

Specialty Property and Casualty Insurance

Investor Presentation

KBW Insurance Conference

St. Regis Hotel ~ New York, NY

September 4, 2024



Forward Looking Statements

Certain statements made during this presentation, as well as included in this document, are not historical facts and may be considered “forward-looking statements” and are based on estimates, assumptions and projections which management believes are reasonable but by their nature subject to risks and uncertainties. The Private Securities Litigation Reform Act of 1995 provides a safe harbor for forward-looking statements.

The reasons which could cause actual results and/or financial condition to differ materially from those suggested by such forward-looking statements include but are not limited to those discussed or identified from time-to-time in AFG’s filings with the Securities and Exchange Commission, including the annual report on Form 10-K and the quarterly reports on Form 10-Q. We do not promise to update such forward-looking statements to reflect actual results or changes in assumptions or other factors that could affect these statements.

Core net operating earnings is a non-GAAP financial measure which sets aside items that are generally not considered to be part of ongoing operations, such as net realized gains and losses, as well as other significant items that are not able to be estimated with reasonable precision, or that may not be indicative of ongoing operations. AFG believes that this non-GAAP measure is a useful tool for investors and analysts in analyzing ongoing operating trends of AFG.

A History Dating Back More Than 150 Years

We are specialists in providing P&C insurance products that help businesses manage their unique financial risks and exposures.

Approximately **55%** of Specialty P&C Group gross written premium is produced by businesses with “top 10” market rankings

Superior Underwriting Talent

7.5%

Points of COR outperformance vs. peers over 10-year period ended 12/31/2023

Specialty P&C Combined Ratio

11 years

Consecutive years under 94%



Overall Specialty P&C combined ratio of 90.3% for the twelve months ended December 31, 2023

Record premium production for the twelve months ended December 31, 2023

Top Tier Specialty Property & Casualty Insurer



Our values form the foundation of our business, shape our priorities, and set our expectations for how we conduct our business, service our customers and interact with each other.



Our Core Values

for all the *great* you do®

Specialization
Entrepreneurial Spirit
Accountability



OUR
FOUNDATION

Integrity
Discipline
Respect for Others



OUR
EXPECTATIONS

Customer Focus
Clear & Open
Communication
Family & Community



OUR
PRIORITIES

2024 Employee Survey Highlights

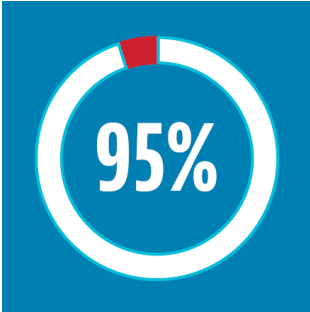


92%
PARTICIPATION

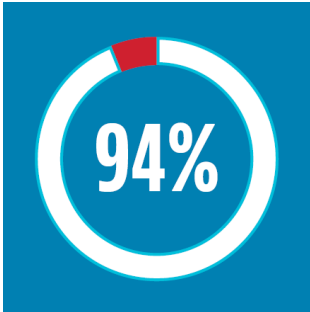
Be here. Be *great.*



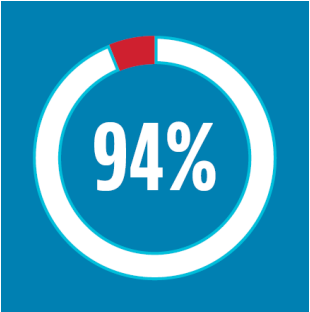
PROUD TO BE BEST IN CLASS



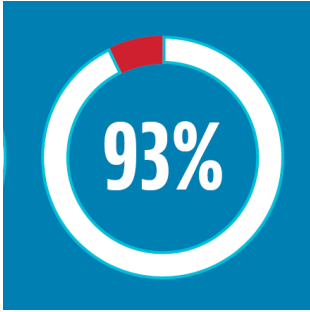
I understand the results expected of me in my job.



The organization provides high quality products and services.

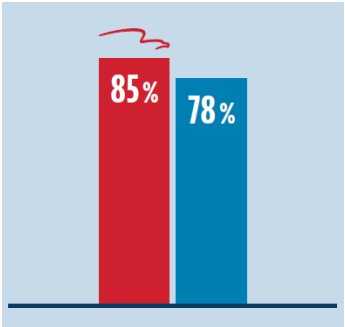


I understand how my job contributes to the organization's strategy and goals.

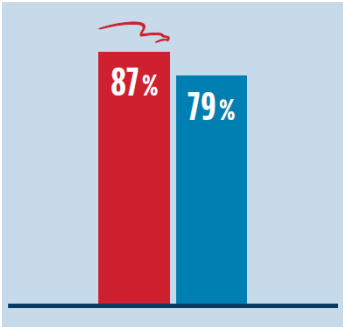


I am treated with respect as an individual.

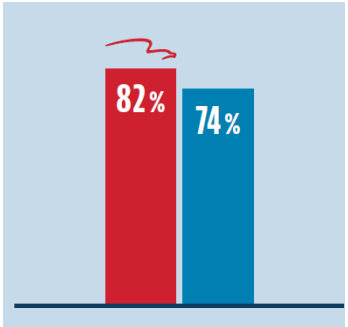
HOW WE STACK UP



The organization supports me in achieving a balance between my work life and my personal life.



I have opportunities for learning and development at the organization.



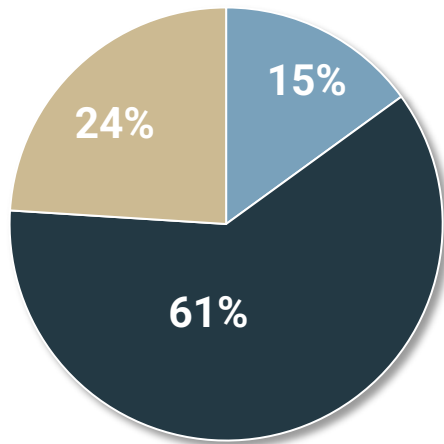
We use the different perspectives, backgrounds and experiences that our employees have to help deliver better business outcomes.

OUR COMPANY ■ **HIGH PERFORMING COMPANIES***

* High Performing (Norm) - Average survey scores from 65 top performing organizations with over 685,000 employees (based on financial performance versus peers, and high employee engagement and enablement.)

Strategic Alignment of Interests for Optimal Results

Significant Ownership by Management



■ Individual Investors
■ Institutional Investors
■ Family, Executives and Retirement Plan



Unique, Incentive-Based Programs for P&C Business Leaders

- Annual awards
 - based on AY COR targets derived from ROE thresholds
 - paid over 2-3 years; claw back feature
- Long Term Incentive Comp (LTIC) Plan
 - 5-year measurement period based on AY COR targets derived from ROE thresholds
 - paid out over the following 4-5 years
- Attract, retain and reward key operating executives & officers

Profit Sharing for Employees

- Our Profit-Sharing Plan is a key component of AFG's Total Rewards Program, rewarding eligible employees for their contributions toward overall performance

Innovator in Risk Sharing and Alternative Risk Transfer Programs For Policyholders and Agents

