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**Standard and Poor's Insurance 2004 Seminar**

**June 17, 2004**

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# Forward-Looking Statements

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This presentation may contain certain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical facts, may be forward-looking statements. Specifically, we may make forward-looking statements about our results of operations, financial condition and liquidity, the sufficiency of our asbestos reserves and the integration following the merger. Such statements are subject to certain 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 particular, the sufficiency of our asbestos reserves, as well as our results of operations, financial condition and liquidity, to the extent impacted by the sufficiency of our asbestos reserves, is subject to a number of potential adverse developments including, among others, adverse developments involving asbestos claims and related litigation, the willingness of parties, including us, to settle disputes, the impact of aggregate policy coverage limits and the impact of bankruptcies of various asbestos producers and related businesses.

Some of the other factors that could cause actual results to differ include, but are not limited to, the following: our inability to fully integrate the former The St. Paul Companies, Inc. and Travelers Property Casualty Corp. businesses in the manner or in the time frame currently anticipated; our inability to obtain price increases due to competition or otherwise; the performance of our investment portfolios, which could be adversely impacted by adverse developments in U.S. and global financial markets, interest rates and rates of inflation; weakening U.S. and global economic conditions; insufficiency of, or changes in, loss reserves; the occurrence of catastrophic events, both natural and man-made, including terrorist acts, with a severity or frequency exceeding our expectations; exposure to, and adverse developments involving, environmental claims and related litigation; the impact of claims related to exposure to potentially harmful products or substances, including, but not limited to, lead paint, silica and other potentially harmful substances; adverse changes in loss cost trends, including inflationary pressures in medical costs and auto and home repair costs; developments relating to coverage and liability for mold claims; the effects of corporate bankruptcies on surety bond claims; adverse developments in the cost, availability and/or ability to collect reinsurance; the ability of our subsidiaries to pay dividends to us; adverse outcomes in legal proceedings; judicial expansion of policy coverage and the impact of new theories of liability; the impact of legislative actions, including federal and state legislation related to asbestos liability reform; larger than expected assessments for guaranty funds and mandatory pooling arrangements; a downgrade in our claims-paying and financial strength ratings; the loss or significant restriction on our ability to use credit scoring in the pricing and underwriting of Personal Lines policies; and changes in the risk-based capital requirements.

Our forward-looking statements speak only as of the date made, and we undertake no obligation to update these forward-looking statements.

## → Transforming Transaction

### ➤ Grow Profitably

- Leverage product breadth across distribution network
- Support broader agency partnerships
- Continue to participate in industry consolidation

} Organic Growth

## → Aggressively Manage Expenses

## → Deliver Top Tier Return on Equity

## → Maintain Financial Strength

*“On April 1, 2004, Travelers Property Casualty Corp. (Travelers) and The St. Paul Companies, Inc. (St. Paul) completed their previously announced merger. The combined company is now known as The St. Paul Travelers Companies, Inc. (St. Paul Travelers). For accounting purposes, Travelers is the accounting acquirer. Accordingly, in this press release and going forward, the stand-alone results of operations of Travelers for the quarter ended March 31, 2004 and all prior periods will be presented as the results of St. Paul Travelers for those periods. The results of the combined operations will be consolidated for all future periods beginning in the second quarter. For the first quarter 2004, St. Paul’s stand-alone net income, which is not included in the St. Paul Travelers results described above...”*

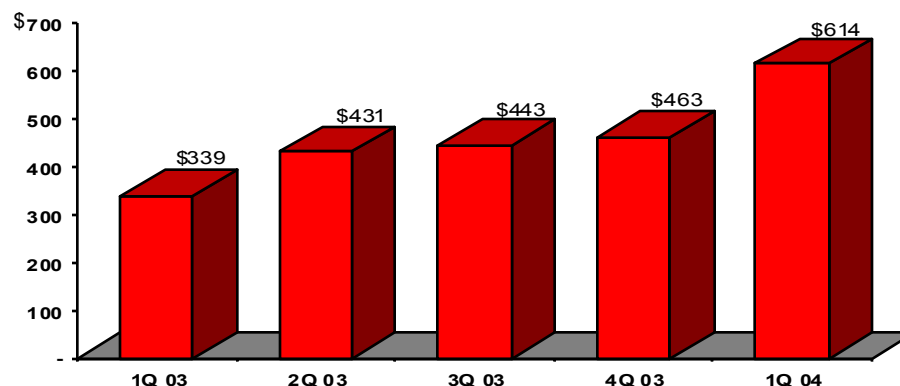
# St. Paul Travelers Financial Performance



(\$ in millions, except EPS)

## Operating income: Travelers only

Included in St. Paul Travelers historical results



	First Quarter	
	2004	2003
Net written premiums	\$ 3,471	\$ 3,167
Operating income	\$ 614	\$ 339
EPS <sup>(1)</sup>	\$ 1.41	\$ 0.78
Net realized investment gains (losses)	\$ (27)	\$ 1
Net income	\$ 587	\$ 340
EPS <sup>(1)</sup>	\$ 1.34	\$ 0.78
Operating ROE	21.9%	14.2%

Record earnings

Up 10%

Record ROE

Note: See page 2 of the first quarter 2004 financial supplement for the reconciliation of operating income to net income and page 30 of the financial supplement for Glossary of Financial Measures available on the company's website, [www.stpaultravelers.com](http://www.stpaultravelers.com) in the investors section.

