million a year ago. Catastrophe losses driven by the Turkey Earthquake as well as the New Zealand floods and cyclone.

Underwriting information - Reinsurance segment	Q1 Year to Date		Q1 Year to Date		Year on Year Change	
	2023	2023	2022	2022	Q1	Year to Date
All values in USD millions except for percentages						
Gross written premium	2,637	2,637	2,186	2,186	20.6%	20.6%
Net written premium	2,454	2,454	2,081	2,081	17.9%	17.9%
Loss ratio	62.9%	62.9%	64.1%	64.1%	(1.2) pts	(1.2) pts
Commission and brokerage ratio	25.0%	25.0%	24.9%	24.9%	0.1 pts	0.1 pts
Other underwriting expenses	2.8%	2.8%	2.4%	2.4%	0.4 pts	0.4 pts
Combined ratio	90.8%	90.8%	91.4%	91.4%	(0.6) pts	(0.6) pts
Attritional combined ratio <sup>(1)</sup>	85.9%	85.9%	86.2%	86.2%	(0.3) pts	(0.3) pts
Pre-tax net catastrophe losses <sup>(2)</sup>	108	108	110	110		
Pre-tax net Russia/Ukraine losses	-	-	-	-		
Pre-tax net prior year reserve development	-	-	(2)	(2)		

### 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 \$1.1 billion, an 11.5% increase year-over-year in constant dollars, led by a diversified mix of property, marine, energy and other specialty lines.
- Strong underwriting profit of \$66 million, up 12% year-over-year.
- Lower catastrophe losses in the quarter at \$2 million.
- Attritional loss ratio of 64.2% slightly up over prior year resulting in attritional combined ratio of 91.7%.
- The quarter included a one-time current accident-year adjustment of \$15 million related to a non-renewed medical stop loss book.
- Disciplined expense management of 27.7%, an improvement of 10 basis points over prior year.
- Rate accelerated sequentially for the second straight quarter, driven by property and umbrella.

Underwriting information - Insurance segment All values in USD millions except for percentages	2023		2022		Year on Year Change	
	Q1	Year to Date	Q1	Year to Date	Q1	Year to Date
Gross written premium	1,106	1,106	1,001	1,001	10.5%	10.5%
Net written premium	875	875	731	731	19.7%	19.7%
Loss ratio	64.7%	64.7%	64.1%	64.1%	0.6 pts	0.6 pts
Commission and brokerage ratio	11.8%	11.8%	12.5%	12.5%	(0.7) pts	(0.7) pts
Other underwriting expenses	15.9%	15.9%	15.3%	15.3%	0.6 pts	0.6 pts
Combined ratio	92.4%	92.4%	91.9%	91.9%	0.5 pts	0.5 pts
Attritional combined ratio <sup>(1)</sup>	91.7%	91.7%	90.9%	90.9%	0.8 pts	0.8 pts
Pre-tax net catastrophe losses <sup>(2)</sup>	2	2	5	5		
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 March 31, 2023

- Total invested assets and cash of \$31.4 billion versus \$29.9 billion on December 31, 2022
- Shareholders' equity of \$9.0 billion vs. \$8.4 billion on December 31, 2022, includes \$1.5 billion of unrealized net losses on AFS fixed maturity investments
- Shareholders' equity excluding unrealized gains (losses) on AFS fixed maturity investments of \$10.5 billion versus \$10.1 billion on December 31, 2022
- Book value per share of \$229.49 versus \$215.54 at December 31, 2022
- Book value per share excluding unrealized gains (losses) on AFS fixed maturity investments of \$266.64 versus \$259.18 at December 31, 2022
- 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](http://www.everestre.com).

