

**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): August 4, 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))

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.

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock	AFG	New York Stock Exchange
6% Subordinated Debentures due November 15, 2055	AFGH	New York Stock Exchange
5.875% Subordinated Debentures due March 30, 2059	AFGB	New York Stock Exchange
5.125% Subordinated Debentures due December 15, 2059	AFGC	New York Stock Exchange
5.625% Subordinated Debentures due June 1, 2060	AFGD	New York Stock Exchange

## 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 second quarter of 2020 and the availability of the Investor Supplement on the Company's website. The press release was issued on August 4, 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 August 4, 2020, reporting American Financial Group Inc. results for the quarter ended June 30, 2020.</a>
99.2	<a href="#">Investor Supplement – Second 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: August 5, 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 Second Quarter Results

- Net earnings per share of \$1.97; includes \$0.92 per share in after-tax non-core items
- Core net operating earnings before impact of alternative investments, \$1.53 per share; includes \$0.75 per share in COVID-19 related losses
- Core net operating earnings of \$1.05 per share; includes \$0.48 per share loss from alternative investments and \$0.75 per share in COVID-19 related losses
- Overall Specialty P&C renewal rates up 13%, excluding workers' compensation
- Parent company cash of \$500 million and excess capital of \$850 million at June 30, 2020
- Full year 2020 core net operating earnings guidance excluding the impact of alternative investments \$6.60—\$7.40 per share, an increase from our previous guidance of \$6.45 to \$7.25 per share

CINCINNATI – August 4, 2020 – American Financial Group, Inc. (NYSE: AFG) today reported 2020 second quarter net earnings attributable to shareholders of \$177 million (\$1.97 per share), compared to \$210 million (\$2.31 per share) in the 2019 second quarter. Net earnings for the 2020 second quarter included net favorable after-tax non-core items aggregating \$82 million (\$0.92 per share). These items included \$161 million (\$1.80 per share) in non-core after-tax net realized gains on securities, partially offset by after-tax annuity non-core losses of \$47 million (\$0.52 per share loss), and \$32 million (\$0.36 per share loss) for costs associated with the runoff of Neon, our Lloyd's-based insurer. By comparison, net earnings in the 2019 second quarter included \$18 million (\$0.19 per share) in net favorable after-tax non-core items. Other details may be found in the table on the following page. AFG's book value per share was \$69.10 at June 30, 2020. Annualized return on equity was 14.1% and 16.0% for the second quarters of 2020 and 2019, respectively.

Core net operating earnings were \$95 million (\$1.05 per share) for the 2020 second quarter, compared to \$192 million (\$2.12 per share) in the 2019 second quarter. Core net operating earnings for the second quarters of 2020 and 2019 generated annualized returns on equity of 7.5% and 14.7%, respectively. The year-over-year decrease was the result of negative adjustments to the Company's \$2.2 billion of alternative investments that are marked to market through core operating earnings. The COVID-19 pandemic has had widespread financial and economic impacts, which adversely affected returns on alternative investments. Excluding the impact of alternative investments, AFG's second quarter 2020 core net operating earnings decreased \$12 million (\$0.13 per share) year-over-year. Additional details may be found in the table below.

	Three Months Ended June 30,					
	2020	2019	2020	2019	2020	2019
<b>Components of Pretax Core Operating Earnings</b>						
In millions, except per share amounts						
	Before Impact of Alternative Investments		Alternative Investments, net of DAC		Core Net Operating Earnings, as reported	
P&C Pretax Core Operating Earnings	\$ 129	\$ 152	\$ (13)	\$ 23	\$ 116	\$ 175
Annuity Pretax Core Operating Earnings	84	75	(42)	29	42	104
Other Expenses	(20)	(25)	—	—	(20)	(25)
Holding Company Interest Expense	(23)	(17)	—	—	(23)	(17)
Pretax Core Operating Earnings	170	185	(55)	52	115	237
Related Income Taxes	31	34	(11)	11	20	45
<b>Core Net Operating Earnings (Loss)</b>	<b>\$ 139</b>	<b>\$ 151</b>	<b>\$ (44)</b>	<b>\$ 41</b>	<b>\$ 95</b>	<b>\$ 192</b>
Core Net Operating Earnings (Loss) Per Share	\$ 1.53	\$ 1.66	(\$ 0.48)	\$ 0.46	\$ 1.05	\$ 2.12
Weighted Avg Diluted Shares Outstanding	90.0	91.0	90.0	91.0	90.0	91.0

P&C core operating earnings for the second quarter of 2020 also included \$85 million (\$0.75 per share) in COVID-19 related losses.

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 six month period ended June 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 excludes 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.

In millions, except per share amounts	Three months ended June 30,		Six months ended June 30,	
	2020	2019	2020	2019
<b>Components of net earnings (loss) attributable to shareholders:</b>				
Core operating earnings before income taxes	\$ 115	\$ 236	\$ 326	\$ 465
<b>Pretax non-core items:</b>				
Realized gains (losses) on securities	204	56	(347)	240
Annuity non-core earnings (losses)	(59)	(33)	(97)	(33)
Neon exited lines	(42)	—	(52)	—
Earnings (loss) before income taxes	218	259	(170)	672
Provision (credit) for income taxes:				
Core operating earnings	20	45	60	93
Non-core items	31	5	(93)	44
Total provision (credit) for income taxes	51	50	(33)	137
Net earnings (loss), including noncontrolling interests	167	209	(137)	535
Less net earnings (loss) attributable to noncontrolling interests:				
Core operating earnings (loss)	—	(1)	—	(4)
Non-core items	(10)	—	(13)	—
Total net earnings (loss) attributable to noncontrolling interests	(10)	(1)	(13)	(4)
<b>Net earnings (loss) attributable to shareholders</b>	<b>\$ 177</b>	<b>\$ 210</b>	<b>\$ (124)</b>	<b>\$ 539</b>
Net earnings (loss):				
Core net operating earnings <sup>(a)</sup>	\$ 95	\$ 192	\$ 266	\$ 376
<b>Non-core items:</b>				
Realized gains (losses) on securities	161	45	(274)	190
Annuity non-core earnings (losses)	(47)	(27)	(77)	(27)
Neon exited lines	(32)	—	(39)	—
<b>Net earnings (loss) attributable to shareholders</b>	<b>\$ 177</b>	<b>\$ 210</b>	<b>\$ (124)</b>	<b>\$ 539</b>
Components of Earnings (Loss) Per Share <sup>(b)</sup> :				
<b>Core net operating earnings<sup>(a)</sup></b>	<b>\$ 1.05</b>	<b>\$ 2.12</b>	<b>\$ 2.94</b>	<b>\$ 4.14</b>
<b>Non-core Items:</b>				
Realized gains (losses) on securities	1.80	0.48	(3.03)	2.09
Annuity non-core earnings (losses)	(0.52)	(0.29)	(0.86)	(0.29)
Neon exited lines	(0.36)	—	(0.43)	—
<b>Diluted Earnings (Loss) Per Share</b>	<b>\$ 1.97</b>	<b>\$ 2.31</b>	<b>\$ (1.38)</b>	<b>\$ 5.94</b>

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

Book value per share, excluding unrealized gains related to fixed maturities, was \$56.95 per share at June 30, 2020. In the 2020 second quarter, AFG repurchased 1.2 million shares of its common stock at an average price of \$63.71 per share, for a total of approximately \$76 million.

S. Craig Lindner and Carl H. Lindner III, AFG's Co-Chief Executive Officers, commented: "Our thoughts and prayers remain with those affected by the COVID-19 pandemic. We are thankful to those serving and caring for others, including healthcare professionals, first responders, military and other essential workers. The safety of our employees remains our top priority. We are proud of the resiliency, flexibility and commitment they have demonstrated as they continue to provide the secure, trusted service and support on which our agents and policyholders rely.

"We are very pleased with the performance of our core operating businesses and the results in our investment operations in the second quarter. 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 \$850 million of excess capital at June 30, 2020. This number included parent company cash of approximately \$500 million. We expect to continue to have significant excess capital and liquidity throughout 2020 and beyond. Specifically, our insurance subsidiaries are projected to have capital in excess of the levels expected by ratings agencies in order to maintain their current ratings, we have no near-term debt maturities and we maintain a \$500 million undrawn credit facility."

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. AFG now expects its 2020 core net operating earnings per share excluding alternative investments to be in the range of \$6.60 to \$7.40 per share, an increase from our previous guidance of \$6.45 to \$7.25 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 \$116 million in the second quarter of 2020, compared to \$175 million in the prior year period, a decrease of \$59 million (34%). Lower year-over-year P&C net investment income, due primarily to the impact of alternative investments, was the driver of the lower earnings. Absent the impact of alternative investments, second quarter 2020 pretax core operating earnings in AFG's P&C Insurance Segment decreased \$23 million (15%) compared to the prior year period reflecting the impact of higher cash balances and lower interest rates on investment income and slightly lower underwriting profit.

The Specialty P&C insurance operations generated an underwriting profit of \$54 million in the 2020 second quarter, compared to \$60 million in the 2019 second quarter. Second quarter 2020 underwriting results included \$85 million in COVID-19 related losses. In the first quarter of 2020, the Company reported \$10 million in COVID-19 related losses. Given the uncertainties surrounding the ultimate number or scope of claims relating to the pandemic, these charges, approximately 90% of which establish reserves for claims that have been incurred but not reported (IBNR), represent the Company's current best estimate of losses from the pandemic and related economic disruption. Approximately 70% of AFG's COVID-19 related losses were reported in our workers' compensation, executive liability and trade credit businesses, with the remainder spread across a number of other businesses.

Higher underwriting profitability in our Property and Transportation Group was more than offset by lower underwriting profits in our Specialty Casualty and Specialty Financial Groups. The second quarter 2020 combined ratio of 95.2% was 0.2 points higher than the prior year period. Results in the second quarter of 2020 include 7.6 points of favorable prior year reserve development, compared to 3.4 points in the 2019 second quarter. In addition to the 7.6 points of negative impact of COVID-19 on the combined ratio for the second quarter of 2020, catastrophe losses added 2.3 points, compared to 0.9 points in the comparable prior year period. Catastrophe losses in the second quarter of 2020 included \$4 million (0.4 points on the combined ratio) attributable to civil unrest losses.

Second quarter 2020 gross and net written premiums were down 8% and 11%, respectively, when compared to the second quarter of 2019, primarily as the result of the run-off of Neon. Excluding the impact of the Neon runoff, gross written premiums were up 2% and net written premiums decreased 1% year-over-year.

Average renewal pricing across our entire P&C Group was up approximately 9% for the quarter. Excluding our workers' compensation business, renewal pricing was up approximately 13%. Both measures reflect an improvement from renewal rate increases achieved in the first quarter 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 an underwriting profit of \$33 million in the second quarter of 2020, compared to \$4 million in the second quarter of 2019. These results were primarily the result of higher favorable prior period reserve development in our transportation businesses. COVID-19 related losses were \$3 million in this group in the second quarter, and catastrophe losses added another \$15 million. By comparison, catastrophe losses were \$8 million in the 2019 second quarter.

Second quarter 2020 gross and net written premiums in this group increased 6% and 1%, respectively, when compared to the second quarter of 2019, which was impacted by delayed acreage reporting from insureds as a result of excess moisture and late planting of corn and soybean crops. Excluding crop insurance, 2020 gross and net written premiums in this group decreased by 3% and 5%, respectively, when compared to the 2019 second quarter. Decreases in premiums due to return of premiums and reduced exposures as a result of COVID-19 were tempered by new business opportunities in our transportation, property and inland marine and ocean marine businesses. Overall renewal rates in this group increased 7% on average for the second quarter of 2020, an improvement from renewal rate increases achieved in the first quarter of 2020.

The **Specialty Casualty Group** reported an underwriting profit of \$27 million in the second quarter of 2020, compared to \$47 million in the second quarter of 2019. COVID-19 related losses were \$52 million in the second quarter of 2020, primarily in our workers' compensation and executive liability businesses. These losses, in addition to lower year-over year underwriting profits in our alternative markets and social services businesses, were partially offset by higher favorable prior year reserve development, primarily in

our workers' compensation business, higher profitability in our excess and surplus and excess liability businesses, and the impact of underwriting losses at Neon in the second quarter of 2019. Catastrophe losses for this group were \$6 million in the second quarter of 2020, compared to \$1 million in the 2019 second quarter.

Gross and net written premiums decreased 16% and 23%, respectively, for the second 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 2% and net written premiums decreased by 5% in the second 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 9% and 2%, respectively, when excluding both Neon and workers' compensation. Significant renewal rate increases, coupled with new business opportunities in our excess and surplus and excess liability businesses contributed to this growth. Renewal pricing for this group was up 12% in the second quarter. Excluding our workers' compensation businesses, renewal rates in this group were up approximately 21%. Renewal rates in our Specialty Casualty Group overall and renewal rates adjusted to exclude the impact of workers' compensation are an improvement from renewal rate increases achieved in the first quarter of 2020.

The **Specialty Financial Group** reported an underwriting loss of less than \$1 million in the second quarter of 2020, compared to an underwriting profit of \$21 million in the second quarter of 2019. Results in the 2020 second quarter period included COVID-19 related losses of \$30 million primarily related to trade credit insurance. Catastrophe losses for this group were \$5 million in the second quarter of 2020, and \$3 million in the comparable 2019 period.

Gross and net written premiums for the second quarter of 2020 were both down 7%, when compared to the same 2019 period. Lower premiums resulted from the impact of various state regulations regarding moratoria on policy cancellations and the placement of forced coverage in our financial institutions business. Renewal pricing in this group was up approximately 6% for the quarter and is an improvement from renewal rate increases achieved in the first quarter of 2020.

Carl Lindner III stated, "Despite the headwinds and uncertainty associated with loss exposures resulting from COVID-19, our overall Specialty P&C Group underwriting margins were excellent and we are achieving exceptionally strong renewal pricing that is exceeding our objectives. Based on our results through the first six 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 \$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 11% 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 2% higher to 4% lower 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 six months of 2019 are reconciled to previously reported annuity operating results.



In millions	Three months ended		Six months ended	
	June 30,		June 30,	
Components of Pretax Annuity Core Operating Earnings:	2020	2019	2020	2019
Pretax core operating earnings before alternative investments	\$ 84	\$ 75	\$ 163	\$ 150
Amounts previously reported as core operating, net	—	—	—	(11)
<b>Pretax Annuity core operating earnings before alternative investments</b>	<b>84</b>	<b>75</b>	<b>163</b>	<b>139</b>
Alternative Investments, net of DAC	(42)	29	(54)	55
<b>Pretax Annuity Core Operating Earnings, as reported</b>	<b>\$ 42</b>	<b>\$ 104</b>	<b>\$ 109</b>	<b>\$ 194</b>
Year over year growth in quarterly average invested assets	7%	12%	8%	12%
Alternative investments – change in market value during the period	(2.8%)	2.8%	(3.3%)	5.5%

Second quarter 2020 pretax annuity core operating earnings before earnings or losses from alternative investments increased 12% year-over-year, reflecting growth in annuity assets, higher than expected persistency, lower than expected expenses related to guaranteed benefits, a strong stock market and a reduction in cost of funds. These favorable items, which include items that may not necessarily recur, were partially offset by a decline in investment returns.

