

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 1, 2023

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.)

3100 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 1, 2023, announcing its financial results for the fourth quarter of 2022, and the Registrant’s fourth quarter 2022 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 1, 2023](#)
- 99.2 [Fourth quarter 2022 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 1, 2023



FOR IMMEDIATE RELEASE

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Allstate Reports Fourth Quarter and Full Year 2022 Results

NORTHBROOK, Ill., February 1, 2023 – The Allstate Corporation (NYSE: ALL) today reported financial results for the fourth quarter of 2022.

The Allstate Corporation Consolidated Highlights						
(\$ in millions, except per share data and ratios)	Three months ended December 31,			Twelve months ended December 31,		
	2022	2021	% / pts Change	2022	2021	% / pts Change
Consolidated revenues	\$ 13,647	\$ 13,011	4.9 %	\$51,412	\$50,588	1.6 %
Net income (loss) applicable to common shareholders	(310)	790	NM	(1,416)	1,485	NM
per diluted common share ⁽¹⁾	(1.17)	2.73	NM	(5.22)	4.96	NM
Adjusted net income (loss)*	(359)	796	NM	(262)	4,033	NM
per diluted common share* ⁽¹⁾	(1.36)	2.75	NM	(0.97)	13.48	NM
Return on Allstate common shareholders' equity (trailing twelve months)						
Net income applicable to common shareholders				(7.3)%	5.8 %	(13.1)
Adjusted net income*				(1.3)%	16.9 %	(18.2)
Common shares outstanding (in millions)				263.5	280.6	(6.1)
Book value per common share				58.07	81.52	(28.8)
Consolidated premiums written ⁽²⁾	12,657	11,476	10.3	50,319	45,821	9.8
Property-Liability insurance premiums earned	11,380	10,390	9.5	43,909	40,454	8.5
Property-Liability combined ratio						
Recorded	109.1	98.9	10.2	106.6	95.9	10.7
Underlying combined ratio*	99.2	91.3	7.9	95.1	86.2	8.9
Catastrophe losses	779	528	47.5	3,112	3,339	(6.8)
Total policies in force (in thousands)				189,071	190,945	(1.0)

⁽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.

⁽²⁾ Includes premiums and contract charges for Allstate Health and Benefits segment.

* 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 a net loss of \$310 million in the fourth quarter as auto insurance underwriting losses continued to negatively impact results," said Tom Wilson, Chair, President and CEO of The Allstate Corporation. "While revenues increased to \$13.6 billion, due to 9.5% growth in Property-Liability premiums, higher auto insurance prices were not sufficient to overcome increased loss costs and reserve increases. The comprehensive plan to return auto insurance margins to target levels continues to be implemented in 2023 and is expected to further increase average

premiums, reduce expenses and lower policy growth. Homeowners insurance maintained attractive margins despite higher catastrophe losses from Winter Storm Elliott. The investment portfolio had a total return of 2.5% in the quarter. Allstate Protection Plans had excellent growth from U.S. based retailers and expansion into furniture and international markets. Total enterprise premiums written increased 9.8% to \$50.3 billion for the year, largely due to implemented rate increases in auto and homeowners insurance, and adjusted net income* was a loss of \$262 million."

"In addition to actions to restore auto profitability, we continue to execute the Transformative Growth strategy to further increase shareholder value," continued Wilson. "The affordable, simple and connected auto insurance product launched in 2022 will be available in more states in 2023 using a differentiated direct-to-consumer experience that leverages our expertise in data and analytics. Proactive risk and return management of the investment portfolio resulted in a reduction in duration in late 2021, mitigating approximately \$2 billion of losses in 2022. In late 2022, we began to extend duration as the risk and return profile of fixed income improved. Capital management actions also benefited shareholders who received \$3.4 billion of cash in 2022 through dividends and share repurchases," concluded Wilson.

Fourth Quarter 2022 Results

- Total revenues of \$13.6 billion in the fourth quarter of 2022 increased 4.9% compared to the prior year quarter as a 9.5% increase in Property-Liability earned premium was partially offset by lower net investment income and reduced net gains on investments and derivatives compared to the prior year quarter.
- Net loss applicable to common shareholders was \$310 million in the fourth quarter of 2022 compared to income of \$790 million in the prior year quarter, primarily due to an underwriting loss.
- Adjusted net loss* was \$359 million, or \$1.36 per diluted share, compared to adjusted net income* of \$796 million generated in the prior year quarter. The decline reflects increased claims severity, higher unfavorable prior year reserve reestimates, increased catastrophe losses and lower performance-based investment income.

Property-Liability Results						
(\$ in millions, except ratios)	Three months ended December 31,			Twelve months ended December 31,		
	2022	2021	% / pts Change	2022	2021	% / pts Change
Premiums written	\$ 11,480	\$ 10,301	11.4 %	\$ 45,787	\$ 41,358	10.7 %
Allstate Brand	9,694	8,884	9.1	38,895	35,668	9.0
National General	1,786	1,417	26.0	6,892	5,690	21.1
Premiums earned	11,380	10,390	9.5	43,909	40,454	8.5
Allstate Brand	9,654	8,911	8.3	37,470	35,112	6.7
National General	1,726	1,479	16.7	6,439	5,342	20.5
Underwriting income (loss)	(1,035)	113	NM	(2,911)	1,665	NM
Allstate Brand	(990)	174	NM	(2,613)	1,792	NM
National General	(44)	(62)	NM	(177)	(21)	NM
Recorded combined ratio	109.1	98.9	10.2	106.6	95.9	10.7
Allstate Protection auto	112.6	104.3	8.3	110.1	95.4	14.7
Allstate Protection homeowners	92.6	87.1	5.5	93.8	96.8	(3.0)
Underlying combined ratio*	99.2	91.3	7.9	95.1	86.2	8.9
Allstate Protection auto	109.2	100.2	9.0	103.6	92.5	11.1
Allstate Protection homeowners	70.3	69.6	0.7	71.1	69.6	1.5

- **Property-Liability** earned premium of \$11.4 billion increased 9.5% in the fourth quarter of 2022 compared to the prior year quarter, driven primarily by higher average premiums. The recorded combined ratio of 109.1 was 10.2 points higher than the prior year quarter and generated an underwriting loss of \$1.0 billion.

- Premiums written of \$11.5 billion increased 11.4% compared to the prior year quarter, reflecting growth at National General and the Allstate brand. Auto insurance written premiums increased 13.3% driven by significant rate increases in the Allstate brand and growth at National General. Homeowners insurance written premiums increased 9.3%, primarily reflecting inflation in insured home replacement costs, rate increases and policies in force growth.
- The underwriting loss reflects increases to current report year auto claim severities, higher catastrophe losses and adverse prior year reserve reestimates. This was partially offset by higher earned premiums and lower expenses.
- Prior year reserves, excluding catastrophes, were strengthened \$282 million in the fourth quarter of 2022. This included approximately \$180 million primarily related to an increase in personal auto insurance late reported claim frequency attributable to prior accident years and approximately \$100 million related to increased severity in commercial auto insurance principally from shared economy and states that are being exited.
- The underlying combined ratio* of 99.2 in the fourth quarter of 2022 was 7.9 points above the prior year quarter, primarily reflecting a higher auto insurance loss ratio.
- The expense ratio of 22.4 in the fourth quarter of 2022 decreased 2.6 points compared to the fourth quarter of 2021, mainly from lower advertising expenses, cost reductions and increased premiums earned.
- **Allstate Protection auto** insurance earned premium increased 10.3%, driven by higher average premiums from rate increases and a modest increase in policies in force. Allstate brand auto net written premium growth of 10.5% compared to the prior year quarter reflects a 14.4% increase in average gross written premium driven by rate increases implemented throughout the year, partially offset by a decline in policies in force. Allstate brand implemented auto rate increases in 38 locations in the fourth quarter at an average of 11.2%, or 6.1% on total premiums. Total rate increases in 2022 for Allstate brand auto insurance are expected to raise annualized written premiums by approximately 16.9% or \$4.1 billion. We expect to continue to pursue additional rate increases and underwriting actions in 2023 to improve auto insurance profitability. Policies in force growth was driven by National General and was partially offset by a reduction in the Allstate brand.

The recorded auto insurance combined ratio of 112.6 in the fourth quarter of 2022 was 8.3 points above the prior year quarter, reflecting higher current report year claim severity and accident frequency compared to the fourth quarter of 2021 and an increase in prior year claims reserves. The underlying combined ratio* of 109.2 was 9.0 points above the prior year quarter. Claim severity was increased in the fourth quarter for bodily injury and physical damage for the full year 2022 to reflect continued increases in loss costs. The increases to 2022 report year severity for claims reported in the first three quarters of the year are estimated to represent 5.3 points of the fourth quarter underlying combined ratio. Excluding this impact, the fourth quarter underlying combined ratio* would have been 103.9.

- **Allstate Protection homeowners** insurance earned premium grew 9.4%, and policies in force increased 1.4% compared to the fourth quarter of 2021. Allstate brand net written premium increased 10.0% compared to the prior year quarter, primarily driven by average premium increases due to inflation in insured home replacement costs and implemented rate increases. National General written premiums grew as we increased rates to improve underwriting margins to targeted levels.

The recorded homeowners insurance combined ratio of 92.6 increased 5.5 points compared to the fourth quarter of 2021 and generated underwriting income of \$212 million in the quarter. The increase primarily reflects higher catastrophe losses related to Winter Storm Elliott. The underlying combined ratio* of 70.3 increased 0.7 points compared to the fourth quarter of 2021, driven by higher severity.

Protection Services Results							
(\$ in millions)	Three months ended December 31,			Twelve months ended December 31,			
	2022	2021	% / \$ Change	2022	2021	% / \$ Change	
Total revenues ⁽¹⁾	\$ 643	\$ 606	6.1 %	\$ 2,539	\$ 2,336	8.7 %	
Allstate Protection Plans	367	314	16.9	1,383	1,195	15.7	
Allstate Dealer Services	145	135	7.4	562	517	8.7	
Allstate Roadside	64	61	4.9	258	244	5.7	
Arity	33	62	(46.8)	196	252	(22.2)	
Allstate Identity Protection	34	34	—	140	128	9.4	
Adjusted net income (loss)	\$ 38	\$ 29	\$ 9	\$ 169	\$ 179	\$ (10)	
Allstate Protection Plans	42	23	19	150	142	8	
Allstate Dealer Services	8	9	(1)	35	34	1	
Allstate Roadside	3	—	3	7	7	—	
Arity	(7)	(1)	(6)	(11)	3	(14)	
Allstate Identity Protection	(8)	(2)	(6)	(12)	(7)	(5)	

⁽¹⁾ Excludes net gains and losses on investments and derivatives

• **Protection Services** revenues increased to \$643 million in the fourth quarter of 2022, 6.1% higher than the prior year quarter, primarily due to Allstate Protection Plans and Allstate Dealer Services, partially offset by a decline at Arity. Adjusted net income of \$38 million increased by \$9 million compared to the prior year quarter, primarily due to Allstate Protection Plans partially offset by decreases at Arity and Allstate Identity Protection.

- **Allstate Protection Plans** revenue of \$367 million increased \$53 million, or 16.9%, compared to the prior year quarter, reflecting growth at U.S. retailers and expansion in furniture coverage and international markets. Adjusted net income of \$42 million in the fourth quarter of 2022 was \$19 million higher than the prior year quarter, primarily due to an \$11 million one-time tax benefit and timing of expenses.
- **Allstate Dealer Services** revenue of \$145 million was 7.4% higher than the fourth quarter of 2021. Adjusted net income of \$8 million in the fourth quarter was \$1 million lower than the prior year quarter driven by increased severity.
- **Allstate Roadside** revenue of \$64 million in the fourth quarter of 2022 grew 4.9% and adjusted net income was \$3 million higher than the prior year quarter, primarily driven by increased pricing.
- **Arity** revenue of \$33 million decreased \$29 million compared to the prior year quarter, primarily due to reductions in insurance client advertising. Adjusted net loss of \$7 million in the fourth quarter of 2022 was \$6 million worse than the prior year quarter reflecting lower revenue.
- **Allstate Identity Protection** revenue of \$34 million in the fourth quarter of 2022 was in line with the prior year quarter. Adjusted net loss of \$8 million was \$6 million worse than the prior year quarter, primarily driven by one-time expenses.

Allstate Health and Benefits Results							
(\$ in millions)	Three months ended December 31,			Twelve months ended December 31,			
	2022	2021	% Change	2022	2021	% Change	
Premiums and contract charges	\$ 435	\$ 459	(5.2)%	\$ 1,833	\$ 1,821	0.7 %	
Employer voluntary benefits	256	262	(2.3)	1,036	1,031	0.5	
Group health	100	90	11.1	385	350	10.0	
Individual health	79	107	(26.2)	412	440	(6.4)	
Adjusted net income	50	48	4.2	222	208	6.7	

- **Allstate Health and Benefits** premiums and contract charges decreased 5.2% compared to the prior year quarter, primarily driven by a reduction in individual health, which was partially offset by growth in group health. Adjusted net income of \$50 million in the fourth quarter of 2022 increased \$2 million compared to the fourth quarter of 2021 reflecting an improved benefit ratio, partially offset by lower premiums and contract charges.

