TRAVELERS

THIRD QUARTER 2022 RESULTS

October 19, 2022

LONG-TERM FINANCIAL STRATEGY

Meaningful and sustainable competitive advantages

Generation of top-tier earnings and capital substantially in excess of growth needs

Balanced approach to rightsizing capital and growing book value per share over time

CREATE SHAREHOLDER VALUE

Objective: **Mid-Teens Core ROE *Over Time***

THIRD QUARTER 2022 OVERVIEW

Travelers Reports Third Quarter 2022 Net Income of $454 million and Core Income of $526 million, Strong Results in Light of Hurricane Ian

Strong Year-to-Date 2022 Return on Equity of 11.1% and Core Return on Equity of 10.9%

Third Quarter 2022 Net Income per Diluted Share of $1.89 and Return on Equity of 8.5%

Third Quarter 2022 Core Income per Diluted Share of $2.20 and Core Return on Equity of 7.9%

- Consolidated combined ratio of 98.2% and underlying combined ratio of 92.5%.
- Catastrophe losses of $512 million pre-tax compared to $501 million pre-tax in the prior year quarter.
- Record net written premiums of $9.198 billion, up 10% compared to the prior year quarter.
- Net written premium growth in all three segments compared to the prior year quarter; Business Insurance up 9%, Bond & Specialty Insurance up 8% and Personal Insurance up 13%.
- Total capital returned to shareholders of $722 million, including $501 million of share repurchases.
- Book value per share of $84.94, down 27% from September 30, 2021, driven by higher interest rates; adjusted book value per share of $111.90, up 7% from September 30, 2021.
- Board of Directors declares regular cash dividend of $0.93 per share.

CONSOLIDATED PERFORMANCE

($ in millions, except per share amounts, after-tax, except for premiums)

	THIRD QUARTER			YEAR-TO-DATE		
	2022	2021	Change	2022	2021	Change
Core income	**$ 526**	**$ 655**	**(20) %**	**$ 2,188**	**$ 2,233**	**(2) %**
per diluted share	*$ 2.20*	*$ 2.60*	*(15) %*	*$ 9.02*	*$ 8.78*	*3 %*
Included the following items:						
Net favorable (unfavorable) prior year reserve development	$ 16	$ (44)		$ 367	$ 349	
Catastrophes, net of reinsurance	(404)	(395)		(1,118)	(1,430)	
Total items	**$ (388)**	**$ (439)**		**$ (751)**	**$ (1,081)**	
Loss and loss adjustment expense ratio	70.1 %	69.2 %		67.3 %	67.2 %	
Underwriting expense ratio	28.1	29.4		28.7	29.6	
Combined ratio [1]	**98.2 %**	**98.6 %**	**0.4 pts**	**96.0 %**	**96.8 %**	**0.8 pts**
Net favorable (unfavorable) prior year reserve development	0.2	(0.8)		1.9	1.9	
Catastrophes, net of reinsurance	(5.9)	(6.4)		(5.7)	(7.9)	
Underlying combined ratio	**92.5 %**	**91.4 %**	**(1.1) pts**	**92.2 %**	**90.8 %**	**(1.4) pts**
Net written premiums	**$ 9,198**	**$ 8,324**	**10 %**	**$ 26,585**	**$ 23,964**	**11 %**

[1] A favorable impact to the combined ratio is indicated as a positive item, and an unfavorable impact is indicated as a negative item.

VERY STRONG FINANCIAL POSITION

($ and shares in millions, except per share amounts)

	September 30, 2022	December 31, 2021
Debt	$ 7,291	$ 7,290
Common equity [1]	26,223	26,472
Total capital [1]	$ 33,514	$ 33,762
Debt-to-capital [1]	21.8%	21.6%
Common shares outstanding	234.3	241.2
Book value per common share	$ 84.94	$ 119.77
Adjusted book value per common share [1]	$ 111.90	$ 109.76
Tangible book value per common share [1, 2]	$ 94.17	$ 92.15
Statutory capital and surplus	$ 23,375	$ 23,906
Holding company liquidity	$ 1,449	$ 1,525

Capital

- Continued strong capitalization to support the Company's business operations.
- Repurchased 3.1 million shares during third quarter 2022 for a total of $501 million.
- Dividends in the third quarter were $221 million.

Leverage

- Debt-to-capital ratio[1] of 21.8% comfortably within target range of 15% - 25%.
- Next maturing long-term debt of $200 million in April 2026.

Very high-quality investment portfolio

- Fixed maturities average weighted quality Aa2, AA.
- Fixed maturities at or above investment grade 98.7%.

