

# SECURITIES AND EXCHANGE COMMISSION

## FORM 8-K

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### FILER

#### ST PAUL TRAVELERS COMPANIES INC

CIK: **86312** | IRS No.: **410518860** | State of Incorporation: **MN** | Fiscal Year End: **1231**  
Type: **8-K** | Act: **34** | File No.: **001-10898** | Film No.: **04762270**  
SIC: **6331** Fire, marine & casualty insurance

Business Address  
385 WASHINGTON ST  
SAINT PAUL MN 55102  
6123107911

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**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**

Date of Report (Date of earliest event reported): **April 28, 2004**

**The St. Paul Travelers Companies, Inc.**

(Exact name of registrant as specified in its charter)

**Minnesota**

(State or other jurisdiction of  
incorporation)

**001-10898**

(Commission File Number)

**41-0518860**

(IRS Employer Identification  
Number)

**385 Washington Street**

**Saint Paul, Minnesota**

(Address of principal executive offices)

**55102**

(Zip Code)

**(651) 310-7911**

(Registrant's telephone number, including area code)

**Not Applicable**

(Former name or former address, if changed since last report)

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**Item 12. Results of Operations and Financial Condition.**

On April 1, 2004, Travelers Property Casualty Corp. ("Travelers") and The St. Paul Companies, Inc. ("St. Paul") completed their merger, and the combined company is now known as The St. Paul Travelers Companies, Inc. (the "Company"). For accounting purposes, Travelers is the accounting acquirer. Accordingly, 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 the Company for those periods. The results of the combined operations will be consolidated for all future periods beginning in the second quarter. On April 28, 2004, the Company issued a press release announcing the results of the Company's (Travelers') and St. Paul's operations for the quarter ended March 31, 2004 and the availability of the Company's (Travelers') and St. Paul's first quarter financial supplements on the Company's web site. The press release and the financial supplements are furnished as Exhibits 99.1, 99.2 and 99.3 to this Report.

As provided in General Instruction B.6 of Form 8-K, the information and exhibits contained in this Form 8-K shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, nor shall they be deemed to be incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such a filing.

**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 hereunto duly authorized.

Date: April 28, 2004

THE ST. PAUL TRAVELERS COMPANIES, INC.

By: /s/ Bruce A. Backberg  
Name: Bruce A. Backberg  
Title: Senior Vice President

**EXHIBIT INDEX**

<b>Exhibit No.</b>	<b>Description</b>
99.1	Press Release dated April 28, 2004, reporting results of operations
99.2	First Quarter 2004 Financial Supplement of The St. Paul Travelers Companies, Inc.
99.3	First Quarter 2004 Financial Supplement of The St. Paul Companies, Inc.



St. Paul Travelers Companies  
 385 Washington Street  
 St. Paul, MN 55102-1396  
 www.stpaultravelers.com

**THE ST. PAUL TRAVELERS COMPANIES, INC. REPORTS  
 FIRST QUARTER RESULTS**

**First Quarter Results Include Only the Former Travelers Property Casualty Corp.**

**ST. PAUL, Minn. (April 28, 2004)** - The St. Paul Travelers Companies, Inc. (St. Paul Travelers, NYSE: STA) today reported that net income for the first quarter ended March 31, 2004 increased 73 percent to \$587.2 million, or \$1.34 per share diluted (\$1.35 per share basic) compared to the prior year quarter. All share and per share amounts have been restated to reflect the second quarter exchange of one share of Travelers Property Casualty Corp. (Travelers) common stock for 0.4334 shares of St. Paul Travelers common stock, which took place on April 1, 2004.

On April 1, 2004, Travelers and The St. Paul Companies, Inc. (St. Paul) completed their previously announced merger. The combined company is now known as 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, increased to \$188.0 million from \$181.0 million in the prior year quarter.

**St. Paul Travelers Highlights**

Achieved record operating income of \$614.4 million, an 82 percent increase from the prior year quarter. Earnings include a significant increase in net investment income due to higher returns on alternative investments and continued strong current accident year results for both Commercial and Personal Lines. The combined ratio improved to 91.9 percent.

Reported a record operating return on equity of 21.9 percent (excluding FAS 115).

Increased net written premiums by 10 percent to \$3.47 billion with growth in both Commercial and Personal Lines.

"Generally, market conditions remain strong. The combination of current rate levels and anticipated loss trends continue to generate significant margins in our businesses. While we are in the early days of the merger, the integration is going very well. We are enthusiastic about the support we are receiving from our agents, brokers and employees and have a high degree of confidence that we will achieve our goals and objectives," said Jay S. Fishman, Chief Executive Officer.

**St. Paul Travelers First Quarter Results \***

(for the quarter ended March 31, in millions, after tax)

	2004	2003	Change
Consolidated underwriting gain, before catastrophes and prior year reserve development	\$ 212.0	\$ 151.4	\$ 60.6
Catastrophes	(13.0)	(43.7)	30.7
Prior year reserve development - benefit/(charge)	(28.1)	(106.2)	78.1
Accretion of discount	(11.2)	(13.5)	2.3
Underwriting gain (loss)	159.7	(12.0)	171.7

Net investment income	454.3	343.8	110.5
Other, including interest expense and minority interest	0.4	6.7	(6.3)
Consolidated operating income	614.4	338.5	275.9
Net realized investment gains (losses)	(27.2)	1.5	(28.7)
<b>Consolidated net income</b>	<b>\$ 587.2</b>	<b>\$ 340.0</b>	<b>\$ 247.2</b>

Note: See Glossary of Financial Measures on page 10.

\*Reflects only the results of Travelers

Operating income for the quarter was \$614.4 million compared to \$338.5 million in the prior year quarter. The difference between net and operating income in the current and prior year quarters is the inclusion in net income of net realized investment gains (losses).

The consolidated underwriting gain component of operating income, before catastrophes and prior year reserve development, increased \$60.6 million to \$212.0 million, after tax, primarily due to increased earned premiums, in part resulting from the favorable impact of higher premium rates in both Commercial and Personal Lines. Catastrophe losses due to the winter storms in the Mid-Atlantic and Northeast were \$13 million, compared to \$43.7 million in the prior year quarter. The first quarter also included a net charge for prior year reserve development of \$28.1 million compared to \$106.2 million in the prior year quarter. (See "Prior Year Reserve Development" below.)

Net investment income, after tax, increased \$110.5 million to \$454.3 million compared to \$343.8 million in the prior year quarter. This increase is primarily attributable to higher returns on alternative investments, principally due to the initial public trading in the first quarter of 2004 of an investment held by one of our private equity investment partnerships, which added \$82.8 million, after tax, to investment income. The increase is also due to higher average invested assets resulting from continuing strong operating cash flows, partially offset by lower average yields on fixed income securities.

(for the quarter ended March 31, in millions)

	2004	2003	Change
<b>Consolidated net written premiums</b>			
Commercial Lines	\$ 2,104.9	\$ 2,016.5	4%
Personal Lines	1,366.4	1,150.0	19%
<b>Total</b>	<b>\$ 3,471.3</b>	<b>\$ 3,166.5</b>	<b>10%</b>

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Commercial Lines net written premiums increased 4 percent to \$2.10 billion from the prior year quarter. In general, retentions remained consistent with prior levels, rate increases continued at a moderating level and new business growth was modestly lower than in previous quarters. Personal Lines net written premiums increased 19 percent primarily due to increased new business volume, strong retention and moderate rate increases.

(for the quarter ended March 31)

	2004	2003	Change
Consolidated GAAP combined ratio, before catastrophes and prior year reserve development :			
Loss and loss adjustment expense (LAE) ratio	63.4%	66.2%	(2.8)pts
Other underwriting expense ratio	26.1	25.2	0.9
	89.5	91.4	(1.9)
Catastrophes	0.6	2.3	(1.7)

Prior year reserve development - (benefit)/charge	1.3	5.5	(4.2)
Accretion of discount	0.5	0.7	(0.2)
<b>Consolidated GAAP combined ratio <sup>(1)</sup></b>	<b>91.9%</b>	<b>99.9%</b>	<b>(8.0)pts</b>

(1) For purposes of computing GAAP combined ratios, effective 1Q 2004, billing and policy fees, which are a component of other revenues, are allocated as a reduction of other underwriting expenses. Prior periods have been restated to conform to the current period presentation.

Note: See Glossary of Financial Measures on page 10.

The 1.9 point improvement in the consolidated GAAP combined ratio, before catastrophes and prior year reserve development, to 89.5 percent, reflects a 2.8 point improvement in the loss and LAE ratio and a 0.9 point increase in the underwriting expense ratio. The improvement in the loss and LAE ratio was primarily due to the favorable impact of higher premium rates. The improvement in the consolidated GAAP combined ratio also reflects more moderate catastrophe losses and significantly less prior year reserve development.

### Prior Year Reserve Development

(for the quarter ended March 31, in millions, after tax and reinsurance)

	2004	2003	Change
<b>Net benefit (charge) resulting from prior year reserve development</b>			
Commercial Lines	\$ (93.7)	\$ (128.9)	\$ 35.2
Personal Lines	65.6	22.7	42.9
<b>Total</b>	<b>\$ (28.1)</b>	<b>\$ (106.2)</b>	<b>\$ 78.1</b>

Note: See Glossary of Financial Measures on page 10.

Commercial Lines prior year reserve development in the current quarter, which resulted in a net charge of \$93.7 million, after reinsurance and tax, primarily related to certain businesses that were placed into run off in prior years. The reserve strengthening in the quarter was partially offset by favorable prior year reserve development primarily in our property and commercial multi-peril businesses. The prior year quarter included a \$128.9 million charge, net of reinsurance and tax, with the most significant component being a \$174.9 million charge, net of reinsurance and tax, related to reserve strengthening for an auto residual value business which was placed into runoff in 2001. The reserve strengthening in the first quarter of 2003 was partially offset by favorable prior year reserve development primarily in our property business.

Personal Lines favorable prior year reserve development of \$65.6 million and \$22.7 million, net of reinsurance and tax, in the 2004 and 2003 quarters, respectively, primarily resulted from lower than expected levels of non-catastrophe-related property claim frequency in our homeowners business.

### Commercial Lines Operating Income Exceeds \$400 Million

(for the quarter ended March 31, in millions, after tax)

	2004	2003	Change
CL underwriting gain, before catastrophes and prior year reserve development	\$ 145.5	\$ 116.3	\$ 29.2
Catastrophes	–	(19.5)	19.5
Prior year reserve development - benefit/(charge)	(93.7)	(128.9)	35.2
Accretion of discount	(11.2)	(13.5)	2.3

Underwriting gain (loss)	40.6	(45.6)	86.2
Net investment income	352.4	278.5	73.9
Other, including minority interest	8.8	28.0	(19.2)
<b>CL operating income</b>	<b>\$ 401.8</b>	<b>\$ 260.9</b>	<b>\$ 140.9</b>

Note: See Glossary of Financial Measures on page 10.

Commercial Lines operating income was \$401.8 million compared to \$260.9 million in the prior year quarter. The underwriting gain, before catastrophes and prior year reserve development, increased to \$145.5 million primarily due to increased premium and fee revenue. There were no catastrophe losses in the quarter compared to \$19.5 million in the prior year quarter. Net investment income increased 27 percent to \$352.4 million due to the initial public trading of an investment held by one of our private equity investment partnerships, as discussed above, which added \$55.5 million, after tax, to investment income. (See “Prior Year Reserve Development” above.)

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(for the quarter ended March 31, in millions)

	2004	2003	Change
<b>CL net written premiums by market</b>			
Core:			
National Accounts	\$ 243.6	\$ 226.9	7%
Commercial Accounts	974.0	949.4	3
Select Accounts	530.7	509.3	4
Total Core	1,748.3	1,685.6	4
Specialty:			
Bond	213.0	163.0	31
Gulf	143.6	167.9	(14)
Total Specialty	356.6	330.9	8
<b>Total</b>	<b>\$ 2,104.9</b>	<b>\$ 2,016.5</b>	<b>4%</b>

Commercial Lines net written premiums increased \$88.4 million or 4 percent from the prior year quarter. In general, retentions remained consistent with prior levels, rate increases continued at a moderating level and new business growth was modestly lower than in previous quarters.

### Core

In National Accounts, which provides loss-sensitive insurance products to large corporations and fee-based services to self-insured corporations and state-sponsored workers' compensation residual market pools, net written premiums of \$243.6 million increased 7 percent over the prior year quarter. Written fees rose 17 percent to \$213.5 million, from \$182.2 million in the prior year quarter. Additions to claim volume under administration amounted to \$1.31 billion, an increase of 19.3 percent over the prior year quarter. National Accounts continued to benefit from rate increases, along with higher new business volumes that, in part, resulted from our third quarter 2003 renewal rights transaction with Royal & SunAlliance, and increases in residual market pools.

In Commercial Accounts, which primarily serves mid-sized businesses, net written premiums increased 3 percent to \$974.0 million. Disciplined underwriting due to increased competition in our construction business and the cancellation of certain specialty programs written by our Northland subsidiary reduced overall growth. Excluding these two business lines, net written premiums increased 9 percent over the prior year quarter.

In Select Accounts, which serves small businesses, net written premiums increased 4 percent to \$530.7 million due to moderating rate increases and modestly lower retention and new business volume.

## Specialty

In Bond, which provides surety bonds and executive liability insurance for small and mid-sized accounts, net written premiums increased 31 percent to \$213.0 million. This increase reflects the favorable rate environment and strong new business volume, principally in executive liability products.

In Gulf, which provides a broad range of management and professional liability coverages and excess and surplus lines of insurance, net written premiums decreased 14 percent to \$143.6 million, primarily due to reduced volumes in management liability product lines principally resulting from increased competition and our continued emphasis on underwriting discipline.

(for the quarter ended March 31)	2004	2003	Change
<b>CL GAAP combined ratio, before catastrophes and prior year reserve development :</b>			
Loss and LAE ratio	61.6%	63.9%	(2.3)pts
Other underwriting expense ratio	27.3	26.4	0.9
	88.9	90.3	(1.4)
Catastrophes	-	1.6	(1.6)
Prior year reserve development – (benefit)/charge	7.1	10.8	(3.7)
Accretion of discount	0.8	1.1	(0.3)
<b>CL GAAP combined ratio (1)</b>	<b>96.8%</b>	<b>103.8%</b>	<b>(7.0)pts</b>

(1) For purposes of computing GAAP combined ratios, effective 1Q 2004, billing and policy fees, which are a component of other revenues, are allocated as a reduction of other underwriting expenses. Prior periods have been restated to conform to the current period presentation.

Note: See Glossary of Financial Measures on page 10.

The 1.4 point improvement to 88.9 percent in the Commercial Lines GAAP combined ratio, before catastrophes and prior year reserve development, reflects a 2.3 point improvement in the loss and LAE ratio, resulting from the favorable impact of higher rates. Prior year reserve development increased the combined ratio by 7.1 points in the current quarter as compared to 10.8 points in the prior year quarter. (See “Prior Year Reserve Development” above.)

### Personal Lines Achieves Strong Earnings and Premium Growth

(for the quarter ended March 31, in millions, after tax)	2004	2003	Change
PL underwriting gain, before catastrophes and prior year reserve development	\$ 66.5	\$ 35.1	\$ 31.4
Catastrophes	(13.0)	(24.2)	11.2
Prior year reserve development - benefit/(charge)	65.6	22.7	42.9
Underwriting gain	119.1	33.6	85.5
Net investment income	101.9	64.8	37.1
Other	16.1	14.1	2.0
<b>PL operating income</b>	<b>\$ 237.1</b>	<b>\$ 112.5</b>	<b>\$ 124.6</b>

Note: See Glossary of Financial Measures on page 10.

Personal Lines operating income was \$237.1 million compared to \$112.5 million in the prior year quarter. The underwriting gain, before catastrophes and prior year reserve development, increased 89 percent to \$66.5 million primarily due to the favorable rate environment and growth in business volumes in both Automobile and Homeowners and other. Catastrophe losses of \$13.0 million were \$11.2 million lower in the current quarter than in the prior year quarter and were due to winter storms in the Mid-Atlantic and Northeast. Net investment income increased 57 percent to \$101.9 million compared to the prior year quarter primarily due to the initial public trading of an investment held by one of our private equity investment partnerships, as discussed above, which added \$27.3 million, after tax, to investment income. (See "Prior Year Reserve Development" above.)

(for the quarter ended March 31, in millions)

	2004	2003	Change
<b>PL net written premiums by product line</b>			
Automobile	\$ 846.9	\$ 736.6	15%
Homeowners and other	519.5	413.4	26%
<b>Total</b>	<b>\$ 1,366.4</b>	<b>\$ 1,150.0</b>	<b>19%</b>

Net written premiums increased \$216.4 million, or 19 percent, over the prior year quarter due to higher business volumes, which resulted in part from the Royal & SunAlliance renewal rights transaction, and continued increases in rates in both the Automobile and the Homeowners and other lines of business.

Automobile net written premiums increased 15 percent to \$846.9 million. Retention levels continued to be strong and policies in force rose for the twelfth consecutive quarter, increasing by 8 percent from the prior year quarter.

Homeowners and other net written premiums increased 26 percent to \$519.5 million. Retention levels also continued to be strong and policies in force rose for the seventh consecutive quarter, increasing 9 percent from the prior year quarter.

Production through independent agents, which represented 83 percent of net written premiums compared to 82 percent in the prior year quarter, was up 20 percent to \$1.13 billion. Production through other channels, which includes affinity and joint marketing arrangements, was up 13 percent to \$232.2 million.

(for the quarter ended March 31)

	2004	2003	Change
<b>PL GAAP combined ratio, before catastrophes and prior year reserve development:</b>			
Loss and LAE ratio	66.3%	70.1%	(3.8)pts
Other underwriting expense ratio	24.2	23.3	0.9
	90.5	93.4	(2.9)
Catastrophes	1.5	3.3	(1.8)
Prior year reserve development - (benefit)/charge	(7.8)	(3.1)	(4.7)
<b>PL GAAP combined ratio (1)</b>	<b>84.2%</b>	<b>93.6%</b>	<b>(9.4)pts</b>

(1) For purposes of computing GAAP combined ratios, effective 1Q 2004, billing and policy fees, which are a component of other revenues, are allocated as a reduction of other underwriting expenses. Prior periods have been restated to conform to the current period presentation.

