



# FINANCIAL SUPPLEMENT

September 30, 2015

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This supplement is being furnished to you for informational purposes only. It should be read in conjunction with documents filed by XL Group plc with the U.S. Securities and Exchange Commission (the "SEC"), including its reports on Form 10-K and Form 10-Q. Please refer to the Company's website at [www.xlcatlin.com](http://www.xlcatlin.com) for further information describing XL Group plc.

Investor Contacts:

David Radulski

Tel: (203) 964 3470

Email: [David.Radulski@xlcatlin.com](mailto:David.Radulski@xlcatlin.com)

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### Cautionary Note Regarding Forward-Looking Statements

This financial supplement contains forward-looking statements. Statements that are not historical facts, including statements about the beliefs, plans or expectations of XL Group plc and its consolidated subsidiaries ("XL"), 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," "intend," "plan," "believe," "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 includes (a) changes in the size of XL's claims relating to natural or man-made catastrophe losses due to the preliminary nature of some reports and estimates of loss and damage to date, in particular those related to the Tianjin port explosion, Chilean earthquake and 2015 US Winter Storms; (b) trends in rates for property and casualty insurance and reinsurance; (c) the timely and full recoverability of reinsurance placed by XL with third parties, or other amounts due to XL; (d) changes in the projected amount of ceded reinsurance recoverables and the credit ratings and credit worthiness of reinsurers; (e) 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 anticipated; (f) 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 XL's ability to maintain or increase its business volumes or profitability; (g) greater frequency or severity of claims and loss activity than XL's underwriting, reserving or investment practices anticipate based on historical experience or industry data; (h) the impact of changes in the global financial markets, such as the effects of inflation on XL's business, including on pricing and reserving, increased government involvement or intervention in the financial services industry and 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 XL's investments, future financing activities and access to such markets or general financial condition; (i) XL's ability to successfully implement its business strategy, including its recent acquisition of Catlin Group Limited ("Catlin"); (j) XL's ability to successfully attract and raise additional third party capital for existing or new investment vehicles; (k) the potential impact on XL of government-mandated insurance coverage for acts of terrorism; (l) changes in ratings and rating agency policies or practices; (m) the potential for changes to methodologies, estimations and assumptions that underlie the valuation of XL's financial instruments that could result in changes to investment valuations; (n) changes to XL's assessment as to whether it is more likely than not that it will be required to sell, or has the intent to sell, available-for-sale debt securities before their anticipated recovery; (o) the availability of borrowings and letters of credit under credit facilities; (p) the ability of XL's subsidiaries to pay dividends to XL Group plc and XLIT Ltd.; (q) the potential effect of legislative or regulatory developments in the jurisdictions in which XL operates, such as those that could impact the financial markets or increase XL's business costs and required capital levels, including but not limited to changes in regulatory capital balances that must be maintained by our operating subsidiaries and governmental actions for the purpose of stabilizing the financial markets; (r) the effects of business disruption, economic contraction or economic sanctions due to global political and social conditions such as war, terrorism or other hostilities, or pandemics; (s) changes in regulators or laws applicable to us or our subsidiaries, brokers or customers; (t) the actual amount of new and renewal business and acceptance of XL's products and services, including new products and services and the materialization of risks related to such products and services; (u) changes in the availability, cost or quality of reinsurance; (v) changes in the distribution or placement of risks due to increased consolidation of insurance and reinsurance brokers; (w) the loss of key personnel and changes in accounting standards, policies or practices or the application thereof; (x) changes in applicable tax laws, tax treaties or tax regulations or the interpretation or enforcement thereof; (y) the effects of mergers, acquisitions and divestitures, including XL's ability to modify its internal controls over financial reporting, changes to its risk appetite and its ability to realize the value or benefits expected, in each case, as a result of such transactions, including the Life Retrocession Arrangements and XL's recent acquisition of Catlin; (z) changes in general economic conditions, including new or continued sovereign debt concerns in Euro-Zone countries or downgrades of US securities by credit rating agencies, which could affect XL's financial condition, results of operations, liquidity or cash flows; (aa) developments related to bankruptcies or other financial concerns of companies insofar as they affect property and casualty insurance and reinsurance coverage or claims that XL may have as a counterparty; (bb) judicial decisions and rulings, new theories of liability or emerging claims coverage issues, legal tactics and settlement terms; and (cc) the other factors set forth in XL's reports on Form 10-K, 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, except as required by the federal securities laws.

XL intends to use its website as a means of disclosing material non-public information and for complying with its disclosure obligations under Regulation FD. Such disclosures will be included on the website in the Investor Relations section. Accordingly, investors should monitor such portions of XL's website, in addition to following its press releases, SEC filings and public conference calls and webcasts.



# STATEMENTS OF INCOME

# CONSOLIDATED STATEMENTS OF INCOME

(U.S. dollars in thousands)

(Unaudited)

(Note 1)



	Three Months Ended September 30, 2015	Three Months Ended June 30, 2015 (Note 2)	Three Months Ended March 31, 2015	Three Months Ended December 31, 2014	Three Months Ended September 30, 2014
<b>Revenues</b>					
Gross premiums written	\$ 2,739,350	\$ 3,081,135	\$ 2,555,360	\$ 1,699,553	\$ 1,684,198
Net premiums written	2,091,028	2,118,331	1,851,249	1,223,161	1,233,985
Net premiums earned - P&C operations	2,405,740	2,063,795	1,319,494	1,413,161	1,453,673
Net premiums earned - run-off Life operations	17,812	18,258	14,606	23,064	19,739
Net investment income - excluding Life Funds Withheld Assets (Note 3)	178,560	176,340	158,094	172,297	169,956
Net investment income - Life Funds Withheld Assets (Note 3)	46,586	46,864	50,419	53,936	56,474
Net realized gains (losses) on investments sold - excluding Life Funds Withheld Assets (Note 3)	(201)	4,351	4,602	13,105	9,813
Net realized gains (losses) on investments sold - Life Funds Withheld Assets (Note 3)	53,780	68,037	52,738	2,421	2,022
Other-than-temporary impairments on investments - Life Funds Withheld Assets (Note 3)	(2,023)	(2,878)	(5,209)	(4,322)	(7,494)
Net unrealized gains (losses) on investments, Trading - Life Funds Withheld Assets (Note 3)	(149)	(19,543)	760	(9)	-
Net realized and unrealized gains (losses) on derivative instruments	(7,903)	48,509	16,521	11,346	5,131
Net realized and unrealized gains (losses) on life retrocession embedded derivative and derivative instruments - Life Funds Withheld Assets (Note 3)	(126,140)	239,174	(229,367)	(269,412)	(201,264)
Net income (loss) from investment fund affiliates (Note 4)	(3,715)	31,377	35,329	20,330	24,500
Fee income and other	7,355	11,012	4,728	11,688	10,782
<b>Total revenues</b>	<b>\$ 2,569,702</b>	<b>\$ 2,685,296</b>	<b>\$ 1,422,615</b>	<b>\$ 1,447,605</b>	<b>\$ 1,543,332</b>
<b>Expenses</b>					
Net losses and loss expenses incurred - P&C operations	\$ 1,464,285	\$ 1,151,195	\$ 769,827	\$ 739,420	\$ 859,588
Claims and policy benefits - run-off Life operations	22,579	22,081	19,387	23,976	20,101
Acquisition costs	409,173	341,617	153,696	171,203	182,882
Operating expenses (Note 5)	570,142	507,354	325,656	356,607	341,255
Foreign exchange losses (gains)	11,661	10,374	27,390	(45,802)	(23,348)
Interest expense - debt and other	40,798	39,038	41,481	25,074	31,703
Interest expense - deposit liability accretion	11,131	10,629	9,957	9,155	11,148
Impairment of goodwill	-	-	-	-	-
<b>Total expenses</b>	<b>\$ 2,529,769</b>	<b>\$ 2,082,288</b>	<b>\$ 1,347,394</b>	<b>\$ 1,279,633</b>	<b>\$ 1,423,329</b>
Income (loss) before income (loss) from operating affiliates and income tax	\$ 39,933	\$ 603,008	\$ 75,221	\$ 167,972	\$ 120,003
Income (loss) from operating affiliates (Note 6)	8,196	9,462	22,668	13,174	20,021
Provision (benefit) for income taxes	(37,042)	32,959	24,218	38,173	30,057
Gain on sale of operating affiliate	-	340,407	-	-	-
<b>Net income (loss)</b>	<b>\$ 85,171</b>	<b>\$ 919,918</b>	<b>\$ 73,671</b>	<b>\$ 142,973</b>	<b>\$ 109,967</b>
Non-controlling interests	(57,889)	(4,879)	(37,390)	(3,474)	(37,583)
<b>Net income (loss) attributable to ordinary shareholders</b>	<b>\$ 27,282</b>	<b>\$ 915,039</b>	<b>\$ 36,281</b>	<b>\$ 139,499</b>	<b>\$ 72,384</b>
Net realized (gains) losses on investments sold - excluding Life Funds Withheld Assets, net of tax	\$ 1,444	\$ (669)	\$ (4,518)	\$ (19,861)	\$ (8,860)
Net realized (gains) losses on investments sold - Life Funds Withheld Assets (Note 3)	(53,780)	(68,037)	(52,738)	(2,421)	(2,022)
OTTI on investments - Life Funds Withheld Assets (Note 3)	2,023	2,878	5,209	4,322	7,494
Net unrealized (gains) losses on investments, Trading - Life Funds Withheld Assets (Note 3)	149	19,543	(760)	9	-
Net realized and unrealized (gains) losses on derivatives, net of tax	8,158	(48,667)	(16,521)	(11,347)	(5,131)
Net realized and unrealized (gains) losses on investments and derivatives related to the Company's insurance company affiliates	(14)	595	658	1,743	8
Net investment income - Life Funds Withheld Assets, net of tax (Note 3)	(46,586)	(46,864)	(50,419)	(53,936)	(56,474)
Net realized and unrealized (gains) losses on life retrocession embedded derivative and derivative instruments - Life Funds Withheld Assets (Note 3)	126,140	(239,174)	229,367	269,412	201,264
Loss on sale of life reinsurance subsidiary, net of tax (Note 3)	-	-	-	-	-
Foreign exchange (gains) losses, net of tax	4,731	15,221	22,353	(33,493)	(21,575)
Expenses related to Catlin acquisition, net of tax	1,245	36,339	25,464	-	-
Gain on sale of operating affiliate	-	(340,407)	-	-	-
<b>Operating Net Income (Note 7)</b>	<b>\$ 70,792</b>	<b>\$ 245,797</b>	<b>\$ 194,376</b>	<b>\$ 293,927</b>	<b>\$ 187,088</b>

**Notes:**

- Certain amounts have been reclassified to conform with the current period presentation.
- The company's results for the three months ended June 30, 2015 include those of Catlin from May 1, 2015.
- On May 1, 2014, our wholly-owned subsidiary XL Insurance (Bermuda) Ltd ("XLIB"), entered into a sale and purchase agreement with GreyCastle Holdings Ltd. ("GreyCastle") providing for the sale of 100% of the common shares of XLIB's wholly-owned subsidiary, XL Life Reinsurance (SAC) Ltd ("XLLR"), for \$570 million in cash. This transaction was completed on May 30, 2014. As a result of the transaction, we have ceded the majority of our life reinsurance business to XLLR via 100% quota share reinsurance (the "Life Retrocession Arrangements"). The designated investments that support the Life Retrocession Arrangements, which are written on a funds withheld basis ("Life Funds Withheld Assets"), are included within "Total investments available for sale" and "Fixed maturities, trading at fair value" on our balance sheet. Investment results for these assets - including interest income, unrealized gains and losses, and gains and losses from sales - are passed directly to the reinsurer pursuant to a contractual arrangement which is accounted for as a derivative.
- Earnings are generally lagged by one month for alternative funds and three months for private investment fund affiliates. The fair market values of certain of these alternative investments often take longer to obtain as compared to other investments and are therefore unavailable at the time of quarter close.
- Operating expenses includes approximately \$1.2 million related to the Catlin acquisition. See pages 8 - 10 for split of segment and corporate operating expenses.
- Earnings from operating affiliates are generally lagged by three months as the information is unavailable at the time of quarter close.
- Operating net income is defined as net income (loss) attributable to ordinary shareholders excluding: (1) our net investment income - Life Funds Withheld Assets, net of tax, (2) our net realized (gains) losses on investments sold - excluding Life Funds Withheld Assets, net of tax, (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, net of tax, (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 XL's insurance company affiliates for the periods presented, (7) our foreign exchange (gains) losses, net of tax, (8) our expenses related to the Catlin acquisition, net of tax, (9) our gain on the sale of our interest in our operating affiliate, ARX, and (10) our loss on sale of life reinsurance subsidiary, XLLR, net of tax. "Operating net income" is a non-GAAP financial measure. For further information see page 43 for Comment on Regulation G.

## RETURN ON ORDINARY SHAREHOLDERS' EQUITY

(U.S. dollars in thousands, except share and per share amounts)

(Unaudited)  
(Note 1)



	Three Months Ended September 30, 2015	Three Months Ended June 30, 2015 (Note 2)	Three Months Ended March 31, 2015	Three Months Ended December 31, 2014	Three Months Ended September 30, 2014
<b>Return on Ordinary Shareholders' Equity</b>					
Opening shareholders' equity	\$ 14,205,105	\$ 11,646,423	\$ 11,435,766	\$ 11,220,774	\$ 11,408,577
Less: Non-controlling interest in equity of consolidated subsidiaries	(1,957,807)	(1,402,366)	(1,402,015)	(1,379,720)	(1,374,288)
Opening ordinary shareholders' equity	12,247,298	10,244,057	10,033,751	9,841,054	10,034,289
Closing shareholders' equity	13,900,508	14,205,105	11,646,423	11,435,766	11,220,774
Less: Non-controlling interest in equity of consolidated subsidiaries	(1,962,279)	(1,957,807)	(1,402,366)	(1,402,015)	(1,379,720)
Closing ordinary shareholders' equity	11,938,229	12,247,298	10,244,057	10,033,751	9,841,054
Average ordinary shareholders' equity	12,092,764	11,245,678	10,138,904	9,937,403	9,937,672
Average unrealized (gain) loss on investments, net of tax (Note 3)	(1,054,949)	(1,400,978)	(1,605,837)	(1,383,597)	(1,235,024)
Average ordinary shareholders' equity excluding average unrealized gains and losses on investments	11,037,815	9,844,700	8,533,067	8,553,806	8,702,648
Net income (loss) attributable to ordinary shareholders	27,282	915,039	36,281	139,499	72,384
Annualized net income (loss) attributable to ordinary shareholders	109,128	3,660,156	145,124	557,996	289,536
Operating Net Income (Note 4)	70,792	245,797	194,376	293,927	187,088
Annualized Operating Net Income (Note 4)	283,168	983,188	777,504	1,175,708	748,352
Annualized return on average ordinary shareholders' equity - Net income attributable to ordinary shareholders	0.9%	32.5%	1.4%	5.6%	2.9%
Annualized return on average ordinary shareholders' equity - Operating Net Income (Note 3)	2.3%	8.7%	7.7%	11.8%	7.5%
Annualized return on average ordinary shareholders' equity excluding average unrealized gains and losses on investments - Operating Net Income (Note 3)	2.6%	10.0%	9.1%	13.7%	8.6%

	At September 30, 2015	At June 30, 2015	At March 31, 2015	At December 31, 2014	At September 30, 2014
<b>Book Value per Ordinary Share</b>					
Closing ordinary shareholders' equity	\$ 11,938,229	\$ 12,247,298	\$ 10,244,057	\$ 10,033,751	\$ 9,841,054
Ordinary shares outstanding (Note 5)	299,356,093	303,932,111	256,723,675	255,222,835	260,289,496
Dilutive impact of stock and options	4,967,736	4,737,655	3,962,693	5,332,159	4,981,507
Diluted shares outstanding	304,323,829	308,669,766	260,686,368	260,554,994	265,271,003
<b>Book value per ordinary share (Note 6)</b>	<b>\$ 39.88</b>	<b>\$ 40.30</b>	<b>\$ 39.90</b>	<b>\$ 39.31</b>	<b>\$ 37.81</b>
<b>Fully diluted book value per ordinary share (Note 6)</b>	<b>\$ 39.23</b>	<b>\$ 39.68</b>	<b>\$ 39.30</b>	<b>\$ 38.51</b>	<b>\$ 37.10</b>
<b>Fully diluted tangible book value per ordinary share (Note 6)</b>	<b>\$ 31.95</b>	<b>\$ 32.53</b>	<b>\$ 37.60</b>	<b>\$ 36.79</b>	<b>\$ 35.40</b>

**Notes:**

- Certain amounts have been reclassified to conform with the current period presentation.
- The company's results for the three months ended June 30, 2015 include those of Catlin from May 1, 2015.
- Unrealized (gain) loss on investments, net of tax is the cumulative impact of mark to market fluctuations on our investment portfolio that have not been realized through sales.
- Operating net income is defined as net income (loss) attributable to ordinary shareholders excluding: (1) our net investment income - Life Funds Withheld Assets, net of tax, (2) our net realized (gains) losses on investments sold - excluding Life Funds Withheld Assets, net of tax, (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, net of tax, (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 XL's insurance company affiliates for the periods presented, (7) our foreign exchange (gains) losses, net of tax, (8) our expenses related to the Catlin acquisition, net of tax, (9) our gain on the sale of our interest in our operating affiliate, ARX, and (10) our loss on sale of life reinsurance subsidiary, XLLR, net of tax. "Operating net income" is a non-GAAP financial measure. For further information see page 43 for Comment on Regulation G.
- Ordinary shares outstanding include all ordinary shares legally issued and outstanding (as disclosed on the face of the balance sheet) as well as all director share units outstanding.
- Book value per ordinary share, fully diluted book value per ordinary share and fully diluted tangible book value per ordinary share are non-GAAP financial measures. Fully diluted book value per ordinary share represents book value per ordinary share (total shareholders' equity less non-controlling interest in equity of consolidated subsidiaries, divided by the number of outstanding ordinary shares at any period end) combined with the dilutive impact of potential future share issues at any period end. Fully diluted tangible book value per ordinary share is calculated in the same manner as fully diluted book value per ordinary share except that goodwill and intangible assets are excluded from ordinary shareholders' equity. XL believes that fully diluted tangible book value per ordinary 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.

