CINCINNATI
FINANCIAL CORPORATION

2013 Annual Letter From the Chairman and the Chief Executive Officer

One Team One Vision

About the Company

Cincinnati Financial Corporation stands among the 25 largest property casualty insurers in the nation, based on direct written premiums. A select group of independent agencies actively markets 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 our company, positioning us to build value and long-term success:

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

These advantages help us to balance growth with underwriting discipline in a competitive environment. 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 *www.cinfin.com/investors* as they are completed.

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Robert J. Driehaus
1928–2012

Bob Driehaus retired as the company's first chief financial officer in 1997. At that time, Bob was the longest serving associate, having joined the company in 1954 as a junior accountant. He became treasurer in 1961, a Cincinnati Insurance director in 1969 and a Cincinnati Financial director in 1982, serving until 1997 when he was named director emeritus. Bob was instrumental in the formation of Cincinnati Financial and the public company structure that allowed us to grow to our current size and capital strength.

To Our Shareholders, Friends and Associates:

Highlights

Your company's 2012 net operating income* of $393 million more than tripled last year's result. We ended 2012 with shareholders' equity up 8 percent, reflecting increased policyholder surplus of our property casualty insurance subsidiaries. Cash and marketable securities we hold at the parent-company level add to our stellar financial strength and liquidity.

Improvements made in 2012 and recent years have gained momentum. Their cumulative impact feeds our confidence that our current strategies are the right ones to take us forward. While high catastrophe losses early in the year masked improving trends in our property casualty insurance underwriting, those trends grew strong enough in the second half of 2012 to transform a $68 million first-half underwriting loss into a $137 million underwriting profit for the year.

Our full-year combined ratio was 96.1 percent. On a statutory basis, it was 95.4 percent, nearly 11 points points better than the estimated property casualty industry aggregate of 106.2 percent, per A.M. Best Co. We outperformed by making core underwriting progress, as indicated by 8.4 percentage points of improvement in our loss and loss expense ratio for the current accident year before catastrophe losses. Net written premiums rose 12 percent, boosted by new business premiums that for the first time reached the half-billion dollar mark.

One Team, One Vision

The growth and profitability initiatives that produced those results were designed to strengthen our competitive position and opportunities over the long term. We have more work to do to build on our

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

Earning Trust

For openness and integrity in accounting, governance and management, Cincinnati Financial was the highest scoring large-cap company in *Forbes'* 2012 list of the 100 Most Trustworthy Companies in America.

We work to be trustworthy stewards who can deliver value well into the future. We seek to optimize the balance of risk and return, of growth and underwriting discipline, and of current income needs and longer-term goals.

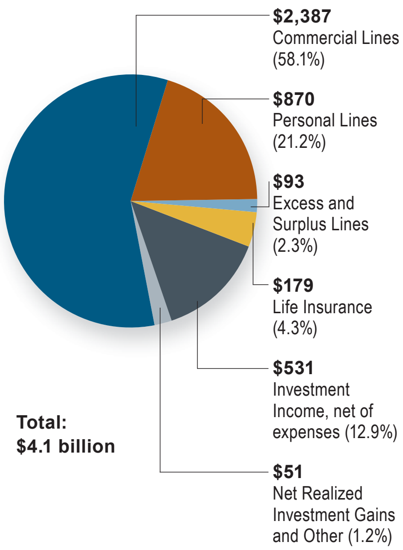
Forbes America's Most TRUSTWORTHY Companies 2012

Nowhere is that approach more important or more evident than in our insurance reserves. For 24 consecutive years, favorable reserve development has benefitted earnings as paid claims and updated estimates of claims settlements in process came in lower than our initial conservative estimates. At the same time, we maintained total reserves consistently within the upper half of the actuarially estimated range of likely amounts we will ultimately pay out to policyholders. At year-end 2012, our $9 billion of fixed-maturity investments exceeded total insurance reserves by 39 percent, supporting policyholder confidence in our ability to pay claims.

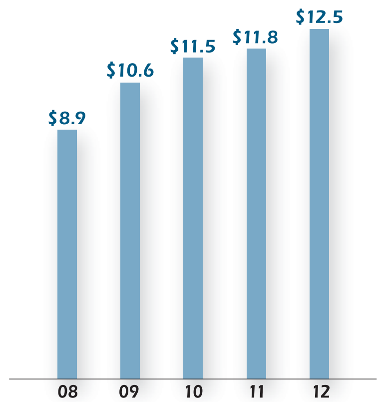
* The Definitions of Non-GAAP Information and Reconciliation to Comparable GAAP Measures are in our quarterly news releases, which are available on the Investors page of our website, *www.cinfin.com*.

Financial Review

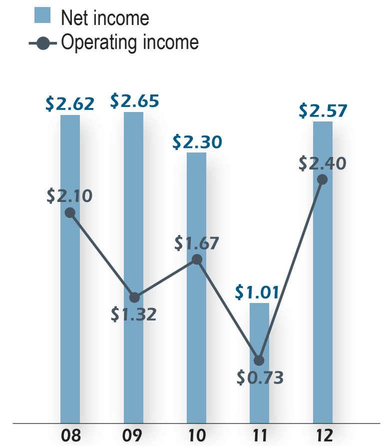
2012 Consolidated Revenues
(in millions)



Invested Assets
At Fair Value
(in billions)



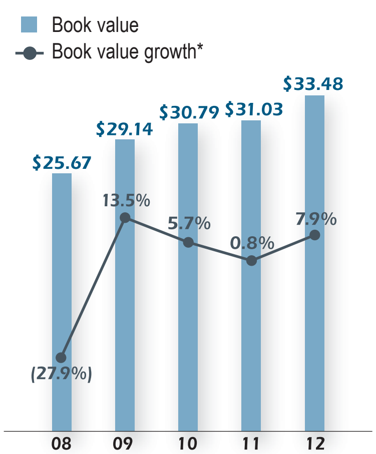
Net and Operating* Income



* The Definitions of Non-GAAP Information and Reconciliation to Comparable GAAP Measures are in our quarterly news releases, which are available on the Investors page of our website *www.cinfin.com.*