(1) Diluted basis.

# St. Paul Travelers Financial Performance



(\$ in millions, after tax)

## Analysis of Operating Income: Travelers Only

Included in St. Paul Travelers historical results

	First Quarter	
	2004	2003
Consolidated underwriting gain, before catastrophes and prior year reserve development	\$ 212	\$ 151
Catastrophes	(13)	(44)
Prior year reserve development - benefit/(charge)	(28)	(106)
Accretion of discount	(11)	(13)
Underwriting gain (loss)	160	(12)
Net investment income	454	344
Other, including interest expense and minority interest	-	7
Consolidated operating income	\$ 614	\$ 339

Up 40%

Improved \$78 million

\$83 million due to one private equity partnership

Note: See page 2 of the first quarter 2004 financial supplement for the reconciliation of operating income to net income and page 30 of the financial supplement for Glossary of Financial Measures available on the company's website, [www.stpaultravelers.com](http://www.stpaultravelers.com) in the investors section.

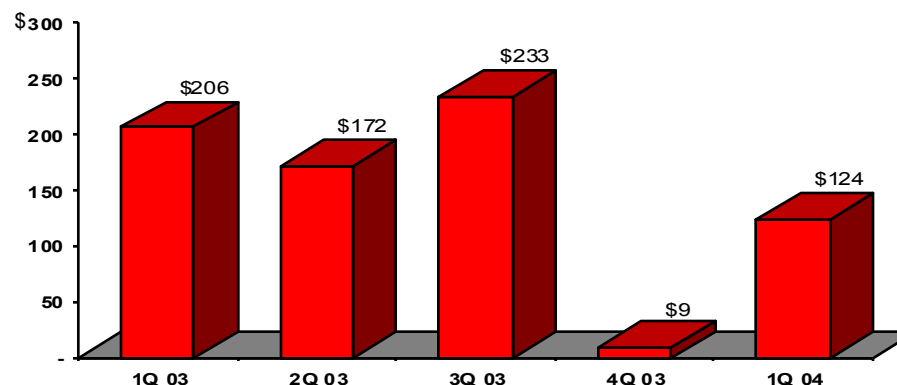
# St. Paul Only: Financial Performance



(\$ in millions, except EPS)

## Operating income: St. Paul only

Excluded from St. Paul Travelers historical results



	First Quarter	
	2004	2003
Net written premiums	\$ 1,808	\$ 1,977
Operating income	\$ 124	\$ 206
EPS <sup>(1)</sup>	\$ 0.50	\$ 0.86
Net realized investment gains (losses)	\$ 72	\$ (25)
Discontinued operations	\$ (8)	\$ -
Net income	\$ 188	\$ 181
EPS <sup>(1)</sup>	\$ 0.76	\$ 0.75
Operating ROE	8.7%	16.2%

Note: See page 4 of the St. Paul financial supplement of each respective quarter for the reconciliation of operating income to net income and the final page of the respective St. Paul financial supplement for Key Terms and Definitions available on the company's website, [www.stpaultravelers.com](http://www.stpaultravelers.com) in the investors section. Represents St. Paul on historical cost basis.

(1) Diluted basis.

# St. Paul Only: Analysis of Operating Income



(\$ in millions, after tax)

Not included in St. Paul Travelers historical results

	First Quarter		
	2004	2003	
<b>Consolidated underwriting gain, before catastrophes and prior year reserve development</b>	<b>\$ 104</b>	<b>\$ 75</b>	Up 39%
Catastrophes	5	1	\$105 million increase
Prior year reserve development - benefit/(charge)	(140)	(35)	
<b>Underwriting gain (loss)</b>	<b>(31)</b>	<b>41</b>	
<b>Net investment income</b>	<b>199</b>	<b>202</b>	Up 23%
<b>Nuveen</b>	<b>32</b>	<b>26</b>	
Other, including interest expense and minority interest	(76)	(63)	
<b>Consolidated operating income</b>	<b>\$ 124</b>	<b>\$ 206</b>	

Note: See page 4 of the St. Paul financial supplement of each respective quarter for the reconciliation of operating income to net income and the final page of the respective St. Paul financial supplement for Key Terms and Definitions available on the company's website, [www.stpaultravelers.com](http://www.stpaultravelers.com) in the investors section. Represents St. Paul on historical cost basis.

