

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM 8-K**

**CURRENT REPORT  
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

**June 7, 2013**  
Date of Report (Date of earliest event reported)

**WHITE MOUNTAINS INSURANCE GROUP, LTD.**  
(Exact name of registrant as specified in its charter)

**Bermuda**  
(State or other jurisdiction of  
incorporation or organization)

**1-8993**  
(Commission file  
number)

**94-2708455**  
(I.R.S. Employer  
Identification No.)

**80 South Main Street, Hanover, New Hampshire 03755**  
(Address of principal executive offices)

**(603) 640-2200**  
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**ITEM 7.01 Regulation FD.**

The Registrant's executive officers intend to utilize the presentation attached as Exhibit 99.1 to this Form 8-K, in whole or in part, at the Registrant's Annual Investor Information Meeting to be held on June 7, 2013.

**ITEM 9.01 Financial Statements and Exhibits**

(d) Exhibits. The following exhibit is furnished herewith:

**EXHIBIT INDEX**

99.1 Supplemental Regulation FD Disclosure.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

WHITE MOUNTAINS INSURANCE GROUP, LTD.

DATED: June 7, 2013

By:

/s/ J. BRIAN PALMER

J. Brian Palmer

*Vice President and*

*Chief Accounting Officer*

# **White Mountains Insurance Group, Ltd.**

## **Annual Investor Meeting**

**June 7, 2013**



# Remembering Jack Byrne

- Jack passed away on March 7, 2013
- After great runs at Travelers and GEICO, led the 1985 IPO of the Company
- Chairman/CEO/Director through 2007
- 2001 Insurance Leader of the Year
- 2009 International Insurance Hall of Fame



# WTM Board Resolutions in Appreciation of Jack Byrne

- WHEREAS**, Mr. John J. “Jack” Byrne was the “founder” of the Company, its Chairman & CEO from 1985 to 2003, a director until 2007, and a friend, mentor and inspiration to the board, management and employees during those years and beyond; and,
- WHEREAS**, Jack had an outstanding career with major achievements at Travelers, GEICO, Fireman’s Fund, White Mountains, OneBeacon and Esurance; and,
- WHEREAS**, Jack’s track record of creating value for owners is among the best, having compounded White Mountains’ book value per share by 15% annually since the 1985 IPO; and,
- WHEREAS**, Jack’s brilliance as an insurance executive was only exceeded by his brilliance as a leader – incisive, bold, passionate, and able to connect with people regardless of rank or station (the best general manager Warren Buffett ever saw); and,
- WHEREAS**, Jack led us, pushed us, and cajoled us, all to inspire us to do our best and even more than we thought possible; and
- WHEREAS**, Jack reminded us of the Russian proverb: “Dwell on the past and you’ll lose an eye; forget the past and you’ll lose both eyes”; it is therefore,
  
- RESOLVED**, that we will never forget; and,
- IT IS FURTHER RESOLVED**, that the board expresses its sincerest admiration and gratitude for all that Jack did for the Company and its owners and employees, and offers its deepest condolences to Mrs. Byrne and the Byrne family.



# Remembering Jack Byrne - Video

- 2000 Insurance Leader of the Year – Ron Ferguson
  - Bob Clements introducing Jack
  - Jack introducing Ron Ferguson
  
- 2001 Insurance Leader of the Year – Jack Byrne
  - Jack's "spontaneous" reaction to learning of the award
  - Ron Ferguson introducing Jack
  - Jack's acceptance speech



VIDEO





## Forward-Looking Statements

This presentation contains, and management may make, certain statements that are not historical facts but that are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements, other than statements of historical facts, included or referenced in this presentation which address activities, events or developments which White Mountains expects or anticipates will or may occur in the future are forward-looking statements. Please see our discussion on page 102 of our 2012 report on Form 10-K and on page 77 of OneBeacon's 2012 report on Form 10-K for a more detailed discussion of the types of expressions that may identify forward-looking statements. Such statements are subject to risks and uncertainties, many of which are difficult to predict and generally beyond our control, that could cause actual results to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements.

In connection with the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, we provide the following cautionary remarks regarding important risks and uncertainties which, among others, could cause our actual results to differ materially from our expectations, including those reflected in our forward-looking statements. These risks and uncertainties include, but are not limited to: (i) the risks associated with Item 1A of the Company's and OneBeacon's 2012 reports on Form 10-K; (ii) claims arising out of catastrophic events, such as hurricanes, earthquakes, floods or terrorist attacks; (iii) the continued availability of capital and financing; (iv) general economic, market or business conditions; (v) business opportunities (or lack thereof) that may be presented to us and pursued; (vi) competitive forces, including the conduct of other property and casualty insurers and reinsurers; (vii) changes in domestic or foreign laws or regulations, or their interpretation, applicable to us, our competitors or our clients; (viii) an economic downturn or other economic conditions adversely affecting our financial position; (ix) recorded loss reserves subsequently proving to have been inadequate; (x) actions taken by rating agencies from time to time, such as financial strength or credit ratings downgrades or placing ratings on negative watch; and (xi) other factors, most of which are beyond our control. Consequently, all of the forward-looking statements made in this presentation are qualified by these cautionary remarks, and the results or developments that we anticipate may not be realized or, even if substantially realized, there is no assurance that they will have the expected consequences to, or effects on, us or our business or operations. Our forward-looking statements speak only as of the date of this presentation and we assume no obligation to update publicly any such forward-looking statements, whether as a result of new information, future events or otherwise.

## Non-GAAP Financial Measures

Within this presentation, we use the following non-GAAP financial measures: (i) Adjusted Book Value Per Share (ABVPS); (ii) Total Return; (iii) Fixed Income Total Return; (iv) Equities Total Return; (v) Adjusted Comprehensive Income; (vi) Equity Exposure; (vii) Fixed Income Allocation; (viii) Adjusted Shareholders' Equity; and (ix) Total Adjusted Capital. Please see the appendix at the end of the presentation for an explanation of each such non-GAAP financial measure and a reconciliation of the measure to its most closely comparable GAAP financial measure.

An electronic copy of this presentation can be found at our website: [www.whitemountains.com](http://www.whitemountains.com)





# White Mountains Annual Investor Meeting

**Ray Barrette:**

- Introduction and highlights
- Track record

**Mike Miller:**

- OneBeacon

**Allan Waters:**

- Sirius Group
- HG Global/BAM

**Manning Rountree / David Linker:**

- Investments

**David Foy:**

- WTM Life Re
- Symetra
- Capital

**Ray Barrette:**

- Capital deployment opportunities
- Final comments and Q&A



## Solid Performance in 2012: ABVPS up 9%

- Good underwriting:

	<u>GAAP CR</u>
OneBeacon	98%
Sirius Group	90%

- 5.6% Total Return on investments:

- Fixed Income Total Return up 3.8%, outperformed the Barclays U.S. Intermediate Aggr.
- Equities Total Return up 10.2%, trailed the S&P 500
- Currencies added 0.5%

- Agreement to sell Runoff at OneBeacon

- Invested \$600 million in the municipal bond insurance business through HG Global/BAM

- Returned \$675 million to shareholders, mainly through buybacks

- \$13 per share GAAP tax gain from Sirius Group mostly due to Swedish tax rate reduction



