Q3 2017
EARNINGS PRESENTATION

October 24, 2017

* Page 7 was revised to reflect a reclassification in the Operating EPS chart between Cats and Other on page 7

Cautionary Note Regarding Forward–Looking Statements

The Private Securities Litigation Reform Act of 1995 ("PSLRA") provides a "safe harbor" for forward-looking statements. This presentation contains forward-looking statements that reflect XL Group Ltd's ("XL" or the "Company") current views with respect to future events and financial performance, including with respect to statements regarding our estimated integration costs related to the Catlin Group Limited ("Catlin") acquisition, estimated operating expenses, estimated synergies, and the timing of anticipated completion of the incurrence of integration costs relating to the Catlin acquisition. Such statements include forward-looking statements both with respect to us in general, and to the insurance and reinsurance sectors in particular (both as to underwriting and investment matters). Statements that are not historical facts, including statements about XL's beliefs, plans or expectations, are forward-looking statements. These statements are based on current plans, estimates and expectations, all of which involve risk and uncertainty. Statements that include the words "expect," "estimate," "intend," "plan," "believe," "target," "project," "anticipate," "may," "could," or "would" and similar statements of a future or forward-looking nature identify forward-looking statements. Actual results may differ materially from those included in such forward-looking statements and therefore you should not place undue reliance on them. A non-exclusive list of the important factors that could cause actual results to differ materially from those in such forward-looking statements include (a) the continuation of downward trends in rates for property and casualty insurance and reinsurance; (b) changes in the size of our claims relating to unpredictable natural or man-made catastrophe losses due to the preliminary nature of some reports and estimates of loss and damage to date , and in particular our loss estimates and industry loss estimates relating hurricanes Harvey, Irma and Maria, given the complexities and nature of these particular events, including the magnitude, proximity and recent occurrence of these events, limited claims data received to date, the likelihood of longer development periods associated with the specific characteristics of these events and the geographic and infrastructure limitations related to the areas impacted, among other matters; (c) changes in the number of insureds and ceding companies impacted or the ultimate number and value of individual claims relating to natural catastrophe events due to the preliminary nature of reports and estimates of loss and damage to date; (d) changes in the amount or type of business that we write, whether due to our actions, changes in market conditions or other factors, and the amount of premium attributable to such business; (e) the availability, cost or quality of ceded reinsurance, and the timely and full recoverability of such reinsurance, or other amounts due to us, or changes to our projections related to such recoverables; (f) actual loss experience from insured or reinsured events and the timing of claims payments being faster or the receipt of reinsurance recoverables being slower than we anticipated; (g) increased competition on the basis of pricing, capacity, coverage terms or other factors, such as the increased inflow of third party capital into reinsurance markets, which could harm our ability to maintain or increase its business volumes or profitability; (h) greater frequency or severity of claims and loss activity than our underwriting, reserving or investment practices anticipate based on historical experience or industry data; (i) the impact of changes in the global financial markets, such as the effects of inflation on our business, including on pricing and reserving, changes in interest rates, credit spreads, foreign currency exchange rates and future volatility in the world's credit, financial and capital markets that adversely affect the performance and valuation of our investments, future financing activities and access to such markets, our ability to pay claims or general financial condition; (j) our ability to successfully implement our business strategy; (k) our ability to successfully attract and raise additional third party capital for existing or new investment vehicles; (l) changes in credit ratings and rating agency policies or practices, which could trigger cancelation provisions in our assumed reinsurance agreements or impact the availability of our credit facilities; (m) the potential for changes to methodologies, estimations and assumptions that underlie the valuation of our financial instruments that could result in changes to investment valuations; (n) changes to our assessment as to whether it is more likely than not that we will be required to sell, or have the intent to sell, available-for-sale fixed maturity securities before their anticipated recovery; (o) unanticipated constraints on our liquidity, including the availability of borrowings and letters of credit under credit facilities that inhibit our ability to support our operations, including our ability to underwrite policies and pay claims; (p) the ability of our subsidiaries to pay dividends to XL Group Ltd, XLIT Ltd. and Catlin Insurance Company Ltd; (q) changes in regulators or regulation applicable to us, including as a result of the completion of our redomestication from Ireland to Bermuda, such as changes in regulatory capital balances that our operating subsidiaries must maintain, or to our brokers or customers; (r) the effects of business disruption, economic contraction or economic sanctions due to unpredictable global political and social conditions such as war, terrorism or other hostilities, or pandemics; (s) the actual amount of new and renewal business and acceptance of our products and services, including new products and services and the materialization of risks related to such products and services; (t) changes in the distribution or placement of risks due to increased consolidation of insurance and reinsurance brokers; (u) bankruptcies or other financial concerns of companies insofar as they affect P&C insurance and reinsurance coverages or claims that we may have as a counterparty; (v) the loss of key personnel; (w) the effects of mergers, acquisitions and divestitures, including our ability to modify our internal controls over financial reporting, changes to our risk appetite and our ability to realize the value or benefits expected, in each case, as a result of such transactions; (x) the economic, political, monetary and operational impacts of the "Brexit" referendum held on June 23, 2016 in which the U.K. electorate voted to withdraw from the European Union ("E.U."), including unanticipated costs or complications associated with our decision to redomesticate XL Insurance Company SE from the U.K. to Ireland, or the possibility that this redomestication or other Brexit-related decisions do not have the results anticipated; (y) changes in general economic, political or monetary conditions, including new or continued sovereign debt concerns in Euro-Zone countries or emerging markets such as Brazil or China, or governmental actions for the purpose of stabilizing financial markets; (z) changes in applicable tax laws, tax treaties or tax regulations or the interpretation or enforcement thereof; (aa) judicial decisions and rulings, new theories of liability or emerging claims coverage issues, legal tactics and settlement terms; (bb) the effects of climate change (such as changes to weather patterns, sea levels or temperatures) on our business, which our modeling or risk management practices may not adequately address due to the uncertain nature of climate change; and (cc) the other factors set forth in our reports on Form 10-K and Form 10-Q and other documents on file with the Securities and Exchange Commission. XL undertakes no obligation to update publicly or revise any forward looking statement, whether as a result of new information, future developments or otherwise.

This document contain certain non-GAAP financial measures. The reconciliation of such measures to the most comparable GAAP measures in accordance with Regulation G is included in the Reconciliation starting on page 19 of this document.

Overview of 3rd Quarter 2017

compared to corresponding prior year period unless otherwise noted

XL GROUP

Third Quarter 2017

- Natural catastrophes had a significant impact on our financial results in the quarter
- At the same time, excluding these events, our underlying results showed continued progress

Earnings & ROE

- Net loss attributable to common shareholders of ($1,043.7) million compared to income of $70.6 million
  - ($4.06) per share compared to $0.25
- Operating net loss[1] ($1,028.9) million compared to income of $122.5 million
  - ($4.00) Operating EPS[1] compared to $0.44
- Results largely driven by pre-tax net catastrophe losses $1.48 billion compared to $97.4 million

	YTD	
	9 months 9/30/17	9 months 9/30/16
Annualized ROE[2]	(7.5)%	1.6%
Annualized Operating ROE[2]	(8.1)%	3.8%
Annualized ROE[2] excluding average AOCI	(8.9)%	4.2%
Annualized ROE[2] excluding average AOCI and Integration Cost	(8.0)%	6.1%

1 Operating Net Loss and Operating EPS are non-GAAP financial measures. See reconciliation to Net Income (loss) attributable to common shareholders on page 20.
2 Please see Regulation G reconciliation starting on page 21 for a definition and adjustments made to calculate Annualized Operating ROE measures, which are non-GAAP financial measures.

