The Allstate Corporation

Third Quarter 2021 Earnings Presentation

11.04.2021

Allstate®

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 or investor supplement.

Additional information on factors that could cause results to differ materially from this presentation is available in the 2020 Form 10-K, Form 10-Q for September 30, 2021, 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 Increases Shareholder Value

Third Quarter 2021 Highlights

Execution

Customers

- Increased Property-Liability policies in force 12.5% compared to prior year
- Rapid growth of Protection Plans through expanded network of products and partners
- 192 million policies in force

Financial Results

- Revenues up 16.9% for the quarter and 21.4% year-to-date ("YTD")
- Net income and adjusted net income declined in the third quarter
  - Lower underwriting profit
  - Significant reinsurance recoveries
  - Higher investment income
- Adjusted net income above prior year for September YTD

Capital Deployment

- Returned $1.5 billion, including completion of a $750 million accelerated share repurchase program
- Closed sale of Allstate Life Insurance Company and Allstate Life Insurance Company of New York in the fourth quarter

Allstate Addresses Impact of Supply Chain Disruptions

- Total revenues of $12.5 billion in the third quarter increased 16.9% from the prior year
  - Property-Liability premiums earned increased by 13.5% over the prior year quarter, primarily due to the acquisition of National General
  - Net investment income driven by continued strong performance-based results
- Net income of $508 million with adjusted net income* of $217 million ($0.73 per share) in the third quarter
- Year-to-date decline in net income due to loss on sale of life and annuity businesses

	Three months ended September 30,			Nine months ended September 30,		
($ in millions, except per share data and ratios)	2021	2020	Change	2021	2020	Change
Total revenues	$12,480	$10,678	16.9%	$37,577	$30,947	21.4%
Property-Liability insurance premiums	10,159	8,952	13.5%	30,064	26,696	12.6%
Accident and health insurance premiums and contract charges	460	287	60.3%	1,362	832	63.7%
Net investment income	764	464	64.7%	2,446	930	163.0%
Realized capital gains and losses	105	319	(67.1%)	818	597	37.0%
Income applicable to common shareholders:						
Net income	508	1,126	(54.9%)	695	2,863	(75.7%)
Adjusted net income*	217	900	(75.9%)	3,237	2,918	10.9%
Per diluted common share						
Net income	1.71	3.58	(52.2%)	2.30	9.01	(74.5%)
Adjusted net income*	0.73	2.87	(74.6%)	10.70	9.18	16.6%
Return on Allstate common shareholders' equity (trailing twelve months)						
Net income applicable to common shareholders				13.2%	18.9%	(5.7) pts
Adjusted net income*				21.2%	17.9%	3.3 pts

Pandemic Has Created Volatility Requiring Rapid Adaptation

	2020	2021
External Environment	• Economic lockdowns • Fewer miles driven • Economic stimulus – fiscal and monetary	• Economic reopening • Increased miles driven • Less economic stimulus • Supply chain disruptions

Operating Environment

Auto Insurance

	2020	2021
Accident Frequency	• Significant decreases	• Increased but not at pre-pandemic
Claim Severity	• Fewer small claims	• Supply chain disruptions
Premiums	• Shelter-In-Place Paybacks and modest rate reductions	• Modest rate reductions followed by significant increases

Investment Portfolio

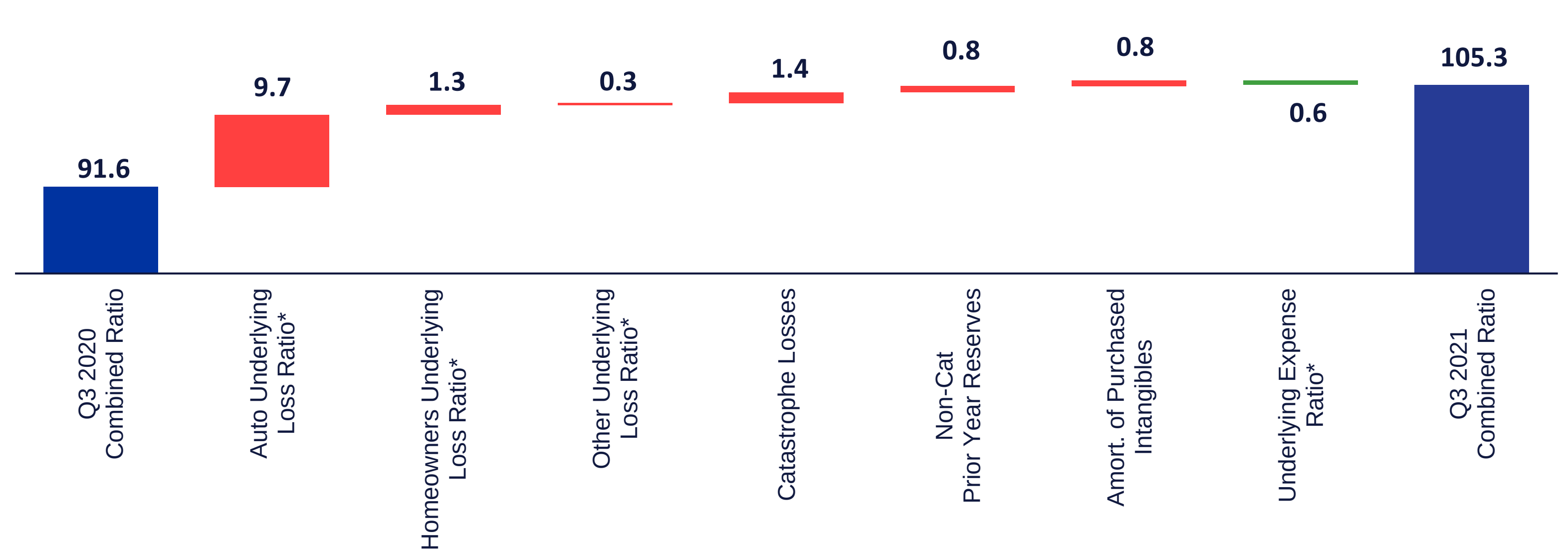
	2020	2021
Performance-based	• Losses in first half	• Significant gains
Market-based	• Declining interest rates	• Increasing interest rates

