The Allstate Corporation – Earnings Call Presentation
Second Quarter 2012

Allstate®

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Wednesday, August 1, 2012

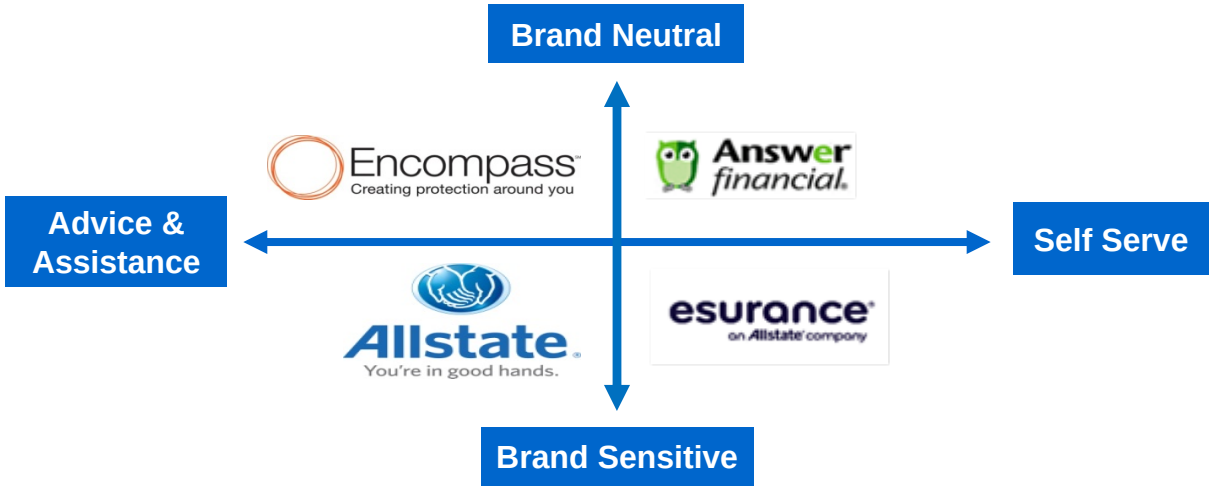
Safe Harbor

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 2011 Form 10-K, Form 10-Q for the second quarter 2012, 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 and “Conference Call Archive” link. Certain historical information has not been adjusted to reflect our retrospective adoption of the new deferred policy acquisition costs (“DAC”) accounting guidance.

Allstate Strategy and Priorities

Overall Strategy

- Offer unique protection products to distinct consumer segments



2012 Priorities

- Maintain auto profitability
- Raise returns in the homeowners and annuity businesses
- Grow insurance premiums
- Proactively manage investments and capital

Longer-Term Focus

- Position products and distribution platforms to meet the needs of consumers.
- Generate long-term shareholder value. . .2014 operating return on equity goal of 13%

2012 Results . . . Continued Progress on Strategy and Priorities

Consolidated Results

- **Net income of $423 million versus a net loss of $624 million in Q2 2011**
- **Operating income of $432 million. . . $.87 per diluted share**
- **Book value per share of $39.73. . . Up 12.8% from Q2 2011 and 9.8% from Q4 2011**
- **Return on Equity. . . 11.0% and 11.4% on a net and operating income basis, respectively**

2012 Priorities

- **Maintain auto profitability**
  - **Allstate brand standard auto underlying combined ratio of 93.4, improved slightly from Q2 2011**
- **Raise returns in the homeowners and annuity business**
  - **Improved Allstate brand homeowners profitability with underlying combined ratio of 64.6**
  - **Annuity returns were unchanged**
- **Grow insurance premiums**
  - **Overall net premiums written grew 3.8% from Q2 2011, reflecting the acquisition of Esurance and growth in Emerging Businesses and Encompass**
- **Proactively manage investments and capital**
  - **Total return on Investment portfolio of 3.8% for the first six months of 2012**
  - **Repurchased shares worth $275 million in Q2 2012**

