



Specialty Property and Casualty Insurance

Investor Presentation

March 21, 2024

Forward Looking Statements

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

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

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

A History Dating Back More Than 150 Years

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

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

Superior Underwriting
Talent

7.5%

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

Specialty P&C
Combined Ratio

11 years

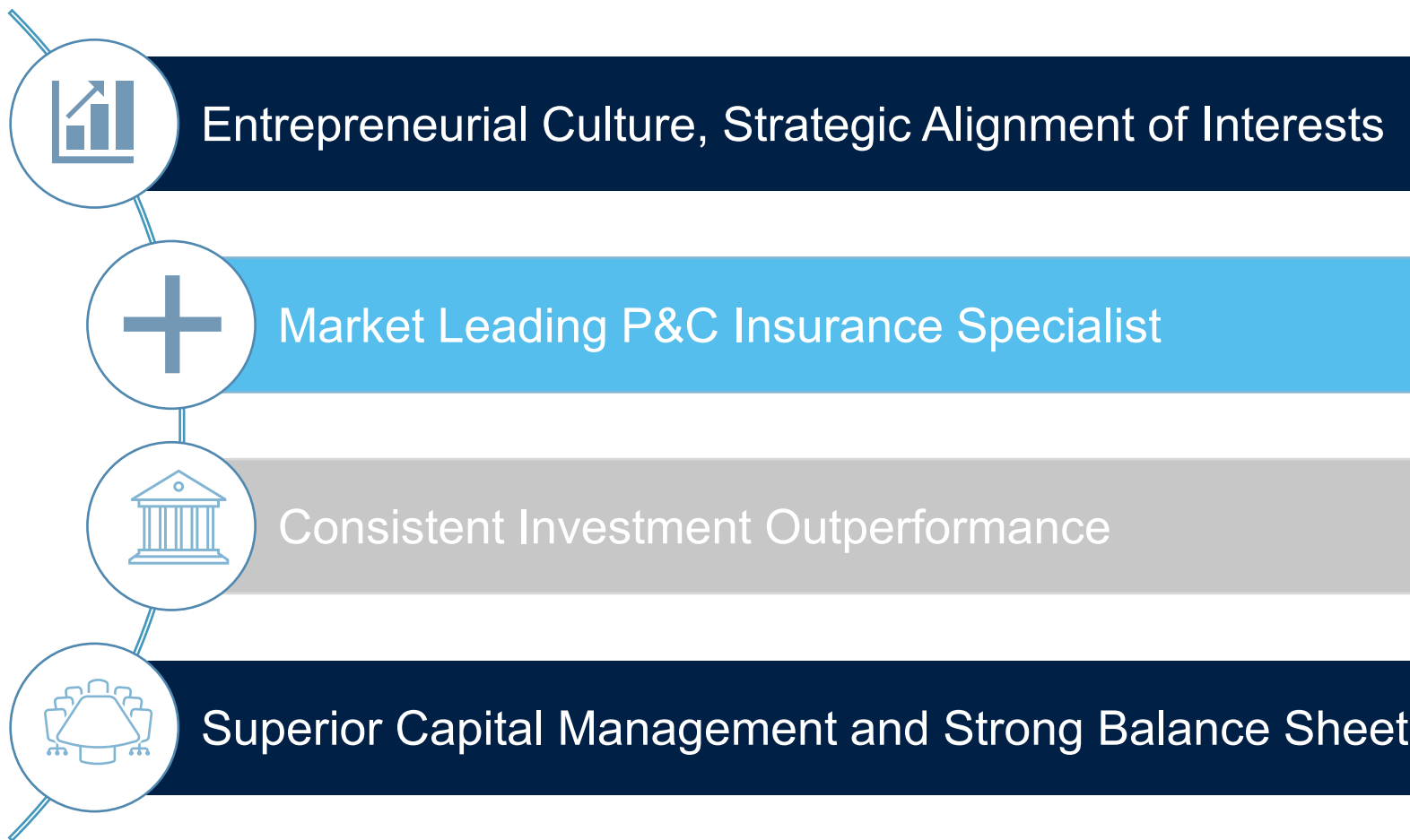
*Consecutive years
under 94%*



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

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

Top Tier Specialty Property & Casualty Insurer



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



Our Core Values

for all the *great* you do®

Specialization
Entrepreneurial Spirit
Accountability



OUR
FOUNDATION

Integrity
Discipline
Respect for Others



OUR
EXPECTATIONS

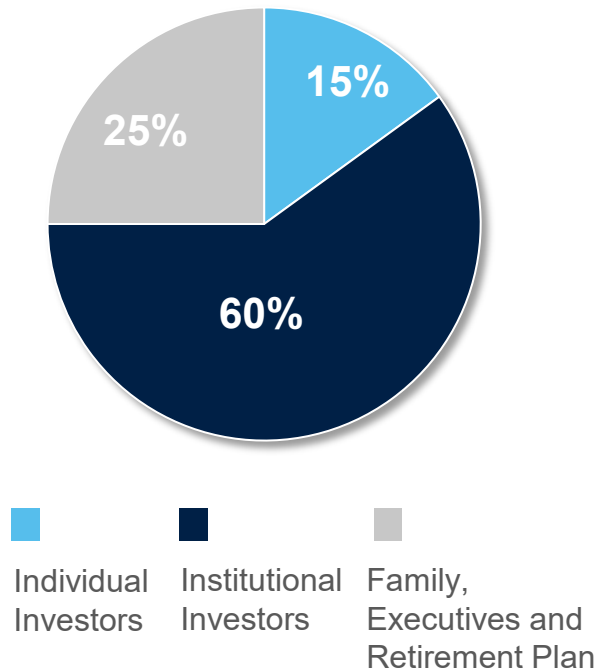
Customer Focus
Clear & Open
Communication
Family & Community



