

**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): October 28, 2020**

**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
<b>Common Stock</b>	<b>AFG</b>	<b>New York Stock Exchange</b>
<b>6% Subordinated Debentures due November 15, 2055</b>	<b>AFGH</b>	<b>New York Stock Exchange</b>
<b>5.875% Subordinated Debentures due March 30, 2059</b>	<b>AFGB</b>	<b>New York Stock Exchange</b>
<b>5.125% Subordinated Debentures due December 15, 2059</b>	<b>AFGC</b>	<b>New York Stock Exchange</b>
<b>5.625% Subordinated Debentures due June 1, 2060</b>	<b>AFGD</b>	<b>New York Stock Exchange</b>
<b>4.5% Subordinated Debentures due September 15, 2060</b>	<b>AFGE</b>	<b>New York Stock Exchange</b>

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 third quarter of 2020 and the availability of the Investor Supplement on the Company's website. The press release was issued on October 28, 2020. 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	<a href="#">Earnings Release dated October 28, 2020, reporting American Financial Group Inc. results for the quarter ended September 30, 2020.</a>
99.2	<a href="#">Investor Supplement – Third Quarter 2020</a>
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: October 29, 2020

**AMERICAN FINANCIAL GROUP, INC.**

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

Press Release  
For Immediate Release



#### American Financial Group, Inc. Announces Third Quarter Results

- *Net earnings per share of \$1.86; includes (\$0.59) per share in after-tax non-core items*
- *Core net operating earnings of \$2.45 per share; includes \$0.61 per share in earnings from alternative investments*
- *Third quarter annualized ROE of 12.9%; annualized core operating ROE of 17.1%*
- *Share repurchases of \$96 million during the quarter (average price of \$66.01 per share)*
- *Parent company cash of \$577 million and excess capital of \$1 billion at September 30, 2020*
- *P&C renewal pricing up 13% overall; highest in 15 years*
- *Full year 2020 core net operating earnings guidance excluding the impact of alternative investments \$7.00 - \$7.50 per share, an increase from our previous guidance of \$6.60 - \$7.40 per share*

CINCINNATI – October 28, 2020 – American Financial Group, Inc. (NYSE: AFG) today reported 2020 third quarter net earnings attributable to shareholders of \$164 million (\$1.86 per share) compared to \$147 million (\$1.62 per share) for the 2019 third quarter. Net earnings for the 2020 third quarter included net unfavorable after-tax non-core items aggregating \$53 million (\$0.59 per share loss). These items included after-tax charges of \$54 million (\$0.61 per share) to strengthen the Company’s asbestos and environmental (“A&E”) reserves, a negative impact of \$34 million (\$0.38 per share) for annuity non-core items – primarily the result of unlocking of actuarial assumptions, non-core after-tax realized gains on securities of \$35 million (\$0.40 per share) and \$3 million (\$0.03 per share) in net favorable items related to Neon Exited Lines. Comparatively, net earnings in the 2019 third quarter included net unfavorable after-tax non-core items of \$58 million (\$0.63 per share loss). Other details may be found in the table below. Book value per share was \$72.65 per share at September 30, 2020. Annualized return on equity was 12.9% and 11.0% for the third quarters of 2020 and 2019, respectively.

Core net operating earnings were \$217 million (\$2.45 per share) for the 2020 third quarter, compared to \$205 million (\$2.25 per share) in the 2019 third quarter. Core net operating earnings for the third quarters of 2020 and 2019 generated annualized returns on equity of 17.1% and 15.3%, respectively. The year-over-year increase was primarily the result of higher underwriting profit in the Specialty Property and Casualty (“P&C”) insurance operations and higher earnings from the Company’s \$2.3 billion of alternative investments that are marked to market through core operating earnings. These items were partially offset by lower other property and casualty net investment income. The COVID-19 pandemic has had widespread financial and economic impacts, which adversely impacted returns on AFG’s alternative investments during the first six months of 2020. Excluding the impact of alternative investments, AFG’s third quarter 2020 core net operating earnings decreased \$3 million year-over-year. Additional details may be found in the table below.

<b>Components of Pretax Core Operating Earnings</b>	Three Months Ended September 30,					
	2020		2019		2020	2019
	Before Impact of Alternative Investments	2019	Alternative Investments, net of DAC	2019	Core Net Operating Earnings, as reported	2019
Dollars in millions, except per share amounts						
P&C Pretax Core Operating Earnings	\$ 177	\$ 169	\$ 28	\$ 25	\$ 205	\$ 194
Annuity Pretax Core Operating Earnings	81	75	40	25	121	100
Other Expenses	(28)	(22)	—	—	(28)	(22)
Holding Company Interest Expense	(24)	(17)	—	—	(24)	(17)
Pretax Core Operating Earnings	206	205	68	50	274	255
Related Income Taxes	43	39	14	11	57	50
<b>Core Net Operating Earnings</b>	<b>\$ 163</b>	<b>\$ 166</b>	<b>\$ 54</b>	<b>\$ 39</b>	<b>\$ 217</b>	<b>\$ 205</b>
Core Net Operating Earnings Per Share	\$ 1.84	\$ 1.82	\$ 0.61	\$ 0.43	\$ 2.45	\$ 2.25
Weighted Avg Diluted Shares Outstanding	88.5	91.1	88.5	91.1	88.5	91.1

Book value per share, excluding unrealized gains related to fixed maturities, was \$58.29 per share at September 30, 2020. In the 2020 third quarter, AFG repurchased 1.45 million shares of its common stock at an average price of \$66.01 per share, for a total of approximately \$96 million.

Beginning with the second quarter of 2019, AFG changed the way it defines annuity core operating earnings to exclude the impact of items that are not necessarily indicative of operating trends. Core net operating earnings for periods prior to the change have not been adjusted, however results for the nine month period ended September 30, 2019 are reconciled to historically reported Annuity Segment core operating earnings on page 6 of this release. Beginning prospectively with the first quarter of 2020, AFG's core net operating earnings for its property and casualty insurance segment exclude the run-off operations of Neon ("Neon Exited Lines"). The Neon Exited Lines impact is highlighted in the table below.

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 net realized gains and losses, annuity non-core earnings 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.

Dollars in millions, except per share amounts	Three months ended		Nine months ended	
	September 30,	September 30,	September 30,	September 30,
	2020	2019	2020	2019
<b>Components of net earnings attributable to shareholders:</b>				
Core operating earnings before income taxes	\$ 274	\$ 251	\$ 600	\$ 716
<b>Pretax non-core items:</b>				
Realized gains (losses) on securities	45	(18)	(302)	222
Annuity non-core earnings (losses)	(43)	(27)	(140)	(60)
Special A&E charges <sup>(b)</sup>	(68)	(29)	(68)	(29)
Neon Exited Lines	(70)	—	(122)	—
Other	(4)	—	(4)	—
Earnings (loss) before income taxes	134	177	(36)	849
Provision (benefit) for income taxes:				
Core operating earnings	57	50	117	143
Non-core items	(87)	(16)	(180)	28
Total provision (benefit) for income taxes	(30)	34	(63)	171
Net earnings, including noncontrolling interests	164	143	27	678
Less net earnings (losses) attributable to noncontrolling interests:				
Core operating earnings (losses)	—	(4)	—	(8)
Non-core items	—	—	(13)	—
Total net earnings (losses) attributable to noncontrolling interests	—	(4)	(13)	(8)
<b>Net earnings attributable to shareholders</b>	<b>\$ 164</b>	<b>\$ 147</b>	<b>\$ 40</b>	<b>\$ 686</b>
<b>Net earnings:</b>				
Core net operating earnings <sup>(a)</sup>	\$ 217	\$ 205	\$ 483	\$ 581
Realized gains (losses) on securities	35	(14)	(239)	176
Annuity non-core earnings (losses)	(34)	(21)	(111)	(48)
Special A&E charges <sup>(b)</sup>	(54)	(23)	(54)	(23)
Neon Exited Lines	3	—	(36)	—
Other	(3)	—	(3)	—
<b>Net earnings attributable to shareholders</b>	<b>\$ 164</b>	<b>\$ 147</b>	<b>\$ 40</b>	<b>\$ 686</b>
<b>Components of Earnings Per Share:</b>				
<b>Core net operating earnings<sup>(a)</sup></b>	<b>\$ 2.45</b>	<b>\$ 2.25</b>	<b>\$ 5.37</b>	<b>\$ 6.39</b>
Non-core Items:				
Realized gains (losses) on securities	0.40	(0.15)	(2.64)	1.93
Annuity non-core earnings (losses)	(0.38)	(0.23)	(1.23)	(0.52)
Special A&E charges <sup>(b)</sup>	(0.61)	(0.25)	(0.61)	(0.25)
Neon Exited Lines	0.03	—	(0.41)	—
Other	(0.03)	—	(0.03)	—
<b>Diluted Earnings Per Share</b>	<b>\$ 1.86</b>	<b>\$ 1.62</b>	<b>\$ 0.45</b>	<b>\$ 7.55</b>

Footnotes (a) and (b) 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: "Results in our core operating businesses were excellent during the third quarter, producing an annualized core operating ROE in excess of 17%. We are especially pleased with the recovery in and performance of our alternative investments, which are marked to market through core earnings. Our liquidity and excess capital afford us the flexibility to effectively address and respond to the uncertainties introduced by COVID-19, and we believe our results demonstrate the value of our disciplined operating philosophy and portfolio of diversified specialty insurance businesses.

"AFG had approximately \$1 billion of excess capital at September 30, 2020. This number included parent company cash of approximately \$600 million. As illustrated in the table below, taking into account the \$375 to \$400 million in additional excess capital created by our recently announced annuity block reinsurance agreement and adjusting for the November redemption of our 6% Subordinated Debentures due 2055, AFG's excess capital on a pro forma basis at September 30, 2020 would be approximately \$1.2 billion. Our insurance subsidiaries are projected to have capital in excess of the levels expected by ratings agencies in order to maintain their current ratings."

Dollars in millions	<u>Parent Cash</u>	<u>Excess Capital</u>
September 30, 2020 Actual	\$ 577	\$ 1,043
<u>Pro Forma Impacts:</u>		
Block Reinsurance Agreement and GALIC dividend*	\$ 200	\$ 375
Debt Redemption	(150)	(192)
September 30, 2020 Pro Forma	<u>\$ 627</u>	<u>\$ 1,226</u>

\* Dividend to be paid by GALIC to AFG parent on November 2, 2020.

AFG has provided full year 2020 core net operating earnings per share guidance excluding earnings or losses from alternative investments (marked-to-market through core operating earnings), due to the uncertainty of the implications of COVID-19 and the resulting volatility in the financial markets, particularly in the first six months of 2020. AFG now expects its 2020 core net operating earnings per share excluding alternative investments to be in the range of \$7.00 to \$7.50 per share, an increase from our previous guidance of \$6.60 to \$7.40 per share. For comparison, AFG's 2019 full year core operating earnings per share excluding alternative investments were \$7.11. In addition to excluding earnings on alternative investments where indicated, our 2020 core earnings per share expectations and guidance excludes non-core items such as realized gains and losses, annuity non-core earnings 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 the impacts of (i) the continued negative impact of low interest rates (ii) a decline in property and casualty premiums as indicated in our detailed guidance, (iii) renewal rate actions taken on annuity policies near or after the end of their surrender charge period, and (iv) our current estimates of the impact of COVID-19 on AFG's results of operations.

### **Specialty Property and Casualty Insurance Operations**

Pretax core operating earnings in AFG's P&C Insurance Segment were \$205 million in the third quarter of 2020, compared to \$194 million in the prior year period, an increase of \$11 million, or 6%. Higher year-over-year P&C underwriting profit and higher earnings from alternative investments were partially offset by lower other P&C net investment income, primarily the result of higher average cash balances and lower interest rates.

The Specialty P&C insurance operations generated an underwriting profit of \$104 million in the 2020 third quarter, compared to \$88 million in the third quarter of 2019. Higher year-over-year underwriting profits in our Specialty Casualty and Property and Transportation Groups were partially offset by lower underwriting profits in our Specialty Financial Group. The third quarter 2020 combined ratio of 92.1% was 1.9 points lower than the 94.0% reported in the comparable prior year period, and includes 2.7 points in catastrophe losses. By comparison, catastrophe losses in the third quarter of 2019 added 1.6 points. Third quarter 2020 results included 3.7 points of favorable prior year reserve development, compared to 3.1 points in the comparable prior year period.

AFG did not record any additional reserve charges for COVID-19 in the third quarter. Given the uncertainties surrounding the ultimate number or scope of claims relating to the pandemic, approximately 82% of AFG's COVID-19 related reserves from the \$95 million in charges recorded in the first half of 2020 are held as incurred but not reported (IBNR). These reserves represent the Company's current best estimate of losses from the pandemic and related economic disruption.

Gross written and net written premiums were down 5% and 8%, respectively, for the third quarter of 2020, when compared to the same period in 2019, primarily as the result of the run-off of Neon. Excluding the impact of the Neon run-off, gross and net written premiums decreased 1% and 3%, respectively, year-over-year.

Average renewal pricing across our entire P&C Group was up approximately 13% for the quarter. Excluding our workers' compensation business, renewal pricing was up approximately 16%. Both measures reflect further improvement from renewal rate increases achieved in the first half of 2020. Renewal pricing is the highest we have achieved in more than fifteen years in each of our Specialty P&C sub-segments and in our Specialty P&C Group overall.

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

The **Property and Transportation Group** reported 2020 third quarter underwriting profit of \$47 million, compared to \$38 million in the third quarter of 2019. Higher underwriting profitability in our non-crop agricultural and ocean marine businesses and improved results in our aviation business and Singapore Branch were partially offset by lower year-over-year underwriting profits in our transportation and property & inland marine businesses. Catastrophe losses for this group were \$18 million in the third quarter of 2020, compared to \$8 million in the comparable prior year period.

Gross and net written premiums for the third quarter of 2020 were 5% and 4% lower, respectively, than the comparable 2019 period. The decrease was largely the result of lower year-over-year crop premiums resulting from delayed premium reporting in 2019 due to late planting of corn and soybean crops. Excluding the impact of crop insurance, third quarter 2020 gross written premiums increased 1% and net written premiums decreased 2% when compared to the 2019 third quarter. Lower premiums in our transportation business, due primarily to the return of premiums and reduced exposures as a result of COVID-19, were tempered by growth and new business opportunities in our property & inland marine and ocean marine businesses. Overall renewal rates in this group increased 6% on average for the third quarter of 2020 with continued strong renewal rate momentum.

The **Specialty Casualty Group** reported a 2020 third quarter underwriting profit of \$53 million, compared to \$23 million in the third quarter of 2019. Higher year-over year underwriting profits in our excess and surplus and excess liability businesses and the impact of underwriting losses at Neon in the third quarter of 2019 were partially offset by higher adverse development in our general liability business and lower underwriting profits in our targeted markets and workers' compensation businesses. Underwriting profitability in our workers' compensation business overall continues to be very strong. Catastrophe losses for this group were \$8 million and \$10 million in the third quarters of 2020 and 2019, respectively.

Gross and net written premiums decreased 5% and 14%, respectively, for the third quarter of 2020 when compared to the same prior year period, primarily due to the run-off of Neon. Excluding the impact of Neon, gross written premiums increased 6% and net written premiums decreased by 1% in the third quarter of 2020 when compared to the same period in 2019. The COVID-19 pandemic has resulted in reduced exposures in our workers' compensation businesses, which when coupled with renewal rate decreases, also were significant contributors to the lower year-over-year premiums. Gross and net written premiums in this group grew by 13% and 5%, respectively, when excluding both Neon and workers' compensation. Significant renewal rate increases, coupled with new business opportunities in our excess and surplus, excess liability and executive liability businesses contributed to this growth. Renewal pricing for this group was up 17% in the third quarter. Excluding our workers' compensation businesses, renewal rates in this group were up approximately 25%. Renewal rates in our Specialty Casualty Group are an improvement from renewal rate increases achieved in the first half of 2020.

The **Specialty Financial Group** reported an underwriting profit of \$13 million in the third quarter of 2020, compared to \$26 million in the third quarter of 2019. Higher catastrophe losses in our financial institutions business were the primary driver of the decrease. Catastrophe losses for this group were \$13 million and \$3 million in the third quarters of 2020 and 2019, respectively.

Gross and net written premiums for the third quarter of 2020 were 11% and 8% lower, respectively, when compared to the same 2019 period. Lower premiums resulted primarily from the impact of various state regulations regarding moratoria on policy cancellations and the placement of forced coverage in our financial institutions business, heightened risk selection that has reduced new business in our trade credit business and COVID-related economic impacts on our surety business. These decreases were partially offset by year-over-year growth in our fidelity and crime business. Renewal pricing in this group was up approximately 7% for the quarter and is an improvement from renewal rate increases achieved in the first half of 2020.

Carl Lindner III stated, “I’m very pleased with the excellent underwriting results produced by our Specialty P&C Group during the quarter, especially with higher frequency of catastrophe losses across the industry and continued uncertainty from the COVID-19 pandemic. We achieved broad-based pricing increases in the quarter, with exceptionally strong renewal pricing in our longer-tailed liability businesses. Based on our results through the nine months of the year and our current expectations of the impact of COVID-19, we now expect P&C pretax core operating earnings, excluding the impact of alternative investments, in the range of \$650 million to \$690 million, an increase from our previous guidance of \$615 million to \$675 million. We continue to expect an overall 2020 calendar year combined ratio in the range of 92% to 94%. We expect net written premiums to be down 5% to 9% when compared to the \$5.3 billion reported in 2019, due primarily to the run-off of Neon. Excluding the impact of Neon, net written premiums are estimated to be 1% lower to 3% higher than the premiums reported in 2019.”

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.

### **Annuity Segment**

**Annuity Core Operating Earnings** – The table below reflects annuity core operating earnings under AFG’s definition utilized beginning in the second quarter of 2019. Annuity core operating earnings for the first nine months of 2019 are reconciled to previously reported annuity operating results.

Dollars in millions	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
<b>Components of Pretax Annuity Core Operating Earnings:</b>				
Pretax core operating earnings before alternative investments	\$ 81	\$ 75	\$ 244	\$ 225
Amounts previously reported as core operating, net	—	—	—	(11)
<b>Pretax Annuity core operating earnings before alternative investments</b>	<b>81</b>	<b>75</b>	<b>244</b>	<b>214</b>
Alternative Investments, net of DAC	40	25	(14)	80
<b>Pretax Annuity Core Operating Earnings, as reported</b>	<b>\$ 121</b>	<b>\$ 100</b>	<b>\$ 230</b>	<b>\$ 294</b>
Year over year growth in quarterly average invested assets	6%	11%	7%	11%
Alternative investments – change in market value during the period (before DAC impact)	3.4%	2.4%	0.2%	7.9%

Third quarter 2020 pretax annuity core operating earnings before earnings or losses from alternative investments increased 8% year-over-year, reflecting growth in annuity assets, higher one-time investment income, the impact of a strong stock market, lower expenses and a reduction in cost of funds due to renewal rate actions by the company. These favorable items, which include items that may not necessarily recur, were offset by a decline in overall investment yields.

Earnings from alternative investments that are marked to market through core operating earnings vary from period to period based on the reported results of the underlying investments, and are generally reported on a quarter lag. The COVID-19 pandemic has had widespread financial and economic implications, which adversely impacted returns on the Annuity Segment's \$1.4 billion of alternative investments during the first six months of 2020.

