

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 OR 15(d)
of The Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): February 9, 2022

AMERICAN FINANCIAL GROUP, INC.
(Exact name of registrant as specified in its charter)

Ohio
(State or other jurisdiction
of incorporation)

1-13653
(Commission
File Number)

31-1544320
(IRS Employer
Identification No.)

301 East Fourth Street, Cincinnati, OH
(Address of principal executive offices)

45202
(Zip Code)

Registrant's telephone number, including area code 513-579-2121

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock	AFG	New York Stock Exchange
5.875% Subordinated Debentures due March 30, 2059	AFGB	New York Stock Exchange
5.125% Subordinated Debentures due December 15, 2059	AFGC	New York Stock Exchange
5.625% Subordinated Debentures due June 1, 2060	AFGD	New York Stock Exchange
4.5% Subordinated Debentures due September 15, 2060	AFGE	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Section 2 - Financial Information

Item 2.02 Results Of Operations And Financial Condition.

Reference is made to the press release of American Financial Group, Inc. (the "Company") relating to the announcement of the Company's results of operations for the fourth quarter of 2021 and the year ended December 31, 2021 and the availability of the Investor Supplement on the Company's website. The press release was issued on February 9, 2022. A copy of the press release is attached to this Form 8-K as Exhibit 99.1 and a copy of the Investor Supplement is attached as Exhibit 99.2 and are incorporated herein by reference.

The information contained herein shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act.

Section 9 - Financial Statements and Exhibits

Item 9.01 Financial Statements and Exhibits.

- (a) Financial statements of business acquired. Not applicable.
- (b) Pro forma financial information. Not applicable.
- (c) Shell company transactions. Not applicable
- (d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99.1	Earnings Release dated February 9, 2022, reporting American Financial Group Inc. results for the fourth quarter and full year results for the period ended December 31, 2021.
99.2	Investor Supplement – Fourth Quarter 2021
104	Cover page Interactive Data File (embedded within Inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: February 10, 2022

AMERICAN FINANCIAL GROUP, INC.

By: /s/ Karl J. Grafe
Karl J. Grafe
Vice President

Press Release
For Immediate Release



American Financial Group, Inc. Announces Fourth Quarter and Full Year Results

- *Net earnings per share of \$4.18 in the fourth quarter; full year net earnings per share of \$23.30*
- *Core net operating earnings per share of \$4.12 in the fourth quarter; full year core net operating earnings per share of \$11.59*
- *Full year 2021 ROE of 37.5%; 2021 core operating ROE of 18.6%*
- *Parent company cash and investments of approximately \$1.86 billion; excess capital of \$2.1 billion at December 31, 2021*
- *Full year 2022 core net operating earnings guidance \$9.75 – \$10.75 per share*

CINCINNATI – February 9, 2022 – American Financial Group, Inc. (NYSE: AFG) today reported 2021 fourth quarter net earnings attributable to shareholders of \$355 million (\$4.18 per share) compared to \$692 million (\$7.93 per share) for the 2020 fourth quarter. Net earnings for the 2021 fourth quarter included after-tax non-core realized gains on securities of \$4 million (\$0.06 per share). Comparatively, net earnings in the 2020 fourth quarter included \$517 million (\$5.92 per share) in after-tax non-core items, including discontinued operations. Beginning with the first quarter of 2021 and through the date of sale in May 2021, the results of AFG’s Annuity operations are reported as discontinued operations in accordance with generally accepted accounting principles (GAAP), which included adjusting prior period results to reflect these operations as discontinued. Net earnings attributable to shareholders for the full year of 2021 were \$23.30 per share, compared to \$8.20 per share in 2020. Other details may be found in the table below.

AFG’s book value per share was \$59.02 at December 31, 2021. AFG declared cash dividends of \$6.56 per share during the fourth quarter, which included a \$4.00 per share special dividend paid in November and a \$2.00 per share special dividend paid in December. Return on equity was 37.5% and 14.0% for the full year of 2021 and 2020, respectively.

Core net operating earnings were \$351 million (\$4.12 per share) for the 2021 fourth quarter, compared to \$175 million (\$2.01 per share) in the 2020 fourth quarter. The year-over-year increase was primarily the result of significantly higher underwriting profit in the Specialty Property and Casualty (“P&C”) insurance operations and substantially higher P&C net investment income, due to the continued strong performance of AFG’s \$1.8 billion alternative investment portfolio. Additional details for the 2021 and 2020 fourth quarters may be found in the table below.

Components of Pretax Core Operating Earnings	Three Months Ended December 31,					
	2021	2020(a)	2021	2020(a)	2021	2020(a)
	Before Impact of Alternative Investments		Alternative Investments, net of DAC		Core Net Operating Earnings, as reported	
In millions, except per share amounts						
P&C Pretax Core Operating Earnings	\$ 369	\$ 233	\$ 116	\$ 41	\$ 485	\$ 274
Real estate entities and other acquired from Annuity operations*	—	(1)	—	10	—	9
Other expenses	(24)	(32)	—	—	(24)	(32)
Holding company interest expense	(23)	(24)	—	—	(23)	(24)
Pretax Core Operating Earnings	322	176	116	51	438	227
Related provision for income taxes	63	41	24	11	87	52
Core Net Operating Earnings	\$ 259	\$ 135	\$ 92	\$ 40	\$ 351	\$ 175
Core Net Operating Earnings Per Share	\$ 3.04	\$ 1.55	\$ 1.08	\$ 0.46	\$ 4.12	\$ 2.01
Weighted Avg Diluted Shares Outstanding	85.2	87.2	85.2	87.2	85.2	87.2

* Income from real estate entities acquired from AFG’s Annuity operations through May 31, 2021 (the effective date of the sale of the Annuity business).

Footnote (a) is contained in the accompanying Notes to Financial Schedules at the end of this release.

Book value per share, excluding unrealized gains related to fixed maturities, was \$57.42 per share at December 31, 2021, compared to \$63.61 at the end of 2020, reflecting \$26.00 per share in special dividends paid during 2021. For the full year, share repurchases totaled \$319 million. For the twelve months ended December 31, 2021, AFG's growth in adjusted book value per share plus dividends was 34%. Core operating return on equity was 18.6% and 9.2% for the full year of 2021 and 2020, respectively.

AFG's net earnings attributable to shareholders, determined in accordance with U.S. generally accepted accounting principles (GAAP), include certain items that may not be indicative of its ongoing core operations. The table below identifies such items and reconciles net earnings attributable to shareholders to core net operating earnings, a non-GAAP financial measure. AFG believes that its core net operating earnings provides management, financial analysts, ratings agencies and investors with an understanding of the results from the ongoing operations of the Company by excluding the impact of discontinued operations, net realized gains and losses, and special items that are not necessarily indicative of operating trends. AFG's management uses core net operating earnings to evaluate financial performance against historical results because it believes this provides a more comparable measure of its continuing business. Core net operating earnings is also used by AFG's management as a basis for strategic planning and forecasting.

In millions, except per share amounts	Three months ended December 31,		Twelve months ended December 31,	
	2021	2020(a)	2021	2020(a)
Components of net earnings attributable to shareholders:				
Core operating earnings before income taxes	\$ 438	\$ 227	\$ 1,232	\$ 609
Pretax non-core items:				
Realized gains (losses) on securities	7	122	110	(75)
Neon exited lines(b)	—	—	4	(122)
Special A&E charges	—	—	—	(68)
Other	—	(5)	(11)	(5)
Earnings before income taxes	445	344	1,335	339
Provision (credit) for income taxes:				
Core operating earnings	87	52	239	128
Non-core items	3	25	15	(103)
Total provision for income taxes	90	77	254	25
Net earnings from continuing operations including noncontrolling interests	355	267	1,081	314
Discontinued annuity operations	—	427	914	407
Less: net earnings (loss) attributable to noncontrolling interests:				
Non-core items	—	2	—	(11)
Net earnings attributable to shareholders	\$ 355	\$ 692	\$ 1,995	\$ 732
Net earnings:				
Core net operating earnings(c)	\$ 351	\$ 175	\$ 993	\$ 481
Non-core items:				
Realized gains (losses) on securities	4	97	87	(59)
Neon exited lines(b)	—	(3)	3	(39)
Special A&E charges	—	—	—	(54)
Other	—	(4)	(2)	(4)
Net earnings from continuing operations	355	265	1,081	325
Discontinued annuity operations	—	427	914	407
Net earnings attributable to shareholders	\$ 355	\$ 692	\$ 1,995	\$ 732
Components of earnings per share:				
Core net operating earnings(c)	\$ 4.12	\$ 2.01	\$ 11.59	\$ 5.40
Non-core Items:				
Realized gains (losses) on securities	0.06	1.10	1.01	(0.67)
Neon exited lines(b)	—	(0.04)	0.04	(0.45)
Special A&E charges	—	—	—	(0.61)
Other	—	(0.04)	(0.02)	(0.04)
Diluted net earnings per share from continuing operations	\$ 4.18	\$ 3.03	\$ 12.62	\$ 3.63
Discontinued annuity operations	—	4.90	10.68	4.57
Diluted net earnings per share	\$ 4.18	\$ 7.93	\$ 23.30	\$ 8.20

Footnotes (a), (b), and (c) are contained in the accompanying Notes to Financial Schedules at the end of this release.

Carl H. Lindner III and S. Craig Lindner, AFG's Co-Chief Executive Officers, issued this statement: "AFG's financial performance during the fourth quarter was exceptional. Record core operating results produced an annualized fourth quarter return on equity of 28.1%. We are very pleased with the outstanding underwriting margins produced by our Specialty P&C businesses and returns in our portfolio of alternative investments that continued to exceed our expectations. Our diversified portfolio of specialty insurance operations, an entrepreneurial culture and disciplined operating philosophy have positioned us well in a hard P&C market and an improving economy.

"AFG had approximately \$2.1 billion of excess capital (including parent company cash and investments of approximately \$1.86 billion) at December 31, 2021. Returning capital to shareholders in the form of regular and special cash dividends and through opportunistic share repurchases is an important and effective component of our capital management strategy. In addition, our excess capital will be deployed into AFG's core businesses as we identify potential for healthy, profitable organic growth, and opportunities to expand our specialty niche businesses through acquisitions and start-ups that meet our target return thresholds. Over the past year, we increased our quarterly dividend by 12% and paid special dividends of \$26.00 per share. Total growth in adjusted book value plus dividends was a very strong 34%. We are very proud of our track record of creating long-term value for our shareholders."

Messrs. Lindner continued, "We expect AFG's core net operating earnings in 2022 to be in the range of \$9.75 to \$10.75 per share. Our core earnings per share guidance excludes non-core items such as realized gains and losses and other significant items that are not able to be estimated with reasonable precision, or that may not be indicative of ongoing operations. Furthermore, the above guidance reflects an annual return of approximately 10% on alternative investments and an average crop year."

Property and Casualty Insurance Operations

Pretax core operating earnings in AFG's P&C Insurance Segment were a record \$485 million in the fourth quarter of 2021, compared to \$274 million in the prior year period, an increase of \$211 million, or 77%. The year-over-year improvement was the result of significantly higher P&C underwriting profit and substantially higher P&C net investment income, primarily due to higher earnings from alternative investments.

The Specialty P&C insurance operations generated record underwriting profit of \$281 million for the 2021 fourth quarter compared to \$179 million in the fourth quarter of 2020, primarily due to higher year-over-year underwriting profitability in our Specialty Casualty and Property and Transportation Groups.

The fourth quarter 2021 combined ratio was an exceptionally strong 80.7%, an improvement of 5.5 points year-over-year, and includes 5.0 points of favorable prior year reserve development, compared to 2.4 points of favorable prior year reserve development in the 2020 fourth quarter. Catastrophe losses added 1.8 points to the combined ratio in the 2021 fourth quarter, compared to 1.5 points in the comparable prior year period.

