

# Alleghany

## **ALLEGHANY CORPORATION FINANCIAL SUPPLEMENT**

**Three Months Ended  
and  
Twelve Months Ended  
December 31, 2021**

**(Unaudited)**

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*This report is for informational purposes only. It should be read in conjunction with documents filed by Alleghany Corporation with the U.S. Securities and Exchange Commission, including the company's Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q.*

## Forward-Looking Statements

Certain statements contained in this Financial Supplement may be deemed to be “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by the use of words such as “may,” “will,” “expect,” “project,” “estimate,” “anticipate,” “plan,” “believe,” “potential,” “should” or the negative versions of those words or other comparable words. Forward-looking statements do not relate solely to historical or current facts, rather they are based on management’s expectations as well as certain assumptions and estimates made by, and information available to, management at the time. These statements are not guarantees of future performance. These forward-looking statements are based upon Alleghany’s current expectations and are subject to a number of uncertainties and risks that could significantly affect current plans, anticipated actions and Alleghany’s future financial condition and results. Factors that could cause these forward-looking statements to differ, possibly materially, from that currently contemplated include:

- significant weather-related or other natural or man-made catastrophes and disasters;
- the effects of outbreaks of pandemics or contagious diseases, including the length and severity of the recent worldwide coronavirus pandemic, known as COVID-19, including its impact on our business;
- the cyclical nature of the property and casualty reinsurance and insurance industries;
- changes in market prices of Alleghany's significant equity investments and changes in value of Alleghany's debt securities portfolio;
- adverse loss development for events insured by Alleghany's reinsurance and insurance subsidiaries in either the current year or prior years;
- the long-tail and potentially volatile nature of certain casualty lines of business written by Alleghany's reinsurance and insurance subsidiaries;
- the cost and availability of reinsurance;
- the reliance by Alleghany's reinsurance and insurance operating subsidiaries on a limited number of brokers;
- legal, political, judicial and regulatory changes;
- increases in the levels of risk retention by Alleghany's reinsurance and insurance subsidiaries;
- changes in the ratings assigned to Alleghany's reinsurance and insurance subsidiaries;
- claims development and the process of estimating reserves;
- exposure to terrorist acts and acts of war;
- the willingness and ability of Alleghany's reinsurance and insurance subsidiaries' reinsurers to pay reinsurance recoverables owed to Alleghany's reinsurance and insurance subsidiaries;
- the uncertain nature of damage theories and loss amounts;
- the loss of key personnel at Alleghany or its operating subsidiaries;
- fluctuation in foreign currency exchange rates;
- the failure to comply with the restrictive covenants contained in the agreements governing Alleghany's indebtedness;
- the ability to make payments on, or repay or refinance, Alleghany's debt;
- risks inherent in international operations; and
- difficult and volatile conditions in the global economy.

Additional risks and uncertainties include general economic and political conditions, including the effects of a prolonged U.S. or global economic downturn or recession; changes in costs; variations in political, economic or other factors; risks relating to conducting operations in a competitive environment; effects of acquisition and disposition activities, inflation rates, or recessionary or expansive trends; changes in interest rates; extended labor disruptions, civil unrest, or other external factors over which we have no control; changes in our plans, strategies, objectives, expectations, or intentions, which may happen at any time at our discretion; and other factors discussed in Alleghany’s most recent Annual Report on Form 10-K and subsequent filings with the Securities and Exchange Commission, or the “SEC.” All forward-looking statements speak only as of the date they are made and are based on information available at that time. Alleghany does not undertake any obligation to update or revise any forward-looking statements to reflect subsequent circumstances or events.

## ALLEGHANY CORPORATION BASIS OF PRESENTATION

### Presentation

All financial information contained herein is unaudited. Certain amounts may not reconcile exactly due to rounding differences. Unless otherwise noted, all data is in millions of U.S. dollars, except for share, per share, percentage and ratio information.

### Definitions

References in this financial supplement (the "Financial Supplement") to the "Company," "Alleghany," "Alleghany Corporation", "we," "us," and "our" refer to Alleghany Corporation and its consolidated subsidiaries unless the context otherwise requires. In addition, unless the context otherwise requires, references to,

- "TransRe" are to our wholly-owned reinsurance holding company subsidiary Transatlantic Holdings, Inc. and its subsidiaries;
- "AIHL" are to our wholly-owned insurance holding company subsidiary Alleghany Insurance Holdings LLC;
- "RSUI" are to our wholly-owned subsidiary RSUI Group, Inc. and its subsidiaries;
- "CapSpecialty" are to our wholly-owned subsidiary CapSpecialty, Inc. and its subsidiaries;
- "AIHL Re" are to our wholly-owned subsidiary AIHL Re LLC;
- "Roundwood" are to our wholly-owned subsidiary Roundwood Asset Management LLC;
- "Alleghany Capital" are to our wholly-owned subsidiary Alleghany Capital Corporation and its subsidiaries;
- "PCT" are to our wholly-owned subsidiary Precision Cutting Technologies, Inc. and its subsidiaries;
- "Kentucky Trailer" are to our majority-owned subsidiary R.C. Tway Company, LLC and its subsidiaries;
- "IPS" are to our majority-owned subsidiary IPS-Integrated Project Services, LLC and its subsidiaries;
- "Jazwares" are to our majority-owned subsidiary Jazwares, LLC and its subsidiaries and affiliates;
- "W&W|AFCO Steel" are to our majority-owned subsidiary WWSC Holdings, LLC and its subsidiaries;
- "Concord" are to our majority-owned subsidiary CHECO Holdings, LLC and its subsidiaries;
- "Wilbert" are to our majority-owned subsidiary Wilbert Funeral Services, Inc. and its subsidiaries;
- "Piedmont" are to our wholly-owned subsidiary Piedmont Manufacturing Group, LLC and its subsidiaries; and
- "Alleghany Properties" are to our wholly-owned subsidiary Alleghany Properties Holdings LLC and its subsidiaries.

**ALLEGHANY CORPORATION  
FINANCIAL SUPPLEMENT  
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# Financial Summary

## ALLEGHANY CORPORATION 10 YEAR FINANCIAL SUMMARY

(in millions, except per share data)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Book value per common share	\$ 379.13	\$ 412.96	\$ 465.51	\$ 486.02	\$ 515.24	\$ 553.20	\$ 527.75	\$ 611.00	\$ 623.57	\$ 675.58
Percent change	10.8%	8.9%	12.7%	4.4%	6.0%	7.4%	(4.6%)	15.8%	2.1%	8.3%
Stockholders' Equity ("SE") <sup>(1)</sup>	\$ 6,403.8	\$ 6,923.8	\$ 7,473.4	\$ 7,554.7	\$ 7,939.9	\$ 8,514.1	\$ 7,692.7	\$ 8,776.7	\$ 8,755.7	\$ 9,186.9
Common shares outstanding	16.89	16.77	16.05	15.54	15.41	15.39	14.58	14.36	14.04	13.60
Percent change	97.5%	(0.7%)	(4.3%)	(3.2%)	(0.9%)	(0.1%)	(5.3%)	(1.5%)	(2.2%)	(3.1%)
Net invested assets per share	\$ 1,016.56	\$ 1,055.08	\$ 1,099.10	\$ 1,086.48	\$ 1,118.02	\$ 1,179.57	\$ 1,158.91	\$ 1,275.34	\$ 1,341.95	\$ 1,470.91
Percent change	88.5%	3.8%	4.2%	(1.1%)	2.9%	5.5%	(1.8%)	9.9%	5.2%	9.6%
Invested assets and cash	\$ 18,976.4	\$ 19,490.5	\$ 19,440.6	\$ 18,307.7	\$ 18,705.3	\$ 19,639.1	\$ 18,561.9	\$ 20,070.9	\$ 20,978.4	\$ 22,849.4
Net loss and LAE reserves	10,933.9	10,650.4	10,307.8	9,629.9	9,851.0	10,221.2	10,392.9	10,344.5	11,266.9	12,331.5
Senior Notes	1,806.1	1,800.9	1,759.3	1,383.1	1,383.7	1,383.9	1,384.5	1,384.1	1,579.0	2,066.7
Other debt <sup>(2)</sup>	-	-	36.0	36.3	92.8	101.0	284.5	367.0	556.9	780.5
Net premiums written	3,723.9	4,287.4	4,497.5	4,489.2	5,091.8	4,965.9	5,048.4	5,751.7	6,344.4	7,149.4
Underwriting profit (loss) <sup>(3)</sup>	220.3	420.7	494.8	466.6	401.3	(316.4)	(161.5)	33.0	(128.7)	195.3
Combined Ratio	94.1%	90.1%	88.8%	89.0%	91.9%	106.4%	103.2%	99.4%	102.1%	97.2%
Net investment income	\$ 313.0	\$ 465.7	\$ 459.9	\$ 438.8	\$ 438.5	\$ 451.0	\$ 500.5	\$ 550.2	\$ 490.9	\$ 540.4
Change in the fair value of equities	n/a	n/a	n/a	n/a	n/a	n/a	(229.0)	709.7	(110.5)	506.8
Net realized capital gains	157.9	232.1	247.1	213.9	63.2	107.2	(3.2)	(6.5)	3.1	67.4
Credit losses <sup>(4)</sup>	(2.9)	(44.0)	(36.3)	(133.9)	(45.2)	(16.9)	(1.3)	(19.7)	(8.0)	2.1
Total investment results	468.0	653.8	670.7	518.8	456.5	541.3	267.0	1,233.7	375.5	1,116.7
Net earnings <sup>(1)</sup>	\$ 702.2	\$ 628.4	\$ 679.2	\$ 560.3	\$ 456.9	\$ 90.1	\$ 39.5	\$ 857.8	\$ 101.8	\$ 1,034.9
Special dividend	-	-	-	-	-	-	(154.0)	-	(215.0)	-
Share repurchases	(17.8)	(40.4)	(300.5)	(243.8)	(68.3)	(16.0)	(491.6)	(144.4)	(194.8)	(290.5)
Other changes in SE <sup>(1)</sup>	2,793.7	(68.0)	170.9	(235.2)	(3.4)	500.1	(215.3)	370.6	287.0	(313.2)
Increase (decrease) in SE <sup>(1)</sup>	3,478.1	520.0	549.6	81.3	385.2	574.2	(821.4)	1,084.0	(21.0)	431.2
Adjusted earnings <sup>(5)</sup>	\$ 271.2	\$ 512.8	\$ 538.4	\$ 509.7	\$ 457.6	\$ 44.0	\$ 242.9	\$ 344.6	\$ 227.9	\$ 619.0

(1) Attributable to Alleghany stockholders.

(2) None of the other debt liabilities are guaranteed by Alleghany or Alleghany Capital.

(3) Underwriting profit (loss) is a non-GAAP financial measure as defined in SEC Regulation G. Refer to "Non-GAAP Financial Measures" on page 43.

(4) Change in allowance for credit losses on available for sale securities.

(5) Adjusted earnings is a non-GAAP financial measure as defined in SEC Regulation G. Refer to "Non-GAAP Financial Measures" on page 43.

**ALLEGHANY CORPORATION**  
**HISTORICAL GROWTH IN BOOK VALUE PER SHARE**

<u>Year</u>	<u>As of December 31,</u>		<u>Price- to-Book Ratio</u>	<u>Annual BVPS Growth</u>	<u>Y Stock Price Change</u>	<u>S&amp;P 500</u>	<u>Annual Growth: BVPS vs S&amp;P 500</u>
	<u>Book Value Per Share</u>	<u>Y Stock Price</u>					
2002	\$ 162.75	\$ 148.52	0.91 x	0.2%	(5.9%)	(22.1%)	22.3%
2003	182.18	189.90	1.04 x	11.9%	27.9%	28.7%	(16.7%)
2004	204.08	248.33	1.22 x	12.0%	30.8%	10.9%	1.1%
2005	212.80	252.18	1.19 x	4.3%	1.6%	4.9%	(0.6%)
2006	244.25	329.32	1.35 x	14.8%	30.6%	15.8%	(1.0%)
2007	281.36	371.39	1.32 x	15.2%	12.8%	5.5%	9.7%
2008	267.37	265.74	0.99 x	(5.0%)	(28.4%)	(37.0%)	32.0%
2009	294.79	265.28	0.90 x	10.3%	(0.2%)	26.4%	(16.1%)
2010	325.31	300.36	0.92 x	10.4%	13.2%	15.1%	(4.7%)
2011	342.12	285.29	0.83 x	5.2%	(5.0%)	2.1%	3.1%
2012	379.13	335.42	0.88 x	10.8%	17.6%	16.0%	(5.2%)
2013	412.96	399.96	0.97 x	8.9%	19.2%	32.4%	(23.5%)
2014	465.51	463.50	1.00 x	12.7%	15.9%	13.7%	(1.0%)
2015	486.02	477.93	0.98 x	4.4%	3.1%	1.4%	3.0%
2016	515.24	608.12	1.18 x	6.0%	27.2%	12.0%	(6.0%)
2017	553.20	596.09	1.08 x	7.4%	(2.0%)	21.8%	(14.4%)
2018	527.75	623.32	1.18 x	(2.8%) <sup>(1)</sup>	6.3% <sup>(1)</sup>	(4.4%)	1.6%
2019	611.00	799.57	1.31 x	15.8%	28.3%	31.5%	(15.7%)
2020	623.57	603.69	0.97 x	4.5% <sup>(1)</sup>	(22.9%) <sup>(1)</sup>	18.4%	(13.9%)
2021	675.58	667.59	0.99 x	8.3%	10.6%	28.7%	(20.4%)

**Compound Annual Growth Rates (through December 31, 2021):**

<b>5 Year</b>	<b>6.5%</b> <sup>(1)</sup>	<b>2.6%</b>	<b>18.5%</b>
<b>10 Year</b>	<b>7.5%</b> <sup>(1)</sup>	<b>9.3%</b>	<b>16.5%</b>
<b>Since December 31, 2001</b>	<b>7.6%</b> <sup>(1)</sup>	<b>7.7%</b>	<b>9.5%</b>

(1) Adjusted to reflect a \$10 per share special dividend payment on March 15, 2018 and \$15 per share dividend payment on March 16, 2020.

