S&P Global
Ratings

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PartnerRe Ltd. 750 Mil. Euro 10-Year 1.25% Unsecured Notes Rated 'A-'

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NEW YORK (S&P Global Ratings) Sept. 8, 2016--S&P Global Ratings said today that it has assigned its 'A-' long-term debt rating to PartnerRe Ltd.'s €750 million 1.25% unsecured notes due in 2026, which will be listed on the main securities market of the Irish Stock Exchange. The company intends to use the net proceeds of this issue to repay $250 million of 6.875% notes maturing in 2018, redeem Series D 6.5% and Series E 7.25% preferred shares, and for general corporate purposes. As a result, we expect the company to achieve yearly pretax savings on interest payments and dividends of approximately $16 million starting in 2017. The notes will be issued by PartnerRe Ireland Finance DAC (not rated) and will be fully and unconditionally guaranteed by the ultimate parent company, PartnerRe Ltd., the guarantor.

We expect that under Exor SpA (BIT: EXO) ownership, PartnerRe Group will maintain its extremely strong capitalization redundant at the 'AAA' level, continue to manage its business autonomously, and keep its own underwriting and investment risk tolerances. In general, reinsurance pricing continues to be soft across most lines of business and regions. As a result, we expect PartnerRe Group's premium growth to be flat to slightly down 2% in 2016-2017. Assuming a catastrophe load of five percentage points in the loss ratio, we forecast PartnerRe Group's combined ratio in the 92%-95% range and its return on revenue in the mid-teens in 2016-2017. Finally, we expect PartnerRe Group's financial leverage and coverage metrics to deteriorate temporarily in 2016, and the combined entity's financial leverage to rise to around 25% due to this new issuance and fixed-charge coverage at least 5x.

RELATED CRITERIA AND RESEARCH

Related Criteria
- Group Rating Methodology, Nov. 19, 2013
- Insurers: Rating Methodology, May 7, 2013
- Refined Methodology And Assumptions For Analyzing Insurer Capital Adequacy Using The Risk-Based Insurance Capital Model, June 7, 2010

Related Research
- PartnerRe Ltd., Subs Outlooks Revised To Stable From Neg.; Ratings Affirmed, Delinked From Exor, Sept. 7, 2016

RATINGS LIST

PartnerRe Ltd.	
Counterparty Credit Rating	A-/Stable/--
New Ratings	
PartnerRe Ireland Finance DAC	
€750 mil unsec notes due 2026	A-

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at www.standardandpoors.com for further information. Complete ratings information is available to subscribers of RatingsDirect at www.globalcreditportal.com and at www.spcapitaliq.com. All ratings affected by this rating action can be found on the S&P Global Ratings' public website at www.standardandpoors.com. Use the Ratings search box located in the left column.

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