

***The Allstate Corporation – Earnings Call Presentation
Second Quarter 2011***



Allstate®

You're in good hands.

August 1, 2011



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 2010 Form 10-K, Form 10-Q for the second quarter 2011, and in our most recent earnings release, available on our website, allstate.com. This presentation also contains some non-GAAP measures. You can find the reconciliation of those measures to GAAP measures on the Investor Relations portion of our website, allstate.com, under the “Quarterly Investor Info” link.



Progress made on 2011 Priorities (2Q 11 vs. 2Q 10)

Improve Operating Results

- Underlying combined ratios for standard auto, homeowners and Property-Liability improved.
- Operating income for Allstate Financial increased 12.8%.
- Investment portfolio yields increased through proactive risk mitigation and return optimization.

Grow Our Businesses Profitably

- Allstate brand standard auto policies in force declined in total, but increased excluding Florida and New York, with 30 states showing growth.
- Homeowners premium written increased 2.6% driven by rate increases taken to improve profitability.
- Canada and specialty lines showing strong growth in premiums and policies in force.
- Allstate Financial premiums and contract charges on underwritten products increased, driven by Allstate Benefits.

Reinventing Protection and Retirement for the Consumer

- Claim Satisfaction Guarantee currently in four states.
- Continued rollout of Good Hands Roadside and Drive WiseSM.
- Allstate Financial new product introductions and alliance made with Aetna and Allstate Benefits.



Property-Liability... a Balance of Growth and Profit

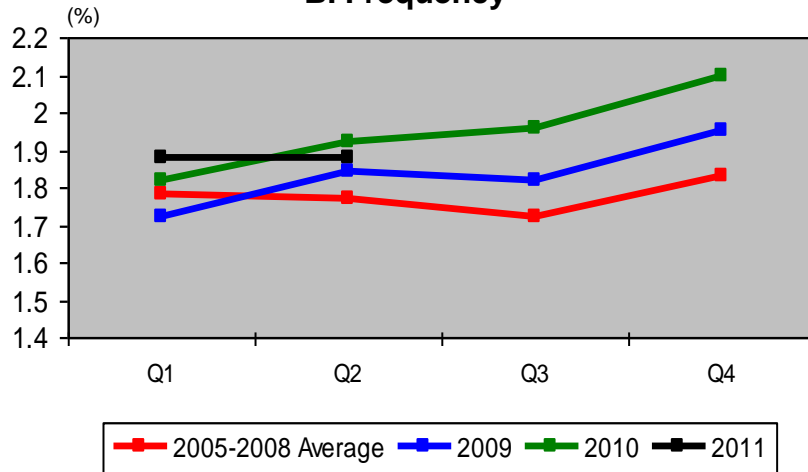
	2010				2011	
	Q1	Q2	Q3	Q4	Q1	Q2
<i>Net Written Premium (\$ in millions)</i>						
Total	\$6,258	\$6,640	\$6,767	\$6,242	\$6,215	\$6,611
Standard Auto ⁽¹⁾	4,023	3,948	4,028	3,843	3,984	3,911
Homeowners ⁽¹⁾	1,189	1,565	1,610	1,389	1,225	1,606
All Other	1,046	1,127	1,129	1,010	1,006	1,094
<i>Standard Auto⁽¹⁾</i>						
New Issued Applications (% PY)	(10.9)	0.4	2.5	7.8	11.9	(5.2)
Renewal Ratio (%)	88.8	89.0	88.7	88.4	88.9	89.2
<small>(1) Allstate Brand</small>						
<i>Combined Ratio</i>	98.9	96.8	95.9	100.8	94.9	123.3
<i>Underlying Combined Ratio⁽²⁾</i>	89.1	88.1	89.2	92.0	89.9	87.5
<small>(2) Excludes catastrophe losses and prior year reserve reestimates</small>						
<i>Catastrophes (\$ in millions)</i>						
<i>Recorded</i>	\$648	\$636	\$386	\$537	\$333	\$2,339
<i>Excl. Prior Year Reserve Reestimates</i>	663	719	428	560	367	2,356

