

THE ALLSTATE CORPORATION
U.S. GAAP TO STATUTORY RECONCILIATION
(\$ in millions)

	Net income		Net income		Shareholders' equity	
	Three months ended		Twelve months ended		As of	
	Dec 31, 2017	Dec 31, 2016	Dec 31, 2017	Dec 31, 2016	Dec 31, 2017	Dec 31, 2016
Balance per accounting principles generally accepted in the United States of America	\$ 1,249	\$ 840	\$ 3,189	\$ 1,877	\$ 22,551	\$ 20,573
Consolidation differences	195	76	276	98	3,068	2,081
Unrealized gains and losses on investments	-	-	-	-	(1,533)	(1,333)
Deferred policy acquisition costs	(2)	16	(73)	(23)	(3,196)	(3,164)
Deferred income taxes	(368)	37	(156)	186	1,410	2,195
Reserves and non-admitted assets	(56)	(133)	(135)	(250)	(3,737)	(3,720)
Goodwill	-	-	-	-	(470)	(595)
Realized capital gains and losses	(50)	99	(140)	10	473	378
Intercompany dividends included in statutory net income	213	-	729	-	-	-
Other	(7)	(56)	(313)	(181)	64	404
Balance per statutory accounting practices	<u>\$ 1,174</u>	<u>\$ 879</u>	<u>\$ 3,377</u>	<u>\$ 1,717</u>	<u>\$ 18,630</u>	<u>\$ 16,819</u>
Balances by business type:						
Property and casualty insurance ⁽¹⁾	\$ 1,110	\$ 772	\$ 3,050	\$ 1,520	\$ 14,904 ⁽³⁾	\$ 13,436 ⁽³⁾
Life insurance ⁽²⁾	<u>64</u>	<u>107</u>	<u>327</u>	<u>197</u>	<u>3,726</u> ⁽⁴⁾	<u>3,383</u> ⁽⁴⁾
Balance per statutory accounting practices	<u>\$ 1,174</u>	<u>\$ 879</u>	<u>\$ 3,377</u>	<u>\$ 1,717</u>	<u>\$ 18,630</u>	<u>\$ 16,819</u>

⁽¹⁾ As reported in the annual statement for property and casualty companies under statutory accounting principles. Includes auto, homeowners, and other personal lines insurance products.

⁽²⁾ As reported in the annual statement for life and accident and health companies under statutory accounting principles. Includes life insurance, voluntary accident and health insurance, and annuity products.

⁽³⁾ As of December 31, 2017, property and casualty insurance capital and surplus reflects Allstate Insurance Company ("AIC") capital and surplus of \$17,454 million excluding its investment in Allstate Life Insurance Company ("ALIC") of \$3,408 million, plus the capital and surplus of First Colonial Insurance Company ("FCIC"), Esurance Insurance Company ("ESIC"), Allstate Indemnity Company ("AI"), Allstate Fire and Casualty Insurance Company ("AFCIC") and Allstate Property and Casualty Insurance Company ("APC") of \$134 million, \$165 million, \$103 million, \$240 million and \$216 million, respectively. As of December 31, 2016, property and casualty insurance capital and surplus reflects AIC's capital and surplus of \$15,560 million excluding its investment in ALIC of \$3,047 million, plus the capital and surplus of FCIC, ESIC, AI, AFCIC and APC of \$152 million, \$164 million, \$111 million, \$259 million and \$237 million, respectively.

⁽⁴⁾ As of December 31 2017, life insurance capital and surplus reflects the capital and surplus of ALIC of \$3,408 million, plus the capital and surplus of American Heritage Life Insurance Company ("AHL") of \$306 million excluding its investment in FCIC of \$134 million plus the capital and surplus of Allstate Assurance Company ("AAC") of \$136 million, and the capital and surplus of Intramerica of \$10 million. As of December 31, 2016, life insurance capital and surplus reflects the capital and surplus of ALIC of \$3,047 million, plus the capital and surplus of AHL of \$344 million excluding its investment in FCIC of \$152 million plus the capital and surplus of AAC of \$134 million and the capital and surplus of Intramerica of \$10 million.