AFG recorded \$2 million in losses related to COVID-19 for accident year 2021 in the fourth quarter of 2021 and recorded favorable reserve development of approximately \$7 million related to accident year 2020 COVID-19 reserves based on loss experience. Given the uncertainties surrounding the ultimate number and scope of claims relating to the pandemic, approximately 61% of the \$92 million in AFG's cumulative COVID-19 related losses are held as incurred but not reported (IBNR) reserves at December 31, 2021.

Gross and net written premiums were up 2% and 4%, respectively, for the fourth quarter of 2021, when compared to the same period in 2020. Fourth quarter growth was impacted by timing differences in the recording of premiums in our Property and Transportation Group. Excluding those adjustments, each of

our Specialty P&C groups reported healthy growth as a result of an improving economy, new business opportunities and a continued strong renewal rate environment. Gross and net written premiums increased 14% and 12%, respectively, for the full year in 2021 and established new records for premium production.

Average renewal pricing across our entire P&C Group was up approximately 7% for the quarter. With the exception of workers' compensation, we are continuing to achieve strong renewal rate increases in the vast majority of our businesses.

Further details about AFG's Specialty P&C operations may be found in the accompanying schedules.

The **Property and Transportation Group** reported an underwriting profit of \$116 million in the fourth quarter of 2021, compared to \$74 million in the comparable prior year period. Higher year-over-year underwriting profit in our crop operations more than offset lower underwriting profit in our transportation businesses. Catastrophe losses in this group, net of reinsurance and inclusive of reinstatement premiums, were \$15 million in the fourth quarter of 2021, compared to \$6 million in the comparable 2020 period, and were primarily attributable to Kentucky tornadoes and Colorado fires. The businesses in the Property and Transportation Group achieved an excellent 80.5% calendar year combined ratio overall in the fourth quarter, an improvement of 5.3 points from the comparable period in 2020.

Fourth quarter 2021 gross and net written premiums in this group were down 14% and 5%, respectively, when compared to the 2020 fourth quarter. Both gross and net written premiums were impacted by the timing of premium recognition in our crop business and the timing of the renewal of a large account in our transportation businesses. Excluding the impact of these items, fourth quarter gross and net written premiums in this group grew 13% and 7% year-over-year, respectively. Overall renewal rates in this group increased 6% on average for the fourth quarter of 2021, accelerating slightly from the 5% rate increase reported in the third quarter. Pricing for the full year for this group was up 6% overall.

The **Specialty Casualty Group** reported an underwriting profit of \$140 million in the 2021 fourth quarter compared to \$91 million in the comparable 2020 period. Higher year-over-year underwriting profit in our workers' compensation, excess liability, excess and surplus lines, targeted markets and executive liability businesses were the drivers of these results. Underwriting profitability in our workers' compensation businesses overall continues to be excellent. Catastrophe losses for this group, net of reinsurance and inclusive of reinstatement premiums, were \$3 million and \$2 million in the fourth quarters of 2021 and 2020, respectively. The businesses in the Specialty Casualty Group achieved an exceptionally strong 78.0% calendar year combined ratio overall in the fourth quarter, an improvement of 6.0 points from the comparable period in 2020.

Fourth quarter 2021 gross and net written premiums increased 12% and 11%, respectively, when compared to the same prior year period. Nearly all the businesses in this group achieved strong renewal pricing and reported premium growth during the fourth quarter. Continued strong renewal rates and increased exposures contributed to higher premiums in our excess liability and excess and surplus lines businesses. Our mergers and acquisitions liability and executive liability businesses also contributed meaningfully to the year-over-year growth. Renewal pricing for this group was up 7% in the fourth quarter. Excluding our workers' compensation businesses, renewal rates in this group were up approximately 11%. Pricing for the full year for this group was up 11% overall and 17% excluding workers' compensation.

The **Specialty Financial Group** reported an underwriting profit of \$24 million in the fourth quarter of 2021, compared to \$20 million in the fourth quarter of 2020. Higher underwriting profit in our trade credit, surety and fidelity / crime businesses contributed to these results. Catastrophe losses for this group were \$6 million in the fourth quarter of 2021, compared to \$7 million in the 2020 fourth quarter. This group continued to achieve excellent underwriting margins and reported an 85.5% combined ratio for the fourth quarter of 2021.

Gross and net written premiums increased by 8% and 6%, respectively, in the 2021 fourth quarter when compared to the same 2020 period due primarily to the favorable impact of economic recovery on our surety business, and strong rate increases and new business opportunities in our fidelity / crime business. Renewal pricing in this group was up 7% in both the fourth quarter and full year of 2021.

Carl Lindner III stated, "Fourth quarter and full year underwriting profitability in our Specialty P&C businesses was exceptionally strong. In fact, fourth quarter 2021 P&C core operating earnings established a new quarterly record for AFG. I'm especially pleased that each of our Specialty P&C sub-segments produced combined ratios in the mid-eighties or lower. We continued to achieve broad-based pricing increases in the quarter and achieved a 9% overall rate increase for the year, on top of the 11% achieved in 2020."

Mr. Lindner added, "Looking toward 2022, we expect an overall calendar year combined ratio in the range of 85% to 87%, and net written premiums to be up 8% to 12% when compared to the \$5.6 billion reported in 2021. We expect the market to remain firm throughout 2022, allowing us to act on business opportunities and achieve solid renewal rate increases."

Further details about AFG's Specialty P&C operations may be found in the accompanying schedules and in our Quarterly Investor Supplement, which is posted on our website.

Investments

P&C Net Investment Income – For the twelve months ended December 31, 2021, P&C net investment income was approximately 64% higher than the comparable 2020 period and included significantly higher earnings from alternative investments. Earnings from alternative investments may vary from quarter to quarter based on the reported results of the underlying investments, and generally are reported on a quarter lag. The annualized return on alternative investments in the fourth quarter of 2021 was 26.3%. The average annual return on these investments over the past five calendar years has been approximately 13%. Excluding the impact of alternative investments, P&C net investment income for the twelve months ended December 31, 2021 decreased 6% year-over-year, reflecting lower market interest rates. Our guidance for 2022 assumes an overall annual yield of approximately 10% on alternative investments. We expect returns to be weighted toward the first quarter of 2022, principally as a result of the sale of several underlying multi-family real estate investments.

Non-Core Net Realized Gains (Losses) – AFG recorded fourth quarter 2021 net realized gains on securities of \$4 million (\$0.06 per share) after tax, which included \$3 million (\$0.04 per share) in after-tax net losses to adjust equity securities that the Company continued to own at December 31, 2021, to fair value. By comparison, AFG recorded fourth quarter 2020 net realized gains on securities of \$97 million (\$1.10 per share) after tax. Prior period results have been adjusted to reflect the reclassification of AFG's annuity operations to discontinued operations.

After-tax unrealized gains on fixed maturities were \$136 million at December 31, 2021. Our portfolio continues to be high quality, with 88% of our fixed maturity portfolio rated investment grade and 98% of our P&C fixed maturity portfolio with a National Association of Insurance Commissioners' designation of NAIC 1 or 2, its highest two categories.

Discontinued Annuity Operations

On May 28, 2021, AFG completed the sale of its Annuity business to Mass Mutual. Initial cash proceeds from the sale (based on the preliminary closing balance sheet) were \$3.5 billion. AFG recognized an after-tax non-core gain on the sale of \$656 million (\$7.62 per AFG share) in the first half of 2021. Both the

proceeds and the gain are subject to post-closing adjustments, which are not expected to be material. Beginning with the first quarter of 2021 and through the sale date, AFG reported the results of its Annuity operations as discontinued operations, in accordance with generally accepted accounting principles (GAAP), which included adjusting prior period results to reflect these operations as discontinued. A reconciliation of amounts as previously presented to amounts reported as Discontinued Annuity Operations for the twelve-month period ended December 31, 2021 (through the May 2021 sale date) and the three- and twelve-month periods ended December 31, 2020 appears in our Quarterly Investor Supplement, which is posted on our website.

About American Financial Group, Inc.

American Financial Group is an insurance holding company, based in Cincinnati, Ohio. Through the operations of Great American Insurance Group, AFG is engaged primarily in property and casualty insurance, focusing on specialized commercial products for businesses. Great American Insurance Group's roots go back to 1872 with the founding of its flagship company, Great American Insurance Company.

Forward Looking Statements

This press release contains certain statements that may be deemed to be "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements in this press release not dealing with historical results are forward-looking and are based on estimates, assumptions and projections. Examples of such forward-looking statements include statements relating to: the Company's expectations concerning market and other conditions and their effect on future premiums, revenues, earnings, investment activities and the amount and timing of share repurchases; recoverability of asset values; expected losses and the adequacy of reserves for asbestos, environmental pollution and mass tort claims; rate changes; and improved loss experience.

Actual results and/or financial condition could differ materially from those contained in or implied by such forward-looking statements for a variety of reasons including, but not limited to: changes in financial, political and economic conditions, including changes in interest and inflation rates, currency fluctuations and extended economic recessions or expansions in the U.S. and/or abroad; performance of securities markets; new legislation or declines in credit quality or credit ratings that could have a material impact on the valuation of securities in AFG's investment portfolio; the availability of capital; changes in insurance law or regulation, including changes in statutory accounting rules, including modifications to capital requirements; the effects of the COVID-19 outbreak, including the effects on the international and national economy and credit markets, legislative or regulatory developments affecting the insurance industry, quarantines or other travel or health-related restrictions; changes in the legal environment affecting AFG or its customers; tax law and accounting changes; levels of natural catastrophes and severe weather, terrorist activities (including any nuclear, biological, chemical or radiological events), incidents of war or losses resulting from pandemics, civil unrest and other major losses; disruption caused by cyber-attacks or other technology breaches or failures by AFG or its business partners and service providers, which could negatively impact AFG's business and/or expose AFG to litigation; development of insurance loss reserves and establishment of other reserves, particularly with respect to amounts associated with asbestos and environmental claims; availability of reinsurance and ability of reinsurers to pay their obligations; competitive pressures; the ability to obtain adequate rates and policy terms; changes in AFG's credit ratings or the financial strength ratings assigned by major ratings agencies to AFG's operating subsidiaries; the impact of the conditions in the international financial markets and the global economy relating to AFG's international operations; and other factors identified in AFG's filings with the Securities and Exchange Commission.

The forward-looking statements herein are made only as of the date of this press release. The Company assumes no obligation to publicly update any forward-looking statements.

Conference Call

The company will hold a conference call to discuss 2021 fourth quarter and full year results at 11:30 am (ET) tomorrow, Thursday, February 10, 2022. Toll-free telephone access will be available by dialing 877-459-8719 (international dial-in 424-276-6843). The conference ID for the live call is 7462648. Please dial in five to ten minutes prior to the scheduled start time of the call.

A replay will be available approximately two hours following the completion of the call and will remain available until February 17, 2022. To listen to the replay, dial 1-855-859-2056 (international dial-in 404-537-3406) and provide the conference ID 7462648.

The conference call and accompanying webcast slides will also be broadcast live over the Internet. To access the event, click on the following link: <https://www.AFGinc.com/news-and-events/event-calendar>. Alternatively, you can choose **Events** from the Investor Relations page at www.AFGinc.com.

An archived webcast will be available immediately after the call via the same link on our website until February 17, 2022.

Contact:

Diane P. Weidner, IRC
Vice President—Investor & Media Relations
513-369-5713

Websites:

www.AFGinc.com
www.GreatAmericanInsuranceGroup.com

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(Financial summaries follow)

This earnings release and AFG's Quarterly Investor Supplement are available in the Investor Relations section of AFG's website: www.AFGinc.com.

