



The Allstate Corporation

Third Quarter 2017 Earnings Presentation
November 2, 2017

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You're in good hands.



Forward-Looking Statements and Non-GAAP Financial Information

This presentation contains forward-looking statements and information. Additional information on factors that could cause results to differ materially from those projected in this presentation is available in the 2016 Form 10-K, in our most recent earnings release, and at the end of these slides. These materials are available on our website, www.allstateinvestors.com, under the “Financials” link.

This presentation also contains some non-GAAP measures that are denoted with an asterisk. You can find the reconciliation of those measures to GAAP measures within our most recent earnings release or investor supplement. These materials are available on our website, www.allstateinvestors.com, under the “Financials” link.



Allstate's Auto Insurance Profitability Plan Well Executed

- Excellent progress on 2017 operating priorities
- Net income applicable to common shareholders of \$637 million, or \$1.74 per share
 - Operating income* of \$587 million, or \$1.60 per share
- Improved profitability in auto insurance and strong performance-based investment income mitigated catastrophe losses
- Operating income return on common shareholders' equity* increased to 13.9% for the 12 months ended September 30, 2017

(\$ in millions, except per share data and ratios)	Three months ended September 30			Nine months ended September 30		
	2017	2016	Change	2017	2016	Change
Total revenues	\$9,660	\$9,221	4.8%	\$28,681	\$27,256	5.2%
Property-liability insurance premiums	8,121	7,869	3.2%	24,098	23,406	3.0%
Net investment income	843	748	12.7%	2,488	2,241	11.0%
Income available to common shareholders:						
Net income	637	491	29.7%	1,853	950	95.1%
<i>per diluted common share</i>	<i>1.74</i>	<i>1.31</i>	<i>32.8%</i>	<i>5.02</i>	<i>2.51</i>	<i>100.0%</i>
Operating income*	587	474	23.8%	1,705	1,031	65.4%
<i>per diluted common share*</i>	<i>1.60</i>	<i>1.26</i>	<i>27.0%</i>	<i>4.62</i>	<i>2.72</i>	<i>69.8%</i>
Return on common shareholders' equity						
Net income available to common shareholders				13.5%	7.4%	6.1 pts
Operating income*				13.9%	9.4%	4.5 pts



Excellent Progress on 2017 Operating Priorities

Better Serve Customers

- Net Promoter Score increased as customer satisfaction grew
- Expanded QuickFoto Claim® utilization

Achieve Target Economic Returns on Capital

- Property-Liability recorded combined ratio of 95.2 year-to-date
 - Auto insurance margins improved significantly
 - Homeowners insurance generated an underwriting profit of \$978 million over the last 12 months despite \$1.93 billion of catastrophe losses
- Allstate Annuities income increased significantly but returns remain low

Grow Customer Base

- Total policies in force increased to 78 million, largely due to SquareTrade growth
- Allstate brand auto insurance new issued applications continued to accelerate and auto insurance customer retention improved for Allstate and Esurance brands
- Allstate Benefits policy growth of 8.1%

Proactively Manage Investments

- Market-based portfolio returns reflected stable income and higher valuations benefiting from favorable market conditions
- Performance-based portfolio results were strong on private equity appreciation and sales of underlying investments

Build Long-Term Growth Platforms

- SquareTrade focused on expanding retail business, improving margins, and developing additional growth opportunities
- Arity made progress on executing its strategy



Differentiated Value Propositions to Unique Customer Segments

2017 Property-Liability Results				
(\$ in millions)				
	Q3	Var PY	YTD	Var PY
Net Written Premium	\$8,583	3.3%	\$24,595	3.0%
Catastrophes	\$861	79.0%	\$2,635	16.1%
Recorded Combined Ratio	94.7	(0.8) pts	95.2	(3.0) pts
Underlying Combined Ratio*	85.4	(2.6) pts	85.2	(2.8) pts

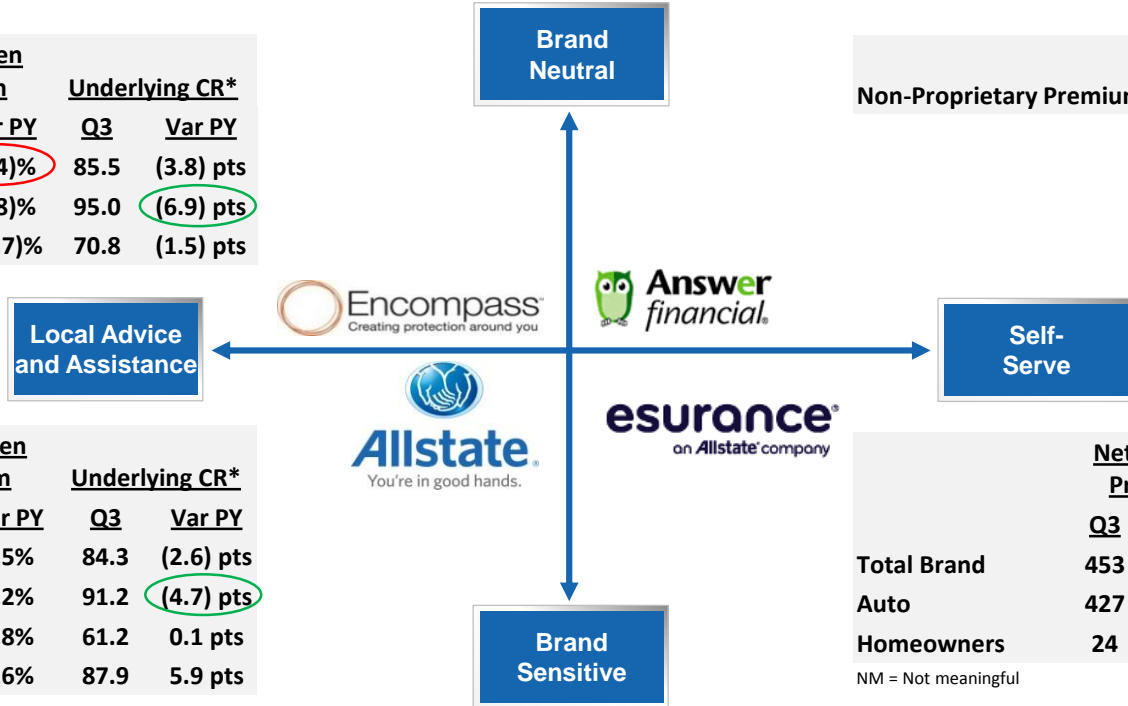
Property-Liability Customer Segment Results⁽¹⁾

