



First Quarter 2004 Results Reporting

Key Quotes by James J. Schiro

Chief Executive Officer

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Results

Obviously, there were many factors that also contributed to the result, such as a low level of losses and favorable financial market conditions. But the improvements in our core businesses have been key.

Given the nature of our industry, we cannot assume such favorable circumstances will last. That said, I feel confident that our focus on operational and financial discipline will take us through the year.

We have the people, processes and structures in place to deal with challenges as they arise. We are building a strong platform that allows us to pursue our strategic aspiration to become the leading global insurer in our chosen life and general insurance markets.

To be sure, much work remains to be done. But the first quarter continued to build on the progress we made in 2003 and it provided a good start into 2004.

Life and General Insurance

In General Insurance, underwriting profit more than doubled to 222 million dollars, and our combined ratio improved by 1.2 percentage points to 96.9% as a consequence of our focus on disciplined underwriting supported by sound pricing and fair claims management.

Our measures to improve the bottom line in Life Insurance are also producing results. However, the segment's business operating profit has been affected by many external factors, such as the strong rebound in the stock market in the United Kingdom, Ireland and Southern Africa region and foreign exchange adjustments. That is why we must continue to improve the business fundamentals in the Life Insurance segment.

General Insurance Market

But even where some rate changes are now slipping into negative territory, we continue to see satisfying price levels, reflecting the strong increases experienced in the previous years.

We will monitor the markets and manage the cycle over all lines of business. Our goal is sustainable profitability. To achieve it, we will continue to allocate capital to the most attractive businesses. We will not write business that fails to meet our underwriting or profitability standards.