Craig Lindner stated, “We believe that the Annuity Segment’s 12% increase in comparable core operating earnings in the second quarter (before the impact of alternative investments) demonstrates the strong fundamentals of our business. Although the Annuity Segment’s return on its \$1.3 billion of alternative investments was negative in the second quarter and first six months of 2020, the average annual return on these investments over the past five calendar years was nearly 10%.”

**Annuity Premiums** – AFG’s Annuity Segment reported gross statutory premiums of \$687 million in the second quarter of 2020, compared to \$1.35 billion in the second quarter of 2019, a decrease of 49%. Annuity sales were lower in all channels in the 2020 second quarter as a result of stay-at-home orders and other factors related to the COVID-19 pandemic that significantly impacted our access to distribution partners, as well as their access to current and prospective clients.

Craig Lindner commented, “As we noted when we announced our first quarter results, we anticipated a significant impact on annuity sales in the second quarter; this trend has continued into the third quarter. Despite this slowdown in sales, AFG’s average annuity investments grew more than 7% over the comparable prior year quarter, and average annuity reserves grew more than 6%. Our current best estimate is that 2020 gross annuity premiums will be between \$3.4 billion and \$3.9 billion, and result in growth in average investments 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** – While AFG continues to expect an attractive return on its alternative investments over the long term, due to ongoing volatility and uncertainty, it is difficult to forecast the returns on alternative investments for the Annuity Segment for the remainder of 2020. Pretax Annuity core operating earnings, excluding earnings from alternative investments, are expected to be in the range of \$300 million to \$320 million, an increase from our most recent guidance of \$280 million to \$310 million. By comparison, annuity core operating earnings excluding alternative investments was \$298 million in 2019.

This guidance reflects (i) the continued negative impact of low short-term interest rates on the Annuity Segment’s approximately \$4.9 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 \$35 to \$50 million, which is the equivalent of reducing our overall cost of funds by 8 to 12 basis points. The guidance also assumes that the stock market and longer-term interest rates remain relatively flat.

Craig Lindner added, “The results in AFG’s Annuity Segment demonstrate our strong business fundamentals, pricing discipline and the success of our operating model. We have the ability to lower the crediting rates on \$32 billion of annuity reserves by an average of 114 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 strong capital position, enabling us to navigate the effects of the pandemic.

**Annuity Non-Core Loss** – In the second quarter of 2020, AFG reported an after-tax annuity non-core loss of \$47 million (\$0.52 per share loss), which reflects the unfavorable impact of lower than expected interest rates on fair value accounting for FIAs.

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

#### **Investments**

AFG recorded second quarter 2020 net realized gains on securities of \$161 million (\$1.80 per share) after tax and after deferred acquisition costs (DAC), which included \$124 million (\$1.38 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 gains on securities of \$45 million (\$0.48 per share) in the comparable 2019 period.

Unrealized gains on fixed maturities were \$1.0 billion after tax and after DAC at June 30, 2020, an increase of \$168 million since year end. Our portfolio continues to be high quality, with 91% 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 six months ended June 30, 2020, P&C net investment income was approximately 25% lower than the comparable 2019 period. Excluding the impact of alternative investments, P&C net investment income was 8% lower year-over-year, reflecting higher average cash balances and lower market interest rates.

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**

On January 6, 2020, AFG publicly announced its plans to exit the Lloyd’s of London insurance market and actions it had initiated to place its Lloyd’s subsidiaries including its Lloyd’s Managing Agency, Neon Underwriting Ltd., into run-off. The exit from this business will allow AFG to reallocate capital to its other insurance businesses and opportunities that have the potential to earn targeted returns on investment. AFG recognized non-core after-tax net expenses of \$32 million (\$0.36 per share) in the second quarter of 2020 related to the run-off of this business, which were primarily attributable to the impact of COVID-19 related losses.

**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 June 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 second quarter results at 11:30 a.m. (ET) tomorrow, Wednesday, August 5, 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 2986141. 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 August 12, 2020. To listen to the replay, dial 1-855-859-2056 (international dial-in 404-537-3406) and provide the conference ID 2986141.

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 August 12, 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).

AFG2020-17

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

	Three months ended		Six months ended	
	June 30,		June 30,	
	2020	2019	2020	2019
<b>Revenues</b>				
P&C insurance net earned premiums	\$1,184	\$1,200	\$2,393	\$2,373
Net investment income	468	580	1,012	1,122
Realized gains (losses) on securities	204	56	(347)	240
Income (loss) of managed investment entities:				
Investment income	49	70	108	139
Loss on change in fair value of assets/liabilities	(5)	(2)	(48)	(2)
Other income	51	56	108	112
Total revenues	<u>1,951</u>	<u>1,960</u>	<u>3,226</u>	<u>3,984</u>
<b>Costs and expenses</b>				
P&C insurance losses & expenses	1,180	1,149	2,307	2,240
Annuity and supplemental insurance benefits & expenses	391	372	780	711
Interest charges on borrowed money	23	17	40	33
Expenses of managed investment entities	38	59	86	114
Other expenses	101	104	183	214
Total costs and expenses	<u>1,733</u>	<u>1,701</u>	<u>3,396</u>	<u>3,312</u>
Earnings (loss) before income taxes	218	259	(170)	672
Provision (credit) for income taxes	51	50	(33)	137
Net earnings (loss) including noncontrolling interests	167	209	(137)	535
Less: Net loss attributable to noncontrolling interests	(10)	(1)	(13)	(4)
Net earnings (loss) attributable to shareholders	<u>\$ 177</u>	<u>\$ 210</u>	<u>\$ (124)</u>	<u>\$ 539</u>
Diluted Earnings (Loss) per Common Share	<u>\$ 1.97</u>	<u>\$ 2.31</u>	<u>\$ (1.38)</u>	<u>\$ 5.94</u>
Average number of diluted shares	90.0	91.0	90.0	90.8
<b>Selected Balance Sheet Data:</b>				
Total cash and investments	June 30,		December 31,	
	2020		2019	
Total cash and investments	\$56,741		\$ 55,252	
Long-term debt	\$ 1,912		\$ 1,473	
Shareholders' equity(c)	\$ 6,126		\$ 6,269	
Shareholders' equity (excluding unrealized gains/losses related to fixed maturities) (c)	\$ 5,049		\$ 5,390	
Book value per share	\$ 69.10		\$ 69.43	
Book value per share (excluding unrealized gains/losses related to fixed maturities)	\$ 56.95		\$ 59.70	
Common Shares Outstanding	88.7		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 June 30,		Pct. Change	Six months ended June 30,		Pct. Change
	2020	2019		2020	2019	
<b>Gross written premiums</b>	<u>\$1,539</u>	<u>\$1,664</u>	(8%)	<u>\$3,065</u>	<u>\$3,199</u>	(4%)
<b>Net written premiums</b>	<u>\$1,123</u>	<u>\$1,264</u>	(11%)	<u>\$2,288</u>	<u>\$2,411</u>	(5%)
<b>Ratios (GAAP):</b>						
<b>Loss &amp; LAE ratio</b>	62.6%	60.2%		60.5%	59.6%	
<b>Underwriting expense ratio</b>	32.6%	34.8%		33.2%	34.2%	
<b>Specialty Combined Ratio</b>	<u>95.2%</u>	<u>95.0%</u>		<u>93.7%</u>	<u>93.8%</u>	
<b>Combined Ratio – P&amp;C Segment</b>	<u>99.2%</u>	<u>95.1%</u>		<u>96.0%</u>	<u>93.9%</u>	
<b>Supplemental Information:(d)</b>						
<b>Gross Written Premiums:</b>						
Property & Transportation	\$ 611	\$ 579	6%	\$1,105	\$1,018	9%
Specialty Casualty	752	896	(16%)	1,601	1,808	(11%)
Specialty Financial	176	189	(7%)	359	373	(4%)
	<u>\$1,539</u>	<u>\$1,664</u>	(8%)	<u>\$3,065</u>	<u>\$3,199</u>	(4%)
<b>Net Written Premiums:</b>						
Property & Transportation	\$ 426	\$ 422	1%	\$ 812	\$ 766	6%
Specialty Casualty	511	662	(23%)	1,097	1,288	(15%)
Specialty Financial	139	149	(7%)	288	294	(2%)
Other	47	31	52%	91	63	44%
	<u>\$1,123</u>	<u>\$1,264</u>	(11%)	<u>\$2,288</u>	<u>\$2,411</u>	(5%)
<b>Combined Ratio (GAAP):</b>						
Property & Transportation	91.7%	99.1%		92.3%	94.2%	
Specialty Casualty	94.9%	92.5%		92.8%	93.4%	
Specialty Financial	100.4%	85.6%		94.4%	88.6%	
Aggregate Specialty Group	95.2%	95.0%		93.7%	93.8%	
<b>Reserve Development (Favorable)/Adverse:</b>						
Property & Transportation	\$ (28)	\$ (6)		\$ (52)	\$ (32)	
Specialty Casualty	(51)	(31)		(75)	(44)	
Specialty Financial	(11)	(9)		(13)	(15)	
Other Specialty	5	4		7	3	
<b>Total Specialty Reserve Development</b>	<u>\$ (85)</u>	<u>\$ (42)</u>		<u>\$ (133)</u>	<u>\$ (88)</u>	
<b>Points on Combined Ratio:</b>						
Property & Transportation	(7.2)	(1.6)		(6.7)	(4.4)	
Specialty Casualty	(9.3)	(4.7)		(6.7)	(3.5)	
Specialty Financial	(8.0)	(5.9)		(4.5)	(5.1)	
Aggregate Specialty Group	(7.6)	(3.4)		(5.8)	(3.7)	
Total P&C Segment	(6.5)	(3.3)		(5.0)	(3.6)	

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		Pct. Change	Six months ended		Pct. Change
	June 30, 2020	2019		June 30, 2020	2019	
<b>Gross Annuity Premiums:</b>						
Financial Institutions	\$ 356	\$ 742	(52%)	\$1,067	\$1,510	(29%)
Retail	169	310	(45%)	366	640	(43%)
Broker-Dealer	102	197	(48%)	257	430	(40%)
Pension Risk Transfer	23	50	(54%)	126	60	110%
Education Market	32	44	(27%)	71	93	(24%)
Variable Annuities	5	6	(17%)	10	11	(9%)
Total Gross Annuity Premiums	<u>\$ 687</u>	<u>\$ 1,349</u>	<u>(49%)</u>	<u>\$1,897</u>	<u>\$2,744</u>	<u>(31%)</u>

**Components of Pretax Annuity Core Operating Earnings**

	Three months ended		Pct. Change	Six months ended		Pct. Change
	June 30, 2020	2019		June 30, 2020	2019	
<b>Revenues:</b>						
Net investment income	\$ 421	\$ 420	-%	\$ 849	\$ 826	3%
Other income	30	30	-%	65	58	12%
Total revenues	451	450	-%	914	884	3%
<b>Costs and Expenses:</b>						
Annuity benefits	274	275	-%	561	542	4%
Acquisition expenses	57	65	(12%)	122	122	-%
Other expenses	36	35	3%	68	70	(3%)
Total costs and expenses	<u>367</u>	<u>375</u>	<u>(2%)</u>	<u>751</u>	<u>734</u>	<u>2%</u>
Annuity core operating earnings before items below	\$ 84	\$ 75	12%	\$ 163	\$ 150	9%
Amounts previously reported as core	—	—	nm	—	(11)	nm
Alternative investments marked to market, net of DAC	(42)	29	nm	(54)	55	nm
Pretax Annuity Core Operating Earnings	<u>\$ 42</u>	<u>\$ 104</u>	<u>(60%)</u>	<u>\$ 109</u>	<u>\$ 194</u>	<u>(44%)</u>

**Supplemental Annuity Information\***

	Three months ended		Six months ended	
	June 30, 2020	2019	June 30, 2020	2019
Net interest spread before alternative investments	1.60%	1.72%	1.59%	1.71%
Net interest spread	1.24%	2.05%	1.38%	2.03%
Net spread earned before alternative Investments	0.80%	0.80%	0.81%	0.81%
Net spread earned	0.39%	1.11%	0.54%	1.10%

\* 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 (in millions):

	Three months ended June 30,		Six months ended June 30,	
	2020	2019	2020	2019
<u>Core Operating Earnings before Income Taxes:</u>				
P&C insurance segment	\$ 116	\$ 175	\$ 297	\$ 360
Annuity segment	42	104	109	205
Annuity results previously reported as operating earnings	—	—	—	(11)
Interest and other corporate expenses	<u>(43)</u>	<u>(42)</u>	<u>(80)</u>	<u>(85)</u>
Core operating earnings before income taxes	115	237	326	469
Related income taxes	<u>20</u>	<u>45</u>	<u>60</u>	<u>93</u>
Core net operating earnings	<u>\$ 95</u>	<u>\$ 192</u>	<u>\$ 266</u>	<u>\$ 376</u>

b) Because AFG had a net loss for the six months ended June 30, 2020, the impact of potential dilutive options (weighted average of 0.59 million shares) was excluded from AFG's fully diluted earnings per share calculation. However, for the non-GAAP measure of core net operating earnings, the Company believes it is most appropriate to use the fully diluted share data that would have been used if AFG had net earnings for the six months ended June 30, 2020.

c) Shareholders' Equity at June 30, 2020 includes \$1.0 billion (\$11.62 per share) in unrealized after-tax, after DAC gains on fixed maturities and \$47 million (\$0.53 per share) in unrealized after-tax, after DAC 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 - Second Quarter 2020**

