



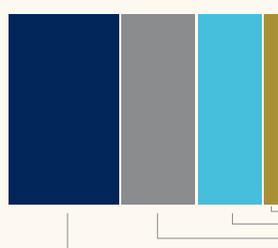
# 1Q19

## FIRST QUARTER 2019 HIGHLIGHTS

- Net earnings per share of \$3.63; includes \$1.61 per share in realized gains on securities
- Core net operating earnings of \$2.02 per share
- First quarter annualized ROE of 25.9%; core operating ROE of 14.5%
- Announced special cash dividend of \$1.50 per share, payable May 28, 2019
- Full year 2019 core net operating earnings guidance maintained at \$8.35 - \$8.85 per share

## STRENGTH, STABILITY AND POSSIBILITIES

We are proud of our market-leading specialty property and casualty insurance and annuity businesses. In 2018, over 55% of the P&C Group's gross written premium was produced by top 10-ranked businesses. Our annuity business has been consistently ranked in the top 10 overall and within the top three for sales of fixed-indexed annuities through financial institutions.



**\$5.4 Billion**

### ANNUITY OPERATIONS

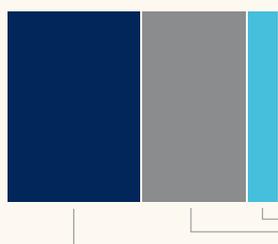
2018 Annuity Premiums

Financial Institutions **42%**

Retail **28%**

Broker-Dealer **24%**

Other **6%**



**\$6.8 Billion**

### SPECIALTY PROPERTY AND CASUALTY INSURANCE OPERATIONS

2018 Gross Written Premiums

Specialty Casualty **50%**

Property & Transportation **39%**

Specialty Financial **11%**

## FIRST QUARTER 2019 & 2018 AND YEAR END HIGHLIGHTS

Earnings	Three months ended Mar 31,	
	2019	2018
Core Net Operating Earnings	\$ 184	\$ 219
Core Net Operating Earnings Per Share	\$ 2.02	\$ 2.42
Net Earnings Attributable to Shareholders	\$ 329	\$ 145
Net Earnings Per Share (Diluted)	\$ 3.63	\$ 1.60

Insurance Premiums	Three months ended Mar 31,	
	2019	2018
Gross Written Premiums: Specialty P&C	\$ 1,535	\$ 1,458
Net Written Premiums: Specialty P&C	\$ 1,147	\$ 1,102
Statutory Premiums: Annuity	\$ 1,395	\$ 1,148

Book Value Per Share	Mar 31, 2019	Dec 31, 2018
Book Value Per Share	\$ 63.20	\$ 55.66
Book Value Per Share (excluding unrealized gains (losses) on fixed maturities)	\$ 58.02	\$ 54.86

AFG's overriding goal is to increase long-term shareholder value.

**EARNINGS PER SHARE** (For the year ended December 31)



AFG's Earnings per Share data for the years ended 2014-2018 is shown here. AFG believes that core net operating earnings is a useful measure for analysts and investors in considering ongoing operating trends for AFG.

**ADJUSTED BOOK VALUE PER SHARE**

As of December 31 (excluding appropriated retained earnings and net unrealized gains related to fixed maturity securities)



**OUR BUSINESS MODEL**

AFG's business model is founded on an entrepreneurial approach that allows local decision-making for underwriting, marketing, claims and policy servicing in each of its niche operations.

AFG's COR has been better than the industry average for 31 of the last 33 years.

## CAPITAL AND LIQUIDITY

In Millions	Mar 31, 2019	Dec 31, 2018
Total Assets	\$66,132	\$63,456
Statutory Surplus – P&C Group	3,041	2,867
Adjusted Capital – Annuity Subsidiaries (Policyholder Surplus + Asset Valuation Reserve)	3,035	3,015
Cash & Cash Equivalents	2,000	1,515
Ratio of debt to total adjusted capital <sup>A</sup>		
Including subordinated debt	21.7%	21.2%
Excluding subordinated debt	15.3%	16.4%

<sup>A</sup> The ratio is calculated by dividing the principal amount of AFG's long-term debt by its total capital, which includes long-term debt, noncontrolling interests and shareholders' equity (excluding unrealized gains (losses) on fixed maturity investments).

