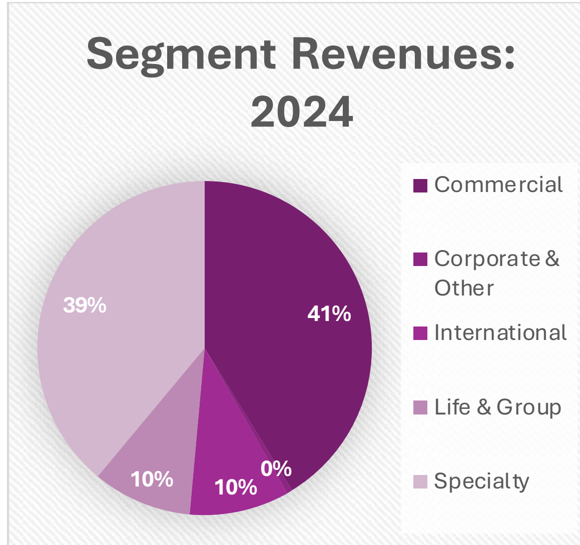
CNA Financial Corporation
By: Sebastian Zuniga, Meredith Arnold, Megan Vertin

Company Description[i]

CNA Financial Corporation was incorporated in 1967 and is an insurance holding company. CNA's product line primarily consists of commercial property and casualty coverages, including surety. Their services also include risk management information services, warranty, and claims administration. P&C operations are managed in three business segments, which are specialty, commercial and international. Operations outside of P&C are managed and reported in two business segments, called Life & Group and Corporate & Other. CNA has a corporate strategy of providing their P&C services to assist institutions and firms to maintain their competitive edge in addition to offering ranges of insurance solutions that can be customized to meet a firm's specific risks and needs.

Revenue Analysis[ii]

Main sources of revenue of CNA are produced through their property and casualty product line, comprised of their business segments which are specialty, commercial and international. Additional revenue also comes from their non-P&C segments, which are both called Life & Group and Corporate & other. Sources of revenue are primarily produced from investment income and written premiums (influenced by underlying underwriting results) across all business segments. Noninsurance warranty revenue is an additional source of revenue; however, this was only produced by their specialty segment this past year. These business segments are run through the United States whilst the international segment covers geographies outside of the US which include Canada, the United Kingdom, and parts of Europe comprising of Luxembourg and Hardy. The segments contributing the most growth are the specialty and commercial segments. Across all three segments, significant customers comprise from many wide ranges. This includes, but not limited to small businesses, construction, small-mid size firms, middle markets, financial, healthcare, marine, and many other professional sectors/firms. Products that comprise CNA's international line do get affected by the foreign currency exchange rates, as this can affect the total revenues made from written premiums, depending on the strength of the foreign currency against the domestic currency.



Expense Analysis[iii]

The most important expense categories for CNA are insurance claims and policyholders' benefits, deferred amortization for acquisition costs, non-insurance warranty expenses, and interest expense used for corporate debt. Insurance claim expenses are presented net of anticipated amounts due from insureds related to losses under deductible policies of \$1.3 and \$1.2 billion as of December 31st, 2024, and 2023. A large portion of these amounts are supported by collateral. As CNA has an allowance for uncollectible deductible amounts, it is presented and included in insurance receivables on the balance sheet. As for policyholders' benefits, it is noted that this expense includes claims that have been incurred, but are not yet to be reported, including policyholders that have not yet received benefits. Acquisition costs that are connected to property and casualty are deferred and amortized over the period the related premiums are earned. CNA evaluates deferred acquisition costs for recoverability. Anticipated investment income is also considered in the determination of the recoverability of deferred acquisition costs. If any adjustments are necessary, they are recorded in the current period results of operations.

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Margin and Profit Analysis[iv]

For the full year ending December 31st, 2024, net income was $959 million versus $1,205 million net income the year prior, December 31st, 2023. However, core income was higher this year than last year by $32 million as CNA earned $1,316 million versus $1,284 million in the prior year. P&C core income increased, as $1,548 million was earned versus $1,505 million in the prior year. This is reflected by higher investment income and high underlying underwriting income partially offset by higher catastrophe losses. The Life & Group business segment of CNA experienced a core loss of $23 million in comparison to $48 million in the prior year, which is an improvement. An additional outside P&C business segment of CNA called Corporate & Other had an increase of a core loss in comparison to the year prior. The loss totaled $210 million versus $173 million in 2023. Net investment income was up 10% to $2,497 million pretax. Increases from limited partnerships, common stock, fixed income securities, and other investments increased to a total of $2,177 million. CNA did exceed expectations as they have achieved their record of core income this past year by $32 million, along with core earnings per share being $4.83, up $0.12 year over year despite catastrophic losses in comparison to the prior year. With strong performance in the most recent quarterly earnings report, CNA has announced that they will be increasing dividends by 5%, as well as declaring a special dividend of $2.00 per share to shareholders.

Competition[v]

When it comes to CNA differentiating and evaluating its performance against other competing firms, many financial and operating metrics are used. According to the CNA's latest annual report, the main financial/operating metrics that the company uses are the loss ratio, combined ratio, underlying loss/combined ratio, dividend ratio, and expense ratio. CNA also considers renewal premium changes, rates that price on policies that renew, exposure in the pricing of new products, and the retention reflecting exposure change. The company also pays attention to how much revenue is generated from each source. This includes investment income, written premiums, and non-insurance warranty revenue. More specifically, when evaluating investment income, the company will examine factors that heavily influence. This includes factors such as underwriting performance and risk tolerance for their investment portfolio. These metrics and sources of revenue are used to evaluate performance amongst themselves and other competitors in the market.

Recent Mergers and Acquisitions

Date	Transaction	Value	Payment Methodology
June 10, 2011	CNA Financial acquired CNA Surety – making it a wholly owned indirect subsidiary of CNA Financial	Value Not Disclosed in Statement	Cash
July 2, 2012	CNA Financial acquired Hardy Underwriting Bermuda Limited ("Hardy")	Approximately $230 Million	Cash
2014	CNA Financial Corporation sells Continental Assurance Company to Wilton Re	Value not Disclosed	Methodology not Disclosed

June 10, 2011 – CNA Financial successfully acquired CNA Surety, making it a wholly owned indirect subsidiary of CNA Financial Corporation. Two months prior, CNA Financial and CNA Surety announced the entry into a merger agreement for the acquisition of the shares of CNA Surety that were not already owned by CNA Financial and its subsidiaries. Eventually, Surety Acquisition Corporation, a CNA Financial subsidiary, began an offer on May 11, 2011, to acquire all the outstanding shares of common stock of CNA Surety not yet owned by CNA Financial. On June 8, 2011, all shares tendered in the offer were accepted for payment. As a result of the merger, all shares of CNA Surety common stock held by minority stockholders that were not included in the tender offer received $26.55 per share in cash, the same payment methodology as the offer. CNA

Surety common stock is no longer traded on the New York Stock Exchange.[vi]

July 2, 2012 – CNA Financial Corporation acquired Hardy Underwriting Bermuda Limited ("Hardy") in an approximately $230 million purchase. Hardy will continue to operate under its own brand and leadership, existing as a wholly owned indirect subsidiary. The successful completion of this transaction provides CNA Financial with the opportunity to grow in the global space, with Hardy being a European brand. According to Tom Motamed of CNA Financial, "With its [Hardy] access to the $35 billion Lloyd's marketplace, Hardy will provide a solid platform for profitable growth and an attractive opportunity for CNA to deploy capital." [vii]

2014 – In early 2014, CNA Financial Corporation announced its intentions to sell 100% of the common stock of Continental Assurance Company (CAC), a life insurance subsidiary to a subsidiary of Wilton Re Holdings Limited. In addition to the sale, affiliates of each of CNA and Wilton Re will enter into a 100% reinsurance agreement and related transaction agreements pursuant to which a Wilton Re subsidiary will reinsure all the run-off structured settlement annuities reinsured by a Bermuda-based subsidiary of CNA. This transaction is a result of CNA Financials' efforts to focus more on the Property and Casualty Insurance Industry.[viii]

Capital Expenditures[ix]

Recent Capital Expenditures for CNA Financial Corporation were reported as $95 million for 2024, $90 million for 2023, and $52 million for 2022. The company saw an approximate 6% increase in CapEx between 2023 and 2024 but saw an even larger increase of nearly 74% from 2022 to 2023. According to CNA's MD&A Statement from their most recent 10-K, "Cash flows from investing activities include the purchase and disposition of financial instruments, excluding those held as trading, and may include the purchase and sale of businesses, equipment and other assets not generally held for resale." This reflects their investment in the expansion of their company and is presented in the CapEx.

It is predicted that Capital Expenditures in the Property and Casualty Insurance Industry will continue to rise. McKinsey & Co explains that current carriers face a variety of pain points in the market: rates softening in some lines while hardening in others, the ever-evolving nature of risks, tightening capacity, and the need to transform talent and capabilities. As a result, "Commercial carriers will need to invest and take decisive action in response to each of these four challenges. First, commercial carriers must define a clear source of distinctiveness to protect their margins by competing beyond rates. Second, they can expand relevance by closing protection gaps through product innovation, more sophisticated pricing, and risk prevention and mitigation solutions. Third, commercial carriers will need to secure capacity by innovating the use of alternative capital and addressing investor concerns about long-term profitability. Finally, commercial carriers must reinvent their employee value proposition and develop the capabilities to shift from art to science to address the risks of the future." [x]

With industry-wide CapEx being expected to rise, CNA Financial will need to follow suit to stay competitive. Our group predicts that CapEx will remain steady, estimating it to be around 6-8% for the upcoming fiscal year.

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Capital Structure[xi]

Debt Maturity Schedule

Debt is composed of the following long-term obligations:

December 31 (In millions)	2024	2023
Short-term debt:		
Senior notes of CNAF: 3.950%, face amount of $550, due May 15, 2024	$ —	$ 550
Long-term debt:		
Senior notes of CNAF:		
4.500%, face amount of $500, due March 1, 2026	500	500
3.450%, face amount of $500, due August 15, 2027	498	498
3.900%, face amount of $500, due May 1, 2029	498	497
2.050%, face amount of $500, due August 15, 2030	497	496
5.500%, face amount of $500, due June 15, 2033	491	490
5.125%, face amount of $500, due February 15, 2034	489	—
Total long-term debt	2,973	2,481
Total debt	$ 2,973	$ 3,031

Their net income was $959 million last fiscal year, with their net change in cash being $472 million, although they are a little short, they have $2,088 million in short-term investments.

