

## News Release

### PartnerRe Ltd. Reports First Quarter 2017 Results

- **First Quarter Net Income of \$38 million, resulting in an Annualized Net Income ROE of 2.6%**
- **First Quarter Operating Earnings of \$44 million, driven by Non-life combined ratio of 96.4%, resulting in an Annualized Operating ROE of 3.0%**
- **Book Value of common shareholder's equity of \$6.0 billion, a 0.4% increase compared to Q4 2016**

**PEMBROKE, Bermuda, May 3, 2017** - PartnerRe Ltd. ("the Company") today reported a net income available to common shareholder of \$38 million for the first quarter of 2017 compared to \$201 million for the same period of 2016. Operating earnings were \$44 million for both first quarters of 2017 and 2016.

Net income available to common shareholder includes net realized and unrealized gains on investments of \$23 million in the first quarter of 2017, mainly driven by a slight narrowing of corporate spreads and a decrease in U.S. interest rates at the longer end of the curve. This compares to gains of \$167 million in the first quarter of 2016, primarily reflecting decreases in U.S. and European risk-free interest rates.

Operating earnings is a non-GAAP financial measure which excludes certain net after-tax realized and unrealized investment gains and losses, net after-tax foreign exchange gains and losses, certain net after-tax interest in results of equity method investments, and is calculated after the payment of preferred dividends.

Net income or loss and operating earnings available to common shareholder, and the associated annualized ROEs, for the first quarters of 2017 and 2016 include various non-recurring transaction and severance related costs, which impact period over period comparability as follows (in US\$ millions, except for percentages):

| <b>Non-GAAP measures adjusted for transaction and severance costs<sup>(1)</sup>, net of tax:</b> | <b>Q1 2017</b> | <b>Q1 2016</b> |
|--|----------------|----------------|
| Operating earnings   | \$ 50          | \$ 104         |
| Annualized Operating ROE   | 3.4%           | 6.9%           |
| Net income available to common shareholder   | \$ 45          | \$ 261         |
| Annualized net income available to common shareholder ROE  | 3.0%           | 17.3%          |

*(1) The adjustment of \$6 million, net of tax, for the first quarter of 2017 primarily represents severance costs associated with the reorganization of the Company's operations. The adjustment of \$60 million, net of tax, for the first quarter of 2016 includes transaction costs and accelerated stock-based compensation expenses incurred related to the closing of the acquisition by Exor in the first quarter of 2016.*

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Commenting on results, PartnerRe President and Chief Executive Officer Emmanuel Clarke said, "Our annualized adjusted Operating ROE of 3.4% in the first quarter of 2017 reflects prudent underwriting, de-risked investment portfolio, the impact of the change in the Ogden discount rate in the U.K., a decline in favorable prior year reserve development and lower profitability in our Health line of business. We reported a Non-Life combined ratio of 96.4% and an improved accident year combined ratio compared to the first quarter of 2016 driven by a lower level of mid-sized loss activity in P&C and reduced operating expenses."

Highlights for the first quarter of 2017 compared to the same period of 2016 include the following:

### Non-Life:

- Non-Life net premiums written were down 14% in the first quarter of 2017 compared to the same period of 2016, primarily as a result of cancellations and non-renewals, the timing of renewal of a significant agricultural contract and higher premiums ceded.
- The Non-Life combined ratio of 96.4% was 2.1 points higher than the ratio reported in the first quarter of 2016, primarily due to lower favorable prior years' reserve development, partially offset by lower other operating expenses, acquisition costs and mid-sized loss activity. The prior years' reserve development was impacted by a \$35 million charge (4.6 points) related to the change in the Ogden discount rate in the U.K.
- The Non-Life combined ratio continued to benefit from net favorable prior years' reserve development, albeit at a slower rate. The net favorable development of \$86 million (11.3 points) was reported in both the Specialty and P&C segments, primarily due to actual reported losses emerging below expectations. The combined ratio for the first quarter of 2016 included favorable prior year development of \$183 million (21.0 points).

### Life and Health:

- Net premiums written were up 8% in the first quarter of 2017 compared to the same period of 2016, primarily driven by new business written in the mortality line of business and an increase in the health line, partially offset by the impact of foreign exchange.
- Allocated underwriting result, which includes allocated investment income and other expenses, was \$8 million in the first quarter of 2017 compared to \$24 million in the same period of 2016. This decrease primarily reflects lower profitability in the health line of business due to lower prior years' reserve development and higher claims activity.

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### Investments:

- Total net investment return in the first quarter of 2017 was 0.8%, based on a total net gain of \$130 million, which was driven by net investment income of \$99 million, realized and unrealized investment gains of \$23 million and interest in earnings of equity method investments of \$8 million. This compares to a total net investment return of \$267 million, or 1.6%, for the first quarter of 2016.
- The total net investment return in the first quarter of 2017 was primarily generated by fixed income securities, where portfolio yield was complemented by mark-to-market gains mostly generated by a slight narrowing of corporate spreads and a decrease in U.S. interest rates at the longer end of the curve.
- Net investment income of \$99 million was down \$4 million, or 4.3%, compared to the first quarter of 2016, mainly reflecting the impact of the investment portfolio de-risking, partially offset by lower investment expenses.
- Reinvestment rates are currently 2.8%, which compares to our existing fixed income yield of 2.5%.

### Other Income Statement Items:

- Other expenses of \$90 million in the first quarter of 2017, which include \$8 million of severance and transaction related costs, were down compared to \$153 million in the same period of 2016 primarily due to costs related to the closing of the Exor transaction of \$66 million in the first quarter of 2016.
- Interest expense was \$10 million, down \$2 million compared to the first quarter of 2016 due to the redemption of \$250 million of senior notes in the fourth quarter of 2016, partially offset by a subsequent issuance of debt at a lower interest rate.
- The preferred dividends of \$12 million were down \$3 million compared to the first quarter of 2016 as a result of the redemption of \$150 million of Series D and E preferred shares during the fourth quarter of 2016.
- Net foreign exchange losses in the quarter were \$38 million (\$51 million including the change in currency translation adjustment of \$13 million), mainly driven by the weakening of the U.S. dollar against most major currencies and the cost of forward points to hedge Euro liabilities.
- For the first quarter of 2017, the effective tax rate on operating earnings was 2.5% (a tax expense on earnings) mainly due to the geographical split of pretax income and losses. The effective tax rate on non-operating losses was 2.1% (a tax benefit on losses) for the first quarter of 2017.

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### **Balance Sheet and Capitalization:**

- Total investments, cash and cash equivalents and funds held – directly managed were \$16.4 billion at March 31, 2017, down 2.9% compared to December 31, 2016.
- Cash and cash equivalents and fixed maturities, which are government issued or investment grade fixed income securities, were \$14.3 billion at March 31, 2017, representing 90% of the cash and cash equivalents and total investments.
- The average rating and the average duration of the fixed income portfolio at March 31, 2017 were A and 4.7 years, respectively, while the average duration of the Company's liabilities was 4.7 years.
- Total capital was \$8.1 billion at March 31, 2017, up 0.6% compared to December 31, 2016, primarily due to net income for the year.
- Common shareholder's equity (or book value) and tangible book value were \$6.0 billion and \$5.5 billion, respectively, at March 31, 2017, up 0.4% and 0.5%, respectively, compared to December 31, 2016, primarily due to net income for the year.