**August 4, 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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	Three Months Ended					Six Months Ended	
	6/30/20	3/31/20	12/31/19	9/30/19	6/30/19	6/30/20	6/30/19
<b>Highlights</b>							
Net earnings (loss)	\$ 177	\$ (301)	\$ 211	\$ 147	\$ 210	\$ (124)	\$ 539
Core net operating earnings	95	171	203	205	192	266	376
Total assets	70,867	67,643	70,130	69,067	67,697	70,867	67,697
Adjusted shareholders' equity (a)	5,049	4,987	5,390	5,376	5,260	5,049	5,260
Property and Casualty net written premiums	1,123	1,165	1,313	1,618	1,264	2,288	2,411
Gross Annuity statutory premiums	687	1,210	1,139	1,077	1,349	1,897	2,744
Net Annuity statutory premiums	609	1,210	1,139	1,077	1,349	1,819	2,744
<b>Per share data</b>							
Diluted earnings (loss) per share	\$ 1.97	\$ (3.34)	\$ 2.31	\$ 1.62	\$ 2.31	\$ (1.38)	\$ 5.94
Core net operating earnings per share	1.05	1.88	2.22	2.25	2.12	2.94	4.14
Adjusted book value per share (a)	56.95	55.52	59.70	59.65	58.49	56.95	58.49
Cash dividends per common share	0.4500	0.4500	2.2500	0.4000	1.9000	0.9000	2.3000
<b>Financial ratios</b>							
Annualized return on equity (b)	14.1%	(23.1%)	15.6%	11.0%	16.0%	(4.8%)	21.0%
Annualized core operating return on equity (b)	7.5%	13.2%	15.0%	15.3%	14.7%	10.3%	14.6%
Property and Casualty combined ratio—Specialty:							
Loss & LAE ratio	62.6%	58.5%	63.2%	63.1%	60.2%	60.5%	59.6%
Underwriting expense ratio	32.6%	33.7%	30.3%	30.9%	34.8%	33.2%	34.2%
Combined ratio—Specialty	95.2%	92.2%	93.5%	94.0%	95.0%	93.7%	93.8%
Net interest spread on fixed annuities - before alternative investments marked to market							
Alternative investments marked to market	1.60%	1.59%	1.71%	1.65%	1.72%	1.59%	1.71%
Net interest spread on fixed annuities—including alternative investments marked to market	(0.36%)	(0.06%)	0.23%	0.28%	0.33%	(0.21%)	0.32%
Net spread earned on fixed annuities:							
Core operating—before alternative investments marked to market	1.24%	1.53%	1.94%	1.93%	2.05%	1.38%	2.03%
Alternative investments marked to market, net of DAC	0.80%	0.81%	0.87%	0.80%	0.80%	0.81%	0.81%
Core operating	(0.41%)	(0.12%)	0.20%	0.26%	0.31%	(0.27%)	0.29%
	0.39%	0.69%	1.07%	1.06%	1.11%	0.54%	1.10%

- (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					Six Months Ended	
	6/30/20	3/31/20	12/31/19	9/30/19	6/30/19	6/30/20	6/30/19
Property and Casualty Insurance							
Underwriting profit	\$ 52	\$ 88	\$ 88	\$ 72	\$ 59	\$ 140	\$ 146
Net investment income	72	99	120	124	124	171	228
Other expense	(8)	(6)	(9)	(2)	(8)	(14)	(14)
Property and Casualty Insurance operating earnings	116	181	199	194	175	297	360
Annuity operating earnings	42	67	104	100	104	109	194
Interest expense of parent holding companies	(23)	(17)	(18)	(17)	(17)	(40)	(33)
Other expense	(20)	(20)	(32)	(22)	(25)	(40)	(52)
Pretax core operating earnings	115	211	253	255	237	326	469
Income tax expense	20	40	50	50	45	60	93
<b>Core net operating earnings</b>	<b>95</b>	<b>171</b>	<b>203</b>	<b>205</b>	<b>192</b>	<b>266</b>	<b>376</b>
Non-core items, net of tax:							
Realized gains (losses) on securities	161	(435)	51	(14)	45	(274)	190
Annuity non-core earnings (losses)	(47)	(30)	19	(21)	(27)	(77)	(27)
Special A&E charges:							
Property and Casualty Insurance run-off operations	—	—	—	(14)	—	—	—
Former Railroad and Manufacturing operations	—	—	—	(9)	—	—	—
Neon exited lines	(32)	(7)	(58)	—	—	(39)	—
Other non-core items	—	—	(4)	—	—	—	—
<b>Net earnings (loss)</b>	<b>\$ 177</b>	<b>\$ (301)</b>	<b>\$ 211</b>	<b>\$ 147</b>	<b>\$ 210</b>	<b>\$ (124)</b>	<b>\$ 539</b>

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



	Three Months Ended					Six Months Ended	
	6/30/20	3/31/20	12/31/19	9/30/19	6/30/19	6/30/20	6/30/19
<b>Core net operating earnings</b>	<b>\$ 95</b>	<b>\$ 171</b>	<b>\$ 203</b>	<b>\$ 205</b>	<b>\$ 192</b>	<b>\$ 266</b>	<b>\$ 376</b>
<b>Net earnings (loss)</b>	<b>\$ 177</b>	<b>\$ (301)</b>	<b>\$ 211</b>	<b>\$ 147</b>	<b>\$ 210</b>	<b>\$ (124)</b>	<b>\$ 539</b>
Average number of diluted shares—core	89.997	91.138	91.274	91.137	90.981	90.567	90.839
Average number of diluted shares—net	89.997	90.295	91.274	91.137	90.981	89.980	90.839
<b>Diluted earnings per share:</b>							
<b>Core net operating earnings per share</b>	<b>\$ 1.05</b>	<b>\$ 1.88</b>	<b>\$ 2.22</b>	<b>\$ 2.25</b>	<b>\$ 2.12</b>	<b>\$ 2.94</b>	<b>\$ 4.14</b>
Realized gains (losses) on securities	1.80	(4.81)	0.56	(0.15)	0.48	(3.03)	2.09
Annuity non-core earnings (losses)	(0.52)	(0.34)	0.21	(0.23)	(0.29)	(0.86)	(0.29)
Special A&E charges:							
Property and Casualty Insurance run-off operations	—	—	—	(0.15)	—	—	—
Former Railroad and Manufacturing operations	—	—	—	(0.10)	—	—	—
Neon exited lines	(0.36)	(0.07)	(0.64)	—	—	(0.43)	—
Other non-core items	—	—	(0.04)	—	—	—	—
<b>Diluted earnings (loss) per share</b>	<b>\$ 1.97</b>	<b>\$ (3.34)</b>	<b>\$ 2.31</b>	<b>\$ 1.62</b>	<b>\$ 2.31</b>	<b>\$ (1.38)</b>	<b>\$ 5.94</b>

	Three Months Ended					Six Months Ended	
	6/30/20	3/31/20	12/31/19	9/30/19	6/30/19	6/30/20	6/30/19
Property and Transportation	\$ 33	\$ 27	\$ (2)	\$ 38	\$ 4	\$ 60	\$ 43
Specialty Casualty	27	52	69	23	47	79	83
Specialty Financial	—	17	32	26	21	17	34
Other Specialty	(6)	(7)	(10)	1	(12)	(13)	(12)
<b>Underwriting profit—Specialty</b>	<b>54</b>	<b>89</b>	<b>89</b>	<b>88</b>	<b>60</b>	<b>143</b>	<b>148</b>
Other core charges, included in loss and LAE	(2)	(1)	(1)	(16)	(1)	(3)	(2)
<b>Underwriting profit—Core</b>	<b>52</b>	<b>88</b>	<b>88</b>	<b>72</b>	<b>59</b>	<b>140</b>	<b>146</b>
Special A&E charges, included in loss and LAE	—	—	—	(18)	—	—	—
Neon exited lines	(43)	(1)	(76)	—	—	(44)	—
<b>Underwriting profit (loss)—Property and Casualty Insurance</b>	<b>\$ 9</b>	<b>\$ 87</b>	<b>\$ 12</b>	<b>\$ 54</b>	<b>\$ 59</b>	<b>\$ 96</b>	<b>\$ 146</b>
Included in results above:							
COVID-19 related losses	\$ 105	\$ 10	\$ —	\$ —	\$ —	\$ 115	\$ —
Current accident year catastrophe losses:							
Catastrophe reinstatement premium	\$ —	\$ —	\$ 1	\$ —	\$ —	\$ —	\$ —
Catastrophe loss	26	9	14	22	12	35	24
Total current accident year catastrophe losses	\$ 26	\$ 9	\$ 15	\$ 22	\$ 12	\$ 35	\$ 24
Prior year loss reserve development (favorable) / adverse	\$ (77)	\$ (42)	\$ (45)	\$ (12)	\$ (41)	\$ (119)	\$ (86)
Combined ratio:							
Property and Transportation	91.7%	92.9%	100.4%	93.5%	99.1%	92.3%	94.2%
Specialty Casualty	94.9%	90.7%	89.7%	96.5%	92.5%	92.8%	93.4%
Specialty Financial	100.4%	89.1%	79.6%	83.7%	85.6%	94.4%	88.6%
Other Specialty	114.2%	117.7%	122.5%	98.5%	135.1%	115.8%	116.7%
<b>Combined ratio—Specialty</b>	<b>95.2%</b>	<b>92.2%</b>	<b>93.5%</b>	<b>94.0%</b>	<b>95.0%</b>	<b>93.7%</b>	<b>93.8%</b>
Other core charges	0.2%	0.1%	0.1%	1.1%	0.1%	0.1%	0.1%
Neon exited lines charge	3.8%	0.5%	5.5%	0.0%	0.0%	2.2%	0.0%
Special A&E charges	0.0%	0.0%	0.0%	1.2%	0.0%	0.0%	0.0%
<b>Combined ratio</b>	<b>99.2%</b>	<b>92.8%</b>	<b>99.1%</b>	<b>96.3%</b>	<b>95.1%</b>	<b>96.0%</b>	<b>93.9%</b>
P&C combined ratio excl. COVID-19 related losses, catastrophe losses, and prior year loss reserve development	94.8%	94.6%	101.4%	95.6%	97.6%	94.7%	96.5%
Loss and LAE components—property and casualty insurance							
Current accident year, excluding COVID-19 related and catastrophe losses	60.7%	60.3%	66.0%	64.6%	62.7%	60.5%	62.3%
COVID-19 related losses	8.8%	0.8%	0.0%	0.0%	0.0%	4.8%	0.0%
Current accident year catastrophe losses	2.1%	0.8%	1.0%	1.6%	0.9%	1.5%	1.0%
Prior accident year loss reserve development	(6.5%)	(3.4%)	(0.4%)	(0.8%)	(3.3%)	(5.0%)	(3.6%)
<b>Loss and LAE ratio</b>	<b>65.1%</b>	<b>58.5%</b>	<b>66.6%</b>	<b>65.4%</b>	<b>60.3%</b>	<b>61.8%</b>	<b>59.7%</b>



	Three Months Ended					Six Months Ended	
	6/30/20	3/31/20	12/31/19	9/30/19	6/30/19	6/30/20	6/30/19
Gross written premiums	\$ 1,539	\$ 1,526	\$ 1,749	\$ 2,351	\$ 1,664	\$ 3,065	\$ 3,199
Ceded reinsurance premiums	(416)	(361)	(436)	(733)	(400)	(777)	(788)
Net written premiums	1,123	1,165	1,313	1,618	1,264	2,288	2,411
Change in unearned premiums	—	(27)	57	(176)	(64)	(27)	(38)
Net earned premiums	1,123	1,138	1,370	1,442	1,200	2,261	2,373
Loss and LAE	703	666	865	910	722	1,369	1,413
Underwriting expense	366	383	416	444	418	749	812
<b>Underwriting profit</b>	<b>\$ 54</b>	<b>\$ 89</b>	<b>\$ 89</b>	<b>\$ 88</b>	<b>\$ 60</b>	<b>\$ 143</b>	<b>\$ 148</b>
Included in results above:							
COVID-19 related losses	\$ 85	\$ 10	\$ —	\$ —	\$ —	\$ 95	\$ —
Current accident year catastrophe losses:							
Catastrophe reinstatement premium	\$ —	\$ —	\$ 1	\$ —	\$ —	\$ —	\$ —
Catastrophe loss	26	9	14	22	12	35	24
Total current accident year catastrophe losses	\$ 26	\$ 9	\$ 15	\$ 22	\$ 12	\$ 35	\$ 24
Prior year loss reserve development (favorable) / adverse	\$ (85)	\$ (48)	\$ (53)	\$ (46)	\$ (42)	\$ (133)	\$ (88)
Combined ratio:							
Loss and LAE ratio	62.6%	58.5%	63.2%	63.1%	60.2%	60.5%	59.6%
Underwriting expense ratio	32.6%	33.7%	30.3%	30.9%	34.8%	33.2%	34.2%
<b>Combined ratio</b>	<b>95.2%</b>	<b>92.2%</b>	<b>93.5%</b>	<b>94.0%</b>	<b>95.0%</b>	<b>93.7%</b>	<b>93.8%</b>
Specialty combined ratio excl. COVID-19 related losses, catastrophe losses, and prior year loss reserve development	92.9%	94.7%	96.3%	95.5%	97.5%	93.8%	96.5%
Loss and LAE components:							
Current accident year, excluding COVID-19 related and catastrophe losses	60.3%	61.0%	66.0%	64.6%	62.7%	60.6%	62.3%
COVID-19 related losses	7.6%	0.9%	0.0%	0.0%	0.0%	4.2%	0.0%
Current accident year catastrophe losses	2.3%	0.8%	1.0%	1.6%	0.9%	1.5%	1.0%
Prior accident year loss reserve development	(7.6%)	(4.2%)	(3.8%)	(3.1%)	(3.4%)	(5.8%)	(3.7%)
<b>Loss and LAE ratio</b>	<b>62.6%</b>	<b>58.5%</b>	<b>63.2%</b>	<b>63.1%</b>	<b>60.2%</b>	<b>60.5%</b>	<b>59.6%</b>



	Three Months Ended					Six Months Ended	
	6/30/20	3/31/20	12/31/19	9/30/19	6/30/19	6/30/20	6/30/19
Gross written premiums	\$ 611	\$ 494	\$ 628	\$1,113	\$ 579	\$1,105	\$1,018
Ceded reinsurance premiums	(185)	(108)	(179)	(452)	(157)	(293)	(252)
Net written premiums	426	386	449	661	422	812	766
Change in unearned premiums	(36)	—	56	(78)	(43)	(36)	(26)
Net earned premiums	390	386	505	583	379	776	740
Loss and LAE	239	237	392	421	259	476	484
Underwriting expense	118	122	115	124	116	240	213
<b>Underwriting profit</b>	<b>\$ 33</b>	<b>\$ 27</b>	<b>\$ (2)</b>	<b>\$ 38</b>	<b>\$ 4</b>	<b>\$ 60</b>	<b>\$ 43</b>
Included in results above:							
COVID-19 related losses	\$ 3	\$ 3	\$ —	\$ —	\$ —	\$ 6	\$ —
Current accident year catastrophe losses:							
Catastrophe reinstatement premium	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Catastrophe loss	15	8	7	8	8	23	17
Total current accident year catastrophe losses	\$ 15	\$ 8	\$ 7	\$ 8	\$ 8	\$ 23	\$ 17
Prior year loss reserve development (favorable) / adverse	\$ (28)	\$ (24)	\$ (18)	\$ (17)	\$ (6)	\$ (52)	\$ (32)
Combined ratio:							
Loss and LAE ratio	61.3%	61.4%	77.8%	72.1%	68.4%	61.4%	65.4%
Underwriting expense ratio	30.4%	31.5%	22.6%	21.4%	30.7%	30.9%	28.8%
<b>Combined ratio</b>	<b>91.7%</b>	<b>92.9%</b>	<b>100.4%</b>	<b>93.5%</b>	<b>99.1%</b>	<b>92.3%</b>	<b>94.2%</b>
Combined ratio excl. COVID-19 related losses, catastrophe losses, and prior year loss reserve development	94.3%	96.2%	102.5%	94.9%	98.7%	95.3%	96.3%
Loss and LAE components:							
Current accident year, excluding COVID-19 related and catastrophe losses	63.9%	64.7%	79.9%	73.5%	68.0%	64.4%	67.5%
COVID-19 related losses	0.8%	0.6%	0.0%	0.0%	0.0%	0.7%	0.0%
Current accident year catastrophe losses	3.8%	2.2%	1.4%	1.4%	2.0%	3.0%	2.3%
Prior accident year loss reserve development	(7.2%)	(6.1%)	(3.5%)	(2.8%)	(1.6%)	(6.7%)	(4.4%)
<b>Loss and LAE ratio</b>	<b>61.3%</b>	<b>61.4%</b>	<b>77.8%</b>	<b>72.1%</b>	<b>68.4%</b>	<b>61.4%</b>	<b>65.4%</b>





