

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 2, 2022
THE ALLSTATE CORPORATION
(Exact name of registrant as specified in its charter)

Delaware
(State or other
jurisdiction of incorporation)

1-11840
(Commission
File Number)

36-3871531
(IRS Employer
Identification No.)

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

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

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

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 144-12 under the Exchange Act (17 CFR 240.144-12)
- Pre-commencement communications pursuant to Rule 144-2(b) under the Exchange Act (17 CFR 240.144-2(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 2, 2022, announcing its financial results for the fourth quarter of 2021, and the Registrant's fourth quarter 2021 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 2, 2022](#)
- 99.2 [Fourth quarter 2021 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 2, 2022



FOR IMMEDIATE RELEASE

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Allstate Advances Strategic Priorities
 Simultaneously addressing loss cost inflation

NORTHBROOK, Ill., February 2, 2022 – The Allstate Corporation (NYSE: ALL) today reported financial results for the fourth quarter of 2021.

The Allstate Corporation Consolidated Highlights						
(\$ in millions, except per share data and ratios)	Three months ended December 31,			Twelve months ended December 31,		
	2021	2020	% / pts Change	2021	2020	% / pts Change
Consolidated revenues	\$ 13,011	\$ 10,962	18.7 %	\$ 50,588	\$ 41,909	20.7 %
Net income applicable to common shareholders	790	2,598	(69.6)	1,485	5,461	(72.8)
per diluted common share	2.73	8.45	(67.7)	4.96	17.31	(71.3)
Adjusted net income*	796	1,592	(50.0)	4,033	4,510	(10.6)
per diluted common share*	2.75	5.18	(46.9)	13.48	14.29	(5.7)
Return on Allstate common shareholders' equity (trailing twelve months)						
Net income applicable to common shareholders				5.8 %	21.0 %	(15.2)
Adjusted net income*				16.9 %	19.2 %	(2.3)
Common shares outstanding (in millions)				280.6	304.2	(7.8)
Book value per common share				81.52	91.50	(10.9)
Property-Liability combined ratio						
Recorded	98.9	84.0	14.9	95.9	87.6	8.3
Underlying combined ratio*	91.3	79.1	12.2	86.2	79.4	6.8
Property-Liability insurance premiums earned	10,390	8,884	17.0	40,454	35,580	13.7
Catastrophe losses	528	424	24.5	3,339	2,811	18.8
Shelter-in-Place Payback expense	—	—	—	29	948	(96.9)
Total policies in force (in thousands)				190,945	173,871	9.8

* 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.

"We made significant progress on strategic initiatives in 2021," said Tom Wilson, Chair, President and CEO of The Allstate Corporation. "The life and annuities businesses were divested for \$4.4 billion. The \$4.0 billion acquisition of National General increased auto insurance market share, lowered costs and created a strong independent agent platform. It also provided growth platforms for the Health and Benefits business and expanded Arity's marketing services. Allstate Protection Plans expanded relationships with retailers, and into appliance and furniture protection. The transformation of Allstate's personal property-liability business model made significant progress which will create higher growth by reducing expenses, expanding customer access and using technology to provide affordable, simple and connected protection."

"These strategic actions position Allstate for sustainable growth while addressing the inflationary impact on auto insurance prices and returns," continued Wilson. "Fourth quarter revenues were 18.7% above the prior year,

reflecting about a 1 percentage point increase in auto insurance market share, increased investment income and growth in protection plans. Revenues for the full year were \$50.6 billion, 20.7% above the prior year, largely reflecting a 9.8% increase in policies in force and higher investment income. Net income was \$790 million as excellent results from homeowners insurance and performance-based investments were partially offset by lower auto insurance underwriting income. We are adapting to higher auto claim costs by raising premiums with Allstate brand implemented rate increases in the quarter at 2.9% of countrywide premiums, reducing expenses and managing loss costs. Adjusted net income* was \$796 million (\$2.75 per diluted common share) for the fourth quarter and \$4.0 billion (\$13.48 per diluted common share) for the full year 2021. At the same time, the common stock dividend was increased by 50% last year, and there are 7.8% fewer common shares outstanding at the end of the year," concluded Wilson.

Full Year 2021 Highlights

- Allstate delivered on the 2021 Operating Priorities, which focus on both near-term performance and long-term value creation.
 - **Better Serve Customers:** Allstate made substantial progress in advancing Transformative Growth initiatives in 2021, including improving the competitive price position in auto insurance through continued cost reductions and pricing sophistication. Distribution was expanded with increased sales through Allstate's direct channel and National General's independent agent relationships.
 - **Grow Customer Base:** Consolidated policies in force grew to 190.9 million in 2021, a 9.8% increase compared to prior year. Property-Liability policies in force increased by 13.7%, driven by expanded customer access from the acquisition of National General and Allstate brand growth. Protection Services policies in force grew to 148.4 million, an 8.9% increase to the prior year, driven by continued expansion in Allstate Protection Plans.
 - **Achieve Target Returns on Capital:** Adjusted net income return on shareholders' equity* was 16.9% in 2021, reflecting increased net investment income from strong performance-based results. The Property-Liability combined ratio of 95.9 for the full year increased compared to the prior year, primarily due to higher auto losses. Allstate is responding to higher severity through auto insurance rate increases, ongoing cost reductions and claims loss cost management.
 - **Proactively Manage Investments:** Net investment income of \$3.3 billion in 2021 exceeded prior year by \$1.7 billion due to exceptional performance-based results. Total return on the \$64.7 billion investment portfolio was 4.4% in 2021, reflecting higher performance-based income and equity returns, partially offset by fixed income valuation declines.
 - **Build Long-Term Growth Platforms:** Allstate completed the divestiture of the life and annuity businesses in the fourth quarter. National General is meeting or exceeding acquisition performance targets. Protection Services has increased revenues, particularly Protection Plans, Dealer Services and Identity Protection. Arity expanded its telematics and marketing services with LeadCloud, Transparently and Arity IQ.

Fourth Quarter 2021 Results

- Total revenues of \$13.0 billion in the fourth quarter of 2021 increased 18.7% compared to the prior year quarter, reflecting higher revenues from the National General acquisition and increased net investment income. Protection Services revenues also increased, reflecting growth at Allstate Protection Plans.
- Net income applicable to common shareholders of \$790 million in the fourth quarter of 2021 decreased \$1.8 billion compared to the prior year quarter, primarily driven by lower underwriting income, partially offset by higher net investment income.
- Adjusted net income* of \$796 million, or \$2.75 per diluted share, was below the \$1.6 billion generated in the prior year quarter. The decrease reflects higher non-catastrophe losses, unfavorable non-catastrophe reserve reestimates and increased catastrophe losses, partially offset by higher earned premiums.

Property-Liability Results						
(\$ in millions, except ratios)	Three months ended December 31,			Twelve months ended December 31,		
	2021	2020	% / pts Change	2021	2020	% / pts Change
Premiums written	\$ 10,301	\$ 8,609	19.7 %	\$ 41,358	\$ 35,768	15.6 %
Allstate Brand	8,884	8,382	6.0	35,668	34,796	2.5
National General	1,417	227	NM	5,690	972	NM
Underwriting income (loss)	113	1,423	(92.1)	1,665	4,425	(62.4)
Allstate Brand	174	1,414	(87.7)	1,792	4,491	(60.1)
National General	(62)	12	NM	(21)	75	(128.0)
Recorded combined ratio	98.9	84.0	14.9	95.9	87.6	8.3
Allstate Protection auto	104.3	85.5	18.8	95.4	86.0	9.4
Allstate Protection homeowners	87.1	78.5	8.6	96.8	90.0	6.8
Underlying combined ratio*	91.3	79.1	12.2	86.2	79.4	6.8
Allstate Protection auto	100.2	84.9	15.3	92.5	85.1	7.4
Allstate Protection homeowners	69.6	61.5	8.1	69.6	62.3	7.3

NM = not meaningful

- **Property-Liability** written premium of \$10.3 billion increased 19.7% in the fourth quarter of 2021 compared to the prior year quarter, driven by the addition of National General and Allstate brand growth. The recorded combined ratio of 98.9 generated underwriting income of \$113 million compared to \$1.4 billion in the fourth quarter of 2020. The 2020 results reflected low auto accident frequency related to the effects of the pandemic.
 - Decreased underwriting income was primarily driven by higher non-catastrophe losses in auto and homeowners insurance and increased non-catastrophe prior year reserve reestimates, partially offset by higher premiums earned. Prior year reserve strengthening of \$187 million reflects unfavorable loss development in auto insurance casualty coverages and shared economy business within commercial lines, increasing the combined ratio by 1.8 points.
 - The underlying combined ratio* of 91.3 in the fourth quarter of 2021 was 12.2 points above the prior year quarter, reflecting higher auto and homeowners claims severity due to increased inflationary impacts and increased auto accident frequency.
 - The expense ratio increased by 0.3 points in the fourth quarter of 2021 compared to the prior year quarter as lower advertising expenses were offset by increased amortization of purchased intangibles from the National General acquisition and higher expenses related to guaranty fund assessments and premium taxes.
 - Allstate continues to focus on improving operational flexibility and competitive position through cost reductions. The full year 2021 adjusted expense ratio*, which includes underwriting and claims expenses, improved to 26.0, representing a 0.6-point decline to the prior year and 3.2-point reduction since 2018. The long-term objective is a further reduction of 3 points⁽¹⁾ over the next 3 years.

⁽¹⁾ A reconciliation of non-GAAP measure to the expense ratio, a GAAP measure, is not possible on a forward-looking basis because it is not possible to provide a reliable forecast of future expenses and targeted reductions as of the reporting date.

- **Allstate Protection auto** insurance net written premium increased 16.6% and policies in force increased 16.4% compared to the prior year quarter, driven by the acquisitions of National General and SafeAuto and Allstate brand growth. Allstate brand auto net written premiums increased by 3.0% compared to the prior year quarter.

The recorded auto insurance combined ratio of 104.3 in the fourth quarter of 2021 was 18.8 points above the prior year quarter, and the underlying combined ratio* of 100.2 was 15.3 points above the prior year quarter, primarily due to an increase in the loss ratio. The auto loss ratio increase was driven by higher claim severity from rising inflationary impacts and increased accident frequency as miles driven rebound toward pre-pandemic levels. The fourth quarter was also impacted by 2.1 points of adverse non-catastrophe prior year reserve reestimates and an additional 1.6 points for reserve strengthening for the first three quarters of 2021.

Rising loss costs reflect increased used car prices, higher parts and labor costs, medical inflation, and greater attorney representation. In response, Allstate is taking comprehensive action to improve profitability, including rate increases, reducing expenses and claims loss cost management actions.

