



The Allstate Corporation

Second Quarter 2020 Earnings Presentation
August 5, 2020

Allstate[®]
You're in good hands.



Forward-Looking Statements and Non-GAAP Financial Information

This presentation contains forward-looking statements and information. This presentation also contains non-GAAP measures that are denoted with an asterisk. You can find the reconciliation of those measures to GAAP measures within our most recent earnings release or investor supplement.

Additional information on factors that could cause results to differ materially from this presentation is available in the 2019 Form 10-K, Form 10-Q for June 30, 2020, our most recent earnings release, and at the end of these slides. These materials are available on our website, www.allstateinvestors.com, under the “Financials” link.



Allstate's Strategy Drives Profitable Growth

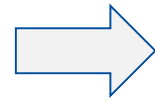
Increase Personal Property-Liability Market Share



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



Leveraging Allstate Brand, Customer Base and Capabilities



Expand Protection Businesses

- Circle of Protection for Customers
- Innovative Growth Platforms
- Broad Distribution



Second Quarter Results

- The Enterprise Net Promoter Score increased
- Adjusted net income* of \$2.46 per share
- Progress on Transformative Growth Plan
- Allstate Protection Plans accelerates growth and profitability
- Performance-based investment losses negatively impact results
- Significantly improved independent agent channel strategic position with pending acquisition of National General



Allstate Quickly Adapts to Pandemic and Delivers Excellent Operating Results

- Revenues of \$11.2 billion reflect higher realized capital gains and Property-Liability premium growth
- Net income of \$1.2 billion and adjusted net income* of \$780 million (\$2.46 per share) due to strong underwriting results
- Adjusted net income return on common shareholders' equity* of 17.9% for the latest 12 months

(\$ in millions, except per share data and ratios)	Three months ended June 30,			Six months ended June 30,		
	2020	2019	Change	2020	2019	Change
Total revenues	\$11,197	\$11,144	0.5%	\$21,273	\$22,134	(3.9%)
Property-Liability insurance premiums	8,863	8,681	2.1%	17,744	17,188	3.2%
Net investment income	409	942	(56.6%)	830	1,590	(47.8%)
Realized capital gains and losses	704	324	NM	242	986	NM
Income applicable to common shareholders:						
Net income	1,224	821	49.1%	1,737	2,082	(16.6%)
per diluted common share	3.86	2.44	58.2%	5.43	6.17	(12.0%)
Adjusted net income*	780	735	6.1%	1,920	1,511	27.1%
per diluted common share*	2.46	2.18	12.8%	6.00	4.48	33.9%
Return on common shareholders' equity (trailing twelve months)						
Net income applicable to common shareholders				18.2%	11.2%	7.0 pts
Adjusted net income*				17.9%	13.5%	4.4 pts

