



**RenaissanceRe Reports Net Income of \$1.59 per Common Share for 2003 Third Quarter Compared to \$1.26 per Common Share for 2002 Third Quarter**

*Operating EPS of \$1.57 per Common Share for 2003 Third Quarter Compared to \$1.11 for 2002 Third Quarter*

*Continued Growth in Individual Risk Premiums - Ahead of Previous Expectations*

*Achieves Annualized Operating Return on Equity of 24% for the Three Months Ended September 30, 2003*

**Pembroke, Bermuda, October 21, 2003** -- RenaissanceRe Holdings Ltd. (NYSE: RNR) today reported \$112.0 million in third quarter net operating income available to common shareholders, compared to \$78.0 million in the third quarter of 2002. Operating income excludes realized investment gains of \$1.2 million and \$10.2 million in the third quarters of 2003 and 2002, respectively. Operating income per common share grew to \$1.57 in the third quarter of 2003, from \$1.11 per common share in the third quarter of the previous year. Net income available to common shareholders rose 28.3% to \$113.2 million or \$1.59 per common share in the quarter, from \$88.2 million or \$1.26 per common share for the same quarter of 2002.

James N. Stanard, Chairman and CEO, commented: "We again delivered outstanding financial results in the third quarter. Our Reinsurance segment performed in line with our expectations, and continued to deliver market leading returns on equity. Managed Cat premiums are roughly flat for the nine months, although quarterly premiums have fluctuated as large programs move in and out of our portfolio. Our Individual Risk segment generated premium growth of over 50% comparing the 2003 third quarter with the 2002 third quarter—excluding the benefit of \$50 million of premium associated with the assumption of a portfolio of business in 2003. We continue to be very pleased with the strong performance of the Individual Risk segment, which includes primary insurance and quota share reinsurance."

For the nine months ended September 30, 2003, net operating income available to common shareholders was \$372.8 million or \$5.25 per common share, compared to \$258.0 million or \$3.68 per common share for the same period in 2002. Operating income excludes realized investment gains of \$71.9 million and \$13.7 million for the nine months ended September 30, 2003 and 2002, respectively, and, in 2002, the cumulative effect of a change in accounting principle of \$9.2 million - goodwill. Net income available to common shareholders for the nine months ended September 30, 2003 was \$444.7 million or \$6.27 per common share, compared to \$262.6 million or \$3.75 per common share for the same period in 2002.

Gross premiums written for the third quarter of 2003 were \$313.3 million, compared to \$282.6 million for the same quarter of 2002. Net premiums written for the third quarter of 2003 were \$236.6 million, versus \$192.7 million for the same quarter of 2002. Net premiums earned for the third quarter of 2003 were \$277.4 million, compared to \$191.3 million for the same quarter of 2002. Those premiums include \$25.1 million of gross written premiums, \$29.5 million of net written premiums and \$49.9 million of net premiums earned by the Company's consolidated joint venture, DaVinci Re during the third quarter of 2003, compared to \$38.5 million of gross written premiums, \$36.2 million of net written premiums and \$42.3 million of net premiums earned by DaVinci Re during the third quarter of 2002.

Gross premiums written for the nine months ended September 30, 2003 were \$1,211.0 million, compared to \$1,013.7 million for the same period of 2002. Net premiums written for the nine months ended September 30, 2003 were \$987.2 million, compared to \$770.3 million for the same period of 2002. Net premiums earned for the first nine months of 2003 were \$816.4 million, compared to \$526.4 million for the same period of 2002. Those premiums include \$168.7 million of gross written premiums, \$175.0 million of net written premiums and \$145.7 million of net premiums earned by DaVinci Re during the first nine months of 2003, compared to \$168.6 million of gross written premiums, \$166.3 million of net written premiums and \$100.1 million of net premiums earned by DaVinci Re for the first nine months of 2002.

Total Managed Catastrophe Premiums Written, representing gross catastrophe premiums written by Renaissance Reinsurance and by related joint ventures, was \$109.3 million for the third quarter, compared to \$165.9 million for the same quarter of 2002. Total Managed Cat Premium for the nine months ended September 30, 2003 were \$677.8 million, compared to \$681.1 million for the same period in 2002. See the attached supplemental financial data for additional details regarding managed premiums.

Total Individual Risk premiums written during the quarter were \$173.7 million, compared to \$81.2 million for the same quarter of 2002. Individual Risk premiums for the quarter include \$50 million of premium from the assumption of an in-force book of business. Excluding the assumption of this portfolio of business, Individual Risk premiums increased by \$42.5 million or greater than 50% as compared with the same quarter for 2002. Total Individual Risk premiums written for the nine months ended September 30, 2003 were \$335.2 million, an 81% increase from the \$185.0 million reported for the comparable period of 2002.

