



2018 ANNUAL REPORT

Protecting What Matters

Specialty Property and Casualty Insurance
Fixed and Fixed-Indexed Annuities

American Financial Group (AFG) is committed to delivering financial solutions that fulfill today's needs and tomorrow's dreams. When the communities, businesses and individuals that we serve need stability, our company's strengths shine brightest.

AFG's commitment to offer quality products backed by integrity, reliability and exceptional service continues to thrive. We provide insurance products that help businesses manage their unique financial risks and exposures, and annuity products that help individuals protect their financial futures.



CARL H. LINDNER III (LEFT) AND S. CRAIG LINDNER,
Co-Chief Executive Officers

TO OUR SHAREHOLDERS: Providing protection is the essence of insurance. At AFG, we protect what matters through our products, ranging from specialty property and casualty (P&C) coverages across a variety of commercial industries, to a suite of annuity products that help people simplify their retirement planning.

We build our P&C insurance products on deep specialized knowledge of a wide variety of industries and the risks these industries present. We design and price our annuity products to respond to evolving demographics and changes in financial markets. The discipline required to manage these varied risks is essential for us to protect what matters to our policyholders, and to ensure the creation of long-term value for our shareholders.

Our core values help us deliver on these promises every day. An entrepreneurial culture promotes specialization and enhances accountability. Our values shape our priorities and expectations for how we conduct our business, provide service to our customers, interact with each other and support our communities.


AFG's long-term sustainability is essential in delivering on our promises to help individuals, companies and organizations manage financial risk so that they can focus on living their lives and operating and building their businesses.

A Rich History of Financial Strength

In 2018, we saw significant fluctuations in financial markets, particularly at the end of the year, and a heightened level of natural disasters for the industry. Successfully anticipating and navigating these events is critical to continuing AFG's rich history of financial strength upon which our policyholders, agents, investors and employees rely. Our commitment to building long-term, sustainable shareholder value starts with maintaining strong and consistent core operating businesses. Our success depends on disciplined underwriting, prudent pricing and careful expense management.

Our flagship company, Great American Insurance Company, whose roots go back more than 145 years, is currently rated "A+" by A.M. Best and has been rated "A" or better since 1908. Our annuity companies are rated "A+" by Standard and Poor's. AFG's financial condition is strong, and we had \$690 million in excess capital (including cash at the parent company of approximately \$160 million) as of December 31, 2018. The capital in our insurance businesses exceeds, or is consistent with, the amounts required for their ratings levels. We hold capital that exceeds the requirements of our current ratings levels so that we can operate confidently in forming business plans while maintaining the financial strength to effectively compete in the marketplace.





During 2018, we opportunistically invested capital in the organic growth of our Specialty P&C businesses that serve niche markets, and added to our P&C portfolio by acquisition. We welcomed ABA Insurance Services as our 34th P&C business in November 2018. ABA Insurance Services offers directors and officers insurance and other complementary insurance solutions for banks, small businesses and nonprofits, and has a strong track record of underwriting success and profitability. This acquisition provides a strategic opportunity for AFG to leverage the long-standing leadership of ABA Insurance Services in the banking industry.

We achieved record annuity premiums in 2018, introduced several new annuity products that enriched our consumer-centric annuity offerings, and achieved strong growth in our broker-dealer and retail channels. We continue to have a strong market presence, particularly in the financial institutions channel, and remain well-positioned to enhance our products and distribution processes.

We believe our business model is unique, as we are one of the few insurers with over 30 specialty commercial P&C insurance operations and a market-leading annuity business focused primarily on sales of fixed and fixed-indexed annuities. Our Specialty P&C and annuity businesses are leaders in their respective industries. Approximately 55% of our P&C gross written premiums are produced by businesses with top 10 market rankings. Similarly, our Annuity Segment is ranked first in sales of fixed-indexed annuities through financial institutions and consistently places among the top 10 providers of fixed and fixed-indexed annuities overall.

Our Track Record

AFG's portfolio of businesses creates diversity and scope in our product offerings, enabling us to produce consistently strong financial results and return capital to our shareholders over time. We believe AFG's business model positions us to profitably grow our insurance businesses when we can achieve targeted returns.

Unlike many businesses where the cost of goods sold is known up front, in insurance the cost of the promises that we make at the time of sale is unknown. Our costs must be carefully understood and estimated to ensure we are positioned to honor those promises when the obligations come due, while also earning an appropriate return on our capital. With the potential for growth and change, we must carefully monitor reinsurance costs, loss cost inflation, interest rates and pricing in our P&C businesses. Likewise, we closely monitor the impact of changing interest rates and stock market performance on our annuity business.

Industry and economic disruption can work to our advantage, especially when we remain disciplined and patient. Dislocations and consolidations, distress in certain

lines of business and economic uncertainty can create meaningful opportunities for us. We have always embraced an entrepreneurial spirit and agility, which allow us to act in these situations.

