

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, discontinued operations, 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.

AFG: A Specialty Insurer

AFG's specialty insurance businesses operate under the Great American Insurance Group brand. For more than 140 years, we have provided insurance products that help businesses manage their unique financial risks and exposures and individuals save for their financial futures.

Market Leadership

- Over 60% of Specialty P&C Group gross written premium produced by businesses with "top 10" market rankings
- Top 10 Fixed Annuity provider; #1 in sales of fixed-indexed annuities through financial institutions

Financial Strength

- Great American Insurance Group rated "A" (Excellent) or better by A.M. Best for over 100 years
- Ward's 50 List



Insurance Businesses

P&C

Property & Transportation



- Inland and Ocean Marine
- Agricultural-Related
- Aviation
- Commercial Automobile (buses, trucks)

Specialty Casualty



- Executive and Professional Liability
- Umbrella and Excess Liability
- Excess and Surplus
- General Liability
- M&A Liability
- Targeted Programs
- Workers' Compensation

Specialty Financial



- Fidelity / Crime
- Surety
- Lease and Loan Services
- Financial Institution Services

Annuity



- Fixed and Fixed-Indexed Annuities
- Sold in retail, financial institutions and educational markets

\$42 Billion Investment Portfolio Managed In-House

Building Long-Term Value for AFG Shareholders

Superior
Underwriting
Results

Superior
Investment
Talent

Intelligent
Deployment
of Capital

VALUE
CREATION

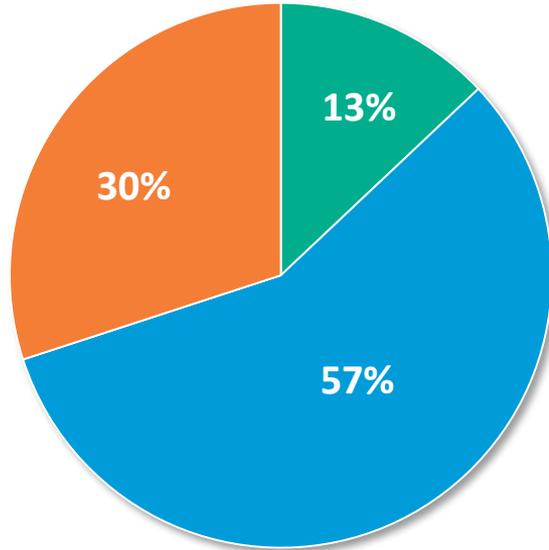
Culture • Entrepreneurial Business Model • Incentives

Corporate Culture



Significant Insider Ownership

AFG Shareholder Base
June 30, 2016



Individual
Investors

Institutional
Investors

Family, Executives
and Retirement Plan

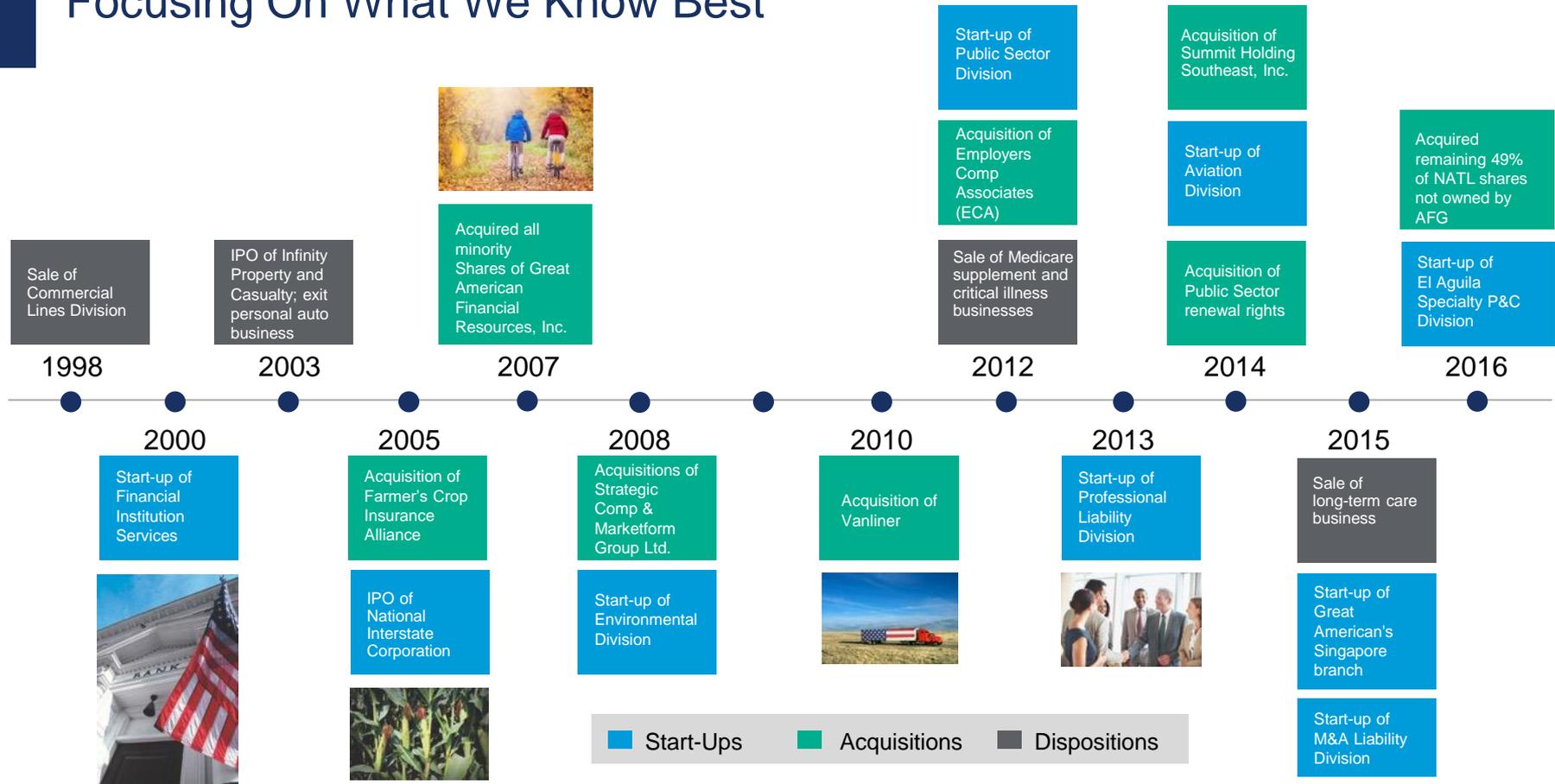
Significant ownership by management creates strong alignment of interests with shareholders over the long term

The Lindner Family formed AFG in 1959 and continue to be significant shareholders.

