

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15 (d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported): February 4, 2020

THE ALLSTATE CORPORATION
(Exact name of registrant as specified in its charter)

Delaware
(State or other
jurisdiction of incorporation)

1-11840
(Commission
File Number)

36-3871531
(IRS Employer
Identification No.)

2775 Sanders Road, Northbrook, Illinois 60062
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code **(847) 402-5000**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbols	Name of each exchange on which registered
Common Stock, par value \$0.01 per share	ALL	New York Stock Exchange Chicago Stock Exchange
5.100% Fixed-to-Floating Rate Subordinated Debentures due 2053	ALL.PR.B	New York Stock Exchange
Depository Shares represent 1/1,000th of a share of 5.625% Noncumulative Preferred Stock, Series G	ALL.PR.G	New York Stock Exchange
Depository Shares represent 1/1,000th of a share of 5.100% Noncumulative Preferred Stock, Series H	ALL.PR.H	New York Stock Exchange
Depository Shares represent 1/1,000th of a share of 4.750% Noncumulative Preferred Stock, Series I	ALL.PR.I	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Section 2 – Financial Information

Item 2.02. Results of Operations and Financial Condition.

The Registrant's press release dated February 4, 2020, announcing its financial results for the fourth quarter of 2019, and the Registrant's fourth quarter 2019 investor supplement are furnished as Exhibits 99.1 and 99.2, respectively, to this report. The information contained in the press release and the investor supplement are furnished and not filed pursuant to instruction B.2 of Form 8-K.

Section 9 – Financial Statements and Exhibits

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

- 99.1 [Registrant's press release dated February 4, 2020](#)
- 99.2 [Fourth quarter 2019 Investor Supplement of The Allstate Corporation](#)
- 104 Cover Page Interactive Data File (formatted as inline XBRL).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

THE ALLSTATE CORPORATION
(Registrant)

By: /s/ John C. Pintozzi

Name: John C. Pintozzi

Title: Senior Vice President, Controller, and Chief Accounting Officer

Date: February 4, 2020



FOR IMMEDIATE RELEASE

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Allstate Delivers Excellent Results in 2019

Accelerates Transformative Growth Plan

NORTHBROOK, Ill., February 4, 2020 – The Allstate Corporation (NYSE: ALL) today reported financial results for the fourth quarter of 2019.

The Allstate Corporation Consolidated Highlights						
(\$ in millions, except per share data and ratios)	Three months ended December 31,			Twelve months ended December 31,		
	2019	2018	% / pts Change	2019	2018	% / pts Change
Consolidated revenues	\$ 11,472	\$ 9,481	21.0	\$ 44,675	\$ 39,815	12.2
Net income applicable to common shareholders	1,707	(585)	NM	4,678	2,012	132.5
per diluted common share	5.23	(1.71)	NM	14.03	5.70	146.1
Adjusted net income*	1,020	552	84.8	3,477	3,129	11.1
per diluted common share*	3.13	1.59	96.9	10.43	8.86	17.7
Return on common shareholders' equity (trailing twelve months)						
Net income applicable to common shareholders				21.7%	10.0%	11.7
Adjusted net income*				16.9%	16.2%	0.7
Book value per common share				73.12	57.56	27.0
Property-Liability combined ratio						
Recorded	88.7	96.6	(7.9)	92.0	93.2	(1.2)
Underlying combined ratio*	84.9	86.3	(1.4)	85.0	85.3	(0.3)
Property and casualty insurance premiums written	9,190	8,859	3.7	36,954	34,986	5.6
Catastrophe losses	295	963	(69.4)	2,557	2,855	(10.4)
Total policies in force (in thousands)				145,937	114,257	27.7

* Measures used in this release that are not based on accounting principles generally accepted in the United States of America ("non-GAAP") are denoted with an asterisk and defined and reconciled to the most directly comparable GAAP measure in the "Definitions of Non-GAAP Measures" section of this document.

NM = not meaningful

"Allstate had excellent operating results in 2019 while pursuing long-term profitable growth," said Tom Wilson, Chair, President and CEO of The Allstate Corporation. "Revenues reached \$44.7 billion and net income was \$4.7 billion for the year due to strong operating results. Adjusted net income* was \$3.5 billion (\$10.43 per share) for 2019 and \$1.0 billion (\$3.13 per share) for the fourth quarter, both substantially higher than the previous year, reflecting excellent underlying auto and homeowners insurance profitability and lower catastrophe losses. The Service Businesses continued growing rapidly, bringing total enterprise items in force to 145.9 million. Investment income declined for both the quarter and the year due to lower limited partnership income. Total return on the \$88.4 billion portfolio, however, was 9.2% for the year, reflecting increased valuations of bonds and public equities. Adjusted net income return on equity* was 16.9% for the year. We finished a \$3 billion share repurchase program in January, which reduced common shares outstanding by 4.9% during 2019, and today the board authorized another \$3 billion share repurchase program.

"We also accelerated the Transformative Growth Plan to increase market share in the personal property-liability businesses and provide customers with a circle of protection," continued Wilson. "The plan's three components of

increasing customer access, enhancing customer value and investing in growth will be a core part of 2020's Operating Priorities. Customer access is being expanded by leveraging Esurance's highly successful direct sales capabilities for the Allstate brand. Increased customer value will be provided by lowering expenses to improve affordability while investing in technology and marketing," concluded Wilson.

Full Year 2019 Highlights

- Allstate delivered on the 2019 Operating Priorities, which focus on both near-term performance and long-term value creation.
 - **Better Serve Customers:** The Net Promoter Score, which measures how likely customers are to recommend us, increased for the enterprise with improvements at most businesses.
 - **Achieve Target Returns on Capital:** Adjusted net income return on shareholders' equity* was 16.9% for 2019, primarily driven by strong Property-Liability results. Allstate Life and Allstate Benefits generated good returns, and Service Businesses increased adjusted net income. The Property-Liability underlying combined ratio* was 85.0 for the year, at the favorable end of the full year guidance of 84.5 to 86.5⁽¹⁾. Allstate will no longer provide such guidance and instead focus on the broader measure of adjusted net income return on equity. On a long-term basis, the adjusted net income return on equity is expected to be between 14% and 17%⁽¹⁾.
 - **Grow Customer Base:** Consolidated policies in force grew to 145.9 million in 2019. Property-Liability policies in force increased 1.3% to 33.7 million, and Allstate Protection Plans continued to rapidly expand, growing 45.3% to 99.6 million.
 - **Proactively Manage Investments:** Total return on the \$88.4 billion investment portfolio was 9.2% in 2019 and included a stable contribution from market-based investment income and higher fixed income and equity valuations. Net investment income of \$3.2 billion in 2019 was 2.5% below prior year results as higher market-based income was offset by lower performance-based results. Performance-based investments have greater volatility in reported income but generated returns of 7.6% and 11.7% over one and three years, respectively.
 - **Build Long-Term Growth Platforms:** The Transformative Growth Plan has been designed and initiated. Allstate Identity Protection is growing and launched its new Digital Footprint offering. Arity continued to expand capabilities and Avail, a car sharing platform, has begun operations.

Fourth Quarter 2019 Results

- Total revenue of \$11.47 billion in the fourth quarter of 2019 increased 21.0% compared to the prior year quarter. Property-Liability insurance premiums earned increased 5.4%. Net investment income decreased 12.3% in the fourth quarter on lower performance-based results, which included lower valuations on two private equity limited partnerships totaling \$74 million, pre-tax. Realized capital gains increased revenues by \$702 million in the fourth quarter of 2019, compared to losses of \$894 million in the fourth quarter of 2018.
- Net income applicable to common shareholders was \$1.71 billion, or \$5.23 per diluted share, in the fourth quarter of 2019, compared to a net loss of \$585 million, or \$1.71 per diluted share, in the fourth quarter of 2018. The net loss in 2018 reflected a large decline in equity valuations and California wildfire losses. Adjusted net income* of \$1.02 billion, or \$3.13 per diluted share, for the fourth quarter of 2019 was above the prior year quarter, primarily due to lower catastrophe losses.

⁽¹⁾ A reconciliation of this non-GAAP measure to the combined ratio, a GAAP measure, is not possible on a forward-looking basis because it is not possible to provide a reliable forecast of catastrophes, and prior year reserve reestimates are expected to be zero because reserves are determined based on our best estimate of ultimate losses as of the reporting date. In addition to these components, for adjusted net income return on common shareholders' equity, it is not possible to provide a reliable forecast for investment income on limited partnership interests and a reconciliation of this non-GAAP measure to return on common shareholders' equity, a GAAP measure, is not possible on a forward-looking basis.

Property-Liability Results						
(\$ in millions, except ratios)	Three months ended December 31,			Twelve months ended December 31,		
	2019	2018	% / pts Change	2019	2018	% / pts Change
Premiums written	8,737	8,370	4.4%	35,419	33,555	5.6%
Underwriting income	1,000	286	NM	2,804	2,253	24.5
Recorded Combined Ratio	88.7	96.6	(7.9)	92.0	93.2	(1.2)
Allstate Brand Auto	92.8	92.4	0.4	92.0	91.3	0.7
Allstate Brand Homeowners	74.3	105.3	(31.0)	87.7	92.9	(5.2)
Esurance Brand	107.0	101.8	5.2	102.1	101.3	0.8
Encompass Brand	93.3	101.6	(8.3)	99.3	98.2	1.1
Underlying Combined Ratio*	84.9	86.3	(1.4)	85.0	85.3	(0.3)
Allstate Brand Auto	92.8	93.1	(0.3)	91.7	91.7	—
Allstate Brand Homeowners	61.1	61.6	(0.5)	63.0	63.2	(0.2)
Esurance Brand	96.4	99.8	(3.4)	97.0	98.3	(1.3)
Encompass Brand	88.2	101.2	(13.0)	88.6	90.5	(1.9)

- **Property-Liability** written premium of \$8.74 billion increased 4.4%, driven by policy growth and higher average premiums in the Allstate and Esurance brands. The recorded combined ratio of 88.7 in the fourth quarter of 2019 generated underwriting income of \$1.00 billion, an increase of \$714 million compared to the prior year quarter, primarily due to lower catastrophe losses, higher earned premiums and reduced operating expenses.
 - The underlying combined ratio* of 84.9 for the fourth quarter of 2019 was 1.4 points below the prior year quarter, primarily reflecting a lower expense ratio.
 - **Allstate brand auto** insurance net written premium grew 3.8%, and policies in force increased 1.5% in the fourth quarter of 2019 compared to the prior year quarter. The recorded combined ratio of 92.8 in the fourth quarter of 2019 was 0.4 points higher than the prior year quarter, and the underlying combined ratio* of 92.8 in the quarter was 0.3 points below the fourth quarter of 2018 as higher premiums earned and a lower expense ratio more than offset increased loss costs.
 - **Allstate brand homeowners** insurance net written premium grew 4.7%, and policies in force increased 1.1% in the fourth quarter of 2019 compared to the prior year quarter. The recorded combined ratio of 74.3 in the fourth quarter of 2019 was 31.0 points below the fourth quarter of 2018, primarily driven by lower catastrophe losses. The underlying combined ratio* of 61.1 was 0.5 points lower than the prior year quarter due to a lower expense ratio, higher premiums earned and improved claim frequency, partially offset by increased claim severity.
 - **Esurance brand** net written premium grew 2.5% as policies in force increased 2.3% in the fourth quarter of 2019 compared to the prior year quarter. The recorded combined ratio of 107.0 in the fourth quarter of 2019 was 5.2 points higher than the prior year quarter because of a \$51 million, pre-tax, impairment to the remaining value ascribed to the Esurance brand in 2011, reflecting the decision to utilize the Allstate brand for direct sales. The combined ratio excluding impairment* was 97.4. The underlying combined ratio* of 96.4 was 3.4 points lower than the fourth quarter of 2018, as higher premiums earned and reduced operating expenses were partially offset by increased loss costs.
 - **Encompass brand** net written premium decreased 2.8% in the fourth quarter of 2019 compared to the prior year quarter, driven by a decline in policies in force. The recorded combined ratio of 93.3 in the fourth quarter of 2019 was 8.3 points lower than the prior year quarter. The underlying combined ratio* of 88.2 in the fourth quarter was 13.0 points lower than the fourth quarter of 2018, driven by improvement in the loss and expense ratios.

Allstate Investment Results						
(\$ in millions, except ratios)	Three months ended December 31,			Twelve months ended December 31,		
	2019	2018	% / pts Change	2019	2018	% / pts Change
Net investment income	\$ 689	\$ 786	(12.3)	\$ 3,159	\$ 3,240	(2.5)
Market-based investment income ⁽¹⁾	735	696	5.6	2,886	2,727	5.8
Performance-based investment income ⁽¹⁾	—	145	NM	469	716	(34.5)
Realized capital gains and losses	702	(894)	NM	1,885	(877)	NM
Change in unrealized net capital gains, pre-tax	(246)	(11)	NM	2,711	(1,434)	NM
Total return on investment portfolio	1.3%	(0.2)%	1.5	9.2%	0.8%	8.4

⁽¹⁾ Investment expenses are not allocated between market-based and performance-based portfolios with the exception of investee level expenses.

- **Allstate Investments** \$88.4 billion portfolio generated net investment income of \$689 million in the fourth quarter of 2019, a decrease of \$97 million from the prior year quarter, due to lower performance-based income.
 - **Total return** on the investment portfolio was 1.3% for the quarter, reflecting strong fixed income and equity markets.
 - **Market-based investments** contributed \$735 million of investment income in the fourth quarter of 2019, an increase of \$39 million, or 5.6%, compared to the prior year quarter. The market-based portfolio benefited from proactive actions that generated higher interest-bearing yields, including a duration extension of the Property-Liability fixed income portfolio.
 - **Performance-based investments** income decreased \$145 million compared to the prior year quarter. Fourth quarter results included a reduction in the valuation of two private equity limited partnerships of \$74 million, pre-tax (\$58 million, after-tax). Performance-based income was \$469 million for the year, contributing to a 7.6% return.
 - **Net realized capital gains** were \$702 million in the fourth quarter of 2019, compared to losses of \$894 million in the prior year quarter.
 - **Unrealized net capital gains** decreased \$246 million from the third quarter of 2019 and increased \$2.71 billion from prior year end, as lower market yields in 2019 resulted in higher fixed income valuations.

Allstate Life, Benefits and Annuities Results						
(\$ in millions)	Three months ended December 31,			Twelve months ended December 31,		
	2019	2018	% Change	2019	2018	% Change
Premiums and Contract Charges						
Allstate Life	\$ 342	\$ 340	0.6 %	\$ 1,343	\$ 1,315	2.1 %
Allstate Benefits	282	281	0.4	1,145	1,135	0.9
Allstate Annuities	3	4	(25.0)	13	15	(13.3)
Adjusted Net Income						
Allstate Life	\$ 76	\$ 69	10.1 %	\$ 261	\$ 295	(11.5)%
Allstate Benefits	16	26	(38.5)	115	124	(7.3)
Allstate Annuities	(33)	32	NM	10	131	(92.4)

- **Allstate Life** adjusted net income was \$76 million in the fourth quarter of 2019, a \$7 million increase from the prior year quarter, primarily driven by higher net investment income and lower operating costs and expenses.
- **Allstate Benefits** premium growth was 0.4% in the fourth quarter, a decline from previous levels, reflecting increased competition. Adjusted net income of \$16 million in the fourth quarter of 2019 was \$10 million lower than the prior year quarter, largely due to the write-off of acquisition costs related to the non-renewal of a large underperforming account.
- **Allstate Annuities** adjusted net loss was \$33 million in the fourth quarter of 2019 compared to adjusted net income of \$32 million in the prior year quarter, primarily due to lower performance-based investment income.

Service Businesses Results						
(\$ in millions)	Three months ended December 31,			Twelve months ended December 31,		
	2019	2018	% / \$ Change	2019	2018	% / \$ Change
Total Revenues	\$ 434	\$ 356	21.9 %	\$ 1,649	\$ 1,318	25.1 %
Allstate Protection Plans ⁽¹⁾	189	137	38.0	700	509	37.5
Allstate Dealer Services	121	105	15.2	457	403	13.4
Allstate Roadside Services	65	74	(12.2)	279	302	(7.6)
Arity	35	24	45.8	119	88	35.2
Allstate Identity Protection ⁽¹⁾	24	16	50.0	94	16	NM
Adjusted Net Income (Loss)	\$ 3	\$ 8	(5)	\$ 38	\$ 8	\$ 30
Allstate Protection Plans	12	9	3	60	23	37
Allstate Dealer Services	7	5	2	26	15	11
Allstate Roadside Services	(1)	(6)	5	(15)	(20)	5
Arity	(3)	(1)	(2)	(7)	(11)	4
Allstate Identity Protection	(12)	1	(13)	(26)	1	(27)

⁽¹⁾ Starting in the third quarter of 2019, we are reporting SquareTrade and InfoArmor using the names Allstate Protection Plans and Allstate Identity Protection, respectively.

- **Service Businesses** policies in force grew to 105.9 million, and revenues increased to \$434 million in the fourth quarter, 21.9% higher than the fourth quarter of 2018. Adjusted net income was \$3 million, a decrease of \$5 million compared to the prior year quarter, primarily due to a net loss at Allstate Identity Protection, reflecting investments in growth and integration costs.
 - **Allstate Protection Plans** (formerly SquareTrade) revenue was \$189 million in the fourth quarter of 2019, reflecting policy growth of 31.0 million compared to the fourth quarter of 2018. Adjusted net income of \$12 million in the fourth quarter of 2019 was \$3 million higher than the prior year quarter due to increased revenue and improved loss experience, partially offset by investments in growth.
 - **Allstate Dealer Services** revenue grew 15.2% compared to the fourth quarter of 2018, and adjusted net income was \$7 million, reflecting higher premiums and improved loss experience.
 - **Allstate Roadside Services** revenue was \$65 million in the fourth quarter of 2019. The adjusted net loss of \$1 million in the fourth quarter was \$5 million better than the prior year quarter, driven by lower costs and expenses.
 - **Arity** revenue was \$35 million in the fourth quarter of 2019, primarily from contracts with affiliates. The adjusted net loss of \$3 million in the quarter includes investments in capabilities and growth.
 - **Allstate Identity Protection** (formerly InfoArmor) had revenues of \$24 million and an adjusted net loss of \$12 million in the fourth quarter of 2019 related to growth and integration expenses.

Proactive Capital Management

"Allstate continued to provide strong cash returns to shareholders in 2019," said Mario Rizzo, Chief Financial Officer. "We repurchased 16.4 million shares of our common stock and paid \$653 million in common shareholders dividends in 2019. Over the last three years, Allstate has increased the proportionate ownership of a common share by 14.7% through share repurchases. The \$3 billion share repurchase program we announced in October 2018 was completed in late January 2020, and today the board approved a new \$3 billion share repurchase authorization to be completed by the end of 2021. We also reduced the cost of capital by redeeming multiple series of preferred stock and issuing two new series at lower rates, which will reduce preferred dividends by \$17 million annually."

Visit www.allstateinvestors.com to view additional information about Allstate's results, including a webcast of its quarterly conference call and the call presentation. The conference call will be held at 9:30 a.m. ET on Wednesday, February 5. Financial information, including material announcements about The Allstate Corporation, is routinely posted on www.allstateinvestors.com.

Forward-Looking Statements

This news release 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 may be found in our filings with the U.S. 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.

THE ALLSTATE CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(\$ in millions, except par value data)

	December 31, 2019	December 31, 2018
Assets		
Investments:		
Fixed income securities, at fair value (amortized cost \$56,293 and \$57,134)	\$ 59,044	\$ 57,170
Equity securities, at fair value (cost \$6,568 and \$4,489)	8,162	5,036
Mortgage loans	4,817	4,670
Limited partnership interests	8,078	7,505
Short-term, at fair value (amortized cost \$4,256 and \$3,027)	4,256	3,027
Other	4,005	3,852
Total investments	88,362	81,260
Cash	338	499
Premium installment receivables, net	6,472	6,154
Deferred policy acquisition costs	4,699	4,784
Reinsurance and indemnification recoverables, net	9,211	9,565
Accrued investment income	600	600
Property and equipment, net	1,145	1,045
Goodwill	2,545	2,530
Other assets	3,534	3,007
Separate Accounts	3,044	2,805
Total assets	\$ 119,950	\$ 112,249
Liabilities		
Reserve for property and casualty insurance claims and claims expense	\$ 27,712	\$ 27,423
Reserve for life-contingent contract benefits	12,300	12,208
Contractholder funds	17,692	18,371
Unearned premiums	15,343	14,510
Claim payments outstanding	929	1,007
Deferred income taxes	1,154	425
Other liabilities and accrued expenses	9,147	7,737
Long-term debt	6,631	6,451
Separate Accounts	3,044	2,805
Total liabilities	93,952	90,937
Shareholders' equity		
Preferred stock and additional capital paid-in, \$1 par value, 25 million shares authorized, 92.5 thousand and 79.8 thousand shares issued and outstanding, \$2,313 and \$1,995 aggregate liquidation preference	2,248	1,930
Common stock, \$.01 par value, 2.0 billion shares authorized and 900 million issued, 319 million and 332 million shares outstanding	9	9
Additional capital paid-in	3,463	3,310
Retained income	48,074	44,033
Deferred Employee Stock Ownership Plan expense	—	(3)
Treasury stock, at cost (581 million and 568 million shares)	(29,746)	(28,085)
Accumulated other comprehensive income:		
Unrealized net capital gains and losses:		
Unrealized net capital gains and losses on fixed income securities with OTTI	70	75
Other unrealized net capital gains and losses	2,094	(51)
Unrealized adjustment to DAC, DSI and insurance reserves	(277)	(26)
Total unrealized net capital gains and losses	1,887	(2)
Unrealized foreign currency translation adjustments	(59)	(49)
Unamortized pension and other postretirement prior service credit	122	169
Total accumulated other comprehensive income	1,950	118
Total shareholders' equity	25,998	21,312
Total liabilities and shareholders' equity	\$ 119,950	\$ 112,249

THE ALLSTATE CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

(\$ in millions, except per share data)

	Three months ended December 31,		Twelve months ended December 31,	
	2019	2018	2019	2018
Revenues				
Property and casualty insurance premiums	\$ 9,194	\$ 8,707	\$ 36,076	\$ 34,048
Life premiums and contract charges	627	625	2,501	2,465
Other revenue	260	257	1,054	939
Net investment income	689	786	3,159	3,240
Realized capital gains and losses:				
Total other-than-temporary impairment ("OTTI") losses	(4)	(5)	(48)	(13)
OTTI losses reclassified to (from) other comprehensive income	—	1	1	(1)
Net OTTI losses recognized in earnings	(4)	(4)	(47)	(14)
Sales and valuation changes on equity investments and derivatives	706	(890)	1,932	(863)
Total realized capital gains and losses	702	(894)	1,885	(877)
Total revenues	11,472	9,481	44,675	39,815
Costs and expenses				
Property and casualty insurance claims and claims expense	5,749	6,067	23,976	22,778
Life contract benefits	518	488	2,039	1,973
Interest credited to contractholder funds	153	165	640	654
Amortization of deferred policy acquisition costs	1,382	1,336	5,533	5,222
Operating costs and expenses	1,516	1,508	5,690	5,594
Pension and other postretirement remeasurement gains and losses	(251)	500	114	468
Restructuring and related charges	14	12	41	67
Amortization of purchased intangibles	30	36	126	105
Impairment of purchased intangibles	51	—	106	—
Interest expense	82	81	327	332
Total costs and expenses	9,244	10,193	38,592	37,193
Gain on disposition of operations	3	2	6	6
Income (loss) from operations before income tax expense	2,231	(710)	6,089	2,628
Income tax expense (benefit)	458	(168)	1,242	468
Net income (loss)	1,773	(542)	4,847	2,160
Preferred stock dividends	66	43	169	148
Net income (loss) applicable to common shareholders	\$ 1,707	\$ (585)	\$ 4,678	\$ 2,012
Earnings per common share:				
Net income applicable to common shareholders per common share – Basic	\$ 5.32	\$ (1.71)	\$ 14.25	\$ 5.78
Weighted average common shares – Basic	320.7	341.9	328.2	347.8
Net income applicable to common shareholders per common share – Diluted	\$ 5.23	\$ (1.71)	\$ 14.03	\$ 5.70
Weighted average common shares – Diluted	326.3	347.1	333.5	353.2

Definitions of Non-GAAP Measures

We believe that investors' understanding of Allstate's performance is enhanced by our disclosure of the following non-GAAP measures. Our methods for calculating these measures may differ from those used by other companies and therefore comparability may be limited.

Adjusted net income is net income applicable to common shareholders, excluding:

- realized capital gains and losses, after-tax, except for periodic settlements and accruals on non-hedge derivative instruments, which are reported with realized capital gains and losses but included in adjusted net income,
- pension and other postretirement remeasurement gains and losses, after-tax,
- valuation changes on embedded derivatives not hedged, after-tax,
- amortization of deferred policy acquisition costs ("DAC") and deferred sales inducements ("DSI"), to the extent they resulted from the recognition of certain realized capital gains and losses or valuation changes on embedded derivatives not hedged, after-tax,
- business combination expenses and the amortization or impairment of purchased intangibles, after-tax,
- gain (loss) on disposition of operations, after-tax, and
- adjustments for other significant non-recurring, infrequent or unusual items, when (a) the nature of the charge or gain is such that it is reasonably unlikely to recur within two years, or (b) there has been no similar charge or gain within the prior two years.

Net income applicable to common shareholders is the GAAP measure that is most directly comparable to adjusted net income.

We use adjusted net income as an important measure to evaluate our results of operations. We believe that the measure provides investors with a valuable measure of the company's ongoing performance because it reveals trends in our insurance and financial services business that may be obscured by the net effect of realized capital gains and losses, pension and other postretirement remeasurement gains and losses, valuation changes on embedded derivatives not hedged, business combination expenses and the amortization or impairment of purchased intangibles, gain (loss) on disposition of operations and adjustments for other significant non-recurring, infrequent or unusual items. Realized capital gains and losses, pension and other postretirement remeasurement gains and losses, valuation changes on embedded derivatives not hedged and gain (loss) on disposition of operations may vary significantly between periods and are generally driven by business decisions and external economic developments such as capital market conditions, the timing of which is unrelated to the insurance underwriting process. Consistent with our intent to protect results or earn additional income, adjusted net income includes periodic settlements and accruals on certain derivative instruments that are reported in realized capital gains and losses because they do not qualify for hedge accounting or are not designated as hedges for accounting purposes. These instruments are used for economic hedges and to replicate fixed income securities, and by including them in adjusted net income, we are appropriately reflecting their trends in our performance and in a manner consistent with the economically hedged investments, product attributes (e.g. net investment income and interest credited to contractholder funds) or replicated investments. Business combination expenses are excluded because they are non-recurring in nature and the amortization or impairment of purchased intangibles is excluded because it relates to the acquisition purchase price and is not indicative of our underlying business results or trends. Non-recurring items are excluded because, by their nature, they are not indicative of our business or economic trends. Accordingly, adjusted net income excludes the effect of items that tend to be highly variable from period to period and highlights the results from ongoing operations and the underlying profitability of our business. A byproduct of excluding these items to determine adjusted net income is the transparency and understanding of their significance to net income variability and profitability while recognizing these or similar items may recur in subsequent periods. Adjusted net income is used by management along with the other components of net income applicable to common shareholders to assess our performance. We use adjusted measures of adjusted net income in incentive compensation. Therefore, we believe it is useful for investors to evaluate net income applicable to common shareholders, adjusted net income and their components separately and in the aggregate when reviewing and evaluating our performance. We note that investors, financial analysts, financial and business media organizations and rating agencies utilize adjusted net income results in their evaluation of our and our industry's financial performance and in their investment decisions, recommendations and communications as it represents a reliable, representative and consistent measurement of the industry and the company and management's performance. We note that the price to earnings multiple commonly used by insurance investors as a forward-looking valuation technique uses adjusted net income as the denominator. Adjusted net income should not be considered a substitute for net income applicable to common shareholders and does not reflect the overall profitability of our business.

The following tables reconcile net income applicable to common shareholders and adjusted net income. Taxes on adjustments to reconcile net income applicable to common shareholders and adjusted net income generally use a 21% effective tax rate and are reported net of income taxes as the reconciling adjustment.