OUR
PRIORITIES

Strategic Alignment of Interests for Optimal Results

Significant Ownership by Management



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

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

Profit Sharing for Employees

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

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

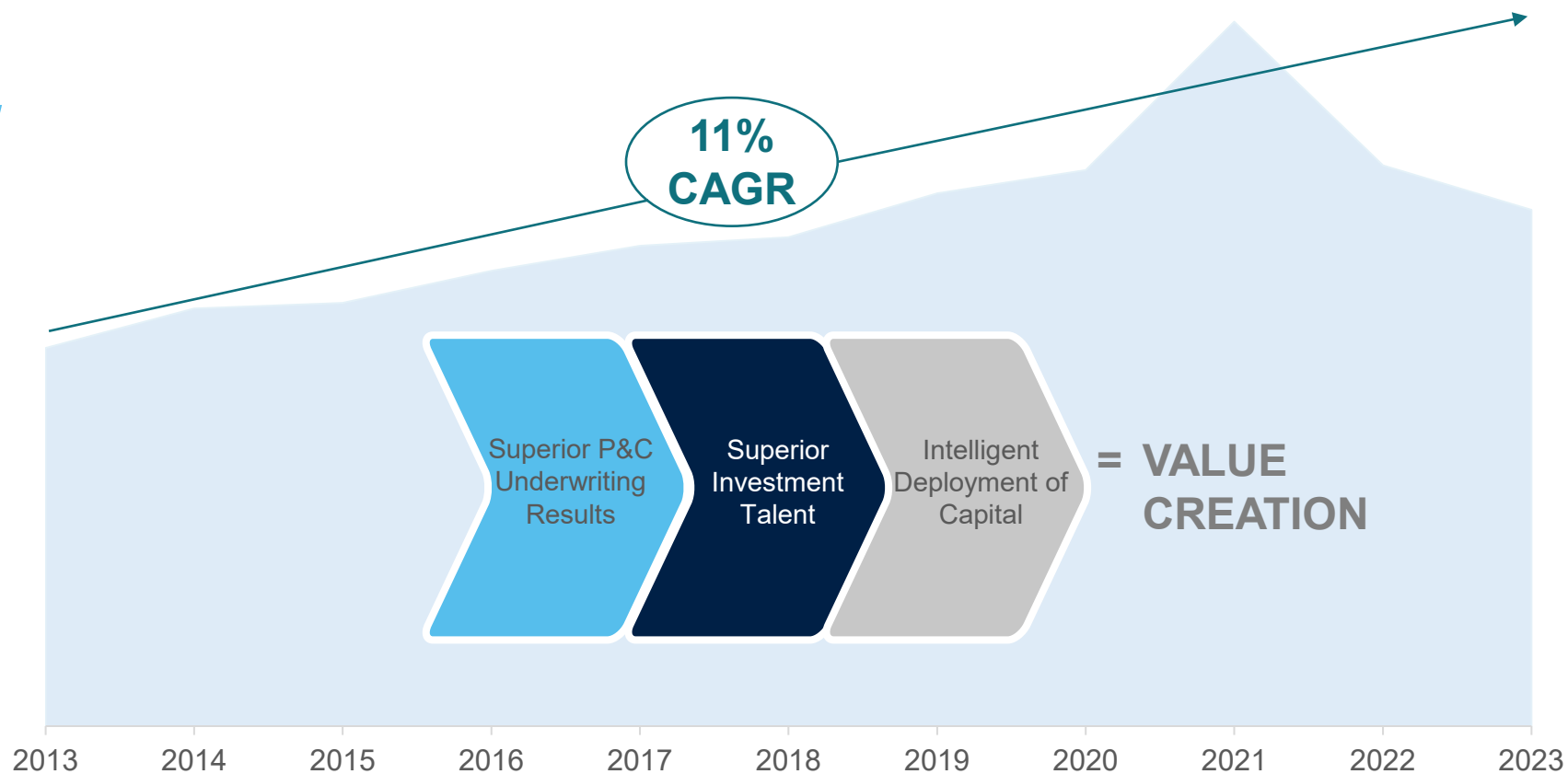


- A leader in providing risk sharing alternatives to the passenger transportation, moving & storage and trucking specialty transportation industries
- Through collaboration and specialized knowledge, we work with a variety of agency and group risk sharing programs in a wide range of industry segments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

Building Long-Term Value for AFG Shareholders

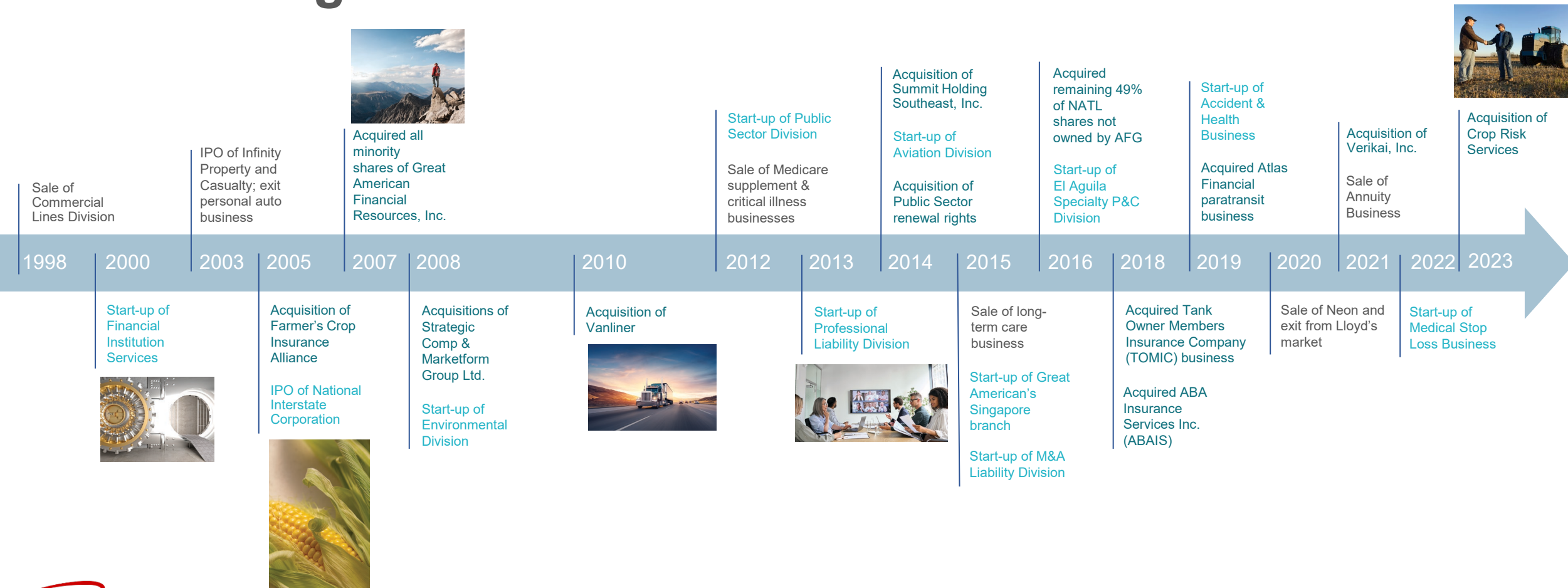
10 YEAR VIEW OF TOTAL VALUE CREATION

Growth in Adjusted BVPS + Dividends



Adjusted Book Value excludes unrealized gains and losses related to fixed maturities.

Focusing on What We Know Best



Specialty P&C Insurance Operations

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

PROPERTY & TRANSPORTATION

Agribusiness (farm & ranch)

Commercial Automobile

Commercial Property

Crop

Equine Mortality

Inland and Ocean Marine

SPECIALTY CASUALTY

Cyber Risk

Excess and Surplus

Executive & Professional Liability

General Liability

M&A Liability

Medical Stop Loss

Public Entities

Targeted Programs

Umbrella and Excess Liability

Workers' Compensation

SPECIALTY FINANCIAL

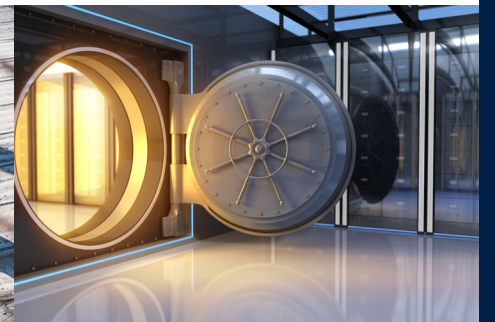
Fidelity / Crime

Financial Institution Services

Lease and Loan Services

Surety

Trade Credit



Great American Insurance Company's Ratings

A+

Superior

A+

Strong

A1

The Numbers Tell Our Story

3,000

Property and casualty insurance companies in the United States

50

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

4

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

3

on both lists

1

Great American Insurance Company is 1 of the three



S&P Global
Ratings

MOODY'S

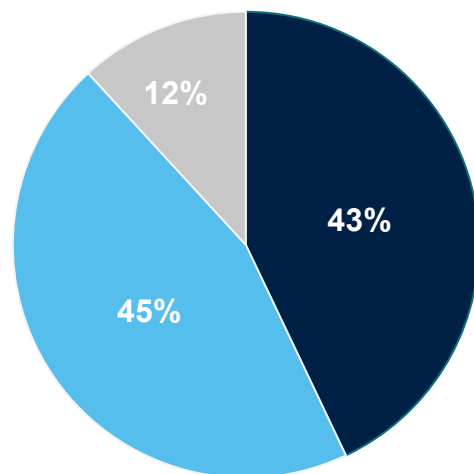
- Diversified product offerings in niche markets
- Consistent, solid underwriting results
- Strong market positions
- Strong capitalization
- Low catastrophe risk profile