	2020	2021
Other Businesses	• Protection Plans – higher retail sales • Roadside – fewer rescues • Remote operations	• Roadside – capacity shortages • Leveraging cost reductions and technology

Property-Liability Combined Ratio Increased Due to Rising Loss Costs

- Recorded combined ratio of 105.3 increased 13.7 points compared to the prior year quarter driven by higher underlying auto and home losses as well as higher catastrophe losses
  - Underlying loss cost increases primarily driven by rising inflationary impacts and higher auto accident frequency compared to prior year
  - Higher catastrophe losses driven by the net impact of Hurricane Ida, which were significantly reduced due to reinsurance recoverables, and favorable reserve reestimates from subrogation settlements in 2020
  - Non-catastrophe prior year reserve reestimates primarily driven by increases in auto and commercial lines partially offset by lower asbestos, environmental and other reserve strengthening in the Run-off Property-Liability segment
  - Underlying expense ratio, which excludes amortization of purchased intangibles, improved due to lower restructuring and related charges

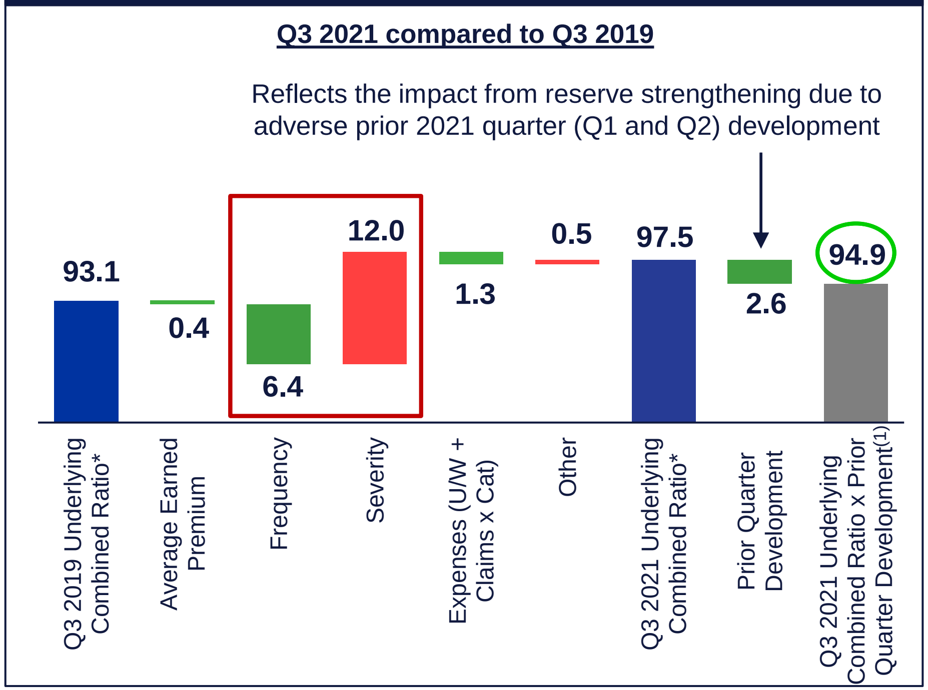
Property-Liability Combined Ratio



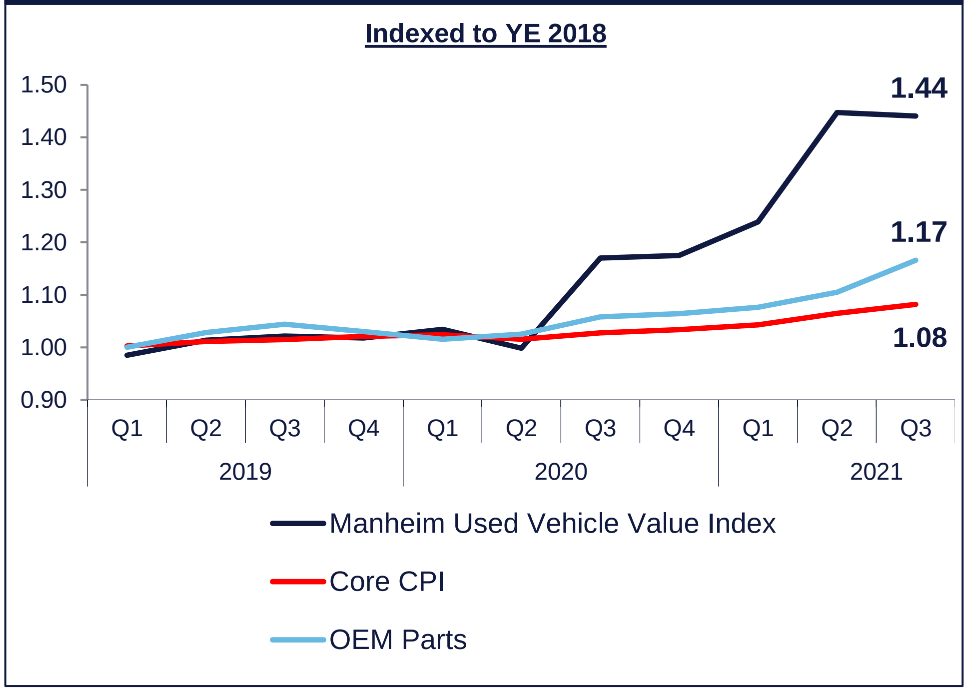
Auto Insurance Profitability Impacted by Increased Repair Costs

- Allstate brand auto underlying combined ratio* of 97.5 in the third quarter and 89.7 through first nine months of 2021