Strong independent ratings

	AM Best	Moody's	S&P	Fitch
Claims Paying - Travelers Reinsurance Pool	A++ (1st of 16)	Aa2 (3rd of 21)	AA (3rd of 21)	AA (3rd of 21)
Senior Debt	a+ (5th of 22)	A2 (6th of 21)	A (6th of 22)	A (6th of 22)
Commercial Paper	AMB-1+ (1st of 5)	P-1 (1st of 4)	A-1 (2nd of 10)	F1 (2nd of 8)

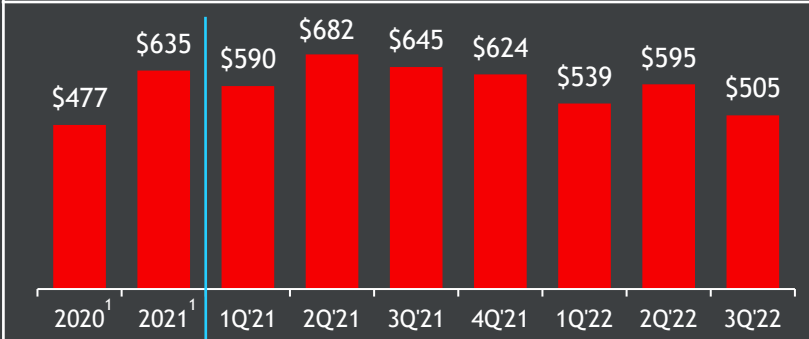
[1] Excludes net unrealized investment gains (losses), net of tax, included in shareholders' equity.

[2] Excludes the after-tax value of goodwill and other intangible assets.

NET INVESTMENT INCOME

($ in millions, after-tax)

TOTAL

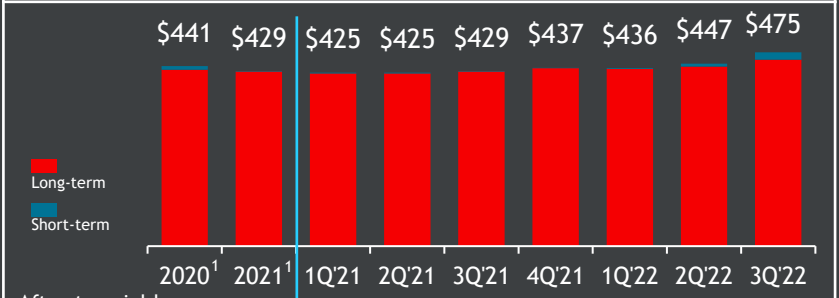


After-tax yield	2020[1]	2021[1]	1Q'21	2Q'21	3Q'21	4Q'21	1Q'22	2Q'22	3Q'22
	2.4%	3.0%	2.9%	3.3%	3.0%	2.9%	2.5%	2.7%	2.3%

Third Quarter 2022 vs. Prior Year Quarter Commentary

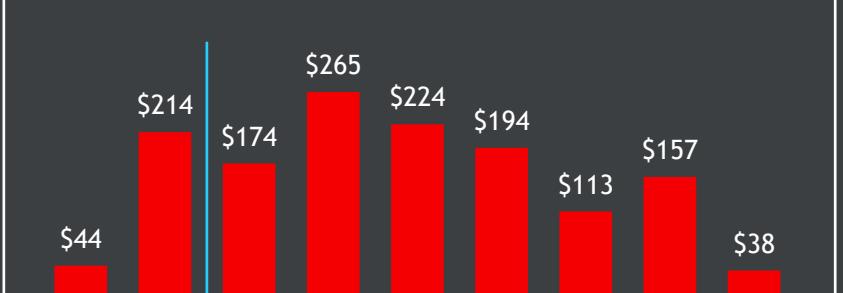
- Net investment income (NII) from the fixed income portfolio increased due to the growth in average invested assets and a higher average yield
- NII from the non-fixed income portfolio decreased from a very strong result in the prior year quarter, primarily due to lower private equity partnership returns (non-fixed income returns are generally reported on a one-quarter lagged basis)

FIXED INCOME[2]



After-tax yield	2020[1]	2021[1]	1Q'21	2Q'21	3Q'21	4Q'21	1Q'22	2Q'22	3Q'22
Total	2.4%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.3%
Short-term	0.6%	0.1%	0.1%	0.1%	0.1%	0.1%	0.2%	0.9%	2.1%
Long-term	2.6%	2.3%	2.4%	2.4%	2.3%	2.3%	2.3%	2.3%	2.4%