Ownership Details

- Co-CEOs / family ~ 25%
- Executives and Retirement Plan ~ 5%

Focusing On What We Know Best



Intelligent Use of Excess Capital

2016 Capital Management

- Increased ordinary dividend by 12%
 - 11th consecutive annual dividend increase
 - five year CAGR in dividends ~ 12%
- Declared \$1.00 special dividend, payable in December 2016
- \$124 million in share repurchases, year-to-date through 9/30/2016 (\$69.11 per share average)
- 4.2 million shares remaining in repurchase authorization as of 11/01/16
- Excess capital at 9/30/2016 – \$1.1 billion
- National Interstate transaction and special dividend will deploy ~\$400 million of excess capital by year-end 2016

Capital Returned to Shareholders Five Years Ended 12/31/2015 (in millions)

Total Repurchases	\$ 1,116
Dividends Paid	<u>668</u>
Total	<u><u>\$ 1,785</u></u>



\$1.8 Billion Returned to Shareholders

Compounded Shareholder Return

As of September 30, 2016

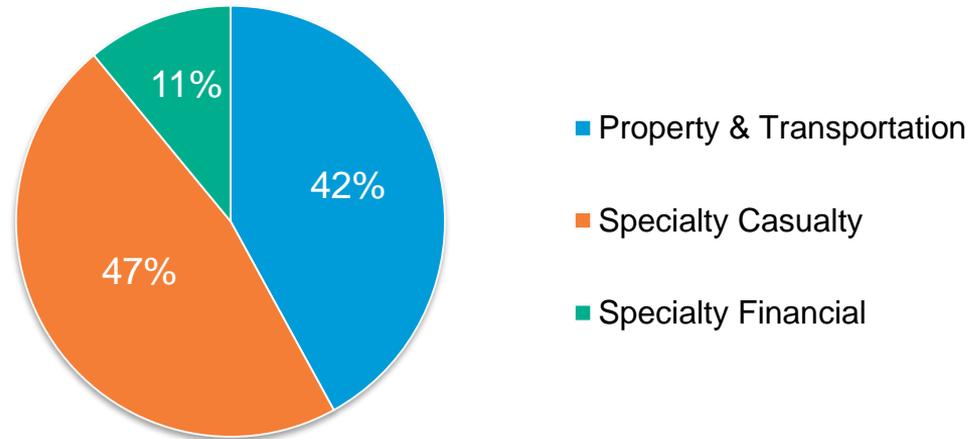
	<u>5 Years</u>	<u>10 Years</u>
AFG	22.6%	11.7%
S&P 500 Property & Casualty Insurance Index	20.3%	6.0%
S&P 500 Life & Health Insurance Index	16.5%	2.8%
S&P Midcap Insurance	21.2%	8.7%
S&P 500	16.3%	7.2%

Price appreciation plus dividends through 9/30/16.
Source: Bloomberg

Specialty Property & Casualty Premium

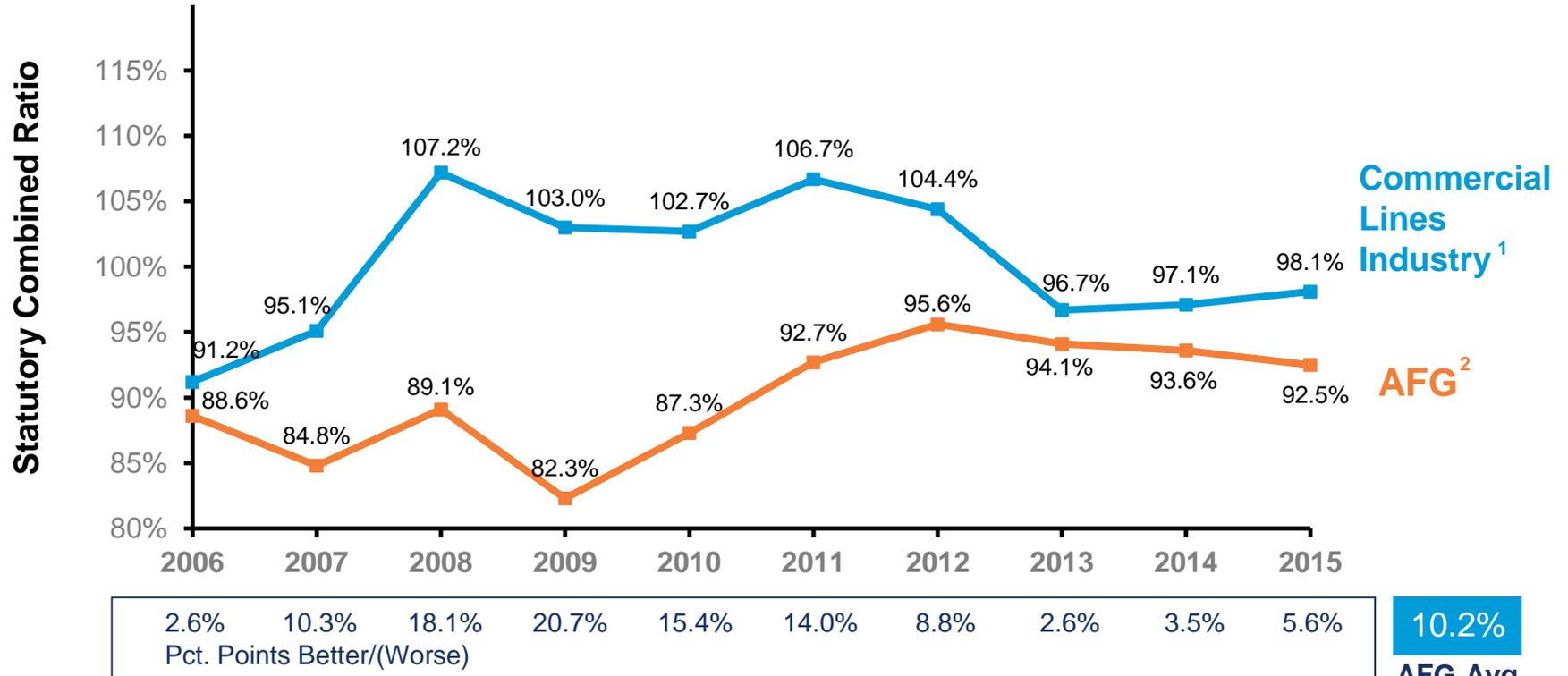
Low correlation • Low coastal exposure

2015 Gross Written
Premiums – \$5.8 Billion



Over 60% of P&C Group GWP produced by businesses with “Top 10” market rankings including:
Crop • Equine • Executive Liability • Fidelity/Crime • FL Workers Comp • Non-Profit/Social Services •
Passenger Transportation • Surety • Trade Credit • Trucking