## Strong Start to 2013: ABVPS up 3.3% to \$606 at 3/31

- Strong underwriting results:

	<u>GAAP CR</u>
OneBeacon	88%
Sirius Group	81%

- 1.5% Total Return on investments:

- Fixed Income Total Return up 0.4%, outperformed the Barclays U.S. Intermediate Aggr.
- Equities Total Return up 6.3%, trailed the S&P 500
- Currencies reduced returns by 0.4%

- Transaction gains: \$15 million at OneBeacon; \$7 million at Sirius

- BAM insured \$1.8 billion of par so far this year

- captured nearly half of all insured deals in the market

- Repurchased 140,000 shares for \$79 million



# Our Track Record

Return Period Ended 1Q13	White Mountains Growth in ABVPS	S&P 500	Over/(Under) Performance
1-year	7.3%	13.9%	(6.6)%
2-year	16.7%	11.1%	5.6%
3-year	14.1%	12.5%	1.6%
5-year	6.8%	5.7%	1.1%
7-year	8.8%	5.0%	3.8%
10-year	9.4%	8.5%	0.9%
Since IPO	14.7%	10.3%	4.4%

Note: Annualized returns through 1Q13 (dividends not reinvested)



## Track Record of Our Major Businesses

	IRR @ Book Value	S&P 500
OneBeacon (2001)	14.0%	4.1%
Sirius Group (1996)	10.2%	7.0%
Symetra (2004)	10.8%	6.1%
WTM Life Re (2006)	-\$370 M	

Note: Annualized returns through 1Q13 (dividends not reinvested)

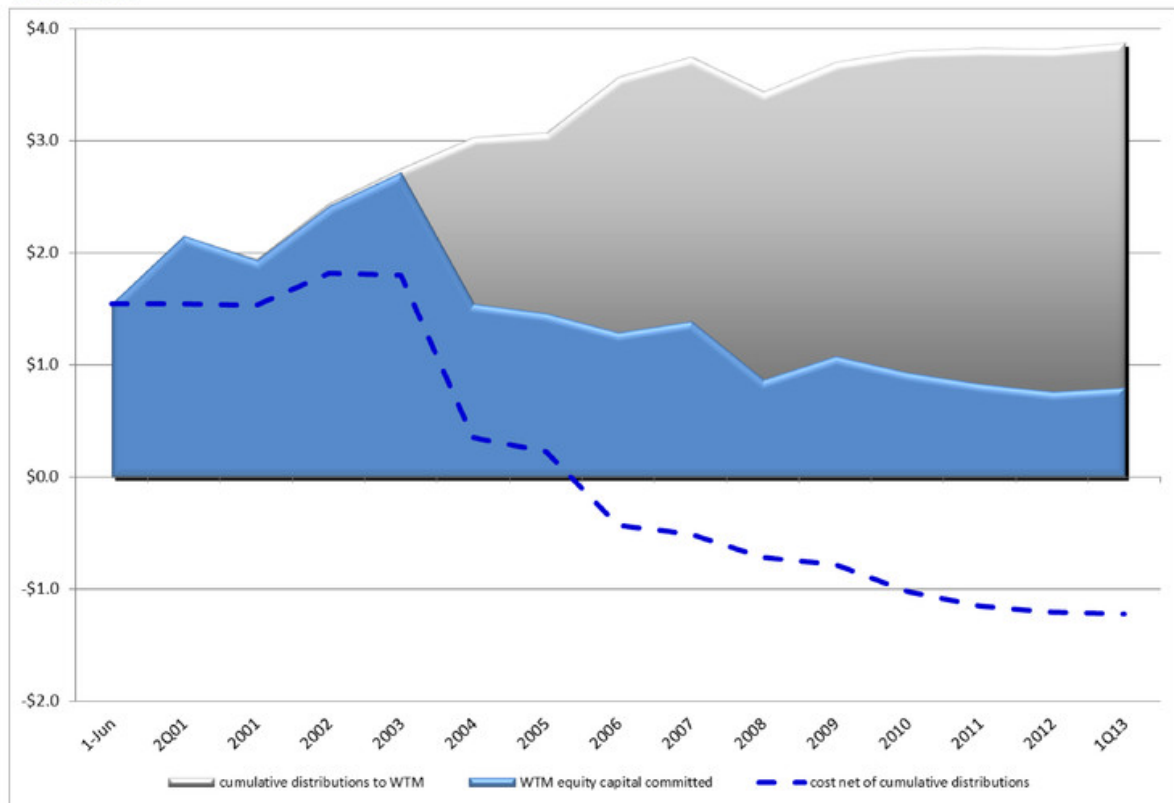


# OneBeacon



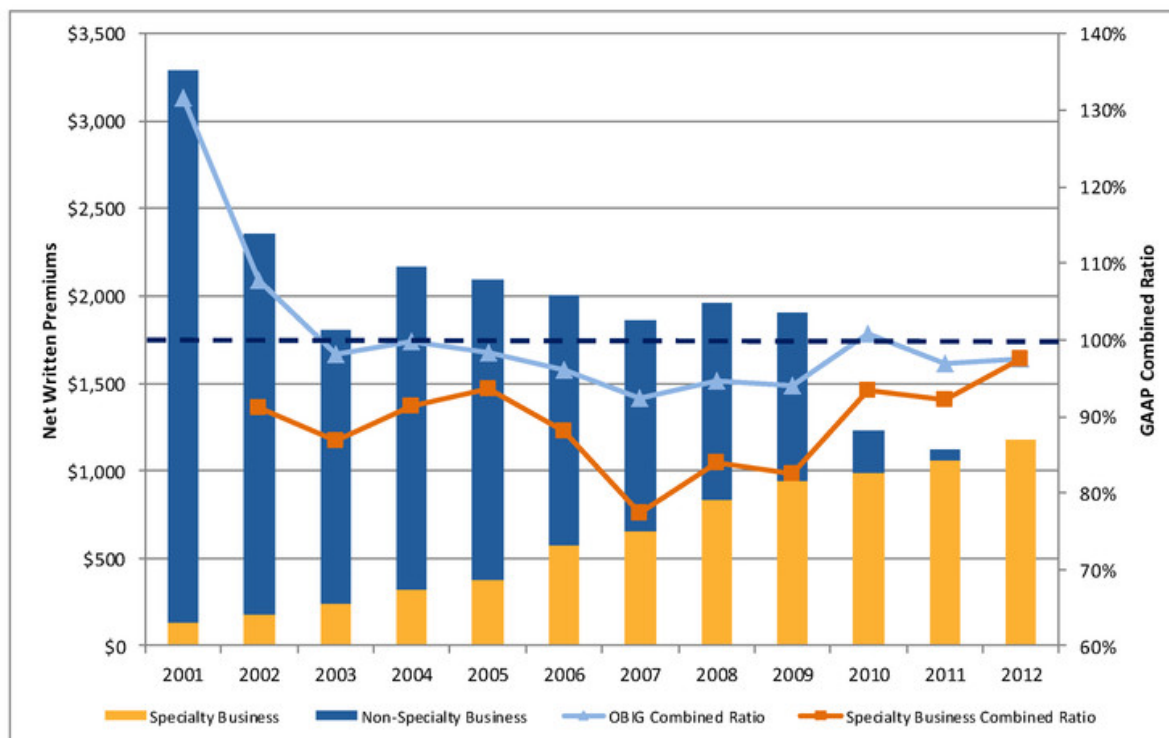
# OneBeacon: 14% IRR (@BV) on Investment Since 2001

\$ in billions





# OneBeacon: 2012 GAAP CR = 97.5% (Sandy = 3.8 pts)



Note: the 2011 and prior OneBeacon Insurance Group NWP and Combined Ratios presented above are shown prior to the reclassification of AutoOne and Runoff Business to Discontinued Operations.



