The Allstate Corporation – Earnings Call Presentation
Second Quarter 2009

Allstate®

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August 6, 2009

Safe Harbor

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 2008 Form 10-K, Form 10-Q for the second quarter 2009, 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 Information" link.

The Allstate Corporation's 2009 Priorities

- Keep Allstate financially strong
  - Solid auto combined ratio
  - High catastrophe losses
  - Excellent investment results
  - Allstate Financial repositioning on track
- Improve customer loyalty
- Reinvent protection and retirement for the consumer

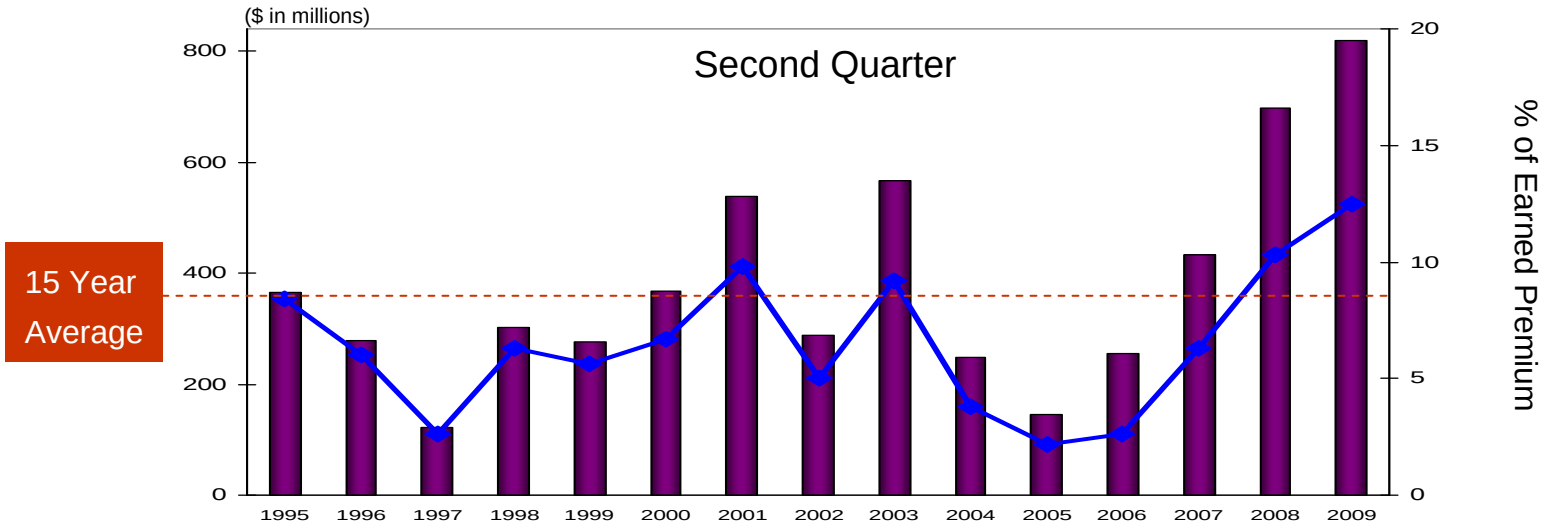
Strong Auto Results Offset by Catastrophe Activity

