



**Annual Meeting of Shareholders
May 23, 2017**

Building Long-Term Value for AFG Shareholders

Superior
Underwriting
Results

Superior
Investment
Talent

Intelligent
Deployment
of Capital

VALUE
CREATION

Culture • Entrepreneurial Business Model • Incentives

Our Corporate Values



Insurance Businesses

P&C			Annuity
Property & Transportation	Specialty Casualty	Specialty Financial	
			
<ul style="list-style-type: none">• Inland and Ocean Marine• Agricultural-Related• Aviation• Commercial Automobile (buses, trucks)	<ul style="list-style-type: none">• Executive and Professional Liability• Umbrella and Excess Liability• Excess and Surplus• General Liability• M&A Liability• Targeted Programs• Workers' Compensation	<ul style="list-style-type: none">• Fidelity / Crime• Surety• Lease and Loan Services• Financial Institution Services	<ul style="list-style-type: none">• Fixed and Fixed-Indexed Annuities• Sold in retail, financial institutions and educational markets

\$43 Billion Investment Portfolio Managed In-House

Market Leadership and Financial Strength

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

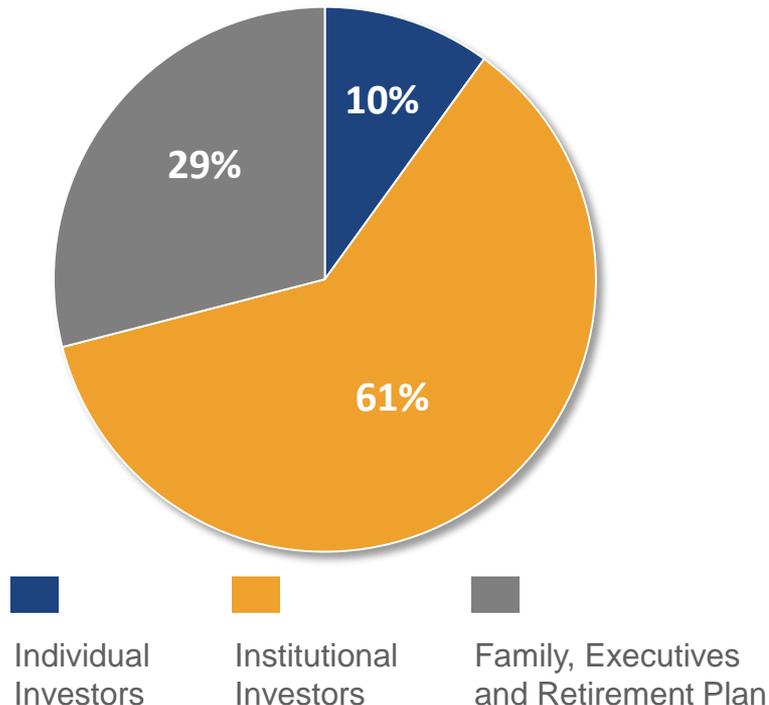
Financial Strength

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



Management and Board Ownership

AFG Shareholder Base
March 31, 2017



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 = 4%

2016 Highlights

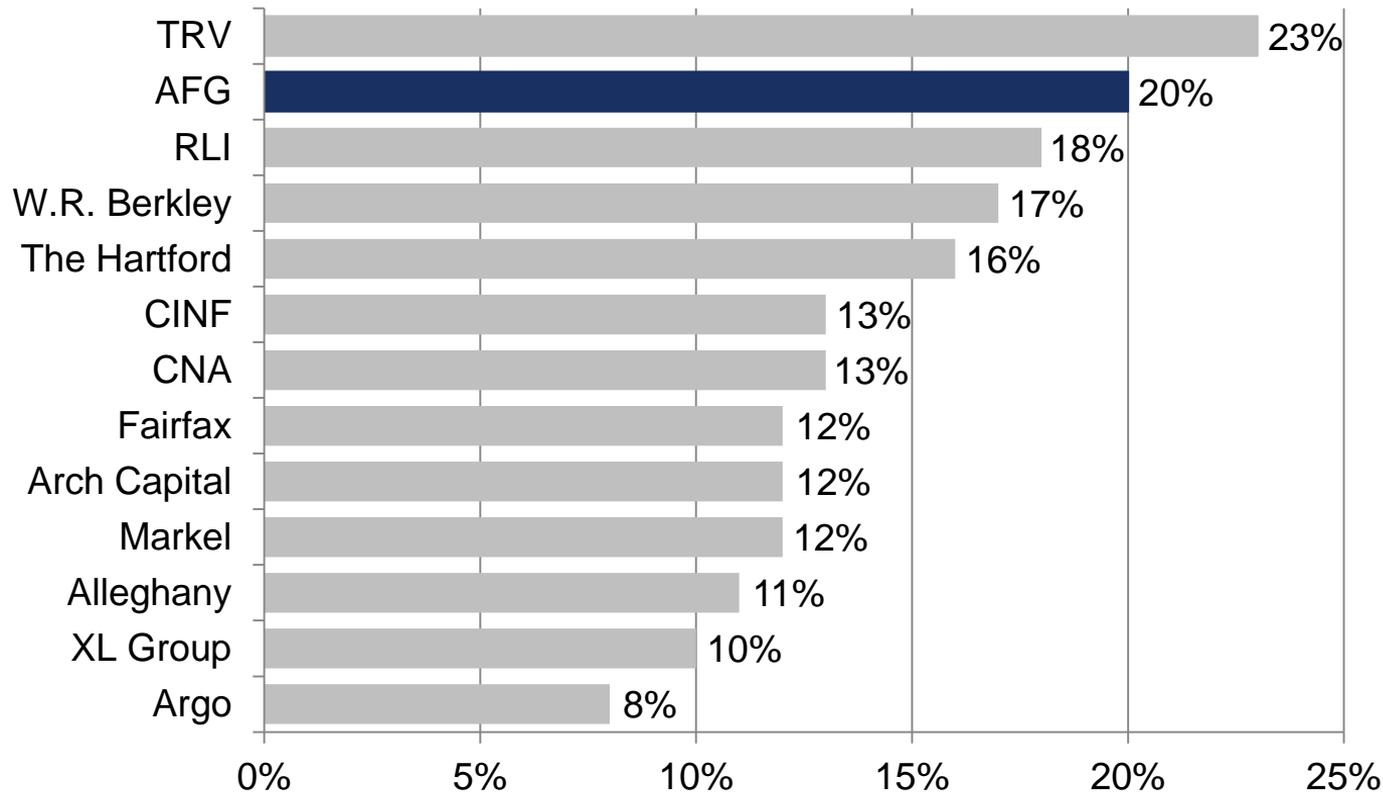
