



## The Allstate Corporation

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Goldman Sachs U.S. Financial Services Conference  
Tom Wilson, Chair, President and Chief Executive Officer  
December 11, 2019

**Allstate**<sup>®</sup>  
You're in good hands.



## Forward-Looking Statements and Non-GAAP Financial Information

This presentation contains forward-looking statements and information. Additional information on factors that could cause results to differ materially from those projected in this presentation is available in the 2018 Form 10-K, in our most recent earnings release, and at the end of these slides. These materials are available on our website, [www.allstateinvestors.com](http://www.allstateinvestors.com), under the “Financials” link.

This presentation also contains some 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. These materials are available on our website, [www.allstateinvestors.com](http://www.allstateinvestors.com), under the “Financials” link.



# Allstate's Strategy Drives Profitable Growth

## Increase Personal Property-Liability Market Share



- Differentiated Products
- Sophisticated Pricing
- Claims Expertise
- Integrated Digital Enterprise



Enterprise Capabilities and Resources



## Expand Protection Businesses



- Circle of Protection for Customers
- Innovative Growth Platforms
- Broad Distribution
- Leveraging Allstate Brand and Capabilities
- Support Property-Liability Businesses



## Shareholder Value

- Customer Satisfaction
- Unit Growth
- Attractive Returns on Capital
- Sustainable Profitability
- Diversified Business Platform



# Allstate Continues to Deliver Growth and Attractive Returns

- Allstate’s strategy is working: grow personal property-liability market share and expand protection businesses
- Achieving all five 2019 operating priorities

(\$ in millions, except per share data and ratios)	Three months ended Sept. 30			Nine months ended Sept. 30		
	2019	2018	Change	2019	2018	Change
<b>Total revenues</b>	\$11,069	\$10,465	5.8%	\$33,203	\$30,334	9.5%
Total revenues (excl. realized capital gains and losses)	10,872	10,289	5.7%	32,020	30,317	5.6%
Property-Liability insurance premiums	8,782	8,320	5.6%	25,970	24,528	5.9%
Net investment income	880	844	4.3%	2,470	2,454	0.7%
Realized capital gains and losses	197	176	11.9%	1,183	17	NM
<b>Income applicable to common shareholders:</b>						
Net income	889	942	(5.6)%	2,971	2,597	14.4%
<i>per diluted common share</i>	2.67	2.68	(0.4)%	8.85	7.31	21.1%
Adjusted net income*	946	759	24.6%	2,457	2,577	(4.7)%
<i>per diluted common share*</i>	2.84	2.16	31.5%	7.32	7.25	1.0%
<b>Return on common shareholders’ equity (trailing twelve months)</b>						
Net income applicable to common shareholders				10.7%	18.6%	(7.9) pts
Adjusted net income*				14.2%	16.9%	(2.7) pts

NM = not meaningful



# Attractive Corporate Adjusted Net Income Return on Equity

- Strong return profile across core growth businesses while expanding product offerings

Allstate Annuities Impact on Corporate ROE <sup>(1)</sup>			
<i>(\$ in millions)</i>	Equity <sup>(2)</sup>	Adjusted Net Income <sup>(3)</sup>	ROE <sup>(1)</sup>
Allstate Corporation	21,219	3,009	14.2%
Allstate Annuities	4,923	75	1.5%
Allstate Corp. x Annuities	16,296	2,934	18.0%

**Allstate Annuities impact on ROE<sup>(1)</sup> = 3.8 pts**

Adjusted Net Income Return Profile By Segment	
<b>Allstate Corporation x Annuities</b>	
Allstate Protection	Mid to High Teens
Allstate Life	Low Teens
Allstate Benefits	Mid to High Teens
Service Businesses	Investing in Growth

- Beginning in 2020, Allstate will establish long-term return on equity targets that will replace the annual Property-Liability underlying combined ratio outlook

- Broader long-term measure
- Factors in capital management actions
- Highly correlated to stock price
- Consistent with peers

<sup>(1)</sup> Adjusted net income return on common shareholder equity for trailing twelve months as of September 30, 2019.  
<sup>(2)</sup> Average adjusted common shareholders' equity determined using a two-point average, with the beginning and ending adjusted common shareholders' equity for the twelve-months ended September 30, 2019 as data points.  
<sup>(3)</sup> Adjusted net income reflects a trailing twelve month period as of September 30, 2019.



