

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



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April 28, 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 first 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.



First Quarter Highlights... A Good Start to the Year

Consolidated Results

- Net Income
 - \$519 million, up \$399 million from the first quarter 2010 due to investment gains and lower catastrophe losses
- Operating Income
 - \$497 million, up 32.5% from the first quarter 2010
- Book Value Per Share
 - \$36.51, up 3.4% from December 2010 and 13.2% from March 2010

Allstate Protection

- Underlying combined ratio
 - 89.9, within annual outlook range of 88 to 91
- Top line down slightly, balancing growth and profit

Allstate Financial

- Improving returns
- Building a base for profitable growth

Investments

- Proactively managing risk and return
- Overall portfolio yields have stabilized



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

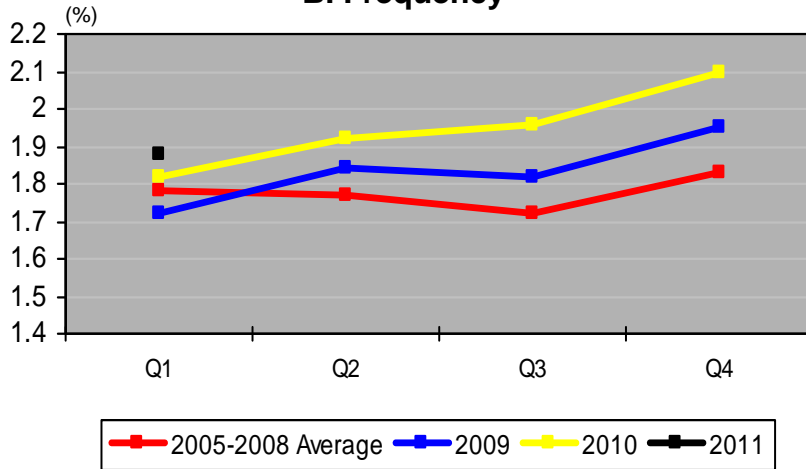
	2010				2011
	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>Q1</u>
<i>Net Written Premium (\$ in millions)</i>					
Total	\$6,258	\$6,640	\$6,767	\$6,242	\$6,215
Standard Auto ⁽¹⁾	4,023	3,948	4,028	3,843	3,984
Homeowners ⁽¹⁾	1,189	1,565	1,610	1,389	1,225
All Other	1,046	1,127	1,129	1,010	1,006
<i>Standard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

