

A photograph of two men walking through a large industrial facility, likely a factory or warehouse. The man on the left is wearing a dark suit, white shirt, and dark tie, and is carrying a folder. The man on the right is wearing a light blue button-down shirt and dark pants, and is holding a yellow tool. The background is filled with industrial equipment and structures, with warm lighting creating a dramatic effect.

ACTIONS
Speak
**louder
in person**



2016 Annual Letter From the Chairman
and the Chief Executive Officer

About the Company

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 market our business, home and auto insurance within their communities. These agents offer our standard market and excess and surplus commercial lines policies in 39 states and our personal lines policies in 31 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:

- Commitment to our network of professional independent insurance agencies and to their continued success
- Financial strength to fulfill our promises and be a consistent market for our agents’ business, supporting stability and confidence
- Operating structure that supports local decision making, showcasing the strength of our field claims service, field underwriting and field support services

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 publications that we promptly post on cinfin.com/investors as they are completed.

ethics

Forbes has again ranked Cincinnati Financial Corporation, operating through The Cincinnati Insurance Companies, among America’s 50 Most Trustworthy Financial Companies in 2015. This marks the fifth consecutive time Forbes has recognized Cincinnati Financial for trustworthiness.

Forbes | 2015
AMERICA’S MOST
TRUSTWORTHY
FINANCIAL
COMPANIES

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To Our Shareholders:

Financial Highlights

Your company's 2015 operating income* of \$589 million rose 34 percent over last year's result. Shareholders' equity remained strong at \$6.427 billion.

Property casualty insurance underwriting drove our financial performance. Underwriting profit increased 108 percent for the year, reflecting successful execution of our strategies. Profitable insurance operations provided cash to fuel investment income, which grew 4 percent in 2015.

To return capital to shareholders, we favor cash dividends and have increased them in each of the past 55 years. Your company returned a total of \$419 million in 2015, paying out \$1.82 per share in regular dividends plus a special cash dividend of 46 cents per share in the fourth quarter. In 2015, we also repurchased one million shares totaling \$53 million. Already in January 2016, the board of directors has increased the dividend, setting the stage for a 56th consecutive year of dividend increases, a streak we believe is matched by only eight other U.S. public companies.

The cumulative impact of improvements made over the course of recent years feeds the confidence of our board and management team, confirming that our current strategies are the right ones to take us forward. Our full-year property casualty combined ratio surpassed the results of the last seven years at 91.1 percent, or 90.6 percent on a statutory basis. In a challenging market environment, property casualty net written premium growth reached 5 percent for the year; that pace included 1 percent from Cincinnati ReSM, the reinsurance assumed operation we began expanding in 2015.



Steven J. Johnston (left), president and chief executive officer, with Kenneth W. Stecher, chairman of the board

We balance profitability and growth, continuing to outperform the industry. A.M. Best Co., a leading insurance industry ratings agency, estimates 2015 industry results at a 98.0 percent combined ratio on a statutory basis with 2.7 percent net written premium growth.

Our primary performance target is an annual value creation ratio averaging 10 percent to 13 percent for the five-year period of 2013 through 2017. For the five years ending with 2015, VCR averaged 10.1 percent. We believe the value creation ratio is an appropriate metric because it captures the results of our insurance and investment operations, considering our ability to increase the book value of your company and your shareholder dividends. In 2015, the ratio was 3.4 percent as strong insurance operating results were offset by lower realized and unrealized gains in both our bond and stock portfolios.

Achieving Our Goals

We manage our business with the intent to achieve good results through all stages of economic and insurance cycles. Those who

follow our industry expect challenges in 2016. Increasing market competition and the easy availability of capital may continue to pressure policy pricing. If catastrophe losses rise to a more normal level, the industry overall may experience deterioration in profitability. Headwinds from macroeconomic issues may continue to pressure investment markets. We are not at all discouraged. Rather, we are ready to take action in three key areas that differentiate your company, making it possible to increase your shareholders' equity and shareholder dividends over time.

Taking Action to Build Strong Agency Relationships

Independent property casualty insurance agencies market our policies in 39 states. We finished 2015 with 1,526 agency relationships, including 114 new appointments over the course of the year. Our plan for 2016 includes appointing at least 100 more agencies to market all, or most, of our property casualty insurance products, plus others that specialize in

*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.

serving high net worth personal lines clients. Independent agencies come in a variety of shapes and sizes. Each has its own unique management structure, client base and preferences for interacting with carriers. Yet all of the agencies we appoint share one thing in common – they are the most professional in their communities.

