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 7, 2018

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

Delaware	**1-11840**	**36-3871531**
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

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

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

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

[ ] Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

[ ] Soliciting material pursuant to Rule 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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ____

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ___

Section 2 – Financial Information

Item 2.02. Results of Operations and Financial Condition.

The Registrant's press release dated February 7, 2018, announcing its financial results for the fourth quarter of 2017, and the Registrant's fourth quarter 2017 investor supplement are furnished as Exhibits 99.1 and 99.2, respectively, to this report. The information contained in the press release and the investor supplement are furnished and not filed pursuant to instruction B.2 of Form 8-K.

Section 9 – Financial Statements and Exhibits

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

99.1	Registrant's press release dated February 7, 2018
99.2	Fourth quarter 2017 Investor Supplement of The Allstate Corporation

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/ Eric K. Ferren
Name: Eric K. Ferren
Title: Senior Vice President, Controller and Chief Accounting Officer

Date: February 7, 2018

FOR IMMEDIATE RELEASE

Contacts:
Greg Burns John Griek
Media Relations Investor Relations
(847) 402-5600 (847) 402-2800

Allstate Delivers Strong Results

Positioned for profitable growth in 2018

NORTHBROOK, Ill., February 7, 2018 – The Allstate Corporation (NYSE: ALL) today reported financial results for the fourth quarter of 2017.

The Allstate Corporation Consolidated Highlights

($ in millions, except per share data and ratios)	Three months ended December 31,			Twelve months ended December 31,		
	2017	2016	% / pts Change	2017	2016	% / pts Change
Consolidated revenues	$ 9,843	$ 9,278	6.1	$ 38,524	$ 36,534	5.4
Net income applicable to common shareholders[(1)]	1,220	811	50.4	3,073	1,761	74.5
per diluted common share	3.35	2.18	53.7	8.36	4.67	79.0
Adjusted net income*[(2)]	762	807	(5.6)	2,467	1,838	34.2
per diluted common share*	2.09	2.17	(3.7)	6.71	4.87	37.8
Return on common shareholders' equity (trailing twelve months)						
Net income applicable to common shareholders				15.5%	9.5%	6.0
Adjusted net income*				13.3%	10.4%	2.9
Book value per common share				57.58	50.77	13.4
Property-Liability combined ratio						
Recorded	91.0	89.7	1.3	93.6	96.0	(2.4)
Underlying combined ratio* (excludes catastrophes, prior year reserve reestimates and amortization of purchased intangibles)	85.7	87.4	(1.7)	84.9	87.6	(2.7)
Underlying combined ratio* as historically reported (includes Service Businesses)				85.6	87.9	(2.3)
Catastrophe losses	599	303	97.7	3,234	2,572	25.7
Total policies in force (in thousands)				82,276	43,811	87.8

(1) 2017 results include a tax legislation benefit of $506 million related to the Tax Cuts and Jobs Act of 2017, primarily due to the revaluation of Allstate's deferred tax assets and liabilities. The impact of tax legislation is excluded from adjusted net income.

(2) In the fourth quarter, Allstate discontinued the use of the term "operating income" and replaced the label with "adjusted net income".

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

"In 2017, Allstate excelled at delivering strong current results and implementing multiple initiatives to drive long-term profitable growth," said Tom Wilson, Chairman and Chief Executive Officer of The Allstate Corporation. "Policies in force reached 82.3 million, revenues grew 5% to $38.5 billion and net income was $3.07 billion due to strong performance from our market-facing businesses and investments. The Tax Cuts and Jobs Act resulted in a $506 million increase to net income and will provide future additional resources to accelerate the company's strategies. Fourth quarter adjusted net income* was $762 million, excluding the impact of tax reform and goodwill impairment related to changes in reportable segments, as auto and homeowners insurance margins remained strong and performance-based investments had outstanding results. Adjusted net income return on equity* was 13.3% for 2017 and book value per share increased by 13.4% for the year. Shareholders received cash returns of $1.9 billion in 2017, which was 6% of the average market capitalization, through a combination of dividends and share repurchases."

"This operational strength will enable us to accelerate growth in 2018 while maintaining attractive returns. Allstate brand policies in force increased in the fourth quarter from the third quarter, reflecting a shift earlier in the year from improving auto insurance margins to growing profitably. We expect the underlying combined ratio* for the Property-Liability business to be between 86 and 88[1] for 2018, including additional growth investments as a result of the recent tax cuts. Investments in marketing, distribution, telematics, new products and technology are being accelerated. Allstate Benefits, SquareTrade and Esurance are also expected to contribute to growth in 2018. Reflecting this outlook and a reduction in the U.S. federal income tax rate, the quarterly dividend has been increased 24% to 46 cents per share for the first quarter of 2018."

"The reduction in federal taxes also enables us to enhance the employee value proposition and improve local communities," continued Wilson. "Employees will receive either $1,000 or $2,000 of 'Choice Dollars' in 2018, which can be taken as a cash bonus or contributed to a 401(k) or health savings account. This structure of employee choice will be incorporated into future benefit design. Allstate will also increase employee training in technology literacy to support sustainable employability. An additional $34 million was contributed to The Allstate Foundation in 2017 to expand existing programs and Allstate agency support for local causes. Allstate will remain focused on creating prosperity for all of our stakeholders," concluded Wilson.

Operating Results: Fourth Quarter 2017

- Total revenue of $9.8 billion in the fourth quarter of 2017 increased 6.1% compared to the prior year quarter.
    - Property and casualty insurance premiums increased 3.8%.
    - Life premiums and contract charges increased 4.7%.
    - Net investment income increased 14.0%.
    - Realized capital gains were $127 million compared to $2 million in the prior year quarter.

- Net income applicable to common shareholders was $1.22 billion, or $3.35 per diluted share, in the fourth quarter of 2017, compared to $811 million, or $2.18 per diluted share, in the fourth quarter of 2016, primarily driven by the reduction to income tax expense following the passage of the Tax Cuts and Jobs Act. The creation of new segments for financial reporting led to goodwill impairment of $125 million related to goodwill that was reallocated to the new Allstate Annuities segment, as previously disclosed. Adjusted net income* was $762 million in the fourth quarter of 2017, compared to $807 million in the fourth quarter of 2016, as improved underlying performance and favorable prior year reserve reestimates were offset by higher catastrophe losses and expenses.

- The 2017 full year underlying combined ratio* for the Property-Liability and Service Businesses of 85.6 was better than the annual outlook range of 87-89.

- **Property-Liability** underwriting income of $715 million was $86 million below the prior year quarter, primarily due to higher catastrophe losses and increased compensation costs. These costs partially offset the positive impact of increased premiums earned, lower underlying loss costs and higher favorable prior year reserve reestimates.

    - The underlying combined ratio* of 85.7 for the fourth quarter was 1.7 points lower than the prior year period, reflecting improvement in the auto insurance underlying combined ratio for all three underwritten brands.

    - Non-catastrophe prior year reserve releases of $175 million in the fourth quarter of 2017 included Allstate brand releases of $169 million, primarily driven by Allstate brand auto injury coverages.

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[1] A reconciliation of this non-GAAP measure to the combined ratio, a GAAP measure, is not possible on a forward-looking basis because it is not possible to provide a reliable forecast of catastrophes, and 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.

Property-Liability Results							
	Three months ended December 31,				Twelve months ended December 31,		
(% to earned premiums)	2017	2016	pts Change		2017	2016	pts Change
Recorded Combined Ratio	**91.0**	**89.7**	**1.3**		**93.6**	**96.0**	**(2.4)**
Allstate Brand Auto	91.9	95.3	(3.4)		93.2	98.7	(5.5)
Allstate Brand Homeowners	85.4	68.7	16.7		89.4	83.7	5.7
Allstate Brand Other Personal Lines	84.5	87.1	(2.6)		93.1	89.6	3.5
Esurance	100.2	105.0	(4.8)		103.3	107.5	(4.2)
Encompass	106.4	90.0	16.4		103.0	99.9	3.1
Underlying Combined Ratio*	**85.7**	**87.4**	**(1.7)**		**84.9**	**87.6**	**(2.7)**
Allstate Brand Auto	94.2	96.2	(2.0)		92.2	96.5	(4.3)
Allstate Brand Homeowners	59.9	59.1	0.8		60.5	59.5	1.0
Allstate Brand Other Personal Lines	77.8	76.7	1.1		80.4	78.5	1.9
Esurance	99.8	105.0	(5.2)		100.2	105.2	(5.0)
Encompass	86.4	90.7	(4.3)		86.5	90.3	(3.8)

- **Allstate brand auto** net written premium grew 4.2% in the fourth quarter of 2017, reflecting a 4.5% increase in average premium compared to the prior year quarter, which was partially offset by a 0.8% decline in policies in force. Policies in force grew 0.3% compared to the third quarter of 2017 on continued improvement in the renewal ratio and new issued applications.
  - The recorded combined ratio of 91.9 in the fourth quarter of 2017 was 3.4 points better than the prior year quarter due to a broad-based decline in accident frequency, increased premiums earned and higher favorable prior year reserve reestimates. The underlying combined ratio* in the current quarter was 2.0 points better than the prior year quarter.
- **Allstate brand homeowners** net written premium increased 3.4% in the fourth quarter of 2017 compared to the prior year quarter, reflecting an increase in average premium. Policies in force declined 0.5% compared to the prior year quarter, but grew 0.3% compared to the third quarter of 2017. The renewal ratio of 87.5 was unchanged and new issued applications grew.
  - The recorded combined ratio of 85.4 in the fourth quarter of 2017 includes the impact of increased catastrophe losses, while the underlying combined ratio* of 59.9 continued to reflect strong underlying profitability.
- **Allstate brand other personal lines** net written premium of $410 million increased 4.3% in the fourth quarter of 2017 compared to the prior year quarter. The recorded combined ratio of 84.5 was 2.6 points better than the prior year quarter, primarily driven by lower catastrophe losses. The underlying combined ratio* was 77.8 in the fourth quarter of 2017.
- **Esurance** net written premium growth of 2.8% compared to the prior year quarter reflects increased average premium in auto and homeowners insurance, partially offset by a decline in auto policies in force. The strategy to drive higher growth across all lines of business continued to make progress as homeowners insurance policies in force increased 36.2%, with written premium of $79 million in 2017.
  - The recorded combined ratio of 100.2 in the fourth quarter of 2017 improved 4.8 points compared to the prior year quarter, primarily driven by a lower expense ratio. The underlying combined ratio* of 99.8 was 5.2 points better than the prior year quarter, as both auto and homeowners insurance results improved.
- **Encompass** net written premium declined 7.6% in the fourth quarter of 2017 compared to the prior year quarter, reflecting the continued execution of profit improvement plans. The recorded combined ratio of 106.4 in the fourth quarter of 2017 was 16.4 points higher than the prior year quarter, due to catastrophe losses from California wildfires which was partially offset by lower underlying loss costs. The underlying combined ratio* of 86.4 for the fourth quarter was 4.3 points lower than the prior year quarter.

- **Service Businesses**, a new reportable segment, offers a broad range of products and services that expand and enhance customer value propositions. Our strategy to deliver superior value propositions and build strategic platforms continued in the fourth quarter as policies in force grew to 43.5 million, an increase of 4.6 million compared to the third quarter of 2017, driven by growth in SquareTrade.
    - Adjusted net loss of $24 million in the fourth quarter of 2017 was primarily due to investments in Arity's research and development, a SquareTrade restructuring charge and the deployment of a new digital platform in Allstate Roadside Services.

Service Businesses Results						
	Three months ended December 31,			Twelve months ended December 31,		
($ in millions)	2017	2016	% Change	2017	2016	% Change
Total Revenues	**$ 264**	**$ 181**	**45.9**	**$ 993**	**$ 698**	**42.3**
SquareTrade	89	—	—	296	—	—
Allstate Roadside Services	72	81	(11.1)	300	340	(11.8)
Allstate Dealer Services	83	75	10.7	318	283	12.4
Arity	20	25	(20.0)	79	75	5.3
Adjusted Net (Loss) / Income	**(24)**	**1**	**NM**	**(59)**	**3**	**NM**
SquareTrade	(11)	—	—	(22)	—	—
Allstate Roadside Services	(7)	(5)	40.0	(20)	(12)	66.7
Allstate Dealer Services	—	2	(100.0)	(2)	4	(150.0)
Arity	(6)	4	NM	(15)	11	NM

NM = not meaningful

    - **SquareTrade** revenue was $89 million in the fourth quarter, and policies in force grew to 38.7 million, an increase of 4.6 million policies compared to the third quarter of 2017. Adjusted net loss was $11 million in the fourth quarter of 2017.
    - **Allstate Roadside Services** revenue in the fourth quarter of 2017 declined 11.1% compared to the prior year quarter, reflecting non-renewal of unprofitable third-party contracts. An adjusted net loss of $7 million was realized as the new digital platform, which reduces response time, is not yet profitable.
    - **Allstate Dealer Services** revenue grew 10.7% compared to the fourth quarter of 2016 and adjusted net income broke even.
    - **Arity** affiliate revenues were $20 million in the fourth quarter of 2017, generating an adjusted net loss of $6 million.

- **Allstate Life** adjusted net income was $57 million in the fourth quarter of 2017, $9 million lower than the prior year quarter, primarily due to increased contract benefits and operating expenses partially offset by higher premiums. Premiums and contract charges increased 1.9% in the fourth quarter compared to the prior year quarter, primarily related to higher traditional life insurance renewal premiums and lower levels of reinsurance premiums ceded.

- **Allstate Benefits** adjusted net income was $20 million in the fourth quarter of 2017, $3 million lower than the prior year quarter, primarily due to higher contract benefits and operating expenses, partially offset by higher premiums. Premiums and contract charges increased 8.3% in the fourth quarter compared to the prior year quarter, due to 7.4% growth in policies in force in 2017.

- **Allstate Annuities** adjusted net income was $55 million in the fourth quarter of 2017, $14 million higher than the prior year quarter, primarily due to higher performance-based investment income. Policies in force declined 8.0% in 2017 as the business continues to run off.

- **Allstate Investments** $83 billion portfolio generated net investment income of $913 million in the fourth quarter, which was 14.0% above the prior year quarter.

Allstate Investment Results							
	Three months ended December 31,				Twelve months ended December 31,		
($ in millions, except ratios)	2017	2016	% / pts Change		2017	2016	% / pts Change
Net investment income	**$ 913**	**$ 801**	**14.0**		**$ 3,401**	**$ 3,042**	**11.8**
Market-based investment income[(1)]	664	654	1.5		2,656	2,598	2.2
Performance-based investment income[(1)]	296	182	62.6		917	579	58.4
Realized capital gains and losses	**127**	**2**	**NM**		**445**	**(90)**	**NM**
Change in unrealized net capital gains, pre-tax	**(120)**	**(1,245)**	**NM**		**857**	**745**	**15.0**
Total return on investment portfolio	**1.1%**	**(0.7)%**	**1.8**		**5.9%**	**4.4%**	**1.5**

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

NM = not meaningful

- ◦ **Market-based investments** contributed stable earnings, primarily from fixed income securities. Market-based investment income of $664 million in the fourth quarter of 2017 increased over the prior year quarter, reflecting higher invested assets and stable portfolio yields.
- ◦ **Performance-based investments** generated income of $296 million in the fourth quarter of 2017, which increased 62.6% over the prior year quarter, reflecting asset appreciation, sales of underlying investments and the continued growth of the portfolio, across private equity and real estate.
- ◦ **Net realized capital gains** were $127 million in the fourth quarter of 2017, compared to gains of $2 million in the prior year quarter. Net realized gains on sales of $146 million were partially offset by impairments of $13 million and derivative losses of $6 million.
- ◦ **Unrealized net capital gains** decreased $120 million in the fourth quarter of 2017 as lower fixed income valuations offset positive equity markets.
- ◦ **Total return** on the investment portfolio included approximately 1% per quarter from investment income, as well as changes in the portfolio value between quarters. Total return was 1.1% for the fourth quarter, with positive equity returns offset by lower fixed income valuations. Beginning in 2018, equity valuation changes will be included in net income due to the adoption of new accounting standards.

Full Year 2017 Financial Highlights

- Allstate delivered on all five 2017 Operating Priorities which focus on both near-term performance and long-term value creation.
  - ◦ **Better Serve Our Customers:** The Net Promoter Score, which measures how likely customers are to recommend us, increased throughout 2017. Allstate brand auto insurance retention improved in the second half of 2017, and Esurance auto and homeowners insurance retention increased 2.1 points and 2.9 points, respectively, for the full year compared to 2016. If favorable trends in customer retention continue in 2018, this will support higher future growth.
  - ◦ **Achieve Target Economic Returns on Capital:** The Property-Liability recorded combined ratio of 93.6 generated $2.0 billion in underwriting income for the year. Auto insurance underwriting income increased $1.1 billion in 2017 from the prior year, due to lower accident frequency, higher premiums and favorable prior year reserve reestimates of $490 million. Allstate brand homeowners insurance posted a combined ratio of 89.4, despite significant catastrophe events. The homeowners recorded combined ratio has been below 100 for six consecutive years, but underwriting income declined by $373 million versus the prior year partially offsetting gains in auto insurance. Net investment income increased 11.8% to $3.4 billion when combined with strong underwriting income, resulted in an adjusted net income return on shareholders' equity* of 13.3%.

- **Grow Customer Base:** Consolidated policies in force grew to 82.3 million in 2017, with positive contributions from SquareTrade and Allstate Benefits. Allstate Protection policies in force declined due to the impact of profit improvement actions.

- **Proactively Manage Investments:** Total return on the $83 billion investment portfolio was 5.9% for 2017, reflecting equity and fixed income market appreciation and increased allocations to performance-based investments over the last five years. Net investment income of $3.4 billion was 11.8% higher than 2016, primarily due to strong asset appreciation and sales of underlying investments in the performance-based portfolio. The portfolio also benefited from higher market-based income, reflecting an increase in invested assets and stable portfolio yields.

- **Build Long-Term Growth Platforms:** Allstate Benefits continued its 17-year track record of growth, with policies in force increasing 7.4% in 2017. SquareTrade's first-year performance was very strong, with growth in premium and policies in force accelerating each quarter throughout 2017. Arity signed its first third-party insurance customer to expand its platform outside of Allstate entities.

Tax Cuts and Jobs Act of 2017

- Allstate anticipates an effective tax rate of 19%-20% in 2018.

- Allstate will utilize the tax reform benefits to accelerate growth initiatives, further enhance our employee value proposition, improve local communities and raise shareholder returns by increasing the target quarterly dividend per common share.

- Future insurance rate filings will be impacted by lower tax rates, but the targeted after-tax return on equity will not change. Tax reform affects only the profit provision component of the rate filings, and the impact will differ by state. As a result, this is not expected to have a material impact on Allstate's near-term operating results or competitive position.

- The passage of the Tax Cuts and Jobs Act resulted in a revaluation of deferred tax assets and liabilities, which primarily led to a $506 million reduction to income tax expense in the fourth quarter of 2017, or a $1.38 per share benefit to our earnings per diluted share in 2017.

    - The tax benefit was driven by the reduction in our net deferred tax liability principally relating to deferred acquisition costs and unrealized investment gains.

Proactive Capital Management

"Allstate continued to proactively manage shareholders' capital by returning $713 million during the fourth quarter through a combination of $134 million in common stock dividends and repurchasing $579 million of outstanding shares. For the full year we returned a total of $1.9 billion to shareholders. As of December 31, 2017, there was $1.27 billion remaining on the $2.0 billion common share repurchase program, which would represent 3.7% of shares outstanding at the current share price," said Mario Rizzo, Chief Financial Officer. "In addition, the quarterly dividend per common share was increased 24% to 46 cents, payable in cash on April 2, 2018, to stockholders of record at the close of business on March 5, 2018."

Visit www.allstateinvestors.com to view additional information about Allstate's results, including a webcast of its quarterly conference call and the call presentation. The conference call will be held at 9 a.m. ET on Thursday, February 8.

The Allstate Corporation (NYSE: ALL) is the nation's largest publicly held personal lines insurer, protecting people from life's uncertainties with 82 million proprietary policies. Allstate offers a broad array of protection products through multiple brands and diverse distribution channels, including auto, home, life and other insurance offered through its Allstate, Esurance, Encompass and Answer Financial brands. The company provides additional protection products and services through Allstate Benefits, Allstate Roadside Services, Allstate Dealer Services, Arity and SquareTrade. Allstate is widely known from the slogan "You're In Good Hands With Allstate®." Allstate agencies are in virtually every local community in America. The Allstate Foundation, Allstate, its employees and agency owners have a proud history of caring for local communities.

Financial information, including material announcements about The Allstate Corporation, is routinely posted on www.allstateinvestors.com.

Forward-Looking Statements
This news release contains "forward-looking statements" that anticipate results based on our estimates, assumptions and plans that are subject to uncertainty. These statements are made subject to the safe-harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements do not relate strictly to historical or current facts and may be identified by their use of words like "plans," "seeks," "expects," "will," "should," "anticipates," "estimates," "intends," "believes," "likely," "targets" and other words with similar meanings. We believe these statements are based on reasonable estimates, assumptions and plans. However, if the estimates, assumptions or plans underlying the forward-looking statements prove inaccurate or if other risks or uncertainties arise, actual results could differ materially from those communicated in these forward-looking statements. Factors that could cause actual results to differ materially from those expressed in, or implied by, the forward-looking statements may be found in our filings with the U.S. Securities and Exchange Commission, including the "Risk Factors" section in our most recent annual report on Form 10-K. Forward-looking statements speak only as of the date on which they are made, and we assume no obligation to update or revise any forward-looking statement.

THE ALLSTATE CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

($ in millions, except per share data)	Three months ended December 31,		Twelve months ended December 31,	
	2017	2016	2017	2016
	(unaudited)		(unaudited)	
Revenues				
Property and casualty insurance premiums	$ 8,202	$ 7,901	$ 32,300	$ 31,307
Life premiums and contract charges	601	574	2,378	2,275
Net investment income	913	801	3,401	3,042
Realized capital gains and losses:				
Total other-than-temporary impairment ("OTTI") losses	(11)	(72)	(146)	(313)
OTTI losses reclassified to (from) other comprehensive income	(2)	2	(4)	10
Net OTTI losses recognized in earnings	(13)	(70)	(150)	(303)
Sales and other realized capital gains and losses	140	72	595	213
Total realized capital gains and losses	127	2	445	(90)
	9,843	9,278	38,524	36,534
Costs and expenses				
Property and casualty insurance claims and claims expense	5,279	5,083	21,929	22,221
Life contract benefits	507	464	1,923	1,857
Interest credited to contractholder funds	168	168	690	726
Amortization of deferred policy acquisition costs	1,239	1,157	4,784	4,550
Operating costs and expenses	1,257	1,063	4,658	4,106
Restructuring and related charges	32	9	109	30
Goodwill impairment	125	—	125	—
Interest expense	84	77	335	295
	8,691	8,021	34,553	33,785
Gain on disposition of operations	5	1	20	5
Income from operations before income tax expense	1,157	1,258	3,991	2,754
Income tax (benefit) expense	(92)	418	802	877
Net income	1,249	840	3,189	1,877
Preferred stock dividends	29	29	116	116
Net income applicable to common shareholders	$ 1,220	$ 811	$ 3,073	$ 1,761
Earnings per common share:				
Net income applicable to common shareholders per common share – Basic	$ 3.41	$ 2.20	$ 8.49	$ 4.72
Weighted average common shares – Basic	357.5	368.0	362.0	372.8
Net income applicable to common shareholders per common share – Diluted	$ 3.35	$ 2.18	$ 8.36	$ 4.67
Weighted average common shares – Diluted	363.8	372.5	367.8	377.3
Cash dividends declared per common share	$ 0.37	$ 0.33	$ 1.48	$ 1.32

THE ALLSTATE CORPORATION
BUSINESS RESULTS

($ in millions, except ratios)

	Three months ended December 31, 2017	Three months ended December 31, 2016	Twelve months ended December 31, 2017	Twelve months ended December 31, 2016
Property-Liability				
Premiums written	$ 7,838	$ 7,565	$ 31,648	$ 30,891
Premiums earned	$ 7,971	$ 7,756	$ 31,433	$ 30,727
Claims and claims expense	(5,190)	(5,024)	(21,566)	(21,968)
Amortization of deferred policy acquisition costs	(1,091)	(1,029)	(4,205)	(4,053)
Operating costs and expenses	(957)	(893)	(3,559)	(3,457)
Restructuring and related charges	(18)	(9)	(91)	(29)
Underwriting income	715	801	2,012	1,220
Net investment income	415	334	1,478	1,253
Income tax expense on operations	(373)	(385)	(1,119)	(812)
Realized capital gains and losses, after-tax	73	10	272	—
Gain on disposition of operations, after-tax	2	—	9	—
Tax Legislation expense	(65)	—	(65)	—
Net income applicable to common shareholders	$ 767	$ 760	$ 2,587	$ 1,661
Catastrophe losses	$ 598	$ 302	$ 3,228	$ 2,571
Amortization of purchased intangible assets	$ 2	$ 5	$ 7	$ 32
Operating ratios:				
Claims and claims expense ratio	65.1	64.8	68.6	71.5
Expense ratio	25.9	24.9	25.0	24.5
Combined ratio	91.0	89.7	93.6	96.0
Effect of catastrophe losses on combined ratio	7.5	3.9	10.3	8.4
Effect of prior year reserve reestimates on combined ratio	(2.3)	(1.8)	(1.6)	(0.1)
Effect of catastrophe losses included in prior year reserve reestimates on combined ratio	(0.1)	(0.1)	—	—
Effect of amortization of purchased intangible assets on combined ratio	—	0.1	—	0.1
Effect of Discontinued Lines and Coverages on combined ratio	—	0.1	0.3	0.3
Services Businesses				
Premiums written	$ 309	$ 158	$ 1,094	$ 709
Premiums earned	231	145	867	580
Intersegment insurance premiums and service fees	28	32	110	105
Net investment income	5	4	16	13
Claims and claims expense	(90)	(60)	(369)	(258)
Amortization of deferred policy acquisition costs	(79)	(57)	(296)	(214)
Operating costs and expenses	(116)	(65)	(401)	(223)
Restructuring and related charges	(11)	—	(13)	—
Income tax benefit on operations	8	2	27	—
Adjusted net (loss) income	(24)	1	(59)	3
Amortization of purchased intangible assets, after-tax	(15)	—	(60)	—
Tax Legislation benefit	134	—	134	—
Net income applicable to common shareholders	$ 95	$ 1	$ 15	$ 3
Allstate Life				
Premiums and contract charges	$ 324	$ 318	$ 1,280	$ 1,250
Net investment income	127	124	489	482
Contract benefits	(210)	(188)	(765)	(742)
Interest credited to contractholder funds	(71)	(72)	(282)	(285)
Amortization of deferred policy acquisition costs	(27)	(32)	(119)	(125)
Operating costs and expenses	(65)	(56)	(238)	(225)
Restructuring and related charges	(1)	—	(2)	(1)
Income tax expense on operations	(20)	(28)	(110)	(107)
Adjusted net income	57	66	253	247
Realized capital gains and losses, after-tax	—	(7)	2	(24)
DAC and DSI amortization relating to realized capital gains and losses, after-tax	(2)	(1)	(10)	(4)
Tax Legislation benefit	332	—	332	—
Net income applicable to common shareholders	$ 387	$ 58	$ 577	$ 219

THE ALLSTATE CORPORATION
BUSINESS RESULTS

($ in millions, except ratios)	Three months ended December 31,		Twelve months ended December 31,	
	2017	2016	2017	2016
Allstate Benefits				
Premiums and contract charges	$ 273	$ 252	$ 1,084	$ 1,011
Net investment income	18	17	72	71
Contract benefits	(143)	(129)	(564)	(509)
Interest credited to contractholder funds	(9)	(8)	(35)	(36)
Amortization of deferred policy acquisition costs	(37)	(36)	(142)	(145)
Operating costs and expenses	(70)	(62)	(266)	(240)
Restructuring and related charges	(2)	—	(3)	—
Income tax expense on operations	(10)	(11)	(51)	(52)
Adjusted net income	20	23	95	100
Realized capital gains and losses, after-tax	(1)	(1)	—	(4)
Tax Legislation benefit	51	—	51	—
Net income applicable to common shareholders	$ 70	$ 22	$ 146	$ 96
Allstate Annuities				
Contract charges	$ 4	$ 4	$ 14	$ 14
Net investment income	338	312	1,305	1,181
Contract benefits	(154)	(147)	(594)	(606)
Interest credited to contractholder funds	(90)	(97)	(372)	(402)
Amortization of deferred policy acquisition costs	(2)	(2)	(7)	(7)
Operating costs and expenses	(9)	(9)	(35)	(32)
Income tax expense on operations	(32)	(20)	(107)	(47)
Adjusted net income	55	41	204	101
Realized capital gains and losses, after-tax	22	—	28	(26)
Valuation changes on embedded derivatives not hedged, after-tax	2	6	—	(2)
Gain on disposition of operations, after-tax	1	—	4	3
Tax Legislation benefit	182	—	182	—
Net income applicable to common shareholders	$ 262	$ 47	$ 418	$ 76
Corporate and Other				
Net investment income	$ 10	$ 10	$ 41	$ 42
Operating costs and expenses	(128)	(86)	(488)	(324)
Income tax benefit on operations	43	29	164	106
Preferred stock dividends	(29)	(29)	(116)	(116)
Adjusted net loss	(104)	(76)	(399)	(292)
Realized capital gains and losses, after-tax	(4)	(1)	(4)	(2)
Business combination expenses, after-tax	—	—	(14)	—
Goodwill impairment	(125)	—	(125)	—
Tax Legislation expense	(128)	—	(128)	—
Net loss applicable to common shareholders	$ (361)	$ (77)	$ (670)	$ (294)
Consolidated net income applicable to common shareholders	$ 1,220	$ 811	$ 3,073	$ 1,761

THE ALLSTATE CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

($ in millions, except par value data)

	December 31, 2017	December 31, 2016
Assets	(unaudited)	
Investments:		
Fixed income securities, at fair value (amortized cost $57,525 and $56,576)	$ 58,992	$ 57,839
Equity securities, at fair value (cost $5,461 and $5,157)	6,621	5,666
Mortgage loans	4,534	4,486
Limited partnership interests	6,740	5,814
Short-term, at fair value (amortized cost $1,944 and $4,288)	1,944	4,288
Other	3,972	3,706
Total investments	82,803	81,799
Cash	617	436
Premium installment receivables, net	5,786	5,597
Deferred policy acquisition costs	4,191	3,954
Reinsurance recoverables, net	8,921	8,745
Accrued investment income	569	567
Property and equipment, net	1,072	1,065
Goodwill	2,181	1,219
Other assets	2,838	1,835
Separate Accounts	3,444	3,393
Total assets	$ 112,422	$ 108,610
Liabilities		
Reserve for property and casualty insurance claims and claims expense	$ 26,325	$ 25,250
Reserve for life-contingent contract benefits	12,549	12,239
Contractholder funds	19,434	20,260
Unearned premiums	13,473	12,583
Claim payments outstanding	875	879
Deferred income taxes	782	487
Other liabilities and accrued expenses	6,639	6,599
Long-term debt	6,350	6,347
Separate Accounts	3,444	3,393
Total liabilities	89,871	88,037
Shareholders' equity		
Preferred stock and additional capital paid-in, $1 par value, 72.2 thousand shares issued and outstanding, $1,805 aggregate liquidation preference	1,746	1,746
Common stock, $.01 par value, 900 million issued, 355 million and 366 million shares outstanding	9	9
Additional capital paid-in	3,313	3,303
Retained income [1]	43,211	40,678
Deferred ESOP expense	(3)	(6)
Treasury stock, at cost (545 million and 534 million shares)	(25,982)	(24,741)
Accumulated other comprehensive income:		
Unrealized net capital gains and losses:		
Unrealized net capital gains and losses on fixed income securities with OTTI	70	57
Other unrealized net capital gains and losses	1,634	1,091
Unrealized adjustment to DAC, DSI and insurance reserves	(332)	(95)
Unrealized net capital gains and losses [1]	1,372	1,053
Unrealized foreign currency translation adjustments [1]	(3)	(50)
Unrecognized pension and other postretirement benefit cost [1]	(1,112)	(1,419)
Total accumulated other comprehensive income (loss) [1]	257	(416)
Total shareholders' equity	22,551	20,573
Total liabilities and shareholders' equity	$ 112,422	$ 108,610

[1] In January 2018, the FASB issued a Proposed Accounting Standards Update titled "Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income," requiring reclassification of the impact of the newly enacted tax rates on the unrealized balances presented net of tax in accumulated other comprehensive income to retained income. We plan to early adopt the new guidance as of December 31, 2017, when finalized. The impact of the adoption will decrease retained income by $49 million, increase unrealized net capital gains and losses by $290 million, decrease unrealized foreign currency translation adjustments by $6 million and decrease unrecognized pension and other postretirement benefit cost by $235 million.