(\$ in millions, except per share data)

	Three months ended December 31,			
	Consolidated		Per diluted common share	
	2019	2018	2019	2018
Net income (loss) applicable to common shareholders	\$ 1,707	\$ (585)	\$ 5.23	\$ (1.71)
Realized capital gains and losses, after-tax	(553)	704	(1.69)	2.03
Pension and other postretirement remeasurement gains and losses, after-tax				
	(199)	395	(0.61)	1.15
Valuation changes on embedded derivatives not hedged, after-tax	—	2	—	0.01
DAC and DSI amortization relating to realized capital gains and losses and valuation changes on embedded derivatives not hedged, after-tax	3	1	0.01	—
Reclassification of periodic settlements and accruals on non-hedge derivative instruments, after-tax	—	(1)	—	—
Business combination expenses and the amortization of purchased intangibles, after-tax	24	35	0.07	0.10
Impairment of purchased intangibles, after-tax	40	—	0.12	—
Gain on disposition of operations, after-tax	(2)	(1)	—	—
Tax Legislation expense	—	2	—	0.01
Adjusted net income*	\$ 1,020	\$ 552	\$ 3.13	\$ 1.59

	Twelve months ended December 31,			
	Consolidated		Per diluted common share	
	2019	2018	2019	2018
Net income applicable to common shareholders	\$ 4,678	\$ 2,012	\$ 14.03	\$ 5.70
Realized capital gains and losses, after-tax	(1,488)	688	(4.46)	1.95
Pension and other postretirement remeasurement gains and losses, after-tax	90	370	0.27	1.05
Valuation changes on embedded derivatives not hedged, after-tax	15	(3)	0.05	(0.01)
DAC and DSI amortization relating to realized capital gains and losses and valuation changes on embedded derivatives not hedged, after-tax	5	7	0.01	0.02
Reclassification of periodic settlements and accruals on non-hedge derivative instruments, after-tax	(2)	(2)	(0.01)	(0.01)
Business combination expenses and the amortization of purchased intangibles, after-tax	100	90	0.30	0.25
Impairment of purchased intangibles, after-tax	83	—	0.25	—
Gain on disposition of operations, after-tax	(4)	(4)	(0.01)	(0.01)
Tax Legislation benefit	—	(29)	—	(0.08)
Adjusted net income*	\$ 3,477	\$ 3,129	\$ 10.43	\$ 8.86

Adjusted net income return on common shareholders' equity is a ratio that uses a non-GAAP measure. It is calculated by dividing the rolling 12-month adjusted net income by the average of common shareholders' equity at the beginning and at the end of the 12-months, after excluding the effect of unrealized net capital gains and losses. Return on common shareholders' equity is the most directly comparable GAAP measure. We use adjusted net income as the numerator for the same reasons we use adjusted net income, as discussed above. We use average common shareholders' equity excluding the effect of unrealized net capital gains and losses for the denominator as a representation of common shareholders' equity primarily attributable to the company's earned and realized business operations because it eliminates the effect of items that are unrealized and vary significantly between periods due to external economic developments such as capital market conditions like changes in equity prices and interest rates, the amount and timing of which are unrelated to the insurance underwriting process. We use it to supplement our evaluation of net income applicable to common shareholders and return on common shareholders' equity because it excludes the effect of items that tend to be highly variable from period to period. We believe that this measure is useful to investors and that it provides a valuable tool for investors when considered along with return on common shareholders' equity because it eliminates the after-tax effects of realized and unrealized net capital gains and losses that can fluctuate significantly from period to period and that are driven by economic developments, the magnitude and timing of which are generally not influenced by management. In addition, it eliminates non-recurring items that are not indicative of our ongoing business or economic trends. A byproduct of excluding the items noted above to determine adjusted net income return on common shareholders' equity from return on common shareholders' equity is the transparency and understanding of their significance to return on common shareholders' equity variability and profitability while recognizing these or similar items may recur in subsequent periods. We use adjusted measures of adjusted net income return on common shareholders' equity in incentive compensation. Therefore, we believe it is useful for investors to have adjusted net income return on common shareholders' equity and return on common shareholders' equity when evaluating our performance. We note that investors, financial analysts, financial and business media organizations and rating agencies utilize adjusted net income return on common shareholders' equity results in their evaluation of our and our industry's financial performance and in their investment decisions, recommendations and communications as it represents a reliable, representative and consistent measurement of the industry and the company and management's utilization of capital. We also provide it to facilitate a comparison to our long-term adjusted net income return on common shareholders' equity goal. Adjusted net income return on common shareholders' equity should not be considered a substitute for return on common shareholders' equity and does not reflect the overall profitability of our business.

The following tables reconcile return on common shareholders' equity and adjusted net income return on common shareholders' equity.

(\$ in millions)

	For the twelve months ended December 31,	
	2019	2018
Return on common shareholders' equity		
Numerator:		
Net income applicable to common shareholders	\$ 4,678	\$ 2,012
Denominator:		
Beginning common shareholders' equity ⁽¹⁾	\$ 19,382	\$ 20,805
Ending common shareholders' equity ⁽¹⁾	23,750	19,382
Average common shareholders' equity	\$ 21,566	\$ 20,094
Return on common shareholders' equity	21.7%	10.0%

(\$ in millions)

	For the twelve months ended December 31,	
	2019	2018
Adjusted net income return on common shareholders' equity		
Numerator:		
Adjusted net income *	\$ 3,477	\$ 3,129
Denominator:		
Beginning common shareholders' equity ⁽¹⁾	\$ 19,382	\$ 20,805
Less: Unrealized net capital gains and losses	(2)	1,662
Adjusted beginning common shareholders' equity	19,384	19,143
Ending common shareholders' equity ⁽¹⁾	23,750	19,382
Less: Unrealized net capital gains and losses	1,887	(2)
Adjusted ending common shareholders' equity	21,863	19,384
Average adjusted common shareholders' equity	\$ 20,624	\$ 19,264
Adjusted net income return on common shareholders' equity *	16.9%	16.2%

⁽¹⁾ Excludes equity related to preferred stock of \$2,248 million as of December 31, 2019, \$1,930 million as of December 31, 2018 and \$1,746 million as of December 31, 2017.

Combined ratio excluding the effect of catastrophes, prior year reserve reestimates and amortization or impairment of purchased intangibles ("underlying combined ratio") is a non-GAAP ratio, which is computed as the difference between four GAAP operating ratios: the combined ratio, the effect of catastrophes on the combined ratio, the effect of prior year non-catastrophe reserve reestimates on the combined ratio, and the effect of amortization or impairment of purchased intangibles on the combined ratio. We believe that this ratio is useful to investors and it is used by management to reveal the trends in our Property-Liability business that may be obscured by catastrophe losses, prior year reserve reestimates and amortization or impairment of purchased intangibles. Catastrophe losses cause our loss trends to vary significantly between periods as a result of their incidence of occurrence and magnitude, and can have a significant impact on the combined ratio. Prior year reserve reestimates are caused by unexpected loss development on historical reserves, which could increase or decrease current year net income. Amortization or impairment of purchased intangibles relates to the acquisition purchase price and is not indicative of our underlying insurance business results or trends. We believe it is useful for investors to evaluate these components separately and in the aggregate when reviewing our underwriting performance. We also provide it to facilitate a comparison to our outlook on the underlying combined ratio. The most directly comparable GAAP measure is the combined ratio. The underlying combined ratio should not be considered a substitute for the combined ratio and does not reflect the overall underwriting profitability of our business.

The following tables reconcile the respective combined ratio to the underlying combined ratio. Underwriting margin is calculated as 100% minus the combined ratio.

	Three months ended December 31,		Twelve months ended December 31,	
	2019	2018	2019	2018
Property-Liability				
Combined ratio	88.7	96.6	92.0	93.2
Effect of catastrophe losses	(3.3)	(11.4)	(7.3)	(8.7)
Effect of prior year non-catastrophe reserve reestimates	0.1	1.1	0.4	0.8
Effect of impairment of purchased intangibles	(0.6)	—	(0.1)	—
Underlying combined ratio*	84.9	86.3	85.0	85.3
Effect of prior year catastrophe reserve reestimates	(0.1)	(0.3)	0.1	0.1
Allstate brand - Total				
Combined ratio	87.3	96.0	90.7	92.2
Effect of catastrophe losses	(3.4)	(12.3)	(7.5)	(9.0)
Effect of prior year non-catastrophe reserve reestimates	0.1	1.2	0.8	1.1
Underlying combined ratio*	84.0	84.9	84.0	84.3
Effect of prior year catastrophe reserve reestimates	(0.1)	(0.3)	0.1	—
Allstate brand - Auto Insurance				
Combined ratio	92.8	92.4	92.0	91.3
Effect of catastrophe losses	—	(1.0)	(1.7)	(1.6)
Effect of prior year non-catastrophe reserve reestimates	—	1.7	1.4	2.0
Underlying combined ratio*	92.8	93.1	91.7	91.7
Effect of prior year catastrophe reserve reestimates	(0.2)	—	(0.1)	(0.2)
Allstate brand - Homeowners Insurance				
Combined ratio	74.3	105.3	87.7	92.9
Effect of catastrophe losses	(13.4)	(44.6)	(24.8)	(30.5)
Effect of prior year non-catastrophe reserve reestimates	0.2	0.9	0.1	0.8
Underlying combined ratio*	61.1	61.6	63.0	63.2
Effect of prior year catastrophe reserve reestimates	0.4	(1.1)	0.8	0.8

Esurance brand - Total

	Three months ended December 31,		Twelve months ended December 31,	
	2019	2018	2019	2018
Combined ratio	107.0	101.8	102.1	101.3
Effect of catastrophe losses	(0.8)	(1.2)	(2.4)	(2.8)
Effect of prior year non-catastrophe reserve reestimates	—	(0.6)	(0.1)	(0.1)
Effect of amortization of purchased intangibles	(0.2)	(0.2)	(0.1)	(0.1)
Effect of impairment of purchased intangibles	(9.6)	—	(2.5)	—
Underlying combined ratio*	96.4	99.8	97.0	98.3
Effect of prior year catastrophe reserve reestimates	—	—	—	0.1

Encompass brand - Total

	Three months ended December 31,		Twelve months ended December 31,	
	2019	2018	2019	2018
Combined ratio	93.3	101.6	99.3	98.2
Effect of catastrophe losses	(4.7)	(3.9)	(11.3)	(10.0)
Effect of prior year non-catastrophe reserve reestimates	(0.4)	3.5	0.6	2.3
Underlying combined ratio*	88.2	101.2	88.6	90.5
Effect of prior year catastrophe reserve reestimates	(0.4)	—	0.9	1.2

Combined ratio excluding the effect of impairment of purchased intangibles ("combined ratio excluding impairment") is a non-GAAP ratio, which is computed as the difference between the GAAP operating ratios: the combined ratio and the effect of the impairment of purchased intangibles on the combined ratio. We believe that this ratio is useful to investors and it is used by management to reveal the trends in our Property-Liability business that may be obscured by impairment of purchased intangibles. Impairment of purchased intangibles relates to the acquisition purchase price and is not indicative of our underlying insurance business results or trends. We believe it is useful for investors to evaluate this component separately and in the aggregate when reviewing our underwriting performance. The most directly comparable GAAP measure is the combined ratio. The combined ratio excluding impairment should not be considered a substitute for the combined ratio and does not reflect the overall underwriting profitability of our business.

The following tables reconcile the respective combined ratio to the combined ratio excluding impairment.

	Three months ended December 31, 2019			
	Property-Liability	Allstate Protection - auto insurance	Esurance	Esurance - auto insurance
Combined ratio	88.7	94.2	107.0	109.0
Effect of impairment of purchased intangibles	(0.6)	(0.8)	(9.6)	(10.2)
Combined ratio excluding impairment*	88.1	93.4	97.4	98.8

	Twelve months ended December 31, 2019			
	Property-Liability	Allstate Protection - auto insurance	Esurance	Esurance - auto insurance
Combined ratio	92.0	93.0	102.1	102.4
Effect of impairment of purchased intangibles	(0.1)	(0.2)	(2.5)	(2.6)
Combined ratio excluding impairment*	91.9	92.8	99.6	99.8

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The Allstate Corporation

Investor Supplement Fourth Quarter 2019

The consolidated financial statements and financial exhibits included herein are unaudited. These consolidated financial statements and exhibits should be read in conjunction with the consolidated financial statements and notes thereto included in the most recent Annual Report on Form 10-K and Quarterly Reports on Form 10-Q. The results of operations for interim periods should not be considered indicative of results to be expected for the full year.

Measures used in these financial statements and exhibits that are not based on generally accepted accounting principles ("non-GAAP") are denoted with an asterisk (*). These measures are defined on the pages "Definitions of Non-GAAP Measures" and are reconciled to the most directly comparable generally accepted accounting principles ("GAAP") measure herein.

The Allstate Corporation
Investor Supplement - Fourth Quarter 2019

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The Allstate Corporation
Condensed Consolidated Statements of Operations

(\$ in millions, except per share data)

	Three months ended								Twelve months ended	
	Dec. 31, 2019	Sept. 30, 2019	June 30, 2019	March 31, 2019	Dec. 31, 2018	Sept. 30, 2018	June 30, 2018	March 31, 2018	Dec. 31, 2019	Dec 20
Revenues										
Property and casualty insurance premiums ⁽¹⁾	\$ 9,194	\$ 9,094	\$ 8,986	\$ 8,802	\$ 8,707	\$ 8,595	\$ 8,460	\$ 8,286	\$ 36,076	\$ 3
Life premiums and contract charges ⁽²⁾	627	625	621	628	625	612	612	616	2,501	
Other revenue ⁽³⁾	260	273	271	250	257	238	228	216	1,054	
Net investment income	689	880	942	648	786	844	824	786	3,159	
Realized capital gains and losses:										
Total other-than-temporary impairment ("OTTI") losses	(4)	(16)	(12)	(16)	(5)	(4)	(4)	-	(48)	
OTTI losses reclassified to (from) other comprehensive income	-	2	(3)	2	1	(1)	-	(1)	1	
Net OTTI losses recognized in earnings	(4)	(14)	(15)	(14)	(4)	(5)	(4)	(1)	(47)	
Sales and valuation changes on equity investments and derivatives	706	211	339	676	(890)	181	(21)	(133)	1,932	
Total realized capital gains and losses	702	197	324	662	(894)	176	(25)	(134)	1,885	
Total revenues	<u>11,472</u>	<u>11,069</u>	<u>11,144</u>	<u>10,990</u>	<u>9,481</u>	<u>10,465</u>	<u>10,099</u>	<u>9,770</u>	<u>44,675</u>	<u>3</u>
Costs and expenses										
Property and casualty insurance claims and claims expense	5,749	6,051	6,356	5,820	6,067	5,805	5,777	5,129	23,976	2
Life contract benefits	518	513	511	497	488	498	483	504	2,039	
Interest credited to contractholder funds	153	169	156	162	165	163	165	161	640	
Amortization of deferred policy acquisition costs	1,382	1,425	1,362	1,364	1,336	1,317	1,296	1,273	5,533	
Operating costs and expenses	1,516	1,414	1,380	1,380	1,508	1,425	1,358	1,303	5,690	
Pension and other postretirement remeasurement gains and losses	(251)	225	125	15	500	(39)	(7)	14	114	
Restructuring and related charges	14	-	9	18	12	13	23	19	41	
Amortization of purchased intangibles	30	32	32	32	36	24	23	22	126	
Impairment of purchased intangibles	51	-	55	-	-	-	-	-	106	
Interest expense	82	80	82	83	81	82	86	83	327	
Total costs and expenses	<u>9,244</u>	<u>9,909</u>	<u>10,068</u>	<u>9,371</u>	<u>10,193</u>	<u>9,286</u>	<u>9,204</u>	<u>8,508</u>	<u>38,592</u>	<u>3</u>
Gain on disposition of operations	3	-	2	1	2	1	2	1	6	
Income (loss) from operations before income tax expense	2,231	1,160	1,078	1,620	(710)	1,178	897	1,263	6,089	
Income tax expense (benefit)	458	229	227	328	(168) ⁽⁵⁾	199 ⁽⁵⁾	180	257	1,242	
Net income (loss)	<u>1,773</u>	<u>931</u>	<u>851</u>	<u>1,292</u>	<u>(542)</u>	<u>979</u>	<u>717</u>	<u>1,006</u>	<u>4,847</u>	
Preferred stock dividends	66	42	30	31	43	37	39	29	169	
Net income (loss) applicable to common shareholders	<u>\$ 1,707</u>	<u>\$ 889</u>	<u>\$ 821</u>	<u>\$ 1,261</u>	<u>\$ (585)</u>	<u>\$ 942</u>	<u>\$ 678</u>	<u>\$ 977</u>	<u>\$ 4,678</u>	<u>\$</u>
Earnings per common share ⁽⁴⁾										
Net income (loss) applicable to common shareholders per common share - Basic	<u>\$ 5.32</u>	<u>\$ 2.71</u>	<u>\$ 2.47</u>	<u>\$ 3.79</u>	<u>\$ (1.71)</u>	<u>\$ 2.72</u>	<u>\$ 1.94</u>	<u>\$ 2.76</u>	<u>\$ 14.25</u>	<u>\$</u>
Weighted average common shares - Basic	<u>320.7</u>	<u>327.7</u>	<u>332.0</u>	<u>332.6</u>	<u>341.9</u>	<u>346.0</u>	<u>349.2</u>	<u>354.1</u>	<u>328.2</u>	
Net income (loss) applicable to common shareholders per common share - Diluted	<u>\$ 5.23</u>	<u>\$ 2.67</u>	<u>\$ 2.44</u>	<u>\$ 3.74</u>	<u>\$ (1.71) ⁽⁶⁾</u>	<u>\$ 2.68</u>	<u>\$ 1.91</u>	<u>\$ 2.71</u>	<u>\$ 14.03</u>	<u>\$</u>
Weighted average common shares - Diluted	<u>326.3</u>	<u>333.0</u>	<u>336.9</u>	<u>337.5</u>	<u>347.1</u>	<u>351.7</u>	<u>354.6</u>	<u>359.9</u>	<u>333.5</u>	
Cash dividends declared per common share	<u>\$ 0.50</u>	<u>\$ 0.50</u>	<u>\$ 0.50</u>	<u>\$ 0.50</u>	<u>\$ 0.46</u>	<u>\$ 0.46</u>	<u>\$ 0.46</u>	<u>\$ 0.46</u>	<u>\$ 2.00</u>	<u>\$</u>

⁽¹⁾ Property and casualty insurance premiums are reported in the Property-Liability and Service Businesses results and include auto, homeowners, other personal lines and commercial lines insurance products, including shared economy, as well as consumer product protection plans, roadside assistance, and finance and insurance products.

⁽²⁾ Life premiums and contract charges are reported in the Allstate Life, Allstate Benefits and Allstate Annuities results and include life insurance, voluntary accident and health insurance, and annuity products.

⁽³⁾ Other revenue primarily represents fees collected from policyholders relating to premium installment payments, commissions on sales of non-proprietary products, sales of identity protection services, fee-based services and other revenue transactions.

⁽⁴⁾ In accordance with GAAP, the quarter and year-to-date per share amounts are calculated discretely. Therefore, the sum of each quarter may not equal the year-to-date amount.

⁽⁵⁾ Includes a \$2 million Tax Legislation expense for the quarter ended December 31, 2018 and a \$31 million benefit for the quarter ended September 30, 2018.

⁽⁶⁾ Calculation uses weighted average shares of 341.9 million, which excludes weighted average diluted shares of 5.2 million due to a net loss reported for the three months ended December 31, 2018.

The Allstate Corporation
Contribution to Income

(\$ in millions, except per share data)

	Three months ended								Twelve months
	Dec. 31, 2019	Sept. 30, 2019	June 30, 2019	March 31, 2019	Dec. 31, 2018	Sept. 30, 2018	June 30, 2018	March 31, 2018	Dec. 31, 2019
Contribution to income									
Net income (loss) applicable to common shareholders	\$ 1,707	\$ 889	\$ 821	\$ 1,261	\$ (585)	\$ 942	\$ 678	\$ 977	\$ 4,678
Realized capital gains and losses, after-tax	(553)	(155)	(256)	(524)	704	(141)	19	106	(1,488)
Pension and other postretirement remeasurement gains and losses, after-tax	(199)	179	99	11	395	(30)	(6)	11	90
Valuation changes on embedded derivatives not hedged, after-tax	-	10	2	3	2	(1)	-	(4)	15
DAC and DSI amortization relating to realized capital gains and losses and valuation changes on embedded derivatives not hedged, after-tax	3	(1)	1	2	1	1	3	2	5
Reclassification of periodic settlements and accruals on non-hedge derivative instruments, after-tax	-	(1)	-	(1)	(1)	-	(1)	-	(2)
Business combination expenses and the amortization of purchased intangibles, after-tax	24	25	26	25	35	20	18	17	100
Impairment of purchased intangibles, after-tax	40	-	43	-	-	-	-	-	83
Gain on disposition of operations, after-tax	(2)	-	(1)	(1)	(1)	(1)	(1)	(1)	(4)
Tax Legislation expense (benefit)	-	-	-	-	2	(31)	-	-	-
Adjusted net income *	\$ 1,020	\$ 946	\$ 735	\$ 776	\$ 552	\$ 759	\$ 710	\$ 1,108	\$ 3,477
Income per common share - Diluted									
Net income (loss) applicable to common shareholders	\$ 5.23	\$ 2.67	\$ 2.44	\$ 3.74	\$ (1.71) ⁽¹⁾	\$ 2.68	\$ 1.91	\$ 2.71	\$ 14.03
Realized capital gains and losses, after-tax	(1.69)	(0.47)	(0.76)	(1.55)	2.03	(0.40)	0.05	0.29	(4.46)
Pension and other postretirement remeasurement gains and losses, after-tax	(0.61)	0.54	0.29	0.03	1.15	(0.08)	(0.01)	0.03	0.27
Valuation changes on embedded derivatives not hedged, after-tax	-	0.03	-	0.01	0.01	-	-	(0.01)	0.05
DAC and DSI amortization relating to realized capital gains and losses and valuation changes on embedded derivatives not hedged, after-tax	0.01	-	-	-	-	-	-	0.01	0.01
Reclassification of periodic settlements and accruals on non-hedge derivative instruments, after-tax	-	-	-	-	-	-	-	-	(0.01)
Business combination expenses and the amortization of purchased intangibles, after-tax	0.07	0.07	0.08	0.07	0.10	0.05	0.05	0.05	0.30
Impairment of purchased intangibles, after-tax	0.12	-	0.13	-	-	-	-	-	0.25
Gain on disposition of operations, after-tax	-	-	-	-	-	-	-	-	(0.01)
Tax Legislation expense (benefit)	-	-	-	-	0.01	(0.09)	-	-	-
Adjusted net income *	\$ 3.13	\$ 2.84	\$ 2.18	\$ 2.30	\$ 1.59	\$ 2.16	\$ 2.00	\$ 3.08	\$ 10.43
Weighted average common shares - Diluted	326.3	333.0	336.9	337.5	347.1	351.7	354.6	359.9	333.5

⁽¹⁾ Calculation uses weighted average shares of 341.9 million, which excludes weighted average diluted shares of 5.2 million due to a net loss reported for the three months ended December 31, 2018.

The Allstate Corporation
Consolidating Segment Results

(\$ in millions)	Allstate Protection	Discontinued Lines	Property- Liability	Service Businesses	Three months ended December 31, 2019					Corporate and Other	Intersegment Eliminations	Co
					Allstate Life	Allstate Benefits	Allstate Annuities					
Premiums and contract charges	\$ 8,873	\$ -	\$ 8,873	\$ 321	\$ 342	\$ 282	\$ 3	\$ -	\$ -	\$ -	\$ -	\$ -
Intersegment insurance premiums and service fees	-	-	-	44	-	-	-	-	-	-	(44)	-
Other revenue	180	-	180	46	34	-	-	-	-	-	-	-
Claims and claims expense	(5,658)	(2)	(5,660)	(92)	-	-	-	-	-	-	3	-
Contract benefits and interest credited to contractholder funds	-	-	-	-	(295)	(160)	(216)	-	-	-	-	-
Amortization of deferred policy acquisition costs	(1,155)	-	(1,155)	(143)	(32)	(50)	(2)	-	-	-	-	-
Operating costs and expenses	(1,172)	(1)	(1,173)	(181)	(95)	(74)	(7)	(27)	-	-	41	-
Pension and other postretirement rereasurement gains and losses	-	-	-	-	-	-	-	251	-	-	-	-
Restructuring and related charges	(12)	-	(12)	-	(1)	-	(1)	-	-	-	-	-
Amortization of purchased intangibles	(1)	-	(1)	(29)	-	-	-	-	-	-	-	-
Impairment of purchased intangibles	(51)	-	(51)	-	-	-	-	-	-	-	-	-
Interest expense	(1)	-	(1)	-	-	-	-	-	(81)	-	-	-
Underwriting income (loss)	\$ 1,003	\$ (3)	1,000	-	-	-	-	-	-	-	-	-
Net investment income	-	-	323	12	134	22	180	18	-	-	-	-
Realized capital gains and losses	-	-	554	11	-	4	122	11	-	-	-	-
Gain on disposition of operations	-	-	-	-	-	-	3	-	-	-	-	-
Income tax (expense) benefit	-	-	(387)	(1)	(14)	(6)	(16)	(34)	-	-	-	-
Preferred stock dividends	-	-	-	-	-	-	-	(66)	-	-	-	-
Net income (loss) applicable to common shareholders	-	-	\$ 1,490	\$ (12)	\$ 73	\$ 18	\$ 66	\$ 72	\$ -	\$ -	\$ -	\$ -
Realized capital gains and losses, after-tax	-	-	(437)	(8)	-	(2)	(97)	(9)	-	-	-	-
Pension and other postretirement rereasurement gains and losses, after-tax	-	-	-	-	-	-	-	(199)	-	-	-	-
Valuation changes on embedded derivatives not hedged, after-tax	-	-	-	-	-	-	-	-	-	-	-	-
DAC and DSI amortization relating to realized capital gains and losses and valuation changes on embedded derivatives not hedged, after-tax	-	-	-	-	3	-	-	-	-	-	-	-
Reclassification of periodic settlements and accruals on non-hedge derivative instruments, after-tax	-	-	-	-	-	-	-	-	-	-	-	-
Business combination expenses and the amortization of purchased intangibles, after-tax	-	-	1	23	-	-	-	-	-	-	-	-
Impairment of purchased intangibles, after-tax	-	-	40	-	-	-	-	-	-	-	-	-
Gain on disposition of operations, after-tax	-	-	-	-	-	-	(2)	-	-	-	-	-
Adjusted net income (loss) *			\$ 1,094	\$ 3 ⁽¹⁾	\$ 76 ⁽¹⁾	\$ 16 ⁽¹⁾	\$ (33) ⁽¹⁾	\$ (136) ⁽¹⁾	\$ -	\$ -	\$ -	\$ -
					Three months ended December 31, 2018							
Premiums and contract charges	\$ 8,422	\$ -	\$ 8,422	\$ 285	\$ 340	\$ 281	\$ 4	\$ -	\$ -	\$ -	\$ -	\$ -
Intersegment insurance premiums and service fees	-	-	-	33	-	-	-	-	-	-	(33)	-
Other revenue	188	-	188	34	35	-	-	-	-	-	-	-
Claims and claims expense	(5,989)	(2)	(5,991)	(78)	-	-	-	-	-	-	2	-
Contract benefits and interest credited to contractholder funds	-	-	-	-	(288)	(154)	(211)	-	-	-	-	-
Amortization of deferred policy acquisition costs	(1,144)	-	(1,144)	(122)	(26)	(42)	(2)	-	-	-	-	-
Operating costs and expenses	(1,175)	(2)	(1,177)	(148)	(104)	(71)	(6)	(33)	-	-	31	-
Pension and other postretirement rereasurement gains and losses	-	-	-	-	-	-	-	(500)	-	-	-	-
Restructuring and related charges	(9)	-	(9)	(3)	-	-	-	-	-	-	-	-
Amortization of purchased intangibles	(3)	-	(3)	(33)	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	(81)	-	-	-
Underwriting income (loss)	\$ 290	\$ (4)	286	-	-	-	-	-	-	-	-	-
Net investment income	-	-	364	9	125	20	253	15	-	-	-	-
Realized capital gains and losses	-	-	(655)	(5)	(5)	(9)	(194)	(26)	-	-	-	-
Gain on disposition of operations	-	-	-	-	-	-	2	-	-	-	-	-
Income tax (expense) benefit	-	-	18	6	(14)	(5)	32	131	-	-	-	-
Preferred stock dividends	-	-	-	-	-	-	-	(43)	-	-	-	-
Net income (loss) applicable to common shareholders	-	-	\$ 13	\$ (22)	\$ 63	\$ 20	\$ (122)	\$ (537)	\$ -	\$ -	\$ -	\$ -
Realized capital gains and losses, after-tax	-	-	516	4	4	7	153	20	-	-	-	-
Pension and other postretirement rereasurement gains and losses, after-tax	-	-	-	-	-	-	-	395	-	-	-	-
Valuation changes on embedded derivatives not hedged, after-tax	-	-	-	-	-	-	2	-	-	-	-	-
DAC and DSI amortization relating to realized capital gains and losses and valuation changes on embedded derivatives not hedged, after-tax	-	-	-	-	2	(1)	-	-	-	-	-	-
Reclassification of periodic settlements and accruals on non-hedge derivative instruments, after-tax	-	-	(1)	-	-	-	-	-	-	-	-	-
Business combination expenses and the amortization of purchased intangibles, after-tax	-	-	2	26	-	-	-	7	-	-	-	-
Gain on disposition of operations, after-tax	-	-	-	-	-	-	(1)	-	-	-	-	-
Tax Legislation expense (benefit)	-	-	2	-	-	-	-	-	-	-	-	-
Adjusted net income (loss) *			\$ 532	\$ 8 ⁽¹⁾	\$ 69 ⁽¹⁾	\$ 26 ⁽¹⁾	\$ 32 ⁽¹⁾	\$ (115) ⁽¹⁾	\$ -	\$ -	\$ -	\$ -

⁽¹⁾ Adjusted net income is the segment measure used for each business.