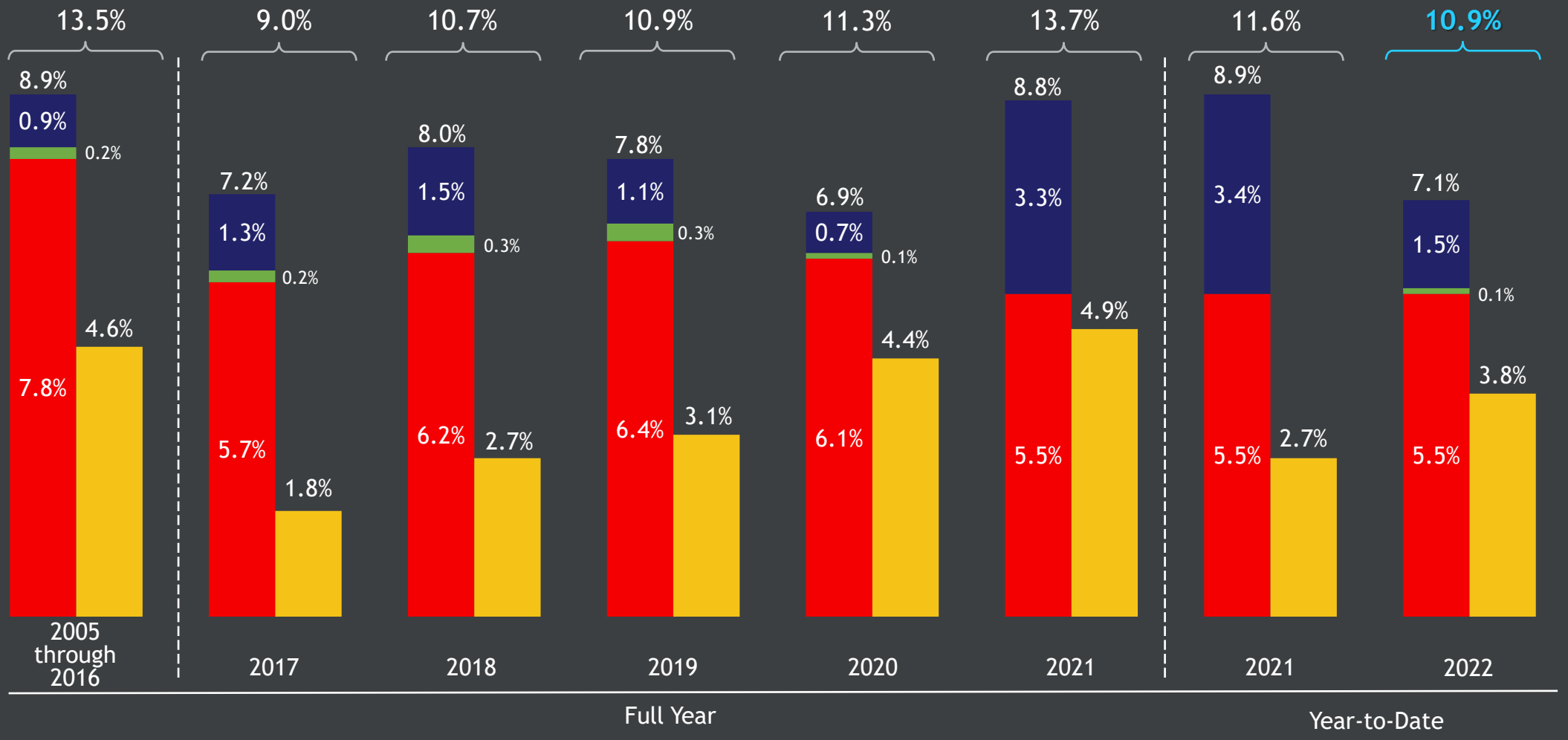
NON-FIXED INCOME[2]



After-tax yield	2020[1]	2021[1]	1Q'21	2Q'21	3Q'21	4Q'21	1Q'22	2Q'22	3Q'22
	3.5%	15.2%	13.2%	19.4%	15.3%	12.9%	7.5%	10.2%	2.5%

[1] 2020 and 2021 data represent quarterly average.
[2] Excludes investment expenses.

