



FOURTH QUARTER 2016 HIGHLIGHTS

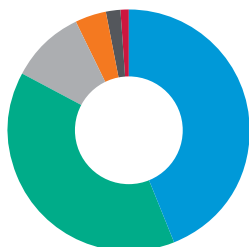


- Record net earnings of \$4.33 per share in the fourth quarter and \$7.33 per share for the full year
- Record fourth quarter core net operating earnings of \$1.98 per share; up 30% from 2015
- Record core net operating earnings per share of \$6.03 for the full year; up 11% from 2015
- Full year 2016 ROE of 14.8%; 2016 core operating ROE of 12.2%
- Full year 2017 core net operating earnings guidance between \$6.20 - \$6.70 per share

REFLECTING ON OUR BUSINESS

We are proud of our market-leading specialty property and casualty insurance and annuity businesses. In 2016 over 60% of the P&C Group's gross written premium was produced by top 10-ranked businesses. Our annuity business has been consistently ranked in the top 10 overall and within the top three for sales of fixed-indexed annuities through financial institutions.

Annuity Operations 2016 Annuity Premiums | \$4.4 Billion



- 44% Financial Institutions-Indexed
- 39% Retail Single Premium-Indexed
- 10% Financial Institutions-Fixed
- 4% Education Market
- 2% Retail Single Premium-Fixed
- 1% Variable Annuities

Specialty Property and Casualty Insurance Operations 2016 Gross Written Premiums | \$6.0 Billion



- 47% Specialty Casualty
- 42% Property & Transportation
- 11% Specialty Financial

Fourth Quarter & Full Year 2016 and 2015 Highlights

(In millions, except per share amounts)

Earnings	Three months ended Dec. 31,		Twelve months ended Dec. 31,	
	2016	2015	2016	2015
Core Net Operating Earnings	\$ 176	\$ 136	\$ 534	\$ 486
Core Net Operating Earnings Per Share	\$ 1.98	\$ 1.52	\$ 6.03	\$ 5.44
Net Earnings Attributable to Shareholders	\$ 385	\$ 129	\$ 649	\$ 352
Net Earnings Per Share (Diluted)	\$ 4.33	\$ 1.45	\$ 7.33	\$ 3.94

Insurance Premiums	Three months ended Dec. 31,		Twelve months ended Dec. 31,	
	2016	2015	2016	2015
Gross Written Premiums: Specialty P&C	\$ 1,441	\$ 1,356	\$ 5,981	\$ 5,832
Net Written Premiums: Specialty P&C	\$ 1,083	\$ 1,056	\$ 4,386	\$ 4,327
Statutory Premiums: Annuity	\$ 1,111	\$ 1,107	\$ 4,435	\$ 4,140

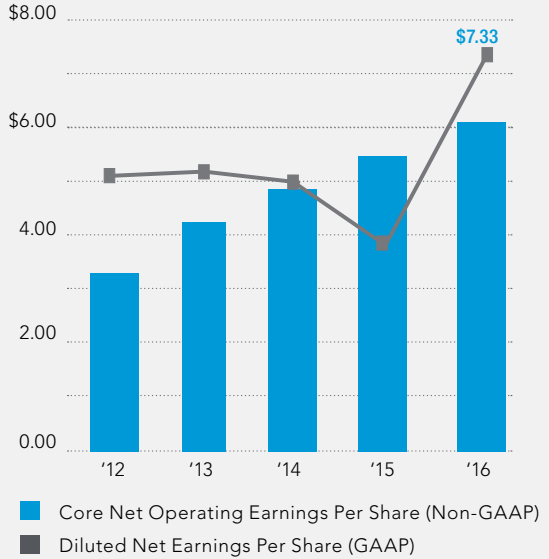
	Dec. 31, 2016	Dec 31, 2015
Book Value Per Share	\$ 56.55	\$ 52.50
Book Value Per Share (Excluding Unrealized Gains (Losses) Related to Fixed Maturities)	\$ 53.11	\$ 49.32

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 2012-2016 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.

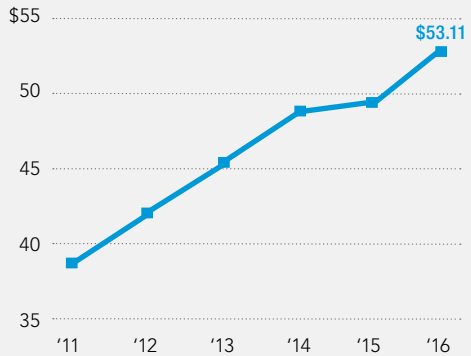


Book Value Per Share | as of December 31

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

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

- Book value per share increased 8% during 2016.
- Tangible book value was \$50.43 per share at the end of 2016, up 8% from the prior year.



Our Business Model

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

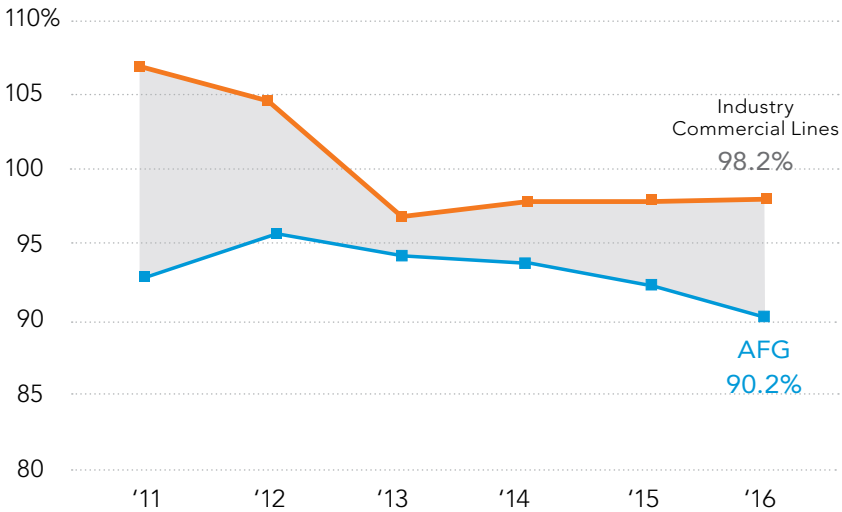
AFG's COR has been better than the industry average for 29 of the last 31 years.

