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**American Financial Group, Inc.**  
Fixed Maturity Investment Portfolio

September 30, 2012 Earnings Release Supplement

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## Fixed Maturity Portfolio – AFG Consolidated

September 30, 2012

(\$ - in millions)

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	<u>Amortized Cost</u>	<u>Fair Value</u>	<u>Unrealized Gain/(Loss)</u>	<u>% Fair Value</u>
US Government and government agencies	\$ 356	\$ 372	\$ 16	2%
States, municipalities and political subdivisions	4,005	4,355	350	18%
Foreign government	370	389	19	2%
Residential Mortgaged-backed securities	4,116	4,336	220	18%
Commercial Mortgaged-backed securities	2,643	2,959	316	12%
Corporate bonds				
Manufacturing	2,079	2,311	232	10%
Banks, lending and credit institutions	1,607	1,759	152	7%
Gas and electric services	1,249	1,430	181	6%
Insurance and insurance related	767	843	76	3%
All other corporate	4,877	5,301	424	22%
	<u>\$ 22,069</u>	<u>\$ 24,055</u>	<u>\$ 1,986</u>	<u>100%</u>

## AFG Fixed Maturity Portfolio – by Segment

September 30, 2012

(\$ - in millions)

<b>Annuity and Supplemental Segment</b>	<b>Amortized Cost</b>	<b>Fair Value</b>	<b>Unrealized Gain/(Loss)</b>	<b>% Fair Value</b>
US Government and government agencies	\$ 77	\$ 83	\$ 6	0%
States, municipalities and political subdivisions	1,834	2,041	207	11%
Foreign government	31	36	5	0%
Residential Mortgaged-backed securities	3,489	3,677	188	20%
Commercial Mortgaged-backed securities	2,272	2,561	289	14%
Corporate bonds	9,324	10,319	995	55%
	<u>\$ 17,027</u>	<u>\$ 18,717</u>	<u>\$ 1,690</u>	<u>100%</u>

<b>Property and Casualty Segment</b>	<b>Amortized Cost</b>	<b>Fair Value</b>	<b>Unrealized Gain/(Loss)</b>	<b>% Fair Value</b>
US Government and government agencies	\$ 279	\$ 289	\$ 10	5%
States, municipalities and political subdivisions	2,171	2,314	143	43%
Foreign government	339	353	14	7%
Residential Mortgaged-backed securities	626	651	25	12%
Commercial Mortgaged-backed securities	371	398	27	8%
Corporate bonds	1,256	1,325	69	25%
	<u>\$ 5,042</u>	<u>\$ 5,330</u>	<u>\$ 288</u>	<u>100%</u>

## Mortgage-Backed Securities Portfolio – AFG Consolidated

September 30, 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	\$ 255	\$ 269	4%	\$ 14
Prime (Non-Agency)	2,324	2,483	34%	159
Alt-A	846	866	12%	20
Subprime	673	697	9%	24
Subtotal - Residential	4,098	4,315	59%	217
Commercial	2,643	2,959	41%	316
Other	18	21	0%	3
Total	<u>\$ 6,759</u>	<u>\$ 7,295</u>	<u>100%</u>	<u>\$ 536</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 97%.
- The average FICO score of our residential MBS securities is – Prime 734; Alt-A 714; Subprime 648.
- 99% of our Commercial MBS portfolio is investment-grade rated (86% AAA) and the average subordination for this group of assets is 38%.
- The approximate average life of the RMBS and CMBS portfolios is 4 years for each.

# Mortgage-Backed Securities Portfolio – by Segment

September 30, 2012

(\$ - in millions)

## Annuity and Supplemental Segment

By Asset Type	Amortized Cost	Fair Value		Unrealized Gain/(Loss)
		Total	% of MBS Portfolio	
Residential				
Agency	\$ 85	\$ 93	2%	\$ 8
Prime (Non-Agency)	2,174	2,311	37%	137
Alt-A	676	695	11%	19
Subprime	540	562	9%	22
Subtotal - Residential	3,475	3,661	59%	186
Commercial	2,272	2,561	41%	289
Other	14	16	0%	2
Total	\$ 5,761	\$ 6,238	100%	\$ 477

## Property and Casualty Segment

By Asset Type	Amortized Cost	Fair Value		Unrealized Gain/(Loss)
		Total	% of MBS Portfolio	
Residential				
Agency	\$ 170	\$ 176	17%	\$ 6
Prime (Non-Agency)	149	164	16%	15
Alt-A	170	171	16%	1
Subprime	133	135	13%	2
Subtotal - Residential	622	646	62%	24
Commercial	371	398	38%	27
Other	4	5	0%	1
Total	\$ 997	\$ 1,049	100%	\$ 52

## Mortgage-Backed Securities Portfolio – AFG Consolidated

September 30, 2012

(\$ - in millions)

By Credit Rating	GAAP Data			
	Amortized Cost	Fair Value	% of MBS Portfolio	Unrealized Gain/(Loss)
Investment Grade				
AAA	\$ 3,201	\$ 3,533	48%	\$ 332
AA	516	547	7%	31
A	539	559	8%	20
BBB	246	261	4%	15
Subtotal - Investment Grade	4,502	4,900	67%	398
BB	356	355	5%	(1)
B	412	418	6%	6
Other	1,489	1,622	22%	133
Total	\$ 6,759	\$ 7,295	100%	\$ 536

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.

By NAIC Designation	Statutory Data				
	Carrying Value	% Carrying Value	Amortized Cost	Fair Value	Unrealized Gain/(Loss)
1	\$ 6,244	95.3%	\$ 6,246	\$ 6,799	\$ 553
2	129	2.0%	129	126	(3)
	6,373	97.3%	6,375	6,925	550
3	74	1.1%	75	77	2
4	70	1.1%	70	72	2
5	10	0.2%	10	23	13
6	22	0.3%	21	50	29
Total	\$ 6,549	100.0%	\$ 6,551	\$ 7,147	\$ 596