



**Third Quarter 2013 Highlights** | STRENGTH LIES IN THE ROOTS

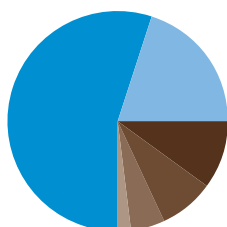


- Adjusted book value per share \$45.36; up 7% year-to-date
- Third quarter core net operating earnings of \$1.06 per share, up 29% from the prior year period
- Net earnings of \$0.92 per share include a \$0.54 A&E charge and \$0.40 in realized gains
- 2013 core operating earnings per share guidance increased to \$4.00 – \$4.20, from \$3.70 - \$4.10

# The Strength of Specialization

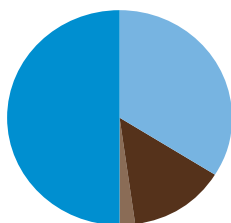


American Financial Group is committed to providing insurance products that meet the unique risk management needs of businesses and the financial planning needs of individuals. Its insurance operations, doing business as Great American Insurance Group, are comprised of approximately 30 niche operations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



**Annuity Operations 2012 Statutory Premium Distribution I \$3.0 Billion**

- 55% Single Premium-Indexed
- 20% Bank-Fixed
- 10% Bank-Indexed
- 8% 403(b)
- 5% Single Premium-Fixed
- 2% Variable



**Specialty Property and Casualty Insurance Operations 2012 Net Written Premium I \$2.9 Billion**

- 50% Property & Transportation
- 34% Specialty Casualty
- 14% Specialty Financial
- 2% Other

## Third Quarter and First Nine Months of 2013 & 2012 Highlights

In millions, except per share data

	<b>Earnings</b>			
	Three months ended September 30,		Nine months ended September 30,	
	2013	2012	2013	2012
Core Net Operating Earnings	\$ 97	\$ 78	\$ 268	\$ 253
Core Net Operating Earnings Per Share	\$ 1.06	\$ 0.82	\$ 2.94	\$ 2.59
Net Earnings Attributable to Shareholders	\$ 83	\$ 226	\$ 313	\$ 438
Net Earnings Per Share (Diluted)	\$ 0.92	\$ 2.39	\$ 3.44	\$ 4.50

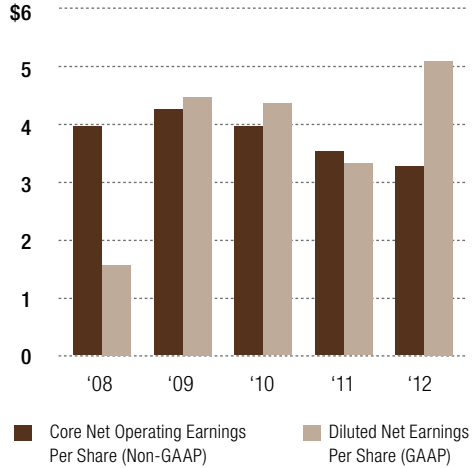
	<b>Insurance Premiums</b>			
	Three months ended September 30,		Nine months ended September 30,	
	2013	2012	2013	2012
Gross Written Premiums: Specialty P&C	\$ 1,768	\$ 1,509	\$ 3,734	\$ 3,356
Net Written Premiums: Specialty P&C	\$ 1,067	\$ 908	\$ 2,520	\$ 2,247
Statutory Premiums: Annuity	\$ 1,167	\$ 723	\$ 2,652	\$ 2,431

	<b>Book Value Per Share</b>	
	September 30, 2013	Dec 31, 2012
Excluding Appropriated Retained Earnings	\$ 50.40	\$ 50.61
Excluding Appropriated Retained Earnings and Unrealized Gains/Losses on Fixed Maturities	\$ 45.36	\$ 42.52

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

## Earnings Per Share | For the year ended December 31

AFG's Earnings per Share data for the years ended 2008-2012 is shown here. AFG believes that core net operating earnings is a useful measure for analysts and investors in considering ongoing operating trends for AFG.

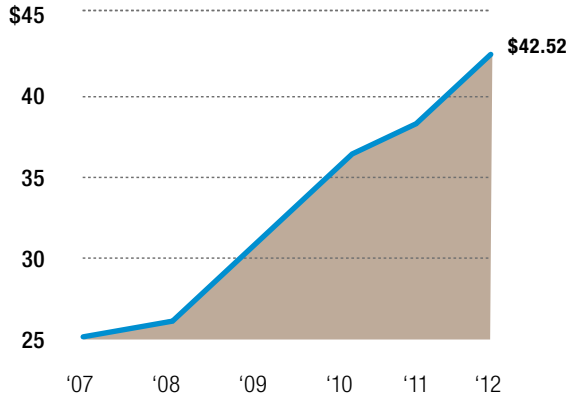


## Book Value Per Share | Year End

As of December 31 (excluding appropriated retained earnings and unrealized gains and losses on fixed maturities)