### **Cash Flows:**

- Cash used in operating activities was \$1 million in the first quarter of 2017 and included the cash payments related to employees 2016 Annual Incentive. This cash used in operating activities of \$1 million compared to cash provided by operating activities of \$92 million in the same period of 2016, primarily due to higher cash used in underwriting operations. Cash used in underwriting operations increased from \$5 million in the first quarter of 2016 to \$112 million in the same period of 2017 primarily due to higher losses paid, partially offset by the timing of premium collections. The operating cash flow generated by investment income in the first quarter of 2017 was \$120 million compared to \$132 million in the same period of 2016. Other cash outflows, which include taxes and foreign exchange, decreased by \$26 million to \$9 million in the first quarter of 2017 compared to \$35 million in the same period of 2016.
- Cash provided by investing activities was \$86 million in the first quarter of 2017 compared to \$338 million in the same period of 2016. This decrease was primarily due to cash flows generated in the first quarter of 2016 to fund the payment of the special dividend upon closing of the merger with Exor (Special Dividend).
- Cash used in financing activities was \$12 million in the first quarter of 2017 compared to \$263 million in the same period in 2016, largely driven by the payment of the Special Dividend and the settlement of certain share-based awards in the first quarter of 2016.

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*The data and comments provided above are from, or have been derived from, PartnerRe's U.S. GAAP consolidated balance sheets as of March 31, 2017 and December 31, 2016 and the related consolidated statements of operations for the three months ended March 31, 2017 and 2016. The Company has included Supplementary Financial Information below, which includes a reconciliation of GAAP and non-GAAP measures.*

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**PartnerRe Ltd. is a leading global reinsurer that helps insurance companies reduce their earnings volatility, strengthen their capital and grow their businesses through reinsurance solutions. Risks are underwritten on a worldwide basis through the Company's three segments: P&C, Specialty, and Life and Health. For the year ended December 31, 2016, total revenues were \$5.4 billion. At March 31, 2017, total assets were \$22.0 billion, total capital was \$8.1 billion and total shareholders' equity was \$6.7 billion. PartnerRe enjoys strong financial strength ratings as follows: A.M. Best A / Moody's A1 / Standard & Poor's A+.**

*PartnerRe on the Internet: [www.partnerre.com](http://www.partnerre.com)*

**Forward-looking statements contained in this press release are based on the Company's assumptions and expectations concerning future events and financial performance and are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such statements are subject to significant business, economic and competitive risks and uncertainties that could cause actual results to differ materially from those reflected in the forward-looking statements. PartnerRe's forward-looking statements could be affected by numerous foreseeable and unforeseeable events and developments such as exposure to catastrophe, or other large property and casualty losses, credit, interest, currency and other risks associated with the Company's investment portfolio, adequacy of reserves, levels and pricing of new and renewal business achieved, changes in accounting policies, risks associated with implementing business strategies, and other factors identified in the Company's reports filed or furnished with the Securities and Exchange Commission. In light of the significant uncertainties inherent in the forward-looking information contained herein, readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the dates on which they are made. The Company disclaims any obligation to publicly update or revise any forward-looking information or statements.**

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**PartnerRe Ltd.**  
**Consolidated Statements of Operations and Comprehensive Income** <sup>(1)</sup>  
(Expressed in thousands of U.S. dollars)  
(Unaudited)

|   | For the three<br>months ended<br>March 31, 2017 | For the three<br>months ended<br>March 31, 2016 |
|---|---|---|
| <b>Revenues</b>   |   |   |
| Gross premiums written  | \$ 1,502,668                                    | \$ 1,629,009                                    |
| Net premiums written  | \$ 1,352,100                                    | \$ 1,500,718                                    |
| Increase in unearned premiums   | (299,123)                                       | (359,002)                                       |
| Net premiums earned   | 1,052,977                                       | 1,141,716                                       |
| Net investment income   | 98,570  | 102,987   |
| Net realized and unrealized investment gains  | 22,868  | 167,193   |
| Other income  | 3,409   | 4,840   |
| <b>Total revenues</b>   | <b>1,177,824</b>                                | <b>1,416,736</b>                                |
| <b>Expenses</b>   |   |   |
| Losses and loss expenses  | 767,149   | 714,268   |
| Acquisition costs   | 224,700   | 282,974   |
| Other expenses <sup>(2)</sup>   | 89,643  | 152,674   |
| Interest expense  | 10,253  | 12,259  |
| Amortization of intangible assets   | 5,704   | 6,588   |
| Net foreign exchange losses (gains)   | 37,651  | (2,074)   |
| <b>Total expenses</b>   | <b>1,135,100</b>                                | <b>1,166,689</b>                                |
| <b>Income before taxes and interest in earnings (losses) of equity method investments</b> | <b>42,724</b>                                   | <b>250,047</b>                                  |
| Income tax expense  | 1,287   | 30,954  |
| Interest in earnings (losses) of equity method investments                                | 8,366   | (3,467)   |
| <b>Net income</b>   | <b>49,803</b>                                   | <b>215,626</b>                                  |
| Preferred dividends   | 11,604  | 14,184  |
| <b>Net income available to common shareholder</b>   | <b>\$ 38,199</b>                                | <b>\$ 201,442</b>                               |
| <b>Comprehensive income</b>   | <b>\$ 35,455</b>                                | <b>\$ 235,717</b>                               |

<sup>(1)</sup> On March 18, 2016, Exor N.V. acquired 100% of the Company's common shares. As such, per share data is no longer meaningful and has been excluded. PartnerRe common shares are no longer traded on the NYSE.

<sup>(2)</sup> Other expenses for the three months ended March 31, 2017 include \$8 million of non-recurring expenses, primarily severance related costs. Other expenses for the three months ended March 31, 2016 include \$35 million and \$31 million of transaction costs and accelerated stock-based compensation expense, respectively, related to the closing of the acquisition by Exor.

**PartnerRe Ltd.**  
**Consolidated Balance Sheets**

(Expressed in thousands of U.S. dollars, except parenthetical share data)  
(Unaudited)