**ALLEGHANY CORPORATION**  
**CONSOLIDATED FINANCIAL HIGHLIGHTS**

(\$ in millions, except share and per share data)

	As of December 31, 2021	As of December 31, 2020	Change			
<b>BALANCE SHEET</b>						
Invested assets and cash	\$ 22,849.4	\$ 20,978.4	8.9%			
Total assets	32,268.6	28,927.0	11.6%			
Total stockholders' equity attributable to Alleghany stockholders	9,186.9	8,755.7	4.9%			
Book value per share ("BVPS")	\$ 675.58	\$ 623.57	8.3%			
BVPS excluding accumulated other comprehensive income	665.15	591.35	12.5%			
Shares outstanding	13,598,535	14,041,180	(3.2%)			
	<b>For the Three Months Ended December 31,</b>			<b>For the Twelve Months Ended December 31,</b>		
	<b>2021</b>	<b>2020</b>	<b>Change</b>	<b>2021</b>	<b>2020</b>	<b>Change</b>
<b>INCOME STATEMENT</b>						
Gross premiums written	\$ 1,890.5	\$ 1,946.3	(2.9%)	\$ 8,538.8	\$ 7,329.4	16.5%
Net premiums written	1,533.3	1,695.7	(9.6%)	7,149.4	6,344.4	12.7%
Net premiums earned	1,865.6	1,604.0	16.3%	7,097.7	6,000.2	18.3%
Net investment income	127.1	130.9	(2.9%)	540.4	490.9	10.1%
Net earnings attributable to Alleghany stockholders	516.2	159.1	224.5%	1,034.9	101.8	916.6%
Adjusted earnings	252.3	95.5	164.1%	619.0	227.9	171.6%
<b>PER SHARE AND SHARE DATA</b>						
Weighted average common shares outstanding:						
Basic	13,668,512	14,104,141	(3.1%)	13,853,780	14,257,793	(2.8%)
Diluted	13,668,512	14,104,141	(3.1%)	13,860,947	14,283,618	(3.0%)
Earnings per share attributable to Alleghany stockholders:						
Basic	\$ 37.76	\$ 11.28	234.8%	\$ 74.70	\$ 7.14	946.3%
Diluted	37.76	11.28	234.8%	74.66	7.04	960.1%
Adjusted earnings per share data:						
Basic	18.46	6.77	172.6%	44.68	15.98	179.5%
Diluted	18.46	6.77	172.6%	44.64	15.89	181.0%
<b>FINANCIAL RATIOS</b>						
Annualized return on average stockholders' equity	22.9%	7.3%		11.5%	1.2%	
Annualized adjusted earnings return on average stockholders' equity	11.2%	4.4%		6.9%	2.6%	
Annualized financial statement portfolio return	6.7%	5.9%		3.5%	3.5%	
Annualized investment book yield	2.5%	2.8%		2.8%	2.7%	
Loss and loss adjustment expense ratio	60.1%	69.4%	(9.3)	68.1%	72.3%	(4.2)
Expense ratio	28.9%	29.5%	(0.6)	29.1%	29.8%	(0.7)
<b>Combined ratio</b>	<b>89.0%</b>	<b>98.9%</b>	<b>(9.9)</b>	<b>97.2%</b>	<b>102.1%</b>	<b>(4.9)</b>



**ALLEGHANY CORPORATION**  
**CAPITAL ALLOCATION BY SUBSIDIARY**  
(\$ in millions)

	As of December 31, 2021		As of December 31, 2020	
	Carrying Value	%	Carrying Value	%
	Value	Allocation	Value	Allocation
<b>Consolidated:</b>				
Stockholders' equity attributable to Alleghany stockholders	\$ 9,186.9	84.5%	\$ 8,755.7	88.0%
Alleghany parent debt <sup>(1)</sup>	1,678.9	15.5%	1,190.2	12.0%
<b>Total capital</b>	<b>\$ 10,865.8</b>	<b>100.0%</b>	<b>\$ 9,945.9</b>	<b>100.0%</b>
<b>Reinsurance subsidiaries stockholder's equity:</b>				
TransRe	\$ 5,398.4	49.7%	\$ 5,377.0	54.0%
<b>Insurance subsidiaries stockholder's equity:</b>				
RSUI	1,924.8	17.7%	1,816.7	18.3%
CapSpecialty	423.1	3.9%	413.6	4.2%
AIHL Re	22.8	0.2%	27.0	0.3%
	<b>2,370.7</b>	<b>21.8%</b>	<b>2,257.3</b>	<b>22.7%</b>
<b>Alleghany Capital subsidiaries stockholder's equity:</b>				
Jazwares	311.5	2.9%	310.3	3.1%
W&W AFCO Steel	280.2	2.6%	268.5	2.7%
Wilbert	182.9	1.7%	147.9	1.5%
IPS	158.2	1.5%	65.3	0.7%
Concord	101.4	0.9%	107.0	1.1%
PCT	136.0	1.3%	132.8	1.3%
Kentucky Trailer	83.9	0.8%	80.4	0.8%
Piedmont	60.4	0.6%	-	0.0%
	<b>1,314.5</b>	<b>12.1%</b>	<b>1,112.2</b>	<b>11.2%</b>
<b>Other:</b>				
Marketable securities and cash at Alleghany parent and AIHL	1,609.8	14.8%	1,045.6	10.5%
Alleghany Properties	24.7	0.2%	25.2	0.3%
Other items, net <sup>(2)</sup>	147.7	1.4%	128.6	1.3%
	<b>1,782.2</b>	<b>16.4%</b>	<b>1,199.4</b>	<b>12.1%</b>

(1) Excludes non-guaranteed subsidiary debt including TransRe senior notes that mature in 2039 and debt at Alleghany Capital.

(2) Primarily partnerships, deferred compensation and deferred tax assets or liabilities at Alleghany parent and Alleghany Capital parent.

**ALLEGHANY CORPORATION**  
**CONSOLIDATED STATEMENTS OF EARNINGS**

(\$ in millions, except per share data)

	For the Three Months Ended			For the Twelve Months Ended		
	December 31, 2021	December 31, 2020	% Change	December 31, 2021	December 31, 2020	% Change
<b>Revenues</b>						
Net premiums earned	\$ 1,865.6	\$ 1,604.0	16.3%	\$ 7,097.7	\$ 6,000.2	18.3%
Net investment income	127.1	130.9	-2.9%	540.4	490.9	10.1%
Change in the fair value of equity securities	326.2	77.5	320.9%	506.8	(110.5)	-558.6%
Net realized capital gains	21.5	11.4	88.6%	67.4	3.1	2074.2%
Change in allowance for credit losses on available for sale securities	(0.2)	2.9	-106.9%	2.1	(8.0)	-126.3%
Product and service revenues <sup>(1)</sup>	<u>1,214.8</u>	<u>836.8</u>	45.2%	<u>3,789.7</u>	<u>2,521.1</u>	50.3%
<b>Total revenues</b>	<b><u>3,555.0</u></b>	<b><u>2,663.5</u></b>	<b>33.5%</b>	<b><u>12,004.1</u></b>	<b><u>8,896.8</u></b>	<b>34.9%</b>
<b>Costs and Expenses</b>						
Net loss and loss adjustment expenses incurred	1,121.8	1,113.6	0.7%	4,834.9	4,339.1	11.4%
Commissions, brokerage and other underwriting expenses	538.7	473.9	13.7%	2,067.5	1,789.8	15.5%
Other operating expenses	1,125.0	782.9	43.7%	3,479.6	2,429.3	43.2%
Corporate administration	21.3	31.4	-32.2%	57.2	48.6	17.7%
Amortization of intangible assets	13.4	11.3	18.6%	49.9	44.2	12.9%
Interest expense	<u>28.9</u>	<u>24.3</u>	18.9%	<u>102.3</u>	<u>88.2</u>	16.0%
<b>Total costs and expenses</b>	<b><u>2,849.1</u></b>	<b><u>2,437.4</u></b>	<b>16.9%</b>	<b><u>10,591.4</u></b>	<b><u>8,739.2</u></b>	<b>21.2%</b>
Earnings before income taxes	705.9	226.1	212.2%	1,412.7	157.6	796.4%
Income taxes	<u>149.3</u>	<u>51.8</u>	188.2%	<u>281.9</u>	<u>30.7</u>	818.2%
Net earnings	556.6	174.3	219.3%	1,130.8	126.9	791.1%
Net earnings attributable to noncontrolling interests	<u>40.4</u>	<u>15.2</u>	165.8%	<u>95.9</u>	<u>25.1</u>	282.1%
<b>Net earnings attributable to Alleghany stockholders</b>	<b><u>\$ 516.2</u></b>	<b><u>\$ 159.1</u></b>	<b>224.5%</b>	<b><u>\$ 1,034.9</u></b>	<b><u>\$ 101.8</u></b>	<b>916.6%</b>
Basic earnings per share attributable to Alleghany stockholders	\$ 37.76	\$ 11.28	234.8%	\$ 74.70	\$ 7.14	946.3%
Diluted earnings per share attributable to Alleghany stockholders	37.76	11.28	234.8%	74.66	7.04	960.1%
Basic adjusted earnings per share	18.46	6.77	172.6%	44.68	15.98	179.5%
Diluted adjusted earnings per share	18.46	6.77	172.6%	44.64	15.89	181.0%

(1) Formerly referred to as noninsurance revenue.

**ALLEGHANY CORPORATION**  
**EARNINGS BY SEGMENT - CURRENT AND PRIOR YEAR QUARTERS**  
(\$ in millions)

	For the Three Months Ended December 31, 2021						
	Reinsurance	Insurance	Subtotal	Alleghany Capital	Total Segments	Corporate Activities	Consolidated
Gross premiums written	\$ 1,221.1	\$ 677.1	\$ 1,898.2	\$ -	\$ 1,898.2	\$ (7.7)	\$ 1,890.5
Net premiums written	1,068.8	464.5	1,533.3	-	1,533.3	-	1,533.3
Net premiums earned	\$ 1,430.8	\$ 434.8	\$ 1,865.6	\$ -	\$ 1,865.6	\$ -	\$ 1,865.6
Net loss and loss adjustment expenses	868.1	253.7	1,121.8	-	1,121.8	-	1,121.8
Commissions, brokerage and other underwriting expenses	431.1	107.6	538.7	-	538.7	-	538.7
Underwriting profit	131.6	73.5	205.1	-	205.1	-	205.1
Net investment income	86.2	38.2	124.4	(0.3)	124.1	3.0	127.1
Change in the fair value of equity securities	176.0	104.5	280.5	-	280.5	45.7	326.2
Net realized capital gains	13.6	(0.0)	13.6	6.9	20.5	1.0	21.5
Change in allowance for credit losses on available for sale securities	(0.1)	(0.1)	(0.2)	-	(0.2)	-	(0.2)
Product and service revenues	5.2	3.9	9.1	1,201.7	1,210.8	4.0	1,214.8
Other operating expenses	24.1	14.3	38.4	1,085.4	1,123.8	1.2	1,125.0
Corporate administration	-	0.3	0.3	-	0.3	21.0	21.3
Amortization of intangible assets	(0.2)	0.2	-	13.4	13.4	-	13.4
Interest expense	6.7	-	6.7	4.9	11.6	17.3	28.9
<b>Earnings before income taxes</b>	<b>\$ 381.9</b>	<b>\$ 205.2</b>	<b>\$ 587.1</b>	<b>\$ 104.6</b>	<b>\$ 691.7</b>	<b>\$ 14.2</b>	<b>\$ 705.9</b>

  

	For the Three Months Ended December 31, 2020						
	Reinsurance	Insurance	Subtotal	Alleghany Capital	Total Segments	Corporate Activities	Consolidated
Gross premiums written	\$ 1,377.9	\$ 575.9	\$ 1,953.8	\$ -	\$ 1,953.8	\$ (7.5)	\$ 1,946.3
Net premiums written	1,284.4	411.3	1,695.7	-	1,695.7	-	1,695.7
Net premiums earned	\$ 1,233.4	\$ 370.6	\$ 1,604.0	\$ -	\$ 1,604.0	\$ -	\$ 1,604.0
Net loss and loss adjustment expenses	887.2	226.4	1,113.6	-	1,113.6	-	1,113.6
Commissions, brokerage and other underwriting expenses	380.8	93.1	473.9	-	473.9	-	473.9
Underwriting (loss) profit	(34.6)	51.1	16.5	-	16.5	-	16.5
Net investment income	82.9	35.0	117.9	-	117.9	13.0	130.9
Change in the fair value of equity securities	88.3	31.9	120.2	-	120.2	(42.7)	77.5
Net realized capital gains	(1.8)	2.3	0.5	0.1	0.6	10.8	11.4
Change in allowance for credit losses on available for sale securities	1.7	1.1	2.8	-	2.8	0.1	2.9
Product and service revenues	7.3	3.1	10.4	823.3	833.7	3.1	836.8
Other operating expenses	19.1	18.0	37.1	742.3	779.4	3.5	782.9
Corporate administration	-	0.6	0.6	-	0.6	30.8	31.4
Amortization of intangible assets	-	0.2	0.2	11.1	11.3	-	11.3
Interest expense	6.8	-	6.8	4.1	10.9	13.4	24.3
<b>Earnings (losses) before income taxes</b>	<b>\$ 117.9</b>	<b>\$ 105.7</b>	<b>\$ 223.6</b>	<b>\$ 65.9</b>	<b>\$ 289.5</b>	<b>\$ (63.4)</b>	<b>\$ 226.1</b>