- **Allstate Protection homeowners** insurance net written premium grew 31.1%, and policies in force increased 7.8% compared to the fourth quarter of 2020, due to the addition of National General and Allstate brand growth. Allstate brand net written premium increased 13.8% compared to the prior year quarter, driven by policies in force growth of 1.5% and an increase in average premiums of 11.0% due to inflation in insured home valuations and implemented rate increases.

The recorded homeowners insurance combined ratio of 87.1 in the fourth quarter of 2021 increased 8.6 points above the prior year quarter, and the underlying combined ratio* of 69.6 increased 8.1 points compared to the fourth quarter of 2020. The increases were primarily driven by higher severity due to inflation in labor and material costs and the inclusion of National General's results, partially offset by higher average premium.

Protection Services Results							
(\$ in millions)	Three months ended December 31,			Twelve months ended December 31,			
	2021	2020	% / \$ Change	2021	2020	% / \$ Change	
Total revenues ⁽¹⁾	\$ 606	\$ 497	21.9 %	\$ 2,336	\$ 1,892	23.5 %	
Allstate Protection Plans	314	263	19.4	1,195	965	23.8	
Allstate Dealer Services	135	121	11.6	517	477	8.4	
Allstate Roadside	61	58	5.2	244	230	6.1	
Arity	62	26	138.5	252	107	135.5	
Allstate Identity Protection	34	29	17.2	128	113	13.3	
Adjusted net income (loss)	\$ 29	\$ 38	\$ (9)	\$ 179	\$ 153	\$ 26	
Allstate Protection Plans	23	32	(9)	142	137	5	
Allstate Dealer Services	9	7	2	34	29	5	
Allstate Roadside	—	4	(4)	7	12	(5)	
Arity	(1)	(2)	1	3	(11)	14	
Allstate Identity Protection	(2)	(3)	1	(7)	(14)	7	

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

- **Protection Services** revenues increased to \$606 million in the fourth quarter of 2021, 21.9% higher than the prior year quarter, and written premium of \$716 million increased by 28.1%, primarily driven by Allstate Protection Plans growth. Adjusted net income of \$29 million decreased by \$9 million compared to the prior year quarter, due to growth investments at Allstate Protection Plans and increased severity at Allstate Roadside.
 - **Allstate Protection Plans** revenue of \$314 million increased \$51 million, or 19.4%, compared to the prior year quarter, reflecting increased policies in force. Written premium of \$519 million increased 34.8% compared to the prior year quarter, driven by the launch with the Home Depot in the first quarter. Full year written premium of \$1.8 billion was 49.1% higher than the prior year and will be earned over the policy

period of one to five years, generating future revenue growth. Adjusted net income of \$23 million in the fourth quarter of 2021 was \$9 million lower than the prior year quarter, driven by strategic investments in partner incentives and advertising, technology and international growth.

- **Allstate Dealer Services** revenue of \$135 million was 11.6% higher than the fourth quarter of 2020, driven by increased sales and the impact of lower volumes in the fourth quarter of 2020 from impacts of the pandemic. Adjusted net income of \$9 million in the fourth quarter was \$2 million higher than the prior year quarter.
- **Allstate Roadside** revenue of \$61 million in the fourth quarter of 2021 increased 5.2% compared to the prior year quarter, as rescue volumes increased compared to the fourth quarter of 2020, which was impacted by the pandemic. Adjusted net income in the fourth quarter of 2021 declined by \$4 million compared to the prior year quarter from increased severity due to higher out-of-network costs.
- **Arity** revenue of \$62 million increased \$36 million compared to the prior year quarter, primarily driven by the inclusion of Transparent.ly and LeadCloud as a result of the National General acquisition, and increased device revenue driven by growth in the Allstate brand Milewise® product. Adjusted net loss of \$1 million in the fourth quarter of 2021 was comparable to the prior year quarter. Arity continues to expand its data acquisition platform with over 700 billion miles of traffic data being used to serve an increasing number of insurance and third-party application customers.
- **Allstate Identity Protection** revenue of \$34 million in the fourth quarter of 2021 increased 17.2% compared to the prior year quarter, and policies in force increased by 3.8% to 2.8 million. Adjusted net loss of \$2 million in the fourth quarter of 2021 was comparable to the prior year quarter as higher revenue was largely offset by higher expenses.

Allstate Health and Benefits Results

(\$ in millions)	Three months ended December 31,			Twelve months ended December 31,		
	2021	2020	% Change	2021	2020	% Change
Premiums and contract charges	\$ 459	\$ 262	75.2 %	\$ 1,821	\$ 1,094	66.5 %
Employer voluntary benefits	262	262	—	1,031	1,094	(5.8)
Group health	90	—	NM	350	—	NM
Individual health	107	—	NM	440	—	NM
Adjusted net income	48	34	41.2	208	96	116.7

- **Allstate Health and Benefits** premiums and contract charges increased 75.2% compared to the prior year quarter, primarily due to the addition of group and individual health businesses acquired with National General. The acquisition also generated other revenue of \$111 million in the fourth quarter and \$359 million in 2021, primarily from administrative fees and commissions on sales of non-proprietary health products. Adjusted net income of \$48 million in the fourth quarter of 2021 was \$14 million greater than the fourth quarter of 2020 as income from the addition of National General was offset by an increased benefit ratio due to higher life mortality and lower benefit utilization in the prior year quarter.

Allstate Investment Results

(\$ in millions, except ratios)	Three months ended December 31,			Twelve months ended December 31,		
	2021	2020	\$ / pts Change	2021	2020	\$ / pts Change
Net investment income	\$ 847	\$ 660	\$ 187	\$ 3,293	\$ 1,590	\$ 1,703
Market-based investment income ⁽¹⁾	363	370	(7)	1,424	1,440	(16)
Performance-based investment income ⁽¹⁾	516	314	202	1,980	247	1,733
Net gains on investments and derivatives	266	490	(224)	1,084	1,087	(3)
Change in unrealized net capital gains and losses, pre-tax	(419)	409	NM	(1,771)	1,311	NM
Total return on investment portfolio	1.1 %	2.7 %	(1.6)	4.4 %	7.2 %	(2.8)

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

- **Allstate Investments** \$64.7 billion portfolio generated net investment income of \$847 million in the fourth quarter of 2021, an increase of \$187 million from the prior year quarter, driven by higher performance-based income.
 - **Market-based investment income** was \$363 million in the fourth quarter of 2021, a decrease of \$7 million, or 1.9%, compared to the prior year quarter as the impact of lower reinvestment rates was largely mitigated by higher average assets under management and prepayment fee income.
 - **Performance-based investment income** totaled \$516 million in the fourth quarter of 2021, an increase of \$202 million compared to the fourth quarter of 2020, primarily due to higher private equity investment valuations and gains from sales. Approximately 50% of performance-based income was generated by 10 individual investments in the quarter, and over a 3-, 5- and 10-year time horizon performance-based annual returns have ranged between 12.9% and 14.0%.
 - **Net gains on investments and derivatives** were \$266 million in the fourth quarter of 2021, compared to \$490 million in the prior year quarter, primarily due to lower net gains on the valuation of equity investments and the sale of fixed income securities.
 - **Unrealized net capital gains** decreased \$419 million in the fourth quarter of 2021 as higher interest rates resulted in lower fixed income valuations.
 - **Total return** on the investment portfolio was 1.1% for the quarter and 4.4% in 2021.
 - Ongoing proactive management of the investment portfolio risk and return profile included shortening the fixed income duration from 5.0 to 4.2 years in 2021, primarily during the fourth quarter to reduce exposure to an inflation-driven increase in interest rates.
- **Discontinued Operations** generated a loss of \$321 million in the fourth quarter of 2021, primarily driven by an increase in the loss on disposition associated with the sales of Allstate Life Insurance Company and Allstate Life Insurance Company of New York in the quarter. The total loss on disposition was \$4.1 billion in comparison to the original estimate of \$4.0 billion.

Proactive Capital Management

"Allstate's earnings power and proactive capital management support reinvestment in growth and provided excellent cash returns to shareholders," said Mario Rizzo, Chief Financial Officer. "We closed on the acquisitions of National General for \$4 billion and SafeAuto for \$262 million in 2021, enhancing our competitive position in personal lines insurance and further increasing market share. We also returned \$4.1 billion to common shareholders in 2021 through a combination of \$3.3 billion in share repurchases and \$885 million of shareholder dividends. This was \$1.7 billion greater than the prior year and driven, in part, by the deployable capital generated through the divestiture of our life and annuity businesses," concluded Rizzo.

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 3. 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, 2021	December 31, 2020
Assets		
Investments		
Fixed income securities, at fair value (amortized cost, net \$41,376 and \$40,034)	\$ 42,136	\$ 42,565
Equity securities, at fair value (cost \$6,016 and \$2,740)	7,061	3,168
Mortgage loans, net	821	746
Limited partnership interests	8,018	4,563
Short-term, at fair value (amortized cost \$4,009 and \$6,807)	4,009	6,807
Other, net	2,656	1,691
Total investments	64,701	59,540
Cash	763	311
Premium installment receivables, net	8,364	6,463
Deferred policy acquisition costs	4,722	3,774
Reinsurance and indemnification recoverables, net	10,024	7,215
Accrued investment income	339	371
Property and equipment, net	939	1,057
Goodwill	3,502	2,369
Other assets, net	6,086	2,756
Assets held for sale	—	42,131
Total assets	\$ 99,440	\$ 125,987
Liabilities		
Reserve for property and casualty insurance claims and claims expense	\$ 33,060	\$ 27,610
Reserve for future policy benefits	1,273	1,028
Contractholder funds	908	857
Unearned premiums	19,844	15,946
Claim payments outstanding	1,123	957
Deferred income taxes	833	382
Other liabilities and accrued expenses	9,296	7,840
Long-term debt	7,976	7,825
Liabilities held for sale	—	33,325
Total liabilities	74,313	95,770
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, 281 million and 304 million shares outstanding	9	9
Additional capital paid-in	3,722	3,498
Retained income	53,294	52,767
Treasury stock, at cost (619 million and 596 million shares)	(34,471)	(31,331)
Accumulated other comprehensive income:		
Unrealized net capital gains and losses	598	3,180
Unrealized foreign currency translation adjustments	(15)	(7)
Unamortized pension and other postretirement prior service credit	72	131
Total accumulated other comprehensive income	655	3,304
Total Allstate shareholders' equity	25,179	30,217
Noncontrolling interest	(52)	—
Total equity	25,127	30,217
Total liabilities and equity	\$ 99,440	\$ 125,987