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AMERICAN FINANCIAL GROUP, INC. AND SUBSIDIARIES
SUMMARY OF EARNINGS
(In Millions, Except Per Share Data)

	Three months ended		Twelve months ended	
	December 31, 2021	2020	December 31, 2021	2020
Revenues				
P&C insurance net earned premiums	\$1,452	\$ 1,325	\$ 5,404	\$ 5,099
Net investment income	209	147	730	461
Realized gains (losses) on:				
Securities	7	122	110	(75)
Subsidiaries	—	53	4	23
Income of managed investment entities:				
Investment income	46	47	181	201
Gain (loss) on change in fair value of assets/liabilities	1	1	10	(20)
Other income	43	18	113	80
Total revenues	<u>1,758</u>	<u>1,713</u>	<u>6,552</u>	<u>5,769</u>
Costs and expenses				
P&C insurance losses & expenses	1,182	1,220	4,704	4,896
Interest charges on borrowed money	23	24	94	88
Expenses of managed investment entities	40	38	155	167
Other expenses	68	87	264	279
Total costs and expenses	<u>1,313</u>	<u>1,369</u>	<u>5,217</u>	<u>5,430</u>
Earnings from continuing operations before income taxes	445	344	1,335	339
Provision for income taxes	90	77	254	25
Net earnings from continuing operations, Including noncontrolling interests	355	267	1,081	314
Net earnings from discontinued operations	—	427	914	407
Net earnings, including controlling interests	355	694	1,995	721
Less: Net earnings (loss) from continuing operations attributable to noncontrolling interests	—	2	—	(11)
Net earnings attributable to shareholders	<u>\$ 355</u>	<u>\$ 692</u>	<u>\$ 1,995</u>	<u>\$ 732</u>
Earnings attributable to shareholders per diluted common share:				
Continuing operations	\$ 4.18	\$ 3.03	\$ 12.62	\$ 3.63
Discontinued operations	—	4.90	10.68	4.57
Diluted earnings attributable to shareholders	<u>\$ 4.18</u>	<u>\$ 7.93</u>	<u>\$ 23.30</u>	<u>\$ 8.20</u>
Average number of diluted shares	85.2	87.2	85.6	89.2

AMERICAN FINANCIAL GROUP, INC. AND SUBSIDIARIES
SELECTED BALANCE SHEET DATA
(In Millions, Except Per Share Data)

<u>Selected Balance Sheet Data:</u>	<u>December 31,</u> <u>2021</u>	<u>December 31,</u> <u>2020</u>
Total cash and investments	\$ 15,745	\$ 13,494
Long-term debt	\$ 1,964	\$ 1,963
Shareholders' equity ^(d)	\$ 5,012	\$ 6,789
Shareholders' equity (excluding unrealized gains/losses related to fixed maturities) ^(d)	\$ 4,876	\$ 5,493
Book value per share	\$ 59.02	\$ 78.62
Book value per share (excluding unrealized gains/losses related to fixed maturities)	\$ 57.42	\$ 63.61
Common Shares Outstanding	84.9	86.3

Footnote (d) is contained in the accompanying Notes to Financial Schedules at the end of this release.

AMERICAN FINANCIAL GROUP, INC.
SPECIALTY P&C OPERATIONS
(Dollars in Millions)

	Three months ended December 31,		Pct. Change	Twelve months ended December 31,		Pct. Change
	2021	2020		2021	2020	
Gross written premiums	<u>\$1,737</u>	<u>\$1,707</u>	2%	<u>\$7,946</u>	<u>\$6,995</u>	14%
Net written premiums	<u>\$1,270</u>	<u>\$1,216</u>	4%	<u>\$5,573</u>	<u>\$4,992</u>	12%
Ratios (GAAP):						
Loss & LAE ratio	56.5%	58.6%		58.4%	60.9%	
Underwriting expense ratio	24.2%	27.6%		28.0%	30.4%	
Specialty Combined Ratio	<u>80.7%</u>	<u>86.2%</u>		<u>86.4%</u>	<u>91.3%</u>	
Combined Ratio – P&C Segment	<u>80.8%</u>	<u>91.6%</u>		<u>86.5%</u>	<u>95.5%</u>	
Supplemental Information:(e)						
Gross Written Premiums:						
Property & Transportation	\$ 558	\$ 647	(14%)	\$3,263	\$2,813	16%
Specialty Casualty	968	865	12%	3,890	3,444	13%
Specialty Financial	211	195	8%	793	738	7%
	<u>\$1,737</u>	<u>\$1,707</u>	2%	<u>\$7,946</u>	<u>\$6,995</u>	14%
Net Written Premiums:						
Property & Transportation	\$ 417	\$ 440	(5%)	\$2,157	\$1,887	14%
Specialty Casualty	628	565	11%	2,540	2,304	10%
Specialty Financial	173	163	6%	658	604	9%
Other	52	48	8%	218	197	11%
	<u>\$1,270</u>	<u>\$1,216</u>	4%	<u>\$5,573</u>	<u>\$4,992</u>	12%
Combined Ratio (GAAP):						
Property & Transportation	80.5%	85.8%		87.1%	90.4%	
Specialty Casualty	78.0%	84.0%		84.3%	90.0%	
Specialty Financial	85.5%	86.8%		85.1%	91.8%	
Aggregate Specialty Group	80.7%	86.2%		86.4%	91.3%	

	Three months ended December 31,		Twelve months ended December 31,	
	2021	2020	2021	2020
Reserve Development (Favorable)/Adverse:				
Property & Transportation	\$ (2)	\$ (29)	\$ (103)	\$(107)
Specialty Casualty	(55)	(6)	(140)	(97)
Specialty Financial	(13)	(6)	(51)	(28)
Other Specialty	(3)	9	11	19
Specialty Group	(73)	(32)	(283)	(213)
Special A&E Reserve Charge – P&C Run-off	—	—	—	47
Other	2	24	4	39
Total Reserve Development	<u>\$ (71)</u>	<u>\$ (8)</u>	<u>\$ (279)</u>	<u>\$(127)</u>
Points on Combined Ratio:				
Property & Transportation	(0.4)	(5.6)	(4.8)	(5.7)
Specialty Casualty	(8.6)	(1.1)	(5.9)	(4.3)
Specialty Financial	(8.2)	(3.6)	(8.0)	(4.5)
Aggregate Specialty Group	(5.0)	(2.4)	(5.2)	(4.4)
Total P&C Segment	(5.0)	(0.6)	(5.1)	(2.5)

Footnote (e) is contained in the accompanying Notes to Financial Schedules at the end of this release.

AMERICAN FINANCIAL GROUP, INC.
Notes to Financial Schedules

- a) On May 28, 2021, AFG completed the sale of its Annuity business to MassMutual. The results of AFG's Annuity operations are reported as discontinued operations beginning with the first quarter of 2021 and through the date of sale, in accordance with generally accepted accounting principles (GAAP), which included adjusting prior period results to reflect these operations as discontinued.
- b) In January 2020, AFG announced its plans to exit the Lloyd's of London insurance market and actions it had initiated to place its Lloyd's subsidiaries including its Lloyd's Managing Agency, Neon Underwriting Ltd., into run-off. AFG sold the legal entities that owned its Lloyd's of London insurer, Neon, to RiverStone Holdings Limited in a transaction that closed in the fourth quarter of 2020.
- c) Components of core net operating earnings (in millions):

	Three months ended December 31,		Twelve months ended December 31,	
	2021	2020	2021	2020
<u>Core Operating Earnings before Income Taxes:</u>				
P&C insurance segment	\$ 485	\$ 274	\$ 1,390	\$ 776
Real estate entities and other acquired from Annuity operations*	—	9	50	19
Interest and other corporate expenses	<u>(47)</u>	<u>(56)</u>	<u>(208)</u>	<u>(186)</u>
Core operating earnings before income taxes	438	227	1,232	609
Related income taxes	<u>87</u>	<u>52</u>	<u>239</u>	<u>128</u>
Core net operating earnings	<u>\$ 351</u>	<u>\$ 175</u>	<u>\$ 993</u>	<u>\$ 481</u>

* Income from real estate entities acquired from AFG's Annuity operations through May 31, 2021 (the effective date of the sale of the Annuity business).

- d) Shareholders' Equity at December 31, 2021 includes \$136 million (\$1.60 per share) in unrealized after-tax gains on fixed maturities. Shareholders' Equity at December 31, 2020 includes \$1.26 billion (\$14.54 per share) in unrealized after-tax gains on fixed maturities and \$41 million (\$0.47 per share) in unrealized after-tax gains on fixed maturity-related cash flow hedges.

e) Supplemental Notes:

- **Property & Transportation** includes primarily physical damage and liability coverage for buses and trucks and other specialty transportation niches, inland and ocean marine, agricultural-related products, and other commercial property coverages.
- **Specialty Casualty** includes primarily excess and surplus, general liability, executive liability, professional liability, umbrella and excess liability, specialty coverages in targeted markets, customized programs for small to mid-sized businesses and workers' compensation insurance.
- **Specialty Financial** includes risk management insurance programs for lending and leasing institutions (including equipment leasing and collateral and lender-placed mortgage property insurance), surety and fidelity products and trade credit insurance.
- **Other** includes an internal reinsurance facility.



American Financial Group, Inc.
Investor Supplement - Fourth Quarter 2021

February 9, 2022

American Financial Group, Inc.
Corporate Headquarters
Great American Insurance Group Tower
301 E Fourth Street
Cincinnati, OH 45202
513 579 6739

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American Financial Group, Inc.

Financial Highlights

(in millions, except per share information)

	Three Months Ended					Twelve Months Ended	
	12/31/21	9/30/21	6/30/21	3/31/21	12/31/20	12/31/21	12/30/20
Highlights							
Net earnings	\$ 355	\$ 219	\$ 1,002	\$ 419	\$ 692	\$ 1,995	\$ 732
Net earnings from continuing operations	355	219	240	267	265	1,081	325
Core net operating earnings	351	231	205	206	175	993	481
Total assets	28,939	29,942	28,780	74,197	73,710	28,939	73,710
Adjusted shareholders' equity (a)	4,876	5,062	5,396	5,695	5,493	4,876	5,493
Property and Casualty net written premiums	1,270	1,729	1,369	1,205	1,216	5,573	4,992
Per share data							
Diluted earnings per share	\$ 4.18	\$ 2.56	\$ 11.70	\$ 4.84	\$ 7.93	\$ 23.30	\$ 8.20
Diluted earnings per share from continuing operations	4.18	2.56	2.81	3.08	3.03	12.62	3.63
Core net operating earnings per share	4.12	2.71	2.39	2.38	2.01	11.59	5.40
Adjusted book value per share (a)	57.42	59.70	63.70	66.89	63.61	57.42	63.61
Dividends per common share	6.5600	6.5000	14.5000	0.5000	2.5000	28.0600	3.8500
Financial ratios							
Annualized return on equity (b)	28.5%	16.6%	72.0%	29.9%	52.1%	37.5%	14.0%
Annualized core operating return on equity (b)	28.1%	17.6%	14.7%	14.7%	13.2%	18.6%	9.2%
Property and Casualty combined ratio - Specialty:							
Loss & LAE ratio	56.5%	62.4%	57.2%	56.8%	58.6%	58.4%	60.9%
Underwriting expense ratio	24.2%	26.6%	30.7%	31.7%	27.6%	28.0%	30.4%
Combined ratio - Specialty	80.7%	89.0%	87.9%	88.5%	86.2%	86.4%	91.3%

(a) Excludes unrealized gains related to fixed maturity investments, a reconciliation to the GAAP measure is on page 14.

(b) Excludes accumulated other comprehensive income.



