



# Everest Re Group, Ltd.

**MORGAN STANLEY FINANCIALS CONFERENCE**

June 13, 2012

## Cautionary note on forward-looking statements

This presentation 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 fluctuations, trends in insured and paid losses, catastrophes, 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.

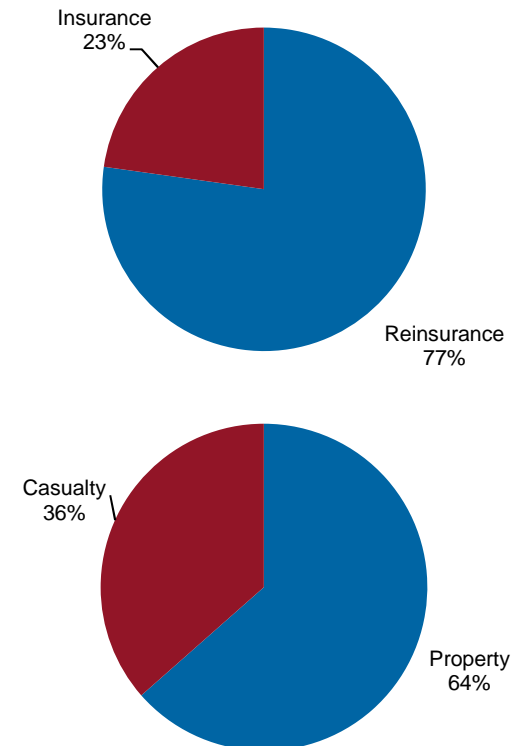


# The Everest Advantage

## WELL POSITIONED TO CONTINUE TO BUILD VALUE

- Strong Brand Recognition
- Top ratings (A.M. Best A+; S&P A+; Moody's Aa3, Fitch AA-)
- Experienced Management Team and Board of Directors
- Winning Culture – disciplined, focused on profitable growth, accountable – results oriented, flat and nimble in decision making
- Efficient Operating Structure – 4.8% group expense ratio and 3.1% expense ratio for reinsurance operations only
- High-quality, liquid investment portfolio with \$16.1b of assets with an average rating of AA
- Strong Balance Sheet - \$6.3 Billion in GAAP equity
- Diversified Book of Business – Reinsurance/Insurance; Property/Casualty; U.S./Non U.S.

### 2011 Gross Written Premium \$4.3 Billion



Experienced  
Team

Strong Cycle  
Management

Diversified  
Business Platform

Disciplined Growth



# Established Global Platform

PROVIDING MULTIPLE DISTRIBUTION POINTS TO ACCESS THE BEST OPPORTUNITIES



## Key Operating Subsidiaries in the United States, Ireland and Bermuda

### REINSURANCE LOCATIONS

- |                      |         |
|----------------------|---------|
| United States        | Bermuda |
| • Chicago, IL        | Belgium |
| • Liberty Corner, NJ | Brazil  |
| • Miami FL           | Canada  |
| • New York, NY       | Germany |
| • Oakland, CA        | Ireland |