- **Full Year Results set new records for AFG earnings**
 - record net earnings of \$7.33 per share; ROE 14.8%
 - record core net operating earnings per share of \$6.03; core ROE 12.2%
- **Five Year Compounded Growth in Adjusted Book Value Plus Dividends of 10%**
- **Superior Underwriting and Operating Results**
 - 11% YOY growth in pretax operating earnings in our P&C Insurance Segment
 - record \$368 million in pretax operating earnings in our Annuity Segment
 - \$4.4 billion in annuity premiums; highest in the Company's history
- **Superior Investment Results**
 - for the nine years ended 12/31/16, approximately \$2 billion total return outperformance in our fixed income portfolio
- **Returned \$320 million of capital to shareholders in 2016**
- **Completed merger with National Interstate in November 2016, deploying ~ \$320 million in excess capital**

2017 First Quarter Highlights

- **Record Core Earnings**
 - core net operating earnings of \$1.69 per share, an increase of 35% from 1Q16
 - annualized core operating ROE 13.1%
- **Record Net Earnings**
 - net earnings of \$1.72 per diluted share, an increase of 51% from 1Q16
 - includes \$0.03 per share in after-tax net realized gains on securities
- **Confidence in our Financial Strength and our Future:**
 - announced special cash dividend of \$1.50 per share, payable 5/25/17
- **Growth in adjusted book value per share + dividends of \$2.18 per share, or 4%, during the quarter**