- Auto accident frequency continues to trend below pre-pandemic levels
  - Allstate brand auto property damage frequency in the third quarter increased 16.6% to the prior year, but was 16.8% lower than 2019
- Auto severity increases more than offset lower frequency
  - Increased severity reflects rising inflationary impacts from higher used car values, replacement parts and labor
  - Expense reductions offset a portion of loss cost increases
  - Allstate brand auto insurance third quarter 2021 combined ratio was adversely impacted by 2.6 points of reserve strengthening for the first two quarters of 2021

Allstate Brand Auto Underlying Combined Ratio



Used Vehicle Value, Vehicle Parts, and Core CPI[2]

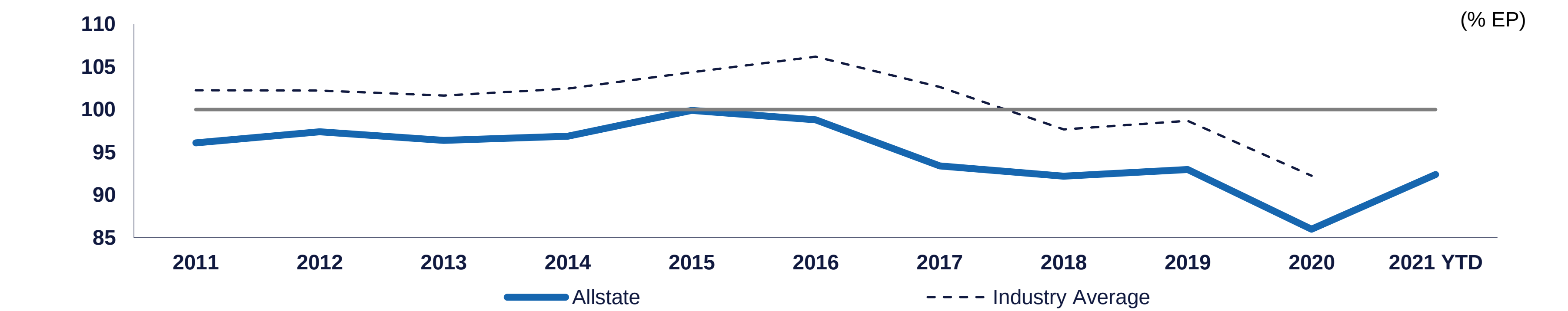


[1] Allstate brand auto underlying combined ratio adjusted for timing of reserve strengthening to reflect the impact of adverse prior quarter development on Q3 2021 result
[2] Source: Manheim Used Vehicle Value Index; U.S. Bureau of Labor Statistics seasonally adjusted; CCC original equipment manufacturer industry average price per part

Implementing Rate Increases to Improve Auto Profitability

- Allstate's sustained industry-leading auto insurance margins demonstrate strong execution and expertise
  - Historical combined ratio operating range in mid-90s generates attractive returns on capital

Auto Insurance Combined Ratios[(1)]