Superior Underwriting Talent



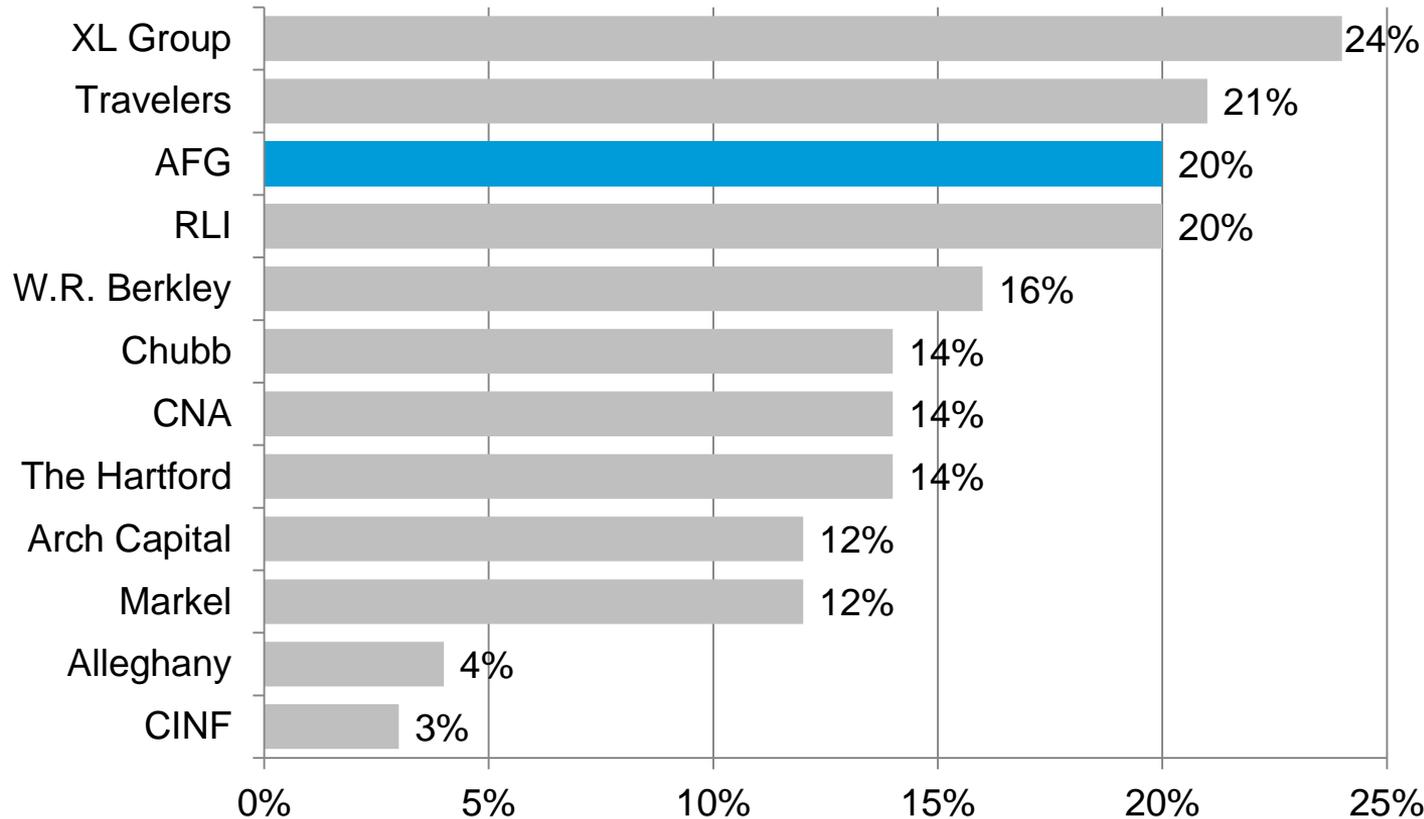
¹ Commercial Lines Industry based on data from A.M. Best's U.S. Property/Casualty Review & Preview – February 2016.

² American Financial Group Form 10K filings.

Strong Alignment Creates Superior Underwriting Results

- Unique incentive programs for P&C Group based on underwriting profitability
- Annual awards
 - Based on AY COR targets derived from ROE requirements
 - Paid over 2-3 years
 - No rewards for volume unless COR targets are met
 - Claw back feature
- Long-term Incentive Compensation (LTIC) Plan
 - Five year measurement period based on AY COR targets derived from ROE requirements
 - Paid out over the following 4-5 years
- Business unit executives are held accountable for COR performance, not investment performance
- Attract, retain and reward key operating unit executives & officers

Pre-Tax Property & Casualty Returns 2011 - 2015



Source: Dowling & Partners

Fitch Top Performers (of 35 Largest Property & Casualty groups)¹ Five-Year Performance 2011 - 2015

Assurant Group	#1
Chubb (Federal Insurance Company)	#2
American Financial Group, Inc.	#3
Travelers Companies, Inc.	#4
Berkshire (National Indemnity Company)	#5
Progressive Insurance Group	#6
Munich Reinsurance America, Inc.	#7
Markel and Affiliates	#8
W.R. Berkley	#9
Cincinnati Insurance Group	#10
Old Republic General Ins. Group - U.S.	#11
Tokio Marine Group	#12
Zurich American Insurance Company	#13
FM Global (Factory Mutual Ins. Co.)	#14
Allstate Insurance Group	#15

Top Performers 2011 – 2015:

“Assurant, Inc., The Chubb Corporation, and American Financial Group, Inc. reported the strongest long-term statutory operating performance for U.S. insurance operations based on these weighted measures* from a group of the 35 largest property/casualty insurance groups based on 2015 net written premiums. This group represents nearly three quarters of the total net written premium of the P/C insurance industry.”

*Five Key Measures Evaluated

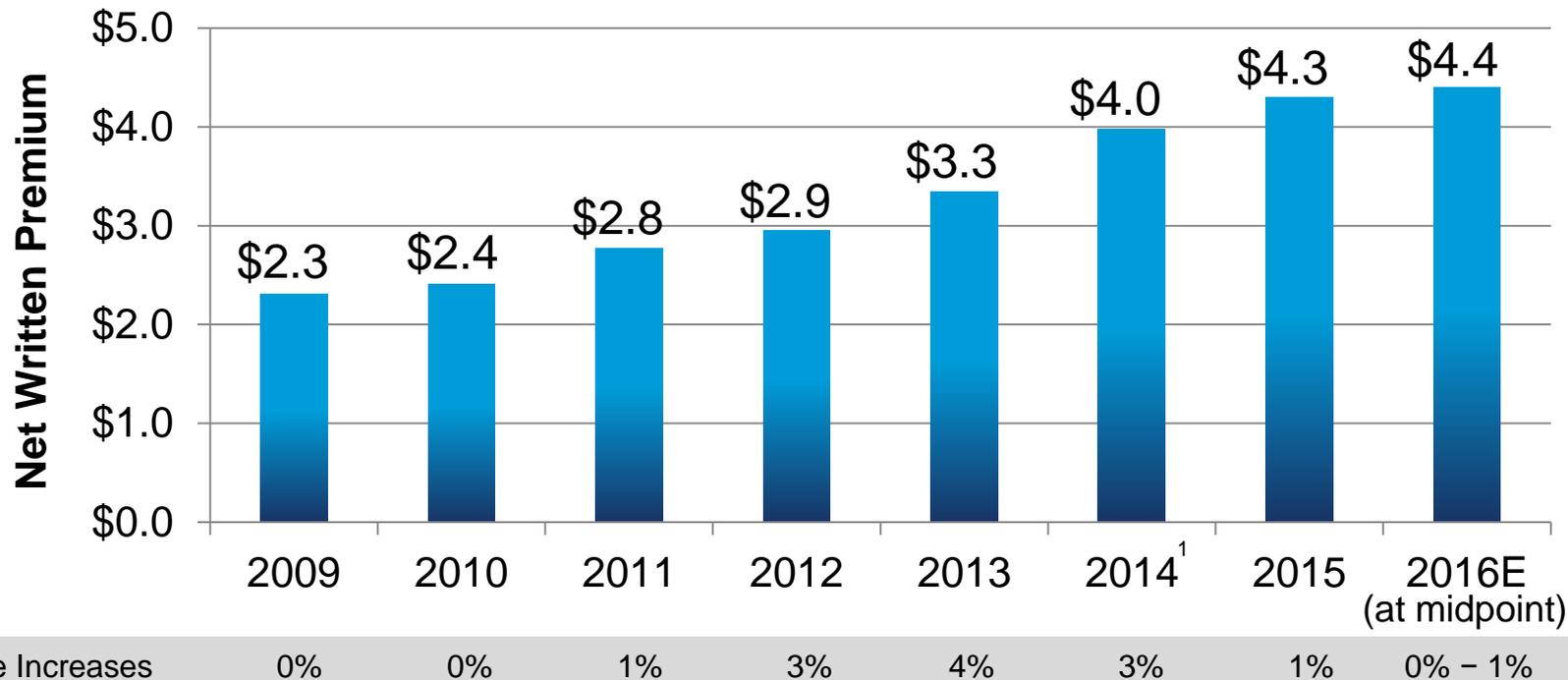
- underwriting margin
- operating cash flow ratio
- return on assets
- return on surplus
- internal capital formation