NM = not meaningful

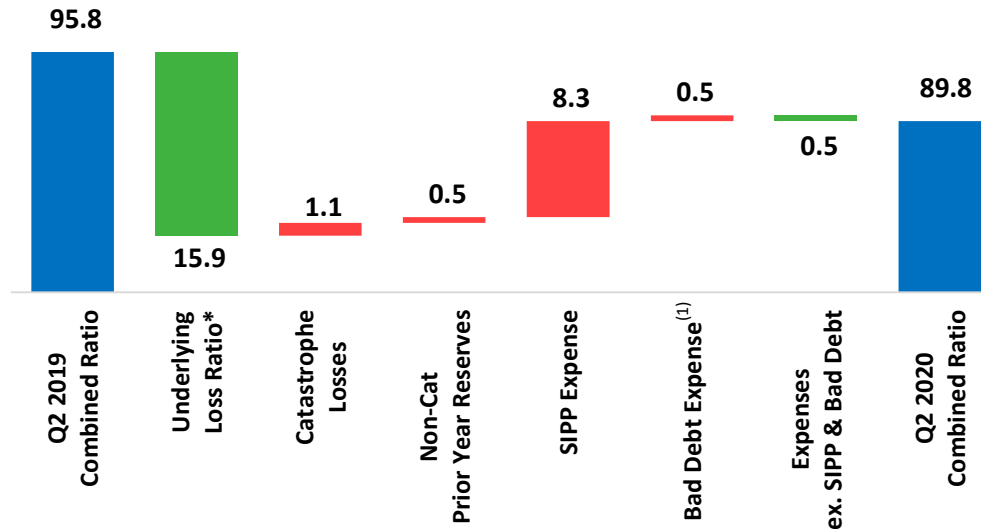


Property-Liability Results Remain Strong

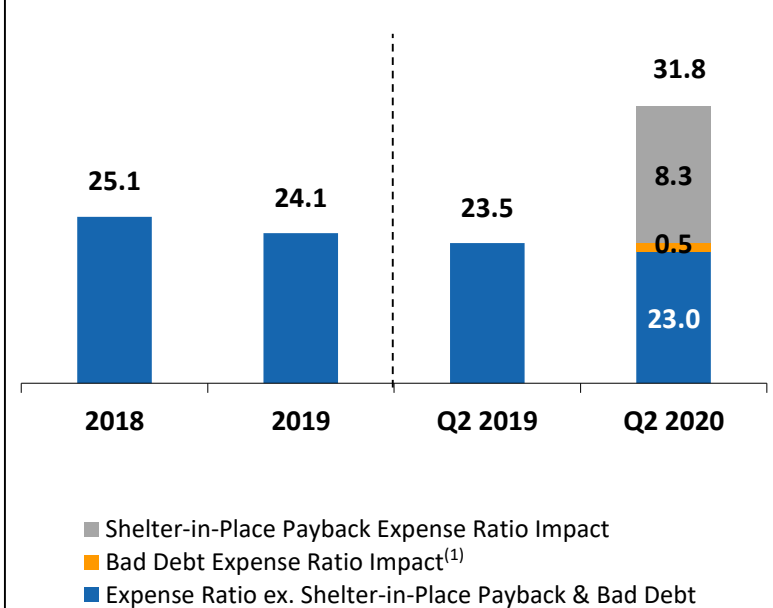
- Policy and premium growth continued with strong recorded and underlying profitability
- Underwriting income of \$904 million increased \$537 million compared to the prior year quarter
 - Increase driven by improved underlying loss costs in auto insurance, partially offset by Shelter-in-Place Payback expense and higher catastrophe losses
- Expense ratio, excluding the Shelter-in-Place Payback of \$738 million and increased bad debt of \$44 million⁽¹⁾, was 23.0 and improved by 0.5 points compared to the prior year quarter

Property-Liability Combined Ratio

	Q2 '20	Var PY
Policies in Force (in thousands)	33,777	0.6%
Net Written Premium (\$M)	\$9,172	1.4%



Property-Liability Expense Ratio



⁽¹⁾ Reflects increase in bad debt expense during the second quarter related to the Special Payment plan offered to customers as a result of the coronavirus.



Progress on Transformative Growth Plan to Increase Personal Property-Liability Market Share

Expand Customer Access

- Combined direct sales operations to leverage Esurance direct distribution capabilities under the Allstate brand
- Improved online and call center sales flow in Allstate direct channel

Enhance Customer Value

- Continued progress on expense reductions
- Expanded telematics offerings and leveraging industry-leading position with MileWise® (pay-per-mile insurance)

Invest in Technology and Marketing

- Launched new Allstate One app

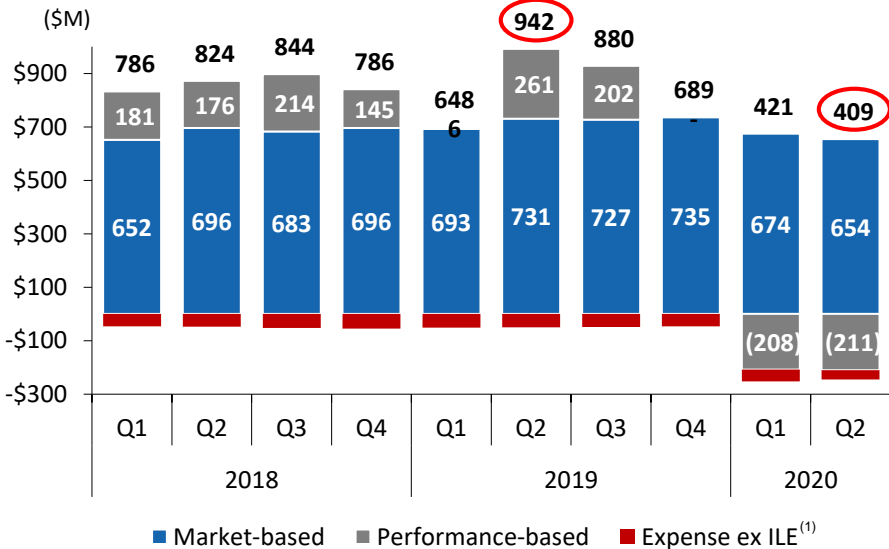
- Transformative Growth Plan enhances business model for post-coronavirus operating environment
 - Lower cost structure
 - More competitive new business pricing
 - Capacity to invest in new products, technology and marketing while delivering strong margins
 - Technology platform that improves customer experience and has greater flexibility