- London
- Singapore

### INSURANCE LOCATIONS

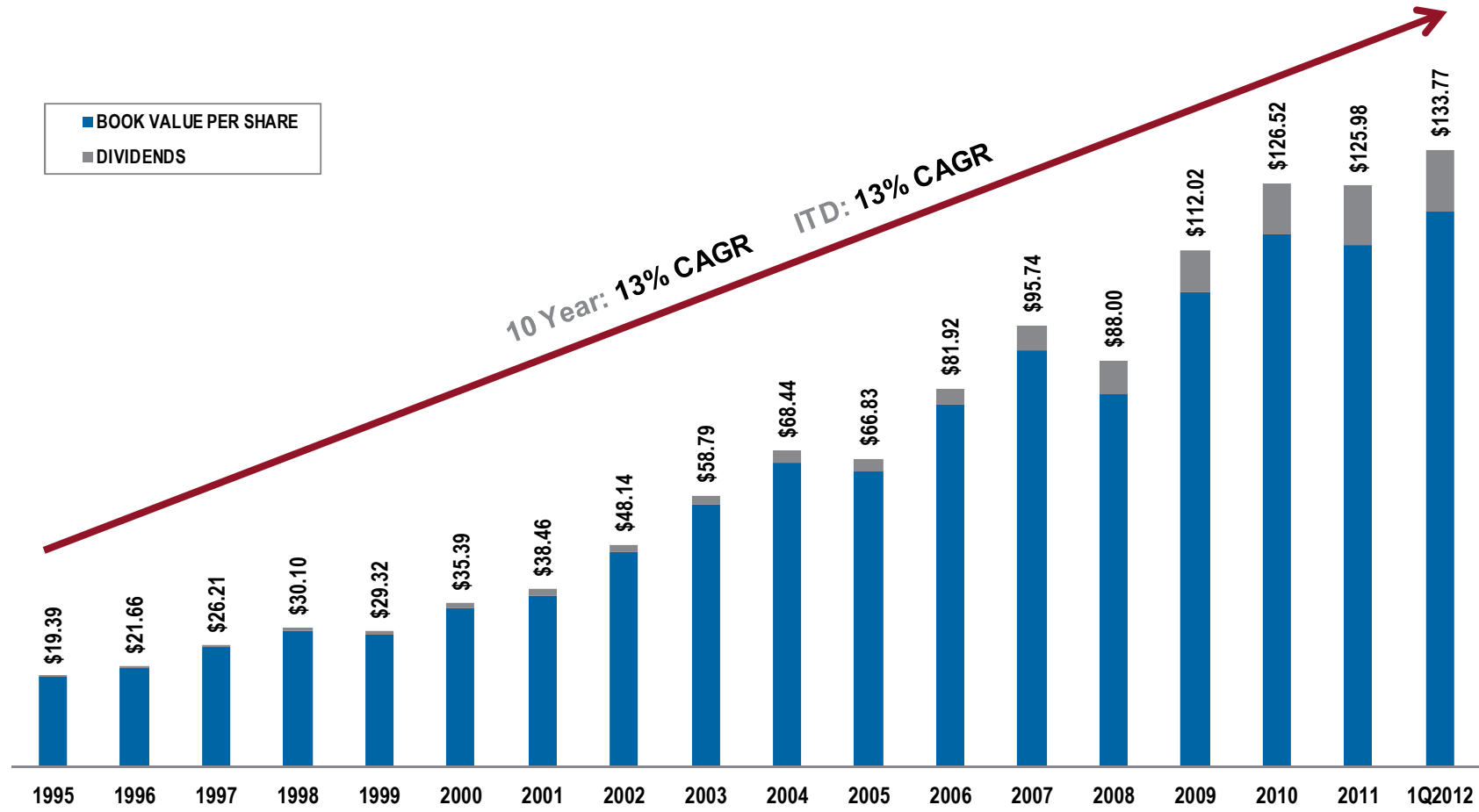
- United States
- Atlanta, GA
- Liberty Corner, NJ
- New York, NY
- Oakland, CA
- Orange, CA
- Topeka, KS

- Canada
- British Columbia, Canada
- Toronto, Canada



# Investor Value Proposition

TOTAL SHAREHOLDER RETURN (Growth in BVPS + Dividends)



## 2012 Market Backdrop

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- Record catastrophe losses in 2011 estimated at over \$100 billion
- Property markets, particularly catastrophe exposed regions, providing for improved pricing, terms, and conditions following recent catastrophe loss events
- Most casualty lines continue to exhibit sub-par returns, although there are select opportunities in professional liability and workers compensation
- Select opportunities in health insurance and crop insurance