## 2012:

- \$101 million GAAP loss on sale of Runoff: Book value down 1%, including dividends
- Termination of Hagerty contract: \$15 million gain on sale of Essentia (closed and booked 1Q13)
- New teams:
  - Program
  - Surety
  - Inland Marine

## 1Q13:

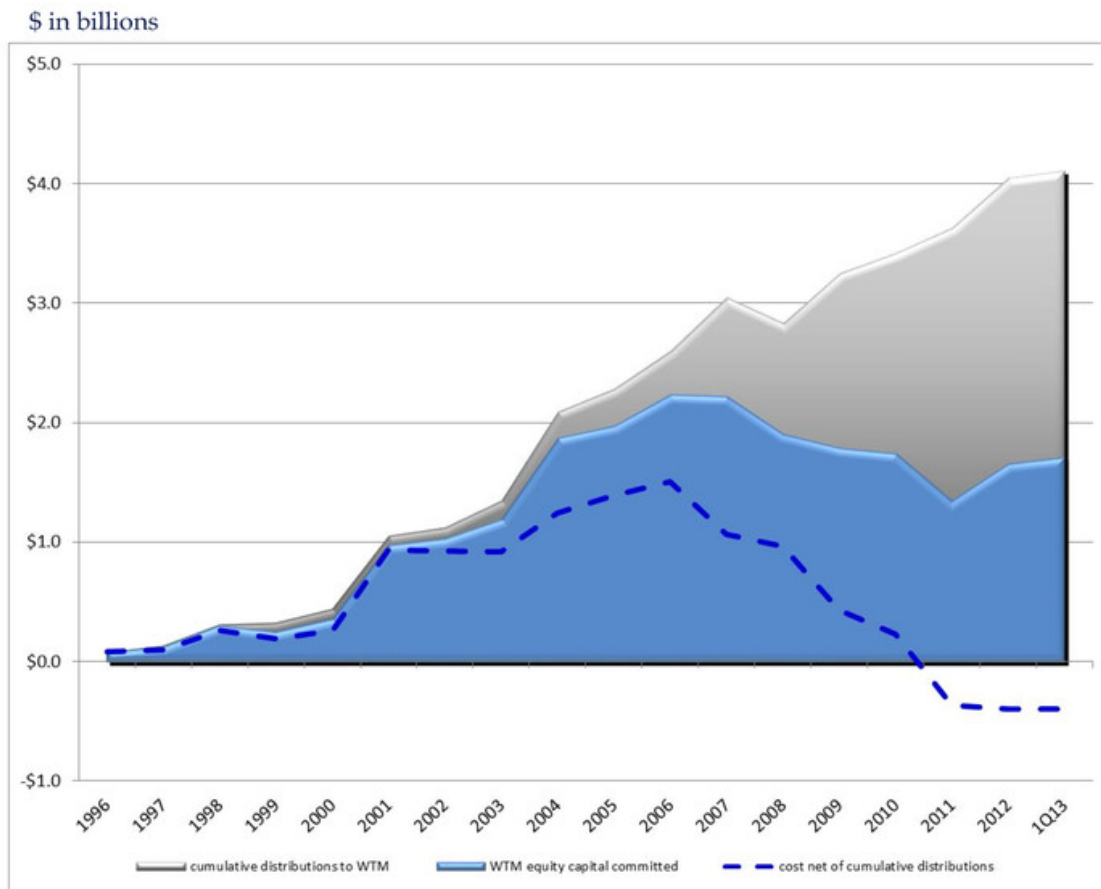
- Book value up 6.9%, including dividends
- 88% GAAP combined ratio
- No significant catastrophe losses
- Modest premium growth on continuing lines
- Expect to close Runoff sale later this year



# Sirius Group



# Sirius Group: 10% IRR on Investment Since 1996



# Sirius Group: Strong Results

## 2012:

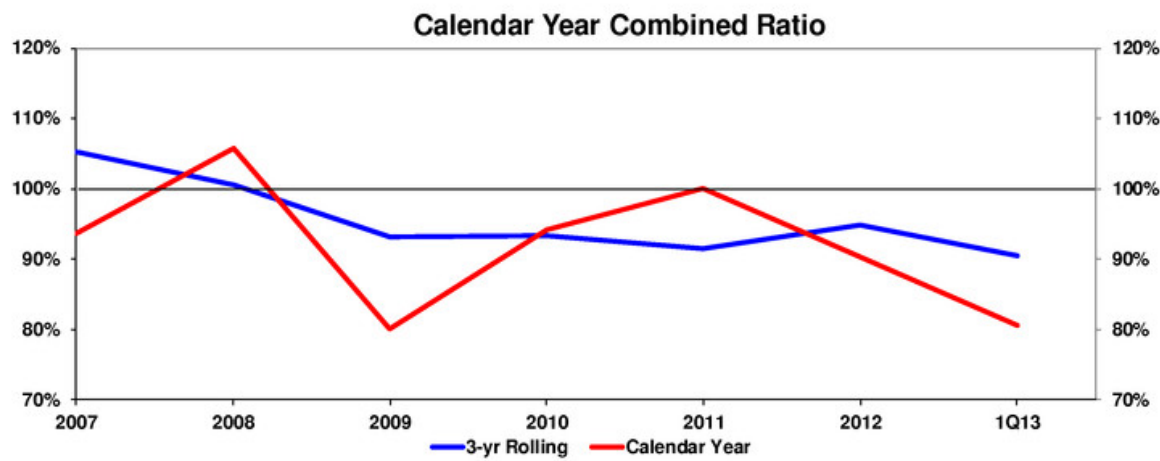
- 90% GAAP combined ratio
  - \$98 million hurricane Sandy loss; \$25 million underwriting loss from agriculture
- Gross written premiums grew 6% in local currencies to \$1.2 billion (up 18% over 3 years)
- Loss reserves developed favorably by \$34 million
- WM Solutions produced after-tax gains of \$14 million
- \$115 million of capital returned to WTM
- Regulatory capital grew 20% to \$2.5 billion
  - \$347 million legal entity Adjusted Comprehensive Income