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,	
	2021	2020	2021	2020
Revenues				
Property and casualty insurance premiums	\$ 10,852	\$ 9,279	\$ 42,218	\$ 37,073
Accident and health insurance premiums and contract charges	459	262	1,821	1,094
Other revenue	587	271	2,172	1,065
Net investment income	847	660	3,293	1,590
Net gains (losses) on investments and derivatives	266	490	1,084	1,087
Total revenues	13,011	10,962	50,588	41,909
Costs and expenses				
Property and casualty insurance claims and claims expense	7,804	5,366	29,318	22,001
Shelter-in-Place Payback expense	—	—	29	948
Accident and health insurance policy benefits	269	124	1,015	516
Interest credited to contractholder funds	9	7	34	33
Amortization of deferred policy acquisition costs	1,602	1,382	6,252	5,477
Operating costs and expenses	1,956	1,440	7,260	5,494
Pension and other postretirement remeasurement (gains) losses	(240)	(371)	(644)	(51)
Restructuring and related charges	25	40	170	253
Amortization of purchased intangibles	109	30	376	118
Interest expense	84	80	330	318
Total costs and expenses	11,618	8,098	44,140	35,107
Income from operations before income tax expense	1,393	2,864	6,448	6,802
Income tax expense	281	594	1,289	1,373
Net income from continuing operations	1,112	2,270	5,159	5,429
Income (loss) from discontinued operations, net of tax	(321)	354	(3,593)	147
Net income	791	2,624	1,566	5,576
Less: Net income attributable to noncontrolling interest	(26)	—	(33)	—
Net income attributable to Allstate	817	2,624	1,599	5,576
Less: Preferred stock dividends	27	26	114	115
Net income applicable to common shareholders	\$ 790	\$ 2,598	\$ 1,485	\$ 5,461
Earnings per common share applicable to common shareholders				
Basic				
Continuing operations	\$ 3.90	\$ 7.38	\$ 17.23	\$ 17.06
Discontinued operations	(1.13)	1.16	(12.19)	0.47
Total	\$ 2.77	\$ 8.54	\$ 5.04	\$ 17.53
Diluted				
Continuing operations	\$ 3.84	\$ 7.30	\$ 16.98	\$ 16.84
Discontinued operations	(1.11)	1.15	(12.02)	0.47
Total	\$ 2.73	\$ 8.45	\$ 4.96	\$ 17.31
Weighted average common shares – Basic	285.0	304.3	294.8	311.6
Weighted average common shares – Diluted	289.0	307.6	299.1	315.5

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 except for periodic settlements and accruals on non-hedge derivative instruments, which are reported with net gains and losses on investments and derivatives but included in adjusted net income
- 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
- 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 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 and income or loss from discontinued operations 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	
	2021	2020	2021	2020
Net income (loss) applicable to common shareholders				
\$	790	\$ 2,598	\$ 2.73	\$ 8.45
Net (gains) losses on investments and derivatives	(266)	(490)	(0.92)	(1.59)
Pension and other postretirement remeasurement (gains) losses	(240)	(371)	(0.83)	(1.21)
Curtailement (gains) losses	—	—	—	—
Reclassification of periodic settlements and accruals on non-hedge derivative instruments	(1)	(1)	—	—
Business combination expenses and the amortization of purchased intangibles	109	30	0.38	0.10
Business combination fair value adjustment	—	—	—	—
(Income) loss from discontinued operations	177	(446)	0.61	(1.45)
Income tax expense (benefit)	227	272	0.78	0.88
Adjusted net income *	\$ 796	\$ 1,592	\$ 2.75	\$ 5.18

	Twelve months ended December 31,			
	Consolidated		Per diluted common share	
	2021	2020	2021	2020
Net income (loss) applicable to common shareholders				
\$	1,485	\$ 5,461	\$ 4.96	\$ 17.31
Net (gains) losses on investments and derivatives	(1,084)	(1,087)	(3.63)	(3.44)
Pension and other postretirement remeasurement (gains) losses	(644)	(51)	(2.15)	(0.16)
Curtailement (gains) losses	—	(8)	—	(0.03)
Reclassification of periodic settlements and accruals on non-hedge derivative instruments	—	—	—	—
Business combination expenses and the amortization of purchased intangibles	398	118	1.33	0.37
Business combination fair value adjustment	(6)	—	(0.02)	—
(Income) loss from discontinued operations	3,612	(157)	12.08	(0.50)
Income tax expense (benefit)	272	234	0.91	0.74
Adjusted net income *	\$ 4,033	\$ 4,510	\$ 13.48	\$ 14.29

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,	
	2021	2020
Return on Allstate common shareholders' equity		
Numerator:		
Net income applicable to common shareholders	\$ 1,485	\$ 5,461
Denominator:		
Beginning Allstate common shareholders' equity ⁽¹⁾	\$ 28,247	\$ 23,750
Ending Allstate common shareholders' equity ⁽¹⁾	23,209	28,247
Average Allstate common shareholders' equity	\$ 25,728	\$ 25,999
Return on Allstate common shareholders' equity	5.8 %	21.0 %

	For the twelve months ended December 31,	
	2021	2020
Adjusted net income return on Allstate common shareholders' equity		
Numerator:		
Adjusted net income *	\$ 4,033	\$ 4,510
Denominator:		
Beginning Allstate common shareholders' equity ⁽¹⁾	\$ 28,247	\$ 23,750
Less: Unrealized net capital gains and losses	3,180	1,887
Adjusted beginning Allstate common shareholders' equity	25,067	21,863
Ending Allstate common shareholders' equity ⁽¹⁾	23,209	28,247
Less: Unrealized net capital gains and losses	598	3,180
Adjusted ending Allstate common shareholders' equity	22,611	25,067
Average adjusted Allstate common shareholders' equity	\$ 23,839	\$ 23,465
Adjusted net income return on Allstate common shareholders' equity *	16.9 %	19.2 %

⁽¹⁾ Excludes equity related to preferred stock of \$1,970 million as of December 31, 2021, \$1,970 million as of December 31, 2020 and \$2,248 million as of December 31, 2019.

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

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

Property-Liability

	Three months ended December 31,		Twelve months ended December 31,	
	2021	2020	2021	2020
Combined ratio	98.9	84.0	95.9	87.6
Effect of catastrophe losses	(5.1)	(4.8)	(8.3)	(7.9)
Effect of prior year non-catastrophe reserve reestimates	(1.8)	—	(0.8)	(0.2)
Effect of amortization of purchased intangibles	(0.7)	(0.1)	(0.6)	(0.1)
Underlying combined ratio*	91.3	79.1	86.2	79.4
Effect of prior year catastrophe reserve reestimates	—	—	(0.5)	(1.4)

Allstate Protection - Auto Insurance

	Three months ended December 31,		Twelve months ended December 31,	
	2021	2020	2021	2020
Combined ratio	104.3	85.5	95.4	86.0
Effect of catastrophe losses	(1.3)	(0.6)	(1.7)	(1.2)
Effect of prior year non-catastrophe reserve reestimates	(2.1)	—	(0.6)	0.3
Effect of amortization of purchased intangibles	(0.7)	—	(0.6)	—
Underlying combined ratio*	100.2	84.9	92.5	85.1
Effect of prior year catastrophe reserve reestimates	—	(0.1)	(0.1)	(0.1)

Allstate Protection - Homeowners Insurance

	Three months ended December 31,		Twelve months ended December 31,	
	2021	2020	2021	2020
Combined ratio	87.1	78.5	96.8	90.0
Effect of catastrophe losses	(16.6)	(16.8)	(26.3)	(27.9)
Effect of prior year non-catastrophe reserve reestimates	—	(0.1)	(0.2)	0.2
Effect of amortization of purchased intangibles	(0.9)	(0.1)	(0.7)	—
Underlying combined ratio*	69.6	61.5	69.6	62.3
Effect of prior year catastrophe reserve reestimates	0.1	(0.1)	(1.7)	(5.1)

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 underwriting 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.

The following tables reconciles the respective expense ratio to the underlying expense ratio.

Property-Liability

	Three months ended December 31,		Twelve months ended December 31,	
	2021	2020	2021	2020
Expense ratio	25.0	24.7	24.5	26.8
Effect of amortization of purchased intangibles	(0.7)	(0.1)	(0.6)	(0.1)
Underlying expense ratio*	24.3	24.6	23.9	26.7

Adjusted underwriting 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 underwriting performance. The most directly comparable GAAP measure is the expense ratio. The adjusted underwriting 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 adjusted underwriting 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.

Coronavirus related expenses includes shelter-in-place payback and special payment plan bad debt expenses.

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

The following table reconciles the respective underlying expense ratio to the adjusted underlying expense ratio and adjusted expense ratio.

Property-Liability

	Twelve months ended December 31,			
	2021	2020	2019	2018
Underlying expense ratio*	23.9	26.7	23.9	25.0
Effect of advertising expense	(3.1)	(2.6)	(2.4)	(2.5)
Effect of restructuring and related charges	(0.4)	(0.7)	(0.1)	(0.2)
Effect of Coronavirus related expenses	(0.1)	(2.9)	—	—
Adjusted underwriting expense ratio*	20.3	20.5	21.4	22.3
Claims expense ratio excluding catastrophe expense	5.7	6.1	6.5	6.9
Adjusted expense ratio*	26.0	26.6	27.9	29.2

