



Financial Supplement
Quarter Ended March 31, 2016

LIBERTY MUTUAL HOLDING COMPANY INC.
Financial Supplement

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LIBERTY MUTUAL HOLDING COMPANY INC.

Reconciliation of PTOI to Net Income

(dollars in millions)

(Unaudited)

	Three Months Ended March 31, 2016							Three Months Ended March 31, 2015						
	Global Consumer Markets	U.S. Consumer Markets	International Consumer Markets	Commercial Insurance	Global Specialty	Corporate and Other	Consolidated	Global Consumer Markets	U.S. Consumer Markets	International Consumer Markets	Commercial Insurance	Global Specialty	Corporate and Other	Consolidated
Revenues	\$5,291	\$4,364	\$927	\$2,770	\$1,251	\$50	\$9,362	\$5,098	\$4,133	\$965	\$2,759	\$1,310	\$100	\$9,267
Pre-tax operating income (loss) before catastrophes, net incurred losses attributable to prior years and partnerships, LLC and other equity method income (loss) ¹	\$734	\$741	(\$7)	\$383	\$176	(\$184)	\$1,109	\$664	\$677	(\$13)	\$305	\$182	(\$213)	\$938
Catastrophes ²	(463)	(463)	-	(82)	(15)	10	(550)	(408)	(408)	-	(93)	(4)	9	(496)
Net incurred losses attributable to prior years:														
- Asbestos & environmental ³	-	-	-	-	-	-	-	-	-	-	-	-	(1)	(1)
- All other ^{4,5}	11	(5)	16	6	17	21	55	9	13	(4)	92	15	(12)	104
Pre-tax operating income (loss) before partnerships, LLC and other equity method income (loss)	282	273	9	307	178	(153)	614	265	282	(17)	304	193	(217)	545
Partnerships, LLC and other equity method income (loss)	-	-	-	-	-	23	23	-	-	-	-	-	(53)	(53)
Pre-tax operating income (loss)	\$282	\$273	\$9	\$307	\$178	(\$130)	637	\$265	\$282	(\$17)	\$304	\$193	(\$270)	492
Net realized (losses) gains							(39)							37
Loss on extinguishment of debt							(8)							-
Pre-tax income							590							529
Income tax expense							187							139
Consolidated net income from continuing operations							403							390
Discontinued operations, net of tax							-							(118)
Consolidated net income							403							272
Less: Net income (loss) attributable to non-controlling interest							10							(4)
Net income attributable to Liberty Mutual Holding Company Inc.							\$393							\$276

¹ Partnerships, LLC and other equity method income (loss) includes limited partnership ("LP"), limited liability company ("LLC") and other equity method income (loss) within net investment income in the accompanying Consolidated Statements of Income and revenue and expenses from the production and sale of oil and gas.

² 2016 catastrophes include all current accident year catastrophe losses for severe storms in the U.S. and Cyclone Winston. 2015 catastrophes include all current accident year catastrophe losses for severe storms in the U.S. Catastrophe losses, where applicable, include the impact of accelerated earned catastrophe premiums and earned reinstatement premiums.

³ Gross of the NICO Reinsurance Transaction.

⁴ 2015 includes a one-time benefit of \$91 million due to a reduction in the estimated prior years' liability for state assessments related to workers compensation.

⁵ Net of earned premium and reinstatement premium attributable to prior years.

LIBERTY MUTUAL HOLDING COMPANY INC.

Combined Ratio by Strategic Business Unit

(Unaudited)

	Three Months Ended March 31, 2016						Three Months Ended March 31, 2015					
	Global Consumer Markets	U.S. Consumer Markets	International Consumer Markets	Commercial Insurance	Global Specialty	Consolidated	Global Consumer Markets	U.S. Consumer Markets	International Consumer Markets	Commercial Insurance	Global Specialty	Consolidated
Combined ratio before catastrophes and net incurred losses attributable to prior years												
Claims and claim adjustment expense ratio	61.0%	59.9%	66.7%	57.1%	56.6%	59.5%	61.7%	60.8%	66.1%	61.7%	57.5%	60.9%
Underwriting expense ratio	28.0%	25.5%	40.8%	35.5%	34.4%	30.7%	28.4%	25.3%	42.5%	34.2%	33.5%	31.1%
Dividend ratio	-	-	-	0.1%	0.2%	-	-	-	-	0.1%	0.2%	0.1%
Subtotal	89.0%	85.4%	107.5%	92.7%	91.2%	90.2%	90.1%	86.1%	108.6%	96.0%	91.2%	92.1%
Catastrophes ¹	9.3%	11.1%	-	4.5%	1.3%	6.9%	8.5%	10.3%	-	5.1%	0.3%	6.3%
Net incurred losses attributable to prior years:												
- Asbestos & environmental	-	-	-	-	-	-	-	-	-	-	-	-
- All Other ^{2,3}	(0.2%)	0.1%	(1.9%)	(0.4%)	(1.4%)	(0.8%)	(0.2%)	(0.3%)	0.5%	(5.0%)	(1.2%)	(1.3%)
Total combined ratio ⁴	98.1%	96.6%	105.6%	96.8%	91.1%	96.3%	98.4%	96.1%	109.1%	96.1%	90.3%	97.1%