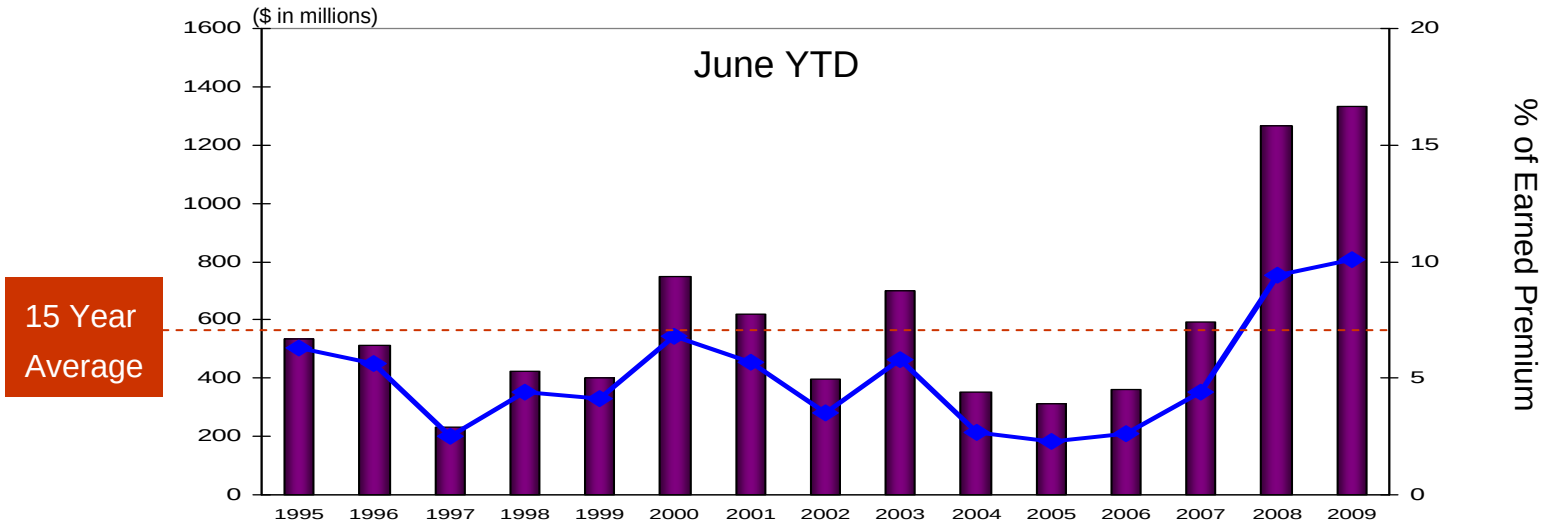
	2008				2009	
	Q1	*Q2*	*Q3*	*Q4*	*Q1*	*Q2*
Net Written Premium ($ in billions)						
Total	6.51	6.80	6.97	6.30	6.27	6.62
Standard Auto*	4.08	3.96	4.05	3.83	3.98	3.88
Homeowners*	1.19	1.53	1.58	1.35	1.17	1.53
All Other	1.24	1.31	1.34	1.12	1.12	1.21
*Standard Auto**						
New Issued Applications (% PY)	(13.7)	(6.7)	(2.7)	(6.4)	14.8	11.0
Retention (%)	89.0	89.1	88.9	88.6	88.6	89.0
Combined Ratio	94.0	94.4	112.7	96.4	96.8	100.0
Underlying Combined Ratio (1)	85.8	84.1	85.9	91.5	88.9	87.2
Catastrophes ($ in millions)(2)	451	687	1,819	260	576	817

(1) Excludes catastrophe losses and prior year reserve re-estimates.
(2) Excludes prior year reserve re-estimates.

* Allstate Brand

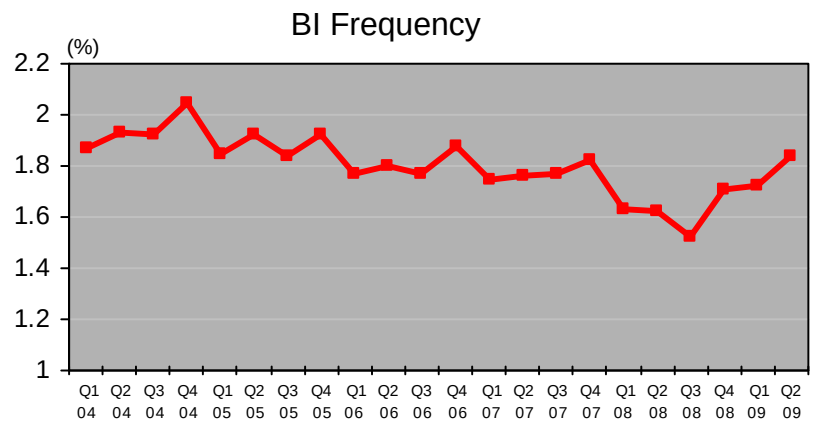
Catastrophe Losses Continue to Run Above Historical Norms

