

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM 8-K**

**CURRENT REPORT**

**PURSUANT TO SECTION 13 OR 15 (d) OF THE  
SECURITIES EXCHANGE ACT OF 1934**

Date of report (Date of earliest event reported): February 4, 2015

**THE ALLSTATE CORPORATION**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other  
jurisdiction of incorporation)

**1-11840**  
(Commission  
File Number)

**36-3871531**  
(IRS Employer  
Identification No.)

**2775 Sanders Road, Northbrook, Illinois**  
(Address of principal executive offices)

**60062**  
(Zip Code)

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

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

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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**Section 2 – Financial Information**

**Item 2.02. Results of Operations and Financial Condition.**

On February 4, 2015, the registrant issued a press release announcing its financial results for the fourth quarter of 2014, and the availability of the registrant's fourth quarter investor supplement on the registrant's web site. The press release and the investor supplement are furnished as Exhibits 99.1 and 99.2 to this report. The information contained in the press release and the investor supplement are furnished and not filed pursuant to instruction B.2 of Form 8-K.

**Section 9 – Financial Statements and Exhibits**

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits

- 99.1 Registrant's press release dated February 4, 2015
- 99.2 Fourth quarter 2014 Investor Supplement of The Allstate Corporation

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**THE ALLSTATE CORPORATION**  
(Registrant)

By:           /s/ Samuel H. Pilch            
Name: Samuel H. Pilch  
Title: Senior Group Vice President  
and Controller

Date: February 4, 2015





## FOR IMMEDIATE RELEASE

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### Allstate Sustains Growth and Profitability

*Increases Quarterly Dividend 7%, Announces \$3 Billion Common Stock Repurchase Plan*

NORTHBROOK, Ill., February 4, 2015 – The Allstate Corporation (NYSE: ALL) today reported financial results for the fourth quarter and full year 2014. The financial highlights were:

The Allstate Corporation Consolidated Highlights						
(\$ millions, except per share amounts and ratios)	Three months ended December 31,			Twelve months ended December 31,		
	2014	2013	% / pts Change	2014	2013	% / pts Change
Consolidated revenues	\$ 8,759	\$ 8,792	(0.4)	\$ 35,239	\$ 34,507	2.1
Net income available to common shareholders	795	810	(1.9)	2,746	2,263	21.3
per diluted common share	1.86	1.76	5.7	6.27	4.81	30.4
Operating income*	736	781	(5.8)	2,367	2,670	(11.3)
per diluted common share*	1.72	1.70	1.2	5.40	5.68	(4.9)
Return on common shareholders' equity						
Net income available to common shareholders				13.3%	11.0%	2.3 pts
Operating income*				12.6%	14.5%	(1.9) pts
Book value per common share				48.24	45.31	6.5
Book value per common share, excluding the impact of unrealized net capital gains and losses on fixed income securities*				44.33	42.55	4.2
Property-Liability combined ratio						
Recorded	90.0	88.7	1.3 pts	93.9	92.0	1.9 pts
Underlying combined ratio* (excludes catastrophes, prior year reserve reestimates and amortization of purchased intangibles)	89.5	87.5	2.0 pts	87.2	87.3	(0.1) pts
Catastrophe losses	95	117	(18.8)	1,993	1,251	59.3

\* Measures used in this release that are not based on accounting principles generally accepted in the United States of America ("non-GAAP") are defined and reconciled to the most directly comparable GAAP measure in the "Definitions of Non-GAAP Measures" section of this document.

"Allstate's sustained growth and profitability reflects the progress we have made in building a competitively differentiated insurance company," said Thomas J. Wilson, chairman and chief executive officer of The Allstate Corporation. "Our strategy to serve customers with unique value propositions enabled the property-liability businesses to increase policies in force across all three underwritten brands by 840,000, which led to a \$1.5 billion increase in premiums written in 2014. Excellent operating results generated net income of \$2.7 billion and operating income of \$2.4 billion for the year. The underlying combined ratio was at the favorable end of the full-year outlook range, as the negative impact of adverse fourth quarter frequency on auto margins was more than offset by our focus on profitable growth. As a result, we are maintaining the underlying combined ratio outlook range at 87 to 89 for 2015.

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"Shareholders benefited from this strong operating performance," Wilson said. "Allstate returned \$2.8 billion to shareholders in 2014 through a combination of dividends and share repurchases. The board decided to raise the quarterly dividend by 7% to 30 cents per share for the first quarter of 2015. In addition, a new \$3 billion share repurchase program was approved to start immediately upon completion of the current \$2.5 billion program, which is expected in the first quarter of 2015."

#### Operating Results: Fourth Quarter 2014

Operating performance in the fourth quarter reflected a continuation of the year's growth trajectory and auto margins that were impacted by higher claim frequency. Growth in Allstate brand policies in force continued its positive momentum, with auto insurance policies 2.9% higher than the prior year and homeowner policies beginning to grow as a broad set of initiatives to improve returns have now been implemented.

An increase in claim frequency in the first two months of the quarter adversely impacted the combined ratio for auto insurance, with the Allstate brand auto combined ratio rising to 97.0. This was 1.7 points higher than the prior year. The impact of precipitation in select markets and general economic trends will both be reflected in pricing as necessary to maintain adequate returns. Excellent homeowners profitability brought the property-liability recorded combined ratio to 90.0 for the quarter. Allstate Financial operating income decreased by 20% from the prior year's quarter to \$128 million, largely due to the disposition of Lincoln Benefit Life (LBL).

Net income available to common shareholders was \$1.86 per share, or \$795 million versus \$1.76 per share in the fourth quarter of last year. Operating income was \$1.72 per share, or \$736 million compared to \$1.70 in 2013.

Key metrics for the quarter:

- Policy in force growth: Total Property-Liability (2.5%), Allstate auto (2.9%), Allstate homeowners (0.5%), Esurance (12.6%), Encompass (1.8%)
- Recorded combined ratios: Total Property-Liability (90.0), Allstate auto (97.0), Allstate homeowners (63.6), Esurance (115.5), Encompass (93.1)
- Pre-tax yield on investment portfolio: 4.2%

#### Full Year Results

Results for 2014 demonstrate successful execution of the strategy to provide unique value propositions to each customer segment. The Allstate brand accounted for more than 80% of the \$1.5 billion growth in net written premium over prior year, driven by broad-based policy and average premium growth in both auto and homeowners.

Underwriting income for 2014 was adversely impacted by a 59.3% increase in catastrophe losses compared with historically low 2013 levels, and resulted in a property-liability combined ratio of 93.9 for 2014, 1.9 points unfavorable to the prior year. The underlying property-liability combined ratio of 87.2 for 2014 was 0.1 point better than 2013, the result of our approach to managing pricing and underwriting actions on a local basis to keep pace with loss trends and maintain margins.

Allstate Financial recorded net income of \$631 million in 2014, compared to net income of \$95 million in 2013, which included the initial estimated loss on the disposition of LBL. Operating income increased 3.2% to \$607 million from 2013.

Net investment income of \$3.5 billion for 2014 was 12.3% lower than 2013 due to the LBL divestiture, the continued planned reduction in deferred annuities, and the ongoing impact of low interest rates on the portfolio's results. Limited partnership income was strong in 2014, partially offsetting the impact of low interest rates.

Other milestones achieved in 2014:

- Allstate brand exclusive agencies increased by approximately 400 or 4% in the United States and continued to evolve to a trusted advisor model.
- Allstate brand auto policy growth of 2.9% was driven by increased retention and new issued applications that were 18.5% above the previous ten-year average.
- Esurance continued to expand its geographic reach and product portfolio. In 2014, the company expanded its auto, renters, homeowners and motorcycle

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insurance to additional states.

- The Drivewise® program is now in 46 states plus the District of Columbia. To date, customers using Drivewise have driven nearly six billion miles over the course of more than 220 million hours on the road.
- Recorded combined ratios: Total Property-Liability (93.9), Allstate auto (94.7), Allstate homeowners (82.5), Esurance (117.7), Encompass (106.1)
- Underlying combined ratios: Total Property-Liability (87.2), Allstate auto (94.2), Allstate homeowners (61.7), Esurance (114.2), Encompass (93.7)
- Total return on investment portfolio: 5.8%

### Proactive Capital Management

"We continued to provide good returns to our shareholders and maintain a strong capital position to provide strategic flexibility," said Steve Shebik, chief financial officer. "In 2014, we returned \$2.8 billion to shareholders through a combination of common stock dividends and repurchasing 8.7% of our beginning-of-year-outstanding shares. We further improved our financial strength by repaying \$950 million of maturing debt and issuing \$998 million of preferred stock, decreasing our debt to capital ratio to 18.9% at year-end 2014."

As of December 31, 2014, \$336 million remained under Allstate's authorized \$2.5 billion common share repurchase program, which is expected to be completed in the first quarter of 2015. The company will then initiate its new \$3 billion repurchase program to be completed by July of 2016. Holding company assets increased to \$3.4 billion at year-end 2014, as the capital from the sale of LBL was successfully moved to the holding company. Book value per diluted common share increased 6.5% from a year ago, to \$48.24 at year-end 2014.

The \$0.30 per common share dividend declared today will be payable on April 1, 2015 to stockholders of record at the close of business on March 2, 2015.

Visit [www.allstateinvestors.com](http://www.allstateinvestors.com) to view additional information about Allstate's results, including a webcast of its quarterly conference call and the presentation discussed on the call. The conference call will be held at 9 a.m. ET on Thursday, February 5.

The Allstate Corporation (NYSE: ALL) is the nation's largest publicly held personal lines insurer, protecting approximately 16 million households from life's uncertainties through auto, home, life and other insurance offered through its Allstate, Esurance, Encompass and Answer Financial brand names. Allstate is widely known through the slogan "You're In Good Hands With Allstate®." The Allstate brand's network of small businesses offers auto, home, life and retirement products and services to customers in the United States and Canada.

Financial information, including material announcements about The Allstate Corporation, is routinely posted on [www.allstateinvestors.com](http://www.allstateinvestors.com).

### Forward-Looking Statements

This news release contains "forward-looking statements" that anticipate results based on our estimates, assumptions and plans that are subject to uncertainty. These statements are made subject to the safe-harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements do not relate strictly to historical or current facts and may be identified by their use of words like "plans," "seeks," "expects," "will," "should," "anticipates," "estimates," "intends," "believes," "likely," "targets" and other words with similar meanings. We believe these statements are based on reasonable estimates, assumptions and plans. However, if the estimates, assumptions or plans underlying the forward-looking statements prove inaccurate or if other risks or uncertainties arise, actual results could differ materially from those communicated in these forward-looking statements. Factors that could cause actual results to differ materially from those expressed in, or implied by, the forward-looking statements may be found in our filings with the U.S. Securities and Exchange Commission, including the "Risk Factors" section in our most recent Annual Report on Form 10-K and quarterly report on Form 10-Q. 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.

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## THE ALLSTATE CORPORATION AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF OPERATIONS

(\$ in millions, except per share data)

	Three months ended December 31,		Twelve months ended December 31,	
	2014 (unaudited)	2013	2014 (unaudited)	2013
<b>Revenues</b>				
Property-liability insurance premiums	\$ 7,354	\$ 7,014	\$ 28,929	\$ 27,618
Life and annuity premiums and contract charges	520	610	2,157	2,352
Net investment income	779	1,026	3,459	3,943
Realized capital gains and losses:				
Total other-than-temporary impairment ("OTTI") losses	(65)	(29)	(242)	(207)
OTTI losses reclassified to (from) other comprehensive income	(1)	(1)	(3)	(8)
Net OTTI losses recognized in earnings	(66)	(30)	(245)	(215)
Sales and other realized capital gains and losses	172	172	939	809
Total realized capital gains and losses	106	142	694	594
	<u>8,759</u>	<u>8,792</u>	<u>35,239</u>	<u>34,507</u>
<b>Costs and expenses</b>				
Property-liability insurance claims and claims expense	4,618	4,283	19,428	17,911
Life and annuity contract benefits	431	490	1,765	1,917
Interest credited to contractholder funds	202	305	919	1,278

Amortization of deferred policy acquisition costs	1,035	1,069	4,135	4,002
Operating costs and expenses	1,156	1,258	4,341	4,387
Restructuring and related charges	5	11	18	70
Loss on extinguishment of debt	—	2	1	491
Interest expense	73	87	322	367
	<u>7,520</u>	<u>7,505</u>	<u>30,929</u>	<u>30,423</u>
Gain (loss) on disposition of operations	3	(44)	(74)	(688)
<b>Income from operations before income tax expense</b>	1,242	1,243	4,236	3,396
Income tax expense	418	422	1,386	1,116
<b>Net income</b>	<u>824</u>	<u>821</u>	<u>2,850</u>	<u>2,280</u>
Preferred stock dividends	29	11	104	17
<b>Net income available to common shareholders</b>	<u>\$ 795</u>	<u>\$ 810</u>	<u>\$ 2,746</u>	<u>\$ 2,263</u>
<b>Earnings per common share:</b>				
<b>Net income available to common shareholders per common share – Basic</b>	<u>\$ 1.89</u>	<u>\$ 1.79</u>	<u>\$ 6.37</u>	<u>\$ 4.87</u>
<b>Weighted average common shares – Basic</b>	<u>420.2</u>	<u>452.8</u>	<u>431.4</u>	<u>464.4</u>
<b>Net income available to common shareholders per common share – Diluted</b>	<u>\$ 1.86</u>	<u>\$ 1.76</u>	<u>\$ 6.27</u>	<u>\$ 4.81</u>
<b>Weighted average common shares – Diluted</b>	<u>427.7</u>	<u>459.6</u>	<u>438.2</u>	<u>470.3</u>
<b>Cash dividends declared per common share</b>	<u>\$ 0.28</u>	<u>\$ 0.25</u>	<u>\$ 1.12</u>	<u>\$ 1.00</u>

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**THE ALLSTATE CORPORATION  
BUSINESS RESULTS**

(\$ in millions, except ratios)

	Three months ended		Twelve months ended	
	December 31,		December 31,	
	2014	2013	2014	2013
<b>Property-Liability</b>				
Premiums written	\$ 7,292	\$ 6,950	\$ 29,614	\$ 28,164
Premiums earned	\$ 7,354	\$ 7,014	\$ 28,929	\$ 27,618
Claims and claims expense	(4,618)	(4,283)	(19,428)	(17,911)
Amortization of deferred policy acquisition costs	(973)	(984)	(3,875)	(3,674)
Operating costs and expenses	(1,021)	(942)	(3,838)	(3,752)
Restructuring and related charges	(5)	(11)	(16)	(63)
Underwriting income*	<u>737</u>	<u>794</u>	<u>1,772</u>	<u>2,218</u>
Net investment income	294	382	1,301	1,375
Periodic settlements and accruals on non-hedge derivative instruments	(2)	(2)	(9)	(7)
Amortization of purchased intangible assets	17	23	68	85
Income tax expense on operations	(359)	(404)	(1,060)	(1,204)
Operating income	<u>687</u>	<u>793</u>	<u>2,072</u>	<u>2,467</u>
Realized capital gains and losses, after-tax	(11)	86	357	339
Gain (loss) on disposition of operations, after-tax	--	--	37	(1)
Reclassification of periodic settlements and accruals on non-hedge derivative instruments, after-tax	2	1	6	4
Amortization of purchased intangible assets, after-tax	(12)	(15)	(45)	(55)
Net income available to common shareholders	<u>\$ 666</u>	<u>\$ 865</u>	<u>\$ 2,427</u>	<u>\$ 2,754</u>
Catastrophe losses	<u>\$ 95</u>	<u>\$ 117</u>	<u>\$ 1,993</u>	<u>\$ 1,251</u>
Operating ratios:				
Claims and claims expense ratio	62.8	61.1	67.2	64.9
Expense ratio	27.2	27.6	26.7	27.1
Combined ratio	<u>90.0</u>	<u>88.7</u>	<u>93.9</u>	<u>92.0</u>
Effect of catastrophe losses on combined ratio	<u>1.3</u>	<u>1.7</u>	<u>6.9</u>	<u>4.5</u>
Effect of prior year reserve reestimates on combined ratio	<u>(1.0)</u>	<u>(0.9)</u>	<u>(0.3)</u>	<u>(0.4)</u>
Effect of catastrophe losses included in prior year reserve reestimates on combined ratio	<u>--</u>	<u>(0.1)</u>	<u>0.1</u>	<u>(0.3)</u>
Effect of amortization of purchased intangible assets on combined ratio	<u>0.2</u>	<u>0.3</u>	<u>0.2</u>	<u>0.3</u>
Effect of Discontinued Lines and Coverages on combined ratio	<u>0.1</u>	<u>--</u>	<u>0.4</u>	<u>0.5</u>
<b>Allstate Financial</b>				
Premiums and contract charges	\$ 520	\$ 610	\$ 2,157	\$ 2,352
Net investment income	480	637	2,131	2,538
Periodic settlements and accruals on non-hedge derivative instruments	--	--	(1)	17
Contract benefits	(431)	(490)	(1,765)	(1,917)
Interest credited to contractholder funds	(199)	(301)	(898)	(1,254)
Amortization of deferred policy acquisition costs	(60)	(80)	(255)	(330)
Operating costs and expenses	(121)	(145)	(466)	(565)
Restructuring and related charges	--	--	(2)	(7)
Income tax expense on operations	(61)	(71)	(294)	(246)
Operating income	<u>128</u>	<u>160</u>	<u>607</u>	<u>588</u>
Realized capital gains and losses, after-tax	81	9	94	46
Valuation changes on embedded derivatives that are not hedged, after-tax	(3)	(3)	(15)	(16)
DAC and DSI amortization relating to realized capital gains and losses and valuation changes on embedded derivatives that are not hedged, after-tax	--	(3)	(3)	(5)
DAC and DSI unlocking relating to realized capital gains and losses, after-tax	--	--	--	7
Reclassification of periodic settlements and accruals on non-hedge derivative instruments, after-tax	--	--	1	(11)
Gain (loss) on disposition of operations, after-tax	2	(44)	(53)	(514)
Net income available to common shareholders	<u>\$ 208</u>	<u>\$ 119</u>	<u>\$ 631</u>	<u>\$ 95</u>
<b>Corporate and Other</b>				
Net investment income	\$ 5	\$ 7	\$ 27	\$ 30
Operating costs and expenses	(87)	(258)	(359)	(618)
Income tax benefit on operations	32	90	124	220
Preferred stock dividends	(29)	(11)	(104)	(17)
Operating loss	<u>(79)</u>	<u>(172)</u>	<u>(312)</u>	<u>(385)</u>
Realized capital gains and losses, after-tax	--	(1)	--	--
Loss on extinguishment of debt, after-tax	--	(1)	--	(319)
Postretirement benefits curtailment gain, after-tax	--	--	--	118

Net loss available to common shareholders  
**Consolidated net income available to common shareholders**

\$	(79)	\$	(174)	\$	(312)	\$	(586)
\$	795	\$	810	\$	2,746	\$	2,263

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**THE ALLSTATE CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

(\$ in millions, except par value data)

	December 31, 2014 (unaudited)	December 31, 2013
<b>Assets</b>		
Investments:		
Fixed income securities, at fair value (amortized cost \$59,672 and \$59,008)	\$ 62,440	\$ 60,910
Equity securities, at fair value (cost \$3,692 and \$4,473)	4,104	5,097
Mortgage loans	4,188	4,721
Limited partnership interests	4,527	4,967
Short-term, at fair value (amortized cost \$2,540 and \$2,393)	2,540	2,393
Other	3,314	3,067
Total investments	81,113	81,155
Cash	657	675
Premium installment receivables, net	5,465	5,237
Deferred policy acquisition costs	3,525	3,372
Reinsurance recoverables, net	8,490	7,621
Accrued investment income	591	624
Property and equipment, net	1,031	1,024
Goodwill	1,219	1,243
Other assets	2,046	1,937
Separate Accounts	4,396	5,039
Assets held for sale	--	15,593
<b>Total assets</b>	<b>\$ 108,533</b>	<b>\$ 123,520</b>
<b>Liabilities</b>		
Reserve for property-liability insurance claims and claims expense	\$ 22,923	\$ 21,857
Reserve for life-contingent contract benefits	12,380	12,386
Contractholder funds	22,529	24,304
Unearned premiums	11,655	10,932
Claim payments outstanding	784	631
Deferred income taxes	715	635
Other liabilities and accrued expenses	5,653	5,156
Long-term debt	5,194	6,201
Separate Accounts	4,396	5,039
Liabilities held for sale	--	14,899
<b>Total liabilities</b>	<b>86,229</b>	<b>102,040</b>
<b>Equity</b>		
Preferred stock and additional capital paid-in, \$1 par value, 72.2 thousand and 32.3 thousand shares issued and outstanding, \$1,805 and \$807.5 aggregate liquidation preference	1,746	780
Common stock, \$.01 par value, 900 million issued, 418 million and 449 million shares outstanding	9	9
Additional capital paid-in	3,199	3,143
Retained income	37,842	35,580
Deferred ESOP expense	(23)	(31)
Treasury stock, at cost (482 million and 451 million shares)	(21,030)	(19,047)
Accumulated other comprehensive income:		
Unrealized net capital gains and losses:		
Unrealized net capital gains and losses on fixed income securities with OTTI	72	50
Other unrealized net capital gains and losses	1,988	1,698
Unrealized adjustment to DAC, DSI and insurance reserves	(134)	(102)
Total unrealized net capital gains and losses	1,926	1,646
Unrealized foreign currency translation adjustments	(2)	38
Unrecognized pension and other postretirement benefit cost	(1,363)	(638)
Total accumulated other comprehensive income	561	1,046
<b>Total shareholders' equity</b>	<b>22,304</b>	<b>21,480</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 108,533</b>	<b>\$ 123,520</b>

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**THE ALLSTATE CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

(\$ in millions)

	Twelve months ended December 31,	
	2014 (unaudited)	2013
<b>Cash flows from operating activities</b>		
Net income	\$ 2,850	\$ 2,280
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, amortization and other non-cash items	366	368
Realized capital gains and losses	(694)	(594)
Loss on extinguishment of debt	1	491
Loss on disposition of operations	74	688
Interest credited to contractholder funds	919	1,278
Changes in:		
Policy benefits and other insurance reserves	541	(55)
Unearned premiums	766	602
Deferred policy acquisition costs	(220)	(268)
Premium installment receivables, net	(257)	(205)
Reinsurance recoverables, net	(1,068)	(729)
Income taxes	205	573
Other operating assets and liabilities	(247)	(187)
Net cash provided by operating activities	3,236	4,242
<b>Cash flows from investing activities</b>		
Proceeds from sales:		
Fixed income securities	34,609	21,243
Equity securities	6,755	3,173
Limited partnership interests	1,473	1,045
Mortgage loans	10	24
Other investments	406	151
Investment collections:		
Fixed income securities	3,736	5,908
Mortgage loans	1,106	1,020
Other investments	191	275
Investment purchases		

Fixed income securities	(38,759)	(24,087)
Equity securities	(5,443)	(3,677)
Limited partnership interests	(1,398)	(1,312)
Mortgage loans	(501)	(538)
Other investments	(972)	(1,084)
Change in short-term investments, net	272	(427)
Change in other investments, net	46	97
Purchases of property and equipment, net	(288)	(207)
Disposition (acquisition) of operations	378	(24)
Net cash provided by investing activities	<u>1,621</u>	<u>1,580</u>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of long-term debt	--	2,271
Repayment of long-term debt	(1,006)	(2,627)
Proceeds from issuance of preferred stock	965	781
Contractholder fund deposits	1,184	2,174
Contractholder fund withdrawals	(3,446)	(6,556)
Dividends paid on common stock	(477)	(352)
Dividends paid on preferred stock	(87)	(6)
Treasury stock purchases	(2,301)	(1,834)
Shares reissued under equity incentive plans, net	266	170
Excess tax benefits on share-based payment arrangements	41	38
Other	(14)	(12)
Net cash used in financing activities	<u>(4,875)</u>	<u>(5,953)</u>
<b>Net decrease in cash</b>	<u>(18)</u>	<u>(131)</u>
<b>Cash at beginning of year</b>	<u>675</u>	<u>806</u>
<b>Cash at end of year</b>	<u>\$ 657</u>	<u>\$ 675</u>

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### Definitions of Non-GAAP Measures

We believe that investors' understanding of Allstate's performance is enhanced by our disclosure of the following non-GAAP measures. Our methods for calculating these measures may differ from those used by other companies and therefore comparability may be limited.

**Operating income** is net income available to common shareholders, excluding:

- realized capital gains and losses, after-tax, except for periodic settlements and accruals on non-hedge derivative instruments, which are reported with realized capital gains and losses but included in operating income,
- valuation changes on embedded derivatives that are not hedged, after-tax,
- amortization of deferred policy acquisition costs (DAC) and deferred sales inducements (DSI), to the extent they resulted from the recognition of certain realized capital gains and losses or valuation changes on embedded derivatives that are not hedged, after-tax,
- amortization of purchased intangible assets, after-tax,
- gain (loss) on disposition of operations, after-tax, and
- adjustments for other significant non-recurring, infrequent or unusual items, when (a) the nature of the charge or gain is such that it is reasonably unlikely to recur within two years, or (b) there has been no similar charge or gain within the prior two years.

Net income available to common shareholders is the GAAP measure that is most directly comparable to operating income.

We use operating income as an important measure to evaluate our results of operations. We believe that the measure provides investors with a valuable measure of the company's ongoing performance because it reveals trends in our insurance and financial services business that may be obscured by the net effect of realized capital gains and losses, valuation changes on embedded derivatives that are not hedged, amortization of purchased intangible assets, gain (loss) on disposition of operations and adjustments for other significant non-recurring, infrequent or unusual items. Realized capital gains and losses, valuation changes on embedded derivatives that are not hedged and gain (loss) on disposition of operations may vary significantly between periods and are generally driven by business decisions and external economic developments such as capital market conditions, the timing of which is unrelated to the insurance underwriting process. Consistent with our intent to protect results or earn additional income, operating income includes periodic settlements and accruals on certain derivative instruments that are reported in realized capital gains and losses because they do not qualify for hedge accounting or are not designated as hedges for accounting purposes. These instruments are used for economic hedges and to replicate fixed income securities, and by including them in operating income, we are appropriately reflecting their trends in our performance and in a manner consistent with the economically hedged investments, product attributes (e.g. net investment income and interest credited to contractholder funds) or replicated investments. Amortization of purchased intangible assets is excluded because it relates to the acquisition purchase price and is not indicative of our underlying insurance business results or trends. Non-recurring items are excluded because, by their nature, they are not indicative of our business or economic trends. Accordingly, operating income excludes the effect of items that tend to be highly variable from period to period and highlights the results from ongoing operations and the underlying profitability of our business. A byproduct of excluding these items to determine operating income is the transparency and understanding of their significance to net income variability and profitability while recognizing these or similar items may recur in subsequent periods. Operating income is used by management along with the other components of net income available to common shareholders to assess our performance. We use adjusted measures of operating income in incentive compensation. Therefore, we believe it is useful for investors to evaluate net income available to common shareholders, operating income and their components separately and in the aggregate when reviewing and evaluating our performance. We note that investors, financial analysts, financial and business media organizations and rating agencies utilize operating income results in their evaluation of our and our industry's financial performance and in their investment decisions, recommendations and communications as it represents a reliable, representative and consistent measurement of the industry and the company and management's performance. We note that the price to earnings multiple commonly used by insurance investors as a forward-looking valuation technique uses operating income as the denominator. Operating income should not be considered a substitute for net income available to common shareholders and does not reflect the overall profitability of our business.

The following tables reconcile operating income and net income available to common shareholders.

(\$ in millions, except per share data)

	For the three months ended December 31,							
	Property-Liability		Allstate Financial		Consolidated		Per diluted common share	
	2014	2013	2014	2013	2014	2013	2014	2013
<b>Operating income</b>	\$ 687	\$ 793	\$ 128	\$ 160	\$ 736	\$ 781	\$ 1.72	\$ 1.70
Realized capital gains and losses, after-tax	(11)	86	81	9	70	94	0.16	0.21
Valuation changes on embedded derivatives that are not hedged, after-tax	--	--	(3)	(3)	(3)	(3)	(0.01)	(0.01)
DAC and DSI amortization relating to realized capital gains and losses and valuation changes on embedded derivatives that are not hedged, after-tax	--	--	--	(3)	--	(3)	--	(0.01)
DAC and DSI unlocking relating to realized capital gains and losses, after-tax	--	--	--	--	--	--	--	--
Reclassification of periodic settlements and accruals on non-hedge derivative instruments, after-tax	2	1	--	--	2	1	0.01	--
Amortization of purchased intangible assets, after-tax	(12)	(15)	--	--	(12)	(15)	(0.03)	(0.03)
Gain (loss) on disposition of operations, after-tax	--	--	2	(44)	2	(44)	0.01	(0.10)
Loss on extinguishment of debt, after-tax	--	--	--	--	--	(1)	--	--
Postretirement benefits curtailment gain, after-tax	--	--	--	--	--	--	--	--
<b>Net income available to common shareholders</b>	<u>\$ 666</u>	<u>\$ 865</u>	<u>\$ 208</u>	<u>\$ 119</u>	<u>\$ 795</u>	<u>\$ 810</u>	<u>\$ 1.86</u>	<u>\$ 1.76</u>

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(\$ in millions, except per share data)

	For the twelve months ended December 31,							
	Property-Liability		Allstate Financial		Consolidated		Per diluted common share	
	2014	2013	2014	2013	2014	2013	2014	2013
<b>Operating income</b>	\$ 2,072	\$ 2,467	\$ 607	\$ 588	\$ 2,367	\$ 2,670	\$ 5.40	\$ 5.68
Realized capital gains and losses, after-tax	357	339	94	46	451	385	1.03	0.82
Valuation changes on embedded derivatives that are not hedged, after-tax	--	--	(15)	(16)	(15)	(16)	(0.03)	(0.03)
DAC and DSI amortization relating to realized capital gains and losses and valuation changes on embedded derivatives that are not hedged, after-tax	--	--	(3)	(5)	(3)	(5)	(0.01)	(0.01)
DAC and DSI unlocking relating to realized capital gains and losses, after-tax	--	--	--	7	--	7	--	0.01

Reclassification of periodic settlements and accruals on non-hedge derivative instruments, after-tax	6	4	1	(11)	7	(7)	0.02	(0.01)
Amortization of purchased intangible assets, after-tax	(45)	(55)	--	--	(45)	(55)	(0.10)	(0.12)
Gain (loss) on disposition of operations, after-tax	37	(1)	(53)	(514)	(16)	(515)	(0.04)	(1.10)
Loss on extinguishment of debt, after-tax	--	--	--	--	--	(319)	--	(0.68)
Postretirement benefits curtailment gain, after-tax	--	--	--	--	--	118	--	0.25
<b>Net income available to common shareholders</b>	<b>\$ 2,427</b>	<b>\$ 2,754</b>	<b>\$ 631</b>	<b>\$ 95</b>	<b>\$ 2,746</b>	<b>\$ 2,263</b>	<b>\$ 6.27</b>	<b>\$ 4.81</b>

**Operating income return on common shareholders' equity** is a ratio that uses a non-GAAP measure. It is calculated by dividing the rolling 12-month operating income by the average of common shareholders' equity at the beginning and at the end of the 12-months, after excluding the effect of unrealized net capital gains and losses. Return on common shareholders' equity is the most directly comparable GAAP measure. We use operating income as the numerator for the same reasons we use operating income, as discussed above. We use average common shareholders' equity excluding the effect of unrealized net capital gains and losses for the denominator as a representation of common shareholders' equity primarily attributable to the company's earned and realized business operations because it eliminates the effect of items that are unrealized and vary significantly between periods due to external economic developments such as capital market conditions like changes in equity prices and interest rates, the amount and timing of which are unrelated to the insurance underwriting process. We use it to supplement our evaluation of net income available to common shareholders and return on common shareholders' equity because it excludes the effect of items that tend to be highly variable from period to period. We believe that this measure is useful to investors and that it provides a valuable tool for investors when considered along with return on common shareholders' equity because it eliminates the after-tax effects of realized and unrealized net capital gains and losses that can fluctuate significantly from period to period and that are driven by economic developments, the magnitude and timing of which are generally not influenced by management. In addition, it eliminates non-recurring items that are not indicative of our ongoing business or economic trends. A byproduct of excluding the items noted above to determine operating income return on common shareholders' equity from return on common shareholders' equity is the transparency and understanding of their significance to return on common shareholders' equity variability and profitability while recognizing these or similar items may recur in subsequent periods. We use adjusted measures of operating income return on common shareholders' equity in incentive compensation. Therefore, we believe it is useful for investors to have operating income return on common shareholders' equity and return on common shareholders' equity when evaluating our performance. We note that investors, financial analysts, financial and business media organizations and rating agencies utilize operating income return on common shareholders' equity results in their evaluation of our and our industry's financial performance and in their investment decisions, recommendations and communications as it represents a reliable, representative and consistent measurement of the industry and the company and management's utilization of capital. Operating income return on common shareholders' equity should not be considered a substitute for return on common shareholders' equity and does not reflect the overall profitability of our business.

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The following tables reconcile return on common shareholders' equity and operating income return on common shareholders' equity.