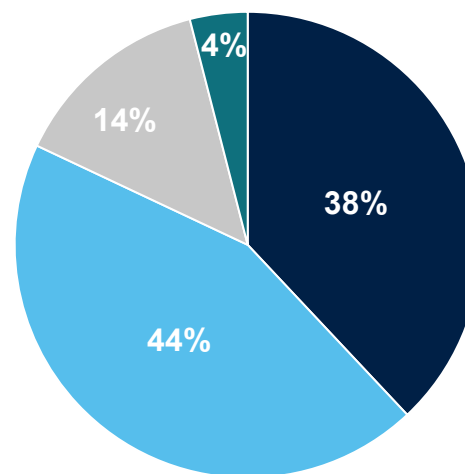
Specialty Property & Casualty Premium

Low correlation • Lower relative coastal exposure

Gross Written Premiums
2023
\$9.7 Billion



Net Written Premiums
2023
\$6.7 Billion



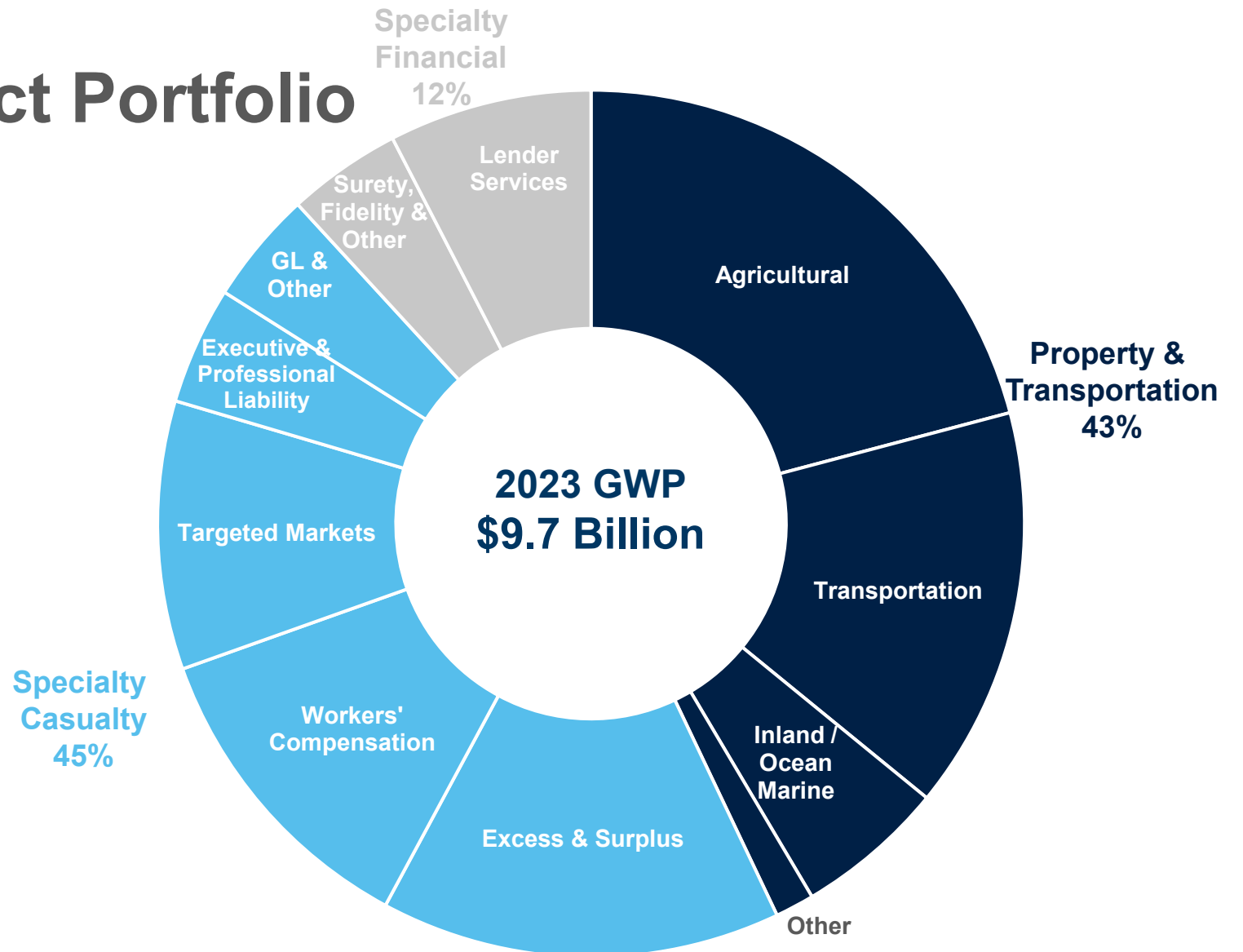
- Property & Transportation
- Specialty Casualty
- Specialty Financial
- Other Specialty¹