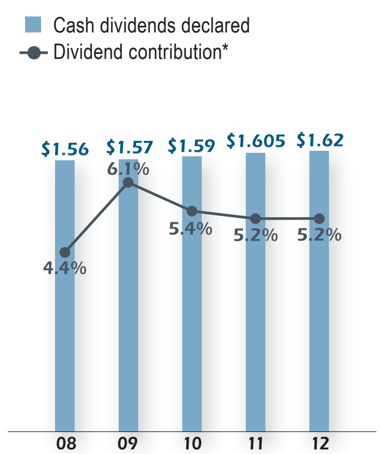
Consolidated revenues rose 8 percent in 2012, compared with 2011, with earned premiums up 10 percent and investment income up 1 percent. Invested assets continued a steady growth pattern, reflecting positive operating cash flows and rising market valuations. Net income increased by over 150 percent in 2012, primarily due to improvement in the contribution of property casualty underwriting, with lower losses from natural catastrophe events contributing 27 percent of the improvement.

Book Value
Per common share



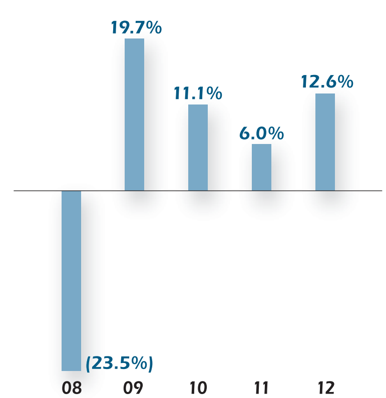
* Year-over-year change in book value per share

Cash Dividends Declared
Per common share



* Calculated as dividends declared per share to beginning book value per share

Value Creation Ratio*



* A discussion of the value creation ratio and a reconciliation to comparable GAAP measures are available on Pages 38-39 of our 2012 Annual Report on Form 10-K.

Book value per share continued to move higher, and 2012 marked the 52nd consecutive year of an increase to our shareholder dividend. The components of our value creation ratio are change in book value plus the contribution of our shareholder dividend, both measured as a percentage of book value at the beginning of the year. During 2009 through 2012 our annual value creation ratio averaged 12.4 percent. The 2012 ratio improved by 6.6 percentage points over 2011, including 5.3 points from better operating results and 1.5 points from investment portfolio gains, offset by 0.2 points from other items.

progress – and more upside to realize from our ongoing efforts. We believe our combined ratio over any five-year period can be consistently within the range of 95 percent to 100 percent, and we can grow faster than the industry average. By the end of 2015, we estimate full-year direct written premiums from our property casualty and life operations can reach $5 billion.

Performing at these levels generates strong cash flow to expand our investment portfolio and increase investment income, further supporting our primary performance target of an annual value creation ratio averaging 10 percent to 13 percent for the period of 2013 through 2017. Our 2012 value creation ratio was 12.6 percent, resulting in a solid 12.4 percent average annual ratio for the four years beginning with 2009, when we adopted this performance metric, which considers increases in the book value of your company and your shareholder dividends.

To achieve our performance target, we have identified goals for every operational area and every individual. With clarity around our shared goals, your company's management team and associates at every level are energized, focused and accountable. We have improved our data collection, analysis and communication to closely track progress and bring everyone together in support of our priority initiatives.

We are one team, with one vision: to create value by being the best insurance company for independent agents.

A Strong Competitor

We manage our business and our enterprise risks to position your company to perform through all economic and market cycles, supporting market stability for our agency customers. Challenges in the macro environment do create headwinds, and many of our improvements arise from anticipating and preparing for them. Here are four industry issues that have our attention and what we are doing about them.

Interest rates:

Over the past three years, interest rates generally have declined and credit spreads have tightened, depressing investment income from fixed-income securities. We relied in 2012 on dividend income increases from our common stocks to take our investment income up 1 percent, a good result relative to investment income

Strengthening Relationships

A 2012 survey of commercial producers named Cincinnati the best carrier "Overall by Rating," with top scores for underwriting process, responsive service, claims handling, partnership and compensation program. Flaspöhler Research Group also identified us as the carrier an agent is most likely to consider representing and to recommend to a colleague.

Exceptional agency relationships are our strongest competitive advantage, and we are careful to preserve them as we expand. At year-end 2012, 1,408 independent agencies in 1,758 locations across 39 states represented Cincinnati. Our strong agency brand attracted 140 new professional agencies that had 2011 total standard lines written premium of $2.2 billion with all carriers they represent. In 2013, we plan to appoint 65 more agencies in newer or underserved territories.

Over time, we expect to earn a large share of each agency's business. Where agencies have represented us for 10 years or more, our share is nearly 18 percent. This favored position reflects our ability to listen and act on valuable agent insights into the marketplace and particular risks.

The Agent's Team: Sales Is Everyone's Job

Our locally based field marketing representatives support the success of agencies in their territories by promoting the company's products and services and coordinating development and underwriting of commercial lines new business. With a high level of decision-making authority and knowledge of the community they live in, field marketing representatives work closely with agents to secure new accounts.

Our agency and field marketing representative can assemble a team of field representatives from other parts of our operation to demonstrate our service and expertise. While selling is not their daily focus, these specialists are available to help agencies win the marquee accounts in their communities or any accounts that are important to the agency.

Claims representatives may accompany agents to call on business insurance prospects, introducing themselves as the individuals who will provide services on behalf of the agency once the account is written. Loss control or machinery and equipment representatives may perform inspections, recommending safety measures to improve the prospect's operations and the quality of the agent's account. Excess and surplus lines representatives may assure prospects that we can craft special terms and conditions for parts of the risk that don't qualify for standard market coverage. Other field representatives may describe our surety or premium audit processes or business life insurance programs, making the prospect comfortable with the resources our team can bring to the account. The agent's resources may include headquarters underwriters and executives who travel to join in this team-selling activity.