Capital and Liquidity

In Millions	Dec 31, 2016	Dec 31, 2015
Total Assets	\$55,072	\$49,837
Statutory Surplus – P&C Group	2,939	2,488
Adjusted Capital – Annuity Subsidiaries <i>(Policyholder Surplus + Asset Valuation Reserve)</i>	2,234	1,918
Cash & Cash Equivalents	2,107	1,220
Ratio of debt to total adjusted capital ^A		
Including subordinated debt	22.1%	18.5%
Excluding subordinated debt	17.0%	13.1%

^A The ratio is calculated by dividing AFG's long-term debt by its total capital, which includes long-term debt, noncontrolling interests and shareholders' equity (excluding unrealized gains (losses) related to fixed maturity investments).

Statutory Combined Ratio



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

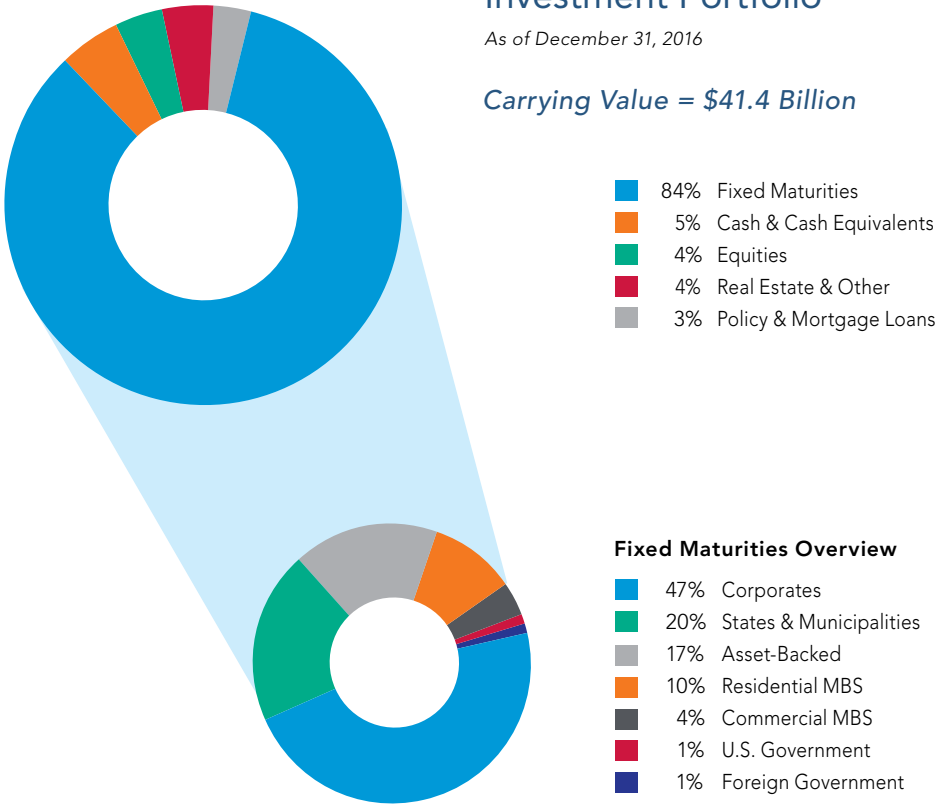
Each business unit designs its own products, builds its own relationships and develops its own unique distribution strategies. Centralized business support and investment management functions provide a framework for success.

Our investment philosophy is to focus on high-quality investments that maximize returns on a long-term basis, rather than focusing on short-term performance.

Investment Portfolio

As of December 31, 2016

Carrying Value = \$41.4 Billion



- Fixed income investments comprise 92% of the portfolio
- Fixed maturity portfolio is 89% investment grade (97% NAIC 1-2)
- Mortgage-backed securities portfolio is 48% investment grade (97% NAIC 1)

More information about our investment portfolio may be found in AFG's Investor Supplement posted on www.AFGinc.com under Quick Links – "Quarterly Results."

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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+	A1
American Empire Surplus Lines Insurance Company	A+ (Superior)	A+	Not Rated
Mid-Continent Casualty Company	A+ (Superior)	A+	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+	A3
Bridgefield Casualty Insurance Company	A (Excellent)	A+	Not Rated
Bridgefield Employers Insurance Company	A (Excellent)	A+	Not Rated
El Águila, Compañía de Seguros	A- (Excellent)	Not Rated	Not Rated
Great American International Insurance Limited	Not Rated	A+	Not Rated
Neon Underwriting Limited ¹	A (Excellent)	A+	Not Rated



Great American's P&C Group was selected as one of the Ward's 50[®] Top Performing Insurance Companies in 2016.

Ratings | Annuity Companies

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

¹Ratings for Neon Underwriting Limited are determined by the ratings of Lloyd's. See Lloyd's website for a discussion of these ratings.

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-K as of December 31, 2016 for more information.