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

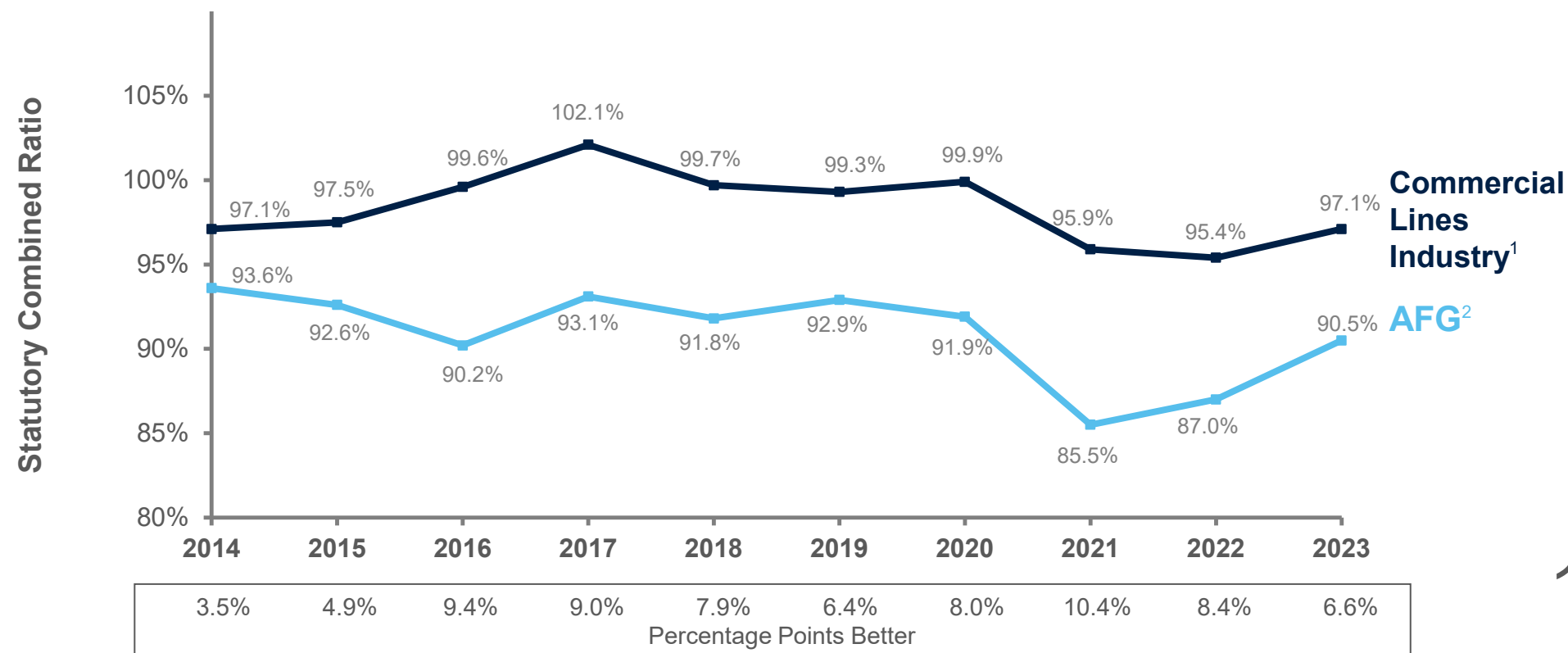
¹ Includes an internal reinsurance facility.

Diversified Product Portfolio

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



Superior Underwriting Talent

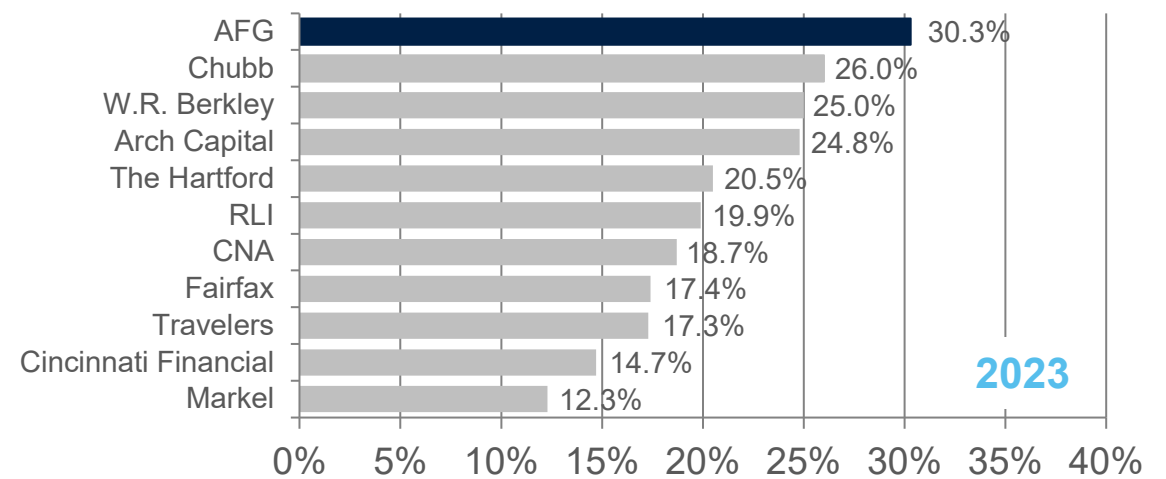
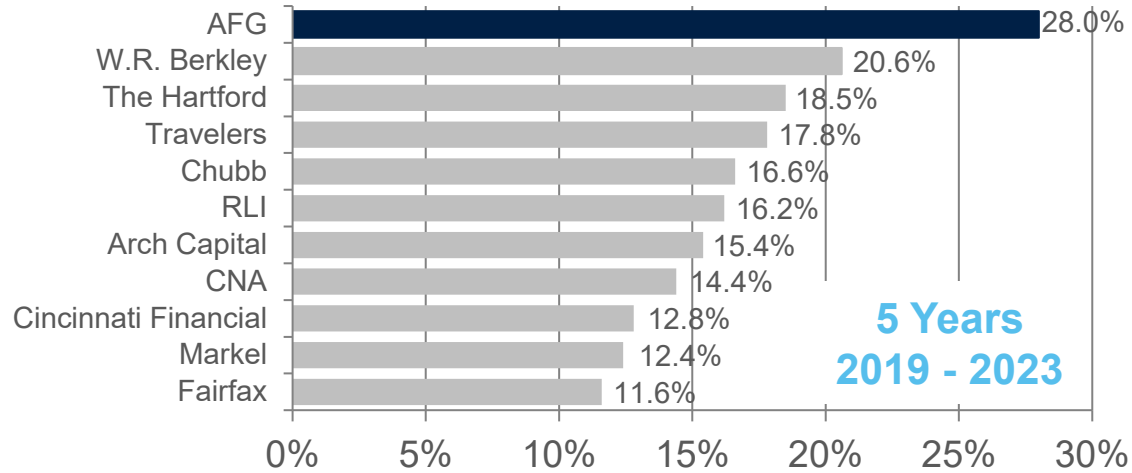
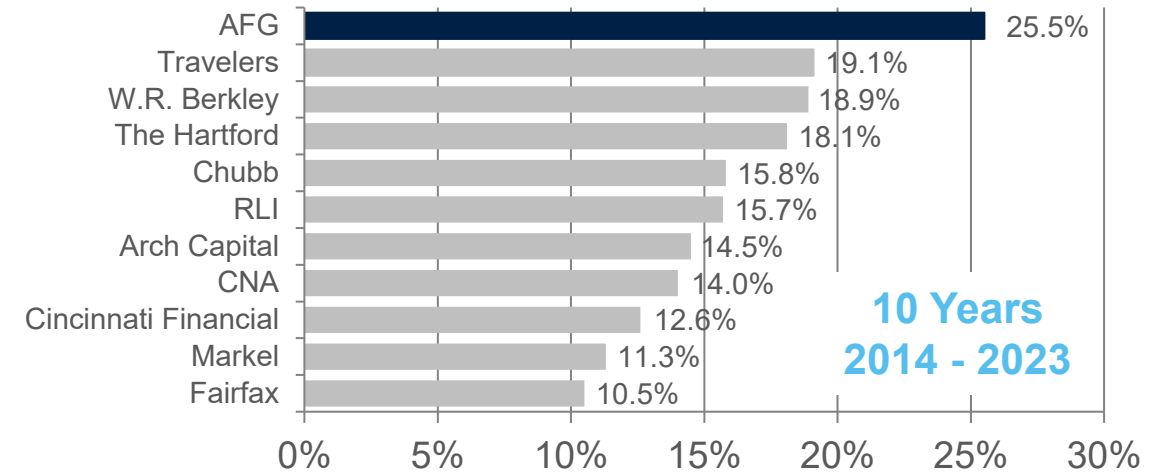
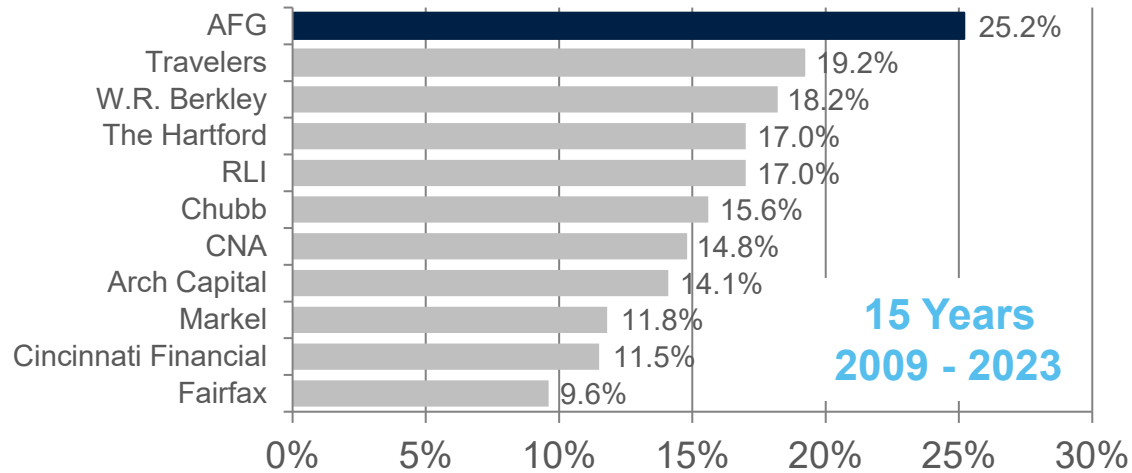