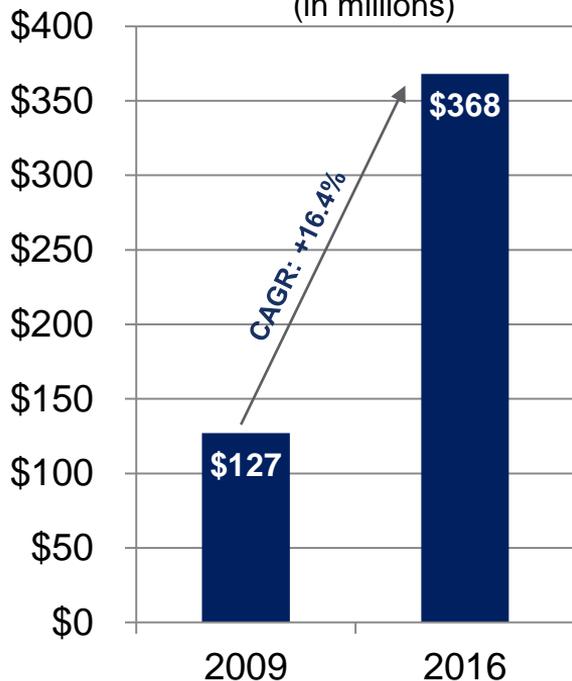
Pretax Property & Casualty Returns 2012 - 2016



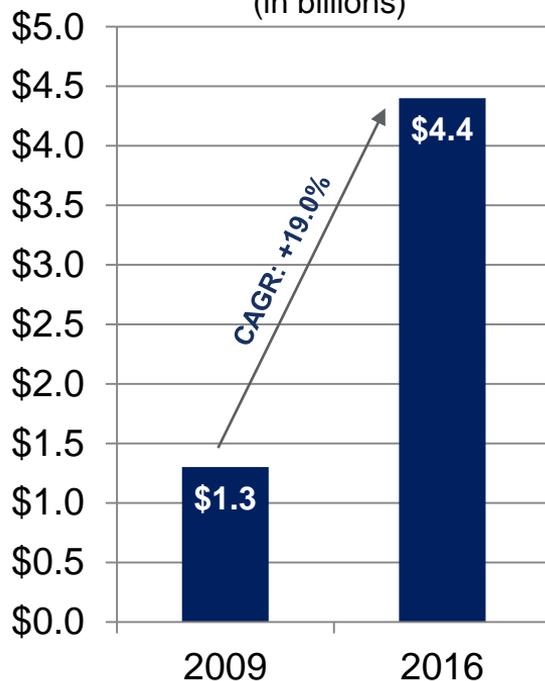
Source: Dowling & Partners

Growth in Annuity Earnings, Premiums and Assets

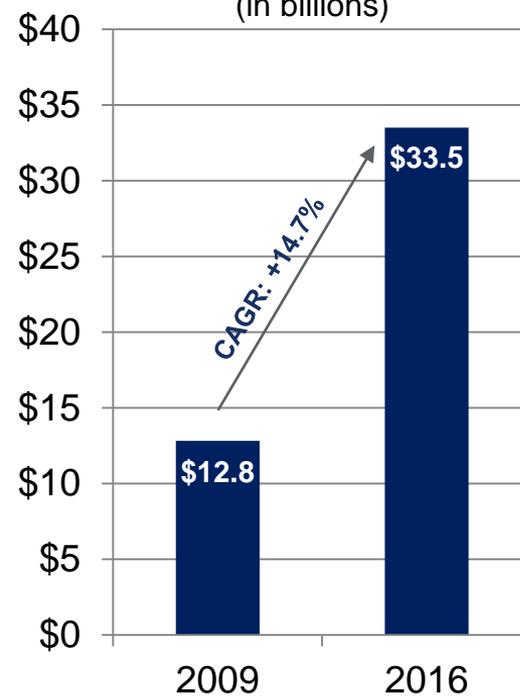
**Pretax Operating Earnings,
as reported¹**
(in millions)



