

Fixed Income Portfolio Data
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Q3 2008
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XAL CAPITAL

XL Capital Ltd

Fixed Income Portfolio Data

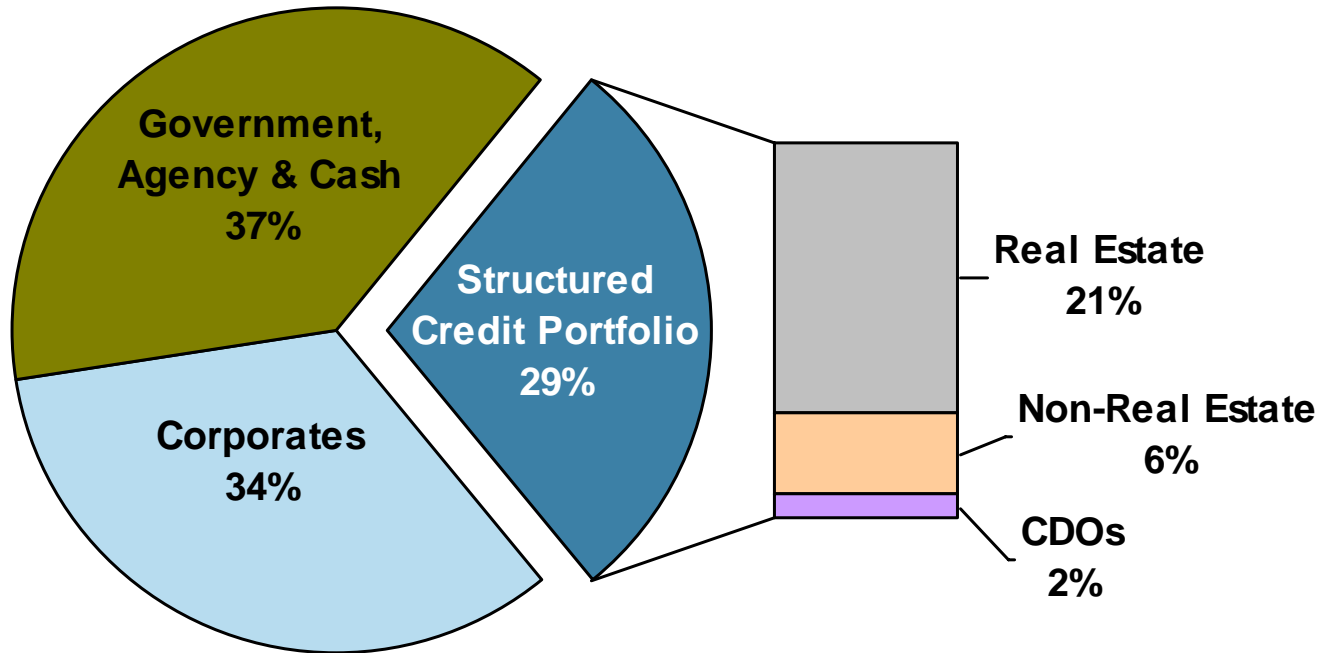
Cautionary Note on Forward Looking Statements

This press release 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. 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 (i) changes in ratings, rating agency policies or practices; (ii) changes to the size of the Company's claims relating to natural catastrophes; (iii) the timely and full recoverability of reinsurance placed by the Company with third parties, or other amounts due to the Company; (iv) the projected amount of ceded reinsurance recoverables and the ratings and creditworthiness of reinsurers may change; (v) the timing of claims payments being faster or the receipt of reinsurance recoverables being slower than anticipated by the Company; (vi) increased competition on the basis of pricing, capacity, coverage terms or other factors; (vii) greater frequency or severity of claims and loss activity, including as a result of natural or man-made catastrophic events, than the Company's underwriting, reserving or investment practices anticipate based on historical experience or industry data; (viii) developments in the world's financial and capital markets that adversely affect the performance of the Company's investments and the Company's access to such markets including, but not limited to, the global credit crisis that began in 2007; (ix) legislative or regulatory developments including, but not limited to, changes in regulatory capital balances that must be maintained by the Company's operating subsidiaries and recent governmental actions for the purpose of stabilizing the financial markets; (x) changes in general economic conditions, including inflation, foreign currency exchange rates and other factors; (xi) the other factors set forth in the Company's other documents on file with the United States Securities and Exchange Commission. XL undertakes no obligation to update or revise publicly any forward-looking statement, whether as a result of new information, future developments or otherwise.

Total Fixed Income Portfolio

As at September 30, 2008

Composition (\$33.4 billion)