We believe our track record speaks for itself. Over the past 10 years, the combined operating ratio of AFG's property and casualty operations has been more favorable than the industry by an average of 10 points. Our Annuity Segment's focus on fixed and fixed-indexed annuities—and away from lines of business without critical mass or competitive advantage—has enabled us to nearly triple annuity earnings and more than triple annuity premiums and annuity assets since the end of the recession in 2009.

Our P&C businesses increasingly use predictive analytics in their underwriting and claims functions to influence decision-making and leverage data to improve profitability. The data we collect and analyze helps us improve the effectiveness of our underwriting and the quality of our products. This information also equips us to more confidently price our products and guide our sales and marketing efforts.


Our Annuity Segment embraced a commitment to simpler annuity product design and features many years ago. This strategy has positioned us as a trusted provider and industry leader in the fixed and fixed-indexed annuity marketplace. With a growing demand for annuity products, we closely monitor demographic trends and market performance to deliver products that are responsive to changing market conditions and consumer needs.

2018 Results

In 2018, we achieved net earnings of \$530 million or \$5.85 per diluted share, generating a return on equity of 10.9%. The \$5.85 earnings per share includes non-core net realized losses on securities of \$2.31 per share, and a \$0.24 per share non-core charge for asbestos and environmental reserve strengthening.

New accounting guidance effective on January 1, 2018 requires all equity securities to be reported at fair value, with holding gains and losses recognized in net earnings. The \$2.31 per share of realized losses on securities includes \$214 million, or \$2.36 per share, in net losses on equity securities that AFG continued to own as of December 31, 2018. With the adoption of this new accounting rule, the impact to our income statement will vary depending on the level of volatility in the performance of securities held in our equity portfolio and the overall market. Even though our underlying business remains stable and is growing, the new accounting rule required us to report significant holding gains in two quarters of 2018 and more significant losses in the other two quarters. This created variability in our earnings, even from equity securities that we held throughout the entire year.





As with other near full-rate taxpayers, AFG's net earnings attributable to shareholders for 2018 benefited from the lower corporate income tax rate enacted by the Tax Cuts and Jobs Act of 2017. We believe that tax reform has changed the competitive landscape for the better. Specifically, we are seeing the unwinding of affiliate reinsurance structures by foreign-owned insurers doing business in the U.S., and that U.S. companies are much more active in mergers and acquisitions. It is important that the Treasury regulations that interpret this legislation uphold its intent and purpose, and promote a level playing field for the insurance industry.

AFG produced record core net operating earnings per share of \$8.40 for the year, an increase of 28% from the prior year. Core return on equity was 15.6%. These results reflect strong core operating earnings in both our Specialty P&C insurance and annuity businesses. In addition, our in-house investment management team, American Money Management Corporation, continued to outperform many of our P&C and life and annuity peers.

AFG's adjusted book value per share grew to \$54.86 as of the end of 2018. Total value creation, measured as the change in adjusted book value per share plus dividends, was \$5.80 per share, or approximately 11% during 2018. Our balance sheet remains strong, with \$63 billion in assets at December 31, 2018, and a debt to total capital ratio of 16%.

PROPERTY AND CASUALTY INSURANCE: Property and casualty core pretax earnings grew to \$740 million in 2018 compared with \$660 million in 2017, an increase of \$80 million, or 12%. Higher year-over-year net investment income—due primarily to higher earnings from limited partnerships and similar investments and growth in the business—as well as higher underwriting profit, drove our improved results. The high returns on limited partnerships and similar investments should not be expected to repeat in future periods.

Net written premiums increased 6% and overall renewal rates were up approximately 1% in 2018. Excluding the workers' compensation business, renewal pricing increased approximately 3%. We secured rate increases in the businesses where we needed them in order to meet our targeted returns. Loss cost trends remain stable, and we are keeping our eye on inflation and interest rates. During 2018, our P&C Segment outperformed the composite commercial P&C insurance industry by more than 10 points on the statutory combined operating ratio.

ANNUITIES: Our Annuity Segment reported pretax earnings of \$361 million in 2018, a decrease of 5% from the prior year. These results reflect a 10% increase in average annuity investments and higher earnings from limited partnerships and similar investments. These items were more than offset by higher unlocking charges, the impact of lower investment yields due to the run-off of higher yielding investments, and the impact of changes in stock market performance and interest rates. The high returns on limited partnerships and similar investments should not be expected to

repeat in future periods. Pretax annuity operating earnings before the impact of fair value accounting for fixed-indexed annuities and unlocking were \$425 million in 2018, an increase of 2% from the prior year.

Statutory annuity premiums were a record \$5.4 billion in 2018, up approximately 25% from the prior year. Production in the retail and broker-dealer markets was particularly strong due to the launch of several new products and expanded distribution within these channels.