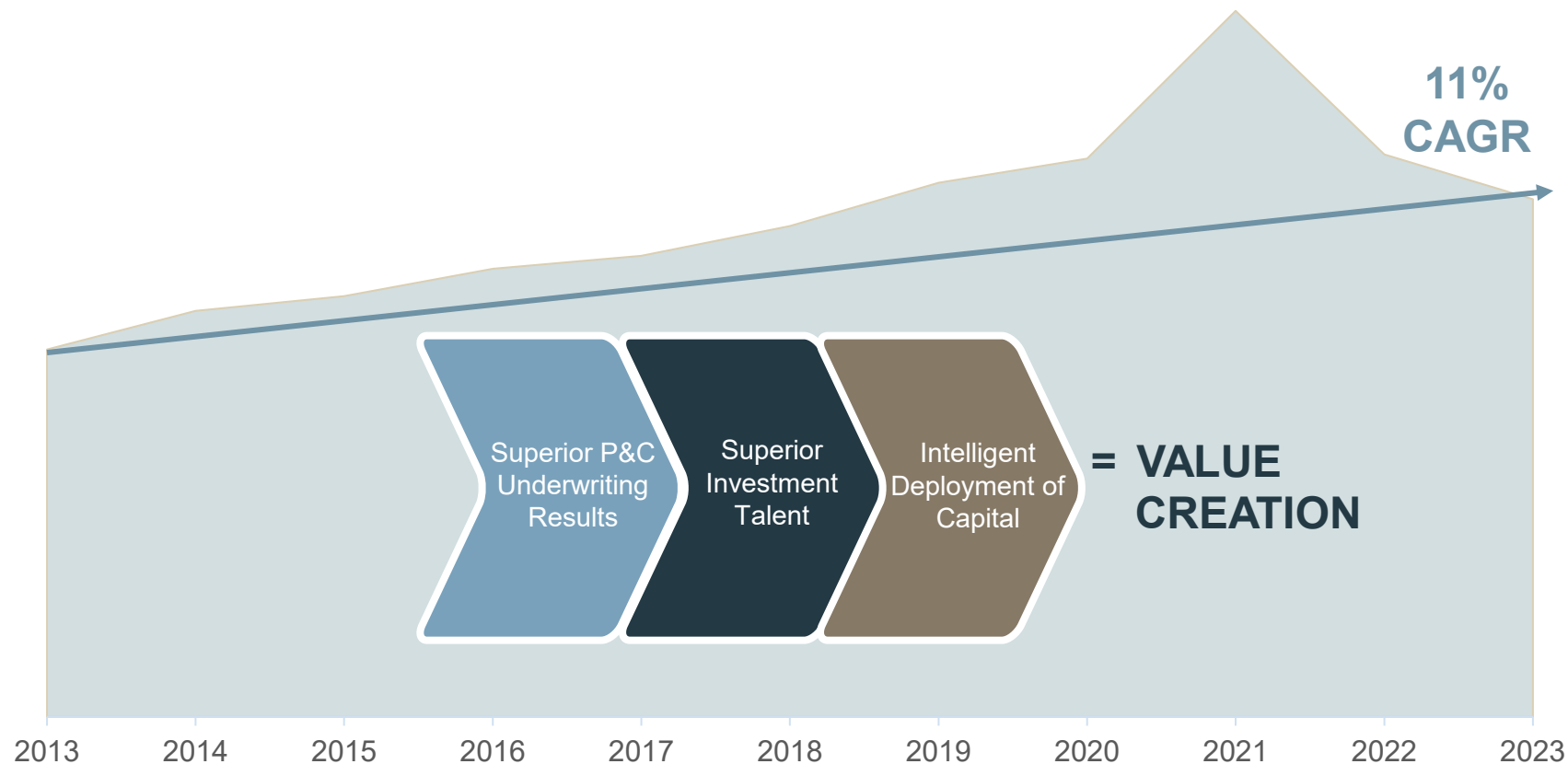


- A leader in providing risk sharing alternatives to the passenger transportation, moving & storage and trucking specialty transportation industries
- Through collaboration and specialized knowledge, we work with a variety of agency and group risk sharing programs in a wide range of industry segments in our Targeted Markets operations
- Our Strategic Comp business offers unique coverage options for workers' comp accounts that include higher retentions and specialty loss prevention – giving businesses more control over their costs, risks, and outcomes
- Innovative commission structures for distribution partners reward production of profitable business

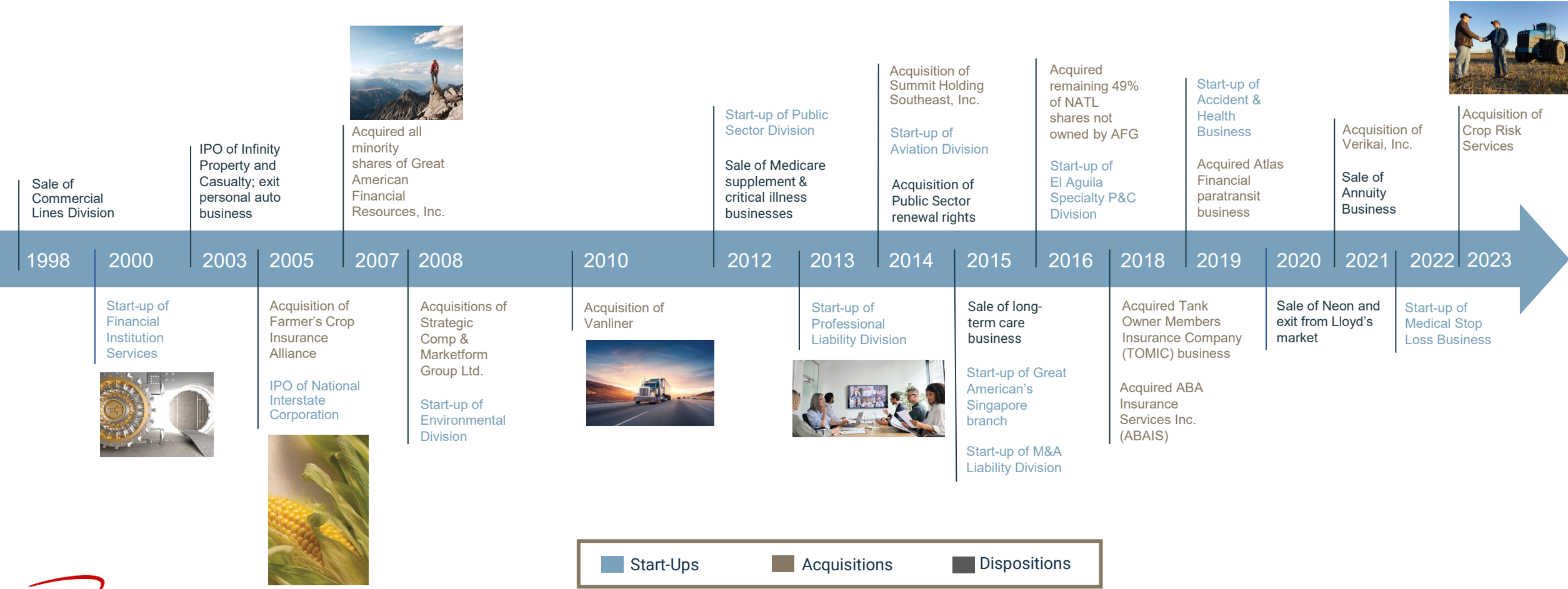
Building Long-Term Value for AFG Shareholders

10 YEAR VIEW OF TOTAL VALUE CREATION

Growth in BVPS
Excluding AOCI +
Dividends



Focusing on What We Know Best



Acquired all minority shares of Great American Financial Resources, Inc.



Acquisition of Crop Risk Services

Start-Ups Acquisitions Dispositions

Specialty P&C Insurance Operations

We are specialists in providing property and casualty insurance solutions that fulfill today's needs and tomorrow's dreams. We are a trusted partner in delivering long-term value to our customers, employees and investors.

PROPERTY & TRANSPORTATION

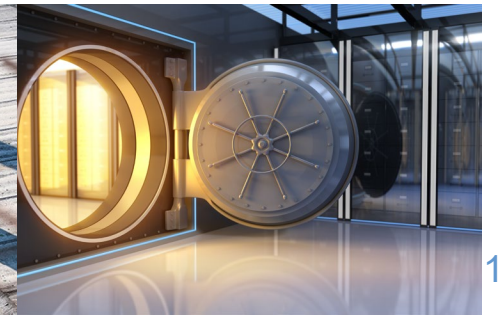
Agribusiness (farm & ranch)
Commercial Automobile
Commercial Property
Crop
Equine Mortality
Inland and Ocean Marine

SPECIALTY CASUALTY

Cyber Risk
Excess and Surplus
Executive & Professional Liability
General Liability
M&A Liability
Medical Stop Loss
Public Entities
Targeted Programs
Umbrella and Excess Liability
Workers' Compensation

SPECIALTY FINANCIAL

Fidelity / Crime
Financial Institution Services
Lease and Loan Services
Surety
Trade Credit



Great American Insurance Company's Ratings

A+

Superior

A+

Strong

A1



S&P Global
Ratings

MOODY'S

Diversified product offerings in niche markets
Consistent, solid underwriting results
Strong market positions
Strong capitalization
Low catastrophe risk profile

The Numbers Tell Our Story

3,000

Property and casualty insurance companies in the United States

50

Companies on the Ward's 50 List for safety, consistency and performance

4

Rated "A" (Excellent) or better by AM Best for 115 or more years

3

on both lists

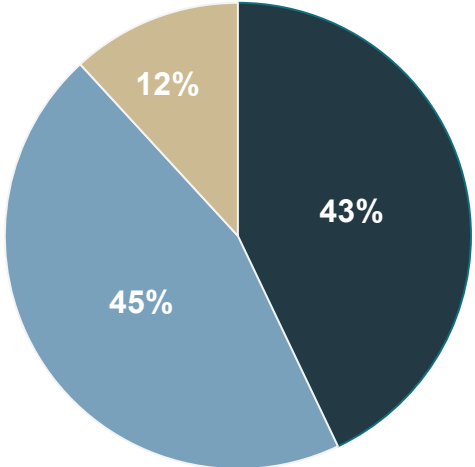
1

Great American Insurance Company is 1 of the three

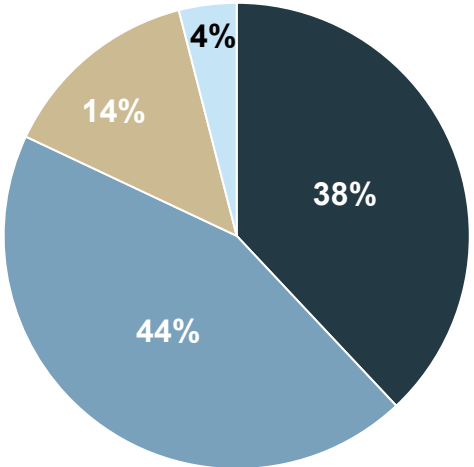
Specialty Property & Casualty Premium

Low correlation • Lower relative coastal exposure

**Gross Written Premiums
2023
\$9.7 Billion**



**Net Written Premiums
2023
\$6.7 Billion**



- Property & Transportation
- Specialty Casualty
- Specialty Financial
- Other Specialty¹