THE ALLSTATE CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

($ in millions)	Twelve months ended December 31,	
	2017	2016
Cash flows from operating activities	(unaudited)	
Net income	$ 3,189	$ 1,877
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, amortization and other non-cash items	483	382
Realized capital gains and losses	(445)	90
Gain on disposition of operations	(20)	(5)
Interest credited to contractholder funds	690	726
Goodwill Impairment	125	—
Changes in:		
Policy benefits and other insurance reserves	302	631
Unearned premiums	463	362
Deferred policy acquisition costs	(214)	(165)
Premium installment receivables, net	(131)	(42)
Reinsurance recoverables, net	(211)	(264)
Income taxes	(245)	417
Other operating assets and liabilities	328	(16)
Net cash provided by operating activities	4,314	3,993
Cash flows from investing activities		
Proceeds from sales		
Fixed income securities	25,341	25,061
Equity securities	6,504	5,546
Limited partnership interests	1,125	881
Other investments	274	262
Investment collections		
Fixed income securities	4,194	4,533
Mortgage loans	600	501
Other investments	642	421
Investment purchases		
Fixed income securities	(31,145)	(27,990)
Equity securities	(6,585)	(5,950)
Limited partnership interests	(1,440)	(1,450)
Mortgage loans	(646)	(646)
Other investments	(999)	(885)
Change in short-term investments, net	2,610	(2,446)
Change in other investments, net	(30)	(51)
Purchases of property and equipment, net	(299)	(313)
Acquisition of operations	(1,356)	—
Net cash used in investing activities	(1,210)	(2,526)
Cash flows from financing activities		
Proceeds from issuance of long-term debt	—	1,236
Repayments of long-term debt	—	(17)
Contractholder fund deposits	1,025	1,049
Contractholder fund withdrawals	(1,890)	(2,087)
Dividends paid on common stock	(525)	(486)
Dividends paid on preferred stock	(116)	(116)
Treasury stock purchases	(1,495)	(1,337)
Shares reissued under equity incentive plans, net	135	164
Excess tax benefits on share-based payment arrangements	—	32
Other	(57)	36
Net cash used in financing activities	(2,923)	(1,526)
Net increase (decrease) in cash	181	(59)
Cash at beginning of year	436	495
Cash at end of year	$ 617	$ 436

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

Adjusted net income is net income applicable 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 adjusted net income,
- valuation changes on embedded derivatives 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 not hedged, after-tax,
- business combination expenses and the 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 applicable to common shareholders is the GAAP measure that is most directly comparable to adjusted net income.

We use adjusted net income as an important measure to evaluate our results of operations. We believe that the measure provides investors with a valuable measure of the company's ongoing performance because it reveals trends in our insurance and financial services business that may be obscured by the net effect of realized capital gains and losses, valuation changes on embedded derivatives not hedged, business combination expenses and the 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 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, adjusted net 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 adjusted net 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. Business combination expenses are excluded because they are non-recurring in nature and the 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, adjusted net income excludes the effect of items that tend to be highly variable from period to period and highlights the results from ongoing operations and the underlying profitability of our business. A byproduct of excluding these items to determine adjusted net income is the transparency and understanding of their significance to net income variability and profitability while recognizing these or similar items may recur in subsequent periods. Adjusted net income is used by management along with the other components of net income applicable to common shareholders to assess our performance. We use adjusted measures of adjusted net income in incentive compensation. Therefore, we believe it is useful for investors to evaluate net income applicable to common shareholders, adjusted net income and their components separately and in the aggregate when reviewing and evaluating our performance. We note that investors, financial analysts, financial and business media organizations and rating agencies utilize adjusted net income results in their evaluation of our and our industry's financial performance and in their investment decisions, recommendations and communications as it represents a reliable, representative and consistent measurement of the industry and the company and management's performance. We note that the price to earnings multiple commonly used by insurance investors as a forward-looking valuation technique uses adjusted net income as the denominator. Adjusted net income should not be considered a substitute for net income applicable to common shareholders and does not reflect the overall profitability of our business.

The following tables reconcile net income applicable to common shareholders and adjusted net income. Taxes on adjustments to reconcile net income applicable to common shareholders and adjusted net income generally use a 35% effective tax rate and are reported net with the reconciling adjustment, except for goodwill impairment that has no tax benefit and Tax Legislation expense (benefit) that is all tax.

($ in millions, except per share data)	Three months ended December 31,					
	Property-Liability		Consolidated		Per diluted common share	
	2017	2016	2017	2016	2017	2016
Net income applicable to common shareholders	$ 767	$ 760	$ 1,220	$ 811	$ 3.35	$ 2.18
Realized capital gains and losses, after-tax	(73)	(10)	(90)	(1)	(0.25)	—
Valuation changes on embedded derivatives not hedged, after-tax	—	—	(2)	(6)	(0.01)	(0.02)
DAC and DSI amortization relating to realized capital gains and losses and valuation changes on embedded derivatives not hedged, after-tax	—	—	2	1	0.01	—
Reclassification of periodic settlements and accruals on non-hedge derivative instruments, after-tax	(1)	(2)	(1)	(2)	—	—
Business combination expenses and the amortization of purchased intangible assets, after-tax	2	4	17	4	0.05	0.01
Gain on disposition of operations, after-tax	(2)	—	(3)	—	(0.01)	—
Goodwill impairment	—	—	125	—	0.34	—
Tax Legislation expense (benefit)	65	—	(506)	—	(1.39)	—
Adjusted net income*	$ 758	$ 752	$ 762	$ 807	$ 2.09	$ 2.17

	Twelve months ended December 31,					
	Property-Liability		Consolidated		Per diluted common share	
	2017	2016	2017	2016	2017	2016
Net income applicable to common shareholders	$ 2,587	$ 1,661	$ 3,073	$ 1,761	$ 8.36	$ 4.67
Realized capital gains and losses, after-tax	(272)	—	(298)	56	(0.81)	0.15
Valuation changes on embedded derivatives not hedged, after-tax	—	—	—	2	—	—
DAC and DSI amortization relating to realized capital gains and losses and valuation changes on embedded derivatives not hedged, after-tax	—	—	10	4	0.03	0.01
Reclassification of periodic settlements and accruals on non-hedge derivative instruments, after-tax	(3)	(3)	(3)	(3)	(0.01)	(0.01)
Business combination expenses and the amortization of purchased intangible assets, after-tax	5	21	79	21	0.22	0.06
Gain on disposition of operations, after-tax	(9)	—	(13)	(3)	(0.04)	(0.01)
Goodwill impairment	—	—	125	—	0.34	—
Tax Legislation expense (benefit)	65	—	(506)	—	(1.38)	—
Adjusted net income*	$ 2,373	$ 1,679	$ 2,467	$ 1,838	$ 6.71	$ 4.87

Adjusted net income return on common shareholders' equity is a ratio that uses a non-GAAP measure. It is calculated by dividing the rolling 12-month adjusted net income by the average of 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 adjusted net income as the numerator for the same reasons we use adjusted net 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 applicable 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 adjusted net 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 adjusted net income return on common shareholders' equity in incentive compensation. Therefore, we believe it is useful for investors to have adjusted net 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 adjusted net income return on common shareholders' equity results in their evaluation of our and our industry's financial performance and in their investment decisions, recommendations and communications as it represents a reliable, representative and consistent measurement of the industry and the company and management's utilization of capital. Adjusted net income return on 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.

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

($ in millions)	For the twelve months ended December 31, 2017	2016
Return on common shareholders' equity		
Numerator:		
Net income applicable to common shareholders	$ 3,073	$ 1,761
Denominator:		
Beginning common shareholders' equity [(1)]	$ 18,827	$ 18,279
Ending common shareholders' equity [(1)]	20,805	18,827
Average common shareholders' equity	$ 19,816	$ 18,553
Return on common shareholders' equity [(2)]	15.5%	9.5%

($ in millions)	For the twelve months ended December 31, 2017	2016
Adjusted net income return on common shareholders' equity		
Numerator:		
Adjusted net income	$ 2,467	$ 1,838
Denominator:		
Beginning common shareholders' equity	$ 18,827	$ 18,279
Less: Unrealized net capital gains and losses	1,053	620
Adjusted beginning common shareholders' equity	17,774	17,659
Ending common shareholders' equity	20,805	18,827
Less: Unrealized net capital gains and losses	1,372	1,053
Adjusted ending common shareholders' equity	19,433	17,774
Average adjusted common shareholders' equity	$ 18,604	$ 17,717
Adjusted net income return on common shareholders' equity *[(2)(3)]	13.3%	10.4%

[(1)] Excludes equity related to preferred stock of $1,746 million.

[(2)] The Tax Legislation adjustment recorded in fourth quarter 2017 increased return on equity by 2.4 points and decreased adjusted net income return on equity by 0.1 points.

[(3)] In January 2018,the FASB issued a Proposed Accounting Standards Update titled "Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income," requiring reclassification of the impact of the newly enacted tax rates on the unrealized balances presented net of tax in accumulated other comprehensive income to retained income. We plan to early adopt the new guidance as of December 31, 2017, when finalized. The impact of the adoption will increase the adjusted net income return on equity calculation by 0.1 points.

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 tables reconcile the respective combined ratio to the underlying combined ratio.

Property-Liability

	Three months ended December 31,		Twelve months ended December 31,	
	2017	**2016**	**2017**	**2016**
Combined ratio	91.0	89.7	93.6	96.0
Effect of catastrophe losses	(7.5)	(3.9)	(10.3)	(8.4)
Effect of prior year non-catastrophe reserve reestimates	2.2	1.7	1.6	0.1
Effect of amortization of purchased intangible assets	—	(0.1)	—	(0.1)
Underlying combined ratio*	85.7	87.4	84.9	87.6
Effect of prior year catastrophe reserve reestimates	(0.1)	(0.1)	—	—

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

Property-Liability as historically reported [1]

	Three months ended December 31,		Twelve months ended December 31,	
	2017	**2016**	**2017**	**2016**
Combined ratio	92.0	89.9	94.4	96.1
Effect of catastrophe losses	(7.3)	(3.8)	(10.0)	(8.2)
Effect of prior year non-catastrophe reserve reestimates	2.1	1.6	1.5	0.1
Effect of amortization of purchased intangible assets	(0.3)	—	(0.3)	(0.1)
Underlying combined ratio*	86.5	87.7	85.6	87.9
Effect of prior year catastrophe reserve reestimates	(0.1)	(0.1)	(0.1)	—

[1] Property-Liability, as historically reported, includes Allstate Protection, Services Businesses and Discontinued Lines and Coverages segment results.

Allstate brand - Total

	Three months ended December 31,		Twelve months ended December 31,	
	2017	**2016**	**2017**	**2016**
Combined ratio	89.9	88.7	92.3	94.8
Effect of catastrophe losses	(7.4)	(4.1)	(10.4)	(8.7)
Effect of prior year non-catastrophe reserve reestimates	2.3	1.6	2.0	0.4
Underlying combined ratio*	84.8	86.2	83.9	86.5
Effect of prior year catastrophe reserve reestimates	(0.1)	(0.1)	—	—

Allstate brand - Auto Insurance

	Three months ended December 31,		Twelve months ended December 31,	
	2017	**2016**	**2017**	**2016**
Combined ratio	91.9	95.3	93.2	98.7
Effect of catastrophe losses	(0.7)	(1.2)	(3.4)	(2.8)
Effect of prior year non-catastrophe reserve reestimates	3.0	2.1	2.4	0.6
Underlying combined ratio*	94.2	96.2	92.2	96.5
Effect of prior year catastrophe reserve reestimates	—	—	(0.1)	(0.1)

Allstate brand - Homeowners Insurance

	Three months ended December 31,		Twelve months ended December 31,	
	2017	**2016**	**2017**	**2016**
Combined ratio	85.4	68.7	89.4	83.7
Effect of catastrophe losses	(27.8)	(10.8)	(30.7)	(24.6)
Effect of prior year non-catastrophe reserve reestimates	2.3	1.2	1.8	0.4
Underlying combined ratio*	59.9	59.1	60.5	59.5
Effect of prior year catastrophe reserve reestimates	(0.3)	(0.5)	(0.1)	0.1

Allstate brand - Other Personal Lines

	Three months ended December 31,		Twelve months ended December 31,	
	2017	2016	2017	2016
Combined ratio	84.5	87.1	93.1	89.6
Effect of catastrophe losses	(4.8)	(9.7)	(12.2)	(11.8)
Effect of prior year non-catastrophe reserve reestimates	(1.9)	(0.7)	(0.5)	0.7
Underlying combined ratio*	77.8	76.7	80.4	78.5
Effect of prior year catastrophe reserve reestimates	(0.5)	(0.2)	0.2	(0.2)

Esurance brand - Total

	Three months ended December 31,		Twelve months ended December 31,	
	2017	2016	2017	2016
Combined ratio	100.2	105.0	103.3	107.5
Effect of catastrophe losses	(0.2)	(1.2)	(2.9)	(2.2)
Effect of prior year non-catastrophe reserve reestimates	—	2.1	—	1.3
Effect of amortization of purchased intangible assets	(0.2)	(0.9)	(0.2)	(1.4)
Underlying combined ratio*	99.8	105.0	100.2	105.2
Effect of prior year catastrophe reserve reestimates	—	—	(0.1)	—

Encompass brand - Total

	Three months ended December 31,		Twelve months ended December 31,	
	2017	2016	2017	2016
Combined ratio	106.4	90.0	103.0	99.9
Effect of catastrophe losses	(23.4)	(3.1)	(17.7)	(9.2)
Effect of prior year non-catastrophe reserve reestimates	3.4	3.8	1.2	(0.4)
Underlying combined ratio*	86.4	90.7	86.5	90.3
Effect of prior year catastrophe reserve reestimates	(0.4)	—	(0.1)	—

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THE ALLSTATE CORPORATION

Investor Supplement
Fourth Quarter 2017

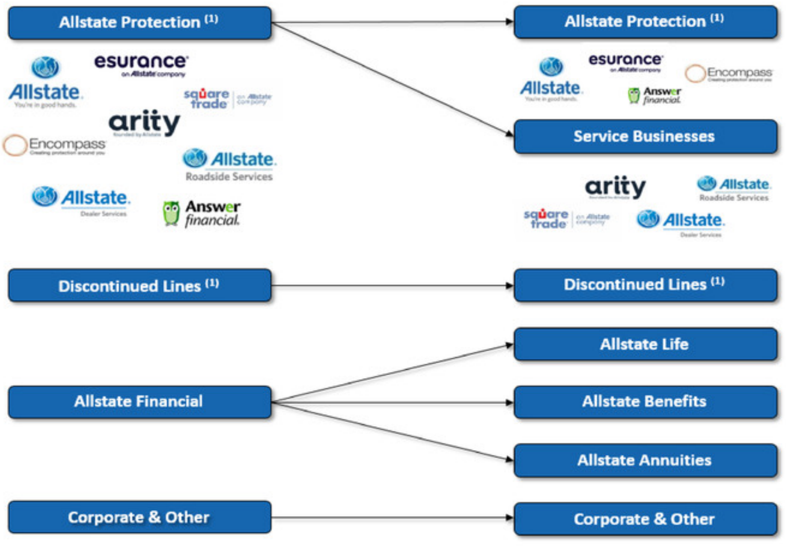
The consolidated financial statements and financial exhibits included herein are unaudited. These consolidated financial statements and exhibits should be read in conjunction wi
and notes thereto included in the most recent Annual Report on Form 10-K and Quarterly Reports on Form 10-Q. The results of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

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

THE ALLSTATE CORPORATION
Investor Supplement - Fourth Quarter 2017
Updated to Reflect Changes in Reportable Segments

Beginning in the fourth quarter of 2017, Allstate will be reporting its financial performance in the following segments: Allstate Protec
Discontinued Lines and Coverages, Service Businesses, Allstate Life, Allstate Benefits, Allstate Annuities, and Corporate and Othe
These segments align with the Company's key product and service offerings, including the acquisition of SquareTrade and the stra
focus and expansion of Arity and other service businesses.

We have updated all periods presented in our Fourth Quarter 2017 Investor Supplement to be consistent with our new reportable segments.



(1) Comprises Property-Liability.

Reportable Segments Products and Strategies

The seven reportable segments are described below and reflect the manner in which the Company's chief operating decision m performance and makes decisions about the allocation of resources.

Allstate Protection offers private passenger auto, homeowners and other personal lines and small commercial insurance products through agencies and directly through contact centers and the internet. Our strategy is to position our product offerings and distribution channels to meet customers' evolving needs and effectively address the risks they face.

Allstate Protection has four market-facing businesses with products and services that cater to different customer preferences for advice and brand recognition to improve our competitive position and performance. We serve all four consumer segments with unique products and value propositions, while leveraging our claims, pricing and operational capabilities.

Allstate brand products are sold primarily through Allstate exclusive agencies and serve customers who prefer local personaliz and are brand-sensitive. Our insurance products include auto, homeowners, specialty auto (motorcycle, trailer, motor home and of personal lines (renters, condominium, landlord, boat, umbrella and manufactured home) and commercial lines (insurance products owners). Our strategy is to grow by positioning Allstate exclusive agencies as trusted advisors to customers and leveraging best-in capabilities. Our target customers prefer to purchase multiple products from one insurance provider, including auto, homeowners, financial products.

The Allstate brand differentiates itself by offering comprehensive product options and features through agencies that provide lo including a partnership with exclusive financial specialists to deliver life and retirement solutions. Our trusted advisor initiative is a creating broader relationships by positioning agents, licensed sales professionals and exclusive financial specialists to better know their unique protection needs.

We are expanding distribution by strategically increasing the number of agency owners and licensed sales professionals based opportunities with a focus on penetrating underserved markets. We utilize targeted marketing, with messaging that communicates Hands®, the importance of having proper coverage, product options, and the ease of doing business with Allstate and our exclusive

Esurance brand products are sold directly to self-directed, brand-sensitive consumers online and through call centers. Our insu auto, homeowners, motorcycle and renters. Our strategy is to drive higher growth across all lines of business, improve our compet focus on expense management, and increase retention through investments in processes and operations to improve the customer

Encompass brand products are sold through independent agencies that serve brand-neutral customers who prefer personal se an independent agent. Our insurance products include auto, homeowners and other personal lines (renters, condominium, landlor Our strategy is to expand the agent footprint, geographic diversification, enhance pricing and underwriting sophistication and opera underwriting and claims processes. While profit improvement actions continue in many markets, targeted growth plans are in place sustainable profitability trends and long-term growth potential.

Answer Financial products include comparison quotes for non-proprietary auto, homeowners and other personal lines (condom motorcycle, recreational vehicle and boat). Our strategy as a technology-enabled insurance agency is to provide comparison shop services for businesses, offering customers choice, convenience and ease of use.

Service Businesses include SquareTrade, Arity, Allstate Roadside Services and Allstate Dealer Services, which offer a broad ra services that expand and enhance our customer value propositions. Our strategy is to deliver superior value propositions and build s connect and engage with customers and effectively address their changing needs and preferences.

	Business Overview	Strategy
SquareTrade	A leading and innovative provider of consumer electronics and appliance protection plans, covering TVs, smartphones and computers. Distributed primarily through many of the U.S.'s major retailers and mobile operators in Europe.	Rapidly grow new and existing domestic retai and expand internationally while increasing p returns.
Arity	A connected car technology and data analytics company with offerings including device and mobile data collection services, analytics and customer risk assessment solutions and telematics services. Allstate and Esurance brands and Answer Financial use Arity's services through their Drivewise®, DriveSense® and StreetWise telematics solutions. In 2017, Arity began providing services to non-affiliates.	Build a strategic mobility platform that provide solutions to insurance customers, consumers businesses (including government agencies) We are investing in research and developmen strategy.
Allstate Roadside Services	A leading roadside assistance provider in North America offering towing, jump-start, lockout, fuel delivery, and tire change services to retail customers and customers of our wholesale partners. Good Hands Rescue® is a 24/7 pay-per-use service offered through a mobile application that connects users to a select network of countrywide providers to assist with emergencies.	Digitize the roadside assistance business and capabilities to deliver a superior customer exp lowering costs in the customer assistance ce the rescue network.
Allstate Dealer Services	Offers finance and insurance products through independent agencies and brokers to auto dealerships countrywide. Products primarily include vehicle service contracts, guaranteed asset protection waivers, road hazard tire and wheel and paintless dent repair protection.	Leverage relationships with auto dealerships operational efficiency and profitability.

Allstate Life offers traditional, interest-sensitive and variable life insurance products through Allstate exclusive agencies and excl specialists. Our strategy is to deepen Allstate customer relationships by positioning Allstate exclusive agencies and financial speciali advisors and fully integrating into the Allstate brand customer value proposition. We are modernizing our operating model through tai support for agents and financial specialists, product innovation and enhancing the underwriting process. Our product positioning prov meet customer needs during various life stages.

Allstate Benefits is an industry leader in the rapidly growing voluntary benefits market offering life, accident, critical illness, short other health products sold through workplace enrolling independent agents and Allstate exclusive agencies. Our strategy for growth i new generation enrollment and administrative technology to improve our customer experience and modernize our operating model, c of our national accounts team relationships, deeper engagement with independent agents and Allstate agencies, and continued inves innovation.

Allstate Annuities consists of deferred fixed annuities and immediate fixed annuities (including standard and sub-standard struc The segment is in run-off and is focused on increasing lifetime economic value. We exited the continuing sale of annuities over an ei 2006 to 2014, reflecting our expectations of declining returns.

Discontinued Lines and Coverages includes results from property and casualty insurance coverage that primarily relates to pol the 1960s through the mid-1980s. Our exposure to asbestos, environmental and other discontinued lines claims arises from direct ex insurance, assumed reinsurance coverage, direct primary commercial insurance and other businesses in run-off. We have assigned segment to a designated group of professionals with expertise in claims handling, policy coverage interpretation, exposure identificati collection.

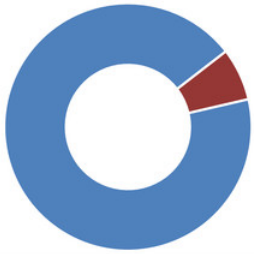
Corporate and Other includes holding company activities and certain non-insurance operations.

Allstate Protection and Discontinued Lines and Coverages comprise Property-Liability. The Company does not allocate investme capital gains and losses, or assets to the Allstate Protection and Discontinued Lines and Coverages segments.

Revenue by Reportable Segments

$ in millions, for the year ended December 31, 2017

Total Premiums Earned and Contract Charges $34,678 (1)



(1) The Discontinued Lines and Coverages and Corporate and Other segments do not have recurring premiums or contract charges.

(2) Excludes $110 million of intersegment premiums and service fees, which are eliminated in the consolidated financial statements.

$ in millions, for the year ended December 31, 2017

Total Net Investment Income and Realized Capital Gains and Losses $3,846

(3) Allstate Protection and Discontinued Lines and Coverages segments comprise Property-Liability. The Company does not allocate investment income, realized capital gains and losses, or investment assets to the Allstate Protection and Discontinued Lines and Coverages segments.

THE ALLSTATE CORPORATION
CHANGES IN REPORTABLE SEGMENTS AND COMBINED RATIO CALCULATION

Property-Liability(1) Combined Ratio and Underlying Combined Ratio*

Property-Liability includes Allstate Protection and Discontinued Lines and Coverages segment results. Property-Liability, as historically reported, included Businesses and Discontinued Lines and Coverages segment results. The change column represents the impact of the Service Businesses segment, whic Arity, Allstate Roadside Services and Allstate Dealer Services and is no longer included in Allstate Protection.

	For the twelve months ended December 31	
	Property-Liability As Historically Reported	Property-Liability
Premiums earned	$ 32,300	$ 31,433
Incurred losses	(21,929)	(21,566)
Expenses	(8,553)	(7,855)
Underwriting income	$ 1,818	$ 2,012
Catastrophe losses	$ 3,234	$ 3,228
Non-catastrophe prior year reserve reestimates	(485)	(487)
Amortization of purchased intangible assets	99	7
Combined Ratio	94.4	93.6
Effect of catastrophe losses on combined ratio	(10.0)	(10.3)
Effect of prior year non-catastrophe prior year reserve reestimates	1.5	1.6
Effect of amortization of purchased intangible assets on combined ratio	(0.3)	-
Underlying combined ratio *	85.6	84.9

(1) Allstate Protection and Discontinued Lines and Coverages segments comprise Property-Liability.

(2) Excludes intersegment insurance premiums and services fees of $110 mllion and the related incurred losses of $6 million and expenses of $104 million.