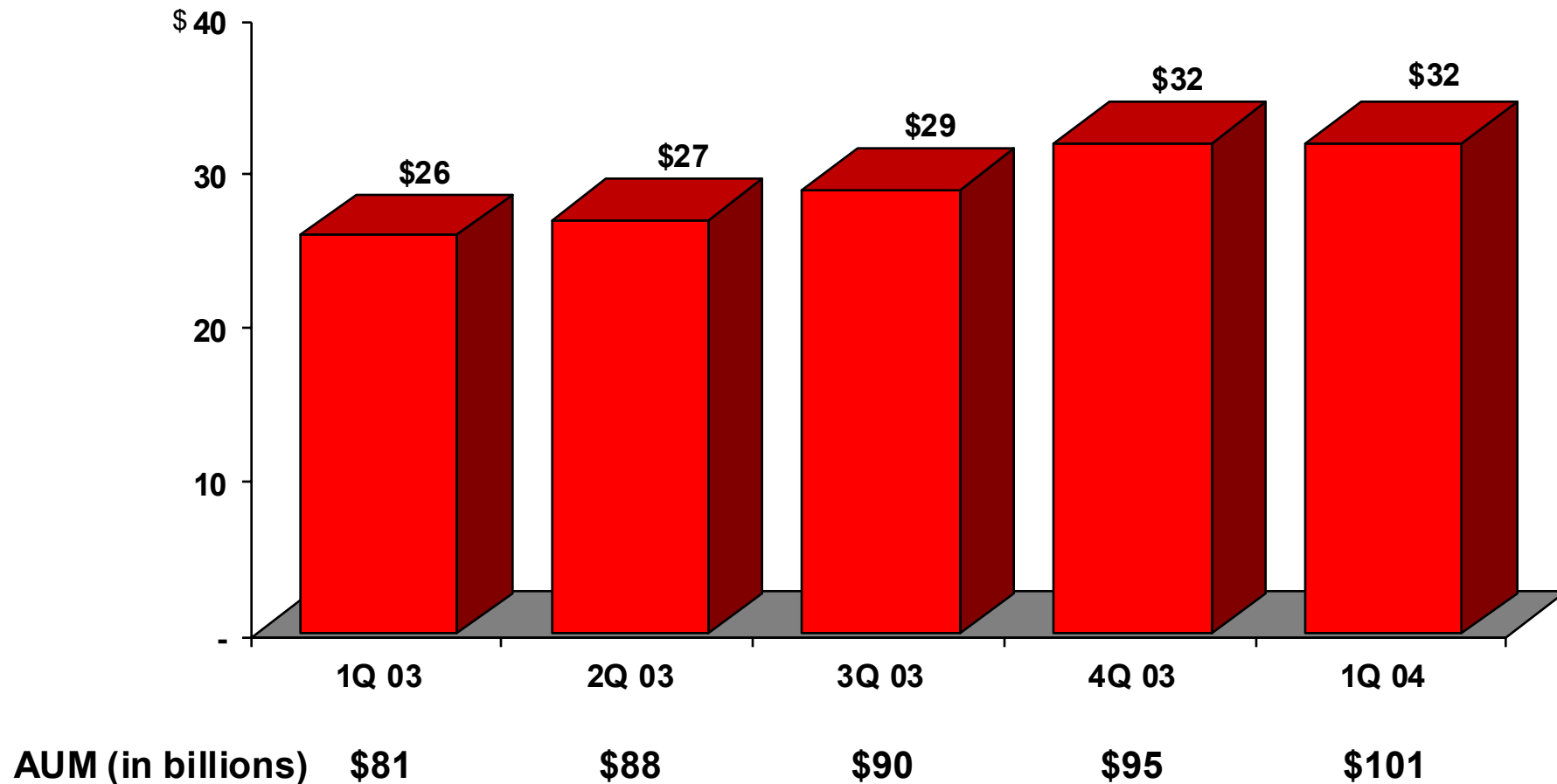


# St. Paul Only: Nuveen Net Income



(\$ in millions)

Not included in St. Paul Travelers historical results



Assets under management now  
exceed \$100 billion

# Travelers Only: Commercial Net Written Premiums



(\$ in millions)

Included in St. Paul Travelers historical results

	1Q 2004	1Q 2003	Change
<b>Core:</b>			
National Accounts	\$ 243	\$ 227	7%
Commercial Accounts	974	950	3%
Select Accounts	531	509	4%
Total Core	1,748	1,686	4%
<b>Specialty:</b>			
Bond	213	163	31%
Gulf	144	168	(14%)
Total Specialty	357	331	8%
<b>Total Travelers</b>	<b>\$ 2,105</b>	<b>\$ 2,017</b>	<b>4%</b>

Increased 9%  
excluding  
Construction  
and  
Northland  
Group

## National Accounts:

Written fees	\$ 214	\$ 182	18%
Additions to claim volume under administration	\$ 1,309	\$ 1,097	19%

# St. Paul Only: Net Written Premiums



(\$ in millions)

Not included in St. Paul Travelers historical results

	1Q 2004	1Q 2003	Change
<b>Ongoing:</b>			
Specialty Commercial ex-lag	\$ 1,158	\$ 1,191 <sup>(1)</sup>	(3%)
Commercial	631	588	7%
Total ongoing ex-lag	1,789	1,779	1%
<b>Run-off ex-lag</b>	19	99 <sup>(1)</sup>	
<b>Impact of eliminating Lloyd's reporting lag</b>	-	99	
<b>Total St. Paul</b>	<b>\$ 1,808</b>	<b>\$ 1,977</b>	<b>(9%)</b>

Increased 23%  
excluding  
Lloyd's, Surety  
and  
Construction

(1) Excludes an aggregate \$99 million one time adjustment for the impact of eliminating a one quarter lag in reporting business results from St. Paul's Lloyd's operations.

