

# Financial Highlights

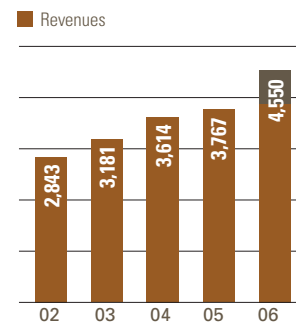
Cincinnati Financial Corporation and Subsidiaries

(In millions except per share data)

	Years ended December 31,		
	2006	2005	Change %
<b>Revenue Highlights</b>			
Earned premiums .....	\$ 3,278	\$ 3,164	3.6
Investment income, net of expenses .....	570	526	8.4
Total revenues .....	4,550	3,767	20.8
<b>Income Statement Data</b>			
Net income .....	\$ 930	\$ 602	54.5
Net realized investment gains and losses, after tax .....	434	40	993.0
Net income before realized investment gains and losses* .....	\$ 496	\$ 562	(11.8)
<b>Per Share Data (diluted)</b>			
Net income .....	\$ 5.30	\$ 3.40	55.9
Net realized investment gains and losses, after tax .....	2.48	0.23	978.3
Net income before realized investment gains and losses* .....	\$ 2.82	\$ 3.17	(11.0)
Cash dividends declared .....	\$ 1.34	\$ 1.21	11.2
Book value .....	39.38	34.88	12.9
Weighted average shares outstanding .....	175,451,341	177,116,126	(0.9)
<b>Balance Sheet Data</b>			
Total assets .....	\$ 17,222	\$ 16,003	7.6
Shareholders' equity .....	6,808	6,086	11.9
<b>Ratio Data</b>			
Property casualty statutory combined ratio .....	93.9%	89.0%	
Return on equity .....	14.4	9.8	
Return on equity based on comprehensive income .....	16.4	1.6	

## Revenues

(Dollars in millions)

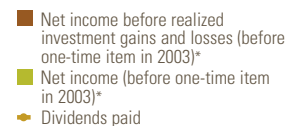


■ Realized investment gain from Alltel common stock sale

Revenue growth continued in 2006 with growth in pretax investment income and consolidated property casualty earned premiums. Revenues and net income in each year reflect realized investment gains and losses including gains from the sale of our Alltel common stock holdings in 2006.

## Net Income/Dividends Paid

Per common share (Dollars)

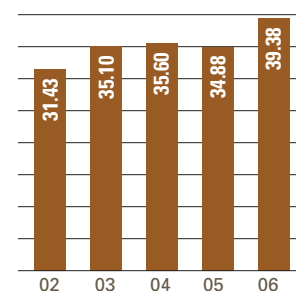


■ Realized investment gain (after tax) from Alltel common stock sale

2006 operating income reflected lower consolidated property casualty underwriting profit. Cash dividends paid to shareholders rose at a 12.1 percent compound annual rate over the past five years. In February 2007, the board increased the indicated annual cash dividend for the 47<sup>th</sup> consecutive year.

## Book Value

Per common share (Dollars)



Book value reached a record high of \$39.38 at year-end 2006. The \$4.50 increase over 2005 reflected after-tax appreciation in the equity portfolio and earnings from operations.

\* The Definitions of Non-GAAP Information and Reconciliation to Comparable GAAP Measures on Page 22 defines and reconciles measures presented in this report that are not based on GAAP or statutory accounting principles.