American Financial Group, Inc.
Summary of Earnings

(\$ in millions)

	Three Months Ended					Twelve Months Ended	
	12/31/21	9/30/21	6/30/21	3/31/21	12/31/20	12/31/21	12/31/20
Property and Casualty Insurance							
Underwriting profit	\$ 279	\$ 168	\$ 152	\$ 134	\$ 163	\$ 733	\$ 406
Net investment income	196	165	143	159	122	663	404
Other expense	10	(4)	(7)	(5)	(11)	(6)	(34)
Property and Casualty Insurance operating earnings	485	329	288	288	274	1,390	776
Real estate entities and other acquired from Annuity	-	-	22	28	9	50	19
Interest expense of parent holding companies	(23)	(24)	(23)	(24)	(24)	(94)	(88)
Other expense	(24)	(21)	(35)	(34)	(32)	(114)	(98)
Pretax core operating earnings	438	284	252	258	227	1,232	609
Income tax expense	87	53	47	52	52	239	128
Core net operating earnings	351	231	205	206	175	993	481
Non-core items, net of tax:							
Realized gains (losses) on securities	4	(12)	34	61	97	87	(59)
Special A&E charges:							
Property and Casualty Insurance run-off operations	-	-	-	-	-	-	(37)
Former Railroad and Manufacturing operations	-	-	-	-	-	-	(17)
Neon exited lines	-	-	3	-	(3)	3	(39)
Other non-core items	-	-	(2)	-	(4)	(2)	(4)
Net earnings from continuing operations	\$ 355	\$ 219	\$ 240	\$ 267	\$ 265	\$ 1,081	\$ 325
Discontinued Annuity operations	-	-	762	152	427	914	407
Net earnings	\$ 355	\$ 219	\$ 1,002	\$ 419	\$ 692	\$ 1,995	\$ 732



American Financial Group, Inc.
Earnings Per Share Summary

(in millions, except per share information)

	Three Months Ended					Twelve Months Ended	
	12/31/21	9/30/21	6/30/21	3/31/21	12/31/20	12/31/21	12/31/20
Core net operating earnings	\$ 351	\$ 231	\$ 205	\$ 206	\$ 175	\$ 993	\$ 481
Net earnings from continuing operations	\$ 355	\$ 219	\$ 240	\$ 267	\$ 265	\$ 1,081	\$ 325
Net earnings	\$ 355	\$ 219	\$ 1,002	\$ 419	\$ 692	\$ 1,995	\$ 732
Average number of diluted shares - core	85,162	85,171	85,618	86,577	87,156	85,628	89,202
Average number of diluted shares - net	85,162	85,171	85,618	86,577	87,156	85,628	89,202
<u>Diluted earnings per share:</u>							
Core net operating earnings per share	\$ 4.12	\$ 2.71	\$ 2.39	\$ 2.38	\$ 2.01	\$ 11.59	\$ 5.40
Realized gains (losses) on securities	0.06	(0.15)	0.40	0.70	1.10	1.01	(0.67)
Special A&E charges:							
Property and Casualty Insurance run-off operations	-	-	-	-	-	-	(0.42)
Former Railroad and Manufacturing operations	-	-	-	-	-	-	(0.19)
Neon exited lines	-	-	0.04	-	(0.04)	0.04	(0.45)
Other non-core items	-	-	(0.02)	-	(0.04)	(0.02)	(0.04)
Diluted earnings per share, continuing operations	\$ 4.18	\$ 2.56	\$ 2.81	\$ 3.08	\$ 3.03	\$ 12.62	\$ 3.63
Discontinued Annuity operations	-	-	8.89	1.76	4.90	10.68	4.57
Diluted earnings per share	\$ 4.18	\$ 2.56	\$ 11.70	\$ 4.84	\$ 7.93	\$ 23.30	\$ 8.20

American Financial Group, Inc.
Property and Casualty Insurance - Summary Underwriting Results (GAAP)
(\$ in millions)

	Three Months Ended					Twelve Months Ended	
	12/31/21	9/30/21	6/30/21	3/31/21	12/31/20	12/31/21	12/31/20
Property and Transportation	\$ 116	\$ 45	\$ 62	\$ 56	\$ 74	\$ 279	\$ 181
Specialty Casualty	140	110	71	58	91	377	223
Specialty Financial	24	26	21	25	20	96	50
Other Specialty	1	(12)	(1)	(3)	(6)	(15)	(28)
Underwriting profit - Specialty	281	169	153	134	179	737	426
Other core charges, included in loss and LAE	(2)	(1)	(1)	-	(16)	(4)	(20)
Underwriting profit - Core	279	168	152	134	163	733	406
Special A&E charges, included in loss and LAE	-	-	-	-	-	-	(47)
Neon exited lines (a)	-	-	-	-	(53)	-	(135)
Underwriting profit (loss) - Property and Casualty Insurance	\$ 279	\$ 168	\$ 152	\$ 134	\$ 110	\$ 733	\$ 224
Included in results above:							
Current accident year COVID-19 related losses	\$ 2	\$ 3	\$ 2	\$ 9	\$ -	\$ 16	\$ 115
Current accident year catastrophe losses:							
Catastrophe reinstatement premium	\$ -	\$ -	\$ 1	\$ 11	\$ (3)	\$ 12	\$ 2
Catastrophe loss	25	31	10	20	41	86	128
Total current accident year catastrophe losses	\$ 25	\$ 31	\$ 11	\$ 31	\$ 38	\$ 98	\$ 130
Prior year loss reserve development (favorable) / adverse	\$ (71)	\$ (82)	\$ (67)	\$ (59)	\$ (8)	\$ (279)	\$ (127)
Combined ratio:							
Property and Transportation	80.5%	93.5%	86.6%	85.6%	85.8%	87.1%	90.4%
Specialty Casualty	78.0%	82.0%	87.9%	90.2%	84.0%	84.3%	90.0%
Specialty Financial	85.5%	84.2%	86.4%	84.1%	86.8%	85.1%	91.8%
Other Specialty	98.0%	122.5%	103.2%	104.6%	116.9%	107.2%	116.1%
Combined ratio - Specialty	80.7%	89.0%	87.9%	88.5%	86.2%	86.4%	91.3%
Other core charges	0.1%	0.0%	0.0%	0.1%	1.2%	0.1%	0.5%
Neon exited lines charge	0.0%	0.0%	0.0%	0.0%	4.2%	0.0%	2.7%
Special A&E charges	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.0%
Combined ratio	80.8%	89.0%	87.9%	88.6%	91.6%	86.5%	95.5%
P&C combined ratio excl. COVID-19 related losses, catastrophe losses, and prior year loss reserve development	83.8%	92.3%	92.2%	91.2%	89.1%	89.7%	93.3%
Loss and LAE components - property and casualty insurance							
Current accident year, excluding COVID-19 related and catastrophe losses	59.6%	65.7%	61.5%	59.5%	60.1%	61.7%	61.9%
COVID-19 related losses	0.2%	0.1%	0.2%	0.8%	0.0%	0.3%	2.2%
Current accident year catastrophe losses	1.8%	2.0%	0.9%	1.7%	3.1%	1.6%	2.5%
Prior accident year loss reserve development	(5.0%)	(5.4%)	(5.4%)	(5.1%)	(0.6%)	(5.1%)	(2.5%)
Loss and LAE ratio	56.6%	62.4%	57.2%	56.9%	62.6%	58.5%	64.1%

(a) In the fourth quarter of 2020, AFG recorded \$55 million in non-core losses from Neon's operations and a \$1 million reduction in the estimated tax benefit related to the sale of Neon, partially offset by a \$53 million favorable adjustment to the estimated loss on sale recorded in Q3.



American Financial Group, Inc.
Specialty - Underwriting Results (GAAP)
(\$ in millions)

	Three Months Ended					Twelve Months Ended	
	12/31/21	9/30/21	6/30/21	3/31/21	12/31/20	12/31/21	12/31/20
Gross written premiums	\$ 1,737	\$ 2,656	\$ 1,937	\$ 1,616	\$ 1,707	\$ 7,946	\$ 6,995
Ceded reinsurance premiums	(467)	(927)	(568)	(411)	(491)	(2,373)	(2,003)
Net written premiums	1,270	1,729	1,369	1,205	1,216	5,573	4,992
Change in unearned premiums	182	(200)	(119)	(32)	83	(169)	(93)
Net earned premiums	1,452	1,529	1,250	1,173	1,299	5,404	4,899
Loss and LAE	820	953	713	667	762	3,153	2,986
Underwriting expense	351	407	384	372	358	1,514	1,487
Underwriting profit	\$ 281	\$ 169	\$ 153	\$ 134	\$ 179	\$ 737	\$ 426
Included in results above:							
Current accident year COVID-19 related losses	\$ 2	\$ 3	\$ 2	\$ 9	\$ -	\$ 16	\$ 95
Current accident year catastrophe losses:							
Catastrophe reinstatement premium	\$ -	\$ -	\$ 1	\$ 11	\$ (3)	\$ 12	\$ 2
Catastrophe loss	25	31	10	20	20	86	91
Total current accident year catastrophe losses	\$ 25	\$ 31	\$ 11	\$ 31	\$ 17	\$ 98	\$ 93
Prior year loss reserve development (favorable) / adverse	\$ (73)	\$ (83)	\$ (68)	\$ (59)	\$ (32)	\$ (283)	\$ (213)
Combined ratio:							
Loss and LAE ratio	56.5%	62.4%	57.2%	56.8%	58.6%	58.4%	60.9%
Underwriting expense ratio	24.2%	26.6%	30.7%	31.7%	27.6%	28.0%	30.4%
Combined ratio	80.7%	89.0%	87.9%	88.5%	86.2%	86.4%	91.3%
Specialty combined ratio excl. COVID-19 related losses, catastrophe losses, and prior year loss reserve development	83.7%	92.3%	92.2%	91.2%	87.1%	89.7%	91.9%
Loss and LAE components:							
Current accident year, excluding COVID-19 related and catastrophe losses	59.5%	65.7%	61.5%	59.5%	59.5%	61.7%	61.5%
COVID-19 related losses	0.2%	0.1%	0.2%	0.8%	0.0%	0.3%	1.9%
Current accident year catastrophe losses	1.8%	2.0%	0.9%	1.7%	1.5%	1.6%	1.9%
Prior accident year loss reserve development	(5.0%)	(5.4%)	(5.4%)	(5.2%)	(2.4%)	(5.2%)	(4.4%)
Loss and LAE ratio	56.5%	62.4%	57.2%	56.8%	58.6%	58.4%	60.9%



American Financial Group, Inc.
Property and Transportation - Underwriting Results (GAAP)
(\$ in millions)

	Three Months Ended					Twelve Months Ended	
	12/31/21	9/30/21	6/30/21	3/31/21	12/31/20	12/31/21	12/31/20
Gross written premiums	\$ 558	\$ 1,334	\$ 851	\$ 520	\$ 647	\$ 3,263	\$ 2,813
Ceded reinsurance premiums	(141)	(561)	(287)	(117)	(207)	(1,106)	(926)
Net written premiums	417	773	564	403	440	2,157	1,887
Change in unearned premiums	180	(73)	(111)	(9)	81	(13)	(16)
Net earned premiums	597	700	453	394	521	2,144	1,871
Loss and LAE	394	516	263	221	329	1,394	1,208
Underwriting expense	87	139	128	117	118	471	482
Underwriting profit	\$ 116	\$ 45	\$ 62	\$ 56	\$ 74	\$ 279	\$ 181
Included in results above:							
Current accident year COVID-19 related losses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7
Current accident year catastrophe losses:							
Catastrophe reinstatement premium	\$ -	\$ -	\$ 1	\$ 8	\$ -	\$ 9	\$ -
Catastrophe loss	15	14	6	14	6	49	47
Total current accident year catastrophe losses	\$ 15	\$ 14	\$ 7	\$ 22	\$ 6	\$ 58	\$ 47
Prior year loss reserve development (favorable) / adverse	\$ (2)	\$ (18)	\$ (40)	\$ (43)	\$ (29)	\$ (103)	\$ (107)
Combined ratio:							
Loss and LAE ratio	66.0%	73.7%	58.2%	56.0%	63.3%	65.1%	64.6%
Underwriting expense ratio	14.5%	19.8%	28.4%	29.6%	22.5%	22.0%	25.8%
Combined ratio	80.5%	93.5%	86.6%	85.6%	85.8%	87.1%	90.4%
Combined ratio excl. COVID-19 related losses, catastrophe losses, and prior year loss reserve development	78.4%	94.0%	94.0%	93.0%	90.0%	89.6%	93.2%
Loss and LAE components:							
Current accident year, excluding COVID-19 related and catastrophe losses	63.9%	74.2%	65.6%	63.4%	67.5%	67.6%	67.4%
COVID-19 related losses	0.0%	0.0%	0.0%	0.1%	0.2%	0.0%	0.4%
Current accident year catastrophe losses	2.5%	2.0%	1.4%	3.6%	1.2%	2.3%	2.5%
Prior accident year loss reserve development	(0.4%)	(2.5%)	(8.8%)	(11.1%)	(5.6%)	(4.8%)	(5.7%)
Loss and LAE ratio	66.0%	73.7%	58.2%	56.0%	63.3%	65.1%	64.6%



