



American Financial Group, Inc. and Its Insurance Operations Receive Rating Upgrades

December 12, 2007

CINCINNATI--(BUSINESS WIRE)--Dec. 12, 2007--American Financial Group, Inc. (NYSE:AFG) (NASDAQ:AFG) today announced ratings agency upgrades related to the financial strength ratings of several of its insurance subsidiaries and senior debt instruments.

Moody's Investors Service announced an upgrade of the insurance financial strength ratings of Great American Insurance Company and its wholly owned property and casualty insurance subsidiaries to A2 from A3. Additionally, Moody's raised the senior debt ratings for AFG and its wholly owned Annuity and Supplemental Insurance subsidiary, Great American Financial Resources, Inc. (including AAG Holding Company, Inc.), to Baa2 from Baa3. In a separate press release issued by Moody's yesterday, Moody's cited Great American Insurance Company's improved capital adequacy, higher levels of profitability and fixed charge coverage as well as AFG's intention to maintain financial leverage at current levels, as factors contributing to these ratings upgrades.

Standard & Poor's Rating Services raised its financial strength ratings for Great American Life Insurance Company ("GALIC") and Annuity Investors Life Insurance Company ("AILIC") to 'A' from 'A-'. These ratings upgrades reflect Standard & Poor's assessment that GALIC and AILIC are core to AFG's specialty insurance operations. According to Standard and Poor's, core status is supported by the life companies' consistently solid operating performance and the level of capital deployed in this segment, relative to consolidated capital. Earlier this year, Standard & Poor's affirmed the financial strength rating for Great American's property and casualty insurance operations as 'A'.

Carl Lindner III and S. Craig Lindner, Co-Chief Executive Officers of AFG, issued this statement, "We believe that these positive rating actions reflect our continued commitment to achieving healthy profitability, strong capital adequacy and appropriate levels of financial leverage. We are pleased to see our efforts recognized with these ratings upgrades."

About American Financial Group, Inc.

Through the operations of the 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, indexed and variable annuities and a variety of supplemental insurance products.

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: AFG's expectations concerning market and other conditions, earnings and investment activities as well as the impact of the transaction and expected expense savings.

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