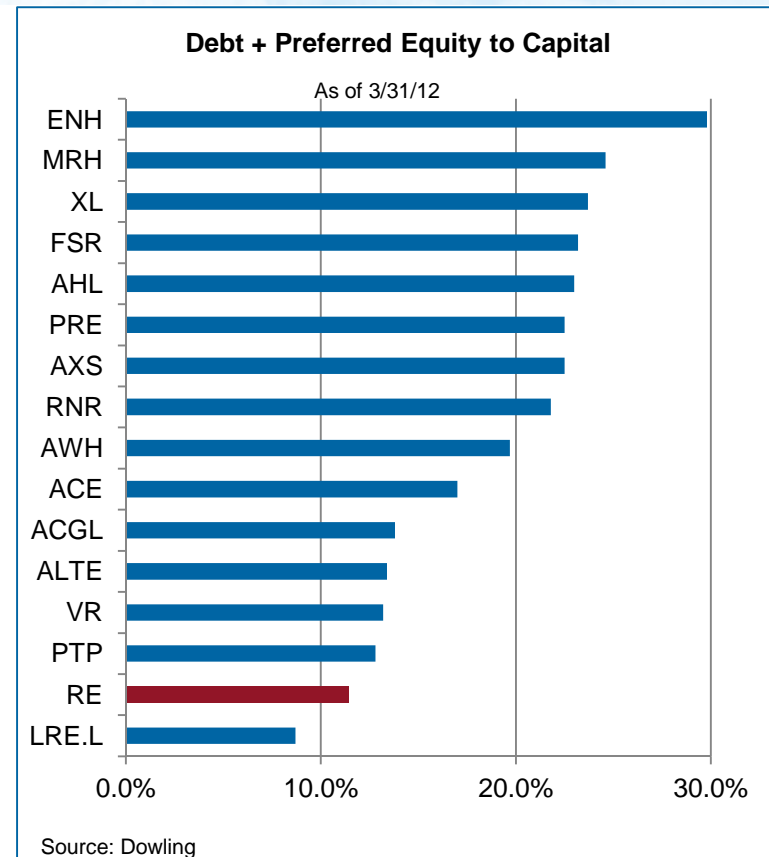
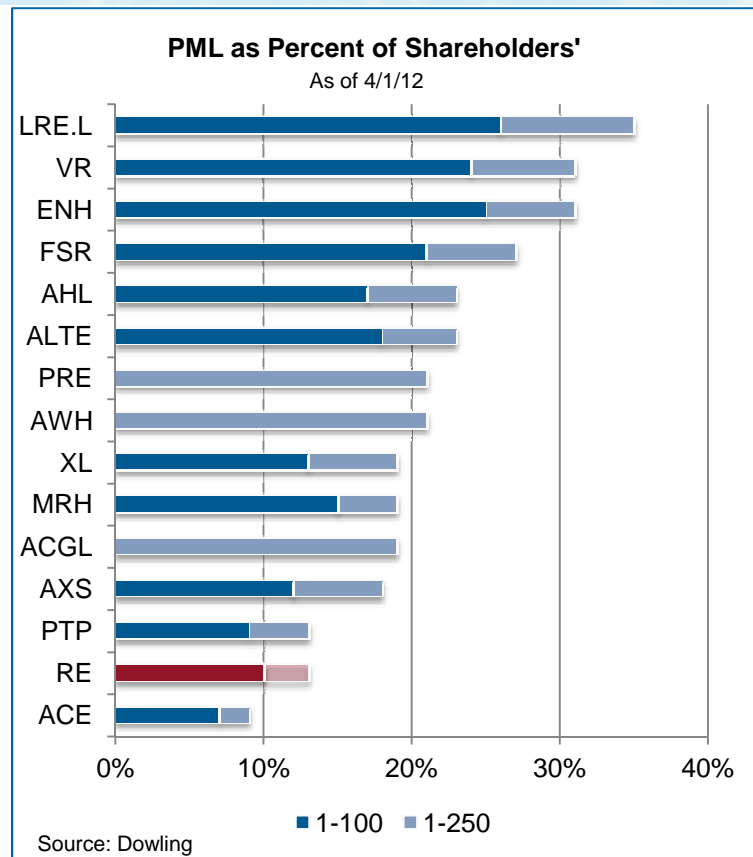
## 1<sup>st</sup> Quarter 2012 Results

- Generated comprehensive income of \$400 million and an annualized ROE of 21%
- Grew book value per share, adjusted for dividends, by 7% in the quarter
- Saw strong upward rate momentum, particularly for catastrophe exposed risks, leading to a 9% increase in our reinsurance premiums, quarter over quarter, and adding meaningfully to the returns we are able to achieve
- Continued strong cash flow from operations, despite prior year catastrophe loss payouts, with \$166 million in the quarter
- Repurchased 1.4 million of our common shares, representing 2.6% of the beginning year outstanding shares, for a total cost of \$125 million