Net investment income, excluding realized and unrealized gains and losses on available for sale securities, for the third quarter of 2003 increased to \$28.3 million, compared to \$23.7 million for the same period in 2002. Net investment income, excluding realized and unrealized gains and losses on available for sale securities, for the nine months ended September 30, 2003 was \$93.8 million, compared to \$73.0 million for the same period in 2002. Net investment income for the third quarter of 2003 includes appreciation of \$3.5 million related to investments in hedge funds and private equity funds, compared with a loss of \$2.3 million for the same quarter in 2002. For the first nine months of 2003, income from these investments totaled \$12.9 million as compared to a loss of \$2.2 million for the same nine month period in 2002.

Claims and claim expenses incurred for the quarter ended September 30, 2003 were \$96.9 million, or 34.9% of net premiums earned. In comparison, claims and claim expenses incurred for the quarter ended September 30, 2002 were \$82.9 million, or 43.3% of net premiums earned. Claims and claim expenses incurred for the nine months ended September 30, 2003 were \$279.7 million or 34.3% of net premiums earned, compared to \$199.2 million or 37.8% of net premiums earned for the same period in 2002. During the quarter, the Company recorded favorable development on prior period reserves of \$25.5 million or a benefit of 9.2 points to the Company's quarterly loss ratio. For the nine month period ended September 30, 2003, the Company has recorded favorable reserve development on prior period reserves of \$50.0 million, or a benefit of 6.1 points to the Company's year to date loss ratio.

During the quarter the Company's expense ratio increased to 26.8% compared to 17.5% for the third quarter of 2002. The increase in the expense ratio primarily relates to the Company's increase in premiums related to the Individual Risk segment, which typically generates higher expense ratios as compared with the Company's reinsurance operations.

During the quarter, income from the DaVinci joint venture and other fee income on managed cat business was \$32.6 million, compared to \$29.8 million during the third quarter of 2002. Of this, \$19.3 million was generated from fees and profit commissions, compared to \$14.1 million in the third quarter of 2002, and \$14.1 million was generated from the Company's equity pick up from joint ventures, versus \$13.6 million in the comparable quarter of 2002. A summary of income from joint venture relationships, 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 summary of income in the supplemental disclosure

are that the results of DaVinci Re are reflected as if it were reported under the equity accounting method, and the summary 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.

Shareholders' equity attributable to common shareholders was \$1.93 billion at September 30, 2003, compared to \$1.49 billion at December 31, 2002. Book value per common share at September 30, 2003 was \$27.41, compared to \$21.39 per common share at December 31, 2002.

Effective in the third quarter, the Company adopted Statement of Financial Accounting Standard No. 150 ("SFAS 150"), "Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equities". As a result, the Company's obligated, mandatorily redeemable capital securities of a subsidiary trust, previously classified as minority interest, have been reclassified to liabilities on the balance sheet and the related dividends have been reclassified to interest expense in the income statement, respectively, for all periods presented.

As previously announced, RenaissanceRe is in the process of negotiating a long-term strategic investment, along with three highly experienced partners, MBIA, Partner Re and Koch Financial, to form a new financial guaranty reinsurer, Channel Re. RenaissanceRe anticipates that Channel Re will be a stable, long-term financial guaranty reinsurer, and will benefit from a strong alignment of interests with MBIA. Channel Re is expected to have a senior management team comprised of seasoned industry professionals. Upon inception, Channel Re would assume a portfolio of in-force business from MBIA, participate in MBIA's reinsurance treaty and provide facultative reinsurance support to MBIA. RenaissanceRe's total financial commitment is expected to be in the range of \$115 - \$125 million, and Channel Re is expected to produce attractive financial returns for its shareholders. The consummation of the transaction remains subject to final documentation, numerous closing conditions, regulatory approval and the completion of the process to obtain appropriate financial strength ratings.

RenaissanceRe Holdings Ltd. will host a conference call on Wednesday, October 22, 2003 at 10:00 a.m. (EST) 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. (NYSE: RNR), is a global provider of reinsurance and insurance. The Company's business primarily consists of four components: (1) catastrophe reinsurance; (2) catastrophe reinsurance written for the account of joint ventures Top Layer Reinsurance Ltd. and DaVinci Reinsurance Ltd; (3) specialty reinsurance; and (4) individual risk business which includes primary insurance and quota share reinsurance.

