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

March 31, 2012 Earnings Release Supplement

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## Fixed Maturity Portfolio – AFG Consolidated

March 31, 2012

(\$ - in millions)

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	<b>Amortized</b>		<b>Unrealized</b>	
	<b>Cost</b>	<b>Fair Value</b>	<b>Gain/(Loss)</b>	<b>% Fair Value</b>
US Government and government agencies	\$ 394	\$ 410	\$ 16	2%
States, municipalities and political subdivisions	3,750	3,983	233	18%
Foreign government	392	409	17	2%
Residential Mortgaged-backed securities	4,103	4,152	49	18%
Commercial Mortgaged-backed securities	2,684	2,933	249	13%
Corporate bonds				
Manufacturing	2,105	2,293	188	10%
Banks, lending and credit institutions	1,688	1,786	98	8%
Gas and electric services	1,308	1,467	159	6%
Insurance and insurance related	744	802	58	3%
All other corporate	4,283	4,593	310	20%
	<u>\$ 21,451</u>	<u>\$ 22,828</u>	<u>\$ 1,377</u>	<u>100%</u>

# AFG Fixed Maturity Portfolio – by Segment

March 31, 2012

(\$ - 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	\$ 103	\$ 108	\$ 5	1%
States, municipalities and political subdivisions	1,504	1,627	123	9%
Foreign government	31	35	4	0%
Residential Mortgaged-backed securities	3,427	3,467	40	20%
Commercial Mortgaged-backed securities	2,290	2,516	226	14%
Corporate bonds	8,944	9,694	750	56%
	<u>\$ 16,299</u>	<u>\$ 17,447</u>	<u>\$ 1,148</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	\$ 291	\$ 302	\$ 11	5%
States, municipalities and political subdivisions	2,246	2,356	110	44%
Foreign government	361	374	13	7%
Residential Mortgaged-backed securities	676	679	3	13%
Commercial Mortgaged-backed securities	394	417	23	8%
Corporate bonds	1,184	1,247	63	23%
	<u>\$ 5,152</u>	<u>\$ 5,375</u>	<u>\$ 223</u>	<u>100%</u>

## Mortgage-Backed Securities Portfolio – AFG Consolidated

March 31, 2012

(\$ - in millions)

By Asset Type	Amortized Cost	Fair Value		Unrealized Gain/(Loss)
		Total	% of MBS Portfolio	
Residential				
Agency	\$ 298	\$ 311	4%	\$ 13
Prime (Non-Agency)	2,248	2,328	33%	80
Alt-A	820	790	11%	(30)
Subprime	716	699	10%	(17)
Subtotal - Residential	4,082	4,128	58%	46
Commercial	2,684	2,933	42%	249
Other	21	24	0%	3
Total	\$ 6,787	\$ 7,085	100%	\$ 298

- 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 737; Alt-A 714; Subprime 648.
- 98.6% of our Commercial MBS portfolio is investment-grade rated (87% 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

March 31, 2012

(\$ - in millions)

## Annuity and Supplemental Segment

<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>	<u>% of Life Invest Port</u>	
Residential					
Agency	\$ 109	\$ 116	2%	1%	\$ 7
Prime (Non-Agency)	2,096	2,162	36%	11%	66
Alt-A	633	611	10%	3%	(22)
Subprime	573	560	10%	3%	(13)
Subtotal - Residential	3,411	3,449	58%	18%	38
Commercial	2,290	2,516	42%	13%	226
Other	16	18	0%	0%	2
Total	<u>\$ 5,717</u>	<u>\$ 5,983</u>	<u>100%</u>	<u>31%</u>	<u>\$ 266</u>

## Property and Casualty Segment

<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>	<u>% of P&amp;C Invest Port</u>	
Residential					
Agency	\$ 189	\$ 195	18%	3%	\$ 6
Prime (Non-Agency)	152	160	15%	2%	8
Alt-A	187	179	16%	3%	(8)
Subprime	143	139	13%	2%	(4)
Subtotal - Residential	671	673	62%	10%	2
Commercial	394	417	38%	6%	23
Other	5	6	0%	0%	1
Total	<u>\$ 1,070</u>	<u>\$ 1,096</u>	<u>100%</u>	<u>16%</u>	<u>\$ 26</u>

# Mortgage-Backed Securities Portfolio – AFG Consolidated

March 31, 2012

(\$ - 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	\$ 3,409	\$ 3,680	52%	\$ 271
AA	568	595	8%	27
A	567	569	8%	2
BBB	210	209	3%	(1)
Subtotal - Investment Grade	4,754	5,053	71%	299
BB	271	247	3%	(24)
B	410	394	6%	(16)
Other	1,352	1,391	20%	39
Total	<u>\$ 6,787</u>	<u>\$ 7,085</u>	<u>100%</u>	<u>\$ 298</u>

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>	<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	\$ 6,361	95.0%	\$ 6,368	\$ 6,710	\$ 342
2	142	2.1%	142	132	(10)
	6,503	97.1%	6,510	6,842	332
3	87	1.3%	87	83	(4)
4	81	1.2%	81	82	1
5	15	0.2%	15	25	10
6	12	0.2%	12	39	27
Total	<u>\$ 6,698</u>	<u>100.0%</u>	<u>\$ 6,705</u>	<u>\$ 7,071</u>	<u>\$ 366</u>