INVESTMENTS: We view investment management as a core competency and have a highly skilled in-house team of investment professionals managing our nearly \$50 billion portfolio. We have followed a consistent opportunistic strategy over many years and changing economic conditions, outperforming market indices while effectively managing portfolio risk. Our portfolio consists primarily of investment grade securities that provide a relatively predictable, steady stream of income. In the 11 years since the global financial crisis, the returns in our fixed income portfolio significantly surpassed those of fixed income indices, and our equity portfolio has achieved returns well in excess of the S&P 500 Index.

Creating Long-Term, Sustainable Value for Shareholders

Intelligent deployment of our company's capital is a top priority, and we strive to find the highest and best use of capital to create long-term value for our shareholders. We do this through a combination of dividends, share repurchases, acquisitions and the addition of bolt-on or start-up businesses. We also look to grow organically when there is dislocation in the market or other prospects that align with our existing businesses. We regularly evaluate opportunities that have the potential to produce desired long-term returns. Alignment with our existing businesses and cultural fit are important considerations when we evaluate opportunities to expand our specialty insurance portfolio.

We maintain financial leverage and capital adequacy at levels that are prudent for our business and consistent with our commitments to ratings agencies. We also maintain sufficient liquidity to respond to business needs and opportunities.

We returned \$403 million to shareholders in the form of dividends and share repurchases last year and announced a 14% increase in AFG's regular quarterly dividend, to an annual rate of \$1.60 per share. This marks the 13th consecutive annual dividend increase for the company. In addition, we paid \$3.00 per share in special dividends. The five-year compounded annual growth in dividends paid to our shareholders was approximately 12.5%, excluding special dividends. Dividend payments and share repurchases have enabled us to return \$1.8 billion to our shareholders over the past five years.



In addition, total shareholder return of AFG's common stock price plus dividends for the five years ended December 31, 2018, was approximately 88%, exceeding comparable indices. These measures serve as benchmarks as we evaluate our effectiveness in creating value.

Our initial outlook for 2019, which we shared when we released our fourth quarter 2018 results, includes strong core net operating earnings and healthy, profitable business growth, which we expect will lead to growth in shareholder value.

The Lindner family continues to hold a sizable interest in AFG's common stock. We believe that our significant family investment, together with the shares held by our management team and employees, serves to align our interests with those of our shareholders.

Protecting What Matters—Today and Tomorrow

AFG's strong foundation enables us to serve as a trusted provider of specialty insurance solutions in the P&C and annuity markets. Our success stems from disciplined growth through specialization, allowing us to emerge as a leader in selected markets and create long-term value for our stakeholders.

Although there are many factors that contribute to our success, our people are always at the core. Providing opportunities for development and identifying our next generation of leaders are among our top priorities. We continue to promote the compelling benefits of a career in insurance to help us attract and retain the best and brightest talent.

We know the decisions we make today will impact our business and our stakeholders for years to come. We remain committed to helping build a sustainable future for our customers, agents, investors and employees.

We thank God, our talented management team and employees for a very successful year. We also thank you, our shareholders, for your investment and confidence.

S. Craig Lindner
Co-Chief Executive Officer



Carl H. Lindner III
Co-Chief Executive Officer

Our success stems from disciplined growth through specialization, enabling us to emerge as a leader in selected markets and create long-term value for our stakeholders.



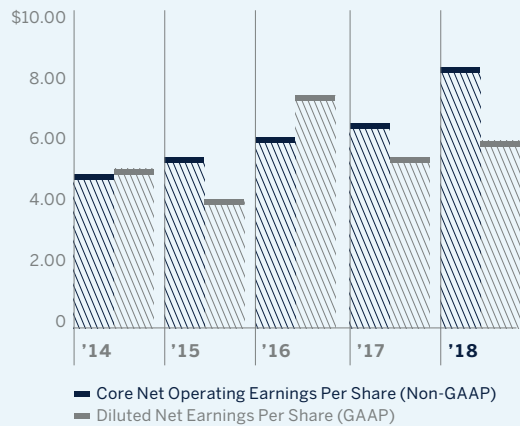
FINANCIAL STRENGTH RATINGS

	A.M. Best*	Standard & Poor's*
SPECIALTY PROPERTY & CASUALTY INSURANCE GROUP		
Great American Insurance Company	A+ (Superior)	A+
Mid-Continent Casualty Company	A+ (Superior)	A+
National Interstate Insurance Company	A+ (Superior)	Not Rated
Vanliner Insurance Company	A+ (Superior)	Not Rated
Republic Indemnity Company of America	A (Excellent)	A+
Bridgefield Casualty Insurance Company	A (Excellent)	A+
Bridgefield Employers Insurance Company	A (Excellent)	A+
El Águila, Compañía de Seguros	A- (Excellent)	Not Rated
Great American International Insurance DAC	Not Rated	A+
Neon Underwriting Limited ⁽¹⁾	A (Excellent)	A+
ANNUITY GROUP		
Great American Life Insurance Company	A (Excellent)	A+
Annuity Investors Life Insurance Company	A (Excellent)	A+