Craig Lindner stated, "AFG's Annuity Segment achieved an operating return on equity of nearly 15% in the third quarter of 2020, compared to 12% in the comparable quarter last year. We believe that the Annuity Segment's third quarter increases in comparable returns and core operating earnings (both before and after the impact of alternative investments) demonstrate the strong fundamentals of our business. We were pleased that returns on alternative investments in the third quarter of 2020 increased sharply from the previous quarters. The average annual return on these investments over the past five calendar years was nearly 10% and the annualized return in the third quarter of 2020 was nearly 14%. This return was exceptionally high, however, and we expect a lower return on these investments in the fourth quarter."

**Annuity Premiums** – AFG's Annuity Segment reported gross statutory premiums of \$871 million (\$703 million, net of reinsurance) in the third quarter of 2020, compared to \$1.08 billion gross and net premiums in the third quarter of 2019, a decrease of 19%. Annuity sales were lower in all channels in the 2020 third quarter as a result of factors related to the COVID-19 pandemic that have significantly impacted our access to distribution partners, as well as their access to current and prospective clients.

Craig Lindner commented, "Although gross annuity premiums in the third quarter of 2020 were down from the comparable period in 2019, I am extremely pleased that sales in the third quarter of 2020 were up more than 25% from the previous quarter. Furthermore, our sales in the Financial Institutions channel for the month of September 2020 exceeded comparable monthly sales in 2019. We are clearly seeing positive momentum in premiums, and as a result, we are raising our premium guidance; our current best estimate is that 2020 gross annuity premiums will be between \$3.7 billion and \$4.0 billion, and will result in growth in average assets and reserves of 5% to 7% in 2020. This growth also reflects higher persistency in 2020 compared to 2019, which we attribute, in large part, to the low interest rate environment."

**2020 Annuity Core Operating Earnings Guidance, Excluding Alternative Investments** – Pretax Annuity core operating earnings for the full year of 2020, excluding earnings from alternative investments, are expected to be in the range of \$310 million to \$325 million, an increase over our most recent guidance of \$300 million to \$320 million. By comparison, annuity core operating earnings excluding alternative investments were \$298 million in 2019.

This guidance reflects (i) the continued negative impact of low short-term interest rates on the Annuity Segment's approximately \$5 billion net investment in cash and floating rate securities, and (ii) the favorable impact of more aggressive renewal rate actions taken by AFG on annuity policies near or after the end of their surrender charge period. We estimate our current renewal rate strategy will, once fully implemented and depending on surrender activity, result in annualized crediting rate savings of \$40 to \$60 million (before DAC), which is the equivalent of reducing our overall cost of funds by 10 to 15 basis points. Some of these savings have already been reflected in our reported results, and our guidance reflects expected additional savings. Guidance also assumes that the stock market and longer-term interest rates remain relatively flat over the balance of 2020.

While AFG expects continued positive returns on its alternative investments in the fourth quarter of 2020, it is difficult to forecast the returns on these investments due to ongoing volatility.

Craig Lindner added, “The results of AFG’s Annuity Segment, and our guidance, demonstrate our strong business fundamentals, our pricing discipline and the success of our operating model. Following the reinsurance treaty, we have the ability to lower the crediting rates on \$26 billion of annuity reserves by an average of 108 basis points, giving us a great deal of flexibility in helping us manage returns on our inforce business. Importantly, our business continues to have a very strong balance sheet, with unrealized gains on our annuity bond portfolio of \$2.7 billion at September 30, 2020 and capital comfortably in excess of the amounts indicated by rating agencies to maintain our ratings. The previously announced block reinsurance transaction will further increase the amount of excess capital in both the Annuity Segment and in AFG.”

**Annuity Ratings Upgrade to A+ –** Earlier today A.M. Best announced that it upgraded the Financial Strength Ratings of our key annuity subsidiaries, Great American Life Insurance Company (GALIC) and its wholly owned subsidiary, Annuity Investors Life Insurance Company (AILIC), to A+ (Superior) from A (Excellent). A.M. Best has indicated that these A+ ratings reflect the quality of GALIC and AILIC’s balance sheets, strong operating performance, appropriate enterprise risk management and strong risk-adjusted capital position.

**Annuity Non-Core Loss –** In the third quarter of 2020, AFG reported an after-tax annuity non-core loss of \$34 million (\$0.38 per share loss), which primarily reflects the unfavorable impact of an unlocking adjustment discussed below.

AFG performed its annual detailed review (unlocking) of the actuarial assumptions underlying its annuity operations in the third quarter of 2020; this review resulted in a net after-tax unlocking charge of \$36 million (\$0.41 per share loss). The primary driver of this charge was a decrease in the assumed ultimate 10-year US Treasury rate. AFG is now assuming that the 10-year US Treasury rate will increase over ten years to 2.75%, down from our previous assumption of 3.50%.

This lower interest rate assumption resulted in (i) a negative impact related to lower expected future investment income (ii) a negative impact related to changes in assumed persistency outside the surrender period on policies without guaranteed withdrawal benefits, and (iii) a positive impact related to lower expected costs for FIA renewal options resulting from anticipated renewal rate actions.

**Annuity Block Reinsurance Agreement –** As previously announced, AFG’s Annuity subsidiary, Great American Life Insurance Company (“GALIC”) entered into a reinsurance agreement with Commonwealth Annuity and Life Insurance Company (“Commonwealth”), a subsidiary of Global Atlantic Financial Group Limited in October 2020. Under the terms of the agreement, GALIC ceded approximately \$5.7 billion (statutory basis) of inforce traditional fixed and indexed annuities, representing approximately 15% of its inforce business, and transferred related investments to Commonwealth.

This transaction is expected to free up between \$300 million and \$325 million of GALIC’s statutory capital and result in higher core operating earnings and returns in both the Annuity Segment and AFG.

More information about premiums and the results of operations for our Annuity Segment may be found in AFG’s Quarterly Investor Supplement.

### **A&E Reserves**

During the third quarter of 2020, AFG conducted an external study of its asbestos and environmental exposures relating to the run-off operations of its P&C Group and its exposures related to former railroad and manufacturing operations and sites. The study resulted in non-core after-tax special charges of \$54 million (\$68 million pretax) to increase AFG's A&E reserves.

The P&C Group's asbestos reserves were increased by \$26 million (net of reinsurance) and its environmental reserves were increased by \$21 million (net of reinsurance). At September 30, 2020, the P&C Group's insurance reserves include A&E reserves of \$428 million, net of reinsurance recoverables. At September 30, 2020, the property and casualty insurance segment's three-year survival ratios were 21.3 times paid losses for asbestos reserves, 19.6 times paid losses for environmental reserves and 20.5 times paid losses for total A&E reserves. These ratios compare favorably with industry data compiled by A.M. Best as of December 31, 2019, which indicate that industry survival ratios were 7.9 for asbestos, 8.5 for environmental, and 8.1 for total A&E reserves.

In addition, the 2020 external study encompassed reserves for asbestos and environmental exposures of our former railroad and manufacturing operations. As a result of the study, AFG increased its reserve for environmental exposures by \$21 million, due primarily to movements across several sites that reflect changes in the scope and costs of investigation, remediation and ongoing operation and maintenance costs.

### **Investments**

AFG recorded third quarter 2020 net realized gains on securities of \$35 million (\$0.40 per share) after tax and after deferred acquisition costs (DAC), which included \$17 million (\$0.19 per share) in after-tax, after-DAC net gains to adjust equity securities that the Company continued to own, to fair value. By comparison, AFG recorded net realized losses on securities of \$14 million (\$0.15 per share) in the comparable 2019 period.

Unrealized gains on fixed maturities were \$1.21 billion after tax and after DAC at September 30, 2020, an increase of \$350 million since year end. Our portfolio continues to be high quality, with 90% of our fixed maturity portfolio rated investment grade and 97% with a National Association of Insurance Commissioners' designation of NAIC 1 or 2, its highest two categories.

For the nine months ended September 30, 2020, P&C net investment income was approximately 20% lower than the comparable 2019 period. Excluding the impact of alternative investments, P&C net investment income was 11% lower year-over-year, reflecting lower market interest rates and lower dividend income.

More information about the components of our investment portfolio may be found in our Quarterly Investor Supplement, which is posted on our website.

### **Neon Exited Lines**

As announced on September 28, 2020, AFG reached a definitive agreement to sell GAI Holding Bermuda and its subsidiaries, comprising the legal entities that own its Lloyd's of London insurer, Neon, to RiverStone Holdings Limited ("RiverStone"). The transaction is expected to close in the fourth quarter of 2020, subject to customary conditions, including receipt of required regulatory approvals.

AFG recorded \$70 million in non-core losses related to the runoff of this business in the third quarter of 2020, which, in accordance with generally accepted accounting principles, included an estimated \$30 million expected loss on the sale of the business. In conjunction with the sale, AFG recognized a tax benefit of \$73 million, resulting in a net favorable \$3 million (\$0.03 per share) non-core, after-tax impact from Neon Exited Lines in the third quarter of 2020.

### **About American Financial Group, Inc.**

American Financial Group is an insurance holding company, based in Cincinnati, Ohio with assets of approximately \$70 billion as of September 30, 2020. Through the operations of Great American Insurance Group, AFG is engaged primarily in property and casualty insurance, focusing on specialized commercial products for businesses, and in the sale of traditional fixed and indexed annuities in the retail, financial institutions, broker-dealer, and registered investment advisor markets. 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, including the cost of equity index options; 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 and changes in regulation of the Lloyd's market, including modifications to capital requirements; changes in costs associated with the exit from the Lloyd's market and the run-off of AFG's Lloyd's-based insurer, Neon; 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; trends in persistency and mortality; 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 2020 third quarter results at 11:30 a.m. (ET) tomorrow, Thursday, October 29, 2020. Toll-free telephone access will be available by dialing 1-877-459-8719 (international dial-in 424-276-6843). The conference ID for the live call is 9486816. Please dial in five to ten minutes prior to the scheduled start time of the call.

A replay will be available two hours following the completion of the call and will remain available until 11:59 p.m. (ET) on November 5, 2020. To listen to the replay, dial 1-855-859-2056 (international dial-in 404-537-3406) and provide the conference ID 9486816.

The conference call and accompanying webcast slides will also be broadcast live over the Internet. To access the event, click 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](http://www.AFGinc.com).

An archived webcast will be available immediately after the call via the same link on our website until November 5, 2020 at 11:59 p.m. (ET).

### **Contact:**

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

### **Websites:**

[www.AFGinc.com](http://www.AFGinc.com)  
[www.GreatAmericanInsuranceGroup.com](http://www.GreatAmericanInsuranceGroup.com)

###

(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](http://www.AFGinc.com).

AFG2020-28

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**AMERICAN FINANCIAL GROUP, INC. AND SUBSIDIARIES**  
**SUMMARY OF EARNINGS AND SELECTED BALANCE SHEET DATA**  
(Dollars in Millions, Except Per Share Data)

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2020	2019	2020	2019
<b>Revenues</b>				
P&C insurance net earned premiums	\$1,381	\$1,442	\$3,774	\$3,815
Net investment income	572	588	1,584	1,710
Realized gains (losses) on:				
Securities	45	(18)	(302)	222
Subsidiaries	(30)	—	(30)	—
Income of managed investment entities:				
Investment income	46	67	154	206
Gain (loss) on change in fair value of assets/liabilities	1	(14)	(47)	(16)
Other income	45	58	153	170
<b>Total revenues</b>	<b>2,060</b>	<b>2,123</b>	<b>5,286</b>	<b>6,107</b>
<b>Costs and expenses</b>				
P&C insurance losses & expenses	1,369	1,394	3,676	3,634
Annuity and supplemental insurance benefits & expenses	375	370	1,155	1,081
Interest charges on borrowed money	24	17	64	50
Expenses of managed investment entities	31	54	117	168
Other expenses	127	111	310	325
<b>Total costs and expenses</b>	<b>1,926</b>	<b>1,946</b>	<b>5,322</b>	<b>5,258</b>
Earnings (loss) before income taxes	134	177	(36)	849
Provision (benefit) for income taxes	(30)	34	(63)	171
Net earnings, including noncontrolling interests	164	143	27	678
Less: Net earnings (loss) attributable to noncontrolling interests	—	(4)	(13)	(8)
Net earnings attributable to shareholders	<u>\$ 164</u>	<u>\$ 147</u>	<u>\$ 40</u>	<u>\$ 686</u>
Diluted Earnings per Common Share	<u>\$ 1.86</u>	<u>\$ 1.62</u>	<u>\$ 0.45</u>	<u>\$ 7.55</u>
Average number of diluted shares	88.5	91.1	89.9	90.9

Selected Balance Sheet Data:	September 30, 2020	December 31, 2019
Total cash and investments	\$ 58,087	\$ 55,252
Long-term debt	\$ 2,108	\$ 1,473
Shareholders' equity <sup>(c)</sup>	\$ 6,340	\$ 6,269
Shareholders' equity (excluding unrealized gains/losses related to fixed maturities) <sup>(c)</sup>	\$ 5,087	\$ 5,390
Book value per share	\$ 72.65	\$ 69.43
Book value per share (excluding unrealized gains/losses related to fixed maturities)	\$ 58.29	\$ 59.70
Common Shares Outstanding	87.3	90.3

Footnote (c) 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 September 30,		Pct. Change	Nine months ended September 30,		Pct. Change
	2020	2019		2020	2019	
<b>Gross written premiums</b>	<u>\$2,223</u>	<u>\$2,351</u>	(5%)	<u>\$5,288</u>	<u>\$5,550</u>	(5%)
<b>Net written premiums</b>	<u>\$1,488</u>	<u>\$1,618</u>	(8%)	<u>\$3,776</u>	<u>\$4,029</u>	(6%)
<b>Ratios (GAAP):</b>						
Loss & LAE ratio	63.8%	63.1%		61.8%	60.9%	
Underwriting expense ratio	28.3%	30.9%		31.4%	32.9%	
<b>Specialty Combined Ratio</b>	<u>92.1%</u>	<u>94.0%</u>		<u>93.2%</u>	<u>93.8%</u>	
<b>Combined Ratio – P&amp;C Segment</b>	<u>98.8%</u>	<u>96.3%</u>		<u>97.0%</u>	<u>94.7%</u>	
<b>Supplemental Information:(d)</b>						
<b>Gross Written Premiums:</b>						
Property & Transportation	\$1,061	\$1,113	(5%)	\$2,166	\$2,131	2%
Specialty Casualty	978	1,031	(5%)	2,579	2,839	(9%)
Specialty Financial	184	207	(11%)	543	580	(6%)
	<u>\$2,223</u>	<u>\$2,351</u>	(5%)	<u>\$5,288</u>	<u>\$5,550</u>	(5%)
<b>Net Written Premiums:</b>						
Property & Transportation	\$ 635	\$ 661	(4%)	\$1,447	\$1,427	1%
Specialty Casualty	642	744	(14%)	1,739	2,032	(14%)
Specialty Financial	153	167	(8%)	441	461	(4%)
Other	58	46	26%	149	109	37%
	<u>\$1,488</u>	<u>\$1,618</u>	(8%)	<u>\$3,776</u>	<u>\$4,029</u>	(6%)
<b>Combined Ratio (GAAP):</b>						
Property & Transportation	91.9%	93.5%		92.1%	93.8%	
Specialty Casualty	90.7%	96.5%		92.1%	94.5%	
Specialty Financial	91.6%	83.7%		93.5%	86.8%	
Aggregate Specialty Group	92.1%	94.0%		93.2%	93.8%	
				Three months ended September 30,	Nine months ended September 30,	
				2020	2019	
<b>Reserve Development (Favorable)/Adverse:</b>						
Property & Transportation				\$ (26)	\$ (17)	\$ (78) \$ (49)
Specialty Casualty				(16)	(19)	(91) (63)
Specialty Financial				(9)	(9)	(22) (24)
Other Specialty				3	(1)	10 2
<b>Specialty Group</b>				<u>(48)</u>	<u>(46)</u>	<u>(181)</u> <u>(134)</u>
Special A&E Reserve Charge – P&C Run-off				47	18	47 18
Other				1	16	15 18
<b>Total Reserve Development</b>				<u>\$ —</u>	<u>\$ (12)</u>	<u>\$ (119)</u> <u>\$ (98)</u>
<b>Points on Combined Ratio:</b>						
Property & Transportation				(4.5)	(2.8)	(5.8) (3.7)
Specialty Casualty				(2.9)	(2.9)	(5.5) (3.2)
Specialty Financial				(5.7)	(5.5)	(4.8) (5.3)
Aggregate Specialty Group				(3.7)	(3.1)	(5.0) (3.5)
<b>Total P&amp;C Segment</b>				—	(0.8)	(3.1) (2.6)

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

**AMERICAN FINANCIAL GROUP, INC.**  
**ANNUITY SEGMENT**  
(Dollars in Millions)

**Components of Gross Statutory Premiums**

	Three months ended September 30,		Pct. Change	Nine months ended September 30,		Pct. Change
	2020	2019		2020	2019	
<b>Gross Annuity Premiums:</b>						
Financial Institutions	\$ 473	\$ 627	(25%)	\$1,540	\$2,137	(28%)
Retail	151	228	(34%)	517	868	(40%)
Broker-Dealer	112	143	(22%)	369	573	(36%)
Pension Risk Transfer	99	39	154%	225	99	127%
Education Market	33	35	(6%)	104	128	(19%)
Variable Annuities	3	5	(40%)	13	16	(19%)
Total Gross Annuity Premiums	<u>\$ 871</u>	<u>\$ 1,077</u>	(19%)	<u>\$2,768</u>	<u>\$3,821</u>	(28%)

**Components of Pretax Annuity Core Operating Earnings**

	Three months ended September 30,		Pct. Change	Nine months ended September 30,		Pct. Change
	2020	2019		2020	2019	
<b>Revenues:</b>						
Net investment income	\$ 418	\$ 421	(1%)	\$1,267	\$1,247	2%
Other income	35	31	13%	100	89	12%
Total revenues	453	452	—	1,367	1,336	2%
<b>Costs and Expenses:</b>						
Annuity benefits	282	280	1%	843	822	3%
Acquisition expenses	58	62	(6%)	180	184	(2%)
Other expenses	32	35	(9%)	100	105	(5%)
Total costs and expenses	372	377	(1%)	1,123	1,111	1%
Annuity core operating earnings before items below	81	75	8%	244	225	8%
Amounts previously reported as core Alternative investments	—	—	nm	—	(11)	nm
Marked to market, net of DAC	40	25	nm	(14)	80	nm
Pretax Annuity Core Operating Earnings	<u>\$ 121</u>	<u>\$ 100</u>	21%	<u>\$ 230</u>	<u>\$ 294</u>	(22%)

**Supplemental Annuity Information**

	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
Core net interest spread before alternative investments	1.51%	1.65%	1.57%	1.68%
Net Interest Spread	1.96%	1.93%	1.58%	1.99%
Net spread earned before alternative investments	0.80%	0.80%	0.81%	0.79%
Net spread earned	1.19%	1.06%	0.76%	1.08%

\* Excludes fixed annuity portion of variable annuity business.

Further details may be found in our Quarterly Investor Supplement, which is posted on our website.

