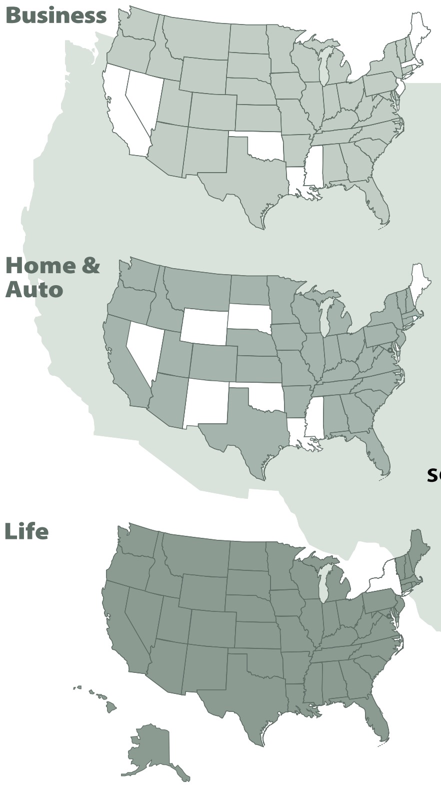
2018 Annual Letter
from the Chairman and the Chief Executive Officer

Innovation HAPPENS HERE

Cincinnati Financial Corporation stands among the 25 largest property casualty insurers in the nation, based on net written premiums. A select group of independent agencies actively markets our business, home and auto insurance in 42 states. These agents offer our standard market and excess and surplus commercial lines policies in 39 states and our personal lines policies in 38 states. Within this select group, we seek to become the life insurance carrier of choice and to help agents and their clients – our policyholders – by offering leasing and financing services.



Three competitive advantages distinguish your company, positioning us to build shareholder value and long-term success:

1 Commitment to our network of professional independent insurance agencies and to their continued success

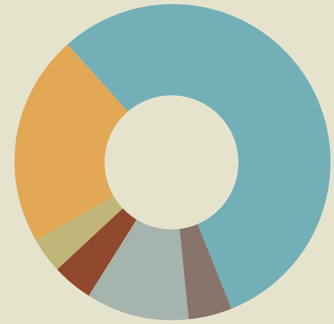
2 Operating structure that supports local decision making, showcasing the strength of our field claims service, field underwriting and field support services

3 Financial strength to fulfill our promises and be a consistent market for our agents' business, supporting stability and confidence

These advantages help us to become *Everything Insurance Should Be®* for the professional independent insurance agents who represent us and for the people and businesses in their communities. Learn more about where we are today and how we plan to create value for shareholders, agents, policyholders and associates by reviewing our publications on *cinfin.com/investors.*

TABLE OF CONTENTS

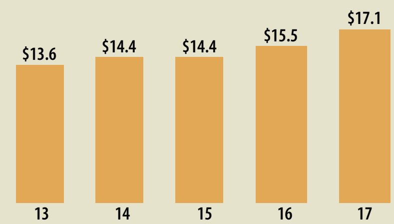
2017 Consolidated Revenues
(in millions)



- Commercial Lines **$3,170** (55.3%)
- Personal Lines **$1,246** (21.8%)
- Excess and Surplus Lines **$210** (3.7%)
- Life Insurance **$237** (4.1%)
- Investment Income **$609** (10.6%)
- Net Realized Investment Gains and Other **$260** (4.5%)

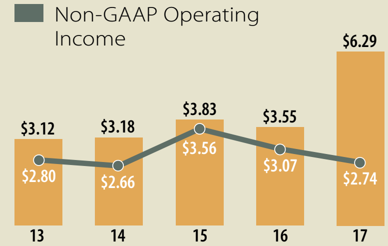
Total: $5.732 billion

Total Investments
At fair value (in billions)



Net Income and Non-GAAP Operating Income
Per common share, diluted

Net Income
Non-GAAP Operating Income



*The Definitions of Non-GAAP Information and Reconciliation to Comparable GAAP Measures are in our quarterly news releases, which are available at *cinfin.com/investors.*

Consolidated revenues rose 5 percent in 2017, compared with 2016, with earned premiums also up 5 percent. Total investments grew 10 percent, reflecting positive operating cash flows and an increase in market valuations. Net income increased 77 percent compared with 2016, reflecting a $495 million benefit related to the passage of the Tax Cuts and Jobs Act of 2017. Pretax investment income grew 2 percent for the year, reaching a record high $609 million and resulting in the fourth consecutive year of increasing investment income.

TO OUR SHAREHOLDERS, FRIENDS AND ASSOCIATES:

FINANCIAL HIGHLIGHTS

To return capital to shareholders, we favor cash dividends, increasing them in each of the past 57 years. Your company returned a total of $492 million to shareholders in 2017, paying out $1.98 per share in regular dividends plus a special cash dividend of 50 cents per share in the fourth quarter, and repurchasing 1.3 million shares. Already in January 2018, the board of directors has set the stage for a 58th consecutive year, a streak we believe is matched by only seven other publicly traded companies.

A clearly articulated vision to be the best company serving independent agencies defines our strategies for success.

The 6 percent increase in the quarterly dividend payable in April 2018 reflects our solid 2017 performance and the strong capital that supports future growth of our insurance operations. Shareholders' equity rose to more than $8 billion at year-end, benefiting from higher fair value of our equity portfolio and net income that reached $1.045 billion, up 77 percent year over year, reflecting a $495 million benefit due to U.S. tax reform.

Our property casualty insurance operations achieved a sixth year in a row of underwriting profit with a combined ratio of 97.5 percent, reflecting the diligent execution of our deliberate growth and profitability strategies, and we expect further benefits from our initiatives to accrue over time.

In a challenging market environment, property casualty net written premium growth reached 6 percent for the year; that pace included 14 percent growth to a record $626 million in new business premiums written by our agency partners and 1 percent from Cincinnati Re℠, the reinsurance assumed operation we began expanding in 2015.

We balance profitability and growth, continuing to outperform the industry. A.M. Best Co., a leading insurance industry ratings agency, estimates 2017 industry results at a 105 percent combined ratio on a statutory basis with 4 percent net written premium growth.

Profitable growth of insurance operations continues to provide fuel for our investment operations. Our larger overall securities portfolio and higher dividends from our equity holdings compensated for the effects of flat interest rates, raising pretax investment income 2 percent to a record $609 million.

ACHIEVING OUR GOALS, YEAR AFTER YEAR

A clearly articulated vision to be the best company serving independent agencies defines our strategies for success. By providing exceptional service, distinguishing Cincinnati's advantages and creating innovative solutions to support our agencies and their clients, we deepen our relationships with them. They, in turn, send us more of their best business, helping us realize our long-term goals.