	Three Months Ended					Six Months Ended	
	6/30/20	3/31/20	12/31/19	9/30/19	6/30/19	6/30/20	6/30/19
Gross written premiums	\$ 752	\$ 849	\$ 929	\$1,031	\$ 896	\$1,601	\$1,808
Ceded reinsurance premiums	(241)	(263)	(260)	(287)	(234)	(504)	(520)
Net written premiums	511	586	669	744	662	1,097	1,288
Change in unearned premiums	36	(30)	7	(86)	(28)	6	(25)
Net earned premiums	547	556	676	658	634	1,103	1,263
Loss and LAE	367	340	402	416	380	707	768
Underwriting expense	153	164	205	219	207	317	412
<b>Underwriting profit</b>	<b>\$ 27</b>	<b>\$ 52</b>	<b>\$ 69</b>	<b>\$ 23</b>	<b>\$ 47</b>	<b>\$ 79</b>	<b>\$ 83</b>
Included in results above:							
COVID-19 related losses	\$ 52	\$ 7	\$ —	\$ —	\$ —	\$ 59	\$ —
Current accident year catastrophe losses:							
Catastrophe reinstatement premium	\$ —	\$ —	\$ 1	\$ —	\$ —	\$ —	\$ —
Catastrophe loss	6	—	5	10	1	6	2
Total current accident year catastrophe losses	\$ 6	\$ —	\$ 6	\$ 10	\$ 1	\$ 6	\$ 2
Prior year loss reserve development (favorable) / adverse	\$ (51)	\$ (24)	\$ (25)	\$ (19)	\$ (31)	\$ (75)	\$ (44)
Combined ratio:							
Loss and LAE ratio	67.1%	61.1%	59.4%	63.1%	60.0%	64.1%	60.8%
Underwriting expense ratio	27.8%	29.6%	30.3%	33.4%	32.5%	28.7%	32.6%
<b>Combined ratio</b>	<b>94.9%</b>	<b>90.7%</b>	<b>89.7%</b>	<b>96.5%</b>	<b>92.5%</b>	<b>92.8%</b>	<b>93.4%</b>
Combined ratio excl. COVID-19 related losses, catastrophe losses, and prior year loss reserve development	93.8%	93.6%	92.7%	97.8%	97.1%	93.7%	96.8%
Loss and LAE components:							
Current accident year, excluding COVID-19 related and catastrophe losses	66.0%	64.0%	62.4%	64.4%	64.6%	65.0%	64.2%
COVID-19 related losses	9.5%	1.3%	0.0%	0.0%	0.0%	5.3%	0.0%
Current accident year catastrophe losses	0.9%	0.0%	0.8%	1.6%	0.1%	0.5%	0.1%
Prior accident year loss reserve development	(9.3%)	(4.2%)	(3.8%)	(2.9%)	(4.7%)	(6.7%)	(3.5%)
<b>Loss and LAE ratio</b>	<b>67.1%</b>	<b>61.1%</b>	<b>59.4%</b>	<b>63.1%</b>	<b>60.0%</b>	<b>64.1%</b>	<b>60.8%</b>



	Three Months Ended					Six Months Ended	
	6/30/20	3/31/20	12/31/19	9/30/19	6/30/19	6/30/20	6/30/19
Gross written premiums	\$ 176	\$ 183	\$ 192	\$ 207	\$ 189	\$ 359	\$ 373
Ceded reinsurance premiums	(37)	(34)	(36)	(40)	(40)	(71)	(79)
Net written premiums	139	149	156	167	149	288	294
Change in unearned premiums	5	7	(4)	(6)	2	12	3
Net earned premiums	144	156	152	161	151	300	297
Loss and LAE	65	59	40	47	49	124	105
Underwriting expense	79	80	80	88	81	159	158
<b>Underwriting profit</b>	<b>\$ —</b>	<b>\$ 17</b>	<b>\$ 32</b>	<b>\$ 26</b>	<b>\$ 21</b>	<b>\$ 17</b>	<b>\$ 34</b>
Included in results above:							
COVID-19 related losses	\$ 30	\$ —	\$ —	\$ —	\$ —	\$ 30	\$ —
Current accident year catastrophe losses:							
Catastrophe reinstatement premium	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Catastrophe loss	5	1	2	3	3	6	5
Total current accident year catastrophe losses	\$ 5	\$ 1	\$ 2	\$ 3	\$ 3	\$ 6	\$ 5
Prior year loss reserve development (favorable) / adverse	\$ (11)	\$ (2)	\$ (14)	\$ (9)	\$ (9)	\$ (13)	\$ (15)
Combined ratio:							
Loss and LAE ratio	44.9%	38.0%	26.1%	29.7%	32.3%	41.2%	35.3%
Underwriting expense ratio	55.5%	51.1%	53.5%	54.0%	53.3%	53.2%	53.3%
<b>Combined ratio</b>	<b>100.4%</b>	<b>89.1%</b>	<b>79.6%</b>	<b>83.7%</b>	<b>85.6%</b>	<b>94.4%</b>	<b>88.6%</b>
Combined ratio excl. COVID-19 related losses, catastrophe losses, and prior year loss reserve development	83.7%	89.5%	87.7%	87.2%	89.7%	86.7%	92.1%
Loss and LAE components:							
Current accident year, excluding COVID-19 related and catastrophe losses	28.2%	38.4%	34.2%	33.2%	36.4%	33.5%	38.8%
COVID-19 related losses	21.1%	0.1%	0.0%	0.0%	0.0%	10.2%	0.0%
Current accident year catastrophe losses	3.6%	0.6%	1.1%	2.0%	1.8%	2.0%	1.6%
Prior accident year loss reserve development	(8.0%)	(1.1%)	(9.2%)	(5.5%)	(5.9%)	(4.5%)	(5.1%)
<b>Loss and LAE ratio</b>	<b>44.9%</b>	<b>38.0%</b>	<b>26.1%</b>	<b>29.7%</b>	<b>32.3%</b>	<b>41.2%</b>	<b>35.3%</b>



	Three Months Ended					Six Months Ended	
	6/30/20	3/31/20	12/31/19	9/30/19	6/30/19	6/30/20	6/30/19
Gross written premiums	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Ceded reinsurance premiums	47	44	39	46	31	91	63
Net written premiums	47	44	39	46	31	91	63
Change in unearned premiums	(5)	(4)	(2)	(6)	5	(9)	10
Net earned premiums	42	40	37	40	36	82	73
Loss and LAE	32	30	31	26	34	62	56
Underwriting expense	16	17	16	13	14	33	29
<b>Underwriting profit (loss)</b>	<b>\$ (6)</b>	<b>\$ (7)</b>	<b>\$ (10)</b>	<b>\$ 1</b>	<b>\$ (12)</b>	<b>\$ (13)</b>	<b>\$ (12)</b>
Included in results above:							
COVID-19 related losses	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Current accident year catastrophe losses:							
Catastrophe reinstatement premium	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Catastrophe loss	—	—	—	1	—	—	—
Total current accident year catastrophe losses	\$ —	\$ —	\$ —	\$ 1	\$ —	\$ —	\$ —
Prior year loss reserve development (favorable) / adverse	\$ 5	\$ 2	\$ 4	\$ (1)	\$ 4	\$ 7	\$ 3
Combined ratio:							
Loss and LAE ratio	76.9%	73.9%	83.5%	64.0%	96.0%	75.4%	77.6%
Underwriting expense ratio	37.3%	43.8%	39.0%	34.5%	39.1%	40.4%	39.1%
<b>Combined ratio</b>	<b>114.2%</b>	<b>117.7%</b>	<b>122.5%</b>	<b>98.5%</b>	<b>135.1%</b>	<b>115.8%</b>	<b>116.7%</b>
Combined ratio excl. COVID-19 related losses, catastrophe losses, and prior year loss reserve development	100.3%	113.4%	113.4%	99.0%	123.4%	106.6%	111.9%



	Three Months Ended					Six Months Ended	
	6/30/20	3/31/20	12/31/19	9/30/19	6/30/19	6/30/20	6/30/19
Net investment income	\$ 421	\$ 428	\$ 435	\$ 421	\$ 420	\$ 849	\$ 826
Alternative investments marked to market through core operating earnings	(37)	(6)	23	27	31	(43)	60
Guaranteed withdrawal benefit fees	17	17	17	17	17	34	33
Policy charges and other miscellaneous income (a)	13	18	13	14	13	31	25
<b>Total revenues</b>	<b>414</b>	<b>457</b>	<b>488</b>	<b>479</b>	<b>481</b>	<b>871</b>	<b>944</b>
Annuity benefits (a)	274	287	285	280	275	561	542
Acquisition expenses	62	71	65	64	67	133	127
Other expenses	36	32	34	35	35	68	70
<b>Total costs and expenses</b>	<b>372</b>	<b>390</b>	<b>384</b>	<b>379</b>	<b>377</b>	<b>762</b>	<b>739</b>
<b>Pretax Annuity core operating earnings</b>	<b>\$ 42</b>	<b>\$ 67</b>	<b>\$ 104</b>	<b>\$ 100</b>	<b>\$ 104</b>	<b>\$ 109</b>	<b>\$ 205</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>\$ 42</b>	<b>\$ 67</b>	<b>\$ 104</b>	<b>\$ 100</b>	<b>\$ 104</b>	<b>\$ 109</b>	<b>\$ 194</b>
<b>Components of Pretax Annuity Core Operating Earnings</b>							
Pretax annuity core operating earnings before items below	\$ 84	\$ 79	\$ 84	\$ 75	\$ 75	\$ 163	\$ 150
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	84	79	84	75	75	163	139
Alternative investments marked to market, net of DAC	(42)	(12)	20	25	29	(54)	55
<b>Pretax Annuity core operating earnings—as reported</b>	<b>\$ 42</b>	<b>\$ 67</b>	<b>\$ 104</b>	<b>\$ 100</b>	<b>\$ 104</b>	<b>\$ 109</b>	<b>\$ 194</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					Six Months Ended	
	6/30/20	3/31/20	12/31/19	9/30/19	6/30/19	6/30/20	6/30/19
Net investment income (excluding alternative investments marked to market)	\$ 421	\$ 428	\$ 435	\$ 421	\$ 420	\$ 849	\$ 826
Guaranteed withdrawal benefit fees	17	17	17	17	17	34	33
Policy charges and other miscellaneous income (a)	13	18	13	14	13	31	25
Total revenues	451	463	465	452	450	914	884
Annuity benefits (a)	274	287	285	280	275	561	542
Acquisition expenses (excluding alternative investments marked to market)	57	65	62	62	65	122	122
Other expenses	36	32	34	35	35	68	70
Total costs and expenses	367	384	381	377	375	751	734
<b>Pretax Annuity core operating earnings (excluding alternative investments marked to market)</b>	<b>84</b>	<b>79</b>	<b>84</b>	<b>75</b>	<b>75</b>	<b>163</b>	<b>150</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 before alternative marked to market investments</b>	<b>84</b>	<b>79</b>	<b>84</b>	<b>75</b>	<b>75</b>	<b>163</b>	<b>139</b>
Alternative investments marked to market, net of DAC	(42)	(12)	20	25	29	(54)	55
<b>Pretax Annuity core operating earnings—as reported</b>	<b>\$ 42</b>	<b>\$ 67</b>	<b>\$ 104</b>	<b>\$ 100</b>	<b>\$ 104</b>	<b>\$ 109</b>	<b>\$ 194</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					Six Months Ended	
	6/30/20	3/31/20	12/31/19	9/30/19	6/30/19	6/30/20	6/30/19
<b>Detail of annuity benefits expense:</b>							
Cost of funds:							
Amortization of options (a)	\$ 148	\$ 150	\$ 150	\$ 149	\$ 146	\$ 298	\$ 287
Traditional fixed annuities	64	63	62	62	61	127	120
Fixed component of fixed-indexed annuities	26	25	25	24	23	51	45
Immediate annuities	6	6	6	6	6	12	12
Pension risk transfer	4	4	3	2	1	8	2
Federal Home Loan Bank	3	5	6	7	7	8	14
Total cost of funds	251	253	252	250	244	504	480
Guaranteed withdrawal benefit reserve	17	25	24	21	20	42	39
Amortization of sales inducements	2	2	3	3	4	4	8
Change in expected death and annuitization reserve and other	4	7	6	6	7	11	15
Total other annuity benefits	23	34	33	30	31	57	62
<b>Total annuity benefits expense</b>	<b>\$ 274</b>	<b>\$ 287</b>	<b>\$ 285</b>	<b>\$ 280</b>	<b>\$ 275</b>	<b>\$ 561</b>	<b>\$ 542</b>
(a) Amortization of options, net of DAC and reserve offsets:							
Amortization of options	\$ 148	\$ 150	\$ 150	\$ 149	\$ 146	\$ 298	\$ 287
DAC and reserve offsets	(77)	(77)	(77)	(74)	(74)	(154)	(146)
Amortization of options, net of DAC and reserve offsets	\$ 71	\$ 73	\$ 73	\$ 75	\$ 72	\$ 144	\$ 141