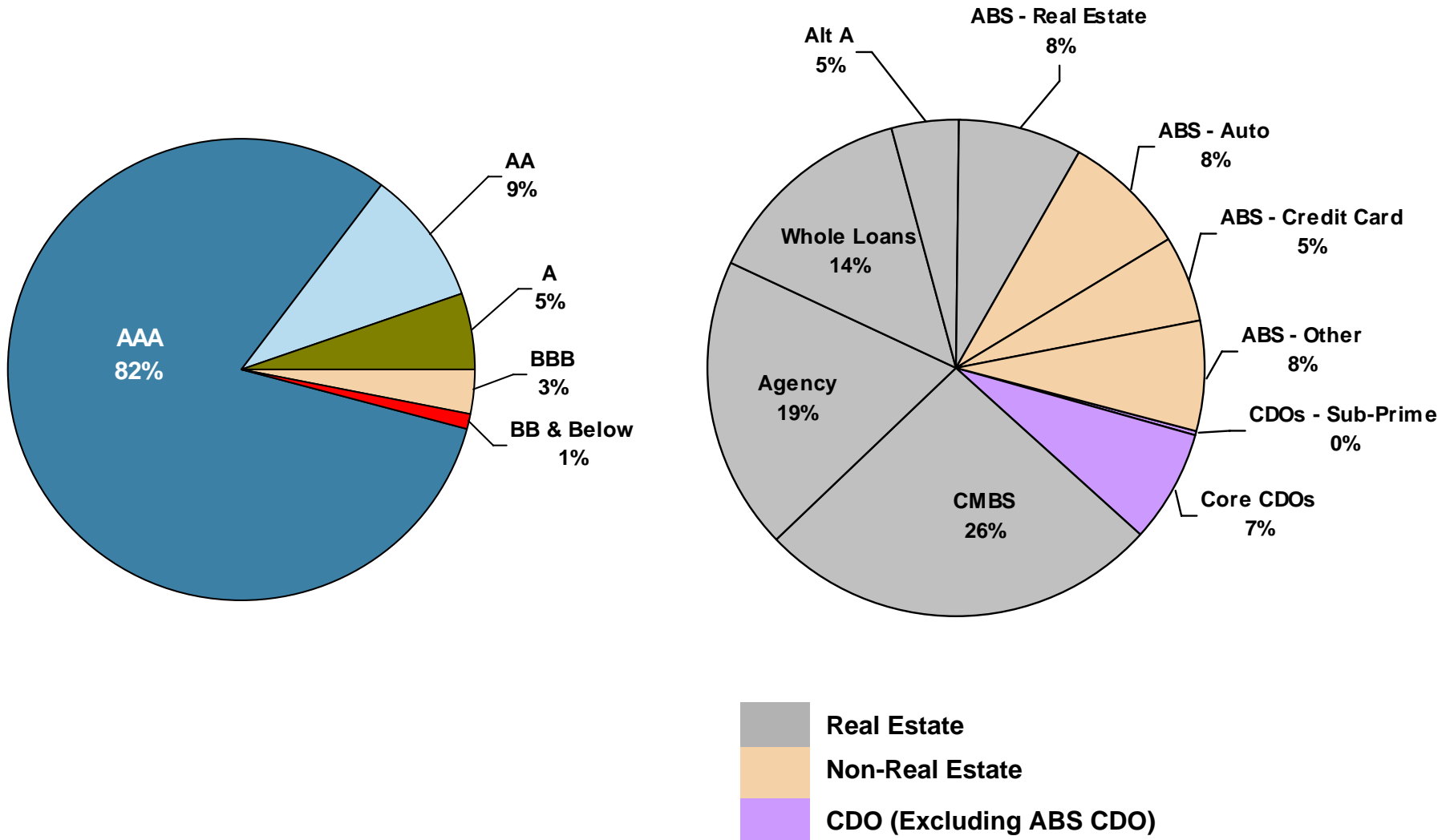


Fixed Income Portfolio (AA rated) comprised of:

- **Structured Credit Portfolio (AA+ rated):** **\$9.5B**
- **Non-Structured Credit Portfolio:** **\$23.9B**
 - *Government, Agency & Cash (AAA rated)* **\$ 12.8B**
 - *Corporate Credit (A rated)* **\$ 11.1B**

Structured Credit Portfolio - Overview

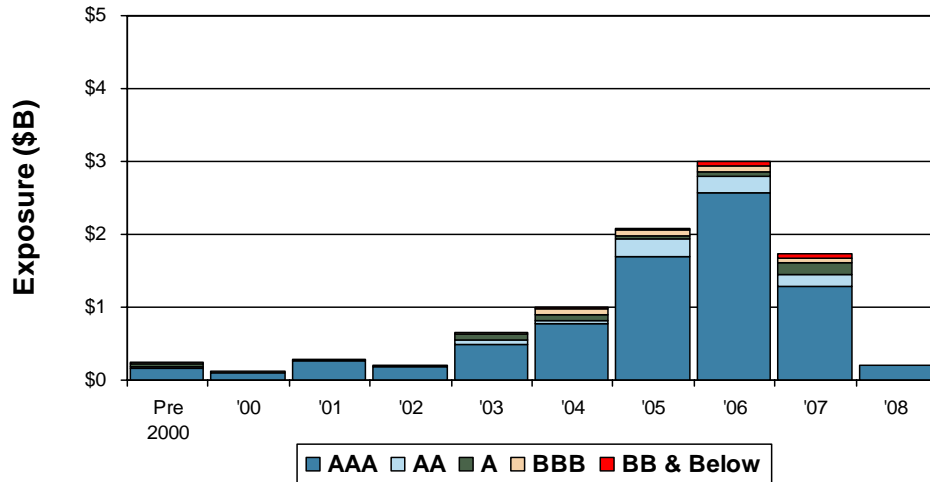
As at September 30, 2008



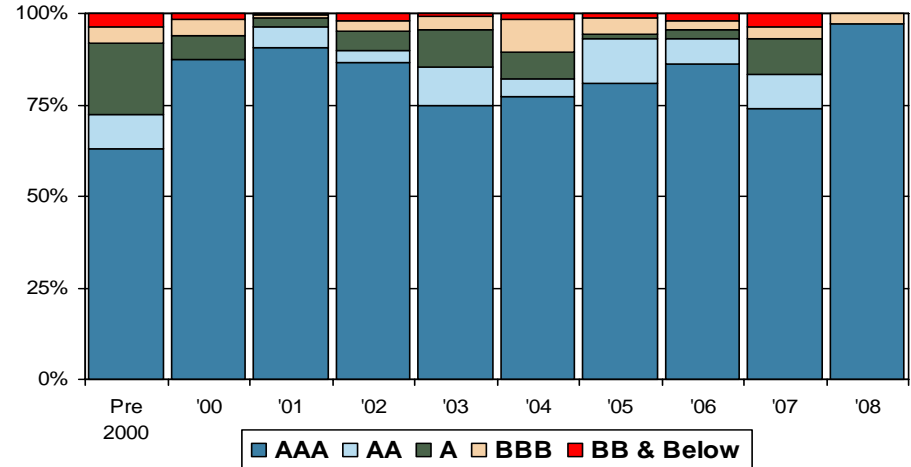
Structured Credit Portfolio: \$9.5 billion

As at September 30, 2008

Rating & Vintage Breakdown (\$B)



Rating & Vintage Breakdown (%)



Exposure in \$Millions

Vintage	AAA	AA	A	BBB	BB & Below	Total
2008	202	-	-	6	-	208
2007	1,286	233	166	43	14	1,742
2006	2,580	237	68	61	49	2,995
2005	1,693	252	46	84	16	2,091
Other	1,959	180	232	106	33	2,510
Total	7,720	902	512	300	112	9,546

Key Characteristics:

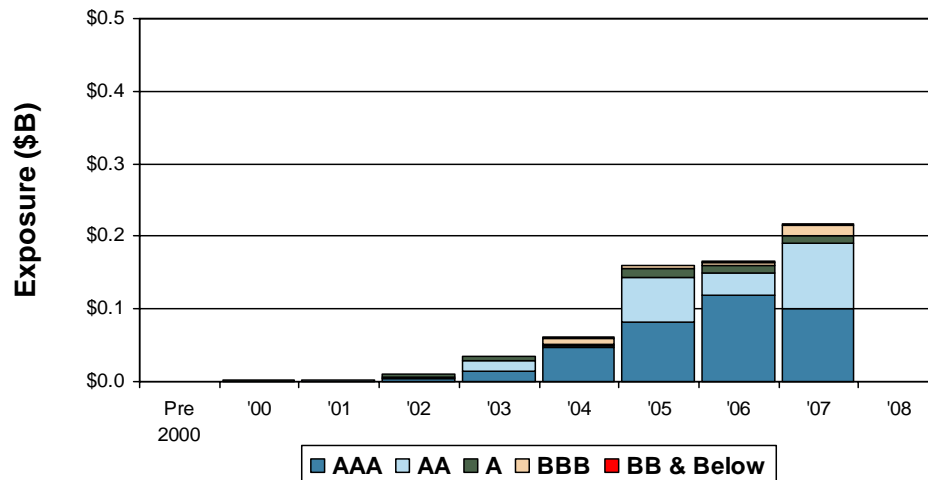
- Includes all US and Non US Asset Backed and Agency and Non Agency Mortgage Related Securities
- Exposure dominated by AAA
- Weighted Average Life 4.2 yrs
- 138 Securities (\$257 million) downgraded in Q3'08
- \$402 million on negative credit watch
- OTTI: Q3 \$156 million



