



FINANCIAL SUPPLEMENT

March 31, 2016

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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 for further information describing XL Group plc.

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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 XL's beliefs, plans or expectations, are forward-looking statements. These statements are based on current plans, estimates and expectations, all of which involve risk and uncertainty. Statements that include the words "expect," "estimate," "intend," "plan," "believe," "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) the continuation of downward trends in rates for property and casualty insurance and reinsurance; (b) changes in the size of our claims relating to unpredictable natural or man-made catastrophe losses due to the preliminary nature of some reports and estimates of loss and damage to date; (c) changes in the amount or type of business that we write, whether due to our actions, changes in market conditions or other factors, and the amount of premium attributable to such business; (d) the availability, cost or quality of ceded reinsurance, and the timely and full recoverability of such reinsurance, or other amounts due to us, or changes to our projections related to such recoverables; (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 we 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 our ability to maintain or increase its business volumes or profitability; (g) greater frequency or severity of claims and loss activity than our 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 our business, including on pricing and reserving, changes in interest rates, credit spreads, foreign currency exchange rates and future volatility in the world's credit, financial and capital markets that adversely affect the performance and valuation of our investments, future financing activities and access to such markets, our ability to pay claims or general financial condition; (i) our ability to successfully implement its business strategy; (j) our ability to successfully attract and raise additional third party capital for existing or new investment vehicles; (k) changes in credit ratings and rating agency policies or practices, which could trigger cancellation provisions in our assumed reinsurance agreements or an event of default under our credit facilities; (l) the potential for changes to methodologies, estimations and assumptions that underlie the valuation of our financial instruments that could result in changes to investment valuations; (m) changes to our assessment as to whether it is more likely than not that we will be required to sell, or have the intent to sell, available-for-sale debt securities before their anticipated recovery; (n) unanticipated constraints on our liquidity, including the availability of borrowings and letters of credit under credit facilities; (o) the ability of our subsidiaries to pay dividends to XL Group plc, XLIT Ltd. and Catlin Insurance Company Ltd; (p) changes in regulators or regulation applicable to us, including as a result of the completion of our proposed redomestication from Ireland to Bermuda, such as changes in regulatory capital balances that our operating subsidiaries must maintain, or to our brokers or customers; (q) 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; (r) the actual amount of new and renewal business and acceptance of our products and services, including new products and services and the materialization of risks related to such products and services; (s) changes in the distribution or placement of risks due to increased consolidation of insurance and reinsurance brokers; (t) bankruptcies or other financial concerns of companies insofar as they affect P&C insurance and reinsurance coverages or claims that we may have as a counterparty; (u) the loss of key personnel; (v) the effects of mergers, acquisitions and divestitures, including our ability to modify our internal controls over financial reporting, changes to our risk appetite and our ability to realize the value or benefits expected, in each case, as a result of such transactions; (w) changes in general economic conditions, including the impact of the withdrawal of the UK from the EU, should it occur, new or continued sovereign debt concerns in Euro-Zone countries or emerging markets such as Brazil or China, or governmental actions for the purposes of stabilizing financial markets; (x) changes in applicable tax laws, tax treaties or tax regulations or the interpretation or enforcement thereof; (y) judicial decisions and rulings, new theories of liability or emerging claims coverage issues, legal tactics and settlement terms; and (z) the other factors set forth in our reports on Form 10-K and Form 10-Q and other documents on file with the Securities and Exchange Commission. XL undertakes no obligation to update publicly or revise any forward looking statement, whether as a result of new information, future developments or otherwise, except as required by the federal securities laws.



STATEMENTS OF INCOME

CONSOLIDATED STATEMENTS OF INCOME

(U.S. dollars in thousands)

(Unaudited)
(Note 1)



	Three Months Ended March 31, 2016	Three Months Ended December 31, 2015	Three Months Ended September 30, 2015	Three Months Ended June 30, 2015	Three Months Ended March 31, 2015
Revenues					
Gross premiums written	\$ 4,428,226	\$ 2,603,080	\$ 2,739,350	\$ 3,081,135	\$ 2,555,360
Net premiums written	3,064,759	1,890,455	2,091,028	2,118,331	1,851,249
Net premiums earned - P&C operations	2,351,446	2,375,155	2,405,740	2,063,795	1,319,494
Net premiums earned - run-off Life operations	3,164	11,665	17,812	18,258	14,506
Net investment income - excluding Life Funds Withheld Assets (Note 2)	164,326	171,887	178,586	176,340	158,094
Net investment income - Life Funds Withheld Assets (Note 2)	41,560	43,620	46,586	46,864	50,419
Net realized gains (losses) on investments sold - excluding Life Funds Withheld Assets (Note 2)	(8,416)	11,245	(201)	4,351	4,802
Net realized gains (losses) on investments sold - Life Funds Withheld Assets (Note 2)	34,416	48,717	53,780	68,037	52,738
Other-than temporary impairments on investments - Life Funds Withheld Assets (Note 2)	(2,346)	(3,247)	(2,023)	(2,878)	(5,209)
Net unrealized gains (losses) on investments, Trading - Life Funds Withheld Assets (Note 2)	69,096	(8,802)	(149)	(19,543)	760
Net realized and unrealized gains (losses) on derivative instruments	(3,622)	(4,004)	(7,903)	48,509	16,521
Net realized and unrealized gains (losses) on life retrocession embedded derivative and derivative instruments - Life Funds Withheld Assets (Note 2)	(236,080)	(35,358)	(126,140)	239,174	(229,367)
Net income (loss) from investment fund affiliates (Note 3)	(4,579)	10,329	(3,715)	31,377	35,329
Fee income and other	8,262	10,106	7,355	11,012	4,728
Total revenues	\$ 2,417,227	\$ 2,631,313	\$ 2,569,702	\$ 2,685,296	\$ 1,422,615
Expenses					
Net losses and loss expenses incurred - P&C operations	\$ 1,382,485	\$ 1,380,893	\$ 1,464,285	\$ 1,151,195	\$ 769,827
Claims and policy benefits - run-off Life operations	4,937	51,950	22,579	22,081	19,387
Acquisition costs	403,267	412,962	408,173	341,617	153,696
Operating expenses	515,381	563,787	570,142	507,354	325,656
Foreign exchange losses (gains)	(33,819)	(26,921)	11,661	10,374	27,390
Extinguishment of debt (Note 5)	-	5,592	-	-	-
Interest expense - debt and other	41,613	41,704	40,798	39,037	41,481
Interest expense - deposit liability accretion	10,690	10,477	11,131	10,629	9,557
Total expenses	\$ 2,324,554	\$ 2,440,444	\$ 2,529,769	\$ 2,082,267	\$ 1,347,394
Income (loss) before income (loss) from operating affiliates and income tax	\$ 92,673	\$ 190,869	\$ 39,933	\$ 603,009	\$ 75,221
Income (loss) from operating affiliates (Note 3)	12,650	4,414	8,196	9,462	22,668
Provision (benefit) for income taxes	22,295	(39,296)	(37,042)	32,959	24,218
Gain on sale of operating affiliate	-	-	-	340,407	-
Net income (loss)	\$ 83,028	\$ 234,579	\$ 85,171	\$ 919,919	\$ 73,671
Non-controlling interests	(61,143)	(6,029)	(57,889)	(4,879)	(37,390)
Net income (loss) attributable to ordinary shareholders	\$ 21,885	\$ 228,550	\$ 27,282	\$ 915,040	\$ 36,281
Net realized (gains) losses on investments sold - excluding Life Funds Withheld Assets, net of tax	\$ 9,949	\$ (8,689)	\$ 1,444	\$ (669)	\$ (4,518)
Net realized (gains) losses on investments sold - Life Funds Withheld Assets (Note 2)	(34,416)	(48,717)	(53,780)	(68,037)	(52,738)
OTTI on investments - Life Funds Withheld Assets (Note 2)	2,346	3,247	2,023	2,878	5,209
Net unrealized (gains) losses on investments, Trading - Life Funds Withheld Assets (Note 2)	(69,096)	8,802	149	19,543	(760)
Net realized and unrealized (gains) losses on derivatives, net of tax	3,679	3,453	8,158	(48,667)	(16,521)
Net realized and unrealized (gains) losses on investments and derivatives related to the Company's insurance company affiliates	413	1,493	(14)	595	658
Net investment income - Life Funds Withheld Assets, net of tax (Note 2)	(41,560)	(43,620)	(46,586)	(46,864)	(50,419)
Net realized and unrealized (gains) losses on life retrocession embedded derivative and derivative instruments - Life Funds Withheld Assets (Note 2)	236,080	35,358	126,140	(239,174)	229,367
Foreign exchange (gains) losses, net of tax	(28,892)	(26,026)	4,731	15,221	22,353
Expenses related to Catlin acquisition, net of tax	-	1,700	1,245	36,339	25,464
Gain on sale of operating affiliate	-	-	-	(340,407)	-
Loss on Other Life Retro Arrangements, net of tax (Note 4)	-	34,986	-	-	-
Extinguishment of debt, net of tax (Note 5)	-	4,492	-	-	-
Operating Net Income (Note 6)	\$ 103,388	\$ 195,029	\$ 70,792	\$ 245,798	\$ 194,376

Notes:

- Certain amounts have been reclassified to conform with the current period presentation. The Company acquired Catlin Group Limited on May 1, 2015 and Catlin's results are therefore included in those of the Company beginning as of that date.
- 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 "GreyCastle Life Retro Arrangements"). The designated investments that support the GreyCastle Life Retro 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.
- During the fourth quarter of 2015, we entered into a large reinsurance agreement ceding approximately 80% of the remaining life reinsurance premiums that were not included in the GreyCastle Life Retro Arrangements ("Other Life Retro Arrangements").
- In December, 2015 \$68M and €18M of subordinated notes that were acquired as a result of the combination with Catlin were repurchased by XL at par and extinguished. XL has recognized a \$5.6 million loss (\$4.5m net of \$1.1m tax benefit) on early extinguishment of debt for the year ended December 31, 2015.
- Operating net income is defined as net income (loss) attributable to ordinary shareholders excluding, as applicable: (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 Holding Corp. ("ARX"), (10) our loss on the GreyCastle Life Retro Arrangement, net of tax, (11) our loss on the Other Life Retro Arrangements, net of tax, and (12) our loss on the

RETURN ON ORDINARY SHAREHOLDERS' EQUITY

(U.S. dollars in thousands, except share and per share amounts)
(Unaudited)
(Note 1)



	Three Months Ended March 31, 2016	Three Months Ended December 31, 2015	Three Months Ended September 30, 2015	Three Months Ended June 30, 2015	Three Months Ended March 31, 2015
Return on Ordinary Shareholders' Equity					
Opening shareholders' equity	\$ 13,654,463	\$ 13,900,509	\$ 14,205,103	\$ 11,646,423	\$ 11,435,766
Less: Non-controlling interest in equity of consolidated subsidiaries	(1,977,384)	(1,962,279)	(1,957,807)	(1,402,366)	(1,402,015)
Opening ordinary shareholders' equity	11,677,079	11,938,230	12,247,296	10,244,057	10,033,751
Closing shareholders' equity	13,667,718	13,654,463	13,900,509	14,205,103	11,646,423
Less: Non-controlling interest in equity of consolidated subsidiaries	(1,978,974)	(1,977,384)	(1,962,279)	(1,957,807)	(1,402,366)
Closing ordinary shareholders' equity	11,688,744	11,677,079	11,938,230	12,247,296	10,244,057
Average ordinary shareholders' equity	11,682,912	11,807,655	12,092,763	11,245,677	10,138,904
Average unrealized (gain) loss on investments, net of tax (Note 2)	(958,326)	(875,570)	(1,054,949)	(1,400,978)	(1,605,837)
Average ordinary shareholders' equity excluding average unrealized gains and losses on investments	10,724,586	10,932,085	11,037,814	9,844,699	8,533,067
Net income (loss) attributable to ordinary shareholders	21,885	228,550	27,282	915,040	36,281
Annualized net income (loss) attributable to ordinary shareholders	87,540	914,200	109,128	3,660,160	145,124
Operating Net Income (Note 3)	103,388	195,029	70,792	245,798	194,376
Annualized Operating Net Income (Note 3)	413,552	780,116	283,168	983,192	777,504
Annualized return on average ordinary shareholders' equity - Net income attributable to ordinary shareholders	0.7%	7.7%	0.9%	32.5%	1.4%
Annualized return on average ordinary shareholders' equity - Operating Net Income (Note 2)	3.5%	6.6%	2.3%	8.7%	7.7%
Annualized return on average ordinary shareholders' equity excluding average unrealized gains and losses on investments - Operating Net Income (Note 2)	3.9%	7.1%	2.6%	10.0%	9.1%

	At March 31, 2016	At December 31, 2015	At September 30, 2015	At June 30, 2015	At March 31, 2015
Book Value per Ordinary Share					
Closing ordinary shareholders' equity	\$ 11,688,744	\$ 11,677,079	\$ 11,938,230	\$ 12,247,296	\$ 10,244,057
Ordinary shares outstanding (Note 4)	286,312,517	294,783,992	299,356,093	303,932,111	256,723,675
Dilutive impact of stock and options	3,504,607	5,606,482	4,967,736	4,737,655	3,962,693
Diluted shares outstanding	289,817,124	300,390,474	304,323,829	308,669,766	260,686,368
Book value per ordinary share (Note 5)	\$ 40.83	\$ 39.61	\$ 39.88	\$ 40.30	\$ 39.90
Fully diluted book value per ordinary share (Note 5)	\$ 40.33	\$ 38.87	\$ 39.23	\$ 39.68	\$ 39.30
Fully diluted tangible book value per ordinary share (Note 5)	\$ 32.62	\$ 31.52	\$ 31.95	\$ 32.53	\$ 37.60

Notes:

- Certain amounts have been reclassified to conform with the current period presentation. The Company acquired Catlin Group Limited on May 1, 2015 and Catlin's results are therefore included in those of the Company beginning as of that date.
- 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, as applicable: (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 Holding Corp. ("ARX"), (10) our loss on the GreyCastle Life Retro Arrangement, net of tax, (11) our loss on the Other Life Retro Arrangements, net of tax, and (12) our loss on the early
- 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.