- Implementing price increases across states to address rising loss costs
  - Rate filings reflect actual experience and forecasted trends in frequency and severity
  - Pursuing rates in 20 states during the fourth quarter with 8 implemented as of Nov. 1 at an average increase of 6.7% with pricing actions to continue into 2022
- Advanced claims capabilities and process efficiency enabling a scaled response to environmental severity pressure
- Cost reductions continuing as part of Transformative Growth

Allstate Brand Selected Q3 and Q4 Auto Rate Increases[(2)]

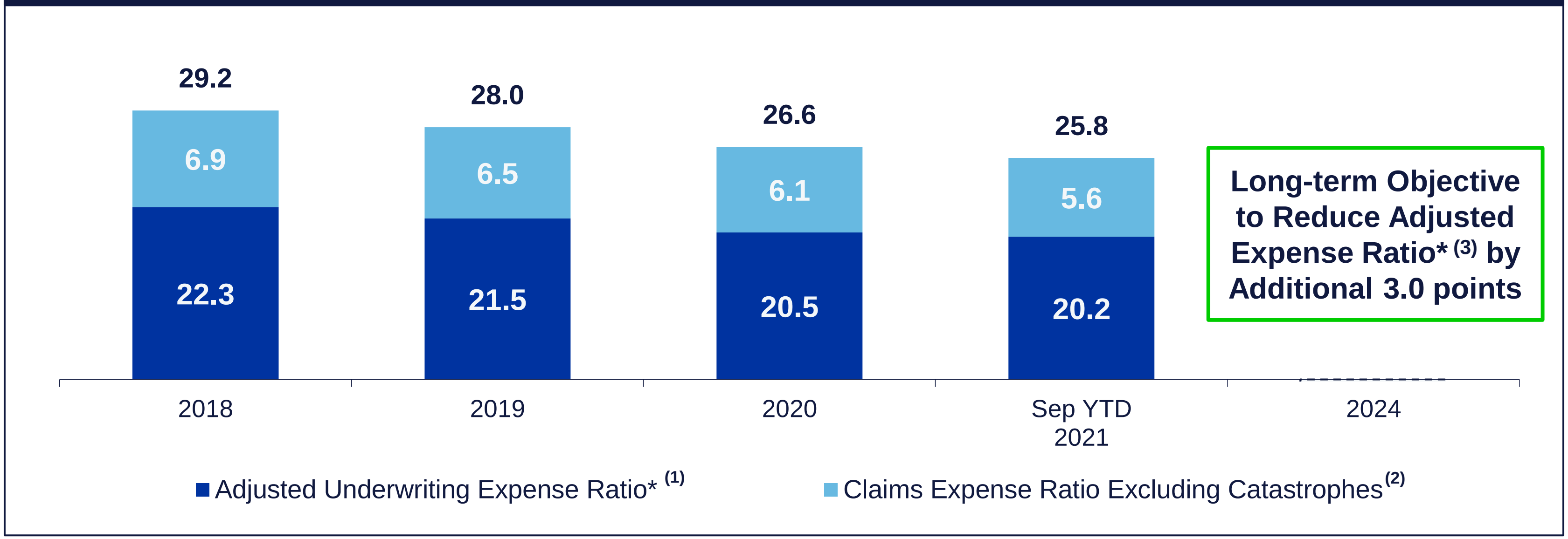
	Location	% Increase
Implemented (Q3 & Q4)	Texas^	8.0
	Canada	4.1
	New Jersey^	5.0
	New York^	5.0
	Georgia^	5.4
	Virginia	6.0
	Indiana	4.9
	Missouri	5.5
	Kansas	4.9
Publicly Filed (Not Yet Implemented)	Pennsylvania^	4.5
	Maryland	6.0
	Alabama	5.5
	Massachusetts	7.0

(1) Industry information: Statutory results per S&P Global Market Intelligence; Allstate information: GAAP results. 2011-2015 does not reflect change in pension accounting
(2) Represents the average impact in four Canadian provinces or companies within a state where rate changes were implemented as a percentage of its respective prior year-end premiums
(^) Denotes a top 10 state for Allstate brand auto based on prior year end net written premium

Committed to Further Cost Reductions

- Expect to achieve approximately 6.0 points of adjusted expense ratio* improvement between underwriting and claims expenses from 2018 – 2024
  - Achieved approximately half the savings through actions to date
  - Long-term objective to reduce adjusted expense ratio* by an additional 3.0 points
- Additional cost reductions expected to come from three major buckets
  - Digitization – Enhance digital capabilities, streamline processes and retire legacy technology
  - Operating Efficiency – Continue to drive improvements in process efficiency, realize additional National General integration synergies, reduction in real estate cost and expanding centralized support services
  - Distribution Model – Transform distribution platform to a higher growth and lower cost model