2011 Underlying Combined Ratio Outlook Range of 88-91

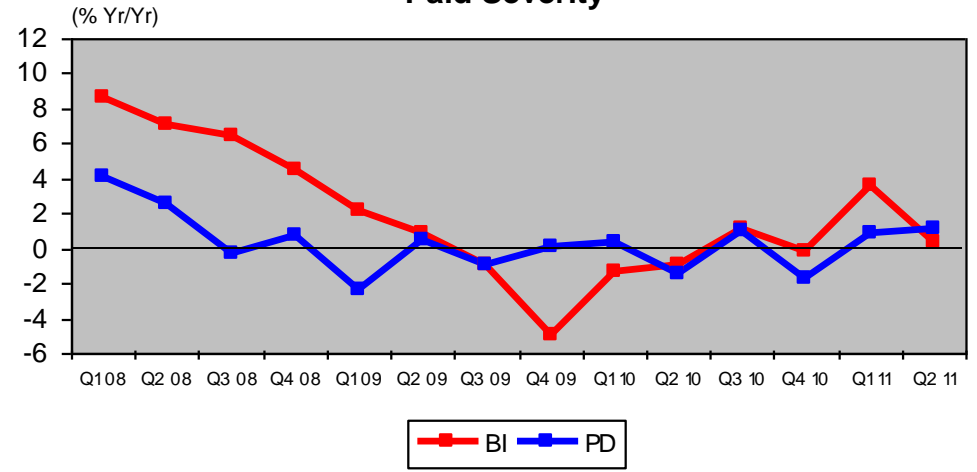


Auto Underlying Profitability Reflected Lower Claim Frequencies

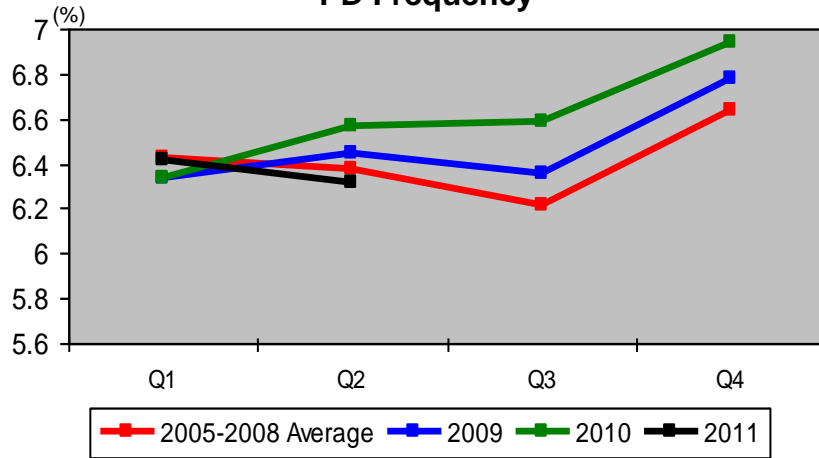
BI Frequency



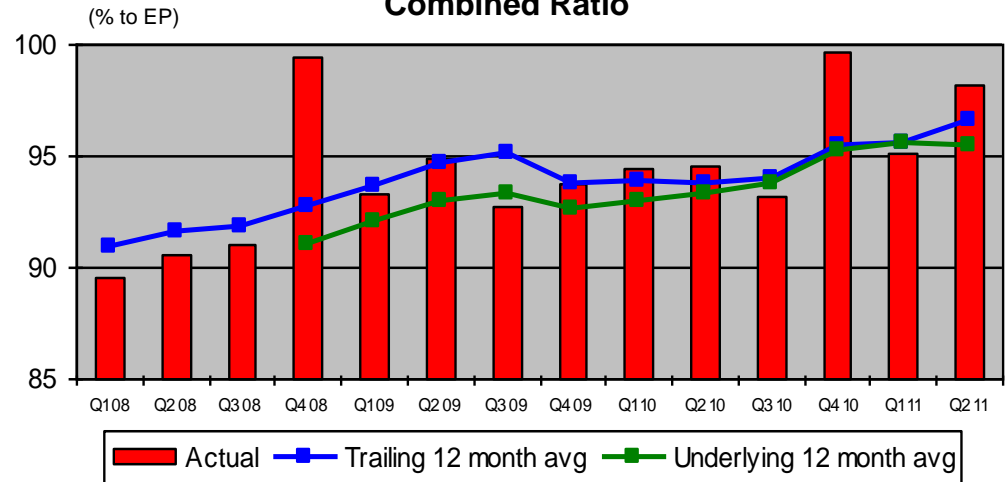
Paid Severity⁽¹⁾