SEGMENT INFORMATION FOR THE THREE MONTHS ENDED MARCH 31, 2016

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



	INSURANCE	REINSURANCE	TOTAL P&C	CORPORATE AND OTHER (Note 1)	TOTAL
Gross premiums written	\$ 2,503,972	\$ 1,855,343	\$ 4,359,315	\$ 68,911	\$ 4,428,226
Net premiums written	1,503,934	1,557,661	3,061,595	3,164	3,064,759
Net premiums earned	1,593,874	757,572	2,351,446	3,164	2,354,610
Net losses and loss expenses incurred	(999,592)	(382,893)	(1,382,485)	(4,937)	(1,387,422)
Acquisition expenses	(225,458)	(176,348)	(401,806)	(1,461)	(403,267)
Operating expenses (Note 2)	(312,432)	(79,234)	(391,666)	(218)	(391,884)
Underwriting (loss) profit	<u>\$ 56,392</u>	<u>\$ 119,097</u>	<u>\$ 175,489</u>	<u>\$ (3,452)</u>	<u>\$ 172,037</u>
Net investment income - excluding Life Funds Withheld Assets (Note 3)	-	-	143,131	8,533	151,664
Net investment income - Life Funds Withheld Assets (Note 3)	-	-	-	41,560	41,560
Net investment results structured products (Note 4)	1,222	748	1,970	-	1,970
Net fee income and other (Note 5)	(3,862)	837	(3,025)	302	(2,723)
Net realized gains (losses) on investments sold - excluding Life Funds Withheld Assets (Note 3)			(11,160)	2,744	(8,416)
Net realized gains (losses) on investments and net unrealized gains (losses) on investments, Trading - Life Funds Withheld Assets (Note 3)			2	101,164	101,166
Net realized and unrealized gains (losses) on life retrocession embedded derivative and derivative instruments - Life Funds Withheld Assets (Note 3)				(236,080)	(236,080)
Net realized and unrealized gains (losses) on derivative instruments				(3,622)	(3,622)
Net income (loss) from investment fund affiliates and operating affiliates (Note 6)				8,071	8,071
Gain on sale of operating affiliate				-	-
Foreign exchange (gains) losses				(33,819)	(33,819)
Corporate operating expenses (7)				112,510	112,510
Loss on sale of life reinsurance subsidiary (Note 3)				-	-
Extinguishment of debt				-	-
Impairment of goodwill				-	-
Contribution from P&C and Corporate and other			<u>\$ 306,407</u>	<u>\$ (159,471)</u>	<u>\$ 146,936</u>
Interest expense					(41,613)
Non-controlling interests					(61,143)
Income taxes					(22,295)
Net (loss) income attributable to XL Group plc					<u>\$ 21,885</u>
Ratios - P&C operations:					
Loss and loss expense ratio	62.7%	50.5%	58.8%		
Underwriting expense ratio	33.8%	33.8%	33.7%		
Combined ratio	96.5%	84.3%	92.5%		
Total net prior year development	(11,358)	(32,054)	(43,412)		
Natural catastrophe losses (Note 8)	35,283	19,493	54,776		
Reinstatement premium	-	2,000	2,000		
Loss and loss expense ratio excluding net prior year development	63.4%	54.8%	60.6%		
Loss and loss expense ratio excluding net prior year development, natural catastrophe losses and reinstatement premium	61.2%	52.3%	58.4%		

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 GreyCastle Life Retro 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 \$12.7 million and \$10.7 million, respectively.
- Net fee income and other includes operating expenses of \$11.0 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 \$55.0 million of integration costs resulting from the Catlin acquisition.
- 2016 Natural Catastrophes include US Storms and Taiwan Earthquake.



SEGMENT INFORMATION FOR THE THREE MONTHS ENDED DECEMBER 31, 2015

(U.S. dollars in thousands, except ratios)
(Unaudited)
(Note 1)

	INSURANCE	REINSURANCE	TOTAL P&C	CORPORATE AND OTHER	TOTAL
Gross premiums written	\$ 2,321,459	\$ 206,307	\$ 2,527,766	\$ 75,314	\$ 2,603,080
Net premiums written	1,704,492	174,300	1,878,792	11,663	1,890,455
Net premiums earned	1,640,282	734,873	2,375,155	11,665	2,386,820
Net losses and loss expenses incurred	(1,063,004)	(317,889)	(1,380,893)	(51,950)	(1,432,843)
Acquisition expenses	(227,488)	(182,910)	(410,398)	(2,564)	(412,962)
Operating expenses (Note 2)	(319,931)	(80,475)	(400,406)	(386)	(400,792)
Underwriting (loss) profit	<u>\$ 29,859</u>	<u>\$ 153,599</u>	<u>\$ 183,458</u>	<u>\$ (43,235)</u>	<u>\$ 140,223</u>
Net investment income - excluding Life Funds Withheld Assets (Note 3)	-	-	148,864	9,274	158,138
Net investment income - Life Funds Withheld Assets (Note 3)	-	-	-	43,620	43,620
Net investment results structured products (Note 4)	2,551	721	3,272	-	3,272
Net fee income and other (Note 5)	(2,231)	977	(1,254)	190	(1,064)
Net realized gains (losses) on investments sold - excluding Life Funds Withheld Assets (Note 3)			4,753	6,492	11,245
Net realized gains (losses) on investments and net unrealized gains (losses) on investments, Trading - Life Funds Withheld Assets (Note 3)				36,668	36,668
Net realized and unrealized (gains) losses on life retrocession embedded derivative and derivative instruments - Life Funds Withheld Assets, net of tax (Note 3)				(35,358)	(35,358)
Net realized and unrealized gains (losses) on derivative instruments				(4,004)	(4,004)
Net income (loss) from investment fund affiliates and operating affiliates (Note 6)				14,743	14,743
Gain on sale of operating affiliate				-	-
Foreign exchange (gains) losses				(26,921)	(26,921)
Corporate operating expenses				151,825	151,825
Loss on sale of life reinsurance subsidiary (Note 3)				-	-
Extinguishment of debt				5,592	5,592
Impairment of goodwill				-	-
Contribution from P&C and Corporate and other			<u>\$ 339,093</u>	<u>\$ (102,106)</u>	<u>\$ 236,987</u>
Interest expense (Note 7)					(41,704)
Non-controlling interests					(6,029)
Income taxes					39,296
Net (loss) income attributable to XL Group plc					<u>\$ 228,550</u>
Ratios - P&C operations:					
Loss and loss expense ratio	64.8%	43.3%	58.1%		
Underwriting expense ratio	33.4%	35.8%	34.2%		
Combined ratio	98.2%	79.1%	92.3%		
Total net prior year development	(27,962)	(93,192)	(121,154)		
Natural catastrophe losses (Note 8)	68,386	44,454	112,840		
Reinstatement premium	-	5,011	5,011		
Loss and loss expense ratio excluding net prior year development	66.5%	55.9%	63.2%		
Loss and loss expense ratio excluding net prior year development, natural catastrophe losses and reinstatement premium	62.3%	50.2%	58.6%		

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 GreyCastle Life Retro 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 \$13.7 million and \$10.5 million, respectively.
- Net fee income and other includes operating expenses of \$11.2 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.
- 2015 Natural Catastrophes include Mid-Atlantic Heavy Rainfall & Flooding and Chennai Flood.



SEGMENT INFORMATION FOR THE THREE MONTHS ENDED MARCH 31, 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	\$ 1,654,747	\$ 825,662	\$ 2,480,409	\$ 74,951	\$ 2,555,360
Net premiums written	1,089,108	747,635	1,836,743	14,506	1,851,249
Net premiums earned	962,306	357,188	1,319,494	14,506	1,334,000
Net losses and loss expenses incurred	(616,947)	(152,880)	(769,827)	(19,387)	(789,214)
Acquisition expenses	(80,387)	(71,492)	(151,879)	(1,817)	(153,696)
Operating expenses (Note 3)	(208,457)	(42,495)	(250,952)	(931)	(251,883)
Underwriting (loss) profit	<u>\$ 56,515</u>	<u>\$ 90,321</u>	<u>\$ 146,836</u>	<u>\$ (7,629)</u>	<u>\$ 139,207</u>
Net investment income - excluding Life Funds Withheld Assets (Note 4)	-	-	132,808	10,210	143,018
Net investment income - Life Funds Withheld Assets (Note 4)	-	-	-	50,419	50,419
Net investment results structured products (Note 5)	2,905	2,120	5,025	-	5,025
Net fee income and other (Note 6)	(7,465)	825	(6,640)	132	(6,508)
Net realized gains (losses) on investments sold - excluding Life Funds Withheld Assets (Note 4)			5,807	(1,205)	4,602
Net realized gains (losses) on investments and net unrealized gains (losses) on investments, Trading - Life Funds Withheld Assets (Note 4)				48,289	48,289
Net realized and unrealized (gains) losses on life retrocession embedded derivative and derivative instruments - Life Funds Withheld Assets, net of tax (Note 3)				(229,367)	(229,367)
Net realized and unrealized gains (losses) on derivative instruments				16,521	16,521
Net income (loss) from investment fund affiliates and operating affiliates (Note 7)				57,997	57,997
Gain on sale of operating affiliate				-	-
Foreign exchange (gains) losses				27,390	27,390
Corporate operating expenses				62,443	62,443
Loss on sale of life reinsurance subsidiary (Note 4)				-	-
Extinguishment of debt				-	-
Impairment of goodwill				-	-
Contribution from P&C and Corporate and other			\$ 283,836	\$ (144,466)	\$ 139,370
Interest expense (Note 8)					(41,481)
Non-controlling interests					(37,390)
Income taxes					(24,218)
Net (loss) income attributable to XL Group plc					\$ 36,281
Ratios - P&C operations:					
Loss and loss expense ratio	64.1%	42.8%	58.3%		
Underwriting expense ratio	30.0%	31.9%	30.6%		
Combined ratio	94.1%	74.7%	88.9%		
Total net prior year development	(5,997)	(42,491)	(48,488)		
Natural catastrophe losses (Note 9)	14,650	-	14,650		
Reinstatement premium	-	-	-		
Loss and loss expense ratio excluding net prior year development	64.7%	54.7%	62.0%		
Loss and loss expense ratio excluding net prior year development, natural catastrophe losses and reinstatement premium	63.2%	54.7%	60.9%		

Notes :

- Certain amounts have been reclassified to conform with the current period presentation. The Company's results for the three months ended March 31, 2015 do not include those of Catlin Group Limited, acquired on 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 GreyCastle Life Retro 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 \$15.1 million and \$10.0 million, respectively.
- Net fee income and other includes operating expenses of \$11.2 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.
- 2015 Natural Catastrophes include US Winterstorms and Tropical Cyclone Marcia.