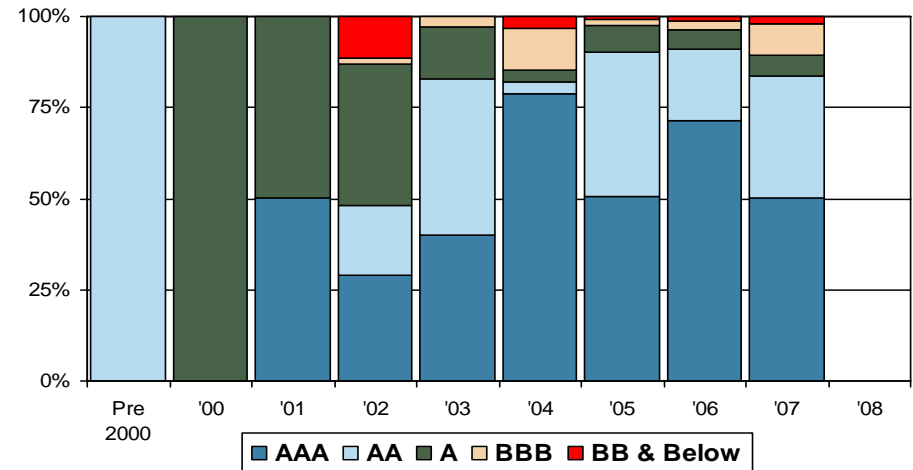
Sub Prime First Lien Securities: \$659 million

As at September 30, 2008

Rating & Vintage Breakdown (\$B)



Rating & Vintage Breakdown (%)



Exposures in \$Millions

Vintage	AAA	AA	A	BBB	BB & Below	Total
2008	-	-	-	-	-	-
2007	104	94	3	15	3	219
2006	118	32	9	4	2	165
2005	81	63	12	3	1	160
Other	68	19	15	9	4	115
Total	371	208	39	31	10	659
<i>Par Value</i>	<i>447</i>	<i>299</i>	<i>96</i>	<i>64</i>	<i>75</i>	<i>981</i>

Net Unrealized Gain (Loss) \$Millions

Net Unrealized	(74)	(85)	(29)	4	(17)	(201)
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Key Characteristics:

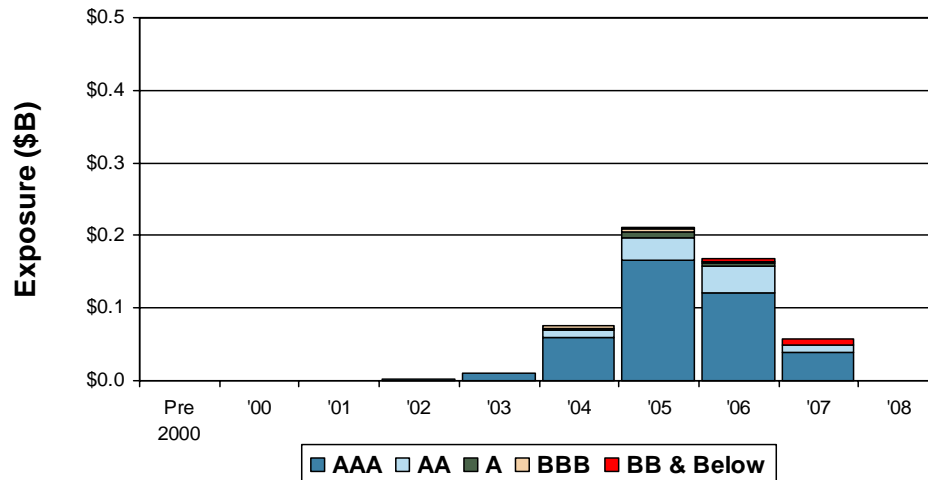
- Overall average credit support: 34%
- Weighted average LTV of holdings: 78%
- 61% pools have weighted average LTVs < 80%
- Cumulative losses to date average: 3.8%
- Average delinquencies 60+days: 26%
- Weighted average life 3.3 years
- Limited exposure to option ARM securities (\$3.6 million)
- Average price of 67% of par
- 18 Securities (\$52 million) downgraded in Q3'08
- OTTI: Q3 \$36 million
- Cumulative OTTI since April 2007: \$172 million



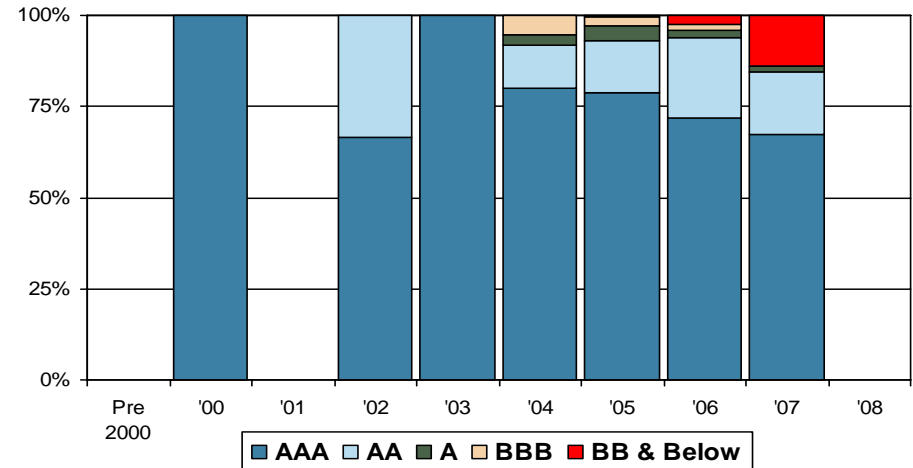
Alt A Securities: \$525 million

As at September 30, 2008

Rating & Vintage Breakdown (\$B)



Rating & Vintage Breakdown (%)



Exposures in \$Millions

Vintage	AAA	AA	A	BBB	BB & Below	Total
2008	-	-	-	-	-	-
2007	39	10	-	-	8	57
2006	120	37	3	3	4	167
2005	166	30	9	5	1	211
Other	74	10	2	4	-	90
Total	399	87	14	12	13	525
<i>Par Value</i>	<i>588</i>	<i>125</i>	<i>38</i>	<i>38</i>	<i>48</i>	<i>837</i>

Net Unrealized Gain (Loss) \$Millions

Net Unrealized	(176)	(25)	(21)	(2)	(3)	(227)
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Key Characteristics:

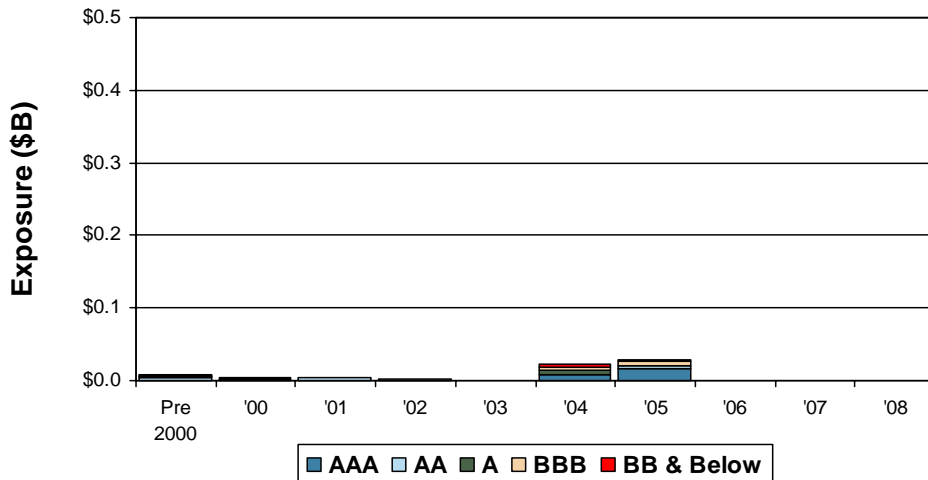
- Overall average credit support: 27%
- Weighted average LTV of holdings: 74%
- 68% pools have weighted average LTVs < 80%
- Cumulative losses to date average: 1.5%
- Average delinquencies 60+days: 16%
- Weighted average life 3.6 years
- \$165.9 million exposure to option ARM securities
 - 83% AAA
 - Weighted average LTV of holdings: 80%
 - Historical cumulative loss average: 0.7%
 - Average credit support: 35%
- Average price of 63% of par
- 36 Securities (\$99 million) downgraded in Q3'08
- OTTI: Q3 \$28 million
- Cumulative OTTI since April 2007: \$91 million