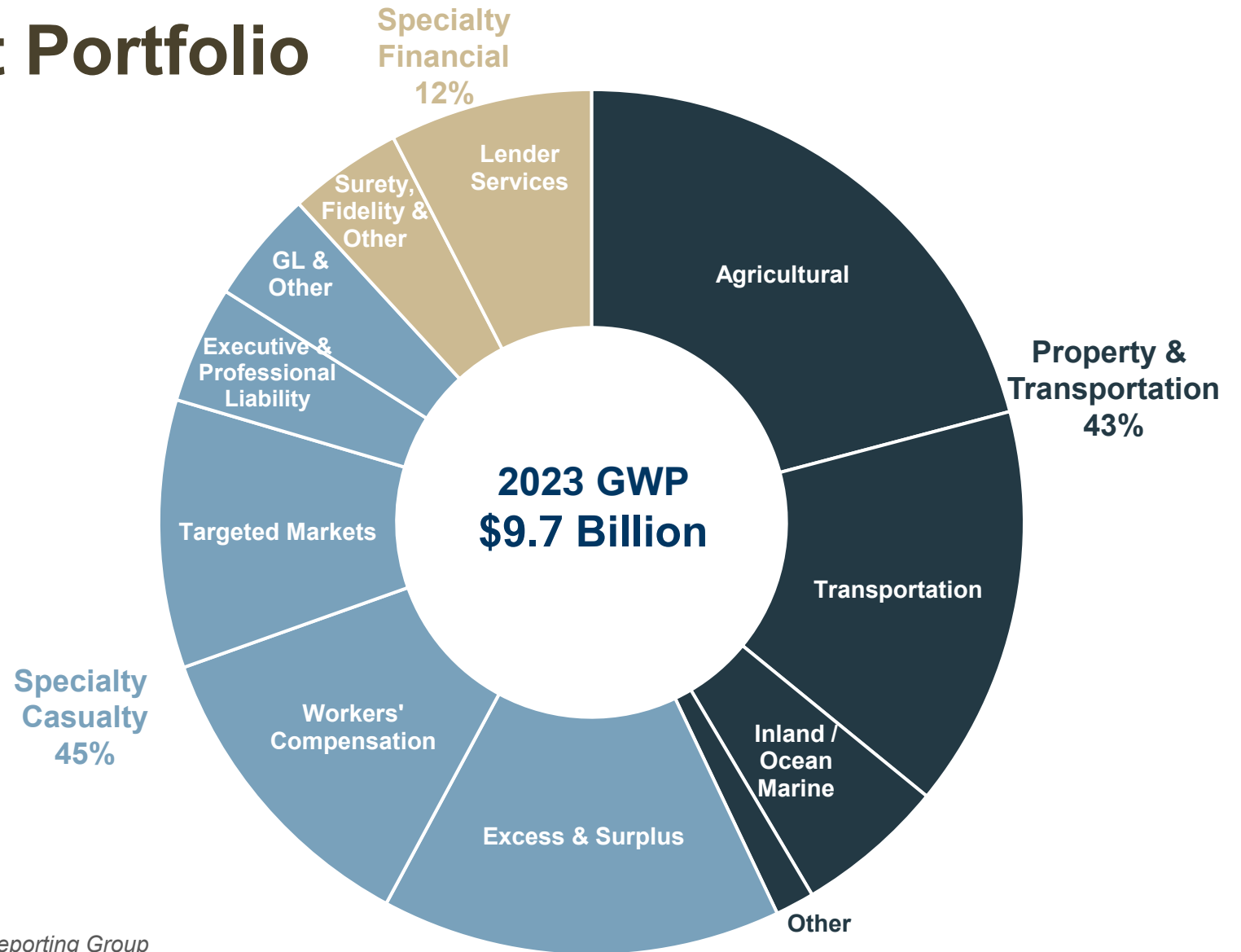
In 2023, approximately 55% of P&C Group GWP produced by businesses with “Top 10” market rankings including: ABAIS • Crop • Equine • Fidelity/Crime • Financial Institution Services • FL Workers Comp • Moving & Storage • Non-Profit/Social Services • Ocean Marine • Passenger Transportation • Public Entity • Trade Credit • Trucking



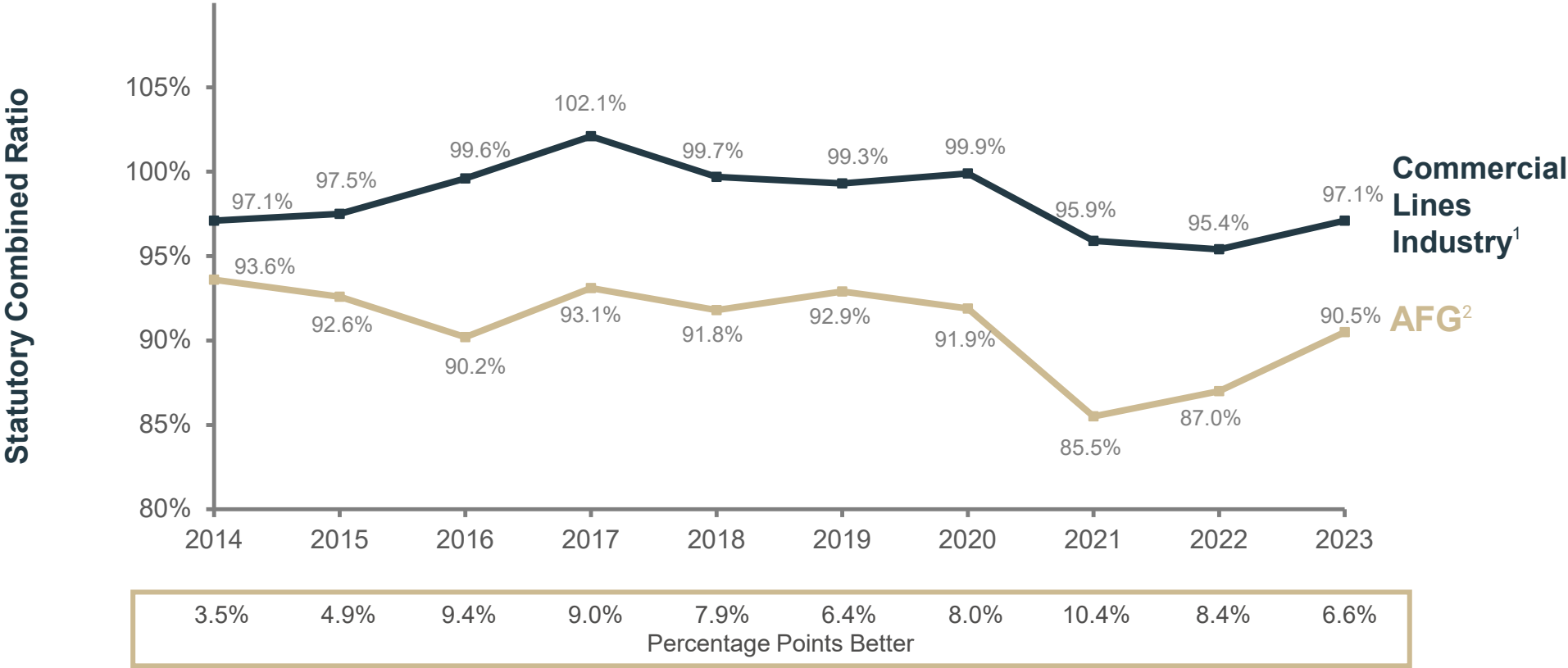
¹ Includes an internal reinsurance facility.