# CONSOLIDATED STATEMENTS OF INCOME

(U.S. Dollars in thousands)

(Unaudited)  
(Note 1)



	<b>Nine Months Ended September 30, 2015</b>	<b>Nine Months Ended September 30, 2014</b>
	(Note 2)	
<b>Revenues</b>		
Gross premiums written	\$ 8,375,845	\$ 6,395,373
Net premiums written	\$ 6,060,608	\$ 4,721,680
Net premiums earned - P&C operations	\$ 5,789,029	\$ 4,304,277
Net premiums earned - run-off Life operations	50,576	154,568
Net investment income - excluding Life Funds Withheld Assets (Note 3)	512,994	616,753
Net investment income - Life Funds Withheld Assets (Note 3)	143,869	75,639
Net realized gains (losses) on investments sold - excluding Life Funds Withheld Assets (Note 3)	8,752	109,886
Net realized gains (losses) on investments sold - Life Funds Withheld Assets (Note 3)	174,555	2,646
Other-than temporary impairments on investments - Life Funds Withheld Assets (Note 3)	(10,110)	(16,265)
Net unrealized gains (losses) on investments, Trading - Life Funds Withheld Assets (Note 3)	(18,932)	-
Net realized and unrealized gains (losses) on derivative instruments	57,127	18,540
Net realized and unrealized gains (losses) on life retrocession embedded derivative and derivative instruments - Life Funds Withheld Assets (Note 3)	(116,333)	(218,810)
Net income (loss) from investment fund affiliates (Note 4)	62,991	75,486
Fee income and other	23,095	31,942
<b>Total revenues</b>	<b>\$ 6,677,613</b>	<b>\$ 5,154,662</b>
<b>Expenses</b>		
Net losses and loss expenses incurred - P&C operations	\$ 3,385,307	\$ 2,518,973
Claims and policy benefits - run-off Life operations	64,047	218,987
Acquisition costs	904,486	566,915
Operating expenses (Note 5)	1,403,152	984,708
Foreign exchange losses (gains)	49,425	8,234
Loss on sale of life reinsurance subsidiary (Note 3)	-	666,423
Interest expense - debt and other (Note 6)	121,317	96,147
Interest expense - deposit liability accretion	31,717	3,730
<b>Total expenses</b>	<b>\$ 5,959,451</b>	<b>\$ 5,064,117</b>
Income (loss) before income (loss) from operating affiliates and income tax	\$ 718,162	\$ 90,545
Income (loss) from operating affiliates (Note 7)	40,326	94,044
Provision (benefit) for income taxes	20,135	58,724
Gain on sale of operating affiliate	340,407	-
<b>Net income (loss)</b>	<b>\$ 1,078,760</b>	<b>\$ 125,865</b>
Non-controlling interests	(100,158)	(77,024)
<b>Net income (loss) attributable to ordinary shareholders</b>	<b>\$ 978,602</b>	<b>\$ 48,841</b>
Net realized (gains) losses on investments sold - excluding Life Funds Withheld Assets, net of tax	\$ (3,743)	\$ (104,898)
Net realized (gains) losses on investments sold - Life Funds Withheld Assets (Note 3)	(174,555)	(2,646)
OTTI on investments - Life Funds Withheld Assets (Note 3)	10,110	16,265
Net unrealized (gains) losses on investments, Trading - Life Funds Withheld Assets (Note 3)	18,932	-
Net realized and unrealized (gains) losses on derivatives, net of tax	(57,030)	(18,537)
Net realized and unrealized (gains) losses on investments and derivatives related to Company's insurance company affiliates	1,239	(2,728)
Net investment income - Life Funds Withheld Assets (Note 3)	(143,869)	(75,639)
Net realized and unrealized (gains) losses on life retrocession embedded derivative and derivative instruments - Life Funds Withheld Assets (Note 3)	116,333	218,810
Loss on sale of life reinsurance subsidiary (Note 3)	-	621,323
Foreign exchange (gains) losses, net of tax	42,305	4,523
Expenses related to Catlin acquisition, net of tax	63,048	-
Gain on sale of operating affiliate	(340,407)	-
<b>Operating Net Income (Note 8)</b>	<b>\$ 510,965</b>	<b>\$ 705,314</b>

**Notes:**

1. Certain amounts have been reclassified to conform with the current period presentation.
  2. The company's results for the nine months ended September 30, 2015 include those of Catlin from May 1, 2015.
  3. On May 1, 2014, our wholly-owned subsidiary XLIB, entered into a sale and purchase agreement with GreyCastle providing for the sale of 100% of the common shares of XLIB's wholly-owned subsidiary XLLR for \$570 million in cash. This transaction was completed on May 30, 2014. As a result of the transaction, we have ceded the majority of our life reinsurance business to XLLR via the Life Retrocession Arrangements. The Life Funds Withheld Assets are included within "Total investments available for sale" and "Fixed maturities, trading at fair value" on our balance sheet. Investment results for these assets - including interest income, unrealized gains and losses, and gains and losses from sales - are passed directly to the reinsurer pursuant to a contractual arrangement which is accounted for as a derivative.
  4. Earnings are generally lagged by one month for alternative funds and three months for private investment fund affiliates. The fair market values of certain of these alternative investments often take longer to obtain as compared to other of XL's investments and are therefore unavailable at the time of quarter close.
  5. Operating expenses includes approximately \$48.5 million related to the Catlin acquisition. See pages 15 - 16 for split of segment and corporate operating expenses.
  6. Interest expense includes approximately \$14.5 million in bridge financing costs related to the Catlin acquisition.
  7. Earnings from operating affiliates are generally lagged by three months as the information is unavailable at the time of quarter close.
  8. Operating net income is defined as net income (loss) attributable to ordinary shareholders excluding: (1) our net investment income - Life Funds Withheld Assets, net of tax, (2) our net realized (gains) losses on investments sold - excluding Life Funds Withheld Assets, net of tax, (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, net of tax, (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 XL's insurance company affiliates for the periods presented, (7) our foreign exchange (gains) losses, net of tax, (8) our expenses related to the Catlin acquisition, net of tax, (9) our gain on the sale of our interest in our operating affiliate, ARX, and (10) our loss on sale of life reinsurance subsidiary, XLLR, net of tax.
- "Operating net income" is a non-GAAP financial measure. For further information see page 43 for Comment on Regulation G.

## RETURN ON ORDINARY SHAREHOLDERS' EQUITY

(U.S. Dollars in thousands, except share and per share amounts)

Unaudited

(Note 1)



	<b>Nine Months Ended September 30, 2015</b> (Note 2)	<b>Nine Months Ended September 30, 2014</b>
Opening shareholders' equity	11,435,766	11,349,298
Less: Non-controlling interest in equity of consolidated subsidiaries	(1,402,015)	(1,351,665)
Opening ordinary shareholders' equity	10,033,751	9,997,633
Closing shareholders' equity	13,900,508	11,220,774
Less: Non-controlling interest in equity of consolidated subsidiaries	(1,962,279)	(1,379,720)
Closing ordinary shareholders' equity	11,938,229	9,841,054
Average ordinary shareholders' equity	10,985,990	9,919,344
Average unrealized (gain) loss on investments, net of tax	(1,259,807)	(993,185)
Average ordinary shareholders' equity excluding average unrealized gains and losses on investments	9,726,183	8,926,159
Net income (loss) attributable to ordinary shareholders	978,602	48,841
Operating net income (Note 3)	510,965	705,314
Return on average ordinary shareholders' equity - Net income attributable to ordinary shareholders	11.9%	0.7%
Return on ordinary average shareholders' equity - operating net income (Note 3)	6.2%	9.5%
Return on ordinary average shareholders' equity excluding unrealized gains and losses on investments - operating net income (Note 3)	7.0%	10.5%

1. Certain amounts have been reclassified to conform with the current period presentation.

2. The company's results for the nine months ended September 30, 2015 include those of Catlin from May 1, 2015.

3. Operating net income is defined as net income (loss) attributable to ordinary shareholders excluding: (1) our net investment income - Life Funds Withheld Assets, net of tax, (2) our net realized (gains) losses on investments sold - excluding Life Funds Withheld Assets, net of tax, (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, net of tax, (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 XL's insurance company affiliates for the periods presented, (7) our foreign exchange (gains) losses, net of tax, (8) our expenses related to the Catlin acquisition, net of tax, (9) our gain on the sale of our interest in our operating affiliate, ARX, and (10) our loss on sale of life reinsurance subsidiary, XLLR, net of tax. "Operating net income" is a non-GAAP financial measure. For further information see page 43 for Comment on Regulation G.

## SEGMENT INFORMATION

### FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2015

(U.S. dollars in thousands, except ratios)  
(Unaudited)



	INSURANCE	REINSURANCE	TOTAL P&C	CORPORATE AND OTHER (Note 1)	TOTAL
Gross premiums written	\$ 2,200,196	\$ 458,946	\$ 2,659,142	\$ 80,208	\$ 2,739,350
Net premiums written	1,664,562	408,654	2,073,216	17,812	2,091,028
Net premiums earned	1,632,988	772,752	2,405,740	17,812	2,423,552
Net losses and loss expenses incurred	(1,037,727)	(426,558)	(1,464,285)	(22,579)	(1,486,864)
Acquisition expenses	(214,773)	(189,671)	(404,444)	(4,729)	(409,173)
Operating expenses (Note 2)	(334,211)	(88,682)	(422,893)	26	(422,867)
Underwriting (loss) profit	<u>\$ 46,277</u>	<u>\$ 67,841</u>	<u>\$ 114,118</u>	<u>\$ (9,470)</u>	<u>\$ 104,648</u>
Net investment income - excluding Life Funds Withheld Assets (Note 3)	-	-	152,738	10,254	162,992
Net investment income - Life Funds Withheld Assets (Note 3)	-	-	-	46,586	46,586
Net investment results structured products (Note 4)	3,328	1,109	4,437	-	4,437
Net fee income and other (Note 5)	(5,207)	533	(4,674)	254	(4,420)
Net realized gains (losses) on investments sold - excluding Life Funds Withheld Assets, net of tax (Note 3)			(197)	(4)	(201)
Net realized gains (losses) on investments and net unrealized gains (losses) on investments, Trading - Life Funds Withheld Assets (Note 3)				51,608	51,608
Net realized and unrealized gains (losses) on life retrocession embedded derivative and derivative instruments - Life Funds Withheld Assets (Note 3)				(126,140)	(126,140)
Net realized and unrealized gains (losses) on derivative instruments				(7,903)	(7,903)
Net income (loss) from investment fund affiliates and operating affiliates (Note 6)				4,481	4,481
Foreign exchange (gains) losses				11,661	11,661
Corporate operating expenses (7)				135,500	135,500
<b>Contribution from P&amp;C and Corporate and other</b>			<u>\$ 266,422</u>	<u>\$ (177,495)</u>	<u>\$ 88,927</u>
Interest expense					(40,798)
Non-controlling interests					(57,889)
Income taxes					37,042
<b>Net (loss) income attributable to XL Group plc</b>					<u>\$ 27,282</u>
<b>Ratios - P&amp;C operations:</b>					
Loss and loss expense ratio	63.5%	55.2%	60.9%		
Underwriting expense ratio	33.7%	36.0%	34.4%		
Combined ratio	97.2%	91.2%	95.3%		
Total net prior year development	7,064	(35,182)	(28,118)		
Natural catastrophe losses (Note 8)	7,461	24,720	32,181		
Reinstatement premium	-	1,350	1,350		
Loss and loss expense ratio excluding net prior year development	63.1%	59.8%	62.0%		
Loss and loss expense ratio excluding net prior year development, natural catastrophe losses and reinstatement premium	62.7%	56.7%	60.7%		

**Notes :**

- Corporate and Other includes the Company's run-off Life operations.
- Operating expenses exclude corporate operating expenses, shown separately.
- On May 1, 2014, our wholly-owned subsidiary XLIB, entered into a sale and purchase agreement with GreyCastle providing for the sale of 100% of the common shares of XLIB's wholly-owned subsidiary XLLR for \$570 million in cash. This transaction was completed on May 30, 2014. As a result of the transaction, we have ceded the majority of our life reinsurance business to XLLR via the Life Retrocession Arrangements. The Life Funds Withheld Assets are included within "Total investments available for sale" and "Fixed maturities, trading at fair value" on our balance sheet. Investment results for these assets - including interest income, unrealized gains and losses, and gains and losses from sales - are passed directly to the reinsurer pursuant to a contractual arrangement which is accounted for as a derivative.
- The net investment results from structured products include net investment income and interest expense of \$15.6 million and \$11.1 million, respectively.
- Net fee income and other includes operating expenses of \$11.8 million from the Company's loss prevention consulting services business.
- XL records the income related to the alternative funds and to the private investment and operating fund affiliates on a one-month and three-month lag, respectively.
- Corporate operating expenses include approximately \$1.2 million of deal related costs and \$55.2 million of integration costs resulting from the Catlin acquisition.
- Natural catastrophe losses include US Flooding, Chilean Earthquake, Hail, Wind and US Winter Storms.



## SEGMENT INFORMATION FOR THE THREE MONTHS ENDED JUNE 30, 2015

(U.S. dollars in thousands, except ratios)

(Unaudited)  
(Note 1)



	INSURANCE	REINSURANCE	TOTAL P&C	CORPORATE AND OTHER (Note 2)	TOTAL
Gross premiums written	\$ 2,219,444	\$ 782,248	\$ 3,001,692	\$ 79,443	\$ 3,081,135
Net premiums written	1,401,772	698,301	2,100,073	18,258	2,118,331
Net premiums earned	1,412,906	650,889	2,063,795	18,258	2,082,053
Net losses and loss expenses incurred	(896,370)	(254,825)	(1,151,195)	(22,081)	(1,173,276)
Acquisition expenses	(181,716)	(158,217)	(339,933)	(1,684)	(341,617)
Operating expenses (Note 3)	(292,161)	(71,727)	(363,888)	59	(363,829)
Underwriting (loss) profit	<u>\$ 42,659</u>	<u>\$ 166,120</u>	<u>\$ 208,779</u>	<u>\$ (5,448)</u>	<u>\$ 203,331</u>
Net investment income - excluding Life Funds Withheld Assets (Note 4)	-	-	149,461	10,831	160,292
Net investment income - Life Funds Withheld Assets (Note 4)	-	-	-	46,864	46,864
Net investment results structured products (Note 5)	3,401	1,856	5,257	-	5,257
Net fee income and other (Note 6)	(2,033)	623	(1,410)	46	(1,364)
Net realized gains (losses) on investments sold - excluding Life Funds Withheld Assets, net of tax (Note 4)			4,223	128	4,351
Net realized gains (losses) on investments and net unrealized gains (losses) on investments, Trading - Life Funds Withheld Assets (Note 4)				45,616	45,616
Net realized and unrealized (gains) losses on life retrocession embedded derivative and derivative instruments - Life Funds Withheld Assets, net of tax (Note 4)				239,174	239,174
Net realized and unrealized gains (losses) on derivative instruments				48,509	48,509
Net income (loss) from investment fund affiliates and operating affiliates (Note 7)				40,839	40,839
Gain on sale of operating affiliate				340,407	340,407
Foreign exchange (gains) losses				10,374	10,374
Corporate operating expenses				130,987	130,987
<b>Contribution from P&amp;C and Corporate and other</b>			<u>\$ 366,310</u>	<u>\$ 625,605</u>	<u>\$ 991,915</u>
Interest expense (Note 8)					(39,038)
Non-controlling interests					(4,879)
Income taxes					(32,959)
<b>Net (loss) income attributable to XL Group plc</b>					<u>\$ 915,039</u>
<b>Ratios - P&amp;C operations:</b>					
Loss and loss expense ratio	63.4%	39.2%	55.8%		
Underwriting expense ratio	33.6%	35.3%	34.1%		
Combined ratio	97.0%	74.5%	89.9%		
Total net prior year development	(38,135)	(70,735)	(108,870)		
Natural catastrophe losses (Note 9)	59,892	-	59,892		
Reinstatement premium	-	-	-		
Loss and loss expense ratio excluding net prior year development	66.1%	50.0%	61.1%		
Loss and loss expense ratio excluding net prior year development, natural catastrophe losses and reinstatement premium	61.9%	50.0%	58.2%		

### Notes :

- Corporate and Other includes the Company's run-off Life operations.
- The company's results for the three months ended June 30, 2015 include those of Catlin from May 1, 2015.
- Operating expenses exclude corporate operating expenses, shown separately.
- On May 1, 2014, our wholly-owned subsidiary XLIB, entered into a sale and purchase agreement with GreyCastle providing for the sale of 100% of the common shares of XLIB's wholly-owned subsidiary XLLR for \$570 million in cash. This transaction was completed on May 30, 2014. As a result of the transaction, we have ceded the majority of our life reinsurance business to XLLR via the Life Retrocession Arrangements. The Life Funds Withheld Assets are included within "Total investments available for sale" and "Fixed maturities, trading at fair value" on our balance sheet. Investment results for these assets - including interest income, unrealized gains and losses, and gains and losses from sales - are passed directly to the reinsurer pursuant to a contractual arrangement which is accounted for as a derivative.
- The net investment results from structured products include net investment income and interest expense of \$16.0 million and \$10.6 million, respectively.
- Net fee income and other includes operating expenses of \$12.4 million from the Company's loss prevention consulting services business.
- XL records the income related to the alternative funds and to the private investment and operating fund affiliates on a one-month and three-month lag, respectively.
- Interest expense excludes interest expense related to deposit liabilities recorded in the Insurance and Reinsurance segments.
- Natural catastrophe losses include Chile Flooding, Storm Niklas, and Sydney Hailstorm.



## SEGMENT INFORMATION FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2014

(U.S. dollars in thousands, except ratios)

(Unaudited)  
(Note 1)

	INSURANCE	REINSURANCE	TOTAL P&C	CORPORATE AND OTHER (Note 2)	TOTAL
Gross premiums written	\$ 1,324,418	\$ 276,284	\$ 1,600,702	\$ 83,496	\$ 1,684,198
Net premiums written	956,185	258,061	1,214,246	19,739	1,233,985
Net premiums earned	1,018,416	435,257	1,453,673	19,739	1,473,412
Net losses and loss expenses incurred	(650,256)	(209,332)	(859,588)	(20,101)	(879,689)
Acquisition expenses	(95,992)	(84,800)	(180,792)	(2,090)	(182,882)
Operating expenses (Note 3)	(218,281)	(50,637)	(268,918)	(2,785)	(271,703)
Underwriting (loss) profit	<u>\$ 53,887</u>	<u>\$ 90,488</u>	<u>\$ 144,375</u>	<u>\$ (5,237)</u>	<u>\$ 139,138</u>
Net investment income - excluding Life Funds Withheld Assets (Note 4)	-	-	141,575	11,552	153,127
Net investment income - Life Funds Withheld Assets (Note 4)	-	-	-	56,474	56,474
Net investment results structured products (Note 5)	3,571	1,720	5,291	-	5,291
Net fee income and other (Note 6)	(3,826)	601	(3,225)	167	(3,058)
Net realized gains (losses) on investments sold - excluding Life Funds Withheld Assets, net of tax (Note 4)			9,418	395	9,813
Net realized gains (losses) on investments and net unrealized gains (losses) on investments, Trading - Life Funds Withheld Assets (Note 4)				(5,472)	(5,472)
Net realized and unrealized (gains) losses on life retrocession embedded derivative and derivative instruments - Life Funds Withheld Assets, net of tax (Note 3)				(201,264)	(201,264)
Net realized and unrealized gains (losses) on derivative instruments				5,131	5,131
Net income (loss) from investment fund affiliates and operating affiliates (Note 7)				44,521	44,521
Foreign exchange (gains) losses				(23,348)	(23,348)
Corporate operating expenses				55,322	55,322
<b>Contribution from P&amp;C and Corporate and other</b>			<u>\$ 297,434</u>	<u>\$ (125,707)</u>	<u>\$ 171,727</u>
Interest expense (Note 8)					(31,703)
Non-controlling interests					(37,583)
Income taxes					(30,057)
<b>Net (loss) income attributable to XL Group plc</b>					<u>\$ 72,384</u>
<b>Ratios - P&amp;C operations:</b>					
Loss and loss expense ratio	63.8%	48.1%	59.1%		
Underwriting expense ratio	30.9%	31.1%	31.0%		
Combined ratio	94.7%	79.2%	90.1%		
Total net prior year development	(19,776)	(15,356)	(35,132)		
Natural catastrophe losses (Note 9)	18,419	12,014	30,433		
Reinstatement premium	-	618	618		
Loss and loss expense ratio excluding net prior year development	65.8%	51.6%	61.5%		
Loss and loss expense ratio excluding net prior year development, natural catastrophe losses and reinstatement premium	64.0%	48.9%	59.5%		

**Notes :**

- Certain amounts have been reclassified to conform with the current period presentation.
- Corporate and Other includes the Company's run-off Life operations.
- Operating expenses exclude corporate operating expenses, shown separately.
- On May 1, 2014, our wholly-owned subsidiary XLIB, entered into a sale and purchase agreement with GreyCastle providing for the sale of 100% of the common shares of XLIB's wholly-owned subsidiary XLLR for \$570 million in cash. This transaction was completed on May 30, 2014. As a result of the transaction, we have ceded the majority of our life reinsurance business to XLLR via the Life Retrocession Arrangements. The Life Funds Withheld Assets are included within "Total investments available for sale" and "Fixed maturities, trading at fair value" on our balance sheet. Investment results for these assets - including interest income, unrealized gains and losses, and gains and losses from sales - are passed directly to the reinsurer pursuant to a contractual arrangement which is accounted for as a derivative.
- The net investment results from structured products include net investment income and interest expense of \$16.8 million and \$11.1 million, respectively.
- Net fee income and other includes operating expenses of \$13.8 million from the Company's loss prevention consulting services business.
- XL records the income related to the alternative funds and to the private investment and operating fund affiliates on a one-month and three-month lag, respectively.
- Interest expense excludes interest expense related to deposit liabilities recorded in the Insurance and Reinsurance segments.
- Natural catastrophe losses include the European Hailstorm, Netherlands & Germany heavy rain and flooding, Mexico Hurricane Odile and US Wind & Thunderstorm.