Overview of 3rd Quarter 2017

compared to corresponding prior year period unless otherwise noted

XL GROUP

Market Presence	• P&C Gross Premiums Written (“GPW”) of $3,015.7 million, up 10.9% • GPW increased by 11.5% excluding the impact of foreign exchange

Underwriting & Portfolio Management	• Favorable prior year development (“PYD") of $30.9 million, compared to a favorable $53.6 million
	• Catastrophe pre-tax losses net of reinsurance, reinstatement and adjustment premiums and redeemable non-controlling interest of $1.48 billion for the quarter, compared to $97.4 million
	• Accident year combined ratios excluding natural catastrophes
	  • P&C: 89.8% from 91.3%
	  • Insurance: 90.4% from 93.3% due to lower operating expenses from a reduction in variable compensation costs and lower large losses
	  • Reinsurance: 88.6% from 87.1% driven predominantly by the impact of one significant contract written at the end of 2016

Overview of 3rd Quarter 2017

compared to corresponding prior year period unless otherwise noted

Continuous Improvement	• Operating expenses declined 19.5%
	  • Q3-16 included $54.5 million for integration expenses, compared to nil in Q3-17
	  • Catastrophe loss impact on group results had corresponding impact on variable compensation
	  • $7.9 million favorable impact from foreign exchange
	• Expected to achieve low end of previously disclosed range for 2017 of $1.77 - $1.84 billion, excluding integration expenses, if foreign exchange rates remain at current level

Capital Management	• Fully diluted book value per share $38.27, decreased $2.06 or 5.1% compared to December 31, 2016
	• Repurchased 2.7 million common shares for $121 million in Q3-17 at an average price of $44.00; YTD repurchased 13.8 million common shares for $571.5[1] million at an average price of $41.36 per share
	  • $529.1 million remains outstanding on current authorization
	  • Do not expect to repurchase additional shares in 2017
	• Repurchased $29.5 million of Series D Preference Shares in a private transaction
	• Received approval for use of full internal model from the Bermuda Monetary Authority

1 Share buybacks include the related commission expense paid to brokers and purchases associated with settling employee withholding taxes incurred in connection with the vesting of share-based compensation awards. These items are excluded from the calculation of the remaining amount available for purchase under our share buyback program.

Overview of 3rd Quarter 2017

compared to corresponding prior year period unless otherwise noted

XL GROUP

Culture, Innovation & Other Highlights

- Introduced nine new or expanded products, services or capacities including:
  - A Cyber and Data Protection insurance policy in Asia Pacific to protect businesses from exposures from a malicious network compromise and data breach
  - Political Risk, Credit & Bond group expanded capabilities in Spain to protect clients with large-scale infrastructure projects from multiple trading risks including non-payment, cancellation of licenses, embargos or war
  - An Accident and Health Insurance Solution in Italy to help businesses protect their people in the face of emerging risks and heightened security threats
  - A Construction GL Only Plus Wrap Up insurance program in North America to offer more flexibility to large contractors and select owners
  - A US Aviation Safety Optimization and Aviation Resource program or SOAR safety program to offer clients access to a comprehensive menu of services and assistance
- Announced the world's first marine insurance Blockchain platform, in collaboration with EY, Guardtime and other industry participants
- Industry recognition awards recently received include:
  - Captive Review named XL Catlin 2017 (Re)Insurance company of the year
  - Reactions magazine named XL Catlin as Bermuda Insurer of the Year

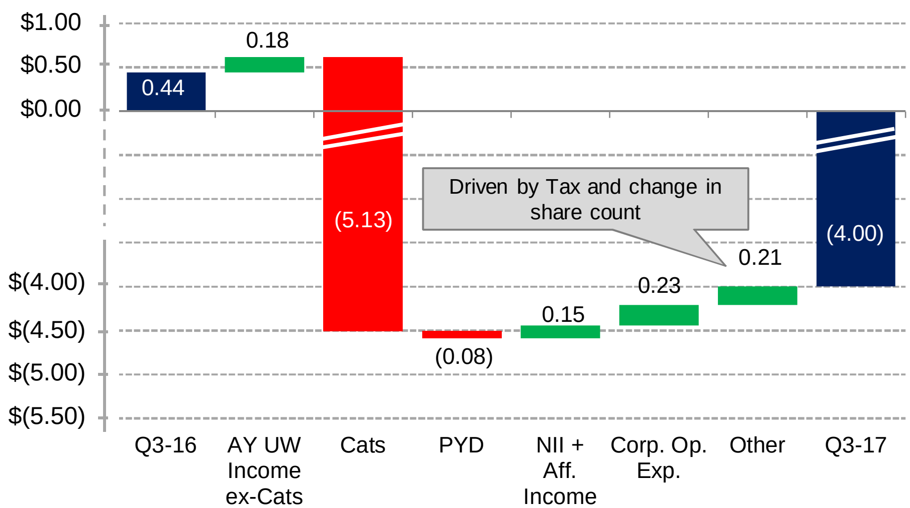
Financial Highlights 3rd Quarter 2017

Earnings

Abbreviations defined in the glossary on page 18

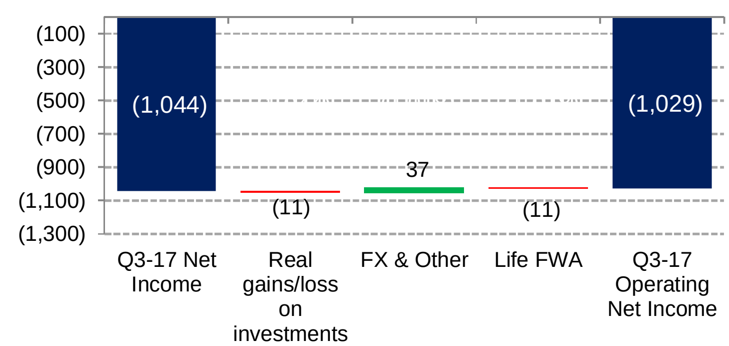
Operating EPS¹

Amounts may not add up due to rounding



Net income² vs. Operating Net Income³

USD million



- Results primarily driven by catastrophe losses
- Benefit resulting from the rebalancing of the investment portfolio
- Improvements in operating expenses included no integration costs and lower variable compensation expenses

1 Operating EPS (or "Operating Net Income (Loss) Per Share") is a non-GAAP financial measure. See Reconciliation of operating net income per share to net income attributable to common shareholders per share starting on page 21.
2 Net Income (Loss) Attributable to Common Shareholders.

3 Operating Net Income is a non-GAAP financial measure, see reconciliation to Net Income (Loss) attributable to common shareholders on page 20.