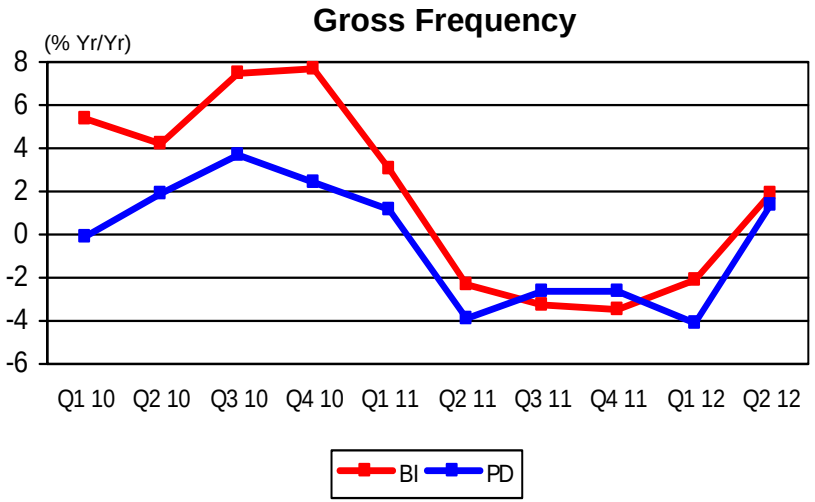
Property-Liability Results . . . Top Line Growth Mixed, Profitability Strong

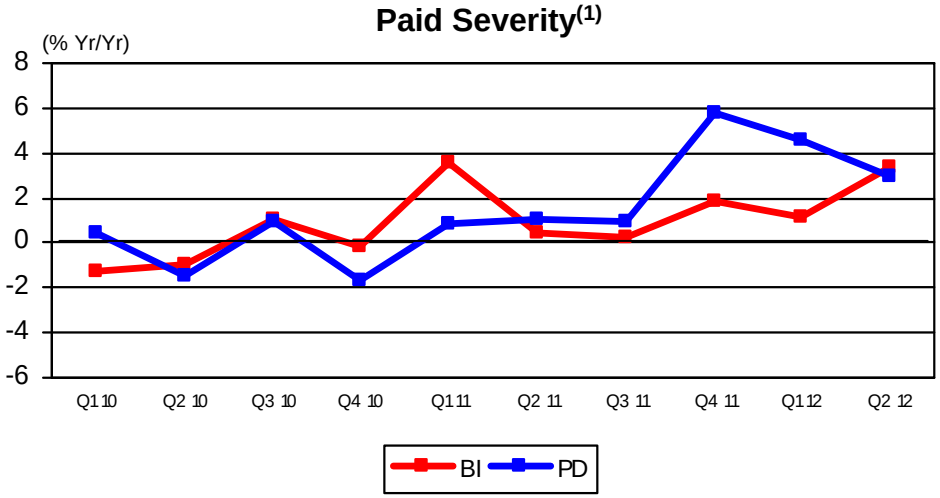
Net Written Premium	Q2 2012 ($M)	Var to PY (%)
Property-Liability	6,864	3.8
Allstate Brand		
Standard Auto	3,903	-.2
Non-Standard	174	-11.7
Homeowners	1,639	2.1
All Other	635	1.8
	6,351	.2
Encompass	289	5.9
Esurance	224	N/A

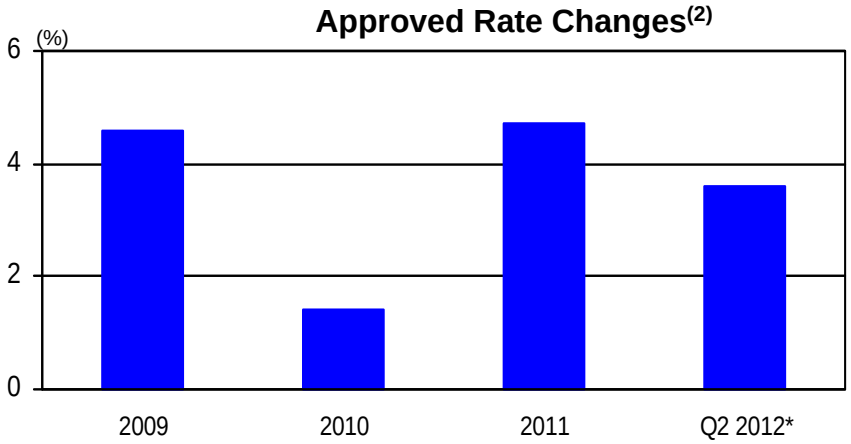
Policies in Force	Q2 2012 (000)	Var. To PYE (%)	Var. To PY (%)
Property-Liability	32,994	-.6	.6
Allstate Brand			
Standard auto (US)	17,046	-1.0	-2.1
Homeowners (US)	6,147	-3.5	-6.2
Emerging Business	6,223	.4	.7
Canada	956	3.5	6.3
Encompass	1,140	2.2	1.7
Esurance	892	13.5	N/A