LEADING CORE RETURN ON EQUITY AT INDUSTRY-LOW VOLATILITY



BUSINESS INSURANCE PERFORMANCE

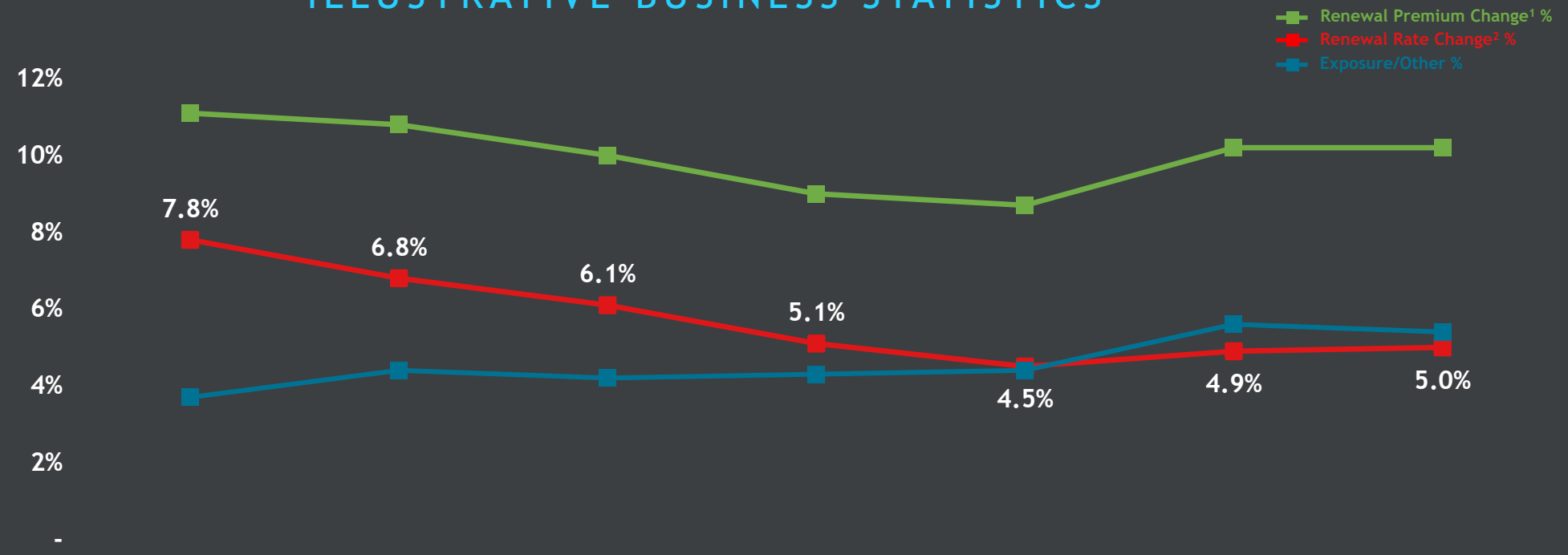
($ in millions)

	THIRD QUARTER			YEAR-TO-DATE		
	2022	2021	Change	2022	2021	Change
Segment income	**$ 471**	**$ 558**	**(16) %**	**$ 1,806**	**$ 1,518**	**19 %**
Loss and loss adjustment expense ratio	66.9 %	67.0 %		63.6 %	67.8 %	
Underwriting expense ratio	29.4	30.5		29.9	30.9	
Combined ratio [1]	**96.3 %**	**97.5 %**	**1.2 pts**	**93.5 %**	**98.7 %**	**5.2 pts**
Net favorable (unfavorable) prior year reserve development	(1.4)	(2.7)		2.0	0.9	
Catastrophes, net of reinsurance	(4.9)	(4.6)		(4.1)	(7.2)	
Underlying combined ratio	**90.0 %**	**90.2 %**	**0.2 pts**	**91.4 %**	**92.4 %**	**1.0 pts**
Net written premiums						
Domestic						
Select Accounts	$ 739	$ 685	8 %	$ 2,365	$ 2,140	11 %
Middle Market	2,465	2,252	9	7,410	6,723	10
National Accounts	247	228	8	790	731	8
National Property and Other	702	638	10	1,889	1,730	9
Total Domestic	4,153	3,803	9	12,454	11,324	10
International	217	218	–	791	802	(1)
Total Business Insurance	**$ 4,370**	**$ 4,021**	**9 %**	**$ 13,245**	**$ 12,126**	**9 %**

[1] A favorable impact to the combined ratio is indicated as a positive item, and an unfavorable impact is indicated as a negative item.

DOMESTIC BUSINESS INSURANCE (EX. NATIONAL ACCOUNTS)

