

American Financial (AFG)

\$135.04 (Stock Price as of 01/08/2026)

Price Target (6-12 Months): **\$143.00**

Long Term: 6-12 Months | **Zacks Recommendation:** **Neutral**
(Since: 04/14/25)
Prior Recommendation: Underperform

Short Term: 1-3 Months | **Zacks Rank:** (1-5) **4-Sell**
Zacks Style Scores: VGM: C
Value: B | Growth: D | Momentum: D

Summary

American Financial operates in specialty insurance lines leveraging a focused niche strategy. Consistent price increases in property and casualty business should favor results. It is actively involved in startups, small-to-medium-sized acquisitions, product launches and and is prudently investing in businesses. Better industry fundamentals, a high renewal ratio and a favorable combined ratio should drive growth. New business opportunities, increased exposures and a good renewal rate environment in the P&C group bode well. A solid capital position enables it to deploy capital effectively via share repurchases and dividend. Shares of American Financial have underperformed the industry over the past year. However, exposure to weather-related calamities induces earnings volatility, while high expenses tend to weigh on margin.

Data Overview

52 Week High-Low **\$150.02 - \$114.73**
20 Day Average Volume (sh) **346,187**
Market Cap **\$11.3 B**
YTD Price Change **-1.2%**
Beta **0.70**
Dividend / Div Yld **\$3.52 / 2.6%**
Industry **[Insurance - Property and Casualty](#)**
Zacks Industry Rank **Top 45% (110 out of 244)**

Last EPS Surprise **14.5%**
Last Sales Surprise **8.9%**
EPS F1 Est- 4 week change **0.0%**
Expected Report Date **02/03/2026**
Earnings ESP **-1.1%**

P/E TTM **13.8**
P/E F1 **13.8**
PEG F1 **5.3**
P/S TTM **1.4**

Price, Consensus & Surprise⁽¹⁾



Sales and EPS Growth Rates (Y/Y %)⁽²⁾



Sales Estimates (millions of \$)⁽²⁾

	Q1	Q2	Q3	Q4	Annual*
2026	2,044 E	2,050 E	2,093 E	2,169 E	8,356 E
2025	1,856 A	1,858 A	2,248 A	2,048 E	7,934 E
2024	1,882 A	1,800 A	2,281 A	2,076 A	7,940 A

EPS Estimates⁽²⁾

	Q1	Q2	Q3	Q4	Annual*
2026	2.68 E	2.46 E	2.66 E	3.51 E	11.32 E
2025	1.81 A	2.14 A	2.69 A	3.15 E	9.79 E
2024	2.76 A	2.56 A	2.31 A	3.12 A	10.75 A

*Quarterly figures may not add up to annual.

(1) The data in the charts and tables, except the estimates, is as of 01/08/2026.

(2) The report's text, the analyst-provided estimates, and the price target are as of 01/02/2026.

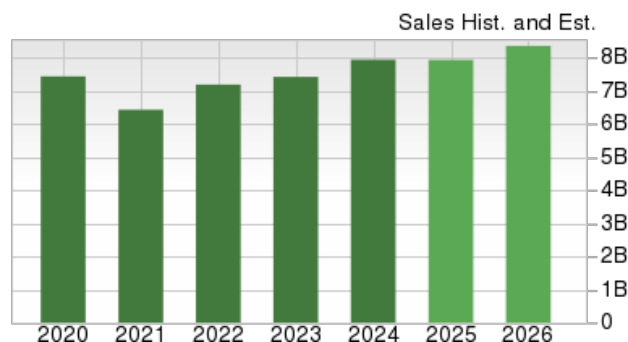
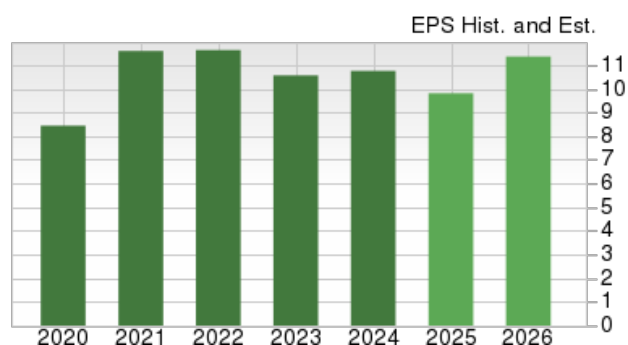
Overview

Founded in 1872 and headquartered in Cincinnati, OH, American Financial Group, Inc. is a holding company which, through its subsidiaries, engages primarily in property and casualty insurance, with focus on specialized commercial products for businesses. The company also engages in the sale of traditional fixed, fixed-indexed and variable-indexed annuities in the retail, financial institutions, registered investment advisor and education markets.