Note: See Glossary of Financial Measures on page 10.

The 2.9 point improvement to 90.5 percent in the Personal Lines GAAP combined ratio, before catastrophes and prior year reserve development, reflects a 3.8 point improvement in the loss and LAE ratio and an increase of 0.9 points in the underwriting expense ratio. The improvement in the loss and LAE ratio resulted from the favorable rate environment and continuing favorable non-catastrophe-related property claim frequency. Catastrophes increased the combined ratio by 1.5 points while favorable prior year reserve development lowered the combined ratio by 7.8 points. (See "Prior Year Reserve Development" above.)

### **Interest Expense and Other**

The after-tax charge of \$24.5 million in the quarter for Interest Expense and Other decreased from \$34.9 million in the prior year quarter, primarily due to lower interest expense. Interest expense was \$22.8 million, after tax, in the current year quarter, as compared to \$32.8 million in the 2003 quarter. The lower interest expense resulted from reduced interest rates due to the 2003 debt refinancing activities and lower levels of debt obligations.

### **Investment Highlights**

After-tax net investment income increased 32 percent to \$454.3 million compared to \$343.8 million in the prior year quarter. This increase is primarily attributable to higher returns on alternative investments, principally due to the initial public trading in the first quarter of 2004 of an investment held by one of our private equity investment partnerships, which added \$82.8 million, after tax, to investment income. The increase is also due, to a lesser extent, to higher average invested assets resulting from continuing strong operating cash flows, partially offset by lower average yields on fixed income securities. The overall after-tax investment yield of 4.9 percent was up 90 and 70 basis points, respectively, from the prior year quarter and fourth quarter of 2003.

Net realized investment losses of \$41.9 million for the quarter (\$27.2 million, after tax) principally resulted from \$55.1 million (\$35.8 million, after tax) of net realized investment losses related to U.S. Treasury futures which are settled daily and are used to shorten the duration of the fixed maturity portfolio. Also impacting net realized investment losses in the current quarter were \$11.1 million of impairments. Net realized investment gains of \$6.5 million for the prior year quarter (\$1.5 million, after tax and minority interest) resulted from net investment gains of \$64.7 million (\$42.1 million, after tax), principally from the sale of fixed maturity securities, which were mostly offset by impairments of \$58.2 million (\$37.8 million, after tax), primarily relating to corporate bonds in the healthcare, communications and aviation sectors.

Invested assets, after adjusting for the effects of securities in process of settlement and securities lending activities, were \$38.86 billion, an increase of \$1.27 billion over the comparable December 31, 2003 amount. Invested assets benefited from strong operating cash flows and the higher carrying value of the fixed maturity portfolio resulting from lower interest rates. Net unrealized investment gains as of March 31, 2004, were \$1.88 billion (\$1.22 billion after tax and minority interest), compared to \$1.63 billion (\$1.06 billion after tax and minority interest), as of December 31, 2003.

### **The St. Paul First Quarter Highlights**

Results for St. Paul on a stand alone basis, which are not included in the results of St. Paul Travelers discussed above, are summarized as follows:

Reported net income of \$188.0 million as compared to \$181.0 million in the prior year quarter. Net income for the quarter included \$71.7 million of after tax net realized investment gains due to the shifting of a portion of fixed income securities into tax-exempts and gains taken in the public equity and venture capital portfolios.

Generated after tax operating income of \$124.4 million compared to \$206.2 million in the prior year quarter. The difference between net income and operating income is the inclusion in net income of realized gains of \$71.7 million and a loss from discontinued operations of \$8.1 million. The current quarter included an after tax charge of \$53.2 million (\$73.5 million pre-tax) due to a reduction in an estimated reinsurance recovery; after-tax charges of \$22.8 million (\$22.8 million pre-tax) and \$19.5 million (\$17.6 million pre-tax) due to reserve

strengthening in certain international and reinsurance businesses previously placed into run-off, respectively; an after tax charge of \$28.5 million (\$43.8 million pre-tax) related to a construction contractor in St. Paul's surety operations; and, an after-tax charge of \$16.2 million (\$24.3 million pre-tax) for reserve strengthening in several other lines of business.

Reported strong operating results at Nuveen, with operating income up 23 percent to \$32 million from the prior year quarter and assets under management in excess of \$100 billion, up 6 percent from December 31, 2003.

Generated net written premiums of \$1.81 billion, a 9 percent decrease from the prior year quarter. Excluding runoff business and the impact in the prior year quarter of eliminating a one quarter lag in reporting business results from St. Paul's Lloyd's operations, net written premiums increased 1 percent to \$1.79 billion from the prior year quarter. Specialty Commercial net written premiums decreased 10 percent to \$1.16 billion (a 3 percent decrease excluding the one quarter lag adjustment for St. Paul's Lloyd's operations described above) from the prior year quarter, primarily due to underwriting action taken in construction, surety and Lloyd's. Commercial Lines net written premiums were \$631 million, a 7 percent increase compared to the prior year quarter.

## Financial Supplements & Webcast

The financial supplement of St. Paul Travelers, which reflects only the results of Travelers, and the financial supplement of St. Paul, which reflects only its results, are available at the St. Paul Travelers website. The supplements provide a more in-depth view of each company's performance.

The management of St. Paul Travelers will review the first quarter results for both companies via webcast at 9:00 AM (EDT) April 29. Following the live event, an audio playback of the webcast will be available until May 7 and the slide presentation and financial supplements will be archived on the company's web site noted above.

To view the supplements or slides, or listen to the webcast or the playback, visit the St. Paul Travelers investor relations web site at <http://investor.stpaultravelers.com/>.

## About St. Paul Travelers

St. Paul Travelers is a leading provider of commercial property-liability insurance and asset management services. Under the Travelers brand, the company is also a leading underwriter of homeowners and auto insurance through independent agents. For more information, visit [www.stpaultravelers.com](http://www.stpaultravelers.com).

## Contacts

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## Glossary of Financial Measures

The following measures are used by the Company's management to evaluate financial performance against historical results and establish targets on a consolidated basis. These measures are components of net income but, in some cases, are considered non-GAAP financial measures under applicable SEC rules because they are not displayed as separate line items in the consolidated statement of income, and in some cases, require inclusion or exclusion of certain items not ordinarily included or excluded in a GAAP financial measure. In the opinion of the Company's management, a discussion of these measures provides investors with a better understanding

of the significant factors that comprise the Company's periodic results of operations.

**Operating income and operating income per share:** Net income excluding the after-tax impact of net realized investment gains (losses), income (or loss) from discontinued operations and the cumulative effect of changes in accounting principles.

Return on equity is the ratio of net income to average equity. Operating return on equity is the ratio of operating income to average equity excluding net unrealized gains or losses on investment securities, net of tax.

In the opinion of the Company's management, operating income, operating income per share and operating return on equity are meaningful indicators of underwriting and operating results. In particular, net realized investment gains or losses are significantly impacted by both discretionary and other economic factors and are not necessarily indicative of operating trends. In addition, the Company's management uses operating income, operating income per share and operating return on equity internally to evaluate performance against historical results and established financial targets on a consolidated basis.

**Underwriting gain or loss:** The profit or loss experienced by a property casualty insurance company after deducting claims and claim adjustment expenses and insurance-related expenses from net earned premiums and fee income. This profit or loss calculation includes reinsurance assumed and ceded but excludes net investment income.

Underwriting gain or loss measures the return on the Company's in force property casualty contracts and reflects the contribution of underwriting activities to earnings. Underwriting gain or loss includes the effects of catastrophes and loss reserve development.

A **catastrophe** is a severe loss, resulting from natural and manmade events, including risks such as fire, earthquake, windstorm, explosion, terrorism and other similar events. Each catastrophe has unique characteristics. Catastrophes are not predictable as to timing or amount in advance, and therefore their effects are not included in earnings or claims and claim adjustment expense reserves prior to occurrence. In the opinion of the Company's management, a discussion of the impact of catastrophes is meaningful for investors to understand the variability in periodic earnings.

**Loss reserve development** is the increase or decrease in incurred claims and claim adjustment expenses as a result of the re-estimation of claims and claim adjustment expense reserves at successive valuation dates for a given group of claims. Loss reserve development may be related to prior year or current year development. In the opinion of the Company's management, a discussion of prior year loss reserve development is useful to investors as it allows them to assess the impact between prior year and current year development on current earnings and changes in claims and claim adjustment expense reserve levels from period to period.

The Company uses **consolidated underwriting gain or loss before catastrophes and prior year reserve development** to represent the contribution to earnings from current period underwriting (i.e., without development on business earned in prior periods) and the highly irregular effects of catastrophes. A reconciliation of these measures to net income is provided on page 2.

## Forward Looking Statement

This press release 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 have 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 ability to fully integrate the former St. Paul and Travelers businesses in the manner or in the timeframe currently anticipated; our inability to obtain price increases due to competition or otherwise; the performance of the Company's 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 the Company's 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 the Company's subsidiaries to pay dividends to the Company; 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 the Company's claims-paying and financial strength ratings; the loss or significant restriction on the Company's ability to use credit scoring in the pricing and underwriting of Personal Lines policies; and amendments to, and changes to 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.

## Summary of Financial Information

## The St. Paul Travelers Companies, Inc.

On April 1, 2004, Travelers Property Casualty Corp. (Travelers) completed its previously announced merger into The St. Paul Companies, Inc. (St. Paul), forming The St. Paul Travelers Companies, Inc. (St. Paul Travelers). Each share of Travelers class A and class B common stock was exchanged for 0.4334 of a share of St. Paul Travelers common stock. For accounting purposes, this transaction will be accounted for as a reverse acquisition with Travelers treated as the accounting acquirer. Accordingly, the transaction will be accounted for as a purchase business combination, using Travelers historical financial information and applying fair value estimates to the acquired assets, liabilities and commitments of St. Paul as of April 1, 2004. Therefore, all of the following information presents the historical, standalone results of Travelers as Travelers is treated as the accounting acquirer.

(At and for the quarter ended March 31, in millions)

	2004	2003
<b>Operating income</b>	\$ 614.4	\$ 338.5
Net realized investment gains (losses)	(27.2)	1.5
<b>Net income</b>	<u>\$ 587.2</u>	<u>\$ 340.0</u>
<b>Basic earnings per share (1)</b>		
Operating income	\$ 1.41	\$ 0.78
Net realized investment gains (losses)	(0.06)	-
Net income	<u>\$ 1.35</u>	<u>\$ 0.78</u>
<b>Diluted earnings per share (1)</b>		
Operating income	\$ 1.41	\$ 0.78
Net realized investment gains (losses)	(0.07)	-
Net income	<u>\$ 1.34</u>	<u>\$ 0.78</u>

Weighted average number of common shares outstanding (basic) (1)	434.6	434.5
Weighted average number of common shares outstanding and common stock equivalents (diluted) (1)	437.2	436.7
Common shares outstanding at period end (1)	437.3	436.1
Common stock dividends declared	\$ 80.6	\$ 60.5
<b>Operating income (loss) by segment</b>		
Commercial Lines	\$ 401.8	\$ 260.9
Personal Lines	237.1	112.5
Interest Expense and Other	(24.5)	(34.9)
	\$ 614.4	\$ 338.5
Return on equity	19.0%	13.1%
Operating return on equity	21.9%	14.2%

(1) The number of shares for all periods presented has been restated to reflect the equivalent number of shares resulting from the exchange of Travelers common stock for St. Paul Travelers common stock due to the merger on April 1, 2004. Upon consummation of the merger on April 1, 2004, Travelers class A and class B common stock was converted to St. Paul Travelers common stock and the Travelers treasury stock was cancelled.

See Glossary of Financial Measures on page 10.

## Summary of Financial Information

## The St. Paul Travelers Companies, Inc.

On April 1, 2004, Travelers Property Casualty Corp. (Travelers) completed its previously announced merger into The St. Paul Companies, Inc. (St. Paul), forming The St. Paul Travelers Companies, Inc. (St. Paul Travelers). Each share of Travelers class A and class B common stock was exchanged for 0.4334 of a share of St. Paul Travelers common stock. For accounting purposes, this transaction will be accounted for as a reverse acquisition with Travelers treated as the accounting acquirer. Accordingly, the transaction will be accounted for as a purchase business combination, using Travelers historical financial information and applying fair value estimates to the acquired assets, liabilities and commitments of St. Paul as of April 1, 2004. Therefore, all of the following information presents the historical, standalone results of Travelers as Travelers is treated as the accounting acquirer.

(for the quarter ended March 31, in millions)

	2004	2003
<b>Revenues</b>		
Premiums	\$3,338.5	\$2,978.6
Net investment income	618.9	455.9
Fee income	172.4	136.3
Net realized investment gains (losses)	(41.9)	6.5
Other revenues	39.6	25.7
	<u>\$4,127.5</u>	<u>\$3,603.0</u>
<b>Revenues by segment excluding net realized investment gains (losses)</b>		
Commercial Lines	\$2,703.8	\$2,345.6
Personal Lines	1,465.5	1,249.3
Interest Expense and Other	0.1	1.6
	<u>\$4,169.4</u>	<u>\$3,596.5</u>

<b>Net written premiums</b>		
Commercial Lines	\$2,104.9	\$2,016.5
Personal Lines	1,366.4	1,150.0
	<u>\$3,471.3</u>	<u>\$3,166.5</u>
<b>GAAP combined ratios: (1)</b>		
<b>Commercial Lines (2)</b>		
Loss and loss adjustment expense ratio	69.5%	77.4%
Other underwriting expense ratio	27.3%	26.4%
Combined ratio	<u>96.8%</u>	<u>103.8%</u>
<b>Personal Lines</b>		
Loss and loss adjustment expense ratio	60.0%	70.3%
Other underwriting expense ratio	24.2%	23.3%
Combined ratio	<u>84.2%</u>	<u>93.6%</u>
<b>Total Company (2)</b>		
Loss and loss adjustment expense ratio	65.8%	74.7%
Other underwriting expense ratio	26.1%	25.2%
Combined ratio	<u>91.9%</u>	<u>99.9%</u>

(1) For purposes of computing GAAP ratios, effective 1Q 2004, billing and policy fees, which are a component of other revenues, are allocated as a reduction of other underwriting expenses. Prior periods have been restated to conform to the current period presentation. In addition, fee income is allocated as a reduction of losses and loss adjustment expenses and other underwriting expenses.

(2) Before policyholder dividends.

See Glossary of Financial Measures on page 10.



The St. Paul Travelers Companies, Inc.

Financial Supplement - First Quarter 2004

On April 1, 2004, Travelers Property Casualty Corp. (Travelers) completed its previously announced merger into The St. Paul Companies, Inc. (St. Paul), forming The St. Paul Travelers Companies, Inc. (St. Paul Travelers). Each share of Travelers class A and class B common stock was exchanged for 0.4334 of a share of St. Paul Travelers common stock. For accounting purposes, this transaction will be accounted for as a reverse acquisition with Travelers treated as the accounting acquirer. Accordingly, the transaction will be accounted for as a purchase business combination, using Travelers historical financial information and applying fair value estimates to the acquired assets, liabilities and commitments of St. Paul as of April 1, 2004.

All information included in this Financial Supplement presents the historical, standalone results of Travelers as Travelers is treated as the accounting acquirer. See the separately provided Financial Supplement for St. Paul which presents the historical, standalone results of St. Paul.

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## The St. Paul Travelers Companies, Inc.

### Financial Highlights

(in millions, except per share data)

All information included in this Financial Supplement presents the historical, standalone results of Travelers as Travelers is treated as the accounting acquirer. See the separately provided Financial Supplement for St. Paul which presents the historical, standalone results of St. Paul.

St. Paul Travelers is a leading provider of commercial property-liability insurance and asset management services. Under the Travelers brand, the Company is also a leading underwriter of homeowners and auto insurance through independent agents.

	1Q 2003	2Q 2003	3Q 2003	4Q 2003	1Q 2004
Net income	\$ 340.0	\$ 441.2	\$ 426.1	\$ 488.7	\$ 587.2
Net income per share (1):					
Basic	\$ 0.78	\$ 1.02	\$ 0.98	\$ 1.13	\$ 1.35
Diluted	\$ 0.78	\$ 1.01	\$ 0.98	\$ 1.12	\$ 1.34
Operating income	\$ 338.5	\$ 430.8	\$ 442.7	\$ 463.3	\$ 614.4
Operating income per share (1):					
Basic	\$ 0.78	\$ 0.99	\$ 1.02	\$ 1.07	\$ 1.41
Diluted	\$ 0.78	\$ 0.99	\$ 1.01	\$ 1.06	\$ 1.41
Return on equity	13.1%	16.1%	15.0%	16.7%	19.0%
Operating return on equity	14.2%	17.4%	17.3%	17.4%	21.9%
Total assets, at period end (2)	\$ 65,384.0	\$ 66,030.7	\$ 63,534.9	\$ 64,872.0	\$ 65,069.9
Total equity, at period end	\$ 10,560.7	\$ 11,315.8	\$ 11,472.3	\$ 11,986.7	\$ 12,673.8
Book value per share, at period end (1)	\$ 24.22	\$ 25.93	\$ 26.35	\$ 27.51	\$ 28.98
Book value per share, excluding FAS 115, at period end (1)	\$ 22.23	\$ 23.11	\$ 23.91	\$ 25.07	\$ 26.18
Weighted average number of common shares outstanding (basic) (1)	434.5	434.4	434.3	433.8	434.6
Weighted average number of common shares outstanding and common stock equivalents (diluted) (1)	436.7	436.7	436.7	436.2	437.2
Common shares outstanding at period end (1)	436.1	436.4	435.4	435.8	437.3
Common stock dividends declared	\$ 60.5	\$ 60.4	\$ 80.5	\$ 80.4	\$ 80.6

- (1) The number of shares for all periods presented has been restated to reflect the equivalent number of shares resulting from the exchange of Travelers common stock for St. Paul Travelers common stock due to the merger on April 1, 2004. Upon consummation of the merger on April 1, 2004, Travelers class A and class B common stock was converted to St. Paul Travelers common stock and the Travelers treasury stock was cancelled.
- (2) Preliminary for 1Q04.