**AMERICAN FINANCIAL GROUP, INC.**  
**Notes to Financial Schedules**

a) Components of core net operating earnings (dollars in millions):

	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
<b>Core Operating Earnings before Income Taxes:</b>				
P&C insurance segment	\$ 205	\$ 194	\$ 502	\$ 554
Annuity segment	121	100	230	305
Annuity results previously reported as operating earnings	—	—	—	(11)
Interest and other corporate expenses	(52)	(39)	(132)	(124)
Core operating earnings before income taxes	274	255	600	724
Related income taxes	57	50	117	143
Core net operating earnings	<u>\$ 217</u>	<u>\$ 205</u>	<u>\$ 483</u>	<u>\$ 581</u>

b) Reflects the following effects of special A&E charges during the third quarter and first nine months of 2020 and 2019 (dollars in millions, except per share amounts):

	Pretax		After-tax		EPS	
	2020	2019	2020	2019	2020	2019
<b>A&amp;E Charges:</b>						
<b>P&amp;C insurance run-off operations</b>						
Asbestos	\$ 26	\$ 3	\$ 21	\$ 2		
Environmental	21	15	16	12		
	<u>\$ 47</u>	<u>\$ 18</u>	<u>\$ 37</u>	<u>\$ 14</u>	<u>\$ 0.42</u>	<u>\$ 0.15</u>
<b>Former railroad &amp; manufacturing operations</b>						
Asbestos	\$—	\$ 3	\$—	\$ 2		
Environmental	21	8	17	7		
	<u>\$ 21</u>	<u>\$ 11</u>	<u>\$ 17</u>	<u>\$ 9</u>	<u>\$ 0.19</u>	<u>\$ 0.10</u>
<b>Total A&amp;E</b>	<u>\$ 68</u>	<u>\$ 29</u>	<u>\$ 54</u>	<u>\$ 23</u>	<u>\$ 0.61</u>	<u>\$ 0.25</u>

c) Shareholders' Equity at September 30, 2020 includes \$1.21 billion (\$13.88 per share) in unrealized after-tax gains on fixed maturities and \$41 million (\$0.48 per share) in unrealized after-tax gains on fixed maturity-related cash flow hedges. Shareholders' Equity at December 31, 2019 includes \$862 million (\$9.54 per share) in unrealized after-tax, after DAC gains on fixed maturities and \$17 million (\$0.19 per share) in unrealized after-tax, after DAC gains on fixed maturity-related cash flow hedges.

d) Supplemental Notes:

- **Property & Transportation** includes primarily physical damage and liability coverage for buses and trucks, 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 - Third Quarter 2020**

**October 28, 2020**

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					Nine Months Ended	
	9/30/20	6/30/20	3/31/20	12/31/19	9/30/19	9/30/20	9/30/19
<b>Highlights</b>							
Net earnings (loss)	\$ 164	\$ 177	\$ (301)	\$ 211	\$ 147	\$ 40	\$ 686
Core net operating earnings	217	95	171	203	205	483	581
Core net operating earnings before alternative investments marked to market	163	139	178	173	166	480	474
Total assets	73,110	70,867	67,643	70,130	69,067	73,110	69,067
Adjusted shareholders' equity (a)	5,087	5,049	4,987	5,390	5,376	5,087	5,376
Property and Casualty net written premiums	1,488	1,123	1,165	1,313	1,618	3,776	4,029
Gross Annuity statutory premiums	871	687	1,210	1,139	1,077	2,768	3,821
Net Annuity statutory premiums	703	609	1,210	1,139	1,077	2,522	3,821
<b>Per share data</b>							
Diluted earnings (loss) per share	\$ 1.86	\$ 1.97	\$ (3.34)	\$ 2.31	\$ 1.62	\$ 0.45	\$ 7.55
Core net operating earnings per share	2.45	1.05	1.88	2.22	2.25	5.37	6.39
Core net operating earnings per share before alternative investments marked to market	1.84	1.53	1.96	1.90	1.82	5.34	5.21
Adjusted book value per share (a)	58.29	56.95	55.52	59.70	59.65	58.29	59.65
Cash dividends per common share	0.4500	0.4500	0.4500	2.2500	0.4000	1.3500	2.7000
<b>Financial ratios</b>							
Annualized return on equity (b)	12.9%	14.1%	(23.1%)	15.6%	11.0%	1.0%	17.6%
Annualized core operating return on equity (b)	17.1%	7.5%	13.2%	15.0%	15.3%	12.5%	14.9%
Property and Casualty combined ratio - Specialty:							
Loss & LAE ratio	63.8%	62.6%	58.5%	63.2%	63.1%	61.8%	60.9%
Underwriting expense ratio	28.3%	32.6%	33.7%	30.3%	30.9%	31.4%	32.9%
Combined ratio - Specialty	<u>92.1%</u>	<u>95.2%</u>	<u>92.2%</u>	<u>93.5%</u>	<u>94.0%</u>	<u>93.2%</u>	<u>93.8%</u>
Net interest spread on fixed annuities - before alternative investments marked to market							
	1.51%	1.60%	1.59%	1.71%	1.65%	1.57%	1.68%
Alternative investments marked to market	<u>0.45%</u>	<u>(0.36%)</u>	<u>(0.06%)</u>	<u>0.23%</u>	<u>0.28%</u>	<u>0.01%</u>	<u>0.31%</u>
Net interest spread on fixed annuities - including alternative investments marked to market							
	<u>1.96%</u>	<u>1.24%</u>	<u>1.53%</u>	<u>1.94%</u>	<u>1.93%</u>	<u>1.58%</u>	<u>1.99%</u>
Net spread earned on fixed annuities:							
Core operating - before alternative investments marked to market	0.80%	0.80%	0.81%	0.87%	0.80%	0.81%	0.79%
Alternative investments marked to market, net of DAC	<u>0.39%</u>	<u>(0.41%)</u>	<u>(0.12%)</u>	<u>0.20%</u>	<u>0.26%</u>	<u>(0.05%)</u>	<u>0.29%</u>
Core operating	<u>1.19%</u>	<u>0.39%</u>	<u>0.69%</u>	<u>1.07%</u>	<u>1.06%</u>	<u>0.76%</u>	<u>1.08%</u>

(a) Excludes unrealized gains related to fixed maturity investments, a reconciliation to the GAAP measure is on page 21.

(b) Excludes accumulated other comprehensive income.

**American Financial Group, Inc.**  
**Summary of Earnings**  
(\$ in millions)



	Three Months Ended				Nine Months Ended		
	9/30/20	6/30/20	3/31/20	12/31/19	9/30/19	9/30/19	
<b>Property and Casualty Insurance</b>							
Underwriting profit	\$ 103	\$ 52	\$ 88	\$ 88	\$ 72	\$ 243	\$ 218
Net investment income	111	72	99	120	124	282	352
Other expense	(9)	(8)	(6)	(9)	(2)	(23)	(16)
<b>Property and Casualty Insurance operating earnings</b>	<b>205</b>	<b>116</b>	<b>181</b>	<b>199</b>	<b>194</b>	<b>502</b>	<b>554</b>
Annuity operating earnings	121	42	67	104	100	230	294
Interest expense of parent holding companies	(24)	(23)	(17)	(18)	(17)	(64)	(50)
Other expense	(28)	(20)	(20)	(32)	(22)	(68)	(74)
<b>Pretax core operating earnings</b>	<b>274</b>	<b>115</b>	<b>211</b>	<b>253</b>	<b>255</b>	<b>600</b>	<b>724</b>
Income tax expense	57	20	40	50	50	117	143
<b>Core net operating earnings</b>	<b>217</b>	<b>95</b>	<b>171</b>	<b>203</b>	<b>205</b>	<b>483</b>	<b>581</b>
<b>Non-core items, net of tax:</b>							
Realized gains (losses) on securities	35	161	(435)	51	(14)	(239)	176
Annuity non-core earnings (losses)	(34)	(47)	(30)	19	(21)	(111)	(48)
<b>Special A&amp;E charges:</b>							
Property and Casualty Insurance run-off operations	(37)	—	—	—	(14)	(37)	(14)
Former Railroad and Manufacturing operations	(17)	—	—	—	(9)	(17)	(9)
Neon exited lines	3	(32)	(7)	(58)	—	(36)	—
Other non-core items	(3)	—	—	(4)	—	(3)	—
<b>Net earnings (loss)</b>	<b>\$ 164</b>	<b>\$ 177</b>	<b>\$ (301)</b>	<b>\$ 211</b>	<b>\$ 147</b>	<b>\$ 40</b>	<b>\$ 686</b>

**American Financial Group, Inc.**  
**Earnings Per Share Summary**  
(in millions, except per share information)



	Three Months Ended					Nine Months Ended	
	9/30/20	6/30/20	3/31/20	12/31/19	9/30/19	9/30/20	9/30/19
<b>Core net operating earnings</b>	<b>\$ 217</b>	<b>\$ 95</b>	<b>\$ 171</b>	<b>\$ 203</b>	<b>\$ 205</b>	<b>\$ 483</b>	<b>\$ 581</b>
<b>Net earnings (loss)</b>	<b>\$ 164</b>	<b>\$ 177</b>	<b>\$ (301)</b>	<b>\$ 211</b>	<b>\$ 147</b>	<b>\$ 40</b>	<b>\$ 686</b>
Average number of diluted shares - core	88.546	89.997	91.138	91.274	91.137	89.889	90.940
Average number of diluted shares - net	88.546	89.997	90.295	91.274	91.137	89.889	90.940
<u>Diluted earnings per share:</u>							
<b>Core net operating earnings per share</b>	<b>\$ 2.45</b>	<b>\$ 1.05</b>	<b>\$ 1.88</b>	<b>\$ 2.22</b>	<b>\$ 2.25</b>	<b>\$ 5.37</b>	<b>\$ 6.39</b>
Realized gains (losses) on securities	0.40	1.80	(4.81)	0.56	(0.15)	(2.64)	1.93
Annuity non-core earnings (losses)	(0.38)	(0.52)	(0.34)	0.21	(0.23)	(1.23)	(0.52)
Special A&E charges:							
Property and Casualty Insurance run-off operations	(0.42)	—	—	—	(0.15)	(0.42)	(0.15)
Former Railroad and Manufacturing operations	(0.19)	—	—	—	(0.10)	(0.19)	(0.10)
Neon exited lines	0.03	(0.36)	(0.07)	(0.64)	—	(0.41)	—
Other non-core items	(0.03)	—	—	(0.04)	—	(0.03)	—
<b>Diluted earnings (loss) per share</b>	<b>\$ 1.86</b>	<b>\$ 1.97</b>	<b>\$ (3.34)</b>	<b>\$ 2.31</b>	<b>\$ 1.62</b>	<b>\$ 0.45</b>	<b>\$ 7.55</b>

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



	Three Months Ended				Nine Months Ended		
	9/30/20	6/30/20	3/31/20	12/31/19	9/30/19	9/30/19	
Property and Transportation	\$ 47	\$ 33	\$ 27	\$ (2)	\$ 38	\$ 107	\$ 81
Specialty Casualty	53	27	52	69	23	132	106
Specialty Financial	13	—	17	32	26	30	60
Other Specialty	(9)	(6)	(7)	(10)	1	(22)	(11)
<b>Underwriting profit — Specialty</b>	<b>104</b>	<b>54</b>	<b>89</b>	<b>89</b>	<b>88</b>	<b>247</b>	<b>236</b>
Other core charges, included in loss and LAE	(1)	(2)	(1)	(1)	(16)	(4)	(18)
<b>Underwriting profit — Core</b>	<b>103</b>	<b>52</b>	<b>88</b>	<b>88</b>	<b>72</b>	<b>243</b>	<b>218</b>
Special A&E charges, included in loss and LAE	(47)	—	—	—	(18)	(47)	(18)
Neon exited lines (a)	(38)	(43)	(1)	(76)	—	(82)	—
<b>Underwriting profit (loss) —Property and Casualty Insurance</b>	<b>\$ 18</b>	<b>\$ 9</b>	<b>\$ 87</b>	<b>\$ 12</b>	<b>\$ 54</b>	<b>\$ 114</b>	<b>\$ 200</b>
Included in results above:							
COVID-19 related losses	\$ —	\$ 105	\$ 10	\$ —	\$ —	\$ 115	\$ —
Current accident year catastrophe losses:							
Catastrophe reinstatement premium	\$ 5	\$ —	\$ —	\$ 1	\$ —	\$ 5	\$ —
Catastrophe loss	52	26	9	14	22	87	46
Total current accident year catastrophe losses	\$ 57	\$ 26	\$ 9	\$ 15	\$ 22	\$ 92	\$ 46
Prior year loss reserve development (favorable) / adverse	\$ —	\$ (77)	\$ (42)	\$ (45)	\$ (12)	\$ (119)	\$ (98)
Combined ratio:							
Property and Transportation	91.9%	91.7%	92.9%	100.4%	93.5%	92.1%	93.8%
Specialty Casualty	90.7%	94.9%	90.7%	89.7%	96.5%	92.1%	94.5%
Specialty Financial	91.6%	100.4%	89.1%	79.6%	83.7%	93.5%	86.8%
Other Specialty	115.6%	114.2%	117.7%	122.5%	98.5%	115.7%	110.2%
<b>Combined ratio — Specialty</b>	<b>92.1%</b>	<b>95.2%</b>	<b>92.2%</b>	<b>93.5%</b>	<b>94.0%</b>	<b>93.2%</b>	<b>93.8%</b>
Other core charges	0.1%	0.2%	0.1%	0.1%	1.1%	0.1%	0.5%
Neon exited lines charge	3.1%	3.8%	0.5%	5.5%	0.0%	2.4%	0.0%
Special A&E charges	3.5%	0.0%	0.0%	0.0%	1.2%	1.3%	0.4%
<b>Combined ratio</b>	<b>98.8%</b>	<b>99.2%</b>	<b>92.8%</b>	<b>99.1%</b>	<b>96.3%</b>	<b>97.0%</b>	<b>94.7%</b>
P&C combined ratio excl. COVID-19 related losses, catastrophe losses, and prior year loss reserve development	<b>95.0%</b>	<b>94.8%</b>	<b>94.6%</b>	<b>101.4%</b>	<b>95.5%</b>	<b>94.8%</b>	<b>96.1%</b>
Loss and LAE components — property and casualty insurance							
Current accident year, excluding COVID-19 related and catastrophe losses	66.0%	60.7%	60.3%	68.9%	64.6%	62.5%	63.2%
COVID-19 related losses	0.0%	8.8%	0.8%	0.0%	0.0%	3.0%	0.0%
Current accident year catastrophe losses	3.8%	2.1%	0.8%	1.0%	1.6%	2.3%	1.2%
Prior accident year loss reserve development	0.0%	(6.5%)	(3.4%)	(3.3%)	(0.8%)	(3.1%)	(2.6%)
<b>Loss and LAE ratio</b>	<b>69.8%</b>	<b>65.1%</b>	<b>58.5%</b>	<b>66.6%</b>	<b>65.4%</b>	<b>64.7%</b>	<b>61.8%</b>

(a) AFG recorded \$70 million in non-core losses related to the runoff of Neon in the third quarter of 2020, which included an estimated \$30 million expected loss on the sale of the business. In conjunction with the sale, AFG recognized a tax benefit of \$73 million, resulting in a net favorable \$3 million (\$0.03 per share) non-core, after-tax impact from Neon exited lines in the third quarter of 2020.

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



	Three Months Ended					Nine Months Ended	
	9/30/20	6/30/20	3/31/20	12/31/19	9/30/19	9/30/20	9/30/19
Gross written premiums	\$2,223	\$1,539	\$1,526	\$1,749	\$2,351	\$ 5,288	\$ 5,550
Ceded reinsurance premiums	(735)	(416)	(361)	(436)	(733)	(1,512)	(1,521)
Net written premiums	1,488	1,123	1,165	1,313	1,618	3,776	4,029
Change in unearned premiums	(149)	—	(27)	57	(176)	(176)	(214)
Net earned premiums	1,339	1,123	1,138	1,370	1,442	3,600	3,815
Loss and LAE	855	703	666	865	910	2,224	2,323
Underwriting expense	380	366	383	416	444	1,129	1,256
<b>Underwriting profit</b>	<b>\$ 104</b>	<b>\$ 54</b>	<b>\$ 89</b>	<b>\$ 89</b>	<b>\$ 88</b>	<b>\$ 247</b>	<b>\$ 236</b>
<b>Included in results above:</b>							
COVID-19 related losses	\$ —	\$ 85	\$ 10	\$ —	\$ —	\$ 95	\$ —
<b>Current accident year catastrophe losses:</b>							
Catastrophe reinstatement premium	\$ 5	\$ —	\$ —	\$ 1	\$ —	\$ 5	\$ —
Catastrophe loss	36	26	9	14	22	71	46
Total current accident year catastrophe losses	\$ 41	\$ 26	\$ 9	\$ 15	\$ 22	\$ 76	\$ 46
Prior year loss reserve development (favorable) / adverse	\$ (48)	\$ (85)	\$ (48)	\$ (53)	\$ (46)	\$ (181)	\$ (134)
<b>Combined ratio:</b>							
Loss and LAE ratio	63.8%	62.6%	58.5%	63.2%	63.1%	61.8%	60.9%
Underwriting expense ratio	28.3%	32.6%	33.7%	30.3%	30.9%	31.4%	32.9%
<b>Combined ratio</b>	<b>92.1%</b>	<b>95.2%</b>	<b>92.2%</b>	<b>93.5%</b>	<b>94.0%</b>	<b>93.2%</b>	<b>93.8%</b>
Specialty combined ratio excl. COVID-19 related losses, catastrophe losses, and prior year loss reserve development	<u>93.1%</u>	<u>92.9%</u>	<u>94.7%</u>	<u>96.3%</u>	<u>95.5%</u>	<u>93.6%</u>	<u>96.1%</u>
<b>Loss and LAE components:</b>							
Current accident year, excluding COVID-19 related and catastrophe losses	64.8%	60.3%	61.0%	66.0%	64.6%	62.2%	63.2%
COVID-19 related losses	0.0%	7.6%	0.9%	0.0%	0.0%	2.6%	0.0%
Current accident year catastrophe losses	2.7%	2.3%	0.8%	1.0%	1.6%	2.0%	1.2%
Prior accident year loss reserve development	(3.7%)	(7.6%)	(4.2%)	(3.8%)	(3.1%)	(5.0%)	(3.5%)
<b>Loss and LAE ratio</b>	<b>63.8%</b>	<b>62.6%</b>	<b>58.5%</b>	<b>63.2%</b>	<b>63.1%</b>	<b>61.8%</b>	<b>60.9%</b>

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



	Three Months Ended				Nine Months Ended		
	9/30/20	6/30/20	3/31/20	12/31/19	9/30/19	9/30/19	
Gross written premiums	\$1,061	\$ 611	\$ 494	\$ 628	\$1,113	\$2,166	\$2,131
Ceded reinsurance premiums	(426)	(185)	(108)	(179)	(452)	(719)	(704)
Net written premiums	635	426	386	449	661	1,447	1,427
Change in unearned premiums	(61)	(36)	—	56	(78)	(97)	(104)
Net earned premiums	574	390	386	505	583	1,350	1,323
Loss and LAE	403	239	237	392	421	879	905
Underwriting expense	124	118	122	115	124	364	337
<b>Underwriting profit</b>	<b>\$ 47</b>	<b>\$ 33</b>	<b>\$ 27</b>	<b>\$ (2)</b>	<b>\$ 38</b>	<b>\$ 107</b>	<b>\$ 81</b>
Included in results above:							
COVID-19 related losses	\$ 1	\$ 3	\$ 3	\$ —	\$ —	\$ 7	\$ —
Current accident year catastrophe losses:							
Catastrophe reinstatement premium	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Catastrophe loss	18	15	8	7	8	41	25
Total current accident year catastrophe losses	\$ 18	\$ 15	\$ 8	\$ 7	\$ 8	\$ 41	\$ 25
Prior year loss reserve development (favorable) / adverse	\$ (26)	\$ (28)	\$ (24)	\$ (18)	\$ (17)	\$ (78)	\$ (49)
Combined ratio:							
Loss and LAE ratio	70.1%	61.3%	61.4%	77.8%	72.1%	65.1%	68.3%
Underwriting expense ratio	21.8%	30.4%	31.5%	22.6%	21.4%	27.0%	25.5%
<b>Combined ratio</b>	<b>91.9%</b>	<b>91.7%</b>	<b>92.9%</b>	<b>100.4%</b>	<b>93.5%</b>	<b>92.1%</b>	<b>93.8%</b>
Combined ratio excl. COVID-19 related losses, catastrophe losses, and prior year loss reserve development	93.2%	94.3%	96.2%	102.5%	94.9%	94.4%	95.6%
Loss and LAE components:							
Current accident year, excluding COVID-19 related and catastrophe losses	71.4%	63.9%	64.7%	79.9%	73.5%	67.4%	70.1%
COVID-19 related losses	0.1%	0.8%	0.6%	0.0%	0.0%	0.5%	0.0%
Current accident year catastrophe losses	3.1%	3.8%	2.2%	1.4%	1.4%	3.0%	1.9%
Prior accident year loss reserve development	(4.5%)	(7.2%)	(6.1%)	(3.5%)	(2.8%)	(5.8%)	(3.7%)
<b>Loss and LAE ratio</b>	<b>70.1%</b>	<b>61.3%</b>	<b>61.4%</b>	<b>77.8%</b>	<b>72.1%</b>	<b>65.1%</b>	<b>68.3%</b>