# Customer Focused Plan to Increase Personal Property-Liability Market Share

## Increase Personal Property-Liability Market Share



**esurance**  
an Allstate company

- Differentiated Products
- Sophisticated Pricing
- Claims Expertise
- Integrated Digital Enterprise

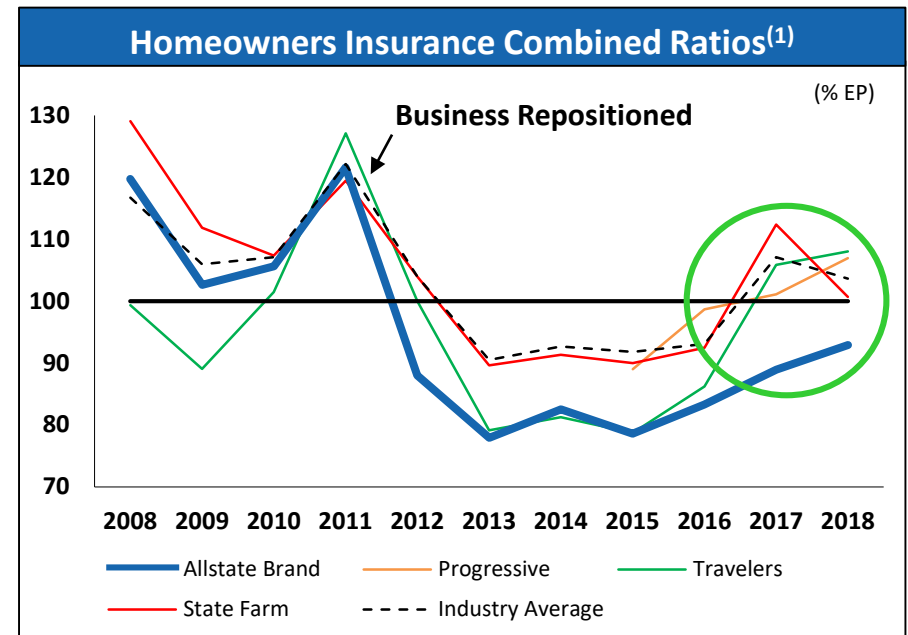
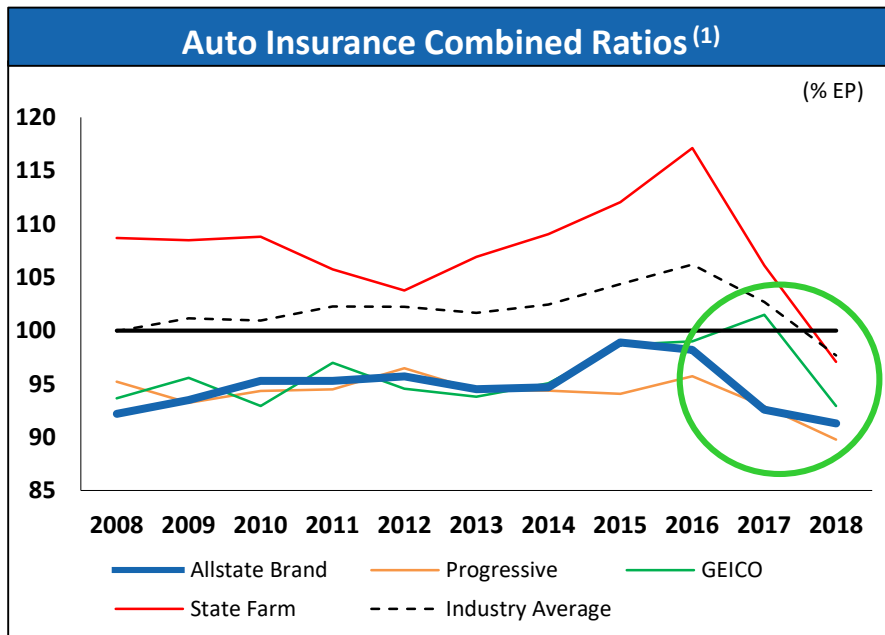




