



## 2nd Quarter 2014 Highlights

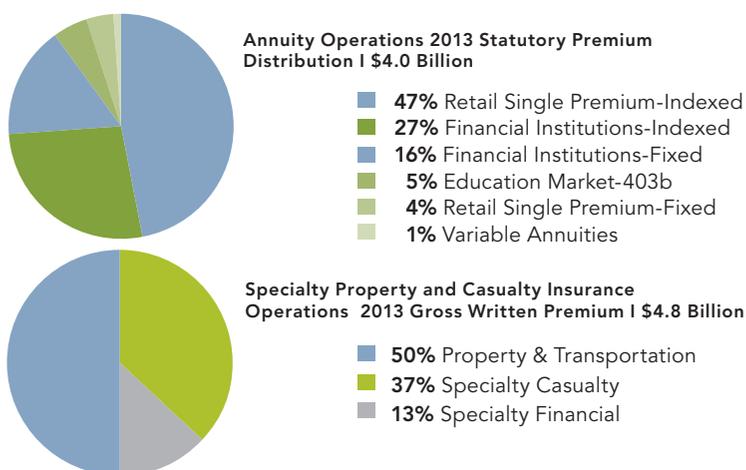


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- Core net operating earnings \$1.07 per share, up 11% from the comparable 2013 period
  - Adjusted book value \$47.95 per share at June 30, 2014; up 4% since year end
  - Full year 2014 core net operating earnings guidance unchanged at \$4.50-\$4.90 per share

## THE STRENGTH OF SPECIALIZATION



American Financial Group is committed to providing insurance products that meet the unique risk management needs of businesses and the financial planning needs of individuals. Its insurance operations, doing business as Great American Insurance Group, are comprised of over 30 niche operations with specialized expertise in the markets they serve.



## Second Quarter & First Six Months of 2014 and 2013 & Year End Highlights

In millions, except per share data

Earnings	Three months ended June 30,		Six months ended June 30,	
	2014	2013	2014	2013
Core Net Operating Earnings	\$ 99	\$ 87	\$ 190	\$ 171
Core Net Operating Earnings Per Share	\$ 1.07	\$ 0.96	\$ 2.07	\$ 1.88
Net Earnings Attributable to Shareholders	\$ 106	\$ 110	\$ 209	\$ 230
Net Earnings Per Share (Diluted)	\$ 1.15	\$ 1.20	\$ 2.28	\$ 2.52

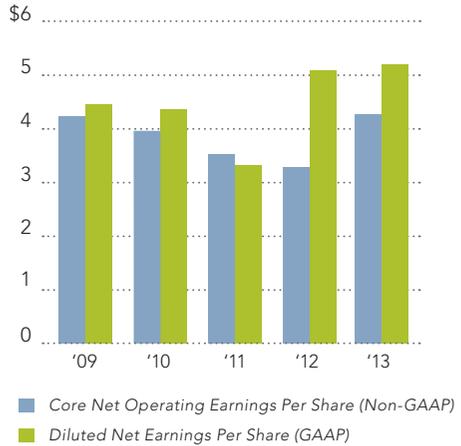
Insurance Premiums	Three months ended June 30,		Six months ended June 30,	
	2014	2013	2014	2013
Gross Written Premiums: Specialty P&C	\$ 1,291	\$ 1,041	\$ 2,315	\$ 1,966
Net Written Premiums: Specialty P&C	\$ 998	\$ 749	\$ 1,753	\$ 1,453
Statutory Premiums: Annuity	\$ 949	\$ 861	\$ 1,916	\$ 1,485

Book Value Per Share	June 30, 2014	Dec 31, 2013
Excluding Appropriated Retained Earnings	\$55.27	\$50.83
Excluding Appropriated Retained Earnings and Unrealized Gains/Losses on Fixed Maturities	\$47.95	\$45.90

AFG's overriding goal is to increase long-term shareholder value.