# Travelers Only: Personal Lines Net Written Premiums

(\$ in millions)

Included in St. Paul Travelers historical results

	First Quarter		
	2004	2003	Change
<b>By Product Line</b>			
Automobile	\$ 847	\$ 737	15%
Homeowners and other	519	413	26%
<b>Total</b>	<b>\$ 1,366</b>	<b>\$ 1,150</b>	<b>19%</b>
<b>By Distribution Channel</b>			
Independent agents	\$ 1,134	\$ 945	20%
Other channels	232	205	13%
<b>Total</b>	<b>\$ 1,366</b>	<b>\$ 1,150</b>	<b>19%</b>

## **Market Dynamics – Moderating Price Increases**



	<b><u>2001</u></b>	<b><u>2002</u></b>	<b><u>2003</u></b>	<b><u>1Q04</u></b>
Commercial Accounts <sup>1</sup>	19%	22%	10%	5%
Specialty <sup>2</sup>	15%	29%	20%	12%
Personal Lines Auto <sup>1</sup>	7%	8%	6%	4%

<sup>1</sup> Represents historical Travelers Property Casualty Corp. information. Each percentage represents the estimated average change in premium on policies that renew, including rate and exposure changes, vs. the average premium on those same policies for their prior term.

<sup>2</sup> Represents historical St. Paul Companies information. Each percentage represents the estimated average change in premium on policies that renew, including rate and changes in exposure due solely to inflation, vs. the average premium on those same policies for their prior term.

## Market Dynamics – Very Attractive Accident Year Returns



	First Quarter 2004			
	Combined Ratio	Combined Ratio ex Prior Year Reserve Development	Operating ROE *	Operating ROE ex Prior Year Reserve Development
<b>Travelers</b>	91.9%	90.6%	21.9%	22.9%
<b>St. Paul</b>	104.5%	94.3%	8.7%	18.6%

\* Operating return on equity is calculated as the ratio of net income excluding the after-tax impact of net realized gains (losses), income (or loss) from discontinued operations and the cumulative effect of changes in accounting principles, to average equity excluding net unrealized gains and losses on investment securities, net of tax. For 1Q04, for Travelers and St. Paul, ROE was 19.0% and 11.9%, respectively, and ROE excluding prior year reserve development was 19.9% and 20.7%, respectively.

# Strength of Combined Business



(\$ in millions)