PREMIUMS BY LINE OF BUSINESS

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



FOR THE THREE MONTHS ENDED MARCH 31, 2016

GROSS PREMIUMS WRITTEN

(Note 1)

	Insurance	Reinsurance	Corporate and Other (Note 2)	Total
P&C Operations:				
Professional	\$ 428,075	\$ 48,188	\$ -	\$ 476,263
Casualty	659,524	365,365	-	1,024,889
Property catastrophe	-	509,588	-	509,588
Property	662,101	564,105	-	1,226,206
Specialty	576,502	118,711	-	695,213
Other (Note 3)	177,770	249,386	-	427,156
Total P&C operations	2,503,972	1,855,343	-	4,359,315
Corporate and Other :				
Run-Off Life Operations - Annuity	-	-	31,935	31,935
Run-Off Life Operations - Other Life	-	-	36,976	36,976
Total Corporate and Other	-	-	68,911	68,911
Total	\$ 2,503,972	\$ 1,855,343	\$ 68,911	\$ 4,428,226

FOR THE THREE MONTHS ENDED MARCH 31, 2015

GROSS PREMIUMS WRITTEN

(Note 1)

	Insurance	Reinsurance	Corporate and Other (Note 2)	Total
P&C Operations:				
Professional	\$ 341,711	\$ 51,631	\$ -	\$ 393,342
Casualty	674,565	121,931	-	796,496
Property catastrophe	-	227,052	-	227,052
Property	350,603	256,033	-	606,636
Specialty	271,666	46,335	-	318,001
Other (Note 3)	16,202	122,680	-	138,882
Total P&C operations	1,654,747	825,662	-	2,480,409
Corporate and Other :				
Run-Off Life Operations - Annuity	-	-	34,808	34,808
Run-Off Life Operations - Other Life	-	-	40,143	40,143
Total Corporate and Other	-	-	74,951	74,951
Total	\$ 1,654,747	\$ 825,662	\$ 74,951	\$ 2,555,360

NET PREMIUMS WRITTEN

	Insurance	Reinsurance	Corporate and Other (Note 2)	Total
P&C Operations:				
Professional	\$ 279,285	\$ 49,330	\$ -	\$ 328,615
Casualty	424,861	344,844	-	769,705
Property catastrophe	-	365,928	-	365,928
Property	315,035	464,997	-	780,032
Specialty	380,367	106,323	-	486,690
Other (Note 3)	104,386	226,239	-	330,625
Total P&C operations	1,503,934	1,557,661	-	3,061,595
Corporate and Other :				
Run-Off Life Operations - Annuity	-	-	-	-
Run-Off Life Operations - Other Life	-	-	3,164	3,164
Total Corporate and Other	-	-	3,164	3,164
Total	\$ 1,503,934	\$ 1,557,661	\$ 3,164	\$ 3,064,759

NET PREMIUMS WRITTEN

	Insurance	Reinsurance	Corporate and Other (Note 2)	Total
P&C Operations:				
Professional	\$ 252,278	\$ 51,631	\$ -	\$ 303,909
Casualty	417,258	119,821	-	537,079
Property catastrophe	-	214,118	-	214,118
Property	221,840	219,076	-	440,916
Specialty	185,047	42,396	-	227,443
Other (Note 3)	12,685	100,593	-	113,278
Total P&C operations	1,089,108	747,635	-	1,836,743
Corporate and Other :				
Run-Off Life Operations - Annuity	-	-	(1)	(1)
Run-Off Life Operations - Other Life	-	-	14,507	14,507
Total Corporate and Other	-	-	14,506	14,506
Total	\$ 1,089,108	\$ 747,635	\$ 14,506	\$ 1,851,249

NET PREMIUMS EARNED

	Insurance	Reinsurance	Corporate and Other (Note 2)	Total
P&C Operations:				
Professional	\$ 332,954	\$ 43,155	\$ -	\$ 376,109
Casualty	420,212	154,739	-	574,951
Property catastrophe	-	205,301	-	205,301
Property	359,633	254,399	-	614,032
Specialty	367,352	36,193	-	403,545
Other (Note 3)	113,723	63,785	-	177,508
Total P&C operations	1,593,874	757,572	-	2,351,446
Corporate and Other :				
Run-Off Life Operations - Annuity	-	-	-	-
Run-Off Life Operations - Other Life	-	-	3,164	3,164
Total Corporate and Other	-	-	3,164	3,164
Total	\$ 1,593,874	\$ 757,572	\$ 3,164	\$ 2,354,610

NET PREMIUMS EARNED

	Insurance	Reinsurance	Corporate and Other (Note 2)	Total
P&C Operations:				
Professional	\$ 266,410	\$ 35,008	\$ -	\$ 301,418
Casualty	341,317	58,208	-	399,525
Property catastrophe	-	94,073	-	94,073
Property	172,539	131,224	-	303,763
Specialty	171,878	18,075	-	189,953
Other (Note 3)	10,162	20,600	-	30,762
Total P&C operations	962,306	357,188	-	1,319,494
Corporate and Other :				
Run-Off Life Operations - Annuity	-	-	(1)	(1)
Run-Off Life Operations - Other Life	-	-	14,507	14,507
Total Corporate and Other	-	-	14,506	14,506
Total	\$ 962,306	\$ 357,188	\$ 14,506	\$ 1,334,000

Notes:

1. Certain amounts have been reclassified to conform with the current period presentation. The Company's results for the three months ended March 31, 2015 do not include those of Catlin Group Limited, acquired on May 1, 2015.
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, credit and surety, accident and health and other lines.



INSURANCE SEGMENT

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

	Three Months Ended March 31, 2016	Three Months Ended December 31, 2015	Three Months Ended September 30, 2015	Three Months Ended June 30, 2015	Three Months Ended March 31, 2015	% Change Q1 16 vs. Q4 15 vs. Q1 15
Gross premiums written	\$ 2,503,972	\$ 2,321,459	\$ 2,200,196	\$ 2,219,444	\$ 1,654,747	7.9% 51.3%
Net premiums written	1,503,934	1,704,492	1,664,562	1,401,772	1,089,108	-11.8% 38.1%
Net premiums earned	1,593,874	1,640,282	1,632,988	1,412,906	962,306	-2.8% 65.6%
Net losses incurred	(999,592)	(1,063,004)	(1,037,727)	(896,370)	(616,947)	-6.0% 62.0%
Acquisition expenses	(225,458)	(227,488)	(214,773)	(181,716)	(80,387)	-0.9% NM
Operating expenses (Note 2)	(312,432)	(319,931)	(334,211)	(292,161)	(208,457)	-2.3% 49.9%
Underwriting profit (loss)	\$ 56,392	\$ 29,859	\$ 46,277	\$ 42,659	\$ 56,515	88.9% -0.2%
RATIOS						
Loss and loss expense ratio	62.7%	64.8%	63.5%	63.4%	64.1%	
Acquisition expense ratio	14.1%	13.9%	13.2%	12.9%	8.4%	
Operating expense ratio	19.7%	19.5%	20.5%	20.7%	21.6%	
Combined ratio	96.5%	98.2%	97.2%	97.0%	94.1%	
Total net prior year development, strengthening (release)	\$ (11,358)	\$ (27,962)	\$ 7,064	\$ (38,135)	\$ (5,997)	
Natural catastrophe losses	35,283	68,386	7,461	59,892	14,650	
Reinstatement premium	-	-	-	-	-	
Loss and loss expense ratio excluding net prior year development	63.4%	66.5%	63.1%	66.1%	64.7%	
Loss and loss expense ratio excluding net prior year development, natural catastrophe losses and reinstatement premium	61.2%	62.3%	62.7%	61.9%	63.2%	
Combined ratio excluding net prior year development, natural catastrophe losses and reinstatement premium	95.0%	95.7%	96.3%	95.4%	93.2%	

Notes:

1. Certain amounts have been reclassified to conform with the current period presentation. The Company acquired Catlin Group Limited on May 1, 2015 and Catlin's results are therefore included in those of the Company beginning as of that date.

2. Operating expenses exclude corporate operating expenses.

NA = Not applicable

NM = Not meaningful



REINSURANCE SEGMENT

(U.S. dollars in thousands)
(Unaudited)
(Note 1, 2)

	Three Months Ended March 31, 2016	Three Months Ended December 31, 2015	Three Months Ended September 30, 2015	Three Months Ended June 30, 2015	Three Months Ended March 31, 2015	% Change Q1 16 vs. Q4 15	vs. Q1 15
Gross premiums written	\$ 1,855,343	\$ 206,307	\$ 458,946	\$ 782,248	\$ 825,662	NM	NM
Net premiums written	1,557,661	174,300	408,654	698,301	747,635	NM	NM
Net premiums earned	757,572	734,873	772,752	650,889	357,188	3.1%	NM
Net losses incurred	(382,893)	(317,889)	(426,558)	(254,825)	(152,880)	20.4%	NM
Acquisition expenses	(176,348)	(182,910)	(189,671)	(158,217)	(71,492)	-3.6%	NM
Operating expenses (Note 3)	(79,234)	(80,475)	(88,682)	(71,727)	(42,495)	-1.5%	86.5%
Underwriting profit (loss)	\$ 119,097	\$ 153,599	\$ 67,841	\$ 166,120	\$ 90,321	-22.5%	31.9%
RATIOS							
Loss and loss expense ratio	50.5%	43.3%	55.2%	39.2%	42.8%		
Acquisition expense ratio	23.3%	24.9%	24.5%	24.3%	20.0%		
Operating expense ratio	10.5%	10.9%	11.5%	11.0%	11.9%		
Combined ratio	84.3%	79.1%	91.2%	74.5%	74.7%		
Total net prior year development, strengthening (release)	\$ (32,054)	\$ (93,192)	\$ (35,182)	\$ (70,735)	\$ (42,491)		
Natural catastrophe losses	19,493	44,454	24,720	0	0		
Reinstatement premium	2,000	5,011	1,350	0	0		
Loss and loss expense ratio excluding net prior year development	54.8%	55.9%	59.8%	50.0%	54.7%		
Loss and loss expense ratio excluding net prior year development, natural catastrophe losses and reinstatement premium	52.3%	50.2%	56.7%	50.0%	54.7%		
Combined ratio excluding net prior year development, natural catastrophe losses and reinstatement premium	86.2%	86.3%	92.7%	85.3%	86.6%		

- 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. Certain amounts have been reclassified to conform with the current period presentation. The Company acquired Catlin Group Limited on May 1, 2015 and Catlin's results are therefore included in those of the Company beginning as of that date.
 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 MARCH 31, 2016 vs MARCH 31, 2015
(U.S. dollars in thousands)
(Unaudited)



	FOR THE THREE MONTHS ENDED MARCH 31, 2016					FOR THE THREE MONTHS ENDED MARCH 31, 2015				
	Including Cats & PYD	PYD	(Note 1) Excluding PYD but incl. Cats	Cats	Excluding Cats and PYD	Including Cats & PYD	PYD	(Note 2, 3) Excluding PYD but incl. Cats	Cats	Excluding Cats and PYD
INSURANCE										
Gross premiums written	\$ 2,503,972		\$ 2,503,972	-	\$ 2,503,972	\$ 1,654,747		\$ 1,654,747	-	\$ 1,654,747
Net premiums written	1,503,934	-	1,503,934	-	1,503,934	1,089,108	-	1,089,108	-	1,089,108
Net premiums earned	1,593,874	-	1,593,874	-	1,593,874	962,306	-	962,306	-	962,306
Net losses incurred	999,592	(11,358)	1,010,950	35,283	975,667	616,947	(5,997)	622,944	14,650	608,294
Acquisition expenses	225,458		225,458	-	225,458	80,387		80,387	-	80,387
Operating expenses	312,432		312,432	-	312,432	208,457		208,457	-	208,457
Underwriting profit / (loss)	\$ 56,392	\$ 11,358	\$ 45,034	\$ (35,283)	\$ 80,317	\$ 56,515	\$ 5,997	\$ 50,518	\$ (14,650)	\$ 65,168
Loss Ratio	62.7%		63.4%		61.2%	64.1%		64.7%		63.2%
Combined Ratio	96.5%		97.2%		95.0%	94.1%		94.8%		93.2%
REINSURANCE										
Gross premiums written	\$ 1,855,343		\$ 1,855,343	2,000	\$ 1,853,343	\$ 825,662		\$ 825,662	-	\$ 825,662
Net premiums written	1,557,661	-	1,557,661	2,000	1,555,661	747,635	-	747,635	-	747,635
Net premiums earned	757,572	-	757,572	2,000	755,572	357,188	-	357,188	-	357,188
Net losses incurred	382,893	(32,054)	414,947	19,493	395,454	152,880	(42,491)	195,371	-	195,371
Acquisition expenses	176,348		176,348	-	176,348	71,492		71,492	-	71,492
Operating expenses	79,234		79,234	-	79,234	42,495		42,495	-	42,495
Underwriting profit / (loss)	\$ 119,097	\$ 32,054	\$ 87,043	\$ (17,493)	\$ 104,536	\$ 90,321	\$ 42,491	\$ 47,830	\$ -	\$ 47,830
Loss Ratio	50.5%		54.8%		52.3%	42.8%		54.7%		54.7%
Combined Ratio	84.3%		88.5%		86.2%	74.7%		86.6%		86.6%
TOTAL										
Gross premiums written	\$ 4,359,315		\$ 4,359,315	2,000	\$ 4,357,315	\$ 2,480,409		\$ 2,480,409	-	\$ 2,480,409
Net premiums written	3,061,595	-	3,061,595	2,000	3,059,595	1,836,743	-	1,836,743	-	1,836,743
Net premiums earned	2,351,446	-	2,351,446	2,000	2,349,446	1,319,494	-	1,319,494	-	1,319,494
Net losses incurred	1,382,485	(43,412)	1,425,897	54,776	1,371,121	769,827	(48,488)	818,315	14,650	803,665
Acquisition expenses	401,806		401,806	-	401,806	151,879		151,879	-	151,879
Operating expenses	391,666		391,666	-	391,666	250,952		250,952	-	250,952
Underwriting profit / (loss)	\$ 175,489	\$ 43,412	\$ 132,077	\$ (52,776)	\$ 184,853	\$ 146,836	\$ 48,488	\$ 98,348	\$ (14,650)	\$ 112,998
Loss Ratio	58.8%		60.6%		58.4%	58.3%		62.0%		60.9%
Combined Ratio	92.5%		94.4%		92.1%	88.9%		92.5%		91.4%