PD Frequency



Combined Ratio

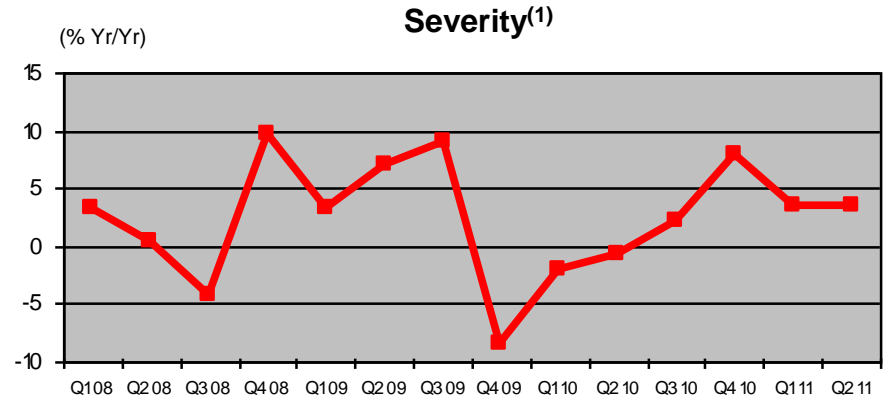
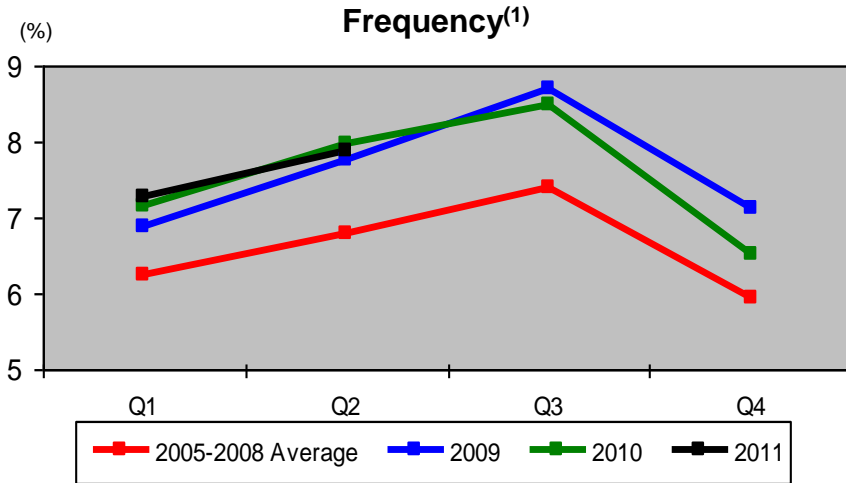


(1) Paid Severity is for Allstate Brand Total Auto.

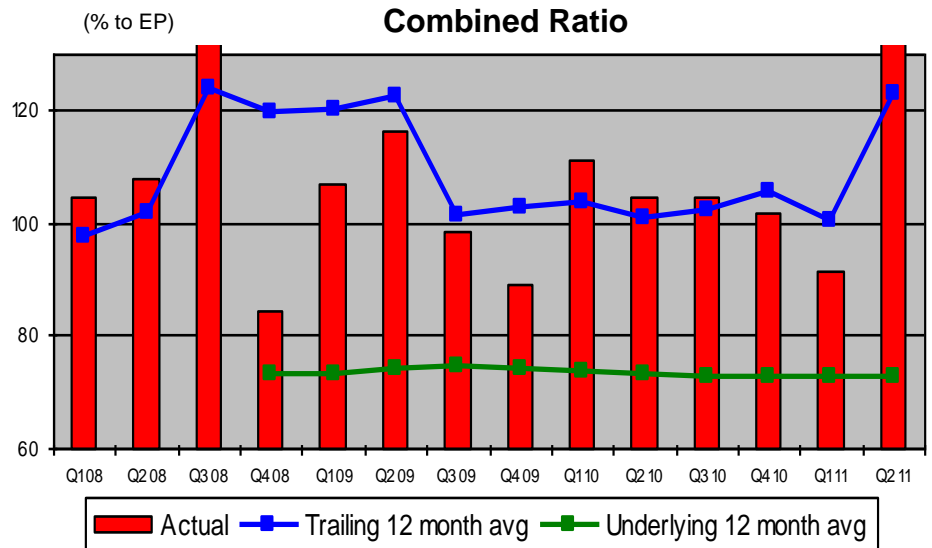
Frequency and Combined Ratio Charts are for Allstate Brand Standard Auto.



