



## RenaissanceRe Reports 16% Growth In Fourth Quarter Operating Earnings Per Common Share

January 25, 2002

PEMBROKE, Bermuda, Jan 24, 2002 (BUSINESS WIRE) --

### **Reports Record Operating Earnings of \$2.07 Per Common Share for the Fourth Quarter and \$7.03 Per Common Share for the Full Year 2001**

Achieves ROE of 18% for 2001

Records 33% Growth in Book Value Per Common Share for 2001

Comfortable with Increased Street Earnings

Estimates for 2002 of \$10.50 to \$11.00 Per Common Share

RenaissanceRe Holdings Ltd. (NYSE: RNR) today reported a 29% increase in net operating income available to common shareholders for the fourth quarter of 2001, excluding realized investment gains and losses, to \$46.6 million, from \$36.0 million in the fourth quarter of 2000. Operating earnings per common share grew to \$2.07 in the fourth quarter, from \$1.79 per common share in the fourth quarter of the previous year. Net income available to common shareholders rose 30% to \$49.2 million, or \$2.18 per common share in the quarter, from \$37.8 million or \$1.87 per common share for the same quarter of 2000.

For the twelve months ended December 31, 2001, net operating income available to common shareholders was \$146.3 million or \$7.03 per common share, compared to \$134.4 million or \$6.86 per common share for the same quarter in 2000. Net income available to common shareholders for the twelve months ended December 31, 2001 was \$164.4 million or \$7.90 per common share, compared to \$127.2 million or \$6.50 per common share for the same quarter in 2000.

James N. Stanard, Chairman, President and CEO, commented: "We turned in record earnings per share in fiscal 2001 and achieved an 18% return on equity, despite severe market challenges. In addition, we are off to a great start in 2002 with an extremely successful January 1 renewal season.

"For 2002 we again anticipate superior results, with an expected return on equity greater than 20% and projected Managed Cat Premium growth of over 50%. Also, we expect our Cat Exposed Commercial Insurance and Specialty Reinsurance businesses to contribute in excess of \$200 million in net written premium, for a growth rate of well over 100%. For these reasons, we are comfortable with increases of Street estimates to \$10.50 to \$11.00 for 2002 operating earnings per share."

Gross premiums written for the fourth quarter of 2001 were \$57.5 million, compared to \$52.4 million for the same quarter of 2000. Net premiums written for the fourth quarter of 2001 were \$46.3 million, versus \$39.6 million for the same quarter of 2000. Net premiums earned for the fourth quarter of 2001 were \$93.7 million, compared to \$79.1 million for the same quarter of 2000. Premiums written and earned in the fourth quarter of 2001 each benefited from \$13.7 million of reinstatement premiums.

Gross premiums written for the twelve months ended December 31, 2001 were \$501.3 million, compared to \$433.0 million for the same period of 2000. Net premiums written for the twelve months ended December 31, 2001 were \$339.5 million, compared to \$293.3 million for the same period of 2000.

Total Managed Catastrophe Premiums written, representing gross catastrophe premiums written by RenaissanceRe Holdings Ltd. and by related joint ventures, were \$27.1 million for the fourth quarter, compared to \$24.6 million for the same quarter of 2000. Total Managed Catastrophe Premiums written for fiscal year 2001 were \$441.8 million, compared to \$397.0 million for the same period of 2000.

Net investment income, excluding realized and unrealized investment gains and losses, for the fourth quarter of 2001 was \$20.3 million, compared to \$19.2 million for the same period in 2000. Net investment income for the twelve months of 2001 was \$75.2 million, compared to \$77.9 million for the same period in 2000.

The fourth quarter of 2001 was a relatively light quarter for catastrophe losses and accordingly, the Company's claims and claim expenses incurred for the quarter ended December 31, 2001 were \$28.7 million or 30.7 percent of net premiums earned. In comparison, claims and claim expenses incurred for the quarter ended December 31, 2000 were \$36.1 million or 45.6 percent of net premiums earned. The claims and claims expense ratio for the fourth quarter of 2001 also benefited from the additional reinstatement premiums in the quarter. Claims and claim expenses incurred for the twelve months ended December 31, 2001 were \$150.0 million or 45.0 percent of net premiums earned. In comparison, claims and claim expenses incurred for the twelve months ended December 31, 2000 were \$108.6 million or 40.6 percent of net premiums earned. The increase in the claims and claim expenses incurred for the year primarily relates to the losses incurred by the Company during the third quarter related to the World Trade Center attack.

At year-end, the Company decided to increase its valuation allowance for its deferred tax asset by \$13.1 million, which is reflected as income tax expense.

The increase in the Company's cash and investments from \$1.4 billion as of September 30, 2001 to \$2.2 billion as of December 31, 2001 is a result of \$232 million raised from the issuance of 2.5 million common shares, \$145 million received from the issuance of 6 million Series A Preference Shares, and \$275 million of third party investment in the Company's most recent joint venture, DaVinci Reinsurance. DaVinci is consolidated with Renaissance and the third party investment in DaVinci is reflected as minority interest.

Shareholders' equity at December 31, 2001 was \$1,225.0 million. Shareholders' equity attributable to common shareholders was \$1,075.0 million at December 31, 2001, compared to \$700.8 million at December 31, 2000. Book value per common share at December 31, 2001 was \$47.50 per common share, compared to \$35.72 per common share at December 31, 2000. The increase in shareholders' equity is partially attributable to the Company's sale of 2.5 million common shares during the fourth quarter of 2001.