Combined Ratio	Q2 2012 (%)	Q2 2011 (%)	Change (Pts.)
Recorded	98.0	123.3	-25.3
Catastrophe Losses	12.3	36.2	-23.9
Non-Catastrophe Pr. Yr. Reserve Reestimates	-1.0	-.4	-.6
Business Combination Expense and Amortization of Purchased Intangible Assets	.4	--	.4
Underlying	86.3	87.5	-1.2

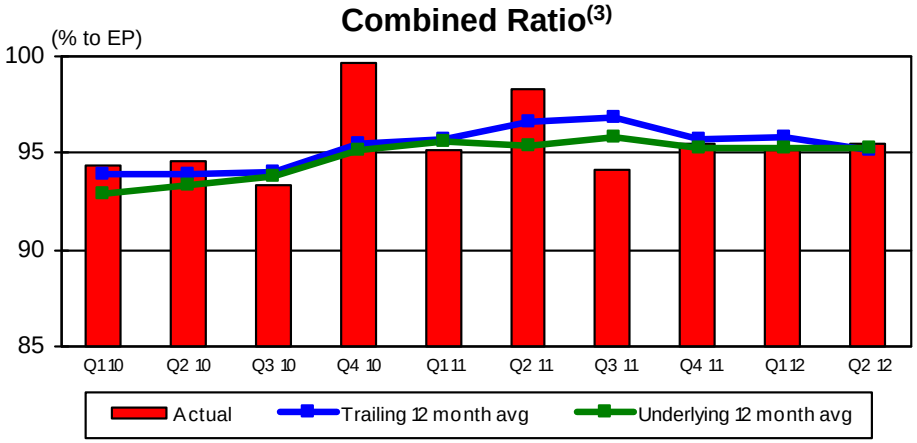
Margins Maintained in Standard Auto







*4 Quarter Moving Average



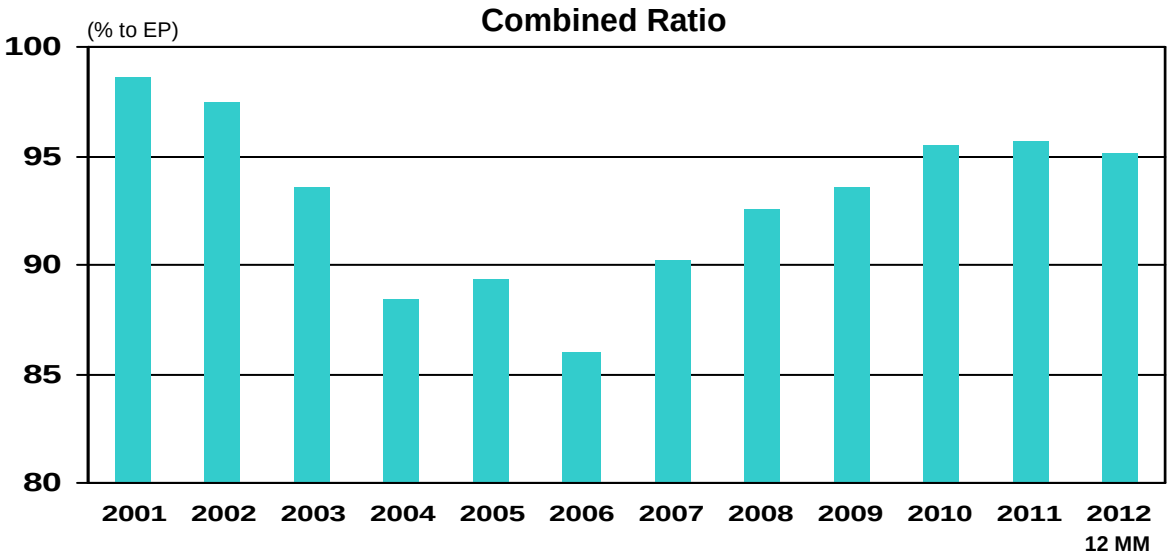
(1) Paid Severity is for Allstate Brand Total Auto. Gross Frequency, Combined Ratio, and Approved Rate Changes Charts are for Allstate Brand Standard Auto