(\$ in millions)	For the twelve months ended	
	December 31,	
	2014	2013
<b>Return on common shareholders' equity</b>		
Numerator:		
Net income available to common shareholders	\$ 2,746	\$ 2,263
Denominator:		
Beginning common shareholders' equity <sup>(1)</sup>	\$ 20,700	\$ 20,580
Ending common shareholders' equity <sup>(1)</sup>	20,558	20,700
Average common shareholders' equity	\$ 20,629	\$ 20,640
Return on common shareholders' equity	13.3%	11.0%
<b>Operating income return on common shareholders' equity</b>		
For the twelve months ended		
December 31,		
2014		
2013		
Numerator:		
Operating income	\$ 2,367	\$ 2,670
Denominator:		
Beginning common shareholders' equity	\$ 20,700	\$ 20,580
Unrealized net capital gains and losses	1,646	2,834
Adjusted beginning common shareholders' equity	19,054	17,746
Ending common shareholders' equity	20,558	20,700
Unrealized net capital gains and losses	1,926	1,646
Adjusted ending common shareholders' equity	18,632	19,054
Average adjusted common shareholders' equity	\$ 18,843	\$ 18,400
Operating income return on common shareholders' equity	12.6%	14.5%

<sup>(1)</sup> Excludes equity related to preferred stock of \$1,746 million and \$780 million as of December 31, 2014 and 2013, respectively.

**Underwriting income** is calculated as premiums earned, less claims and claims expense ("losses"), amortization of DAC, operating costs and expenses and restructuring and related charges as determined using GAAP. Management uses this measure in its evaluation of the results of operations to analyze the profitability of our Property-Liability insurance operations separately from investment results. It is also an integral component of incentive compensation. It is useful for investors to evaluate the components of income separately and in the aggregate when reviewing performance. Net income available to common shareholders is the most directly comparable GAAP measure. Underwriting income should not be considered a substitute for net income available to common shareholders and does not reflect the overall profitability of our business. A reconciliation of Property-Liability underwriting income to net income available to common shareholders is provided in the "Business Results" page.

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

The following table reconciles the Property-Liability underlying combined ratio to the Property-Liability combined ratio.

	Three months ended		Twelve months ended	
	December 31,		December 31,	
	2014	2013	2014	2013
<b>Combined ratio excluding the effect of catastrophes, prior year reserve reestimates and amortization of purchased intangible assets ("underlying combined ratio")</b>	89.5	87.5	87.2	87.3
Effect of catastrophe losses	1.3	1.7	6.9	4.5
Effect of prior year non-catastrophe reserve reestimates	(1.0)	(0.8)	(0.4)	(0.1)
Effect of amortization of purchased intangible assets	0.2	0.3	0.2	0.3
<b>Combined ratio</b>	<b>90.0</b>	<b>88.7</b>	<b>93.9</b>	<b>92.0</b>
Effect of prior year catastrophe reserve reestimates	--	(0.1)	0.1	(0.3)

Underwriting margin is calculated as 100% minus the combined ratio.

In this news release, we provide our outlook range on the Property-Liability 2015 underlying combined ratio. A reconciliation of this measure to the combined ratio is not possible on a forward-looking basis because it is not possible to provide a reliable forecast of catastrophes. Future prior year reserve reestimates are expected to be zero because reserves are determined based on our best estimate of ultimate loss reserves as of the reporting date.

The following table reconciles the Allstate brand underlying combined ratio to the Allstate brand combined ratio.



	Three months ended December 31,		Twelve months ended December 31,	
	2014	2013	2014	2013
<b>Underlying combined ratio</b>	87.9	86.1	85.4	85.8
Effect of catastrophe losses	1.3	1.8	6.9	4.7
Effect of prior year non-catastrophe reserve reestimates	(0.9)	(0.6)	(0.8)	(0.6)
<b>Combined ratio</b>	<u>88.3</u>	<u>87.3</u>	<u>91.5</u>	<u>89.9</u>
Effect of prior year catastrophe reserve reestimates	(0.1)	--	0.1	(0.3)

The following table reconciles the Allstate brand auto underlying combined ratio to the Allstate brand auto combined ratio.

	Three months ended December 31,		Twelve months ended December 31,	
	2014	2013	2014	2013
<b>Underlying combined ratio</b>	98.2	95.9	94.2	94.4
Effect of catastrophe losses	0.2	--	1.6	1.0
Effect of prior year non-catastrophe reserve reestimates	(1.4)	(0.6)	(1.1)	(0.9)
<b>Combined ratio</b>	<u>97.0</u>	<u>95.3</u>	<u>94.7</u>	<u>94.5</u>
Effect of prior year catastrophe reserve reestimates	(0.1)	(0.3)	(0.1)	(0.3)

The following table reconciles the Allstate brand homeowners underlying combined ratio to the Allstate brand homeowners combined ratio.

	Three months ended December 31,		Twelve months ended December 31,	
	2014	2013	2014	2013
<b>Underlying combined ratio</b>	61.0	60.7	61.7	62.7
Effect of catastrophe losses	3.8	7.1	21.4	15.6
Effect of prior year non-catastrophe reserve reestimates	(1.2)	(1.2)	(0.6)	(0.4)
<b>Combined ratio</b>	<u>63.6</u>	<u>66.6</u>	<u>82.5</u>	<u>77.9</u>
Effect of prior year catastrophe reserve reestimates	0.1	0.9	1.0	0.4

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The following table reconciles the Encompass brand underlying combined ratio to the Encompass brand combined ratio.

	Three months ended December 31,		Twelve months ended December 31,	
	2014	2013	2014	2013
<b>Underlying combined ratio</b>	92.7	91.8	93.7	93.7
Effect of catastrophe losses	1.9	0.3	13.2	5.2
Effect of prior year non-catastrophe reserve reestimates	(1.5)	(6.0)	(0.8)	(3.0)
<b>Combined ratio</b>	<u>93.1</u>	<u>86.1</u>	<u>106.1</u>	<u>95.9</u>
Effect of prior year catastrophe reserve reestimates	0.3	(1.5)	0.1	(0.7)

**Esurance brand underlying loss ratio** is a non-GAAP ratio, which is computed as the difference between three GAAP operating ratios: the loss ratio, the effect of catastrophes on the combined ratio and the effect of prior year non-catastrophe reserve reestimates on the combined ratio. We believe that this ratio is useful to investors and it is used by management to reveal the trends in the Esurance business that may be obscured by catastrophe losses and prior year reserve reestimates. Catastrophe losses cause our loss trends to vary significantly between periods as a result of their incidence of occurrence and magnitude, and can have a significant impact on the combined ratio. Prior year reserve reestimates are caused by unexpected loss development on historical reserves. We believe it is useful for investors to evaluate these components separately and in the aggregate when reviewing our underwriting performance. The most directly comparable GAAP measure is the loss ratio. The underlying loss ratio should not be considered a substitute for the loss ratio and does not reflect the overall loss ratio of our business.

The following table reconciles the Esurance brand underlying loss ratio and underlying combined ratio to the Esurance brand combined ratio.

	Three months ended December 31,		Twelve months ended December 31,	
	2014	2013	2014	2013
<b>Underlying loss ratio</b>	80.3	79.1	76.6	77.6
Expense ratio, excluding the effect of amortization of purchased intangible assets	33.1	32.8	37.6	34.1
<b>Underlying combined ratio</b>	113.4	111.9	114.2	111.7
Effect of catastrophe losses	0.3	0.3	1.3	0.9
Effect of prior year non-catastrophe reserve reestimates	(1.3)	--	(1.1)	--
Effect of amortization of purchased intangible assets	3.1	4.5	3.3	4.9
<b>Combined ratio</b>	<u>115.5</u>	<u>116.7</u>	<u>117.7</u>	<u>117.5</u>

**Book value per common share, excluding the impact of unrealized net capital gains and losses on fixed income securities**, is a ratio that uses a non-GAAP measure. It is calculated by dividing common shareholders' equity after excluding the impact of unrealized net capital gains and losses on fixed income securities and related DAC, DSI and life insurance reserves by total common shares outstanding plus dilutive potential common shares outstanding. We use the trend in book value per common share, excluding the impact of unrealized net capital gains and losses on fixed income securities, in conjunction with book value per common share to identify and analyze the change in net worth attributable to management efforts between periods. We believe the non-GAAP ratio is useful to investors because it eliminates the effect of items that can fluctuate significantly from period to period and are generally driven by economic developments, primarily capital market conditions, the magnitude and timing of which are generally not influenced by management, and we believe it enhances understanding and comparability of performance by highlighting underlying business activity and profitability drivers. We note that book value per common share, excluding the impact of unrealized net capital gains and losses on fixed income securities, is a measure commonly used by insurance investors as a valuation technique. Book value per common share is the most directly comparable GAAP measure. Book value per common share, excluding the impact of unrealized net capital gains and losses on fixed income securities, should not be considered a substitute for book value per common share, and does not reflect the recorded net worth of our business. The following table shows the reconciliation.

(\$ in millions, except per share data)

	As of December 31,	
	2014	2013
<b>Book value per common share</b>		
Numerator:		
Common shareholders' equity	\$ 20,558	\$ 20,700
Denominator:		
Common shares outstanding and dilutive potential common shares outstanding	426.2	456.9
Book value per common share	\$ 48.24	\$ 45.31
<b>Book value per common share, excluding the impact of unrealized net capital gains and losses on fixed income securities</b>		
Numerator:		
Common shareholders' equity	\$ 20,558	\$ 20,700
Unrealized net capital gains and losses on fixed income securities	1,666	1,258
Adjusted common shareholders' equity	\$ 18,892	\$ 19,442
Denominator:		
Common shares outstanding and dilutive potential common shares outstanding	426.2	456.9
Book value per common share, excluding the impact of unrealized net capital gains and losses on fixed income securities	\$ 44.33	\$ 42.55

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# THE ALLSTATE CORPORATION

## Investor Supplement Fourth Quarter 2014

The consolidated financial statements and financial exhibits included herein are unaudited. These consolidated financial statements and exhibits should be read in conjunction with the consolidated financial statements and notes thereto included in the most recent Annual Report on Form 10-K and Quarterly Reports on Form 10-Q. The results of operations for interim periods should not be considered indicative of results to be expected for the full year.

Measures used in these financial statements and exhibits that are not based on generally accepted accounting principles ("non-GAAP") are denoted with an asterisk (\*) the first time they appear. These measures are defined on the page "Definitions of Non-GAAP Measures" and are reconciled to the most directly comparable generally accepted accounting principles ("GAAP") measure herein.



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**THE ALLSTATE CORPORATION**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(\$ in millions, except per share data)

	Three months ended				Twelve months ended					
	Dec. 31, 2014	Sept. 30, 2014	June 30, 2014	March 31, 2014	Dec. 31, 2013	Sept. 30, 2013	June 30, 2013	March 31, 2013	Dec. 31, 2014	Dec. 31, 2013
<b>Revenues</b>										
Property-liability insurance premiums	\$ 7,354	\$ 7,307	\$ 7,204	\$ 7,064	\$ 7,014	\$ 6,972	\$ 6,862	\$ 6,770	\$ 28,929	\$ 27,618
Life and annuity premiums and contract charges	520	512	518	607	610	584	579	579	2,157	2,352
Net investment income	779	823	898	959	1,026	950	984	983	3,459	3,943
Realized capital gains and losses:										
Total other-than-temporary impairment ("OTTI") losses	(65)	(53)	(44)	(80)	(29)	(96)	(55)	(27)	(242)	(207)
OTTI losses reclassified to (from) other comprehensive income	(1)	-	(1)	(1)	(1)	8	(5)	(10)	(3)	(8)
Net OTTI losses recognized in earnings	(66)	(53)	(45)	(81)	(30)	(88)	(60)	(37)	(245)	(215)
Sales and other realized capital gains and losses	172	347	285	135	172	47	422	168	939	809
Total realized capital gains and losses	106	294	240	54	142	(41)	362	131	694	594
Total revenues	<u>8,759</u>	<u>8,936</u>	<u>8,860</u>	<u>8,684</u>	<u>8,792</u>	<u>8,465</u>	<u>8,787</u>	<u>8,463</u>	<u>35,239</u>	<u>34,507</u>
<b>Costs and expenses</b>										
Property-liability insurance claims and claims expense	4,618	4,909	5,142	4,759	4,283	4,427	4,741	4,460	19,428	17,911
Life and annuity contract benefits	431	433	413	488	490	498	471	458	1,765	1,917
Interest credited to contractholder funds	202	198	212	307	305	317	311	345	919	1,278
Amortization of deferred policy acquisition costs	1,035	1,030	1,035	1,035	1,069	1,026	961	946	4,135	4,002
Operating costs and expenses	1,156	1,068	1,023	1,094	1,258	937	1,090	1,102	4,341	4,387
Restructuring and related charges	5	3	4	6	11	13	20	26	18	70
Loss on extinguishment of debt	-	-	1	-	2	9	480	-	1	491
Interest expense	73	78	84	87	87	83	99	98	322	367
Total costs and expenses	<u>7,520</u>	<u>7,719</u>	<u>7,914</u>	<u>7,776</u>	<u>7,505</u>	<u>7,310</u>	<u>8,173</u>	<u>7,435</u>	<u>30,929</u>	<u>30,423</u>
Gain (loss) on disposition of operations	3	(27)	9	(59)	(44)	(646)	-	2	(74)	(688)
<b>Income from operations before income tax expense</b>	1,242	1,190	955	849	1,243	509	614	1,030	4,236	3,396
Income tax expense	418	409	310	249	422	193	180	321	1,386	1,116
<b>Net income</b>	<u>\$ 824</u>	<u>\$ 781</u>	<u>\$ 645</u>	<u>\$ 600</u>	<u>\$ 821</u>	<u>\$ 316</u>	<u>\$ 434</u>	<u>\$ 709</u>	<u>\$ 2,850</u>	<u>\$ 2,280</u>
Preferred stock dividends	29	31	31	13	11	6	-	-	104	17
<b>Net income available to common shareholders</b>	<u>\$ 795</u>	<u>\$ 750</u>	<u>\$ 614</u>	<u>\$ 587</u>	<u>\$ 810</u>	<u>\$ 310</u>	<u>\$ 434</u>	<u>\$ 709</u>	<u>\$ 2,746</u>	<u>\$ 2,263</u>
<b>Earnings per common share: <sup>(1)</sup></b>										
<b>Net income available to common shareholders per common share - Basic</b>	<u>\$ 1.89</u>	<u>\$ 1.77</u>	<u>\$ 1.41</u>	<u>\$ 1.31</u>	<u>\$ 1.79</u>	<u>\$ 0.67</u>	<u>\$ 0.93</u>	<u>\$ 1.49</u>	<u>\$ 6.37</u>	<u>\$ 4.87</u>
<b>Weighted average common shares - Basic</b>	<u>420.2</u>	<u>424.5</u>	<u>434.3</u>	<u>446.4</u>	<u>452.8</u>	<u>461.1</u>	<u>468.3</u>	<u>475.4</u>	<u>431.4</u>	<u>464.4</u>
<b>Net income available to common shareholders per common share - Diluted</b>	<u>\$ 1.86</u>	<u>\$ 1.74</u>	<u>\$ 1.39</u>	<u>\$ 1.30</u>	<u>\$ 1.76</u>	<u>\$ 0.66</u>	<u>\$ 0.92</u>	<u>\$ 1.47</u>	<u>\$ 6.27</u>	<u>\$ 4.81</u>

<b>Weighted average common shares - Diluted</b>	427.7	431.2	440.7	452.8	459.6	467.1	473.8	480.8	438.2	470.3
<b>Cash dividends declared per common share</b>	\$ 0.28	\$ 0.28	\$ 0.28	\$ 0.28	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25	\$ 1.12	\$ 1.00

(4) In accordance with GAAP, the quarter and year-to-date per share amounts are calculated discretely. Therefore, the sum of each quarter may not equal the year-to-date amount.

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**THE ALLSTATE CORPORATION**  
**CONTRIBUTION TO INCOME**  
(\$ in millions, except per share data)

	Three months ended				Twelve months ended					
	Dec. 31, 2014	Sept. 30, 2014	June 30, 2014	March 31, 2014	Dec. 31, 2013	Sept. 30, 2013	June 30, 2013	March 31, 2013	Dec. 31, 2014	Dec. 31, 2013
<b>Contribution to income</b>										
Operating income before the impact of restructuring and related charges	\$ 740	\$ 599	\$ 448	\$ 592	\$ 789	\$ 721	\$ 542	\$ 664	\$ 2,379	\$ 2,716
Restructuring and related charges, after-tax	(4)	(1)	(3)	(4)	(8)	(8)	(13)	(17)	(12)	(46)
Operating income *	736	598	445	588	781	713	529	647	2,367	2,670
Realized capital gains and losses, after-tax	70	192	154	35	94	(28)	234	85	451	385
Valuation changes on embedded derivatives that are not hedged, after-tax	(3)	2	(3)	(11)	(3)	(10)	3	(6)	(15)	(16)
DAC and DSI amortization relating to realized capital gains and losses and valuation changes on embedded derivatives that are not hedged, after-tax	-	(3)	-	-	(3)	1	(4)	1	(3)	(5)
DAC and DSI unlocking relating to realized capital gains and losses, after-tax	-	-	-	-	-	7	-	-	-	7
Reclassification of periodic settlements and accruals on non-hedge derivative instruments, after-tax	2	-	3	2	1	-	(3)	(5)	7	(7)
Amortization of purchased intangible assets, after-tax	(12)	(11)	(11)	(11)	(15)	(13)	(13)	(14)	(45)	(55)
Gain (loss) on disposition of operations, after-tax	2	(28)	26	(16)	(44)	(472)	-	1	(16)	(515)
Loss on extinguishment of debt, after-tax	-	-	-	-	(1)	(6)	(312)	-	-	(319)
Postretirement benefits curtailment gain, after-tax	-	-	-	-	-	118	-	-	-	118
Net income available to common shareholders	\$ 795	\$ 750	\$ 614	\$ 587	\$ 810	\$ 310	\$ 434	\$ 709	\$ 2,746	\$ 2,263
<b>Income per common share - Diluted</b> (4)										
Operating income before the impact of restructuring and related charges	\$ 1.73	\$ 1.39	\$ 1.02	\$ 1.31	\$ 1.72	\$ 1.54	\$ 1.14	\$ 1.38	\$ 5.43	\$ 5.78
Restructuring and related charges, after-tax	(0.01)	-	(0.01)	(0.01)	(0.02)	(0.01)	(0.02)	(0.03)	(0.03)	(0.10)
Operating income	1.72	1.39	1.01	1.30	1.70	1.53	1.12	1.35	5.40	5.68
Realized capital gains and losses, after-tax	0.16	0.45	0.35	0.08	0.21	(0.06)	0.50	0.18	1.03	0.82
Valuation changes on embedded derivatives that are not hedged, after-tax	(0.01)	-	(0.01)	(0.02)	(0.01)	(0.02)	0.01	(0.02)	(0.03)	(0.03)
DAC and DSI amortization relating to realized capital gains and losses and valuation changes on embedded derivatives that are not hedged, after-tax	-	(0.01)	-	-	(0.01)	-	(0.01)	-	(0.01)	(0.01)
DAC and DSI unlocking relating to realized capital gains and losses, after-tax	-	-	-	-	-	0.01	-	-	-	0.01
Reclassification of periodic settlements and accruals on non-hedge derivative instruments, after-tax	0.01	-	0.01	-	-	-	(0.01)	(0.01)	0.02	(0.01)
Amortization of purchased intangible assets, after-tax	(0.03)	(0.03)	(0.03)	(0.02)	(0.03)	(0.03)	(0.03)	(0.03)	(0.10)	(0.12)
Gain (loss) on disposition of operations, after-tax	0.01	(0.06)	0.06	(0.04)	(0.10)	(1.01)	-	-	(0.04)	(1.10)
Loss on extinguishment of debt, after-tax	-	-	-	-	-	(0.01)	(0.66)	-	-	(0.68)
Postretirement benefits curtailment gain, after-tax	-	-	-	-	-	0.25	-	-	-	0.25
Net income available to common shareholders	\$ 1.86	\$ 1.74	\$ 1.39	\$ 1.30	\$ 1.76	\$ 0.66	\$ 0.92	\$ 1.47	\$ 6.27	\$ 4.81
Weighted average common shares - Diluted	427.7	431.2	440.7	452.8	459.6	467.1	473.8	480.8	438.2	470.3

**THE ALLSTATE CORPORATION**  
**REVENUES**  
(\$ in millions)

	Three months ended					Twelve months ended				
	Dec. 31, 2014	Sept. 30, 2014	June 30, 2014	March 31, 2014	Dec. 31, 2013	Sept. 30, 2013	June 30, 2013	March 31, 2013	Dec. 31, 2014	Dec. 31, 2013
<b>Property-Liability</b>										
Property-Liability insurance premiums	\$ 7,354	\$ 7,307	\$ 7,204	\$ 7,064	\$ 7,014	\$ 6,972	\$ 6,862	\$ 6,770	\$ 28,929	\$ 27,618
Net investment income	294	344	351	312	382	309	343	341	1,301	1,375
Realized capital gains and losses	(20)	266	250	53	128	(26)	305	112	549	519
<b>Total Property-Liability revenues</b>	<b>7,628</b>	<b>7,917</b>	<b>7,805</b>	<b>7,429</b>	<b>7,524</b>	<b>7,255</b>	<b>7,510</b>	<b>7,223</b>	<b>30,779</b>	<b>29,512</b>
<b>Allstate Financial</b>										
Life and annuity premiums and contract charges	520	512	518	607	610	584	579	579	2,157	2,352
Net investment income	480	473	538	640	637	633	633	635	2,131	2,538
Realized capital gains and losses	125	28	(10)	1	14	(16)	57	19	144	74
<b>Total Allstate Financial revenues</b>	<b>1,125</b>	<b>1,013</b>	<b>1,046</b>	<b>1,248</b>	<b>1,261</b>	<b>1,201</b>	<b>1,269</b>	<b>1,233</b>	<b>4,432</b>	<b>4,964</b>
<b>Corporate and Other</b>										
Service fees <sup>(1)</sup>	1	1	1	2	3	3	2	1	5	9
Net investment income	5	6	9	7	7	8	8	7	27	30
Realized capital gains and losses	1	-	-	-	-	1	-	-	1	1
<b>Total Corporate and Other revenues before reclassification of services fees</b>	<b>7</b>	<b>7</b>	<b>10</b>	<b>9</b>	<b>10</b>	<b>12</b>	<b>10</b>	<b>8</b>	<b>33</b>	<b>40</b>
Reclassification of service fees <sup>(1)</sup>	(1)	(1)	(1)	(2)	(3)	(3)	(2)	(1)	(5)	(9)
<b>Total Corporate and Other revenues</b>	<b>6</b>	<b>6</b>	<b>9</b>	<b>7</b>	<b>7</b>	<b>9</b>	<b>8</b>	<b>7</b>	<b>28</b>	<b>31</b>
<b>Consolidated revenues</b>	<b>\$ 8,759</b>	<b>\$ 8,936</b>	<b>\$ 8,860</b>	<b>\$ 8,684</b>	<b>\$ 8,792</b>	<b>\$ 8,465</b>	<b>\$ 8,787</b>	<b>\$ 8,463</b>	<b>\$ 35,239</b>	<b>\$ 34,507</b>

<sup>(1)</sup> For presentation in the Consolidated Statements of Operations, service fees of the Corporate and Other segment are reclassified to Operating costs and expenses.

**THE ALLSTATE CORPORATION**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
(\$ in millions)

	Dec. 31, 2014	Sept. 30, 2014	June 30, 2014	March 31, 2014	Dec. 31, 2013		Dec. 31, 2014	Sept. 30, 2014	June 30, 2014	March 31, 2014	Dec. 31, 2013
<b>Assets</b>						<b>Liabilities</b>					
Investments						Reserve for property-liability insurance claims and claims expense	\$ 22,923	\$ 22,350	\$ 22,317	\$ 21,985	\$ 21,857
Fixed income securities, at fair value (amortized cost \$59,672, \$59,616, \$59,447, \$58,587 and \$59,008)	\$ 62,440	\$ 62,313	\$ 62,634	\$ 61,161	\$ 60,910	Reserve for life-contingent contract benefits	12,380	12,482	12,688	12,435	12,386
Equity securities, at fair value (cost \$3,692, \$3,877, \$4,658, \$4,575 and \$4,473)	4,104	4,335	5,394	5,297	5,097	Contractholder funds	22,529	22,848	23,472	23,989	24,304
Mortgage loans	4,188	4,143	4,174	4,472	4,721	Unearned premiums	11,655	11,728	11,217	10,821	10,932
Limited partnership interests	4,527	4,348	4,309	5,024	4,967	Claim payments outstanding	784	814	851	785	631
Short-term, at fair value (amortized cost \$2,540, \$2,463, \$2,914, \$2,573 and \$2,393)	2,540	2,463	2,914	2,573	2,393	Deferred income taxes	715	1,076	1,146	886	635
Other	3,314	3,119	3,138	3,163	3,067	Other liabilities and accrued expenses	5,653	4,967	5,044	5,566	5,156
<b>Total investments</b>	<b>81,113</b>	<b>80,721</b>	<b>82,563</b>	<b>81,690</b>	<b>81,155</b>	Long-term debt	5,194	5,195	5,846	6,200	6,201
						Separate Accounts	4,396	4,521	4,780	4,878	5,039
						Liabilities held for sale	-	-	-	14,641	14,899
						<b>Total liabilities</b>	<b>86,229</b>	<b>85,981</b>	<b>87,361</b>	<b>102,186</b>	<b>102,040</b>
						<b>Equity</b>					
						Preferred stock and additional capital paid-in, 72.2 thousand, 72.2 thousand, 72.2 thousand, 62.2 thousand and 32.3 thousand outstanding	1,746	1,746	1,746	1,505	780
						Common stock, 418 million, 419 million, 434 million, 434 million and 449 million shares outstanding	9	9	9	9	9
						Additional capital paid-in	3,199	3,059	3,035	3,017	3,143
						Retained income	37,842	37,164	36,532	36,041	35,580
						Deferred ESOP expense	(23)	(31)	(31)	(31)	(31)
						Treasury stock, at cost (482 million, 481 million, 466 million, 466 million and 451 million)	(21,030)	(20,856)	(19,985)	(19,922)	(19,047)
						Accumulated other comprehensive income:					
						Unrealized net capital gains and losses:					
						Unrealized net capital gains and losses on fixed income securities with other-than-temporary impairments	72	70	72	66	50
						Other unrealized net capital gains and losses	1,988	1,970	2,461	2,271	1,698
Cash	657	885	889	1,170	675						



Numerator:									
Operating income <sup>(1)</sup>	\$ 2,367	\$ 2,412	\$ 2,527	\$ 2,611	\$ 2,670	\$ 2,178	\$ 2,182	\$ 2,085	
Denominator:									
Beginning common shareholders' equity	\$ 20,700	\$ 20,130	\$ 19,591	\$ 20,619	\$ 20,580	\$ 20,837	\$ 19,475	\$ 19,182	
Unrealized net capital gains and losses	1,646	1,714	1,651	2,905	2,834	2,880	2,070	1,874	
Adjusted beginning common shareholders' equity	19,054	18,416	17,940	17,714	17,746	17,957	17,405	17,308	
Ending common shareholders' equity	20,558	20,583	21,126	20,600	20,700	20,130	19,591	20,619	
Unrealized net capital gains and losses	1,926	1,827	2,150	2,091	1,646	1,714	1,651	2,905	
Adjusted ending common shareholders' equity	18,632	18,756	18,976	18,509	19,054	18,416	17,940	17,714	
Average adjusted common shareholders' equity <sup>(2)</sup>	\$ 18,843	\$ 18,586	\$ 18,458	\$ 18,112	\$ 18,400	\$ 18,187	\$ 17,673	\$ 17,511	
Operating income return on common shareholders' equity	12.6 %	13.0 %	13.7 %	14.4 %	14.5 %	12.0 %	12.3 %	11.9 %	

<sup>(1)</sup> Net income available to common shareholders and operating income reflect a trailing twelve-month period.

<sup>(2)</sup> Average common shareholders' equity and average adjusted common shareholders' equity are determined using a two-point average, with the beginning and ending common shareholders' equity and adjusted common shareholders' equity, respectively, for the twelve-month period as data points.

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**THE ALLSTATE CORPORATION  
DEBT TO CAPITAL  
(\$ in millions)**

	Dec. 31, 2014	Sept. 30, 2014	June 30, 2014	March 31, 2014	Dec. 31, 2013	Sept. 30, 2013	June 30, 2013	March 31, 2013
<b>Debt</b>								
Short-term debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500	\$ -
Long-term debt	5,194	5,195	5,846	6,200	6,201	6,217	5,475	6,556
Total debt	\$ 5,194	\$ 5,195	\$ 5,846	\$ 6,200	\$ 6,201	\$ 6,217	\$ 5,975	\$ 6,556
<b>Capital resources</b>								
Debt	\$ 5,194	\$ 5,195	\$ 5,846	\$ 6,200	\$ 6,201	\$ 6,217	\$ 5,975	\$ 6,556
Shareholders' equity								
Preferred stock and additional capital paid-in	1,746	1,746	1,746	1,505	780	650	278	-
Common stock	9	9	9	9	9	9	9	9
Additional capital paid-in	3,199	3,059	3,035	3,017	3,143	3,127	3,105	3,028
Retained income	37,842	37,164	36,532	36,041	35,580	34,885	34,691	34,375
Deferred ESOP expense	(23)	(31)	(31)	(31)	(31)	(39)	(39)	(39)
Treasury stock	(21,030)	(20,856)	(19,985)	(19,922)	(19,047)	(18,662)	(18,225)	(18,033)
Unrealized net capital gains and losses	1,926	1,827	2,150	2,091	1,646	1,714	1,651	2,905
Unrealized foreign currency translation adjustments	(2)	18	35	22	38	50	37	58
Unrecognized pension and other postretirement benefit cost	(1,363)	(607)	(619)	(627)	(638)	(954)	(1,638)	(1,684)
Total shareholders' equity	22,304	22,329	22,872	22,105	21,480	20,780	19,869	20,619
Total capital resources	\$ 27,498	\$ 27,524	\$ 28,718	\$ 28,305	\$ 27,681	\$ 26,997	\$ 25,844	\$ 27,175
<b>Ratio of debt to shareholders' equity</b>	23.3 %	23.3 %	25.6 %	28.0 %	28.9 %	29.9 %	30.1 %	31.8 %
<b>Ratio of debt to capital resources</b>	18.9 %	18.9 %	20.4 %	21.9 %	22.4 %	23.0 %	23.1 %	24.1 %

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**THE ALLSTATE CORPORATION  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
(\$ in millions)**

	Three months ended					Twelve months ended				
	Dec. 31, 2014	Sept. 30, 2014	June 30, 2014	March 31, 2014	Dec. 31, 2013	Sept. 30, 2013	June 30, 2013	March 31, 2013	Dec. 31, 2014	Dec. 31, 2013
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>										
Net income	\$ 824	\$ 781	\$ 645	\$ 600	\$ 821	\$ 316	\$ 434	\$ 709	\$ 2,850	\$ 2,280
Adjustments to reconcile net income to net cash provided by operating activities:										
Depreciation, amortization and other non-cash items	89	88	91	98	122	66	93	87	366	368
Realized capital gains and losses	(106)	(294)	(240)	(54)	(142)	41	(362)	(131)	(694)	(594)
Loss on extinguishment of debt	-	-	1	-	2	9	480	-	1	491
Gain (loss) on disposition of operations	(3)	27	(9)	59	44	646	-	(2)	74	688
Interest credited to contractholder funds	202	198	212	307	305	317	311	345	919	1,278
Changes in:										
Policy benefits and other insurance reserves	491	(53)	121	(18)	732	(180)	(93)	(514)	541	(55)
Unearned premiums	(56)	535	379	(92)	(68)	505	311	(146)	766	602