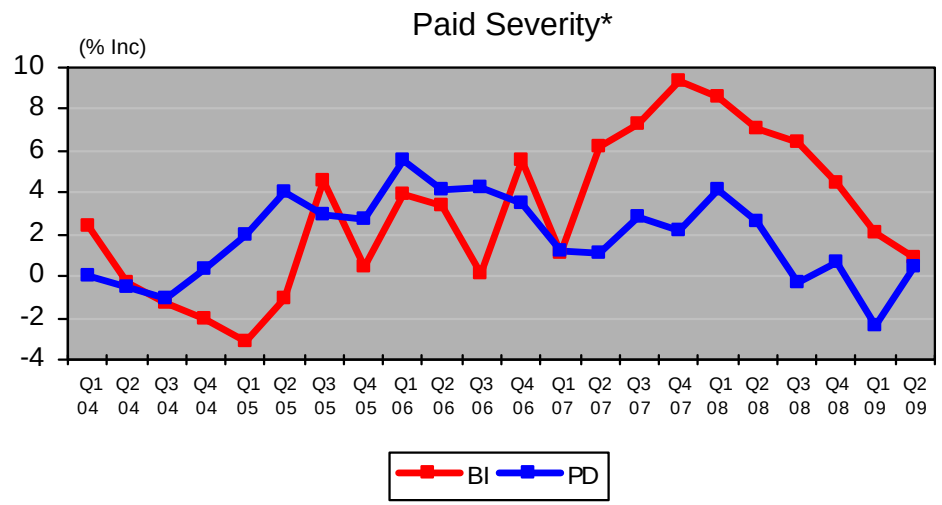


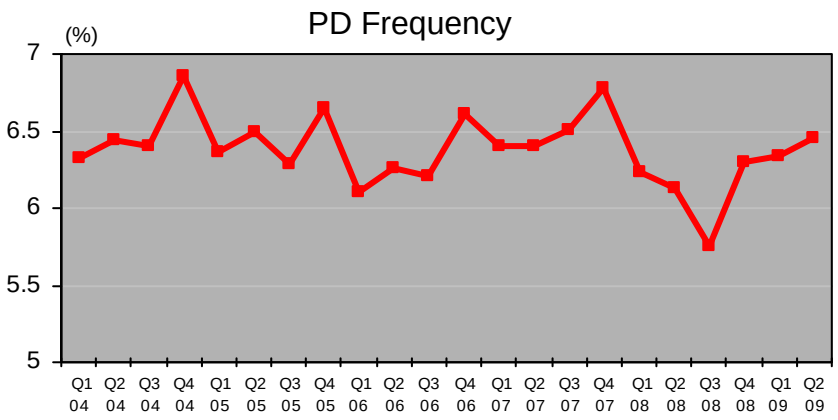


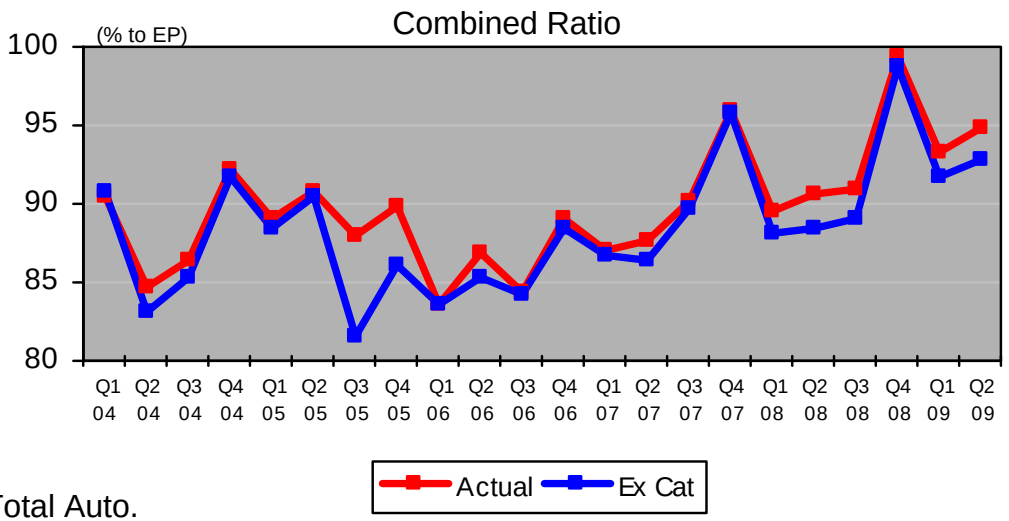
➢Catastrophe losses were the highest second quarter and first six months on record

Auto Loss Trends Mixed . . . Margin Remains Strong









*Paid Severity is for Allstate Brand Total Auto.

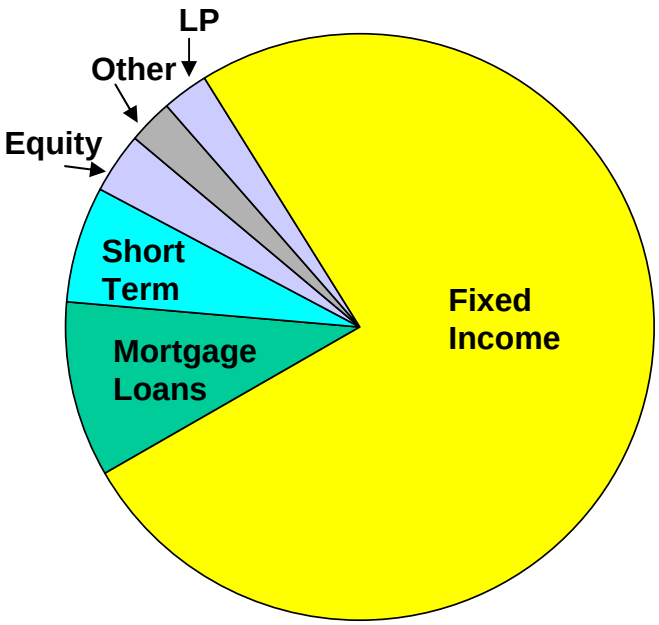
Frequency and Combined Ratio Charts are for Allstate Brand Standard Auto.

Allstate Financial "Focus to Win" Program is on Track

($ in millions)	Three Months Ended June 30		
	2008	2009	% Change
Premiums and Deposits	$4,453	$1,399	(68.6)
Benefit Spread	127	131	3.1
Investment Spread	242	63	(74.0)
Operating Costs and Expenses	125	105	(16.0)
Operating Income	118	65	(44.9)
Net Income (Loss)	(379)	19	NM

- "Focus to Win" will reduce expenses and improve returns
- Management actions have reduced premiums and deposits and investment spread

Investment Asset Allocation Continues to Reflect Risk Mitigation & Return Optimization



Total @ 6/30/2009 = $96.5 Billion

($ in billions)

Fixed Income	Carrying Value	% to Total
Corporate	$30.0	31.1
Municipal	23.1	23.9
RMBS	7.5	7.8
US Gov't.	4.2	4.4
CMBS	3.2	3.3
For Gov't.	2.7	2.8
ABS	2.1	2.2
	$72.8	75.5
Mortgage Loans	$9.4	9.7
Short Term	6.1	6.3
Ltd. Partnerships	2.5	2.6
Equities	3.3	3.4
Other	2.4	2.5
	$96.5	100.0

- Commercial real estate exposure reduced by $1.2 billion since March 31, 2009
- Duration for interest-sensitive assets shortened 8% since March 31, 2009
- Retaining exposure to credit spreads
- Deployed more than $5 billion of short-term assets and cash receipts into securities to generate income and capital appreciation