Diversified Product Portfolio

Our Property & Casualty insurance operations provide a wide variety of specialty commercial coverages to niche industries



Superior Underwriting Talent



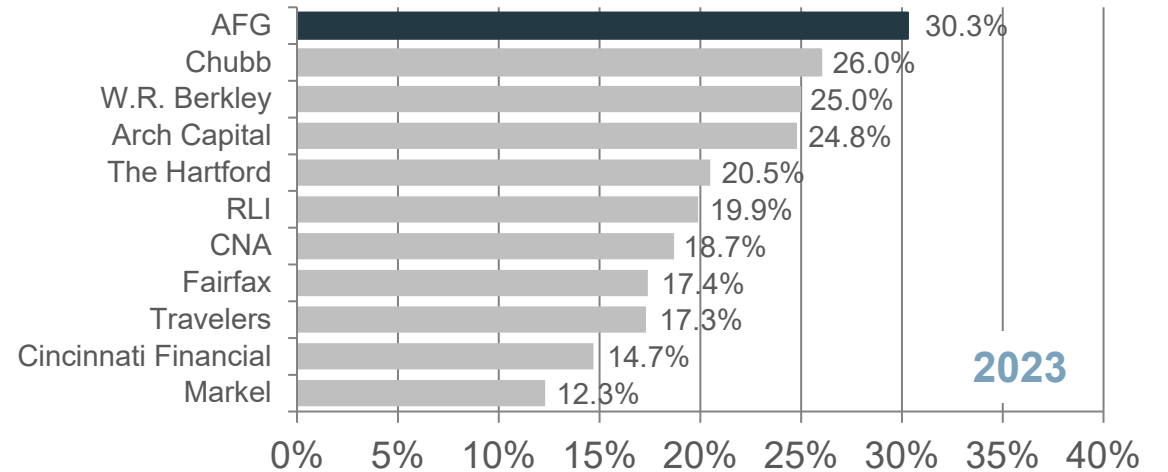
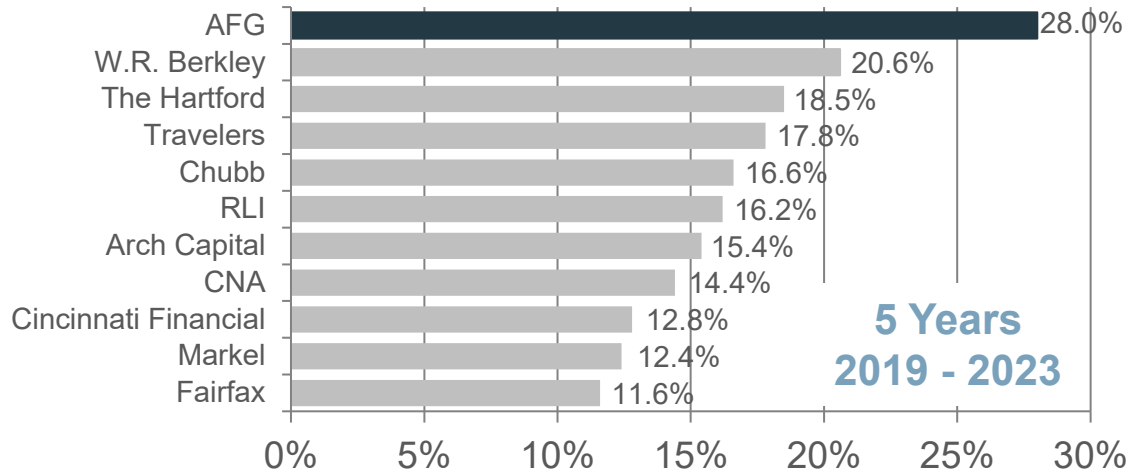
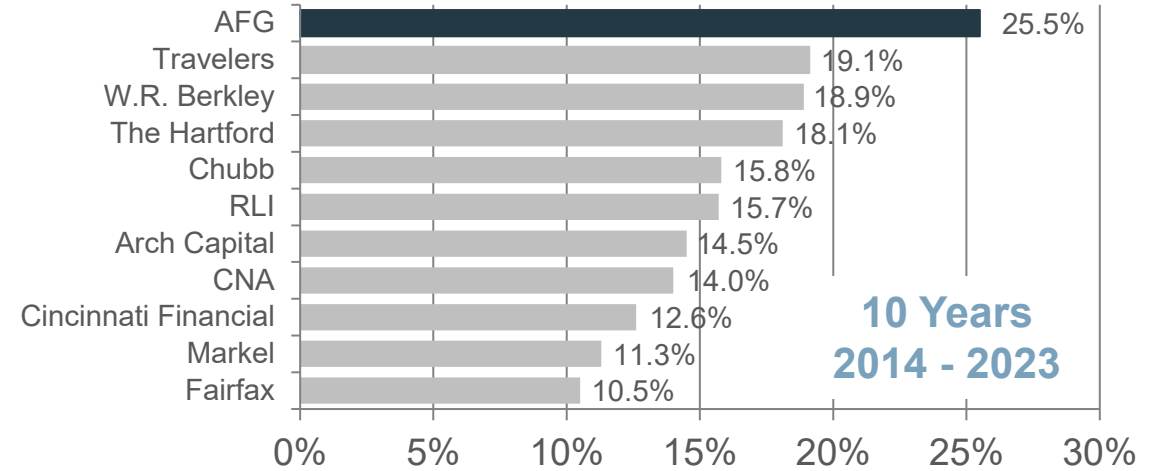
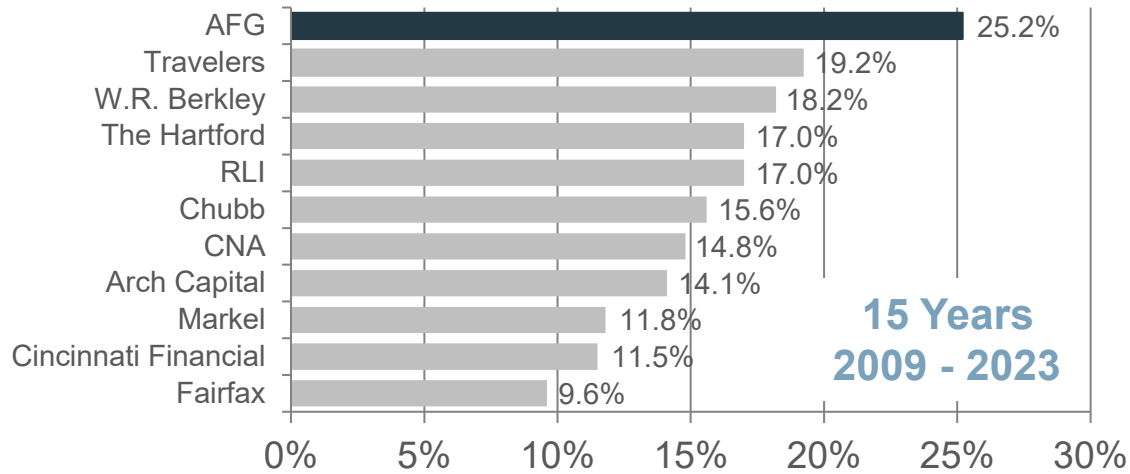
7.5%
Points Better
Over the
10-Year
Period
Ended
12/31/2023

¹ Commercial Lines Industry based on data from AM Best's Market Segment Report – March 6, 2024.

² 2014-2023 American Financial Group Form 10-K filings.