**ALLEGHANY CORPORATION**  
**EARNINGS BY SEGMENT - CURRENT AND PRIOR YEAR TO DATE**  
(\$ in millions)

	For the Twelve Months Ended December 31, 2021						
	Reinsurance	Insurance	Subtotal	Alleghany Capital	Total Segments	Corporate Activities	Consolidated
Gross premiums written	\$ 6,034.0	\$ 2,542.8	\$ 8,576.8	\$ -	\$ 8,576.8	\$ (38.0)	\$ 8,538.8
Net premiums written	5,387.4	1,762.0	7,149.4	-	7,149.4	-	7,149.4
Net premiums earned	\$ 5,477.1	\$ 1,620.6	\$ 7,097.7	\$ -	\$ 7,097.7	\$ -	\$ 7,097.7
Net loss and loss adjustment expenses	3,791.6	1,043.3	4,834.9	-	4,834.9	-	4,834.9
Commissions, brokerage and other underwriting expenses	1,656.7	410.8	2,067.5	-	2,067.5	-	2,067.5
Underwriting profit	28.8	166.5	195.3	-	195.3	-	195.3
Net investment income	347.8	161.2	509.0	(0.2)	508.8	31.6	540.4
Change in the fair value of equity securities	309.2	147.9	457.1	-	457.1	49.7	506.8
Net realized capital gains	52.6	5.0	57.6	7.6	65.2	2.2	67.4
Change in allowance for credit losses on available for sale securities	1.3	0.7	2.0	-	2.0	0.1	2.1
Product and service revenues	25.1	14.2	39.3	3,736.4	3,775.7	14.0	3,789.7
Other operating expenses	54.5	34.4	88.9	3,387.8	3,476.7	2.9	3,479.6
Corporate administration	-	(0.1)	(0.1)	-	(0.1)	57.3	57.2
Amortization of intangible assets	1.2	0.6	1.8	48.1	49.9	-	49.9
Interest expense	26.9	-	26.9	16.2	43.1	59.2	102.3
<b>Earnings (losses) before income taxes</b>	<b>\$ 682.2</b>	<b>\$ 460.6</b>	<b>\$ 1,142.8</b>	<b>\$ 291.7</b>	<b>\$ 1,434.5</b>	<b>\$ (21.8)</b>	<b>\$ 1,412.7</b>

  

	For the Twelve Months Ended December 31, 2020						
	Reinsurance	Insurance	Subtotal	Alleghany Capital	Total Segments	Corporate Activities	Consolidated
Gross premiums written	\$ 5,237.3	\$ 2,125.7	\$ 7,363.0	\$ -	\$ 7,363.0	\$ (33.6)	\$ 7,329.4
Net premiums written	4,845.0	1,499.4	6,344.4	-	6,344.4	-	6,344.4
Net premiums earned	\$ 4,644.7	\$ 1,355.5	\$ 6,000.2	\$ -	\$ 6,000.2	\$ -	\$ 6,000.2
Net loss and loss adjustment expenses	3,386.9	952.2	4,339.1	-	4,339.1	-	4,339.1
Commissions, brokerage and other underwriting expenses	1,425.0	364.8	1,789.8	-	1,789.8	-	1,789.8
Underwriting (loss) profit	(167.2)	38.5	(128.7)	-	(128.7)	-	(128.7)
Net investment income	330.2	135.5	465.7	1.9	467.6	23.3	490.9
Change in the fair value of equity securities	55.4	(111.2)	(55.8)	-	(55.8)	(54.7)	(110.5)
Net realized capital gains	34.9	2.2	37.1	35.5	72.6	(69.5)	3.1
Change in allowance for credit losses on available for sale securities	(7.1)	(0.9)	(8.0)	-	(8.0)	-	(8.0)
Product and service revenues	25.9	9.0	34.9	2,477.5	2,512.4	8.7	2,521.1
Other operating expenses	64.3	39.3	103.6	2,310.0	2,413.6	15.7	2,429.3
Corporate administration	-	(0.3)	(0.3)	-	(0.3)	48.9	48.6
Amortization of intangible assets	(0.2)	1.0	0.8	43.4	44.2	-	44.2
Interest expense	27.0	-	27.0	15.5	42.5	45.7	88.2
<b>Earnings (losses) before income taxes</b>	<b>\$ 181.0</b>	<b>\$ 33.1</b>	<b>\$ 214.1</b>	<b>\$ 146.0</b>	<b>\$ 360.1</b>	<b>\$ (202.5)</b>	<b>\$ 157.6</b>

**ALLEGHANY CORPORATION**  
**SHARE REPURCHASE DETAIL**

(in millions, except share and per share data)

	Shares Repurchased <sup>(1)</sup>	Average Price per Share Repurchased	Cost of Shares Repurchased
Quarter ended March 31, 2020	62,540	\$ 707.84	\$ 44.3
Quarter ended June 30, 2020	-	-	-
Quarter ended September 30, 2020	131,414	532.59	70.0
Quarter ended December 31, 2020	<u>139,439</u>	577.34	<u>80.5</u>
<b>Year ended December 31, 2020</b>	<b><u>333,393</u></b>	<b><u>584.18</u></b>	<b><u>\$ 194.8</u></b>
January 1 to January 31, 2021	36,022	596.70	\$ 21.5
February 1 to February 28, 2021	33,769	604.80	20.4
March 1 to March 31, 2021	<u>33,234</u>	640.13	<u>21.3</u>
<b>Quarter ended March 31, 2021</b>	<b><u>103,025</u></b>	<b><u>613.36</u></b>	<b><u>63.2</u></b>
April 1 to April 30, 2021	16,650	662.82	11.0
May 1 to May 31, 2021	5,136	708.20	3.6
June 1 to June 30, 2021	<u>30,930</u>	687.10	<u>21.3</u>
<b>Quarter ended June 30, 2021</b>	<b><u>52,716</u></b>	<b><u>681.49</u></b>	<b><u>35.9</u></b>
July 1 to July 31, 2021	26,136	663.46	17.3
August 1 to August 31, 2021	38,092	682.32	26.0
September 1 to September 30, 2021	<u>75,442</u>	636.15	<u>48.0</u>
<b>Quarter ended September 30, 2021</b>	<b><u>139,670</u></b>	<b><u>653.85</u></b>	<b><u>91.3</u></b>
October 1 to October 31, 2021	63,473	653.97	41.5
November 1 to November 30, 2021	32,013	674.04	21.6
December 1 to December 31, 2021	<u>55,699</u>	664.17	<u>37.0</u>
<b>Quarter ended December 31, 2021</b>	<b><u>151,185</u></b>	<b><u>661.97</u></b>	<b><u>100.1</u></b>
<b>Twelve months ended December 31, 2021</b>	<b><u>446,596</u></b>	<b><u>650.52</u></b>	<b><u>\$ 290.5</u></b>

(1) In September 2019, the Alleghany Board of Directors authorized, upon the completion of the previously announced program, the repurchase of additional shares of common stock, at such times and at prices as management determines to be advisable, up to an aggregate of \$500.0 million. As of December 31, 2021, the approximate dollar value of shares that may yet be purchased under the plans or programs was \$141.9 million.

# **Underwriting Results**

**ALLEGHANY CORPORATION**  
**PREMIUMS WRITTEN**  
(\$ in millions)

	Gross Premiums Written							
	For the Three Months Ended December 31,				For the Twelve Months Ended December 31,			
	2021	2020	Change	% Change	2021	2020	Change	% Change
<b>Reinsurance segment:</b>								
Property	\$ 287.3	\$ 462.5	\$ (175.2)	(37.9%)	\$ 1,975.2	\$ 1,761.7	\$ 213.5	12.1%
Casualty & specialty	933.8	915.4	18.4	2.0%	4,058.8	3,475.6	583.2	16.8%
Total Reinsurance	<u>1,221.1</u>	<u>1,377.9</u>	<u>(156.8)</u>	<u>(11.4%)</u>	<u>6,034.0</u>	<u>5,237.3</u>	<u>796.7</u>	<u>15.2%</u>
<b>Insurance segment:</b>								
RSUI	556.0	463.1	92.9	20.1%	2,067.6	1,714.4	353.2	20.6%
CapSpecialty	121.1	112.8	8.3	7.4%	475.2	411.3	63.9	15.5%
Total Insurance	<u>677.1</u>	<u>575.9</u>	<u>101.2</u>	<u>17.6%</u>	<u>2,542.8</u>	<u>2,125.7</u>	<u>417.1</u>	<u>19.6%</u>
<b>Total:</b>								
Reinsurance segment (ex-Quota Share Treaty <sup>(1)</sup> )	1,368.3	1,202.8	165.5	13.8%	5,537.8	4,560.6	977.2	21.4%
Insurance segment	677.1	575.9	101.2	17.6%	2,542.8	2,125.7	417.1	19.6%
Intercompany elimination	(7.7)	(7.5)	(0.2)	2.7%	(38.0)	(33.6)	(4.4)	13.1%
Total premiums written (ex-Quota Share Treaty)	2,037.7	1,771.2	266.5	15.0%	8,042.6	6,652.7	1,389.9	20.9%
Quota Share Treaty	(147.2)	175.1	(322.3)	(184.1%)	496.2	676.7	(180.5)	(26.7%)
Total premiums written	<u>\$ 1,890.5</u>	<u>\$ 1,946.3</u>	<u>\$ (55.8)</u>	<u>(2.9%)</u>	<u>\$ 8,538.8</u>	<u>\$ 7,329.4</u>	<u>\$ 1,209.4</u>	<u>16.5%</u>
<b>Net Premiums Written</b>								
	For the Three Months Ended December 31,				For the Twelve Months Ended December 31,			
	2021	2020	Change	% Change	2021	2020	Change	% Change
	<b>Reinsurance segment:</b>							
Property	\$ 203.6	\$ 395.0	\$ (191.4)	(48.5%)	\$ 1,550.4	\$ 1,439.6	\$ 110.8	7.7%
Casualty & specialty	865.2	889.4	(24.2)	(2.7%)	3,837.0	3,405.4	431.6	12.7%
Total Reinsurance	<u>1,068.8</u>	<u>1,284.4</u>	<u>(215.6)</u>	<u>(16.8%)</u>	<u>5,387.4</u>	<u>4,845.0</u>	<u>542.4</u>	<u>11.2%</u>
<b>Insurance segment:</b>								
RSUI	360.5	308.4	52.1	16.9%	1,354.7	1,124.8	229.9	20.4%
CapSpecialty	104.0	102.9	1.1	1.1%	407.3	374.6	32.7	8.7%
Total Insurance	<u>464.5</u>	<u>411.3</u>	<u>53.2</u>	<u>12.9%</u>	<u>1,762.0</u>	<u>1,499.4</u>	<u>262.6</u>	<u>17.5%</u>
<b>Total:</b>								
Reinsurance segment (ex-Quota Share Treaty)	1,216.0	1,109.3	106.7	9.6%	4,891.2	4,168.3	722.9	17.3%
Insurance segment	464.5	411.3	53.2	12.9%	1,762.0	1,499.4	262.6	17.5%
Intercompany elimination	-	-	-		-	-	-	
Total premiums written (ex-Quota Share Treaty)	1,680.5	1,520.6	159.9	10.5%	6,653.2	5,667.7	985.5	17.4%
Quota Share Treaty	(147.2)	175.1	(322.3)	(184.1%)	496.2	676.7	(180.5)	(26.7%)
Total premiums written	<u>\$ 1,533.3</u>	<u>\$ 1,695.7</u>	<u>\$ (162.4)</u>	<u>(9.6%)</u>	<u>\$ 7,149.4</u>	<u>\$ 6,344.4</u>	<u>\$ 805.0</u>	<u>12.7%</u>

(1) A certain large whole account quota share treaty (the "Quota Share Treaty"). TransRe's decision not to renew the Quota Share Treaty was made in the fourth quarter of 2021.