Financial Highlights 3rd Quarter 2017
Catastrophe Losses

XL GROUP

$m	Gross	Recov.	Net[1]
Harvey	754	355	399
Ins.	*443*	*236*	*208*
Reins.	*311*	*120*	*191*
Irma	1,194	520	674
Ins.	*527*	*278*	*249*
Reins.	*667*	*242*	*425*
Maria	598	253	345
Ins.	*276*	*140*	*135*
Reins.	*322*	*112*	*210*
Mexico & Others	177	24	153
Ins.	*123*	*17*	*106*
Reins.	*55*	*7*	*48*
Reinst. & adj. prem.	(90)	(38)	(52)
Total P&C Cat Losses	2,633	1,114	1,519
Non-Controlling Interests			(34)
Total Net of Non-Contr. Int. (Pre-tax)			1,485

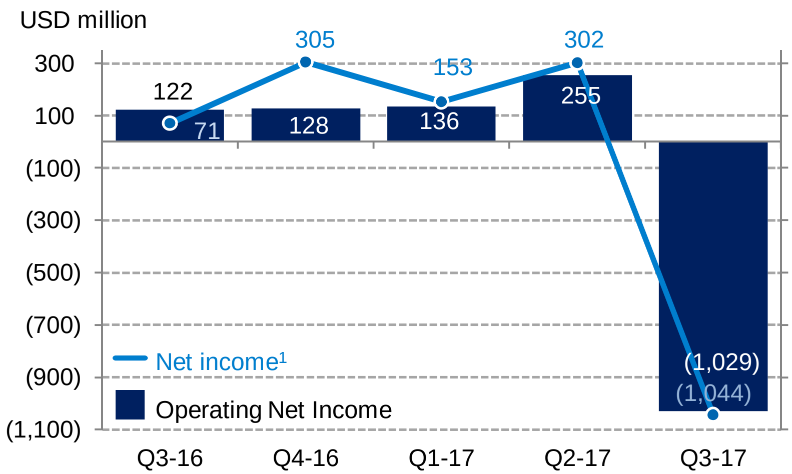
- Net catastrophe losses[1] in 3Q-17 of $1.48 billion from Hurricanes Harvey, Irma, Maria and other catastrophes including Mexican earthquakes and Typhoon Hato
- Meaningful benefit from reinsurance protection program, approximately 44% recoveries
- Continue to have significant catastrophe reinsurance protections remaining for 2017 and 2018, including catastrophe bond protections, some of which extend through 2019
- Remain well positioned in the global re/insurance markets

1 Amounts may not add up due to rounding

Financial Highlights 3rd Quarter 2017

Earnings – Quarterly Progress

Net income[1] & Operating Net Income[2]



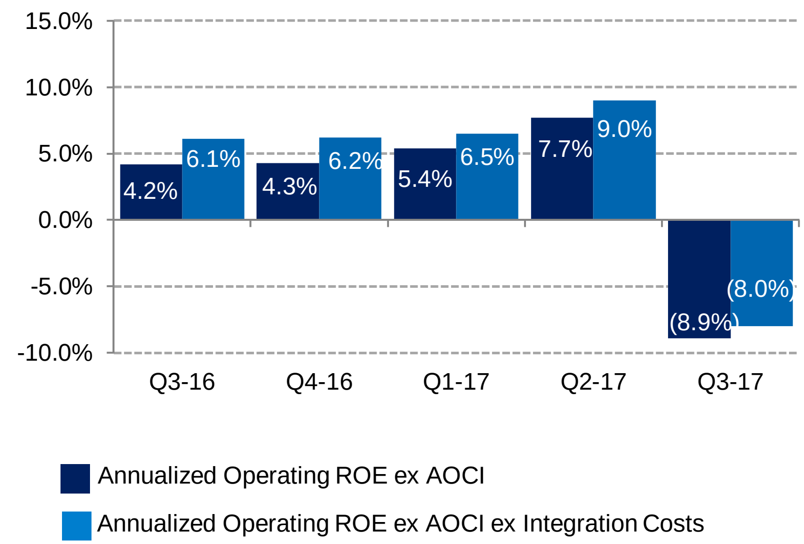
Net inc/(loss) attrib to common shareholders per share

0.25	1.12	0.57	1.14	(4.06)

Operating EPS[3]

0.44	0.47	0.50	0.96	(4.00)

YTD Annualized Operating ROE[4]

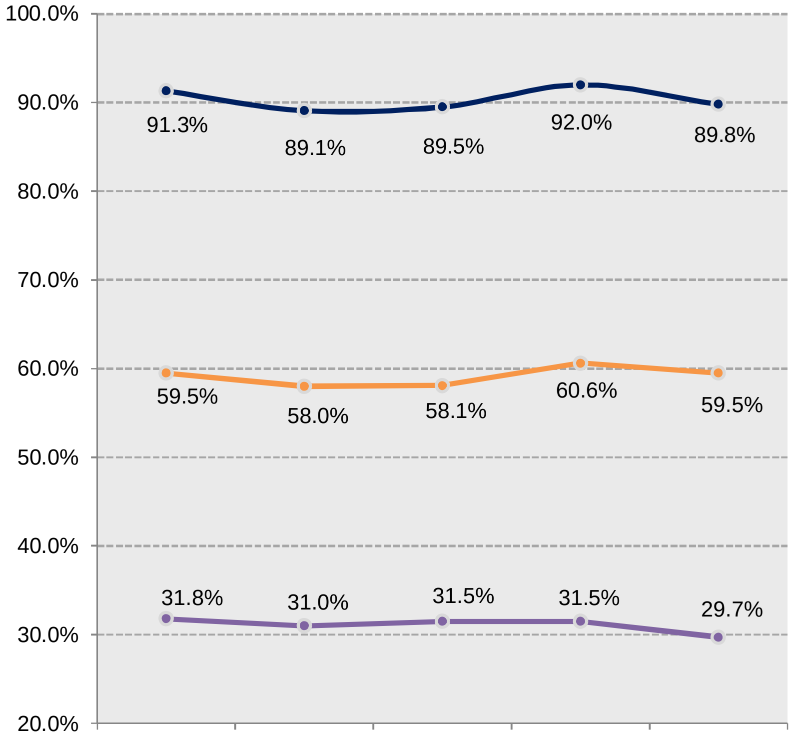


1 Net Income (Loss) Attributable to Common Shareholders.
2 Operating Net Income is a non-GAAP financial measure. See reconciliation to Net Income (Loss) attributable to common shareholders on page 20.
3 Operating EPS (or "Operating Net Income (Loss) Per Share") is a non-GAAP financial measure. See Reconciliation of operating net income per share to net income attributable to common shareholders per share starting on page 21.
4 Annualized Operating ROE is based on Operating Net Income which is a non-GAAP financial measure. See reconciliation on page 21.

