Q3 2016

EARNINGS PRESENTATION

October 26, 2016

Cautionary Note Regarding Forward–Looking Statements

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

This document contain certain non-GAAP financial measures. The reconciliation of such measures to the most comparable GAAP measures in accordance with Regulation G is included in the Reconciliation beginning on page 8 of this presentation.

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Overview of Quarterly Results

Earnings, Underwriting & Book Value

XL GROUP

Operating Earnings

- Operating net income per share[1] of 44 cents including:
  - Catlin integration costs impact of 20 cents per share

Underwriting

- Total P&C GPW grew at 2.2% in the quarter from Q3 2015
  - 3.5% excluding impact of foreign exchange
- Insurance accident year ex. cat combined ratio of 93.3%
  - Improvement of 3.0 points from Q3 2015
- Reinsurance accident year combined ratio of 90.5%
  - Improvement of 5.3 points from Q3 2015

Book Value Expansion

- Grew fully diluted book value per share by 1.6% in third quarter
  - $42.37 at September 30, 2016
- Grew fully diluted tangible book value per share[2] by 1.3% in third quarter
  - $34.22 at September 30, 2016

1. Operating net income per share (or "Operating EPS") is a non-GAAP financial measure. See Reconciliation of operating net income per share to net income attributable to common shareholders of $0.25 per share beginning on page 8.
2. Fully diluted tangible book value per share is a non-GAAP financial measure. Fully diluted tangible book value per share is calculated in the same manner as fully diluted book value per share except that goodwill and intangible assets of $2.234 million as of September 30, 2016 is excluded from shareholders' equity.

Overview of Quarterly Results
Financial Highlights

Operating Expenses

- P&C operating expense ratio improved by 2.4 points to 15.2% compared to same quarter last year due to ongoing integration and efficiency efforts
- Management's estimate of full year 2016 operating expenses[1] remains unchanged other than an additional estimated $10 million one-time integration cost in the fourth quarter associated with the change in the insurance target operating model described in the recent press release

Capital Management

- Continued opportunistic approach to share buybacks
  - 6.6 million shares or $221.8 million in third quarter
  - 26.2 million shares or $905.2 million for the year to date