**ALLEGHANY CORPORATION**  
**CONSOLIDATED UNDERWRITING RESULTS - CURRENT QUARTER**

(\$ in millions)

	For the Three Months Ended December 31, 2021						
	Reinsurance Segment			Insurance Segment			
	Property	Casualty & specialty	Total	RSUI	Cap Specialty	Total	Total
Gross premiums written	\$ 287.3	\$ 933.8	\$ 1,221.1	\$ 556.0	\$ 121.1	\$ 677.1	\$ 1,898.2
Net premiums written	203.6	865.2	1,068.8	360.5	104.0	464.5	1,533.3
Net premiums earned	<u>\$ 424.3</u>	<u>\$ 1,006.5</u>	<u>\$ 1,430.8</u>	<u>\$ 334.1</u>	<u>\$ 100.7</u>	<u>\$ 434.8</u>	<u>\$ 1,865.6</u>
Net loss and loss adjustment expenses:							
Current year (ex-catastrophes)	202.4	680.8	883.2	175.0	59.0	234.0	1,117.2
Current year catastrophes (ex -Pandemic <sup>(1)</sup> )	51.1	(4.0)	47.1	3.4	0.3	3.7	50.8
Prior years - Pandemic	(0.1)	(1.8)	(1.9)	-	-	-	(1.9)
Prior years (ex-Pandemic)	<u>(17.6)</u>	<u>(42.7)</u>	<u>(60.3)</u>	<u>12.7</u>	<u>3.3</u>	<u>16.0</u>	<u>(44.3)</u>
	235.8	632.3	868.1	191.1	62.6	253.7	1,121.8
Commissions, brokerage and other underwriting expenses	<u>123.2</u>	<u>307.9</u>	<u>431.1</u>	<u>69.8</u>	<u>37.8</u>	<u>107.6</u>	<u>538.7</u>
<b>Underwriting profit</b>	<b><u>\$ 65.3</u></b>	<b><u>\$ 66.3</u></b>	<b><u>131.6</u></b>	<b><u>\$ 73.2</u></b>	<b><u>\$ 0.3</u></b>	<b><u>\$ 73.5</u></b>	<b><u>\$ 205.1</u></b>
Ratios:							
Net loss and loss adjustment expenses:							
Current year (ex-catastrophes)	47.7%	67.6%	61.7%	52.4%	58.6%	53.7%	59.9%
Current year catastrophe losses (ex-Pandemic)	12.0%	(0.4%)	3.3%	1.0%	0.3%	0.9%	2.7%
Prior years - Pandemic	0.0%	(0.2%)	(0.1%)	0.0%	0.0%	0.0%	(0.1%)
Prior years (ex-Pandemic)	<u>(4.1%)</u>	<u>(4.2%)</u>	<u>(4.2%)</u>	<u>3.8%</u>	<u>3.3%</u>	<u>3.7%</u>	<u>(2.4%)</u>
	55.6%	62.8%	60.7%	57.2%	62.2%	58.3%	60.1%
Expense:							
Commission expense	10.6%	23.3%	19.5%	11.3%	23.7%	14.2%	18.3%
Change in deferred acquisition costs	13.3%	3.9%	6.7%	(1.2%)	(1.1%)	(1.2%)	4.8%
Other underwriting expenses	<u>5.1%</u>	<u>3.4%</u>	<u>3.9%</u>	<u>10.8%</u>	<u>15.0%</u>	<u>11.8%</u>	<u>5.8%</u>
	29.0%	30.6%	30.1%	20.9%	37.6%	24.8%	28.9%
<b>Combined</b>	<b><u>84.6%</u></b>	<b><u>93.4%</u></b>	<b><u>90.8%</u></b>	<b><u>78.1%</u></b>	<b><u>99.8%</u></b>	<b><u>83.1%</u></b>	<b><u>89.0%</u></b>

(1) Catastrophe losses arising from the COVID-19 global pandemic (the "Pandemic").



**ALLEGHANY CORPORATION**  
**CONSOLIDATED UNDERWRITING RESULTS - PRIOR YEAR QUARTER**  
(\$ in millions)

	For the Three Months Ended December 31, 2020						
	Reinsurance Segment			Insurance Segment			
	Property	Casualty & Specialty	Total	RSUI	Cap Specialty	Total	Total
Gross premiums written	\$ 462.5	\$ 915.4	\$ 1,377.9	\$ 463.1	\$ 112.8	\$ 575.9	\$ 1,953.8
Net premiums written	395.0	889.4	1,284.4	308.4	102.9	411.3	1,695.7
Net premiums earned	<u>\$ 354.9</u>	<u>\$ 878.5</u>	<u>\$ 1,233.4</u>	<u>\$ 277.4</u>	<u>\$ 93.2</u>	<u>\$ 370.6</u>	<u>\$ 1,604.0</u>
Net loss and loss adjustment expenses:							
Current year (ex-catastrophes)	177.3	613.2	790.5	144.1	58.2	202.3	992.8
Current year catastrophes - Pandemic	63.5	12.5	76.0	-	-	-	76.0
Current year catastrophes (ex-Pandemic)	64.4	5.9	70.3	39.0	0.2	39.2	109.5
Prior years	<u>(2.0)</u>	<u>(47.6)</u>	<u>(49.6)</u>	<u>(13.3)</u>	<u>(1.8)</u>	<u>(15.1)</u>	<u>(64.7)</u>
	303.2	584.0	887.2	169.8	56.6	226.4	1,113.6
Commissions, brokerage and other underwriting expenses	<u>109.6</u>	<u>271.2</u>	<u>380.8</u>	<u>56.7</u>	<u>36.4</u>	<u>93.1</u>	<u>473.9</u>
<b>Underwriting (loss) profit</b>	<b><u>\$ (57.9)</u></b>	<b><u>\$ 23.3</u></b>	<b><u>(34.6)</u></b>	<b><u>\$ 50.9</u></b>	<b><u>\$ 0.2</u></b>	<b><u>\$ 51.1</u></b>	<b><u>\$ 16.5</u></b>
Ratios:							
Net loss and loss adjustment expenses:							
Current year (ex-catastrophes)	50.0%	69.8%	64.1%	51.9%	62.5%	54.6%	61.9%
Current year catastrophe losses - Pandemic	17.9%	1.4%	6.2%	0.0%	0.0%	0.0%	4.7%
Current year catastrophe losses (ex-Pandemic)	18.1%	0.7%	5.7%	14.1%	0.2%	10.6%	6.8%
Prior years	<u>(0.6%)</u>	<u>(5.4%)</u>	<u>(4.0%)</u>	<u>(4.8%)</u>	<u>(1.9%)</u>	<u>(4.1%)</u>	<u>(4.0%)</u>
	85.4%	66.5%	72.0%	61.2%	60.8%	61.1%	69.4%
Expense:							
Commission expense	26.4%	27.2%	27.0%	11.5%	25.3%	15.0%	24.2%
Change in deferred acquisition costs	(2.8%)	(0.4%)	(1.1%)	(1.9%)	(2.2%)	(1.9%)	(1.3%)
Other underwriting expenses	<u>7.3%</u>	<u>4.1%</u>	<u>5.0%</u>	<u>10.8%</u>	<u>15.9%</u>	<u>12.0%</u>	<u>6.6%</u>
	30.9%	30.9%	30.9%	20.4%	39.0%	25.1%	29.5%
<b>Combined</b>	<b><u>116.3%</u></b>	<b><u>97.4%</u></b>	<b><u>102.9%</u></b>	<b><u>81.6%</u></b>	<b><u>99.8%</u></b>	<b><u>86.2%</u></b>	<b><u>98.9%</u></b>

**ALLEGHANY CORPORATION**  
**CONSOLIDATED UNDERWRITING RESULTS - CURRENT YEAR TO DATE**

(\$ in millions)

	For the Twelve Months Ended December 31, 2021						
	Reinsurance Segment			Insurance Segment			
	Property	Casualty & specialty	Total	RSUI	Cap Specialty	Total	Total
Gross premiums written	\$ 1,975.2	\$ 4,058.8	\$ 6,034.0	\$ 2,067.6	\$ 475.2	\$ 2,542.8	\$ 8,576.8
Net premiums written	1,550.4	3,837.0	5,387.4	1,354.7	407.3	1,762.0	7,149.4
Net premiums earned	<u>\$ 1,708.8</u>	<u>\$ 3,768.3</u>	<u>\$ 5,477.1</u>	<u>\$ 1,230.7</u>	<u>\$ 389.9</u>	<u>\$ 1,620.6</u>	<u>\$ 7,097.7</u>
Net loss and loss adjustment expenses:							
Current year (ex-catastrophes)	943.7	2,552.4	3,496.1	622.1	229.6	851.7	4,347.8
Current year catastrophes (ex-Pandemic)	524.3	20.8	545.1	189.5	2.2	191.7	736.8
Prior years - Pandemic	62.6	(48.9)	13.7	-	-	-	13.7
Prior years (ex-Pandemic)	<u>(86.4)</u>	<u>(176.9)</u>	<u>(263.3)</u>	<u>(6.1)</u>	<u>6.0</u>	<u>(0.1)</u>	<u>(263.4)</u>
	1,444.2	2,347.4	3,791.6	805.5	237.8	1,043.3	4,834.9
Commissions, brokerage and other underwriting expenses	<u>480.1</u>	<u>1,176.6</u>	<u>1,656.7</u>	<u>261.1</u>	<u>149.7</u>	<u>410.8</u>	<u>2,067.5</u>
<b>Underwriting (loss) profit</b>	<b><u>\$ (215.5)</u></b>	<b><u>\$ 244.3</u></b>	<b><u>28.8</u></b>	<b><u>\$ 164.1</u></b>	<b><u>\$ 2.4</u></b>	<b><u>\$ 166.5</u></b>	<b><u>\$ 195.3</u></b>
Ratios:							
Net loss and loss adjustment expenses:							
Current year (ex-catastrophes)	55.2%	67.7%	63.7%	50.6%	58.9%	52.6%	61.2%
Current year catastrophe losses (ex-Pandemic)	30.7%	0.6%	10.0%	15.4%	0.6%	11.8%	10.4%
Prior years - Pandemic	3.7%	(1.3%)	0.3%	0.0%	0.0%	0.0%	0.2%
Prior years (ex-Pandemic)	<u>(5.1%)</u>	<u>(4.7%)</u>	<u>(4.8%)</u>	<u>(0.5%)</u>	<u>1.5%</u>	<u>0.0%</u>	<u>(3.7%)</u>
	84.5%	62.3%	69.2%	65.5%	61.0%	64.4%	68.1%
Expense:							
Commission expense	20.3%	27.8%	25.4%	11.4%	24.3%	14.5%	22.9%
Change in deferred acquisition costs	2.4%	(0.4%)	0.5%	(1.1%)	(1.0%)	(1.1%)	0.1%
Other underwriting expenses	<u>5.4%</u>	<u>3.8%</u>	<u>4.3%</u>	<u>10.9%</u>	<u>15.1%</u>	<u>12.0%</u>	<u>6.1%</u>
	28.1%	31.2%	30.2%	21.2%	38.4%	25.4%	29.1%
<b>Combined</b>	<b><u>112.6%</u></b>	<b><u>93.5%</u></b>	<b><u>99.4%</u></b>	<b><u>86.7%</u></b>	<b><u>99.4%</u></b>	<b><u>89.8%</u></b>	<b><u>97.2%</u></b>

**ALLEGHANY CORPORATION**  
**CONSOLIDATED UNDERWRITING RESULTS - PRIOR YEAR TO DATE**  
(\$ in millions)

	For the Twelve Months Ended December 31, 2020						
	Reinsurance Segment			Insurance Segment			Subtotal
	Property	Casualty & specialty	Total	RSUI	Cap Specialty	Total	
Gross premiums written	\$ 1,761.7	\$ 3,475.6	\$ 5,237.3	\$ 1,714.4	\$ 411.3	\$ 2,125.7	\$ 7,363.0
Net premiums written	1,439.6	3,405.4	4,845.0	1,124.8	374.6	1,499.4	6,344.4
Net premiums earned	<u>\$ 1,379.7</u>	<u>\$ 3,265.0</u>	<u>\$ 4,644.7</u>	<u>\$ 1,008.8</u>	<u>\$ 346.7</u>	<u>\$ 1,355.5</u>	<u>\$ 6,000.2</u>
Net loss and loss adjustment expenses:							
Current year (ex-catastrophes)	756.8	2,271.0	3,027.8	520.8	209.8	730.6	3,758.4
Current year catastrophes - Pandemic	286.4	105.4	391.8	20.3	3.1	23.4	415.2
Current year catastrophes (ex-Pandemic)	164.3	9.9	174.2	210.1	2.0	212.1	386.3
Prior years	<u>(76.9)</u>	<u>(130.0)</u>	<u>(206.9)</u>	<u>(12.8)</u>	<u>(1.1)</u>	<u>(13.9)</u>	<u>(220.8)</u>
	1,130.6	2,256.3	3,386.9	738.4	213.8	952.2	4,339.1
Commissions, brokerage and other underwriting expenses	<u>424.2</u>	<u>1,000.8</u>	<u>1,425.0</u>	<u>226.1</u>	<u>138.7</u>	<u>364.8</u>	<u>1,789.8</u>
<b>Underwriting (loss) profit</b>	<b><u>\$ (175.1)</u></b>	<b><u>\$ 7.9</u></b>	<b><u>(167.2)</u></b>	<b><u>\$ 44.3</u></b>	<b><u>\$ (5.8)</u></b>	<b><u>\$ 38.5</u></b>	<b><u>\$ (128.7)</u></b>
Ratios:							
Net loss and loss adjustment expenses:							
Current year (ex-catastrophes)	54.9%	69.6%	65.2%	51.7%	60.5%	53.9%	62.6%
Current year catastrophe losses - Pandemic	20.8%	3.2%	8.4%	2.0%	0.9%	1.7%	6.9%
Current year catastrophe losses (ex-Pandemic)	11.9%	0.3%	3.8%	20.8%	0.6%	15.7%	6.5%
Prior years	<u>(5.6%)</u>	<u>(4.0%)</u>	<u>(4.5%)</u>	<u>(1.3%)</u>	<u>(0.3%)</u>	<u>(1.0%)</u>	<u>(3.7%)</u>
	82.0%	69.1%	72.9%	73.2%	61.7%	70.3%	72.3%
Expense:							
Commission expense	25.1%	28.2%	27.3%	12.2%	25.3%	15.6%	24.6%
Change in deferred acquisition costs	(1.0%)	(1.2%)	(1.1%)	(1.2%)	(1.7%)	(1.4%)	(1.2%)
Other underwriting expenses	<u>6.6%</u>	<u>3.7%</u>	<u>4.5%</u>	<u>11.4%</u>	<u>16.4%</u>	<u>12.7%</u>	<u>6.4%</u>
	30.7%	30.7%	30.7%	22.4%	40.0%	26.9%	29.8%
<b>Combined</b>	<b><u>112.7%</u></b>	<b><u>99.8%</u></b>	<b><u>103.6%</u></b>	<b><u>95.6%</u></b>	<b><u>101.7%</u></b>	<b><u>97.2%</u></b>	<b><u>102.1%</u></b>