## PREMIUMS BY LINE OF BUSINESS

(U.S. dollars in thousands)  
(Unaudited)  
(Note 1)



	FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2015				FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2014			
	<u>GROSS PREMIUMS WRITTEN</u>				<u>GROSS PREMIUMS WRITTEN</u>			
	Insurance	Reinsurance	Corporate and Other (Note 2)	Total	Insurance	Reinsurance	Corporate and Other (Note 2)	Total
<b>P&amp;C Operations:</b>								
Professional	\$ 444,889	\$ 24,238	\$ -	\$ 469,127	\$ 356,490	\$ 35,797	\$ -	\$ 392,287
Casualty	704,288	101,867	-	806,155	489,069	42,696	-	531,765
Property catastrophe	-	119,241	-	119,241	-	42,232	-	42,232
Property	391,259	160,987	-	552,246	144,214	110,827	-	255,041
Marine, energy, aviation and satellite	-	24,005	-	24,005	-	31,101	-	31,101
Specialty	561,116	-	-	561,116	242,381	-	-	242,381
Other (Note 3)	98,644	28,608	1	127,253	92,264	13,631	-	105,895
<b>Total P&amp;C operations</b>	<b>2,200,196</b>	<b>458,946</b>	<b>1</b>	<b>2,659,143</b>	<b>1,324,418</b>	<b>276,284</b>	<b>-</b>	<b>1,600,702</b>
<b>Corporate and Other :</b>								
Run-Off Life Operations - Annuity	-	-	36,214	36,214	-	-	39,256	39,256
Run-Off Life Operations - Other Life	-	-	43,993	43,993	-	-	44,240	44,240
<b>Total Corporate and Other</b>	<b>-</b>	<b>-</b>	<b>80,207</b>	<b>80,207</b>	<b>-</b>	<b>-</b>	<b>83,496</b>	<b>83,496</b>
<b>Total</b>	<b>\$ 2,200,196</b>	<b>\$ 458,946</b>	<b>\$ 80,208</b>	<b>\$ 2,739,350</b>	<b>\$ 1,324,418</b>	<b>\$ 276,284</b>	<b>\$ 83,496</b>	<b>\$ 1,684,198</b>
	<u>NET PREMIUMS WRITTEN</u>				<u>NET PREMIUMS WRITTEN</u>			
	Insurance	Reinsurance	Corporate and Other (Note 2)	Total	Insurance	Reinsurance	Corporate and Other (Note 2)	Total
<b>P&amp;C Operations:</b>								
Professional	\$ 311,115	\$ 23,788	\$ -	\$ 334,903	\$ 248,775	\$ 35,797	\$ -	\$ 284,572
Casualty	504,659	90,130	-	594,789	312,081	42,726	-	354,807
Property catastrophe	-	103,766	-	103,766	-	36,415	-	36,415
Property	300,185	146,307	-	446,492	125,350	97,346	-	222,696
Marine, energy, aviation and satellite	-	21,825	-	21,825	-	31,120	-	31,120
Specialty	466,573	-	-	466,573	200,123	-	-	200,123
Other (Note 3)	82,030	22,838	-	104,868	69,856	14,657	-	84,513
<b>Total P&amp;C operations</b>	<b>1,664,562</b>	<b>408,654</b>	<b>-</b>	<b>2,073,216</b>	<b>956,185</b>	<b>258,061</b>	<b>-</b>	<b>1,214,246</b>
<b>Corporate and Other :</b>								
Run-Off Life Operations - Annuity	-	-	-	-	-	-	2	2
Run-Off Life Operations - Other Life	-	-	17,812	17,812	-	-	19,737	19,737
<b>Total Corporate and Other</b>	<b>-</b>	<b>-</b>	<b>17,812</b>	<b>17,812</b>	<b>-</b>	<b>-</b>	<b>19,739</b>	<b>19,739</b>
<b>Total</b>	<b>\$ 1,664,562</b>	<b>\$ 408,654</b>	<b>\$ 17,812</b>	<b>\$ 2,091,028</b>	<b>\$ 956,185</b>	<b>\$ 258,061</b>	<b>\$ 19,739</b>	<b>\$ 1,233,985</b>
	<u>NET PREMIUMS EARNED</u>				<u>NET PREMIUMS EARNED</u>			
	Insurance	Reinsurance	Corporate and Other (Note 2)	Total	Insurance	Reinsurance	Corporate and Other (Note 2)	Total
<b>P&amp;C Operations:</b>								
Professional	\$ 299,639	\$ 46,877	\$ -	\$ 346,516	\$ 269,275	\$ 45,221	\$ -	\$ 314,496
Casualty	473,777	141,135	-	614,912	358,505	66,638	-	425,143
Property catastrophe	-	205,337	-	205,337	-	103,813	-	103,813
Property	320,878	271,297	-	592,175	139,663	155,415	-	295,078
Marine, energy, aviation and satellite	-	36,345	-	36,345	-	30,511	-	30,511
Specialty	462,029	-	-	462,029	186,360	-	-	186,360
Other (Note 3)	76,665	71,761	-	148,426	64,613	33,659	-	98,272
<b>Total P&amp;C operations</b>	<b>1,632,988</b>	<b>772,752</b>	<b>-</b>	<b>2,405,740</b>	<b>1,018,416</b>	<b>435,257</b>	<b>-</b>	<b>1,453,673</b>
<b>Corporate and Other :</b>								
Run-Off Life Operations - Annuity	-	-	-	-	-	-	2	2
Run-Off Life Operations - Other Life	-	-	17,812	17,812	-	-	19,737	19,737
<b>Total Corporate and Other</b>	<b>-</b>	<b>-</b>	<b>17,812</b>	<b>17,812</b>	<b>-</b>	<b>-</b>	<b>19,739</b>	<b>19,739</b>
<b>Total</b>	<b>\$ 1,632,988</b>	<b>\$ 772,752</b>	<b>\$ 17,812</b>	<b>\$ 2,423,552</b>	<b>\$ 1,018,416</b>	<b>\$ 435,257</b>	<b>\$ 19,739</b>	<b>\$ 1,473,412</b>

**Notes:**

1. Certain amounts have been reclassified to conform with the current period presentation.
2. Corporate and Other includes the Company's run-off Life operations.
3. Other within the Insurance segment includes: excess and surplus, programs, surety, structured indemnity and certain other discontinued lines. Other within the Reinsurance segment includes: whole account contracts, structured indemnity and other lines.



## INSURANCE SEGMENT

(U.S. dollars in thousands)

(Unaudited)

	Three Months Ended September 30, 2015	Three Months Ended June 30, 2015 (Note 1)	Three Months Ended March 31, 2015	Three Months Ended December 31, 2014	Three Months Ended September 30, 2014	% Change Q3 15 vs. Q2 15	vs. Q3 14
Gross premiums written	\$ 2,200,196	\$ 2,219,444	\$ 1,654,747	\$ 1,462,262	\$ 1,324,418	-0.9%	66.1%
Net premiums written	1,664,562	1,401,772	1,089,108	1,053,719	956,185	18.7%	74.1%
Net premiums earned	1,632,988	1,412,906	962,306	1,011,867	1,018,416	15.6%	60.3%
Net losses incurred	(1,037,727)	(896,370)	(616,947)	(626,032)	(650,256)	15.8%	59.6%
Acquisition expenses	(214,773)	(181,716)	(80,387)	(92,464)	(95,992)	18.2%	NM
Operating expenses (Note 2)	(334,211)	(292,161)	(208,457)	(230,328)	(218,281)	14.4%	53.1%
<b>Underwriting profit (loss)</b>	<b>\$ 46,277</b>	<b>\$ 42,659</b>	<b>\$ 56,515</b>	<b>\$ 63,043</b>	<b>\$ 53,887</b>	8.5%	-14.1%

### RATIOS

Loss and loss expense ratio	63.5%	63.4%	64.1%	61.9%	63.8%
Acquisition expense ratio	13.2%	12.9%	8.4%	9.1%	9.4%
Operating expense ratio	20.5%	20.7%	21.6%	22.8%	21.5%
Combined ratio	97.2%	97.0%	94.1%	93.8%	94.7%
Total net prior year development, strengthening (release)	\$ 7,064	\$ (38,135)	\$ (5,997)	\$ (34,655)	\$ (19,776)
Natural catastrophe losses	7,461	59,892	14,650	17,670	18,419
Reinstatement premium	-	-	-	-	-
Loss and loss expense ratio excluding net prior year development	63.1%	66.1%	64.7%	65.3%	65.8%
Loss and loss expense ratio excluding net prior year development, natural catastrophe losses and reinstatement premium	62.7%	61.9%	63.2%	63.5%	64.0%
Combined ratio excluding net prior year development, natural catastrophe losses and reinstatement premium	96.3%	95.4%	93.2%	95.4%	94.8%
Combined ratio excluding net prior year development, natural catastrophe losses, reinstatement premium and losses from Costa Concordia	NA	NA	NA	NA	96.3%

### Notes:

1. The company's results for the three months ended June 30, 2015 include those of Catlin from May 1, 2015.

2. Operating expenses exclude corporate operating expenses.

NA = Not applicable

NM = Not meaningful



## REINSURANCE SEGMENT

(U.S. dollars in thousands)  
(Unaudited)  
(Note 1)

	Three Months Ended September 30, 2015	Three Months Ended June 30, 2015 (Note 2)	Three Months Ended March 31, 2015	Three Months Ended December 31, 2014	Three Months Ended September 30, 2014	% Change Q3 15 vs. Q2 15	vs. Q3 14
Gross premiums written	\$ 458,946	\$ 782,248	\$ 825,662	\$ 158,358	\$ 276,284	-41.3%	66.1%
Net premiums written	408,654	698,301	747,635	146,378	258,061	-41.5%	58.4%
Net premiums earned	772,752	650,889	357,188	401,294	435,257	18.7%	77.5%
Net losses incurred	(426,558)	(254,825)	(152,880)	(113,388)	(209,332)	67.4%	NM
Acquisition expenses	(189,671)	(158,217)	(71,492)	(77,775)	(84,800)	19.9%	NM
Operating expenses (Note 3)	(88,682)	(71,727)	(42,495)	(54,324)	(50,637)	23.6%	75.1%
<b>Underwriting profit (loss)</b>	<b>\$ 67,841</b>	<b>\$ 166,120</b>	<b>\$ 90,321</b>	<b>\$ 155,807</b>	<b>\$ 90,488</b>	<b>-59.2%</b>	<b>-25.0%</b>
<b>RATIOS</b>							
Loss and loss expense ratio	55.2%	39.2%	42.8%	28.3%	48.1%		
Acquisition expense ratio	24.5%	24.3%	20.0%	19.4%	19.5%		
Operating expense ratio	11.5%	11.0%	11.9%	13.5%	11.6%		
Combined ratio	91.2%	74.5%	74.7%	61.2%	79.2%		
Total net prior year development, strengthening (release)	\$ (35,182)	\$ (70,735)	\$ (42,491)	\$ (62,006)	\$ (15,356)		
Natural catastrophe losses	24,720	-	0	15,842	12,014		
Reinstatement premium	1,350	-	0	1,800	618		
Loss and loss expense ratio excluding net prior year development	59.8%	50.0%	54.7%	43.7%	51.6%		
Loss and loss expense ratio excluding net prior year development, natural catastrophe losses and reinstatement premium	56.7%	50.0%	54.7%	39.9%	48.9%		
Combined ratio excluding net prior year development, natural catastrophe losses and reinstatement premium	92.7%	85.3%	86.6%	73.0%	80.1%		
Combined ratio excluding net prior year development, natural catastrophe losses, reinstatement premium and losses from Costa Concordia	NA	NA	NA	NA	70.8%		

**Notes:**

1. A significant portion of XL's reinsurance business incepts in the first quarter. This should be considered when making certain comparisons of gross and net premiums written.
  2. The company's results for the three months ended June 30, 2015 include those of Catlin from May 1, 2015.
  3. Operating expenses exclude corporate operating expenses.
- NA = Not applicable  
NM = Not meaningful

**SUMMARY OF FINANCIAL IMPACT OF PRIOR YEAR DEVELOPMENT AND NATURAL CATASTROPHES**  
**THREE MONTHS ENDED SEPTEMBER 30, 2015 vs SEPTEMBER 30, 2014**  
(U.S. dollars in thousands)  
(Unaudited)



	FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2015					FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2014				
	Including Cats & PYD	PYD	(Note 1) Excluding PYD but incl. Cats	Cats	Excluding Cats and PYD	Including Cats & PYD	PYD	(Note 2) Excluding PYD but incl. Cats	Cats	Excluding Cats and PYD
<b>INSURANCE</b>										
Gross premiums written	\$ 2,200,196		\$ 2,200,196	-	\$ 2,200,196	\$ 1,324,418		\$ 1,324,418	-	\$ 1,324,418
Net premiums written	1,664,562	-	1,664,562	-	1,664,562	956,185	-	956,185	-	956,185
Net premiums earned	1,632,988	-	1,632,988	-	1,632,988	1,018,416	-	1,018,416	-	1,018,416
Net losses incurred	1,037,727	7,064	1,030,663	7,461	1,023,202	650,256	(19,776)	670,032	18,419	651,613
Acquisition expenses	214,773		214,773	-	214,773	95,992		95,992	-	95,992
Operating expenses	334,211		334,211	-	334,211	218,281		218,281	-	218,281
<b>Underwriting profit / (loss)</b>	<b>\$ 46,277</b>	<b>\$ (7,064)</b>	<b>\$ 53,341</b>	<b>\$ (7,461)</b>	<b>\$ 60,802</b>	<b>\$ 53,887</b>	<b>\$ 19,776</b>	<b>\$ 34,111</b>	<b>\$ (18,419)</b>	<b>\$ 52,530</b>
<b>Loss Ratio</b>	<b>63.5%</b>		<b>63.1%</b>		<b>62.7%</b>	<b>63.8%</b>		<b>65.8%</b>		<b>64.0%</b>
<b>Combined Ratio</b>	<b>97.2%</b>		<b>96.7%</b>		<b>96.3%</b>	<b>94.7%</b>		<b>96.7%</b>		<b>94.8%</b>
<b>REINSURANCE</b>										
Gross premiums written	\$ 458,946		\$ 458,946	1,350	\$ 457,596	\$ 276,284		\$ 276,284	618	\$ 275,666
Net premiums written	408,654	-	408,654	1,350	407,304	258,061	-	258,061	618	257,443
Net premiums earned	772,752	-	772,752	1,350	771,402	435,257	-	435,257	618	434,639
Net losses incurred	426,558	(35,182)	461,740	24,720	437,020	209,332	(15,356)	224,688	12,014	212,674
Acquisition expenses	189,671		189,671	-	189,671	84,800		84,800	-	84,800
Operating expenses	88,682		88,682	-	88,682	50,637		50,637	-	50,637
<b>Underwriting profit / (loss)</b>	<b>\$ 67,841</b>	<b>\$ 35,182</b>	<b>\$ 32,659</b>	<b>\$ (23,370)</b>	<b>\$ 56,029</b>	<b>\$ 90,488</b>	<b>\$ 15,356</b>	<b>\$ 75,132</b>	<b>\$ (11,396)</b>	<b>\$ 86,528</b>
<b>Loss Ratio</b>	<b>55.2%</b>		<b>59.8%</b>		<b>56.7%</b>	<b>48.1%</b>		<b>51.6%</b>		<b>48.9%</b>
<b>Combined Ratio</b>	<b>91.2%</b>		<b>95.8%</b>		<b>92.7%</b>	<b>79.2%</b>		<b>82.7%</b>		<b>80.1%</b>
<b>TOTAL</b>										
Gross premiums written	\$ 2,659,142		\$ 2,659,142	1,350	\$ 2,657,792	\$ 1,600,702		\$ 1,600,702	618	\$ 1,600,084
Net premiums written	2,073,216	-	2,073,216	1,350	2,071,866	1,214,246	-	1,214,246	618	1,213,628
Net premiums earned	2,405,740	-	2,405,740	1,350	2,404,390	1,453,673	-	1,453,673	618	1,453,055
Net losses incurred	1,464,285	(28,118)	1,492,403	32,181	1,460,222	859,588	(35,132)	894,720	30,433	864,287
Acquisition expenses	404,444		404,444	-	404,444	180,792		180,792	-	180,792
Operating expenses	422,893		422,893	-	422,893	268,918		268,918	-	268,918
<b>Underwriting profit / (loss)</b>	<b>\$ 114,118</b>	<b>\$ 28,118</b>	<b>\$ 86,000</b>	<b>\$ (30,831)</b>	<b>\$ 116,831</b>	<b>\$ 144,375</b>	<b>\$ 35,132</b>	<b>\$ 109,243</b>	<b>\$ (29,815)</b>	<b>\$ 139,058</b>
<b>Loss Ratio</b>	<b>60.9%</b>		<b>62.0%</b>		<b>60.7%</b>	<b>59.1%</b>		<b>61.5%</b>		<b>59.5%</b>
<b>Combined Ratio</b>	<b>95.3%</b>		<b>96.4%</b>		<b>95.1%</b>	<b>90.1%</b>		<b>92.5%</b>		<b>90.4%</b>

**Notes:**

- 2015 natural catastrophe losses include US Flooding, Chilean Earthquake, Hail, Wind and US Winter Storms.
- 2014 natural catastrophe losses include European Hailstorm, Netherlands & Germany heavy rain and flooding, Mexico Hurricane Odile and US Wind & Thunderstorm.



