The Allstate Corporation

Second Quarter 2023 Earnings Presentation

08.02.2023

Forward-looking statements and non-GAAP financial information

This presentation contains forward-looking statements and information. This presentation also contains non-GAAP measures that are denoted with an asterisk. You can find the reconciliation of those measures to GAAP measures within our most recent earnings release, investor supplement or on our website, www.allstateinvestors.com, under the “Financials” link.

Additional information on factors that could cause results to differ materially from this presentation is available in the 2022 Form 10-K, Form 10-Q for June 30, 2023, our most recent earnings release, and at the end of these slides. These materials are available on our website, www.allstateinvestors.com, under the “Financials” link.

Allstate's Strategy To Increase Shareholder Value

Increase Personal Property-Liability Market Share

Allstate. You're in good hands.

NATIONAL GENERAL. an Allstate company

Answer financial.

Leveraging Allstate brand, customer base and capabilities

Allstate. PROTECTION PLANS

Allstate. BUSINESS INSURANCE

Allstate. HEALTH & BENEFITS

Expand Protection Services

Avail protected by Allstate.

Allstate. IDENTITY PROTECTION

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Allstate. ROADSIDE

Allstate. DEALER SERVICES

Second quarter 2023 highlights

- Successfully implementing comprehensive plan to improve auto insurance profitability by:
  - Raising rates
  - Reducing expenses
  - Limiting growth
  - Enhancing claims processes
- Severe weather resulted in a net loss of $1.4 billion
  - Property-Liability generated an underwriting loss of $2.1 billion reflecting $2.7 billion of catastrophe losses
  - Investment income of $610 million reflecting higher bond yields
  - Protection Services and Health and Benefits profit of $98 million
- Advancing Transformative Growth plan
- Expanding Allstate Protection Plans
- Suspended share repurchases given net loss

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Allstate Remains Focused on Improving Profitability

Revenues increased $1.76 billion primarily due to higher Property-Liability earned premiums from 2022 and 2023 rate increases

($ in millions, except per share data and ratios)	Three months ended June 30, 2023	2022	Change	Six months ended June 30, 2023	2022	Change
Total revenues	$13,979	$12,219	14.4%	$27,765	$24,555	13.1%
Property-Liability insurance premiums	11,921	10,874	9.6%	23,556	21,372	10.2%
Accident and health insurance premiums and contract charges	453	465	(2.6)%	916	933	(1.8)%
Net investment income	610	562	8.5%	1,185	1,156	2.5%
Net gains (losses) on investments and derivatives	(151)	(733)	(79.4)%	(137)	(1,000)	(86.3)%
Income applicable to common shareholders:						
Net income (loss)	(1,389)	(1,040)	33.6%	(1,735)	(406)	NM
Adjusted net income (loss)*	(1,162)	(207)	NM	(1,504)	523	NM
Per diluted common share[(1)]						
Net income (loss)	(5.29)	(3.80)	39.2%	(6.59)	(1.47)	NM
Adjusted net income (loss)*	(4.42)	(0.75)	NM	(5.72)	1.87	NM
Return on Allstate common shareholders' equity (trailing twelve months)						
Net income (loss) applicable to common shareholders				(17.2)%	4.2%	(21.4) pts
Adjusted net income (loss)*				(12.7)%	7.1%	(19.8) pts

Benefited from higher fixed-income investment yields and balances

NM = Not meaningful

Underwriting loss in the second quarter reflects elevated catastrophe losses and increased loss costs in auto insurance

[(1)] In periods where a net loss or adjusted net loss is reported, weighted average shares for basic earnings per share is used for calculating diluted earnings per share because all dilutive potential common shares are anti-dilutive and are therefore excluded from the calculation.

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Property-Liability Earned Premium Increases Offset by Elevated Catastrophe Losses and Underlying Loss Cost Increases

Higher earned premium driven by auto and homeowners rate increases, partially offset by a decline in policies in force

