"The way we communicate with our customers and help them understand more about their risks is a differentiator for RenaissanceRe."

To Our Shareholders

In 2011, we demonstrated the strength of our strategy, our infrastructure, and our people.

With worldwide insured catastrophe losses reaching levels exceeded only by the losses of 2005 (the year of Hurricane Katrina), the value of our long-held commitment to managing our franchise for the long term was highlighted. Through the string of natural catastrophes and the volatility of the financial markets, we calmly set about doing what we are in business to do: serving our clients, meeting our promise to pay, and refining our understanding of risk.

While we incurred the second operating loss in the history of the Company as a result of the multiple high-severity events that characterized 2011, the loss outcomes were within our expectations for events of such magnitude and we remained appropriately capitalized.

We have always maintained that our job is to manage a portfolio of risk that has the potential to be quite volatile. As a result, we know there will be years such as 2011 when we will incur net losses. However, over time, we believe shareholders will be appropriately rewarded for accepting this volatility and we prepare ourselves well for the tradeoff. In fact, we ended 2011 with a sound capital position, a high level of liquidity, strong ratings and excellent client relationships.

Providing Value and Service through Multiple Catastrophes

In a year that saw devastating earthquakes in New Zealand and Japan, windstorms and tornadoes in the U.S., and flooding in Australia and Thailand, we were able to bring our hallmark risk management capabilities to bear. Our team of scientists, which includes seismologists, engineers and meteorologists, worked in tandem with our underwriters to get an early read on our exposures and incorporate new information related to each event into our view of risk. We were able to respond quickly to our clients and lead the way back into the market armed with new information.

The way we communicate with our customers and help them understand more about their risks is a differentiator for RenaissanceRe. In Japan, we were able to map our exposures against high resolution satellite images to assess the impact of the tsunami inundation and earthquake damage, even before information came in from customers. In New Zealand, our engineers on the ground were able to gain insight into the extent of the damage suffered very early on, and we were also able to adjust our view of the hazard following what we learned from the realignment of tectonic plates. We shared our research with clients and brokers, explaining our new views based on analysis of the data, and we believe this added to our credibility and reputation.

Commanding a Leadership Position in Property Cat

Our reinsurance coverage is not simply a commodity. Rather, we offer customers sophisticated, specialized knowledge, an independent view of their exposures and a willingness to find solutions, all of which build long-term relationships.

This differentiating approach served us well going into 2012 and allowed us to maintain the quality of our book. At the January 1 renewals, although the overall U.S. catastrophe limit purchased did not appear to grow appreciably, we saw an increase in what we consider to be the most desirable portion of the market, reflecting the increase in the number of attractive risks. Along with that, we saw rate increases in the market generally, with loss-bearing accounts experiencing the greatest increases.

Opposite page:

Neill Currie
President & Chief Executive Officer

"We concentrated our efforts and resources on businesses where we believe our strongest, most distinctive capabilities provide the best value to our customers."

Energizing Our Core Capabilities

After the sale of our U.S.-based insurance operations, which I described in my letter last year, 2011 was a year of renewed focus and purpose. We concentrated our efforts and resources on businesses where we believe our strongest, most distinctive capabilities provide the best value to our customers and afford us the potential to achieve superior shareholder returns over time.

Our specialty reinsurance gross premiums written grew for the year, up 13% to $146 million, but as markets remained relatively soft in most lines, we continued to build our underwriting capability with greater emphasis on developing ongoing franchises in select businesses. One area that yielded growing interest was in financial markets-related reinsurance, and we increased our activity in trade credit and financial guaranty. Still, we remained disciplined and patient overall.

Our Lloyd's operation, RenaissanceRe Syndicate 1458, continued to build market presence in property, casualty and specialty lines as well as build relationships within the London broker community. In 2011, gross premiums written grew by more than 68%, to $112 million. Although it is still in the growth and investment phase, we expect that operation to make significant contributions to our franchise in coming years. RenaissanceRe Syndicate 1458 offers a diversifying platform for insurance and reinsurance opportunities alike, and provides another resource for matching risk with the most appropriate balance sheet within the RenaissanceRe group.

Our Ventures unit, which bridges the financial and reinsurance markets, had a successful year raising third-party capital. This unit provides us with the ability to match capital to risk in a variety of ways. In 2011, we were pleased to add new, long-term partners to our flagship joint venture DaVinci Re, reducing our current equity stake and bolstering our ability to offer long-term capacity. Top Layer Re, our 50%-owned joint venture, incurred losses for only the second time in its 12-year history following the New Zealand and Tohoku earthquakes. A reinsurer of the highest layers of catastrophe covers for worldwide risks outside of the U.S., Top Layer Re was there to accept renewal business for our clients when they needed protection.