	Three Months Ended					Six Months Ended	
	6/30/20	3/31/20	12/31/19	9/30/19	6/30/19	6/30/20	6/30/19
Average fixed annuity investments (at amortized cost) (a)	\$40,570	\$40,073	\$39,316	\$38,650	\$37,907	\$40,322	\$37,449
Average annuity benefits accumulated	40,601	40,139	39,615	38,946	38,202	40,370	37,640
Annuity benefits accumulated in excess of investments (a)	\$ (31)	\$ (66)	\$ (299)	\$ (296)	\$ (295)	\$ (48)	\$ (191)
As % of average annuity benefits accumulated (except as noted)							
Net investment income (excluding alternative investments marked to market) (as % of investments)	4.13%	4.25%	4.40%	4.34%	4.40%	4.19%	4.39%
Cost of funds	(2.47%)	(2.52%)	(2.54%)	(2.57%)	(2.55%)	(2.50%)	(2.55%)
Other annuity benefits, net of guaranteed withdrawal benefit fees	(0.06%)	(0.14%)	(0.15%)	(0.12%)	(0.13%)	(0.10%)	(0.13%)
<b>Core net interest spread on fixed annuities</b>	<b>1.60%</b>	<b>1.59%</b>	<b>1.71%</b>	<b>1.65%</b>	<b>1.72%</b>	<b>1.59%</b>	<b>1.71%</b>
Policy charges and other miscellaneous income	0.11%	0.15%	0.11%	0.12%	0.11%	0.13%	0.10%
Acquisition expenses (excluding alternative investments marked to market)	(0.56%)	(0.61%)	(0.62%)	(0.63%)	(0.66%)	(0.58%)	(0.63%)
Other expenses	(0.35%)	(0.32%)	(0.33%)	(0.34%)	(0.37%)	(0.33%)	(0.37%)
<b>Core net spread earned on fixed annuities (excluding alternative investments marked to market)</b>	<b>0.80%</b>	<b>0.81%</b>	<b>0.87%</b>	<b>0.80%</b>	<b>0.80%</b>	<b>0.81%</b>	<b>0.81%</b>
Alternative investments marked to market, net of DAC	(0.41%)	(0.12%)	0.20%	0.26%	0.31%	(0.27%)	0.29%
<b>Core net spread earned on fixed annuities</b>	<b>0.39%</b>	<b>0.69%</b>	<b>1.07%</b>	<b>1.06%</b>	<b>1.11%</b>	<b>0.54%</b>	<b>1.10%</b>
Net spread earned on items previously reported as core operating	n/a	n/a	n/a	n/a	n/a	n/a	(0.06%)
<b>Core net spread earned on fixed annuities—as reported</b>	<b>0.39%</b>	<b>0.69%</b>	<b>1.07%</b>	<b>1.06%</b>	<b>1.11%</b>	<b>0.54%</b>	<b>1.04%</b>
Average annuity benefits accumulated	\$40,601	\$40,139	\$39,615	\$38,946	\$38,202	\$40,370	\$37,640
Net spread earned on fixed annuities (excluding alternative investments marked to market)—core	0.80%	0.81%	0.87%	0.80%	0.80%	0.81%	0.81%
<b>Earnings on fixed annuity benefits accumulated—core</b>	<b>\$ 82</b>	<b>\$ 81</b>	<b>\$ 85</b>	<b>\$ 78</b>	<b>\$ 77</b>	<b>\$ 163</b>	<b>\$ 151</b>
Annuity benefits accumulated in excess of investments	\$ (31)	\$ (66)	\$ (299)	\$ (296)	\$ (295)	\$ (48)	\$ (191)
Net investment income (excluding alternative investments marked to market) (as % of investments)	4.13%	4.25%	4.40%	4.34%	4.40%	4.19%	4.39%
<b>Earnings/(loss) on annuity benefits accumulated in excess of investments</b>	<b>\$ —</b>	<b>\$ (1)</b>	<b>\$ (3)</b>	<b>\$ (3)</b>	<b>\$ (3)</b>	<b>\$ (1)</b>	<b>\$ (4)</b>
<b>Variable annuity earnings</b>	<b>2</b>	<b>(1)</b>	<b>2</b>	<b>—</b>	<b>1</b>	<b>1</b>	<b>3</b>
<b>Pretax Annuity core operating earnings (excluding alternative investments marked to market)</b>	<b>84</b>	<b>79</b>	<b>84</b>	<b>75</b>	<b>75</b>	<b>163</b>	<b>150</b>
<b>Alternative investments marked to market, net of DAC</b>	<b>(42)</b>	<b>(12)</b>	<b>20</b>	<b>25</b>	<b>29</b>	<b>(54)</b>	<b>55</b>
<b>Pretax Annuity core operating earnings</b>	<b>42</b>	<b>67</b>	<b>104</b>	<b>100</b>	<b>104</b>	<b>109</b>	<b>205</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>\$ 42</b>	<b>\$ 67</b>	<b>\$ 104</b>	<b>\$ 100</b>	<b>\$ 104</b>	<b>\$ 109</b>	<b>\$ 194</b>

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



	Three Months Ended					Six Months Ended	
	6/30/20	3/31/20	12/31/19	9/30/19	6/30/19	6/30/20	6/30/19
Financial institutions single premium annuities—indexed	\$ 258	\$ 424	\$ 359	\$ 325	\$ 429	\$ 682	\$ 853
Financial institutions single premium annuities—fixed	98	287	270	302	313	385	657
Retail single premium annuities—indexed	138	172	170	198	274	310	575
Retail single premium annuities—fixed	31	25	25	30	36	56	65
Broker dealer single premium annuities—indexed	100	138	107	134	189	238	416
Broker dealer single premium annuities—fixed	2	17	9	9	8	19	14
Pension risk transfer (PRT)	23	103	158	39	50	126	60
Education market—fixed and indexed annuities	32	39	36	35	44	71	93
<b>Subtotal fixed annuity premiums</b>	<b>682</b>	<b>1,205</b>	<b>1,134</b>	<b>1,072</b>	<b>1,343</b>	<b>1,887</b>	<b>2,733</b>
Variable annuities	5	5	5	5	6	10	11
<b>Total gross annuity premiums</b>	<b>\$ 687</b>	<b>\$ 1,210</b>	<b>\$ 1,139</b>	<b>\$ 1,077</b>	<b>\$ 1,349</b>	<b>\$ 1,897</b>	<b>\$ 2,744</b>
Less: Reinsurance	(78)	—	—	—	—	(78)	—
<b>Total net annuity premiums</b>	<b>\$ 609</b>	<b>\$ 1,210</b>	<b>\$ 1,139</b>	<b>\$ 1,077</b>	<b>\$ 1,349</b>	<b>\$ 1,819</b>	<b>\$ 2,744</b>
<b>Summary by Distribution Channel:</b>							
Financial institutions	\$ 356	\$ 711	\$ 629	\$ 627	\$ 742	\$ 1,067	\$ 1,510
Retail	169	197	195	228	310	366	640
Broker dealer	102	155	116	143	197	257	430
Other	60	147	199	79	100	207	164
<b>Total gross annuity premiums</b>	<b>\$ 687</b>	<b>\$ 1,210</b>	<b>\$ 1,139</b>	<b>\$ 1,077</b>	<b>\$ 1,349</b>	<b>\$ 1,897</b>	<b>\$ 2,744</b>
Less: Reinsurance	(78)	—	—	—	—	(78)	—
<b>Total net annuity premiums</b>	<b>\$ 609</b>	<b>\$ 1,210</b>	<b>\$ 1,139</b>	<b>\$ 1,077</b>	<b>\$ 1,349</b>	<b>\$ 1,819</b>	<b>\$ 2,744</b>
<b>Summary by Product Type:</b>							
Total indexed	\$ 512	\$ 753	\$ 655	\$ 675	\$ 917	\$ 1,265	\$ 1,897
Total fixed	170	452	479	397	426	622	836
Variable	5	5	5	5	6	10	11
<b>Total gross annuity premiums</b>	<b>\$ 687</b>	<b>\$ 1,210</b>	<b>\$ 1,139</b>	<b>\$ 1,077</b>	<b>\$ 1,349</b>	<b>\$ 1,897</b>	<b>\$ 2,744</b>
Less: Reinsurance	(78)	—	—	—	—	(78)	—
<b>Total net annuity premiums</b>	<b>\$ 609</b>	<b>\$ 1,210</b>	<b>\$ 1,139</b>	<b>\$ 1,077</b>	<b>\$ 1,349</b>	<b>\$ 1,819</b>	<b>\$ 2,744</b>





	Three Months Ended					Six Months Ended	
	6/30/20	3/31/20	12/31/19	9/30/19	6/30/19	6/30/20	6/30/19
Beginning fixed annuity reserves	\$40,260	\$40,018	\$39,212	\$38,680	\$37,724	\$40,018	\$36,431
Premiums	682	1,205	1,134	1,072	1,343	1,887	2,733
Federal Home Loan Bank ("FHLB") advances (paydowns)	(40)	200	—	—	—	160	—
Surrenders, benefits and other withdrawals	(768)	(794)	(829)	(808)	(862)	(1,562)	(1,623)
Interest and other annuity benefit expenses:							
Cost of funds	251	253	252	250	244	504	480
Embedded derivative marked to market	601	(647)	276	111	251	(46)	713
Unlockings	—	—	—	(75)	—	—	—
Other	(44)	25	(27)	(18)	(20)	(19)	(54)
<b>Ending fixed annuity reserves</b>	<b>\$40,942</b>	<b>\$40,260</b>	<b>\$40,018</b>	<b>\$39,212</b>	<b>\$38,680</b>	<b>\$40,942</b>	<b>\$38,680</b>
Reconciliation to annuity benefits accumulated:							
Ending fixed annuity reserves	\$40,942	\$40,260	\$40,018	\$39,212	\$38,680	\$40,942	\$38,680
Impact of unrealized investment gains on reserves	285	38	225	269	192	285	192
Fixed component of variable annuities	165	165	163	170	172	165	172
<b>Annuity benefits accumulated per balance sheet</b>	<b>\$41,392</b>	<b>\$40,463</b>	<b>\$40,406</b>	<b>\$39,651</b>	<b>\$39,044</b>	<b>\$41,392</b>	<b>\$39,044</b>
Annualized surrenders and other withdrawals as a % of beginning reserves	7.6%	7.9%	8.5%	8.4%	9.1%	7.8%	8.9%
Rider reserves included in ending fixed annuity reserves above	\$ 680	\$ 690	\$ 625	\$ 611	\$ 491	\$ 680	\$ 491
Embedded Derivative liability included in ending fixed annuity reserves above	\$ 3,675	\$ 3,099	\$ 3,730	\$ 3,469	\$ 3,541	\$ 3,675	\$ 3,541

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



<b>GMIR (a)</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>	<b>3/31/19</b>
1 - 1.99%	85%	84%	84%	84%	83%	82%
2 - 2.99%	3%	3%	3%	3%	4%	4%
3 - 3.99%	6%	7%	7%	7%	7%	8%
4.00% and above	6%	6%	6%	6%	6%	6%
Annuity Benefits Accumulated	\$41,392	\$40,463	\$40,406	\$39,651	\$39,044	\$38,006
Traditional Fixed and FIA Surrender Value (b) (c)	\$31,619	\$30,934	\$30,921	\$30,292	\$29,891	\$29,163
Ability to Lower Average Crediting Rates by (b) (d)	1.14%	1.18%	1.19%	1.20%	1.20%	1.20%
Pretax earnings impact of crediting guaranteed minimums (b)	\$ 360	\$ 365	\$ 368	\$ 363	\$ 359	\$ 350
(assumes net DAC impact over time = \$0)						

- (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



	Three Months Ended					Six Months Ended	
	6/30/20	3/31/20	12/31/19	9/30/19	6/30/19	6/30/20	6/30/19
<b>Annuity Non-Core Earnings (Losses):</b>							
Stock market impact on:							
Liability for guaranteed benefits (a)	\$ 22	\$ (33)	\$ 12	\$ 2	\$ 6	\$ (11)	\$ 20
DAC and sales inducements (b)	7	(10)	4	1	1	(3)	6
Fair Value (FV) accounting	9	(21)	8	1	—	(12)	14
Subtotal impact of changes in stock market	38	(64)	24	4	7	(26)	40
Impact of changes in interest rates on FV accounting	(100)	29	(4)	(30)	(38)	(71)	(83)
Other FIA items	3	(3)	4	—	(2)	—	(1)
Unlockings	—	—	—	(1)	—	—	—
<b>Annuity Non-Core Earnings (Losses)</b>	<b>\$ (59)</b>	<b>\$ (38)</b>	<b>\$ 24</b>	<b>\$ (27)</b>	<b>\$ (33)</b>	<b>\$ (97)</b>	<b>\$ (44)</b>
<i>Reported as</i>						<i>Q1 Core = (\$11)</i>	
	<i>Non-core</i>	<i>Non-core</i>	<i>Non-core</i>	<i>Non-core</i>	<i>Non-core</i>	<i>Non-core Q2</i>	
<b>Annuity Non-Core Earnings (Losses), net of taxes</b>	<b>\$ (47)</b>	<b>\$ (30)</b>	<b>\$ 19</b>	<b>\$ (21)</b>	<b>\$ (27)</b>	<b>\$ (77)</b>	<b>\$ (27)</b>
						<i>Non-core = (\$33)</i>	
<b>Annuity Non-Core Net Spread Earned:</b>							
Stock market impact on:							
Liability for guaranteed benefits (a)	0.22%	(0.33%)	0.12%	0.02%	0.06%	(0.06%)	0.11%
DAC and sales inducements (b)	0.07%	(0.10%)	0.04%	0.01%	0.01%	(0.01%)	0.03%
Fair Value (FV) accounting	0.09%	(0.21%)	0.08%	0.01%	0.00%	(0.06%)	0.07%
Subtotal impact of changes in stock market	0.38%	(0.64%)	0.24%	0.04%	0.07%	(0.13%)	0.21%
Impact of changes in interest rates on FV accounting	(0.99%)	0.29%	(0.04%)	(0.31%)	(0.40%)	(0.35%)	(0.44%)
Other FIA items	0.03%	(0.03%)	0.04%	0.00%	(0.02%)	0.00%	(0.01%)
Unlockings	0.00%	0.00%	0.00%	(0.01%)	0.00%	0.00%	0.00%
<b>Non-core net spread earned on fixed annuities</b>	<b>(0.58%)</b>	<b>(0.38%)</b>	<b>0.24%</b>	<b>(0.28%)</b>	<b>(0.35%)</b>	<b>(0.48%)</b>	<b>(0.24%)</b>
<i>Reported as</i>						<i>Q1 Core = (.06%)</i>	
	<i>Non-core</i>	<i>Non-core</i>	<i>Non-core</i>	<i>Non-core</i>	<i>Non-core</i>	<i>Non-core Q2</i>	<i>Non-core = (.18%)</i>
(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>	3,100	2,585	3,231	2,977	2,942	3,100	2,942
<b>Average 5 and 15 year Corp A2 rates</b>	1.95%	3.01%	2.74%	2.71%	2.97%	1.95%	2.97%
<b>Non-core earnings sensitivities:</b>							
Incremental +/- 1% change in S&P 500				~+/- \$2mm to \$3mm			
Incremental +/- 10bps change in interest rates				~+/- \$6mm to \$8mm			
(Assumes parallel shift in rates (primarily Corporate A2 rates))							