¹ “Statutory Performance Rankings – U.S. Property/Casualty Insurers: Best Performers Succeed Despite Cyclical Changes.” Source: Fitch Ratings Special Report issued September 14, 2016.

Specialty Property & Casualty Premium Growth

Dollars in billions

P&C Net Written Premium and Renewal Rates



¹ Includes Summit premiums for nine months.

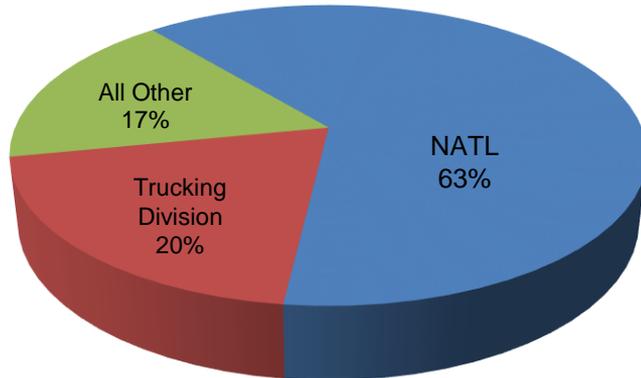
P&C Spotlight: Commercial Auto Insurance



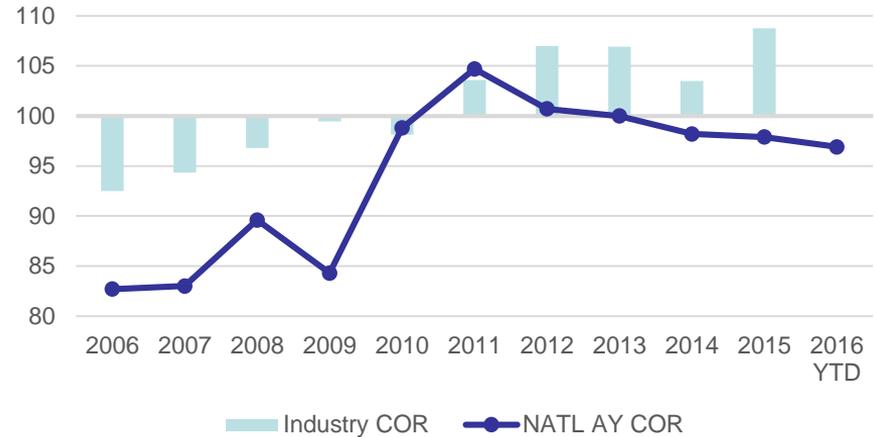
2015 Statutory Premium (\$ in millions)

	<u>AFG</u>	<u>Comm'l Auto</u>	<u>% of Total</u>
Direct Written Premium	\$ 5,418	\$ 505	9%
Net Written Premium	\$ 3,802	\$ 387	11%

AFG 2015 Statutory DWP Commercial Auto by Business Unit

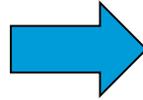


Industry and NATL COR



National Interstate Corporation: “Mile Markers”

1989 Initial NATL Investment: ~\$400,000



2016 Valuation of AFG’s NATL investment = \$332 Million
2016 NATL Market Cap: \$650 Million

NATL is incorporated in Ohio as a Passenger Transportation Insurer



Product Diversification: Recreational Vehicle, Hawaii Transportation & General Commercial, Passenger Transportation Captive Insurance Program

Initial Public Offering



Acquired 49% of NATL shares not owned by AFG



1989

1990's

2005

2016

2000's

2010

Great American purchases 51% of NATL



Continued Expansion: Personal Lines Products, Trucking, Truck & Passenger ART (Captive) Coverages Added to Existing Products



Acquisition of Vanliner (Moving & Storage)



P&C Spotlight: National Interstate

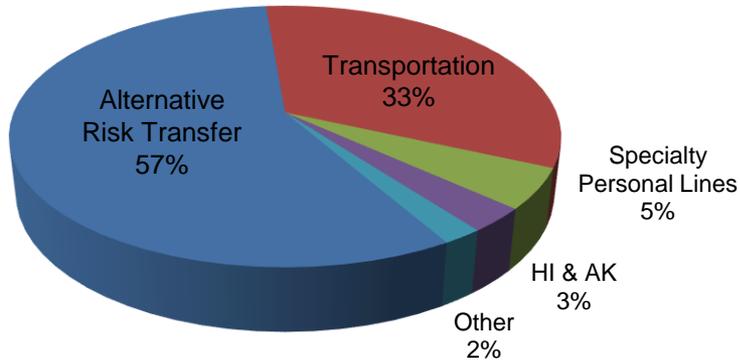


	<u>2016 YTD</u>	<u>2015</u>	<u>2014</u>
GWP	\$ 531M	\$ 727M	\$ 689M
NWP	\$ 432M	\$ 607M	\$ 575M
CY COR	96.8%	100.4%	103.9%



Full Time Employees: 750
Offices: Richfield, OH;
 St. Louis, MO; Kapolei, HI

2015 GWP Business Components



DESCRIPTIONS

Alternative Risk Transfer (ART):

- Leader in providing risk sharing alternatives to the passenger transportation, moving & storage, and trucking industries

Traditional Transportation:

- Leading writer for the passenger and moving & storage industries
- Growing provider for trucking niches

Specialty Personal Lines:

- Recreational vehicle and companion auto

Hawaii and Alaska:

- General commercial & transportation

Market Rank: One of the largest writers of insurance for the passenger transportation and moving and storage industries in the U.S.