In January of 2012, we were able to support an opportunity to write more aggregate retrocession protection by establishing a new sidecar, Upsilon Re. This vehicle is already proving to be successful and offers the flexibility to be scaled up as opportunities demand. The fee income we earn for managing our joint ventures helps boost our bottom line and adds a measure of stability.

RenRe Energy Advisors Ltd. (REAL), which offers energy and weather-related risk management solutions to clients in the energy industry, increased its market presence and expanded its footprint during 2011. The group entered into an agreement with a well-known, well-capitalized partner; this joint venture will facilitate REAL's efforts to broaden its activities in Europe and globally. This unit incurred a sizeable loss of $34 million after tax during the year resulting from unusually warm weather during the fourth quarter, which has continued into the early part of 2012. We expect REAL's business to be volatile and seasonal as it provides protection for its growing customer base.

Managing Capital in Challenging Times

For the year, the net loss attributable to RenaissanceRe common shareholders was $92 million, or $1.84 per diluted common share, in contrast to last year's income of $703 million, or $12.31 per diluted common share.

Opposite page above from left to right:

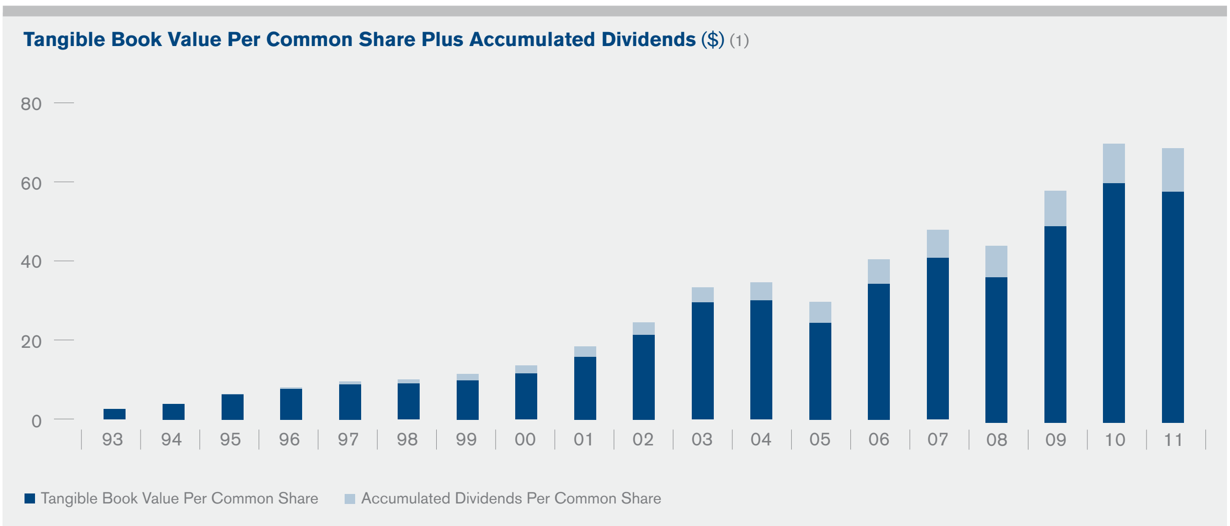
Ross Curtis
SVP, RenaissanceRe Holdings Ltd.,
Chief Underwriting Officer of
European Operations

Jon Paradine
SVP, RenaissanceRe Holdings Ltd.,
Chief Underwriting Officer of
Renaissance Reinsurance Ltd.

Below:

Ian Branagan
SVP, Chief Risk Officer,
RenaissanceRe Holdings Ltd.

"Our investment strategy is to provide stability and security first and foremost to support our underwriting activities."



(1) In this Annual Report, we refer to various non-GAAP measures, which are explained in the Comments on Regulation G on pages 19 and 20.

I have often referred to the metric of long-term growth in tangible book value per common share, plus the change in accumulated dividends. We consider this to be the most appropriate indicator of performance for the Company, and generally one in which our performance is superior compared with our peer group over the long term. In the second most significant insured loss year on record, it stands to reason that this metric will have suffered for 2011. Tangible book value per common share, plus accumulated dividends, declined 1.8% from last year to $69.37 per share. Nevertheless, we believe we continue to deliver superior performance in respect of this measure over time, having achieved a 20% annual average return since inception.