Allstate Investment Results						
(\$ in millions, except ratios)	Three months ended December 31,			Twelve months ended December 31,		
	2022	2021	\$ / pts Change	2022	2021	\$ / pts Change
Net investment income	\$ 557	\$ 847	\$ (290)	\$ 2,403	\$ 3,293	\$ (890)
Market-based investment income ⁽¹⁾	464	363	101	1,557	1,424	133
Performance-based investment income ⁽¹⁾	147	516	(369)	1,024	1,980	(956)
Net gains (losses) on investments and derivatives	95	266	(171)	(1,072)	1,084	(2,156)
Change in unrealized net capital gains and losses, pre-tax	863	(419)	1,282	(3,643)	(1,771)	(1,872)
Total return on investment portfolio	2.5 %	1.1 %	1.4	(4.0)%	4.4 %	(8.4)

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

- **Allstate Investments** \$61.8 billion portfolio generated net investment income of \$557 million in the fourth quarter of 2022, a decrease of \$290 million from the prior year quarter, driven by lower performance-based income.
 - **Market-based investment income** was \$464 million in the fourth quarter of 2022, an increase of \$101 million, or 27.8%, compared to the prior year quarter, reflecting an increase in the fixed income portfolio yield, which has benefited from reinvesting at higher interest rates.
 - **Performance-based investment income** totaled \$147 million in the fourth quarter of 2022, a decrease of \$369 million compared to a strong prior year quarter, reflecting lower valuation increases for private equity investments. Idiosyncratic contributions from direct investments and positive valuation changes for infrastructure and real estate funds offset decreased valuations for private equity funds.
 - **Net gains on investments and derivatives** were \$95 million in the fourth quarter of 2022, compared to \$266 million in the prior year quarter. The fourth quarter of 2022 included higher valuation increases for equity investments and losses on the sales of fixed income securities compared to gains on sales in the prior year quarter.
 - **Unrealized net losses** improved \$863 million in the fourth quarter of 2022 but were \$3.6 billion lower for the full year as higher interest rates and wider credit spreads decreased fixed income valuations.
 - **Total return** on the investment portfolio was 2.5% for the fourth quarter of 2022 and (4.0)% in 2022. Proactive portfolio actions to reduce inflation and economic risk by shortening fixed income duration beginning in 2021 mitigated portfolio losses by approximately \$2 billion this year. During 2022 we reduced equity exposure and in the fourth quarter we removed approximately half of our duration shortening interest rate derivatives resulting in a modest increase to fixed income duration.

Proactive Capital Management

"Allstate's financial condition and capital position remain strong," said Jess Merten, Chief Financial Officer. "In the fourth quarter we returned \$582 million to common shareholders through a combination of \$354 million in share repurchases and \$228 million in common shareholder dividends. We reduced common shares outstanding by 6.1% in 2022," concluded Merten.

Visit www.allstateinvestors.com for additional information about Allstate's results, including a webcast of its quarterly conference call and the call presentation. The conference call will be at 9 a.m. ET on Thursday, February 2. 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, 2022	December 31, 2021
Assets		
Investments		
Fixed income securities, at fair value (amortized cost, net \$45,370 and \$41,376)	\$ 42,485	\$ 42,136
Equity securities, at fair value (cost \$4,253 and \$6,016)	4,567	7,061
Mortgage loans, net	762	821
Limited partnership interests	8,114	8,018
Short-term, at fair value (amortized cost \$4,174 and \$4,009)	4,173	4,009
Other investments, net	1,728	2,656
Total investments	61,829	64,701
Cash	736	763
Premium installment receivables, net	9,165	8,364
Deferred policy acquisition costs	5,418	4,722
Reinsurance and indemnification recoverables, net	9,606	10,024
Accrued investment income	423	339
Deferred income taxes	386	—
Property and equipment, net	987	939
Goodwill	3,502	3,502
Other assets, net	5,905	6,086
Total assets	\$ 97,957	\$ 99,440
Liabilities		
Reserve for property and casualty insurance claims and claims expense	\$ 37,541	\$ 33,060
Reserve for future policy benefits	1,273	1,273
Contractholder funds	897	908
Unearned premiums	22,311	19,844
Claim payments outstanding	1,268	1,123
Deferred income taxes	—	833
Other liabilities and accrued expenses	9,353	9,296
Debt	7,964	7,976
Total liabilities	80,607	74,313
Equity		
Preferred stock and additional capital paid-in, \$1 par value, 25 million shares authorized, 81.0 thousand shares issued and outstanding, \$2,025 aggregate liquidation preference	1,970	1,970
Common stock, \$.01 par value, 2.0 billion shares authorized and 900 million issued, 263 million and 281 million shares outstanding	9	9
Additional capital paid-in	3,788	3,722
Retained income	50,954	53,294
Treasury stock, at cost (637 million and 619 million shares)	(36,857)	(34,471)
Accumulated other comprehensive income:		
Unrealized net capital gains and losses	(2,253)	598
Unrealized foreign currency translation adjustments	(165)	(15)
Unamortized pension and other postretirement prior service credit	29	72
Total accumulated other comprehensive income	(2,389)	655
Total Allstate shareholders' equity	17,475	25,179
Noncontrolling interest	(125)	(52)
Total equity	17,350	25,127
Total liabilities and equity	\$ 97,957	\$ 99,440

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,	
	2022	2021	2022	2021
Revenues				
Property and casualty insurance premiums	\$ 11,900	\$ 10,852	\$ 45,904	\$ 42,218
Accident and health insurance premiums and contract charges	435	459	1,833	1,821
Other revenue	660	587	2,344	2,172
Net investment income	557	847	2,403	3,293
Net gains (losses) on investments and derivatives	95	266	(1,072)	1,084
Total revenues	13,647	13,011	51,412	50,588
Costs and expenses				
Property and casualty insurance claims and claims expense	10,002	7,804	37,264	29,318
Shelter-in-Place Payback expense	—	—	—	29
Accident, health and other policy benefits	260	278	1,061	1,049
Amortization of deferred policy acquisition costs	1,731	1,602	6,644	6,252
Operating costs and expenses	1,852	1,956	7,446	7,260
Pension and other postretirement remeasurement (gains) losses	25	(240)	116	(644)
Restructuring and related charges	24	25	51	170
Amortization of purchased intangibles	89	109	353	376
Interest expense	84	84	335	330
Total costs and expenses	14,067	11,618	53,270	44,140
(Loss) income from operations before income tax expense	(420)	1,393	(1,858)	6,448
Income tax (benefit) expense	(117)	281	(494)	1,289
Net (loss) income from continuing operations	(303)	1,112	(1,364)	5,159
Income (loss) from discontinued operations, net of tax	—	(321)	—	(3,593)
Net (loss) income	(303)	791	(1,364)	1,566
Less: Net loss attributable to noncontrolling interest	(19)	(26)	(53)	(33)
Net (loss) income attributable to Allstate	(284)	817	(1,311)	1,599
Less: Preferred stock dividends	26	27	105	114
Net (loss) income applicable to common shareholders	\$ (310)	\$ 790	\$ (1,416)	\$ 1,485
Earnings per common share applicable to common shareholders				
Basic				
Continuing operations	\$ (1.17)	\$ 3.90	\$ (5.22)	\$ 17.23
Discontinued operations	—	(1.13)	—	(12.19)
Total	\$ (1.17)	\$ 2.77	\$ (5.22)	\$ 5.04
Diluted				
Continuing operations	\$ (1.17)	\$ 3.84	\$ (5.22)	\$ 16.98
Discontinued operations	—	(1.11)	—	(12.02)
Total	\$ (1.17)	\$ 2.73	\$ (5.22)	\$ 4.96
Weighted average common shares – Basic	264.4	285.0	271.2	294.8
Weighted average common shares – Diluted	264.4	289.0	271.2	299.1

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 (loss) applicable to common shareholders, excluding:

- Net gains and losses on investments and derivatives
- Pension and other postretirement rereasurement gains and losses
- Business combination expenses and the amortization or impairment of purchased intangibles
- Income or loss from discontinued operations
- Gain or loss on disposition
- 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
- Related income tax expense or benefit of these items

Net income (loss) 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 net gains and losses on investments and derivatives, pension and other postretirement rereasurement gains and losses, business combination expenses and the amortization or impairment of purchased intangibles, income or loss from discontinued operations, gain or loss on disposition and adjustments for other significant non-recurring, infrequent or unusual items and the related tax expense or benefit of these items. Net gains and losses on investments and derivatives, and pension and other postretirement rereasurement gains and losses 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. Business combination expenses, income or loss from discontinued operations and gain or loss on disposition 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 (loss) 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 (loss) 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 (loss) applicable to common shareholders and does not reflect the overall profitability of our business.

The following tables reconcile net income (loss) applicable to common shareholders and adjusted net income. Taxes on adjustments to reconcile net income (loss) applicable to common shareholders and adjusted net income generally use a 21% effective tax rate.

(\$ in millions, except per share data)

	Three months ended December 31,			
	Consolidated		Per diluted common share	
	2022	2021	2022	2021
Net income (loss) applicable to common shareholders	\$ (310)	\$ 790	\$ (1.17) ⁽²⁾	\$ 2.73
Net (gains) losses on investments and derivatives	(95)	(266)	(0.36)	(0.92)
Pension and other postretirement remeasurement (gains) losses	25	(240)	0.09	(0.83)
Reclassification of periodic settlements and accruals on non-hedge derivative instruments	—	(1)	—	—
Business combination expenses and the amortization of purchased intangibles	89	109	0.34	0.38
Business combination fair value adjustment	—	—	—	—
(Gain) loss on disposition	(83) ⁽¹⁾	—	(0.32)	—
(Income) loss from discontinued operations	—	177	—	0.61
Income tax expense (benefit) and other	15	227	0.06	0.78
Adjusted net income (loss) *	\$ (359)	\$ 796	\$ (1.36) ⁽²⁾	\$ 2.75

	Twelve months ended December 31,			
	Consolidated		Per diluted common share	
	2022	2021	2022	2021
Net income (loss) applicable to common shareholders	\$ (1,416)	\$ 1,485	\$ (5.22) ⁽³⁾	\$ 4.96
Net (gains) losses on investments and derivatives	1,072	(1,084)	3.95	(3.63)
Pension and other postretirement remeasurement (gains) losses	116	(644)	0.43	(2.15)
Reclassification of periodic settlements and accruals on non-hedge derivative instruments	—	—	—	—
Business combination expenses and the amortization of purchased intangibles	353	398	1.30	1.33
Business combination fair value adjustment	—	(6)	—	(0.02)
(Gain) loss on disposition	(89) ⁽¹⁾	—	(0.33)	—
(Income) loss from discontinued operations	—	3,612	—	12.08
Income tax expense (benefit) and other	(298)	272	(1.10)	0.91
Adjusted net income (loss) *	\$ (262)	\$ 4,033	\$ (0.97) ⁽³⁾	\$ 13.48

⁽¹⁾ Includes \$83 million related to the gain on sale of headquarters in the fourth quarter of 2022 reported as other revenue in Corporate and Other segment.

⁽²⁾ Due to a net loss reported for the three months ended December 31, 2022, calculation uses weighted average shares of 264.4 million, which excludes weighted average diluted shares of 3.1 million.

⁽³⁾ Due to a net loss reported for the twelve months ended December 31, 2022, calculation uses weighted average shares of 271.2 million, which excludes weighted average diluted shares of 3.1 million.

Adjusted net income return on Allstate 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 Allstate 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 Allstate 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 Allstate common shareholders' equity excluding the effect of unrealized net capital gains and losses for the denominator as a representation of common shareholders' equity primarily applicable to Allstate'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 (loss) applicable to common shareholders and return on Allstate 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 Allstate 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 Allstate common shareholders' equity from return on Allstate 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 Allstate common shareholders' equity in incentive compensation. Therefore, we believe it is useful for investors to have adjusted net income return on Allstate common shareholders' equity and return on Allstate 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 Allstate common shareholders' equity goal. Adjusted net income return on Allstate common shareholders' equity should not be considered a substitute for return on Allstate common shareholders' equity and does not reflect the overall profitability of our business.