## ALLEGHANY CORPORATION CATASTROPHE EXPOSURE

December 31, 2021<sup>(1)</sup>

December 31, 2020

	100 Year Return Period		250 Year Return Period		100 Year Return Period		250 Year Return Period	
	Gross Loss (before tax)	Net Loss (after tax)	Gross Loss (before tax)	Net Loss (after tax)	Gross Loss (before tax)	Net Loss (after tax)	Gross Loss (before tax)	Net Loss (after tax)
	(\$ in billions)				(\$ in billions)			
U.S., Wind	\$ 2.5	\$ 0.7	\$ 3.2	\$ 0.8	\$ 2.2	\$ 0.6	\$ 2.8	\$ 0.7
Florida, Wind	1.5	0.5	2.2	0.6	1.4	0.5	2.0	0.5
California, Earthquake	1.2	0.4	2.0	0.6	1.1	0.4	1.8	0.5
Gulf Coast, Wind	1.0	0.4	1.9	0.5	1.0	0.4	1.7	0.5
Northeast U.S., Wind	1.1	0.4	2.0	0.6	0.9	0.4	1.8	0.6
Japan, Earthquake	0.6	0.3	0.9	0.4	0.5	0.2	0.7	0.3
Europe, Wind	0.3	0.2	0.5	0.2	0.5	0.2	0.7	0.3
Japan, Wind	0.4	0.2	0.4	0.2	0.4	0.2	0.4	0.2

(1) Based upon contracts in force at January 1, 2022 for TransRe and December 1, 2021 for RSUI.

“Florida, Wind” and “Northeast U.S., Wind” have the highest modeled after-tax net catastrophe costs for a 100- and 250-year return period single zone occurrence, respectively. These costs would represent approximately 5 percent and 7 percent, respectively, of stockholders’ equity attributable to Alleghany as of December 31, 2021, compared with approximately 5 percent and 6 percent, respectively, for the highest modeled after-tax net catastrophe costs for a 100 and 250-year return period single zone occurrence as of December 31, 2020. There is much uncertainty and imprecision in the compilation of these estimates. Moreover, the makeup of our in-force business is constantly changing as new business is added and existing contracts terminate or expire, including contracts for reinsurance coverage purchased by us. In addition, there could be possible scenarios that are not captured in our analysis. Additionally, other risks, such as an outbreak of a pandemic disease, a major terrorist event, the bankruptcy of a major company or a marine and/or aviation disaster, could also have a material adverse effect on our business and operating results. As a result, there can be no assurance that we will not experience after-tax net catastrophe costs from individual and / or multiple events that will exceed these estimates by a material amount. There also can be no assurance that we will not experience catastrophe events more frequently than the modeled probabilities would suggest.

See the section titled “Catastrophe Exposure” contained in Part II, Item 7. “Management’s Discussion and Analysis of Financial Condition and Results of Operations” of Alleghany’s most recent Annual Report on Form 10-K for additional information.

# **Alleghany Capital**

**ALLEGHANY CORPORATION**  
**ALLEGHANY CAPITAL PRODUCT AND SERVICE REVENUES**  
(\$ in millions)

	For the Three Months Ended December 31,				For the Twelve Months Ended December 31,			
	2021	2020	Change	% Change	2021	2020	Change	% Change
<b>Industrial:</b>								
PCT	\$ 9.8	\$ 8.7	\$ 1.1	12.6%	\$ 38.9	\$ 39.8	\$ (0.9)	(2.3%)
Kentucky Trailer	53.5	53.7	(0.2)	(0.4%)	233.8	206.3	27.5	13.3%
W&W/AFCO Steel	257.0	246.7	10.3	4.2%	1,037.6	794.3	243.3	30.6%
Wilbert <sup>(1)</sup>	68.1	64.4	3.7	5.7%	260.9	180.5	80.4	44.5%
Piedmont <sup>(2)</sup>	40.3	-	40.3	-	103.4	-	103.4	-
Intercompany eliminations	(5.2)	-	(5.2)	-	(12.3)	-	(12.3)	-
	<u>423.5</u>	<u>373.5</u>	<u>50.0</u>	<u>13.4%</u>	<u>1,662.3</u>	<u>1,220.9</u>	<u>441.4</u>	<u>36.2%</u>
<b>Consumer &amp; services:</b>								
IPS	320.7	178.9	141.8	79.3%	886.3	618.5	267.8	43.3%
Jazwares	407.1	241.5	165.6	68.6%	1,028.3	514.5	513.8	99.9%
Concord	50.4	29.3	21.1	72.0%	159.5	123.5	36.0	29.1%
	<u>778.2</u>	<u>449.7</u>	<u>328.5</u>	<u>73.0%</u>	<u>2,074.1</u>	<u>1,256.5</u>	<u>817.6</u>	<u>65.1%</u>
<b>Corporate &amp; other</b>	<u>-</u>	<u>0.1</u>	<u>(0.1)</u>	<u>-</u>	<u>-</u>	<u>0.1</u>	<u>(0.1)</u>	<u>-</u>
<b>Total</b>	<u>\$ 1,201.7</u>	<u>\$ 823.3</u>	<u>\$ 378.4</u>	<u>46.0%</u>	<u>\$ 3,736.4</u>	<u>\$ 2,477.5</u>	<u>\$ 1,258.9</u>	<u>50.8%</u>

(1) On April 1, 2020, Alleghany Capital acquired an additional approximately 55 percent of Wilbert it previously did not own, bringing ownership in Wilbert to approximately 100 percent, and as of that date, the results of Wilbert were included in Alleghany's consolidated results. Prior to April 1, 2020, Wilbert was accounted for under the equity method of accounting and was included in other invested assets.

(2) On May 10, 2021, Piedmont, a newly-formed, wholly-owned subsidiary of Alleghany Capital, acquired Wilbert, Inc., doing business as Wilbert Plastic Services, or "WPS."

**ALLEGHANY CORPORATION**  
**ALLEGHANY CAPITAL RESULTS<sup>(1)</sup>**  
(\$ in millions)

For the Three Months Ended December 31,

	2021				2020			
	Industrial	Consumer & services	Corporate & other	Total	Industrial	Consumer & services	Corporate & other	Total
Product and service revenues <sup>(2)</sup>	\$ 423.5	\$ 778.2	\$ -	\$ 1,201.7	\$ 373.7	\$ 449.6	\$ -	\$ 823.3
Net investment income	-	(0.3)	-	(0.3)	-	-	-	-
Net realized capital gains	(0.2)	4.0	3.1	6.9	(1.4)	0.3	1.2	0.1
Total revenues	423.3	781.9	3.1	1,208.3	372.3	449.9	1.2	823.4
Other operating expenses <sup>(2)</sup>	395.8	684.2	5.4	1,085.4	346.0	392.1	4.2	742.3
Amortization of intangible assets	4.8	8.6	-	13.4	4.0	7.1	-	11.1
Interest expense	2.1	2.8	-	4.9	2.2	1.6	0.3	4.1
<b>Earnings (losses) before income taxes</b>	<b>\$ 20.6</b>	<b>\$ 86.3</b>	<b>\$ (2.3)</b>	<b>\$ 104.6</b>	<b>\$ 20.1</b>	<b>\$ 49.1</b>	<b>\$ (3.3)</b>	<b>\$ 65.9</b>
Earnings (losses) before income taxes	\$ 20.6	\$ 86.3	\$ (2.3)	\$ 104.6	\$ 20.1	\$ 49.1	\$ (3.3)	\$ 65.9
Less: net realized capital gains	0.2	(4.0)	(3.1)	(6.9)	1.4	(0.3)	(1.2)	(0.1)
Add: amortization of intangible assets	4.8	8.6	-	13.4	4.0	7.1	-	11.1
<b>Adjusted earnings (losses) before income taxes<sup>(3)</sup></b>	<b>\$ 25.6</b>	<b>\$ 90.9</b>	<b>\$ (5.4)</b>	<b>\$ 111.1</b>	<b>\$ 25.5</b>	<b>\$ 55.9</b>	<b>\$ (4.5)</b>	<b>\$ 76.9</b>

For the Twelve Months Ended December 31,

	2021				2020			
	Industrial	Consumer & services	Corporate & other	Total	Industrial	Consumer & services	Corporate & other	Total
Product and service revenues <sup>(2)</sup>	\$ 1,662.3	\$ 2,074.1	\$ -	\$ 3,736.4	\$ 1,220.9	\$ 1,256.5	\$ 0.1	\$ 2,477.5
Net investment income	-	(0.3)	0.1	(0.2)	1.9	-	-	1.9
Net realized capital gains	(0.3)	4.8	3.1	7.6	4.3	(0.1)	31.3	35.5
Total revenues	1,662.0	2,078.6	3.2	3,743.8	1,227.1	1,256.4	31.4	2,514.9
Other operating expenses <sup>(2)</sup>	1,527.0	1,841.8	19.0	3,387.8	1,145.7	1,151.7	12.6	2,310.0
Amortization of intangible assets	18.0	30.1	-	48.1	15.4	28.0	-	43.4
Interest expense	8.3	7.7	0.2	16.2	8.7	7.2	(0.4)	15.5
<b>Earnings (losses) before income taxes</b>	<b>\$ 108.7</b>	<b>\$ 199.0</b>	<b>\$ (16.0)</b>	<b>\$ 291.7</b>	<b>\$ 57.3</b>	<b>\$ 69.5</b>	<b>\$ 19.2</b>	<b>\$ 146.0</b>
Earnings (losses) before income taxes	\$ 108.7	\$ 199.0	\$ (16.0)	\$ 291.7	\$ 57.3	\$ 69.5	\$ 19.2	\$ 146.0
Less: net realized capital gains	0.3	(4.8)	(3.1)	(7.6)	(4.3)	0.1	(31.3)	(35.5)
Add: amortization of intangible assets	18.0	30.1	-	48.1	15.4	28.0	-	43.4
<b>Adjusted earnings (losses) before income taxes<sup>(3)</sup></b>	<b>\$ 127.0</b>	<b>\$ 224.3</b>	<b>\$ (19.1)</b>	<b>\$ 332.2</b>	<b>\$ 68.4</b>	<b>\$ 97.6</b>	<b>\$ (12.1)</b>	<b>\$ 153.9</b>

(1) The Alleghany Capital segment consists of: (i) industrial operations conducted through PCT, Kentucky Trailer, W&WJAFSCO Steel, starting April 1, 2020, Wilbert and, starting May 10, 2021, Piedmont; (ii) consumer & services operations conducted through IPS, Jazwares and Concord; and (iii) corporate operations at the Alleghany Capital level.

(2) For industrial and consumer & services operations: (i) product and service revenues consists of the sale of manufactured goods and services; and (ii) other operating expenses consist of the cost of goods and services sold, and selling, general and administrative expenses. For the three months ended December 31, 2021 and 2020, other operating expenses also included \$2.0 million and \$0.2 million, respectively, and for the full year 2021 and 2020, other operating expenses also included \$6.1 million and \$5.0 million, respectively, of finders' fees, legal and accounting costs and other transaction-related expenses.

(3) Refer to "Non-GAAP Financial Measures" on page 43 of this Financial Supplement.

**ALLEGHANY CORPORATION**  
**ALLEGHANY CAPITAL EQUITY<sup>(1)</sup>**  
(\$ in millions)

For the Three Months Ended December 31,

	2021				2020			
	Industrial	Consumer & services	Corporate & other	Total	Industrial	Consumer & services	Corporate & other	Total
	Equity, beginning of period	\$ 694.9	\$ 503.8	\$ (10.8)	\$ 1,187.9	\$ 615.2	\$ 481.5	\$ (36.8)
Earnings (losses) before income taxes	20.6	86.3	(2.3)	104.6	20.1	49.1	(3.3)	65.9
Income taxes <sup>(2)</sup>	1.2	(3.0)	(14.7)	(16.5)	(2.8)	(3.2)	(4.7)	(10.7)
Accretion of redeemable noncontrolling interests <sup>(3)</sup>	-	(11.7)	-	(11.7)	-	0.1	-	0.1
Portion of net earnings attributable to noncontrolling interests <sup>(3)</sup>	(3.5)	(25.2)	-	(28.7)	(2.3)	(13.0)	-	(15.3)
Capital contributions (returns of capital) and other	30.2	20.9	51.2	102.3	(0.7)	(31.8)	41.7	9.2
<b>Equity, end of period</b>	<b>\$ 743.4</b>	<b>\$ 571.1</b>	<b>\$ 23.4</b>	<b>\$ 1,337.9</b>	<b>\$ 629.5</b>	<b>\$ 482.7</b>	<b>\$ (3.1)</b>	<b>\$ 1,109.1</b>

For the Twelve Months Ended December 31,

	2021				2020			
	Industrial	Consumer & services	Corporate & other	Total	Industrial	Consumer & services	Corporate & other	Total
	Equity, beginning of period	\$ 629.5	\$ 482.7	\$ (3.1)	\$ 1,109.1	\$ 523.3	\$ 410.6	\$ (33.0)
Earnings (losses) before income taxes	108.7	199.0	(16.0)	291.7	57.3	69.5	19.2	146.0
Income taxes <sup>(2)</sup>	(3.5)	(6.7)	(39.1)	(49.3)	(7.2)	(3.3)	(12.1)	(22.6)
Accretion of redeemable noncontrolling interests <sup>(3)</sup>	-	(23.5)	-	(23.5)	-	(2.2)	-	(2.2)
Portion of net earnings attributable to noncontrolling interests <sup>(3)</sup>	(17.4)	(55.0)	-	(72.4)	(5.9)	(17.0)	-	(22.9)
Capital contributions (returns of capital) and other <sup>(4)</sup>	26.1	(25.4)	81.6	82.3	62.0	25.1	22.8	109.9
<b>Equity, end of period</b>	<b>\$ 743.4</b>	<b>\$ 571.1</b>	<b>\$ 23.4</b>	<b>\$ 1,337.9</b>	<b>\$ 629.5</b>	<b>\$ 482.7</b>	<b>\$ (3.1)</b>	<b>\$ 1,109.1</b>

(1) Represents stockholders' equity attributable to Alleghany.

