



CNA Financial Corporation Second Quarter 2017 Results

July 31, 2017



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Second Quarter Highlights

- Net income of \$272 million or \$1.00 per share; ROE of 9.2%
- Net operating income of \$239 million or \$0.88 per share; operating ROE of 8.0%
- Combined ratio of 93.5%, a 3.9 point improvement year over year
- Underlying combined ratio of 94.6%, a 3.7 point improvement year over year
- Underlying loss ratio of 60.5%, a 3.4 point improvement year over year
- Expense ratio of 33.8%, a 0.4 point improvement year over year

Capital Management

- Quarterly dividend increased 20% to \$0.30 per share
- Book value per share ex AOCI of \$44.26
 - An increase of 4% from year end 2016, adjusting for dividends

Financial Performance

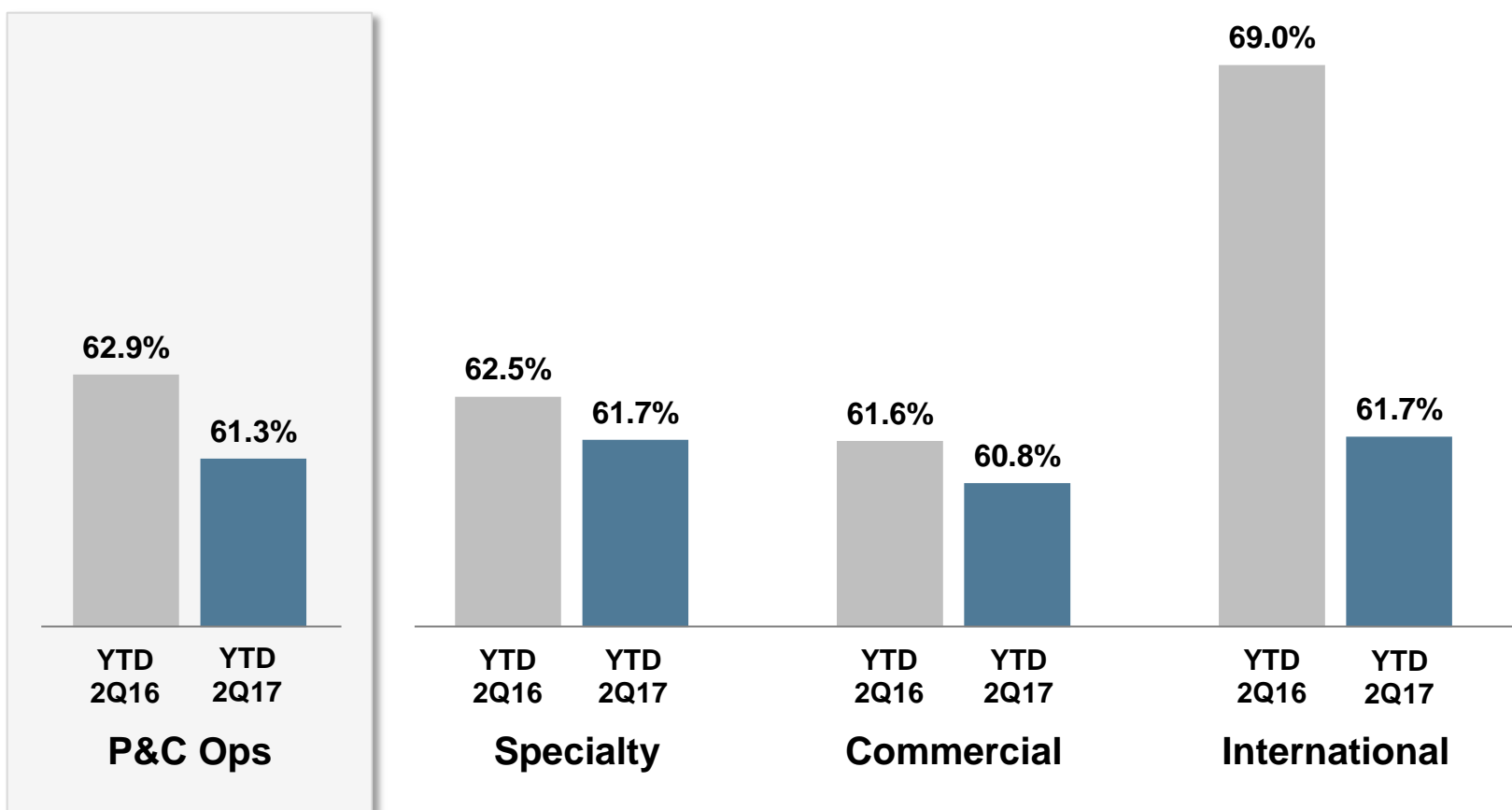
(In millions, except per share data)