|  | March 31,<br>2017    | December 31,<br>2016 |
|--|----------------------|----------------------|
| <b>Assets</b>  |                      |                      |
| <b>Investments:</b>  |                      |                      |
| Fixed maturities, at fair value  | \$ 12,752,713        | \$ 13,432,501        |
| Short-term investments, at fair value  | 8,679                | 21,697               |
| Equities, at fair value  | 189,941              | 38,626               |
| Other invested assets  | 1,051,091            | 1,075,637            |
| <b>Total investments</b>   | <b>14,002,424</b>    | <b>14,568,461</b>    |
| Funds held – directly managed  | 510,990              | 511,324              |
| Cash and cash equivalents  | 1,851,490            | 1,773,328            |
| Accrued investment income  | 111,707              | 112,580              |
| Reinsurance balances receivable  | 2,849,123            | 2,492,069            |
| Reinsurance recoverable on paid and unpaid losses  | 413,648              | 331,704              |
| Funds held by reinsured companies  | 718,812              | 685,069              |
| Deferred acquisition costs   | 653,944              | 597,239              |
| Deposit assets   | 74,079               | 74,273               |
| Net tax assets   | 200,055              | 194,170              |
| Goodwill   | 456,380              | 456,380              |
| Intangible assets  | 101,388              | 107,092              |
| Other assets   | 41,746               | 35,105               |
| <b>Total assets</b>  | <b>\$ 21,985,786</b> | <b>\$ 21,938,794</b> |
| <b>Liabilities</b>   |                      |                      |
| Non-life reserves  | \$ 9,044,854         | \$ 8,985,434         |
| Life and health reserves   | 2,069,083            | 1,984,096            |
| Unearned premiums  | 2,012,885            | 1,623,796            |
| Other reinsurance balances payable   | 337,616              | 281,973              |
| Deposit liabilities  | 12,393               | 15,026               |
| Net tax liabilities  | 166,601              | 166,113              |
| Accounts payable, accrued expenses and other   | 264,483              | 849,572              |
| Debt related to senior notes   | 1,295,119            | 1,273,883            |
| Debt related to capital efficient notes  | 70,989               | 70,989               |
| <b>Total liabilities</b>   | <b>15,274,023</b>    | <b>15,250,882</b>    |
| <b>Shareholders' Equity</b>  |                      |                      |
| Common shares (2017 and 2016, par value \$0.00000001; issued: 100,000,000 shares)  | —                    | —                    |
| Preferred shares (par value \$1.00; issued and outstanding: 2017 and 2016, 28,169,062 shares; aggregate liquidation value: 2017 and 2016, \$704,227) | 28,169               | 28,169               |
| Additional paid-in capital   | 2,396,530            | 2,396,530            |
| Accumulated other comprehensive loss   | (88,918)             | (74,569)             |
| Retained earnings  | 4,375,982            | 4,337,782            |
| <b>Total shareholders' equity</b>  | <b>6,711,763</b>     | <b>6,687,912</b>     |
| <b>Total liabilities and shareholders' equity</b>  | <b>\$ 21,985,786</b> | <b>\$ 21,938,794</b> |

**PartnerRe Ltd.**  
**Condensed Consolidated Statements of Cash Flows**  
(Expressed in millions of U.S. dollars)  
(Unaudited)

|   | For the three months ended |                 |
|---|----------------------------|-----------------|
|   | March 31, 2017             | March 31, 2016  |
| <b>Net cash (used in) provided by operating activities:</b> |                            |                 |
| Underwriting operations                                     | \$ (112)                   | \$ (5)          |
| Investment income   | 120                        | 132             |
| Taxes and foreign exchange and other                        | (9)                        | (35)            |
| <b>Net cash (used in) provided by operating activities</b>  | <b>\$ (1)</b>              | <b>\$ 92</b>    |
| Net cash provided by investing activities <sup>(1)</sup>    | 86                         | 338             |
| Net cash used in financing activities <sup>(2)</sup>        | (12)                       | (263)           |
| Effect of foreign exchange rate changes on cash             | 5                          | 6               |
| <b>Increase in cash and cash equivalents</b>                | <b>78</b>                  | <b>173</b>      |
| Cash and cash equivalents - beginning of period             | \$ 1,773                   | \$ 1,577        |
| <b>Cash and cash equivalents - end of period</b>            | <b>\$ 1,851</b>            | <b>\$ 1,750</b> |

*(1) Net cash provided by investing activities in the three months ended March 31, 2016 includes cash generated through investment activities in order to fund the payment of the special dividend upon closing of the merger with Exor N.V. (Special Dividend).*

*(2) Net cash used in financing activities in the three months ended March 31, 2016 includes the payment of the Special Dividend and the settlement of certain share-based awards.*

**PartnerRe Ltd.**  
**Consolidated Statements of Comprehensive Income**  
(Expressed in thousands of U.S. dollars)  
(Unaudited)

|   | For the three months ended |                   |
|---|----------------------------|-------------------|
|   | March 31,<br>2017          | March 31,<br>2016 |
| Net income  | \$ 49,803                  | \$ 215,626        |
| Change in currency translation adjustment                           | (13,367)                   | 21,123            |
| Change in net unrealized gains or losses on investments, net of tax | (77)                       | (203)             |
| Change in unfunded pension obligation, net of tax                   | (904)                      | (829)             |
| Comprehensive income  | <u>\$ 35,455</u>           | <u>\$ 235,717</u> |

**PartnerRe Ltd.**  
**Segment Information**  
(Expressed in millions of U.S. dollars)  
(Unaudited)

For the three months ended March 31, 2017

|   | P&C<br>segment | Specialty<br>segment | Total<br>Non-life | Life<br>and Health<br>segment | Corporate<br>and Other | Total          |
|---|----------------|----------------------|-------------------|-------------------------------|------------------------|----------------|
| Gross premiums written                              | \$ 726         | \$ 468               | \$ 1,194          | \$ 309                        | \$ —                   | \$ 1,503       |
| Net premiums written                                | \$ 643         | \$ 410               | \$ 1,053          | \$ 299                        | \$ —                   | \$ 1,352       |
| Increase in unearned premiums                       | (236)          | (53)                 | (289)             | (10)                          | —                      | (299)          |
| Net premiums earned                                 | \$ 407         | \$ 357               | \$ 764            | \$ 289                        | \$ —                   | \$ 1,053       |
| Losses and loss expenses                            | (287)          | (228)                | (515)             | (252)                         | —                      | (767)          |
| Acquisition costs                                   | (90)           | (103)                | (193)             | (32)                          | —                      | (225)          |
| <b>Technical result</b>                             | <b>\$ 30</b>   | <b>\$ 26</b>         | <b>\$ 56</b>      | <b>\$ 5</b>                   | <b>\$ —</b>            | <b>\$ 61</b>   |
| Other income  |                |                      | 1                 | 3                             | —                      | 4              |
| Other expenses                                      |                |                      | (29)              | (13)                          | (48)                   | (90)           |
| <b>Underwriting result</b>                          |                |                      | <b>\$ 28</b>      | <b>\$ (5)</b>                 | <b>n/a</b>             | <b>\$ (25)</b> |
| Net investment income                               |                |                      |                   | 13                            | 86                     | 99             |
| <b>Allocated underwriting result <sup>(1)</sup></b> |                |                      |                   | <b>\$ 8</b>                   | <b>n/a</b>             | <b>n/a</b>     |
| Net realized and unrealized investment gains        |                |                      |                   |                               | 23                     | 23             |
| Interest expense                                    |                |                      |                   |                               | (10)                   | (10)           |
| Amortization of intangible assets                   |                |                      |                   |                               | (6)                    | (6)            |
| Net foreign exchange losses                         |                |                      |                   |                               | (38)                   | (38)           |
| Income tax expense                                  |                |                      |                   |                               | (1)                    | (1)            |
| Interest in earnings of equity method investments   |                |                      |                   |                               | 8                      | 8              |
| <b>Net income</b>                                   |                |                      |                   |                               | <b>n/a</b>             | <b>\$ 50</b>   |
| Loss ratio <sup>(2)</sup>                           | 70.5%          | 63.9%                | 67.4%             |                               |                        |                |
| Acquisition ratio <sup>(3)</sup>                    | 22.1           | 28.7                 | 25.2              |                               |                        |                |
| Technical ratio <sup>(4)</sup>                      | 92.6%          | 92.6%                | 92.6%             |                               |                        |                |
| Other expense ratio <sup>(5)</sup>                  |                |                      | 3.8               |                               |                        |                |
| Combined ratio <sup>(6)</sup>                       |                |                      | 96.4%             |                               |                        |                |