American Financial Group, Inc.
Specialty Casualty - Underwriting Results (GAAP)
(\$ in millions)

	Three Months Ended					Twelve Months Ended	
	12/31/21	9/30/21	6/30/21	3/31/21	12/31/20	12/31/21	12/31/20
Gross written premiums	\$ 968	\$ 1,121	\$ 897	\$ 904	\$ 865	\$ 3,890	\$ 3,444
Ceded reinsurance premiums	(340)	(389)	(305)	(316)	(300)	(1,350)	(1,140)
Net written premiums	628	732	592	588	565	2,540	2,304
Change in unearned premiums	8	(119)	(4)	(17)	7	(132)	(69)
Net earned premiums	636	613	588	571	572	2,408	2,235
Loss and LAE	340	335	363	361	337	1,399	1,396
Underwriting expense	156	168	154	154	144	632	616
Underwriting profit	\$ 140	\$ 110	\$ 71	\$ 56	\$ 91	\$ 377	\$ 223
Included in results above:							
Current accident year COVID-19 related losses	1	1	-	7	2	9	60
Current accident year catastrophe losses:							
Catastrophe reinstatement premium	\$ -	\$ -	\$ -	\$ 1	\$ (3)	\$ 1	\$ 2
Catastrophe loss	3	3	2	1	5	9	14
Total current accident year catastrophe losses	\$ 3	\$ 3	\$ 2	\$ 2	\$ 2	\$ 10	\$ 16
Prior year loss reserve development (favorable) / adverse	\$ (55)	\$ (56)	\$ (20)	\$ (9)	\$ (6)	\$ (140)	\$ (97)
Combined ratio:							
Loss and LAE ratio	53.5%	54.6%	61.9%	63.1%	59.0%	58.1%	62.5%
Underwriting expense ratio	24.5%	27.4%	26.0%	27.1%	25.0%	26.2%	27.5%
Combined ratio	78.0%	82.0%	87.9%	90.2%	84.0%	84.3%	90.0%
Combined ratio excl. COVID-19 related losses, catastrophe losses, and prior year loss reserve development	85.8%	90.6%	90.9%	90.4%	84.0%	89.4%	91.0%
Loss and LAE components:							
Current accident year, excluding COVID-19 related and catastrophe losses	61.3%	63.2%	64.9%	63.3%	59.0%	63.2%	63.5%
COVID-19 related losses	0.2%	0.1%	0.1%	1.2%	0.3%	0.4%	2.7%
Current accident year catastrophe losses	0.6%	0.4%	0.3%	0.3%	0.8%	0.4%	0.6%
Prior accident year loss reserve development	(8.6%)	(9.1%)	(3.4%)	(1.7%)	(1.1%)	(5.9%)	(4.3%)
Loss and LAE ratio	53.5%	54.6%	61.9%	63.1%	59.0%	58.1%	62.5%



American Financial Group, Inc.
Specialty Financial - Underwriting Results (GAAP)
(\$ in millions)

	Three Months Ended					Twelve Months Ended	
	12/31/21	9/30/21	6/30/21	3/31/21	12/31/20	12/31/21	12/31/20
Gross written premiums	\$ 211	\$ 201	\$ 189	\$ 192	\$ 195	\$ 793	\$ 738
Ceded reinsurance premiums	(38)	(36)	(30)	(31)	(32)	(135)	(134)
Net written premiums	173	165	159	161	163	658	604
Change in unearned premiums	(8)	(2)	(2)	(4)	(5)	(16)	9
Net earned premiums	165	163	157	157	158	642	613
Loss and LAE	52	56	52	53	56	213	242
Underwriting expense	89	81	84	79	82	333	321
Underwriting profit	\$ 24	\$ 26	\$ 21	\$ 25	\$ 20	\$ 96	\$ 50
Included in results above:							
Current accident year COVID-19 related losses	\$ 1	\$ 2	\$ 2	\$ 2	\$ (3)	\$ 7	\$ 26
Current accident year catastrophe losses:							
Catastrophe reinstatement premium	\$ -	\$ -	\$ -	\$ 2	\$ -	\$ 2	\$ -
Catastrophe loss	6	14	2	4	7	26	26
Total current accident year catastrophe losses	\$ 6	\$ 14	\$ 2	\$ 6	\$ 7	\$ 28	\$ 26
Prior year loss reserve development (favorable) / adverse	\$ (13)	\$ (18)	\$ (12)	\$ (8)	\$ (6)	\$ (51)	\$ (28)
Combined ratio:							
Loss and LAE ratio	31.7%	34.2%	33.0%	33.8%	35.6%	33.2%	39.5%
Underwriting expense ratio	53.8%	50.0%	53.4%	50.3%	51.2%	51.9%	52.3%
Combined ratio	85.5%	84.2%	86.4%	84.1%	86.8%	85.1%	91.8%
Combined ratio excl. COVID-19 related losses, catastrophe losses, and prior year loss reserve development	89.3%	86.3%	90.6%	85.9%	87.7%	88.0%	87.7%
Loss and LAE components:							
Current accident year, excluding COVID-19 related and catastrophe losses	35.5%	36.3%	37.2%	35.6%	36.5%	36.1%	35.4%
COVID-19 related losses	0.7%	0.9%	1.3%	1.5%	(1.8%)	1.1%	4.3%
Current accident year catastrophe losses	3.7%	8.2%	1.8%	2.1%	4.5%	4.0%	4.3%
Prior accident year loss reserve development	(8.2%)	(11.2%)	(7.3%)	(5.4%)	(3.6%)	(8.0%)	(4.5%)
Loss and LAE ratio	31.7%	34.2%	33.0%	33.8%	35.6%	33.2%	39.5%



American Financial Group, Inc.
Other Specialty - Underwriting Results (GAAP)
(\$ in millions)

	Three Months Ended					Twelve Months Ended	
	12/31/21	9/30/21	6/30/21	3/31/21	12/31/20	12/31/21	12/31/20
Gross written premiums	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ceded reinsurance premiums	52	59	54	53	48	218	197
Net written premiums	52	59	54	53	48	218	197
Change in unearned premiums	2	(6)	(2)	(2)	-	(8)	(17)
Net earned premiums	54	53	52	51	48	210	180
Loss and LAE	34	46	35	32	40	147	140
Underwriting expense	19	19	18	22	14	78	68
Underwriting profit (loss)	\$ 1	\$ (12)	\$ (1)	\$ (3)	\$ (6)	\$ (15)	\$ (28)
Included in results above:							
Current accident year COVID-19 related losses	\$ -	\$ -	\$ -	\$ -	\$ 1	\$ -	\$ 2
Current accident year catastrophe losses:							
Catastrophe reinstatement premium	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Catastrophe loss	1	-	-	1	2	2	4
Total current accident year catastrophe losses	\$ 1	\$ -	\$ -	\$ 1	\$ 2	\$ 2	\$ 4
Prior year loss reserve development (favorable) / adverse	\$ (3)	\$ 9	\$ 4	\$ 1	\$ 9	\$ 11	\$ 19
Combined ratio:							
Loss and LAE ratio	61.7%	87.8%	67.5%	62.3%	80.2%	70.0%	77.6%
Underwriting expense ratio	36.3%	34.7%	35.7%	42.3%	36.7%	37.2%	38.5%
Combined ratio	98.0%	122.5%	103.2%	104.6%	116.9%	107.2%	116.1%
Combined ratio excl. COVID-19 related losses, catastrophe losses, and prior year loss reserve development	100.4%	105.4%	96.7%	100.2%	92.5%	100.8%	103.1%



American Financial Group, Inc.
Discontinued Annuity Operations
(\$ in millions)

	Three Months Ended (a)					Twelve Months Ended	
	12/31/21	9/30/21	6/30/21	3/31/21	12/31/20	12/31/21	12/31/20
Pretax Annuity historically reported as core operating (a)	\$ -	\$ -	\$ 129	\$ 166	\$ 129	\$ 295	\$ 359
Impact of fair value, reinsurance accounting & unlocking	-	-	(55)	22	(48)	(33)	(188)
Realized gains (losses) of Annuity subs	-	-	31	81	470	112	365
Run-off life and long-term care	-	-	-	-	(2)	-	(8)
Pretax earnings of businesses sold to Mass Mutual	\$ -	\$ -	\$ 105	\$ 269	\$ 549	\$ 374	\$ 528
Less amounts included in continuing operations	-	-	(22)	(28)	(9)	(50)	(19)
Pretax results from discontinued operations, excluding the gain on sale of discontinued operations	\$ -	\$ -	\$ 83	\$ 241	\$ 540	\$ 324	\$ 509
Taxes	-	-	(18)	(48)	(113)	(66)	(102)
Net earnings from discontinued operations, excluding the gain on sale of discontinued operations	\$ -	\$ -	\$ 65	\$ 193	\$ 427	\$ 258	\$ 407
Gain on sale of annuity business	-	-	697	(41)	-	656	-
Net earnings (loss) from discontinued operations	\$ -	\$ -	\$ 762	\$ 152	\$ 427	\$ 914	\$ 407

(a) AFG completed the sale of its Annuity businesses on May 28, 2021. The amounts for three months ended 6/30/21 and twelve months ended 12/31/21 only include earnings through the sale date.

American Financial Group, Inc.
Consolidated Balance Sheet
(\$ in millions)

	Prelim (*)					
	12/31/21	9/30/21	6/30/21	3/31/21	12/31/20	9/30/20
Assets:						
Total cash and investments	\$ 15,745	\$ 16,387	\$ 16,125	\$ 13,900	\$ 13,494	\$ 13,685
Recoverables from reinsurers	3,519	3,523	3,330	3,231	3,288	3,324
Prepaid reinsurance premiums	834	1,028	865	755	768	862
Agents' balances and premiums receivable	1,265	1,492	1,423	1,209	1,229	1,382
Deferred policy acquisition costs	267	262	258	244	244	269
Assets of managed investment entities	5,296	5,130	5,086	5,102	4,971	4,717
Other receivables	857	1,097	682	576	678	854
Assets of discontinued annuity operations	-	-	-	48,139	47,885	46,947
Other assets	922	847	835	865	977	1,018
Goodwill	234	176	176	176	176	176
Total assets	\$ 28,939	\$ 29,942	\$ 28,780	\$ 74,197	\$ 73,710	\$ 73,234
Liabilities and Equity:						
Unpaid losses and loss adjustment expenses	\$ 11,074	\$ 10,991	\$ 10,498	\$ 10,384	\$ 10,392	\$ 10,754
Unearned premiums	3,041	3,415	3,054	2,821	2,803	3,015
Payable to reinsurers	920	1,146	829	753	807	977
Liabilities of managed investment entities	5,220	5,034	5,029	5,045	4,914	4,666
Long-term debt	1,964	1,964	1,963	1,963	1,963	2,108
Other liabilities	1,708	2,152	1,806	1,653	1,584	1,650
Liabilities of discontinued annuity operations	-	-	-	44,893	44,458	43,724
Total liabilities	\$ 23,927	\$ 24,702	\$ 23,179	\$ 67,512	\$ 66,921	\$ 66,894
Shareholders' equity:						
Common stock	\$ 85	\$ 85	\$ 85	\$ 85	\$ 86	\$ 87
Capital surplus	1,330	1,315	1,303	1,279	1,281	1,283
Retained earnings	3,478	3,680	4,023	4,354	4,149	3,737
Unrealized gains - fixed maturities	136	178	205	963	1,255	1,212
Unrealized gains (losses) - fixed maturity-related cash flow hedges	-	-	-	27	41	41
Other comprehensive income, net of tax	(17)	(18)	(15)	(23)	(23)	(20)
Total shareholders' equity	5,012	5,240	5,601	6,685	6,789	6,340
Total liabilities and equity	\$ 28,939	\$ 29,942	\$ 28,780	\$ 74,197	\$ 73,710	\$ 73,234

(*) Preliminary - reflects preliminary purchase price allocation for subsidiary acquired in December 2021.

