



Financial Supplement
Quarter Ended March 31, 2013

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, 2013						Three Months Ended March 31, 2012					
	Personal Insurance	Commercial Insurance	Liberty International	Global Specialty	Corporate and Other	Consolidated	Personal Insurance	Commercial Insurance	Liberty International	Global Specialty	Corporate and Other	Consolidated
Revenues	\$3,775	\$2,707	\$1,342	\$1,217	\$104	\$9,145	\$3,471	\$2,789	\$1,486	\$1,059	\$76	\$8,881
Pre-tax operating income (loss) before catastrophes, net incurred losses attributable to prior years, Venezuela devaluation and LP and LLC ¹ income	\$541	\$234	\$48	\$160	(\$190)	\$793	\$566	\$194	\$65	\$190	(\$227)	\$788
Catastrophes ²	(169)	(40)	-	-	2	(207)	(225)	(161)	-	(2)	29	(359)
Net incurred losses attributable to prior years:												
- Asbestos & environmental	-	-	-	-	(1)	(1)	-	-	-	-	(2)	(2)
- All other ³	(16)	35	2	(30)	(14)	(23)	14	70	(14)	(56)	15	29
Venezuela devaluation	-	-	49	-	(3)	46	-	-	-	-	-	-
Pre-tax operating income (loss) before LP and LLC income	356	229	99	130	(206)	608	355	103	51	132	(185)	456
LP and LLC income	-	-	-	-	48	48	-	-	-	-	121	121
Pre-tax operating income (loss)	356	229	99	130	(158)	656	355	103	51	132	(64)	577
Net realized (losses) gains						(197)						49
SBU realignment expenses						(1)						-
Loss on extinguishment of debt						(21)						(15)
Pre-tax income						437						611
Income tax expense						127						155
Consolidated net income						310						456
Less: Net loss attributable to non-controlling interest						(8)						(3)
Net income attributable to Liberty Mutual Holding Company Inc.						\$318						\$459

¹ Limited partnership ("LP") and limited liability company ("LLC") income is included in net investment income in the accompanying consolidated statements of income.

² Catastrophes include all current accident year catastrophe losses excluding losses related to the Company's external reinsurance assumed lines except for the 2012 tornadoes and other severe storms in the U.S. Catastrophe losses, where applicable, include the impact of accelerated earned catastrophe premiums and earned reinstatement premiums.

³ Net of earned premium and reinstatement premium attributable to prior years and amortization of deferred gains on retroactive reinsurance.

LIBERTY MUTUAL HOLDING COMPANY INC.

Combined Ratio by Strategic Business Unit

(Unaudited)

	Three Months Ended March 31, 2013					Three Months Ended March 31, 2012				
	Personal Insurance	Commercial Insurance	Liberty International	Global Specialty	Consolidated	Personal Insurance	Commercial Insurance	Liberty International	Global Specialty	Consolidated
Combined ratio before catastrophes and net incurred losses attributable to prior years										
Claims and claim adjustment expense ratio	61.4%	71.5%	65.6%	61.7%	65.0%	60.8%	76.1%	67.9%	58.4%	66.7%
Underwriting expense ratio	26.2%	29.6%	38.8%	29.3%	30.2%	25.8%	28.9%	35.5%	29.3%	29.2%
Dividend ratio	-	0.3%	-	0.3%	0.1%	-	0.4%	-	0.2%	0.1%
Subtotal	87.6%	101.4%	104.4%	91.3%	95.3%	86.6%	105.4%	103.4%	87.9%	96.0%
Catastrophes ¹	5.0%	1.9%	-	-	2.6%	7.3%	7.3%	-	0.2%	4.8%
Net incurred losses attributable to prior years:										
- Asbestos & environmental	-	-	-	-	-	-	-	-	-	0.4%
- All other	0.5%	(1.7%)	(0.1%)	2.8%	0.4%	(0.5%)	(3.2%)	1.1%	5.9%	(0.3%)
Total combined ratio ²	93.1%	101.6%	104.3%	94.1%	98.3%	93.4%	109.5%	104.5%	94.0%	100.9%

¹ Catastrophes include all current accident year catastrophe losses excluding losses related to the Company's external reinsurance assumed lines except for the 2012 tornadoes and other severe storms in the U.S. Catastrophe losses, where applicable, include the impact of accelerated earned catastrophe premiums and earned reinstatement premiums.

² 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 to earned premium; the ratio to earned premium of insurance operating costs plus amortization of deferred policy acquisition costs less fee income (primarily related to the Company's involuntary market servicing carrier operations and managed care income), and less 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, 2013
(dollars in millions)
(Unaudited)

Top 20 Issuers	Fixed Maturity	Equity	Short Term	Total Exposure	Percent of Invested Assets
1 Government of Venezuela	1,061	0	0	1,061	1.36%
2 Government of Brazil	1,017	0	0	1,017	1.30%
3 Government of Canada	617	0	0	617	0.79%
4 Bank of America Corp	272	138	0	410	0.52%
5 State of Florida	390	0	0	390	0.50%
6 Invenegy	359	0	0	359	0.46%
7 State of California	320	0	0	320	0.41%
8 Wells Fargo & Co	310	3	0	313	0.40%
9 Citigroup Inc	293	6	0	299	0.38%
10 General Electric Co	276	11	0	287	0.37%
11 JP Morgan Chase & Co	244	37	3	284	0.36%
12 AT&T Corp	279	3	0	282	0.36%
13 Government of Colombia	276	0	0	276	0.35%
14 Government of Poland	244	0	5	249	0.32%
15 Government of France	245	0	0	245	0.31%
16 Commonwealth of Massachusetts	243	0	0	243	0.31%
17 State of Washington	241	0	0	241	0.31%
18 Southern Co	191	45	0	236	0.30%
19 US Bancorp	161	72	0	233	0.30%
20 Verizon Communications	229	2	0	231	0.30%
	\$7,268	\$317	\$8	\$7,593	9.71%

Top 20 Sectors	Fixed Maturity	Equity	Short Term	Total Exposure	Percent of Invested Assets
1 Municipal	13,846	0	0	13,846	17.71%
2 Sovereign	5,736	0	37	5,773	7.38%
3 Banks	4,598	495	21	5,114	6.54%
4 Electric	2,710	87	1	2,798	3.58%
5 Oil&Gas	1,627	748	3	2,378	3.04%
6 Telecommunications	1,958	50	0	2,008	2.57%
7 Retail	1,453	73	0	1,526	1.95%
8 Diversified Finan Serv	1,389	43	0	1,432	1.83%
9 Mining	659	366	0	1,025	1.31%
10 Transportation	932	24	0	956	1.22%
11 Food	877	39	0	916	1.17%
12 Insurance	737	154	4	895	1.14%
13 Beverages	870	16	0	886	1.13%
14 Media	836	28	0	864	1.10%
15 Pharmaceuticals	740	58	0	798	1.02%
16 Miscellaneous Manufactur	683	27	0	710	0.91%
17 Real Estate	49	650	0	699	0.89%
18 Chemicals	572	31	0	603	0.77%
19 Healthcare-Services	537	17	0	554	0.71%
20 Commercial Services	501	40	0	541	0.69%
	\$41,310	\$2,946	\$66	\$44,322	56.66%

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