Notes:

- 2016 Natural Catastrophes include US Storms and Taiwan Earthquake.
- 2015 Natural Catastrophes include Chennai Flood, December UK Storm Desmond, Australia Bush Fire & Hailstorm and Mid-Atlantic Heavy Rainfall & Flooding.
- The Company's results for the three months ended March 31, 2015 do not include those of Catlin Group Limited acquired on May 1, 2015



BALANCE SHEETS

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



	At March 31, 2016 (Unaudited)	At December 31, 2015	At September 30, 2015 (Unaudited)	At June 30, 2015 (Unaudited)	At March 31, 2015 (Unaudited)
Assets					
Fixed maturities, available for sale at fair value (amortized cost: March 31, 2016 - \$31,444,747; December 31, 2015 - \$31,517,654)	\$ 32,647,573	\$ 32,257,589	\$ 33,276,322	\$ 33,767,991	\$ 29,110,400
Equity securities, at fair value (cost: March 31, 2016 - \$831,543; December 31, 2015 - \$834,079)	878,407	878,919	969,706	1,073,470	783,471
Short-term investments, at fair value (amortized cost: March 31, 2016 - \$317,939; December 31, 2015 - \$618,851)	317,304	617,390	546,020	807,486	168,862
Total investments available for sale	33,843,284	33,753,898	34,792,048	35,648,947	30,062,733
Fixed maturities, at fair value (amortized cost: March 31, 2016 - \$1,367,908; December 31, 2015 - \$1,263,609)	1,409,583	1,235,699	914,337	748,931	139,377
Short-term investments, at fair value (amortized cost: March 31, 2016 - \$26,949; December 31, 2015 - \$60,176)	26,959	60,330	70,886	42,553	-
Total investments - trading	1,436,542	1,296,029	985,223	791,484	139,377
Investments in affiliates	1,953,711	1,708,899	1,592,841	1,663,852	1,655,394
Other investments	1,453,890	1,433,057	1,676,140	1,743,259	1,328,935
Total investments	38,687,427	38,191,883	39,046,252	39,847,542	33,186,439
Cash and cash equivalents	2,820,897	3,256,236	3,340,070	2,840,841	3,209,934
Restricted cash	161,019	154,992	147,810	135,638	-
Accrued investment income	291,016	312,667	311,679	312,856	278,714
Deferred acquisition costs and value of business acquired	1,057,942	890,568	1,036,260	1,121,362	417,275
Ceded unearned premiums	2,255,664	1,821,793	2,088,569	2,433,462	1,078,575
Premiums receivable	6,041,000	4,712,493	5,257,588	5,933,368	2,898,739
Reinsurance balances receivable	469,009	418,666	425,521	371,807	118,384
Unpaid losses and loss expenses recoverable	5,374,602	5,262,706	5,197,577	5,155,612	3,529,331
Net receivable from investments sold	65,471	231,158	95,571	118,415	19,627
Goodwill and other intangible assets	2,233,597	2,210,266	2,213,688	2,205,911	442,431
Deferred tax assets	245,927	282,311	252,492	204,155	192,286
Other assets	942,120	937,199	1,003,446	1,069,737	708,821
Total assets	\$ 60,645,691	\$ 58,682,938	\$ 60,416,523	\$ 61,750,706	\$ 46,080,556
Liabilities					
Unpaid losses and loss expenses	\$ 25,913,485	\$ 25,439,744	\$ 25,782,080	\$ 25,840,381	\$ 18,965,264
Deposit liabilities	1,170,595	1,168,376	1,194,815	1,212,206	1,211,203
Future policy benefit reserves	4,020,602	4,163,500	4,323,748	4,494,886	4,375,863
Funds withheld liability on GreyCastle life retro arrangements, net of future policy benefit reserves recoverable (Note 2)	998,391	914,629	930,834	915,116	1,138,652
Unearned premiums	8,217,540	7,043,358	7,840,331	8,548,841	4,532,022
Notes payable and debt	2,653,895	2,644,970	2,726,917	2,726,455	2,643,561
Reinsurance balances payable	2,583,961	2,117,727	2,303,352	2,494,201	558,952
Net payable for investments purchased	74,476	130,060	154,342	149,249	75,145
Deferred tax liabilities	105,589	120,651	126,130	144,044	66,115
Other liabilities	1,239,439	1,285,460	1,133,465	1,020,224	867,356
Total liabilities	\$ 46,977,973	\$ 45,028,475	\$ 46,516,014	\$ 47,545,603	\$ 34,434,133
Commitments and contingencies					
Shareholders' equity					
Ordinary shares, 999,990,000 authorized, par value \$0.01; issued and outstanding (March 31, 2016 - 286,273,358; December 31, 2015 - 294,745,045)	\$ 2,863	\$ 2,947	\$ 2,993	\$ 3,039	\$ 2,567
Additional paid in capital	8,608,726	8,910,167	9,036,407	9,153,868	7,361,138
Accumulated other comprehensive income (loss)	1,094,557	686,616	955,081	1,076,174	1,705,170
Retained earnings (deficit)	1,982,598	2,077,349	1,943,749	2,014,215	1,175,182
Shareholders' equity attributable to XL Group plc	11,688,744	11,677,079	11,938,230	12,247,296	10,244,057
Non-controlling interest in equity of consolidated subsidiaries	1,978,974	1,977,384	1,962,279	1,957,807	1,402,366
Total shareholders' equity	\$ 13,667,718	\$ 13,654,463	\$ 13,900,509	\$ 14,205,103	\$ 11,646,423
Total liabilities and shareholders' equity	\$ 60,645,691	\$ 58,682,938	\$ 60,416,523	\$ 61,750,706	\$ 46,080,556

Notes:

- Certain amounts have been reclassified to conform with the current period presentation. The Company acquired Catlin Group Limited on May 1, 2015 and Catlin's results are therefore included in those of the Company beginning as of that date.
- 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 GreyCastle Life Retro 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)



Maturity	Commitment	At March 31, 2016 In Use (Unaudited)	December 31, 2015 In Use	At September 30, 2015 In Use (Unaudited)	At June 30, 2015 In Use (Unaudited)	At March 31, 2015 In Use (Unaudited)
Debt						
2.30% Senior Notes	300	298	298	298	298	298
5.75% Senior Notes	400	398	398	397	397	397
6.375% Senior Notes	350	349	349	349	349	349
4.45% Subordinated Notes	500	493	493	492	492	492
6.25% Senior Notes	325	323	323	323	323	323
Trust Preferred Securities, face amount \$8m (Note 4)	8	8	-	-	-	-
Variable Rate Note, face amount €7m (Note 5)	-	-	-	7	7	-
Variable Rate Note, face amount \$27m (Note 5)	-	-	-	25	25	-
Variable Rate Note, face amount \$31m (Note 5)	-	-	-	29	29	-
Variable Rate Note, face amount \$10m (Note 5)	-	-	-	9	9	-
Variable Rate Note, face amount €11m (Note 5)	-	-	-	12	11	-
5.25% Senior Notes	300	296	296	296	296	296
5.5% Subordinated Notes	500	488	488	488	488	488
Total debt	\$ 2,683	\$ 2,653	\$ 2,645	\$ 2,725	\$ 2,724	\$ 2,643
Adjustment to carrying value - impact of fair value hedges and other		1	(0)	2	2	1
Total debt per consolidated balance sheet		\$ 2,654	\$ 2,645	\$ 2,727	\$ 2,726	\$ 2,644
Shareholders' Capital						
Ordinary shares - capital and surplus		\$ 8,612	\$ 8,913	\$ 9,039	\$ 9,157	\$ 7,364
Non-controlling interest in equity of consolidated subsidiaries		1,979	1,977	1,962	1,958	1,402
Other		3,077	2,764	2,899	3,090	2,880
Total shareholders' capital		\$ 13,668	\$ 13,654	\$ 13,901	\$ 14,205	\$ 11,646
Total capital (total debt plus total shareholders' capital)		\$ 16,321	\$ 16,299	\$ 16,626	\$ 16,929	\$ 14,289
Debt to total capital		16.3%	16.2%	16.4%	16.1%	18.5%

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 capacity of \$1.4 billion at March 31, 2016 and December 31, 2015, \$1.5 billion at September 30, 2015, \$1.7 billion at June 30, 2015 and \$1.6 billion at March 31, 2015. The amounts of this capacity for revolving loans utilized to issue letters of credit were \$526.5 million at March 31, 2016, \$527.1 million at December 31, 2015, \$467.9 million at September 30, 2015, \$667.9 million at June 30, 2015 and \$598.2 million at March 31, 2015, thus leaving available amounts of \$823.5 million at March 31, 2016, \$822.9 million at December 31, 2015 and \$1.0 billion at the end of each of September 30, 2015, June 30, 2015 and March 31, 2015.
- As a result of the Allied Acquisition the Company assumed \$8.2 million of trust preferred securities, due in 2035 and bearing a floating interest rate, adjustable quarterly, at three-month LIBOR plus 3.75%.
- These subordinated notes were acquired as a result of the combination with Catlin and were repurchased by XL at par and extinguished in December, 2015. XL recognized a \$5.6 million loss on early extinguishment of debt for the year ended December 31, 2015.

RECOVERABLE AND REINSURANCE BALANCES RECEIVABLE BY REINSURER

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



	At March 31, 2016 (Unaudited)	At December 31, 2015 (Note 3)	At September 30, 2015 (Unaudited)	At June 30, 2015 (Unaudited)	At March 31, 2015 (Unaudited)
Unpaid losses and loss expenses recoverable	\$ 5,374,602	\$ 5,262,706	\$ 5,197,577	\$ 5,155,612	\$ 3,529,331
Reinsurance balances receivable	469,009	418,666	425,521	371,807	118,384
Total recoverable and reinsurance balances receivable (Note 2)	<u>\$ 5,843,611</u>	<u>\$ 5,681,372</u>	<u>\$ 5,623,098</u>	<u>\$ 5,527,419</u>	<u>\$ 3,647,715</u>

The following is an analysis at March 31, 2016 of reinsurers owing more than 3% of the total recoverable and reinsurance balances receivable:

Name of reinsurer	Standard and Poor's Rating	% of Total
Munich Reinsurance Co.	AA-/Stable	26.1%
Lloyd's Syndicates	A+/Stable	11.7%
Swiss Reinsurance Co.	AA-/Stable	6.8%
Swiss Re Europe S.A.	AA-/Stable	4.9%
Transatlantic Reinsurance Company	A+/Stable	4.3%
Arch Reinsurance Company	A+/Stable	3.0%

"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:

- Certain amounts have been reclassified to conform with the current period presentation. The Company acquired Catlin Group Limited on May 1, 2015 and Catlin's results are therefore included in those of the Company beginning as of that date.
- XL had a reserve for potential non-recoveries from reinsurers of \$57.2 million at March 31, 2016, \$56.9 million at December 31, 2015, \$59.7 million at September 30, 2015, \$62.1 million at June 30, 2015 and \$54.2 million at March 31, 2015.
- During the fourth quarter of 2015, we entered into a large reinsurance agreement ceding approximately 80% of the remaining life insurance premiums that were not included in the GreyCastle Retro Arrangements. Unpaid losses and loss expense recoverables under these Other Life Retro Arrangements are also excluded from the amounts above, and are now included as an offset within our balance sheet "Reinsurance balances payable line". These amounts were approximately \$284 million at December 31, 2015.