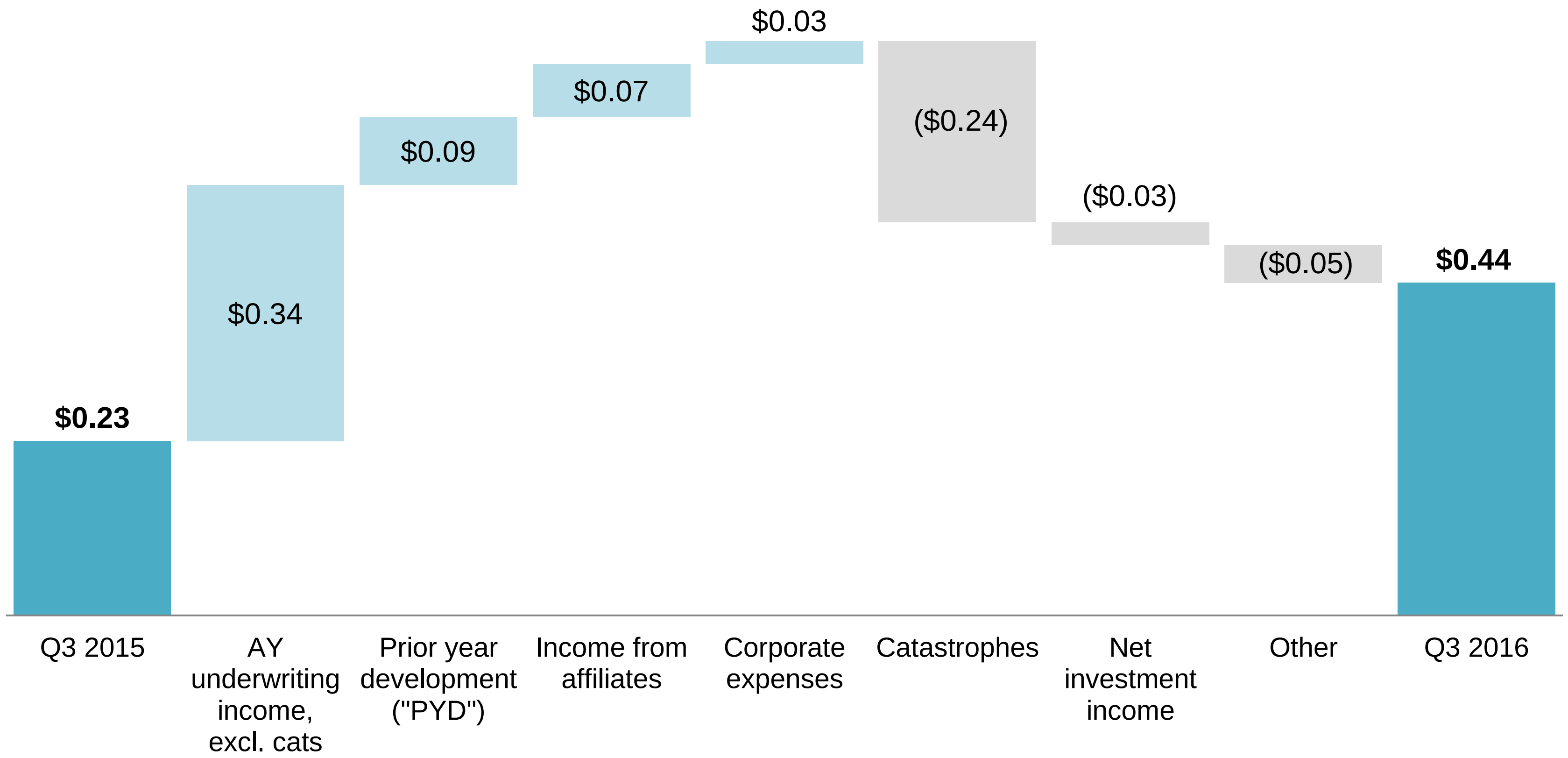
Investment Income

- Total return on investments incl. mark to market movements for the quarter was 0.7%
- Net investment income (excl. life funds withheld assets[2]) slightly below prior year quarter at $171 million
  - Low interest rate environment continues to pressure investment income
- Total income from Investment Affiliates in the quarter was $12.2 million or a 3.2% annualized return
  - Over the last 8 quarters, the annualized average return has been approximately 4.5% and is most closely correlated to broad hedge fund indices on a one month lag
- Total income from Operating Affiliates in the quarter was $12.4 million or a 9.5% annualized return
  - Over the last 8 quarters, the annualized average return has been approximately 12.5%

1. As described in XL's June 6, 2016 Form 8-K.
2. The life funds withheld assets are the designated investment that support the quota share reinsurance arrangement with GreyCastle Life Reinsurance Ltd.

