The Allstate Corporation

First Quarter 2023 Earnings Presentation

05.04.2023

Forward-looking statements and non-GAAP financial information

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

Additional information on factors that could cause results to differ materially from this presentation is available in the 2022 Form 10-K, Form 10-Q for March 31, 2023, our most recent earnings release, and at the end of these slides. These materials are available on our website, www.allstateinvestors.com, under the “Financials” link.

Allstate’s Strategy To Increase Shareholder Value

Increase Personal Property-Liability Market Share

Allstate. You’re in good hands.

NATIONAL GENERAL. an Allstate company

Answer financial.

Leveraging Allstate brand, customer base and capabilities

Expand Protection Services

Allstate. PROTECTION PLANS

Allstate. BUSINESS INSURANCE

Allstate. HEALTH SOLUTIONS

Avail protected by Allstate.

Allstate. BENEFITS

arity

Allstate. IDENTITY PROTECTION

Allstate. DEALER SERVICES

Allstate. ROADSIDE

First quarter 2023 highlights

- Net loss of $346 million
  - Property-Liability underwriting loss
  - Strong investment results
  - Protection Services and Health and Benefits profit
- Executing comprehensive plan to improve auto insurance profitability by:
  - Raising rates
  - Reducing expenses
  - Limiting growth
  - Enhancing claims processes
- Advancing Transformative Growth plan
- Expanding Allstate Protection Plans

Allstate

Allstate Remains Focused on Improving Profitability

Revenues increased $1.45 billion driven by higher Property-Liability earned premiums from rate increases

($ in millions, except per share data and ratios)	Three months ended March 31		
	2023	2022	Change
Total revenues	$13,786	$12,336	11.8%
Property-Liability insurance premiums	11,635	10,498	10.8%
Accident and health insurance premiums and contract charges	463	468	(1.1%)
Net investment income	575	594	(3.2%)
Net gains (losses) on investments and derivatives	14	(267)	NM
Income applicable to common shareholders:			
Net income (loss)	(346)	634	NM
Adjusted net income (loss)*	(342)	730	NM
Per diluted common share(1)			
Net income (loss)	(1.31)	2.25	NM
Adjusted net income (loss)*	(1.30)	2.59	NM
Return on Allstate common shareholders' equity (trailing twelve months)			
Net income applicable to common shareholders	(13.0%)	15.6%	(28.6) pts
Adjusted net income*	(6.7%)	13.0%	(19.7) pts

Benefited from higher investment yields

Reflects underwriting loss in the first quarter primarily driven by elevated catastrophe losses and higher loss costs in auto insurance

NM = Not meaningful

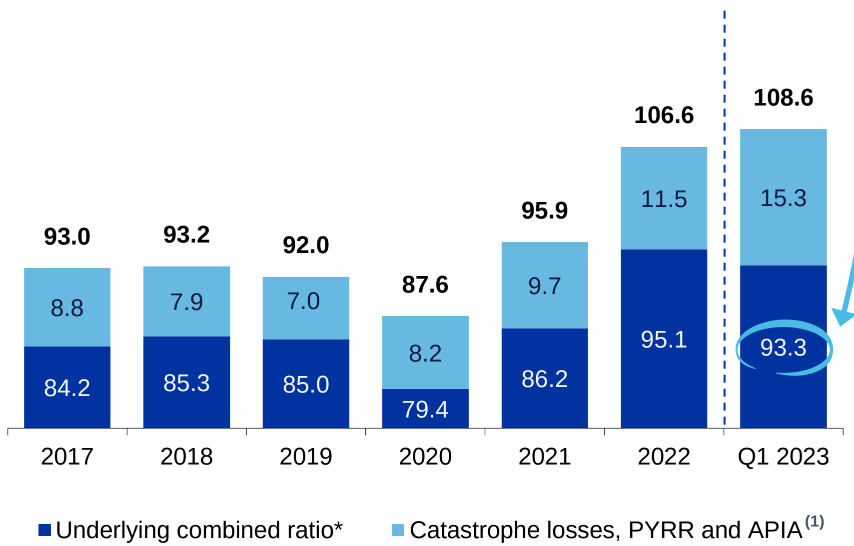
(1) In periods where a net loss or adjusted net loss is reported, weighted average shares for basic earnings per share is used for calculating diluted earnings per share because all dilutive potential common shares are anti-dilutive and are therefore excluded from the calculation.