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

	For the twelve months ended December 31,	
	2022	2021
(\$ in millions)		
Return on Allstate common shareholders' equity		
Numerator:		
Net income applicable to common shareholders	\$ (1,416)	\$ 1,485
Denominator:		
Beginning Allstate common shareholders' equity	\$ 23,209	\$ 28,247
Ending Allstate common shareholders' equity ⁽¹⁾	15,505	23,209
Average Allstate common shareholders' equity	\$ 19,357	\$ 25,728
Return on Allstate common shareholders' equity	(7.3)%	5.8 %
(\$ in millions)		
Adjusted net income return on Allstate common shareholders' equity		
Numerator:		
Adjusted net income *	\$ (262)	\$ 4,033
Denominator:		
Beginning Allstate common shareholders' equity	\$ 23,209	\$ 28,247
Less: Unrealized net capital gains and losses	598	3,180
Adjusted beginning Allstate common shareholders' equity	22,611	25,067
Ending Allstate common shareholders' equity ⁽¹⁾	15,505	23,209
Less: Unrealized net capital gains and losses	(2,253)	598
Adjusted ending Allstate common shareholders' equity	17,758	22,611
Average adjusted Allstate common shareholders' equity	\$ 20,185	\$ 23,839
Adjusted net income return on Allstate common shareholders' equity *	(1.3)%	16.9 %

⁽¹⁾ Excludes equity related to preferred stock of \$1,970 million as of December 31, 2022 and December 31, 2021.

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. 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.

Property-Liability

	Three months ended December 31,		Twelve months ended December 31,	
	2022	2021	2022	2021
Combined ratio	109.1	98.9	106.6	95.9
Effect of catastrophe losses	(6.8)	(5.1)	(7.1)	(8.3)
Effect of prior year non-catastrophe reserve reestimates	(2.5)	(1.8)	(3.9)	(0.8)
Effect of amortization of purchased intangibles	(0.6)	(0.7)	(0.5)	(0.6)
Underlying combined ratio*	<u>99.2</u>	<u>91.3</u>	<u>95.1</u>	<u>86.2</u>
Effect of prior year catastrophe reserve reestimates	(0.1)	—	—	(0.5)

Allstate Protection - Auto Insurance

	Three months ended December 31,		Twelve months ended December 31,	
	2022	2021	2022	2021
Combined ratio	112.6	104.3	110.1	95.4
Effect of catastrophe losses	(0.5)	(1.3)	(1.7)	(1.7)
Effect of prior year non-catastrophe reserve reestimates	(2.3)	(2.1)	(4.2)	(0.6)
Effect of amortization of purchased intangibles	(0.6)	(0.7)	(0.6)	(0.6)
Underlying combined ratio*	<u>109.2</u>	<u>100.2</u>	<u>103.6</u>	<u>92.5</u>
Effect of prior year catastrophe reserve reestimates	(0.1)	—	(0.2)	(0.1)

Allstate Protection - Homeowners Insurance

	Three months ended December 31,		Twelve months ended December 31,	
	2022	2021	2022	2021
Combined ratio	92.6	87.1	93.8	96.8
Effect of catastrophe losses	(21.1)	(16.6)	(21.1)	(26.3)
Effect of prior year non-catastrophe reserve reestimates	(0.7)	—	(1.0)	(0.2)
Effect of amortization of purchased intangibles	(0.5)	(0.9)	(0.6)	(0.7)
Underlying combined ratio*	<u>70.3</u>	<u>69.6</u>	<u>71.1</u>	<u>69.6</u>
Effect of prior year catastrophe reserve reestimates	(0.1)	0.1	0.8	(1.7)

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The Allstate Corporation

**Investor Supplement
Fourth Quarter 2022**

The condensed consolidated financial statements and financial exhibits included herein are unaudited and 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 2022

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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, 2022	Sept. 30, 2022	June 30, 2022	March 31, 2022	Dec. 31, 2021	Sept. 30, 2021	June 30, 2021	March 31, 2021	Dec. 31, 2021	Dec. 31, 2021
Revenues										
Property and casualty insurance premiums *	\$ 11,960	\$ 11,661	\$ 11,362	\$ 10,981	\$ 10,852	\$ 10,615	\$ 10,444	\$ 10,307	\$ 46,904	\$ 42,218
Accident and health insurance premiums and contract charges *	435	463	466	469	459	460	447	455	1,833	1,821
Other revenue †	660	561	563	560	567	536	494	555	2,344	2,172
Net investment income	527	690	562	594	647	764	874	706	2,423	3,293
Net gains (losses) on investments and derivatives	95	(167)	(733)	(267)	266	105	287	426	(1,072)	1,084
Total revenues	13,647	13,208	12,220	12,337	13,011	12,480	12,646	12,451	51,412	50,586
Costs and expenses										
Property and casualty insurance claims and claims expense	10,002	10,073	9,367	7,822	7,804	8,264	7,207	6,043	37,264	29,318
Shelter-in-Place Payback expense	-	-	-	-	-	29	29	-	-	29
Accident, health and other policy benefits	280	263	269	269	278	277	252	242	1,081	1,049
Amortization of deferred policy acquisition costs	1,731	1,682	1,619	1,612	1,602	1,562	1,545	1,523	6,644	6,252
Operating costs and expenses	1,852	1,842	1,850	1,902	1,956	1,890	1,683	1,731	7,446	7,290
Pension and other postretirement rereasurement (gains) losses	25	79	259	(247)	(240)	40	(134)	(310)	116	(644)
Restructuring and related charges	24	14	1	12	25	23	71	51	51	170
Amortization of purchased intangibles	69	60	67	67	109	109	105	53	353	276
Interest expense	84	85	83	83	84	69	91	86	335	330
Total costs and expenses	14,067	14,128	13,535	11,540	11,618	12,254	10,849	9,419	53,270	44,140
Income (loss) from operations before income tax expense	(420)	(920)	(1,315)	797	1,393	228	1,797	3,032	(1,858)	6,448
Income tax expense (benefit)	(117)	(237)	(291)	151	281	20	362	626	(494)	1,289
Net income (loss) from continuing operations	(303)	(683)	(1,024)	646	1,112	206	1,435	2,406	(1,364)	5,159
Income (loss) from discontinued operations, net of tax	-	-	-	-	(321)	325	196	(3,793)	-	(3,593)
Net income (loss)	(303)	(683)	(1,024)	646	791	531	1,631	(1,387)	(1,364)	1,566
Less: Net income (loss) attributable to noncontrolling interest	(19)	(15)	(9)	(10)	(26)	(7)	6	(6)	(53)	(33)
Net income (loss) attributable to Allstate	(284)	(668)	(1,015)	656	817	538	1,625	(1,381)	(1,311)	1,599
Less: Preferred stock dividends	26	26	27	26	27	30	30	27	105	114
Net income (loss) applicable to common shareholders	\$ (310)	\$ (694)	\$ (1,042)	\$ 630	\$ 790	\$ 508	\$ 1,595	\$ (1,408)	\$ (1,416)	\$ 1,485
Earnings per common share										
Basic										
Continuing operations	\$ (1.17)	\$ (2.56)	\$ (3.81)	\$ 2.27	\$ 3.90	\$ 0.62	\$ 4.68	\$ 7.88	\$ (5.22)	\$ 17.23
Discontinued operations	-	-	-	-	(1.13)	1.11	0.66	(12.53)	-	(12.19)
Total	\$ (1.17)	\$ (2.56)	\$ (3.81)	\$ 2.27	\$ 2.77	\$ 1.73	\$ 5.34	\$ (4.65)	\$ (5.22)	\$ 5.04
Diluted										
Continuing operations	\$ (1.17) ⁽¹⁾	\$ (2.56) ⁽¹⁾	\$ (3.81) ⁽¹⁾	\$ 2.24	\$ 3.84	\$ 0.62	\$ 4.61	\$ 7.78	\$ (5.22) ⁽¹⁾	\$ 16.98
Discontinued operations	-	-	-	-	(1.11)	1.09	0.65	(12.38)	-	(12.03)
Total	\$ (1.17)	\$ (2.56)	\$ (3.81)	\$ 2.24	\$ 2.73	\$ 1.71	\$ 5.26	\$ (4.60)	\$ (5.22)	\$ 4.96
Weighted average common shares - Basic	264.4	268.7	273.8	278.1	285.0	293.1	298.8	302.5	271.2	294.8
Weighted average common shares - Diluted	264.4 ⁽¹⁾	268.7 ⁽¹⁾	273.8 ⁽¹⁾	281.8	289.0	297.9	303.3	306.4	271.2 ⁽¹⁾	299.1
Cash dividends declared per common share	\$ 0.85	\$ 0.85	\$ 0.85	\$ 0.85	\$ 0.81	\$ 0.81	\$ 0.81	\$ 0.81	\$ 3.40	\$ 3.24

⁽¹⁾ Due to a net loss reported for the three and twelve months ended December 31, 2022, calculation uses weighted average shares of 264.4 million and 271.2 million, which excludes weighted average diluted shares of 3.1 million and 3.1 million, respectively.
⁽²⁾ Due to a net loss reported for the three months ended September 30, 2022, calculation uses weighted average shares of 268.7 million, which excludes weighted average diluted shares of 2.9 million.
⁽³⁾ Due to a net loss reported for the three months ended June 30, 2022, calculation uses weighted average shares of 273.8 million, which excludes weighted average diluted shares of 3.2 million.

The Allstate Corporation
Contribution to Income

(\$ in millions, except per share data)

	Three months ended				Twelve months ended					
	Dec. 31, 2022	Sept. 30, 2022	June 30, 2022	March 31, 2022	Dec. 31, 2021	Sept. 30, 2021	June 30, 2021	March 31, 2021	Dec. 31, 2020	Dec. 31, 2021
Contribution to income										
Net income (loss) applicable to common shareholders	\$ (310)	\$ (694)	\$ (1,042)	\$ 630	\$ 790	\$ 508	\$ 1,595	\$ (1,408)	\$ (1,416)	\$ 1,485
Net (gains) losses on investments and derivatives	(95)	167	733	287	(266)	(105)	(287)	(426)	1,072	(1,084)
Pension and other postretirement rereasurement (gains) losses	-	-	-	(247)	-	-	-	-	-	-
Reclassification of periodic settlements and accruals on non-hedge derivative instruments	-	-	-	-	(1)	-	-	(310)	116	(644)
Business combination expenses and the amortization of purchased intangibles	89	90	87	87	109	109	106	75	353	396
Business combination fair value adjustment	-	-	-	-	-	-	(6)	-	-	(6)
(Gain) loss on disposition	(83) ⁽¹⁾	5	(27)	16	-	-	-	-	(89) ⁽¹⁾	-
(Income) loss from discontinued operations	-	-	-	-	177	(235)	(493)	4,163	-	3,612
Income tax expense (benefit) and other	15	(67)	(219)	(27)	227	(100)	369	(224)	(298)	272
Adjusted net income (loss) *	\$ (359)	\$ (420)	\$ (209)	\$ 728	\$ 796	\$ 217	\$ 1,149	\$ 1,871	\$ (262)	\$ 4,033
Income per common share - Diluted										
Net income (loss) applicable to common shareholders	\$ (1.17) ⁽²⁾	\$ (2.58) ⁽³⁾	\$ (3.81) ⁽⁴⁾	\$ 2.24	\$ 2.73	\$ 1.71	\$ 5.26	\$ (4.60)	\$ (5.22) ⁽⁵⁾	\$ 4.96
Net (gains) losses on investments and derivatives	(0.36)	0.62	2.68	0.95	(0.92)	(0.35)	(0.95)	(1.39)	3.95	(3.63)
Pension and other postretirement rereasurement (gains) losses	-	-	-	(0.88)	-	-	-	-	-	-
Reclassification of periodic settlements and accruals on non-hedge derivative instruments	-	-	-	-	(0.83)	0.13	(0.44)	(1.01)	0.43	(2.15)
Business combination expenses and the amortization of purchased intangibles	0.34	0.34	0.32	0.31	0.38	0.37	0.35	0.25	1.30	1.33
Business combination fair value adjustment	-	-	-	-	-	-	(0.02)	-	-	(0.02)
(Gain) loss on disposition	(0.32)	0.02	(0.10)	0.06	-	-	-	-	(0.33)	-
(Income) loss from discontinued operations	-	-	-	-	0.61	(0.79)	(1.63)	13.59	-	12.08
Income tax expense (benefit) and other	0.06	(0.25)	(0.80)	(0.10)	0.78	(0.34)	1.22	(0.73)	(1.10)	0.91
Adjusted net income (loss) *	\$ (1.36)⁽²⁾	\$ (1.56)⁽³⁾	\$ (0.76)⁽⁴⁾	\$ 2.58	\$ 2.75	\$ 0.73	\$ 3.79	\$ 6.11	\$ (0.97)⁽⁵⁾	\$ 13.48
Weighted average common shares - Diluted	264.4 ⁽²⁾	266.7 ⁽³⁾	273.8 ⁽⁴⁾	281.8	289.0	297.9	303.3	306.4	271.2 ⁽⁵⁾	299.1

⁽¹⁾ Includes \$53 million related to the gain on sale of headquarters in the fourth quarter of 2022 reported as other revenue in Corporate and Other segment.

⁽²⁾ Due to a net loss reported for the three months ended December 31, 2022, calculation uses weighted average shares of 264.4 million, which excludes weighted average diluted shares of 3.1 million.