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



	Three Months Ended					Six Months Ended	
	6/30/20	3/31/20	12/31/19	9/30/19	6/30/19	6/30/20	6/30/19
<b>Annuity Earnings</b>							
Core annuity operating earnings—as reported (see page 12a)	\$ 42	\$ 67	\$ 104	\$ 100	\$ 104	\$ 109	\$ 194
Annuity non-core earnings (losses)	(59)	(38)	24	(27)	(33)	(97)	(33)
Earnings before income taxes—GAAP	\$ (17)	\$ 29	\$ 128	\$ 73	\$ 71	\$ 12	\$ 161
<b>Policy Charges and Other Miscellaneous Income</b>							
Policy charges and other miscellaneous income (see page 12a)	\$ 13	\$ 18	\$ 13	\$ 14	\$ 13	\$ 31	\$ 25
Annuity non-core policy charges and other miscellaneous income	—	—	—	1	—	—	—
Policy Charges and Other Miscellaneous Income—GAAP	\$ 13	\$ 18	\$ 13	\$ 15	\$ 13	\$ 31	\$ 25
<b>Annuity Benefit Expense</b>							
Annuity benefits expense (see page 13)	\$ 274	\$ 287	\$ 285	\$ 280	\$ 275	\$ 561	\$ 542
Annuity non-core annuity benefits	157	(3)	(30)	(26)	67	154	112
Annuity Benefit Expense—GAAP	\$ 431	\$ 284	\$ 255	\$ 254	\$ 342	\$ 715	\$ 654
<b>Acquisition Expenses</b>							
Acquisition expenses (see page 12a)	\$ 62	\$ 71	\$ 65	\$ 64	\$ 67	\$ 133	\$ 127
Annuity non-core acquisition expenses	(98)	41	6	54	(34)	(57)	(68)
Acquisition Expenses—GAAP	\$ (36)	\$ 112	\$ 71	\$ 118	\$ 33	\$ 76	\$ 59
<b>Net Spread on Fixed Annuities</b>							
Core net spread earned on fixed annuities - as reported (see page 14)	0.39%	0.69%	1.07%	1.06%	1.11%	0.54%	1.04%
Non-core net spread earned on fixed annuities	(0.58%)	(0.38%)	0.24%	(0.28%)	(0.35%)	(0.48%)	(0.18%)
Net Spread on Fixed Annuities	(0.19%)	0.31%	1.31%	0.78%	0.76%	0.06%	0.86%



	6/30/20	3/31/20	12/31/19	9/30/19	6/30/19	3/31/19
<b>Assets:</b>						
Total cash and investments	\$ 56,741	\$53,221	\$55,252	\$54,207	\$52,907	\$51,040
Recoverables from reinsurers	3,476	3,387	3,415	3,261	3,150	3,258
Prepaid reinsurance premiums	733	708	678	781	651	636
Agents' balances and premiums receivable	1,366	1,302	1,335	1,403	1,398	1,283
Deferred policy acquisition costs	818	1,573	1,037	964	1,203	1,447
Assets of managed investment entities	4,393	4,026	4,736	4,702	4,781	4,786
Other receivables	880	981	975	1,187	999	1,011
Variable annuity assets (separate accounts)	577	497	628	601	616	610
Other assets	1,676	1,741	1,867	1,754	1,785	1,854
Goodwill	207	207	207	207	207	207
<b>Total assets</b>	<b>\$ 70,867</b>	<b>\$67,643</b>	<b>\$70,130</b>	<b>\$69,067</b>	<b>\$67,697</b>	<b>\$66,132</b>
<b>Liabilities and Equity:</b>						
Unpaid losses and loss adjustment expenses	\$ 10,321	\$10,106	\$10,232	\$ 9,847	\$ 9,577	\$ 9,623
Unearned premiums	2,778	2,808	2,830	2,986	2,683	2,605
Annuity benefits accumulated	41,392	40,463	40,406	39,651	39,044	38,006
Life, accident and health reserves	606	607	612	613	619	632
Payable to reinsurers	746	779	814	867	755	730
Liabilities of managed investment entities	4,236	3,865	4,571	4,523	4,590	4,593
Long-term debt	1,912	1,473	1,473	1,423	1,423	1,423
Variable annuity liabilities (separate accounts)	577	497	628	601	616	610
Other liabilities	2,173	1,998	2,295	2,235	2,300	2,245
<b>Total liabilities</b>	<b>\$ 64,741</b>	<b>\$62,596</b>	<b>\$63,861</b>	<b>\$62,746</b>	<b>\$61,607</b>	<b>\$60,467</b>
<b>Shareholders' equity:</b>						
Common stock	\$ 89	\$ 90	\$ 90	\$ 90	\$ 90	\$ 90
Capital surplus	1,299	1,309	1,307	1,292	1,277	1,256
Retained earnings	3,685	3,616	4,009	4,022	3,914	3,875
Unrealized gains—fixed maturities	1,030	16	862	920	812	464
Unrealized gains (losses)—fixed maturity-related cash flow hedges	47	44	17	25	18	—
Other comprehensive income, net of tax	(24)	(28)	(16)	(28)	(21)	(20)
<b>Total shareholders' equity</b>	<b>6,126</b>	<b>5,047</b>	<b>6,269</b>	<b>6,321</b>	<b>6,090</b>	<b>5,665</b>
<b>Noncontrolling interests</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Total liabilities and equity</b>	<b>\$ 70,867</b>	<b>\$67,643</b>	<b>\$70,130</b>	<b>\$69,067</b>	<b>\$67,697</b>	<b>\$66,132</b>



	6/30/20	3/31/20	12/31/19	9/30/19	6/30/19	3/31/19
<b>Shareholders' equity</b>	<b>\$ 6,126</b>	<b>\$ 5,047</b>	<b>\$ 6,269</b>	<b>\$ 6,321</b>	<b>\$ 6,090</b>	<b>\$ 5,665</b>
Unrealized (gains) related to fixed maturities	(1,077)	(60)	(879)	(945)	(830)	(464)
<b>Adjusted shareholders' equity</b>	<b>5,049</b>	<b>4,987</b>	<b>5,390</b>	<b>5,376</b>	<b>5,260</b>	<b>5,201</b>
Goodwill	(207)	(207)	(207)	(207)	(207)	(207)
Intangibles	(37)	(40)	(43)	(45)	(48)	(51)
<b>Tangible adjusted shareholders' equity</b>	<b>\$ 4,805</b>	<b>\$ 4,740</b>	<b>\$ 5,140</b>	<b>\$ 5,124</b>	<b>\$ 5,005</b>	<b>\$ 4,943</b>
Common shares outstanding	88.659	89.827	90.304	90.127	89.918	89.638
<b>Book value per share:</b>						
<b>Book value per share</b>	<b>\$ 69.10</b>	<b>\$ 56.18</b>	<b>\$ 69.43</b>	<b>\$ 70.14</b>	<b>\$ 67.72</b>	<b>\$ 63.20</b>
<b>Adjusted (a)</b>	<b>56.95</b>	<b>55.52</b>	<b>59.70</b>	<b>59.65</b>	<b>58.49</b>	<b>58.02</b>
<b>Tangible, adjusted (b)</b>	<b>54.20</b>	<b>52.77</b>	<b>56.93</b>	<b>56.84</b>	<b>55.65</b>	<b>55.14</b>
<b>Market capitalization</b>						
AFG's closing common share price	\$ 63.46	\$ 70.08	\$109.65	\$107.85	\$102.47	\$ 96.21
Market capitalization	\$ 5,626	\$ 6,295	\$ 9,902	\$ 9,720	\$ 9,214	\$ 8,624
Price / Adjusted book value ratio	1.11	1.26	1.84	1.81	1.75	1.66

- (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>6/30/20</u>	<u>3/31/20</u>	<u>12/31/19</u>	<u>9/30/19</u>	<u>6/30/19</u>	<u>3/31/19</u>
AFG senior obligations	\$ 1,318	\$1,018	\$ 1,018	\$1,018	\$1,018	\$1,018
Borrowings drawn under credit facility	—	—	—	—	—	—
<b>Debt excluding subordinated debt</b>	<b>\$ 1,318</b>	<b>\$1,018</b>	<b>\$ 1,018</b>	<b>\$1,018</b>	<b>\$1,018</b>	<b>\$1,018</b>
AFG subordinated debentures	625	475	475	425	425	425
<b>Total principal amount of long-term debt</b>	<b>\$ 1,943</b>	<b>\$1,493</b>	<b>\$1,493</b>	<b>\$1,443</b>	<b>\$1,443</b>	<b>\$1,443</b>
Shareholders' equity	6,126	5,047	6,269	6,321	6,090	5,665
Noncontrolling interests (including redeemable NCI)	—	—	—	—	—	—
Less:						
Unrealized (gains) related to fixed maturity investments	(1,077)	(60)	(879)	(945)	(830)	(464)
<b>Total adjusted capital</b>	<b>\$ 6,992</b>	<b>\$6,480</b>	<b>\$ 6,883</b>	<b>\$6,819</b>	<b>\$6,703</b>	<b>\$6,644</b>
<b>Ratio of debt to total adjusted capital:</b>						
<b>Including subordinated debt</b>	<b>27.8%</b>	<b>23.0%</b>	<b>21.7%</b>	<b>21.2%</b>	<b>21.5%</b>	<b>21.7%</b>
<b>Excluding subordinated debt</b>	<b>18.9%</b>	<b>15.7%</b>	<b>14.8%</b>	<b>14.9%</b>	<b>15.2%</b>	<b>15.3%</b>



	Three Months Ended					Six Months Ended	
	6/30/20	3/31/20	12/31/19	9/30/19	6/30/19	6/30/20	6/30/19
<b>Property and Casualty Insurance</b>							
Paid Losses (GAAP)	\$ 601	\$ 751	\$ 727	\$ 769	\$ 666	\$1,352	\$1,370
<b>GAAP Equity (excluding AOCI)</b>							
Property and Casualty Insurance	\$ 3,945	\$ 3,800	\$ 4,043	\$ 4,094	\$ 3,959	\$ 3,868	
Annuity	2,579	2,512	2,715	2,613	2,612	2,553	
Parent and other subsidiaries	(1,451)	(1,297)	(1,352)	(1,303)	(1,290)	(1,200)	
AFG GAAP Equity (excluding AOCI)	\$ 5,073	\$ 5,015	\$ 5,406	\$ 5,404	\$ 5,281	\$ 5,221	
<b>Allowable dividends without regulatory approval</b>							
Property and Casualty Insurance	\$ 565	\$ 565	\$ 565	\$ 529	\$ 529	\$ 529	
Annuity and Run-off	287	287	287	768	768	768	
<b>Total</b>	<b>\$ 852</b>	<b>\$ 852</b>	<b>\$ 852</b>	<b>\$ 1,297</b>	<b>\$ 1,297</b>	<b>\$ 1,297</b>	





