
American Financial Group, Inc.
Fixed Maturity Investment Portfolio

December 31, 2012 Earnings Release Supplement

Fixed Maturity Portfolio – AFG Consolidated

December 31, 2012

(\$ - in millions)

	Amortized		Unrealized	
	Cost	Fair Value	Gain/(Loss)	% Fair Value
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
US Government and government agencies	\$ 388	\$ 403	\$ 15	2%
States, municipalities and political subdivisions	4,173	4,497	324	18%
Foreign government	372	390	18	2%
Residential Mortgaged-backed securities	3,936	4,219	283	17%
Commercial Mortgaged-backed securities	2,596	2,931	335	12%
Corporate bonds				
Manufacturing	2,050	2,265	215	9%
Banks, lending and credit institutions	1,615	1,776	161	7%
Gas and electric services	1,268	1,447	179	6%
Insurance and insurance related	756	833	77	4%
Other corporate, including asset-backed	5,250	5,678	428	23%
	<u>\$ 22,404</u>	<u>\$ 24,439</u>	<u>\$ 2,035</u>	<u>100%</u>

AFG Fixed Maturity Portfolio – by Segment

December 31, 2012

(\$ - in millions)

Annuity and Supplemental Segment	Amortized	Fair Value	Unrealized	% Fair Value
	Cost		Gain/(Loss)	
US Government and government agencies	\$ 78	\$ 83	\$ 5	0%
States, municipalities and political subdivisions	2,056	2,250	194	12%
Foreign government	31	36	5	0%
Residential Mortgaged-backed securities	3,357	3,598	241	19%
Commercial Mortgaged-backed securities	2,253	2,560	307	13%
Corporate bonds	9,632	10,630	998	56%
	<u>\$ 17,407</u>	<u>\$ 19,157</u>	<u>\$ 1,750</u>	<u>100%</u>

Property and Casualty Segment	Amortized	Fair Value	Unrealized	% Fair Value
	Cost		Gain/(Loss)	
US Government and government agencies	\$ 310	\$ 320	\$ 10	6%
States, municipalities and political subdivisions	2,117	2,247	130	42%
Foreign government	341	354	13	7%
Residential Mortgaged-backed securities	579	613	34	12%
Commercial Mortgaged-backed securities	343	371	28	7%
Corporate bonds	1,307	1,369	62	26%
	<u>\$ 4,997</u>	<u>\$ 5,274</u>	<u>\$ 277</u>	<u>100%</u>

Mortgage-Backed Securities Portfolio – AFG Consolidated

December 31, 2012

(\$ - in millions)

<u>By Asset Type</u>	<u>Amortized Cost</u>	<u>Fair Value</u>		<u>Unrealized Gain/(Loss)</u>
		<u>Total</u>	<u>% of MBS Portfolio</u>	
Residential				
Agency	\$ 220	\$ 230	3%	\$ 10
Prime (Non-Agency)	2,215	2,405	34%	190
Alt-A	824	865	12%	41
Subprime	654	692	10%	38
Subtotal - Residential	3,913	4,192	59%	279
Commercial	2,596	2,931	41%	335
Other	23	27	0%	4
Total	<u>\$ 6,532</u>	<u>\$ 7,150</u>	<u>100%</u>	<u>\$ 618</u>

- Substantially all of AFG's MBS securities are either senior tranches of securitizations or collateralized by senior tranches of securitizations.
- The average amortized cost as a percent of par is – Prime 83%; Alt-A 75%; Subprime 81%; CMBS 99%.
- The average FICO score of our residential MBS securities is – Prime 735; Alt-A 714; Subprime 647.
- 99% of our Commercial MBS portfolio is investment-grade rated (83% AAA) and the average subordination for this group of assets is 37%.
- The approximate average life of the RMBS and CMBS portfolios is 4 years for each.

Mortgage-Backed Securities Portfolio – by Segment

December 31, 2012

(\$ - in millions)

Annuity and Supplemental Segment

<u>By Asset Type</u>	<u>Amortized Cost</u>	<u>Fair Value</u>			<u>Unrealized Gain/(Loss)</u>
		<u>Total</u>	<u>% of MBS Portfolio</u>	<u>% of Life Invest Port</u>	
Residential					
Agency	\$ 71	\$ 76	1%	0%	\$ 5
Prime (Non-Agency)	2,075	2,241	37%	11%	166
Alt-A	665	699	11%	3%	34
Subprime	527	560	9%	3%	33
Subtotal - Residential	3,338	3,576	58%	17%	238
Commercial	2,253	2,560	42%	12%	307
Other	19	22	0%	0%	3
Total	<u>\$ 5,610</u>	<u>\$ 6,158</u>	<u>100%</u>	<u>29%</u>	<u>\$ 548</u>

Property and Casualty Segment

<u>By Asset Type</u>	<u>Amortized Cost</u>	<u>Fair Value</u>			<u>Unrealized Gain/(Loss)</u>
		<u>Total</u>	<u>% of MBS Portfolio</u>	<u>% of P&C Invest Port</u>	
Residential					
Agency	\$ 149	\$ 154	16%	2%	\$ 5
Prime (Non-Agency)	140	156	16%	2%	16
Alt-A	159	166	17%	2%	7
Subprime	127	132	13%	2%	5
Subtotal - Residential	575	608	62%	8%	33
Commercial	343	371	38%	5%	28
Other	4	5	0%	0%	1
Total	<u>\$ 922</u>	<u>\$ 984</u>	<u>100%</u>	<u>13%</u>	<u>\$ 62</u>

Mortgage-Backed Securities Portfolio – AFG Consolidated

December 31, 2012

(\$ - in millions)

<u>By Credit Rating</u>	GAAP Data			
	<u>Amortized Cost</u>	<u>Fair Value</u>	<u>% of MBS Portfolio</u>	<u>Unrealized Gain/(Loss)</u>
Investment Grade				
AAA	\$ 2,853	\$ 3,179	45%	\$ 326
AA	541	583	8%	42
A	567	600	8%	33
BBB	270	290	4%	20
Subtotal - Investment Grade	4,231	4,652	65%	421
BB	372	375	5%	3
B	444	460	7%	16
Other	1,485	1,663	23%	178
Total	\$ 6,532	\$ 7,150	100%	\$ 618

If two agencies rate a security, the rating displayed above is the lower of the two; if three or more agencies rate a security, the rating displayed is the second low est.

<u>By NAIC Designation</u>	Statutory Data				
	<u>Carrying Value</u>	<u>% Carrying Value</u>	<u>Amortized Cost</u>	<u>Fair Value</u>	<u>Unrealized Gain/(Loss)</u>
1	\$ 6,095	94.5%	\$ 6,101	\$ 6,742	\$ 641
2	162	2.5%	162	161	(1)
	6,257	97.0%	6,263	6,903	640
3	81	1.3%	81	81	-
4	81	1.3%	81	83	2
5	20	0.3%	20	30	10
6	9	0.1%	9	34	25
Total	\$ 6,448	100.0%	\$ 6,454	\$ 7,131	\$ 677