	Second Quarter			Year to Date		
	2017	2016	Change	2017	2016	Change
Revenues	\$2,366	\$2,348	1%	\$4,696	\$4,543	3%
Net operating income	239	201	19%	474	292	62%
Net income	272	209	30%	532	275	93%
Diluted earnings per common share:						
Net operating income	\$0.88	\$0.74	19%	\$1.74	\$1.08	61%
Net income	1.00	0.77	30%	1.96	1.02	92%
Net operating income ROE	8.0%	6.9%	1.1 pts	7.9%	4.9%	3.0 pts

	Jun 30, 2017	Dec 31, 2016	Change
Book value per common share	\$44.39	\$44.25	0%
Book value per common share ex AOCI	44.26	44.89	(1%)
Dividends Paid (YTD)	2.50	3.00	

Year To Date Loss Ratio Ex Catastrophes and Development

Significant improvement in underlying loss ratios across all segments



Property & Casualty Operations

Excellent results delivered across our P&C segment

(In millions, except ratios)

	Second Quarter		Year to Date	
	2017	2016	2017	2016
Net written premium	\$1,702	\$1,625	\$3,334	\$3,293
<i>NWP Change (% year over year)</i>	<i>5%</i>		<i>1%</i>	
Underwriting gain (loss)	\$103	\$43	\$146	\$103
Loss ratio excl. catastrophes and development	60.5%	63.9%	61.3%	62.9%
Impact of catastrophes	2.4%	5.3%	2.3%	3.9%
Impact of development-related items	(3.5%)	(6.2%)	(2.9%)	(4.9%)
Loss ratio	59.4%	63.0%	60.7%	61.9%
Expense ratio	33.8%	34.2%	34.3%	34.7%
<i>Acquisition expense</i>	<i>19.1%</i>	19.1%	<i>19.4%</i>	19.3%
<i>Underwriting expense</i>	<i>14.7%</i>	15.1%	<i>14.9%</i>	15.4%
Combined ratio	93.5%	97.4%	95.3%	96.8%
Combined ratio excl. catastrophes and development	94.6%	98.3%	95.9%	97.8%

Specialty

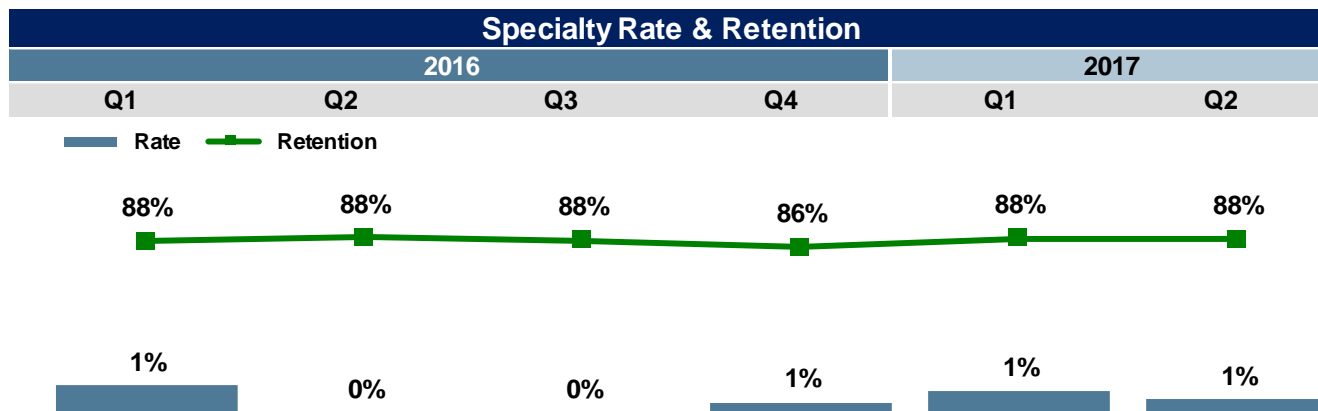
Strong earnings driven by improvements in underlying loss ratio performance