Top Competitors: Lancer, RLI, Great West Casualty, Northland (Travelers), Sentry, Liberty Mutual, AIG, Progressive

P&C Spotlight: Trucking Division

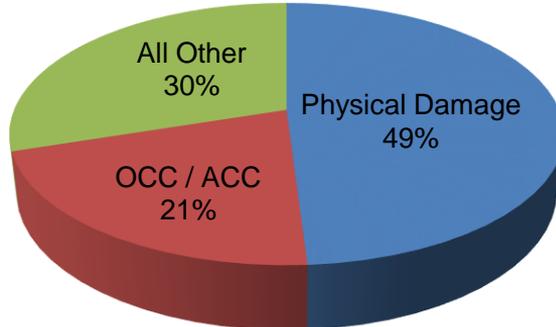


	<u>2016 YTD</u>	<u>2015</u>	<u>2014</u>
GWP	\$ 143M	\$ 186M	\$ 160M
NWP	\$ 138M	\$ 180M	\$ 155M
CY COR	82.6%	94.3%	92.6%



Offices: Cincinnati, OH;
Yardley, PA; Dallas, TX

Coverage as % of Net Earned Premium



Great American Insurance Group's Trucking Division is a leading provider of insurance products for the long-haul trucking industry, specializing in service to independent contractors, offering:

- Physical Damage
- OCC / ACC
- Non-Trucking Liability
- Contingent Liability



Market Rank: #1 Owner-Operator; #1 Writer of Leased-On Class 8 Owner-Operators

Top Competitors: Hudson, Great West Casualty, One Beacon, Zurich, Protective (Baldwin & Lyons)

Annuity Segment – Overview

- Significant transformation since 2009
- Record earnings, premiums and assets in 2015; record earnings in 3Q 2016
- Leader in its channels
- Consumer-centric business model has generated strong statutory earnings, resulting in excess capital and dividend paying capacity
- Emphasis on
 - appropriate pricing in challenging and changing environment (ROEs vs. premium growth)
 - expense discipline – invest wisely in people and infrastructure
 - growth in profitable premiums – a good use of AFG's excess capital

Annuity Segment – A Journey to Consumer-Centric

Consumer Friendly

Creating a portfolio of high-performing products and services that customers understand and agents find easy to sell

Product

Customer
Experience

Distribution

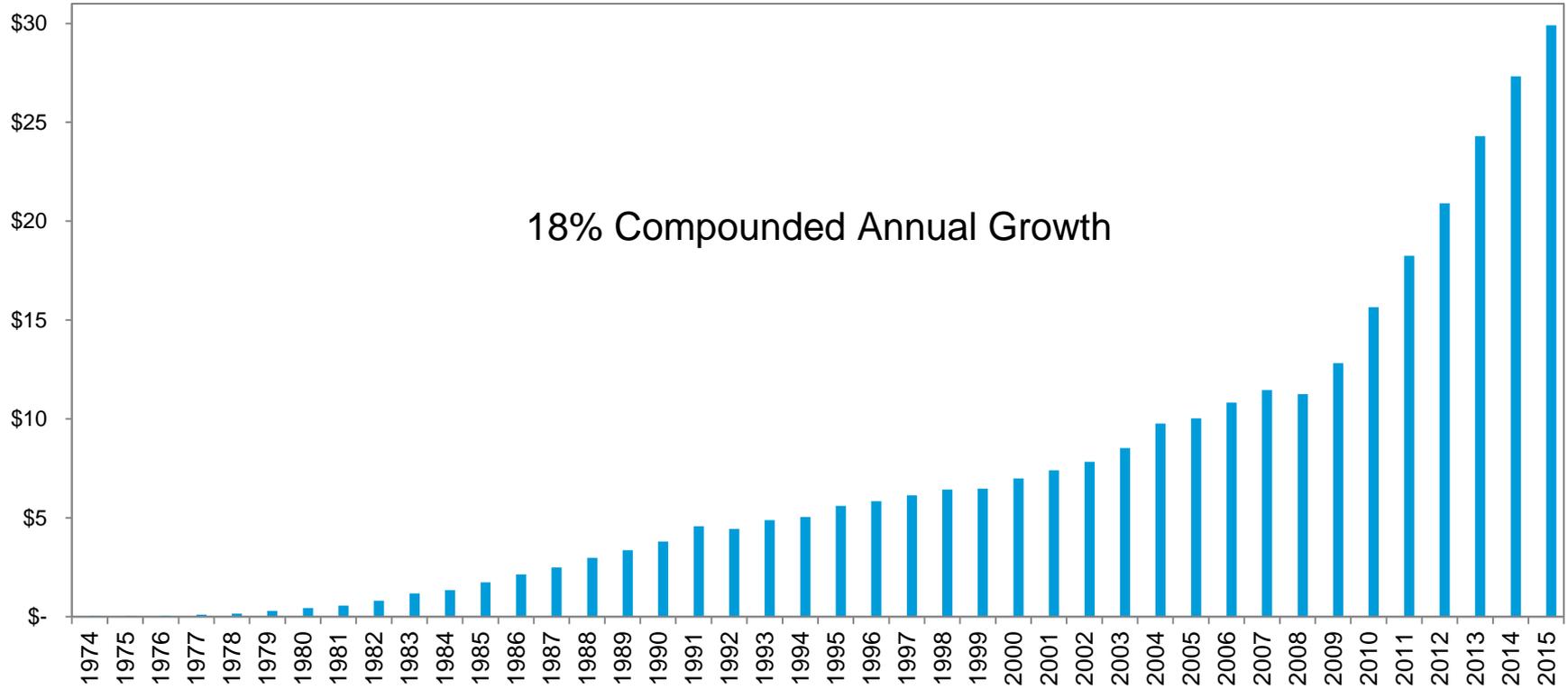
Employee Supported:
“We Make Simple Happen”

Annuity Segment – Strengths in the Marketplace

- American Money Management Corporation skills
- Ratings and ALIRT score
- Focus on fixed and indexed annuities only
- Long history in the industry and long-term agent relationships
- Consistent crediting rate strategy
- Reputation for simple, consumer-centric products
- Low cost structure

Growth in Annuity Segment Assets (GAAP)