To see a video about our field team's sales support, from the perspective of a Texas agent who attracted a large restaurant account, please scan this QR code or view this Letter online at cinfin.com/investors *in the Annual Reports section.*

declines for our industry. Our equity investment strategy gives us advantages; it powered $210 million of the $391 million increase in pretax unrealized investment gains and $37 million of net realized gains in 2012.

Low interest rates also led to increased unrealized gains from our fixed-maturity securities. The 2 percent to 3 percent contribution to our value creation ratio that resulted from those gains in the past three years is not expected to occur in the next five-year period. Strong underwriting results can help offset the effect of flat or falling bond valuations on our book value by giving us more cash to invest. During 2012, we invested close to half of net operating cash flow, after paying shareholder dividends, in equity securities.

This was our first year since 2007 of positive net investment into common stocks.

Weather:

Many worry that severe convective storms and hurricanes are becoming the new normal. What we know is that while our 2012 catastrophe losses did not rise to the prior year's record level, the 10 percentage points they added to the combined ratio exceeded our five-year average of 8.2 points and our 10-year average of 6.1 points. Our policyholders in the Midwest and Southeast felt the sting of a midsummer derecho, and policyholders in areas bordering Lake Erie were caught in Superstorm Sandy's path.

Our property loss mitigation initiatives will help counter worsening storm losses. A multi-departmental, multi-disciplinary task force has reviewed our property business and made changes ranging from increasing the specialized expertise of our claims and loss control staff to revising underwriting guidelines and increasing property inspections. For commercial business, we are seeking approval for wind and hail deductibles in areas prone to convective storm losses, developing a named storm deductible for additional states and using new guidelines for underwriting hail risk.

For personal lines business, we are using more robust deductibles and covering older roofs at actual cash value rather than replacement cost. Homeowner rate increases in recent years also should improve our property results as the higher premiums are earned. In recent years, we nonrenewed policies in southeastern coastal areas that are most exposed to hurricanes, and we continued our gradual expansion into states less prone to catastrophes.

Streamlining Processes

Cincinnati Financial ranked No. 27 on *InformationWeek's* 2012 list of innovative corporate technology users, qualifying in the top 500 for the 13th consecutive year. Our innovative uses include hail storm mapping tools that help us quickly identify affected policyholders, deploy claims representatives, accurately settle claims and estimate overall losses.

We continue to enhance our e-CLAS® CPP commercial lines policy administration system, making it easier for agents to do business with us. The system now holds 73 percent of commercial non-workers' compensation policies, representing more than $1 billion of premium. We plan to begin offering e-CLAS processing of workers' compensation policies in 2013 for several states.

To improve policy processing, we are importing data from various internal and external sources and bridging data between company and agency management systems. While complex items flow to the appropriate underwriter for optimal service, this data integration allows for unassisted processing of some personal and small commercial policies that meet qualifying underwriting criteria.

We continue to enhance our property catastrophe reinsurance program. Beginning in 2013, your company's capital is further protected by a catastrophe bond that provides collateralized reinsurance covering severe convective storm losses in certain regions as well as supplemental coverage in the event of a New Madrid earthquake.

The marketplace:

With many worthy competitors in our industry and industry surplus on the rise, the current price firming in commercial lines could be difficult to sustain. This was only the second year of rate firming, yet some carriers reported competitive pressure that reduced the average size of price increases in the fourth quarter.

We are working diligently to achieve price adequacy, while also teaming with our agents to emphasize the Cincinnati value proposition and provide our best quote. On renewals and new business, we are using modeling tools to help our underwriting associates better target profitability and discuss pricing impacts with agency personnel. In 2012, our standard commercial lines policies averaged an estimated price increase in a mid-single-digit range. The higher pricing, along with improving economic conditions, led to an 8 percent increase in our commercial renewal written premiums. Commercial lines new business premiums rose 15 percent, with newer agencies appointed in 2011 and 2012 contributing more than half of the increase.

Rate increases for our personal lines business in 2012 averaged in the high single digits for homeowner policies and low single digits for auto policies. Personal lines renewal premiums rose 11 percent and new business premiums rose 17 percent, reflecting recent new agency appointments as well as the rate increases. For excess and surplus lines, average renewal pricing rose in the high-single-digit range, and new business premiums rose 9 percent, a lesser increase than for standard-market policies as we declined opportunities to write underpriced policies.

Improving Precision

Predictive modeling gives our underwriters the confidence to compete on the most desirable business and the flexibility to adapt rapidly to changes in market conditions. We paved the way for our return to underwriting profitability by collecting more data, performing better analysis and building better models for pricing policies, evaluating reserves and forecasting financial results.

- For workers' compensation, we began in the second half of 2012 to use our second-generation predictive modeling tool.
- For auto, general liability and property coverages in commercial package accounts, we have used pricing precision tools since late 2011.
- For small business policies written through our CinciPak™ product, similar tools became available in several states in 2012 and will deploy for many more states in 2013.
- For personal auto and homeowner policies, we continue to enhance model attributes, expanding the number of pricing points and precision. Predictive modeling for dwelling fire policies will begin in 2013.

Agency ownership:
Our sampling of the issues we are paying attention to would not be complete without a comment on the changing independent agency landscape. The American Agency System is dynamic and growing, with the number of independent agencies increasing to 38,500, according to the 2012 Agency Universe Study. In 2012, we made 140 new agency appointments, ranging from start-up agencies with no revenues to agencies with over $100 million of premium written annually with all carriers they represent. That broad range is indicative of our full agency plant.

The challenge we embrace is to be the best carrier for each of them, even as they continue to evolve. The pace of mergers and acquisitions affecting our agencies has quickened over the past three years, with almost 60 transactions taking place in 2012. While many agencies remain independent and locally owned, others are independent, locally managed agencies owned by groups, banks or brokers.