	Net Written Premium		Underlying CR*	
	Q3	Var PY	Q3	Var PY
Total Brand	271	(9.4)%	85.5	(3.8) pts
Auto	141	(7.8)%	95.0	(6.9) pts
Homeowners	108	(10.7)%	70.8	(1.5) pts

	Q3	Var PY
Non-Proprietary Premiums	153	(3.2)%

	Net Written Premium		Underlying CR*	
	Q3	Var PY	Q3	Var PY
Total Brand	7,755	2.5%	84.3	(2.6) pts
Auto	5,096	3.2%	91.2	(4.7) pts
Homeowners	1,921	2.8%	61.2	0.1 pts
Other Personal Lines	454	1.6%	87.9	5.9 pts

	Net Written Premium		Underlying CR*	
	Q3	Var PY	Q3	Var PY
Total Brand	453	1.6%	100.5	(5.5) pts
Auto	427	(0.2)%	99.8	(2.2) pts
Homeowners	24	50.0%	115.8	NM



NM = Not meaningful

⁽¹⁾ Excludes SquareTrade and Discontinued Lines

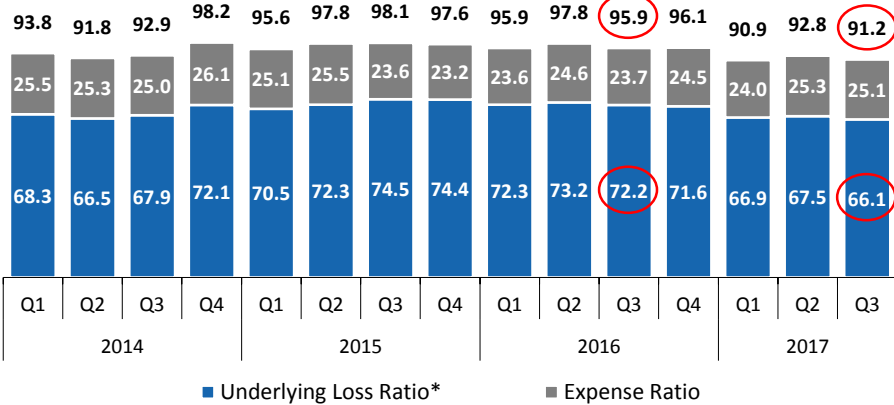


Allstate Brand Auto Underlying Loss Ratio Improved on Increased Premium and Lower Frequency

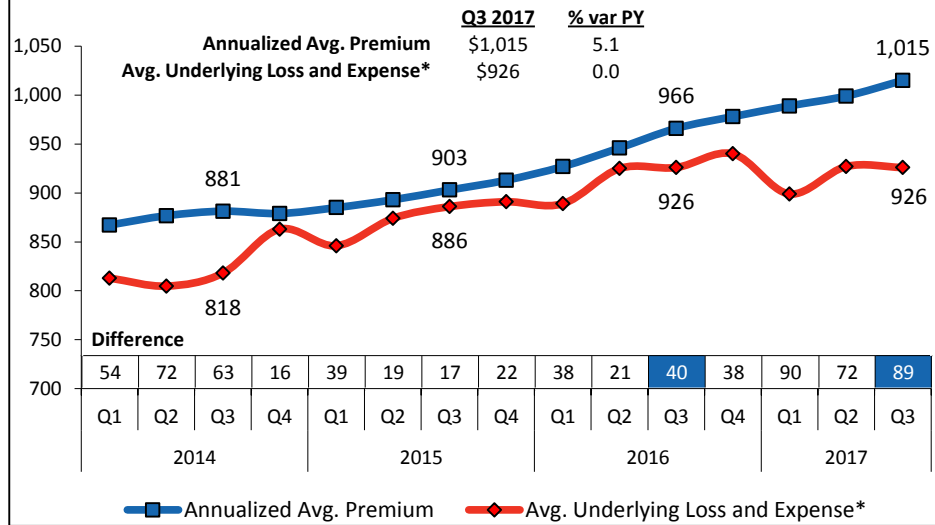
Allstate Brand Auto Underlying Combined Ratio*

(% to EP)

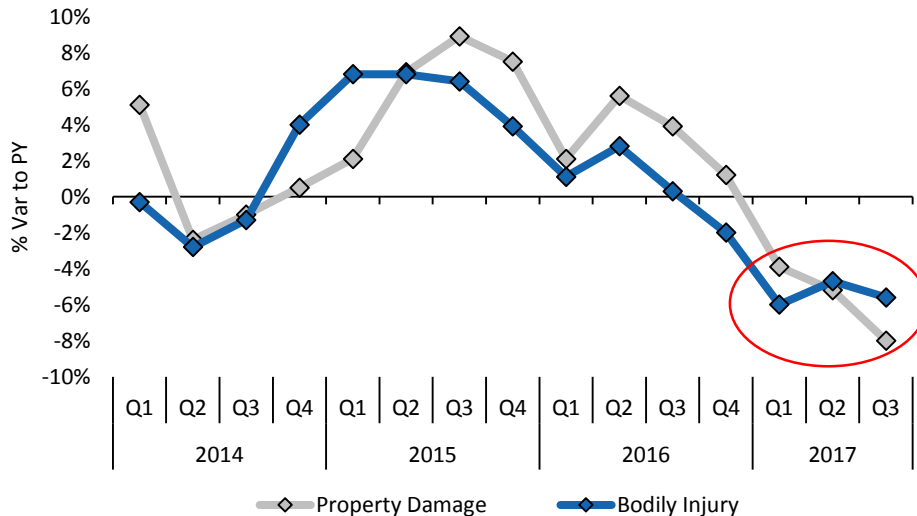
Recorded CR	Q3 2017 pt var PY	YTD 2017	pt var PY
94.9	(4.1)	93.8	(5.9)
Underlying CR*	91.2 (4.7)	91.6 (4.9)	