The Allstate Corporation
Consolidating Segment Results

(\$ in millions)	Allstate Protection	Discontinued Lines	Property- Liability	Service Businesses	Twelve months ended December 31, 2019					Corporate and Other	Intersegment Eliminations	Co
					Allstate Life	Allstate Benefits	Allstate Annuities					
Premiums and contract charges	\$ 34,843	\$ -	\$ 34,843	\$ 1,233	\$ 1,343	\$ 1,145	\$ 13	\$ -	\$ -	\$ -	\$ -	\$ -
Intersegment insurance premiums and service fees	-	-	-	154	-	-	-	-	-	-	(154)	-
Other revenue	741	-	741	188	125	-	-	-	-	-	-	-
Claims and claims expense	(23,517)	(105)	(23,622)	(363)	-	-	-	-	-	-	9	-
Contract benefits and interest credited to contractholder funds	-	-	-	-	(1,154)	(635)	(890)	-	-	-	-	-
Amortization of deferred policy acquisition costs	(4,649)	-	(4,649)	(543)	(173)	(161)	(7)	-	-	-	-	-
Operating costs and expenses	(4,412)	(3)	(4,415)	(661)	(354)	(285)	(29)	(91)	-	-	145	-
Pension and other postretirement rereasurement gains and losses	-	-	-	-	-	-	-	(114)	-	-	-	-
Restructuring and related charges	(38)	-	(38)	-	(2)	-	(1)	-	-	-	-	-
Amortization of purchased intangibles	(4)	-	(4)	(122)	-	-	-	-	-	-	-	-
Impairment of purchased intangibles	(51)	-	(51)	(55)	-	-	-	-	-	-	-	-
Interest expense	(1)	-	(1)	-	-	-	-	-	(326)	-	-	-
Underwriting income (loss)	\$ 2,912	\$ (108)	2,804	-	-	-	-	-	-	-	-	-
Net investment income	-	-	1,533	42	514	83	917	70	-	-	-	-
Realized capital gains and losses	-	-	1,470	32	1	12	346	24	-	-	-	-
Gain on disposition of operations	-	-	-	-	-	-	6	-	-	-	-	-
Income tax (expense) benefit	-	-	(1,196)	18	(53)	(35)	(73)	97	-	-	-	-
Preferred stock dividends	-	-	-	-	-	-	-	(169)	-	-	-	-
Net income (loss) applicable to common shareholders	-	-	\$ 4,611	\$ (77)	\$ 247	\$ 124	\$ 282	\$ (509)	\$ -	\$ -	\$ -	\$ -
Realized capital gains and losses, after-tax	-	-	(1,161)	(25)	-	(9)	(274)	(19)	-	-	-	-
Pension and other postretirement rereasurement gains and losses, after-tax	-	-	-	-	-	-	-	90	-	-	-	-
Valuation changes on embedded derivatives not hedged, after-tax	-	-	-	-	9	-	6	-	-	-	-	-
DAC and DSI amortization relating to realized capital gains and losses and valuation changes on embedded derivatives not hedged, after-tax	-	-	-	-	-	5	-	-	-	-	-	-
Reclassification of periodic settlements and accruals on non-hedge derivative instruments, after-tax	-	-	(2)	-	-	-	-	-	-	-	-	-
Business combination expenses and the amortization of purchased intangibles, after-tax	-	-	3	97	-	-	-	-	-	-	-	-
Impairment of purchased intangibles, after-tax	-	-	40	43	-	-	-	-	-	-	-	-
Gain on disposition of operations, after-tax	-	-	-	-	-	-	(4)	-	-	-	-	-
Adjusted net income (loss) *			\$ 3,491	\$ 38 ⁽¹⁾	\$ 261 ⁽¹⁾	\$ 115 ⁽¹⁾	\$ 10 ⁽¹⁾	\$ (438) ⁽¹⁾	\$ -	\$ -	\$ -	\$ -
					Twelve months ended December 31, 2018							
Premiums and contract charges	\$ 32,950	\$ -	\$ 32,950	\$ 1,098	\$ 1,315	\$ 1,135	\$ 15	\$ -	\$ -	\$ -	\$ -	\$ -
Intersegment insurance premiums and service fees	-	-	-	122	-	-	-	-	-	-	(122)	-
Other revenue	738	-	738	82	119	-	-	-	-	-	-	-
Claims and claims expense	(22,348)	(87)	(22,435)	(350)	-	-	-	-	-	-	7	-
Contract benefits and interest credited to contractholder funds	-	-	-	-	(1,094)	(630)	(903)	-	-	-	-	-
Amortization of deferred policy acquisition costs	(4,475)	-	(4,475)	(463)	(132)	(145)	(7)	-	-	-	-	-
Operating costs and expenses	(4,451)	(3)	(4,454)	(505)	(361)	(278)	(31)	(80)	-	-	115	-
Pension and other postretirement rereasurement gains and losses	-	-	-	-	-	-	-	(468)	-	-	-	-
Restructuring and related charges	(60)	-	(60)	(4)	(3)	-	-	-	-	-	-	-
Amortization of purchased intangibles	(11)	-	(11)	(94)	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	(332)	-	-	-
Underwriting income (loss)	\$ 2,343	\$ (90)	2,253	-	-	-	-	-	-	-	-	-
Net investment income	-	-	1,464	27	505	77	1,096	71	-	-	-	-
Realized capital gains and losses	-	-	(639)	(11)	(14)	(9)	(166)	(38)	-	-	-	-
Gain on disposition of operations	-	-	-	-	-	-	6	-	-	-	-	-
Income tax (expense) benefit	-	-	(613)	19	(75)	(32)	66	167	-	-	-	-
Preferred stock dividends	-	-	-	-	-	-	-	(148)	-	-	-	-
Net income (loss) applicable to common shareholders	-	-	\$ 2,465	\$ (79)	\$ 260	\$ 118	\$ 76	\$ (828)	\$ -	\$ -	\$ -	\$ -
Realized capital gains and losses, after-tax	-	-	500	9	11	7	131	30	-	-	-	-
Pension and other postretirement rereasurement gains and losses, after-tax	-	-	-	-	-	-	-	370	-	-	-	-
Valuation changes on embedded derivatives not hedged, after-tax	-	-	-	-	-	-	(3)	-	-	-	-	-
DAC and DSI amortization relating to realized capital gains and losses and valuation changes on embedded derivatives not hedged, after-tax	-	-	-	-	8	(1)	-	-	-	-	-	-
Reclassification of periodic settlements and accruals on non-hedge derivative instruments, after-tax	-	-	(2)	-	-	-	-	-	-	-	-	-
Business combination expenses and the amortization of purchased intangibles, after-tax	-	-	9	74	-	-	-	7	-	-	-	-
Gain on disposition of operations, after-tax	-	-	-	-	-	-	(4)	-	-	-	-	-
Tax Legislation expense (benefit)	-	-	5	4	16	-	(69)	15	-	-	-	-
Adjusted net income (loss) *			\$ 2,977	\$ 8 ⁽¹⁾	\$ 295 ⁽¹⁾	\$ 124 ⁽¹⁾	\$ 131 ⁽¹⁾	\$ (406) ⁽¹⁾	\$ -	\$ -	\$ -	\$ -

⁽¹⁾ Adjusted net income is the segment measure used for each business.

The Allstate Corporation
Condensed Consolidated Statements of Financial Position

(\$ in millions)	Dec. 31, 2019	Sept. 30, 2019	June 30, 2019	March 31, 2019	Dec. 31, 2018
Assets					
Investments					
Fixed income securities, at fair value ⁽¹⁾	\$ 59,044	\$ 59,259	\$ 58,484	\$ 58,202	\$ 57,170
Equity securities, at fair value ⁽²⁾	8,162	8,206	7,906	5,802	5,036
Mortgage loans	4,817	4,694	4,687	4,681	4,670
Limited partnership interests	8,078	7,990	7,818	7,493	7,505
Short-term, at fair value	4,256	5,254	3,740	4,157	3,027
Other	4,005	3,904	3,856	3,786	3,852
Total investments	<u>88,362</u>	<u>89,307</u>	<u>86,491</u>	<u>84,121</u>	<u>81,260</u>
Cash	338	587	599	551	499
Premium installment receivables, net	6,472	6,558	6,380	6,201	6,154
Deferred policy acquisition costs	4,699	4,683	4,667	4,670	4,784
Reinsurance and indemnification recoverables, net	9,211	9,363	9,292	9,374	9,565
Accrued investment income	600	613	633	614	600
Property and equipment, net	1,145	1,092	1,058	1,047	1,045
Goodwill	2,545	2,545	2,547	2,547	2,530
Other assets	3,534	3,383	3,649	3,659	3,007
Separate Accounts	3,044	2,942	3,058	3,050	2,805
Total assets	<u>\$ 119,950</u>	<u>\$ 121,073</u>	<u>\$ 118,374</u>	<u>\$ 115,834</u>	<u>\$ 112,249</u>
Liabilities					
Reserve for property and casualty insurance claims and claims expense	\$ 27,712	\$ 28,076	\$ 28,105	\$ 27,544	\$ 27,423
Reserve for life-contingent contract benefits	12,300	12,378	12,337	12,200	12,208
Contractholder funds	17,692	17,804	17,964	18,161	18,371
Unearned premiums	15,343	15,343	14,752	14,323	14,510
Claim payments outstanding	929	952	915	891	1,007
Deferred income taxes	1,154	1,079	997	817	425
Other liabilities and accrued expenses	9,147	9,729	9,142	8,977	7,737
Long-term debt ⁽³⁾	6,631	6,630	6,628	6,453	6,451
Separate Accounts	3,044	2,942	3,058	3,050	2,805
Total liabilities	<u>93,952</u>	<u>94,933</u>	<u>93,898</u>	<u>92,416</u>	<u>90,937</u>
Equity					
Preferred stock and additional capital paid-in ⁽⁴⁾⁽⁵⁾	2,248	3,052	1,930	1,930	1,930
Common stock ⁽⁶⁾	9	9	9	9	9
Additional capital paid-in	3,463	3,511	3,477	3,291	3,310
Retained income	48,074	46,527	45,803	45,148	44,033
Deferred ESOP expense	-	(3)	(3)	(3)	(3)
Treasury stock, at cost ⁽⁷⁾	(29,746)	(29,063)	(28,500)	(28,042)	(28,085)
Accumulated other comprehensive income:					
Unrealized net capital gains and losses	1,887	2,023	1,654	972	(2)
Unrealized foreign currency translation adjustments	(59)	(50)	(40)	(44)	(49)
Unamortized pension and other postretirement prior service credit	122	134	146	157	169
Total accumulated other comprehensive income	<u>1,950</u>	<u>2,107</u>	<u>1,760</u>	<u>1,085</u>	<u>118</u>
Total shareholders' equity	<u>25,998</u>	<u>26,140</u>	<u>24,476</u>	<u>23,418</u>	<u>21,312</u>
Total liabilities and shareholders' equity	<u>\$ 119,950</u>	<u>\$ 121,073</u>	<u>\$ 118,374</u>	<u>\$ 115,834</u>	<u>\$ 112,249</u>

(1) Amortized cost was \$56,293, \$56,263, \$56,008, \$56,831 and \$57,134 as of December 31, 2019, September 30, 2019, June 30, 2019, March 31, 2019 and December 31, 2018, respectively.

(2) Cost was \$6,568, \$6,930, \$6,673, \$4,767 and \$4,489 as of December 31, 2019, September 30, 2019, June 30, 2019, March 31, 2019 and December 31, 2018, respectively.

(3) On May 16, 2019, we repaid \$317 million of 7.450% Senior Notes, Series B, at maturity. On June 10, 2019, we issued \$500 million of 3.850% Senior Notes due 2049.

(4) Preferred shares outstanding were 92.5 thousand at December 31, 2019, 125.8 thousand at September 30, 2019 and 79.8 thousand at June 30, 2019, March 31, 2019 and December 31, 2018.

(5) On August 8, 2019, we issued 46,000 shares of 5.100% Fixed Rate Noncumulative Perpetual Preferred Stock, Series H. On October 15, 2019, we redeemed all 5,400 shares, 29,900 shares and 10,000 shares of our Fixed Rate Noncumulative Perpetual Preferred Stock, Series D, E and F, respectively. On November 8, 2019, we issued 12,000 shares of 4.750% Fixed Rate Noncumulative Perpetual Preferred Stock, Series I.

(6) Common shares outstanding were 318,791,191; 324,988,765; 329,903,875; 333,056,875 and 331,908,805 as of December 31, 2019, September 30, 2019, June 30, 2019, March 31, 2019 and December 31, 2018, respectively.

(7) Treasury shares outstanding were 581 million, 575 million, 570 million, 567 million and 568 million as of December 31, 2019, September 30, 2019, June 30, 2019, March 31, 2019 and December 31, 2018, respectively.

The Allstate Corporation
Book Value per Common Share

(\$ in millions, except per share data)

	Dec. 31, 2019	Sept. 30, 2019	June 30, 2019	March 31, 2019	Dec. 31, 2018	Sept. 30, 2018	June 30, 2018	M
Book value per common share								
Numerator:								
Common shareholders' equity ⁽¹⁾	\$ 23,750	\$ 23,088	\$ 22,546	\$ 21,488	\$ 19,382	\$ 21,356	\$ 20,819	\$
Denominator:								
Common shares outstanding and dilutive potential common shares outstanding	324.8	330.6	335.1	337.9	336.7	350.9	351.9	=
Book value per common share	\$ 73.12	\$ 69.84	\$ 67.28	\$ 63.59	\$ 57.56	\$ 60.86	\$ 59.16	\$
Book value per common share, excluding the impact of unrealized net capital gains and losses on fixed income securities								
Numerator:								
Common shareholders' equity	\$ 23,750	\$ 23,088	\$ 22,546	\$ 21,488	\$ 19,382	\$ 21,356	\$ 20,819	\$
Less: Unrealized net capital gains and losses on fixed income securities	1,893	2,028	1,658	975	-	(15)	55	=
Adjusted common shareholders' equity	\$ 21,857	\$ 21,060	\$ 20,888	\$ 20,513	\$ 19,382	\$ 21,371	\$ 20,764	\$
Denominator:								
Common shares outstanding and dilutive potential common shares outstanding	324.8	330.6	335.1	337.9	336.7	350.9	351.9	=
Book value per common share, excluding the impact of unrealized net capital gains and losses on fixed income securities *	\$ 67.29	\$ 63.70	\$ 62.33	\$ 60.71	\$ 57.56	\$ 60.90	\$ 59.01	\$

⁽¹⁾ Excludes equity related to preferred stock of \$2,248 million at December 31, 2019, \$3,052 million at September 30, 2019, \$1,930 million at June 30, 2019, March 31, 2019 and December 31, 2018 and \$2,303 million for all other periods presented.

The Allstate Corporation
Return on Common Shareholders' Equity

(\$ in millions)

	Twelve months ended							
	Dec. 31, 2019	Sept. 30, 2019	June 30, 2019	March 31, 2019	Dec. 31, 2018	Sept. 30, 2018	June 30, 2018	March 31, 2018
Return on Common Shareholders' Equity								
Numerator:								
Net income applicable to common shareholders ⁽¹⁾⁽²⁾	\$ 4,678	\$ 2,386	\$ 2,439	\$ 2,296	\$ 2,012	\$ 3,891	\$ 3,759	\$ 3,300
Denominator:								
Beginning common shareholders' equity	\$ 19,382	\$ 21,356	\$ 20,819	\$ 20,970	\$ 20,805	\$ 20,508	\$ 19,806	\$ 19,382
Ending common shareholders' equity ⁽³⁾	23,750	23,088	22,546	21,488	19,382	21,356	20,819	20,970
Average common shareholders' equity ⁽⁴⁾	\$ 21,566	\$ 22,222	\$ 21,683	\$ 21,229	\$ 20,094	\$ 20,932	\$ 20,313	\$ 20,176
Return on common shareholders' equity	21.7 %	10.7 %	11.2 %	10.8 %	10.0 %	18.6 %	18.5 %	16.4 %
Adjusted Net Income Return on Common Shareholders' Equity								
Numerator:								
Adjusted net income * ⁽¹⁾	\$ 3,477	\$ 3,009	\$ 2,822	\$ 2,797	\$ 3,129	\$ 3,400	\$ 3,322	\$ 3,129
Denominator:								
Beginning common shareholders' equity	\$ 19,382	\$ 21,356	\$ 20,819	\$ 20,970	\$ 20,805	\$ 20,508	\$ 19,806	\$ 19,382
Less: Unrealized net capital gains and losses	(2)	(16)	54	187	1,662	1,651	1,526	1,526
Adjusted beginning common shareholders' equity	19,384	21,372	20,765	20,783	19,143	18,857	18,280	17,856
Ending common shareholders' equity	23,750	23,088	22,546	21,488	19,382	21,356	20,819	20,970
Less: Unrealized net capital gains and losses	1,887	2,023	1,654	972	(2)	(16)	54	54
Adjusted ending common shareholders' equity	21,863	21,065	20,892	20,516	19,384	21,372	20,765	20,916
Average adjusted common shareholders' equity ⁽⁴⁾	\$ 20,624	\$ 21,219	\$ 20,829	\$ 20,650	\$ 19,264	\$ 20,115	\$ 19,523	\$ 19,386
Adjusted net income return on common shareholders' equity *	16.9 %	14.2 %	13.5 %	13.5 %	16.2 %	16.9 %	17.0 %	16.2 %

(1) Net income applicable to common shareholders and adjusted net income reflect a trailing twelve-month period.

(2) Includes a \$2 million Tax Legislation benefit for the period ended September 30, 2019, a \$29 million benefit for the periods ended June 30, 2019, March 31, 2019 and December 31, 2018, a \$540 million benefit for the period ended September 30, 2018, and a \$509 million benefit for all other periods presented.

(3) Excludes equity related to preferred stock of \$2,248 million at December 31, 2019, \$3,052 million at September 30, 2019, \$1,930 million at June 30, 2019, March 31, 2019 and December 31, 2018 and \$2,303 million for all other periods presented.

(4) Average common shareholders' equity and average adjusted common shareholders' equity are determined using a two-point average, with the beginning and ending common shareholders' equity and adjusted common shareholders' equity respectively, for the twelve-month period as data points.

The Allstate Corporation
Debt to Capital

(\$ in millions)	Dec. 31, 2019	Sept. 30, 2019	June 30, 2019	March 31, 2019	Dec. 31, 2018	Sept. 30, 2018	June 30, 2018	Mar 2
Debt								
Short-term debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$
Long-term debt	6,631	6,630	6,628	6,453	6,451	6,450	6,448	\$
Total debt	<u>\$ 6,631</u>	<u>\$ 6,630</u>	<u>\$ 6,628</u>	<u>\$ 6,453</u>	<u>\$ 6,451</u>	<u>\$ 6,450</u>	<u>\$ 6,448</u>	<u>\$</u>
Capital resources								
Debt								
Debt	\$ 6,631	\$ 6,630	\$ 6,628	\$ 6,453	\$ 6,451	\$ 6,450	\$ 6,448	\$
Shareholders' equity								
Preferred stock and additional capital paid-in	2,248	3,052	1,930	1,930	1,930	2,303	2,303	
Common stock	9	9	9	9	9	9	9	
Additional capital paid-in	3,463	3,511	3,477	3,291	3,310	3,441	3,391	
Retained income	48,074	46,527	45,803	45,148	44,033	44,776	43,997	
Deferred ESOP expense	-	(3)	(3)	(3)	(3)	(3)	(3)	
Treasury stock	(29,746)	(29,063)	(28,500)	(28,042)	(28,085)	(27,011)	(26,818)	
Unrealized net capital gains and losses	1,887	2,023	1,654	972	(2)	(16)	54	
Unrealized foreign currency translation adjustments	(59)	(50)	(40)	(44)	(49)	(23)	(9)	
Unamortized pension and other postretirement prior service credit	122	134	146	157	169	183	198	
Total shareholders' equity	<u>25,998</u>	<u>26,140</u>	<u>24,476</u>	<u>23,418</u>	<u>21,312</u>	<u>23,659</u>	<u>23,122</u>	
Total capital resources	<u>\$ 32,629</u>	<u>\$ 32,770</u>	<u>\$ 31,104</u>	<u>\$ 29,871</u>	<u>\$ 27,763</u>	<u>\$ 30,109</u>	<u>\$ 29,570</u>	<u>\$</u>
Ratio of debt to shareholders' equity	<u>25.5 %</u>	<u>25.4 %</u>	<u>27.1 %</u>	<u>27.6 %</u>	<u>30.3 %</u>	<u>27.3 %</u>	<u>27.9 %</u>	
Ratio of debt to capital resources	<u>20.3 %</u>	<u>20.2 %</u>	<u>21.3 %</u>	<u>21.6 %</u>	<u>23.2 %</u>	<u>21.4 %</u>	<u>21.8 %</u>	

The Allstate Corporation
Policies in Force and Other Statistics

	Dec. 31, 2019	Sept. 30, 2019	June 30, 2019	March 31, 2019	Dec. 31, 2018	Sept. 30, 2018	June 30, 2018	March 31, 2018
Policies in Force statistics (in thousands) ⁽¹⁾								
Allstate Protection								
Allstate brand								
Auto	20,398	20,339	20,301	20,145	20,104	19,912	19,810	19,617
Homeowners	6,254	6,237	6,221	6,198	6,186	6,145	6,121	6,093
Landlord	658	663	670	676	681	683	688	692
Renters	1,683	1,679	1,668	1,655	1,642	1,626	1,612	1,599
Condominium	676	673	670	668	668	665	664	663
Other	1,327	1,326	1,319	1,307	1,304	1,297	1,287	1,276
Other personal lines	4,344	4,341	4,327	4,306	4,295	4,271	4,251	4,230
Commercial lines	227	228	229	230	231	231	234	238
Total	31,223	31,145	31,078	30,879	30,816	30,559	30,416	30,178
Esurance brand								
Auto	1,515	1,543	1,548	1,548	1,488	1,463	1,432	1,399
Homeowners	105	104	101	98	95	92	88	84
Other personal lines	46	48	48	48	46	46	46	45
Total	1,666	1,695	1,697	1,694	1,629	1,601	1,566	1,528
Encompass brand								
Auto	493	496	497	499	502	504	507	517
Homeowners	234	235	236	237	239	240	243	248
Other personal lines	76	77	77	78	80	81	81	83
Total	803	808	810	814	819	824	831	848
Allstate Protection Policies in Force	33,692	33,648	33,585	33,387	33,264	32,984	32,813	32,554
Service Businesses								
Allstate Protection Plans	99,632	89,783	83,968	77,866	68,588	52,151	44,459	41,806
Allstate Dealer Services	4,205	4,224	4,253	4,294	4,338	4,402	3,959	4,026
Allstate Roadside Services	599	617	635	649	663	671	681	692
Allstate Identity Protection	1,511	1,318	1,280	1,211	1,040	-	-	-
Total	105,947	95,942	90,116	84,020	74,629	57,224	49,099	46,524
Allstate Life	1,923	1,926	1,933	1,936	1,945	1,937	1,938	1,937
Allstate Benefits	4,183	4,287	4,296	4,322	4,208	4,241	4,283	4,260
Allstate Annuities	192	197	201	206	211	215	220	225
Total Policies in Force	145,937	138,000	130,131	123,871	114,257	96,601	88,353	85,500
Agency Data ⁽²⁾								
Total Allstate agencies ⁽³⁾	12,900	12,800	12,700	12,700	12,700	12,400	12,300	12,300
Licensed sales professionals ⁽⁴⁾	27,100	26,800	26,700	26,800	26,900	25,600	25,200	24,700
Allstate independent agencies ⁽⁵⁾	3,400	3,300	3,200	3,000 ⁽⁶⁾	2,700	2,600	2,600	2,500
Encompass independent agencies	2,800	2,800	2,800	2,700	2,600	2,600	2,500	2,500

(1) Policy counts are based on items rather than customers.

- A multi-car customer would generate multiple item (policy) counts, even if all cars were insured under one policy.
- Commercial lines PIF for shared economy agreements typically reflect contracts that cover multiple drivers as opposed to individual drivers.
- Non-proprietary products offered by Iviantage (insurance agency) and Answer Financial (independent insurance agency) are not included.
- Allstate Roadside Services reflects memberships in force and do not include their wholesale partners as the customer relationship is managed by the wholesale partner.
- Allstate Dealer Services reflects service contracts and other products sold in conjunction with auto lending and vehicle sales transactions and do not include their third party administrators ("TPAs") as the customer relationship is managed by the TPAs.
- Allstate Protection Plans (formerly known as SquareTrade) represents active consumer product protection plans.
- Allstate Identity Protection (formerly known as InfoArmor) reflects individual customer counts for identity protection products.
- Allstate Life insurance policies and Allstate Annuities in force reflect the number of contracts in force excluding sold blocks of business that remain on the balance sheet due to the dispositions of the business being effected through reinsurance arrangements.
- Allstate Benefits reflects certificate counts as opposed to group counts.

(2) Rounded to the nearest hundred.

(3) Total Allstate agencies represents exclusive Allstate agencies and financial representatives in the United States and employee producers in Canada.

(4) Represents employees of Allstate agencies who are licensed to sell Allstate products.

(5) Includes 1,102 and 919 engaged Allstate independent agencies ("AIAs") as of December 31, 2019 and December 31, 2018, respectively. Engaged AIAs, as currently determined, include those that achieve a minimum number of new policies written.

(6) Beginning March 31, 2019, includes separate agency counts for agencies operating out of multiple locations, which increased the total agencies by approximately 200.

The Allstate Corporation
Premiums Written for Allstate Protection and Service Businesses

(\$ in millions)	Three months ended								Twelve months ended	
	Dec. 31, 2019	Sept. 30, 2019	June 30, 2019	March 31, 2019	Dec. 31, 2018	Sept. 30, 2018	June 30, 2018	March 31, 2018	Dec. 31, 2019	Dec. 31, 2018
Allstate Protection										
Allstate brand ⁽¹⁾										
Auto	\$ 5,470	\$ 5,599	\$ 5,472	\$ 5,395	\$ 5,272	\$ 5,357	\$ 5,211	\$ 5,151	\$ 21,936	\$ 20,991
Homeowners	1,861	2,143	2,076	1,565	1,777	2,008	1,949	1,465	7,645	7,199
Landlord	135	141	134	124	133	139	131	121	534	524
Renters	71	87	78	69	70	86	77	69	305	302
Condominium	70	78	75	62	68	73	72	59	285	272
Other	158	186	191	144	149	174	195	126	679	644
Other personal lines	434	492	478	399	420	472	475	375	1,803	1,742
Commercial lines	243	238	236	185	177	173	172	137	902	659
Total	8,008	8,472	8,262	7,544	7,646	8,010	7,807	7,128	32,286	30,591
Esurance brand										
Auto	460	525	469	532	452	487	430	470	1,986	1,839
Homeowners	27	35	32	25	23	30	27	21	119	101
Other personal lines	2	2	2	2	2	2	2	2	8	8
Total	489	562	503	559	477	519	459	493	2,113	1,948
Encompass brand										
Auto	127	147	146	120	130	143	146	118	540	537
Homeowners	94	110	111	86	98	106	108	86	401	398
Other personal lines	19	21	21	18	19	22	21	19	79	81
Total	240	278	278	224	247	271	275	223	1,020	1,016
Total Allstate Protection										
Auto	6,057	6,271	6,087	6,047	5,854	5,987	5,787	5,739	24,462	23,367
Homeowners	1,982	2,288	2,219	1,676	1,898	2,144	2,084	1,572	8,165	7,698
Other personal lines	455	515	501	419	441	496	498	396	1,890	1,831
Commercial lines	243	238	236	185	177	173	172	137	902	659
Total	8,737	9,312	9,043	8,327	8,370	8,800	8,541	7,844	35,419	33,555
Discontinued Lines and Coverages										
Total Property-Liability	\$ 8,737	\$ 9,312	\$ 9,043	\$ 8,327	\$ 8,370	\$ 8,800	\$ 8,541	\$ 7,844	\$ 35,419	\$ 33,555
Service Businesses ⁽²⁾										
Allstate Protection Plans	\$ 278	\$ 181	\$ 167	\$ 206	\$ 323	\$ 194	\$ 126	\$ 130	\$ 832	\$ 773
Allstate Dealer Services	123	126	120	99	105	99	103	92	468	399
Allstate Roadside Services	52	57	63	63	61	65	68	65	235	259
Total	453	364	350	368	489	358	297	287	1,535	1,431
Total premiums written	<u>\$ 9,190</u>	<u>\$ 9,676</u>	<u>\$ 9,393</u>	<u>\$ 8,695</u>	<u>\$ 8,859</u>	<u>\$ 9,158</u>	<u>\$ 8,838</u>	<u>\$ 8,131</u>	<u>\$ 36,954</u>	<u>\$ 34,986</u>
Non-Proprietary Premiums										
Ivantage ⁽³⁾	\$ 1,901	\$ 1,871	\$ 1,840	\$ 1,806	\$ 1,780	\$ 1,758	\$ 1,719	\$ 1,679	\$ 1,901	\$ 1,780
Answer Financial ⁽⁴⁾	134	153	150	145	140	156	156	148	582	600
⁽¹⁾ Canada premiums included in Allstate brand										
Auto	\$ 253	\$ 291	\$ 287	\$ 205	\$ 220	\$ 244	\$ 245	\$ 186	\$ 1,036	\$ 895
Homeowners	79	93	87	58	68	77	77	50	317	272
Other personal lines	30	32	28	20	23	25	29	14	110	91
Total	<u>\$ 362</u>	<u>\$ 416</u>	<u>\$ 402</u>	<u>\$ 283</u>	<u>\$ 311</u>	<u>\$ 346</u>	<u>\$ 351</u>	<u>\$ 250</u>	<u>\$ 1,463</u>	<u>\$ 1,258</u>

⁽²⁾ There are no premiums written for Arity or Allstate Identity Protection, which are part of the Service Businesses segment. Revenues for Arity and Allstate Identity Protection are primarily reported as intersegment service fees and other revenue.

⁽³⁾ Represents non-proprietary premiums under management as of the end of the period related to personal and commercial line products offered by Ivantage when an Allstate product is not available. Fees for the three months ended December 31, 2019, September 30, 2019, June 30, 2019, March 31, 2019, December 31, 2018, September 30, 2018, June 30, 2018 and March 31, 2018 were \$41 million, \$45 million, \$45 million, \$37 million, \$39 million, \$45 million, \$44 million and \$37 million, respectively.

⁽⁴⁾ Represents non-proprietary premiums written for the period. Commissions earned for the three and twelve months ended December 31, 2019 were \$15 million and \$70 million, respectively.