⁽³⁾ Due to a net loss reported for the three months ended September 30, 2022, calculation uses weighted average shares of 266.7 million, which excludes weighted average diluted shares of 2.8 million.

⁽⁴⁾ Due to a net loss reported for the three months ended June 30, 2022, calculation uses weighted average shares of 273.8 million, which excludes weighted average diluted shares of 3.2 million.

⁽⁵⁾ Due to a net loss reported for the twelve months ended December 31, 2022, calculation uses weighted average shares of 271.2 million, which excludes weighted average diluted shares of 3.1 million.

The Allstate Corporation
Book Value per Common Share and Debt to Capital

(\$ in millions, except per share data)	Dec. 31, 2022	Sept. 30, 2022	June 30, 2022	March 31, 2022	Dec. 31, 2021	Sept. 30, 2021	June 30, 2021	March 31, 2021
Book value per common share								
Numerator:								
Allstate common shareholders' equity ⁽¹⁾	\$ 15,505	\$ 15,703	\$ 18,145	\$ 21,242	\$ 23,209	\$ 24,759	\$ 26,037	\$ 24,649
Denominator:								
Common shares outstanding and dilutive potential common shares outstanding ⁽²⁾	267.0	269.1	274.3	279.7	284.7	292.6	301.6	304.0
Book value per common share	\$ 58.07	\$ 58.35	\$ 66.15	\$ 75.95	\$ 81.52	\$ 84.62	\$ 86.33	\$ 81.08
Book value per common share, excluding the impact of unrealized net capital gains and losses on fixed income securities								
Numerator:								
Allstate common shareholders' equity	\$ 15,505	\$ 15,703	\$ 18,145	\$ 21,242	\$ 23,209	\$ 24,759	\$ 26,037	\$ 24,649
Less: Unrealized net capital gains and losses on fixed income securities	(2,252)	(2,931)	(2,141)	(985)	601	1,830	2,167	1,580
Adjusted Allstate common shareholders' equity	\$ 17,757	\$ 18,634	\$ 20,286	\$ 22,227	\$ 22,608	\$ 22,929	\$ 23,870	\$ 22,969
Denominator:								
Common shares outstanding and dilutive potential common shares outstanding	267.0	269.1	274.3	279.7	284.7	292.6	301.6	304.0
Book value per common share, excluding the impact of unrealized net capital gains and losses on fixed income securities *	\$ 66.51	\$ 69.25	\$ 73.96	\$ 79.50	\$ 79.41	\$ 78.36	\$ 79.14	\$ 75.56
Total debt	\$ 7,964	\$ 7,967	\$ 7,970	\$ 7,973	\$ 7,976	\$ 7,980	\$ 7,996	\$ 7,996
Total capital resources	\$ 25,439	\$ 25,640	\$ 28,085	\$ 31,185	\$ 33,155	\$ 34,709	\$ 36,203	\$ 34,815
Ratio of debt to Allstate shareholders' equity	45.6 %	45.1 %	39.6 %	34.3 %	31.7 %	29.9 %	28.3 %	29.8 %
Ratio of debt to capital resources	31.3 %	31.1 %	28.4 %	25.6 %	24.1 %	23.0 %	22.1 %	23.0 %

⁽¹⁾ Excludes equity related to preferred stock of \$1,970 million at December 31, 2022, September 30, 2022, June 30, 2022, March 31, 2022, December 31, 2021 and September 30, 2021 and \$2,170 million at June 30, 2021 and March 31, 2021.

⁽²⁾ Common shares outstanding were 263,458,276 and 280,594,850 as of December 31, 2022 and December 31, 2021, respectively.

The Allstate Corporation
Return on Allstate Common Shareholders' Equity

(\$ in millions)

	Twelve months ended							
	Dec. 31, 2022	Sept. 30, 2022	June 30, 2022	March 31, 2022	Dec. 31, 2021	Sept. 30, 2021	June 30, 2021	March 31, 2021
Return on Allstate common shareholders' equity								
Numerator:								
Net income applicable to common shareholders ⁽¹⁾	\$ (1,416)	\$ (316)	\$ 886	\$ 3,523	\$ 1,485	\$ 3,293	\$ 3,911	\$ 3,540
Denominator:								
Beginning Allstate common shareholders' equity	\$ 23,209	\$ 24,759	\$ 26,037	\$ 24,649	\$ 28,247	\$ 25,293	\$ 25,016	\$ 22,203
Ending Allstate common shareholders' equity ⁽²⁾	15,505	15,703	18,145	21,242	23,209	24,759	26,037	24,649
Average Allstate common shareholders' equity ³	\$ 19,357	\$ 20,231	\$ 22,091	\$ 22,946	\$ 25,728	\$ 25,006	\$ 25,527	\$ 23,426
Return on Allstate common shareholders' equity	(7.3) %	(1.6) %	4.0 %	15.4 %	5.8 %	13.2 %	15.3 %	15.1 %
Adjusted net income return on Allstate common shareholders' equity								
Numerator:								
Adjusted net income ⁽¹⁾	\$ (262)	\$ 863	\$ 1,530	\$ 2,888	\$ 4,033	\$ 4,829	\$ 5,512	\$ 5,179
Denominator:								
Beginning Allstate common shareholders' equity	\$ 23,209	\$ 24,759	\$ 26,037	\$ 24,649	\$ 28,247	\$ 25,293	\$ 25,016	\$ 22,203
Less: Unrealized net capital gains and losses	598	1,828	2,164	1,680	3,180	2,744	2,602	530
Adjusted beginning Allstate common shareholders' equity	22,611	22,931	23,873	22,969	25,067	22,549	22,414	21,673
Ending Allstate common shareholders' equity ⁽²⁾	15,505	15,703	18,145	21,242	23,209	24,759	26,037	24,649
Less: Unrealized net capital gains and losses	(2,253)	(2,927)	(2,138)	(995)	598	1,828	2,164	1,680
Adjusted ending Allstate common shareholders' equity	17,758	18,630	20,283	22,237	22,811	22,931	23,873	22,969
Average adjusted Allstate common shareholders' equity ³	\$ 20,185	\$ 20,781	\$ 22,078	\$ 22,603	\$ 23,839	\$ 22,740	\$ 23,144	\$ 22,321
Adjusted net income return on Allstate common shareholders' equity ⁴	(1.3) %	4.3 %	6.9 %	12.8 %	16.9 %	21.2 %	23.8 %	23.2 %

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

⁽²⁾ Excludes equity related to preferred stock of \$1.970 million at December 31, 2022, September 30, 2022, June 30, 2022, March 31, 2022, December 31, 2021 and September 30, 2021 and \$2.170 million at June 30, 2021 and March 31, 2021.

**The Allstate Corporation
Policies in Force**

	Dec. 31, 2022	Sept. 30, 2022	June 30, 2022	March 31, 2022	Dec. 31, 2021	Sept. 30, 2021	June 30, 2021	March 31, 2021
Policies in force statistics (in thousands) ⁽¹⁾								
Allstate Protection								
Auto	26,034	26,131	26,192	26,071	25,919	25,654	25,614	25,453
Homeowners	7,260	7,237	7,197	7,155	7,159	7,138	7,111	7,090
Other personal lines	4,536	4,930	4,919	4,894	4,866	4,848	4,816	4,774
Commercial lines	311	310	311	312	315	319	322	325
Total	<u>38,541</u>	<u>38,608</u>	<u>38,619</u>	<u>38,442</u>	<u>38,256</u>	<u>37,959</u>	<u>37,863</u>	<u>37,642</u>
Allstate brand								
Auto	21,658	21,853	21,979	21,968	21,972	21,951	21,920	21,824
Homeowners	6,622	6,599	6,566	6,536	6,525	6,496	6,459	6,427
National General								
Auto	4,376	4,278	4,213	4,103	3,944	3,703	3,694	3,629
Homeowners	638	638	631	629	634	642	652	663
Protection Services								
Allstate Protection Plans	138,726	134,700	137,292	139,952	141,073	141,809	139,453	133,510
Allstate Dealer Services	3,865	3,888	3,921	3,924	3,956	3,980	4,013	3,996
Allstate Roadside	531	523	519	518	525	533	539	540
Allstate Identity Protection	3,112	2,968	2,961	2,949	2,802	3,197	3,041	2,702
Total	<u>146,234</u>	<u>142,079</u>	<u>144,693</u>	<u>147,363</u>	<u>148,356</u>	<u>149,519</u>	<u>147,046</u>	<u>140,748</u>
Allstate Health and Benefits								
Total policies in force	<u>189,071</u>	<u>185,007</u>	<u>187,680</u>	<u>190,309</u>	<u>190,945</u>	<u>191,856</u>	<u>189,361</u>	<u>182,912</u>

⁽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.
- PIF does not reflect banking relationships for our lender-placed insurance products to customers including fire, home and flood products, as well as collateral protection insurance and guaranteed asset protection products for automobiles.
- Commercial lines PIF for shared economy agreements reflect contracts that cover multiple drivers as opposed to individual drivers.
- Allstate Roadside 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 represents active consumer product protection plans.
- Allstate Identity Protection reflects individual customer counts for identity protection products.
- Allstate Health and Benefits reflects certificate counts as opposed to group counts.

The Allstate Corporation
Property-Liability Results

(\$ in millions, except ratios)

	Three months ended				Twelve months ended					
	Dec. 31, 2022	Sept. 30, 2022	June 30, 2022	March 31, 2022	Dec. 31, 2021	Sept. 30, 2021	June 30, 2021	March 31, 2021	Dec. 31, 2021	Dec. 31, 2021
Premiums written	\$ 11,480	\$ 12,037	\$ 11,509	\$ 10,761	\$ 10,301	\$ 10,966	\$ 10,323	\$ 9,768	\$ 45,787	\$ 41,358
(Increase) decrease in unearned premiums	(87)	(852)	(599)	(258)	121	(672)	(312)	(280)	(1,776)	(1,143)
Other	(25)	(29)	(58)	(9)	(25)	(133)	(27)	408	(102)	239
Premiums earned	11,380	11,157	10,874	10,498	10,390	10,159	10,009	9,896	43,909	40,454
Other revenue	300	364	305	347	366	365	321	365	1,416	1,437
Claims and claims expense	(9,865)	(9,934)	(9,231)	(7,702)	(7,683)	(8,143)	(7,103)	(5,945)	(36,732)	(28,876)
Shelter-in-Place Payback expense	-	-	-	-	-	-	-	-	-	299
Amortization of deferred policy acquisition costs	(1,453)	(1,414)	(1,355)	(1,348)	(1,345)	(1,346)	(1,319)	(1,303)	(5,319)	(5,313)
Operating costs and expenses	(1,385)	(1,390)	(1,450)	(1,442)	(1,507)	(1,477)	(1,313)	(1,325)	(5,820)	(5,822)
Restructuring and related charges	(20)	(14)	2	(12)	(25)	(16)	(66)	(25)	44	(145)
Amortization of purchased intangibles	(82)	(61)	(59)	(58)	(76)	(75)	(71)	(125)	(240)	(241)
Underwriting income (loss) ⁽¹⁾	\$ (1,035)	\$ (1,292)	\$ (864)	\$ 280	\$ 113	\$ (534)	\$ 429	\$ 1,657	\$ (2,811)	\$ 1,665
Catastrophe losses	\$ (779)	\$ (763)	\$ (1,198)	\$ (482)	\$ (528)	\$ (1,269)	\$ (952)	\$ (990)	\$ (3,112)	\$ (3,339)
Claims expense excluding catastrophe expense ²	(701)	(678)	(651)	(621)	(642)	(683)	(558)	(653)	(2,852)	(2,316)
Operating ratios and reconciliations to underlying ratios										
Loss ratio	86.7	89.0	84.9	73.3	73.9	80.2	71.0	60.1	83.6	71.4
Effect of catastrophe losses	(8.9)	(6.8)	(10.2)	(4.4)	(5.1)	(12.5)	(9.5)	(6.0)	(7.1)	(8.3)
Effect of prior year non-catastrophe reserve reestimates	(2.5)	(7.8)	(3.8)	(1.5)	(1.8)	(1.8)	0.2	(0.1)	(3.9)	(0.8)
Underlying loss ratio ³	77.4	74.4	70.9	67.4	67.0	66.1	61.7	54.0	72.6	62.3
Expense ratio ⁴	22.4	22.6	23.0	24.0	25.0	25.1	24.7	23.2	23.0	24.5
Effect of amortization of purchased intangibles	(0.6)	(0.6)	(0.5)	(0.5)	(0.7)	(0.8)	(0.7)	(0.1)	(0.5)	(0.6)
Underlying expense ratio ⁵	21.8	22.0	22.5	23.5	24.3	24.3	24.0	23.1	22.5	23.9
Effect of advertising expense	(1.9)	(1.7)	(2.3)	(3.3)	(2.8)	(4.2)	(3.1)	(3.2)	(4.2)	(3.1)
Effect of restructuring and related charges	(0.1)	(0.1)	-	(0.1)	(0.3)	(0.1)	(0.6)	(0.1)	(0.1)	(0.4)
Effect of Coronavirus related expenses ⁶	-	-	-	-	-	-	(0.2)	-	-	(0.1)
Adjusted underlying expense ratio ⁷	20.4	20.2	20.2	20.1	21.1	21.0	20.1	19.6	20.2	20.3
Claims expense ratio excluding catastrophe expense ⁸	6.2	6.1	6.0	5.8	6.2	5.5	5.6	5.6	6.0	5.7
Adjusted expense ratio ⁹	20.6	20.3	20.2	20.9	27.3	26.5	25.7	25.2	26.2	26.0
Combined ratio	109.1	111.6	107.9	97.3	98.9	105.3	95.7	83.3	106.6	95.9
Effect of catastrophe losses	(8.8)	(6.8)	(10.2)	(4.4)	(5.1)	(12.5)	(9.5)	(6.0)	(7.1)	(8.3)
Effect of prior year non-catastrophe reserve reestimates	(2.5)	(7.8)	(3.8)	(1.5)	(1.8)	(1.8)	0.2	(0.1)	(3.9)	(0.8)
Effect of amortization of purchased intangibles	(0.9)	(0.6)	(0.5)	(0.5)	(0.7)	(0.8)	(0.7)	(0.1)	(0.5)	(0.6)
Underlying combined ratio ¹⁰	99.2	96.4	93.4	89.9	97.3	90.4	85.7	77.1	95.1	86.2
Effect of Run-off Property-Liability on combined ratio	-	1.1	-	-	-	1.2	-	0.1	0.3	0.3
⁽¹⁾ Underwriting income (loss)										
Allstate brand	\$ (990)	\$ (1,049)	\$ (825)	\$ 251	\$ 174	\$ (311)	\$ 414	\$ 1,515	\$ (2,613)	\$ 1,792
National General	(44)	(124)	(38)	29	(82)	(112)	15	138	(177)	(21)
Amwest Financial	1	5	2	2	2	2	7	8	14	14
Total underwriting income (loss) for Allstate Protection	(1,033)	(1,176)	(861)	282	115	(421)	431	1,660	(2,782)	1,785
Run-off Property-Liability	(2)	(122)	(3)	(2)	(2)	(113)	(2)	(29)	(129)	(120)
Total underwriting income (loss) for Property-Liability	\$ (1,035)	\$ (1,292)	\$ (864)	\$ 280	\$ 113	\$ (534)	\$ 429	\$ 1,657	\$ (2,811)	\$ 1,665
Other financial information										
Net investment income	\$ 494	\$ 632	\$ 508	\$ 558	\$ 804	\$ 710	\$ 931	\$ 673	\$ 2,190	\$ 3,118
Income tax (expense) benefit on operations	115	179	79	(175)	(195)	(28)	(283)	(475)	198	(979)
Net income (loss) attributable to noncontrolling interest, after-tax	(117)	(153)	(110)	(100)	(27)	(7)	6	60	(52)	(24)
Amortization of purchased intangibles	(82)	(61)	(59)	(58)	(76)	(75)	(71)	(19)	(240)	(241)