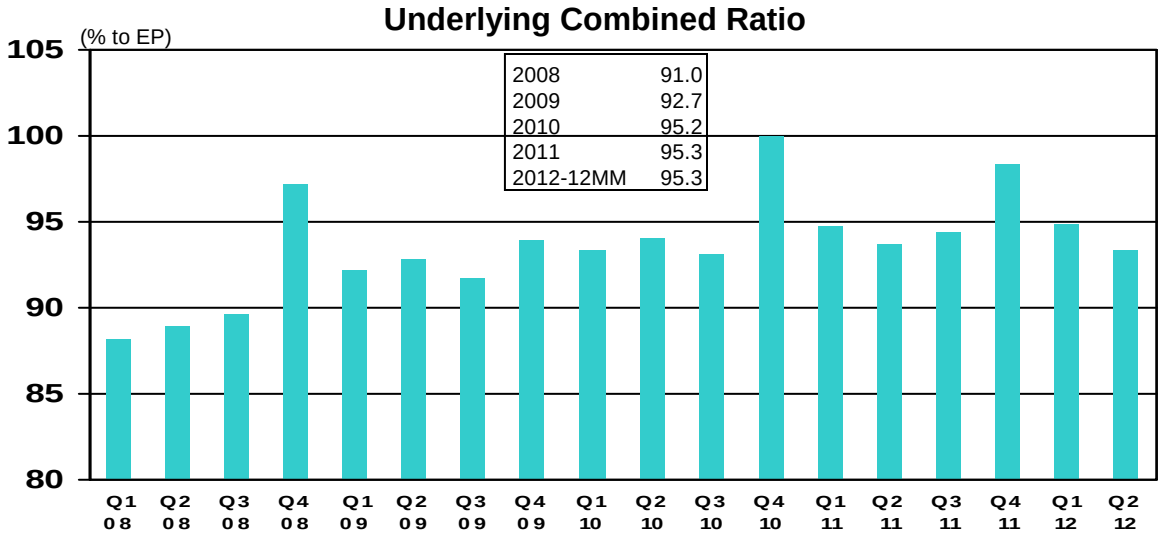
(2) Impact on Countrywide Premiums Written

(3) Not adjusted to reflect our retrospective adoption of the new DAC accounting guidance for periods prior to 2011

2012 Priority – Maintain Auto Profitability

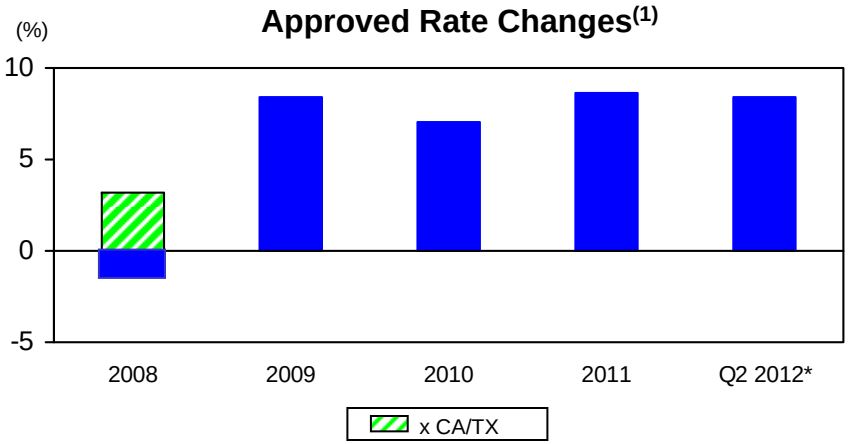
Allstate Brand Standard Auto





Not adjusted to reflect our retrospective adoption of the new DAC accounting guidance for periods prior to 2011