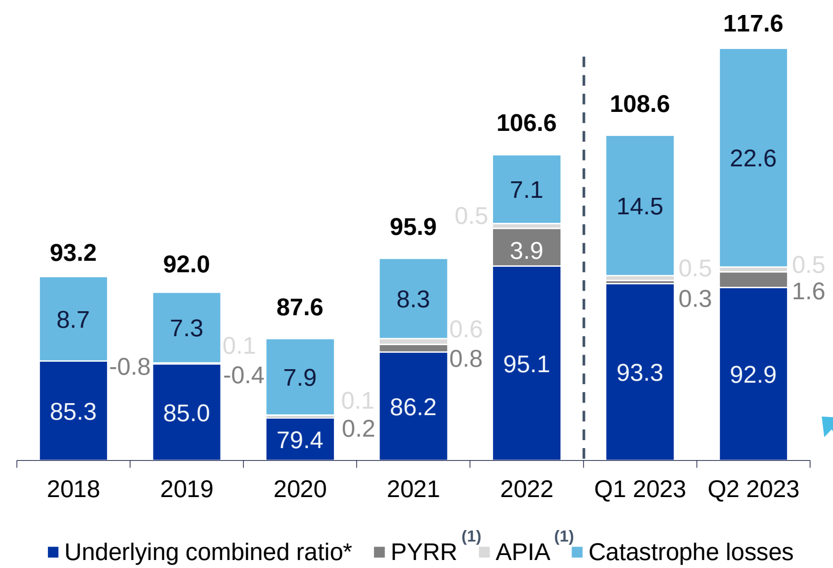
Underwriting loss primarily driven by elevated catastrophe losses of $2.7 billion

Property-Liability statistics

($ in millions)

	Three months ended June 30, 2023		Six months ended June 30, 2023	
	2023	Var to PY (%/$)	2023	Var to PY (%/$)
Premiums Earned	11,921	9.6%	23,556	10.2%
Policies in Force (in thousands)	37,985	(1.6)%	-	-
Catastrophe Losses	2,696	1,588	4,387	2,817
Underwriting Income (Loss)	(2,094)	(1,230)	(3,095)	(2,511)
(% to premiums earned)				
Loss Ratio	97.1	12.2 pts	92.3	13.1 pts
Expense Ratio	20.5	(2.5) pts	20.8	(2.7) pts
Combined Ratio	117.6	9.7 pts	113.1	10.4 pts
Catastrophe Loss Ratio	22.6	12.4 pts	18.6	11.3 pts
Underlying Combined Ratio*	92.9	(0.5) pts	93.1	0.9 pts

Property-Liability combined ratio components



Underlying combined ratio improvement versus 2022 reflects higher average premium and lower expenses

(1) Reflects combined ratio impact of non-catastrophe prior year reserve reestimates and amortization of purchased intangibles

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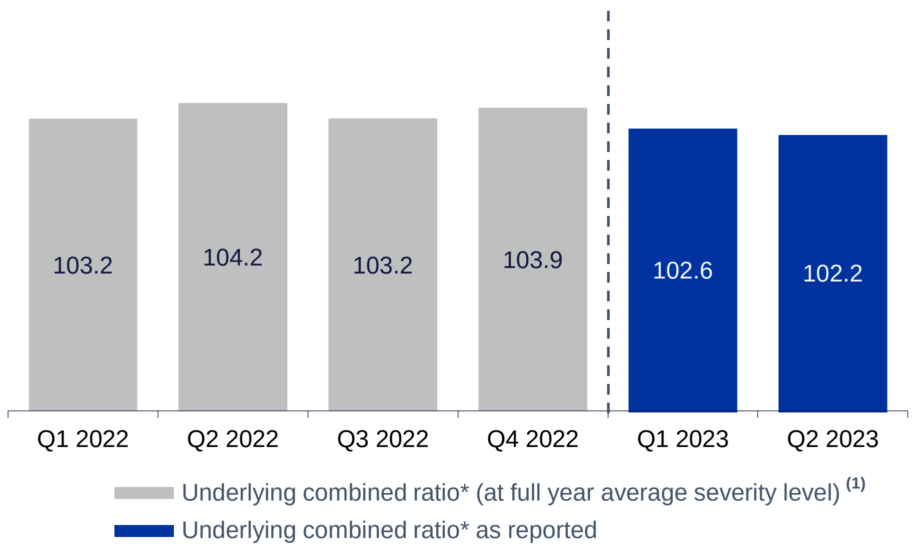
Auto Insurance Premium Growth Beginning to Outpace Underlying Costs