(In millions, except ratios)

	Second Quarter		Year to Date	
	2017	2016	2017	2016
Net written premium	\$716	\$691	\$1,395	\$1,375
<i>NWP Change (% year over year)</i>	<i>4%</i>		<i>1%</i>	
Underwriting gain (loss)	\$69	\$103	\$134	\$175
Loss ratio excl. catastrophes and development	60.6%	62.5%	61.7%	62.5%
Impact of catastrophes	0.8%	1.3%	0.7%	1.0%
Impact of development-related items	(3.7%)	(9.9%)	(4.5%)	(8.0%)
Loss ratio	57.7%	53.9%	57.9%	55.5%
Expense ratio	32.0%	31.3%	32.1%	31.7%
<i>Acquisition expense</i>	<i>20.1%</i>	20.1%	<i>20.0%</i>	20.0%
<i>Underwriting expense</i>	<i>11.9%</i>	11.2%	<i>12.1%</i>	11.7%
Combined ratio	89.9%	85.4%	90.1%	87.4%
Combined ratio excl. catastrophes and development	92.8%	94.0%	93.9%	94.4%

Specialty Production Metrics

Steady rate and retention augmented by growth in Surety



	2016 Q1	2016 Q2	2016 Q3	2016 Q4	2017 Q1	2017 Q2
New Business (\$m)	\$65	\$61	\$66	\$60	\$57	\$66

Healthcare

Rate	4%	3%	2%	2%	3%	2%
Retention	83%	85%	84%	80%	84%	87%

Mgmt & Prof Liability

Rate	0%	-1%	-1%	0%	0%	0%
Retention	91%	90%	91%	90%	91%	89%

Surety

Net Written Premiums	\$117	\$120	\$123	\$101	\$116	\$129
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Warranty & Alt. Risks

Revenues	\$120	\$136	\$130	\$125	\$134	\$138
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Note: Rate and retention metrics on renewed business are not applicable for Surety and Warranty; Specialty rate and retention metrics reflect Management & Professional Liability lines