Homeowners Profitability Impacted by Catastrophes



	Q2 2011	Q2 2010	Variance
Earned Premium (\$ millions)	\$1,457	\$1,416	2.9%
Underlying Combined Ratio (%)	69.5	69.8	(0.3) pts
Catastrophe Losses	123.2	34.7	88.5 pts
Non-cat Reserve Reestimates	<u>0.7</u>	<u>(0.1)</u>	<u>0.8 pts</u>
Combined Ratio	193.4	104.4	89.0 pts



(1) Excluding Catastrophe Losses

Data for Allstate Brand Homeowners



Allstate Financial Improved Financial Performance

(\$ in millions)

	2010				2011	
	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>Q1</u>	<u>Q2</u>
Total Premiums and Contract Charges	\$544	\$545	\$548	\$531	\$569	\$547
Underwritten Products	504	504	513	511	517	524
<hr/>						
Benefit Spread	142	99	141	127	155	161
Investment Spread	129	134	127	107	131	142
Operating Costs and Expenses	(120)	(116)	(118)	(115)	(109)	(110)
Operating Income	139	125	108	104	116	141
Net Income (Loss)	4	(107)	85	76	97	166

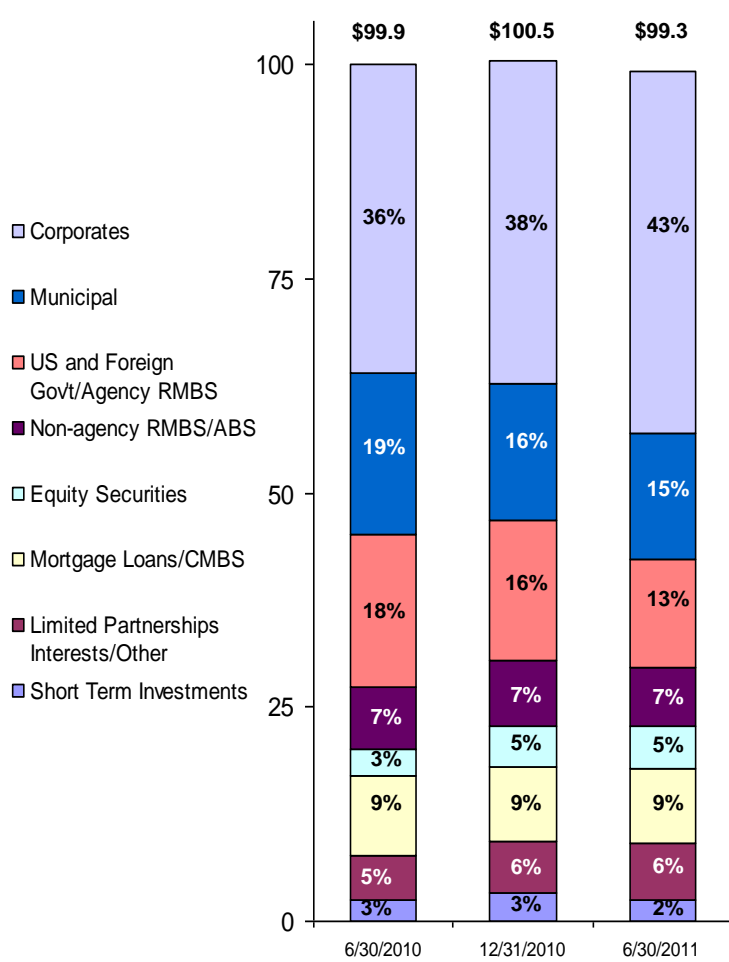
Compared to the Second Quarter of 2010:

- Operating income increased 12.8% due to increases in both the benefit and investment spread.
- Benefit spread increased due to unfavorable reserve reestimates in 2010 and increases at Allstate Benefits.
- Investment spread increased due to improved portfolio yields and lower crediting rates more than offsetting declines in the spread-based business in force.
- Net income increased due to net realized capital gains versus net realized capital losses in the 2010 quarter.

