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

December 31, 2011 Earnings Release Supplement

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# Fixed Maturity Portfolio – AFG Consolidated

December 31, 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	\$ 376	\$ 395	\$ 19	2%
States, municipalities and political subdivisions	3,681	3,945	264	18%
Foreign government	367	385	18	2%
Residential Mortgaged-backed securities	3,893	3,883	(10)	17%
Commercial Mortgaged-backed securities	2,665	2,877	212	13%
Corporate bonds				
Manufacturing	2,078	2,269	191	10%
Banks, lending and credit institutions	1,719	1,771	52	8%
Gas and electric services	1,306	1,476	170	7%
Insurance and insurance related	750	804	54	3%
All other corporate	4,167	4,442	275	20%
	<u>\$ 21,002</u>	<u>\$ 22,247</u>	<u>\$ 1,245</u>	<u>100%</u>

# AFG Fixed Maturity Portfolio – by Segment

December 31, 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	\$ 87	\$ 93	\$ 6	0%
States, municipalities and political subdivisions	1,394	1,546	152	9%
Foreign government	31	35	4	0%
Residential Mortgaged-backed securities	3,183	3,171	(12)	19%
Commercial Mortgaged-backed securities	2,266	2,459	193	15%
Corporate bonds	8,878	9,559	681	57%
	<u>\$ 15,839</u>	<u>\$ 16,863</u>	<u>\$ 1,024</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	\$ 289	\$ 302	\$ 13	6%
States, municipalities and political subdivisions	2,287	2,399	112	45%
Foreign government	336	350	14	6%
Residential Mortgaged-backed securities	710	704	(6)	13%
Commercial Mortgaged-backed securities	399	418	19	8%
Corporate bonds	1,142	1,203	61	22%
	<u>\$ 5,163</u>	<u>\$ 5,376</u>	<u>\$ 213</u>	<u>100%</u>

## Mortgage-Backed Securities Portfolio – AFG Consolidated

December 31, 2011

(\$ - in millions)

By Asset Type	Amortized Cost	Fair Value		Unrealized Gain/(Loss)
		Total	% of MBS Portfolio	
Residential				
Agency	\$ 340	\$ 354	5%	\$ 14
Prime (Non-Agency)	2,058	2,112	31%	54
Alt-A	787	739	11%	(48)
Subprime	686	653	10%	(33)
Subtotal - Residential	3,871	3,858	57%	(13)
Commercial	2,665	2,877	43%	212
Other	22	25	0%	3
Total	\$ 6,558	\$ 6,760	100%	\$ 202

- 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 98%.
- The average FICO score of our residential MBS securities is – Prime 737; Alt-A 712; Subprime 650.
- 99.9% of our Commercial MBS portfolio is investment-grade rated (89% AAA) and the average subordination for this group of assets is 37%.
- The approximate average life by collateral type is – Residential 4 years; CMBS 5 years.

# Mortgage-Backed Securities Portfolio – by Segment

December 31, 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	\$ 137	\$ 145	3%	1%	\$ 8
Prime (Non-Agency)	1,891	1,930	34%	11%	39
Alt-A	596	562	10%	3%	(34)
Subprime	542	515	9%	3%	(27)
Subtotal - Residential	3,166	3,152	56%	18%	(14)
Commercial	2,266	2,459	44%	14%	193
Other	17	19	0%	0%	2
Total	\$ 5,449	\$ 5,630	100%	32%	\$ 181

## 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	\$ 203	\$ 209	19%	3%	\$ 6
Prime (Non-Agency)	167	174	16%	2%	7
Alt-A	191	177	16%	3%	(14)
Subprime	144	138	12%	2%	(6)
Subtotal - Residential	705	698	63%	10%	(7)
Commercial	399	418	37%	6%	19
Other	5	6	0%	0%	1
Total	\$ 1,109	\$ 1,122	100%	16%	\$ 13

# Mortgage-Backed Securities Portfolio – AFG Consolidated

December 31, 2011

(\$ - in millions)

<u>By Credit Rating</u>	<u>GAAP Data</u>			
	<u>Amortized Cost</u>	<u>Fair Value</u>	<u>% of MBS Portfolio</u>	<u>Unrealized Gain/(Loss)</u>
Investment Grade				
AAA	\$ 3,547	\$ 3,789	56%	\$ 242
AA	609	630	9%	21
A	478	469	7%	(9)
BBB	295	293	4%	(2)
Subtotal - Investment Grade	4,929	5,181	76%	252
BB	215	185	3%	(30)
B	419	388	6%	(31)
Other	995	1,006	15%	11
Total	\$ 6,558	\$ 6,760	100%	\$ 202

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 lowest.

<u>By NAIC Designation</u>	<u>Statutory Data - AFG Consolidated</u>				
	<u>Carrying Value</u>	<u>% Carrying Value</u>	<u>Amortized Cost</u>	<u>Fair Value</u>	<u>Unrealized Gain/(Loss)</u>
1	\$ 6,156	95.1%	\$ 6,168	\$ 6,412	\$ 244
2	142	2.2%	142	130	(12)
	6,298	97.3%	6,310	6,542	232
3	92	1.4%	92	86	(6)
4	57	0.9%	58	55	(3)
5	12	0.2%	13	21	8
6	13	0.2%	13	38	25
Total	\$ 6,472	100.0%	\$ 6,486	\$ 6,742	\$ 256