Financial Highlights 3rd Quarter 2017
Underwriting Profitability - Total P&C

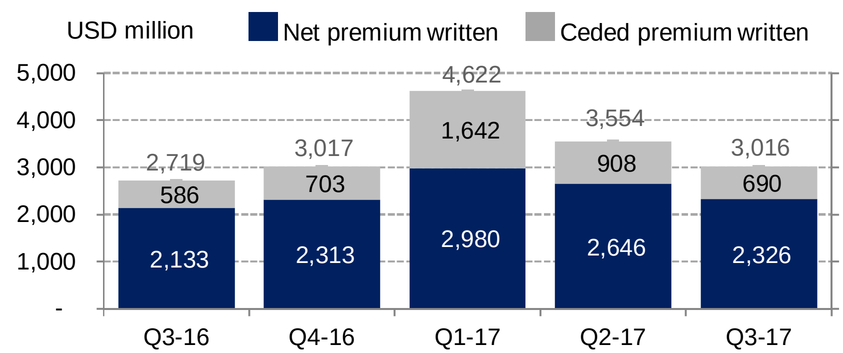
XL GROUP

Ratios trend Total P&C



Top line trend Total P&C

Amounts may not add up due to rounding



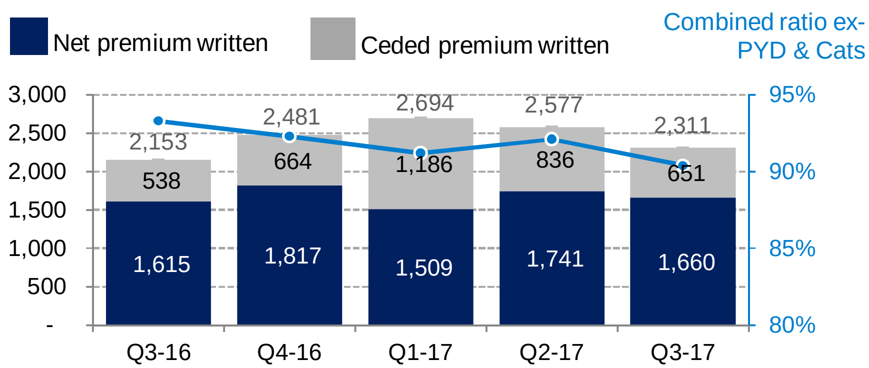
USD millions	**Q3-17**	**Q3-16**
Gross premium written	3,016	2,719
Net premium earned	2,618	2,432
Loss ratio	117.2%	61.3%
Acquisition expense ratio	17.0%	16.6%
Operating expense ratio	12.7%	15.2%
Combined ratio	146.9%	93.1%
Underwriting profit (loss)	*(1,227)*	*167*
PYD (release)/strengthen	(31)	(54)
Combined ratio ex-PYD	148.1%	95.3%
Combined ratio ex-PYD & Cats	89.8%	91.3%

Financial Highlights 3rd Quarter 2017
Underwriting Profitability - Insurance and Reinsurance

Insurance

Amounts may not add up due to rounding

USD million

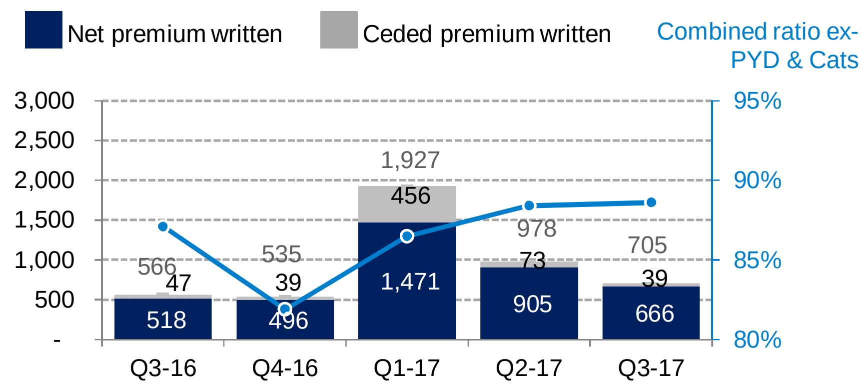


USD millions	Q3-17	Q3-16
Gross premium written	2,311	2,153
Net premium earned	1,677	1,653
Loss ratio	102.8%	64.6%
Acquisition expense ratio	13.6%	13.4%
Operating expense ratio	16.1%	18.3%
Combined ratio	132.5%	96.3%
Underwriting profit (loss)	*(545)*	*62*
PYD (release)/strengthen	(9)	(23)
Combined ratio ex-PYD	133.0%	97.6%
Combined ratio ex-PYD & Cats	90.4%	93.3%

Reinsurance

Amounts may not add up due to rounding

USD million



USD millions	Q3-17	Q3-16
Gross premium written	705	566
Net premium earned	941	778
Loss ratio	142.7%	54.4%
Acquisition expense ratio	23.0%	23.4%
Operating expense ratio	6.8%	8.7%
Combined ratio	172.5%	86.5%
Underwriting profit (loss)	*(681)*	*105*
PYD (release)/strengthen	(22)	(31)
Combined ratio ex-PYD	174.8%	90.5%
Combined ratio ex-PYD & Cats	88.6%	87.1%

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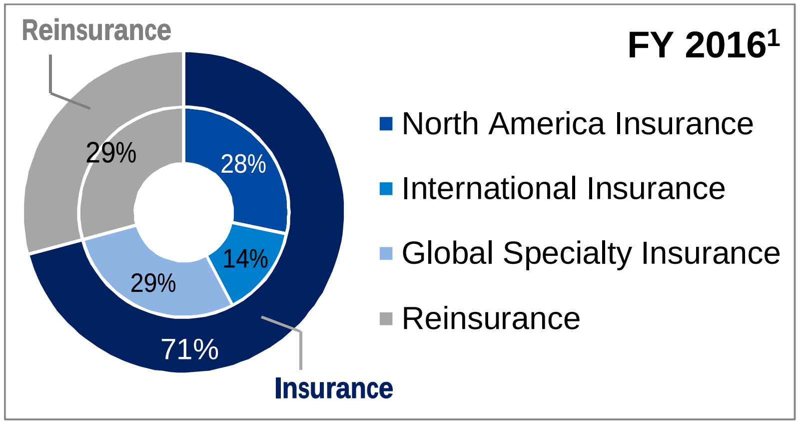
Financial Highlights 3rd Quarter 2017
Portfolio Management

3rd Quarter 2017 GPW growing and contracting units
(Listed in order of largest fx adjusted nominal increase/decrease)

Growing units
International Property
A&H
North America Construction
North America Property
Re Property Treaty

Contracting units
E&S
Re Credit & Surety
Marine
North America Excess Casualty
Environmental

GPW

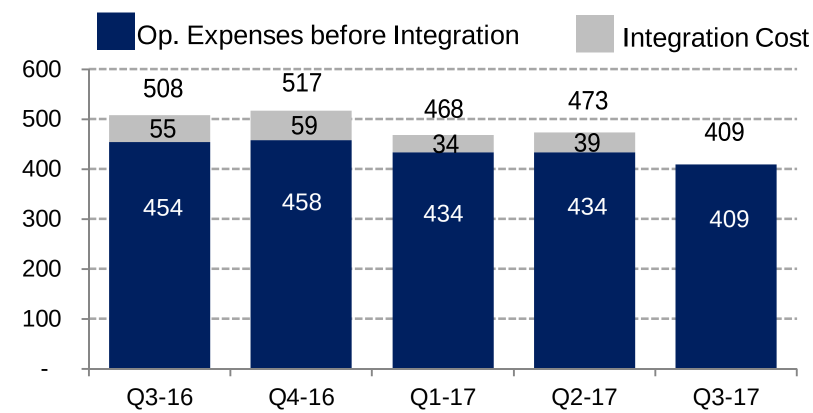


1 Due to the seasonality of the renewals, full year is more representative of the actual distribution of the portfolio across segments and units