Operating Cash Flow

Years ended December 31 (In millions)	2024	2023	2022
Cash Flows from Operating Activities			
Net income	$ 959	$ 1,205	$ 682
Adjustments to reconcile net income to net cash flows provided by operating activities:			
Deferred income tax (benefit) expense	(45)	2	(89)
Trading portfolio activity	[illegible]	1	6
Net investment losses	81	99	199
Equity method investees	(101)	(8)	250
Net amortization of investments	(200)	(191)	(129)
Depreciation and amortization	67	73	51
Changes in:			
Receivables, net	(898)	(245)	(226)
Accrued investment income	(8)	(41)	(29)
Deferred acquisition costs	(69)	(85)	(79)
Insurance reserves	2,365	1,667	2,058
Other, net	420	(192)	(192)
Net cash flows provided by operating activities	2,571	2,285	2,502

As presented in the tables above, the total debt exceeds the net operating cash flow. CNA will not have sufficient cash flow to service upcoming debt maturities. CNA will likely need to refinance debt.

Ratings

December 31, 2024	Insurer Financial Strength Ratings	Senior Debt Ratings
A.M. Best	A	bbb+
Moody's	A2	Baa2
S&P	A+	A-
Fitch	A+	BBB+

Best and Moody's revised their outlook on the Company's ratings to positive from stable in 2024. S&P and Fitch maintain stable outlooks.

With their ratings being very high, which means they have good credit worthiness.

Corporate Governance[xii]

Company insiders do not control a large portion of the stock. According to CNA Financials Proxy, the only holder owning more than 5% of shares is Loews Corporation, owning 248,414,738 shares approximating 91.7%. As a result of this strong insider ownership, there is little room for activist investors to take major equity positions or push for strategic changes. While some institutional investors may hold smaller stakes, there is no known activist investor with a significant influence over CNA Financial.

SWOT[xiii]

CNA Financial Corp has a strong market presence with a diverse range of commercial property and casualty insurance products, catering to businesses of all sizes. Its financial stability is evident with $45 billion invested in assets and $14 billion in total capital, allowing for strategic investments and resilience against market fluctuations. Additionally, CNA benefits from strong customer loyalty due to effective claims management, high credit ratings that facilitate financial transactions, and a global workforce of over 7,000 employees.

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However, CNA faces certain weaknesses, including a high dependence on U.S. markets, which increases business risk. Its brand presence in investment management is limited compared to global competitors, and the highly competitive insurance industry demands continuous innovation and adaptation. The company also struggles with attracting and retaining specialized talent in areas such as underwriting, data analytics, and technology, which could impact operational efficiency.

Despite these challenges, CNA has significant opportunities for growth. The recovering U.S. economy and positive trends in property and casualty insurance could drive revenue increases. Expanding through acquisitions presents a path to increasing global market share, while advancements in big data analytics and digital distribution channels offer potential for improved product offerings, pricing strategies, and customer experience.

Nevertheless, CNA must navigate several threats, including evolving regulatory requirements that could impose compliance costs and limit operational flexibility. Technological disruptions pose a risk if the company fails to keep pace with industry advancements. Additionally, economic volatility, particularly in the Eurozone, could impact the U.S. insurance industry, and fierce competition may lead to market share erosion.

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[i] Insurance for Financial Institutions & Financial Services Firms | CNA Insurance ; Inline Viewer: CNA FINANCIAL CORPORATION 10-K 2024-12-31

[ii] Inline Viewer: CNA FINANCIAL CORPORATION 10-K 2024-12-31

[iii] Inline Viewer: CNA FINANCIAL CORPORATION 10-K 2024-12-31

[iv] Inline Viewer: CNA FINANCIAL CORPORATION 8-K 2025-02-10

[v] Inline Viewer: CNA FINANCIAL CORPORATION 8-K 2025-02-10

[vi] https://investor-relations.cna.com/news/news-details/2011/CNA-Financial-Completes-Acquisition-of-CNA-Surety/default.aspx

[vii] https://investor-relations.cna.com/news/news-details/2012/CNA-Financial-Completes-Acquisition-of-Hardy-Underwriting-Bermuda-Ltd/default.aspx

[viii] https://investor-relations.cna.com/news/news-details/2014/CNA-Announces-Sale-of-Life--Group-Subsidiary-to-Wilton-Re/default.aspx

[ix] https://www.sec.gov/ix?doc=/Archives/edgar/data/0000021175/000002117525000008/cna-20241231.htm

[x] https://www.sec.gov/ix?doc=/Archives/edgar/data/0000021175/000002117525000008/cna-20241231.htm#fact-identifier-4171 ; https://www.mckinsey.com/industries/financial-services/our-insights/global-insurance-report-2023-expanding-commercial-p-and-cs-market-relevance

[xi] https://www.sec.gov/ix?doc=/Archives/edgar/data/0000021175/000002117525000008/cna-20241231.htm#fact-identifier-4171

[xii] https://s25.q4cdn.com/951400234/files/doc_financials/2023/ar/cnaf-def14-proxy-3-21-24-final.pdf

[xiii] https://www.mbaskool.com/swot-analysis/banking-and-financial-services/15923-cnafinancial.html ;https://finance.yahoo.com/news/decoding-cna-financial-corp-cna-050717137.html

CNA Financial Inc.

Revenue Decomposition

(Millions)

Fiscal Years Ending Feb. 11	2014	2015	2016	2017	2018	2019	2020	2021	2022
Specialty	2,838	2,782	2,779	2,712	2,732	2,773	2,883	3,076	3,203
% of growth		-1.97%	-0.11%	-2.41%	0.74%	1.50%	3.97%	6.69%	4.13%
Commercial	2,906	2,788	2,804	2,881	3,050	3,162	3,323	3,552	3,923
% of growth		-4.06%	0.57%	2.75%	5.87%	3.67%	5.09%	6.89%	10.44%
International	913	804	806	857	1,001	974	940	1,057	1,070
% of growth		-11.94%	0.25%	6.33%	16.80%	-2.70%	-3.49%	12.45%	1.23%
Life and Group	556	548	536	539	530	520	504	491	473
% of growth		-1.44%	-2.19%	0.56%	-1.67%	-1.89%	-3.08%	-2.58%	-3.67%
% of growth		0.00%	-100.00%	0.00%	0.00%	0.00%	-100.00%	0.00%	0.00%
Eliminations	(2)	(2)	(1)	(1)	(1)	(2)	(1)	(1)	(1)
% of growth		0.00%	-50.00%	0.00%	0.00%	100.00%	-50.00%	0.00%	0.00%
Corporate and Other	1	1	-	-	-	1	-	-	(1)
Total Premium Revenue	7,212	6,921	6,924	6,988	7,312	7,428	7,649	8,175	8,667
growth		-4.03%	0.04%	0.92%	4.64%	1.59%	2.98%	6.88%	6.02%
Investment Income									
Specialty	560	474	516	538	439	556	449	497	431
% of growth		-15.36%	8.86%	4.26%	-18.40%	26.65%	-19.24%	10.69%	-13.28%
Commercial	723	593	638	642	500	654	565	624	488
% of growth		-17.98%	7.59%	0.63%	-22.12%	30.80%	-13.61%	10.44%	-21.79%
International	61	52	51	52	57	63	58	57	63
% of growth		-14.75%	-1.92%	1.96%	9.62%	10.53%	-7.94%	-1.72%	10.53%
Life and Group	700	704	767	782	801	820	851	966	804
% of growth		0.57%	8.95%	1.96%	2.43%	2.37%	3.78%	13.51%	-16.77%
Corporate and Other	23	17	16	20	20	25	12	15	19
% of growth		-26.09%	-5.88%	25.00%	0.00%	25.00%	-52.00%	25.00%	26.67%
Total Investment Income	2,067	1,840	1,988	2,034	1,817	2,118	1,935	2,159	1,805
growth		-10.98%	8.04%	2.31%	-10.67%	16.57%	-8.64%	11.58%	-16.40%
Net Investment Losses	57	(67)	50	93	(52)	29	(54)	120	(199)

% of growth		-217.54%	-174.63%	86.00%	-155.91%	-155.77%	-286.21%	-322.22%	-265.83%
Investments									
Fixed Maturity Securities	40,768	39,572	40,905	41,487	39,546	42,207	44,631	44,380	37,627
% of growth		-2.93%	3.37%	1.42%	-4.68%	6.73%	5.74%	-0.56%	-15.22%
Equity Securities	222	197	110	695	780	865	992	1,035	674
% of growth		-11.26%	-44.16%	531.82%	12.23%	10.90%	14.68%	4.33%	-34.88%
Limited partnership investments	2,937	2,548	2,371	2,369	1,982	1,752	1,619	1,859	1,926
% of growth		-13.24%	-6.95%	-0.08%	-16.34%	-11.60%	-7.59%	14.82%	3.60%
Other Invested Assets	41	44	36	44	53	65	76	91	78
% of growth		7.32%	-18.18%	22.22%	20.45%	22.64%	16.92%	19.74%	-14.29%
Mortgage Loans	588	678	591	839	839	994	1,068	973	1,040
% of growth		15.31%	-12.83%	41.96%	0.00%	18.47%	7.44%	-8.90%	6.89%
Short-Term Investments	1,706	1,660	1,407	1,436	1,286	1,861	1,907	1,990	1,832
% of growth		-2.70%	-15.24%	2.06%	-10.45%	44.71%	2.47%	4.35%	-7.94%
Total Investments	46,262	44,699	45,420	46,870	44,486	47,744	50,293	50,328	43,177
growth		-3.38%	1.61%	3.19%	-5.09%	7.32%	5.34%	0.07%	-14.21%
Non-insurance warranty revenue									
Total Non-Insurance Warranty Revenue			361	390	1,007	1,161	1,252	1,430	1,574
% of growth				8.03%	158.21%	15.29%	7.84%	14.22%	10.07%
Other Revenues									
Specialty	295	356	1	1	2	1	1	1	1
% of growth		20.68%	-99.72%	0.00%	100.00%	-50.00%	0.00%	0.00%	0.00%
Commercial	38	37	32	32	28	29	25	23	30
% of growth		-2.63%	-13.51%	0.00%	-12.50%	3.57%	-13.79%	-8.00%	30.43%
International	-	(1)	-	-	1	-	-	-	1
% of growth		0.00%	-100.00%	0.00%	0.00%	-100.00%	0.00%	0.00%	0.00%
Life and Group	16	7	(2)	2	2	-	-	-	(1)
% of growth		-56.25%	-128.57%	-200.00%	0.00%	-100.00%	0.00%	0.00%	0.00%
Corporate and Other	12	11	12	2	19	6	5	6	6
% of growth		-8.33%	9.09%	-83.33%	850.00%	-68.42%	-16.67%	20.00%	0.00%
Eliminations	(5)	(3)	-	-	(2)	(5)	(5)	(6)	(5)

% of growth		-40.00%	-100.00%	0.00%	0.00%	150.00%	0.00%	20.00%	-16.67%
Total Other Revenues	356	407	43	37	50	31	26	24	32
% of growth		14.33%	-89.43%	-13.95%	35.14%	-38.00%	-16.13%	-7.69%	33.33%
Total Operating Revenues	9,692	9,101	9,366	9,542	10,134	10,767	10,808	11,908	11,879