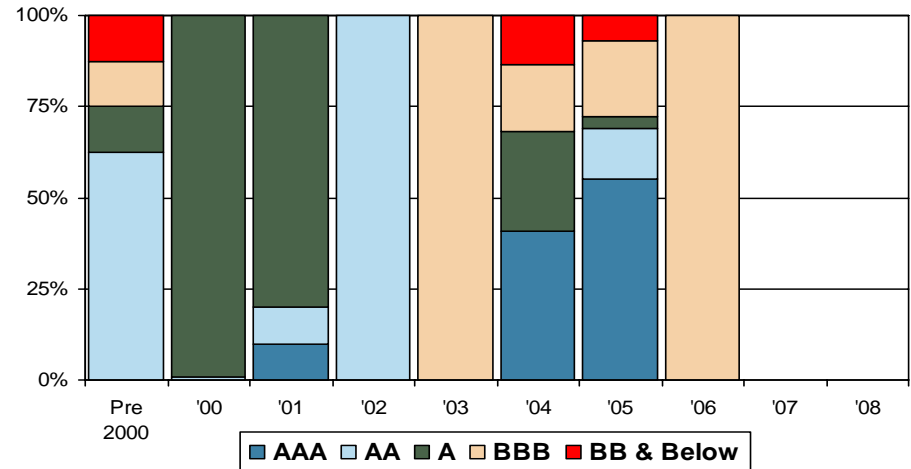
Second Lien Securities: \$71 million

As at September 30, 2008

Rating & Vintage Breakdown (\$B)



Rating & Vintage Breakdown (%)



Exposures in \$Millions

Vintage	AAA	AA	A	BBB	BB & Below	Total
2008	-	-	-	-	-	-
2007	-	-	-	-	-	-
2006	-	-	-	1	-	1
2005	16	3	1	6	2	28
Other	10	12	10	6	4	42
Total	26	15	11	13	6	71
<i>Par Value</i>	<i>29</i>	<i>21</i>	<i>22</i>	<i>31</i>	<i>46</i>	<i>149</i>

Net Unrealized Gain (Loss) \$Millions

Net Unrealized	-	(2)	1	4	-	3
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Key Characteristics:

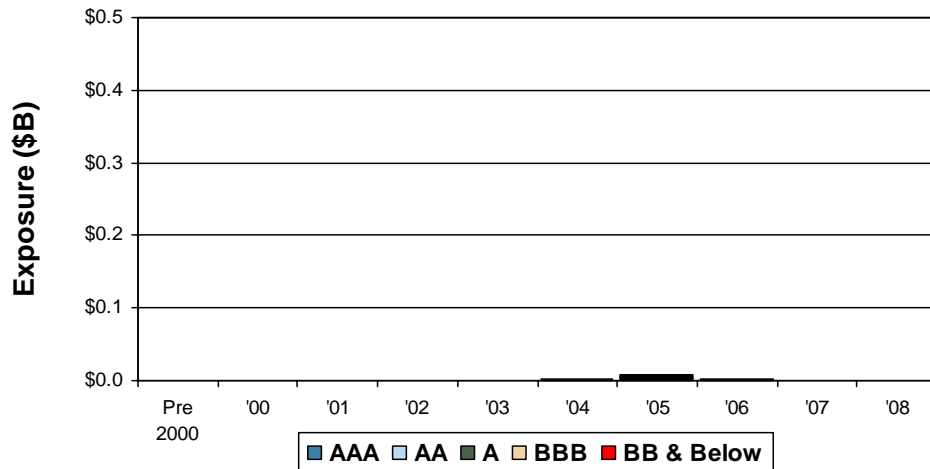
- Overall average credit support: 38%
- Weighted average LTV of holdings: 70%
- 51% pools have weighted average LTVs < 80%
- Historical cumulative loss average: 7.8%
- Average delinquencies 60+days: 15%
- Weighted average life 2.8 years
- 12 Securities (\$2 million) downgraded in Q3'08
- OTTI: Q3 \$2 million
- Cumulative OTTI since April 2007: \$116 million



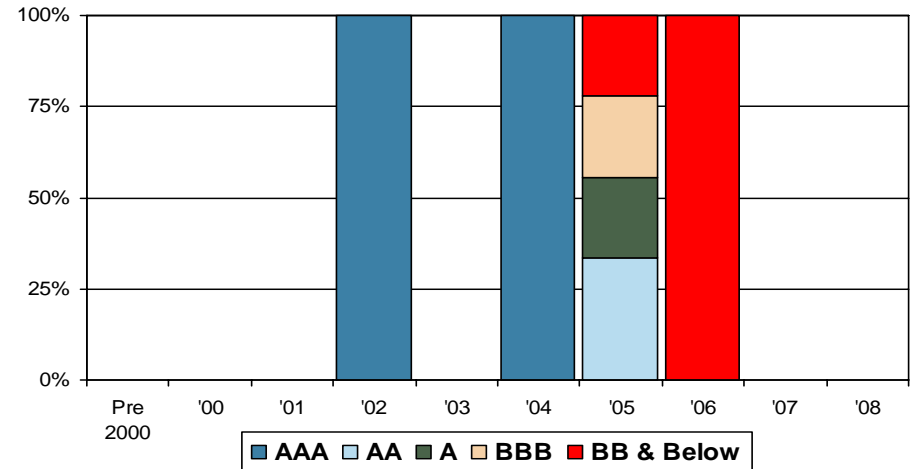
ABS CDOs w/ Sub Prime Collateral: \$15 million

As at September 30, 2008

Rating & Vintage Breakdown (\$B)



Rating & Vintage Breakdown (%)



Exposures in \$Millions

Vintage	AAA	AA	A	BBB	BB & Below	Total
2008	-	-	-	-	-	-
2007	-	-	-	-	-	-
2006	-	-	-	-	3	3
2005	-	3	2	2	2	9
Other	3	-	-	-	-	3
Total	3	3	2	2	5	15
<i>Par Value</i>	<i>3</i>	<i>5</i>	<i>4</i>	<i>25</i>	<i>79</i>	<i>116</i>

Net Unrealized Gain (Loss) \$Millions

Net Unrealized	-	(2)	(1)	(1)	(1)	(5)
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Key Characteristics:

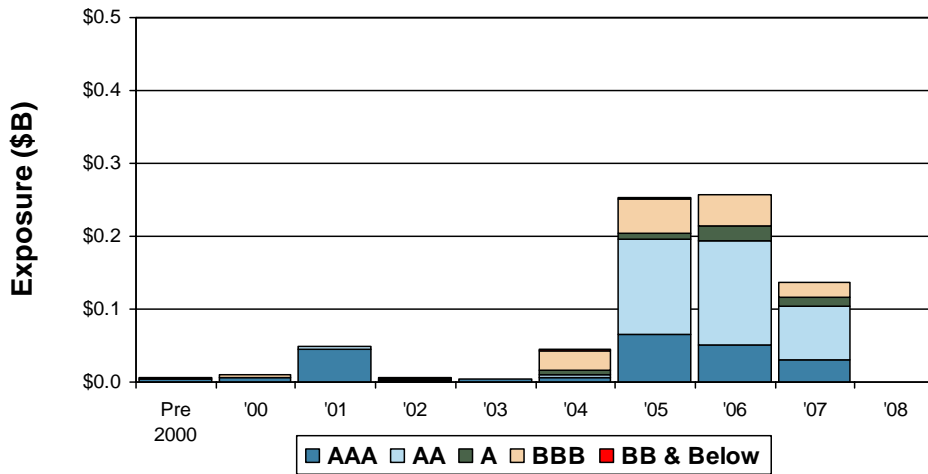
- Stress scenarios reflect high probability of principal loss on certain ABS CDO
- Weighted average life 3.8 years
- 8 Securities (\$7 million) downgraded in Q3'08
- OTTI: Q3 \$2 million
- Cumulative OTTI since April 2007: \$109 million



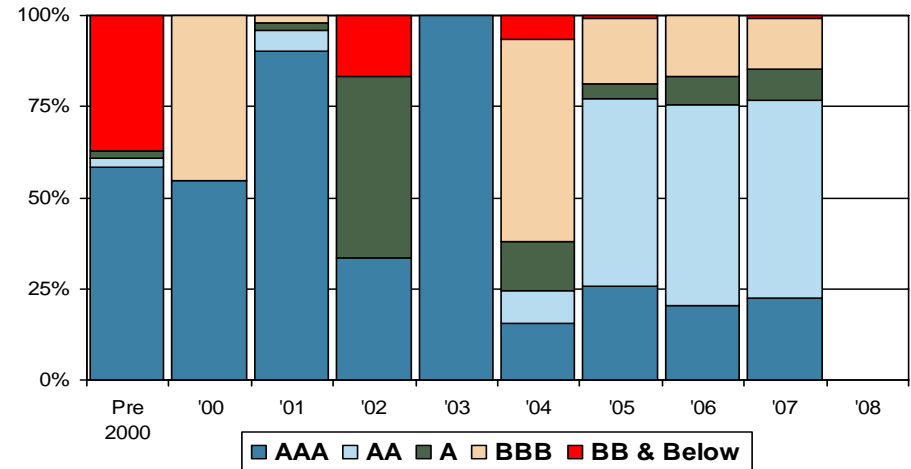
Core CDOs (excl ABS CDO): \$757 million

As at September 30, 2008

Rating & Vintage Breakdown (\$B)



Rating & Vintage Breakdown (%)



Exposures in \$Millions

Vintage	AAA	AA	A	BBB	BB & Below	Total
2008	-	-	-	-	-	-
2007	31	74	12	19	1	137
2006	52	142	20	30	-	244
2005	65	130	10	46	2	253
Other	69	7	11	31	5	123
Total	217	353	53	126	8	757
<i>Par Value</i>	<i>269</i>	<i>531</i>	<i>88</i>	<i>266</i>	<i>28</i>	<i>1,182</i>

Net Unrealized Gain (Loss) \$Millions

Net Unrealized	(44)	(177)	(30)	(123)	(5)	(379)
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Key Characteristics:

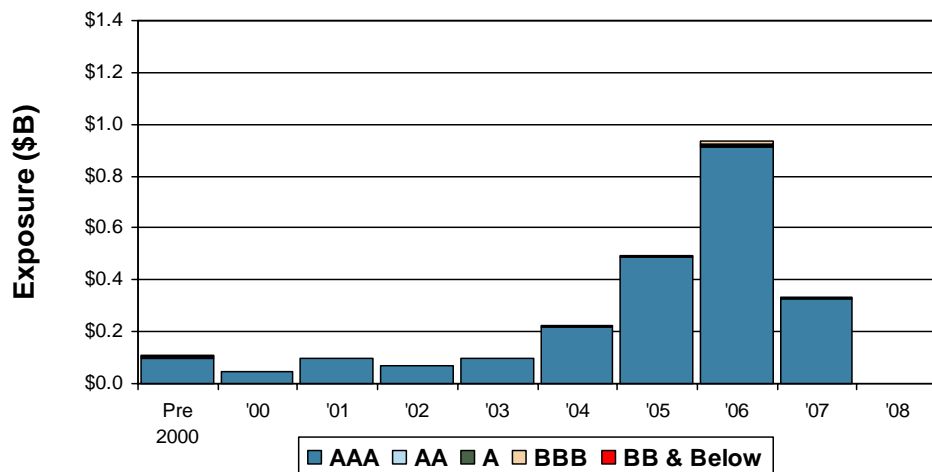
- All third party managed structures
- 70% of holdings in CLO; majority rated AAA/AA with robust coverage multiples
- Limited residential and commercial real estate
- BBB and BB are managed by CDO specialists
- 154 issues of diversified collateral
- Average credit subordination 18%
- Weighted average life 6.3 years
- 10 Securities (\$10 million) downgraded in Q3'08
- OTTI: Q3 \$20 million
- Average price of 65% of par
- Cumulative OTTI since April 2007: \$40 million



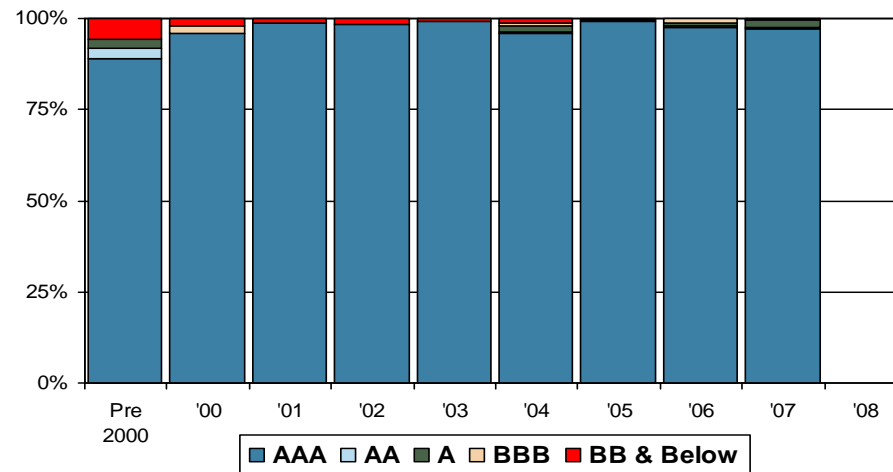
CMBS: \$2.4 billion

As at September 30, 2008

Rating & Vintage Breakdown (\$B)