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



	Three Months Ended					Nine Months Ended	
	9/30/20	6/30/20	3/31/20	12/31/19	9/30/19	9/30/20	9/30/19
Gross written premiums	\$ 978	\$ 752	\$ 849	\$ 929	\$1,031	\$2,579	\$2,839
Ceded reinsurance premiums	(336)	(241)	(263)	(260)	(287)	(840)	(807)
Net written premiums	642	511	586	669	744	1,739	2,032
Change in unearned premiums	(82)	36	(30)	7	(86)	(76)	(111)
Net earned premiums	560	547	556	676	658	1,663	1,921
Loss and LAE	352	367	340	402	416	1,059	1,184
Underwriting expense	155	153	164	205	219	472	631
<b>Underwriting profit</b>	<b>\$ 53</b>	<b>\$ 27</b>	<b>\$ 52</b>	<b>\$ 69</b>	<b>\$ 23</b>	<b>\$ 132</b>	<b>\$ 106</b>
Included in results above:							
COVID-19 related losses	(1)	\$ 52	\$ 7	\$ —	\$ —	\$ 58	\$ —
Current accident year catastrophe losses:							
Catastrophe reinstatement premium	\$ 5	\$ —	\$ —	\$ 1	\$ —	\$ 5	\$ —
Catastrophe loss	3	6	—	5	10	9	12
Total current accident year catastrophe losses	\$ 8	\$ 6	\$ —	\$ 6	\$ 10	\$ 14	\$ 12
Prior year loss reserve development (favorable) / adverse	\$ (16)	\$ (51)	\$ (24)	\$ (25)	\$ (19)	\$ (91)	\$ (63)
Combined ratio:							
Loss and LAE ratio	62.9%	67.1%	61.1%	59.4%	63.1%	63.7%	61.6%
Underwriting expense ratio	27.8%	27.8%	29.6%	30.3%	33.4%	28.4%	32.9%
<b>Combined ratio</b>	<b>90.7%</b>	<b>94.9%</b>	<b>90.7%</b>	<b>89.7%</b>	<b>96.5%</b>	<b>92.1%</b>	<b>94.5%</b>
Combined ratio excl. COVID-19 related losses, catastrophe losses, and prior year loss reserve development	92.9%	93.8%	93.6%	92.7%	97.8%	93.5%	97.1%
Loss and LAE components:							
Current accident year, excluding COVID-19 related and catastrophe losses	65.1%	66.0%	64.0%	62.4%	64.4%	65.1%	64.2%
COVID-19 related losses	(0.1%)	9.5%	1.3%	0.0%	0.0%	3.5%	0.0%
Current accident year catastrophe losses	0.8%	0.9%	0.0%	0.8%	1.6%	0.6%	0.6%
Prior accident year loss reserve development	(2.9%)	(9.3%)	(4.2%)	(3.8%)	(2.9%)	(5.5%)	(3.2%)
<b>Loss and LAE ratio</b>	<b>62.9%</b>	<b>67.1%</b>	<b>61.1%</b>	<b>59.4%</b>	<b>63.1%</b>	<b>63.7%</b>	<b>61.6%</b>

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



	Three Months Ended					Nine Months Ended	
	9/30/20	6/30/20	3/31/20	12/31/19	9/30/19	9/30/20	9/30/19
Gross written premiums	\$ 184	\$ 176	\$ 183	\$ 192	\$ 207	\$ 543	\$ 580
Ceded reinsurance premiums	(31)	(37)	(34)	(36)	(40)	(102)	(119)
Net written premiums	153	139	149	156	167	441	461
Change in unearned premiums	2	5	7	(4)	(6)	14	(3)
Net earned premiums	155	144	156	152	161	455	458
Loss and LAE	62	65	59	40	47	186	152
Underwriting expense	80	79	80	80	88	239	246
<b>Underwriting profit</b>	<b>\$ 13</b>	<b>\$ —</b>	<b>\$ 17</b>	<b>\$ 32</b>	<b>\$ 26</b>	<b>\$ 30</b>	<b>\$ 60</b>
Included in results above:							
COVID-19 related losses	\$ (1)	\$ 30	\$ —	\$ —	\$ —	\$ 29	\$ —
Current accident year catastrophe losses:							
Catastrophe reinstatement premium	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Catastrophe loss	13	5	1	2	3	19	8
Total current accident year catastrophe losses	\$ 13	\$ 5	\$ 1	\$ 2	\$ 3	\$ 19	\$ 8
Prior year loss reserve development (favorable) / adverse	\$ (9)	\$ (11)	\$ (2)	\$ (14)	\$ (9)	\$ (22)	\$ (24)
Combined ratio:							
Loss and LAE ratio	39.9%	44.9%	38.0%	26.1%	29.7%	40.8%	33.3%
Underwriting expense ratio	51.7%	55.5%	51.1%	53.5%	54.0%	52.7%	53.5%
<b>Combined ratio</b>	<b>91.6%</b>	<b>100.4%</b>	<b>89.1%</b>	<b>79.6%</b>	<b>83.7%</b>	<b>93.5%</b>	<b>86.8%</b>
Combined ratio excl. COVID-19 related losses, catastrophe losses, and prior year loss reserve development	89.5%	83.7%	89.5%	87.7%	87.2%	87.6%	90.3%
Loss and LAE components:							
Current accident year, excluding COVID-19 related and catastrophe losses	37.8%	28.2%	38.4%	34.2%	33.2%	34.9%	36.8%
COVID-19 related losses	(0.8%)	21.1%	0.1%	0.0%	0.0%	6.4%	0.0%
Current accident year catastrophe losses	8.6%	3.6%	0.6%	1.1%	2.0%	4.3%	1.8%
Prior accident year loss reserve development	(5.7%)	(8.0%)	(1.1%)	(9.2%)	(5.5%)	(4.8%)	(5.3%)
<b>Loss and LAE ratio</b>	<b>39.9%</b>	<b>44.9%</b>	<b>38.0%</b>	<b>26.1%</b>	<b>29.7%</b>	<b>40.8%</b>	<b>33.3%</b>

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



	Three Months Ended					Nine Months Ended	
	9/30/20	6/30/20	3/31/20	12/31/19	9/30/19	9/30/20	9/30/19
Gross written premiums	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Ceded reinsurance premiums	58	47	44	39	46	149	109
Net written premiums	58	47	44	39	46	149	109
Change in unearned premiums	(8)	(5)	(4)	(2)	(6)	(17)	4
Net earned premiums	50	42	40	37	40	132	113
Loss and LAE	38	32	30	31	26	100	82
Underwriting expense	21	16	17	16	13	54	42
<b>Underwriting profit (loss)</b>	<b>\$ (9)</b>	<b>\$ (6)</b>	<b>\$ (7)</b>	<b>\$ (10)</b>	<b>\$ 1</b>	<b>\$ (22)</b>	<b>\$ (11)</b>
Included in results above:							
COVID-19 related losses	\$ 1	\$ —	\$ —	\$ —	\$ —	\$ 1	\$ —
Current accident year catastrophe losses:							
Catastrophe reinstatement premium	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Catastrophe loss	2	—	—	—	1	2	1
Total current accident year catastrophe losses	\$ 2	\$ —	\$ —	\$ —	\$ 1	\$ 2	\$ 1
Prior year loss reserve development (favorable) / adverse	\$ 3	\$ 5	\$ 2	\$ 4	\$ (1)	\$ 10	\$ 2
Combined ratio:							
Loss and LAE ratio	78.6%	76.9%	73.9%	83.5%	64.0%	76.6%	72.7%
Underwriting expense ratio	37.0%	37.3%	43.8%	39.0%	34.5%	39.1%	37.5%
<b>Combined ratio</b>	<b>115.6%</b>	<b>114.2%</b>	<b>117.7%</b>	<b>122.5%</b>	<b>98.5%</b>	<b>115.7%</b>	<b>110.2%</b>
Combined ratio excl. COVID-19 related losses, catastrophe losses, and prior year loss reserve development							
	107.8%	100.3%	113.4%	113.4%	99.0%	107.0%	107.3%

**American Financial Group, Inc.**  
**Annuity Earnings**  
(\$ in millions)



	Three Months Ended					Nine Months Ended	
	9/30/20	6/30/20	3/31/20	12/31/19	9/30/19	9/30/20	9/30/19
Net investment income	\$ 418	\$ 421	\$ 428	\$ 435	\$ 421	\$ 1,267	\$ 1,247
Alternative investments marked to market through core operating earnings	46	(37)	(6)	23	27	3	87
Guaranteed withdrawal benefit fees	18	17	17	17	17	52	50
Policy charges and other miscellaneous income (a)	17	13	18	13	14	48	39
<b>Total revenues</b>	<b>499</b>	<b>414</b>	<b>457</b>	<b>488</b>	<b>479</b>	<b>1,370</b>	<b>1,423</b>
Annuity benefits (a)	282	274	287	285	280	843	822
Acquisition expenses	64	62	71	65	64	197	191
Other expenses	32	36	32	34	35	100	105
<b>Total costs and expenses</b>	<b>378</b>	<b>372</b>	<b>390</b>	<b>384</b>	<b>379</b>	<b>1,140</b>	<b>1,118</b>
<b>Pretax Annuity core operating earnings</b>	<b>\$ 121</b>	<b>\$ 42</b>	<b>\$ 67</b>	<b>\$ 104</b>	<b>\$ 100</b>	<b>\$ 230</b>	<b>\$ 305</b>
Other amounts previously reported as core operating, net (b)	n/a	n/a	n/a	n/a	n/a	n/a	(11)
<b>Pretax Annuity core operating earnings - as reported</b>	<b>\$ 121</b>	<b>\$ 42</b>	<b>\$ 67</b>	<b>\$ 104</b>	<b>\$ 100</b>	<b>\$ 230</b>	<b>\$ 294</b>
<b>Components of Pretax Annuity Core Operating Earnings</b>							
Pretax annuity core operating earnings before items below	\$ 81	\$ 84	\$ 79	\$ 84	\$ 75	\$ 244	\$ 225
Other amounts previously reported as core operating, net (b)	n/a	n/a	n/a	n/a	n/a	n/a	(11)
Pretax annuity core operating earnings before alternative investments marked to market	81	84	79	84	75	244	214
Alternative investments marked to market, net of DAC	40	(42)	(12)	20	25	(14)	80
<b>Pretax Annuity core operating earnings - as reported</b>	<b>\$ 121</b>	<b>\$ 42</b>	<b>\$ 67</b>	<b>\$ 104</b>	<b>\$ 100</b>	<b>\$ 230</b>	<b>\$ 294</b>

- (a) Gains received on options in excess of index credits to policyholder are recorded through annuity benefits for GAAP. For the investor supplement presentation, these gains are shown in policy charges and other miscellaneous income.
- (b) "Other" primarily reflects (1) the impact of fair value accounting, (2) the impact of changes in the stock market on the liability for guaranteed benefits and DAC, and (3) unlocking.

**American Financial Group, Inc.**  
**Annuity Earnings - Alternative View**  
(\$ in millions)



	Three Months Ended					Nine Months Ended	
	9/30/20	6/30/20	3/31/20	12/31/19	9/30/19	9/30/20	9/30/19
Net investment income (excluding alternative investments marked to market)	\$ 416	\$ 418	\$ 426	\$ 433	\$ 419	\$ 1,260	\$ 1,240
Guaranteed withdrawal benefit fees	18	17	17	17	17	52	50
Policy charges and other miscellaneous income (a)	14	12	15	10	11	41	31
Total revenues	448	447	458	460	447	1,353	1,321
Annuity benefits (a)	281	273	285	284	278	839	817
Acquisition expenses (excluding alternative investments marked to market)	57	57	61	61	60	175	179
Other expenses	31	35	32	33	34	98	103
Total costs and expenses	369	365	378	378	372	1,112	1,099
<b>Pretax Annuity core operating earnings (excluding variable annuity earnings and alternative investments marked to market)</b>	<b>79</b>	<b>82</b>	<b>80</b>	<b>82</b>	<b>75</b>	<b>241</b>	<b>222</b>
Variable annuity earnings	2	2	(1)	2	—	3	3
<b>Pretax Annuity core operating earnings (excluding alternative investments marked to market)</b>	<b>81</b>	<b>84</b>	<b>79</b>	<b>84</b>	<b>75</b>	<b>244</b>	<b>225</b>
Alternative investments marked to market, net of DAC	40	(42)	(12)	20	25	(14)	80
<b>Pretax annuity core operating earnings</b>	<b>121</b>	<b>42</b>	<b>67</b>	<b>104</b>	<b>100</b>	<b>230</b>	<b>305</b>
Other amounts previously reported as core operating, net (b)	n/a	n/a	n/a	n/a	n/a	n/a	(11)
<b>Pretax Annuity core operating earnings - as reported</b>	<b>\$ 121</b>	<b>\$ 42</b>	<b>\$ 67</b>	<b>\$ 104</b>	<b>\$ 100</b>	<b>\$ 230</b>	<b>\$ 294</b>

- (a) Gains received on options in excess of index credits to policyholder are recorded through annuity benefits for GAAP. For the investor supplement presentation, these gains are shown in policy charges and other miscellaneous income.
- (b) "Other" primarily reflects (1) the impact of fair value accounting, (2) the impact of changes in the stock market on the liability for guaranteed benefits and DAC, and (3) unlocking.

**American Financial Group, Inc.**  
**Detail of Annuity Benefits Expense**  
(\$ in millions)



	Three Months Ended					Nine Months Ended	
	9/30/20	6/30/20	3/31/20	12/31/19	9/30/19	9/30/20	9/30/19
<b>Detail of annuity benefits expense:</b>							
Cost of funds:							
Amortization of options (a)	\$ 148	\$ 148	\$ 150	\$ 150	\$ 149	\$ 446	\$ 436
Traditional fixed annuities	64	64	63	62	62	191	182
Fixed component of fixed-indexed annuities	26	26	25	25	24	77	69
Immediate annuities	5	6	6	6	6	17	18
Pension risk transfer	5	4	4	3	2	13	4
Federal Home Loan Bank	1	3	5	6	7	9	21
<b>Total cost of funds</b>	<b>249</b>	<b>251</b>	<b>253</b>	<b>252</b>	<b>250</b>	<b>753</b>	<b>730</b>
Guaranteed withdrawal benefit reserve	26	17	25	24	21	68	60
Amortization of sales inducements	2	2	2	3	3	6	11
Change in expected death and annuitization reserve and other	5	4	7	6	6	16	21
<b>Total other annuity benefits</b>	<b>33</b>	<b>23</b>	<b>34</b>	<b>33</b>	<b>30</b>	<b>90</b>	<b>92</b>
<b>Total annuity benefits expense</b>	<b>\$ 282</b>	<b>\$ 274</b>	<b>\$ 287</b>	<b>\$ 285</b>	<b>\$ 280</b>	<b>\$ 843</b>	<b>\$ 822</b>
<b>(a) Amortization of options, net of DAC and reserve offsets:</b>							
Amortization of options	\$ 148	\$ 148	\$ 150	\$ 150	\$ 149	\$ 446	\$ 436
DAC and reserve offsets	(76)	(77)	(77)	(77)	(74)	(230)	(220)
<b>Amortization of options, net of DAC and reserve offsets</b>	<b>\$ 72</b>	<b>\$ 71</b>	<b>\$ 73</b>	<b>\$ 73</b>	<b>\$ 75</b>	<b>\$ 216</b>	<b>\$ 216</b>

American Financial Group, Inc.  
**Core Net Spread on Fixed Annuities**  
(\$ in millions)



	Three Months Ended				Nine Months Ended		
	9/30/20	6/30/20	3/31/20	12/31/19	9/30/19	9/30/20	9/30/19
Average fixed annuity investments (at amortized cost) (a)	\$40,859	\$40,570	\$40,073	\$39,316	\$38,650	\$40,501	\$37,849
Average annuity benefits accumulated	41,158	40,601	40,139	39,615	38,946	40,633	38,075
Annuity benefits accumulated in excess of investments (a)	\$ (299)	\$ (31)	\$ (66)	\$ (299)	\$ (296)	\$ (132)	\$ (226)
<b>As % of average annuity benefits accumulated (except as noted)</b>							
Net investment income (excluding alternative investments marked to market) (as % of investments)	4.07%	4.13%	4.25%	4.40%	4.34%	4.15%	4.37%
Cost of funds	(2.42%)	(2.47%)	(2.52%)	(2.54%)	(2.57%)	(2.47%)	(2.56%)
Other annuity benefits, net of guaranteed withdrawal benefit fees	(0.14%)	(0.06%)	(0.14%)	(0.15%)	(0.12%)	(0.11%)	(0.13%)
<b>Core net interest spread on fixed annuities</b>	<b>1.51%</b>	<b>1.60%</b>	<b>1.59%</b>	<b>1.71%</b>	<b>1.65%</b>	<b>1.57%</b>	<b>1.68%</b>
Policy charges and other miscellaneous income	0.14%	0.11%	0.15%	0.11%	0.12%	0.13%	0.11%
Acquisition expenses (excluding alternative investments marked to market)	(0.55%)	(0.56%)	(0.61%)	(0.62%)	(0.63%)	(0.57%)	(0.64%)
Other expenses	(0.30%)	(0.35%)	(0.32%)	(0.33%)	(0.34%)	(0.32%)	(0.36%)
<b>Core net spread earned on fixed annuities (excluding alternative investments marked to market)</b>	<b>0.80%</b>	<b>0.80%</b>	<b>0.81%</b>	<b>0.87%</b>	<b>0.80%</b>	<b>0.81%</b>	<b>0.79%</b>
Alternative investments marked to market, net of DAC	0.39%	(0.41%)	(0.12%)	0.20%	0.26%	(0.05%)	0.29%
<b>Core net spread earned on fixed annuities</b>	<b>1.19%</b>	<b>0.39%</b>	<b>0.69%</b>	<b>1.07%</b>	<b>1.06%</b>	<b>0.76%</b>	<b>1.08%</b>
Net spread earned on items previously reported as core operating	n/a	n/a	n/a	n/a	n/a	n/a	(0.04%)
<b>Core net spread earned on fixed annuities - as reported</b>	<b>1.19%</b>	<b>0.39%</b>	<b>0.69%</b>	<b>1.07%</b>	<b>1.06%</b>	<b>0.76%</b>	<b>1.04%</b>
Average annuity benefits accumulated	\$41,158	\$40,601	\$40,139	\$39,615	\$38,946	\$40,633	\$38,075
Net spread earned on fixed annuities (excluding alternative investments marked to market) - core	0.80%	0.80%	0.81%	0.87%	0.80%	0.81%	0.79%
<b>Earnings on fixed annuity benefits accumulated - core</b>	<b>\$ 82</b>	<b>\$ 82</b>	<b>\$ 81</b>	<b>\$ 85</b>	<b>\$ 78</b>	<b>\$ 245</b>	<b>\$ 229</b>
Annuity benefits accumulated in excess of investments	\$ (299)	\$ (31)	\$ (66)	\$ (299)	\$ (296)	\$ (132)	\$ (226)
Net investment income (excluding alternative investments marked to market) (as % of investments)	4.07%	4.13%	4.25%	4.40%	4.34%	4.15%	4.37%
<b>Earnings/(loss) on annuity benefits accumulated in excess of investments</b>	<b>\$ (3)</b>	<b>\$ —</b>	<b>\$ (1)</b>	<b>\$ (3)</b>	<b>\$ (3)</b>	<b>\$ (4)</b>	<b>\$ (7)</b>
<b>Variable annuity earnings</b>	<b>2</b>	<b>2</b>	<b>(1)</b>	<b>2</b>	<b>—</b>	<b>3</b>	<b>3</b>
<b>Pretax Annuity core operating earnings (excluding alternative investments marked to market)</b>	<b>81</b>	<b>84</b>	<b>79</b>	<b>84</b>	<b>75</b>	<b>244</b>	<b>225</b>
Alternative investments marked to market, net of DAC	40	(42)	(12)	20	25	(14)	80
<b>Pretax Annuity core operating earnings</b>	<b>121</b>	<b>42</b>	<b>67</b>	<b>104</b>	<b>100</b>	<b>230</b>	<b>305</b>
<b>Other amounts previously reported as core operating, net</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>(11)</b>
<b>Pretax Annuity core operating earnings - as reported</b>	<b>\$ 121</b>	<b>\$ 42</b>	<b>\$ 67</b>	<b>\$ 104</b>	<b>\$ 100</b>	<b>\$ 230</b>	<b>\$ 294</b>

(a) Excludes non-investment assets such as deferred acquisition costs, FIA options, accrued investment income and company owned life insurance.