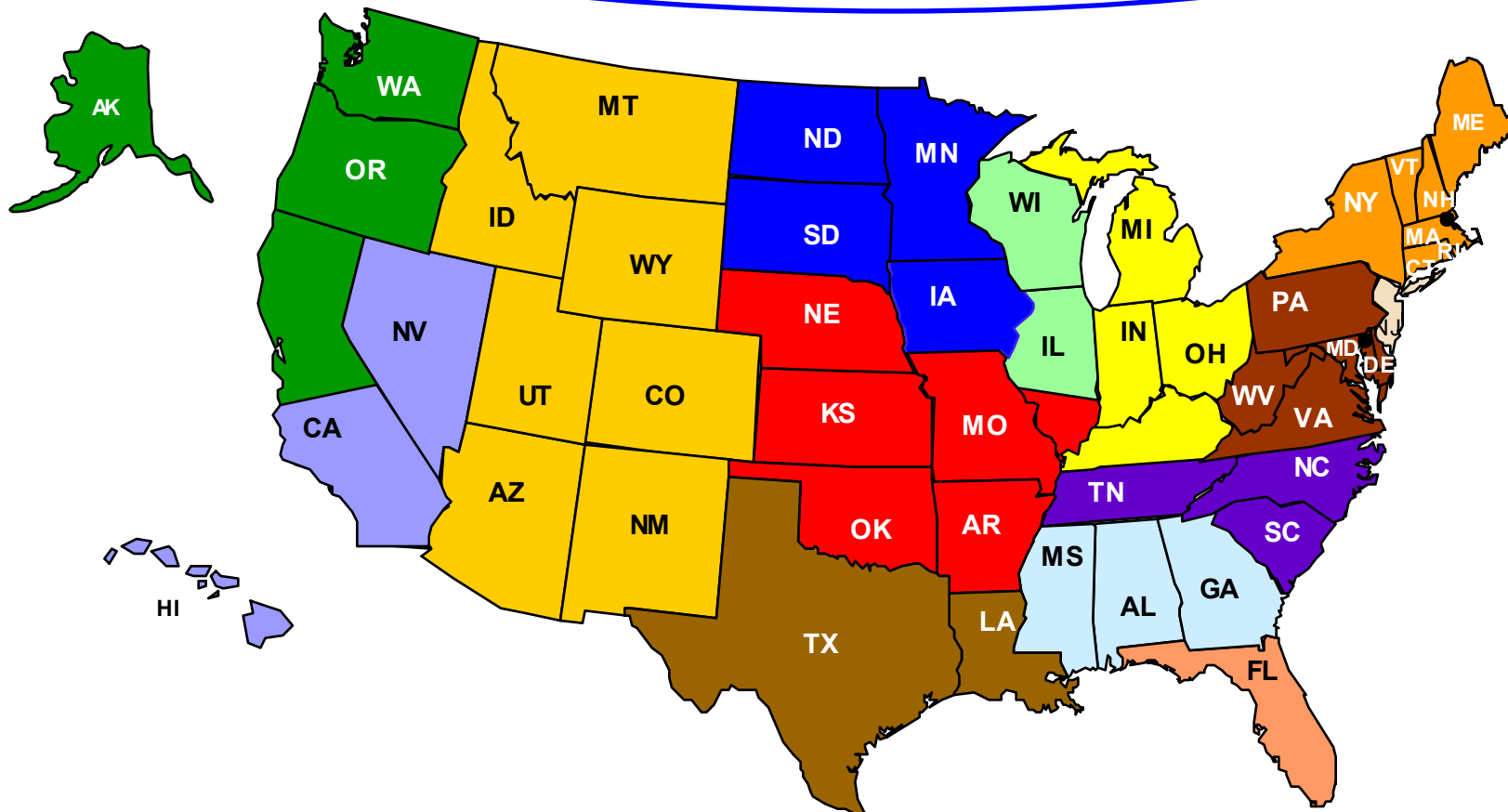
	2003 Net Written Premiums*		
	Travelers	St. Paul	Combined
Commercial	\$ 6,863	\$ 2,656	\$ 9,519
Specialty	1,257	4,884	6,141
Personal Lines	5,081	-	5,081
Total	<u>\$ 13,201</u>	<u>\$ 7,540</u>	<u>\$ 20,741</u>

\* Amounts have been reclassified to reflect new reporting segments to be effective beginning 2Q04 for The St. Paul Travelers.

- Provide breadth of products and services under one company
- Help them grow their business
- Provide a consistent market
- Make available state-of-the-art systems and desktop solutions
- Increase their efficiency through service centers



**14 Regions - 2003 Net Written Premiums  
Range From \$575 - \$2,500 Million**



## **COMMERCIAL**

- Agribusiness
- Boiler and Machinery
- Commercial Accounts (Mid-sized Businesses)
- Inland Marine
- National Accounts (Large Businesses)
- National Programs
- National Property
- Northland Insurance
- Select (Small Commercial)

## **PERSONAL LINES**

- Affinity and Small Group Marketing
- Auto and Homeowners
- Boat and Yacht
- Flood
- Non-Standard Auto
- Mendota Insurance Company

## **SPECIALTY**

- Bond
- Commercial CAT Risk
- Construction
- Excess and Surplus Lines
- Excess and Surplus Underwriting Facilities
- Financial and Professional Services
- Global Technology
- Ocean Marine
- Oil and Gas
- Public Sector Services
- Specialty Excess and Umbrella

## **DISCOVER RE**

## **INTERNATIONAL**

- Global Accounts
- UK / Ireland / Canada
- Lloyd's

## Examples from the Field

<b>Account Description</b>	<b>New Business</b>	<b>Incremental Net Written Premium</b>
Dental Supply Company	Added Global Property Insurance	\$ 850,000
Lock Manufacturer	Added Global Property Insurance	\$ 75,000
Manufacturer of Testing Equipment for Semiconductor Industry	Retained Account and Added Global Property Insurance	\$ 21,000