2023	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
3,307	3,361	3,416	3,472	3,528	3,586	3,645	3,704	3,765	3,826	3,888	3,952
3.25%	1.63%	1.63%	1.63%	1.63%	1.63%	1.63%	1.63%	1.63%	1.63%	1.63%	1.63%
4,547	5,158	5,851	6,637	7,529	8,541	9,689	10,991	12,467	14,143	16,043	18,199
15.91%	13.44%	13.44%	13.44%	13.44%	13.44%	13.44%	13.44%	13.44%	13.44%	13.44%	13.44%
1,176	1,256	1,341	1,433	1,530	1,634	1,745	1,864	1,991	2,126	2,271	2,426
9.91%	6.80%	6.80%	6.80%	6.80%	6.80%	6.80%	6.80%	6.80%	6.80%	6.80%	6.80%
451	437	423	410	398	385	373	362	350	340	329	319
-4.65%	-3.10%	-3.10%	-3.10%	-3.10%	-3.10%	-3.10%	-3.10%	-3.10%	-3.10%	-3.10%	-3.10%
-100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
-	-	-	-	-	-	-	-	-	-	-	-
9,480	10,211	11,031	11,951	12,984	14,145	15,451	16,919	18,572	20,434	22,531	24,894
9.38%	7.71%	8.03%	8.34%	8.65%	8.94%	9.23%	9.50%	9.77%	10.02%	10.26%	10.49%
558	626	702	788	884	992	1112	1248	1400	1571	1762	1977
29.47%	12.19%	12.19%	12.19%	12.19%	12.19%	12.19%	12.19%	12.19%	12.19%	12.19%	12.19%
645	733	833	947	1076	1223	1389	1579	1794	2039	2317	2634
32.17%	13.64%	13.64%	13.64%	13.64%	13.64%	13.64%	13.64%	13.64%	13.64%	13.64%	13.64%
103	131	167	212	270	343	436	554	705	897	1141	1451
63.49%	27.18%	27.18%	27.18%	27.18%	27.18%	27.18%	27.18%	27.18%	27.18%	27.18%	27.18%
896	940	986	1035	1085	1139	1195	1253	1315	1379	1447	1518
11.44%	4.91%	4.91%	4.91%	4.91%	4.91%	4.91%	4.91%	4.91%	4.91%	4.91%	4.91%
62	67	72	78	85	91	99	107	115	125	135	146
226.32%	8.06%	8.06%	8.06%	8.06%	8.06%	8.06%	8.06%	8.06%	8.06%	8.06%	8.06%
2,264	2,497	2,760	3,059	3,399	3,787	4,231	4,741	5,330	6,011	6,802	7,725
25.43%	10.29%	10.55%	10.82%	11.11%	11.41%	11.73%	12.06%	12.41%	12.78%	13.16%	13.57%
(99)	(81)	(66)	(54)	(44)	(36)	(30)	(24)	(20)	(16)	(13)	(11)

-50.25%	-18.18%	-18.18%	-18.18%	-18.18%	-18.18%	-18.18%	-18.18%	-18.18%	-18.18%	-18.18%	-18.18%
40,425	41,111	41,809	42,518	43,240	43,973	44,720	45,478	46,250	47,035	47,833	48,645
7.44%	1.70%	1.70%	1.70%	1.70%	1.70%	1.70%	1.70%	1.70%	1.70%	1.70%	1.70%
683	659	636	614	592	571	551	532	513	495	478	461
1.34%	-3.51%	-3.51%	-3.51%	-3.51%	-3.51%	-3.51%	-3.51%	-3.51%	-3.51%	-3.51%	-3.51%
2,174	2,520	2,921	3,386	3,925	4,550	5,274	6,113	7,086	8,214	9,521	11,036
12.88%	15.92%	15.92%	15.92%	15.92%	15.92%	15.92%	15.92%	15.92%	15.92%	15.92%	15.92%
80	85	90	96	102	108	115	122	130	138	147	156
2.56%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%
1,035	1,019	1,003	988	972	957	943	928	914	900	886	872
-0.48%	-1.55%	-1.55%	-1.55%	-1.55%	-1.55%	-1.55%	-1.55%	-1.55%	-1.55%	-1.55%	-1.55%
2,165	2,088	2,014	1,942	1,873	1,806	1,742	1,680	1,620	1,563	1,507	1,454
18.18%	-3.56%	-3.56%	-3.56%	-3.56%	-3.56%	-3.56%	-3.56%	-3.56%	-3.56%	-3.56%	-3.56%
46,562	47,482	48,473	49,543	50,704	51,966	53,344	54,854	56,513	58,344	60,371	62,623
7.84%	1.98%	2.09%	2.21%	2.34%	2.49%	2.65%	2.83%	3.03%	3.24%	3.47%	3.73%
1,624	1,609	1,594	1,579	1,565	1,550	1,536	1,522	1,508	1,494	1,480	1,466
3.18%	-0.92%	-0.92%	-0.92%	-0.92%	-0.92%	-0.92%	-0.92%	-0.92%	-0.92%	-0.92%	-0.92%
1	2	2	2	2	2	2	2	2	2	2	2
0.00%	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
29	29	29	29	29	29	29	29	29	29	29	29
-3.33%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
-	-	-	-	-	-	-	-	-	-	-	-
-100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
(1)	-	-	-	-	-	-	-	-	-	-	-
0.00%	-100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11	13	15	18	21	25	30	35	42	49	58	69
83.33%	18.18%	18.18%	18.18%	18.18%	18.18%	18.18%	18.18%	18.18%	18.18%	18.18%	18.18%
(10)	(10)	(10)	(10)	(10)	(10)	(10)	(10)	(10)	(10)	(10)	(10)

100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	34	36	39	42	46	51	56	63	70	79	90
-6.25%	13.33%	6.95%	7.68%	8.43%	9.19%	9.95%	10.69%	11.41%	12.11%	12.76%	13.38%
13,299	14,270	15,356	16,575	17,946	19,493	21,239	23,215	25,453	27,993	30,879	34,165

Key Assumptions of Valuation Model

Ticker Symbol	CNA	
Current Share Price	$49.22	
Current Model Date	2/22/2025	
FY End (month/day)	Feb. 11	
Last FYE Date	2/11/2025	
Next FYE Date	2/11/2026	
Pre-Tax Cost of Debt	6.90%	
Beta	0.47	
Risk-Free Rate	4.32%	10yr as of 4/24/25
Equity Risk Premium	5.62%	
CV Growth of NOPLAT	2.50%	
CV Growth of EPS	2.50%	
Current Dividend Yield	3.62%	
Forecasted Marginal Tax Rate	22.00%	
Forecasted Effective Tax Rate	25.00%	
Cost of Equity	6.96%	
WACC	0.00%	
Normal Cash Estimate (% sales)	2.00%	
Fixed maturities growth rate (avg)	3.00%	
Limited partnership investments (median)	4.00%	
Reinsurance receivables (gwth avg)	5.00%	
Insurance receivables (gwth avg)	6.00%	
Deferred acquisition costs (gwth avg)	6.00%	
Net earned premiums (gwth avg)	6.00%	
Net investment income (% of total investments)	4.40%	
Net earned premiums (grwth avg)	3.00%	
long term	0.0447121	

short term debt	0								
Claims Ratio	3.226892							3	
Unearned Premiums	52.16%	70.76%							
	52.16%	58.21%	60.41%	65.58%	70.01%	77.56%	83.33%	84.81%	84.76%
Premiums Ratio for FPB	1.4913345								

The area below is for recording key information or assumptions to be referenced in building the FORECASTS. Add rows and variables as necessar

	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E
Amortization Expense Schedule (from 10K notes)								
LT Debt Maturity Schedule (from 10K notes)			500	498		497	498	
Management CapEx Guidance (if available)								
Share Repurchases ($, if applicable)								
Total Dividends Paid								
Beginning of FY Shares Outstanding								
Expected Dividend per Share								
Total Dividends Paid ($)	0	0	0	0	0	0	0	0

The area below is for calculating HISTORICAL metrics to referenced when building forecasts.

	2014	2015	2016	2017	2018	2019	2020	2021
Depreciation Rate:								
Depreciation Expense	83	84	77	88	79	68	60	54
Beginning Net PPE	295	343	310	326	324	282	252	226
Implied Depreciation Rate (%)	28.14%	24.49%	24.84%	26.99%	24.38%	24.11%	23.81%	23.89%
Marginal Tax Rate (%)								
US Statutory (Federal) Tax (%)	35.05%	22.40%	35.00%	35.04%	21.06%	21.01%	20.95%	21.02%
State and Local Tax (%)	0.50%	-1.64%	-0.26%	0.53%	0.10%	0.08%	0.73%	0.20%
Foreign Income Tax (%)	0.75%	1.82%	0.62%	-0.31%	0.31%	0.33%	0.85%	0.88%

Implied Marginal Tax Rate	36.29%	22.59%	35.36%	35.27%	21.47%	21.42%	22.53%	22.10%
Normal Cash Calculation (%)								
Cash from B/S	190	387	271	355	310	242	419	536
Revenue	9692	9101	9366	9542	10134	10767	10808	11908
Cash as a % of Sales	1.96%	4.25%	2.89%	3.72%	3.06%	2.25%	3.88%	4.50%
Dividend Payout Ratio (%)								
Total Dividends	14	12	13	22	25	23	21	22
Net Income	691	479	859	899	813	1000	690	1202
Implied Payout Ratio (%)	2.03%	2.51%	1.51%	2.45%	3.08%	2.30%	3.04%	1.83%

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2032E	2033E	2034E	2035E
	491	489	
0	0	0	0

2022	2023	2024	
51	73	67	
226	253	295	
22.57%	28.85%	22.71%	24.98%
21.13%	21.01%	21%	
-1.84%	0.33%	0.25%	
1.23%	1.05%	0.99%	

20.52%	22.40%	22.21%	
475	345	472	
11879	13299	14270	
4.00%	2.59%	3.31%	1.96%
25	29	34	
894	1205	959	
2.80%	2.41%	3.55%	2.50%

CNA Financial Inc.