See Glossary of Financial Measures on page 30.

**The St. Paul Travelers Companies, Inc.**  
**Reconciliation to Net Income and Earnings Per Share**

(in millions, except earnings per share)

All information included in this Financial Supplement presents the historical, standalone results of Travelers as Travelers is treated as the accounting acquirer. See the separately provided Financial Supplement for St. Paul which presents the historical, standalone results of St. Paul.

	1Q 2003	2Q 2003	3Q 2003	4Q 2003	1Q 2004
<b>Net income</b>					
Operating income	\$ 338.5	\$ 430.8	\$ 442.7	\$ 463.3	\$ 614.4
Net realized investment gains (losses)	1.5	10.4	(16.6)	25.4	(27.2)
Net income	\$ 340.0	\$ 441.2	\$ 426.1	\$ 488.7	\$ 587.2
<b>Basic earnings per share (1)</b>					
Operating income	\$ 0.78	\$ 0.99	\$ 1.02	\$ 1.07	\$ 1.41
Net realized investment gains (losses)	–	0.03	(0.04)	0.06	(0.06)
Net income	\$ 0.78	\$ 1.02	\$ 0.98	\$ 1.13	\$ 1.35
<b>Diluted earnings per share (1)</b>					
Operating income	\$ 0.78	\$ 0.99	\$ 1.01	\$ 1.06	\$ 1.41
Net realized investment gains (losses)	–	0.02	(0.03)	0.06	(0.07)
Net income	\$ 0.78	\$ 1.01	\$ 0.98	\$ 1.12	\$ 1.34

- (1) All periods have been restated to reflect the impact of the exchange of Travelers common stock for St. Paul common stock.

See Glossary of Financial Measures on page 30.

**The St. Paul Travelers Companies, Inc.**  
**Consolidated Statement of Income**  
(in millions)

All information included in this Financial Supplement presents the historical, standalone results of Travelers as Travelers is treated as the accounting acquirer. See the separately provided Financial Supplement for St. Paul which presents the historical, standalone results of St. Paul.

	1Q 2003	2Q 2003	3Q 2003	4Q 2003	1Q 2004
<b>Revenues</b>					
Premiums	\$ 2,978.6	\$ 3,100.4	\$ 3,149.2	\$ 3,317.2	\$ 3,338.5
Net investment income	455.9	455.9	457.9	499.1	618.9
Fee income	136.3	133.7	133.7	156.3	172.4
Net realized investment gains (losses)	6.5	16.1	(23.3)	38.7	(41.9)
Other revenues	25.7	42.6	28.0	30.7	39.6
Total revenues	<u>3,603.0</u>	<u>3,748.7</u>	<u>3,745.5</u>	<u>4,042.0</u>	<u>4,127.5</u>
<b>Claims and expenses</b>					
Claims and claim adjustment expenses	2,287.9	2,211.0	2,236.5	2,383.0	2,280.8
Amortization of deferred acquisition costs	462.7	483.4	512.3	525.3	525.7
Interest expense	51.7	40.3	38.1	36.3	36.3
General and administrative expenses	393.4	413.3	397.9	436.7	467.3
Total claims and expenses	<u>3,195.7</u>	<u>3,148.0</u>	<u>3,184.8</u>	<u>3,381.3</u>	<u>3,310.1</u>
Income before federal income taxes and minority interest					
	407.3	600.7	560.7	660.7	817.4
Federal income taxes	89.8	155.1	131.6	160.9	226.6
Minority interest, net of tax	(22.5)	4.4	3.0	11.1	3.6
Net income	<u>\$ 340.0</u>	<u>\$ 441.2</u>	<u>\$ 426.1</u>	<u>\$ 488.7</u>	<u>\$ 587.2</u>
<b>Other statistics:</b>					
Effective tax rate on net investment income	24.6%	24.3%	24.2%	24.1%	26.6%
Net investment income (after-tax)	\$ 343.8	\$ 345.3	\$ 347.2	\$ 378.9	\$ 454.3
Catastrophe losses, net of reinsurance (pre-tax)					
	\$ 67.3	\$ 110.8	\$ 127.7	\$ 46.6	\$ 20.0
Asbestos and environmental losses (pre-tax)	\$ -	\$ -	\$ -	\$ 59.8	\$ -

See Glossary of Financial Measures on page 30.

**The St. Paul Travelers Companies, Inc.**  
**Consolidated After-Tax Net Income by**  
**Major Component and GAAP Combined Ratio**  
(in millions)

All information included in this Financial Supplement presents the historical, standalone results of Travelers as Travelers is treated as the accounting acquirer. See the separately provided Financial Supplement for St. Paul which presents the historical, standalone results of St. Paul.

1Q 2003	2Q 2003	3Q 2003	4Q 2003	1Q 2004
------------	------------	------------	------------	------------

Consolidated underwriting gain, before catastrophes and prior year reserve development	\$ 151.4	\$ 180.2	\$ 190.4	\$ 343.7	\$ 212.0
Catastrophes	(43.7)	(72.1)	(83.0)	(30.2)	(13.0)
Prior year reserve development - benefit/ (charge)	(106.2)	(8.9)	9.2	(203.5)	(28.1)
Accretion of discount	(13.5)	(10.4)	(11.7)	(11.7)	(11.2)
Underwriting gain (loss)	(12.0)	88.8	104.9	98.3	159.7
Net investment income	343.8	345.3	347.2	378.9	454.3
Other, including interest expense and minority interest	6.7	(3.3)	(9.4)	(13.9)	0.4
Consolidated operating income	338.5	430.8	442.7	463.3	614.4
Net realized investment gains (losses)	1.5	10.4	(16.6)	25.4	(27.2)
<b>Consolidated net income</b>	<b>\$ 340.0</b>	<b>\$ 441.2</b>	<b>\$ 426.1</b>	<b>\$ 488.7</b>	<b>\$ 587.2</b>

Consolidated GAAP combined ratio, before catastrophes and prior year reserve development:

Loss and loss adjustment expense ratio	66.2%	65.0%	64.9%	58.6%	63.4%
Other underwriting expense ratio	25.2%	25.3%	25.6%	25.6%	26.1%
	91.4%	90.3%	90.5%	84.2%	89.5%
Catastrophes	2.3%	3.6%	4.1%	1.4%	0.6%
Prior year reserve development - (benefit)/ charge	5.5%	0.4%	(0.5)%	9.4%	1.3%
Accretion of discount	0.7%	0.5%	0.6%	0.5%	0.5%
<b>Consolidated GAAP combined ratio (1)</b>	<b>99.9%</b>	<b>94.8%</b>	<b>94.7%</b>	<b>95.5%</b>	<b>91.9%</b>

(1) For purposes of computing GAAP combined ratios, effective 1Q 2004, billing and policy fees, which are a component of other revenues, are allocated as a reduction of other underwriting expenses. Prior periods have been restated to conform to the current period presentation.

See Glossary of Financial Measures on page 30.

**The St. Paul Travelers Companies, Inc.**  
**Consolidated Operating Income**  
(in millions)

All information included in this Financial Supplement presents the historical, standalone results of Travelers as Travelers is treated as the accounting acquirer. See the separately provided Financial Supplement for St. Paul which presents the historical, standalone results of St. Paul.

	1Q 2003	2Q 2003	3Q 2003	4Q 2003	1Q 2004
<b>Revenues</b>					
Premiums	\$ 2,978.6	\$ 3,100.4	\$ 3,149.2	\$ 3,317.2	\$ 3,338.5
Net investment income	455.9	455.9	457.9	499.1	618.9
Fee income	136.3	133.7	133.7	156.3	172.4
Other revenues	25.7	42.6	28.0	30.7	39.6

Total revenues	3,596.5	3,732.6	3,768.8	4,003.3	4,169.4
<b>Claims and expenses</b>					
Claims and claim adjustment expenses	2,287.9	2,211.0	2,236.5	2,383.0	2,280.8
Amortization of deferred acquisition costs	462.7	483.4	512.3	525.3	525.7
Interest expense	51.7	40.3	38.1	36.3	36.3
General and administrative expenses	393.4	413.3	397.9	436.7	467.3
Total claims and expenses	3,195.7	3,148.0	3,184.8	3,381.3	3,310.1
<b>Operating income before federal income taxes and minority interest</b>					
	400.8	584.6	584.0	622.0	859.3
Federal income taxes	87.5	149.6	139.3	147.6	241.3
Minority interest, net of tax	(25.2)	4.2	2.0	11.1	3.6
Operating income	\$ 338.5	\$ 430.8	\$ 442.7	\$ 463.3	\$ 614.4

See Glossary of Financial Measures on page 30.

**The St. Paul Travelers Companies, Inc.**  
**Property Casualty Operations - Selected Statistics**  
(in millions)

All information included in this Financial Supplement presents the historical, standalone results of Travelers as Travelers is treated as the accounting acquirer. See the separately provided Financial Supplement for St. Paul which presents the historical, standalone results of St. Paul.

	1Q 2003	2Q 2003	3Q 2003	4Q 2003	1Q 2004
<b>Statutory underwriting</b>					
Net written premiums	\$ 3,166.5	\$ 3,269.3	\$ 3,375.6	\$ 3,389.4	\$ 3,471.3
Net earned premiums	\$ 2,978.6	\$ 3,100.4	\$ 3,149.2	\$ 3,317.2	\$ 3,338.5
Losses and loss adjustment expenses	2,233.7	2,162.8	2,188.5	2,329.3	2,208.4
Other underwriting expenses	772.3	827.5	863.2	869.9	903.1
Statutory underwriting gain (loss)	(27.4)	110.1	97.5	118.0	227.0
Policyholder dividends	4.4	7.7	4.1	(3.1)	6.5
Statutory underwriting gain (loss) after policyholder dividends	\$ (31.8)	\$ 102.4	\$ 93.4	\$ 121.1	\$ 220.5

**GAAP combined ratio (1,2)**

Loss and loss adjustment expense ratio	74.7%	69.5%	69.1%	69.9%	65.8%
Other underwriting expense ratio	25.2%	25.3%	25.6%	25.6%	26.1%
Combined ratio	99.9%	94.8%	94.7%	95.5%	91.9%

**Impact on combined ratio**

Catastrophes	2.3%	3.6%	4.1%	1.4%	0.6%
Prior year reserve development - (benefit)/charge:					
Asbestos	-	-	-	-	-

Environmental	-	-	-	1.8%	-
All other	5.5%	0.4%	(0.5)%	7.6%	1.3%
Accretion of discount	0.7%	0.5%	0.6%	0.5%	0.5%

#### Other statutory statistics

Reserves for losses and loss adjustment expenses	\$ 23,478.9	\$ 23,422.4	\$ 23,726.5	\$ 24,029.1	\$ 24,283.8
Increase (decrease) in reserves	\$ 198.7	\$ (56.5)	\$ 304.1	\$ 302.6	\$ 254.7
Statutory surplus	\$ 7,841.1	\$ 8,122.1	\$ 8,196.6	\$ 8,444.2	\$ 8,788.0
Net written premiums/surplus (3)	1.58:1	1.55:1	1.57:1	1.56:1	1.54:1

(1) Before policyholder dividends.

(2) For purposes of computing GAAP combined ratios, effective 1Q 2004, billing and policy fees, which are a component of other revenues, are allocated as a reduction of other underwriting expenses. Prior periods have been restated to conform to the current period presentation. In addition, fee income is allocated as a reduction of losses and loss adjustment expenses and other underwriting expenses as follows:

	1Q 2003	2Q 2003	3Q 2003	4Q 2003	1Q 2004
Billing and policy fees	\$ 22.5	\$ 21.6	\$ 22.2	\$ 21.9	\$ 23.4
Fee income:					
Loss and loss adjustment expenses	\$ 59.1	\$ 47.2	\$ 55.8	\$ 68.5	\$ 76.5
Other underwriting expenses	77.2	86.5	77.9	87.8	95.9
Total fee income	\$ 136.3	\$ 133.7	\$ 133.7	\$ 156.3	\$ 172.4

(3) Based on 12 month rolling net written premiums.

See Glossary of Financial Measures on page 30.

#### The St. Paul Travelers Companies, Inc. Property Casualty Operations - Written and Earned Premiums (in millions)

All information included in this Financial Supplement presents the historical, standalone results of Travelers as Travelers is treated as the accounting acquirer. See the separately provided Financial Supplement for St. Paul which presents the historical, standalone results of St. Paul.

	1Q 2003	2Q 2003	3Q 2003	4Q 2003	1Q 2004
<b>Written premiums</b>					
Direct	\$ 3,632.9	\$ 3,672.1	\$ 3,880.7	\$ 3,790.9	\$ 3,923.3
Assumed	108.9	113.8	134.8	140.6	108.6
Ceded	(575.3)	(516.6)	(639.9)	(542.1)	(560.6)
Net	\$ 3,166.5	\$ 3,269.3	\$ 3,375.6	\$ 3,389.4	\$ 3,471.3
<b>Earned premiums</b>					
Direct	\$ 3,403.0	\$ 3,539.7	\$ 3,605.0	\$ 3,776.1	\$ 3,757.8
Assumed	124.4	123.0	116.4	134.4	127.1

Ceded	(548.8)	(562.3)	(572.2)	(593.3)	(546.4)
Net	\$ 2,978.6	\$ 3,100.4	\$ 3,149.2	\$ 3,317.2	\$ 3,338.5

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**The St. Paul Travelers Companies, Inc.**  
**Commercial Lines Operating Income**  
(in millions)

All information included in this Financial Supplement presents the historical, standalone results of Travelers as Travelers is treated as the accounting acquirer. See the separately provided Financial Supplement for St. Paul which presents the historical, standalone results of St. Paul.

	1Q 2003	2Q 2003	3Q 2003	4Q 2003	1Q 2004
<b>Revenues</b>					
Premiums	\$ 1,840.3	\$ 1,907.6	\$ 1,916.9	\$ 2,058.0	\$ 2,041.5
Net investment income	365.7	365.0	368.0	408.2	474.1
Fee income	136.3	133.7	133.7	156.3	172.4
Other revenues	3.3	19.7	7.4	10.3	15.8
Total revenues	2,345.6	2,426.0	2,426.0	2,632.8	2,703.8
<b>Claims and expenses</b>					
Claims and claim adjustment expenses	1,487.2	1,353.0	1,328.8	1,615.0	1,502.3
Amortization of deferred acquisition costs	278.3	288.6	304.2	311.8	309.8
Interest expense	1.3	1.2	1.3	1.2	1.2
General and administrative expenses	286.9	308.8	293.0	318.7	345.3
Total claims and expenses	2,053.7	1,951.6	1,927.3	2,246.7	2,158.6
<b>Operating income before federal income taxes and minority interest</b>					
	291.9	474.4	498.7	386.1	545.2
Federal income taxes	56.2	118.2	116.9	72.7	139.8
Minority interest, net of tax	(25.2)	4.2	2.0	11.1	3.6
Operating income	\$ 260.9	\$ 352.0	\$ 379.8	\$ 302.3	\$ 401.8

See Glossary of Financial Measures on page 30.

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**The St. Paul Travelers Companies, Inc.**  
**Commercial Lines After-Tax Operating Income by  
Major Component and GAAP Combined Ratio**  
(in millions)

All information included in this Financial Supplement presents the historical, standalone results of Travelers as Travelers is treated as the accounting acquirer. See the separately provided Financial Supplement for St. Paul which presents the historical, standalone results of St. Paul.

	1Q 2003	2Q 2003	3Q 2003	4Q 2003	1Q 2004
CL underwriting gain, before catastrophes and prior year reserve development	\$ 116.3	\$ 134.2	\$ 145.8	\$ 272.0	\$ 145.5
Catastrophes	(19.5)	(27.3)	(23.0)	2.4	-
Prior year reserve development - benefit/ (charge)	(128.9)	(33.3)	(15.6)	(269.4)	(93.7)
Accretion of discount	(13.5)	(10.4)	(11.7)	(11.7)	(11.2)
Underwriting gain (loss)	(45.6)	63.2	95.5	(6.7)	40.6
Net investment income	278.5	279.3	281.6	312.5	352.4
Other, including minority interest	28.0	9.5	2.7	(3.5)	8.8
<b>CL operating income</b>	<b>\$ 260.9</b>	<b>\$ 352.0</b>	<b>\$ 379.8</b>	<b>\$ 302.3</b>	<b>\$ 401.8</b>

CL GAAP combined ratio, before catastrophes and prior year reserve development:

Loss and loss adjustment expense ratio	63.9%	62.3%	62.3%	54.5%	61.6%
Other underwriting expense ratio	26.4%	26.7%	27.0%	26.3%	27.3%
	90.3%	89.0%	89.3%	80.8%	88.9%
Catastrophes	1.6%	2.2%	1.8%	(0.2)%	-
Prior year reserve development - (benefit)/ charge	10.8%	2.7%	1.2%	20.1%	7.1%
Accretion of discount	1.1%	0.8%	0.9%	0.9%	0.8%
<b>CL GAAP combined ratio (1)</b>	<b>103.8%</b>	<b>94.7%</b>	<b>93.2%</b>	<b>101.6%</b>	<b>96.8%</b>

(1) For purposes of computing GAAP combined ratios, effective 1Q 2004, billing and policy fees, which are a component of other revenues, are allocated as a reduction of other underwriting expenses. Prior periods have been restated to conform to the current period presentation.

See Glossary of Financial Measures on page 30.