The Allstate Corporation Q422 Supplement

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The Allstate Corporation
Allstate Protection Profitability Measures

(\$ in millions, except ratios)

	Three months ended								Twelve months ended	
	Dec. 31, 2022	Sept. 30, 2022	June 30, 2022	March 31, 2022	Dec. 31, 2021	Sept. 30, 2021	June 30, 2021	March 31, 2021	Dec. 31, 2022	Dec. 31, 2021
Premiums written										
Auto ⁽¹⁾	\$ 7,774	\$ 7,860	\$ 7,470	\$ 7,562	\$ 6,864	\$ 7,171	\$ 6,818	\$ 7,012	\$ 30,666	\$ 27,865
Homeowners ⁽²⁾	2,928	3,286	3,133	2,401	2,680	3,004	2,722	2,083	11,748	10,489
Other personal lines	530	606	609	504	517	584	579	470	2,349	2,156
Commercial lines	248	285	297	294	260	207	204	197	1,124	848
Total	\$ 11,480	\$ 12,037	\$ 11,509	\$ 10,761	\$ 10,301	\$ 10,966	\$ 10,323	\$ 9,766	\$ 45,787	\$ 41,358
Net premiums earned										
Auto ⁽¹⁾	\$ 7,741	\$ 7,545	\$ 7,348	\$ 7,081	\$ 7,019	\$ 6,912	\$ 6,883	\$ 6,809	\$ 28,715	\$ 27,823
Homeowners ⁽²⁾	2,847	2,776	2,686	2,603	2,602	2,522	2,411	2,362	10,912	9,927
Other personal lines	543	640	545	531	532	621	519	505	2,159	2,077
Commercial lines	249	296	295	283	237	204	196	190	1,123	827
Total	\$ 11,380	\$ 11,157	\$ 10,874	\$ 10,498	\$ 10,390	\$ 10,159	\$ 10,009	\$ 9,896	\$ 43,909	\$ 40,654
Underwriting income (loss)										
Auto ⁽¹⁾	\$ (974)	\$ (1,315)	\$ (578)	\$ (147)	\$ (300)	\$ (158)	\$ 394	\$ 1,327	\$ (3,014)	\$ 1,282
Homeowners ⁽²⁾	212	245	(186)	410	335	(277)	(7)	288	681	319
Other personal lines	(107)	(10)	11	18	121	40	29	33	(88)	233
Commercial lines	(190)	(117)	(135)	(22)	(77)	(54)	(25)	(2)	(484)	(158)
Other business lines ⁽³⁾	25	24	25	21	33	27	27	27	98	115
Amort. Financial	1	3	2	2	3	2	2	1	8	14
Total	\$ (1,033)	\$ (1,170)	\$ (861)	\$ 282	\$ 115	\$ (421)	\$ 431	\$ 1,660	\$ (2,782)	\$ 1,785
Claims expense excluding catastrophe expense	\$ 699	\$ 675	\$ 650	\$ 619	\$ 641	\$ 590	\$ 556	\$ 552	\$ 2,643	\$ 2,309
Operating ratios and reconciliations to underlying ratios										
Loss ratio	86.7	88.0	84.9	73.3	73.9	79.0	71.0	60.0	83.3	71.1
Effect of catastrophe losses	(6.8)	(6.8)	(10.2)	(4.4)	(5.1)	(12.5)	(9.5)	(6.0)	(7.1)	(8.3)
Effect of prior year non-catastrophe reserve reestimates	(2.5)	(6.5)	(3.9)	(1.5)	(1.5)	(3.4)	0.2	-	(3.5)	(3.5)
Underlying loss ratio *	77.4	74.4	70.8	67.4	67.0	66.1	61.7	54.0	72.6	62.3
Expense ratio	22.4	22.5	23.0	24.0	25.0	25.1	24.7	23.2	23.0	24.5
Effect of amortization of purchased intangibles	(0.6)	(0.6)	(0.5)	(0.5)	(0.7)	(0.8)	(0.7)	(0.1)	(0.5)	(0.6)
Underlying expense ratio *	21.8	21.9	22.5	23.5	24.3	24.3	24.0	23.1	22.5	23.9
Effect of advertising expense	(1.3)	(1.7)	(2.3)	(3.3)	(2.9)	(3.2)	(3.1)	(3.2)	(2.2)	(3.1)
Effect of restructuring and related charges	(0.2)	(0.1)	-	(0.1)	(0.3)	(0.2)	(0.6)	(0.3)	(0.4)	(0.4)
Effect of Coronavirus related expenses	-	-	-	-	-	-	(0.2)	-	-	(0.1)
Adjusted underlying expense ratio *	20.1	20.1	20.2	20.1	21.1	20.9	20.1	19.6	20.2	20.3
Combined ratio	109.1	110.5	107.9	97.3	98.9	104.1	95.7	83.2	106.3	95.6
Underlying combined ratio *	99.2	96.3	93.4	90.9	91.3	90.4	85.7	77.1	95.1	86.2
Claims expense ratio excluding catastrophe expense	6.1	6.1	6.0	5.9	6.2	5.5	5.6	5.6	6.0	5.7

⁽¹⁾ 2021 results include certain National General commercial lines insurance products.

⁽²⁾ 2021 results include National General packaged policies, which include auto, and commercial lines insurance products.

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

	Three months ended December 31, 2022			Three months ended September 30, 2022		
	Number of locations ⁽¹⁾	Total brand (%) ⁽²⁾⁽³⁾	Location specific (%) ⁽⁴⁾	Number of locations	Total brand (%) ⁽³⁾	Location specific (%)
Allstate brand						
Auto	38	6.1	11.2	19	4.7	14.0
Homeowners	16	2.1	11.3	9	0.5	6.9
National General						
Auto	26	4.3	8.5	19	1.1	3.2
Homeowners	16	4.4	15.7	7	1.6	10.8
	Three months ended June 30, 2022			Three months ended March 31, 2022		
	Number of locations	Total brand (%) ⁽³⁾	Location specific (%)	Number of locations	Total brand (%) ⁽³⁾	Location specific (%)
Allstate brand						
Auto	30	2.5	8.7	28	3.6	9.3
Homeowners	13	0.7	5.4	17	1.4	4.8
National General						
Auto	19	2.7	6.0	24	1.9	4.6
Homeowners	10	0.7	6.5	4	1.2	8.3

⁽¹⁾ Refers to the number of U.S. states, the District of Columbia or Canadian provinces where rate changes have been implemented. Allstate brand operates in 50 states, the District of Columbia, and 5 Canadian provinces. National General operates in 50 states and the District of Columbia.

⁽²⁾ Represents the impact in the locations where rate changes were implemented during the period as a percentage of total brand prior year-end premiums written.

⁽³⁾ Total Allstate brand implemented auto insurance rate increases totaled \$1.48 billion in the fourth quarter of 2022, after implementing \$1.14 billion, \$601 million and \$862 million of rate increases in the third, second and first quarters of 2022, respectively.

⁽⁴⁾ Represents the impact in the locations where rate changes were implemented during the period as a percentage of its respective total prior year-end premiums written in those same locations.

The Allstate Corporation
Auto Profitability Measures

(\$ in millions, except ratios)

	Three months ended								Twelve months ended	
	Dec. 31, 2022	Sept. 30, 2022	June 30, 2022	March 31, 2022	Dec. 31, 2021	Sept. 30, 2021	June 30, 2021	March 31, 2021	Dec. 31, 2022	Dec. 31, 2021
Allstate Protection										
Premiums written	\$ 7,774	\$ 7,860	\$ 7,470	\$ 7,562	\$ 6,864	\$ 7,171	\$ 6,818	\$ 7,012	\$ 30,666	\$ 27,865
Net premiums earned	7,741	7,545	7,348	7,581	7,019	6,912	6,883	6,869	29,715	27,623
Underwriting income (loss)	(974)	(1,315)	(578)	(147)	(300)	(159)	394	1,327	(3,014)	1,262
Operating ratios and reconciliations to underlying ratios										
Loss ratio	90.6	95.3	84.9	77.6	78.9	76.9	68.7	57.2	67.2	70.5
Effect of catastrophe losses	(0.5)	(4.4)	(1.5)	(0.6)	(1.3)	(2.9)	(2.2)	(0.4)	(1.7)	(1.7)
Effect of prior year non-catastrophe reserve reestimates	(2.3)	(8.5)	(3.8)	(2.1)	(2.1)	(1.1)	0.4	0.2	(4.2)	(0.6)
Underlying loss ratio *	87.8	82.4	79.6	74.9	75.5	72.9	68.9	57.0	81.3	68.2
Expense ratio	22.0	22.1	23.0	24.5	25.4	25.4	25.6	23.3	22.9	24.9
Effect of amortization of purchased intangibles	(0.6)	(0.5)	(0.5)	(0.6)	(0.7)	(0.7)	(0.7)	(0.2)	(0.6)	(0.6)
Underlying expense ratio *	21.4	21.6	22.5	23.9	24.7	24.7	24.9	23.1	22.3	24.3
Combined ratio	112.6	117.4	107.9	102.1	104.3	102.3	94.3	80.5	110.1	95.4
Effect of catastrophe losses	(0.5)	(4.4)	(1.5)	(0.6)	(1.3)	(2.9)	(2.2)	(0.4)	(1.7)	(1.7)
Effect of prior year non-catastrophe reserve reestimates ("PYRR")	(2.3)	(8.5)	(3.8)	(2.1)	(2.1)	(1.1)	0.4	0.2	(4.2)	(0.6)
Effect of amortization of purchased intangibles ("APIA")	(0.6)	(0.5)	(0.5)	(0.6)	(0.7)	(0.7)	(0.7)	(0.2)	(0.6)	(0.6)
Underlying combined ratio *	109.2	104.0	102.1	98.8	100.2	97.6	91.8	80.1	103.6	92.5
Effect of Shelter-in-Place Payback expense on combined and expense ratios	—	—	—	—	—	—	0.4	—	—	0.1
Allstate brand										
Premiums written	\$ 6,560	\$ 6,704	\$ 6,374	\$ 6,308	\$ 5,937	\$ 6,153	\$ 5,952	\$ 6,060	\$ 25,946	\$ 24,102
Net premiums earned	6,544	6,416	6,253	6,073	6,029	6,009	6,036	6,014	25,286	24,988
Underwriting income (loss)	(909)	(1,222)	(878)	(137)	(296)	(123)	364	1,203	(2,946)	1,208
Combined ratio	113.9	119.0	109.2	102.3	103.9	102.0	94.0	80.0	111.3	95.0
Effect of catastrophe losses, non-catastrophe PYRR and APIA	(3.3)	(13.7)	(6.6)	(3.0)	(3.5)	(4.5)	(2.0)	(0.4)	(6.4)	(2.9)
Underlying combined ratio *	110.6	105.3	103.6	99.3	100.4	97.5	92.0	79.6	104.9	92.4
National General										
Premiums written	\$ 1,214	\$ 1,156	\$ 1,096	\$ 1,254	\$ 927	\$ 1,018	\$ 866	\$ 952	\$ 4,720	\$ 3,763
Net premiums earned	1,197	1,129	1,095	1,008	990	903	847	795	4,429	3,535
Underwriting income (loss)	(65)	(93)	-	(10)	(64)	(36)	30	124	(168)	54
Combined ratio	105.4	108.2	100.0	101.0	106.5	104.0	96.5	84.4	103.8	98.5
Effect of catastrophe losses, non-catastrophe PYRR and APIA ⁽¹⁾	(4.6)	(11.4)	(6.8)	(5.6)	(7.5)	(8.3)	(6.7)	(0.6)	(7.1)	(5.5)
Underlying combined ratio *	100.8	96.8	93.4	95.4	99.0	95.7	89.8	83.8	96.7	93.0