Year after year, we expect our combined ratio to be within the range of 95 percent to 100 percent, and we expect to grow net written premium faster than the industry average. As we saw in 2017, performing at these levels generates strong cash flow to expand our investment portfolio and increase investment income, supporting our primary performance target of an annual value creation ratio averaging 10 percent to 13 percent. We believe the value creation ratio is an appropriate metric because it considers our ability to increase the book value of your company and your shareholder dividends. For 2017, the ratio reached 22.9 percent, resulting in a solid 13.9 percent annual average for the five years beginning with 2013.

Steven J. Johnston (left), President and Chief Executive Officer, with Kenneth W. Stecher, Chairman of the Board

The Cincinnati Insurance Companies: Innovation happens here

Since 1950, innovation has been a part of the fabric of Cincinnati Insurance. Early innovations included our strategy – fully focused on independent agents; our location – in Ohio instead of the East Coast; and our staffing model – empowered field associates working and living in our agents' communities.

We continue to foster innovation through cross-functional teams and open collaboration. By bringing together business experts with technology leaders, we can harness today's technologies to streamline processes and address challenges with renewed quality and velocity.

Flexibility and adaptability are keys to innovation – for our associates and our technology. A streamlined computing architecture now allows us to plug in new technologies with ease, creating a portfolio of experiments where we can quickly evaluate the value they deliver to our company. While innovation isn't limited to technology, enhancements to the systems our agents use to interact with our company and the systems we use to more fully understand our business are natural areas of focus.

In 2017, we introduced a new agent portal to make it easier for our independent agency customers to complete a variety of everyday tasks. Stellar℠ brings together key client information in one location, making it efficient and intuitive for agents to monitor recent activity, retrieve policy documentation, track claim statuses and review billing information.

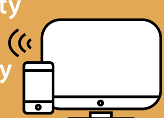
In recent years, we've accelerated our expertise in the area of predictive analytics. These data scientists are building models that help us more deeply understand the risks we insure. Current models range from setting base pricing, to leveraging artificial intelligence to review claims files and identify situations where fraud is a possibility, to identifying property that would benefit from a loss control review.

Armed with rich information and the first-hand knowledge of our field associates and local independent agents, our underwriters are able to finely segment our insurance business, enabling the company to grow double the industry average over the past five years, while earning our sixth year in a row of underwriting profit.

"The future of the Company is Excellent." Those words graced the company's original prospectus and still ring true today. As we layer technology and innovation over our focus on building relationships and delivering overwhelming customer service to our agents and their clients, the future of our company is indeed excellent.

Recent events have fueled our drive for innovation:

Enhancements to the adaptability of technology



Changing consumer expectations

New companies trying to disrupt the insurance industry

To continue improving these results, our company will need to proactively manage risk. In the following section, we discuss some potential risks to our industry identified by A.M. Best and others, adding information about what your company is doing to address them from multiple angles and to continue outperforming over the long term.

POTENTIAL RISK: COMPETITIVE PRESSURE ON PRICING

In past periods of high industry surplus, some insurers have aggressively pursued market share, driving down prices and softening the overall market.

Whether the market is hard or soft, your company's underwriters are trained to price accounts with adequate margin for profit. With improved data and pricing analytics capabilities, they can be confident that pricing is appropriate for the business they are writing or renewing. We continue to refine our segmentation efforts, deepening our understanding of risk account by account and policy by policy.

We believe this new era of data analytics will smooth pricing cycles over time for both our company and our industry.

For our commercial lines of business, underwriters consider modeled prices along with other knowledge about the risk, as noted by the agent or our local field representative. This combination of science and art led to pricing on renewing policies that increased at a low-single-digit rate, on average, during 2017 for our standard market and excess and surplus lines commercial business.

We believe this new era of data analytics will smooth pricing cycles over time for both our company and our industry.

These increases are in addition to any exposure increases an insured business may have due to the growth in the overall economy.

For our personal lines of business, average pricing continued to rise, with increases on some individual policies lower or higher based on attributes of the risk and our enhanced pricing precision enabled by predictive models.

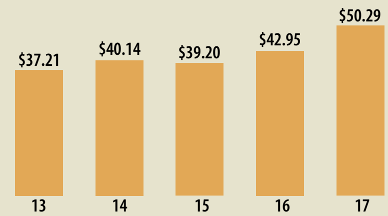
POTENTIAL RISK: NEW ENTRANTS DISRUPTING INSURERS' BUSINESS MODELS

Almost daily, insurance trade publications theorize about the future of our industry as new entrants try to disrupt traditional business models and as autonomous cars begin to shape a new landscape for automobile insurers.

One of our best defenses to the increasingly competitive property casualty market is our strong relationship with 1,702 of the country's premier independent agencies. Cincinnati generally advances to be the No. 1 or No. 2 carrier of choice, based on premium volume, in agencies that have represented us for at least five years. However, we do not take that for granted. We act to create new opportunities for our agencies and to heighten your company's advantages. To attract more business in 2017, we introduced new and enhanced products and services, delivered by an outstanding team of field associates who make decisions locally and in person.

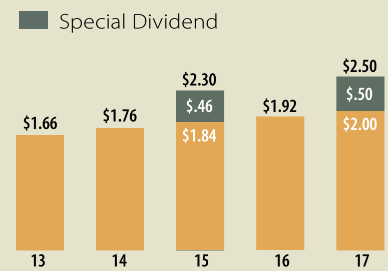
Book Value

Per common share

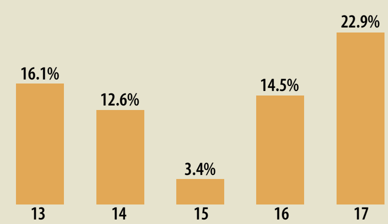


Cash Dividend Declared

Per common share



Value Creation Ratio



Book value per share at December 31, 2017, was $50.29, up 17.1 percent over year-end 2016. The board of directors increased our shareholder dividend in 2017, marking the 57th consecutive year of dividend increases. The 22.9 percent 2017 value creation ratio included 6.5 points from operating results, plus a 7.0 percent benefit from U.S. tax reform; 8.6 points from our stock portfolio; and 1.1 points from our bond portfolio. During 2013 through 2017, our annual value creation ratio averaged 13.9 percent.

An Interview with Teresa Cracas, Senior Vice President and Chief Risk Officer

Our goal is to harness innovation to support our agency-centered business model.

Why is it important to learn about InsurTech and other possible disrupters to the insurance industry?