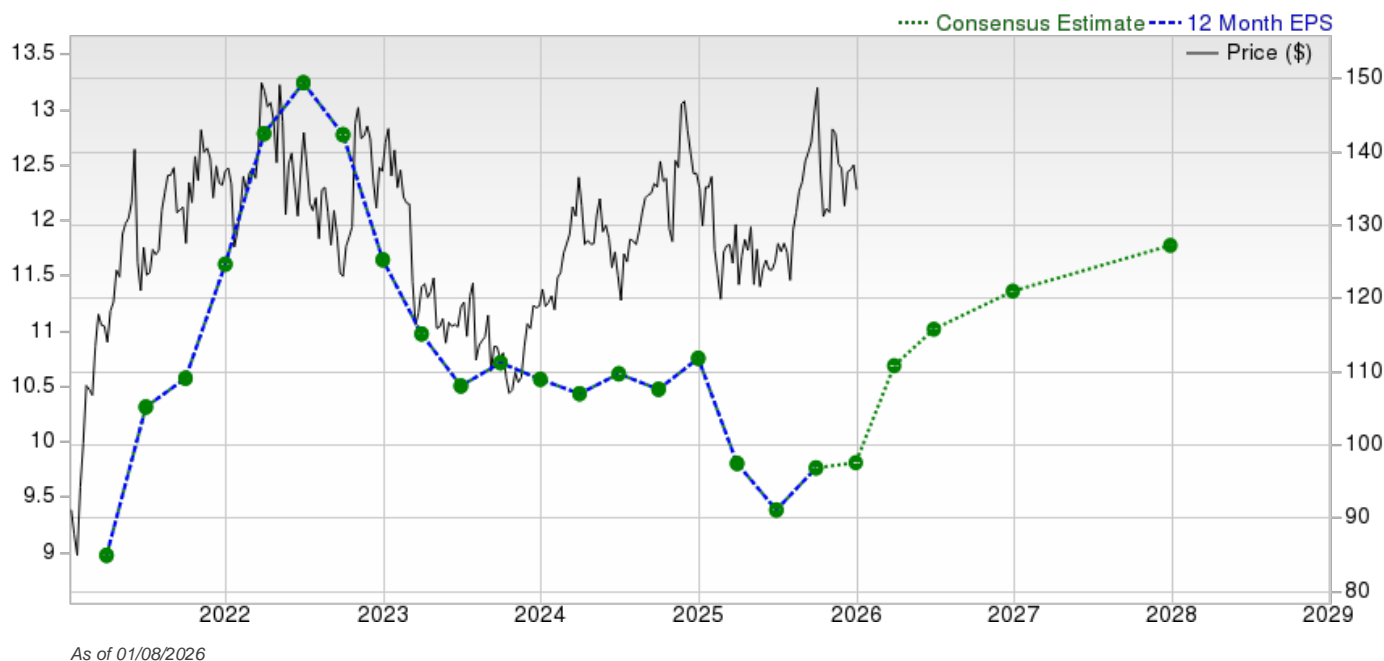
Property and Casualty Insurance Operations – These operations consist of approximately 30 niche insurance businesses offering a wide range of commercial coverage. The business is conducted through Property and Transportation (consisting Inland and Ocean Marine, Agricultural-related and Commercial Automobile), Specialty Casualty (consisting Executive and Professional Liability, Umbrella and Excess Liability, Excess and Surplus, General Liability, Targeted Programs and Workers' Compensation) and Specialty Financial (consisting Fidelity and Surety and Lease and Loan Services). These operations are conducted through subsidiaries namely Great American Insurance, National Interstate, Summit (Bridgefield Casualty and Bridgefield Employers), Republic Indemnity, Neon Lloyd's Syndicate and Mid-Continent Casualty.

Other Operations – Through subsidiaries, it is engaged in a variety of other operations, including commercial real estate operations in Cincinnati (office buildings), Whitefield, New Hampshire (Mountain View Grand Resort), Chesapeake Bay (Skipjack Cove Yachting Resort and Bay Bridge Marina), Charleston (Charleston Harbor Resort and Marina) and Palm Beach.

American Financial divested its Annuity businesses on May 2021.



As of 01/02/2026



Reasons To Buy:

▲ **Sturdy Growth Profile:** AFG operates in specialty insurance lines—such as commercial auto, agribusiness, equine, annuities, and others—leveraging a focused niche strategy. This expertise enables accurate risk pricing and healthy margins, while the specialization limits competition, reinforces underwriting discipline and drives stable profitability throughout market cycles. This in turn also helps AFG continue to achieve year-over-year premium growth in selected businesses as a result of a combination of new business opportunities, a good renewal rate environment, and increased exposures. For 2025, the company expects net written premiums to grow.