American Financial Group, Inc.  
Statutory Annuity Premiums  
(\$ in millions)



	Three Months Ended					Nine Months Ended	
	9/30/20	6/30/20	3/31/20	12/31/19	9/30/19	9/30/20	9/30/19
Financial institutions single premium annuities - indexed	\$ 332	\$ 258	\$ 424	\$ 359	\$ 325	\$ 1,014	\$ 1,178
Financial institutions single premium annuities - fixed	141	98	287	270	302	526	959
Retail single premium annuities - indexed	134	138	172	170	198	444	773
Retail single premium annuities - fixed	17	31	25	25	30	73	95
Broker dealer single premium annuities - indexed	109	100	138	107	134	347	550
Broker dealer single premium annuities - fixed	3	2	17	9	9	22	23
Pension risk transfer (PRT)	99	23	103	158	39	225	99
Education market - fixed and indexed annuities	33	32	39	36	35	104	128
<b>Subtotal fixed annuity premiums</b>	<b>868</b>	<b>682</b>	<b>1,205</b>	<b>1,134</b>	<b>1,072</b>	<b>2,755</b>	<b>3,805</b>
Variable annuities	3	5	5	5	5	13	16
<b>Total gross annuity premiums</b>	<b>\$ 871</b>	<b>\$ 687</b>	<b>\$1,210</b>	<b>\$1,139</b>	<b>\$1,077</b>	<b>\$ 2,768</b>	<b>\$ 3,821</b>
Less: Reinsurance	(168)	(78)	—	—	—	(246)	—
<b>Total net annuity premiums</b>	<b>\$ 703</b>	<b>\$ 609</b>	<b>\$1,210</b>	<b>\$1,139</b>	<b>\$1,077</b>	<b>\$ 2,522</b>	<b>\$ 3,821</b>
<b>Summary by Distribution Channel:</b>							
Financial institutions	\$ 473	\$ 356	\$ 711	\$ 629	\$ 627	\$ 1,540	\$ 2,137
Retail	151	169	197	195	228	517	868
Broker dealer	112	102	155	116	143	369	573
Other	135	60	147	199	79	342	243
<b>Total gross annuity premiums</b>	<b>\$ 871</b>	<b>\$ 687</b>	<b>\$1,210</b>	<b>\$1,139</b>	<b>\$1,077</b>	<b>\$ 2,768</b>	<b>\$ 3,821</b>
Less: Reinsurance	(168)	(78)	—	—	—	(246)	—
<b>Total net annuity premiums</b>	<b>\$ 703</b>	<b>\$ 609</b>	<b>\$1,210</b>	<b>\$1,139</b>	<b>\$1,077</b>	<b>\$ 2,522</b>	<b>\$ 3,821</b>
<b>Summary by Product Type:</b>							
Total indexed	\$ 591	\$ 512	\$ 753	\$ 655	\$ 675	\$ 1,856	\$ 2,572
Total fixed	277	170	452	479	397	899	1,233
Variable	3	5	5	5	5	13	16
<b>Total gross annuity premiums</b>	<b>\$ 871</b>	<b>\$ 687</b>	<b>\$1,210</b>	<b>\$1,139</b>	<b>\$1,077</b>	<b>\$ 2,768</b>	<b>\$ 3,821</b>
Less: Reinsurance	(168)	(78)	—	—	—	(246)	—
<b>Total net annuity premiums</b>	<b>\$ 703</b>	<b>\$ 609</b>	<b>\$1,210</b>	<b>\$1,139</b>	<b>\$1,077</b>	<b>\$ 2,522</b>	<b>\$ 3,821</b>

**American Financial Group, Inc.**  
**Fixed Annuity Benefits Accumulated (GAAP)**  
(\$ in millions)



	Three Months Ended					Nine Months Ended	
	9/30/20	6/30/20	3/31/20	12/31/19	9/30/19	9/30/20	9/30/19
Beginning fixed annuity reserves	\$40,942	\$40,260	\$40,018	\$39,212	\$38,680	\$40,018	\$36,431
Premiums	868	682	1,205	1,134	1,072	2,755	3,805
Federal Home Loan Bank (“FHLB”) advances (paydowns)	—	(40)	200	—	—	160	—
Surrenders, benefits and other withdrawals	(844)	(768)	(794)	(829)	(808)	(2,406)	(2,431)
Interest and other annuity benefit expenses:							
Cost of funds	249	251	253	252	250	753	730
Embedded derivative marked to market	245	601	(647)	276	111	199	824
Unlockings	(73)	—	—	—	(75)	(73)	(75)
Other	(13)	(44)	25	(27)	(18)	(32)	(72)
<b>Ending fixed annuity reserves</b>	<b><u>\$41,374</u></b>	<b><u>\$40,942</u></b>	<b><u>\$40,260</u></b>	<b><u>\$40,018</u></b>	<b><u>\$39,212</u></b>	<b><u>\$41,374</u></b>	<b><u>\$39,212</u></b>
Reconciliation to annuity benefits accumulated:							
Ending fixed annuity reserves	\$41,374	\$40,942	\$40,260	\$40,018	\$39,212	\$41,374	\$39,212
Impact of unrealized investment gains on reserves	394	285	38	225	269	394	269
Fixed component of variable annuities	164	165	165	163	170	164	170
<b>Annuity benefits accumulated per balance sheet</b>	<b><u>\$41,932</u></b>	<b><u>\$41,392</u></b>	<b><u>\$40,463</u></b>	<b><u>\$40,406</u></b>	<b><u>\$39,651</u></b>	<b><u>\$41,932</u></b>	<b><u>\$39,651</u></b>
Annualized surrenders and other withdrawals as a % of beginning reserves	8.3%	7.6%	7.9%	8.5%	8.4%	8.0%	8.9%
Rider reserves included in ending fixed annuity reserves above	<b><u>\$ 801</u></b>	<b><u>\$ 680</u></b>	<b><u>\$ 690</u></b>	<b><u>\$ 625</u></b>	<b><u>\$ 611</u></b>	<b><u>\$ 801</u></b>	<b><u>\$ 611</u></b>
Embedded Derivative liability included in ending fixed annuity reserves above	<b><u>\$ 3,657</u></b>	<b><u>\$ 3,675</u></b>	<b><u>\$ 3,099</u></b>	<b><u>\$ 3,730</u></b>	<b><u>\$ 3,469</u></b>	<b><u>\$ 3,657</u></b>	<b><u>\$ 3,469</u></b>

**American Financial Group, Inc.**  
**Guaranteed Minimum Interest Rate (“GMIR”) Analysis**  
(\$ in millions)



<b>GMIR (a)</b>	<b>Pro Forma 9/30/20 (e)</b>	<b>9/30/20</b>	<b>6/30/20</b>	<b>3/31/20</b>	<b>12/31/19</b>	<b>9/30/19</b>	<b>6/30/19</b>
1 - 1.99%	85%	85%	85%	84%	84%	84%	83%
2 - 2.99%	3%	3%	3%	3%	3%	3%	4%
3 - 3.99%	7%	6%	6%	7%	7%	7%	7%
4.00% and above	5%	6%	6%	6%	6%	6%	6%
<b>Annuity Benefits Accumulated</b>	<b>\$ 41,932</b>	<b>\$41,932</b>	<b>\$41,392</b>	<b>\$40,463</b>	<b>\$40,406</b>	<b>\$39,651</b>	<b>\$39,044</b>
<b>Traditional Fixed and FIA Surrender Value (b) (c)</b>	<b>\$ 25,853</b>	<b>\$31,853</b>	<b>\$31,619</b>	<b>\$30,934</b>	<b>\$30,921</b>	<b>\$30,292</b>	<b>\$29,891</b>
<b>Ability to Lower Average Crediting Rates by (b) (d)</b>	<b>1.08%</b>	<b>1.10%</b>	<b>1.14%</b>	<b>1.18%</b>	<b>1.19%</b>	<b>1.20%</b>	<b>1.20%</b>
<b>Pretax earnings impact of crediting guaranteed minimums (b) (assumes net DAC impact over time = \$0)</b>	<b>\$ 280</b>	<b>\$ 350</b>	<b>\$ 360</b>	<b>\$ 365</b>	<b>\$ 368</b>	<b>\$ 363</b>	<b>\$ 359</b>

- (a) Excludes Federal Home Loan Bank (“FHLB”) advances, immediate reserves and certain other reserves.
- (b) Excludes Annuities with Guaranteed Withdrawal Benefits, FHLB advances, immediate reserves and certain other reserves.
- (c) FIA and VIA Surrender Value include Host + Embedded Derivatives + Fixed Account values.
- (d) Weighted Average Crediting Rate less GMIR
- (e) Projected results if Block Reinsurance transaction took effect on 9/30/20

American Financial Group, Inc.  
Annuity Non-Core Earnings (Losses)  
(\$ in millions)



	Three Months Ended					Nine Months Ended	
	9/30/20	6/30/20	3/31/20	12/31/19	9/30/19	9/30/20	9/30/19
<b>Annuity Non-Core Earnings (Losses):</b>							
Stock market impact on:							
Liability for guaranteed benefits (a)	\$ 14	\$ 22	\$ (33)	\$ 12	\$ 2	\$ 3	\$ 22
DAC and sales inducements (b)	3	7	(10)	4	1	—	7
Fair Value (FV) accounting	2	9	(21)	8	1	(10)	15
Subtotal impact of changes in stock market	19	38	(64)	24	4	(7)	44
Impact of changes in interest rates on FV accounting	(17)	(100)	29	(4)	(30)	(88)	(113)
Other FIA items	1	3	(3)	4	—	1	(1)
Unlocks	(46)	—	—	—	(1)	(46)	(1)
<b>Annuity Non-Core Earnings (Losses)</b>	<b>\$ (43)</b>	<b>\$ (59)</b>	<b>\$ (38)</b>	<b>\$ 24</b>	<b>\$ (27)</b>	<b>\$ (140)</b>	<b>\$ (71)</b>

Q1 Core = (\$11)  
Q2/Q3 Non-core = (\$60)

	Reported as	Non-core	Non-core	Non-core	Non-core	Non-core	Non-core
<b>Annuity Non-Core Earnings (Losses), net of taxes</b>	<b>\$ (34)</b>	<b>\$ (47)</b>	<b>\$ (30)</b>	<b>\$ 19</b>	<b>\$ (21)</b>	<b>\$ (111)</b>	<b>\$ 48</b>

**Annuity Non-Core Net Spread Earned:**

Stock market impact on:							
Liability for guaranteed benefits (a)	0.14%	0.22%	(0.33%)	0.12%	0.02%	0.01%	0.08%
DAC and sales inducements (b)	0.03%	0.07%	(0.10%)	0.04%	0.01%	0.00%	0.02%
Fair Value (FV) accounting	0.02%	0.09%	(0.21%)	0.08%	0.01%	(0.03%)	0.05%
Subtotal impact of changes in stock market	0.19%	0.38%	(0.64%)	0.24%	0.04%	(0.02%)	0.15%
Impact of changes in interest rates on FV accounting	(0.16%)	(0.99%)	0.29%	(0.04%)	(0.31%)	(0.29%)	(0.40%)
Other FIA items	0.01%	0.03%	(0.03%)	0.04%	0.00%	0.00%	0.00%
Unlocks	(0.45%)	0.00%	0.00%	0.00%	(0.01%)	(0.15%)	0.00%
<b>Non-core net spread earned on fixed annuities</b>	<b>(0.41%)</b>	<b>(0.58%)</b>	<b>(0.38%)</b>	<b>0.24%</b>	<b>(0.28%)</b>	<b>(0.46%)</b>	<b>(0.25%)</b>

Q1 Core = (.04%)  
Q2/Q3 Non-core = (.21%)

	Reported as	Non-core	Non-core	Non-core	Non-core	Non-core	Non-core
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- (a) Reflects the impact of changes in the stock market on AFG's liability for fixed-indexed annuities with guaranteed benefits. Increases in the stock market will generally have a favorable earnings impact; decreases in the stock market will generally have an unfavorable impact.
- (b) Reflects the impact of changes in the stock market on the current and projected lifetime profitability of AFG's annuity business. Increases in the stock market will generally have a favorable earnings impact; decreases in the stock market will generally have an unfavorable impact.

<b>S&amp;P 500</b>	3,363	3,100	2,585	3,231	2,977	3,363	2,977
<b>Average 5 and 15 year Corp A2 rates</b>	1.83%	1.95%	3.01%	2.74%	2.71%	1.83%	2.71%

**Non-core earnings sensitivities:**

Incremental +/- 1% change in S&P 500	~ +/- \$0mm to \$2mm
Incremental +/- 10bps change in interest rates (Assumes parallel shift in rates (primarily Corporate A2 rates))	~ +/- \$6mm to \$8mm

American Financial Group, Inc.  
**Reconciliation from Core to GAAP Annuity Pretax Earnings**  
(\$ in millions)



	Three Months Ended				Nine Months Ended		
	9/30/20	6/30/20	3/31/20	12/31/19	9/30/19	9/30/19	
<b>Annuity Earnings</b>							
Core annuity operating earnings - as reported (see page 12a)	\$ 121	\$ 42	\$ 67	\$ 104	\$ 100	\$ 230	\$ 294
Annuity non-core earnings (losses)	(43)	(59)	(38)	24	(27)	(140)	(60)
Earnings before income taxes - GAAP	<u>\$ 78</u>	<u>\$ (17)</u>	<u>\$ 29</u>	<u>\$ 128</u>	<u>\$ 73</u>	<u>\$ 90</u>	<u>\$ 234</u>
<b>Policy Charges and Other Miscellaneous Income</b>							
Policy charges and other miscellaneous income (see page 12a)	\$ 17	\$ 13	\$ 18	\$ 13	\$ 14	\$ 48	\$ 39
Annuity non-core policy charges and other miscellaneous income	(5)	—	—	—	1	(5)	1
Policy Charges and Other Miscellaneous Income - GAAP	<u>\$ 12</u>	<u>\$ 13</u>	<u>\$ 18</u>	<u>\$ 13</u>	<u>\$ 15</u>	<u>\$ 43</u>	<u>\$ 40</u>
<b>Annuity Benefit Expense</b>							
Annuity benefits expense (see page 13)	\$ 282	\$ 274	\$ 287	\$ 285	\$ 280	\$ 843	\$ 822
Annuity non-core annuity benefits	(69)	157	(3)	(30)	(26)	85	86
Annuity Benefit Expense - GAAP	<u>\$ 213</u>	<u>\$ 431</u>	<u>\$ 284</u>	<u>\$ 255</u>	<u>\$ 254</u>	<u>\$ 928</u>	<u>\$ 908</u>
<b>Acquisition Expenses</b>							
Acquisition expenses (see page 12a)	\$ 64	\$ 62	\$ 71	\$ 65	\$ 64	\$ 197	\$ 191
Annuity non-core acquisition expenses	107	(98)	41	6	54	50	(14)
Acquisition Expenses - GAAP	<u>\$ 171</u>	<u>\$ (36)</u>	<u>\$ 112</u>	<u>\$ 71</u>	<u>\$ 118</u>	<u>\$ 247</u>	<u>\$ 177</u>
<b>Net Spread on Fixed Annuities</b>							
Core net spread earned on fixed annuities - as reported (see page 14)	1.19%	0.39%	0.69%	1.07%	1.06%	0.76%	1.04%
Non-core net spread earned on fixed annuities	(0.41%)	(0.58%)	(0.38%)	0.24%	(0.28%)	(0.46%)	(0.21%)
Net Spread on Fixed Annuities	<u>0.78%</u>	<u>(0.19%)</u>	<u>0.31%</u>	<u>1.31%</u>	<u>0.78%</u>	<u>0.30%</u>	<u>0.83%</u>

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



	<u>9/30/20</u>	<u>6/30/20</u>	<u>3/31/20</u>	<u>12/31/19</u>	<u>9/30/19</u>	<u>6/30/19</u>
<b>Assets:</b>						
Total cash and investments	\$58,087	\$56,741	\$53,221	\$55,252	\$54,207	\$52,907
Recoverables from reinsurers	3,819	3,476	3,387	3,415	3,261	3,150
Prepaid reinsurance premiums	862	733	708	678	781	651
Agents' balances and premiums receivable	1,384	1,366	1,302	1,335	1,403	1,398
Deferred policy acquisition costs	497	818	1,573	1,037	964	1,203
Assets of managed investment entities	4,717	4,393	4,026	4,736	4,702	4,781
Other receivables	1,185	880	981	975	1,187	999
Variable annuity assets (separate accounts)	603	577	497	628	601	616
Other assets	1,749	1,676	1,741	1,867	1,754	1,785
Goodwill	207	207	207	207	207	207
<b>Total assets</b>	<b>\$73,110</b>	<b>\$70,867</b>	<b>\$67,643</b>	<b>\$70,130</b>	<b>\$69,067</b>	<b>\$67,697</b>
<b>Liabilities and Equity:</b>						
Unpaid losses and loss adjustment expenses	\$10,754	\$10,321	\$10,106	\$10,232	\$ 9,847	\$ 9,577
Unearned premiums	3,015	2,778	2,808	2,830	2,986	2,683
Annuity benefits accumulated	41,932	41,392	40,463	40,406	39,651	39,044
Life, accident and health reserves	609	606	607	612	613	619
Payable to reinsurers	977	746	779	814	867	755
Liabilities of managed investment entities	4,541	4,236	3,865	4,571	4,523	4,590
Long-term debt	2,108	1,912	1,473	1,473	1,423	1,423
Variable annuity liabilities (separate accounts)	603	577	497	628	601	616
Other liabilities	2,231	2,173	1,998	2,295	2,235	2,300
<b>Total liabilities</b>	<b>\$66,770</b>	<b>\$64,741</b>	<b>\$62,596</b>	<b>\$63,861</b>	<b>\$62,746</b>	<b>\$61,607</b>
<b>Shareholders' equity:</b>						
Common stock	\$ 87	\$ 89	\$ 90	\$ 90	\$ 90	\$ 90
Capital surplus	1,283	1,299	1,309	1,307	1,292	1,277
Retained earnings	3,737	3,685	3,616	4,009	4,022	3,914
Unrealized gains — fixed maturities	1,212	1,030	16	862	920	812
Unrealized gains (losses) — fixed maturity-related cash flow hedges	41	47	44	17	25	18
Other comprehensive income, net of tax	(20)	(24)	(28)	(16)	(28)	(21)
<b>Total shareholders' equity</b>	<b>6,340</b>	<b>6,126</b>	<b>5,047</b>	<b>6,269</b>	<b>6,321</b>	<b>6,090</b>
<b>Noncontrolling interests</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Total liabilities and equity</b>	<b>\$73,110</b>	<b>\$70,867</b>	<b>\$67,643</b>	<b>\$70,130</b>	<b>\$69,067</b>	<b>\$67,697</b>