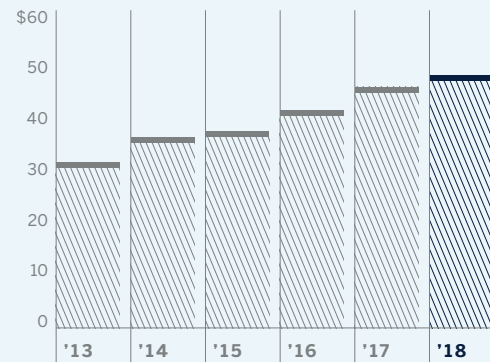
*Information reflects ratings in effect as of March 25, 2019.

⁽¹⁾Ratings for Neon Underwriting Limited are determined by the ratings of Lloyd's. See Lloyd's website for a discussion of these ratings.

EARNINGS PER SHARE (For the year ended December 31)



INVESTED ASSETS (As of December 31, in billions)



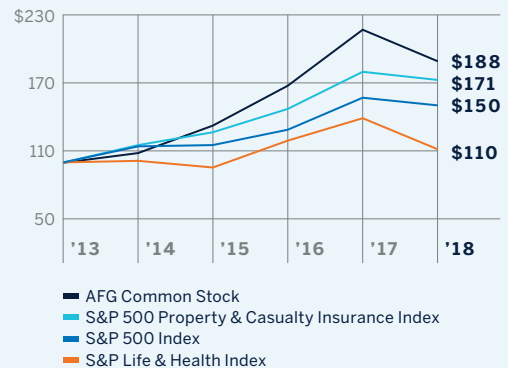
ADJUSTED BOOK VALUE PER SHARE

As of December 31 (excluding appropriated retained earnings and net unrealized gains related to fixed maturity securities)



5-YEAR CUMULATIVE TOTAL SHAREHOLDER RETURN

On AFG Common Stock vs S&P indices, as of December 31



This graph assumes \$100 invested on December 31, 2013 in AFG's Common Stock, the S&P 500 Property & Casualty Insurance Index, the S&P 500 Index and the S&P Life & Health Index, including reinvestments of dividends.

As of December 31,	2018	2017	2016
<i>(in millions, except per share data)</i>			
BALANCE SHEET DATA			
Cash and investments	\$48,498	\$46,048	\$41,433
Total assets	63,456	60,658	55,072
Long-term debt	1,302	1,301	1,283
Shareholders' equity	4,970	5,330	4,916
Adjusted shareholders' equity ^A	4,898	4,724	4,617
Book value per share	\$ 55.66	\$ 60.38	\$ 56.55
Adjusted book value per share ^A	54.86	53.51	53.11
Cash dividends per share ^B	\$ 4.450	\$ 4.788	\$ 2.153
Ratio of debt to total capital ^C			
Including subordinated debt	21.2%	21.8%	22.1%
Excluding subordinated debt	16.4%	16.8%	17.0%
Shares outstanding	89.3	88.3	86.9

For the Year Ended December 31,	2018	2017	2016
SUMMARY OF OPERATIONS			
Total revenues	\$ 7,150	\$ 6,865	\$ 6,498
Components of net earnings:			
Core net operating earnings ^D	\$ 761	\$ 588	\$ 534
Realized gains (losses) on securities	(210)	3	13
Realized gain on long-term care business	—	—	1
Gain on sale of apartment property	—	—	15
Special A&E charges	(21)	(74)	(26)
Neon exited lines charge	—	18	(65)
Loss on retirement of debt	—	(33)	—
Tax benefit related to Neon restructuring	—	56	111
Tax expense related to change in U.S. corporate tax rate	—	(83)	—
Tax benefit related to National Interstate merger	—	—	66
Net earnings attributable to shareholders—GAAP	\$ 530	\$ 475	\$ 649
Return on shareholders' equity:			
Core net operating earnings ^E	15.6%	12.7%	12.2%
Net earnings ^E	10.9%	10.3%	14.8%
Components of diluted earnings per share:			
Core net operating earnings ^D	\$ 8.40	\$ 6.55	\$ 6.03
Realized gains (losses) on securities	(2.31)	0.03	0.16
Realized gain on long-term care business	—	—	0.01
Gain on sale of apartment property	—	—	0.17
Special A&E charges	(0.24)	(0.82)	(0.30)
Neon exited lines charge	—	0.19	(0.73)
Loss on retirement of debt	—	(0.37)	—
Tax benefit related to Neon restructuring	—	0.62	1.25
Tax expense related to change in U.S. corporate tax rate	—	(0.92)	—
Tax benefit related to National Interstate merger	—	—	0.74
Diluted earnings per share	\$ 5.85	\$ 5.28	\$ 7.33

^A Excludes net unrealized gains (losses) related to fixed maturity securities.