**Fixed and Fixed-Indexed
Annuity Premiums**
(in billions)

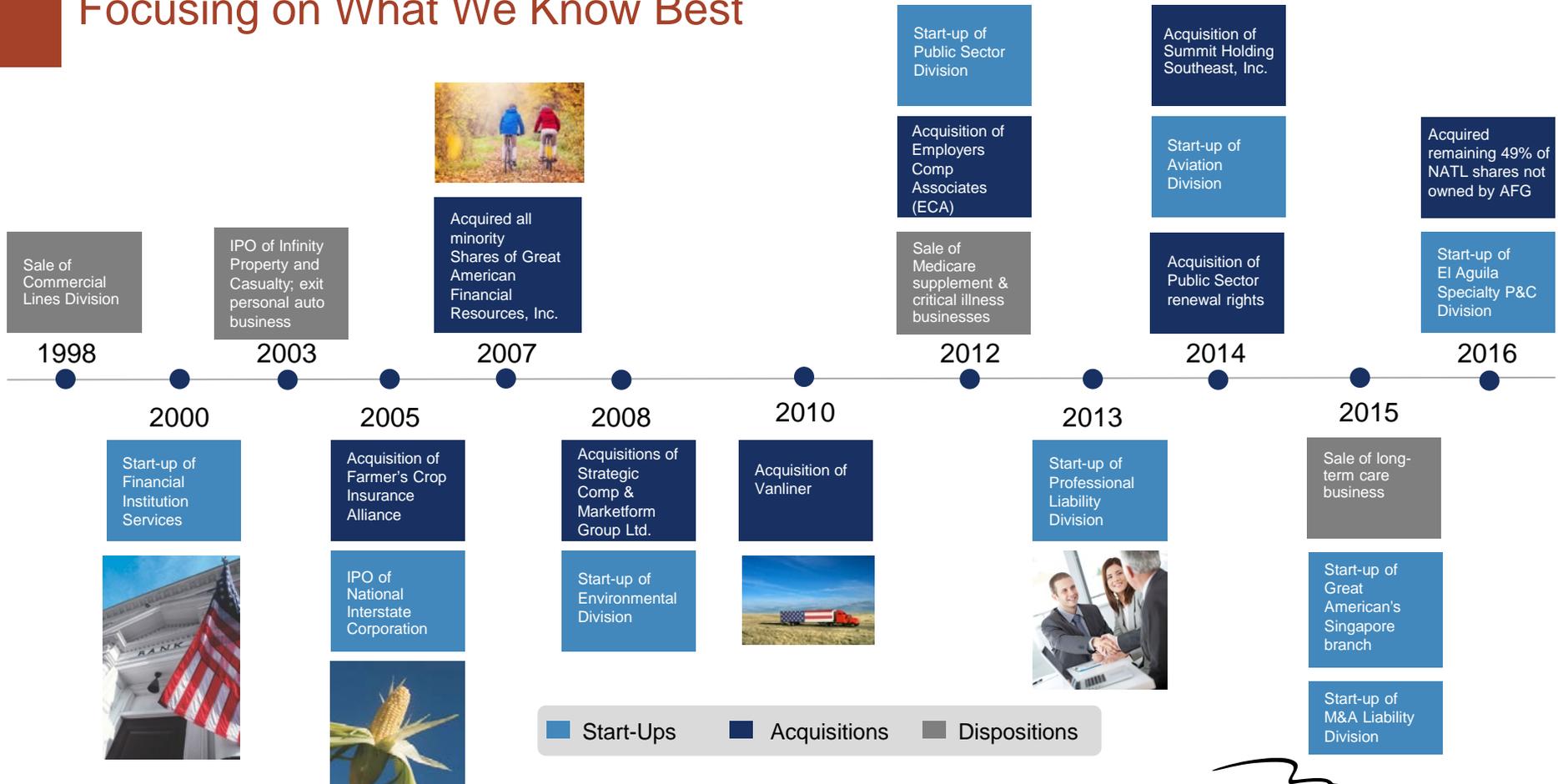


**Annuity
Assets**
(in billions)



¹ After the impact of fair value accounting for FIAs.