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The Allstate Corporation

**Investor Supplement
Fourth Quarter 2021**

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 2021

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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, 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
Revenues										
Property and casualty insurance premiums *	\$ 10,862	\$ 10,616	\$ 10,444	\$ 10,307	\$ 9,279	\$ 9,336	\$ 9,233	\$ 9,235	\$ 42,218	\$ 37,873
Accident and health insurance premiums and contract charges *	459	460	447	455	262	287	263	282	1,821	1,094
Other revenue *	587	536	494	505	271	272	257	295	2,172	1,065
Net investment income	847	764	974	708	690	464	520	246	3,293	1,590
Net gains (losses) on investments and derivatives	286	105	287	426	490	319	440	(162)	1,084	1,087
Total revenues	13,011	12,487	12,646	12,401	10,962	10,678	10,403	9,866	50,588	41,909
Costs and expenses										
Property and casualty insurance claims and claims expense	7,804	8,264	7,207	6,043	5,366	6,072	5,222	5,341	29,318	22,001
Shelter-in-Place Payback expense	-	-	29	-	-	-	738	210	29	948
Accident and health insurance policy benefits	269	269	244	233	124	128	123	141	1,015	516
Interest credited to contractholder funds	9	8	8	9	7	8	9	9	34	33
Amortization of deferred policy acquisition costs	1,602	1,582	1,545	1,523	1,382	1,386	1,344	1,365	6,252	5,477
Operating costs and expense	1,956	1,890	1,683	1,731	1,440	1,322	1,394	1,338	7,260	5,494
Pension and other postretirement remeasurement (gains) losses	(240)	40	(134)	(310)	(371)	(71)	73	318	(644)	(51)
Restructuring and related charges	25	23	71	51	40	196	13	4	170	253
Amortization of purchased intangibles	109	109	105	83	30	31	29	28	276	118
Interest expense	84	69	91	86	80	78	79	81	330	318
Total costs and expenses	11,618	12,254	10,849	8,419	8,058	9,150	9,024	8,835	44,140	35,107
Income from operations before income tax expense	1,393	226	1,797	3,032	2,864	1,528	1,379	1,031	6,448	6,802
Income tax expense	281	20	362	626	594	312	273	194	1,289	1,373
Net income from continuing operations	1,112	206	1,435	2,406	2,270	1,216	1,106	837	5,159	5,429
Income (loss) from discontinued operations, net of tax	(321)	325	196	(3,793)	354	(63)	144	(268)	(3,593)	547
Net income (loss)	791	531	1,631	(1,387)	2,624	1,153	1,250	569	1,566	5,976
Less: Net income (loss) attributable to noncontrolling interest	(26)	(7)	6	(6)	-	-	-	-	(33)	-
Net income (loss) attributable to Allstate	817	538	1,625	(1,381)	2,624	1,153	1,250	549	1,599	5,976
Less: Preferred stock dividends	27	30	30	27	26	27	26	26	114	115
Net income (loss) applicable to common shareholders	\$ 790	\$ 508	\$ 1,595	\$ (1,408)	\$ 2,598	\$ 1,126	\$ 1,224	\$ 513	\$ 1,485	\$ 5,861
Earnings per common share										
Basic										
Continuing operations	\$ 3.88	\$ 0.62	\$ 4.68	\$ 7.88	\$ 7.38	\$ 3.62	\$ 3.44	\$ 2.52	\$ 17.23	\$ 17.06
Discontinued operations	(1.13)	1.11	0.66	(12.53)	1.16	(0.20)	0.46	(0.90)	(12.19)	0.47
Total	\$ 2.77	\$ 1.73	\$ 5.34	\$ (4.65)	\$ 8.54	\$ 3.62	\$ 3.90	\$ 1.62	\$ 5.04	\$ 17.53
Diluted										
Continuing operations	\$ 3.84	\$ 0.62	\$ 4.61	\$ 7.78	\$ 7.20	\$ 3.78	\$ 3.41	\$ 2.48	\$ 16.98	\$ 16.84
Discontinued operations	(1.13)	1.09	0.65	(12.38)	1.15	(0.20)	0.45	(0.89)	(12.32)	0.47
Total	\$ 2.73	\$ 1.71	\$ 5.26	\$ (4.60)	\$ 8.45	\$ 3.58	\$ 3.86	\$ 1.59	\$ 4.96	\$ 17.31
Weighted average common shares - Basic	285.0	283.1	298.8	302.5	304.3	311.2	313.7	317.4	298.8	311.6
Weighted average common shares - Diluted	289.0	297.9	303.3	306.4	307.6	314.1	317.0	322.4	299.1	315.5
Cash dividends declared per common share	\$ 0.81	\$ 0.81	\$ 0.81	\$ 0.81	\$ 0.54	\$ 0.54	\$ 0.54	\$ 0.54	\$ 3.24	\$ 2.16

The Allstate Corporation
Contribution to Income

(\$ in millions, except per share data)

	Three months ended								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, 2021	Dec. 31, 2020
Contribution to income										
Net income (loss) applicable to common shareholders	\$ 790	\$ 508	\$ 1,595	\$ (1,408)	\$ 2,598	\$ 1,126	\$ 1,224	\$ 513	\$ 1,485	\$ 5,461
Net (gains) losses on investments and derivatives	(266)	(105)	(287)	(426)	(490)	(319)	(440)	162	(1,084)	(1,087)
Pension and other postretirement remeasurement (gains) losses	(240)	40	(134)	(310)	(371)	(71)	73	318	(644)	(51)
Curtailment (gains) losses	-	-	-	-	-	(8)	-	-	-	(8)
Reclassification of periodic settlements and accruals on non-hedge derivative instruments	(1)	-	-	1	(1)	1	-	-	-	-
Business combination expenses and the amortization of purchased intangibles	109	109	105	75	30	31	29	28	398	118
Business combination fair value adjustment	-	-	(6)	-	-	-	-	-	(6)	-
(Income) loss from discontinued operations	177	(235)	(493)	4,163	(446)	86	(167)	370	3,612	(157)
Income tax expense (benefit)	227	(100)	369	(224)	272	54	97	(189)	272	234
Adjusted net income *	\$ 796	\$ 217	\$ 1,149	\$ 1,871	\$ 1,592	\$ 900	\$ 816	\$ 1,202	\$ 4,033	\$ 4,510
Income per common share - Diluted										
Net income (loss) applicable to common shareholders	\$ 2.73	\$ 1.71	\$ 5.26	\$ (4.60)	\$ 8.45	\$ 3.58	\$ 3.86	\$ 1.59	\$ 4.96	\$ 17.31
Net (gains) losses on investments and derivatives	(0.92)	(0.35)	(0.95)	(1.39)	(1.59)	(1.01)	(1.39)	0.50	(3.63)	(3.44)
Pension and other postretirement remeasurement (gains) losses	(0.83)	0.13	(0.44)	(1.01)	(1.21)	(0.22)	0.23	0.99	(2.15)	(0.16)
Curtailment (gains) losses	-	-	-	-	-	(0.02)	-	-	-	(0.02)
Reclassification of periodic settlements and accruals on non-hedge derivative instruments	-	-	-	-	-	-	-	-	-	-
Business combination expenses and the amortization of purchased intangibles	0.38	0.37	0.35	0.25	0.10	0.10	0.09	0.09	1.33	0.37
Business combination fair value adjustment	-	-	(0.02)	-	-	-	-	-	(0.02)	-
(Income) loss from discontinued operations	0.61	(0.79)	(1.63)	13.59	(1.45)	0.27	(0.52)	1.15	12.08	(0.50)
Income tax expense (benefit)	0.78	(0.34)	1.22	(0.73)	0.88	0.17	0.31	(0.99)	0.91	0.74
Adjusted net income *	\$ 2.75	\$ 0.73	\$ 3.79	\$ 6.11	\$ 5.18	\$ 2.87	\$ 2.58	\$ 3.73	\$ 13.48	\$ 14.29
Weighted average common shares - Diluted	289.0	297.9	303.3	306.4	307.6	314.1	317.0	322.4	299.1	315.5

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

(\$ in millions, except per share data)	Dec. 31, 2021	Sept. 30, 2021	June 30, 2021	March 31, 2021	Dec. 31, 2020	Sept. 30, 2020	June 30, 2020	March 31, 2020
Book value per common share								
Numerator:								
Allstate common shareholders' equity ⁽¹⁾	\$ 23,209	\$ 24,759	\$ 26,037	\$ 24,649	\$ 28,247	\$ 25,293	\$ 25,016	\$ 22,203
Denominator:								
Common shares outstanding and dilutive potential common shares outstanding ⁽²⁾	284.7	292.6	301.6	304.0	308.7	307.0	315.8	318.7
Book value per common share	\$ 81.52	\$ 84.62	\$ 86.33	\$ 81.08	\$ 91.50	\$ 82.39	\$ 79.21	\$ 69.67
Book value per common share, excluding the impact of unrealized net capital gains and losses on fixed income securities								
Numerator:								
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 on fixed income securities	801	1,830	2,167	1,680	3,185	2,750	2,610	534
Adjusted Allstate common shareholders' equity	\$ 22,608	\$ 22,929	\$ 23,870	\$ 22,969	\$ 25,062	\$ 22,543	\$ 22,406	\$ 21,669
Denominator:								
Common shares outstanding and dilutive potential common shares outstanding	284.7	292.6	301.6	304.0	308.7	307.0	315.8	318.7
Book value per common share, excluding the impact of unrealized net capital gains and losses on fixed income securities *	\$ 79.41	\$ 78.36	\$ 79.14	\$ 75.56	\$ 81.19	\$ 73.43	\$ 70.95	\$ 67.99
Total debt	\$ 7,976	\$ 7,980	\$ 7,996	\$ 7,996	\$ 7,825	\$ 6,635	\$ 6,634	\$ 6,633
Total capital resources	\$ 33,155	\$ 34,709	\$ 36,203	\$ 34,815	\$ 38,042	\$ 33,898	\$ 33,620	\$ 30,806
Ratio of debt to Allstate shareholders' equity	31.7 %	29.9 %	28.3 %	29.8 %	25.9 %	24.3 %	24.6 %	27.4 %
Ratio of debt to capital resources	24.1 %	23.0 %	22.1 %	23.0 %	20.6 %	19.6 %	19.7 %	21.5 %

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

⁽²⁾ Common shares outstanding were 280,594,850 and 304,192,788 as of December 31, 2021 and December 31, 2020, respectively.

The Allstate Corporation
Return on Allstate Common Shareholders' Equity

(\$ in millions)

	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
Return on Allstate common shareholders' equity								
Numerator:								
Net income applicable to common shareholders ⁽¹⁾	\$ 1,485	\$ 3,293	\$ 3,911	\$ 3,540	\$ 5,461	\$ 4,570	\$ 4,333	\$ 3,930
Denominator:								
Beginning Allstate common shareholders' equity	\$ 28,247	\$ 25,293	\$ 25,016	\$ 22,203	\$ 23,750	\$ 23,088	\$ 22,546	\$ 21,488
Ending Allstate common shareholders' equity ⁽²⁾	23,209	24,759	26,037	24,649	28,247	25,293	25,016	22,203
Average Allstate common shareholders' equity ⁽³⁾	\$ 25,728	\$ 25,026	\$ 25,527	\$ 23,426	\$ 25,999	\$ 24,191	\$ 23,781	\$ 21,846
Return on Allstate common shareholders' equity	5.8 %	13.2 %	15.3 %	15.1 %	21.0 %	18.9 %	18.2 %	18.0 %
Adjusted net income return on Allstate common shareholders' equity								
Numerator:								
Adjusted net income ⁽¹⁾	\$ 4,033	\$ 4,829	\$ 5,512	\$ 5,179	\$ 4,510	\$ 3,897	\$ 3,887	\$ 3,687
Denominator:								
Beginning Allstate common shareholders' equity	\$ 28,247	\$ 25,293	\$ 25,016	\$ 22,203	\$ 23,750	\$ 23,088	\$ 22,546	\$ 21,488
Less: Unrealized net capital gains and losses	3,180	2,744	2,602	530	1,887	2,023	1,654	972
Adjusted beginning Allstate common shareholders' equity	25,067	22,549	22,414	21,673	21,863	21,065	20,892	20,516
Ending 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	988	1,828	2,184	1,680	3,180	2,744	2,602	530
Adjusted ending Allstate common shareholders' equity	22,611	22,931	23,853	22,969	25,067	22,549	22,414	21,673
Average adjusted Allstate common shareholders' equity ⁽³⁾	\$ 23,839	\$ 22,740	\$ 23,144	\$ 22,321	\$ 23,465	\$ 21,807	\$ 21,653	\$ 21,095
Adjusted net income return on Allstate common shareholders' equity [*]	16.9 %	21.2 %	23.8 %	23.2 %	19.2 %	17.9 %	18.0 %	17.5 %

⁽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, 2021 and September 30, 2021, \$2,170 million at June 30, 2021 and March 31, 2021 and \$1,970 million for all other periods presented.