Auto Underlying Margin Per Policy Trend



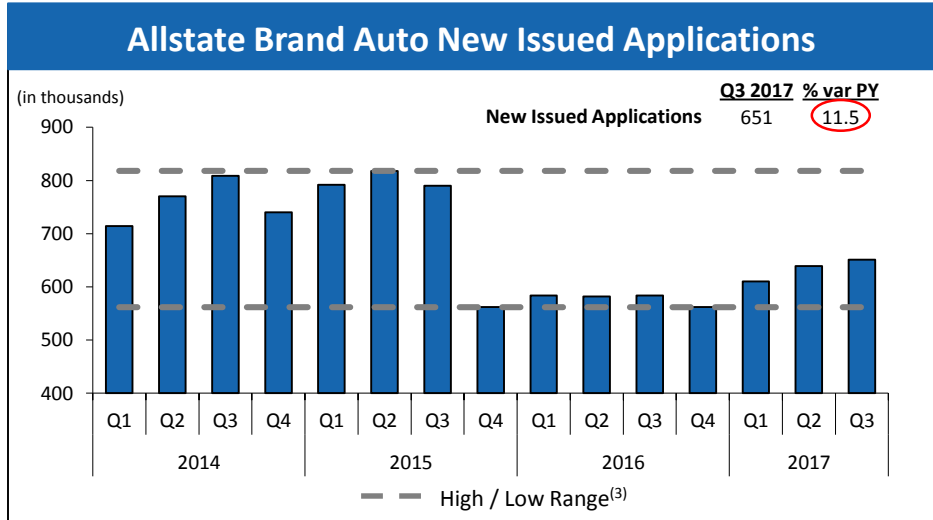
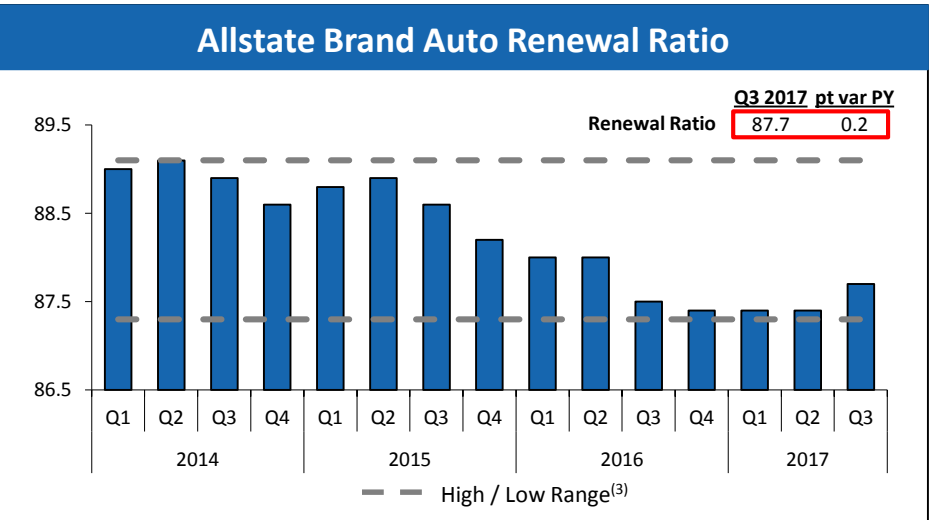
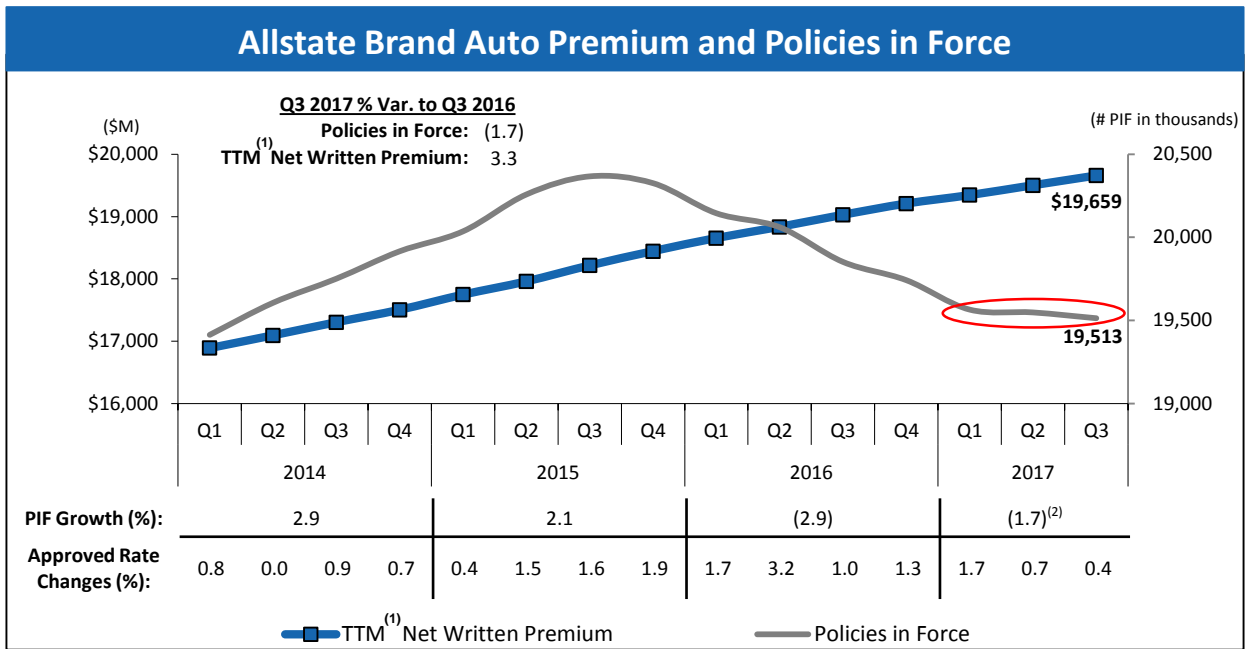
Allstate Brand Auto Gross Frequency Trend