Cincinnati generally advances to be the No. 1 or No. 2 carrier of choice, based on

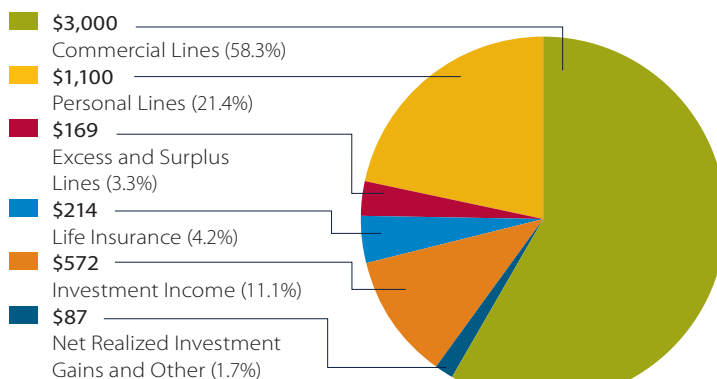
premium volume, in agencies that have represented us for at least five years. However, we do not take that for granted. We act to create new opportunities for our agencies and to heighten your company's advantages. To attract more business, we introduced new and enhanced products and services, delivered by an outstanding team of field associates who make decisions locally and in person.

Our commercial lines business grew net written premiums by 4 percent in 2015 while improving its combined ratio by 6.5 points to a very satisfactory 88.6 percent. We find ourselves at the intersection of art and science in our underwriting process. By combining our sophisticated data models with the seasoned judgment of field marketing representatives, we segment accounts and present the right price for the risk assumed on each account. Higher levels of insured exposures, thanks to the nation's still recovering economy, and average renewal price increases in the low-single-digit range also boosted net written premium growth.

As we continue to profitably grow our commercial insurance business, we've created a number of Target Markets niche programs in recent years that provide an advanced level of expertise and support to agents. Read more about how these programs support our agents and their clients on Page 8.

Agents are looking for ways to more efficiently handle customer service for small commercial accounts. We piloted a service center in 2014, inviting participating agencies to let us provide service for their commercial accounts with no more than five locations, five autos or \$5 million in sales. As of year-end 2015, more than 100 agencies had chosen to use the Cincinnati Customer Care Center for some of their small business accounts, and more are on the way. Policyholders and agents alike appreciate the option to call a local phone number and speak directly with their own Cincinnati account representatives, who are ready to answer questions and to underwrite and issue policies.

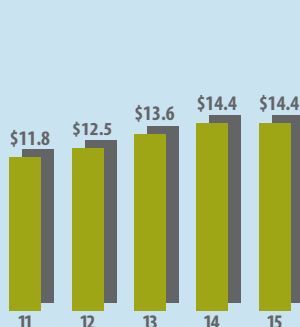
2015 Consolidated Revenues (in millions)



Total: \$5.142 billion

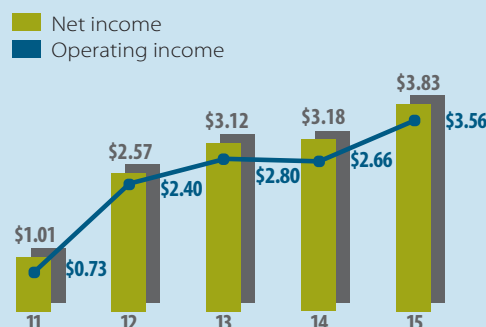
Invested Assets

At fair value (in billions)



Net and Operating* Income

Per common share, diluted



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

Consolidated revenues rose 4 percent in 2015, compared with 2014, with earned premiums up 6 percent. Invested assets held steady as the contribution from positive operating cash flows helped offset declining market valuations. Net income per share increased by 20 percent in 2015, due primarily to an increase of 108 percent from property casualty underwriting profit and a 4 percent increase in investment income.

Already in 2016, we've begun the launch of two new standard market commercial products. The first is a suite of products to help businesses mitigate the risk of cyberattacks, network and data breaches, and key employee identity theft. The second is our updated management liability program. The Pillar Policy combines valuable management liability coverages in one policy, including directors and officers, employment practices and fiduciary liability coverages, as well as cyber and crime coverage.

The Cincinnati Specialty Underwriters Insurance Company, our excess and surplus lines subsidiary, had an outstanding 2015 with net written premium growth of 14 percent and a combined ratio of 70.0 percent. We've continued expanding our appetite and coverages for this business to deepen our relationships with our current agents. 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.

Our personal lines business reported a 2015 combined ratio of 101.3 percent and net written premiums up 6 percent. The combined ratio increased 2.1 points compared with 2014 results due to two factors: strategic investments in expertise and technology to support expansion into high net worth markets; and increased loss and loss expenses for our personal auto line of business. Approved personal auto rate increases in 14 states, effective in the

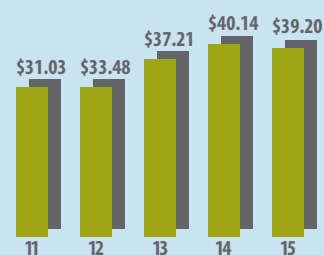
second half of 2015, will benefit future profitability trends.