Net Investment Income Negatively Impacted by Performance-based Loss; Total Return Positive Reflecting Proactive Actions and Market Rebound

- Net investment income totaled \$409 million for second quarter, below prior year, impacted by market-based yield decline and performance-based loss
 - Performance-based investment losses of \$211 million in second quarter and \$419 million year-to-date reflect the significant first quarter equity valuation decline and impairment losses
- Total return of 5.0% reflects higher fixed income and public equity valuations

Net Investment Income



GAAP Total Return

	Return (%) ⁽²⁾				
	Q2 '20	YTD	LTM ⁽³⁾	Annualized	
				3 Year	5 Year
Total Portfolio	5.0	2.7	5.9	5.4	4.9
Market-based	5.8	3.4	6.7	5.2	4.6
Performance-based	-2.4	-4.5	-1.6	6.7	7.4

NM = not meaningful

⁽¹⁾ Investee level expenses (ILE) comprise asset level operating expenses are netted against market-based and performance-based income. Beginning January 1, 2020, depreciation previously included in ILE is reported as realized capital gains or losses

⁽²⁾ Total return excludes non-ILE, which if included, would reduce total portfolio return by <0.1% for Q2, 0.1% for YTD, 0.2% for LTM, and 0.2% for the annualized trailing 3 and 5 year periods