Earned Premium Increases Offset by Elevated Catastrophe Losses and Continued Underlying Loss Cost Increases

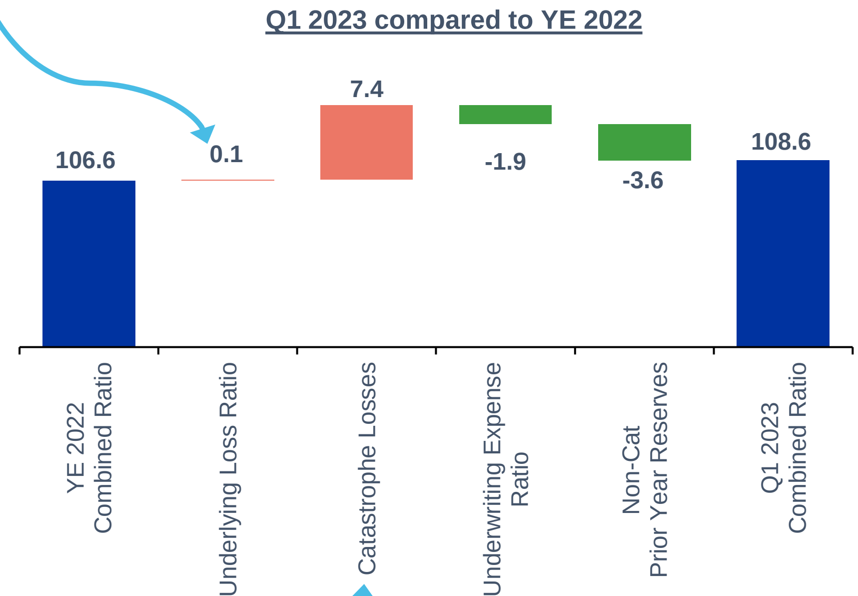
Underlying combined ratio improved relative to 2022, driven primarily by higher average premium from rate increases and expense reductions

Earned premium increase of 10.8% offset by increased loss costs

Property-Liability recorded and underlying combined ratio*



Property-Liability combined ratio reconciliation



Elevated catastrophe losses of $1.7 billion in the first quarter drove the recorded combined ratio increase to prior year