**The St. Paul Travelers Companies, Inc.**  
**Commercial Lines - Selected Statistics**  
(in millions)

All information included in this Financial Supplement presents the historical, standalone results of Travelers as Travelers is treated as the accounting acquirer. See the separately provided Financial Supplement for St. Paul which presents the historical, standalone results of St. Paul.

	1Q 2003	2Q 2003	3Q 2003	4Q 2003	1Q 2004
<b>Statutory underwriting</b>					
Net written premiums	\$ 2,016.5	\$ 1,958.0	\$ 2,019.8	\$ 2,125.1	\$ 2,104.9
Net earned premiums	\$ 1,840.3	\$ 1,907.6	\$ 1,916.9	\$ 2,058.0	\$ 2,041.5
Losses and loss adjustment expenses	1,433.0	1,304.8	1,280.8	1,561.3	1,429.9
Other underwriting expenses	492.0	515.5	529.4	538.9	556.8

Statutory underwriting gain (loss)	(84.7)	87.3	106.7	(42.2)	54.8
Policyholder dividends	4.4	7.7	4.1	(3.1)	6.5
Statutory underwriting gain (loss) after policyholder dividends	<u>\$ (89.1)</u>	<u>\$ 79.6</u>	<u>\$ 102.6</u>	<u>\$ (39.1)</u>	<u>\$ 48.3</u>

#### GAAP combined ratio (1,2)

Loss and loss adjustment expense ratio	77.4%	68.0%	66.2%	75.3%	69.5%
Other underwriting expense ratio	26.4%	26.7%	27.0%	26.3%	27.3%
Combined ratio	<u>103.8%</u>	<u>94.7%</u>	<u>93.2%</u>	<u>101.6%</u>	<u>96.8%</u>

#### Impact on combined ratio

Catastrophes	1.6%	2.2%	1.8%	(0.2)%	-
Prior year reserve development - (benefit)/charge:					
Asbestos	-	-	-	-	-
Environmental	-	-	-	2.9%	-
All other	10.8%	2.7%	1.2%	17.2%	7.1%
Accretion of discount	1.1%	0.8%	0.9%	0.9%	0.8%

#### Other statistics

Effective tax rate on net investment income	23.8%	23.5%	23.5%	23.4%	25.7%
Net investment income (after-tax)	\$ 278.5	\$ 279.3	\$ 281.6	\$ 312.5	\$ 352.4
Catastrophe losses, net of reinsurance (pre-tax)	\$ 30.0	\$ 41.9	\$ 35.4	\$ (3.5)	\$ -
Asbestos and environmental losses (pre-tax)	\$ -	\$ -	\$ -	\$ 59.8	\$ -

(1) Before policyholder dividends.

(2) For purposes of computing GAAP combined ratios, effective 1Q 2004, billing and policy fees, which are a component of other revenues, are allocated as a reduction of other underwriting expenses. Prior periods have been restated to conform to the current period presentation. In addition, fee income is allocated as a reduction of losses and loss adjustment expenses and other underwriting expenses as follows:

	1Q 2003	2Q 2003	3Q 2003	4Q 2003	1Q 2004
Billing and policy fees	\$ 2.3	\$ 2.3	\$ 2.3	\$ 2.4	\$ 2.4
Fee income:					
Loss and loss adjustment expenses	\$ 59.1	\$ 47.2	\$ 55.8	\$ 68.5	\$ 76.5
Other underwriting expenses	77.2	86.5	77.9	87.8	95.9
Total fee income	<u>\$ 136.3</u>	<u>\$ 133.7</u>	<u>\$ 133.7</u>	<u>\$ 156.3</u>	<u>\$ 172.4</u>

See Glossary of Financial Measures on page 30.

#### The St. Paul Travelers Companies, Inc. Commercial Lines - Net Written Premiums (in millions)

All information included in this Financial Supplement presents the historical, standalone results of Travelers as Travelers is treated as the accounting acquirer. See the separately provided Financial Supplement for St. Paul which presents the historical, standalone results of St. Paul.

	1Q 2003	2Q 2003	3Q 2003	4Q 2003	1Q 2004
<b>Net written premiums by market</b>					
Core:					
National Accounts	\$ 226.9	\$ 192.8	\$ 243.9	\$ 239.2	\$ 243.6
Commercial Accounts	949.4	877.6	892.1	1,006.6	974.0
Select Accounts	509.3	517.4	505.7	515.2	530.7
Total Core	1,685.6	1,587.8	1,641.7	1,761.0	1,748.3
Specialty:					
Bond	163.0	205.9	216.0	195.6	213.0
Gulf	167.9	164.3	162.1	168.5	143.6
Total Specialty	330.9	370.2	378.1	364.1	356.6
Total	\$ 2,016.5	\$ 1,958.0	\$ 2,019.8	\$ 2,125.1	\$ 2,104.9

<b>Net written premiums by product line</b>					
Commercial multi-peril	\$ 617.2	\$ 571.4	\$ 572.3	\$ 636.1	\$ 650.3
Workers' compensation	358.3	300.9	349.2	343.1	377.6
Commercial automobile	353.7	360.1	355.4	349.9	357.0
Property	284.0	278.0	280.0	333.2	292.8
Fidelity and surety	123.9	164.8	172.9	149.1	155.1
General liability	279.4	282.8	290.0	313.7	272.1
Total	\$ 2,016.5	\$ 1,958.0	\$ 2,019.8	\$ 2,125.1	\$ 2,104.9

#### National Accounts

Additions to claim volume under claim volume administration (1)					
	\$ 1,097.3	\$ 702.1	\$ 681.9	\$ 809.1	\$ 1,309.2
Written fees	\$ 182.2	\$ 145.4	\$ 140.5	\$ 162.1	\$ 213.5

(1) Includes new and renewal business.

#### The St. Paul Travelers Companies, Inc.

##### Personal Lines Operating Income

(in millions)

All information included in this Financial Supplement presents the historical, standalone results of Travelers as Travelers is treated as the accounting acquirer. See the separately provided Financial Supplement for St. Paul which presents the historical, standalone results of St. Paul.

	1Q 2003	2Q 2003	3Q 2003	4Q 2003	1Q 2004
<b>Revenues</b>					
Premiums	\$ 1,138.3	\$ 1,192.8	\$ 1,232.3	\$ 1,259.2	\$ 1,297.0
Net investment income	89.4	90.9	89.8	91.0	144.8
Other revenues	21.6	22.8	20.5	20.3	23.7
Total revenues	1,249.3	1,306.5	1,342.6	1,370.5	1,465.5

<b>Claims and expenses</b>					
Claims and claim adjustment expenses	800.7	858.0	907.7	768.0	778.5
Amortization of deferred acquisition costs	184.4	194.8	208.1	213.5	215.9
General and administrative expenses	101.5	100.2	102.3	116.0	119.2
<b>Total claims and expenses</b>	<b>1,086.6</b>	<b>1,153.0</b>	<b>1,218.1</b>	<b>1,097.5</b>	<b>1,113.6</b>
Operating income before federal income taxes	162.7	153.5	124.5	273.0	351.9
Federal income taxes	50.2	46.7	36.3	88.0	114.8
<b>Operating income</b>	<b>\$ 112.5</b>	<b>\$ 106.8</b>	<b>\$ 88.2</b>	<b>\$ 185.0</b>	<b>\$ 237.1</b>

See Glossary of Financial Measures on page 30.

**The St. Paul Travelers Companies, Inc.**  
**Personal Lines After-Tax Operating Income by**  
**Major Component and GAAP Combined Ratio**  
(in millions)

All information included in this Financial Supplement presents the historical, standalone results of Travelers as Travelers is treated as the accounting acquirer. See the separately provided Financial Supplement for St. Paul which presents the historical, standalone results of St. Paul.

	<u>1Q</u>	<u>2Q</u>	<u>3Q</u>	<u>4Q</u>	<u>1Q</u>
	<u>2003</u>	<u>2003</u>	<u>2003</u>	<u>2003</u>	<u>2004</u>
PL underwriting gain, before catastrophes and prior year reserve development	\$ 35.1	\$ 46.0	\$ 44.6	\$ 71.7	\$ 66.5
Catastrophes	(24.2)	(44.8)	(60.0)	(32.6)	(13.0)
Prior year reserve development - benefit/ (charge) (1)	22.7	24.4	24.8	65.9	65.6
Underwriting gain	33.6	25.6	9.4	105.0	119.1
Net investment income	64.8	66.0	65.5	66.4	101.9
Other	14.1	15.2	13.3	13.6	16.1
<b>PL operating income</b>	<b>\$ 112.5</b>	<b>\$ 106.8</b>	<b>\$ 88.2</b>	<b>\$ 185.0</b>	<b>\$ 237.1</b>
PL GAAP combined ratio, before catastrophes and prior year reserve development:					
Loss and loss adjustment expense ratio	70.1%	69.2%	69.3%	65.1%	66.3%
Other underwriting expense ratio	23.3%	23.1%	23.6%	24.6%	24.2%
	93.4%	92.3%	92.9%	89.7%	90.5%
Catastrophes	3.3%	5.8%	7.5%	4.0%	1.5%
Prior year reserve development - (benefit)/ charge (1)	(3.1)%	(3.1)%	(3.1)%	(8.1)%	(7.8)%
<b>PL GAAP combined ratio (2)</b>	<b>93.6%</b>	<b>95.0%</b>	<b>97.3%</b>	<b>85.6%</b>	<b>84.2%</b>

(1) Includes a reduction in reserves of \$32.5 million after-tax in 4Q03 related to the terrorist attack on September 11, 2001. This also reduced the combined ratio by 4.0 points in 4Q03.

- (2) For purposes of computing GAAP combined ratios, effective 1Q 2004, billing and policy fees, which are a component of other revenues, are allocated as a reduction of other underwriting expenses. Prior periods have been restated to conform to the current period presentation.

See Glossary of Financial Measures on page 30.

**The St. Paul Travelers Companies, Inc.**

**Personal Lines - Selected Statistics**

(in millions)

All information included in this Financial Supplement presents the historical, standalone results of Travelers as Travelers is treated as the accounting acquirer. See the separately provided Financial Supplement for St. Paul which presents the historical, standalone results of St. Paul.

	1Q 2003	2Q 2003	3Q 2003	4Q 2003	1Q 2004
<b>Statutory underwriting</b>					
<b>Net written premiums by product line</b>					
Automobile	\$ 736.6	\$ 777.7	\$ 796.3	\$ 742.7	\$ 846.9
Homeowners and other	413.4	533.6	559.5	521.6	519.5
Total	<u>\$ 1,150.0</u>	<u>\$ 1,311.3</u>	<u>\$ 1,355.8</u>	<u>\$ 1,264.3</u>	<u>\$ 1,366.4</u>
<b>Net written premiums by distribution channel</b>					
Independent agents	\$ 945.0	\$ 1,075.1	\$ 1,110.3	\$ 1,028.8	\$ 1,134.2
Other channels	205.0	236.2	245.5	235.5	232.2
Total	<u>\$ 1,150.0</u>	<u>\$ 1,311.3</u>	<u>\$ 1,355.8</u>	<u>\$ 1,264.3</u>	<u>\$ 1,366.4</u>
Net earned premiums	\$ 1,138.3	\$ 1,192.8	\$ 1,232.3	\$ 1,259.2	\$ 1,297.0
Losses and loss adjustment expenses	800.7	858.0	907.7	768.0	778.5
Other underwriting expenses	280.3	312.0	333.8	331.0	346.3
Statutory underwriting gain (loss)	<u>\$ 57.3</u>	<u>\$ 22.8</u>	<u>\$ (9.2)</u>	<u>\$ 160.2</u>	<u>\$ 172.2</u>
<b>GAAP combined ratio (1)</b>					
Loss and loss adjustment expense ratio	70.3%	71.9%	73.7%	61.0%	60.0%
Other underwriting expense ratio	23.3%	23.1%	23.6%	24.6%	24.2%
Combined ratio	<u>93.6%</u>	<u>95.0%</u>	<u>97.3%</u>	<u>85.6%</u>	<u>84.2%</u>
<b>Impact on combined ratio</b>					
Catastrophes	3.3%	5.8%	7.5%	4.0%	1.5%
Prior year reserve development - benefit	(3.1)%	(3.1)%	(3.1)%	(8.1)%	(7.8)%
<b>Other statistics</b>					
Effective tax rate on net investment income	27.5%	27.4%	27.1%	27.0%	29.6%
Net investment income (after-tax)	\$ 64.8	\$ 66.0	\$ 65.5	\$ 66.4	\$ 101.9

Catastrophe losses, net of reinsurance (pre-tax)	\$	37.3	\$	68.9	\$	92.3	\$	50.1	\$	20.0
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#### Policies in force (in thousands)

Automobile	1,995	2,016	2,045	2,069	2,157
Homeowners and other (2)	3,201	3,247	3,319	3,380	3,493

- (1) For purposes of computing GAAP combined ratios, effective 1Q 2004, billing and policy fees, which are a component of other revenues, are allocated as a reduction of other underwriting expenses. Prior periods have been restated to conform to the current period presentation, and billing and policy fees are as follows:

	1Q 2003	2Q 2003	3Q 2003	4Q 2003	1Q 2004
Billing and policy fees	\$ 20.2	\$ 19.3	\$ 19.9	\$ 19.5	\$ 21.0

- (2) Effective 1Q 2004, homeowners and other policies in force exclude certain endorsements to homeowners policies previously considered separate policies in force. Prior periods have been restated to conform to the current period presentation.

See Glossary of Financial Measures on page 30.

#### The St. Paul Travelers Companies, Inc.

#### Personal Lines - Selected Statistics - Automobile

(in millions)

All information included in this Financial Supplement presents the historical, standalone results of Travelers as Travelers is treated as the accounting acquirer. See the separately provided Financial Supplement for St. Paul which presents the historical, standalone results of St. Paul.

	1Q 2003	2Q 2003	3Q 2003	4Q 2003	1Q 2004
<b>Statutory underwriting</b>					
<b>Net written premiums by distribution channel</b>					
Independent agents	\$ 629.9	\$ 667.0	\$ 687.2	\$ 633.5	\$ 733.1
Other channels	106.7	110.7	109.1	109.2	113.8
Total	\$ 736.6	\$ 777.7	\$ 796.3	\$ 742.7	\$ 846.9
Net earned premiums	\$ 706.2	\$ 736.6	\$ 752.8	\$ 758.9	\$ 782.0
Losses and loss adjustment expenses	525.2	551.3	568.6	563.7	576.5
Other underwriting expenses	169.7	172.4	185.3	178.5	198.9
Statutory underwriting gain (loss)	\$ 11.3	\$ 12.9	\$ (1.1)	\$ 16.7	\$ 6.6
<b>GAAP underwriting gain</b>	\$ 24.5	\$ 27.5	\$ 16.3	\$ 26.6	\$ 28.2

#### GAAP combined ratio (1)

Loss and loss adjustment expense ratio	74.4%	74.8%	75.5%	74.3%	73.7%
Other underwriting expense ratio	22.2%	21.4%	22.3%	22.2%	22.7%

Combined ratio	96.6%	96.2%	97.8%	96.5%	96.4%
Catastrophe losses, net of reinsurance (pre-tax)	\$ -	\$ 7.0	\$ 3.5	\$ 0.3	\$ -
Policies in force (in thousands)	1,995	2,016	2,045	2,069	2,157
Change from prior year quarter	1.8%	2.0%	3.0%	4.1%	8.1%
Change from prior quarter	0.4%	1.1%	1.4%	1.2%	4.3%

(1) For purposes of computing GAAP combined ratios, effective 1Q 2004, billing and policy fees, which are a component of other revenues, are allocated as a reduction of other underwriting expenses. Prior periods have been restated to conform to the current period presentation, and billing and policy fees are as follows:

	1Q 2003	2Q 2003	3Q 2003	4Q 2003	1Q 2004
Billing and policy fees	\$ 13.4	\$ 12.7	\$ 13.0	\$ 12.6	\$ 13.7

See Glossary of Financial Measures on page 30.

### The St. Paul Travelers Companies, Inc.

#### Personal Lines - Selected Statistics - Homeowners and Other

(in millions)

All information included in this Financial Supplement presents the historical, standalone results of Travelers as Travelers is treated as the accounting acquirer. See the separately provided Financial Supplement for St. Paul which presents the historical, standalone results of St. Paul.

	1Q 2003	2Q 2003	3Q 2003	4Q 2003	1Q 2004
<b>Statutory underwriting</b>					
<b>Net written premiums by distribution channel</b>					
Independent agents	\$ 315.1	\$ 408.1	\$ 423.1	\$ 395.3	\$ 401.1
Other channels	98.3	125.5	136.4	126.3	118.4
Total	\$ 413.4	\$ 533.6	\$ 559.5	\$ 521.6	\$ 519.5
Net earned premiums	\$ 432.1	\$ 456.2	\$ 479.5	\$ 500.3	\$ 515.0
Losses and loss adjustment expenses	275.5	306.7	339.1	204.3	202.0
Other underwriting expenses	110.6	139.6	148.5	152.5	147.4
Statutory underwriting gain (loss)	\$ 46.0	\$ 9.9	\$ (8.1)	\$ 143.5	\$ 165.6
<b>GAAP underwriting gain</b>	\$ 47.4	\$ 31.6	\$ 17.8	\$ 154.6	\$ 176.2
<b>GAAP combined ratio (1)</b>					
Loss and loss adjustment expense ratio	63.8%	67.2%	70.7%	40.8%	39.2%
Other underwriting expense ratio	25.3%	25.8%	25.6%	28.3%	26.6%
Combined ratio	89.1%	93.0%	96.3%	69.1%	65.8%

Catastrophe losses, net of reinsurance (pre-tax)	\$ 37.3	\$ 61.9	\$ 88.8	\$ 49.8	\$ 20.0
Policies in force (in thousands) (2)	3,201	3,247	3,319	3,380	3,493
Change from prior year quarter	1.1%	2.6%	4.7%	6.3%	9.1%
Change from prior quarter	0.6%	1.4%	2.2%	1.8%	3.3%

(1) For purposes of computing GAAP combined ratios, effective 1Q 2004, billing and policy fees, which are a component of other revenues, are allocated as a reduction of other underwriting expenses. Prior periods have been restated to conform to the current period presentation, and billing and policy fees are as follows:

	1Q 2003	2Q 2003	3Q 2003	4Q 2003	1Q 2004
Billing and policy fees	\$ 6.8	\$ 6.6	\$ 6.9	\$ 6.9	\$ 7.3

(2) Effective 1Q 2004, homeowners and other policies in force exclude certain endorsements to homeowners policies previously considered separate policies in force. Prior periods have been restated to conform to the current period presentation.