The Allstate Corporation
Property-Liability Results

(\$ in millions)

Three months ended

Twelve months ended

	Dec. 31, 2019	Sept. 30, 2019	June 30, 2019	March 31, 2019	Dec. 31, 2018	Sept. 30, 2018	June 30, 2018	March 31, 2018	Dec. 31, 2019	Sept. 30, 2019
Premiums written	\$ 8,737	\$ 9,312	\$ 9,043	\$ 8,327	\$ 8,370	\$ 8,800	\$ 8,541	\$ 7,844	\$ 35,419	\$ 35,419
Decrease (increase) in unearned premiums	129	(538)	(384)	179	99	(505)	(347)	209	(614)	(614)
Other	7	8	22	1	(47)	25	(5)	(34)	38	38
Premiums earned	8,873	8,782	8,681	8,507	8,422	8,320	8,189	8,019	34,843	34,843
Other revenue	180	195	190	176	188	192	184	174	741	741
Claims and claims expense	(5,660)	(5,960)	(6,272)	(5,730)	(5,991)	(5,717)	(5,689)	(5,038)	(23,622)	(23,622)
Amortization of deferred policy acquisition costs	(1,155)	(1,167)	(1,163)	(1,164)	(1,144)	(1,133)	(1,110)	(1,088)	(4,649)	(4,649)
Operating costs and expenses	(1,175)	(1,114)	(1,060)	(1,071)	(1,180)	(1,143)	(1,098)	(1,044)	(4,420)	(4,420)
Restructuring and related charges	(12)	1	(9)	(18)	(9)	(12)	(21)	(18)	(38)	(38)
Impairment of purchased intangibles	(51)	-	-	-	-	-	-	-	(51)	(51)
Underwriting income ⁽¹⁾	1,000	737	367	700	286	507	455	1,005	2,804	2,804
Net investment income	323	448	471	291	364	410	353	337	1,533	1,533
Income tax expense on operations	(270)	(236)	(179)	(202)	(119)	(185)	(166)	(277)	(887)	(887)
Realized capital gains and losses, after-tax	437	127	204	393	(516)	103	(12)	(75)	1,161	1,161
Tax Legislation expense	-	-	-	-	(2)	(3)	-	-	-	-
Net income applicable to common shareholders	\$ 1,490	\$ 1,076	\$ 863	\$ 1,182	\$ 13	\$ 832	\$ 630	\$ 990	\$ 4,611	\$ 4,611
Catastrophe losses	\$ 295	\$ 510	\$ 1,072	\$ 680	\$ 963	\$ 625	\$ 906	\$ 361	\$ 2,557	\$ 2,557
Amortization of purchased intangibles	\$ 1	\$ 1	\$ 1	\$ 1	\$ 3	\$ 4	\$ 3	\$ 1	\$ 4	\$ 4
Operating ratios										
Loss ratio	63.8	67.9	72.3	67.4	71.1	68.7	69.4	62.9	67.8	67.8
Expense ratio ⁽²⁾	24.9	23.7	23.5	24.4	25.5	25.2	25.0	24.6	24.2	24.2
Combined ratio	88.7	91.6	95.8	91.8	96.6	93.9	94.4	87.5	92.0	92.0
Loss ratio	63.8	67.9	72.3	67.4	71.1	68.7	69.4	62.9	67.8	67.8
Less: effect of catastrophe losses	3.3	5.8	12.3	8.0	11.4	7.5	11.1	4.5	7.3	7.3
effect of prior year non-catastrophe reserve reestimates	(0.1)	(0.5)	(0.9)	(0.4)	(1.1)	0.2	(1.7)	(0.6)	(0.4)	(0.4)
Underlying loss ratio *	60.6	62.6	60.9	59.8	60.8	61.0	60.0	59.0	60.9	60.9
Reconciliation of combined ratio to underlying combined ratio										
Combined ratio	88.7	91.6	95.8	91.8	96.6	93.9	94.4	87.5	92.0	92.0
Effect of catastrophe losses	(3.3)	(5.8)	(12.3)	(8.0)	(11.4)	(7.5)	(11.1)	(4.5)	(7.3)	(7.3)
Effect of prior year non-catastrophe reserve reestimates	0.1	0.5	0.9	0.4	1.1	(0.2)	1.7	0.6	0.4	0.4
Effect of impairment of purchased intangibles	(0.6)	-	-	-	-	-	-	-	(0.1)	(0.1)
Underlying combined ratio *	84.9	86.3	84.4	84.2	86.3	86.2	85.0	83.6	85.0	85.0
Effect of restructuring and related charges on combined ratio	0.1	-	0.1	0.2	0.1	0.1	0.3	0.2	0.1	0.1
Effect of Discontinued Lines and Coverages on combined ratio	-	1.1	0.1	0.1	-	1.0	-	0.1	0.4	0.4
⁽¹⁾ Underwriting Income (Loss)										
Allstate brand	\$ 1,024	\$ 858	\$ 367	\$ 702	\$ 306	\$ 587	\$ 463	\$ 1,001	\$ 2,951	\$ 2,951
Esurance brand	(37)	(6)	(3)	3	(9)	(10)	(9)	3	(43)	(43)
Encompass brand	17	(15)	7	(2)	(4)	11	5	6	7	7
Answer Financial	(1)	(1)	(1)	-	(3)	(1)	(1)	(2)	(3)	(3)
Total underwriting income for Allstate Protection	1,003	836	370	703	290	587	458	1,008	2,912	2,912
Discontinued Lines and Coverages	(3)	(99)	(3)	(3)	(4)	(80)	(3)	(3)	(108)	(108)
Total underwriting income for Property-Liability	\$ 1,000	\$ 737	\$ 367	\$ 700	\$ 286	\$ 507	\$ 455	\$ 1,005	\$ 2,804	\$ 2,804

⁽²⁾ Other revenue is deducted from other costs and expenses in the expense ratio calculation.

The Allstate Corporation
Property-Liability Catastrophe Losses

(\$ in millions)

Three months ended

Twelve months

	Dec. 31, 2019	Sept. 30, 2019	June 30, 2019	March 31, 2019	Dec. 31, 2018	Sept. 30, 2018	June 30, 2018	March 31, 2018	Dec. 31, 2019
Allstate Protection									
Allstate brand									
Auto	\$ 2	\$ 130	\$ 179	\$ 68	\$ 53	\$ 113	\$ 160	\$ (1)	\$ 379
Homeowners ⁽¹⁾	253 ⁽³⁾	292	781	511	798	418	627 ⁽³⁾	300	1,837
Other personal lines	19	23	57	64	87	51	46	27	163
Commercial lines	5	2	4	1	9	6	4	3	12
Total	279	447	1,021	644	947	588	837	329	2,391
Esurance brand									
Auto	2	9	10	3	2	8	15	2	24
Homeowners	2	7	15	3	4	6	14	1	27
Total	4	16	25	6	6	14	29	3	51
Encompass brand									
Auto	-	4	3	3	(1)	2	4	1	10
Homeowners	12	41	22	25	9	20	34	26	100
Other personal lines	-	2	1	2	2	1	2	2	5
Total	12	47	26	30	10	23	40	29	115
Allstate Protection									
Auto	4	143	192	74	54	123	179	2	413
Homeowners	267	340	818	539	811	444	675	327	1,964
Other personal lines	19	25	58	66	89	52	48	29	168
Commercial lines	5	2	4	1	9	6	4	3	12
Total	295	510	1,072	680	963	625	906	361	2,557
Discontinued Lines and Coverages	-	-	-	-	-	-	-	-	-
Total Property-Liability	\$ 295	\$ 510	\$ 1,072	\$ 680	\$ 963	\$ 625	\$ 906	\$ 361	\$ 2,557
Effect of Catastrophe Losses on Combined Ratio ⁽²⁾									
Allstate Protection									
Auto	-	1.6	2.2	0.9	0.6	1.5	2.2	-	1.2
Homeowners	3.0	3.9	9.4	6.2	9.5	5.3	8.1	4.0	5.6
Other personal lines	0.2	0.3	0.7	0.8	1.0	0.6	0.6	0.4	0.5
Commercial lines	0.1	-	-	-	0.1	0.1	0.1	-	-
Total	3.3	5.8	12.3	8.0	11.4	7.5	11.1	4.5	7.3
10-year average effect of catastrophe losses on combined ratio	5.9	6.9	14.0	6.8	6.1	6.9	14.0	6.8	8.4

⁽¹⁾ Includes \$8 million and \$7 million of reduction of reinsurance premiums for the three months ended December 31, 2019 and September 30, 2019, respectively, and \$5 million, \$15 million and \$60 million of reinstatement reinsurance for the three months ended June 30, 2019, March 31, 2019 and December 31, 2018, respectively, related to the 2018 Camp Fire.

⁽²⁾ Calculated using the total premiums earned for Allstate Protection for the respective period. Discontinued Lines and Coverages does not have premiums earned.

⁽³⁾ Includes \$12 million and \$37 million for Texas Windstorm Insurance Association assessments related to Hurricane Harvey which occurred in third quarter 2017 for the three months ended December 31, 2019 and June 30, 2018, respectively.

The Allstate Corporation
Property-Liability Prior Year Reserve Reestimates

(\$ in millions)

	Three months ended								Twelve months ended	
	Dec. 31, 2019	Sept. 30, 2019	June 30, 2019	March 31, 2019	Dec. 31, 2018	Sept. 30, 2018	June 30, 2018	March 31, 2018	Dec. 31, 2019	Dec. 31, 2018
Prior Year Reserve Reestimates ⁽¹⁾										
Allstate Protection										
Allstate brand										
Auto	\$ (11)	\$ (152)	\$ (94)	\$ (58)	\$ (94)	\$ (97)	\$ (155)	\$ (101)	\$ (315)	\$ (315)
Homeowners	5	(1)	(1)	46	(35)	(17)	24	27	49	49
Other personal lines	(9)	10	(1)	10	12	8	(6)	(6)	10	10
Commercial lines	-	-	13	4	1	42	45	20	17	17
Total	(15)	(143)	(83)	2	(116)	(64)	(92)	(60)	(239)	(239)
Esurance brand										
Auto	(1)	-	(1)	4	2	-	(1)	1	2	2
Homeowners	1	-	1	(1)	1	1	1	(1)	1	1
Other personal lines	-	-	-	-	-	(1)	-	-	-	-
Total	-	-	-	3	3	-	-	-	3	3
Encompass brand										
Auto	-	(1)	(9)	-	(7)	(2)	(1)	-	(10)	(10)
Homeowners	-	3	4	8	2	3	2	6	15	15
Other personal lines	-	(1)	2	(3)	(4)	(4)	(6)	-	(2)	(2)
Total	-	1	(3)	5	(9)	(3)	(5)	6	3	3
Total Allstate Protection										
Auto	(12)	(153)	(104)	(54)	(99)	(99)	(157)	(100)	(323)	(323)
Homeowners	6	2	4	53	(32)	(13)	27	32	65	65
Other personal lines	(9)	9	1	7	8	3	(12)	(6)	8	8
Commercial lines	-	-	13	4	1	42	45	20	17	17
Total	(15)	(142)	(86)	10	(122)	(67)	(97)	(54)	(233)	(233)
Discontinued Lines and Coverages	2	98	3	2	2	80	2	3	105	105
Total Property-Liability	\$ (13)	\$ (44)	\$ (83)	\$ 12	\$ (120)	\$ 13	\$ (95)	\$ (51)	\$ (128)	\$ (128)
Effect of Prior Year Reserve Reestimates on Combined Ratio ⁽¹⁾⁽²⁾										
Allstate Protection										
Auto	(0.2)	(1.7)	(1.2)	(0.6)	(1.1)	(1.2)	(1.9)	(1.2)	(0.9)	(0.9)
Homeowners	0.1	-	-	0.6	(0.4)	(0.1)	0.3	0.4	0.2	0.2
Other personal lines	(0.1)	0.1	-	0.1	0.1	-	(0.1)	(0.1)	-	-
Commercial lines	-	-	0.2	-	-	0.5	0.5	0.2	-	-
Total	(0.2)	(1.6)	(1.0)	0.1	(1.4)	(0.8)	(1.2)	(0.7)	(0.7)	(0.7)
Discontinued Lines and Coverages	-	1.1	0.1	0.1	-	1.0	-	0.1	0.4	0.4
Total Property-Liability	(0.2)	(0.5)	(0.9)	0.2	(1.4)	0.2	(1.2)	(0.6)	(0.3)	(0.3)
Allstate Protection by brand										
Allstate brand	(0.2)	(1.6)	(1.0)	-	(1.3)	(0.8)	(1.1)	(0.8)	(0.7)	(0.7)
Esurance brand	-	-	-	-	-	-	-	-	-	-
Encompass brand	-	-	-	0.1	(0.1)	-	(0.1)	0.1	-	-
Total	(0.2)	(1.6)	(1.0)	0.1	(1.4)	(0.8)	(1.2)	(0.7)	(0.7)	(0.7)

⁽¹⁾ Favorable reserve reestimates are shown in parentheses.

⁽²⁾ Calculated using the total premiums earned for Allstate Protection for the respective period. Discontinued Lines and Coverages does not have premiums earned.

The Allstate Corporation
Property-Liability Catastrophe Losses included in Prior Year Reserve Reestimates

(\$ in millions)

	Three months ended								Twelve months
	Dec. 31, 2019	Sept. 30, 2019	June 30, 2019	March 31, 2019	Dec. 31, 2018	Sept. 30, 2018	June 30, 2018	March 31, 2018	Dec. 31, 2019
Allstate Protection ⁽¹⁾									
Allstate brand									
Auto	\$ (8)	\$ (1)	\$ (7)	\$ (1)	\$ (2)	\$ (4)	\$ (5)	\$ (27)	\$ (17)
Homeowners ⁽²⁾	8 ⁽⁴⁾	(1)	6	42	(19)	2	41 ⁽⁴⁾	27	55
Other personal lines	(4)	(1)	(3)	9	1	-	-	(3)	1
Commercial lines	-	(1)	1	(1)	-	-	1	(1)	(1)
Total	(4)	(4)	(3)	49	(20)	(2)	37	(4)	38
Esurance brand									
Auto	-	(1)	1	-	-	-	-	-	-
Homeowners	-	-	1	-	-	1	1	-	1
Total	-	(1)	2	-	-	1	1	-	1
Encompass brand									
Auto	-	-	-	-	-	(1)	-	-	-
Homeowners	(1)	3	4	4	-	3	2	7	10
Other personal lines	-	(1)	-	-	-	-	-	1	(1)
Total	(1)	2	4	4	-	2	2	8	9
Total Allstate Protection									
Auto	(8)	(2)	(6)	(1)	(2)	(5)	(5)	(27)	(17)
Homeowners	7	2	11	46	(19)	6	44	34	66
Other personal lines	(4)	(2)	(3)	9	1	-	-	(2)	-
Commercial lines	-	(1)	1	(1)	-	-	1	(1)	(1)
Total	(5)	(3)	3	53	(20)	1	40	4	48
Discontinued Lines and Coverages	-	-	-	-	-	-	-	-	-
Total Property-Liability	<u>\$ (5)</u>	<u>\$ (3)</u>	<u>\$ 3</u>	<u>\$ 53</u>	<u>\$ (20)</u>	<u>\$ 1</u>	<u>\$ 40</u>	<u>\$ 4</u>	<u>\$ 48</u>
Effect of Catastrophe Losses included in Prior Year Reserve Reestimates on Combined Ratio ⁽¹⁾⁽³⁾									
Allstate Protection									
Auto	(0.1)	-	(0.1)	-	-	(0.1)	(0.1)	(0.4)	(0.1)
Homeowners	0.1	-	0.1	0.5	(0.3)	0.1	0.6	0.4	0.2
Other personal lines	(0.1)	-	-	0.1	-	-	-	-	-
Commercial lines	-	-	-	-	-	-	-	-	-
Total	<u>(0.1)</u>	<u>-</u>	<u>-</u>	<u>0.6</u>	<u>(0.3)</u>	<u>-</u>	<u>0.5</u>	<u>-</u>	<u>0.1</u>
Allstate Protection by brand									
Allstate brand	(0.1)	-	-	0.6	(0.3)	-	0.5	(0.1)	0.1
Esurance brand	-	-	-	-	-	-	-	-	-
Encompass brand	-	-	-	-	-	-	0.1	-	-
Total	<u>(0.1)</u>	<u>-</u>	<u>-</u>	<u>0.6</u>	<u>(0.3)</u>	<u>-</u>	<u>0.5</u>	<u>-</u>	<u>0.1</u>

(1) Favorable reserve reestimates are shown in parentheses.

(2) Includes \$8 million and \$7 million reduction of reinsurance premiums for the three months ended December 31, 2019 and September 30, 2019, respectively, and \$5 million and \$15 million of reinstatement reinsurance premiums incurred for the three months ended June 30, 2019 and March 31, 2019, respectively, related to the 2018 Camp Fire.

(3) Calculated using the total premiums earned for Allstate Protection for the respective period. Discontinued Lines and Coverages does not have premiums earned or catastrophe losses.

(4) Includes \$12 million and \$37 million for Texas Windstorm Insurance Association assessments related to Hurricane Harvey which occurred in third quarter 2017 for the three months ended December 31, 2019 and June 30, 2018, respectively.

The Allstate Corporation
Allstate Protection Impact of Net Rate Changes Approved on Premiums Written

	Three months ended December 31, 2019 ⁽¹⁾			Three months ended September 30, 2019			Three months ended June 30, 2019		
	Number of locations ⁽⁵⁾	Total brand (%) ⁽⁶⁾	Location specific (%) ⁽⁷⁾	Number of locations	Total brand (%)	Location specific (%)	Number of locations	Total brand (%)	Loc spec
Allstate brand									
Auto ⁽²⁾⁽³⁾	26	0.8	2.6	24	0.5	3.1	20	0.8	
Homeowners ⁽⁴⁾	12	0.7	4.9	12	0.3	3.5	4	0.1	
Esurance brand									
Auto	12	0.9	5.2	15	1.1	2.8	6	2.4	
Homeowners	-	-	-	1	-	(3.0)	2	2.7	
Encompass brand									
Auto	9	0.7	4.4	6	0.3	2.4	1	-	
Homeowners	8	2.9	15.2	11	3.5	9.4	8	1.4	
	Three months ended March 31, 2019			Three months ended December 31, 2018			Three months ended September 30, 2018		
	Number of locations	Total brand (%)	Location specific (%)	Number of locations	Total brand (%)	Location specific (%)	Number of locations	Total brand (%)	Loc spec
Allstate brand									
Auto	19	0.6	3.4	25	0.3	3.2	20	-	
Homeowners	20	2.1	5.5	18	1.1	4.6	10	0.4	
Esurance brand									
Auto	9	0.6	4.1	8	0.3	1.3	14	0.9	
Homeowners	2	2.0	18.2	1	0.4	9.9	-	-	
Encompass brand									
Auto	3	0.5	4.5	4	0.5	2.6	7	0.6	
Homeowners	4	1.4	10.8	3	1.2	8.2	11	2.7	

⁽¹⁾ Rate changes include changes approved based on our net cost of reinsurance. These rate changes do not reflect initial rates filed for insurance subsidiaries initially writing business. Based on historical premiums written in 50 states, the District of Columbia and Canadian provinces, rate changes approved for Allstate brand, Esurance brand and Encompass brand for the three month period ending December 31, 2019 are estimated to total \$256 million. Rate changes do not include rating plan enhancements, including the introduction of discounts and surcharges that result in no change in the overall rate level in a location.

⁽²⁾ Impacts of Allstate brand auto effective rate changes as a percentage of total brand prior year-end premiums written were 0.9%, 0.4%, 0.9%, 0.6%, 0.2% and 0.4% for the three months ended December 31, 2019, September 30, 2019, June 30, 2019, March 31, 2019, December 31, 2018 and September 30, 2018, respectively. Rate changes are included in the effective calculations in the period the rate change is effective for renewal contracts.

⁽³⁾ Allstate brand auto rate changes were 2.7%, 2.2%, 1.7%, 1.4%, 1.1% and 2.0% for the trailing twelve months ended December 31, 2019, September 30, 2019, June 30, 2019, March 31, 2019, December 31, 2018 and September 30, 2018, respectively.

⁽⁴⁾ Impacts of Allstate brand homeowners effective rate changes as a percentage of total brand prior year-end premiums written were 0.2%, 0.2%, 0.8%, 2.3%, 0.2% and 0.4% for the three months ended December 31, 2019, September 30, 2019, June 30, 2019, March 31, 2019, December 31, 2018 and September 30, 2018, respectively.

⁽⁵⁾ Allstate brand operates in 50 states, the District of Columbia, and 5 Canadian provinces. Esurance brand operates in 43 states. Encompass operates in 40 states and the District of Columbia.

⁽⁶⁾ Represents the impact in the states, the District of Columbia and Canadian provinces where rate changes were approved during the period as a percentage of total brand prior year-end premiums written.

⁽⁷⁾ Represents the impact in the states, the District of Columbia and Canadian provinces where rate changes were approved during the period as a percentage of its respective total prior year-end premiums written in those same locations.

The Allstate Corporation
Allstate Brand Profitability Measures

(\$ in millions)

Three months ended

Twelve months ended

	Dec. 31, 2019	Sept. 30, 2019	June 30, 2019	March 31, 2019	Dec. 31, 2018	Sept. 30, 2018	June 30, 2018	March 31, 2018	Dec. 31, 2019	Dec 2018
Net premiums written	\$ 8,008	\$ 8,472	\$ 8,262	\$ 7,544	\$ 7,646	\$ 8,010	\$ 7,807	\$ 7,128	\$ 32,286	\$ 31,738
Net premiums earned										
Auto	\$ 5,509	\$ 5,446	\$ 5,404	\$ 5,321	\$ 5,275	\$ 5,210	\$ 5,131	\$ 5,046	\$ 21,680	\$ 21,680
Homeowners	1,892	1,868	1,832	1,811	1,787	1,769	1,742	1,727	7,403	7,403
Other personal lines	449	447	440	437	432	432	432	420	1,773	1,773
Commercial lines	237	236	226	183	178	176	165	136	882	882
Total	\$ 8,087	\$ 7,997	\$ 7,902	\$ 7,752	\$ 7,672	\$ 7,587	\$ 7,470	\$ 7,329	\$ 31,738	\$ 31,738
Other revenue										
Auto	\$ 58	\$ 57	\$ 57	\$ 57	\$ 65	\$ 56	\$ 56	\$ 54	\$ 229	\$ 229
Homeowners	11	12	11	11	12	11	11	11	45	45
Other personal lines	31	37	35	28	34	36	34	28	131	131
Commercial lines	2	1	2	1	1	2	1	2	6	6
Other business lines ⁽¹⁾	42	46	46	38	39	47	41	41	172	172
Total	\$ 144	\$ 153	\$ 151	\$ 135	\$ 151	\$ 152	\$ 143	\$ 136	\$ 583	\$ 583
Incurred losses										
Auto	\$ 3,712	\$ 3,689	\$ 3,698	\$ 3,485	\$ 3,520	\$ 3,495	\$ 3,424	\$ 3,189	\$ 14,584	\$ 14,584
Homeowners	958	1,082	1,508	1,254	1,445	1,125	1,308	995	4,802	4,802
Other personal lines	225	277	281	292	316	305	260	257	1,075	1,075
Commercial lines	185	197	196	139	141	184	166	107	717	717
Total	\$ 5,080	\$ 5,245	\$ 5,683	\$ 5,170	\$ 5,422	\$ 5,109	\$ 5,158	\$ 4,548	\$ 21,178	\$ 21,178
Expenses										
Auto	\$ 1,456	\$ 1,385	\$ 1,376	\$ 1,381	\$ 1,419	\$ 1,380	\$ 1,378	\$ 1,300	\$ 5,598	\$ 5,598
Homeowners	459	437	414	426	449	438	408	406	1,736	1,736
Other personal lines	159	156	146	143	161	157	145	140	604	604
Commercial lines	41	39	39	38	37	36	36	37	157	157
Other business lines ⁽¹⁾	12	30	28	27	29	32	25	33	97	97
Total	\$ 2,127	\$ 2,047	\$ 2,003	\$ 2,015	\$ 2,095	\$ 2,043	\$ 1,992	\$ 1,916	\$ 8,192	\$ 8,192
Underwriting income (loss)										
Auto	\$ 399	\$ 429	\$ 387	\$ 512	\$ 401	\$ 391	\$ 385	\$ 611	\$ 1,727	\$ 1,727
Homeowners	486	361	(79)	142	(95)	217	37	337	910	910
Other personal lines	96	51	48	30	(11)	6	61	51	225	225
Commercial lines	13	1	(7)	7	1	(42)	(36)	(6)	14	14
Other business lines	30	16	18	11	10	15	16	8	75	75
Total	\$ 1,024	\$ 858	\$ 367	\$ 702	\$ 306	\$ 587	\$ 463	\$ 1,001	\$ 2,951	\$ 2,951
Loss ratio	62.8	65.6	71.9	66.7	70.7	67.4	69.0	62.0	66.7	66.7
Expense ratio ⁽²⁾	24.5	23.7	23.5	24.2	25.3	24.9	24.8	24.3	24.0	24.0
Combined ratio	87.3	89.3	95.4	90.9	96.0	92.3	93.8	86.3	90.7	90.7
Loss ratio	62.8	65.6	71.9	66.7	70.7	67.4	69.0	62.0	66.7	66.7
Less: effect of catastrophe losses	3.4	5.6	13.0	8.3	12.3	7.8	11.2	4.5	7.5	7.5
effect of prior year non-catastrophe reserve reestimates	(0.1)	(1.7)	(1.0)	(0.6)	(1.2)	(0.8)	(1.7)	(0.8)	(0.8)	(0.8)
Underlying loss ratio *	59.5	61.7	59.9	59.0	59.6	60.4	59.5	58.3	60.0	60.0
Reconciliation of combined ratio to underlying combined ratio										
Combined ratio	87.3	89.3	95.4	90.9	96.0	92.3	93.8	86.3	90.7	90.7
Effect of catastrophe losses	(3.4)	(5.6)	(13.0)	(8.3)	(12.3)	(7.8)	(11.2)	(4.5)	(7.5)	(7.5)
Effect of prior year non-catastrophe reserve reestimates	0.1	1.7	1.0	0.6	1.2	0.8	1.7	0.8	0.8	0.8
Underlying combined ratio *	84.0	85.4	83.4	83.2	84.9	85.3	84.3	82.6	84.0	84.0
Effect of prior year reserve reestimates on combined ratio	(0.2)	(1.8)	(1.0)	-	(1.5)	(0.8)	(1.2)	(0.8)	(0.7)	(0.7)
Effect of advertising expenses on combined ratio	2.9	2.1	1.9	1.9	2.5	2.5	2.0	1.6	2.2	2.2

⁽¹⁾ Other business lines primarily represent commissions earned and other costs and expenses for Ivantage.

⁽²⁾ Other revenue is deducted from other costs and expenses in the expense ratio calculation.

The Allstate Corporation
Allstate Brand Statistics ⁽¹⁾

	Three months ended								Twelve months ended
	Dec. 31, 2019	Sept. 30, 2019	June 30, 2019	March 31, 2019	Dec. 31, 2018	Sept. 30, 2018	June 30, 2018	March 31, 2018	Dec. 31, 2019
New Issued Applications (in thousands) ⁽²⁾									
Auto	694	753	755	740	710	755	754	714	2,942
Homeowners	196	226	229	197	197	219	223	187	848
Average Premium - Gross Written (\$) ⁽³⁾									
Auto	595	589	581	578	578	572	566	564	586
Homeowners	1,304	1,308	1,295	1,267	1,243	1,238	1,226	1,212	1,295
Average Premium - Net Earned (\$) ⁽⁴⁾									
Auto	541	537	535	530	528	525	522	516	536
Homeowners	1,209	1,191	1,174	1,166	1,156	1,148	1,135	1,131	1,185
Annualized Average Premium (\$) ⁽⁵⁾									
Auto	1,080	1,071	1,065	1,057	1,050	1,047	1,036	1,029	1,063
Homeowners	1,210	1,198	1,178	1,169	1,156	1,152	1,138	1,134	1,184
Average Underlying Loss (Incurred Pure Premium) and Expense * (\$) ⁽⁶⁾									
Auto	1,003	991	970	953	978	963	956	920	975
Homeowners	739	779	732	745	712	751	716	716	746
Renewal Ratio (%) ⁽⁷⁾									
Auto	88.1	88.6	88.8	88.8	88.5	88.7	88.5	88.3	88.6
Homeowners	88.2	88.4	88.2	88.4	88.5	88.3	87.7	87.5	88.3
Auto Property Damage (% change year-over-year)									
Gross claim frequency ⁽⁸⁾	(2.2)	2.0	(0.8)	(1.6)	(2.5)	(2.7)	(2.9)	(2.5)	(0.7)
Paid claim frequency ⁽⁸⁾	(4.0)	0.2	(1.5)	(3.6)	(0.6)	0.2	(3.0)	(3.0)	(2.2)
Paid claim severity ⁽⁹⁾	6.0	5.1	8.8	6.1	7.4	7.7	3.7	4.7	6.5
Bodily Injury (% change year-over-year)									
Gross claim frequency ⁽⁸⁾	(3.2)	(0.5)	(2.1)	(1.2)	(2.5)	(0.7)	(2.7)	(2.0)	(1.8)
Homeowners Excluding Catastrophe Losses (% change year-over-year)									
Gross claim frequency ⁽⁸⁾	(11.2)	(8.8)	(2.8)	(0.2)	8.7	7.0	7.1	(1.1)	(5.6)
Paid claim frequency ⁽⁸⁾	(11.6)	(6.4)	(6.7)	1.1	9.0	8.5	5.9	(4.0)	(6.0)
Paid claim severity ⁽⁹⁾	23.2	13.2	11.7	0.5	(0.1)	3.4	5.0	14.4	11.8

⁽¹⁾ Statistics presented for Allstate brand exclude excess and surplus lines.

⁽²⁾ New Issued Applications: Item counts of automobiles or homeowners insurance applications for insurance policies that were issued during the period, regardless of whether the customer was previously insured by another Allstate Protection brand. Allstate brand includes automobiles added by existing customers when they exceed the number allowed (currently 10) on a policy.

⁽³⁾ Average Premium - Gross Written: Gross premiums written divided by issued item count. Gross premiums written include the impacts from discounts, surcharges and ceded reinsurance premiums and exclude the impacts from mid-term premium adjustments and premium refund accruals. Average premiums represent the appropriate policy term for each line, which is 6 months for auto and 12 months for homeowners.

⁽⁴⁾ Average Premium - Net Earned: Earned premium divided by average policies in force for the period. Earned premium includes the impacts from mid-term premium adjustments and ceded reinsurance, but does not include impacts of premium refund accruals. Average premiums represent the appropriate policy term for each line, which is 6 months for auto and 12 months for homeowners.

⁽⁵⁾ Annualized Average Premium is calculated by annualizing net earned premium reported in the quarter and year-to-date divided by policies in force at quarter end.

⁽⁶⁾ Average underlying loss (incurred pure premium) and expense is calculated as the underlying combined ratio multiplied by the annualized average premium.

⁽⁷⁾ Renewal ratio: Renewal policies issued during the period, based on contract effective dates, divided by the total policies issued 6 months prior for auto or 12 months prior for homeowners.

⁽⁸⁾ Paid claim frequency is calculated as annualized notice counts closed with payment in the period divided by the average of policies in force with the applicable coverage during the period. Gross claim frequency is calculated as annualized notice counts received in the period divided by the average of policies in force with the applicable coverage during the period. Gross claim frequency includes all actual notice counts, regardless of their current status (open or closed) or their ultimate disposition (closed with a payment or closed without payment). Frequency statistics exclude counts associated with catastrophe events. The percent change in paid or gross claim frequency is calculated as the amount of increase or decrease in the paid or gross claim frequency in the current period compared to the same period in the prior year, divided by the prior year paid or gross claim frequency.

⁽⁹⁾ Paid claim severity is calculated by dividing the sum of paid losses and loss expenses by claims closed with a payment during the period. The percent change in paid claim severity is calculated as the amount of increase or decrease in paid claim severity in the current period compared to the same period in the prior year, divided by the prior year paid claims severity.