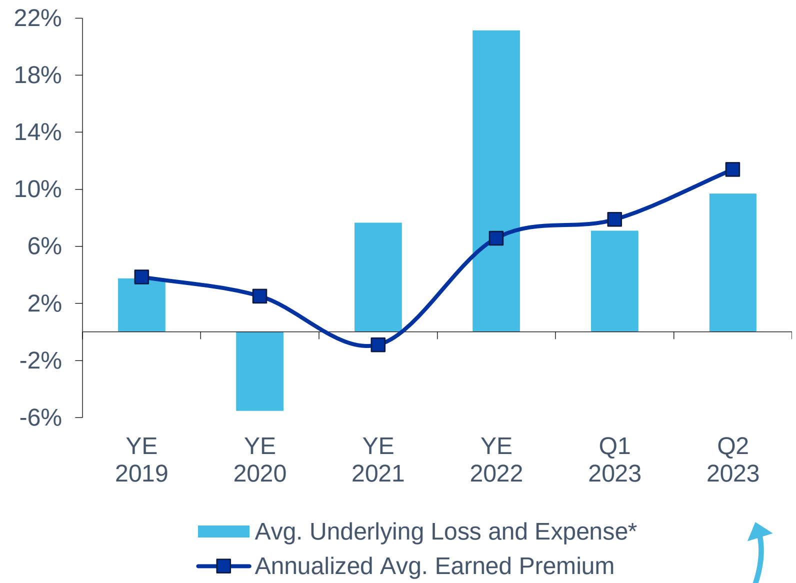
Underlying combined ratio slightly better in 2023 compared to 2022[(1)], driven by higher average premium and expense reductions

Increases in average earned premium from implemented rate increases are outpacing underlying loss and expense costs per policy in 2023

Allstate Protection auto underlying combined ratio* – 2022 quarterly results at full year average severity level[(1)] versus 2023 results as reported



Allstate brand auto premium and underlying loss and expense per policy – % variance to prior year end



Loss cost pressure remains elevated, driven by 11% increase in weighted average major coverage severity (compared to report year 2022) and higher accident frequency

[(1)] Adjusts 2022 quarterly underlying combined ratios* to reflect full year average current report year ultimate severities

Executing Comprehensive Approach to Restore Auto Margins

Auto insurance profit improvement will be driven by:		Progress:
Rate Increases	• Pursuing rate actions • Pricing expertise and sophistication	• Allstate brand implemented rate increases of **16.9%** in 2022, and **7.5%** through first six months of 2023, including **5.8%** in the second quarter • National General implemented rate increases of **10.0%** in 2022 and **5.5%** through first six months of 2023 • Continuing to pursue **rate increases in 2023**
Expense Reductions	• Reducing expenses as part of Transformative Growth	• **Property-Liability underwriting expense ratio decreased 2.5 points** compared to the prior year quarter • **Temporarily reduced advertising spend** to reduce new business volume • **Future cost reductions** from digitization, sourcing and distribution
Underwriting Actions	• Implemented stricter auto new business underwriting requirements	• **Restricting new business** in profit challenged states • Beginning to selectively **remove restrictions in states and segments** that are **achieving target margins**
Claims Excellence	• Enhancing claims practices to manage loss costs	• Modifying **claims processes** • **Accelerating resolution** of bodily injury claims • Negotiating **improved vendor** services and parts agreements

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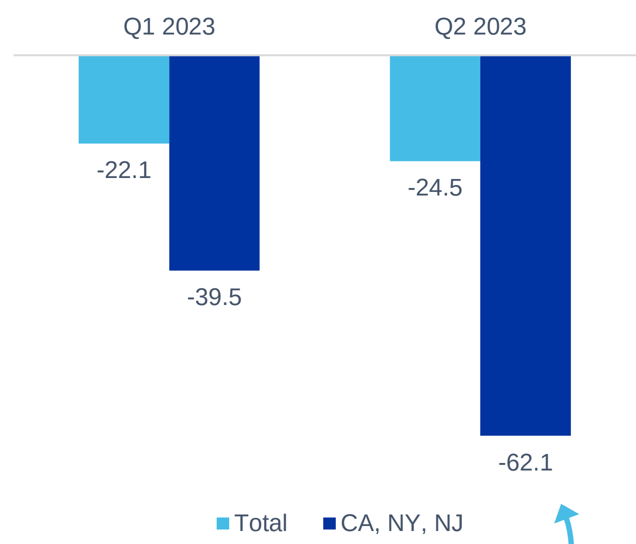
Targeted Underwriting Actions Lowering Auto Insurance Growth in Unprofitable States

Aggressively pursuing rate increases in 3 large states that generated 45% of Allstate brand auto underwriting loss in 2022