**The Allstate Corporation
Policies in Force**

Policies in force statistics (in thousands) ⁽¹⁾	Dec. 31, 2021	Sept. 30, 2021	June 30, 2021	March 31, 2021	Dec. 31, 2020	Sept. 30, 2020	June 30, 2020	March 31, 2020
Allstate Protection								
Auto	25,916	25,654	25,614	25,453	22,260	22,360	22,451	22,311
Homeowners	7,159	7,138	7,111	7,090	6,643	6,634	6,616	6,590
Other personal lines	4,866	4,848	4,816	4,774	4,530	4,528	4,489	4,460
Commercial lines	315	319	322	325	216	219	221	224
Total	38,256	37,959	37,863	37,642	33,649	33,741	33,777	33,585
Allstate brand								
Auto	21,972	21,951	21,920	21,824	21,809	21,900	21,978	21,826
Homeowners	6,525	6,496	6,459	6,427	6,427	6,414	6,391	6,360
National General ⁽²⁾								
Auto	3,944	3,703	3,694	3,629	451	460	473	485
Homeowners	634	642	652	663	216	220	225	230
Protection Services								
Allstate Protection Plans	141,073	141,809	139,453	133,510	128,982	125,831	120,301	107,124
Allstate Dealer Services	3,956	3,980	4,013	3,996	4,042	4,075	4,101	4,086
Allstate Roadside	525	533	539	540	548	558	562	576
Allstate Identity Protection	2,802	3,197	3,041	2,702	2,700	2,490	2,312	1,932
Total	148,356	149,519	147,046	140,748	136,272	132,954	127,276	113,728
Allstate Health and Benefits	4,333	4,378	4,452	4,522	3,950	4,092	4,410	4,309
Total policies in force	190,945	191,856	189,361	182,912	173,871	170,787	165,463	151,622

⁽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.

⁽²⁾ Encompass brand has been combined into National General beginning in the first quarter of 2021 and results prior to 2021 reflect Encompass brand results only.

The Allstate Corporation
Property-Liability Results

(\$ in millions, except ratio)

	Three months ended								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, 2020	Dec. 31, 2019
Premiums written	\$ 10,301	\$ 10,966	\$ 10,323	\$ 9,768	\$ 8,609	\$ 9,395	\$ 9,172	\$ 8,592	\$ 41,368	\$ 36,768
Decrease (increase) in unearned premiums	121	(872)	(312)	(269)	244	(470)	(349)	370	(1,143)	(205)
Other	(32)	(135)	(2)	408	31	27	42	(81)	239	17
Premiums earned	10,390	10,159	10,009	9,895	8,884	8,952	8,865	8,881	40,464	35,890
Other revenue	966	965	321	395	218	225	206	213	1,437	897
Claims and claims expense	(7,683)	(8,145)	(7,103)	(5,945)	(5,268)	(5,969)	(5,139)	(5,251)	(28,876)	(21,628)
Stock-in-trade Payback expense	-	(26)	(26)	-	-	-	(726)	(210)	(29)	(948)
Amortization of deferred policy acquisition costs	(1,345)	(1,348)	(1,319)	(1,303)	(1,168)	(1,158)	(1,149)	(1,167)	(5,313)	(4,642)
Operating costs and expenses	(1,507)	(1,477)	(1,313)	(1,205)	(1,202)	(1,106)	(1,138)	(1,113)	(4,822)	(4,549)
Restructuring and related charges	(32)	(15)	(66)	(32)	(36)	(187)	(6)	(4)	(145)	(235)
Amortization of purchased intangibles	(176)	(176)	(171)	(179)	(81)	(51)	(51)	(71)	(241)	(472)
Underwriting income (loss) ⁽¹⁾	\$ 113	\$ (534)	\$ 429	\$ 1,657	\$ 1,423	\$ 752	\$ 902	\$ 1,348	\$ 1,665	\$ 4,425
Catastrophe losses	\$ 528	\$ 1,269	\$ 652	\$ 890	\$ 424	\$ 990	\$ 1,186	\$ 211	\$ 3,339	\$ 2,811
Claims expense excluding catastrophe expense ⁽²⁾	642	563	558	553	514	517	553	572	2,316	2,156
Operating ratios and reconciliations to underlying ratios										
Loss ratio	73.9	80.2	71.0	60.1	59.3	66.7	58.0	59.1	71.4	60.8
Effect of catastrophe losses	(5.1)	(12.5)	(9.5)	(8.0)	(4.8)	(1.1)	(13.4)	(2.4)	(8.3)	(7.9)
Effect of prior year non-catastrophe reserve reestimates	(1.8)	(1.6)	0.2	(0.1)	-	(0.8)	0.4	(0.3)	(0.8)	(0.2)
Underlying loss ratio ⁽³⁾	67.0	66.1	61.7	54.0	54.5	64.8	45.0	56.4	62.3	52.7
Expense ratio ⁽⁴⁾	25.0	25.1	24.7	23.2	24.7	24.9	31.8	25.7	24.5	26.8
Effect of amortization of purchased intangibles	(0.7)	(0.8)	(0.7)	(0.3)	(0.3)	-	-	-	(0.6)	(0.1)
Underlying expense ratio ⁽⁵⁾	24.3	24.3	24.0	23.1	24.0	24.9	31.8	25.7	23.9	26.7
Effect of advertising expense	(2.9)	(3.2)	(3.1)	(3.2)	(3.7)	(2.3)	(2.4)	(2.3)	(3.1)	(2.8)
Effect of restructuring and related charges	(0.3)	(0.1)	(0.6)	(0.3)	(0.4)	(2.1)	(0.1)	-	(0.4)	(0.7)
Effect of Coronavirus related expenses ⁽⁶⁾	-	-	(0.2)	-	0.1	(0.2)	(0.8)	(2.4)	(0.1)	(0.9)
Adjusted underlying expense ratio ⁽⁷⁾	21.1	21.0	20.1	19.6	20.8	20.3	20.5	21.0	20.3	20.3
Claims expense ratio including catastrophe expense ⁽⁸⁾	6.2	5.5	5.6	5.6	5.6	6.2	6.2	5.7	6.1	6.1
Adjusted expense ratio ⁽⁹⁾	27.3	26.5	25.7	25.2	26.4	26.1	26.7	27.4	26.4	26.9
Combined ratio	98.9	105.3	95.7	83.3	84.0	91.6	89.8	84.8	95.9	87.6
Effect of catastrophe losses	(5.1)	(12.5)	(9.5)	(8.0)	(4.8)	(1.1)	(13.4)	(2.4)	(8.3)	(7.9)
Effect of prior year non-catastrophe reserve reestimates	(1.8)	(1.6)	0.2	(0.1)	-	(0.8)	0.4	(0.3)	(0.8)	(0.2)
Effect of amortization of purchased intangibles	(0.2)	(0.2)	(0.2)	(0.1)	(0.1)	-	-	-	(0.6)	(0.1)
Underlying combined ratio ⁽¹⁰⁾	91.3	90.4	85.7	77.1	79.1	79.7	76.5	82.1	86.2	79.4
Effect of Run-off Property-Liability on combined ratio	-	1.2	-	0.1	0.1	1.5	-	-	0.3	0.4
Underwriting income (loss)	\$ 114	\$ (311)	\$ 414	\$ 1,515	\$ 1,414	\$ 842	\$ 899	\$ 1,336	\$ 1,702	\$ 4,491
Allstate brand	(62)	(112)	15	138	12	43	6	14	(21)	75
National General ⁽²⁾	3	2	2	2	2	2	1	1	14	3
Avener Financial	115	(421)	431	1,660	1,428	887	905	1,381	1,785	4,589
Total underwriting income for Allstate Protection	(2)	(133)	(2)	(3)	(3)	(130)	(3)	(3)	(120)	(144)
Run-off Property-Liability	(2)	(133)	(2)	(3)	(3)	(130)	(3)	(3)	(120)	(144)
Total underwriting income (loss) for Property-Liability	\$ 113	\$ (534)	\$ 429	\$ 1,657	\$ 1,423	\$ 752	\$ 902	\$ 1,348	\$ 1,665	\$ 4,425
Other financial information										
Net investment income	\$ 804	\$ 710	\$ 831	\$ 673	\$ 619	\$ 422	\$ 178	\$ 202	\$ 3,118	\$ 1,421
Income tax expense on operations	(195)	(26)	(283)	(475)	(415)	(241)	(210)	(303)	(679)	(1,169)

⁽¹⁾ Encopass brand has been combined into National General beginning in the first quarter of 2021 and results prior to 2021 reflect Encopass brand results only.

The Allstate Corporation
Allstate Protection Profitability Measures

(\$ in millions, except ratios)