For the three months ended March 31, 2016

|   | P&C<br>segment | Specialty<br>segment | Total<br>Non-life | Life<br>and Health<br>segment | Corporate<br>and Other | Total         |
|---|----------------|----------------------|-------------------|-------------------------------|------------------------|---------------|
| Gross premiums written                              | \$ 804         | \$ 532               | \$ 1,336          | \$ 293                        | \$ —                   | \$ 1,629      |
| Net premiums written                                | \$ 746         | \$ 478               | \$ 1,224          | \$ 277                        | \$ —                   | \$ 1,501      |
| Increase in unearned premiums                       | (265)          | (87)                 | (352)             | (7)                           | —                      | (359)         |
| Net premiums earned                                 | \$ 481         | \$ 391               | \$ 872            | \$ 270                        | \$ —                   | \$ 1,142      |
| Losses and loss expenses                            | (272)          | (237)                | (509)             | (205)                         | —                      | (714)         |
| Acquisition costs                                   | (132)          | (113)                | (245)             | (38)                          | —                      | (283)         |
| <b>Technical result</b>                             | <b>\$ 77</b>   | <b>\$ 41</b>         | <b>\$ 118</b>     | <b>\$ 27</b>                  | <b>\$ —</b>            | <b>\$ 145</b> |
| Other income  |                |                      | 2                 | 2                             | 1                      | 5             |
| Other expenses                                      |                |                      | (68)              | (18)                          | (67)                   | (153)         |
| <b>Underwriting result</b>                          |                |                      | <b>\$ 52</b>      | <b>\$ 11</b>                  | <b>n/a</b>             | <b>\$ (3)</b> |
| Net investment income                               |                |                      |                   | 13                            | 90                     | 103           |
| <b>Allocated underwriting result <sup>(1)</sup></b> |                |                      |                   | <b>\$ 24</b>                  | <b>n/a</b>             | <b>n/a</b>    |
| Net realized and unrealized investment gains        |                |                      |                   |                               | 167                    | 167           |
| Interest expense                                    |                |                      |                   |                               | (12)                   | (12)          |
| Amortization of intangible assets                   |                |                      |                   |                               | (7)                    | (7)           |
| Net foreign exchange gains                          |                |                      |                   |                               | 2                      | 2             |
| Income tax expense                                  |                |                      |                   |                               | (31)                   | (31)          |
| Interest in losses of equity method investments     |                |                      |                   |                               | (3)                    | (3)           |
| <b>Net income</b>                                   |                |                      |                   |                               | <b>n/a</b>             | <b>\$ 216</b> |
| Loss ratio <sup>(2)</sup>                           | 56.7%          | 60.6%                | 58.5%             |                               |                        |               |
| Acquisition ratio <sup>(3)</sup>                    | 27.4           | 28.8                 | 28.0              |                               |                        |               |
| Technical ratio <sup>(4)</sup>                      | 84.1%          | 89.4%                | 86.5%             |                               |                        |               |
| Other expense ratio <sup>(5)</sup>                  |                |                      | 7.8               |                               |                        |               |
| Combined ratio <sup>(6)</sup>                       |                |                      | 94.3%             |                               |                        |               |

(1) Allocated underwriting result is defined as net premiums earned, other income or loss and allocated net investment income less losses and loss expenses on life and health contracts, acquisition costs and other expenses.

(2) Loss ratio is obtained by dividing losses and loss expenses by net premiums earned.

(3) Acquisition ratio is obtained by dividing acquisition costs by net premiums earned.

(4) Technical ratio is defined as the sum of the loss ratio and the acquisition ratio.

(5) Other expense ratio is obtained by dividing other expenses by net premiums earned.

(6) Combined ratio is defined as the sum of the technical ratio and the other expense ratio.

**PartnerRe Ltd.**  
**Investment Portfolio**  
(Expressed in millions of U.S. dollars)  
(Unaudited)

|  | <u>March 31,</u><br><u>2017</u> |              | <u>December 31,</u><br><u>2016</u> |              | <u>March 31,</u><br><u>2016</u> |              | <u>December 31,</u><br><u>2015</u> |              |
|--|---------------------------------|--------------|------------------------------------|--------------|---------------------------------|--------------|------------------------------------|--------------|
| <b>Investments:</b>  |                                 |              |                                    |              |                                 |              |                                    |              |
| Fixed maturities   |                                 |              |                                    |              |                                 |              |                                    |              |
| U.S. government  | \$ 2,177                        | 16 %         | \$ 3,489                           | 24 %         | \$ 2,690                        | 19 %         | \$ 2,810                           | 20 %         |
| U.S. government sponsored enterprises  | 47                              | —            | 52                                 | —            | 105                             | 1            | 63                                 | —            |
| U.S. states, territories and municipalities  | 676                             | 5            | 685                                | 5            | 780                             | 5            | 778                                | 5            |
| Non-U.S. sovereign government, supranational and government related                        | 1,170                           | 8            | 1,136                              | 8            | 1,197                           | 9            | 1,333                              | 9            |
| Corporates   | 6,308                           | 45           | 5,705                              | 39           | 4,978                           | 36           | 5,086                              | 36           |
| Mortgage/asset-backed securities   | 2,375                           | 17           | 2,365                              | 16           | 3,270                           | 24           | 3,378                              | 24           |
| Total fixed maturities   | <u>12,753</u>                   | <u>91</u>    | <u>13,432</u>                      | <u>92</u>    | <u>13,020</u>                   | <u>94</u>    | <u>13,448</u>                      | <u>94</u>    |
| Short-term investments   | 9                               | —            | 22                                 | —            | 34                              | —            | 47                                 | —            |
| Equities   | 190                             | 1            | 39                                 | —            | 324                             | 2            | 444                                | 3            |
| Other invested assets  | 1,051                           | 8            | 1,076                              | 8            | 459                             | 4            | 399                                | 3            |
| <b>Total investments</b>   | <b>\$ 14,003</b>                | <b>100 %</b> | <b>\$ 14,569</b>                   | <b>100 %</b> | <b>\$ 13,837</b>                | <b>100 %</b> | <b>\$ 14,338</b>                   | <b>100 %</b> |
| Cash and cash equivalents  | 1,851                           |              | 1,773                              |              | 1,750                           |              | 1,577                              |              |
| Total investments and cash and cash equivalents  | 15,854                          |              | 16,342                             |              | 15,587                          |              | 15,915                             |              |
| <b>Maturity distribution:</b>  |                                 |              |                                    |              |                                 |              |                                    |              |
| One year or less   | \$ 283                          | 2 %          | \$ 264                             | 2 %          | \$ 431                          | 3 %          | \$ 556                             | 4 %          |
| More than one year through five years  | 4,445                           | 35           | 5,381                              | 40           | 4,521                           | 35           | 4,609                              | 34           |
| More than five years through ten years   | 3,699                           | 29           | 3,703                              | 27           | 3,224                           | 25           | 3,342                              | 25           |
| More than ten years  | 1,960                           | 15           | 1,741                              | 13           | 1,608                           | 12           | 1,610                              | 12           |
| Subtotal   | <u>10,387</u>                   | <u>81</u>    | <u>11,089</u>                      | <u>82</u>    | <u>9,784</u>                    | <u>75</u>    | <u>10,117</u>                      | <u>75</u>    |
| Mortgage/asset-backed securities   | 2,375                           | 19           | 2,365                              | 18           | 3,270                           | 25           | 3,378                              | 25           |
| <b>Total</b>   | <b>\$ 12,762</b>                | <b>100 %</b> | <b>\$ 13,454</b>                   | <b>100 %</b> | <b>\$ 13,054</b>                | <b>100 %</b> | <b>\$ 13,495</b>                   | <b>100 %</b> |
| <b>Credit quality by market value (Total investments excluding Other invested assets):</b> |                                 |              |                                    |              |                                 |              |                                    |              |
| AAA  | 7%                              |              | 6%                                 |              | 11%                             |              | 11%                                |              |
| AA   | 44                              |              | 52                                 |              | 47                              |              | 47                                 |              |
| A  | 18                              |              | 15                                 |              | 15                              |              | 15                                 |              |
| BBB  | 28                              |              | 24                                 |              | 20                              |              | 20                                 |              |
| Below Investment Grade/Unrated   | 3                               |              | 3                                  |              | 7                               |              | 7                                  |              |
|  | <u>100%</u>                     |              | <u>100%</u>                        |              | <u>100%</u>                     |              | <u>100%</u>                        |              |
| Expected average duration <sup>(1)</sup>   | 4.7 Yrs                         |              | 4.9 Yrs                            |              | 4.0 Yrs                         |              | 3.6 Yrs                            |              |
| Average yield to maturity at market <sup>(1)</sup>   | 2.8%                            |              | 2.7%                               |              | 2.4%                            |              | 2.9%                               |              |
| Average credit quality   | A                               |              | A                                  |              | A                               |              | A                                  |              |