Allstate brand auto implemented rate

	Average Implemented Rate[1]		
State	**2022 - Q1 2023**	**Q2 2023**	**Progress and Outlook**
CA	7%	7%	• Implemented second 6.9% increase in Q2; filed 35% increase in Q2, currently pending with department of insurance
NY	10%	3%	• Implemented 6.7% increase in large open company in July; pursuing additional filings in 2023
NJ	14%	-	• Filed 29% increase in Q2, currently pending with department of insurance
Sub-Total	***8%***	***4%***	
Total	***19%***	***6%***	

Allstate brand auto new issued applications - % variance to prior year[2]



New issued applications decreased to the prior year quarter driven by underwriting restrictions in states with ongoing rate need

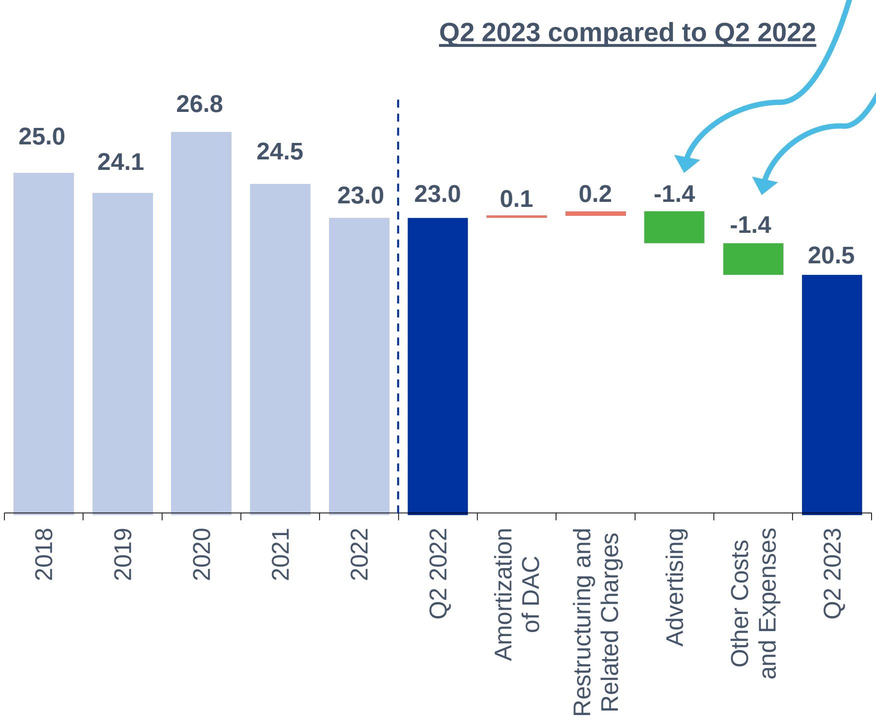
[1] State level rate information reflects Allstate brand auto, excluding Esurance and Canada
[2] Reflects new issued applications variance to prior year for Allstate brand auto including Esurance and Canada

Continued Progress on Expense Reduction

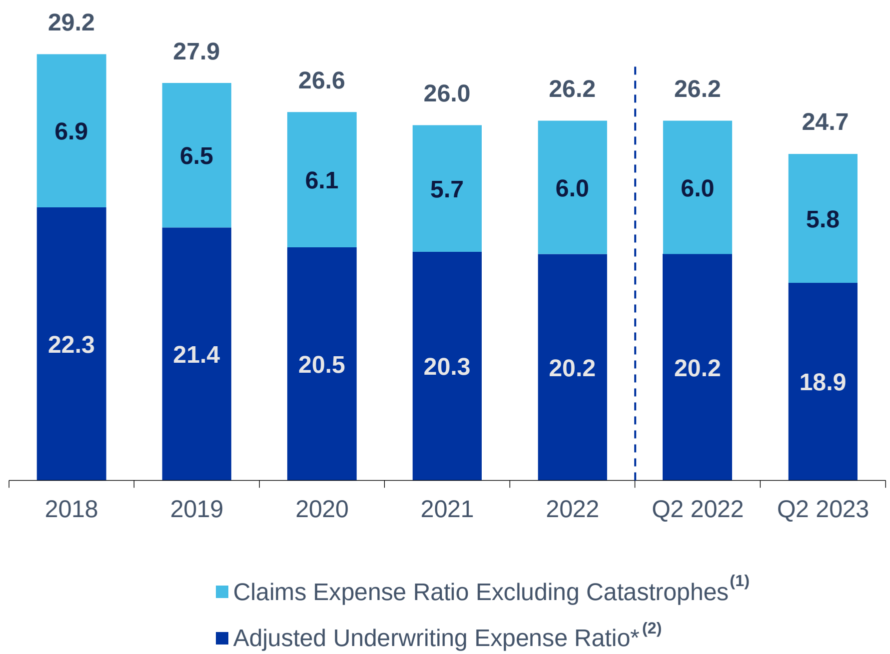
Reduction of advertising given lower growth appetite