InsurTech is definitely a hot topic in our industry, and there are many kinds of disruptors we are watching. There are startups that offer technology-based solutions that help us serve our customers better and also new insurance carrier entrants and new entrants in the distribution space. These new companies are trying to capitalize on perceived dissatisfaction with the current insurance buying experience.

It is important to understand what these new entrants do well in the eyes of the customer – because they do some things really well. The transaction is efficient. It can be done at all hours of the day and night. It looks and feels much more like the other retail transactions that the consumer is used to.

To be the best company serving independent agents now and into the future, we have to constantly be looking for and implementing ways to make our business better. We don't have all of the answers yet, but we are looking for and are in active pilot projects with businesses that will help us improve the data we use to price our policies, and drive efficiencies to free us up to provide more services to agents and policyholders, enhancing our interactions with them.

How does Cincinnati Insurance learn about innovative ideas in InsurTech?

We have partnerships with a couple of startup incubators that help connect us with InsurTech companies: Cintrifuse, a startup catalyst in Cincinnati, and Plug and Play Tech Center, a startup accelerator located in Silicon Valley. We also receive great ideas from our associates, our traditional vendors and by simply being very engaged in the innovation and technology worlds.

A new article on autonomous cars seems to come out every day. How do you think they will impact the industry?

The insurance industry has always supported innovations that help save lives. We're learning that there are potential life-saving benefits that could come from removing distracted humans from driving. And, risks related to cars will still need to be managed even if the potential liability shifts from driver to manufacturer.

While it's still too early to know exactly the pace of availability and adoption, and what impact driverless cars will have on our industry, we know that we cannot sit and wait for this change – or any change – to happen. Insurance carriers need to understand what's coming and to develop strategies that help agents serve their clients as the world around us evolves.

Does new technology or insurance innovation mean a change in strategy away from your focus on the independent insurance agent?

Absolutely not. With each startup we talk to or innovation we choose to embrace, we keep our focus squarely on the independent agent. Our goal is to harness these new ideas to enhance our relationships with our independent agency customers – not replace them.

We've made deliberate business decisions to invest in insurance lines of business more likely to need an agent: personal lines high net worth, commercial lines key accounts and excess and surplus lines business.

In 2017, we expanded our personal lines product suite for high net worth personal lines clients – Executive Capstone™ – to Massachusetts, Texas, Washington state and Washington, D.C. Personal lines new business written premium grew 32 percent in 2017 compared with 2016, driven by an increase of $30 million from agencies' high net worth clients. Additional states and coverages aimed at providing service to these clients are planned for 2018.

We act to create new opportunities for our agencies and to heighten your company's advantages.

In 2016, we renewed our focus on providing the products and expertise our agents need to confidently place their larger, more complex commercial accounts with us. Initiatives underway to grow this area of commercial lines include: hiring additional underwriting expertise; building loss control knowledge of more sophisticated risks; and implementing a risk management information system, which gives clients transparency into their claims history, helping them more effectively manage their risk.

The Cincinnati Specialty Underwriters Insurance Company, our excess and surplus lines subsidiary, had another outstanding year in 2017. Increased marketing efforts and the introduction of direct bill capabilities pushed net written premiums up 16 percent, exceeding $200 million for the first time. We've continued expanding coverages for this business to attract more of the nearly $1.5 billion in excess and surplus lines premium our current agents write, in aggregate, which fits our underwriting appetite. Through CSU Producer Resources Inc., our wholly owned E&S brokerage, agents can place accounts with risk characteristics that are not a good fit for the standard market. Often, we can win or retain an account by writing just a portion in the surplus lines market. In fact, more than 40 percent of our excess and surplus lines accounts have part of their insurance programs written by The Cincinnati Insurance Company.

Cincinnati Re creates a diversified revenue stream that also helps us hedge against possible disruptors to the insurance industry. Participating in risks that we believe have attractive underwriting margins on a stand-alone basis as well as on a diversified, risk-adjusted return basis, we grew earned premiums for our reinsurance assumed business 118 percent to $107 million in 2017.

POTENTIAL RISK: HIGHER LEVELS OF CATASTROPHES

Catastrophe losses nearly doubled in 2017 for the property casualty insurance industry compared with 2016. After a long period of fairly benign hurricane seasons, 2017 saw three major hurricanes hit land: Harvey, Irma and Maria. These storms, combined with widespread devastation from wildfires in California and other natural catastrophes,

Innovation in Claims

Claims service: it's here where we shine, creating touchstone moments for our agency partners and making clients into believers. It's the reason a culture of innovation – an ever-evolving determination to do things faster, better and with more care – resides within us.

From hurricanes ravaging the southeast and wildfires blazing across western states to widespread snow and flooding, 2017 had its share of natural disasters. Cincinnati's storm teams deployed to a multitude of communities, serving over 6,400 policyholders in 12 states – with expediency, expertise and empathy. Our agency-centered model means we already have associates in the communities when a need hits, putting our clients at an advantage. Using the latest in weather-tracking technology helps us better predict large weather events before they occur so we can get boots on the ground in the affected areas quickly – often within hours of reported damage and sometimes before the storm is through.

Marcia George, Field Claims Coordinator in Missouri, and member of the storm team responding to Hurricane Irma, commented: "When stress and emotions are high we can be the calm during the storm. Technology makes it much easier for us to handle claims efficiently. By handling the documentation aspect of the job more efficiently – from printing estimates and checks on the spot to speaking notes into our mobile app – we can spend more quality time with insureds explaining coverages, the process and lending an ear."

In 2017, we implemented several initiatives, employing technologies that improve policyholder experience and safety:

- Faster inspections speed up the claim process, leading to satisfied clients. That's why drones, and the aerial imagery they employ, are valuable. Using them strategically – primarily on large-scale property losses and inaccessible rooftop inspections – lets us assess damages swiftly, accurately and safely. Inspections that can take days in-person, take hours via drone. In time, drone use will yield orthomosaic and 3-D imagery that, once interfaced with property software, will facilitate more expedient claim estimates.
- We focused on commercial auto, partnering with LifeSaver, a mobile software company. Using location services and

other phone technologies, the LifeSaver mobile app discourages phone use while driving and logs driver attempts to access the phone, allowing business owners to monitor and reinforce their commitment to distraction-free driving.

- Our commitment to protect homes from the threat of wildfire is evident in our contract with Wildfire Defense Systems®, a fire mitigation service. Cincinnati's wildfire protection starts with an initial inspection and mitigation suggestions by our own risk management professionals to remove fuel sources and to assure construction is wildfire resistant. During an event, WDS joins the team by monitoring our policyholders' distance to active fires and providing onsite mitigation services, such as moving any flammable items away from structures; extinguishing hot spots to prevent flare-ups; using sprinkler systems to wet down areas around the home; and, in some cases, applying fire retardant products.