⁽¹⁾ Includes 2.7 points and 2.9 points in the fourth quarter and twelve months ended 2022, respectively, and 4.6 points and 4.1 points in the fourth quarter and twelve months ended 2021, respectively, related to the effect of amortization of purchased intangibles.

The Allstate Corporation
Auto Statistics

	Three months ended				Twelve months ended					
	Dec. 31, 2022	Sept. 30, 2022	June 30, 2022	March 31, 2022	Dec. 31, 2021	Sept. 30, 2021	June 30, 2021	March 31, 2021	Dec. 31, 2022	Dec. 31, 2021
New issued applications (in thousands) *										
Allstate Protection by brand										
Allstate brand	788	933	969	964	829	932	936	920	3,644	3,616
National General brand	639	648	672	718	504	516	495	542	2,677	2,657
Total	1,427	1,581	1,641	1,682	1,333	1,448	1,431	1,471	6,321	6,273
Allstate Protection by channel										
Exclusive agency channel	559	624	619	599	544	610	620	613	2,401	2,387
Direct channel	465	535	571	631	436	447	435	455	2,202	1,773
Independent agency channel	403	422	441	452	353	391	396	403	1,718	1,513
Total	1,427	1,581	1,631	1,682	1,333	1,448	1,451	1,471	6,321	6,273
Allstate brand										
Average premium - gross written * (\$)	698	667	644	626	610	604	600	607	659	605
Average premium - gross written * (% change year-over-year)	14.4	10.4	7.3	3.1	(1.8)	(2.7)	(2.0)	(1.5)	8.9	(1.9)
Average premium - net earned * (\$)	601	565	569	554	548	546	554	554	577	551
Average premium - net earned * (% change year-over-year)	9.7	6.8	2.7	-	(1.8)	(1.4)	0.2	0.5	4.7	(0.7)
Renewal ratio * (%)	86.0	87.0	87.5	87.5	87.2	87.1	86.7	86.7	87.0	87.0
Property damage gross claim frequency * (% change year-over-year)	6.2	3.5	7.1	18.4	21.5	19.5	47.3	(15.8)	8.2	13.0
Collision gross claim frequency (% change year-over-year)	1.8	0.1	5.1	15.1	21.9	21.4	49.5	(10.5)	5.0	17.8

The Allstate Corporation
Allstate Brand⁽¹⁾ Auto State Profitability

	Three months ended December 31, 2022			Three months ended September 30, 2022		
	Number of States ⁽²⁾	Total brand premium (%)	Location specific (%) ⁽³⁾	Number of States	Total brand premium (%)	Location specific (%)
Underlying combined ratio[*]						
<96	6	1.5	14.2	16	19.3	7.5
96-100	4	5.9	9.2	7	8.1	10.5
>100	41	92.6	11.5	28	72.6	15.6
	Three months ended June 30, 2022			Three months ended March 31, 2022		
	Number of States	Total brand premium (%)	Location specific (%)	Number of States	Total brand premium (%)	Location specific (%)
Underlying combined ratio[*]						
<96	17	15.0	10.8	28	26.8	5.8
96-100	11	21.6	8.8	8	10.7	10.0
>100	23	63.4	8.6	15	62.5	10.9

⁽¹⁾ Allstate brand excluding Esurance and Canada.

⁽²⁾ Reflects 50 U.S. states plus District of Columbia.

⁽³⁾ Represents the impact in the locations where rate changes were implemented during the period as a percentage of its respective total prior year-end premiums written in those same locations.

The Allstate Corporation
Homeowners Profitability Measures

(\$ in millions, except ratios)

	Three months ended				Twelve months ended					
	Dec. 31, 2022	Sept. 30, 2022	June 30, 2022	March 31, 2022	Dec. 31, 2021	Sept. 30, 2021	June 30, 2021	March 31, 2021	Dec. 31, 2020	Dec. 31, 2021
Allstate Protection										
Premiums written	\$ 2,628	\$ 3,296	\$ 3,133	\$ 2,401	\$ 2,680	\$ 3,004	\$ 2,722	\$ 2,083	\$ 11,748	\$ 10,489
Net premiums earned	2,847	2,776	2,886	2,653	2,652	2,552	2,411	2,382	10,912	9,927
Underwriting income (loss)	212	245	(188)	410	335	(277)	(7)	-268	681	-319
Operating ratios and reconciliations to underlying ratios										
Loss ratio	68.6	66.9	82.3	60.4	61.7	85.9	76.3	64.9	69.6	72.2
Effect of catastrophe losses	(21.1)	(14.1)	(34.3)	(14.8)	(16.6)	(38.0)	(30.3)	(20.7)	(21.1)	(26.3)
Effect of prior year non-catastrophe reserve reestimates	(0.7)	(1.9)	(1.7)	0.1	-	(0.6)	0.3	(0.2)	(1.0)	(0.2)
Underlying loss ratio⁽¹⁾	46.8	51.0	46.3	45.7	45.1	47.3	46.3	44.0	47.5	45.7
Expense ratio	24.0	24.3	24.6	23.8	25.4	25.1	24.0	23.9	24.2	24.6
Effect of amortization of purchased intangibles	(0.5)	(0.7)	(0.6)	(0.5)	(0.9)	(0.8)	(0.8)	(0.2)	(0.6)	(0.7)
Underlying expense ratio⁽¹⁾	23.5	23.6	24.0	23.3	24.5	24.3	23.2	23.7	23.6	23.9
Combined ratio	92.6	91.2	106.9	84.2	87.1	111.0	100.3	88.8	93.8	96.8
Effect of catastrophe losses	(21.1)	(14.1)	(34.3)	(14.8)	(16.6)	(38.0)	(30.3)	(20.7)	(21.1)	(26.3)
Effect of prior year non-catastrophe reserve reestimates ("PYRR")	(0.7)	(1.8)	(1.7)	0.1	-	(0.6)	0.3	(0.2)	(1.0)	(0.2)
Effect of amortization of purchased intangibles ("APIA")	(0.5)	(0.7)	(0.6)	(0.5)	(0.9)	(0.8)	(0.8)	(0.2)	(0.6)	(0.7)
Underlying combined ratio⁽¹⁾	70.3	74.6	70.3	69.0	69.6	71.6	69.5	67.7	71.1	69.6
New issued applications (in thousands)										
Allstate Protection by brand										
Allstate brand	221	267	263	235	225	259	258	220	986	962
National General brand	28	41	40	27	25	28	27	22	138	102
Total	249	308	303	262	250	287	285	242	1,122	1,064
Allstate Protection by channel										
Exclusive agency channel	184	219	222	201	194	225	226	195	828	860
Direct channel	20	24	27	23	22	24	22	16	84	84
Independent agency channel	45	65	54	38	34	38	37	31	202	140
Total	249	308	303	262	250	287	285	242	1,122	1,064
Allstate brand										
Premiums written	\$ 2,448	\$ 2,803	\$ 2,665	\$ 2,020	\$ 2,225	\$ 2,452	\$ 2,313	\$ 1,727	\$ 9,936	\$ 8,717
Net premiums earned	2,498	2,350	2,281	2,210	2,152	2,080	2,032	2,008	9,249	8,272
Underwriting income (loss)	197	268	(132)	368	350	(206)	7	292	791	411
Combined ratio	91.8	88.6	105.8	83.3	83.7	110.0	99.7	87.0	92.4	95.0
Effect of catastrophe losses, non-catastrophe PYRR and APIA	(23.7)	(18.0)	(38.8)	(16.8)	(17.9)	(42.5)	(33.1)	(23.7)	(23.8)	(29.2)
Underlying combined ratio⁽¹⁾	68.1	72.6	67.0	66.7	65.8	67.5	66.6	63.3	68.6	65.8
Average premium - gross written (\$)	1,668	1,635	1,590	1,554	1,489	1,443	1,404	1,300	1,614	1,426
Average premium - gross written (% change year-over-year)	12.0	13.3	13.2	14.3	11.0	8.2	6.0	3.8	13.2	7.4
Average premium - net earned (\$)	1,444	1,415	1,381	1,345	1,311	1,279	1,254	1,245	1,396	1,272
Average premium - net earned (% change year-over-year)	10.1	10.6	10.1	9.0	6.1	4.2	2.6	2.7	9.7	3.9
Renewal ratio (%)	86.7	87.4	86.9	86.2	87.0	87.1	87.3	87.0	86.8	87.1
Gross claim frequency (%)	(3.8)	(2.9)	(0.8)	(4.6)	1.4	3.4	10.4	19.3	(2.9)	8.3
Paid claim severity (%)	20.9	18.8	22.6	25.4	15.0	15.0	6.3	1.4	21.6	10.0
National General										
Premiums written	\$ 480	\$ 483	\$ 468	\$ 381	\$ 455	\$ 552	\$ 409	\$ 356	\$ 1,812	\$ 1,772
Net premiums earned	439	426	405	389	450	442	379	384	1,663	1,555
Underwriting income (loss)	15	(23)	(54)	42	(15)	(69)	(14)	6	(20)	(92)
Combined ratio	96.6	105.4	113.3	89.3	103.3	115.6	103.7	98.4	101.2	105.6
Effect of catastrophe losses, non-catastrophe PYRR and APIA ⁽¹⁾	(14.8)	(19.5)	(24.4)	(7.4)	(15.3)	(24.6)	(19.0)	(7.8)	(16.5)	(17.0)
Underlying combined ratio⁽¹⁾	81.8	85.9	88.9	81.9	88.0	91.0	84.7	90.6	84.7	88.6

⁽¹⁾ Includes 2.5 points and 2.9 points in the fourth quarter and twelve months ended 2022, respectively, and 4.6 points and 3.7 points in the fourth quarter and twelve months ended 2021, respectively, related to the effect of amortization of purchased intangibles.