See Glossary of Financial Measures on page 30.

**The St. Paul Travelers Companies, Inc.**  
**Interest Expense and Other Operating Loss**  
(in millions)

All information included in this Financial Supplement presents the historical, standalone results of Travelers as Travelers is treated as the accounting acquirer. See the separately provided Financial Supplement for St. Paul which presents the historical, standalone results of St. Paul.

	1Q 2003	2Q 2003	3Q 2003	4Q 2003	1Q 2004
<b>Revenues</b>					
Net investment income	\$ 0.8	\$ –	\$ 0.1	\$ (0.1)	\$ –
Other revenues	0.8	0.1	0.1	0.1	0.1
Total revenues	1.6	0.1	0.2	–	0.1
<b>Claims and expenses</b>					
Interest expense	50.4	39.1	36.8	35.1	35.1
General and administrative expenses	5.0	4.3	2.6	2.0	2.8
Total claims and expenses	55.4	43.4	39.4	37.1	37.9
Operating loss before federal income tax benefit	(53.8)	(43.3)	(39.2)	(37.1)	(37.8)
Federal income tax benefit	(18.9)	(15.3)	(13.9)	(13.1)	(13.3)
Operating loss	\$ (34.9)	\$ (28.0)	\$ (25.3)	\$ (24.0)	\$ (24.5)

See Glossary of Financial Measures on page 30.

**The St. Paul Travelers Companies, Inc.****Consolidated Balance Sheet**

(in millions, except shares and per share data)

All information included in this Financial Supplement presents the historical, standalone results of Travelers as Travelers is treated as the accounting acquirer. See the separately provided Financial Supplement for St. Paul which presents the historical, standalone results of St. Paul.

	March 31, 2004 (1)	December 31, 2003
<b>Assets</b>		
Fixed maturities, available for sale at fair value (including \$8.6 and \$696.4 subject to securities lending and repurchase agreements) (amortized cost \$32,133.5 and \$31,478.3)	\$ 33,939.1	\$ 33,045.5
Equity securities, at fair value (cost \$633.6 and \$672.3)	708.5	732.6
Mortgage loans	179.0	210.8
Real estate held for sale	1.5	1.5
Short-term securities	1,914.8	2,138.3
Trading securities, at fair value	55.7	57.2
Other investments	2,444.1	2,467.0
<b>Total investments</b>	<b>39,242.7</b>	<b>38,652.9</b>
Cash	139.7	352.1
Investment income accrued	391.3	361.8
Premium balances receivable	4,101.0	4,089.5
Reinsurance recoverables	10,934.7	11,173.9
Deferred acquisition costs	987.7	964.9
Deferred federal income taxes	607.1	677.9
Contractholder receivables	3,233.8	3,120.7
Goodwill	2,411.5	2,411.5
Receivables for investment sales	82.4	182.4
Other assets	2,938.0	2,884.4
<b>Total assets</b>	<b>\$ 65,069.9</b>	<b>\$ 64,872.0</b>
	March 31, 2004 (1)	December 31, 2003
<b>Liabilities</b>		
Claims and claim adjustment expense reserves	\$ 34,668.2	\$ 34,572.6
Unearned premium reserves	7,261.5	7,110.8
Contractholder payables	3,233.8	3,120.7
Long-term debt	1,756.4	1,756.0
Convertible junior subordinated notes payable	868.9	868.7
Convertible notes payable	49.8	49.8
Payables for investment purchases	452.4	531.2
Payables for securities lending and repurchase agreements	8.7	711.0
Other liabilities	4,096.4	4,164.5
<b>Total liabilities</b>	<b>52,396.1</b>	<b>52,885.3</b>
<b>Shareholders' equity</b>		

Common stock (2):

Class A, \$.01 par value, 650.1 million shares authorized, 223.1 million and 221.1 million issued, and 220.7 million and 219.2 million outstanding at March 31, 2004 and December 31, 2003, respectively	-	-
Class B, \$.01 par value, 650.1 million shares authorized, 216.7 million issued, and 216.6 million outstanding at March 31, 2004 and December 31, 2003, respectively	-	-
Additional paid-in capital	8,778.8	8,715.3
Retained earnings	2,795.7	2,290.2
Accumulated other changes in equity from nonowner sources	1,248.2	1,085.5
Treasury stock, at cost (2.5 million and 2.0 million shares) (2)	(90.9)	(74.4)
Unearned compensation	(58.0)	(29.9)
<b>Total shareholders' equity</b>	<u>12,673.8</u>	<u>11,986.7</u>
<b>Total liabilities and shareholders' equity</b>	<u>\$ 65,069.9</u>	<u>\$ 64,872.0</u>

(1) Preliminary.

(2) The number of shares for all periods presented has been restated to reflect the equivalent number of shares resulting from the exchange of Travelers common stock for St. Paul Travelers common stock due to the merger on April 1, 2004. In addition, common stock and additional paid-in capital have been restated to give effect to the difference in par value of the exchanged shares. Upon consummation of the merger on April 1, 2004, Travelers class A and class B common stock was converted to St. Paul Travelers common stock and the Travelers treasury stock was cancelled.

**The St. Paul Travelers Companies, Inc.**

**Investment Portfolio**

(at carrying value, in millions)

All information included in this Financial Supplement presents the historical, standalone results of Travelers as Travelers is treated as the accounting acquirer. See the separately provided Financial Supplement for St. Paul which presents the historical, standalone results of St. Paul.

	March 31, 2004	Pre-tax Book Yield	December 31, 2003	Pre-tax Book Yield
<b>Investment portfolio</b>				
Taxable fixed maturities (including redeemable preferred stock)	\$ 17,958.1	5.53%	\$ 17,654.6	5.54%
Tax-exempt fixed maturities	15,981.0	4.55	15,390.9	4.47
Non-redeemable preferred stocks	632.4	6.93	643.9	6.89
Common stocks	76.1	N/A	88.7	N/A
Mortgage loans	179.0	7.38	210.8	10.19
Real estate held for sale	1.5	N/A	1.5	N/A
Short-term securities	1,914.8	1.05	2,138.3	1.08
Trading securities	55.7	N/A	57.2	N/A
Private equities	1,298.9	N/A	1,225.8	N/A
Arbitrage funds	906.0	N/A	983.8	N/A
Real estate joint ventures and other	239.2	N/A	257.4	N/A
<b>Total investments</b>	<u>\$ 39,242.7</u>	4.89%	<u>\$ 38,652.9</u>	4.86%
Net unrealized gain on investment securities, net of tax and minority interest, included in shareholders' equity	<u>\$ 1,223.1</u>		<u>\$ 1,060.3</u>	

**The St. Paul Travelers Companies, Inc.**  
**Investment Portfolio - Fixed Maturities Data**  
(at carrying value, in millions)

All information included in this Financial Supplement presents the historical, standalone results of Travelers as Travelers is treated as the accounting acquirer. See the separately provided Financial Supplement for St. Paul which presents the historical, standalone results of St. Paul.

	March 31, 2004	December 31, 2003
<b>Fixed maturities</b>		
Mortgage-backed securities - principally obligations of U.S. Government agencies	\$ 7,816.4	\$ 7,737.3
U.S. Treasury securities and obligations of U.S. Government corporations and agencies	1,392.0	1,384.0
Corporates (including redeemable preferreds)	8,447.0	8,240.7
Obligations of states and political subdivisions	16,010.7	15,427.3
Debt securities issued by foreign governments	273.0	256.2
Subtotal	33,939.1	33,045.5
Trading securities	31.5	33.0
Total fixed maturities	<u>\$ 33,970.6</u>	<u>\$ 33,078.5</u>

**Fixed Maturities**  
**Quality Characteristics (1)**

	March 31, 2004	
	Amount	% of Total
<b>Quality Ratings</b>		
Aaa	\$ 20,068.7	59.1%
Aa	6,122.7	18.0
A	2,568.2	7.6
Baa	3,179.7	9.4
Total investment grade	31,939.3	94.1
Ba	911.9	2.7
B	691.9	2.0
Caa and lower	396.0	1.2
Total below investment grade	1,999.8	5.9
Total fixed maturities, excluding trading securities	<u>\$ 33,939.1</u>	<u>100.0%</u>
Trading securities	<u>\$ 31.5</u>	
Average weighted quality	AA2, AA	
Average duration of fixed maturities and short-term securities, net of securities lending activities and net receivables and payables on investment sales and purchases	<u>4.1</u>	

(1) Rated using external rating agencies, or by Travelers Property Casualty Corp.'s investment advisors when a public rating does not exist. Below investment grade assets refer to securities rated "Ba1" or below.

**The St. Paul Travelers Companies, Inc.**  
**Net Investment Income**

(in millions)

All information included in this Financial Supplement presents the historical, standalone results of Travelers as Travelers is treated as the accounting acquirer. See the separately provided Financial Supplement for St. Paul which presents the historical, standalone results of St. Paul.

	1Q 2003	2Q 2003	3Q 2003	4Q 2003	1Q 2004
<b>Gross investment income</b>					
Fixed maturities	\$ 390.7	\$ 370.9	\$ 372.3	\$ 392.7	\$ 411.9
Short-term securities	36.9	37.9	23.2	9.5	8.8
Mortgage loans	6.2	5.7	8.8	5.0	4.2
Other, including trading (1)	35.5	58.4	67.1	102.9	248.7
	469.3	472.9	471.4	510.1	673.6
Investment expenses (1)	13.4	17.0	13.5	11.0	54.7
Net investment income, pre-tax	455.9	455.9	457.9	499.1	618.9
Federal income taxes	112.1	110.6	110.7	120.2	164.6
Net investment income, after-tax	\$ 343.8	\$ 345.3	\$ 347.2	\$ 378.9	\$ 454.3
Effective tax rate	24.6%	24.3%	24.2%	24.1%	26.6%
Average invested assets (2)	\$ 34,372.6	\$ 35,182.4	\$ 35,454.4	\$ 36,216.3	\$ 37,097.0
Average yield pre-tax	5.3%	5.2%	5.2%	5.6%	6.7%
Average yield after-tax	4.0%	3.9%	3.9%	4.2%	4.9%

- (1) Includes \$166.5 million and \$39.1 million of gross investment income and investment expenses, respectively, in 1Q 2004 resulting from the impact of an initial public offering of a private equity investment. Commercial Lines and Personal Lines includes \$85.4 million and \$42.0 million of pre-tax net investment income (\$55.5 million and \$27.3 million after-tax), respectively, related to this private equity investment.
- (2) Reduced by payables for securities lending and repurchase agreements and adjusted for the impact of net unrealized investment gains and losses, receivables for investment sales and payables on investment purchases.

**The St. Paul Travelers Companies, Inc.**  
**Net Realized and Unrealized Investment Gains (Losses)**

(in millions)

All information included in this Financial Supplement presents the historical, standalone results of Travelers as Travelers is treated as the accounting acquirer. See the separately provided Financial Supplement for St. Paul which presents the historical, standalone results of St. Paul.

	1Q 2003	2Q 2003	3Q 2003	4Q 2003	1Q 2004
<b>Net realized investment gains (losses)</b>					
Fixed maturities	\$ 26.9	\$ 55.3	\$ (40.0)	\$ 26.9	\$ 11.5

Equity securities	3.3	(1.1)	4.2	0.2	1.4
Other	(23.7)	(38.1)	12.5	11.6	(54.8)
Realized investment gains (losses) before tax and minority interest	6.5	16.1	(23.3)	38.7	(41.9)
Related taxes	2.3	5.5	(7.7)	13.3	(14.7)
Minority interest, net of tax	2.7	0.2	1.0	–	–
Net realized investment gains (losses)	<u>\$ 1.5</u>	<u>\$ 10.4</u>	<u>\$ (16.6)</u>	<u>\$ 25.4</u>	<u>\$ (27.2)</u>
Gross investment gains (1)	\$ 94.2	\$ 250.9	\$ 251.6	\$ 235.0	\$ 135.6
Gross investment losses before impairments (1)	(29.5)	(215.9)	(267.7)	(190.4)	(166.4)
Impairments	(58.2)	(18.9)	(7.2)	(5.9)	(11.1)
Realized investment gains (losses) before tax and minority interest	6.5	16.1	(23.3)	38.7	(41.9)
Related taxes	2.3	5.5	(7.7)	13.3	(14.7)
Minority interest, net of tax	2.7	0.2	1.0	–	–
Net realized investment gains (losses)	<u>\$ 1.5</u>	<u>\$ 10.4</u>	<u>\$ (16.6)</u>	<u>\$ 25.4</u>	<u>\$ (27.2)</u>
	<u>March 31,</u>	<u>June 30,</u>	<u>September 30,</u>	<u>December 31,</u>	<u>March 31,</u>
	<u>2003</u>	<u>2003</u>	<u>2003</u>	<u>2003</u>	<u>2004</u>

**Net unrealized investment gains (losses), by asset type**

Fixed maturities	\$ 1,310.2	\$ 1,818.8	\$ 1,561.5	\$ 1,567.2	\$ 1,805.6
Equity securities	12.5	56.0	50.0	60.3	74.9
Unrealized investment gains before tax and minority interest	1,322.7	1,874.8	1,611.5	1,627.5	1,880.5
Related taxes	459.3	652.6	564.0	569.6	658.2
Minority interest, net of tax	(5.4)	(1.9)	(3.3)	(2.4)	(0.8)
Balance, end of period	<u>\$ 868.8</u>	<u>\$ 1,224.1</u>	<u>\$ 1,050.8</u>	<u>\$ 1,060.3</u>	<u>\$ 1,223.1</u>

(1) Includes gross investment gains and gross investment losses of \$.7 million and \$6.6 million, \$123.4 million and \$167.4 million, \$206.8 million and \$194.1 million, \$174.8 million and \$164.2 million, and \$104.8 million and \$159.9 million in 1Q03, 2Q03, 3Q03, 4Q03 and 1Q04, respectively, related to U.S. Treasury futures which are settled daily. The Company entered into these arrangements as part of its strategy to shorten the duration of the fixed maturity portfolio. In a changing interest rate environment the change in the value of the futures contracts can be expected to partially offset changes in the value of the fixed maturity portfolio.

**The St. Paul Travelers Companies, Inc.**  
**Reinsurance Recoverables**  
(in millions)

All information included in this Financial Supplement presents the historical, standalone results of Travelers as Travelers is treated as the accounting acquirer. See the separately provided Financial Supplement for St. Paul which presents the historical, standalone results of St. Paul.

	<u>March 31,</u>	<u>December 31,</u>
	<u>2004</u>	<u>2003</u>
Gross reinsurance recoverables on paid and unpaid claims and claim adjustment expenses (1)	\$ 6,765.3	\$ 6,946.0
Allowance for uncollectible reinsurance	(391.1)	(386.4)

Net reinsurance recoverables	6,374.2	6,559.6
Mandatory pools and associations	2,187.5	2,203.7
Structured settlements	2,373.0	2,410.6
Total reinsurance recoverables	<u>\$ 10,934.7</u>	<u>\$ 11,173.9</u>

(1) Reduced for known insolvencies.

The gross reinsurance recoverables on paid and unpaid claims and claim adjustment expenses represent the current and estimated future amounts due from reinsurers on known and unasserted claims. The ceded reserves are estimated in a manner consistent with the underlying direct and assumed reserves. Although this total comprises recoverables due from nearly one thousand different reinsurance entities, about half is attributable to 10 reinsurer groups.

The net reinsurance recoverables reflect an allowance for uncollectible reinsurance that is recorded on the basis of periodic evaluations of balances due, reinsurer solvency, the Company's experience and current economic conditions. Of the total net recoverables due from reinsurers at December 31, 2003, \$5.3 billion or 81% were rated by A.M. Best and Company. Of the total rated by A.M. Best and Company, 98% were rated A- or better. The remaining 19% net recoverables from reinsurers comprised the following: 4% related to Equitas, 5% related to voluntary pools that the Company participates in, 4% related to captive insurance companies and 6% were other companies not rated by A.M. Best and Company. In addition, \$705.5 million of these net recoverables were collateralized by letters of credit, funds held and trust agreements at December 31, 2003.

During the first quarter of 2004, Travelers entered into an agreement to settle all current and future reinsurance claims against certain underwriters at Lloyds of London reinsured by Equitas. Under terms of this settlement, Travelers received \$245.0 million, resolving net claim balances of approximately \$255.0 million from Equitas. If federal asbestos reform legislation is enacted by the 108th U.S. Congress, Equitas may elect to recoup \$150.0 million from Travelers and, if Equitas makes that election, the reinsurance agreements for asbestos coverage will be reinstated. As a result, these funds are being held in trust, and the related reinsurance recoverables and reserves will remain on the balance sheet until the contingency is resolved. There are no contingencies related to the remaining \$95.0 million, which has been reflected as a reduction to the reinsurance recoverable as of March 31, 2004.