Agents in New York responded enthusiastically to the September 2015 launch of our Executive Capstone™ suite of products for their high net worth clients and prospects. We believe these clients appreciate the value of advice from a professional independent agent, our broad coverage and top-notch claims service. Our agents seem to agree. The growth rate of this type of new business approximately doubled the rate of the rest of our personal insurance operation. In 2016, we look to bring these products to agents and their clients in New Jersey, California and Colorado. We are enhancing the ability of our agents in other states to attract and retain high net worth clients by releasing four Executive Capstone endorsements that enhance our current homeowner product, the Executive Classic™. Ultimately, agents in all states where we market homeowner insurance will have access to the Executive Capstone homeowner policy, pending our state-by-state build-out of infrastructure to support it.

Earned premiums for The Cincinnati Life Insurance Company increased 6 percent in 2015, including a 4 percent increase for term life premiums. Efforts are under way to make it more convenient for our property casualty agents to sell our term life insurance products. Through this new program, property casualty agents will be able to offer clients up to \$500,000 of term insurance with just the information from their home or auto policy, predictive analytics and a few simple questions. Adding a life insurance policy to a personal insurance account can increase the persistency of the account while diversifying premium revenues for our agents and your company.

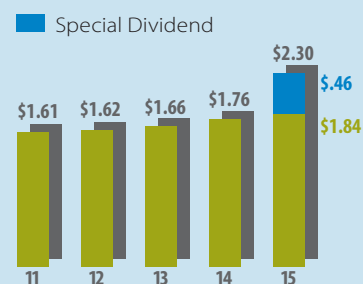
Book Value

Per common share

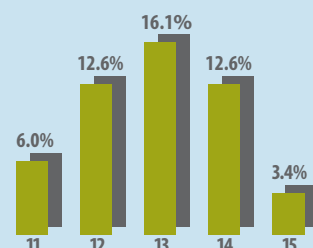


Cash Dividends Declared

Per common share



Value Creation Ratio*



*A discussion of this ratio and a reconciliation to comparable GAAP measures are available on Pages 40-42 of our 2015 Annual Report on Form 10-K.

Book value per share at December 31, 2015, was \$39.20. The board of directors increased our shareholder dividend in 2015, marking the 55th consecutive year of dividend increases. A special cash dividend of 46 cents per share was also declared and paid in the fourth quarter, bringing the total dividends declared to shareholders in 2015 to \$2.30 per share. The 3.4 percent 2015 value creation ratio included 8.9 points from operating results, partially offset by a negative 5.5 points from lower investment portfolio realized and unrealized gains.