Homeowners Underlying Profitability Improves



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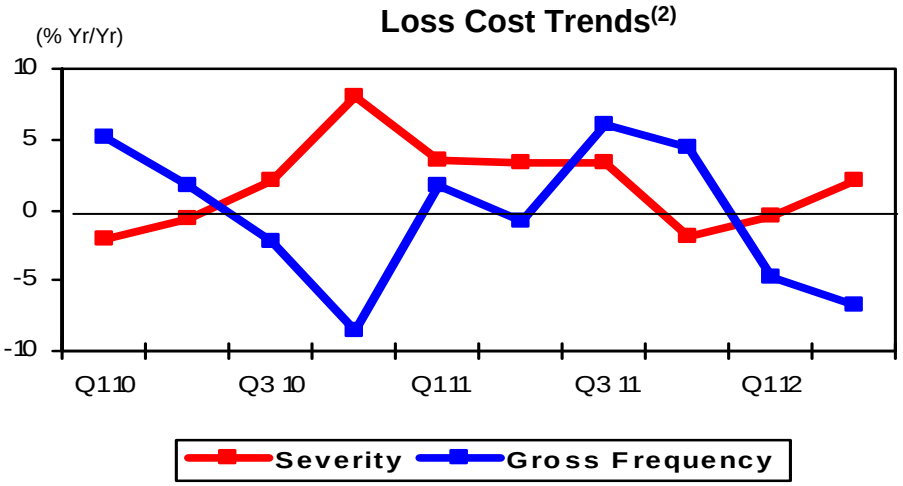
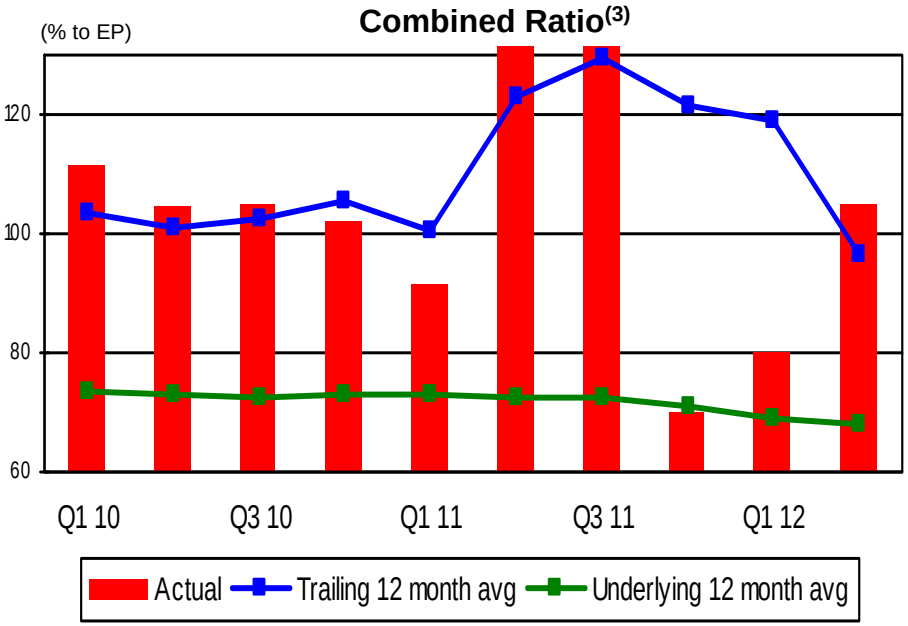


	Q2 2012	Q2 2011	Variance
Earned Premium ($ millions)	$1,487	$1,457	2.1%
Underlying Combined Ratio (%)	64.6	69.4	(4.8) pts
Catastrophe Losses	40.2	123.2	(83.0) pts
Non-cat Pr. Yr. Reserve Reestimates	.1	.7	(.6) pts
Combined Ratio	104.9	193.3	(88.4) pts