## 1Q13:

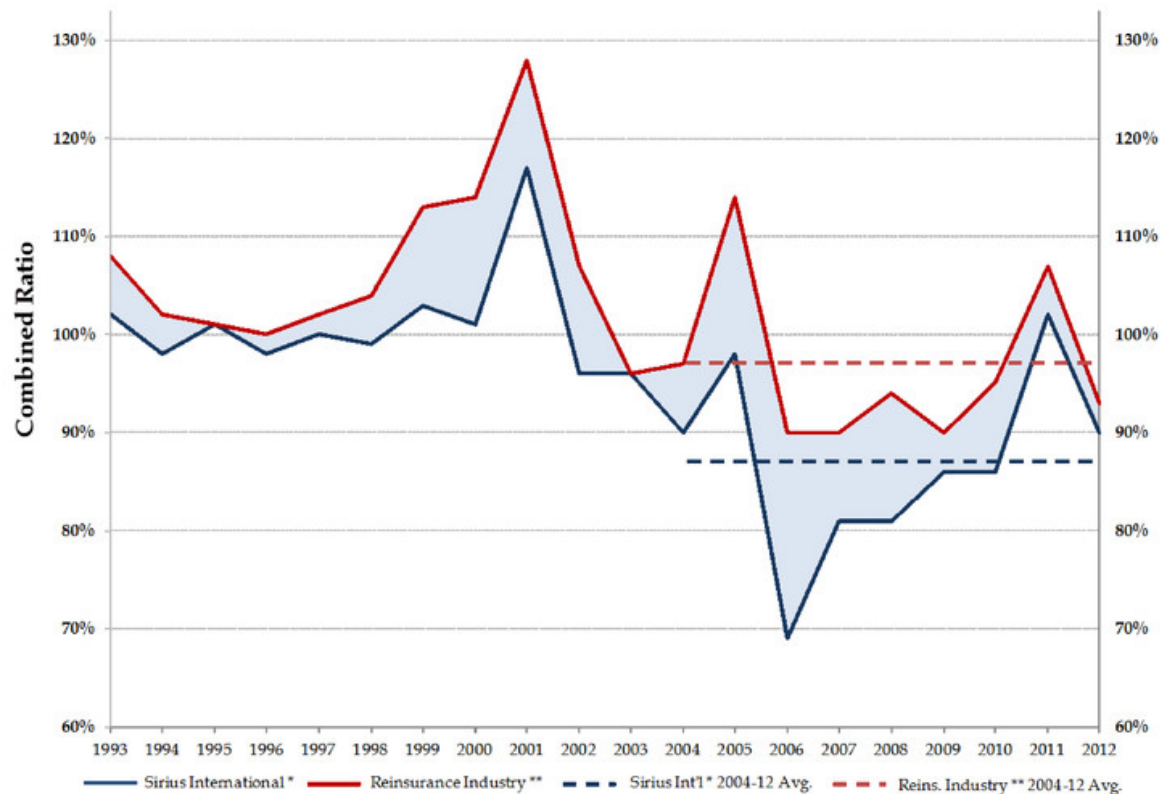
- 81% GAAP combined ratio
- No significant catastrophe losses
- Gross written premiums eased 3% to \$452 million – large A&H renewal extended to 2Q
- WM Solutions closed one acquisition for a \$7 million after-tax gain



# Sirius Group: Profitable Underwriting



# Sirius International: Long-Term Outperformance



Notes:

\* Excludes reinsurance with affiliates. Includes Sirius America from 2012 forward.

\*\* Industry results are from S&P Global Highlights 1993-2011 (2012 ratio provided by AonBenfield).





## Sirius Group: Unique Insured Portfolio

- Focus on local and regional companies:
  - Over 5,000 treaties & over 3,800 direct/facultative
- Long-term partnerships with clients

\$ in millions	2012 Gross Premium In-Force	
20 years or more	\$ 363	31 %
10-20 years	353	30
Less than 10 years	463	39
Total	<u>\$ 1,179</u>	<u>100%</u>



# White Mountains Solutions

- (Re)insurance run-off acquisition team formed in 2000
- Experienced claims, actuarial and finance specialists
- Focus on small to mid-size transactions with attractive returns & modest risk
- Rigorous due diligence process & creative deal structuring
- Completed 11 transactions to acquire 16 companies
- Net after-tax earnings > \$150 million with IRR > 40%; zero misses
- Strong pipeline of new opportunities



# Sirius Group: Insurance Linked Securities (ILS) Initiative

- The ILS market is garnering an increasing share of property catastrophe capacity
- Over time, the ILS market may change the nature of the reinsurance industry:
  - Transition from owner's capital to OPM
  - Fee-based business – low risk and minimal capital
- In May, we launched Sirius Capital Markets:
  - Headed by Michael Halsband and Deanne Nixon
  - Will manage third party capital in the ILS arena
- Sirius' unique underwriting track record will leverage our ILS business
- Complements existing business model
- Will add value after time



# Sirius Group: 2013 Outlook

- U.S. property catastrophe excess rates declining but adequate:
  - Primary property pricing improving but at slower rate
- Non-U.S. property rates flat overall
- Accident and health results back on track:
  - Growth coming from primary U.S. business
- Aviation remains competitive – Zurich team is responding with skill:
  - Copenhagen now at underwriting profit
- Trade credit – clients managing Euro zone stresses effectively
- Industry capacity remains robust



# HG Global/BAM



- White Mountains' 3<sup>rd</sup> voyage into municipal bond insurance
  - MBIA – founding member through 1992
  - FSA – 1994 to 2000
- Bob Cochran & Sean McCarthy developed a new model for municipal bond insurance
  - Mutually owned primary insurance company
  - Privately owned reinsurance company
  - Long-term cost-of-capital advantage
  - Sticky relationship between BAM and its customers
- Capitalized in 2012
  - BAM S&P AA rating
  - BAM is NY' s first mutual license issued in 40 years
  - BAM is now licensed in 44 states and the District of Columbia



# HG Global/BAM: Underwriting Comes First

- Strong and experienced municipal finance management teams
- BAM insures only municipal bonds
  - Essential public purpose
  - 100% investment grade
  - No legacy issues
- Each issue individually underwritten
  - Pension/other retirement benefit liabilities confirmed or recalculated
- Zero-loss underwriting goal
- Writing to AAA capital standards



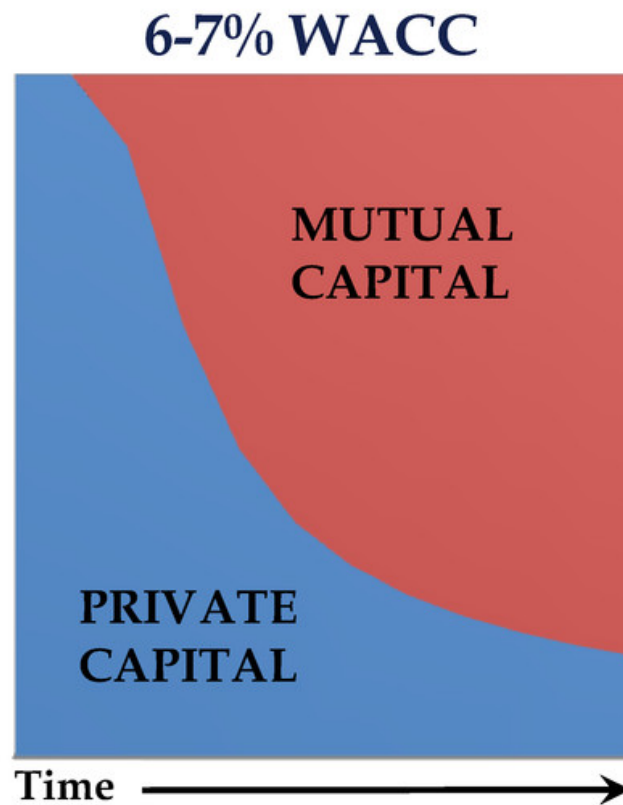


# HG Global/BAM: Delivering Value to the Market

- Target market: regional broker-dealers & retail investors
- Targeting average insured par of \$25 million
- BAM's published surveillance service adds value
- BAM collects risk premiums and member surplus contributions (MSC)
  - MSCs are reusable at refunding
- Long-term – mutual members may receive dividends