Taking Action to Provide Superior Claims Service

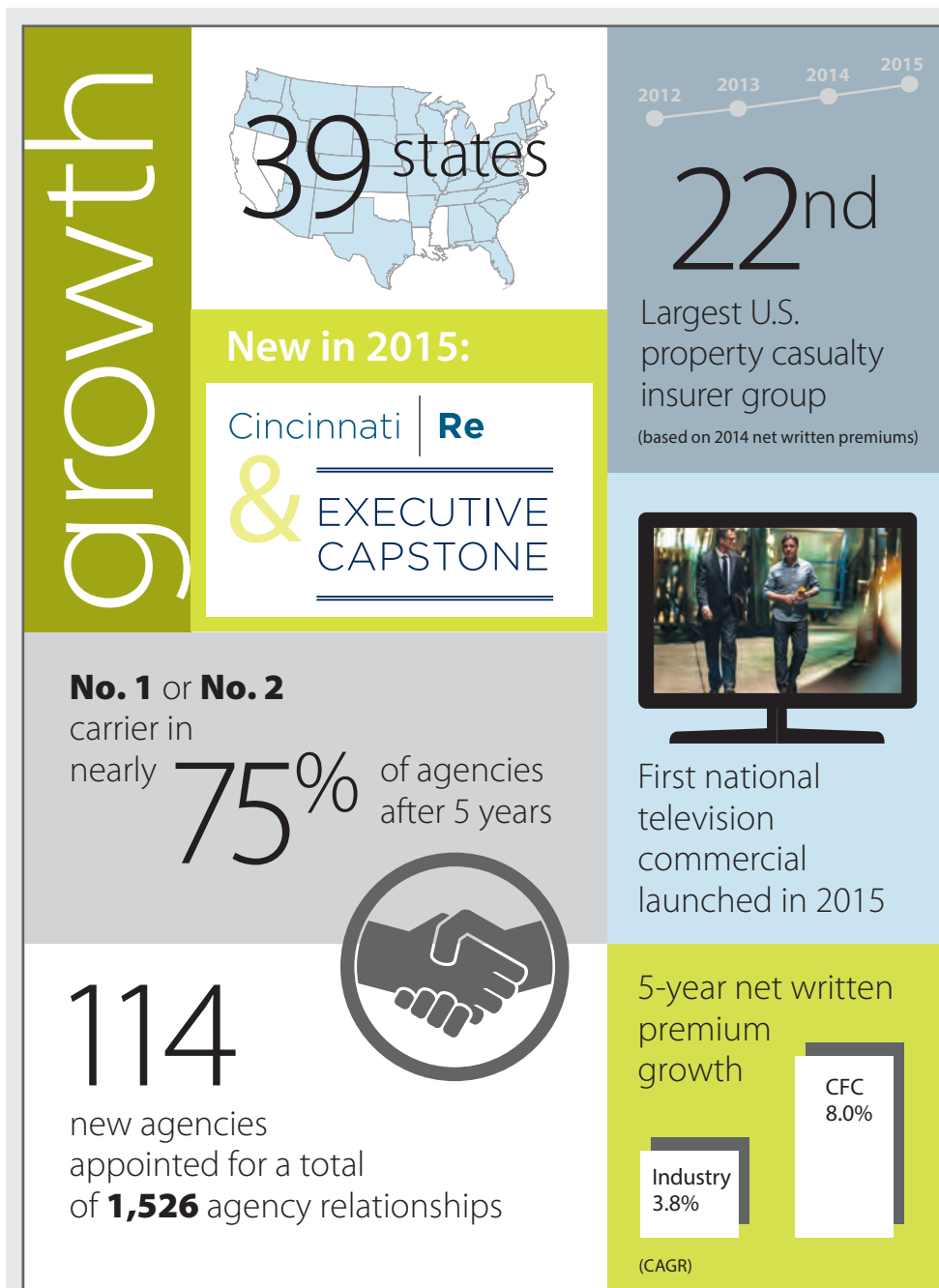
Again in 2015, policyholders had ample opportunities to benefit from their Cincinnati relationships. Severe weather, mainly in the Midwest and South, contributed to \$161 million of catastrophe losses. These weather-related catastrophe losses were somewhat lighter than in 2014.

The value of an insurance policy comes to life when a policyholder has a loss, no matter if a tornado affects an entire community or a fire affects just one policyholder. Our experienced multiline field claims representatives respond in person, compassionately delivering on the promises our agents sell. Read more about how *Actions Speak Louder in Person*[®] describes our corporate culture, and specifically our approach to claims, on Page 7.

Your company is committed to paying all that is due on each claim. To ensure we have the financial strength to honor that commitment, we follow consistent reserving practices that made 2015 our 27th consecutive year of favorable reserve development. We continue to maintain consolidated reserves consistently within the upper half of the actuarially estimated range of likely amounts we will ultimately pay out to policyholders and claimants.

Taking Action to Deliver Successful Total Return Investing

Securities markets took a toll on the valuation of our investments, lowering the fair value of our stock portfolio 3 percent during 2015. The fair value of our bond portfolio rose 2 percent for the year, despite a significant drop in unrealized gains due to rising interest rates. While markets have also been turbulent in early 2016, we are confident in our approach. We recognize that we will sometimes have