	Three months ended				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, 2018
Premiums written										
Auto	\$ 6,864	\$ 7,171	\$ 6,818	\$ 7,012	\$ 5,886	\$ 6,326	\$ 6,190	\$ 6,209	\$ 27,885	\$ 24,611
Homeowners	2,686	3,004	2,722	2,883	2,545	2,339	2,284	1,732	10,489	8,400
Other personal lines	517	554	579	476	465	542	528	430	2,156	1,965
Commercial lines	240	207	204	497	213	188	170	221	848	792
Total	\$ 10,307	\$ 10,936	\$ 10,323	\$ 9,768	\$ 8,909	\$ 9,395	\$ 9,172	\$ 8,592	\$ 41,358	\$ 35,760
Net premiums earned										
Auto	\$ 7,019	\$ 6,912	\$ 6,883	\$ 6,809	\$ 6,103	\$ 6,210	\$ 6,172	\$ 6,155	\$ 27,623	\$ 24,640
Homeowners	2,802	2,922	2,411	2,392	2,090	2,073	2,054	2,037	9,837	8,254
Other personal lines	532	521	519	505	484	486	478	471	2,077	1,919
Commercial lines	227	204	188	190	207	183	169	218	857	787
Total	\$ 10,580	\$ 10,159	\$ 10,009	\$ 9,896	\$ 8,884	\$ 9,052	\$ 8,869	\$ 8,881	\$ 40,454	\$ 35,680
Underwriting income (loss)										
Auto	\$ (300)	\$ (159)	\$ 394	\$ 1,327	\$ 883	\$ 906	\$ 998	\$ 657	\$ 1,262	\$ 3,444
Homeowners	335	(277)	(7)	268	448	(87)	(138)	581	319	634
Other personal lines	121	40	39	33	89	42	43	90	233	254
Commercial lines	(77)	(64)	(62)	(2)	(16)	(14)	(11)	5	(158)	(20)
Other business lines *	33	27	38	27	21	18	14	17	115	70
Amort. Financial	8	2	2	2	2	2	2	2	14	3
Total	\$ 116	\$ (421)	\$ 431	\$ 1,660	\$ 1,426	\$ 887	\$ 905	\$ 1,351	\$ 1,785	\$ 4,689
Claims expense excluding catastrophe expense ¹	\$ 641	\$ 560	\$ 556	\$ 552	\$ 511	\$ 515	\$ 551	\$ 569	\$ 2,309	\$ 2,146
Operating ratios and reconciliations to underlying ratios										
Loss ratio	73.9	79.0	71.0	60.0	59.3	65.2	58.0	59.1	71.1	60.4
Effect of catastrophe losses	(5.1)	(12.5)	(9.5)	(6.0)	(4.8)	(11.1)	(13.4)	(2.4)	(8.3)	(7.9)
Effect of prior year non-catastrophe reserve reestimates	(1.8)	(6.4)	6.2	—	—	0.7	0.4	(0.3)	(0.3)	3.2
Underlying loss ratio ²	67.0	60.1	67.7	54.0	54.5	54.8	45.0	56.5	62.3	62.7
Expense ratio	25.0	25.1	24.7	23.2	24.6	24.9	31.8	25.7	24.5	26.8
Effect of amortization of purchased intangibles	(0.7)	(0.8)	(0.7)	(0.1)	—	—	—	—	0.6	(0.1)
Underlying expense ratio ²	24.3	24.3	24.0	23.1	24.6	24.9	31.8	25.7	23.9	26.7
Effect of advertising expense	(2.9)	(3.2)	(3.1)	(3.2)	(3.7)	(2.3)	(2.4)	(2.3)	(3.1)	(2.6)
Effect of restructuring and related charges	(0.3)	(0.2)	(0.0)	(0.3)	(0.4)	(2.1)	(0.1)	—	(0.4)	(0.7)
Effect of Coronavirus related expenses ³	—	—	(0.2)	—	0.1	(0.2)	(8.8)	(2.4)	(0.1)	(2.9)
Adjusted underlying expense ratio ²	21.1	20.9	20.7	19.6	20.6	20.3	20.6	21.0	20.3	20.5
Combined ratio	98.9	104.1	95.7	83.2	83.9	90.1	89.8	84.8	95.6	87.2
Underlying combined ratio ²	91.3	90.4	89.7	77.1	79.1	79.7	78.8	82.1	86.2	79.4
Claims expense ratio excluding catastrophe expense ¹	6.2	5.5	5.6	5.6	5.8	5.6	6.2	6.4	5.7	6.0

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

	Three months ended December 31, 2021			Three months ended September 30, 2021		
	Number of locations ⁽¹⁾	Total brand (%) ⁽²⁾	Location specific (%) ⁽³⁾	Number of locations	Total brand (%)	Location specific (%)
Allstate brand						
Auto	25	2.9	7.1	20	0.3	2.1
Homeowners	11	1.0	6.7	10	0.3	4.2
National General						
Auto	22	2.4	5.7	13	2.5	5.6
Homeowners	13	1.0	7.1	8	1.1	6.2
	Three months ended June 30, 2021			Three months ended March 31, 2021		
	Number of locations	Total brand (%)	Location specific (%)	Number of locations	Total brand (%)	Location specific (%)
Allstate brand						
Auto	9	(0.3)	(2.3)	38	(2.1)	(3.9)
Homeowners	7	0.5	3.7	22	1.7	4.4
National General						
Auto	7	0.1	1.6	12	(0.3)	(2.9)
Homeowners	7	0.5	7.7	12	1.3	8.0

⁽¹⁾ 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 states, the District of Columbia and Canadian provinces where rate changes were implemented during the period as a percentage of total brand prior year-end premiums written.

⁽³⁾ Represents the impact in the states, the District of Columbia and Canadian provinces 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, 2021	Sept. 30, 2021	June 30, 2021	March 31, 2021	Dec. 31, 2020	Sept. 30, 2020	June 30, 2020	March 31, 2020	Dec. 31, 2021	Dec. 31, 2020
Allstate Protection										
Premiums written	\$ 6,864	\$ 7,171	\$ 6,818	\$ 7,012	\$ 5,886	\$ 6,326	\$ 6,190	\$ 6,209	\$ 27,865	\$ 24,611
Net premiums earned	7,019	6,912	6,883	6,809	6,103	6,210	6,172	6,155	27,623	24,640
Underwriting income (loss)	(360)	(150)	394	1,327	683	996	998	657	1,262	3,444
Operating ratios and reconciliations to underlying ratios										
Loss ratio	78.9	78.9	68.7	57.2	60.2	59.7	47.5	62.2	70.5	57.5
Effect of catastrophe losses	(1.3)	(2.9)	(2.2)	(0.4)	(0.8)	(1.8)	(2.2)	(0.2)	(1.7)	(1.2)
Effect of prior year non-catastrophe reserve reestimates	(2.1)	(1.1)	0.4	0.2	-	0.5	0.5	(0.4)	(0.5)	0.3
Underlying loss ratio ⁽¹⁾	75.5	72.3	66.9	57.0	59.6	58.6	45.8	61.6	68.2	56.6
Expense ratio	25.4	25.4	25.6	23.3	25.3	25.7	35.9	27.1	24.9	28.5
Effect of amortization of purchased intangibles	(0.7)	(0.7)	(0.7)	(0.2)	-	-	-	-	(0.8)	-
Underlying expense ratio ⁽²⁾	24.7	24.7	24.9	23.1	25.3	25.7	35.9	27.1	24.3	28.5
Combined ratio	104.3	102.3	94.3	80.5	85.5	85.4	83.8	89.3	95.4	86.0
Effect of catastrophe losses	(1.3)	(2.9)	(2.2)	(0.4)	(0.6)	(1.6)	(2.2)	(0.2)	(1.7)	(1.2)
Effect of prior year non-catastrophe reserve reestimates	(2.1)	(1.1)	0.4	0.2	-	0.5	0.5	(0.4)	(0.6)	0.3
Effect of amortization of purchased intangibles	(0.7)	(0.7)	(0.7)	(0.2)	-	-	-	-	(0.9)	-
Underlying combined ratio ⁽²⁾	100.2	97.6	91.8	80.1	84.9	84.3	82.4	88.7	92.5	85.1
Effect of Shelter-in-Place Payback expense on combined and expense ratios	-	-	0.4	-	-	-	11.9	3.4	0.1	3.8
New issued applications (in thousands) ⁽³⁾	1,333	1,448	1,421	1,471	846	902	882	897	5,673	3,527
Allstate brand										
Premiums written	\$ 5,937	\$ 6,153	\$ 5,952	\$ 6,080	\$ 5,766	\$ 6,192	\$ 6,054	\$ 6,091	\$ 24,102	\$ 24,103
Net premiums earned	6,026	6,006	6,086	6,014	5,977	6,081	6,037	6,000	24,068	24,115
Underwriting income (loss)	(260)	(123)	364	1,203	682	897	866	659	1,208	3,404
Combined ratio	103.9	102.0	94.0	80.0	85.2	85.2	84.0	89.1	95.0	85.9
Underlying combined ratio ⁽²⁾	100.4	97.5	92.0	79.6	84.7	84.2	82.6	88.5	92.4	85.0
New issued applications (in thousands)										
Agency channel	574	648	658	651	603	682	664	672	2,531	2,621
Direct channel	255	284	288	278	227	208	204	209	1,085	548
Average premium - gross written ⁽⁴⁾ (\$)	610	604	600	607	621	621	612	616	605	617
Renewal ratio ⁽⁵⁾ (%)	87.2	87.2	87.1	86.7	87.2	87.8	87.6	87.4	87.0	87.5
Property damage gross claim frequency ⁽⁶⁾ (%)	21.5	16.6	47.3	(18.8)	(28.7)	(28.6)	(46.4)	(12.2)	13.0	(28.1)
Property damage paid claim severity ⁽⁶⁾ (%)	18.2	15.1	(4.9)	3.5	5.1	7.9	20.4	8.1	8.8	10.0
National General ⁽⁷⁾										
Premiums written	\$ 927	\$ 1,018	\$ 866	\$ 952	\$ 120	\$ 134	\$ 136	\$ 118	\$ 3,763	\$ 508
Net premiums earned	990	903	847	795	126	129	135	135	3,535	525
Underwriting income (loss)	(64)	(26)	30	124	1	9	32	(2)	54	40
Combined ratio	108.5	104.5	98.5	84.4	98.2	93.0	78.5	101.5	88.5	92.4
Underlying combined ratio ⁽²⁾	99.0	97.7	89.8	83.8	96.0	89.1	74.1	100.0	93.0	89.7
New issued application (in thousands)	504	516	495	542	16	14	14	16	2,057	60

⁽¹⁾ Encompass brand has been combined into National General beginning in the first quarter of 2021 and results prior to 2021 reflect Encompass brand results only.

⁽²⁾ Excludes 4.6 points, 5.0 points, 5.5 points, and 1.1 points in the fourth, third, second, and first quarters of 2021, respectively, and 4.1 points for the twelve months ended 2021, related to the effect of amortization of purchased intangibles.