Operating EPS

Further detail on improvement in Operating EPS

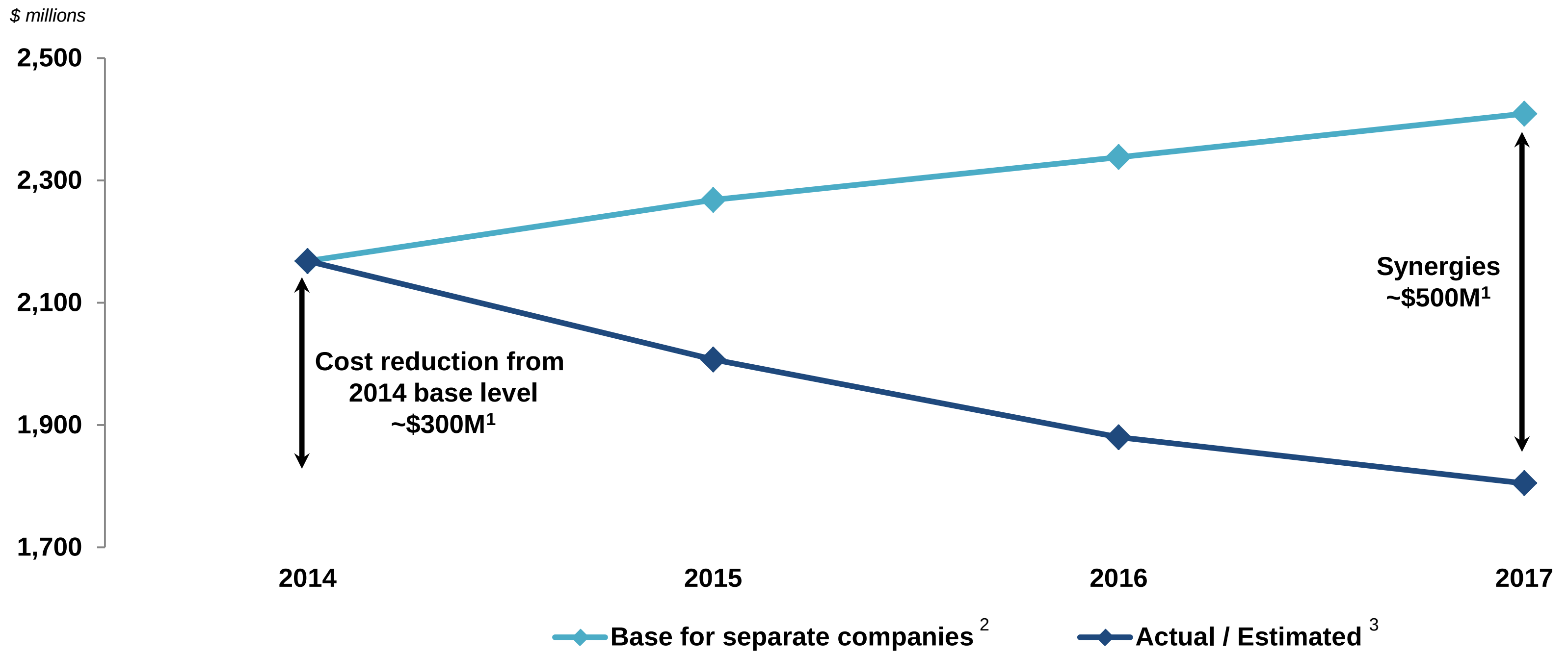


Key assumptions

- Prior and current quarter Operating EPS as reported
- Calculated based on the weighted average diluted shares outstanding for the quarter ended September 30, 2016
- Accident year underwriting income, excl. cats includes acquisition and operating expenses and losses, but excludes catastrophes
- “Other” includes tax, life reinsurance operations, interest expense, non-controlling interest, and share count differences between the periods

Estimated Expense Progression

Improvement in expenses (excluding integration costs) as synergies crystalize and we continue to focus on efficiency



1. Figures represent difference between base level and preliminary estimate of full year 2017 operating expenses. Excludes the positive impact of foreign exchange movements and the impact of inflation of approximately 3% per year for 2016 and 2017.
2. 2014 figure based on: (a) Catlin's 2014 "Administrative & other expenses" (as reported in Catlin's 2014 Annual Report), with a $100 million reclassification to reflect XL's accounting policies for certain ceding commissions, for a total of $827 million; plus (b) XL's 2014 operating expenses of $1.341 billion (as reported in XL's Form 10-K for the year ended December 31, 2014). 2015 represents 2014 figure plus $100 million for budgeted expense growth.
3. 2015 figure is actual. 2016 and 2017 figures represent midpoint of preliminary estimate range as described in XL's June 6, 2016 Form 8-K.