American Financial Group, Inc.
Book Value Per Share and Price / Book Summary
(in millions, except per share information)



	12/31/21	9/30/21	6/30/21	3/31/21	12/31/20	9/30/20
Shareholders' equity	\$ 5,012	\$ 5,240	\$ 5,601	\$ 6,685	\$ 6,789	\$ 6,340
Unrealized (gains) related to fixed maturities	(136)	(178)	(205)	(990)	(1,296)	(1,253)
Adjusted shareholders' equity	4,876	5,062	5,396	5,695	5,493	5,087
Goodwill from continuing and discontinued operations (c)	(234)	(176)	(176)	(207)	(207)	(207)
Intangibles (c)	(130)	(29)	(30)	(31)	(34)	(34)
Tangible adjusted shareholders' equity (c)	\$ 4,512	\$ 4,857	\$ 5,190	\$ 5,457	\$ 5,252	\$ 4,846
Common shares outstanding	84.921	84.795	84.714	85.126	86.345	87.267
Book value per share:						
Book value per share	\$ 59.02	\$ 61.80	\$ 66.12	\$ 78.53	\$ 78.62	\$ 72.65
Adjusted (a)	57.42	59.70	63.70	66.89	63.61	58.29
Tangible, adjusted (b) (c)	53.12	57.28	61.27	64.10	60.82	55.53
Market capitalization						
AFG's closing common share price	\$ 137.32	\$ 125.83	\$ 124.72	\$ 114.10	\$ 87.62	\$ 66.98
Market capitalization	\$ 11,661	\$ 10,670	\$ 10,566	\$ 9,713	\$ 7,566	\$ 5,845
Price / Adjusted book value ratio	2.39	2.11	1.96	1.71	1.38	1.15

(a) Excludes unrealized gains related to fixed maturity investments.

(b) Excludes unrealized gains related to fixed maturity investments, goodwill and intangibles.

(c) Reflects preliminary purchase price allocation for subsidiary acquired in December 2021.

American Financial Group, Inc.
Capitalization
(\$ in millions)



	12/31/21	9/30/21	6/30/21	3/31/21	12/31/20	9/30/20
AFG senior obligations	\$ 1,318	\$ 1,318	\$ 1,318	\$ 1,318	\$ 1,318	\$ 1,318
Borrowings drawn under credit facility	-	-	-	-	-	-
Debt excluding subordinated debt	\$ 1,318	\$ 1,318	\$ 1,318	\$ 1,318	\$ 1,318	\$ 1,318
AFG subordinated debentures	675	675	675	675	675	825
Total principal amount of long-term debt	\$ 1,993	\$ 1,993	\$ 1,993	\$ 1,993	\$ 1,993	\$ 2,143
Shareholders' equity	5,012	5,240	5,601	6,685	6,789	6,340
Noncontrolling interests (including redeemable NCI)	-	-	-	-	-	-
Less:						
Unrealized (gains) related to fixed maturity investments	(136)	(178)	(205)	(990)	(1,296)	(1,253)
Total adjusted capital	\$ 6,869	\$ 7,055	\$ 7,389	\$ 7,688	\$ 7,486	\$ 7,230
Ratio of debt to total adjusted capital:						
Including subordinated debt	29.0%	28.2%	27.0%	25.9%	26.6%	29.6%
Excluding subordinated debt	19.2%	18.7%	17.8%	17.1%	17.6%	18.2%



American Financial Group, Inc.
Additional Supplemental Information
(\$ in millions)

	Three Months Ended					Twelve Months Ended	
	12/31/21	9/30/21	6/30/21	3/31/21	12/31/20	12/31/21	12/31/20
Property and Casualty Insurance							
Paid Losses (GAAP)	\$ 758	\$ 678	\$ 667	\$ 674	\$ 758	\$ 2,777	\$ 2,756

	12/31/21	9/30/21	6/30/21	3/31/21	12/31/20	9/30/20
GAAP Equity (excluding AOCI)						
Property and Casualty Insurance	\$ 5,235	\$ 4,934	\$ 4,779	\$ 4,571	\$ 4,458	\$ 4,154
Annuity	-	-	-	3,012	2,893	2,659
Parent and other subsidiaries	(342)	146	632	(1,865)	(1,835)	(1,706)
AFG GAAP Equity (excluding AOCI)	\$ 4,893	\$ 5,080	\$ 5,411	\$ 5,718	\$ 5,516	\$ 5,107

	12/31/21	9/30/21	6/30/21	3/31/21	12/31/20	9/30/20
Allowable dividends without regulatory approval						
Property and Casualty Insurance	\$ 843	\$ 416	\$ 416	\$ 416	\$ 416	\$ 565
Annuity and Run-off	-	-	-	289	289	287
Total	\$ 843	\$ 416	\$ 416	\$ 705	\$ 705	\$ 852

American Financial Group, Inc.
Total Cash and Investments

(\$ in millions)



	Carrying Value - December 31, 2021				
	Property and Casualty Insurance	Parent & Other	Consolidate CLOs	Total AFG Consolidated	% of Investment Portfolio
Total cash and investments:					
Cash and cash equivalents	\$ 1,529	\$ 602	\$ -	\$ 2,131	13%
Fixed maturities - Available for sale	9,163	1,194	-	10,357	66%
Fixed maturities - Trading	28	-	-	28	0%
Equity securities - common stocks	500	86	-	586	4%
Equity securities - perpetual preferred	456	-	-	456	3%
Investments accounted for using the equity method	1,517	-	-	1,517	10%
Mortgage loans	520	-	-	520	3%
Real estate and other investments	123	103	(76)	150	1%
Total cash and investments	\$ 13,836	\$ 1,985	\$ (76)	\$ 15,745	100%

	Carrying Value - December 31, 2020				
	Property and Casualty Insurance	Parent & Other	Consolidate CLOs	Total AFG Consolidated	% of Investment Portfolio
Total cash and investments:					
Cash and cash equivalents	\$ 1,408	\$ 257	\$ -	\$ 1,665	12%
Fixed maturities - Available for sale	9,076	8	-	9,084	67%
Fixed maturities - Trading	24	-	-	24	0%
Equity securities - common stocks	438	72	-	510	4%
Equity securities - perpetual preferred	379	-	-	379	3%
Investments accounted for using the equity method	806	429	-	1,235	9%
Mortgage loans	377	-	-	377	3%
Real estate and other investments	125	151	(56)	220	2%
Total cash and investments	\$ 12,633	\$ 917	\$ (56)	\$ 13,494	100%

American Financial Group, Inc.
Net Investment Income From Continuing Operations
(\$ in millions)



	Three Months Ended					Twelve Months Ended	
	12/31/21	9/30/21	6/30/21	3/31/21	12/31/20	12/31/21	12/31/20
Property and Casualty Insurance:							
Gross Investment Income							
Fixed maturities - Available for sale	\$ 68	\$ 70	\$ 70	\$ 72	\$ 71	\$ 280	\$ 299
Fixed maturities - Trading	-	1	-	-	-	1	1
Equity securities - dividends	8	6	6	8	7	28	33
Equity securities - MTM	14	6	5	23	8	48	10
Equity in investees	99	73	51	49	27	272	50
AFG managed CLOs	3	5	7	5	6	20	(1)
Other investments (a)	8	8	6	4	4	26	18
Gross investment income	200	169	145	161	123	675	410
Investment expenses	(4)	(4)	(2)	(2)	(1)	(12)	(6)
Total net investment income	\$ 196	\$ 165	\$ 143	\$ 159	\$ 122	\$ 663	\$ 404
Average cash and investments (b)	\$ 13,552	\$ 13,194	\$ 12,630	\$ 12,573	\$ 12,135	\$ 12,944	\$ 11,760
Average yield (c)	5.79%	5.00%	4.53%	5.06%	4.02%	5.12%	3.44%
AFG consolidated net investment income:							
Property & Casualty core	\$ 196	\$ 165	\$ 143	\$ 159	\$ 122	\$ 663	\$ 404
Neon exited lines non-core	-	-	-	-	-	-	(5)
Equity in Investees (d)	-	-	20	29	19	49	49
Other Investments (d)	-	-	2	-	1	2	-
Parent & other	16	9	6	5	11	36	12
Consolidate CLOs	(3)	(5)	(7)	(5)	(6)	(20)	1
Total net investment income	\$ 209	\$ 169	\$ 164	\$ 188	\$ 147	\$ 730	\$ 461

(a) Includes income from mortgage loans, real estate, policy loans, short-term investments, and cash equivalents.

(b) Average cash and investments is the average of the beginning and ending quarter balances, or the average of the five quarters balances.

(c) Average yield is calculated by dividing investment income for the quarter by the average cash and investment balance over the quarter.

(d) Investment income on real estate-related assets retained by AFG from the sale of the annuity business.



American Financial Group, Inc.
Alternative Investments - Continuing Operations

(\$ in millions)

	Three Months Ended					Twelve Months Ended	
	12/31/21	9/30/21	6/30/21	3/31/21	12/31/20	12/31/21	12/31/20
Property and Casualty Insurance:							
Net Investment Income							
Equity securities MTM through investment income (a)	\$ 14	\$ 6	\$ 5	\$ 23	\$ 8	\$ 48	\$ 10
Investments accounted for using the equity method (b)	99	73	51	49	27	272	50
AFG managed CLOs (eliminated in consolidation)	3	5	7	5	6	20	(1)
Total Property & Casualty	\$ 116	\$ 84	\$ 63	\$ 77	\$ 41	\$ 340	\$ 59
Investments							
Equity securities MTM through investment income (a)	\$ 234	\$ 195	\$ 172	\$ 159	\$ 129	\$ 234	\$ 129
Investments accounted for using the equity method (b)	1,517	1,407	1,378	861	806	1,517	806
AFG managed CLOs (eliminated in consolidation)	76	96	57	57	57	76	57
Total Property & Casualty	\$ 1,827	\$ 1,698	\$ 1,607	\$ 1,077	\$ 992	\$ 1,827	\$ 992
Annualized Return - Property & Casualty	26.3%	20.3%	22.9%	29.8%	17.0%	25.3%	6.6%
Continuing Operations:							
Net Investment Income							
Equity securities MTM through investment income (a)	\$ 14	\$ 6	\$ 5	\$ 23	\$ 8	\$ 48	\$ 10
Investments accounted for using the equity method (b)(c)	99	73	71	78	46	321	99
AFG managed CLOs (eliminated in consolidation)	3	5	7	5	6	20	(1)
Total Continuing operations	\$ 116	\$ 84	\$ 83	\$ 106	\$ 60	\$ 389	\$ 108
Investments							
Equity securities MTM through investment income (a)	\$ 234	\$ 195	\$ 172	\$ 159	\$ 129	\$ 234	\$ 129
Investments accounted for using the equity method (b)	1,517	1,407	1,378	1,324	1,235	1,517	1,235
AFG managed CLOs (eliminated in consolidation)	76	96	57	57	57	76	57
Total Continuing operations	\$ 1,827	\$ 1,698	\$ 1,607	\$ 1,540	\$ 1,421	\$ 1,827	\$ 1,421
Annualized Return - Continuing operations	26.3%	20.3%	21.1%	28.6%	17.3%	24.0%	8.4%

(a) AFG carries the small portion of its equity securities previously classified as "trading" and investments in limited partnerships and similar investments that aren't accounted for using the equity method at fair value through net investment income.