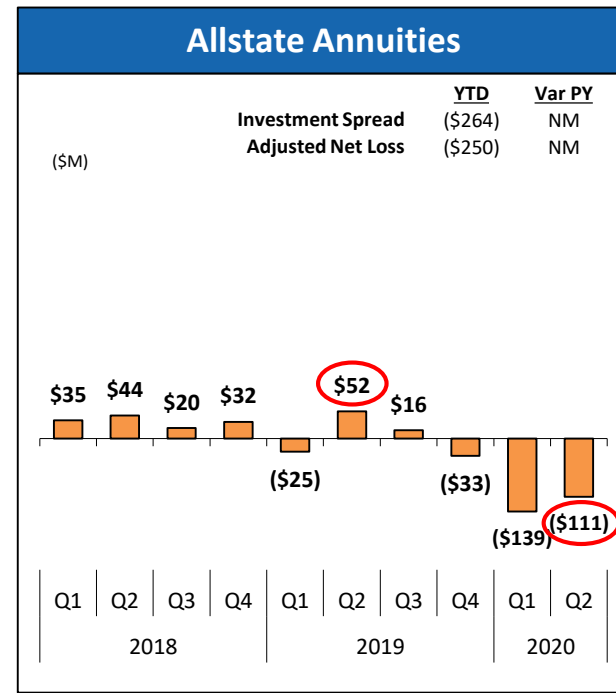
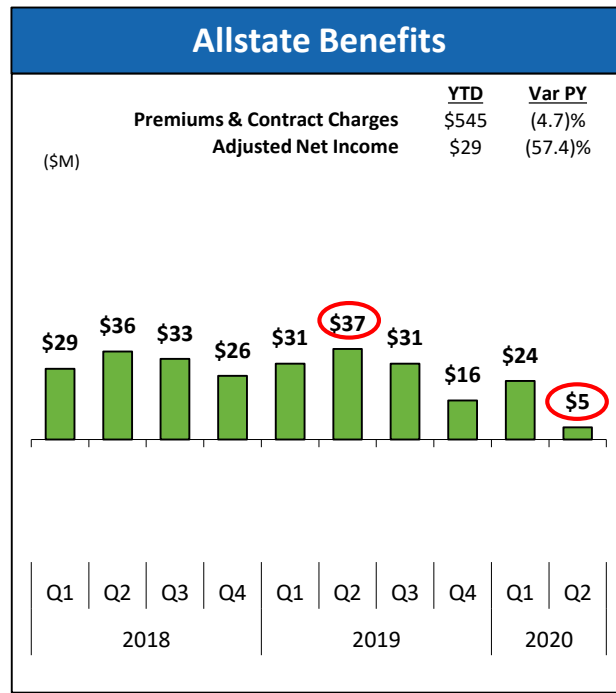
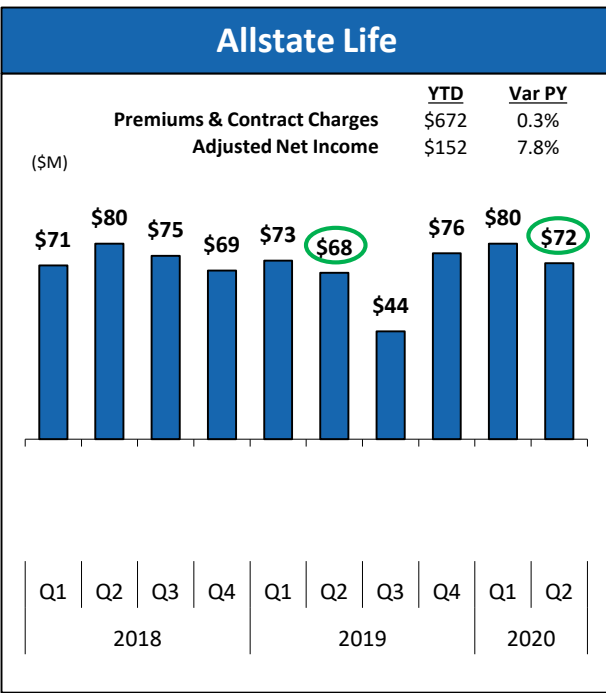
⁽³⁾ Last twelve months



Allstate Life, Benefits and Annuities Had Mixed Results

- Allstate Life adjusted net income of \$72 million increased \$4 million from the prior year quarter, driven by lower operating expenses partially offset by higher contract benefits from coronavirus death claims
- Allstate Benefits adjusted net income of \$5 million was \$32 million lower than prior year quarter, driven by a \$32 million write-off of capitalized software costs associated with a billing system
- Allstate Annuities adjusted net loss of \$111 million in the second quarter was primarily due to losses on performance-based investments