¹ 2016 catastrophes include all current accident year catastrophe losses for severe storms in the U.S. and Cyclone Winston. 2015 catastrophes include all current accident year catastrophe losses for severe storms in the U.S. Catastrophe losses, where applicable, include the impact of accelerated earned catastrophe premiums and earned reinstatement premiums.

² 2015 includes a one-time benefit of \$91 million due to a reduction in the estimated prior years' liability for state assessments related to workers compensation.

³ Net of earned premium and reinstatement premium attributable to prior years.

⁴ The combined ratio, expressed as a percentage, is a measure of underwriting profitability. This measure should only be used in conjunction with, and not in lieu of, underwriting income and may not be comparable to other performance measures used by the Company's competitors. The combined ratio is computed as the sum of the following property and casualty ratios: the ratio of claims and claim adjustment expense less managed care income to earned premium; the ratio to earned premium of insurance operating costs plus amortization of deferred policy acquisition costs less third-party administration income and fee income (primarily related to the Company's involuntary market servicing carrier operations) and installment charges; and the ratio of policyholder dividends to earned premium. Provisions for uncollectible premium and reinsurance are not included in the combined ratio unless related to an asbestos and environmental commutation and certain other run off.

LIBERTY MUTUAL HOLDING COMPANY INC.

Issuer and Sector Exposure as of March 31, 2016

(dollars in millions)

(Unaudited)

Top 20 Issuers	Fixed Maturity	Equity	Short Term	Total Exposure	Percent of Invested Assets
1 Government of Brazil	\$547	\$0	\$0	\$547	0.68%
2 Government of United Kingdom	459	0	17	476	0.59%
3 Invenery	0	359	0	359	0.45%
4 Government of Canada	349	0	4	353	0.44%
5 Bank of America Corp	267	66	0	333	0.41%
6 Government of Spain	305	0	0	305	0.38%
7 Wells Fargo & Co	282	4	0	286	0.36%
8 Florida Turnpike Authority	278	0	0	278	0.35%
9 State of Washington	270	0	0	270	0.34%
10 State of California	260	0	0	260	0.32%
11 General Electric Co	235	6	10	251	0.31%
12 JP Morgan Chase & Co	215	30	0	245	0.31%
13 Verizon Communications	229	4	0	233	0.29%
14 Government of Italy	224	0	0	224	0.28%
15 State of Florida	215	0	0	215	0.27%
16 Southern Co	175	39	0	214	0.27%
17 CVS Caremark Corp	210	2	0	212	0.26%
18 Government of Colombia	209	0	0	209	0.26%
19 Statoil	208	0	0	208	0.26%
20 Government of Mexico	202	0	2	204	0.25%
	\$5,139	\$510	\$33	\$5,682	7.08%

Top 20 Sectors	Fixed Maturity	Equity	Short Term	Total Exposure	Percent of Invested Assets
1 Banking	\$4,481	\$487	\$202	\$5,170	6.44%
2 Foreign Government	3,395	0	30	3,425	4.27%
3 Electric	3,006	113	0	3,119	3.90%
4 US Municipal - State	2,026	0	0	2,026	2.52%
5 Technology	1,678	314	0	1,992	2.48%
6 US Municipal - Education	1,936	0	0	1,936	2.41%
7 Food and Beverage	1,554	70	0	1,624	2.02%
8 US Municipal - Healthcare	1,567	0	0	1,567	1.95%
9 Metals	925	428	0	1,353	1.69%
10 Insurance	1,129	158	0	1,287	1.60%
11 Diversified Manufacturing	1,251	28	0	1,279	1.59%
12 US Municipal - Water & Sewer	1,252	0	0	1,252	1.56%
13 Retailers	1,154	49	0	1,203	1.50%
14 US Municipal - Local	1,164	0	0	1,164	1.46%
15 US Municipal - Transportation	1,095	0	0	1,095	1.36%
16 Chemicals	956	133	0	1,089	1.36%
17 Pharmaceuticals	1,014	56	0	1,070	1.33%
18 Wirelines	1,043	19	0	1,062	1.32%
19 Automotive	1,027	28	2	1,057	1.32%
20 Integrated Energy	998	17	0	1,015	1.26%
	\$32,651	\$1,900	\$234	\$34,785	43.34%

Note: Tables exclude US Treasury and agency securities, mortgage-backed securities, and municipal obligations that are pre-refunded or escrowed to maturity.