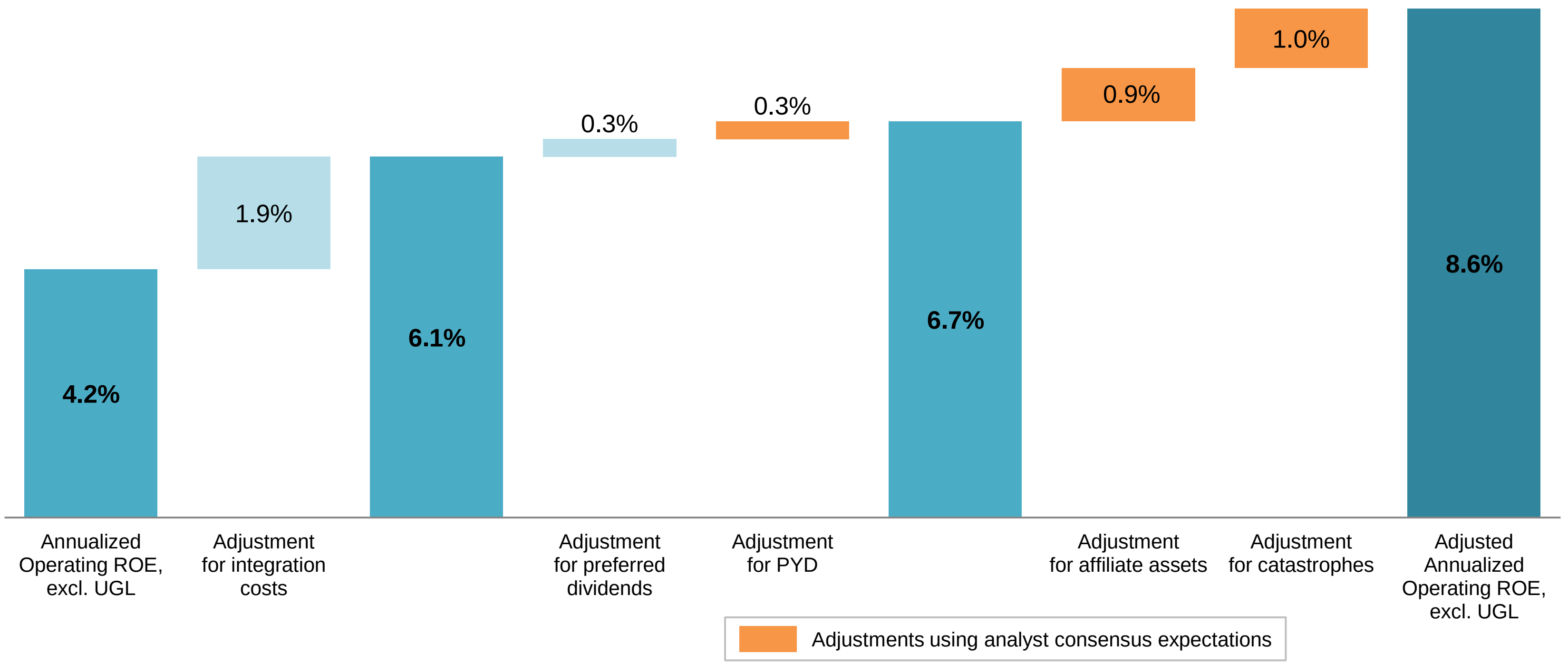
The above estimates are based on current market conditions and current operational and integration plans. These estimates are subject to change depending on a number of factors, including foreign exchange rate movements and the impact of actual results on variable compensation, among other factors identified in the Cautionary Note Regarding Forward-Looking Statements included on page 2. The following are several additional informational points relative to the above estimated operating expenses:

- The Company anticipates that approximately 24% of its total operating expenses will be incurred in British Pounds and approximately 7% of its total operating expenses will be incurred in Euros.
- Variable compensation costs typically represent approximately 15-20% of total annual operating expenses.
- Estimated total operating expenses for each of 2016 and 2017 includes approximately $20 million per year of expenses related to the Company's acquisition of Allied International Holdings, Inc. that closed on February 1, 2016.

Adjusted Annualized Operating ROE, excl. UGL[1]

Adjusted for timing and volatility items

For the nine months ended September 30, 2016



1. Annualized operating return on average common shareholders' equity excluding average unrealized gains and losses on investments (or "Annualized Operating ROE, excl. UGL") is a non-GAAP financial measure. See Reconciliation beginning on page 8.

