



## **RenaissanceRe Reports \$365 Million Operating Profit for 2002; Operating EPS of \$1.49 for 2002 Fourth Quarter and \$5.20 for the Full Year**

February 4, 2003

PEMBROKE, Bermuda--(BUSINESS WIRE)--Feb. 4, 2003--RenaissanceRe Holdings Ltd. (NYSE: RNR):

- Managed Catastrophe Premium Increases by 67% for the Full Year 2002
- Individual Risk Premium Grows to \$260 million in 2002 Compared to \$50 million in 2001
- Specialty Reinsurance Premium Grows to \$247 million in 2002 Compared to \$77 million in 2001
- Records 35% Growth in Book Value per Share and 29% Operating ROE for the Full Year 2002
- Estimates Operating EPS of \$5.30 to \$5.70 for 2003, an Increase of over 25% above Normalized 2002 Operating EPS

RenaissanceRe Holdings Ltd. (NYSE: RNR) today reported \$105.0 million in fourth quarter net operating income available to common shareholders (excluding realized investment gains and losses), compared to \$46.6 million in the fourth quarter of 2001.

Operating earnings per share grew to \$1.49 in the fourth quarter, from \$0.69 per share in the fourth quarter of the previous year. Net income available to common shareholders rose to \$102.2 million or \$1.45 per share in the quarter, compared to \$49.2 million or \$0.73 per share for the same quarter of 2001.

James N. Stanard, Chairman and CEO, commented: "2002 was an outstanding year for RenaissanceRe by any measure. Our premiums more than doubled, we had a record \$365 million in operating profits, and our 29% return on equity enabled us to record a tenth consecutive year of industry-leading returns. We continued to expand our leadership in our core catastrophe reinsurance business and substantially grew in specialty reinsurance and individual risk."

Mr. Stanard added: "As previously announced, we are projecting 2003 operating earnings per share of \$5.30 to \$5.70, assuming normal loss activity. This represents over 25% earnings growth when compared to normalized results for 2002 of \$4.20 per share, which is net of an estimated \$1.00 per share of benefit from the low catastrophe loss activity of 2002. 2003 is already off to a strong start as we had a very successful January 1 renewal season in our reinsurance business and we are continuing to grow our Individual Risk business. We expect significant growth in written premium for the first quarter."

For the twelve months ended December 31, 2002, net operating income available to common shareholders (excluding realized gains and losses on investments and excluding the cumulative effect of a change in accounting principle) was \$365.2 million or \$5.20 per share, compared to \$146.3 million or \$2.34 per share in 2001. Net income available to common shareholders for the twelve months ended December 31, 2002 was \$364.8 million or \$5.20 per share, compared to \$164.4 million or \$2.63 per share in 2001.

Gross premiums written for the fourth quarter of 2002 increased by 177% to \$159.3 million, compared to \$57.5 million for the same quarter of 2001. Net premiums written for the fourth quarter of 2002 were \$153.4 million, versus \$46.3 million for the same quarter of 2001. Net premiums earned for the fourth quarter of 2002 were \$234.5 million, compared to \$93.7 million for the same quarter of 2001. Those premiums include \$19.3 million of gross and net written premiums and \$52.9 million of net premiums earned by the Company's consolidated joint venture, DaVinci Re, during the fourth quarter of 2002.

Gross premiums written for the twelve months ended December 31, 2002 were \$1.2 billion, compared to \$501.3 million for 2001. Net premiums written for the twelve months ended December 31, 2002 were \$923.7 million, compared to \$339.5 million for 2001. Net premiums earned for the twelve months of 2002 were \$760.9 million, compared to \$333.1 million for the same period in 2001. Those premiums include \$187.8 million of gross written premiums, \$185.5 million of net written premiums and \$153.0 million of net premiums earned by DaVinci Re for the twelve months ended December, 31 2002.