Compounding the year's catastrophe losses, 2011 was marked by new turmoil in global financial markets. Crisis in the eurozone rattled markets far beyond Europe, while a downgrade of the U.S. credit rating, gridlock in Congress that paralyzed America's fiscal policy, and the threat of recession or slowdown in Europe, the U.S. and China, all combined to contribute to the extreme financial uncertainty. This led investors to flee to safety, pushing interest rates down even further from their multi-decade lows.

As the year unfolded, we adjusted the level of risk in our investment portfolio. Along with the fixed income market turmoil, equity values also fell. This affected the value of our private equity investments, which constitute approximately 6% of our portfolio. At year end, our fixed income and short term investments portfolio was conservatively positioned, with an average AA rating, and highly liquid, with a relatively short duration of only 2.6 years. Overall, our investment portfolio returned 2.9%.

It is worth noting here that RenaissanceRe is less dependent upon investment income than many others in our industry. The short-tail nature of our exposures and our need to pay large sums quickly mandate that we remain highly liquid. While we seek to earn solid risk-adjusted returns, we rely primarily on our underwriting activities to generate the majority of our profits. Our investment strategy is to provide stability and security first and foremost to support our underwriting activities.

"Another key tenet in our capital management is to return cash to shareholders when appropriate."

Credit Ratings	A.M. Best	S&P (4)	Moody's	Fitch
Reinsurance Segment (1)				
Renaissance Reinsurance	A+	AA-	A1	A+
DaVinci Re	A	A+	A3	–
Top Layer Re	A+	AA	–	–
Renaissance Reinsurance of Europe	A+	AA-	–	–
Lloyd's Segment				
RenaissanceRe Syndicate 1458	–	–	–	–
Lloyd's Overall Market Rating (2)	A	A+	–	A+
Insurance Segment (1)				
Glencoe	A	A	–	–
RenaissanceRe (3)	–	Excellent	–	–

(1) The A.M. Best, S&P, Moody's and Fitch ratings for the companies in the Reinsurance and Insurance segments reflect the insurer's financial strength rating.
(2) The A.M. Best, S&P and Fitch ratings for the Lloyd's Overall Market Rating represent its financial strength rating.
(3) The S&P rating for RenaissanceRe represents rating on its Enterprise Risk Management practices.
(4) The S&P ratings for the companies in the Reinsurance and Insurance segments reflect, in addition to the insurer's financial strength rating, the insurer's issuer credit rating.

Another key tenet in our capital management is to return cash to shareholders when appropriate. Early in the year, we repurchased $175 million worth of our shares, but ceased when the Tohoku earthquake created potentially more attractive use for our capital. By year end, we modestly resumed our buybacks, bringing the year's total repurchase activities to $192 million.

Maintaining Our Technological Edge

The year's significant number of low-frequency, high-severity catastrophes had at least one positive aspect, besides reaffirming the value of reinsurance. It yielded a treasure trove of new data, especially for such hazards as non-U.S. earthquakes, where good information has been scarce and the full extent of ultimate damage has often been difficult to assess. This year we were able to incorporate valuable new information into our proprietary risk management system. As a result, we were able to address the market with confidence and hold ongoing, risk-based discussions with our clients and partners.

While we believe our tools and technology are among the best in our industry, we continued to upgrade our technological platforms, completing a reconstruction of our tools which will serve us well over the coming years. In particular, we made strides in fine-tuning our systems in London and in developing the complexity required by our specialty business, further enhancing our ability to view our risks across all our product lines and businesses in aggregate, while providing granularity down to individual transactions. Additionally, we improved our investment management tools to provide a higher resolution picture of our activities and the performance of individual assets, which proved particularly useful in helping us reposition our portfolio as the year unfolded.

Importantly, the year's technological refinements have built in the capability for adding on continual improvements, so that future incremental upgrades can be part of an ongoing process rather than necessitating a discrete

"As always, continual review and updating of our risk analysis technology remains a key strategic imperative for RenaissanceRe."

new project. As always, continual review and updating of our risk analysis technology remains a key strategic imperative for RenaissanceRe.

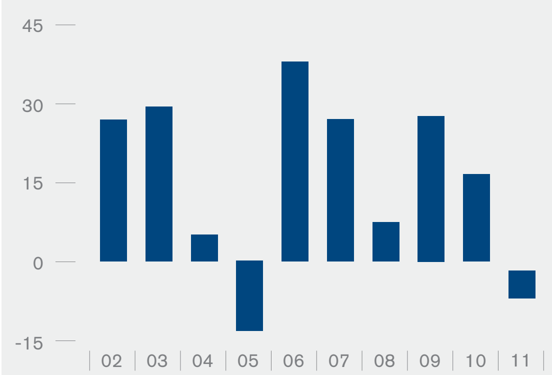
Meeting Our Regulatory and Corporate Responsibilities

On the regulatory front, 2011 was a busy year. Solvency II, which imposes heightened requirements on insurance and reinsurance companies doing business in Europe, looms not far ahead and we invested considerable effort into bringing our Lloyd's syndicate into compliance. That said, we do not expect the advent of Solvency II to bring significant change to the way we run our business. Aside from the additional reporting it will require, we already manage our Company with the transparency and capital strength envisioned under the Solvency II guidelines – a fact underlined by the reaffirmation this year of our credit ratings and our "Excellent" Enterprise Risk Management rating by Standard and Poor's.