- External factors likely contributed to frequency improvement
- A portion of frequency decline can be attributed to the shift in tenure and higher quality of book as a result of profit improvement initiatives
 - As growth trends accelerate, new business frequency could increase
- Annual frequency fluctuates significantly based on economic conditions, weather and driver behavior, such as distracted driving



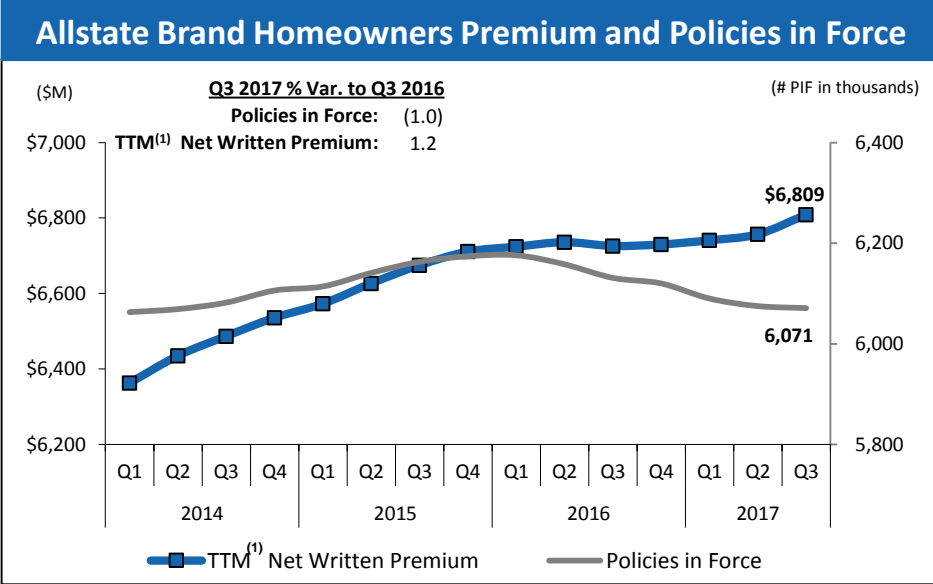
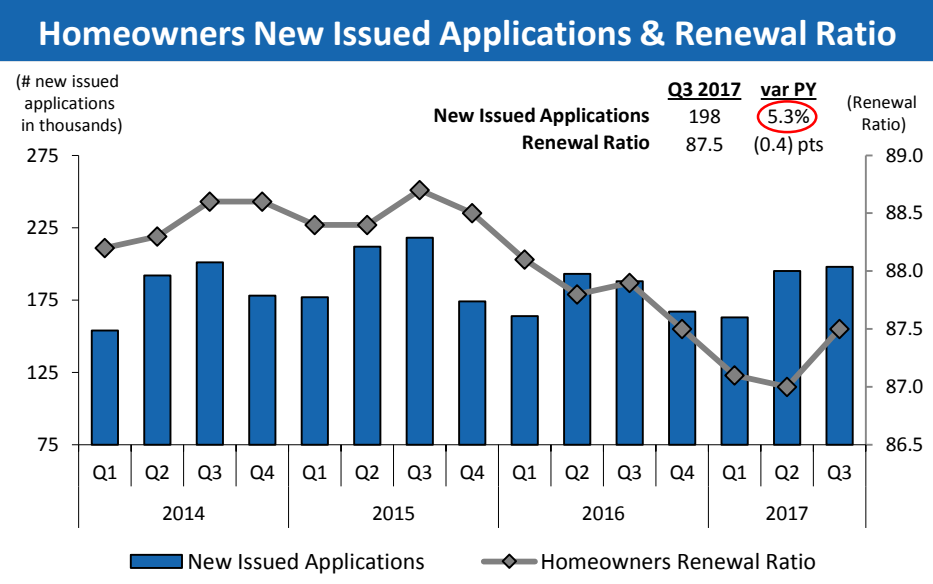
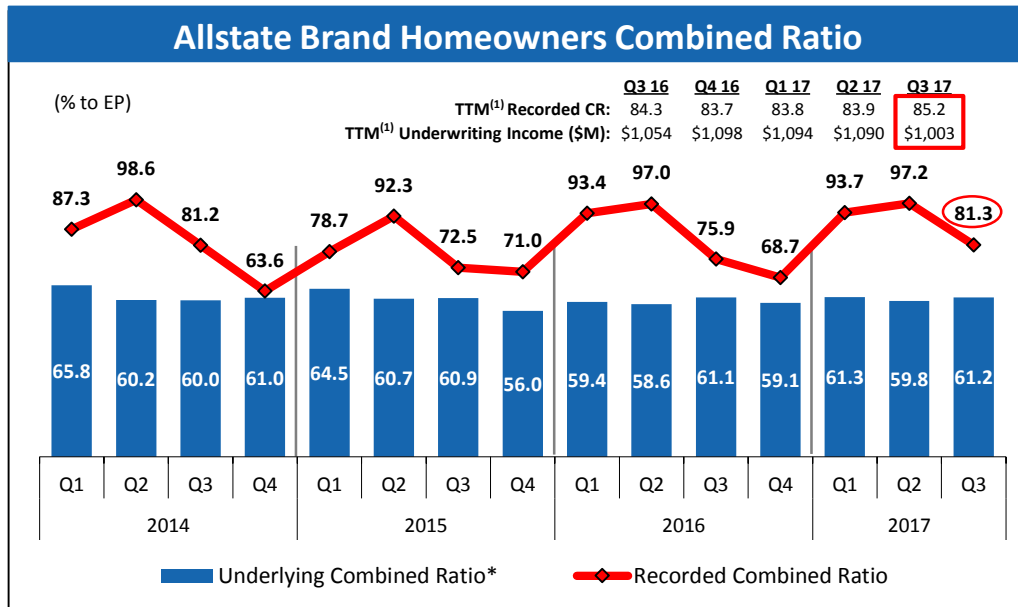
Allstate Brand Auto Policies in Force Stabilized as New Business and Retention Increase



