

STATE AUTO FINANCIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME

(unaudited)

<i>(\$ in millions, except per share amounts)</i>	Three months ended September 30		Nine months ended September 30	
	2016	2015	2016	2015
Net premiums written	\$ 335.8	\$ 324.5	\$ 986.2	\$ 970.8
Earned premiums	325.8	319.7	968.1	946.5
Net investment income	17.6	18.7	54.1	53.9
Net realized gain on investments	8.8	10.8	16.6	20.0
Other income	0.6	0.5	1.7	1.6
Total revenue	352.8	349.7	1,040.5	1,022.0
Income (loss) before federal income taxes	7.4	29.9	(13.9)	66.5
Federal income tax (benefit) expense	(2.7)	9.2	(2.4)	18.4
Net income (loss)	\$ 10.1	\$ 20.7	\$ (11.5)	\$ 48.1
Earnings (loss) per common share:				
- basic	\$ 0.24	\$ 0.50	\$ (0.28)	\$ 1.17
- diluted	\$ 0.24	\$ 0.50	\$ (0.28)	\$ 1.16
Earnings (loss) per share from operations ^(A) :				
- basic	\$ 0.10	\$ 0.33	\$ (0.54)	\$ 0.85
- diluted	\$ 0.10	\$ 0.33	\$ (0.54)	\$ 0.85
Weighted average shares outstanding:				
- basic	41.6	41.1	41.5	41.1
- diluted	42.1	41.9	41.5	41.5
Return on average equity (LTM)	(0.9)%	13.3%		
Book value per share	\$ 21.82	\$ 21.28		
Dividends paid per share	\$ 0.10	\$ 0.10	\$ 0.30	\$ 0.30
Total shares outstanding	41.6	41.1		
GAAP ratios:				
Cat loss and ALAE ratio	2.5	2.1	6.8	4.9
Non-cat loss and LAE ratio	68.8	62.8	67.6	61.4
Loss and LAE ratio	71.3	64.9	74.4	66.3
Expense ratio	33.7	34.2	33.5	33.7
Combined ratio	105.0	99.1	107.9	100.0
^(A) Reconciliation of non-GAAP financial measure:				
Net income (loss) from operations:				
Net income (loss)	\$ 10.1	\$ 20.7	\$ (11.5)	\$ 48.1
Less net realized gains on investments, less applicable federal income taxes	5.7	7.0	10.8	13.0
Net income (loss) from operations	\$ 4.4	\$ 13.7	\$ (22.3)	\$ 35.1