	Carrying Value—June 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	\$ 1,445	\$ 743	\$ 510	\$ —	\$ 2,698	5%
Fixed maturities—Available for sale	8,631	39,406	9	—	48,046	85%
Fixed maturities—Trading	50	47	—	—	97	0%
Equity securities—common stocks	424	400	61	—	885	2%
Equity securities—perpetual preferred	379	338	—	—	717	1%
Investments accounted for using the equity method	755	1,026	—	—	1,781	3%
Mortgage loans	328	1,147	—	—	1,475	3%
Policy loans	—	158	—	—	158	0%
Equity index call options	—	605	—	—	605	1%
Real estate and other investments	113	271	52	(157)	279	0%
<b>Total cash and investments</b>	<b>\$ 12,125</b>	<b>\$ 44,141</b>	<b>\$ 632</b>	<b>\$ (157)</b>	<b>\$ 56,741</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					Six Months Ended	
	6/30/20	3/31/20	12/31/19	9/30/19	6/30/19	6/30/20	6/30/19
<b>Property and Casualty Insurance:</b>							
<b>Gross Investment Income</b>							
Fixed maturities—Available for sale	\$ 75	\$ 81	\$ 79	\$ 75	\$ 79	\$ 156	\$ 156
Fixed maturities—Trading	—	1	—	1	1	1	2
Equity securities—dividends	8	10	11	12	13	18	26
Equity securities—MTM	2	3	(1)	7	1	5	3
Equity in investees	(15)	11	21	20	20	(4)	23
AFG managed CLOs	—	(11)	(2)	(2)	2	(11)	5
Other investments (a)	3	6	13	12	10	9	17
<b>Gross investment income</b>	<b>73</b>	<b>101</b>	<b>121</b>	<b>125</b>	<b>126</b>	<b>174</b>	<b>232</b>
Investment expenses	(1)	(2)	(1)	(1)	(2)	(3)	(4)
<b>Total net investment income</b>	<b>\$ 72</b>	<b>\$ 99</b>	<b>\$ 120</b>	<b>\$ 124</b>	<b>\$ 124</b>	<b>\$ 171</b>	<b>\$ 228</b>
<b>Average cash and investments (b)</b>	<b>\$ 11,454</b>	<b>\$ 11,457</b>	<b>\$ 11,744</b>	<b>\$ 11,387</b>	<b>\$ 11,193</b>	<b>\$ 11,509</b>	<b>\$ 11,084</b>
<b>Average yield (c)</b>	<b>2.51%</b>	<b>3.46%</b>	<b>4.09%</b>	<b>4.36%</b>	<b>4.43%</b>	<b>2.97%</b>	<b>4.11%</b>
<b>Fixed Annuity</b>							
<b>Gross Investment Income</b>							
Fixed maturities—Available for sale	\$ 402	\$ 403	\$ 406	\$ 393	\$ 391	\$ 805	\$ 775
Equity securities—dividends	8	7	8	9	8	15	17
Equity securities—MTM	—	5	4	7	3	5	6
Equity in investees	(39)	14	24	23	25	(25)	43
AFG managed CLOs	2	(25)	(5)	(3)	3	(23)	11
Other investments (a)	14	19	23	21	22	33	37
<b>Gross investment income</b>	<b>387</b>	<b>423</b>	<b>460</b>	<b>450</b>	<b>452</b>	<b>810</b>	<b>889</b>
Investment expenses	(5)	(3)	(4)	(4)	(4)	(8)	(8)
<b>Total net investment income</b>	<b>\$ 382</b>	<b>\$ 420</b>	<b>\$ 456</b>	<b>\$ 446</b>	<b>\$ 448</b>	<b>\$ 802</b>	<b>\$ 881</b>
<b>Average cash and investments (b)</b>	<b>\$ 40,570</b>	<b>\$ 40,073</b>	<b>\$ 39,316</b>	<b>\$ 38,650</b>	<b>\$ 37,907</b>	<b>\$ 40,322</b>	<b>\$ 37,449</b>
<b>Average yield (c)</b>	<b>3.77%</b>	<b>4.19%</b>	<b>4.63%</b>	<b>4.62%</b>	<b>4.73%</b>	<b>3.98%</b>	<b>4.71%</b>
<b>AFG consolidated net investment income:</b>							
Property & Casualty core	\$ 72	\$ 99	\$ 120	\$ 124	\$ 124	\$ 171	\$ 228
Neon exited lines non-core	—	(6)	—	—	—	(6)	—
<b>Annuity:</b>							
Fixed Annuity	382	420	456	446	448	802	881
Variable Annuity	2	2	2	2	3	4	5
Parent & other	14	(7)	8	11	10	7	24
Consolidate CLOs	(2)	36	7	5	(5)	34	(16)
<b>Total net investment income</b>	<b>\$ 468</b>	<b>\$ 544</b>	<b>\$ 593</b>	<b>\$ 588</b>	<b>\$ 580</b>	<b>\$ 1,012</b>	<b>\$ 1,122</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					Six Months Ended	
	6/30/20	3/31/20	12/31/19	9/30/19	6/30/19	6/30/20	6/30/19
<b>Property and Casualty Insurance:</b>							
<b>Net Investment Income</b>							
Equity securities MTM through investment income (a)	\$ 2	\$ 3	\$ (1)	\$ 7	\$ 1	\$ 5	\$ 3
Investments accounted for using the equity method (b)	(15)	11	21	20	20	(4)	23
AFG managed CLOs (eliminated in consolidation)	—	(11)	(2)	(2)	2	(11)	5
<b>Total Property &amp; Casualty</b>	<b>\$ (13)</b>	<b>\$ 3</b>	<b>\$ 18</b>	<b>\$ 25</b>	<b>\$ 23</b>	<b>\$ (10)</b>	<b>\$ 31</b>
<b>Investments</b>							
Equity securities MTM through investment income (a)	\$ 95	\$ 86	\$ 71	\$ 63	\$ 44	\$ 95	\$ 44
Investments accounted for using the equity method (b)	755	736	703	625	614	755	614
AFG managed CLOs (eliminated in consolidation)	39	40	48	53	56	39	56
<b>Total Property &amp; Casualty</b>	<b>\$ 889</b>	<b>\$ 862</b>	<b>\$ 822</b>	<b>\$ 741</b>	<b>\$ 714</b>	<b>\$ 889</b>	<b>\$ 714</b>
<b>Annualized Yield—Property &amp; Casualty</b>	<b>(5.9%)</b>	<b>1.4%</b>	<b>9.2%</b>	<b>13.7%</b>	<b>13.3%</b>	<b>(2.3%)</b>	<b>9.1%</b>
<b>Fixed Annuity:</b>							
<b>Net Investment Income</b>							
Equity securities MTM through investment income (a)	\$ —	\$ 5	\$ 4	\$ 7	\$ 3	\$ 5	\$ 6
Investments accounted for using the equity method (b)	(39)	14	24	23	25	(25)	43
AFG managed CLOs (eliminated in consolidation)	2	(25)	(5)	(3)	3	(23)	11
<b>Total Fixed Annuity</b>	<b>\$ (37)</b>	<b>\$ (6)</b>	<b>\$ 23</b>	<b>\$ 27</b>	<b>\$ 31</b>	<b>\$ (43)</b>	<b>\$ 60</b>
<b>Investments</b>							
Equity securities MTM through investment income (a)	\$ 168	\$ 160	\$ 142	\$ 120	\$ 101	\$ 168	\$ 101
Investments accounted for using the equity method (b)	1,026	1,027	985	910	892	1,026	892
AFG managed CLOs (eliminated in consolidation)	118	120	116	125	135	118	135
<b>Total Fixed Annuity</b>	<b>\$ 1,312</b>	<b>\$ 1,307</b>	<b>\$ 1,243</b>	<b>\$ 1,155</b>	<b>\$ 1,128</b>	<b>\$ 1,312</b>	<b>\$ 1,128</b>
<b>Annualized Yield—Fixed Annuity</b>	<b>(11.3%)</b>	<b>(1.9%)</b>	<b>7.7%</b>	<b>9.5%</b>	<b>11.2%</b>	<b>(6.7%)</b>	<b>11.1%</b>
<b>Combined:</b>							
<b>Net Investment Income</b>							
Equity securities MTM through investment income (a)	\$ 2	\$ 8	\$ 3	\$ 14	\$ 4	\$ 10	\$ 9
Investments accounted for using the equity method (b)	(54)	25	45	43	45	(29)	66
AFG managed CLOs (eliminated in consolidation)	2	(36)	(7)	(5)	5	(34)	16
<b>Total Combined (including Parent)</b>	<b>\$ (50)</b>	<b>\$ (3)</b>	<b>\$ 41</b>	<b>\$ 52</b>	<b>\$ 54</b>	<b>\$ (53)</b>	<b>\$ 91</b>
<b>Investments</b>							
Equity securities MTM through investment income (a)	\$ 263	\$ 246	\$ 213	\$ 183	\$ 145	\$ 263	\$ 145
Investments accounted for using the equity method (b)	1,781	1,763	1,688	1,535	1,506	1,781	1,506
AFG managed CLOs (eliminated in consolidation)	157	160	164	178	191	157	191
<b>Total Combined (including Parent)</b>	<b>\$ 2,201</b>	<b>\$ 2,169</b>	<b>\$ 2,065</b>	<b>\$ 1,896</b>	<b>\$ 1,842</b>	<b>\$ 2,201</b>	<b>\$ 1,842</b>
<b>Annualized Yield—Combined</b>	<b>(9.2%)</b>	<b>(0.6%)</b>	<b>8.3%</b>	<b>11.1%</b>	<b>12.0%</b>	<b>(4.9%)</b>	<b>10.3%</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.



<b>June 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	\$ 199	\$ 213	\$ 14	0%	0%
States, municipalities and political subdivisions	6,391	6,969	578	14%	12%
Foreign government	210	218	8	1%	0%
Residential mortgage-backed securities	2,996	3,223	227	7%	6%
Commercial mortgage-backed securities	852	889	37	2%	2%
Collateralized loan obligations	4,605	4,507	(98)	9%	8%
Other asset-backed securities	7,386	7,315	(71)	15%	13%
Corporate and other bonds	23,067	24,809	1,742	52%	44%
<b>Total AFG consolidated</b>	<b>\$ 45,706</b>	<b>\$48,143</b>	<b>\$ 2,437</b>	<b>100%</b>	<b>85%</b>

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

Excluding investment expense (a)	4.21%
Net of investment expense (a)	4.16%

**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.



	June 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	\$ 161	\$ 168	\$ 7	2%	\$ 165	\$ 167	\$ 2	2%
States, municipalities and political subdivisions	2,418	2,536	118	29%	2,524	2,614	90	30%
Foreign government	179	183	4	2%	178	177	(1)	2%
Residential mortgage-backed securities	936	984	48	11%	990	1,051	61	12%
Commercial mortgage-backed securities	86	88	2	1%	89	92	3	1%
Collateralized loan obligations	935	913	(22)	11%	906	901	(5)	11%
Other asset-backed securities	1,828	1,810	(18)	21%	1,727	1,741	14	20%
Corporate and other bonds	1,943	1,999	56	23%	1,861	1,912	51	22%
<b>Property and Casualty Insurance</b>	<b>\$ 8,486</b>	<b>\$8,681</b>	<b>\$ 195</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)	3.53%	3.94%
Net of investment expense (a)	3.46%	3.90%
Tax equivalent, net of investment expense (b)	3.61%	4.05%

**Approximate average life and duration:**

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

	June 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	\$ 38	\$ 45	\$ 7	0%	\$ 38	\$ 46	\$ 8	0%
States, municipalities and political subdivisions	3,973	4,433	460	11%	4,104	4,373	269	12%
Foreign government	31	35	4	0%	31	34	3	0%
Residential mortgage-backed securities	2,058	2,230	172	6%	1,909	2,100	191	6%
Commercial mortgage-backed securities	766	801	35	2%	807	835	28	2%
Collateralized loan obligations	3,670	3,594	(76)	9%	3,401	3,379	(22)	9%
Other asset-backed securities	5,558	5,505	(53)	14%	5,265	5,387	122	14%
Corporate and other bonds	21,124	22,810	1,686	58%	20,640	21,799	1,159	57%
<b>Total Annuity and Run-off</b>	<b>\$ 37,218</b>	<b>\$39,453</b>	<b>\$ 2,235</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)	4.37%	4.59%
Net of investment expense (a)	4.32%	4.55%

**Approximate average life and duration:**

Approximate average life	5.5 years	6 years
Approximate duration	4 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.



June 30, 2020				
<b>By Credit Rating (a)</b>	<b>Book Value</b>	<b>Fair Value</b>	<b>Unrealized Gain (Loss)</b>	<b>% of Fair Value</b>
<b>Investment grade</b>				
AAA	\$ 9,757	\$ 9,959	\$ 202	21%
AA	7,938	8,352	414	17%
A	9,836	10,533	697	22%
BBB	13,907	14,883	976	31%
Subtotal - Investment grade	41,438	43,727	2,289	91%
BB	909	875	(34)	2%
B	258	257	(1)	1%
Other (b)	3,101	3,284	183	6%
Subtotal - Non-Investment grade	4,268	4,416	148	9%
<b>Total</b>	<b>\$ 45,706</b>	<b>\$ 48,143</b>	<b>\$ 2,437</b>	<b>100%</b>

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

December 31, 2019				
<b>By Credit Rating (a)</b>	<b>Book Value</b>	<b>Fair Value</b>	<b>Unrealized Gain (Loss)</b>	<b>% of Fair Value</b>
<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.

American Financial Group, Inc.  
Mortgage-Backed Securities—AFG Consolidated



(\$ in millions)

<b>June 30, 2020</b>	<b>Book Value</b>	<b>Fair Value</b>	<b>Unrealized Gain (Loss)</b>	<b>% of Fair Value</b>	<b>% of Investment Portfolio</b>
<b>Residential</b>					
Agency	\$ 437	\$ 445	\$ 8	11%	1%
Prime (Non-Agency)	1,330	1,435	105	35%	2%
Alt-A	843	929	86	22%	2%
Subprime	386	414	28	10%	1%
Commercial	852	889	37	22%	2%
<b>Total AFG consolidated</b>	<b>\$3,848</b>	<b>\$4,112</b>	<b>\$ 264</b>	<b>100%</b>	<b>8%</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 80%; Subprime 86%; CMBS 99%.
- The average FICO score of our residential MBS securities is—Prime 747; Alt-A 693; Subprime 631.
- 94% of our Commercial MBS portfolio is investment-grade rated (83% AAA) and the average subordination for this group of assets is 36%.
- The approximate average life by collateral type is—Residential 4 years; Commercial 3 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>
<b>Residential</b>					
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>

American Financial Group, Inc.  
Mortgage-Backed Securities Portfolio



(\$ in millions)

Property and Casualty Insurance:

By Asset Type	June 30, 2020				
	Book Value	Fair Value	Unrealized Gain (Loss)	% of Fair Value	% of Inv Portfolio
<b>Residential</b>					
Agency	\$ 227	\$ 232	\$ 5	22%	2%
Prime (Non-Agency)	311	325	14	30%	3%
Alt-A	234	255	21	24%	2%
Subprime	164	172	8	16%	1%
Commercial	86	88	2	8%	1%
<b>Total</b>	<b>\$1,022</b>	<b>\$1,072</b>	<b>\$ 50</b>	<b>100%</b>	<b>9%</b>

By Asset Type	December 31, 2019				
	Book Value	Fair Value	Unrealized Gain (Loss)	% of Fair Value	% of Inv Portfolio
<b>Residential</b>					
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	June 30, 2020				
	Book Value	Fair Value	Unrealized Gain (Loss)	% of Fair Value	% of Inv Portfolio
<b>Residential</b>					
Agency	\$ 210	\$ 213	\$ 3	7%	0%
Prime (Non-Agency)	1,017	1,101	84	37%	2%
Alt-A	609	674	65	22%	2%
Subprime	222	242	20	8%	1%
Commercial	766	801	35	26%	2%
<b>Total</b>	<b>\$2,824</b>	<b>\$3,031</b>	<b>\$ 207</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
<b>Residential</b>					
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)

	Three Months Ended					Six Months Ended	
	6/30/20	3/31/20	12/31/19	9/30/19	6/30/19	6/30/20	6/30/19
<b>Core operating earnings before alternative investments marked to market</b>							
Property and Casualty Insurance core operating earnings before alternative investments marked to market	\$ 129	\$ 178	\$ 181	\$ 169	\$ 152	\$ 307	\$ 329
Annuity Pretax core operating earnings before alternative investments marked to market	84	79	84	75	75	163	139
Interest expense of parent holding companies	(23)	(17)	(18)	(17)	(17)	(40)	(33)
Other expense	(20)	(20)	(32)	(22)	(25)	(40)	(51)
Pre-tax core operating earnings before alternative investments marked to market	170	220	215	205	185	390	384
Income tax expense	31	42	42	39	34	73	76
<b>Core net operating earnings before alternative investments marked to market</b>	<b>\$ 139</b>	<b>\$ 178</b>	<b>\$ 173</b>	<b>\$ 166</b>	<b>\$ 151</b>	<b>\$ 317</b>	<b>\$ 308</b>
<b>Alternative investments marked to market through core operating earnings, net of DAC</b>							
Property and Casualty Insurance alternative investments marked to market	\$ (13)	\$ 3	\$ 18	\$ 25	\$ 23	\$ (10)	\$ 31
Annuity alternative investments marked to market, net of DAC	(42)	(12)	20	25	29	(54)	55
Core pre-tax alternative investments marked to market, net of DAC	(55)	(9)	38	50	52	(64)	86
Income tax expense	(11)	(2)	8	11	11	(13)	18
<b>Alternative investments marked to market through core operating earnings, net of DAC</b>	<b>\$ (44)</b>	<b>\$ (7)</b>	<b>\$ 30</b>	<b>\$ 39</b>	<b>\$ 41</b>	<b>\$ (51)</b>	<b>\$ 68</b>
<b>Core operating earnings as reported</b>							
Property and Casualty Insurance operating earnings	\$ 116	\$ 181	\$ 199	\$ 194	\$ 175	\$ 297	\$ 360
Annuity operating earnings	42	67	104	100	104	109	194
Interest expense of parent holding companies	(23)	(17)	(18)	(17)	(17)	(40)	(33)
Other expense	(20)	(20)	(32)	(22)	(25)	(40)	(51)
<b>Pre-tax core operating earnings as reported</b>	<b>115</b>	<b>211</b>	<b>253</b>	<b>255</b>	<b>237</b>	<b>326</b>	<b>470</b>
Income tax expense	20	40	50	50	45	60	94
<b>Core net operating earnings as reported</b>	<b>\$95</b>	<b>\$ 171</b>	<b>\$ 203</b>	<b>\$ 205</b>	<b>\$ 192</b>	<b>\$ 266</b>	<b>\$ 376</b>
Average number of diluted shares	89.997	91.138	91.274	91.137	90.981	90.567	90.839
<b>Diluted core net operating earnings per share:</b>							
<b>Core net operating earnings before alternative investments marked to market per share</b>	<b>\$ 1.53</b>	<b>\$ 1.96</b>	<b>\$ 1.90</b>	<b>\$ 1.82</b>	<b>\$ 1.66</b>	<b>\$ 3.50</b>	<b>\$ 3.39</b>
Core alternative investments marked to market through core operating earnings, net of DAC per share	(0.48)	(0.08)	0.32	0.43	0.46	(0.56)	0.75
<b>Core net operating earnings as reported per share</b>	<b>\$ 1.05</b>	<b>\$ 1.88</b>	<b>\$ 2.22</b>	<b>\$ 2.25</b>	<b>\$ 2.12</b>	<b>\$ 2.94</b>	<b>\$ 4.14</b>