The Allstate Corporation
Esurance Brand Profitability Measures and Statistics

(\$ in millions)

	Three months ended								Twelve months ended	
	Dec. 31, 2019	Sept. 30, 2019	June 30, 2019	March 31, 2019	Dec. 31, 2018	Sept. 30, 2018	June 30, 2018	March 31, 2018	Dec. 31, 2019	Dec. 31, 2018
Net premiums written	\$ 489	\$ 562	\$ 503	\$ 559	\$ 477	\$ 519	\$ 459	\$ 493	\$ 2,113	\$ 1,948
Net premiums earned										
Auto	\$ 500	\$ 498	\$ 496	\$ 475	\$ 466	\$ 455	\$ 439	\$ 411	\$ 1,969	\$ 1,771
Homeowners	30	28	27	25	26	22	20	20	110	90
Other personal lines	2	2	2	2	2	2	2	2	8	8
Total	\$ 532	\$ 528	\$ 525	\$ 502	\$ 494	\$ 479	\$ 463	\$ 433	\$ 2,087	\$ 1,869
Other revenue										
Auto	\$ 20	\$ 23	\$ 20	\$ 20	\$ 19	\$ 21	\$ 20	\$ 20	\$ 83	\$ 80
Total	\$ 20	\$ 23	\$ 20	\$ 20	\$ 19	\$ 21	\$ 20	\$ 20	\$ 83	\$ 80
Incurred losses										
Auto	\$ 405	\$ 404	\$ 387	\$ 367	\$ 374	\$ 346	\$ 334	\$ 309	\$ 1,563	\$ 1,363
Homeowners	16	20	31	15	16	20	28	11	82	75
Other personal lines	2	-	1	2	2	-	2	1	5	5
Total	\$ 423	\$ 424	\$ 419	\$ 384	\$ 392	\$ 366	\$ 364	\$ 321	\$ 1,650	\$ 1,443
Expenses										
Auto	\$ 160	\$ 126	\$ 121	\$ 129	\$ 123	\$ 135	\$ 120	\$ 121	\$ 536	\$ 499
Homeowners	6	7	7	6	6	8	8	7	26	29
Other personal lines	-	-	1	-	1	1	-	1	1	3
Total	\$ 166	\$ 133	\$ 129	\$ 135	\$ 130	\$ 144	\$ 128	\$ 129	\$ 563	\$ 531
Underwriting income (loss)										
Auto	\$ (45)	\$ (9)	\$ 8	\$ (1)	\$ (12)	\$ (5)	\$ 5	\$ 1	\$ (47)	\$ (11)
Homeowners	8	1	(11)	4	4	(6)	(14)	2	2	(14)
Other personal lines	-	2	-	-	(1)	1	-	-	2	-
Total	\$ (37)	\$ (6)	\$ (3)	\$ 3	\$ (9)	\$ (10)	\$ (9)	\$ 3	\$ (43)	\$ (25)
Loss ratio	79.5	80.3	79.8	76.5	79.3	76.4	78.6	74.1	79.1	77.2
Expense ratio ⁽¹⁾	27.5	20.8	20.8	22.9	22.5	25.7	23.3	25.2	23.0	24.1
Combined ratio	107.0	101.1	100.6	99.4	101.8	102.1	101.9	99.3	102.1	101.3
Loss ratio	79.5	80.3	79.8	76.5	79.3	76.4	78.6	74.1	79.1	77.2
Less: effect of catastrophe losses	0.8	3.0	4.8	1.2	1.2	2.9	6.2	0.7	2.4	2.8
effect of prior year non-catastrophe reserve reestimates	-	0.2	(0.4)	0.6	0.6	(0.2)	(0.2)	-	0.1	0.1
Underlying loss ratio *	78.7	77.1	75.4	74.7	77.5	73.7	72.6	73.4	76.6	74.3
Reconciliation of combined ratio to underlying combined ratio										
Combined ratio	107.0	101.1	100.6	99.4	101.8	102.1	101.9	99.3	102.1	101.3
Effect of catastrophe losses	(0.8)	(3.0)	(4.8)	(1.2)	(1.2)	(2.9)	(6.2)	(0.7)	(2.4)	(2.8)
Effect of prior year non-catastrophe reserve reestimates	-	(0.2)	0.4	(0.6)	(0.6)	0.2	0.2	-	(0.1)	(0.1)
Effect of amortization of purchased intangibles	(0.2)	-	-	(0.2)	(0.2)	(0.2)	-	(0.2)	(0.1)	(0.1)
Effect of impairment of purchased intangibles	(9.6)	-	-	-	-	-	-	-	(2.5)	-
Underlying combined ratio *	96.4	97.9	96.2	97.4	99.8	99.2	95.9	98.4	97.0	98.3
Effect of prior year reserve reestimates on combined ratio	-	-	-	0.6	0.6	-	-	-	0.1	0.2
Effect of advertising expenses on combined ratio	4.7	8.0	7.4	8.2	7.5	10.6	8.6	8.1	7.0	8.7
Policies in Force (in thousands)										
Auto	1,515	1,543	1,548	1,548	1,488	1,463	1,432	1,399	1,515	1,488
Homeowners	105	104	101	98	95	92	88	84	105	95
Other personal lines	46	48	48	48	46	46	46	45	46	46
Total	1,666	1,695	1,697	1,694	1,629	1,601	1,566	1,528	1,666	1,629
New Issued Applications (in thousands)										
Auto	119	149	145	180	153	166	156	158	593	633
Homeowners	6	9	7	7	6	9	9	8	29	32
Average Premium - Gross Written (\$)										
Auto (6-month policy)	619	626	611	625	608	603	602	605	620	605
Homeowners (12-month policy)	1,047	1,082	1,063	1,016	974	984	977	970	1,055	982
Renewal Ratio (%)										
Auto	81.8	81.9	84.0	83.9	82.8	82.9	84.3	83.5	82.8	83.3
Homeowners	83.2	84.1	85.5	84.8	84.4	85.9	86.2	84.4	84.5	85.3

(1) Other revenue is deducted from other costs and expenses in the expense ratio calculation.

The Allstate Corporation
Encompass Brand Profitability Measures and Statistics

(\$ in millions)

	Three months ended								Twelve months ended	
	Dec. 31, 2019	Sept. 30, 2019	June 30, 2019	March 31, 2019	Dec. 31, 2018	Sept. 30, 2018	June 30, 2018	March 31, 2018	Dec. 31, 2019	Dec. 31, 2018
Net premiums written	\$ 240	\$ 278	\$ 278	\$ 224	\$ 247	\$ 271	\$ 275	\$ 223	\$ 1,020	\$ 1,016
Net premiums earned										
Auto	\$ 134	\$ 136	\$ 135	\$ 134	\$ 135	\$ 133	\$ 135	\$ 134	\$ 539	\$ 537
Homeowners	100	101	99	99	101	100	100	101	399	402
Other personal lines	20	20	20	20	20	21	21	22	80	84
Total	\$ 254	\$ 257	\$ 254	\$ 253	\$ 256	\$ 254	\$ 256	\$ 257	\$ 1,018	\$ 1,023
Other revenue										
Auto	\$ -	\$ 2	\$ -	\$ 1	\$ 1	\$ -	\$ 1	\$ 1	\$ 3	\$ 3
Homeowners	1	-	1	-	-	1	1	-	2	2
Total	\$ 1	\$ 2	\$ 1	\$ 1	\$ 1	\$ 1	\$ 2	\$ 1	\$ 5	\$ 5
Incurred losses										
Auto	\$ 88	\$ 94	\$ 87	\$ 91	\$ 99	\$ 83	\$ 82	\$ 85	\$ 360	\$ 349
Homeowners	52	82	66	72	58	70	75	65	272	268
Other personal lines	15	17	14	11	18	9	8	16	57	51
Total	\$ 155	\$ 193	\$ 167	\$ 174	\$ 175	\$ 162	\$ 165	\$ 166	\$ 689	\$ 668
Expenses										
Auto	\$ 44	\$ 43	\$ 42	\$ 45	\$ 45	\$ 42	\$ 45	\$ 45	\$ 174	\$ 177
Homeowners	32	32	32	31	33	34	34	34	127	135
Other personal lines	7	6	7	6	8	6	7	7	26	30
Total	\$ 83	\$ 81	\$ 81	\$ 82	\$ 86	\$ 82	\$ 88	\$ 86	\$ 327	\$ 342
Underwriting income (loss)										
Auto	\$ 2	\$ 1	\$ 6	\$ (1)	\$ (8)	\$ 8	\$ 9	\$ 5	\$ 8	\$ 14
Homeowners	17	(13)	2	(4)	10	(3)	(8)	2	2	1
Other personal lines	(2)	(3)	(1)	3	(6)	6	4	(1)	(3)	3
Total	\$ 17	\$ (15)	\$ 7	\$ (2)	\$ (4)	\$ 11	\$ 5	\$ 6	\$ 7	\$ 18
Loss ratio	61.0	75.1	65.7	68.8	68.4	63.8	64.4	64.6	67.7	65.3
Expense ratio ⁽¹⁾	32.3	30.7	31.5	32.0	33.2	31.9	33.6	33.1	31.6	32.9
Combined ratio	93.3	105.8	97.2	100.8	101.6	95.7	98.0	97.7	99.3	98.2
Loss ratio	61.0	75.1	65.7	68.8	68.4	63.8	64.4	64.6	67.7	65.3
Less: effect of catastrophe losses	4.7	18.3	10.2	11.9	3.9	9.1	15.6	11.3	11.3	10.0
effect of prior year non-catastrophe reserve reestimates	0.4	(0.4)	(2.8)	0.4	(3.5)	(2.0)	(2.8)	(0.8)	(0.6)	(2.3)
Underlying loss ratio *	55.9	57.2	58.3	56.5	68.0	56.7	51.6	54.1	57.0	57.6
Reconciliation of combined ratio to underlying combined ratio										
Combined ratio	93.3	105.8	97.2	100.8	101.6	95.7	98.0	97.7	99.3	98.2
Effect of catastrophe losses	(4.7)	(18.3)	(10.2)	(11.9)	(3.9)	(9.1)	(15.6)	(11.3)	(11.3)	(10.0)
Effect of prior year non-catastrophe reserve reestimates	(0.4)	0.4	2.8	(0.4)	3.5	2.0	2.8	0.8	0.6	2.3
Underlying combined ratio *	88.2	87.9	89.8	88.5	101.2	88.6	85.2	87.2	88.6	90.5
Effect of prior year reserve reestimates on combined ratio	-	0.4	(1.2)	2.0	(3.5)	(1.2)	(2.0)	2.3	0.3	(1.1)
Policies in Force (in thousands)										
Auto	493	496	497	499	502	504	507	517	493	502
Homeowners	234	235	236	237	239	240	243	248	234	239
Other personal lines	76	77	77	78	78	80	81	83	76	78
Total	803	808	810	814	819	824	831	848	803	819
New Issued Applications (in thousands)										
Auto	19	21	22	20	19	21	19	17	82	76
Homeowners	9	12	12	9	9	10	10	8	42	37
Average Premium - Gross Written (\$)										
Auto (12-month policy)	1,134	1,137	1,130	1,134	1,136	1,115	1,104	1,116	1,134	1,118
Homeowners (12-month policy)	1,823	1,807	1,782	1,768	1,766	1,730	1,701	1,698	1,795	1,724
Renewal Ratio (%)										
Auto	77.8	78.9	78.1	77.7	77.5	76.4	73.3	72.5	78.1	74.9
Homeowners	82.1	83.0	82.5	82.1	81.8	80.9	78.9	78.3	82.5	80.0

(1) Other revenue is deducted from other costs and expenses in the expense ratio calculation.

The Allstate Corporation
Auto Profitability Measures by Brand

(\$ in millions)

Three months ended

Twelve months ended

	Dec. 31, 2019	Sept. 30, 2019	June 30, 2019	March 31, 2019	Dec. 31, 2018	Sept. 30, 2018	June 30, 2018	March 31, 2018	Dec. 31, 2019	Dec. 31, 2018
Allstate brand auto										
Net premiums written	\$ 5,470	\$ 5,599	\$ 5,472	\$ 5,395	\$ 5,272	\$ 5,357	\$ 5,211	\$ 5,151	\$ 21,936	\$ 20,991
Net premiums earned	\$ 5,509	\$ 5,446	\$ 5,404	\$ 5,321	\$ 5,275	\$ 5,210	\$ 5,131	\$ 5,046	\$ 21,680	\$ 20,662
Other revenue	58	57	57	57	65	56	56	54	229	231
Incurred losses	(3,712)	(3,689)	(3,698)	(3,485)	(3,520)	(3,495)	(3,424)	(3,189)	(14,584)	(13,628)
Expenses	(1,456)	(1,385)	(1,376)	(1,381)	(1,419)	(1,380)	(1,378)	(1,300)	(5,598)	(5,477)
Underwriting income	\$ 399	\$ 429	\$ 387	\$ 512	\$ 401	\$ 391	\$ 385	\$ 611	\$ 1,727	\$ 1,788
Loss ratio	67.4	67.7	68.4	65.5	66.7	67.1	66.7	63.2	67.3	65.9
Less: effect of catastrophe losses	-	2.4	3.3	1.3	1.0	2.2	3.1	-	1.7	1.6
effect of prior year non-catastrophe reserve reestimates	-	(2.8)	(1.6)	(1.1)	(1.7)	(1.7)	(2.9)	(1.5)	(1.4)	(2.0)
Underlying loss ratio *	67.4	68.1	66.7	65.3	67.4	66.6	66.5	64.7	67.0	66.3
Expense ratio ⁽¹⁾	25.4	24.4	24.4	24.9	25.7	25.4	25.8	24.7	24.7	25.4
Combined ratio	92.8	92.1	92.8	90.4	92.4	92.5	92.5	87.9	92.0	91.3
Effect of catastrophe losses	-	(2.4)	(3.3)	(1.3)	(1.0)	(2.2)	(3.1)	-	(1.7)	(1.6)
Effect of prior year non-catastrophe reserve reestimates	-	2.8	1.6	1.1	1.7	1.7	2.9	1.5	1.4	2.0
Underlying combined ratio *	92.8	92.5	91.1	90.2	93.1	92.0	92.3	89.4	91.7	91.7
Esurance brand auto										
Net premiums written	\$ 460	\$ 525	\$ 469	\$ 532	\$ 452	\$ 487	\$ 430	\$ 470	\$ 1,986	\$ 1,839
Net premiums earned	\$ 500	\$ 498	\$ 496	\$ 475	\$ 466	\$ 455	\$ 439	\$ 411	\$ 1,969	\$ 1,771
Other revenue	20	23	20	20	19	21	20	20	83	80
Incurred losses	(405)	(404)	(387)	(367)	(374)	(346)	(334)	(309)	(1,563)	(1,363)
Expenses	(160)	(126)	(121)	(129)	(123)	(135)	(120)	(121)	(536)	(499)
Underwriting (loss) income	\$ (45)	\$ (9)	\$ 8	\$ (1)	\$ (12)	\$ (5)	\$ 5	\$ 1	\$ (47)	\$ (11)
Loss ratio	81.0	81.1	78.0	77.3	80.3	76.0	76.1	75.2	79.4	77.0
Less: effect of catastrophe losses	0.4	1.8	2.0	0.6	0.4	1.8	3.4	0.5	1.2	1.5
effect of prior year non-catastrophe reserve reestimates	(0.2)	0.2	(0.4)	0.9	0.4	-	(0.2)	0.3	0.1	0.1
Underlying loss ratio *	80.8	79.1	76.4	75.8	79.5	74.2	72.9	74.4	78.1	75.4
Expense ratio ⁽¹⁾	28.0	20.7	20.4	22.9	22.3	25.1	22.8	24.6	23.0	23.6
Combined ratio	109.0	101.8	98.4	100.2	102.6	101.1	98.9	99.8	102.4	100.6
Effect of catastrophe losses	(0.4)	(1.8)	(2.0)	(0.6)	(0.4)	(1.8)	(3.4)	(0.5)	(1.2)	(1.5)
Effect of prior year non-catastrophe reserve reestimates	0.2	(0.2)	0.4	(0.9)	(0.4)	-	0.2	(0.3)	(0.1)	(0.1)
Effect of amortization of purchased intangibles	(0.2)	-	-	(0.2)	(0.3)	(0.2)	-	(0.2)	(0.1)	(0.2)
Effect of impairment of purchased intangibles	(10.2)	-	-	-	-	-	-	-	(2.6)	-
Underlying combined ratio *	98.4	99.8	96.8	98.5	101.5	99.1	95.7	98.8	98.4	98.8
Encompass brand auto										
Net premiums written	\$ 127	\$ 147	\$ 146	\$ 120	\$ 130	\$ 143	\$ 146	\$ 118	\$ 540	\$ 537
Net premiums earned	\$ 134	\$ 136	\$ 135	\$ 134	\$ 135	\$ 133	\$ 135	\$ 134	\$ 539	\$ 537
Other revenue	-	2	-	1	1	-	1	1	3	3
Incurred losses	(88)	(94)	(87)	(91)	(99)	(83)	(82)	(85)	(360)	(349)
Expenses	(44)	(43)	(42)	(45)	(45)	(42)	(45)	(45)	(174)	(177)
Underwriting income (loss)	\$ 2	\$ 1	\$ 6	\$ (1)	\$ (8)	\$ 8	\$ 9	\$ 5	\$ 8	\$ 14
Loss ratio	65.7	69.1	64.5	67.9	73.3	62.4	60.7	63.4	66.8	65.0
Less: effect of catastrophe losses	-	2.9	2.2	2.2	(0.7)	1.5	3.0	0.8	1.9	1.1
effect of prior year non-catastrophe reserve reestimates	-	(0.7)	(6.6)	-	(5.3)	(0.7)	(0.8)	-	(1.9)	(1.7)
Underlying loss ratio *	65.7	66.9	68.9	65.7	79.3	61.6	58.5	62.6	66.8	65.6
Expense ratio ⁽¹⁾	32.8	30.2	31.1	32.8	32.6	31.6	32.6	32.9	31.7	32.4
Combined ratio	98.5	99.3	95.6	100.7	105.9	94.0	93.3	96.3	98.5	97.4
Effect of catastrophe losses	-	(2.3)	(2.2)	(2.2)	0.7	(1.5)	(3.0)	(0.8)	(1.9)	(1.1)
Effect of prior year non-catastrophe reserve reestimates	-	0.7	6.6	-	5.3	0.7	0.8	-	1.9	1.7
Underlying combined ratio *	98.5	97.1	100.0	98.5	111.9	93.2	91.1	95.5	98.5	98.0

⁽¹⁾ Other revenue is deducted from other costs and expenses in the expense ratio calculation.

The Allstate Corporation
Homeowners Profitability Measures by Brand

(\$ in millions)

	Three months ended								Twelve months ended	
	Dec. 31, 2019	Sept. 30, 2019	June 30, 2019	March 31, 2019	Dec. 31, 2018	Sept. 30, 2018	June 30, 2018	March 31, 2018	Dec. 31, 2019	Dec. 31, 2018
Allstate brand homeowners										
Net premiums written	\$ 1,861	\$ 2,143	\$ 2,076	\$ 1,565	\$ 1,777	\$ 2,008	\$ 1,949	\$ 1,465	\$ 7,645	\$ 7,199
Net premiums earned	\$ 1,892	\$ 1,868	\$ 1,832	\$ 1,811	\$ 1,787	\$ 1,769	\$ 1,742	\$ 1,727	\$ 7,403	\$ 7,025
Other revenue	11	12	11	11	12	11	11	11	45	45
Incurred losses	(958)	(1,082)	(1,508)	(1,254)	(1,445)	(1,125)	(1,308)	(995)	(4,802)	(4,873)
Expenses	(459)	(437)	(414)	(428)	(449)	(438)	(408)	(406)	(1,736)	(1,701)
Underwriting income (loss)	\$ 486	\$ 361	\$ (79)	\$ 142	\$ (95)	\$ 217	\$ 37	\$ 337	\$ 910	\$ 496
Loss ratio	50.6	57.9	82.3	69.3	80.9	63.6	75.1	57.6	64.9	69.3
Less: effect of catastrophe losses	13.4	15.7	42.6	28.2	44.6	23.6	36.0	17.4	24.8	30.5
effect of prior year non-catastrophe reserve reestimates	(0.2)	-	(0.4)	0.3	(0.9)	(1.1)	(1.0)	-	(0.1)	(0.8)
Underlying loss ratio *	37.4	42.2	40.1	40.8	37.2	41.1	40.1	40.2	40.2	39.6
Expense ratio ⁽¹⁾	23.7	22.8	22.0	22.9	24.4	24.1	22.8	22.9	22.8	23.6
Combined ratio	74.3	80.7	104.3	92.2	105.3	87.7	97.9	80.5	87.7	92.9
Effect of catastrophe losses	(13.4)	(15.7)	(42.6)	(28.2)	(44.6)	(23.6)	(36.0)	(17.4)	(24.8)	(30.5)
Effect of prior year non-catastrophe reserve reestimates	0.2	-	0.4	(0.3)	0.9	1.1	1.0	-	0.1	0.8
Underlying combined ratio *	61.1	65.0	62.1	63.7	61.6	65.2	62.9	63.1	63.0	63.2
Esurance brand homeowners										
Net premiums written	\$ 27	\$ 35	\$ 32	\$ 25	\$ 23	\$ 30	\$ 27	\$ 21	\$ 119	\$ 101
Net premiums earned	\$ 30	\$ 28	\$ 27	\$ 25	\$ 26	\$ 22	\$ 22	\$ 20	\$ 110	\$ 90
Incurred losses	(16)	(20)	(31)	(15)	(16)	(20)	(28)	(11)	(82)	(75)
Expenses	(6)	(7)	(7)	(6)	(6)	(8)	(8)	(7)	(26)	(29)
Underwriting income (loss)	\$ 8	\$ 1	\$ (11)	\$ 4	\$ 4	\$ (6)	\$ (14)	\$ 2	\$ 2	\$ (14)
Loss ratio	53.3	71.4	114.8	60.0	61.5	90.9	127.3	55.0	74.6	83.4
Less: effect of catastrophe losses	6.7	25.0	55.5	12.0	15.4	27.3	63.6	5.0	24.6	27.8
effect of prior year non-catastrophe reserve reestimates	3.3	-	-	(4.0)	3.8	-	-	(5.0)	-	-
Underlying loss ratio *	43.3	46.4	59.3	52.0	42.3	63.6	63.7	55.0	50.0	55.6
Expense ratio ⁽¹⁾	20.0	25.0	25.9	24.0	23.1	36.4	36.3	35.0	23.6	32.2
Combined ratio	73.3	96.4	140.7	84.0	84.6	127.3	163.6	90.0	98.2	115.6
Effect of catastrophe losses	(6.7)	(25.0)	(55.5)	(12.0)	(15.4)	(27.3)	(63.6)	(5.0)	(24.6)	(27.8)
Effect of prior year non-catastrophe reserve reestimates	(3.3)	-	-	4.0	(3.8)	-	-	5.0	-	-
Underlying combined ratio *	63.3	71.4	85.2	76.0	65.4	100.0	100.0	90.0	73.6	87.8
Encompass brand homeowners										
Net premiums written	\$ 94	\$ 110	\$ 111	\$ 86	\$ 98	\$ 106	\$ 108	\$ 86	\$ 401	\$ 398
Net premiums earned	\$ 100	\$ 101	\$ 99	\$ 99	\$ 101	\$ 100	\$ 100	\$ 101	\$ 399	\$ 402
Other revenue	1	-	1	-	-	1	1	-	2	2
Incurred losses	(52)	(82)	(66)	(72)	(58)	(70)	(75)	(65)	(272)	(268)
Expenses	(32)	(32)	(32)	(31)	(33)	(34)	(34)	(34)	(127)	(135)
Underwriting income (loss)	\$ 17	\$ (13)	\$ 2	\$ (4)	\$ 10	\$ (3)	\$ (8)	\$ 2	\$ 2	\$ 1
Loss ratio	52.0	81.2	66.7	72.7	57.4	70.0	75.0	64.3	68.2	66.7
Less: effect of catastrophe losses	12.0	40.6	22.2	25.3	8.9	20.0	34.0	25.7	25.1	22.1
effect of prior year non-catastrophe reserve reestimates	1.0	-	-	4.0	2.0	-	-	(1.0)	1.2	0.3
Underlying loss ratio *	39.0	40.6	44.5	43.4	46.5	50.0	41.0	39.6	41.9	44.3
Expense ratio ⁽¹⁾	31.0	31.7	31.3	31.3	32.7	33.0	33.0	33.7	31.3	33.1
Combined ratio	83.0	112.9	98.0	104.0	90.1	103.0	108.0	98.0	99.5	99.8
Effect of catastrophe losses	(12.0)	(40.6)	(22.2)	(25.3)	(8.9)	(20.0)	(34.0)	(25.7)	(25.1)	(22.1)
Effect of prior year non-catastrophe reserve reestimates	(1.0)	-	-	(4.0)	(2.0)	-	-	1.0	(1.2)	(0.3)
Underlying combined ratio *	70.0	72.3	75.8	74.7	79.2	83.0	74.0	73.3	73.2	77.4

⁽¹⁾ Other revenue is deducted from other costs and expenses in the expense ratio calculation.

The Allstate Corporation
Other Personal Lines Profitability Measures by Brand ⁽¹⁾

(\$ in millions)

	Three months ended								Twelve months
	Dec. 31, 2019	Sept. 30, 2019	June 30, 2019	March 31, 2019	Dec. 31, 2018	Sept. 30, 2018	June 30, 2018	March 31, 2018	Dec. 31, 2019
Allstate brand other personal lines									
Net premiums written	\$ 434	\$ 492	\$ 478	\$ 399	\$ 420	\$ 472	\$ 475	\$ 375	\$ 1,803
Net premiums earned	\$ 449	\$ 447	\$ 440	\$ 437	\$ 432	\$ 432	\$ 432	\$ 420	\$ 1,773
Other revenue	31	37	35	28	34	36	34	28	131
Incurred losses	(225)	(277)	(281)	(292)	(316)	(305)	(260)	(257)	(1,075)
Expenses	(159)	(156)	(146)	(143)	(161)	(157)	(145)	(140)	(604)
Underwriting income (loss)	\$ 96	\$ 51	\$ 48	\$ 30	\$ (11)	\$ 6	\$ 61	\$ 51	\$ 225
Loss ratio	50.1	62.0	63.9	66.8	73.1	70.6	60.2	61.2	60.6
Less: effect of catastrophe losses	4.2	5.1	13.0	14.6	20.1	11.8	10.7	6.5	9.2
effect of prior year non-catastrophe reserve reestimates	(1.1)	2.5	0.4	0.2	2.5	1.8	(1.4)	(0.7)	0.5
Underlying loss ratio *	47.0	54.4	50.5	52.0	50.5	57.0	50.9	55.4	50.9
Expense ratio ⁽²⁾	28.5	26.6	25.2	26.3	29.4	28.0	25.7	26.7	26.7
Combined ratio	78.6	88.6	89.1	93.1	102.5	98.6	85.9	87.9	87.3
Effect of catastrophe losses	(4.2)	(5.1)	(13.0)	(14.6)	(20.1)	(11.8)	(10.7)	(6.5)	(9.2)
Effect of prior year non-catastrophe reserve reestimates	1.1	(2.5)	(0.4)	(0.2)	(2.5)	(1.8)	1.4	0.7	(0.5)
Underlying combined ratio *	75.5	81.0	75.7	78.3	79.9	85.0	76.6	82.1	77.6
Esurance brand other personal lines									
Net premiums written	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2	\$ 8
Net premiums earned	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2	\$ 8
Incurred losses	(2)	-	(1)	(2)	(2)	-	(2)	(1)	(5)
Expenses	-	-	(1)	-	(1)	(1)	-	(1)	(1)
Underwriting income (loss)	\$ -	\$ 2	\$ -	\$ -	\$ (1)	\$ 1	\$ -	\$ -	\$ 2
Encompass brand other personal lines									
Net premiums written	\$ 19	\$ 21	\$ 21	\$ 18	\$ 19	\$ 22	\$ 21	\$ 19	\$ 79
Net premiums earned	\$ 20	\$ 20	\$ 20	\$ 20	\$ 20	\$ 21	\$ 21	\$ 22	\$ 80
Incurred losses	(15)	(17)	(14)	(11)	(18)	(9)	(8)	(16)	(57)
Expenses	(7)	(6)	(7)	(6)	(8)	(6)	(9)	(7)	(26)
Underwriting (loss) income	\$ (2)	\$ (3)	\$ (1)	\$ 3	\$ (6)	\$ 6	\$ 4	\$ (1)	\$ (3)
Loss ratio	75.0	85.0	70.0	55.0	90.0	42.8	38.1	72.7	71.3
Less: effect of catastrophe losses	-	10.0	5.0	10.0	10.0	4.8	9.5	9.1	6.3
effect of prior year non-catastrophe reserve reestimates	-	-	10.0	(15.0)	(20.0)	(19.1)	(28.5)	(4.6)	(1.3)
Underlying loss ratio *	75.0	75.0	55.0	60.0	100.0	57.1	57.1	68.2	66.3
Expense ratio ⁽²⁾	35.0	30.0	35.0	30.0	40.0	28.6	42.9	31.8	32.5
Combined ratio	110.0	115.0	105.0	85.0	130.0	71.4	81.0	104.5	103.8
Effect of catastrophe losses	-	(10.0)	(5.0)	(10.0)	(10.0)	(4.8)	(9.5)	(9.1)	(6.3)
Effect of prior year non-catastrophe reserve reestimates	-	-	(10.0)	15.0	20.0	19.1	28.5	4.6	1.3
Underlying combined ratio *	110.0	105.0	90.0	90.0	140.0	85.7	100.0	100.0	98.8

(1) Other personal lines include renters, condominium, landlord and other personal lines products in Allstate Protection.

(2) Other revenue is deducted from other costs and expenses in the expense ratio calculation.

