

**Liberty Mutual Holding Company Inc.**  
**Consolidated Statements of Changes in Total Equity**  
(dollars in millions)  
(Unaudited)

	<b>Three Months Ended March 31,</b>	
	<b>2023</b>	<b>2022</b>
Balance at beginning of the year	\$ 22,208	\$ 27,848
Cumulative effect from the adoption of new accounting standards	(44)	90
Mutual Merger with State Auto	-	542
Comprehensive income (loss):		
Consolidated net (loss) income	(67)	498
Other comprehensive income (loss), net of taxes	1,168	(2,646)
Total comprehensive income (loss)	1,101	(2,148)
Balance at end of the period	<u>\$ 23,265</u>	<u>\$ 26,332</u>

See accompanying notes to the unaudited consolidated financial statements

**LIBERTY MUTUAL HOLDING COMPANY INC.**

**Consolidated Statements of Cash Flows**

(dollars in millions)

(Unaudited)

	<b>Three Months Ended March 31,</b>	
	<b>2023</b>	<b>2022</b>
<b>Cash flows from operating activities:</b>		
Consolidated net (loss) income	\$ (67)	\$ 498
Adjustments to reconcile consolidated net (loss) income to net cash provided by operating activities:		
Depreciation and amortization	209	199
Realized losses (gains)	16	144
Undistributed private equity investment gains	143	(297)
Premium, other receivables, and reinsurance recoverables	(898)	(1,612)
Deferred acquisition costs	114	(159)
Liabilities for insurance reserves	1,029	2,007
Taxes payable, net of deferred	(64)	153
Other, net	(429)	(147)
Total adjustments	120	288
Net cash provided by operating activities	53	786
<b>Cash flows from investing activities:</b>		
Purchases of investments	(8,693)	(22,928)
Sales and maturities of investments	5,671	22,802
Property and equipment purchased, net	(19)	(37)
Cash paid for mutual merger, net of cash on hand	-	(800)
Other investing activities	66	(1,017)
Net cash used in investing activities	(2,975)	(1,980)
<b>Cash flows from financing activities:</b>		
Net activity in policyholder accounts	(2)	(7)
Debt financing, net	5	6
Net security lending activity and other financing activities	31	397
Net cash provided by financing activities	34	396
Effect of exchange rate changes on cash	22	8
Net decrease in cash and cash equivalents	(2,866)	(790)
Cash and cash equivalents, beginning of year	13,110	10,777
Cash and cash equivalents, end of period	\$ 10,244	\$ 9,987

See accompanying notes to the unaudited consolidated financial statements