By Credit Rating (a)	Fair Value by Type									% Total
	US Gov	Munis	Frn Gov	RMBS	CMBS	CLOs	ABS	Corp/Oth	Total	
<b>Investment grade</b>										
AAA	\$ 203	\$2,061	\$ 157	\$1,348	\$ 738	\$3,261	\$2,031	\$ 160	\$ 9,959	21%
AA	10	4,360	44	135	10	981	1,721	1,091	8,352	17%
A	—	393	1	249	14	228	1,766	7,882	10,533	22%
BBB	—	94	3	62	73	25	800	13,826	14,883	31%
Subtotal—Investment grade	213	6,908	205	1,794	835	4,495	6,318	22,959	43,727	91%
BB	—	9	—	73	32	—	8	753	875	2%
B	—	—	—	103	—	—	4	150	257	1%
CCC, CC, C	—	—	—	512	5	—	3	42	562	1%
D	—	—	—	179	—	—	—	1	180	0%
Subtotal—Non-Investment grade	—	9	—	867	37	—	15	946	1,874	4%
Not Rated (b)	—	52	13	562	17	12	982	904	2,542	5%
<b>Total</b>	<b>\$ 213</b>	<b>\$6,969</b>	<b>\$ 218</b>	<b>\$3,223</b>	<b>\$ 889</b>	<b>\$4,507</b>	<b>\$7,315</b>	<b>\$24,809</b>	<b>\$48,143</b>	<b>100%</b>

NAIC designation	Fair Value by type									% Total
	US Gov	Munis	Frn gov	RMBS	CMBS	CLOs	ABS	Corp/Oth	Total	
1	\$ 196	\$6,865	\$ 184	\$3,115	\$ 840	\$4,468	\$6,481	\$ 9,760	\$31,909	68%
2	—	94	—	22	14	25	807	13,948	14,910	29%
Subtotal	196	6,959	184	3,137	854	4,493	7,288	23,708	46,819	97%
3	—	9	—	21	32	—	8	770	840	2%
4	—	—	—	28	—	—	3	226	257	1%
5	—	—	—	21	3	13	4	86	127	0%
6	15	—	—	6	—	—	5	5	31	0%
Subtotal	15	9	—	76	35	13	20	1,087	1,255	3%
No designation (c)	2	1	34	10	—	1	7	14	69	0%
<b>Total</b>	<b>\$ 213</b>	<b>\$6,969</b>	<b>\$ 218</b>	<b>\$3,223</b>	<b>\$ 889</b>	<b>\$4,507</b>	<b>\$7,315</b>	<b>\$24,809</b>	<b>\$48,143</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, 78% are NAIC 1, 6% NAIC 2, 4% NAIC 3, 8% NAIC 4, 4% NAIC 5.  
For Total, 90% are NAIC 1, 2% NAIC 2, 2% NAIC 3, 3% NAIC 4, 3% 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	Frng Gov	RMBS	CMBS	CLOs	ABS	Corp/Oth	Total	% Total
Investment grade										
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	Frng 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.



Credit Rating (a)	Fair Value By Industry																			
	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	
Investment Grade																				
AAA	\$ —	\$ —	\$ —	\$ 26	\$ —	\$ —	\$ 21	\$ 32	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 79	\$ —	\$ —	\$ —	\$ 2	
AA	86	129	97	112	184	179	90	110	—	—	1	—	—	—	—	23	18	—	62	
A	2,122	1,079	364	549	710	208	353	261	315	549	377	75	228	148	171	83	19	96	175	
BBB	3,228	1,135	756	1,047	734	1,026	895	594	654	383	449	631	442	487	335	294	234	164	338	
Subtotal	5,436	2,343	1,217	1,734	1,628	1,413	1,359	997	969	932	827	706	670	635	585	400	271	260	577	
BB	42	22	30	67	10	145	55	84	77	10	18	24	3	66	3	40	40	16	1	
B	—	1	—	5	—	14	21	22	66	—	—	10	—	—	—	1	5	5	—	
CCC, CC, C	—	—	1	8	—	4	1	12	—	—	—	3	—	—	—	5	8	—	—	
D	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	1	—	—	
Subtotal	42	23	31	80	10	163	77	118	143	10	18	37	3	66	3	46	54	21	1	
Not Rated (b)	23	13	570	24	5	2	29	100	27	—	4	11	52	—	—	21	10	—	13	
<b>Total</b>	<b>\$ 5,501</b>	<b>\$ 2,379</b>	<b>\$ 1,818</b>	<b>\$ 1,838</b>	<b>\$ 1,643</b>	<b>\$ 1,578</b>	<b>\$ 1,465</b>	<b>\$ 1,215</b>	<b>\$ 1,139</b>	<b>\$ 942</b>	<b>\$ 849</b>	<b>\$ 754</b>	<b>\$ 725</b>	<b>\$ 701</b>	<b>\$ 588</b>	<b>\$ 467</b>	<b>\$ 335</b>	<b>\$ 281</b>	<b>\$ 591</b>	

NAIC designation	Fair Value By Industry																		
	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
1	\$ 2,201	\$ 1,214	\$ 989	\$ 704	\$ 899	\$ 387	\$ 483	\$ 456	\$ 333	\$ 549	\$ 378	\$ 75	\$ 228	\$ 148	\$ 250	\$ 127	\$ 18	\$ 96	\$ 22
2	3,250	1,133	775	1,051	734	1,026	910	611	654	383	453	641	442	487	335	294	254	164	35
Subtotal	5,451	2,347	1,764	1,755	1,633	1,413	1,393	1,067	987	932	831	716	670	635	585	421	272	260	57
3	50	22	29	58	10	145	50	91	86	10	17	24	3	66	3	40	49	16	—
4	—	10	14	6	—	14	21	30	66	—	—	10	44	—	—	1	5	5	—
5	—	—	11	18	—	3	1	27	—	—	1	4	8	—	—	5	8	—	—
6	—	—	—	1	—	3	—	—	—	—	—	—	—	—	—	—	1	—	—
Subtotal	50	32	54	83	10	165	72	148	152	10	18	38	55	66	3	46	63	21	—
No designation (c)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	1
<b>Total</b>	<b>\$ 5,501</b>	<b>\$ 2,379</b>	<b>\$ 1,818</b>	<b>\$ 1,838</b>	<b>\$ 1,643</b>	<b>\$ 1,578</b>	<b>\$ 1,465</b>	<b>\$ 1,215</b>	<b>\$ 1,139</b>	<b>\$ 942</b>	<b>\$ 849</b>	<b>\$ 754</b>	<b>\$ 725</b>	<b>\$ 701</b>	<b>\$ 588</b>	<b>\$ 467</b>	<b>\$ 335</b>	<b>\$ 281</b>	<b>\$ 59</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, 94% are NAIC 1 and 96% are NAIC 1 or 2. For the Total, 78% are NAIC 1, 6% NAIC 2, 4% NAIC 3, 8% NAIC 4, 4% NAIC 5.  
(c) Primarily relates to securities held by non-insurance companies.



Credit Rating (a)	Fair Value By Industry																		
	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
Investment Grade																			
AAA	\$ —	\$ —	\$ —	\$ 48	\$ —	\$ —	\$ 20	\$ 29	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 78	\$ —	\$ —	\$ —	\$ 4
AA	219	308	72	146	205	204	98	114	—	—	1	—	—	35	—	22	20	46	77
A	2,482	921	326	471	775	260	425	258	352	450	333	44	112	278	176	89	18	166	131
BBB	2,691	1,034	656	862	576	1,199	753	673	845	291	424	556	454	334	264	209	206	133	245
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
BB	3	15	29	75	17	102	50	89	75	19	11	46	3	4	4	—	44	10	—
B	—	1	—	4	—	—	18	22	—	—	—	16	5	—	—	—	10	—	—
CCC, CC, C	—	—	1	9	—	1	—	2	—	—	—	—	—	—	—	12	17	—	—
D	—	—	—	—	—	1	—	—	—	—	—	—	—	—	—	—	—	—	—
Subtotal	3	16	30	88	17	104	68	113	75	19	11	62	8	4	4	12	71	10	—
Not Rated (b)	33	14	486	1	7	2	34	97	20	—	5	8	50	—	2	13	4	—	2
<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>

NAIC designation	Fair Value By Industry																		
	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
1	\$ 2,712	\$ 1,235	\$ 842	\$ 663	\$ 950	\$ 440	\$ 562	\$ 448	\$ 349	\$ 449	\$ 330	\$ 64	\$ 112	\$ 348	\$ 253	\$ 124	\$ 22	\$ 213	\$ 15
2	2,712	1,031	675	862	606	1,222	767	688	859	291	428	552	454	298	263	209	224	129	24
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	44
3	3	15	28	66	17	103	50	98	84	19	10	38	3	4	4	—	46	13	—
4	—	11	13	6	—	—	16	27	—	—	—	16	47	—	—	—	10	—	—
5	—	—	11	16	7	1	2	17	—	—	1	—	7	—	2	11	17	—	—
6	—	—	—	1	—	3	—	—	—	—	—	—	—	—	—	1	—	—	—
Subtotal	3	26	52	89	24	107	68	142	84	19	11	54	57	4	6	12	73	13	—
No designation (c)	1	1	1	2	—	—	1	6	—	1	5	—	1	1	2	—	—	—	1
<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>

- (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  
6/30/2020  
(\$ 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			
Investment Grade														
AAA	\$ —	\$ —	\$ —	\$ —	\$ 913	\$ 472	\$ —	\$ 159	\$ 48	\$ 157	\$ 282	\$2,031	28%	
AA	308	917	145	—	37	127	—	29	99	—	59	1,721	24%	
A	78	341	22	599	—	11	297	—	11	3	404	1,766	24%	
BBB	10	41	587	12	—	—	44	37	—	2	67	800	11%	
Subtotal	396	1,299	754	611	950	610	341	225	158	162	812	6,318	87%	
BB	—	1	—	—	—	—	2	—	—	5	—	8	0%	
B	—	—	—	—	—	—	—	—	—	—	4	4	0%	
CCC, CC, C	—	—	—	—	—	—	—	—	—	2	1	3	0%	
D	—	—	—	—	—	—	—	—	—	—	—	—	0%	
Subtotal	—	1	—	—	—	—	2	—	—	7	5	15	0%	
Not Rated (b)	970	—	—	—	—	—	12	—	—	—	—	982	13%	
<b>Total</b>	<b>\$ 1,366</b>	<b>\$1,300</b>	<b>\$ 754</b>	<b>\$ 611</b>	<b>\$ 950</b>	<b>\$ 610</b>	<b>\$ 355</b>	<b>\$ 225</b>	<b>\$ 158</b>	<b>\$ 169</b>	<b>\$817</b>	<b>\$7,315</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	\$ 1,356	\$1,258	\$ 167	\$ 599	\$ 950	\$ 610	\$ 290	\$ 188	\$ 158	\$ 159	\$746	\$6,481	89%	
2	10	41	587	12	—	—	51	37	—	2	67	807	11%	
Subtotal	1,366	1,299	754	611	950	610	341	225	158	161	813	7,288	100%	
3	—	1	—	—	—	—	2	—	—	5	—	8	0%	
4	—	—	—	—	—	—	—	—	—	—	3	3	0%	
5	—	—	—	—	—	—	—	—	—	3	1	4	0%	
6	—	—	—	—	—	—	5	—	—	—	—	5	0%	
Subtotal	—	1	—	—	—	—	7	—	—	8	4	20	0%	
No designation (d)	—	—	—	—	—	—	7	—	—	—	—	7	0%	
<b>Total</b>	<b>\$ 1,366</b>	<b>\$1,300</b>	<b>\$ 754</b>	<b>\$ 611</b>	<b>\$ 950</b>	<b>\$ 610</b>	<b>\$ 355</b>	<b>\$ 225</b>	<b>\$ 158</b>	<b>\$ 169</b>	<b>\$817</b>	<b>\$7,315</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			
Investment Grade														
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)**

<b>Investment Type</b>	<b>Book Value</b>	<b>% of Book Value</b>	<b>Occupancy (b)</b>	<b>Collection Rate (c)</b>
Multi-family	\$ 727	80%	95%	98%
Fund Investments	100	11%		
Student Housing	28	3%	77%	94%
Land—Development	22	2%		
QOZ Fund—Development	16	2%		
Office	15	2%	89%	100%
<b>Total</b>	<b>\$ 908</b>	<b>100%</b>		

**Real Estate**

<b>Property Type</b>	<b>Book Value</b>	<b>% of Book Value</b>	<b>Debt</b>
Marinas	\$ 63	38%	\$—
Resort & Marina	57	34%	—
Hotel	23	14%	—
Office Building	19	11%	—
Land	5	3%	—
<b>Total</b>	<b>\$ 167</b>	<b>100%</b>	<b>\$—</b>

**Mortgage Loans**

<b>Property Type</b>	<b>Book Value</b>	<b>% of Book Value</b>	<b>Loan To Value (d)</b>
Hospitality	608	41%	55%
Multifamily	510	35%	64%
Office	251	17%	64%
Retail	60	4%	58%
Other	46	3%	49%
<b>Total</b>	<b>\$ 1,475</b>	<b>100%</b>	<b>60%</b>

Currently, mortgage loans totaling \$193 million are under forbearance agreements.

- (a) Total investments accounted for using the equity method is \$1.78 billion, the amounts presented in this table only relate to real estate funds/investments.
- (b) Occupancy as of 6/30/20
- (c) Collections for April—June
- (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