⁽¹⁾ Trailing twelve months
⁽²⁾ Year over year through Q3 2017
⁽³⁾ High / Low Range represents the highest and lowest levels recorded from Q1 2007 to Q4 2016
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Allstate Brand Homeowners Continued to Generate Attractive Returns

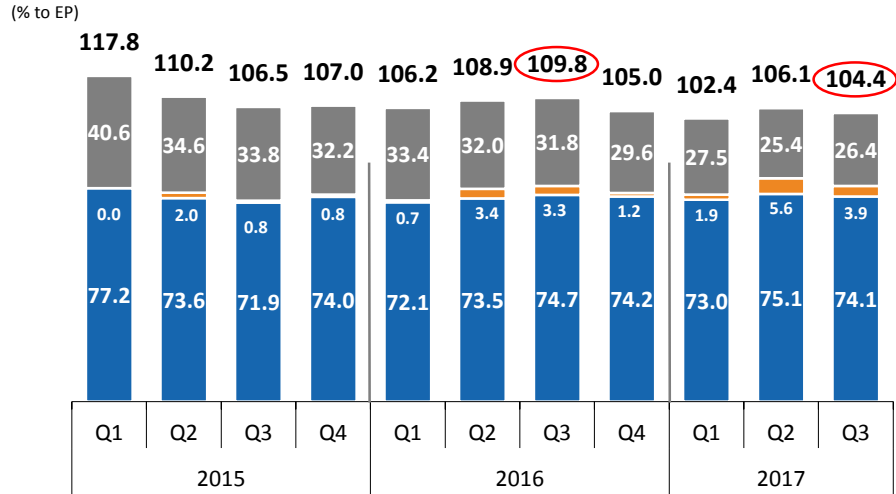


⁽¹⁾Trailing twelve months



Esurance Made Progress on Positioning for Growth

Esurance Combined Ratio

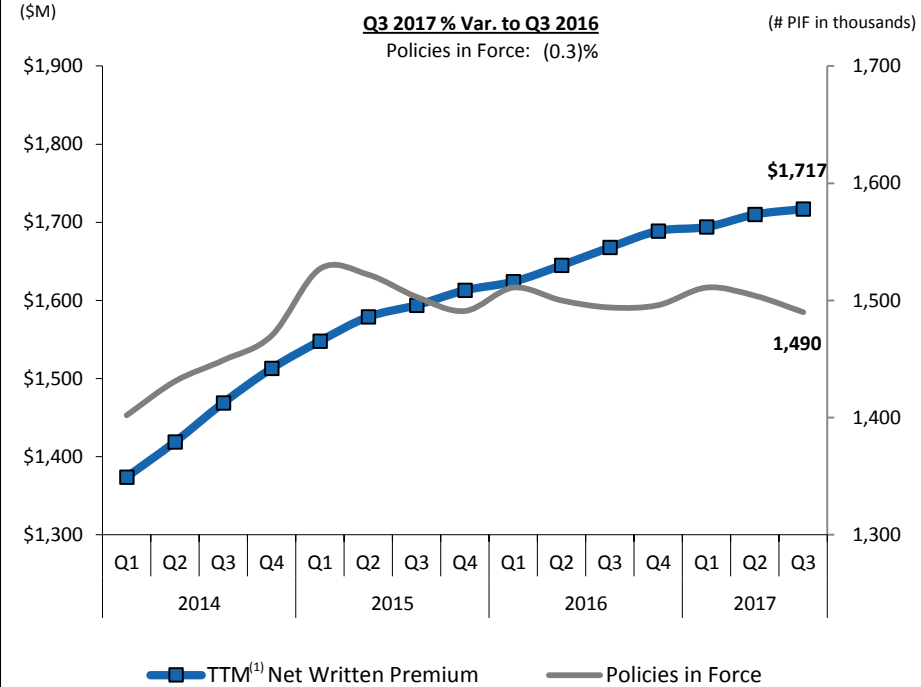


Underlying Combined Ratio*

Auto	117.0	105.5	103.6	104.1	103.6	100.0	102.0	104.2	99.8	99.3	99.8
Home	N/A				175.0	300.0	254.5	130.8	121.4	125.0	115.8

■ Loss Ratio x Catastrophes ■ Effect of Catastrophe Losses ■ Expense Ratio

Esurance Brand Premium and Policy in Force Trends



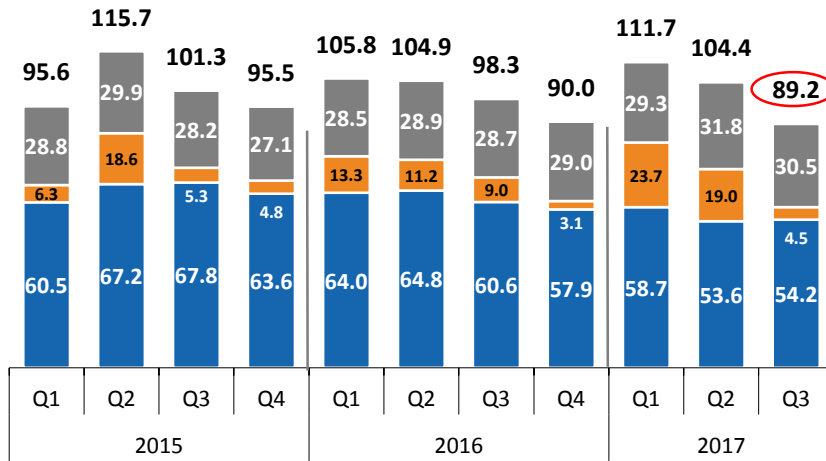
⁽¹⁾ Trailing twelve months



Encompass Achieved Underwriting Profit

Encompass Combined Ratio

(% to EP)