^B Includes special cash dividends of \$3.00 per share in 2018, \$3.50 per share in 2017, and \$1.00 per share in 2016.

^C The ratio is calculated by dividing AFG's long-term debt by its total capital, which includes long-term debt, noncontrolling interests and shareholders' equity (excluding unrealized gains (losses) related to fixed maturity investments).

^D Certain significant items that may not be indicative of ongoing core operations are excluded in deriving our core net operating earnings. Though it is not a generally accepted accounting principles ("GAAP") measure, it is a key performance measure used by analysts and ratings agencies.

^E Excludes accumulated other comprehensive income.



ANNUITIES

#1

AFG ranked first in sales of fixed-indexed annuities through financial institutions and was among the top 10 for sales of fixed annuities overall in 2018.



GREAT AMERICAN INSURANCE COMPANY IS RATED "A+" (SUPERIOR) AND IS ONE OF ONLY FIVE PROPERTY AND CASUALTY INSURERS TO HAVE MAINTAINED A FINANCIAL STRENGTH RATING OF "A" OR BETTER FROM A.M. BEST FOR MORE THAN 100 YEARS.



SPECIALTY PROPERTY AND CASUALTY INSURANCE OPERATIONS

55%

55% of the P&C Group's 2018 gross written premiums were generated by top 10 ranked businesses.



Specialty Property and Casualty Insurance Operations

Property and Transportation Group

AGRICULTURAL-RELATED

Federally reinsured multi-peril crop (allied lines) insurance covering most perils as well as crop-hail, equine mortality and other coverages for full-time operating farms/ranches and agribusiness operations on a nationwide basis.

COMMERCIAL AUTOMOBILE

Coverage for vehicles (such as buses and trucks) in a broad range of businesses including the moving and storage and transportation industries, as well as alternative risk transfer programs, and a specialized physical damage product for the trucking industry.

PROPERTY, INLAND MARINE AND OCEAN MARINE

Coverage primarily for commercial properties, builders' risk, contractors' equipment, property, motor truck cargo, marine cargo, boat dealers, marina operators/dealers and excursion vessels.

Specialty Casualty Group

EXCESS AND SURPLUS

Liability, umbrella and excess coverage for unique, volatile or hard to place risks, using rates and forms that generally do not have to be approved by state insurance regulators.

EXECUTIVE AND PROFESSIONAL LIABILITY

Coverage for directors and officers of businesses and non-profit organizations, errors and omissions, cyber, and mergers and acquisitions.

GENERAL LIABILITY

Coverage for contractor-related businesses, energy development and production risks, and environmental liability risks.

TARGETED PROGRAMS

Coverage (primarily liability and property) for social service agencies, leisure, entertainment and non-profit organizations, customized solutions for other targeted markets and alternative risk programs using agency captives.

UMBRELLA AND EXCESS LIABILITY

Coverage in excess of primary layers.

WORKERS' COMPENSATION

Coverage for prescribed benefits payable to employees who are injured on the job.

Specialty Financial Group

FIDELITY AND SURETY

Fidelity and crime coverage for government, mercantile and financial institutions and surety coverage for various types of contractors and public and private corporations.

LEASE AND LOAN SERVICES

Coverage for insurance risk management programs for lending and leasing institutions, including equipment leasing and collateral and lender-placed mortgage property insurance.

Annuity Operations

TRADITIONAL FIXED, FIXED-INDEXED AND VARIABLE-INDEXED ANNUITIES

Sold primarily in the retail, financial institutions, broker-dealer and registered investment advisor markets.

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Our Operations

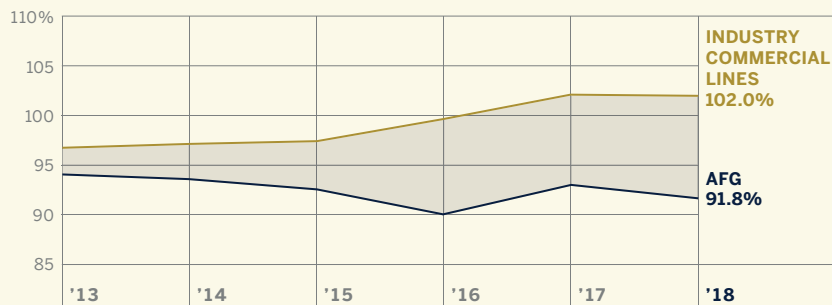
AFG has an entrepreneurial spirit at its core. Experienced professionals oversee our Specialty Property & Casualty (P&C) businesses, each of which handles its own decisions pertaining to underwriting, marketing, claims and policy servicing. This autonomous approach allows our P&C businesses to respond to local and specialty market conditions while also benefiting from centralized investment and administrative support. AFG's annuity professionals oversee a consumer-friendly product portfolio and manage pricing strategies within each of our distribution channels. Our annuity products equip individuals to manage financial risks and help them live their lives to the fullest.