Deferred policy acquisition costs	(31)	(112)	(80)	3	(60)	(101)	(77)	(30)	(220)	(268)
Premium installment receivables, net	129	(234)	(106)	(46)	95	(219)	(59)	(22)	(257)	(205)
Reinsurance recoverables, net	(958)	(71)	6	(45)	(1,023)	(33)	(79)	406	(1,068)	(729)
Income taxes	30	370	(127)	(68)	118	172	6	277	205	573
Other operating assets and liabilities	60	129	(166)	(270)	225	(21)	(152)	(239)	(247)	(187)
Net cash provided by operating activities	671	1,364	727	474	1,171	1,518	813	740	3,236	4,242
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
Proceeds from sales										
Fixed income securities	6,961	13,443	7,722	6,483	5,889	4,893	4,987	5,474	34,609	21,243
Equity securities	1,492	2,519	1,416	1,328	942	489	1,532	210	6,755	3,173
Limited partnership interests	389	282	564	238	369	238	278	160	1,473	1,045
Mortgage loans	-	-	-	10	4	-	18	2	10	24
Other investments	114	211	51	30	58	55	23	15	406	151
Investment collections										
Fixed income securities	949	1,057	881	849	1,029	1,221	1,913	1,745	3,736	5,908
Mortgage loans	238	142	402	324	237	308	238	237	1,106	1,020
Other investments	33	51	57	50	62	42	117	54	191	275
Investment purchases										
Fixed income securities	(8,109)	(14,848)	(9,550)	(6,252)	(7,442)	(6,008)	(4,553)	(6,084)	(38,759)	(24,087)
Equity securities	(1,235)	(1,540)	(1,338)	(1,330)	(1,112)	(555)	(1,693)	(317)	(5,443)	(3,677)
Limited partnership interests	(506)	(239)	(376)	(277)	(401)	(434)	(222)	(255)	(1,398)	(1,312)
Mortgage loans	(283)	(109)	(107)	(2)	(115)	(109)	(239)	(75)	(501)	(538)
Other investments	(320)	(257)	(152)	(243)	(204)	(342)	(342)	(196)	(972)	(1,084)
Change in short-term investments, net	7	325	(249)	189	117	(121)	385	(808)	272	(427)
Change in other investments, net	(12)	9	13	36	5	1	57	34	46	97
Purchases of property and equipment, net	(81)	(83)	(69)	(55)	(91)	(73)	17	(60)	(288)	(207)
Disposition and acquisition of operations	-	-	380	(2)	-	(24)	-	-	378	(24)
Net cash (used in) provided by investing activities	(363)	963	(355)	1,376	(653)	(419)	2,516	136	1,621	1,580
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
Change in short-term debt	-	-	-	-	-	(500)	500	-	-	-
Proceeds from issuance of long-term debt	-	-	-	-	4	786	989	492	-	2,271
Repayment of long-term debt	-	(651)	(354)	(1)	(22)	(65)	(2,540)	-	(1,006)	(2,627)
Proceeds from issuance of preferred stock	-	-	240	725	130	373	278	-	965	781
Contractholder fund deposits	258	260	263	403	566	489	528	591	1,184	2,174
Contractholder fund withdrawals	(615)	(909)	(838)	(1,084)	(1,098)	(1,185)	(3,014)	(1,259)	(3,446)	(6,556)
Dividends paid on common stock	(117)	(122)	(125)	(113)	(115)	(118)	(119)	-	(477)	(352)
Dividends paid on preferred stock	(31)	(31)	(13)	(12)	(6)	-	-	-	(87)	(6)
Treasury stock purchases	(112)	(932)	(142)	(1,115)	(449)	(488)	(158)	(739)	(2,301)	(1,834)
Shares reissued under equity incentive plans, net	62	55	72	77	62	48	43	17	266	170
Excess tax benefits on share-based payment arrangements	19	4	5	13	5	4	6	23	41	38
Other	-	(5)	(3)	(6)	(2)	5	(28)	13	(14)	(12)
Net cash used in financing activities	(536)	(2,331)	(895)	(1,113)	(925)	(651)	(3,515)	(862)	(4,875)	(5,953)
Cash classified as held for sale	-	-	242	(242)	13	(13)	-	-	-	-
<b>NET (DECREASE) INCREASE IN CASH</b>	<b>(228)</b>	<b>(4)</b>	<b>(281)</b>	<b>495</b>	<b>(394)</b>	<b>435</b>	<b>(186)</b>	<b>14</b>	<b>(18)</b>	<b>(131)</b>
<b>CASH AT BEGINNING OF PERIOD</b>	<b>885</b>	<b>889</b>	<b>1,170</b>	<b>675</b>	<b>1,069</b>	<b>634</b>	<b>820</b>	<b>806</b>	<b>675</b>	<b>806</b>
<b>CASH AT END OF PERIOD</b>	<b>\$ 657</b>	<b>\$ 885</b>	<b>\$ 889</b>	<b>\$ 1,170</b>	<b>\$ 675</b>	<b>\$ 1,069</b>	<b>\$ 634</b>	<b>\$ 820</b>	<b>\$ 657</b>	<b>\$ 675</b>

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**THE ALLSTATE CORPORATION**  
**ANALYSIS OF DEFERRED POLICY ACQUISITION COSTS**  
(\$ in millions)

**Change in Deferred Policy Acquisition Costs**  
**For the three months ended December 31, 2014**

	Beginning balance Sept. 30, 2014	Acquisition costs deferred	Amortization before adjustments <sup>(1) (2)</sup>	Amortization relating to realized capital gains and losses and valuation changes on embedded derivatives that are not hedged <sup>(2)</sup>	Amortization (acceleration) deceleration for the changes in assumptions <sup>(2)</sup>	Effect of unrealized capital gains and losses	Ending balance Dec. 31, 2014
<b>Property-Liability</b>	\$ 1,804	\$ 989	\$ (973)	\$ -	\$ -	\$ -	1,820
<b>Allstate Financial:</b>							
Traditional life and accident and health	738	46	(31)	-	-	-	753
Interest-sensitive life	927	29	(28)	(3)	-	(20)	905
Fixed annuity	47	-	(1)	1	-	-	47
Subtotal	1,712	75	(60)	(2)	-	(20)	1,705
<b>Consolidated</b>	<b>\$ 3,516</b>	<b>\$ 1,064</b>	<b>\$ (1,033)</b>	<b>\$ (2)</b>	<b>\$ -</b>	<b>\$ (20)</b>	<b>\$ 3,525</b>

**Change in Deferred Policy Acquisition Costs**  
**For the three months ended December 31, 2013**

Amortization



	Total DAC including those classified as held for sale	Acquisition costs deferred	Amortization before adjustments <sup>(1)(2)</sup>	relating to realized capital gains and losses and valuation changes on embedded derivatives that are not hedged <sup>(2)</sup>	Amortization (acceleration) deceleration for the changes in assumptions <sup>(2)</sup>	Effect of unrealized capital gains and losses	DAC classified as held for sale ending balance	Ending balance Dec. 31, 2013
<b>Property-Liability</b>	\$ 1,577	\$ 1,032	\$ (984)	\$ -	\$ -	\$ -	\$ -	1,625
<b>Allstate Financial:</b>								
Traditional life and accident and health	695	46	(29)	-	-	-	(1)	711
Interest-sensitive life	974	43	(49)	(4)	-	27	-	991
Fixed annuity	40	7	(2)	(1)	-	2	(1)	45
Subtotal	1,709	96	(80)	(5)	-	29	(2)	1,747
<b>Consolidated</b>	\$ 3,286	\$ 1,128	\$ (1,064)	\$ (5)	\$ -	\$ 29	\$ (2)	\$ 3,372

- (1) Amortization before adjustments reflects total DAC amortization before amortization/accretion related to realized capital gains and losses and valuation changes on embedded derivatives that are not hedged and amortization acceleration/deceleration for changes in assumptions.  
(2) Included as a component of amortization of DAC on the Consolidated Statements of Operations.

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**THE ALLSTATE CORPORATION**  
**ANALYSIS OF DEFERRED POLICY ACQUISITION COSTS**  
(\$ in millions)

	Change in Deferred Policy Acquisition Costs										Reconciliation of Deferred Policy Acquisition Costs as of December 31, 2014		
	Beginning balance Dec. 31, 2013	DAC classified as held for sale beginning balance	Total DAC including those classified as held for sale	Acquisition costs deferred	Amortization before adjustments <sup>(1)(2)</sup>	Amortization relating to realized capital gains and losses and valuation changes on embedded derivatives that are not hedged <sup>(2)</sup>	Amortization (acceleration) deceleration for changes in assumptions <sup>(2)</sup>	Effect of unrealized capital gains and losses	DAC sold in LBL disposition	Ending balance Dec. 31, 2014	DAC before impact of unrealized capital gains and losses	Impact of unrealized capital gains and losses	DAC after impact of unrealized capital gains and losses
<b>Property-Liability</b>	\$ 1,625	\$ -	\$ 1,625	\$ 4,070	\$ (3,875)	\$ -	\$ -	\$ -	\$ -	\$ 1,820	\$ 1,820	\$ -	\$ 1,820
<b>Allstate Financial:</b>													
Traditional life and accident and health	711	13	724	167	(125)	-	-	-	(13)	753	753	-	753
Interest-sensitive life	991	700	1,691	113	(130)	(8)	10	(97)	(674)	905	1,070	(165)	905
Fixed annuity	45	30	75	(6)	(3)	(2)	(1)	(20)	47	52	(5)	47	
Subtotal	1,747	743	2,490	280	(263)	(5)	8	(98)	(707)	1,705	1,875	(170)	1,705
<b>Consolidated</b>	\$ 3,372	\$ 743	\$ 4,115	\$ 4,350	\$ (4,138)	\$ (5)	\$ 8	\$ (98)	\$ (707)	\$ 3,525	\$ 3,695	\$ (170)	\$ 3,525

	Change in Deferred Policy Acquisition Costs										Reconciliation of Deferred Policy Acquisition Costs as of December 31, 2013		
	Beginning balance Dec. 31, 2012	Acquisition costs deferred	Amortization before adjustments <sup>(1)(2)</sup>	Amortization relating to realized capital gains and losses and valuation changes on embedded derivatives that are not hedged <sup>(2)</sup>	Amortization (acceleration) deceleration for changes in assumptions <sup>(2)</sup>	Effect of unrealized capital gains and losses	DAC classified as held for sale	Ending balance Dec. 31, 2013	DAC before impact of unrealized capital gains and losses	Impact of unrealized capital gains and losses	DAC after impact of unrealized capital gains and losses		
<b>Property-Liability</b>	\$ 1,396	\$ 3,903	\$ (3,674)	\$ -	\$ -	\$ -	\$ -	\$ 1,625	\$ 1,625	\$ -	\$ 1,625		
<b>Allstate Financial:</b>													
Traditional life and accident and health	671	164	(111)	-	-	-	(13)	711	711	-	711		
Interest-sensitive life	1,529	176	(174)	(6)	(35)	201	(700)	991	1,084	(93)	991		
Fixed annuity	25	24	(13)	(1)	12	28	(30)	45	51	(6)	45		
Subtotal	2,225	364	(298)	(7)	(23)	229	(743)	1,747	1,846	(99)	1,747		
<b>Consolidated</b>	\$ 3,621	\$ 4,267	\$ (3,972)	\$ (7)	\$ (23)	\$ 229	\$ (743)	\$ 3,372	\$ 3,471	\$ (99)	\$ 3,372		

- (1) Amortization before adjustments reflects total DAC amortization before amortization/accretion related to realized capital gains and losses and valuation changes on embedded derivatives that are not hedged and amortization acceleration/deceleration for changes in assumptions.  
(2) Included as a component of amortization of DAC on the Consolidated Statements of Operations.

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**THE ALLSTATE CORPORATION**  
**HISTORICAL CONSOLIDATED OPERATING**  
**AND FINANCIAL POSITION DATA**  
(\$ in millions except per share data)

	As of or for the Year Ended December 31,				
	2014	2013	2012	2011	2010
<b>Consolidated statement of operations data:</b>					
Insurance premiums and contract charges	\$ 31,086	\$ 29,970	\$ 28,978	\$ 28,180	\$ 28,125
Net investment income	3,459	3,943	4,010	3,971	4,102
Realized capital gains and losses	694	594	327	503	(827)
Total revenues	\$ 35,239	\$ 34,507	\$ 33,315	\$ 32,654	\$ 31,400
Operating income	\$ 2,367	\$ 2,670	\$ 2,148	\$ 662	\$ 1,506

Realized capital gains and losses, after-tax	451	385	216	324	(537)
Valuation changes on embedded derivatives that are not hedged, after-tax	(15)	(16)	82	(12)	-
DAC and DSI amortization relating to realized capital gains and losses and valuation changes on embedded derivatives that are not hedged, after-tax	(3)	(5)	(42)	(108)	(29)
DAC and DSI unlocking relating to realized capital gains and losses, after-tax	-	7	4	3	(12)
Reclassification of periodic settlements and accruals on non-hedge derivative instruments, after-tax	7	(7)	(33)	(35)	(29)
Business combination expenses and the amortization of purchased intangible assets, after-tax	(45)	(55)	(81)	(42)	-
(Loss) gain on disposition of operations, after-tax	(16)	(515)	12	(5)	12
Loss on extinguishment of debt, after-tax	-	(319)	-	-	-
Postretirement benefits curtailment gain, after-tax	-	118	-	-	-
Net income available to common shareholders	\$ 2,746	\$ 2,263	\$ 2,306	\$ 787	\$ 911
<b>Income per common share - Diluted</b>					
Operating income	\$ 5.40	\$ 5.68	\$ 4.36	\$ 1.27	\$ 2.78
Realized capital gains and losses, after-tax	1.03	0.82	0.44	0.62	(0.99)
Valuation changes on embedded derivatives that are not hedged, after-tax	(0.03)	(0.03)	0.17	(0.02)	-
DAC and DSI amortization relating to realized capital gains and losses and valuation changes on embedded derivatives that are not hedged, after-tax	(0.01)	(0.01)	(0.09)	(0.21)	(0.05)
DAC and DSI unlocking relating to realized capital gains and losses, after-tax	-	0.01	0.01	-	(0.02)
Reclassification of periodic settlements and accruals on non-hedge derivative instruments, after-tax	0.02	(0.01)	(0.07)	(0.07)	(0.06)
Business combination expenses and the amortization of purchased intangible assets, after-tax	(0.10)	(0.12)	(0.16)	(0.08)	-
(Loss) gain on disposition of operations, after-tax	(0.04)	(1.10)	0.02	(0.01)	0.02
Loss on extinguishment of debt, after-tax	-	(0.68)	-	-	-
Postretirement benefits curtailment gain, after-tax	-	0.25	-	-	-
Net income available to common shareholders	\$ 6.27	\$ 4.81	\$ 4.68	\$ 1.50	\$ 1.68
Net income available to common shareholders per share - Basic	\$ 6.37	\$ 4.87	\$ 4.71	\$ 1.51	\$ 1.69

**Consolidated statement of financial position data:**

Investments	\$ 81,113	\$ 81,155	\$ 97,278	\$ 95,618	\$ 100,483
Total assets	108,533	123,520	126,947	125,193	130,500
Reserves for claims and claims expense, life-contingent contract benefits and contractholder funds	57,832	58,547	75,502	77,113	81,113
Debt	5,194	6,201	6,057	5,908	5,908
Shareholders' equity	22,304	21,480	20,580	18,298	18,617
Book value per share	48.24	45.31	42.39	36.18	34.58

**Operating ratio:**

Annual statutory premiums written to surplus ratio (U.S. property-liability operations)	1.8x	1.6x	1.6x	1.6x	1.6x
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**Other operating data:**

Total employees <sup>(1)</sup>	40,200	39,400	38,500	37,300	35,200
Total Allstate agencies <sup>(1)(2)</sup>	11,900	11,600	11,200	11,900	13,400

<sup>(1)</sup> Rounded to the nearest hundred.

<sup>(2)</sup> Total Allstate agencies represents exclusive Allstate agencies and financial representatives in the United States and Canada.

**THE ALLSTATE CORPORATION  
PROPERTY-LIABILITY RESULTS**  
(\$ in millions)

	Three months ended				Twelve months ended					
	Dec. 31, 2014	Sept. 30, 2014	June 30, 2014	March 31, 2014	Dec. 31, 2013	Sept. 30, 2013	June 30, 2013	March 31, 2013	Dec. 31, 2014	Dec. 31, 2013
Premiums written	\$ 7,292	\$ 7,806	\$ 7,547	\$ 6,969	\$ 6,950	\$ 7,438	\$ 7,151	\$ 6,625	\$ 29,614	\$ 28,164
Decrease (increase) in unearned premiums	74	(512)	(397)	112	84	(518)	(293)	155	(723)	(572)
Other	(12)	13	54	(17)	(20)	52	4	(10)	38	26
Premiums earned	7,354	7,307	7,204	7,064	7,014	6,972	6,862	6,770	28,929	27,618
Claims and claims expense	(4,618)	(4,909)	(5,142)	(4,759)	(4,283)	(4,427)	(4,741)	(4,460)	(19,428)	(17,911)
Amortization of deferred policy acquisition costs	(973)	(972)	(969)	(961)	(984)	(929)	(890)	(871)	(3,875)	(3,674)
Operating costs and expenses	(1,021)	(948)	(901)	(968)	(942)	(910)	(943)	(957)	(3,838)	(3,752)
Restructuring and related charges	(5)	(4)	(3)	(4)	(11)	(9)	(19)	(24)	(16)	(63)
Underwriting income *	737	474	189	372	794	697	269	458	1,772	2,218
Net investment income	294	344	351	312	382	309	343	341	1,301	1,375
Periodic settlements and accruals on non-hedge derivative instruments	(2)	(1)	(3)	(3)	(2)	(2)	(2)	(1)	(9)	(7)
Amortization of purchased intangible assets	17	17	17	17	23	21	20	21	68	85
Income tax expense on operations	(359)	(281)	(190)	(230)	(404)	(340)	(197)	(263)	(1,060)	(1,204)
Operating income	687	553	364	468	793	685	433	556	2,072	2,467
Realized capital gains and losses, after-tax	(11)	173	161	34	86	(17)	197	73	357	339
Reclassification of periodic settlements and accruals on non-hedge derivative instruments, after-tax	2	-	2	2	1	1	1	1	6	4
Amortization of purchased intangible assets, after-tax	(12)	(11)	(11)	(11)	(15)	(13)	(13)	(14)	(45)	(55)
(Gain) loss on disposition of operations, after-tax	-	(1)	38	-	-	-	(1)	-	37	(1)
Net income available to common shareholders	\$ 666	\$ 714	\$ 554	\$ 493	\$ 865	\$ 656	\$ 617	\$ 616	\$ 2,427	\$ 2,754
Catastrophe losses	\$ 95	\$ 517	\$ 936	\$ 445	\$ 117	\$ 128	\$ 647	\$ 359	\$ 1,993	\$ 1,251
Operating ratios										
Claims and claims expense ("loss") ratio	62.8	67.2	71.4	67.4	61.1	63.5	69.1	65.9	67.2	64.9
Expense ratio	27.2	26.3	26.0	27.3	27.6	26.5	27.0	27.3	26.7	27.1
Combined ratio	90.0	93.5	97.4	94.7	88.7	90.0	96.1	93.2	93.9	92.0
Combined ratio excluding the effect of catastrophes *	88.7	86.4	84.4	88.4	87.0	88.2	86.7	87.9	87.0	87.5
Effect of catastrophe losses on combined ratio	1.3	7.1	13.0	6.3	1.7	1.8	9.4	5.3	6.9	4.5
Combined ratio	90.0	93.5	97.4	94.7	88.7	90.0	96.1	93.2	93.9	92.0

Combined ratio excluding the effect of catastrophes, prior year reserve reestimates and amortization of purchased intangible assets ("underlying combined ratio")	89.5	86.1	84.7	88.4	87.5	86.9	86.9	87.7	87.2	87.3
Effect of catastrophe losses on combined ratio	1.3	7.1	13.0	6.3	1.7	1.8	9.4	5.3	6.9	4.5
Effect of prior year reserve reestimates on combined ratio	(1.0)	0.1	(0.1)	(0.2)	(0.9)	0.5	(0.8)	(0.6)	(0.3)	(0.4)
Effect of catastrophe losses included in prior year reserve reestimates on combined ratio	-	-	(0.5)	-	0.1	0.5	0.3	0.5	(0.1)	0.3
Effect of amortization of purchased intangible assets on combined ratio	0.2	0.2	0.3	0.2	0.3	0.3	0.3	0.3	0.2	0.3
Combined ratio	<u>90.0</u>	<u>93.5</u>	<u>97.4</u>	<u>94.7</u>	<u>88.7</u>	<u>90.0</u>	<u>96.1</u>	<u>93.2</u>	<u>93.9</u>	<u>92.0</u>
Effect of restructuring and related charges on combined ratio	<u>0.1</u>	<u>0.1</u>	<u>-</u>	<u>0.1</u>	<u>0.2</u>	<u>0.1</u>	<u>0.3</u>	<u>0.4</u>	<u>0.1</u>	<u>0.2</u>
Effect of Discontinued Lines and Coverages on combined ratio	<u>0.1</u>	<u>1.4</u>	<u>0.1</u>	<u>-</u>	<u>-</u>	<u>1.9</u>	<u>0.1</u>	<u>-</u>	<u>0.4</u>	<u>0.5</u>

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**THE ALLSTATE CORPORATION**  
**HISTORICAL PROPERTY-LIABILITY RESULTS**  
(\$ in millions)

	Twelve months ended December 31,				
	2014	2013	2012	2011	2010
Premiums written	\$ 29,614	\$ 28,164	\$ 27,027	\$ 25,980	\$ 25,907
(Increase) decrease in unearned premium	(723)	(572)	(322)	(33)	19
Other	38	26	32	(5)	31
Premiums earned	28,929	27,618	26,737	25,942	25,957
Claims and claims expense	(19,428)	(17,911)	(18,484)	(20,161)	(18,951)
Amortization of deferred policy acquisition costs	(3,875)	(3,674)	(3,483)	(3,477)	(3,517)
Operating costs and expenses	(3,838)	(3,752)	(3,536)	(3,143)	(2,962)
Restructuring and related charges	(16)	(63)	(34)	(43)	(33)
Underwriting income (loss)	<u>1,772</u>	<u>2,218</u>	<u>1,200</u>	<u>(882)</u>	<u>494</u>
Net investment income	1,301	1,375	1,326	1,201	1,189
Periodic settlement and accruals on non-hedge derivative instruments	(9)	(7)	(6)	(15)	(7)
Business combination expenses and the amortization of purchased intangible assets	68	85	124	49	-
Income tax (expense) benefit on operations	<u>(1,060)</u>	<u>(1,204)</u>	<u>(819)</u>	<u>18</u>	<u>(423)</u>
Operating income	2,072	2,467	1,825	371	1,253
Realized capital gains and losses, after-tax	357	339	221	54	(207)
Reclassification of periodic settlements and accruals on non-hedge derivative instruments, after-tax	6	4	3	10	4
Business combination expenses and the amortization of purchased intangible assets, after-tax	(45)	(55)	(81)	(32)	-
Gain (loss) on disposition of operations, after-tax	37	(1)	-	-	3
Net income	<u>\$ 2,427</u>	<u>\$ 2,754</u>	<u>\$ 1,968</u>	<u>\$ 403</u>	<u>\$ 1,053</u>
Catastrophe losses	<u>\$ 1,993</u>	<u>\$ 1,251</u>	<u>\$ 2,345</u>	<u>\$ 3,815</u>	<u>\$ 2,207</u>
Operating ratios					
Loss ratio	67.2	64.9	69.1	77.7	73.0
Expense ratio	26.7	27.1	26.4	25.7	25.1
Combined ratio	<u>93.9</u>	<u>92.0</u>	<u>95.5</u>	<u>103.4</u>	<u>98.1</u>
Combined ratio excluding the effect of catastrophes	87.0	87.5	86.7	88.7	89.6
Effect of catastrophe losses on combined ratio	6.9	4.5	8.8	14.7	8.5
Combined ratio	<u>93.9</u>	<u>92.0</u>	<u>95.5</u>	<u>103.4</u>	<u>98.1</u>
Underlying combined ratio	87.2	87.3	87.2	89.3	89.6
Effect of catastrophe losses on combined ratio	6.9	4.5	8.8	14.7	8.5
Effect of prior year reserve reestimates on combined ratio	(0.3)	(0.4)	(2.5)	(1.3)	(0.6)
Effect of catastrophe losses included in prior year reserve reestimate on combined ratio	(0.1)	0.3	1.5	0.5	0.6
Effect of business combination expenses and the amortization of purchased intangible assets on combined ratio	0.2	0.3	0.5	0.2	-
Combined ratio	<u>93.9</u>	<u>92.0</u>	<u>95.5</u>	<u>103.4</u>	<u>98.1</u>
Effect of restructuring and related charges on combined ratio	<u>0.1</u>	<u>0.2</u>	<u>0.1</u>	<u>0.2</u>	<u>0.1</u>
Effect of Discontinued Lines and Coverages on the combined ratio	<u>0.4</u>	<u>0.5</u>	<u>0.2</u>	<u>0.1</u>	<u>0.1</u>

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**THE ALLSTATE CORPORATION**  
**PROPERTY-LIABILITY UNDERWRITING RESULTS BY AREA OF BUSINESS**  
(\$ in millions)

	Three months ended					Twelve months ended				
	Dec. 31, 2014	Sept. 30, 2014	June 30, 2014	March 31, 2014	Dec. 31, 2013	Sept. 30, 2013	June 30, 2013	March 31, 2013	Dec. 31, 2014	Dec. 31, 2013
<b>Property-Liability Underwriting Summary</b>										
Allstate Protection	\$ 741	\$ 579	\$ 192	\$ 375	\$ 795	\$ 831	\$ 273	\$ 462	\$ 1,887	\$ 2,361
Discontinued Lines and Coverages	(4)	(105)	(3)	(3)	(1)	(134)	(4)	(4)	(115)	(143)

Underwriting income	\$ 737	\$ 474	\$ 189	\$ 372	\$ 794	\$ 697	\$ 269	\$ 458	\$ 1,772	\$ 2,218
<b>Allstate Protection Underwriting Summary</b>										
Premiums written	\$ 7,292	\$ 7,805	\$ 7,547	\$ 6,969	\$ 6,950	\$ 7,438	\$ 7,151	\$ 6,625	\$ 29,613	\$ 28,164
Premiums earned	\$ 7,354	\$ 7,306	\$ 7,204	\$ 7,064	\$ 7,014	\$ 6,972	\$ 6,862	\$ 6,770	\$ 28,928	\$ 27,618
Claims and claims expense	(4,615)	(4,804)	(5,140)	(4,756)	(4,282)	(4,292)	(4,738)	(4,457)	(19,315)	(17,769)
Amortization of deferred policy acquisition costs	(973)	(972)	(969)	(961)	(984)	(929)	(890)	(871)	(3,875)	(3,674)
Operating costs and expenses	(1,020)	(947)	(900)	(968)	(942)	(911)	(942)	(956)	(3,835)	(3,751)
Restructuring and related charges	(5)	(4)	(3)	(4)	(11)	(9)	(19)	(24)	(16)	(63)
Underwriting income	\$ 741	\$ 579	\$ 192	\$ 375	\$ 795	\$ 831	\$ 273	\$ 462	\$ 1,887	\$ 2,361
Catastrophe losses	\$ 95	\$ 517	\$ 936	\$ 445	\$ 117	\$ 128	\$ 647	\$ 359	\$ 1,993	\$ 1,251
Operating ratios										
Loss ratio	62.7	65.8	71.3	67.3	61.1	61.6	69.0	65.9	66.8	64.4
Expense ratio	27.2	26.3	26.0	27.4	27.6	26.5	27.0	27.3	26.7	27.1
Combined ratio	89.9	92.1	97.3	94.7	88.7	88.1	96.0	93.2	93.5	91.5
Effect of catastrophe losses on combined ratio	1.3	7.1	13.0	6.3	1.7	1.8	9.4	5.3	6.9	4.5
Effect of restructuring and related charges on combined ratio	0.1	0.1	-	0.1	0.2	0.1	0.3	0.4	0.1	0.2
Effect of amortization of purchased intangible assets on combined ratio	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.2	0.3
<b>Discontinued Lines and Coverages Underwriting Summary</b>										
Premiums written	\$ -	\$ 1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1	\$ -
Premiums earned	\$ -	\$ 1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1	\$ -
Claims and claims expense	(3)	(105)	(2)	(3)	(1)	(135)	(3)	(3)	(113)	(142)
Operating costs and expenses	(1)	(1)	(1)	-	-	1	(1)	(1)	(3)	(1)
Underwriting loss	\$ (4)	\$ (105)	\$ (3)	\$ (3)	\$ (1)	\$ (134)	\$ (4)	\$ (4)	\$ (115)	\$ (143)
Effect of Discontinued Lines and Coverages on the Property-Liability combined ratio	0.1	1.4	0.1	-	-	1.9	0.1	-	0.4	0.5
<b>Underwriting Income (Loss) by Brand</b>										
Allstate brand	\$ 782	\$ 676	\$ 299	\$ 478	\$ 814	\$ 871	\$ 346	\$ 520	\$ 2,235	\$ 2,551
Esurance brand	(59)	(62)	(45)	(93)	(56)	(54)	(61)	(47)	(259)	(218)
Encompass brand	22	(31)	(59)	(8)	41	19	(7)	(6)	(76)	47
Answer Financial	(4)	(4)	(3)	(2)	(4)	(5)	(5)	(5)	(13)	(19)
Underwriting income	\$ 741	\$ 579	\$ 192	\$ 375	\$ 795	\$ 831	\$ 273	\$ 462	\$ 1,887	\$ 2,361

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**THE ALLSTATE CORPORATION**  
**HISTORICAL PROPERTY-LIABILITY**  
**UNDERWRITING RESULTS BY AREA OF BUSINESS**  
(\$ in millions)

	Twelve months ended December 31,				
	2014	2013	2012	2011	2010
<b>Property-Liability Underwriting Summary</b>					
Allstate Protection	\$ 1,887	\$ 2,361	\$ 1,253	\$ (857)	\$ 525
Discontinued Lines and Coverages	(115)	(143)	(53)	(25)	(31)
Underwriting income (loss)	\$ 1,772	\$ 2,218	\$ 1,200	\$ (882)	\$ 494
<b>Allstate Protection Underwriting Summary</b>					
Premiums written	\$ 29,613	\$ 28,164	\$ 27,026	\$ 25,981	\$ 25,906
Premiums earned	\$ 28,928	\$ 27,618	\$ 26,737	\$ 25,942	\$ 25,955
Claims and claims expense	(19,315)	(17,769)	(18,433)	(20,140)	(18,923)
Amortization of deferred policy acquisition costs	(3,875)	(3,674)	(3,483)	(3,477)	(3,517)
Operating costs and expenses	(3,835)	(3,751)	(3,534)	(3,139)	(2,957)
Restructuring and related charges	(16)	(63)	(34)	(43)	(33)
Underwriting income (loss)	\$ 1,887	\$ 2,361	\$ 1,253	\$ (857)	\$ 525
Catastrophe losses	\$ 1,993	\$ 1,251	\$ 2,345	\$ 3,815	\$ 2,207
Operating ratios					
Loss ratio	66.8	64.4	68.9	77.6	72.9
Expense ratio	26.7	27.1	26.4	25.7	25.1
Combined ratio	93.5	91.5	95.3	103.3	98.0
Effect of catastrophe losses on combined ratio	6.9	4.5	8.8	14.7	8.5
Effect of restructuring and related charges on combined ratio	0.1	0.2	0.1	0.2	0.1
Effect of business combination expenses and the amortization of purchased intangible assets on combined ratio	0.2	0.3	0.5	0.2	-
<b>Discontinued Lines and Coverages Underwriting Summary</b>					
Premiums written	\$ 1	\$ -	\$ 1	\$ (1)	\$ 1
Premiums earned	\$ 1	\$ -	\$ -	\$ -	\$ 2
Claims and claims expense	(113)	(142)	(51)	(21)	(28)
Operating costs and expenses	(3)	(1)	(2)	(4)	(5)
Underwriting loss	\$ (115)	\$ (143)	\$ (53)	\$ (25)	\$ (31)

**THE ALLSTATE CORPORATION**  
**PROPERTY-LIABILITY PREMIUMS WRITTEN BY BRAND**  
(\$ in millions)

	Three months ended				Twelve months ended					
	Dec. 31, 2014	Sept. 30, 2014	June 30, 2014	March 31, 2014	Dec. 31, 2013	Sept. 30, 2013	June 30, 2013	March 31, 2013	Dec. 31, 2014	Dec. 31, 2013
<b>Allstate brand <sup>(1)</sup></b>										
Auto	\$ 4,347	\$ 4,490	\$ 4,375	\$ 4,292	\$ 4,147	\$ 4,280	\$ 4,170	\$ 4,155	\$ 17,504	\$ 16,752
Homeowners	1,598	1,831	1,765	1,342	1,549	1,779	1,693	1,268	6,536	6,289
Other personal lines	376	426	416	351	368	417	406	348	1,569	1,539
Commercial lines	126	122	130	116	119	114	121	112	494	466
Other business lines	176	185	180	176	157	161	151	133	717	602
	<u>6,623</u>	<u>7,054</u>	<u>6,866</u>	<u>6,277</u>	<u>6,340</u>	<u>6,751</u>	<u>6,541</u>	<u>6,016</u>	<u>26,820</u>	<u>25,648</u>
<b>Esurance brand</b>										
Auto	354	403	338	404	315	357	294	342	1,499	1,308
Homeowners	4	3	1	1	-	-	-	-	9	-
Other personal lines	1	2	1	1	-	1	1	-	5	2
	<u>359</u>	<u>408</u>	<u>340</u>	<u>406</u>	<u>315</u>	<u>358</u>	<u>295</u>	<u>342</u>	<u>1,513</u>	<u>1,310</u>
<b>Encompass brand</b>										
Auto	160	178	176	151	155	172	167	147	665	641
Homeowners	123	137	136	110	115	129	120	97	506	461
Other personal lines	27	28	29	25	25	28	28	23	109	104
	<u>310</u>	<u>343</u>	<u>341</u>	<u>286</u>	<u>295</u>	<u>329</u>	<u>315</u>	<u>267</u>	<u>1,280</u>	<u>1,206</u>
<b>Allstate Protection</b>	7,292	7,805	7,547	6,969	6,950	7,438	7,151	6,625	29,613	28,164
<b>Discontinued Lines and Coverages</b>	-	1	-	-	-	-	-	-	1	-
<b>Property-Liability</b>	<u>\$ 7,292</u>	<u>\$ 7,806</u>	<u>\$ 7,547</u>	<u>\$ 6,969</u>	<u>\$ 6,950</u>	<u>\$ 7,438</u>	<u>\$ 7,151</u>	<u>\$ 6,625</u>	<u>\$ 29,614</u>	<u>\$ 28,164</u>
<b>Allstate Protection</b>										
Auto	\$ 4,861	\$ 5,071	\$ 4,889	\$ 4,847	\$ 4,617	\$ 4,809	\$ 4,631	\$ 4,644	\$ 19,668	\$ 18,701
Homeowners	1,725	1,971	1,902	1,453	1,664	1,908	1,813	1,365	7,051	6,750
Other personal lines	404	456	446	377	393	446	435	371	1,683	1,645
Commercial lines	126	122	130	116	119	114	121	112	494	466
Other business lines	176	185	180	176	157	161	151	133	717	602
	<u>\$ 7,292</u>	<u>\$ 7,805</u>	<u>\$ 7,547</u>	<u>\$ 6,969</u>	<u>\$ 6,950</u>	<u>\$ 7,438</u>	<u>\$ 7,151</u>	<u>\$ 6,625</u>	<u>\$ 29,613</u>	<u>\$ 28,164</u>
<sup>(1)</sup> Canada premiums included in Allstate brand										
Auto	\$ 200	\$ 233	\$ 250	\$ 180	\$ 199	\$ 225	\$ 245	\$ 184	\$ 863	\$ 853
Homeowners	53	66	63	40	50	58	59	38	222	205
Other personal lines	13	16	15	11	13	14	15	13	55	55
	<u>\$ 266</u>	<u>\$ 315</u>	<u>\$ 328</u>	<u>\$ 231</u>	<u>\$ 262</u>	<u>\$ 297</u>	<u>\$ 319</u>	<u>\$ 235</u>	<u>\$ 1,140</u>	<u>\$ 1,113</u>