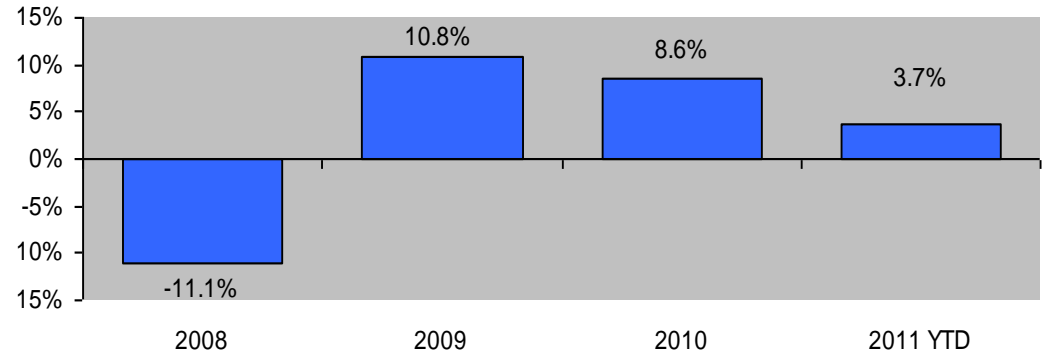


Proactive Portfolio Management to Optimize Returns

Fair Value (\$ in billions)

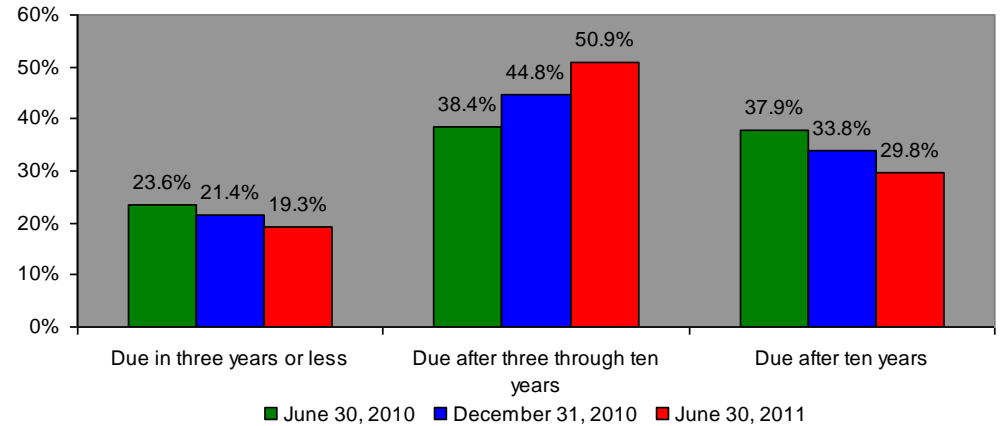


Total Portfolio Returns



GAAP Pre-Tax Total Return = (Net Investment Income, Realized Capital Gain/Loss and Change in Unrealized Gain/Loss) / Average Market Value of Invested Assets

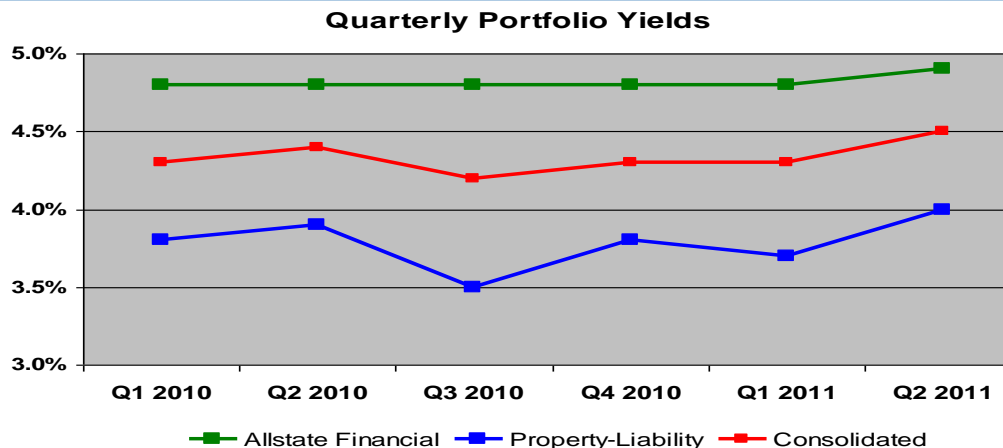
Fixed Income by Scheduled Maturity Date*



