CNA Financial Corporation First Quarter 2025 Results

May 5, 2025

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Reconciliation of GAAP Measures to Non-GAAP Measures

This earnings presentation contains financial measures that are not in accordance with accounting principles generally accepted in the United States of America (GAAP). Management utilizes these financial measures to monitor the Company's insurance operations and investment portfolio. The Company believes the presentation of these measures provides investors with a better understanding of the significant factors that comprise the Company's operating performance. Reconciliations of these measures to the most comparable GAAP measures can be found in the Appendix to this presentation. For additional information, please refer to CNA's filings with the Securities and Exchange Commission, available at www.cna.com

Available Information and Risk Factors

CNA files annual, quarterly and current reports and other information with the SEC. The SEC filings are available on the CNA website (www.cna.com) and at the SEC's website (www.sec.gov). These filings describe some of the more material risks we face and how these risks could lead to events or circumstances that may have a material adverse effect on our business, financial condition, results of operations or cash flows. You should review these filings as they contain important information about CNA and its business.

First Quarter Overview

- Net income of $274 million versus $338 million in the prior year quarter; core income of $281 million versus $355 million in the prior year quarter.
- P&C core income of $311 million versus $372 million, reflects lower underwriting results partially offset by higher net investment income.
- Life & Group results largely consistent with the prior year quarter.
- Corporate & Other core loss of $36 million versus $22 million in the prior year quarter. The current year quarter includes a $17 million after-tax charge related to unfavorable prior period development associated with legacy mass tort claims.
- Net investment income of $604 million pretax, reflects a $14 million decrease from limited partnerships and common stock to $54 million, partially offset by a $9 million increase from fixed income securities and other investments to $550 million.
- P&C combined ratio of 98.4%, compared with 94.6% in the prior year quarter, including 3.8 points of catastrophe loss impact in both quarters. The current year quarter also includes an unfavorable impact of 2.5 points from net prior period development driven by commercial auto in accident year 2024, compared to a favorable impact of 0.2 points in the prior year quarter.
- Catastrophe losses of $97 million pretax, includes $53 million for the California wildfires, versus $88 million in the prior year quarter.
- P&C underlying combined ratio was 92.1%, compared with 91.0% in the prior year quarter. P&C underlying loss ratio was 61.5% and the expense ratio was 30.2%.
- P&C segments, excluding third party captives, generated gross written premium growth of 7% and net written premium growth of 9%. Excluding currency fluctuations, gross written premiums grew 8% and net written premiums grew 10%. P&C renewal premium change of +6%, with written rate of +4% and exposure change of +2%.
- Book value per share of $37.98; book value per share excluding AOCI of $44.58, a 2% increase from year-end 2024 adjusting for $2.46 of dividends per share paid.
- Board of Directors declares regular quarterly cash dividend of $0.46 per share

Financial Performance

Solid core income despite actions to strengthen commercial auto underlying loss ratio and prior accident year reserves, and elevated industry catastrophe losses

(In millions, except ratios and per share data)	First Quarter		
	2025	**2024**	**Change**
Revenues	**$3,627**	$3,444	5 %
Core income	**281**	355	(21)%
Net income	**274**	338	(19)%
Diluted earnings per common share:			
Core income	**$1.03**	$1.30	(21)%
Net income	**1.00**	1.24	(19)%
Core ROE	**9.2 %**	11.5 %	(2.3) pts