For the latter, we maintain relationships at both the local and organizational level. We are committed to providing appropriate products and services that make us a significant contributor to the success of independent agencies of all sizes and ownership types. At the same time, we are willing to provide capital

The Agent's Team: Claims Service That Goes Above and Beyond

Our multi-line field claims representatives serve specific agencies and their clients, rather than specific types of claims. This structure results in exceptional working relationships and continuity of service. Claims representatives visited our agencies nearly 45,000 times in 2012 to discuss the status of claims. They gave agents thousands of sales referrals from satisfied claimants interested in becoming Cincinnati policyholders, and they accompanied agents on hundreds of sales calls.

Claims representatives support agency and company profitability by documenting conditions they observe while responding to claims. They prepared 8,700 risk reports in 2012, helping assure that the agent and underwriter have up-to-date information about risk quality, whether favorable or unfavorable. An agent may use this information to help a policyholder avoid a future loss by repairing unsafe conditions, or an underwriter may consider it in establishing the appropriate coverage and pricing at policy renewal. It may prompt a review of our inspection or underwriter training requirements.

Agents have new, efficient options for claims reporting and payment processes. They may choose to take claim reports themselves or ask policyholders to use our claims reporting center. The center now accepts reports for most types of claims; more than 20 percent of claims reported in 2012 came directly to the center. Another new option lets agents send payment requests for small claims to our headquarters for processing, conserving time so the agency can focus on sales.

In the wake of catastrophes, teams of experienced claims representatives from other territories quickly move in to provide assistance. We responded in 2012 to more than 21,000 claims from 26 events officially classified as catastrophes.

To see a video about our catastrophe response, from the perspective of an Indiana agent in a community hit by a major hailstorm, please scan this QR code or view this Letter online at cinfin.com/investors *in the Annual Reports section.*

assistance to support private ownership, including new producer training, technology upgrades and perpetuation planning.

Good Returns

Each director who joins our board is an asset that we hope will benefit the company for many years, accumulating and applying knowledge of our company and our industry. In November 2012, we were fortunate to have Dirk J. Debbink return to his directorship after four years of active duty with the U.S. Navy. Dirk served as Reserve deputy commander of the U.S. Pacific Fleet; Commander, Navy Reserve Force; and as a senior member on the staff of the chief of naval operations in the Pentagon. We are proud to renew his relationship with you, our shareholders.

Another standout is the cash dividend record of your company. For 52 straight years, that dividend has increased, and now there are only nine U.S. publicly traded companies with a longer streak. The payout ratio of dividends to net income improved to 63 percent in 2012, and we believe we can further improve the ratio in 2013 by continuing to meet our insurance growth and profitability goals. Through all economic and market cycles, we intend to be predictable and trustworthy, returning value to you.

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

Identifying Opportunities

The Cincinnati Life Insurance Company was named the 2012 Voluntary Sales Growth Leader among companies with up to $30 million in voluntary insurance sales. The study, conducted by Eastbridge Consulting, recognized Cincinnati Life's solid 17 percent growth in 2011 first-year worksite premium.

Approximately 95 million American households have little or no life insurance, including 40 million employees of small businesses such as those we typically insure. Our worksite program gives employees a payroll-deduction benefit at no cost to the employer, other than administration. We make the experience easy for the agent, the employer and the employee with our award-winning e-App launched in 2011 and e-Enrollment launched in 2012.

To identify receptive employers, property casualty agencies can mine their current commercial insurance accounts. Cross-selling drives account retention and profitability while diversifying the agencies' revenue stream. In addition to worksite marketing, agents can serve business owners with our whole, universal or term life insurance for key employee, business perpetuation or estate planning purposes.

Condensed Balance Sheets and Income Statements

Cincinnati Financial Corporation and Subsidiaries

(Dollars in millions)	At December 31, 2012	2011
Assets		
Investments	**$ 12,534**	$ 11,801
Cash and cash equivalents	**487**	438
Premiums receivable	**1,214**	1,087
Reinsurance recoverable	**615**	622
Other assets	**1,698**	1,687
Total assets	**$ 16,548**	$ 15,635
Liabilities		
Insurance reserves	**$ 6,525**	$ 6,553
Unearned premiums	**1,792**	1,633
Deferred income tax	**453**	303
Long-term debt and capital lease obligations	**827**	821
Other liabilities	**1,498**	1,292
Total liabilities	**11,095**	10,602
Shareholders' Equity		
Common stock and paid-in capital	**1,528**	1,489
Retained earnings	**4,021**	3,863
Accumulated other comprehensive income	**1,129**	901
Treasury stock	**(1,225)**	(1,220)
Total shareholders' equity	**5,453**	5,033
Total liabilities and shareholders' equity	**$ 16,548**	$ 15,635

(Dollars in millions except per share data)	Years ended December 31, 2012	2011	2010
Revenues			
Earned premiums	**$ 3,522**	$ 3,194	$ 3,082
Investment income, net of expenses	**531**	525	518
Total realized investment gains, net	**42**	70	159
Fee revenues	**6**	4	4
Other revenues	**10**	10	9
Total revenues	**4,111**	3,803	3,772
Benefits and Expenses			
Insurance losses and policyholder benefits	**2,322**	2,524	2,180
Underwriting, acquisition and insurance expenses	**1,155**	1,039	1,024
Interest expense	**54**	54	54
Other operating expenses	**14**	13	16
Total benefits and expenses	**3,545**	3,630	3,274
Income Before Income Taxes	**566**	173	498
Provision for Income Taxes	**145**	9	123
Net Income	**$ 421**	$ 164	$ 375
Per Common Share:			
Net income—basic	**$ 2.59**	$ 1.01	$ 2.30
Net income—diluted	**$ 2.57**	$ 1.01	$ 2.30