Income Statement

Fiscal Years Ending Feb. 11	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
Revenues																			
Net earned premiums	$ 6,924	$ 6,988	$ 7,312	$ 7,428	$ 7,649	$ 8,175	$ 8,667	$ 9,480	$ 10,211	$ 11,031	$ 11,951	$ 12,984	$ 14,145	$ 15,451	$ 16,919	$ 18,572	$ 20,434	$ 22,531	$ 24,894
Net investment income	$ 1,988	$ 2,034	$ 1,817	$ 2,118	$ 1,935	$ 2,159	$ 1,805	$ 2,264	$ 2,497	$ 2,760	$ 3,059	$ 3,399	$ 3,787	$ 4,231	$ 4,741	$ 5,330	$ 6,011	$ 6,802	$ 7,725
Net investment losses	$ 50	$ 93	$ (52)	$ 29	$ (54)	$ 120	$ (199)	$ (99)	$ (81)	$ (66)	$ (54)	$ (44)	$ (36)	$ (30)	$ (24)	$ (20)	$ (16)	$ (13)	$ (11)
Non-insurance warranty revenue	$ 361	$ 390	$ 1,007	$ 1,161	$ 1,252	$ 1,430	$ 1,574	$ 1,624	$ 1,609	$ 1,594	$ 1,579	$ 1,565	$ 1,550	$ 1,536	$ 1,522	$ 1,508	$ 1,494	$ 1,480	$ 1,466
Other revenues	$ 43	$ 37	$ 50	$ 31	$ 26	$ 24	$ 32	$ 30	$ 34	$ 36	$ 39	$ 42	$ 46	$ 51	$ 56	$ 63	$ 70	$ 79	$ 90
Total revenues	**$ 9,366**	**$ 9,542**	**$ 10,134**	**$ 10,767**	**$ 10,808**	**$ 11,908**	**$ 11,879**	**$ 13,299**	**$ 14,270**	**$ 15,356**	**$ 16,575**	**$ 17,946**	**$ 19,493**	**$ 21,239**	**$ 23,215**	**$ 25,453**	**$ 27,993**	**$ 30,879**	**$ 34,165**
										7.61%	7.94%	8.28%	8.62%	8.96%	9.30%	9.64%	9.98%	10.31%	10.64%
Claims, Benefits and Expenses																			
Insurance claims and policyholders' benefits	5,283	5,310	5,572	5,806	6,170	6,349	6,653	7,068	7,738	8,359	9,071	9,871	10,770	11,783	12,923	14,208	15,656	17,290	19,134
% of premium revenue	76.30%	75.99%	76.20%	78.16%	80.66%	77.66%	76.76%	74.56%	75.78%	75.90%	76.02%	76.14%	76.26%	76.38%	76.50%	76.62%	76.74%	76.86%	76.98%
Amortization of deferred acquisition costs	1,235	1,233	1,335	1,383	1,410	1,443	1,490	1,644	1,798	1,942	2,272	2,650	3,085	3,586	4,164	4,830	5,601	6,491	7,520
% of premium revenue	17.84%	17.64%	18.26%	18.62%	18.43%	17.65%	17.19%	17.34%	17.61%	19.01%	20.41%	21.81%	23.21%	24.61%	26.01%	27.41%	28.81%	30.21%	31.61%
Non-insurance warranty expense	271	299	923	1,082	1,159	1,328	1,471	1,544	1,547	1,533	1,519	1,505	1,491	1,478	1,464	1,451	1,438	1,425	1,412
% of warranty revenue	75.07%	76.67%	91.66%	93.20%	92.57%	92.87%	93.46%	95.07%	96.15%	96.16%	96.18%	96.19%	96.21%	96.22%	96.24%	96.25%	96.27%	96.28%	96.30%
Other operating expenses	1,281	1,229	1,202	1,142	1,126	1,191	1,339	1,398	1,843	1,983	2,142	2,321	2,523	2,752	3,010	3,303	3,635	4,013	4,443
% of total revenue	13.68%	12.88%	11.86%	10.61%	10.42%	10.00%	11.27%	10.51%	12.92%	12.93%	12.94%	12.95%	12.96%	12.97%	12.98%	12.99%	13.00%	13.01%	13.02%
Interest	159	161	138	131	122	113	112	127	133	205	215	225	240	252	267	284	303	324	348
Total claims, benefits and expenses	**8,229**	**8,232**	**9,170**	**9,544**	**9,987**	**10,424**	**11,065**	**11,781**	**13,059**	**14,023**	**15,219**	**16,572**	**18,110**	**19,851**	**21,828**	**24,076**	**26,632**	**29,543**	**32,858**
										7.38%	8.53%	8.89%	9.28%	9.61%	9.96%	10.30%	10.62%	10.93%	11.22%
Income before income tax	1,137	1,310	964	1,223	821	1,484	814	1,518	1,211	1,333	1,356	1,374	1,383	1,389	1,387	1,377	1,360	1,336	1,307
Income tax expense	-278	-411	-151	-223	-131	-282	-132	-313	-252	(296)	(301)	(305)	(307)	(308)	(308)	(306)	(302)	(297)	(290)
Net income	$859	$899	$813	$1,000	$690	$1,202	$682	$1,205	$959	1,037	1,055	1,069	1,076	1,080	1,079	1,071	1,058	1,040	1,017
Basic earnings per share																			
Basic earnings per share (in usd per share)	$3.18	$3.32	$2.99	$3.68	$2.54	$4.42	$2.51	$4.44	$3.53	3.82	3.88	3.93	3.95	3.97	3.96	3.93	3.88	3.81	3.72
Weighted Average Outstanding Common Stock and Common Stock Equivalents																			
Basic (in shares)	270.4	271.1	271.5	271.6	271.6	271.8	271.6	271.3	271.5	**271.7**	**271.8**	**272.0**	**272.1**	**272.3**	**272.4**	**272.6**	**272.7**	**272.9**	**273.0**
Dividends per share	3.01	3.11	3.30	3.42	3.50	2.28	3.62	2.90	3.78	3.43	4.39	3.52	3.55	3.56	3.55	3.52	3.48	3.42	3.34
Total Dividends	813	842	896	929	950	621	982	787	1025	933.11	1191.89	958.45	964.88	968.60	967.27	960.65	948.81	932.19	911.90
Dividend Payout Ratio	0.95	0.94	1.10	0.93	1.38	0.52	1.44	0.65	1.07	0.90	1.13	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90

CNA Financial Inc.
Balance Sheet

Fiscal Years Ending Feb. 11	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025E	2026E	Cv2027E	2028E	2029E	2030E	2031E	2032E	2033E
Investments:																		
Fixed maturity securities at fair value	$40,905	$41,487	$39,546	$42,207	$44,631	$44,380	$37,627	$40,425	$41,111	$41,809	$42,518	$43,240	$43,973	$44,720	$45,478	$46,250	$47,035	$47,833
Equity securities at fair value	110	695	780	865	992	1,035	674	683	659	636	614	592	571	551	532	513	495	478
Limited partnership investments	2,371	2,369	1,982	1,752	1,619	1,859	1,926	2,174	2,520	2,921	3,386	3,925	4,550	5,274	6,113	7,086	8,214	9,521
Other invested assets	36	44	53	65	76	91	78	80	85	90	96	102	108	115	122	130	138	147
Mortgage loans	591	839	839	994	1,068	973	1,040	1,035	1,019	1,003	988	972	957	943	928	914	900	886
Short-term investments	1,407	1,436	1,286	1,861	1,907	1,990	1,832	2,165	2,088	2,014	1,942	1,873	1,806	1,742	1,680	1,620	1,563	1,507
Total investments	**45,420**	**46,870**	**44,486**	**47,744**	**50,293**	**50,328**	**43,177**	**46,562**	**47,482**	**48,473**	**49,543**	**50,704**	**51,966**	**53,344**	**54,854**	**56,513**	**58,344**	**60,371**
Cash	271	355	310	242	419	536	475	345	472	2,526	4,700	7,228	10,207	13,579	17,392	21,699	26,558	32,035
Reinsurance receivables	4,416	4,261	4,426	4,179	4,457	5,463	5,416	5,412	6,051	6,511	7,028	7,610	8,266	9,006	9,844	10,793	11,870	13,094
Insurance receivables	2,209	2,292	2,323	2,449	2,607	2,945	3,158	3,442	3,671	3,966	4,200	4,548	4,939	5,382	5,883	6,450	7,093	7,825
Accrued investment income	405	411	391	395	380	377	402	444	451	499	553	614	684	764	856	963	1,086	1,229
Deferred acquisition costs	600	634	633	662	708	737	806	896	959	1,036	1,122	1,219	1,329	1,451	1,589	1,744	1,919	2,116
Deferred income taxes	379	137	392	199	66	142	1,178	1,016	850	851	851	851	851	851	851	851	851	851
Property and equipment at cost	310	326	324	282	252	226	226	253	295	302	302	302	302	302	302	302	302	302
Goodwill	145	148	146	147	148	148	144	146	145	145	145	145	145	145	145	145	145	145
Deferred non-insurance warranty acquisition expense		212	2,513	2,840	3,068	3,476	3,671	3,661	3,525	3,492	3,460	3,428	3,397	3,365	3,334	3,303	3,273	3,243
Other assets	1,078	921	1,208	1,473	1,628	2,261	2,274	2,534	2,591	2660	2735	2986	2,986	2,986	2,986	2,986	2,986	2,986
Total assets	**55,233**	**56,567**	**57,152**	**60,612**	**64,026**	**66,639**	**60,927**	**64,711**	**66,492**	**70460**	**74639**	**79,634**	**85,070**	**91,175**	**98,035**	**105,748**	**114,426**	**124,195**
Non-Cash/Investment Assets			23,460	24,033	25,468	30,422	33,376	34,321	35,734	37478,69738	39,240	41729,84	43,980	46,529	49418,831	52,700	56,430	60,674
Insurance reserves:																		
Claim and claim adjustment expenses	22,343	$22,004	$21,984	21,720	22,706	24,174	25,099	23,304	24,976	26,981	29,232	31,759	34,599	37,793	41,385	45,428	49,981	55,110
% of insurance premiums									244,60%	244,60%	244,60%	244,60%	244,60%	244,60%	244,60%	244,60%	244,60%	244,60%
Unearned premiums	3,762	4,029	4,183	4,583	5,119	5,761	6,374	6,933	7,346	7,936	8,598	9,341	10,176	11,116	12,172	13,361	14,700	16,209
% of insurance premiums									71,94%	71,94%	71,94%	71,94%	71,94%	71,94%	71,94%	71,94%	71,94%	71,94%
Future policy benefits	10,326	11,179	10,597	12,311	13,318	13,236	10,151	13,959	13,158	14,214	15,400	16,732	18,228	19,910	21,803	23,933	26,331	29,033
% of insurance premiums									128,86%	128,86%	128,86%	128,86%	128,86%	128,86%	128,86%	128,86%	128,86%	128,86%
Short-term debt	0	150	0	2,679	2,776	0	243	550	0	0	0	0	0	0	0	0	0	0
Long-term debt	2,710	2,708	2,680	3,779	4,023	2,779	2,538	2,481	2,973	3,118	3,265	3,472	3,659	3,871	4,112	4,385	4,695	5,048
long term debt %								8,32%	8,32%	8,32%	8,32%	8,32%	8,32%	8,32%	8,32%	8,32%	8,32%	8,32%
Deferred non-insurance warranty revenue	4,123	972	3,402			4,503	4,714	4,694	4,530	4,488	4,447	4,406	4,365	4,325	4,285	4,245	4,206	4,167
% of warranty revenue									281,54%	281,54%	281,54%	281,54%	281,54%	281,54%	281,54%	281,54%	281,54%	281,54%
Other liabilities	0	3,281	3,089	3,325	3,377	3,377	2,983	2,897	2,996	3,098	3,204	3,314	3,314	3,314	3,314	3,314	3,314	3,314
Total liabilities	**43,264**	**44,323**	**45,935**	**48,397**	**51,319**	**53,830**	**52,102**	**54,818**	**55,979**	**59,836**	**64,146**	**69,024**	**74,342**	**80,328**	**87,069**	**94,665**	**103,226**	**112,881**
Commitments and contingencies (Notes B and G)	-			-	-	-	-	-	-									
Stockholders' Equity																		
Common Equity	2,856	2,858	2,875	2,886	2,894	2,898	2,903	2,904	2,912	2,919	2,926	2,933	2,940	2,947	2,954	2,961	2,968	2,975
Retained earnings	9,359	9,414	9,277	9,348	9,081	9,663	9,572	9,755	9,686	9,790	9652.3809	9,763	9,874	9,985	10,097	10,207	10,317	10,424
Accumulated other comprehensive loss	-173	32	-878	51	803	320	-3,557	-2,672	-1,991	-1,991	-1,991	-1,991	-1,991	-1,991	-1,991	-1,991	-1,991	-1,991
Treasury stock	-73	-60	-57	-70	-71	-72	-93	-94	-94	-94	-94	-94	-94	-94	-94	-94	-94	-94
Total stockholders' equity	**11,969**	**12,244**	**11,217**	**12,215**	**12,707**	**12,809**	**8,825**	**9,893**	**10,513**	**10,624**	**10,493**	**10,611**	**10,729**	**10,847**	**10,966**	**11,083**	**11,200**	**11,314**
Total liabilities and stockholders' equity	$55,233	$56,567	$57,152	$60,612	$64,026	$66,639	$60,927	$64,711	$66,492	$70,460	$74,639	$79,634	$85,070	$91,175	$98,035	$105,748	$114,426	$124,195
	0.2167002	0.2164513	0.1962661	0.2015278	0.1984662	0.1922148	0.1448455	0.1528797	0.158109246	0.150775906	0.1405885	0.1332434	0.1261172	0.1189729	0.1118554	0.104809	0.0978766	0.0910986

