



## Press Release

**American Financial Group, Inc. Announces the Offering of \$300 Million of Senior Notes**

CINCINNATI – August 15, 2016 – American Financial Group, Inc. (NYSE: AFG) announced today the registered offering of \$300 million of 3.50% Senior Notes due August 15, 2026. The Notes were priced at 99.608% of their principal amount. The company plans to use the net proceeds from the issuance of the Notes to fund a portion of the purchase price to acquire all shares of National Interstate Corporation common stock that are not currently owned by its wholly-owned subsidiary, Great American Insurance Company in a merger transaction expected to close in the fourth quarter of 2016. The aggregate consideration to acquire the National Interstate shares will be approximately \$320 million, which includes a \$0.50 per share special cash dividend payable to National Interstate shareholders immediately prior to the effective time of the merger. The transaction remains subject to the approval of shareholders holding a majority of the shares of National Interstate not owned by AFG or its affiliates, and other customary closing conditions. The closing of the offering of the Notes, which is not conditioned on the consummation of the merger, is expected to occur on August 22, 2016, and is subject to customary closing conditions. J.P. Morgan Securities LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated and Wells Fargo Securities, LLC are acting as joint book-running managers for the offering.

Nothing herein shall constitute an offer to sell or the solicitation of an offer to buy the Notes, nor shall there be any sale of the Notes in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to qualification under the securities laws of any such state or jurisdiction. The offering is being made pursuant to an effective shelf registration filed with the Securities and Exchange Commission ("SEC") on March 2, 2015. A prospectus and prospectus supplement related to this offering have been filed with the SEC.

Copies of the prospectus and related prospectus supplement may be obtained at no cost by visiting the SEC website at <http://www.sec.gov>. Alternatively, copies or information concerning this offering may be obtained by contacting the joint book-runners: J.P. Morgan Securities LLC at Attn: Investment Grade Syndicate Desk, at 1-212-834-4533, Merrill Lynch, Pierce, Fenner & Smith Incorporated at 1-800-294-1322 or Wells Fargo Securities, LLC at 1-800-645-3751.

**About American Financial Group, Inc.**

American Financial Group is an insurance holding company, based in Cincinnati, Ohio with assets over \$50 billion. 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 fixed and fixed-indexed annuities in the retail, financial institutions and education 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; AFG's ability to estimate accurately the likelihood, magnitude and timing of any losses in connection with investments in the non-agency residential mortgage market; 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; the possibility that the proposal to acquire all shares of National Interstate Corporation that are not currently owned by AFG's wholly-owned subsidiary, Great American Insurance Company is not consummated; regulatory actions (including changes in statutory accounting rules); 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 civil unrest and other major losses; 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, mortality and morbidity; 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 our operating subsidiaries; the impact of the conditions in the international financial markets and the global economy (including those associated with the United Kingdom's expected withdrawal from the European Union, or "Brexit") relating to our international operations; and other factors identified in our 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.

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Websites:

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