Property & Casualty Operations

Continued strong premium growth and underlying combined ratio

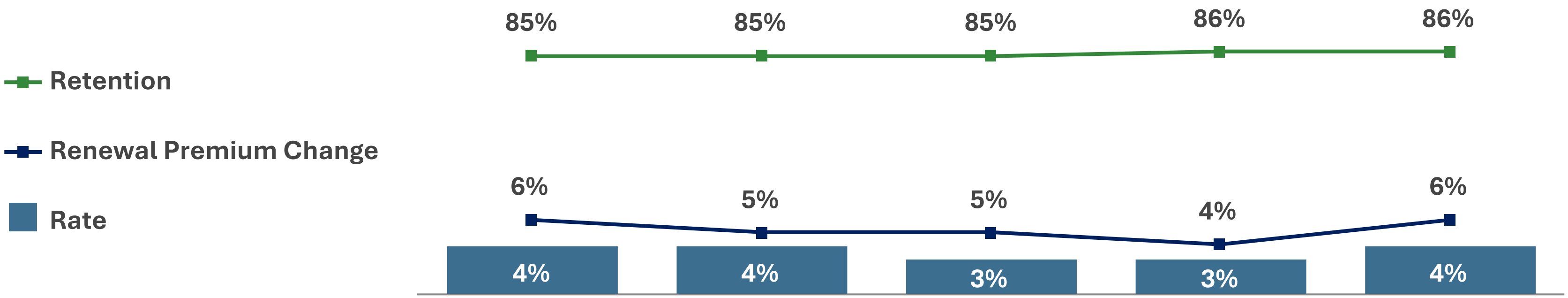
(In millions, except ratios)	First Quarter	
	2025	**2024**
GWP ex. 3rd party captives	**$3,142**	$2,936
GWP change (% year over year)	**7 %**	
Net written premium	**$2,606**	$2,390
NWP change (% year over year)	**9 %**	
Net earned premium	**$2,520**	$2,331
NEP change (% year over year)	**8 %**	
Underwriting gain	**$40**	$126
Loss ratio	**67.8 %**	64.1 %
Less: Effect of catastrophes impacts	**3.8 %**	3.8 %
Less: Effect of unfavorable (favorable) development-related items	**2.5 %**	(0.2)%
Underlying loss ratio	**61.5 %**	60.5 %
Expense ratio	**30.2 %**	30.1 %
Combined ratio	**98.4 %**	94.6 %
Underlying combined ratio	**92.1 %**	91.0 %

Property & Casualty Production Metrics

Improved rate and renewal premium change, and stable retention

Property & Casualty Rate & Retention

	2024				2025
	Q1	Q2	Q3	Q4	Q1



	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025
GWP ex. 3rd party captives ($M)	**$2,936**	**$3,203**	**$2,825**	**$3,230**	**$3,142**
New Business ($M)	**$529**	**$595**	**$547**	**$591**	**$565**
Specialty					
Rate	2%	—%	—%	1%	3%
Retention	88%	90%	89%	89%	89%
Commercial					
Rate	6%	7%	6%	6%	6%
Retention	85%	84%	84%	84%	84%
International					
Rate	1%	—%	(2)%	(3)%	(2)%
Retention	82%	80%	82%	85%	85%

Specialty

Highest quarterly growth in 11 quarters

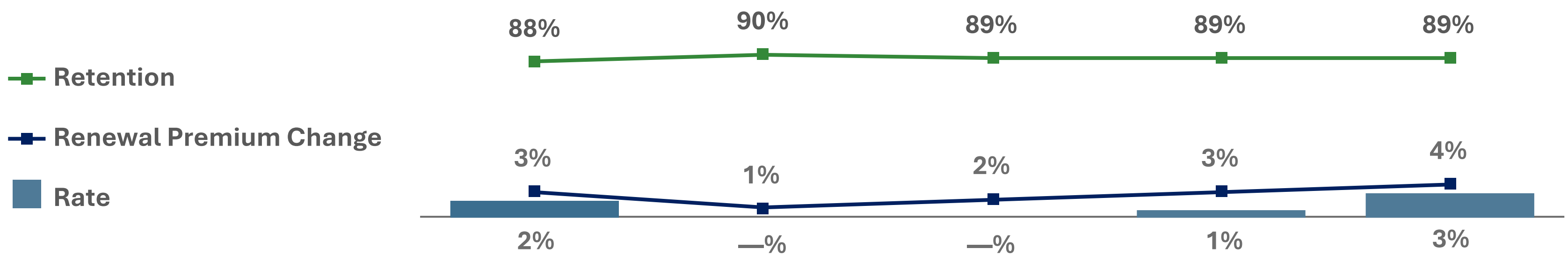
(In millions, except ratios)