# Strong Risk Management Culture

WITH CONSIDERABLE FINANCIAL FLEXIBILITY



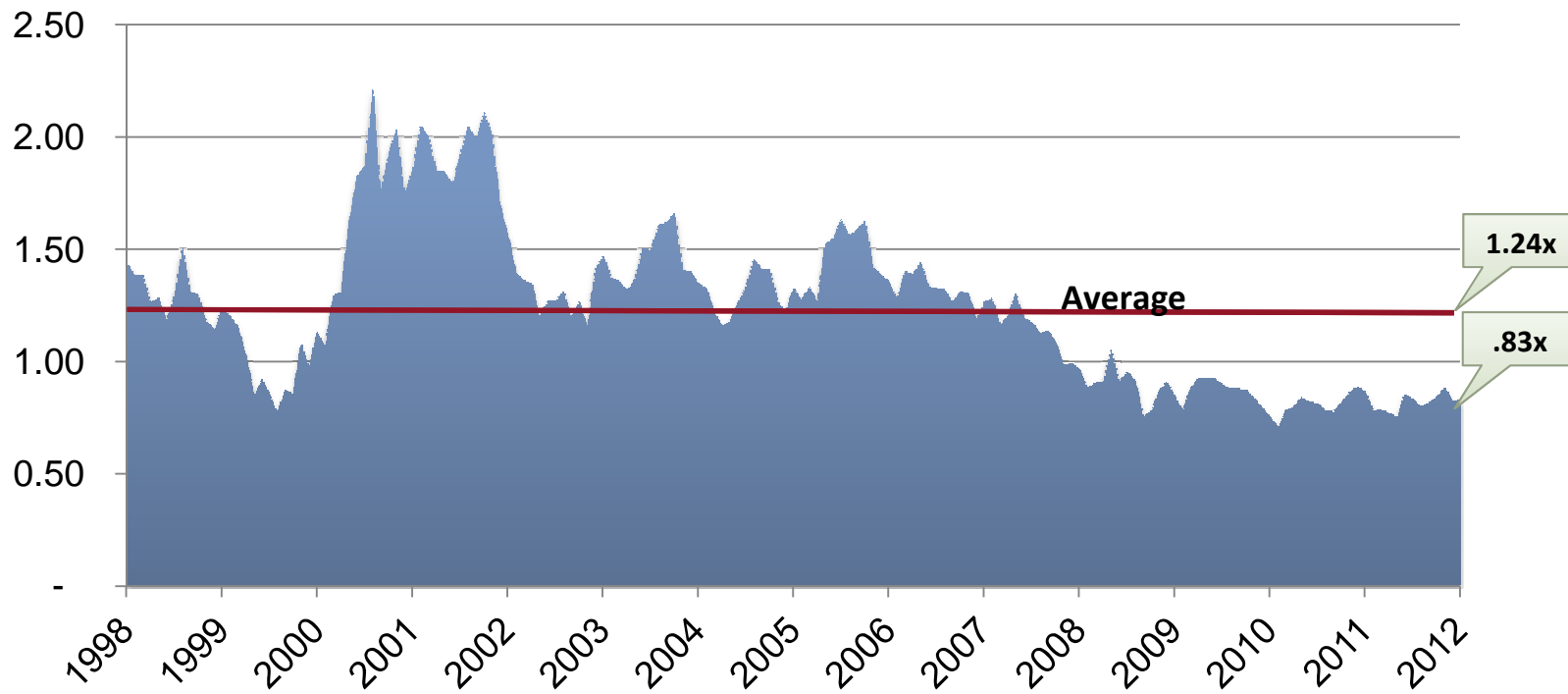
- Risk is fundamental to our business therefore we have developed a comprehensive enterprise risk management (ERM) framework that aims to preserve the strength of our balance sheet while generating reasonable returns to shareholders.
- Performance in 2011 – the costliest catastrophe year on record – is a testament to the strength of our risk management practices with shareholders' equity, adjusted for capital returned to shareholders, essentially flat.



# Attractive Valuation Creates Buying Opportunity

RECORD LOW WITH SHARES TRADING AT A 17% DISCOUNT TO BOOK

## Everest Historical Price-to-Book Valuation - 1998 to 2012



*Everest has taken advantage of this opportunity, and since 2006 has repurchased 20% of its outstanding shares, returning \$1.2 billion of capital to shareholders*

## Conclusion

- Strong franchise that has successfully weathered numerous market cycles
- Seasoned management team focused on building long term value for our shareholders
- Disciplined underwriting culture – profitability before growth – supported by a strong risk management framework
- Conservative, high-quality balance sheet with superior capitalization as acknowledged by each the rating agencies
- Astute managers of capital
- Compelling upside potential with stock trading at .83x book relative to historical valuations and company's track record of providing double-digit return to its shareholder



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