In 2017, we selectively piloted many programs aimed at improving customer experience, increasing field efficiency and ensuring ease of doing business. Programs that provided significant benefits will be tested further; those that were not a good fit for our business – because they didn't fit our model, weren't cost-effective or didn't produce time savings – still created value as they propelled us toward the next innovation.

contributed 8.8 percentage points to the industry's combined ratio.

For your company, catastrophe losses largely from spring storms in the Midwest and South – and Hurricane Irma in September – added 7.2 points to our 2017 combined ratio, more than our 10-year annual average of 6.8 percentage points. We are working to mitigate the effects of our geographic concentration in the Midwest and South.

We expect to see continuing improvements due to our expansion in recent years to new states and regions where we have identified growth opportunities. For example, our personal lines earned premiums in the five highest volume states where we offer personal lines rose 3 percent, while rising 11 percent for all other states in total as we progress toward geographic diversification. We have opened 13 states outside of the Midwest for personal lines business since 2008.

Our strong ceded reinsurance program is again placed among several highly rated reinsurance carriers. In 2017, we continued our program of fully collateralized reinsurance through a catastrophe bond. The broad terms of this bond, now in its second year of a three-year term, give us nationwide coverage for severe convective storm loss (except in Florida) and for earthquakes (except in California).

Through the analytical talent we've hired to grow Cincinnati Re, we continue to develop a catastrophe modeling center of excellence. The center, already operational for our reinsurance assumed business, was expanded in 2017 to include our direct property business. We will use these robust models to support our enterprise risk management efforts by giving us a view of our entire book of insured risks written through traditional insurance and assumed through reinsurance.

> For 29 consecutive years, favorable development has benefited your company's earnings.

Growth of The Cincinnati Life Insurance Company also provides a steady contribution to our revenues – unaffected by weather-related catastrophes. In 2017, earned premiums for Cincinnati Life increased 2 percent, including a 6 percent increase for term life premiums.

POTENTIAL RISK: SHORTFALLS IN INSURERS' PRIOR ACCIDENT-YEAR LOSS RESERVES

For the property casualty industry, the financial benefit from favorable development of loss reserves for insured events that occurred in prior years is expected to remain low. In 2017, favorable reserve development only improved the industry combined ratio by an estimated 1.3 percentage points. If favorable development decreases, maintaining underwriting and pricing discipline for current-year business will be even more important.

For 29 consecutive years, favorable development has benefited your company's earnings as paid claims and updated estimates of claims settlements came in lower than our initial estimates. At 2.5 percentage points, our benefit in 2017 from favorable development was stronger than the industry estimate.

Our intent is to maintain consolidated reserves consistently within the upper half of the actuarially estimated range of amounts we will ultimately pay to our policyholders and claimants. At year-end 2017, fair value of our $10.699 billion fixed-maturity portfolio exceeded total insurance reserve liability by 34 percent, supporting policyholder confidence in our ability to pay claims.

POTENTIAL RISK: PRESSURE ON INSURERS' INVESTMENT YIELDS

A.M. Best estimates the 2017 net investment yield for the property casualty industry at 3.0 percent, even with the 2016 level.

With interest rates flat to down slightly in 2017, yields on new fixed-maturity securities we purchased were lower than the yield on our consolidated portfolio, causing our book yield to continue losing ground. The pretax average book yield on our diversified, laddered fixed-maturity portfolio continued to decline, ending the year at 4.4 percent.

We have been able to offset the lower interest income, due to our equity-investing strategy as well as cash flow fueled by underwriting profits. Equity dividends grew 6 percent for the year. Equities represented approximately 37 percent of our invested assets at year-end, a significantly higher allocation than most insurers hold. After-tax realized gains from equities contributed $95 million to 2017 net earnings; and pretax net unrealized gains in the equity portfolio at December 31 reached nearly $3.2 billion, up 35 percent for the year.

This approach creates strong liquidity and flexibility through all periods to maintain our

> It's important to remember what makes our company special even as we find innovative new ways to serve the needs of our agencies.

cash dividend and to continue to invest in and expand our insurance operations.

CONFIDENCE IN THE FUTURE

Our industry and our company have reasons for optimism. One reason for that optimism stems from the Tax Cuts and Jobs Acts of 2017. The legislation had three key elements that improve the competitive position of U.S.-based insurers: reducing the corporate tax rate to 21 percent and creating a territorial approach to taxing revenue – both elements more in line with other developed countries; and adding the Base Erosion and Anti-Abuse Tax to discourage the stream of corporate inversions, keeping jobs and tax revenue in the U.S.

As we grow profitably, we're creating new opportunities for current associates to develop areas of expertise. Succession planning and talent recruitment continue to be a high priority as we develop the next generation of insurance leaders.

Members of our senior leadership team spend time with new associates, passing on important Cincinnati traditions and philosophy. We'd like to thank one such leader who retired in 2017 – Tim Timmel, senior vice president of Operations. With executive responsibility for both our Human Resources and Learning & Development departments, among others, Tim shaped many of the programs we've implemented to inspire future leaders of the company. He mentored many of our current leaders throughout his long tenure with our organization, encouraging us to preserve the best of our company's culture.

It's important to remember what makes our company special even as we find innovative new ways to serve the needs of our agencies. We are confident that we've defined a clear vision, outlined a competitive strategy and have the right people on board to build value for shareholders far into the future.

Respectfully,

/S/Kenneth W. Stecher

Kenneth W. Stecher
Chairman of the Board

/S/Steven J. Johnston

Steven J. Johnston, FCAS, MAAA, CFA, CERA
President and Chief Executive Officer

CONDENSED BALANCE SHEETS AND INCOME STATEMENTS

Cincinnati Financial Corporation and Subsidiaries

(Dollars in millions)	At December 31, 2017	2016
Assets		
Investments	**$ 17,051**	$ 15,500
Cash and cash equivalents	**657**	777
Premiums receivable	**1,589**	1,533
Reinsurance recoverable	**432**	545
Other assets	**2,114**	2,031
Total assets	**$ 21,843**	$ 20,386
Liabilities		
Insurance reserves	**$ 8,002**	$ 7,756
Unearned premiums	**2,404**	2,307
Deferred income tax	**745**	865
Long-term debt and capital lease obligations	**827**	826
Other liabilities	**1,622**	1,572
Total liabilities	**13,600**	13,326
Shareholders' Equity		
Common stock and paid-in capital	**1,662**	1,649
Retained earnings	**5,180**	5,037
Accumulated other comprehensive income	**2,788**	1,693
Treasury stock	**(1,387)**	(1,319)
Total shareholders' equity	**8,243**	7,060
Total liabilities and shareholders' equity	**$ 21,843**	$ 20,386