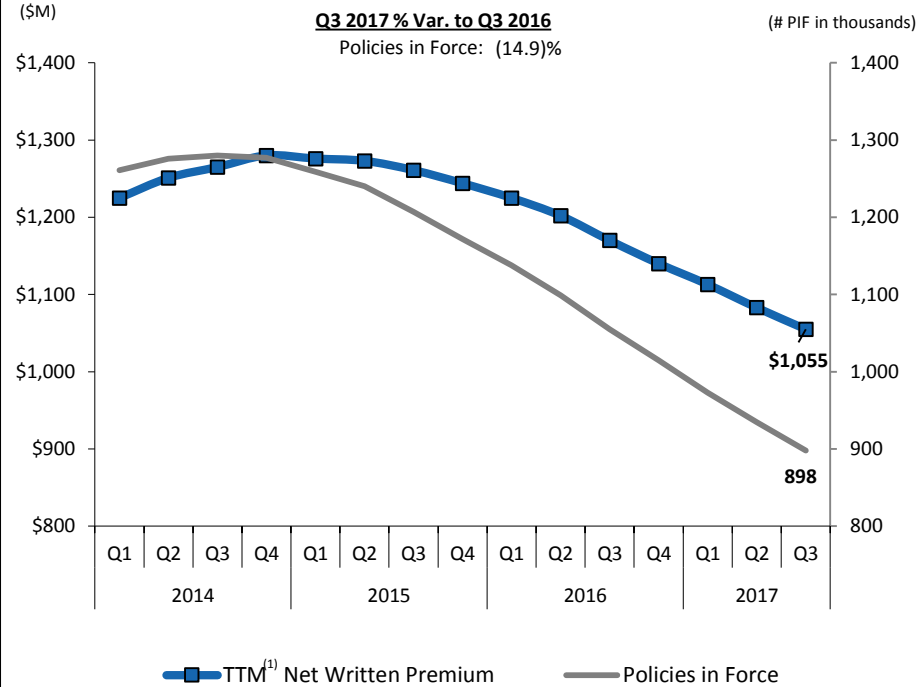


Underlying Combined Ratio*

	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Auto	103.0	106.7	101.2	104.9	103.1	105.1	101.9	100.7	97.9	100.7	95.0
Home	73.2	79.4	77.2	71.0	67.7	75.2	72.3	75.7	69.9	70.4	70.8

■ Loss Ratio x Catastrophes ■ Effect of Catastrophe Losses ■ Expense Ratio

Encompass Brand Premium and Policy in Force Trends



⁽¹⁾ Trailing twelve months

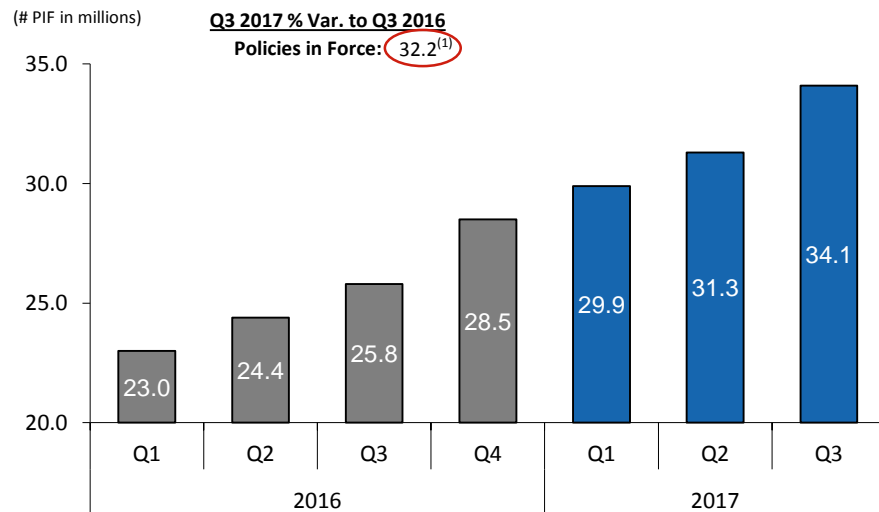


SquareTrade Increased Policies in Force through Continued Growth in U.S. Retail Channel

Measures of Success

- Rapidly grow new and existing domestic retail customers
- Raise profitability and returns on capital deployed
- Create a sustainable growth opportunity beyond U.S. retail

SquareTrade Policies in Force⁽¹⁾



SquareTrade Results

(\$ in millions)

	Q3	YTD
Net Premiums Written	\$104	\$270
Net Premiums Earned	78	207
Underwriting Loss	(29)	(86)
Net Loss	(19)	(56)
Operating Loss*⁽²⁾	(4)	(11)
Adjusted Operating Loss*⁽³⁾	(2)	(2)