*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, 2002, and Form 10-Q for the quarters ended March 31 and June 30, 2003.*

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**RenaissanceRe Holdings Ltd. and Subsidiaries**  
**Summary Consolidated Statements of Income**  
For the three and nine months ended September 30, 2003 and 2002  
(in thousands of United States Dollars, except per share amounts)  
(Unaudited)

	<u>Quarters Ended</u>		<u>Nine Months Ended</u>	
	<u>Sept. 30, 2003</u>	<u>Sept. 30, 2002</u>	<u>Sept. 30, 2003</u>	<u>Sept. 30, 2002</u>
<b>Revenues</b>				
Gross premiums written	\$ 313,317	\$ 282,597	\$ 1,211,044	\$ 1,013,725
Net premiums written	\$ 236,570	\$ 192,687	\$ 987,163	\$ 770,300
Decrease (increase) in unearned premiums	40,794	(1,377)	(170,790)	(243,940)
Net premiums earned	277,364	191,310	816,373	526,360
Net investment income	28,280	23,737	93,823	73,021
Net foreign exchange gains	252	888	11,843	2,588
Other income	7,979	7,951	20,722	24,227
Net realized gains on investments	1,172	10,219	71,944	13,736
<b>Total revenues</b>	<b>315,047</b>	<b>234,105</b>	<b>1,014,705</b>	<b>639,932</b>
<b>Expenses</b>				
Claims and claim expenses incurred	96,856	82,931	279,712	199,198
Acquisition expenses	56,317	23,802	139,154	62,719
Operational expenses	17,882	9,616	49,121	30,241
Corporate expenses	4,456	3,466	12,601	10,844
Interest expense	6,145	5,258	19,261	15,069
<b>Total expenses</b>	<b>181,656</b>	<b>125,073</b>	<b>499,849</b>	<b>318,071</b>
Income before minority interest and taxes and change in accounting principle	133,391	109,032	514,856	321,861
Minority interest - DaVinci	15,211	17,689	56,246	40,636
Income before taxes and change in accounting principle	118,180	91,343	458,610	281,225
Income tax benefit (expense)	(37)	(59)	18	(382)
Cumulative effect of a change in accounting principle - SFAS 142 - Goodwill	-	-	-	(9,187)
<b>Net income</b>	<b>118,143</b>	<b>91,284</b>	<b>458,628</b>	<b>271,656</b>
Dividends on Preference Shares	4,903	3,038	13,939	9,079
<b>Net income available to Common Shareholders</b>	<b>\$ 113,240</b>	<b>\$ 88,246</b>	<b>\$ 444,689</b>	<b>\$ 262,577</b>
Operating Earnings per Common Share - diluted *	\$ 1.57	\$ 1.11	\$ 5.25	\$ 3.68
Earnings per Common Share - basic	\$ 1.63	\$ 1.30	\$ 6.45	\$ 3.90
Earnings per Common Share - diluted	\$ 1.59	\$ 1.26	\$ 6.27	\$ 3.75
Average shares outstanding - basic	69,307	67,865	68,938	67,326
Average shares outstanding - diluted	71,187	70,272	70,936	70,090
Claims and claim expense ratio	34.9%	43.3%	34.3%	37.8%
Expense ratio	26.8%	17.5%	23.0%	17.7%
Combined ratio	61.7%	60.8%	57.3%	55.5%
Operating return on average equity (annualized) *	23.9%	24.2%	28.9%	28.7%

\* Excludes realized gains on investments and, in 2002, the 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)

	<b>As at</b>	
	<u><b>September 30, 2003</b></u> (Unaudited)	<u><b>December 31, 2002</b></u> (Audited)
<b>Assets</b>		
Fixed maturity investments available for sale, at fair value (Amortized cost \$2,640,852 and \$2,153,715 at September 30, 2003 and December 31, 2002, respectively)	\$ 2,698,720	\$ 2,221,109
Short term investments	964,309	570,497
Other investments	224,699	129,918
Equity investment in reinsurance company at fair value (Cost \$84,199 at September 30, 2003 and December 31, 2002)	136,432	120,288
Cash and cash equivalents	<u>84,029</u>	<u>87,067</u>
<b>Total investments and cash</b>	<b>4,108,189</b>	<b>3,128,879</b>
Premiums receivable	312,199	199,449
Ceded reinsurance balances	108,694	73,360
Losses recoverable	157,059	199,533
Accrued investment income	29,605	25,833
Deferred acquisition costs	95,376	55,853
Other assets	<u>58,070</u>	<u>62,829</u>
<b>Total assets</b>	<b>\$ 4,869,192</b>	<b>\$ 3,745,736</b>
<b>Liabilities, Minority Interest and Shareholders' Equity</b>		
<b>Liabilities</b>		
Reserve for claims and claim expenses	\$ 981,687	\$ 804,795
Reserve for unearned premiums	538,262	331,985
Debt	434,630	359,630
Reinsurance balances payable	198,413	146,732
Other	<u>121,613</u>	<u>97,013</u>
<b>Total liabilities</b>	<b>2,274,605</b>	<b>1,740,155</b>
Minority Interest - DaVinci	416,942	363,546
<b>Shareholders' Equity</b>		
Preference Shares	250,000	150,000
Common shares and additional paid-in capital	310,094	320,936
Unearned stock grant compensation	-	(18,468)
Accumulated other comprehensive income	110,101	95,234
Retained earnings	<u>1,507,450</u>	<u>1,094,333</u>
<b>Total shareholders' equity</b>	<b>2,177,645</b>	<b>1,642,035</b>
<b>Total liabilities, minority interest, and shareholders' equity</b>	<b>\$ 4,869,192</b>	<b>\$ 3,745,736</b>
<b>Book value per Common Share</b>	<u>\$ 27.41</u>	<u>\$ 21.39</u>
<b>Common Shares outstanding</b>	<u>70,324</u>	<u>69,750</u>