*Excludes Residential mortgage-backed and asset-backed securities due to potential for prepayment



Overall Portfolio Yields Improved



(\$ in millions)

	2010				2011	
	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>Q1</u>	<u>Q2</u>
Net Investment Income	\$1,050	\$1,049	\$1,005	\$998	\$982	\$1,020
<i>Property-Liability</i>	\$304	\$310	\$284	\$291	\$284	\$310
Net investment income variance to prior year quarter	\$(40)	\$(24)	\$(42)	\$(33)	\$(20)	\$ ---
Due to change in average invested assets	20	10	---	(2)	---	(6)
Due to yields (including risk mitigation actions) and other factors	(60)	(34)	(42)	(31)	(20)	6
Allstate Financial	\$731	\$723	\$707	\$692	\$684	\$694
Net investment income variance to prior year quarter	\$(88)	\$(41)	\$(37)	\$(45)	\$(47)	\$(29)
Due to change in average invested assets	(48)	(47)	(44)	(43)	(45)	(47)
Due to yields (including risk mitigation actions) and other factors	(40)	6	7	(2)	(2)	18

- Overall portfolio yields improved during the quarter as a result of yield enhancement actions on fixed income securities, seasonal foreign equity dividends, and limited partnership distributions.
- Investment income decreased from the second quarter of 2010 due to expected reductions in Allstate Financial's portfolio.



Improved Realized and Unrealized Net Capital Gains Drive Returns

(\$ in millions)

2010				2011	
<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>Q1</u>	<u>Q2</u>

Realized Net Capital Gains & Losses

Impairment write-downs	\$(223)	\$(239)	\$(137)	\$(198)	\$(114)	\$(70)
Change in intent write-downs	<u>(32)</u>	<u>(67)</u>	<u>(30)</u>	<u>(75)</u>	<u>(69)</u>	<u>(16)</u>
Net Other-Than-Temporary Impairment	(255)	(306)	(167)	(273)	(183)	(86)
Sales	88	145	319	134	283	141
Derivatives	(185)	(310)	(285)	179	(67)	(53)
Limited Partnerships - EMA	<u>4</u>	<u>20</u>	<u>(11)</u>	<u>76</u>	<u>63</u>	<u>55</u>
TOTAL	\$(348)	\$(451)	\$(144)	\$116	\$96	\$57

Unrealized Net Capital Gains & Losses

Fixed income	\$(1,202)	\$500	\$2,407	\$826	\$950	\$1,912
Equity	371	(102)	260	583	645	625
Other	<u>(18)</u>	<u>2</u>	<u>(17)</u>	<u>(22)</u>	<u>(23)</u>	<u>(29)</u>
TOTAL	\$(849)	\$400	\$2,650	\$1,387	\$1,572	\$2,508

➤ Improved unrealized net capital gains and losses during 2011 were primarily driven by a declining interest rate environment.



Strong Capital Position, Repurchases Totaled \$232 million

(\$ in billions, except per share data)

<u>Capital Position</u>	<u>6/30/10</u>	<u>12/31/10</u>	<u>3/31/11</u>	<u>6/30/11</u>
Shareholders' Equity	\$18.0	\$19.0	\$19.3	\$18.8
Book Value per Share	33.24	35.32	36.51	35.95
Statutory Surplus: AIC*	14.9	15.4	15.9	15.0 est.
ALIC	3.2	3.3	3.4	3.5 est.
Holding Company Level Invested Assets	3.1	3.8	3.7	3.5

*Includes statutory surplus of ALIC

- A \$238 million dividend from AIC to the holding company was made during the second quarter of 2011.
- Share repurchases totaled \$232 million during the second quarter of 2011, and \$308 million remained on the \$1 billion share repurchase program.



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