(1) Includes funds holding fixed income securities that are classified with equities under U.S. GAAP and futures used for the purpose of managing duration.

## PartnerRe Ltd.

## Distribution of Corporate Bonds

(Expressed in thousands of U.S. dollars)

(Unaudited)

March 31, 2017

|   | Fair Value          | Percentage to<br>Total Fair Value of<br>Corporate Bonds | Percentage to<br>Invested Assets<br>and cash | Largest single issuer<br>as a percentage of<br>Invested Assets<br>and cash |                                 |                     |
|---|---------------------|---|--|--|---------------------------------|---------------------|
| <b>Distribution by sector - Corporate bonds</b>           |                     |   |  |  |                                 |                     |
| Finance   | \$ 1,305,206        | 20.7 %  | 8.2 %  | 1.0 %  |                                 |                     |
| Consumer noncyclical                                      | 1,107,562           | 17.6  | 7.0  | 0.8  |                                 |                     |
| Industrials   | 689,654             | 10.9  | 4.4  | 0.3  |                                 |                     |
| Consumer cyclical   | 588,065             | 9.3   | 3.7  | 0.5  |                                 |                     |
| Energy  | 571,042             | 9.0   | 3.6  | 0.6  |                                 |                     |
| Communications  | 366,595             | 5.8   | 2.3  | 0.5  |                                 |                     |
| Insurance   | 356,531             | 5.6   | 2.2  | 0.2  |                                 |                     |
| Real estate investment trusts                             | 347,211             | 5.5   | 2.2  | 0.4  |                                 |                     |
| Utilities   | 319,973             | 5.1   | 2.0  | 0.2  |                                 |                     |
| Technology  | 295,394             | 4.7   | 1.9  | 0.4  |                                 |                     |
| Basic materials   | 217,908             | 3.5   | 1.4  | 0.2  |                                 |                     |
| Catastrophe bonds   | 83,905              | 1.3   | 0.5  | 0.1  |                                 |                     |
| Longevity and mortality bonds                             | 47,673              | 0.8   | 0.3  | 0.2  |                                 |                     |
| Government guaranteed corporate debt                      | 11,418              | 0.2   | 0.1  | 0.1  |                                 |                     |
| <b>Total Corporate bonds</b>                              | <b>\$ 6,308,137</b> | <b>100.0%</b>   | <b>39.8%</b>                                 |  |                                 |                     |
| <b>Finance sector - Corporate bonds</b>                   |                     |   |  |  |                                 |                     |
| Banks   | \$ 764,081          | 12.1 %  | 4.8 %  |  |                                 |                     |
| Investment banking and brokerage                          | 336,122             | 5.4   | 2.1  |  |                                 |                     |
| Financial services  | 101,343             | 1.6   | 0.6  |  |                                 |                     |
| Commercial and consumer finance                           | 33,218              | 0.5   | 0.2  |  |                                 |                     |
| Other   | 70,442              | 1.1   | 0.5  |  |                                 |                     |
| <b>Total finance sector - Corporate bonds</b>             | <b>\$ 1,305,206</b> | <b>20.7%</b>  | <b>8.2%</b>                                  |  |                                 |                     |
|   | AAA                 | AA  | A  | BBB  | Non-Investment<br>Grade/Unrated | Total               |
| <b>Credit quality of finance sector - Corporate bonds</b> |                     |   |  |  |                                 |                     |
| Banks   | \$ 28,822           | \$ 20,086   | \$ 387,587                                   | \$ 327,586   | \$ —                            | \$ 764,081          |
| Investment banking and brokerage                          | —                   | —   | 56,935                                       | 277,987  | 1,200                           | 336,122             |
| Financial services  | —                   | 39,344  | 32,428                                       | 29,571   | —                               | 101,343             |
| Commercial and consumer finance                           | —                   | —   | 33,218                                       | —  | —                               | 33,218              |
| Other   | —                   | —   | 55,818                                       | 14,624   | —                               | 70,442              |
| <b>Total finance sector - Corporate bonds</b>             | <b>\$ 28,822</b>    | <b>\$ 59,430</b>  | <b>\$ 565,986</b>                            | <b>\$ 649,768</b>  | <b>\$ 1,200</b>                 | <b>\$ 1,305,206</b> |
| <b>% of total</b>   | <b>2%</b>           | <b>5%</b>   | <b>43%</b>                                   | <b>50%</b>   | <b>—%</b>                       | <b>100%</b>         |

## Concentration of investment risk

The top 10 Corporate bond issuers account for 17.5% of the Company's total corporate bonds. The single largest issuer accounts for 2.4% of the Company's total Corporate bonds.

