

PartnerRe

PartnerRe (100.0% of common share capital through EXOR Nederland N.V.)



The data presented and commented below are derived from PartnerRe's consolidated financial information for

Net premiums written (a)
 Net investment income (b)
 Operating earnings (c)
 Net income attributable to PartnerRe common shareholders (d)
 Net income attributable to PartnerRe common shareholders (e)
 Net income attributable to PartnerRe common shareholders (f)

(a) The Company uses combined ratio to measure results for the Non-life P&C and Specialty segments. The combined ratio was 93.6% in 2016, an increase of 8.0 points compared to 85.6% in 2015, reflecting a decrease in the Non-life allocated underwriting result to \$61 million in 2016 compared to \$94 million in 2015. Other expenses were \$472 million in 2016 compared to \$791 million in 2015. Other expenses for 2016 include reinsurance and other expenses. Operating earnings for 2016 were \$289 million, compared to operating earnings of \$658 million for 2015 primarily due to a decrease in net investment income. Net investment income was \$411 million, down 9% in 2016 compared to 2015. On a constant foreign exchange rate, net investment income was \$411 million in 2016 compared to \$450 million in 2015. The effective tax rate on pre-tax operating earnings and pre-tax income were 10.3% and 5.5%, respectively, in 2016 compared to 10.3% and 5.5% in 2015. Net income attributable to PartnerRe common shareholders for 2016 was \$387 million compared to \$48 million in 2015. Some details related to the balance sheet are as follows:

Total capital of \$8.0 billion at December 31, 2016 increased by 4% compared to December 31, 2015, primarily due to an increase in common shareholders' equity attributable to PartnerRe (or book value) and tangible book value were \$6.0 billion at December 31, 2016 compared to \$5.6 billion in 2015. Total investments, cash and cash equivalents and funds held directly managed were \$16.9 billion at December 31, 2016 compared to \$16.9 billion in 2015. Reconciliation of reported US GAAP financial information to IFRS financial information used for line-by-line comparison is provided in the notes to the financial statements. The US GAAP net income (\$387 million) reflects the results for the full year in 2016, whereas the IFRS net income reflects the results for the full year in 2016. Significant events in the fourth quarter of 2016 and subsequent events

On November 1, 2016, the Company used the proceeds from the September 2016 Euro bond issue to redeem the September 2016 Euro bond issue. Outlook
 Excluding the impacts of any significant catastrophe and other large losses and/or increases in interest rates on investment income, PartnerRe continues to experience competitive reinsurance market conditions and a challenging investment environment. PartnerRe, and its peers within the reinsurance industry, do not provide earnings guidance given its reinsurance