CORPORATE RESPONSIBILITY AND SUSTAINABILITY: AFG's commitment to doing business in a responsible and sustainable manner starts with recognizing that many of our business decisions affect people and organizations in the larger community. 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. Learn more about our corporate responsibility efforts at AFGinc.com/about-us/corporate-social-responsibility.

Measuring Our Performance

A diversified business model with Specialty P&C and annuity operations has worked well for us; both businesses are among the top performers in their respective industries. Our annuity business and some of our P&C businesses aren't closely correlated to the general P&C cycle, which has helped us achieve more consistent core operating earnings over time.

P&C STATUTORY COMBINED RATIO



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

As of December 31, 2018, about 60% of our GAAP equity was allocated to what we would consider non-correlated businesses.

Performance benchmarks and operational and financial measures provide a clear line of sight into our overall results. AFG business leaders are rewarded for strong performance through compensation programs that align with our strategic and financial goals. This approach ensures that we grow our business only when we can achieve targeted returns; sometimes, it prompts us to withdraw from markets that do not meet profit objectives or fit within our business strategy.

We have diversified our Specialty P&C portfolio through acquisitions, business bolt-ons and start-ups. Carefully executed dispositions have also enabled us to focus on operational areas where we have deep expertise in developing, delivering and servicing products for specialty niches.

Our Annuity Segment sharpened its focus and grew considerably following the height of the global financial crisis. Our consumer-friendly model and strong ratings have driven significant growth in annuity sales, especially in the financial institutions channel.

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.

OUR PEOPLE: AFG and its Great American Insurance Group member companies employ approximately 8,500 employees in approximately 120 office locations globally.

We place a high priority on developing employees' talents and leadership skills at all levels of our organization. AFG's people-focused culture—which encourages honest communication and supports a healthy work/life balance—enables us to attract, retain and empower high-caliber individuals. For a closer look at how we create a welcoming and rewarding workplace, visit GAIG.com/careers.

Ratings

The ratings assigned by independent agencies are an important competitive factor. Agents and brokers who distribute our Specialty P&C insurance products, as well as the agents and financial institutions that sell our annuity products, often use a

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company's rating as an initial screening measure when considering their clients' needs. Financial strength or claims-paying ability ratings apply to individual insurance companies. The rating criteria and designations vary for each agency. We believe AFG's strong ratings are important considerations in enabling us to successfully compete in the marketplace. Visit the agencies' websites for information about the rating agencies and their rating processes.

Specialty P&C Insurance Operations

Our 34 Specialty P&C businesses provide insurance solutions that help businesses manage their unique operational, industry and market risks. Many of these businesses are leaders in the markets they serve, including crop, equine, executive liability, fidelity/crime, workers' compensation, non-profit/social services, passenger transportation, surety, trade credit and trucking.

Our diversified book of businesses, strong capital adequacy, disciplined pricing and relatively low windstorm/earthquake and coastal exposures are central to AFG's Specialty P&C strategy.

As of December 31, 2018, our net exposure to a catastrophic earthquake or windstorm that industry models indicate should statistically occur once in every 500 years was approximately 6% of AFG's shareholders' equity.

AFG's P&C professionals are rewarded for profitable growth and for achieving healthy returns on equity. As such, premium volume will vary based on market conditions, including our ability to achieve appropriate pricing and scale. During 2018, we grew our businesses through acquisitions and organically.

SPECIALTY PROPERTY AND CASUALTY INSURANCE OPERATIONS

GROSS WRITTEN PREMIUMS

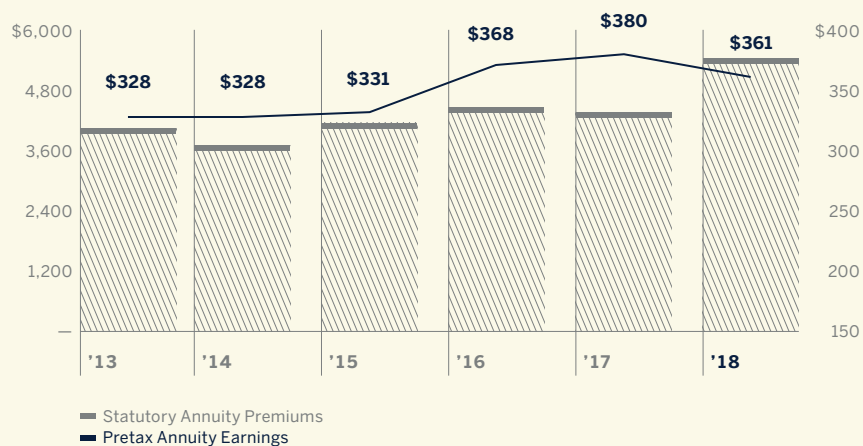
Year Ended December 31,	2018	2017	2016
<i>(dollars in millions)</i>			
Specialty Property & Casualty Operations	\$6,840	\$6,502	\$5,981
Property and Transportation Group	\$2,645	\$2,688	\$2,504
Specialty Casualty Group	\$3,445	\$3,087	\$2,792
Specialty Financial Group	\$ 750	\$ 727	\$ 685