Reduction driven by higher earned premium growth relative to fixed costs and lower distribution and employee–related costs

Property-Liability underwriting expense ratio



Property-Liability adjusted expense ratio*



(1) Property-Liability claims expense ratio incorporates unallocated claims expenses; excludes allocated claims expenses and catastrophes
(2) Adjusted underwriting expense ratio excludes amortization and impairment of purchased intangibles, restructuring, Coronavirus-related and advertising expenses

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Homeowners Insurance Impacted by Elevated Catastrophe Losses

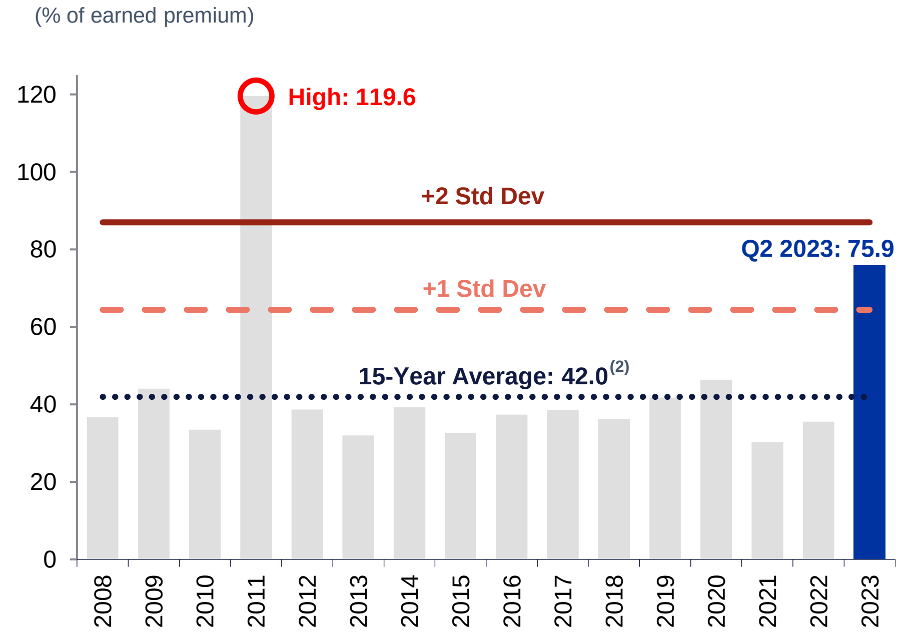
Net written premium growth of 12.4% in the second quarter primarily driven by higher average premium from rate increases and inflation in home replacement costs

Catastrophe loss ratio at highest level since 2011 and second highest in 15 years; 2023 experience between 1 and 2 standard deviations of the 15-year average

Allstate Protection homeowners operating statistics

	Q2 2023	Var to PY
Written premium ($ in millions)	$3,381	12.4%
Average premium - gross written ($)[1]	1,800	13.2%
Policies in Force (in thousands)	7,268	1.0%
Combined Ratio	145.3	37.8 pts
Catastrophe Loss Ratio	75.9	40.3 pts
Underlying Combined Ratio*	**67.6**	**(1.9) pts**

Allstate Protection homeowners second quarter catastrophe loss variability



Elevated catastrophe losses of $2.2 billion in the second quarter drove the recorded combined ratio increase to prior year