Total Managed Catastrophe Premiums Written, representing gross catastrophe premiums written by RenaissanceRe Holdings Ltd. and by related joint ventures, increased to \$57.7 million for the fourth quarter, compared to \$27.1 million for the same quarter of 2001. Total Managed Cat Premiums for the twelve months ended December 31, 2002 increased by 67% to \$738.8 million, from \$441.8 million in 2001.

Net investment income, excluding realized investment gains and losses, for the fourth quarter of 2002 increased to \$28.9 million, compared to \$20.3 million for the same period in 2001, primarily due to the growth in the Company's investment portfolio resulting from the Company's strong cash flows from operations. Net investment income for the twelve months ended December 31, 2002 was \$104.1 million, compared to \$75.2 million for the same period in 2001.

Claims and claim expenses incurred for the quarter ended December 31, 2002 were \$90.3 million, or 38.5% of net premiums earned. In comparison, claims and claim expenses incurred for the quarter ended December 31, 2001 were \$28.7 million, or 30.7% of net premiums earned. Claims and claim expenses incurred for the twelve months ended December 31, 2002 were \$289.5 million or 38.1% of net premiums earned. In comparison, claims and claim expenses incurred for the twelve months ended December 31, 2001 were \$149.9 million or 45.0% of net premiums earned. The reduction in the loss ratio during 2002, compared to 2001, resulted principally from the relatively low level of catastrophe losses during 2002, offset partially by the growth in the specialty and individual risk areas, which operate at higher loss ratios. Also, the 2001 loss ratio includes losses related to the events of September 11th, 2001.

Operational expenses for the quarter ended December 31, 2002 were \$18.9 million compared to \$10.8 million for the same period in 2001. The increase relates primarily to compensation related expenses.

Pro-forma "other income", which includes aggregate earnings from joint venture activities, fees related to catastrophe business, and miscellaneous other items, is presented in the supplemental disclosures. The principal differences between other income as reported and the pro-forma presentation are that the results of DaVinci Re are reflected as if it were reported under the equity accounting method, and the pro-forma presentation also includes fees earned on certain quota share cessions of catastrophe business by the Company which are reflected on the income statement as a reduction of acquisition and operational expenses. During the quarter, the Company recorded pro-forma other income of \$31.8 million, compared to \$9.3 million during the fourth quarter of 2001. Of the total \$31.8 million of pro-forma other income during the quarter, \$15.8 million relates to fees and profit commissions, compared to \$5.3 million in the fourth quarter of 2001, and \$14.6 million relates to the Company's portion of the earnings from its joint ventures, versus \$2.5 million in the comparable period of 2001.

For the twelve months ended December 31, 2002, the Company recorded pro-forma other income of \$112.8 million, compared to \$25.4 million in 2001. Of the total \$112.8 million of pro-forma other income during 2002, \$54.1 million relates to fees and profit commissions, compared to \$17.5 million in 2001, and \$52.1 million relates to the Company's portion of the earnings from its joint ventures, versus \$9.7 million in 2001.

Shareholders' equity attributable to common shareholders was \$1.5 billion at December 31, 2002, compared to \$1.1 billion at December 31, 2001. Book value per common share at December 31, 2002 was \$21.39, compared to \$15.83 per common share at December 31, 2001. The share and per-share information in this press release reflects the Company's three-for-one stock split in May 2002, as if the split had occurred for all periods presented.

Separately, the Company announced that it had closed the sale of \$100 million of 10-year 5.875% senior notes and \$100 million of 7.3% perpetual preference shares. The Company expects to use the net proceeds from these offerings for general corporate purposes.

RenaissanceRe Holdings Ltd. will host a conference call on Wednesday, February 5, 2003 at 9:00 a.m. (ET) to discuss this release. Live broadcast of the conference call will be available through the Investor Section of RenaissanceRe's website at [www.renre.com](http://www.renre.com).

RenaissanceRe Holdings Ltd. is a global provider of reinsurance and insurance.