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

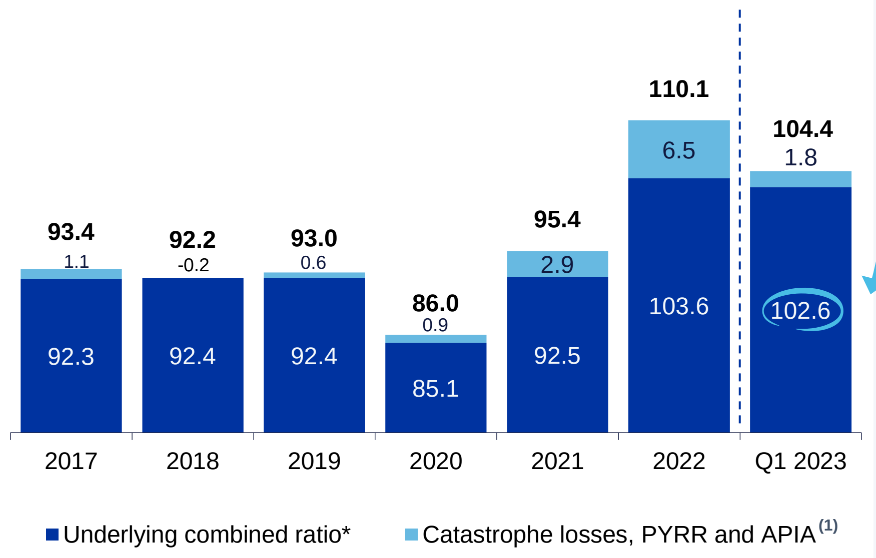
Allstate

Auto Insurance Premium Increases and Expense Reductions Offset Higher Loss Costs

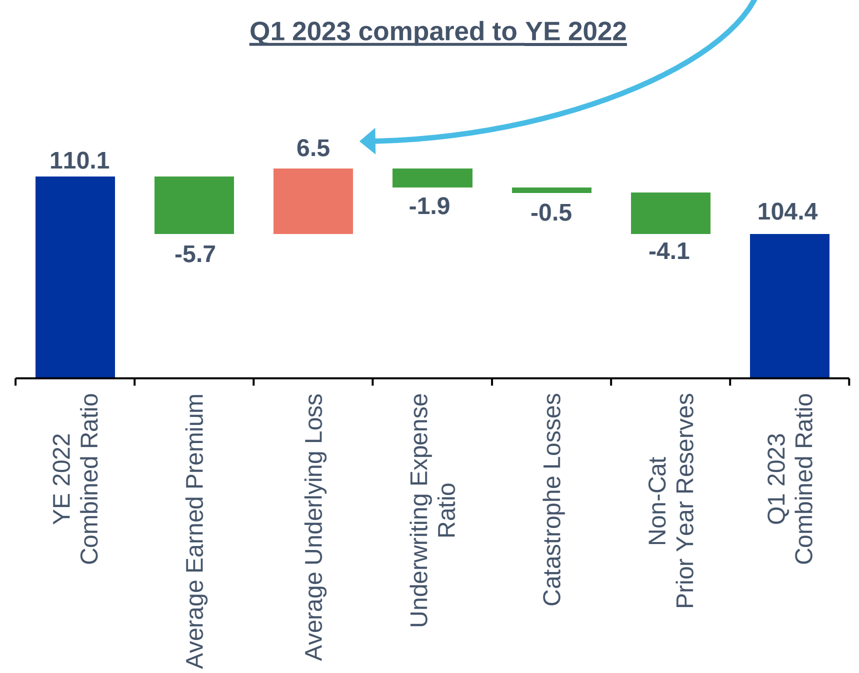
Underlying combined ratio improved relative to 2022, driven by higher average premium from rate increases and expense reductions

Loss costs increase due to claim frequency and severity

Allstate Protection auto combined ratio



Allstate Protection auto combined ratio reconciliation



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

Allstate

Executing Comprehensive Approach to Restore Auto Margins

	Auto insurance profit improvement will be driven by:	Progress:
Rate Increases	• Pursuing rate actions • Pricing expertise and sophistication	• Implemented Allstate brand rate increases of **16.9%** in 2022 and **1.7%** in first quarter 2023 • Pursuing **rate increases in 2023**
Expense Reductions	• Reducing expenses as part of Transformative Growth	• **Property-Liability underwriting expense ratio decreased 2.9 points** compared to the prior year quarter • **Temporarily reduced advertising spend** to manage new business volume • **Future cost reductions** from digitization, sourcing and operating efficiency and distribution model
Underwriting Actions	• Implemented stricter auto new business underwriting requirements	• **Restricting new business** in profit challenged states • Initiating **removal of restrictions in select profitable segments and states**
Claims Excellence	• Enhancing claims practices to manage loss costs	• Leveraging scale with **strategic partnerships** and **parts procurement, accelerating resolution of bodily injury claims**

Allstate.

Targeted Underwriting Actions Lowering Growth in Unprofitable States

Continuing to pursue and make progress implementing rate increases in 3 large states that generated 45% of Allstate brand auto underwriting loss in 2022

State level results – Allstate brand auto

		Average Implemented Rate[1]	
State	**Q1 2023 New Business Var to PY[2]**	**2022 - Q1 2023**	**Q2 2023 Outlook**
CA	-37%	7%	• Will implement second 6.9% increase, effective in June; pursuing additional rate filing in Q2
NY	-47%	10%	• Filed multiple rates in Q1; currently pending with Department of Financial Services
NJ	-37%	14%	• Pursuing additional rate in Q2 with adjusted indications
Sub-Total	***-40%***	***8%***	
Total	***-22%***	***19%***	

