American Financial Group Announces Completion Of Its Merger With American Financial Corporation

November 20, 2003

Cincinnati, Ohio - November 20, 2003 - American Financial Group, Inc. (NYSE: AFG) announced today that it has completed its merger with its subsidiary, American Financial Corporation ("AFC"). The merger significantly increases AFG shareholders' equity and simplifies the structure of the company and its subsidiaries.

Holders of over 75% of AFC's shares of Series J Preferred Stock, voting at a special meeting of AFC shareholders, voted to approve the merger. As a result, AFC and its immediate parent company, AFC Holding Company, merged with and into AFG. AFC's Series J Preferred shareholders are now entitled to receive $26.00 per share in common stock of AFG, along with a cash payment of 10½ cents per share representing accrued dividends on the Series J Preferred from November 1 to November 20, 2003. Cash will also be paid in lieu of fractional shares of AFG common stock. The exchange rate is 1.1434 shares of AFG common stock for each share of AFC Series J Preferred.

Letter of transmittal forms are being sent to all record holders of Series J preferred stock today. Shareholders are asked to complete and return the forms to the Company along with the certificate(s) representing their shares.

In the merger, approximately $72 million of AFC preferred stock was converted into approximately 3.3 million shares of AFG common stock. As previously reported, the conversion of AFC preferred stock to AFG common equity and the elimination of deferred tax liabilities associated with AFC's holding of AFG stock, will result in a 12% to 15% increase in AFG shareholders' equity.

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 annuities, life and supplemental health insurance products.

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.

Actual results could differ materially from those expected by AFG depending on certain factors including but not limited to: changes in economic conditions including interest rates, performance of securities markets, and the availability of capital, regulatory actions, changes in legal environment, judicial decisions and rulings, tax law changes, and other changes in market conditions that could affect AFG's insurance operations.