Dollars in billions

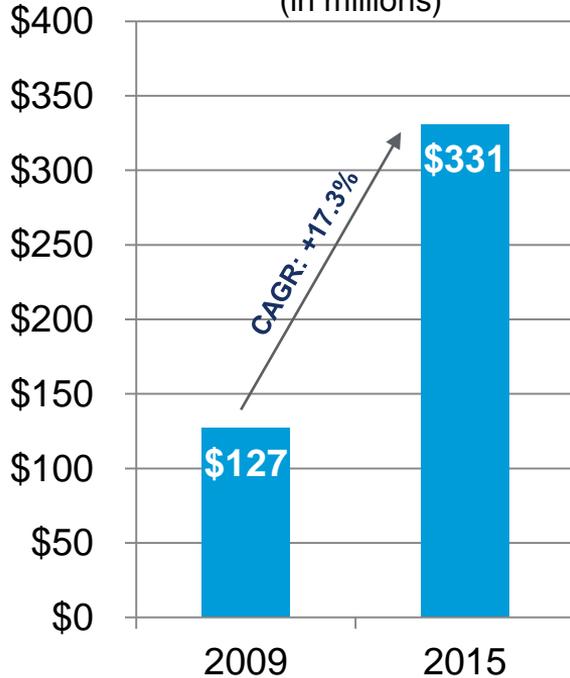


Annuity Segment – Significant Transformation Since 2009

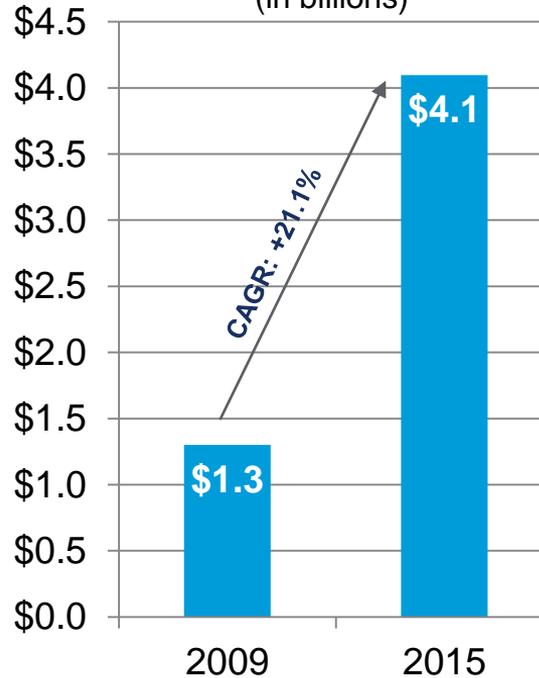
- Focus on core competency of fixed and fixed-indexed annuities and away from lines of business without critical mass or competitive advantage
- Nearly tripled earnings and premiums; more than doubled assets
- Reduced unit costs significantly
- Significantly improved ROEs
- Ratings
 - no downgrades during recession
 - upgrades by S&P and Moody's since recession

Annuity Segment – Significant Transformation Since 2009

Pretax Operating Earnings, as reported¹
(in millions)



Fixed and Fixed-Indexed Annuity Premiums
(in billions)



Annuity Assets
(in billions)



¹ After the impact of fair value accounting for FIAs.

Diversified Specialty Niche Insurance Businesses - Annuity



	Market Rank	Market Focus	Distribution
Fixed-Indexed	#3 Overall #1 In Financial Institutions	<ul style="list-style-type: none"> • Retail • Financial Institutions • Education (K-12) 	<ul style="list-style-type: none"> • 60 NMOs directing nearly 1,400 actively producing agents • Financial Institutions - Direct • Financial Institutions - Indirect
Fixed	#6 Overall #4 In Financial Institutions		
Variable	Never a Significant Issuer of Variable Annuities; Accommodation Product Only		

- Focus on fixed and fixed-indexed annuities makes use of core competency in fixed income investing
- Simple, easy to understand products
- Lower up-front commissions and bonuses, shorter surrender charge periods

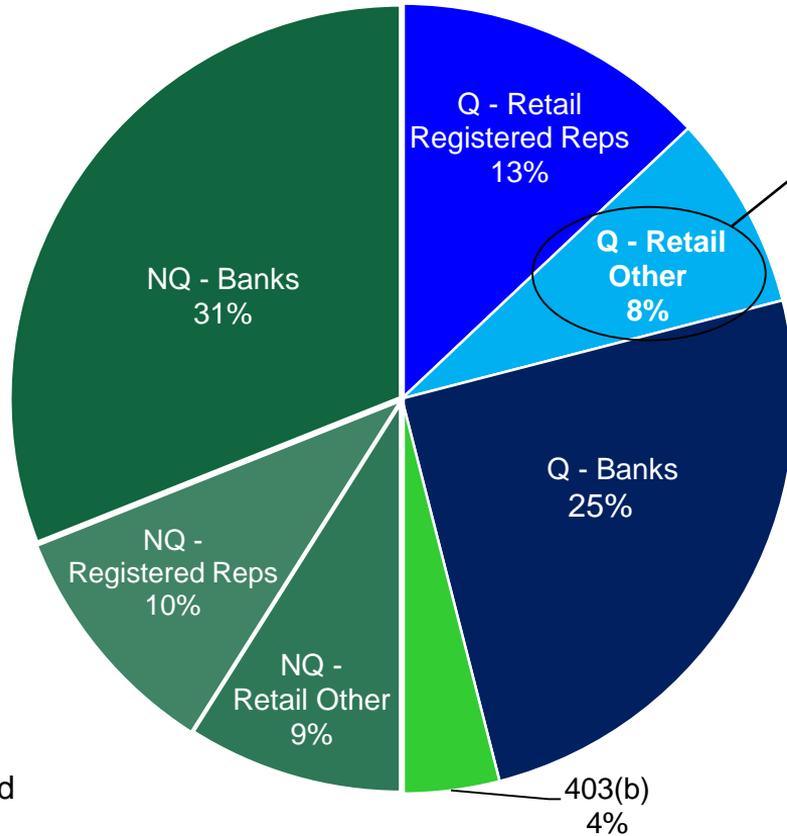


Department of Labor Proposal

- The Company continues to make product and process changes needed to comply with the Department of Labor (DOL) fiduciary rule adopted earlier this year.
 - Our goal is to minimize disruption resulting from the implementation of the rule in April 2017.
 - The Company is proceeding under the premise that the DOL rule will not be impacted by the pending litigation.
 - Most of our largest independent marketing organizations are making adjustments to their operations to provide a long-term solution to their need to have a Financial Institution sign the Best Interest agreement; a number of these entities have made application to the DOL to serve as a Financial Institution.
- AFG believes the biggest impact of the new rule will be on insurance-only licensed agents whose sales represented less than 10% of our third quarter premiums.
- While we continue to believe the adjustments required of us and our distribution partners to comply with the new DOL rule will have a negative impact on premiums next year, we do not believe the implementation of the rule will have a material impact on AFG.