Cautionary Statement under "Safe Harbor" Provisions of the Private Securities Litigation Reform Act of 1995: Statements made in this news release contain information about the Company's future business prospects. These statements may be considered "forward-looking." These statements are subject to risks and uncertainties that could cause actual results to differ materially from those set forth in or implied by such forward-looking statements. For further information regarding cautionary statements and factors affecting future operations results, please refer to RenaissanceRe Holdings Ltd.'s filings with the Securities and Exchange Commission, including its Annual Report on Form 10-K for the year ended December 31, 2001, and Forms 10-Q for the quarters ended March 31, 2002, June 30, 2002 and September 30, 2002.

RenaissanceRe Holdings Ltd. and Subsidiaries  
Summary Consolidated Statements of Income  
For the periods ended December 31, 2002 and 2001  
(in thousands of United States Dollars, except per share amounts)

	Quarters Ended		Year to Date	
	Dec. 31, 2002	Dec. 31, 2001	Dec. 31, 2002	Dec. 31, 2001
	-----			
	(Unaudited)			
<b>Revenues</b>				
Gross premiums written	\$159,324	\$57,530	\$1,173,049	\$501,321
	=====			
Net premiums written	\$153,411	\$46,339	\$923,711	\$339,547
Decrease (increase) in unearned premiums	81,134	47,362	(162,806)	(6,482)
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Net premiums earned	234,545	93,701	760,905	333,065
Net investment income	28,886	20,264	104,098	75,156
Net foreign exchange gains (losses)	1,273	(554)	3,861	(1,667)
Other income	8,594	7,404	32,821	16,244
Net realized gains (losses) on investments	(2,780)	2,622	8,765	18,096
	-----			
Total revenues	270,518	123,437	910,450	440,894
	-----			
<b>Expenses</b>				
Claims and claim expenses incurred	90,327	28,721	289,525	149,917
Acquisition expenses	32,925	10,745	95,644	45,359
Operational expenses	18,918	10,789	49,159	38,603
Corporate expenses	3,483	3,811	14,327	11,485

Interest expense	3,423	3,003	13,069	7,249
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Total expenses	149,076	57,069	461,724	252,613
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Income before minority interest and taxes and change in accounting principle	121,442	66,368	448,726	188,281
Minority interest - Capital Securities	2,182	1,919	7,605	7,484
Minority interest - DaVinci	14,415	751	55,051	751
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Income before taxes and change in accounting principle	104,845	63,698	386,070	180,046
Income tax expense (benefit)	(497)	13,087	(115)	14,262
Cumulative effect of a change in accounting principle - SFAS 142 - Goodwill	-	-	(9,187)	-
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Net income	105,342	50,611	376,998	165,784
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Dividends on Series A Preference Shares	3,105	1,418	12,184	1,418
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Net income available to Common Shareholders	\$102,237	\$49,193	\$364,814	\$164,366
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Operating earnings per Common Share - diluted (a)	\$1.49	\$0.69	\$5.20	\$2.34
Earnings per Common Share - basic	\$1.50	\$0.76	\$5.40	\$2.76
Earnings per Common Share - diluted	\$1.45	\$0.73	\$5.20	\$2.63
Average shares outstanding - basic	68,241	64,317	67,555	59,490
Average shares outstanding - diluted	70,574	67,554	70,211	62,391
Claims and claim expense ratio	38.5%	30.7%	38.1%	45.0%
Expense ratio	22.1%	23.0%	19.0%	25.2%
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Combined ratio	60.6%	53.7%	57.1%	70.2%
=====				
Operating return on average equity (annualized) (a)	29.6%	19.6%	29.0%	17.8%
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(a) Excludes realized gains and losses on investments and cumulative effect of a change in accounting principle - SFAS 142 - Goodwill.