▲ **Consistent Price Increase in Property and Casualty Business:** It is evident that the industry is going through a hard market cycle that started in 2018. With inflation staying above 2% and an increase in catastrophe losses due to climate change, the hard market is here to stay. A hard market leads to higher pricing, which coupled with prudent underwriting standards, should continue to drive premiums higher and ensure sustained profitability. It intends to maintain satisfactory rates in P&C renewal pricing going forward. Average renewal pricing across the Property and Casualty Group was up approximately 5% in the third quarter of 2025, both including and excluding workers' comp. AFG reported overall renewal rate increases for 37 consecutive quarters. The company expects to achieve overall renewal rate increases in excess of prospective loss ratio trends to meet or exceed the targeted returns.

▲ **Investment Income:** P&C insurers prefer fixed-income investments, such as bonds, because they offer predictable returns that can be used in claims payment, and American Financial is no exception. P&C net investment income is continued to be driven by higher interest rates and higher average balances of invested assets. In the current interest rate environment, the insurer invested in fixed maturity securities at yields of approximately 5.25% during the third quarter of 2025.

▲ **Strong Capital Management:** American Financial has traditionally maintained moderate adjusted financial leverage around 20%, with good cash flow and interest coverage ratio. AFG has a strong capital position and expects its operations to continue to generate significant excess capital throughout the remainder of 2025, which provides ample opportunity for acquisitions, special dividends or share repurchases. American Financial exited third quarter of 2025 with total cash and investments of \$16.7 billion, which increased 5.7% from the 2024-end level. It scores strongly with credit rating agencies. The annualized return on equity came in at 18.2% for the third quarter, which expanded 300 bps year over year. Also, in each of the last 19 years, the company has successfully increased its dividends. Dividend payments and share repurchases totaled \$6.9 billion over the last five years. The quarterly dividend increased 10% beginning in October of 2025. American Financial declared a special cash dividend of \$2.00 per share in the third quarter. The aggregate amount of this special dividend will be approximately \$167 million. The robust operating profitability at the P&C segment, a stellar investment performance and effective capital management support effective shareholders return.

American Financial, a niche player in the P&C markets, will benefit from the strategic acquisitions and improved pricing. Improving industry fundamentals will drive overall growth.

Reasons To Sell:

▼ **California wildfire:** The company's earnings have traditionally been affected by catastrophes. Even drought, which does not otherwise qualify as a catastrophe, had impacted its earnings, given its exposure to the crop business. Catastrophe losses were \$23 million in the third quarter of 2025. Irrespective of catastrophe mitigation techniques deployed by it, exposure to weather-related calamities makes its earnings volatile.

AFG maintains comprehensive property catastrophe reinsurance coverage for its property and casualty insurance operations, including a \$70 million per occurrence net retention, for losses up to \$625 million in the vast majority of circumstances. This coverage consists of a combination of \$245 million from traditional reinsurance and \$310 million of coverage through a fully collateralized catastrophe bond (effective May 1, 2025 for losses occurring through Dec. 31, 2028).

▼ **Rising Expenses:** The company has been experiencing an increase in expenses due to higher P&C insurance losses & expenses, annuity, life, accident & health benefits & expenses, interest charges on borrowed money, expenses of managed investment entities and other expenses. These high cost and expenses have been inducing net margin contraction. The company must strive to generate revenue growth at a higher magnitude than that of an increase in expense, else margin could be dented.

▼ **Stretched Valuation:** Valuation remains stretched at the current level. Looking at the company's price-to-book ratio, which is the best multiple for valuing insurers, investors might not want to pay any further premium. The stock is currently trading at 2.41X, trailing 12-month book value, higher than the industry average of 1.52X.

Exposure to cat losses (specifically its exposure to the crop business) inducing volatility to underwriting results as well as rising expenses pose near-term headwinds.

Last Earnings Report

American Financial Q3 Earnings Beat on Higher Underwriting Show

American Financial Group, Inc. reported third-quarter 2025 net operating earnings per share of \$2.69, which beat the Zacks Consensus Estimate by 14.5%. The bottom line increased 16.4% year over year. The increase was due to higher year-over-year underwriting profit and higher net investment income.

American Financial's results reflected increased average renewal pricing across the P&C group, lower catastrophe losses and improved net investment income, and lower expenses, offset by lower premiums.

FY Quarter Ending **12/31/2025**

Earnings Reporting Date	Nov 04, 2025
Sales Surprise	8.87%
EPS Surprise	14.47%
Quarterly EPS	2.69
Annual EPS (TTM)	9.76

Behind the Headlines

Total revenues of \$2.2 billion decreased 1.4% year over year. The decline was due to lower P&C insurance net earned premiums. However, the top line beat the Zacks Consensus Estimate by 8.8%. Net investment income climbed 2.5% year over year to \$205 million in the quarter under review. The figure was higher than our estimate of \$193.2 million and beat the Zacks Consensus Estimate of \$191 million. Total cost and expenses decreased 3.6% year over year to \$2.1 billion due to lower losses & loss adjustment expenses, and expenses of managed investment entities. The figure was higher than our estimate of \$1.9 billion.