Rating & Vintage Breakdown (%)



Exposures in \$Millions

Vintage	AAA	AA	A	BBB	BB & Below	Total
2008	-	-	-	-	-	-
2007	325	2	6	1	1	335
2006	914	3	8	12	1	938
2005	486	-	3	1	1	491
Other	618	4	6	4	13	645
Total	2,343	9	23	18	16	2,409
<i>Par Value</i>	<i>2,629</i>	<i>12</i>	<i>29</i>	<i>23</i>	<i>30</i>	<i>2,723</i>

Net Unrealized Gain (Loss) \$Millions

Net Unrealized (1)	AAA	AA	A	BBB	BB & Below	Total
	(265)	(2)	(4)	(4)	(5)	(280)

(1) Of the net unrealized losses on CMBS securities, \$32 million is the result of the weakening USD and is offset by the cumulative translation adjustment

Key Characteristics:

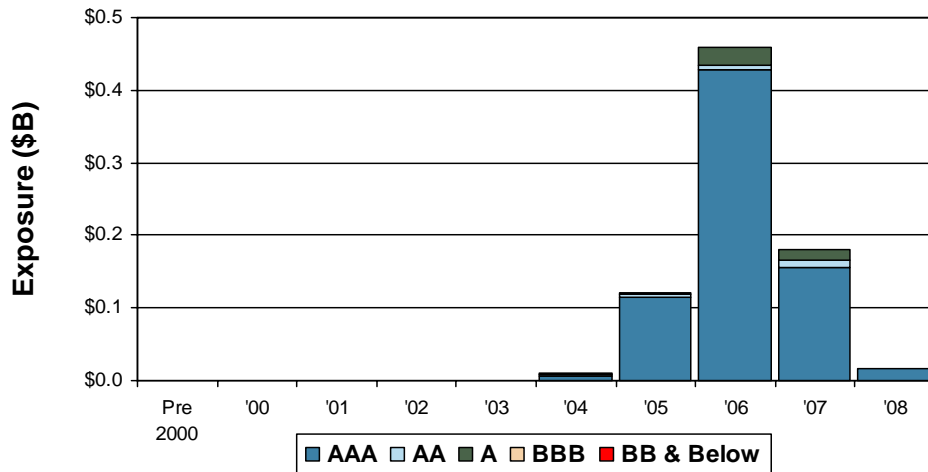
- 97% AAA; 91% Super/Senior tranches
- 96% of exposure is in Conduit structures
- 29% retail; 28% office; 13% multi-family; 6% lodging; 24% other property
- 450 securities with Average Number of Loans: 165
- 58% of pools have > 140 loans
- 47% in Pre 2006 pools; 14% in 2007
- Wtd Avg. Credit Enhancement: 27%, Levels>20%: 84%
- Wtd. Avg. LTV: 68%, Wtd. Avg. DSCR: 1.6
- 65% experiencing 0% 60+ day delinquency; 92% have rates <1%
- No downgrades or OTTI in Q3'08
- Average price of 88% of par



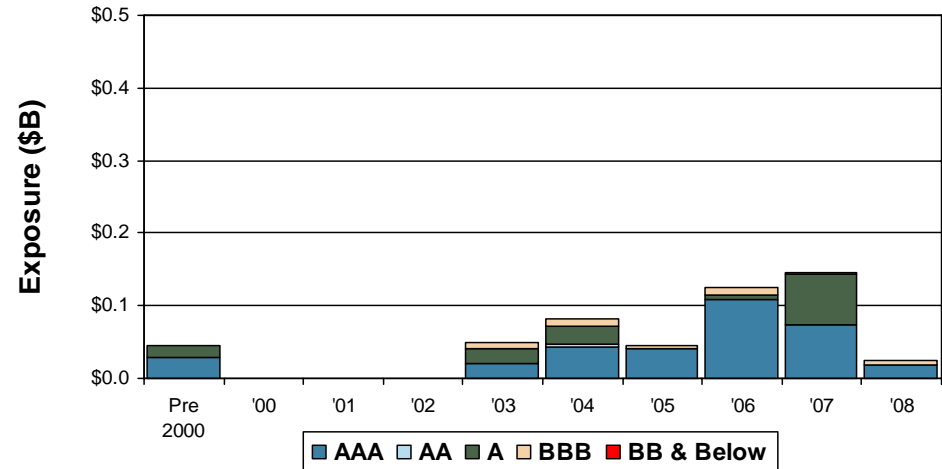
Consumer ABS: \$1.4 billion

As at September 30, 2008

ABS Auto Rating & Vintage Breakdown (\$B)



Credit Card Rating & Vintage Breakdown (\$B)



Exposures in \$Millions

	AAA	AAA Wrapped	AA	A	BBB	BB & Below	Total	% of Total
Autos	704	20	21	20	1	2	768	55%
Credit Card	336	-	5	140	40	1	522	38%
Student Loan	104	-	-	-	-	-	104	7%
Total	1,144	20	26	160	41	3	1,394	100%
<i>Par Value</i>	<i>1,135</i>	<i>23</i>	<i>27</i>	<i>178</i>	<i>40</i>	<i>4</i>	<i>1,407</i>	

Net Unrealized Gain (Loss) \$Millions

Net Unrealized	(29)	-	(1)	(20)	(5)	-	(55)
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Autos:

- Average credit support: 21.4%
- 1 bond (\$2 million) downgraded in Q3'08
- Weighted average life 1.2 years