The Allstate Corporation
Homeowners Profitability Measures

(\$ in millions, except ratios)

	Three months ended								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, 2021	Dec. 31, 2020
Allstate Protection										
Premiums written	\$ 2,680	\$ 3,004	\$ 2,722	\$ 2,083	\$ 2,045	\$ 2,339	\$ 2,284	\$ 1,732	\$ 10,489	\$ 8,400
Net premiums earned	2,602	2,522	2,411	2,362	2,090	2,073	2,054	2,037	9,927	8,254
Underwriting income (loss)	335	(277)	(7)	288	449	(87)	(139)	581	319	624
Operating ratios and reconciliations to underlying ratios										
Loss ratio	61.7	85.9	76.3	64.9	65.1	60.4	64.6	48.9	72.2	67.3
Effect of catastrophe losses	(16.6)	(38.0)	(30.3)	(20.7)	(16.8)	(39.1)	(46.4)	(9.0)	(26.3)	(27.9)
Effect of prior year non-catastrophe reserve reestimates	-	(0.6)	0.3	(0.2)	(0.1)	0.7	0.2	(0.1)	(0.2)	0.2
Underlying loss ratio ⁽¹⁾	45.1	47.3	46.3	44.0	38.2	42.0	38.6	39.8	45.7	39.8
Expense ratio	25.4	25.1	24.0	23.9	23.4	22.8	22.0	22.6	24.6	22.7
Effect of amortization of purchased intangibles	(0.9)	(0.6)	(0.8)	(0.2)	(0.1)	-	-	-	(0.7)	-
Underlying expense ratio ⁽²⁾	24.5	24.3	23.2	23.7	23.3	22.8	22.0	22.6	23.9	22.7
Combined ratio	87.1	111.0	100.3	88.8	78.5	103.2	106.6	71.5	96.8	90.0
Effect of catastrophe losses	(16.6)	(38.0)	(30.3)	(20.7)	(16.8)	(39.1)	(46.4)	(9.0)	(26.3)	(27.9)
Effect of prior year non-catastrophe reserve reestimates	-	(0.6)	0.3	(0.2)	(0.1)	0.7	0.2	(0.1)	(0.2)	0.2
Effect of amortization of purchased intangibles	(0.9)	(0.6)	(0.8)	(0.2)	(0.1)	-	-	-	(0.7)	-
Underlying combined ratio ⁽³⁾	69.6	71.6	69.6	67.7	61.5	66.8	60.6	62.4	69.6	69.3
New issued applications (in thousands)	250	287	285	242	227	256	238	212	1,064	933
Allstate brand										
Premiums written	\$ 2,225	\$ 2,452	\$ 2,313	\$ 1,727	\$ 1,955	\$ 2,234	\$ 2,178	\$ 1,646	\$ 8,717	\$ 8,012
Net premiums earned	2,152	2,080	2,032	2,008	1,993	1,974	1,955	1,936	8,272	7,858
Underwriting income (loss)	350	(206)	7	262	442	(93)	(118)	567	411	798
Combined ratio	83.7	110.0	99.7	87.0	77.8	104.7	106.0	70.7	95.0	89.8
Underlying combined ratio ⁽⁴⁾	65.8	67.5	66.6	63.3	60.8	64.6	60.2	61.8	65.8	61.8
New issued applications (in thousands)										
Agency channel	203	236	236	204	201	231	214	191	879	837
Direct channel	22	23	22	16	17	16	16	13	83	62
Average premium - gross written (\$)	1,489	1,443	1,404	1,360	1,342	1,334	1,324	1,310	1,426	1,328
Renewal ratio (%)	87.0	87.1	87.3	87.0	87.4	87.8	87.3	87.6	87.1	87.5
Gross claim frequency (%)	1.4	3.4	10.4	19.3	3.6	3.5	(6.6)	(13.2)	6.3	(4.0)
Paid claim severity (%)	15.0	15.0	8.3	1.4	0.7	3.3	9.5	15.9	10.0	7.1
National General ⁽⁵⁾										
Premiums written	\$ 455	\$ 352	\$ 409	\$ 356	\$ 90	\$ 105	\$ 106	\$ 87	\$ 1,772	\$ 388
Net premiums earned	450	442	379	384	97	99	99	101	1,655	396
Underwriting income (loss)	(15)	(69)	(14)	6	7	26	(21)	14	(92)	26
Combined ratio	103.3	115.6	103.7	98.4	92.8	73.7	121.2	86.1	105.6	93.4
Underlying combined ratio ⁽⁶⁾	88.0	91.0	84.7	90.6	76.3	68.7	68.7	75.2	88.6	72.2
New issued application (in thousands)	25	28	27	22	9	9	8	8	102	34

⁽¹⁾ Encompass brand has been combined into National General beginning in the first quarter of 2021 and results prior to 2021 reflect Encompass brand results only.

⁽²⁾ Excludes 4.6 points, 4.1 points, 4.8 points, and 1.0 points in the fourth, third, second, and first quarters of 2021, respectively, and 5.7 points for the twelve months ended 2021, 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, 2021	Sept. 30, 2021	June 30, 2021	March 31, 2021	Dec. 31, 2020	Sept. 30, 2020	June 30, 2020	March 31, 2020	Dec. 31, 2021	Dec. 31, 2020
Protection Services										
Net premiums written	\$ 716	\$ 651	\$ 692	\$ 583	\$ 559	\$ 485	\$ 467	\$ 379	\$ 2,642	\$ 1,890
Net premiums earned	\$ 462	\$ 456	\$ 435	\$ 411	\$ 395	\$ 364	\$ 360	\$ 364	\$ 1,794	\$ 1,493
Other revenue	91	85	88	90	53	52	51	52	354	208
Intersegment insurance premiums and service fees	42	46	46	41	38	36	35	38	175	147
Net investment income	11	10	12	10	11	12	11	10	43	44
Claims and claims expense	(124)	(122)	(109)	(103)	(102)	(107)	(85)	(82)	(458)	(386)
Amortization of deferred policy acquisition costs	(214)	(206)	(194)	(181)	(176)	(169)	(160)	(153)	(795)	(656)
Operating costs and expenses	(227)	(209)	(203)	(196)	(187)	(190)	(183)	(167)	(837)	(651)
Restructuring and related charges	(2)	—	(4)	(9)	(2)	2	(3)	—	(14)	(3)
Income tax expense on operations	(9)	(16)	(15)	(12)	(12)	(10)	(8)	(11)	(52)	(41)
Less: net income attributable to noncontrolling interest	1	—	—	—	—	—	—	—	1	—
Adjusted net income ⁽¹⁾	29	42	57	49	38	47	38	37	179	153
Depreciation	6	7	7	8	8	7	6	7	28	28
Restructuring and related charges	2	(1)	4	9	2	(2)	3	—	14	3
Income tax expense on operations	9	16	15	12	12	10	8	11	52	41
Adjusted earnings before taxes, depreciation and restructuring ⁽¹⁾	\$ 46	\$ 67	\$ 82	\$ 78	\$ 60	\$ 55	\$ 55	\$ 55	\$ 273	\$ 225
Allstate Protection Plans										
Net premiums written	\$ 519	\$ 439	\$ 467	\$ 388	\$ 385	\$ 300	\$ 310	\$ 221	\$ 1,813	\$ 1,216
Net premiums earned	\$ 298	\$ 295	\$ 279	\$ 260	\$ 248	\$ 236	\$ 219	\$ 206	\$ 1,132	\$ 909
Revenue ⁽¹⁾	314	311	295	275	263	251	232	218	1,186	866
Claims and claims expense	(80)	(77)	(70)	(66)	(69)	(70)	(58)	(55)	(293)	(250)
Amortization of deferred policy acquisition costs	(113)	(108)	(100)	(91)	(87)	(83)	(73)	(70)	(413)	(310)
Other costs and expenses ⁽¹⁾	(86)	(80)	(70)	(61)	(56)	(57)	(50)	(50)	(299)	(224)
Restructuring and related charges	(1)	(2)	(2)	—	3	—	—	—	(9)	3
Income tax expense on operations	(9)	(11)	(11)	(12)	(14)	(9)	(9)	(10)	(42)	(42)
Less: net income attributable to noncontrolling interest	1	—	—	—	—	—	—	—	1	—
Adjusted net income	\$ 23	\$ 32	\$ 42	\$ 45	\$ 32	\$ 36	\$ 35	\$ 34	\$ 142	\$ 137
Allstate Dealer Services										
Revenue	\$ 135	\$ 129	\$ 130	\$ 123	\$ 121	\$ 121	\$ 118	\$ 117	\$ 517	\$ 477
Adjusted net income	9	7	10	8	7	7	8	7	34	29
Allstate Roadside										
Revenue	\$ 61	\$ 64	\$ 60	\$ 59	\$ 56	\$ 59	\$ 53	\$ 60	\$ 244	\$ 230
Adjusted net income	—	1	2	4	4	2	4	2	7	12
Arty										
Revenue	\$ 62	\$ 62	\$ 64	\$ 64	\$ 26	\$ 25	\$ 26	\$ 30	\$ 252	\$ 107
Adjusted net income (loss)	(1)	1	1	2	(2)	(3)	(3)	(3)	3	(11)
Allstate Identity Protection										
Revenue	\$ 34	\$ 31	\$ 32	\$ 31	\$ 29	\$ 28	\$ 28	\$ 28	\$ 128	\$ 113
Adjusted net income (loss)	(2)	4	1	(10)	(3)	(4)	(4)	(3)	(7)	(14)

(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, 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
Allstate Health and Benefits										
Premiums	\$ 429	\$ 436	\$ 421	\$ 428	\$ 235	\$ 247	\$ 237	\$ 253	\$ 1,714	\$ 972
Contract charges	30	24	26	27	27	40	26	29	107	122
Other revenue ⁽¹⁾	111	82	83	80	-	-	-	-	369	-
Net investment income	18	18	19	19	20	18	20	20	74	78
Accident and health insurance policy benefits	(269)	(269)	(244)	(233)	(124)	(128)	(123)	(141)	(1,015)	(516)
Interest credited to contractholder funds	(9)	(8)	(8)	(9)	(7)	(8)	(9)	(9)	(34)	(33)
Amortization of deferred policy acquisition costs	(43)	(30)	(32)	(39)	(38)	(59)	(35)	(45)	(144)	(177)
Operating costs and expenses	(205)	(208)	(198)	(190)	(89)	(88)	(110)	(75)	(787)	(252)
Restructuring and related charges	-	(8)	(1)	-	-	-	(1)	-	(9)	(1)
Income tax expense on operations	(14)	(9)	(16)	(18)	(10)	(8)	-	(8)	(57)	(27)
Adjusted net income ⁽²⁾	\$ 48	\$ 31	\$ 62	\$ 65	\$ 34	\$ 33	\$ 6	\$ 24	\$ 208	\$ 96
Benefit ratio ⁽³⁾	58.6 %	58.5 %	54.6 %	51.2 %	47.3 %	44.6 %	46.8 %	50.0 %	55.7 %	47.2 %
Premiums and contract charges										
Employer voluntary benefits ⁽⁴⁾	\$ 262	\$ 251	\$ 255	\$ 263	\$ 262	\$ 267	\$ 263	\$ 282	\$ 1,831	\$ 1,094
Group health ⁽⁴⁾	90	90	87	83	-	-	-	-	350	-
Individual health ⁽⁴⁾	107	118	105	109	-	-	-	-	440	-
Total	\$ 459	\$ 460	\$ 447	\$ 455	\$ 262	\$ 267	\$ 263	\$ 282	\$ 1,821	\$ 1,094

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

⁽²⁾ Includes \$41 million write-off of capitalized software costs associated with a billing system.