Segmental Update

The Specialty P&C Insurance segment generated \$2.2 billion in net written premiums, which declined 4% year over year. Average renewal pricing across the entire P&C Group was up around 5% in the reported quarter, both including and excluding workers' compensation businesses. Net written premiums in Property & Transportation Group decreased 9% year over year to \$1 billion in the quarter. The figure was higher than our estimate of \$939.8 million.

Net written premiums at Specialty Casualty Group decreased 0.3% year over year to \$914 million. The figure was higher than our estimate of \$904.1 million.

Further, net written premiums at Specialty Financial increased 1% year over year to \$287 million. The figure was higher than our estimate of \$286.8 million.

The Specialty P&C Insurance segment's underwriting profit increased 19% year over year to \$139 million in the quarter. Higher underwriting profit in the Property and Transportation, and Specialty Financial Groups was partially offset by lower underwriting profit in the Specialty Casualty Group. The figure was higher than our estimate of \$100.3 million. Pre-tax core operating earnings before income taxes of the P&C Insurance segment of \$328 million in the third quarter increased 12.7% year over year.

Catastrophe losses were \$23 million in the reported quarter, narrower than the year-ago loss of \$90 million. In the Property and Transportation Group, higher year-over-year underwriting profit was primarily due to lower catastrophe losses.

In the Specialty Casualty Group, higher underwriting profit in executive liability business was more than offset by lower year-over-year underwriting profit in some of the social inflation-exposed businesses and, to a lesser extent, our mergers & acquisitions and workers' compensation businesses.

In the Specialty Financial Group, higher year-over-year underwriting profit was primarily due to improved results in the financial institutions business and higher profitability in surety and fidelity businesses. The combined ratio improved 130 basis points (bps) year over year to 93% in the segment. The results benefited from favorable prior-year reserve development.

Financial Update

American Financial exited the third quarter with total cash and investments of \$16.7 billion, which increased 5.7% from the 2024-end level. The figure is higher than our estimate of \$16.4 billion. As of Sept. 30, 2025, long-term debt totaled \$1.8 billion, which increased 23.4% from the level at 2024-end. As of Sept. 30, 2025, the company's book value per share, excluding accumulated other comprehensive income (AOCI), was \$57.59, up 2.8% from the 2024-end level. Annualized return on equity came in at 18.2% for the third quarter, which expanded 300 bps year over year.

Prudent Capital Deployment

American Financial declared a special cash dividend of \$2.00 per share in the third quarter. The dividend will be paid out on Nov. 26 to shareholders of record at the close of business as of Nov. 17, 2025. The aggregate amount of this special dividend will be approximately \$167 million. With this special dividend, AFG has declared \$54.00 per share in special dividends since the beginning of 2021. This special dividend is in addition to AFG's regular quarterly cash dividend of 88 cents per share, most recently paid on Oct. 24, 2025.

Recent News

American Financial Declares Quarterly Dividend — Oct 1, 2025

The board of directors of American Financial declared a quarterly dividend of 88 cents per share. The dividend was paid out on Oct 24 to shareholders of record as of Oct 15. This dividend reflects a previously announced 10% increase over the annual rate in effect since the fourth quarter of 2024.

Valuation

American Financial's shares are up 7.3% in the last six-month period and up 1.3% over the trailing 12-month period. Stocks in the Zacks sub-industry and the Zacks Finance sector are up 3.4% and up 5.8% in the last six-month period, respectively. Over the past year, the Zacks sub-industry and sector are up 10.4% and up 15.9%, respectively.

The S&P 500 index is up 11.7% in the last six-month period and up 17.5% in the past year.

The stock is currently trading at 2.41X trailing 12-month book value, which compares to 1.52X for the Zacks sub-industry, 4.3X for the Zacks sector and 8.5X for the S&P 500 index.

Over the past five years, the stock has traded as high as 3.22X and as low as 1.02X, with a 5-year median of 2.43X. Our Neutral recommendation indicates that the stock will perform in line with the market. Our \$143 price target reflects 2.5X trailing 12-month book value.