The Company's top five reinsurers by reinsurance recoverable at December 31, 2003 were as follows:

Reinsurer	Reinsurance Recoverable	A.M. Best Rating of Reinsurer
American Re-Insurance Company	\$ 913.2	A+ second highest of 16 ratings
General Reinsurance Corporation	436.5	A++ highest of 16 ratings
Transatlantic Reinsurance Company	397.2	A++ highest of 16 ratings
Employers Reinsurance Corporation	360.7	A third highest of 16 ratings
Swiss Reinsurance America Corporation	300.7	A+ second highest of 16 ratings

Our insurance subsidiaries are required to participate in various involuntary assigned risk pools, principally involving workers' compensation and automobile insurance, which provide various insurance coverages to insureds that otherwise are unable to purchase coverage in the open market. The costs of these mandatory pools in most states are usually charged back to the participating members in proportion to voluntary writings of related business in that state. In the event that a member of that pool becomes insolvent, the remaining members assume an additional pro rata share of the pool's liabilities.

Structured settlements are annuities purchased from life insurance companies to settle personal physical injury claims, with workers' compensation claims comprising a significant proportion. The Company retains the ultimate liability to the claimant in the event that the assigned company fails to pay, so we reflect the amount as a liability and as a recoverable for GAAP purposes. Life insurers with current A.M. Best ratings of A- or better represented 97% of the balance at December 31, 2003.

**The St. Paul Travelers Companies, Inc.**  
**Statutory Reserves for Losses and Loss Adjustment Expense**

(in millions)

All information included in this Financial Supplement presents the historical, standalone results of Travelers as Travelers is treated as the accounting acquirer. See the separately provided Financial Supplement for St. Paul which presents the historical, standalone results of St. Paul.

	1Q 2003	2Q 2003	3Q 2003	4Q 2003	1Q 2004
<b>Commercial Lines</b>					
Beginning of period	\$ 20,321.7	\$ 20,451.4	\$ 20,316.4	\$ 20,467.6	\$ 20,811.3
Incurred*	1,433.0	1,304.8	1,280.8	1,561.3	1,429.9
Paid	(1,303.3)	(1,439.8)	(1,129.6)	(1,217.6)	(1,190.1)
End of period	<u>\$ 20,451.4</u>	<u>\$ 20,316.4</u>	<u>\$ 20,467.6</u>	<u>\$ 20,811.3</u>	<u>\$ 21,051.1</u>
<b>Personal Lines</b>					
Beginning of period	\$ 2,958.5	\$ 3,027.5	\$ 3,106.0	\$ 3,258.9	\$ 3,217.8
Incurred*	800.7	858.0	907.7	768.0	778.5
Paid	(731.7)	(779.5)	(754.8)	(809.1)	(763.6)
End of period	<u>\$ 3,027.5</u>	<u>\$ 3,106.0</u>	<u>\$ 3,258.9</u>	<u>\$ 3,217.8</u>	<u>\$ 3,232.7</u>
<b>Total</b>					
Beginning of period	\$ 23,280.2	\$ 23,478.9	\$ 23,422.4	\$ 23,726.5	\$ 24,029.1
Incurred*	2,233.7	2,162.8	2,188.5	2,329.3	2,208.4
Paid	(2,035.0)	(2,219.3)	(1,884.4)	(2,026.7)	(1,953.7)
End of period	<u>\$ 23,478.9</u>	<u>\$ 23,422.4</u>	<u>\$ 23,726.5</u>	<u>\$ 24,029.1</u>	<u>\$ 24,283.8</u>

\* Includes prior year reserve development (benefit)/charge and accretion of discount:

<b>Commercial Lines</b>					
Prior year reserve development:					
Asbestos	\$ -	\$ -	\$ -	\$ -	\$ -
Environmental	-	-	-	59.8	-
All other	198.4	51.2	23.9	354.7	144.1
Accretion of discount	20.7	16.0	18.0	18.0	17.2
Total Commercial Lines	219.1	67.2	41.9	432.5	161.3
<b>Personal Lines (1)</b>					
	(35.0)	(37.5)	(38.1)	(101.4)	(100.9)
<b>Total</b>	<u>\$ 184.1</u>	<u>\$ 29.7</u>	<u>\$ 3.8</u>	<u>\$ 331.1</u>	<u>\$ 60.4</u>

(1) Includes a reduction in reserves of \$50.0 million in 4Q03 and YTD 4Q03 related to the terrorist attack on September 11, 2001.

See Glossary of Financial Measures on page 30.

(in millions)

All information included in this Financial Supplement presents the historical, standalone results of Travelers as Travelers is treated as the accounting acquirer. See the separately provided Financial Supplement for St. Paul which presents the historical, standalone results of St. Paul.

	1Q 2003	2Q 2003	3Q 2003	4Q 2003	1Q 2004
<b>Asbestos reserves</b>					
Beginning reserves:					
Direct	\$ 4,287.1	\$ 4,083.1	\$ 3,957.7	\$ 3,884.7	\$ 3,781.9
Ceded	(882.8)	(861.0)	(846.6)	(818.3)	(805.2)
Net	3,404.3	3,222.1	3,111.1	3,066.4	2,976.7
Incurred losses and loss expenses:					
Direct	-	-	-	-	-
Ceded	-	-	-	-	-
Accretion of discount:					
Direct	7.6	5.6	5.7	5.7	4.9
Ceded	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
Losses paid:					
Direct	211.6	131.0	78.7	108.5	99.5
Ceded	(21.9)	(14.5)	(28.4)	(13.2)	(6.3)
Ending reserves:					
Direct	4,083.1	3,957.7	3,884.7	3,781.9	3,687.3
Ceded	(861.0)	(846.6)	(818.3)	(805.2)	(799.0)
Net	\$ 3,222.1	\$ 3,111.1	\$ 3,066.4	\$ 2,976.7	\$ 2,888.3
<b>Environmental reserves</b>					
Beginning reserves:					
Direct	\$ 447.8	\$ 437.4	\$ 337.6	\$ 299.0	\$ 331.3
Ceded	(62.3)	(53.9)	(30.9)	(33.8)	(41.2)
Net	385.5	383.5	306.7	265.2	290.1
Incurred losses and loss expenses:					
Direct	-	-	-	59.8	-
Ceded	-	-	-	-	-
Losses paid:					
Direct	10.4	99.8	38.6	27.5	43.8
Ceded	(8.4)	(23.0)	2.9	7.4	(1.9)
Ending reserves:					
Direct	437.4	337.6	299.0	331.3	287.5
Ceded	(53.9)	(30.9)	(33.8)	(41.2)	(39.3)
Net	\$ 383.5	\$ 306.7	\$ 265.2	\$ 290.1	\$ 248.2

See Glossary of Financial Measures on page 30.

(in millions)

All information included in this Financial Supplement presents the historical, standalone results of Travelers as Travelers is treated as the accounting acquirer. See the separately provided Financial Supplement for St. Paul which presents the historical, standalone results of St. Paul.

	March 31, 2004	December 31, 2003
<b>Debt</b>		
<b>Convertible notes</b>		
4.5% Convertible Junior Subordinated Notes due April 15, 2032	\$ 892.5	\$ 892.5
Debt issuance costs	23.6	23.8
	868.9	868.7
6.00% Notes due 12/31/2032	49.8	49.8
	918.7	918.5
<b>Long-term debt</b>		
6.75% Notes due 11/15/2006	150.0	150.0
3.75% Notes due 3/15/2008	400.0	400.0
7.81% Notes various due dates 9/16/2004 - 9/16/2011	24.0	24.0
5.00% Notes due 3/15/2013	500.0	500.0
7.75% Notes due 4/15/2026	200.0	200.0
6.375% Notes due 3/15/2033	500.0	500.0
Total long-term debt	1,774.0	1,774.0
Debt issuance costs	17.6	18.0
	1,756.4	1,756.0
Total debt	\$ 2,675.1	\$ 2,674.5
<b>Minority interest</b>	\$ 106.2	\$ 104.6
<b>Common equity (1)</b>	\$ 11,450.7	\$ 10,926.4
<b>Total capital and debt (1)</b>	\$ 14,232.0	\$ 13,705.5
<b>Total debt to capital (1)</b>	18.8%	19.5%

(1) Excludes SFAS 115.

**The St. Paul Travelers Companies, Inc.**  
**Statutory to GAAP Shareholders' Equity Reconciliation**  
(in millions)

All information included in this Financial Supplement presents the historical, standalone results of Travelers as Travelers is treated as the accounting acquirer. See the separately provided Financial Supplement for St. Paul which presents the historical, standalone results of St. Paul.

March 31, 2004	December 31, 2003
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<b>Statutory capital and surplus</b>	\$ 8,788.0	\$ 8,444.2
<b>GAAP adjustments</b>		
Goodwill and intangible assets	2,573.4	2,607.0
Investments	1,958.3	1,644.7
Noninsurance companies	(1,886.3)	(2,049.2)
Deferred acquisition costs	985.0	962.5
Deferred federal income tax	(201.4)	(70.7)
Reinsurance recoverables	152.4	152.4
Furniture, equipment & software	148.1	147.4
Employee benefits	126.2	101.5
Agents balances	15.6	27.8
Other	14.5	19.1
Total GAAP adjustments	3,885.8	3,542.5
<b>GAAP shareholders' equity</b>	<u>\$ 12,673.8</u>	<u>\$ 11,986.7</u>

**The St. Paul Travelers Companies, Inc.**

**Statement of Cash Flows**

(in millions)

All information included in this Financial Supplement presents the historical, standalone results of Travelers as Travelers is treated as the accounting acquirer. See the separately provided Financial Supplement for St. Paul which presents the historical, standalone results of St. Paul.

	1Q 2003	2Q 2003	3Q 2003	4Q 2003	1Q 2004 (1)
<b>Cash flows from operating activities</b>					
Net Income	\$ 340.0	\$ 441.2	\$ 426.1	\$ 488.7	\$ 587.2
Adjustments to reconcile net income to net cash provided by operating activities					
Net realized investment (gains) losses	(6.5)	(16.1)	23.3	(38.7)	41.9
Depreciation and amortization	10.3	8.6	36.2	29.6	25.0
Deferred federal income taxes (benefit)	454.3	(13.5)	69.7	28.6	(17.1)

Amortization of deferred policy acquisition costs	462.7	483.4	512.3	525.3	525.7
Premium balances receivable	(87.2)	(146.7)	56.1	(50.3)	(11.5)
Reinsurance recoverables	23.8	(90.1)	137.6	(267.7)	239.2
Deferred acquisition costs	(480.4)	(515.7)	(546.6)	(532.9)	(548.5)
Claim and claim adjustment expense reserves	65.0	(150.1)	203.1	718.6	95.6
Unearned premium reserves	215.6	143.3	231.0	61.0	150.7
Trading account activities	(1.8)	(1.3)	(5.1)	(8.3)	1.5
Recoveries from former affiliate	360.7	–	–	–	–
Other	(463.8)	795.7	(89.4)	(6.2)	(309.2)
<b>Net cash provided by operating activities</b>	<b>892.7</b>	<b>938.7</b>	<b>1,054.3</b>	<b>947.7</b>	<b>780.5</b>

### Cash flows from investing activities

#### Proceeds from maturities of investments

Fixed maturities	915.3	1,139.1	1,430.0	977.3	864.7
Mortgage loans	3.6	10.1	33.8	11.3	4.0

#### Proceeds from sales of investments

Fixed maturities	2,076.8	2,053.7	3,043.4	1,168.6	2,157.6
Equity securities	70.2	78.4	59.5	46.0	68.0
Mortgage loans	–	–	–	–	29.4
Real estate held for sale	–	10.8	0.2	–	–

#### Purchase of investments

Fixed maturities	(3,609.8)	(3,589.3)	(5,038.3)	(3,317.8)	(3,676.0)
Equity securities	(2.9)	(36.7)	(15.9)	(5.1)	(27.9)
Mortgage loans	(4.9)	(2.8)	(4.0)	–	(1.5)
Short-term securities, (purchases) sales, net	(209.9)	(13.1)	2,816.9	316.3	223.5
Other investments, net	45.1	173.7	(155.5)	(3.5)	107.0
Securities transactions in course of settlement	(646.1)	276.6	(2,651.8)	75.7	(680.9)

<b>Net cash provided by (used in) investing activities</b>	<b>(1,362.6)</b>	<b>100.5</b>	<b>(481.7)</b>	<b>(731.2)</b>	<b>(932.1)</b>
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(1) Preliminary.

All information included in this Financial Supplement presents the historical, standalone results of Travelers as Travelers is treated as the accounting acquirer. See the separately provided Financial Supplement for St. Paul which presents the historical, standalone results of St. Paul.

	1Q 2003	2Q 2003	3Q 2003	4Q 2003	1Q 2004 (1)
<b>Cash flows from financing activities</b>					
Issuance of short-term debt	549.5	–	–	–	–
Payment of short-term debt	(75.0)	(24.0)	(451.0)	–	–
Issuance of long-term debt	1,381.9	–	–	–	–
Payment of long-term debt	(550.0)	–	(3.0)	–	–
Payment of note payables to former affiliates	(700.0)	–	–	–	–
Redemption of mandatorily redeemable preferred stock	–	(900.0)	–	–	–

Treasury stock acquired:					
Purchased	-	-	(40.0)	-	-
Net employee stock-based compensation	(2.3)	(3.8)	(6.6)	(4.9)	(8.9)
Issuance of common stock - employee stock					
options	8.2	9.3	9.7	13.2	28.7
Dividends to shareholders	(60.5)	(60.4)	(80.5)	(80.4)	(80.6)
Payment of dividend of preferred stock on					
subsidiary	(1.3)	(1.3)	(1.3)	(1.3)	-
Transfer of employee benefit obligations to					
former affiliates	(22.7)	-	-	-	-
<b>Net cash provided by (used in) financing activities</b>	<b>527.8</b>	<b>(980.2)</b>	<b>(572.7)</b>	<b>(73.4)</b>	<b>(60.8)</b>
Net increase (decrease) in cash	57.9	59.0	(0.1)	143.1	(212.4)
Cash at beginning of period	92.2	150.1	209.1	209.0	352.1
Cash at end of period	<u>\$ 150.1</u>	<u>\$ 209.1</u>	<u>\$ 209.0</u>	<u>\$ 352.1</u>	<u>\$ 139.7</u>

#### Supplemental disclosure of cash flow information

Income taxes (received) paid	\$ 36.8	\$ (525.0)	\$ 127.7	\$ 296.3	\$ 108.3
Interest paid	\$ 42.3	\$ 26.0	\$ 48.5	\$ 22.9	\$ 46.9

(1) Preliminary.

#### The St. Paul Travelers Companies, Inc. Glossary of Financial Measures

All information included in this Financial Supplement presents the historical, standalone results of Travelers as Travelers is treated as the accounting acquirer. See the separately provided Financial Supplement for St. Paul which presents the historical, standalone results of St. Paul.

The following measures are used by the Company's management to evaluate financial performance against historical results and establish targets on a consolidated basis. These measures are components of net income but, in some cases, are considered non-GAAP financial measures under applicable SEC rules because they are not displayed as separate line items in the consolidated statement of income, and in some cases, require inclusion or exclusion of certain items not ordinarily included or excluded in a GAAP financial measure. In the opinion of the Company's management, a discussion of these measures provides investors with a better understanding of the significant factors that comprise the Company's periodic results of operations.

**Operating income and operating income per share:** Net income excluding the after-tax impact of net realized investment gains (losses), income (or loss) from discontinued operations, and the cumulative effect of changes in accounting principles.

**Return on equity** is the ratio of net income to average equity. **Operating return on equity** is the ratio of operating income to average equity excluding net unrealized gains and losses on investment securities, net of tax.

In the opinion of the Company's management, operating income, operating income per share and operating return on equity are meaningful indicators of underwriting and operating results. In particular, net realized investment gains or losses are significantly impacted by both discretionary and other economic factors and are not necessarily indicative of operating trends. In addition, the Company's management uses operating income, operating income per share and operating return on equity internally to evaluate performance against historical results and established financial targets on a consolidated basis.

**Underwriting gain or loss:** The profit or loss experienced by a property casualty insurance company after deducting claims and claim adjustment expenses and insurance related expenses from net earned premiums and fee income. This profit or loss calculation includes reinsurance assumed and ceded but excludes net investment income.

Underwriting gain or loss measures the return on the Company' s in force property casualty contracts and reflects the contribution of underwriting activities to earnings. Underwriting gain or loss includes the effects of catastrophes and loss reserve development.

A **catastrophe** is a severe loss, resulting from natural and manmade events, including risks such as fire, earthquake, windstorm, explosion, terrorism and other similar events. Each catastrophe has unique characteristics. Catastrophes are not predictable as to timing or amount in advance, and therefore their effects are not included in earnings or claims and claim adjustment expense reserves prior to occurrence. In the opinion of the Company' s management, a discussion of the impact of catastrophes is meaningful for investors to understand the variability in periodic earnings.

**Loss reserve development** is the increase or decrease in incurred claims and claim adjustment expenses as a result of the re-estimation of claims and claim adjustment expense reserves at successive valuation dates for a given group of claims. Loss reserve development may be related to prior year or current year development. In the opinion of the Company' s management, a discussion of prior year loss reserve development is useful to investors as it allows them to assess the impact between prior year and current year development on current earnings and changes in claims and claim adjustment expense reserve levels from period to period.

The Company uses **consolidated underwriting gain or loss before catastrophes and prior year reserve development** to represent the contribution to earnings from current period underwriting (i.e., without development on business earned in prior periods) and the highly irregular effects of catastrophes. A reconciliation of these measures to net income is provided on page 4.



April 28, 2004

To the investment community:

On April 1, 2004, The St. Paul Companies, Inc. (St. Paul), completed its previously announced merger with Travelers Property Casualty Corp. (Travelers), forming The St. Paul Travelers Companies, Inc. (St. Paul Travelers). Each share of Travelers class A and class B common stock was exchanged for 0.4334 of a share of St. Paul Travelers common stock. For accounting purposes, this transaction will be accounted for as a reverse acquisition with Travelers treated as the accounting acquirer. Accordingly, the transaction will be accounted for as a purchase business combination, using Travelers historical financial information and applying fair value estimates to the acquired assets, liabilities, and commitments of St. Paul as of April 1, 2004.