(2) Federal income taxes for most Alleghany Capital subsidiaries are incurred at the Alleghany Capital corporate level. Estimated federal income tax (expense) benefit incurred at the Alleghany Capital corporate level attributable to industrial and consumer & service operations for the fourth quarter of 2021 was (\$2.8) million and (\$18.1) million, respectively, for the fourth quarter of 2020 was (\$4.0) million and (\$10.3) million, respectively, for the full year 2021 was (\$20.9) million and (\$41.8) million, respectively, and for the full year 2020 was (\$11.4) million and (\$14.6) million, respectively.

(3) As of December 31, 2021, noncontrolling interests outstanding were approximately as follows: Kentucky Trailer-22%; W&WJAFCO Steel-20%; IPS-18%; Jazwares-24%; and Concord-15%. See Note 1(a) to Notes to Consolidated Financial Statements set forth in Part II, Item 8, "Financial Statements and Supplementary Data" of our 2021 Form 10-K for additional information on accretion of redeemable noncontrolling interests.

(4) For the full year 2021, capital contributions primarily reflect funding provided by Alleghany Capital to: Piedmont for its May 10, 2021 acquisition of WPS; and to IPS for its October 14, 2021 acquisition of a global consultancy firm. For the full year 2020, capital contributions primarily reflect funding provided by: (i) Alleghany Capital to PCT for its acquisition of a manufacturer of high-performance carbide end mills in March 2020; (ii) Alleghany Capital to Jazwares for its acquisition of a plush toy manufacturer; and (iii) Alleghany to Alleghany Capital for its purchase of an additional approximately 55 percent of Wilbert it previously did not own.



**ALLEGHANY CORPORATION**  
**ALLEGHANY CAPITAL CONDENSED CONSOLIDATING BALANCE SHEETS**  
(\$ in millions)

	December 31, 2021				December 31, 2020			
	Industrial	Consumer & services	Corporate & other	Consolidated	Industrial	Consumer & services	Corporate & other	Consolidated
<b>Assets</b>								
Cash	\$ 15.3	\$ 71.2	\$ 66.3	\$ 152.8	\$ 11.2	\$ 35.0	\$ 44.2	\$ 90.4
Short-term investments	7.0	-	-	7.0	14.8	-	-	14.8
Other invested assets	-	0.6	5.5	6.1	-	1.0	0.8	1.8
Property and equipment at cost, net	218.3	31.4	-	249.7	193.4	21.3	-	214.7
Goodwill	280.9	418.6	(2.8)	696.7	243.5	316.6	(2.8)	557.3
Intangible assets, net of amortization	277.9	509.4	-	787.3	246.8	399.2	-	646.0
All other assets <sup>(1)</sup>	659.2	830.2	(21.0)	1,468.4	561.8	530.5	(24.5)	1,067.8
<b>Total assets</b>	<b>\$ 1,458.6</b>	<b>\$ 1,861.4</b>	<b>\$ 48.0</b>	<b>\$ 3,368.0</b>	<b>\$ 1,271.5</b>	<b>\$ 1,303.6</b>	<b>\$ 17.7</b>	<b>\$ 2,592.8</b>
<b>Liabilities and Stockholders' Equity</b>								
Debt	\$ 268.3	\$ 545.4	\$ -	\$ 813.7	\$ 267.3	\$ 322.9	\$ -	\$ 590.2
All other liabilities <sup>(2)</sup>	367.7	506.8	24.6	899.1	306.3	332.6	20.8	659.7
<b>Total liabilities</b>	<b>636.0</b>	<b>1,052.2</b>	<b>24.6</b>	<b>1,712.8</b>	<b>573.6</b>	<b>655.5</b>	<b>20.8</b>	<b>1,249.9</b>
Redeemable noncontrolling interests ("RNCI")	79.2	238.1	-	317.3	68.4	165.4	-	233.8
Total stockholders' equity attributable to Alleghany stockholders	743.4	571.1	23.4	1,337.9	629.5	482.7	(3.1)	1,109.1
<b>Total liabilities, RNCI and stockholders' equity</b>	<b>\$ 1,458.6</b>	<b>\$ 1,861.4</b>	<b>\$ 48.0</b>	<b>\$ 3,368.0</b>	<b>\$ 1,271.5</b>	<b>\$ 1,303.6</b>	<b>\$ 17.7</b>	<b>\$ 2,592.8</b>

(1) Primarily represents accounts receivable, costs on uncompleted contracts in excess of billings, inventory and other current assets.

(2) Primarily represents accounts payable, billings on uncompleted contracts in excess of costs, accrued expenses and other current liabilities.

**ALLEGHANY CORPORATION & SUBSIDIARIES**  
**ALLEGHANY CAPITAL CONDENSED CONSOLIDATING STATEMENTS OF CASH FLOWS**  
(\$ in millions)

	For the Twelve Months Ended December 31,							
	2021				2020			
	Industrial	Consumer & services	Corporate & other	Consolidated	Industrial	Consumer & services	Corporate & other	Consolidated
<b>Cash flows from operating activities</b>								
Net earnings (losses) <sup>(1)</sup>	\$ 105.2	\$ 192.3	\$ (55.1)	\$ 242.4	\$ 50.1	\$ 66.2	\$ 7.1	\$ 123.4
Adjustments to reconcile net earnings (losses) to net cash provided by (used in) operating activities:								
Depreciation and amortization	52.8	40.4	-	93.2	43.8	36.5	-	80.3
Net realized capital (gains)	0.3	(4.8)	(3.1)	(7.6)	(4.3)	0.1	(31.3)	(35.5)
Change in assets and liabilities	(26.0)	(99.3)	2.9	(122.4)	(86.9)	(124.9)	6.5	(205.3)
Net adjustments	27.1	(63.7)	(0.2)	(36.8)	(47.4)	(88.3)	(24.8)	(160.5)
Net cash provided by (used in) operating activities	132.3	128.6	(55.3)	205.6	2.7	(22.1)	(17.7)	(37.1)
<b>Cash flows from investing activities</b>								
Net (increase) decrease in short-term investments	7.9	-	-	7.9	(8.1)	-	-	(8.1)
(Purchases) sales of property and equipment	(26.7)	(17.5)	-	(44.2)	(23.4)	(8.8)	0.6	(31.6)
Purchases of affiliates and subsidiaries, net of cash acquired	(34.4)	(204.0)	(65.1)	(303.5)	(33.3)	(49.4)	(46.3)	(129.0)
Other, net	-	-	0.1	0.1	-	-	(0.8)	(0.8)
Net cash provided by (used in) investing activities	(53.2)	(221.5)	(65.0)	(339.7)	(64.8)	(58.2)	(46.5)	(169.5)
<b>Cash flows from financing activities</b>								
Increase (decrease) in debt	(32.7)	222.5	-	189.8	42.3	43.7	-	86.0
Capital contributions (returns of capital)	(42.3)	(69.2)	142.4	30.9	(10.3)	13.3	85.7	88.7
Other, net	-	(24.2)	-	(24.2)	-	0.3	(14.4)	(14.1)
Net cash provided by (used in) financing activities	(75.0)	129.1	142.4	196.5	32.0	57.3	71.3	160.6
Net increase (decrease) in cash	4.1	36.2	22.1	62.4	(30.1)	(23.0)	7.1	(46.0)
Cash at beginning of period	11.2	35.0	44.2	90.4	41.3	58.0	37.1	136.4
Cash at end of period	<u>\$ 15.3</u>	<u>\$ 71.2</u>	<u>\$ 66.3</u>	<u>\$ 152.8</u>	<u>\$ 11.2</u>	<u>\$ 35.0</u>	<u>\$ 44.2</u>	<u>\$ 90.4</u>
<b>Supplemental disclosure of cash flow information</b>								
<b>Cash paid during the period for:</b>								
Interest paid	\$ 7.9	\$ 7.5	\$ -	\$ 15.4	\$ 8.3	\$ 6.5	\$ -	\$ 14.8
Income taxes paid (refunds received) <sup>(1)</sup>	2.1	10.3	7.8	20.2	3.6	2.0	3.4	9.0

(1) Federal income taxes for most Alleghany Capital subsidiaries are incurred and presented at the Alleghany Capital level.

# **Balance Sheet and Investment Items**

**ALLEGHANY CORPORATION**  
**CONDENSED CONSOLIDATING BALANCE SHEETS**

(\$ in millions)

	December 31, 2021					December 31, 2020				
	Reinsurance Segment	Insurance Segment	Alleghany Capital	Corporate Activities <sup>(2)</sup>	Consolidated	Reinsurance Segment	Insurance Segment	Alleghany Capital	Corporate Activities <sup>(2)</sup>	Consolidated
<b>Assets</b>										
Investments:										
Securities at fair value:										
Equity securities	\$ 1,859.1	\$ 1,083.1	\$ -	\$ 741.6	\$ 3,683.8	\$ 1,376.7	\$ 770.9	\$ -	\$ 571.3	\$ 2,718.9
Debt securities	11,839.9	4,221.7	-	-	16,061.6	11,545.3	4,024.4	-	48.8	15,618.5
Short-term investments	185.3	484.8	7.0	465.2	1,142.3	307.1	305.2	14.8	87.1	714.2
	13,884.3	5,789.6	7.0	1,206.8	20,887.7	13,229.1	5,100.5	14.8	707.2	19,051.6
Commercial mortgage loans	333.1	142.8	-	-	475.9	469.2	201.1	-	(0.1)	670.2
Other invested assets	308.4	77.5	6.1	165.8	557.8	298.8	72.8	1.8	91.8	465.2
Total investments <sup>(2)</sup>	14,525.8	6,009.9	13.1	1,372.6	21,921.4	13,997.1	5,374.4	16.6	798.9	20,187.0
Cash <sup>(2)</sup>	683.0	70.3	152.8	21.9	928.0	555.8	127.4	90.4	17.8	791.4
Reinsurance recoverables	1,140.6	1,131.9	-	(76.5)	2,196.0	865.8	985.6	-	(70.3)	1,781.1
Goodwill	8.8	48.1	696.7	-	753.6	8.8	48.1	557.3	-	614.2
Intangible assets, net of amortization	76.0	61.1	787.3	-	924.4	78.4	63.1	646.0	-	787.5
All other assets	2,614.0	1,081.4	1,718.1	131.7	5,545.2	2,465.1	894.7	1,282.5	123.5	4,765.8
<b>Total assets</b>	<b>\$ 19,048.2</b>	<b>\$ 8,402.7</b>	<b>\$ 3,368.0</b>	<b>\$ 1,449.7</b>	<b>\$ 32,268.6</b>	<b>\$ 17,971.0</b>	<b>\$ 7,493.3</b>	<b>\$ 2,592.8</b>	<b>\$ 869.9</b>	<b>\$ 28,927.0</b>
<b>Liabilities and Stockholders' Equity</b>										
Loss and loss adjustment expenses	\$ 10,748.1	\$ 3,686.0	\$ -	\$ (76.5)	\$ 14,357.6	\$ 9,814.0	\$ 3,226.9	\$ -	\$ (70.3)	\$ 12,970.6
Unearned premiums	1,848.1	1,347.8	-	(16.4)	3,179.5	1,873.7	1,124.2	-	(13.8)	2,984.1
Senior Notes and other debt <sup>(3)</sup>	387.8	-	813.7	1,645.7	2,847.2	388.8	-	590.2	1,156.9	2,135.9
All other liabilities	665.8	609.8	899.1	205.4	2,380.1	517.5	531.8	659.7	137.9	1,846.9
<b>Total liabilities</b>	<b>13,649.8</b>	<b>5,643.6</b>	<b>1,712.8</b>	<b>1,758.2</b>	<b>22,764.4</b>	<b>12,594.0</b>	<b>4,882.9</b>	<b>1,249.9</b>	<b>1,210.7</b>	<b>19,937.5</b>
Redeemable noncontrolling interests ("RNCI")	-	-	317.3	-	317.3	-	-	233.8	-	233.8
Total stockholders' equity attributable to Alleghany stockholders	5,398.4	2,759.1	1,337.9	(308.5)	9,186.9	5,377.0	2,610.4	1,109.1	(340.8)	8,755.7
<b>Total liabilities, RNCI and stockholders' equity</b>	<b>\$ 19,048.2</b>	<b>\$ 8,402.7</b>	<b>\$ 3,368.0</b>	<b>\$ 1,449.7</b>	<b>\$ 32,268.6</b>	<b>\$ 17,971.0</b>	<b>\$ 7,493.3</b>	<b>\$ 2,592.8</b>	<b>\$ 869.9</b>	<b>\$ 28,927.0</b>

(1) The primary components of corporate activities are Alleghany Properties and activities at the Alleghany parent company level. Also includes consolidation and elimination entries, including those that exist between the reinsurance and insurance segments.