Higher average premium more than offsetting increased severity

(1) Reflects Allstate brand
(2) Reflects 15-year weighted average

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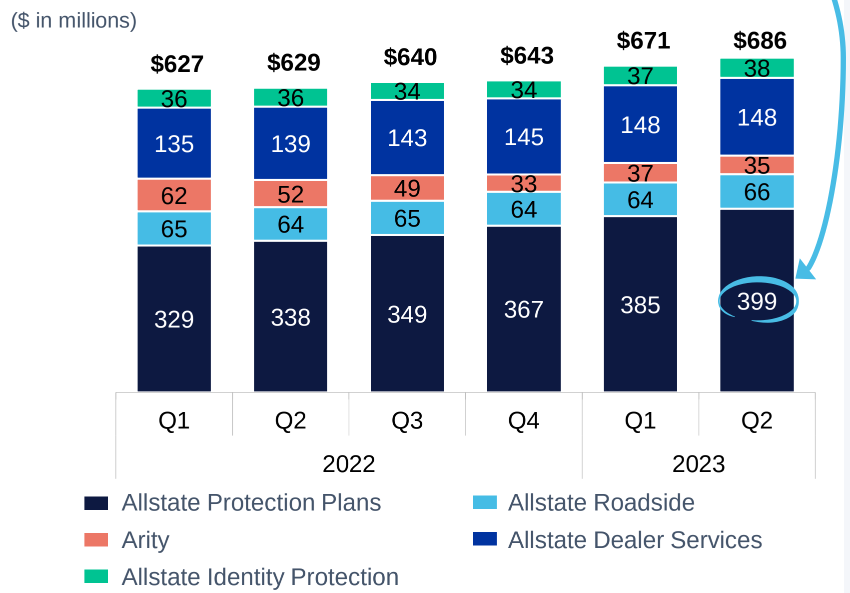
Protection Services and Health and Benefits Businesses Are Growing

Allstate Protection Plans revenues increased 18% compared to the prior year quarter

Increase compared to the prior year quarter driven by growth in group health offsetting lower individual health and employer voluntary benefits

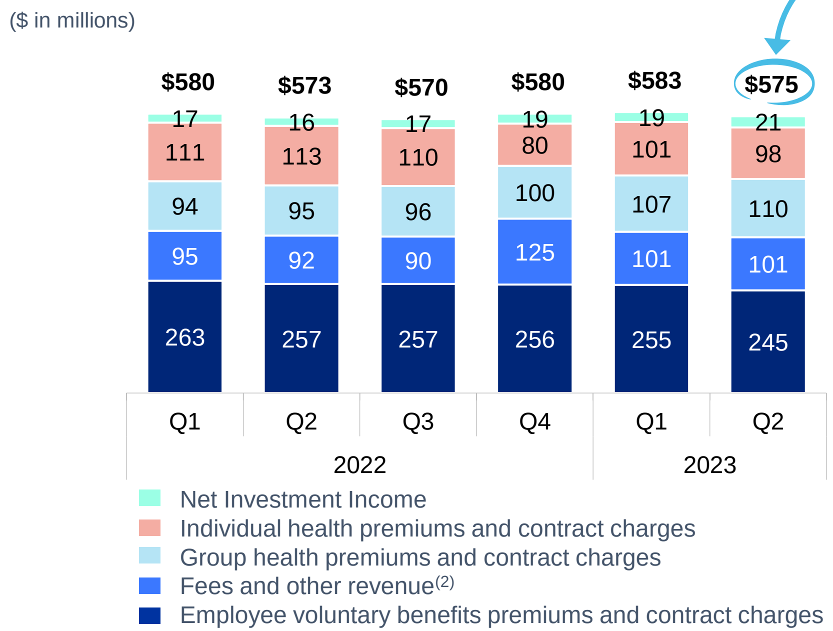
Protection Services revenues[(1)]



Adjusted Net Income	53	43	35	38	34	41

Allstate Protection Plans adjusted net income was $31 million in the quarter

Health and Benefits revenues[(1)]



Adjusted Net Income	57	67	63	58	56	57

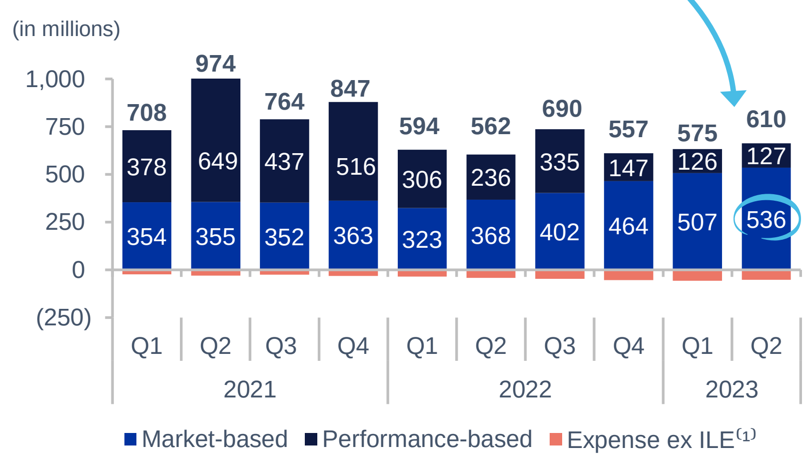
(1) Revenues exclude the impact of net gains and losses on investments and derivatives
(2) Reflects commission revenue, administrative fees, agency fees, and technology fees primarily from the group and individual health businesses