All information included in this Financial Supplement presents the historical, standalone results of St. Paul. See the separately provided Financial Supplement for St. Paul Travelers, which presents the historical, standalone results of Travelers, the accounting acquirer.

Certain non-GAAP measures have been used and reconciled to GAAP throughout this supplement. To aid in this reconciliation, key terms and definitions are provided on page eighteen.

Sincerely,

/s/ Laura C. Gagnon

Laura C. Gagnon

Vice President – Finance and Investor Relations

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**The St. Paul Companies, Inc.**  
**Analyst Supplement - March 31, 2004**  
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**THE ST. PAUL COMPANIES**  
**Consolidated Statements of Income**  
(In millions except per share amounts)

	Three Months Ended March 31	
	2004	2003
<b>Revenues:</b>		
Premiums earned	\$ 1,785	\$ 1,729
Net investment income	278	281
Asset management	120	102
Realized investment gains (losses)	117	(39)
Other	22	40
	<u>2,322</u>	<u>2,113</u>
<b>Expenses:</b>		
Insurance losses and loss adjustment expenses	1,290	1,136
Policy acquisition expenses	378	407
Operating and administrative	345	319
	<u>2,013</u>	<u>1,862</u>
<b>Income before income taxes</b>	<b>309</b>	<b>251</b>
Income tax expense:		
Federal	102	65
Other	11	5
	<u>113</u>	<u>70</u>
<b>Income from continuing operations</b>	<b>196</b>	<b>181</b>
Discontinued operations, net of taxes	(8)	-

<b>Net income</b>	<b>\$</b>	<b>188</b>	<b>\$</b>	<b>181</b>
<b>Net income per diluted common share</b>	<b>\$</b>	<b>0.76</b>	<b>\$</b>	<b>0.75</b>
<b>Dividends declared on common stock*</b>	<b>\$</b>	<b>0.50</b>	<b>\$</b>	<b>0.29</b>

\* Includes special dividend of \$.21 per share declared in 2004.

All information included in this Financial Supplement presents the historical standalone results of St. Paul. See the separately provided Financial Supplement for St. Paul Travelers, which presents the historical, standalone results of Travelers, the accounting acquirer.

**THE ST. PAUL COMPANIES**  
**Consolidated Statements of Income**  
**Operating Earnings Format**  
(In millions except per share amounts)

	Three Months Ended March 31	
	2004	2003
<b>Revenues:</b>		
Premiums earned	\$ 1,785	\$ 1,729
Net investment income	278	281
Asset management	120	102
Other	22	40
<b>Total revenues</b>	<b>2,205</b>	<b>2,152</b>
<b>Expenses:</b>		
Insurance losses and loss adjustment expenses	1,290	1,136
Policy acquisition expenses	378	407
Operating and administrative	345	319
<b>Total expenses</b>	<b>2,013</b>	<b>1,862</b>
Operating earnings before income taxes	192	290
<b>Income tax expense:</b>		
Federal	57	78
Other	11	6
<b>Total income tax expense</b>	<b>68</b>	<b>84</b>
<b>Operating earnings</b>	<b>124</b>	<b>206</b>
Realized investment gains (losses), net of taxes	72	(25)
<b>Income from continuing operations</b>	<b>196</b>	<b>181</b>
Discontinued operations, net of taxes	(8)	-

<b>Net income</b>	<b>\$ 188</b>	<b>\$ 181</b>
<b>Earnings per diluted common share:</b>		
<b>Operating earnings</b>	<b>\$ 0.50</b>	<b>\$ 0.86</b>
Realized investment gains (losses), net of taxes	<u>0.29</u>	<u>(0.11)</u>
<b>Income from continuing operations</b>	<b>0.79</b>	<b>0.75</b>
Discontinued operations, net of taxes	<u>(0.03)</u>	<u>—</u>
<b>Net income</b>	<b><u>\$ 0.76</u></b>	<b><u>\$ 0.75</u></b>

All information included in this Financial Supplement presents the historical standalone results of St. Paul. See the separately provided Financial Supplement for St. Paul Travelers, which presents the historical, standalone results of Travelers, the accounting acquirer.

**THE ST. PAUL COMPANIES**  
**Operating Earnings Per Share Calculation**  
(In millions except per share amounts)

	Three Months Ended March 31	
	2004	2003
<b>OPERATING EARNINGS AVAILABLE TO COMMON SHAREHOLDERS:</b>		
<b>Basic:</b>		
Operating earnings, as reported	\$ 124.4	\$ 206.2
Preferred stock dividends, net of taxes	(1.9)	(1.9)
Premium on preferred shares redeemed	<u>(2.3)</u>	<u>(1.9)</u>
Operating earnings available to common shareholders	<u>\$ 120.2</u>	<u>\$ 202.4</u>
<b>Diluted:</b>		
Operating earnings available to common shareholders	\$ 120.2	\$ 202.4
Dilutive effect of affiliates	(0.8)	(1.0)
Effect of dilutive securities:		
Convertible preferred stock	1.6	1.6
Zero coupon convertible notes	<u>0.8</u>	<u>0.8</u>
Operating earnings available to common shareholders	<u>\$ 121.8</u>	<u>\$ 203.8</u>
<b>COMMON SHARES:</b>		
Common Shares Outstanding	<u>229.3</u>	<u>227.4</u>
<b>Basic:</b>		
Weighted average common shares outstanding	<u>229.1</u>	<u>227.1</u>
<b>Diluted:</b>		
Weighted average common shares outstanding	229.1	227.1
Effect of dilutive securities:		
Stock options and other incentive plans	2.5	0.8

Equity unit stock purchase contracts	4.6	1.4
Convertible preferred stock	5.4	5.8
Zero coupon convertible notes	2.4	2.4
Total	<u>244.0</u>	<u>237.5</u>

**OPERATING EARNINGS PER COMMON SHARE:**

Basic	\$	0.52	\$	0.89
Diluted	\$	0.50	\$	0.86

All information included in this Financial Supplement presents the historical standalone results of St. Paul. See the separately provided Financial Supplement for St. Paul Travelers, which presents the historical, standalone results of Travelers, the accounting acquirer.

**THE ST. PAUL COMPANIES**  
**Income by Segment**  
**Summarized Results**  
(In millions except per share amounts)

	For Three Months Ended				For the Year to Date Period Ended			
	March 31	June 30	Sept. 30	Dec. 31	March 31	June 30	Sept. 30	Dec. 31
<u>2004</u>								
<b>Pretax operating earnings (loss):</b>								
Property-Liability Insurance	\$ 206				\$ 206			
	\$ 0.84				\$ 0.84			
Asset Management	52				52			
	0.21				0.21			
Parent and Other*	(66)				(66)			
	<u>(0.27)</u>				<u>(0.27)</u>			
<b>Total pretax operating earnings</b>	192				192			
	0.78				0.78			
Income tax expense*	68				68			
	<u>0.28</u>				<u>0.28</u>			
<b>Operating earnings</b>	\$ <u>124</u>				\$ <u>124</u>			
<b>Diluted EPS</b>	\$ <u>0.50</u>				\$ <u>0.50</u>			
<u>2003</u>								

**Pretax operating earnings (loss):**

Property-Liability Insurance	\$ 304	\$ 253	\$ 342	\$ (69)	\$ 304	\$ 557	\$ 899	\$ 830
	\$ 1.28	\$ 1.06	\$ 1.43	\$ (0.30)	\$ 1.28	\$ 2.33	\$ 3.76	\$ 3.46
Asset Management	42	44	49	52	42	86	135	187
	0.18	0.18	0.20	0.22	0.18	0.36	0.56	0.78
Parent and Other*	(56)	(57)	(64)	(77)	(56)	(113)	(177)	(254)
	<u>(0.24)</u>	<u>(0.24)</u>	<u>(0.27)</u>	<u>(0.32)</u>	<u>(0.24)</u>	<u>(0.48)</u>	<u>(0.76)</u>	<u>(1.07)</u>
<b>Total pretax operating earnings (loss)</b>	290	240	327	(94)	290	530	857	763
	1.22	1.00	1.36	(0.40)	1.22	2.21	3.56	3.17
Income tax expense (benefit)*	84	68	94	(103)	84	152	246	143
	<u>0.36</u>	<u>0.29</u>	<u>0.40</u>	<u>(0.42)</u>	<u>0.36</u>	<u>0.65</u>	<u>1.04</u>	<u>0.62</u>
<b>Operating earnings</b>	<u>\$ 206</u>	<u>\$ 172</u>	<u>\$ 233</u>	<u>\$ 9</u>	<u>\$ 206</u>	<u>\$ 378</u>	<u>\$ 611</u>	<u>\$ 620</u>
<b>Diluted EPS</b>	\$ 0.86	\$ 0.71	\$ 0.96	\$ 0.02	\$ 0.86	\$ 1.56	\$ 2.52	\$ 2.55

\* The Earnings Per Share amounts for the "Parent and Other" segment and Income tax expense are distorted by the add-backs to income required under the "Earnings Per Share" calculation. See "Earnings Per Share" exhibit in this package.

All information included in this Financial Supplement presents the historical standalone results of St. Paul. See the separately provided Financial Supplement for St. Paul Travelers, which presents the historical, standalone results of Travelers, the accounting acquirer.

**THE ST. PAUL COMPANIES**  
**Consolidated Balance Sheets**  
**March 31, 2004 and December 31, 2003**  
**(In millions)**

	2004	2003
<b>ASSETS</b>		
Investments:		
Fixed income	\$ 17,053	\$ 16,456
Real estate & mortgage loans	873	838
Venture capital	496	535
Equities	102	171
Securities on loan	1,516	1,584
Other investments	994	887
Short-term investments	2,446	2,709
Total investments	<u>23,480</u>	<u>23,180</u>
Cash	184	150
Reinsurance recoverables:		
Unpaid losses	5,845	6,151

Paid losses	1,249	973
Ceded unearned premiums	626	651
Receivables:		
Underwriting premiums	2,414	2,442
Interest and dividends	247	248
Other	217	226
Deferred policy acquisition expenses	718	695
Deferred income taxes	1,183	1,285
Office properties and equipment	333	343
Goodwill:		
Nuveen Investments	821	799
Parent & insurance operations	129	127
Intangible assets:		
Nuveen Investments	57	59
Parent & insurance operations	81	80
Other assets	2,237	2,154
<b>Total assets</b>	<b>\$ 39,821</b>	<b>\$ 39,563</b>

	2004	2003
<b>LIABILITIES</b>		
Insurance reserves:		
Losses and loss adjustment expenses	\$ 19,499	\$ 19,426
Unearned premiums	4,249	4,204
Total insurance reserves	23,748	23,630
Debt:		
Conventional-Parent & insurance operations	2,008	2,077
Conventional-Nuveen	304	302
Total conventional debt	2,312	2,379
Debt related to trusts issuing mandatorily redeemable preferred securities	928	928
Equity unit related debt	443	443
Payables:		
Reinsurance premiums	697	769
Accrued expenses and other	1,080	859
Income taxes	189	176
Securities lending collateral	1,559	1,616
Other liabilities	2,426	2,538
<b>Total liabilities</b>	<b>33,382</b>	<b>33,338</b>

### SHAREHOLDERS' EQUITY

Preferred:		
Convertible preferred stock	96	98
Guaranteed obligation - PSOP	(14)	(23)
<b>Total preferred shareholders' equity</b>	<b>82</b>	<b>75</b>

### Common:

Common stock	2,691	2,655
Retained earnings	2,947	2,874
Accumulated other comprehensive income:		
Unrealized appreciation of investments:		
Fixed income	667	592

Equities, venture capital and other	29	27
Unrealized gain on foreign currency translation	29	11
Unrealized depreciation on derivatives	(2)	(5)
Minimum pension liability adjustment	(4)	(4)
Total accumulated other comprehensive income	<u>719</u>	<u>621</u>
<b>Total common shareholders' equity</b>	<u>6,357</u>	<u>6,150</u>
<b>Total shareholders' equity</b>	<u>6,439</u>	<u>6,225</u>
<b>Total liabilities and shareholders' equity</b>	<u>\$ 39,821</u>	<u>\$ 39,563</u>

Additional Information:

Nuveen Investments' carrying value	\$ 661	\$ 632
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All information included in this Financial Supplement presents the historical standalone results of St. Paul. See the separately provided Financial Supplement for St. Paul Travelers, which presents the historical, standalone results of Travelers, the accounting acquirer.

**THE ST. PAUL COMPANIES**  
**Consolidated Debt**  
**March 31, 2004 and December 31, 2003**  
**(In millions)**

	<u>2004</u>	<u>2003</u>
5-3/4% senior notes	\$ 499	\$ 499
Medium-term notes	452	455
7-7/8% senior notes	250	250
8-1/8% senior notes	249	249
Nuveen debt	304	302
Commercial paper	302	322
Zero coupon convertible notes	113	112
7-1/8% senior notes	80	80
Fair value of interest rate swap agreements	63	46
Variable rate borrowings	<u>–</u>	<u>64</u>
<b>Subtotal - conventional debt obligations</b>	<b>2,312</b>	<b>2,379</b>
5-1/4% senior notes - equity unit related	443	443

Debt related to trusts issuing mandatorily redeemable preferred securities	928	928
<b>Total debt</b>	<b>\$ 3,683</b>	<b>\$ 3,750</b>
<b>Ratio of conventional debt obligations to total capitalization</b>	<b>22.9%</b>	23.9%
<b>Impact of non-conventional debt</b>	<b>13.5%</b>	13.7%
<b>Ratio of total debt obligations to total capitalization</b>	<b>36.4%</b>	<b>37.6%</b>

All information included in this Financial Supplement presents the historical standalone results of St. Paul. See the separately provided Financial Supplement for St. Paul Travelers, which presents the historical, standalone results of Travelers, the accounting acquirer.

**PROPERTY-LIABILITY INSURANCE OPERATIONS**  
**Operations by Segment**  
**Three Months Ended March 31, 2004 and 2003**  
**(Dollars in millions)**

	Percentage of		Net Premiums				Loss and Loss		Underwriting		Statutory		GAAP		Underwriting	
	Total		Written/		Premiums Earned/		Adjustment Expenses/		Expenses/		Combined		Adjustment*		Results	
	Net Premiums	Written	Percentage	Percentage	Percentage	Percentage	Loss Ratio	Loss Ratio	Expense Ratio	Expense Ratio	Ratio	Ratio	2004	2003	2004	2003
	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
<b>Ongoing Operations</b>																
Specialty Commercial	64.0%	64.7%	\$ 1,158	\$ 1,279	\$ 1,142	\$ 1,064	\$ 816	\$ 636	\$ 339	\$ 400			\$ 9	\$ 91	\$ (4)	\$ 119
			(9.5)%		7.3%		71.4	59.8	29.3	31.3	100.7	91.1				
Commercial Lines	34.9	29.7	631	588	620	505	387	317	190	166			-	15	43	37
			7.3		22.8		62.5	62.8	30.2	28.3	92.7	91.1				
<b>Total Ongoing Operations</b>	<b>98.9</b>	<b>94.4</b>	<b>1,789</b>	<b>1,867</b>	<b>1,762</b>	<b>1,569</b>	<b>1,203</b>	<b>953</b>	<b>529</b>	<b>566</b>			<b>9</b>	<b>106</b>	<b>39</b>	<b>156</b>
			(4.2)		12.3		68.3	60.7	29.6	30.3	97.9	91.0				
Other	1.1	5.6	19	110	23	160	76	179	16	61			(8)	(19)	(77)	(99)
<b>Total Underwriting</b>	<b>100.0%</b>	<b>100.0%</b>	<b>\$ 1,808</b>	<b>\$ 1,977</b>	<b>\$ 1,785</b>	<b>\$ 1,729</b>	<b>\$ 1,279</b>	<b>\$ 1,132</b>	<b>\$ 545</b>	<b>\$ 627</b>			<b>\$ 1</b>	<b>\$ 87</b>	<b>\$ (38)</b>	<b>\$ 57</b>
			(8.5)%		3.2%		71.7	65.5	30.2	31.7	101.9	97.2				

\* Includes change in deferred acquisition costs and other GAAP adjustments.

All information included in this Financial Supplement presents the historical standalone results of St. Paul. See the separately provided Financial Supplement for St. Paul Travelers, which presents the historical, standalone results of Travelers, the accounting acquirer.

**PROPERTY-LIABILITY INSURANCE OPERATIONS**

**Summary of Key Financial Data**

**2004**

**(In millions)**

	For Three Months Ended				For the Year to Date Period Ended			
	March 31	June 30	Sept. 30	Dec. 31	March 31	June 30	Sept. 30	Dec. 31
Net premiums written	\$ 1,808				\$ 1,808			
<i>Percentage change from prior year</i>	<i>-8.5%</i>				<i>-8.5%</i>			
Change in unearned premiums	23				23			
Earned premiums	1,785				1,785			
Losses and loss adjustment expenses	1,279				1,279			
Underwriting expenses	545				545			
Statutory underwriting result	(39)				(39)			
Change in deferred acquisition costs	9				9			
Other GAAP adjustments <sup>^</sup>	(8)				(8)			
Underwriting result	(38)				(38)			
Net investment income	277				277			
Other, net	(33)				(33)			
Operating earnings before income taxes	206				206			
Income tax expense	70				70			
Operating earnings	\$ 136				\$ 136			
Net investment income (after tax)	\$ 198				\$ 198			
Policyholders' dividends	\$ 2				\$ 2			
Net losses and loss adjustment expenses paid - Ongoing*	\$ 672				\$ 672			
Net losses and loss adjustment expenses paid - Other*	305				305			
Net losses and loss adjustment expenses paid - Total*	\$ 977				\$ 977			
Net loss and loss adjustment expense reserves - Ongoing					\$ 8,199			
Net loss and loss adjustment expense reserves - Other					5,455			
Net loss and loss adjustment expense reserves - Total					\$ 13,654			
Catastrophe losses reversed	\$ (6)				\$ (6)			
Impact on loss ratio	(0.3)				(0.3)			

**STATUTORY**

Combined ratio:

Loss and loss expense	71.7	71.7
Underwriting expense	30.2	30.2
	101.9	101.9
Including policyholders' dividends	102.0	102.0
Statutory surplus		\$ 5,989
Ratio of net premiums written to statutory surplus		1.23
Ratio of net loss and loss adjustment expense reserves to statutory surplus		2.28

^ Includes retroactive reinsurance amounts and other GAAP adjustments.