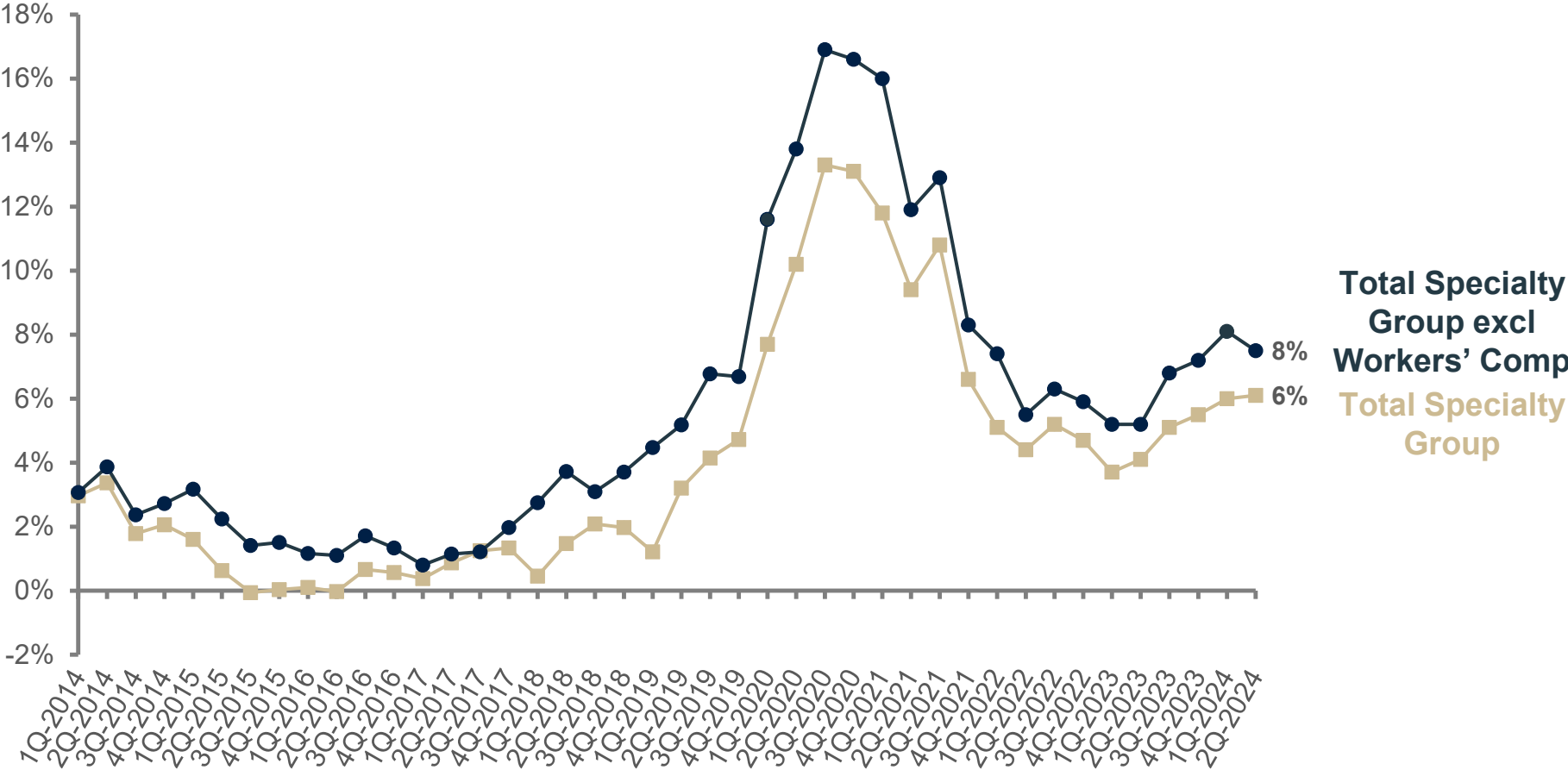


Pretax Property & Casualty Returns



Source: Dowling & Partners. Pretax P&C Returns based on P&C Statutory Surplus.
Arch and Fairfax calculations based on average common shareholders' equity.

Specialty P&C Pricing Trends

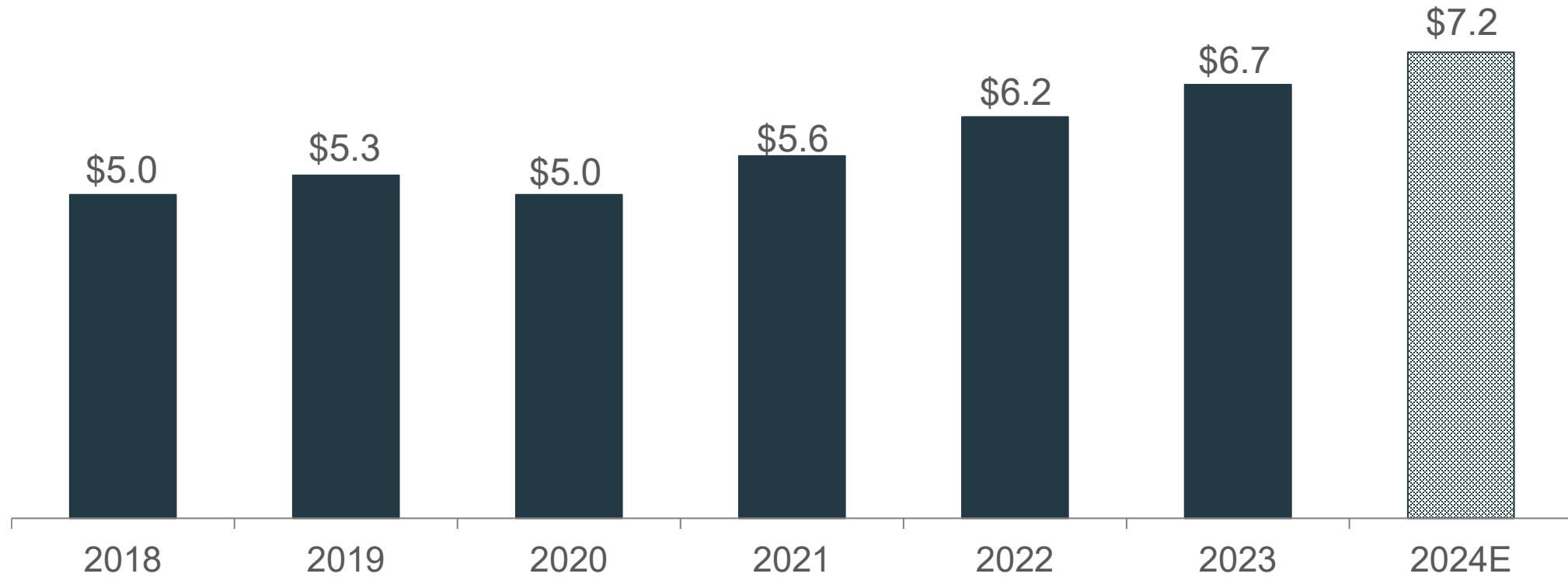


The impact of cumulative rate increases over time has generally enabled us to stay ahead of prospective loss ratio trends and helps us to feel confident in the adequacy of our reserves.