The Adjusted Annualized Operating ROE, excl. UGL: (i) excludes $162 million ($197 million annualized, post-tax effected using our year-to-date operating income effective tax rate of 8.5%) of costs incurred as part of the Catlin integration; (ii) converts preferred share dividends paid semi-annually to quarterly payments; (iii) makes adjustments to reflect analysts' consensus expectation for 2016 as of January 1, 2016 (using 75% of such full year pre-tax estimates) with respect to the following amounts: (a) PYD increases by approximately $26 million ($31 million annualized, post-tax effected) from approximately $196 million in light of analysts' consensus expectation of approximately $221 million; (b) income from operating affiliates increases by approximately $73 million ($89 million annualized, post-tax effected) from approximately $67 million in light of analysts' consensus expectation of approximately $140 million; and (c) catastrophe losses decreases by approximately $90 million ($110 million annualized, post-tax effected) from approximately $390 in light of analysts' consensus expectation of approximately $300 million. Analyst consensus expectations included above are for illustrative purposes only. The inclusion of these analyst expectations does not reflect an endorsement by XL Group Ltd of such expectations for 2016.

Regulation G Reconciliation

The following is a reconciliation of XL's net income (loss) attributable to common shareholders to operating net income (loss) (Note 5) and also includes the calculation of annualized return on average common shareholders' equity and annualized return on average common shareholders' equity excluding average unrealized gains and losses on investments, in each case based on operating net income (loss) for the three and nine months ended September 30, 2016 and 2015.

XL GROUP

(U.S. dollars in thousands except share and per share amounts)	Three Months Ended September 30, *(Unaudited)*		Nine Months Ended September 30, *(Unaudited)*	
	2016	(Notes 1 and 2) 2015	2016	(Notes 1 and 2) 2015
Net income (loss) attributable to common shareholders	$ 70,601	$ 27,282	$ 136,268	$ 978,602
Net realized and unrealized (gains) losses on life retrocession embedded derivative and derivative instruments - Life Funds Withheld Assets	225,610	126,140	691,432	116,333
Net realized (gains) losses on investments and net unrealized (gains) losses on investments, Trading - Life Funds Withheld Assets	(85,281)	(51,608)	(271,596)	(145,513)
Net investment income - Life Funds Withheld Assets	(38,937)	(46,586)	(119,643)	(143,869)
Foreign exchange revaluation (gains) losses on and other income and expense items related to Life Funds Withheld Assets	(1,535)	(8,633)	(5,729)	3,578
Net income (loss) attributable to common shareholders excluding Contribution from GreyCastle Life Retro Arrangements (Note 3)	**$ 170,458**	**$ 46,595**	**$ 430,732**	**$ 809,131**
Net realized (gains) losses and OTTI on investments - excluding Life Funds Withheld Assets	(58,395)	201	(69,447)	(8,752)
Net realized and unrealized (gains) losses on derivatives	(5,490)	7,903	(2,774)	(57,127)
Net realized and unrealized (gains) losses on investments and derivatives related to the Company's insurance company affiliates	—	(14)	2,231	1,239
Exchange (gains) losses	(160)	20,294	(48,885)	45,847
Expenses related to Catlin acquisition	—	1,245	—	63,048
Loss (gain) on sale of subsidiary (Note 4)	(3,670)	—	(3,670)	—
Gain on sale of operating affiliate	—	—	—	(340,407)
Provision (benefit) for income tax on items excluded from operating income	19,711	(5,432)	24,102	(2,014)
Operating net income (loss) (Note 5)	**$ 122,454**	**$ 70,792**	**$ 332,289**	**$ 510,965**
Per common share results: (Note 6)				
Net income (loss) attributable to common shareholders	$ 0.25	$ 0.09	$ 0.48	$ 3.40
Operating net income (loss) (Note 5)	$ 0.44	$ 0.23	$ 1.16	$ 1.78
Weighted average common shares outstanding:				
Basic	273,659,957	301,867,208	282,441,805	282,505,975
Diluted - Net income	277,094,453	306,954,345	286,125,400	287,473,059
Diluted - Operating net income	277,094,453	306,954,345	286,125,400	287,473,059
Return on common shareholders' equity:				
Closing common shareholders' equity (Note 7)	$ 11,612,166	$ 11,938,229	$ 11,612,166	$ 11,938,229
Closing unrealized (gain) loss on investments (Note 8)	$ (1,484,725)	$ (1,005,547)	$ (1,484,725)	$ (1,005,547)
Average common shareholders' equity excluding average unrealized gains (losses) on investments (Note 7)	$ 10,195,467	$ 11,037,815	$ 10,529,464	$ 9,726,183
Average common shareholders' equity (Note 7)	$ 11,648,677	$ 12,092,764	$ 11,644,623	$ 10,985,990
Operating net income (loss) (Note 5)	$ 122,454	$ 70,792	$ 332,289	$ 510,965
Annualized operating net income (loss) (Note 5)	$ 489,816	$ 283,168	$ 443,052	$ 681,287
Annualized operating net income (loss) (excluding integration costs) (Note 5)	$ 689,143	$ 385,638	$ 640,156	$ 783,155
Annualized operating return on average common shareholders' equity (Notes 5 and 7)	**4.2 %**	**2.3 %**	**3.8 %**	**6.2 %**
Annualized operating return on average common shareholders' equity excluding average unrealized gains and losses on investments (Notes 5 and 7)	**4.8 %**	**2.6 %**	**4.2 %**	**7.0 %**