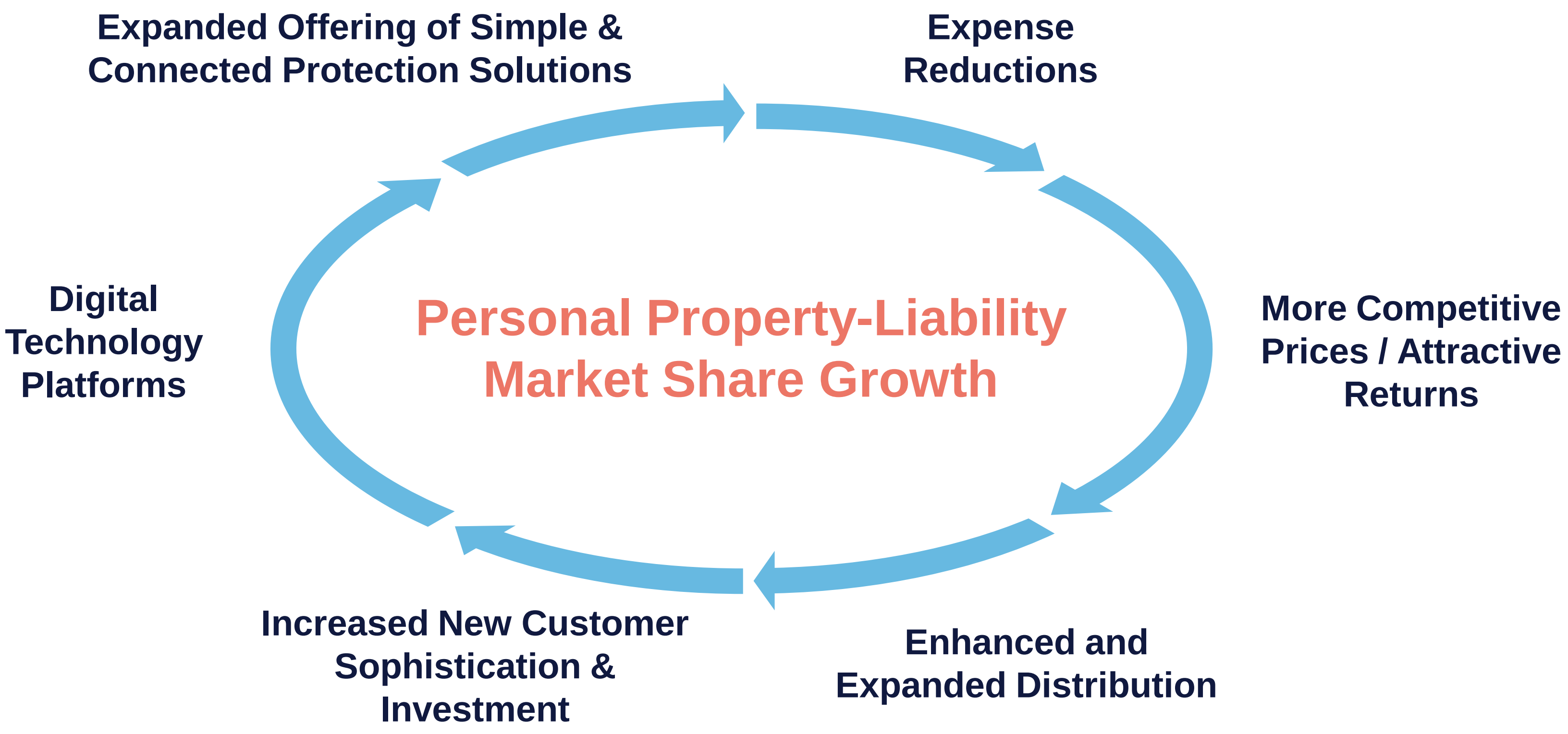
Property-Liability Adjusted Expense Ratio*



(1) Adjusted underwriting expense ratio excludes amortization and impairment of purchased intangibles, restructuring, Coronavirus-related and advertising expenses
(2) Property-Liability claims expense ratio incorporates unallocated claims expenses; excludes allocated claims expenses and catastrophes
(3) A reconciliation of this non-GAAP measure to the expense ratio, a GAAP measure, is not possible on a forward-looking basis because it is not possible to provide a reliable forecast of future expenses and targeted reductions as of the reporting date