## Lowering Expenses to Grow Auto Insurance at Attractive Returns

- **Improving the customer value proposition by lowering expenses**
  - **Costs will be lowered by increasing commonality between brand operations and building an Integrated Digital Enterprise**
  - **Lower costs will support improved relative price position while maintaining attractive returns**
  
- **The go-to-market business models of the three brands are being modified to lower expenses**
  - **Products will still be distributed through local captive Allstate agencies, direct (online and call centers) and independent agencies**
  - **The product management, claims and operating processes for all distribution channels will utilize consistent technology platforms**
  - **An Integrated Digital Enterprise will lower costs by utilizing data, analytics, technology and process redesign**
  - **Telematics, connectivity and artificial intelligence will be leveraged to improve effectiveness and efficiency**
  
- **Reinventing the customer value proposition with innovative products, processes and technology. Focusing on the four Elements of Value to leverage brand strengths**
  - **Simple Quality**
  - **Design Aesthetics**
  - **Rewarding Engagement**
  - **Community Affiliation**

- Allstate brand auto and homeowners insurance generate attractive returns on capital while growing policies in force
  - Auto insurance underwriting margins are among the best in the industry
    - Lower combined ratio versus industry average generated \$1.3 billion of additional underwriting income in 2018
  - Homeowners insurance generates substantial underwriting income over time
    - Lower combined ratio versus industry average generated \$750 million of additional underwriting income in 2018



<sup>(1)</sup> Industry and competitor information: Statutory results per S&P Global Market Intelligence; Allstate information: GAAP results per Investor Supplement.





## Expanding Protection Businesses



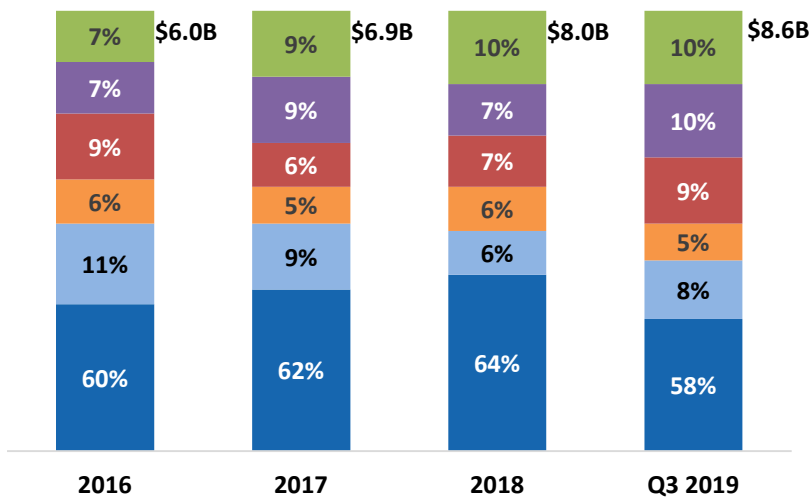
- Innovative Growth Platforms
- Broad Distribution
- Growing and Improving Margins:
  - Policies in force of 102.4 million as of September 2019
  - Premium of \$3.6 billion through the first nine months of 2019
  - Adjusted Net Income of \$320 million through the first nine months of 2019, despite large growth investments