**PartnerRe Ltd.**  
**Analysis of Non-Life Reserves**  
(Expressed in thousands of U.S. dollars)

|  | <u>As at and for the three months ended</u> |                                 | <u>As at and for the year ended</u> |                                    |
|--|---|---------------------------------|-------------------------------------|------------------------------------|
|  | <u>March 31.</u><br><u>2017</u>             | <u>March 31.</u><br><u>2016</u> | <u>December 31.</u><br><u>2016</u>  | <u>December 31.</u><br><u>2015</u> |
| <b>Reconciliation of beginning and ending Non-life reserves:</b>   |   |                                 |                                     |                                    |
| Gross liability at beginning of period                             | \$ 8,985,434                                | \$ 9,064,711                    | \$ 9,064,711                        | \$ 9,745,806                       |
| Reinsurance recoverable at beginning of period                     | (266,742)                                   | (189,234)                       | (189,234)                           | (214,349)                          |
| Net liability at beginning of period                               | 8,718,692                                   | 8,875,477                       | 8,875,477                           | 9,531,457                          |
| Net incurred losses related to:                                    |   |                                 |                                     |                                    |
| Current year   | 601,073                                     | 693,069                         | 2,997,394                           | 3,023,704                          |
| Prior years  | (86,063)                                    | (183,437)                       | (676,574)                           | (830,705)                          |
| Change in reserve agreement <sup>(1)</sup>                         | 515,010                                     | 509,632                         | 2,320,820                           | 2,192,999                          |
|  | 7,500                                       | 28,224                          | 5,518                               | (8,771)                            |
| Net losses paid  | (571,562)                                   | (370,469)                       | (2,262,916)                         | (2,422,603)                        |
| Effects of foreign exchange rate changes                           | 101,354                                     | 95,346                          | (220,207)                           | (417,605)                          |
| Net liability at end of period                                     | 8,770,994                                   | 9,138,210                       | 8,718,692                           | 8,875,477                          |
| Reinsurance recoverable at end of period                           | 273,860                                     | 192,877                         | 266,742                             | 189,234                            |
| <b>Gross liability at end of period</b>                            | <b>\$ 9,044,854</b>                         | <b>\$ 9,331,087</b>             | <b>\$ 8,985,434</b>                 | <b>\$ 9,064,711</b>                |
| <b>Breakdown of gross liability at end of period:</b>              |   |                                 |                                     |                                    |
| Case reserves  | \$ 3,889,777                                | \$ 3,780,317                    | \$ 3,883,926                        | \$ 3,716,195                       |
| Additional case reserves   | 159,161                                     | 215,238                         | 166,913                             | 190,183                            |
| Incurred but not reported reserves                                 | 4,995,916                                   | 5,335,532                       | 4,934,595                           | 5,158,333                          |
| <b>Gross liability at end of period</b>                            | <b>\$ 9,044,854</b>                         | <b>\$ 9,331,087</b>             | <b>\$ 8,985,434</b>                 | <b>\$ 9,064,711</b>                |
| <b>Gross liability at end of period by Non-life segment:</b>       |   |                                 |                                     |                                    |
| P&C  | 6,226,150                                   | 6,401,452                       | 6,187,460                           | 6,245,217                          |
| Specialty  | 2,818,704                                   | 2,929,635                       | 2,797,974                           | 2,819,494                          |
| <b>Gross liability at end of period</b>                            | <b>\$ 9,044,854</b>                         | <b>\$ 9,331,087</b>             | <b>\$ 8,985,434</b>                 | <b>\$ 9,064,711</b>                |
| <b>Unrecognized time value of non-life reserves <sup>(2)</sup></b> | <b>\$ 455,323</b>                           | <b>\$ 372,792</b>               | <b>\$ 439,351</b>                   | <b>\$ 508,269</b>                  |
| <b>Non-life paid loss ratio data:</b>                              |   |                                 |                                     |                                    |
| Non-life paid losses to incurred losses ratio                      | 111.0%                                      | 72.7%                           | 97.5%                               | 110.5%                             |
| Non-life paid losses to net premiums earned ratio                  | 74.8%                                       | 42.5%                           | 58.7%                               | 59.7%                              |

(1) The change in the reserve agreement is due to adverse (favorable) development on Paris Re's reserves which are guaranteed by Axa under the reserve agreement.

(2) The unrecognized time value of non-life reserves represents the difference between the recorded gross/net liability for non-life reserves and the amount of gross/net liability for non-life reserves that would be recorded if the underlying non-life reserves were discounted. The unrecognized time value, or discount, in the non-life reserves is calculated by applying appropriate risk-free rates by currency and duration to the underlying non-life reserves.

## PartnerRe Ltd.

### Life Value In Force

The Company calculates Value in Force (VIF) for its Life portfolio, which represents the value of the Life portfolio that is not recognized in the Consolidated Balance Sheets prepared under generally accepted accounting principles in the United States (U.S. GAAP). Accordingly, there is no corresponding measure that is prepared in accordance with U.S. GAAP. Management believes that this is useful information for investors, analysts, rating agencies and others. The Life VIF calculation includes the business written in the Company's Life and Health segment, except for the PartnerRe Health business.

The Company's Life VIF calculation uses market consistent techniques, but primarily differs from a full Market Consistent Embedded Value (MCEV) calculation, as defined in the European Insurance CFO Forum MCEV principles, due to: (i) different methodologies used; and ii) the Life VIF is only a component of MCEV and, specifically, the tangible assets backing the liabilities are not considered in the Company's calculation.

The Company's Life VIF, which is calculated on a going concern basis, is the sum of:

- present value of future profits - which is defined as the net present value of shareholders' projected after-tax cash flows from the in-force business on a best-estimate assumption basis. The discount rates used reflect currency-specific market yields on zero coupon government bonds at given durations and are applied to projected deterministic cash flows and to calculate risk-free investment returns. The best-estimate is defined as median biometric assumptions and does not include any provision for adverse deviation. The Company attributes no value to future new business or renewals of short-term business. Allocated inflated-adjusted expenses are projected on a best estimate basis;
- cost of non-hedgeable risks - which is defined as the cost of holding capital for non-hedgeable financial and non-hedgeable non-financial risks, such as a mortality deviation from shocks or changes in trends. The non-hedgeable risk capital has been determined using an internal economic capital model calibrated to a 99.6% Value at Risk (VaR) corresponding to a 1 in 250 year event;
- frictional costs - which is defined as the cost of double taxation or investment management charges on assets backing required capital;
- time value of options and guarantees (TVOG) - which is defined as the difference between the market value and the intrinsic value of the option calculated using stochastic techniques. The TVOG is significant to the guaranteed minimum death benefit (GMDB) portfolio where the Company covers death claims on savings plans, where the sum reinsured is the difference between the invested premium amount and the current fund value; and
- cost of non-economic excess encumbered capital - which is defined as the cost of any encumbered capital in excess of economic capital required by local regulations.

Actuarial non-economic assumptions, such as current and future mortality, are based on the most recent experience available, combined with internal and industry benchmarks, including trend expectation where appropriate.

The Life VIF is sensitive to changes in assumptions. In particular, the Life VIF is sensitive to changes in yield curves that are used for discounting, changes in equity market value assumptions and implied volatilities.

The Company performs a detailed Life VIF calculation on an annual basis and performs a roll-forward approach on an interim quarterly basis.