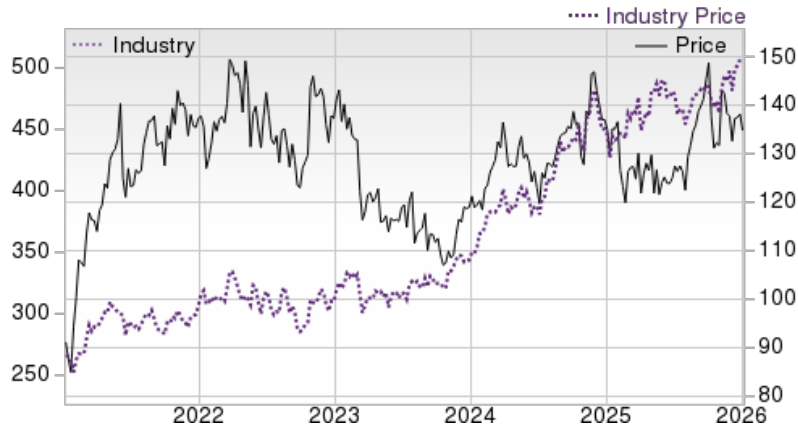
The table below shows the summary of valuation data for AFG.

Valuation Multiples - AFG					
		Stock	Sub-Industry	Sector	S&P 500
P/B TTM	Current	2.41	1.52	4.3	8.5
	5-Year High	3.22	1.73	4.38	9.13
	5-Year Low	1.02	1.17	2.87	6.57
	5-Year Median	2.43	1.45	3.53	8.04
P/S F12M	Current	1.45	2.43	9.08	5.87
	5-Year High	2.06	10.43	10.06	5.87
	5-Year Low	1.07	1.69	6.69	3.82
	5-Year Median	1.36	2.11	8.41	5.04
P/E F12M	Current	13.93	27.61	19.17	26.1
	5-Year High	18.14	31.85	19.17	26.1
	5-Year Low	9.21	23.33	12.36	15.74
	5-Year Median	11.74	27.84	16.11	21.21

As of 12/31/2025

Source: Zacks Investment Research

Industry Analysis⁽¹⁾ Zacks Industry Rank: Top 45% (110 out of 244)



Top Peers⁽¹⁾

Company (Ticker)	Rec	Rank
Mercury General Corp...(MCY)	Outperform	1
Arch Capital Group L...(ACGL)	Neutral	3
Axis Capital Holding...(AXS)	Neutral	3
Cincinnati Financial...(CINF)	Neutral	2
First American Finan...(FAF)	Neutral	3
RenaissanceRe Holdin...(RNR)	Neutral	3
The Hanover Insuranc...(THG)	Neutral	2
W.R. Berkley Corpora...(WRB)	Neutral	4

Industry Comparison⁽¹⁾ Industry: Insurance - Property And Casualty

	AFG	X Industry	S&P 500	AXS	RNR	THG
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	Neutral	Neutral
Zacks Rank (Short Term)	4	-	-	3	3	2
VGM Score	C	-	-	C	B	A
Market Cap	11.26 B	4.52 B	40.07 B	8.00 B	12.89 B	6.29 B
# of Analysts	3	3	22	3	6	3
Dividend Yield	2.61%	0.51%	1.38%	1.69%	0.57%	2.15%
Value Score	B	-	-	B	B	A
Cash/Price	0.17	0.13	0.04	0.17	2.51	0.14
EV/EBITDA	8.71	8.26	14.89	8.01	-4.67	10.72
PEG Ratio	5.26	2.17	2.04	1.04	6.64	NA
Price/Book (P/B)	2.38	1.58	3.41	1.38	1.20	1.84
Price/Cash Flow (P/CF)	11.53	12.30	15.44	8.70	5.74	12.89
P/E (F1)	13.79	10.61	18.58	8.21	7.71	10.61
Price/Sales (P/S)	1.36	1.33	3.06	1.27	1.06	0.97
Earnings Yield	8.41%	9.43%	5.38%	12.18%	12.97%	9.43%
Debt/Equity	0.38	0.14	0.57	0.27	0.21	0.25
Cash Flow (\$/share)	11.71	4.63	8.98	11.94	48.68	13.72
Growth Score	D	-	-	D	A	A
Hist. EPS Growth (3-5 yrs)	-0.84%	18.53%	8.24%	54.44%	146.22%	7.42%
Proj. EPS Growth (F1/F0)	-8.93%	4.45%	9.21%	13.15%	-19.24%	35.38%
Curr. Cash Flow Growth	1.03%	15.00%	7.00%	10.71%	49.59%	601.99%
Hist. Cash Flow Growth (3-5 yrs)	-1.18%	11.62%	7.49%	21.65%	46.03%	6.27%
Current Ratio	0.55	0.50	1.19	0.67	1.40	0.42
Debt/Capital	27.79%	13.30%	38.14%	19.86%	45.74%	19.75%
Net Margin	9.66%	10.57%	12.77%	16.08%	14.23%	9.71%
Return on Equity	18.05%	16.51%	17.03%	18.99%	16.83%	21.73%
Sales/Assets	0.26	0.34	0.53	0.19	0.23	0.41
Proj. Sales Growth (F1/F0)	-0.10%	5.38%	5.29%	5.30%	3.20%	5.60%
Momentum Score	D	-	-	C	F	B
Daily Price Chg	1.36%	1.08%	-0.34%	0.63%	1.98%	-0.80%
1 Week Price Chg	-2.44%	-1.92%	1.10%	-4.34%	-3.26%	-2.79%
4 Week Price Chg	-0.76%	0.29%	0.50%	0.24%	3.37%	-4.39%
12 Week Price Chg	2.84%	7.22%	3.75%	12.77%	10.97%	4.91%
52 Week Price Chg	2.10%	15.96%	16.94%	18.17%	10.33%	15.96%
20 Day Average Volume	346,187	197,335	2,431,070	520,036	352,290	238,580
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	-0.13%	-1.68%	0.00%
(F1) EPS Est 4 week change	0.00%	0.00%	0.00%	0.00%	-1.68%	0.02%
(F1) EPS Est 12 week change	-0.12%	0.40%	0.44%	2.73%	-0.16%	2.51%
(Q1) EPS Est Mthly Chg	-0.12%	0.00%	0.00%	-0.34%	-0.03%	0.37%