# Proactive Investment Approach Balances Risk and Return

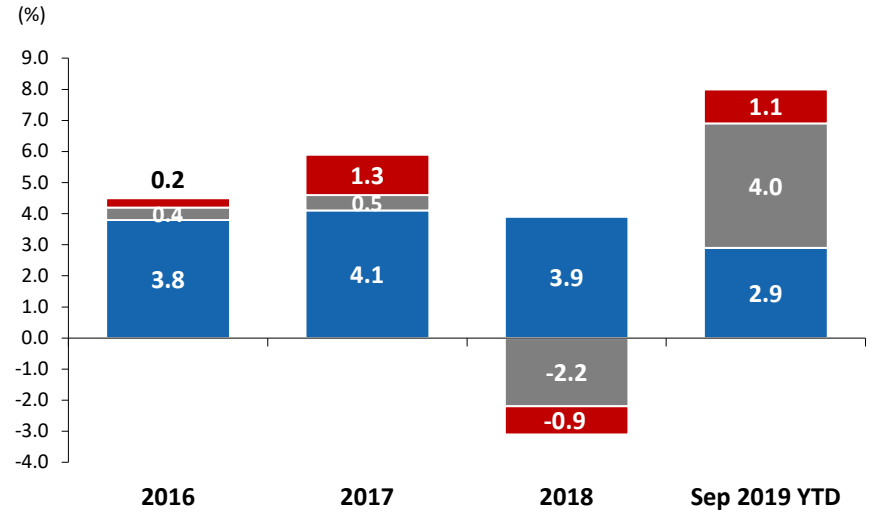
- 2019 portfolio return reflects stable income and higher fixed income valuations from lower interest rates
  - Increased market-based income reflects investment above portfolio yields
  - Increase in performance-based investments generates higher returns but also increases income volatility

**Portfolio Allocation**



■ Market-based (MB) Inv. Grade Fixed Income   
 ■ MB Below Inv. Grade Fixed Income   
 ■ Mortgage Loans  
■ Other Loans/Short Term   
 ■ MB Equity   
 ■ Performance-based

