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

September 30, 2011 Earnings Release Supplement

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# Fixed Maturity Portfolio – AFG Consolidated

September 30, 2011

(\$ - in millions)

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	<u>Amortized</u> <u>Cost</u>	<u>Fair Value</u>	<u>Unrealized</u> <u>Gain/(Loss)</u>	<u>% Fair Value</u>
US Government and government agencies	\$ 412	\$ 433	\$ 21	2%
States, municipalities and political subdivisions	3,590	3,838	248	17%
Foreign government	379	397	18	2%
Residential Mortgaged-backed securities	3,808	3,861	53	18%
Commercial Mortgaged-backed securities	2,673	2,840	167	13%
Corporate bonds				
Manufacturing	2,009	2,189	180	10%
Banks, lending and credit institutions	1,812	1,873	61	8%
Gas and electric services	1,309	1,480	171	7%
Insurance and insurance related	854	918	64	4%
All other corporate	3,892	4,164	272	19%
	<u>\$ 20,738</u>	<u>\$ 21,993</u>	<u>\$ 1,255</u>	<u>100%</u>

# AFG Fixed Maturity Portfolio – by Segment

September 30, 2011

(\$ - in millions)

<b>Annuity and Supplemental Segment</b>	<b>Amortized</b>	<b>Fair Value</b>	<b>Unrealized</b>	<b>% Fair Value</b>
	<b>Cost</b>		<b>Gain/(Loss)</b>	
US Government and government agencies	\$ 90	\$ 97	\$ 7	1%
States, municipalities and political subdivisions	1,228	1,377	149	8%
Foreign government	31	35	4	0%
Residential Mortgaged-backed securities	3,059	3,102	43	19%
Commercial Mortgaged-backed securities	2,245	2,396	151	15%
Corporate bonds	8,689	9,371	682	57%
	<u>\$ 15,342</u>	<u>\$ 16,378</u>	<u>\$ 1,036</u>	<u>100%</u>

<b>Property and Casualty Segment</b>	<b>Amortized</b>	<b>Fair Value</b>	<b>Unrealized</b>	<b>% Fair Value</b>
	<b>Cost</b>		<b>Gain/(Loss)</b>	
US Government and government agencies	\$ 322	\$ 336	\$ 14	6%
States, municipalities and political subdivisions	2,362	2,461	99	44%
Foreign government	348	362	14	7%
Residential Mortgaged-backed securities	748	751	3	13%
Commercial Mortgaged-backed securities	428	444	16	8%
Corporate bonds	1,187	1,253	66	22%
	<u>\$ 5,395</u>	<u>\$ 5,607</u>	<u>\$ 212</u>	<u>100%</u>

## Mortgage-Backed Securities Portfolio – AFG Consolidated

September 30, 2011

(\$ - 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	\$ 324	\$ 339	5%	\$ 15
Prime (Non-Agency)	2,081	2,168	32%	87
Alt-A	745	717	11%	(28)
Subprime	635	611	9%	(24)
Subtotal - Residential	3,785	3,835	57%	50
Commercial	2,673	2,840	42%	167
Other	23	26	1%	3
Total	\$ 6,481	\$ 6,701	100%	\$ 220

- 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 84%; Alt-A 75%; Subprime 81%; CMBS 99%.
- The average FICO score of our residential MBS securities is – Prime 737; Alt-A 713; Subprime 652.
- 99.9% of our Commercial MBS portfolio is investment-grade rated (90% AAA) and the average subordination for this group of assets is 36%.
- The approximate average life by collateral type is – Residential 4 years; CMBS 5 years.

# Mortgage-Backed Securities Portfolio – by Segment

September 30, 2011

(\$ - in millions)

## Annuity and Supplemental Segment

By Asset Type	Amortized Cost	Fair Value			Unrealized Gain/(Loss)
		Total	% of MBS Portfolio	% of Life Invest Port	
Residential					
Agency	\$ 116	\$ 124	2%	1%	\$ 8
Prime (Non-Agency)	1,883	1,951	35%	11%	68
Alt-A	549	532	10%	3%	(17)
Subprime	493	475	9%	3%	(18)
Subtotal - Residential	3,041	3,082	56%	18%	41
Commercial	2,245	2,396	44%	14%	151
Other	18	20	0%	0%	2
Total	\$ 5,304	\$ 5,498	100%	32%	\$ 194

## Property and Casualty Segment

By Asset Type	Amortized Cost	Fair Value			Unrealized Gain/(Loss)
		Total	% of MBS Portfolio	% of P&C Invest Port	
Residential					
Agency	\$ 208	\$ 215	18%	3%	\$ 7
Prime (Non-Agency)	197	209	18%	3%	12
Alt-A	196	185	15%	3%	(11)
Subprime	142	136	11%	2%	(6)
Subtotal - Residential	743	745	62%	11%	2
Commercial	428	444	37%	6%	16
Other	5	6	1%	0%	1
Total	\$ 1,176	\$ 1,195	100%	17%	\$ 19

# Mortgage-Backed Securities Portfolio – AFG Consolidated

September 30, 2011

(\$ - 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	\$ 3,808	\$ 4,030	60%	\$ 222
AA	506	519	8%	13
A	439	430	6%	(9)
BBB	266	266	4%	-
Subtotal - Investment Grade	5,019	5,245	78%	226
BB	208	188	3%	(20)
B	407	389	6%	(18)
Other	847	879	13%	32
Total	\$ 6,481	\$ 6,701	100%	\$ 220

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 - AFG Consolidated				
	<u>Carrying Value</u>	<u>% Carrying Value</u>	<u>Amortized Cost</u>	<u>Fair Value</u>	<u>Unrealized Gain/(Loss)</u>
1	\$ 6,226	97.3%	\$ 6,233	\$ 6,481	\$ 248
2	57	0.9%	57	56	(1)
	6,283	98.2%	6,290	6,537	247
3	60	0.9%	60	56	(4)
4	31	0.5%	31	32	1
5	9	0.1%	9	19	10
6	19	0.3%	19	44	25
Total	\$ 6,402	100.0%	\$ 6,409	\$ 6,688	\$ 279