Data for Allstate Brand homeowners

(1) Impact on Countrywide Premiums Written

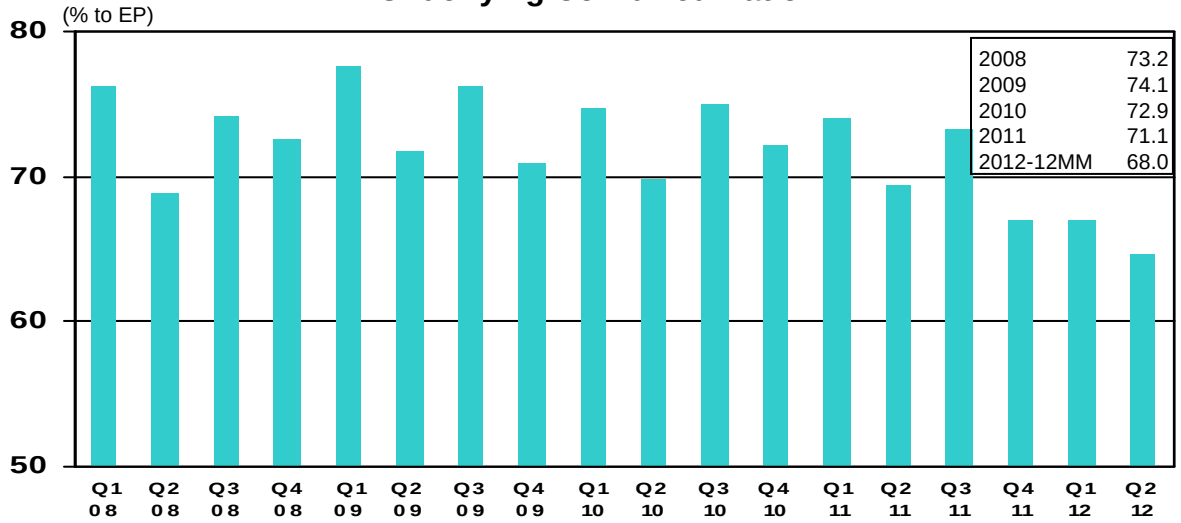
(2) Excluding Catastrophe Losses

(3) Not adjusted to reflect our retrospective adoption of the new DAC accounting guidance for periods prior to 2011

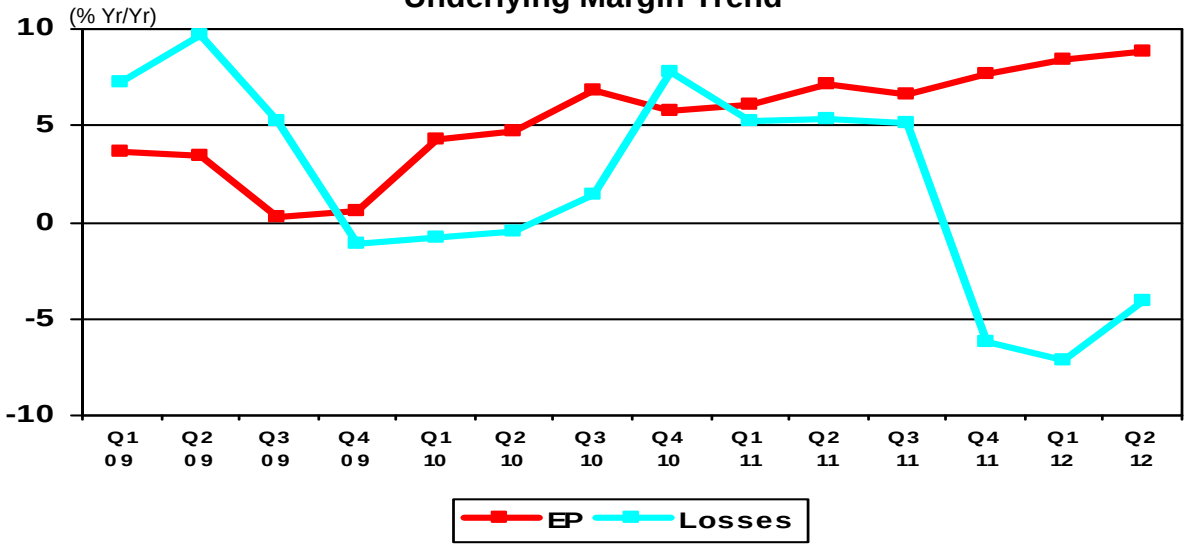
2012 Priority – Improve Return in Homeowners