In our home jurisdiction, the Bermuda Monetary Authority has made significant strides towards maintaining Bermuda's standing as a center of insurance industry excellence and achieving global regulatory equivalency, and we are prepared to comply with the BMA's evolving, rigorous standards.

We have continued our efforts to help raise risk mitigation awareness with both the public and with policy-makers through our thought leadership forums. Our Seismic Risk Mitigation Leadership Forum was held in San Francisco shortly after the Tohoku earthquake, and the leading Japanese seismologists we invited shed valuable new light on that recent disaster.

Operating Return On Average Equity (%) (1)



(1) In this Annual Report, we refer to various non-GAAP measures, which are explained in the Comments on Regulation G on pages 19 and 20.

Opportunities in a Changing Market

Looking ahead, I am optimistic about the prospects for our Company. As I mentioned earlier, we have begun to see a firming in market pricing for catastrophe reinsurance. Unlike the sharp spike in pricing we witnessed in 2005 after Hurricane Katrina, we are seeing an orderly, steady increase in rates over an extended time frame.

The magnitude of aggregate losses in 2011 has reduced the size of the capital pool generally available for catastrophe reinsurance, and the severity of events has tempered appetites for this business segment. Exposure to the European sovereign debt crisis is also impacting purchasing behavior in international markets.

Opposite page above:

Kevin O'Donnell
EVP, Global Chief Underwriting Officer,
RenaissanceRe Holdings Ltd.

Middle from left to right:

Todd Fonner
SVP, Chief Investment Officer & Treasurer,
RenaissanceRe Holdings Ltd.

Stephen Weinstein
SVP, General Counsel,
Chief Compliance Officer & Secretary,
RenaissanceRe Holdings Ltd.

Below:

Jeff Kelly
EVP, Chief Financial Officer,
RenaissanceRe Holdings Ltd.

"Above all, our leadership position is a testament to the people who make up this organization."

At the same time, the perception of risk has been heightened. With so many significant disasters occurring worldwide – outside the traditionally higher-priced "peak" U.S. zones – catastrophe insurers and reinsurers will be forced to reevaluate both the price of risk and the amount they are willing to retain. Upgrades to commercially available vendor models through the past year have also contributed to an overall perception of higher catastrophe risk, which are in many cases more in line with the independent views that we have held for some time. This bodes well for RenaissanceRe.

Additionally, many participants in the market are seeking new ways of managing their risk, which plays into the strengths of our Ventures unit. As customers seek alternatives such as joint ventures and temporary sidecars, cat bonds and other index-linked securities, the long-term experience we have in managing such vehicles makes doing business with RenaissanceRe attractive.

We need to remain focused on maintaining our technological edge and are committed to doing so. Our proprietary systems allow us to make prompt decisions and share valuable insights with clients on their risk exposures. This is one of our core competitive advantages and one we guard closely.

And we need to continue to attract and retain the highest quality talent. I believe we have consistently succeeded in doing so to date. I have had the pleasure of seeing many of our senior officers mature in their careers and gain greater experience. At the same time, we have benefited from outstanding executives joining the organization in the last few years. I am pleased with the knowledge base, the depth and the breadth of expertise of the current management team. I am also pleased to see the talent development initiatives we have under way engaging employees across our organization. Executed properly, this will assure the sustainability of our Company over time.

In Closing

It is a testament to our risk and capital management processes that we emerge from a loss year like 2011 with ample capital and liquidity. Despite our losses, RenaissanceRe's common shares closed the year near an all-time high with our price-to-book value currently among the highest of our peer group – a reflection that the market recognizes our achievements and our strategy, and believes we are well positioned to capture opportunities going forward.

Above all, our leadership position is a testament to the people who make up this organization and I am proud of our employees for their outstanding work and commitment during a particularly challenging year. I would like to thank our new Chairman, Ralph Levy, and our Board of Directors, for their invaluable advice and experience. Finally, I would like to thank you, our shareholders, for your support. Together we are continuing to build our Company for long-term success.

Sincerely,

Neill A. Currie
President and Chief Executive Officer