The Allstate Corporation
Protection Services Segment Results

(\$ in millions)

	Three months ended												Twelve months ended	
	Dec. 31, 2022	Sept. 30, 2022	June 30, 2022	March 31, 2022	Dec. 31, 2021	Sept. 30, 2021	June 30, 2021	March 31, 2021	Dec. 31, 2021	Dec. 31, 2021	Dec. 31, 2021	Dec. 31, 2021	Dec. 31, 2021	
Protection Services														
Net premiums written	\$ 742	\$ 657	\$ 670	\$ 630	\$ 716	\$ 651	\$ 692	\$ 583	\$ 2,699	\$ 2,642				
Premiums earned	\$ 520	\$ 504	\$ 488	\$ 483	\$ 462	\$ 456	\$ 435	\$ 411	\$ 1,995	\$ 1,764				
Other revenue	76	64	91	94	91	85	88	90	347	354				
Intersegment insurance premiums and service fees	31	39	38	41	42	46	46	41	149	175				
Net investment income	14	13	12	9	11	10	12	10	48	43				
Claims and claims expense	(140)	(141)	(128)	(123)	(124)	(122)	(109)	(103)	(522)	(458)				
Amortization of deferred policy acquisition costs	(243)	(236)	(228)	(221)	(214)	(208)	(194)	(181)	(828)	(795)				
Operating costs and expenses	(229)	(214)	(213)	(215)	(227)	(209)	(203)	(196)	(874)	(837)				
Restructuring and related charges	(1)	(1)	-	-	(2)	1	(4)	(9)	(2)	(14)				
Income tax expense on operations	6	(13)	(16)	(12)	(9)	(16)	(15)	(12)	(25)	(52)				
Less: net income (loss) attributable to noncontrolling interest	(2)	-	1	-	1	-	-	-	(1)	1				
Adjusted net income⁽¹⁾	36	35	43	53	29	45	56	49	169	179				
Depreciation	6	6	6	6	6	7	7	8	24	28				
Restructuring and related charges	1	1	-	2	2	(1)	4	9	2	14				
Income tax expense on operations	(6)	12	16	12	8	16	15	12	35	52				
Adjusted earnings before taxes, depreciation and restructuring⁽¹⁾	36	55	65	71	46	67	82	78	230	273				
Allstate Protection Plans														
Net premiums written	\$ 570	\$ 452	\$ 456	\$ 429	\$ 519	\$ 439	\$ 467	\$ 388	\$ 1,907	\$ 1,813				
Premiums earned	\$ 346	\$ 330	\$ 318	\$ 313	\$ 296	\$ 295	\$ 279	\$ 269	\$ 1,307	\$ 1,132				
Revenue ⁽¹⁾	367	349	338	309	314	311	295	275	1,383	1,166				
Claims and claims expense	(84)	(82)	(82)	(77)	(80)	(77)	(70)	(66)	(345)	(293)				
Amortization of deferred policy acquisition costs	(134)	(129)	(123)	(119)	(113)	(109)	(100)	(91)	(555)	(413)				
Other costs and expenses ⁽¹⁾	(102)	(90)	(83)	(80)	(80)	(80)	(70)	(61)	(355)	(299)				
Restructuring and related charges	(1)	-	-	-	(1)	(2)	(2)	-	(1)	(5)				
Income tax expense on operations	4	(9)	(13)	(10)	(8)	(11)	(11)	(12)	(28)	(42)				
Less: net income (loss) attributable to noncontrolling interest	(2)	-	1	-	1	-	-	-	(1)	1				
Adjusted net income	42	29	36	43	23	32	42	45	150	142				
Allstate Dealer Services														
Revenue	\$ 145	\$ 143	\$ 139	\$ 135	\$ 135	\$ 129	\$ 130	\$ 123	\$ 562	\$ 517				
Adjusted net income	8	10	8	9	9	7	10	8	35	34				
Allstate Roadside														
Revenue	\$ 64	\$ 65	\$ 64	\$ 65	\$ 61	\$ 64	\$ 60	\$ 59	\$ 258	\$ 244				
Adjusted net income	3	1	1	2	-	2	2	4	7	7				
Arty														
Revenue	\$ 33	\$ 49	\$ 52	\$ 62	\$ 62	\$ 62	\$ 64	\$ 64	\$ 196	\$ 202				
Adjusted net income (loss)	(7)	(2)	(1)	(1)	(1)	1	1	2	(1)	3				
Allstate Identity Protection														
Revenue	\$ 34	\$ 34	\$ 36	\$ 36	\$ 34	\$ 31	\$ 32	\$ 31	\$ 140	\$ 128				
Adjusted net income (loss)	(8)	(3)	(1)	-	(2)	4	1	(10)	(12)	(7)				

⁽¹⁾ Adjusted net income is the GAAP segment measure.

The Allstate Corporation
Allstate Health and Benefits Segment Results and Other Statistics

(\$ in millions)

	Three months ended				Twelve months ended					
	Dec. 31, 2022	Sept. 30, 2022	June 30, 2022	March 31, 2022	Dec. 31, 2021	Sept. 30, 2021	June 30, 2021	March 31, 2021	Dec. 31, 2022	Dec. 31, 2021
Allstate Health and Benefits										
Premiums	\$ 405	\$ 433	\$ 437	\$ 438	\$ 429	\$ 436	\$ 421	\$ 428	\$ 1,713	\$ 1,714
Contract charges	30	30	29	31	30	24	26	27	120	107
Other revenue ⁽¹⁾	125	90	92	95	111	85	83	80	402	399
Net investment income	19	17	16	17	18	19	19	19	89	74
Accident, health and other policy benefits	(260)	(263)	(268)	(269)	(278)	(277)	(252)	(242)	(1,061)	(1,049)
Amortization of deferred policy acquisition costs	(36)	(32)	(36)	(43)	(43)	(39)	(32)	(39)	(147)	(144)
Operating costs and expenses	(220)	(207)	(185)	(202)	(205)	(206)	(186)	(160)	(814)	(757)
Restructuring and related charges	(1)	1	(2)	-	(8)	(8)	(1)	-	(2)	(9)
Income tax expense on operations	(12)	(15)	(17)	(14)	(14)	(9)	(16)	(19)	(58)	(57)
Adjusted net income^a	\$ 50	\$ 54	\$ 65	\$ 53	\$ 56	\$ 33	\$ 52	\$ 65	\$ 222	\$ 258
Interest credited to contractholder funds	(8)	(8)	(9)	(8)	(9)	(8)	(8)	(9)	(33)	(34)
Benefit ratio^a	57.9 %	55.1 %	55.8 %	55.7 %	58.8 %	58.5 %	54.6 %	51.2 %	56.1 %	55.7 %
Premiums and contract charges										
Employer voluntary benefits ^a	\$ 256	\$ 257	\$ 257	\$ 266	\$ 262	\$ 251	\$ 255	\$ 263	\$ 1,036	\$ 1,031
Group health ^a	100	96	95	94	90	87	83	83	385	350
Individual health ^a	79	110	114	139	107	119	135	109	412	440
Total	\$ 435	\$ 463	\$ 466	\$ 499	\$ 459	\$ 460	\$ 477	\$ 455	\$ 1,833	\$ 1,821

⁽¹⁾ Reflects commission revenue, administrative fees, agency fees and technology fees from the group health and individual health business.

The Allstate Corporation
Corporate and Other Segment Results

(\$ in millions)

	Three months ended								Twelve months ended	
	Dec. 31, 2022	Sept. 30, 2022	June 30, 2022	March 31, 2022	Dec. 31, 2021	Sept. 30, 2021	June 30, 2021	March 31, 2021	Dec. 31, 2022	Dec. 31, 2021
Other revenue	\$ 23 ⁽¹⁾	\$ 23	\$ 25	\$ 24	\$ 19	\$ 1	\$ 2	\$ -	\$ 95 ⁽¹⁾	\$ 22
Net investment income	30	28	28	10	14	28	12	41	96	58
Operating costs and expenses	(83)	(85)	(75)	(59)	(37)	(41)	(28)	(32)	(262)	(156)
Restructuring and related charges	(2)		(1)		9	(1)		(10)	(3)	(2)
Interest expense	(8)	(83)	(83)	(83)	(83)	(85)	(81)	(86)	(338)	(326)
Income tax benefit on operations	24	19	26	23	19	23	26	26	92	90
Preferred stock dividends	(26)	(26)	(27)	(26)	(27)	(26)	(27)	(27)	(105)	(114)
Adjusted net loss [*]	\$ (100)	\$ (104)	\$ (107)	\$ (111)	\$ (103)	\$ (88)	\$ (112)	\$ (123)	\$ (422)	\$ (433)

⁽¹⁾ Excludes \$83 million related to the gain on sale of headquarters in the fourth quarter of 2022 reported as other revenue.

The Allstate Corporation
Investment Position and Results

(\$ in millions)	As of or for the three months ended										As of or for the twelve months ended	
	Dec. 31, 2021	Sept. 30, 2021	June 30, 2021	March 31, 2021	Dec. 31, 2020	Sept. 30, 2020	June 30, 2020	March 31, 2020	Dec. 31, 2019	Dec. 31, 2019		
Investment position												
Fixed income securities, at fair value	\$ 42,485	\$ 41,715	\$ 41,282	\$ 40,745	\$ 42,138	\$ 39,989	\$ 42,825	\$ 42,594	\$ 42,485	\$ 42,138		
Equity securities *	4,567	4,723	4,681	5,315	7,061	3,857	3,154	4,567	4,567	7,061		
Mortgage loans, net	762	823	848	856	821	752	786	902	762	821		
Limited partnership interests *	8,114	7,907	7,943	7,977	8,018	7,578	7,073	6,307	8,114	8,018		
Short-term, at fair value	4,173	4,020	4,384	4,344	4,009	4,428	5,516	6,017	4,173	4,009		
Other investments, net	1,729	1,788	1,917	2,532	2,656	3,286	3,311	3,042	1,729	2,656		
Total	\$ 61,826	\$ 61,006	\$ 61,056	\$ 61,759	\$ 64,703	\$ 61,849	\$ 62,579	\$ 60,076	\$ 61,826	\$ 64,703		
Net investment income												
Fixed income securities	\$ 306	\$ 323	\$ 299	\$ 287	\$ 278	\$ 279	\$ 290	\$ 301	\$ 1,255	\$ 1,148		
Equity securities	32	30	34	36	49	24	13	14	132	100		
Mortgage loans	8	8	9	8	12	9	12	10	33	43		
Limited partnership interests	144	325	224	292	506	436	651	378	985	1,973		
Short-term investments	40	30	10	2	2	1	1	1	82	5		
Other investments	42	38	42	40	56	50	48	41	162	195		
Investment income, before expense	632	756	618	646	863	807	1,015	742	2,549	2,464		
Investment expense	(70)	(64)	(58)	(51)	(58)	(57)	(51)	(37)	(248)	(171)		
Net investment income	\$ 562	\$ 692	\$ 560	\$ 595	\$ 805	\$ 750	\$ 964	\$ 705	\$ 2,301	\$ 3,293		
Pre-tax yields on fixed income securities *	3.2 %	2.9 %	2.8 %	2.8 %	2.8 %	2.8 %	2.9 %	3.1 %	2.9 %	2.9 %		
Net gains (losses) on investments and derivatives, pre-tax by transaction type												
Sales	\$ (227)	\$ (175)	\$ (303)	\$ (127)	\$ 137	\$ 80	\$ 115	\$ 246	\$ (832)	\$ 578		
Credit losses	(54)	(8)	(13)	(11)	(44)	(2)	12	2	(54)	(42)		
Valuation change of equity investments	267	(205)	(888)	(447)	178	(8)	163	167	(1,060)	498		
Valuation change and settlements of derivatives	(15)	299	272	318	(5)	46	(3)	11	874	49		
Total	\$ 95	\$ (169)	\$ (732)	\$ (267)	\$ 265	\$ 105	\$ 287	\$ 426	\$ (1,072)	\$ 1,084		
Total return on investment portfolio *												
Net investment income	0.9 %	1.1 %	0.9 %	0.9 %	1.3 %	1.2 %	1.6 %	1.2 %	3.9 %	5.3 %		
Valuation interest bearing	1.0	(1.4)	(2.6)	(3.1)	(0.5)	(0.2)	0.7	(1.8)	(8.2)	(1.8)		
Valuation-equity investments	0.6	(0.5)	(1.1)	(0.8)	0.3	—	0.3	0.4	(1.7)	0.9		
Total	2.5 %	(0.8) %	(2.8) %	(2.8) %	1.1 %	1.0 %	2.6 %	(0.2) %	(4.0) %	4.4 %		
Fixed income securities portfolio duration * (in years)	3.6	3.6	3.8	3.8	4.2	4.8	4.6	4.8				
Fixed income securities portfolio duration including interest rate derivative positions (in years)	3.4	3.0	3.2	3.1	3.8	4.6	4.6	4.9				