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

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

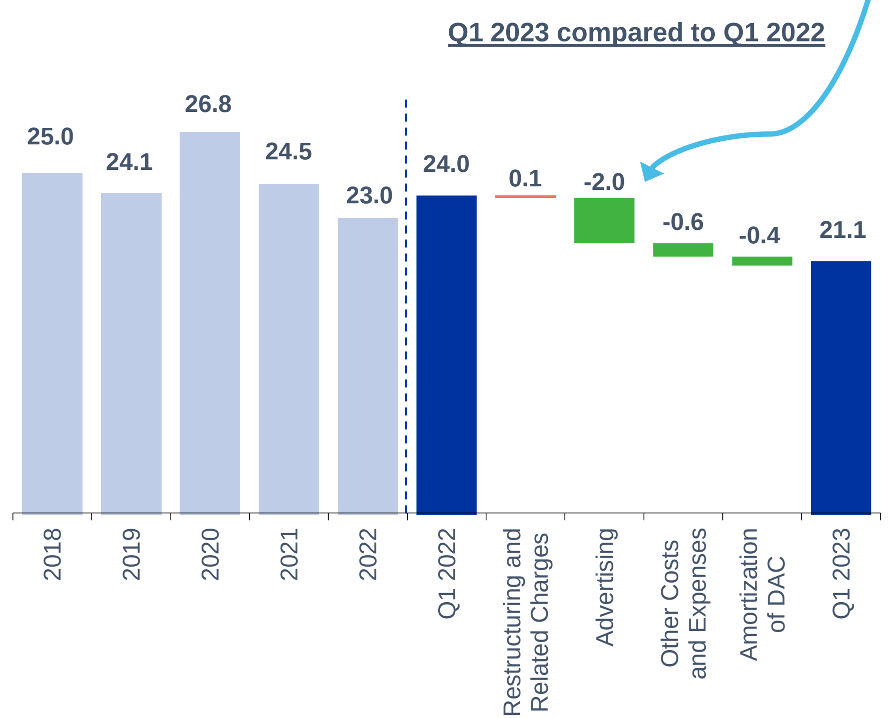
Allstate.

Continued Progress on Expense Reduction

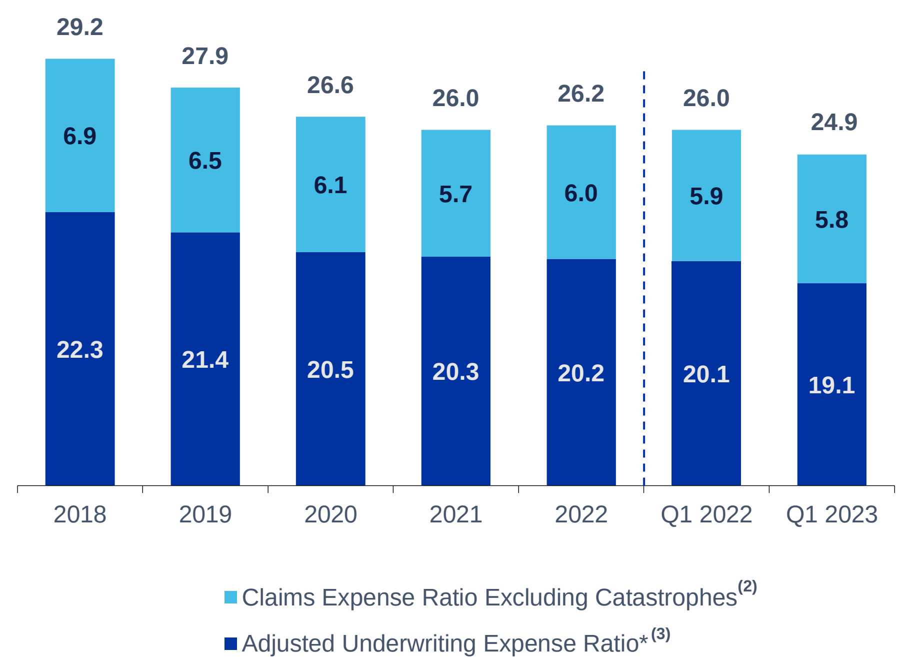
Reduction of advertising spend to support efforts driving auto insurance profitability