Annuity Operations

Through the annuity operations of Great American Insurance Group, AFG sells traditional fixed, fixed-indexed and variable-indexed annuities in the retail, financial institutions, broker-dealer and registered investment advisor markets. Our annuity operations help individuals plan for secure financial futures by providing products that are simple to understand and responsive to their needs.

ANNUITY PREMIUM AND EARNINGS GROWTH

Year Ended December 31 (in millions)



NET WRITTEN PREMIUMS

GAAP COMBINED RATIO

2018	2017	2016	2018	2017	2016
\$5,023	\$4,751	\$4,386	93.4%	93.1%	92.3%
\$1,754	\$1,765	\$1,672	93.1%	91.0%	90.0%
\$2,509	\$2,280	\$2,036	94.2%	95.2%	96.1%
\$ 602	\$ 596	\$ 572	88.9%	89.4%	84.9%





We continue to look for ways to best serve the needs of our policyholders and distribution partners, such as by developing consumer-friendly products with a simpler design, generally shorter surrender periods and lower surrender charges than many other companies. We believe this approach provides policyholders with greater transparency and confidence in selecting products to help protect their financial future.

Our in-house investment management team, American Money Management Corporation, closely monitors market conditions and economic trends to ensure adequate pricing and effective investment management strategies that support our consumer-friendly annuity products.

Investments

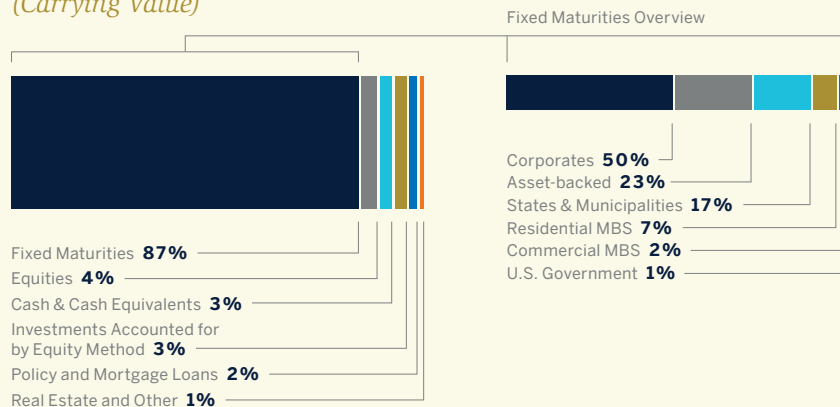
We focus on high-quality investments that maximize long-term returns rather than short-term performance. We believe that our investment returns will continue to be a major contributor to our earnings and book value growth.

Fixed-income investments, primarily corporate and municipal bonds and asset-backed securities, account for approximately 92% of our total investments. Equities, real estate and other investments make up the remaining 8% of our portfolio.

INVESTMENT PORTFOLIO *As of December 31, 2018*

\$48.5 Billion

(Carrying Value)



Approximately 91% of our fixed maturity investments are rated investment grade, and 98% have an NAIC designation of 1 or 2, the highest two levels.



ANNUITY BUSINESS

3X

Since the end of 2009, our annuity business has nearly tripled its earnings and more than tripled premiums and assets.



AFG'S PROPERTY AND CASUALTY STATUTORY COMBINED RATIO HAS BEEN BETTER THAN THE U.S. INDUSTRY AVERAGE FOR 31 OF THE LAST 33 YEARS.



ANNUITY ASSETS

18%

ANNUAL COMPOUNDED GROWTH RATE

AFG's annuity assets have grown at an annual compounded rate of 18% since 1974.

We believe that our disciplined approach to steady and healthy growth will continue to produce value for our stakeholders for generations to come.