The Allstate Corporation
Investment Position and Results by Strategy

(\$ in millions)	As of or for the three months ended								As of or for the twelve months ended	
	Dec. 31, 2022	Sept. 30, 2022	June 30, 2022	March 31, 2022	Dec. 31, 2021	Sept. 30, 2021	June 30, 2021	March 31, 2021	Dec. 31, 2022	Dec. 31, 2021
Investment Position										
Market-based ⁽¹⁾										
Interest-bearing investments ⁽²⁾	\$ 45,114	\$ 47,364	\$ 47,457	\$ 47,480	\$ 49,589	\$ 49,306	\$ 51,367	\$ 49,422	\$ 48,114	\$ 48,589
Equity securities	4,112	4,283	4,259	4,915	6,689	3,455	2,676	2,787	4,112	6,689
LP and other alternative investments ⁽²⁾	519	499	485	368	486	486	317	286	519	806
Total	\$ 50,756	\$ 52,116	\$ 52,201	\$ 52,763	\$ 56,664	\$ 53,247	\$ 54,360	\$ 52,507	\$ 52,745	\$ 56,084
Performance-based ⁽²⁾										
Private equity ⁽¹⁾	\$ 6,965	\$ 6,980	\$ 6,996	\$ 6,843	\$ 6,726	\$ 6,589	\$ 6,327	\$ 5,702	\$ 6,965	\$ 6,726
Real estate	2,119	1,910	1,955	1,882	1,802	1,924	1,983	1,967	2,119	1,882
Total	\$ 9,084	\$ 8,890	\$ 8,954	\$ 8,625	\$ 8,528	\$ 8,513	\$ 8,210	\$ 7,569	\$ 9,084	\$ 8,610
Investment Income										
Market-based										
Interest-bearing investments	\$ 432	\$ 376	\$ 336	\$ 298	\$ 316	\$ 319	\$ 330	\$ 331	\$ 1,440	\$ 1,296
Equity securities	34	25	29	26	45	17	17	15	114	94
LP and other alternative investments	-	5	4	3	4	17	9	9	12	39
Investment income, before expense	466	406	369	327	365	353	356	355	1,566	1,429
Investee level expenses	(92)	(4)	(1)	(2)	(2)	(1)	(1)	(1)	(9)	(5)
Income for yield calculation	\$ 364	\$ 402	\$ 368	\$ 325	\$ 363	\$ 352	\$ 355	\$ 354	\$ 1,557	\$ 1,424
Pre-tax yield	3.3 %	2.9 %	2.7 %	2.4 %	2.7 %	2.7 %	2.7 %	2.8 %	2.8 %	2.8 %
Performance-based										
Private equity	\$ 110	\$ 311	\$ 129	\$ 248	\$ 378	\$ 400	\$ 552	\$ 330	\$ 798	\$ 1,660
Real estate	56	37	120	72	160	48	107	60	285	375
Investment income, before expense	166	348	249	320	538	448	659	390	1,083	2,035
Investee level expenses	(19)	(13)	(13)	(14)	(22)	(11)	(10)	(12)	(50)	(53)
Income for yield calculation	\$ 147	\$ 335	\$ 236	\$ 306	\$ 516	\$ 437	\$ 649	\$ 378	\$ 1,034	\$ 1,982
Pre-tax yield	6.5 %	15.2 %	10.7 %	14.1 %	24.2 %	21.0 %	33.0 %	20.7 %	11.6 %	24.8 %
Total return on investments portfolio										
Market-based	2.8 %	(1.5) %	(3.7) %	(3.8) %	0.4 %	0.3 %	1.7 %	(1.1) %	(6.2) %	1.3 %
Performance-based	0.8	3.6	3.1	4.0	6.1	5.7	8.6	6.3	11.6	26.3
Internal rate of return ⁽³⁾ ⁽⁴⁾										
Performance-based										
10 year	12.9 %	13.0 %	13.0 %	13.0 %	12.9 %	12.4 %	12.1 %	11.7 %		
5 year	13.1	13.3	14.1	13.9	13.9	13.2	12.1	10.8		
3 year	15.7	14.9	15.2	15.0	14.0	12.4	10.7	8.5		
1 year	11.2	17.4	24.8	27.7	32.6	31.4	27.3	11.1		

(1) Includes infrastructure investments of \$1.05 billion as of December 31, 2022.
(2) 2021 calculations are based on consolidated results including held for sale 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 used by other companies and therefore comparability may be limited.

Adjusted net income is net income (loss) applicable to common shareholders, excluding:

- Net gains and losses on investments and derivatives
- Pension and other postretirement rereasurement gains and losses
- Business combination expenses and the amortization or impairment of purchased intangibles
- Income or loss from discontinued operations
- Gain or loss on disposition
- 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
- Related income tax expense or benefit of these items

Net income (loss) 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 net gains and losses on investments and derivatives, pension and other postretirement rereasurement gains and losses, business combination expenses and the amortization or impairment of purchased intangibles, income or loss from discontinued operations, gain or loss on disposition and adjustments for other significant non-recurring, infrequent or unusual items and the related tax expense or benefit of these items. Net gains and losses on investments and derivatives, pension and other postretirement rereasurement gains and losses 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. Business combination expenses, income or loss from discontinued operations and gain or loss on disposition 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 (loss) 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 (loss) 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 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 prior 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 (loss) applicable to common shareholders and does not reflect the overall profitability of our business. A reconciliation of adjusted net income to net income (loss) applicable to common shareholders is provided in the schedule, "Contribution to Income".

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 non-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 our underlying 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 Protection Profitability Measures", "Auto Profitability Measures" and "Homeowners Profitability Measures".

Underlying expense ratio is a non-GAAP ratio, which is computed as the difference between the expense ratio and the effect of amortization or impairment of purchased intangibles on the expense ratio. We believe that the measure provides investors with a valuable measure of ongoing performance because it reveals trends that may be obscured by the amortization or impairment of purchased intangible assets. Amortization or impairment of purchased intangible assets is excluded because it relates to the acquisition purchase price and is not indicative of our business results or trends. We believe it is useful for investors to evaluate these components separately and in the aggregate when reviewing our underlying performance. The most directly comparable GAAP measure is the expense ratio. The underlying expense ratio should not be considered a substitute for the expense ratio and does not reflect the overall expense ratio of our business. A reconciliation of underlying expense ratio is provided in the schedules "Property-Liability Results", "Allstate Protection Profitability Measures", "Auto Profitability Measures" and "Homeowners Profitability Measures".

Adjusted underlying expense ratio is a non-GAAP ratio, which is computed as the difference between the expense ratio and the effect of advertising expense, restructuring and related charges, amortization or impairment of purchased intangibles and Coronavirus related expenses on the expense ratio. We believe that the measure provides investors with a valuable measure of ongoing performance because it reveals trends that may be obscured by the advertising expense, restructuring and related charges, amortization or impairment of purchased intangibles and Coronavirus related expenses. Advertising expense is excluded as it may vary significantly from period to period based on business decisions and competitive position. Restructuring and related charges are excluded because these items are not indicative of our business results or trends. Coronavirus related expenses are excluded because these items are related to programs offered during the peak of the pandemic that are no longer available. Amortization or impairment of purchased intangible assets is excluded because it relates to the acquisition purchase price. These are not indicative of our business results or trends. A reduction in expenses enables investment flexibility that can drive growth. We believe it is useful for investors to evaluate these components separately and in the aggregate when reviewing our underlying performance. The most directly comparable GAAP measure is the expense ratio. The adjusted underlying expense ratio should not be considered a substitute for the expense ratio and does not reflect the overall expense ratio of our business.

Adjusted expense ratio is a non-GAAP ratio, which is computed as the combination of the adjusted underlying expense ratio and claims expense ratio excluding catastrophe expense. We believe it is useful for investors to evaluate this ratio which is linked to a long-term expense ratio improvement commitment through 2024. The most directly comparable GAAP measure is the expense ratio. The adjusted expense ratio should not be considered a substitute for the expense ratio and does not reflect the overall expense ratio of our business.

Underlying combined ratio is a non-GAAP ratio, which is the sum of the underlying loss and underlying expense ratios. 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. We believe it is useful for investors to evaluate these components separately and in the aggregate when reviewing our underlying performance. 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 underlying profitability of our business. A reconciliation of the underlying combined ratio to combined ratio is provided in the schedule "Property-Liability Results", "Auto Profitability Measures" and "Homeowners Profitability Measures".

Definitions of Non-GAAP Measures (continued)

Protection Services adjusted earnings before taxes, depreciation and restructuring, is a non-GAAP measure, which is computed as adjusted net income (loss), excluding taxes, depreciation and restructuring. Adjusted net income (loss) is the GAAP measure that is most directly comparable to adjusted earnings before taxes, depreciation and restructuring. We use adjusted earnings before taxes, depreciation and restructuring, as an important measure to evaluate Protection Services' results of operations. We believe that the measure provides investors with a valuable measure of Protection Services' ongoing performance because it reveals trends that may be obscured by the taxes, depreciation and restructuring expenses. Taxes, depreciation and restructuring are excluded because these are not directly attributable to the underlying operating performance of Protection Services' segment. Adjusted earnings before taxes, depreciation and restructuring highlights the results from ongoing operations and the underlying profitability of our business and is used by management along with the other components of adjusted net income (loss) to assess our performance. We believe it is useful for investors to evaluate adjusted net income (loss), adjusted earnings before taxes, depreciation and restructuring, and their components separately and in the aggregate when reviewing and evaluating Protection Services segment's performance. Adjusted earnings before taxes, depreciation and restructuring should not be considered a substitute for adjusted net income (loss) and does not reflect the overall profitability of our business. A reconciliation of adjusted net income (loss) to adjusted earnings before taxes, depreciation and restructuring, is provided in the schedule, "Protection Services Segment Results".

Adjusted net income return on Allstate 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 Allstate 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 Allstate 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 Allstate common shareholders' equity excluding the effect of unrealized net capital gains and losses for the denominator as a representation of common shareholders' equity primarily applicable to Allstate'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 (loss) applicable to common shareholders and return on Allstate 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 Allstate 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 Allstate 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 Allstate common shareholders' equity in incentive compensation. Therefore, we believe it is useful for investors to have adjusted net income return on Allstate common shareholders' equity and return on Allstate 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. Adjusted net income return on Allstate common shareholders' equity should not be considered a substitute for return on Allstate common shareholders' equity and does not reflect the overall profitability of our business. A reconciliation of return on Allstate common shareholders' equity and adjusted net income return on Allstate common shareholders' equity can be found in the schedule, "Return on Allstate Common Shareholders' 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 Allstate common shareholders' equity after excluding the impact of unrealized net capital gains and losses on fixed income securities and related DAC 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 applicable to management efforts between periods. We believe the non-GAAP ratio is useful to investors because it eliminates the effect of items that can 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, and 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 unrealized 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 recorded 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 and Debt to Capital".

Glossary

Consolidated Operations

Accident and health insurance premiums and contract charges are reported in the Alstate Health and Benefits segment and include employer voluntary benefits, group health and individual health products.

Adjusted net income is the GAAP segment measure used for the Protection Services, Alstate Health and Benefits, and Corporate and Other segments.

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

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.

Property and casualty insurance premiums are reported in the Alstate Protection and Protection Services segments and include auto, homeowners, other personal lines and commercial lines insurance products, as well as consumer product protection plans, roadside assistance and finance and insurance products.

Property-Liability

Average premium - gross written: Gross premiums written divided by issued term 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 accounts. Average premiums represent the appropriate policy term for each line, which is generally 6 months for auto and 12 months for homeowners.

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 accounts. Average premiums represent the appropriate policy term for each line, which is 6 months for auto and 12 months for homeowners.

Claims expense ratio excluding catastrophic expenses: Incurred loss adjustment expenses, net of reinsurance, excluding expenses related to catastrophes. These expenses are embedded within the loss ratio.

Contractual related expenses includes either in-place payback and special payment plan bad debt expenses.

Expense ratio: Other revenue is deducted from other costs and expenses in the expense ratio calculation.

Gross claim frequency is calculated as annualized notice counts, excluding counts associated with catastrophe events, received in the period divided by the average of policies in force with the applicable coverage during the period. It 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). The percent change in gross claim frequency is calculated as the amount of increase or decrease in the gross claim frequency in the current period compared to the same period in the prior year, divided by the prior year gross claim frequency.

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 Alstate Protection brand. Alstate brand includes automobiles added by existing customers when they exceed the number allowed (currently 10) in a policy.

Other business lines primarily represent commissions earned and other costs and expenses for heritage and non-proprietary life and annuity products.

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 claim severity.

Renewal ratio: Renewal policy item counts issued during the period, based on contract effective dates, divided by the total policy item counts issued generally 6 months prior for auto or 12 months prior for homeowners.

Protection Services

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

Revenue may include net premiums earned, intersegment insurance premiums and service fees, other revenue, revenue earned from external customers and net investment income.

Alstate Health and Benefits

Benefit ratio is accident, health and other policy benefits less interest credited to contractholder funds, divided by premiums and contract charges.

Employer voluntary benefits includes supplemental life and health products offered through workplace enrollment.

Group health includes health products and administrative services sold to employers.

Individual health includes short-term medical and other health products sold directly to individuals.

Investments

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

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

Interest-bearing investments comprise fixed income securities, mortgage loans, short-term investments, and other investments including bank loans and derivatives.

Internal rate of return 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 at 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 values, 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.

Limited partnership interests: Income from equity method of accounting LP is generally recognized on a three-month delay due to the availability of the investee financial statements.

LP and other investments comprise limited partnership interests and other alternative investments, including real estate investments classified as other investments. Market-based investments include publicly traded equity securities classified as limited partnerships.

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.

Performance-based strategy seeks to deliver attractive risk-adjusted returns and supplement market risk with idiosyncratic risk primarily through investments in private equity, including infrastructure investments, and real estate, most of which were limited partnerships.

Pre-tax yield: 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 investments is net of investee level expenses (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.

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