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

	Three months ended						
	Dec. 31, 2017	Sept. 30, 2017	June 30, 2017	March 31, 2017	Dec. 31, 2016	Sept. 30, 2016	June 30, 2016
Revenues							
Property and casualty insurance premiums [1]	$ 8,202	$ 8,121	$ 8,018	$ 7,959	$ 7,901	$ 7,869	$ 7,81
Life premiums and contract charges [2]	601	593	591	593	574	571	56
Net investment income	913	843	897	748	801	748	76
Realized capital gains and losses:							
Total other-than-temporary impairment ("OTTI") losses	(11)	(26)	(47)	(62)	(72)	(73)	(7
OTTI losses reclassified to (from) other comprehensive income	(2)	(2)	(3)	3	2	-	(
Net OTTI losses recognized in earnings	(13)	(28)	(50)	(59)	(70)	(73)	(7
Sales and other realized capital gains and losses	140	131	131	193	72	106	10
Total realized capital gains and losses	127	103	81	134	2	33	2
Total revenues	9,843	9,660	9,587	9,434	9,278	9,221	9,16
Costs and expenses							
Property and casualty insurance claims and claims expense	5,279	5,545	5,689	5,416	5,083	5,553	5,90
Life contract benefits	507	456	486	474	464	484	45
Interest credited to contractholder funds	168	174	175	173	168	183	18
Amortization of deferred policy acquisition costs	1,239	1,200	1,176	1,169	1,157	1,138	1,12
Operating costs and expenses	1,257	1,218	1,086	1,097	1,063	1,021	1,04
Restructuring and related charges	32	14	53	10	9	5	1
Goodwill impairment	125	-	-	-	-	-	
Interest expense	84	83	83	85	77	73	7
Total costs and expenses	8,691	8,690	8,748	8,424	8,021	8,457	8,78
Gain on disposition of operations	5	1	12	2	1	1	
Income from operations before income tax expense	1,157	971	851	1,012	1,258	765	37
Income tax (benefit) expense	(92) [4]	305	272	317	418	245	10
Net income	$ 1,249	$ 666	$ 579	$ 695	$ 840	$ 520	$ 27
Preferred stock dividends	29	29	29	29	29	29	2
Net income applicable to common shareholders	$ 1,220	$ 637	$ 550	$ 666	$ 811	$ 491	$ 24
Earnings per common share: [3]							
Net income applicable to common shareholders per common share - Basic	$ 3.41	$ 1.76	$ 1.51	$ 1.82	$ 2.20	$ 1.32	$ 0.6
Weighted average common shares - Basic	357.5	361.3	363.6	365.7	368.0	371.5	373.
Net income applicable to common shareholders per common share - Diluted	$ 3.35	$ 1.74	$ 1.49	$ 1.79	$ 2.18	$ 1.31	$ 0.6
Weighted average common shares - Diluted	363.8	367.1	369.0	371.3	372.5	375.9	378.
Cash dividends declared per common share	$ 0.37	$ 0.37	$ 0.37	$ 0.37	$ 0.33	$ 0.33	$ 0.3

(1) Property and casualty insurance premiums are reported in the Property-Liability and Service Businesses results and include auto, homeowners and other personal lines insurance products, as well a and finance and insurance products.
(2) Life premiums and contract charges are reported in the Allstate Life, Allstate Benefits and Allstate Annuities results and include life insurance, voluntary accident and health insurance, and annuity pr
(3) 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.
(4) Includes a $506 million benefit related to Tax Legislation.

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

	Three months ended						
	Dec. 31, 2017	Sept. 30, 2017	June 30, 2017	March 31, 2017	Dec. 31, 2016	Sept. 30, 2016	June 30 2016
Contribution to income							
Net income applicable to common shareholders	$ 1,220	$ 637	$ 550	$ 666	$ 811	$ 491	$ 24
Realized capital gains and losses, after-tax	(90)	(67)	(53)	(88)	(1)	(22)	(1
Valuation changes on embedded derivatives not hedged, after-tax	(2)	1	1	-	(6)	-	
DAC and DSI amortization relating to realized capital gains and losses and valuation changes on embedded derivatives not hedged, after-tax	2	2	3	3	1	1	
Reclassification of periodic settlements and accruals on non-hedge derivative instruments, after-tax	(1)	(1)	(1)	-	(2)	-	
Business combination expenses and the amortization of purchased intangible assets, after-tax	17	17	16	29	4	5	
Gain on disposition of operations, after-tax	(3)	(2)	(6)	(2)	-	(1)	(
Goodwill impairment	125	-	-	-	-	-	
Tax Legislation benefit	(506)	-	-	-	-	-	
Adjusted net income *	$ 762	$ 587	$ 510	$ 608	$ 807	$ 474	$ 23
Income per common share - Diluted							
Net income applicable to common shareholders	$ 3.35	$ 1.74	$ 1.49	$ 1.79	$ 2.18	$ 1.31	$ 0.6
Realized capital gains and losses, after-tax	(0.25)	(0.18)	(0.14)	(0.24)	-	(0.06)	(0.0
Valuation changes on embedded derivatives not hedged, after-tax	(0.01)	-	-	-	(0.02)	-	0.0
DAC and DSI amortization relating to realized capital gains and losses and valuation changes on embedded derivatives not hedged, after-tax	0.01	0.01	0.01	0.01	-	-	
Reclassification of periodic settlements and accruals on non-hedge derivative instruments, after-tax	-	-	-	-	-	-	
Business combination expenses and the amortization of purchased intangible assets, after-tax	0.05	0.04	0.04	0.08	0.01	0.01	0.0
Gain on disposition of operations, after-tax	(0.01)	(0.01)	(0.02)	-	-	-	
Goodwill impairment	0.34	-	-	-	-	-	
Tax Legislation benefit	(1.39)	-	-	-	-	-	
Adjusted net income *	$ 2.09	$ 1.60	$ 1.38	$ 1.64	$ 2.17	$ 1.26	$ 0.6
Weighted average common shares - Diluted	363.8	367.1	369.0	371.3	372.5	375.9	378.

THE ALLSTATE CORPORATION
REVENUES
($ in millions)

	Three months ended						
	Dec. 31, 2017	Sept. 30, 2017	June 30, 2017	March 31, 2017	Dec. 31, 2016	Sept. 30, 2016	June 30, 2016
Property-Liability [1]							
Insurance premiums	$ 7,971	$ 7,896	$ 7,807	$ 7,759	$ 7,756	$ 7,719	$ 7,672
Net investment income	415	368	387	308	334	307	313
Realized capital gains and losses	99	82	85	135	14	53	26
Total Property-Liability revenues	8,485	8,346	8,279	8,202	8,104	8,079	8,011
Service Businesses							
Insurance premiums	231	225	211	200	145	150	142
Intersegment insurance premiums and service fees [2]	28	26	28	28	32	33	33
Net investment income	5	4	4	3	4	3	3
Realized capital gains and losses	-	-	-	-	-	-	-
Total Service Businesses revenues	264	255	243	231	181	186	178
Allstate Life							
Premiums and contract charges	324	316	319	321	318	310	310
Net investment income	127	119	123	120	124	120	118
Realized capital gains and losses	1	2	1	1	(13)	(10)	(3)
Total Allstate Life revenues	452	437	443	442	429	420	425
Allstate Benefits							
Premiums and contract charges	273	273	269	269	252	257	251
Net investment income	18	18	19	17	17	18	18
Realized capital gains and losses	-	1	-	-	1	(1)	-
Total Allstate Benefits revenues	291	292	288	286	270	274	269
Allstate Annuities							
Contract charges	4	4	3	3	4	4	3
Net investment income	338	324	354	289	312	289	299
Realized capital gains and losses	33	18	(5)	(2)	1	(10)	3
Total Allstate Annuities revenues	375	346	352	290	317	283	305
Corporate and Other							
Net investment income	10	10	10	11	10	11	11
Realized capital gains and losses	(6)	-	-	-	(1)	1	(2)
Total Corporate and Other revenues	4	10	10	11	9	12	9
Intersegment eliminations [2]	(28)	(26)	(28)	(28)	(32)	(33)	(33)
Consolidated revenues	$ 9,843	$ 9,660	$ 9,587	$ 9,434	$ 9,278	$ 9,221	$ 9,164

(1) Allstate Protection and Discontinued Lines and Coverages segments comprise Property-Liability.

(2) Intersegment insurance premiums and service fees are primarily related to Allstate Roadside Services and Arity and are eliminated in the consolidated financial statements.

THE ALLSTATE CORPORATION
CONSOLIDATING SEGMENT RESULTS
($ in millions)

Three months ended December 31, 2017	Allstate Protection	Discontinued Lines and Coverages	Total Property-Liability	Service Businesses	Allstate Life	Allstate Benefits	Allstate Annuities
Premiums and contract charges	$ 7,971	$ -	$ 7,971	$ 231	$ 324	$ 273	$ 4
Intersegment insurance premiums and service fees	-	-	-	28	-	-	-
Claims and claims expense	(5,187)	(3)	(5,190)	(90)	-	-	-
Contract benefits and interest credited to contractholder funds	-	-	-	-	(281)	(152)	(242
Amortization of deferred policy acquisition costs	(1,091)	-	(1,091)	(79)	(30)	(37)	(2
Operating costs and expenses	(956)	(1)	(957)	(139)	(65)	(70)	(9
Restructuring and related charges	(18)	-	(18)	(11)	(1)	(2)	-
Goodwill impairment	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-
Underwriting income (loss)	$ 719	$ (4)	715				
Net investment income			415	5	127	18	338
Realized capital gains and losses			99	-	1	-	33
Gain on disposition of operations			4	-	-	-	1
Income tax (expense) benefit			(466)	150	312	40	139
Preferred stock dividends			-	-	-	-	-
Net income (loss) applicable to common shareholders			$ 767	$ 95	$ 387	$ 70	$ 262
Realized capital gains and losses, after-tax			(73)	-	-	1	(22
Valuation changes on embedded derivatives not hedged, after-tax			-	-	-	-	(2
DAC and DSI amortization relating to realized capital gains and losses and valuation changes on embedded derivatives not hedged, after-tax			-	-	2	-	-
Reclassification of periodic settlements and accruals on non-hedge derivative instruments, after-tax			(1)	-	-	-	-
Business combination expenses and the amortization of purchased intangible assets, after-tax			2	15	-	-	-
Gain on disposition of operations, after-tax			(2)	-	-	-	(1
Goodwill impairment			-	-	-	-	-
Tax Legislation expense (benefit)			65	(134)	(332)	(51)	(182
Adjusted net income (loss) *			$ 758	$ (24) (1)	$ 57 (1)	$ 20 (1)	$ 55

Three months ended December 31, 2016	Allstate Protection	Discontinued Lines and Coverages	Total Property-Liability	Service Businesses	Allstate Life	Allstate Benefits	Allstate Annuities
Premiums and contract charges	$ 7,756	$ -	$ 7,756	$ 145	$ 318	$ 252	$ 4
Intersegment insurance premiums and service fees	-	-	-	32	-	-	-
Claims and claims expense	(5,021)	(3)	(5,024)	(60)	-	-	-
Contract benefits and interest credited to contractholder funds	-	-	-	-	(260)	(137)	(235
Amortization of deferred policy acquisition costs	(1,029)	-	(1,029)	(57)	(33)	(36)	(2
Operating costs and expenses	(893)	-	(893)	(65)	(56)	(62)	(9
Restructuring and related charges	(9)	-	(9)	-	-	-	-
Interest expense	-	-	-	-	-	-	-
Underwriting income (loss)	$ 804	$ (3)	801	-	-	-	-
Net investment income			334	4	124	17	312
Realized capital gains and losses			14	-	(13)	1	1
Gain on disposition of operations			-	-	-	-	1
Income tax (expense) benefit			(389)	2	(22)	(13)	(25
Preferred stock dividends			-	-	-	-	-
Net income (loss) applicable to common shareholders			$ 760	$ 1	$ 58	$ 22	$ 47
Realized capital gains and losses, after-tax			(10)	-	7	1	-
Valuation changes on embedded derivatives not hedged, after-tax			-	-	-	-	(6
DAC and DSI amortization relating to realized capital gains and losses and valuation changes on embedded derivatives not hedged, after-tax			-	-	1	-	-
Reclassification of periodic settlements and accruals on non-hedge derivative instruments, after-tax			(2)	-	-	-	-
Business combination expenses and the amortization of purchased intangible assets, after-tax			4	-	-	-	-
Gain on disposition of operations, after-tax			-	-	-	-	-
Adjusted net income (loss) *			$ 752	$ 1 (1)	$ 66 (1)	$ 23 (1)	$ 41

(1) Adjusted net income is the segment measure used for each business.

THE ALLSTATE CORPORATION
CONSOLIDATING SEGMENT RESULTS
($ in millions)

Twelve months ended December 31, 2017	Allstate Protection	Discontinued Lines and Coverages	Total Property-Liability	Service Businesses	Allstate Life	Allstate Benefits	Allstate Annuities
Premiums and contract charges	$ 31,433	$ -	$ 31,433	$ 867	$ 1,280	$ 1,084	$ 14
Intersegment insurance premiums and service fees	-	-	-	110	-	-	-
Claims and claims expense	(21,470)	(96)	(21,566)	(369)	-	-	-
Contract benefits and interest credited to contractholder funds	-	-	-	-	(1,047)	(599)	(967
Amortization of deferred policy acquisition costs	(4,205)	-	(4,205)	(296)	(134)	(142)	(7
Operating costs and expenses	(3,555)	(3)	(3,558)	(493)	(238)	(266)	(35
Restructuring and related charges	(91)	-	(91)	(13)	(2)	(3)	-
Goodwill impairment	-	-	-	-	-	-	-
Interest expense	(1)	-	(1)	-	-	-	-
Underwriting income (loss)	$ 2,111	$ (99)	2,012				
Net investment income			1,478	16	489	72	1,305
Realized capital gains and losses			401	-	5	1	44
Gain on disposition of operations			14	-	-	-	6
Income tax (expense) benefit			(1,318)	193	224	(1)	58
Preferred stock dividends			-	-	-	-	-
Net income (loss) applicable to common shareholders			$ 2,587	$ 15	$ 577	$ 146	$ 418
Realized capital gains and losses, after-tax			(272)	-	(2)	-	(28
Valuation changes on embedded derivatives not hedged, after-tax			-	-	-	-	-
DAC and DSI amortization relating to realized capital gains and losses and valuation changes on embedded derivatives not hedged, after-tax			-	-	10	-	-
Reclassification of periodic settlements and accruals on non-hedge derivative instruments, after-tax			(3)	-	-	-	-
Business combination expenses and the amortization of purchased intangible assets, after-tax			5	60	-	-	-
Gain on disposition of operations, after-tax			(9)	-	-	-	(4
Goodwill impairment			-	-	-	-	-
Tax Legislation expense (benefit)			65	(134)	(332)	(51)	(182
Adjusted net income (loss) *			$ 2,373	$ (59) [1]	$ 253 [1]	$ 95 [1]	$ 204

Twelve months ended December 31, 2016	Allstate Protection	Discontinued Lines and Coverages	Total Property-Liability	Service Businesses	Allstate Life	Allstate Benefits	Allstate Annuities
Premiums and contract charges	$ 30,727	$ -	$ 30,727	$ 580	$ 1,250	$ 1,011	$ 14
Intersegment insurance premiums and service fees	-	-	-	105	-	-	-
Claims and claims expense	(21,863)	(105)	(21,968)	(258)	-	-	-
Contract benefits and interest credited to contractholder funds	-	-	-	-	(1,027)	(545)	(1,011
Amortization of deferred policy acquisition costs	(4,053)	-	(4,053)	(214)	(131)	(145)	(7
Operating costs and expenses	(3,455)	(2)	(3,457)	(223)	(225)	(240)	(32
Restructuring and related charges	(29)	-	(29)	-	(1)	-	-
Interest expense	-	-	-	-	-	-	-
Underwriting income (loss)	$ 1,327	$ (107)	1,220				
Net investment income			1,253	13	482	71	1,181
Realized capital gains and losses			(6)	-	(38)	(5)	(38
Gain on disposition of operations			-	-	-	-	5
Income tax (expense) benefit			(806)	-	(91)	(51)	(36
Preferred stock dividends			-	-	-	-	-
Net income (loss) applicable to common shareholders			$ 1,661	$ 3	$ 219	$ 96	$ 76
Realized capital gains and losses, after-tax			-	-	24	4	26
Valuation changes on embedded derivatives not hedged, after-tax			-	-	-	-	2
DAC and DSI amortization relating to realized capital gains and losses and valuation changes on embedded derivatives not hedged, after-tax			-	-	4	-	-
Reclassification of periodic settlements and accruals on non-hedge derivative instruments, after-tax			(3)	-	-	-	-
Business combination expenses and the amortization of purchased intangible assets, after-tax			21	-	-	-	-
Gain on disposition of operations, after-tax			-	-	-	-	(3
Adjusted net income (loss) *			$ 1,679	$ 3 [1]	$ 247 [1]	$ 100 [1]	$ 101

[1] Adjusted net income is the segment measure used for each business.

THE ALLSTATE CORPORATION
HISTORICAL CONSOLIDATING SEGMENT RESULTS
($ in millions)

Twelve months ended December 31, 2015	Allstate Protection	Discontinued Lines and Coverages	Total Property-Liability	Service Businesses	Allstate Life	Allstate Benefits	Allstate Annuities
Premiums and contract charges	$ 29,748	$ -	$ 29,748	$ 561	$ 1,223	$ 921	$ 14
Intersegment insurance premiums and service fees	-	-	-	42	-	-	-
Claims and claims expense	(20,718)	(53)	(20,771)	(277)	-	-	-
Contract benefits and interest credited to contractholder funds	-	-	-	-	(1,031)	(488)	(1,045
Amortization of deferred policy acquisition costs	(3,933)	-	(3,933)	(169)	(133)	(124)	(5
Operating costs and expenses	(3,437)	(2)	(3,439)	(164)	(212)	(222)	(38
Restructuring and related charges	(39)	-	(39)	-	(1)	-	1
Interest expense	-	-	-	-	-	-	-
Underwriting income (loss)	$ 1,621	$ (55)	1,566				
Net investment income			1,226	11	490	71	1,323
Realized capital gains and losses			(237)	-	2	1	264
(Loss) gain on disposition of operations			-	-	(1)	-	4
Income tax (expense) benefit			(867)	(2)	(108)	(55)	(188
Preferred stock dividends			-	-	-	-	-
Net income applicable to common shareholders			$ 1,688	$ 2	$ 229	$ 104	$ 330
Realized capital gains and losses, after-tax			154	-	(1)	-	(172
Valuation changes on embedded derivatives not hedged, after-tax			-	-	-	-	1
DAC and DSI amortization relating to realized capital gains and losses and valuation changes on embedded derivatives not hedged, after-tax			-	-	4	-	(1
Reclassification of periodic settlements and accruals on non-hedge derivative instruments, after-tax			(2)	-	-	-	-
Business combination expenses and the amortization of purchased intangible assets, after-tax			32	-	-	-	-
(Loss) gain on disposition of operations, after-tax			-	-	1	-	(3
Change in accounting for investments in qualified affordable housing projects, after-tax			28	-	6	-	11
Adjusted net income (loss) *			$ 1,900	$ 2 (1)	$ 239 (1)	$ 104 (1)	$ 166

(1) Adjusted net income is the segment measure used for each business.

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

	Dec. 31, 2017	Sept. 30, 2017	June 30, 2017	March 31, 2017	Dec. 31, 2016
Assets					
Investments					
Fixed income securities, at fair value (amortized cost $57,525, $57,608, $56,901, $57,194 and $56,576)	$ 58,992	$ 59,391	$ 58,656	$ 58,636	$ 57,839
Equity securities, at fair value (cost $5,461, $5,468, $5,321, $5,026 and $5,157)	6,621	6,434	6,117	5,685	5,666
Mortgage loans	4,534	4,322	4,336	4,349	4,486
Limited partnership interests	6,740	6,600	6,206	5,982	5,814
Short-term, at fair value (amortized cost $1,944, $2,198, $2,175, $2,753 and $4,288)	1,944	2,198	2,175	2,753	4,288
Other	3,972	3,826	3,815	3,738	3,706
Total investments	82,803	82,771	81,305	81,143	81,799
Cash	617	690	482	442	436
Premium installment receivables, net	5,786	5,922	5,693	5,649	5,597
Deferred policy acquisition costs	4,191	4,147	4,037	3,988	3,954
Reinsurance recoverables, net [(1)]	8,921	9,748	8,722	8,723	8,745
Accrued investment income	569	590	573	577	567
Property and equipment, net	1,072	1,067	1,072	1,067	1,065
Goodwill	2,181	2,309	2,309	2,295	1,219
Other assets	2,838	2,966	3,256	2,923	1,835
Separate Accounts	3,444	3,422	3,416	3,436	3,393
Total assets	$ 112,422	$ 113,632	$ 110,865	$ 110,243	$ 108,610

Liabilities
Reserve for property and casualty insurance claims and claims expense $
Reserve for life-contingent contract benefits
Contractholder funds
Unearned premiums
Claim payments outstanding
Deferred income taxes
Other liabilities and accrued expenses
Long-term debt
Separate Accounts
Total liabilities

Equity
Preferred stock and additional capital paid-in, 72.2 thousand shares outstanding
Common stock, 355 million, 360 million, 361 million, 365 million and 366 million shares outstanding [(2)]
Additional capital paid-in
Retained income
Deferred ESOP expense
Treasury stock, at cost (545 million, 540 million, 539 million, 535 million and 534 million shares)
Accumulated other comprehensive income:
Unrealized net capital gains and losses
Unrealized foreign currency translation adjustments
Unrecognized pension and other postretirement benefit cost
Total accumulated other comprehensive income (loss)
Total shareholders' equity
Total liabilities and shareholders' equity $

(1) Reinsurance recoverables of unpaid losses related to Allstate Protection, Discontinued Lines and Coverages and Service Businesses segments were $6.47 billion, $7.26 billion, $6.21 billion, $6.18 billion and $ 2017, March 31, 2017 and December 31, 2016, respectively.

(2) Common shares outstanding were 354,690,536; 359,787,293; 361,280,366; 365,015,746 and 365,771,746 as of December 31, 2017, September 30, 2017, June 30, 2017, March 31, 2017 and December 31, 2

(3) In January 2018, the FASB issued a Proposed Accounting Standards Update titled "Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income," requiring reclassification of the im net of tax in accumulated other comprehensive income to retained income. We plan to early adopt the new guidance as of December 31, 2017, when finalized. The impact of the adoption will decrease retaine by $290 million, decrease unrealized foreign currency translation adjustments by $6 million and decrease unrecognized pension and other postretirement benefit cost by $235 million.

THE ALLSTATE CORPORATION
BOOK VALUE PER COMMON SHARE
($ in millions, except per share data)

	Dec. 31, 2017	Sept. 30, 2017	June 30, 2017	March 31, 2017	Dec. 31, 2016	Sept. 30, 2016
Book value per common share						
Numerator:						
Common shareholders' equity [1]	$ 20,805	$ 20,373	$ 19,755	$ 19,412	$ 18,827	$ 19,188
Denominator:						
Common shares outstanding and dilutive potential common shares outstanding	361.3	365.8	367.0	370.4	370.8	372.7
Book value per common share	$ 57.58	$ 55.69	$ 53.83	$ 52.41	$ 50.77	$ 51.48
Book value per common share, excluding the impact of unrealized net capital gains and losses on fixed income securities						
Numerator:						
Common shareholders' equity	$ 20,805	$ 20,373	$ 19,755	$ 19,412	$ 18,827	$ 19,188
Unrealized net capital gains and losses on fixed income securities	622 [2]	1,028	1,013	831	727	1,506
Adjusted common shareholders' equity	$ 20,183	$ 19,345	$ 18,742	$ 18,581	$ 18,100	$ 17,682
Denominator:						
Common shares outstanding and dilutive potential common shares outstanding	361.3	365.8	367.0	370.4	370.8	372.7
Book value per common share, excluding the impact of unrealized net capital gains and losses on fixed income securities *	$ 55.86 [2]	$ 52.88	$ 51.07	$ 50.16	$ 48.81	$ 47.44

(1) Excludes equity related to preferred stock of $1,746 million in each period.

(2) In January 2018, the FASB issued a Proposed Accounting Standards Update titled “Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income,” requ newly enacted tax rates on the unrealized balances presented net of tax in accumulated other comprehensive income to retained income. We plan to early adopt the new guidanc finalized. The impact of the adoption will increase the unrealized net capital gains and losses on fixed income securities by $135 million and decrease book value per common sh capital gains and losses on fixed income securities, by $0.37.

THE ALLSTATE CORPORATION
RETURN ON COMMON SHAREHOLDERS' EQUITY
($ in millions)

	Twelve months ended				
	Dec. 31, 2017	Sept. 30, 2017	June 30, 2017	March 31, 2017	Dec. 31, 2016
Return on Common Shareholders' Equity					
Numerator:					
Net income applicable to common shareholders [(1)]	$ 3,073	$ 2,664	$ 2,518	$ 2,210	$ 1,761
Denominator:					
Beginning common shareholders' equity	$ 18,827	$ 19,188	$ 18,807	$ 18,594	$ 18,279
Ending common shareholders' equity	20,805	20,373	19,755	19,412	18,827
Average common shareholders' equity [(2)]	$ 19,816	$ 19,781	$ 19,281	$ 19,003	$ 18,553
Return on common shareholders' equity [(3)]	15.5 %	13.5 %	13.1 %	11.6 %	9.5 %
Adjusted Net Income Return on Common Shareholders' Equity					
Numerator:					
Adjusted net income * [(1)]	$ 2,467	$ 2,512	$ 2,399	$ 2,124	$ 1,838
Denominator:					
Beginning common shareholders' equity	$ 18,827	$ 19,188	$ 18,807	$ 18,594	$ 18,279
Less: Unrealized net capital gains and losses	1,053	1,817	1,624	1,200	620
Adjusted beginning common shareholders' equity	17,774	17,371	17,183	17,394	17,659
Ending common shareholders' equity	20,805	20,373	19,755	19,412	18,827
Less: Unrealized net capital gains and losses	1,372	1,651	1,526	1,256	1,053
Adjusted ending common shareholders' equity	19,433	18,722	18,229	18,156	17,774
Average adjusted common shareholders' equity [(2)]	$ 18,604	$ 18,047	$ 17,706	$ 17,775	$ 17,717
Adjusted net income return on common shareholders' equity *[(3)(4)]	13.3 %	13.9 %	13.5 %	11.9 %	10.4 %

(1) Net income applicable to common shareholders and adjusted net income reflect a trailing twelve-month period.

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

(3) The Tax Legislation adjustment recorded in fourth quarter 2017 increased return on common shareholders' equity by 2.4 points and decreased adjusted net income return on common shar

(4) In January 2018, the FASB issued a Proposed Accounting Standards Update titled "Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income," requiring recla on the unrealized balances presented net of tax in accumulated other comprehensive income to retained income. We plan to early adopt the new guidance as of December 31, 2017, when adjusted net income return on equity calculation by 0.1 points.