(Dollars in millions, except per share data)	Years ended December 31, 2017	2016	2015
Revenues			
Earned premiums	**$ 4,954**	$ 4,710	$ 4,480
Investment income, net of expenses	**609**	595	572
Realized investment gains, net	**148**	124	70
Fee revenues	**16**	15	13
Other revenues	**5**	5	7
Total revenues	**5,732**	5,449	5,142
Benefits and Expenses			
Insurance losses and contract holders' benefits	**3,390**	3,107	2,808
Underwriting, acquisition and insurance expenses	**1,546**	1,465	1,387
Interest expense	**53**	53	53
Other operating expenses	**13**	12	13
Total benefits and expenses	**5,002**	4,637	4,261
Income Before Income Taxes	**730**	812	881
Provision (Benefit) for Income Taxes	**(315)**	221	247
Net Income	**$ 1,045**	$ 591	$ 634
Per Common Share:			
Net income—basic	**$ 6.36**	$ 3.59	$ 3.87
Net income—diluted	**6.29**	3.55	3.83

FIVE-YEAR SUMMARY FINANCIAL INFORMATION

Cincinnati Financial Corporation and Subsidiaries

(Dollars in millions, except per share data)	Years ended December 31, 2017	2016	2015	2014	2013
Financial Highlights					
Investment income, net of expenses	**$ 609**	$ 595	$ 572	$ 549	$ 529
Net income	**1,045**	591	634	525	517
Realized investment gains, net	**95**	80	45	85	54
Effects of U.S. tax reform legislation	**495**	–	–	–	–
Non-GAAP operating income	**455**	511	589	440	463
Per Share Data					
Net income - diluted	**$ 6.29**	$ 3.55	$ 3.83	$ 3.18	$ 3.12
Realized investment gains, net - diluted	**0.57**	0.48	0.27	0.52	0.32
Effects of U.S. tax reform legislation	**2.98**	–	–	–	–
Non-GAAP operating income - diluted	**2.74**	3.07	3.56	2.66	2.80
Cash dividends declared	**2.00**	1.92	1.84	1.76	1.655
Special cash dividend declared and paid	**0.50**	–	0.46	–	–
Book value	**50.29**	42.95	39.20	40.14	37.21
Ratio Data					
Debt-to-total-capital	**9.0%**	10.3%	11.3%	11.3%	12.8%
Value creation ratio	**22.9**	14.5	3.4	12.6	16.1
Consolidated Property Casualty Insurance Results					
Agency renewal written premiums	**$ 4,198**	$ 4,072	$ 3,925	$ 3,794	$ 3,493
Agency new business written premiums	**626**	551	532	503	543
Net written premiums	**4,840**	4,580	4,361	4,143	3,893
Earned premiums	**4,722**	4,482	4,271	4,045	3,713
Current accident year before catastrophe losses	**$ 2,889**	$ 2,684	$ 2,579	$ 2,495	$ 2,249
Current accident year catastrophe losses	**368**	345	177	230	199
Prior accident years before catastrophe losses	**(91)**	(159)	(168)	(72)	(120)
Prior accident year catastrophe losses	**(28)**	(9)	(16)	(26)	(27)
Total loss and loss expenses	**$ 3,138**	$ 2,861	$ 2,572	$ 2,627	$ 2,301
Underwriting expenses	**1,467**	1,389	1,321	1,238	1,183
Net underwriting profit	**128**	242	386	186	233
Loss and loss expense ratio	**66.4%**	63.8%	60.2%	65.0%	61.9%
Underwriting expense ratio	**31.1**	31.0	30.9	30.6	31.9
Combined ratio	**97.5%**	94.8%	91.1%	95.6%	93.8%
Policyholders' surplus (statutory)	**$ 5,094**	$ 4,686	$ 4,412	$ 4,472	$ 4,326
Net written premiums to surplus (statutory)	**0.95**	0.98	0.99	0.93	0.90
Commercial Lines Property Casualty Insurance Results					
Net written premiums	**$ 3,202**	$ 3,122	$ 3,025	$ 2,922	$ 2,760
Earned premiums	**3,165**	3,089	2,996	2,856	2,636
Loss and loss expense ratio	**64.5%**	62.4%	57.0%	63.5%	60.5%
Underwriting expense ratio	**31.9**	31.8	31.6	31.6	32.5
Combined ratio	**96.4%**	94.2%	88.6%	95.1%	93.0%
Personal Lines Property Casualty Insurance Results					
Net written premiums	**$ 1,294**	$ 1,198	$ 1,128	$ 1,068	$ 1,005
Earned premiums	**1,241**	1,161	1,097	1,041	961
Loss and loss expense ratio	**74.0%**	72.4%	71.9%	71.1%	66.6%
Underwriting expense ratio	**29.0**	29.0	29.4	28.1	30.2
Combined ratio	**103.0%**	101.4%	101.3%	99.2%	96.8%
Excess & Surplus Lines Property Casualty Insurance Results					
Net written premiums	**$ 219**	$ 189	$ 175	$ 153	$ 128
Earned premiums	**209**	183	168	148	116
Loss and loss expense ratio	**41.4%**	37.6%	41.9%	50.5%	56.7%
Underwriting expense ratio	**29.7**	29.4	28.1	28.9	31.1
Combined ratio	**71.1%**	67.0%	70.0%	79.4%	87.8%
Life Insurance Results					
Net written premiums	**$ 278**	$ 281	$ 256	$ 250	$ 241
Earned premiums	**232**	228	209	198	189
Life insurance segment (loss) profit	**(1)**	1	(2)	(5)	9
Net life insurance face amount in force	**61,177**	56,808	52,735	50,356	48,063
Admitted assets excluding separate account business (statutory)	**3,631**	3,517	3,340	3,201	3,054
Risk-based capital (statutory)					
Total adjusted capital	**229**	229	227	241	264
Authorized control level risk-based capital	**45**	40	36	33	31

*The Definitions of Non-GAAP Information and Reconciliation to Comparable GAAP Measures on *cinfin.com* defines and reconciles measures presented in this report that are not based on GAAP or Statutory Accounting Principles.

CINCINNATI FINANCIAL CORPORATION SAFE HARBOR STATEMENT

This is our "Safe Harbor" statement under the Private Securities Litigation Reform Act of 1995. Our business is subject to certain risks and uncertainties that may cause actual results to differ materially from those suggested by the forward-looking statements in this report. Some of those risks and uncertainties are discussed in our 2017 Annual Report on Form 10-K, Item 1A, Risk Factors, Page 30.