(b) The majority of AFG's investments accounted for using the equity method mark their underlying assets to market through net income.

(c) Includes investment income on real estate-related partnerships retained by AFG from the sale of the annuity business.

American Financial Group, Inc.
Fixed Maturities - By Security Type - AFG Consolidated
(\$ in millions)

December 31, 2021	Book Value (c)	Fair Value	Unrealized Gain (Loss)	% of Fair Value	% of Investment Portfolio
US Government and government agencies	\$ 216	\$ 216	\$ -	2%	1%
States, municipalities and political subdivisions	1,758	1,832	74	18%	12%
Foreign government	273	271	(2)	2%	2%
Residential mortgage-backed securities	915	960	45	9%	6%
Commercial mortgage-backed securities	102	104	2	1%	1%
Collateralized loan obligations	1,642	1,643	1	16%	10%
Other asset-backed securities	2,670	2,676	6	26%	17%
Corporate and other bonds	2,636	2,683	47	26%	17%
Total AFG consolidated	\$ 10,212	\$ 10,385	\$ 173	100%	66%

Annualized yield on available for sale fixed maturities:

Excluding investment expense (a)	2.84%
Net of investment expense (a)	2.74%
Tax equivalent, net of investment expense (b)	2.86%

Approximate average life and duration:

Approximate average life	3.5 years
Approximate duration	2 years

December 31, 2020	Book Value (c)	Fair Value	Unrealized Gain (Loss)	% of Fair Value	% of Investment Portfolio
US Government and government agencies	\$ 192	\$ 198	\$ 6	2%	1%
States, municipalities and political subdivisions	2,196	2,312	116	25%	17%
Foreign government	193	197	4	2%	1%
Residential mortgage-backed securities	859	915	56	10%	7%
Commercial mortgage-backed securities	89	92	3	1%	1%
Collateralized loan obligations	1,062	1,062	-	12%	8%
Other asset-backed securities	2,033	2,047	14	23%	15%
Corporate and other bonds	2,200	2,285	85	25%	17%
Total AFG consolidated	\$ 8,824	\$ 9,108	\$ 284	100%	67%

Annualized yield on available for sale fixed maturities:

Excluding investment expense (a)	3.32%
Net of investment expense (a)	3.26%
Tax equivalent, net of investment expense (b)	3.40%

Approximate average life and duration:

Approximate average life	4 years
Approximate duration	3 years

(a) Annualized yield is calculated by dividing investment income for the quarter by the average cost over the quarter.

Average cost is the average of the beginning and ending quarter asset balances.

(b) Adjusts the yield on tax-exempt bonds to the fully taxable equivalent yield.

(c) Book Value is amortized cost, net of allowance for expected credit losses.

Appendix A
American Financial Group, Inc.
Fixed Maturities by Credit Rating & NAIC Designation by Type
12/31/2021
(\$ in millions)

By Credit Rating (a)	Fair Value by Type								Total	% Total
	US Gov	Munis	Frgn Gov	RMBS	CMBS	CLOs	ABS	Corp/Oth		
Investment grade										
AAA	\$ 216	\$ 745	\$ 260	\$ 654	\$ 73	\$ 1,428	\$ 1,330	\$ 50	\$ 4,756	46%
AA	-	1,010	-	7	15	149	420	179	1,780	17%
A	-	60	-	19	1	56	416	675	1,227	12%
BBB	-	9	1	4	12	9	274	1,062	1,371	13%
Subtotal - Investment grade	216	1,824	261	684	101	1,642	2,440	1,966	9,134	88%
BB	-	-	-	11	3	-	4	144	162	2%
B	-	-	-	14	-	-	9	14	37	0%
CCC, CC, C	-	-	-	138	-	-	-	7	145	1%
D	-	-	-	19	-	-	-	-	19	0%
Subtotal - Non-Investment grade	-	-	-	182	3	-	13	165	363	3%
Not Rated (b)	-	8	10	94	-	1	223	552	888	9%
Total	\$ 216	\$ 1,832	\$ 271	\$ 960	\$ 104	\$ 1,643	\$ 2,676	\$ 2,683	\$ 10,385	100%

NAIC designation	Fair Value by type								Total	% Total
	US Gov	Munis	Frgn gov	RMBS	CMBS	CLOs	ABS	Corp/Oth		
1	\$ 216	\$ 1,822	\$ 246	\$ 892	\$ 101	\$ 1,172	\$ 1,935	\$ 1,157	\$ 7,541	83%
2	-	9	-	3	-	9	274	1,082	1,377	15%
Subtotal	216	1,831	246	895	101	1,181	2,209	2,239	8,918	98%
3	-	-	-	3	3	-	4	146	156	2%
4	-	-	-	1	-	-	9	20	30	0%
5	-	-	-	8	-	1	2	29	40	0%
6	-	-	-	1	-	-	-	-	1	0%
Subtotal	-	-	-	13	3	1	15	195	227	2%
Total insurance companies	\$ 216	\$ 1,831	\$ 246	\$ 908	\$ 104	\$ 1,182	\$ 2,224	\$ 2,434	\$ 9,145	100%
Total non-insurance (c)	-	1	25	52	-	461	452	249	1,240	
Total	\$ 216	\$ 1,832	\$ 271	\$ 960	\$ 104	\$ 1,643	\$ 2,676	\$ 2,683	\$ 10,385	

(a) If two agencies rate a security, the rating displayed above is the lower of the two; if three or more agencies rate a security, the rating displayed is the second lowest.

(b) For ABS, 87% are NAIC 1 and 12% are held by non-insurance companies.

For Corp/Oth, 47% are NAIC 1, 4% NAIC 2 and 44% are held by non-insurance companies.

For Total, 61% are NAIC 1, 3% NAIC 2 and 31% are held by non-insurance companies.

(c) 75% are investment grade rated.

Appendix B
American Financial Group, Inc.
Fixed Maturities by Credit Rating & NAIC Designation by Type
12/31/2020
(\$ in millions)

By Credit Rating (a)	Fair Value by Type								Total	% Total
	US Gov	Munis	Frgn Gov	RMBS	CMBS	CLOs	ABS	Corp/Oth		
Investment grade										
AAA	\$ 198	\$ 922	\$ 179	\$ 492	\$ 62	\$ 801	\$ 889	\$ 41	\$ 3,584	39%
AA	-	1,271	-	20	8	179	407	163	2,048	22%
A	-	97	-	31	1	72	330	620	1,151	13%
BBB	-	9	2	10	14	9	208	887	1,139	13%
Subtotal - Investment grade	198	2,299	181	553	85	1,061	1,834	1,711	7,922	87%
BB	-	-	-	10	6	-	2	95	113	1%
B	-	-	-	24	-	-	10	30	64	1%
CCC, CC, C	-	-	-	170	1	-	-	13	184	2%
D	-	-	-	38	-	-	-	-	38	0%
Subtotal - Non-Investment grade	-	-	-	242	7	-	12	138	399	4%
Not Rated (b)	-	13	16	120	-	1	201	436	787	9%
Total	\$ 198	\$ 2,312	\$ 197	\$ 915	\$ 92	\$ 1,062	\$ 2,047	\$ 2,285	\$ 9,108	100%

NAIC designation	Fair Value by type								Total	% Total
	US Gov	Munis	Frgn gov	RMBS	CMBS	CLOs	ABS	Corp/Oth		
1	\$ 198	\$ 2,302	\$ 176	\$ 883	\$ 83	\$ 1,051	\$ 1,823	\$ 1,203	\$ 7,719	85%
2	-	9	-	2	2	9	208	907	1,137	12%
Subtotal	198	2,311	176	885	85	1,060	2,031	2,110	8,856	97%
3	-	-	-	7	7	-	2	95	111	1%
4	-	-	-	2	-	-	10	49	61	1%
5	-	-	-	10	-	1	2	28	41	1%
6	-	-	-	2	-	-	-	1	3	0%
Subtotal	-	-	-	21	7	1	14	173	216	3%
No designation (c)	-	1	21	9	-	1	2	2	36	0%
Total	\$ 198	\$ 2,312	\$ 197	\$ 915	\$ 92	\$ 1,062	\$ 2,047	\$ 2,285	\$ 9,108	100%

(a) If two agencies rate a security, the rating displayed above is the lower of the two; if three or more agencies rate a security, the rating displayed is the second lowest.

(b) For ABS, 98% are NAIC 1.

For Corp/Oth, 87% are NAIC 1, 4% NAIC 2, 2% NAIC 3, 4% NAIC 4, 3% NAIC 5.

For Total, 90% are NAIC 1, 2% NAIC 2, 2% NAIC 3, 2% NAIC 4, 3% NAIC 5.

(c) Primarily relates to securities held by non-insurance companies.

Appendix C
 American Financial Group, Inc.
 Corporate Securities by Credit Rating & NAIC Designation by Industry
 12/31/2021
 (\$ in millions)

Credit Rating (a)	Fair Value By Industry													Total	% Total		
	Other Financials	Asset Managers	Banking	Technology	Insurance	Autos	Consumer	REITs	Energy	Healthcare	Communications	Capital Goods	Other				
Investment Grade																	
AAA	\$ -	\$ -	\$ -	\$ 16	\$ -	\$ -	\$ 9	\$ -	\$ -	\$ 10	\$ 13	\$ -	\$ 2	\$ 50	2%		
AA	13	-	27	47	35	-	17	-	35	2	-	-	3	179	7%		
A	104	37	90	26	116	55	44	57	21	22	23	46	34	675	25%		
BBB	102	319	204	75	17	88	22	63	30	39	32	12	59	1,062	39%		
Subtotal	219	356	321	164	168	143	92	120	86	73	68	58	98	1,966	73%		
BB	4	5	-	35	3	11	44	-	9	9	-	2	22	144	5%		
B	-	-	-	3	-	4	5	-	-	2	-	-	-	14	1%		
CCC, CC, C	-	-	-	-	-	-	2	-	-	-	-	-	5	7	0%		
D	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0%		
Subtotal	4	5	-	38	3	15	51	-	9	11	-	2	27	165	6%		
Not Rated (b)	483	10	-	-	10	-	15	6	-	6	-	2	20	552	21%		
Total	\$ 706	\$ 371	\$ 321	\$ 202	\$ 181	\$ 158	\$ 158	\$ 126	\$ 95	\$ 90	\$ 68	\$ 62	\$ 145	\$ 2,683	100%		

NAIC designation	Fair Value By Industry													Total	% Total
	Other Financials	Asset Managers	Banking	Technology	Insurance	Autos	Consumer	REITs	Energy	Healthcare	Communications	Capital Goods	Other		
1	\$ 356	\$ 37	\$ 118	\$ 88	\$ 151	\$ 55	\$ 73	\$ 57	\$ 56	\$ 35	\$ 36	\$ 46	\$ 49	\$ 1,157	48%
2	103	329	203	75	17	88	27	63	30	39	32	14	62	1,082	44%
Subtotal	459	366	321	163	168	143	100	120	86	74	68	60	111	2,239	92%
3	4	5	-	33	3	11	44	6	9	8	-	2	21	146	6%
4	4	-	-	3	1	4	5	-	-	3	-	-	-	20	1%
5	3	-	-	3	-	-	9	-	-	5	-	-	9	29	1%
6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
Subtotal	11	5	-	39	4	15	58	6	9	16	-	2	30	195	8%
Total insurance companies	\$ 470	\$ 371	\$ 321	\$ 202	\$ 172	\$ 158	\$ 158	\$ 126	\$ 95	\$ 90	\$ 68	\$ 62	\$ 141	\$ 2,434	100%
Total non-insurance	236	-	-	-	9	-	-	-	-	-	-	-	4	249	
Total	\$ 706	\$ 371	\$ 321	\$ 202	\$ 181	\$ 158	\$ 158	\$ 126	\$ 95	\$ 90	\$ 68	\$ 62	\$ 145	\$ 2,683	

(a) If two agencies rate a security, the rating displayed above is the lower of the two; if three or more agencies rate a security, the rating displayed is the second lowest.
 (b) For Other Financials, 50% are NAIC 1 and 49% are held by non-insurance companies.
 For the Total, 47% are NAIC 1, 4% NAIC 2, and 44% are held by non-insurance companies.