## EARNINGS PER SHARE | FOR THE YEAR ENDED DECEMBER 31,

AFG's Earnings per Share data for the years ended 2009-2013 is shown here. AFG believes that core net operating earnings is a useful measure for analysts and investors in considering ongoing operating trends for AFG.

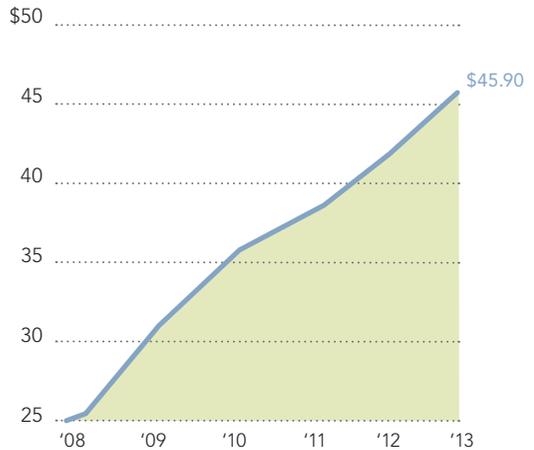


## BOOK VALUE PER SHARE | AS OF DECEMBER 31,

(Excluding appropriated retained earnings and unrealized gains and losses on fixed maturities)

AFG's overriding goal is to increase long-term shareholder value.

- Book value per share increased 8% during 2013
- Tangible book value was \$43.59 per share at the end of 2013, up 9% from the prior year



## Our Business Model

AFG's business model is founded on an entrepreneurial approach that allows local decision-making for underwriting, claims and policy servicing in each of its niche operations.

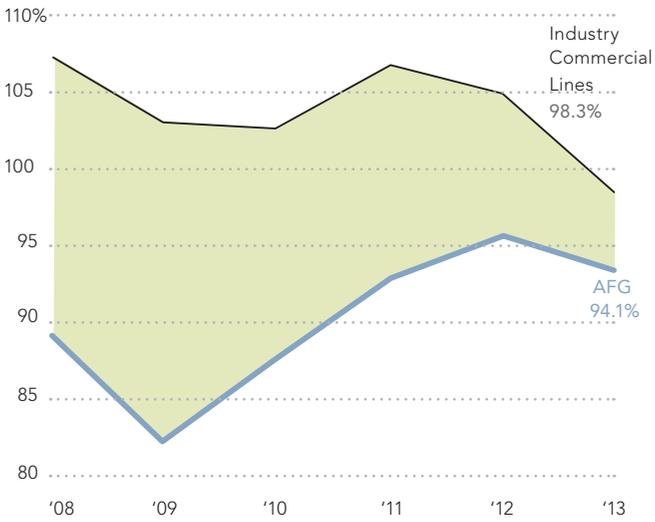
AFG's COR has been better than the industry average for 26 of the last 28 years.

**CAPITAL AND LIQUIDITY**

In Millions	June 30, 2014	Dec 31, 2013
Total Assets . . . . .	\$45,355	\$42,087
Statutory Surplus – P&C Group . . . . .	2,227	1,896
Adjusted Capital – Annuity Subsidiaries . . . . . <i>(Policyholder Surplus + Asset Valuation Reserve)</i>	1,751	1,661
Cash & Cash Equivalents . . . . .	2,116	1,639
Ratio of debt to total capital <sup>A</sup> . . . . .	16.9%	17.6%

*A For this calculation, capital includes long term debt, noncontrolling interests and shareholders' equity (excluding appropriated retained earnings and unrealized gains and losses on fixed maturity investments and including debt secured by real estate), and is consistent with the level committed to rating agencies and the capital markets.*

**STATUTORY COMBINED RATIO (COR)**



*Industry Commercial Lines based on data from A.M. Best*

Each business unit designs its own products, builds its own relationships and creates its own unique distribution channels. Centralized business support and investment management functions provide a framework for success.