THE ALLSTATE CORPORATION
DEBT TO CAPITAL
($ in millions)

	Dec. 31, 2017	Sept. 30, 2017	June 30, 2017	March 31, 2017	Dec. 31, 2016	Sept. 30, 2016
Debt						
Short-term debt	$ -	$ -	$ -	$ -	$ -	$ -
Long-term debt	6,350	6,349	6,348	6,346	6,347	5,110
Total debt	$ 6,350	$ 6,349	$ 6,348	$ 6,346	$ 6,347	$ 5,110
Capital resources						
Debt	$ 6,350	$ 6,349	$ 6,348	$ 6,346	$ 6,347	$ 5,110
Shareholders' equity						
Preferred stock and additional capital paid-in	1,746	1,746	1,746	1,746	1,746	1,746
Common stock	9	9	9	9	9	9
Additional capital paid-in	3,313	3,330	3,269	3,285	3,303	3,237
Retained income	43,211	42,125	41,622	41,208	40,678	39,990
Deferred ESOP expense	(3)	(6)	(6)	(6)	(6)	(13)
Treasury stock	(25,982)	(25,413)	(25,241)	(24,887)	(24,741)	(24,537)
Unrealized net capital gains and losses	1,372	1,651	1,526	1,256	1,053	1,817
Unrealized foreign currency translation adjustments	(3)	(14)	(42)	(53)	(50)	(48)
Unrecognized pension and other postretirement benefit cost	(1,112)	(1,309)	(1,382)	(1,400)	(1,419)	(1,267)
Total shareholders' equity	22,551	22,119	21,501	21,158	20,573	20,934
Total capital resources	$ 28,901	$ 28,468	$ 27,849	$ 27,504	$ 26,920	$ 26,044
Ratio of debt to shareholders' equity	28.2 %	28.7 %	29.5 %	30.0 %	30.9 %	24.4
Ratio of debt to capital resources	22.0 %	22.3 %	22.8 %	23.1 %	23.6 %	19.6

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

	Three months ended						
	Dec. 31, 2017	Sept. 30, 2017	June 30, 2017	March 31, 2017	Dec. 31, 2016	Sept. 30, 2016	Jun 20
CASH FLOWS FROM OPERATING ACTIVITIES							
Net income	$ 1,249	$ 666	$ 579	$ 695	$ 840	$ 520	$
Adjustments to reconcile net income to net cash provided by operating activities:							
Depreciation, amortization and other non-cash items	125	120	119	119	97	97	
Realized capital gains and losses	(127)	(103)	(81)	(134)	(2)	(33)	
Gain on disposition of operations	(5)	(1)	(12)	(2)	(1)	(1)	
Interest credited to contractholder funds	168	174	175	173	168	183	
Goodwill impairment	125	-	-	-	-	-	
Changes in:							
Policy benefits and other insurance reserves	(974)	1,048	45	183	(347)	401	
Unearned premiums	(62)	491	282	(248)	(178)	478	
Deferred policy acquisition costs	(38)	(111)	(79)	14	(6)	(87)	
Premium installment receivables, net	136	(216)	(32)	(19)	194	(209)	
Reinsurance recoverables, net	806	(1,023)	(5)	11	156	(300)	
Income taxes	(364)	161	(326)	284	387	206	
Other operating assets and liabilities	61	660	(174)	(219)	(57)	129	
Net cash provided by operating activities	1,100	1,866	491	857	1,251	1,384	
CASH FLOWS FROM INVESTING ACTIVITIES							
Proceeds from sales							
Fixed income securities	5,833	4,987	7,438	7,083	5,929	6,543	6
Equity securities	1,325	1,749	829	2,601	1,477	1,582	
Limited partnership interests	358	286	271	210	247	271	
Mortgage loans	-	-	-	-	-	-	
Other investments	104	52	94	24	56	62	
Investment collections							
Fixed income securities	1,156	975	1,034	1,029	1,103	1,292	1
Mortgage loans	123	172	82	223	98	253	
Other investments	184	121	163	174	140	113	
Investment purchases							
Fixed income securities	(7,210)	(6,721)	(8,414)	(8,800)	(5,708)	(9,335)	(7
Equity securities	(1,289)	(1,823)	(1,090)	(2,383)	(1,837)	(1,441)	
Limited partnership interests	(358)	(504)	(310)	(268)	(322)	(425)	
Mortgage loans	(335)	(163)	(62)	(86)	(186)	(196)	
Other investments	(299)	(168)	(313)	(219)	(211)	(225)	
Change in short-term investments, net	353	115	570	1,572	(2,540)	763	
Change in other investments, net	(2)	(135)	117	(10)	9	(21)	
Purchases of property and equipment, net	(83)	(70)	(72)	(74)	(123)	(70)	
Acquisition of operations	-	-	-	(1,356)	-	-	
Net cash (used in) provided by investing activities	(140)	(1,127)	337	(280)	(1,868)	(834)	
CASH FLOWS FROM FINANCING ACTIVITIES							
Proceeds from issuance of long-term debt	-	-	-	-	1,236	-	
Repayments of long-term debt	-	-	-	-	(1)	-	
Contractholder fund deposits	258	252	258	257	264	263	
Contractholder fund withdrawals	(474)	(459)	(474)	(483)	(550)	(524)	
Dividends paid on common stock	(134)	(134)	(135)	(122)	(122)	(124)	
Dividends paid on preferred stock	(29)	(29)	(29)	(29)	(29)	(29)	
Treasury stock purchases	(647)	(191)	(393)	(264)	(183)	(250)	
Shares reissued under equity incentive plans, net	3	24	41	67	41	51	
Excess tax benefits on share-based payment arrangements	-	-	-	-	7	5	
Other	(10)	6	(56)	3	1	1	
Net cash (used in) provided by financing activities	(1,033)	(531)	(788)	(571)	664	(607)	
NET (DECREASE) INCREASE IN CASH	(73)	208	40	6	47	(57)	
CASH AT BEGINNING OF PERIOD	690	482	442	436	389	446	
CASH AT END OF PERIOD	$ 617	$ 690	$ 482	$ 442	$ 436	$ 389	$

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

Change in Deferred Policy Acquisition Costs
For the three months ended December 31, 2017

	Beginning balance Sept. 30, 2017	Acquisition costs deferred	Amortization before adjustments [1][2]	Amortization relating to realized capital gains and losses and valuation changes on embedded derivatives not hedged [2]	Amortization (acceleration) deceleration for changes in assumptions [2]
Allstate Protection	$ 1,511	$ 1,090	$ (1,091)	$ -	$ -
Service Businesses	921	112	(79)	-	-
Allstate Life					
Traditional life and accident and health	458	17	(10)	-	-
Interest-sensitive life	684	17	(18)	(2)	-
Subtotal	1,142	34	(28)	(2)	-
Allstate Benefits					
Traditional life and accident and health	399	35	(31)	-	-
Interest-sensitive life	139	6	(6)	-	-
Subtotal	538	41	(37)	-	-
Allstate Annuities					
Fixed annuity	35	-	(2)	-	-
Consolidated	$ 4,147	$ 1,277	$ (1,237)	$ (2)	$ -

Change in Deferred Policy Acquisition Costs
For the three months ended December 31, 2016

	Beginning balance Sept. 30, 2016	Acquisition costs deferred	Amortization before adjustments [1][2]	Amortization relating to realized capital gains and losses and valuation changes on embedded derivatives not hedged [2]	Amortization (acceleration) deceleration for changes in assumptions [2]
Allstate Protection	$ 1,453	$ 1,008	$ (1,029)	$ -	$ -
Service Businesses	733	80	(57)	-	-
Allstate Life					
Traditional life and accident and health	432	16	(10)	-	-
Interest-sensitive life	707	18	(22)	(1)	-
Subtotal	1,139	34	(32)	(1)	-
Allstate Benefits					
Traditional life and accident and health	378	35	(31)	-	-
Interest-sensitive life	141	6	(5)	-	-
Subtotal	519	41	(36)	-	-
Allstate Annuities					
Fixed annuity	42	-	(2)	-	-
Consolidated	$ 3,886	$ 1,163	$ (1,156)	$ (1)	$ -

[1] Amortization before adjustments reflects total DAC amortization before amortization/accretion related to realized capital gains and losses and valuation changes on embedded der acceleration/deceleration for changes in assumptions.
[2] Included as a component of amortization of DAC on the Consolidated Statements of Operations.

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

Change in Deferred Policy Acquisition Costs
For the twelve months ended December 31, 2017

	Beginning balance Dec. 31, 2016	Acquisition costs deferred	Amortization before adjustments [1][2]	Amortization relating to realized capital gains and losses and valuation changes on embedded derivatives not hedged [2]	Amortization (acceleration) deceleration for changes in assumptions [2]	Effect of unrealized capital gains and losses	Ending balance Dec. 31, 201
Allstate Protection	$ 1,432	$ 4,283	$ (4,205)	$ -	$ -	$ -	$ 1,5
Service Businesses	756	494 [3]	(296)	-	-	-	9
Allstate Life							
Traditional life and accident and health	438	66	(39)	-	-	-	4
Interest-sensitive life	762	66	(95)	(14)	14	(46)	6
Subtotal	1,200	132	(134)	(14)	14	(46)	1,1
Allstate Benefits							
Traditional life and accident and health	382	138	(117)	-	-	-	4
Interest-sensitive life	144	20	(24)	-	(1)	-	1
Subtotal	526	158	(141)	-	(1)	-	5
Allstate Annuities							
Fixed annuity	40	-	(7)	-	-	-	
Consolidated	$ 3,954	$ 5,067	$ (4,783)	$ (14)	$ 13	$ (46)	$ 4,1

Change in Deferred Policy Acquisition Costs
For the twelve months ended December 31, 2016

	Beginning balance Dec. 31, 2015	Acquisition costs deferred	Amortization before adjustments [1][2]	Amortization relating to realized capital gains and losses and valuation changes on embedded derivatives not hedged [2]	Amortization (acceleration) deceleration for changes in assumptions [2]	Effect of unrealized capital gains and losses	Ending balance Dec. 31, 201
Allstate Protection	$ 1,410	$ 4,075	$ (4,053)	$ -	$ -	$ -	$ 1,4
Service Businesses	619	351	(214)	-	-	-	7
Allstate Life							
Traditional life and accident and health	424	57	(43)	-	-	-	4
Interest-sensitive life	847	77	(88)	(6)	6	(74)	7
Subtotal	1,271	134	(131)	(6)	6	(74)	1,2
Allstate Benefits							
Traditional life and accident and health	368	133	(119)	-	-	-	3
Interest-sensitive life	146	24	(22)	-	(4)	-	1
Subtotal	514	157	(141)	-	(4)	-	5
Allstate Annuities							
Fixed annuity	47	-	(7)	-	-	-	
Consolidated	$ 3,861	$ 4,717	$ (4,546)	$ (6)	$ 2	$ (74)	$ 3,9

[1] Amortization before adjustments reflects total DAC amortization before amortization/accretion related to realized capital gains and losses and valuation changes on embedded derivatives not hedged and amortizatio
[2] Included as a component of amortization of DAC on the Consolidated Statements of Operations.
[3] Includes $66 million recorded in connection with the SquareTrade acquisition on January 3, 2017.

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,			
	2017	2016	2015	2014
Consolidated statement of operations data:				
Insurance premiums and contract charges	$ 34,678	$ 33,582	$ 32,467	$ 31,086
Net investment income	3,401	3,042	3,156	3,459
Realized capital gains and losses	445	(90)	30	694
Total revenues	$ 38,524	$ 36,534	$ 35,653	$ 35,239
Net income applicable to common shareholders	$ 3,073	$ 1,761	$ 2,055	$ 2,746
Realized capital gains and losses, after-tax	(298)	56	(19)	(451)
Valuation changes on embedded derivatives not hedged, after-tax	-	2	1	15
DAC and DSI amortization relating to realized capital gains and losses and valuation changes on embedded derivatives not hedged, after-tax	10	4	3	3
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	(3)	(3)	(2)	(7)
Amortization of purchased intangible assets, after-tax	79	21	32	45
(Gain) loss on disposition of operations, after-tax	(13)	(3)	(2)	16
Loss on extinguishment of debt, after-tax	-	-	-	-
Postretirement benefits curtailment gain, after-tax	-	-	-	-
Change in accounting for investments in qualified affordable housing projects	-	-	45	-
Goodwill impairment	125	-	-	-
Tax Legislation benefit	(506)	-	-	-
Adjusted net income *	$ 2,467	$ 1,838	$ 2,113	$ 2,367
Income per common share - Diluted				
Net income applicable to common shareholders	$ 8.36	$ 4.67	$ 5.05	$ 6.27
Realized capital gains and losses, after-tax	(0.81)	0.15	(0.05)	(1.03)
Valuation changes on embedded derivatives not hedged, after-tax	-	-	-	0.03
DAC and DSI amortization relating to realized capital gains and losses and valuation changes on embedded derivatives not hedged, after-tax	0.03	0.01	-	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	(0.01)	(0.01)	-	(0.02)
Amortization of purchased intangible assets, after-tax	0.22	0.06	0.08	0.10
(Gain) loss on disposition of operations, after-tax	(0.04)	(0.01)	-	0.04
Loss on extinguishment of debt, after-tax	-	-	-	-
Postretirement benefits curtailment gain, after-tax	-	-	-	-
Change in accounting for investments in qualified affordable housing projects	-	-	0.11	-
Goodwill impairment	0.34			
Tax Legislation benefit	(1.38)			
Adjusted net income *	$ 6.71	$ 4.87	$ 5.19	$ 5.40
Net income applicable to common shareholders per share - Basic	$ 8.49	$ 4.72	$ 5.12	$ 6.37
Consolidated statement of financial position data:				
Investments	$ 82,803	$ 81,799	$ 77,758	$ 81,113
Total assets	112,422	108,610	104,656	108,479
Reserves for claims and claims expense, life-contingent contract benefits and contractholder funds	58,308	57,749	57,411	57,832
Debt	6,350	6,347	5,124	5,140
Shareholders' equity	22,551	20,573	20,025	22,304
Book value per share	57.58	50.77	47.34	48.24
Operating ratio:				
Annual statutory premiums written to surplus ratio (U.S. property-liability operations)	1.7x	1.9x	1.9x	1.8x
Other operating data:				
Total employees [1]	42,900	43,500	41,600	40,200
Total Allstate agencies [1][2]	12,400	12,200	12,300	11,900

[1] Rounded to the nearest hundred.
[2] Total Allstate agencies represents exclusive Allstate agencies and financial representatives in the United States and employee producers in Canada.

THE ALLSTATE CORPORATION
POLICIES IN FORCE AND OTHER STATISTICS

Policies in Force statistics (in thousands)	Dec. 31, 2017	Sept. 30, 2017	June 30, 2017	March 31, 2017	Dec. 31, 2016
Allstate Protection (1)					
Allstate brand					
Auto	19,580	19,513	19,548	19,565	19,742
Homeowners	6,088	6,071	6,075	6,090	6,120
Landlord	694	697	703	710	716
Renter	1,588	1,578	1,564	1,563	1,568
Condominium	663	662	662	663	666
Other	1,278	1,275	1,270	1,264	1,264
Other personal lines	4,223	4,212	4,199	4,200	4,214
Commercial lines	245	251	262	272	285
Total	30,136	30,047	30,084	30,127	30,361
Esurance brand					
Auto	1,352	1,369	1,388	1,400	1,391
Homeowners	79	76	69	63	58
Other personal lines	44	45	47	48	47
Total	1,475	1,490	1,504	1,511	1,496
Encompass brand					
Auto	530	548	571	595	622
Homeowners	254	262	273	284	295
Other personal lines	85	88	91	94	98
Total	869	898	935	973	1,015
Allstate Protection Policies in Forces	32,480	32,435	32,523	32,611	32,872
Service Businesses (1)					
SquareTrade (2)	38,719	34,078	31,258	29,907	-
Allstate Roadside Services	699	708	724	743	768
Allstate Dealer Services	4,088	4,130	4,139	4,150	4,142
Total	43,506	38,916	36,121	34,800	4,910
Allstate Life (1)	2,026	2,019	2,020	2,017	2,023
Allstate Benefits (1)	4,033	4,035	4,064	3,992	3,755
Allstate Annuities (1)	231	236	240	246	251
Total Policies in Force	82,276	77,641	74,968	73,666	43,811
Agency Data (3)					
Total Allstate agencies (4)	12,400	12,200	12,200	12,200	12,200
Licensed sales professionals (5)	24,800	23,900	24,000	23,600	23,800
Allstate independent agencies (6)	2,400	2,400	2,300	2,200	2,200

(1) Policy counts are based on items rather than customers.
- A multi-car customer would generate multiple item (policy) counts, even if all cars were insured under one policy.
- Non-proprietary products offered by Ivantage (insurance agency) and Answer Financial (independent insurance agency) are not included.
- Allstate Roadside Services reflects memberships in force and do not include their wholesale partners as the customer relationship is managed by the wholesale partner.
- Allstate Dealer Services reflects service contracts and other products sold in conjunction with auto lending and vehicle sales transactions and do not include their third party administrators ("TPAs") as the customer relationship is managed by the TPAs.
- SquareTrade represents active consumer product protection plans.
- Allstate Life insurance policies and Allstate 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.
- Allstate Benefits reflects certificate counts as opposed to group counts.

(2) SquareTrade had PIF of 28.5 million, 25.8 million, 24.4 millio
June 30, 2016, and March 31, 2016, respectively. These nu
2017, so they are not reflected in the periods above.

(3) Rounded to the nearest hundred.

(4) Total Allstate agencies represents exclusive Allstate agenci
employee producers in Canada.

(5) Employees of Allstate agencies who are licensed to sell Alls

(6) Includes 703 and 488 engaged Allstate independent agenci
respectively. Engaged AIAs, as currently determined, incluc

THE ALLSTATE CORPORATION
PREMIUMS WRITTEN FOR ALLSTATE PROTECTION AND SERVICE BUSINESSES
($ in millions)

	Three months ended						
	Dec. 31, 2017	Sept. 30, 2017	June 30, 2017	March 31, 2017	Dec. 31, 2016	Sept. 30, 2016	June 30, 2016
Allstate Protection							
Allstate brand (1)							
Auto	$ 4,956	$ 5,096	$ 4,925	$ 4,882	$ 4,756	$ 4,940	$ 4,767
Homeowners	1,694	1,921	1,847	1,403	1,638	1,869	1,831
Landlord	132	138	130	120	133	141	133
Renter	68	86	75	67	68	84	75
Condominium	65	71	68	55	63	70	67
Other	145	159	168	126	129	152	153
Other personal lines	410	454	441	368	393	447	428
Commercial lines	125	116	124	123	115	123	135
Total	7,185	7,587	7,337	6,776	6,902	7,379	7,161
Esurance brand							
Auto	389	427	386	439	382	428	376
Homeowners	19	24	20	16	15	16	14
Other personal lines	2	2	2	2	2	2	2
Total	410	453	408	457	399	446	392
Encompass brand							
Auto	128	141	148	125	138	153	162
Homeowners	95	108	112	91	103	121	126
Other personal lines	20	22	25	20	22	25	27
Total	243	271	285	236	263	299	315
Total Allstate Protection							
Auto	5,473	5,664	5,459	5,446	5,276	5,521	5,305
Homeowners	1,808	2,053	1,979	1,510	1,756	2,006	1,971
Other personal lines	432	478	468	390	417	474	457
Commercial lines	125	116	124	123	115	123	135
Total	7,838	8,311	8,030	7,469	7,564	8,124	7,868
Discontinued Lines and Coverages (2)	-	-	-	-	1	2	-
Total Property-Liability	$ 7,838	$ 8,311	$ 8,030	$ 7,469	$ 7,565	$ 8,126	$ 7,868
Service Businesses (3)							
SquareTrade	$ 156	$ 104	$ 85	$ 81	$ -	$ -	$ -
Allstate Roadside Services	60	68	66	69	67	79	77
Allstate Dealer Services	93	100	108	104	91	106	106
Total	$ 309	$ 272	$ 259	$ 254	$ 158	$ 185	$ 183
Total premiums written	$ 8,147	$ 8,583	$ 8,289	$ 7,723	$ 7,723	$ 8,311	$ 8,051
Non-Proprietary Premiums							
Ivantage (4)	$ 1,643	$ 1,609	$ 1,584	$ 1,566	$ 1,544	$ 1,531	$ 1,528
Answer Financial (5)	137	153	148	153	140	158	150
(1) **Canada premiums included in Allstate brand**							
Auto	$ 196	$ 236	$ 228	$ 171	$ 182	$ 220	$ 234
Homeowners	59	69	65	44	52	64	64
Other personal lines	15	19	16	12	13	16	16
Total	$ 270	$ 324	$ 309	$ 227	$ 247	$ 300	$ 314

(2) Primarily represents retrospective reinsurance premium recognized when billed.

(3) There are no premiums written for Arity, which is part of the Service Businesses segment.

(4) 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
ended December 31, 2017 were $40.4 million and $166.6 million, respectively.

(5) Represents non-proprietary premiums written for the period. Commissions earned for the three and twelve months ended December 31, 2017 were $17.3 million and $71.1 million, respecti

THE ALLSTATE CORPORATION
CATASTROPHE LOSSES
($ in millions)

	Three months ended							
	Dec. 31, 2017	Sept. 30, 2017	June 30, 2017	March 31, 2017	Dec. 31, 2016	Sept. 30, 2016	June 30, 2016	
Allstate Protection								
Allstate brand								
Auto	$ 33	$ 366	$ 208	$ 65	$ 59	$ 150	$ 195	$
Homeowners	480	383	650	575	183	259	644	
Other personal lines	20	65	57	59	39	24	62	
Commercial lines	2	13	2	7	7	7	12	
Total	535	827	917	706	288	440	913	
Esurance brand								
Auto	-	15	15	4	4	9	9	
Homeowners	1	2	9	4	1	5	5	
Other personal lines	-	-	-	-	-	-	-	
Total	1	17	24	8	5	14	14	
Encompass brand								
Auto	-	1	7	4	-	5	3	
Homeowners	59	11	42	61	9	21	29	
Other personal lines	3	-	3	2	-	1	2	
Total	62	12	52	67	9	27	34	
Total Allstate Protection								
Auto	33	382	230	73	63	164	207	
Homeowners	540	396	701	640	193	285	678	
Other personal lines	23	65	60	61	39	25	64	
Commercial lines	2	13	2	7	7	7	12	
Total	598	856	993	781	302	481	961	
Discontinued Lines and Coverages	-	-	-	-	-	-	-	
Total Property-Liability	$ 598	$ 856	$ 993	$ 781	$ 302	$ 481	$ 961	$
Service Businesses [1]	$ 1	$ 5	$ -	$ -	$ 1	$ -	$ -	$
Total catastrophe losses	$ 599	$ 861	$ 993	$ 781	$ 303	$ 481	$ 961	$

[1] Catastrophe losses relate to Allstate Dealer Services.

THE ALLSTATE CORPORATION
PRIOR YEAR RESERVE REESTIMATES
($ in millions)

	Three months ended						
	Dec. 31, 2017	Sept. 30, 2017	June 30, 2017	March 31, 2017	Dec. 31, 2016	Sept. 30, 2016	June 30, 2016
Prior Year Reserve Reestimates [1]							
Allstate Protection							
Auto	$ (154)	$ (189)	$ (61)	$ (86)	$ (114)	$ (10)	$ (36)
Homeowners	(45)	(42)	(20)	(24)	(32)	(4)	19
Other personal lines	1	-	(9)	9	(1)	(2)	(11)
Commercial lines	12	7	(2)	2	6	13	23
Total	(186)	(224)	(92)	(99)	(141)	(3)	(5)
Discontinued Lines and Coverages	3	88	3	2	3	99	2
Total Property-Liability	$ (183)	$ (136)	$ (89)	$ (97)	$ (138)	$ 96	$ (3)
Service Businesses	$ 1	$ 1	$ -	$ -	$ 1	$ 3	$ -
Total prior year reserve reestimates	$ (182)	$ (135)	$ (89)	$ (97)	$ (137)	$ 99	$ (3)
Allstate Protection by Brand							
Allstate brand	$ (176)	$ (221)	$ (83)	$ (105)	$ (121)	$ -	$ (2)
Esurance brand	-	(1)	(1)	-	(9)	(4)	(4)
Encompass brand	(10)	(2)	(8)	6	(11)	1	1
Total	$ (186)	$ (224)	$ (92)	$ (99)	$ (141)	$ (3)	$ (5)
Catastrophe Losses included in Prior Year Reserve Reestimates							
Allstate Protection							
Allstate brand	$ (7)	$ (7)	$ (4)	$ 2	$ (7)	$ 2	$ 15
Esurance brand	-	-	(1)	-	-	-	-
Encompass brand	(1)	-	(2)	2	-	1	(2)
Total	$ (8)	$ (7)	$ (7)	$ 4	$ (7)	$ 3	$ 13
Effect of Prior Year Reserve Reestimates on Combined Ratio [1][2]							
Allstate Protection							
Auto	(1.9)	(2.4)	(0.8)	(1.0)	(1.4)	(0.1)	(0.5)
Homeowners	(0.5)	(0.5)	(0.3)	(0.3)	(0.4)	(0.1)	0.3
Other personal lines	-	-	(0.1)	0.1	-	-	(0.1)
Commercial lines	0.1	0.1	-	-	0.1	0.2	0.3
Total	(2.3)	(2.8)	(1.2)	(1.2)	(1.7)	-	-
Discontinued Lines and Coverages	0.1	1.1	0.1	-	-	1.3	-
Total Property-Liability	(2.2)	(1.7)	(1.1)	(1.2)	(1.7)	1.3	-
Service Businesses	-	-	-	-	-	-	-
Total prior year reserve reestimates	(2.2)	(1.7)	(1.1)	(1.2)	(1.7)	1.3	-
Allstate Protection by brand							
Allstate brand	(2.2)	(2.8)	(1.1)	(1.3)	(1.5)	-	-
Esurance brand	-	-	-	-	(0.1)	-	-
Encompass brand	(0.1)	-	(0.1)	0.1	(0.1)	-	-
Total	(2.3)	(2.8)	(1.2)	(1.2)	(1.7)	-	-

[1] Favorable reserve reestimates are shown in parentheses.
[2] Calculated using the total premiums earned for Allstate Protection, Discontinued Lines and Coverages and Service Businesses for the respective period.

THE ALLSTATE CORPORATION
HISTORICAL PRIOR YEAR RESERVE REESTIMATES
($ in millions)

	Twelve months ended December 31,		
	2017	2016	2015
Prior Year Reserve Reestimates [1]			
Allstate brand	$ (585)	$ (110)	$ 36
Esurance brand	(2)	(21)	(17)
Encompass brand	(14)	5	7
Allstate Protection	(601)	(126)	26
Discontinued Lines and Coverages	96	105	53
Total Property-Liability	$ (505)	$ (21)	$ 79
Service Businesses	$ 2	$ 4	$ 2
Total prior year reserve reestimates	$ (503)	$ (17)	$ 81
Effect of Prior Year Reserve Reestimates on Combined Ratio [1][2]			
Allstate brand	(1.8)	(0.3)	0.1
Esurance brand	-	(0.1)	-
Encompass brand	(0.1)	-	-
Allstate Protection	(1.9)	(0.4)	0.1
Discontinued Lines and Coverages	0.3	0.3	0.2
Total Property-Liability	(1.6)	(0.1)	0.3
Service Businesses	-	-	-
Total prior year reserve reestimates	(1.6)	(0.1)	0.3

[1] Favorable reserve reestimates are shown in parentheses.
[2] Calculated using the total premiums earned for Allstate Protection, Discontinued Lines and Coverages and Service Businesses for the respective period.

THE ALLSTATE CORPORATION
HISTORICAL LOSS RESERVES
($ in millions)

	As of and for the twelve months ended December 31,				
(net of reinsurance)	2017	2016	2015	2014	
Net reserve for claims and claims expense, beginning of year	$ 19,066	$ 17,977	$ 17,229	$ 17,193	$
Acquisitions	17	-	-	-	
Claims and claims expense					
Provision attributable to the current year	22,432	22,238	20,953	19,512	
Change in provision attributable to prior years (1)	(503)	(17)	81	(84)	
Total claims and claims expense	21,929	22,221	21,034	19,428	
Payments					
Claims and claims expense attributable to current year	(14,194)	(14,222)	(13,660)	(12,924)	
Claims and claims expense attributable to prior years	(6,964)	(6,910)	(6,626)	(6,468)	
Total payments	(21,158)	(21,132)	(20,286)	(19,392)	
Net reserve for claims and claims expense, end of year (2)	$ 19,854	$ 19,066	$ 17,977	$ 17,229	$
Percent change in loss reserves	4.1 %	6.1 %	4.3 %	0.2 %	

(1) Reserve reestimates due to:					
Asbestos and environmental claims	$ 71	$ 90	$ 40	$ 102	$
All other property and casualty claims	(574)	(107)	41	(186)	
Change in pre-tax reserve	$ (503)	$ (17)	$ 81	$ (84)	$

(2) Net reserves for claims and claims expense are net of expected reinsurance recoveries of $6.47 billion, $6.18 billion, $5.89 billion, $5.69 billion ar
billion at December 31, 2017, 2016, 2015, 2014, and 2013, respectively.