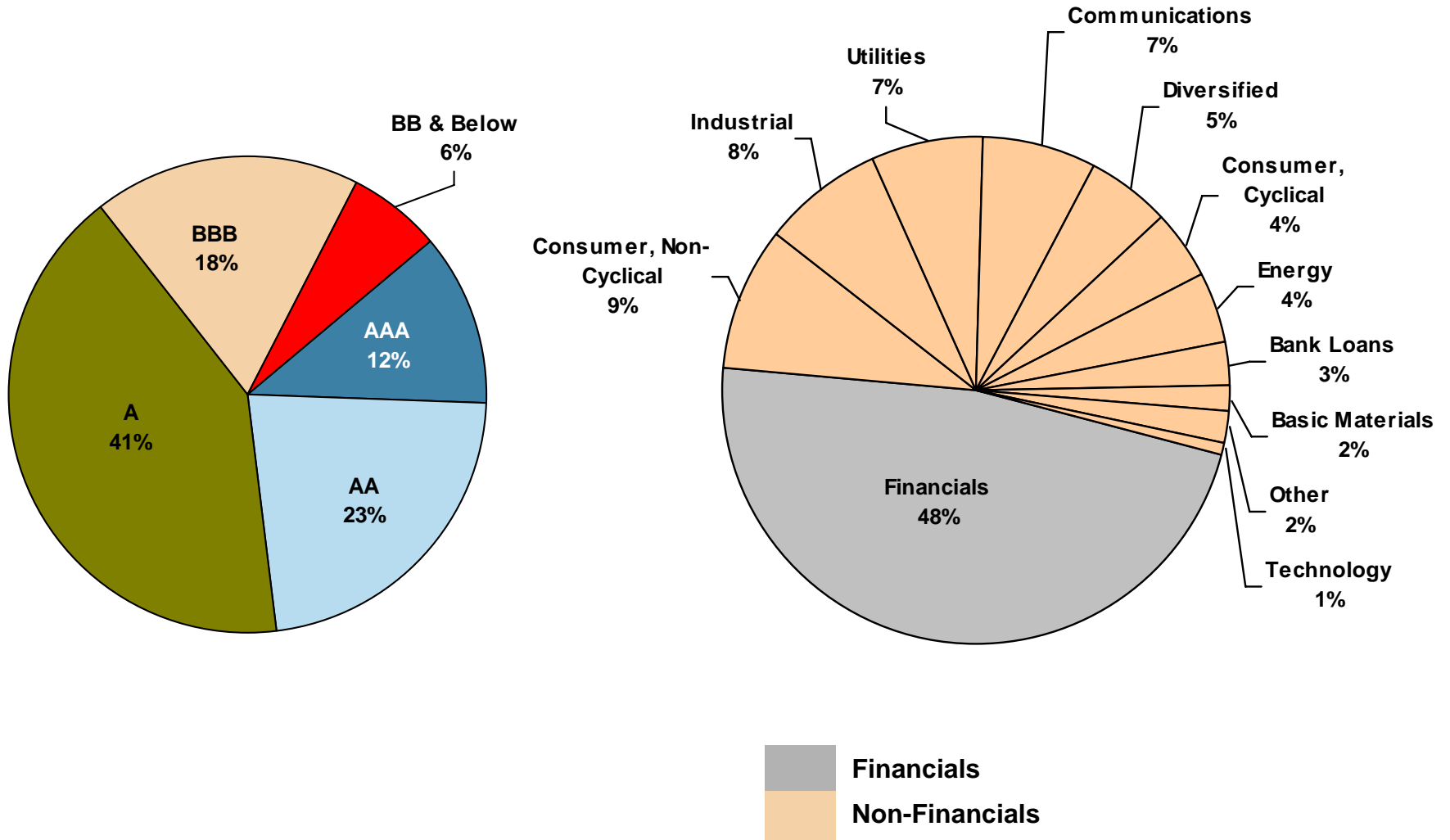
Credit Cards:

- Average excess spread: 6.75%
- Total credit enhancement averages 18.5%
- Average credit enhancement to charge off ratio: 2.94
- 2 bonds (\$5 million) downgraded in Q3'08
- Weighted average life 3.2 years



Corporate Credit Portfolio - Overview

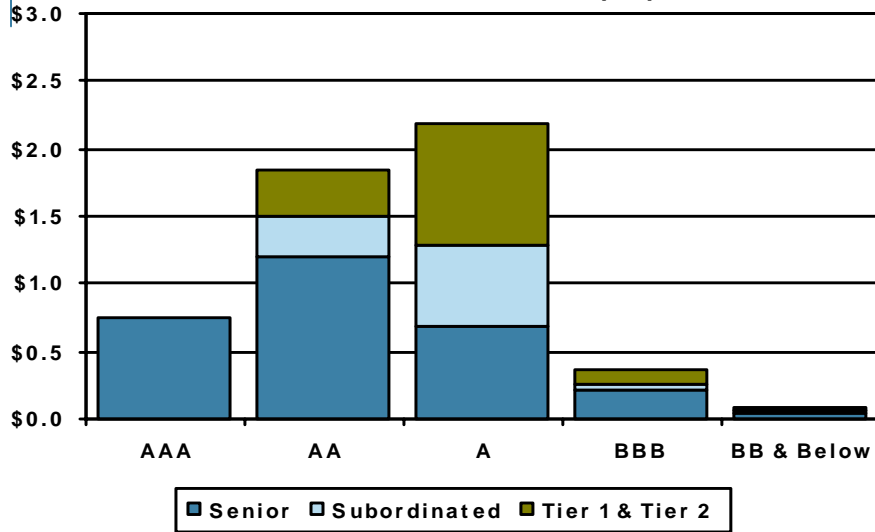
As at September 30, 2008



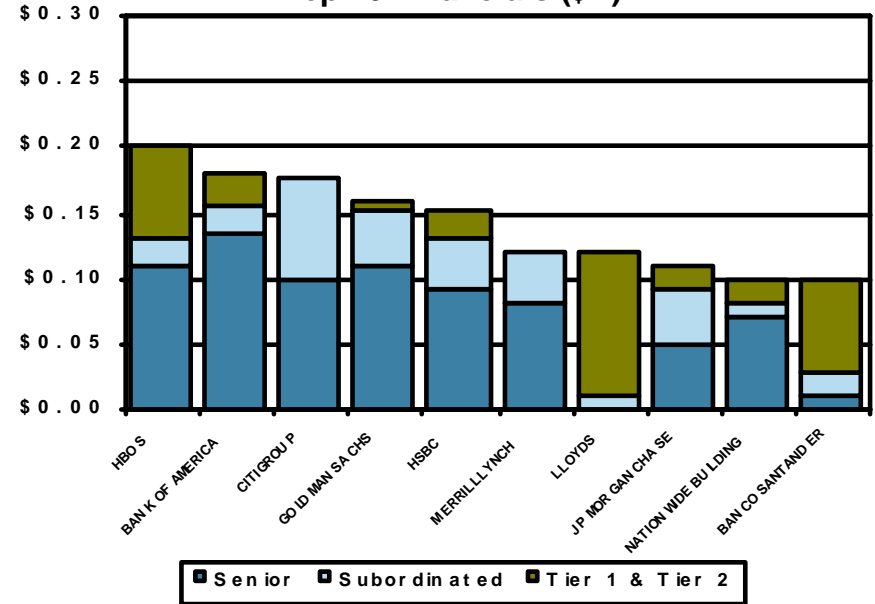
Financials: \$5.2 billion

As at September 30, 2008

Financial Breakdown (\$B)



Top 10 Financials (\$B)



Exposures in \$Millions

	AAA	AA	A	BBB	BB & Below	Total
Senior	746	1,165	686	208	82	2,887
Subordinated	4	288	598	42	15	947
Tier 1 & Tier 2	-	356	896	124	16	1,392
Total	750	1,809	2,180	374	113	5,226

Net Unrealized Gain (Loss) \$Millions

Net Unrealized	(36)	(226)	(598)	(116)	(28)	(1,004)
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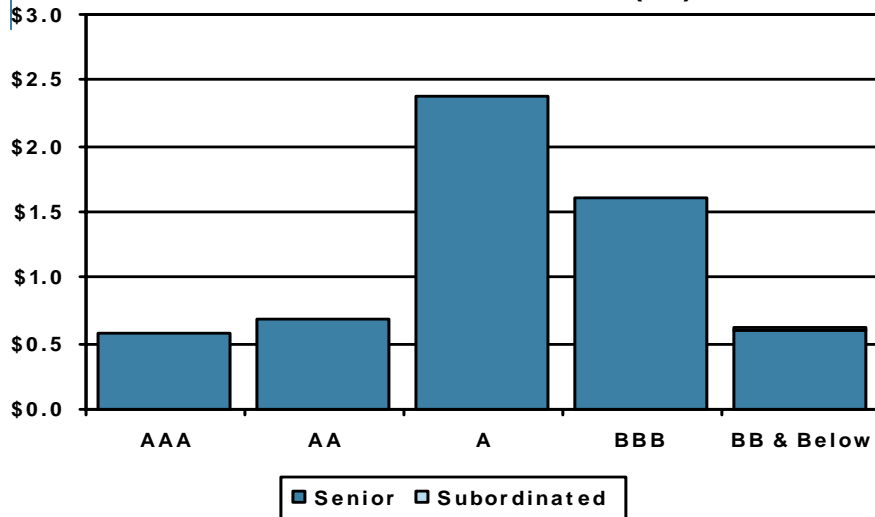
Top 10 Financial Issuers:

- 1) HBOS PLC
- 2) BANK OF AMERICA CORPORATION
- 3) CITIGROUP INC.
- 4) THE GOLDMAN SACHS GROUP, INC.
- 5) HSBC HOLDINGS PLC
- 6) MERRILL LYNCH & CO., INC.
- 7) LLOYDS TSB GROUP PLC
- 8) JPMORGAN CHASE & CO.
- 9) NATIONWIDE BUILDING SOCIETY
- 10) BANCO SANTANDER, S.A.

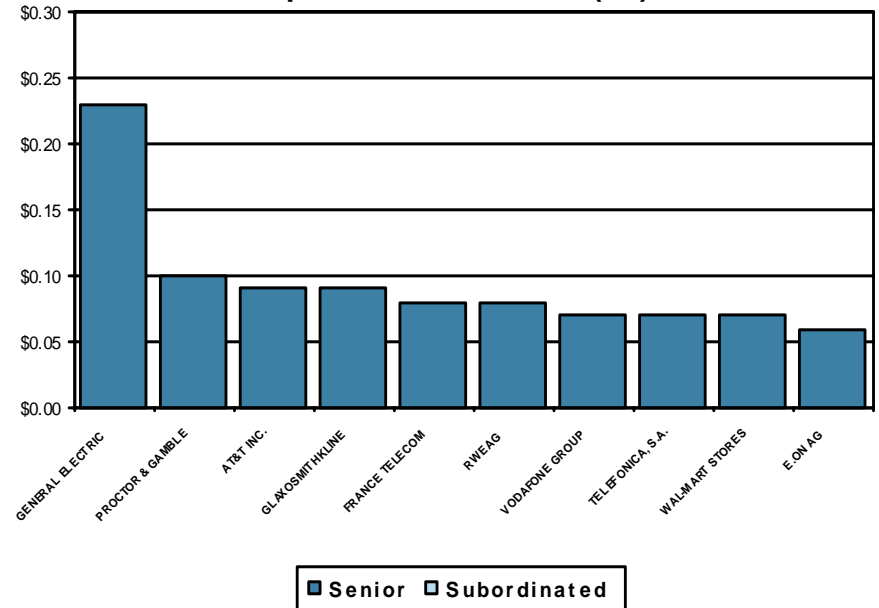
Non-Financials: \$5.9 billion

As at September 30, 2008

Non-Financial Breakdown (\$B)



Top 10 Non-Financials (\$B)



Exposures in \$Millions

	AAA	AA	A	BBB	BB & Below	Total
Senior	577	691	2,367	1,608	583	5,826
Subordinated	-	4	8	4	27	43
Total	577	695	2,375	1,612	610	5,869

Net Unrealized Gain (Loss) \$Millions

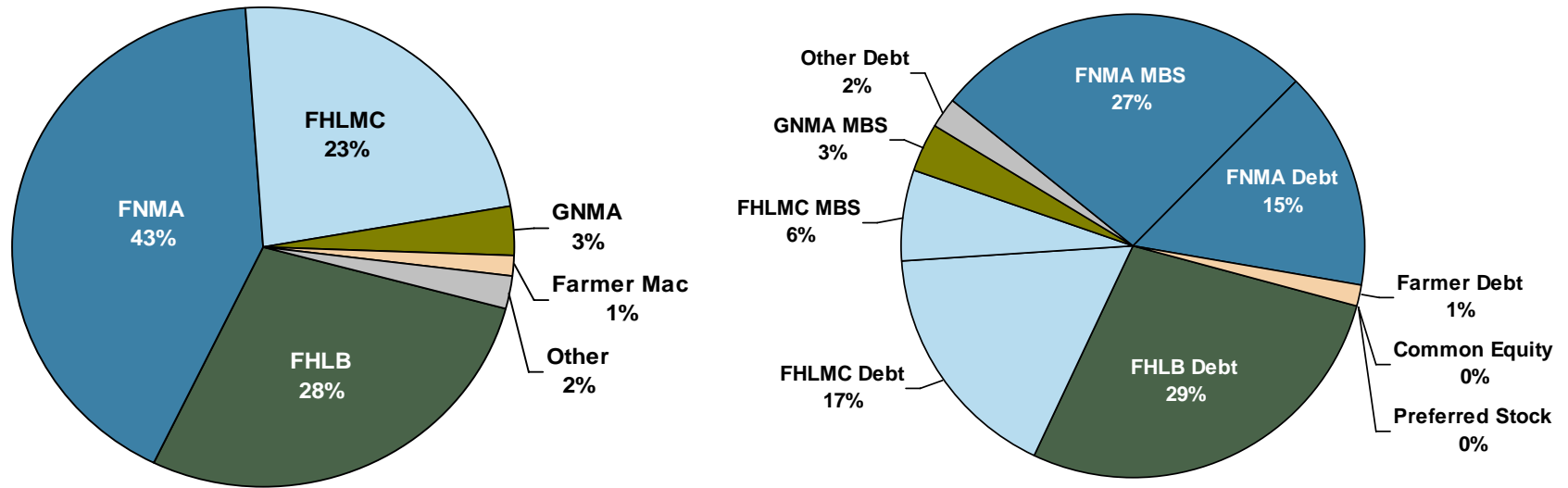
	AAA	AA	A	BBB	BB & Below	Total
Net Unrealized	(41)	(64)	(257)	(187)	(96)	(645)

Top 10 Non-Financial Issuers:

- 1) GENERAL ELECTRIC COMPANY
- 2) THE PROCTER & GAMBLE COMPANY
- 3) AT&T INC.
- 4) GLAXOSMITHKLINE PLC
- 5) FRANCE TELECOM
- 6) RWE AG
- 7) VODAFONE GROUP PUBLIC
- 8) TELEFONICA, S.A.
- 9) WAL-MART STORES, INC.
- 10) E.ON AG

Total US Agency: \$5.0 billion

As at September 30, 2008



Total Agency Exposures in \$Millions

Capital	FNMA	FHLMC	FHLB	GNMA	Farmer	Other	Total
MBS	1,346	322	3	169	-	-	1,840
Discount Notes	331	363	1,094	-	-	-	1,788
Senior Debt	386	478	301	-	70	109	1,344
Subordinated	47	9	9	-	-	-	65
Preferred Stock	-	-	-	-	-	-	-
Common Stock	-	-	-	-	-	-	-
Total	2,110	1,172	1,407	169	70	109	5,037

Net Unrealized Gain (Loss) \$Millions

Net Unrealized	1	(1)	2	1	-	-	3
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