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IMMEDIATE

Contact: Stephen Finch, +44 (0) 207 067-0705, sfinch@webershandwick.com
Courtney Franson, +1 (212) 478-3463, courtney.franson@xlgroup.com**XLCA GUARANTEES \$250 MILLION FUTURE FLOW SECURITIZATION
FOR GARANTI BANK
*Represents Third Transaction in Turkey in 2005***

New York, December 12, 2005 – XL Capital Assurance Inc. (XLCA) today announced the issuance of a \$250 million triple-A rated financial guaranty for a future flow securitization of diversified payments rights for Garanti Bank, the third largest private bank in Turkey.

The transaction, arranged by ING, involves the issuance of up to \$525 million of notes backed by the securitization of current and future U.S. Dollar, Euro and Pound Sterling denominated diversification payment rights, executed under the Garanti Diversified Payment Rights Finance Company program.

The XLCA-wrapped notes will be sold as a single series with an expected maturity date of October 2013 and an average life of 5.625 years.

Commenting on the deal, Eric Van Heyst, managing director, XLCA, said, “This is our third transaction in Turkey during 2005 and underscores our continued commitment to the Turkish market. Turkey’s banking sector has undergone significant reform and is now benefiting from an increasingly stable economy. We are pleased to have completed the transaction with both Garanti and ING and look forward to working with them in the future.”

About XL Capital Assurance

XL Capital Assurance Inc. (XLCA), rated triple-A by Moody’s Investors Service, Standard & Poor’s Ratings Services, and Fitch Ratings, is a monoline financial guaranty company focusing on global infrastructure, power & utilities, U.S. public finance, consumer and commercial asset securitization, and structured investment products. XLCA is an indirect, wholly owned subsidiary of XL Capital Ltd (NYSE: XL), which, through its operating subsidiaries, is a leading provider of insurance and reinsurance coverages and financial products and services to industrial, commercial and professional service firms, insurance companies and other enterprises on a worldwide basis. For more information, please visit www.xlca.com.

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