# HG Global/BAM: The Capital Advantage



# HG Global/BAM: A Reinsurance Partnership

- Long-term reinsurance treaty:
  - 15% of par value first loss reinsurance
  - BAM pays HG Re 60% of risk premiums, net of commissions
  - Economics may reset at year 10, and every 5 years thereafter
- Treaty is collateralized by two trusts:
  - Target trust balances = UPR + loss reserves + \$400 million
- Aggregate treaty limit equals trust balances

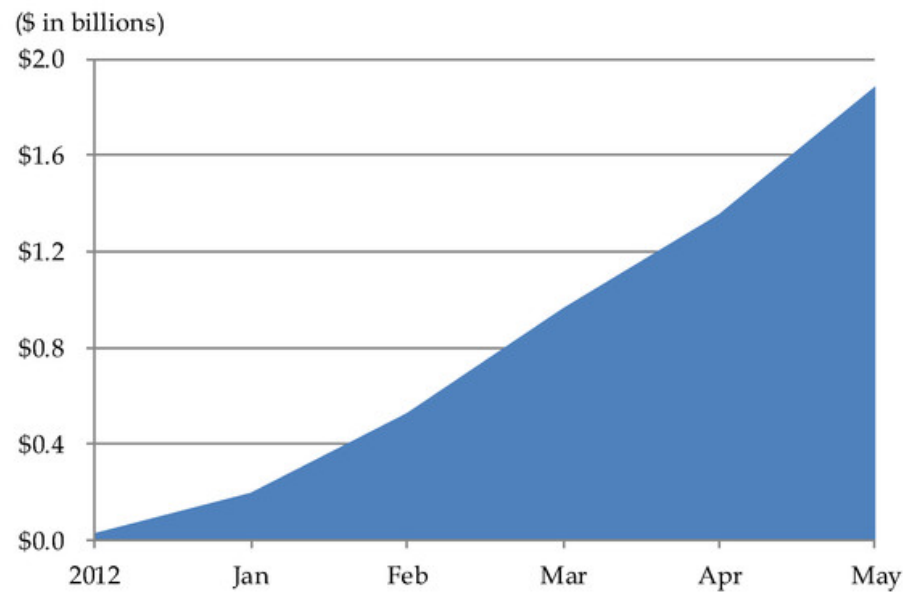


# HG Global/BAM: Growing Momentum

- BAM is making great progress establishing its reputation, trading value and market penetration.

## Insured Portfolio

Par Value of Priced Transactions



# Investments



# WTM Approach to Investments

- Invest for total return
- Policyholder funds invested conservatively
  - Fixed income portfolio is short, safe and sound
- Shareholder funds invested more aggressively
  - Equity Exposure is 47% at 1Q13
  - Generally value-oriented
  - Included common stocks, convertibles, high-yield bonds, alternatives, affiliates
- Non-USD exposures at Sirius Group managed carefully
  - Assets and liabilities matched by currency
  - Sirius capital invested “neutrally”
  - Current lean toward USD, SEK



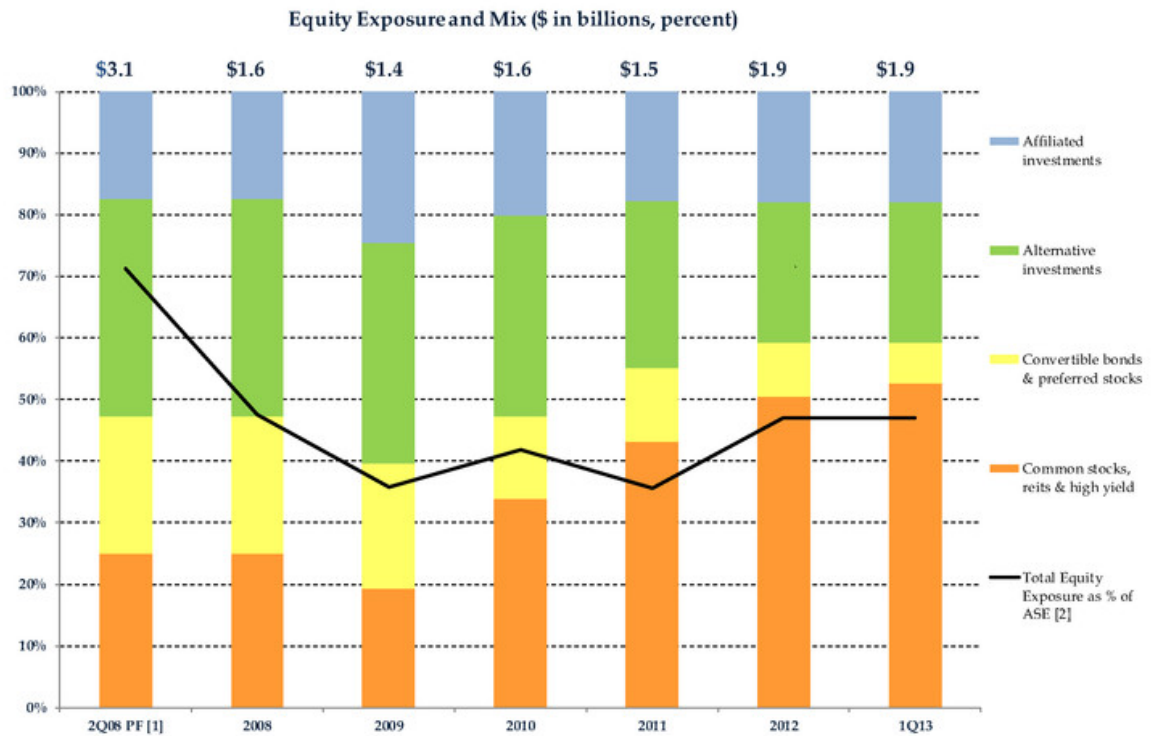
# Good Long-Term Track Record

		Total Return (periods ending 12/31/12)		
	1Q13	1-year	5-year	12-year
fixed income, ex currency	0.4%	3.8%	3.9%	4.9%
equity, ex currency	6.3%	10.2%	-0.9%	8.4%
total portfolio, ex currency	1.9%	5.2%	2.6%	5.5%
currency	-0.4%	0.5%	-0.1%	0.1%
<b>total portfolio</b>	<b>1.5%</b>	<b>5.6%</b>	<b>2.5%</b>	<b>5.5%</b>
<u>benchmarks:</u>				
barclays intermediate aggregate	0.2%	3.6%	5.4%	5.5%
s&p 500	10.6%	16.0%	1.7%	2.6%
BofA merrill lynch 10Y US treasury	-0.3%	4.2%	7.4%	6.2%
conventional wisdom	1.4%	6.0%	5.5%	5.6%