Five-year Summary Financial Information

Cincinnati Financial Corporation and Subsidiaries

(Dollars in millions except per share data)	Years ended December 31, 2012	2011	2010	2009	2008
Financial Highlights					
Investment income, net of expenses	**$ 531**	$ 525	$ 518	$ 501	$ 537
Net income	**$ 421**	$ 164	$ 375	$ 431	$ 428
Net realized investment gains and losses, after tax	**28**	45	103	217	85
Operating income	**$ 393**	$ 119	$ 272	$ 214	$ 343
Per Share Data (diluted)					
Net income	**$ 2.57**	$ 1.01	$ 2.30	$ 2.65	$ 2.62
Net realized investment gains and losses, after tax	**0.17**	0.28	0.63	1.33	0.52
Operating income	**$ 2.40**	$ 0.73	$ 1.67	$ 1.32	$ 2.10
Cash dividends declared	**1.62**	1.605	1.59	1.57	1.56
Book value	**33.48**	31.03	30.79	29.14	25.67
Ratio Data					
Debt-to-total-capital	**14.1%**	15.1%	14.3%	15.0%	16.8%
Value creation ratio	**12.6**	6.0	11.1	19.7	(23.5)
Consolidated Property Casualty Insurance Operations (Statutory)					
Agency renewal written premiums	**$ 3,138**	$ 2,867	$ 2,692	$ 2,665	$ 2,828
Agency new business written premiums	**501**	437	414	405	368
Net written premiums	**3,482**	3,098	2,963	2,911	3,010
Earned premiums	**3,344**	3,029	2,924	2,911	3,010
Current accident year before catastrophe losses	**$ 2,160**	$ 2,213	$ 2,154	$ 2,102	$ 2,174
Current accident year catastrophe losses	**373**	407	165	172	205
Prior accident years before catastrophe losses	**(357)**	(280)	(287)	(181)	(321)
Prior accident year catastrophe losses	**(39)**	(5)	(17)	(7)	(2)
Total loss and loss expenses	**$ 2,137**	$ 2,335	$ 2,015	$ 2,086	$ 2,056
Underwriting expenses	**1,098**	987	974	953	965
Net underwriting gain (loss)	**109**	(293)	(65)	(128)	(11)
Loss ratio	**53.8%**	64.4%	56.5%	58.6%	57.7%
Loss expense ratio	**10.1**	12.6	12.4	13.1	10.6
Underwriting expense ratio	**31.5**	31.9	32.9	32.7	32.1
Combined ratio	**95.4%**	108.9%	101.8%	104.4%	100.4%
Policyholders' surplus	**$ 3,914**	$ 3,747	$ 3,777	$ 3,648	$ 3,360
Net written premiums to surplus	**0.89**	0.83	0.78	0.80	0.90
Commercial Lines Property Casualty Insurance Operations (Statutory)					
Net written premiums	**$ 2,459**	$ 2,218	$ 2,155	$ 2,181	$ 2,311
Earned premiums	**2,383**	2,197	2,154	2,199	2,316
Loss ratio	**49.3%**	58.5%	53.5%	55.1%	54.2%
Loss expense ratio	**10.2**	12.9	13.2	13.8	10.7
Underwriting expense ratio	**32.6**	32.8	32.9	32.9	31.7
Combined ratio	**92.1%**	104.2%	99.6%	101.8%	96.6%
Personal Lines Property Casualty Insurance Operations (Statutory)					
Net written premiums	**$ 918**	$ 801	$ 750	$ 691	$ 685
Earned premiums	**868**	762	721	686	689
Loss ratio	**66.4%**	82.5%	65.4%	70.2%	69.0%
Loss expense ratio	**8.8**	12.4	9.0	10.2	10.4
Underwriting expense ratio	**28.8**	29.3	32.7	31.0	32.2
Combined ratio	**104.0%**	124.2%	107.1%	111.4%	111.6%
Excess & Surplus Lines Property Casualty Insurance Operations (Statutory)					
Net written premiums	**$ 105**	$ 79	$ 58	$ 39	$ 14
Earned premiums	**93**	70	49	27	5
Loss ratio	**51.5%**	48.9%	58.1%	50.4%	82.2%
Loss expense ratio	**17.9**	11.4	25.6	24.3	27.3
Underwriting expense ratio	**31.4**	30.5	35.2	54.4	81.1
Combined ratio	**100.8%**	90.8%	118.9%	129.1%	190.6%
Life Insurance Operations (Statutory)					
Written premiums	**$ 249**	$ 306	$ 376	$ 346	$ 185
Net income (loss) before realized investment gains and losses	**1**	–	13	11	(18)
Net income (loss)	**5**	(13)	15	15	(70)
Gross life insurance face amount in force	**81,467**	77,691	74,124	69,814	65,887
Admitted assets excluding separate accounts business	**2,902**	2,735	2,569	2,260	1,930
Risk-based capital					
Total adjusted capital	**290**	288	318	316	290
Authorized control level risk-based capital	**29**	36	35	40	37

* The Definitions of Non-GAAP Information and Reconciliation to Comparable GAAP Measures are in our quarterly news releases, which are available on the Investors page of our website, *www.cinfin.com*.

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 2012 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
- Inadequate estimates or assumptions used for critical accounting estimates
- Recession or other economic conditions resulting in lower demand for insurance products or increased payment delinquencies
- Declines in overall stock market values negatively affecting the company's equity portfolio and book value
- 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 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
- Increased competition that could result in a significant reduction in the company's premium volume
- Delays or performance inadequacies from ongoing development and implementation of underwriting and pricing methods or technology projects and enhancements expected to increase our pricing accuracy, underwriting profit and competitiveness
- Changing consumer insurance-buying habits and consolidation of independent insurance agencies that could alter our competitive advantages
- Inability to obtain adequate reinsurance on acceptable terms, amount of reinsurance purchased, financial strength of reinsurers and the potential for nonpayment or delay in payment by reinsurers
- Difficulties with technology or data security breaches, including cyber attacks, that could negatively affect our ability to conduct business and our relationships with agents, policyholders and others
- 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
- 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
- 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, 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 27, 2013, listed alphabetically

The Cincinnati Insurance Company (CIC)
The Cincinnati Indemnity Company (CID)

The Cincinnati Casualty Company (CCC)
The Cincinnati Specialty Underwriters Insurance Company (CSU)