Specialty Property & Casualty Premium Growth

Dollars in billions

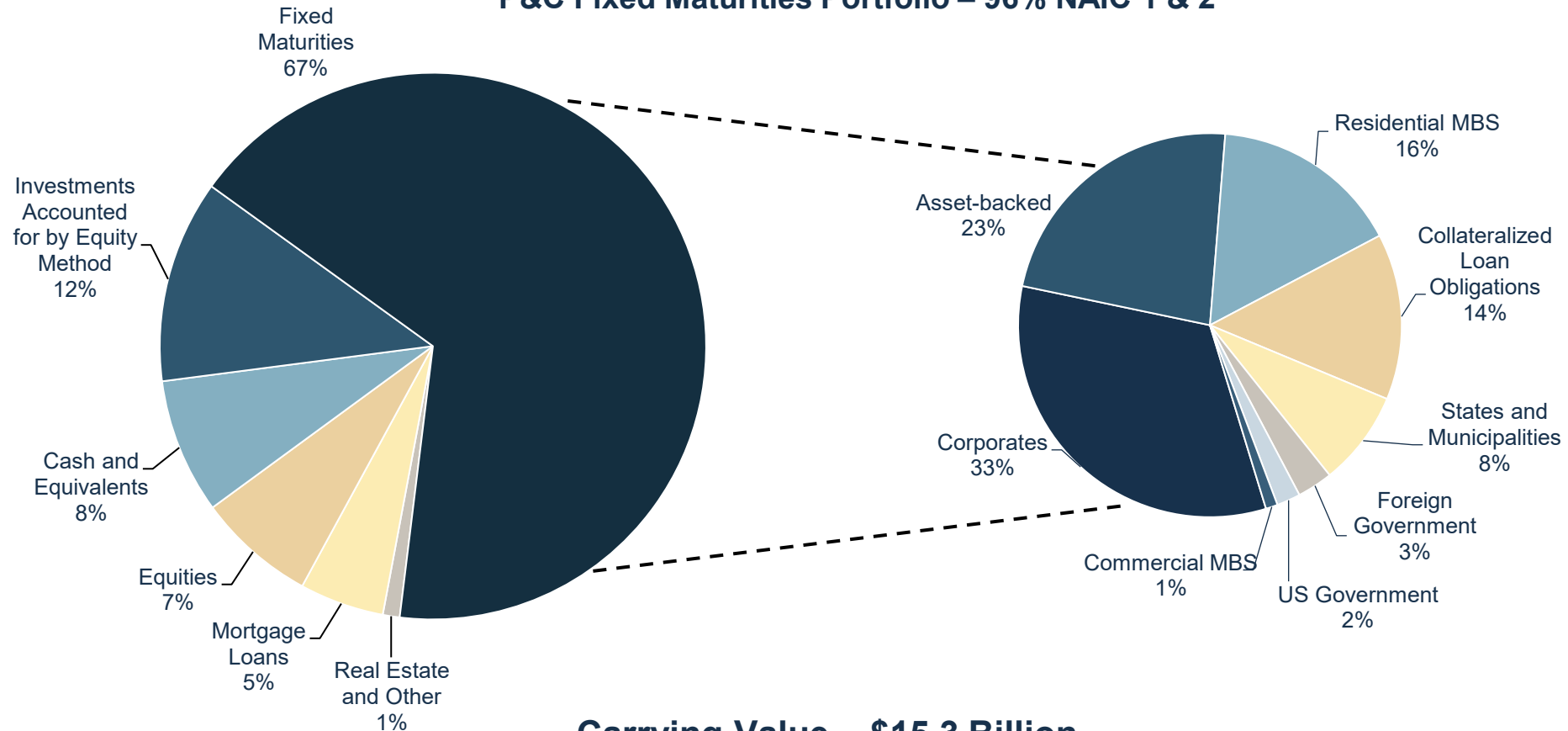
P&C Net Written Premium



AFG Investment Portfolio

As of June 30, 2024

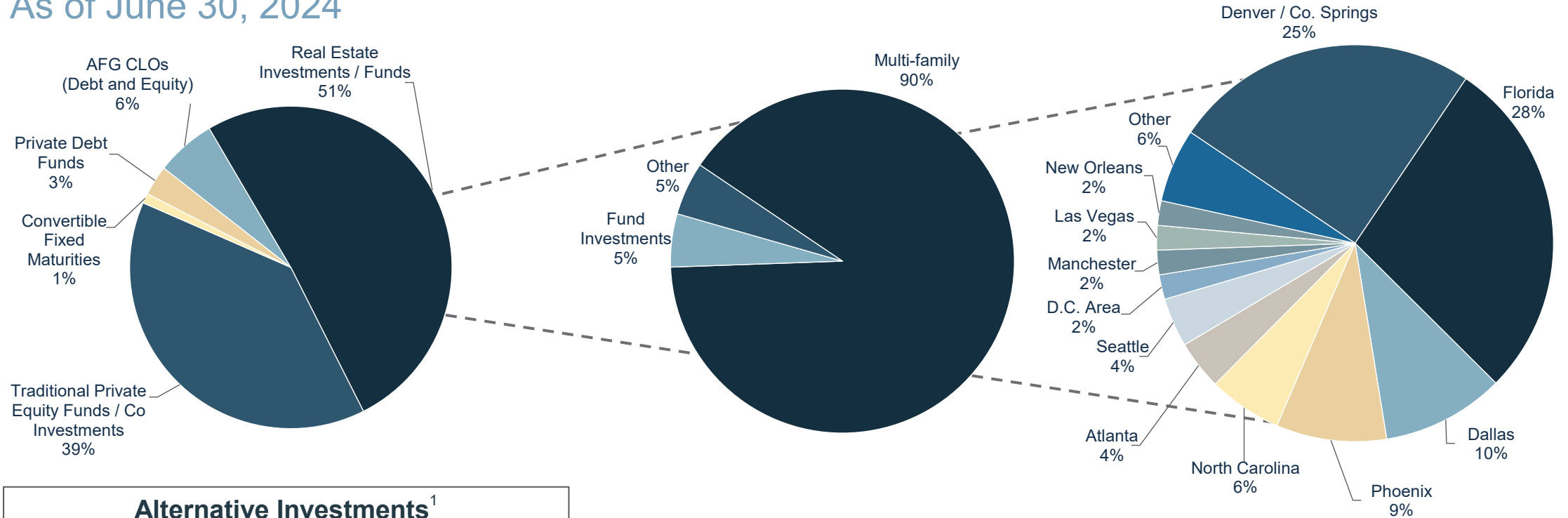
Fixed Maturities Portfolio – 94% investment grade
P&C Fixed Maturities Portfolio – 96% NAIC 1 & 2



Carrying Value – \$15.3 Billion

AFG Investment Portfolio – Alternative Investments

As of June 30, 2024



Alternative Investments¹
Total = \$2.6 Billion
(17% of total investments)

5.1% annualized return in 2Q24; 7% YTD estimated to be approximately 6% for the full year 2024

¹ Alternative investments consist of investments accounted for using the equity method, equity securities, and fixed maturities MTM through investment income and AFG managed CLOs.

Investment Portfolio Characteristics

	P&C Portfolio 6/30/24
Approximate Duration – Fixed Maturities including cash & cash equivalents	2.9 years
Annualized yield on fixed maturity securities before investment expenses Quarter ended 6/30/2024:	5.04%

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.

Positioning & Outlook

Short Duration – Increased duration of P&C fixed maturity portfolio in the higher interest rate environment, including cash and cash equivalents, from approximately 2.0 years at 12/31/2021 to approximately 2.9 years at 6/30/2024.

- Insurance company fixed maturities duration (including cash) remains short relative to liability duration.

Low Credit Risk – Significant capacity for AFG to take advantage of wider spreads offered in times of market disruption.

- AFG’s current reinvestment rate in its P&C fixed maturity portfolio is approximately 5.5%.

A History of Investment Outperformance

16-Year Investment Outperformance
Relative to Industry 1.33% per year

Outperformance equivalent to
~300 bps of incremental annualized
economic after-tax return on capital
over 16 years

16-year cumulative outperformance
equates to
\$1.8 billion pre-tax



Property & Casualty Insurance Peers

Total Investment Portfolio Annualized Total Returns Ended 2023

	3 Years	5 Years	16 Years
#1 The Cincinnati Insurance Cos.	3.34%	6.26%	5.51%
#2 AFG P&C Group	3.39%	4.15%	5.12%
#3 Market	1.48%	4.63%	4.92%
#4 American National	0.62%	4.11%	4.65%
#5 Old Republic Insurance	1.98%	4.19%	4.31%
#6 The Hanover Insurance Group	-1.03%	2.54%	4.14%
#7 CNA	-1.74%	2.82%	4.12%
#8 Travelers	-0.55%	2.47%	4.05%
#9 RLI	0.02%	3.25%	3.87%
#10 W. R. Berkley Corp.	1.49%	2.79%	3.81%
#11 Argo	0.46%	2.61%	3.81%
#12 Chubb	0.53%	3.20%	3.72%
#13 Assurant	-0.88%	2.86%	3.69%
#14 HCC Property & Casualty	0.44%	2.38%	3.67%
#15 Baldwin & Lyons Group/Protective	-0.05%	1.91%	3.51%
#16 The Hartford	0.49%	3.26%	3.46%
#17 Arch Capital	0.01%	2.50%	3.17%
#18 Alleghany	-1.21%	1.92%	3.15%
#19 AXA XL	-0.39%	2.52%	3.00%
P&C Industry (exc. Berkshire and State Farm)	0.58%	3.26%	3.79%

AFG relative to P&C Industry **2.81%** **0.89%** **1.33%**

Source: S&P Market Intelligence & Blackrock

Strong Financial Position

Dollars in millions, except per share data

Capital Management

- Above target levels for all rating agencies
- Second quarter regular dividends = \$59 million

Long-Term Debt

- No debt maturities until 2030
- No borrowings under \$450 million credit line

Financial Strength Ratings - U.S. Based P&C Insurers (where rated)

- A.M. Best: All companies = A+
- Standard & Poor's: All companies = A+
- Moody's: All companies = A1

	<u>June 30, 2024</u>	<u>Dec 31, 2023</u>
Principal amount of long-term debt	\$ 1,498	\$ 1,498
Shareholders' equity, excluding AOCI	4,715	4,577
Total capital, excluding AOCI	\$ 6,213	\$ 6,075
Ratio of debt to total capital, excluding AOCI¹		
Including subordinated debt	24.1%	24.7%
Excluding subordinated debt	13.2%	13.5%
Common shares outstanding (millions)	83.897	83.636
<u>Book value per share:</u>		
Book value per share	\$ 52.25	\$ 50.91
Book value per share, excluding AOCI	56.19	54.72
Tangible, excluding AOCI ²	50.13	48.52

1 The ratio is calculated by dividing the principal amount of AFG's long-term debt by its total capital, which includes long-term debt and shareholders' equity, excluding AOCI.

2 Excludes AOCI, goodwill and intangibles.

Intelligent Use of Excess Capital

2024 Capital Management

- \$2.50 per share special dividend paid in February 2024
- 12.7% increase in regular annual dividend, beginning in October 2024; 19th consecutive annual dividend increase
- 5.7 million shares remaining in repurchase authorization as of June 30, 2024

2023 Capital Management

- Returned \$900 million of capital to shareholders
- Two special dividends totaling \$5.50 per share in 2023
- Repurchased \$213 million of AFG common shares

Capital Returned to Shareholders Five Years Ended 12/31/2023 (in millions)