RenaissanceRe Holdings Ltd. will host a conference call on Friday, January 25, 2002 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. The Company's principal product is property catastrophe reinsurance.

Cautionary Statement under "Safe Harbor", Provision 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 annual report on Form 10-K for the year ended December 31, 2000 and Form 10-Q for the quarter ended September 30, 2001 and its reports on form 8-K filed in 2001.

RenaissanceRe Holdings Ltd. and Subsidiaries				
Summary Consolidated Statements of Income				
For the periods ended December 31, 2001 and 2000				
(in thousands of United States Dollars, except per share amounts)				
	Quarters Ended		Year to date	
	Dec. 31,	Dec. 31,	Dec. 31	Dec. 31,
	2001	2000	2001	2000
Revenues				
Gross premiums written	\$ 57,530	\$ 52,411	\$ 501,321	\$ 433,002
Net premiums written	\$ 46,339	\$ 39,610	\$ 339,547	\$ 293,303
Decrease (increase) in unearned premiums	47,362	39,503	(6,482)	(25,622)
Net premiums earned	93,701	79,113	333,065	267,681
Net investment income	20,264	19,205	75,156	77,868
Net foreign exchange gains (losses)	(554)	237	(1,667)	378
Other income	7,404	4,607	16,244	10,959
Net realized gains (losses) on investments	2,622	1,748	18,096	(7,151)
	123,437	104,910	440,894	349,735
Expenses				
Claims and claim expenses incurred	28,721	36,060	149,917	108,604
Acquisition expenses	10,745	12,612	45,359	38,530
Operational expenses	10,789	10,032	38,603	37,954
Corporate expenses	3,811	2,952	11,485	8,022
Interest expense	3,003	3,918	7,249	17,167
Total expenses	57,069	65,574	252,613	210,277
Income before minority interest and taxes	66,368	39,336	188,281	139,458
Minority interest - Capital Securities	1,919	1,919	7,484	7,582
Minority interest - Other	751	-	751	-
Income before taxes	63,698	37,417	180,046	131,876
Income tax expense (benefit)	13,087	(370)	14,262	4,648
Net income	\$ 50,611	\$ 37,787	\$ 165,784	\$ 127,228
Dividends on Series A Preference Shares	1,418	-	1,418	-
Net income available to Common Shareholders	\$ 49,193	\$ 37,787	\$ 164,366	\$ 127,228
Operating earnings per Common Share - diluted	\$ 2.07	\$ 1.79	\$ 7.03	\$ 6.86
Earnings per				

Common Share - basic	\$ 2.29	\$ 1.97	\$ 8.29	\$ 6.68
Earnings per				
Common Share - diluted	\$ 2.18	\$ 1.87	\$ 7.90	\$ 6.50
Average shares				
outstanding - basic	21,439	19,141	19,830	19,034
Average shares				
outstanding - diluted	22,518	20,163	20,797	19,576
Claims and claim expense ratio	30.7%	45.6%	45.0%	40.6%
Expense ratio	23.0%	28.6%	25.2%	28.5%
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Combined ratio	53.7%	74.2%	70.2%	69.1%
=====	=====	=====	=====	=====
Operating return on				
average equity (annualized)	19.6%	21.1%	17.8%	21.0%
=====	=====	=====	=====	=====

RenaissanceRe Holdings Ltd. and Subsidiaries  
Summary Consolidated Balance Sheets

(in thousands of United States Dollars, except per share amounts)  
(Audited)

As at

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December 31, December 31,  
2001 2000  
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Assets

Fixed maturity investments available for sale, at fair value (Amortized cost \$1,266,188 and \$921,750 at December 31, 2001 and December 31, 2000, respectively)	\$ 1,282,483	\$ 928,102
Short term investments	7,372	13,760
Other investments	45,484	29,613
Cash and cash equivalents	866,268	110,571
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Total investments and cash	2,201,607	1,082,046
Premiums receivable	102,202	95,423
Ceded reinsurance balances	41,690	37,520
Losses and premiums recoverable	217,556	167,604
Accrued investment income	17,696	15,034
Deferred acquisition costs	12,814	8,599
Other assets	50,087	62,763
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Total assets	\$ 2,643,652	\$ 1,468,989
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Liabilities, Minority

Interest and Shareholders' Equity

Liabilities

Reserve for claims and claim expenses	\$ 572,877	\$ 403,611
Reserve for unearned premiums	125,053	112,541
Debt	183,500	50,000
Reinsurance balances payable	115,967	50,779
Other	58,650	63,610
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Total liabilities	1,056,047	680,541
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Minority Interest - Capital Securities 87,630 87,630

Minority Interest - DaVinci 274,951 -

Shareholders' Equity

Series A Preference Shares	150,000	-
Common shares and additional paid-in capital	264,623	22,999
Unearned stock grant compensation	(20,163)	(11,716)
Accumulated other comprehensive income	16,295	6,831
Retained earnings	814,269	682,704
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Total shareholders' equity	1,225,024	700,818
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Total liabilities, minority interest, and shareholders' equity	\$ 2,643,652	\$ 1,468,989
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Book value per Common Share	\$ 47.50	\$ 35.72
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Common Shares outstanding	22,631	19,621
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