2034E
$48,645
461
11,036
156
872
1,454
62,623
38,201
14,487
8,657
1,395
2,338
851
302
145
3,213
2,986
135,198
65,510
60,891
244.60%
17,909
71.94%
32,079
128.86%
0
5,450
8.32%
4,129
281.54%
3,314
123,772
2,982
10,529
-1,991
-94
11,426
$135,198
0.0845129

CNA Financial Inc.

Historical Cash Flow Statement

Fiscal Years Ending Feb. 11	2016	2017	2018	2019	2020
Cash Flows from Operating Activities					
Net income	$859	$899	$813	$1,000	$690
Adjustments to reconcile net income to net cash flows provided by operating activities:					
Deferred income tax (benefit) expense	136	168	-20	-46	-49
Trading portfolio activity	-9	9	0	-16	-5
Net investment losses	-50	-93	52	-29	54
Equity method investees	238	84	330	11	-8
Net amortization of investments	-27	-40	-70	-89	-67
Depreciation and amortization	77	88	79	68	60
Changes in:					
Receivables, net	-130	92	-229	137	-409
Accrued investment income	-3	-4	19	-3	16
Deferred acquisition costs	-8	-24	-6	-26	-43
Insurance reserves	237	22	482	358	1,681
Other, net	96	53	-223	-225	-145
Net cash flows provided by operating activities	1,416	1,254	1,227	1,140	1,775
Dispositions:					
Fixed maturity securities - sales	5,328	5,438	8,408	5,842	5,904
Fixed maturity securities - maturities, calls and redemptions	3,219	3,641	2,370	2,997	3,760
Equity securities	81	46	89	214	355
Limited partnerships	290	192	343	479	373
Mortgage loans	207	26	128	143	74
Purchases:					
Fixed maturity securities	-9,827	-9,065	-10,785	-8,661	-10,269
Equity securities	-	-166	-258	-186	-452
Limited partnerships	-252	-171	-419	-198	-224
Mortgage loans	-120	-274	-128	-298	-172
Change in other investments	7	-3	-12	-11	-8
Change in short-term investments	258	-6	168	-535	-39
Purchases of property and equipment	-39	-102	-99	-26	-23
Other, net	2	20	18	15	16
Net cash flows used by investing activities	-846	-424	-177	-225	-705
Cash Flows from Financing Activities					
Dividends paid to common stockholders	-813	-842	-896	-929	-950
Proceeds from the issuance of debt	498	496	0	496	495

Repayment of debt	-358	-391	-180	-520	-419
Purchase of treasury stock			0	-23	-18
Other, net			-9	-12	-10
Net cash flows used by financing activities	-672	-754	-1,085	-988	-902
Effect of foreign exchange rate changes on cash			-10	5	9
Net change in cash	-102	76	-45	-68	177
Cash, end of year	271	355	$310	$242	$419

2021	2022	2023	2024
$1,202	$682	$1,205	$959
47	-89	2	-45
20	6	1	0
-120	199	99	81
-127	250	-8	-101
-81	-129	-191	-200
54	51	73	67
-1,358	-226	-245	-898
3	-29	-41	-8
-30	-79	-85	-69
2,463	2,058	1,667	2,365
-76	-192	-192	420
1,997	2,502	2,285	2,571
3,816	5,909	4,029	2,793
4,464	2,358	1,334	2,396
316	509	317	523
246	138	164	97
190	125	122	105
-9,307	-9,821	-6,616	-6,404
-304	-294	-293	-444
-440	-337	-402	-335
-95	-200	-127	-89
-6	8	-2	-11
-83	155	-274	147
-26	-52	-90	-95
1	-10	-5	0
-1,228	-1,512	-1,843	-1,317
-621	-982	-787	-1,025
0	0	491	490

0	0	-243	-550
-18	-39	-24	-20
-9	-11	-14	-12
-648	-1,032	-577	-1,117
-4	-19	5	-10
117	-61	-130	127
$536	$475	$345	$472

CNA Financial Inc.

Forecasted Cash Flow Statement

Fiscal Years Ending Feb. 11	2025E	2026E	2027E	2028E	2029E
Cash Flows from Operating Activities					
Net Income	$1,037	$1,055	$1,069	$1,076	$1,080
Cash Flows from Operating Activities					
Amortization					
Reinsurance recievables	-460	-517	-582	-656	-741
Insurance Receivables, Gross	-295	-234	-348	-392	-443
Deferred Income Taxes	-1				
Other Assets	-69	-75	-251		
Claim & Claim Adjustment Expenses	2005.37	2250.62	2527.45	2840.04	3193.13
Unearned Premiums	589.82	661.96	743.38	835.32	939.17
Future Policy Benefits	1,056	1,186	1,332	1,496	1,682
Deferred non-insurance warranty revenue	-42	-41	-41	-41	-40
Other Liabilities	102.38	105.88	109.50	.00	.00
Change in Operating Revenues	3,925	4,391	4,560	5,159	5,671
Cash Flows from Investing Activities					
Fixed Maturity Securities at Fair Value	-698	-709	-722	-734	-746
Equity Securities at Fair Value	23	22	22	21	20
Limited Partnership Investments	-401.07	-464.90	-538.89	-624.65	-724.07
Mortgage Loans	16	16	15	15	15
Other Invested Assets	-5	-6	-6	-6	-7
Accrued Investments	-48	-54	-61	-70	-80
Property & Equipment	-7				
Deferred Non-Insurance Warranty Acquisition Expense	33	32	32	32	31
Short Term Investments	74	72	69	67	64
Deferred Acquisition Costs	-77.00	-86.42	-97.05	-109.05	-122.61
Change in Investing Activities	-1,090	-1,179	-1,287	-1,410	-1,549
Cash Flows from Financing Activites					
Total Dividends	-933	-1,192	-958	-965	-969
Short Term Debt					
Long Term Debt	145	147	207	187	212
Treasury Stock (Share Repurchases)					
Common Equity	7	7	7	7	7
Change in Financing Activities	-781	-1,038	-744	-771	-750
Net Change in Cash	2,054	2,174	2,528	2,979	3,372
Cash, Beginning of Year	472	2,526	4,700	7,228	10,207
Cash, End of Period	2,526	4,700	7,228	10,207	13,579

2030E	2031E	2032E	2033E	2034E
$1,079	$1,071	$1,058	$1,040	$1,017
-838	-949	-1,077	-1,224	-1,393
-501	-567	-644	-731	-833
3592.10	4043.02	4552.80	5129.25	5781.24
1056.52	1189.14	1339.08	1508.63	1700.39
1,892	2,130	2,399	2,702	3,046
-40	-40	-39	-39	-38
.00	.00	.00	.00	.00
6,241	6,878	7,589	8,385	9,280
-759	-772	-785	-798	-812
19	19	18	17	17
-839.31	-972.89	-1127.73	-1307.21	-1515.26
15	14	14	14	14
-7	-8	-8	-9	-9
-92	-106	-123	-143	-167
31	31	31	30	30
62	60	58	56	54
-137.93	-155.24	-174.81	-196.95	-221.98
-1,708	-1,890	-2,098	-2,337	-2,611
-967	-961	-949	-932	-912
240	273	310	353	402
7	7	7	7	7
-720	-681	-632	-572	-503
3,813	4,307	4,859	5,477	6,166
13,579	17,392	21,699	26,558	32,035
17,392	21,699	26,558	32,035	38,201

CNA Financial Inc.