The Allstate Corporation
Corporate and Other Segment Results

(\$ in millions)

	Three months ended				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, 2021	Dec 31, 2020
Other revenue	\$ 19	\$ 1	\$ 2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22	\$ -
Net investment income	14	26	12	6	10	12	11	14	58	47
Operating costs and expenses	(57)	(41)	(28)	(32)	(37)	(23)	(25)	(20)	(108)	(110)
Restructuring and related charges	9	(1)	(1)	(10)	(1)	(1)	(1)	(2)	(2)	(12)
Interest expense	(63)	(69)	(91)	(86)	(80)	(76)	(76)	(81)	(328)	(316)
Income tax benefit on operations	22	19	23	26	23	20	21	21	90	80
Preferred stock dividends	(27)	(30)	(29)	(27)	(26)	(27)	(26)	(26)	(114)	(115)
Adjusted net loss *	\$ (133)	\$ (95)	\$ (112)	\$ (123)	\$ (113)	\$ (99)	\$ (107)	\$ (107)	\$ (423)	\$ (428)

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, 2021	Dec. 31, 2020
Investment position										
Fixed income securities, at fair value	\$ 42,136	\$ 39,989	\$ 42,825	\$ 40,594	\$ 42,565	\$ 43,663	\$ 42,034	\$ 38,447	\$ 42,136	\$ 42,565
Equity securities ^a	7,961	3,897	3,059	3,154	3,166	2,977	2,838	2,233	7,961	3,166
Mortgage loans, net	821	752	786	902	746	788	805	766	821	746
Limited partnership interests ^a	6,018	7,578	7,073	6,367	4,563	4,294	4,093	4,154	6,018	4,563
Short-term, at fair value	4,009	6,408	5,916	6,917	6,907	3,145	4,140	4,585	4,009	6,907
Other investments, net	2,656	3,295	3,311	3,042	1,691	1,860	1,949	1,841	2,656	1,691
Total	\$ 64,701	\$ 61,344	\$ 63,570	\$ 60,976	\$ 58,542	\$ 60,717	\$ 58,559	\$ 52,113	\$ 64,701	\$ 59,541
Net investment income										
Fixed income securities	\$ 278	\$ 279	\$ 290	\$ 301	\$ 314	\$ 314	\$ 306	\$ 298	\$ 1,148	\$ 1,232
Equity securities	49	24	13	14	29	18	21	10	100	78
Mortgage loans	12	9	12	10	9	8	8	9	43	24
Limited partnership interests	506	438	651	378	309	123	(117)	(77)	1,973	238
Short-term	2	1	1	1	2	2	2	11	5	17
Other	56	50	48	41	33	20	31	31	195	124
Investment income, before expense	903	801	1,015	745	696	494	251	282	3,464	1,723
Less: Investment expense	(55)	(37)	(41)	(37)	(35)	(25)	(31)	(28)	(171)	(133)
Net investment income	\$ 847	\$ 764	\$ 974	\$ 708	\$ 660	\$ 469	\$ 220	\$ 254	\$ 3,293	\$ 1,590
Pre-tax yields on fixed income securities^a	2.8 %	2.8 %	2.9 %	3.1 %	3.1 %	3.1 %	3.1 %	3.2 %	2.9 %	3.1 %
Net gains (losses) on investments and derivatives, pre-tax by transaction type										
Sales	\$ 137	\$ 80	\$ 115	\$ 246	\$ 212	\$ 214	\$ 160	\$ 388	\$ 578	\$ 874
Credit losses	(44)	(12)	12	2	(3)	7	1	(37)	(42)	(32)
Valuation change of equity investments	178	(9)	163	167	294	128	265	(99)	499	96
Valuation change and settlements of derivatives	(6)	46	(3)	11	(13)	(20)	14	75	48	48
Total	\$ 265	\$ 105	\$ 287	\$ 426	\$ 480	\$ 319	\$ 440	\$ (150)	\$ 1,084	\$ 1,087
Total return on investment portfolio^a										
Net investment income	1.3 %	1.2 %	1.6 %	1.2 %	1.1 %	0.8 %	0.4 %	0.5 %	5.3 %	2.9 %
Valuation-interest bearing	(0.3)	(0.2)	0.2	(1.8)	1.0	0.3	3.9	(1.5)	(1.8)	4.1
Valuation-equity investments	0.3	-	0.3	0.4	0.6	0.2	0.5	(1.3)	0.9	0.2
Total	1.3 %	1.0 %	2.1 %	0.7 %	2.7 %	1.8 %	4.8 %	(2.3 %)	4.4 %	7.2 %
Fixed income securities portfolio duration^a (in years)	4.20	4.75	4.64	4.81	5.02	5.14	5.15	5.10	4.20	5.02

The Allstate Corporation
Investment Position and Results by Strategy

(\$ in millions)	As of or for the three 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, 2020
Investment Position										
Market-based ⁽¹⁾										
Interest-bearing investments ⁽¹⁾	\$ 48,589	\$ 49,386	\$ 51,367	\$ 49,422	\$ 50,975	\$ 48,581	\$ 48,062	\$ 44,762	\$ 48,589	\$ 50,975
Equity securities ⁽¹⁾	6,689	3,455	2,676	2,787	2,884	2,732	2,395	2,095	6,689	2,884
LP and other alternative investments ⁽¹⁾	605	486	317	298	257	215	180	162	605	257
Total	\$ 55,883	\$ 53,327	\$ 54,360	\$ 52,507	\$ 54,116	\$ 51,528	\$ 50,637	\$ 47,019	\$ 55,883	\$ 54,116
Performance-based ⁽¹⁾										
Private equity	\$ 6,726	\$ 6,589	\$ 6,327	\$ 5,702	\$ 3,965	\$ 3,688	\$ 3,491	\$ 3,008	\$ 6,726	\$ 3,965
Real estate	1,892	1,624	1,683	1,957	1,439	1,520	1,531	1,492	1,892	1,439
Total	\$ 8,618	\$ 8,213	\$ 8,010	\$ 7,659	\$ 5,424	\$ 5,208	\$ 5,022	\$ 4,500	\$ 8,618	\$ 5,424
Investment Income										
Market-based										
Interest-bearing investments	\$ 316	\$ 319	\$ 330	\$ 331	\$ 339	\$ 338	\$ 331	\$ 336	\$ 1,296	\$ 1,345
Equity securities	45	17	17	15	28	19	20	24	94	91
LP and other alternative investments	4	17	9	9	4	5	2	5	39	8
Investment income, before expense	365	353	356	355	371	359	353	361	1,429	1,444
Investee level expenses	(2)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(5)	(4)
Income for yield calculation	\$ 363	\$ 352	\$ 355	\$ 354	\$ 370	\$ 358	\$ 352	\$ 360	\$ 1,424	\$ 1,440
Pre-tax yield	2.7 %	2.7 %	2.7 %	2.8 %	2.9 %	2.9 %	2.9 %	3.1 %	2.8 %	3.0 %
Performance-based										
Private equity	\$ 378	\$ 400	\$ 552	\$ 330	\$ 277	\$ 134	\$ (110)	\$ (95)	\$ 1,680	\$ 206
Real estate	180	48	107	80	48	1	8	16	375	73
Investment income, before expense	558	448	659	410	325	135	(102)	(79)	2,055	279
Investee level expenses	(22)	(11)	(10)	(12)	(11)	(6)	(8)	(7)	(65)	(32)
Income for yield calculation	\$ 536	\$ 437	\$ 649	\$ 398	\$ 314	\$ 129	\$ (110)	\$ (66)	\$ 1,990	\$ 247
Pre-tax yield	24.2 %	21.0 %	33.0 %	20.7 %	23.7 %	10.0 %	(8.7) %	(6.7) %	24.8 %	4.8 %
Total return on investments portfolio										
Market-based	0.4 %	0.3 %	1.7 %	(1.1) %	2.3 %	1.8 %	5.5 %	(2.2) %	1.3 %	7.5 %
Performance-based	6.1	5.7	8.6	6.3	6.8	2.3	(2.3)	(1.2)	26.8	5.9
Internal rate of return ⁽¹⁾ ⁽²⁾										
Performance-based										
10 year	12.9 %	12.4 %	12.1 %	11.7 %	11.5 %	11.5 %	11.3 %	12.1 %		
5 year	13.9	13.2	12.1	10.8	9.6	8.5	8.6	10.2		
3 year	14.0	12.4	10.7	8.5	8.0	7.2	7.5	10.4		
1 year	32.6	31.4	27.3	11.1	4.4	(1.1)	(2.2)	6.5		

⁽¹⁾ 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 except for periodic settlements and accruals on non-hedge derivative instruments, which are reported with net gains and losses on investments and derivatives but included in adjusted net income
- Pension and other postretirement reinsurance gains and losses
- Business combination expenses and the amortization or impairment of purchased intangibles
- Income or loss from discontinued operations
- 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 those 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 reinsurance gains and losses, business combination expenses and the amortization or impairment of purchased intangibles, income or loss from discontinued operations and adjustments for other significant non-recurring, infrequent or unusual items and the related tax expense or benefit of those items. Net gains and losses on investments and derivatives, and pension and other postretirement reinsurance 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 and income or loss from discontinued operations 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. 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 underwriting performance. The most directly comparable GAAP measure is the loss ratio. The underlying loss ratio should not be considered a substitute for the loss ratio and does not reflect the overall loss ratio of our business. A reconciliation of underlying loss ratio is provided in the schedules "Property-Liability Results", "Allstate 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 underwriting 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 underwriting 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 underwriting performance. The most directly comparable GAAP measure is the expense ratio. The adjusted underwriting 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 adjusted underwriting 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 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. 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 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. 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, DSI and life insurance reserves by total common shares outstanding plus dilutive potential common shares outstanding. We use the trend in book value per common share, excluding the impact of unrealized net capital gains and losses on fixed income securities, in conjunction with book value per common share to identify and analyze the change in net worth 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 Altabe 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, Altabe Health and Benefits, and Corporate and Other segments.
Average Altabe common shareholders' equity and average adjusted Altabe common shareholders' equity are determined using a two-point average, with the beginning and ending Altabe common shareholders' equity and Altabe adjusted common shareholders' equity, respectively, for the twelve-month period as data points.
Other revenue primarily represents fees collected from policyholders relative 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 Altabe 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 item count. Gross premiums written include the impacts from discounts, surcharges and ceded reinsurance premiums and exclude the impacts from mid-term premium adjustments and premium refund accruals. Average premiums represent the appropriate policy term for each line, which is generally 6 months for auto and 12 months for homeowners.

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

Coronavirus related expenses includes shelter-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 reported 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). Frequency statistics exclude counts associated with catastrophe events. 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 Altabe Protection brand. Altabe 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 claims 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.

Altabe Health and Benefits

Benefits ratio is contract benefits 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 and agent 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 as of such dates. As a result, the IRR can vary significantly for different measurement periods based on macroeconomic or other events that impact the estimated beginning or ending portfolio value, such as the global financial crisis. Our IRR calculation method may differ from those used by other investors. The timing of the recognition of income in the financial statements may differ significantly from the cash distributions and changes in the value of these investments.

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

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 and real estate.

Pre-tax yields: 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 derivatives, the change in unrealized net capital gains and losses, and the change in the difference between fair value and carrying value of mortgage loans, bank loans and agent loans divided by the average fair value balances.