ILLUSTRATIVE BUSINESS STATISTICS

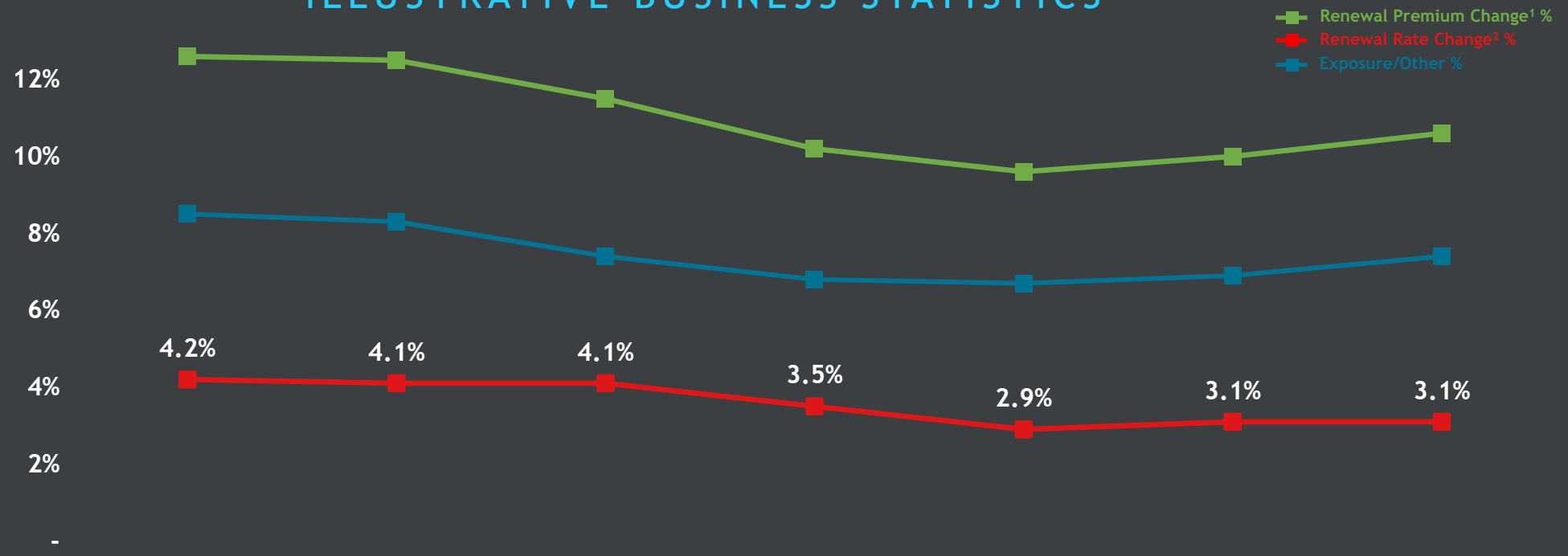


($ in millions)	1Q'21	2Q'21	3Q'21	4Q'21	1Q'22	2Q'22	3Q'22
Retention	83%	84%	85%	85%	86%	86%	86%
Renewal premium change[1]	11.1%	10.8%	10.0%	9.0%	8.7%	10.2%	10.2%
New business	$469	$528	$464	$506	$546	$494	$504

[1] Represents the estimated change in average premium on policies that renew, including rate and exposure changes.
[2] Represents the estimated change in average premium on policies that renew, excluding exposure changes.
Note: Statistics are in part dependent on the use of estimates and are therefore subject to change.

DOMESTIC BUSINESS INSURANCE: SELECT ACCOUNTS

ILLUSTRATIVE BUSINESS STATISTICS

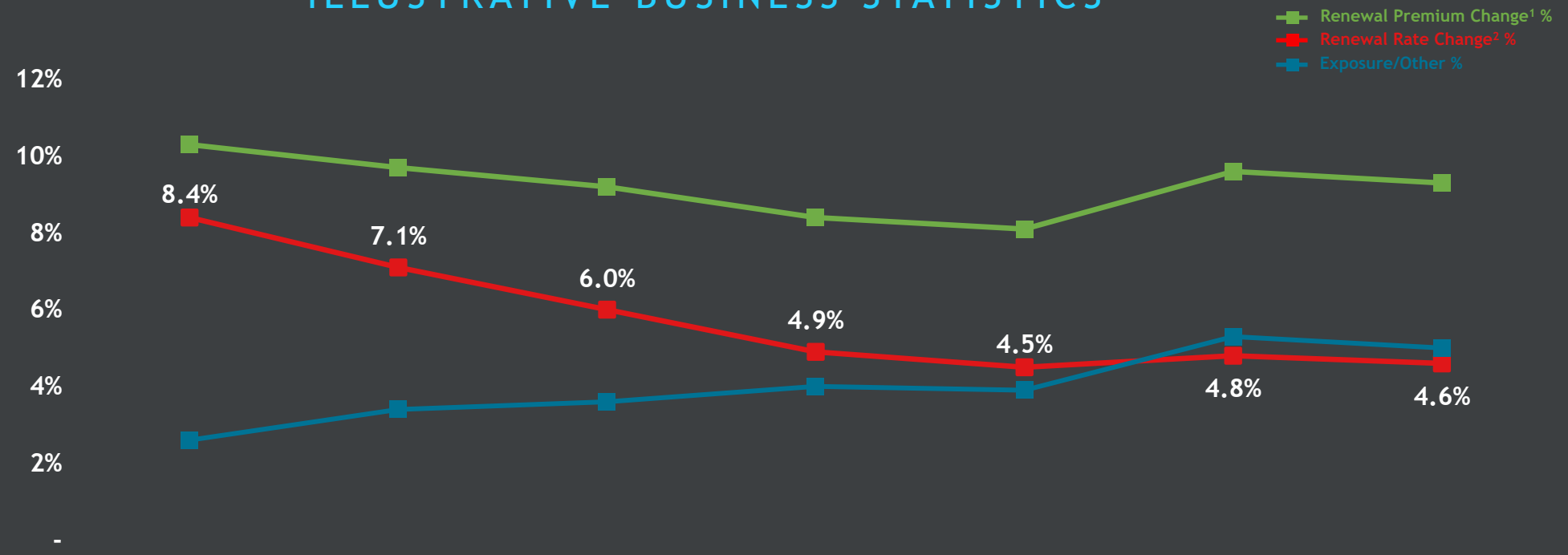


($ in millions)	1Q'21	2Q'21	3Q'21	4Q'21	1Q'22	2Q'22	3Q'22
Retention	79%	80%	81%	81%	83%	83%	83%
Renewal premium change[1]	12.6%	12.5%	11.5%	10.2%	9.6%	10.0%	10.6%
New business	$95	$100	$88	$93	$110	$107	$95

[1] Represents the estimated change in average premium on policies that renew, including rate and exposure changes.
[2] Represents the estimated change in average premium on policies that renew, excluding exposure changes.
Note: Statistics are in part dependent on the use of estimates and are therefore subject to change.