Common Size Income Statement

Fiscal Years Ending Feb. 11	2016	2017	2018	2019	2020	2021
Revenues						
Net earned premiums	73.93%	73.23%	72.15%	68.99%	70.77%	68.65%
Net investment income	21.23%	21.32%	17.93%	19.67%	17.90%	18.13%
Net investment losses	0.53%	0.97%	-0.51%	0.27%	-0.50%	1.01%
Non-insurance warranty revenue	3.85%	4.09%	9.94%	10.78%	11.58%	12.01%
Other revenues	0.46%	0.39%	0.49%	0.29%	0.24%	0.20%
Total revenues	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Claims, Benefits and Expenses						
Insurance claims and policyholders' benefits	56.41%	55.65%	54.98%	53.92%	57.09%	53.32%
Amortization of deferred acquisition costs	13.19%	12.92%	13.17%	12.84%	13.05%	12.12%
Non-insurance warranty expense	2.89%	3.13%	9.11%	10.05%	10.72%	11.15%
Other operating expenses	13.68%	12.88%	11.86%	10.61%	10.42%	10.00%
Interest	1.70%	1.69%	1.36%	1.22%	1.13%	0.95%
Total claims, benefits and expenses	87.86%	86.27%	90.49%	88.64%	92.40%	87.54%
Income before income tax	12.14%	13.73%	9.51%	11.36%	7.60%	12.46%
Income tax expense	-2.97%	-4.31%	-1.49%	-2.07%	-1.21%	-2.37%
Net income	9.17%	9.42%	8.02%	9.29%	6.38%	10.09%

2022	2023	2024	2025E	2026E	2027E	2028E	2029E
72.96%	71.28%	71.56%	71.84%	72.10%	72.35%	72.57%	72.75%
15.19%	17.02%	17.50%	17.98%	18.46%	18.94%	19.43%	19.92%
-1.68%	-0.74%	-0.57%	-0.43%	-0.33%	-0.25%	-0.19%	-0.14%
13.25%	12.21%	11.28%	10.38%	9.53%	8.72%	7.95%	7.23%
0.27%	0.23%	0.24%	0.24%	0.24%	0.24%	0.24%	0.24%
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
56.01%	53.15%	54.23%	54.44%	54.73%	55.00%	55.25%	55.48%
12.54%	12.36%	12.60%	12.65%	13.71%	14.77%	15.83%	16.88%
12.38%	11.61%	10.84%	9.98%	9.16%	8.39%	7.65%	6.96%
11.27%	10.51%	12.92%	12.92%	12.93%	12.94%	12.95%	12.96%
0.94%	0.95%	0.93%	1.34%	1.30%	1.26%	1.23%	1.19%
93.15%	88.59%	91.51%	91.32%	91.82%	92.34%	92.90%	93.46%
6.85%	11.41%	8.49%	8.68%	8.18%	7.66%	7.10%	6.54%
-1.11%	-2.35%	-1.77%	-1.93%	-1.82%	-1.70%	-1.58%	-1.45%
5.74%	9.06%	6.72%	6.75%	6.36%	5.96%	5.52%	5.09%

2030E	2031E	2032E	2033E	2034E
72.88%	72.97%	73.00%	72.96%	72.87%
20.42%	20.94%	21.47%	22.03%	22.61%
-0.10%	-0.08%	-0.06%	-0.04%	-0.03%
6.56%	5.92%	5.34%	4.79%	4.29%
0.24%	0.25%	0.25%	0.26%	0.26%
100.00%	100.00%	100.00%	100.00%	100.00%
55.67%	55.82%	55.93%	55.99%	56.00%
17.94%	18.98%	20.01%	21.02%	22.01%
6.31%	5.70%	5.14%	4.61%	4.13%
12.97%	12.98%	12.99%	13.00%	13.01%
1.15%	1.11%	1.08%	1.05%	1.02%
94.03%	94.59%	95.14%	95.67%	96.17%
5.97%	5.41%	4.86%	4.33%	3.83%
-1.33%	-1.20%	-1.08%	-0.96%	-0.85%
4.65%	4.21%	3.78%	3.37%	2.98%

CNA Financial Inc.

Common Size Balance Sheet

Fiscal Years Ending Feb. 11	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**
Investments:						
Fixed maturity securities at fair value	436.74%	434.78%	390.23%	392.00%	412.94%	372.69%
Equity securities at fair value	1.17%	7.28%	7.70%	8.03%	9.18%	8.69%
Limited partnership investments	25.31%	24.83%	19.56%	16.27%	14.98%	15.61%
Other invested assets	0.38%	0.46%	0.52%	0.60%	0.70%	0.76%
Mortgage loans	6.31%	8.79%	8.28%	9.23%	9.88%	8.17%
Short-term investments	15.02%	15.05%	12.69%	17.28%	17.64%	16.71%
Total investments	484.95%	491.20%	438.98%	443.43%	465.33%	422.64%
Cash	2.89%	3.72%	3.06%	2.25%	3.88%	4.50%
Reinsurance receivables	47.15%	44.66%	43.67%	38.81%	41.24%	45.88%
Insurance receivables	23.59%	24.02%	22.92%	22.75%	24.12%	24.73%
Accrued investment income	4.32%	4.31%	3.86%	3.67%	3.52%	3.17%
Deferred acquisition costs	6.41%	6.64%	6.25%	6.15%	6.55%	6.19%
Deferred income taxes	4.05%	1.44%	3.87%	1.85%	0.61%	1.19%
Property and equipment at cost	3.31%	3.42%	3.20%	2.62%	2.33%	1.90%
Goodwill	1.55%	1.55%	1.44%	1.37%	1.37%	1.24%
Deferred non-insurance warranty acquisition expense	0.00%	2.22%	24.80%	26.38%	28.39%	29.19%
Other assets	11.51%	9.65%	11.92%	13.68%	15.06%	18.99%
Total assets	589.72%	592.82%	563.96%	562.94%	592.39%	559.62%
Insurance reserves:						
Claim and claim adjustment expenses	238.55%	230.60%	216.93%	201.73%	210.09%	203.01%
Unearned premiums	40.17%	42.22%	41.28%	42.57%	47.36%	48.38%
Future policy benefits	110.25%	117.16%	104.57%	114.34%	123.22%	111.15%
Short-term debt	0.00%	1.57%	0.00%	24.88%	25.68%	0.00%
Long-term debt	28.93%	28.38%	26.45%	35.10%	37.22%	23.34%
Deferred non-insurance warranty revenue	44.02%	10.19%	33.57%	0.00%	0.00%	37.81%
Other liabilities	0.00%	34.38%	30.48%	30.88%	31.25%	28.36%
Total liabilities	461.93%	464.50%	453.28%	449.49%	474.82%	452.05%
		0.00%	0.00%	0.00%	0.00%	0.00%
Commitments and contingencies (Notes B and G)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Stockholders' Equity	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Common stock	7.29%	7.16%	6.74%	6.34%	6.32%	5.74%
Additional paid-in capital	23.20%	22.79%	21.63%	20.46%	20.46%	18.60%
Retained earnings	99.93%	98.66%	91.54%	86.82%	84.02%	81.15%
Accumulated other comprehensive loss	-1.85%	0.34%	-8.66%	0.47%	7.43%	2.69%
Treasury stock	-0.78%	-0.63%	-0.56%	-0.65%	-0.66%	-0.60%

Total stockholders' equity	127.79%	128.32%	110.69%	113.45%	117.57%	107.57%
	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total liabilities and stockholders' equity	589.72%	592.82%	563.96%	562.94%	592.39%	559.62%

compared to assets						
Investments:						
Fixed maturity securities at fair value	74.06%	73.34%	69.19%	69.63%	69.71%	66.60%
Equity securities at fair value	0.20%	1.23%	1.36%	1.43%	1.55%	1.55%
Limited partnership investments	4.29%	4.19%	3.47%	2.89%	2.53%	2.79%
Other invested assets	0.07%	0.08%	0.09%	0.11%	0.12%	0.14%
Mortgage loans	1.07%	1.48%	1.47%	1.64%	1.67%	1.46%
Short-term investments	2.55%	2.54%	2.25%	3.07%	2.98%	2.99%
Total investments	82.23%					
Cash	0.49%	0.63%	0.54%	0.40%	0.65%	0.80%
Reinsurance receivables	8.00%	7.53%	7.74%	6.89%	6.96%	8.20%
Insurance receivables	4.00%	4.05%	4.06%	4.04%	4.07%	4.42%
Accrued investment income	0.73%	0.73%	0.68%	0.65%	0.59%	0.57%
Deferred acquisition costs	1.09%	1.12%	1.11%	1.09%	1.11%	1.11%
Deferred income taxes	0.69%	0.24%	0.69%	0.33%	0.10%	0.21%
Property and equipment at cost	0.56%	0.58%	0.57%	0.47%	0.39%	0.34%
Goodwill	0.26%	0.26%	0.26%	0.24%	0.23%	0.22%
Deferred non-insurance warranty acquisition expense	0.00%	0.37%	4.40%	4.69%	4.79%	5.22%
Other assets	1.95%	1.63%	2.11%	2.43%	2.54%	3.39%
Total assets	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Insurance reserves:						
Claim and claim adjustment expenses						
Unearned premiums						
Future policy benefits						
Short-term debt						
Long-term debt						
Deferred non-insurance warranty revenue						
Other liabilities						
Total liabilities						
Commitments and contingencies (Notes B and G)						
Stockholders' Equity						
Common stock						
Additional paid-in capital						

Retained earnings
Accumulated other comprehensive loss
Treasury stock
Total stockholders' equity
Total liabilities and stockholders' equity

2022	2023	2024	2025E	2026E	2027E	2028E	2029E
316.75%	303.97%	288.09%	292.98%	297.95%	303.01%	308.15%	313.38%
5.67%	5.14%	4.62%	4.46%	4.30%	4.15%	4.00%	3.86%
16.21%	16.35%	17.66%	20.47%	23.73%	27.50%	31.88%	36.96%
0.66%	0.60%	0.60%	0.63%	0.67%	0.71%	0.76%	0.81%
8.75%	7.78%	7.14%	7.03%	6.92%	6.81%	6.71%	6.61%
15.42%	16.28%	14.63%	14.11%	13.61%	13.13%	12.66%	12.21%
363.47%	350.12%	332.74%	339.68%	347.19%	355.32%	364.16%	373.82%
4.00%	2.59%	3.31%	17.70%	32.93%	50.65%	71.53%	95.16%
45.59%	40.69%	42.40%	45.63%	49.25%	53.33%	57.92%	63.11%
26.58%	25.88%	25.73%	27.79%	29.43%	31.87%	34.61%	37.72%
3.38%	3.34%	3.16%	3.49%	3.87%	4.30%	4.79%	5.36%
6.79%	6.74%	6.72%	7.26%	7.87%	8.55%	9.31%	10.17%
9.92%	7.64%	5.96%	5.96%	5.96%	5.96%	5.96%	5.96%
1.90%	1.90%	2.07%	2.12%	2.12%	2.12%	2.12%	2.12%
1.21%	1.10%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%
30.90%	27.53%	24.70%	24.47%	24.25%	24.02%	23.80%	23.58%
19.14%	19.05%	18.16%	18.64%	19.16%	20.92%	20.92%	20.92%
512.90%	486.59%	465.96%	493.76%	523.05%	558.05%	596.15%	638.93%
211.29%	175.23%	175.02%	189.08%	204.85%	222.56%	242.46%	264.84%
53.66%	52.13%	51.48%	55.61%	60.25%	65.46%	71.31%	77.90%
85.45%	104.96%	92.21%	99.61%	107.92%	117.25%	127.74%	139.52%
2.05%	4.14%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
21.37%	18.66%	20.83%	21.85%	22.88%	24.33%	25.64%	27.13%
39.68%	35.30%	31.74%	31.45%	31.16%	30.87%	30.59%	30.31%
25.11%	21.78%	21.00%	21.71%	22.45%	23.22%	23.22%	23.22%
438.61%	412.20%	392.28%	419.32%	449.51%	483.70%	520.96%	562.91%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	100.00%	200.00%	300.00%	400.00%	500.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5.75%	5.14%	4.79%	4.79%	4.79%	4.79%	4.79%	4.79%
18.69%	16.70%	15.62%	15.67%	15.72%	15.77%	15.82%	15.87%
80.58%	73.35%	67.88%	68.60%	67.64%	68.41%	69.19%	69.97%
-29.94%	-20.09%	-13.95%	-13.95%	-13.95%	-13.95%	-13.95%	-13.95%
-0.78%	-0.71%	-0.66%	-0.66%	-0.66%	-0.66%	-0.66%	-0.66%