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

	Three months ended					
	Dec. 31, 2017	Sept. 30, 2017	June 30, 2017	March 31, 2017	Dec. 31, 2016	Sept. 30, 2016
Premiums written	$ 7,838	$ 8,311	$ 8,030	$ 7,469	$ 7,565	$ 8,126
Decrease (increase) in unearned premiums	139	(456)	(239)	298	214	(416)
Other	(6)	41	16	(8)	(23)	9
Premiums earned	7,971	7,896	7,807	7,759	7,756	7,719
Claims and claims expense	(5,190)	(5,441)	(5,607)	(5,328)	(5,024)	(5,484)
Amortization of deferred policy acquisition costs	(1,091)	(1,060)	(1,032)	(1,022)	(1,029)	(1,013)
Operating costs and expenses	(957)	(899)	(852)	(851)	(893)	(858)
Restructuring and related charges	(18)	(12)	(51)	(10)	(9)	(5)
Underwriting income (loss)	715	484	265	548	801	359
Net investment income	415	368	387	308	334	307
Income tax expense on operations	(373)	(271)	(207)	(268)	(385)	(218)
Realized capital gains and losses, after-tax	73	54	56	89	10	36
Gain on disposition of operations, after-tax	2	1	6	-	-	-
Tax Legislation expense	(65)	-	-	-	-	-
Net income applicable to common shareholders	$ 767	$ 636	$ 507	$ 677	$ 760	$ 484
Catastrophe losses	$ 598	$ 856	$ 993	$ 781	$ 302	$ 481
Amortization of purchased intangible assets	$ 2	$ 2	$ 1	$ 2	$ 5	$ 9
Operating ratios						
Claims and claims expense ("loss") ratio	65.1	68.9	71.8	68.6	64.8	71.0
Expense ratio	25.9	25.0	24.8	24.3	24.9	24.3
Combined ratio	91.0	93.9	96.6	92.9	89.7	95.3
Loss ratio	65.1	68.9	71.8	68.6	64.8	71.0
Less: effect of catastrophe losses	7.5	10.9	12.7	10.1	3.9	6.2
effect of prior year non-catastrophe reserve reestimates	(2.2)	(1.6)	(1.0)	(1.3)	(1.7)	1.2
Underlying loss ratio *	59.8	59.6	60.1	59.8	62.6	63.6
Expense ratio	25.9	25.0	24.8	24.3	24.9	24.3
Less: effect of amortization of purchased intangible assets	-	-	-	-	0.1	0.1
Expense ratio, excluding the effect of amortization of purchased intangible assets	25.9	25.0	24.8	24.3	24.8	24.2
Reconciliation of combined ratio to underlying combined ratio						
Combined ratio	91.0	93.9	96.6	92.9	89.7	95.3
Effect of catastrophe losses	(7.5)	(10.9)	(12.7)	(10.1)	(3.9)	(6.2)
Effect of prior year non-catastrophe reserve reestimates	2.2	1.6	1.0	1.3	1.7	(1.2)
Effect of amortization of purchased intangible assets	-	-	-	-	(0.1)	(0.1)
Underlying combined ratio *	85.7	84.6	84.9	84.1	87.4	87.8
Effect of restructuring and related charges on combined ratio	0.2	0.2	0.7	0.1	0.1	0.1
Effect of Discontinued Lines and Coverages on combined ratio	-	1.1	0.1	-	0.1	1.3

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

	Twelve months ended December 31,		
	2017	2016	2015
Premiums written	$ 31,648	$ 30,891	$ 30,115
Increase in unearned premium	(258)	(181)	(253
Other	43	17	(114
Premiums earned	31,433	30,727	29,748
Claims and claims expense	(21,566)	(21,968)	(20,771
Amortization of deferred policy acquisition costs	(4,205)	(4,053)	(3,933
Operating costs and expenses	(3,559)	(3,457)	(3,439
Restructuring and related charges	(91)	(29)	(39
Underwriting income	2,012	1,220	1,566
Net investment income	1,478	1,253	1,226
Income tax expense on operations	(1,119)	(812)	(922
Realized capital gains and losses, after-tax	272	-	(154
Gain on disposition of operations, after-tax	9	-	-
Change in accounting for investments in qualified affordable housing projects	-	-	(28
Tax Legislation expense	(65)	-	-
Net income applicable to common shareholders	$ 2,587	$ 1,661	$ 1,688
Catastrophe losses	$ 3,228	$ 2,571	$ 1,719
Amortization of purchased intangible assets	$ 7	$ 32	$ 50
Operating ratios			
Loss ratio	68.6	71.5	69.8
Expense ratio	25.0	24.5	24.9
Combined ratio	93.6	96.0	94.7
Loss ratio	68.6	71.5	69.8
Less: effect of catastrophe losses	10.3	8.4	5.8
effect of prior year non-catastrophe reserve reestimates	(1.6)	(0.1)	0.3
Underlying loss ratio *	59.9	63.2	63.7
Expense ratio	25.0	24.5	24.9
Less: effect of amortization of purchased intangible assets	-	0.1	0.1
Expense ratio, excluding the effect of amortization of purchased intangible assets	25.0	24.4	24.8
Reconciliation of combined ratio to underlying combined ratio			
Combined ratio	93.6	96.0	94.7
Effect of catastrophe losses	(10.3)	(8.4)	(5.8
Effect of prior year non-catastrophe reserve reestimates	1.6	0.1	(0.3
Effect of amortization of purchased intangible assets	-	(0.1)	(0.1
Underlying combined ratio *	84.9	87.6	88.5
Effect of restructuring and related charges on combined ratio	0.3	0.1	0.1
Effect of Discontinued Lines and Coverages on the combined ratio	0.3	0.3	0.2

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

	Three months ended						
	Dec. 31, 2017	Sept. 30, 2017	June 30, 2017	March 31, 2017	Dec. 31, 2016	Sept. 30, 2016	June 3 2016
Property-Liability Underwriting Summary							
Allstate Protection	$ 719	$ 572	$ 270	$ 550	$ 804	$ 459	$ (
Discontinued Lines and Coverages	(4)	(88)	(5)	(2)	(3)	(100)	
Underwriting income (loss)	$ 715	$ 484	$ 265	$ 548	$ 801	$ 359	$ (
Allstate Protection Underwriting Summary							
Premiums written	$ 7,838	$ 8,311	$ 8,030	$ 7,469	$ 7,564	$ 8,124	$ 7,8
Premiums earned	$ 7,971	$ 7,896	$ 7,807	$ 7,759	$ 7,756	$ 7,719	$ 7,6
Claims and claims expense	(5,187)	(5,353)	(5,604)	(5,326)	(5,021)	(5,385)	(5,8
Amortization of deferred policy acquisition costs	(1,091)	(1,060)	(1,032)	(1,022)	(1,029)	(1,013)	(1,0
Operating costs and expenses	(956)	(899)	(850)	(851)	(893)	(857)	(8
Restructuring and related charges	(18)	(12)	(51)	(10)	(9)	(5)	(
Underwriting income (loss)	$ 719	$ 572	$ 270	$ 550	$ 804	$ 459	$ (
Catastrophe losses	$ 598	$ 856	$ 993	$ 781	$ 302	$ 481	$ 9
Operating ratios							
Loss ratio	65.1	67.8	71.8	68.6	64.7	69.7	76
Expense ratio	25.9	25.0	24.7	24.3	24.9	24.3	24
Combined ratio	91.0	92.8	96.5	92.9	89.6	94.0	100
Effect of catastrophe losses on combined ratio	7.5	10.9	12.7	10.1	3.9	6.2	12
Effect of restructuring and related charges on combined ratio	0.2	0.2	0.7	0.1	0.1	0.1	0
Effect of amortization of purchased intangible assets on combined ratio	-	-	-	-	0.1	0.1	0
Discontinued Lines and Coverages Underwriting Summary							
Premiums written	$ -	$ -	$ -	$ -	$ 1	$ 2	$
Premiums earned	$ -	$ -	$ -	$ -	$ -	$ -	$
Claims and claims expense	(3)	(88)	(3)	(2)	(3)	(99)	
Operating costs and expenses	(1)	-	(2)	-	-	(1)	
Underwriting loss	$ (4)	$ (88)	$ (5)	$ (2)	$ (3)	$ (100)	$
Effect of Discontinued Lines and Coverages on the Property-Liability combined ratio	-	1.1	-	-	0.1	1.3	
Allstate Protection Underwriting Income (Loss) by Brand							
Allstate brand	$ 737	$ 562	$ 308	$ 594	$ 798	$ 497	$
Esurance brand	(1)	(19)	(26)	(10)	(21)	(41)	(
Encompass brand	(17)	29	(12)	(33)	29	5	(
Answer Financial	-	-	-	(1)	(2)	(2)	
Underwriting income (loss)	$ 719	$ 572	$ 270	$ 550	$ 804	$ 459	$ (

THE ALLSTATE CORPORATION
PROPERTY-LIABILITY CATASTROPHE EXPERIENCE

CATASTROPHE BY SIZE OF EVENT
($ in millions)

Three months ended December 31, 2017

Size of catastrophe	Number of events		Claims and claims expense		Combined ratio impact	
Greater than $250 million	1	5.0 %	$ 347	58.0 %	4.4	$
$101 million to $250 million	-	-	-	-	-	
$50 million to $100 million	2	10.0	158	26.4	2.0	
Less than $50 million	17	85.0	98	16.4	1.2	
Total	20	100.0 %	603	100.8	7.6	
Prior year reserve reestimates			(8)	(1.3)	(0.1)	
Prior quarter reserve reestimates			3	0.5	-	
Total catastrophe losses			$ 598	100.0 %	7.5	

Twelve months ended December 31, 2017

Size of catastrophe	Number of events		Claims and claims expense		Combined ratio impact	
Greater than $250 million	2	1.8 %	$ 806	25.0 %	2.6	$
$101 million to $250 million	4	3.6	719	22.3	2.3	
$50 million to $100 million	8	7.2	574	17.8	1.8	
Less than $50 million	97	87.4	1,147	35.5	3.7	
Total	111	100.0 %	3,246	100.6	10.4	
Prior year reserve reestimates			(18)	(0.6)	(0.1)	
Total catastrophe losses			$ 3,228	100.0 %	10.3	

EFFECT OF CATASTROPHE LOSSES ON THE COMBINED RATIO [1]

	Effect of all catastrophe losses on the combined ratio							Excludes th catastrophe los earthquakes a
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Year	Premiums earned year-to-date	Total catastrophe losses by year	Total catastrophe losses by year
2008	8.4	10.3	26.8	3.9	12.4	$ 26,967	$ 3,342	$ 1,876
2009	7.8	12.5	6.2	5.0	7.9	26,194	2,069	2,159
2010	10.0	9.8	5.9	8.3	8.5	25,957	2,207	2,272
2011	5.2	36.2	16.7	1.0	14.7	25,942	3,815	3,298
2012	3.9	12.3	3.1	15.7	8.8	26,737	2,345	1,324
2013	5.3	9.4	1.8	1.7	4.5	27,618	1,251	1,352
2014	6.3	13.0	7.1	1.3	6.9	28,929	1,993	2,000
2015	4.0	10.6	3.5	4.7	5.7	30,309	1,719	1,749
2016	10.9	12.5	6.2	3.9	8.4	30,727	2,571	2,419
2017	10.1	12.7	10.9	7.5	10.3	31,433	3,228	2,611
Average	7.2	13.9	8.8	5.3	8.7			

[1] Catastrophe losses and the effect on the combined ratio were updated for 2017 and 2016 to remove Service Businesses from the calculation. The periods 2 include historical Property-Liability results, which include Allstate Protection, Discontinued Lines and Coverages and Service Businesses. The effect on the calculated using the total premiums earned.

THE ALLSTATE CORPORATION
ALLSTATE PROTECTION
IMPACT OF NET RATE CHANGES APPROVED ON PREMIUMS WRITTEN

	Three months ended December 31, 2017 [1]			Three months ended September 30, 2017			
	Number of locations [7]	Total brand (%) [8]	Location specific (%) [9]	Number of locations	Total brand (%)	Location specific (%)	Number of locations
Allstate brand							
Auto [2][3][4]	25	1.2 [10]	5.4 [10]	17	0.4	3.0	23
Homeowners [5][6]	11	0.2	1.5	8	0.5	5.3	3
Esurance brand							
Auto	7	0.6	5.0	16	2.0	5.6	12
Homeowners	4	5.1	14.3	-	-	-	-
Encompass brand							
Auto	8	1.7	5.7	8	0.8	4.5	11
Homeowners	7	0.9	4.5	6	0.9	6.0	9

	Three months ended March 31, 2017			Three months ended December 31, 2016			
	Number of locations	Total brand (%)	Location specific (%)	Number of locations	Total brand (%)	Location specific (%)	Number of locations
Allstate brand							
Auto [2][3][4]	18	1.7 [10]	5.3 [10]	23	1.3	5.6	25
Homeowners [5][6]	14	1.0	4.2	12	0.5	4.7	10
Esurance brand							
Auto	7	0.7	5.3	13	2.2	6.2	9
Homeowners	-	-	-	1	(0.5)	(10.0)	N/A
Encompass brand							
Auto	5	1.4	7.2	8	3.2	9.9	9
Homeowners	3	0.2	3.4	6	0.6	3.3	5

(1) 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
the District of Columbia and Canadian provinces, rate changes approved for Allstate brand, Esurance brand and Encompass brand for the three month period ending December 31, 2017 are
not include rating plan enhancements, including the introduction of discounts and surcharges that result in no change in the overall rate level in a location.

(2) Impacts of Allstate brand auto effective rate changes as a percentage of total brand prior year-end premiums written were 0.5%, 0.4%, 1.8%, 1.1%, 1.1% and 1.5% for the three months ende
June 30, 2017, March 31, 2017, December 31, 2016 and September 30, 2016, respectively. Rate changes are included in the effective calculations in the period the rate change is effective f

(3) Allstate brand auto rate changes were 4.0% 4.1%, 4.7%, 7.2%, 7.2% and 7.8% for the trailing twelve months ended December 31, 2017, September 30, 2017, June 30, 2017, March 31, 2017
respectively.

(4) Allstate brand auto rate changes were cumulatively $3.0 billion or 16.5% for 2017, 2016 and 2015.

(5) Impacts of Allstate brand homeowners effective rate changes as a percentage of total brand prior year-end premiums written were 0.1%, 0.6%, 0.1%, 0.9%, 0.6% and 0.6% for the three mon
2017, June 30, 2017, March 31, 2017, December 31, 2016 and September 30, 2016, respectively.

(6) Allstate brand homeowner rate changes were cumulatively $387 million or 5.7% in 2017 and 2016.

(7) Allstate brand auto and homeowners operates in 50 states, the District of Columbia, and 5 Canadian provinces. Esurance brand auto operates in 43 states and 2 Canadian provinces. Esura
and 2 Canadian provinces. Encompass brand auto and homeowners operates in 39 states and the District of Columbia.

(8) Represents the impact in the states, the District of Columbia and Canadian provinces where rate changes were approved during the period as a percentage of total brand prior year-end prem

(9) Represents the impact in the states, the District of Columbia and Canadian provinces where rate changes were approved during the period as a percentage of its respective total prior year-e

(10) Includes a rate increase in California in first and fourth quarter 2017. Excluding California, Allstate brand auto total brand and location specific rate changes were 1.1% and 4.7%, respectively
respectively, in fourth quarter 2017.

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

	Three months ended						
	Dec. 31, 2017	Sept. 30, 2017	June 30, 2017	March 31, 2017	Dec. 31, 2016	Sept. 30, 2016	Ju
Net premiums written	$ 7,185	$ 7,587	$ 7,337	$ 6,776	$ 6,902	$ 7,379	$
Net premiums earned							
Auto	$ 5,003	$ 4,950	$ 4,884	$ 4,839	$ 4,826	$ 4,793	$
Homeowners	1,725	1,707	1,691	1,688	1,691	1,683	
Other personal lines	419	414	411	405	403	399	
Commercial lines	128	124	118	125	123	127	
Total	7,275	7,195	7,104	7,057	7,043	7,002	
Incurred losses							
Auto	$ 3,289	$ 3,455	$ 3,442	$ 3,224	$ 3,417	$ 3,610	$
Homeowners	1,052	988	1,273	1,194	765	893	
Other personal lines	226	312	258	265	234	236	
Commercial lines	89	103	86	96	109	112	
Total	4,656	4,858	5,059	4,779	4,525	4,851	
Expenses							
Auto	$ 1,310	$ 1,234	$ 1,228	$ 1,163	$ 1,184	$ 1,140	$
Homeowners	421	400	371	387	396	384	
Other personal lines	128	120	115	112	117	113	
Commercial lines	37	36	34	33	34	34	
Other business lines [(1)]	(14)	(15)	(11)	(11)	(11)	(17)	
Total	1,882	1,775	1,737	1,684	1,720	1,654	
Underwriting income (loss)							
Auto	$ 404	$ 261	$ 214	$ 452	$ 225	$ 43	$
Homeowners	252	319	47	107	530	406	
Other personal lines	65	(18)	38	28	52	50	
Commercial lines	2	(15)	(2)	(4)	(20)	(19)	
Other business lines	14	15	11	11	11	17	
Total	737	562	308	594	798	497	
Loss ratio	64.0	67.5	71.2	67.7	64.3	69.3	
Expense ratio	25.9	24.7	24.5	23.9	24.4	23.6	
Combined ratio	89.9	92.2	95.7	91.6	88.7	92.9	
Loss ratio	64.0	67.5	71.2	67.7	64.3	69.3	
Less: effect of catastrophe losses	7.4	11.5	12.9	10.0	4.1	6.3	
effect of prior year non-catastrophe reserve reestimates	(2.3)	(3.0)	(1.1)	(1.5)	(1.6)	-	
Underlying loss ratio *	58.9	59.0	59.4	59.2	61.8	63.0	
Expense ratio	25.9	24.7	24.5	23.9	24.4	23.6	
Less: effect of amortization of purchased intangible assets	-	-	-	-	-	-	
Expense ratio, excluding the effect of amortization of purchased intangible assets	25.9	24.7	24.5	23.9	24.4	23.6	
Reconciliation of combined ratio to underlying combined ratio							
Combined ratio	89.9	92.2	95.7	91.6	88.7	92.9	
Effect of catastrophe losses	(7.4)	(11.5)	(12.9)	(10.0)	(4.1)	(6.3)	
Effect of prior year non-catastrophe reserve reestimates	2.3	3.0	1.1	1.5	1.6	-	
Effect of amortization of purchased intangible assets	-	-	-	-	-	-	
Underlying combined ratio *	84.8	83.7	83.9	83.1	86.2	86.6	
Effect of prior year reserve reestimates on combined ratio	(2.4)	(3.1)	(1.2)	(1.5)	(1.7)	-	
Effect of advertising expenses on combined ratio	2.0	2.1	1.9	2.0	2.4	2.2	

(1) Other business lines primarily include Ivantage and represents commissions earned and other costs and expenses.

THE ALLSTATE CORPORATION
ALLSTATE BRAND STATISTICS [1]

	Three months ended					
	Dec. 31, 2017	Sept. 30, 2017	June 30, 2017	March 31, 2017	Dec. 31, 2016	Sept. 30, 2016
New Issued Applications (in thousands) [2]						
Auto [3]	620	651	639	610	562	584
Homeowners [4]	177	198	195	163	167	188
Average Premium - Gross Written ($) [5]						
Auto	561	556	544	538	537	532
Homeowners	1,206	1,203	1,192	1,187	1,181	1,181
Average Premium - Net Earned ($) [6]						
Auto	512	507	499	492	487	479
Homeowners	1,131	1,119	1,106	1,106	1,105	1,099
Annualized Average Premium ($) [7]						
Auto	1,022	1,015	999	989	978	966
Homeowners	1,133	1,125	1,117	1,112	1,109	1,102
Average Underlying Loss (Incurred Pure Premium) and Expense * ($) [8]						
Auto	963	925	925	899	941	927
Homeowners	679	689	668	682	655	673
Renewal Ratio (%) [9]						
Auto [10]	87.8	87.7	87.4	87.4	87.4	87.5
Homeowners [11]	87.5	87.5	87.0	87.1	87.5	87.9
Auto Claim Frequency [12]						
(% change year-over-year)						
Bodily Injury Gross	(2.9)	(5.6)	(4.7)	(6.0)	(2.0)	0.3
Bodily Injury Paid [13]	(13.2)	(9.1)	(23.7)	(20.5)	(19.2)	(19.6)
Property Damage Gross	(4.1)	(8.0)	(5.2)	(3.9)	1.2	3.9
Property Damage Paid [14]	(5.2)	(9.0)	(3.4)	(3.2)	(1.2)	0.1
Auto Paid Claim Severity [15]						
(% change year-over-year)						
Bodily injury [13]	17.6	15.0	28.3	25.1	18.8	12.4
Property damage	6.7	4.9	1.6	4.8	1.9	1.9
Homeowners Excluding Catastrophe Losses						
(% change year-over-year)						
Gross Claim frequency [12]	(2.9)	(2.6)	6.0	7.6	2.2	5.2
Paid Claim frequency [12]	(3.7)	(5.4)	7.1	2.3	(0.5)	0.7
Paid Claim severity	8.1	8.1	(0.2)	4.1	1.8	(0.5)

(1) 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 insur automobiles added by existing customers when they exceed the number allowed (currently 10) on a policy.

(3) 36 states, including 10 of our 10 largest states, experienced increases in new issued applications in the fourth quarter of 2017 compared to the same period of 2016. 38 states, including 9 of our 10 largest sta compared to 2016, with 20 states experiencing double digit increases.

(4) Of our largest 10 states, 5 and 6 experienced increases in new issued applications in the fourth quarter and the twelve months of 2017, respectively, compared to the same periods of 2016.

(5) 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 exclu refund accruals. Average premiums represent the appropriate policy term for each line, which is 6 months for auto and 12 months for homeowners.

(6) 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 d premiums represent the appropriate policy term for each line, which is 6 months for auto and 12 months for homeowners.

(7) Calculated by annualizing net earned premium reported in the quarter and year-to-date divided by policies in force at quarter end.

(8) Average underlying loss (incurred pure premium) and expense is calculated as the underlying combined ratio multiplied by the annualized average premium.

(9) 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.

(10) 28 and 20 states in the fourth quarter and the twelve months of 2017, respectively, including 7 and 3 of our largest 10 states, experienced increases in the renewal ratio compared to the same periods of 2016

(11) Of our largest 10 states, 5 and 1 experienced increases in the renewal ratio in the fourth quarter and the twelve months of 2017, respectively, compared to the same periods of 2016.

(12) Paid claim frequency is calculated as annualized notice counts closed with payment in the period divided by the average of policies in force with the applicable coverage during the period. Gross claim freque divided by the average of policies in force with the applicable coverage during the period. Gross claim frequency includes all actual notice counts, regardless of their current status (open or closed) or their ulti Frequency statistics exclude counts associated with catastrophe events. The percent change in paid or gross claim frequency is calculated as the amount of increase or decrease in the paid or gross claim fre year; divided by the prior year paid or gross claim frequency.

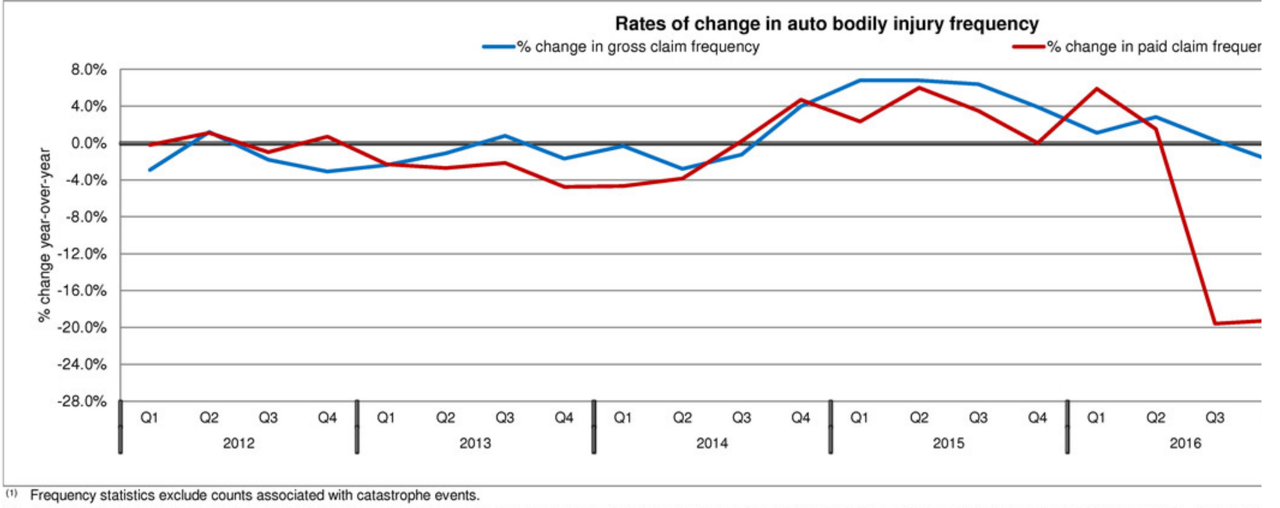
(13) Bodily injury claim process changes in the second half of 2016 related to enhanced documentation of injuries and related medical treatments are having a related impact on paid claim frequency and severity changes are beginning to normalize and the related impacts on the percent change in paid claim frequency and severity have begun to moderate.

(14) 42 states experienced a year over year decrease in property damage paid claim frequency in fourth quarter 2017 compared to fourth quarter 2016.

(15) Paid claim severity is calculated by dividing the sum of paid losses and loss expenses by claims closed with a payment during the period. The percent change in paid claim severity is calculated as the amount compared to the same period in the prior year; divided by the prior year paid claims severity.

THE ALLSTATE CORPORATION
ALLSTATE BRAND AUTO CLAIM FREQUENCY ANALYSIS [(1)]
BODILY INJURY % CHANGE IN GROSS AND PAID CLAIM FREQUENCY RATE

	2012				2013				2014				2015				
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Change in auto claim frequency [(2)]																	
(% change in frequency rate year over year)																	
% Change in gross claim frequency	-2.9%	1.2%	-1.8%	-3.1%	-2.4%	-1.1%	0.8%	-1.7%	-0.3%	-2.8%	-1.3%	4.0%	6.8%	6.8%	6.4%	3.9%	1.1
% Change in paid claim frequency [(3)]	-0.2%	1.1%	-1.0%	0.7%	-2.3%	-2.7%	-2.1%	-4.7%	-4.7%	-3.8%	0.2%	4.7%	2.3%	6.0%	3.5%	0.0%	5.9



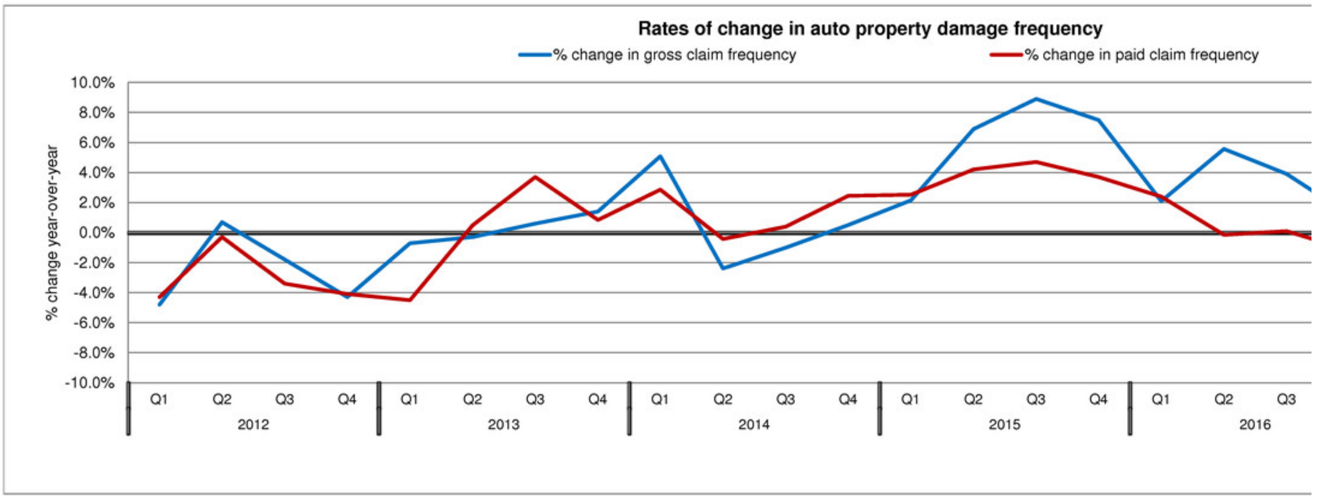
(1) Frequency statistics exclude counts associated with catastrophe events.

(2) Paid claim frequency is calculated as annualized notice counts closed with payment in the period divided by the average of policies in force with the applicable coverage during the period. Gross clai
in the period divided by the average of policies in force with the applicable coverage during the period. Gross claim frequency includes all actual notice counts, regardless of their current status (oper
or closed without payment). The percent change in paid or gross claim frequency is calculated as the amount of increase or decrease in the paid or gross claim frequency in the current period comp
year paid or gross claim frequency.

(3) Bodily injury claim process changes in the second half of 2016 related to enhanced documentation of injuries and related medical treatments are having a related impact on paid claim frequency and
These process changes are beginning to normalize and the related impacts on the percent change in paid claim frequency and severity have begun to moderate.

THE ALLSTATE CORPORATION
ALLSTATE BRAND AUTO CLAIM FREQUENCY ANALYSIS [(1)]
PROPERTY DAMAGE % CHANGE IN GROSS AND PAID CLAIM FREQUENCY

	2012				2013				2014				2015			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Change in auto claim frequency [(2)]																
(% change in frequency rate year over year)																
% Change in gross claim frequency	-4.8%	0.7%	-1.8%	-4.3%	-0.7%	-0.3%	0.6%	1.4%	5.1%	-2.4%	-1.0%	0.5%	2.1%	6.9%	8.9%	7.5%
% Change in paid claim frequency	-4.3%	-0.3%	-3.4%	-4.1%	-4.5%	0.5%	3.7%	0.8%	2.9%	-0.4%	0.4%	2.5%	2.5%	4.2%	4.7%	3.7%



(1) Frequency statistics exclude counts associated with catastrophe events.

(2) Paid claim frequency is calculated as annualized notice counts closed with payment in the period divided by the average of policies in force with the applicable coverage during the period. Gross claim frequ divided by the average of policies in force with the applicable coverage during the period. Gross claim frequency includes all actual notice counts, regardless of their current status (open or closed) or their payment). The percent change in paid or gross claim frequency is calculated as the amount of increase or decrease in the paid or gross claim frequency in the current period compared to the same period i frequency.