Analyst Earnings Model⁽²⁾

American Financial Group, Inc. (AFG)

In \$MM, except per share data

	2020A	2021A	2022A	2023A	2024A	2025E				2026E				2027E		
	FY	FY	FY	FY	FY	1QA	2QA	3QA	4QE	FY	1QE	2QE	3QE	4QE	FY	FY
FY Ends December 31st	Dec-20	Dec-21	Dec-22	Dec-23	Dec-24	31-Mar-25	30-Jun-25	30-Sep-25	31-Dec-25	Dec-25	31-Mar-26	30-Jun-26	30-Sep-26	31-Dec-26	Dec-26	Dec-27
Income Statement																
Gross Premium Written	\$7,087.0	\$7,946.0	\$9,057.0	\$9,656.0	\$10,533.0	\$2,291.0	\$2,653.0	\$3,665.0	\$2,101.6	\$10,710.6	\$2,629.5	\$2,865.3	\$3,276.2	\$2,400.2	\$11,171.1	\$11,838.4
Ceded Reinsurance Premium	\$2,074.0	\$2,373.0	\$2,851.0	\$2,964.0	\$3,394.0	\$680.0	\$850.0	\$1,413.0	\$630.6	\$3,573.6	\$733.1	\$879.2	\$1,211.8	\$733.9	\$3,557.9	\$3,918.0
Net Premium Written	\$5,013.0	\$5,573.0	\$6,206.0	\$6,692.0	\$7,139.0	\$1,611.0	\$1,803.0	\$2,252.0	\$1,471.0	\$7,137.0	\$1,896.4	\$1,986.1	\$2,064.4	\$1,666.3	\$7,613.2	\$7,920.4
Net Premium Earned	\$5,099.0	\$5,404.0	\$6,085.0	\$6,531.0	\$7,036.0	\$1,580.0	\$1,647.0	\$2,013.0	\$1,828.0	\$7,068.0	\$1,825.7	\$1,819.9	\$1,856.5	\$1,940.7	\$7,442.8	\$7,885.6
Net Investment Income	\$461.0	\$730.0	\$717.0	\$742.0	\$780.0	\$173.0	\$184.0	\$205.0	\$191.9	\$753.9	\$193.2	\$198.3	\$205.4	\$197.0	\$793.9	\$747.0
Realized Gains (Losses) on Securities	(\$75.0)	\$110.0	(\$116.0)	(\$36.0)	\$0.0	\$3.0	\$2.0	\$13.0	\$19.0	\$37.0	(\$8.4)	(\$6.1)	(\$46.3)	(\$53.8)	(\$114.6)	\$353.7
Realized Gains (Losses) on Subsidiaries	\$23.0	\$4.0	\$0.0	(\$4.0)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Investment Income	\$201.0	\$181.0	\$268.0	\$421.0	\$380.0	\$76.0	\$68.0	\$70.0	\$64.9	\$278.9	\$67.3	\$52.0	\$61.8	\$60.1	\$241.1	\$220.9
Gain (Loss) on Change in Fair Value of Assets/Liabilities	(\$20.0)	\$10.0	(\$31.0)	\$27.0	\$4.0	(\$3.0)	(\$4.0)	\$0.0	\$0.0	(\$7.0)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Other Income	\$80.0	\$113.0	\$117.0	\$146.0	\$124.0	\$27.0	\$27.0	\$30.0	\$28.3	\$112.3	\$25.2	\$32.2	\$31.2	\$31.0	\$119.6	\$136.8
Total Revenue	\$5,769.0	\$6,552.0	\$7,040.0	\$7,827.0	\$8,324.0	\$1,856.0	\$1,924.0	\$2,331.0	\$2,132.2	\$8,243.2	\$2,103.0	\$2,096.2	\$2,108.6	\$2,174.9	\$8,482.8	\$9,344.0
Total Operating Revenue	\$5,640.0	\$6,247.0	\$6,919.0	\$7,419.0	\$7,940.0	\$1,780.0	\$1,858.0	\$2,248.0	\$2,048.3	\$7,934.3	\$2,044.1	\$2,050.3	\$2,093.1	\$2,168.7	\$8,356.3	\$8,769.4
Losses & LAE - P&C	\$2,986.0	\$3,153.0	\$3,625.0	\$4,015.0	\$4,449.0	\$965.0	\$1,006.0	\$1,354.0	\$1,148.4	\$4,473.4	\$1,076.9	\$1,082.5	\$1,253.1	\$1,215.6	\$4,628.1	\$4,946.2
Commissions and Other Underwriting Expenses - P&C	\$1,487.0	\$1,514.0	\$1,680.0	\$1,883.0	\$1,961.0	\$521.0	\$527.0	\$520.0	\$500.8	\$2,068.8	\$600.9	\$585.5	\$483.0	\$521.2	\$2,190.7	\$2,315.1
Underwriting Profit - P&C	\$426.0	\$737.0	\$780.0	\$633.0	\$626.0	\$94.0	\$114.0	\$139.0	\$178.8	\$525.8	\$147.9	\$151.8	\$120.3	\$203.9	\$624.0	\$624.3
Losses & LAE	\$3,271.0	\$3,157.0	\$3,629.0	\$4,033.0	\$4,460.0	\$965.0	\$1,007.0	\$1,355.0	\$1,101.1	\$4,428.1	\$1,079.6	\$1,099.7	\$1,259.6	\$1,187.3	\$4,626.2	\$4,769.8
Commissions and Other Underwriting Expenses	\$1,625.0	\$1,547.0	\$1,718.0	\$1,935.0	\$2,007.0	\$530.0	\$534.0	\$529.0	\$510.2	\$2,103.2	\$585.0	\$585.5	\$459.3	\$516.5	\$2,146.3	\$2,315.5