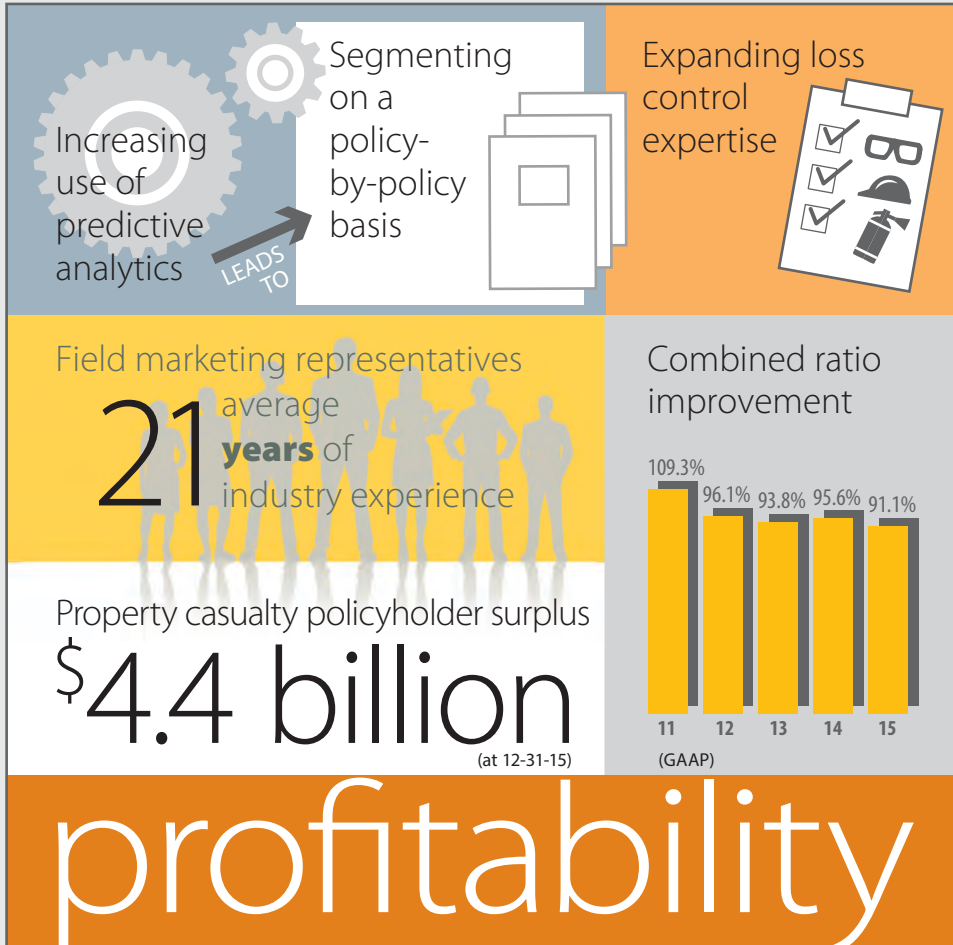
to weather short-term volatility due to the meaningful allocation to common stocks in our overall portfolio. It does not sway us from our proven, long-term investment strategy.

We continue to invest available cash flow in both fixed income and equity securities in a manner that we believe balances current income needs with longer-term asset growth goals and stays within our

approved investment parameters. While our bond portfolio more than covers our insurance reserve liabilities, we believe our diversified common stock portfolio of mainly blue chip, dividend-paying companies represents one of our best investment opportunities for the long term. At year-end 2015, pretax net unrealized gains held in our equity portfolio totaled \$1.768 billion.

Balancing Growth and Profitability

Investments in expertise, analytics and advertising reflect a strong commitment to our relationship-based business model. 2015 saw the launch of our new product suite for high net worth personal lines clients, Executive Capstone; the expansion of our reinsurance assumed operations now known as Cincinnati Re; and the release of our first-ever national television commercial. Talented teams of professionals support these activities, adding robust opportunities to continue your company's profitable growth.



Ready for the Future

An agent-centered philosophic framework distinguishes your company and defines the strategies that are accelerating our competitive advantages. One strategy consistently sets us apart – that of maintaining a large field staff in each agency's community, authorized to make decisions locally and fully supported by technology and headquarters staff. We are

acting now to help current associates develop specific expertise, and we have recruited talented associates from around the country for selected initiatives, particularly our reinsurance assumed operation and our high net worth program. Planning for the future includes developing the next generation of company leaders. In November, we announced a plan to groom the next leaders for

commercial lines, sales, accounting and life insurance.

The leadership transition in our life insurance company took place at the beginning of 2016. David H. Popplewell, FALU, LLIF, retired after a 48-year career in life insurance, including 18 years of distinguished service to our company. Roger A. Brown, FSA, MAAA, CLU, formerly our chief life actuary, assumed leadership of the subsidiary. Dave and Roger teamed up to position Cincinnati Life with a strong leadership team and a seamless transition for our agents and associates.

Ratings agencies are recognizing the progress made across our organization. Standard & Poor's upgraded your company to A+ in June. Fitch Ratings and A.M. Best both affirmed their strong ratings of our property casualty insurance group. A.M. Best also recognized the strong results of Cincinnati Specialty Underwriters, upgrading it from A to A+ in December.

We will continue to confidently demonstrate how actions speak louder in person, answering the call when our policyholders and claimants experience insurance losses, supporting the stellar reputations of our independent agency partners and creating long-term value for shareholders.

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

ACTIONS *speak* louder in person

"The Cincinnati Insurance Company's product has always been for those who really appreciate having *something better*," says Bill Snellings, Snellings Walters Insurance Agency. Bill serves one of the policyholders whose stories are featured on the next pages.

What makes Cincinnati "something better"? A featured policyholder sums it up: "We are working with people who actually back up what they say they are insuring us for," says Bill Covalleski, co-owner of a successful brewery. Below, we hear how Cincinnati associates amplify their actions with a human touch, creating something better:



Steve Dunn, CIC, Field Marketing Director, Eastern Pennsylvania:

"Face-to-face interaction is what builds long-term relationships. That's why about 30 percent of Cincinnati's associates live and work in the same communities as the policyholders and agents we serve. We meet them – physically and frequently – to help with their insurance purchases, claims, risk management, inspections, premium audits and other support. We are their team, and we are present to support their success."