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

	Three months ended					
	Dec. 31, 2017	Sept. 30, 2017	June 30, 2017	March 31, 2017	Dec. 31, 2016	Sept. 30, 2016
Net premiums written	$ 410	$ 453	$ 408	$ 457	$ 399	$ 446
Net premiums earned						
Auto	$ 411	$ 411	$ 411	$ 403	$ 408	$ 405
Homeowners	19	19	16	14	13	11
Other personal lines	2	2	2	2	2	2
Total	432	432	429	419	423	418
Incurred losses						
Auto	$ 322	$ 322	$ 324	$ 300	$ 310	$ 313
Homeowners	9	14	21	13	8	11
Other personal lines	1	1	1	1	1	2
Total	332	337	346	314	319	326
Expenses						
Auto	$ 94	$ 104	$ 100	$ 107	$ 114	$ 111
Homeowners	6	9	8	8	10	22
Other personal lines	1	1	1	-	1	-
Total	101	114	109	115	125	133
Underwriting (loss) income						
Auto	$ (5)	$ (15)	$ (13)	$ (4)	$ (16)	$ (19)
Homeowners	4	(4)	(13)	(7)	(5)	(22)
Other personal lines	-	-	-	1	-	-
Total	(1)	(19)	(26)	(10)	(21)	(41)
Loss ratio	76.8	78.0	80.7	74.9	75.4	78.0
Expense ratio	23.4	26.4	25.4	27.5	29.6	31.8
Combined ratio	100.2	104.4	106.1	102.4	105.0	109.8
Loss ratio	76.8	78.0	80.7	74.9	75.4	78.0
Less: effect of catastrophe losses	0.2	3.9	5.6	1.9	1.2	3.3
effect of prior year non-catastrophe reserve reestimates	-	(0.2)	-	-	(2.1)	(1.0)
Underlying loss ratio *	76.6	74.3	75.1	73.0	76.3	75.7
Expense ratio	23.4	26.4	25.4	27.5	29.6	31.8
Less: effect of amortization of purchased intangible assets	0.2	0.2	-	0.3	0.9	1.5
Expense ratio, excluding the effect of amortization of purchased intangible assets	23.2	26.2	25.4	27.2	28.7	30.3
Reconciliation of combined ratio to underlying combined ratio						
Combined ratio	100.2	104.4	106.1	102.4	105.0	109.8
Effect of catastrophe losses	(0.2)	(3.9)	(5.6)	(1.9)	(1.2)	(3.3)
Effect of prior year non-catastrophe reserve reestimates	-	0.2	-	-	2.1	1.0
Effect of amortization of purchased intangible assets	(0.2)	(0.2)	-	(0.3)	(0.9)	(1.5)
Underlying combined ratio *	99.8	100.5	100.5	100.2	105.0	106.0
Effect of prior year reserve reestimates on combined ratio	-	(0.2)	(0.2)	-	(2.1)	(1.0)
Effect of advertising expenses on combined ratio	6.7	9.3	8.6	8.6	9.2	11.7
Policies in Force (in thousands)						
Auto	1,352	1,369	1,388	1,400	1,391	1,395
Homeowners	79	76	69	63	58	52
Other personal lines	44	45	47	48	47	47
	1,475	1,490	1,504	1,511	1,496	1,494
New Issued Applications (in thousands)						
Auto	105	116	120	143	137	151
Homeowners	7	10	9	8	9	10
Other personal lines	6	6	7	8	8	9
	118	132	136	159	154	170
Average Premium - Gross Written ($)						
Auto	586	574	564	571	555	546
Homeowners	901	924	910	919	861	872
Renewal Ratio (%)						
Auto	82.2	81.8	81.9	80.4	79.3	78.9
Homeowners	85.7	85.8	86.1	83.5	82.9	83.1

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

	Three months ended					
	Dec. 31, 2017	Sept. 30, 2017	June 30, 2017	March 31, 2017	Dec. 31, 2016	Sept. 30, 2016
Net premiums written	$ 243	$ 271	$ 285	$ 236	$ 263	$ 299
Net premiums earned						
Auto	$ 137	$ 140	$ 143	$ 146	$ 151	$ 155
Homeowners	104	106	108	113	115	119
Other personal lines	23	23	23	24	24	25
Total	264	269	274	283	290	299
Incurred losses						
Auto	$ 88	$ 91	$ 105	$ 104	$ 104	$ 117
Homeowners	100	54	84	108	60	74
Other personal lines	11	13	10	21	13	17
Total	199	158	199	233	177	208
Expenses						
Auto	$ 42	$ 43	$ 46	$ 43	$ 44	$ 44
Homeowners	33	32	34	33	33	34
Other personal lines	7	7	7	7	7	8
Total	82	82	87	83	84	86
Underwriting (loss) income						
Auto	$ 7	$ 6	$ (8)	$ (1)	$ 3	$ (6)
Homeowners	(29)	20	(10)	(28)	22	11
Other personal lines	5	3	6	(4)	4	-
Total	(17)	29	(12)	(33)	29	5
Loss ratio	75.4	58.7	72.6	82.4	61.0	69.6
Expense ratio	31.0	30.5	31.8	29.3	29.0	28.7
Combined ratio	106.4	89.2	104.4	111.7	90.0	98.3
Loss ratio	75.4	58.7	72.6	82.4	61.0	69.6
Less: effect of catastrophe losses	23.4	4.5	19.0	23.7	3.1	9.0
effect of prior year non-catastrophe reserve reestimates	(3.4)	(0.8)	(2.2)	1.4	(3.8)	-
Underlying loss ratio *	55.4	55.0	55.8	57.3	61.7	60.6
Expense ratio	31.0	30.5	31.8	29.3	29.0	28.7
Less: effect of amortization of purchased intangible assets	-	-	-	-	-	-
Expense ratio, excluding the effect of amortization of purchased intangible assets	31.0	30.5	31.8	29.3	29.0	28.7
Reconciliation of combined ratio to underlying combined ratio						
Combined ratio	106.4	89.2	104.4	111.7	90.0	98.3
Effect of catastrophe losses	(23.4)	(4.5)	(19.0)	(23.7)	(3.1)	(9.0)
Effect of prior year non-catastrophe reserve reestimates	3.4	0.8	2.2	(1.4)	3.8	-
Underlying combined ratio *	86.4	85.5	87.6	86.6	90.7	89.3
Effect of prior year reserve reestimates on combined ratio	(3.8)	(0.8)	(2.9)	2.1	(3.8)	0.3
Effect of advertising expenses on combined ratio	0.4	0.4	-	-	0.3	-
Policies in Force (in thousands)						
Auto	530	548	571	595	622	649
Homeowners	254	262	273	284	295	305
Other personal lines	85	88	91	94	98	101
	869	898	935	973	1,015	1,055
New Issued Applications (in thousands)						
Auto	14	13	13	12	11	13
Homeowners	7	8	8	7	7	9
Average Premium - Gross Written ($)						
Auto	1,111	1,087	1,065	1,057	1,043	1,022
Homeowners	1,706	1,703	1,667	1,659	1,650	1,659
Renewal Ratio (%)						
Auto	72.6	72.0	74.2	73.1	73.1	73.1
Homeowners	77.6	77.7	78.7	78.2	78.3	77.9

THE ALLSTATE CORPORATION
HISTORICAL UNDERWRITING RESULTS BY AREA OF BUSINESS
($ in millions)

For the twelve months ended December 31, 2017	Allstate brand	Esurance brand	Encompass brand
Net premiums written	$ 28,885	$ 1,728	$ 1,035
Net premiums earned	$ 28,631	$ 1,712	$ 1,090
Incurred losses	(19,352)	(1,329)	(789)
Expenses	(7,078)	(439)	(334)
Underwriting income (loss)	$ 2,201	$ (56)	$ (33)
Loss ratio	67.6	77.6	72.4
Expense ratio	24.7	25.7	30.6
Reconciliation of combined ratio to underlying combined ratio			
Combined ratio	92.3	103.3	103.0
Effect of catastrophe losses	(10.4)	(2.9)	(17.7)
Effect of prior year non-catastrophe reserve reestimates	2.0	-	1.2
Effect of amortization of purchased intangible assets	-	(0.2)	-
Underlying combined ratio *	83.9	100.2	86.5

For the twelve months ended December 31, 2016	Allstate brand	Esurance brand	Encompass brand
Net premiums written	$ 28,059	$ 1,689	$ 1,140
Net premiums earned	$ 27,865	$ 1,660	$ 1,202
Incurred losses	(19,750)	(1,258)	(855)
Expenses	(6,658)	(526)	(346)
Underwriting income (loss)	$ 1,457	$ (124)	$ 1
Loss ratio	70.9	75.8	71.1
Expense ratio	23.9	31.7	28.8
Reconciliation of combined ratio to underlying combined ratio			
Combined ratio	94.8	107.5	99.9
Effect of catastrophe losses	(8.7)	(2.2)	(9.2)
Effect of prior year non-catastrophe reserve reestimates	0.4	1.3	(0.4)
Effect of amortization of purchased intangible assets	-	(1.4)	-
Underlying combined ratio *	86.5	105.2	90.3

For the twelve months ended December 31, 2015	Allstate brand	Esurance brand	Encompass brand
Net premiums written	$ 27,258	$ 1,613	$ 1,244
Net premiums earned	$ 26,891	$ 1,588	$ 1,269
Incurred losses	(18,593)	(1,192)	(933)
Expenses	(6,479)	(560)	(362)
Underwriting income (loss)	$ 1,819	$ (164)	$ (26)
Loss ratio	69.1	75.1	73.5
Expense ratio	24.1	35.2	28.5
Reconciliation of combined ratio to underlying combined ratio			
Combined ratio	93.2	110.3	102.0
Effect of catastrophe losses	(5.9)	(0.9)	(8.7)
Effect of prior year non-catastrophe reserve reestimates	(0.2)	1.2	(0.7)
Effect of amortization of purchased intangible assets	-	(2.2)	-
Underlying combined ratio *	87.1	108.4	92.6

(1) Includes Answer Financial underwriting loss of $1 million, $7 million and $8 million in 2017, 2016 and 2015, respectively.

THE ALLSTATE CORPORATION
AUTO PROFITABILITY MEASURES BY BRAND
($ in millions)

	Three months ended						
	Dec. 31, 2017	Sept. 30, 2017	June 30, 2017	March 31, 2017	Dec. 31, 2016	Sept. 30, 2016	J
Allstate brand auto							
Net premiums written	$ 4,956	$ 5,096	$ 4,925	$ 4,882	$ 4,756	$ 4,940	$
Net premiums earned	$ 5,003	$ 4,950	$ 4,884	$ 4,839	$ 4,826	$ 4,793	$
Incurred losses	(3,289)	(3,455)	(3,442)	(3,224)	(3,417)	(3,610)	
Expenses	(1,310)	(1,234)	(1,228)	(1,163)	(1,184)	(1,140)	
Underwriting income (loss)	$ 404	$ 261	$ 214	$ 452	$ 225	$ 43	$
Loss ratio	65.7	69.8	70.5	66.6	70.8	75.3	
Less: effect of catastrophe losses	0.7	7.3	4.2	1.4	1.2	3.1	
effect of prior year non-catastrophe reserve reestimates	(3.0)	(3.7)	(1.2)	(1.6)	(2.1)	-	
Underlying loss ratio *	68.0	66.2	67.5	66.8	71.7	72.2	
Expense ratio	26.2	24.9	25.1	24.1	24.5	23.8	
Combined ratio	91.9	94.7	95.6	90.7	95.3	99.1	
Effect of catastrophe losses	(0.7)	(7.3)	(4.2)	(1.4)	(1.2)	(3.1)	
Effect of prior year non-catastrophe reserve reestimates	3.0	3.7	1.2	1.6	2.1	-	
Underlying combined ratio *	94.2	91.1	92.6	90.9	96.2	96.0	
Esurance brand auto							
Net premiums written	$ 389	$ 427	$ 386	$ 439	$ 382	$ 428	$
Net premiums earned	$ 411	$ 411	$ 411	$ 403	$ 408	$ 405	$
Incurred losses	(322)	(322)	(324)	(300)	(310)	(313)	
Expenses	(94)	(104)	(100)	(107)	(114)	(111)	
Underwriting (loss) income	$ (5)	$ (15)	$ (13)	$ (4)	$ (16)	$ (19)	$
Loss ratio	78.3	78.3	78.9	74.4	76.0	77.3	
Less: effect of catastrophe losses	-	3.6	3.6	1.0	1.0	2.2	
effect of prior year non-catastrophe reserve reestimates	-	-	0.3	-	(2.2)	(1.0)	
Underlying loss ratio *	78.3	74.7	75.0	73.4	77.2	76.1	
Expense ratio	22.9	25.3	24.3	26.6	27.9	27.4	
Combined ratio	101.2	103.6	103.2	101.0	103.9	104.7	
Effect of catastrophe losses	-	(3.6)	(3.6)	(1.0)	(1.0)	(2.2)	
Effect of prior year non-catastrophe reserve reestimates	-	-	(0.3)	-	2.2	1.0	
Effect of amortization of purchased intangible assets	(0.2)	(0.2)	-	(0.2)	(0.9)	(1.5)	
Underlying combined ratio *	101.0	99.8	99.3	99.8	104.2	102.0	
Encompass brand auto							
Net premiums written	$ 128	$ 141	$ 148	$ 125	$ 138	$ 153	$
Net premiums earned	$ 137	$ 140	$ 143	$ 146	$ 151	$ 155	$
Incurred losses	(88)	(91)	(105)	(104)	(104)	(117)	
Expenses	(42)	(43)	(46)	(43)	(44)	(44)	
Underwriting income (loss)	$ 7	$ 6	$ (8)	$ (1)	$ 3	$ (6)	$
Loss ratio	64.2	65.0	73.4	71.2	68.9	75.5	
Less: effect of catastrophe losses	-	0.7	4.9	2.8	-	3.3	
effect of prior year non-catastrophe reserve reestimates	(3.6)	-	-	-	(2.7)	(1.3)	
Underlying loss ratio *	67.8	64.3	68.5	68.4	71.6	73.5	
Expense ratio	30.7	30.7	32.2	29.5	29.1	28.4	
Combined ratio	94.9	95.7	105.6	100.7	98.0	103.9	
Effect of catastrophe losses	-	(0.7)	(4.9)	(2.8)	-	(3.3)	
Effect of prior year non-catastrophe reserve reestimates	3.6	-	-	-	2.7	1.3	
Underlying combined ratio *	98.5	95.0	100.7	97.9	100.7	101.9	

THE ALLSTATE CORPORATION
HOMEOWNERS PROFITABILITY MEASURES BY BRAND
($ in millions)

	Three months ended					
	Dec. 31, 2017	Sept. 30, 2017	June 30, 2017	March 31, 2017	Dec. 31, 2016	Sept. 30, 2016
Allstate brand homeowners						
Net premiums written	$ 1,694	$ 1,921	$ 1,847	$ 1,403	$ 1,638	$ 1,869
Net premiums earned	$ 1,725	$ 1,707	$ 1,691	$ 1,688	$ 1,691	$ 1,683
Incurred losses	(1,052)	(988)	(1,273)	(1,194)	(765)	(893)
Expenses	(421)	(400)	(371)	(387)	(396)	(384)
Underwriting income (loss)	$ 252	$ 319	$ 47	$ 107	$ 530	$ 406
Loss ratio	61.0	57.9	75.3	70.8	45.3	53.1
Less: effect of catastrophe losses	27.8	22.4	38.4	34.1	10.8	15.4
effect of prior year non-catastrophe reserve reestimates	(2.3)	(2.3)	(1.0)	(1.7)	(1.2)	(0.6)
Underlying loss ratio *	35.5	37.8	37.9	38.4	35.7	38.3
Expense ratio	24.4	23.4	21.9	22.9	23.4	22.8
Combined ratio	85.4	81.3	97.2	93.7	68.7	75.9
Effect of catastrophe losses	(27.8)	(22.4)	(38.4)	(34.1)	(10.8)	(15.4)
Effect of prior year non-catastrophe reserve reestimates	2.3	2.3	1.0	1.7	1.2	0.6
Underlying combined ratio *	59.9	61.2	59.8	61.3	59.1	61.1
Esurance brand homeowners						
Net premiums written	$ 19	$ 24	$ 20	$ 16	$ 15	$ 16
Net premiums earned	$ 19	$ 19	$ 16	$ 14	$ 13	$ 11
Incurred losses	(9)	(14)	(21)	(13)	(8)	(11)
Expenses	(6)	(9)	(8)	(8)	(10)	(22)
Underwriting income (loss)	$ 4	$ (4)	$ (13)	$ (7)	$ (5)	$ (22)
Loss ratio	47.3	73.7	131.3	92.9	61.6	100.0
Less: effect of catastrophe losses	5.2	10.5	56.3	28.6	7.7	45.5
effect of prior year non-catastrophe reserve reestimates	-	(5.2)	-	-	-	-
Underlying loss ratio *	42.1	68.4	75.0	64.3	53.9	54.5
Expense ratio	31.6	47.4	50.0	57.1	76.9	200.0
Combined ratio	78.9	121.1	181.3	150.0	138.5	300.0
Effect of catastrophe losses	(5.2)	(10.5)	(56.3)	(28.6)	(7.7)	(45.5)
Effect of prior year non-catastrophe reserve reestimates	-	5.2	-	-	-	-
Underlying combined ratio *	73.7	115.8	125.0	121.4	130.8	254.5
Encompass brand homeowners						
Net premiums written	$ 95	$ 108	$ 112	$ 91	$ 103	$ 121
Net premiums earned	$ 104	$ 106	$ 108	$ 113	$ 115	$ 119
Incurred losses	(100)	(54)	(84)	(108)	(60)	(74)
Expenses	(33)	(32)	(34)	(33)	(33)	(34)
Underwriting (loss) income	$ (29)	$ 20	$ (10)	$ (28)	$ 22	$ 11
Loss ratio	96.2	50.9	77.8	95.6	52.2	62.2
Less: effect of catastrophe losses	56.7	10.3	38.9	54.0	7.8	17.6
effect of prior year non-catastrophe reserve reestimates	1.0	-	-	0.9	(2.6)	0.9
Underlying loss ratio *	38.5	40.6	38.9	40.7	47.0	43.7
Expense ratio	31.7	30.2	31.5	29.2	28.7	28.6
Combined ratio	127.9	81.1	109.3	124.8	80.9	90.8
Effect of catastrophe losses	(56.7)	(10.3)	(38.9)	(54.0)	(7.8)	(17.6)
Effect of prior year non-catastrophe reserve reestimates	(1.0)	-	-	(0.9)	2.6	(0.9)
Underlying combined ratio *	70.2	70.8	70.4	69.9	75.7	72.3

THE ALLSTATE CORPORATION
OTHER PERSONAL LINES PROFITABILITY MEASURES BY BRAND [1]
($ in millions)

	Three months ended					
	Dec. 31, 2017	Sept. 30, 2017	June 30, 2017	March 31, 2017	Dec. 31, 2016	Sept. 30, 2016
Allstate brand other personal lines						
Net premiums written	$ 410	$ 454	$ 441	$ 368	$ 393	$ 447
Net premiums earned	$ 419	$ 414	$ 411	$ 405	$ 403	$ 399
Incurred losses	(226)	(312)	(258)	(265)	(234)	(236)
Expenses	(128)	(120)	(115)	(112)	(117)	(113)
Underwriting income (loss)	$ 65	$ (18)	$ 38	$ 28	$ 52	$ 50
Loss ratio	53.9	75.3	62.8	65.4	58.1	59.2
Less: effect of catastrophe losses	4.8	15.7	13.9	14.6	9.7	6.0
effect of prior year non-catastrophe reserve reestimates	1.9	0.7	(0.2)	(0.3)	0.7	(0.5)
Underlying loss ratio *	47.2	58.9	49.1	51.1	47.7	53.7
Expense ratio	30.6	29.0	28.0	27.7	29.0	28.3
Combined ratio	84.5	104.3	90.8	93.1	87.1	87.5
Effect of catastrophe losses	(4.8)	(15.7)	(13.9)	(14.6)	(9.7)	(6.0)
Effect of prior year non-catastrophe reserve reestimates	(1.9)	(0.7)	0.2	0.3	(0.7)	0.5
Underlying combined ratio *	77.8	87.9	77.1	78.8	76.7	82.0
Esurance brand other personal lines						
Net premiums written	$ 2	$ 2	$ 2	$ 2	$ 2	$ 2
Net premiums earned	$ 2	$ 2	$ 2	$ 2	$ 2	$ 2
Incurred losses	(1)	(1)	(1)	(1)	(1)	(2)
Expenses	(1)	(1)	(1)	-	(1)	-
Underwriting income (loss)	$ -	$ -	$ -	$ 1	$ -	$ -
Loss ratio	50.0	50.0	50.0	50.0	50.0	100.0
Less: effect of catastrophe losses	-	-	-	-	-	-
effect of prior year non-catastrophe reserve reestimates	-	-	(50.0)	-	-	-
Underlying loss ratio *	50.0	50.0	100.0	50.0	50.0	100.0
Expense ratio	50.0	50.0	50.0	-	50.0	-
Combined ratio	100.0	100.0	100.0	50.0	100.0	100.0
Effect of catastrophe losses	-	-	-	-	-	-
Effect of prior year non-catastrophe reserve reestimates	-	-	50.0	-	-	-
Underlying combined ratio *	100.0	100.0	150.0	50.0	100.0	100.0
Encompass brand other personal lines						
Net premiums written	$ 20	$ 22	$ 25	$ 20	$ 22	$ 25
Net premiums earned	$ 23	$ 23	$ 23	$ 24	$ 24	$ 25
Incurred losses	(11)	(13)	(10)	(21)	(13)	(17)
Expenses	(7)	(7)	(7)	(7)	(7)	(8)
Underwriting income (loss)	$ 5	$ 3	$ 6	$ (4)	$ 4	$ -
Loss ratio	47.8	56.5	43.5	87.5	54.1	68.0
Less: effect of catastrophe losses	13.0	-	13.0	8.3	-	4.0
effect of prior year non-catastrophe reserve reestimates	(21.7)	(8.7)	(26.1)	12.6	(16.7)	4.0
Underlying loss ratio *	56.5	65.2	56.6	66.6	70.8	60.0
Expense ratio	30.5	30.5	30.4	29.2	29.2	32.0
Combined ratio	78.3	87.0	73.9	116.7	83.3	100.0
Effect of catastrophe losses	(13.0)	-	(13.0)	(8.3)	-	(4.0)
Effect of prior year non-catastrophe reserve reestimates	21.7	8.7	26.1	(12.6)	16.7	(4.0)
Underlying combined ratio *	87.0	95.7	87.0	95.8	100.0	92.0

[1] Other personal lines include renter, condominium, landlord and other personal lines products in Allstate Protection.

THE ALLSTATE CORPORATION
COMMERCIAL LINES PROFITABILITY MEASURES [1]
($ in millions)

	Three months ended						
	Dec. 31, 2017	Sept. 30, 2017	June 30, 2017	March 31, 2017	Dec. 31, 2016	Sept. 30, 2016	June 30, 2016
Net premiums written	$ 125	$ 116	$ 124	$ 123	$ 115	$ 123	$ 135
Net premiums earned	$ 128	$ 124	$ 118	$ 125	$ 123	$ 127	$ 127
Incurred losses	$ 89	$ 103	$ 86	$ 96	$ 109	$ 112	$ 135
Expenses	$ 37	$ 36	$ 34	$ 33	$ 34	$ 34	$ 35
Underwriting income (loss)	$ 2	$ (15)	$ (2)	$ (4)	$ (20)	$ (19)	$ (43
Loss ratio	69.5	83.1	72.9	76.8	88.6	88.2	106.3
Expense ratio	28.9	29.0	28.8	26.4	27.7	26.8	27.6
Combined ratio	98.4	112.1	101.7	103.2	116.3	115.0	133.9
Effect of catastrophe losses on combined ratio	1.6	10.5	1.7	5.6	5.7	5.5	9.5
Effect of prior year reserve reestimates on combined ratio	9.3	5.6	(1.7)	1.6	4.9	10.3	18.1
Effect of catastrophe losses included in prior year reserve reestimates on combined ratio	-	0.8	(0.9)	0.8	0.8	-	0.8

(1) Commercial lines are all Allstate brand products.

THE ALLSTATE CORPORATION
DISCONTINUED LINES AND COVERAGES RESERVES
($ in millions)

	Three months ended				Twelve months ende		
(net of reinsurance)	Dec. 31, 2017	Sept. 30, 2017	June 30, 2017	March 31, 2017	2017	2016	2015
Asbestos claims							
Beginning reserves	$ 908	$ 867	$ 891	$ 912	$ 912	$ 960	$ 1,0
Incurred claims and claims expense	-	61	-	-	61	67	
Claims and claims expense paid	(24)	(20)	(24)	(21)	(89)	(115)	(
Ending reserves	$ 884	$ 908	$ 867	$ 891	$ 884	$ 912	$ 9
Claims and claims expense paid as a percent of ending reserves	2.7%	2.2%	2.8%	2.4%	10.1%	12.6%	9.
Environmental claims							
Beginning reserves	$ 175	$ 166	$ 178	$ 179	$ 179	$ 179	$ 2
Incurred claims and claims expense	-	10	-	-	10	23	
Claims and claims expense paid	(9)	(1)	(12)	(1)	(23)	(23)	(
Ending reserves	$ 166	$ 175	$ 166	$ 178	$ 166	$ 179	$ 1
Claims and claims expense paid as a percent of ending reserves	5.4%	0.6%	7.2%	0.6%	13.9%	12.8%	14.
Other claims [1]							
Beginning reserves	$ 363	$ 350	$ 349	$ 354	$ 354	$ 377	$ 3
Incurred claims and claims expense	3	17	3	2	25	15	
Claims and claims expense paid	(9)	(4)	(2)	(7)	(22)	(38)	(
Ending reserves	$ 357	$ 363	$ 350	$ 349	$ 357	$ 354	$ 3
Claims and claims expense paid as a percent of ending reserves	2.5%	1.1%	0.6%	2.0%	6.2%	10.7%	8.
Total claims [2]							
Beginning reserves	$ 1,446	$ 1,383	$ 1,418	$ 1,445	$ 1,445	$ 1,516	$ 1,6
Incurred claims and claims expense	3	88	3	2	96	105	
Claims and claims expense paid	(42)	(25)	(38)	(29)	(134)	(176)	(1
Ending reserves	$ 1,407	$ 1,446	$ 1,383	$ 1,418	$ 1,407	$ 1,445	$ 1,5
Claims and claims expense paid as a percent of ending reserves	3.0%	1.7%	2.7%	2.0%	9.5%	12.2%	9.

[1] Other claims include other mass torts, workers' compensation, commercial and other.

[2] The 3-year survival ratio for the combined asbestos, environmental and other claims was 9.2, 9.2, 10.6, 12.0 and 14.2 for year-end 2017, 2016, 2015, 2014 and 2013, respecti ending reserves divided by net payments made during the year.

THE ALLSTATE CORPORATION
SERVICE BUSINESSES SEGMENT RESULTS [(1)]
($ in millions)

	Three months ended						
	Dec. 31, 2017	Sept. 30, 2017	June 30, 2017	March 31, 2017	Dec. 31, 2016	Sept. 30, 2016	June 201
Net premiums written	$ 309	$ 272	$ 259	$ 254	$ 158	$ 185	$
Net premiums earned	$ 231	$ 225	$ 211	$ 200	$ 145	$ 150	$
Intersegment insurance premiums and service fees	28	26	28	28	32	33	
Net investment income	5	4	4	3	4	3	
Claims and claims expense	(90)	(106)	(83)	(90)	(60)	(71)	
Amortization of deferred policy acquisition costs	(79)	(78)	(72)	(67)	(57)	(55)	
Operating costs and expenses	(116)	(98)	(98)	(89)	(65)	(61)	
Amortization of purchased intangible assets	(23)	(23)	(23)	(23)	-	-	
Restructuring and related charges	(11)	(1)	(1)	-	-	-	
Income tax benefit (expense) on operations	150	19	11	13	2	-	
Net income (loss) applicable to common shareholders	95	(32)	(23)	(25)	1	(1)	
Realized capital gains and losses, after-tax	-	-	-	-	-	-	
Amortization of purchased intangible assets, after-tax	15	15	15	15	-	-	
Tax Legislation benefit	(134)	-	-	-	-	-	
Adjusted net (loss) income	$ (24)	$ (17)	$ (8)	$ (10)	$ 1	$ (1)	$
Allstate Roadside Services							
Net premiums written	$ 60	$ 68	$ 66	$ 69	$ 67	$ 79	$
Net premiums earned	64	69	67	68	73	81	
Intersegment insurance premiums and service fees	8	7	8	8	7	8	
Net investment income	-	1	-	-	1	-	
Claims and claims expense	(35)	(38)	(35)	(32)	(39)	(50)	
Amortization of deferred policy acquisition costs	(4)	(4)	(5)	(5)	(5)	(6)	
Operating costs and other expenses	(44)	(42)	(42)	(43)	(44)	(42)	
Restructuring and related charges	-	(1)	(1)	-	-	-	
Income tax benefit	8	3	3	1	2	3	
Net loss	$ (3)	$ (5)	$ (5)	$ (3)	$ (5)	$ (6)	$
Tax Legislation benefit	(4)	-	-	-	-	-	
Adjusted net loss	$ (7)	$ (5)	$ (5)	$ (3)	$ (5)	$ (6)	$
Allstate Dealer Services							
Net premiums written	$ 93	$ 100	$ 108	$ 104	$ 91	$ 106	$
Net premiums earned	79	78	74	73	72	69	
Net investment income	4	3	4	3	3	3	
Claims and claims expense	(18)	(27)	(20)	(22)	(21)	(21)	
Amortization of deferred policy acquisition costs	(62)	(63)	(57)	(54)	(52)	(49)	
Operating costs and other expenses	(3)	2	2	-	(1)	-	
Income tax benefit (expense)	70	3	(1)	-	1	(1)	
Net (loss) income	$ 70	$ (4)	$ 2	$ -	$ 2	$ 1	$
Tax Legislation benefit	(70)	-	-	-	-	-	
Adjusted net (loss) income	$ -	$ (4)	$ 2	$ -	$ 2	$ 1	$
Arity [(2)]							
Intersegment service fees	$ 20	$ 19	$ 20	$ 20	$ 25	$ 25	$
Net investment income	-	-	-	-	-	-	
Operating costs and other expenses	(25)	(26)	(27)	(19)	(20)	(19)	
Income tax benefit (expense)	(3)	3	1	-	(1)	(2)	
Net (loss) income	$ (8)	$ (4)	$ (6)	$ 1	$ 4	$ 4	$
Tax Legislation expense	2	-	-	-	-	-	
Adjusted net (loss) income	$ (6)	$ (4)	$ (6)	$ 1	$ 4	$ 4	$

(1) Service Businesses results include SquareTrade. SquareTrade was acquired on January 3, 2017 and is only included for the quarters and year-to-date periods of 2017. Further details related to

(2) There are no premiums written or earned for Arity.