74.29%	74.39%	73.67%	74.45%	73.53%	74.36%	75.18%	76.02%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
512.90%	486.59%	465.96%	493.76%	523.05%	558.05%	596.15%	638.93%
61.76%	62.47%	61.83%	59.34%	56.97%	54.30%	51.69%	49.05%
1.11%	1.06%	0.99%	0.90%	0.82%	0.74%	0.67%	0.60%
3.16%	3.36%	3.79%	4.15%	4.54%	4.93%	5.35%	5.78%
0.13%	0.12%	0.13%	0.13%	0.13%	0.13%	0.13%	0.13%
1.71%	1.60%	1.53%	1.42%	1.32%	1.22%	1.13%	1.03%
3.01%	3.35%	3.14%	2.86%	2.60%	2.35%	2.12%	1.91%
0.78%	0.53%	0.71%	3.58%	6.30%	9.08%	12.00%	14.89%
8.89%	8.36%	9.10%	9.24%	9.42%	9.56%	9.72%	9.88%
5.18%	5.32%	5.52%	5.63%	5.63%	5.71%	5.81%	5.90%
0.66%	0.69%	0.68%	0.71%	0.74%	0.77%	0.80%	0.84%
1.32%	1.38%	1.44%	1.47%	1.50%	1.53%	1.56%	1.59%
1.93%	1.57%	1.28%	1.21%	1.14%	1.07%	1.00%	0.93%
0.37%	0.39%	0.44%	0.43%	0.40%	0.38%	0.35%	0.33%
0.24%	0.23%	0.22%	0.21%	0.19%	0.18%	0.17%	0.16%
6.03%	5.66%	5.30%	4.96%	4.64%	4.30%	3.99%	3.69%
3.73%	3.92%	3.90%	3.77%	3.66%	3.75%	3.51%	3.27%
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

2030E	2031E	2032E	2033E	2034E
318.70%	324.11%	329.61%	335.20%	340.89%
3.73%	3.60%	3.47%	3.35%	3.23%
42.84%	49.66%	57.56%	66.72%	77.34%
0.86%	0.91%	0.97%	1.03%	1.09%
6.50%	6.40%	6.30%	6.21%	6.11%
11.77%	11.36%	10.95%	10.56%	10.19%
384.40%	396.03%	408.86%	423.06%	438.85%
121.88%	152.06%	186.11%	224.49%	267.70%
68.98%	75.63%	83.18%	91.76%	101.52%
41.22%	45.20%	49.71%	54.83%	60.67%
6.00%	6.75%	7.61%	8.61%	9.78%
11.14%	12.22%	13.45%	14.83%	16.38%
5.96%	5.96%	5.96%	5.96%	5.96%
2.12%	2.12%	2.12%	2.12%	2.12%
1.02%	1.02%	1.02%	1.02%	1.02%
23.36%	23.15%	22.93%	22.72%	22.51%
20.92%	20.92%	20.92%	20.92%	20.92%
687.00%	741.05%	801.86%	870.32%	947.43%
290.01%	318.34%	350.25%	386.19%	426.71%
85.30%	93.63%	103.02%	113.59%	125.50%
152.79%	167.71%	184.52%	203.46%	224.80%
0.00%	0.00%	0.00%	0.00%	0.00%
28.81%	30.73%	32.90%	35.37%	38.19%
30.03%	29.75%	29.47%	29.20%	28.93%
23.22%	23.22%	23.22%	23.22%	23.22%
610.16%	663.38%	723.38%	791.04%	867.36%
0.00%	0.00%	0.00%	0.00%	0.00%
600.00%	700.00%	800.00%	900.00%	1000.00%
0.00%	0.00%	0.00%	0.00%	0.00%
4.79%	4.79%	4.79%	4.79%	4.79%
15.91%	15.96%	16.01%	16.06%	16.11%
70.76%	71.53%	72.30%	73.05%	73.78%
-13.95%	-13.95%	-13.95%	-13.95%	-13.95%
-0.66%	-0.66%	-0.66%	-0.66%	-0.66%

76.84%	77.67%	78.48%	79.29%	80.07%
0.00%	0.00%	0.00%	0.00%	0.00%
687.00%	741.05%	801.86%	870.32%	947.43%
46.39%	43.74%	41.11%	38.51%	35.98%
0.54%	0.49%	0.43%	0.38%	0.34%
6.24%	6.70%	7.18%	7.67%	8.16%
0.12%	0.12%	0.12%	0.12%	0.12%
0.95%	0.86%	0.79%	0.71%	0.64%
1.71%	1.53%	1.37%	1.21%	1.08%
17.74%	20.52%	23.21%	25.79%	28.26%
10.04%	10.21%	10.37%	10.54%	10.72%
6.00%	6.10%	6.20%	6.30%	6.40%
0.87%	0.91%	0.95%	0.99%	1.03%
1.62%	1.65%	1.68%	1.70%	1.73%
0.87%	0.80%	0.74%	0.68%	0.63%
0.31%	0.29%	0.26%	0.24%	0.22%
0.15%	0.14%	0.13%	0.12%	0.11%
3.40%	3.12%	2.86%	2.61%	2.38%
3.05%	2.82%	2.61%	2.40%	2.21%
100.00%	100.00%	100.00%	100.00%	100.00%

CNA Financial Inc.
Value Driver Estimation

Fiscal Years Ending Feb. 11	2016	2017	2018	2019	2020
Net Income (NI)	859	899	813	1000	690
Total Stockholders' Equity (TSE)	11969	12244	11217	12215	12707
Free Cash Flow (FCFE):					
NI	**859**	**899**	**813**	**1000**	**690**
Change in TA		1334	585	3460	3414
Change in TL		1059	1612	2462	2922
FCFE	**859**	**624**	**1840**	**2**	**198**
Return on Equity (ROE)					
NI	859	899	813	1000	690
Beg. TSE	0	11969	12244	11217	12215
ROE	**#DIV/0!**	**7.51%**	**6.64%**	**8.92%**	**5.65%**
Economic Profit (EEP):					
Beginning TSE		11969	12244	11217	12215
x (ROE - Re)	#DIV/0!	0.55%	-0.32%	1.95%	-1.31%
EEP	**#DIV/0!**	**65.790034**	**-39.35382**	**219.13976**	**-160.335**

2021	2022	2023	2024	2025E	2026E	2027E	2028E
1202	682	1205	959	1037	1055	1069	1076
12809	8825	9893	10513	10624	10493	10611	10729
1202	**682**	**1205**	**959**	**1037**	**1055**	**1069**	**1076**
2613	-5712	3784	1781	3968	4179	4995	5436
2511	-1728	2716	1161	3857	4309	4878	5318
1100	**4666**	**137**	**339**	**926**	**1185**	**951**	**958**
1202	682	1205	959	1037	1055	1069	1076
12707	12809	8825	9893	10513	10624	10493	10611
9.46%	**5.32%**	**13.65%**	**9.69%**	**9.86%**	**9.93%**	**10.19%**	**10.14%**
12707	12809	8825	9893	10513	10624	10493	10611
2.50%	-1.64%	6.69%	2.73%	2.90%	2.97%	3.22%	3.18%
317.4149	**-209.6857**	**590.65645**	**270.3087**	**305**	**315**	**338**	**337**

2029E	2030E	2031E	2032E	2033E	2034E
1080	1079	1071	1058	1040	1017
10847	10966	11083	11200	11314	11426
1080	**1079**	**1071**	**1058**	**1040**	**1017**
6105	6860	7713	8678	9769	11003
5986	6742	7596	8561	9654	10891
962	**960**	**954**	**942**	**925**	**905**
1080	1079	1071	1058	1040	1017
10729	10847	10966	11083	11200	11314
10.07%	**9.94%**	**9.77%**	**9.55%**	**9.28%**	**8.99%**
10729	10847	10966	11083	11200	11314
3.11%	2.98%	2.81%	2.59%	2.32%	2.03%
333	**324**	**308**	**287**	**260**	**229**

CNA Financial Inc.

Weighted Average Cost of Capital (WACC) Estimation

Cost of Equity:		*ASSUMPTIONS:*
Risk-Free Rate	4.32%	
Beta	0.47	
Equity Risk Premium	5.62%	*ERP = Rm - Rf*
Cost of Equity	**6.96%**	

CNA Financial Inc.

Discounted Cash Flow (DCF) and Economic Profit (EP) Valuation Models growth rat 3%

Key Inputs:

CV Growth of NOPLAT	2.50%
CV Year ROIC	9%
WACC	0.00%
Cost of Equity	6.96%

Fiscal Years Ending Feb. 11	**2025E**	**2026E**	**2027E**	**2028E**	**2029E**	**2030E**	**2031E**	**2032E**	**2033E**	**2034E**
DCF Model:										
FCFE	926.1	1184.9	951.4	957.9	961.6	960.3	953.7	941.8	925.2	904.9
Continuing Value (CV)										16453.5
PV of FCF	865.8	1035.7	777.5	731.8	686.8	641.3	595.4	549.7	504.9	8978.7
Value of Operating Assets:	15367.6									
Non-Operating Adjustments										
(-)ESOP										
Value of Equity	15367.6									
Shares Outstanding	271.7									
Intrinsic Value of Last FYE	$ 56.57									
Implied Price as of Today	$ 56.63									
EP Model:										
Economic Profit (EP)	304.9	315.0	338.3	337.3	333.3	323.5	307.9	286.5	259.9	229.3
Continuing Value (CV)										5139.5
PV of EP	285.1	275.4	276.5	257.7	238.0	216.0	192.2	167.2	141.8	2804.6
Total PV of EP	4854.6					b				
Beg. TSE (today)	10513.0									
Value of Operating Assets:	15367.6									
Non-Operating Adjustments										
Value of Equity	15367.6									
Shares Outstanding	271.7									
Intrinsic Value of Last FYE	$ 56.57									
Implied Price as of Today	$ 56.63									

CNA Financial Inc.

Dividend Discount Model (DDM) or Fundamental P/E Valuation Model

Fiscal Years Ending	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
EPS	$ 3.82	$ 3.88	$ 3.93	$ 3.95	$ 3.97	$ 3.96	$ 3.93	$ 3.88	$ 3.81	$ 3.72
Key Assumptions										
CV growth of EPS	2.50%									
CV Year ROE	8.99%									
Cost of Equity	6.96%									
Future Cash Flows										
P/E Multiple (CV Year)										16.18
EPS (CV Year)										$ 3.72
Future Stock Price										$ 60.27
Dividends Per Share	3.43	4.39	3.52	3.55	3.56	3.55	3.52	3.48	3.42	
Discounted Cash Flows	3.21	3.83	2.88	2.71	2.54	2.37	2.20	2.03	1.86	32.89
Intrinsic Value as of Last FYE	$ 56.53									
Implied Price as of Today	$ 56.59									

CNA Financial Inc.