**PartnerRe Ltd.**  
**Analysis of Life and Health Reserves**  
(Expressed in thousands of U.S. dollars)  
(Unaudited)

|   | <u>As at and for the three months ended</u> |                                 | <u>As at and for the year ended</u> |                                    |
|---|---|---------------------------------|-------------------------------------|------------------------------------|
|   | <u>March 31.</u><br><u>2017</u>             | <u>March 31.</u><br><u>2016</u> | <u>December 31.</u><br><u>2016</u>  | <u>December 31.</u><br><u>2015</u> |
| <b>Reconciliation of beginning and ending Life and health reserves:</b> |   |                                 |                                     |                                    |
| Gross liability at beginning of period                                  | \$ 1,984,096                                | \$ 2,051,935                    | \$ 2,051,935                        | \$ 2,050,107                       |
| Reinsurance recoverable at beginning of period                          | (31,372)                                    | (42,773)                        | (42,773)                            | (29,495)                           |
| Net liability at beginning of period                                    | 1,952,724                                   | 2,009,162                       | 2,009,162                           | 2,020,612                          |
| Net incurred losses related to:   |   |                                 |                                     |                                    |
| Current year  | 251,241                                     | 219,450                         | 942,922                             | 1,010,937                          |
| Prior years   | 897   | (14,814)                        | (15,651)                            | (46,516)                           |
|   | 252,138                                     | 204,636                         | 927,271                             | 964,421                            |
| Net losses paid   | (208,602)                                   | (187,881)                       | (844,156)                           | (835,190)                          |
| Effects of foreign exchange rate changes                                | 43,238                                      | 19,902                          | (139,553)                           | (140,681)                          |
| Net liability at end of period  | 2,039,498                                   | 2,045,819                       | 1,952,724                           | 2,009,162                          |
| Reinsurance recoverable at end of period                                | 29,585                                      | 43,236                          | 31,372                              | 42,773                             |
| <b>Gross liability at end of period</b>                                 | <b>\$ 2,069,083</b>                         | <b>\$ 2,089,055</b>             | <b>\$ 1,984,096</b>                 | <b>\$ 2,051,935</b>                |
| <b>Life value in force</b>  | <b>\$ 179,000</b>                           | <b>\$ 191,800</b>               | <b>\$ 176,200</b>                   | <b>\$ 204,300</b>                  |

**PartnerRe Ltd.**  
**Natural Catastrophe Probable Maximum Losses (PMLs)**  
(Expressed in millions of U.S. dollars)  
(Unaudited)

**Single occurrence estimated net PML exposure**

| Zone             | Peril      | January 1, 2017      |   | October 1, 2016      |   | January 1, 2016      |   |
|------------------|------------|----------------------|---|----------------------|---|----------------------|---|
|                  |            | 1-in-250<br>year PML | 1-in-500<br>year PML<br>(Earthquake<br>perils only) | 1-in-250<br>year PML | 1-in-500<br>year PML<br>(Earthquake<br>perils only) | 1-in-250<br>year PML | 1-in-500<br>year PML<br>(Earthquake<br>perils only) |
| U.S. Southeast   | Hurricane  | \$ 631               |   | \$ 496               |   | \$ 580               |   |
| U.S. Northeast   | Hurricane  | 616                  |   | 560                  |   | 701                  |   |
| U.S. Gulf Coast  | Hurricane  | 583                  |   | 502                  |   | 596                  |   |
| Caribbean        | Hurricane  | 196                  |   | 165                  |   | 180                  |   |
| Europe           | Windstorm  | 404                  |   | 387                  |   | 461                  |   |
| Japan            | Typhoon    | 198                  |   | 190                  |   | 195                  |   |
| California       | Earthquake | 488                  | \$ 665  | 462                  | \$ 595  | 553                  | \$ 699  |
| British Columbia | Earthquake | 166                  | 307   | 161                  | 317   | 196                  | 358   |
| Japan            | Earthquake | 309                  | 352   | 315                  | 349   | 335                  | 383   |
| Australia        | Earthquake | 148                  | 184   | 187                  | 258   | 241                  | 325   |
| New Zealand      | Earthquake | 131                  | 171   | 147                  | 211   | 133                  | 197   |

*The PML estimates are pre-tax and net of retrocession and reinstatement premiums. The peril zones in this disclosure are major peril zones for the industry. The Company has exposures in other peril zones that can potentially generate losses greater than the PML estimates in this disclosure.*

*The U.S. Hurricane wind zone PMLs are impacted by the timing of retrocessional purchases. The Company will evaluate its exposure in conjunction with its risk tolerance to determine the appropriate level of protections before the hurricane season.*

*For more information regarding cautionary language related to the Natural Catastrophe PML disclosure and the forward-looking statements, as well as uncertainties and limitations associated with certain assumptions and the methodology used, refer to the Company's natural catastrophe PML information and definitions (see Risk Management—Natural Catastrophe PML in Item 3 of the Company's Annual Report on Form 20-F for the year ended December 31, 2016).*

## PartnerRe Ltd.

### Non-GAAP Financial Measures - Regulation G

In addition to the GAAP financial measures set forth herein, the Company has also included certain non-GAAP financial measures within the meaning of Regulation G. Management believes that these non-GAAP financial measures are important to certain stakeholders (including clients, investors, analysts, rating agencies and others) who use the Company's financial information and will help provide a consistent basis for comparison between quarters and for comparison with other companies within the industry. However, these non-GAAP measures should be considered an addition to, and not a substitute for, measures of financial performance prepared in accordance with GAAP.

The reconciliation of non-GAAP financial measures to the most comparable GAAP financial measures in accordance with Regulation G is included within the relevant tables.

**Operating Earnings (Loss) available to Common Shareholders (Operating Earnings (Loss)); Operating Earnings (Loss), adjusted by transaction and severance costs; Annualized Operating Return on Average Common Shareholder's Equity (Annualized Operating ROE); Annualized Operating ROE, adjusted by transaction and severance costs; Net Income (Loss), adjusted by transaction and severance costs; and Annualized Net Income (Loss) ROE, adjusted by transaction and severance costs:** The Company uses Operating Earnings (Loss) and Annualized Operating ROE to measure performance, as these measures focus on the underlying fundamentals of the Company's operations. Operating Earnings (Loss) exclude the impact of net realized and unrealized gains and losses on investments, net of tax (except where the Company has made a strategic investment in an insurance or reinsurance related investee), net foreign exchange gains and losses, net of tax, and the interest in earnings (losses) of equity method investments, net of tax (except where the Company has made a strategic investment in an insurance or reinsurance related investee and where the Company does not control the investee's activities), and are calculated after preferred dividends. The Company calculates Annualized Operating ROE using Operating Earnings (Loss) for the period divided by the average common shareholder's equity outstanding for the period. Operating Earnings (Loss) should not be viewed as a substitute for Net Income (Loss) prepared in accordance with GAAP. Annualized Operating ROE supplements GAAP information. Operating Earnings (Loss), adjusted by transaction and severance costs, and Annualized Operating ROE, adjusted by transaction and severance costs, exclude the impact of transaction costs related to the Company's merger and acquisition activity; severance costs related to the reorganization of its business units, investment operations and certain executive changes.

**Tangible Book Value:** The Company calculates Tangible Book Value using common shareholder's equity less goodwill and intangible assets, net of tax.

**Total Capital:** The Company calculates Total Capital as the sum of total shareholders' equity and debt related to senior notes and capital efficient notes issued externally. The Company uses Total Capital as a measure to manage the capital structure of the Company.

**Basis of presentation:** On March 18, 2016, Exor N.V. (subsequently renamed to EXOR Nederland N.V.) acquired 100% ownership of the Company's common shares. The common shares were delisted and are no longer traded on the NYSE. Accordingly, all net income per share, operating earnings per share and book value per share data for the current year and prior year periods are no longer meaningful and have been excluded. As a result of these changes, the Company also redefined its calculation of Annualized Operating ROE to be based on average common shareholder's equity. Accordingly, comparative data has been recast to conform to the current presentation.