(2) As of December 31, 2021, includes \$1,687.2 million of marketable securities and cash at our unrestricted holding companies, comprised of \$1,216.0 million at the Alleghany parent company level (included in Corporate Activities), \$393.8 million at AIHL (included in the Insurance Segment), and \$77.4 million at the TransRe holding company (included in the Reinsurance Segment).

(3) Debt for Alleghany Capital includes certain intercompany debt. Debt for Corporate Activities includes the elimination of such debt in consolidation.

**ALLEGHANY CORPORATION**  
**CONSOLIDATED TOTAL INVESTMENT PORTFOLIO**  
(\$ in millions)

	December 31, 2021		December 31, 2020	
<b>CARRYING VALUE</b>				
Equity securities	\$ 3,683.8	16.8%	\$ 2,718.9	13.5%
Debt securities	16,061.6	73.3%	15,618.5	77.4%
Short-term investments	1,142.3	5.2%	714.2	3.5%
Commercial mortgage loans	475.9	2.2%	670.2	3.3%
Other invested assets	557.8	2.5%	465.2	2.3%
<b>Total</b>	<b>\$ 21,921.4</b>	<b>100.0%</b>	<b>\$ 20,187.0</b>	<b>100.0%</b>
<b>INVESTMENT ALLOCATION BY CARRYING VALUE</b>				
Equity securities:				
Common stock	\$ 3,679.2	16.8%	\$ 2,714.6	13.4%
Preferred stock	4.6	0.0%	4.3	0.0%
	<b>3,683.8</b>	<b>16.8%</b>	<b>2,718.9</b>	<b>13.5%</b>
Debt securities:				
U.S. government obligations	2,050.7	9.4%	1,360.1	6.7%
Municipal bonds	2,535.9	11.6%	2,656.8	13.2%
Foreign government obligations	854.9	3.9%	879.5	4.4%
U.S. corporate bonds	3,477.3	15.9%	3,545.7	17.6%
Foreign corporate bonds	1,226.9	5.6%	1,323.1	6.6%
Mortgage and asset-backed securities:				
Residential mortgage-backed securities ("RMBS")	2,009.0	9.2%	2,611.4	12.9%
Commercial mortgage-backed securities ("CMBS")	905.9	4.1%	890.3	4.4%
Other asset-backed securities	3,001.0	13.6%	2,351.6	11.6%
	<b>16,061.6</b>	<b>73.3%</b>	<b>15,618.5</b>	<b>77.4%</b>
Short-term investments	<b>1,142.3</b>	<b>5.2%</b>	<b>714.2</b>	<b>3.5%</b>
Commercial mortgage loans	<b>475.9</b>	<b>2.2%</b>	<b>670.2</b>	<b>3.3%</b>
Other invested assets:				
Equity method investments	165.9	0.8%	91.9	0.5%
Partnership investments	384.4	1.7%	370.1	1.8%
Other	7.5	0.0%	3.2	0.1%
	<b>557.8</b>	<b>2.5%</b>	<b>465.2</b>	<b>2.3%</b>
<b>Total</b>	<b>\$ 21,921.4</b>	<b>100.0%</b>	<b>\$ 20,187.0</b>	<b>100.0%</b>
Duration of debt securities portfolio	4.5 years		4.3 years	
Average credit quality <sup>(1)</sup>	AA-		AA-	

(1) The average debt securities portfolio credit quality is measured by weighting each individual security's rating, which uses the lowest rating of three large, reputable rating agencies.

**ALLEGHANY CORPORATION**  
**DEBT SECURITIES PORTFOLIO CREDIT QUALITY<sup>(1)</sup>**  
(\$ in millions)

	As of Year Ended December 31,						Total	%
	AAA / Aaa	AA / Aa	A	BBB / Baa	Below BBB / Baa or Not-Rated			
U.S. government obligations	\$ 1.4	\$ 2,049.3	\$ -	\$ -	\$ -	\$ 2,050.7	12.8%	
Municipal bonds	219.0	1,756.3	469.2	83.3	8.1	2,535.9	15.8%	
Foreign government obligations	376.5	389.3	87.8	1.1	0.2	854.9	5.3%	
U.S. corporate bonds	13.9	165.6	1,442.9	1,485.1	369.8	3,477.3	21.6%	
Foreign corporate bonds	184.7	69.1	564.1	372.8	36.2	1,226.9	7.6%	
Mortgage and asset-backed securities:								
RMBS	4.2	1,998.4	-	0.8	5.6	2,009.0	12.5%	
CMBS	324.2	355.4	218.6	7.7	-	905.9	5.6%	
Other asset-backed securities	1,282.1	761.0	477.3	451.6	29.0	3,001.0	18.8%	
Total debt securities	<u>\$ 2,406.0</u>	<u>\$ 7,544.4</u>	<u>\$ 3,259.9</u>	<u>\$ 2,402.4</u>	<u>\$ 448.9</u>	<u>\$ 16,061.6</u>	<u>100.0%</u>	
Percentage of debt securities	<u>15.0%</u>	<u>47.0%</u>	<u>20.3%</u>	<u>14.9%</u>	<u>2.8%</u>	<u>100.0%</u>		

(1) The debt securities portfolio credit quality is measured using the lowest rating of three large, reputable rating agencies.

**ALLEGHANY CORPORATION**  
**NET INVESTMENT INCOME**  
(\$ in millions)

	For the Three Months Ended			For the Twelve Months Ended		
	December 31, 2021	December 31, 2020	% Change	December 31, 2021	December 31, 2020	% Change
Interest income	\$ 99.3	\$ 105.5	-5.9%	\$ 397.7	\$ 443.1	-10.2%
Dividends	14.0	7.9	77.2%	79.4	28.0	183.6%
Total interest income and dividends	113.3	113.4	-0.1%	477.1	471.1	1.3%
Partnerships and other investment results	20.8	24.2	-14.0%	89.8	48.4	85.5%
Total investment income	134.1	137.6	-2.5%	566.9	519.5	9.1%
Investment expenses	(7.0)	(6.7)	4.5%	(26.5)	(28.6)	-7.3%
Net investment income	<u>\$ 127.1</u>	<u>\$ 130.9</u>	-2.9%	<u>\$ 540.4</u>	<u>\$ 490.9</u>	10.1%
Net investment income - after tax <sup>(1)</sup>	<u>\$ 104.1</u>	<u>\$ 106.5</u>	-2.3%	<u>\$ 440.9</u>	<u>\$ 399.4</u>	10.4%

(1) Reflects income tax at a 21.0% statutory rate, except for tax-exempt interest income and dividends subject to dividend-received deductions.

**ALLEGHANY CORPORATION**  
**LOSS AND LOSS ADJUSTMENT EXPENSES (LAE)**  
(\$ in millions)

	Twelve Months Ended	
	2021	2020
Reserves, beginning of period	\$12,970.6	\$11,928.4
Less: reinsurance recoverables <sup>(1)</sup>	1,703.7	1,583.9
Net reserves, beginning of period	11,266.9	10,344.5
Other adjustments	0.1	(4.0)
Incurring loss and LAE, net of reinsurance, related to:		
Current year	5,084.6	4,559.9
Prior years	(249.7)	(220.8)
Total incurred loss and LAE, net of reinsurance	4,834.9	4,339.1
Paid loss and LAE, net of reinsurance, related to: <sup>(2)</sup>		
Current year	1,032.8	931.7
Prior years	2,655.9	2,571.8
Total paid loss and LAE, net of reinsurance	3,688.7	3,503.5
Foreign currency exchange rate effect	(81.7)	90.8
Net reserves, end of period	12,331.5	11,266.9
Plus: reinsurance recoverables <sup>(1)</sup>	2,026.1	1,703.7
Reserves, end of period	<u>\$14,357.6</u>	<u>\$12,970.6</u>

(1) Reinsurance recoverables in this table include only ceded loss and LAE reserves.

(2) Includes paid loss and LAE, net of reinsurance, related to commutations.



**ALLEGHANY CORPORATION**  
**CAPITAL STRUCTURE AND LEVERAGE RATIOS**  
(\$ in millions)

	December 31, 2021	December 31, 2020
<b>Capital Structure</b>		
Senior notes	\$ 2,066.7	\$ 1,579.0
Other debt (excluding intercompany debt) <sup>(1)</sup>	<u>780.5</u>	<u>556.9</u>
Senior notes and other debt	2,847.2	2,135.9
Redeemable noncontrolling interests	317.3	233.8
Stockholders' equity attributable to Alleghany stockholders	<u>9,186.9</u>	<u>8,755.7</u>
<b>Total capitalization</b>	<b><u>\$ 12,351.4</u></b>	<b><u>\$ 11,125.4</u></b>
<b>Leverage Ratios</b>		
Senior notes to total capitalization	16.7%	14.2%
Senior notes and other debt to total capitalization	23.1%	19.2%
Net premiums written (trailing 12 months)	\$ 7,149.4	\$ 6,344.4
Net premiums written (trailing 12 months) to stockholders' equity	0.78 x	0.72 x
Invested assets and cash	\$ 22,849.4	\$ 20,978.4
Total investments and cash to stockholders' equity	2.49 x	2.40 x
Reserve for loss and loss adjustment expenses	\$ 14,357.6	\$ 12,970.6
Deduct: reinsurance recoverable on ceded losses	<u>(2,026.1)</u>	<u>(1,703.7)</u>
Net reserve for loss and loss adjustment expenses	12,331.5	11,266.9
Net reserve for loss and loss adjustment expenses to stockholders' equity	1.34 x	1.29 x

(1) None of these liabilities are guaranteed by Alleghany or Alleghany Capital.

# Reconciliations

**ALLEGHANY CORPORATION**  
**BASIC AND DILUTED EARNINGS PER SHARE INFORMATION**

(\$ in millions, except share and per share data)

	<u>For the Three Months Ended</u>		<u>For the Twelve Months Ended</u>	
	<u>December 31, 2021</u>	<u>December 31, 2020</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Net earnings attributable to Alleghany stockholders	\$ 516.2	\$ 159.1	\$ 1,034.9	\$ 101.8
Effect of dilutive securities	-	-	-	(1.2)
<b>Income available to common stockholders for diluted earnings per share</b>	<b><u>\$ 516.2</u></b>	<b><u>\$ 159.1</u></b>	<b><u>\$ 1,034.9</u></b>	<b><u>\$ 100.6</u></b>
Weighted average common shares outstanding applicable to basic earnings per share	13,668,512	14,104,141	13,853,780	14,257,793
Effect of dilutive securities	-	-	7,167	25,825
Adjusted weighted average common shares outstanding applicable to diluted earnings per share	<u>13,668,512</u>	<u>14,104,141</u>	<u>13,860,947</u>	<u>14,283,618</u>
Basic earnings per share attributable to Alleghany stockholders	\$ 37.76	\$ 11.28	\$ 74.70	\$ 7.14
Diluted earnings per share attributable to Alleghany stockholders	37.76	11.28	74.66	7.04

**ALLEGHANY CORPORATION**  
**ADJUSTED EARNINGS RECONCILIATION**

(\$ in millions, except share and per share amounts)

	For the Three Months Ended		For the Twelve Months Ended	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Net earnings attributable to Alleghany stockholders	\$ 516.2	\$ 159.1	\$ 1,034.9	\$ 101.8
Adjustments to net earnings:				
Change in the fair value of equity securities	326.2	77.5	506.8	(110.5)
Net realized capital gains	21.5	11.4	67.4	3.1
Change in allowance for credit losses on available for sale securities	(0.2)	2.9	2.1	(8.0)
Amortization of intangible assets	(13.4)	(11.3)	(49.9)	(44.2)
Income tax effect of adjustments	(70.2)	(16.9)	(110.5)	33.5
	<u>263.9</u>	<u>63.6</u>	<u>415.9</u>	<u>(126.1)</u>
<b>Adjusted earnings</b>	<b><u>\$ 252.3</u></b>	<b><u>\$ 95.5</u></b>	<b><u>\$ 619.0</u></b>	<b><u>\$ 227.9</u></b>
<b>Weighted average common shares outstanding:</b>				
Basic	13,668,512	14,104,141	13,853,780	14,257,793
Diluted	13,668,512	14,104,141	13,860,947	14,283,618
<b>Earnings per share attributable to Alleghany stockholders:</b>				
Basic	\$ 37.76	\$ 11.28	\$ 74.70	\$ 7.14
Diluted <sup>(1)</sup>	37.76	11.28	74.66	7.04
<b>Adjusted earnings per share data:</b>				
Basic	18.46	6.77	44.68	15.98
Diluted <sup>(1)(2)</sup>	18.46	6.77	44.64	15.89

(1) The numerators for calculating diluted earnings per share and adjusted earnings per share may be further reduced for the effect of dilutive securities.

(2) Adjusted earnings per diluted share is calculated as basic less any dilution under GAAP.