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



	<u>9/30/20</u>	<u>6/30/20</u>	<u>3/31/20</u>	<u>12/31/19</u>	<u>9/30/19</u>	<u>6/30/19</u>
<b>Shareholders' equity</b>	<b>\$ 6,340</b>	<b>\$ 6,126</b>	<b>\$ 5,047</b>	<b>\$ 6,269</b>	<b>\$ 6,321</b>	<b>\$ 6,090</b>
Unrealized (gains) related to fixed maturities	(1,253)	(1,077)	(60)	(879)	(945)	(830)
<b>Adjusted shareholders' equity</b>	<b>5,087</b>	<b>5,049</b>	<b>4,987</b>	<b>5,390</b>	<b>5,376</b>	<b>5,260</b>
Goodwill	(207)	(207)	(207)	(207)	(207)	(207)
Intangibles	(34)	(37)	(40)	(43)	(45)	(48)
<b>Tangible adjusted shareholders' equity</b>	<b>\$ 4,846</b>	<b>\$ 4,805</b>	<b>\$ 4,740</b>	<b>\$ 5,140</b>	<b>\$ 5,124</b>	<b>\$ 5,005</b>
Common shares outstanding	87.267	88.659	89.827	90.304	90.127	89.918
<b>Book value per share:</b>						
<b>Book value per share</b>	<b>\$ 72.65</b>	<b>\$ 69.10</b>	<b>\$ 56.18</b>	<b>\$ 69.43</b>	<b>\$ 70.14</b>	<b>\$ 67.72</b>
<b>Adjusted (a)</b>	<b>58.29</b>	<b>56.95</b>	<b>55.52</b>	<b>59.70</b>	<b>59.65</b>	<b>58.49</b>
<b>Tangible, adjusted (b)</b>	<b>55.53</b>	<b>54.20</b>	<b>52.77</b>	<b>56.93</b>	<b>56.84</b>	<b>55.65</b>
<b>Market capitalization</b>						
AFG's closing common share price	\$ 66.98	\$ 63.46	\$ 70.08	\$ 109.65	\$ 107.85	\$ 102.47
Market capitalization	\$ 5,845	\$ 5,626	\$ 6,295	\$ 9,902	\$ 9,720	\$ 9,214
Price / Adjusted book value ratio	1.15	1.11	1.26	1.84	1.81	1.75

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

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



	<u>9/30/20</u>	<u>6/30/20</u>	<u>3/31/20</u>	<u>12/31/19</u>	<u>9/30/19</u>	<u>6/30/19</u>
AFG senior obligations	\$ 1,318	\$ 1,318	\$1,018	\$ 1,018	\$1,018	\$1,018
Borrowings drawn under credit facility	—	—	—	—	—	—
<b>Debt excluding subordinated debt</b>	<b>\$ 1,318</b>	<b>\$ 1,318</b>	<b>\$1,018</b>	<b>\$ 1,018</b>	<b>\$1,018</b>	<b>\$1,018</b>
AFG subordinated debentures	825	625	475	475	425	425
<b>Total principal amount of long-term debt</b>	<b>\$ 2,143</b>	<b>\$ 1,943</b>	<b>\$1,493</b>	<b>\$ 1,493</b>	<b>\$1,443</b>	<b>\$1,443</b>
Shareholders' equity	6,340	6,126	5,047	6,269	6,321	6,090
Noncontrolling interests (including redeemable NCI)	—	—	—	—	—	—
Less:						
Unrealized (gains) related to fixed maturity investments	(1,253)	(1,077)	(60)	(879)	(945)	(830)
<b>Total adjusted capital</b>	<b>\$ 7,230</b>	<b>\$ 6,992</b>	<b>\$6,480</b>	<b>\$ 6,883</b>	<b>\$6,819</b>	<b>\$6,703</b>
<b>Ratio of debt to total adjusted capital:</b>						
<b>Including subordinated debt</b>	<b>29.6%</b>	<b>27.8%</b>	<b>23.0%</b>	<b>21.7%</b>	<b>21.2%</b>	<b>21.5%</b>
<b>Excluding subordinated debt</b>	<b>18.2%</b>	<b>18.9%</b>	<b>15.7%</b>	<b>14.8%</b>	<b>14.9%</b>	<b>15.2%</b>



	Three Months Ended					Nine Months Ended	
	9/30/20	6/30/20	3/31/20	12/31/19	9/30/19	9/30/20	9/30/19
<b>Property and Casualty Insurance</b>							
Paid Losses (GAAP)	\$ 646	\$ 601	\$ 751	\$ 727	\$ 769	\$ 1,998	\$ 2,139
<b>GAAP Equity (excluding AOCI)</b>							
	9/30/20	6/30/20	3/31/20	12/31/19	9/30/19	6/30/19	
Property and Casualty Insurance	\$ 4,154	\$ 3,945	\$ 3,800	\$ 4,043	\$ 4,094	\$ 3,959	
Annuity	2,659	2,579	2,512	2,715	2,613	2,612	
Parent and other subsidiaries	(1,706)	(1,451)	(1,297)	(1,352)	(1,303)	(1,290)	
AFG GAAP Equity (excluding AOCI)	\$ 5,107	\$ 5,073	\$ 5,015	\$ 5,406	\$ 5,404	\$ 5,281	
<b>Allowable dividends without regulatory approval</b>							
Property and Casualty Insurance	\$ 565	\$ 565	\$ 565	\$ 565	\$ 529	\$ 529	
Annuity and Run-off	287	287	287	287	768	768	
<b>Total</b>	<b>\$ 852</b>	<b>\$ 852</b>	<b>\$ 852</b>	<b>\$ 852</b>	<b>\$ 1,297</b>	<b>\$ 1,297</b>	

Carrying Value - September 30, 2020

	Property and Casualty Insurance	Annuity and Run-off	Parent and Other Non- Insurance	Consolidate CLOs	Total AFG Consolidated	% of Investment Portfolio
<b>Total cash and investments:</b>						
Cash and cash equivalents	\$ 1,692	\$ 1,462	\$ 593	\$ —	\$ 3,747	7%
Fixed maturities — Available for sale	8,761	39,424	8	—	48,193	83%
Fixed maturities — Trading	47	45	—	—	92	0%
Equity securities — common stocks	410	401	63	—	874	2%
Equity securities — perpetual preferred	377	355	—	—	732	1%
Investments accounted for using the equity method	778	1,063	—	—	1,841	3%
Mortgage loans	325	1,157	—	—	1,482	3%
Policy loans	—	154	—	—	154	0%
Equity index call options	—	697	—	—	697	1%
Real estate and other investments	117	281	52	(175)	275	0%
<b>Total cash and investments</b>	<b>\$ 12,507</b>	<b>\$ 45,039</b>	<b>\$ 716</b>	<b>\$ (175)</b>	<b>\$ 58,087</b>	<b>100%</b>

Carrying Value - December 31, 2019

	Property and Casualty Insurance	Annuity and Run-off	Parent and Other Non- Insurance	Consolidate CLOs	Total AFG Consolidated	% of Investment Portfolio
<b>Total cash and investments:</b>						
Cash and cash equivalents	\$ 1,387	\$ 746	\$ 181	\$ —	\$ 2,314	4%
Fixed maturities — Available for sale	8,596	37,899	10	—	46,505	84%
Fixed maturities — Trading	59	54	—	—	113	0%
Equity securities — common stocks	664	553	66	—	1,283	3%
Equity securities — perpetual preferred	397	257	—	—	654	1%
Investments accounted for using the equity method	703	985	—	—	1,688	3%
Mortgage loans	262	1,067	—	—	1,329	2%
Policy loans	—	164	—	—	164	0%
Equity index call options	—	924	—	—	924	2%
Real estate and other investments	122	265	55	(164)	278	1%
<b>Total cash and investments</b>	<b>\$ 12,190</b>	<b>\$ 42,914</b>	<b>\$ 312</b>	<b>\$ (164)</b>	<b>\$ 55,252</b>	<b>100%</b>

	Three Months Ended					Nine Months Ended	
	9/30/20	6/30/20	3/31/20	12/31/19	9/30/19	9/30/20	9/30/19
<b>Property and Casualty Insurance:</b>							
<b>Gross Investment Income</b>							
Fixed maturities - Available for sale	\$ 72	\$ 75	\$ 81	\$ 79	\$ 75	\$ 228	\$ 231
Fixed maturities - Trading	—	—	1	—	1	1	3
Equity securities - dividends	8	8	10	11	12	26	38
Equity securities - MTM	(3)	2	3	(1)	7	2	10
Equity in investees	27	(15)	11	21	20	23	43
AFG managed CLOs	4	—	(11)	(2)	(2)	(7)	3
Other investments (a)	5	3	6	13	12	14	29
<b>Gross investment income</b>	<b>113</b>	<b>73</b>	<b>101</b>	<b>121</b>	<b>125</b>	<b>287</b>	<b>357</b>
Investment expenses	(2)	(1)	(2)	(1)	(1)	(5)	(5)
<b>Total net investment income</b>	<b>\$ 111</b>	<b>\$ 72</b>	<b>\$ 99</b>	<b>\$ 120</b>	<b>\$ 124</b>	<b>\$ 282</b>	<b>\$ 352</b>
<b>Average cash and investments (b)</b>	<b>\$ 11,764</b>	<b>\$ 11,454</b>	<b>\$ 11,457</b>	<b>\$ 11,744</b>	<b>\$ 11,387</b>	<b>\$ 11,611</b>	<b>\$ 11,192</b>
<b>Average yield (c)</b>	<b>3.77%</b>	<b>2.51%</b>	<b>3.46%</b>	<b>4.09%</b>	<b>4.36%</b>	<b>3.24%</b>	<b>4.19%</b>
<b>Fixed Annuity</b>							
<b>Gross Investment Income</b>							
Fixed maturities - Available for sale	\$ 394	\$ 402	\$ 403	\$ 406	\$ 393	\$ 1,199	\$ 1,168
Equity securities - dividends	7	8	7	8	9	22	26
Equity securities - MTM	(2)	—	5	4	7	3	13
Equity in investees	39	(39)	14	24	23	14	66
AFG managed CLOs	9	2	(25)	(5)	(3)	(14)	8
Other investments (a)	19	14	19	23	21	52	58
<b>Gross investment income</b>	<b>466</b>	<b>387</b>	<b>423</b>	<b>460</b>	<b>450</b>	<b>1,276</b>	<b>1,339</b>
Investment expenses	(4)	(5)	(3)	(4)	(4)	(12)	(12)
<b>Total net investment income</b>	<b>\$ 462</b>	<b>\$ 382</b>	<b>\$ 420</b>	<b>\$ 456</b>	<b>\$ 446</b>	<b>\$ 1,264</b>	<b>\$ 1,327</b>
<b>Average cash and investments (b)</b>	<b>\$ 40,859</b>	<b>\$ 40,570</b>	<b>\$ 40,073</b>	<b>\$ 39,316</b>	<b>\$ 38,650</b>	<b>\$ 40,501</b>	<b>\$ 37,849</b>
<b>Average yield (c)</b>	<b>4.52%</b>	<b>3.77%</b>	<b>4.19%</b>	<b>4.63%</b>	<b>4.62%</b>	<b>4.16%</b>	<b>4.68%</b>
<b>AFG consolidated net investment income:</b>							
Property & Casualty core	\$ 111	\$ 72	\$ 99	\$ 120	\$ 124	\$ 282	\$ 352
Neon exited lines non-core	1	—	(6)	—	—	(5)	—
Annuity:							
Fixed Annuity	462	382	420	456	446	1,264	1,327
Variable Annuity	2	2	2	2	2	6	7
Parent & other	9	14	(7)	8	11	16	35
Consolidate CLOs	(13)	(2)	36	7	5	21	(11)
<b>Total net investment income</b>	<b>\$ 572</b>	<b>\$ 468</b>	<b>\$ 544</b>	<b>\$ 593</b>	<b>\$ 588</b>	<b>\$ 1,584</b>	<b>\$ 1,710</b>

- (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.

	Three Months Ended					Nine Months Ended	
	9/30/20	6/30/20	3/31/20	12/31/19	9/30/19	9/30/20	9/30/19
<b>Property and Casualty Insurance:</b>							
<b>Net Investment Income</b>							
Equity securities MTM through investment income (a)	\$ (3)	\$ 2	\$ 3	\$ (1)	\$ 7	\$ 2	\$ 10
Investments accounted for using the equity method (b)	27	(15)	11	21	20	23	43
AFG managed CLOs (eliminated in consolidation)	4	—	(11)	(2)	(2)	(7)	3
<b>Total Property &amp; Casualty</b>	<b>\$ 28</b>	<b>\$ (13)</b>	<b>\$ 3</b>	<b>\$ 18</b>	<b>\$ 25</b>	<b>\$ 18</b>	<b>\$ 56</b>
<b>Investments</b>							
Equity securities MTM through investment income (a)	\$ 109	\$ 95	\$ 86	\$ 71	\$ 63	\$ 109	\$ 63
Investments accounted for using the equity method (b)	778	755	736	703	625	778	625
AFG managed CLOs (eliminated in consolidation)	46	39	40	48	53	46	53
<b>Total Property &amp; Casualty</b>	<b>\$ 933</b>	<b>\$ 889</b>	<b>\$ 862</b>	<b>\$ 822</b>	<b>\$ 741</b>	<b>\$ 933</b>	<b>\$ 741</b>
<b>Annualized Yield - Property &amp; Casualty</b>	<b>12.3%</b>	<b>(5.9%)</b>	<b>1.4%</b>	<b>9.2%</b>	<b>13.7%</b>	<b>2.7%</b>	<b>10.8%</b>
<b>Fixed Annuity:</b>							
<b>Net Investment Income</b>							
Equity securities MTM through investment income (a)	\$ (2)	\$ —	\$ 5	\$ 4	\$ 7	\$ 3	\$ 13
Investments accounted for using the equity method (b)	39	(39)	14	24	23	14	66
AFG managed CLOs (eliminated in consolidation)	9	2	(25)	(5)	(3)	(14)	8
<b>Total Fixed Annuity</b>	<b>\$ 46</b>	<b>\$ (37)</b>	<b>\$ (6)</b>	<b>\$ 23</b>	<b>\$ 27</b>	<b>\$ 3</b>	<b>\$ 87</b>
<b>Investments</b>							
Equity securities MTM through investment income (a)	\$ 186	\$ 168	\$ 160	\$ 142	\$ 120	\$ 186	\$ 120
Investments accounted for using the equity method (b)	1,063	1,026	1,027	985	910	1,063	910
AFG managed CLOs (eliminated in consolidation)	129	118	120	116	125	129	125
<b>Total Fixed Annuity</b>	<b>\$ 1,378</b>	<b>\$ 1,312</b>	<b>\$ 1,307</b>	<b>\$ 1,243</b>	<b>\$ 1,155</b>	<b>\$ 1,378</b>	<b>\$ 1,155</b>
<b>Annualized Yield - Fixed Annuity</b>	<b>13.7%</b>	<b>(11.3%)</b>	<b>(1.9%)</b>	<b>7.7%</b>	<b>9.5%</b>	<b>0.3%</b>	<b>10.5%</b>
<b>Combined:</b>							
<b>Net Investment Income</b>							
Equity securities MTM through investment income (a)	\$ (5)	\$ 2	\$ 8	\$ 3	\$ 14	\$ 5	\$ 23
Investments accounted for using the equity method (b)	66	(54)	25	45	43	37	109
AFG managed CLOs (eliminated in consolidation)	13	2	(36)	(7)	(5)	(21)	11
<b>Total Combined</b>	<b>\$ 74</b>	<b>\$ (50)</b>	<b>\$ (3)</b>	<b>\$ 41</b>	<b>\$ 52</b>	<b>\$ 21</b>	<b>\$ 143</b>
<b>Investments</b>							
Equity securities MTM through investment income (a)	\$ 295	\$ 263	\$ 246	\$ 213	\$ 183	\$ 295	\$ 183
Investments accounted for using the equity method (b)	1,841	1,781	1,763	1,688	1,535	1,841	1,535
AFG managed CLOs (eliminated in consolidation)	175	157	160	164	178	175	178
<b>Total Combined</b>	<b>\$ 2,311</b>	<b>\$ 2,201</b>	<b>\$ 2,169</b>	<b>\$ 2,065</b>	<b>\$ 1,896</b>	<b>\$ 2,311</b>	<b>\$ 1,896</b>
<b>Annualized Yield - Combined</b>	<b>13.1%</b>	<b>(9.2%)</b>	<b>(0.6%)</b>	<b>8.3%</b>	<b>11.1%</b>	<b>1.3%</b>	<b>10.6%</b>

- (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.

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



<b>September 30, 2020</b>	<b>Book Value (b)</b>	<b>Fair Value</b>	<b>Unrealized Gain (Loss)</b>	<b>% of Fair Value</b>	<b>% of Investment Portfolio</b>
US Government and government agencies	\$ 213	\$ 226	\$ 13	0%	0%
States, municipalities and political subdivisions	6,167	6,739	572	14%	12%
Foreign government	225	233	8	0%	0%
Residential mortgage-backed securities	2,880	3,138	258	7%	5%
Commercial mortgage-backed securities	814	856	42	2%	2%
Collateralized loan obligations	4,623	4,607	(16)	10%	8%
Other asset-backed securities	7,389	7,419	30	15%	13%
Corporate and other bonds	23,024	25,067	2,043	52%	43%
<b>Total AFG consolidated</b>	<b>\$ 45,335</b>	<b>\$ 48,285</b>	<b>\$ 2,950</b>	<b>100%</b>	<b>83%</b>

**Annualized yield on available for sale fixed maturities:**

Excluding investment expense (a)	4.16%
Net of investment expense (a)	4.12%

**Approximate average life and duration:**

Approximate average life	5.5 years
Approximate duration	4 years

<b>December 31, 2019</b>	<b>Book Value</b>	<b>Fair Value</b>	<b>Unrealized Gain (Loss)</b>	<b>% of Fair Value</b>	<b>% of Investment Portfolio</b>
US Government and government agencies	\$ 203	\$ 213	\$ 10	1%	0%
States, municipalities and political subdivisions	6,628	6,987	359	15%	12%
Foreign government	209	211	2	0%	0%
Residential mortgage-backed securities	2,901	3,161	260	7%	6%
Commercial mortgage-backed securities	896	927	31	2%	2%
Collateralized loan obligations	4,307	4,280	(27)	9%	8%
Other asset-backed securities	6,992	7,128	136	15%	13%
Corporate and other bonds	22,501	23,711	1,210	51%	43%
<b>Total AFG consolidated</b>	<b>\$ 44,637</b>	<b>\$ 46,618</b>	<b>\$ 1,981</b>	<b>100%</b>	<b>84%</b>

**Annualized yield on available for sale fixed maturities:**

Excluding investment expense (a)	4.48%
Net of investment expense (a)	4.44%

**Approximate average life and duration:**

Approximate average life	5.5 years
Approximate duration	4 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) Book Value is amortized cost, net of allowance for expected credit losses.