Commercial

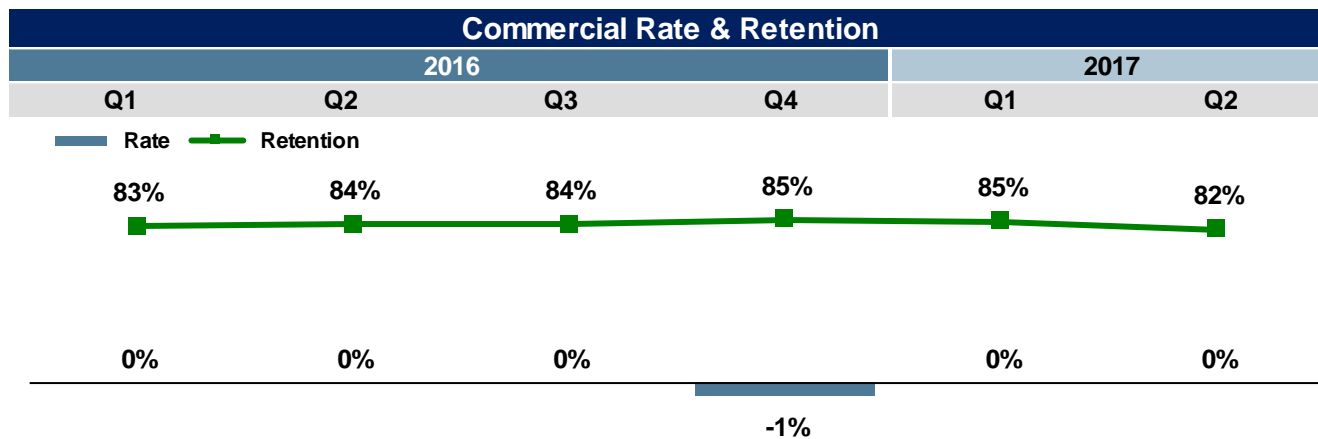
Improving underwriting fundamentals

(In millions, except ratios)

	Second Quarter		Year to Date	
	2017	2016	2017	2016
Net written premium	\$767	\$740	\$1,482	\$1,488
<i>NWP Change (% year over year)</i>	<i>4%</i>		<i>(0%)</i>	
Underwriting gain (loss)	\$33	(\$23)	\$2	(\$37)
Loss ratio excl. catastrophes and development	59.4%	61.6%	60.8%	61.6%
Impact of catastrophes	4.8%	8.0%	4.4%	6.1%
Impact of development-related items	(4.2%)	(2.2%)	(1.8%)	(1.9%)
Loss ratio	60.0%	67.4%	63.4%	65.8%
Expense ratio	34.5%	35.7%	35.9%	36.5%
<i>Acquisition expense</i>	<i>17.2%</i>	17.3%	<i>18.1%</i>	17.9%
<i>Underwriting expense</i>	<i>17.3%</i>	18.4%	<i>17.8%</i>	18.6%
Combined ratio	95.1%	103.5%	99.8%	102.7%
Combined ratio excl. catastrophes and development	94.5%	97.7%	97.2%	98.5%

Commercial Production Metrics

Focused approach to new business development and disciplined risk selection



New Business (\$m)	\$137	\$146	\$135	\$106	\$139	\$153
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Small Business

Rate	3%	3%	2%	-2% ¹	1% ¹	1% ¹
Retention	77%	77%	78%	78%	80%	80%

Middle Market

Rate	-2%	-2%	-3%	-2%	0%	-1%
Retention	85%	86%	87%	86%	87%	86%

Other²

Rate	1%	0%	1%	1%	1%	0%
Retention	84%	84%	82%	87%	84%	76%

¹Includes impact of premium adjustments to current and prior periods

² Other domestic property & casualty business

International

Strong growth, underlying loss ratio improvements and benign catastrophes

(In millions, except ratios)

	Second Quarter		Year to Date	
	2017	2016	2017	2016
Net written premium	\$219	\$194	\$457	\$430
<i>NWP Change (% year over year)</i>	13%		6%	
Underwriting gain (loss)	\$1	(\$37)	\$10	(\$35)
Loss ratio excl. catastrophes and development	63.8%	76.5%	61.7%	69.0%
Impact of catastrophes	(0.5%)	10.6%	0.6%	6.3%
Impact of development-related items	(0.5%)	(7.3%)	(1.7%)	(4.8%)
Loss ratio	62.8%	79.8%	60.6%	70.5%
Expense ratio	37.3%	38.8%	37.1%	38.3%
<i>Acquisition expense</i>	22.3%	22.0%	22.0%	21.5%
<i>Underwriting expense</i>	15.0%	16.8%	15.1%	16.8%
Combined ratio	100.1%	118.6%	97.7%	108.8%
Combined ratio excl. catastrophes and development	101.1%	115.3%	98.8%	107.3%

Life & Group Non-Core

Results continue to be in line with reset assumptions

(In millions)

	Second Quarter		Year to Date	
	2017	2016	2017	2016
Net earned premiums	\$135	\$136	\$268	\$267
Net investment income	195	188	392	375
Other revenues	0	3	1	3
Total operating revenues	330	327	661	645
Total claims, benefits and expenses	361	373	725	732
Net operating income (loss)	5	(4)	9	(6)