# Leveraging the Partnership

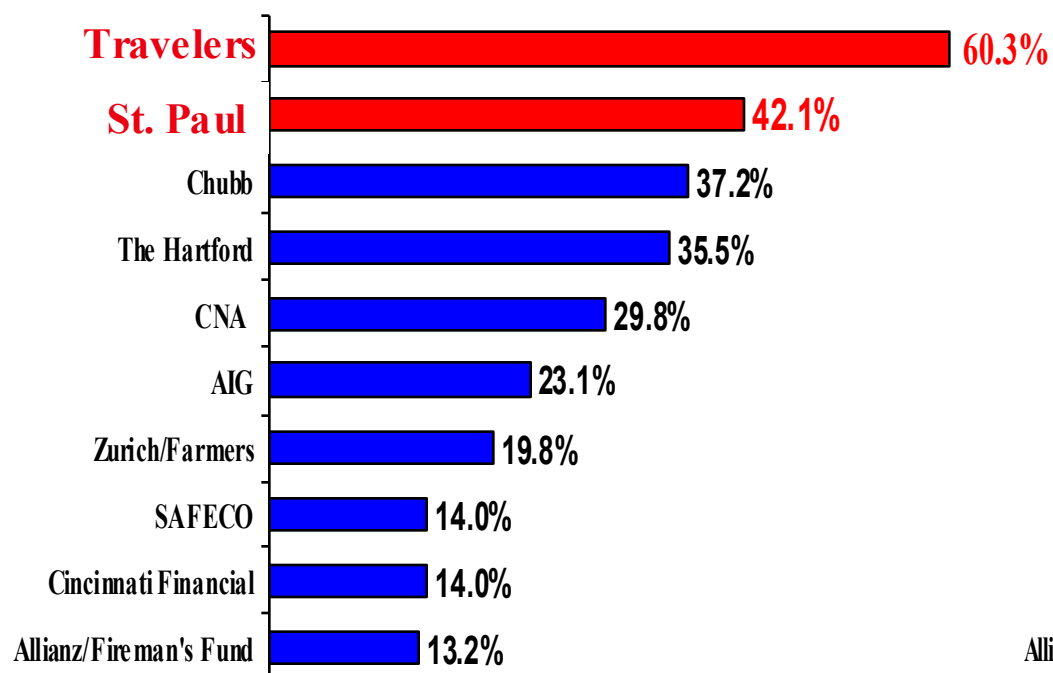


- Travelers today - Approximately 7,000 Commercial Lines agents
  - 42% do business with Travelers Personal Lines
- Agents with combined Personal & Commercial Lines relationships provide more opportunity than Personal Lines relationships only
  - Twice the average Personal Lines net written premiums
  - 4 point loss ratio advantage
- St Paul today – Approximately 5,400 Commercial Lines agents
  - Only 24% do business with Travelers Personal Lines

**Increase of St. Paul Commercial Agency  
Penetration to that of Travelers Could Generate \$500+  
Million of New Personal Lines Business Over Time**

