

PartnerRe Ltd.
Consolidated Statements of Shareholders' Equity
(Expressed in thousands of U.S. dollars)

For the year ended December 31, 2006	For the year ended December 31, 2007	For the year ended December 31, 2008	
			Common shares
\$ 56,730	\$ 57,076	\$ 57,380	Balance at beginning of year
346	791	369	Issue of common shares
—	(487)	—	Repurchase of common shares
57,076	57,380	57,749	Balance at end of year
			Preferred shares
20,800	20,800	20,800	Balance at beginning and end of year
			Additional paid-in capital
1,373,992	1,413,977	1,441,598	Balance at beginning of year
40,092	60,918	24,090	Issue of common shares
—	(33,297)	—	Repurchase of common shares
(107)	—	—	Reclassification of deferred compensation under SFAS 123(R)
1,413,977	1,441,598	1,465,688	Balance at end of year
			Deferred compensation
(107)	—	—	Balance at beginning of year
107	—	—	Reclassification of deferred compensation under SFAS 123(R)
—	—	—	Balance at end of year
			Accumulated other comprehensive income
89,663	118,370	289,250	Balance at beginning of year
—	—	(105,961)	Impact of adopting SFAS 159
(20,136)	37,834	15,157	Change in net unrealized gains or losses on investments, net of tax
56,120	129,043	(162,889)	Change in currency translation adjustment
			Unfunded pension obligation, net of tax
(418)	4,003	(12,749)	Change in unfunded pension obligation, net of tax
(6,859)	—	—	Transition adjustment to apply SFAS 158
118,370	289,250	22,808	Balance at end of year
			Retained earnings
1,551,709	2,175,624	2,753,784	Balance at beginning of year
749,332	717,812	46,567	Net income
(90,892)	(96,406)	(100,102)	Dividends on common shares
(34,525)	(34,525)	(34,525)	Dividends on preferred shares
—	—	(42,023)	Reissuance of treasury shares
—	—	105,961	Impact of adopting SFAS 159
—	(8,721)	—	Impact of adopting FIN 48
2,175,624	2,753,784	2,729,662	Balance at end of year
			Common shares held in treasury
—	—	(241,255)	Balance at beginning of year
—	(241,255)	(110,017)	Repurchase of common shares
—	—	253,673	Reissuance of treasury shares
—	(241,255)	(97,599)	Balance at end of year
\$ 3,785,847	\$ 4,321,557	\$ 4,199,108	Total shareholders' equity

See accompanying Notes to Consolidated Financial Statements.