	First Quarter	
	2025	**2024**
GWP ex. 3rd party captives	**$930**	$880
GWP change (% year over year)	**6 %**	
Net written premium	**$842**	$792
NWP change (% year over year)	**6 %**	
Net earned premium	**$830**	$814
NEP change (% year over year)	**2 %**	
Underwriting gain	**$42**	$76
Loss ratio	**61.4 %**	58.6 %
Less: Effect of catastrophes impacts	**— %**	— %
Less: Effect of unfavorable (favorable) development-related items	**1.3 %**	(0.6)%
Underlying loss ratio	**60.1 %**	59.2 %
Expense ratio	**33.4 %**	31.8 %
Combined ratio	**95.1 %**	90.7 %
Underlying combined ratio	**93.8 %**	91.3 %

Specialty Production Metrics

Maintaining strong retention with improvement in rate

Specialty Rate & Retention



	2024 Q1	2024 Q2	2024 Q3	2024 Q4	2025 Q1
GWP ex. 3rd party captives ($M)	**$880**	**$984**	**$982**	**$1,049**	**$930**
New Business ($M)	**$94**	**$118**	**$129**	**$121**	**$112**
FI & Mgmt Liability					
Rate	(3)%	(6)%	(5)%	(4)%	(1)%
Retention	90%	92%	91%	89%	89%
Affinity Professional E&O					
Rate	2%	3%	2%	3%	2%
Retention	92%	92%	91%	93%	93%
Medical Malpractice					
Rate	7%	9%	7%	9%	7%
Retention	80%	85%	83%	84%	85%
Surety					
Net Written Premiums	$184	$175	$176	$157	$204
Warranty & Alt. Risks					
Revenues	$461	$459	$452	$443	$445

Commercial

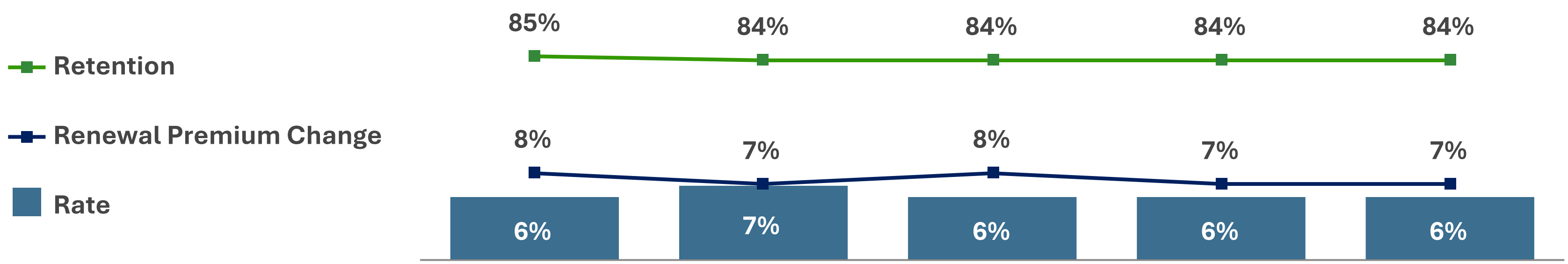
Double-digit NWP growth and excellent underlying results

(In millions, except ratios)	First Quarter	
	2025	**2024**
GWP ex. 3rd party captives	**$1,839**	$1,682
GWP change (% year over year)	**9 %**	
Net written premium	**$1,498**	$1,338
NWP change (% year over year)	**12 %**	
Net earned premium	**$1,380**	$1,202
NEP change (% year over year)	**15 %**	
Underwriting (loss) gain	**($17)**	$29
Loss ratio	**73.0 %**	68.8 %
Less: Effect of catastrophes impacts	**6.3 %**	6.8 %
Less: Effect of unfavorable development-related items	**3.8 %**	— %
Underlying loss ratio	**62.9 %**	62.0 %
Expense ratio	**27.6 %**	28.2 %
Combined ratio	**101.1 %**	97.6 %
Underlying combined ratio	**91.0 %**	90.8 %