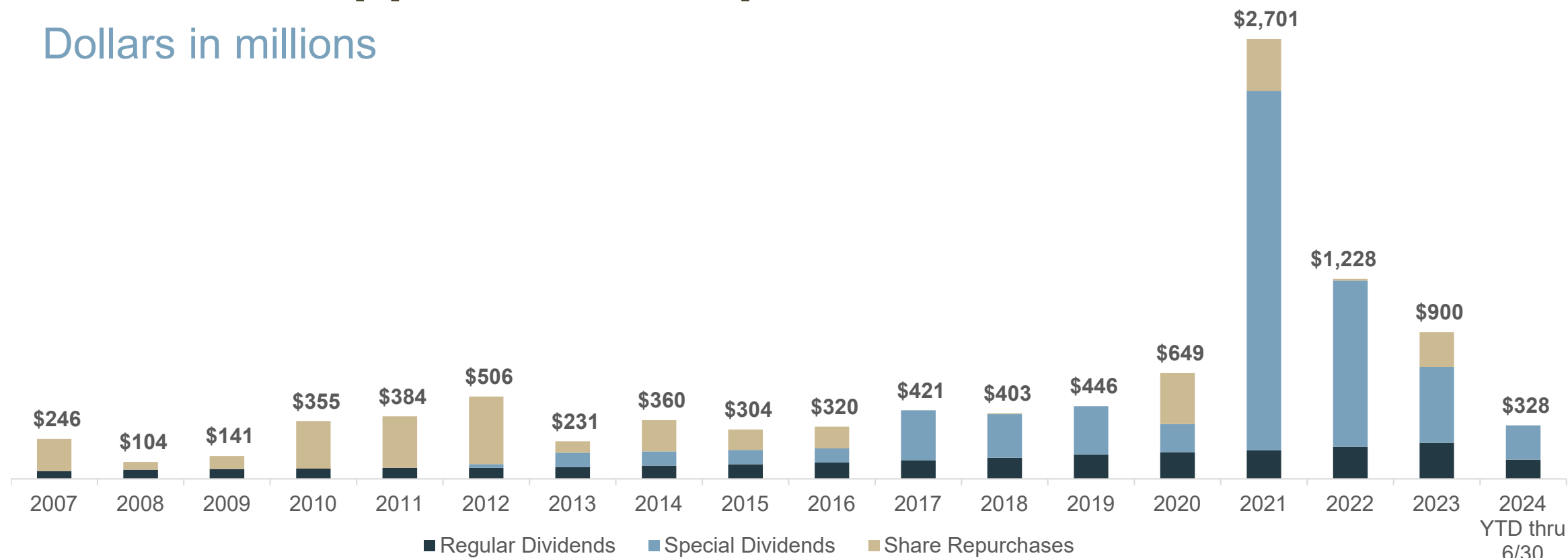
Dividends Paid	\$ 5,068
Repurchases	<u>856</u>
Total	<u>\$ 5,924</u>



\$5.9 Billion Returned to Shareholders

Balanced Approach to Capital Allocation

Dollars in millions

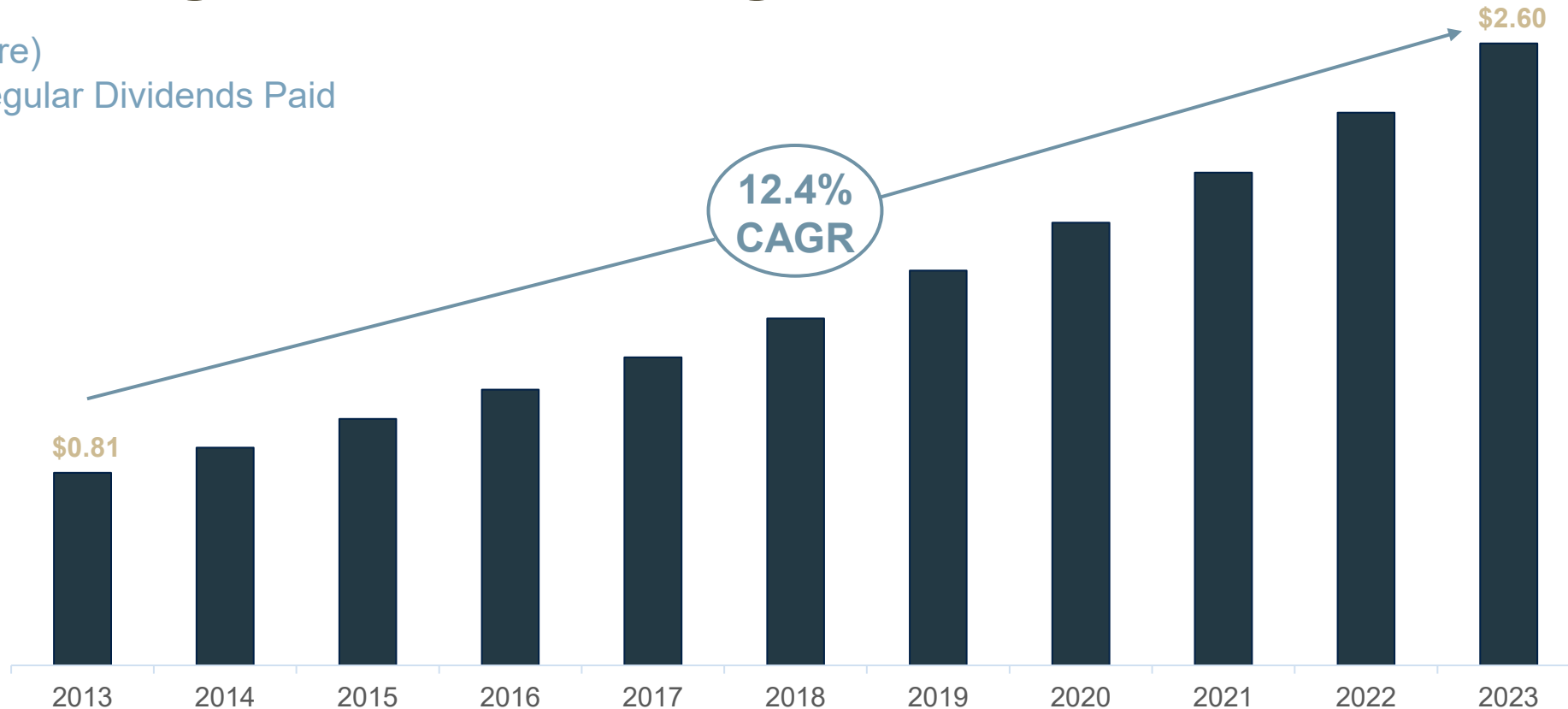


Between years 2009 – 2012, AFG repurchased 33.7 million shares at a weighted average price of approximately 90.5% of adjusted book value (book value per share excluding appropriated retained earnings and net unrealized gains (losses) related to fixed maturities).

Double-Digit Growth in Regular Dividends

(\$ per share)

Annual Regular Dividends Paid



Including the \$2.50 per share special dividend paid in February 2024, AFG has paid \$62.05 per share in special dividends since 2012.

Protecting What Matters

We sustain AFG’s business success by effectively managing risk—financial, social, environmental—to help create stability for our customers and deliver value to our shareholders.

We focus our corporate responsibility and sustainability strategies in four primary areas where AFG can achieve the most direct and substantial results:

- Operating our business with integrity and managing financial risk
- Giving back to our communities and promoting social opportunity
- Creating a welcoming and rewarding place to work and build a career *Be here. Be great.*
- Managing environmental risk and operating sustainably

for the *greater* good



Learn more about our corporate responsibility efforts and our Sustainability Accounting Standards Board Report at: AFGinc.com/About-Us/Corporate-Social-Responsibility.



Appendix

Financial Highlights – Second Quarter 2024

Dollars in millions, except per share data

	Three Months Ended June 30,		Six Months Ended June 30,	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
• Results of Operations:				
– Core net operating earnings	\$ 215	\$ 202	\$ 446	\$ 449
– Core net operating earnings per share	\$ 2.56	\$ 2.38	\$ 5.32	\$ 5.27
– Average number of diluted shares	83.9	85.2	83.9	85.3
• Annualized Core Operating Return on Equity, excluding AOCI :				
– AFG Consolidated	18.5%	18.2%		
• <u>Book Value per Share:</u>				
– Book value per share	\$ 52.25	\$ 50.91		
– Book value per share, excluding AOCI	56.19	54.72		
– Tangible, excluding AOCI ¹	50.13	48.52		

19.3%
Annualized Core
Operating Return
on Equity for the
Six Months Ended
June 30, 2024

¹ Excludes goodwill and intangibles.

Financial Highlights – 2023

Dollars in millions, except per share data

- Results of Operations:
 - Core net operating earnings
 - Core net operating earnings per share
 - Average number of diluted shares
- Core Operating Return on Equity, excluding AOCI :
 - AFG Consolidated
- Book Value per Share:
 - Book value per share
 - Book value per share, excluding AOCI
 - Tangible, excluding AOCI¹

Twelve Months Ended December 31,	
<u>2023</u>	<u>2022</u>
\$ 895	\$ 993
\$ 10.56	\$ 11.63
84.8	85.3
<u>2023</u>	<u>2022</u>
19.8%	21.2%
<u>Dec. 31, 2023</u>	<u>Dec. 31, 2022</u>
\$ 50.91	\$ 47.56
54.72	53.93
48.52	49.78

19.8%

Core Operating
Return on Equity

16.5%

Growth in
BVPS x-AOCI +
Dividends

¹ Excludes goodwill and intangibles.