# Equity Exposure at Comfortable Levels



[1] Pro forma for Berkshire Exchange

[2] Defined as common shareholders' equity excluding equity in net urg(l) on Symetra's fixed maturity portfolio plus OneBeacon & HG Global non-controlling interests



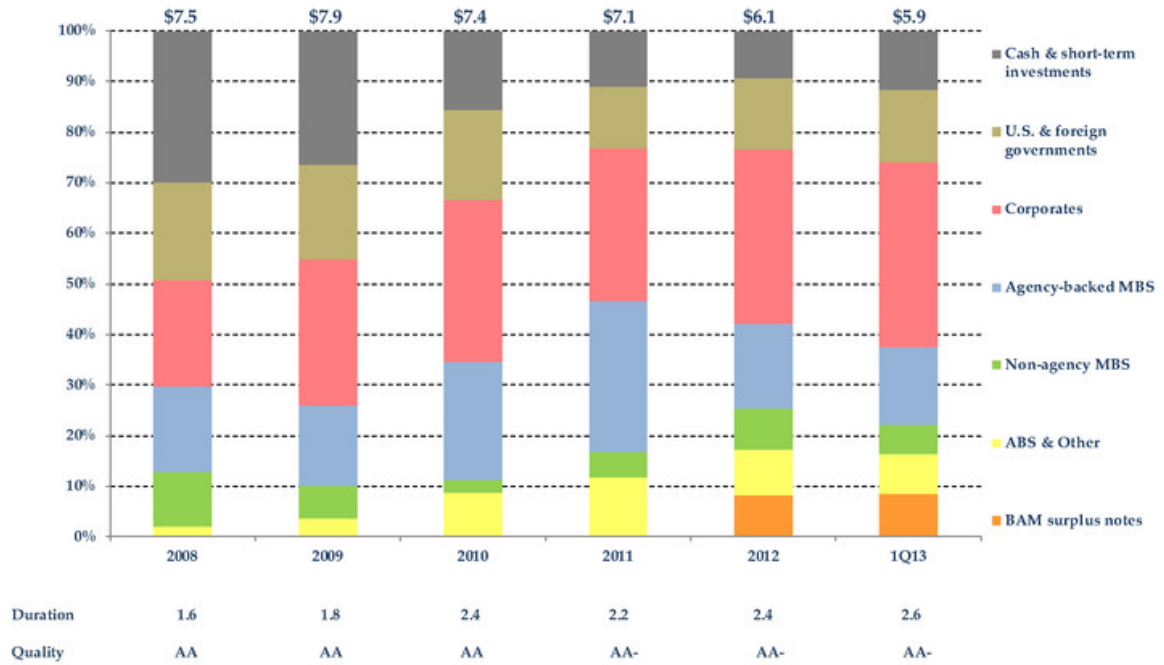
# Fixed Income Investing for Total Return

- Asymmetric market landscape
  - Low rates
  - Tight spreads
- We're positioned for this market
  - Short duration
  - Higher cash balance
  - Corporate debt focus
- 2013 Playbook
  - Sector rotation
  - Take advantage of volatility
  - STAY PATIENT



# Fixed Income Portfolio Composition

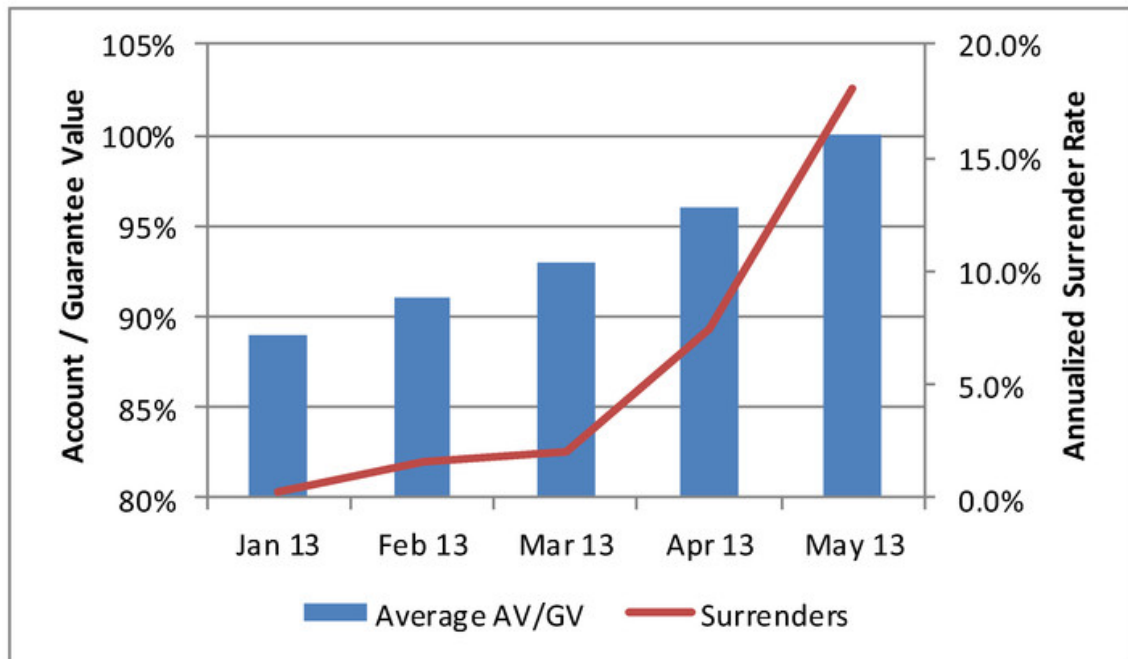
Fixed Income Allocation (\$ in billions, percent)