THE ALLSTATE CORPORATION
SQUARETRADE RESULTS [1]
($ in millions)

	Three months ended						
	Dec. 31, 2017	Sept. 30, 2017	June 30, 2017	March 31, 2017	Dec. 31, 2016	Sept. 30, 2016	Jun 2
Net premiums written	$ 156	$ 104	$ 85	$ 81	$ -	$ -	$
Net premiums earned	$ 88	$ 78	$ 70	$ 59	$ -	$ -	$
Net investment income	1	-	-	-	-	-	
Realized capital gains and losses	-	-	-	-	-	-	
Claims and claims expense	(37)	(40)	(29) [2]	(36)	-	-	
Amortization of deferred policy acquisition costs	(13)	(11)	(10)	(8)	-	-	
Other costs and expenses	(44)	(33)	(30)	(27)	-	-	
Amortization of purchased intangible assets	(23)	(23)	(23)	(23)	-	-	
Restructuring and related charges	(11)	-	-	-	-	-	
Income tax benefit	75	10	8	12	-	-	
Net income (loss) applicable to common shareholders	$ 36	$ (19)	$ (14)	$ (23)	$ -	$ -	$
Realized capital gains and losses, after-tax	-	-	-	-	-	-	
Amortization of purchased intangible assets, after-tax	15	15	15	15	-	-	
Tax Legislation benefit	(62)	-	-	-	-	-	
Adjusted net (loss) income	$ (11)	$ (4)	$ 1	$ (8)	$ -	$ -	$
Fair value adjustments, after-tax [3]	3	2	3	4	-	-	
Adjusted net (loss) income, excluding purchase accounting adjustments *	$ (8)	$ (2)	$ 4	$ (4)	$ -	$ -	$
Protection Plans in Force (in thousands) [4] [5]	38,719	34,078	31,258	29,907	-	-	
New Issued Protection Plans (in thousands) [6]	8,210	5,122	3,586	3,840	-	-	

(1) SquareTrade was acquired on January 3, 2017 and is only included for the quarters and year-to-date periods of 2017.

(2) Includes a $6 million favorable adjustment for loss experience.

(3) In connection with the acquisition, purchase accounting adjustments made to recognize the acquired assets and liabilities at their fair value for unearned premiums, contractual liability insurance poli recorded as of the acquisition date are earned over the life of the in force contracts or approximately three years.

(4) SquareTrade had PIF of 28.5 million, 25.8 million, 24.4 million and 23.0 million at December 31, 2016, September 30, 2016, June 30, 2016, and March 31, 2016, respectively. These numbers are p and are not reflected in the periods above.

(5) Protection plan terms generally range between one and five years with an average term of three years.

(6) SquareTrade had new issued protection plans of 5.1 million, 2.8 million, 2.6 million and 2.4 million at December 31, 2016, September 30, 2016, June 30, 2016, and March 31, 2016, respectively. Th January 3, 2017 and are not reflected in the periods above.

THE ALLSTATE CORPORATION
ALLSTATE LIFE SEGMENT RESULTS AND OTHER STATISTICS
($ in millions)

	Three months ended						
	Dec. 31, 2017	Sept. 30, 2017	June 30, 2017	March 31, 2017	Dec. 31, 2016	Sept. 30, 2016	June 30, 2016
Premiums	$ 149	$ 141	$ 140	$ 140	$ 140	$ 134	$ 131
Contract charges	175	175	179	181	178	176	179
Net investment income	127	119	123	120	124	120	118
Contract benefits	(210)	(173)	(187)	(195)	(188)	(197)	(177)
Interest credited to contractholder funds	(71)	(71)	(71)	(69)	(72)	(72)	(71)
Amortization of deferred policy acquisition costs	(27)	(25)	(35)	(32)	(32)	(30)	(32)
Operating costs and expenses	(65)	(56)	(58)	(59)	(56)	(59)	(54)
Restructuring and related charges	(1)	(1)	-	-	-	-	(1)
Income tax expense on operations	(20)	(35)	(28)	(27)	(28)	(21)	(29)
Adjusted net income	57	74	63	59	66	51	64
Realized capital gains and losses, after-tax	-	1	-	1	(7)	(7)	(2)
DAC and DSI amortization relating to realized capital gains and losses, after-tax	(2)	(2)	(3)	(3)	(1)	(1)	(1)
Tax Legislation benefit	332	-	-	-	-	-	-
Net income applicable to common shareholders	$ 387	$ 73	$ 60	$ 57	$ 58	$ 43	$ 61
Premiums and Contract Charges by Product							
Traditional life insurance premiums	$ 148	$ 141	$ 139	$ 140	$ 140	$ 133	$ 130
Accident and health insurance premiums	1	-	1	-	-	1	1
Interest-sensitive life insurance contract charges	175	175	179	181	178	176	179
Total	$ 324	$ 316	$ 319	$ 321	$ 318	$ 310	$ 310
Proprietary Life Insurance Policies Sold by Allstate Agencies (1)(2)	43,318	28,962	31,447	25,970	38,614	27,481	29,839
Policies in Force (in thousands) (3)							
Life insurance							
Allstate agencies	1,903	1,893	1,891	1,887	1,889	1,884	1,883
Closed channels	121	123	126	127	131	132	136
Accident and health insurance	2	3	3	3	3	3	3
Total	2,026	2,019	2,020	2,017	2,023	2,019	2,022

(1) Policies sold reduced by lapses within twelve months of sale.

(2) Allstate exclusive agencies and exclusive financial specialists also sell non-proprietary retirement and investment products, including mutual funds, fixed and variable annuities, disability ins broad suite of protection and retirement products. As of December 31, 2017, Allstate agencies had approximately $16.8 billion of nonproprietary mutual funds and fixed and variable annuity additional deposits into these non-proprietary products were $2.1 billion in the twelve months ended December 31, 2017.

(3) Reflect the number of contracts in force.

THE ALLSTATE CORPORATION
ALLSTATE LIFE ANALYSIS OF NET INCOME
($ in millions)

	Three months ended						
	Dec. 31, 2017	Sept. 30, 2017	June 30, 2017	March 31, 2017	Dec. 31, 2016	Sept. 30, 2016	June 30, 2016
Benefit spread							
Premiums	$ 149	$ 141	$ 140	$ 140	$ 140	$ 134	$ 131
Cost of insurance contract charges (1)	119	121	123	124	121	120	122
Contract benefits	(210)	(173)	(187)	(195)	(188)	(197)	(177)
Total benefit spread	58	89	76	69	73	57	76
Investment spread							
Net investment income	127	119	123	120	124	120	118
Interest credited to contractholder funds	(71)	(71)	(71)	(69)	(72)	(72)	(71)
Total investment spread	56	48	52	51	52	48	47
Surrender charges and contract maintenance expense fees (1)	56	54	56	57	57	56	57
Realized capital gains and losses	1	2	1	1	(13)	(10)	(3)
Amortization of deferred policy acquisition costs	(30)	(29)	(39)	(36)	(33)	(31)	(34)
Operating costs and expenses	(65)	(56)	(58)	(59)	(56)	(59)	(54)
Restructuring and related charges	(1)	(1)	-	-	-	-	(1)
Income tax benefit (expense)	312	(34)	(28)	(26)	(22)	(18)	(27)
Net income applicable to common shareholders	$ 387	$ 73	$ 60	$ 57	$ 58	$ 43	$ 61
(1) **Reconciliation of contract charges**							
Cost of insurance contract charges	$ 119	$ 121	$ 123	$ 124	$ 121	$ 120	$ 122
Surrender charges and contract maintenance expense fees	56	54	56	57	57	56	57
Total contract charges	$ 175	$ 175	$ 179	$ 181	$ 178	$ 176	$ 179

THE ALLSTATE CORPORATION
ALLSTATE LIFE
RETURN ON EQUITY
($ in millions)

	Twelve months ended Dec. 31, 2017
Return on Equity	
Numerator:	
Net income applicable to common shareholders	$ 577
Denominator:	
Ending equity [1]	$ 2,591
Return on equity [2]	22.3 %
Adjusted Net Income Return on Adjusted Equity *	
Numerator:	
Adjusted net income	$ 253
Denominator:	
Ending equity [1]	$ 2,591
Less: Unrealized net capital gains and losses	191
Goodwill	175
Adjusted ending equity	$ 2,225
Adjusted net income return on adjusted equity * [2][3]	11.4 %

(1) Ending equity has been used due to the changes in reportable segments, which was effective October 2017.

(2) The Tax Legislation adjustment recorded in fourth quarter 2017 increased return on equity by 11.5 points and decreased adjusted net income return on adjusted equity by 2.0 points.

(3) In January 2018, the FASB issued a Proposed Accounting Standards Update titled "Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income," requiring reclassification of the impact of the newly enacted tax rates on the unrealized balances presented net of tax in accumulated other comprehensive income to retained income. We plan to early adopt the new guidance as of December 31, 2017, when finalized. The impact of the adoption will increase the adjusted net income return on adjusted equity calculation by 0.2 points.

THE ALLSTATE CORPORATION
ALLSTATE LIFE RESERVES AND CONTRACTHOLDER FUNDS
($ in millions)

	Three months ended						
	Dec. 31, 2017	Sept. 30, 2017	June 30, 2017	March 31, 2017	Dec. 31, 2016	Sept. 30, 2016	Ju
Reserve for life-contingent contract benefits							
Traditional life insurance	$ 2,460	$ 2,426	$ 2,420	$ 2,405	$ 2,398	$ 2,372	$
Accident health and insurance	176	178	180	179	180	180	
Total	$ 2,636	$ 2,604	$ 2,600	$ 2,584	$ 2,578	$ 2,552	$
Contractholders funds, beginning balance	$ 7,559	$ 7,514	$ 7,497	$ 7,464	$ 7,446	$ 7,410	$
Deposits	243	236	243	251	243	250	
Interest credited	71	71	70	70	72	71	
Benefits, withdrawals and other adjustments							
Benefits	(58)	(54)	(66)	(63)	(59)	(65)	
Surrenders and partial withdrawals	(64)	(62)	(63)	(65)	(63)	(61)	
Contract charges	(177)	(175)	(176)	(176)	(177)	(176)	
Net transfers from separate accounts	1	-	2	1	-	2	
Other adjustments	33	29	7	15	2	15	
Total benefits, withdrawals and other adjustments	(265)	(262)	(296)	(288)	(297)	(285)	
Contractholder funds, ending balance	$ 7,608	$ 7,559	$ 7,514	$ 7,497	$ 7,464	$ 7,446	$

THE ALLSTATE CORPORATION
ALLSTATE BENEFITS SEGMENT RESULTS AND OTHER STATISTICS
($ in millions)

	Three months ended						
	Dec. 31, 2017	Sept. 30, 2017	June 30, 2017	March 31, 2017	Dec. 31, 2016	Sept. 30, 2016	June 30, 2016
Premiums	$ 244	$ 244	$ 241	$ 241	$ 224	$ 227	$ 222
Contract charges	29	29	28	28	28	30	29
Net investment income	18	18	19	17	17	18	18
Contract benefits	(143)	(142)	(143)	(136)	(129)	(131)	(121)
Interest credited to contractholder funds	(9)	(8)	(9)	(9)	(8)	(9)	(10)
Amortization of deferred policy acquisition costs	(37)	(31)	(33)	(41)	(36)	(36)	(35)
Operating costs and expenses	(70)	(65)	(64)	(67)	(62)	(59)	(60)
Restructuring and related charges	(2)	(1)	-	-	-	-	-
Income tax expense on operations	(10)	(16)	(14)	(11)	(11)	(15)	(14)
Adjusted net income	20	28	25	22	23	25	29
Realized capital gains and losses, after-tax	(1)	1	-	-	(1)	-	-
Tax Legislation benefit	51	-	-	-	-	-	-
Net income applicable to common shareholders	$ 70	$ 29	$ 25	$ 22	$ 22	$ 25	$ 29
Benefit ratio (1)	52.4	52.0	53.2	50.6	51.2	51.0	48.2
Operating expense ratio (2)	25.6	23.8	23.8	24.9	24.6	23.0	23.9

(1) Benefit ratio is contract benefits divided by premiums and contract charges.
(2) Operating expense ratio is operating costs and expenses divided by premiums and contract charges.

THE ALLSTATE CORPORATION
ALLSTATE BENEFITS SEGMENT PREMIUM AND OTHER STATISTICS
($ in millions)

	Three months ended						
	Dec. 31, 2017	Sept. 30, 2017	June 30, 2017	March 31, 2017	Dec. 31, 2016	Sept. 30, 2016	June 30, 2016
Premiums and Contract Charges by Product							
Life	$ 40	$ 41	$ 37	$ 37	$ 39	$ 42	$ 37
Accident	68	70	71	71	67	68	67
Critical illness	117	116	116	119	111	110	111
Disability	26	27	25	24	19	20	20
Other health	22	19	20	18	16	17	16
Total	$ 273	$ 273	$ 269	$ 269	$ 252	$ 257	$ 251
New Annualized Premium Sales by Product [1]							
Life	$ 18	$ 10	$ 11	$ 9	$ 18	$ 9	$ 10
Accident	55	21	21	25	48	23	22
Critical illness	74	22	23	28	70	22	24
Disability	13	9	10	29	13	7	7
Other health	35	7	8	16	28	8	7
Total	$ 195	$ 69	$ 73	$ 107	$ 177	$ 69	$ 70
Annualized Premium Inforce [2]	$ 1,185	$ 1,187	$ 1,193	$ 1,179	$ 1,107	$ 1,102	$ 1,104
Policies in Force (in thousands) [3]							
Life insurance	458	460	466	462	458	461	461
Accident and health insurance	3,575	3,575	3,598	3,530	3,297	3,272	3,291
Total	4,033	4,035	4,064	3,992	3,755	3,733	3,752

(1) New annualized premium sales reflects annualized premiums at initial customer enrollment (including new accounts and new employees or policies of existing accounts), reduced by an esti significant portion of Allstate Benefits business is seasonally written in the fourth quarter during many clients' annual employee benefits enrollment.

(2) Premium amount paid annually for all active policies, which have not been cancelled.

(3) Individual life insurance policies reflect the number of contracts in force. Group life and accident and health insurance reflect certificate counts as opposed to group counts.

THE ALLSTATE CORPORATION
ALLSTATE BENEFITS
RETURN ON EQUITY
($ in millions)

	Twelve months ended Dec. 31, 2017
Return on Equity	
Numerator:	
Net income applicable to common shareholders	$ 146
Denominator:	
Ending equity [(1)]	$ 801
Return on equity [(2)]	18.2 %
Adjusted Net Income Return on Adjusted Equity *	
Numerator:	
Adjusted net income	$ 95
Denominator:	
Ending equity [(1)]	$ 801
Less: Unrealized net capital gains and losses	47
Goodwill	96
Adjusted ending equity	$ 658
Adjusted net income return on adjusted equity * [(2)(3)]	14.4 %

(1) Ending equity has been used due to the changes in reportable segments, which was effective October 2017.

(2) The Tax Legislation adjustment recorded in fourth quarter 2017 increased return on equity by 5.5 points and decreased adjusted net income return on adjusted equity by 1.3 points.

(3) In January 2018, the FASB issued a Proposed Accounting Standards Update titled "Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income," requiring reclassification of the impact of the newly enacted tax rates on the unrealized balances presented net of tax in accumulated other comprehensive income to retained income. We plan to early adopt the new guidance as of December 31, 2017, when finalized. The impact of the adoption will increase the adjusted net income return on adjusted equity calculation by 0.3 points.

THE ALLSTATE CORPORATION
ALLSTATE ANNUITIES SEGMENT RESULTS AND OTHER STATISTICS
($ in millions)

	Three months ended					
	Dec. 31, 2017	Sept. 30, 2017	June 30, 2017	March 31, 2017	Dec. 31, 2016	Sept. 30, 2016
Contract charges	$ 4	$ 4	$ 3	$ 3	$ 4	$ 4
Net investment income	338	324	354	289	312	289
Contract benefits	(154)	(141)	(156)	(143)	(147)	(156)
Interest credited to contractholder funds	(90)	(94)	(93)	(95)	(97)	(102)
Amortization of deferred policy acquisition costs	(2)	(2)	(1)	(2)	(2)	(2)
Operating costs and expenses	(9)	(9)	(8)	(9)	(9)	(8)
Restructuring and related charges	-	1	(1)	-	-	-
Income tax expense on operations	(32)	(28)	(33)	(14)	(20)	(7)
Adjusted net income	55	55	65	29	41	18
Realized capital gains and losses, after-tax	22	11	(3)	(2)	-	(7)
Valuation changes on embedded derivatives not hedged, after-tax	2	(1)	(1)	-	6	-
Gain on disposition of operations, after-tax	1	1	-	2	-	1
Tax Legislation benefit	182	-	-	-	-	-
Net income applicable to common shareholders	$ 262	$ 66	$ 61	$ 29	$ 47	$ 12
Policies in Force (in thousands) [1]						
Deferred annuities	142	145	148	152	156	160
Immediate annuities	89	91	92	94	95	96
	231	236	240	246	251	256

[1] Allstate 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 reinsura

THE ALLSTATE CORPORATION
ALLSTATE ANNUITIES ANALYSIS OF NET INCOME
($ in millions)

	Three months ended						
	Dec. 31, 2017	Sept. 30, 2017	June 30, 2017	March 31, 2017	Dec. 31, 2016	Sept. 30, 2016	June 30, 2016
Benefit spread							
Cost of insurance contract charges [1]	$ 3	$ 3	$ 1	$ 2	$ 3	$ 2	$ 2
Contract benefits excluding the implied interest on immediate annuities with life contingencies [2]	(29)	(17)	(30)	(17)	(19)	(30)	(27
Total benefit spread	(26)	(14)	(29)	(15)	(16)	(28)	(25
Investment spread							
Net investment income [3]	338	324	354	289	312	289	299
Implied interest on immediate annuities with life contingencies [2]	(125)	(124)	(126)	(126)	(128)	(126)	(129
Interest credited to contractholder funds	(88)	(95)	(95)	(95)	(88)	(102)	(104
Total investment spread	125	105	133	68	96	61	66
Surrender charges and contract maintenance expense fees [1]	1	1	2	1	1	2	1
Realized capital gains and losses	33	18	(5)	(2)	1	(10)	3
Amortization of deferred policy acquisition costs	(2)	(2)	(1)	(2)	(2)	(2)	(1
Operating costs and expenses	(9)	(9)	(8)	(9)	(9)	(8)	(7
Restructuring and related charges	-	1	(1)	-	-	-	-
Gain on disposition of operations	1	1	2	2	1	1	1
Income tax benefit (expense)	139	(35)	(32)	(14)	(25)	(4)	(12
Net income applicable to common shareholders	$ 262	$ 66	$ 61	$ 29	$ 47	$ 12	$ 26
[1] **Reconciliation of contract charges**							
Cost of insurance contract charges	$ 3	$ 3	$ 1	$ 2	$ 3	$ 2	$ 2
Surrender charges and contract maintenance expense fees	1	1	2	1	1	2	1
Total contract charges	$ 4	$ 4	$ 3	$ 3	$ 4	$ 4	$ 3
[2] **Reconciliation of contract benefits**							
Contract benefits excluding the implied interest on immediate annuities with life contingencies	$ (29)	$ (17)	$ (30)	$ (17)	$ (19)	$ (30)	$ (27
Implied interest on immediate annuities with life contingencies	(125)	(124)	(126)	(126)	(128)	(126)	(129
Total contract benefits	$ (154)	$ (141)	$ (156)	$ (143)	$ (147)	$ (156)	$ (156
[3] **Performance-based net investment income**	$ 142	$ 115	$ 137	$ 69	$ 97	$ 67	$ 67

THE ALLSTATE CORPORATION
ALLSTATE ANNUITIES
RETURN ON EQUITY
($ in millions)

	Twelve months ended Dec. 31, 2017
Return on Equity	
Numerator:	
Net income applicable to common shareholders	$ 418
Denominator:	
Ending equity [1]	$ 4,947
Return on equity [2]	8.4 %
Adjusted Net Income Return on Adjusted Equity *	
Numerator:	
Adjusted net income	$ 204
Denominator:	
Ending equity [1]	$ 4,947
Less: Unrealized net capital gains and losses	500
Adjusted ending equity	$ 4,447
Adjusted net income return on adjusted equity * [2][3]	4.6 %

(1) Ending equity has been used due to the changes in reportable segments, which was effective October 2017.

(2) The Tax Legislation adjustment recorded in fourth quarter 2017 increased return on equity by 3.4 points and decreased adjusted net income return on adjusted equity by 0.2 points.

(3) In January 2018, the FASB issued a Proposed Accounting Standards Update titled “Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income,” requiring reclassification of the impact of the newly enacted tax rates on the unrealized balances presented net of tax in accumulated other comprehensive income to retained income. We plan to early adopt the new guidance as of December 31, 2017, when finalized. The impact of the adoption will increase the adjusted net income return on adjusted equity calculation by 0.1 points.

THE ALLSTATE CORPORATION
ALLSTATE ANNUITIES RESERVES AND CONTRACTHOLDER FUNDS
($ in millions)

	Three months ended					
	Dec. 31, 2017	Sept. 30, 2017	June 30, 2017	March 31, 2017	Dec. 31, 2016	Sept. 30, 2016
Reserve for life-contingent contract benefits						
Immediate fixed annuities with life contingencies:						
Sub-standard structured settlements and group pension terminations [(1)]	$ 5,284	$ 5,027	$ 5,034	$ 5,033	$ 5,029	$ 5,028
Standard structured settlements and SPIA [(2)]	3,565	3,525	3,545	3,559	3,592	3,617
Subtotal [(3)]	8,849	8,552	8,579	8,592	8,621	8,645
Other	85	92	95	101	100	107
Total	$ 8,934	$ 8,644	$ 8,674	$ 8,693	$ 8,721	$ 8,752
Contractholder funds						
Deferred fixed annuities	$ 8,128	$ 8,341	$ 8,523	$ 8,722	$ 8,921	$ 9,115
Immediate fixed annuities without life contingencies [(4)]	2,700	2,744	2,792	2,831	2,874	2,928
Other [(5)]	108	119	113	116	120	216
Total	$ 10,936	$ 11,204	$ 11,428	$ 11,669	$ 11,915	$ 12,259
Contractholders funds, beginning balance	$ 11,204	$ 11,428	$ 11,669	$ 11,915	$ 12,259	$ 12,560
Deposits	5	6	6	11	13	8
Interest credited	88	94	94	94	87	102
Benefits, withdrawals, maturities and other adjustments						
Benefits	(149)	(163)	(160)	(166)	(168)	(188)
Surrenders and partial withdrawals	(197)	(165)	(180)	(181)	(169)	(205)
Maturities of and interest payments on institutional products	-	-	-	-	(86)	-
Contract charges	(3)	(3)	(1)	(2)	(3)	(2)
Net transfers from separate accounts	-	-	-	1	1	-
Other adjustments	(12)	7	-	(3)	(19)	(16)
Total benefits, withdrawals, maturities and other adjustments	(361)	(324)	(341)	(351)	(444)	(411)
Contractholder funds, ending balance	$ 10,936	$ 11,204	$ 11,428	$ 11,669	$ 11,915	$ 12,259

(1) Structured settlement annuities for 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 t
(2) Life-contingent structured settlement annuities for annuitants with standard life expectancy and single premium immediate annuities with life contingencies.
(3) To the extent that unrealized gains on fixed income securities would result in a premium deficiency had those gains actually been realized, a premium deficiency reserve is recorded for certain immediate annuities is included in the reserve for life-contingent contract benefits with respect to this deficiency as of December 31, 2017. The offset to this liability is recorded as a reduction of the unrealized net capital gains included other periods presented here.
(4) Period certain structured settlements and single premium immediate annuities without life contingencies.
(5) Includes $85 million related to institutional products in September 30, 2016, June 30, 2016 and March 31, 2016.

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

	Three months ended						
	Dec. 31, 2017	Sept. 30, 2017	June 30, 2017	March 31, 2017	Dec. 31, 2016	Sept. 30, 2016	June 30, 2016
Net investment income	$ 10	$ 10	$ 10	$ 11	$ 10	$ 11	$ 11
Operating costs and expenses	(44) [1]	(93) [1]	(9)	(8)	(9)	(7)	(7)
Interest expense	(84)	(82)	(83)	(85)	(77)	(73)	(72)
Income tax benefit on operations	43	60	31	30	29	26	26
Preferred stock dividends	(29)	(29)	(29)	(29)	(29)	(29)	(29)
Adjusted net loss	(104)	(134)	(80)	(81)	(76)	(72)	(71)
Realized capital gains and losses, after-tax	(4)	-	-	-	(1)	-	(1)
Business combination expenses, after-tax [2]	-	(1)	-	(13)	-	-	-
Goodwill impairment	(125)	-	-	-	-	-	-
Tax Legislation expense	(128)	-	-	-	-	-	-
Net loss applicable to common shareholders	$ (361)	$ (135)	$ (80)	$ (94)	$ (77)	$ (72)	$ (72)

[1] Includes a pension settlement loss of $36 million and $86 million for the three months ended December 31, 2017 and September 30, 2017, respectively.
[2] Relates to SquareTrade acquisition on January 3, 2017.

THE ALLSTATE CORPORATION
CONSOLIDATED INVESTMENTS
($ in millions)

	Dec. 31, 2017	Sept. 30, 2017	June 30, 2017	March 31, 2017	Dec. 31, 2016	Sept. 30, 2016	J
Consolidated Investments							
Fixed income securities, at fair value:							
Tax-exempt	$ 6,010	$ 5,479	$ 5,520	$ 5,164	$ 4,982	$ 5,399	$
Taxable	52,982	53,912	53,136	53,472	52,857	54,907	
Equity securities, at fair value [1]	6,621	6,434	6,117	5,685	5,666	5,288	
Mortgage loans	4,534	4,322	4,336	4,349	4,486	4,396	
Limited partnership interests [2]	6,740	6,600	6,206	5,982	5,814	5,588	
Short-term, at fair value	1,944	2,198	2,175	2,753	4,288	1,863	
Other	3,972	3,826	3,815	3,738	3,706	3,663	
Total	$ 82,803	$ 82,771	$ 81,305	$ 81,143	$ 81,799	$ 81,104	$
Fixed income securities, amortized cost:							
Tax-exempt	$ 6,011	$ 5,440	$ 5,482	$ 5,165	$ 5,025	$ 5,307	$
Taxable	51,514	52,168	51,419	52,029	51,551	52,468	
Ratio of fair value to amortized cost	102.6 %	103.1 %	103.1 %	102.5 %	102.2 %	104.4 %	
Equity securities, cost	$ 5,461	$ 5,468	$ 5,321	$ 5,026	$ 5,157	$ 4,800	$
Short-term, amortized cost	1,944	2,198	2,175	2,753	4,288	1,863	

(1) Equity securities may include investments in exchange traded and mutual funds whose underlying investments are fixed income securities.
(2) As of December 31, 2017, we have commitments to invest in additional limited partnership interests totaling $3.2 billion.

THE ALLSTATE CORPORATION
INVESTMENTS BY SEGMENT
($ in millions)

	As of December 31, 2017					
	Property-Liability	Service Businesses	Allstate Life	Allstate Benefits	Allstate Annuities	Co an
Investments by Segment						
Fixed income securities, at fair value:						
Tax-exempt	$ 5,441	$ 2	$ -	$ -	$ 18	$
Taxable	26,299	755	7,904	1,159	15,673	
Equity securities, at fair value (1)	4,752	144	42	89	1,584	
Mortgage loans	394	-	1,823	195	2,122	
Limited partnership interests	3,599	-	-	-	3,141	
Short-term, at fair value	909	53	228	18	529	
Other	1,789	-	1,213	315	655	
Total	$ 43,183	$ 954	$ 11,210	$ 1,776	$ 23,722	$
Fixed income securities, amortized cost:						
Tax-exempt	$ 5,448	$ 2	$ -	$ -	$ 18	$
Taxable	26,139	758	7,413	1,116	14,896	
Ratio of fair value to amortized cost	100.5 %	99.6 %	106.6 %	103.9 %	105.2 %	
Equity securities, cost	$ 3,932	$ 144	$ 41	$ 57	$ 1,277	$
Short-term, amortized cost	909	53	228	18	529	
Fixed income securities portfolio duration (in years) (2)	3.28	2.68	5.70	5.01	4.13	

(1) Equity securities may include investments in exchange traded and mutual funds whose underlying investments are fixed income securities.

(2) Duration measures the price sensitivity of assets and liabilities to changes in interest rates.