Factors that could cause or contribute to such differences include, but are not limited to:

- Unusually high levels of catastrophe losses due to risk concentrations, changes in weather patterns, environmental events, terrorism incidents or other causes
- Increased frequency and/or severity of claims or development of claims that are unforeseen at the time of policy issuance
- Inadequate estimates, assumptions or reliance on third-party data used for critical accounting estimates
- Declines in overall stock market values negatively affecting the company's equity portfolio and book value
- Prolonged low interest rate environment or other factors that limit the company's ability to generate growth in investment income or interest rate fluctuations that result in declining values of fixed-maturity investments, including declines in accounts in which we hold bank-owned life insurance contract assets
- Domestic and global events resulting in capital market or credit market uncertainty, followed by prolonged periods of economic instability or recession, that lead to:
  - Significant or prolonged decline in the fair value of a particular security or group of securities and impairment of the asset(s)
  - Significant decline in investment income due to reduced or eliminated dividend payouts from a particular security or group of securities
  - Significant rise in losses from surety and director and officer policies written for financial institutions or other insured entities
- Recession or other economic conditions resulting in lower demand for insurance products or increased payment delinquencies
- Difficulties with technology or data security breaches, including cyberattacks, that could negatively affect our ability to conduct business and our relationships with agents, policyholders and others
- Disruption of the insurance market caused by technology innovations such as driverless cars that could decrease consumer demand for insurance products
- Delays, inadequate data developed internally or from third parties, or performance inadequacies from ongoing development and implementation of underwriting and pricing methods, including telematics and other usage-based insurance methods, or technology projects and enhancements expected to increase our pricing accuracy, underwriting profit and competitiveness
- Increased competition that could result in a significant reduction in the company's premium volume
- Changing consumer insurance-buying habits and consolidation of independent insurance agencies that could alter our competitive advantages
- Inability to obtain adequate ceded reinsurance on acceptable terms, amount of reinsurance coverage purchased, financial strength of reinsurers and the potential for nonpayment or delay in payment by reinsurers
- Inability to defer policy acquisition costs for any business segment if pricing and loss trends would lead management to conclude that segment could not achieve sustainable profitability
- Inability of our subsidiaries to pay dividends consistent with current or past levels
- Events or conditions that could weaken or harm the company's relationships with its independent agencies and hamper opportunities to add new agencies, resulting in limitations on the company's opportunities for growth, such as:
  - Downgrades of the company's financial strength ratings
  - Concerns that doing business with the company is too difficult
  - Perceptions that the company's level of service, particularly claims service, is no longer a distinguishing characteristic in the marketplace
  - Inability or unwillingness to nimbly develop and introduce coverage product updates and innovations that our competitors offer and consumers expect to find in the marketplace
- Actions of insurance departments, state attorneys general or other regulatory agencies, including a change to a federal system of regulation from a state-based system, that:
  - Impose new obligations on us that increase our expenses or change the assumptions underlying our critical accounting estimates
  - Place the insurance industry under greater regulatory scrutiny or result in new statutes, rules and regulations
  - Restrict our ability to exit or reduce writings of unprofitable coverages or lines of business
  - Add assessments for guaranty funds, other insurance related assessments or mandatory reinsurance arrangements; or that impair our ability to recover such assessments through future surcharges or other rate changes
  - Increase our provision for federal income taxes due to changes in tax law
  - Increase our other expenses
  - Limit our ability to set fair, adequate and reasonable rates
  - Place us at a disadvantage in the marketplace
  - Restrict our ability to execute our business model, including the way we compensate agents
- Adverse outcomes from litigation or administrative proceedings
- Events or actions, including unauthorized intentional circumvention of controls, that reduce the company's future ability to maintain effective internal control over financial reporting under the Sarbanes-Oxley Act of 2002
- Unforeseen departure of certain executive officers or other key employees due to retirement, health or other causes that could interrupt progress toward important strategic goals or diminish the effectiveness of certain longstanding relationships with insurance agents and others
- Events, such as an epidemic, natural catastrophe or terrorism, that could hamper our ability to assemble our workforce at our headquarters location

Further, the company's insurance businesses are subject to the effects of changing social, global, economic and regulatory environments. Public and regulatory initiatives have included efforts to adversely influence and restrict premium rates, restrict the ability to cancel policies, impose underwriting standards and expand overall regulation. The company also is subject to public and regulatory initiatives that can affect the market value for its common stock, such as measures affecting corporate financial reporting and governance. The ultimate changes and eventual effects, if any, of these initiatives are uncertain.

SUBSIDIARY OFFICERS AND DIRECTORS

As of February 23, 2018, listed alphabetically

Officers serve on one or more subsidiaries:
The Cincinnati Insurance Company (CIC); The Cincinnati Casualty Company (CCC); The Cincinnati Indemnity Company (CID);
The Cincinnati Life Insurance Company (CLIC); The Cincinnati Specialty Underwriters Insurance Company (CSU);
CSU Producer Resources Inc. (C-SUPR); CFC Investment Company (CFC-I)

EXECUTIVE OFFICERS

Roger A. Brown, FSA, MAAA, CLU*
Chief Operating Officer and Senior Vice President - CLIC

Teresa C. Cracas, Esq.*
Chief Risk Officer and Senior Vice President

Donald J. Doyle, Jr., CPCU, AIM*
Senior Vice President – Excess & Surplus Lines

Sean M. Givler, CIC, CRM*
Senior Vice President – Sales & Marketing

Theresa A. Hoffer
Senior Vice President – Corporate Finance
Treasurer

Martin F. Hollenbeck, CFA, CPCU*
Chief Investment Officer and Senior Vice President
President and Chief Operating Officer – CFC-I

Steven J. Johnston, FCAS, MAAA, CFA, CERA*
Chief Executive Officer of all subsidiaries
President – CIC, CID, CCC, CSU, C-SUPR, CLIC

John S. Kellington*
Chief Information Officer and Senior Vice President

Lisa A. Love, Esq.*
Senior Vice President, General Counsel and Corporate Secretary