Specialty Property & Casualty Businesses

Dollars in millions

	Net Written Premium			
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>% Change</u>
Specialty Property & Transportation	\$ 2,157	\$ 2,515	\$ 2,551	1%
Specialty Casualty	\$ 2,540	\$ 2,728	\$ 2,944	8%
Specialty Financial	\$ 658	\$ 711	\$ 935	32%
Other Specialty	\$ 218	\$ 252	\$ 262	4%
Total Specialty	<u><u>\$ 5,573</u></u>	<u><u>\$ 6,206</u></u>	<u><u>\$ 6,692</u></u>	8%

Specialty Property & Casualty Businesses

	GAAP Combined Ratio		
	<u>2021</u>	<u>2022</u>	<u>2023</u>
Specialty Property & Transportation	87.1%	91.7%	92.8%
Specialty Casualty	84.3%	81.2%	87.0%
Specialty Financial	85.1%	83.7%	87.3%
Total Specialty	86.4%	87.2%	90.3%

Business Spotlight: Workers' Compensation

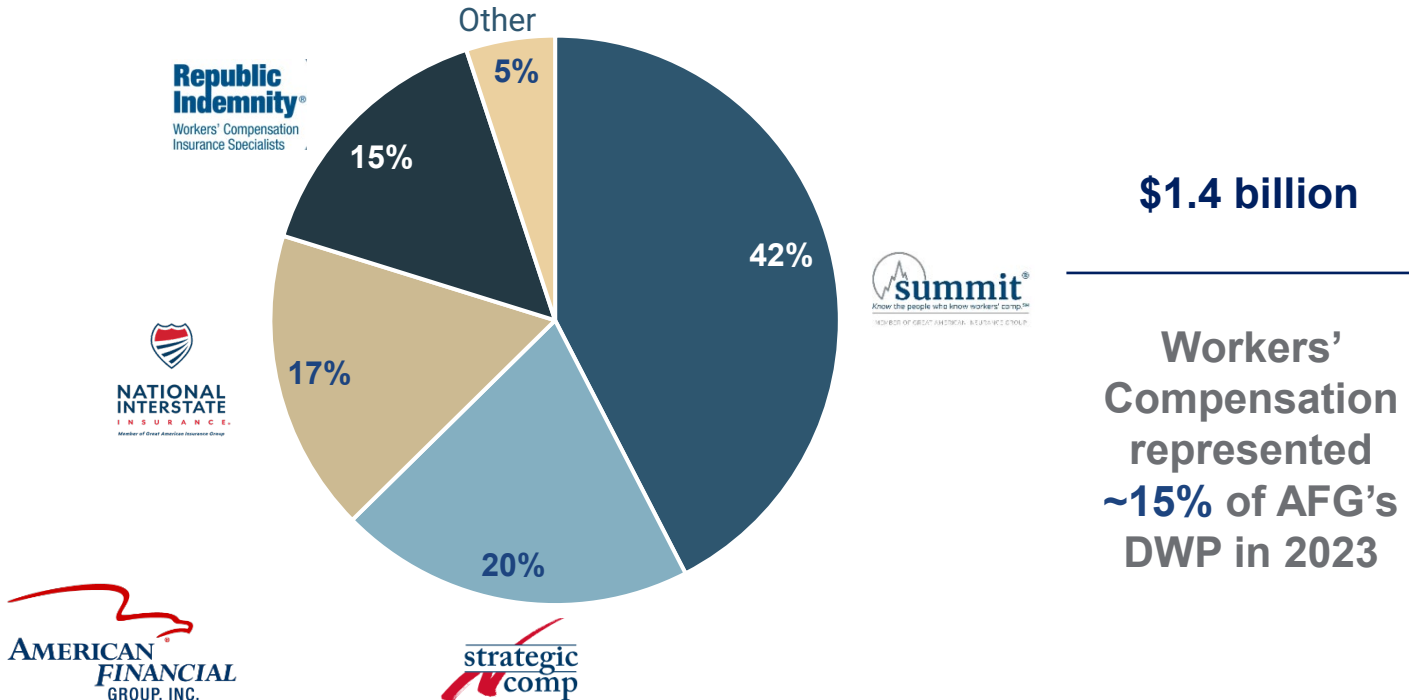
Summit is a market-leading regional provider of workers' compensation insurance services in the Southeast United States.

Strategic Comp provides a shared-risk large deductible workers' compensation program that helps insureds minimize risks and improve outcomes through a focus on loss control strategies.

National Interstate offers worker's compensation solutions that meet the needs of a wide variety of transportation classes. Insurance offerings include traditional insurance and innovative alternative risk transfer (ART) programs, including group captive programs catering to niche wheels markets.

Republic Indemnity is a premier provider of workers' compensation insurance products and services for small and mid-sized businesses, primarily in California.

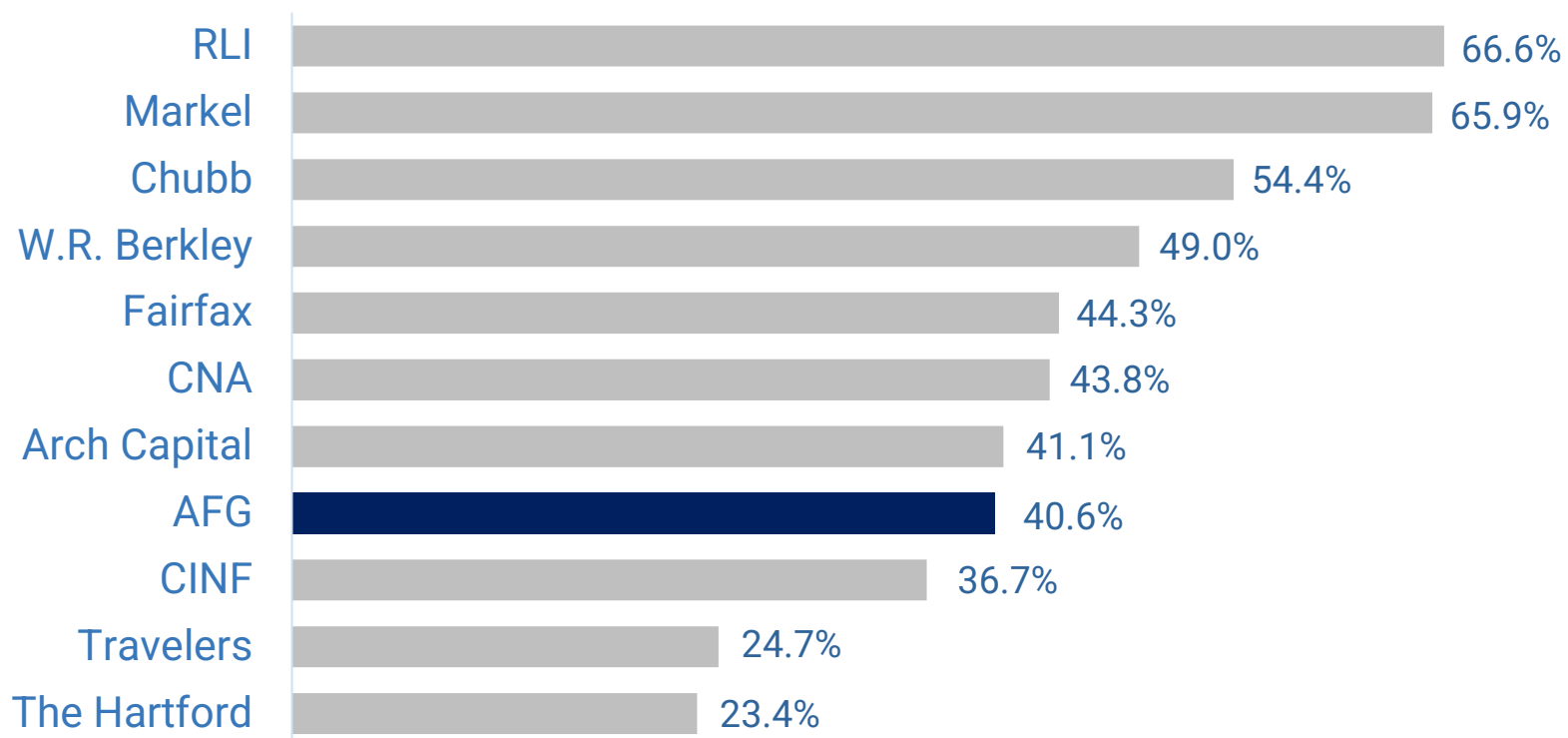
STATUTORY DIRECT WRITTEN PREMIUMS – FOR THE YEAR ENDED DECEMBER 31, 2023



- Diversity within this book has helped us deliver **attractive margins** and **strong returns** over a sustained period of time.
 - Summit has an established long-term track record of excellent UW performance and is well diversified across industry classes
 - Strategic Comp services accounts on a nationwide basis with focus on low case-load and field-based claims adjusting
 - Republic has 70+ years of expertise in the California marketplace
- Improved risk selection and rate segmentation through established **predictive analytics and modeling**
- Skillful manager of the workers' comp cycle with **best-in-class claims handling**
- **"Top 10" market rankings include:**
 - Summit: #2 Florida; #6 – Southeast Region
 - Republic: #19 – California

Casualty Reserves Driving the Headlines

Other Liability and Professional Liability Net Reserves ⁽¹⁾
As % of Total Net Reserves



(1) Based on U.S. statutory net reserves for Other Liability (Claims Made), Other Liability (Occurrence), Medical Professional Liability (Claims Made) and Medical Professional Liability (Occurrence) as of FY 2023.