**THE ALLSTATE CORPORATION**  
**PROPERTY-LIABILITY**  
**IMPACT OF NET RATE CHANGES APPROVED ON PREMIUMS WRITTEN**

	Three months ended December 31, 2014 <sup>(1)</sup>			Three months ended September 30, 2014			Three months ended June 30, 2014		
	Number of locations	Total brand (%) <sup>(2)</sup>	Location specific (%) <sup>(5)</sup>	Number of locations	Total brand (%) <sup>(2)</sup>	Location specific (%) <sup>(5)</sup>	Number of locations	Total brand (%) <sup>(2)</sup>	Location specific (%) <sup>(5)</sup>
<b>Allstate brand</b>									
Auto <sup>(2)</sup>	14 <sup>(6)</sup>	0.7	3.4	20 <sup>(6)</sup>	0.9	3.7	25 <sup>(6)</sup>	- <sup>(8)</sup>	(0.2)
Homeowners <sup>(3)</sup>	16 <sup>(7)</sup>	0.9	4.6	6	0.2	6.0	11 <sup>(7)</sup>	0.4	5.7
<b>Esurance brand</b>									
Auto	7	1.4	5.3	15	0.6	3.1	15	1.7	4.4
<b>Encompass brand</b>									
Auto	13	2.8	6.0	9	0.9	4.1	12	2.4	7.6
Homeowners	9	2.5	7.8	7	0.6	6.5	12	1.5	7.8
	Three months ended March 31, 2014			Three months ended December 31, 2013			Three months ended September 30, 2013		
	Number of locations	Total brand (%) <sup>(2)</sup>	Location specific (%) <sup>(5)</sup>	Number of locations	Total brand (%) <sup>(2)</sup>	Location specific (%) <sup>(5)</sup>	Number of locations	Total brand (%) <sup>(2)</sup>	Location specific (%) <sup>(5)</sup>
<b>Allstate brand</b>									
Auto <sup>(2)</sup>	19	0.8	2.5	24	0.8	2.6	12	0.7	3.1
Homeowners <sup>(3)</sup>	8 <sup>(7)</sup>	0.2	2.3	21	1.5	4.5	3	0.3	6.8
<b>Esurance brand</b>									
Auto	17	2.2	8.2	16	1.1	5.5	14	1.1	5.2

**Encompass brand**

Auto	2	0.5	4.9	11	2.1	6.6	9	1.4	5.7
Homeowners	1	-	2.5	14	2.7	6.4	11	1.4	6.9

- <sup>(1)</sup> Rate changes include changes approved based on our net cost of reinsurance. These rate changes do not reflect initial rates filed for insurance subsidiaries initially writing business. Based on historical premiums written in those states and Canadian provinces, rate changes approved for the three month period ending December 31, 2014 are estimated to total \$232 million. Rate changes do not include rating plan enhancements, including the introduction of discounts and surcharges, that result in no change in the overall rate level in the state. Allstate Brand rate changes exclude Canada and specialty auto in periods prior to first quarter 2014.
- <sup>(2)</sup> Impacts of Allstate brand auto effective rate changes as a percentage of total brand prior year-end premiums written were 0.4%, 0.2%, 1.1%, 0.5%, 0.5% and 0.7% for the three months ended December 31, 2014, September 30, 2014, June 30, 2014, March 31, 2014, December 31, 2013 and September 30, 2013, respectively. Rate changes are included in the effective calculations in the period the rate change is effective for renewal contracts.
- <sup>(3)</sup> Impacts of Allstate brand homeowners effective rate changes as a percentage of total brand prior year-end premiums written were 0.3%, 0.1%, 0.5%, 1.3%, 0.4% and 0.3% for the three months ended December 31, 2014, September 30, 2014, June 30, 2014, March 31, 2014, December 31, 2013 and September 30, 2013, respectively.
- <sup>(4)</sup> Represents the impact in the states and Canadian provinces where rate changes were approved during the period as a percentage of total brand prior year-end premiums written.
- <sup>(5)</sup> Represents the impact in the states and Canadian provinces where rate changes were approved during the period as a percentage of its respective total prior year-end premiums written in those same locations.
- <sup>(6)</sup> Includes one, one and three Canadian provinces for auto for the three months ended December 31, 2014, September 30, 2014 and June 30, 2014, respectively.
- <sup>(7)</sup> Includes one, two and one Canadian provinces for homeowners for the three months ended December 31, 2014, June 30, 2014 and March 31, 2014, respectively.
- <sup>(8)</sup> Excluding Canada, Allstate Brand Auto rate change was 0.5% for the three months ended June 30, 2014.

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**THE ALLSTATE CORPORATION**  
**POLICIES IN FORCE AND OTHER STATISTICS**

	Dec. 31, 2014	Sept. 30, 2014	June 30, 2014	March 31, 2014	Dec. 31, 2013	Sept. 30, 2013	June 30, 2013	March 31, 2013
<b>Policies in Force (in thousands)<sup>(1)</sup></b>								
<b>Allstate Brand</b>								
Auto	19,916	19,751	19,605	19,413	19,362	19,247	19,155	19,020
Homeowners	6,106	6,082	6,069	6,063	6,077	6,077	6,097	6,136
Landlord	738	737	738	740	742	742	744	748
Renter	1,466	1,447	1,421	1,402	1,385	1,371	1,364	1,364
Condominium	655	652	648	646	645	641	640	639
Other	1,248	1,248	1,245	1,244	1,252	1,260	1,267	1,273
Other personal lines	4,107	4,084	4,052	4,032	4,024	4,014	4,015	4,024
Commercial lines	325	320	313	305	301	295	291	286
Other business lines	948	958	972	991	989	996	997	1,001
Excess and surplus	27	26	25	23	22	20	18	15
<b>Total</b>	<b>31,429</b>	<b>31,221</b>	<b>31,036</b>	<b>30,827</b>	<b>30,775</b>	<b>30,649</b>	<b>30,573</b>	<b>30,482</b>
<b>Esurance Brand</b>								
Auto	1,424	1,410	1,399	1,375	1,286	1,254	1,207	1,151
Homeowners	10	6	2	1	-	-	-	-
Other personal lines	36	33	30	26	20	16	11	7
<b>Total</b>	<b>1,470</b>	<b>1,449</b>	<b>1,431</b>	<b>1,402</b>	<b>1,306</b>	<b>1,270</b>	<b>1,218</b>	<b>1,158</b>
<b>Encompass Brand</b>								
Auto	790	792	788	778	774	767	752	737
Homeowners	365	365	364	359	356	350	341	333
Other personal lines	122	123	124	124	125	124	124	121
<b>Total</b>	<b>1,277</b>	<b>1,280</b>	<b>1,276</b>	<b>1,261</b>	<b>1,255</b>	<b>1,241</b>	<b>1,217</b>	<b>1,191</b>
<b>Total Policies in Force</b>	<b>34,176</b>	<b>33,950</b>	<b>33,743</b>	<b>33,490</b>	<b>33,336</b>	<b>33,160</b>	<b>33,008</b>	<b>32,831</b>
<b>Other Customer Relationships</b>								
Good Hands Roadside Members (in thousands) <sup>(2)</sup>	2,055	1,996	1,871	1,734	1,585	1,439	1,272	1,099
<b>Non-Proprietary Premiums (\$ in millions)</b>								
Ivantage <sup>(3)</sup>	\$ 1,422	\$ 1,407	\$ 1,391	\$ 1,376	\$ 1,360	\$ 1,349	\$ 1,321	\$ 1,295
Answer Financial <sup>(4)</sup>	129	134	125	139	118	122	111	126

- <sup>(1)</sup> Policies in Force: Policy counts are based on items rather than customers. A multi-car customer would generate multiple item (policy) counts, even if all cars were insured under one policy. Allstate Dealer Services (service contracts and other products sold in conjunction with auto lending and vehicle sales transactions) and Partnership Marketing Group (roadside assistance products) statistics are not included in total policies in force since these are not meaningful. Additionally, non-proprietary products offered by Ivantage (insurance agency) and Answer Financial (independent insurance agency) are not included.
- <sup>(2)</sup> Membership provides pay on demand access to roadside services. Fees for three months ended December 31, 2014 were \$168 thousand.
- <sup>(3)</sup> Represents non-proprietary premiums under management as of the end of the period related to personal and commercial line products offered by Ivantage when an Allstate product is not available. To conform to current period's methodology changes, prior period non-proprietary premiums have been restated.
- <sup>(4)</sup> Represents non-proprietary premiums written for the period. Commissions earned for the three months ended December 31, 2014 were \$17.0 million.

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**THE ALLSTATE CORPORATION**  
**ALLSTATE BRAND PROFITABILITY MEASURES**  
**(\$ in millions)**

	Three months ended						Twelve months ended			
	Dec. 31, 2014	Sept. 30, 2014	June 30, 2014	March 31, 2014	Dec. 31, 2013	Sept. 30, 2013	June 30, 2013	March 31, 2013	Dec. 31, 2014	Dec. 31, 2013
Net premiums written	\$ 6,623	\$ 7,054	\$ 6,866	\$ 6,277	\$ 6,340	\$ 6,751	\$ 6,541	\$ 6,016	\$ 26,820	\$ 25,648

Net premiums earned											
Auto	\$ 4,376	\$ 4,352	\$ 4,297	\$ 4,209	\$ 4,186	\$ 4,165	\$ 4,133	\$ 4,094	\$ 17,234	\$ 16,578	
Homeowners	1,625	1,616	1,594	1,580	1,574	1,568	1,525	1,516	6,415	6,183	
Other personal lines <sup>(1)</sup>	390	389	387	385	384	384	380	379	1,551	1,527	
Commercial lines	125	120	121	110	115	114	113	114	476	456	
Other business lines <sup>(2)</sup>	140	138	131	133	126	124	115	106	542	471	
Total	6,656	6,615	6,530	6,417	6,385	6,355	6,266	6,209	26,218	25,215	
Incurred losses											
Auto	\$ 3,103	\$ 2,964	\$ 3,011	\$ 2,858	\$ 2,876	\$ 2,857	\$ 2,843	\$ 2,774	\$ 11,936	\$ 11,350	
Homeowners	634	930	1,212	994	656	645	1,084	914	3,770	3,299	
Other personal lines	223	229	226	279	187	221	239	247	957	894	
Commercial lines	88	72	78	81	77	70	69	61	319	277	
Other business lines	65	70	64	63	58	60	49	47	262	214	
Total	4,113	4,265	4,591	4,275	3,854	3,853	4,284	4,043	17,244	16,034	
Expenses											
Auto	\$ 1,140	\$ 1,088	\$ 1,089	\$ 1,075	\$ 1,114	\$ 1,068	\$ 1,069	\$ 1,068	\$ 4,392	\$ 4,319	
Homeowners	399	382	359	385	393	379	368	376	1,525	1,516	
Other personal lines	118	103	105	108	115	108	113	115	434	451	
Commercial lines	41	38	35	34	37	34	33	34	148	138	
Other business lines	63	63	52	62	58	42	53	53	240	206	
Total	1,761	1,674	1,640	1,664	1,717	1,631	1,636	1,646	6,739	6,630	
Underwriting income (loss)											
Auto	\$ 133	\$ 300	\$ 197	\$ 276	\$ 196	\$ 240	\$ 221	\$ 252	\$ 906	\$ 909	
Homeowners	592	304	23	201	525	544	73	226	1,120	1,368	
Other personal lines	49	57	56	(2)	82	55	28	17	160	182	
Commercial lines	(4)	10	8	(5)	1	10	11	19	9	41	
Other business lines	12	5	15	8	10	22	13	6	40	51	
Total	782	676	299	478	814	871	346	520	2,235	2,551	
Loss ratio	61.8	64.5	70.3	66.6	60.4	60.6	68.4	65.1	65.8	63.6	
Expense ratio	26.5	25.3	25.1	26.0	26.9	25.7	26.1	26.5	25.7	26.3	
Combined ratio	88.3	89.8	95.4	92.6	87.3	86.3	94.5	91.6	91.5	89.9	
Effect of catastrophe losses on combined ratio	1.3	6.9	13.1	6.4	1.8	1.7	9.8	5.5	6.9	4.7	
Effect of prior year reserve reestimates on combined ratio	(1.0)	(1.3)	(0.1)	(0.2)	(0.6)	(1.4)	(0.9)	(0.6)	(0.7)	(0.9)	
Effect of advertising expenses on combined ratio	2.4	2.6	2.7	2.4	2.3	2.7	3.2	2.7	2.5	2.8	
Underlying combined ratio	87.9	84.2	83.0	86.4	86.1	85.4	85.4	86.2	85.4	85.8	
Effect of catastrophe losses	1.3	6.9	13.1	6.4	1.8	1.7	9.8	5.5	6.9	4.7	
Effect of prior year non-catastrophe reserve reestimates	(0.9)	(1.3)	(0.7)	(0.2)	(0.6)	(0.8)	(0.7)	(0.1)	(0.8)	(0.6)	
Combined ratio	88.3	89.8	95.4	92.6	87.3	86.3	94.5	91.6	91.5	89.9	

<sup>(1)</sup> Other personal lines include renter, condominium, landlord and other personal lines.

<sup>(2)</sup> Other business lines include Allstate Roadside Services, Allstate Dealer Services and other business lines.

THE ALLSTATE CORPORATION  
ALLSTATE BRAND STATISTICS<sup>(1)</sup>

	Three months ended				Twelve months ended					
	Dec. 31, 2014	Sept. 30, 2014	June 30, 2014	March 31, 2014	Dec. 31, 2013	Sept. 30, 2013	June 30, 2013	March 31, 2013	Dec. 31, 2014	Dec. 31, 2013
<b>New Issued Applications</b> (in thousands) <sup>(2)</sup>										
Auto	740	809	770	714	664	720	709	656	3,033	2,749
Homeowners	178	201	192	154	157	180	167	121	725	625
<b>Average Premium - Gross Written</b> (\$) <sup>(3)</sup>										
Auto	486	481	478	473	473	467	466	464	479	468
Homeowners	1,144	1,144	1,135	1,137	1,126	1,119	1,109	1,104	1,140	1,115
<b>Average Premium - Net Earned</b> (\$) <sup>(4)</sup>										
Auto	444	443	441	435	434	433	433	430	441	433
Homeowners	1,060	1,054	1,045	1,034	1,029	1,024	990	976	1,048	1,005
<b>Renewal Ratio</b> (%) <sup>(5)</sup>										
Auto	88.6	88.9	89.1	89.0	88.7	88.7	88.6	88.4	88.9	88.6
Homeowners	88.6	88.6	88.3	88.2	88.1	88.0	87.5	87.2	88.4	87.7
<b>Bodily Injury Claim Frequency</b> <sup>(6)</sup> (% change year-over-year)										
Auto	4.0	(1.3)	(2.8)	(0.3)	(1.7)	0.8	(1.1)	(2.4)	-	(1.1)
<b>Property Damage Claim Frequency</b> <sup>(6)</sup> (% change year-over-year)										
Auto	0.5	(1.0)	(2.4)	5.1	1.4	0.6	(0.3)	(0.7)	0.5	0.3
<b>Auto Paid Severity</b> (% change year-over-year)										
Bodily injury	6.0	2.2	1.3	0.7	2.0	2.3	4.1	6.7	2.7	3.8
Property damage	3.9	5.5	4.4	2.7	3.2	0.8	3.7	(0.2)	4.1	1.8
<b>Homeowners Excluding Catastrophe Losses</b> (% change year-over-year)										
Claim frequency	(4.1)	(5.5)	2.3	6.1	(2.2)	(1.1)	0.6	1.2	(0.3)	(0.3)
Claim severity	8.1	9.2	5.5	8.3	0.2	(2.2)	1.3	(0.2)	7.7	(0.2)

<sup>(1)</sup> Statistics presented for Allstate brand exclude excess and surplus lines.

- (2) New Issued Applications: Item counts of automobiles or homeowners insurance applications for insurance policies that were issued during the period, regardless of whether the customer was previously insured by another Allstate Protection brand. Does not include automobiles that are added by existing customers.
- (3) Average Premium - Gross Written: Gross premiums written divided by issued item count. Gross premiums written include the impacts from discounts, surcharges and ceded reinsurance premiums and exclude the impacts from mid-term premium adjustments and premium refund accruals. Average premiums represent the appropriate policy term for each line, which is 6 months for auto and 12 months for homeowners.
- (4) Average Premium - Net Earned: Earned premium divided by average policies in force for the period. Earned premium includes the impacts from mid-term premium adjustments and ceded reinsurance, but does not include impacts of premium refund accruals. Average premiums represent the appropriate policy term for each line, which is 6 months for auto and 12 months for homeowners.
- (5) Renewal ratio: Renewal policies issued during the period, based on contract effective dates, divided by the total policies issued 6 months prior for auto or 12 months prior for homeowners.
- (6) Allstate experienced geographically wide spread increases in frequency in the first two months of fourth quarter 2014.

**THE ALLSTATE CORPORATION**  
**ESURANCE PROFITABILITY MEASURES AND STATISTICS**  
(\$ in millions)

	Three months ended				Twelve months ended					
	Dec. 31, 2014	Sept. 30, 2014	June 30, 2014	March 31, 2014	Dec. 31, 2013	Sept. 30, 2013	June 30, 2013	March 31, 2013	Dec. 31, 2014	Dec. 31, 2013
Net premiums written	\$ 359	\$ 408	\$ 340	\$ 406	\$ 315	\$ 358	\$ 295	\$ 342	\$ 1,513	\$ 1,310
Net premiums earned										
Auto	\$ 378	\$ 370	\$ 365	\$ 342	\$ 334	\$ 322	\$ 308	\$ 281	\$ 1,455	\$ 1,245
Homeowners	2	1	-	-	-	-	-	-	3	-
Other personal lines	1	2	1	1	1	-	1	-	5	2
	381	373	366	343	335	322	309	281	1,463	1,247
Incurred losses										
Auto	\$ 300	\$ 283	\$ 275	\$ 260	\$ 266	\$ 251	\$ 246	\$ 215	\$ 1,118	\$ 978
Homeowners	1	1	-	-	-	-	-	-	2	-
Other personal lines	1	1	1	-	-	-	1	-	3	1
	302	285	276	260	266	251	247	215	1,123	979
Expenses										
Auto	\$ 136	\$ 148	\$ 135	\$ 174	\$ 123	\$ 125	\$ 122	\$ 113	\$ 593	\$ 483
Homeowners	-	-	-	-	-	-	-	-	-	-
Other personal lines	2	2	-	2	2	-	1	-	6	3
	138	150	135	176	125	125	123	113	599	486
Underwriting loss										
Auto	\$ (58)	\$ (61)	\$ (45)	\$ (92)	\$ (55)	\$ (54)	\$ (60)	\$ (47)	\$ (256)	\$ (216)
Homeowners	1	-	-	-	-	-	-	-	1	-
Other personal lines	(2)	(1)	-	(1)	(1)	-	(1)	-	(4)	(2)
	(59)	(62)	(45)	(93)	(56)	(54)	(61)	(47)	(259)	(218)
Loss ratio	79.3	76.4	75.4	75.8	79.4	78.0	79.9	76.5	76.8	78.5
Expense ratio	36.2	40.2	36.9	51.3	37.3	38.8	39.8	40.2	40.9	39.0
Combined ratio	115.5	116.6	112.3	127.1	116.7	116.8	119.7	116.7	117.7	117.5
Underlying loss ratio *	80.3	75.3	74.1	76.4	79.1	77.4	78.3	75.4	76.6	77.6
Expense ratio, excluding the effect of amortization of purchased intangible assets	33.1	37.0	33.6	47.8	32.8	34.1	34.6	34.9	37.6	34.1
Underlying combined ratio	113.4	112.3	107.7	124.2	111.9	111.5	112.9	110.3	114.2	111.7
Effect of catastrophe losses on combined ratio	0.3	1.9	2.7	0.3	0.3	0.6	1.6	1.1	1.3	0.9
Effect of prior year reserve reestimates on combined ratio	(1.3)	(0.8)	(1.4)	(0.9)	-	-	-	-	(1.1)	-
Effect of amortization of purchased intangible assets on combined ratio	3.1	3.2	3.3	3.5	4.5	4.7	5.2	5.3	3.3	4.9
Effect of advertising expenses on combined ratio	11.8	15.8	14.5	28.3	12.8	14.6	16.2	16.0	17.4	14.8
Underlying combined ratio	113.4	112.3	107.7	124.2	111.9	111.5	112.9	110.3	114.2	111.7
Effect of catastrophe losses	0.3	1.9	2.7	0.3	0.3	0.6	1.6	1.1	1.3	0.9
Effect of prior year non-catastrophe reserve reestimates	(1.3)	(0.8)	(1.4)	(0.9)	-	-	-	-	(1.1)	-
Effect of amortization of purchased intangible assets	3.1	3.2	3.3	3.5	4.5	4.7	5.2	5.3	3.3	4.9
Combined ratio	115.5	116.6	112.3	127.1	116.7	116.8	119.7	116.7	117.7	117.5
Policies in Force (in thousands)										
Auto	1,424	1,410	1,399	1,375	1,286	1,254	1,207	1,151	1,424	1,286
Homeowners	10	6	2	1	-	-	-	-	10	-
Other personal lines	36	33	30	26	20	16	11	7	36	20
	1,470	1,449	1,431	1,402	1,306	1,270	1,218	1,158	1,470	1,306
New Issued Applications (in thousands)										
Auto	168	181	177	221	162	188	175	222	747	747
Homeowners	4	5	1	1	-	-	-	-	11	-
Other personal lines	10	9	10	10	7	7	6	5	39	20
	182	195	188	232	169	195	181	227	797	767
Average Premium - Gross Written (\$)										
Auto	500	499	497	504	483	480	481	494	499	485
Homeowners	781	829	822	691	752	-	-	-	811	-
Renewal Ratio (%)										
Auto	79.4	78.4	80.1	80.4	80.1	79.9	81.7	81.2	79.5	80.7



**THE ALLSTATE CORPORATION**  
**ENCOMPASS BRAND PROFITABILITY MEASURES AND STATISTICS**  
(\$ in millions)

	Three months ended								Twelve months ended	
	Dec. 31, 2014	Sept. 30, 2014	June 30, 2014	March 31, 2014	Dec. 31, 2013	Sept. 30, 2013	June 30, 2013	March 31, 2013	Dec. 31, 2014	Dec. 31, 2013
Net premiums written	\$ 310	\$ 343	\$ 341	\$ 286	\$ 295	\$ 329	\$ 315	\$ 267	\$ 1,280	\$ 1,206
Net premiums earned										
Auto	\$ 164	\$ 168	\$ 162	\$ 161	\$ 155	\$ 158	\$ 158	\$ 155	\$ 655	\$ 626
Homeowners	126	123	120	117	114	111	105	100	486	430
Other personal lines	27	27	26	26	25	26	24	25	106	100
Total	317	318	308	304	294	295	287	280	1,247	1,156
Incurred losses										
Auto	\$ 126	\$ 131	\$ 134	\$ 114	\$ 114	\$ 112	\$ 117	\$ 117	\$ 505	\$ 460
Homeowners	56	103	118	86	48	63	69	62	363	242
Other personal lines	18	20	21	21	-	13	21	20	80	54
Total	200	254	273	221	162	188	207	199	948	756
Expenses										
Auto	\$ 48	\$ 50	\$ 50	\$ 48	\$ 49	\$ 47	\$ 48	\$ 47	\$ 196	\$ 191
Homeowners	38	37	37	35	35	34	33	32	147	134
Other personal lines	9	8	7	8	7	7	6	8	32	28
Total	95	95	94	91	91	88	87	87	375	353
Underwriting income (loss)										
Auto	\$ (10)	\$ (13)	\$ (22)	\$ (1)	\$ (8)	\$ (1)	\$ (7)	\$ (9)	\$ (46)	\$ (25)
Homeowners	32	(17)	(35)	(4)	31	14	3	6	(24)	54
Other personal lines	-	(1)	(2)	(3)	18	6	(3)	(3)	(6)	18
Total	22	(31)	(59)	(8)	41	19	(7)	(6)	(76)	47
Loss ratio	63.1	79.8	88.7	72.7	55.1	63.7	72.1	71.1	76.0	65.4
Expense ratio	30.0	29.9	30.5	29.9	31.0	29.9	30.3	31.0	30.1	30.5
Combined ratio	93.1	109.7	119.2	102.6	86.1	93.6	102.4	102.1	106.1	95.9
Effect of catastrophe losses on combined ratio	1.9	16.4	23.7	11.2	0.3	5.8	10.1	4.6	13.2	5.2
Effect of prior year reserve reestimates on combined ratio	(1.2)	(1.9)	1.0	(0.7)	(7.5)	(5.1)	(1.4)	(0.7)	(0.7)	(3.7)
Effect of advertising expenses on combined ratio	0.3	-	0.6	0.7	0.3	-	0.7	0.7	0.4	0.4
Underlying combined ratio	92.7	95.6	94.8	91.8	91.8	92.5	92.7	97.9	93.7	93.7
Effect of catastrophe losses	1.9	16.4	23.7	11.2	0.3	5.8	10.1	4.6	13.2	5.2
Effect of prior year non-catastrophe reserve reestimates	(1.5)	(2.3)	0.7	(0.4)	(6.0)	(4.7)	(0.4)	(0.4)	(0.8)	(3.0)
Combined ratio	93.1	109.7	119.2	102.6	86.1	93.6	102.4	102.1	106.1	95.9
Policies in Force (in thousands)										
Auto	790	792	788	778	774	767	752	737	790	774
Homeowners	365	365	364	359	356	350	341	333	365	356
Other personal lines	122	123	124	124	125	124	124	121	122	125
Total	1,277	1,280	1,276	1,261	1,255	1,241	1,217	1,191	1,277	1,255
New Issued Applications (in thousands)										
Auto	28	34	40	33	36	43	41	35	135	155
Homeowners	15	18	20	17	18	22	22	17	70	79
Average Premium - Gross Written (\$)										
Auto	901	898	888	893	886	879	872	882	895	880
Homeowners	1,482	1,471	1,437	1,440	1,392	1,390	1,362	1,346	1,457	1,374
Renewal Ratio (%)										
Auto	80.0	79.4	80.3	79.2	79.1	79.4	78.4	77.8	79.7	78.7
Homeowners	84.9	84.8	86.2	86.6	86.2	87.4	86.4	86.1	85.6	86.6

**THE ALLSTATE CORPORATION**  
**AUTO PROFITABILITY MEASURES**

(\$ in millions)	Three months ended								Twelve months ended	
	Dec. 31, 2014	Sept. 30, 2014	June 30, 2014	March 31, 2014	Dec. 31, 2013	Sept. 30, 2013	June 30, 2013	March 31, 2013	Dec. 31, 2014	Dec. 31, 2013
Net premiums written										
Allstate brand	\$ 4,347	\$ 4,490	\$ 4,375	\$ 4,292	\$ 4,147	\$ 4,280	\$ 4,170	\$ 4,155	\$ 17,504	\$ 16,752
Esurance brand	354	403	338	404	315	357	294	342	1,499	1,308
Encompass brand	160	178	176	151	155	172	167	147	665	641
Total	4,861	5,071	4,889	4,847	4,617	4,809	4,631	4,644	19,668	18,701

Net premiums earned										
Allstate brand	\$ 4,376	\$ 4,352	\$ 4,297	\$ 4,209	\$ 4,186	\$ 4,165	\$ 4,133	\$ 4,094	\$ 17,234	\$ 16,578
Esurance brand	378	370	365	342	334	322	308	281	1,455	1,245
Encompass brand	164	168	162	161	155	158	158	155	655	626
	<u>4,918</u>	<u>4,890</u>	<u>4,824</u>	<u>4,712</u>	<u>4,675</u>	<u>4,645</u>	<u>4,599</u>	<u>4,530</u>	<u>19,344</u>	<u>18,449</u>
Incurred losses										
Allstate brand	\$ 3,103	\$ 2,964	\$ 3,011	\$ 2,858	\$ 2,876	\$ 2,857	\$ 2,843	\$ 2,774	\$ 11,936	\$ 11,350
Esurance brand	300	293	275	260	266	251	246	215	1,118	978
Encompass brand	126	131	134	114	114	112	117	117	505	460
	<u>3,529</u>	<u>3,378</u>	<u>3,420</u>	<u>3,232</u>	<u>3,256</u>	<u>3,220</u>	<u>3,206</u>	<u>3,106</u>	<u>13,559</u>	<u>12,788</u>
Expenses										
Allstate brand	\$ 1,140	\$ 1,088	\$ 1,089	\$ 1,075	\$ 1,114	\$ 1,068	\$ 1,069	\$ 1,068	\$ 4,392	\$ 4,319
Esurance brand	136	148	135	174	123	125	122	113	593	483
Encompass brand	48	50	50	48	49	47	48	47	196	191
	<u>1,324</u>	<u>1,286</u>	<u>1,274</u>	<u>1,297</u>	<u>1,286</u>	<u>1,240</u>	<u>1,239</u>	<u>1,228</u>	<u>5,181</u>	<u>4,993</u>
Underwriting income										
Allstate brand	\$ 133	\$ 300	\$ 197	\$ 276	\$ 196	\$ 240	\$ 221	\$ 252	\$ 906	\$ 909
Esurance brand	(58)	(61)	(45)	(92)	(55)	(54)	(60)	(47)	(256)	(216)
Encompass brand	(10)	(13)	(22)	(1)	(8)	(1)	(7)	(9)	(46)	(25)
	<u>65</u>	<u>226</u>	<u>130</u>	<u>183</u>	<u>133</u>	<u>185</u>	<u>154</u>	<u>196</u>	<u>604</u>	<u>668</u>
Loss ratio										
Allstate brand	70.9	68.1	70.1	67.9	68.7	68.6	68.8	67.7	69.2	68.5
Esurance brand	79.3	76.5	75.3	76.0	79.7	78.0	79.9	76.5	76.8	78.5
Encompass brand	76.8	78.0	82.7	70.8	73.6	70.9	74.0	75.5	77.1	73.5
Allstate Protection	71.8	69.1	70.9	68.6	69.6	69.3	69.7	68.6	70.1	69.3
Expense ratio										
Allstate brand	26.1	25.0	25.3	25.5	26.6	25.6	25.9	26.1	25.5	26.0
Esurance brand	36.0	40.0	37.0	50.9	36.8	38.8	39.6	40.2	40.8	38.8
Encompass brand	29.3	29.7	30.9	29.8	31.6	29.7	30.4	30.3	29.9	30.5
Allstate Protection	26.9	26.3	26.4	27.5	27.6	26.7	27.0	27.1	26.8	27.1
Combined ratio										
Allstate brand	97.0	93.1	95.4	93.4	95.3	94.2	94.7	93.8	94.7	94.5
Esurance brand	115.3	116.5	112.3	126.9	116.5	116.8	119.5	116.7	117.6	117.3
Encompass brand	106.1	107.7	113.6	100.6	105.2	100.6	104.4	105.8	107.0	104.0
Allstate Protection	98.7	95.4	97.3	96.1	97.2	96.0	96.7	95.7	96.9	96.4
Effect of catastrophe losses on combined ratio										
Allstate brand	0.2	1.8	4.1	0.4	-	0.8	1.9	1.1	1.6	1.0
Esurance brand	0.3	1.9	2.7	0.3	0.3	0.6	1.6	1.1	1.3	0.9
Encompass brand	-	3.0	9.3	0.6	(0.6)	1.9	0.6	(0.6)	3.2	0.3
Effect of prior year reserve reestimates on combined ratio										
Allstate brand	(1.5)	(1.8)	(0.6)	(0.9)	(0.9)	(0.8)	(1.8)	(1.6)	(1.2)	(1.2)
Esurance brand	(1.3)	(0.8)	(1.4)	(0.9)	-	-	-	-	(1.1)	-
Encompass brand	(0.6)	0.5	(3.7)	(4.3)	(4.5)	(7.6)	(3.2)	(3.9)	(2.0)	(4.8)
Effect of catastrophe losses included in prior year reserve reestimates on combined ratio										
Allstate brand	(0.1)	(0.2)	(0.1)	(0.1)	(0.3)	0.1	(0.5)	(1.1)	(0.1)	(0.3)
Esurance brand	-	-	-	-	-	-	-	-	-	-
Encompass brand	-	-	(0.6)	-	-	-	(0.7)	(1.3)	(0.2)	(0.5)
Effect of amortization of purchased intangible assets on combined ratio										
Esurance brand	3.1	3.2	3.3	3.5	4.5	4.7	5.2	5.3	3.3	4.9