## P&C STATUTORY COMBINED RATIO



Industry Commercial Lines based on data from A.M. Best

Each business unit designs its own products, builds its own relationships and develops its own unique distribution strategies. Centralized business support and investment management functions provide a framework for success.



Great American Insurance Company is rated A+ (Superior) by A.M. Best Company and has maintained a financial strength rating of A (Excellent) or higher since 1908.



## RATINGS - PROPERTY & CASUALTY INSURANCE COMPANIES

	A.M. Best	Standard & Poor's	Moody's
Great American Insurance Company	A+ (Superior)	A+	A1
Mid-Continent Casualty Company	A+ (Superior)	A+	Not Rated
National Interstate Insurance Company	A+ (Superior)	Not Rated	Not Rated
Vanliner Insurance Company	A+ (Superior)	Not Rated	Not Rated
Republic Indemnity Company of America	A (Excellent)	A+	A3
Bridgefield Casualty Insurance Company	A (Excellent)	A+	Not Rated
Bridgefield Employers Insurance Company	A (Excellent)	A+	Not Rated
El Águila, Compañía de Seguros	A- (Excellent)	Not Rated	Not Rated
Neon Underwriting Limited <sup>1</sup>	A (Excellent)	A+	Not Rated
Great American International Insurance DAC	Not Rated	A+	Not Rated



Great American's P&C Group was selected as one of the Ward's 50<sup>®</sup> Top Performing Insurance Companies for 2018.

## RATINGS - ANNUITY COMPANIES

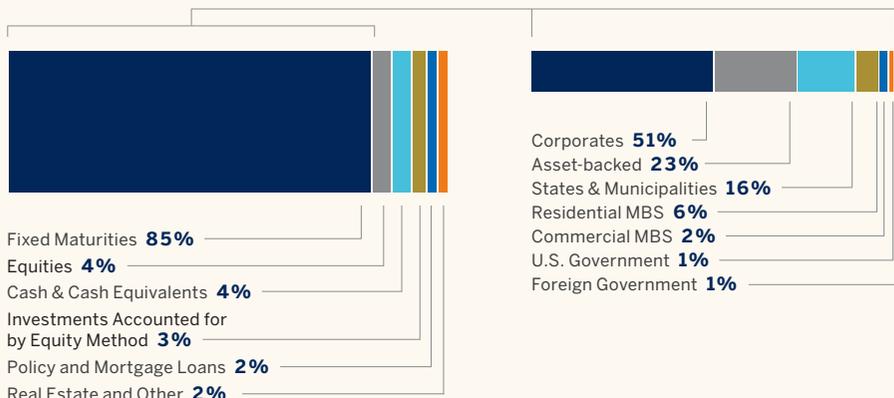
	A.M. Best	Standard & Poor's	Moody's
Great American Life Insurance Company	A (Excellent)	A+	A2
Annuity Investors Life Insurance Company	A (Excellent)	A+	Not Rated

<sup>1</sup>Ratings for Neon Underwriting are determined by the ratings of Lloyd's. See Lloyd's website for a discussion of these ratings.

Our investment philosophy is to focus on high-quality investments that maximize returns on a long-term basis, rather than focusing on short-term performance.

**INVESTMENT PORTFOLIO** *As of March 31, 2019*

**\$51.0 Billion**  
*(Carrying Value)*



*Approximately 91% of our fixed maturity investments are rated investment grade, and 98% have an NAIC designation of 1 or 2, the highest two levels.*

- Fixed income investments comprise 91% of the portfolio
- Fixed maturity portfolio is 91% investment grade (98% NAIC 1-2)
- Mortgage-backed securities portfolio is 50% investment grade (96% NAIC 1)

More information about our investment portfolio may be found in AFG's Investor Supplement posted on [www.AFGinc.com](http://www.AFGinc.com) under Investor Relations / Financial Information & SEC Filings.

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