## SEGMENT INFORMATION FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2015

(U.S. Dollars in thousands)  
(Unaudited)  
(Note 1)

	INSURANCE	REINSURANCE	TOTAL P&C	CORPORATE AND OTHER (Note 2)	TOTAL
Gross premiums written	\$ 6,074,387	\$ 2,066,856	\$ 8,141,243	\$ 234,602	\$ 8,375,845
Net premiums written	\$ 4,155,442	\$ 1,854,590	\$ 6,010,032	\$ 50,576	\$ 6,060,608
Net premiums earned	\$ 4,008,200	\$ 1,780,829	\$ 5,789,029	\$ 50,576	\$ 5,839,605
Net losses and loss expenses incurred	(2,551,044)	(834,263)	(3,385,307)	(64,047)	(3,449,354)
Acquisition expenses	(476,876)	(419,380)	(896,256)	(8,230)	(904,486)
Operating expenses (Note 3)	(834,829)	(202,904)	(1,037,733)	(846)	(1,038,579)
Underwriting (loss) profit	<u>\$ 145,451</u>	<u>\$ 324,282</u>	<u>\$ 469,733</u>	<u>\$ (22,547)</u>	<u>\$ 447,186</u>
Net investment income - excluding Life Funds Withheld Assets (Note 4)	-	-	435,007	31,295	466,302
Net investment income - Life Funds Withheld Assets (Note 4)	-	-	-	143,869	143,869
Net investment results structured products (Note 5)	9,634	5,085	14,719	-	14,719
Net fee income and other (Note 6)	(14,705)	1,981	(12,724)	432	(12,292)
Net realized gains (losses) on investments sold - excluding Life Funds Withheld Assets, net of tax (Note 4)			9,833	(1,081)	8,752
Net realized gains (losses) on investments and net unrealized gains (losses) on investments, Trading - Life Funds Withheld Assets (Note 4)			-	145,513	145,513
Net realized and unrealized gains (losses) on life retrocession embedded derivative and derivative instruments - Life Funds Withheld Assets (Note 4)				(116,333)	(116,333)
Net realized and unrealized gains (losses) on derivative instruments				57,127	57,127
Net income (loss) from investment fund affiliates and operating affiliates (Note 7)				103,317	103,317
Gain on sale of operating affiliate				340,407	340,407
Foreign exchange (gains) losses				49,425	49,425
Corporate operating expenses				328,930	328,930
<b>Contribution from P&amp;C and Corporate and other</b>			<u><b>\$ 916,568</b></u>	<u><b>\$ 303,644</b></u>	<u><b>\$ 1,220,212</b></u>
Interest expense (Note 9)					(121,317)
Non-controlling interests					(100,158)
Income tax					(20,135)
<b>Net (loss) income attributable to XL Group plc</b>					<u><b>\$ 978,602</b></u>
<b>Ratios - P&amp;C operations:</b>					
Loss and loss expense ratio	63.6%	46.8%	58.5%		
Underwriting expense ratio	32.8%	35.0%	33.4%		
Combined ratio	96.4%	81.8%	91.9%		
Total net prior year development	(37,068)	(148,408)	(185,476)		
Natural catastrophe losses (Note 10)	82,003	24,720	106,723		
Reinstatement premium	-	1,350	1,350		
Loss and loss expense ratio excluding net prior year development	64.6%	55.2%	61.7%		
Loss and loss expense ratio excluding net prior year development, natural catastrophe losses and reinstatement premium	62.5%	53.8%	59.9%		

**Notes :**

- The company's results for the nine months ended September 30, 2015 include those of Catlin from May 1, 2015.
- Corporate and Other includes the Company's run-off Life operations.
- Operating expenses exclude corporate operating expenses, shown separately.
- On May 1, 2014, our wholly-owned subsidiary XLIB, entered into a sale and purchase agreement with GreyCastle providing for the sale of 100% of the common shares of XLIB's wholly-owned subsidiary XLLR for \$570 million in cash. This transaction was completed on May 30, 2014. As a result of the transaction, we have ceded the majority of our life reinsurance business to XLLR via the ("Life Retrocession Arrangements"). The Life Funds Withheld Assets are included within "Total investments available for sale" and "Fixed maturities, trading at fair value" on our balance sheet. Investment results for these assets - including interest income, unrealized gains and losses, and gains and losses from sales - are passed directly to the reinsurer pursuant to a contractual arrangement which is accounted for as a derivative.
- The net investment results from structured products include net investment income and interest expense of \$46.7 million and \$31.7 million, respectively.
- Net fee income and other includes operating expenses of \$35.4 million from the Company's loss prevention consulting services business.
- XL records the income related to the alternative funds and to the private investment and operating fund affiliates on a one-month and three-month lag, respectively.
- Operating expenses includes approximately \$48.5 million of deal related costs and \$83.2 million of integration costs resulting from the Catlin acquisition. See pages 6 - 8 for split of segment and corporate operating expenses. See pages 15 - 16 for split of segment and corporate operating
- Interest expense includes approximately \$14.5 million in bridge financing costs related to the Catlin acquisition and excludes interest expense related to deposit liabilities recorded in the Insurance and Reinsurance segments.
- Natural Catastrophe losses include US Winterstorms, Chilean Earthquake, Chile Flooding, Storm Niklas, Sydney Hailstorm, Tropical Cyclone Marcia and US Storms.

## SEGMENT INFORMATION FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2014

(U.S. Dollars in thousands)

(Unaudited)  
(Note 1)



	INSURANCE	REINSURANCE	TOTAL P&C	CORPORATE AND OTHER (Note 2)	TOTAL
Gross premiums written	\$ 4,513,749	\$ 1,627,121	\$ 6,140,870	\$ 254,503	\$ 6,395,373
Net premiums written	\$ 3,080,432	\$ 1,486,680	\$ 4,567,112	\$ 154,568	\$ 4,721,680
Net premiums earned	\$ 3,014,846	\$ 1,289,431	\$ 4,304,277	\$ 154,568	\$ 4,458,845
Net losses and loss expenses incurred	(1,917,076)	(601,897)	(2,518,973)	(218,987)	(2,737,960)
Acquisition expenses	(300,855)	(252,909)	(553,764)	(13,151)	(566,915)
Operating expenses (Note 3)	(635,264)	(139,080)	(774,344)	(8,182)	(782,526)
Underwriting (loss) profit	<u>\$ 161,651</u>	<u>\$ 295,545</u>	<u>\$ 457,196</u>	<u>\$ (85,752)</u>	<u>\$ 371,444</u>
Net investment income - excluding Life Funds Withheld Assets (Note 4)	-	-	429,657	134,562	564,219
Net investment income - Life Funds Withheld Assets (Note 4)	-	-	-	75,639	75,639
Net investment results structured products (Note 5)	40,106	8,023	48,129	-	48,129
Net fee income and other (Note 6)	(8,605)	1,938	(6,667)	257	(6,410)
Net realized gains (losses) on investments sold - excluding Life Funds Withheld Assets, net of tax (Note 4)			105,589	4,297	109,886
Net realized gains (losses) on investments and net unrealized gains (losses) on investments, Trading - Life Funds Withheld Assets (Note 4)				(13,619)	(13,619)
Net realized and unrealized gains (losses) on life retrocession embedded derivative and derivative instruments - Life Funds Withheld Assets (Note 4)				(218,810)	(218,810)
Net realized and unrealized gains (losses) on derivative instruments				18,540	18,540
Net income (loss) from investment fund affiliates and operating affiliates (Note 7)				169,530	169,530
Foreign exchange (gains) losses				8,234	8,234
Corporate operating expenses				163,155	163,155
Loss on sale of life reinsurance subsidiary (Note 4)				666,423	666,423
<b>Contribution from P&amp;C and Corporate and other</b>			<u>\$ 1,033,904</u>	<u>\$ (753,168)</u>	<u>\$ 280,736</u>
Interest expense (Note 8)					(96,147)
Non-controlling interests					(77,024)
Income taxes					(58,724)
<b>Net (loss) income attributable to XL Group plc</b>					<u>\$ 48,841</u>
<b>Ratios - P&amp;C operations:</b>					
Loss and loss expense ratio	63.6%	46.7%	58.5%		
Underwriting expense ratio	31.0%	30.4%	30.9%		
Combined ratio	94.6%	77.1%	89.4%		
Total net prior year development	(65,103)	(93,308)	(158,411)		
Natural catastrophe losses (Note 9)	50,581	33,640	84,221		
Reinstatement premium	-	2,584	2,584		
Loss and loss expense ratio excluding net prior year development	65.7%	53.9%	62.2%		
Loss and loss expense ratio excluding net prior year development, natural catastrophe losses and reinstatement premium	64.1%	51.4%	60.3%		

**Notes :**

- Certain amounts have been reclassified to conform with the current period presentation.
- Corporate and Other includes the Company's run-off Life operations.
- Operating expenses exclude corporate operating expenses, shown separately.
- On May 1, 2014, our wholly-owned subsidiary XLIB, entered into a sale and purchase agreement with GreyCastle providing for the sale of 100% of the common shares of XLIB's wholly-owned subsidiary XLLR for \$570 million in cash. This transaction was completed on May 30, 2014. As a result of the transaction, we have ceded the majority of our life reinsurance business to XLLR via the ("Life Retrocession Arrangements"). The Life Funds Withheld Assets are included within "Total investments available for sale" and "Fixed maturities, trading at fair value" on our balance sheet. Investment results for these assets - including interest income, unrealized gains and losses, and gains and losses from sales - are passed directly to the reinsurer pursuant to a contractual arrangement which is accounted for as a derivative.
- The net investment results from structured products include net investment income and interest expense of \$52.5 million and \$3.7 million, respectively.
- Net fee income and other includes operating expenses of \$38.4 million from the Company's loss prevention consulting services business.
- XL records the income related to the alternative funds and to the private investment and operating fund affiliates on a one-month and three-month lag, respectively.
- Interest expense excludes interest expense related to deposit liabilities recorded in the Insurance and Reinsurance segments.
- Natural catastrophe losses include the US and Canada Storm, Korea Snow Storm, European Hailstorm, Netherlands & Germany Heavy Rain and Flooding, Mexico Hurricane Odile and US Wind & Thunderstorm.



## PREMIUMS BY LINE OF BUSINESS

(U.S. Dollars in thousands)  
(Unaudited)  
(Note 1)



	FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2015				FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2014			
	<u>GROSS PREMIUMS WRITTEN</u>				<u>GROSS PREMIUMS WRITTEN</u>			
	(Note 2)							
	Insurance	Reinsurance	Corporate and Other (Note 3)	Total	Insurance	Reinsurance	Corporate and Other (Note 3)	Total
<b>P&amp;C Operations:</b>								
Professional	\$ 1,248,735	\$ 127,646	\$ -	\$ 1,376,381	\$ 1,095,808	\$ 120,073	\$ -	\$ 1,215,881
Casualty	2,039,794	327,644	-	2,367,438	1,682,487	241,956	-	1,924,443
Property catastrophe	-	598,712	-	598,712	-	484,589	-	484,589
Property	1,181,762	722,774	-	1,904,536	700,939	522,329	-	1,223,268
Marine, energy, aviation and satellite	-	90,341	-	90,341	-	103,600	-	103,600
Specialty	1,283,440	-	-	1,283,440	744,705	-	-	744,705
Other (Note 4)	320,656	199,739	1	520,396	289,810	154,574	-	444,384
<b>Total P&amp;C operations</b>	<b>6,074,387</b>	<b>2,066,856</b>	<b>1</b>	<b>8,141,244</b>	<b>4,513,749</b>	<b>1,627,121</b>	<b>-</b>	<b>6,140,870</b>
<b>Corporate and Other :</b>								
Run-Off Life Operations - Annuity	-	-	105,076	105,076	-	-	117,856	117,856
Run-Off Life Operations - Other Life	-	-	129,525	129,525	-	-	136,647	136,647
<b>Total Corporate and Other</b>	<b>-</b>	<b>-</b>	<b>234,601</b>	<b>234,601</b>	<b>-</b>	<b>-</b>	<b>254,503</b>	<b>254,503</b>
<b>Total</b>	<b>\$ 6,074,387</b>	<b>\$ 2,066,856</b>	<b>\$ 234,602</b>	<b>\$ 8,375,845</b>	<b>\$ 4,513,749</b>	<b>\$ 1,627,121</b>	<b>\$ 254,503</b>	<b>\$ 6,395,373</b>
	<b>NET PREMIUMS WRITTEN</b>				<b>NET PREMIUMS WRITTEN</b>			
	Insurance	Reinsurance	Corporate and Other (Note 3)	Total	Insurance	Reinsurance	Corporate and Other (Note 3)	Total
<b>P&amp;C Operations:</b>								
Professional	\$ 841,581	\$ 126,995	\$ -	\$ 968,576	\$ 769,430	\$ 120,080	\$ -	\$ 889,510
Casualty	1,313,712	308,114	-	1,621,826	1,140,133	240,156	-	1,380,289
Property catastrophe	-	520,150	-	520,150	-	419,373	-	419,373
Property	753,268	656,003	-	1,409,271	402,397	479,892	-	882,289
Marine, energy, aviation and satellite	-	79,349	-	79,349	-	96,675	-	96,675
Specialty	1,007,778	-	-	1,007,778	552,723	-	-	552,723
Other (Note 4)	239,103	163,979	-	403,082	215,749	130,504	-	346,253
<b>Total P&amp;C operations</b>	<b>4,155,442</b>	<b>1,854,590</b>	<b>-</b>	<b>6,010,032</b>	<b>3,080,432</b>	<b>1,486,680</b>	<b>-</b>	<b>4,567,112</b>
<b>Corporate and Other :</b>								
Run-Off Life Operations - Annuity	-	-	-	-	-	-	53,364	53,364
Run-Off Life Operations - Other Life	-	-	50,576	50,576	-	-	101,204	101,204
<b>Total Corporate and Other</b>	<b>-</b>	<b>-</b>	<b>50,576</b>	<b>50,576</b>	<b>-</b>	<b>-</b>	<b>154,568</b>	<b>154,568</b>
<b>Total</b>	<b>\$ 4,155,442</b>	<b>\$ 1,854,590</b>	<b>\$ 50,576</b>	<b>\$ 6,060,608</b>	<b>\$ 3,080,432</b>	<b>\$ 1,486,680</b>	<b>\$ 154,568</b>	<b>\$ 4,721,680</b>
	<b>NET PREMIUMS EARNED</b>				<b>NET PREMIUMS EARNED</b>			
	Insurance	Reinsurance	Corporate and Other (Note 3)	Total	Insurance	Reinsurance	Corporate and Other (Note 3)	Total
<b>P&amp;C Operations:</b>								
Professional	\$ 852,398	\$ 125,110	\$ -	\$ 977,508	\$ 812,211	\$ 139,564	\$ -	\$ 951,775
Casualty	1,203,584	325,130	-	1,528,714	1,061,499	226,288	-	1,287,787
Property catastrophe	-	462,862	-	462,862	-	324,812	-	324,812
Property	708,275	634,419	-	1,342,694	422,270	432,991	-	855,261
Marine, energy, aviation and satellite	-	86,969	-	86,969	-	75,090	-	75,090
Specialty	1,014,147	-	-	1,014,147	543,217	-	-	543,217
Other (Note 4)	229,796	146,339	-	376,135	175,649	90,686	-	266,335
<b>Total P&amp;C operations</b>	<b>4,008,200</b>	<b>1,780,829</b>	<b>-</b>	<b>5,789,029</b>	<b>3,014,846</b>	<b>1,289,431</b>	<b>-</b>	<b>4,304,277</b>
<b>Corporate and Other :</b>								
Run-Off Life Operations - Annuity	-	-	-	-	-	-	53,363	53,363
Run-Off Life Operations - Other Life	-	-	50,576	50,576	-	-	101,205	101,205
<b>Total Corporate and Other</b>	<b>-</b>	<b>-</b>	<b>50,576</b>	<b>50,576</b>	<b>-</b>	<b>-</b>	<b>154,568</b>	<b>154,568</b>
<b>Total</b>	<b>\$ 4,008,200</b>	<b>\$ 1,780,829</b>	<b>\$ 50,576</b>	<b>\$ 5,839,605</b>	<b>\$ 3,014,846</b>	<b>\$ 1,289,431</b>	<b>\$ 154,568</b>	<b>\$ 4,458,845</b>

**Notes:**

1. Certain amounts have been reclassified to conform with the current period presentation.
2. The company's results for the nine months ended September 30, 2015 include those of Catlin from May 1, 2015.
3. Corporate and Other includes the Company's run-off Life operations.
4. Other within the Insurance segment includes: excess and surplus, programs, surety, structured indemnity and certain other discontinued lines. Other within the Reinsurance segment includes: whole account contracts, structured indemnity and other lines.

**SUMMARY OF FINANCIAL IMPACT OF PRIOR YEAR DEVELOPMENT AND NATURAL CATASTROPHES**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2015 vs SEPTEMBER 30, 2014**  
(U.S. Dollars in thousands)  
(Unaudited)



	FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2015					FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2014				
	Including Cats & PYD	PYD	(Note 1) Excluding PYD but incl. Cats (Note 2)	Cats	Excluding Cats and PYD	Including Cats & PYD	PYD	Excluding PYD but incl. Cats (Note 3)	Cats	Excluding Cats and PYD
<b>INSURANCE</b>										
Gross premiums written	\$ 6,074,387		\$ 6,074,387	-	\$ 6,074,387	\$ 4,513,749		\$ 4,513,749	-	\$ 4,513,749
Net premiums written	4,155,442	-	4,155,442	-	4,155,442	3,080,432	-	3,080,432	-	3,080,432
Net premiums earned	4,008,200	-	4,008,200	-	4,008,200	3,014,846	-	3,014,846	-	3,014,846
Net losses incurred	2,551,044	(37,068)	2,588,112	82,003	2,506,109	1,917,076	(65,103)	1,982,179	50,581	1,931,598
Acquisition expenses	476,876		476,876	-	476,876	300,855		300,855	-	300,855
Operating expenses	834,829		834,829	-	834,829	635,264		635,264	-	635,264
<b>Underwriting profit / (loss)</b>	<b>\$ 145,451</b>	<b>\$ 37,068</b>	<b>\$ 108,383</b>	<b>\$ (82,003)</b>	<b>\$ 190,386</b>	<b>\$ 161,651</b>	<b>\$ 65,103</b>	<b>\$ 96,548</b>	<b>\$ (50,581)</b>	<b>\$ 147,129</b>
<b>Loss Ratio</b>	<b>63.6%</b>		<b>64.6%</b>		<b>62.5%</b>	<b>63.6%</b>		<b>65.7%</b>		<b>64.1%</b>
<b>Combined Ratio</b>	<b>96.4%</b>		<b>97.3%</b>		<b>95.3%</b>	<b>94.6%</b>		<b>96.8%</b>		<b>95.1%</b>
<b>REINSURANCE</b>										
Gross premiums written	\$ 2,066,856		\$ 2,066,856	1,350	\$ 2,065,506	\$ 1,627,121		\$ 1,627,121	2,584	\$ 1,624,537
Net premiums written	1,854,590	-	1,854,590	1,350	1,853,240	1,486,680	-	1,486,680	2,584	1,484,096
Net premiums earned	1,780,829	-	1,780,829	1,350	1,779,479	1,289,431	-	1,289,431	2,584	1,286,847
Net losses incurred	834,263	(148,408)	982,671	24,720	957,951	601,897	(93,308)	695,205	33,640	661,565
Acquisition expenses	419,380		419,380	-	419,380	252,909		252,909	-	252,909
Operating expenses	202,904		202,904	-	202,904	139,080		139,080	-	139,080
<b>Underwriting profit / (loss)</b>	<b>\$ 324,282</b>	<b>\$ 148,408</b>	<b>\$ 175,874</b>	<b>\$ (23,370)</b>	<b>\$ 199,244</b>	<b>\$ 295,545</b>	<b>\$ 93,308</b>	<b>\$ 202,237</b>	<b>\$ (31,056)</b>	<b>\$ 233,293</b>
<b>Loss Ratio</b>	<b>46.8%</b>		<b>55.2%</b>		<b>53.8%</b>	<b>46.7%</b>		<b>53.9%</b>		<b>51.4%</b>
<b>Combined Ratio</b>	<b>81.8%</b>		<b>90.1%</b>		<b>88.8%</b>	<b>77.1%</b>		<b>84.3%</b>		<b>81.9%</b>
<b>TOTAL</b>										
Gross premiums written	\$ 8,141,243		\$ 8,141,243	1,350	\$ 8,139,893	\$ 6,140,870		\$ 6,140,870	2,584	\$ 6,138,286
Net premiums written	6,010,032	-	6,010,032	1,350	6,008,682	4,567,112	-	4,567,112	2,584	4,564,528
Net premiums earned	5,789,029	-	5,789,029	1,350	5,787,679	4,304,277	-	4,304,277	2,584	4,301,693
Net losses incurred	3,385,307	(185,476)	3,570,783	106,723	3,464,060	2,518,973	(158,411)	2,677,384	84,221	2,593,163
Acquisition expenses	896,256		896,256	-	896,256	553,764		553,764	-	553,764
Operating expenses	1,037,733		1,037,733	-	1,037,733	774,344		774,344	-	774,344
<b>Underwriting profit / (loss)</b>	<b>\$ 469,733</b>	<b>\$ 185,476</b>	<b>\$ 284,257</b>	<b>\$ (105,373)</b>	<b>\$ 389,630</b>	<b>\$ 457,196</b>	<b>\$ 158,411</b>	<b>\$ 298,785</b>	<b>\$ (81,637)</b>	<b>\$ 380,422</b>
<b>Loss Ratio</b>	<b>58.5%</b>		<b>61.7%</b>		<b>59.9%</b>	<b>58.5%</b>		<b>62.2%</b>		<b>60.3%</b>
<b>Combined Ratio</b>	<b>91.9%</b>		<b>95.1%</b>		<b>93.3%</b>	<b>89.4%</b>		<b>93.1%</b>		<b>91.2%</b>

**Notes:**

1. The company's results for the nine months ended September 30, 2015 include those of Catlin from May 1, 2015.
2. 2015 natural catastrophe losses include US Winterstorms, Chilean Earthquake, Chile Flooding, Storm Niklas, Sydney Hailstorm, Tropical Cyclone Marcia and US Storms.
3. 2014 natural catastrophe losses include US and Canada Storm, Korea Snow storm, European Hailstorm, Netherlands & Germany Heavy Rain and Flooding, Mexico Hurricane Odile and US Wind & Thunderstorm.