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

- Book value per share increased 10% during 2012
- Tangible book value was \$40.04 per share at the end of 2012, up 10% from the prior year



## Our Business Model

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

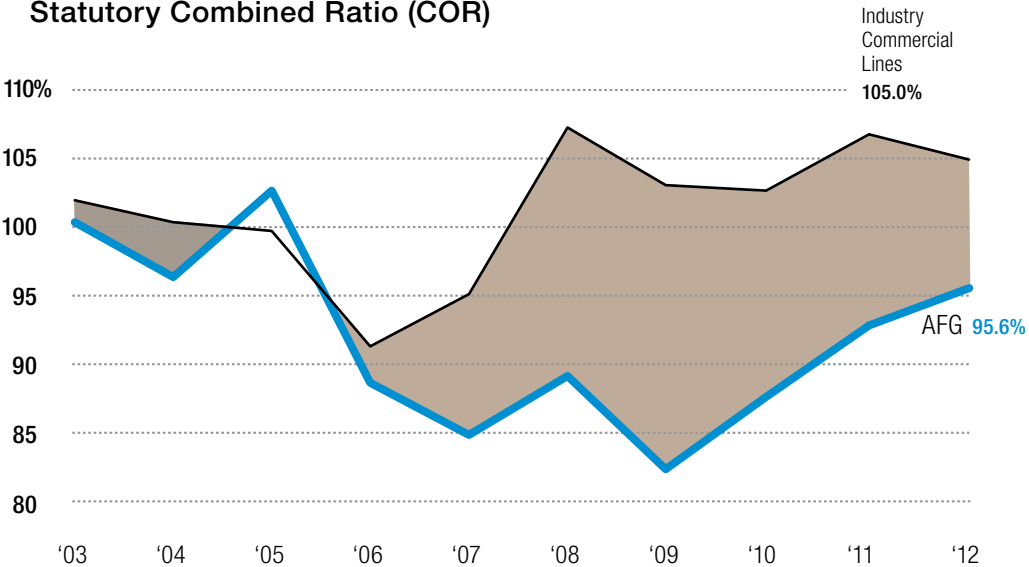
AFG's COR has been better than the industry average for 25 of the last 27 years.

## Capital and Liquidity

In Millions	September 30, 2013	December 31, 2012
Total Assets .....	\$40,947	\$39,171
Statutory Surplus – P&C Group .....	2,133	2,015
Adjusted Capital (Policyholder Surplus+AVR) – Annuity Subsidiaries ..	1,590	1,380
Cash & Cash Equivalents .....	1,331	1,705
Ratio of debt to total capital <sup>A</sup> .....	17.8%	19.4%

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

## Statutory Combined Ratio (COR)

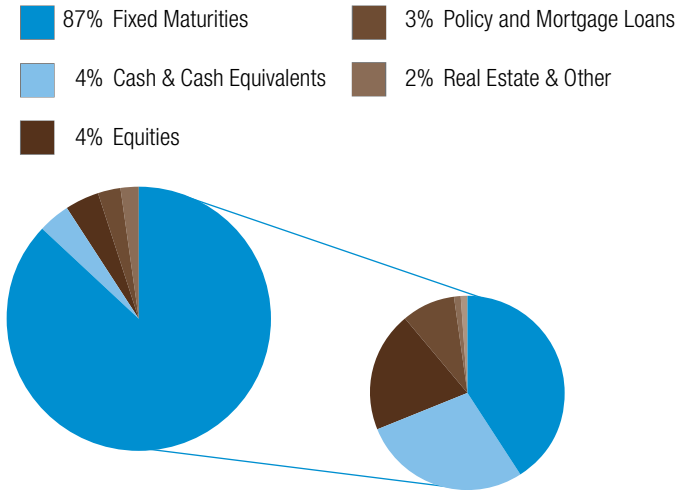


Industry Commercial Lines based on data from A.M. Best.

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

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

## Investment Portfolio | As of September 30, 2013



### Fixed Maturities



- Fixed income investments comprise 94% of the portfolio
- Fixed maturity portfolio is 86% investment grade (96% NAIC 1-2)
- Mortgage-backed securities portfolio is 61% investment grade (96% NAIC 1-2)

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

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Great American Insurance Company has maintained a financial strength rating of A (Excellent) or higher from A.M. Best Company since 1908.



## Ratings | Property & Casualty Insurance Companies

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



Great American's P&C Group was selected as one of the Ward's 50<sup>®</sup> Top Performing Insurance Companies for 2013.

## Ratings | Annuity Companies

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

This document contains certain statements that may be considered "forward-looking statements" and are based on estimates, assumptions and projections which management believes are reasonable but by their nature subject to risks and uncertainties. The Private Securities Litigation Reform Act of 1995 provides a safe harbor for forward-looking statements. Refer to AFG's filing on Form 10-Q as of September 30, 2013 for more information.