Targeting ~6 points of improvement from 2018 – 2024, reducing adjusted expense ratio* to ~23.0[1] by year-end 2024

Property-Liability underwriting expense ratio



Property-Liability adjusted expense ratio*



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

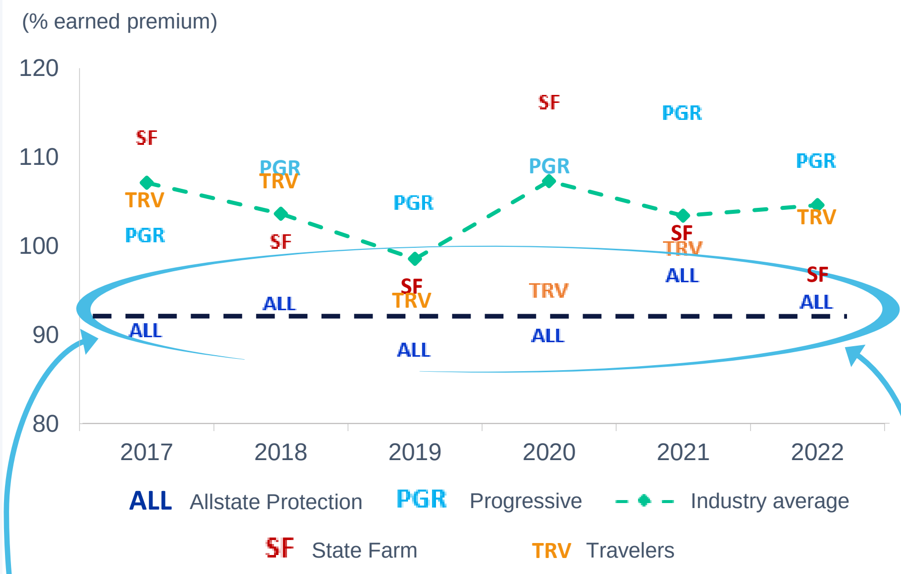
Allstate

Homeowners Insurance Impacted By Elevated Catastrophe Losses

Homeowners insurance combined ratio ~12.0 points better than industry average from 2017 - 2022

Net written premium growth of 11.1% in the first quarter driven by higher average premium per policy and policies in force

Homeowners insurance combined ratios[1]



Allstate Protection homeowners operating statistics

	Q1 2023	Var to PY
Written premium ($ in millions)	$2,534	11.1%
Average premium - gross written ($)[2]	1,706	9.8%
Policies in Force (in thousands)	7,262	1.4%
Combined Ratio	119.0	35.1 pts
Catastrophe Loss Ratio	51.6	36.2 pts
Underlying Combined Ratio*	**67.6**	**(0.4) pts**

Superior business model

Generated $671 million of underwriting income in 2022 and an annual average of ~$650 million from 2017 – 2022

First quarter catastrophe loss ratio elevated above prior year and 10-year historical average by 36.2 and 30.5 points, respectively

[1] Industry and competitor information 2017 – 2022 represents statutory results per S&P Global Market Intelligence. Allstate information reflects GAAP results
[2] Reflects Allstate brand

Transformative Growth Implementation Progressing

Multi-year initiative to build a low-cost digital insurer with broad distribution

- Improve customer value
- Expand customer access
- Increase sophistication and investment in customer acquisition
- Modernize technology ecosystem
- Drive organizational transformation

Transformative Growth Outcomes

Lowest Cost Insurance

- Competitive position deteriorated recently as auto rates increasing more than competitors

Differentiated Product and Customer Experience

- New affordable, simple and connected auto insurance product being rolled out in 2023

Expanded Distribution System

- Expanding middle market and preferred products through National General independent agents