# **BALANCE SHEETS**

**CONSOLIDATED BALANCE SHEETS**  
(U.S. dollars in thousands, except share and per share amounts)  
(Note 1)



	At September 30, 2015 (Unaudited)	At June 30, 2015 (Unaudited)	At March 31, 2015 (Unaudited)	At December 31, 2014	At September 30, 2014 (Unaudited)
<b>Assets</b>					
Fixed maturities, available for sale at fair value (amortized cost: September 30, 2015, \$32,207,019; December 31, 2014, \$27,728,771)	\$ 33,276,322	\$ 33,767,991	\$ 29,110,400	\$ 29,359,034	\$ 29,806,144
Equity securities, at fair value (cost: September 30, 2015, \$984,192; December 31, 2014, \$763,833)	969,706	1,073,470	783,471	868,292	960,368
Short-term investments, at fair value (amortized cost: September 30, 2015, \$545,979; December 31, 2014, \$257,221)	546,020	807,486	168,862	256,727	281,887
Total investments available for sale	34,792,048	35,648,947	30,062,733	30,484,053	31,048,399
Fixed maturities, at fair value (amortized cost: September 30, 2015, \$933,872; December 31, 2014, \$1,180)	914,337	748,931	139,377	1,171	-
Short-term investments, at fair value (amortized cost: September 30, 2015, \$70,882,780; December 31, 2014, \$0)	70,886	42,553	-	-	-
Total investments - trading	985,223	791,484	139,377	1,171	-
Investments in affiliates	1,592,841	1,663,852	1,655,394	1,637,620	1,599,586
Other investments	1,676,140	1,743,259	1,328,935	1,248,439	1,277,442
Total investments	39,046,252	39,847,542	33,186,439	33,371,283	33,925,427
Cash and cash equivalents	3,340,070	2,840,841	3,209,934	2,521,814	2,353,734
Restricted cash	147,810	135,638	-	-	-
Accrued investment income	311,679	312,856	278,714	315,964	330,149
Deferred acquisition costs and value of business acquired	1,036,260	1,121,362	417,275	354,533	420,953
Ceded unearned premiums	2,088,569	2,433,462	1,078,575	952,525	1,025,054
Premiums receivable	5,257,588	5,933,368	2,898,739	2,473,736	2,801,683
Reinsurance balances receivable	425,521	371,807	118,384	131,519	166,280
Unpaid losses and loss expenses recoverable	5,197,577	5,155,612	3,529,331	3,429,368	3,431,137
Net receivable from investments sold	95,571	118,415	19,627	92,762	26,846
Goodwill and other intangible assets	2,213,688	2,205,911	442,431	447,952	450,411
Deferred tax assets	252,492	204,155	192,286	204,491	209,334
Other assets	1,003,446	1,069,737	708,821	750,872	768,748
<b>Total assets</b>	<b>\$ 60,416,523</b>	<b>\$ 61,750,706</b>	<b>\$ 46,080,556</b>	<b>\$ 45,046,819</b>	<b>\$ 45,909,756</b>
<b>Liabilities</b>					
Unpaid losses and loss expenses	\$ 25,789,541	\$ 25,840,381	\$ 18,965,264	\$ 19,353,243	\$ 19,936,982
Deposit liabilities	1,194,815	1,212,206	1,211,203	1,245,367	1,242,696
Future policy benefit reserves	4,323,748	4,494,886	4,375,863	4,707,199	4,965,907
Funds withheld liability on Life Retrocession Arrangements, net of future policy benefit reserves recoverable (Note 2)	930,834	915,116	1,138,652	1,155,016	914,773
Unearned premiums	7,840,331	8,548,841	4,532,022	3,973,132	4,301,271
Notes payable and debt	2,726,917	2,726,455	2,643,561	1,662,580	1,662,206
Reinsurance balances payable	2,295,890	2,494,201	558,952	493,230	608,188
Net payable for investments purchased	154,342	149,249	75,145	42,291	85,312
Deferred tax liabilities	126,130	144,044	66,115	66,246	65,320
Other liabilities	1,133,467	1,020,222	867,356	912,749	906,327
<b>Total liabilities</b>	<b>\$ 46,516,015</b>	<b>\$ 47,545,601</b>	<b>\$ 34,434,133</b>	<b>\$ 33,611,053</b>	<b>\$ 34,688,982</b>
<b>Commitments and contingencies</b>					
<b>Shareholders' equity</b>					
Ordinary shares, 999,990,000 authorized, par value \$0.01; issued and outstanding (September 30, 2015, 299,317,344; December 31, 2014, 255,182,955)	\$ 2,993	\$ 3,039	\$ 2,567	\$ 2,552	\$ 2,602
Additional paid in capital	9,036,407	9,153,868	7,361,138	7,359,102	7,490,875
Accumulated other comprehensive income (loss)	955,082	1,076,174	1,705,170	1,484,458	1,231,929
Retained earnings (deficit)	1,943,747	2,014,217	1,175,182	1,187,639	1,115,648
Shareholders' equity attributable to XL Group plc	11,938,229	12,247,298	10,244,057	10,033,751	9,841,054
Non-controlling interest in equity of consolidated subsidiaries	1,962,279	1,957,807	1,402,366	1,402,015	1,379,720
<b>Total shareholders' equity</b>	<b>\$ 13,900,508</b>	<b>\$ 14,205,105</b>	<b>\$ 11,646,423</b>	<b>\$ 11,435,766</b>	<b>\$ 11,220,774</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 60,416,523</b>	<b>\$ 61,750,706</b>	<b>\$ 46,080,556</b>	<b>\$ 45,046,819</b>	<b>\$ 45,909,756</b>

**Notes:**

- Certain amounts have been reclassified to conform with the current period presentation.
- On May 1, 2014, our wholly-owned subsidiary XLIB, entered into a sale and purchase agreement with GreyCastle providing for the sale of 100% of the common shares of XLIB's wholly-owned subsidiary XLLR for \$570 million in cash. This transaction was completed on May 30, 2014. As a result of the transaction, we have ceded the majority of our life reinsurance business to XLLR via the Life Retrocession Arrangements. The Life Funds Withheld Assets are included within "Total investments available for sale" and "Fixed maturities, trading at fair value" on our balance sheet. Investment results for these assets - including interest income, unrealized gains and losses, and gains and losses from sales - are passed directly to the reinsurer pursuant to a contractual arrangement which is accounted for as a derivative.

## SUPPLEMENTARY CAPITAL INFORMATION

(U.S. dollars in millions)  
(Notes 1, 2 and 3)



		At September 30, 2015 In Use (Unaudited)	June 30, 2015 In Use (Unaudited)	At March 31, 2015 In Use (Unaudited)	At December 31, 2014 In Use	At September 30, 2014 In Use (Unaudited)
<u>Maturity</u>	<u>Commitment</u>					
<b>Debt</b>						
5.25% Senior Notes (Note 4)	2014	-	-	-	-	-
2.30% Senior Notes	2018	300	298	298	297	297
5.75% Senior Notes	2021	400	397	397	397	397
6.375% Senior Notes	2024	350	349	349	349	349
4.45% Subordinated Notes	2025	500	492	492	-	-
6.25% Senior Notes (Note 5)	2027	325	323	323	323	323
Variable Rate Note, face amount €7m (Notes 5 and 6)	2035	8	7	7	-	-
Variable Rate Note, face amount \$27m (Note 6)	2036	27	25	25	-	-
Variable Rate Note, face amount \$31m (Note 6)	2036	31	29	29	-	-
Variable Rate Note, face amount \$10m (Note 6)	2036	10	9	9	-	-
Variable Rate Note, face amount €11m (Note 6)	2036	12	12	11	-	-
5.25% Senior Notes	2043	300	296	296	296	296
5.5% Subordinated Notes	2045	500	488	488	-	-
<b>Total debt</b>		<b>\$ 2,763</b>	<b>\$ 2,725</b>	<b>\$ 2,724</b>	<b>\$ 1,662</b>	<b>\$ 1,662</b>
Adjustment to carrying value - impact of fair value hedges and other			2	2	1	0
Total debt per consolidated balance sheet		<b>\$ 2,727</b>	<b>\$ 2,726</b>	<b>\$ 2,644</b>	<b>\$ 1,663</b>	<b>\$ 1,662</b>
<b>Shareholders' Capital</b>						
Ordinary shares - capital and surplus		\$ 9,039	\$ 9,157	\$ 7,364	\$ 7,362	\$ 7,493
Non-controlling interest in equity of consolidated subsidiaries		1,962	1,958	1,402	1,402	1,380
Other		2,899	3,090	2,880	2,672	2,348
<b>Total shareholders' capital</b>		<b>\$ 13,901</b>	<b>\$ 14,205</b>	<b>\$ 11,646</b>	<b>\$ 11,436</b>	<b>\$ 11,221</b>
<b>Total capital (total debt plus total shareholders' capital)</b>		<b>\$ 16,626</b>	<b>\$ 16,929</b>	<b>\$ 14,289</b>	<b>\$ 13,098</b>	<b>\$ 12,883</b>
<b>Debt to total capital</b>			16.4%	16.1%	18.5%	12.7%
						12.9%

**Notes:**

- Certain amounts have been reclassified to conform with the current period presentation.
- "In Use" data represents accreted values.
- Excluded from the table are revolving credit facilities of \$1.5 billion at September 30, 2015, \$1.7 billion at June 30, 2015, \$1.6 billion at each of March 31, 2015, December 31, 2014 and September 31, 2014. The amounts utilized under these facilities to issue letters of credit were \$467.9 million at September 2015, \$667.9 million at June 30, 2015, \$598.2 million at March 31, 2015, \$606.1 million at December 31, 2014 and \$575.0 million at September 30, 2014, thus leaving \$1.0 billion at the end of each of September 30, 2015, June 30, 2015, March 31, 2015 and September 31, 2014 and \$968.9 million at December 31, 2014.
- On September 15, 2014, the \$600 million principal amount outstanding on the 5.25% Senior Notes issued by XLIT Ltd. was repaid at maturity.
- Updated on December 22, 2015. This schedule as previously published included an incorrect maturity date of 2035 for the 6.25% senior notes and 2036 for the Variable Rate Note, face amount €7m and has been updated to reflect the correct maturity dates of 2027 and 2035, respectively.
- These subordinated notes were acquired as a result of the combination of Catlin.

## RECOVERABLE AND REINSURANCE BALANCES RECEIVABLE BY REINSURER

(U.S. dollars in thousands)



	At September 30, 2015 (Unaudited)	At June 30, 2015 (Unaudited)	At March 31, 2015 (Unaudited)	At December 31, 2014	At September 30, 2014 (Unaudited)
Unpaid losses and loss expenses recoverable	\$ 5,197,577	\$ 5,155,612	\$ 3,529,331	\$ 3,429,368	\$ 3,431,137
Reinsurance balances receivable	425,521	371,807	118,384	131,519	166,280
Total recoverable and reinsurance balances receivable (Note 1)	<u>\$ 5,623,098</u>	<u>\$ 5,527,419</u>	<u>\$ 3,647,715</u>	<u>\$ 3,560,887</u>	<u>\$ 3,597,417</u>

The following is an analysis at June 30, 2015 of reinsurers owing more than 3% of the total recoverable and reinsurance balances receivable:

Name of reinsurer	Standard and Poor's Rating	% of Total
GreyCastle Life Reinsurance (SAC) Ltd.	AA/Stable	34.0%
Munich Reinsurance Co.	AA-/Stable	16.6%
Lloyd's Syndicates	A+/Stable	6.6%
Swiss Reinsurance Co.	AA-/Stable	4.1%

"AAA" : Extremely strong capacity to meet its financial commitments, "+" indicating the high end of the main rating and "-" indicating the low end of the main rating. "AAA" is the highest out of nine main ratings.

"AA" : Very strong capacity to meet its financial commitments, "+" indicating the high end of the main rating and "-" indicating the low end of the main rating. "AA" is the second highest out of nine main ratings.

"A" : Strong capacity to meet its financial commitments, "+" indicating the high end of the main rating and "-" indicating the low end of the main rating. "A" is the third highest out of nine main ratings.

**Notes:**

1. XL had a reserve for potential non-recoveries from reinsurers of \$59.7 million at September 30, 2015, \$62.1 million at June 30, 2015, \$54.2 million at March 31, 2015, \$64.4 million at December 31, 2014 and \$74.9 million at September 30, 2014.



# LOSS ANALYSIS

# ANALYSIS OF LOSSES AND LOSS EXPENSES INCURRED

(U.S. dollars in millions)

(Unaudited)



## P&C OPERATIONS

	For the three months ended September 30, 2015				For the nine months ended September 30, 2015			
	GROSS	RECOVERIES	NET	Paid to incurred %	GROSS	RECOVERIES	NET	Paid to incurred %
Paid	\$ 1,796	\$ (482)	\$ 1,314	89.7%	\$ 4,559	\$ (833)	\$ 3,726	110.1%
Change in unpaid loss reserves	173	(22)	151		26	(367)	(341)	
Included losses	\$ 1,969	\$ (504)	\$ 1,465		\$ 4,585	\$ (1,200)	\$ 3,385	
Prior year development (PYD)			\$ (28)				\$ (185)	
Included losses excluding PYD			1,493	88.0%			3,570	104.4%

  

	For the three months ended June 30, 2015				For the six months ended June 30, 2015			
	GROSS	RECOVERIES	NET	Paid to incurred %	GROSS	RECOVERIES	NET	Paid to incurred %
Paid	\$ 1,799	\$ (221)	\$ 1,578	137.1%	\$ 2,765	\$ (351)	\$ 2,414	125.7%
Change in unpaid loss reserves	(232)	(195)	(427)		(148)	(345)	(493)	
Included losses	\$ 1,567	\$ (416)	\$ 1,151		\$ 2,617	\$ (696)	\$ 1,921	
PYD			\$ (109)				\$ (157)	
Included losses excluding PYD			1,260	125.2%			2,078	116.2%

  

	For the three months ended September 30, 2014				For the nine months ended September 30, 2014			
	GROSS	RECOVERIES	NET	Paid to incurred %	GROSS	RECOVERIES	NET	Paid to incurred %
Paid	\$ 1,089	\$ (144)	\$ 945	110.0%	\$ 3,237	\$ (476)	\$ 2,761	109.6%
Change in unpaid loss reserves	22	(108)	(86)		(220)	(22)	(242)	
Included losses	\$ 1,111	\$ (252)	\$ 859		\$ 3,017	\$ (498)	\$ 2,519	
PYD			\$ (35)				\$ (158)	
Included losses excluding PYD			894	105.7%			2,677	103.1%



## ANALYSIS OF UNPAID LOSSES AND LOSS EXPENSES

(U.S. dollars in millions)



### P&C OPERATIONS

	At September 30, 2015 (Unaudited)			At December 31, 2014		
	GROSS	RECOVERIES	NET	GROSS	RECOVERIES	NET
Outstanding loss reserves	\$ 10,222	\$ (1,742)	\$ 8,480	\$ 7,461	\$ (1,116)	\$ 6,345
Incurred but not reported reserves	15,404	(3,419)	11,985	11,892	(2,295)	9,597
Fair value adjustments recoverable	\$ 164	(23)	\$ 141	\$ -	-	-
Unpaid losses and loss expense reserves	<u>\$ 25,790</u>	<u>\$ (5,184)</u>	<u>\$ 20,606</u>	<u>\$ 19,353</u>	<u>\$ (3,411)</u>	<u>\$ 15,942</u>
	<b>GROSS</b>	<b>RECOVERIES</b>	<b>NET</b>			
Balance at December 31, 2014	\$ 19,353	\$ (3,411)	\$ 15,942			
Losses and loss expenses incurred	4,585	(1,200)	3,385			
Loss and loss expenses paid	(4,560)	833	(3,727)			
Acquired Reserves	6,933	(1,493)	5,440			
Foreign exchange revaluation and other	(521)	87	(434)			
Balance at September 30, 2015 (Unaudited)	<u>\$ 25,790</u>	<u>\$ (5,184)</u>	<u>\$ 20,606</u>			



# INVESTMENT PORTFOLIO INFORMATION

## SCHEDULE 1 - SUMMARY INVESTMENT PORTFOLIO

### CONSOLIDATED

(U.S. dollars in millions)  
(Unaudited)