Annuity Sales by Type

For three months ended September 30, 2016



Q = Qualified
NQ = Non-Qualified

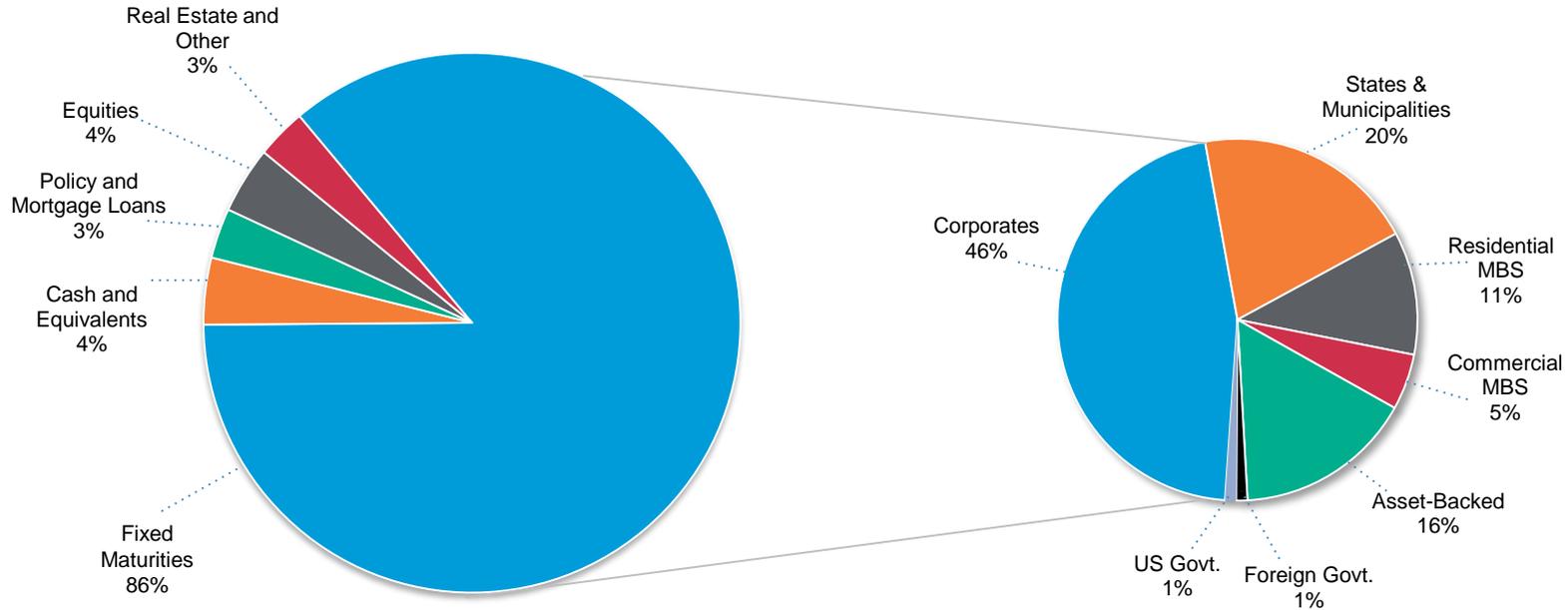
Most "at risk"
to DOL Proposal

IRA Sales by
Channel

AFG Investment Portfolio

As of September 30, 2016

Fixed Maturities Portfolio – 89% investment grade; 97% NAIC 1 & 2



Carrying Value – \$41.8 Billion

Investment Portfolio Information and Outperformance

	Property & Casualty	Annuity & Runoff
Approximate Average Duration – Fixed Maturities as of September 30, 2016	3.5 years	5.0 years
Annualized yield on available for sale fixed maturities		
Quarter ended 9/30/16:		
• Net of investment expenses ^(a)	3.84%	4.71%
• Tax equivalent, net of investment expenses ^(b)	4.32%	4.71%

^(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.

Fixed Income Annualized Total Return Eight Years Ended 12/31/15¹

AFG	6.6%
Benchmark: Blended Insurance Industry ²	<u>5.4%</u>
Outperformance	<u><u>1.2%</u></u>

≈ \$2.0 Billion Total Return Outperformance

¹ 2008-2015 time period captures the beginning of the global financial crisis.

² Source: SNL. Blended Insurance Industry returns reflect actual Life & Annuity and Property & Casualty industry returns weighted by AFG's Annuity and P&C Groups' relative assets.

Financial Highlights

Dollars in millions, except per share amounts

	Nine Months Ended September 30,	
	<u>2016</u>	<u>2015</u>
• Results of Operations:		
– Core net operating earnings	\$ 358	\$ 350
– Core net operating earnings per share	\$ 4.04	\$ 3.92
– Average number of diluted shares	88.4	89.4
	Sept. 30,	Dec. 31,
• Book Value per Share:	<u>2016</u>	<u>2015</u>
– Excluding unrealized gains (losses) on fixed maturities	\$ 51.73	\$ 49.33
– Tangible, unrealized gains (losses) on fixed maturities	\$ 48.94	\$ 46.49
• Capital Adequacy, Financial Condition and Liquidity:		
– Maintained capital at levels that support operations; in excess of amounts required for rating levels		
– Excess capital of approximately \$1.1 billion at September 30, 2016, including parent cash of approximately \$170 million.		

Specialty Property & Casualty Businesses

Dollars in millions

	Net Written Premiums			
	<u>2014</u>	<u>2015</u>	<u>9/30/16 YTD</u>	<u>2016E</u>
Specialty Property & Transportation	\$ 1,566	\$ 1,636	\$ 1,278	0% – 3%
Specialty Casualty	\$ 1,864 ¹	\$ 2,052	\$ 1,526	(3%) – 0%
Specialty Financial	\$ 488	\$ 540	\$ 418	5% – 8%
Other Specialty	\$ 102	\$ 99	\$ 81	n/a
Total Specialty	<u>\$ 4,020</u> ¹	<u>\$ 4,327</u>	<u>\$ 3,303</u>	0% – 2%

¹ Includes nine months of Summit premiums.

Specialty Property & Casualty Businesses

	GAAP Combined Ratio			
	<u>2014</u>	<u>2015</u>	<u>9/30/16 YTD</u>	<u>2016E</u>
Specialty Property & Transportation	98.7%	96.9%	93.4%	90% – 93%
Specialty Casualty	92.3% ¹	92.7%	94.8%	95% – 97%
Specialty Financial	86.5%	83.1%	83.5%	83% – 86%
Other Specialty	83.4%	85.5%	89.4%	n/a
Total Specialty	93.9%¹	93.1%	92.7%	92% – 94%

¹ 2014 includes nine months of Summit results.

Annuity Segment

Dollars in millions, unless otherwise noted

	<u>2014</u>	<u>2015</u>	<u>9/30/16 YTD</u>	<u>2016E</u>
Annuity Premiums	\$ 3,696	\$ 4,140	\$ 3,324	\$4.1 to \$4.2 billion
Average Fixed Annuity Investments	\$ 22,391	\$ 25,174	\$ 27,899	12% growth
Average Fixed Annuity Reserves	\$ 22,119	\$ 24,898	\$ 27,778	13% growth
Pretax Operating Earnings (before impact of fair value accounting)	\$ 362 ²	\$ 354	\$ 292	\$377 - \$387
Pretax Operating Earnings, As Reported ¹	\$ 328 ^{2,3}	\$ 331 ⁵	\$ 236	\$310 - \$345
Net Spread Earned ⁴ (before impact of fair value accounting)	1.56%	1.35%	1.37%	1.32% - 1.35%
Net Spread Earned ¹	1.41%	1.26%	1.10%	1.08% - 1.20%

¹ After the impact of fair value accounting related to FIAs.

² Amounts shown include exceptionally strong investment results and a favorable impact from lower than expected surrenders.

³ The decrease in interest rates in 2014 had an unfavorable impact on earnings due to fair value accounting for FIAs.

⁴ Calculated as Net Spread Earned excluding the impact of fair value accounting for FIAs, offset by the estimated related adjustments to amortization of deferred sales inducements and deferred policy acquisition costs.

⁵ The decrease in the stock market and interest rates had an unfavorable impact on earnings due to fair value accounting for FIAs.