The Cincinnati Life Insurance Company (CLIC)
CSU Producer Resources Inc. (C-SUPR)

Executive Officers

Teresa C. Cracas
Chief Risk Officer and Senior Vice President of all subsidiaries
CIC, CID, CCC, CSU Director

Donald J. Doyle, Jr., CPCU, AIM
CIC, CID, CCC, CSU, C-SUPR Senior Vice President – Excess & Surplus Lines
CIC, CID, CCC, CSU Director

Martin F. Hollenbeck, CFA, CPCU
CIC, CID, CCC, CSU, CLIC Chief Investment Officer and Senior Vice President
CFC-I President and Chief Operating Officer
CIC, CID, CCC, CSU, CLIC, CFC-I Director

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

John S. Kellington
CIC, CID, CCC, CSU, CLIC, Chief Information Officer and Senior Vice President
CIC, CID, CCC, CSU Director

Lisa A. Love
Senior Vice President, General Counsel and Corporate Secretary of all subsidiaries
CIC, CID, CCC, CSU Director

Eric N. Mathews, CPCU, AIAF
CIC, CID, CCC, CLIC Senior Vice President – Corporate Accounting

Martin J. Mullen, CPCU
CIC, CID, CCC Chief Claims Officer and Senior Vice President
CIC, CID, CCC, CSU, CLIC Director

David H. Popplewell, FALU, LLIF
CLIC President and Chief Operating Officer; Director

Jacob F. Scherer, Jr.
CIC, CID, CCC, CSU, C-SUPR Chief Insurance Officer
CIC, CID, CCC, CLIC, CSU, C-SUPR Executive Vice President
Director of all subsidiaries

John J. Schiff, Jr., CPCU
CIC, CID, CCC, CSU, CLIC Chairman of the Executive Committee
Director of all subsidiaries

Michael J. Sewell, CPA
Chief Financial Officer and Senior Vice President of all subsidiaries
CSU, C-SUPR Treasurer
Director of all subsidiaries

Joan O. Shevchik, CPCU, CLU
CIC, CID, CCC Senior Vice President – Corporate Communications

Stephen M. Spray
CIC, CID, CCC, CLIC Senior Vice President – Sales & Marketing
CIC, CID, CCC, CSU Director

Kenneth W. Stecher
Chairman of the Board of all subsidiaries
Director of all subsidiaries

Charles P. Stoneburner II, CPCU, AIM
CIC, CID, CCC Senior Vice President – Commercial Lines
CIC, CID, CCC, CSU Director

Timothy L. Timmel
CIC, CID, CCC, CLIC, CFC-I Senior Vice President – Operations
CIC, CID, CCC, CSU, CLIC, CFC-I Director

Senior Officers

Michael R. Abrams
CIC, CID, CCC, CLIC Vice President – Investments

Dawn M. Alcorn
CIC, CID, CCC Vice President – Administrative Services

Brad E. Behringer
CLIC Chief Underwriter and Senior Vice President

Roger A. Brown, FSA, MAAA, CLU
CLIC Vice President – Actuarial
CLIC Director

David L. Burbrink
CLIC Vice President – Life Field Services

William M. Clevidence, CIC
CIC, CID, CCC Vice President – Sales & Marketing

Joel W. Davenport, CPCU, AAI
CIC, CID, CCC Vice President – Commercial Lines

J. Michael Dempsey, CLU
CLIC Vice President – Life Marketing Administration

Mark R. DesJardins, CPCU, AIM, AIC, ARP
CIC, CID, CCC Vice President – Learning & Development

W. Dane Donham, AIM
CIC, CID, CCC Vice President – Sales & Marketing

Anthony W. Dunn, CPA, CPCU, CIA, AIAF
CIC, CID, CCC, CLIC Vice President – Financial Planning & Analysis

Harold L. Eggers, CLU, FLMI, FALU, HIAA
CLIC Vice President – Life Policy Issue

Frederick A. Ferris
CIC, CID, CCC Vice President – Commercial Lines

Rodney M. French, CPCU, AIM, ARe
CIC, CID, CCC Vice President – Reinsurance

Carl C. Gaede, CPCU, AFSB
CIC, CID, CCC Vice President – Bond & Executive Risk

William J. Geier, CPCU, CLU, ChFC, FLMI, AIM, HIAA
CIC, CID, CCC, CLIC Vice President – Information Technology

Scott A. Gilliam
CIC, CID, CCC, CLIC Government Relations Officer and Vice President

Gary B. Givler
CIC, CID, CCC Vice President – Headquarters Claims

David T. Groff, CPCU, FCAS, MAAA
CIC, CID, CCC Vice President – Pricing Analytics

Kevin E. Guilfoyle
CFC-I Senior Vice President – Leasing

David L. Helmers, CPCU, API, ARe, AIM
CIC, CID, CCC Vice President – Personal Lines

Anthony E. Henn, CPCU, AIM, AAM, ARe, AIT
CIC, CID, CCC Vice President – Commercial Lines

Thomas C. Hogan
CIC, CID, CCC, CLIC Vice President – Corporate Legal

Theresa A. Hoffer
CIC, CID, CCC, CLIC Vice President – Corporate Accounting
CIC, CID, CCC Treasurer

Timothy D. Huntington, CPCU, AU
CIC, CID, CCC Vice President – Commercial Lines

Thomas H. Kelly
CIC, CID, CCC Vice President – Bond & Executive Risk

Christopher O. Kendall, CPCU, AIT, AIM, ARe, ARM, ARP
CIC, CID, CCC Vice President – Commercial Lines

Michael W. Klenk
CIC, CID, CCC Vice President – Commercial Lines

Ronald C. Klimkowski, CIC, AIC
CIC, CID, CCC Vice President – Target Markets

Gary J. Kline, CPCU
CIC, CID, CCC Vice President – Commercial Lines

Philip T. Kramer, CIC
CIC, CID, CCC Vice President – Sales & Marketing

Helen Kyrios
CIC, CID, CCC, CLIC Vice President – Corporate Legal

Steven W. Leibel, CPCU, AIM
CIC, CID, CCC Vice President – Personal Lines

Richard L. Mathews, CPCU, AINS, AIT
CIC, CID, CCC, CLIC Vice President – Information Technology