Transformative Growth Creates Self-Sustaining Flywheel of Growth

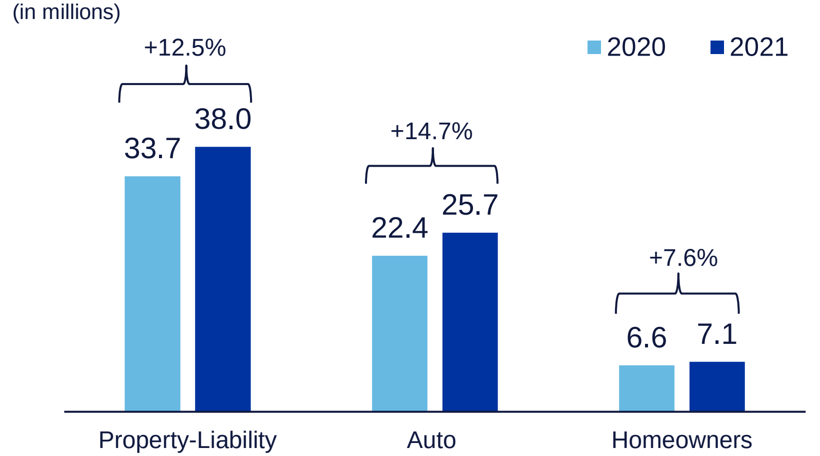
- Transformative Growth is a multi-year initiative to increase personal property-liability market share by building a low-cost digital insurer with broad distribution
  - Improve customer value
  - Expand customer access
  - Increase sophistication and investment in customer acquisition
  - Deploy new technology ecosystem



Customer-Focused Distribution Strategy

- Property-Liability policies in force grew by 12.5% compared to prior year driven by the National General acquisition
- Personal auto new issued applications increased 61% driven by both Allstate and National General branded business
    - Existing Allstate agents, excluding new appointments, slightly declined
    - Allstate brand direct sales increased by 38% over the prior year quarter, represented 30% of new business in third quarter
    - National General branded new business was 502,000 higher than prior year quarter (pre-acquisition)

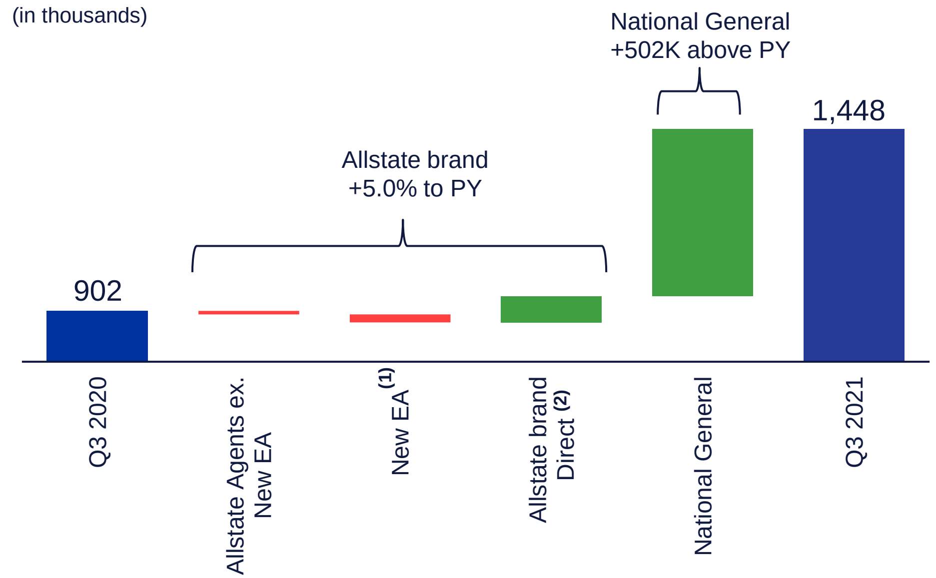
Property-Liability Policies in Force



var to prior year end (in thousands)

	Property-Liability	Auto	Homeowners
Total	4,310	3,394	495
Allstate Brand	308	142	69

Personal Auto New Issued Applications

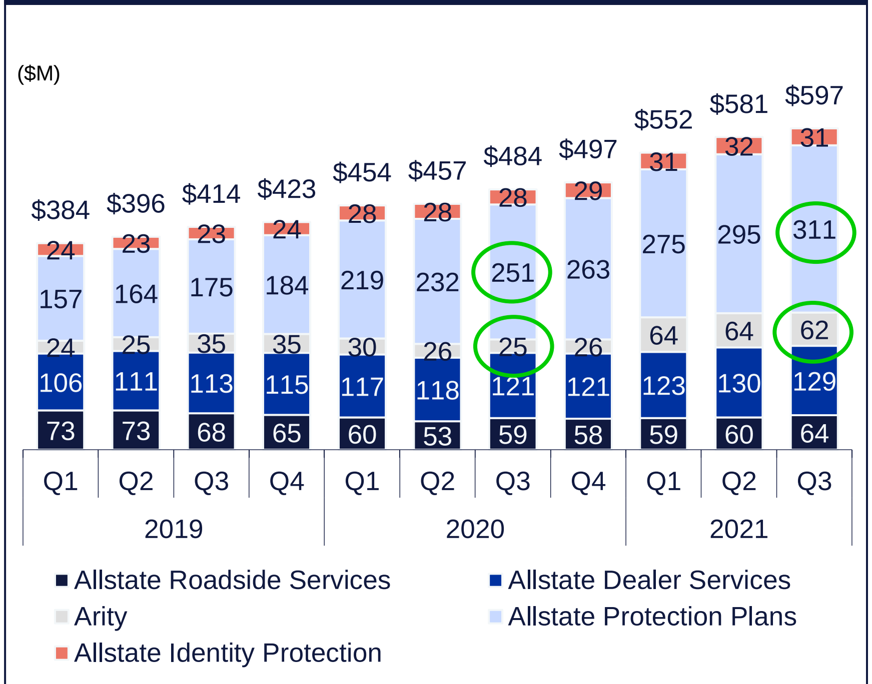


(1) New EA reflects new agent appointment production compared to prior year new appointments
(2) Allstate brand direct includes Esurance brand in 2021 and 2020