7.5%
Points
Better
Over the
10-Year
Period
Ended
12/31/2023

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

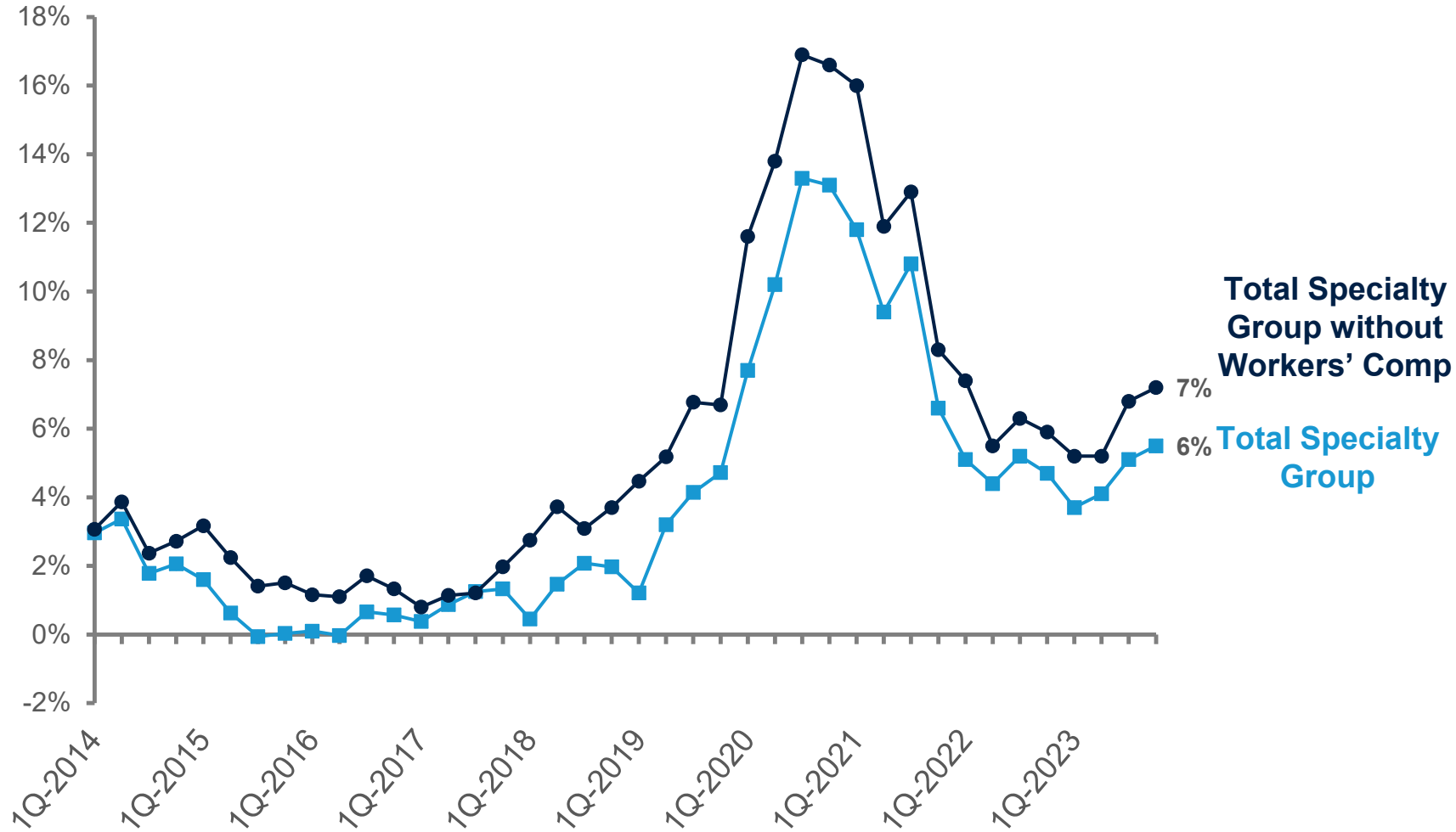
² 2014-2023 American Financial Group Form 10-K filings.