Richard P. Matson
CIC, CID, CCC, CLIC, CFC-I Vice President – Purchasing/Fleet

Dennis E. McDaniel, CPA, CMA, CFM, CPCU
CIC, CID, CCC, CLIC Investor Relations Officer and Vice President

David E. McKinney, CPCU, AIM
CIC, CID, CCC Vice President – Commercial Lines

David U. Neville, CPCU, AIM, API, ARe
CIC, CID, CCC Vice President – Personal Lines

Gary A. Nichols
CIC, CID, CCC Vice President – Headquarters Claims

Glenn D. Nicholson, LLIF
CLIC Senior Vice President and Senior Marketing Officer; Director

Michael K. O'Connor, CFA, CPCU, AFSB
CIC, CID, CCC, CLIC Vice President – Investments

James D. Ogle, CPCU, AIC
CIC, CID, CCC Vice President – Headquarters Claims

Carol A. Oler, AIM
CIC, CID, CCC, CLIC Vice President – Information Technology

Todd H. Pendery, FLMI
CIC, CID, CCC, CLIC Vice President – Corporate Accounting
CLIC Treasurer

Marc C. Phillips, CPCU, AIM
CIC, CID, CCC Vice President – Commercial Lines

Ronald L. Robinson
CIC, CID, CCC Vice President – Field Claims

Michael A. Rouse
CIC, CID, CCC Vice President – Commercial Lines

Thomas J. Scheid
CIC, CID, CCC, CLIC Vice President – Inspection Services & Facilities

Gregory D. Schmidt, CPCU, ARP, CPP, ACP, ARC
CIC, CID, CCC, CLIC Vice President – Staff Underwriting

Henry C. Schmidt III, AIM
CIC, CID, CCC Vice President – Personal Lines

Jerry B. Shockey, CPCU, CIC, CLU
CIC, CID, CCC Vice President – Sales & Marketing

Martin D. Skidmore
CIC, CID, CCC Vice President – Headquarters Claims

Blake D. Slater, CPA
CFC-I Treasurer

David W. Sloan
CFC-I Vice President – Leasing

Debra K. Smith
CIC, CID, CCC Vice President – Commercial Lines

Scott K. Smith, CPCU, ARM, AIM, AU, AAI
CIC, CID, CCC Vice President – Commercial Lines

Steven A. Soloria, CFA, CPCU
CIC, CID, CCC, CLIC Vice President – Investments

Douglas W. Stang, FCAS, MAAA, CERA
CIC, CID, CCC, CLIC Vice President – Corporate Actuarial

Dennis G. Stetz, SCLA
CIC, CID, CCC Vice President – Headquarters Claims

James E. Streicher, CPCU, AIM, AIT, ARe, ASLI
CIC, CID, CCC Vice President – Personal Lines

Duane I. Swanson, CIC
CIC, CID, CCC Vice President – Sales & Marketing

William H. Thomas, CPCU, AIM
CIC, CID, CCC Vice President – Commercial Lines

Philip J. Van Houten, CFE, FCLS
CIC, CID, CCC Vice President – Special Investigations

Gerald L. Varney
CIC, CID, CCC, CLIC Vice President – Contract Administration

Stephen A. Ventre, CPCU
CIC, CID, CCC Vice President – Bond & Executive Risk

Jody L. Wainscott
CIC, CID, CCC Vice President – Target Markets

Michael B. Wedig, CPA
CIC, CID, CCC, CLIC Vice President – Corporate Tax

Mark A. Welsh
CIC, CID, CCC, CLIC Vice President – Regulatory & Consumer Relations

Mark S. Wietmarschen
CIC, CID, CCC Vice President – Commercial Lines

Brian K. Wood, CPCU, AIM, SPHR
CIC, CID, CCC, CLIC, CFC-I Vice President – Human Resources & Community Relations

General Counsel – Corporate Legal

Lisa A. Love
CIC, CID, CCC, CLIC

Counsel – Corporate Legal

Thomas C. Hogan
CIC, CID, CCC, CLIC

Helen Kyrios
CIC, CID, CCC, CLIC

Senior Counsel – Legal Litigation

Mark J. Huller
CIC, CID, CCC, CLIC

Counsel – Legal Litigation

Eugene M. Gelfand
CIC, CID, CCC, CLIC

G. Gregory Lewis
CIC, CID, CCC, CLIC

Stephen C. Roach
CIC, CID, CCC, CLIC

Nonofficer Directors

William F. Bahl, CFA, CIC
CIC, CID, CCC, CSU, CLIC

Gregory T. Bier, CPA (Ret.)
CIC, CID, CCC, CSU, CLIC

W. Rodney McMullen
CIC, CID, CCC, CSU, CLIC

Thomas R. Schiff
CIC, CID, CCC, CSU, CLIC

John F. Steele, Jr.
CIC, CID, CCC, CSU

Larry R. Webb, CPCU
CIC, CID, CCC, CSU

E. Anthony Woods
CIC, CID, CCC, CSU, CLIC

CIC Directors Emeriti

Richard L. Hildbold, CPCU
William H. Zimmer

Cincinnati Financial Corporation Directors and Officers

(as of February 27, 2013)

Directors

William F. Bahl, CFA, CIC
Chairman of the Board
Bahl & Gaynor Investment Counsel Inc.
(Independent registered investment adviser)
Director** since 1995 (1)(2)(3)(4)(5*)

Gregory T. Bier, CPA (Ret.)
Managing Partner (Ret.), Cincinnati Office
Deloitte & Touche LLP
(Independent registered public accounting firm)
Director since 2006 (1)(2)(4)

Linda W. Clement-Holmes
Senior Vice President
Global Business Services –
Procter & Gamble Company
(Consumer products)
Director since 2010 (1)