**THE ALLSTATE CORPORATION**  
**HOMEOWNERS PROFITABILITY MEASURES**

(\$ in millions)	Three months ended								Twelve months ended	
	Dec. 31, 2014	Sept. 30, 2014	June 30, 2014	March 31, 2014	Dec. 31, 2013	Sept. 30, 2013	June 30, 2013	March 31, 2013	Dec. 31, 2014	Dec. 31, 2013
Net premiums written										
Allstate brand	\$ 1,598	\$ 1,831	\$ 1,765	\$ 1,342	\$ 1,549	\$ 1,779	\$ 1,693	\$ 1,268	\$ 6,536	\$ 6,289
Esurance brand	4	3	1	1	-	-	-	-	9	-
Encompass brand	123	137	136	110	115	129	120	97	506	461
	<u>1,725</u>	<u>1,971</u>	<u>1,902</u>	<u>1,453</u>	<u>1,664</u>	<u>1,908</u>	<u>1,813</u>	<u>1,365</u>	<u>7,051</u>	<u>6,750</u>
Net premiums earned										
Allstate brand	\$ 1,625	\$ 1,616	\$ 1,594	\$ 1,580	\$ 1,574	\$ 1,568	\$ 1,525	\$ 1,516	\$ 6,415	\$ 6,183
Esurance brand	2	1	-	-	-	-	-	-	3	-
Encompass brand	126	123	120	117	114	111	105	100	486	430
	<u>1,753</u>	<u>1,740</u>	<u>1,714</u>	<u>1,697</u>	<u>1,688</u>	<u>1,679</u>	<u>1,630</u>	<u>1,616</u>	<u>6,904</u>	<u>6,613</u>
Incurred losses										
Allstate brand	\$ 634	\$ 930	\$ 1,212	\$ 994	\$ 656	\$ 645	\$ 1,084	\$ 914	\$ 3,770	\$ 3,299
Esurance brand	1	1	-	-	-	-	-	-	2	-
Encompass brand	56	103	118	86	48	63	69	62	363	242
	<u>691</u>	<u>1,034</u>	<u>1,330</u>	<u>1,080</u>	<u>704</u>	<u>708</u>	<u>1,153</u>	<u>976</u>	<u>4,135</u>	<u>3,541</u>
Expenses										
Allstate brand	\$ 399	\$ 382	\$ 359	\$ 385	\$ 393	\$ 379	\$ 368	\$ 376	\$ 1,525	\$ 1,516
Esurance brand	-	-	-	-	-	-	-	-	-	-
Encompass brand	38	37	37	35	35	34	33	32	147	134
	<u>437</u>	<u>419</u>	<u>396</u>	<u>420</u>	<u>428</u>	<u>413</u>	<u>401</u>	<u>408</u>	<u>1,672</u>	<u>1,650</u>
Underwriting income										
Allstate brand	\$ 592	\$ 304	\$ 23	\$ 201	\$ 525	\$ 544	\$ 73	\$ 226	\$ 1,120	\$ 1,368
Esurance brand	1	-	-	-	-	-	-	-	1	-
Encompass brand	32	(17)	(35)	(4)	31	14	3	6	(24)	54
	<u>625</u>	<u>287</u>	<u>(12)</u>	<u>197</u>	<u>556</u>	<u>558</u>	<u>76</u>	<u>232</u>	<u>1,097</u>	<u>1,422</u>
Loss ratio										
Allstate brand	39.0	57.6	76.1	62.9	41.6	41.1	71.1	60.3	58.7	53.4
Esurance brand	50.0	100.0	-	-	-	-	-	-	66.7	-
Encompass brand	44.4	83.7	98.3	73.5	42.1	56.8	65.7	62.0	74.7	56.3
Allstate Protection	39.4	59.4	77.6	63.6	41.7	42.2	70.7	60.4	59.9	53.5

Expense ratio										
Allstate brand	24.6	23.6	22.5	24.4	25.0	24.2	24.1	24.8	23.8	24.5
Esurance brand	-	-	-	-	-	-	-	-	-	-
Encompass brand	30.2	30.1	30.9	29.9	30.7	30.6	31.4	32.0	30.2	31.1
Allstate Protection	24.9	24.1	23.1	24.8	25.4	24.6	24.6	25.2	24.2	25.0
Combined ratio										
Allstate brand	63.6	81.2	98.6	87.3	66.6	65.3	95.2	85.1	82.5	77.9
Esurance brand	50.0	100.0	-	-	-	-	-	-	66.7	-
Encompass brand	74.6	113.8	129.2	103.4	72.8	87.4	97.1	94.0	104.9	87.4
Allstate Protection	64.3	83.5	100.7	88.4	67.1	66.8	95.3	85.6	84.1	78.5
Effect of catastrophe losses on combined ratio										
Allstate brand	3.8	22.0	38.7	21.3	7.1	4.7	32.5	18.7	21.4	15.6
Encompass brand	4.8	36.6	46.7	25.6	1.8	13.5	23.8	12.0	28.2	12.6
Effect of prior year reserve reestimates on combined ratio										
Allstate brand	(1.1)	(0.1)	2.1	0.8	(0.3)	(3.3)	1.0	2.6	0.4	-
Encompass brand	(2.4)	(6.5)	6.7	4.3	(4.4)	-	(1.0)	1.0	0.4	(1.2)
Effect of catastrophe losses included in prior year reserve reestimates on combined ratio										
Allstate brand	0.1	0.7	2.4	0.6	0.9	(2.1)	1.0	2.0	1.0	0.4
Encompass brand	0.8	0.9	1.7	(0.8)	(2.6)	(0.9)	(1.9)	-	0.7	(1.3)

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**THE ALLSTATE CORPORATION**  
**OTHER PERSONAL LINES PROFITABILITY MEASURES <sup>(1)</sup>**

(\$ in millions)	Three months ended								Twelve months ended	
	Dec. 31, 2014	Sept. 30, 2014	June 30, 2014	March 31, 2014	Dec. 31, 2013	Sept. 30, 2013	June 30, 2013	March 31, 2013	Dec. 31, 2014	Dec. 31, 2013
Net premiums written										
Allstate brand	\$ 376	\$ 426	\$ 416	\$ 351	\$ 368	\$ 417	\$ 406	\$ 348	\$ 1,569	\$ 1,539
Esurance brand	1	2	1	1	-	1	1	-	5	2
Encompass brand	27	28	29	25	25	28	28	23	109	104
	404	456	446	377	393	446	435	371	1,683	1,645
Net premiums earned										
Allstate brand	\$ 390	\$ 389	\$ 387	\$ 385	\$ 384	\$ 384	\$ 380	\$ 379	\$ 1,551	\$ 1,527
Esurance brand	1	2	1	1	1	-	1	-	5	2
Encompass brand	27	27	26	26	25	26	24	25	106	100
	418	418	414	412	410	410	405	404	1,662	1,629
Incurred losses										
Allstate brand	\$ 223	\$ 229	\$ 226	\$ 279	\$ 187	\$ 221	\$ 239	\$ 247	\$ 957	\$ 894
Esurance brand	1	1	1	-	-	-	1	-	3	1
Encompass brand	18	20	21	21	-	13	21	20	80	54
	242	250	248	300	187	234	261	267	1,040	949
Expenses										
Allstate brand	\$ 118	\$ 103	\$ 105	\$ 108	\$ 115	\$ 108	\$ 113	\$ 115	\$ 434	\$ 451
Esurance brand	2	2	-	2	2	-	1	-	6	3
Encompass brand	9	8	7	8	7	7	6	8	32	28
	129	113	112	118	124	115	120	123	472	482
Underwriting income										
Allstate brand	\$ 49	\$ 57	\$ 56	\$ (2)	\$ 82	\$ 55	\$ 28	\$ 17	\$ 160	\$ 182
Esurance brand	(2)	(1)	-	(1)	(1)	-	(1)	-	(4)	(2)
Encompass brand	-	(1)	(2)	(3)	18	6	(3)	(3)	(6)	18
	47	55	54	(6)	99	61	24	14	150	198
Loss ratio										
Allstate brand	57.2	58.9	58.4	72.5	48.7	57.6	62.9	65.2	61.7	58.6
Esurance brand	100.0	50.0	100.0	-	-	-	100.0	-	60.0	50.0
Encompass brand	66.7	74.1	80.8	80.8	-	50.0	87.5	80.0	75.5	54.0
Allstate Protection	57.9	59.8	59.9	72.8	45.6	57.1	64.4	66.1	62.6	58.3
Expense ratio										
Allstate brand	30.2	26.4	27.1	28.0	29.9	28.1	29.7	30.3	28.0	29.5
Esurance brand	200.0	100.0	-	200.0	200.0	-	100.0	-	120.0	150.0
Encompass brand	33.3	29.6	26.9	30.7	28.0	26.9	25.0	32.0	30.2	28.0
Allstate Protection	30.9	27.0	27.1	28.7	30.2	28.0	29.6	30.4	28.4	29.6
Combined ratio										
Allstate brand	87.4	85.3	85.5	100.5	78.6	85.7	92.6	95.5	89.7	88.1
Esurance brand	300.0	150.0	100.0	200.0	200.0	-	200.0	-	180.0	200.0
Encompass brand	100.0	103.7	107.7	111.5	28.0	76.9	112.5	112.0	105.7	82.0
Allstate Protection	88.8	86.8	87.0	101.5	75.9	85.1	94.1	96.5	91.0	87.8
Effect of catastrophe losses on combined ratio										
Allstate brand	2.8	4.9	12.4	12.7	1.0	(0.3)	8.7	4.7	8.2	3.5
Esurance brand	-	-	-	-	-	-	-	-	-	-
Encompass brand	-	7.4	7.7	11.5	-	(3.8)	12.5	8.0	6.6	4.0
Effect of prior year reserve reestimates on combined ratio										
Allstate brand	5.1	2.6	(3.4)	3.9	-	2.6	4.2	0.3	2.1	1.8
Esurance brand	-	-	-	-	-	-	-	-	-	-
Encompass brand	-	3.7	3.8	-	(40.0)	(11.5)	8.3	12.0	1.9	(8.0)
Effect of catastrophe losses included in prior year reserve reestimates on combined ratio										
Allstate brand	-	(0.2)	(0.3)	(0.5)	(0.5)	(1.6)	(1.8)	(2.6)	(0.2)	(1.7)
Esurance brand	-	-	-	-	-	-	-	-	-	-
Encompass brand	-	-	-	-	(4.0)	0.1	-	4.0	-	-

<sup>(1)</sup> Other personal lines include renter, condominium, landlord and other personal lines.

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**THE ALLSTATE CORPORATION  
COMMERCIAL LINES PROFITABILITY MEASURES <sup>(1)</sup>**

(\$ in millions)	Three months ended								Twelve months ended	
	Dec.31, 2014	Sept.30, 2014	June30, 2014	March31, 2014	Dec.31, 2013	Sept.30, 2013	June30, 2013	March31, 2013	Dec.31, 2014	Dec.31, 2013
Net premiums written	\$ 126	\$ 122	\$ 130	\$ 116	\$ 119	\$ 114	\$ 121	\$ 112	\$ 494	\$ 466
Net premiums earned	\$ 125	\$ 120	\$ 121	\$ 110	\$ 115	\$ 114	\$ 113	\$ 114	\$ 476	\$ 456
Incurred losses	\$ 88	\$ 72	\$ 78	\$ 81	\$ 77	\$ 70	\$ 69	\$ 61	\$ 319	\$ 277
Expenses	\$ 41	\$ 38	\$ 35	\$ 34	\$ 37	\$ 34	\$ 33	\$ 34	\$ 148	\$ 138
Underwriting (loss) income	\$ (4)	\$ 10	\$ 8	\$ (5)	\$ 1	\$ 10	\$ 11	\$ 19	\$ 9	\$ 41
Loss ratio	70.4	60.0	64.5	73.6	67.0	61.4	61.1	53.5	67.0	60.7
Expense ratio	32.8	31.7	28.9	30.9	32.1	29.8	29.2	29.8	31.1	30.3
Combined ratio	103.2	91.7	93.4	104.5	99.1	91.2	90.3	83.3	98.1	91.0
Effect of catastrophe losses on combined ratio	4.8	3.3	8.3	8.2	(1.7)	0.9	4.4	(1.8)	6.1	0.4
Effect of prior year reserve reestimates on combined ratio	(0.8)	(14.2)	(0.8)	(0.9)	0.9	(11.4)	(12.4)	(8.8)	(4.2)	(7.9)
Effect of catastrophe losses included in prior year reserve reestimates on combined ratio	-	0.7	0.1	1.0	(0.8)	0.1	(4.5)	(2.7)	0.4	(2.0)

<sup>(1)</sup> Commercial lines all represent Allstate Brand products.

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**THE ALLSTATE CORPORATION  
OTHER BUSINESS LINES PROFITABILITY MEASURES <sup>(1)</sup>**

(\$ in millions)	Three months ended								Twelve months ended	
	Dec. 31, 2014	Sept. 30, 2014	June 30, 2014	March 31, 2014	Dec. 31, 2013	Sept. 30, 2013	June 30, 2013	March 31, 2013	Dec. 31, 2014	Dec. 31, 2013
Net premiums written	\$ 176	\$ 185	\$ 180	\$ 176	\$ 157	\$ 161	\$ 151	\$ 133	\$ 717	\$ 602
Net premiums earned	\$ 140	\$ 138	\$ 131	\$ 133	\$ 126	\$ 124	\$ 115	\$ 106	\$ 542	\$ 471
Incurred losses	\$ 65	\$ 70	\$ 64	\$ 63	\$ 58	\$ 60	\$ 49	\$ 47	\$ 262	\$ 214
Expenses	\$ 63	\$ 63	\$ 52	\$ 62	\$ 58	\$ 42	\$ 53	\$ 53	\$ 240	\$ 206
Underwriting income	\$ 12	\$ 5	\$ 15	\$ 8	\$ 10	\$ 22	\$ 13	\$ 6	\$ 40	\$ 51
Loss ratio	46.4	50.7	48.8	47.4	46.0	48.4	42.6	44.3	48.3	45.4
Expense ratio	45.0	45.7	39.7	46.6	46.1	33.9	46.1	50.0	44.3	43.8
Combined ratio	91.4	96.4	88.5	94.0	92.1	82.3	88.7	94.3	92.6	89.2
Effect of catastrophe losses on combined ratio	-	-	-	-	-	-	-	-	-	-
Effect of prior year reserve reestimates on combined ratio	(0.7)	-	-	-	-	-	(0.9)	(2.9)	(0.2)	(0.8)
Effect of catastrophe losses included in prior year reserve reestimates on combined ratio	-	-	-	-	-	-	-	-	-	-

<sup>(1)</sup> Other business lines include Allstate Roadside Services, Allstate Dealer Services and other business lines, which all represent Allstate Brand products.

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**THE ALLSTATE CORPORATION  
AUTO, HOMEOWNERS AND OTHER PERSONAL LINES UNDERLYING COMBINED RATIOS**

	Three months ended								Twelve months ended	
	Dec. 31, 2014	Sept. 30, 2014	June 30, 2014	March 31, 2014	Dec. 31, 2013	Sept. 30, 2013	June 30, 2013	March 31, 2013	Dec. 31, 2014	Dec. 31, 2013
<b>Auto</b>										
Allstate brand underlying combined ratio	98.2	92.9	91.8	93.8	95.9	94.3	94.1	93.2	94.2	94.4
Effect of catastrophe losses on combined ratio	0.2	1.8	4.1	0.4	-	0.8	1.9	1.1	1.6	1.0
Effect of prior year non-catastrophe reserve reestimates on combined ratio	(1.4)	(1.6)	(0.5)	(0.8)	(0.6)	(0.9)	(1.3)	(0.5)	(1.1)	(0.9)
Allstate brand combined ratio	<u>97.0</u>	<u>93.1</u>	<u>95.4</u>	<u>93.4</u>	<u>95.3</u>	<u>94.2</u>	<u>94.7</u>	<u>93.8</u>	<u>94.7</u>	<u>94.5</u>

Esurance brand underlying combined ratio	113.2	112.2	107.7	124.0	111.7	111.5	112.7	110.3	114.1	111.5
Effect of catastrophe losses on combined ratio	0.3	1.9	2.7	0.3	0.3	0.6	1.6	1.1	1.3	0.9
Effect of prior year non-catastrophe reserve reestimates on combined ratio	(1.3)	(0.8)	(1.4)	(0.9)	-	-	-	-	(1.1)	-
Effect of amortization of purchased intangible assets on combined ratio	3.1	3.2	3.3	3.5	4.5	4.7	5.2	5.3	3.3	4.9
Esurance brand combined ratio	<u>115.3</u>	<u>116.5</u>	<u>112.3</u>	<u>126.9</u>	<u>116.5</u>	<u>116.8</u>	<u>119.5</u>	<u>116.7</u>	<u>117.6</u>	<u>117.3</u>
Encompass brand underlying combined ratio	106.7	104.2	107.4	104.3	110.3	106.3	106.3	109.0	105.6	108.0
Effect of catastrophe losses on combined ratio	-	3.0	9.3	0.6	(0.6)	1.9	0.6	(0.6)	3.2	0.3
Effect of prior year non-catastrophe reserve reestimates on combined ratio	(0.6)	0.5	(3.1)	(4.3)	(4.5)	(7.6)	(2.5)	(2.6)	(1.8)	(4.3)
Encompass brand combined ratio	<u>106.1</u>	<u>107.7</u>	<u>113.6</u>	<u>100.6</u>	<u>105.2</u>	<u>100.6</u>	<u>104.4</u>	<u>105.8</u>	<u>107.0</u>	<u>104.0</u>
<b>Homeowners</b>										
Allstate brand underlying combined ratio	61.0	60.0	60.2	65.8	60.7	61.8	62.7	65.8	61.7	62.7
Effect of catastrophe losses on combined ratio	3.8	22.0	38.7	21.3	7.1	4.7	32.5	18.7	21.4	15.6
Effect of prior year non-catastrophe reserve reestimates on combined ratio	(1.2)	(0.8)	(0.3)	0.2	(1.2)	(1.2)	-	0.6	(0.6)	(0.4)
Allstate brand combined ratio	<u>63.6</u>	<u>81.2</u>	<u>98.6</u>	<u>87.3</u>	<u>66.6</u>	<u>65.3</u>	<u>95.2</u>	<u>85.1</u>	<u>82.5</u>	<u>77.9</u>
Encompass brand underlying combined ratio	73.0	84.6	77.5	72.7	72.8	73.0	72.4	81.0	77.0	74.7
Effect of catastrophe losses on combined ratio	4.8	36.6	46.7	25.6	1.8	13.5	23.8	12.0	28.2	12.6
Effect of prior year non-catastrophe reserve reestimates on combined ratio	(3.2)	(7.4)	5.0	5.1	(1.8)	0.9	0.9	1.0	(0.3)	0.1
Encompass brand combined ratio	<u>74.6</u>	<u>113.8</u>	<u>129.2</u>	<u>103.4</u>	<u>72.8</u>	<u>87.4</u>	<u>97.1</u>	<u>94.0</u>	<u>104.9</u>	<u>87.4</u>
<b>Other Personal Lines</b>										
Allstate brand underlying combined ratio	79.5	77.6	76.2	83.4	77.1	81.8	77.9	87.9	79.2	81.1
Effect of catastrophe losses on combined ratio	2.8	4.9	12.4	12.7	1.0	(0.3)	8.7	4.7	8.2	3.5
Effect of prior year non-catastrophe reserve reestimates on combined ratio	5.1	2.8	(3.1)	4.4	0.5	4.2	6.0	2.9	2.3	3.5
Allstate brand combined ratio	<u>87.4</u>	<u>85.3</u>	<u>85.5</u>	<u>100.5</u>	<u>78.6</u>	<u>85.7</u>	<u>92.6</u>	<u>95.5</u>	<u>89.7</u>	<u>88.1</u>
Encompass brand underlying combined ratio	100.0	92.6	96.2	100.0	64.0	92.3	91.7	96.0	97.2	86.0
Effect of catastrophe losses on combined ratio	-	7.4	7.7	11.5	-	(3.8)	12.5	8.0	6.6	4.0
Effect of prior year non-catastrophe reserve reestimates on combined ratio	-	3.7	3.8	-	(36.0)	(11.6)	8.3	8.0	1.9	(8.0)
Encompass brand combined ratio	<u>100.0</u>	<u>103.7</u>	<u>107.7</u>	<u>111.5</u>	<u>28.0</u>	<u>76.9</u>	<u>112.5</u>	<u>112.0</u>	<u>105.7</u>	<u>82.0</u>

**THE ALLSTATE CORPORATION**  
**ALLSTATE BRAND AUTO AND HOMEOWNERS UNDERLYING LOSS AND EXPENSE**

Three months ended

	Dec. 31, 2014	Sept. 30, 2014	June 30, 2014	March 31, 2014	Dec. 31, 2013	Sept. 30, 2013	June 30, 2013	March 31, 2013
<b>Auto</b>								
Annualized average premium <sup>(1)</sup>	\$ 879	\$ 881	\$ 877	\$ 867	\$ 865	\$ 866	\$ 863	\$ 861
Underlying combined ratios	98.2	92.9	91.8	93.8	95.9	94.3	94.1	93.2
Average underlying loss (incurred pure premium) and expense *	\$ 863	\$ 818	\$ 805	\$ 813	\$ 830	\$ 817	\$ 812	\$ 802
<b>Homeowners</b>								
Annualized average premium <sup>(1)</sup>	\$ 1,065	\$ 1,063	\$ 1,051	\$ 1,042	\$ 1,036	\$ 1,032	\$ 1,000	\$ 988
Underlying combined ratios	61.0	60.0	60.2	65.8	60.7	61.8	62.7	65.8
Average underlying loss (incurred pure premium) and expense	\$ 650	\$ 638	\$ 633	\$ 686	\$ 629	\$ 638	\$ 627	\$ 650

<sup>(1)</sup> Calculated by annualizing net earned premium reported in the quarter divided by policies in force at quarter end.

**THE ALLSTATE CORPORATION**  
**HOMEOWNERS SUPPLEMENTAL INFORMATION**  
( \$ in millions )

Twelve months ended December 31, 2014

Primary Exposure Groupings <sup>(1)</sup>	Earned premiums	Incurred losses	Loss ratios	Catastrophe losses	Effect of catastrophes on loss ratio	Number of catastrophes	Premium rate changes <sup>(3)</sup>	
							Number of locations	Annual impact of rate changes on state specific premiums written
Florida	\$ 131	\$ 75	57.3%	\$ 2	1.5%			
Other hurricane exposure states	<u>3,631</u>	<u>2,027</u>	55.8%	<u>712</u>	19.6%			
Total hurricane exposure states <sup>(2)</sup>	3,762	2,102	55.9%	714	19.0%	15	3.4%	
Other catastrophe exposure states <sup>(4)</sup>	<u>3,142</u>	<u>2,033</u>	64.7%	<u>793</u>	25.2%	<u>28</u>	<u>7.7%</u>	
Total	<u>\$ 6,904</u>	<u>\$ 4,135</u>	59.8%	<u>\$ 1,507</u>	21.8%	<u>85</u>	<u>43</u>	5.1%

2005 to 2014 Historical Information

Effect of

Primary Exposure Groupings <sup>(1)</sup>	Earned premiums	Incurred losses	Loss ratios	Catastrophe losses	catastrophes on loss ratio
Florida	\$ 1,133	\$ 1,054	93.0%	\$ 394	34.8%
Other hurricane exposure states	29,057	24,168	83.2%	11,519	39.6%
Total hurricane exposure states <sup>(2)</sup>	30,190	25,222	83.5%	11,913	39.5%
Other catastrophe exposure states	26,728	18,984	71.0%	6,699	25.1%
Total	\$ 56,918	\$ 44,206	77.7%	\$ 18,612	32.7%

<sup>(1)</sup> **Basis of Presentation**

This homeowners supplemental information schedule displays financial results for the homeowners business (defined to include standard homeowners, scheduled personal property and other than primary residence lines). Each state in which the Company writes business has been categorized into one of two exposure groupings (Hurricane or Other). Hurricane exposure states are comprised of those states in which hurricanes are the primary catastrophe exposure. However, the catastrophe losses for these states include losses due to other kinds of catastrophes. A catastrophe is defined by Allstate as an event that produces pre-tax losses before reinsurance in excess of \$1 million, and involves multiple first party policyholders, or an event that produces a number of claims in excess of a preset per-event threshold of average claims in a specific area, occurring within a certain amount of time following the event.

<sup>(2)</sup> Hurricane exposure states include the following coastal locations: Alabama, Connecticut, Delaware, Florida, Georgia, Louisiana, Maine, Maryland, Massachusetts, Mississippi, New Hampshire, New Jersey, New York, North Carolina, Pennsylvania, Rhode Island, South Carolina, Texas, Virginia and Washington, D.C.

<sup>(3)</sup> Represents the impact in the locations where rate changes were approved during the year as a percentage of total prior year-end premiums written in those locations.

<sup>(4)</sup> Includes Canada.

**THE ALLSTATE CORPORATION  
CATASTROPHE LOSSES BY BRAND**  
(\$ in millions)

	Three months ended				Twelve months ended					
	Dec. 31, 2014	Sept. 30, 2014	June 30, 2014	March 31, 2014	Dec. 31, 2013	Sept. 30, 2013	June 30, 2013	March 31, 2013	Dec. 31, 2014	Dec. 31, 2013
<b>Allstate brand</b>										
Auto	\$ 9	\$ 80	\$ 178	\$ 16	\$ 1	\$ 35	\$ 79	\$ 43	\$ 283	\$ 158
Homeowners	62	355	617	336	112	74	496	284	1,370	966
Other personal lines	11	19	48	49	4	(1)	33	18	127	54
Commercial lines	6	4	10	9	(2)	1	5	(2)	29	2
Other business lines	-	-	-	-	-	-	-	-	-	-
Total	88	458	853	410	115	109	613	343	1,809	1,180
<b>Esurance brand</b>										
Auto	1	7	10	1	1	2	5	3	19	11
Homeowners	-	-	-	-	-	-	-	-	-	-
Other personal lines	-	-	-	-	-	-	-	-	-	-
Total	1	7	10	1	1	2	5	3	19	11
<b>Encompass brand</b>										
Auto	-	5	15	1	(1)	3	1	(1)	21	2
Homeowners	6	45	56	30	2	15	25	12	137	54
Other personal lines	-	2	2	3	-	(1)	3	2	7	4
Total	6	52	73	34	1	17	29	13	165	60
<b>Allstate Protection</b>	\$ 95	\$ 517	\$ 936	\$ 445	\$ 117	\$ 128	\$ 647	\$ 359	\$ 1,993	\$ 1,251
<b>Allstate Protection</b>										
Auto	\$ 10	\$ 92	\$ 203	\$ 18	\$ 1	\$ 40	\$ 85	\$ 45	\$ 323	\$ 171
Homeowners	68	400	673	366	114	89	521	296	1,507	1,020
Other personal lines	11	21	50	52	4	(2)	36	20	134	58
Commercial lines	6	4	10	9	(2)	1	5	(2)	29	2
Other business lines	-	-	-	-	-	-	-	-	-	-
Total	\$ 95	\$ 517	\$ 936	\$ 445	\$ 117	\$ 128	\$ 647	\$ 359	\$ 1,993	\$ 1,251

**THE ALLSTATE CORPORATION  
PROPERTY-LIABILITY  
EFFECT OF CATASTROPHE LOSSES ON THE COMBINED RATIO**  
(\$ in millions)

	Effect of all catastrophe losses on the Property-Liability combined ratio					Premiums earned year-to-date	Total catastrophe losses by year	Excludes the effect of catastrophe losses relating to earthquakes and hurricanes		
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Year			Total	Total	Effect on the Property-Liability combined ratio
2005	2.5	2.2	69.4	9.6	21.0	\$ 27,039	\$ 5,674	\$ 460	1.7	
2006	1.6	3.7	2.5	4.1	3.0	27,369	810	1,044	3.8	
2007	2.4	6.3	5.0	7.0	5.2	27,233	1,409	1,336	4.9	
2008	8.4	10.3	26.8	3.9	12.4	26,967	3,342	1,876	7.0	
2009	7.8	12.5	6.2	5.0	7.9	26,194	2,069	2,159	8.2	
2010	10.0	9.8	5.9	8.3	8.5	25,957	2,207	2,272	8.8	
2011	5.2	36.2	16.7	1.0	14.7	25,942	3,815	3,298	12.7	
2012	3.9	12.3	3.1	15.7	8.8	26,737	2,345	1,324	5.0	
2013	5.3	9.4	1.8	1.7	4.5	27,618	1,251	1,352	4.9	
2014	6.3	13.0	7.1	1.3	6.9	28,929	1,993	2,000	6.9	
Average	5.3	11.5	14.4	5.7	9.2				6.3	

**THE ALLSTATE CORPORATION**  
**CATASTROPHE BY SIZE OF EVENT**  
(\$ in millions)

Three months ended December 31, 2014

Size of catastrophe	Number		Claims and claims expense		Combined ratio impact	Average catastrophe loss per event
	of events					
Greater than \$250 million	-	- %	\$ -	-	\$ -	-
\$101 million to \$250 million	-	-	-	-	-	-
\$50 million to \$100 million	-	-	-	-	-	-
Less than \$50 million	14	100.0	103	108.4	1.4	7
<b>Total</b>	<b>14</b>	<b>100.0 %</b>	<b>103</b>	<b>108.4</b>	<b>1.4</b>	<b>7</b>
Prior year reserve reestimates			(1)	(1.0)	-	
Prior quarter reserve reestimates			(7)	(7.4)	(0.1)	
<b>Total catastrophe losses</b>			<b>\$ 95</b>	<b>100.0 %</b>	<b>1.3</b>	

Twelve months ended December 31, 2014

Size of catastrophe	Number		Claims and claims expense		Combined ratio impact	Average catastrophe loss per event
	of events					
Greater than \$250 million	2	2.3 %	\$ 548	27.5 %	1.9	\$ 274
\$101 million to \$250 million	2	2.3	235	11.7	0.8	118
\$50 million to \$100 million	5	5.9	402	20.2	1.4	80
Less than \$50 million	76	89.5	765	38.4	2.7	10
<b>Total</b>	<b>85</b>	<b>100.0 %</b>	<b>1,950</b>	<b>97.8</b>	<b>6.8</b>	<b>23</b>
Prior year reserve reestimates			43	2.2	0.1	
<b>Total catastrophe losses</b>			<b>\$ 1,993</b>	<b>100.0 %</b>	<b>6.9</b>	

2005 through 2014

Size of catastrophe	Principal state with loss	Number of events	Claims and claims expense		Combined ratio impact	Average catastrophe loss per event
Hurricane Katrina - 2005	LA		\$ 3,555	14.3 %	1.3	\$ 3,555
Sandy - 2012	NY, NJ		1,071	4.3	0.4	1,071
Hurricane Rita - 2005	TX		891	3.6	0.3	891
Hurricane Ike - 2008	TX		837	3.4	0.3	837
Hurricane Wilma - 2005	FL		514	2.1	0.2	514
May 2011 Tornadoes	TX, OH, MO		459	1.8	0.2	459
Hurricane Irene - 2011	NY, NJ, MD		399	1.6	0.2	399
April 27th 2011 Tornadoes	AL		299	1.2	0.1	299
May 20 2014 Hail	PA, IL, CO		295	1.2	0.1	295
Arizona Hail - 2010	AZ		283	1.1	0.1	283
Hurricane Gustav - 2008	LA		268	1.0	0.1	268
Jan 2nd 2014 Freeze	GA, NY, PA		253	1.0	0.1	253
Greater than \$250 million		12	9,124	36.6 %	3.4	760
\$101 million to \$250 million		24	3,534	14.2	1.3	147
\$50 million to \$100 million		65	4,591	18.4	1.7	71
Less than \$50 million		747	7,666	30.8	2.8	10
<b>Total</b>		<b>848</b>	<b>\$ 24,915</b>	<b>100.0 %</b>	<b>9.2</b>	<b>29</b>

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**THE ALLSTATE CORPORATION**  
**PROPERTY-LIABILITY**  
**EFFECT OF PRIOR YEAR RESERVE REESTIMATES ON THE COMBINED RATIO**  
(\$ in millions)

Three months ended

Twelve months ended

	Three months ended				Twelve months ended					
	Dec. 31, 2014	Sept. 30, 2014	June 30, 2014	March 31, 2014	Dec. 31, 2013	Sept. 30, 2013	June 30, 2013	March 31, 2013	Dec. 31, 2014	Dec. 31, 2013
<b>Prior Year Reserve Reestimates <sup>(1)</sup></b>										
Auto	\$ (75)	\$ (79)	\$ (36)	\$ (48)	\$ (44)	\$ (44)	\$ (79)	\$ (70)	\$ (238)	\$ (237)
Homeowners	(21)	(9)	41	18	(10)	(51)	15	41	29	(5)
Other personal lines	20	11	(12)	15	(10)	7	18	4	34	19
Commercial lines	(1)	(17)	(1)	(1)	1	(13)	(14)	(10)	(20)	(36)
Other business lines	(1)	-	-	-	-	-	(1)	(3)	(1)	(4)
Allstate Protection	(78)	(94)	(8)	(16)	(63)	(101)	(61)	(38)	(196)	(263)
Discontinued Lines and Coverages	2	105	2	3	1	135	3	3	112	142
<b>Property-Liability</b>	<b>\$ (76)</b>	<b>\$ 11</b>	<b>\$ (6)</b>	<b>\$ (13)</b>	<b>\$ (62)</b>	<b>\$ 34</b>	<b>\$ (58)</b>	<b>\$ (35)</b>	<b>\$ (84)</b>	<b>\$ (121)</b>
Allstate brand <sup>(2)</sup>	\$ (69)	\$ (85)	\$ (6)	\$ (11)	\$ (41)	\$ (86)	\$ (57)	\$ (36)	\$ (171)	\$ (220)
Esurance brand	(5)	(3)	(5)	(3)	-	-	-	-	(16)	-
Encompass brand <sup>(2)</sup>	(4)	(6)	3	(2)	(22)	(15)	(4)	(2)	(9)	(43)
<b>Allstate Protection <sup>(2)</sup></b>	<b>\$ (78)</b>	<b>\$ (94)</b>	<b>\$ (8)</b>	<b>\$ (16)</b>	<b>\$ (63)</b>	<b>\$ (101)</b>	<b>\$ (61)</b>	<b>\$ (38)</b>	<b>\$ (196)</b>	<b>\$ (263)</b>
<b>Effect of Prior Year Reserve Reestimates on Combined Ratio <sup>(3)</sup></b>										
Auto	(1.0)	(1.1)	(0.5)	(0.7)	(0.5)	(0.6)	(1.2)	(1.0)	(0.8)	(0.9)
Homeowners	(0.3)	(0.1)	0.6	0.3	(0.2)	(0.7)	0.2	0.6	0.1	-
Other personal lines	0.3	0.2	(0.2)	0.2	(0.2)	0.1	0.3	-	0.1	-
Commercial lines	-	(0.3)	-	-	-	(0.2)	(0.2)	(0.2)	(0.1)	(0.1)

Other business lines	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Allstate Protection	(1.0)	(1.3)	(0.1)	(0.2)	(0.9)	(1.4)	(0.9)	(0.6)	(0.7)	(1.0)
Discontinued Lines and Coverages	-	1.4	-	-	-	1.9	0.1	-	0.4	0.6
Property-Liability	<u>(1.0)</u>	<u>0.1</u>	<u>(0.1)</u>	<u>(0.2)</u>	<u>(0.9)</u>	<u>0.5</u>	<u>(0.8)</u>	<u>(0.6)</u>	<u>(0.3)</u>	<u>(0.4)</u>
Allstate brand <sup>(2)</sup>	(0.9)	(1.2)	(0.1)	(0.2)	(0.6)	(1.2)	(0.8)	(0.5)	(0.6)	(0.8)
Esurance brand	-	-	(0.1)	-	-	-	-	-	-	-
Encompass brand <sup>(2)</sup>	<u>(0.1)</u>	<u>(0.1)</u>	<u>0.1</u>	<u>-</u>	<u>(0.3)</u>	<u>(0.2)</u>	<u>(0.1)</u>	<u>(0.1)</u>	<u>(0.1)</u>	<u>(0.2)</u>
Allstate Protection <sup>(2)</sup>	<u>(1.0)</u>	<u>(1.3)</u>	<u>(0.1)</u>	<u>(0.2)</u>	<u>(0.9)</u>	<u>(1.4)</u>	<u>(0.9)</u>	<u>(0.6)</u>	<u>(0.7)</u>	<u>(1.0)</u>



<sup>(1)</sup> Favorable reserve reestimates are shown in parentheses.