The Allstate Corporation
Commercial Lines Profitability Measures ⁽¹⁾

(\$ in millions)

Three months ended

Twelve months

	Dec. 31, 2019	Sept. 30, 2019	June 30, 2019	March 31, 2019	Dec. 31, 2018	Sept. 30, 2018	June 30, 2018	March 31, 2018	Dec. 31, 2019
Net premiums written	\$ 243	\$ 238	\$ 236	\$ 185	\$ 177	\$ 173	\$ 172	\$ 137	\$ 902
Net premiums earned	\$ 237	\$ 236	\$ 226	\$ 183	\$ 178	\$ 176	\$ 165	\$ 136	\$ 882
Other revenue	2	1	2	1	1	2	1	2	6
Incurred losses ⁽²⁾	(185)	(197)	(196)	(139)	(141)	(184)	(166)	(107)	(717)
Expenses	(41)	(39)	(39)	(38)	(37)	(36)	(36)	(37)	(157)
Underwriting income (loss)	<u>\$ 13</u>	<u>\$ 1</u>	<u>\$ (7)</u>	<u>\$ 7</u>	<u>\$ 1</u>	<u>\$ (42)</u>	<u>\$ (36)</u>	<u>\$ (6)</u>	<u>\$ 14</u>
Loss ratio	78.1	83.5	86.7	76.0	79.2	104.6	100.6	78.7	81.3
Expense ratio ⁽³⁾	16.4	16.1	16.4	20.2	20.2	19.3	21.2	25.7	17.1
Combined ratio	<u>94.5</u>	<u>99.6</u>	<u>103.1</u>	<u>96.2</u>	<u>99.4</u>	<u>123.9</u>	<u>121.8</u>	<u>104.4</u>	<u>98.4</u>
Reconciliation of combined ratio to underlying combined ratio									
Combined ratio	94.5	99.6	103.1	96.2	99.4	123.9	121.8	104.4	98.4
Effect of catastrophe losses	(2.1)	(0.9)	(1.8)	(0.5)	(5.1)	(3.4)	(2.4)	(2.2)	(1.4)
Effect of prior year non-catastrophe reserve reestimates	-	(0.4)	(5.3)	(2.8)	(0.5)	(23.9)	(26.7)	(15.4)	(2.0)
Underlying combined ratio *	<u>92.4</u>	<u>98.3</u>	<u>96.0</u>	<u>92.9</u>	<u>93.8</u>	<u>96.6</u>	<u>92.7</u>	<u>86.8</u>	<u>95.0</u>
Effect of prior year reserve reestimates on combined ratio	-	-	5.7	2.2	0.5	23.9	27.3	14.7	1.9
Effect of catastrophe losses included in prior year reserve reestimates on combined ratio	-	(0.4)	0.4	(0.6)	-	-	0.6	(0.7)	(0.1)

⁽¹⁾ Commercial lines are all Allstate brand products and includes our shared economy business.

⁽²⁾ Recorded losses related to the shared economy agreements are primarily based on original pricing expectations given limited loss experience.

⁽³⁾ Other revenue is deducted from other costs and expenses in the expense ratio calculation.

The Allstate Corporation
Discontinued Lines and Coverages Reserves

(\$ in millions)	Three months ended				Twelve months ended December 31,				
	Dec. 31, 2019	Sept. 30, 2019	June 30, 2019	March 31, 2019	2019	2018	2017	2016	2015
(net of reinsurance)									
Asbestos									
Beginning reserves	\$ 840	\$ 826	\$ 847	\$ 866	\$ 866	\$ 884	\$ 912	\$ 960	\$
Incurred claims and claims expense	-	28	-	-	28	44	61	67	
Claims and claims expense paid	(30)	(14)	(21)	(19)	(84)	(62)	(89)	(115)	
Ending reserves	<u>\$ 810</u>	<u>\$ 840</u>	<u>\$ 826</u>	<u>\$ 847</u>	<u>\$ 810</u>	<u>\$ 866</u>	<u>\$ 884</u>	<u>\$ 912</u>	<u>\$</u>
Claims and claims expense paid as a percent of ending reserves	3.7 %	1.7 %	2.5 %	2.2 %	10.4 %	7.2 %	10.1 %	12.6 %	
Environmental									
Beginning reserves	\$ 188	\$ 155	\$ 167	\$ 170	\$ 170	\$ 166	\$ 179	\$ 179	\$
Incurred claims and claims expense	-	36	-	-	36	20	10	23	
Claims and claims expense paid	(9)	(3)	(12)	(3)	(27)	(16)	(23)	(23)	
Ending reserves	<u>\$ 179</u>	<u>\$ 188</u>	<u>\$ 155</u>	<u>\$ 167</u>	<u>\$ 179</u>	<u>\$ 170</u>	<u>\$ 166</u>	<u>\$ 179</u>	<u>\$</u>
Claims and claims expense paid as a percent of ending reserves	5.0 %	1.6 %	7.7 %	1.8 %	15.1 %	9.4 %	13.9 %	12.8 %	
Other ⁽¹⁾									
Beginning reserves	\$ 378	\$ 350	\$ 350	\$ 355	\$ 355	\$ 357	\$ 354	\$ 377	\$
Incurred claims and claims expense	2	34	3	2	41	23	25	15	
Claims and claims expense paid	(4)	(6)	(3)	(7)	(20)	(25)	(22)	(38)	
Ending reserves	<u>\$ 376</u>	<u>\$ 378</u>	<u>\$ 350</u>	<u>\$ 350</u>	<u>\$ 376</u>	<u>\$ 355</u>	<u>\$ 357</u>	<u>\$ 354</u>	<u>\$</u>
Claims and claims expense paid as a percent of ending reserves	1.1 %	1.6 %	0.9 %	2.0 %	5.3 %	7.0 %	6.2 %	10.7 %	
Total ⁽²⁾									
Beginning reserves	\$ 1,406	\$ 1,331	\$ 1,364	\$ 1,391	\$ 1,391	\$ 1,407	\$ 1,445	\$ 1,516	\$
Incurred claims and claims expense	2	98	3	2	105	87	96	105	
Claims and claims expense paid	(43)	(23)	(36)	(29)	(131)	(103)	(134)	(176)	
Ending reserves	<u>\$ 1,365</u>	<u>\$ 1,406</u>	<u>\$ 1,331</u>	<u>\$ 1,364</u>	<u>\$ 1,365</u>	<u>\$ 1,391</u>	<u>\$ 1,407</u>	<u>\$ 1,445</u>	<u>\$</u>
Claims and claims expense paid as a percent of ending reserves	3.2 %	1.6 %	2.7 %	2.1 %	9.6 %	7.4 %	9.5 %	12.2 %	

⁽¹⁾ Other includes other mass torts, workers' compensation, commercial and other.

⁽²⁾ The 3-year survival ratio for the combined asbestos, environmental and other claims was 11.1, 10.1, 9.2, 9.2 and 10.6 for the twelve months ended 2019, 2018, 2017, 2016 and 2015, respectively, and is calculated by taking the ending reserves divided by net payments made during the year.

The Allstate Corporation
Service Businesses Segment Results ⁽¹⁾

(\$ in millions)

	Three months ended				Twelve months ended					
	Dec. 31, 2019	Sept. 30, 2019	June 30, 2019	March 31, 2019	Dec. 31, 2018	Sept. 30, 2018	June 30, 2018	March 31, 2018	Dec. 31, 2018	Dec. 31, 2018
Service Businesses										
Net premiums written	\$ 453	\$ 364	\$ 350	\$ 368	\$ 489	\$ 358	\$ 297	\$ 287	\$ 1,535	\$ 1,431
Net premiums earned	\$ 321	\$ 312	\$ 305	\$ 295	\$ 285	\$ 275	\$ 271	\$ 267	\$ 1,233	\$ 1,098
Other revenue	46	47	48	47	34	16	16	16	188	82
Intersegment insurance premiums and service fees	44	44	33	33	33	31	29	29	154	122
Net investment income	12	11	10	9	9	7	6	5	42	27
Realized capital gains and losses	11	4	9	8	(5)	-	(2)	(4)	32	(11)
Claims and claims expense	(92)	(93)	(86)	(92)	(78)	(90)	(89)	(93)	(363)	(350)
Amortization of deferred policy acquisition costs	(143)	(139)	(134)	(127)	(122)	(118)	(113)	(110)	(543)	(483)
Operating costs and expenses	(181)	(171)	(158)	(151)	(148)	(124)	(116)	(117)	(661)	(505)
Restructuring and related charges	-	(1)	1	-	(3)	-	-	(1)	-	(4)
Amortization of purchased intangibles	(29)	(31)	(31)	(31)	(33)	(20)	(20)	(21)	(122)	(94)
Impairment of purchased intangibles	-	-	(55)	-	-	-	-	-	(55)	-
Income tax (expense) benefit	(1)	4	12	3	6	3	3	7	18	19
Net loss applicable to common shareholders	\$ (12)	\$ (13)	\$ (46)	\$ (6)	\$ (22)	\$ (20)	\$ (15)	\$ (22)	\$ (77)	\$ (79)
Realized capital gains and losses, after-tax	(8)	(4)	(6)	(7)	4	1	1	3	(25)	9
Amortization of purchased intangibles, after-tax	23	25	25	24	26	16	16	16	97	74
Impairment of purchased intangibles, after-tax	-	-	43	-	-	-	-	-	43	-
Tax Legislation expense	-	-	-	-	-	4	-	-	-	4
Adjusted net income (loss)	\$ 3	\$ 8	\$ 16	\$ 11	\$ 8	\$ 1	\$ 2	\$ (3)	\$ 38	\$ 8
Allstate Dealer Services										
Net premiums written	\$ 123	\$ 126	\$ 120	\$ 99	\$ 105	\$ 99	\$ 103	\$ 92	\$ 468	\$ 399
Total revenue ⁽²⁾	\$ 121	\$ 115	\$ 114	\$ 107	\$ 105	\$ 102	\$ 100	\$ 96	\$ 457	\$ 403
Claims and claims expense	(12)	(12)	(12)	(11)	(10)	(15)	(14)	(17)	(47)	(58)
Other costs and expenses ⁽³⁾	(95)	(95)	(90)	(88)	(89)	(85)	(81)	(78)	(366)	(333)
Income tax (expense) benefit	(3)	(2)	(3)	(1)	(1)	-	(2)	1	(9)	(2)
Net income applicable to common shareholders	\$ 11	\$ 8	\$ 9	\$ 7	\$ 5	\$ 2	\$ 3	\$ 2	\$ 35	\$ 12
Realized capital gains and losses, after-tax	(4)	(2)	(2)	(1)	-	1	1	1	(9)	3
Adjusted net income	\$ 7	\$ 6	\$ 7	\$ 6	\$ 5	\$ 3	\$ 4	\$ 3	\$ 26	\$ 15
Arity										
Other revenue	\$ -	\$ 1	\$ 1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2	\$ -
Intersegment service fees	35	34	24	24	24	22	21	21	117	88
Other costs and expenses ⁽³⁾	(39)	(36)	(26)	(27)	(26)	(26)	(25)	(25)	(128)	(102)
Income tax benefit	1	-	-	1	1	-	1	1	2	3
Net loss applicable to common shareholders	\$ (3)	\$ (1)	\$ (1)	\$ (2)	\$ (1)	\$ (4)	\$ (3)	\$ (3)	\$ (7)	\$ (11)
Adjusted net loss	\$ (3)	\$ (1)	\$ (1)	\$ (2)	\$ (1)	\$ (4)	\$ (3)	\$ (3)	\$ (7)	\$ (11)
Allstate Identity Protection										
Other revenue	\$ 24	\$ 22	\$ 23	\$ 24	\$ 16	\$ -	\$ -	\$ -	\$ 93	\$ 16
Intersegment service fees	-	1	-	-	-	-	-	-	1	-
Other costs and expenses ⁽³⁾⁽⁴⁾	(48)	(47)	(44)	(38)	(27)	-	-	-	(177)	(27)
Income tax benefit	3	6	5	3	2	-	-	-	17	2
Net loss applicable to common shareholders	\$ (21)	\$ (18)	\$ (16)	\$ (11)	\$ (9)	\$ -	\$ -	\$ -	\$ (66)	\$ (9)
Amortization of purchased intangibles, after-tax	9	11	10	10	10	-	-	-	40	10
Adjusted net (loss) income	\$ (12)	\$ (7)	\$ (6)	\$ (1)	\$ 1	\$ -	\$ -	\$ -	\$ (26)	\$ 1
Allstate Roadside Services										
Net premiums written	\$ 52	\$ 57	\$ 63	\$ 63	\$ 61	\$ 65	\$ 68	\$ 65	\$ 235	\$ 259
Total revenue ⁽²⁾	\$ 65	\$ 68	\$ 73	\$ 73	\$ 74	\$ 77	\$ 77	\$ 74	\$ 279	\$ 302
Claims and claims expense	(31)	(35)	(37)	(38)	(36)	(38)	(36)	(35)	(141)	(145)
Other costs and expenses ⁽³⁾	(35)	(39)	(40)	(43)	(47)	(46)	(46)	(45)	(157)	(184)
Income tax benefit	-	1	1	2	2	2	1	1	4	6
Net loss applicable to common shareholders	\$ (1)	\$ (5)	\$ (3)	\$ (6)	\$ (7)	\$ (5)	\$ (4)	\$ (5)	\$ (15)	\$ (21)
Realized capital gains and losses, after-tax	-	-	-	-	1	-	-	-	-	1
Adjusted net loss	\$ (1)	\$ (5)	\$ (3)	\$ (6)	\$ (6)	\$ (5)	\$ (4)	\$ (5)	\$ (15)	\$ (20)

⁽¹⁾ Service Businesses results also include Allstate Protection Plans (formerly known as SquareTrade); results are on the next page.

⁽²⁾ Total revenue may include net premiums earned, intersegment insurance premiums and service fees, other revenue, net investment income and realized capital gains and losses.

⁽³⁾ Other costs and expenses may include amortization of deferred policy acquisition costs, operating costs and expenses, and restructuring and related charges.

⁽⁴⁾ Includes investments in growing the business and integration into Allstate.

The Allstate Corporation
Allstate Protection Plans Results

(\$ in millions)	As of or for the three months ended								As of or for twelve months
	Dec. 31, 2019	Sept. 30, 2019	June 30, 2019	March 31, 2019	Dec. 31, 2018	Sept. 30, 2018	June 30, 2018	March 31, 2018	Dec. 31, 2019
Net premiums written	\$ 278	\$ 181	\$ 167	\$ 206	\$ 323	\$ 194	\$ 126	\$ 130	\$ 832
Net premiums earned	\$ 172	\$ 163	\$ 153	\$ 145	\$ 134	\$ 125	\$ 121	\$ 123	\$ 633
Other revenue ⁽¹⁾	6	7	7	8	3	-	-	-	28
Net investment income	6	5	4	4	4	2	2	1	19
Realized capital gains and losses	5	2	6	7	(4)	1	(1)	(2)	20
Claims and claims expense	(49)	(46)	(37)	(43)	(32)	(37)	(39)	(41)	(175)
Amortization of deferred policy acquisition costs	(62)	(60)	(56)	(53)	(50)	(47)	(45)	(45)	(231)
Other costs and expenses	(56)	(49)	(48)	(42)	(47)	(38)	(32)	(35)	(195)
Amortization of purchased intangibles	(18)	(18)	(18)	(18)	(20)	(20)	(20)	(21)	(72)
Impairment of purchased intangibles	-	-	(55)	-	-	-	-	-	(55)
Income tax (expense) benefit	(2)	(1)	9	(2)	2	1	3	4	4
Net income (loss) applicable to common shareholders	\$ 2	\$ 3	\$ (35)	\$ 6	\$ (10)	\$ (13)	\$ (11)	\$ (16)	\$ (24)
Realized capital gains and losses, after-tax	(4)	(2)	(4)	(6)	3	-	-	2	(16)
Amortization of purchased intangibles, after-tax	14	14	15	14	16	16	16	16	57
Impairment of purchased intangibles, after-tax	-	-	43	-	-	-	-	-	43
Tax Legislation expense	-	-	-	-	-	4	-	-	-
Adjusted net income	\$ 12	\$ 15	\$ 19	\$ 14	\$ 9	\$ 7	\$ 5	\$ 2	\$ 60
Protection Plans in Force (in thousands) ⁽²⁾	99,632	89,783	83,968	77,866	68,588	52,151	44,459	41,806	99,632
New Issued Protection Plans (in thousands)	16,515	10,086	9,754	13,500	22,110	11,120	5,319	5,564	49,855

⁽¹⁾ Other revenue relates to the acquisition of PlumChoice and iCracked Inc.

⁽²⁾ Protection plan terms generally range between one and five years with an average term of three years.

The Allstate Corporation
Allstate Life Segment Results and Other Statistics

(\$ in millions)

As of or for the three months ended

As of or for the
twelve months ended

	Dec. 31, 2019	Sept. 30, 2019	June 30, 2019	March 31, 2019	Dec. 31, 2018	Sept. 30, 2018	June 30, 2018	March 31, 2018	Dec. 31, 2019	
Premiums	\$ 166	\$ 155	\$ 157	\$ 154	\$ 158	\$ 149	\$ 149	\$ 146	\$ 632	\$
Contract charges	176	176	176	183	182	173	177	181	711	
Other revenue ⁽¹⁾	34	31	33	27	35	30	28	26	125	
Net investment income	134	128	125	127	125	128	130	122	514	
Contract benefits	(223)	(202)	(216)	(214)	(216)	(193)	(195)	(205)	(855)	
Interest credited to contractholder funds	(73)	(73)	(70)	(72)	(72)	(72)	(71)	(70)	(288)	
Amortization of deferred policy acquisition costs	(29)	(85)	(27)	(26)	(24)	(36)	(31)	(31)	(167)	
Operating costs and expenses	(95)	(77)	(91)	(91)	(104)	(88)	(86)	(83)	(354)	
Restructuring and related charges	(1)	-	(1)	-	-	(1)	(2)	-	(2)	
Income tax expense on operations	(13)	(9)	(18)	(15)	(15)	(15)	(19)	(15)	(55)	
Adjusted net income	76	44	68	73	69	75	80	71	261	
Realized capital gains and losses, after-tax	-	4	-	(4)	(4)	(3)	(2)	(2)	-	
Valuation changes on embedded derivatives not hedged, after-tax	-	(9)	-	-	-	-	-	-	(9)	
DAC and DSI amortization related to realized capital gains and losses and valuation changes on embedded derivatives not hedged, after-tax	(3)	1	(1)	(2)	(2)	(1)	(3)	(2)	(5)	
Tax Legislation expense	-	-	-	-	-	(16)	-	-	-	
Net income applicable to common shareholders	\$ 73	\$ 40	\$ 67	\$ 67	\$ 63	\$ 55	\$ 75	\$ 67	\$ 247	\$
Premiums and Contract Charges by Product										
Traditional life insurance premiums	\$ 165	\$ 155	\$ 156	\$ 154	\$ 157	\$ 149	\$ 148	\$ 146	\$ 630	\$
Accident and health insurance premiums	1	-	1	-	1	-	1	-	2	
Interest-sensitive life insurance contract charges	176	176	176	183	182	173	177	181	711	
Total	\$ 342	\$ 331	\$ 333	\$ 337	\$ 340	\$ 322	\$ 326	\$ 327	\$ 1,343	\$
Benefit spread										
Premiums	\$ 166	\$ 155	\$ 157	\$ 154	\$ 158	\$ 149	\$ 149	\$ 146	\$ 632	\$
Cost of insurance contract charges	124	123	123	129	127	119	121	126	499	
Contract benefits	(223)	(202)	(216)	(214)	(216)	(193)	(195)	(205)	(855)	
Total benefit spread	\$ 67	\$ 76	\$ 64	\$ 69	\$ 69	\$ 75	\$ 75	\$ 67	\$ 276	\$
Investment spread										
Net investment income	\$ 134	\$ 128	\$ 125	\$ 127	\$ 125	\$ 128	\$ 130	\$ 122	\$ 514	\$
Interest credited to contractholder funds	(72)	(85)	(70)	(72)	(72)	(72)	(71)	(70)	(299)	
Total investment spread	\$ 62	\$ 43	\$ 55	\$ 55	\$ 53	\$ 56	\$ 59	\$ 52	\$ 215	\$
Proprietary Life Issued Policies ⁽²⁾	34,927	31,031	33,105	28,425	46,421	35,454	37,021	30,479	127,488	
Policies in Force (in thousands) ⁽³⁾										
Life insurance										
Allstate agencies	1,816	1,818	1,822	1,823	1,831	1,820	1,819	1,816	1,816	
Closed channels	105	106	109	111	112	115	117	119	105	
Accident and health insurance	2	2	2	2	2	2	2	2	2	
Total	1,923	1,926	1,933	1,936	1,945	1,937	1,938	1,937	1,923	

⁽¹⁾ Includes gross dealer concessions received in connection with Allstate exclusive agencies and exclusive financial specialist's sales of non-proprietary products, including mutual funds, fixed and variable annuities, disability insurance and long-term insurance.

⁽²⁾ Policies issued during the period.

⁽³⁾ Reflect the number of contracts in force.

The Allstate Corporation
Allstate Life Return on Equity

(\$ in millions)

Twelve months ended

	Dec. 31, 2019	Sept. 30, 2019	June 30, 2019	March 31, 2019	Dec. 31, 2018	Sept. 30, 2018	June 30, 2018	Mar 2018
Return on Equity								
Numerator:								
Net income applicable to common shareholders ⁽¹⁾⁽²⁾	\$ 247	\$ 237	\$ 252	\$ 260	\$ 260	\$ 591	\$ 611	\$
Denominator:								
Beginning equity	\$ 2,474	\$ 2,528	\$ 2,587	\$ 2,542	\$ 2,618			
Ending equity ⁽³⁾	2,944	2,863	2,744	2,657	2,474	\$ 2,528	\$ 2,587	\$
Average equity ⁽⁴⁾	\$ 2,709	\$ 2,696	\$ 2,666	\$ 2,600	\$ 2,546			
Return on equity	9.1 %	8.8 %	9.5 %	10.0 %	10.2 %	23.4 %	23.6 %	
Adjusted Net Income Return on Adjusted Equity								
Numerator:								
Adjusted net income ⁽¹⁾	\$ 261	\$ 254	\$ 285	\$ 297	\$ 295	\$ 284	\$ 285	\$
Denominator:								
Beginning equity	\$ 2,474	\$ 2,528	\$ 2,587	\$ 2,542	\$ 2,618			
Less: Unrealized net capital gains and losses	52	75	89	142	234			
Goodwill	175	175	175	175	175			
Adjusted beginning equity	\$ 2,247	\$ 2,278	\$ 2,323	\$ 2,225	\$ 2,209			
Ending equity	\$ 2,944	\$ 2,863	\$ 2,744	\$ 2,657	\$ 2,474	\$ 2,528	\$ 2,587	\$
Less: Unrealized net capital gains and losses	328	350	271	168	52	75	89	
Goodwill	175	175	175	175	175	175	175	
Adjusted ending equity	\$ 2,441	\$ 2,338	\$ 2,298	\$ 2,314	\$ 2,247	\$ 2,278	\$ 2,323	\$
Average adjusted equity ⁽⁴⁾	\$ 2,344	\$ 2,308	\$ 2,311	\$ 2,270	\$ 2,228			
Adjusted net income return on adjusted equity *	11.1 %	11.0 %	12.3 %	13.1 %	13.2 %	12.5 %	12.3 %	

(1) Net income applicable to common shareholders and adjusted net income reflect a trailing twelve-month period.

(2) Includes a \$16 million Tax Legislation expense for the periods ended June 30, 2019, March 31, 2019 and December 31, 2018, a \$322 million benefit for the period ended September 30, 2018, and a \$338 million benefit for the periods ended June 30, 2018 and March 31, 2018.

(3) For the periods ended September 30, 2018, June 30, 2018 and March 31, 2018, ending equity has been used due to the changes in reportable segments that were effective October 2017.

(4) Average equity and average adjusted equity are determined using a two-point average, with the beginning and ending equity and adjusted equity, respectively, for the twelve-month period as data points.

The Allstate Corporation
Allstate Benefits Segment Results and Other Statistics

(\$ in millions)

As of or for the three months ended

As of or fo
twelve month

	Dec. 31, 2019	Sept. 30, 2019	June 30, 2019	March 31, 2019	Dec. 31, 2018	Sept. 30, 2018	June 30, 2018	March 31, 2018	Dec. 31, 2019
Premiums	\$ 254	\$ 262	\$ 256	\$ 259	\$ 253	\$ 259	\$ 254	\$ 258	\$ 1,031
Contract charges	28	29	28	29	28	26	29	28	114
Net investment income	22	21	21	19	20	19	19	19	83
Contract benefits	(152)	(161)	(143)	(145)	(144)	(159)	(143)	(149)	(601)
Interest credited to contractholder funds	(8)	(9)	(8)	(9)	(10)	(8)	(9)	(8)	(34)
Amortization of deferred policy acquisition costs	(50)	(33)	(35)	(43)	(43)	(26)	(36)	(41)	(161)
Operating costs and expenses	(74)	(69)	(71)	(71)	(71)	(68)	(69)	(70)	(285)
Income tax expense on operations	(4)	(9)	(11)	(8)	(7)	(10)	(9)	(8)	(32)
Adjusted net income	16	31	37	31	26	33	36	29	115
Realized capital gains and losses, after-tax	2	2	2	3	(7)	2	-	(2)	9
DAC and DSI amortization relating to realized capital gains and losses, after-tax	-	-	-	-	1	-	-	-	-
Net income applicable to common shareholders	<u>\$ 18</u>	<u>\$ 33</u>	<u>\$ 39</u>	<u>\$ 34</u>	<u>\$ 20</u>	<u>\$ 35</u>	<u>\$ 36</u>	<u>\$ 27</u>	<u>\$ 124</u>
Benefit ratio ⁽¹⁾	53.9	55.3	50.4	50.3	51.2	55.8	50.5	52.1	52.5
Operating expense ratio ⁽²⁾	26.2	23.7	25.0	24.7	25.3	23.9	24.4	24.5	24.9
Premiums and Contract Charges by Product									
Life	\$ 40	\$ 41	\$ 38	\$ 38	\$ 40	\$ 39	\$ 38	\$ 38	\$ 157
Accident	72	76	74	76	73	75	75	74	298
Critical illness	116	121	120	122	117	119	119	121	479
Short-term disability	27	27	27	26	27	27	27	27	107
Other health	27	26	25	26	24	25	24	26	104
Total	<u>\$ 282</u>	<u>\$ 291</u>	<u>\$ 284</u>	<u>\$ 288</u>	<u>\$ 281</u>	<u>\$ 285</u>	<u>\$ 283</u>	<u>\$ 286</u>	<u>\$ 1,145</u>
New Annualized Premium Sales by Product ⁽³⁾									
Life	\$ 19	\$ 9	\$ 9	\$ 8	\$ 16	\$ 10	\$ 11	\$ 8	\$ 45
Accident	43	20	20	21	49	22	20	21	104
Critical illness	61	23	22	24	63	22	23	25	130
Short-term disability	11	7	9	8	13	9	7	10	35
Other health	24	10	13	11	28	10	10	12	58
Total	<u>\$ 158</u>	<u>\$ 69</u>	<u>\$ 73</u>	<u>\$ 72</u>	<u>\$ 169</u>	<u>\$ 73</u>	<u>\$ 71</u>	<u>\$ 76</u>	<u>\$ 372</u>
Annualized Premium In Force ⁽⁴⁾	<u>\$ 1,195</u>	<u>\$ 1,248</u>	<u>\$ 1,249</u>	<u>\$ 1,251</u>	<u>\$ 1,225</u>	<u>\$ 1,234</u>	<u>\$ 1,245</u>	<u>\$ 1,237</u>	<u>\$ 1,195</u>

⁽¹⁾ Benefit ratio is contract benefits divided by premiums and contract charges.

⁽²⁾ Operating expense ratio is operating costs and expenses divided by premiums and contract charges.

⁽³⁾ New annualized premium sales reflects annualized premiums at initial customer enrollment (including new accounts and new employees or policies of existing accounts). A significant portion of Allstate Benefits business is written in the fourth quarter during many clients' annual employee benefits enrollment.

⁽⁴⁾ Premium amount paid annually for all active policies, which have not been cancelled.

The Allstate Corporation
Allstate Benefits Return on Equity

(\$ in millions)

Twelve months ended

	Dec. 31, 2019	Sept. 30, 2019	June 30, 2019	March 31, 2019	Dec. 31, 2018	Sept. 30, 2018	June 30, 2018	March 31, 2018
Return on Equity								
Numerator:								
Net income applicable to common shareholders ⁽¹⁾⁽²⁾	\$ 124	\$ 126	\$ 128	\$ 125	\$ 118	\$ 172	\$ 167	\$ 167
Denominator:								
Beginning equity	\$ 842	\$ 883	\$ 848	\$ 824	\$ 821			
Ending equity ⁽³⁾	949	1,010	969	906	842	\$ 883	\$ 848	\$ 848
Average equity ⁽⁴⁾	\$ 896	\$ 947	\$ 909	\$ 865	\$ 832			
Return on equity	13.8 %	13.3 %	14.1 %	14.5 %	14.2 %	19.5 %	19.7 %	19.7 %
Adjusted Net Income Return on Adjusted Equity								
Numerator:								
Adjusted net income ⁽¹⁾	\$ 115	\$ 125	\$ 127	\$ 126	\$ 124	\$ 119	\$ 115	\$ 115
Denominator:								
Beginning equity	\$ 842	\$ 883	\$ 848	\$ 824	\$ 821			
Less: Unrealized net capital gains and losses	(10)	(4)	(4)	8	57			
Goodwill	96	96	96	96	96			
Adjusted beginning equity	\$ 756	\$ 791	\$ 756	\$ 720	\$ 668			
Ending equity	\$ 949	\$ 1,010	\$ 969	\$ 906	\$ 842	\$ 883	\$ 848	\$ 848
Less: Unrealized net capital gains and losses	53	52	44	21	(10)	(4)	(4)	(4)
Goodwill	96	96	96	96	96	96	96	96
Adjusted ending equity	\$ 800	\$ 862	\$ 829	\$ 789	\$ 756	\$ 791	\$ 756	\$ 756
Average adjusted equity ⁽⁴⁾	\$ 778	\$ 827	\$ 793	\$ 755	\$ 712			
Adjusted net income return on adjusted equity *	14.8 %	15.1 %	16.0 %	16.7 %	17.4 %	15.0 %	15.2 %	15.2 %

(1) Net income applicable to common shareholders and adjusted net income reflect a trailing twelve-month period.

(2) Includes a \$54 million Tax Legislation benefit for the periods ended September 30, 2018, June 30, 2018 and March 31, 2018.

(3) For the periods ended September 30, 2018, June 30, 2018 and March 31, 2018, ending equity has been used due to the changes in reportable segments that were effective October 2017.

(4) Average equity and average adjusted equity are determined using a two-point average, with the beginning and ending equity and adjusted equity, respectively, for the twelve-month period as data points.