Great American Insurance Company is rated A+ (Superior) by A.M. Best Company and has maintained a financial strength rating of A (Excellent) or higher since 1908.



RATINGS | PROPERTY & CASUALTY INSURANCE COMPANIES

	A.M. Best	Standard & Poor's	Moody's
Great American Insurance Company	A+ (Superior)	A+ (Strong)	A1 (Good)
American Empire Surplus Lines Insurance Company	A+ (Superior)	A+ (Strong)	Not Rated
Mid-Continent Casualty Company	A+ (Superior)	A+ (Strong)	Not Rated
National Interstate Insurance Company	A (Excellent)	Not Rated	Not Rated
Vanliner Insurance Company	A (Excellent)	Not Rated	Not Rated
Republic Indemnity Company of America	A (Excellent)	A+ (Strong)	A3 (Good)
Bridgefield Casualty Insurance Company	A (Excellent)	A- (Strong)	Not Rated
Bridgefield Employers Insurance Company	A (Excellent)	A- (Strong)	Not Rated
Marketform / Lloyd's Syndicate	A (Excellent)	A+ (Strong)	Not Rated



Great American's P&C Group was selected as one of the Ward's 50<sup>®</sup> Top Performing Insurance Companies for 2014.

RATINGS | ANNUITY COMPANIES

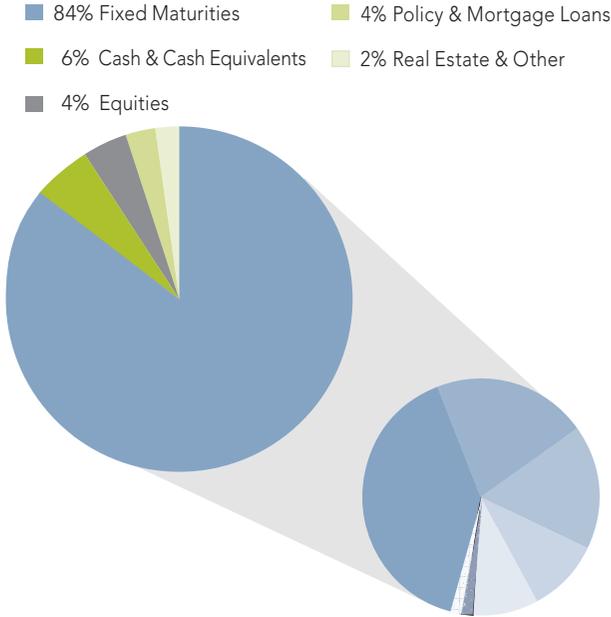
	A.M. Best	Standard & Poor's	Moody's
Great American Life Insurance Company	A (Excellent)	A+ (Strong)	A2 (Good)
Annuity Investors Life Insurance Company	A (Excellent)	A+ (Strong)	Not Rated

This document contains certain statements that may be considered "forward-looking statements" and are based on estimates, assumptions and projections which management believes are reasonable but by their nature subject to risks and uncertainties. The Private Securities Litigation Reform Act of 1995 provides a safe harbor for forward-looking statements. Refer to AFG's filing on Form 10-Q as of June 30, 2014 for more information.

Our investment philosophy is to focus on high-quality diversified, liquid investments and to maximize returns on a long-term basis.

**INVESTMENT PORTFOLIO | AS OF JUNE 30, 2014**

Carrying Value = \$34.8 billion



**Fixed Maturities Overview**



- Fixed income investments comprise 94% of the portfolio
- Fixed maturity portfolio is 86% investment grade (97% NAIC 1-2)
- Mortgage-backed securities portfolio is 59% investment grade (97% NAIC 1-2)

More information about our investment portfolio may be found in AFG’s Investor Supplement posted on [www.AFGinc.com](http://www.AFGinc.com) under Quick Links – “Quarterly Results.”

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