Martin J. Mullen, CPCU*
Chief Claims Officer and Senior Vice President

Jacob F. Scherer, Jr.*
Chief Insurance Officer and Executive Vice President

Michael J. Sewell, CPA*
Chief Financial Officer and Senior Vice President

Stephen M. Spray*
Senior Vice President – Commercial Lines

William H. Van Den Heuvel*
Senior Vice President – Personal Lines

SENIOR VICE PRESIDENTS

Kevin E. Guilfoyle
Glenn D. Nicholson, LLIF*

VICE PRESIDENTS

Michael R. Abrams
B. Scott Albaugh, CPCU, AIM
Robert E. Bernard, CPCU, AIM
Ann S. Binzer, ChFC, CLU, FALU, FLHC, FLMI
Jill A. Bryant
David L. Burbrink
Dawn S. Chapel, CPCU, AIM, AIS, CRIS, APA, ARe, ASLI, AU
William M. Clevidence, CIC
Jason B. Couch, RPLU, AFSB
John A. Davis
Mark R. DesJardins, CPCU, AIM, AIC, ARP
Michael K. Dockery
W. Dane Donham, AIM
Elizabeth E. Ertel, CPCU, AIM, API, AINS
Robin E. Farrell, CPCU, API, ARM
James A. Faust
Rodney M. French, CPCU, AIM, ARe
Luyang Fu, Ph.D., FCAS
Carl C. Gaede, CPCU, AFSB
William J. Geier, CPCU, CLU, ChFC, FLMI, AIM, HIAA
Scott A. Gilliam
David T. Groff, CPCU, FCAS, MAAA
Brent A. Hardesty III, CPCU, AIAF, CIA, CISA, PMP
Wendy A. Hayes
David L. Helmers, CPCU, API, ARe, AIM
Anthony E. Henn, CPCU, AIM, AAM, ARe, AIT
Vicki W. Hill
Scott E. Hintze, CPCU, AIM, ASLI, AU, CIC, CRM
Thomas C. Hogan, Esq.
James W.B. Hole
Thomas A. Huberty
Timothy D. Huntington, CPCU, AU
Joseph W. Kinsey
Ronald C. Klimkowski, CIC, AIC
Glenn W. Koch, CPCU, AIM
Philip T. Kramer, CPCU, CIC
Michelle L. Kyle, CISA, PMP
Helen Kyrios, Esq.
Steven W. Leibel, CPCU, AIM
Paul B. LeStourgeon, FCAS, MAAA, CFA, CERA
Michael T. Luebbe, CPCU, AIM, ASLI, CRIS
Thomas J. Lupinetti, CPCU, ALCM, AIM, ARM, CSP
Chris T. Lutz
Richard L. Mathews, CPCU, AINS, AIT
Mark A. McBeath
Dennis E. McDaniel, CPA, CMA, CFM, CPCU
David E. McKinney, CPCU, AIM
Timothy D. Morris, CPCU, APA
David U. Neville, CPCU, AIM, API, ARe
Francis T. Obermeyer, CPA, CISA, PMP, CPCU, AIAF, ARC
Michael K. O'Connor, CFA, CPCU, AFSB
James D. Ogle, CPCU, AIC
Todd H. Pendery, FLMI
Marc C. Phillips, CPCU, AIM
Claudio A. Ronzitti, Jr., Esq.
Michael A. Rouse
R. Phillip Sandercox, CPCU, ARe
Marc J. Schambow, CPCU, AIM, ASLI
Thomas J. Scheid
Gregory D. Schmidt, CPCU, ARP, CCP, ACP, ARC
Henry C. Schmidt III, AIM
David J. Selembo
John C. Sence
Erin A. Skala, ARe
Martin D. Skidmore
David W. Sloan
Steven A. Soloria, CFA, CPCU
Douglas W. Stang, FCAS, MAAA, CERA
Brett J. Starr, CISA, CPCU, AIAF
Dennis G. Stetz, SCLA
James E. Streicher, CPCU, AIM, AIT, ARe, ASLI, ARM
Chet H. Swisher
Todd E. Taylor
William H. Thomas, CPCU, AIM
Montgomery L. Trottier, CIC
Gerald L. Varney
Stephen A. Ventre, CPCU
Michael B. Wedig, CPA
Robert S. Weishaar, Ph.D., FCAS, MAAA
Brian K. Wood, CPCU, AIM, SPHR
Xiangfei Zeng, Ph.D, FCAS, MAAA

TREASURERS

Theresa A. Hoffer
Todd H. Pendery, FLMI
Michael J. Sewell, CPA
Blake D. Slater, CPA

GENERAL COUNSEL

Lisa A. Love, Esq.

SENIOR COUNSEL

Mark J. Huller, Esq.

CORPORATE COUNSEL

Thomas C. Hogan, Esq.
Helen Kyrios, Esq.
Claudio A. Ronzitti, Jr., Esq.

COUNSEL

Keith W. Collett, Esq.
Bernard F. Kistler, Esq., CPCU, AIC, APA, API, ChFC, CLU
G. Gregory Lewis, Esq.
Stephen C. Roach, Esq.

NONOFFICER DIRECTORS

William F. Bahl, CFA, CIC
Gregory T. Bier, CPA (Ret.)
W. Rodney McMullen
David P. Osborn, CFA
Thomas R. Schiff
Kenneth W. Stecher
John F. Steele, Jr.
Larry R. Webb, CPCU

*Subsidiary Director

CINCINNATI FINANCIAL CORPORATION DIRECTORS AND OFFICERS

As of February 23, 2018

DIRECTORS

William F. Bahl, CFA, CIC
Chairman of the Board
Bahl & Gaynor Investment Counsel Inc.
(Independent registered investment adviser)
Director** since 1995 (A)(C)(E)(I)(N*)

Gregory T. Bier, CPA (Ret.)
Managing Partner (Ret.), Cincinnati Office
Deloitte LLP
(Independent registered public accounting firm)
Director since 2006 (A)(C)(I)

Linda W. Clement-Holmes
Chief Information Officer (Ret.)
The Procter & Gamble Company
(Consumer products)
Director since 2010 (A)(C)(N)

Dirk J. Debbink
Chairman and Chief Executive Officer
MSI General Corporation
(Design/build construction firm)
Director since 2012 (A)(N)

Steven J. Johnston, FCAS, MAAA, CFA, CERA
President and Chief Executive Officer
Cincinnati Financial Corporation
Director since 2011 (E*)(I)

Kenneth C. Lichtendahl
Director of Development and Sales
Heliosphere Designs LLC
(Solar product marketing)
Director since 1988 (A)(C)

W. Rodney McMullen
Chairman and Chief Executive Officer
The Kroger Co.
(Retail grocery chain)
Director since 2001 (C*)(E)(I)

David P. Osborn, CFA
President
Osborn Williams & Donohoe LLC
(Independent registered investment adviser)
Director since 2013 (A)(I)

Gretchen W. Price
Executive Vice President and
Chief Financial and Administrative Officer
Arbonne International LLC
(Beauty and nutritional products)
Director since 2002 (A*)(C)(N)