The Allstate Corporation
Allstate Annuities Segment Results and Other Statistics

(\$ in millions)	As of or for the three months ended								As of or for the twelve months ended	
	Dec. 31, 2019	Sept. 30, 2019	June 30, 2019	March 31, 2019	Dec. 31, 2018	Sept. 30, 2018	June 30, 2018	March 31, 2018	Dec. 31, 2019	Dec. 31, 2018
Contract charges	\$ 3	\$ 3	\$ 4	\$ 3	\$ 4	\$ 5	\$ 3	\$ 3	\$ 13	\$ -
Net investment income ⁽¹⁾	180	251	296	190	253	260	293	290	917	1,017
Periodic settlements and accruals on non-hedge derivative instruments	-	(1)	1	-	-	-	-	-	-	-
Contract benefits	(143)	(150)	(152)	(138)	(128)	(146)	(145)	(150)	(583)	(517)
Interest credited to contractholder funds	(73)	(73)	(75)	(78)	(80)	(83)	(87)	(87)	(299)	(303)
Amortization of deferred policy acquisition costs	(2)	(2)	(1)	(2)	(2)	(2)	(2)	(1)	(7)	(6)
Operating costs and expenses	(7)	(7)	(8)	(7)	(6)	(7)	(9)	(9)	(29)	(1)
Restructuring and related charges	(1)	-	-	-	-	-	-	-	(1)	-
Income tax benefit (expense) on operations	10	(5)	(13)	7	(9)	(7)	(9)	(11)	(1)	(1)
Adjusted net (loss) income	(33)	16	52	(25)	32	20	44	35	10	1
Realized capital gains and losses, after-tax	97	16	37	124	(153)	40	5	(23)	274	(1)
Valuation changes on embedded derivatives not hedged, after-tax	-	(1)	(2)	(3)	(2)	1	-	4	(6)	(1)
Gain on disposition of operations, after-tax	2	-	1	1	1	1	1	1	4	-
Tax Legislation benefit	-	-	-	-	-	69	-	-	-	-
Net income (loss) applicable to common shareholders	\$ 66	\$ 31	\$ 88	\$ 97	\$ (122)	\$ 131	\$ 50	\$ 17	\$ 282	\$ -
Benefit spread										
Cost of insurance contract charges	\$ 3	\$ 2	\$ 2	\$ 2	\$ 3	\$ 3	\$ 1	\$ 2	\$ 9	\$ -
Contract benefits excluding the implied interest on immediate annuities with life contingencies	(24)	(30)	(33)	(17)	(6)	(23)	(22)	(26)	(104)	(104)
Total benefit spread	\$ (21)	\$ (28)	\$ (31)	\$ (15)	\$ (3)	\$ (20)	\$ (21)	\$ (24)	\$ (95)	\$ (104)
Investment spread										
Net investment income	\$ 180	\$ 251	\$ 296	\$ 190	\$ 253	\$ 260	\$ 293	\$ 290	\$ 917	\$ 1,017
Implied interest on immediate annuities with life contingencies	(119)	(120)	(119)	(121)	(122)	(123)	(123)	(124)	(479)	(479)
Interest credited to contractholder funds excluding valuation changes on embedded derivatives not hedged	(73)	(75)	(78)	(81)	(83)	(83)	(85)	(83)	(307)	(303)
Total investment spread	\$ (12)	\$ 56	\$ 99	\$ (12)	\$ 48	\$ 54	\$ 85	\$ 83	\$ 131	\$ 2
⁽¹⁾ Performance-based net investment income, a component of net investment income	\$ (5)	\$ 68	\$ 106	\$ 1	\$ 64	\$ 72	\$ 92	\$ 97	\$ 170	\$ 3

The Allstate Corporation
Allstate Annuities Return on Equity

(\$ in millions)

Twelve months ended

	Dec. 31, 2019	Sept. 30, 2019	June 30, 2019	March 31, 2019	Dec. 31, 2018	Sept. 30, 2018	June 30, 2018	March 2018
Return on Equity								
Numerator:								
Net income applicable to common shareholders ⁽¹⁾⁽²⁾	\$ 282	\$ 94	\$ 194	\$ 156	\$ 76	\$ 461	\$ 396	\$
Denominator:								
Beginning equity	\$ 4,949	\$ 5,119	\$ 5,029	\$ 5,009	\$ 4,950			
Ending equity ⁽³⁾	5,625	5,552	5,437	5,278	4,949	\$ 5,119	\$ 5,029	\$ 5
Average equity ⁽⁴⁾	\$ 5,287	\$ 5,336	\$ 5,233	\$ 5,144	\$ 4,950			
Return on equity	5.3 %	1.8 %	3.7 %	3.0 %	1.5 %	9.0 %	7.9 %	
Adjusted Net Income Return on Adjusted Equity								
Numerator:								
Adjusted net income ⁽¹⁾	\$ 10	\$ 75	\$ 79	\$ 71	\$ 131	\$ 155	\$ 190	\$
Denominator:								
Beginning equity	\$ 4,949	\$ 5,119	\$ 5,029	\$ 5,009	\$ 4,950			
Less: Unrealized net capital gains and losses	193	241	272	279	607			
Adjusted beginning equity	\$ 4,756	\$ 4,878	\$ 4,757	\$ 4,730	\$ 4,343			
Ending equity	\$ 5,625	\$ 5,552	\$ 5,437	\$ 5,278	\$ 4,949	\$ 5,119	\$ 5,029	\$ 5
Less: Unrealized net capital gains and losses	604	585	502	428	193	241	272	\$ 5
Adjusted ending equity	\$ 5,021	\$ 4,967	\$ 4,935	\$ 4,850	\$ 4,756	\$ 4,878	\$ 4,757	\$ 4
Average adjusted equity ⁽⁴⁾	\$ 4,889	\$ 4,923	\$ 4,846	\$ 4,790	\$ 4,550			
Adjusted net income return on adjusted equity *	0.2 %	1.5 %	1.6 %	1.5 %	2.9 %	3.2 %	4.0 %	
Adjusted net income return on adjusted equity by product:								
Deferred annuities	14.5 %	14.2 %	13.2 %	11.7 %	10.7 %	10.4 %	11.3 %	
Immediate annuities	(1.1) %	0.3 %	0.5 %	0.4 %	1.9 %	2.4 %	3.2 %	

⁽¹⁾ Net income applicable to common shareholders and adjusted net income reflect a trailing twelve-month period.

⁽²⁾ Includes a \$69 million Tax Legislation benefit for the periods ended June 30, 2019, March 31, 2019 and December 31, 2018, a \$251 million benefit for the period ended September 30, 2018, and a \$182 million benefit for periods ended June 30, 2018 and March 31, 2018.

⁽³⁾ For the periods ended September 30, 2018, June 30, 2018 and March 31, 2018, ending equity has been used due to the changes in reportable segments that were effective October 2017.

⁽⁴⁾ Average equity and average adjusted equity are determined using a two-point average, with the beginning and ending equity and adjusted equity, respectively, for the twelve-month period as data points.

The Allstate Corporation
Corporate and Other Segment Results

(\$ in millions)

Three months ended

Twelve months ended

	Three months ended				Twelve months ended					
	Dec. 31, 2019	Sept. 30, 2019	June 30, 2019	March 31, 2019	Dec. 31, 2018	Sept. 30, 2018	June 30, 2018	March 31, 2018	Dec. 31, 2019	Dec. 31, 2018
Net investment income	\$ 18	\$ 21	\$ 19	\$ 12	\$ 15	\$ 20	\$ 23	\$ 13	\$ 70	\$
Operating costs and expenses	(27)	(19)	(24)	(21)	(24)	(28)	(11)	(8)	(91)	(91)
Interest expense	(81)	(80)	(82)	(83)	(81)	(82)	(86)	(83)	(326)	(326)
Income tax benefit on operations	20	19	19	20	18	21	18	17	78	78
Preferred stock dividends	(66)	(42)	(30)	(31)	(43)	(37)	(39)	(29)	(169)	(169)
Adjusted net loss	(136)	(101)	(98)	(103)	(115)	(106)	(95)	(90)	(438)	(438)
Realized capital gains and losses, after-tax	9	2	7	1	(20)	-	(9)	(1)	19	19
Pension and other postretirement remeasurement gains and losses, after-tax	199	(179)	(99)	(11)	(395)	30	6	(11)	(90)	(90)
Business combination expenses, after-tax	-	-	-	-	(7)	-	-	-	-	-
Tax Legislation expense	-	-	-	-	-	(15)	-	-	-	-
Net income (loss) applicable to common shareholders	<u>\$ 72</u>	<u>\$ (278)</u>	<u>\$ (190)</u>	<u>\$ (113)</u>	<u>\$ (537)</u>	<u>\$ (91)</u>	<u>\$ (98)</u>	<u>\$ (102)</u>	<u>\$ (509)</u>	<u>\$</u>

The Allstate Corporation
Investment Position

(\$ in millions)	Dec. 31, 2019	Sept. 30, 2019	June 30, 2019	March 31, 2019	Dec. 31, 2018	Sept. 30, 2018	June 30, 2018	Mar 21
Consolidated Investments								
Fixed income securities, at fair value	\$ 59,044	\$ 59,259	\$ 58,484	\$ 58,202	\$ 57,170	\$ 57,663	\$ 56,891	\$
Equity securities ⁽¹⁾	8,162	8,206	7,906	5,802	5,036	6,965	6,888	\$
Mortgage loans	4,817	4,694	4,687	4,681	4,670	4,592	4,535	\$
Limited partnership interests ⁽²⁾	8,078	7,990	7,818	7,493	7,505	7,602	7,679	\$
Short-term, at fair value	4,256	5,254	3,740	4,157	3,027	3,071	3,123	\$
Other	4,005	3,904	3,856	3,786	3,852	4,075	4,125	\$
Total	\$ 88,362	\$ 89,307	\$ 86,491	\$ 84,121	\$ 81,260	\$ 83,968	\$ 83,241	\$
Fixed income securities, at amortized cost	\$ 56,293	\$ 56,263	\$ 56,008	\$ 56,831	\$ 57,134	\$ 57,618	\$ 56,750	\$
Ratio of fair value to amortized cost	104.9 %	105.3 %	104.4 %	102.4 %	100.1 %	100.1 %	100.2 %	%
Short-term, at amortized cost	\$ 4,256	\$ 5,254	\$ 3,740	\$ 4,157	\$ 3,027	\$ 3,071	\$ 3,123	\$

December 31, 2019 - By Segment

	Property- Liability	Service Businesses	Allstate Life	Allstate Benefits	Allstate Annuities	Corporate and Other	Total
Fixed income securities, at fair value	\$ 33,299	\$ 1,157	\$ 8,061	\$ 1,298	\$ 13,984	\$ 1,245	\$ 59,044
Equity securities	5,919	311	210	80	1,300	342	8,162
Mortgage loans	538	-	1,861	209	2,209	-	4,817
Limited partnership interests	4,846	-	-	-	3,232	-	8,078
Short-term, at fair value	2,186	76	396	44	815	739	4,256
Other	1,626	-	1,386	310	681	2	4,005
Total	\$ 48,414	\$ 1,544	\$ 11,914	\$ 1,941	\$ 22,221	\$ 2,328	\$ 88,362
Fixed income securities, at amortized cost	\$ 32,217	\$ 1,123	\$ 7,430	\$ 1,229	\$ 13,084	\$ 1,210	\$ 56,293
Ratio of fair value to amortized cost	103.4 %	103.0 %	108.5 %	105.6 %	106.9 %	102.9 %	104.9 %
Short-term, at amortized cost	\$ 2,186	\$ 76	\$ 396	\$ 44	\$ 815	\$ 739	\$ 4,256

Fixed income securities portfolio duration (in years) ⁽³⁾	5.18	4.56	5.85	4.75	4.48	2.66	5.03
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⁽¹⁾ Equity securities may include investments in exchange traded and mutual funds whose underlying investments are fixed income securities.

⁽²⁾ As of December 31, 2019, we have commitments to invest additional amounts in limited partnership interests totaling \$2.84 billion.

⁽³⁾ Duration measures the price sensitivity of assets and liabilities to changes in interest rates.

The Allstate Corporation
Net Investment Income, Yields and Realized Capital Gains and Losses (Pre-Tax)

(\$ in millions)

	Three months ended								Twelve months ended	
	Dec. 31, 2019	Sept. 30, 2019	June 30, 2019	March 31, 2019	Dec. 31, 2018	Sept. 30, 2018	June 30, 2018	March 31, 2018	Dec. 31, 2019	Dec. 31, 2018
Net Investment Income										
Fixed income securities	\$ 548	\$ 546	\$ 543	\$ 538	\$ 533	\$ 527	\$ 509	\$ 508	\$ 2,175	\$ 2,077
Equity securities	51	57	68	30	40	35	61	34	206	170
Mortgage loans	59	54	54	53	54	52	60	51	220	217
Limited partnership interests ("LP") ⁽¹⁾	11	197	254	9	142	210	173	180	471	705
Short-term	22	28	26	26	23	19	19	12	102	73
Other	66	66	67	63	67	71	68	66	262	272
Investment income, before expense	757	948	1,012	719	859	914	890	851	3,436	3,514
Less: Investment expense	(68)	(68)	(70)	(71)	(73)	(70)	(66)	(65)	(277)	(274)
Net investment income	\$ 689	\$ 880	\$ 942	\$ 648	\$ 786	\$ 844	\$ 824	\$ 786	\$ 3,159	\$ 3,240
Interest-bearing investments⁽²⁾	\$ 674	\$ 676	\$ 672	\$ 664	\$ 659	\$ 650	\$ 639	\$ 622	\$ 2,686	\$ 2,570
Equity securities	51	57	68	30	40	35	61	34	206	170
LP and other alternative investments ⁽³⁾	32	215	272	25	160	229	190	195	544	774
Investment income, before expense	\$ 757	\$ 948	\$ 1,012	\$ 719	\$ 859	\$ 914	\$ 890	\$ 851	\$ 3,436	\$ 3,514
Pre-Tax Yields⁽⁴⁾										
Fixed income securities	3.9 %	3.9 %	3.8 %	3.8 %	3.7 %	3.7 %	3.6 %	3.6 %	3.8 %	3.6 %
Equity securities	3.0	3.4	4.7	2.6	3.2	2.3	4.1	2.5	3.5	3.1
Mortgage loans	5.0	4.6	4.6	4.6	4.6	4.6	5.2	4.4	4.7	4.7
Limited partnership interests	0.5	10.0	13.3	0.5	7.5	11.0	9.2	10.1	6.1	9.5
Total portfolio	3.5	4.4	4.8	3.4	4.1	4.4	4.3	4.1	4.0	4.2
Interest-bearing investments	3.9	4.0	4.0	3.9	3.9	3.8	3.8	3.7	3.9	3.8
Realized Capital Gains and Losses (Pre-tax) by Transaction Type										
Impairment write-downs	\$ (4)	\$ (14)	\$ (15)	\$ (14)	\$ (4)	\$ (5)	\$ (4)	\$ (1)	\$ (47)	\$ (14)
Sales	216	147	117	95	(76)	(22)	(75)	(42)	575	(215)
Valuation of equity investments	521	24	200	627	(840)	198	34	(83)	1,372	(691)
Valuation and settlements of derivative instruments	(31)	40	22	(46)	26	5	20	(8)	(15)	43
Total	\$ 702	\$ 197	\$ 324	\$ 662	\$ (894)	\$ 176	\$ (25)	\$ (134)	\$ 1,885	\$ (877)
Total Return on Investment Portfolio⁽⁵⁾										
Net investment income	0.8 %	1.0 %	1.1 %	0.8 %	0.9 %	1.0 %	1.0 %	0.9 %	3.7 %	3.9 %
Valuation-interest bearing	(0.1)	0.8	1.5	1.7	(0.1)	(0.1)	(0.5)	(1.3)	3.8	(2.2)
Valuation-equity owned	0.6	0.1	0.2	0.8	(1.0)	0.2	-	(0.1)	1.7	(0.9)
Total	1.3 %	1.9 %	2.8 %	3.3 %	(0.2) %	1.1 %	0.5 %	(0.5) %	9.2 %	0.8 %
Average Investment Balances (in billions)⁽⁶⁾	\$ 84.5	\$ 83.9	\$ 82.2	\$ 81.2	\$ 81.7	\$ 82.4	\$ 81.9	\$ 81.0	\$ 82.8	\$ 81.5
Investment Expense										
Investee level expenses	\$ (22)	\$ (19)	\$ (20)	\$ (20)	\$ (18)	\$ (17)	\$ (18)	\$ (18)	\$ (81)	\$ (71)
Securities lending expense	(8)	(10)	(11)	(11)	(9)	(8)	(7)	(4)	(40)	(28)
Other expenses	(38)	(39)	(39)	(40)	(46)	(45)	(41)	(43)	(156)	(175)
Total investment expense	\$ (68)	\$ (68)	\$ (70)	\$ (71)	\$ (73)	\$ (70)	\$ (66)	\$ (65)	\$ (277)	\$ (274)

⁽¹⁾ Income from equity method of accounting LP is generally recognized on a three-month delay due to the availability of the related financial statements from investees.

⁽²⁾ Comprised of fixed income securities, mortgage loans, short-term investments, and other investments, including bank and agent loans, and derivatives.

⁽³⁾ Comprised of limited partnership interests and other alternative investments, including real estate investments classified as other investments.

⁽⁴⁾ Quarterly pre-tax yield is calculated as annualized quarterly investment income, before investment expense divided by the average of the ending investment balances of the current and prior quarter. Year-to-date pre-tax yield is calculated as annualized year-to-date investment income, before investment expense divided by the average of investment balances at the beginning of the year and the end of each quarter during the year. For the purposes of the pre-tax yield calculation, income for directly held real estate and other consolidated investments is net of investee level expenses (depreciation and asset level operating expenses reported in investment expense). Fixed income securities investment balances exclude unrealized capital gains and losses. Equity securities investment balances use cost in the calculation.

⁽⁵⁾ Total return on investment portfolio is calculated from GAAP results, including the total of net investment income, realized capital gains and losses, the change in unrealized net capital gains and losses, and the change in the difference between fair value and carrying value of mortgage loans, bank loans and agent loans divided by the average fair value balances.

⁽⁶⁾ Average investment balances for the quarter are calculated as the average of the current and prior quarter investment balances. Year-to-date average investment balances are calculated as the average of investment balances at the beginning of the year and the end of each quarter during the year. For purposes of the average investment balances calculation, unrealized capital gains and losses on fixed income securities are excluded and equity securities investment balances are at cost.

The Allstate Corporation
Net Investment Income, Yields and Realized Capital Gains and Losses (Pre-Tax) by Segment

(\$ in millions)

	Three months ended December 31, 2019						Total
	Property- Liability	Service Businesses	Allstate Life	Allstate Benefits	Allstate Annuities	Corporate and Other	
Net Investment Income							
Fixed income securities	\$ 270	\$ 9	\$ 88	\$ 14	\$ 157	\$ 10	\$
Equity securities	39	3	2	1	2	4	-
Mortgage loans	5	-	28	3	23	-	-
Limited partnership interests ("LP")	10	-	-	-	1	-	-
Short-term	12	-	2	-	5	3	-
Other	27	-	20	4	13	2	-
Investment income, before expense	363	12	140	22	201	19	-
Less: Investment expense	(40)	-	(6)	-	(21)	(1)	-
Net investment income	<u>\$ 323</u>	<u>\$ 12</u>	<u>\$ 134</u>	<u>\$ 22</u>	<u>\$ 180</u>	<u>\$ 18</u>	<u>\$</u>
Net investment income, after-tax	<u>\$ 266</u>	<u>\$ 9</u>	<u>\$ 109</u>	<u>\$ 18</u>	<u>\$ 143</u>	<u>\$ 14</u>	<u>\$</u>
Interest-bearing investments ⁽¹⁾							
Equity securities	\$ 301	\$ 9	\$ 138	\$ 21	\$ 190	\$ 15	\$
LP and other alternative investments ⁽²⁾	39	3	2	1	2	4	-
Investment income, before expense	23	-	-	-	9	-	-
	<u>\$ 363</u>	<u>\$ 12</u>	<u>\$ 140</u>	<u>\$ 22</u>	<u>\$ 201</u>	<u>\$ 19</u>	<u>\$</u>
Pre-Tax Yields ⁽³⁾							
Fixed income securities	3.4 %	2.9 %	4.9 %	4.5 %	4.7 %	2.7 %	-
Equity securities	3.1	4.8	4.3	5.1	0.8	4.6	-
Mortgage loans	4.5	-	5.7	5.7	4.4	-	-
Limited partnership interests	0.8	-	-	-	0.1	-	-
Total portfolio	3.0	3.2	5.0	4.9	3.6	2.5	-
Interest-bearing investments	3.4	2.8	5.0	4.8	4.6	2.3	-
Realized Capital Gains and Losses (Pre-tax) by transaction type							
Impairment write-downs	\$ (3)	\$ -	\$ -	\$ -	\$ (1)	\$ -	\$
Sales	166	7	(1)	-	35	9	-
Valuation of equity investments	417	4	1	4	93	2	-
Valuation and settlements of derivative instruments	(26)	-	-	-	(5)	-	-
Total	<u>\$ 554</u>	<u>\$ 11</u>	<u>\$ -</u>	<u>\$ 4</u>	<u>\$ 122</u>	<u>\$ 11</u>	<u>\$</u>

⁽¹⁾ Comprised of fixed income securities, mortgage loans, short-term investments, and other investments, including bank and agent loans and derivatives.

⁽²⁾ Comprised of limited partnership interests and other alternative investments, including real estate investments classified as other investments.

⁽³⁾ Quarterly pre-tax yield is calculated as annualized quarterly investment income, before investment expense divided by the average of the ending investment balances of the current and prior quarter. For the purpose of the pre-tax yield calculation, income for directly held real estate and other consolidated investments is net of investee level expenses (depreciation and asset level operating expenses reported in investment expense). Fixed income securities investment balances exclude unrealized capital gains and losses. Equity securities investment balances use cost in the calculation.

The Allstate Corporation
Net Investment Income, Yields and Realized Capital Gains and Losses (Pre-Tax) by Segment

(\$ in millions)

	Twelve months ended December 31, 2019						Total
	Property-Liability	Service Businesses	Allstate Life	Allstate Benefits	Allstate Annuities	Corporate and Other	
Net Investment Income							
Fixed income securities	\$ 1,066	\$ 32	\$ 350	\$ 53	\$ 624	\$ 50	\$
Equity securities	155	8	4	3	27	9	\$
Mortgage loans	17	-	92	10	101	-	\$
Limited partnership interests ("LP")	296	-	-	-	175	-	\$
Short-term	56	2	10	1	22	11	\$
Other	107	-	80	18	51	6	\$
Investment income, before expense	1,697	42	536	85	1,000	76	\$
Less: Investment expense	(164)	-	(22)	(2)	(83)	(6)	\$
Net investment income	<u>\$ 1,533</u>	<u>\$ 42</u>	<u>\$ 514</u>	<u>\$ 83</u>	<u>\$ 917</u>	<u>\$ 70</u>	<u>\$</u>
Net investment income, after-tax	<u>\$ 1,255</u>	<u>\$ 33</u>	<u>\$ 417</u>	<u>\$ 66</u>	<u>\$ 726</u>	<u>\$ 56</u>	<u>\$</u>
Interest-bearing investments ⁽¹⁾							
Equity securities	\$ 1,199	\$ 34	\$ 532	\$ 82	\$ 772	\$ 67	\$
LP and other alternative investments ⁽²⁾	155	8	4	3	27	9	\$
Investment income, before expense	343	-	-	-	201	-	\$
	<u>\$ 1,697</u>	<u>\$ 42</u>	<u>\$ 536</u>	<u>\$ 85</u>	<u>\$ 1,000</u>	<u>\$ 76</u>	<u>\$</u>
Pre-Tax Yields ⁽³⁾							
Fixed income securities	3.4 %	3.0 %	4.8 %	4.3 %	4.6 %	3.1 %	
Equity securities	3.6	3.9	3.8	3.3	2.7	4.2	
Mortgage loans	4.3	-	4.8	4.7	4.6	-	
Limited partnership interests	6.5	-	-	-	5.4	-	
Total portfolio	3.7	3.1	4.9	4.5	4.5	3.1	
Interest-bearing investments	3.4	2.9	4.9	4.6	4.5	3.0	
Realized Capital Gains and Losses (Pre-tax) by transaction type							
Impairment write-downs	\$ (26)	\$ -	\$ (1)	\$ -	\$ (20)	\$ -	\$
Sales	498	11	(8)	(1)	64	11	\$
Valuation of equity investments	1,024	21	10	13	291	13	\$
Valuation and settlements of derivative instruments	(26)	-	-	-	11	-	\$
Total	<u>\$ 1,470</u>	<u>\$ 32</u>	<u>\$ 1</u>	<u>\$ 12</u>	<u>\$ 346</u>	<u>\$ 24</u>	<u>\$</u>

⁽¹⁾ Comprised of fixed income securities, mortgage loans, short-term investments, and other investments, including bank and agent loans and derivatives.

⁽²⁾ Comprised of limited partnership interests and other alternative investments, including real estate investments classified as other investments.

⁽³⁾ Year-to-date pre-tax yield is calculated as annualized year-to-date investment income, before investment expense divided by the average of investment balances at the beginning of the year and the end of each quarter during the year. For the purposes of the pre-tax yield calculation, income for directly held real estate and other consolidated investments is net of investee level expenses (depreciation and asset level operating expense reported in investment expense). Fixed income securities investment balances exclude unrealized capital gains and losses. Equity securities investment balances use cost in the calculation.

The Allstate Corporation
Investment Position and Results by Strategy and Segment

(\$ in millions)	As of or for the three months ended December 31, 2019						As of or for the three months ended December 31, 2018	
	Property-Liability	Service Businesses	Allstate Life	Allstate Benefits	Allstate Annuities	Corporate and Other	Total	Total
Market-based ⁽¹⁾								
Investment Position								
Interest-bearing investments	\$ 36,770	\$ 1,234	\$ 11,704	\$ 1,861	\$ 17,327	\$ 1,984	\$ 70,880	\$ 67,714
Equity securities ⁽²⁾	5,663	310	210	80	1,217	342	7,822	4,714
LP and other alternative investments ⁽³⁾	823	-	-	-	128	-	951	651
Total	\$ 43,256	\$ 1,544	\$ 11,914	\$ 1,941	\$ 18,672	\$ 2,326	\$ 79,653	\$ 73,222
Investment income								
Interest-bearing investments	\$ 300	\$ 9	\$ 138	\$ 21	\$ 190	\$ 15	\$ 673	\$ 644
Equity securities	46	3	2	1	7	4	63	44
LP and other alternative investments	1	-	-	-	-	-	1	1
Investment income, before expense	347	12	140	22	197	19	737	689
Investee level expenses ⁽⁴⁾	(2)	-	-	-	-	-	(2)	(2)
Income for yield calculation	\$ 345	\$ 12	\$ 140	\$ 22	\$ 197	\$ 19	\$ 735	\$ 687
Market-based pre-tax yield	3.4 %	3.2 %	5.0 %	4.9 %	4.5 %	2.5 %	3.9 %	3.9 %
Realized capital gains and losses (pre-tax) by transaction type								
Impairment write-downs	\$ (1)	\$ -	\$ -	\$ -	\$ (1)	\$ -	\$ (2)	\$ (2)
Sales	147	7	(1)	-	10	9	172	172
Valuation of equity investments	419	4	1	4	94	2	524	494
Valuation and settlements of derivative instruments	(10)	-	-	-	3	-	(7)	(7)
Total	\$ 555	\$ 11	\$ -	\$ 4	\$ 106	\$ 11	\$ 687	\$ 687
Performance-based ⁽⁵⁾								
Investment Position								
Interest-bearing investments	\$ 115	\$ -	\$ -	\$ -	\$ 28	\$ -	\$ 143	\$ 143
Equity securities	257	-	-	-	83	-	340	260
LP and other alternative investments	4,786	-	-	-	3,438	2	8,226	7,664
Total	\$ 5,158	\$ -	\$ -	\$ -	\$ 3,549	\$ 2	\$ 8,709	\$ 8,067
Investment income								
Interest-bearing investments	\$ 1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1	\$ 1
Equity securities	(7)	-	-	-	(5)	-	(12)	(12)
LP and other alternative investments	22	-	-	-	9	-	31	31
Investment income, before expense	16	-	-	-	4	-	20	19
Investee level expenses	(11)	-	-	-	(9)	-	(20)	(20)
Income for yield calculation	\$ 5	\$ -	\$ -	\$ -	\$ (5)	\$ -	\$ -	\$ -
Performance-based pre-tax yield	0.5 %	N/A	N/A	N/A	(0.6) %	- %	- %	- %
Realized capital gains and losses (pre-tax) by transaction type								
Impairment write-downs	\$ (2)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2)	\$ (2)
Sales	19	-	-	-	25	-	44	44
Valuation of equity investments	(2)	-	-	-	(1)	-	(3)	(3)
Valuation and settlements of derivative instruments	(16)	-	-	-	(8)	-	(24)	(24)
Total	\$ (1)	\$ -	\$ -	\$ -	\$ 16	\$ -	\$ 15	\$ 15

⁽¹⁾ Market-based strategy seeks to deliver predictable earnings aligned to business needs and take advantage of short-term opportunities primarily through public and private fixed income investments and public equity securities.

⁽²⁾ Equity securities may include investments in exchange traded and mutual funds whose underlying investments are fixed income securities.

⁽³⁾ Market-based investments include publicly traded equity securities classified as limited partnerships.

⁽⁴⁾ When calculating the pre-tax yields, investee level expenses are netted against income for directly held real estate and other consolidated investments.

⁽⁵⁾ Performance-based strategy seeks to deliver attractive risk-adjusted returns and supplement market risk with idiosyncratic risk primarily through investments in private equity and real estate.