Adjusted Net Income

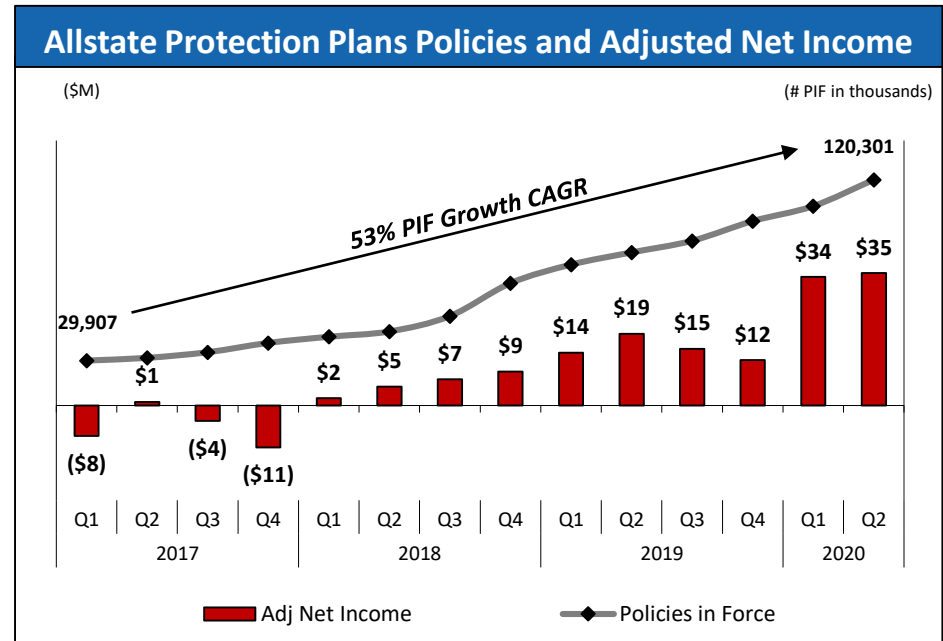
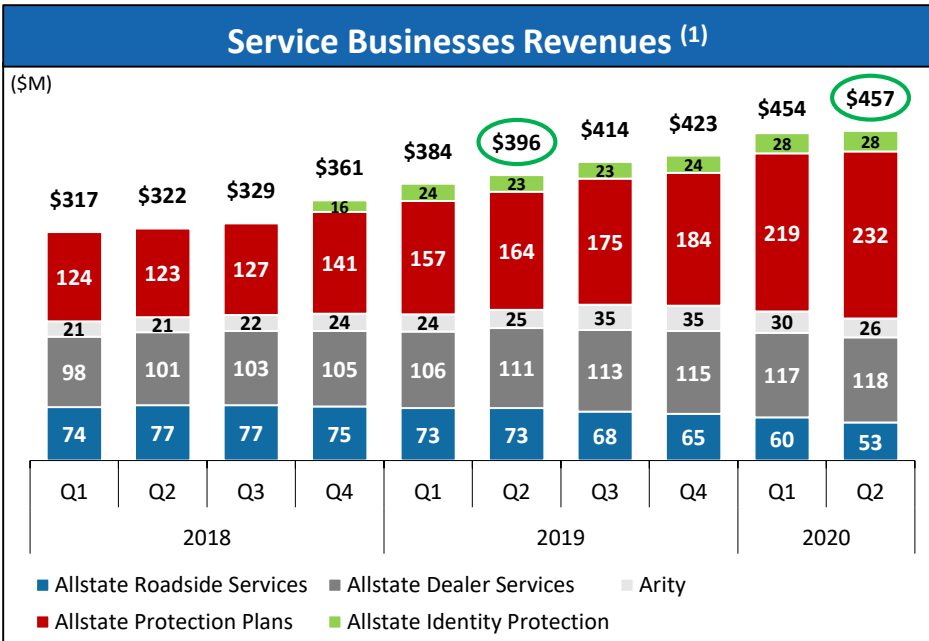


NM = not meaningful



Service Businesses Generated Growth and Profit

- Revenues⁽¹⁾ of \$457 million and policies in force of 127.3 million increased 15.4% and 41.2%, respectively
- Adjusted net income of \$38 million increased \$22 million compared to prior year quarter, primarily due to growth of Allstate Protection Plans and improved profitability at Allstate Roadside Services
- Allstate Protection Plans rapidly growing customers, revenue and profit; acquired in 2017 for \$1.4 billion
 - Policies in force of 120.3 million, more than 4x higher since the acquisition
 - Adjusted net income of \$35 million in the quarter and \$96 million over the last 12 months



⁽¹⁾ Service Businesses revenues exclude the impact of realized capital gains and losses



Allstate Generates Attractive Returns and Excellent Cash Returns

- Adjusted net income return on equity* of 17.9%
- Returned \$563 million to common shareholders in the second quarter through combination of share repurchases of \$391 million and common dividends of \$172 million
- Strong capital and liquidity position with deployable holding company assets of \$3.6 billion

Capital Position			
	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>Inc / (Dec)</u>
Adjusted Net Income Return on Equity*	17.9%	13.5%	4.4 pts
Common Shares Outstanding (in millions)	312.7	329.9	(5.2%)
Book Value per Common Share	\$79.21	\$67.28	17.7%
<u>Stock Valuation (Quarter End)</u>			
Price per Share⁽¹⁾	\$97	\$102	\$(5)
Price / LTM Earnings⁽²⁾	8.1	12.4	(4.3) pts
Price / Book Value	1.2	1.5	(0.3) pts

⁽¹⁾ Closing price on last closing day of period rounded to nearest dollar

⁽²⁾ Last twelve months earnings reflects adjusted net income



Acquisition of National General Will Accelerate Profitable Growth Through Independent Agents