As a result of recent organizational changes, effective July 1, 2016, the Company redefined its financial reporting segments into the following three segments: Property & Casualty (P&C), Specialty, and Life and Health. Data shown for all periods in the segment information tables has been recast to conform to the new presentation. The Company uses technical ratio and technical result as measures of underwriting performance. The technical ratio is defined as the sum of the loss and acquisition ratios. These metrics exclude other expenses. The Company also uses combined ratio to measure results for the total Non-life P&C and Specialty segments. The combined ratio is the sum of the technical and other expense ratios. The Company uses allocated underwriting result as a measure of underwriting performance for its Life and Health segment. This metric is defined as net premiums earned, other income or loss and allocated net investment income less life and health losses and loss expenses, acquisition costs and other expenses.

**PartnerRe Ltd.**  
**Reconciliation of GAAP and non-GAAP measures**  
(in thousands of U.S. dollars)  
(Unaudited)

|  | For the three months ended |                   |
|--|----------------------------|-------------------|
|  | March 31,<br>2017          | March 31,<br>2016 |
| Beginning of period common shareholder's equity  | \$ 5,983,685               | \$ 6,046,751      |
| End of period common shareholder's equity  | 6,007,536                  | 6,056,435         |
| Average common shareholder's equity <sup>(1)</sup>   | \$ 5,995,611               | \$ 6,051,593      |
| Annualized return on average common shareholders' equity calculated with net income available to common shareholder <sup>(2)</sup>           | 2.6 %                      | 13.3 %            |
| Less:  |                            |                   |
| Annualized net realized and unrealized investment gains, net of tax, on average common shareholder's equity <sup>(1)</sup>                   | 1.3                        | 9.8               |
| Annualized net foreign exchange (losses) gains, net of tax, on average common shareholder's equity <sup>(1)</sup>                            | (2.1)                      | 0.6               |
| Annualized net interest in earnings (losses) of equity method investments, net of tax, on average common shareholder's equity <sup>(1)</sup> | 0.4                        | —                 |
| Annualized operating return on average common shareholder's equity <sup>(1)</sup>  | 3.0 %                      | 2.9 %             |
| Net income   | \$ 49,803                  | \$ 215,626        |
| Less: Dividends to preferred shareholders  | 11,604                     | 14,184            |
| Net income available to common shareholder   | 38,199                     | 201,442           |
| Less:  |                            |                   |
| Net realized and unrealized investment gains, net of tax   | 19,451                     | 148,060           |
| Net foreign exchange (losses) gains, net of tax  | (30,856)                   | 9,643             |
| Interest in earnings (losses) of equity method investments, net of tax   | 5,829                      | (499)             |
| Operating earnings available to common shareholder   | \$ 43,775                  | \$ 44,238         |

(1) Average common shareholder's equity is calculated by using the sum of the beginning of period and end of period common shareholder's equity divided by two.

(2) Net income available to common shareholder is calculated after preferred dividends.

**PartnerRe Ltd.**  
**Reconciliation of GAAP and non-GAAP measures**  
(in thousands of U.S. dollars)  
(Unaudited)

|   | For the three months ended |                   |
|---|----------------------------|-------------------|
|   | March 31,<br>2017          | March 31,<br>2016 |
| Annualized return on average common shareholder's equity <sup>(1)</sup> calculated with net income available to common shareholder  | 2.6%                       | 13.3%             |
| Add:  |                            |                   |
| Transaction and severance related costs <sup>(2)</sup> , net of tax   | 0.4                        | 4.0               |
| Annualized return on average common shareholder's equity <sup>(1)</sup> calculated with net income available to common shareholder, adjusted by transaction and severance costs | 3.0%                       | 17.3%             |
| Net income available to common shareholder <sup>(3)</sup>   | \$ 38,199                  | \$ 201,442        |
| Add:  |                            |                   |
| Transaction and severance related costs <sup>(2)</sup> , net of tax   | 6,489                      | 60,000            |
| Net income available to common shareholder <sup>(3)</sup> , adjusted by transaction and severance costs <sup>(2)</sup>  | \$ 44,688                  | \$ 261,442        |
| Annualized operating return on average common shareholder's equity <sup>(1)</sup>   | 3.0%                       | 2.9%              |
| Add:  |                            |                   |
| Transaction and severance related costs <sup>(2)</sup> , net of tax   | 0.4                        | 4.0               |
| Annualized operating return on average common shareholder's equity <sup>(1)</sup> , adjusted by transaction and severance costs <sup>(2)</sup>                                  | 3.4%                       | 6.9%              |
| Operating earnings available to common shareholder  | \$ 43,775                  | \$ 44,238         |
| Add:  |                            |                   |
| Transaction and severance related costs <sup>(2)</sup> , net of tax   | 6,489                      | 60,000            |
| Operating earnings available to common shareholder, adjusted by transaction and severance costs <sup>(2)</sup>  | \$ 50,264                  | \$ 104,238        |

(1) Average common shareholder's equity is calculated by using the sum of the beginning of period and end of period common shareholder's equity divided by two.

(2) The adjustment of \$6 million, net of tax (\$8 million pre-tax) for the first quarter of 2017 primarily represents severance costs associated with the reorganization of the Company's operations. The adjustment of \$60 million, net of tax (\$66 million pre-tax) for the first quarter of 2016 includes transaction costs and accelerated stock-based compensation expenses incurred related to the closing of the acquisition by Exor in the first quarter of 2016.

(3) Net income available to common shareholder is calculated after preferred dividends.

**PartnerRe Ltd.**  
**Reconciliation of Total Shareholders' Equity to Tangible Book Value and Total Capital**  
(in thousands of U.S. dollars)  
(Unaudited)

|   | <u>March 31,</u><br><u>2017</u> | <u>December 31,</u><br><u>2016</u> |
|---|---------------------------------|------------------------------------|
| Total shareholders' equity                    | \$ 6,711,763                    | \$ 6,687,912                       |
| Less:   |                                 |                                    |
| Preferred shares, aggregate liquidation value | 704,227                         | 704,227                            |
| Common shareholder's equity                   | 6,007,536                       | 5,983,685                          |
| Less:   |                                 |                                    |
| Goodwill                                      | 456,380                         | 456,380                            |
| Intangible assets, net of tax                 | 69,091                          | 73,022                             |
| Tangible book value                           | <u>\$ 5,482,065</u>             | <u>\$ 5,454,283</u>                |
| <b>Capital Structure:</b>                     |                                 |                                    |
| Senior notes                                  | \$ 1,295,119                    | \$ 1,273,883                       |
| Capital efficient notes <sup>(1)</sup>        | 63,384                          | 63,384                             |
| Preferred shares, aggregate liquidation value | 704,227                         | 704,227                            |
| Common shareholder's equity                   | <u>6,007,536</u>                | <u>5,983,685</u>                   |
| <b>Total Capital</b>                          | <u>\$ 8,070,266</u>             | <u>\$ 8,025,179</u>                |

(1) Non-consolidated debt issued externally related to CENs of \$63m does not appear in the debt line of the Consolidated Balance Sheet as the finance entity that issued the debt (PartnerRe Finance II Inc.) does not meet the U.S. GAAP criteria for consolidation. The Consolidated Balance Sheet includes the related intercompany notes of \$71m issued by PartnerRe U.S. Corporation to PartnerRe Finance II Inc.