Appendix E
American Financial Group, Inc.
Asset-Backed Securities by Credit Rating & NAIC Designation by Collateral Type
12/31/2021
(\$ in millions)

Fair Value By Collateral Type															
Credit Rating (a)	Commercial	Secured	Whole		Single		Triple		Consumer		Mortgage		Other	Total	% Total
	Real Estate	Financing (c)	Auto	Business	TruPS	Family Rental	Railcar	Net Lease	Aircraft	Loans	Receivables	Service			
Investment Grade															
AAA	\$ 690	\$ 25	\$ 181	\$ -	\$ -	\$ 128	\$ -	\$ 89	\$ -	\$ 33	\$ 39	\$ 145	\$ -	\$ 1,330	50%
AA	8	67	20	40	167	23	25	9	46	-	15	-	420	16%	
A	-	44	7	4	20	-	-	11	54	35	-	-	109	4%	
BBB	-	1	-	159	-	-	-	-	42	-	62	10	274	10%	
Subtotal	698	137	208	203	187	151	132	125	105	114	101	279	2,440	92%	
BB	-	1	-	-	-	-	-	-	3	-	-	-	4	0%	
B	-	1	-	-	-	-	-	-	8	-	-	-	9	0%	
CCC, CC, C	-	-	-	-	-	-	-	-	-	-	-	-	-	0%	
D	-	-	-	-	-	-	-	-	-	-	-	-	-	0%	
Subtotal	-	2	-	-	-	-	-	-	11	-	-	-	13	0%	
Not Rated (b)	-	157	-	-	-	-	-	-	3	-	-	63	223	8%	
Total	\$ 698	\$ 296	\$ 208	\$ 203	\$ 187	\$ 151	\$ 132	\$ 125	\$ 119	\$ 114	\$ 101	\$ 342	\$ 2,676	100%	

Fair Value By Collateral Type															
NAIC designation	Commercial	Secured	Whole		Single		Triple		Consumer		Mortgage		Other	Total	% Total
	Real Estate	Financing (c)	Auto	Business	TruPS	Family Rental	Railcar	Net Lease	Aircraft	Loans	Receivables	Service			
1	\$ 504	\$ 267	\$ 49	\$ 44	\$ 187	\$ 151	\$ 132	\$ 125	\$ 63	\$ 106	\$ 39	\$ 268	\$ -	\$ 1,935	87%
2	-	1	-	159	-	-	-	-	42	-	62	10	-	274	12%
Subtotal	504	268	49	203	187	151	132	125	105	106	101	278	2,209	99%	
3	-	1	-	-	-	-	-	-	3	-	-	-	-	4	0%
4	-	1	-	-	-	-	-	-	8	-	-	-	-	9	1%
5	-	-	-	-	-	-	-	-	2	-	-	-	-	2	0%
6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
Subtotal	-	2	-	-	-	-	-	-	13	-	-	-	-	15	1%
Total insurance companies	\$ 504	\$ 270	\$ 49	\$ 203	\$ 187	\$ 151	\$ 132	\$ 125	\$ 118	\$ 106	\$ 101	\$ 278	\$ 2,224	100%	
Total non-insurance	194	26	159	-	-	-	-	-	1	8	-	64	452		
Total	\$ 698	\$ 296	\$ 208	\$ 203	\$ 187	\$ 151	\$ 132	\$ 125	\$ 119	\$ 114	\$ 101	\$ 342	\$ 2,676		

(a) If two agencies rate a security, the rating displayed above is the lower of the two; if three or more agencies rate a security, the rating displayed is the second lowest.
(b) 87% of not rated securities are NAIC 1 and 12% are held by non-insurance companies.
(c) Secured Financings are privately placed funding agreements secured by assets including Bank Loans, Single Family Rental properties, and other Commercial Loans and Leases.



Appendix F
 American Financial Group, Inc.
 Asset-Backed Securities by Credit Rating & NAIC Designation by Collateral Type
 12/31/2020
 (\$ in millions)

Fair Value By Collateral Type															
Credit Rating (a)	Commercial	Secured	Single Family			Consumer		Triple	Mortgage			Other	Total	% Total	
	Real Estate	Financing (c)	TruPS	Rental	Business	Railcar	Loans	Net Lease	Aircraft	Receivables	Auto				
Investment Grade															
AAA	\$ 427	\$ -	\$ -	\$ 151	\$ -	\$ -	\$ 53	\$ 74	\$ -	\$ 39	\$ 29	\$ 116	\$ 889	43%	
AA	6	61	173	46	41	-	33	11	-	-	20	16	407	20%	
A	-	13	36	5	4	140	22	17	38	-	3	52	330	16%	
BBB	-	-	-	-	134	-	-	-	30	40	-	4	208	10%	
Subtotal	433	74	209	202	179	140	108	102	68	79	52	188	1,834	89%	
BB	-	-	-	-	-	-	-	-	2	-	-	-	2	0%	
B	-	2	-	-	-	-	-	-	7	-	-	1	10	1%	
CCC, CC, C	-	-	-	-	-	-	-	-	-	-	-	-	-	0%	
D	-	-	-	-	-	-	-	-	-	-	-	-	-	0%	
Subtotal	-	2	-	-	-	-	-	-	9	-	-	1	12	1%	
Not Rated (b)	-	167	-	-	-	-	-	-	3	-	-	31	201	10%	
Total	\$ 433	\$ 243	\$ 209	\$ 202	\$ 179	\$ 140	\$ 108	\$ 102	\$ 80	\$ 79	\$ 52	\$ 220	\$ 2,047	100%	

Fair Value By Collateral Type															
NAIC designation	Commercial	Secured	Single Family			Consumer		Triple	Mortgage			Other	Total	% Total	
	Real Estate	Financing (c)	TruPS	Rental	Business	Railcar	Loans	Net Lease	Aircraft	Receivables	Auto				
1	\$ 433	\$ 241	\$ 209	\$ 201	\$ 46	\$ 140	\$ 108	\$ 102	\$ 37	\$ 40	\$ 52	\$ 214	\$ 1,823	89%	
2	-	1	-	-	133	-	-	-	31	39	-	4	208	10%	
Subtotal	433	242	209	201	179	140	108	102	68	79	52	218	2,031	99%	
3	-	-	-	-	-	-	-	-	2	-	-	-	2	0%	
4	-	1	-	-	-	-	-	-	7	-	-	2	10	1%	
5	-	-	-	-	-	-	-	-	2	-	-	-	2	0%	
6	-	-	-	-	-	-	-	-	-	-	-	-	-	0%	
Subtotal	-	1	-	-	-	-	-	-	11	-	-	2	14	1%	
No designation (d)	-	-	-	1	-	-	-	-	1	-	-	-	2	0%	
Total	\$ 433	\$ 243	\$ 209	\$ 202	\$ 179	\$ 140	\$ 108	\$ 102	\$ 80	\$ 79	\$ 52	\$ 220	\$ 2,047	100%	

(a) If two agencies rate a security, the rating displayed above is the lower of the two; if three or more agencies rate a security, the rating displayed is the second lowest.
 (b) 98% of not rated securities are NAIC 1.
 (c) Secured Financings are privately placed funding agreements secured by assets including Single Family Rental properties, Bank Loans, Bank Trust Preferreds, Commercial and Residential Mortgages.
 (d) Primarily relates to securities held by non-insurance companies.

Appendix G
American Financial Group, Inc.
Real Estate-Related Investments
12/31/2021
(\$ in millions)

Investments accounted for using equity method (Real Estate Funds/Investments) (a)

<u>Investment Type</u>	<u>Book Value</u>	<u>% of Book Value</u>	<u>Occupancy (b)</u>	<u>Collection Rate (c)</u>
Multi-family	\$ 1,000	88%	96%	98%
Fund Investments	43	4%	-	-
Student Housing	30	3%	94%	98%
QOZ Fund - Development	19	2%	-	-
Land Development	15	1%	-	-
Office	15	1%	81%	100%
Hospitality	8	1%	-	-
Total	\$ 1,130	100%		

Real Estate

<u>Property Type</u>	<u>Book Value</u>	<u>% of Book Value</u>	<u>Debt</u>
Resort & Marina	\$ 53	42%	\$ -
Marina	38	31%	-
Hotel	21	17%	-
Office Building	11	8%	-
Land	2	2%	-
Total	\$ 125	100%	\$ -

Mortgage Loans

<u>Property Type</u>	<u>Book Value</u>	<u>% of Book Value</u>	<u>Loan To Value (d)</u>
Multifamily	316	61%	67%
Hospitality	146	28%	54%
Office	58	11%	73%
Retail	-	0%	-
Total	\$ 520	100%	64%

Currently, no loans are receiving interest deferral through forbearance agreements.

(a) Total investments accounted for using the equity method is \$1.5 billion, the amounts presented in this table only relate to real estate funds/investments.

(b) Occupancy as of 12/31/21

(c) Collections for October - December

(d) Based on most recent property appraisals, the vast majority of which are prior to March 2020.

Appendix H
American Financial Group, Inc.
Real Estate-Related Investments
12/31/2020
(\$ in millions)

Investments accounted for using equity method (Real Estate Funds/Investments) (a)

<u>Investment Type</u>	<u>Book Value</u>	<u>% of Book Value</u>	<u>Occupancy (b)</u>	<u>Collection Rate (c)</u>
Multi-family	\$ 793	87%	96%	98%
Fund Investments	38	4%	-	-
Student Housing	28	3%	94%	98%
Land - Development	17	2%	-	-
QOZ Fund - Development	16	2%	-	-
Office	15	1%	90%	100%
Hospitality	8	1%	-	-
Total	\$ 915	100%		

Real Estate

<u>Property Type</u>	<u>Book Value</u>	<u>% of Book Value</u>	<u>Debt</u>
Marina	\$ 63	39%	\$ -
Resort & Marina	56	34%	-
Hotel	23	14%	-
Office Building	17	10%	-
Land	4	3%	-
Total	\$ 163	100%	\$ -

Mortgage Loans

<u>Property Type</u>	<u>Book Value</u>	<u>% of Book Value</u>	<u>Loan To Value</u>
Hospitality	160	42%	56%
Multi-family	138	37%	68%
Office	73	19%	72%
Retail	6	2%	57%
Total	\$ 377	100%	64%

Currently, no loans are receiving interest deferral through forbearance agreements.

(a) Total investments accounted for using the equity method is \$1.2 billion, the amounts presented in this table only relate to real estate funds/investments.

(b) Occupancy as of 12/31/20

(c) Collections for October - December

(d) Based on most recent property appraisals, the vast majority of which are prior to March 2020.