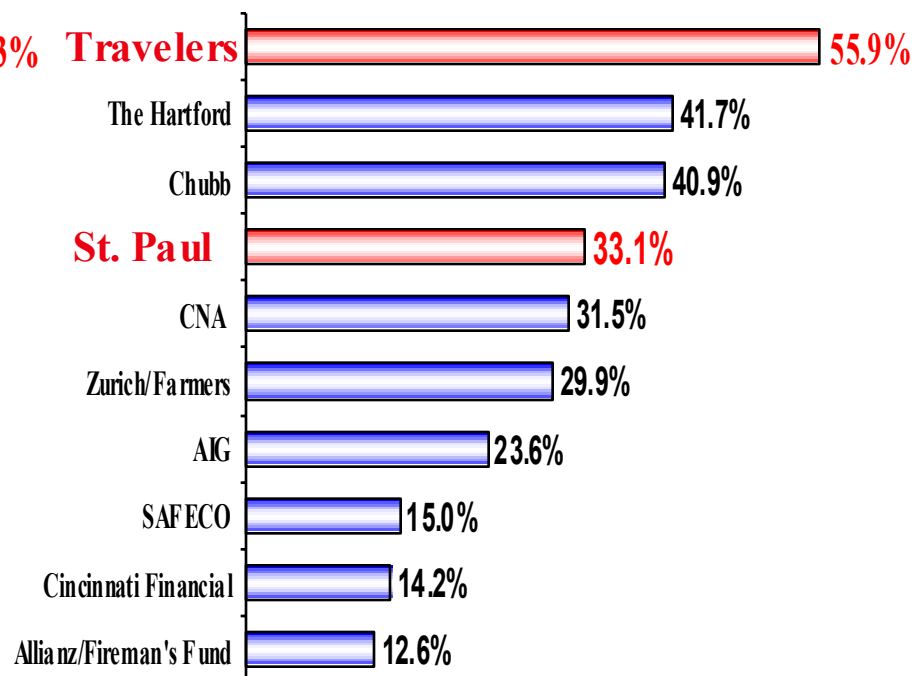
## Commercial Lines Agency Preference

January 2004



Source: Goldman Sachs Survey, February 24, 2004

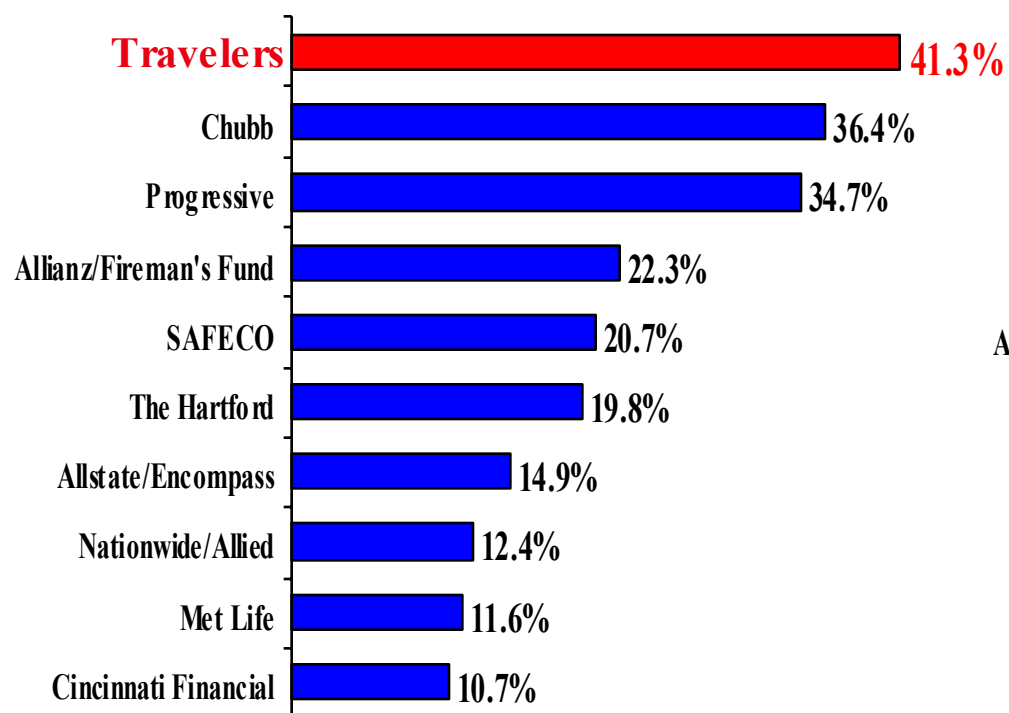
July 2003



Source: Goldman Sachs Survey, August 18, 2003

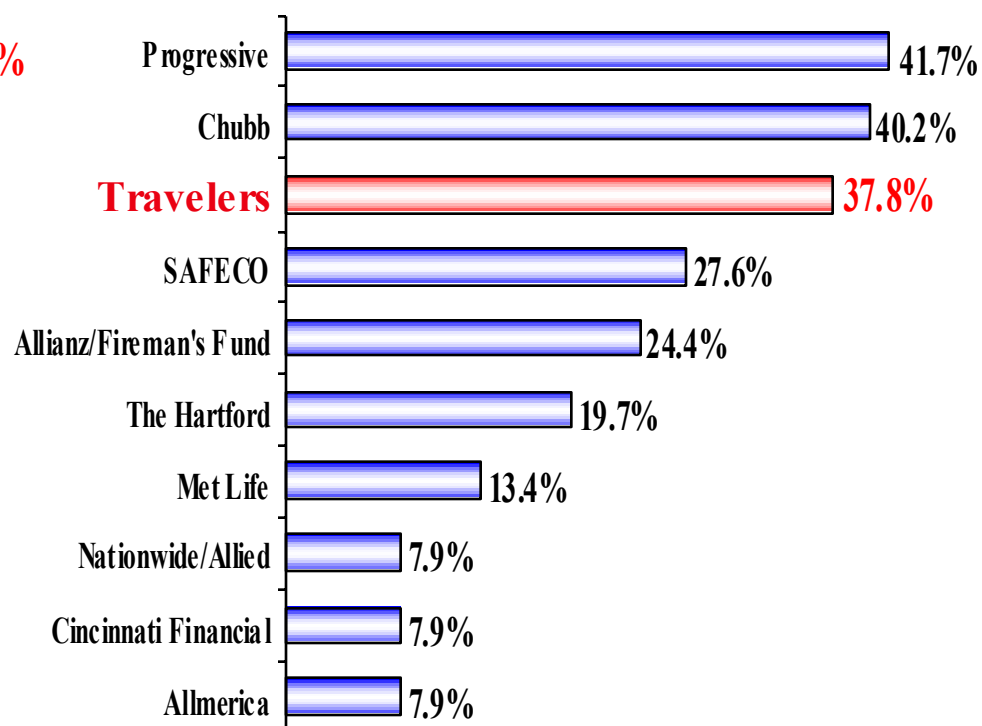
## Personal Lines Agency Preference

January 2004



Source: Goldman Sachs Survey, February 24, 2004

July 2003



Source: Goldman Sachs Survey, August 18, 2003

# Merger Synergies Identified to Date



## People

- Entire management team in place
- Every employee identified within new management structure
- Identified annualized savings to date of **\$200** million

## Technology

- All major systems selected
- Data center and back-up facilities selected
- Data mapping and system changes in process
- Identified annualized savings to date of **\$10** million

## Facilities and services

- Office consolidation in process – moderate expense savings expected
- Internalized investment management April 1 – annualized expense savings of **\$35** million
- Identified annualized expense savings from sourcing and other opportunities of **\$55** million to date