Pretax Property & Casualty Returns



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

Specialty P&C Pricing Trends



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

Specialty Property & Casualty Premium Growth

Dollars in billions

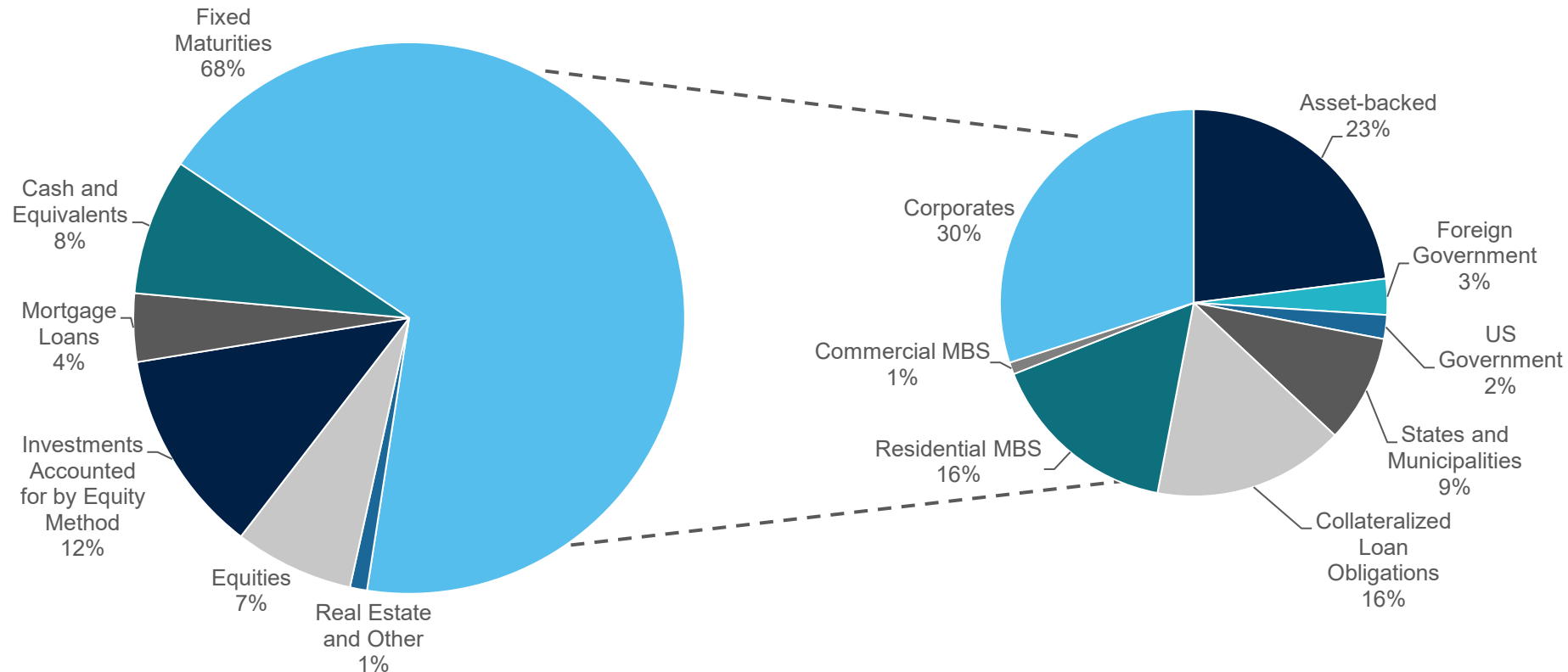
P&C Net Written Premium



AFG Investment Portfolio

As of December 31, 2023

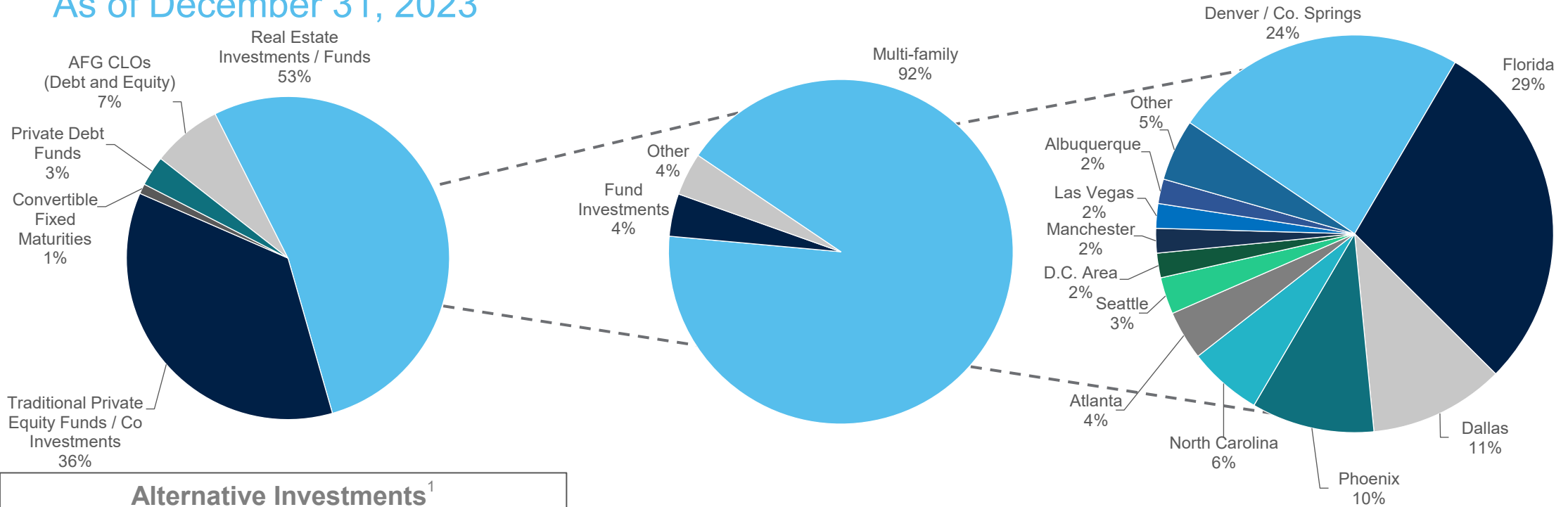
Fixed Maturities Portfolio – 94% investment grade
P&C Fixed Maturities Portfolio – 96% NAIC 1 & 2



Carrying Value – \$15.3 Billion

AFG Investment Portfolio – Alternative Investments

As of December 31, 2023



Alternative Investments¹
Total = \$2.4 Billion
(16% of total investments)

1% annualized return in 4Q23; 7% YTD estimated to be approximately 6% for the full year 2024

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

Investment Portfolio Characteristics

	P&C Portfolio 12/31/23
Approximate Duration – Fixed Maturities including cash & cash equivalents	2.9 years
Annualized yield on fixed maturity securities before investment expenses	
Quarter ended 12/31/2023:	4.99%

Annualized yield is calculated by dividing investment income for the quarter by the average cost over the quarter. Average cost is the average of the beginning and ending quarter asset balances.

Positioning & Outlook

Short Duration – Increased duration of P&C fixed maturity portfolio in the higher interest rate environment, including cash and cash equivalents, from approximately 2.0 years at 12/31/2021 to approximately 2.9 years at 12/31/2023.

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

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

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

A History of Investment Outperformance

15 Year Investment Outperformance
Relative to Industry

1.40%

Outperformance equivalent to
~300 bps of incremental annualized
economic after-tax return on capital
over 15 years

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



	Estimated Annualized Total Investment Portfolio Total Returns Ended 2022			
	3y	5y	10y	15y
	2020-2022	2018-2022	2013-2022	2008-2022
Cincinnati Financial	3.59%	4.73%	5.95%	5.41%
AFG	2.38%	3.18%	3.89%	5.03%
Markel	1.02%	2.80%	4.30%	4.72%
Travelers	-0.26%	1.73%	2.68%	3.96%
CNA	-1.50%	1.25%	3.00%	3.89%
W. R. Berkley	1.16%	2.21%	3.01%	3.72%
RLI	0.02%	1.85%	3.21%	3.68%
Argo	-0.18%	1.34%	2.60%	3.67%
The Hartford	0.30%	2.64%	2.71%	3.27%
Arch Capital	-0.27%	1.27%	1.77%	2.92%
P&C Industry (exc. Berkshire and State Farm)	0.58%	2.11%	2.91%	3.63%
AFG relative to P&C Industry	1.80%	1.07%	0.98%	1.40%

Source: S&P Market Intelligence & BlackRock

Strong Financial Position

As of December 31, 2023

Capital Management

- Above target levels for all rating agencies
- Fourth quarter regular dividends = \$61 million
- Repurchased approximately 543,000 shares for \$60 million during the fourth quarter
- Paid special dividend of \$1.50 per share (\$126 million) in November 2023
- Total capital returned to shareholders in 2023 = \$900 million
- Declared special dividend of \$2.50 per share (approximately \$210 million) paid on February 28, 2024

Long-Term Debt

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

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

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

	<u>Dec 31, 2023</u>	<u>Dec 31, 2022</u>
Principal amount of long-term debt	\$ 1,498	\$ 1,521
Adjusted shareholders' equity ¹	4,562	4,578
Total adjusted capital	\$ 6,060	\$ 6,099
Ratio of debt to total adjusted capital ²		
Including subordinated debt	24.7%	24.9%
Excluding subordinated debt	13.6%	13.9%
Common shares outstanding (millions)	83.636	85.204
<u>Book value per share:</u>		
Book value per share	\$ 50.91	\$ 47.56
Adjusted ¹	54.54	53.73
Tangible, adjusted ³	48.35	49.58

¹ Excludes net unrealized gains (losses) related to fixed maturity investments.