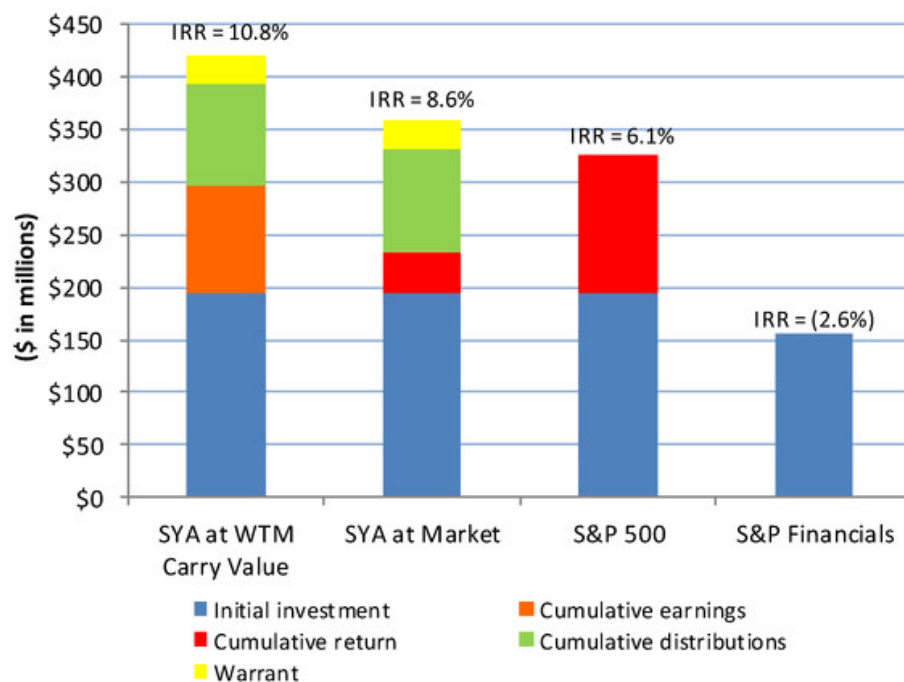
# WTM Life Re, Symetra and Capital



## WTM Life Re: Recent Developments



# Symetra: Our Investment has Outperformed



# WTM: Shares Outstanding

Share Position History (shares in millions)				
	Beginning Shares Outstanding	Net Share (Repurchases) Issuances	Ending Shares Outstanding	% Change
IPO - 1992	66.2	(52.2)	14.0	(79) %
1993 - 1999	14.0	(8.2)	5.8	(59)
2000 - 2006	5.8	5.0	10.8	86
2007 - 1Q13	10.8	(4.6)	6.2	(43)



# WTM: Share Repurchases

Recent Share Repurchase History				
	Shares Repurchases	Price (\$ in millions)	Average Per Share	Price as a % of Ending ABVPS
2010	687,900	\$ 226	\$ 328	74 %
2011	646,500	253	391	72
2012	1,329,600	669	503	86
1Q13	140,200	79	564	93
Total	<u>2,804,200</u>	<u>\$ 1,227</u>	<u>\$ 438</u>	72 %





# Consolidated Capitalization

(\$ in millions)	2010		2011		2012		1Q13
Total debt	\$	819	\$	678	\$	751	\$ 676
Non-controlling interest - SIG preference shares		250		250		250	250
Non-controlling interest - OneBeacon		295		273		251	264
Adjusted Shareholders' Equity		3,595		4,088		3,674	3,709
Total Adjusted Capital	\$	4,959	\$	5,289	\$	4,926	\$ 4,899
Debt to Total Adjusted Capital		17%		13%		15%	14%
Debt and preferred to Total Adjusted Capital		22%		18%		20%	19%



# Actively/Patiently Deploying Capital

- \$1+ billion of undeployed capital - Operations expected to release capital
  - OneBeacon: Strong results, sale of Runoff & termination of Hagerty
  - Sirius Group: Strong results & casualty runoff
- Share repurchases may not be best deployment opportunity
  - Currently trading at close to ABVPS
  - ABVPS closer to intrinsic business value than it has been in the past
- Carefully grow our current businesses
- Maximize risk-adjusted returns on investment portfolio
- Actively reviewing many opportunities around the world
- Extremely competitive M&A market



# What to Expect

- Growth in adjusted book value per share
- Commitment to our operating principles
  - Underwriting comes first
  - Maintain a disciplined balance sheet
  - Invest for total return
  - Think like owners
- Capital management
- Opportunistic approach to the business



## Wise Words...



**Benjamin Graham**

“In the short run, the market is a voting machine, but in the long run it is a weighing machine.”

# Appendix



## Appendix: Non-GAAP Financial Measures

1. **Adjusted book value and adjusted book value per share** are non-GAAP financial measures that adjust White Mountains' GAAP book value and GAAP book value per common share to exclude equity in net unrealized gains and losses from Symetra's fixed maturity portfolio, net of applicable taxes. In addition, the number of common shares outstanding used in the calculation of adjusted book value per share is adjusted to exclude unearned shares of restricted stock, the compensation cost of which, at the date of calculation, has yet to be amortized.
2. **Total return, fixed income total return and equities total return** are non-GAAP financial measures that adjust White Mountains' GAAP investment returns to (i) include investment results of OneBeacon's pension plan and certain investments that under GAAP are accounted for as investments in unconsolidated affiliates, (ii) exclude the investment returns of reciprocal insurance exchanges, the impact of consolidation of certain limited partnerships consolidated under GAAP and the investment income resulting from interest credited on funds held by ceding companies, and (iii) reflect the impact of certain intra-portfolio reclassifications and the impact of time value weighting of capital flows when calculating investment returns.
3. **Adjusted comprehensive income** is a non-GAAP financial measure that adjusts Sirius Group's legal entity GAAP comprehensive income to exclude Sirius Group's equity in net unrealized gains from Symetra's fixed maturity portfolio, net of applicable taxes.
4. **Equity exposure** is a non-GAAP financial measure that adjusts White Mountains' GAAP equity investment balances to (i) include the equity investments held in OneBeacon's pension plan and the investment in Symetra (which, under GAAP, is accounted for as an investment in unconsolidated affiliate), (ii) exclude the impact of consolidation of certain limited partnerships consolidated under GAAP, and (iii) reflect the impact of certain intra-portfolio reclassifications and adjustments where management believes that alternative valuations are more accurate.
5. **Fixed income allocation** is a non-GAAP financial measure that adjusts White Mountains' GAAP fixed income investment balances to (i) include fixed income investments held in OneBeacon's pension plan, (ii) exclude the impact of consolidation of certain reciprocal insurance exchanges consolidated under GAAP and certain investments held as collateral at WTM Life Re, (iii) include the BAM surplus notes while excluding the fixed income investments held by BAM, and (iv) reflect the impact of unsettled investment trades and certain intra-portfolio reclassifications and adjustments where management believes that alternative valuations are more accurate.
6. **Adjusted shareholders' equity** is a non-GAAP financial measure that adjusts White Mountains' GAAP common shareholders' equity to exclude White Mountains' equity in net unrealized gains and losses from Symetra's fixed maturity portfolio, net of applicable taxes.
7. **Total adjusted capital** is a non-GAAP financial measure that adjusts White Mountains' GAAP total capital to (i) include White Mountains' non-controlling interest in OneBeacon and (ii) exclude White Mountains' equity in net unrealized gains and losses from Symetra's fixed maturity portfolio, net of applicable taxes.



# Appendix: Reconciliation of Non-GAAP Financial Measures

## White Mountains Insurance Group, Ltd.

Reconciliation of GAAP book value per share to adjusted book value per share  
(\$ in millions, except per share amounts; shares in thousands)

<b>Numerator</b>	<b>2011</b>	<b>2012</b>	<b>1Q13</b>
GAAP common shareholders' equity (book value per share, numerator)	\$ 4,088	\$ 3,732	\$ 3,759
equity in net unrealized gains from Symetra's fixed maturity portfolio, net of applicable taxes	-	(58)	(50)
adjusted book value per share, numerator	<u>\$ 4,088</u>	<u>\$ 3,674</u>	<u>\$ 3,709</u>
<b>Denominator</b>			
common shares outstanding (book value per share, denominator)	7,578	6,291	6,176
unearned restricted shares	(38)	(39)	(57)
adjusted book value per share, denominator	<u>7,540</u>	<u>6,252</u>	<u>6,119</u>
GAAP book value per share (BVPS)	\$ 539	\$ 593	\$ 609
adjusted book value per share (ABVPS)	\$ 542	\$ 588	\$ 606
Growth in BVPS		10.2%	2.8%
Growth in ABVPS		8.6%	3.3%





# Appendix: Reconciliation of Non-GAAP Financial Measures

## White Mountains Insurance Group, Ltd.

Reconciliation of GAAP investment returns to total return, fixed income total return and equities total return

### Investment Return Reconciliation - 1Q13

	GAAP Return	Adjusting Items	Total Return	Return x-Currency
fixed income total return	0.0%	0.0% [1]	0.0%	0.4%
equities total return	7.1%	-1.0% [2]	6.1%	6.3%
total return	1.4%	0.1%	1.5%	1.9%

- [1] Difference primarily attributable to consolidation under GAAP of fixed income investments held by reciprocal insurance exchanges, exclusion of interest earned on funds held by ceding companies, the inclusion of OneBeacon's pension plan fixed income investments, and the impact of time value weighting of capital flows.
- [2] Difference primarily attributable to consolidation of investments held by certain limited partnerships consolidated under GAAP, the inclusion of OneBeacon's pension plan equity investments, the inclusion of Symetra common stock, and the impact of time value weighting of capital flows.