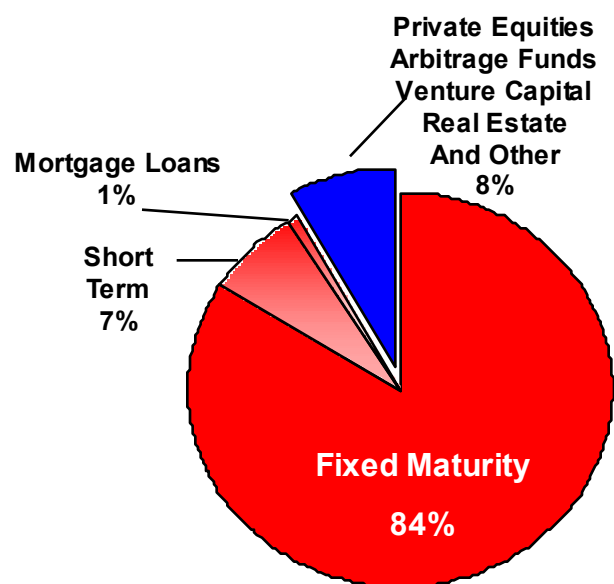
## **Proven Integration Experience**



- Primerica / Travelers (1993)
- Travelers / Aetna P&C (1995)
- St. Paul / USF&G (1998)
- Travelers / Citicorp (1998)
- Reliance Middle Market renewal rights (2000)
- Reliance Surety (2000)
- RSA Financial Professional renewal rights (2002)
- Kemper renewal rights (2003)
- RSA renewal rights (2003)
- Atlantic Mutual renewal rights (2003)



## Portfolio as of Mar 31, 2004



Duration: 4.0  
Average quality rating: AA2, AA  
Below investment grade: 4.3%

- High credit quality
- Low duration
- Manage exposures across asset and liability sides of balance sheet
- High proportion of fixed income securities

Averages and composition of St. Paul and Travelers investments were prepared on a historical basis for illustrative purposes only.

# Maintain Financial Strength - Debt and Capital



(\$ in millions, except per share amounts)

	Mar 31, 2004		Preliminary Pro Forma Mar 31, 2004 <sup>(2)</sup>
	Historical Travelers	Historical St. Paul	St. Paul Travelers
Convertible notes	\$ 919	\$ -	\$ 919
All other debt	1,756	3,683	5,735
Total debt	2,675	3,683	6,654
Minority interest	106	75	181
Common equity <sup>(1)</sup>	11,451	5,661	19,980
<b>Total debt and capital<sup>(1)</sup></b>	<b>\$ 14,232</b>	<b>\$ 9,419</b>	<b>\$ 26,815</b>
 <b>Total debt to capital<sup>(1)</sup></b>	 <b>18.8%</b>	 <b>39.1%</b>	 <b>24.8%</b>
 <b>Book value per share</b>	 <b>\$ 28.98</b>	 <b>\$ 27.73</b>	 <b>\$ 31.81</b>

(1) Excludes FAS 115. (\$1.2 billion historical Travelers, \$0.7 billion historical St. Paul, and \$1.2 billion pro forma St. Paul Travelers)

(2) Reflects preliminary purchase accounting adjustments giving effect to the merger as if it had occurred on March 31, 2004

# Be the Go-to-National Market Company



## *Top 10 Commercial and Personal Writers – Market Share*

### Commercial Lines

1	AIG	8.8%
2	<b>St. Paul Travelers</b>	<b>7.6%</b>
2	Zurich/Farmers	6.5%
3	Travelers	4.4%
4	CNA	3.8%
5	Liberty Mutual	3.7%
6	St. Paul	3.2%
7	Chubb	3.1%
8	Hartford	2.9%
9	CA Comp Fund	2.7%
10	ACE	2.3%

### Personal Lines - Agency Only

1	Progressive	13.1%
2	<b>St. Paul Travelers</b>	<b>6.8%</b>
3	Hartford	4.7%
4	SAFECO	4.4%
5	Erie Ins Group	3.4%
6	Mercury General	2.7%
7	CNA	2.7%
8	Chubb	2.6%
9	Auto-Owners Ins	2.6%
10	Allmerica	2.4%

Source: A.M. Best; Based on 2002 direct written premium excluding other accident and health.

# Setting the Property Casualty Market Standard



- “Go-to” National Market Company
- # 2 Commercial Lines Writer and #2 Agent Distributed Personal Lines Writer
- Distribution Based Strategy
- Unparalleled Product Breath and Geographic Reach
- Underwriting Discipline and Consistency
- Financial Strength
- Strong Management Team
- Track Record of Successful Transactions

- For further information please see St. Paul Travelers' reports filed with the SEC pursuant to the Securities Exchange Act of 1934 which are available on St. Paul Travelers' website (<http://investor.stpaultravelers.com>) and on the SEC's website ([www.sec.gov](http://www.sec.gov))
- Copies of this presentation are publicly available on St. Paul Travelers' website (<http://investor.stpaultravelers.com>)