Interest Charges on Borrowed Money	\$88.0	\$94.0	\$85.0	\$76.0	\$76.0	\$19.0	\$19.0	\$19.0	\$19.0	\$76.0	\$19.0	\$19.0	\$19.0	\$19.0	\$76.0	\$76.0
Expenses of Managed Investment Entities	\$167.0	\$155.0	\$230.0	\$405.0	\$338.0	\$68.0	\$60.0	\$61.0	\$67.7	\$256.7	\$66.1	\$63.2	\$63.0	\$67.0	\$259.3	\$284.6
Other Expenses	\$279.0	\$264.0	\$255.0	\$305.0	\$319.0	\$77.0	\$75.0	\$99.0	\$89.3	\$340.3	\$85.6	\$83.3	\$83.9	\$85.0	\$337.8	\$378.7
Total Costs and Expenses	\$5,430.0	\$5,217.0	\$5,917.0	\$6,754.0	\$7,200.0	\$1,659.0	\$1,695.0	\$2,063.0	\$1,787.3	\$7,204.3	\$1,835.3	\$1,850.8	\$1,884.9	\$1,874.7	\$7,445.6	\$7,824.6
Gain (Loss) on Retirement of Debt	(\$5.0)	\$0.0	(\$9.0)	\$1.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Special A&E Charge						\$0.0	\$0.0	\$25.0	\$0.0	\$25.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Core Pre-Tax Income	\$609.0	\$1,232.0	\$1,248.0	\$1,127.0	\$1,138.0	\$194.0	\$227.0	\$280.0	\$325.8	\$1,026.8	\$276.1	\$251.6	\$270.0	\$354.0	\$1,151.7	\$1,165.6
Pre-Tax Income	\$339.0	\$1,335.0	\$1,123.0	\$1,073.0	\$1,124.0	\$197.0	\$229.0	\$268.0	\$344.8	\$1,038.8	\$267.8	\$245.5	\$223.7	\$300.2	\$1,037.1	\$1,519.4
Core Income Tax	\$128.0	\$239.0	\$255.0	\$232.0	\$236.0	\$42.0	\$48.0	\$56.0	\$65.2	\$211.2	\$55.2	\$50.3	\$54.0	\$70.8	\$230.3	\$233.1
Income Tax	\$25.0	\$254.0	\$225.0	\$221.0	\$237.0	\$43.0	\$55.0	\$53.0	\$68.2	\$219.2	\$53.0	\$48.5	\$44.2	\$59.4	\$205.1	\$300.5
Core Tax Rate	21.0%	19.4%	20.4%	20.6%	20.7%	21.6%	21.1%	20.0%	20.0%	20.7%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
Tax Rate	7.4%	19.0%	20.0%	20.6%	21.1%	21.8%	24.0%	19.8%	19.8%	21.3%	19.8%	19.8%	19.8%	19.8%	19.8%	19.8%
Core Net Income	\$481.0	\$993.0	\$993.0	\$895.0	\$902.0	\$152.0	\$179.0	\$224.0	\$260.7	\$815.7	\$220.9	\$201.3	\$216.0	\$283.2	\$921.4	\$932.5
Net Income from Continuing Operations	\$314.0	\$1,081.0	\$898.0	\$852.0	\$887.0	\$154.0	\$174.0	\$215.0	\$276.6	\$819.6	\$214.8	\$196.9	\$179.5	\$240.8	\$832.0	\$1,218.9
Net Earnings (Loss) from Discontinued Operations	\$407.0	\$914.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Non-Controlling Interests	(\$11.0)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Net Earnings Attributable to Shareholders	\$732.0	\$1,995.0	\$898.0	\$852.0	\$887.0	\$154.0	\$174.0	\$215.0	\$276.6	\$819.6	\$214.8	\$196.9	\$179.5	\$240.8	\$832.0	\$1,218.9
Basic Shares Outstanding	88.7	85.1	85.1	84.7	83.9	83.8	83.5	83.4	82.9	83.4	82.3	81.8	81.2	80.7	81.5	79.3
Diluted Shares Outstanding	89.2	85.6	85.3	84.8	83.9	83.8	83.5	83.4	82.9	83.4	82.3	81.8	81.2	80.7	81.5	79.3
Basic EPS	\$8.25	\$23.44	\$10.55	\$10.06	\$10.57	\$1.84	\$2.07	\$2.58	\$3.34	\$9.83	\$2.61	\$2.41	\$2.21	\$2.99	\$10.21	\$15.40
Core EPS	\$5.40	\$11.59	\$11.63	\$10.56	\$10.75	\$1.81	\$2.14	\$2.69	\$3.15	\$9.79	\$2.68	\$2.46	\$2.66	\$3.51	\$11.32	\$11.77
Diluted EPS	\$8.20	\$23.30	\$10.53	\$10.05	\$10.57	\$1.84	\$2.07	\$2.58	\$3.34	\$9.83	\$2.61	\$2.41	\$2.21	\$2.99	\$10.21	\$15.40
Dividend per Share	\$3.85	\$28.06	\$14.31	\$8.10	\$9.43	\$2.80	\$0.80	\$0.80	\$2.88	\$7.28	\$0.88	\$0.88	\$0.88	\$0.88	\$3.52	\$3.52