Commercial Production Metrics

Stable rate, retention and renewal premium change

Commercial Rate & Retention					
	2024				2025
	Q1	Q2	Q3	Q4	Q1



	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025
GWP ex. 3rd party captives ($M)	**$1,682**	**$1,802**	**$1,538**	**$1,794**	**$1,839**
New Business ($M)	**$367**	**$405**	**$345**	**$395**	**$370**
Middle Market					
Rate	5%	5%	4%	4%	4%
Retention	83%	84%	85%	84%	84%
Construction					
Rate	8%	9%	9%	9%	9%
Retention	86%	87%	84%	86%	82%
National Accounts					
Rate	8%	7%	6%	6%	5%
Retention	87%	83%	85%	84%	88%
Small Business					
Rate	3%	4%	4%	5%	5%
Retention	81%	79%	80%	81%	82%
Marine / Other					
Net Written Premium	$104	$116	$95	$94	$111

International

NWP growth ex. currency fluctuations up 7% with consistently profitable results

(In millions, except ratios)	First Quarter	
	2025	**2024**
Gross written premium	**$373**	$374
GWP change (% year over year)[1]	**— %**	
Net written premium	**$266**	$260
NWP change (% year over year)[1]	**2 %**	
Net earned premium	**$310**	$315
NEP change (% year over year)	**(2)%**	
Underwriting gain	**$15**	$21
Loss ratio	**62.1 %**	60.1 %
Less: Effect of catastrophes impacts	**3.6 %**	2.0 %
Less: Effect of (favorable) unfavorable development-related items	**— %**	— %
Underlying loss ratio	**58.5 %**	58.1 %
Expense ratio	**33.3 %**	33.2 %
Combined ratio	**95.4 %**	93.3 %
Combined ratio excl. catastrophes and development	**91.8 %**	91.3 %

[1] Excluding currency fluctuations, GWP grew 4% and NWP grew 7% for the first quarter of 2025.

Life & Group

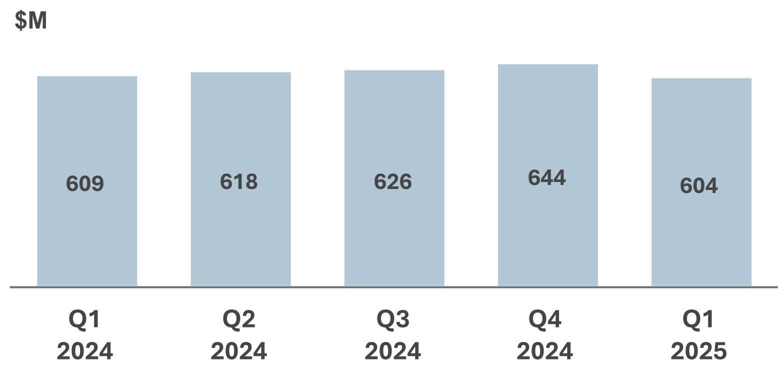
Current quarter reflects favorable persistency partially offset by lower investment income from LPs

(In millions)	First Quarter	
	2025	**2024**
Net earned premiums	$106	$110
Total claims, benefits and expenses	330	341
Net investment income	226	231
Core income before income tax	2	—
Income tax benefit	4	5
Core income	**$6**	**$5**