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



	September 30, 2020				December 31, 2019			
	Book Value	Fair Value	Unrealized Gain (Loss)	% of Fair Value	Book Value	Fair Value	Unrealized Gain (Loss)	% of Fair Value
<b>Property and Casualty Insurance:</b>								
US Government and government agencies	\$ 174	\$ 181	\$ 7	2%	\$ 165	\$ 167	\$ 2	2%
States, municipalities and political subdivisions	2,312	2,426	114	27%	2,524	2,614	90	30%
Foreign government	194	198	4	2%	178	177	(1)	2%
Residential mortgage-backed securities	889	943	54	11%	990	1,051	61	12%
Commercial mortgage-backed securities	85	88	3	1%	89	92	3	1%
Collateralized loan obligations	960	954	(6)	11%	906	901	(5)	11%
Other asset-backed securities	1,906	1,910	4	22%	1,727	1,741	14	20%
Corporate and other bonds	2,034	2,108	74	24%	1,861	1,912	51	22%
<b>Property and Casualty Insurance</b>	<b>\$ 8,554</b>	<b>\$ 8,808</b>	<b>\$ 254</b>	<b>100%</b>	<b>\$ 8,440</b>	<b>\$ 8,655</b>	<b>\$ 215</b>	<b>100%</b>

**Annualized yield on available for sale fixed maturities:**

Excluding investment expense (a)	3.40%	3.94%
Net of investment expense (a)	3.34%	3.90%
Tax equivalent, net of investment expense (b)	3.49%	4.05%

**Approximate average life and duration:**

Approximate average life	4 years	4.5 years
Approximate duration	3 years	3 years

	September 30, 2020				December 31, 2019			
	Book Value	Fair Value	Unrealized Gain (Loss)	% of Fair Value	Book Value	Fair Value	Unrealized Gain (Loss)	% of Fair Value
<b>Annuity and Run-off:</b>								
US Government and government agencies	\$ 39	\$ 45	\$ 6	0%	\$ 38	\$ 46	\$ 8	0%
States, municipalities and political subdivisions	3,855	4,313	458	11%	4,104	4,373	269	12%
Foreign government	31	35	4	0%	31	34	3	0%
Residential mortgage-backed securities	1,990	2,187	197	6%	1,909	2,100	191	6%
Commercial mortgage-backed securities	729	768	39	2%	807	835	28	2%
Collateralized loan obligations	3,663	3,653	(10)	9%	3,401	3,379	(22)	9%
Other asset-backed securities	5,483	5,509	26	14%	5,265	5,387	122	14%
Corporate and other bonds	20,990	22,959	1,969	58%	20,640	21,799	1,159	57%
<b>Total Annuity and Run-off</b>	<b>\$ 36,780</b>	<b>\$39,469</b>	<b>\$ 2,689</b>	<b>100%</b>	<b>\$ 36,195</b>	<b>\$37,953</b>	<b>\$ 1,758</b>	<b>100%</b>

**Annualized yield on available for sale fixed maturities:**

Excluding investment expense (a)	4.33%	4.59%
Net of investment expense (a)	4.29%	4.55%

**Approximate average life and duration:**

Approximate average life	6 years	6 years
Approximate duration	4.5 years	4.5 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.

**American Financial Group, Inc.**  
**Fixed Maturities - Credit Rating**  
(\$ in millions)



By Credit Rating (a)	September 30, 2020			
	Book Value	Fair Value	Unrealized Gain (Loss)	% of Fair Value
<b>Investment grade</b>				
AAA	\$ 9,539	\$ 9,819	\$ 280	20%
AA	7,836	8,299	463	17%
A	9,431	10,227	796	21%
BBB	14,074	15,292	1,218	32%
Subtotal — Investment grade	40,880	43,637	2,757	90%
BB	832	813	(19)	2%
B	291	291	—	1%
Other (b)	3,332	3,544	212	7%
Subtotal — Non-Investment grade	4,455	4,648	193	10%
<b>Total</b>	<b>\$ 45,335</b>	<b>\$ 48,285</b>	<b>\$ 2,950</b>	<b>100%</b>

97% of the fixed maturity portfolio is NAIC designated 1 or 2.

By Credit Rating (a)	December 31, 2019			
	Book Value	Fair Value	Unrealized Gain (Loss)	% of Fair Value
<b>Investment grade</b>				
AAA	\$ 8,854	\$ 9,010	\$ 156	19%
AA	8,615	8,957	342	19%
A	10,456	10,983	527	24%
BBB	12,759	13,465	706	29%
Subtotal — Investment grade	40,684	42,415	1,731	91%
BB	714	724	10	2%
B	186	183	(3)	0%
Other (b)	3,053	3,296	243	7%
Subtotal — Non-Investment grade	3,953	4,203	250	9%
<b>Total</b>	<b>\$ 44,637</b>	<b>\$ 46,618</b>	<b>\$ 1,981</b>	<b>100%</b>

98% of the fixed maturity portfolio is NAIC designated 1 or 2.

- (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) See pages 33 and 34 for more information.



<u>September 30, 2020</u>	<u>Book Value</u>	<u>Fair Value</u>	<u>Unrealized Gain (Loss)</u>	<u>% of Fair Value</u>	<u>% of Investment Portfolio</u>
Residential					
Agency	\$ 485	\$ 492	\$ 7	12%	1%
Prime (Non-Agency)	1,301	1,412	111	36%	2%
Alt-A	811	920	109	23%	2%
Subprime	283	314	31	8%	1%
Commercial	814	856	42	21%	1%
<b>Total AFG consolidated</b>	<b>\$ 3,694</b>	<b>\$ 3,994</b>	<b>\$ 300</b>	<b>100%</b>	<b>7%</b>

- Substantially all of AFG's MBS securities are either senior tranches of securitizations or collateralized by senior tranches of securitizations.
- The average amortized cost as a percent of par is - Prime 88%; Alt-A 81%; Subprime 82%; CMBS 99%.
- The average FICO score of our residential MBS securities is - Prime 746; Alt-A 692; Subprime 631.
- 93% of our Commercial MBS portfolio is investment-grade rated (81% AAA) and the average subordination for this group of assets is 37%.
- The approximate average life by collateral type is - Residential 4 years; Commercial 3 years.

<u>December 31, 2019</u>	<u>Book Value</u>	<u>Fair Value</u>	<u>Unrealized Gain (Loss)</u>	<u>% of Fair Value</u>	<u>% of Investment Portfolio</u>
Residential					
Agency	\$ 549	\$ 552	\$ 3	13%	1%
Prime (Non-Agency)	1,157	1,264	107	31%	2%
Alt-A	897	1,015	118	25%	2%
Subprime	298	330	32	8%	1%
Commercial	896	927	31	23%	2%
<b>Total AFG consolidated</b>	<b>\$ 3,797</b>	<b>\$ 4,088</b>	<b>\$ 291</b>	<b>100%</b>	<b>8%</b>

**Property and Casualty Insurance:**

By Asset Type	September 30, 2020				
	Book Value	Fair Value	Unrealized Gain (Loss)	% of Fair Value	% of Inv Portfolio
Residential					
Agency	\$ 247	\$ 251	\$ 4	24%	2%
Prime (Non-Agency)	307	321	14	31%	2%
Alt-A	226	252	26	24%	2%
Subprime	109	119	10	12%	1%
Commercial	85	88	3	9%	1%
<b>Total</b>	<b>\$ 974</b>	<b>\$ 1,031</b>	<b>\$ 57</b>	<b>100%</b>	<b>8%</b>

By Asset Type	December 31, 2019				
	Book Value	Fair Value	Unrealized Gain (Loss)	% of Fair Value	% of Inv Portfolio
Residential					
Agency	\$ 315	\$ 317	\$ 2	28%	3%
Prime (Non-Agency)	279	292	13	26%	2%
Alt-A	265	299	34	26%	2%
Subprime	131	143	12	12%	1%
Commercial	89	92	3	8%	1%
<b>Total</b>	<b>\$ 1,079</b>	<b>\$ 1,143</b>	<b>\$ 64</b>	<b>100%</b>	<b>9%</b>

**Annuity and Run-off:**

By Asset Type	September 30, 2020				
	Book Value	Fair Value	Unrealized Gain (Loss)	% of Fair Value	% of Inv Portfolio
Residential					
Agency	\$ 238	\$ 241	\$ 3	8%	1%
Prime (Non-Agency)	993	1,083	90	37%	2%
Alt-A	585	668	83	23%	2%
Subprime	174	195	21	6%	0%
Commercial	729	768	39	26%	2%
<b>Total</b>	<b>\$ 2,719</b>	<b>\$ 2,955</b>	<b>\$ 236</b>	<b>100%</b>	<b>7%</b>

By Asset Type	December 31, 2019				
	Book Value	Fair Value	Unrealized Gain (Loss)	% of Fair Value	% of Inv Portfolio
Residential					
Agency	\$ 234	\$ 235	\$ 1	8%	1%
Prime (Non-Agency)	876	962	86	33%	2%
Alt-A	632	716	84	25%	2%
Subprime	167	187	20	6%	0%
Commercial	807	835	28	28%	2%
<b>Total</b>	<b>\$ 2,716</b>	<b>\$ 2,935</b>	<b>\$ 219</b>	<b>100%</b>	<b>7%</b>

**Appendix A**  
**American Financial Group, Inc.**  
**Components of Core Operating Earnings As Reported )**  
(\$ in millions)

	<b>Three Months Ended</b>					<b>Nine Months Ended</b>	
	<b>9/30/20</b>	<b>6/30/20</b>	<b>3/31/20</b>	<b>12/31/19</b>	<b>9/30/19</b>	<b>9/30/20</b>	<b>9/30/19</b>
<b>Core operating earnings before alternative investments marked to market</b>							
Property and Casualty Insurance core operating earnings before alternative investments marked to market	\$ 177	\$ 129	\$ 178	\$ 181	\$ 169	\$ 484	\$ 498
Annuity Pretax core operating earnings before alternative investments marked to market	81	84	79	84	75	244	214
Interest expense of parent holding companies	(24)	(23)	(17)	(18)	(17)	(64)	(50)
Other expense	(28)	(20)	(20)	(32)	(22)	(68)	(74)
Pre-tax core operating earnings before alternative investments marked to market	206	170	220	215	205	596	588
Income tax expense	43	31	42	42	39	116	114
<b>Core net operating earnings before alternative investments marked to market</b>	<b>\$ 163</b>	<b>\$ 139</b>	<b>\$ 178</b>	<b>\$ 173</b>	<b>\$ 166</b>	<b>\$ 480</b>	<b>\$ 474</b>
<b>Alternative investments marked to market through core operating earnings, net of DAC</b>							
Property and Casualty Insurance alternative investments marked to market	\$ 28	\$ (13)	\$ 3	\$ 18	\$ 25	\$ 18	\$ 56
Annuity alternative investments marked to market, net of DAC	40	(42)	(12)	20	25	(14)	80
Core pre-tax alternative investments marked to market, net of DAC	68	(55)	(9)	38	50	4	136
Income tax expense	14	(11)	(2)	8	11	1	29
<b>Alternative investments marked to market through core operating earnings, net of DAC</b>	<b>\$ 54</b>	<b>\$ (44)</b>	<b>\$ (7)</b>	<b>\$ 30</b>	<b>\$ 39</b>	<b>\$ 3</b>	<b>\$ 107</b>
<b>Core operating earnings as reported</b>							
Property and Casualty Insurance operating earnings	\$ 205	\$ 116	\$ 181	\$ 199	\$ 194	\$ 502	\$ 554
Annuity operating earnings	121	42	67	104	100	230	294
Interest expense of parent holding companies	(24)	(23)	(17)	(18)	(17)	(64)	(50)
Other expense	(28)	(20)	(20)	(32)	(22)	(68)	(74)
<b>Pre-tax core operating earnings as reported</b>	<b>274</b>	<b>115</b>	<b>211</b>	<b>253</b>	<b>255</b>	<b>600</b>	<b>724</b>
Income tax expense	57	20	40	50	50	117	143
<b>Core net operating earnings as reported</b>	<b>\$ 217</b>	<b>\$ 95</b>	<b>\$ 171</b>	<b>\$ 203</b>	<b>\$ 205</b>	<b>\$ 483</b>	<b>\$ 581</b>
Average number of diluted shares	88.546	89.997	91.138	91.274	91.137	89.889	90.940
<b>Diluted core net operating earnings per share:</b>							
<b>Core net operating earnings before alternative investments marked to market per share</b>	<b>\$ 1.84</b>	<b>\$ 1.53</b>	<b>\$ 1.96</b>	<b>\$ 1.90</b>	<b>\$ 1.82</b>	<b>\$ 5.34</b>	<b>\$ 5.21</b>
Core alternative investments marked to market through core operating earnings, net of DAC per share	0.61	(0.48)	(0.08)	0.32	0.43	0.03	1.18
<b>Core net operating earnings as reported per share</b>	<b>\$ 2.45</b>	<b>\$ 1.05</b>	<b>\$ 1.88</b>	<b>\$ 2.22</b>	<b>\$ 2.25</b>	<b>\$ 5.37</b>	<b>\$ 6.39</b>

**Appendix B**  
**American Financial Group, Inc.**  
**Fixed Maturities by Credit Rating & NAIC Designation by Type**  
**9/30/2020**  
(\$ in millions)



By Credit Rating (a)	Fair Value by Type									
	US Gov	Munis	Frgn Gov	RMBS	CMBS	CLOs	ABS	Corp/Oth	Total	% Total
<b>Investment grade</b>										
AAA	\$ 216	\$1,967	\$ 180	\$1,231	\$ 697	\$3,385	\$1,982	\$ 161	\$ 9,819	20%
AA	10	4,224	36	131	19	960	1,930	989	8,299	17%
A	—	391	1	316	6	202	1,611	7,700	10,227	21%
BBB	—	93	3	69	74	48	954	14,051	15,292	32%
Subtotal - Investment grade	226	6,675	220	1,747	796	4,595	6,477	22,901	43,637	90%
BB	—	9	—	61	32	—	11	700	813	2%
B	—	—	—	106	—	—	28	157	291	1%
CCC, CC, C	—	—	—	501	5	—	3	37	546	1%
D	—	—	—	176	—	—	—	1	177	0%
Subtotal - Non-Investment grade	—	9	—	844	37	—	42	895	1,827	4%
Not Rated (b)	—	55	13	547	23	12	900	1,271	2,821	6%
<b>Total</b>	<b>\$ 226</b>	<b>\$6,739</b>	<b>\$ 233</b>	<b>\$3,138</b>	<b>\$ 856</b>	<b>\$4,607</b>	<b>\$7,419</b>	<b>\$25,067</b>	<b>\$48,285</b>	<b>100%</b>

NAIC designation	Fair Value by type									
	US Gov	Munis	Frgn gov	RMBS	CMBS	CLOs	ABS	Corp/Oth	Total	% Total
1	\$ 209	\$6,636	\$ 195	\$3,033	\$ 808	\$4,546	\$6,460	\$ 9,815	\$31,702	68%
2	—	93	—	36	14	48	901	14,205	15,297	29%
Subtotal	209	6,729	195	3,069	822	4,594	7,361	24,020	46,999	97%
3	—	9	—	23	31	—	18	735	816	2%
4	—	—	—	11	—	—	28	217	256	1%
5	—	—	—	20	3	12	3	77	115	0%
6	16	—	—	5	—	—	5	10	36	0%
Subtotal	16	9	—	59	34	12	54	1,039	1,223	3%
No designation (c)	1	1	38	10	—	1	4	8	63	0%
<b>Total</b>	<b>\$ 226</b>	<b>\$6,739</b>	<b>\$ 233</b>	<b>\$3,138</b>	<b>\$ 856</b>	<b>\$4,607</b>	<b>\$7,419</b>	<b>\$25,067</b>	<b>\$48,285</b>	<b>100%</b>

- (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, 99% are NAIC 1.  
For Corp/Oth, 83% are NAIC 1, 7% NAIC 2, 5% NAIC 3, 3% NAIC 4, 2% NAIC 5.  
For Total, 90% are NAIC 1, 3% NAIC 2, 3% NAIC 3, 1% NAIC 4, 2% NAIC 5.
- (c) Primarily relates to securities held by non-insurance companies.

**Appendix C**  
**American Financial Group, Inc.**  
**Fixed Maturities by Credit Rating & NAIC Designation by Type**  
**12/31/2019**  
(\$ in millions)



By Credit Rating (a)	Fair Value by Type									
	US Gov	Munis	Frgn Gov	RMBS	CMBS	CLOs	ABS	Corp/Oth	Total	% Total
<b>Investment grade</b>										
AAA	\$ 204	\$2,086	\$ 134	\$1,184	\$ 773	\$2,921	\$1,529	\$ 179	\$ 9,010	19%
AA	9	4,325	52	131	20	1,074	1,779	1,567	8,957	19%
A	—	418	8	250	16	241	1,983	8,067	10,983	24%
BBB	—	95	3	115	78	27	742	12,405	13,465	29%
Subtotal - Investment grade	213	6,924	197	1,680	887	4,263	6,033	22,218	42,415	91%
BB	—	9	—	74	32	—	13	596	724	2%
B	—	—	1	97	5	—	4	76	183	0%
CCC, CC, C	—	—	—	544	3	—	4	42	593	1%
D	—	—	—	185	—	—	—	1	186	0%
Subtotal - Non-Investment grade	—	9	1	900	40	—	21	715	1,686	3%
Not Rated (b)	—	54	13	581	—	17	1,074	778	2,517	6%
<b>Total</b>	<b>\$ 213</b>	<b>\$6,987</b>	<b>\$ 211</b>	<b>\$3,161</b>	<b>\$ 927</b>	<b>\$4,280</b>	<b>\$7,128</b>	<b>\$23,711</b>	<b>\$46,618</b>	<b>100%</b>

NAIC designation	Fair Value by Type									
	US Gov	Munis	Frgn gov	RMBS	CMBS	CLOs	ABS	Corp/Oth	Total	% Total
1	\$ 191	\$6,875	\$ 172	\$3,030	\$ 883	\$4,232	\$6,308	\$10,310	\$32,001	69%
2	—	95	—	29	9	26	770	12,518	13,447	29%
Subtotal	191	6,970	172	3,059	892	4,258	7,078	22,828	45,448	98%
3	—	9	—	29	32	—	13	601	684	2%
4	—	—	—	16	—	—	4	146	166	0%
5	—	—	—	21	3	18	4	92	138	0%
6	15	—	—	5	—	—	15	5	40	0%
Subtotal	15	9	—	71	35	18	36	844	1,028	2%
No designation (c)	7	8	39	31	—	4	14	39	142	0%
<b>Total</b>	<b>\$ 213</b>	<b>\$6,987</b>	<b>\$ 211</b>	<b>\$3,161</b>	<b>\$ 927</b>	<b>\$4,280</b>	<b>\$7,128</b>	<b>\$23,711</b>	<b>\$46,618</b>	<b>100%</b>

- (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% are NAIC 1, 4% NAIC 2, 2% NAIC 3, 3% NAIC 4, 3% NAIC 5 and 1% NAIC 6.
- (c) Primarily relates to securities held by non-insurance companies.