² The ratio is calculated by dividing the principal amount of AFG's long-term debt by its total capital, which includes long-term debt and shareholders' equity, excluding unrealized gains (losses) related to fixed maturity investments.

³ Excludes net unrealized gains (losses) related to fixed maturity investments, goodwill and intangibles.

Intelligent Use of Excess Capital

2024 Capital Management

- \$2.50 per share special dividend paid in February 2024

2023 Capital Management

- Returned \$900 million of capital to shareholders
- 12.7% increase in regular annual dividend, beginning in October 2023; 18th consecutive annual dividend increase
- Two special dividends totaling \$5.50 per share in 2023
- Repurchased \$213 million of AFG common shares
- Excess capital at December 31, 2023 approximately \$800 million
- 5.7 million shares remaining in repurchase authorization as of December 31, 2023

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

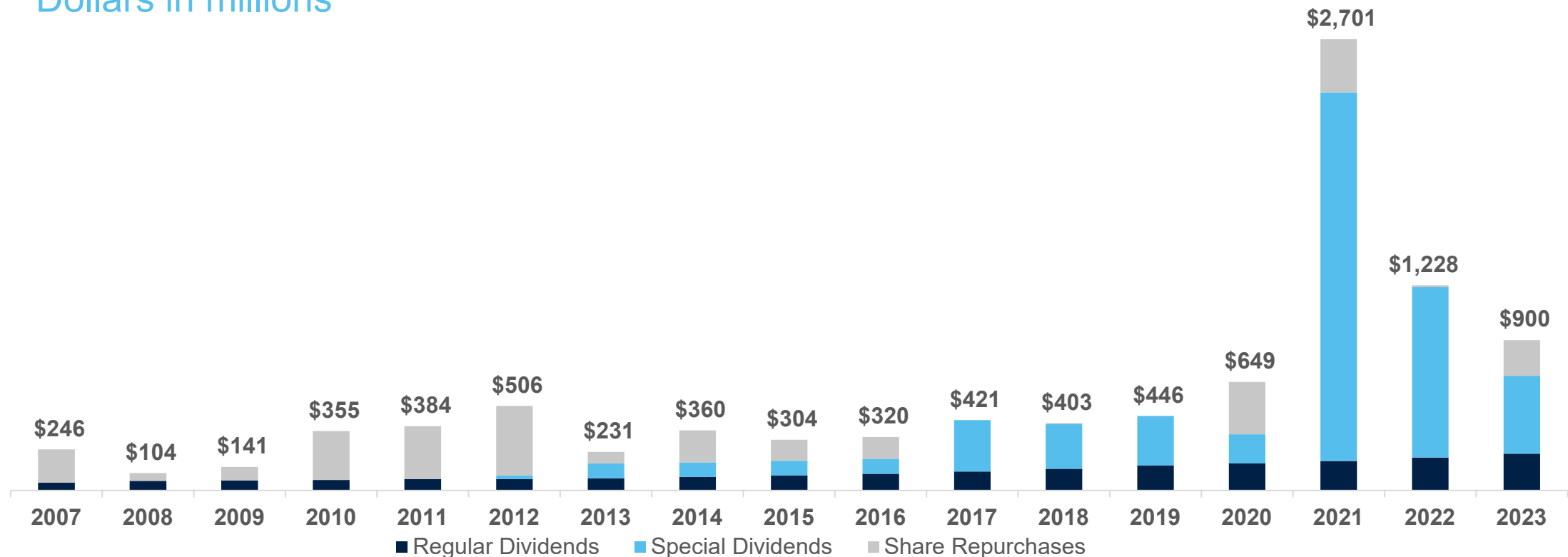
Dividends Paid	\$ 5,068
Repurchases	<u>856</u>
Total	<u><u>\$ 5,924</u></u>