The Allstate Corporation
Investment Position and Results by Strategy and Segment

As of or for the twelve
months ended
December 31, 2018

(\$ in millions)

	As of or for the twelve months ended December 31, 2019							Total	As of or for the twelve months ended December 31, 2018
	Property- Liability	Service Businesses	Allstate Life	Allstate Benefits	Allstate Annuities	Corporate and Other	Total		
Market-based ⁽¹⁾									
Investment Position									
Interest-bearing investments	\$ 36,770	\$ 1,234	\$ 11,704	\$ 1,861	\$ 17,327	\$ 1,984	\$ 70,880	\$ 67,757	
Equity securities ⁽²⁾	5,663	310	210	80	1,217	342	7,822	4,775	
LP and other alternative investments ⁽³⁾	823	-	-	-	128	-	951	691	
Total	\$ 43,256	\$ 1,544	\$ 11,914	\$ 1,941	\$ 18,672	\$ 2,326	\$ 79,653	\$ 73,223	
Investment income									
Interest-bearing investments	\$ 1,193	\$ 34	\$ 532	\$ 82	\$ 770	\$ 67	\$ 2,678	\$ 2,561	
Equity securities	154	8	4	3	30	9	208	169	
LP and other alternative investments	7	-	-	-	-	-	7	4	
Investment income, before expense	1,354	42	536	85	800	76	2,893	2,734	
Investee level expenses ⁽⁴⁾	(7)	-	-	-	-	-	(7)	(7)	
Income for yield calculation	\$ 1,347	\$ 42	\$ 536	\$ 85	\$ 800	\$ 76	\$ 2,886	\$ 2,727	
Market-based pre-tax yield	3.4 %	3.1 %	4.9 %	4.5 %	4.4 %	3.1 %	3.9 %	3.7 %	
Realized capital gains and losses (pre-tax) by transaction type									
Impairment write-downs	\$ (22)	\$ -	\$ (1)	\$ -	\$ (18)	\$ -	\$ (41)	\$ (11)	
Sales	419	11	(8)	(1)	40	11	472	(222)	
Valuation of equity investments	1,009	21	10	13	275	13	1,341	(727)	
Valuation and settlements of derivative instruments	(30)	-	-	-	8	-	(22)	14	
Total	\$ 1,376	\$ 32	\$ 1	\$ 12	\$ 305	\$ 24	\$ 1,750	\$ (946)	
Performance-based ⁽⁵⁾									
Investment Position									
Interest-bearing investments	\$ 115	\$ -	\$ -	\$ -	\$ 28	\$ -	\$ 143	\$ 113	
Equity securities	257	-	-	-	83	-	340	261	
LP and other alternative investments	4,786	-	-	-	3,438	2	8,226	7,663	
Total	\$ 5,158	\$ -	\$ -	\$ -	\$ 3,549	\$ 2	\$ 8,709	\$ 8,037	
Investment income									
Interest-bearing investments	\$ 6	\$ -	\$ -	\$ -	\$ 2	\$ -	\$ 8	\$ 9	
Equity securities	1	-	-	-	(3)	-	(2)	1	
LP and other alternative investments	336	-	-	-	201	-	537	770	
Investment income, before expense	343	-	-	-	200	-	543	780	
Investee level expenses	(44)	-	-	-	(30)	-	(74)	(64)	
Income for yield calculation	\$ 299	\$ -	\$ -	\$ -	\$ 170	\$ -	\$ 469	\$ 716	
Performance-based pre-tax yield	6.3 %	N/A	N/A	N/A	4.9 %	- %	5.7 %	9.3 %	
Realized capital gains and losses (pre-tax) by transaction type									
Impairment write-downs	\$ (4)	\$ -	\$ -	\$ -	\$ (2)	\$ -	\$ (6)	\$ (3)	
Sales	79	-	-	-	24	-	103	7	
Valuation of equity investments	15	-	-	-	16	-	31	36	
Valuation and settlements of derivative instruments	4	-	-	-	3	-	7	29	
Total	\$ 94	\$ -	\$ -	\$ -	\$ 41	\$ -	\$ 135	\$ 69	

⁽¹⁾ Market-based strategy seeks to deliver predictable earnings aligned to business needs and take advantage of short-term opportunities primarily through public and private fixed income investments and public equity securities.

⁽²⁾ Equity securities may include investments in exchange traded and mutual funds whose underlying investments are fixed income securities.

⁽³⁾ Market-based investments include publicly traded equity securities classified as limited partnerships.

⁽⁴⁾ When calculating the pre-tax yields, investee level expenses are netted against income for directly held real estate and other consolidated investments.

⁽⁵⁾ Performance-based strategy seeks to deliver attractive risk-adjusted returns and supplement market risk with idiosyncratic risk primarily through investments in private equity and real estate.

The Allstate Corporation
Performance-Based ("PB") Investments

(\$ in millions)

As of or for the three months ended

As of or for the twelve months ended

	Dec. 31, 2019	Sept. 30, 2019	June 30, 2019	March 31, 2019	Dec. 31, 2018	Sept. 30, 2018	June 30, 2018	March 31, 2018	Dec. 31, 2019	Dec. 31, 2018
Investment position										
Limited partnerships										
Private equity	\$ 6,131	\$ 6,162	\$ 5,952	\$ 5,786	\$ 5,724	\$ 5,712	\$ 5,585	\$ 5,437	\$ 6,131	\$ 5,724
Real estate	1,041	1,008	1,033	984	1,134	1,170	1,207	1,212	1,041	1,134
PB - limited partnerships	7,172	7,170	6,985	6,770	6,858	6,882	6,792	6,649	7,172	6,858
Non-LP										
Private equity	409	407	355	331	343	327	300	249	409	343
Real estate	1,128	1,017	906	808	836	829	816	811	1,128	836
PB - non-LP	1,537	1,424	1,261	1,139	1,179	1,156	1,116	1,060	1,537	1,179
Total										
Private equity	6,540	6,569	6,307	6,117	6,067	6,039	5,885	5,686	6,540	6,067
Real estate	2,169	2,025	1,939	1,792	1,970	1,999	2,023	2,023	2,169	1,970
Total PB	\$ 8,709	\$ 8,594	\$ 8,246	\$ 7,909	\$ 8,037	\$ 8,038	\$ 7,908	\$ 7,709	\$ 8,709	\$ 8,037
Investment income										
Limited partnerships										
Private equity	\$ (6)	\$ 125	\$ 216	\$ (5)	\$ 130	\$ 123	\$ 152	\$ 177	\$ 330	\$ 582
Real estate	17	71	38	12	12	87	21	3	138	123
PB - limited partnerships	11	196	254	7	142	210	173	180	468	705
Non-LP										
Private equity	(9)	5	10	3	2	1	4	2	9	9
Real estate	18	19	15	14	17	18	16	15	66	66
PB - non-LP	9	24	25	17	19	19	20	17	75	75
Total										
Private equity	(15)	130	226	(2)	132	124	156	179	339	591
Real estate	35	90	53	26	29	105	37	18	204	189
Total PB	\$ 20	\$ 220	\$ 279	\$ 24	\$ 161	\$ 229	\$ 193	\$ 197	\$ 543	\$ 780
Investee level expenses	\$ (20)	\$ (18)	\$ (18)	\$ (18)	\$ (16)	\$ (15)	\$ (17)	\$ (16)	\$ (74)	\$ (64)
Realized capital gains and losses										
Limited partnerships										
Private equity	\$ 42	\$ (1)	\$ (3)	\$ (3)	\$ (3)	\$ 1	\$ (1)	\$ -	\$ 35	\$ (3)
Real estate	(3)	-	1	-	-	(2)	-	-	(2)	(2)
PB - limited partnerships	39	(1)	(2)	(3)	(3)	(1)	(1)	-	33	(5)
Non-LP										
Private equity	(13)	17	8	28	18	13	34	(8)	40	57
Real estate	(11)	10	31	32	13	1	3	-	62	17
PB - non-LP	(24)	27	39	60	31	14	37	(8)	102	74
Total										
Private equity	29	16	5	25	15	14	33	(8)	75	54
Real estate	(14)	10	32	32	13	(1)	3	-	60	15
Total PB	\$ 15	\$ 26	\$ 37	\$ 57	\$ 28	\$ 13	\$ 36	\$ (8)	\$ 135	\$ 69
Pre-Tax Yield	- %	9.6 %	12.9 %	0.3 %	7.2 %	10.8 %	9.0 %	9.9 %	5.7 %	9.3 %
Internal Rate of Return ⁽¹⁾										
10 Year	12.2 %	12.4 %	12.1 %	11.4 %	10.0 %	9.3 %	9.1 %	9.0 %		
5 Year	10.8 %	11.2 %	11.4 %	11.2 %	12.3 %	13.0 %	13.1 %	13.0 %		
3 Year	11.7 %	12.7 %	12.7 %	11.6 %	12.1 %	11.4 %	11.9 %	12.2 %		
1 Year	7.6 %	9.7 %	9.5 %	6.7 %	12.5 %	13.4 %	14.8 %	16.7 %		

⁽¹⁾ The internal rate of return ("IRR") is one of the measures we use to evaluate the performance of these investments. The IRR represents the rate of return on the investments considering the cash flows paid and received and, until the investment is fully liquidated, the estimated value of investment holdings at the end of the measurement period. The calculated IRR for any measurement period is highly influenced by the values of the portfolio at the beginning and end of the period, which reflect the estimated fair values of the investments as of such dates. As a result, the IRR can vary significantly for different measurement periods based on macroeconomic or other events that impact the estimated beginning or ending portfolio value, such as the global financial crisis. Our IRR calculation method may differ from those used by other investors. The timing of the recognition of income in the financial statements may differ significantly from the cash distributions and changes in the value of these investments.

Definitions of Non-GAAP Measures

We believe that investors' understanding of Allstate's performance is enhanced by our disclosure of the following non-GAAP measures. Our methods for calculating these measures may differ from those of our companies and therefore comparability may be limited.

Adjusted net income is net income applicable to common shareholders, excluding:

- realized capital gains and losses, after-tax, except for periodic settlements and accruals on non-hedge derivative instruments, which are reported with realized capital gains and losses but included in adjusted net income,
- pension and other postretirement rereasurement gains and losses, after-tax,
- valuation changes on embedded derivatives not hedged, after-tax,
- amortization of deferred policy acquisition costs ("DAC") and deferred sales inducements ("DSI"), to the extent they resulted from the recognition of certain realized capital gains and losses or valuation changes on embedded derivatives not hedged, after-tax,
- business combination expenses and the amortization or impairment of purchased intangibles, after-tax,
- gain (loss) on disposition of operations, after-tax, and
- adjustments for other significant non-recurring, infrequent or unusual items, when (a) the nature of the charge or gain is such that it is reasonably unlikely to recur within two years, or (b) there has been no charge or gain within the prior two years.

Net income applicable to common shareholders is the GAAP measure that is most directly comparable to adjusted net income. We use adjusted net income as an important measure to evaluate our results and operations. We believe that the measure provides investors with a valuable measure of the Company's ongoing performance because it reveals trends in our insurance and financial service business that may be obscured by the net effect of realized capital gains and losses, pension and other postretirement rereasurement gains and losses, valuation changes on embedded derivatives not hedged, business combination expenses and the amortization or impairment of purchased intangibles, gain (loss) on disposition of operations and adjustments for other significant non-recurring, infrequent or unusual items. Realized capital gains and losses, pension and other postretirement rereasurement gains and losses, valuation changes on embedded derivatives not hedged and gain (loss) on disposition of operations may vary significantly between periods and are generally driven by business decisions and external economic developments such as capital market conditions, the timing of which is unrelated to the insurance underwriting process. Consistent with our intent to protect results or earn additional income, adjusted net income includes periodic settlements and accruals on certain derivative instruments that are reported in realized capital gains and losses but they do not qualify for hedge accounting or are not designated as hedges for accounting purposes. These instruments are used for economic hedges and to replicate fixed income securities, and by including them in adjusted net income, we are appropriately reflecting their trends in our performance and in a manner consistent with the economically hedged investments, product attributes (e.g. net investment income and other income credited to contractholder funds) or replicated investments. Business combination expenses are excluded because they are non-recurring in nature and the amortization or impairment of purchased intangibles is excluded because it relates to the acquisition purchase price and is not indicative of our underlying business results or trends. Non-recurring items are excluded because, by their nature, they are not indicative of our business or economic trends. Accordingly, adjusted net income excludes the effect of items that tend to be highly variable from period to period and highlights the results from ongoing operations and the overall profitability of our business. A byproduct of excluding these items to determine adjusted net income is the transparency and understanding of their significance to net income variability and profitability while these or similar items may recur in subsequent periods. Adjusted net income is used by management along with the other components of net income applicable to common shareholders to assess our performance. We use adjusted measures of adjusted net income in incentive compensation. Therefore, we believe it is useful for investors to evaluate net income applicable to common shareholders, adjusted net income components separately and in the aggregate when reviewing and evaluating our performance. We note that investors, financial analysts, financial and business media organizations and rating agencies utilize adjusted net income results in their evaluation of our and our industry's financial performance and in their investment decisions, recommendations and communications as it represents a reliable, representative and consistent measurement of the industry and the Company and management's performance. We note that the price to earnings multiple commonly used by insurance investors as a forward-looking valuation technique utilizes adjusted net income as the denominator. Adjusted net income should not be considered a substitute for net income applicable to common shareholders and does not reflect the overall profitability of our business. A reconciliation of adjusted net income to net income applicable to common shareholders is provided in the schedule, "Contribution to Income".

Combined ratio excluding the effect of catastrophes, prior year reserve reestimates and amortization or impairment of purchased intangibles ("underlying combined ratio") is a non-GAAP ratio, computed as the difference between four GAAP operating ratios: the combined ratio, the effect of catastrophes on the combined ratio, the effect of prior year non-catastrophe reserve reestimates on the combined ratio and the effect of amortization or impairment of purchased intangibles on the combined ratio. We believe that this ratio is useful to investors and it is used by management to reveal the trends in our Property-Casualty business that may be obscured by catastrophe losses, prior year reserve reestimates and amortization or impairment of purchased intangibles. Catastrophe losses cause our loss trends to vary significantly between periods as a result of their incidence of occurrence and magnitude, and can have a significant impact on the combined ratio. Prior year reserve reestimates are caused by unexpected loss development on reserves which could increase or decrease current year income. Amortization or impairment of purchased intangibles relates to the acquisition purchase price and is not indicative of our underlying insurance results or trends. We believe it is useful for investors to evaluate these components separately and in the aggregate when reviewing our underwriting performance. We also provide it to facilitate a comparison of our outlook on the underlying combined ratio. The most directly comparable GAAP measure is the combined ratio. The underlying combined ratio should not be considered a substitute for the combined ratio as it does not reflect the overall underwriting profitability of our business. A reconciliation of the underlying combined ratio to combined ratio is provided in the schedules "Property-Liability Results", "Allstate Brand Profitability Measures", "Esurance Brand Profitability Measures and Statistics", "Encompass Brand Profitability Measures and Statistics", "Auto Profitability Measures by Brand", "Homeowners Profitability Measures by Brand", "Other Personal Lines Profitability Measures by Brand" and "Commercial Lines Profitability Measures".

Average underlying loss (incurred pure premium) and expense is calculated as the underlying combined ratio (a non-GAAP measure) provided on the schedule "Auto Profitability Measures by Brand" and "Homeowners Profitability Measures by Brand" multiplied by average premium calculated using annualized GAAP quarterly earned premium, which is annualized (multiplied by 4), provided on the schedule "Property-Liability Profitability Measures by Brand" and "Homeowners Profitability Measures by Brand", divided by the policies in force provided on the schedule "Policies in Force" ("average premium"). We believe that this measure is useful to investors and it is used by management for the same reasons noted above for the underlying combined ratio. The results of these calculations are provided on the schedule "Allstate Brand Statistics".

Definitions of Non-GAAP Measures (continued)

Underlying loss ratio is a non-GAAP ratio, which is computed as the difference between three GAAP operating ratios: the loss ratio, the effect of catastrophes on the combined ratio and the effect of prior year catastrophe reserve reestimates on the combined ratio. We believe that this ratio is useful to investors and it is used by management to reveal the trends that may be obscured by catastrophe losses and prior year reserve reestimates. Catastrophe losses cause our loss trends to vary significantly between periods as a result of their incidence of occurrence and magnitude, and can have a significant impact on the combined ratio. Prior year reserve reestimates are caused by unexpected loss development on historical reserves. We believe it is useful for investors to evaluate these components separately and in the aggregate when reviewing underwriting performance. The most directly comparable GAAP measure is the loss ratio. The underlying loss ratio should not be considered a substitute for the loss ratio and does not reflect the overall loss ratio of our business. A reconciliation of underlying loss ratio is provided in the schedules "Property-Liability Results", "Allstate Brand Profitability Measures", "Esurance Brand Profitability Measures and Statistics", "Encompass Profitability Measures and Statistics", "Auto Profitability Measures by Brand", "Homeowners Profitability Measures by Brand" and "Other Personal Lines Profitability Measures by Brand".

Adjusted net income return on common shareholders' equity is a ratio that uses a non-GAAP measure. It is calculated by dividing the rolling 12-month adjusted net income by the average of common share equity at the beginning and at the end of the 12-months, after excluding the effect of unrealized net capital gains and losses. Return on common shareholders' equity is the most directly comparable GAAP measure. We use adjusted net income as the numerator for the same reasons we use adjusted net income, as discussed previously. We use average common shareholders' equity excluding the effect of unrealized net capital gains and losses for the denominator as a representation of common shareholders' equity primarily attributable to the Company's earned and realized business operations because it eliminates the effect of items that are unrealized and vary significantly between periods due to external economic developments such as capital market conditions like changes in equity prices and interest rates, the amount and timing of which are unique to the insurance underwriting process. We use it to supplement our evaluation of net income applicable to common shareholders and return on common shareholders' equity because it excludes the effect of items that are highly variable from period to period. We believe that this measure is useful to investors and that it provides a valuable tool for investors when considered along with return on common shareholders' equity as it eliminates the after-tax effects of realized and unrealized net capital gains and losses that can fluctuate significantly from period to period and that are driven by economic developments, the magnitude and timing of which are generally not influenced by management. In addition, it eliminates non-recurring items that are not indicative of our ongoing business or economic trends. A byproduct of excluding the items noted above is the transparency and understanding of their significance to return on common shareholders' equity from return on common shareholders' equity. We note that items that determine adjusted net income return on common shareholders' equity while recognizing these or similar items may recur in subsequent periods. We use adjusted measures of adjusted net income return on common shareholders' equity in incentive compensation. Therefore, we believe it is useful for investors to have adjusted net income return on common shareholders' equity and return on common shareholders' equity when evaluating our performance. We note that financial analysts, financial and business media organizations and rating agencies utilize adjusted net income return on common shareholders' equity results in their evaluation of our and our industry's financial performance and in their investment decisions, recommendations and communications as it represents a reliable, representative and consistent measurement of the industry and the company and management's utilization of capital. Adjusted net income return on common shareholders' equity should not be considered a substitute for return on common shareholders' equity and does not reflect the overall profitability of our business. A reconciliation of return on common shareholders' equity and adjusted net income return on common shareholders' equity can be found in the schedule, "Return on Common Shareholders' Equity".

Adjusted net income return on adjusted equity is a ratio that uses a non-GAAP measure. It is calculated by dividing the rolling 12-month adjusted net income by the average of equity at the beginning and at the end of the 12-months, after excluding the effect of unrealized net capital gains and losses and goodwill. Return on equity is the most directly comparable GAAP measure. We use average equity excluding the effect of unrealized net capital gains and losses and goodwill for the denominator as a representation of equity primarily attributable to the Company's earned and realized business operations. Unrealized net capital gains and losses are excluded because they vary significantly between periods due to external economic developments such as capital market conditions like changes in equity prices and interest rates, the amount and timing of which are unrelated to the insurance underwriting process. Goodwill is excluded because it relates to the acquisition purchase price and is not indicative of our underlying business results. We believe it is useful for investors to have adjusted net income return on adjusted equity when evaluating our performance as it represents a reliable, representative and consistent measurement of the company and management's utilization of capital. Adjusted net income return on adjusted equity should not be considered a substitute for return on equity and does not reflect the overall profitability of our business. A reconciliation of return on equity and adjusted net income return on adjusted equity can be found in the schedules, "Allstate Life Return on Equity", "Allstate Benefits Return on Equity" and "Allstate Annuities Return on Equity".

Book value per common share, excluding the impact of unrealized net capital gains and losses on fixed income securities, is a ratio that uses a non-GAAP measure. It is calculated by dividing common shareholders' equity after excluding the impact of unrealized net capital gains and losses on fixed income securities and related DAC, DSI and life insurance reserves by total common shares outstanding plus dilutive potential common shares outstanding. We use the trend in book value per common share, excluding the impact of unrealized net capital gains and losses on fixed income securities, in conjunction with book value per common share to identify and analyze the change in net worth attributable to management efforts between periods. We believe the non-GAAP ratio is useful to investors because it eliminates the effect of items that fluctuate significantly from period to period and are generally driven by economic developments, primarily capital market conditions, the magnitude and timing of which are generally not influenced by management. We believe it enhances understanding and comparability of performance by highlighting underlying business activity and profitability drivers. We note that book value per common share, excluding the impact of net capital gains and losses on fixed income securities, is a measure commonly used by insurance investors as a valuation technique. Book value per common share is the most directly comparable GAAP measure. Book value per common share, excluding the impact of unrealized net capital gains and losses on fixed income securities, should not be considered a substitute for book value per common share, and does not reflect the overall net worth of our business. A reconciliation of book value per common share, excluding the impact of unrealized net capital gains on fixed income securities, and book value per common share can be found in the schedule, "Book Value per Common Share".

The Allstate Corporation
Historical Results - Contribution to Income

(\$ in millions, except per share data)

	Twelve months ended				
	Dec. 31, 2019	Dec. 31, 2018	Dec. 31, 2017	Dec. 31, 2016	Dec 2015
Contribution to income					
Net income applicable to common shareholders	\$ 4,678	\$ 2,012	\$ 3,438	\$ 1,692	\$
Realized capital gains and losses, after-tax	(1,488)	688	(298)	56	
Pension and other postretirement remeasurement gains and losses, after-tax	90	370	(141)	175	
Valuation changes on embedded derivatives not hedged, after-tax	15	(3)	-	2	
DAC and DSI amortization relating to realized capital gains and losses and valuation changes on embedded derivatives not hedged, after-tax	5	7	10	4	
Reclassification of periodic settlements and accruals on non-hedge derivative instruments, after-tax	(2)	(2)	(3)	(3)	
Business combination expenses and the amortization of purchased intangibles, after-tax	100	90	79	21	
Gain on disposition of operations, after-tax	(4)	(4)	(13)	(3)	
Impairment of goodwill and purchased intangibles, after-tax	83	-	125	-	
Tax Legislation (benefit)	-	(29)	(509)	-	
Change in accounting for investments in qualified affordable housing projects, after-tax	-	-	-	-	
Adjusted net income *	<u>\$ 3,477</u>	<u>\$ 3,129</u>	<u>\$ 2,688</u>	<u>\$ 1,944</u>	<u>\$</u>
Income per common share - Diluted					
Net income applicable to common shareholders	\$ 14.03	\$ 5.70	\$ 9.35	\$ 4.48	\$
Realized capital gains and losses, after-tax	(4.46)	1.95	(0.81)	0.15	
Pension and other postretirement remeasurement gains and losses, after-tax	0.27	1.05	(0.38)	0.46	
Valuation changes on embedded derivatives not hedged, after-tax	0.05	(0.01)	-	0.01	
DAC and DSI amortization relating to realized capital gains and losses and valuation changes on embedded derivatives not hedged, after-tax	0.01	0.02	0.03	0.01	
Reclassification of periodic settlements and accruals on non-hedge derivative instruments, after-tax	(0.01)	(0.01)	(0.01)	(0.01)	
Business combination expenses and the amortization of purchased intangibles, after-tax	0.30	0.25	0.21	0.06	
Impairment of goodwill and purchased intangibles, after-tax	0.25	-	0.34	-	
Gain on disposition of operations, after-tax	(0.01)	(0.01)	(0.04)	(0.01)	
Tax Legislation (benefit)	-	(0.08)	(1.38)	-	
Change in accounting for investments in qualified affordable housing projects, after-tax	-	-	-	-	
Adjusted net income *	<u>\$ 10.43</u>	<u>\$ 8.86</u>	<u>\$ 7.31</u>	<u>\$ 5.15</u>	<u>\$</u>
Weighted average common shares - Diluted	<u>333.5</u>	<u>353.2</u>	<u>367.8</u>	<u>377.3</u>	

The Allstate Corporation
Historical Results - Return on Common Shareholders' Equity

(\$ in millions)	Twelve months ended				
	Dec. 31, 2019	Dec. 31, 2018	Dec. 31, 2017	Dec. 31, 2016	Dec. 31, 2015
Return on Common Shareholders' Equity					
Numerator:					
Net income applicable to common shareholders ⁽¹⁾⁽²⁾	\$ 4,678	\$ 2,012	\$ 3,438	\$ 1,692	\$ 2,138
Denominator:					
Beginning common shareholders' equity	\$ 19,382	\$ 20,805	\$ 18,823	\$ 18,274	\$ 20,557
Ending common shareholders' equity ⁽³⁾	23,750	19,382	20,805	18,823	18,274
Average common shareholders' equity ⁽⁴⁾	\$ 21,566	\$ 20,094	\$ 19,814	\$ 18,549	\$ 19,416
Return on common shareholders' equity	21.7 %	10.0 %	17.4 %	9.1 %	11.0 %
Adjusted Net Income Return on Common Shareholders' Equity					
Numerator:					
Adjusted net income * ⁽¹⁾	\$ 3,477	\$ 3,129	\$ 2,688	\$ 1,944	\$ 2,245
Denominator:					
Beginning common shareholders' equity	\$ 19,382	\$ 20,805	\$ 18,823	\$ 18,274	\$ 20,557
Less: Unrealized net capital gains and losses	(2)	1,662	1,053	620	1,926
Adjusted beginning common shareholders' equity	19,384	19,143	17,770	17,654	18,631
Ending common shareholders' equity	23,750	19,382	20,805	18,823	18,274
Less: Unrealized net capital gains and losses	1,887	(2)	1,662	1,053	620
Adjusted ending common shareholders' equity	21,863	19,384	19,143	17,770	17,654
Average adjusted common shareholders' equity ⁽⁴⁾	\$ 20,624	\$ 19,264	\$ 18,457	\$ 17,712	\$ 18,143
Adjusted net income return on common shareholders' equity *	16.9 %	16.2 %	14.6 %	11.0 %	12.4 %

(1) Net income applicable to common shareholders and adjusted net income reflect a trailing twelve-month period.

(2) Includes a \$29 million benefit for the year ended December 31, 2018 and a \$509 million benefit for the year ended December 31, 2017.

(3) Excludes equity related to preferred stock of \$2,248 million at December 31, 2019, \$1,930 million at December 31, 2018 and \$1,746 million for all other periods presented.

(4) Average common shareholders' equity and average adjusted common shareholders' equity are determined using a two-point average, with the beginning and ending common shareholders' equity and adjusted common shareholders' equity, respectively, for the twelve-month period as data points.

The Allstate Corporation
Historical Property-Liability Results

(\$ in millions)

Twelve months ended

	Dec. 31, 2019	Dec. 31, 2018	Dec. 31, 2017	Dec. 31, 2016	Dec. 31, 2015
Premiums written	\$ 35,419	\$ 33,555	\$ 31,648	\$ 30,891	\$ 30,115
Premiums earned	\$ 34,843	\$ 32,950	\$ 31,433	\$ 30,727	\$ 29,748
Other revenue ⁽¹⁾	741	738	703	688	-
Claims and claims expense	(23,622)	(22,435)	(21,484)	(21,907)	(20,690)
Amortization of deferred policy acquisition costs	(4,649)	(4,475)	(4,205)	(4,053)	(3,933)
Operating costs and expenses	(4,420)	(4,465)	(4,164)	(4,068)	(3,348)
Restructuring and related charges	(38)	(60)	(78)	(17)	(25)
Impairment of purchased intangibles	(51)	-	-	-	-
Underwriting income	<u>2,804</u>	<u>2,253</u>	<u>2,205</u>	<u>1,370</u>	<u>1,752</u>
Net investment income	1,533	1,464	1,478	1,253	1,226
Income tax expense on operations	(887)	(747)	(1,187)	(865)	(1,017)
Realized capital gains and losses, after-tax	1,161	(500)	272	-	(154)
Gain on disposition of operations, after-tax	-	-	9	-	-
Tax Legislation (expense) benefit	-	(5)	36	-	-
Net income applicable to common shareholders	<u>\$ 4,611</u>	<u>\$ 2,465</u>	<u>\$ 2,813</u>	<u>\$ 1,758</u>	<u>\$ 1,807</u>
Catastrophe losses	<u>\$ 2,557</u>	<u>\$ 2,855</u>	<u>\$ 3,228</u>	<u>\$ 2,571</u>	<u>\$ 1,719</u>
Amortization of purchased intangibles	<u>\$ 4</u>	<u>\$ 11</u>	<u>\$ 7</u>	<u>\$ 32</u>	<u>\$ 50</u>
Operating ratios					
Loss ratio	67.8	68.1	68.4	71.3	69.5
Expense ratio ⁽²⁾	24.2	25.1	24.6	24.2	24.6
Combined ratio	<u>92.0</u>	<u>93.2</u>	<u>93.0</u>	<u>95.5</u>	<u>94.1</u>
Loss ratio	67.8	68.1	68.4	71.3	69.5
Less: effect of catastrophe losses	7.3	8.7	10.3	8.4	5.8
effect of prior year non-catastrophe reserve reestimates	(0.4)	(0.8)	(1.5)	(0.2)	0.3
Underlying loss ratio *	<u>60.9</u>	<u>60.2</u>	<u>59.6</u>	<u>63.1</u>	<u>63.4</u>
Reconciliation of combined ratio to underlying combined ratio					
Combined ratio	92.0	93.2	93.0	95.5	94.1
Effect of catastrophe losses	(7.3)	(8.7)	(10.3)	(8.4)	(5.8)
Effect of prior year non-catastrophe reserve reestimates	0.4	0.8	1.5	0.2	(0.3)
Effect of amortization of purchased intangibles	-	-	-	(0.1)	(0.2)
Effect of impairment of purchased intangibles	(0.1)	-	-	-	-
Underlying combined ratio *	<u>85.0</u>	<u>85.3</u>	<u>84.2</u>	<u>87.2</u>	<u>87.8</u>
Effect of prior year catastrophe reserve reestimates	0.1	0.1	(0.1)	-	-

⁽¹⁾ We changed our accounting presentation for other revenue for periods beginning in 2016. 2015 was not adjusted to reflect this change.

⁽²⁾ Other revenue is deducted from other costs and expenses in the expense ratio calculation.