LOSS ANALYSIS

ANALYSIS OF LOSSES AND LOSS EXPENSES INCURRED

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



P&C OPERATIONS

	For the three months ended March 31, 2016				For the three months ended March 31, 2016			
	GROSS	RECOVERIES	NET	Paid to incurred %	GROSS	RECOVERIES	NET	Paid to incurred %
Paid	\$ 1,575	\$ (402)	\$ 1,173	84.8%	\$ 1,575	\$ (402)	\$ 1,173	84.8%
Change in unpaid loss reserves	276	(66)	210		276	(66)	210	
Included losses	\$ 1,851	\$ (468)	\$ 1,383		\$ 1,851	\$ (468)	\$ 1,383	
Prior year development (PYD)			\$ (43)				\$ (43)	
Included losses excluding PYD			1,426	82.3%			1,426	82.3%
	For the three months ended December 31, 2015				For the twelve months ended December 31, 2015			
	GROSS	RECOVERIES	NET	Paid to incurred %	GROSS	RECOVERIES	NET	Paid to incurred %
Paid	\$ 1,946	\$ (298)	\$ 1,648	119.3%	\$ 6,505	\$ (1,131)	\$ 5,374	112.8%
Change in unpaid loss reserves	(194)	(73)	(267)		(168)	(440)	(608)	
Included losses	\$ 1,752	\$ (371)	\$ 1,381		\$ 6,337	\$ (1,571)	\$ 4,766	
PYD			\$ (121)				\$ (307)	
Included losses excluding PYD			1,502	109.7%			5,073	105.9%
	For the three months ended March 31, 2015				For the three months ended March 31, 2015			
	GROSS	RECOVERIES	NET	Paid to incurred %	GROSS	RECOVERIES	NET	Paid to incurred %
Paid	\$ 965	\$ (128)	\$ 837	108.7%	\$ 965	\$ (128)	\$ 837	108.7%
Change in unpaid loss reserves	84	(151)	(67)		84	(151)	(67)	
Included losses	\$ 1,049	\$ (279)	\$ 770		\$ 1,049	\$ (279)	\$ 770	
PYD			\$ (48)				\$ (48)	
Included losses excluding PYD			818	102.3%			818	102.3%

1. Certain amounts have been reclassified to conform with the current period presentation. The Company's results for the three months ended March 31, 2015 do not include those of Catlin Group Limited acquired on May 1, 2015.

ANALYSIS OF UNPAID LOSSES AND LOSS EXPENSES

(U.S. dollars in millions)

(Note 1)



P&C OPERATIONS

	At March 31, 2016 (Unaudited)			At December 31, 2015		
	GROSS	RECOVERIES	NET	GROSS	RECOVERIES	NET
Outstanding loss reserves	\$ 10,389	\$ (1,863)	\$ 8,526	\$ 10,293	\$ (1,873)	\$ 8,420
Incurred but not reported reserves	15,397	(3,480)	11,917	15,008	(3,361)	11,647
Fair value adjustments recoverable	\$ 127	(12)	\$ 115	\$ 139	(15)	124
Unpaid losses and loss expense reserves	<u>\$ 25,913</u>	<u>\$ (5,355)</u>	<u>\$ 20,558</u>	<u>\$ 25,440</u>	<u>\$ (5,249)</u>	<u>\$ 20,191</u>
	GROSS	RECOVERIES	NET			
Balance at December 31, 2015	\$ 25,440	\$ (5,249)	\$ 20,191			
Losses and loss expenses incurred	1,851	(468)	1,383			
Loss and loss expenses paid	(1,574)	402	(1,172)			
Foreign exchange revaluation and other	196	(40)	156			
Balance at March 31, 2016 (Unaudited)	<u>\$ 25,913</u>	<u>\$ (5,355)</u>	<u>\$ 20,558</u>			

1. Certain amounts have been reclassified to conform with the current period presentation. The Company's results for the three months ended March 31, 2015 do not include those of Catlin Group Limited acquired on May 1, 2015.



INVESTMENT PORTFOLIO INFORMATION

**SCHEDULE 1 - SUMMARY INVESTMENT PORTFOLIO
CONSOLIDATED**
(U.S. dollars in millions)



	March 31, 2016 (Unaudited)		December 31, 2015 (Unaudited)		September 30, 2015 (Unaudited)		June 30, 2015 (Unaudited) (Note 1)		March 31, 2015 (Unaudited)	
	Fair Value	% of Total	Fair Value	% of Total	Fair Value	% of Total	Fair Value	% of Total	Fair Value	% of Total
INVESTMENT PORTFOLIO										
Fixed Income Portfolio (excluding Life Funds Withheld Assets)										
U.S. Government Related and Supported (Schedule 4)	\$ 7,304	20.4%	\$ 7,964	22.4%	\$ 7,145	19.7%	\$ 6,581	18.1%	\$ 5,419	17.9%
U.S. Treasuries	3,714	10.4%	4,332	12.2%	3,516	9.7%	3,350	9.2%	3,169	10.5%
U.S. Agencies	217	0.6%	245	0.7%	251	0.7%	265	0.7%	244	0.8%
U.S. Municipals	2,658	7.4%	2,670	7.5%	2,691	7.4%	2,436	6.7%	1,999	6.6%
U.S. Government Guarantee	715	2.0%	717	2.0%	687	1.9%	530	1.5%	7	0.0%
Non-U.S. Government Related and Supported (Schedule 4)	5,792	16.2%	5,557	15.6%	5,385	14.9%	5,671	15.4%	4,240	14.1%
Corporate (Schedule 5)	10,909	30.5%	10,689	30.1%	10,190	28.2%	10,342	28.4%	8,243	27.4%
Financials	3,782	10.6%	3,627	10.2%	3,140	8.7%	3,201	8.8%	2,444	8.1%
Non-Financials	7,127	19.9%	7,062	19.9%	7,050	19.5%	7,141	19.6%	5,799	19.3%
Mortgage Backed Securities	5,010	13.7%	4,506	12.6%	5,154	14.3%	5,282	14.5%	5,143	17.1%
Agency RMBS (Schedule 6)	4,380	12.2%	3,770	10.6%	3,935	10.9%	3,967	10.9%	3,723	12.4%
Non-Agency RMBS (Schedule 6)	303	0.7%	329	0.9%	366	1.0%	375	1.0%	383	1.3%
CMBS (Schedule 7)	327	0.8%	407	1.1%	853	2.4%	940	2.6%	1,037	3.4%
Asset Backed Securities (Schedule 8 & 9)	1,198	3.4%	1,233	3.4%	2,488	6.9%	2,882	8.0%	1,681	5.6%
CDOs (Schedule 8)	22	0.1%	47	0.1%	411	1.1%	495	1.4%	502	1.7%
Consumer ABS (Schedule 9)	222	0.6%	255	0.7%	865	2.4%	1,017	2.8%	505	1.7%
Other ABS (Schedule 9)	954	2.7%	931	2.6%	1,212	3.4%	1,370	3.8%	674	2.2%
Cash and Equivalents (net of payables/receivables)	1,308	3.7%	1,599	4.5%	1,547	4.3%	1,231	3.4%	1,616	5.4%
Total Fixed Income - Investments (Schedule 2 & 3) (Note 2)	\$ 31,521	87.9%	\$ 31,548	88.6%	\$ 31,909	88.3%	\$ 31,989	87.8%	\$ 26,342	87.5%
Equity Securities										
Public Equities	878	2.5%	879	2.5%	969	2.7%	1,073	2.9%	782	2.6%
Fixed Income Funds	-	0.0%	-	0.0%	1	0.0%	1	0.0%	1	0.0%
Total Equity Securities	\$ 878	2.5%	\$ 879	2.5%	\$ 970	2.7%	\$ 1,073	2.9%	\$ 783	2.6%
Investments in Affiliates										
Hedge Funds	1,212	3.4%	1,084	3.0%	1,040	2.9%	1,024	2.8%	1,018	3.4%
Private Investments	240	0.7%	303	0.9%	293	0.8%	340	0.9%	205	0.7%
Investment Manager Affiliates	79	0.2%	71	0.2%	102	0.3%	101	0.3%	94	0.3%
Strategic Operating Affiliates	423	1.2%	251	0.7%	157	0.4%	199	0.5%	339	1.1%
Total Investments in Affiliates	\$ 1,954	5.5%	\$ 1,709	4.8%	\$ 1,592	4.4%	\$ 1,664	4.5%	\$ 1,655	5.5%
Other Investments										
Hedge Funds	543	1.5%	544	1.5%	690	1.9%	728	2.0%	710	2.4%
Private Investments	243	0.6%	245	0.8%	232	0.6%	206	0.6%	136	0.4%
Fixed Income and Other	668	2.0%	644	1.8%	754	2.1%	809	2.2%	483	1.6%
Total Other Investments	\$ 1,454	4.1%	\$ 1,433	4.1%	\$ 1,676	4.6%	\$ 1,743	4.8%	\$ 1,329	4.4%
TOTAL INVESTMENTS	\$ 35,807	100.0%	\$ 35,569	100.0%	\$ 36,147	100.0%	\$ 36,469	100.0%	\$ 30,109	100.0%
Operating cash and Short-Term Treasury Deposits (Note 3)	1,579		1,817		1,812		1,664		1,432	
TOTAL INVESTMENTS AND OPERATING CASH	\$ 37,386		\$ 37,386		\$ 37,959		\$ 38,133		\$ 31,541	
Life Funds Withheld Assets (Schedule 12)										
Life Funds Withheld Assets	4,565		4,631		4,972		5,079		5,427	
Total Investments and Operating Cash including Life Funds Withheld Assets	\$ 41,952		\$ 42,017		\$ 43,106		\$ 36,620		\$ 36,259	
FIXED INCOME PORTFOLIO CREDIT QUALITY (excluding Life Funds Withheld Assets):										
AAA	\$ 13,970	44.3%	\$ 14,242	45.1%	\$ 14,873	46.6%	\$ 14,744	46.1%	\$ 12,781	48.5%
AA	7,153	22.7%	7,005	22.3%	7,130	22.3%	7,139	22.4%	4,925	18.7%
A	7,487	23.8%	7,316	23.2%	6,835	21.4%	6,864	21.5%	5,688	21.6%
BBB	2,228	7.1%	2,343	7.4%	2,401	7.6%	2,446	7.6%	2,199	8.4%
BB and Below	598	1.9%	577	1.8%	596	1.9%	687	2.1%	724	2.7%
Not Rated	85	0.2%	65	0.2%	74	0.2%	109	0.3%	25	0.1%
Total Fixed Income - Investments (Note 2)	\$ 31,521	100.0%	\$ 31,548	100.0%	\$ 31,909	100.0%	\$ 31,989	100.0%	\$ 26,342	100.0%
Fixed Income Portfolio Average Credit Quality (excluding Life Funds Withheld Assets) (Note 4)		AA		AA		AA		AA		AA

Notes:

- The Company acquired Catlin Group Limited on May 1, 2015 and Catlin's investments are therefore included in those of the Company beginning as of that date.
- "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 \$847m, Euro denominated \$346m, Sterling denominated \$223m and Other denominated \$163m.
- The credit rating for each asset reflected above and included in the following schedules 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 - March 31, 2016							Total	%
	AAA	AA	A	BBB	BB and Below	Not Rated			
Corporate	\$ 233	\$ 2,262	\$ 6,631	\$ 1,518	\$ 214	\$ 51	\$ 10,909	34.6%	
Agency Structured Credit	4,380	-	-	-	-	-	4,380	13.9%	
Non-Agency Structured Credit	1,372	105	43	56	249	3	1,828	5.8%	
Government Related and Supported	7,163	4,333	811	654	135	-	13,096	41.5%	
Cash and Equivalents (net of payables/receivables)	822	453	2	-	-	31	1,308	4.2%	
Total Fixed Income - Investments (Note 1)	\$ 13,970	\$ 7,153	\$ 7,487	\$ 2,228	\$ 598	\$ 85	\$ 31,521	100.0%	
% by Credit Rating	44.3%	22.7%	23.8%	7.1%	1.9%	0.2%	100.0%		
Fixed Income Portfolio Average Credit Quality (excluding Life Funds Withheld Assets)								AA	

Notes:

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.