**ALLEGHANY CORPORATION**  
**HISTORICAL ADJUSTED EARNINGS RECONCILIATIONS**

(\$ in millions, except share and per share amounts)

	For the Twelve Months Ended							
	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015	December 31, 2014	December 31, 2013	December 31, 2012
Net earnings attributable to Alleghany stockholders	\$ 857.8	\$ 39.5	\$ 90.1	\$ 456.9	\$ 560.3	\$ 679.2	\$ 628.4	\$ 702.2
Adjustments to net earnings:								
Change in the fair value of equity securities	709.7	(229.0)	-	-	-	-	-	-
Net realized capital gains	(6.5)	(3.2)	107.2	63.2	213.9	247.1	232.1	157.9
Change in allowance for credit losses on available for sale securities	(19.7)	(1.3)	(16.9)	(45.2)	(133.9)	(36.3)	(44.0)	(2.9)
Amortization of intangible assets	(33.8)	(24.0)	(19.4)	(19.0)	(2.2)	5.8	(10.2)	(253.3)
Gain on bargain purchase	-	-	-	-	-	-	-	494.9
Income tax effect of adjustments	(136.5)	54.1	(24.8)	0.4	(27.2)	(75.8)	(62.3)	34.4
	513.2	(203.4)	46.1	(0.7)	50.6	140.8	115.6	431.0
<b>Adjusted earnings</b>	<b>\$ 344.6</b>	<b>\$ 242.9</b>	<b>\$ 44.0</b>	<b>\$ 457.6</b>	<b>\$ 509.7</b>	<b>\$ 538.4</b>	<b>\$ 512.8</b>	<b>\$ 271.2</b>

**ALLEGHANY CORPORATION**  
**RETURN ON AVERAGE STOCKHOLDERS' EQUITY**  
(\$ in millions)

	For the Three Months Ended		For the Twelve Months Ended	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Opening stockholders' equity attributable to Alleghany stockholders	\$ 8,859.5	\$ 8,596.4	\$ 8,755.7	\$ 8,776.7
Closing stockholders' equity attributable to Alleghany stockholders	9,186.9	8,755.7	9,186.9	8,755.7
Average stockholders' equity	9,023.2	8,676.1	8,971.3	8,766.2
Net earnings attributable to Alleghany stockholders	516.2	159.1	1,034.9	101.8
Return on average stockholders' equity	5.7%	1.8%	11.5%	1.2%
Annualized return on average stockholders' equity	22.9%	7.3%		
Adjusted earnings	\$ 252.3	\$ 95.5	\$ 619.0	\$ 227.9
Adjusted return on average stockholders' equity	2.8%	1.1%	6.9%	2.6%
Annualized adjusted return on average stockholders' equity	11.2%	4.4%		

**ALLEGHANY CORPORATION**  
**BOOK VALUE PER SHARE**  
(\$ in millions, except share and per share data)

	<u>December 31, 2021</u>	<u>September 30, 2021</u>	<u>December 31, 2020</u>
Total stockholders' equity attributable to Alleghany stockholders ("Equity")	\$ 9,186.9	\$ 8,859.5	\$ 8,755.7
Shares outstanding	13,598,535	13,749,136	14,041,180
Book value per share	\$ 675.58	\$ 644.37	\$ 623.57
Quarter over quarter growth	4.8%	(2.1%)	2.9%
Year to date growth	8.3%	3.3%	
Accumulated other comprehensive income (loss) ("AOCI")	\$ 141.8	\$ 228.3	\$ 452.4
Equity excluding AOCI	9,045.1	8,631.2	8,303.3
Book value per share excluding AOCI	665.15	627.76	591.35
Quarter over quarter growth	6.0%	(1.4%)	2.0%
Year to date growth	12.5%		

**ALLEGHANY CORPORATION**  
**CONSOLIDATED CHANGES IN STOCKHOLDERS' EQUITY**  
(\$ in millions)

	For the Three Months Ended December 31, 2021		For the Twelve Months Ended December 31, 2021	
	Total Stock- holders' Equity Attributable to Alleghany	Redeemable Noncontrolling Interest	Total Stock- holders' Equity attributable to Alleghany	Redeemable Noncontrolling Interest
Balance as of the beginning of the period	\$ 8,859.5	\$ 262.5	\$ 8,755.7	\$ 233.8
<i>Add (deduct):</i>				
Net earnings	516.2	40.4	1,034.9	95.9
Other comprehensive (loss) income, net of tax:				
Change in unrealized gains: debt securities portfolio	(85.6)	-	(305.8)	-
Change in unrealized currency translation adjustment	(1.1)	-	(4.3)	-
Retirement plans	0.2	-	(0.5)	-
Comprehensive income, net of tax	429.7	40.4	724.3	95.9
Treasury stock repurchase	(100.1)	-	(290.5)	-
Other, net	(2.2)	14.4	(2.6)	(12.4)
Balance as of the end of the period	<u>\$ 9,186.9</u>	<u>\$ 317.3</u>	<u>\$ 9,186.9</u>	<u>\$ 317.3</u>



**ALLEGHANY CORPORATION**  
**FINANCIAL STATEMENT PORTFOLIO RETURN**  
(\$ in millions)

	For the Three Months Ended		For the Twelve Months Ended	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Investment income and realized gains <sup>(1)</sup> :				
Net investment income	\$ 127.1	\$ 130.9	\$ 540.4	\$ 490.9
Change in the fair value of equity securities	326.2	77.5	506.8	(110.5)
Net realized capital gains:				
Debt securities	18.4	10.2	64.3	49.9
Other	3.1	1.2	3.1	(46.8)
	21.5	11.4	67.4	3.1
Change in allowance for credit losses on available for sale securities	(0.2)	2.9	2.1	(8.0)
	474.6	222.7	1,116.7	375.5
Opening net unrealized gains (losses) on debt securities <sup>(1)</sup>	443.2	648.0	720.0	413.1
Closing net unrealized gains (losses) on debt securities <sup>(1)</sup>	334.5	720.0	334.5	720.0
Increase (decrease) in net unrealized gains on debt securities <sup>(1)</sup>	(108.7)	72.0	(385.5)	306.9
Net investment income, realized gains and unrealized gains <sup>(1)</sup>	<u>\$ 365.9</u>	<u>\$ 294.7</u>	<u>\$ 731.2</u>	<u>\$ 682.4</u>
Opening aggregate invested assets	\$ 21,504.1	\$ 19,517.1	\$ 20,187.0	\$ 18,891.8
Closing aggregate invested assets	21,921.4	20,187.0	21,921.4	20,187.0
Average invested assets, at carrying value	21,712.8	19,852.1	21,054.2	19,539.4
Financial statement portfolio return <sup>(1)</sup>	1.7%	1.5%	3.5%	3.5%
Annualized financial statement portfolio return <sup>(1)</sup>	6.7%	5.9%		

(1) Before income taxes.

**ALLEGHANY CORPORATION**  
**ANNUALIZED INVESTMENT BOOK YIELD**  
(\$ in millions)

	For the Three Months Ended		For the Twelve Months Ended	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Net investment income	\$ 127.1	\$ 130.9	\$ 540.4	\$ 490.9
Opening invested assets:				
Debt securities portfolio, at amortized cost	\$ 15,331.1	\$ 14,931.9	\$ 14,898.5	\$ 13,798.6
Equity securities portfolio, at cost	2,671.6	1,650.8	2,052.0	1,625.3
Short-term investments, at fair value <sup>(1)</sup>	379.0	636.1	714.2	914.8
Commercial mortgage loans <sup>(2)</sup>	543.1	691.9	670.2	686.2
Other invested assets, at carrying value <sup>(2)</sup>	539.0	445.8	465.2	573.6
	19,463.8	18,356.5	18,800.1	17,598.5
Ending invested assets:				
Debt securities portfolio, at amortized cost	\$ 15,727.1	\$ 14,898.5	\$ 15,727.1	\$ 14,898.5
Equity securities portfolio, at cost	2,552.7	2,052.0	2,552.7	2,052.0
Short-term investments, at fair value <sup>(1)</sup>	1,142.3	714.2	1,142.3	714.2
Commercial mortgage loans <sup>(2)</sup>	475.9	670.2	475.9	670.2
Other invested assets, at carrying value <sup>(2)</sup>	557.8	465.2	557.8	465.2
	20,455.8	18,800.1	20,455.8	18,800.1
Average invested assets	\$ 19,959.8	\$ 18,578.3	\$ 19,628.0	\$ 18,199.3
Investment book yield <sup>(3)</sup>	0.6%	0.7%	2.8%	2.7%
Annualized investment book yield	2.5%	2.8%		

(1) Fair value approximates amortized cost.

(2) For commercial mortgage loans, values reflect cost less allowance for credit losses. For other invested assets, carrying value reflects the equity method of accounting for certain private equity and partnerships, and to a lesser extent, fair value or cost for certain other investments.

(3) For the year-to-date periods, represents the sum of each quarterly yield.

## **ALLEGHANY CORPORATION NON-GAAP FINANCIAL MEASURES**

Throughout this Financial Supplement, Alleghany's results of operations are presented in the way that Alleghany believes will be the most meaningful and useful to investors, analysts, rating agencies and others who use financial information in evaluating Alleghany's performance. This Financial Supplement includes various "non-GAAP financial measures" under U.S. Securities and Exchange Commission rules and regulations. These non-GAAP financial measures are not meant to be considered in isolation or as a substitute for measures of operating performance prepared in accordance with accounting principles generally accepted in the United States of America, or "GAAP." When such measures are disclosed, reconciliations to the most comparable GAAP measure are provided.

### **UNDERWRITING PROFIT**

Underwriting profit represents net premiums earned less net loss and LAE and commissions, brokerage and other underwriting expenses, all as determined in accordance with GAAP, and does not include: (i) net investment income; (ii) change in the fair value of equity securities; (iii) net realized capital gains; (iv) change in allowance for credit losses on available for sale securities; (v) product and service revenues; (vi) other operating expenses; (vii) corporate administration; (viii) amortization of intangible assets; and (ix) interest expense. Alleghany uses underwriting profit as a supplement to earnings before income taxes, the most comparable GAAP financial measure, to evaluate the performance of its reinsurance and insurance segments and believes that underwriting profit provides useful additional information to investors because it highlights net earnings attributable to Alleghany's reinsurance and insurance segment's underwriting performance. Earnings before income taxes may show a profit despite an underlying underwriting loss, and when underwriting losses persist over extended periods, a reinsurance or an insurance company's ability to continue as an ongoing concern may be at risk. A reconciliation of underwriting profit to earnings before income taxes is presented within "Earnings by Segment" on page 11 through 12 of this Financial Supplement.

### **ADJUSTED EARNINGS (AND ADJUSTED EARNINGS PER SHARE AND ADJUSTED RETURN ON AVERAGE STOCKHOLDERS' EQUITY)**

Adjusted earnings (including in adjusted return on average stockholders' equity) and adjusted earnings per share exclude (on an after-tax basis): (i) change in the fair value of equity securities; (ii) net realized capital gains; (iii) change in allowance for credit losses for available on sale securities; (iv) amortization of intangible assets; and (v) gain on bargain purchase, all as determined in accordance with GAAP. Alleghany uses adjusted earnings and adjusted earnings per share as a supplement to net earnings attributable to Alleghany stockholders and earnings per share, respectively, the most comparable GAAP financial measures, to provide useful additional information to investors by highlighting net earnings and earnings per share attributable to its performance excluding change in the fair value of equity securities, realized capital gains or losses, change in allowance for credit losses on available for sale securities, amortization of intangible assets and gain on bargain purchase. A reconciliation of adjusted earnings and adjusted earnings per share to net earnings attributable to Alleghany stockholders and earnings per share, respectively, is presented within "Adjusted Earnings Reconciliation" on pages 37 and 38 of this Financial Supplement.

### **ADJUSTED EARNINGS BEFORE INCOME TAXES**

Adjusted earnings before income taxes represents product and service revenues and net investment income less other operating expenses and interest expense, and does not include: (i) change in the fair value of equity securities; (ii) net realized capital gains; (iii) change in allowance for credit losses on available for sale securities; and (iv) amortization of intangible assets. Because adjusted earnings before income taxes excludes income taxes, change in the fair value of equity securities, net realized capital gains, change in allowance for credit losses on available for sale securities and amortization of intangible assets, it provides an indication of economic performance that is not affected by investment activity, levels of amortization resulting from acquisition accounting or effective tax rates. Alleghany uses adjusted earnings before income taxes as a supplement to earnings before income taxes, the most comparable GAAP financial measure, to evaluate the performance of certain of its noninsurance operating subsidiaries and investments. A reconciliation of adjusted earnings before income taxes to earnings before income taxes is presented on page 23 of this Financial Supplement.

### **ANNUALIZED INVESTMENT BOOK YIELD**

Annualized investment book yield is calculated by dividing net investment income by average aggregate invested assets at book value. In calculating annualized investment book yield, net investment income for the period, determined in accordance with GAAP, is multiplied by the number of such periods in a calendar year in order to arrive at annualized net investment income. Alleghany utilizes and presents annualized investment book yield in order to better disclose the performance of its investments.

### **BOOK VALUE PER SHARE EXCLUDING ACCUMULATED OTHER COMPREHENSIVE INCOME ("BVPS x-AOCI")**

BVPS x-AOCI is calculated by dividing: (i) stockholders' equity attributable to Alleghany stockholders less AOCI, all as determined in accordance with GAAP, by (ii) shares outstanding. Alleghany uses BVPS x-AOCI as a supplement to BVPS, the most comparable GAAP financial measure, in order to better disclose its per share performance by excluding the effects of AOCI, which includes the effect of changes in interest rates and credit spreads on its debt securities portfolio, among others. A reconciliation of BVPS to BVPS x-AOCI is presented within "Book Value Per Share" on page 39 of this Financial Supplement.