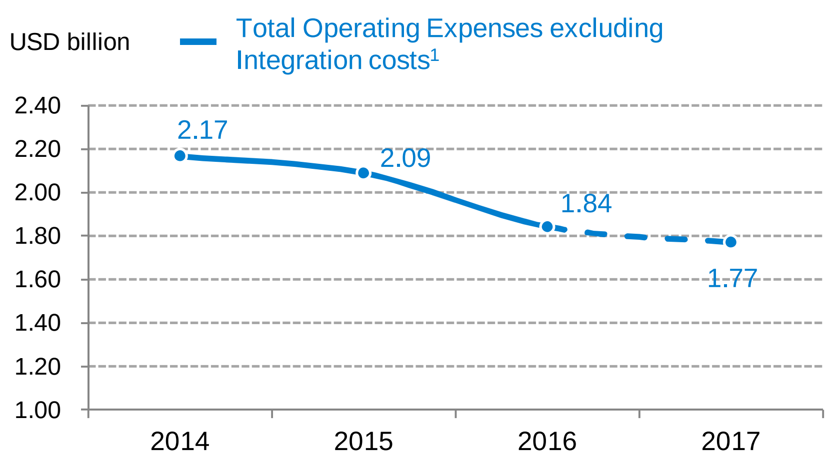
Financial Highlights 3rd Quarter 2017
Expenses

Operating Expenses

Amounts may not add up due to rounding



Efficiency trend continues to improve



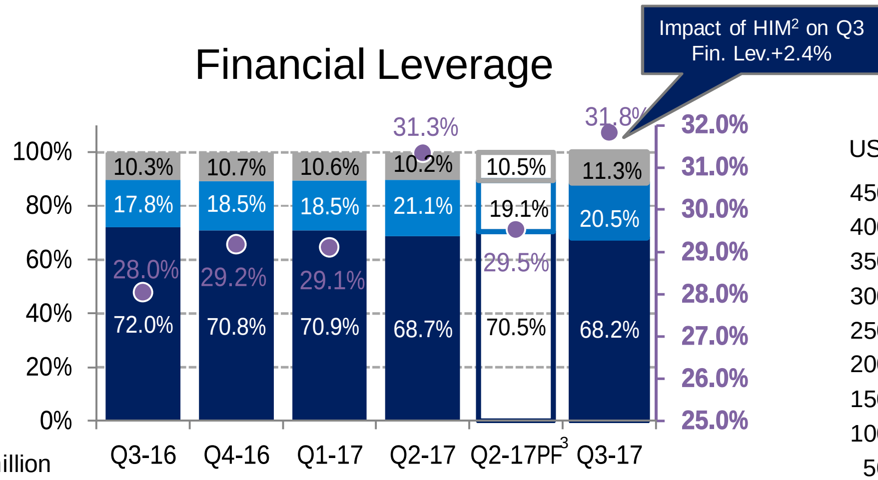
- 3Q17 benefits from no integration costs and lower variable compensation
- Continued focus on ongoing efficiencies
- Still on track to meet low end of previous 2017 guidance of $1.77 - $1.84 billion of operating expenses, excluding integration costs, assuming foreign exchange rates remain at current levels

Total P&C	Q3-16	Q4-16	Q1-17	Q2-17	Q3-17
Acq. Exp. Ratio	16.6%	16.0%	17.2%	17.2%	17.0%
Op. Exp. Ratio	15.2%	15.0%	14.3%	14.3%	12.7%

1 Total Operating Expenses for 2015 include Catlin as if the acquisition had closed on 1/1/2015. In addition to the integration costs, the Total Operating Expenses excludes costs related to the Catlin acquisition incurred in 2015 of $64.7 million. 2014 figure based on: (a) Catlin's 2014 "Administrative & other expenses" (as reported in Catlin's 2014 Annual Report), with a $100 million reclassification to reflect XL's accounting policies for certain ceding commissions, for a total of $827 million; plus (b) XL's 2014 operating expenses of $1.341 billion (as reported in XL's Form 10-K for the year ended December 31, 2014)

Financial Highlights 3rd Quarter 2017
Capital Management

Financial Leverage



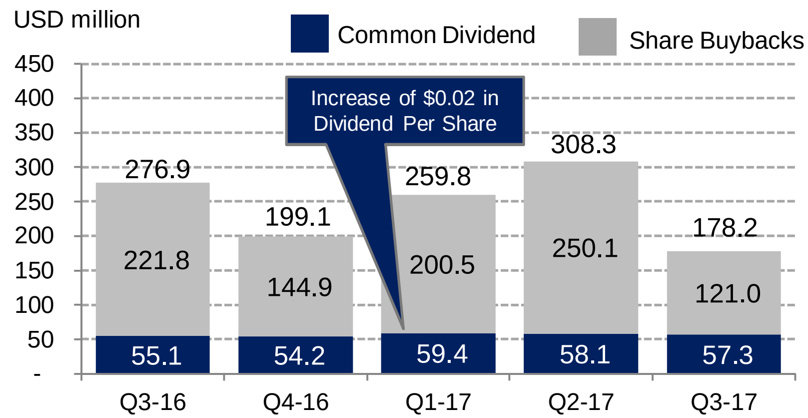
USD million
Amounts may not add up due to rounding

Senior	1,665	1,665	1,665	1,665	1,665	1,666
Prefs + Hybrids	2,889	2,889	2,890	3,448	3,028	3,025
Common + MI[1]	11,686	11,055	11,094	11,197	11,197	10,048
Total	16,240	15,608	15,649	16,310	15,890	14,739
Total Fin. Lev.	28.0%	29.2%	29.1%	31.3%	29.5%	31.8%

- Completed $420 million Tender Offer on Preferred Shares and Sub Debt in July 2017 following the issuance of €500 new subordinated debt in June 2017
- Repurchased $29.5 million of Series D Preference Shares (private transaction)
- Near-term goal of leverage <30% remains

Capital Returned to Shareholders

Amounts may not add up due to rounding



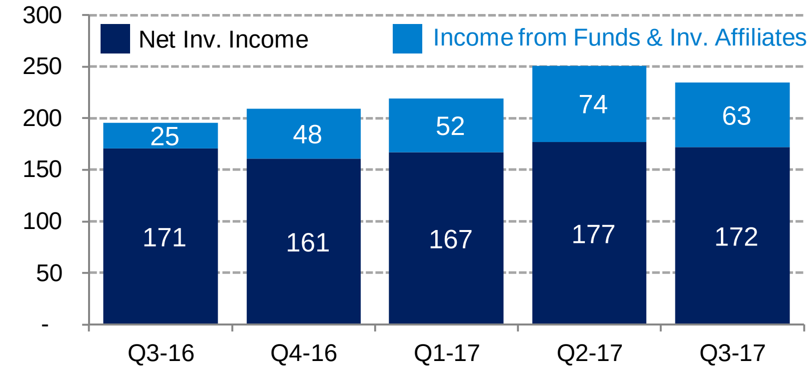
- During the Q3 17 repurchased $121 million of common shares
- Do not expect to repurchase additional shares in 2017
- Received internal capital model approval from Bermuda Monetary Authority
- S&P affirmed ratings on 10/12/17 and changed outlook from Positive to Stable
- Strong Balance Sheet with ample Reinsurance protection still available post Q3 events