Brad Holmes, Senior Claims Specialist, Atlanta: "Field representatives prepare ourselves with knowledge of specific risks and resources in our territories. This knowledge and our ongoing local relationships position us to respond promptly and humanly when policyholders need us. We have the authority to confidently say, 'I'm here to help you out. Tell me what you need, and we're going to start the process of getting you back on your feet.'"



Kevin Getz, CPCU, AIM, CIC, Secretary, Target Markets: "Our niche marketing approach brings people with expertise together to help assure policyholder success and loyalty. We master each niche's nuances, keep coverage best in class and support agency efforts.

Product managers travel the country, listening to the concerns and successes of current and prospective clients, their agents and trade groups."



Coming Home Again

Dick and Anne custom-built a dream home overlooking 40 peaceful acres and the Chattahoochee River. They filled it with unique collectibles and comfortable spaces, from the cozy kitchen to the library.



And then it was gone. A devastating fire consumed the home and everything in it. Dick and Anne didn't know which way to go or what they were going to do. All they had were the clothes on their backs. Fortunately, their agent, Bill Snellings, had insured their home through Cincinnati Insurance.



"It was an absolute madhouse after the fire, with news crews trying to get the story and contractors trying to get the job," explained Brad Holmes, senior claims specialist. Brad sprang into action, first arranging to secure the property around the clock. An experienced multiline claims representative, Brad applied his deep understanding of coverages to begin the process of getting them back on their feet. He set up living arrangements so Dick and Anne would be comfortable during the rebuilding, then brought in experts who would recognize the home's unique features and the best options to repair or replace them.



Cincinnati Insurance is in the business of helping our policyholders recover financially after insured losses. We look to pay all that is due under a policy after a covered loss, treating others the way we would want to be treated.

"People often ask what our insurance was and how they treated us," says Anne. "Cincinnati has been a great insurance company. They made it possible for us to come home again."



To hear agent Bill Snellings and others tell this story in their own words, scan this QR code.

Together All Along the Way

From their roots as home brewers through their recent expansion to a 178,000-square-foot facility, Victory Brewing Company co-owners Bill Covalleski and Ron Barchet have partnered with their agency, The Rigg Darlington Group, and The Cincinnati Insurance Company.



Ron was already familiar with the quality of Cincinnati's service. "We were actually looking for Cincinnati Insurance," says Ron, recalling how he and Bill contacted Steve Arbegast of Rigg Darlington in 1995, intent on becoming policyholders.



To hear agent Steve Arbegast and others tell this story in their own words, scan this QR code.



Steve and Cincinnati became the team in Victory's corner, contributing expert, in-person service that helps support its vision, operational security and its continued profitability. As Bill says, "This business has created a whole host of requirements for us. Between the agency and Cincinnati, we have very attentive service that listens and fulfills these needs."

Cincinnati's Pennsylvania loss control, and machinery and equipment representatives conduct Victory's plant inspections, jobsite evaluations and employee safety training. We are committed to continually growing our expertise in insuring craft beverage businesses and tailoring innovative insurance products for this niche.



Ron sums up the relationship: "The

Victory team works in a very dynamic environment. We're creating new products and working with some absolutely great people. Cincinnati Insurance has been there with us all along."

Condensed Balance Sheets and Income Statements

Cincinnati Financial Corporation and Subsidiaries

(In millions)

	At December 31,	
	2015	2014
Assets		
Investments	\$ 14,423	\$ 14,386
Cash and cash equivalents	544	591
Premiums receivable	1,431	1,405
Reinsurance recoverable	542	545
Other assets	1,948	1,821
Total assets	<u>\$ 18,888</u>	<u>\$ 18,748</u>
Liabilities		
Insurance reserves	\$ 7,301	\$ 6,982
Unearned premiums	2,201	2,082
Deferred income tax	638	840
Long-term debt and capital lease obligations	821	822
Other liabilities	1,500	1,449
Total liabilities	<u>12,461</u>	<u>12,175</u>
Shareholders' Equity		
Common stock and paid-in capital	1,629	1,611
Retained earnings	4,762	4,505
Accumulated other comprehensive income	1,344	1,744
Treasury stock	(1,308)	(1,287)
Total shareholders' equity	<u>6,427</u>	<u>6,573</u>
Total liabilities and shareholders' equity	<u>\$ 18,888</u>	<u>\$ 18,748</u>

(In millions except per share data)