Net Investment Income Benefits from Higher Reinvestment Yields with Performance-based Income Below Prior Year

Increased Market-based income reflects higher yields and portfolio repositioning

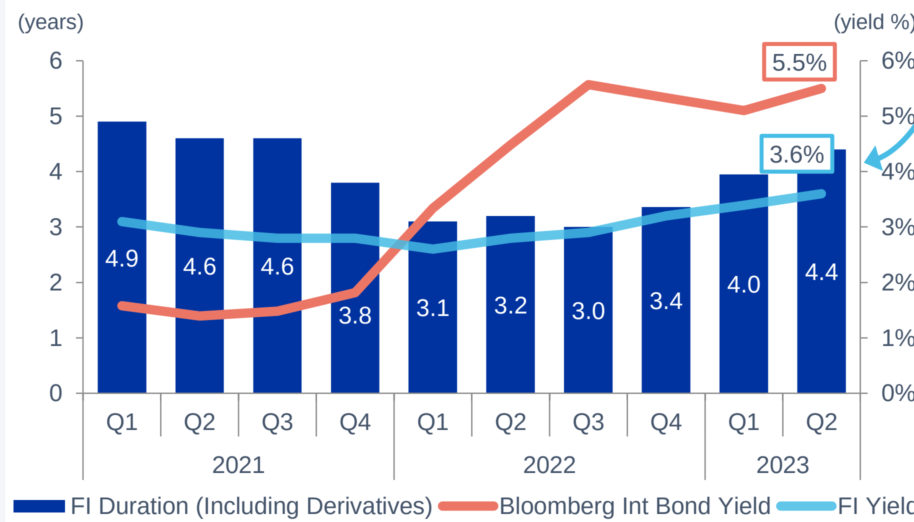
Fixed income earned yield increased from 2.8% in second quarter 2022 to 3.6% in 2023. Duration extension locks-in higher yields for longer

Net investment income



% Total Return	(0.2)	2.6	1.0	1.1	(2.8)	(2.8)	(0.8)	2.5	2.4	0.2
% Total TTM[2]	8.8	6.8	6.0	4.4	1.8	(3.5)	(5.3)	(4.0)	1.2	4.2

Fixed income duration and yield[3]



(1) Investee level expenses (ILE) comprised of asset level operating expenses are netted against market-based and performance-based income
(2) Trailing twelve months
(3) Fixed income duration includes interest rate derivative positions. Corporate Bond Yield is intermediate maturity sourced from Bloomberg

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Capital Position Is Sound, Proactively Managed By Balancing Enterprise Risk and Return

Allstate remains well capitalized with estimated statutory surplus of $13.6 billion and holding company assets of $3.3 billion

History of profit demonstrates ability to generate capital as results improve

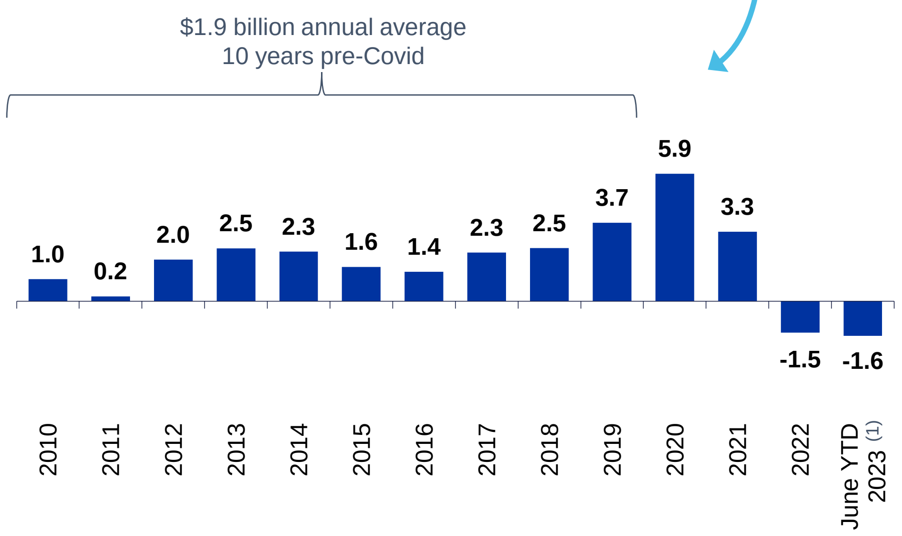
Statutory Surplus, Holding Company Assets and Fixed Charges