DOMESTIC BUSINESS INSURANCE: MIDDLE MARKET

ILLUSTRATIVE BUSINESS STATISTICS



($ in millions)	1Q'21	2Q'21	3Q'21	4Q'21	1Q'22	2Q'22	3Q'22
Retention	86%	87%	87%	87%	89%	88%	89%
Renewal premium change[1]	10.3%	9.7%	9.2%	8.4%	8.1%	9.6%	9.3%
New business	$268	$301	$259	$298	$320	$274	$271

[1] Represents the estimated change in average premium on policies that renew, including rate and exposure changes.
[2] Represents the estimated change in average premium on policies that renew, excluding exposure changes.
Note: Statistics are in part dependent on the use of estimates and are therefore subject to change.

BOND & SPECIALTY INSURANCE PERFORMANCE

($ in millions)

	THIRD QUARTER			YEAR-TO-DATE		
	2022	2021	Change	2022	2021	Change
Segment income	**$ 242**	**$ 174**	**39 %**	**$ 687**	**$ 498**	**38 %**
Loss and loss adjustment expense ratio	37.3 %	46.3 %		39.5 %	46.2 %	
Underwriting expense ratio	35.2	34.8		35.3	35.2	
Combined ratio [1]	**72.5 %**	**81.1 %**	**8.6 pts**	**74.8 %**	**81.4 %**	**6.6 pts**
Net favorable prior year reserve development	7.2	2.6		6.7	3.5	
Catastrophes, net of reinsurance	(1.3)	(0.3)		(0.6)	(1.3)	
Underlying combined ratio	**78.4 %**	**83.4 %**	**5.0 pts**	**80.9 %**	**83.6 %**	**2.7 pts**
Net written premiums						
Domestic						
Management Liability	$ 554	$ 532	4 %	$ 1,592	$ 1,473	8 %
Surety	284	241	18	828	673	23
Total Domestic	838	773	8	2,420	2,146	13
International	126	121	4	388	325	19
Total Bond & Specialty Insurance	**$ 964**	**$ 894**	**8 %**	**$ 2,808**	**$ 2,471**	**14 %**

[1] A favorable impact to the combined ratio is indicated as a positive item, and an unfavorable impact is indicated as a negative item.

DOMESTIC BOND & SPECIALTY INSURANCE

($ in millions)

ILLUSTRATIVE BUSINESS STATISTICS

	2021				2022		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Management Liability [1]							
Retention	87%	86%	86%	86%	85%	88%	**89%**
Renewal premium change [2]	11.4%	13.1%	13.5%	10.6%	11.8%	8.8%	**9.0%**
New business	$50	$55	$50	$47	$55	$63	**$60**

[1] Domestic only, excludes surety and other products that are generally sold on a non-recurring, project specific basis.
[2] Represents the estimated change in average premium on policies that renew, including rate and exposure changes.
Note: Statistics are in part dependent on the use of estimates and are therefore subject to change.

PERSONAL INSURANCE PERFORMANCE

($ in millions)

	THIRD QUARTER			YEAR-TO-DATE		
	2022	2021	Change	2022	2021	Change
Segment income (loss)	**$ (111)**	**$ (2)**	**NM**	**$ (79)**	**$ 433**	**NM**
Loss and loss adjustment expense ratio	82.6 %	78.2 %		79.3 %	71.8 %	
Underwriting expense ratio	24.6	26.4		25.4	26.5	
Combined ratio [1]	**107.2 %**	**104.6 %**	**(2.6) pts**	**104.7 %**	**98.3 %**	**(6.4) pts**
Net favorable prior year reserve development	0.5	1.0		0.4	3.0	
Catastrophes, net of reinsurance	(8.4)	(10.4)		(8.9)	(10.6)	
Underlying combined ratio	**99.3 %**	**95.2 %**	**(4.1) pts**	**96.2 %**	**90.7 %**	**(5.5) pts**
Net written premiums						
Domestic						
Automobile	$ 1,743	$ 1,529	14 %	$ 4,868	$ 4,371	11 %
Homeowners and Other	1,952	1,698	15	5,164	4,476	15
Total Domestic	3,695	3,227	15	10,032	8,847	13
International	169	182	(7)	500	520	(4)
Total Personal Insurance	**$ 3,864**	**$ 3,409**	**13 %**	**$ 10,532**	**$ 9,367**	**12 %**



[1] A favorable impact to the combined ratio is indicated as a positive item, and an unfavorable impact is indicated as a negative item.
Note: NM = Not meaningful.