Thomas R. Schiff
Chairman and Chief Executive Officer
John J. & Thomas R. Schiff & Co. Inc.
(Independent insurance agency)
Director since 1975 (I)

Douglas S. Skidmore
Chief Executive Officer
Skidmore Sales & Distributing Company Inc.
(Food ingredient distributor)
Director since 2004 (A)(N)

Kenneth W. Stecher
Chairman of the Board
Former President and Chief Executive Officer
Cincinnati Financial Corporation
Director since 2008 (E)(I*)

John F. Steele, Jr.
Chairman and Chief Executive Officer
Hilltop Basic Resources Inc.
(Supplier of aggregates and concrete)
Director since 2005 (A)(E)

Larry R. Webb, CPCU
President
Webb Insurance Agency Inc.
(Independent insurance agency)
Director since 1979 (E)(I)

(A) Audit Committee
(C) Compensation Committee
(E) Executive Committee
(I) Investment Committee; also Richard M. Burridge, CFA, adviser
(N) Nominating Committee
* Committee Chair
** Lead Independent Director

OFFICERS

Steven J. Johnston, FCAS, MAAA, CFA, CERA
President and Chief Executive Officer

Michael J. Sewell, CPA
Chief Financial Officer, Principal Accounting Officer, Senior Vice President and Treasurer

Martin F. Hollenbeck, CFA, CPCU
Chief Investment Officer, Senior Vice President,
Assistant Secretary and Assistant Treasurer

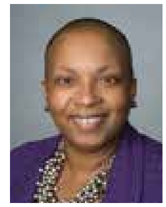
Lisa A. Love, Esq.
Senior Vice President, General Counsel and Corporate Secretary

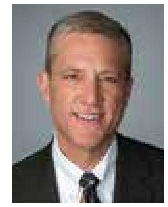
DIRECTORS EMERITI

James E. Benoski
Michael Brown
Jackson H. Randolph
John J. Schiff, Jr., CPCU
Frank J. Schultheis
David B. Sharrock
John M. Shepherd
Alan R. Weiler, CPCU
E. Anthony Woods
William H. Zimmer


W.F. Bahl


G.T. Bier


L.W. Clement-Holmes

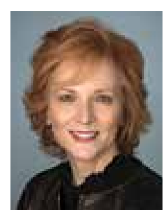

D.J. Debbink


S.J. Johnston


K.C. Lichtendahl

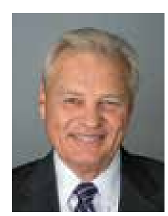

W.R. McMullen


D.P. Osborn

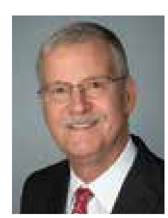

G.W. Price


T.R. Schiff


D.S. Skidmore


K.W. Stecher


J.F. Steele, Jr.


L.R. Webb

SHAREHOLDER INFORMATION

COMMON STOCK PRICE AND DIVIDEND DATA

Common shares are traded under the symbol CINF on the Nasdaq Global Select Market.

(Source: Nasdaq Global Select Market)	**2017**				2016			
Quarter:	**1st**	**2nd**	**3rd**	**4th**	1st	2nd	3rd	4th
High	**$ 76.71**	**$ 73.98**	**$ 81.98**	**$ 77.76**	$ 65.99	$ 74.89	$ 78.09	$ 79.60
Low	**68.24**	**68.49**	**71.60**	**70.07**	53.64	63.87	73.88	68.11
Period-end close	**72.27**	**72.45**	**76.57**	**74.97**	65.36	74.89	75.42	75.75
Cash dividends declared	**0.50**	**0.50**	**0.50**	**1.00**	0.48	0.48	0.48	0.48

ANNUAL MEETING

Shareholders are invited to attend the Annual Meeting of Shareholders of Cincinnati Financial Corporation at 9:30 a.m. ET, on Saturday, May 5, 2018, at the Cincinnati Art Museum, 953 Eden Park Drive, Cincinnati, Ohio. You may listen to an audio webcast of the event by visiting *cinfin.com/investors.*

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Deloitte & Touche LLP
250 East Fifth St., Suite 1900
Cincinnati, Ohio 45202-5109

SHAREHOLDER SERVICES

American Stock Transfer & Trust Company LLC is the transfer agent and administrator for all registered shareholder accounts. Services available to registered shareholder accounts include dividend direct deposit, Shareholder Investment Plan (including dividend reinvestment), direct registration of shares and electronic delivery. Registered shareholders may also access your individual account at *astfinancial.com,* where you can complete transactions online at any time, including changing your address, opting out of receiving paper statements, changing your current dividend reinvestment option and viewing recent transactions.

CONTACT INFORMATION

You may direct communications to Cincinnati Financial Corporation's Senior Vice President, General Counsel and Corporate Secretary Lisa A. Love, Esq. for sharing with the appropriate individual(s). Or, you may directly access services:

Investors: Investor Relations responds to investor inquiries about the company and its performance.
Dennis E. McDaniel, CPA, CMA, CFM, CPCU – Vice President, Investor Relations Officer
513-870-2768 or *investor_inquiries@cinfin.com*

Shareholders: Shareholder Services administers the company's stock compensation plans and fulfills requests for shareholder materials. C. Brandon McIntosh, CEP, CPA – Assistant Secretary and Manager, Shareholder Services
513-870-2639 or *shareholder_inquiries@cinfin.com*

American Stock Transfer & Trust Company LLC provides the company's stock transfer and recordkeeping services, including assisting registered shareholders with updating account information or enrolling in shareholder plans.
6201 15th Avenue, Brooklyn, NY 11219
866-638-6443 or *help@astfinancial.com*

Media: Corporate Communications assists media representatives seeking information or comment from the company or its subsidiaries.
Betsy E. Ertel, CPCU, AIM, API – Vice President, Corporate Communications
513-603-5323 or *media_inquiries@cinfin.com*

CINCINNATI FINANCIAL CORPORATION

The Cincinnati Insurance Company
The Cincinnati Casualty Company
The Cincinnati Indemnity Company
The Cincinnati Life Insurance Company
The Cincinnati Specialty Underwriters Insurance Company
CSU Producer Resources Inc.
CFC Investment Company

MAILING ADDRESS

P.O. Box 145496
Cincinnati, Ohio 45250-5496

STREET ADDRESS

6200 South Gilmore Road
Fairfield, Ohio 45014-5141

Phone: 888-242-8811 or 513-870-2000
Email: *cfc_corporate@cinfin.com*
Web: *cinfin.com*

Please recycle.