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

January 25, 2002
PEMBROKE, Bermuda, Jan 24, 2002 (BUSINESS WIRE) --

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 of 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.

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)
(Audited)

<table>
<thead>
<tr>
<th></th>
<th>Quarters Ended</th>
<th>Year to date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Dec. 31 2001</td>
<td>Dec. 31 2000</td>
</tr>
<tr>
<td>Revenues</td>
<td>$57,530</td>
<td>$52,411</td>
</tr>
<tr>
<td>Gross premiums written</td>
<td>$46,339</td>
<td>$39,610</td>
</tr>
<tr>
<td>Decrease (increase)</td>
<td>in unearned premiums</td>
<td>47,362</td>
</tr>
<tr>
<td>Net premiums written</td>
<td>$93,701</td>
<td>$79,113</td>
</tr>
<tr>
<td>Net investment income</td>
<td>20,264</td>
<td>19,205</td>
</tr>
<tr>
<td>Net foreign exchange gains (losses)</td>
<td>(554)</td>
<td>237</td>
</tr>
<tr>
<td>Other income</td>
<td>7,404</td>
<td>4,607</td>
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<tr>
<td>Net realized gains (losses) on investments</td>
<td>2,622</td>
<td>1,748</td>
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<tr>
<td></td>
<td>123,437</td>
<td>104,910</td>
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<tr>
<td>Expenses</td>
<td></td>
<td></td>
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<tr>
<td>Claims and claim expenses incurred</td>
<td>28,721</td>
<td>36,060</td>
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<tr>
<td>Acquisition expenses</td>
<td>10,745</td>
<td>12,612</td>
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<tr>
<td>Operational expenses</td>
<td>10,789</td>
<td>10,032</td>
</tr>
<tr>
<td>Corporate expenses</td>
<td>3,811</td>
<td>2,952</td>
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<tr>
<td>Interest expense</td>
<td>3,003</td>
<td>2,952</td>
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<tr>
<td>Total expenses</td>
<td>57,069</td>
<td>65,574</td>
</tr>
<tr>
<td>Income before minority interest and taxes</td>
<td>66,368</td>
<td>39,336</td>
</tr>
<tr>
<td>Minority interest - Capital Securities</td>
<td>1,919</td>
<td>1,919</td>
</tr>
<tr>
<td>Minority interest - Other</td>
<td>751</td>
<td>-</td>
</tr>
<tr>
<td>Income before taxes</td>
<td>63,698</td>
<td>37,417</td>
</tr>
<tr>
<td>Income tax expense (benefit)</td>
<td>13,087</td>
<td>(370)</td>
</tr>
<tr>
<td>Net income</td>
<td>$50,611</td>
<td>$37,787</td>
</tr>
<tr>
<td>Dividends on Series A Preference Shares</td>
<td>1,418</td>
<td>-</td>
</tr>
<tr>
<td>Net income available to Common Shareholders</td>
<td>$49,193</td>
<td>$37,787</td>
</tr>
<tr>
<td>Operating earnings per Common Share - diluted</td>
<td>$2.07</td>
<td>1.79</td>
</tr>
</tbody>
</table>
| Earnings per
Earnings per
Common Share - basic $ 2.29 $ 1.97 $ 8.29 $ 6.68
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%
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
---------------------------
December 31, December 31,
2001 2000
------------ ------------
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
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
Total assets $ 2,643,652 $ 1,468,989
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
Total liabilities 1,056,047 680,541
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
<table>
<thead>
<tr>
<th></th>
<th>1,225,024</th>
<th>700,818</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total shareholders' equity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total liabilities, minority</td>
<td></td>
<td></td>
</tr>
<tr>
<td>interest, and shareholders'</td>
<td>$ 2,643,652</td>
<td>$ 1,468,989</td>
</tr>
<tr>
<td>equity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Book value per Common Share</td>
<td>$ 47.50</td>
<td>$ 35.72</td>
</tr>
<tr>
<td>Common Shares outstanding</td>
<td>22,631</td>
<td>19,621</td>
</tr>
</tbody>
</table>

CONTACT: Investor Contact:
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Kekst and Company
Sarah Zitter Mistein or Dawn Dover
212/521-4800

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