Allstate Brand Homeowners

Underlying Combined Ratio



Underlying Margin Trend*



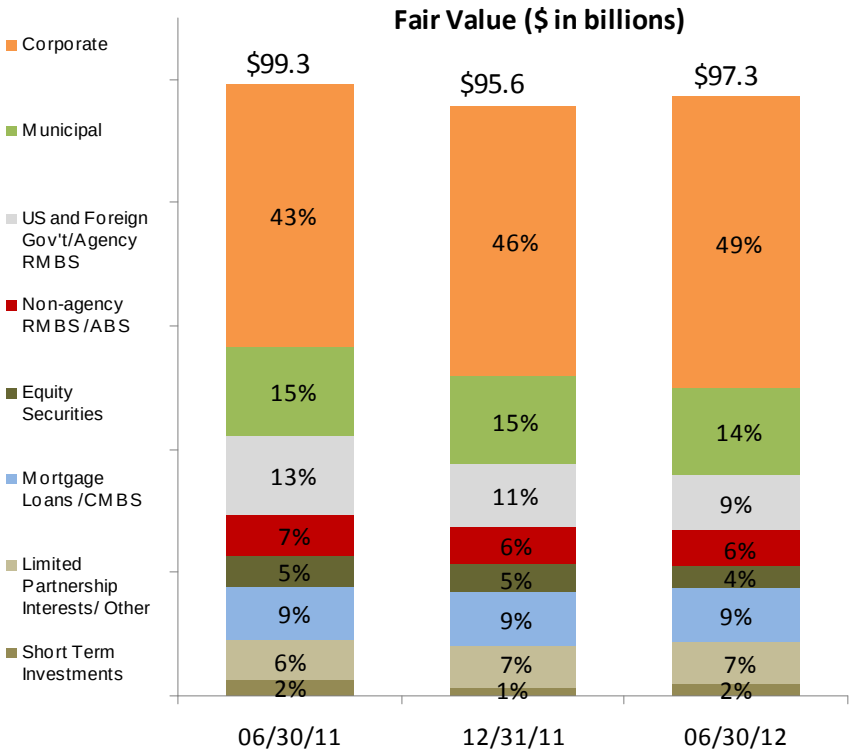
*Excludes Catastrophe Losses and Prior Year Reserve Reestimates

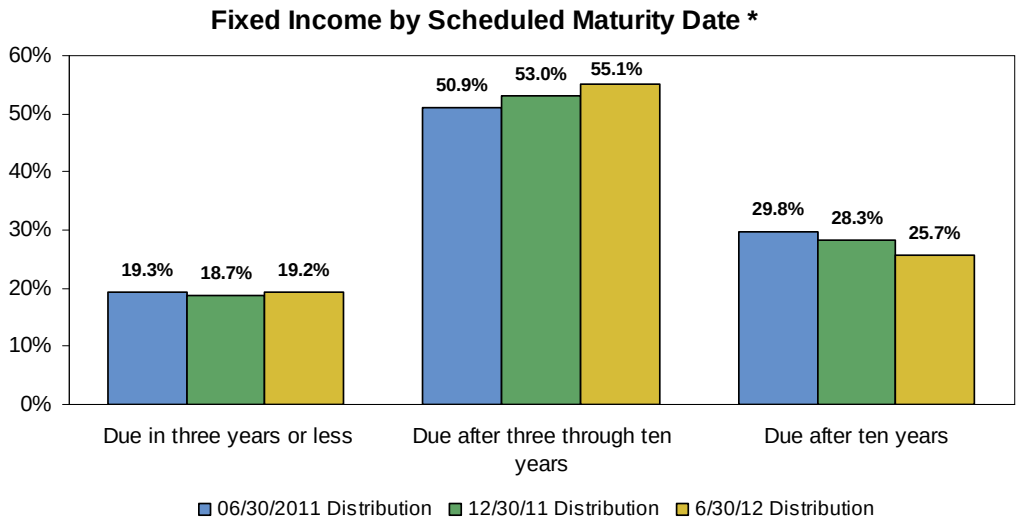
Allstate Financial Strategy Produces Steady Financial Results

($ in millions)	Q2 2012	Q2 2011	Change %
Total Premiums and Contract Charges	$559	$547	2.2
Underwritten Products	540	524	3.1
Benefit Spread	138	161	(14.3)
Investment Spread	161	142	13.4
Operating Costs and Expenses	(135)	(135)	--
Operating Income	138	135	2.2
Net Income	132	161	(18.0)

Operating Income Return on Attributed Equity	Twelve Months Ended 12/31/11 %	Twelve Months Ended 6/30/12 %
Life	11.2	10.8
Accident and Health	16.2	16.3
Deferred Annuities	9.2	9.2
Immediate Annuities	(2.2)	1.1
Total Allstate Financial	8.3	8.7