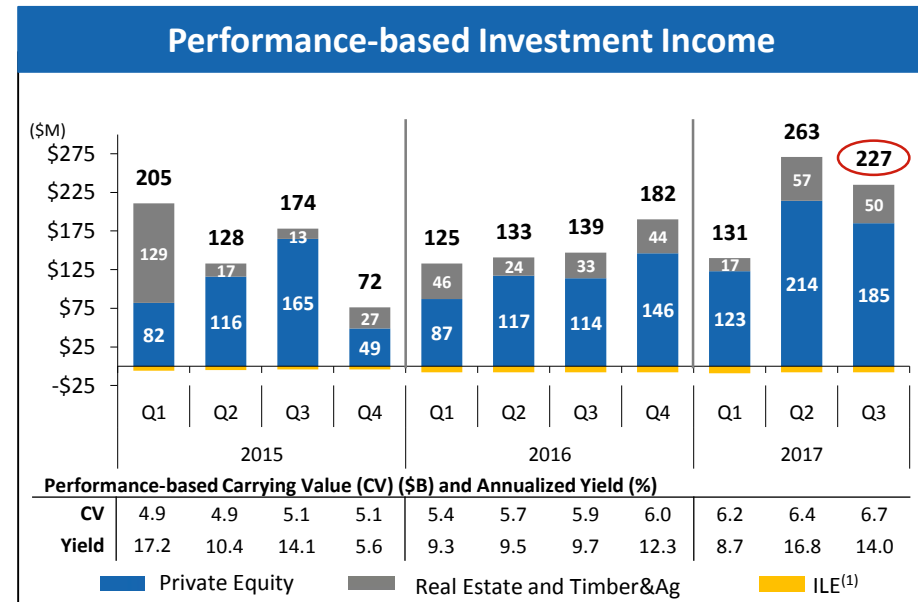
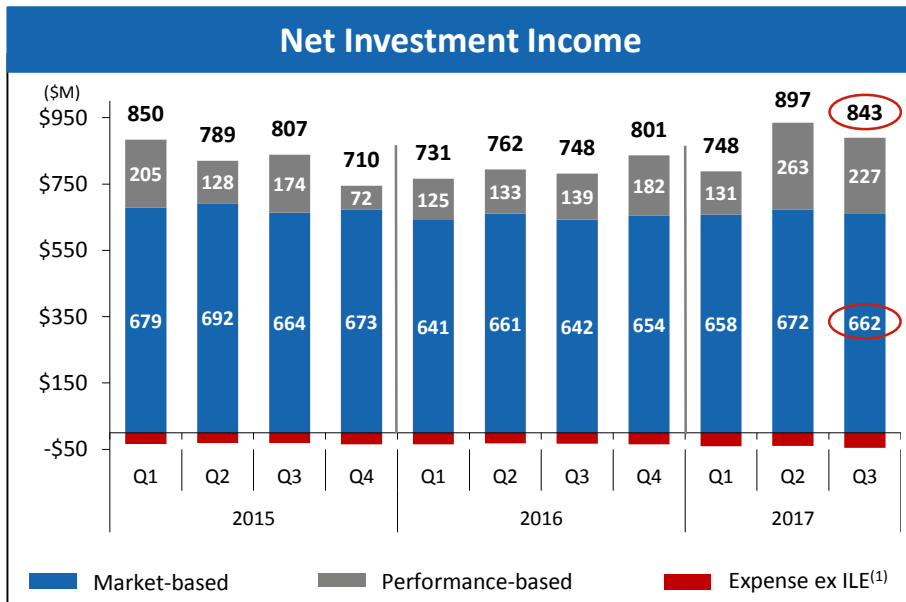
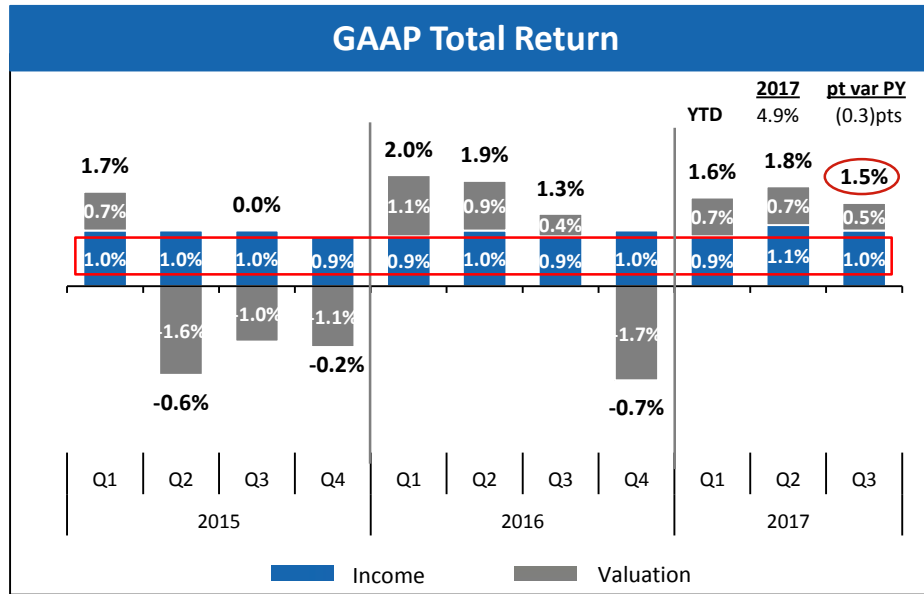
⁽¹⁾ Numbers prior to the first quarter of 2017 precede the acquisition of SquareTrade

⁽²⁾ Excludes amortization of purchased intangible assets, after-tax

⁽³⁾ Defined as operating income excluding acquisition related purchase accounting fair value adjustments, after-tax