	Years ended December 31,		
	2015	2014	2013
Revenues			
Earned premiums	\$ 4,480	\$ 4,243	\$ 3,902
Investment income, net of expenses	572	549	529
Realized investment gains, net	70	133	83
Fee revenues	13	12	8
Other revenues	7	8	9
Total revenues	<u>5,142</u>	<u>4,945</u>	<u>4,531</u>
Benefits and Expenses			
Insurance losses and contract holders' benefits	2,808	2,856	2,505
Underwriting, acquisition and insurance expenses	1,387	1,301	1,243
Interest expense	53	53	54
Other operating expenses	13	14	15
Total benefits and expenses	<u>4,261</u>	<u>4,224</u>	<u>3,817</u>
Income Before Income Taxes	<u>881</u>	<u>721</u>	<u>714</u>
Provision for Income Taxes	<u>247</u>	<u>196</u>	<u>197</u>
Net Income	<u>\$ 634</u>	<u>\$ 525</u>	<u>\$ 517</u>
Per Common Share:			
Net income—basic	\$ 3.87	\$ 3.21	\$ 3.16
Net income—diluted	3.83	3.18	3.12

Five-Year Summary Financial Information

Cincinnati Financial Corporation and Subsidiaries

(Dollars in millions except per share data)

	Years ended December 31,				
	2015	2014	2013	2012	2011
Financial Highlights					
Investment income, net of expenses	\$ 572	\$ 549	\$ 529	\$ 531	\$ 525
Net income	634	525	517	421	164
Realized investment gains, net, after tax	45	85	54	28	45
Operating income	589	440	463	393	119
Per Share Data					
Net income - diluted	\$ 3.83	\$ 3.18	\$ 3.12	\$ 2.57	\$ 1.01
Realized investment gains and losses, net - diluted	0.27	0.52	0.32	0.17	0.28
Operating income - diluted	3.56	2.66	2.80	2.40	0.73
Ordinary cash dividends declared	1.84	1.76	1.655	1.62	1.605
Special cash dividend declared and paid	0.46	—	—	—	—
Book value	39.20	40.14	37.21	33.48	31.03
Ratio Data					
Debt-to-total-capital	11.3%	11.3%	12.8%	14.1%	15.0%
Value creation ratio	3.4	12.6	16.1	12.6	6.0
Consolidated Property Casualty Insurance Results					
Agency renewal written premiums	\$ 3,925	\$ 3,794	\$ 3,493	\$ 3,138	\$ 2,867
Agency new business written premiums	532	503	543	501	437
Net written premiums	4,361	4,143	3,893	3,482	3,098
Earned premiums	4,271	4,045	3,713	3,344	3,029
Current accident year before catastrophe losses	\$ 2,579	\$ 2,495	\$ 2,249	\$ 2,160	\$ 2,213
Current accident year catastrophe losses	177	230	199	373	407
Prior accident years before catastrophe losses	(168)	(72)	(120)	(357)	(280)
Prior accident year catastrophe losses	(16)	(26)	(27)	(39)	(5)
Total loss and loss expenses	\$ 2,572	\$ 2,627	\$ 2,301	\$ 2,137	\$ 2,335
Underwriting expenses	1,321	1,238	1,183	1,076	976
Net underwriting profit (loss)	386	186	233	137	(278)
Loss and loss expense ratio	60.2%	65.0%	61.9%	63.9%	77.0%
Underwriting expense ratio	30.9	30.6	31.9	32.2	32.3
Combined ratio	91.1%	95.6%	93.8%	96.1%	109.3%
Policyholders' surplus (statutory)	\$ 4,412	\$ 4,472	\$ 4,326	\$ 3,914	\$ 3,747
Net written premiums to surplus ratio (statutory)	0.99%	0.93%	0.90%	0.89%	0.83%
Commercial Lines Property Casualty Insurance Results					
Net written premiums	\$ 3,025	\$ 2,922	\$ 2,760	\$ 2,459	\$ 2,218
Earned premiums	2,996	2,856	2,636	2,383	2,197
Loss and loss expense ratio	57.0%	63.5%	60.5%	59.5%	71.4%
Underwriting expense ratio	31.6	31.6	32.5	33.0	33.4
Combined ratio	88.6%	95.1%	93.0%	92.5%	104.8%
Personal Lines Property Casualty Insurance Results					
Net written premiums	\$ 1,128	\$ 1,068	\$ 1,005	\$ 918	\$ 801
Earned premiums	1,097	1,041	961	868	762
Loss and loss expense ratio	71.9%	71.1%	66.6%	75.2%	94.9%
Underwriting expense ratio	29.4	28.1	30.2	30.1	29.1
Combined ratio	101.3%	99.2%	96.8%	105.3%	124.0%
Excess & Surplus Lines Property Casualty Insurance Results					
Net written premiums	\$ 175	\$ 153	\$ 128	\$ 105	\$ 79
Earned premiums	168	148	116	93	70
Loss and loss expense ratio	41.9%	50.5%	56.7%	69.4%	60.3%
Underwriting expense ratio	28.1	28.9	31.1	31.6	31.9
Combined ratio	70.0%	79.4%	87.8%	101.0%	92.2%
Life Insurance Results					
Net written premiums	\$ 256	\$ 250	\$ 241	\$ 249	\$ 306
Earned premiums	209	198	189	178	165
Life insurance segment (loss) profit	(2)	(5)	9	(3)	(3)
Net life insurance face amount in force	52,735	50,356	48,063	45,126	42,001
Admitted assets excluding separate account business (statutory)	3,340	3,201	3,054	2,902	2,735
Risk-based capital (statutory):					
Total adjusted capital	227	241	264	290	288
Authorized control level risk-based capital	36	33	31	29	36