Pretax Net Investment Income

Strong contributions from fixed income and limited partnerships

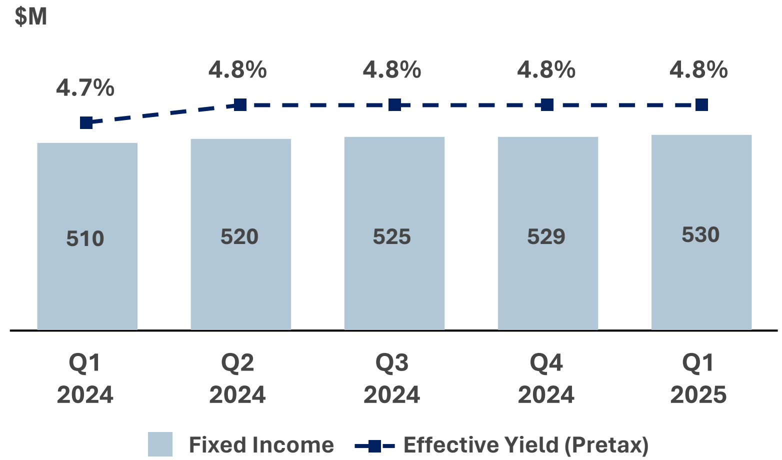
Total CNAF



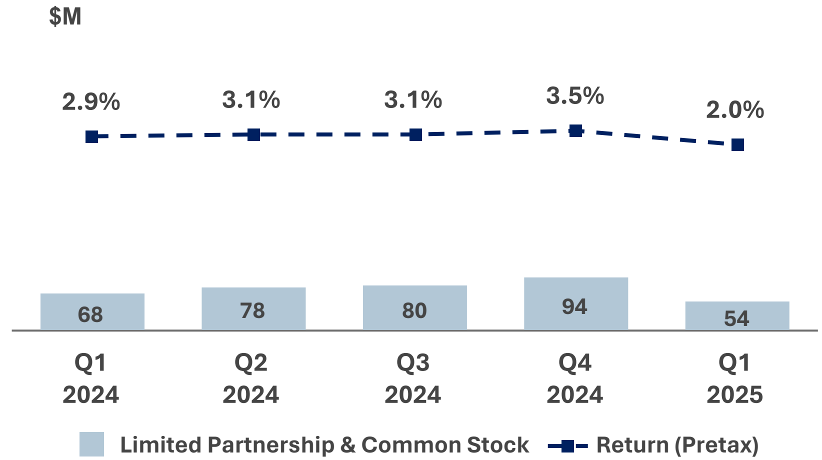
Highlights

- Net investment income from fixed income is up 4% year-over-year
- Fixed income benefited from strong operating cash flows and the continued impact of favorable reinvestment rates
- Solid limited partnership and common stock returns in the quarter; trailing twelve month return of 12%

Fixed Income Securities



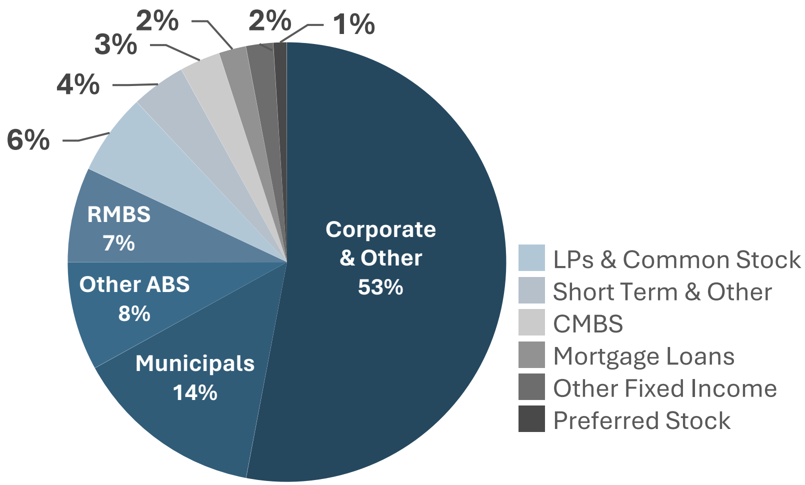
Limited Partnership & Common Stock



Investment Portfolio

High quality, diversified and liquid investment portfolio

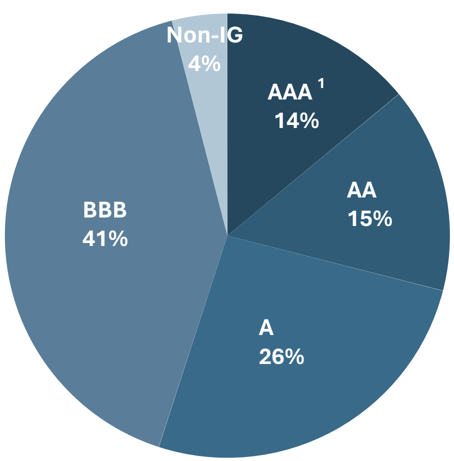
Portfolio Composition



Highlights

- 89% of total invested assets are in fixed income securities
- High-quality portfolio with an average credit rating of "A"
- Duration well matched with insurance liabilities
- Net unrealized loss improved from year-end driven by lower risk-free rates