SCHEDULE 3 - FIXED INCOME PORTFOLIO CHARACTERISTICS

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

	March 31, 2016				December 31, 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
Summary by Core Currency Liabilities								
Total Fixed Income - Investments (Note 1) (excluding Life Funds Withheld Assets)								
U.S. dollar denominated	\$ 23,060	1.9%	2.53%	3.6	\$ 23,617	2.2%	2.49%	3.7
Euro denominated	3,673	0.3%	1.34%	3.8	3,470	0.6%	1.37%	3.7
Sterling denominated	2,443	1.3%	2.05%	3.8	2,455	1.7%	1.94%	3.6
Other denominated	2,345	1.4%	2.74%	2.7	2,006	1.5%	1.68%	2.5
TOTAL FIXED INCOME - INVESTMENTS (Note 1)	\$ 31,521	1.6%	2.37%	3.6	\$ 31,548	1.9%	2.27%	3.6
Life Funds Withheld Assets Fixed Income Investments (Schedule 12)	4,565	2.7%	3.90%	9.7	4,632	3.6%	4.00%	9.6
Total Fixed Income - Investments including Life Funds Withheld Assets	\$ 36,086	1.7%	2.56%	4.3	\$ 36,180	2.1%	2.49%	4.4
Summary of estimated total fixed income maturities and paydowns over the next 12 months excluding cash and cash equivalents (excluding Life Funds Withheld Assets)								
	US Dollar Equivalent Fair Value	Pre-Tax Book Yield (Gross)			US Dollar Equivalent Fair Value	Pre-Tax Book Yield (Gross)		
U.S. Government Related and Supported	\$ 543	1.95%			\$ 743	1.47%		
Non U.S. Government Related and Supported	939	1.82%			902	1.85%		
Corporate	1,038	2.66%			1,028	2.73%		
Mortgage Backed Securities (Note 2)	621	3.04%			642	3.09%		
Asset Backed Securities (Note 2)	436	2.39%			354	2.83%		
TOTAL	\$ 3,577	2.36%			\$ 3,669	2.33%		

Notes:

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

Fair Value by Current Rating	FIXED INCOME CREDIT QUALITY: March 31, 2016					Total	%
	AAA	AA	A	BBB	BB and Below		
U.S. Treasuries	3,714	-	-	-	-	\$ 3,714	28.4%
U.S. Agencies	217	-	-	-	-	217	1.7%
U.S. Municipals (Note 1)	401	1,793	451	11	2	2,658	20.3%
Revenue	152	757	322	1	-	1,232	9.4%
State & Local Government Obligation	83	325	19	9	1	437	3.3%
Pre-Refunded	80	195	24	-	1	300	2.3%
Taxable	86	516	86	1	-	689	5.3%
U.S. Agency Government Guarantee	715	-	-	-	-	715	5.5%
Non-U.S. Government and Government-Related (includes Provincials and Local Authorities)	1,399	2,192	360	636	133	4,720	35.9%
United Kingdom	-	1,237	-	-	-	1,237	9.4%
France	-	491	132	-	-	623	4.8%
Canada	395	200	7	-	-	602	4.6%
Germany	289	36	8	-	-	333	2.5%
Netherlands	267	-	3	-	-	270	2.0%
Switzerland	185	55	10	-	-	250	1.9%
Australia	127	9	-	-	-	136	1.0%
Brazil	-	-	-	-	114	114	0.9%
Indonesia	-	-	-	98	9	107	0.8%
Singapore	106	-	-	-	-	106	0.8%
Mexico	-	-	-	100	-	100	0.7%
Norway	26	-	66	-	-	92	0.7%
Colombia	-	-	-	64	-	64	0.5%
Hong Kong	-	56	-	-	-	56	0.4%
Turkey	-	-	-	50	-	50	0.4%
Sweden	4	22	-	21	-	47	0.4%
Peru	-	-	-	44	-	44	0.3%
Chile	-	20	16	5	-	41	0.3%
Slovenia	-	-	-	40	-	40	0.3%
Belgium	-	21	17	-	-	38	0.3%
Kazakhstan	-	-	-	34	-	34	0.3%
China	-	5	28	1	-	34	0.3%
Panama	-	-	1	30	-	31	0.2%
Spain	-	-	-	31	-	31	0.2%
South Africa	-	-	-	26	3	29	0.2%
Philippines	-	-	-	28	-	28	0.2%
Lithuania	-	-	23	-	-	23	0.2%
Austria	-	16	6	-	-	22	0.2%
Uruguay	-	-	-	20	-	20	0.2%
Others (Individually under \$20 million) (Note 2)	-	24	43	44	7	118	0.9%
Non-U.S. Government Guaranteed	591	106	-	7	-	704	5.4%
Canada	346	-	-	-	-	346	2.6%
Germany	243	-	-	-	-	243	1.9%
France	-	51	-	-	-	51	0.4%
United Kingdom	-	40	-	-	-	40	0.3%
Others (Individually under \$20 million) (Note 2)	2	15	-	7	-	24	0.2%
Supranationals	126	242	-	-	-	368	2.8%
European Financial Stability Facility	-	191	-	-	-	191	1.5%
European Investment Bank	68	-	-	-	-	68	0.5%
European Stability Mechanism	-	51	-	-	-	51	0.4%
International Bank For Reconstruction & Development	27	-	-	-	-	27	0.2%
Others (Individually under \$20 million) (Note 2)	31	-	-	-	-	31	0.2%
Total Government Related and Supported	\$ 7,163	\$ 4,333	\$ 811	\$ 654	\$ 135	\$ 13,096	100.0%
% of Total	54.7%	33.1%	6.2%	5.0%	1.0%	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: March 31, 2016					Total
	Revenue	Local & State G.O.	Pre-Refunded	Taxable		
New York	\$ 152	\$ 16	\$ 5	\$ 63	\$	236
Washington	80	40	56	29		205
Texas	63	27	21	87		198
California	50	20	5	108		183
Ohio	59	16	9	39		123
Georgia	80	19	6	10		115
Massachusetts	64	14	10	11		99
Illinois	41	34	18	1		94
Arizona	50	-	11	26		87
District Of Columbia	40	13	-	23		76
Total Top 10 Municipals by State	\$ 679	\$ 199	\$ 141	\$ 397	\$	1,416

Notes:

1. 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 \$6 million.
2. 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 \$31 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: March 31, 2016						Total	%
	AAA	AA	A	BBB	BB and Below			
Financials	\$ 7	\$ 969	\$ 2,452	\$ 294	\$ 60	\$ 3,782	34.7%	
Banks	4	891	2,059	208	9	3,171	29.1%	
Insurance	3	70	21	10	36	140	1.3%	
Finance	-	8	290	-	15	313	2.9%	
REITS & Brokers	-	-	82	76	-	158	1.4%	
Non-Financials	226	1,293	4,179	1,224	205	7,127	65.3%	
Consumer, Non-Cyclical	98	400	1,197	275	24	1,994	18.3%	
Utilities	-	115	569	136	8	828	7.5%	
Communications	-	14	302	309	15	640	5.9%	
Industrial	-	159	636	144	10	949	8.7%	
Energy	27	325	374	78	9	813	7.5%	
Consumer, Cyclical	-	56	658	212	21	947	8.6%	
Technology	101	216	292	9	2	620	5.7%	
Basic Materials	-	8	121	52	1	182	1.7%	
Diversified (Note 1)	-	-	30	8	4	42	0.4%	
Other	-	-	-	1	111	112	1.0%	
Total Corporate	\$ 233	\$ 2,262	\$ 6,631	\$ 1,518	\$ 265	\$ 10,909	100.0%	
% of Total	2.1%	20.7%	60.9%	13.9%	2.4%	100.0%		

Schedule 5(b) - Corporate Capital Structure

Fair Value by Capital Structure and Current Rating

	FIXED INCOME CREDIT QUALITY: March 31, 2016						Total	%
	AAA	AA	A	BBB	BB and Below			
Financials	\$ 7	\$ 969	\$ 2,452	\$ 294	\$ 60	\$ 3,782	34.7%	
Senior	7	969	2,347	156	51	3,530	32.4%	
Subordinated + Lower Tier 2	-	-	105	138	9	252	2.3%	
Non-Financials	226	1,293	4,179	1,224	205	7,127	65.3%	
Senior	226	1,291	4,179	1,223	205	7,124	65.3%	
Subordinated	-	2	-	1	-	3	0.0%	
Total Corporate	\$ 233	\$ 2,262	\$ 6,631	\$ 1,518	\$ 265	\$ 10,909	100.0%	

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

	FIXED INCOME CREDIT QUALITY: March 31, 2016						Total
	AAA	AA	A	BBB	BB and Below		
Financials	\$ -	\$ 16	\$ 39	\$ (5)	\$ (1)	\$ 49	
Senior	-	16	40	2	-	58	
Subordinated + Lower Tier 2	-	-	(1)	(7)	(1)	(9)	
Non-Financials	10	40	96	22	(12)	156	
Senior	10	40	96	22	(12)	156	
Subordinated	-	-	-	-	-	-	
Total Net Unrealized Gains (Losses)	\$ 10	\$ 56	\$ 135	\$ 17	\$ (13)	\$ 205	



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
JPMORGAN CHASE & CO.
THE GOLDMAN SACHS GROUP, INC.
ROYAL BANK OF CANADA
HSBC HOLDINGS PLC
THE TORONTO-DOMINION BANK
BANK OF AMERICA CORPORATION
WESTPAC BANKING CORPORATION
UBS GROUP AG
LLOYDS BANKING GROUP PLC

	Fair Value - March 31, 2016		
	Fair Value	% of Total Fixed Income - Investments	Average Credit Quality
\$	201	0.6%	A+
	185	0.6%	A
	161	0.5%	A-
	160	0.5%	AA
	158	0.5%	A+
	151	0.5%	AA+
	149	0.5%	A-
	138	0.4%	AA+
	127	0.4%	AA-
	125	0.4%	AA+

Top 10 Issuers - NON-FINANCIALS

ANHEUSER-BUSCH INBEV SA
PHILIP MORRIS INTERNATIONAL INC.
ROYAL DUTCH SHELL PLC
APPLE INC.
BERKSHIRE HATHAWAY INC.
GENERAL ELECTRIC COMPANY
MICROSOFT CORPORATION
TOYOTA MOTOR CORPORATION
ORACLE CORPORATION
PEPSICO, INC.

	Fair Value - March 31, 2016		
	Fair Value	% of Total Fixed Income - Investments	Average Credit Quality
\$	166	0.5%	A
	154	0.5%	A
	153	0.5%	AA-
	148	0.5%	AA+
	132	0.4%	A+
	126	0.4%	AA-
	101	0.3%	AAA
	100	0.3%	A+
	100	0.3%	A+
	97	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 \$159 million of financial exposure to Berkshire Hathaway Inc. which is made up of \$21 million of senior insurance debt, and \$138 million of payment obligation from National Indemnity Company, an insurance company subsidiary of Berkshire Hathaway Inc.



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: March 31, 2016							Total	%
	AAA	AA	A	BBB	BB and Below	Not Rated			
United States	\$ 227	\$ 1,128	\$ 4,667	\$ 915	\$ 150	\$ 30	\$ 7,117	65.3%	
United Kingdom	2	32	649	209	18	-	910	8.4%	
Canada	4	319	136	26	2	-	487	4.5%	
Netherlands	-	269	188	21	7	-	485	4.4%	
France	-	87	200	59	6	-	352	3.2%	
Australia	-	190	131	27	-	-	348	3.2%	
Switzerland	-	62	159	35	-	-	256	2.3%	
Germany	-	3	169	76	7	-	255	2.3%	
Japan	-	8	136	8	-	2	154	1.4%	
Sweden	-	111	14	8	-	-	133	1.2%	
Belgium	-	-	116	1	-	-	117	1.1%	
Norway	-	16	-	26	2	-	44	0.4%	
China	-	-	29	5	-	-	34	0.3%	
Denmark	-	-	-	33	-	-	33	0.3%	
Mexico	-	-	22	8	-	-	30	0.3%	
Luxembourg	-	18	1	-	9	-	28	0.3%	
Ireland	-	-	-	25	2	-	27	0.2%	
Others (Individually under \$20 million) (Note 2)	-	19	14	36	11	19	99	0.9%	
Total Corporate	\$ 233	\$ 2,262	\$ 6,631	\$ 1,518	\$ 214	\$ 51	\$ 10,909	100.0%	
% of total	2.1%	20.7%	60.9%	13.9%	2.0%	0.4%	100.0%		

Notes:

1. 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.