<sup>(2)</sup> Unfavorable (favorable) reserve reestimates included in catastrophe losses for Allstate brand, Encompass brand and Allstate Protection totaled \$(2) million, \$1 million and \$(1) million and \$0 million, \$(4) million and \$(4) million, respectively, in the three months ended December 31, 2014 and 2013, respectively. Unfavorable (favorable) reserve reestimates included in catastrophe losses for Allstate brand, Encompass brand and Allstate Protection totaled \$41 million, \$2 million and \$43 million and \$(79) million, \$(9) million and \$(88) million, respectively, in the twelve months ended December 31, 2014 and 2013, respectively.

<sup>(3)</sup> Calculated using Property-Liability premiums earned for the respective period.

**THE ALLSTATE CORPORATION**  
**PROPERTY-LIABILITY**  
**HISTORICAL PRIOR YEAR RESERVE REESTIMATES <sup>(1)</sup>**  
(\$ in millions)

	Twelve months ended December 31,				
	2014	2013	2012	2011	2010
Allstate brand	\$ (171)	\$ (220)	\$ (671)	\$ (371)	\$ (181)
Esurance brand	(16)	-	-	-	-
Encompass brand	(9)	(43)	(45)	15	(6)
Allstate Protection	(196)	(263)	(716)	(356)	(187)
Discontinued Lines and Coverages	112	142	51	21	28
Property-Liability	<u>\$ (84)</u>	<u>\$ (121)</u>	<u>\$ (665)</u>	<u>\$ (335)</u>	<u>\$ (159)</u>
Effect of Property-Liability prior year reserve reestimates on the combined ratio	<u>(0.3)</u>	<u>(0.4)</u>	<u>(2.5)</u>	<u>(1.3)</u>	<u>(0.6)</u>

<sup>(1)</sup> Favorable reserve reestimates are shown in parentheses.

**THE ALLSTATE CORPORATION**  
**HISTORICAL PROPERTY-LIABILITY LOSS RESERVES**  
(\$ in millions)

	Twelve months ended December 31,				
	2014	2013	2012	2011	2010
<b>(net of reinsurance)</b>					
Net reserve for claims and claims expense, beginning of year	\$ 17,193	\$ 17,278	\$ 17,787	\$ 17,396	\$ 17,028
Acquisitions	-	-	(13)	425	-
Claims and claims expense					
Provision attributable to the current year	19,512	18,032	19,149	20,496	19,110
Change in provision attributable to prior years <sup>(1)</sup>	(84)	(121)	(665)	(335)	(159)
Total claims and claims expense	<u>19,428</u>	<u>17,911</u>	<u>18,484</u>	<u>20,161</u>	<u>18,951</u>
Payments					
Claims and claims expense attributable to current year	(12,924)	(11,658)	(12,545)	(13,893)	(12,012)
Claims and claims expense attributable to prior years	(6,468)	(6,338)	(6,435)	(6,302)	(6,571)
Total payments	<u>(19,392)</u>	<u>(17,996)</u>	<u>(18,980)</u>	<u>(20,195)</u>	<u>(18,583)</u>
Net reserve for claims and claims expense, end of year <sup>(2)</sup>	<u>\$ 17,229</u>	<u>\$ 17,193</u>	<u>\$ 17,278</u>	<u>\$ 17,787</u>	<u>\$ 17,396</u>
Percent change in loss reserves	0.2 %	(0.5) %	(2.9) %	2.2 %	2.2 %
<sup>(1)</sup> Reserve reestimates due to:					
Asbestos and environmental claims	\$ 102	\$ 104	\$ 48	\$ 26	\$ 23
All other property-liability claims	(186)	(225)	(713)	(361)	(182)
Change in pre-tax reserve	<u>\$ (84)</u>	<u>\$ (121)</u>	<u>\$ (665)</u>	<u>\$ (335)</u>	<u>\$ (159)</u>

<sup>(2)</sup> Net reserves for claims and claims expense are net of expected reinsurance recoveries of \$5.69 billion, \$4.66 billion, \$4.01 billion, \$2.59 billion and \$2.07 billion at December 31, 2014, 2013, 2012, 2011 and 2010, respectively.

**THE ALLSTATE CORPORATION**  
**ASBESTOS AND ENVIRONMENTAL RESERVES**  
(\$ in millions)

	Three months ended				Twelve months ended December 31,					
	Dec. 31, 2014	Sept. 30, 2014	June 30, 2014	March 31, 2014	2014	2013	2012	2011	2010	2009
<b>(net of reinsurance)</b>										
<b>Asbestos claims</b>										
Beginning reserves	\$ 1,045	\$ 976	\$ 993	\$ 1,017	\$ 1,017	\$ 1,026	\$ 1,078	\$ 1,100	\$ 1,180	\$ 1,228
Incurred claims and claims expense	-	87	-	-	87	74	26	26	5	(8)
Claims and claims expense paid	(31)	(18)	(17)	(24)	(90)	(83)	(78)	(48)	(85)	(40)
Ending reserves	<u>\$ 1,014</u>	<u>\$ 1,045</u>	<u>\$ 976</u>	<u>\$ 993</u>	<u>\$ 1,014</u>	<u>\$ 1,017</u>	<u>\$ 1,026</u>	<u>\$ 1,078</u>	<u>\$ 1,100</u>	<u>\$ 1,180</u>
Claims and claims expense paid as a percent of ending reserves	3.1%	1.7%	1.7%	2.4%	8.9%	8.2%	7.6%	4.5%	7.7%	3.4%

**Environmental claims**

Beginning reserves	\$ 211	\$ 201	\$ 204	\$ 208	\$ 208	\$ 193	\$ 185	\$ 201	\$ 198	\$ 195
Incurred claims and claims expense	-	15	-	-	15	30	22	-	18	13
Claims and claims expense paid	(8)	(5)	(3)	(4)	(20)	(15)	(14)	(16)	(15)	(10)
Ending reserves	\$ 203	\$ 211	\$ 201	\$ 204	\$ 203	\$ 208	\$ 193	\$ 185	\$ 201	\$ 198

Claims and claims expense paid as a percent of ending reserves	3.9%	2.4%	1.5%	2.0%	9.9%	7.2%	7.3%	8.6%	7.5%	5.1%
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**THE ALLSTATE CORPORATION**  
**ALLSTATE PERSONAL LINES-AUTO, HOMEOWNERS AND OTHER PERSONAL LINES PROFITABILITY MEASURES <sup>(1)</sup>**  
(\$ in millions)

	Three months ended				Twelve months ended					
	Dec. 31, 2014	Sept. 30, 2014	June 30, 2014	March 31, 2014	Dec. 31, 2013	Sept. 30, 2013	June 30, 2013	March 31, 2013	Dec. 31, 2014	Dec. 31, 2013
<b>Net premiums written</b>										
Auto	\$ 4,347	\$ 4,490	\$ 4,375	\$ 4,292	\$ 4,147	\$ 4,280	\$ 4,170	\$ 4,155	\$ 17,504	\$ 16,752
Homeowners	1,598	1,831	1,765	1,342	1,549	1,779	1,693	1,268	6,536	6,289
Landlord	140	147	137	126	138	143	135	124	550	540
Renter	64	79	72	59	58	69	59	53	274	239
Condominium	57	62	61	48	52	58	55	45	228	210
Other	115	138	146	118	120	147	157	126	517	550
Other personal lines	376	426	416	351	368	417	406	348	1,569	1,539
<b>Total</b>	<b>6,321</b>	<b>6,747</b>	<b>6,556</b>	<b>5,985</b>	<b>6,064</b>	<b>6,476</b>	<b>6,269</b>	<b>5,771</b>	<b>25,609</b>	<b>24,580</b>
<b>Net premiums earned</b>										
Auto	\$ 4,376	\$ 4,352	\$ 4,297	\$ 4,209	\$ 4,186	\$ 4,165	\$ 4,133	\$ 4,094	\$ 17,234	\$ 16,578
Homeowners	1,625	1,616	1,594	1,580	1,574	1,568	1,525	1,516	6,415	6,183
Other personal lines	390	389	387	385	384	384	380	379	1,551	1,527
<b>Total</b>	<b>6,391</b>	<b>6,357</b>	<b>6,278</b>	<b>6,174</b>	<b>6,144</b>	<b>6,117</b>	<b>6,038</b>	<b>5,989</b>	<b>25,200</b>	<b>24,288</b>
<b>Incurred losses</b>										
Auto	\$ 3,103	\$ 2,964	\$ 3,011	\$ 2,858	\$ 2,876	\$ 2,857	\$ 2,843	\$ 2,774	\$ 11,936	\$ 11,350
Homeowners	634	930	1,212	994	656	645	1,084	914	3,770	3,299
Other personal lines	223	229	226	279	187	221	239	247	957	894
<b>Total</b>	<b>3,960</b>	<b>4,123</b>	<b>4,449</b>	<b>4,131</b>	<b>3,719</b>	<b>3,723</b>	<b>4,166</b>	<b>3,935</b>	<b>16,663</b>	<b>15,543</b>
<b>Expenses</b>										
Auto	\$ 1,140	\$ 1,088	\$ 1,089	\$ 1,075	\$ 1,114	\$ 1,068	\$ 1,069	\$ 1,068	\$ 4,392	\$ 4,319
Homeowners	399	382	359	385	393	379	368	376	1,525	1,516
Other personal lines	118	103	105	108	115	108	113	115	434	451
<b>Total</b>	<b>1,657</b>	<b>1,573</b>	<b>1,553</b>	<b>1,568</b>	<b>1,622</b>	<b>1,555</b>	<b>1,550</b>	<b>1,559</b>	<b>6,351</b>	<b>6,286</b>
<b>Underwriting income (loss)</b>										
Auto	\$ 133	\$ 300	\$ 197	\$ 276	\$ 196	\$ 240	\$ 221	\$ 252	\$ 906	\$ 909
Homeowners	592	304	23	201	525	544	73	226	1,120	1,368
Other personal lines	49	57	56	(2)	82	55	28	17	160	182
<b>Total</b>	<b>774</b>	<b>661</b>	<b>276</b>	<b>475</b>	<b>803</b>	<b>839</b>	<b>322</b>	<b>495</b>	<b>2,186</b>	<b>2,459</b>
Loss ratio	62.0	64.9	70.9	66.9	60.5	60.9	69.0	65.7	66.1	64.0
Expense ratio	25.9	24.7	24.7	25.4	26.4	25.4	25.7	26.0	25.2	25.9
Combined ratio	87.9	89.6	95.6	92.3	86.9	86.3	94.7	91.7	91.3	89.9
Effect of catastrophe losses on combined ratio	1.3	7.1	13.4	6.5	1.9	1.8	10.1	5.8	7.1	4.9
Effect of prior year reserve reestimates on combined ratio	(1.0)	(1.1)	(0.1)	(0.2)	(0.7)	(1.2)	(0.7)	(0.4)	(0.6)	(0.7)
Underlying combined ratio	87.6	83.6	82.8	86.0	85.7	85.2	85.1	85.9	85.0	85.5
Effect of catastrophe losses	1.3	7.1	13.4	6.5	1.9	1.8	10.1	5.8	7.1	4.9
Effect of prior year non-catastrophe reserve reestimates	(1.0)	(1.1)	(0.6)	(0.2)	(0.7)	(0.7)	(0.5)	-	(0.8)	(0.5)
<b>Combined ratio</b>	<b>87.9</b>	<b>89.6</b>	<b>95.6</b>	<b>92.3</b>	<b>86.9</b>	<b>86.3</b>	<b>94.7</b>	<b>91.7</b>	<b>91.3</b>	<b>89.9</b>
<b>Policies in Force (in thousands)</b>										
Auto	19,916	19,751	19,605	19,413	19,362	19,247	19,155	19,020	19,916	19,362
Homeowners	6,106	6,082	6,069	6,063	6,077	6,077	6,097	6,136	6,106	6,077
Other personal lines	4,107	4,084	4,052	4,032	4,024	4,014	4,015	4,024	4,107	4,024
Excess and surplus	27	26	25	23	22	20	18	15	27	22
<b>Total</b>	<b>30,156</b>	<b>29,943</b>	<b>29,751</b>	<b>29,531</b>	<b>29,485</b>	<b>29,358</b>	<b>29,285</b>	<b>29,195</b>	<b>30,156</b>	<b>29,485</b>

<sup>(1)</sup> Allstate Personal Lines comprise Allstate brand auto, homeowners and other personal lines. Allstate Protection segment comprises Allstate Personal Lines and Emerging Businesses.

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**THE ALLSTATE CORPORATION**  
**EMERGING BUSINESSES - ESURANCE, ENCOMPASS, COMMERCIAL LINES, OTHER BUSINESS LINES AND ANSWER FINANCIAL PROFITABILITY MEASURES**  
(\$ in millions)

Three months ended

Twelve months ended

	Dec. 31, 2014	Sept. 30, 2014	June 30, 2014	March 31, 2014	Dec. 31, 2013	Sept. 30, 2013	June 30, 2013	March 31, 2013	Dec. 31, 2014	Dec. 31, 2013
Net premiums written										
Esurance	\$ 359	\$ 408	\$ 340	\$ 406	\$ 315	\$ 358	\$ 295	\$ 342	\$ 1,513	\$ 1,310
Encompass	310	343	341	286	295	329	315	267	1,280	1,206
Commercial lines	126	122	130	116	119	114	121	112	494	466
Allstate Roadside Services	86	96	94	97	88	91	88	82	373	349
Allstate Dealer Services	90	89	86	79	69	70	63	51	344	253
Other business lines	176	185	180	176	157	161	151	133	717	602
Total	971	1,058	991	984	886	962	882	854	4,004	3,584
Net premiums earned										
Esurance	\$ 381	\$ 373	\$ 366	\$ 343	\$ 335	\$ 322	\$ 309	\$ 281	\$ 1,463	\$ 1,247
Encompass	317	318	308	304	294	295	287	280	1,247	1,156
Commercial lines	125	120	121	110	115	114	113	114	476	456
Other business lines	140	138	131	133	126	124	115	106	542	471
Total	963	949	926	890	870	855	824	781	3,728	3,330
Incurred losses										
Esurance	\$ 302	\$ 285	\$ 276	\$ 260	\$ 266	\$ 251	\$ 247	\$ 215	\$ 1,123	\$ 979
Encompass	200	254	273	221	162	188	207	199	948	756
Commercial lines	88	72	78	81	77	70	69	61	319	277
Other business lines	65	70	64	63	58	60	49	47	262	214
Total	655	681	691	625	563	569	572	522	2,652	2,226
Expenses										
Esurance	\$ 138	\$ 150	\$ 135	\$ 176	\$ 125	\$ 125	\$ 123	\$ 113	\$ 599	\$ 486
Encompass	95	95	94	91	91	88	87	87	375	353
Commercial lines	41	38	35	34	37	34	33	34	148	138
Other business lines	63	63	52	62	58	42	53	53	240	206
Answer Financial	4	4	3	2	4	5	5	5	13	19
Total	341	350	319	365	315	294	301	292	1,375	1,202
Underwriting income (loss)										
Esurance	\$ (59)	\$ (62)	\$ (45)	\$ (93)	\$ (56)	\$ (54)	\$ (61)	\$ (47)	\$ (259)	\$ (218)
Encompass	22	(31)	(59)	(8)	41	19	(7)	(6)	(76)	47
Commercial lines	(4)	10	8	(5)	1	10	11	19	9	41
Other business lines	12	5	15	8	10	22	13	6	40	51
Answer Financial	(4)	(4)	(3)	(2)	(4)	(5)	(5)	(5)	(13)	(19)
Total	(33)	(82)	(84)	(100)	(8)	(8)	(49)	(33)	(299)	(98)
Loss ratio	68.0	71.7	74.6	70.2	64.7	66.5	69.4	66.8	71.1	66.8
Expense ratio	35.4	36.9	34.5	41.0	36.2	34.4	36.5	37.4	36.9	36.1
Combined ratio	103.4	108.6	109.1	111.2	100.9	100.9	105.9	104.2	108.0	102.9
Effect of catastrophe losses on combined ratio	1.3	6.6	10.0	4.9	-	2.3	4.7	1.8	5.7	2.2
Effect of prior year reserve reestimates on combined ratio	(1.2)	(2.7)	(0.3)	(0.7)	(2.4)	(3.3)	(2.3)	(1.9)	(1.2)	(2.5)
Effect of amortization of purchased intangible assets <sup>(1)</sup>	1.8	1.8	1.9	1.9	2.6	2.5	2.4	2.6	1.8	2.5
Underlying combined ratio	101.6	103.2	97.6	105.1	100.1	99.3	100.1	101.2	101.8	100.2
Effect of catastrophe losses	1.3	6.6	10.0	4.9	-	2.3	4.7	1.8	5.7	2.2
Effect of prior year non-catastrophe reserve reestimates	(1.3)	(3.0)	(0.4)	(0.7)	(1.8)	(3.2)	(1.3)	(1.4)	(1.3)	(2.0)
Effect of amortization of purchased intangible assets	1.8	1.8	1.9	1.9	2.6	2.5	2.4	2.6	1.8	2.5
Combined ratio	103.4	108.6	109.1	111.2	100.9	100.9	105.9	104.2	108.0	102.9
Policies in Force (in thousands)										
Esurance	1,470	1,449	1,431	1,402	1,306	1,270	1,218	1,158	1,470	1,306
Encompass	1,277	1,280	1,276	1,261	1,255	1,241	1,217	1,191	1,277	1,255
Commercial lines	325	320	313	305	301	295	291	286	325	301
Other business lines	948	958	972	991	989	996	997	1,001	948	989
Total	4,020	4,007	3,992	3,959	3,851	3,802	3,723	3,636	4,020	3,851

<sup>(1)</sup> Relates to the acquisition of Northeast Agency in 2013.

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**THE ALLSTATE CORPORATION**  
**ALLSTATE FINANCIAL RESULTS <sup>(1)</sup>**  
(\$ in millions)

	Three months ended					Twelve months ended				
	Dec. 31, 2014	Sept. 30, 2014	June 30, 2014	March 31, 2014	Dec. 31, 2013	Sept. 30, 2013	June 30, 2013	March 31, 2013	Dec. 31, 2014	Dec. 31, 2013
Premiums	\$ 312	\$ 308	\$ 312	\$ 327	\$ 332	\$ 306	\$ 307	\$ 303	\$ 1,259	\$ 1,248
Contract charges	208	204	206	280	278	278	272	276	898	1,104
Net investment income	480	473	538	640	637	633	633	635	2,131	2,538
Periodic settlements and accruals on non-hedge derivative instruments	-	-	(1)	-	-	2	5	10	(1)	17
Contract benefits	(431)	(433)	(413)	(488)	(490)	(498)	(471)	(458)	(1,765)	(1,917)
Interest credited to contractholder funds	(199)	(200)	(208)	(291)	(301)	(302)	(315)	(336)	(898)	(1,254)
Amortization of deferred policy acquisition costs	(60)	(56)	(65)	(74)	(80)	(109)	(65)	(76)	(255)	(330)
Operating costs and expenses	(121)	(115)	(112)	(118)	(145)	(132)	(140)	(148)	(466)	(565)

Restructuring and related charges	-	1	(1)	(2)	-	(4)	(1)	(2)	(7)
Income tax expense on operations	(61)	(57)	(91)	(85)	(71)	(47)	(68)	(60)	(294)
<b>Operating income</b>	128	125	165	189	160	127	157	144	607
Realized capital gains and losses, after-tax	81	19	(6)	-	9	(12)	37	12	94
Valuation changes on embedded derivatives that are not hedged, after-tax	(3)	2	(3)	(11)	(3)	(10)	3	(6)	(15)
DAC and DSI amortization relating to realized capital gains and losses and valuation changes on embedded derivatives that are not hedged, after-tax	-	(3)	-	-	(3)	1	(4)	1	(3)
DAC and DSI unlocking relating to realized capital gains and losses, after-tax	-	-	-	-	-	7	-	-	-
Reclassification of periodic settlements and accruals on non-hedge derivative instruments, after-tax	-	-	1	-	-	(1)	(4)	(6)	1
Gain (loss) on disposition of operations, after-tax <sup>(2)</sup>	2	(27)	(12)	(16)	(44)	(472)	1	1	(53)
<b>Net income (loss) available to common shareholders</b>	<u>\$ 208</u>	<u>\$ 116</u>	<u>\$ 145</u>	<u>\$ 162</u>	<u>\$ 119</u>	<u>\$ (360)</u>	<u>\$ 190</u>	<u>\$ 146</u>	<u>\$ 631</u>
									<u>\$ 95</u>

<sup>(1)</sup> Refer to pages 42 and 43 for further details related to the impact of LBL on comparison of Allstate Financial results.

<sup>(2)</sup> Included loss on disposition of LBL of \$1 million, pre-tax, (\$0 million, after-tax), \$28 million, pre-tax, (\$29 million, after-tax), \$11 million, pre-tax, (\$13 million, after-tax), \$61 million, pre-tax, (\$18 million, after-tax), \$46 million, pre-tax, (\$46 million, after-tax) and \$652 million, pre-tax, (\$475 million, after-tax) for three months ended December 31, 2014, September 30, 2014, June 30, 2014, March 31, 2014, December 31, 2013 and September 30, 2013, respectively, and \$101 million, pre-tax, (\$60 million, after-tax) and \$698 million, pre-tax, (\$521 million, after-tax) in 2014 and 2013, respectively.

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**THE ALLSTATE CORPORATION**  
**HISTORICAL ALLSTATE FINANCIAL RESULTS**  
(\$ in millions)

	As of or for the Year Ended December 31,				
	2014	2013	2012	2011	2010
Premiums	\$ 1,259	\$ 1,248	\$ 1,168	\$ 1,190	\$ 1,138
Contract charges	898	1,104	1,073	1,048	1,030
Net investment income	2,131	2,538	2,647	2,716	2,853
Periodic settlements and accruals on non-hedge derivative instruments	(1)	17	55	70	51
Contract benefits	(1,765)	(1,917)	(1,818)	(1,761)	(1,815)
Interest credited to contractholder funds	(898)	(1,254)	(1,434)	(1,617)	(1,798)
Amortization of deferred policy acquisition costs	(255)	(330)	(350)	(343)	(236)
Operating costs and expenses	(466)	(565)	(576)	(555)	(568)
Restructuring and related charges	(2)	(7)	-	(1)	3
Income tax expense on operations	(294)	(246)	(236)	(240)	(214)
<b>Operating income</b>	<b>607</b>	<b>588</b>	<b>529</b>	<b>507</b>	<b>444</b>
Realized capital gains and losses, after-tax	94	46	(8)	250	(337)
Valuation changes on embedded derivatives that are not hedged, after-tax	(15)	(16)	82	(12)	-
DAC and DSI amortization relating to realized capital gains and losses and valuation changes on embedded derivatives that are not hedged, after-tax	(3)	(5)	(42)	(108)	(29)
DAC and DSI unlocking relating to realized capital gains and losses, after-tax	-	7	4	3	(12)
Reclassification of periodic settlements and accruals on non-hedge derivative instruments, after-tax	1	(11)	(36)	(45)	(33)
(Loss) gain on disposition of operations, after-tax	(53)	(514)	12	(5)	9
<b>Net income</b>	<b>\$ 631</b>	<b>\$ 95</b>	<b>\$ 541</b>	<b>\$ 590</b>	<b>\$ 42</b>
Life insurance in force, net of reinsurance	\$ 328,027 <sup>(1)</sup>	\$ 346,202	\$ 326,169	\$ 306,397	\$ 294,149

<sup>(1)</sup> Estimated using the most available information. The decline in 2014 is related to the sale of LBL.

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**THE ALLSTATE CORPORATION**  
**IMPACT OF LBL ON COMPARISON OF ALLSTATE FINANCIAL RESULTS<sup>(1)</sup>**  
(\$ in millions)

	Three months ended					Twelve months ended				
	Dec. 31, 2014	Dec. 31, 2013	Change	Q4 2013 LBL results	Change excl.LBL	Dec. 31, 2014	Dec. 31, 2013	Change	Q2-Q4 2013 LBL results	Change excl.LBL
Premiums and contract charges	\$ 520	\$ 610	\$ (90)	\$ 89	\$ (1)	\$ 2,157	\$ 2,352	\$ (195)	\$ 254	\$ 59
Net investment income	480	637	(157)	126	(31)	2,131	2,538	(407)	397	(10)
Periodic settlements and accruals on non-hedge derivative instruments	-	-	-	-	-	(1)	17	(18)	-	(18)
Contract benefits	(431)	(490)	59	(46)	13	(1,765)	(1,917)	152	(173)	(21)
Interest credited to contractholder funds	(199)	(301)	102	(83)	19	(898)	(1,254)	356	(248)	108
Amortization of deferred policy acquisition costs	(60)	(80)	20	(17)	3	(255)	(330)	75	(6)	69
Operating costs and expenses	(121)	(145)	24	(7)	17	(466)	(565)	99	(31)	68
Restructuring and related charges	-	-	-	-	-	(2)	(7)	5	-	5
Income tax expense on operations	(61)	(71)	10	(21)	(11)	(294)	(246)	(48)	(66)	(114)
<b>Operating income</b>	<b>128</b>	<b>160</b>	<b>(32)</b>	<b>41</b>	<b>9</b>	<b>607</b>	<b>588</b>	<b>19</b>	<b>127</b>	<b>146</b>

Realized capital gains and losses, after-tax	81	9	72	-	72	94	46	48	-	48
Valuation changes on embedded derivatives that are not hedged, after-tax	(3)	(3)	-	(6)	(6)	(15)	(16)	1	(16)	(15)
DAC and DSI amortization relating to realized capital gains and losses and valuation changes on embedded derivatives that are not hedged, after-tax	-	(3)	3	(1)	2	(3)	(5)	2	(1)	1
DAC and DSI unlocking relating to realized capital gains and losses, after-tax	-	-	-	-	-	-	7	(7)	6	(1)
Reclassification of periodic settlements and accruals on non-hedge derivative instruments, after-tax	-	-	-	-	-	1	(11)	12	-	12
Gain (loss) on disposition of operations, after-tax	2	(44)	46	-	46	(53)	(514)	461	-	461

<b>Net income available to common shareholders</b>	<b>\$ 208</b>	<b>\$ 119</b>	<b>\$ 89</b>	<b>\$ 34</b>	<b>\$ 123</b>	<b>\$ 631</b>	<b>\$ 95</b>	<b>\$ 536</b>	<b>\$ 116</b>	<b>\$ 652</b>
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(1) As a result of LBL disposition on April 1, 2014, Allstate Financial results no longer include LBL beginning in the second quarter of 2014. To assist with comparison of Allstate Financial results between periods, estimated results of LBL business for the second through fourth quarter of 2013 were excluded in this presentation.

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**THE ALLSTATE CORPORATION**  
**ESTIMATED RESULTS OF DISPOSED LBL BUSINESS**  
(\$ in millions)

	Three months ended				
	March 31, 2014	Dec. 31, 2013	Sept. 30, 2013	June 30, 2013	March 31, 2013
Premiums and contract charges	\$ 85	\$ 89	\$ 83	\$ 82	\$ 87
Net investment income <sup>(1)(2)</sup>	126	126	135	136	141
Contract benefits	(65)	(46)	(65)	(62)	(44)
Interest credited to contractholder funds	(80)	(83)	(80)	(85)	(97)
Amortization of deferred policy acquisition costs	(6)	(17)	22	(11)	(23)
Operating costs and expenses	(8)	(7)	(11)	(13)	(16)
Income tax expense on operations	(18)	(21)	(29)	(16)	(16)
<b>Operating income</b>	<b>34</b>	<b>41</b>	<b>55</b>	<b>31</b>	<b>32</b>
Realized capital gains and losses, after-tax	-	-	-	-	-
Valuation changes of equity-indexed annuity forward starting options, after-tax	(6)	(6)	(8)	(2)	(6)
DAC and DSI amortization relating to non-operating items, after tax	-	(1)	1	(1)	1
DAC and DSI unlocking relating to realized capital gains and losses, after-tax	-	-	6	-	-
<b>Net income</b>	<b>\$ 28</b>	<b>\$ 34</b>	<b>\$ 54</b>	<b>\$ 28</b>	<b>\$ 27</b>
Benefit spread	\$ (1)	\$ 19	\$ (4)	\$ (4)	\$ 15
Investment spread	46	43	55	51	44
Surrender charges and contract maintenance expense fees	21	24	22	24	28

(1) Net investment income included investment expenses of \$5 million in each quarter of 2013 and \$4 million in first quarter 2014. These expenses are not expected to be eliminated in connection with the LBL sale.

(2) The loss on disposition relating to the LBL sale is not included in LBL's results.