*The Definitions of Non-GAAP Information and Reconciliation to Comparable GAAP Measures on www.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 2015 Annual Report on Form 10-K, Item 1A, Risk Factors, Page 26.

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
- 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
- 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
- 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 26, 2016, listed alphabetically

Officers and directors serve 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)

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Senior Vice President – Excess & Surplus Lines

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

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Senior Vice President – Corporate Accounting

Martin J. Mullen, CPCU*
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Chairman of the Board

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Chief Operating Officer – CLIC

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Michael B. Wedig, CPA

Mark A. Welsh

Mark S. Wietmarschen

Brian K. Wood, CPCU, AIM, SPHR

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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

G. Gregory Lewis, Esq.

Stephen C. Roach, Esq.

Nonofficer Subsidiary Directors

William F. Bahl, CFA, CIC

Gregory T. Bier, CPA (Ret.)

W. Rodney McMullen

David P. Osborn, CFA

John J. Schiff, Jr., CPCU

Thomas R. Schiff

John F. Steele, Jr.

Larry R. Webb, CPCU

*Subsidiary Director

Cincinnati Financial Corporation

As of February 26, 2016

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
The Procter & Gamble Company
(Consumer products)
Director since 2010 (A)(N)

Dirk J. Debbink

Chairman and Chief Executive Officer
MSI General Corporation
(Design/build construction firm)
Director since 2012 (A)(C)

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)(N)

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 Rohs 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)

John J. Schiff, Jr., CPCU

Former Chairman and
Chief Executive Officer
Cincinnati Financial Corporation
Director since 1968 (I)

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
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. Burrige, CFA, adviser
(N) Nominating Committee
* Committee Chair
** Lead Director



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



J.F. Steele, Jr.



D.S. Skidmore



K.W. Stecher



J.J. Schiff, Jr.



T.R. Schiff



L.R. Webb

Officers

Kenneth W. Stecher

Chairman of the Board

Steven J. Johnston, FCAS, MAAA, CFA, CERA

President and Chief Executive Officer

Michael J. Sewell, CPA

Chief Financial 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

Eric N. Mathews, CPCU, AIAF

Principal Accounting Officer, Vice President,
Assistant Secretary and Assistant Treasurer

Directors Emeriti

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Michael Brown

Jackson H. Randolph

Lawrence H. Rogers II

Frank J. Schultheis

David B. Sharrock

John M. Shepherd

Alan R. Weiler, CPCU

E. Anthony Woods

William H. Zimmer

In Remembrance

John Sawyer

1925–2015

John Sawyer served on Cincinnati Financial's board of directors from 1982 to 1994, when he was named director emeritus. John's quiet strength helped guide the company successfully during his tenure on the board. He chaired the audit committee and served on the compensation committee. His skill reached beyond the boardroom: he was a World War II B-17 pilot; an Ohio Agricultural Hall of Fame inductee; owner of the agricultural and real estate firm, J. Sawyer Co.; president of the Cincinnati Bengals from 1968 to 1993; and a respected philanthropist.



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)

Quarter:	2015				2014			
	1 st	2 nd	3 rd	4 th	1 st	2 nd	3 rd	4 th
High	\$ 54.92	\$ 54.25	\$ 56.94	\$ 61.59	\$ 52.19	\$ 49.73	\$ 48.86	\$ 55.35
Low	50.12	49.74	49.72	52.63	44.90	47.00	45.69	45.09
Period-end close.....	53.28	50.18	53.80	59.17	48.66	48.04	47.05	51.83
Cash dividends declared	0.46	0.46	0.46	0.92	0.44	0.44	0.44	0.44

Annual Meeting

Shareholders are invited to attend the Annual Meeting of Shareholders of Cincinnati Financial Corporation at 9:30 a.m. ET, on Saturday, April 30, 2016, 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 amstock.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.

Molly A. Grimm, CEP – Assistant Vice President, 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 info@amstock.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

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