Strong Investment Results Benefited From Favorable Markets



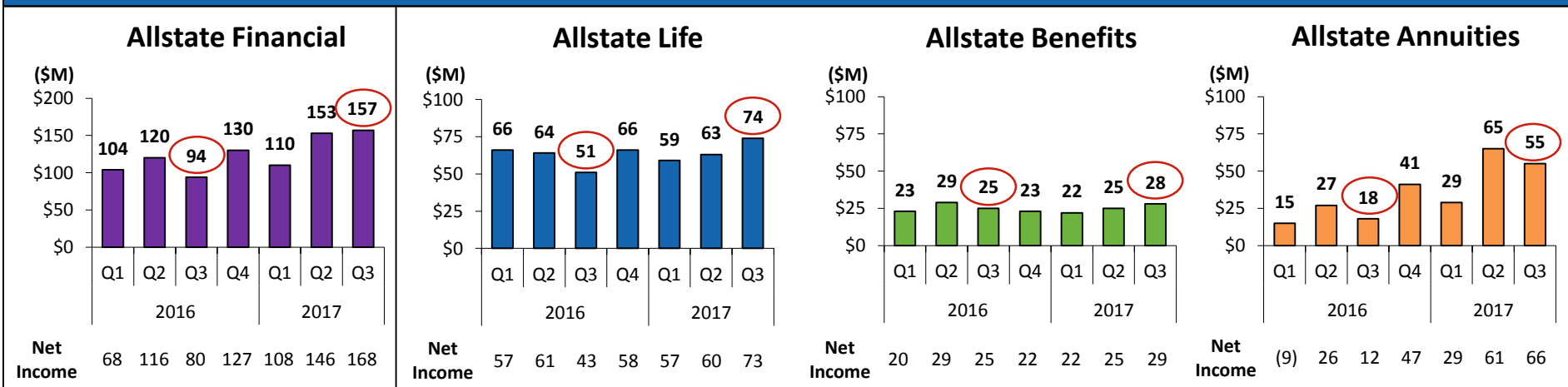
⁽¹⁾ Investee level expenses (ILE) comprise depreciation and asset level operating expenses and are netted against market-based and performance-based income
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Allstate Financial Operating Income Increased, Reflecting Strong Performance-based Investment Income and Favorable Mortality

Allstate Financial Results				
(\$ in millions)	Q3	Var PY	YTD	Var PY
Premiums / Contract Charges	\$593	3.9%	\$1,777	4.5%
Margins:				
Benefit Spread	192	38.1%	526	10.7%
Investment Spread	163	38.1%	485	42.6%
Operating Expenses	130	3.2%	395	6.8%
Net Income	168	110.0%	422	59.8%
Operating Income	157	67.0%	420	32.1%

Allstate Financial Operating Income Trend By Business





Continued Capital Strength and Financial Flexibility

Capital Position		
	9/30/2017	9/30/2016
Return on Common Shareholders' Equity ⁽¹⁾		
- Net Income	13.5%	7.4%
- Operating Income*	13.9%	9.4%
Total Shareholders' Equity (\$ in millions)	\$22,119	\$20,934
Debt-to-Capital Ratio	22.3%	19.6%
Book Value per Common Share	\$55.69	\$51.48
Deployable Holding Company Assets (\$ in billions)	\$2.5	\$2.7
Common Shares Outstanding (millions)	359.8	368.1

- Returned \$1.24 billion to common shareholders through the first nine months of 2017
 - Repurchased 10 million common shares for \$845 million; \$1.85 billion remains on current program
 - Paid \$391 million in common shareholder dividends

⁽¹⁾ Trailing twelve months



Forward-Looking Statements

Forward-Looking Statements

This presentation contains “forward-looking statements” that anticipate results based on our estimates, assumptions and plans that are subject to uncertainty. These statements are made subject to the safe-harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements do not relate strictly to historical or current facts and may be identified by their use of words like “plans,” “seeks,” “expects,” “will,” “should,” “anticipates,” “estimates,” “intends,” “believes,” “likely,” “targets” and other words with similar meanings. We believe these statements are based on reasonable estimates, assumptions and plans. 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 include risks related to: (1) adverse changes in the nature and level of catastrophes and severe weather events; (2) our catastrophe management strategy on premium growth; (3) unexpected increases in the frequency or severity of claims; (4) regulatory changes, including limitations on rate increases and requirements to underwrite business and participate in loss sharing arrangements; (5) impacts from the Covered Agreement, including changes in state insurance laws; (6) the cyclical nature of the property and casualty business; (7) market convergence and regulatory changes on our risk segmentation and pricing; (8) reestimates of reserves for claims; (9) adverse legal determinations regarding discontinued product lines and other legal and regulatory actions; (10) changes in underwriting and actual experience; (11) changes in reserve estimates for life-contingent contract benefits payable; (12) the influence of changes in market interest rates or performance-based investment returns on spread-based products; (13) changes in estimates of profitability on interest-sensitive life products; (14) reducing our concentration in spread-based business and exiting certain distribution channels; (15) changes in tax laws; (16) our ability to mitigate the capital impact associated with statutory reserving and capital requirements; (17) a decline in Lincoln Benefit Life Company’s financial strength ratings; (18) market risk and declines in credit quality relating to our investment portfolio; (19) our subjective determination of the fair value of our fixed income and equity securities and the amount of realized capital losses recorded for impairments of our investments; (20) competition in the insurance industry; (21) impacts of new or changing technologies on our business; (22) conditions in the global economy and capital markets; (23) losses from legal and regulatory actions; (24) restrictive regulation and regulatory reforms; (25) the availability of reinsurance at current levels and prices; (26) risk of our reinsurers; (27) our participation in state industry pools and facilities; (28) a downgrade in our financial strength ratings; (29) the effect of adverse capital and credit market conditions; (30) failure in cyber or other information security; (31) the impact of a large scale pandemic, the threat or occurrence of terrorism or military action; (32) acquisitions of businesses; (33) possible impairments in the value of goodwill; (34) changes in accounting standards; (35) the realization of deferred tax assets; (36) restrictions on our subsidiaries’ ability to pay dividends; (37) restrictions under the terms of certain of our securities on our ability to pay dividends or repurchase our stock; (38) changing climate and weather conditions; (39) loss of key vendor relationships or failure of a vendor to protect confidential and proprietary information; and (40) intellectual property infringement, misappropriation and third party claims. Additional information concerning these and other factors may be found in our filings with the Securities and Exchange Commission, including the “Risk Factors” section in our most recent annual report on Form 10-K. Forward-looking statements speak only as of the date on which they are made, and we assume no obligation to update or revise any forward-looking statement.