RenaissanceRe Holdings Ltd. and Subsidiaries  
Summary Consolidated Balance Sheets  
(in thousands of United States Dollars, except per share amounts)

As at

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December 31, December 31,  
2002      2001

Assets

Fixed maturity investments available for sale, at fair value (Amortized cost \$2,155,266 and \$1,266,188 at December 31, 2002 and December 31, 2001, respectively)	\$2,221,109	\$1,282,483
Short term investments	570,497	733,925
Other investments	129,918	38,307
Equity investment in reinsurance company at fair value (Cost \$84,199 at December 31, 2002)	120,288	-
Cash and cash equivalents	87,067	139,715
	-----	-----
Total investments and cash	3,128,879	2,194,430

Premiums receivable	199,449	102,202
Ceded reinsurance balances	73,360	41,690
Losses and premiums recoverable	199,533	217,556
Accrued investment income	25,833	17,696
Deferred acquisition costs	55,853	12,814
Other assets	62,829	57,264
	-----	-----
Total assets	\$3,745,736	\$2,643,652
	=====	=====

Liabilities, Minority Interest and Shareholders' Equity

Liabilities

Reserve for claims and claim expenses	\$804,795	\$572,877
Reserve for unearned premiums	331,985	125,053
Debt	275,000	183,500
Reinsurance balances payable	146,732	115,967
Other	97,013	58,650
	-----	-----
Total liabilities	1,655,525	1,056,047
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Minority Interest - Capital Securities	84,630	87,630
Minority Interest - DaVinci	363,546	274,951

Shareholders' Equity

Series A Preference Shares	150,000	150,000
Common shares and additional paid-in capital	320,936	264,623
Unearned stock grant compensation	(18,468)	(20,163)
Accumulated other comprehensive income	95,234	16,295
Retained earnings	1,094,333	814,269
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Total shareholders' equity	1,642,035	1,225,024
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Total liabilities, minority interest, and shareholders' equity	\$3,745,736	\$2,643,652
	=====	=====

Book value per Common Share	\$21.39	\$15.83
	=====	=====

Common Shares outstanding	69,750	67,893
	=====	=====

Supplemental Financial Data  
(in thousands of United States Dollars)

Gross Written Premiums	Quarters Ended		Year Ended	
	-----			
	Dec. 31,	Dec. 31,	Dec. 31,	Dec. 31,
	2002	2001	2002	2001
	-----			
Cat Premium				
Renaissance	\$ 38,450	\$ 24,524	\$ 442,980	\$ 373,896
DaVinci	19,268	-	187,822	-
Assumed from OP Cat	-	-	34,873	-
	-----			
Total Cat Premium	57,718	24,524	665,675	373,896
Specialty Reinsurance Premium				
	26,261	18,941	247,020	77,468
	-----			
Total Reinsurance Premium	83,979	43,465	912,695	451,364
Individual Risk Premium (a)				
	75,345	14,065	260,354	49,957
	-----			
Total Premiums	\$ 159,324	\$ 57,530	\$ 1,173,049	\$ 501,321
	=====			
Total Managed Cat Premiums	\$ 57,718	\$ 27,129	\$ 738,774	\$ 441,786
	=====			

(a)- Excludes \$22 million of premium ceded to Renaissance and DaVinci.

Other Income	Quarters Ended		Year Ended	
	-----			
	Dec. 31,	Dec. 31,	Dec. 31,	Dec. 31,
	2002	2001	2002	2001
	-----			
As Reported				
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Cat business - fee income	\$ 941	\$ 3,491	\$ 3,882	\$ 8,634
Cat business - equity pick up	6,280	2,451	22,339	9,663
Other items	1,373	1,462	6,600	(2,053)
	-----			
Total other income - as reported	\$ 8,594	\$ 7,404	\$ 32,821	\$ 16,244
	=====			
Pro-forma (b)				
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Cat business - fee income (c)	\$ 15,777	\$ 5,348	\$ 54,071	\$ 17,516
Cat business - equity pick up	14,631	2,451	52,110	9,663
Other items	1,373	1,547	6,600	(1,813)
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Total other income - pro-forma	\$ 31,781	\$ 9,346	\$ 112,781	\$ 25,366
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(b) Non-GAAP restatement to reflect DaVinci under the equity method and other fee income on managed cat business.

(c) Excludes fee income received on capital invested by Ren Re.

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