**GAAP Total Return**

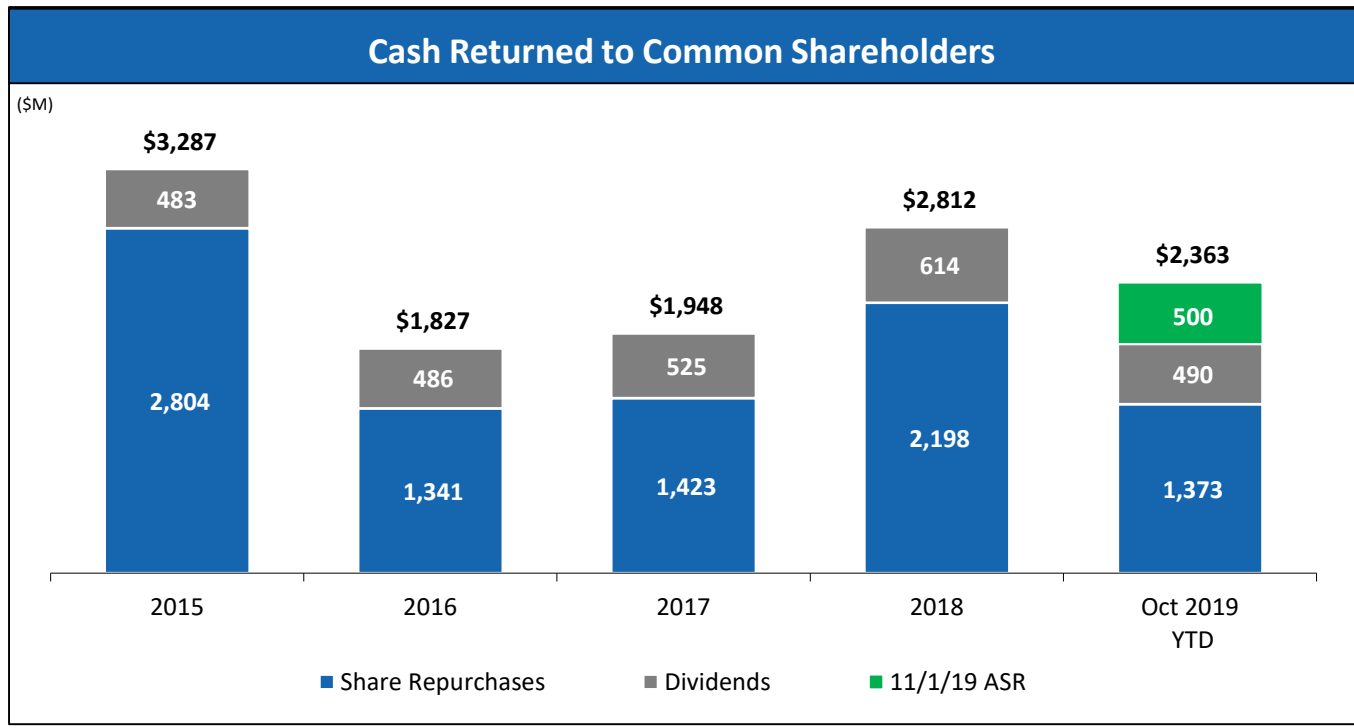


■ Net Investment Income   
 ■ Val of Interest-Bearing Securities   
 ■ Val of Equity Investments



# Proactive Capital Management Increases Shareholder Value

- Attractive corporate adjusted net income return on equity\* of 14.2% over the latest 12 months
- Enhanced capital structure efficiency reduces cost of capital
- Significant cash returns to shareholders
  - Annual dividend yield is 1.8%
  - Repurchased more than 28% of common shares (\$9.6 billion) since the start of 2015