	September 30, 2015		June 30, 2015 (Note 1)		March 31, 2015		December 31, 2014		September 30, 2014	
	Fair Value	% of Total	Fair Value	% of Total	Fair Value	% of Total	Fair Value	% of Total	Fair Value	% of Total
<b>INVESTMENT PORTFOLIO</b>										
<b>Fixed Income Portfolio (excluding Life Funds Withheld Assets)</b>										
U.S. Government Related and Supported (Schedule 4)	\$ 7,145	19.7%	\$ 6,581	18.1%	\$ 5,419	17.9%	\$ 4,266	14.2%	\$ 4,177	13.8%
U.S. Treasuries	3,516	9.7%	3,350	9.2%	3,169	10.5%	1,976	6.6%	1,921	6.4%
U.S. Agencies	251	0.7%	265	0.7%	244	0.8%	237	0.8%	241	0.8%
U.S. Municipals	2,691	7.4%	2,436	6.7%	1,999	6.6%	2,046	6.8%	2,007	6.6%
U.S. Government Guarantee	687	1.9%	530	1.5%	7	0.0%	7	0.0%	8	0.0%
Non-U.S. Government Related and Supported (Schedule 4)	5,385	14.9%	5,671	15.4%	4,240	14.1%	4,458	14.9%	4,437	14.6%
Corporate (Schedule 5)	10,190	28.2%	10,342	28.4%	8,243	27.4%	8,892	29.8%	9,553	31.6%
Financials	3,140	8.7%	3,201	8.8%	2,444	8.1%	2,803	9.4%	2,964	9.8%
Non-Financials	7,050	19.5%	7,141	19.6%	5,799	19.3%	6,089	20.4%	6,589	21.8%
Mortgage Backed Securities	5,154	14.3%	5,282	14.5%	5,143	17.1%	5,228	17.5%	4,890	16.3%
Agency RMBS (Schedule 6)	3,935	10.9%	3,967	10.9%	3,723	12.4%	3,740	12.5%	3,346	11.1%
Non-Agency RMBS (Schedule 6)	366	1.0%	375	1.0%	383	1.3%	431	1.4%	440	1.5%
CMBS (Schedule 7)	853	2.4%	940	2.6%	1,037	3.4%	1,057	3.6%	1,104	3.7%
Asset Backed Securities (Schedule 8 & 9)	2,488	6.9%	2,882	8.0%	1,681	5.6%	1,775	5.9%	1,909	6.3%
CDOs (Schedule 8)	411	1.1%	495	1.4%	502	1.7%	694	2.3%	748	2.5%
Consumer ABS (Schedule 9)	865	2.4%	1,017	2.8%	505	1.7%	340	1.1%	345	1.1%
Other ABS (Schedule 9)	1,212	3.4%	1,370	3.8%	674	2.2%	741	2.5%	816	2.7%
Cash and Equivalents (net of payables/receivables)	1,547	4.3%	1,231	3.4%	1,616	5.4%	1,511	5.1%	1,416	4.7%
<b>Total Fixed Income - Investments (Schedule 2 &amp; 3) (Note 2)</b>	<b>\$ 31,909</b>	<b>88.3%</b>	<b>\$ 31,989</b>	<b>87.8%</b>	<b>\$ 26,342</b>	<b>87.5%</b>	<b>\$ 26,130</b>	<b>87.4%</b>	<b>\$ 26,382</b>	<b>87.3%</b>
<b>Equity Securities</b>										
Public Equities	969	2.7%	1,073	2.9%	782	2.6%	789	2.6%	875	2.9%
Fixed Income Funds	1	0.0%	1	0.0%	1	0.0%	79	0.3%	85	0.3%
<b>Total Equity Securities</b>	<b>\$ 970</b>	<b>2.7%</b>	<b>\$ 1,073</b>	<b>2.9%</b>	<b>\$ 783</b>	<b>2.6%</b>	<b>\$ 868</b>	<b>2.9%</b>	<b>\$ 960</b>	<b>3.2%</b>
<b>Investments in Affiliates</b>										
Alternative Funds	1,040	2.9%	1,024	2.8%	1,018	3.4%	1,023	3.5%	1,003	3.3%
Private Investments	293	0.8%	340	0.9%	205	0.7%	196	0.7%	186	0.6%
Investment Manager Affiliates	102	0.3%	101	0.3%	94	0.3%	101	0.3%	109	0.4%
Strategic Operating Affiliates	157	0.4%	199	0.5%	339	1.1%	317	1.1%	302	1.0%
<b>Total Investments in Affiliates</b>	<b>\$ 1,592</b>	<b>4.4%</b>	<b>\$ 1,664</b>	<b>4.5%</b>	<b>\$ 1,655</b>	<b>5.5%</b>	<b>\$ 1,638</b>	<b>5.6%</b>	<b>\$ 1,600</b>	<b>5.3%</b>
<b>Other Investments</b>										
Alternative Funds	690	1.9%	728	2.0%	710	2.4%	641	2.1%	677	2.2%
Private Investments	232	0.6%	206	0.6%	136	0.4%	129	0.4%	115	0.4%
Fixed Income and Other	754	2.1%	809	2.2%	483	1.6%	478	1.6%	485	1.6%
<b>Total Other Investments</b>	<b>\$ 1,676</b>	<b>4.6%</b>	<b>\$ 1,743</b>	<b>4.8%</b>	<b>\$ 1,329</b>	<b>4.4%</b>	<b>\$ 1,248</b>	<b>4.1%</b>	<b>\$ 1,277</b>	<b>4.2%</b>
<b>TOTAL INVESTMENTS</b>	<b>\$ 36,147</b>	<b>100.0%</b>	<b>\$ 36,469</b>	<b>100.0%</b>	<b>\$ 30,109</b>	<b>100.0%</b>	<b>\$ 29,884</b>	<b>100.0%</b>	<b>\$ 30,219</b>	<b>100.0%</b>
Operating cash and Short-Term Treasury Deposits (Note 3)	1,812		1,664		1,432		948		839	
<b>TOTAL INVESTMENTS AND OPERATING CASH</b>	<b>\$ 37,959</b>		<b>\$ 38,133</b>		<b>\$ 31,541</b>		<b>\$ 30,832</b>		<b>\$ 31,058</b>	
<b>Life Funds Withheld Assets (Schedule 12)</b>										
Life Funds Withheld Assets	4,827		4,972		5,079		5,427		5,492	
<b>Total Investments and Operating Cash including Life Funds Withheld Assets</b>	<b>\$ 42,786</b>		<b>\$ 43,106</b>		<b>\$ 36,620</b>		<b>\$ 36,259</b>		<b>\$ 36,550</b>	
<b>FIXED INCOME PORTFOLIO CREDIT QUALITY (excluding Life Funds Withheld Assets):</b>										
AAA	\$ 14,873	46.6%	\$ 14,744	46.1%	\$ 12,781	48.5%	\$ 11,509	44.1%	\$ 11,237	42.6%
AA	7,130	22.3%	7,139	22.4%	4,925	18.7%	5,334	20.4%	5,518	20.9%
A	6,835	21.4%	6,864	21.5%	5,688	21.6%	6,158	23.6%	6,381	24.2%
BBB	2,401	7.6%	2,446	7.6%	2,199	8.4%	2,321	8.9%	2,393	9.1%
BB and Below	596	1.9%	687	2.1%	724	2.7%	793	3.0%	819	3.1%
Not Rated	74	0.2%	109	0.3%	25	0.1%	15	0.0%	34	0.1%
<b>Total Fixed Income - Investments (Note 2)</b>	<b>\$ 31,909</b>	<b>100.0%</b>	<b>\$ 31,989</b>	<b>100.0%</b>	<b>\$ 26,342</b>	<b>100.0%</b>	<b>\$ 26,130</b>	<b>100.0%</b>	<b>\$ 26,382</b>	<b>100.0%</b>
<b>Fixed Income Portfolio Average Credit Quality (excluding Life Funds Withheld Assets) (Note 4)</b>		<b>AA</b>		<b>AA</b>		<b>AA</b>		<b>AA-</b>		<b>AA-</b>

**Notes:**

- The company's results for the three months ended June 30, 2015 include those of Catlin from May 1, 2015.
- "Total Fixed Income - Investments" includes fixed maturities, short-term investments, invested cash & cash equivalents and net (payables) receivables for investments (purchased) sold, and excludes operating cash.
- Summary by core currency: U.S. Dollar denominated \$947m, Sterling denominated \$200m, Euro denominated \$362m and Other denominated \$303m.
- The credit rating for each asset reflected above was principally determined based on the weighted average rating of the individual securities from Standard & Poor's, Moody's Investors Service and Fitch Ratings. For U.S. Treasuries, Agencies and Agency Government Guarantee securities, the average rating remains AAA as only one of the three major rating agencies downgraded the U.S. from AAA to AA+ in 2011.



## SCHEDULE 2 - TOTAL FIXED INCOME PORTFOLIO (EXCLUDING LIFE FUNDS WITHHELD ASSETS)

(U.S. dollars in millions)  
(Unaudited)

**TOTAL FIXED INCOME SECTOR AND RATING ALLOCATION:**

	Fair Value - September 30, 2015										
	AAA	AA	A	BBB	BB and Below	Not Rated	Total	%			
Corporate	\$ 160	\$ 2,179	\$ 5,952	\$ 1,583	\$ 258	\$ 58	\$ 10,190	31.9%			
Agency Structured Credit	3,935	-	-	-	-	-	3,935	12.3%			
Non-Agency Structured Credit	2,858	342	130	70	303	4	3,707	11.6%			
Government Related and Supported	6,812	4,181	753	748	35	1	12,530	39.4%			
Cash and Equivalents (net of payables/receivables)	1,108	428	-	-	-	11	1,547	4.8%			
<b>Total Fixed Income - Investments (Note 1)</b>	<b>\$ 14,873</b>	<b>\$ 7,130</b>	<b>\$ 6,835</b>	<b>\$ 2,401</b>	<b>\$ 596</b>	<b>\$ 74</b>	<b>\$ 31,909</b>	<b>100.0%</b>			
% by Credit Rating	46.6%	22.3%	21.4%	7.6%	1.9%	0.2%	100.0%				
<b>Fixed Income Portfolio Average Credit Quality (excluding Life Funds Withheld Assets) (Note 2)</b>									<b>AA</b>		

- Notes:**
- "Total Fixed Income - Investments" includes fixed maturities, short-term investments, invested cash & cash equivalents and net (payables) receivables for investments (purchased) sold, and excludes operating cash.
  - The credit rating for each asset reflected above was principally determined based on the weighted average rating of the individual securities from Standard & Poor's, Moody's Investors Service and Fitch Ratings. For U.S. Treasuries, Agencies and Agency Government Guarantee securities, the average rating remains AAA as only one of the three major rating agencies downgraded the U.S. from AAA to AA+ in 2011.



## SCHEDULE 3 - FIXED INCOME PORTFOLIO CHARACTERISTICS

(U.S. dollars in millions)  
(Unaudited)

	September 30, 2015				June 30, 2015			
	US Dollar Equivalent Fair Value	Weighted Average Market Yield to Maturity	Pre-Tax Book Yield (Gross)	Duration	US Dollar Equivalent Fair Value	Weighted Average Market Yield to Maturity	Pre-Tax Book Yield (Gross)	Duration
<b>Summary by Core Currency Liabilities</b>								
<b>Total Fixed Income Investments (Note 1) (excluding Life Funds Withheld Assets)</b>								
U.S. dollar denominated	\$ 23,963	2.0%	2.53%	3.6	\$ 23,718	2.0%	2.54%	3.6
Euro denominated	3,589	0.6%	1.36%	3.6	3,608	0.8%	1.44%	3.5
Sterling denominated	2,551	1.8%	2.09%	3.4	2,680	1.7%	2.17%	3.7
Other denominated	1,806	0.9%	2.27%	2.8	1,983	0.9%	2.57%	2.7
<b>TOTAL FIXED INCOME INVESTMENTS</b>	<b>\$ 31,909</b>	<b>1.8%</b>	<b>2.35%</b>	<b>3.5</b>	<b>\$ 31,989</b>	<b>1.8%</b>	<b>2.39%</b>	<b>3.5</b>
Life Funds Withheld Assets Fixed Income Investments (Schedule 12)	4,827	3.2%	4.10%	9.5	4,972	2.6%	4.30%	9.5
<b>Total Fixed Income Investments including Life Funds Withheld Assets</b>	<b>\$ 36,736</b>	<b>2.0%</b>	<b>2.58%</b>	<b>4.3</b>	<b>\$ 36,961</b>	<b>1.9%</b>	<b>2.65%</b>	<b>4.3</b>
<b>Summary by Maturity (excluding Life Funds Withheld Assets)</b>								
	US Dollar Equivalent Fair Value	%						
Cash and cash equivalents	\$ 1,547	4.8%						
Short term investments	520	1.7%						
0-5 years	13,851	43.4%						
5-10 years	4,992	15.6%						
10+ years	3,356	10.6%						
Asset back and mortgage backed securities	7,642	23.9%						
<b>TOTAL FIXED INCOME INVESTMENTS (Note 1)</b>	<b>\$ 31,909</b>	<b>100.0%</b>						
<b>Summary of estimated total fixed income maturities and paydowns over the next 12 months excluding cash and cash equivalents (excluding Life Funds Withheld Assets)</b>								
	US Dollar Equivalent Fair Value	Pre-Tax Book Yield (Gross)						
U.S. Government Related and Supported	\$ 549	1.44%						
Non U.S. Government Related and Supported	1,159	1.83%						
Corporate	1,220	2.87%						
Mortgage Backed Securities (Note 2)	643	3.13%						
Asset Backed Securities (Note 2)	659	2.35%						
<b>TOTAL</b>	<b>\$ 4,230</b>	<b>2.36%</b>						
<b>Notes:</b>								
1. "Total Fixed Income - Investments" includes fixed maturities, short-term investments, invested cash & cash equivalents and net (payables) receivables for investments (purchased) sold, and excludes operating cash.								
2. Estimated paydowns on Mortgage and Asset Backed securities are generated by a market leading software provider based on deal specific assumptions and by using the actual prepayment rate over the most recent 3 month period to project future paydowns. Actual paydowns may vary materially from estimates.								



## SCHEDULE 4 - GOVERNMENT RELATED AND SUPPORTED (EXCLUDING LIFE FUNDS WITHHELD ASSETS)

(U.S. dollars in millions)  
(Unaudited)

### Schedule 4 - Government Related and Supported (Note 1)

#### Fair Value by Current Rating

	FIXED INCOME CREDIT QUALITY: September 30, 2015					Total	%
	AAA	AA	A	BBB	BB and Below		
<b>U.S. Treasuries</b>	<b>3,516</b>	-	-	-	-	<b>\$ 3,516</b>	<b>28.1%</b>
<b>U.S. Agencies</b>	<b>251</b>	-	-	-	-	<b>251</b>	<b>2.0%</b>
<b>U.S. Municipals (Note 2)</b>	<b>398</b>	<b>1,782</b>	<b>502</b>	<b>2</b>	<b>7</b>	<b>2,691</b>	<b>21.4%</b>
Revenue	137	751	363	1	4	1,256	10.0%
State & Local Government Obligation	107	348	23	1	1	480	3.8%
Pre-Refunded	61	162	24	-	2	249	2.0%
Taxable	93	521	92	-	-	706	5.6%
<b>U.S. Agency Government Guarantee</b>	<b>687</b>	-	-	-	-	<b>687</b>	<b>5.5%</b>
<b>Non-U.S. Government and Government-Related (includes Provincials and Local Authorities)</b>	<b>1,194</b>	<b>2,022</b>	<b>251</b>	<b>739</b>	<b>29</b>	<b>4,235</b>	<b>33.9%</b>
United Kingdom	-	976	-	-	-	976	7.8%
Canada	417	170	7	-	-	594	4.7%
France	-	377	93	-	-	470	3.8%
Netherlands	117	204	2	-	-	323	2.6%
Germany	266	17	8	-	-	291	2.3%
Switzerland	165	45	11	-	-	221	1.8%
Brazil	-	-	-	116	9	125	1.0%
Singapore	102	-	-	-	-	102	0.8%
Norway	34	38	27	-	-	99	0.8%
Indonesia	-	-	-	88	8	96	0.8%
Australia	76	20	-	-	-	96	0.8%
Mexico	-	-	-	94	-	94	0.8%
Colombia	-	-	-	61	-	61	0.5%
Hong Kong	-	55	-	-	-	55	0.4%
Turkey	-	-	-	54	-	54	0.4%
Sweden	4	26	5	17	-	52	0.4%
Slovenia	-	-	-	41	-	41	0.3%
Peru	-	-	-	40	-	40	0.3%
Kazakhstan	-	-	-	39	-	39	0.3%
Chile	-	17	16	5	-	38	0.3%
Panama	-	-	1	34	-	35	0.3%
Belgium	-	17	17	-	-	34	0.3%
Philippines	-	-	-	34	-	34	0.3%
China	-	30	3	1	-	34	0.3%
Spain	-	-	-	30	-	30	0.2%
South Africa	-	-	-	25	3	28	0.2%
Lithuania	-	-	23	-	-	23	0.2%
Austria	-	15	7	-	-	22	0.2%
Others (Individually under \$20 million) (Note 3)	13	15	31	60	9	128	1.0%
<b>Non-U.S. Government Guaranteed</b>	<b>638</b>	<b>145</b>	-	<b>7</b>	-	<b>790</b>	<b>6.3%</b>
Canada	328	-	-	-	-	328	2.6%
Germany	308	-	-	-	-	308	2.5%
United Kingdom	-	75	-	-	-	75	0.6%
France	-	56	-	-	-	56	0.4%
Others (Individually under \$20 million) (Note 3)	2	14	-	7	-	23	0.2%
<b>Supranationals</b>	<b>128</b>	<b>232</b>	-	-	-	<b>360</b>	<b>2.8%</b>
European Financial Stability Facility	-	184	-	-	-	184	1.5%
European Investment Bank	60	-	-	-	-	60	0.5%
European Stability Mechanism	-	48	-	-	-	48	0.4%
International Bank For Reconstruction & Development	26	-	-	-	-	26	0.2%
Others (Individually under \$20 million) (Note 3)	42	-	-	-	-	42	0.2%
<b>Total Government Related and Supported</b>	<b>\$ 6,812</b>	<b>\$ 4,181</b>	<b>\$ 753</b>	<b>\$ 748</b>	<b>\$ 36</b>	<b>\$ 12,530</b>	<b>100.0%</b>
% of Total	54.4%	33.4%	6.0%	6.0%	0.2%	100.0%	



## SCHEDULE 4 (cont'd) - GOVERNMENT RELATED AND SUPPORTED (U.S. Municipals)

(U.S. dollars in millions)

(Unaudited)

Fair Value Top 10 Municipals by State	FIXED INCOME CREDIT QUALITY: September 30, 2015					Total
	Revenue	Local & State G.O.	Pre-Refunded	Taxable	Total	
New York	\$ 154	\$ 16	\$ 6	\$ 91	\$ 267	
Washington	84	48	49	29	210	
Texas	73	35	15	85	208	
California	48	18	9	119	194	
Ohio	57	25	5	38	125	
Georgia	89	17	-	10	116	
Massachusetts	61	13	10	11	95	
Arizona	49	-	12	26	87	
Illinois	36	32	18	1	87	
Colorado	48	16	-	12	76	
<b>Total Top 10 Municipals by State</b>	<b>\$ 699</b>	<b>\$ 220</b>	<b>\$ 124</b>	<b>\$ 422</b>	<b>\$ 1,465</b>	

**Notes:**

1. The credit rating for each asset reflected above was principally determined based on the weighted average rating of the individual securities from Standard & Poor's, Moody's Investors Service and Fitch Ratings. For U.S. Treasuries, Agencies and Agency Government Guarantee securities, the average rating remains AAA as only one of the three major rating agencies downgraded the U.S. from AAA to AA+ in 2011.
2. Ratings shown are the higher of the rating of the underlying issuer or the insurer in the case of securities enhanced by third-party insurance for the payment of principal and interest in the event of issuer default. Included in U.S. Municipals are exposures to Puerto Rican municipals of \$10 million.
3. The Company is monitoring its exposures to holdings representing risk in certain Eurozone countries. In particular, the Company has Fixed Income Peripheral European government holdings of \$30 million in Spain, (Nil in Portugal, Greece, Ireland and Italy).



## SCHEDULE 5 - CORPORATE (SECTOR, CAPITAL STRUCTURE) (EXCLUDING LIFE FUNDS WITHHELD ASSETS)

(U.S. dollars in millions)  
(Unaudited)

### Schedule 5(a) - Corporate Sector

#### Fair Value by Sector and Current Rating

	FIXED INCOME CREDIT QUALITY: September 30, 2015						Total	%
	AAA	AA	A	BBB	BB and Below			
<b>Financials</b>	<b>\$ 7</b>	<b>\$ 845</b>	<b>\$ 2,014</b>	<b>\$ 226</b>	<b>\$ 48</b>	<b>\$ 3,140</b>	<b>30.8%</b>	
Banks	-	757	1,818	133	-	2,708	26.6%	
Insurance	7	69	14	8	29	127	1.2%	
Finance	-	19	113	7	19	158	1.6%	
REITS & Brokers	-	-	69	78	-	147	1.4%	
<b>Non-Financials</b>	<b>153</b>	<b>1,334</b>	<b>3,938</b>	<b>1,357</b>	<b>268</b>	<b>7,050</b>	<b>69.2%</b>	
Consumer, Non-Cyclical	92	446	1,000	286	29	1,853	18.2%	
Utilities	-	84	590	142	8	824	8.1%	
Communications	-	14	250	350	27	641	6.3%	
Industrial	-	211	550	158	12	931	9.1%	
Energy	15	272	359	98	30	774	7.6%	
Consumer, Cyclical	-	64	686	169	26	945	9.3%	
Technology	46	237	299	15	2	599	5.9%	
Basic Materials	-	6	190	92	-	288	2.8%	
Diversified (MTN's) (Note 1)	-	-	14	44	4	62	0.6%	
Other	-	-	-	3	130	133	1.3%	
<b>Total Corporate</b>	<b>\$ 160</b>	<b>\$ 2,179</b>	<b>\$ 5,952</b>	<b>\$ 1,583</b>	<b>\$ 316</b>	<b>\$ 10,190</b>	<b>100.0%</b>	
% of Total	1.6%	21.4%	58.4%	15.5%	3.1%	100.0%		

### Schedule 5(b) - Corporate Capital Structure

#### Fair Value by Capital Structure and Current Rating

	FIXED INCOME CREDIT QUALITY: September 30, 2015						Total	%
	AAA	AA	A	BBB	BB and Below			
<b>Financials</b>	<b>\$ 7</b>	<b>\$ 845</b>	<b>\$ 2,014</b>	<b>\$ 226</b>	<b>\$ 48</b>	<b>\$ 3,140</b>	<b>30.8%</b>	
Senior	7	845	1,919	149	48	2,968	29.1%	
Subordinated + Lower Tier 2	-	-	95	77	-	172	1.7%	
<b>Non-Financials</b>	<b>153</b>	<b>1,334</b>	<b>3,938</b>	<b>1,357</b>	<b>268</b>	<b>7,050</b>	<b>69.2%</b>	
Senior	153	1,332	3,938	1,356	268	7,047	69.2%	
Subordinated	-	2	-	1	-	3	0.0%	
<b>Total Corporate</b>	<b>\$ 160</b>	<b>\$ 2,179</b>	<b>\$ 5,952</b>	<b>\$ 1,583</b>	<b>\$ 316</b>	<b>\$ 10,190</b>	<b>100.0%</b>	

#### Net Unrealized Gains (Losses) by Capital Structure and Current Rating

	FIXED INCOME CREDIT QUALITY: September 30, 2015						Total
	AAA	AA	A	BBB	BB and Below		
<b>Financials</b>	<b>\$ (1)</b>	<b>\$ 12</b>	<b>\$ 28</b>	<b>\$ 3</b>	<b>\$ -</b>	<b>\$ 42</b>	
Senior	(1)	12	23	1	-	35	
Subordinated + Lower Tier 2	-	-	5	2	-	7	
<b>Non-Financials</b>	<b>8</b>	<b>34</b>	<b>70</b>	<b>20</b>	<b>(13)</b>	<b>119</b>	
Senior	8	34	70	20	(13)	119	
Subordinated	-	-	-	-	-	-	
<b>Total Net Unrealized Gains (Losses)</b>	<b>\$ 7</b>	<b>\$ 46</b>	<b>\$ 98</b>	<b>\$ 23</b>	<b>\$ (13)</b>	<b>\$ 161</b>	

#### Notes:

1. Includes \$35 million of medium term notes supported primarily by pools of European investment grade credit with varying degrees of leverage.