1 MI = Minority Interests excluding Preference Shares
2 HIM = Hurricanes Harvey, Irma and Maria
3 Q2-17 Pro-Forma including the redemption of $420 million preference shares as part of the tender offer concluded after 2nd quarter end on July 6, 2017

Financial Highlights 3rd Quarter 2017
Investments[1]

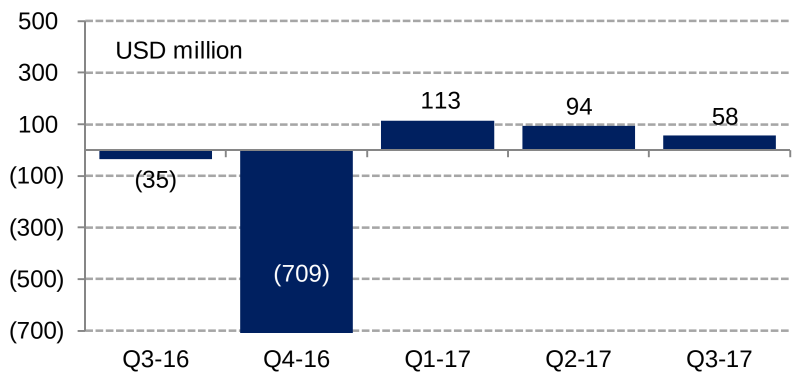
USD million

NII[2] and Affiliate Income[3]

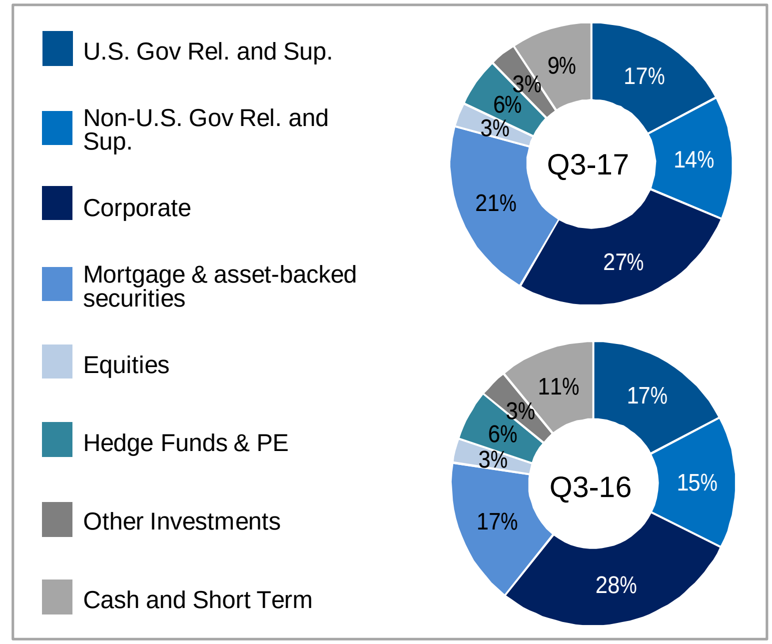


	Usual Accounting lag
Hedge Funds Affiliates	1 month
Private investment fund & Operating Affiliates	3 month

Change in unrealized gains & losses



Investment Portfolio



	Q3-16	Q4-16	Q1-17	Q2-17	Q3-17
Average pre-tax book yield[4]	2.4%	2.4%	2.4%	2.4%	2.6%
Avg new money yield	1.9%	2.0%	2.1%	2.1%	2.6%
Fixed Income ($m)	29,793	28,574	28,701	29,260	29,881
Average Duration	3.6	3.8	3.8	3.9	4.0

1 All figures excluding the designated investments that support the life retrocession arrangement with GreyCastle ("Life Funds Withheld Assets")
2 NII = Net Investment Income
3 Investment Funds & Operating Affiliates
4 Gross of expenses

Q3 2017

EARNINGS PRESENTATION - APPENDIX

October 24, 2017

Financial Highlights 3rd Quarter 2017
Coupon Interest Expenses[1] and Preference Shares Dividends

XL GROUP

Income Statement view[2]
USD million

Amounts may not add up due to rounding

				Q1			Q2			Q3			Q4 Estimated			Estimated FY 2017
Maturity	Struct.	Coupon	Spread	Princ. ($m)	Prefs Coupon %	Int. / Div. ($m)	Princ. ($m)	Prefs Coupon %	Int. / Div. ($m)	Princ. ($m)	Prefs Coupon %	Int. / Div. ($m)	Princ. ($m)	Prefs Coupon %	Int. / Div. ($m)	Int. / Div. ($m)
2018	Senior	2.30%		300.0		1.7	300.0		1.7	300.0		1.7	300.0		1.7	6.9
2021	Senior	5.75%		400.0		5.8	400.0		5.8	400.0		5.8	400.0		5.8	23.0
2024	Senior	6.38%		350.0		5.6	350.0		5.6	350.0		5.6	350.0		5.6	22.3
2027	Senior	6.25%		325.0		5.1	325.0		5.1	325.0		5.1	325.0		5.1	20.3
2043	Senior	5.25%		300.0		3.9	300.0		3.9	300.0		3.9	300.0		3.9	15.8
2025	Sub	4.45%		500.0		5.6	500.0		5.6	500.0		5.6	500.0		5.6	22.3
2045	Sub	5.50%		500.0		6.9	500.0		6.9	483.3		6.6	483.3		6.6	27.0
2047	Sub[3]	3.25%				-	568.8		0.1	587.0		4.8	587.0		4.8	9.6
Coupon Interests on Debt Securities[1]						**34.5**			**34.6**			**39.0**			**39.0**	**147.2**
(Reported within Interest Expense in the Income Statement)																
(Gain)/Loss from tender of Sub-Debt securities												**1.6**				**1.6**
(Reported within Extinguishment of Debt in the Income Statement)																
Perp.	Prefs D	Floating	3.1200%	345.0	4.14%	3.6	345.0			287.1	4.28%	3.5	287.1	4.43%	3.2	10.3
Perp.	Prefs CICL[4]	Floating	2.9750%	600.0	7.25%	21.8	600.0	4.00%	6.0	553.4	4.13%	5.8	553.4	4.28%	5.9	39.5
Perp.	Prefs E	Floating	2.4575%	999.5	6.50%	32.5	999.5			669.8	3.62%	6.2	669.8	3.76%	6.3	45.0
Preference Shares Dividends						**57.8**			**6.0**			**15.5**			**15.4**	**94.7**
(Gain)/Loss from repurchase of Preference Shares												**(14.3)**				**(14.3)**
Total[5]						**57.8**			**6.0**			**1.2**			**15.4**	**80.4**
(Reported within Non-controlling Interests in the Income Statement)																
LIBOR 3m (source: Bloomberg)					1.02%			1.02%			1.16%			1.31%		
Determination Date[6]					1/13/2017			1/13/2017			4/12/2017			7/13/2017		

1 Coupon expense excludes the impact of discount accretion and amortization of issuance costs associated with these bonds. It also excludes other expenses related to a capital lease and funds held liabilities that are reported as interest expense within our financial statements.
2 Accounting of Preference Shares dividends is based on the dividend declaration date with no accrual posted (this differs from the accounting of coupon interests on Debt securities for which interest accrual is posted every quarter).
3 EURO denominated Subordinated Debt converted into USD for US GAAP reporting.
4 CICL = Catlin Insurance Company Ltd.
5 Total represents only items related to Preference Shares and does not include the equity interest attributable to third party investors which is also reported within Non-controlling Interests.
6 LIBOR determination date is defined as two LIBOR business days prior to the first day of dividend calculation period.