**Appendix D**  
**American Financial Group, Inc.**  
**Corporate Securities by Credit Rating & NAIC Designation by Industry**  
**9/30/2020**  
(\$ in millions)



Fair Value By Industry																					
Credit Rating (a)	Banking	Insurance	Other Financials	Technology	Asset Managers	Energy	Healthcare	Consumer	REITs	Utilities	Capital Goods	Basic Industry	Media	Autos	Communications	Retailers	Restaurants, Hospitality & Leisure	Aviation	Other	Total	%
Investment Grade																					
AAA	\$ —	\$ —	\$ —	\$ 26	\$ —	\$ —	\$ 21	\$ 32	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 80	\$ —	\$ —	\$ —	\$ 2	\$ 161	1%
AA	87	130	99	113	78	179	91	110	—	—	1	—	—	—	—	23	18	—	60	989	4%
A	2,030	1,059	358	529	757	210	357	259	315	538	378	43	213	140	162	82	14	78	178	7,700	30%
BBB	3,387	1,172	795	1,027	775	1,005	893	570	657	384	448	659	423	500	334	274	224	178	346	14,051	56%
Subtotal	5,504	2,361	1,252	1,695	1,610	1,394	1,362	971	972	922	827	702	636	640	576	379	256	256	586	22,901	91%
BB	41	23	30	67	10	142	56	69	36	9	31	30	3	45	3	52	36	16	1	700	3%
B	—	1	—	5	—	13	14	16	84	—	—	9	—	1	—	1	8	5	—	157	1%
CCC, CC, C	—	—	—	9	—	3	2	4	—	—	—	4	—	—	—	5	10	—	—	37	0%
D	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	1	—	—	1	0%
Subtotal	41	24	30	81	10	158	72	89	120	9	31	43	3	46	3	58	55	21	1	895	4%
Not Rated (b)	15	13	960	27	—	6	29	75	32	—	5	10	52	—	—	24	10	—	13	1,271	5%
<b>Total</b>	<b>\$ 5,560</b>	<b>\$ 2,398</b>	<b>\$ 2,242</b>	<b>\$ 1,803</b>	<b>\$ 1,620</b>	<b>\$ 1,558</b>	<b>\$ 1,463</b>	<b>\$ 1,135</b>	<b>\$ 1,124</b>	<b>\$ 931</b>	<b>\$ 863</b>	<b>\$ 755</b>	<b>\$ 691</b>	<b>\$ 686</b>	<b>\$ 579</b>	<b>\$ 461</b>	<b>\$ 321</b>	<b>\$ 277</b>	<b>\$ 600</b>	<b>\$ 25,067</b>	<b>100%</b>

Fair Value By Industry																				
NAIC designation	Banking	Insurance	Other Financials	Technology	Asset Managers	Energy	Healthcare	Consumer	REITs	Utilities	Capital Goods	Basic Industry	Media	Autos	Communications	Retailers	Restaurants, Hospitality & Leisure	Aviation	Other	Total
1	\$ 2,144	\$ 1,196	\$ 1,369	\$ 684	\$ 804	\$ 366	\$ 489	\$ 434	\$ 315	\$ 538	\$ 379	\$ 44	\$ 212	\$ 140	\$ 242	\$ 128	\$ 32	\$ 78	\$ 221	\$ 9,815
2	3,370	1,177	815	1,031	806	1,028	889	583	657	384	453	667	466	500	334	274	223	178	370	14,205
Subtotal	5,514	2,373	2,184	1,715	1,610	1,394	1,378	1,017	972	922	832	711	678	640	576	402	255	256	591	24,020
3	46	14	29	62	10	142	54	74	68	9	30	29	4	46	3	52	46	16	1	735
4	—	10	28	7	—	13	30	21	84	—	—	10	—	—	—	1	8	5	—	217
5	—	1	—	18	—	3	1	23	—	—	1	5	9	—	—	6	10	—	—	77
6	—	—	1	1	—	6	—	—	—	—	—	—	—	—	—	—	2	—	—	10
Subtotal	46	25	58	88	10	164	85	118	152	9	31	44	13	46	3	59	66	21	1	1,039
No designation (c)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	8	8
<b>Total</b>	<b>\$ 5,560</b>	<b>\$ 2,398</b>	<b>\$ 2,242</b>	<b>\$ 1,803</b>	<b>\$ 1,620</b>	<b>\$ 1,558</b>	<b>\$ 1,463</b>	<b>\$ 1,135</b>	<b>\$ 1,124</b>	<b>\$ 931</b>	<b>\$ 863</b>	<b>\$ 755</b>	<b>\$ 691</b>	<b>\$ 686</b>	<b>\$ 579</b>	<b>\$ 461</b>	<b>\$ 321</b>	<b>\$ 277</b>	<b>\$ 600</b>	<b>\$ 25,067</b>

- (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, 96% are NAIC 1 and 97% are NAIC 1 or 2.  
For the Total, 83% are NAIC 1, 7% NAIC 2, 5% NAIC 3, 3% NAIC 4, 2% NAIC 5.
- (c) Primarily relates to securities held by non-insurance companies.

**Appendix E**  
**American Financial Group, Inc.**  
**Corporate Securities by Credit Rating & NAIC Designation by Industry**  
**12/31/2019**  
(\$ in millions)



**Fair Value By Industry**

Credit Rating (a)	Fair Value By Industry																	Total	% Total		
	Banking	Insurance	Other Financials	Technology	Asset Managers	Energy	Healthcare	Consumer	REITs	Utilities	Capital Goods	Basic Industry	Media	Autos	Communications	Retailers	Restaurants, Hospitality & Leisure				
Investment Grade																					
AAA	\$ —	\$ —	\$ —	\$ 48	\$ —	\$ —	\$ 20	\$ 29	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 78	\$ —	\$ —	\$ 4	\$ 179	19%	
AA	219	308	72	146	205	204	98	114	—	—	1	—	—	35	—	22	20	46	77	1,567	79%
A	2,482	921	326	471	775	260	425	258	352	450	333	44	112	278	176	89	18	166	131	8,067	34%
BBB	2,691	1,034	656	862	576	1,199	753	673	845	291	424	556	454	334	264	209	206	133	245	12,405	52%
Subtotal	5,392	2,263	1,054	1,527	1,556	1,663	1,296	1,074	1,197	741	758	600	566	647	518	320	244	345	457	22,218	94%
BB	3	15	29	75	17	102	50	89	75	19	11	46	3	4	4	—	44	10	—	596	3%
B	—	1	—	4	—	—	18	22	—	—	—	16	5	—	—	—	10	—	—	76	0%
CCC, CC, C	—	—	1	9	—	1	—	2	—	—	—	—	—	—	—	12	17	—	—	42	0%
D	—	—	—	—	—	1	—	—	—	—	—	—	—	—	—	—	—	—	—	1	0%
Subtotal	3	16	30	88	17	104	68	113	75	19	11	62	8	4	4	12	71	10	—	715	3%
Not Rated (b)	33	14	486	1	7	2	34	97	20	—	5	8	50	—	2	13	4	—	2	778	3%
<b>Total</b>	<b>\$ 5,428</b>	<b>\$ 2,293</b>	<b>\$ 1,570</b>	<b>\$ 1,616</b>	<b>\$ 1,580</b>	<b>\$ 1,769</b>	<b>\$ 1,398</b>	<b>\$ 1,284</b>	<b>\$ 1,292</b>	<b>\$ 760</b>	<b>\$ 774</b>	<b>\$ 670</b>	<b>\$ 624</b>	<b>\$ 651</b>	<b>\$ 524</b>	<b>\$ 345</b>	<b>\$ 319</b>	<b>\$ 355</b>	<b>\$ 459</b>	<b>\$ 23,711</b>	<b>100%</b>

**Fair Value By Industry**

NAIC designation	Fair Value By Industry																	Total	% Total		
	Banking	Insurance	Other Financials	Technology	Asset Managers	Energy	Healthcare	Consumer	REITs	Utilities	Capital Goods	Basic Industry	Media	Autos	Communications	Retailers	Restaurants, Hospitality & Leisure				
1	\$ 2,712	\$ 1,235	\$ 842	\$ 663	\$ 950	\$ 440	\$ 562	\$ 448	\$ 349	\$ 449	\$ 330	\$ 64	\$ 112	\$ 348	\$ 253	\$ 124	\$ 22	\$ 213	\$ 194	\$ 10,310	43%
2	2,712	1,031	675	862	606	1,222	767	688	859	291	428	552	454	298	263	209	224	129	248	12,518	52%
Subtotal	5,424	2,266	1,517	1,525	1,556	1,662	1,329	1,136	1,208	740	758	616	566	646	516	333	246	342	442	22,828	95%
3	3	15	28	66	17	103	50	98	84	19	10	38	3	4	4	—	46	13	—	601	2%
4	—	11	13	6	—	—	16	27	—	—	—	16	47	—	—	—	10	—	—	146	0%
5	—	—	11	16	7	1	2	17	—	—	1	—	7	—	2	11	17	—	—	92	0%
6	—	—	—	1	—	3	—	—	—	—	—	—	—	—	—	1	—	—	—	5	0%
Subtotal	3	26	52	89	24	107	68	142	84	19	11	54	57	4	6	12	73	13	—	844	3%
No designation (c)	1	1	1	2	—	—	1	6	—	1	5	—	1	1	2	—	—	—	—	17	0%
<b>Total</b>	<b>\$ 5,428</b>	<b>\$ 2,293</b>	<b>\$ 1,570</b>	<b>\$ 1,616</b>	<b>\$ 1,580</b>	<b>\$ 1,769</b>	<b>\$ 1,398</b>	<b>\$ 1,284</b>	<b>\$ 1,292</b>	<b>\$ 760</b>	<b>\$ 774</b>	<b>\$ 670</b>	<b>\$ 624</b>	<b>\$ 651</b>	<b>\$ 524</b>	<b>\$ 345</b>	<b>\$ 319</b>	<b>\$ 355</b>	<b>\$ 459</b>	<b>\$ 23,711</b>	<b>100%</b>

- (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) 74% are NAIC 1, 9% NAIC 2, 3% NAIC 3, 8% NAIC 4, 6% NAIC 5.
- (c) Primarily relates to securities held by non-insurance companies.

**Appendix F**  
**American Financial Group, Inc.**  
**Asset-Backed Securities by Credit Rating & NAIC Designation by Collateral Type**  
**9/30/2020**  
(\$ in millions)



Credit Rating (a)	Fair Value By Collateral Type											Total	% Total
	Secured Financing (c)	TruPS	Whole Business	Railcar	Commercial Real Estate	Single Family Rental	Aircraft	Mortgage Servicer Receivables	Consumer Loans	Life Ins/ Structured Settlements	Other		
<b>Investment Grade</b>													
AAA	\$ —	\$ —	\$ —	\$ —	\$ 870	\$ 467	\$ —	\$ 74	\$ 61	\$ 159	\$ 351	\$ 1,982	27%
AA	301	1,036	148	—	33	119	—	—	92	—	201	1,930	26%
A	78	348	22	597	—	11	192	—	30	1	332	1,611	22%
BBB	10	43	577	12	—	—	132	114	—	2	64	954	13%
Subtotal	389	1,427	747	609	903	597	324	188	183	162	948	6,477	88%
BB	—	1	—	—	—	—	5	—	—	5	—	11	0%
B	—	—	—	—	—	—	24	—	—	—	4	28	0%
CCC, CC, C	—	—	—	—	—	—	—	—	—	3	—	3	0%
D	—	—	—	—	—	—	—	—	—	—	—	—	0%
Subtotal	—	1	—	—	—	—	29	—	—	8	4	42	0%
Not Rated (b)	891	—	—	—	—	—	9	—	—	—	—	900	12%
<b>Total</b>	<b>\$ 1,280</b>	<b>\$ 1,428</b>	<b>\$ 747</b>	<b>\$ 609</b>	<b>\$ 903</b>	<b>\$ 597</b>	<b>\$ 362</b>	<b>\$ 188</b>	<b>\$ 183</b>	<b>\$ 170</b>	<b>\$ 952</b>	<b>\$ 7,419</b>	<b>100%</b>

NAIC designation	Fair Value By Collateral Type											Total	% Total
	Secured Financing (c)	TruPS	Whole Business	Railcar	Commercial Real Estate	Single Family Rental	Aircraft	Mortgage Servicer Receivables	Consumer Loans	Life Ins/ Structured Settlements	Other		
1	\$ 1,270	\$ 1,384	\$ 170	\$ 597	\$ 903	\$ 597	\$ 191	\$ 121	\$ 183	\$ 160	\$ 884	\$ 6,460	87%
2	10	43	577	12	—	—	125	67	—	2	65	901	12%
Subtotal	1,280	1,427	747	609	903	597	316	188	183	162	949	7,361	99%
3	—	1	—	—	—	—	12	—	—	5	—	18	0%
4	—	—	—	—	—	—	25	—	—	—	3	28	1%
5	—	—	—	—	—	—	—	—	—	3	—	3	0%
6	—	—	—	—	—	—	5	—	—	—	—	5	0%
Subtotal	—	1	—	—	—	—	42	—	—	8	3	54	1%
No designation (d)	—	—	—	—	—	—	4	—	—	—	—	4	0%
<b>Total</b>	<b>\$ 1,280</b>	<b>\$ 1,428</b>	<b>\$ 747</b>	<b>\$ 609</b>	<b>\$ 903</b>	<b>\$ 597</b>	<b>\$ 362</b>	<b>\$ 188</b>	<b>\$ 183</b>	<b>\$ 170</b>	<b>\$ 952</b>	<b>\$ 7,419</b>	<b>100%</b>

- (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) 99% 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.**  
**Asset-Backed Securities by Credit Rating & NAIC Designation by Collateral Type**  
**12/31/2019**  
(\$ in millions)



Credit Rating (a)	Fair Value By Collateral Type											Total	% Total	
	Secured Financing (c)	TruPS	Whole Business	Railcar	Commercial Real Estate	Single Family Rental	Aircraft	Mortgage Servicer Receivables	Consumer Loans	Life Ins/ Structured Settlements	Other			
<b>Investment Grade</b>														
AAA	\$ —	\$ —	\$ —	\$ —	\$ 460	\$ 367	\$ —	\$ 167	\$ 64	\$ 157	\$ 314	\$1,529	22%	
AA	311	990	92	—	52	106	—	34	110	—	84	1,779	25%	
A	78	326	22	602	—	11	442	—	17	3	482	1,983	28%	
BBB	10	53	599	—	—	—	—	38	—	1	41	742	10%	
Subtotal	399	1,369	713	602	512	484	442	239	191	161	921	6,033	85%	
BB	—	1	—	—	—	—	7	—	—	5	—	13	0%	
B	—	—	—	—	—	—	—	—	—	—	4	4	0%	
CCC, CC, C	—	—	—	—	—	—	—	—	—	3	1	4	0%	
D	—	—	—	—	—	—	—	—	—	—	—	—	0%	
Subtotal	—	1	—	—	—	—	7	—	—	8	5	21	0%	
Not Rated (b)	1,060	—	—	—	—	—	14	—	—	—	—	1,074	15%	
<b>Total</b>	<b>\$ 1,459</b>	<b>\$1,370</b>	<b>\$ 713</b>	<b>\$ 602</b>	<b>\$ 512</b>	<b>\$ 484</b>	<b>\$ 463</b>	<b>\$ 239</b>	<b>\$ 191</b>	<b>\$ 169</b>	<b>\$926</b>	<b>\$7,128</b>	<b>100%</b>	

NAIC designation	Fair Value By Collateral Type											Total	% Total
	Secured Financing (c)	TruPS	Whole Business	Railcar	Commercial Real Estate	Single Family Rental	Aircraft	Mortgage Servicer Receivables	Consumer Loans	Life Ins/ Structured Settlements	Other		
1	\$ 1,421	\$1,314	\$ 114	\$ 601	\$ 511	\$ 482	\$ 442	\$ 201	\$ 189	\$ 159	\$874	\$6,308	89%
2	38	53	599	—	—	—	—	38	—	2	40	770	11%
Subtotal	1,459	1,367	713	601	511	482	442	239	189	161	914	7,078	100%
3	—	1	—	—	—	—	7	—	—	5	—	13	0%
4	—	—	—	—	—	—	—	—	—	—	4	4	0%
5	—	—	—	—	—	—	—	—	—	3	1	4	0%
6	—	—	—	—	—	—	14	—	—	—	1	15	0%
Subtotal	—	1	—	—	—	—	21	—	—	8	6	36	0%
No designation (d)	—	2	—	1	1	2	—	—	2	—	6	14	0%
<b>Total</b>	<b>\$ 1,459</b>	<b>\$1,370</b>	<b>\$ 713</b>	<b>\$ 602</b>	<b>\$ 512</b>	<b>\$ 484</b>	<b>\$ 463</b>	<b>\$ 239</b>	<b>\$ 191</b>	<b>\$ 169</b>	<b>\$926</b>	<b>\$7,128</b>	<b>100%</b>

- (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) 99% of not rated securities are NAIC 1 or 2.
- (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.

**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	\$ 760	80%	96%	98%
Fund Investments	96	10%	—	—
Student Housing	28	3%	77%	94%
Land - Development	20	2%	—	—
QOZ Fund - Development	16	2%	—	—
Office	15	2%	88%	100%
Hospitality	12	1%	—	—
<b>Total</b>	<b>\$ 947</b>	<b>100%</b>		

**Real Estate**

<u>Property Type</u>	<u>Book Value</u>	<u>% of Book Value</u>	<u>Debt</u>
Marinas	\$ 62	38%	\$—
Resort & Marina	56	34%	—
Hotel	23	14%	—
Office Building	18	11%	—
Land	5	3%	—
<b>Total</b>	<b>\$ 164</b>	<b>100%</b>	<b>\$—</b>

**Mortgage Loans**

<u>Property Type</u>	<u>Book Value</u>	<u>% of Book Value</u>	<u>Loan To Value (d)</u>
Hospitality	616	42%	55%
Multifamily	547	37%	64%
Office	250	17%	64%
Retail	46	3%	50%
Other	22	1%	58%
<b>Total</b>	<b>\$ 1,481</b>	<b>100%</b>	<b>60%</b>

Currently, mortgage loans totaling \$124 million are under forbearance agreements.

- (a) Total investments accounted for using the equity method is \$1.84 billion, the amounts presented in this table only relate to real estate funds/investments.
- (b) Occupancy as of 9/30/20
- (c) Collections for July - September
- (d) Based on most recent property appraisals, the vast majority of which are prior to March 2020.

**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	\$ 589	77%	96%	99%
Fund Investments	100	13%		
Student Housing	30	4%	94%	98%
Land - Development	20	2%		
QOZ Fund - Development	16	2%		
Office	14	2%	90%	100%
<b>Total</b>	<b>\$ 769</b>	<b>100%</b>		

**Real Estate**

<u>Property Type</u>	<u>Book Value</u>	<u>% of Book Value</u>	<u>Debt</u>
Marinas	\$ 63	37%	\$—
Resort & Marina	59	35%	—
Hotel	22	13%	—
Office Building	20	12%	—
Land	5	3%	—
<b>Total</b>	<b>\$ 169</b>	<b>100%</b>	<b>\$—</b>

**Mortgage Loans**

<u>Property Type</u>	<u>Book Value</u>	<u>% of Book Value</u>	<u>Loan To Value</u>
Hospitality	575	43%	56%
Multifamily	392	30%	62%
Office	253	19%	65%
Retail	61	4%	59%
Other	48	4%	50%
<b>Total</b>	<b>\$ 1,329</b>	<b>100%</b>	<b>59%</b>

- (a) Total investments accounted for using the equity method is \$1.69 billion, the amounts presented in this table only relate to real estate funds/investments.  
(b) Occupancy as of 12/31/19  
(c) Collections for October - December