Zacks Stock Rating System

We offer two rating systems that take into account investors' holding horizons: Zacks Rank and Zacks Recommendation. Each provides valuable insights into the future profitability of the stock and can be used separately or in combination with each other depending on your investment style.

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The Zacks Recommendation aims to predict performance over the next 6 to 12 months. The foundation for the quantitatively determined Zacks Recommendation is trends in the company's estimate revisions and earnings outlook. The Zacks Recommendation is broken down into 3 Levels; Outperform, Neutral and Underperform. Unlike many Wall Street firms, we have an excellent balance between the number of Outperform and Neutral recommendations. Our team of 70 analysts are fully versed in the benefits of earnings estimate revisions and how that is harnessed through the Zacks quantitative rating system. But we have given our analysts the ability to override the Zacks Recommendation for the 1200 stocks that they follow. The reason for the analyst over-rides is that there are often factors such as valuation, industry conditions and management effectiveness that a trained investment professional can spot better than a quantitative model.

Zacks Rank

The Zacks Rank is our short-term rating system that is most effective over the one- to three-month holding horizon. The underlying driver for the quantitatively-determined Zacks Rank is the same as the Zacks Recommendation, and reflects trends in earnings estimate revisions.

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Academic research has proven that stocks with the best Value, Growth and Momentum characteristics outperform the market. The Zacks Style Scores rate stocks on each of these individual styles and assigns a rating of A, B, C, D and F. We also produce the VGM Score (V for Value, G for Growth and M for Momentum), which combines the weighted average of the individual Style Scores into one score. This is perfectly suited for those who want their stocks to have the best scores across the board.

Value Score	B
Growth Score	D
Momentum Score	D
VGM Score	C

As an investor, you want to buy stocks with the highest probability of success. That means buying stocks with a Zacks Recommendation of Outperform, which also has a Style Score of an A or a B.

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