Financial Strength

(In millions, except per share data or otherwise noted)

	Jun 30, 2017	Dec 31, 2016
Debt	\$2,711	\$2,710
Common equity	12,028	11,969
Total capital	\$14,739	\$14,679
Debt-to-capital	18.4%	18.5%
Book value per common share excluding AOCI	\$44.26	\$44.89
Holding company cash	\$534	\$488
Total investments	\$46.3b	\$45.4b
Statutory surplus (estimate)	\$10.6b	\$10.7b
Statutory dividend capacity	\$100	\$314

Capital

- Conservative capital structure
- All capital metrics at or better than target levels

Leverage

- Debt-to-capital ratio below target of 20% to 25%
- Well balanced debt maturity profile

Liquidity

- Liquidity profile remains very strong
- \$233 million quarterly operating cash flow

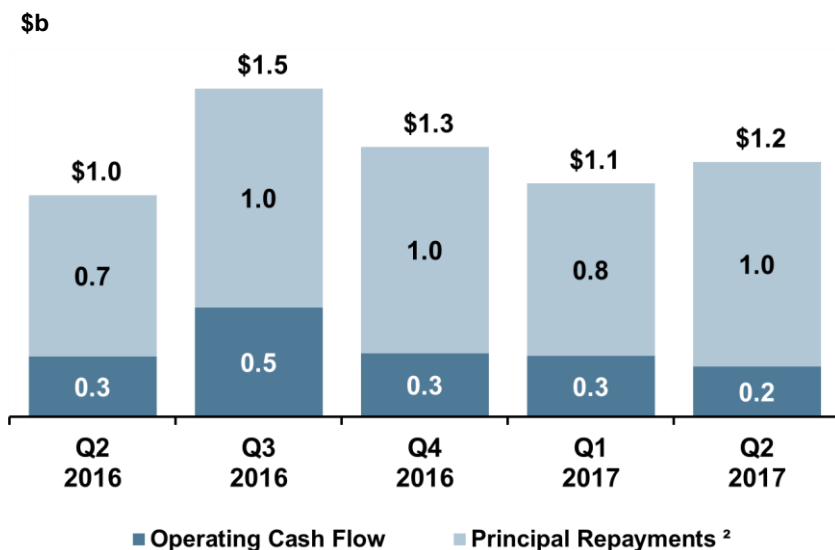
Investment portfolio

- High quality investment portfolio (average credit quality "A")
- Net unrealized investment gains of \$3.1 billion pre-tax at June 30, 2017

Strong Liquidity Profile

Ample operating cash flow and liquidity

Operating Company Liquidity ¹



Holding Co. Liquidity & Obligations

\$m

As of June 30, 2017

2017 Operating company dividend capacity	\$1,075
Less: Last twelve months dividends	(975)
Current operating company dividend capacity	\$100
Holding company cash	534
Availability under credit facility	250
Net corporate sources	\$884

Estimated annual pre-tax corporate obligations:

Interest expense on outstanding debt	\$152
Common quarterly dividends (\$0.30/share)	325
Net corporate obligations	\$477

¹ Excludes availability under Federal Home Loan Bank facility

² Principal repayments from investments include maturities, prepayments from structured securities, calls and bank debt pay-downs

Investment Management

Well diversified and liquid investment portfolio with an average credit quality rating of “A”

June 30, 2017 Asset Class (\$m)	Carrying Value		Net Unrealized Gains (Losses)
	\$	%	\$
Short Term	\$1,333	3%	\$0
US Government	115	0%	2
Investment Grade Corp	17,208	37%	1,472
Foreign Government	449	1%	11
Agency MBS	4,134	9%	37
Tax Exempt Muni	10,972	24%	996
Taxable Muni	2,854	6%	369
Redeemable Preferred	19	0%	1
Common Stock	22	0%	5
Total	37,106	80%	2,893
Non Agency CMBS and ABS	2,962	6%	56
Non Agency RMBS	838	2%	49
Below Investment Grade Corp	2,198	5%	88
Non Redeemable Preferred	96	0%	5
Total	6,094	13%	198
Mortgage Loans	646	1%	0
Limited Partnerships / Other	2,422	6%	0
Total	3,068	7%	0
Total Invested Assets ¹	\$46,268	100%	\$3,091