Protection Services Continues High Growth and Profit Trajectory

- Revenues[1] of $597 million increased 23.3% compared to the prior year quarter
  - Allstate Protection Plans revenues of $311 million increased 23.9% compared to the prior year quarter
  - Arity increased due to integration of LeadCloud and Transparent.ly expanding marketing services as a result of the National General acquisition and increased device sales driven by growth in the Milewise® product
- Written premium of $651 million increased by 34.2% driven by Allstate Protection Plans growth
  - Allstate Protection Plans written premium of $439 million in the quarter is 5.5x higher since acquisition
- Policies in force increased to 150 million, primarily due to growth at Allstate Protection Plans and Identity Protection
- Adjusted net income of $45 million increased $5 million compared to prior year quarter due to higher profitability at Allstate Identity Protection and Arity

Protection Services Revenues[1]



Protection Services Results

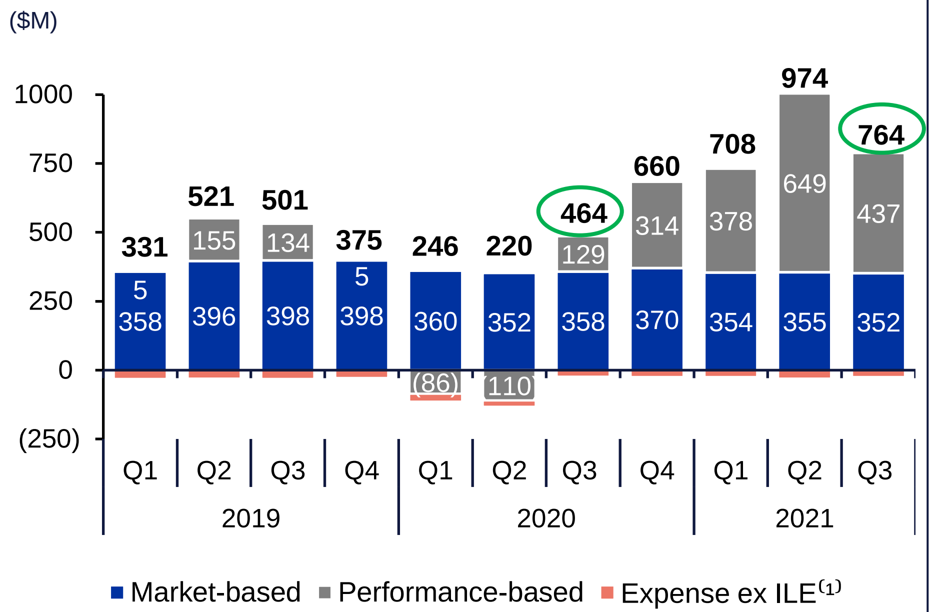
($ in millions)	Q3 2021	Var to PY
Revenues[1]	**$597**	**23.3%**
Written Premium	**$651**	**34.2%**
Allstate Protection Plans	439	46.3
Allstate Roadside	49	6.5
Allstate Dealer Services	163	17.3
Adjusted Net Income	**$45**	**$5**
Allstate Protection Plans	32	(4)
Arity	1	4
Allstate Roadside	1	(3)
Allstate Dealer Services	7	0
Allstate Identity Protection	4	8
Policies in Force (M)	**149.5**	**12.5%**

(1) Protection Services revenues exclude the impact of realized capital gains and losses

Proactive Portfolio Management Optimizes Risk and Return to Deliver Attractive Long-Term Results

- Net investment income $300 million above prior year, reflecting higher performance-based income
- Performance-based results represent a long-term and broad approach to growth investing
  - Nearly 90% of year-to-date income came from assets with inception years of 2018 and prior
  - Approximately 50% of year-to-date income generated by 25 individual investments
- Total return on portfolio was 1.0% in third quarter and 3.3% year-to-date
- Portfolio is managed to optimize long-term risk-adjusted returns and is integrated with the enterprise risk and return framework

Net Investment Income



Portfolio Returns[2] (Including Discontinued Ops)

		Annualized		
	LTM[3]	3 Year	5 Year	10 Year
Total Portfolio GAAP Total Return[4]	5.5%	6.4%	5.1%	4.9%
Market-based GAAP Total Return	3.2%	6.0%	4.6%	4.5%
Performance-based IRR	31.4%	12.4%	13.2%	12.4%