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

	December 31, 2017			September 30, 2017			
	Unrealized net capital gains and losses	Fair value	Fair value as a percent of amortized cost [1]	Unrealized net capital gains and losses	Fair value	Fair value as a percent of amortized cost [1]	Unreali capita and l
Fixed income securities							
U.S. government and agencies	$ 36	$ 3,616	101.0	$ 57	$ 3,900	101.5	$
Municipal	275	8,328	103.4	310	7,794	104.1	
Corporate	1,030	44,026	102.4	1,287	44,546	103.0	
Foreign government	16	1,021	101.6	16	1,093	101.5	
Asset-backed securities ("ABS")	6	1,272	100.5	7	1,270	100.6	
Residential mortgage-backed securities ("RMBS")	98	578	120.4	99	611	119.3	
Commercial mortgage-backed securities ("CMBS")	4	128	103.2	4	153	102.7	
Redeemable preferred stock	2	23	109.5	3	24	114.3	
Total fixed income securities	1,467	58,992	102.6	1,783	59,391	103.1	
Equity securities [2]	1,160	6,621	121.2	966	6,434	117.7	
Short-term investments	-	1,944	100.0	-	2,198	100.0	
Derivatives	(1)	127	n/a	(2)	101	n/a	
EMA limited partnership interests [3]	1	n/a	n/a	-	n/a	n/a	
Unrealized net capital gains and losses, pre-tax	2,627			2,747			
Amounts recognized for:							
Insurance reserves [4]	(315)			-			
DAC and DSI [5]	(196)			(203)			
Amounts recognized	(511)			(203)			
Deferred income taxes	(744)			(893)			
Unrealized net capital gains and losses, after-tax	$ 1,372			$ 1,651			$

	March 31, 2017			December 31, 2016			
	Unrealized net capital gains and losses	Fair value	Fair value as a percent of amortized cost [1]	Unrealized net capital gains and losses	Fair value	Fair value as a percent of amortized cost [1]	Unreali capita and l
Fixed income securities							
U.S. government and agencies	$ 66	$ 4,395	101.5	$ 65	$ 3,637	101.8	$
Municipal	258	7,507	103.6	217	7,333	103.0	
Corporate	992	43,535	102.3	859	43,601	102.0	
Foreign government	32	1,027	103.2	32	1,075	103.1	
ABS	3	1,265	100.2	2	1,171	100.2	
RMBS	83	672	114.1	77	728	111.8	
CMBS	5	211	102.4	8	270	103.1	
Redeemable preferred stock	3	24	114.3	3	24	114.3	
Total fixed income securities	1,442	58,636	102.5	1,263	57,839	102.2	
Equity securities [2]	659	5,685	113.1	509	5,666	109.9	
Short-term investments	-	2,753	100.0	-	4,288	100.0	
Derivatives	-	108	n/a	2	111	n/a	
EMA limited partnership interests [3]	-	n/a	n/a	(4)	n/a	n/a	
Unrealized net capital gains and losses, pre-tax	2,101			1,770			
Amounts recognized for:							
Insurance reserves [4]	-			-			
DAC and DSI [5]	(165)			(146)			
Amounts recognized	(165)			(146)			
Deferred income taxes	(680)			(571)			
Unrealized net capital gains and losses, after-tax	$ 1,256			$ 1,053			$

(1) The comparison of percentages from period to period may be distorted by investment transactions such as sales, purchases and impairment write-downs.

(2) Beginning January 1, 2018, due to the adoption of the new accounting standard for the recognition and measurement of financial assets and liabilities, equity securities will be measured recognized in net income. The existing unrealized net capital gains and losses, after-tax, will be reclassified to retained income through a cumulative effect adjustment.

(3) Unrealized net capital gains and losses for limited partnership interests represent the Company's share of EMA limited partnerships' other comprehensive income. Fair value and amorti

(4) 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 resulting in a premium deficiency. This adjustment primarily relates to structured settlement annuities with life contingencies (a type of immediate fixed annuities).

(5) 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 pr

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

	Three months ended						
	Dec. 31, 2017	Sept. 30, 2017	June 30, 2017	March 31, 2017	Dec. 31, 2016	Sept. 30, 2016	June 3[illegible] 2016
Net Investment Income							
Fixed income securities	$ 514	$ 519	$ 527	$ 518	$ 514	$ 508	$ 5[illegible]
Equity securities	44	37	49	44	34	31	[illegible]
Mortgage loans	49	52	50	55	55	56	[illegible]
Limited partnership interests ("LP")	293	223	253	120	178	136	1[illegible]
Short-term	9	9	6	6	5	4	
Other	62	58	60	56	59	55	[illegible]
Investment income, before expense	971	898	945	799	845	790	8[illegible]
Less: Investment expense	(58)	(55)	(48)	(51)	(44)	(42)	([illegible]
Net investment income	$ 913	$ 843	$ 897	$ 748	$ 801	$ 748	$ 7[illegible]
Interest-bearing investments [1]	$ 623	$ 627	$ 631	$ 625	$ 622	$ 613	$ 6[illegible]
Equity securities	44	37	49	44	34	31	[illegible]
LP and other alternative investments [2]	304	234	265	130	189	146	1[illegible]
Investment income, before expense	$ 971	$ 898	$ 945	$ 799	$ 845	$ 790	$ 8[illegible]
Pre-Tax Yields [3]							
Fixed income securities	3.6 %	3.6 %	3.7 %	3.6 %	3.6 %	3.6 %	3[illegible]
Equity securities	3.2	2.7	3.8	3.5	2.7	2.5	3[illegible]
Mortgage loans	4.4	4.8	4.6	4.9	5.0	5.0	4[illegible]
Limited partnership interests	17.5	13.9	16.6	8.1	12.5	9.9	9[illegible]
Total portfolio	4.8	4.5	4.7	4.0	4.2	4.0	4[illegible]
Interest-bearing investments	3.7	3.7	3.8	3.7	3.7	3.7	3[illegible]
Realized Capital Gains and Losses (Pre-tax) by Transaction Type							
Impairment write-downs	$ (8)	$ (23)	$ (28)	$ (43)	$ (49)	$ (63)	$ ([illegible]
Change in intent write-downs	(5)	(5)	(22)	(16)	(21)	(10)	([illegible]
Net other-than-temporary impairment losses recognized in earnings	(13)	(28)	(50)	(59)	(70)	(73)	([illegible]
Sales and other	146	148	139	208	47	121	1[illegible]
Valuation and settlements of derivative instruments	(6)	(17)	(8)	(15)	25	(15)	
Total	$ 127	$ 103	$ 81	$ 134	$ 2	$ 33	$ [illegible]
Total Return on Investment Portfolio [4]							
Income	1.1 %	1.0 %	1.1 %	0.9 %	1.0 %	0.9 %	1[illegible]
Valuation	-	0.5	0.7	0.7	(1.7)	0.4	0[illegible]
Total	1.1 %	1.5 %	1.8 %	1.6 %	(0.7) %	1.3 %	1[illegible]
Average Investment Balances (in billions) [5]	$ 80.1	$ 79.4	$ 78.9	$ 79.5	$ 79.1	$ 77.5	$ 76[illegible]

(1) Comprise fixed income securities, mortgage loans, short-term investments, and other investments including bank and agent loans and derivatives.

(2) Comprise limited partnership interests and other alternative investments, including real estate investments classified as other investments.

(3) Quarterly pre-tax yield is calculated as annualized quarterly investment income, before investment expense divided by the average of the current and prior quarter investment balances. Year-to-date pre-tax yield i investment expense divided by the average of investment balances at the beginning of the year and the end of each quarter during the year. For the purposes of the pre-tax yield calculation, income for directly he expenses (depreciation and asset level operating expenses reported in investment expense). For investments carried at fair value, investment balances exclude unrealized capital gains and losses.

(4) 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 ch loans, cost method limited partnerships, bank loans and agent loans divided by the average fair value balances.

(5) 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 investr the year. For purposes of the average investment balances calculation, unrealized capital gains and losses are excluded.

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

	Three months ended December 31, 2017				
	Property-Liability	Service Businesses	Allstate Life	Allstate Benefits	Allstate Annuities
Net Investment Income					
Fixed income securities	$ 228	$ 4	$ 92	$ 12	$ 168
Equity securities	32	1	1	1	9
Mortgage loans	3	-	20	2	24
Limited partnership interests ("LP")	151	-	-	-	142
Short-term	5	-	1	-	2
Other	26	-	18	4	13
Investment income, before expense	445	5	132	19	358
Less: Investment expense	(30)	-	(5)	(1)	(20)
Net investment income	$ 415	$ 5	$ 127	$ 18	$ 338
Interest-bearing investments [1]	$ 255	$ 4	$ 131	$ 18	$ 203
Equity securities	32	1	1	1	9
LP and other alternative investments [2]	158	-	-	-	146
Investment income, before expense	$ 445	$ 5	$ 132	$ 19	$ 358
Pre-Tax Yields [3]					
Fixed income securities	2.9 %	2.0 %	4.9 %	4.2 %	4.6 %
Equity securities	3.4	3.5	3.6	4.3	2.8
Mortgage loans	3.8	-	4.5	4.4	4.5
Limited partnership interests	17.1	-	-	-	18.1
Total portfolio	4.2	2.2	4.9	4.5	6.3
Interest-bearing investments	3.0	1.9	4.9	4.5	4.5
Realized Capital Gains and Losses (Pre-tax) by transaction type					
Impairment write-downs	$ (2)	$ -	$ -	$ -	$ (2)
Change in intent write-downs	(5)	-	-	-	-
Net other-than-temporary impairment losses recognized in earnings	(7)	-	-	-	(2)
Sales and other	109	-	1	-	38
Valuation and settlements of derivative instruments	(3)	-	-	-	(3)
Total	$ 99	$ -	$ 1	$ -	$ 33

(1) Comprise fixed income securities, mortgage loans, short-term investments, and other investments including bank and agent loans and derivatives.

(2) Comprise limited partnership interests and other alternative investments, including real estate investments classified as other investments.

(3) Quarterly pre-tax yield is calculated as annualized quarterly investment income, before investment expense divided by the average of the current and prior quarter investment bala calculation, income for directly held real estate and other consolidated investments is net of investee level expenses (depreciation and asset level operating expenses reported in i carried at fair value, investment balances exclude unrealized capital gains and losses.

THE ALLSTATE CORPORATION
INVESTMENT POSITION AND RESULTS BY STRATEGY
($ in millions)

	As of or for the three months ended						
	Dec. 31, 2017	Sept. 30, 2017	June 30, 2017	March 31, 2017	Dec. 31, 2016	Sept. 30, 2016	June 30, 2016
Market-Based ("MB") [(1)]							
Investment Position							
Interest-bearing investments	$ 68,648	$ 69,070	$ 68,331	$ 68,836	$ 69,688	$ 69,579	$ 68,357
Equity securities [(2)]	6,483	6,336	6,021	5,578	5,567	5,194	5,192
LP and other alternative investments [(3)]	738	694	591	555	535	481	405
Total	$ 75,869	$ 76,100	$ 74,943	$ 74,969	$ 75,790	$ 75,254	$ 73,954
Investment income							
Interest-bearing investments	$ 620	$ 625	$ 629	$ 624	$ 622	$ 611	$ 618
Equity securities	44	37	45	35	34	31	44
LP and other alternative investments	1	1	-	-	(1)	1	-
Investment income, before expense	665	663	674	659	655	643	662
Investee level expenses [(4)]	(1)	(1)	(2)	(1)	(1)	(1)	(1)
Income for yield calculation	$ 664	$ 662	$ 672	$ 658	$ 654	$ 642	$ 661
Market-based pre-tax yield	3.6 %	3.6 %	3.7 %	3.6 %	3.6 %	3.6 %	3.7
Realized capital gains and losses (pre-tax) by transaction type							
Impairment write-downs	$ (8)	$ (7)	$ (19)	$ (36)	$ (26)	$ (37)	$ (50)
Change in intent write-downs	(5)	(5)	(22)	(16)	(21)	(10)	(16)
Net other-than-temporary impairment losses recognized in earnings	(13)	(12)	(41)	(52)	(47)	(47)	(66)
Sales and other	141	148	129	208	43	118	123
Valuation and settlements of derivative instruments	1	(12)	(1)	(10)	13	(13)	(5)
Total	$ 129	$ 124	$ 87	$ 146	$ 9	$ 58	$ 52
Performance-Based ("PB") [(5)]							
Investment Position							
Interest-bearing investments	$ 120	$ 130	$ 129	$ 108	$ 113	$ 130	$ 162
Equity securities	138	98	96	107	99	94	73
LP and other alternative investments	6,676	6,443	6,137	5,959	5,797	5,626	5,505
Total	$ 6,934	$ 6,671	$ 6,362	$ 6,174	$ 6,009	$ 5,850	$ 5,740
Investment income							
Interest-bearing investments	$ 3	$ 2	$ 2	$ 1	$ -	$ 2	$ 5
Equity securities	-	-	4	9	-	-	-
LP and other alternative investments	303	233	265	130	190	145	136
Investment income, before expense	306	235	271	140	190	147	141
Investee level expenses	(10)	(8)	(8)	(9)	(8)	(8)	(8)
Income for yield calculation	$ 296	$ 227	$ 263	$ 131	$ 182	$ 139	$ 133
Performance-based pre-tax yield	17.4 %	14.0 %	16.8 %	8.7 %	12.3 %	9.7 %	9.5
Realized capital gains and losses (pre-tax) by transaction type							
Impairment write-downs	$ -	$ (16)	$ (9)	$ (7)	$ (23)	$ (26)	$ (13)
Change in intent write-downs	-	-	-	-	-	-	-
Net other-than-temporary impairment losses recognized in earnings	-	(16)	(9)	(7)	(23)	(26)	(13)
Sales and other	5	-	10	-	4	3	(19)
Valuation and settlements of derivative instruments	(7)	(5)	(7)	(5)	12	(2)	4
Total	$ (2)	$ (21)	$ (6)	$ (12)	$ (7)	$ (25)	$ (28)

(1) Market-based strategy seeks to deliver predictable earnings aligned to business needs and take advantage of short-term opportunities primarily through public and private fixed income investments and public e

(2) Equity securities may include investments in exchange traded and mutual funds whose underlying investments are fixed income securities.

(3) Market-based investments include publicly traded equity securities classified as limited partnerships.

(4) When calculating the pre-tax yields, investee level expenses are netted against income for directly held real estate and other consolidated investments.

(5) Performance-based strategy seeks to deliver attractive risk-adjusted returns and supplement market risk with idiosyncratic risk primarily through investments in private equity and real estate.

THE ALLSTATE CORPORATION
INVESTMENT POSITION AND RESULTS BY STRATEGY BY SEGMENT
($ in millions)

	As of or for the three months ended December 31, 2017				
	Property-Liability	Service Businesses	Allstate Life	Allstate Benefits	Allstate Annuities
Market-based ("MB") [1]					
Investment Position					
Interest-bearing investments	$ 34,236	$ 810	$ 11,168	$ 1,687	$ 18,799
Equity securities [2]	4,672	144	42	89	1,526
LP and other alternative investments [3]	504	-	-	-	234
Total	$ 39,412	$ 954	$ 11,210	$ 1,776	$ 20,559
Investment income					
Interest-bearing investments	$ 253	$ 4	$ 131	$ 18	$ 202
Equity securities	32	1	1	1	9
LP and other alternative investments	1	-	-	-	-
Investment income, before expense	286	5	132	19	211
Investee level expenses [4]	(1)	-	-	-	-
Income for yield calculation	$ 285	$ 5	$ 132	$ 19	$ 211
Market-based pre-tax yield	3.0 %	2.2 %	4.9 %	4.5 %	4.3 %
Realized capital gains and losses (pre-tax) by transaction type					
Impairment write-downs	$ (2)	$ -	$ -	$ -	$ (2)
Change in intent write-downs	(5)	-	-	-	-
Net other-than-temporary impairment losses recognized in earnings	(7)	-	-	-	(2)
Sales and other	108	-	1	-	34
Valuation and settlements of derivative instruments	1	-	-	-	-
Total	$ 102	$ -	$ 1	$ -	$ 32
Performance-based ("PB") [5]					
Investment Position					
Interest-bearing investments	$ 98	$ -	$ -	$ -	$ 22
Equity securities	80	-	-	-	58
LP and other alternative investments	3,593	-	-	-	3,083
Total	$ 3,771	$ -	$ -	$ -	$ 3,163
Investment income					
Interest-bearing investments	$ 2	$ -	$ -	$ -	$ 1
Equity securities	-	-	-	-	-
LP and other alternative investments	157	-	-	-	146
Investment income, before expense	159	-	-	-	147
Investee level expenses	(5)	-	-	-	(5)
Income for yield calculation	$ 154	$ -	$ -	$ -	$ 142
Performance-based pre-tax yield	16.9 %	N/A %	N/A %	N/A %	18.0 %
Realized capital gains and losses (pre-tax) by transaction type					
Impairment write-downs	$ -	$ -	$ -	$ -	$ -
Change in intent write-downs	-	-	-	-	-
Net other-than-temporary impairment losses recognized in earnings	-	-	-	-	-
Sales and other	1	-	-	-	4
Valuation and settlements of derivative instruments	(4)	-	-	-	(3)
Total	$ (3)	$ -	$ -	$ -	$ 1

(1) Market-based strategy seeks to deliver predictable earnings aligned to business needs and take advantage of short-term opportunities primarily through public and private fix public equity securities.

(2) Equity securities may include investments in exchange traded and mutual funds whose underlying investments are fixed income securities.

(3) Market-based investments include publicly traded equity securities classified as limited partnerships.

(4) When calculating the pre-tax yields, investee level expenses are netted against income for directly held real estate and other consolidated investments.

(5) Performance-based strategy seeks to deliver attractive risk-adjusted returns and supplement market risk with idiosyncratic risk primarily through investments in private equity

THE ALLSTATE CORPORATION
PERFORMANCE-BASED INVESTMENTS
($ in millions)

	As of or for the three months ended						
	Dec. 31, 2017	Sept. 30, 2017	June 30, 2017	March 31, 2017	Dec. 31, 2016	Sept. 30, 2016	June 201
Investment position							
Limited partnerships							
Private equity	$ 4,752	$ 4,650	$ 4,333	$ 4,139	$ 4,031	$ 3,839	$ 3
Real estate	1,293	1,296	1,320	1,325	1,281	1,301	1
PB - limited partnerships	6,045	5,946	5,653	5,464	5,312	5,140	5
Non-LP							
Private equity	210	170	171	161	151	165	
Real estate	679	555	538	549	546	545	
PB - non-LP	889	725	709	710	697	710	
Total							
Private equity	4,962	4,820	4,504	4,300	4,182	4,004	3
Real estate	1,972	1,851	1,858	1,874	1,827	1,846	1
Total PB	$ 6,934	$ 6,671	$ 6,362	$ 6,174	$ 6,009	$ 5,850	$ 5
Investment income							
Limited partnerships							
Private equity	$ 219	$ 183	$ 209	$ 114	$ 145	$ 112	$
Real estate	74	40	44	6	34	23	
PB - limited partnerships	293	223	253	120	179	135	
Non-LP							
Private equity	3	2	5	9	1	2	
Real estate	10	10	13	11	10	10	
PB - non-LP	13	12	18	20	11	12	
Total							
Private equity	222	185	214	123	146	114	
Real estate	84	50	57	17	44	33	
Total PB	$ 306	$ 235	$ 271	$ 140	$ 190	$ 147	$
Investee level expenses	$ (10)	$ (8)	$ (8)	$ (9)	$ (8)	$ (8)	$
Realized capital gains and losses							
Limited partnerships							
Private equity	$ (3)	$ (17)	$ (8)	$ (10)	$ (26)	$ (23)	$
Real estate	2	-	4	1	2	2	
PB - limited partnerships	(1)	(17)	(4)	(9)	(24)	(21)	
Non-LP							
Private equity	(7)	(4)	(11)	(4)	16	(4)	
Real estate	6	-	9	1	1	-	
PB - non-LP	(1)	(4)	(2)	(3)	17	(4)	
Total							
Private equity	(10)	(21)	(19)	(14)	(10)	(27)	
Real estate	8	-	13	2	3	2	
Total PB	$ (2)	$ (21)	$ (6)	$ (12)	$ (7)	$ (25)	$
Pre-Tax Yield	17.4 %	14.0 %	16.8 %	8.7 %	12.3 %	9.7 %	
Internal Rate of Return (1)							
10 Year	8.6 %	8.5 %	8.3 %	9.5 %	10.1 %	10.1 %	
5 Year	12.8	12.7	11.9	11.9	12.0	11.7	

(1) The internal rate of return ("IRR") is one of the measures we use to evaluate the performance of these investments. The IRR represents the rate of return on the investments considering the cash flows paid and recei
investment holdings at the end of the measurement period. The calculated IRR for any measurement period is highly influenced by the values of the portfolio at the beginning and end of the period, which reflect the es
IRR can vary significantly for different measurement periods based on macroeconomic or other events that impact the estimated beginning or ending portfolio value, such as the global financial crisis. Our IRR calcula
recognition of income in the financial statements may differ significantly from the cash distributions and changes in the value of these investments.

THE ALLSTATE CORPORATION
LIMITED PARTNERSHIP INTERESTS
($ in millions)

	As of or for the three months ended					
	Dec. 31, 2017	Sept. 30, 2017	June 30, 2017	March 31, 2017	Dec. 31, 2016	Sept. 30, 2016
Investment position						
Accounting basis						
Cost method	$ 1,327	$ 1,339	$ 1,269	$ 1,293	$ 1,282	$ 1,375
Equity method ("EMA") [(1)]	5,413	5,261	4,937	4,689	4,532	4,213
Total	$ 6,740	$ 6,600	$ 6,206	$ 5,982	$ 5,814	$ 5,588
Cost method-fair value [(2)]	$ 1,569	$ 1,579	$ 1,511	$ 1,525	$ 1,493	$ 1,600
Underlying investment						
Private equity	$ 4,752	$ 4,650	$ 4,333	$ 4,139	$ 4,031	$ 3,839
Real estate	1,293	1,296	1,320	1,325	1,281	1,301
Other	695	654	553	518	502	448
Total	$ 6,740	$ 6,600	$ 6,206	$ 5,982	$ 5,814	$ 5,588
Total Income						
Accounting basis						
Cost method	$ 47	$ 64	$ 51	$ 37	$ 26	$ 43
Equity method	246	159	202	83	152	93
Total	$ 293	$ 223	$ 253	$ 120	$ 178	$ 136
Underlying investment						
Private equity	$ 219	$ 183	$ 209	$ 114	$ 145	$ 112
Real estate	74	40	44	6	34	23
Other	-	-	-	-	(1)	1
Total	$ 293	$ 223	$ 253	$ 120	$ 178	$ 136
(1) Approximate cumulative pre-tax appreciation	$ 854	$ 858	$ 787	$ 611	$ 511	$ 469

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

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 companies and therefore comparability may be limited.

Adjusted net income is net income applicable 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 ga income,
- valuation changes on embedded derivatives 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 capit embedded derivatives not hedged, after-tax,
- business combination expenses and the 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 charge or gain within the prior two years.

Net income applicable to common shareholders is the GAAP measure that is most directly comparable to adjusted net income. We use adjusted net income as an importa 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 ar obscured by the net effect of realized capital gains and losses, valuation changes on embedded derivatives not hedged, business combination expenses and the amortizat on disposition of operations and adjustments for other significant non-recurring, infrequent or unusual items. Realized capital gains and losses, valuation changes on embe on disposition of operations may vary significantly between periods and are generally driven by business decisions and external economic developments such as capital m unrelated to the insurance underwriting process. Consistent with our intent to protect results or earn additional income, adjusted net income includes periodic settlements a 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 in to replicate fixed income securities, and by including them in adjusted net income, we are appropriately reflecting their trends in our performance and in a manner consister product attributes (e.g. net investment income and interest credited to contractholder funds) or replicated investments. Business combination expenses are excluded becau amortization of purchased intangible assets is excluded because it relates to the acquisition purchase price and is not indicative of our underlying insurance business result because, by their nature, they are not indicative of our business or economic trends. Accordingly, adjusted net income excludes the effect of items that tend to be highly va results from ongoing operations and the underlying profitability of our business. A byproduct of excluding these items to determine adjusted net income is the transparency income variability and profitability while recognizing these or similar items may recur in subsequent periods. Adjusted net income is used by management along with the ot common shareholders to assess our performance. We use adjusted measures of adjusted net income in incentive compensation. Therefore, we believe it is useful for inv common shareholders, adjusted net income and their components separately and in the aggregate when reviewing and evaluating our performance. We note that investor media organizations and rating agencies utilize adjusted net income results in their evaluation of our and our industry's financial performance and in their investment decisi 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 earnin investors as a forward-looking valuation technique uses adjusted net income as the denominator. Adjusted net income should not be considered a substitute for net incom does not reflect the overall profitability of our business. A reconciliation of adjusted net income to net income applicable to common shareholders is provided in the schedu

Combined ratio excluding the effect of catastrophes, prior year reserve reestimates and the amortization of purchased intangible assets ("underlying combined 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-catastrop 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 may be obscured by catastrophe losses, prior year reserve reestimates, amortization of purchased intangible assets. Catastrophe losses cause our loss trends to vary sign incidence of occurrence and magnitude, and can have a significant impact on the combined ratio. Prior year reserve reestimates are caused by unexpected loss developm 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 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 rati 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 pr the underlying combined ratio to combined ratio is provided in the schedules "Property-Liability Results", "Historical Property-Liability Results", "Allstate Brand Profitability M Measures and Statistics", "Encompass Brand Profitability Measures and Statistics", "Auto Profitability Measures by Brand", "Homeowners Profitability Measures by Brand" a Measures by Brand", and "SquareTrade 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 (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 underlyi underlying loss and expense is provided in the schedule, "Allstate Brand Auto and Homeowners Underlying Loss and Expense".

Definitions of Non-GAAP Measures (continued)

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 reestimates on the combined ratio. We believe that this ratio is useful to investors and it is used by management to reveal the trends that may be obscured by catastrophe losses and 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 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 perform the loss ratio. The underlying loss ratio should not be considered a substitute for the loss ratio and does not reflect the overall loss ratio of our business. A reconciliation of underlying Results", "Historical Property-Liability Results", "Allstate Brand Profitability Measures", "Esurance Brand Profitability Measures and Statistics", "Encompass Brand Profitability Measure Brand", "Homeowners Profitability Measures by Brand" and "Other Personal Lines Profitability Measures by Brand".

Adjusted net income return on common shareholders' equity is a ratio that uses a non-GAAP measure. It is calculated by dividing the rolling 12-month adjusted net income by th 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 comparab numerator for the same reasons we use adjusted net income, as discussed above. We use average common shareholders' equity excluding the effect of unrealized net capital gains 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 sig 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. applicable 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 belie 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 capi 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-recurri or economic trends. A byproduct of excluding the items noted above to determine adjusted net income return on common shareholders' equity from return on common shareholders' e 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 shareholders' equity in incentive compensation. Therefore, we believe it is useful for investors to have adjusted net income return on common shareholders' equity and return on com performance. We note that investors, financial analysts, financial and business media organizations and rating agencies utilize adjusted net income return on common shareholders' financial performance and in their investment decisions, recommendations and communications as it represents a reliable, representative and consistent measurement of the industry capital. Adjusted net income return on common shareholders' equity should not be considered a substitute for return on common shareholders' equity and does not reflect the overall on common shareholders' equity and adjusted net income return on common shareholders' equity can be found in the schedule, "Return on Common Shareholders' Equity".

Adjusted net income return on adjusted equity is a ratio that uses a non-GAAP measure. It is calculated by dividing the rolling 12-month adjusted net income by the equity balance gains and losses and goodwill. Return on equity is the most directly comparable GAAP measure. We use equity excluding the effect of unrealized net capital gains and losses and go primarily attributable to the Company's earned and realized business operations. Unrealized net capital gains and losses are excluded because they vary significantly between period capital market conditions like changes in equity prices and interest rates, the amount and timing of which are unrelated to the insurance underwriting process. Goodwill is excluded be not indicative of our underlying business results. We believe it is useful for investors to have adjusted net income return on adjusted equity when evaluating our performance as it rep measurement of the company and management's utilization of capital. Adjusted net income return on adjusted equity should not be considered a substitute for return on equity and d reconciliation of return on equity and adjusted net income return on adjusted equity can be found in the schedules, "Allstate Life Return on Equity", "Allstate Benefits Return on Equity

Adjusted net income, excluding purchase accounting adjustments, is a non-GAAP measure, which is computed as net income (loss) applicable to common shareholders, excluc tax, and realized capital gains and losses, after-tax, and adjusted for the after-tax income statement effects of acquisition-related purchase accounting fair value adjustments to unear premium expenses, and commissions paid to retailers. Net income (loss) applicable to shareholders is the GAAP measure that is most directly comparable to adjusted net income, ex adjusted net income, excluding purchase accounting adjustments, as an important measure to evaluate SquareTrade's results of operations. We believe that the measure provides i ongoing performance because it reveals trends that may be obscured by the amortization of purchased intangible assets, the acquisition-related purchase accounting fair value adjust losses. Amortization of purchased intangible assets is excluded because it relates to the acquisition purchase price and is not indicative of our business results or trends. We adjust accounting fair value adjustments because they relate to the acquisition and their effects are not indicative of the underlying business results and trends. Realized capital gains and l generally driven by business decisions and external economic developments such as capital market conditions, the timing of which is unrelated to SquareTrade's operations. Adjuste adjustments, highlights the results from ongoing operations and the underlying profitability of our business and is used by management along with the other components of net income performance. We believe it is useful for investors to evaluate net income applicable to common shareholders, adjusted net income, excluding purchase accounting adjustments, and reviewing and evaluating SquareTrade's performance. Adjusted net income, excluding purchase accounting adjustments, should not be considered a substitute for net income applic overall profitability of our business. A reconciliation of net income (loss) applicable to common shareholders to adjusted net income, excluding purchase accounting adjustments, is p

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 c 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 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 sha 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 fron developments, primarily capital market conditions, the magnitude and timing of which are generally not influenced by management, and we believe it enhances understanding and cor 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 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 ga be considered a substitute for book value per common share, and does not reflect the recorded net worth of our business. A reconciliation of book value per common share, excludin income securities, and book value per common share can be found in the schedule, "Book Value per Common Share".