A conference call discussing the results will be held at 8:00 a.m. Eastern Time on May 2, 2023. The call will be available on the Internet through the Company's web site at [everestre.com/investors](http://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](http://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 March 31,				Three Months Ended March 31,			
	2023		2022		2023		2022	
	(unaudited)				(unaudited)			
	Per Diluted		Per Diluted		Per Diluted		Per Diluted	
	Amount	Share	Amount	Share	Amount	Share	Amount	Share
After-tax operating income (loss)	\$ 443	\$ 11.31	\$ 406	\$ 10.31	\$ 443	\$ 11.31	\$ 406	\$ 10.31
After-tax net gains (losses) on investments	\$ 6	\$ 0.14	\$ (123)	\$ (3.14)	\$ 6	\$ 0.14	\$ (123)	\$ (3.14)
After-tax net foreign exchange income (expense)	\$ (84)	\$ (2.14)	\$ 15	\$ 0.39	\$ (84)	\$ (2.14)	\$ 15	\$ 0.39
Net income (loss)	\$ 365	\$ 9.31	\$ 298	\$ 7.56	\$ 365	\$ 9.31	\$ 298	\$ 7.56

(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	
	March 31,	
	2023	2022
	(unaudited)	
<b>REVENUES:</b>		
Premiums earned	\$ 3,100	\$ 2,792
Net investment income	260	243
Net gains (losses) on investments:		
Credit allowances on fixed maturity securities	(8)	(12)
Gains (losses) from fair value adjustments	4	(137)
Net realized gains (losses) from dispositions	9	(5)
Total net gains (losses) on investments	5	(154)
Other income (expense)	(79)	15
Total revenues	<u>3,286</u>	<u>2,896</u>
<b>CLAIMS AND EXPENSES:</b>		
Incurred losses and loss adjustment expenses	1,966	1,790
Commission, brokerage, taxes and fees	661	605
Other underwriting expenses	200	161
Corporate expenses	19	14
Interest, fees and bond issue cost amortization expense	32	24
Total claims and expenses	<u>2,878</u>	<u>2,594</u>
<b>INCOME (LOSS) BEFORE TAXES</b>	408	302
Income tax expense (benefit)	43	4
<b>NET INCOME (LOSS)</b>	\$ 365	\$ 298
<b>Other comprehensive income (loss), net of tax:</b>		
Unrealized appreciation (depreciation) ("URA(D)") on securities arising during the period	246	(815)
Reclassification adjustment for realized losses (gains) included in net income (loss)	3	4
Total URA(D) on securities arising during the period	<u>249</u>	<u>(811)</u>
Foreign currency translation adjustments	31	(34)
Reclassification adjustment for amortization of net (gain) loss included in net income (loss)	-	1
Total benefit plan net gain (loss) for the period	<u>-</u>	<u>1</u>
Total other comprehensive income (loss), net of tax	<u>280</u>	<u>(844)</u>
<b>COMPREHENSIVE INCOME (LOSS)</b>	\$ 645	\$ (547)
<b>EARNINGS PER COMMON SHARE:</b>		
Basic	\$ 9.31	\$ 7.57
Diluted	9.31	7.56

(Dollars in millions, except per share amounts)



EVEREST RE GROUP, LTD.  
CONSOLIDATED BALANCE SHEETS

	March 31, 2023	December 31, 2022
(Dollars and share amounts in millions, except par value per share)	(unaudited)	
<b>ASSETS:</b>		
Fixed maturities - available for sale, at fair value (amortized cost: 2023, \$25,247; 2022, \$24,191, credit allowances: 2023, (\$62); 2022, (\$54))	\$ 23,560	\$ 22,236
Fixed maturities - held to maturity, at amortized cost (fair value: 2023, \$814; 2022, \$821, net of credit allowances: 2023, (\$9); 2022, (\$9))	825	839
Equity securities, at fair value	250	281
Other invested assets	4,156	4,085
Short-term investments	1,034	1,032
Cash	1,610	1,398
Total investments and cash	31,435	29,872
Accrued investment income	235	217
Premiums receivable (net of credit allowances: 2023, (\$30); 2022, (\$29))	3,922	3,619
Reinsurance paid loss recoverables (net of credit allowances: 2023, (\$24); 2022, (\$23))	182	136
Reinsurance unpaid loss recoverables	2,125	2,105
Funds held by reinsureds	1,071	1,056
Deferred acquisition costs	1,011	962
Prepaid reinsurance premiums	611	610
Income tax asset, net	387	459
Other assets (net of credit allowances: 2023, (\$7); 2022, (\$5))	860	930
<b>TOTAL ASSETS</b>	<b>\$ 41,839</b>	<b>\$ 39,966</b>
<b>LIABILITIES:</b>		
Reserve for losses and loss adjustment expenses	22,878	22,065
Future policy benefit reserve	29	29
Unearned premium reserve	5,418	5,147
Funds held under reinsurance treaties	10	13
Other net payable to reinsurers	618	567
Losses in course of payment	123	74
Senior notes	2,348	2,347
Long term notes	218	218
Borrowings from FHLB	519	519
Accrued interest on debt and borrowings	41	19
Unsettled securities payable	201	1
Other liabilities	422	526
Total liabilities	32,825	31,525
<b>SHAREHOLDERS' EQUITY:</b>		
Preferred shares, par value: \$0.01; 50.0 shares authorized; no shares issued and outstanding	-	-
Common shares, par value: \$0.01; 200.0 shares authorized; (2023) 70.0 and (2022) 69.9 outstanding before treasury shares	1	1
Additional paid-in capital	2,295	2,302
Accumulated other comprehensive income (loss), net of deferred income tax expense (benefit) of (\$218) at 2023 and (\$250) at 2022	(1,716)	(1,996)
Treasury shares, at cost: 30.8 shares (2023) and 30.8 shares (2022)	(3,908)	(3,908)
Retained earnings	12,342	12,042
Total shareholders' equity	9,014	8,441
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$ 41,839</b>	<b>\$ 39,966</b>

