



Financial Supplement
Quarter Ended March 31, 2015

LIBERTY MUTUAL HOLDING COMPANY INC.
Financial Supplement

	<u>Page Number</u>
Consolidating Financial Results by Strategic Business Unit	
- Reconciliation of PTOI to Net Income - Three Months Ended March 31, 2015 & 2014	1
- Combined Ratio - Three Months Ended March 31, 2015 & 2014	2
Investments	
- Issuer and Sector Exposures	3

LIBERTY MUTUAL HOLDING COMPANY INC.

Reconciliation of PTOI to Net Income

(dollars in millions)

(Unaudited)

	Three Months Ended March 31, 2015						Three Months Ended March 31, 2014					
	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	\$4,133	\$2,759	\$1,374	\$1,310	\$104	\$9,680	\$3,873	\$2,742	\$1,314	\$1,289	\$444	\$9,662
Pre-tax operating income (loss) before catastrophes, net incurred losses attributable to prior years, Venezuela devaluation and foreign exchange and LP, LLC and other equity method (loss) income ¹	\$677	\$305	\$3	\$182	(\$245)	\$922	\$552	\$276	\$38	\$177	(\$140)	\$903
Catastrophes ²	(408)	(93)	-	(4)	9	(496)	(335)	(123)	(9)	(23)	3	(487)
Net incurred losses attributable to prior years:												
- Asbestos & environmental	-	-	-	-	(1)	(1)	-	-	-	-	(1)	(1)
- All other ^{3,4}	13	92	25	15	(12)	133	(10)	22	5	(9)	31	39
Venezuela devaluation and foreign exchange	-	-	12	-	-	12	-	-	(19)	-	-	(19)
Pre-tax operating income (loss) before LP, LLC and other equity method (loss) income	282	304	40	193	(249)	570	207	175	15	145	(107)	435
LP, LLC and other equity method (loss) income	-	-	-	-	(17)	(17)	-	-	-	-	237	237
Pre-tax operating income (loss)	282	304	40	193	(266)	553	207	175	15	145	130	672
Net realized losses						(138)						(205)
Pre-tax income						415						467
Income tax expense						143						148
Consolidated net income before discontinued operations						272						319
Discontinued operations, net of tax						-						(64)
Consolidated net income						272						255
Less: Net loss attributable to non-controlling interest						(4)						(10)
Net income attributable to Liberty Mutual Holding Company Inc.						\$276						\$265

¹ Limited partnership ("LP"), limited liability company ("LLC") and other equity method (loss) income is included in net investment income in the accompanying Consolidated Statements of Income.

² Catastrophes include all current accident year catastrophe losses for severe storms in the U.S., U.K. and Ireland floods. Catastrophe losses, where applicable, include the impact of accelerated earned catastrophe premiums and earned reinstatement premiums.

³ 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.

⁴ 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, 2015 ¹					Three Months Ended March 31, 2014 ¹				
	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	60.8%	61.7%	68.4%	57.5%	61.7%	62.2%	66.0%	64.5%	58.4%	62.8%
Underwriting expense ratio	25.3%	34.2%	38.1%	33.5%	31.1%	26.0%	32.6%	39.3%	32.6%	31.1%
Dividend ratio	-	0.1%	-	0.2%	-	-	0.2%	-	0.2%	0.1%
Subtotal	86.1%	96.0%	106.5%	91.2%	92.8%	88.2%	98.8%	103.8%	91.2%	94.0%
Catastrophes ²	10.3%	5.1%	-	0.3%	5.9%	9.0%	6.6%	0.7%	1.9%	6.0%
Net incurred losses attributable to prior years:										
- Asbestos & environmental	-	-	-	-	-	-	-	-	-	-
- All Other ^{3,4}	(0.3%)	(5.0%)	(1.8%)	(1.2%)	(1.6%)	0.3%	(1.2%)	(0.4%)	0.6%	(0.5%)
Total combined ratio ⁵	96.1%	96.1%	104.7%	90.3%	97.1%	97.5%	104.2%	104.1%	93.7%	99.5%

¹ The combined ratio has been adjusted to exclude the impact of the Venezuela devaluation and foreign exchange.

² Catastrophes include all current accident year catastrophe losses for severe storms in the U.S., U.K. and Ireland floods. Catastrophe losses, where applicable, include the impact of accelerated earned catastrophe premiums and earned reinstatement premiums.

³ 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.

⁴ Net of earned premium and reinstatement premium attributable to prior years and amortization of deferred gains on retroactive reinsurance.

⁵ 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, 2015

(dollars in millions)

(Unaudited)

Top 20 Issuers	Fixed Maturity	Equity	Short Term	Total Exposure	Percent of Invested Assets
1 Government of Venezuela	647	0	0	647	0.81%
2 Government of Brazil	538	0	0	538	0.67%
3 Invenegy	100	329	0	429	0.54%
4 Government of Canada	413	0	0	413	0.52%
5 Government of United Kingdom	382	0	0	382	0.48%
6 State of California	341	0	0	341	0.43%
7 Bank of America Corp	265	69	0	334	0.42%
8 State of Florida	334	0	0	334	0.42%
9 Wells Fargo & Co	287	6	0	293	0.37%
10 Government of Spain	289	0	0	289	0.36%
11 JP Morgan Chase & Co	242	33	0	275	0.34%
12 General Electric Co	259	6	1	266	0.33%
13 University of California, CA	261	0	0	261	0.33%
14 Florida Turnpike Authority	216	0	0	216	0.27%
15 US Bancorp	145	69	0	214	0.27%
16 Statoil	213	0	0	213	0.27%
17 Government of Italy	210	0	0	210	0.26%
18 Government of Colombia	208	0	0	208	0.26%
19 Government of Germany	200	0	0	200	0.25%
20 Southern Co	155	44	0	199	0.25%
	\$5,705	\$556	\$1	\$6,262	7.85%

Top 20 Sectors	Fixed Maturity	Equity	Short Term	Total Exposure	Percent of Invested Assets
1 Banking	4,004	528	513	5,045	6.32%
2 Foreign Government	4,013	0	48	4,061	5.09%
3 Electric	3,033	92	1	3,126	3.92%
4 US Municipal - Education	1,896	0	0	1,896	2.38%
5 US Municipal - State	1,816	0	0	1,816	2.28%
6 US Municipal - Healthcare	1,793	0	0	1,793	2.25%
7 Food and Beverage	1,543	91	0	1,634	2.05%
8 Technology	1,311	294	0	1,605	2.01%
9 Metals	887	471	0	1,358	1.70%
10 Diversified Manufacturing	1,268	46	0	1,314	1.65%
11 Independent Energy	667	645	0	1,312	1.64%
12 Retailers	1,198	86	0	1,284	1.61%
13 Insurance	1,013	197	1	1,211	1.52%
14 US Municipal - Transportation	1,115	0	0	1,115	1.40%
15 Integrated Energy	1,090	23	0	1,113	1.39%
16 US Municipal - Local	1,104	0	0	1,104	1.38%
17 Wirelines	939	30	6	975	1.22%
18 US Municipal - Water & Sewer	954	0	0	954	1.19%
19 Chemicals	806	95	0	901	1.12%
20 US Municipal - Power	863	0	0	863	1.08%
	\$31,313	\$2,598	\$569	\$34,480	43.20%

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