Relative Valuation Models

Ticker	Company	Price	EPS 2025E	EPS 2026E	P/E 25	P/E 26	Est. 5yr EPS gr.	PEG 25	PEG 26	BV Equity	Tangible BV Equity	P/B	Tangible P/B
L	Loews Corporation	$83.12	$6.41	$6.75	12.97	12.32	14.3	0.91	0.86	79.41	77.69	1.05	1.07
EG	Everest Group	$337.02	$31.80	$21.94	10.6	15.36	18.5	0.57	0.83	322.67	322.86	1.04	1.04
ADM	Admiral Group	$37.60	$2.77	$2.38	13.57	15.8	14.3	0.95	1.1	38.82	34.75	0.97	1.08
RNR	RenaissanceRe Holdings	$232.67	$25.21	$23.45	9.23	9.92	55.3			195.77	181.74	1.19	1.28
QBE	QBE Insurance Group	$12.56	$1.14	$1.20	11.02	10.47	13.3	0.83	0.79	7.13	7.03	1.76	1.79
ERIE	Erie Indemnity Compan	$396.57	$14.43	$16.25	27.48	24.4	14.3			42.67	40.65	9.29	9.76
IAG	Insurance Australia Gro	$4.68	$0.24	$0.27	19.5	17.33	14.3			1.88	1.76	2.49	2.66
				Average	14.91	15.09		0.82	0.90			2.54	2.67
CNA	CNA Financial Inc.	$49.22	$4.49	$4.88	11.0	10.1	3.4	3.2	3.0	38.82	26.49	1.27	1.86

Implied Relative Value:

P/E (EPS25)	**$ 66.95**
P/E (EPS26)	**$ 73.62**
P/B	**$ 98.66**
P/Tangible BV	**$ 70.69**

CNA Financial Inc.

Key Management Ratios

Fiscal Years Ending Feb. 11	2016	2017	2018	2019
Liquidity Ratios:				
current ratio: measures the ability of a company to use near-cash assets to extinguish or retire current liabilities immediately	0.323	0.293	0.293	0.293
cash ratio: provides insight into how well a company could pay off its short-term liabilities if it had to do so almost immediately	0.010	0.012	0.011	0.007
Asset-Management Ratios: How effectively a company uses its assets to generate revenue				
Total asset turnover ratio: how well a firm uses its assets to generate sales	0.014	0.014	0.012	0.015
fixed asset turnover: generating revenue with PP&E	2.771	2.758	2.509	3.546
Financial Leverage Ratios:				
Assess a company's debt levels and financial health				
asset to equity: The asset/equity ratio indicates the relationship of the total assets of the firm to the part owned by shareholders	4.615	4.620	5.095	4.962
debt to equity: can be used to assess the extent of its reliance on debt	3.615	3.620	4.095	3.962
debt to capital: measures a company's capital structure, financial solvency, and degree of leverage, at a particular point in time.	0.783	0.784	0.804	0.798
Profitability Ratios: Measure and generate profit relevant to revenue				
Return on Equity (NI/Beg TSE)	0.087	0.086	0.095	0.088
Gross Profit Ratio (Gross Profit/Net Op Rev)	-13.425	-13.449	-14.045	-14.674
Earnings Per Share (Profit/Shares Outstanding)	34.638	35.197	37.326	39.643
Payout Policy Ratios:				
Dividend Payout Ratio (Dividend/EPS)	0.945	0.936	1.104	0.929
Total Payout Ratio ((Divs. + Repurchases)/NI)	3.007	3.106	3.300	3.420

2020	2021	2022	2023	2024	2025E	2026E	2027E	2028E	2029E
0.297	0.334	0.327	0.357	0.358	0.402	0.441	0.482	0.526	0.569
0.012	0.016	0.014	0.010	0.013	0.066	0.115	0.163	0.212	0.260
0.010	0.016	0.009	0.015	0.011	0.011	0.010	0.010	0.010	0.010
2.738	5.319	3.018	4.763	3.251	3.433	3.492	3.539	3.563	3.577
5.039	5.203	6.904	6.541	6.325	6.632	7.113	7.505	7.929	8.405
4.039	4.203	5.904	5.541	5.325	5.632	6.113	6.505	6.929	7.405
0.802	0.808	0.855	0.847	0.842	0.849	0.859	0.867	0.874	0.881
0.085	0.084	0.121	0.107	0.099	0.096	0.000	0.000	0.000	0.000
-14.484	-15.692	-15.392	-16.945	-17.878	-18.917	#DIV/0!	#DIV/0!	0.000	0.000
39.794	43.812	43.737	49.020	52.560	56.527	60.981	65.991	71.639	78.014
1.377	0.517	1.440	0.653	1.069	0.900	1.130	0.897	0.897	0.897
3.498	2.285	3.616	2.901	3.775	3.435	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

2030E	2031E	2032E	2033E	2034E
0.611	0.651	0.689	0.725	0.760
0.306	0.349	0.391	0.429	0.465
0.009	0.009	0.008	0.008	0.008
3.572	3.547	3.504	3.442	3.367
8.940	9.541	10.217	10.977	11.833
7.940	8.541	9.217	9.977	10.833
0.888	0.895	0.902	0.909	0.915
0.000	0.000	0.000	0.000	0.000
0.000	0.000	0.000	0.000	0.000
85.223	93.388	102.650	113.172	125.146
0.897	0.897	0.897	0.897	0.897
#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

CNA Financial Inc.

Present Value of Operating Lease Obligations

Fiscal Years Ending Feb. 11	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Year 1	300.0	310.0	320.0	330.0	340.0	350.0	360.0	370.0	380.0	390.0	400.0
Year 2	250.0	260.0	270.0	280.0	290.0	300.0	310.0	320.0	330.0	340.0	350.0
Year 3	225.0	230.0	235.0	240.0	245.0	250.0	255.0	260.0	265.0	270.0	275.0
Year 4	175.0	180.0	185.0	190.0	195.0	200.0	205.0	210.0	215.0	220.0	225.0
Year 5	100.0	104.0	108.0	112.0	116.0	120.0	124.0	128.0	132.0	136.0	140.0
Thereafter	290.0	300.0	310.0	320.0	330.0	340.0	350.0	360.0	370.0	380.0	390.0
Total Minimum Payments	1340.0	1384.0	1428.0	1472.0	1516.0	1560.0	1604.0	1648.0	1692.0	1736.0	1780.0
Less: Cumulative Interest	268.1	276.8	285.6	294.3	303.0	311.7	320.4	329.2	337.9	346.6	355.3
PV of Minimum Payments	**1071.9**	**1107.2**	**1142.4**	**1177.7**	**1213.0**	**1248.3**	**1283.6**	**1318.8**	**1354.1**	**1389.4**	**1424.7**
Implied Interest in Year 1 Payment		**74.0**	**76.4**	**78.8**	**81.3**	**83.7**	**86.1**	**88.6**	**91.0**	**93.4**	**95.9**
Pre-Tax Cost of Debt	6.90%	6.90%	6.90%	6.90%	6.90%	6.90%	6.90%	6.90%	6.90%	6.90%	6.90%
Years Implied by Year 6 Payment	2.9	2.9	2.9	2.9	2.8	2.8	2.8	2.8	2.8	2.8	2.8
Expected Obligation in Year 6 & Beyond	100	104	108	112	116	120	124	128	132	136	140
Present Value of Lease Payments											
PV of Year 1	280.6	290.0	299.3	308.7	318.1	327.4	336.8	346.1	355.5	364.8	374.2
PV of Year 2	218.8	227.5	236.3	245.0	253.8	262.5	271.3	280.0	288.8	297.5	306.3
PV of Year 3	184.2	188.3	192.4	196.5	200.6	204.6	208.7	212.8	216.9	221.0	225.1
PV of Year 4	134.0	137.8	141.7	145.5	149.3	153.2	157.0	160.8	164.6	168.5	172.3
PV of Year 5	71.6	74.5	77.4	80.2	83.1	86.0	88.8	91.7	94.6	97.4	100.3
PV of 6 & beyond	182.6	189.0	195.4	201.8	208.2	214.6	221.0	227.4	233.8	240.1	246.5
Capitalized PV of Payments	1071.9	1107.2	1142.4	1177.7	1213.0	1248.3	1283.6	1318.8	1354.1	1389.4	1424.7

CNA Financial Inc.

Effects of ESOP Exercise and Share Repurchases on Common Stock Account and Number of Shares Outstanding

Number of Options Outstanding (shares):	2,700,000
Average Time to Maturity (years):	1.70
Expected Annual Number of Options Exercised:	1,588,235
Current Average Strike Price:	$ 5.00
Cost of Equity:	6.96%
Current Stock Price:	$49.22

Fiscal Years Ending Feb. 11	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
Increase in Shares Outstanding:	1,588,235	1,588,235	1,588,235	1,588,235	1,588,235	1,588,235	1,588,235	1,588,235	1,588,235	1,588,235
Average Strike Price:	$ 5.00	$ 5.00	$ 5.00	$ 5.00	$ 5.00	$ 5.00	$ 5.00	$ 5.00	$ 5.00	$ 5.00
Increase in Common Stock Account:	**7,941,176**	**7,941,176**	**7,941,176**	**7,941,176**	**7,941,176**	**7,941,176**	**7,941,176**	**7,941,176**	**7,941,176**	**7,941,176**
Share Repurchases ($)	0	0	0	0	0	0	0	0	0	0
Expected Price of Repurchased Shares:	$ 49.22	$ 50.86	$ 52.56	$ 54.32	$ 56.14	$ 58.01	$ 59.95	$ 61.95	$ 64.02	$ 66.16
Number of Shares Repurchased:	-	-	-	-	-	-	-	-	-	-
Shares Outstanding (beginning of the year)	50,000,000	51,588,235	53,176,471	54,764,706	56,352,941	57,941,176	59,529,412	61,117,647	62,705,882	64,294,118
Plus: Shares Issued Through ESOP	1,588,235	1,588,235	1,588,235	1,588,235	1,588,235	1,588,235	1,588,235	1,588,235	1,588,235	1,588,235
Less: Shares Repurchased in Treasury	-	-	-	-	-	-	-	-	-	-
Shares Outstanding (end of the year)	**51,588,235**	**53,176,471**	**54,764,706**	**56,352,941**	**57,941,176**	**59,529,412**	**61,117,647**	**62,705,882**	**64,294,118**	**65,882,353**

CNA Financial Inc.

Valuation of Options Granted under ESOP

Current Stock Price	$49.22
Risk Free Rate	4.32%
Current Dividend Yield	3.62%
Annualized St. Dev. of Stock Returns	34.52%

Range of Outstanding Options	Number of Shares	Average Exercise Price	Average Remaining Life (yrs)	B-S Option Price	Value of Options Granted
Range 1	2,700,000	5.00	1.70	$ 41.64	$ 112,418,176
Total	2,700,000	$ 5.00	1.70	$ 44.57	**$ 112,418,176**