***\$5.9 Billion Returned to
Shareholders***

Balanced Approach to Capital Allocation

Dollars in millions

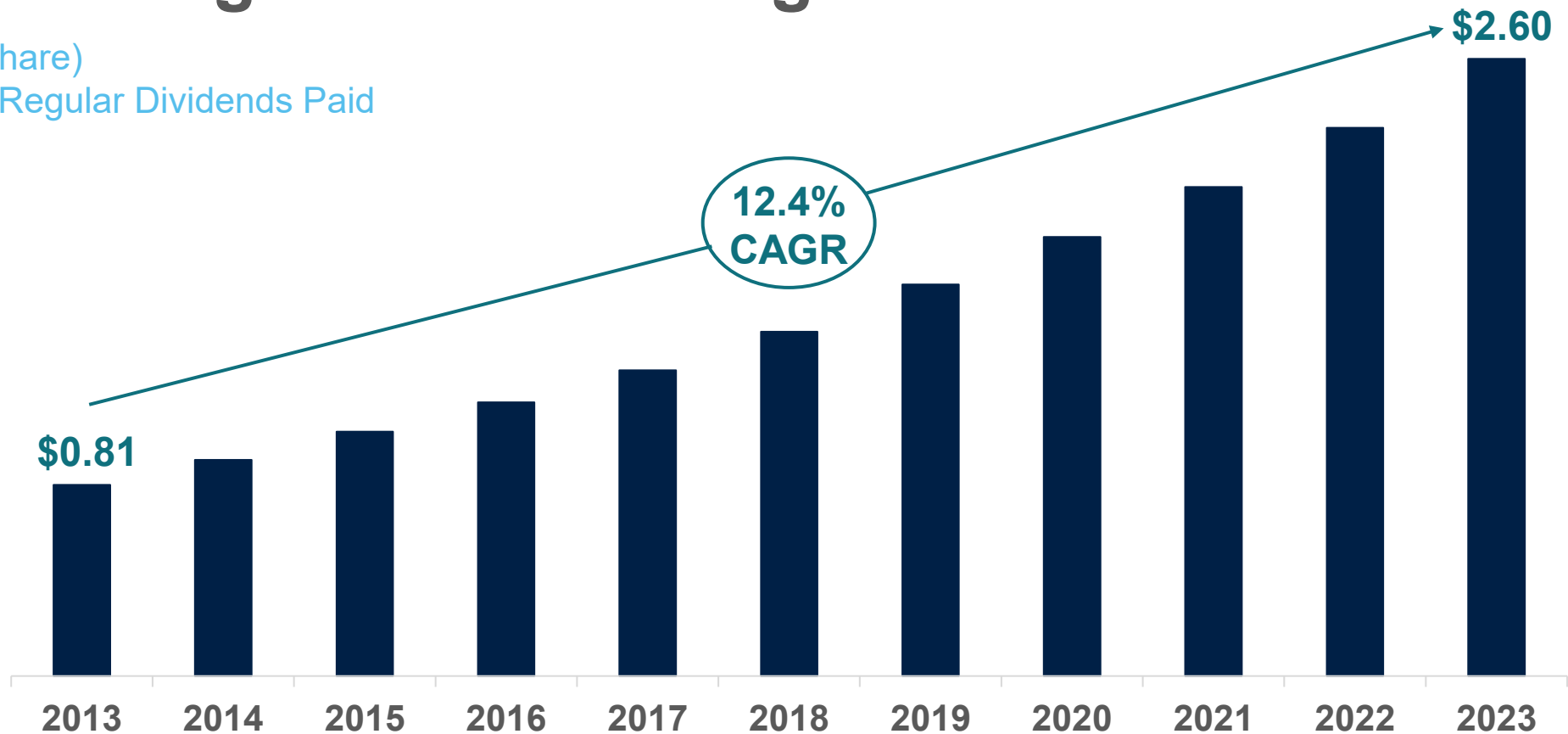


Between years 2009 – 2012, AFG repurchased **33.7 million** shares at a weighted average price of **approximately 90.5% of adjusted book value** (book value per share excluding appropriated retained earnings and net unrealized gains (losses) related to fixed maturities).

Double-Digit Growth in Regular Dividends

(\$ per share)

Annual Regular Dividends Paid



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

Protecting What Matters

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

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

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

for the *greater* good



Learn more about our corporate responsibility efforts and our Sustainability Accounting Standards Board Report at: [AFGinc.com/About-Us/Corporate-Social-Responsibility](https://www.afginc.com/About-Us/Corporate-Social-Responsibility).



2024 Business Plan Assumptions

- **Beginning in 2024, AFG will no longer provide earnings guidance or other guidance measures. Instead, the following estimates and assumptions underlying our 2024 Business Plan are offered to assist investors and analysts with their modeling:**
 - **Growth in net written premiums of 8% from the \$6.7 billion reported in 2023**
 - **A combined ratio comparable to the 90.3% achieved in 2023**
 - **A reinvestment rate of approximately 5.5%**
 - **An annual return of approximately 6% on AFG's \$2.4 billion alternative investments portfolio**
- **We expect that performance in line with these business plan assumptions would result in core operating earnings per share of approximately \$11.00 for 2024, generating a core operating return on equity excluding AOCI of approximately 20%.**

Appendix

Financial Highlights – 2023

Dollars in millions, except per share data

- Results of Operations:
 - Core net operating earnings
 - Core net operating earnings per share
 - Average number of diluted shares
- Core Operating Return on Equity:¹
 - AFG Consolidated
- Book Value per Share:
 - Excluding unrealized gains related to fixed maturities
 - Tangible, excluding unrealized gains related to fixed maturities

Twelve Months Ended
December 31,

	<u>2023</u>	<u>2022</u>
	\$ 895	\$ 993
	\$ 10.56	\$ 11.63
	84.8	85.3
	<u>2023</u>	<u>2022</u>
	19.8%	21.2%
	<u>Dec. 31, 2023</u>	<u>Dec. 31, 2022</u>
	\$ 54.54	\$ 53.73
	\$ 48.35	\$ 49.58

19.8%
Core Operating
Return on Equity

16.6%
Growth in Adj
BVPS + Dividends

¹ Equity excludes AOCI.

Specialty Property & Casualty Businesses

Dollars in millions

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

Specialty Property & Casualty Businesses

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

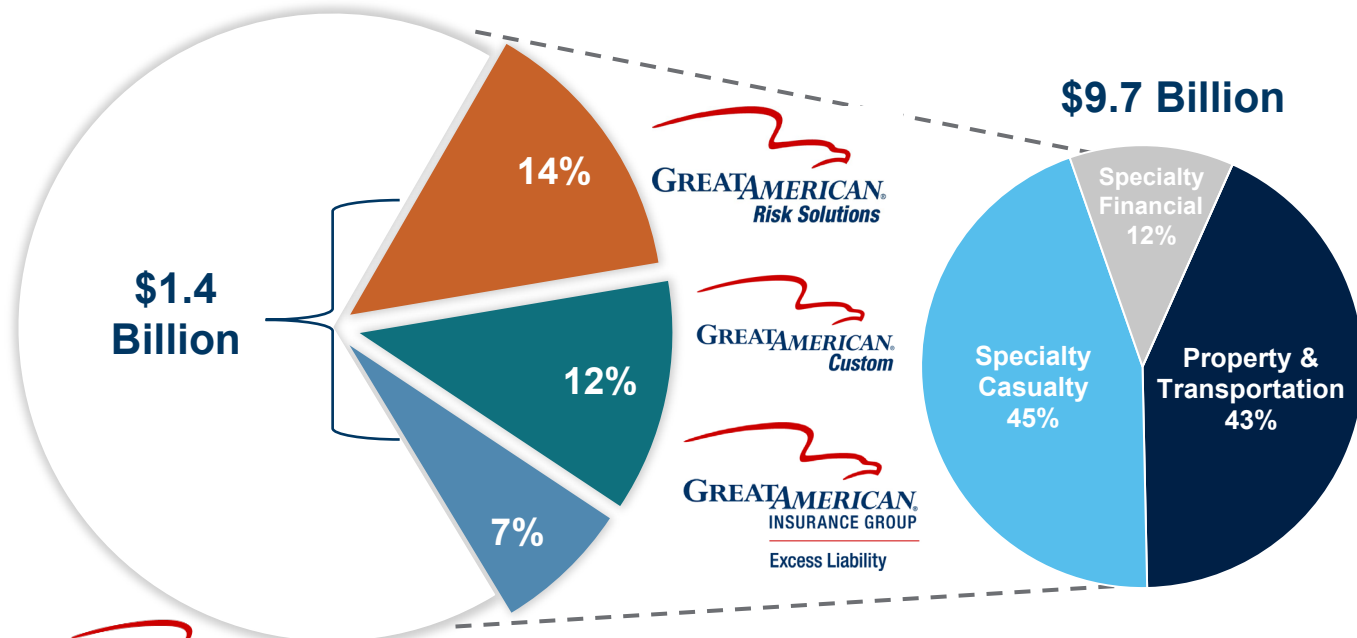
Business Spotlight: E&S, Umbrella and Excess Liability Businesses

Great American Risk Solutions writes hard-to-place P&C products via wholesale brokers on an excess and surplus lines basis (non-filed rates and forms).

Great American Custom writes excess liability on large capacity towers for Fortune 1000 and Fortune 2000 risks through wholesale and large retail brokers; also writes primary risks and professional liability coverages.

Excess Liability writes lead and excess umbrella on middle-market risks, primarily through retail agents.

GROSS WRITTEN PREMIUMS – FULL YEAR 2023



	Great American Risk Solutions	Great American Custom	Excess Liability
Products	<ul style="list-style-type: none"> Product Liability Construction Healthcare Risk Management Underwriting Product Recall Binding Authority Property Programs 	<ul style="list-style-type: none"> Excess Casualty Primary Casualty Miscellaneous E&O Focus on Fortune 1000 and 2000 accounts 	<ul style="list-style-type: none"> Lead Umbrella Excess Umbrella Excess Liability Focus on middle-market risks