Focusing on What We Know Best



■ Start-Ups
 ■ Acquisitions
 ■ Dispositions

Intelligent Use of Excess Capital

2016 Capital Management

- Increased ordinary dividend by 12%
 - 11th consecutive annual dividend increase
 - five year CAGR in dividends ~ 12%
- Paid \$1.00 special dividend in December 2016
- \$133 million in share repurchases (\$69.47 per share average)

2017 Capital Management

- Declared a special dividend of \$1.50 per share payable 5/25/2017
- Excess capital at 3/31/2017 – \$1.1 billion
- 4.1 million shares remaining in repurchase authorization as of 2/1/2017

Capital Returned to Shareholders Five Years Ended 12/31/2016 (in millions)

Total Repurchases	\$ 935
Dividends Paid	<u>786</u>
Total	<u><u>\$ 1,721</u></u>



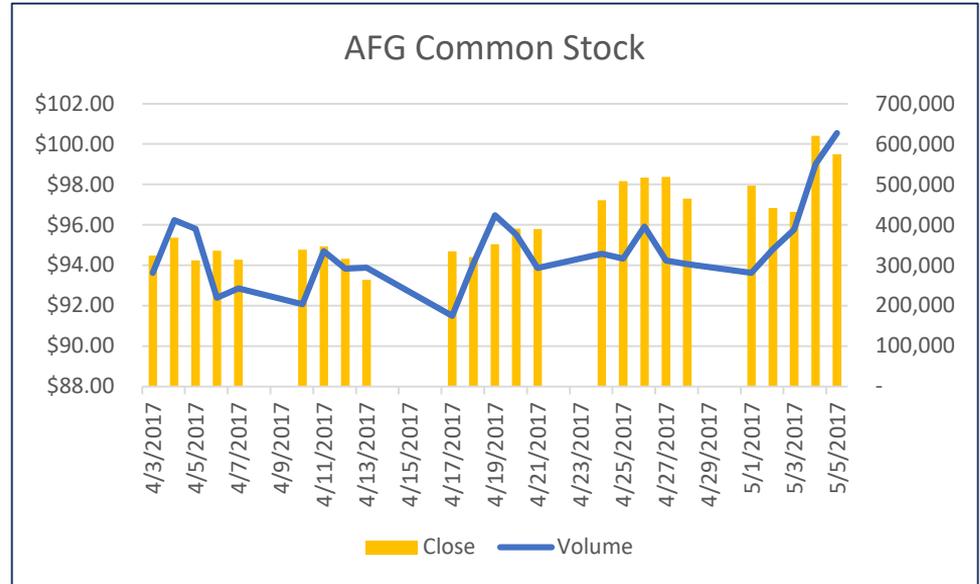
\$1.7 Billion Returned to Shareholders

Record Stock Price

On May 4, 2017, for the first time in AFG's history, our common stock closed above \$100.00, at \$100.40 per share.