Fixed Maturities by Rating



Effective Portfolio Duration

Life & Group	9.8	yrs
P&C and Corporate	4.4	yrs
Total	**6.3**	**yrs**

[1] AAA includes obligations of the U.S. Government, U.S. Government agencies and U.S. Government-sponsored enterprises.

Financial Strength

Conservative capital and debt profile support business objectives

(In millions, except per share data)	Mar 31, 2025	Dec 31, 2024
Debt	**$2,974**	$2,973
Stockholders' equity	**10,279**	10,513
Total capital	**$13,253**	$13,486
AOCI	**(1,785)**	(1,991)
Capital ex. AOCI	**$ 15,038**	$ 15,477
BVPS ex. AOCI	**$44.58**	$46.16
Dividends per share (YTD)	**$2.46**	$3.76
Debt-to-capital	**22.4%**	22.0%
Debt-to-capital ex. AOCI	**19.8%**	19.2%
Statutory surplus	**10,952**	$11,165
Holding company liquidity [1]	**$816**	$1,207

Capital

- Financial strength ratings from all four rating agencies were affirmed in the past year
- Moody's and AM Best maintain positive outlooks; S&P and Fitch maintain stable outlooks
- Statutory surplus remains very strong
- Adjusting for dividends, book value per share ex. AOCI increased 2%

Leverage

- Debt maturity schedule is termed out to effectively manage refinancing
- Next debt maturity of $500M in the first quarter of 2026

Liquidity

- Ample liquidity at both holding and operating company levels to meet obligations

[1] Includes $250 million available under credit facility

APPENDIX

Reconciliation of GAAP Measures to Non-GAAP Measures

Reconciliation of Net Income (Loss) to Core Income (Loss)

Core income (loss) is calculated by excluding from net income (loss) the after-tax effects of net investment gains or losses and gains or losses resulting from pension settlement transactions. Net investment gains or losses are excluded from the calculation of core income (loss) because they are generally driven by economic factors that are not necessarily reflective of our primary operations. The calculation of core income (loss) excludes gains or losses resulting from pension settlement transactions as they result from decisions regarding our defined benefit pension plans which are unrelated to our primary operations. Management monitors core income (loss) for each business segment to assess segment performance. Presentation of consolidated core income (loss) is deemed to be a non-GAAP financial measure and management believes some investors may find this measure useful to evaluate our primary operations.

	Results for the Three Months Ended March 31	
	2025	2024
Net income	$274	$338
Less: Net investment losses	(7)	(17)
Core income	$281	$355

Reconciliation of Net Income (Loss) per Diluted Share to Core Income (Loss) per Diluted Share

Core income (loss) per diluted share provides management and investors with a valuable measure of the Company's operating performance for the same reasons applicable to its underlying measure, core income (loss). Core income (loss) per diluted share is core income (loss) on a per diluted share basis.

	Results for the Three Months Ended March 31	
	2025	2024
Net income per diluted share	$1.00	$1.24
Less: Net investment losses	(0.03)	(0.06)
Core income per diluted share	$1.03	$1.30

Reconciliation of GAAP Measures to Non-GAAP Measures

Reconciliation of Net Income to Underwriting Gain (Loss) and Underlying Underwriting Gain (Loss)

Underwriting gain (loss) is deemed to be a non-GAAP financial measure and is calculated pretax as net earned premiums less total insurance expenses, which includes insurance claims and policyholders' benefits, amortization of deferred acquisition costs and insurance related administrative expenses. Net income (loss) is the most directly comparable GAAP measure. Management believes some investors may find this measure useful to evaluate the profitability, before tax, derived from our underwriting activities which are managed separately from our investing activities.