Investment Portfolio Reflects Improved Fixed Income Valuations



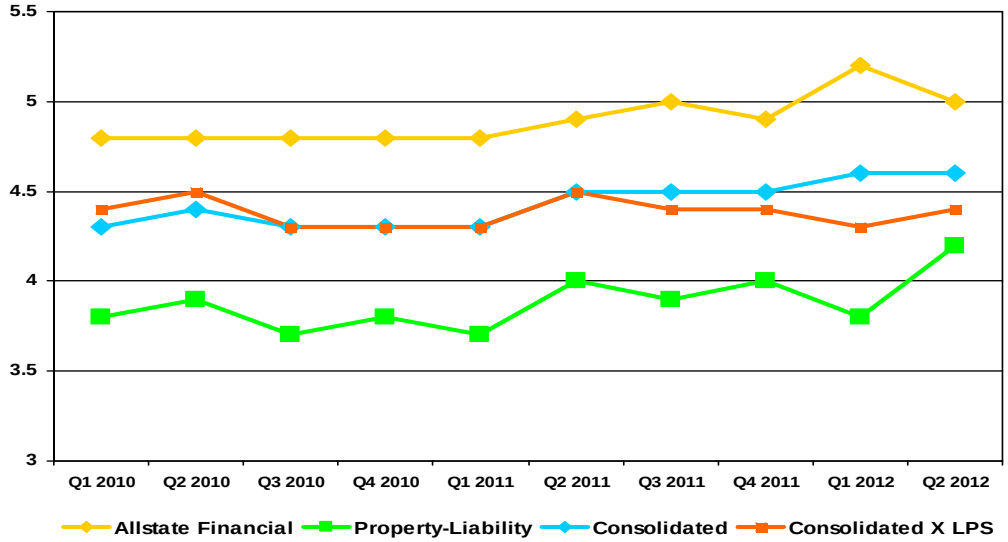


* Excludes residential mortgage-backed and asset-backed securities due to potential for prepayment

Income Benefited from Limited Partnership Results Offset by Smaller Allstate Financial Portfolio

($ in millions)	2011				2012	
	Q1	Q2	Q3	Q4	Q1	Q2
Net Investment Income - Allcorp	982	1,020	994	975	1,011	1,026
Net Investment Income – Property-Liability	284	310	298	309	313	352
Variance to prior year quarter	(20)	0	14	18	29	42
Due to Change in Average Assets	--	(6)	(6)	(2)	6	8
Due to Yields	(20)	6	20	20	23	34
Net Investment Income – Allstate Financial	684	694	682	656	687	663
Variance to prior year quarter	(47)	(29)	(25)	(36)	3	(31)
Due to Change in Average Assets	(45)	(47)	(48)	(60)	(58)	(47)
Due to Yields	(2)	18	23	24	61	16

Quarterly Pre-Tax Portfolio Yields



Capital Gains Reflect Gains on Sales and Improving Impairment Trend

(Pre-tax $ millions)	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012
Realized Capital Gains & Losses						
Impairment write-downs	(114)	(70)	(190)	(122)	(39)	(49)
Change in intent write-downs	(69)	(16)	(13)	(2)	(44)	(1)
Sales	283	141	692	220	229	70
Derivatives	(67)	(53)	(234)	(42)	22	7
Limited partnerships – EMA(1)	63	55	9	32	--	--
TOTAL	96	57	264	86	168	27

(1) Results reported in net investment income beginning in 2012

Strong Capital Position . . . Record Book Value per Share

($ in billions, except per share data)

Capital Position	6/30/11	12/31/11	06/30/12	
Shareholders' Equity	$18.4	$18.3	$19.5	
Book Value per Share	35.21	36.18	39.73	
Statutory Surplus:				
Property-Liability	11.7	12.0	12.9	est.
Allstate Financial	3.6	3.6	3.6	est.
Total	15.3	15.6	16.5	est.
Holding Company Level Invested Assets	3.5	2.2	2.3	
ROE – Twelve Months Ended				
Net Income	3.1%	4.3%	11.0%	
Operating Income	3.2%	3.8%	11.4%	

- **Share repurchases totaled $275 million during the second quarter of 2012, leaving $319 million on the buyback authorization.**

Safe Harbor

This presentation contains forward-looking statements about returns on equity. This statement is based on our estimates and assumptions that are subject to uncertainty. This statement is made subject to the safe-harbor provisions of the Private Securities Litigation Reform Act of 1995. Actual results may differ materially from those described in the forward-looking statement for a variety of reasons, including the following:

- Returns on equity may be materially less than projected and adversely affected by our inability to obtain regulatory approval for rate changes that may be required to achieve targeted levels of profitability.

We undertake no obligation to publicly correct or update any forward-looking statements.

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