\* Reported net of ceded reinsurance recoverables on paid losses.

All information included in this Financial Supplement presents the historical standalone results of St. Paul. See the separately provided Financial Supplement for St. Paul Travelers, which presents the historical, standalone results of Travelers, the accounting acquirer.

**PROPERTY-LIABILITY INSURANCE OPERATIONS**  
**Summary of Key Financial Data**  
**2003**  
(In millions)

	For Three Months Ended				For the Year to Date Period Ended			
	March 31	June 30	Sept. 30	Dec. 31	March 31	June 30	Sept. 30	Dec. 31
Net premiums written	\$ 1,977	\$ 1,794	\$ 1,948	\$ 1,821	\$ 1,977	\$ 3,771	\$ 5,719	\$ 7,540
Percentage change from prior year	-6.6%	-2.7%	6.9%	34.5%	-6.6%	-4.8%	-1.1%	5.6%
Change in unearned premiums	248	94	140	19	248	342	482	501
Earned premiums	1,729	1,700	1,808	1,802	1,729	3,429	5,237	7,039
Losses and loss adjustment expenses	1,132	1,179	1,199	1,654	1,132	2,311	3,510	5,164
Underwriting expenses	627	511	539	521	627	1,138	1,677	2,198
Statutory underwriting result	(30)	10	70	(373)	(30)	(20)	50	(323)
Change in deferred acquisition costs	93	(4)	21	(7)	93	89	110	103
Other GAAP adjustments <sup>^</sup>	(6)	(7)	(19)	13	(6)	(13)	(32)	(19)
Underwriting result	57	(1)	72	(367)	57	56	128	(239)
Net investment income	280	274	279	282	280	554	833	1,115
Other, net	(33)	(20)	(9)	16	(33)	(53)	(62)	(46)
Operating earnings (loss) before income taxes	304	253	342	(69)	304	557	899	830
Income tax expense (benefit)	88	72	97	(58)	88	160	257	199

Operating earnings (loss)	\$ 216	\$ 181	\$ 245	\$ (11)	\$ 216	\$ 397	\$ 642	\$ 631
Net investment income (after tax)	\$ 201	\$ 195	\$ 200	\$ 203	\$ 201	\$ 396	\$ 596	\$ 799
Policyholders' dividends	\$ 3	\$ 4	\$ 3	\$ (2)	\$ 3	\$ 7	\$ 10	\$ 8
Net losses and loss adjustment expenses paid - Ongoing*	\$ 813	\$ 831	\$ 854	\$ 820	\$ 813	\$ 1,644	\$ 2,498	\$ 3,318
Net losses and loss adjustment expenses paid - Other*	1,283	519	577	424	1,283	1,802	2,379	2,803
Net losses and loss adjustment expenses paid - Total*	\$ 2,096	\$ 1,350	\$ 1,431	\$ 1,244	\$ 2,096	\$ 3,446	\$ 4,877	\$ 6,121
Net loss and loss adjustment expense reserves - Ongoing					\$ 7,059	\$ 7,384	\$ 7,635	\$ 7,655
Net loss and loss adjustment expense reserves - Other					6,875	6,446	6,054	5,620
Net loss and loss adjustment expense reserves - Total					\$ 13,934	\$ 13,830	\$ 13,689	\$ 13,275
Catastrophe losses incurred (reversed)	\$ (2)	\$ (21)	\$ -	\$ (29)	\$ (2)	\$ (23)	\$ (23)	\$ (52)
Impact on loss ratio	(0.1)	(1.2)	0.0	(1.6)	(0.1)	(0.7)	(0.4)	(0.7)

## **STATUTORY**

### Combined ratio:

Loss and loss expense	65.5	69.4	66.3	91.8	65.5	67.4	67.0	73.4
Underwriting expense	31.7	28.4	27.7	28.6	31.7	30.2	29.3	29.1
	97.2	97.8	94.0	120.4	97.2	97.6	96.3	102.5
Including policyholders' dividends	97.3	98.0	94.2	120.3	97.3	97.8	96.5	102.6
Statutory surplus					\$ 4,969	\$ 5,207	\$ 5,228	\$ 5,729
Ratio of net premiums written to statutory surplus					1.41	1.33	1.35	1.32
Ratio of net loss and loss adjustment expense reserves to statutory surplus					2.80	2.66	2.62	2.32

^ Includes retroactive reinsurance amounts and other GAAP adjustments.

\* Reported net of ceded reinsurance recoverables on paid losses.

All information included in this Financial Supplement presents the historical standalone results of St. Paul. See the separately provided Financial Supplement for St. Paul Travelers, which presents the historical, standalone results of Travelers, the accounting acquirer.

**PROPERTY & LIABILITY INSURANCE OPERATIONS**

Cash Flow Information

(In millions)

	For Three Months Ended				For the Year to Date Period Ended			
	March 31	June 30	Sept. 30	Dec. 31	March 31	June 30	Sept. 30	Dec. 31
<b>2004</b>								
Total insurance underwriting cash flow	\$ (381)				\$ (495)			
Insurance investment receipts	285				285			
Non-underwriting, insurance operating cash flow	(57)				57			
Total insurance operating cash flow	(153)				(153)			
Asset management cash flow	29				29			
Parent & other cash flow	(33)				(33)			
Net cash used by operating activities	\$ (157)				\$ (157)			

	For Three Months Ended				For the Year to Date Period Ended			
	March 31	June 30	Sept. 30	Dec. 31	March 31	June 30	Sept. 30	Dec. 31
<b>2003</b>								
Total insurance underwriting cash flow	\$ (1,158)	\$ (160)	\$ 261	\$ 109	\$ (1,158)	\$ (1,318)	\$ (1,057)	\$ (948)
Insurance investment receipts	282	283	267	297	282	565	832	1,129
Non-underwriting, insurance operating cash flow	11	(13)	(16)	(73)	11	(2)	(18)	(91)
Total insurance operating cash flow	(865)	110	512	333	(865)	(755)	(243)	90
Asset management cash flow	39	26	78	65	39	65	143	208
Parent & other cash flow	(79)	(64)	(47)	25	(79)	(143)	(190)	(165)
Net cash provided (used) by operating activities	\$ (905)	\$ 72	\$ 543	\$ 423	\$ (905)	\$ (833)	\$ (290)	\$ 133

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**PROPERTY-LIABILITY INSURANCE OPERATIONS**

Portfolio Assets

March 31, 2004 and December 31, 2003

(In millions)

	2004			2003		
	Cost	%	Market	Cost	%	Market
Fixed income:						

Taxable	\$ 11,733	53.0%	\$ 12,380	\$ 11,940	54.5%	\$ 12,492
Tax-exempt	4,356	19.7	4,654	3,645	16.7	3,955
Total fixed income *	16,089	72.7	17,034	15,585	71.2	16,447
Venture capital	488	2.2	496	511	2.3	535
Equities	41	0.2	51	105	0.5	122
Real estate	810	3.7		775	3.5	
Mortgage loans	63	0.3		63	0.3	
Securities on loan	1,516	6.9		1,584	7.2	
Other investments	809	3.6		760	3.5	
Short-term investments	2,311	10.4		2,513	11.5	
<b>Total portfolio assets</b>	<b>\$ 22,127</b>	<b>100.0%</b>		<b>\$ 21,896</b>	<b>100.0%</b>	

\* Year-to-date new money rates through March 31, 2004 were 4.1% for taxables and 3.8% for tax-exempts. The long-term fixed maturities portfolio has an average maturity of 6.7 years and an average yield of 5.5%.

All information included in this Financial Supplement presents the historical standalone results of St. Paul. See the separately provided Financial Supplement for St. Paul Travelers, which presents the historical, standalone results of Travelers, the accounting acquirer.

## PROPERTY-LIABILITY INSURANCE OPERATIONS

### Fixed Income Investments

March 31, 2004

(In millions)

	2004	
	Market Value	%
U.S. Treasuries	\$ 1,331	7%
U.S. Agencies	233	1%
MBS - Agencies	1,745	10%
MBS - CMO' s	1,290	7%
ABS	669	4%
Investment Grade Credits - U.S. Pay	4,983	27%
Investment Grade Credits - Foreign Pay	3,061	17%
Other taxable	538	3%
Tax exempts	4,616	25%

Total fixed income*	<u>\$ 18,466</u>	<u>100%</u>
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\*Includes market value of securities on loan.

	<u>2004</u>	
	<u>Market</u>	
	<u>Value</u>	<u>%</u>
<b>Rating of Fixed Income Investments:</b>		
AAA	\$ 2,830	33%
AA	1,457	17%
A	2,659	31%
BBB	1,372	16%
Non investment grade	172	2%
Not rated	<u>86</u>	<u>1%</u>
Credit Sensitive Securities	<u>\$ 8,576</u>	<u>100%</u>

The estimated duration of fixed income investments for property-liability insurance operations as of March 31, 2004 is 3.9 years. This estimate includes both short and long term assets, and also incorporates securities on loan as well as any short term investments acquired with collateral received as part of our securities lending program.

*All information included in this Financial Supplement presents the historical standalone results of St. Paul. See the separately provided Financial Supplement for St. Paul Travelers, which presents the historical, standalone results of Travelers, the accounting acquirer.*

**ASSET MANAGEMENT**  
**Summary of Key Financial Data**  
**2004**  
**(In millions)**

<u>Statement of Income</u>	<u>For Three Months Ended</u>				<u>At and for the Year to Date Period Ended</u>			
	<u>March 31</u>	<u>June 30</u>	<u>Sept. 30</u>	<u>Dec. 31</u>	<u>March 31</u>	<u>June 30</u>	<u>Sept. 30</u>	<u>Dec. 31</u>
<b>Revenues:</b>								
Investment advisory fees from assets under management	\$ 112				\$ 112			
Underwriting and distribution of investment products	2				2			
Interest	1				1			
Other	<u>5</u>				<u>5</u>			
Total revenues	120				120			
<b>Expenses:</b>								
Employee compensation and benefits	33				33			
Other	<u>22</u>				<u>22</u>			

Total expenses	55	55
<b>Income before minority interest</b>	65	65
Minority interest	(13)	(13)
<b>Operating earnings before income taxes</b>	52	52
Income tax expense	20	20
<b>Operating earnings</b>	<u>\$ 32</u>	<u>\$ 32</u>
<b>Other Information</b>		
Assets under management		<u>\$ 100,923</u>
Net investment flows	\$ 3,797	\$ 3,797

All information included in this Financial Supplement presents the historical standalone results of St. Paul. See the separately provided Financial Supplement for St. Paul Travelers, which presents the historical, standalone results of Travelers, the accounting acquirer.

**ASSET MANAGEMENT**  
**Summary of Key Financial Data**  
**2003**  
(In millions)

Statement of Income	For Three Months Ended				At and for Year to Date Period Ended			
	March 31	June 30	Sept. 30	Dec. 31	March 31	June 30	Sept. 30	Dec. 31
<b>Revenues:</b>								
Investment advisory fees from assets under management	\$ 95	\$ 99	\$ 104	\$ 107	\$ 95	\$ 194	\$ 298	\$ 405
Underwriting and distribution of investment products	2	3	2	2	2	5	7	9
Interest	0	1	0	-	0	1	1	1
Other	5	3	15	15	5	8	23	38
<b>Total revenues</b>	<b>102</b>	<b>106</b>	<b>121</b>	<b>124</b>	<b>102</b>	<b>208</b>	<b>329</b>	<b>453</b>
<b>Expenses:</b>								
Employee compensation and benefits	29	29	37	35	29	58	95	130
Other	20	21	23	23	20	41	64	87
<b>Total expenses</b>	<b>49</b>	<b>50</b>	<b>60</b>	<b>58</b>	<b>49</b>	<b>99</b>	<b>159</b>	<b>217</b>

<b>Income before minority interest</b>	53	56	61	66	53	109	170	236
Minority interest	(11)	(12)	(12)	(14)	(11)	(23)	(35)	(49)
<b>Operating earnings before income taxes</b>	42	44	49	52	42	86	135	187
Income tax expense	16	17	20	20	16	33	53	73
<b>Operating earnings</b>	<u>\$ 26</u>	<u>\$ 27</u>	<u>\$ 29</u>	<u>\$ 32</u>	<u>\$ 26</u>	<u>\$ 53</u>	<u>\$ 82</u>	<u>\$ 114</u>
<b>Other Information</b>								
Assets under management					<u>\$ 81,360</u>	<u>\$ 88,258</u>	<u>\$ 90,059</u>	<u>\$ 95,356</u>
Net investment flows	\$ 2,105	\$ 3,088	\$ 2,085	\$ 2,160	\$ 2,105	\$ 5,193	\$ 7,278	\$ 9,438

All information included in this Financial Supplement presents the historical standalone results of St. Paul. See the separately provided Financial Supplement for St. Paul Travelers, which presents the historical, standalone results of Travelers, the accounting acquirer.

### Comment on Non-GAAP Financial Measures

This financial supplement includes certain statutory reporting information, as well as certain non-GAAP financial measures. The reconciliations of non-GAAP financial measures to the most comparable GAAP figures are included in accordance with the requirements of Regulation G under the Securities and Exchange Act of 1934. Non-GAAP financial measures are often not comparable among issuers, and are not a substitute for GAAP information.

U.S. property-liability insurance operations comprise the majority of our operations. These operations are required under applicable state insurance legislation and regulations to publicly report information on the basis of Statutory Accounting Principles (“SAP”), including net written premiums, statutory loss and loss adjustment expense ratio, and statutory underwriting expense ratio information. This financial supplement provides selected SAP information for all of our property-liability underwriting operations, as well as certain GAAP information for such operations. The types of SAP information included herein are common measures of the performance of a property-liability insurer, and we believe the inclusion of such information will aid investors in comparing our results with those of our peers in the industry. In addition, management uses this SAP information to monitor financial performance.

Throughout this financial supplement, the company presents its operations in the way it believes will be most meaningful and useful, as well as most transparent, to the investing public and others who use this financial information in evaluating our performance. In addition to the GAAP presentations of net income, the company shows operating earnings, which is defined in this financial supplement.

Although the investment of premiums to generate investment income and realized capital gains or losses is an integral part of the company’s insurance operations, the determination to realize capital gains or losses is independent of the insurance underwriting process. Moreover, under applicable GAAP accounting requirements, losses can be created as the result of other than temporary declines in value without actual realization. In sum, realized capital gains or losses for any particular period are not indicative of the performance of our underlying business operations.

Providing only a GAAP presentation of net income and operating income makes it more difficult for users of our financial information to evaluate the company’s success or failure in our basic business, and may lead to incorrect or misleading assumptions and conclusions. We

understand that the equity analysts who follow the company focus on operating earnings in their analyses for the reasons discussed in the preceding paragraph.

All financial results herein are unaudited as of the date of this release.

### Key Terms and Definitions

Statutory Expense Ratio:	The company uses the statutory definition of expenses in calculating expense ratios disclosed. Expenses are divided by net written premiums to arrive at the expense ratio. “Statutory” expenses differ from “GAAP” expenses primarily with regard to policy acquisition costs, which are not deferred and amortized for statutory purposes, but rather recognized as incurred. In addition, the GAAP expense ratio uses net earned premiums rather than net written premiums as the denominator.
Statutory Loss Ratio:	The company uses the statutory definition of loss ratio. This ratio is calculated by dividing losses and loss adjustment expenses incurred by net earned premiums. Net earned premiums, and losses and loss adjustment expenses, are both GAAP and statutory measures.
Statutory Combined Ratio:	The sum of the statutory expense ratio and the statutory loss ratio.
Net Written and Net Earned Premiums:	Net written premiums are a statutory measure of premium volume that differs from the net earned premiums reported in our GAAP statement of operations. Written premiums for a period can be reconciled to earned premiums by adding or subtracting the change in unearned premium reserves in the period.
Operating Earnings:	The company uses operating earnings to evaluate The St. Paul’ s performance. “Operating earnings” shows net income excluding certain items that are volatile and that we believe may distort the analysis of trends in our business. Operating earnings consist of net income excluding after-tax realized gains and losses, after-tax income (or loss) from discontinued operations, and the after-tax cumulative effect of accounting changes, each of which may be highly variable from period to period. Although the investment of premiums to generate investment income and realized capital gains (or losses) is an integral part of the company’ s insurance operations, the determination to realize capital gains or losses is independent of the insurance underwriting process. Moreover, under applicable GAAP accounting requirements, losses can result from other than temporary declines in value without actual realization. We believe that the level of realized gains or losses for any particular period is not indicative of the performance of our ongoing underlying business operations in a particular period. Results of discontinued operations are not relevant to an assessment of our continuing operations, and changes in accounting principles are not related to our underlying operations. Providing only a GAAP presentation of net income makes it more difficult for users of our financial information to evaluate the company’ s success or failure in our basic business and may lead to incorrect or misleading assumptions and conclusions. We understand that the equity analysts who follow the company focus on operating earnings in their analyses for the reasons discussed above. The excluded items may be material in a period. The company provides Operating Earnings to investors so that they have what management believes to be a useful supplement to GAAP information concerning the company’ s performance.
Underwriting Results by Segment:	Our reported underwriting results are our best measure of profitability for our property-liability underwriting segments and accordingly are disclosed in the footnotes to our financial statements required by SFAS No. 131 <i>Disclosures about Segments of an Enterprise and Related Information</i> . Underwriting results are calculated by subtracting incurred losses and loss adjustment expenses and

underwriting expenses (as adjusted for items such as the impact of deferred policy acquisition costs) from net earned premiums. We do not allocate net investment income to our respective underwriting segments.