2. Included in Others are Fixed Income exposures to Peripheral European corporate issues of \$4 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: March 31, 2016

Fair Value by Country Concentrations (Note 2)	Bank	Consumer, Non-Cyclical	Consumer, Cyclical	Energy	Industrial	Utilities	Communications	Other	Total	%
Netherlands	\$ 249	\$ 35	\$ 54	\$ 133	\$ -	\$ -	\$ 7	\$ 7	\$ 485	27.9%
France	159	28	17	65	38	23	22	-	352	20.2%
Switzerland	130	63	-	-	37	12	-	14	256	14.8%
Germany	-	27	144	-	25	35	10	14	255	14.6%
Sweden	111	8	-	-	14	-	-	-	133	7.6%
Belgium	-	116	-	-	-	-	-	1	117	6.7%
Norway	44	-	-	-	-	-	-	-	44	2.5%
Denmark	-	-	-	-	33	-	-	-	33	1.9%
Luxembourg	-	1	-	18	-	-	2	7	28	1.6%
Ireland	-	-	19	-	6	-	-	2	27	1.5%
Spain	-	-	-	-	-	1	3	1	5	0.3%
Austria	-	-	-	4	-	-	-	-	4	0.2%
Italy	-	1	-	-	-	3	-	-	4	0.2%
Total Corporate	\$ 693	\$ 279	\$ 234	\$ 220	\$ 153	\$ 74	\$ 44	\$ 46	\$ 1,743	100.0%
% of total	39.8%	16.0%	13.4%	12.6%	8.8%	4.3%	2.5%	2.6%	100.0%	

Notes:

- The Company also holds \$201 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.

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

	Fair Value - March 31, 2016	
	Fair Value	Average Credit Quality
ING GROEP N.V.	\$ 116	AA
RABOBANK NEDERLAND	101	AA-
CREDIT SUISSE GROUP AG	95	A
BNP PARIBAS	82	A+
UBS GROUP AG	80	AA
SVENSKA HANDELSBANKEN AB	72	AA-
DNB ASA	63	A+
BPCE	55	A+
ABN AMRO BANK N.V.	51	A
GOVERNMENT OF NETHERLANDS (ABN AMRO)	47	AAA

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: March 31, 2016						Total	%
	AAA	AA	A	BBB	BB and Below			
FNMA	\$ 2,250	\$ -	\$ -	\$ -	\$ -	\$ -	2,250	51.4%
FHLMC	1,011	-	-	-	-	-	1,011	23.1%
GNMA	1,104	-	-	-	-	-	1,104	25.2%
Other (Note 1)	15	-	-	-	-	-	15	0.3%
Total Agency RMBS	\$ 4,380	\$ -	\$ -	\$ -	\$ -	\$ -	4,380	100.0%
% of total	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	
Total Weighted Average Life								4.9

Schedule 6(b) - Non-Agency RMBS

Fair Value by Vintage and Current Rating

	FIXED INCOME CREDIT QUALITY: March 31, 2016						Total	%
	AAA	AA	A	BBB	BB and Below			
2008-2015	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.0%
2007	-	1	-	-	45	46	46	15.2%
2006	4	-	-	-	66	70	70	23.1%
2005	-	-	8	43	88	139	139	45.9%
2004 and prior	1	2	6	5	34	48	48	15.8%
Total Non-Agency RMBS	\$ 5	\$ 3	\$ 14	\$ 48	\$ 233	\$ 303	303	100.0%
% of total	1.7%	1.0%	4.6%	15.8%	76.9%	100.0%		

Fair Value by Collateral and Current Rating

	FIXED INCOME CREDIT QUALITY: March 31, 2016						Total	%
	AAA	AA	A	BBB	BB and Below			
U.S. Prime (Note 2)	\$ -	\$ -	\$ 2	\$ 2	\$ 18	\$ 22	22	7.3%
Non-U.S. Prime (Note 2)	4	1	-	-	-	5	5	1.7%
Sub Prime First Lien (Note 3)	1	1	6	43	132	183	183	60.4%
Alt A (Note 4)	-	1	3	3	71	78	78	25.6%
Second Lien	-	-	3	-	12	15	15	5.0%
ABS CDOs	-	-	-	-	-	-	-	0.0%
Total Non-Agency RMBS	\$ 5	\$ 3	\$ 14	\$ 48	\$ 233	\$ 303	303	100.0%
% of total	1.7%	1.0%	4.6%	15.8%	76.9%	100.0%		

Par Value	\$ 5	\$ 4	\$ 14	\$ 50	\$ 341	\$ 414	414	
Average Price as a % of Par	100%	75%	100%	96%	68%	73%	73%	
Net Unrealized Gains (Losses)	\$ -	\$ -	\$ (1)	\$ (2)	\$ 3	\$ 0	0	
Total Weighted Average Life								5.7

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	\$ 21	\$ 1	\$ -	\$ -	\$ -	\$ 22	22	7.3%
Non-U.S. Prime	5	-	-	-	-	5	5	1.7%
Sub Prime First Lien	81	85	12	4	1	183	183	60.4%
Alt A	62	3	4	1	8	78	78	25.6%
Second Lien	9	1	3	2	-	15	15	5.0%
ABS CDOs	-	-	-	-	-	-	-	0.0%
Total Non-Agency RMBS	\$ 178	\$ 90	\$ 19	\$ 7	\$ 9	\$ 303	303	100.0%
% of total	58.7%	29.7%	6.3%	2.3%	3.0%	100.0%		

Notes:

- Included in Agency RMBS Other are exposures in the National Credit Union Administration.
- Prime securities have an average credit support of 20% for U.S. Prime and 25% for Non-U.S. Prime. Average delinquencies > 60 days are 12% and 1% respectively.
- Sub Prime securities have an average credit support of 41% and average delinquencies > 60 days are 25%.
- Alt-A securities have an average credit support of 19% and average delinquencies > 60 days are 20%.



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: March 31, 2016					Total	%
	AAA	AA	A	BBB	BB and Below		
2015	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.0%
2014	11	-	-	-	-	11	3.4%
2013	54	-	-	-	-	54	16.5%
2012	66	-	5	-	-	71	21.7%
2011	10	-	-	-	-	10	3.1%
2010	3	3	-	-	1	7	2.1%
2009	4	-	-	-	-	4	1.2%
2008	-	-	-	-	-	-	0.0%
2007	4	14	-	-	1	19	5.8%
2006	107	25	1	-	4	137	41.9%
2005	-	1	-	1	-	2	0.6%
2004 and prior	6	1	-	1	4	12	3.7%
Total CMBS	\$ 265	\$ 44	\$ 6	\$ 2	\$ 10	\$ 327	100.0%
% of total	81.0%	13.5%	1.8%	0.6%	3.1%	100.0%	
Par Value	\$ 258	\$ 42	\$ 5	\$ 2	\$ 10	\$ 317	
Average Price as a % of Par	103%	105%	120%	100%	100%	103%	
Net Unrealized Gains (Losses)	\$ 5	\$ 1	\$ -	\$ -	\$ 1	\$ 7	
Total Weighted Average Life						3.3	

Fair Value by Vintage and Original Rating

	FIXED INCOME CREDIT QUALITY: ORIGINAL ON ISSUE					Total	%
	AAA	AA	A	BBB	BB and Below		
2015	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.0%
2014	11	-	-	-	-	11	3.4%
2013	54	-	-	-	-	54	16.5%
2012	66	-	5	-	-	71	21.7%
2011	10	-	-	-	-	10	3.1%
2010	3	3	-	-	1	7	2.1%
2009	4	-	-	-	-	4	1.2%
2008	-	-	-	-	-	-	0.0%
2007	18	-	-	-	1	19	5.8%
2006	137	-	-	-	-	137	41.9%
2005	2	-	-	-	-	2	0.6%
2004 and prior	5	-	1	1	5	12	3.7%
Total CMBS	\$ 310	\$ 3	\$ 6	\$ 1	\$ 7	\$ 327	100.0%
% of total	94.9%	0.9%	1.8%	0.3%	2.1%	100.0%	

Notes:

1. CMBS have an average credit support of 31% and a debt service ratio of 1.6. Average delinquencies > 60 days are 3.0%.



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: March 31, 2016						Total	%
	AAA	AA	A	BBB	BB and Below			
High Yield Loans	\$ -	\$ 12	\$ -	\$ -	\$ -	\$ 12	54.5%	
Commercial Real Estate	-	-	-	3	1	4	18.2%	
Emerging Markets	-	-	-	-	-	-	0.0%	
Other	-	-	3	2	1	6	27.3%	
Total CDOs	\$ -	\$ 12	\$ 3	\$ 5	\$ 2	\$ 22	100.0%	
% of total	0.0%	54.5%	13.7%	22.7%	9.1%	100.0%		

Fair Value by Vintage and Current Rating

	FIXED INCOME CREDIT QUALITY: March 31, 2016						Total	%
	AAA	AA	A	BBB	BB and Below			
2008-2015	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	
2007	-	12	-	-	-	12	54.5%	
2006	-	-	-	-	2	2	9.1%	
2005	-	-	3	5	-	8	36.4%	
2004 and prior	-	-	-	-	-	-	0.0%	
Total CDOs	\$ -	\$ 12	\$ 3	\$ 5	\$ 2	\$ 22	100.0%	
% of total	0.0%	54.5%	13.7%	22.7%	9.1%	100.0%		

Par Value	\$ -	\$ 13	\$ 5	\$ 6	\$ 14	\$ 38
Average Price as a % of Par	0%	92%	60%	83%	14%	58%
Net Unrealized Gains (Losses)	0	0	(2)	0	(2)	(4)
Total Weighted Average Life						4.2

Fair Value by Vintage and Original Rating

	FIXED INCOME CREDIT QUALITY: ORIGINAL ON ISSUE						Total	%
	AAA	AA	A	BBB	BB and Below			
2008-2015	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	
2007	-	12	-	-	-	12	54.5%	
2006	-	-	1	1	-	2	9.1%	
2005	3	3	2	-	-	8	36.4%	
2004 and prior	-	-	-	-	-	-	0.0%	
Total CDOs	\$ 3	\$ 15	\$ 3	\$ 1	\$ -	\$ 22	100.0%	
% of total	13.6%	68.2%	13.7%	4.5%	0.0%	100.0%		

Notes:

1. Cash CLOs account for 54% of the holdings, the majority of which were originally rated AAA/AA.
2. The tables above exclude \$11 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.	53	7	2	-	-	130	58.5%
Non-U.S.	68	-	-	-	-	68	27.9%

Credit Card (Note 2)

U.S.	39	-	-	-	-	39	17.6%
Non-U.S.	24	-	-	-	-	24	10.8%

Student Loans

U.S.	11	-	-	-	-	11	5.0%
Non-U.S.	5	13	-	-	-	18	8.1%

Total Consumer ABS

	\$ 200	\$ 20	\$ 2	\$ -	\$ -	\$ 222	100.0%
% of total	90.1%	9.0%	0.9%	0.0%	0.0%	100.0%	
Net Unrealized Gains (Losses)	(2)	(2)	0	0	0	(4)	
Total Weighted Average Life							2.2

Schedule 9(b) - Other ABS

Fair Value by Collateral Type and Current Rating

Other Real Estate	24	6	-	-	-	30	3.2%
Telecoms & Utilities	7	-	-	-	-	7	0.7%

Pfandbriefe & Covered Bonds	851	17	-	-	-	868	91.0%
Other ABS	20	3	18	1	1	43	4.5%

Whole Business	-	-	-	-	6	6	0.6%
Health Care	-	-	-	-	-	-	0.0%

Sub Total Other ABS

	\$ 902	\$ 26	\$ 18	\$ 1	\$ 7	\$ 954	100.0%
% of total	94.5%	2.8%	1.9%	0.1%	0.7%	100.0%	
Net Unrealized Gains (Losses)	15	(1)	0	0	(1)	13	
Total Weighted Average Life							3.2

Notes:

1. Average credit support is 25% for Autos.
2. The average excess spread (net of charge offs) is 35% for credit cards.



SCHEDULE 10 - UNREALIZED GAINS (LOSSES)