Glossary and definitions

AOCI	Accumulated Other Comprehensive Income	**NII + Aff. Income**	Net Investment Income plus Affiliate Income
AY UW Income ex-Cats	Accident Year Underwriting Income excluding the impact of Catastrophe Losses	**Op. Income**	Operating Income
BVPS	Book Value Per Share	**Op. ROE**	Operating ROE
Cats (Catastrophe Losses)	Natural Catastrophe Losses including the impact of Reinstatement Premiums. For the Insurance segment defined as natural catastrophe-driven losses, regardless of event size. In Reinsurance, defined as natural catastrophe-driven events that generated a loss larger than $5 million to the company	**Op. ROE ex AOCI & Integr. Costs**	Operating ROE excluding average accumulated other comprehensive income and integration costs
Corp. Op. Exp.	Corporate Operating Expenses	**Prefs Div.**	Preferred Shares Dividends
EPS	Earnings Per Share	**PYD**	Prior Year Development
FX	Foreign Exchange gains or losses	**Recov.**	Recoveries
GPW	Gross Premiums Written	**Real gains/loss on inv.**	Realized gains and losses on Investments
Integr. Costs	Integration costs associated with the Catlin acquisition		
Life FWA	Life Funds Withheld Assets, the designated investments that support the life retrocession arrangement with GreyCastle		

Regulation G
Reconciliation of Book Value Per Share to Tangible Book Value Per Share

XL GROUP

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

(U.S. Dollars in thousands except per share amounts)	Nine Months Ended September 30, 2017	Six Months Ended June 30, 2017	Three Months Ended March 31, 2017	Twelve Months Ended December 31, 2016	Nine Months Ended September 30, 2016	Six Months Ended June 30, 2016	Three Months Ended March 31, 2016	Twelve Months Ended December 31, 2015
Closing common shares outstanding - basic	255,980,636	258,489,379	263,773,739	266,927,220	270,409,084	276,772,053	286,312,517	294,783,992
Closing common shares outstanding - diluted	259,717,348	262,858,782	267,007,606	271,224,790	274,054,062	280,159,516	289,817,124	300,390,474
Book value per common share	38.83	42.87	41.61	40.98	42.94	42.22	40.83	39.61
Fully diluted book value per common share	38.27	42.15	41.10	40.33	42.37	41.71	40.33	38.87
Goodwill and other intangible assets	2,227,014	2,219,390	2,208,612	2,203,653	2,234,071	2,217,973	2,233,597	2,210,266
Tangible book value	7,712,833	8,861,163	8,766,273	8,734,859	9,378,095	9,467,215	9,455,146	9,466,813
Fully diluted tangible book value per common share	29.70	33.71	32.83	32.21	34.22	33.79	32.62	31.52

Regulation G Reconciliation

The following is a reconciliation of XL's net income (loss) attributable to common shareholders to operating net income (loss) and also includes the calculation of annualized return on average common shareholders' equity including and excluding average AOCI, both inclusive and exclusive of integration costs and based on operating net income (loss).

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

(U.S. Dollars in thousands except per share amounts)	Three Months Ended September 30, 2017	Three Months Ended September 30, 2016	Nine Months Ended September 30, 2017	Nine Months Ended September 30, 2016
Net income (loss) attributable to common shareholders	$ (1,043,689)	$ 70,601	$ (589,226)	$ 136,268
Net realized and unrealized (gains) losses on life retrocession embedded derivative and derivative instruments - Life Funds Withheld Assets (1)	31,662	225,610	116,359	691,432
Net realized (gains) losses on investments and net unrealized (gains) losses on investments, Trading - Life Funds Withheld Assets	(11,548)	(85,281)	(52,075)	(271,596)
Net investment income - Life Funds Withheld Assets	(30,796)	(38,937)	(95,599)	(119,643)
Foreign exchange revaluation (gains) losses on and other income and expense items related to Life Funds Withheld Assets	(8,543)	(1,535)	(26,711)	(5,729)
Net income (loss) attributable to common shareholders excluding Contribution from Life Retrocession Arrangements	$ (1,062,914)	$ 170,458	$ (647,252)	$ 430,732
Net realized (gains) losses and OTTI on investments - excluding Life Funds Withheld Assets	(31,726)	(58,395)	(85,113)	(69,447)
Net realized and unrealized (gains) losses on derivatives	20,434	(5,490)	28,409	(2,774)
Net realized and unrealized (gains) losses on investments and derivatives related to the Company's insurance company affiliates	(89)	—	(2,025)	2,231
Foreign exchange (gains) losses excluding Life Funds Withheld Assets	63,560	(160)	72,749	(48,885)
Loss (gain) on sale of subsidiary	—	(3,670)	—	(3,670)
Extinguishment of debt	1,582	—	1,582	—
(Gain) loss on repurchase of preference shares	(14,290)	—	(14,290)	—
(Provision) benefit for income tax on items excluded from operating income	(5,419)	19,711	8,301	24,102
Operating net income (loss)	$ (1,028,862)	$ 122,454	$ (637,639)	$ 332,289
Integration costs	—	54,462	73,067	161,566
(Provision) benefit for income tax on integration costs	—	(4,630)	(7,745)	(13,738)
Operating net income (loss) (excluding integration costs)	$ (1,028,862)	$ 172,286	$ (572,317)	$ 480,117

1 See glossary

Regulation G Reconciliation
(continued)

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

(U.S. Dollars in thousands except per share amounts)	Three Months Ended September 30, 2017	Three Months Ended September 30, 2016	Nine Months Ended September 30, 2017	Nine Months Ended September 30, 2016
Per common share results - diluted:				
Net income (loss) attributable to common shareholders	$ (4.06)	$ 0.25	$ (2.26)	$ 0.48
Operating net income (loss)	$ (4.00)	$ 0.44	$ (2.44)	$ 1.16
Weighted average common shares outstanding:				
Basic	257,022	273,660	261,203	282,442
Diluted (1)	261,298	277,094	265,266	286,125
Return on common shareholders' equity:				
Opening common shareholders' equity	$ 11,080,553	$ 11,685,188	$ 10,938,512	$ 11,677,079
Closing common shareholders' equity (at period end)	9,939,847	11,612,166	9,939,847	11,612,166
Average common shareholders' equity for the period	10,510,200	11,648,677	10,439,180	11,644,623
Opening AOCI	921,166	1,408,587	715,546	686,616
Closing AOCI (at period end)	968,928	1,519,805	968,928	1,519,805
Average AOCI for the period	945,047	1,464,196	842,237	1,103,211
Average common shareholders' equity for the period excluding average AOCI	9,565,153	10,184,481	9,596,943	10,541,413
Annualized net income (loss)	(4,174,756)	282,404	(785,635)	181,691
Annualized operating net income (loss)	(4,115,448)	489,816	(850,185)	443,052
Annualized operating net income (loss) (excluding integration costs)	(4,115,448)	689,143	(763,089)	640,156
Annualized return on average common shareholders' equity	(39.7)%	2.4%	(7.5)%	1.6%
Annualized operating return on average common shareholders' equity	(39.2)%	4.2%	(8.1)%	3.8%
Annualized operating return on average common shareholders' equity excluding AOCI	(43.0)%	4.8%	(8.9)%	4.2%
Annualized operating return on average common shareholders' equity excluding integration costs	(39.2)%	5.8%	(7.3)%	5.5%
Annualized operating return on average common shareholders' equity excluding integration costs and AOCI	(43.0)%	6.8%	(8.0)%	6.1%