Dirk J. Debbink
Chairman and Chief Executive Officer
MSI General Corporation
(Design/build construction firm)
Director since 2012 (1)

Steven J. Johnston, FCAS, MAAA, CFA, CERA
President and Chief Executive Officer
Cincinnati Financial Corporation
Director since 2011 (3)(4)

Kenneth C. Lichtendahl
Director of Development and Sales
Heliosphere Designs LLC
(Solar product marketing)
Director since 1988 (1*)(5)

W. Rodney McMullen
President and Chief Operating Officer
The Kroger Co.
(Retail grocery chain)
Director since 2001 (2*)(3)(4)

Gretchen W. Price
Executive Vice President, Chief Financial and Administrative Officer
Arbonne International LLC
(Beauty and nutritional products)
Director since 2002 (1)(2)(5)

John J. Schiff, Jr., CPCU
Chairman of the Executive Committee
Cincinnati Financial Corporation
Director since 1968 (3*)(4)

Thomas R. Schiff
Chairman and Chief Executive Officer
John J. & Thomas R. Schiff & Co. Inc.
(Independent insurance agency)
Director since 1975 (4)

Douglas S. Skidmore
President and Chief Executive Officer
Skidmore Sales & Distributing Company Inc.
(Food ingredient distributor)
Director since 2004 (1)(5)

Kenneth W. Stecher
Chairman of the Board
Cincinnati Financial Corporation
Director since 2008 (3)(4*)

John F. Steele, Jr.
Chairman and Chief Executive Officer
Hilltop Basic Resources Inc.
(Supplier of aggregates and concrete)
Director since 2005 (1)(3)

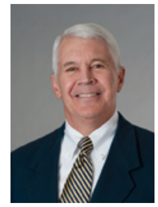
Larry R. Webb, CPCU
President
Webb Insurance Agency Inc.
(Independent insurance agency)
Director since 1979 (3)

E. Anthony Woods
Chairman and Chief Executive Officer
SupportSource LLC
(Management, financial and investment consulting)
Director since 1998 (2)(3)(4)

(1) Audit Committee
(2) Compensation Committee
(3) Executive Committee
(4) Investment Committee;
also Richard M. Burridge, CFA, adviser
(5) Nominating Committee

* Committee Chair
** Lead Director

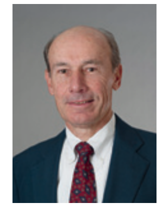

W.F. Bahl


G.T. Bier


L.W. Clement-Holmes


D.J. Debbink


S.J. Johnston


K.C. Lichtendahl

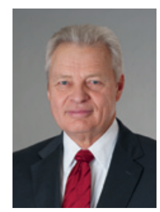

W.R. McMullen


G.W. Price


J.J. Schiff, Jr.


T.R. Schiff


D.S. Skidmore


K.W. Stecher


J.F. Steele, Jr.


L.R. Webb


E.A. Woods

Officers

Kenneth W. Stecher
Chairman of the Board

John J. Schiff, Jr., CPCU
Chairman of the Executive Committee

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
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

James E. Benoski
Michael Brown
Jackson H. Randolph
Lawrence H. Rogers II
John Sawyer
Frank J. Schultheis
David B. Sharrock
John M. Shepherd
Alan R. Weiler, CPCU
William H. Zimmer

Shareholder Information

Common Stock Price and Dividend Data

Common shares are traded under the symbol CINF.
(Table source: Global Select Market)

	2012				2011			
Quarter:	1st	2nd	3rd	4th	1st	2nd	3rd	4th
High	$ 36.05	$ 38.12	$ 40.22	$ 40.96	$ 34.33	$ 33.55	$ 29.54	$ 30.79
Low	30.06	33.06	36.50	36.96	31.43	27.80	23.65	24.66
Period-end close	34.51	38.07	37.87	39.16	32.79	29.18	26.33	30.46
Cash dividends declared	0.4025	0.4025	0.4075	0.4075	0.40	0.40	0.4025	0.4025

Annual Meeting

Shareholders are invited to attend the Annual Meeting of Shareholders of Cincinnati Financial Corporation at 9:30 a.m. on Saturday, April 27, 2013, at the Cincinnati Art Museum in Eden Park, Cincinnati, Ohio. You may listen to an audio webcast of the event by visiting *www.cinfin.com/investors.*

Independent Registered Public Accounting Firm

Deloitte & Touche LLP
250 East Fifth Street
Cincinnati, Ohio 45202-5109

Shareholder Services

You can manage your registered shares of Cincinnati Financial Corporation online by setting up your My Shareholder Account. Securely complete address changes, view your recent transactions or shareholder account statements and manage your participation in the Shareholder Investment Plan on your schedule. Once enrolled in that plan, you can buy shares directly from the company by making one-time purchases, setting up monthly withdrawals from your bank account or reinvesting your quarterly dividends. Get started by going to Shareholder Information at *www.cinfin.com/investors.*

Shareholders who have stock certificates can choose to have the certificates canceled and the shares recorded electronically in your account in direct registration (DRS). Simply mail your certificates and instructions to our Shareholder Services department, P.O. Box 145496, Cincinnati, Ohio 45250. There is no charge for this service. To request other services, please email *Shareholder_inquiries@cinfin.com* or call our toll-free shareholder line, 866-638-6443.

Contact Information

You may direct communications to Cincinnati Financial Corporation's secretary, Lisa A. Love, senior vice president and general counsel, 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 provides stock transfer services, fulfills requests for shareholder materials and assists registered shareholders who wish to update account information or enroll in shareholder plans.
Molly A. Grimm, CEP, FPC – Secretary, Shareholder Services
513-870-2639 or *shareholder_inquiries@cinfin.com*

Media: Corporate Communications assists media representatives seeking information or comment from the company or its subsidiaries.
Joan O. Shevchik, CPCU, CLU – Senior 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
Fax: 513-870-2066
Email: *cfc_corporate@cinfin.com*
www.cinfin.com