Enhanced Agility Through Technology

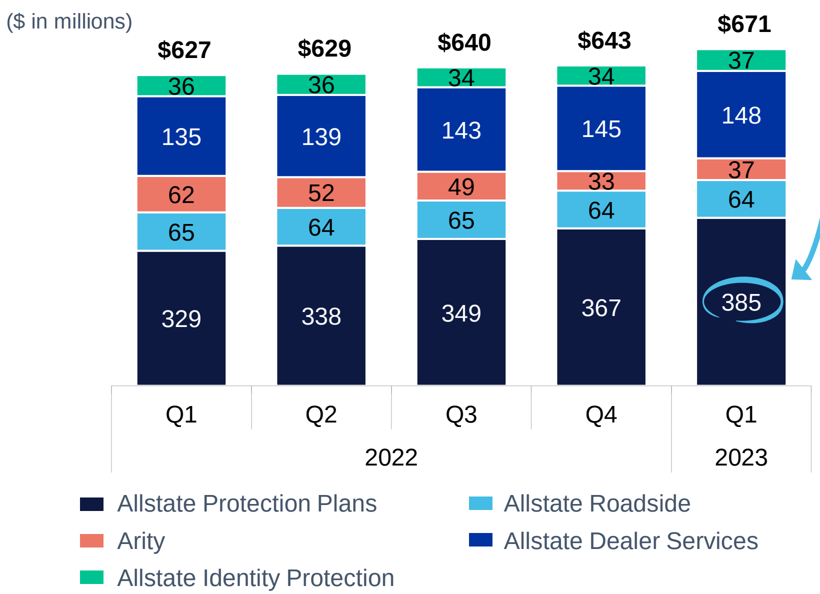
- Retiring Esurance and Encompass legacy systems in 2024

Protection Services and Health and Benefits Businesses are Growing and Adding Shareholder Value

Allstate Protection Plans revenues increased 17.0% compared to the prior year quarter

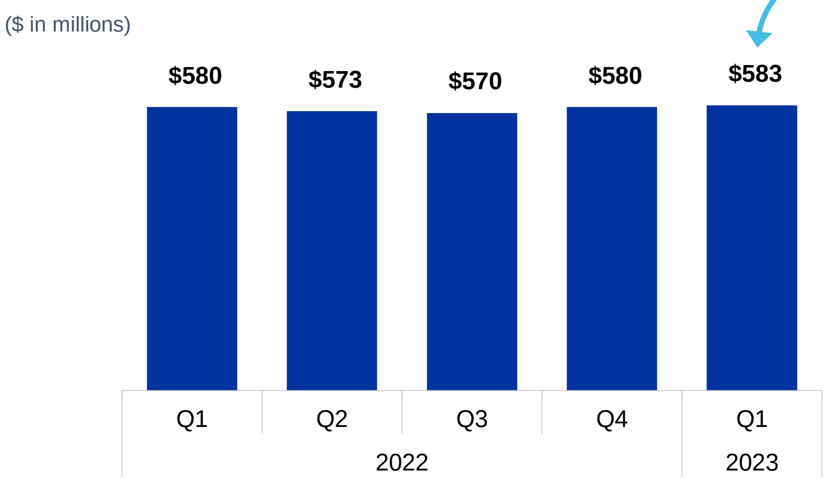
Increase compared to the prior year quarter driven by growth in group health and higher other revenue offsetting lower individual health and employee voluntary benefits

Protection Services revenues[1]



Adjusted Net Income	53	43	35	38	34

Health and Benefits revenues[1]



Adjusted Net Income	57	67	63	58	56

Allstate Protection Plans adjusted net income lower than the prior year quarter, primarily due to higher claims severity and a higher mix of lower margin business

(1) Revenues exclude the impact of net gains and losses on investments and derivatives