EVEREST RE GROUP, LTD.  
CONSOLIDATED STATEMENTS OF CASH FLOWS

(Dollars in millions)	Three Months Ended	
	March 31,	
	2023	2022
	(unaudited)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net income (loss)	\$ 365	\$ 298
Adjustments to reconcile net income to net cash provided by operating activities:		
Decrease (increase) in premiums receivable	(259)	(14)
Decrease (increase) in funds held by reinsureds, net	(17)	(67)
Decrease (increase) in reinsurance recoverables	7	(126)
Decrease (increase) in income taxes	41	1
Decrease (increase) in prepaid reinsurance premiums	28	(7)
Increase (decrease) in reserve for losses and loss adjustment expenses	681	632
Increase (decrease) in future policy benefit reserve	-	(1)
Increase (decrease) in unearned premiums	226	4
Increase (decrease) in other net payable to reinsurers	17	46
Increase (decrease) in losses in course of payment	47	(125)
Change in equity adjustments in limited partnerships	(5)	(98)
Distribution of limited partnership income	48	71
Change in other assets and liabilities, net	(121)	47
Non-cash compensation expense	12	12
Amortization of bond premium (accrual of bond discount)	(1)	19
Net (gains) losses on investments	(5)	154
Net cash provided by (used in) operating activities	<u>1,064</u>	<u>846</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from fixed maturities matured/called/repaid - available for sale	562	849
Proceeds from fixed maturities sold - available for sale	72	419
Proceeds from fixed maturities matured/called/repaid - held to maturity	28	-
Proceeds from equity securities sold	46	90
Distributions from other invested assets	137	163
Cost of fixed maturities acquired - available for sale	(1,613)	(2,011)
Cost of fixed maturities acquired - held to maturity	(11)	-
Cost of equity securities acquired	(1)	(195)
Cost of other invested assets acquired	(242)	(137)
Net change in short-term investments	4	355
Net change in unsettled securities transactions	267	46
Net cash provided by (used in) investing activities	<u>(752)</u>	<u>(421)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Common shares issued (redeemed) during the period for share-based compensation, net of expense	(19)	(14)
Purchase of treasury shares	-	(1)
Dividends paid to shareholders	(65)	(61)
Cost of shares withheld on settlements of share-based compensation awards	(19)	(17)
Net cash provided by (used in) financing activities	<u>(103)</u>	<u>(94)</u>
<b>EFFECT OF EXCHANGE RATE CHANGES ON CASH</b>	<u>3</u>	<u>6</u>
Net increase (decrease) in cash	212	337
Cash, beginning of period	1,398	1,441
Cash, end of period	<u>\$ 1,610</u>	<u>\$ 1,778</u>
<b>SUPPLEMENTAL CASH FLOW INFORMATION:</b>		
Income taxes paid (recovered)	\$ 2	\$ 3
Interest paid	10	2