Highlights

- High-quality, liquid portfolio aligned with our business objectives
- Diversified fixed income investment strategy with highest allocation to investment grade corporate

Fixed Income Portfolio	Carrying Value	Effective Portfolio Duration
Life & Group Non-Core	\$16.4b	8.7 yrs
P&C & Corporate	26.5b	4.4 yrs
Total Fixed Income	\$42.9b	6.1 yrs

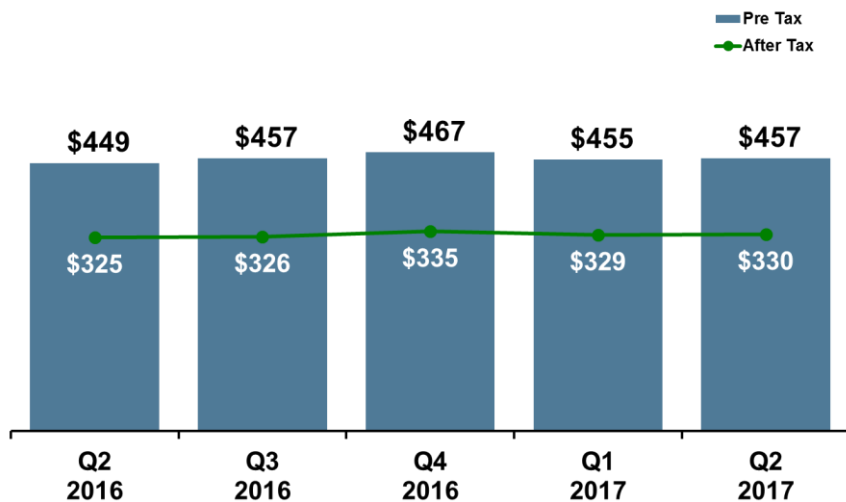
¹ Net unrealized gain after shadow adjustment was \$1,213 million

Net Investment Income

Limited partnership performance down in the quarter

Fixed Income

\$m

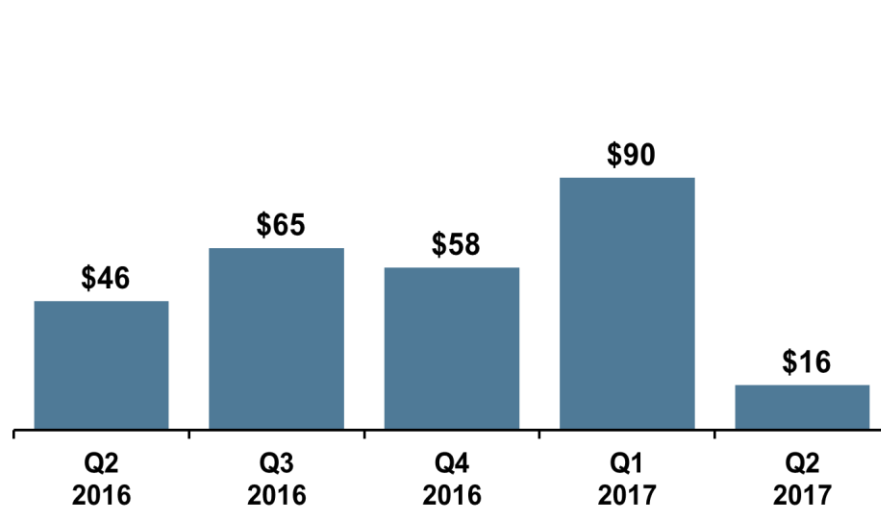


Fixed Maturities Annualized Yield After-Tax

3.5% 3.4% 3.5% 3.4% 3.4%

Limited Partnerships

\$m



LP Quarterly Return Pre-Tax

1.8% 2.6% 2.4% 3.8% 0.7%