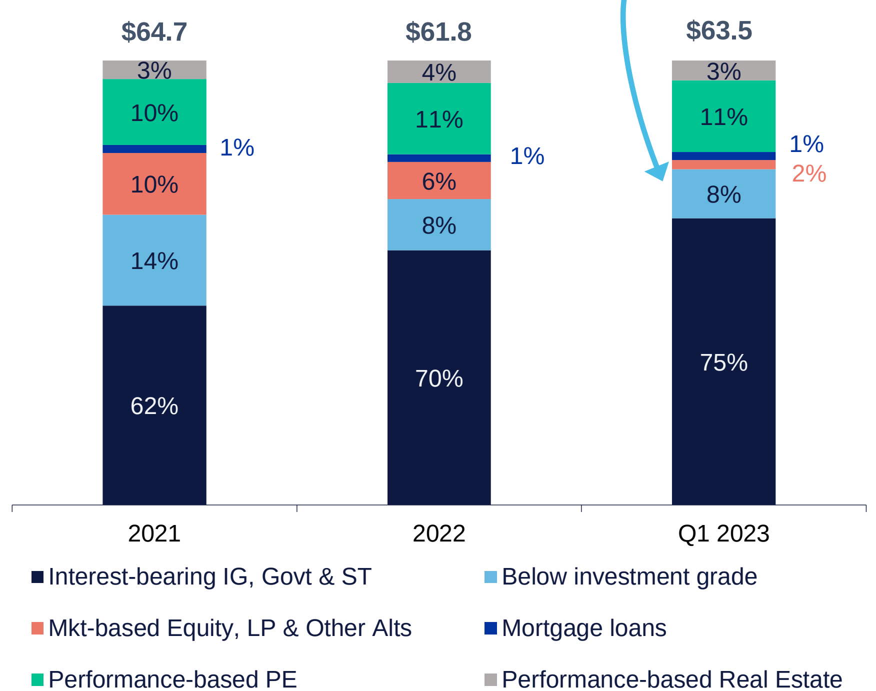
Allstate

Portfolio Anchored in High-quality Interest-bearing Investments

Reduced exposure to below investment grade bonds and equity as recession risk increased

Investment Portfolio Carrying Value Allocation(1)

($ in billions)



Investment Allocation Highlights

- **$48 billion of investment grade fixed income and short-term holdings**
- **Reduced recession-sensitive assets**
  - Below investment grade exposure reduced in 2022. $5 billion current exposure primarily BB/B
  - Reduced public equity exposure in 2022, with further reduction in current quarter
- **$9 billion performance-based portfolio diversified across more than 400 investments** in private equity, real estate, infrastructure and other classes
- **Real estate investments of $2.8 billion**(2) focused on industrial and multi-family, with **only $230 million in office**
- **Banking sector exposure concentrated** in large money center banks, with **only $240 million of regional banks**, primarily larger regionals
- **Substantial liquidity with ~$16 billion** in cash, short-term, governments, and public equity

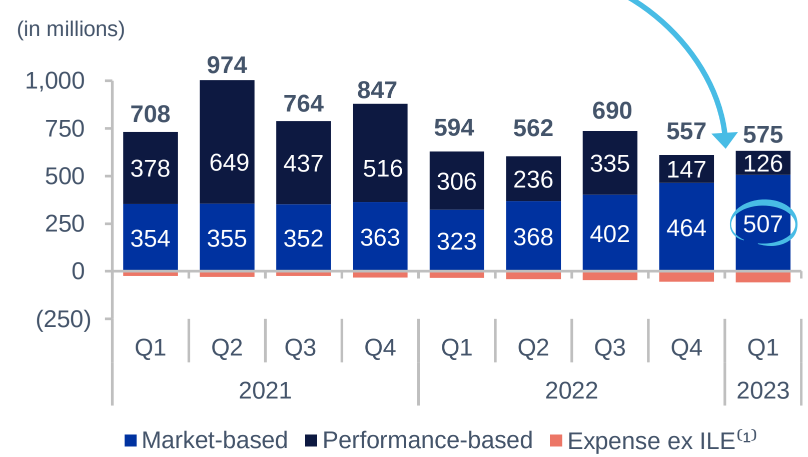
(1) Fixed Income ETFs are shown in respective fixed income categories. Equity, LP and Other Alternatives includes $0.1 billion of Real Estate Investment Trust assets
(2) Includes $0.8 billion of commercial mortgage loans and $0.2 billion of REITs

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

Increased Market-based income reflects portfolio repositioning

Fixed income earned yield increased from 2.6% in first quarter 2022 to 3.4% in 2023, with duration extension

Net investment income



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

Fixed income duration and yield[3]

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

Allstate.

