

Liberty Mutual Holding Company Inc.

First Quarter 2023

Consolidated Financial Statements

**LIBERTY MUTUAL HOLDING COMPANY INC.**

**Consolidated Statements of Income**

(dollars in millions)

(Unaudited)

**Three Months Ended  
March 31,**

	<b>2023</b>	<b>2022</b>
<b>Revenues</b>		
Premiums earned	\$ 11,907	\$ 10,951
Net investment income	628	816
Fee and other revenues	241	251
Net realized losses	(16)	(144)
Total revenues	<u>12,760</u>	<u>11,874</u>
<b>Claims, Benefits and Expenses</b>		
Benefits, claims and claim adjustment expenses	8,812	7,686
Operating costs and expenses	2,163	2,119
Amortization of deferred policy acquisition costs	1,682	1,319
Interest expense	135	122
Interest credited to policyholders	7	8
Total claims, benefits and expenses	<u>12,799</u>	<u>11,254</u>
Acquisition & integration costs	(12)	(9)
Restructuring costs	(2)	(2)
Unit linked life insurance	<u>(30)</u>	<u>47</u>
Income (loss) from continuing operations before income tax expense and non-controlling interest	(83)	656
Income tax (benefit) expense	<u>(16)</u>	<u>158</u>
Consolidated net (loss) income	(67)	498
Less: Net income attributable to non-controlling interest	7	-
Net (loss) income attributable to Liberty Mutual Holding Company Inc.	<u>\$ (74)</u>	<u>\$ 498</u>
<b>Net Realized (Losses) Gains</b>		
Impairment losses <sup>(a)</sup>	\$ (12)	\$ (12)
Other net realized losses	(26)	(124)
Valuation changes on equity investments, derivatives, other	22	(8)
Total net realized losses	<u>\$ (16)</u>	<u>\$ (144)</u>

(a) The Company adopted ASC 326, *Measurement of Credit Losses on Financial Instruments* as of Jan 1, 2023. In prior year this amount related to other-than-temporary impairment.

See accompanying notes to the unaudited consolidated financial statements