# Appendix: Reconciliation of Non-GAAP Financial Measures

## White Mountains Insurance Group, Ltd.

Reconciliation of GAAP investment returns to total return, fixed income total return and equities total return

### Investment Return Reconciliation - 2012

	<u>GAAP Return</u>	<u>Adjusting Items</u>	<u>Total Return</u>	<u>Return x-Currency</u>
fixed income total return	4.4%	0.1% [1]	4.5%	3.8%
equities total return	7.7%	2.4% [2]	10.1%	10.2%
total return	4.9%	0.7%	5.6%	5.2%

[1] Difference primarily attributable to consolidation under GAAP of fixed income investments held by reciprocal insurance exchanges, exclusion of interest earned on funds held by ceding companies, the inclusion of OneBeacon's pension plan fixed income investments, and the impact of time value weighting of capital flows.

[2] Difference primarily attributable to consolidation of investments held by certain limited partnerships consolidated under GAAP, the inclusion of OneBeacon's pension plan equity investments, the inclusion of Symetra common stock, and the impact of time value weighting of capital flows.



# Appendix: Reconciliation of Non-GAAP Financial Measures

## White Mountains Insurance Group, Ltd.

Reconciliation of GAAP investment returns over 5-year and 12-year periods to total return, fixed income total return and equities total return

	<u>GAAP Return</u>	<u>Adjusting Items</u>	<u>Total Return</u>
5-year	2.4%	0.1% [1]	2.5%
12-year	5.1%	0.4% [1]	5.5%

	<u>GAAP Return</u>	<u>Adjusting Items</u>	<u>Fixed Income Total Return</u>
5-year	3.6%	0.3% [1]	3.9%
12-year	5.0%	-0.1% [1]	4.9%

	<u>GAAP Return</u>	<u>Adjusting Items</u>	<u>Equities Total Return</u>
5-year	-2.6%	1.7% [1]	-0.9%
12-year	7.2%	1.2% [1]	8.4%

- [1] Difference primarily attributable to (i) inclusion of investment results of OneBeacon's pension plan and certain investments that under GAAP are accounted for as investments in unconsolidated affiliates, (ii) the exclusion of investment results of reciprocal insurance exchanges, (iii) the impact of consolidation of certain entities consolidated under GAAP, (iv) the inclusion of investment income resulting from interest credited on funds withheld by ceding companies, and (v) the impact of time value weighting of capital flows and certain intra-portfolio reclassifications when calculating investment returns.



# Appendix: Reconciliation of Non-GAAP Financial Measures

## White Mountains Insurance Group, Ltd.

Reconciliation of Sirius Group's GAAP comprehensive income to adjusted comprehensive income

(\$ in millions)

	2012
GAAP comprehensive income	\$ 405
equity in net unrealized gains from Symetra's fixed maturity portfolio, net of applicable taxes	(58)
adjusted comprehensive income	<u>\$ 347</u>



# Appendix: Reconciliation of Non-GAAP Financial Measures

## White Mountains Insurance Group, Ltd.

Reconciliation of GAAP equity investments to equity exposure  
(\$ in millions)

	2Q08 PF [1]	2008	2009	2010	2011	2012	1Q13
GAAP common, convertible and alternative investments	\$ 2,702	\$ 1,278	\$ 1,033	\$ 1,246	\$ 1,200	\$ 1,451	\$ 1,464
GAAP investments in unconsolidated affiliates	289	117	345	390	275	388	384
Total GAAP equity investments	2,991	1,395	1,378	1,636	1,475	1,839	1,848
OneBeacon pension investments	118	90	112	131	127	128	133
unwind consolidation of certain limited partnerships	(62)	3	(29)	(67)	(48)	(50)	(52)
investment reclassifications & valuations	(16)	(42)	(31)	(12)	(5)	(7)	(7)
affiliate investment adjustments	31	164	9	(64)	-	(56)	(46)
equity exposure	\$ 3,062	\$ 1,609	\$ 1,439	\$ 1,624	\$ 1,549	\$ 1,854	\$ 1,876

[1] Pro-forma to reflect Berkshire Exchange



# Appendix: Reconciliation of Non-GAAP Financial Measures

## White Mountains Insurance Group, Ltd.

Reconciliation of GAAP fixed income & short-term investments to fixed income allocation

(\$ in millions)

	2008	2009	2010	2011	2012	1Q13
Total GAAP fixed income & short-term investments	\$ 7,725	\$ 8,200	\$ 7,486	\$ 7,180	\$ 5,827	\$ 5,509
unsettled trades	71	19	18	(30)	(8)	109
OneBeacon pension investments	36	21	15	6	10	14
unwind GAAP consolidation of reciprocals	(341)	(361)	(43)	(47)	(82)	(82)
exclude collateral held @ WTM Life Re	(54)	(18)	(97)	(24)	-	(11)
exclude BAM investments	-	-	-	-	(472)	(471)
include BAM surplus notes	-	-	-	-	503	503
include assets held for sale	-	-	-	-	338	297
investment reclassifications & valuations	43	38	(3)	3	1	-
fixed income allocation	\$ 7,480	\$ 7,897	\$ 7,377	\$ 7,088	\$ 6,118	\$ 5,867



# Appendix: Reconciliation of Non-GAAP Financial Measures

## White Mountains Insurance Group, Ltd.

Reconciliation of GAAP common shareholders' equity to adjusted shareholders' equity and total adjusted capital  
(\$ in millions)

	2010	2011	2012	1Q13
GAAP common shareholders' equity	\$ 3,653	\$ 4,088	\$ 3,732	\$ 3,759
equity in net unrealized gains from Symetra's fixed maturity portfolio, net of applicable taxes	(58)	-	(58)	(50)
adjusted shareholders' equity	<u>\$ 3,595</u>	<u>\$ 4,088</u>	<u>\$ 3,674</u>	<u>\$ 3,709</u>
debt	819	678	751	676
non-controlling interest - SIG preference shares	250	250	250	250
non-controlling interest - OneBeacon	<u>295</u>	<u>273</u>	<u>251</u>	<u>264</u>
total adjusted capital	<u>\$ 4,959</u>	<u>\$ 5,289</u>	<u>\$ 4,926</u>	<u>\$ 4,899</u>