(1) Investee level expenses (ILE) comprise asset level operating expenses are netted against market-based and performance-based income
(2) Total portfolio and market-based returns reflect GAAP total returns, performance-based reflects IRR. See investor supplement for definitions
(3) Latest twelve months
(4) Total portfolio return includes non-ILE expenses of 0.2% for the latest twelve months and annualized trailing 3, 5, and 10 year periods

Strong Capital Position and Cash Returns to Shareholders

- Allstate's strong capital position enables significant cash returns to shareholders while investing in growth
  - Returned $1.5 billion to common shareholders in the third quarter of 2021 through $1.2 billion in share repurchases and $242 million in common shareholder dividends
  - Reduced common shares outstanding by greater than 5% over last twelve months
  - Acquired SafeAuto on October 1st for $262 million to leverage National General's platform
  - Closed on previously announced divestitures of Allstate Life Insurance Company and Allstate Life Insurance Company of New York in the fourth quarter of 2021. Increased deployable capital by $1.7 billion, partially funding $5 billion repurchase authorization

Capital Position

	9/30/2021	9/30/2020	Inc / (Dec)
Book value per common share	**$84.62**	**$82.39**	**2.7%**
Common shares outstanding (in millions)	**288.0**	**304.1**	**(5.3%)**
Quarterly common shareholder dividend	**$0.81**	**$0.54**	**50%**

Allstate Has Delivered Strong Results by Adapting and Creating Change

Execution	**Customers**	• Affordable, simple and connected protection solutions ○ Increase Property-Liability market share by 1% in 2021 ○ Substantial expansion of Protection Services	**192** Million Policies in Force
	Financial Results	• Industry-leading insurance margins • Long-term risk and return practices; insurance, catastrophes, investments • Attractive risk-adjusted investment returns	**15.6%** ROE* Average(1)
	Shareholders	• Attractive shareholder returns	**15.3%** 5 Year Annualized TSR(2)
Innovation	**Transformative Growth**	• Customer focused, digitally enabled, omni-channel growth businesses	
	Connected Car	• Broad and aggressive approach to auto insurance telematics • Leading telematics business (Arity) with an expanding Total Addressable Market	
	Corporate Citizenship	• Focused on climate change, privacy and equity	
Sustainable Value Creation	**Capital Management**	• Repurchased 25% and 50% of common shares over the last 5 and 10 years • Successful utilization of acquisitions to increase profitable growth	**Top 15%** In S&P 500 Cash Returns To Shareholders(3)
	Governance	• Experienced and diverse management and board	**1 of 10** ISS Governance Rating(4)

(1) Average adjusted net income return on equity* over the past 5 years (12/31/2020 – 12/31/2015)
(2) Annualized total shareholder return calculated for 9/30/16 – 9/30/21 period
(3) Reflects total yield of cash returned compared to the average market cap over the past 5 years
(4) Institutional Shareholder Services

®

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. These 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. We believe these statements are based on reasonable estimates, assumptions and plans. If the estimates, assumptions or plans underlying the forward-looking statements prove inaccurate or if other risks or uncertainties arise, actual results could 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 underwriting standards; (5) actual claims costs exceeding current reserves; (6) market risk and declines in credit quality of our investment portfolio; (7) our subjective determination of fair value and amount of credit losses for investments; (8) changes in market interest rates or performance-based investment returns impacting our annuity business; (9) changes in reserve estimates and amortization of deferred acquisition costs impacting our life, benefits and annuity businesses; (10) our participation in indemnification programs, including state industry pools and facilities; (11) inability to mitigate the capital impact associated with statutory reserving and capital requirements; (12) a downgrade in financial strength ratings; (13) changes in tax laws;
  - Business, Strategy and Operations (14) competition in the insurance industry and new or changing technologies; (15) implementation of our transformative growth strategy; (16) our catastrophe management strategy; (17) restrictions on our subsidiaries' ability to pay dividends; (18) restrictions under terms of certain of our securities on our ability to pay dividends or repurchase our stock; (19) the availability of reinsurance at current levels and prices; (20) counterparty risk related to reinsurance; (21) acquisitions and divestitures of businesses; (22) intellectual property infringement, misappropriation and third-party claims;
  - Macro, Regulatory and Risk Environment (23) conditions in the global economy and capital markets; (24) a large-scale pandemic, such as the Coronavirus and its impacts, or occurrence of terrorism, military actions or social unrest; (25) the failure in cyber or other information security controls, or the occurrence of events unanticipated in our disaster recovery processes and business continuity planning; (26) changing climate and weather conditions; (27) restrictive regulations and regulatory reforms, including limitations on rate increases and requirements to underwrite business and participate in loss sharing arrangements; (28) losses from legal and regulatory actions; (29) changes in or the application of accounting standards; (30) loss of key vendor relationships or failure of a vendor to protect our data or confidential, proprietary and personal information; (31) our ability to attract, develop and retain key personnel; and (32) 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. Forward-looking statements speak only as of the date on which they are made, and we assume no obligation to update or revise any forward-looking statement.