2016 Outlook – AFG

AFG Core Earnings Guidance \$5.55 – \$5.75 per share

	<u>NWP Growth</u>	<u>Combined Ratio</u>
Specialty P&C Group Overall	0% – 2%	92% – 94%
<u>Business Groups:</u>		
Property & Transportation	0% – 3%	90% – 93%
Specialty Casualty	(3%) – 0%	95% – 97%
Specialty Financial	5% – 8%	83% – 86%

P&C average renewal rates flat to up 1%

P&C investment income approximately 9% higher than 2015

Annuity Segment:

- Full year core pretax operating earnings before impact of fair value accounting for FIAs, \$377 million to \$387 million
- Full year core pretax operating earnings, as reported, \$310 million to \$345 million
- Full year annuity premiums \$4.1 billion to \$4.2 billion

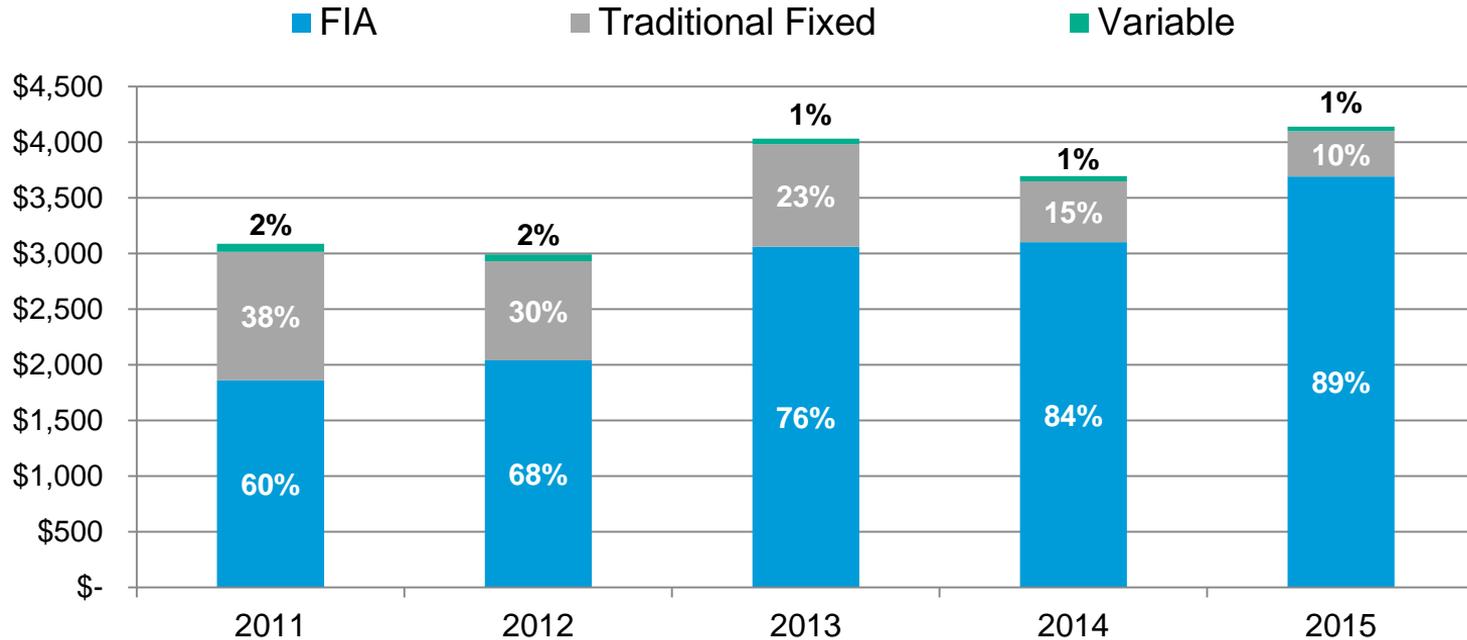
Snapshot of Current AFG Annuity Segment Sales

- Target market = middle and mass affluent baby boomers (not high wealth clients)
- Average single premium policy size ~\$100,000
- Nearly 90% of 2015 sales are FIA
- About 50% of 2015 sales are qualified / IRA
- Almost 25% of new FIA premiums have riders
- More than 30% of sales have some form of "non-heaped" commissions
- Each product is priced to its own risk-adjusted return target. Our target return is approximately 11% - 13%.

Annuity Product Snapshot

Dollars in millions

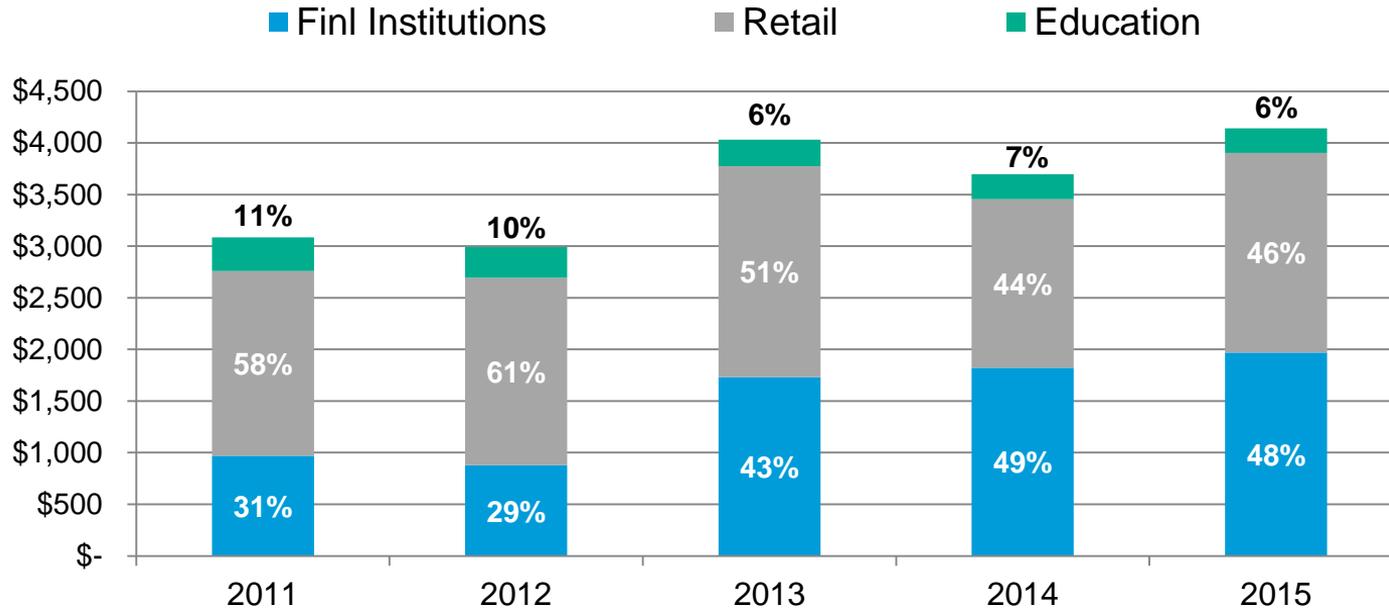
Premiums by Product Line



Annuity Product Snapshot (continued)

Dollars in millions

Premiums by Distribution Channel



Annuity Product Snapshot (continued)

Dollars in millions

Premiums by Tax Qualification Type