Investment Results Strengthen Due to Proactive Management

($ in millions)

	2008				2009	
	Q1	*Q2*	*Q3*	*Q4*	*Q1*	*Q2*
Net Investment Income	$1,526	$1,412	$1,355	$1,329	$1,176	$1,108
% Change to Prior Year Quarter	(2.9)	(113.6)	(15.5)	(18.3)	(22.9)	(21.5)
Realized Capital Gains & Losses						
Sales	$103	$(73)	$(137)	$(357)	$418	$263
Impairments	(415)	(250)	(666)	(652)	(620)	(291)
Limited Partnerships - EMA	--	--	--	(97)	(143)	(37)
Change in Intent	(43)	(1,015)	(453)	(241)	(105)	(26)
Derivatives	(300)	123	(32)	(585)	91	419
TOTAL	$(655)	$(1,215)	$(1,288)	$(1,932)	$(359)	$328

- Declines in investment income reflect lower investment yields and lower average asset balances
- As part of duration reductions, gains on sales were taken on securities more sensitive to rising interest rates

Improved Capital Markets Benefit Investments and Capital Position

($ in millions)

	Unrealized Net Capital Gains and Losses				
	December 31, 2008	March 31, 2009	June 30, 2009		
				4/1/09 Impact of FSP 115-2	
Structured (RMBS, CMBS, ABS)	$(4,787)	$(5,078)	$(4,239)	$(801)	$(5,040)
Corporate	(3,413)	(3,452)	(1,285)	(265)	(1,550)
Municipal	(1,717)	(1,225)	(944)	(81)	(1,025)
Other Fixed Income	1,421	871	493	(2)	491
Total Fixed Income	(8,496)	(8,884)	(5,975)	(1,149)	(7,124)
Equities	(332)	(537)	(186)	--	(186)
Other Investments	14	17	(15)	--	(15)
Total Unrealized Net Capital Loss, pre-tax	($8,814)	$(9,404)	$(6,176)	$(1,149)	$(7,325)

- Unrealized improvement of $3.2 billion ($2.1 billion net of the impact of a change in accounting) since March 31, 2009
- Proactive strategy to retain credit exposures paid off during the quarter as spreads tightened

Capital Strength and Liquidity Improved

($ in billions)	December 31, 2008	March 31, 2009	June 30, 2009	
Capital Position				
Shareholders' Equity	$12.64	$12.24	$15.07	
Holding Company Level Invested Assets	3.64	3.35	3.38	
Statutory Surplus: AIC*	13.02	13.09	13.8	est.
ALIC	3.24	3.46	3.4	est.

***Includes Statutory Surplus of ALIC**

- $1 billion of debt issued in May
- Declined TARP funds

	June 30, 2009	
	Same Day/Next Day	Within 90 Days
Liquidity		
Holding Company Level	$ 1.7	$ 2.9
Property-Liability	0.8	13.2
Allstate Financial	1.2	10.2
Total	$3.7	$26.3
% of Cash and Investments	8.0%	27.1%

- $1.4 billion of Allstate Financial institutional product liabilities redeemed as part of cash tender offers

Impact of Adopting FSP FAS 115-2

Changed accounting for other-than-temporary impairments (OTTI) on fixed income securities

- Write-downs included in realized losses (net income/retained earnings) to the extent expected cash flows have permanently declined. Other declines in fair value are reflected in unrealized losses (other comprehensive income).
- A change in intent realized loss occurs when you intend to sell or will "more likely than not" be required to sell. (Previously a loss was realized if intent to hold to recovery of cost could not be asserted.)

Realized losses were reclassified to unrealized losses. This reclassification also caused:

- A related DAC reclassification
- A reduction of the Deferred Tax Valuation Allowance

Net Impact of Adoption (in millions):

Deferred Tax Asset	$285
Total Assets	$285

Retained Earnings, after-tax	$863
Unrealized Net Capital Gains & Losses, after tax	(578)
Total Shareholders' Equity	$285

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