(in billions)

	6/30/2023
Statutory Surplus[1]	$13.6
Holding Company Assets	$3.3
Statutory Surplus + Holding Company Assets	$16.9
Fixed Charges (TTM)[2]	$1.3
Holding Company Assets / Fixed Charges	2.5x
Remaining Repurchase Authorization	$0.5
Debt Maturities:	
Remainder of year 2023	$-
2024	$0.35

Allstate Insurance Company Statutory Net Income[3]

(in billions)



Share repurchases suspended given net loss. $4.5 billion of shares repurchased (12% of shares outstanding) under 2021 $5 billion authorization

[1] June 30, 2023 statutory results are preliminary with final results expected to be filed in early August 2023
[2] Reflects common and preferred shareholder dividends and interest expense, after-tax, over the trailing twelve-month period
[3] Allstate Insurance Company statutory net income excludes Life and Annuities

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Forward-looking Statements

This presentation contains "forward-looking statements" that anticipate results based on our estimates, assumptions and plans that are subject to uncertainty. These statements are made subject to the safe-harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements do not relate strictly to historical or current facts and may be identified by their use of words like "plans," "seeks," "expects," "will," "should," "anticipates," "estimates," "intends," "believes," "likely," "targets" and other words with similar meanings. These statements may address, among other things, our strategy for growth, catastrophe, exposure management, product development, investment results, regulatory approvals, market position, expenses, financial results, litigation, and reserves. We believe that these statements are based on reasonable estimates, assumptions and plans. Forward-looking statements speak only as of the date on which they are made, and we assume no obligation to update any forward-looking statements as a result of new information or future events or developments. In addition, forward-looking statements are subject to certain risks or uncertainties that could cause actual results to differ materially from those communicated in these forward-looking statements. Factors that could cause actual results to differ materially from those expressed in, or implied by, the forward-looking statements include risks related to:

- Insurance and Financial Services (1) unexpected increases in claim frequency and severity; (2) catastrophes and severe weather events; (3) limitations in analytical models used for loss cost estimates; (4) price competition and changes in regulation and underwriting standards; (5) actual claim costs exceeding current reserves; (6) market risk, inflation and declines in credit quality of our investment portfolios; (7) our subjective determination of fair value and amount of credit losses for investments; (8) our participation in indemnification programs, including state industry pools and facilities; (9) inability to mitigate the impact associated with changes in capital requirements; (10) a downgrade in financial strength ratings;
- Business, Strategy and Operations (11) competition in the industries in which we compete and new or changing technologies; (12) implementation of our Transformative Growth strategy; (13) our catastrophe management strategy; (14) restrictions on our subsidiaries' ability to pay dividends; (15) restrictions under terms of certain of our securities on our ability to pay dividends or repurchase our stock; (16) the availability of reinsurance at current levels and prices; (17) counterparty risk related to reinsurance; (18) acquisitions and divestitures of businesses; (19) intellectual property infringement, misappropriation and third-party claims;
- Macro, Regulatory and Risk Environment (20) conditions in the global economy and capital markets; (21) a large-scale pandemic, the occurrence of terrorism, military actions or social unrest; (22) the failure in cyber or other information security controls, as well as the occurrence of events unanticipated in our disaster recovery processes and business continuity planning; (23) changing climate and weather conditions; (24) evolving environmental, social and governance standards and expectations; (25) restrictive regulations and regulatory reforms, including limitations on rate increases and requirements to underwrite business and participate in loss sharing arrangements; (26) losses from legal and regulatory actions; (27) changes in or the application of accounting standards; (28) vendor-related business disruptions or failure of a vendor to provide and protect data, confidential and proprietary information, or personal information of our customers, claimants or employees; (29) our ability to attract, develop and retain talent; and (30) misconduct or fraudulent acts by employees, agents and third parties.

Additional information concerning these and other factors may be found in our filings with the Securities and Exchange Commission, including the "Risk Factors" section in our most recent annual report on Form 10-K.