- **National General will become Allstate’s independent agent platform**
 - Advances Allstate’s strategy to increase market share in personal property-liability with market share increasing by 1 percentage point
 - Allstate becomes a top 5 personal lines carrier in the independent agent (“IA”) distribution channel
 - National General has a strong position in higher risk or “non-standard” auto insurance
 - Additional IA expansion opportunities exist in standard auto and homeowners insurance

- **Acquisition will be accretive to Allstate’s earnings per share and ROE⁽¹⁾ reflecting significant cost synergies**
 - Expect high single digit earnings accretion in the first year post close⁽²⁾
 - Anticipate ROE⁽¹⁾ accretion ~100 bps reflecting significant cost synergies
 - Forecast only assumes cost synergies and does not include incremental revenue growth

- **The transaction has no impact on current \$3 billion share repurchase program**

⁽¹⁾ Reflects adjusted net income return on equity

⁽²⁾ Excluding the impact of non-cash amortization of intangible assets





Forward-Looking Statements

- This presentation contains “forward-looking statements” that anticipate results based on our estimates, assumptions and plans that are subject to uncertainty. These statements are made subject to the safe-harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements do not relate strictly to historical or current facts and may be identified by their use of words like “plans,” “seeks,” “expects,” “will,” “should,” “anticipates,” “estimates,” “intends,” “believes,” “likely,” “targets” and other words with similar meanings. We believe these statements are based on reasonable estimates, assumptions and plans. If the estimates, assumptions or plans underlying the forward-looking statements prove inaccurate or if other risks or uncertainties arise, actual results could differ materially from those communicated in these forward-looking statements. Factors that could cause actual results to differ materially from those expressed in, or implied by, the forward-looking statements include risks related to:
 - Insurance and Financial Services (1) unexpected increases in claim frequency and severity; (2) catastrophes and severe weather events; (3) limitations in analytical models used for loss cost estimates; (4) price competition and changes in underwriting standards; (5) actual claims costs exceeding current reserves; (6) market risk and declines in credit quality of our investment portfolio; (7) our subjective determination of fair value and the amount of realized capital losses recorded for impairments of our investments; (8) the impact of changes in market interest rates or performance-based investment returns on our annuity business; (9) the impact of changes in reserve estimates and amortization of deferred acquisition costs on our life, benefits and annuity businesses; (10) our participation in indemnification programs, including state industry pools and facilities; (11) our ability to mitigate the capital impact associated with statutory reserving and capital requirements; (12) a downgrade in financial strength ratings; (13) changes in tax laws;
 - Business, Strategy and Operations (14) competition in the insurance industry and new or changing technologies; (15) implementation of our Transformative Growth Plan; (16) our catastrophe management strategy; (17) restrictions on our subsidiaries’ ability to pay dividends; (18) restrictions under terms of certain of our securities on our ability to pay dividends or repurchase our stock; (19) the availability of reinsurance at current level and prices; (20) counterparty risk related to reinsurance; (21) acquisitions and divestitures of businesses; (22) intellectual property infringement, misappropriation and third-party claims;
 - Macro, Regulatory and Risk Environment (23) conditions in the global economy and capital and credit markets; (24) a large scale pandemic, such as the Novel Coronavirus Pandemic or COVID-19 and its impacts, or occurrence of terrorism or military actions; (25) the failure in cyber or other information security controls, or the occurrence of events unanticipated in our disaster recovery processes and business continuity planning; (26) changing climate and weather conditions; (27) restrictive regulations and regulatory reforms, including limitations on rate increases and requirements to underwrite business and participate in loss sharing arrangements; (28) losses from legal and regulatory actions; (29) changes in or the application of accounting standards; (30) loss of key vendor relationships or failure of a vendor to protect our data or confidential, proprietary and personal information; (31) our ability to attract, develop and retain key personnel, including availability and productivity of employees during the Coronavirus; and (32) misconduct or fraudulent acts by employees, agents and third parties.
- Additional information concerning these and other factors may be found in our filings with the Securities and Exchange Commission, including the “Risk Factors” section in our most recent annual report on Form 10-K. Forward-looking statements speak only as of the date on which they are made, and we assume no obligation to update or revise any forward-looking statement.