Board of Directors

AMERICAN FINANCIAL GROUP



Standing, left to right: Craig Lindner, Jim Evans, Jeff Consolino, Greg Joseph, Terry Jacobs, Will Verity, John Berding, Carl Lindner III.
Seated, left to right: Gina Drosos, John Von Lehman, Ken Ambrecht.
Not pictured: Mary Beth Martin (Director since February 26, 2019)

AS OF MARCH 25, 2019

Carl H. Lindner III

*Co-Chief Executive Officer, American Financial Group, Inc.,
Chairman, Great American Insurance Company*

S. Craig Lindner

*Co-Chief Executive Officer, American Financial Group, Inc.,
Chief Executive Officer, Great American Financial Resources, Inc.*

Gregory G. Joseph^{1*}

*Lead Independent Director, American Financial Group, Inc.,
Executive and Principal of various automotive retailers known
as the Joseph Automotive Group*

Kenneth C. Ambrecht^{2,3}

*Principal, KCA Associates, LLC, a consulting firm to participants
in the capital markets*

John B. Berding

President, American Money Management Corporation

Joseph E. (Jeff) Consolino

*Executive Vice President and Chief Financial Officer,
American Financial Group, Inc., Chairman, Neon Capital Ltd.*

Virginia “Gina” C. Drosos^{1,3}

*Chief Executive Officer, Signet Jewelers Limited,
a leading specialty retail jeweler*

James E. Evans

*Former Senior Executive Officer and currently Executive
Consultant to American Financial Group, Inc.*

Terry S. Jacobs^{1,2*}

*Chairman and Chief Executive Officer, The JFP Group, LLC,
a real estate development company*

Mary Beth Martin

Executive Director of the Farmer Family Foundation

William W. Verity^{2,3*}

*President, Verity Investment Partners, an investment
management company*

John I. Von Lehman^{1,3}

*Retired Executive Vice President, Chief Financial Officer
and Secretary, The Midland Company, an Ohio-based
provider of specialty insurance products*

Board of Directors Committees:

1 Audit Committee

2 Compensation Committee

3 Corporate Governance Committee

* Chairman of Committee

Senior Management

AS OF MARCH 25, 2019

American Financial Group

Carl H. Lindner III
Co-Chief Executive Officer

S. Craig Lindner
Co-Chief Executive Officer

Joseph E. (Jeff) Consolino
*Executive Vice President and
Chief Financial Officer*

Michelle A. Gillis
*Senior Vice President and
Chief Administrative Officer*

Vito C. Peraino
*Senior Vice President and
General Counsel*

H. Kim Baird
Vice President—Tax

Anthony W. Dunn
Vice President—Internal Audit

Karl J. Grafe
*Vice President, Assistant General
Counsel and Secretary*

Brian S. Hertzman
Vice President and Controller

Mark A. Weiss
*Vice President and Assistant
General Counsel*

David J. Witzgall
Vice President and Treasurer

American Money Management Corporation

John B. Berding
President

Annuity Operations

Mark F. Muething
*President, Chief Operating
Officer and General Counsel*

Christopher P. Miliano
*Executive Vice President and
Chief Financial Officer*

Timothy J. Minard
*Executive Vice President and
Chief Distribution Officer*

Michael J. Prager
*Executive Vice President
and Chief Actuary*

Property and Casualty Operations

Gary J. Gruber
President and Chief Operating Officer

Ronald J. Brichler
Executive Vice President

Vincent McLenaghan
Executive Vice President

Anthony J. Mercurio
Executive Vice President

Michael E. Sullivan, Jr.
Executive Vice President

David L. Thompson, Jr.
Executive Vice President

Annual Shareholders' Meeting

The Annual Shareholders' Meeting will be held at our Company's headquarters, Great American Insurance Group Tower, in Cincinnati on May 22, 2019. Notices will be mailed to all holders of the Company's Common Stock.

Common Stock Market Information

American Financial Group's Common Stock is traded on the New York Stock Exchange under the symbol AFG. On February 1, 2019, approximately 5,500 holders of record own our shares.

Dividend Reinvestment Plan

This plan allows registered shareholders to automatically reinvest the dividends on their AFG Common Stock toward the purchase of additional shares of AFG Common Stock at a 4% discount to the current market price. Dividend Reinvestment Plan information and enrollment forms may be obtained from the Company's Transfer Agent.

Forward-Looking Statements

The disclosures in this 2018 Annual Report contain certain forward-looking statements that are subject to numerous assumptions, risks or uncertainties. 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. Please see "Forward-Looking Statements" in the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission.

Additional Information

Investors or analysts requesting additional information, including copies of the American Financial Group, Inc. Form 10-K as filed with the Securities and Exchange Commission, may contact:

*Investor Relations, American Financial Group, Inc.
301 E. Fourth Street
Cincinnati, Ohio 45202
513-579-6739
AFGInvestorRelations@amfin.com*

SEC filings, news releases and other information may also be accessed on American Financial Group's website at AFGinc.com.

Transfer Agent

*Broadridge Corporate Issuer Solutions
P.O. Box 1342
Brentwood, New York 11717
888-789-8804
shareholder.broadridge.com/afg*



301 E. Fourth St., Cincinnati, OH 45202
AFGinc.com / GAIG.com

5545-AFG