**RenaissanceRe Holdings Ltd. and Subsidiaries**  
**Supplemental Financial Data**  
(in thousands of United States Dollars)  
(Unaudited)

<b>Gross Written Premiums</b>	<b>Quarters Ended</b>		<b>Nine Months Ended</b>	
	<b>Sept. 30, 2003</b>	<b>Sept. 30, 2002</b>	<b>Sept. 30, 2003</b>	<b>Sept. 30, 2002</b>
Renaissance Cat Premium	\$ 84,780	\$ 114,756	\$ 457,710	\$ 439,403
Renaissance Specialty Premium	29,806	48,104	249,445	220,759
Total Renaissance Reinsurance Premium	<u>114,586</u>	<u>162,860</u>	<u>707,155</u>	<u>660,162</u>
DaVinci Cat Premium	22,735	38,491	145,953	168,554
DaVinci Specialty Premium	2,324	-	22,733	-
Total DaVinci Reinsurance Premium	<u>25,059</u>	<u>38,491</u>	<u>168,686</u>	<u>168,554</u>
Total Reinsurance Premium	139,645	201,351	875,841	828,716
Individual Risk Premium (1)	173,672	81,246	335,203	185,009
Total Premiums	<u>\$ 313,317</u>	<u>\$ 282,597</u>	<u>\$ 1,211,044</u>	<u>\$ 1,013,725</u>
Total Managed Cat Premiums (2)	<u>\$ 109,285</u>	<u>\$ 165,906</u>	<u>\$ 677,794</u>	<u>\$ 681,056</u>

(1) Includes combined premium ceded to Renaissance and DaVinci of \$18.5 million and \$nil for the quarters ended September 30, 2003 and 2002 respectively, and \$24.2 million and \$1.0 million for the nine months ended September 30, 2003 and 2002, respectively. Such amounts of premium are excluded from the Renaissance and DaVinci premiums shown above.

(2) Total Managed Cat Premiums include Renaissance and DaVinci Cat Premium, as above, and Cat Premium of \$1.8 million and \$12.7 million for the quarters ended September 30, 2003 and 2002, respectively, and \$74.1 million and \$73.1 million for the nine months ended September 30, 2003 and 2002, respectively, written on behalf of our joint venture, Top Layer Re.

<b>Other Income</b>	<b>Quarters Ended</b>		<b>Nine Months Ended</b>	
	<b>Sept. 30, 2003</b>	<b>Sept. 30, 2002</b>	<b>Sept. 30, 2003</b>	<b>Sept. 30, 2002</b>
<i>As Reported</i>				
Fee income	\$ 3,530	\$ 941	\$ 6,008	\$ 2,941
Equity pick up	5,272	4,923	17,833	16,059
Other items	<u>(823)</u>	<u>2,087</u>	<u>(3,119)</u>	<u>5,227</u>
Total other income - as reported	<u>\$ 7,979</u>	<u>\$ 7,951</u>	<u>\$ 20,722</u>	<u>\$ 24,227</u>
Summary of all income from joint venture relationships (3)				
Fee income (4)	\$ 19,312	\$ 14,106	\$ 55,132	\$ 38,295
Equity pick up	14,112	13,622	48,336	37,478
Other items	<u>(823)</u>	<u>2,087</u>	<u>(3,119)</u>	<u>5,227</u>
Total	<u>\$ 32,601</u>	<u>\$ 29,815</u>	<u>\$ 100,349</u>	<u>\$ 81,000</u>

(3) Reported GAAP presentation adjusted to reflect:

- fee income and the Company's interest in DaVinci as if DaVinci were accounted for under the equity method
- other fee income on managed cat business which is reflected on the income statement as a reduction of acquisition and operational expenses

(4) Excludes fee income received on capital invested by RenaissanceRe Holdings.