PERSONAL INSURANCE PERFORMANCE

	THIRD QUARTER			YEAR-TO-DATE		
	2022	2021	Change	2022	2021	Change
Automobile						
Loss and loss adjustment ratio	90.0 %	75.9 %		82.4 %	66.9 %	
Underwriting expense ratio	22.2	24.1		23.0	24.4	
Combined ratio [1]	**112.2 %**	**100.0 %**	**(12.2) pts**	**105.4 %**	**91.3 %**	**(14.1) pts**
Net favorable (unfavorable) prior year reserve development	(0.4)	0.4		(0.4)	2.6	
Catastrophes, net of reinsurance	(7.9)	(3.4)		(3.5)	(1.9)	
Underlying combined ratio	**103.9 %**	**97.0 %**	**(6.9) pts**	**101.5 %**	**92.0 %**	**(9.5) pts**
Homeowners and Other						
Loss and loss adjustment ratio	75.4 %	80.5 %		76.3 %	77.1 %	
Underwriting expense ratio	26.9	28.8		27.7	28.7	
Combined ratio [1]	**102.3 %**	**109.3 %**	**7.0 pts**	**104.0 %**	**105.8 %**	**1.8 pts**
Net favorable prior year reserve development	1.5	1.6		1.2	3.4	
Catastrophes, net of reinsurance	(8.9)	(17.6)		(14.4)	(20.0)	
Underlying combined ratio	**94.9 %**	**93.3 %**	**(1.6) pts**	**90.8 %**	**89.2 %**	**(1.6) pts**

[1] A favorable impact to the combined ratio is indicated as a positive item, and an unfavorable impact is indicated as a negative item.

DOMESTIC PERSONAL INSURANCE

($ in millions)

ILLUSTRATIVE BUSINESS STATISTICS

	2021				2022		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Automobile							
Retention [1]	85%	86%	86%	86%	85%	84%	**83%**
Renewal premium change [2]	0.5%	0.4%	0.5%	2.1%	4.2%	6.5%	**8.1%**
Policies in force (in thousands)	2,807	2,852	2,898	2,937	2,972	3,008	**3,053**
• Sequential quarter growth	1%	2%	2%	1%	1%	1%	**1%**
• Year over year growth	4%	4%	5%	6%	6%	5%	**5%**
New business	$278	$299	$297	$279	$290	$318	**$356**
Homeowners and Other							
Retention [1]	84%	85%	85%	86%	84%	84%	**83%**
Renewal premium change [2]	7.5%	8.0%	8.7%	8.6%	12.1%	13.3%	**14.1%**
Policies in force (in thousands)	5,703	5,836	5,931	5,995	6,051	6,108	**6,142**
• Sequential quarter growth	2%	2%	2%	1%	1%	1%	**1%**
• Year over year growth	8%	7%	7%	7%	6%	5%	**4%**
New business	$263	$335	$312	$273	$258	$316	**$327**

[1] The ratio of expected number of renewal policies that will be retained throughout the annual policy period to the number of available renewal base policies.

[2] Represents the estimated change in average premium on policies that renew, including rate and exposure changes.

Note: Statistics are in part dependent on the use of estimates and are therefore subject to change.

TOTAL INTERNATIONAL INSURANCE

($ in millions)

ILLUSTRATIVE BUSINESS STATISTICS

	2021				2022		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
International [1]							
Retention	81%	80%	81%	84%	82%	85%	**81%**
Renewal premium change [2]	6.5%	8.4%	5.9%	9.7%	8.3%	7.1%	**7.4%**
New business	$71	$99	$73	$87	$85	$78	**$61**

[1] Excludes surety and other products that are generally sold on a non-recurring, project specific basis.
[2] Represents the estimated change in average premium on policies that renew, including rate and exposure changes.
Note: Statistics are in part dependent on the use of estimates and are therefore subject to change.

APPENDIX



EXPLANATORY NOTE

This presentation contains, and management may make, 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. Words such as "may," "will," "should," "likely," "anticipates," "expects," "intends," "plans," "projects," "believes," "views," "estimates" and similar expressions are used to identify these forward-looking statements. These statements include, among other things, the Company's statements about:

- the Company's outlook, the impact of trends on its business and its future results of operations and financial condition;
- the impact of COVID-19 and related economic conditions;
- the impact of legislative or regulatory actions or court decisions;
- share repurchase plans;
- future pension plan contributions;
- the sufficiency of the Company's asbestos and other reserves;
- the impact of emerging claims issues as well as other insurance and non-insurance litigation;
- the cost and availability of reinsurance coverage;
- catastrophe losses and modeling;
- the impact of investment, economic and underwriting market conditions, including interest rates and inflation;
- the impact of changing climate conditions;
- strategic and operational initiatives to improve profitability and competitiveness;
- the Company's competitive advantages and innovation agenda;
- new product offerings;
- the impact of developments in the tort environment; and
- the impact of developments in the geopolitical environment.