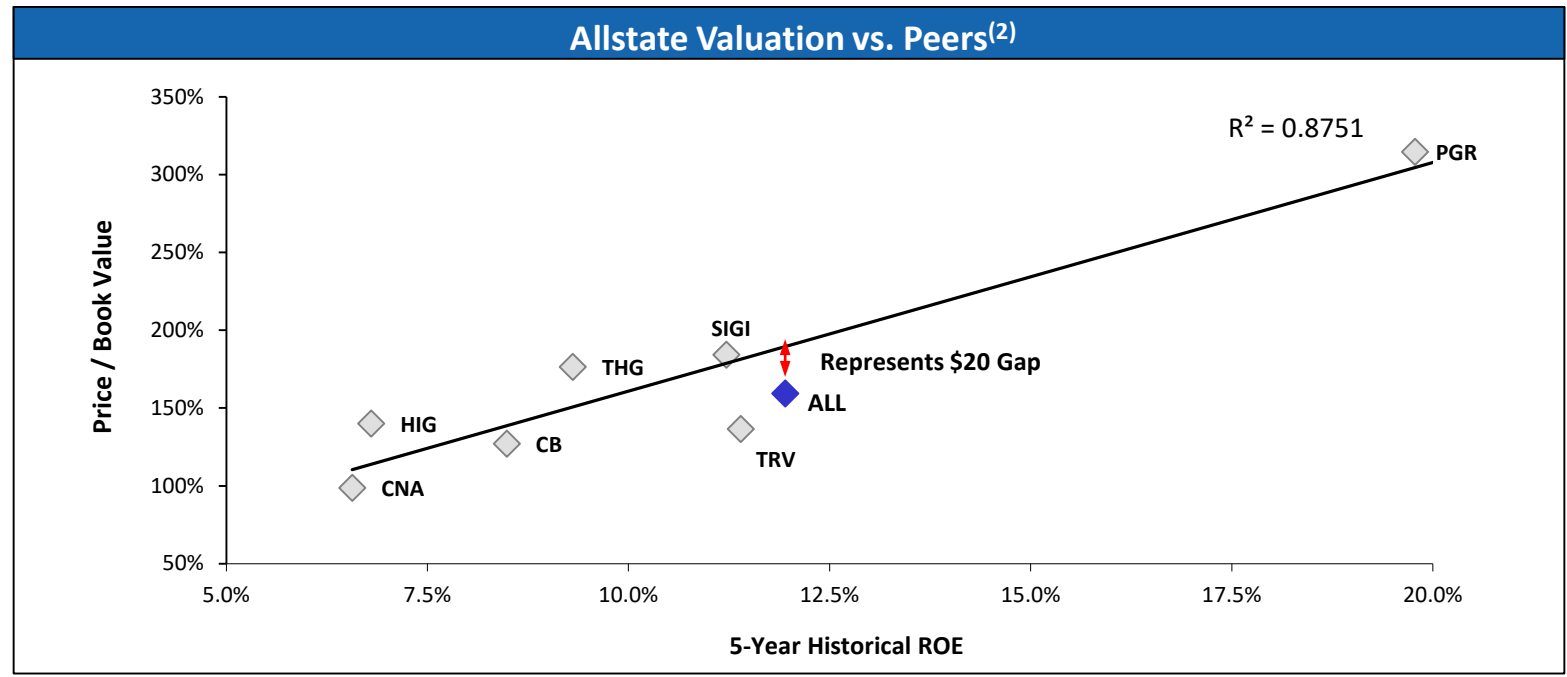


# Allstate's Valuation is Attractive Relative to Peers

- Allstate trades at a discount to price to book value and price to earnings valuation
- Valuation below peers despite strong results

### 9/30/19 vs. 9/30/18

Revenue <sup>(1)</sup>	5.7%
Shares outstanding	(5.8)%
Book value per share	14.8%
Stock price	10.1%



<sup>(1)</sup> Trailing twelve months

<sup>(2)</sup> Source: Company data, FactSet. Book value and historical ROE based on results as of 9/30/19. Price as of 12/9/2019.





## 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. However, 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: (1) adverse changes in the nature and level of catastrophes and severe weather events; (2) our catastrophe management strategy on premium growth; (3) unexpected increases in the frequency or severity of claims; (4) the cyclical nature of the property and casualty businesses; (5) the availability of reinsurance at current levels and prices; (6) risk of our reinsurers; (7) changing climate and weather conditions; (8) changes in underwriting and actual experience; (9) changes in reserve estimates; (10) changes in estimates of profitability on interest-sensitive life products; (11) conditions in the global economy and capital markets; (12) a downgrade in financial strength ratings; (13) the effect of adverse capital and credit market conditions; (14) possible impairments in the value of goodwill; (15) the realization of deferred tax assets; (16) restrictions on our subsidiaries’ ability to pay dividends; (17) restrictions under the terms of certain of our securities on our ability to pay dividends or repurchase our stock; (18) market risk and declines in credit quality relating to our investment portfolio; (19) our subjective determination of the amount of realized capital losses recorded for impairments of our investments and the fair value of our fixed income and equity securities; (20) the influence of changes in market interest rates or performance-based investment returns on our annuity business; (21) impacts of new or changing technologies on our business; (22) failure in cyber or other information security controls, as well as the occurrence of events unanticipated in our disaster recovery systems and business continuity planning; (23) misconduct or fraudulent acts by employees, agents and third parties; (24) the impact of a large scale pandemic, the threat or occurrence of terrorism or military action; (25) loss of key vendor relationships or failure of a vendor to protect confidential, proprietary and personal information; (26) intellectual property infringement, misappropriation and third party claims; (27) regulatory changes, including limitations on rate increases and requirements to underwrite business and participate in loss sharing arrangements; (28) regulatory reforms and restrictive regulations; (29) changes in tax laws; (30) our ability to mitigate the capital impact associated with statutory reserving and capital requirements; (31) changes in accounting standards; (32) losses from legal and regulatory actions; (33) our participation in indemnification programs, including state industry pools and facilities; (34) impacts from the Covered Agreement, including changes in state insurance laws; (35) competition in the insurance industry and impact of new or changing technologies; (36) market convergence and regulatory changes on our risk segmentation and pricing; (37) acquisitions and divestitures of businesses; and (38) reducing our concentration in spread-based business and exiting certain distribution channels. 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 are as of the date on which they are made, and we assume no obligation to update or revise any forward-looking statement.