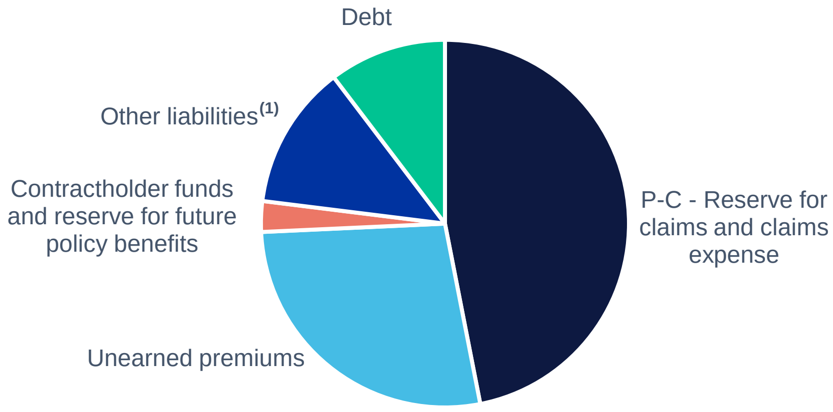
Allstate's Financial Condition and Capital Position Remain Strong

Liabilities are predictable with approximately 75% claims reserves and unearned premiums

Sophisticated economic risk and return framework is used to establish target capital

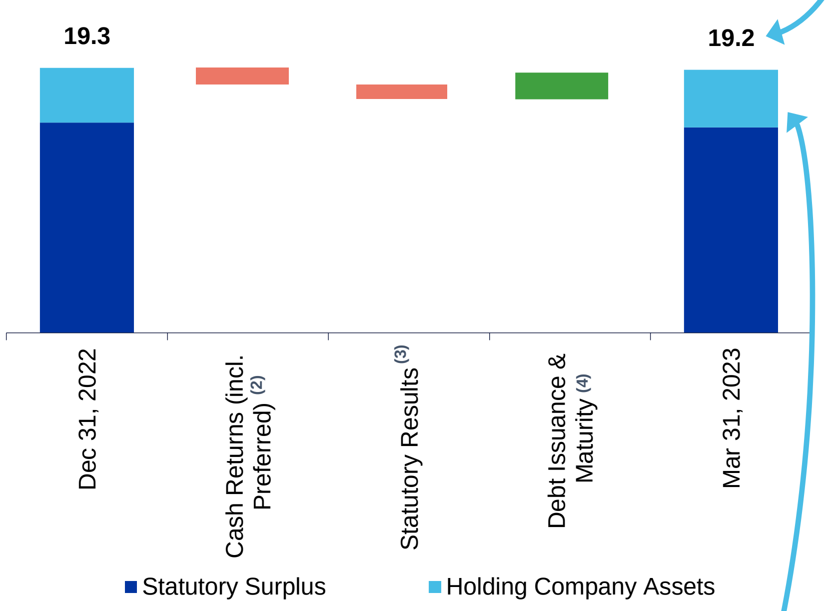
Statutory surplus and holding company assets in excess of target capital

Liabilities – as of March 31, 2023



Statutory Surplus and Holding Company Assets

(in billions)



Holding company assets of $4.2 billion in first quarter represents more than 2.5x annual fixed charges

(1) Includes accrued expenses and claim payments outstanding
(2) Reflects net statutory impact from common dividends, preferred dividends and share repurchases
(3) March 31, 2023 statutory surplus is preliminary with final first quarter statutory results expected to be filed in mid May 2023
(4) Debt issuance and maturities in the first quarter of 2023 reflects senior debt issuance of $750 million and senior debt maturity of $250 million

Forward-looking Statements

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

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

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