1 Diluted weighted average number of common shares outstanding is used to calculate per share data except when it is antidilutive to earnings per share or when there is a net loss. When it is anti-dilutive or when a net loss occurs, basic weighted average common shares outstanding is utilized in the calculation of net loss per share and net operating loss per share.

Comment on Regulation G

XL presents its operations in ways it believes will be most meaningful and useful to investors, analysts, rating agencies and others who use XL's financial information in evaluating XL's performance. This document contains the presentation of (i) operating net income (loss) ("Operating Net Income"), which is defined as net income (loss) attributable to common shareholders excluding: (1) our net investment income - Life Funds Withheld Assets, as defined in Item 1, Note 1, "Significant Accounting Policies," to the Unaudited Consolidated Financial Statements included herein, (2) our net realized (gains) losses on investments sold - excluding Life Funds Withheld Assets, (3) our net realized (gains) losses on investments sold (including OTTI) and net unrealized (gains) losses on investments, Trading - Life Funds Withheld Assets, (4) our net realized and unrealized (gains) losses on derivatives, (5) our net realized and unrealized (gains) losses on life retrocession embedded derivative and derivative instruments - Life Funds Withheld Assets, (6) our share of items (2) and (4) for our insurance company affiliates for the periods presented, (7) our foreign exchange (gains) losses, (8) our expenses related to the acquisition of Catlin Group Limited ("Catlin") completed on May 1, 2015 ("Catlin Acquisition"), (9) our gain on the sale of our interest in ARX Holding Corp., (10) our gain on the sale of our wholly-owned subsidiary XL Life Insurance and Annuity Company and the partial sale of our holdings in New Ocean Capital Management, (11) our loss on the inception of the reinsurance agreement ceding U.S. Term life reinsurance reserves ("U.S. Term Life Retro Arrangements"), (12) our net (gains) losses on the early extinguishment of debt, (13) our net (gains) losses from the repurchase of preferred shares, and (14) a provision (benefit) for income tax on items excluded from operating income; (ii) annualized return on average common shareholders' equity ("ROE") based on operating net income (loss) ("Operating ROE") both inclusive and exclusive of AOCI both inclusive and exclusive of integration costs; and (iii) Fully diluted tangible book value per common share (common shareholders' equity excluding goodwill and intangible assets divided by the number of shares outstanding at the period end date combined with the dilutive impact of potential future share issues at any period end). These items are "non-GAAP financial measures" as defined in Regulation G. The reconciliation of such measures to the most directly comparable GAAP financial measures in accordance with Regulation G is included in this document on pages 20 and 21.

Although the investment of premiums to generate income (or loss) and realize capital gains (or losses) is an integral part of XL's operations, the determination to realize capital gains (or losses) is independent of the underwriting process. In addition, under applicable GAAP accounting requirements, losses can be recognized as the result of other than temporary declines in value and from goodwill impairment charges without actual realization. In this regard, certain users of XL's financial information, including certain rating agencies, evaluate earnings before tax and capital gains to understand the profitability of the operational sources of income without the effects of these two variables. Furthermore, these users believe that, for many companies, the timing of the realization of capital gains is largely a function of economic and interest rate conditions.

Net realized and unrealized (gains) losses on derivatives include all derivatives entered into by XL other than certain credit derivatives and the life retrocession embedded derivative. With respect to credit derivatives, because XL and its insurance company operating affiliates generally hold financial guaranty contracts written in credit default derivative form to maturity, the net effects of the changes in fair value of these credit derivatives are excluded (similar with other companies' treatment of such contracts), as the changes in fair value each quarter are not indicative of underlying business performance.

(continued in the next page)

Comment on Regulation G

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Net investment income - Life Funds Withheld Assets, and net realized (gains) losses on the life retrocession embedded derivative and derivative instruments - Life Funds Withheld Assets, have been excluded because, as a result of the GreyCastle Life Retro Arrangement, XL no longer shares in the risks and rewards of the underlying performance of the Life Funds Withheld Assets that support these retrocession arrangements. The returns on the Life Funds Withheld Assets are passed directly to the reinsurer pursuant to a contractual arrangement that is accounted for as a derivative. Therefore, net investment income from the Life Funds Withheld Assets and changes in the fair value of the embedded derivative associated with these GreyCastle Life Retro Arrangements are not relevant to XL's underlying business performance.

Foreign exchange (gains) losses in the income statement are only one element of the overall impact of foreign exchange fluctuations on XL's financial position and are not representative of any economic gain or loss made by XL. Accordingly, it is not a relevant indicator of financial performance and it is excluded.

In summary, XL evaluates the performance of and manages its business to produce an underwriting profit. In addition to presenting net income (loss), XL believes that showing operating net income (loss) enables investors and other users of XL's financial information to analyze XL's performance in a manner similar to how management of XL analyzes performance. In this regard, XL believes that providing only a GAAP presentation of net income (loss) would make it much more difficult for users of XL's financial information to evaluate XL's underlying business. Also, as stated above, XL believes that the equity analysts and certain rating agencies that follow XL (and the insurance industry as a whole) exclude these items from their analyses for the same reasons and they request that XL provide this non-GAAP financial information on a regular basis.

Operating ROE is a widely used measure of any company's profitability that is calculated by dividing annualized operating net income for any period other than a fiscal year when actual operating income is used by the average of the opening and closing common shareholders' equity. XL establishes target Operating ROEs for its total operations, segments and lines of business. If XL's Operating ROE targets are not met with respect to any line of business over time, XL seeks to re-evaluate these lines. Operating ROE including and excluding average AOCI, both inclusive and exclusive of integration costs, are additional measures of Company profitability. The most significant component of this exclusion is the mark to market fluctuations on XL's investment portfolio that have not been realized through sales, and/or distortions to XL's performance from integration costs related to the acquisition of Catlin. By providing these additional measures, users of our financial statements have the ability to include or exclude these items when considering our performance either on a standalone basis or for purposes of peer performance comparison. XL believes that fully diluted tangible book value per common share is a financial measure important to investors and other interested parties who benefit from having a consistent basis for comparison with other companies within the industry. However, this measure may not be comparable to similarly titled measures used by companies either outside or inside of the insurance industry.