Underlying underwriting gain (loss) is also deemed to be a non-GAAP financial measure, and represents pretax underwriting results excluding catastrophe losses and development-related items. Management believes some investors may find this measure useful to evaluate the profitability, before tax, derived from our underwriting activities, excluding the impact of catastrophe losses, which are unpredictable as to timing and amount, and development-related items as they are not indicative of our current year underwriting performance.

	Results for the Three Months Ended March 31, 2025			
(In millions)	Specialty	Commercial	International	Property & Casualty
Net income	$ 149	$ 124	$ 38	$ 311
Net investment losses (gains), after tax	1	—	(1)	—
Core income	$ 150	$ 124	$ 37	$ 311
Less:				
Net investment income	151	177	34	362
Non-insurance warranty revenue (expense)	12	—	—	12
Other revenue (expense), including interest expense	(14)	(2)	1	(15)
Income tax expense on core income	(41)	(34)	(13)	(88)
Underwriting gain (loss)	42	(17)	15	40
Effect of catastrophe losses	—	86	11	97
Effect of unfavorable development-related items	10	53	—	63
Underlying underwriting gain	$ 52	$ 122	$ 26	$ 200

Reconciliation of GAAP Measures to Non-GAAP Measures

(In millions)	Results for the Three Months Ended March 31, 2024			
	Specialty	Commercial	International	Property & Casualty
Net income	$ 167	$ 144	$ 37	$ 348
Net investment losses, after tax	10	14	—	24
Core income	$ 177	$ 158	$ 37	$ 372
Less:				
Net investment income	150	176	31	357
Non-insurance warranty revenue (expense)	13	—	—	13
Other revenue (expense), including interest expense	(14)	(4)	(2)	(20)
Income tax expense on core income	(48)	(43)	(13)	(104)
Underwriting gain	76	29	21	126
Effect of catastrophe losses	—	82	6	88
Effect of favorable development-related items	(5)	—	—	(5)
Underlying underwriting gain	$ 71	$ 111	$ 27	$ 209

Components to reconcile the combined ratio and loss ratio to the underlying combined ratio and underlying loss ratio

The **underlying loss ratio** excludes the impact of catastrophe losses and development-related items from the loss ratio. The **underlying combined ratio** is the sum of the underlying loss ratio, the expense ratio and the dividend ratio. The underlying loss ratio and the underlying combined ratio are deemed to be non-GAAP financial measures, and management believes some investors may find these ratios useful to evaluate our underwriting performance since they remove the impact of catastrophe losses, which are unpredictable as to timing and amount, and development-related items as they are not indicative of our current year underwriting performance. The components to reconcile the combined ratio and loss ratio to the underlying combined ratio and underlying loss ratio for Property & Casualty, Specialty, Commercial and International segments are set forth on pages 6, 8, 10 and 12, respectively.

Reconciliation of GAAP Measures to Non-GAAP Measures

Reconciliation of Book Value per Share to Book Value per Share Excluding AOCI

Book value per share excluding AOCI allows management and investors to analyze the amount of the Company's net worth primarily attributable to the Company's business operations. The Company believes this measurement is useful as it reduces the effect of items that can fluctuate significantly from period to period, primarily based on changes in interest rates.

	March 31, 2025	December 31, 2024
Book value per share	$37.98	$38.82
Less: Per share impact of AOCI	(6.60)	(7.34)
Book value per share excluding AOCI	$44.58	$46.16

Calculation of Return on Equity and Core Return on Equity

Core return on equity provides management and investors with a measure of how effectively the Company is investing the portion of the Company's net worth that is primarily attributable to its business operations.

	Results for the Three Months Ended March 31	
($ millions)	2025	2024
Annualized net income	$1,096	$1,351
Average stockholders' equity including AOCI (a)	10,396	9,778
Return on equity	10.5 %	13.8 %
Annualized core income	$1,125	$1,420
Average stockholders' equity excluding AOCI (a)	12,284	12,400
Core return on equity	9.2 %	11.5 %

[a] Average stockholders' equity is calculated using a simple average of the beginning and ending balances for the period.