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**ALLSTATE FINANCIAL**  
**RETURN ON ATTRIBUTED EQUITY**  
(\$ in millions)

	Twelve months ended							
	Dec. 31, 2014	Sept. 30, 2014	June 30, 2014	March 31, 2014	Dec. 31, 2013	Sept. 30, 2013	June 30, 2013	March 31, 2013
<b>Return on Attributed Equity</b>								
Numerator:								
Net income available to common shareholders <sup>(1)</sup>	\$ 631	\$ 542	\$ 66	\$ 111	\$ 95	\$ 142	\$ 633	\$ 575
Denominator:								
Beginning attributed equity <sup>(2)</sup>	\$ 7,273	\$ 7,819	\$ 8,224	\$ 8,617	\$ 8,446	\$ 8,291	\$ 7,737	\$ 7,475
Ending attributed equity	7,672	7,356	7,262	7,812	7,273	7,819	8,224	8,617
Average attributed equity <sup>(3)</sup>	\$ 7,473	\$ 7,588	\$ 7,743	\$ 8,215	\$ 7,860	\$ 8,055	\$ 7,981	\$ 8,046
Return on attributed equity	8.4 %	7.1 %	0.9 %	1.4 %	1.2 %	1.8 %	7.9 %	7.1 %
<b>Operating Income Return on Attributed Equity</b>								
Numerator:								
Operating income <sup>(1)</sup>	\$ 607	\$ 639	\$ 641	\$ 633	\$ 588	\$ 572	\$ 542	\$ 523
Denominator:								
Beginning attributed equity <sup>(2)</sup>	\$ 7,273	\$ 7,819	\$ 8,224	\$ 8,617	\$ 8,446	\$ 8,291	\$ 7,737	\$ 7,475
Unrealized net capital gains and losses	946	1,076	1,120	1,702	1,678	1,666	1,240	1,073

Adjusted beginning attributed equity	6,327	6,743	7,104	6,915	6,768	6,625	6,497	6,402
Ending attributed equity	7,672	7,356	7,262	7,812	7,273	7,819	8,224	8,617
Unrealized net capital gains and losses	1,420	1,305	1,285	1,280	946	1,076	1,120	1,702
Adjusted ending attributed equity	6,252	6,051	5,977	6,532	6,327	6,743	7,104	6,915
Average adjusted attributed equity <sup>(3)</sup>	\$ 6,290	\$ 6,397	\$ 6,541	\$ 6,724	\$ 6,548	\$ 6,684	\$ 6,801	\$ 6,659
Operating income return on attributed equity	9.7 %	10.0 %	9.8 %	9.4 %	9.0 %	8.6 %	8.0 %	7.9 %

<sup>(1)</sup> Net income available to common shareholders and operating income reflect a trailing twelve-month period.

<sup>(2)</sup> Allstate Financial attributed equity is the sum of equity for Allstate Life Insurance Company and the applicable equity for Allstate Financial Insurance Holdings Corporation.

<sup>(3)</sup> Average attributed equity and average adjusted attributed equity are determined using a two-point average, with the beginning and ending attributed equity and adjusted attributed equity, respectively, for the twelve-month period as data points.

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**THE ALLSTATE CORPORATION**  
**ALLSTATE FINANCIAL PREMIUMS AND CONTRACT CHARGES**  
(\$ in millions)

	Three months ended				Dec. 31, 2013		Twelve months ended			
	Dec. 31, 2014	Sept. 30, 2014	June 30, 2014	March 31, 2014	Dec. 31, 2013	Sept. 30, 2013	June 30, 2013	March 31, 2013	Dec. 31, 2014	Dec. 31, 2013
<b>PREMIUMS AND CONTRACT CHARGES - BY PRODUCT</b>										
<b>Underwritten Products</b>										
Traditional life insurance premiums	\$ 133	\$ 126	\$ 125	\$ 127	\$ 136	\$ 120	\$ 119	\$ 116	\$ 511	\$ 491
Accident and health insurance premiums	180	182	187	195	181	180	179	180	744	720
Interest-sensitive life insurance contract charges	203	200	202	274	273	272	268	273	879	1,086
	516	508	514	596	590	572	566	569	2,134	2,297
<b>Annuities</b>										
Immediate annuities with life contingencies premiums	(1)	-	-	5	15	6	9	7	4	37
Other fixed annuity contract charges	5	4	4	6	5	6	4	3	19	18
	4	4	4	11	20	12	13	10	23	55
<b>Total</b>	\$ 520	\$ 512	\$ 518	\$ 607	\$ 610	\$ 584	\$ 579	\$ 579	\$ 2,157	\$ 2,352
<b>PREMIUMS AND CONTRACT CHARGES - BY DISTRIBUTION CHANNEL</b>										
Allstate agencies <sup>(1)</sup>	\$ 294	\$ 288	\$ 285	\$ 291	\$ 294	\$ 283	\$ 281	\$ 276	\$ 1,158	\$ 1,134
Workplace enrolling agents	198	198	203	204	195	195	189	188	803	767
Other <sup>(2)</sup>	28	26	30	112	121	106	109	115	196	451
<b>Total</b>	\$ 520	\$ 512	\$ 518	\$ 607	\$ 610	\$ 584	\$ 579	\$ 579	\$ 2,157	\$ 2,352
<b>PREMIUMS AND CONTRACT CHARGES - BY PRODUCT INCLUDED IN LINCOLN BENEFIT LIFE COMPANY SALE <sup>(3)</sup></b>										
<b>Underwritten Products</b>										
Traditional life insurance premiums	\$ -	\$ -	\$ -	\$ 6	\$ 7	\$ 4	\$ 6	\$ 5	\$ 6	\$ 22
Accident and health insurance premiums	-	-	-	6	7	6	5	6	6	24
Interest-sensitive life insurance contract charges	-	-	-	71	73	71	70	74	71	288
	-	-	-	83	87	81	81	85	83	334
<b>Annuities</b>										
Immediate annuities with life contingencies premiums	-	-	-	-	-	-	-	-	-	-
Other fixed annuity contract charges	-	-	-	2	2	2	1	2	2	7
	-	-	-	2	2	2	1	2	2	7
<b>Total</b>	\$ -	\$ -	\$ -	\$ 85	\$ 89	\$ 83	\$ 82	\$ 87	\$ 85	\$ 341
<b>ISSUED LIFE INSURANCE POLICIES BY DISTRIBUTION CHANNEL <sup>(4)</sup></b>										
Allstate agencies <sup>(1)</sup>	39,355	33,483	32,625	31,220	42,286	35,537	34,074	36,421	136,683	148,318
Other	-	-	-	-	146	447	618	879	-	2,090
<b>Total</b>	39,355	33,483	32,625	31,220	42,432	35,984	34,692	37,300	136,683	150,408
<b>ALLSTATE BENEFITS NEW BUSINESS WRITTEN PREMIUMS <sup>(5)</sup></b>										
	\$ 183	\$ 63	\$ 58	\$ 52	\$ 164	\$ 59	\$ 64	\$ 52	\$ 356	\$ 339

<sup>(1)</sup> Includes products directly sold through call centers and internet.

<sup>(2)</sup> Primarily represents independent master brokerage agencies, and to a lesser extent, specialized brokers.

<sup>(3)</sup> Amounts are included in section above. On April 1, 2014, the sale of LBL was completed.

<sup>(4)</sup> Excludes Allstate Benefits and non-proprietary products.

<sup>(5)</sup> New business written premiums reflect annualized premiums at initial customer enrollment (including new accounts and new employees or policies of existing accounts), reduced by an estimate for certain policies that are expected to lapse. A significant portion of Allstate Benefits business is seasonally written in the fourth quarter during many clients' annual employee benefits enrollment.

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**THE ALLSTATE CORPORATION**  
**CHANGE IN CONTRACTHOLDER FUNDS**  
(\$ in millions)

	Three months ended								Twelve months ended	
	Dec. 31, 2014	Sept. 30, 2014	June 30, 2014	March 31, 2014	Dec. 31, 2013	Sept. 30, 2013	June 30, 2013	March 31, 2013	Dec. 31, 2014	Dec. 31, 2013
<b>Contractholders funds, beginning balance</b>	\$ 22,848	\$ 23,472	\$ 23,989	\$ 24,304	\$ 24,476	\$ 36,357	\$ 38,807	\$ 39,319	\$ 24,304	\$ 39,319
<b>Contractholders funds classified as held for sale, beginning balance</b>	-	-	10,661	10,945	11,283	-	-	-	10,945	-
<b>Total contractholders funds, including those classified as held for sale</b>	22,848	23,472	34,650	35,249	35,759	36,357	38,807	39,319	35,249	39,319
<b>Deposits</b>										
Interest-sensitive life insurance	248	247	246	318	334	330	328	386	1,059	1,062
Fixed annuities	43	48	56	127	276	218	281	287	274	1,378
Total deposits	291	295	302	445	610	548	609	673	1,333	2,440
<b>Interest credited</b>	202	197	212	308	310	321	314	350	919	1,295
<b>Benefits, withdrawals, maturities and other adjustments</b>										
Benefits	(242)	(286)	(289)	(380)	(349)	(392)	(399)	(395)	(1,197)	(1,535)
Surrenders and partial withdrawals	(377)	(630)	(554)	(712)	(756)	(807)	(845)	(891)	(2,273)	(3,299)
Maturities of and interest payments on institutional products	(1)	(1)	-	-	-	(1)	(1,797)	(1)	(2)	(1,799)
Contract charges	(204)	(197)	(199)	(281)	(282)	(279)	(274)	(277)	(881)	(1,112)
Net transfers from separate accounts	1	2	1	3	4	2	5	1	7	12
Other adjustments	11	(4)	11	18	(47)	10	(63)	28	36	(72)
Total benefits, withdrawals, maturities and other adjustments	(812)	(1,116)	(1,030)	(1,352)	(1,430)	(1,467)	(3,373)	(1,535)	(4,310)	(7,805)
<b>Contractholder funds sold in LBL disposition</b>	-	-	(10,662)	-	-	-	-	-	(10,662)	(10,945)
<b>Contractholder funds classified as held for sale, ending balance</b>	-	-	-	(10,661)	(10,945)	(11,283)	-	-	-	-
<b>Contractholder funds, ending balance</b>	\$ 22,529	\$ 22,848	\$ 23,472	\$ 23,989	\$ 24,304	\$ 24,476	\$ 36,357	\$ 38,807	\$ 22,529	\$ 24,304

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**THE ALLSTATE CORPORATION**  
**ALLSTATE FINANCIAL ANALYSIS OF NET INCOME**  
(\$ in millions)

	Three months ended								Twelve months ended	
	Dec. 31, 2014	Sept. 30, 2014	June 30, 2014	March 31, 2014	Dec. 31, 2013	Sept. 30, 2013	June 30, 2013	March 31, 2013	Dec. 31, 2014	Dec. 31, 2013
<b>Benefit spread</b>										
Premiums	\$ 312	\$ 308	\$ 312	\$ 327	\$ 332	\$ 306	\$ 307	\$ 303	\$ 1,259	\$ 1,248
Cost of insurance contract charges <sup>(1)</sup>	136	135	135	187	184	182	179	180	593	725
Contract benefits excluding the implied interest on immediate annuities with life contingencies <sup>(2)</sup>	(301)	(302)	(283)	(358)	(359)	(365)	(341)	(325)	(1,244)	(1,390)
Total benefit spread	147	141	164	156	157	123	145	158	608	583
<b>Investment spread</b>										
Net investment income	480	473	538	640	637	633	633	635	2,131	2,538
Implied interest on immediate annuities with life contingencies <sup>(2)</sup>	(130)	(131)	(130)	(130)	(131)	(133)	(130)	(133)	(521)	(527)
Interest credited to contractholder funds	(202)	(198)	(212)	(307)	(305)	(317)	(311)	(345)	(919)	(1,278)
Total investment spread	148	144	196	203	201	183	192	157	691	733
Surrender charges and contract maintenance expense fees <sup>(1)</sup>	72	69	71	93	94	96	93	96	305	379
Realized capital gains and losses	125	28	(10)	1	14	(16)	57	19	144	74
Amortization of deferred policy acquisition costs	(62)	(58)	(66)	(74)	(85)	(97)	(71)	(75)	(260)	(328)
Operating costs and expenses	(121)	(115)	(112)	(118)	(145)	(132)	(140)	(148)	(466)	(565)
Restructuring and related charges	-	1	(1)	(2)	-	(4)	(1)	(2)	(2)	(7)
Gain (loss) on disposition of operations	3	(26)	(8)	(59)	(44)	(646)	1	2	(90)	(687)
Income tax (expense) benefit	(104)	(68)	(89)	(38)	(73)	133	(86)	(61)	(299)	(87)
<b>Net income (loss) available to common shareholders</b>	\$ 208	\$ 116	\$ 145	\$ 162	\$ 119	\$ (360)	\$ 190	\$ 146	\$ 631	\$ 95
<b>Benefit spread by product group</b>										
Life insurance	\$ 72	\$ 72	\$ 86	\$ 74	\$ 101	\$ 60	\$ 75	\$ 86	\$ 304	\$ 322
Accident and health insurance	91	99	97	102	78	85	86	89	389	338
Annuities	(16)	(30)	(19)	(20)	(22)	(22)	(16)	(17)	(85)	(77)
Total benefit spread	147	141	164	156	157	123	145	158	608	583
<b>Investment spread by product group</b>										
Annuities and institutional products	\$ 58	\$ 54	\$ 98	\$ 110	\$ 95	\$ 100	\$ 88	\$ 59	\$ 320	\$ 342
Life insurance	24	23	26	30	28	25	25	27	103	105
Accident and health insurance	4	4	4	7	6	6	7	6	19	25
Net investment income on investments supporting capital	65	61	72	73	75	69	67	74	271	285
Investment spread before valuation changes on embedded derivatives that are not hedged	151	142	200	220	204	200	187	166	713	757
Valuation changes on derivatives embedded in equity-indexed annuity contracts that are not hedged	(3)	2	(4)	(17)	(3)	(17)	5	(9)	(22)	(24)
Total investment spread	148	144	196	203	201	183	192	157	691	733
<sup>(1)</sup> Reconciliation of contract charges										
Cost of insurance contract charges	\$ 136	\$ 135	\$ 135	\$ 187	\$ 184	\$ 182	\$ 179	\$ 180	\$ 593	\$ 725





Loss on disposition of operations, after-tax	(28)	-	(25)	(53)
<b>Net income available to common shareholders</b>	<b>\$ 242</b>	<b>\$ 105</b>	<b>\$ 284</b>	<b>\$ 631</b>

- (1) Structured settlement annuities for annuitants with severe injuries or other health impairments which significantly reduced their life expectancy at the time the annuity was issued and group annuity contracts issued to sponsors of terminated pension plans.
- (2) Life-contingent structured settlement annuities for annuitants with standard life expectancy, period certain structured settlements and single premium immediate annuities with and without life contingencies.
- (3) Total Allstate Financial attributed equity is the sum of equity for Allstate Life Insurance Company and the applicable equity for Allstate Financial Insurance Holdings Corporation, excluding unrealized capital gains and losses.
- (4) Attributed equity is allocated to each product line based on statutory capital adjusted for GAAP reporting differences and the amount of capital held in Allstate Financial may vary from economic capital. The calculation of statutory capital by product incorporates internal factors for invested asset risk, insurance risk (mortality and morbidity), interest rate risk and business risk. Due to the unavailability of final statutory financial statements at the time we release our GAAP financial results, the allocation is derived from prior quarter statutory capital. Statutory capital is adjusted for appropriate GAAP accounting differences. Changes in internal capital factors, investment portfolio mix and risk as well as changes in GAAP and statutory reporting differences will result in changes to the allocation of attributed equity to products.
- (5) Product line operating income includes allocation of income on investments supporting capital. Operating income reflects a trailing twelve-month period.

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**THE ALLSTATE CORPORATION**  
**ALLSTATE FINANCIAL INSURANCE POLICIES AND ANNUITIES IN FORCE** <sup>(1)</sup>  
(in thousands)

	Dec. 31, 2014	Sept. 30, 2014	June 30, 2014	March 31, 2014	Dec. 31, 2013	Sept. 30, 2013	June 30, 2013	March 31, 2013
<b>ALLSTATE FINANCIAL INSURANCE POLICIES AND ANNUITIES IN FORCE BY PRODUCT</b>								
<b>Underwritten products</b>								
Life insurance	2,434	2,432	2,436	2,588	2,567	2,572	2,574	2,572
Accident and health insurance	2,555	2,530	2,577	2,593	2,342	2,322	2,322	2,338
	4,989	4,962	5,013	5,181	4,909	4,894	4,896	4,910
<b>Annuities</b>								
Deferred annuities	191	197	205	337	346	353	362	373
Immediate annuities	108	108	110	111	112	112	113	114
	299	305	315	448	458	465	475	487
<b>Total</b>	<b>5,288</b>	<b>5,267</b>	<b>5,328</b>	<b>5,629</b>	<b>5,367</b>	<b>5,359</b>	<b>5,371</b>	<b>5,397</b>
<b>ALLSTATE FINANCIAL INSURANCE POLICIES AND ANNUITIES IN FORCE BY SOURCE OF BUSINESS</b>								
Allstate Agencies <sup>(2)</sup>	1,902	1,898	1,895	1,938	1,939	1,938	1,936	1,930
Allstate Benefits	2,983	2,957	3,010	3,040	2,762	2,741	2,741	2,757
Other <sup>(3)</sup>	403	412	423	651	666	680	694	710
<b>Total</b>	<b>5,288</b>	<b>5,267</b>	<b>5,328</b>	<b>5,629</b>	<b>5,367</b>	<b>5,359</b>	<b>5,371</b>	<b>5,397</b>
<b>INSURANCE POLICIES AND ANNUITIES IN FORCE INCLUDED IN LINCOLN BENEFIT LIFE COMPANY SALE</b>								
Life insurance	-	-	-	142	145	148	150	152
Deferred annuities	-	-	-	124	128	132	138	144
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>266</b>	<b>273</b>	<b>280</b>	<b>288</b>	<b>296</b>

(1) Allstate Financial insurance policies and annuities in force reflect the number of contracts in force excluding sold blocks of business that remain on the balance sheet due to the dispositions of the business being effected through reinsurance arrangements. Policy counts associated with our voluntary employee benefits group business reflect certificate counts as opposed to group counts.

(2) Excludes Allstate Benefits products sold through Allstate Agencies, which are included in the Allstate Benefits line.

(3) Primarily business sold by independent master brokerage agencies, banks/broker-dealers and specialized structured settlement brokers.

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**THE ALLSTATE CORPORATION**  
**ALLSTATE LIFE AND ANNUITIES AND ALLSTATE BENEFITS RESULTS AND PRODUCT INFORMATION**  
(\$ in millions)

	For the twelve months ended December 31, 2014			For the twelve months ended December 31, 2013		
	Allstate Life and Annuities	Allstate Benefits	Allstate Financial Segment	Allstate Life and Annuities	Allstate Benefits	Allstate Financial Segment
Premiums	\$ 488	\$ 771	\$ 1,259	\$ 518	\$ 730	\$ 1,248
Contract charges	800	98	898	1,009	95	1,104
Net investment income	2,059	72	2,131	2,466	72	2,538
Periodic settlements and accruals on non-hedge derivative instruments	(1)	-	(1)	17	-	17
Contract benefits	(1,354)	(411)	(1,765)	(1,512)	(405)	(1,917)
Interest credited to contractholder funds	(862)	(36)	(898)	(1,219)	(35)	(1,254)
Amortization of deferred policy acquisition costs	(143)	(112)	(255)	(228)	(102)	(330)
Operating costs and expenses	(260)	(206)	(466)	(366)	(199)	(565)
Restructuring and related charges	(2)	-	(2)	(6)	(1)	(7)
Income tax expense on operations	(232)	(62)	(294)	(192)	(54)	(246)
<b>Operating income</b>	<b>493</b>	<b>114</b>	<b>607</b>	<b>487</b>	<b>101</b>	<b>588</b>
Realized capital gains and losses, after-tax	93	1	94	47	(1)	46
Valuation changes on embedded derivatives that are not hedged, after-tax	(15)	-	(15)	(16)	-	(16)
DAC and DSI amortization relating to realized capital gains and losses and valuation changes on embedded derivatives that are not hedged, after-tax	(3)	-	(3)	(5)	-	(5)
DAC and DSI unlocking relating to realized capital gains and	-	-	-	7	-	7

losses, after tax  
Reclassification of periodic settlements and accruals on non-  
hedge derivative instruments, after-tax  
Loss on disposition of operations, after-tax

	1	-	1	(11)	-	(11)
	(53)	-	(53)	(514)	-	(514)
<b>Net income (loss)</b>	<b>\$ 516</b>	<b>\$ 115</b>	<b>\$ 631</b>	<b>\$ (5)</b>	<b>\$ 100</b>	<b>\$ 95</b>

**Premiums and Contract Charges - by Product**

**Underwritten Products**

Traditional life insurance premiums	\$ 476	\$ 35	\$ 511	\$ 455	\$ 36	\$ 491
Accident and health insurance premiums	8	736	744	26	694	720
Interest-sensitive life insurance contract charges	781	98	879	991	95	1,086
	<u>1,265</u>	<u>869</u>	<u>2,134</u>	<u>1,472</u>	<u>825</u>	<u>2,297</u>

**Annuities**

Immediate annuities with life contingencies premiums	4	-	4	37	-	37
Other fixed annuity contract charges	19	-	19	18	-	18
	<u>23</u>	<u>-</u>	<u>23</u>	<u>55</u>	<u>-</u>	<u>55</u>
<b>Total life and annuity premiums and contract charges</b>	<b>\$ 1,288</b>	<b>\$ 869</b>	<b>\$ 2,157</b>	<b>\$ 1,527</b>	<b>\$ 825</b>	<b>\$ 2,352</b>

**Benefit Spread by Product Group**

Life Insurance	\$ 287	\$ 17	\$ 304	\$ 301	\$ 21	\$ 322
Accident and health insurance	(8)	397	389	(18)	356	338
Annuities	(85)	-	(85)	(77)	-	(77)
<b>Total benefit spread</b>	<b>\$ 194</b>	<b>\$ 414</b>	<b>\$ 608</b>	<b>\$ 206</b>	<b>\$ 377</b>	<b>\$ 583</b>

**Investment Spread by Product Group**

Annuities and institutional products	\$ 320	\$ -	\$ 320	\$ 342	\$ -	\$ 342
Life insurance	93	10	103	93	12	105
Accident and health insurance	8	11	19	14	11	25
Net investment income on investments supporting capital	256	15	271	271	14	285
Investment spread before valuation changes on embedded derivatives that are not hedged	677	36	713	720	37	757
Valuation changes on derivatives embedded in equity-indexed annuity contracts that are not hedged	(22)	-	(22)	(24)	-	(24)
<b>Total investment spread</b>	<b>\$ 655</b>	<b>\$ 36</b>	<b>\$ 691</b>	<b>\$ 696</b>	<b>\$ 37</b>	<b>\$ 733</b>

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**THE ALLSTATE CORPORATION  
CORPORATE AND OTHER RESULTS  
(\$ in millions)**

	Three months ended				Twelve months ended					
	Dec. 31, 2014	Sept. 30, 2014	June 30, 2014	March 31, 2014	Dec. 31, 2013	Sept. 30, 2013	June 30, 2013	March 31, 2013	Dec. 31, 2014	Dec. 31, 2013
Net investment income	\$ 5	\$ 6	\$ 9	\$ 7	\$ 7	\$ 8	\$ 8	\$ 7	\$ 27	\$ 30
Operating costs and expenses	(14)	(6)	(10)	(8)	(171)	(76)	(8)	3	(38)	(252)
Interest expense	(73)	(77)	(84)	(87)	(87)	(83)	(98)	(98)	(321)	(366)
Income tax benefit on operations	32	28	32	32	90	58	37	35	124	220
Preferred stock dividends	(29)	(31)	(31)	(13)	(11)	(6)	-	-	(104)	(17)
Operating loss	(79)	(80)	(84)	(69)	(172)	(99)	(61)	(53)	(312)	(385)
Realized capital gains and losses, after-tax	-	-	(1)	1	(1)	1	-	-	-	-
Loss on extinguishment of debt, after-tax	-	-	-	-	(1)	(6)	(312)	-	-	(319)
Postretirement benefits curtailment gain, after-tax	-	-	-	-	-	118	-	-	-	118
Net (loss) income available to common shareholders	<u>\$ (79)</u>	<u>\$ (80)</u>	<u>\$ (85)</u>	<u>\$ (68)</u>	<u>\$ (174)</u>	<u>\$ 14</u>	<u>\$ (373)</u>	<u>\$ (53)</u>	<u>\$ (312)</u>	<u>\$ (586)</u>

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**THE ALLSTATE CORPORATION  
INVESTMENTS  
(\$ in millions)**

	PROPERTY-LIABILITY					ALLSTATE FINANCIAL <sup>(1)</sup>				
	Dec. 31, 2014	Sept. 30, 2014	June 30, 2014	March 31, 2014	Dec. 31, 2013	Dec. 31, 2014	Sept. 30, 2014	June 30, 2014	March 31, 2014	Dec. 31, 2013
Fixed income securities, at fair value:										
Tax-exempt	\$ 4,138	\$ 4,288	\$ 4,353	\$ 4,618	\$ 4,711	\$ 75	\$ 39	\$ 2	\$ 2	\$ 2
Taxable	26,696	27,078	26,091	24,223	24,867	29,007	28,984	29,898	30,057	29,646
Equity securities, at fair value	3,076	3,053	4,072	4,341	4,396	1,028	1,282	1,322	956	701
Mortgage loans	370	372	373	403	429	3,818	3,771	3,801	4,069	4,292
Limited partnership interests	2,498	2,411	2,438	2,900	2,898	2,024	1,933	1,866	2,121	2,064
Short-term, at fair value	822	1,328	812	894	1,002	1,026	880	1,038	870	668
Other	1,483	1,401	1,531	1,528	1,335	1,831	1,718	1,607	1,635	1,732
<b>Total</b>	<b>\$ 39,083</b>	<b>\$ 39,931</b>	<b>\$ 39,670</b>	<b>\$ 38,907</b>	<b>\$ 39,638</b>	<b>\$ 38,809</b>	<b>\$ 38,607</b>	<b>\$ 39,534</b>	<b>\$ 39,710</b>	<b>\$ 39,105</b>
Fixed income securities, amortized cost:										
Tax-exempt	\$ 4,054	\$ 4,181	\$ 4,238	\$ 4,521	\$ 4,625	\$ 74	\$ 39	\$ 2	\$ 2	\$ 2
Taxable	26,376	26,715	25,484	23,696	24,424	26,668	26,785	27,464	28,130	28,295
Ratio of fair value to amortized cost	101.3%	101.5%	102.4%	102.2%	101.8%	108.8%	108.2%	108.9%	106.8%	104.8%
Equity securities, cost	\$ 2,723	\$ 2,745	\$ 3,492	\$ 3,737	\$ 3,866	\$ 969	\$ 1,132	\$ 1,166	\$ 838	\$ 607
Short-term, amortized cost	822	1,328	812	894	1,002	1,026	880	1,038	870	668

## CORPORATE AND OTHER

## CONSOLIDATED

	Dec. 31, 2014	Sept. 30, 2014	June 30, 2014	March 31, 2014	Dec. 31, 2013	Dec. 31, 2014	Sept. 30, 2014	June 30, 2014	March 31, 2014	Dec. 31, 2013
Fixed income securities, at fair value:										
Tax-exempt	\$ 564	\$ 561	\$ 565	\$ 558	\$ 570	\$ 4,777	\$ 4,888	\$ 4,920	\$ 5,178	\$ 5,283
Taxable	1,960	1,363	1,725	1,703	1,114	57,663	57,425	57,714	55,983	55,627
Equity securities, at fair value	-	-	-	-	-	4,104	4,335	5,394	5,297	5,097
Mortgage loans	-	-	-	-	-	4,188	4,143	4,174	4,472	4,721
Limited partnership interests	5	4	5	3	5	4,527	4,348	4,309	5,024	4,967
Short-term, at fair value	692	255	1,064	809	723	2,540	2,463	2,914	2,573	2,393
Other	-	-	-	-	-	3,314	3,119	3,138	3,163	3,067
Total	\$ 3,221	\$ 2,183	\$ 3,359	\$ 3,073	\$ 2,412	\$ 81,113	\$ 80,721	\$ 82,563	\$ 81,690	\$ 81,155
Fixed income securities, amortized cost:										
Tax-exempt	\$ 543	\$ 536	\$ 541	\$ 538	\$ 552	\$ 4,671	\$ 4,756	\$ 4,781	\$ 5,061	\$ 5,179
Taxable	1,957	1,360	1,718	1,700	1,110	55,001	54,860	54,666	53,526	53,829
Ratio of fair value to amortized cost	101.0%	101.5%	101.4%	101.0%	101.3%	104.6%	104.5%	105.4%	104.4%	103.2%
Equity securities, cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,692	\$ 3,877	\$ 4,658	\$ 4,575	\$ 4,473
Short-term, amortized cost	692	255	1,064	809	723	2,540	2,463	2,914	2,573	2,393

<sup>(1)</sup> Excludes investments classified as held for sale that totaled \$11.5 billion, \$12.0 billion and \$12.2 billion as of March 31, 2014, December 31, 2013 and September 30, 2013, respectively.

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**THE ALLSTATE CORPORATION**  
**INVESTMENT PORTFOLIO DETAILS**  
(\$ in millions)

Financial statement classification as of December 31, 2014

	Fixed income securities	Equity securities	Mortgage loans	Limited partnership interests	Short- term	Other <sup>(1)</sup>	Total
Infrastructure and real assets							
Infrastructure and real assets - debt	\$ 10,437	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,437
Infrastructure and real assets - equity	-	390	-	562	-	-	952
Infrastructure and real assets - other	-	-	-	-	-	168	168
	10,437	390	-	562	-	168	11,557
Real estate							
Real estate - debt	1,822	-	4,188	-	-	-	6,010
Real estate - equity	-	74	-	1,413	-	113	1,600
	1,822	74	4,188	1,413	-	113	7,610
Consumer goods (cyclical and non-cyclical)	10,771	933	-	-	-	-	11,704
Banking & financial services							
Banking	3,629	392	-	-	-	-	4,021
Financial services	3,176	520	-	-	-	-	3,696
Credit card and student loan ABS	836	-	-	-	-	-	836
Consumer auto ABS	1,282	-	-	-	-	-	1,282
	8,923	912	-	-	-	-	9,835
Municipal - General obligation, revenue and taxable	8,497	-	-	-	-	-	8,497
Government & agencies							
U.S. government and agencies	4,328	-	-	-	692	-	5,020
Foreign government	1,384	-	-	-	-	-	1,384
	5,712	-	-	-	692	-	6,404
Technology and communications							
Communications	3,043	231	-	-	-	-	3,274
Technology	2,312	418	-	-	-	-	2,730
	5,355	649	-	-	-	-	6,004
Capital goods	4,132	314	-	-	-	-	4,446
Basic & other industries							
Basic industry	2,313	159	-	-	-	-	2,472
Other industries	620	-	-	-	-	-	620
	2,933	159	-	-	-	-	3,092
Transportation	1,737	87	-	-	-	-	1,824
ABS other	1,860	-	-	-	-	-	1,860
Private equity	-	-	-	2,194	-	-	2,194
Emerging markets							
Fixed income funds	-	152	-	-	-	-	152
Foreign government	261	-	-	-	-	-	261
Equity index based funds	-	16	-	-	-	-	16
	261	168	-	-	-	-	429
Other equity market index based funds	-	418	-	-	-	-	418
Other funds	-	-	-	358	-	-	358
Other	-	-	-	-	1,848	3,033	4,881
Total investments	\$ 62,440	\$ 4,104	\$ 4,188	\$ 4,527	\$ 2,540	\$ 3,314	\$ 81,113

**THE ALLSTATE CORPORATION**  
**LIMITED PARTNERSHIP INVESTMENTS**  
(\$ in millions)

As of or for the three months ended

	Dec. 31, 2014	Sept. 30, 2014	June 30, 2014	March 31, 2014	Dec. 31, 2013	Sept. 30, 2013	June 30, 2013	March 31, 2013
<b>Investment position</b>								
Accounting basis								
Cost method	\$ 1,122	\$ 1,144	\$ 1,157	\$ 1,346	\$ 1,443	\$ 1,435	\$ 1,441	\$ 1,425
Equity method ("EMA") <sup>(1)</sup>	3,405	3,204	3,152	3,678	3,524	3,656	3,500	3,506
Total	\$ 4,527	\$ 4,348	\$ 4,309	\$ 5,024	\$ 4,967	\$ 5,091	\$ 4,941	\$ 4,931
Cost method-fair value <sup>(2)</sup>	\$ 1,488	\$ 1,555	\$ 1,577	\$ 1,764	\$ 1,835	\$ 1,806	\$ 1,795	\$ 1,748
Underlying investment								
Private equity / debt funds	\$ 2,756	\$ 2,759	\$ 2,631	\$ 2,674	\$ 2,562	\$ 2,485	\$ 2,457	\$ 2,423
Real estate funds	1,413	1,425	1,517	1,577	1,687	1,666	1,658	1,635
Other <sup>(3)</sup>	358	164	161	773	718	940	826	873
Total	\$ 4,527	\$ 4,348	\$ 4,309	\$ 5,024	\$ 4,967	\$ 5,091	\$ 4,941	\$ 4,931
Segment								
Property-Liability	\$ 2,498	\$ 2,411	\$ 2,438	\$ 2,900	\$ 2,898	\$ 3,043	\$ 2,991	\$ 2,994
Allstate Financial	2,024	1,933	1,866	2,121	2,064	2,044	1,946	1,933
Corporate and Other	5	4	5	3	5	4	4	4
Total	\$ 4,527	\$ 4,348	\$ 4,309	\$ 5,024	\$ 4,967	\$ 5,091	\$ 4,941	\$ 4,931
<b>Total Income</b>								
Accounting basis								
Cost method	\$ 60	\$ 25	\$ 66	\$ 50	\$ 80	\$ 48	\$ 45	\$ 26
Equity method	55	137	129	92	122	58	81	81
Total	\$ 115	\$ 162	\$ 195	\$ 142	\$ 202	\$ 106	\$ 126	\$ 107
Underlying investment								
Private equity / debt funds	\$ 96	\$ 66	\$ 123	\$ 106	\$ 140	\$ 68	\$ 58	\$ 68
Real estate funds	25	93	55	38	61	49	77	34
Other	(6)	3	17	(2)	1	(11)	(9)	5
Total	\$ 115	\$ 162	\$ 195	\$ 142	\$ 202	\$ 106	\$ 126	\$ 107
Segment								
Property-Liability	\$ 57	\$ 112	\$ 102	\$ 75	\$ 130	\$ 69	\$ 89	\$ 77
Allstate Financial	58	51	91	67	71	37	37	30
Corporate and Other	-	(1)	2	-	1	-	-	-
Total	\$ 115	\$ 162	\$ 195	\$ 142	\$ 202	\$ 106	\$ 126	\$ 107

(1) As of December 31, 2014, valuations of EMA limited partnerships include approximately \$571 million of cumulative pre-tax appreciation that has been recognized in earnings but has not been distributed to investors.