## SCHEDULE 5 (cont'd) - CORPORATE (ISSUER) (EXCLUDING LIFE FUNDS WITHHELD ASSETS)

(U.S. dollars in millions)  
(Unaudited)

### Schedule 5(c) - Corporate Top 10 Issuers (Note 1)

#### Top 10 Issuers - FINANCIALS (Note 2)

WELLS FARGO & COMPANY  
THE GOLDMAN SACHS GROUP, INC.  
JPMORGAN CHASE & CO.  
ROYAL BANK OF CANADA  
CITIGROUP INC.  
BANK OF AMERICA CORPORATION  
WESTPAC BANKING CORPORATION  
THE BANK OF NOVA SCOTIA  
UBS GROUP AG  
COMMONWEALTH BANK OF AUSTRALIA

Fair Value - September 30, 2015			
Fair Value	% of Total Fixed Income - Investments	Average Credit Quality (Note 3)	
\$	183	0.6%	A+
	168	0.5%	A-
	160	0.5%	A
	158	0.5%	AA+
	138	0.4%	A-
	136	0.4%	A-
	133	0.4%	AA+
	133	0.4%	AA+
	126	0.4%	AA-
	126	0.4%	AA+

#### Top 10 Issuers - NON-FINANCIALS

GENERAL ELECTRIC COMPANY  
PHILIP MORRIS INTERNATIONAL INC.  
APPLE INC.  
ROYAL DUTCH SHELL PLC  
ORACLE CORPORATION  
VOLKSWAGEN AG  
BERKSHIRE HATHAWAY INC.  
PFIZER INC.  
DAIMLER AG  
DUKE ENERGY CORPORATION

Fair Value - September 30, 2015			
Fair Value	% of Total Fixed Income - Investments	Average Credit Quality (Note 3)	
\$	160	0.5%	AA-
	158	0.5%	A
	150	0.5%	AA+
	131	0.4%	AA
	124	0.4%	A+
	118	0.4%	A
	106	0.3%	A
	96	0.3%	AA-
	94	0.3%	A-
	92	0.3%	A+

#### Notes:

- Corporate issuers represent only direct exposure to fixed maturities and short-term investments of the parent issuer and its subsidiaries. These exposures include covered bonds and exclude asset and mortgage backed securities that were issued, sponsored or serviced by the parent and government-guaranteed issues.
- This table does not include \$160 million of financial exposure to Berkshire Hathaway Inc. which is made up of \$22 million of senior insurance debt, and \$138 million of payment obligation from National Indemnity Company, an insurance company subsidiary of Berkshire Hathaway Inc.
- The credit rating for each asset reflected above was principally determined based on the weighted average rating of the individual securities from Standard & Poor's, Moody's Investors Service and Fitch Ratings.



## SCHEDULE 5 (cont'd) - CORPORATE (COUNTRY) (EXCLUDING LIFE FUNDS WITHHELD ASSETS)

(U.S. dollars in millions)  
(Unaudited)

### Schedule 5(d) - Corporate Country

#### Fair Value by Country Concentrations and Current Rating (Note 1)

	FIXED INCOME CREDIT QUALITY: September 30, 2015							Total	%
	AAA	AA	A	BBB	BB and Below	Not Rated			
United States	\$ 158	\$ 1,081	\$ 4,112	\$ 1,015	\$ 194	\$ 38	\$ 6,598	64.7%	
United Kingdom	2	28	591	174	25	-	820	8.0%	
Netherlands	-	253	201	33	6	-	493	4.8%	
Canada	-	291	135	31	1	-	458	4.5%	
France	-	105	173	59	2	-	339	3.3%	
Australia	-	186	112	23	-	-	321	3.2%	
Germany	-	4	210	73	6	-	293	2.9%	
Switzerland	-	73	136	21	2	2	234	2.3%	
Sweden	-	114	13	-	-	-	127	1.2%	
Japan	-	8	86	8	2	-	104	1.0%	
Belgium	-	-	89	1	-	-	90	0.9%	
China	-	-	38	5	-	-	43	0.4%	
Denmark	-	-	-	38	-	-	38	0.4%	
Diversified European (Medium-Term Notes)	-	-	-	35	-	-	35	0.3%	
Luxembourg	-	18	-	2	11	-	31	0.3%	
Mexico	-	-	22	5	-	-	27	0.4%	
Ireland	-	-	-	24	-	-	24	0.2%	
Others (Individually under \$20 million) (Note 2)	-	18	34	36	9	18	115	1.2%	
<b>Total Corporate</b>	<b>\$ 160</b>	<b>\$ 2,179</b>	<b>\$ 5,952</b>	<b>\$ 1,583</b>	<b>\$ 258</b>	<b>\$ 58</b>	<b>\$ 10,190</b>	<b>100.0%</b>	
% of total	1.6%	21.4%	58.4%	15.5%	2.5%	0.6%	100.0%		

#### Notes:

- Country concentration is defined as the country of the issuer's main operations, i.e., a United Kingdom company's subsidiary operating in the United States and issuing debt in the United States would be classified under United States in the table above. Similarly a United Kingdom company with main operations in the United Kingdom and issuing U.S. denominated debt in the United Kingdom would be classified under the United Kingdom in the above table.
- Included in Others are Fixed Income exposures to Peripheral European corporate issues of \$6 million in Italy, \$5 million in Spain, and \$Nil in Greece and Portugal.



## SCHEDULE 5 (cont'd) - CORPORATE (EUROPEAN COUNTRY) (EXCLUDING LIFE FUNDS WITHHELD ASSETS)

(U.S. dollars in millions)  
(Unaudited)

### Schedule 5(e) - European Corporate Portfolio (excluding United Kingdom) (Note 1)

FIXED INCOME CREDIT QUALITY: September 30, 2015

#### Fair Value by Country Concentrations (Note 2)

	Bank	Utilities	Diversified	Consumer, Non-Cyclical	Energy	Communications	Other Financial	Other	Total	%
Netherlands	\$ 204	\$ -	\$ -	\$ 43	\$ 132	\$ 14	\$ 1	\$ 99	\$ 493	28.3%
France	124	19	-	42	69	31	-	54	339	19.5%
Germany	-	36	-	15	-	14	1	227	293	16.8%
Switzerland	100	12	-	65	-	-	5	52	234	13.4%
Sweden	114	-	-	-	-	-	-	13	127	7.3%
Belgium	-	-	-	89	-	-	-	1	90	5.2%
Denmark	-	-	-	-	-	-	-	38	38	2.2%
Diversified European (Medium-Term Notes)	-	-	35	-	-	-	-	-	35	2.0%
Luxembourg	-	-	-	1	18	3	8	1	31	1.8%
Ireland	-	-	-	-	-	-	-	24	24	1.4%
Jersey	-	-	-	-	-	-	-	12	12	0.7%
Norway	11	-	-	-	-	-	-	-	11	0.6%
Italy	-	3	-	1	-	2	-	-	6	0.3%
Spain	-	1	-	-	-	4	-	-	5	0.3%
Austria	-	-	-	-	4	-	-	-	4	0.2%
<b>Total Corporate</b>	<b>\$ 553</b>	<b>\$ 71</b>	<b>\$ 35</b>	<b>\$ 256</b>	<b>\$ 223</b>	<b>\$ 68</b>	<b>\$ 15</b>	<b>\$ 521</b>	<b>\$ 1,742</b>	<b>100.0%</b>
% of total	31.7%	4.1%	2.0%	14.7%	12.8%	3.9%	0.9%	29.9%	100.0%	

#### Notes:

- The Company also holds \$264 million of covered bonds in continental Europe (excluding the United Kingdom) which are excluded from the above table, including Nil in covered bonds in Peripheral European countries. These are classified in Schedule 10 as Other ABS under Asset Backed Securities.
- Country concentration is defined as the country of the issuer's main operations, i.e., a French company's subsidiary operating in Germany and issuing debt in Germany would be classified under Germany in the table above.

#### Fair Value - September 30, 2015

#### Top 10 Issuers - EUROPEAN BANKS (excluding United Kingdom) (Note 1)

	Fair Value	Average Credit Quality
RABOBANK NEDERLAND	\$ 121	AA-
SVENSKA HANDELSBANKEN AB	96	AA
UBS GROUP AG	81	AA
BNP PARIBAS	72	A+
CREDIT SUISSE GROUP AG	70	A
ING GROEP N.V.	60	AA-
GOVERNMENT OF NETHERLANDS (ABN AMRO)	50	AAA
BPCE	48	AA-
ABN AMRO BANK N.V.	46	A
DNB ASA	43	AA+

#### Notes:

- Includes covered bonds.

## SCHEDULE 6 - RMBS (EXCLUDING LIFE FUNDS WITHHELD ASSETS)

(U.S. dollars in millions)  
(Unaudited)

### Schedule 6(a) - Agency RMBS

#### Fair Value by Government Agency and Current Rating

	FIXED INCOME CREDIT QUALITY: September 30, 2015					Total	%
	AAA	AA	A	BBB	BB and Below		
FNMA	\$ 2,127	\$ -	\$ -	\$ -	\$ -	\$ 2,127	54.1%
FHLMC	1,002	-	-	-	-	1,002	25.4%
GNMA	787	-	-	-	-	787	20.0%
Other (Note 1)	19	-	-	-	-	19	0.5%
<b>Total Agency RMBS</b>	<b>\$ 3,935</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,935</b>	<b>100.0%</b>
% of total	100.0%	0.0%	0.0%	0.0%	0.0%	100.0%	
Total Weighted Average Life							5.5

### Schedule 6(b) - Non-Agency RMBS

#### Fair Value by Vintage and Current Rating

	FIXED INCOME CREDIT QUALITY: September 30, 2015					Total	%
	AAA	AA	A	BBB	BB and Below		
2008-2015	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
2007	-	26	-	-	51	77	21.0%
2006	4	-	-	-	71	75	20.5%
2005	-	2	10	34	115	161	44.0%
2004 and prior	1	2	7	5	38	53	14.5%
<b>Total Non-Agency RMBS</b>	<b>\$ 5</b>	<b>\$ 30</b>	<b>\$ 17</b>	<b>\$ 39</b>	<b>\$ 275</b>	<b>\$ 366</b>	<b>100.0%</b>
% of total	1.4%	8.2%	4.6%	10.7%	75.1%	100.0%	

#### Fair Value by Collateral and Current Rating

	FIXED INCOME CREDIT QUALITY: September 30, 2015					Total	%
	AAA	AA	A	BBB	BB and Below		
U.S. Prime (Note 2)	\$ -	\$ -	\$ 3	\$ 4	\$ 21	\$ 28	7.7%
Non-U.S. Prime (Note 2)	4	29	-	-	-	33	9.0%
Sub Prime First Lien (Note 3)	1	1	6	31	157	196	53.6%
Alt A (Note 4)	-	-	5	3	83	91	24.9%
Second Lien	-	-	3	1	14	18	4.8%
ABS CDOs	-	-	-	-	-	-	0.0%
<b>Total Non-Agency RMBS</b>	<b>\$ 5</b>	<b>\$ 30</b>	<b>\$ 17</b>	<b>\$ 39</b>	<b>\$ 275</b>	<b>\$ 366</b>	<b>100.0%</b>
% of total	1.4%	8.2%	4.6%	10.7%	75.1%	100.0%	

Par Value	\$ 5	\$ 31	\$ 17	\$ 41	\$ 381	\$ 475
Average Price as a % of Par	100%	97%	100%	95%	72%	77%
Net Unrealized Gains (Losses)	\$ -	\$ (1)	\$ -	\$ (1)	\$ 13	\$ 11
Total Weighted Average Life						5.8

#### Fair Value by Collateral and Original Rating

	FIXED INCOME CREDIT QUALITY: ORIGINAL ON ISSUE					Total	%
	AAA	AA	A	BBB	BB and Below		
U.S. Prime	\$ 26	\$ 2	\$ -	\$ -	\$ -	\$ 28	7.7%
Non-U.S. Prime	8	13	12	-	-	33	9.0%
Sub Prime First Lien	91	88	12	4	1	196	53.6%
Alt A	75	3	4	1	8	91	24.9%
Second Lien	8	1	4	5	-	18	4.8%
ABS CDOs	-	-	-	-	-	-	0.0%
<b>Total Non-Agency RMBS</b>	<b>\$ 208</b>	<b>\$ 107</b>	<b>\$ 32</b>	<b>\$ 10</b>	<b>\$ 9</b>	<b>\$ 366</b>	<b>100.0%</b>
% of total	56.8%	29.2%	8.8%	2.7%	2.5%	100.0%	

#### Notes:

- Included in Agency RMBS Other are exposures in the National Credit Union Administration.
- Prime securities have an average credit support of 18% for U.S. Prime and 35% for Non-U.S. Prime. Average delinquencies > 60 days are 11% and 5% respectively.
- Sub Prime securities have an average credit support of 37% and average delinquencies > 60 days are 26%.
- Alt-A securities have an average credit support of 17% and average delinquencies > 60 days are 21%.



## SCHEDULE 7 - CMBS (EXCLUDING LIFE FUNDS WITHHELD ASSETS)

(U.S. dollars in millions)  
(Unaudited)

### Schedule 7 - CMBS (Note 1)

#### Fair Value by Vintage and Current Rating

	FIXED INCOME CREDIT QUALITY: September 30, 2015						Total	%
	AAA	AA	A	BBB	BB and Below			
2015	\$ 48	\$ 31	\$ -	\$ -	\$ -	\$ -	79	9.3%
2014	78	38	-	-	-	-	116	13.6%
2013	153	-	-	-	-	-	153	17.8%
2012	105	-	5	-	-	-	110	12.9%
2011	32	-	-	-	-	-	32	3.8%
2010	7	9	-	-	-	1	17	2.0%
2009	4	-	-	-	-	-	4	0.5%
2008	-	-	-	-	-	-	-	0.0%
2007	4	15	-	-	-	1	20	2.3%
2006	225	36	-	1	-	4	266	31.2%
2005	41	2	2	2	-	-	47	5.5%
2004 and prior	2	2	-	1	-	4	9	1.1%
<b>Total CMBS</b>	<b>\$ 699</b>	<b>\$ 133</b>	<b>\$ 7</b>	<b>\$ 4</b>	<b>\$ 10</b>	<b>\$ 853</b>	<b>853</b>	<b>100.0%</b>
% of total	81.9%	15.6%	0.8%	0.5%	1.2%		100.0%	
Par Value	\$ 675	\$ 131	\$ 7	\$ 4	\$ 11	\$ -	828	
Average Price as a % of Par	104%	102%	100%	100%	91%	-	103%	
Net Unrealized Gains (Losses)	\$ 10	\$ 1	\$ -	\$ -	\$ 2	\$ -	13	
Total Weighted Average Life							4.4	

#### Fair Value by Vintage and Original Rating

	FIXED INCOME CREDIT QUALITY: ORIGINAL ON ISSUE						Total	%
	AAA	AA	A	BBB	BB and Below			
2015	\$ 48	\$ 31	\$ -	\$ -	\$ -	\$ -	79	9.3%
2014	78	38	-	-	-	-	116	13.6%
2013	153	-	-	-	-	-	153	17.8%
2012	105	-	5	-	-	-	110	12.9%
2011	32	-	-	-	-	-	32	3.8%
2010	7	9	-	-	-	1	17	2.0%
2009	4	-	-	-	-	-	4	0.5%
2008	-	-	-	-	-	-	-	0.0%
2007	18	1	-	-	-	1	20	2.3%
2006	263	3	-	-	-	-	266	31.2%
2005	47	-	-	-	-	-	47	5.5%
2004 and prior	1	-	1	1	-	6	9	1.1%
<b>Total CMBS</b>	<b>\$ 756</b>	<b>\$ 82</b>	<b>\$ 6</b>	<b>\$ 1</b>	<b>\$ 8</b>	<b>\$ 853</b>	<b>853</b>	<b>100.0%</b>
% of total	88.6%	9.7%	0.7%	0.1%	0.9%		100.0%	

#### Notes:

1. CMBS have an average credit support of 31% and a debt service ratio of 1.7. Average delinquencies > 60 days are 2.5%.



## SCHEDULE 8 - ABS (CDOs) (EXCLUDING LIFE FUNDS WITHHELD ASSETS)

(U.S. dollars in millions)  
(Unaudited)

### Schedule 8 - CDOs (Notes 1 & 2)

#### Fair Value by Collateral and Current Rating

	FIXED INCOME CREDIT QUALITY: September 30, 2015						Total	%
	AAA	AA	A	BBB	BB and Below			
High Yield Loans	\$ 226	\$ 112	\$ 33	\$ 15	\$ 2	\$ 388	94.4%	
Commercial Real Estate	-	-	-	8	1	9	2.2%	
Emerging Markets	-	-	-	-	-	-	0.0%	
Other	-	-	-	3	11	14	3.4%	
<b>Total CDOs</b>	<b>\$ 226</b>	<b>\$ 112</b>	<b>\$ 33</b>	<b>\$ 26</b>	<b>\$ 14</b>	<b>\$ 411</b>	<b>100.0%</b>	
% of total	55.0%	27.3%	8.0%	6.3%	3.4%	100.0%		

#### Fair Value by Vintage and Current Rating

	FIXED INCOME CREDIT QUALITY: September 30, 2015						Total	%
	AAA	AA	A	BBB	BB and Below			
2008-2015	\$ 131	\$ 21	\$ 5	\$ -	\$ -	\$ 157	38.2%	
2007	39	69	17	14	(1)	138	33.6%	
2006	45	22	10	1	12	90	21.9%	
2005	11	-	1	11	3	26	6.3%	
2004 and prior	-	-	-	-	-	-	0.0%	
<b>Total CDOs</b>	<b>\$ 226</b>	<b>\$ 112</b>	<b>\$ 33</b>	<b>\$ 26</b>	<b>\$ 14</b>	<b>\$ 411</b>	<b>100.0%</b>	
% of total	55.0%	27.3%	8.0%	6.3%	3.4%	100.0%		

Par Value	\$ 229	\$ 116	\$ 34	\$ 29	\$ 34	\$ 442
Average Price as a % of Par	99%	97%	97%	90%	41%	93%
Net Unrealized Gains (Losses)	0	0	1	(2)	(7)	(8)
Total Weighted Average Life						3.2

#### Fair Value by Vintage and Original Rating

	FIXED INCOME CREDIT QUALITY: ORIGINAL ON ISSUE						Total	%
	AAA	AA	A	BBB	BB and Below			
2008-2015	\$ 131	\$ 21	\$ 5	\$ -	\$ -	\$ 157	38.2%	
2007	20	70	14	34	-	138	33.6%	
2006	15	46	6	23	-	90	21.9%	
2005	3	19	3	1	-	26	6.3%	
2004 and prior	-	-	-	-	-	-	0.0%	
<b>Total CDOs</b>	<b>\$ 169</b>	<b>\$ 156</b>	<b>\$ 28</b>	<b>\$ 58</b>	<b>\$ -</b>	<b>\$ 411</b>	<b>100.0%</b>	
% of total	41.1%	38.0%	6.8%	14.1%	0.0%	100.0%		

#### Notes:

- Cash CLOs account for 94% of the holdings, the majority of which were originally rated AAA/AA.
- The tables above exclude \$16 million of Synthetic CDOs that are classified as Other Investments in the Consolidated Balance Sheet.