The Company cautions investors that such statements are subject to risks and uncertainties, many of which are difficult to predict and generally beyond the Company's control, that could cause actual results to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. Some of the factors that could cause actual results to differ include, but are not limited to, the following:

Insurance-Related Risks

- high levels of catastrophe losses;
- actual claims may exceed the Company's claims and claim adjustment expense reserves, or the estimated level of claims and claim adjustment expense reserves may increase, including as a result of, among other things, changes in the legal/tort, regulatory and economic environments, including increased inflation;
- the Company's potential exposure to asbestos and environmental claims and related litigation;
- the Company is exposed to, and may face adverse developments involving, mass tort claims; and
- the effects of emerging claim and coverage issues on the Company's business are uncertain, and court decisions or legislative changes that take place after the Company issues its policies can result in an unexpected increase in the number of claims.

Financial, Economic and Credit Risks

- a period of financial market disruption or an economic downturn;
- the Company's investment portfolio is subject to credit and interest rate risk, and may suffer reduced or low returns or material realized or unrealized losses;
- the Company is exposed to credit risk related to reinsurance and structured settlements, and reinsurance coverage may not be available to the Company;
- the Company is exposed to credit risk in certain of its insurance operations and with respect to certain guarantee or indemnification arrangements that it has with third parties;
- a downgrade in the Company's claims-paying and financial strength ratings; and
- the Company's insurance subsidiaries may be unable to pay dividends to the Company's holding company in sufficient amounts.

Business and Operational Risks

- the ongoing impact of COVID-19 and related risks, including with respect to revenues, claims and claim adjustment expenses, general and administrative expenses, investments, inflation, adverse legislative and/or regulatory action, operational disruptions and heightened cyber security risks;
- the intense competition that the Company faces, including with respect to attracting and retaining employees, and the impact of innovation, technological change and changing customer preferences on the insurance industry and the markets in which it operates;
- disruptions to the Company's relationships with its independent agents and brokers or the Company's inability to manage effectively a changing distribution landscape;
- the Company's efforts to develop new products or services, expand in targeted markets, improve business processes and workflows or make acquisitions may not be successful and may create enhanced risks;
- the Company's pricing and capital models may provide materially different indications than actual results;
- loss of or significant restrictions on the use of particular types of underwriting criteria, such as credit scoring, or other data or methodologies, in the pricing and underwriting of the Company's products; and
- the Company is subject to additional risks associated with its business outside the United States.

Technology and Intellectual Property Risks

- as a result of cyber attacks (the risk of which could be exacerbated by geopolitical tensions) or otherwise, the Company may experience difficulties with technology, data and network security or outsourcing relationships;
- the Company's dependence on effective information technology systems and on continuing to develop and implement improvements in technology; and
- the Company may be unable to protect and enforce its own intellectual property or may be subject to claims for infringing the intellectual property of others.

Regulatory and Compliance Risks

- changes in regulation, including higher tax rates; and
- the Company's compliance controls may not be effective.

In addition, the Company's share repurchase plans depend on a variety of factors, including the Company's financial position, earnings, share price, catastrophe losses, maintaining capital levels appropriate for the Company's business operations, changes in levels of written premiums, funding of the Company's qualified pension plan, capital requirements of the Company's operating subsidiaries, legal requirements, regulatory constraints, other investment opportunities (including mergers and acquisitions and related financings), market conditions, changes in tax laws (including the Inflation Reduction Act) and other factors.

Our forward-looking statements speak only as of the date of this presentation or as of the date they are made, and we undertake no obligation to update forward-looking statements. For a more detailed discussion of these factors, see the information under the captions "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Forward Looking Statements" in the quarterly report on Form 10-Q filed with the Securities and Exchange Commission (SEC) on October 19, 2022, and in our most recent annual report on Form 10-K filed with the SEC on February 17, 2022, in each case as updated by our periodic filings with the SEC.



DISCLOSURE

In this presentation, we may refer to some non-GAAP financial measures. For a reconciliation of these measures to the most comparable GAAP measures and a glossary of financial measures, we refer you to the press release and financial supplement that we have made available in connection with this presentation and our most recent annual report on Form 10-K filed with the Securities and Exchange Commission (SEC) as updated by our subsequent periodic filings with the SEC. See the "Investors" section at travelers.com.

For further information, please see Travelers reports filed with the SEC pursuant to the Securities Exchange Act of 1934 which are available at the SEC's website (sec.gov).

Copies of this presentation and the accompanying webcast are publicly available on the Travelers website (travelers.com). This presentation should be read with the accompanying webcast and related press release and financial supplement.

Travelers may use its website and/or social media outlets, such as Facebook and Twitter, as distribution channels of material information. Financial and other important information regarding the company is routinely accessible through and posted on our website at investor.travelers.com, our Facebook page at facebook.com/travelers and our Twitter account (@Travelers) at twitter.com/travelers. In addition, you may automatically receive email alerts and other information about Travelers when you enroll your email address by visiting the Email Notification section at investor.travelers.com.