(2) The fair value of cost method limited partnerships is determined using reported net asset values of the underlying funds.

(3) In periods prior to June 30, 2014, other included tax credit funds.

**THE ALLSTATE CORPORATION**  
**UNREALIZED NET CAPITAL GAINS AND LOSSES ON SECURITY PORTFOLIO BY TYPE**  
(\$ in millions)

	December 31, 2014			September 30, 2014			June 30, 2014		
	Unrealized net capital gains and losses	Fair value	Fair value as a percent of amortized cost	Unrealized net capital gains and losses	Fair value	Fair value as a percent of amortized cost	Unrealized net capital gains and losses	Fair value	Fair value as a percent of amortized cost
<b>Fixed income securities</b>									
U.S. government and agencies	\$ 136	\$ 4,328	103.2	\$ 128	\$ 4,309	103.1	\$ 146	\$ 4,853	103.1
Municipal	620	8,497	107.9	557	8,535	107.0	552	8,561	106.9
Corporate	1,758	42,144	104.4	1,742	41,071	104.4	2,185	41,467	105.6
Foreign government	102	1,645	106.6	96	1,693	106.0	107	1,676	106.8
Asset-backed securities ("ABS")	7	3,978	100.2	18	4,709	100.4	40	3,943	101.0
Residential mortgage-backed securities ("RMBS")	99	1,207	108.9	104	1,289	108.8	99	1,362	107.8
Commercial mortgage-backed securities ("CMBS")	42	615	107.3	48	681	107.6	54	746	107.8
Redeemable preferred stock	4	26	118.2	4	26	118.2	4	26	118.2
Total fixed income securities	2,768	62,440	104.6	2,697	62,313	104.5	3,187	62,634	105.4
<b>Equity securities</b>	412	4,104	111.2	458	4,335	111.8	736	5,394	115.8
Short-term investments	-	2,540	100.0	-	2,463	100.0	-	2,914	100.0
Derivatives	(2)	92	n/a	(8)	73	n/a	(19)	103	n/a
EMA limited partnership interests <sup>(2)</sup>	(5)	n/a	n/a	(5)	n/a	n/a	(5)	n/a	n/a
Investments classified as held for sale	-	n/a	n/a	-	n/a	n/a	-	n/a	n/a
Unrealized net capital gains and losses, pre-tax	3,173			3,142			3,899		
<b>Amounts recognized for:</b>									
Insurance reserves <sup>(3)</sup>	(28)			(169)			(399)		
DAC and DSI <sup>(4)</sup>	(179)			(158)			(189)		
Amounts recognized	(207)			(327)			(588)		
Deferred income taxes	(1,040)			(988)			(1,161)		

Unrealized net capital gains and losses, after-tax	\$ 1,926			\$ 1,827			\$ 2,150		
	March 31, 2014			December 31, 2013			September 30, 2013		
	Unrealized net capital gains and losses	Fair value	Fair value as a percent of amortized cost	Unrealized net capital gains and losses	Fair value	Fair value as a percent of amortized cost	Unrealized net capital gains and losses	Fair value	Fair value as a percent of amortized cost
Fixed income securities									
U.S. government and agencies	\$ 132	\$ 3,806	103.6	\$ 122	\$ 2,913	104.4	\$ 156	\$ 2,881	105.7
Municipal	421	8,716	105.1	277	8,723	103.3	365	9,611	103.9
Corporate	1,743	41,159	104.4	1,272	40,603	103.2	1,412	39,697	103.7
Foreign government	96	1,737	105.9	88	1,824	105.1	108	1,939	105.9
ABS	38	3,497	101.1	27	4,518	100.6	32	3,421	100.9
RMBS	93	1,438	106.9	71	1,474	105.1	57	1,844	103.2
CMBS	47	783	106.4	41	829	105.2	31	875	103.7
Redeemable preferred stock	4	25	119.0	4	26	118.2	5	27	122.7
Total fixed income securities	2,574	61,161	104.4	1,902	60,910	103.2	2,166	60,295	103.7
Equity securities	722	5,297	115.8	624	5,097	114.0	442	4,812	110.1
Short-term investments	-	2,573	100.0	-	2,393	100.0	-	2,694	100.0
Derivatives	(19)	169	n/a	(18)	269	n/a	(19)	217	n/a
EMA limited partnership interests <sup>(2)</sup>	(4)	n/a	n/a	(3)	n/a	n/a	(3)	n/a	n/a
Investments classified as held for sale	327	n/a	n/a	190	n/a	n/a	244	n/a	n/a
Unrealized net capital gains and losses, pre-tax	3,600			2,695			2,830		
Amounts recognized for:									
Insurance reserves <sup>(3)</sup>	(134)			-			-		
DAC and DSI <sup>(4)</sup>	(245)			(158)			(189)		
Amounts recognized	(379)			(158)			(189)		
Deferred income taxes	(1,130)			(891)			(927)		
Unrealized net capital gains and losses, after-tax	\$ 2,091			\$ 1,646			\$ 1,714		

- (1) The comparison of percentages from period to period may be distorted by investment transactions such as sales, purchases and impairment write-downs.
- (2) Unrealized net capital gains and losses for limited partnership interest represent the Company's share of EMA limited partnerships' other comprehensive income. Fair value and amortized cost are not applicable.
- (3) The insurance reserves adjustment represents the amount by which the reserve balance would increase if the net unrealized gains in the applicable product portfolios were realized and reinvested at current lower interest rates, resulting in a premium deficiency. Although we evaluate premium deficiencies on the combined performance of our life insurance and immediate annuities with life contingencies, the adjustment primarily relates to structured settlement annuities with life contingencies, in addition to annuity buy-outs and certain payout annuities with life contingencies.
- (4) The DAC and DSI adjustment balance represents the amount by which the amortization of DAC and DSI would increase or decrease if the unrealized gains or losses in the respective product portfolios were realized.

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**THE ALLSTATE CORPORATION**  
**NET INVESTMENT INCOME, YIELDS AND REALIZED CAPITAL GAINS AND LOSSES (PRE-TAX)**  
(\$ in millions)

	Three months ended				Twelve months ended					
	Dec. 31, 2014	Sept. 30, 2014	June 30, 2014	March 31, 2014	Dec. 31, 2013	Sept. 30, 2013	June 30, 2013	March 31, 2013	Dec. 31, 2014	Dec. 31, 2013
<b>NET INVESTMENT INCOME</b>										
Fixed income securities	\$ 577	\$ 581	\$ 584	\$ 705	\$ 698	\$ 721	\$ 740	\$ 762	\$ 2,447	\$ 2,921
Equity securities	26	28	35	28	55	30	39	25	117	149
Mortgage loans	59	54	71	81	82	99	93	98	265	372
Limited partnership interests	115	162	195	142	202	106	126	107	614	541
Short-term	2	1	3	1	1	1	1	2	7	5
Other	43	41	44	42	41	44	39	37	170	161
Subtotal	822	867	932	999	1,079	1,001	1,038	1,031	3,620	4,149
Less: Investment expense	(43)	(44)	(34)	(40)	(53)	(51)	(54)	(48)	(161)	(206)
Net investment income	\$ 779	\$ 823	\$ 898	\$ 959	\$ 1,026	\$ 950	\$ 984	\$ 983	\$ 3,459	\$ 3,943
<b>PRE-TAX YIELDS <sup>(1)</sup></b>										
Fixed income securities	3.9 %	3.9 %	4.0 %	4.1 %	4.1 %	4.2 %	4.2 %	4.3 %	3.9 %	4.2 %
Equity securities	2.7	2.6	3.1	2.5	4.9	2.8	3.9	2.8	2.7	3.6
Mortgage loans	5.7	5.2	6.6	5.4	5.3	6.2	5.8	6.0	5.7	5.9
Limited partnership interests	10.4	15.0	16.7	11.4	15.9	8.6	10.2	8.7	13.3	10.9
Total portfolio	4.2	4.4	4.7	4.5	4.8	4.5	4.6	4.5	4.5	4.6
<b>REALIZED CAPITAL GAINS AND LOSSES (PRE-TAX) BY TRANSACTION TYPE</b>										
Impairment write-downs	\$ (20)	\$ 10	\$ (6)	\$ (16)	\$ (11)	\$ (18)	\$ (33)	\$ (10)	\$ (32)	\$ (72)
Change in intent write-downs	(46)	(63)	(39)	(65)	(19)	(70)	(27)	(27)	(213)	(143)
Net other-than-temporary impairment losses recognized in earnings	(66)	(53)	(45)	(81)	(30)	(88)	(60)	(37)	(245)	(215)
Sales	183	355	290	147	180	59	408	172	975	819
Valuation and settlements of derivative instruments	(11)	(8)	(5)	(12)	(8)	(12)	14	(4)	(36)	(10)
Total	\$ 106	\$ 294	\$ 240	\$ 54	\$ 142	\$ (41)	\$ 362	\$ 131	\$ 694	\$ 594
<b>TOTAL RETURN ON INVESTMENT PORTFOLIO <sup>(2)</sup></b>	1.1 %	0.4 %	2.2 %	2.1 %	1.1 %	1.0 %	(1.5) %	1.2 %	5.8 %	1.8 %
<b>AVERAGE INVESTMENT BALANCES (in billions) <sup>(3)</sup></b>	\$ 77.7	\$ 78.1	\$ 78.5	\$ 78.5	\$ 90.1	\$ 89.7	\$ 90.7	\$ 91.8	\$ 78.2	\$ 84.5

(1) Pre-tax yields are calculated as annualized investment income before investment expense (including dividend income in the case of equity securities) divided by the average of investment balances at the end of each quarter during the year. Investment balances, for purposes of the pre-tax yield calculation, exclude unrealized capital gains and losses. Amounts related to investments classified as held for sale were excluded from the pre-tax yield calculation in 2014 and were included in the pre-tax yield calculation in 2013.

(2) Total return on investment portfolio is calculated from GAAP results including the total of net investment income, realized capital gains and losses, the change in unrealized net capital gains and losses, and the change in the difference between fair value and carrying value of mortgage loans and cost method limited partnerships, divided by the average fair value balances. Amounts related to investments classified as held for sale were excluded from the total return calculation in 2014 and were included in the total return calculation in 2013.



Fixed income securities	5.3 %	5.3 %	5.3 %	5.4 %	5.0 %	5.1 %	5.0 %	4.8 %	5.3 %	5.0 %
Equity securities	1.6	2.3	2.7	2.4	2.8	2.4	3.0	2.6	2.3	2.7
Mortgage loans	5.8	5.3	6.8	5.5	5.4	6.4	5.9	6.2	5.8	6.0
Limited partnership interests	11.8	10.9	18.2	12.8	13.8	7.4	7.8	6.1	13.4	8.8
Total portfolio	5.5	5.4	5.9	5.7	5.3	5.2	5.1	5.0	5.6	5.1
<b>REALIZED CAPITAL GAINS AND LOSSES (PRE-TAX) BY ASSET TYPE</b>										
Fixed income securities	\$ (3)	\$ (1)	\$ 5	\$ (4)	\$ 8	\$ (12)	\$ 23	\$ (18)	\$ (3)	\$ 1
Equity securities	123	(5)	14	2	8	5	31	1	134	45
Mortgage loans	(1)	2	(2)	3	1	(6)	(6)	31	2	20
Limited partnership interests	1	28	(28)	(5)	(3)	-	(3)	-	(4)	(6)
Derivatives and other	5	4	1	5	-	(3)	12	5	15	14
Total	\$ <u>125</u>	\$ <u>28</u>	\$ <u>(10)</u>	\$ <u>1</u>	\$ <u>14</u>	\$ <u>(16)</u>	\$ <u>57</u>	\$ <u>19</u>	\$ <u>144</u>	\$ <u>74</u>
<b>REALIZED CAPITAL GAINS AND LOSSES (PRE-TAX) BY TRANSACTION TYPE</b>										
Impairment write-downs	\$ (9)	\$ 2	\$ -	\$ (4)	\$ (5)	\$ (10)	\$ (16)	\$ (2)	\$ (11)	\$ (33)
Change in intent write-downs	(4)	(21)	(14)	(5)	(4)	(7)	(1)	(7)	(44)	(19)
Net other-than-temporary impairment losses recognized in earnings	(13)	(19)	(14)	(9)	(9)	(17)	(17)	(9)	(55)	(52)
Sales	133	43	1	8	23	6	62	21	185	112
Valuation and settlements of derivative instruments	5	4	3	2	-	(5)	12	7	14	14
Total	\$ <u>125</u>	\$ <u>28</u>	\$ <u>(10)</u>	\$ <u>1</u>	\$ <u>14</u>	\$ <u>(16)</u>	\$ <u>57</u>	\$ <u>19</u>	\$ <u>144</u>	\$ <u>74</u>
<b>AVERAGE INVESTMENT BALANCES (in billions)<sup>(3)</sup></b>										
	\$ <u>36.3</u>	\$ <u>36.6</u>	\$ <u>37.3</u>	\$ <u>37.7</u>	\$ <u>49.7</u>	\$ <u>50.3</u>	\$ <u>51.9</u>	\$ <u>53.2</u>	\$ <u>37.0</u>	\$ <u>44.8</u>

(1) As of December 31, 2014, Allstate Financial has commitments to invest in additional limited partnership interests totaling \$1.22 billion.

(2) Pre-tax yields are calculated as annualized investment income before investment expense (including dividend income in the case of equity securities) divided by the average of investment balances at the end of each quarter during the year. Investment balances, for purposes of the pre-tax yield calculation, exclude unrealized capital gains and losses. Amounts related to investments classified as held for sale were excluded from the pre-tax yield calculation in 2014 and were included in the pre-tax yield calculation in 2013.

(3) Average investment balances for the quarter are calculated as the average of the current and prior quarter investment balances. Year-to-date average investment balances are calculated as the average of investment balances at the beginning of the year and the end of each quarter during the year. For purposes of the average investment balances calculation, unrealized capital gains and losses are excluded. Amounts related to investments classified as held for sale were excluded from average investment balances calculation in 2014 and were included in the average investment balances calculation in 2013.

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### THE ALLSTATE CORPORATION INVESTMENT RESULTS (\$ in millions)

	Three months ended				Twelve months ended					
	Dec. 31, 2014	Sept. 30, 2014	June 30, 2014	March 31, 2014	Dec. 31, 2013	Sept. 30, 2013	June 30, 2013	March 31, 2013	Dec. 31, 2014	Dec. 31, 2013
<b>Consolidated investment portfolio</b>										
Interest-bearing <sup>(1)</sup>	\$ 72,201	\$ 71,755	\$ 72,580	\$ 71,084	\$ 70,796	\$ 70,423	\$ 82,729	\$ 87,890	\$ 72,201	\$ 70,796
Equity/owned <sup>(2)</sup>	8,912	8,966	9,983	10,606	10,359	10,060	9,586	9,492	8,912	10,359
Total	\$ <u>81,113</u>	\$ <u>80,721</u>	\$ <u>82,563</u>	\$ <u>81,690</u>	\$ <u>81,155</u>	\$ <u>80,483</u>	\$ <u>92,315</u>	\$ <u>97,382</u>	\$ <u>81,113</u>	\$ <u>81,155</u>
<b>Consolidated portfolio total return<sup>(2)</sup></b>										
Interest-bearing	0.9 %	0.2 %	1.8 %	1.7 %	0.6 %	0.8 %	(1.4) %	0.8 %	4.6 %	0.8 %
Equity/owned	0.2	0.2	0.4	0.4	0.6	0.3	-	0.4	1.4	1.3
Investment expenses	-	-	-	-	(0.1)	(0.1)	(0.1)	-	(0.2)	(0.3)
Total	<u>1.1</u>	<u>0.4</u>	<u>2.2</u>	<u>2.1</u>	<u>1.1</u>	<u>1.0</u>	<u>(1.5)</u>	<u>1.2</u>	<u>5.8</u>	<u>1.8</u>
<b>Consolidated portfolio total return<sup>(2)</sup></b>										
Income	1.0 %	1.0 %	1.1 %	1.1 %	1.1 %	1.0 %	1.0 %	1.0 %	4.1 %	4.1 %
Valuation	0.1	(0.6)	1.1	1.0	-	-	(2.5)	0.2	1.7	(2.3)
Total	<u>1.1</u>	<u>0.4</u>	<u>2.2</u>	<u>2.1</u>	<u>1.1</u>	<u>1.0</u>	<u>(1.5)</u>	<u>1.2</u>	<u>5.8</u>	<u>1.8</u>
<b>Consolidated net investment income</b>										
Interest-bearing	\$ 675	\$ 672	\$ 695	\$ 824	\$ 819	\$ 861	\$ 868	\$ 895	\$ 2,866	\$ 3,443
Equity/owned	147	195	237	175	260	140	170	136	754	706
Investment expenses	(43)	(44)	(34)	(40)	(53)	(51)	(54)	(48)	(161)	(206)
Total	\$ <u>779</u>	\$ <u>823</u>	\$ <u>898</u>	\$ <u>959</u>	\$ <u>1,026</u>	\$ <u>950</u>	\$ <u>984</u>	\$ <u>983</u>	\$ <u>3,459</u>	\$ <u>3,943</u>
<b>Consolidated interest-bearing pre-tax yield<sup>(4)</sup></b>	3.9 %	3.9 %	4.0 %	4.1 %	4.1 %	4.3 %	4.3 %	4.3 %	4.0 %	4.2 %
<b>Property-Liability net investment income</b>										
Interest-bearing excluding prepayment premiums and litigation proceeds	\$ 225	\$ 223	\$ 219	\$ 219	\$ 218	\$ 229	\$ 234	\$ 246	\$ 886	\$ 927
Prepayment premiums and litigation proceeds	9	8	12	13	9	4	10	15	42	38
Total interest-bearing	234	231	231	232	227	233	244	261	928	965
Equity/owned	84	137	101	101	183	99	125	102	459	509
Less: Investment expenses	(24)	(24)	(17)	(21)	(28)	(23)	(26)	(22)	(86)	(99)
Total	294	344	351	312	382	309	343	341	1,301	1,375
Less: prepayment premiums and litigation proceeds	(9)	(8)	(12)	(13)	(9)	(4)	(10)	(15)	(42)	38
Total excluding prepayment premiums and litigation proceeds	\$ <u>285</u>	\$ <u>336</u>	\$ <u>339</u>	\$ <u>299</u>	\$ <u>373</u>	\$ <u>305</u>	\$ <u>333</u>	\$ <u>326</u>	\$ <u>1,259</u>	\$ <u>1,337</u>
<b>Property-Liability interest-bearing pre-tax yield</b>	2.8 %	2.8 %	2.9 %	3.0 %	2.9 %	3.1 %	3.2 %	3.5 %	2.9 %	3.2 %
<b>Property-Liability interest-bearing pre-tax yield excluding prepayment premiums and litigation proceeds</b>	2.7 %	2.7 %	2.8 %	2.8 %	2.8 %	3.0 %	3.1 %	3.3 %	2.7 %	3.1 %
<b>Allstate Financial net investment income</b>										
Interest-bearing excluding prepayment premiums and litigation proceeds	\$ 420	\$ 426	\$ 432	\$ 556	\$ 569	\$ 584	\$ 591	\$ 599	\$ 1,834	\$ 2,343
Prepayment premiums and litigation proceeds	13	7	24	28	15	32	27	27	72	101
Total interest-bearing	433	433	456	584	584	616	618	626	1,906	2,444
Equity/owned	63	59	98	74	77	43	43	34	294	197
Less: Investment expenses	(16)	(19)	(16)	(18)	(24)	(26)	(28)	(25)	(69)	(103)
Total	480	473	538	640	637	633	633	635	2,131	2,538
Less: prepayment premiums and litigation proceeds	(13)	(7)	(24)	(28)	(15)	(32)	(27)	(27)	(72)	(101)

	\$ 467	\$ 466	\$ 514	\$ 612	\$ 622	\$ 601	\$ 606	\$ 608	\$ 2,059	\$ 2,437
Total excluding prepayment premiums and litigation proceeds										
Allstate Financial interest-bearing pre-tax yield	5.2 %	5.2 %	5.3 %	5.3 %	5.0 %	5.2 %	5.0 %	4.9 %	5.2 %	5.0 %
Allstate Financial interest-bearing pre-tax yield excluding prepayment premiums and litigation proceeds	5.0 %	5.1 %	5.0 %	5.0 %	4.8 %	4.9 %	4.8 %	4.7 %	5.0 %	4.8 %

<sup>(1)</sup> Includes fixed income securities, mortgage loans, short-term and other investments.

<sup>(2)</sup> Includes limited partnership interests, equity securities and real estate.

<sup>(3)</sup> Total return on investment portfolio is calculated from GAAP results including the total of net investment income, realized capital gains and losses, the change in unrealized net capital gains and losses, and the change in the difference between fair value and carrying value of mortgage loans and cost method limited partnerships, divided by the average fair value balances. Amounts related to investments classified as held for sale were excluded from the total return calculation in 2014 and were included in the total return calculation in 2013.

<sup>(4)</sup> Pre-tax interest-bearing yield is calculated as annualized interest-bearing investment income before investment expense divided by the average of interest-bearing investment balances at the end of each quarter during the year. Interest-bearing investment balances, for purposes of the pre-tax interest-bearing yield calculation, exclude unrealized capital gains and losses. Amounts related to investments classified as held for sale were excluded from the pre-tax interest-bearing yield calculation in 2014 and were included in the pre-tax interest-bearing yield calculation in 2013.

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## Definitions of Non-GAAP Measures

We believe that investors' understanding of Allstate's performance is enhanced by our disclosure of the following non-GAAP measures. Our methods for calculating these measures may differ from those used by other companies and therefore comparability may be limited.

**Operating income** is net income available to common shareholders, excluding:

- realized capital gains and losses, after-tax, except for periodic settlements and accruals on non-hedge derivative instruments, which are reported with realized capital gains and losses but included in operating income,
- valuation changes on embedded derivatives that are not hedged, after-tax,
- amortization of deferred policy acquisition costs ("DAC") and deferred sales inducements ("DSI"), to the extent they resulted from the recognition of certain realized capital gains and losses or valuation changes on embedded derivatives that are not hedged, after-tax,
- amortization of purchased intangible assets, after-tax,
- gain (loss) on disposition of operations, after-tax, and
- adjustments for other significant non-recurring, infrequent or unusual items, when (a) the nature of the charge or gain is such that it is reasonably unlikely to recur within two years, or (b) there has been no similar charge or gain within the prior two years.

Net income available to common shareholders is the GAAP measure that is most directly comparable to operating income. We use operating income as an important measure to evaluate our results of operations. We believe that the measure provides investors with a valuable measure of the Company's ongoing performance because it reveals trends in our insurance and financial services business that may be obscured by the net effect of realized capital gains and losses, valuation changes on embedded derivatives that are not hedged, amortization of purchased intangible assets, gain (loss) on disposition of operations and adjustments for other significant non-recurring, infrequent or unusual items. Realized capital gains and losses, valuation changes on embedded derivatives that are not hedged and gain (loss) on disposition of operations may vary significantly between periods and are generally driven by business decisions and external economic developments such as capital market conditions, the timing of which is unrelated to the insurance underwriting process. Consistent with our intent to protect results or earn additional income, operating income includes periodic settlements and accruals on certain derivative instruments that are reported in realized capital gains and losses because they do not qualify for hedge accounting or are not designated as hedges for accounting purposes. These instruments are used for economic hedges and to replicate fixed income securities, and by including them in operating income, we are appropriately reflecting their trends in our performance and in a manner consistent with the economically hedged investments, product attributes (e.g. net investment income and interest credited to contractholder funds) or replicated investments. Amortization of purchased intangible assets is excluded because it relates to the acquisition purchase price and is not indicative of our underlying insurance business results or trends. Non-recurring items are excluded because, by their nature, they are not indicative of our business or economic trends. Accordingly, operating income excludes the effect of items that tend to be highly variable from period to period and highlights the results from ongoing operations and the underlying profitability of our business. A byproduct of excluding these items to determine operating income is the transparency and understanding of their significance to net income variability and profitability while recognizing these or similar items may recur in subsequent periods. Operating income is used by management along with the other components of net income available to common shareholders to assess our performance. We use adjusted measures of operating income in incentive compensation. Therefore, we believe it is useful for investors to evaluate net income available to common shareholders, operating income and their components separately and in the aggregate when reviewing and evaluating our performance. We note that investors, financial analysts, financial and business media organizations and rating agencies utilize operating income results in their evaluation of our and our industry's financial performance and in their investment decisions, recommendations and communications as it represents a reliable, representative and consistent measurement of the industry and the Company and management's performance. We note that the price to earnings multiple commonly used by insurance investors as a forward-looking valuation technique uses operating income as the denominator. Operating income should not be considered a substitute for net income available to common shareholders and does not reflect the overall profitability of our business. A reconciliation of operating income to net income available to common shareholders is provided in the schedule, "Contribution to Income".

**Underwriting income** is calculated as premiums earned, less claims and claims expense ("losses"), amortization of DAC, operating costs and expenses and restructuring and related charges as determined using GAAP. Management uses this measure in its evaluation of the results of operations to analyze the profitability of our Property-Liability insurance operations separately from investment results. It is also an integral component of incentive compensation. It is useful for investors to evaluate the components of income separately and in the aggregate when reviewing performance. Net income available to common shareholders is the most directly comparable GAAP measure. Underwriting income should not be considered a substitute for net income available to common shareholders and does not reflect the overall profitability of our business. A reconciliation of Property-Liability underwriting income to net income available to common shareholders is provided in the schedule, "Property-Liability Results".

**Combined ratio excluding the effect of catastrophes** is a non-GAAP ratio, which is computed as the difference between two GAAP operating ratios: the combined ratio and the effect of catastrophes on the combined ratio. The most directly comparable GAAP measure is the combined ratio. We believe that this ratio is useful to investors and it is used by management to reveal the trends in our Property-Liability business that may be obscured by catastrophe losses. Catastrophe losses cause our loss trends to vary significantly between periods as a result of their incidence of occurrence and magnitude and can have a significant impact on the combined ratio. We believe it is useful for investors to evaluate these components separately and in the aggregate when reviewing our underwriting performance. The combined ratio excluding the effect of catastrophes should not be considered a substitute for the combined ratio and does not reflect the overall underwriting profitability of our business. A reconciliation of combined ratio excluding the effect of catastrophes to combined ratio is provided in the schedule, "Property-Liability Results".

**Combined ratio excluding the effect of catastrophes, prior year reserve reestimates and amortization of purchased intangible assets ("underlying combined ratio")** is a non-GAAP ratio, which is computed as the difference between four GAAP operating ratios: the combined ratio, the effect of catastrophes on the combined ratio, the effect of prior year non-catastrophe reserve reestimates on the combined ratio and the effect of amortization of purchased intangible assets on the combined ratio. We believe that this ratio is useful to investors and it is used by management to reveal the trends in our Property-Liability business that may be obscured by catastrophe losses, prior year reserve reestimates and amortization of purchased intangible assets. Catastrophe losses cause our loss trends to vary significantly between periods as a result of their incidence of occurrence and magnitude, and can have a significant impact on the combined ratio. Prior year reserve reestimates are caused by unexpected loss development on historical reserves. Amortization of purchased intangible assets relates to the acquisition purchase price and is not indicative of our underlying insurance business results or trends. We believe it is useful for investors to evaluate these components separately and in the aggregate when reviewing our underwriting performance. We also provide it to facilitate a comparison to our outlook on the underlying combined ratio. The most directly comparable GAAP measure is the combined ratio. The underlying combined ratio should not be considered a substitute for the combined ratio and does not reflect the overall underwriting profitability of our business. A reconciliation of the underlying combined ratio to combined ratio is provided in the schedules "Allstate Brand Profitability Measures", "Encompass Brand Profitability Measures", "Esurance Brand Profitability Measures", "Auto, Homeowners and Other Personal Lines Underlying Combined Ratios", "Allstate Personal Lines Profitability Measures" and "Emerging Businesses Profitability Measures".



**Average underlying loss (incurred pure premium) and expense** is calculated as the underlying combined ratio (a non-GAAP measure) multiplied by the GAAP quarterly earned premium, which is annualized (multiplied by 4) ("average premium"). We believe that this measure is useful to investors and it is used by management for the same reasons noted above for the underlying combined ratio. A reconciliation of average underlying loss and expense is provided in the schedule, "Allstate Brand Auto and Homeowners Underlying Loss and Expense".

**Esurance brand underlying loss ratio** is a non-GAAP ratio, which is computed as the difference between three GAAP operating ratios: the loss ratio, the effect of catastrophes on the combined ratio and the effect of prior year non-catastrophe reserve reestimates on the combined ratio. We believe that this ratio is useful to investors and it is used by management to reveal the trends in the Esurance business that may be obscured by catastrophe losses and prior year reserve reestimates. Catastrophe losses cause our loss trends to vary significantly between periods as a result of their incidence of occurrence and magnitude, and can have a significant impact on the combined ratio. Prior year reserve reestimates are caused by unexpected loss development on historical reserves. We believe it is useful for investors to evaluate these components separately and in the aggregate when reviewing our underwriting performance. The most directly comparable GAAP measure is the loss ratio. The underlying loss ratio should not be considered a substitute for the loss ratio and does not reflect the overall loss ratio of our business. A reconciliation of Esurance brand underlying loss ratio is provided in the schedule, "Esurance Brand Profitability Measures and Statistics".

**Operating income return on common shareholders' equity** is a ratio that uses a non-GAAP measure. It is calculated by dividing the rolling 12-month operating income by the average of common shareholders' equity at the beginning and at the end of the 12-months, after excluding the effect of unrealized net capital gains and losses. Return on common shareholders' equity is the most directly comparable GAAP measure. We use operating income as the numerator for the same reasons we use operating income, as discussed above. We use average common shareholders' equity excluding the effect of unrealized net capital gains and losses for the denominator as a representation of common shareholders' equity primarily attributable to the Company's earned and realized business operations because it eliminates the effect of items that are unrealized and vary significantly between periods due to external economic developments such as capital market conditions like changes in equity prices and interest rates, the amount and timing of which are unrelated to the insurance underwriting process. We use it to supplement our evaluation of net income available to common shareholders and return on common shareholders' equity because it excludes the effect of items that tend to be highly variable from period to period. We believe that this measure is useful to investors and that it provides a valuable tool for investors when considered along with return on common shareholders' equity because it eliminates the after-tax effects of realized and unrealized net capital gains and losses that can fluctuate significantly from period to period and that are driven by economic developments, the magnitude and timing of which are generally not influenced by management. In addition, it eliminates non-recurring items that are not indicative of our ongoing business or economic trends. A byproduct of excluding the items noted above to determine operating income return on common shareholders' equity from return on common shareholders' equity is the transparency and understanding of their significance to return on common shareholders' equity variability and profitability while recognizing these or similar items may recur in subsequent periods. We use adjusted measures of operating income return on common shareholders' equity in incentive compensation. Therefore, we believe it is useful for investors to have operating income return on common shareholders' equity and return on common shareholders' equity when evaluating our performance. We note that investors, financial analysts, financial and business media organizations and rating agencies utilize operating income return on common shareholders' equity results in their evaluation of our and our industry's financial performance and in their investment decisions, recommendations and communications as it represents a reliable, representative and consistent measurement of the industry and the company and management's utilization of capital. Operating income return on common shareholders' equity should not be considered a substitute for return on common shareholders' equity and does not reflect the overall profitability of our business. A reconciliation of return on common shareholders' equity and operating income return on common shareholders' equity can be found in the schedule, "Return on Common Shareholders' Equity".

**Book value per common share, excluding the impact of unrealized net capital gains and losses on fixed income securities**, is a ratio that uses a non-GAAP measure. It is calculated by dividing common shareholders' equity after excluding the impact of unrealized net capital gains and losses on fixed income securities and related DAC, DSI and life insurance reserves by total common shares outstanding plus dilutive potential common shares outstanding. We use the trend in book value per common share, excluding the impact of unrealized net capital gains and losses on fixed income securities, in conjunction with book value per common share to identify and analyze the change in net worth attributable to management efforts between periods. We believe the non-GAAP ratio is useful to investors because it eliminates the effect of items that can fluctuate significantly from period to period and are generally driven by economic developments, primarily capital market conditions, the magnitude and timing of which are generally not influenced by management, and we believe it enhances understanding and comparability of performance by highlighting underlying business activity and profitability drivers. We note that book value per common share, excluding the impact of unrealized net capital gains and losses on fixed income securities, is a measure commonly used by insurance investors as a valuation technique. Book value per common share is the most directly comparable GAAP measure. Book value per common share, excluding the impact of unrealized net capital gains and losses on fixed income securities, should not be considered as a substitute for book value per common share, and does not reflect the recorded net worth of our business. A reconciliation of book value per common share, excluding the impact of unrealized net capital gains on fixed income securities, and book value per common share can be found in the schedule, "Book Value per Common Share".