## SCHEDULE 9 - ABS (CONSUMER ABS, OTHER ABS) (EXCLUDING LIFE FUNDS WITHHELD ASSETS)

(U.S. dollars in millions)  
(Unaudited)

### Schedule 9(a) - Consumer ABS

#### Fair Value by Collateral Type and Current Rating

##### Autos (Note 1)

U.S.  
Non-U.S.

##### Credit Card (Note 2)

U.S.  
Non-U.S.

##### Student Loans

U.S.  
Non-U.S.

##### Total Consumer ABS

% of total

Net Unrealized Gains (Losses)

Total Weighted Average Life

#### FIXED INCOME CREDIT QUALITY: September 30, 2015

	AAA	AA	A	BBB	BB and Below	Total	%
<b>Autos (Note 1)</b>	<b>\$ 439</b>	<b>\$ 22</b>	<b>\$ 14</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 475</b>	<b>54.9%</b>
U.S.	356	22	14	-	-	392	45.3%
Non-U.S.	83	-	-	-	-	83	9.6%
<b>Credit Card (Note 2)</b>	<b>\$ 349</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 349</b>	<b>40.3%</b>
U.S.	315	-	-	-	-	315	36.4%
Non-U.S.	34	-	-	-	-	34	3.9%
<b>Student Loans</b>	<b>\$ 26</b>	<b>\$ 15</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 41</b>	<b>4.8%</b>
U.S.	22	-	-	-	-	22	2.5%
Non-U.S.	4	15	-	-	-	19	2.3%
<b>Total Consumer ABS</b>	<b>\$ 814</b>	<b>\$ 37</b>	<b>\$ 14</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 865</b>	<b>100.0%</b>
% of total	94.1%	4.3%	1.6%	0.0%	0.0%	100.0%	
Net Unrealized Gains (Losses)	3	(2)	0	0	0	1	
Total Weighted Average Life						2.3	

### Schedule 9(b) - Other ABS

#### Fair Value by Collateral Type and Current Rating

Other Real Estate

Telecoms & Utilities

Pfandbriefe & Covered Bonds

Other ABS

Whole Business

Health Care

##### Sub Total Other ABS

% of total

Net Unrealized Gains (Losses)

Total Weighted Average Life

#### FIXED INCOME CREDIT QUALITY: September 30, 2015

	AAA	AA	A	BBB	BB and Below	Total	%
<b>Other Real Estate</b>	<b>\$ 26</b>	<b>\$ 7</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 33</b>	<b>2.7%</b>
Telecoms & Utilities	10	-	-	-	-	10	0.8%
Pfandbriefe & Covered Bonds	1,021	19	-	-	-	1,040	85.8%
Other ABS	57	4	59	1	1	122	10.1%
Whole Business	-	-	-	-	7	7	0.6%
Health Care	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
<b>Sub Total Other ABS</b>	<b>\$ 1,114</b>	<b>\$ 30</b>	<b>\$ 59</b>	<b>\$ 1</b>	<b>\$ 8</b>	<b>\$ 1,212</b>	<b>100.0%</b>
% of total	91.9%	2.5%	4.9%	0.0%	0.7%	100.0%	
Net Unrealized Gains (Losses)	14	0	9	0	(1)	22	
Total Weighted Average Life						3.2	

#### Notes:

1. Average credit support is 28% for Autos.
2. The average excess spread (net of charge offs) is 17% for credit cards.



## SCHEDULE 10 - UNREALIZED GAINS (LOSSES)

(U.S. dollars in millions)  
(Unaudited)

Fixed Income, Equity, and Other Investments Portfolio	September 30, 2015					June 30, 2015				
	Fair Value	Fair Value (less accrued interest)	Amortized Cost	Net Unrealized Gains (Losses)	Gross Unrealized Losses	Fair Value	Fair Value (less accrued interest)	Amortized Cost	Net Unrealized Gains (Losses)	Gross Unrealized Losses
<b>U.S. Government Related and Supported (Schedule 4)</b>	\$ 7,145	\$ 7,088	\$ 6,934	\$ 154	\$ (23)	\$ 6,581	\$ 6,537	\$ 6,400	\$ 137	\$ (35)
U.S. Treasuries	3,516	3,502	3,477	25	(12)	3,350	3,340	3,315	25	(14)
U.S. Agencies	251	249	225	24	-	265	263	238	25	-
U.S. Municipals	2,691	2,653	2,550	103	(9)	2,436	2,406	2,316	90	(16)
U.S. Government Guarantee	687	684	682	2	(2)	530	528	531	(3)	(5)
<b>Non-U.S. Government Related and Supported (Schedule 4)</b>	<b>5,385</b>	<b>5,338</b>	<b>5,289</b>	<b>49</b>	<b>(86)</b>	<b>5,671</b>	<b>5,612</b>	<b>5,586</b>	<b>26</b>	<b>(77)</b>
<b>Corporate (Schedule 5)</b>	<b>10,190</b>	<b>10,089</b>	<b>9,928</b>	<b>161</b>	<b>(84)</b>	<b>10,342</b>	<b>10,237</b>	<b>10,036</b>	<b>201</b>	<b>(66)</b>
Financials	3,140	3,112	3,070	42	(18)	3,201	3,167	3,126	41	(20)
Non-Financials	7,050	6,977	6,858	119	(66)	7,141	7,070	6,910	160	(46)
<b>Mortgage Backed Securities</b>	<b>5,154</b>	<b>5,138</b>	<b>5,023</b>	<b>115</b>	<b>(31)</b>	<b>5,282</b>	<b>5,266</b>	<b>5,181</b>	<b>85</b>	<b>(47)</b>
Agency RMBS (Schedule 6)	3,935	3,923	3,832	91	(9)	3,967	3,955	3,887	68	(21)
Non-Agency RMBS (Schedule 6)	366	365	354	11	(17)	375	375	364	11	(18)
CMBS (Schedule 7)	853	850	837	13	(5)	940	936	930	6	(8)
<b>Asset Backed Securities (Schedule 8 &amp; 9)</b>	<b>2,488</b>	<b>2,479</b>	<b>2,464</b>	<b>15</b>	<b>(21)</b>	<b>2,882</b>	<b>2,869</b>	<b>2,858</b>	<b>11</b>	<b>(31)</b>
CDOs (Schedule 8)	411	410	418	(8)	(10)	495	493	506	(13)	(19)
Consumer ABS (Schedule 9)	865	865	864	1	(4)	1,017	1,016	1,015	1	(3)
Other ABS (Schedule 9)	1,212	1,204	1,182	22	(7)	1,370	1,360	1,337	23	(9)
<b>Cash and Equivalents (net of payables/receivables)</b>	<b>1,547</b>	<b>1,547</b>	<b>1,547</b>	<b>-</b>	<b>-</b>	<b>1,231</b>	<b>1,231</b>	<b>1,231</b>	<b>-</b>	<b>-</b>
<b>Total Fixed Income - Investments</b>	<b>\$ 31,909</b>	<b>\$ 31,680</b>	<b>\$ 31,186</b>	<b>\$ 494</b>	<b>\$ (245)</b>	<b>\$ 31,989</b>	<b>\$ 31,752</b>	<b>\$ 31,292</b>	<b>\$ 461</b>	<b>\$ (256)</b>
Equity Securities	970	970	984	(14)	(81)	1,073	1,074	964	110	(27)
Other Investments	1,676	1,676	1,409	267	(5)	1,743	1,743	1,443	300	(1)
<b>Total Fixed Income, Equity Securities and Other Investments (Excluding Life Funds Withheld Assets)</b>	<b>\$ 34,555</b>	<b>\$ 34,325</b>	<b>\$ 33,579</b>	<b>\$ 746</b>	<b>\$ (331)</b>	<b>\$ 34,805</b>	<b>\$ 34,569</b>	<b>\$ 33,699</b>	<b>\$ 871</b>	<b>\$ (284)</b>
Life Funds Withheld Assets (Schedule 12)	4,827	4,745	4,189	556	-	4,972	4,896	4,307	589	-
<b>Total Fixed Income, Equity Securities and Other Investments (including Life Funds Withheld Assets)</b>	<b>\$ 39,382</b>	<b>\$ 39,070</b>	<b>\$ 37,768</b>	<b>\$ 1,303</b>	<b>\$ (331)</b>	<b>\$ 39,777</b>	<b>\$ 39,465</b>	<b>\$ 38,006</b>	<b>\$ 1,459</b>	<b>\$ (284)</b>





**SCHEDULE 11 - INVESTMENT INCOME STATEMENT ANALYSIS**

(U.S. dollars in thousands)

(Unaudited)

	Three months ended September 30, 2015	Three months ended June 30, 2015	Three months ended March 31, 2015	Three months ended December 31, 2014	Three months ended September 30, 2014
<b>Net Investment Income - Total excluding Structured and Life Funds Withheld Assets</b>					
Gross Investment Income	\$ 180,537	\$ 179,059	\$ 158,419	\$ 174,433	\$ 170,954
Investment expenses (Note 1)	(17,545)	(18,767)	(15,401)	(17,636)	(17,827)
<b>Net Investment Income - Total excluding Structured and Life Funds Withheld Assets</b>	<b>\$ 162,992</b>	<b>\$ 160,292</b>	<b>\$ 143,018</b>	<b>\$ 156,797</b>	<b>\$ 153,127</b>
<b>Book Yield (Net of Expenses)</b>	<b>2.16%</b>	<b>2.16%</b>	<b>2.30%</b>	<b>2.37%</b>	<b>2.34%</b>
<b>Net Investment Income - Structured (Excluding Life Funds Withheld Assets)</b>					
Gross Investment Income	\$ 17,244	\$ 17,927	\$ 16,699	\$ 17,243	\$ 18,798
Investment expenses (Note 1)	(1,676)	(1,879)	(1,623)	(1,743)	(1,969)
<b>Net Investment Income - Structured (Excluding Life Funds Withheld Assets)</b>	<b>\$ 15,568</b>	<b>\$ 16,048</b>	<b>\$ 15,076</b>	<b>\$ 15,500</b>	<b>\$ 16,829</b>
<b>Book Yield (Net of Expenses)</b>	<b>4.86%</b>	<b>4.97%</b>	<b>4.68%</b>	<b>4.77%</b>	<b>5.06%</b>
Interest Expense - Deposit Liability Accretion	(11,131)	(10,629)	(9,957)	(9,155)	(11,148)
Operating and Investment Expenses - P&C Structured	-	(162)	(94)	(265)	(390)
<b>Net Investment Income - Structured (Excluding Life Funds Withheld Assets)</b>	<b>\$ 4,437</b>	<b>\$ 5,257</b>	<b>\$ 5,025</b>	<b>\$ 6,080</b>	<b>\$ 5,291</b>
<b>Net Investment Income - Total (Excluding Life Funds Withheld Assets)</b>	<b>\$ 178,560</b>	<b>\$ 176,340</b>	<b>\$ 158,094</b>	<b>\$ 172,297</b>	<b>\$ 169,956</b>
<b>Book Yield (Net of Expenses)</b>	<b>2.27%</b>	<b>2.29%</b>	<b>2.42%</b>	<b>2.51%</b>	<b>2.47%</b>
<b>Net Investment Income - Life Funds Withheld Assets</b>	<b>\$ 46,586</b>	<b>\$ 46,864</b>	<b>\$ 50,419</b>	<b>\$ 53,936</b>	<b>\$ 56,474</b>
<b>Net Income (Loss) from Investment Affiliates (Note 2)</b>					
Alternative Funds	\$ (11,471)	\$ 19,489	\$ 30,901	\$ 9,710	\$ 15,133
Private Investment Fund Affiliates	7,757	11,888	4,428	10,620	9,367
<b>\$ (3,714)</b>	<b>\$ 31,377</b>	<b>\$ 35,329</b>	<b>\$ 20,330</b>	<b>\$ 24,500</b>	
<b>Net Income (Loss) from Operating Affiliates (Note 3)</b>					
Investment Manager Affiliates	\$ 5,943	\$ 8,524	\$ 3,739	\$ 1,056	\$ 15,900
Strategic Operating Affiliates	2,253	938	18,929	12,118	4,121
<b>\$ 8,196</b>	<b>\$ 9,462</b>	<b>\$ 22,668</b>	<b>\$ 13,174</b>	<b>\$ 20,021</b>	

**Notes:**

1. Includes management fees, custody fees, and direct and allocated general and administrative expenses.
2. The Company records the income related to the alternative funds and to the private investment fund affiliates on a one-month and three-month lag, respectively.
3. The Company records the income related to the investment manager affiliates and strategic operating affiliates generally on a three-month lag.



## SCHEDULE 12 - SUMMARY INVESTMENT PORTFOLIO LIFE FUNDS WITHHELD ASSETS

### CONSOLIDATED

(U.S. dollars in millions)  
(Unaudited)

INVESTMENT PORTFOLIO LIFE FUNDS WITHHELD ASSETS	September 30, 2015		June 30, 2015		March 31, 2015		December 31, 2014	
	Fair Value	% of Total	Fair Value	% of Total	Fair Value	% of Total	Fair Value	% of Total
<b>Fixed Income Portfolio</b>								
U.S. Government Related and Supported	\$ 18	0.4%	\$ 17	0.3%	\$ 18	0.4%	\$ 19	0.4%
Non-U.S. Government Related and Supported	1,505	31.2%	1,503	30.2%	1,525	30.0%	1,817	33.5%
Corporate	2,821	58.4%	2,962	59.6%	2,937	57.8%	2,873	52.9%
Mortgage Backed Securities	148	3.1%	148	3.0%	163	3.2%	199	3.7%
Asset Backed Securities	213	4.4%	235	4.7%	287	5.7%	364	6.7%
Cash and Equivalents (net of payables/receivables)	122	2.5%	107	2.2%	149	2.9%	155	2.9%
<b>Total Fixed Income - Investments (Note 1)</b>	<b>\$ 4,827</b>	<b>100.0%</b>	<b>\$ 4,972</b>	<b>100.0%</b>	<b>\$ 5,079</b>	<b>100.0%</b>	<b>\$ 5,427</b>	<b>100.0%</b>
<b>Other Investments</b>								
Alternative Funds	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
Equity Securities	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Other Investments	-	0.0%	-	0.0%	-	0.0%	-	0.0%
<b>Total Other Investments</b>	<b>\$ -</b>	<b>0.0%</b>	<b>\$ -</b>	<b>0.0%</b>	<b>\$ -</b>	<b>0.0%</b>	<b>\$ -</b>	<b>0.0%</b>
<b>TOTAL LIFE FUNDS WITHHELD ASSETS</b>	<b>\$ 4,827</b>	<b>100.0%</b>	<b>\$ 4,972</b>	<b>100.0%</b>	<b>\$ 5,079</b>	<b>100.0%</b>	<b>\$ 5,427</b>	<b>100.0%</b>
<b>FIXED INCOME PORTFOLIO CREDIT QUALITY :</b>								
AAA	\$ 603	12.5%	\$ 572	11.5%	\$ 668	13.2%	\$ 912	16.8%
AA	1,556	32.2%	1,543	31.0%	1,509	29.7%	1,550	28.6%
A	1,458	30.2%	1,545	31.1%	1,615	31.8%	1,623	29.9%
BBB	1,166	24.2%	1,253	25.2%	1,214	23.9%	1,323	24.4%
BB and Below	44	0.9%	59	1.2%	73	1.4%	19	0.4%
Not Rated	-	0.0%	-	0.0%	-	0.0%	-	0.0%
<b>Total Fixed Income - Investments (Note 1)</b>	<b>\$ 4,827</b>	<b>100.0%</b>	<b>\$ 4,972</b>	<b>100.0%</b>	<b>\$ 5,079</b>	<b>100.0%</b>	<b>\$ 5,427</b>	<b>100.0%</b>
Average credit quality (Note 2)		A+		A+		A+		A+
<b>Summary by Core Currency Liabilities</b>								
	<b>US Dollar Equivalent Fair Value</b>	<b>Duration</b>	<b>US Dollar Equivalent Fair Value</b>	<b>Duration</b>	<b>US Dollar Equivalent Fair Value</b>	<b>Duration</b>	<b>US Dollar Equivalent Fair Value</b>	<b>Duration</b>
Sterling denominated	\$ 3,425	8.7	\$ 3,568	8.9	\$ 3,588	9.4	\$ 3,705	9.1
Euro denominated	1,402	11.2	1,388	10.6	1,472	10.4	1,696	9.9
U.S. Dollar denominated	-	-	16	5.0	19	5.6	26	5.4
<b>Total Duration</b>	<b>\$ 4,827</b>	<b>9.4</b>	<b>\$ 4,972</b>	<b>9.4</b>	<b>\$ 5,079</b>	<b>9.6</b>	<b>\$ 5,427</b>	<b>9.4</b>
<b>Net Investment Income - Life Funds Withheld Assets (in thousands)</b>	<b>\$ 46,864</b>		<b>\$ 46,864</b>		<b>\$ 50,419</b>		<b>\$ 53,936</b>	

**Notes:**

- "Total Fixed Income - Investments" includes fixed maturities, short-term investments, invested cash & cash equivalents and net (payables) receivables for investments (purchased) sold.
- The credit rating for each asset reflected above was principally determined based on the weighted average rating of the individual securities from Standard & Poor's, Moody's Investors Service and Fitch Ratings. For U.S. Treasuries, Agencies and Agency Government Guarantee securities, the average rating remains AAA as only one of the three major rating agencies downgraded the U.S. from AAA to AA+ in 2011.

## COMMENT ON REGULATION G

XL presents its operations in the way 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 except as noted with respect to the XL Catlin combined information presented on page 19 defined as net income (loss) attributable to ordinary shareholders excluding: Operating net income is defined as net income (loss) attributable to ordinary shareholders excluding: (1) our net investment income - Life Funds Withheld Assets, net of tax, (2) our net realized (gains) losses on investments sold - excluding Life Funds Withheld Assets, net of tax, (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, net of tax, (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 XL's insurance company affiliates for the periods presented, (7) our foreign exchange (gains) losses, net of tax, (8) our expenses related to the Catlin acquisition, net of tax, (9) our gain on the sale of our interest in our operating affiliate, ARX, and (10) our loss on sale of life reinsurance subsidiary, XLLR, net of tax; (ii) annualized return on average ordinary shareholders' equity ("ROE") based on operating net income (loss) ("Operating ROE"); (iii) Operating ROE excluding unrealized gains and losses on investments; (iv) net income (loss) attributable to ordinary shareholders excluding the impact of the Life Retrocession Arrangements and (v) book value per ordinary share (ordinary shareholders' equity divided by the number of shares outstanding at the period end date), fully diluted book value per ordinary share (book value per share combined with the dilutive impact of potential future share issues at any period end), and fully diluted tangible book value per ordinary share (calculated in the same manner as fully diluted book value per ordinary share except that goodwill and intangible assets are excluded from ordinary shareholders' equity). These items are "non-GAAP financial measures" as defined in Regulation G.

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 created 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 and the recognition of goodwill impairment charges are largely a function of economic and interest rate conditions.

Net realized and unrealized (gains) losses on derivatives, net of tax, 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.

Net investment income - Life Funds Withheld Assets, net of tax, and net realized (gains) losses on the life retrocession embedded derivative and derivative instruments - Life Funds Withheld Assets, net of tax, have been excluded because, as a result of the Life Retrocession 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 life retrocession arrangements are not relevant to XL's underlying business performance. In addition, the loss on the sale of life reinsurance subsidiary, net of tax, has been excluded due to the one-time, non-operating nature of this loss.

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 ordinary 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 excluding average unrealized gains and losses on investments is an additional measure of a company's profitability that eliminates the impacts of mark to market fluctuations on a company's investment portfolio that have not been realized through sales, which XL believes provides a more consistent measure of company performance.