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

	March 31, 2016					December 31, 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
Fixed Income, Equity, and Other Investments Portfolio										
U.S. Government Related and Supported (Schedule 4)	\$ 7,304	\$ 7,250	\$ 6,996	\$ 254	\$ (4)	\$ 7,964	\$ 7,904	\$ 7,775	\$ 129	\$ (39)
U.S. Treasuries	3,714	3,701	3,631	70	(2)	4,332	4,314	4,313	1	(23)
U.S. Agencies	217	215	188	27	-	245	243	221	22	(0)
U.S. Municipals	2,658	2,621	2,473	148	(1)	2,670	2,633	2,520	113	(8)
U.S. Government Guarantee	715	713	704	9	(1)	717	714	721	(6)	(7)
Non-U.S. Government Related and Supported (Schedule 4)	5,792	5,743	5,650	93	(64)	5,557	5,503	5,508	(5)	(107)
Corporate (Schedule 5)	10,910	10,810	10,607	203	(82)	10,689	10,583	10,520	63	(117)
Financials	3,783	3,748	3,701	47	(28)	3,627	3,593	3,567	26	(24)
Non-Financials	7,127	7,062	6,906	156	(54)	7,062	6,990	6,953	37	(93)
Mortgage Backed Securities	5,010	4,994	4,880	114	(29)	4,506	4,492	4,420	72	(39)
Agency RMBS (Schedule 6)	4,380	4,366	4,259	107	(5)	3,770	3,758	3,698	60	(18)
Non-Agency RMBS (Schedule 6)	303	303	303	-	(21)	329	329	320	9	(17)
CMBS (Schedule 7)	327	325	318	7	(3)	407	405	402	3	(4)
Asset Backed Securities (Schedule 8 & 9)	1,198	1,192	1,187	5	(15)	1,233	1,223	1,218	5	(23)
CDOs (Schedule 8)	22	22	26	(4)	(4)	47	47	47	-	(9)
Consumer ABS (Schedule 9)	222	222	226	(4)	(5)	255	255	259	(4)	(5)
Other ABS (Schedule 9)	954	948	935	13	(6)	931	921	912	9	(9)
Cash and Equivalents (net of payables/receivables)	1,308	1,308	1,308	-	-	1,599	1,599	1,599	-	-
Total Fixed Income - Investments	\$ 31,522	\$ 31,292	\$ 30,625	\$ 667	\$ (192)	\$ 31,548	\$ 31,304	\$ 31,041	\$ 263	\$ (325)
Equity Securities	878	878	832	46	(47)	879	879	834	45	(45)
Other Investments	1,454	1,454	1,228	226	(2)	1,433	1,433	1,219	214	(2)
Total Fixed Income, Equity Securities and Other Investments (Excluding Life Funds Withheld Assets)	\$ 33,854	\$ 33,624	\$ 32,685	\$ 939	\$ (241)	\$ 33,860	\$ 33,616	\$ 33,094	\$ 522	\$ (372)
Life Funds Withheld Assets (Schedule 12)	4,565	4,503	3,916	587	-	4,632	4,562	4,115	447	-
Total Fixed Income, Equity Securities and Other Investments (including Life Funds Withheld Assets)	\$ 38,419	\$ 38,127	\$ 36,601	\$ 1,526	\$ (241)	\$ 38,492	\$ 38,178	\$ 37,209	\$ 969	\$ (372)

SCHEDULE 11 - INVESTMENT INCOME STATEMENT ANALYSIS

(U.S. dollars in thousands)

(Unaudited)

	Three months ended March 31, 2016	Three months ended December 31, 2015	Three months ended September 30, 2015	Three months ended June 30, 2015 (Note 1)	Three months ended March 31, 2015
Net Investment Income - Total excluding Structured and Life Funds Withheld Assets					
Gross Investment Income	\$ 170,552	\$ 179,813	\$ 180,537	\$ 179,059	\$ 158,419
Investment expenses (Note 2)	(18,888)	(21,675)	(17,545)	(18,767)	(15,401)
Net Investment Income - Total excluding Structured and Life Funds Withheld Assets	\$ 151,664	\$ 158,138	\$ 162,992	\$ 160,292	\$ 143,018
Book Yield (Net of Expenses)	1.96%	2.05%	2.16%	2.16%	2.30%
Net Investment Income - Structured (Excluding Life Funds Withheld Assets)					
Gross Investment Income	\$ 14,239	\$ 15,633	\$ 17,244	\$ 17,927	\$ 16,699
Investment expenses (Note 2)	(1,577)	(1,884)	(1,676)	(1,879)	(1,623)
Net Investment Income - Structured (Excluding Life Funds Withheld Assets)	\$ 12,662	\$ 13,749	\$ 15,568	\$ 16,048	\$ 15,076
Book Yield (Net of Expenses)	3.82%	4.25%	4.86%	4.97%	4.68%
Interest Expense - Deposit Liability Accretion	(10,690)	(10,477)	(11,131)	(10,629)	(9,957)
Operating and Investment Expenses - P&C Structured	(2)	-	-	(162)	(94)
Net Investment Income - Structured (Excluding Life Funds Withheld Assets)	\$ 1,970	\$ 3,272	\$ 4,437	\$ 5,257	\$ 5,025
Net Investment Income - Total (Excluding Life Funds Withheld Assets)	\$ 164,326	\$ 171,887	\$ 178,560	\$ 176,340	\$ 158,094
Book Yield (Net of Expenses)	2.04%	2.15%	2.27%	2.29%	2.42%
Net Investment Income - Life Funds Withheld Assets	\$ 41,560	\$ 43,620	\$ 46,586	\$ 46,864	\$ 50,419
Net Income (Loss) from Investment Affiliates (Note 3)					
Alternative Funds	\$ (10,580)	\$ 3,750	\$ (11,471)	\$ 19,489	\$ 30,901
Private Investment Fund Affiliates	6,001	6,579	7,757	11,888	4,428
Net Income (Loss) from Investment Affiliates (Note 3)	\$ (4,579)	\$ 10,329	\$ (3,714)	\$ 31,377	\$ 35,329
Net Income (Loss) from Operating Affiliates (Note 4)					
Investment Manager Affiliates	\$ 12,529	\$ (7,074)	\$ 5,943	\$ 8,524	\$ 3,739
Strategic Operating Affiliates	121	11,487	2,253	938	18,929
Net Income (Loss) from Operating Affiliates (Note 4)	\$ 12,650	\$ 4,413	\$ 8,196	\$ 9,462	\$ 22,668

Notes:

1. The Company acquired Catlin Group Limited on May 1, 2015 and Catlin's results are therefore included in those of the Company beginning as of that date.
2. Includes management fees, custody fees, and direct and allocated general and administrative expenses.
3. 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.
4. 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)

	March 31, 2016 (Unaudited)		December 31, 2015 (Unaudited)		September 30, 2015 (Unaudited)		June 30, 2015 (Unaudited)		December 31, 2014 (Unaudited)	
	Fair Value	% of Total	Fair Value	% of Total	Fair Value	% of Total	Fair Value	% of Total	Fair Value	% of Total
INVESTMENT PORTFOLIO LIFE FUNDS WITHHELD ASSETS										
Fixed Income Portfolio										
U.S. Government Related and Supported	\$ 28	0.6%	\$ 18	0.4%	\$ 18	0.4%	\$ 17	0.3%	\$ 18	0.4%
Non-U.S. Government Related and Supported	1,331	29.2%	1,383	29.9%	1,505	31.2%	1,503	30.2%	1,525	30.0%
Corporate	2,810	61.6%	2,790	60.2%	2,821	58.4%	2,962	59.6%	2,937	57.8%
Mortgage Backed Securities	117	2.6%	130	2.8%	148	3.1%	148	3.0%	163	3.2%
Asset Backed Securities	174	3.8%	205	4.4%	213	4.4%	235	4.7%	287	5.7%
Cash and Equivalents (net of payables/receivables)	105	2.3%	106	2.3%	122	2.5%	107	2.2%	149	2.9%
Total Fixed Income - Investments (Note 1)	\$ 4,565	100.0%	\$ 4,632	100.0%	\$ 4,827	100.0%	\$ 4,972	100.0%	\$ 5,079	100.0%
Other Investments										
Hedge Funds	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
Equity Securities	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Other Investments	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Total Other Investments	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
TOTAL LIFE FUNDS WITHHELD ASSETS	\$ 4,565	100.0%	\$ 4,632	100.0%	\$ 4,827	100.0%	\$ 4,972	100.0%	\$ 5,079	100.0%
FIXED INCOME PORTFOLIO CREDIT QUALITY :										
AAA	\$ 562	12.4%	\$ 616	13.3%	\$ 603	12.5%	\$ 572	11.5%	\$ 668	13.2%
AA	1,379	30.2%	1,389	30.0%	1,556	32.2%	1,543	31.0%	1,509	29.7%
A	1,537	33.7%	1,519	32.8%	1,458	30.2%	1,545	31.1%	1,615	31.8%
BBB	1,045	22.9%	1,073	23.2%	1,166	24.2%	1,253	25.2%	1,214	23.9%
BB and Below	41	0.8%	35	0.7%	44	0.9%	59	1.2%	73	1.4%
Not Rated	1	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Total Fixed Income - Investments (Note 1)	\$ 4,565	100.0%	\$ 4,632	100.0%	\$ 4,827	100.0%	\$ 4,972	100.0%	\$ 5,079	100.0%
Average credit quality		A+		A+		A+		A+		A+
Summary by Core Currency Liabilities										
	US Dollar Equivalent Fair Value	Duration	US Dollar Equivalent Fair Value	Duration	US Dollar Equivalent Fair Value	Duration	US Dollar Equivalent Fair Value	Duration	US Dollar Equivalent Fair Value	Duration
Sterling denominated	\$ 3,105	9.0	\$ 3,268	8.7	\$ 3,425	8.7	\$ 3,568	8.9	\$ 3,588	9.4
Euro denominated	1,460	11.3	1,364	11.3	1,402	11.2	1,388	10.6	1,472	10.4
U.S. Dollar denominated	-	-	-	-	-	-	16	5.0	19	5.6
Total Duration	\$ 4,565	9.7	\$ 4,632	9.5	\$ 4,827	9.4	\$ 4,972	9.4	\$ 5,079	9.6
Net Investment Income - Life Funds Withheld Assets (in thousands)	\$ 41,560		\$ 43,620		\$ 46,586		\$ 46,864		\$ 50,419	

Notes:

1. "Total Fixed Income - Investments" includes fixed maturities, short-term investments, invested cash & cash equivalents and net (payables) receivables for investments (purchased) sold.

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 presentation contains the presentation of (i) operating net income (loss) ("Operating Net Income"), which is defined as net income (loss) attributable to ordinary shareholders excluding as applicable: (1) net investment income - Life Funds Withheld Assets, net of tax, (2) net realized (gains) losses on investments sold - excluding Life Funds Withheld Assets, net of tax, (3) net realized (gains) losses on investments sold (including OTTI) and net unrealized (gains) losses on investments, Trading - Life Funds Withheld Assets, (4) net realized and unrealized (gains) losses on derivatives, net of tax, (5) net realized and unrealized (gains) losses on life retrocession embedded derivative and derivative instruments - Life Funds Withheld Assets, (6) share of items (2) and (4) for XL's insurance company affiliates for the periods presented and (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 Holding Corp. ("ARX"), (10) our loss on the GreyCastle Life Retro Arrangement, net of tax, (11) our loss on the Other Life Retro Arrangements, net of tax, and (12) our loss on the early extinguishment of the notes assumed in conjunction with the Catlin acquisition; (ii) annualized return on average ordinary shareholders' equity ("ROE") based on operating net income (loss) ("Operating ROE"); (iii) Operating ROE excluding average unrealized gains and losses on investments; (iv) annualized net income (loss) attributable to ordinary shareholders excluding the Contribution from the GreyCastle Life Retro 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, have been excluded because, as a result of the GreyCastle Life Retro Arrangement, XL no longer shares in the risks and rewards of the underlying performance of the Life Funds Withheld Assets that support these retrocession arrangements. The returns on the Life Funds Withheld Assets are passed directly to the reinsurer pursuant to a contractual arrangement that is accounted for as a derivative. Therefore, net investment income from the Life Funds Withheld Assets and changes in the fair value of the embedded derivative associated with these GreyCastle Life Retro Arrangements are not relevant to XL's underlying business performance.

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

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

Operating ROE is a widely used measure of any company's profitability that is calculated by dividing annualized operating net income for any period other than a fiscal year when actual operating income is used by the average