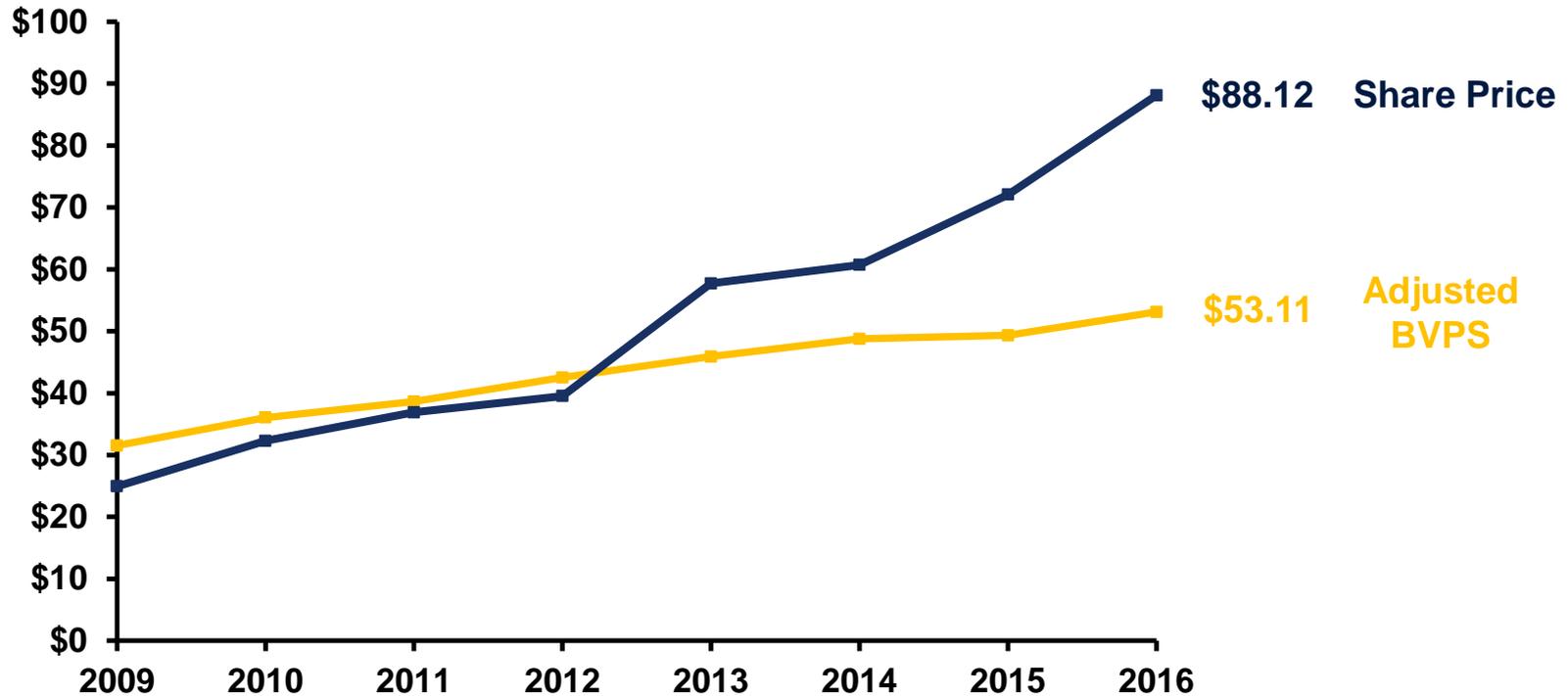


AFG
LISTED
NYSE



Growth in Book Value and Share Price

Year Ended December 31



Compounded Shareholder Return

As of March 31, 2017

	<u>5 Years</u>	<u>10 Years</u>
AFG	23.4%	13.6%
S&P 500 Property & Casualty Insurance Index	18.9%	7.1%
S&P 500 Life & Health Insurance Index	13.8%	3.7%
S&P Midcap Insurance	19.7%	10.3%
S&P 500	13.3%	7.5%

Price appreciation plus dividends through 3/31/17.
Source: Bloomberg

AFG Core Earnings Guidance

\$6.20 – \$6.70 per share

Specialty P&C Group

- **Net Written Premium Growth 3% to 7%**
- **Combined Ratio 92% to 94%**

Annuity Segment

- **Full year pretax operating earnings (before impact of fair value accounting for FIAs), \$380 million to \$400 million**
- **Full year pretax operating earnings, as reported, \$375 million to \$395 million**
- **Full year annuity premiums flat to up 10% from \$4.4 billion reported in 2016**

Forward Looking Statement

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.



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