Notes can be found on following page.

Regulation G Reconciliation

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

Note 2: The Company's results for the nine months ended September 30, 2015 include those of Catlin Group Limited from May 1, 2015.

Note 3: Investment results for the Life Funds Withheld 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 that is accounted for as a derivative. Changes in the fair value of the embedded derivative associated with these GreyCastle Life Retro Arrangements are reflected within "Net realized and unrealized (gains) losses on life retrocession embedded derivative and derivative instruments - Life Funds Withheld Assets" in the reconciliation above.

Note 4: On September 30, 2016, the Company completed the sale of its wholly-owned subsidiary, XL Life Insurance and Annuity Company ("XLLIAC") and as a result, recorded a $3.7 million gain.

Note 5: Defined as net income (loss) attributable to common shareholders excluding: (1) our net investment income - Life Funds Withheld Assets, (defined below) (2) our net realized (gains) losses on investments sold - excluding Life Funds Withheld Assets, (3) our net realized (gains) losses on investments sold (including OTTI) and net unrealized (gains) losses on investments, Trading - Life Funds Withheld Assets, (4) our net realized and unrealized (gains) losses on derivatives, (5) our net realized and unrealized (gains) losses on life retrocession embedded derivative and derivative instruments - Life Funds Withheld Assets, (6) our share of items (2) and (4) for The Company's insurance company affiliates for the periods presented, (7) our foreign exchange (gains) losses, (8) our expenses related to the Catlin acquisition, (9) our gain on the sale of our interest in our former operating affiliate, ARX Holding Corp. (10) our gain on the sale of our wholly-owned subsidiary XL Life Insurance and Annuity Company ("XLLIAC"), and (11) a provision (benefit) for income tax on items excluded from operating income. We believe that showing "operating net income (loss)", "annualized operating return on average common shareholders' equity" and "annualized operating return on average common shareholders' equity excluding average unrealized gains and losses on investments and integration costs" enables investors and other users of our financial information to analyze our performance in a manner similar to how we analyze our performance. In this regard, we believe that providing only a GAAP presentation of net income (loss) would make it more difficult for users of our financial information to evaluate our underlying business. We also believe that equity analysts and certain rating agencies that follow us (and the insurance industry as a whole) exclude these items from their analyses for the same reasons, and they request that we provide this non-GAAP financial information on a regular basis. A reconciliation of our net income (loss) attributable to common shareholders to operating net income (loss) is provided above.

Note 6: Diluted weighted average number of common shares outstanding is used to calculate per share data except where it is anti-dilutive to earnings per share or where there is a net loss. When it is anti-dilutive or when a net loss occurs, basic weighted average common shares outstanding is utilized in the calculation of net loss per share and net operating loss per share.

Note 7: Common shareholders’ equity is defined as total shareholders’ equity less non-controlling interest in equity of consolidated subsidiaries.

Note 8: 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.