2011 Underlying Combined Ratio Outlook Range of 88-91

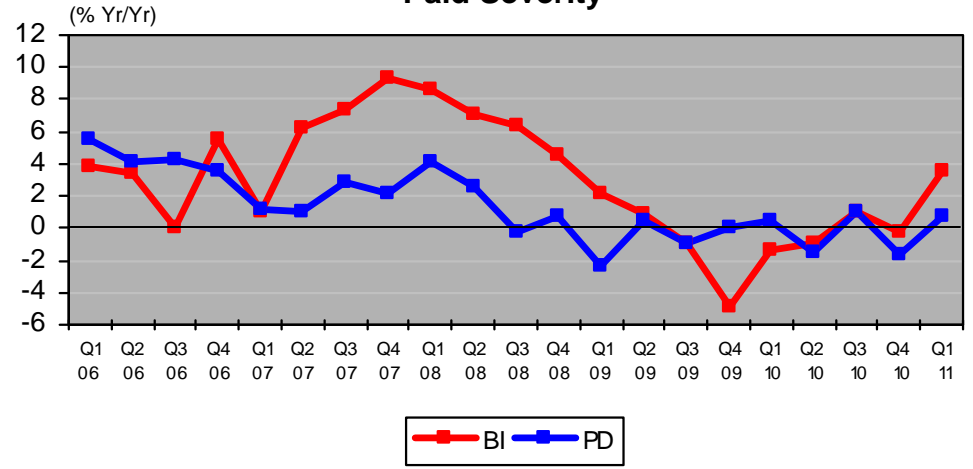


Auto Loss Trends Impacted by Higher Claim Frequencies

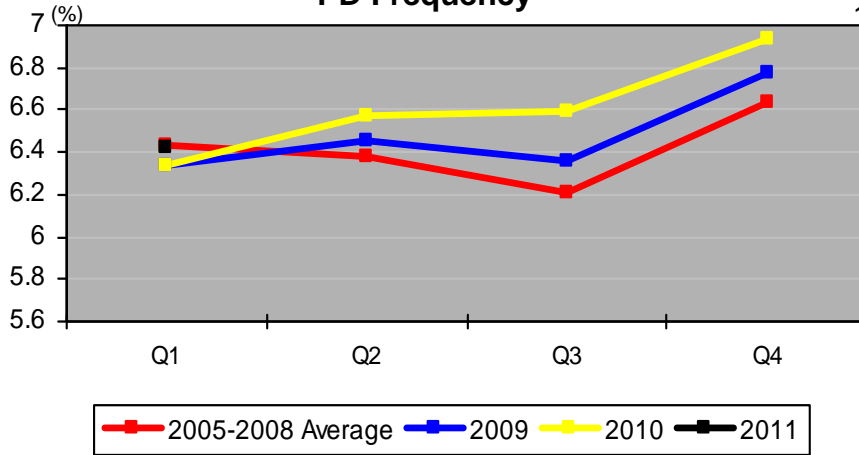
BI Frequency



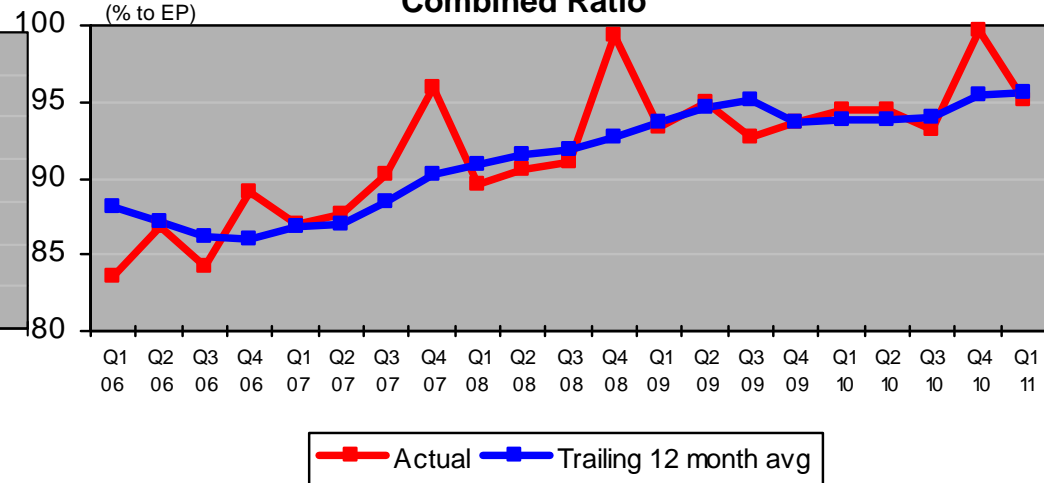
Paid Severity⁽¹⁾



PD Frequency



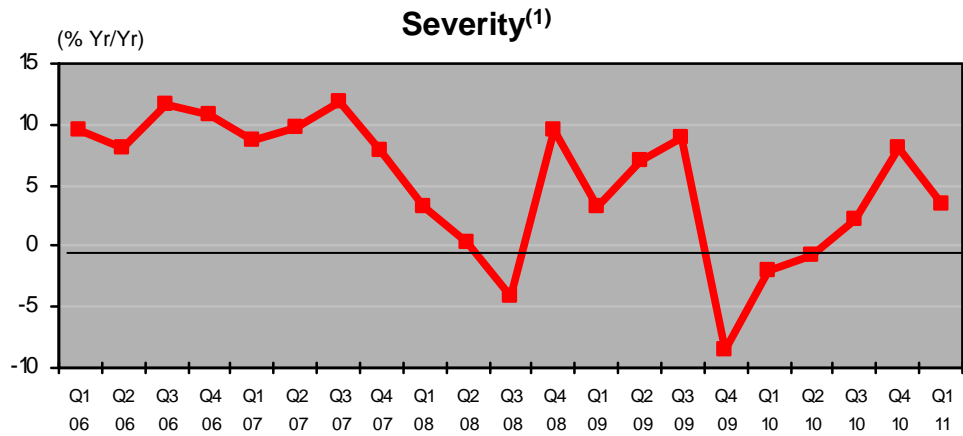
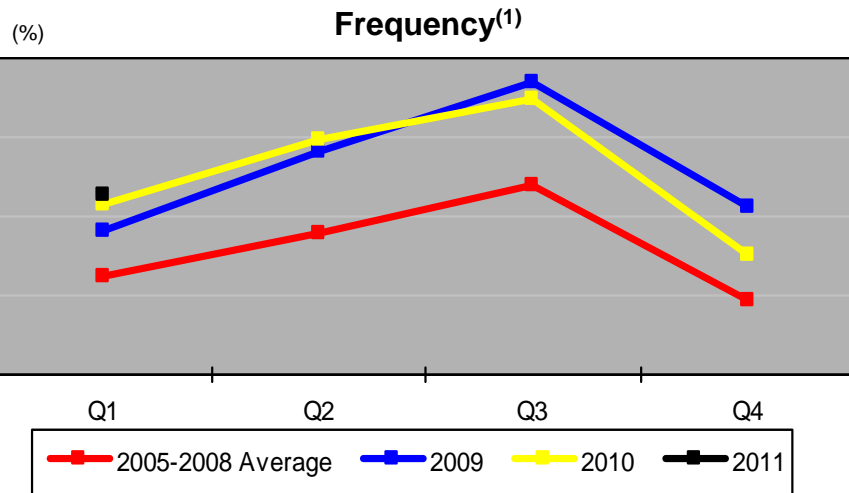
Combined Ratio



(1) Paid Severity is for Allstate Brand Total Auto.
 Frequency and Combined Ratio Charts are for Allstate Brand Standard Auto.



Homeowners Profitability Impacted by Catastrophe Volatility



	Q1 2011	Q1 2010	Variance
(\$ in millions)			
Earned Premium	1,448	1,416	2.3%
<u>% to Earned Premium</u>			
Loss Ratio x Catastrophe Losses	50.2	50.4	(0.2) pts
Expense Ratio	<u>23.5</u>	<u>23.8</u>	<u>(0.3) pts</u>
Combined Ratio x Catastrophe Losses	73.7	74.2	(0.5) pts
Catastrophe Losses	<u>17.7</u>	<u>37.1</u>	<u>(19.4) pts</u>
Combined Ratio	91.4	111.3	(19.9) pts

(1) Excluding Catastrophe Losses

Data for Allstate Brand Homeowners



Allstate Financial Continued to Advance Its Strategy

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

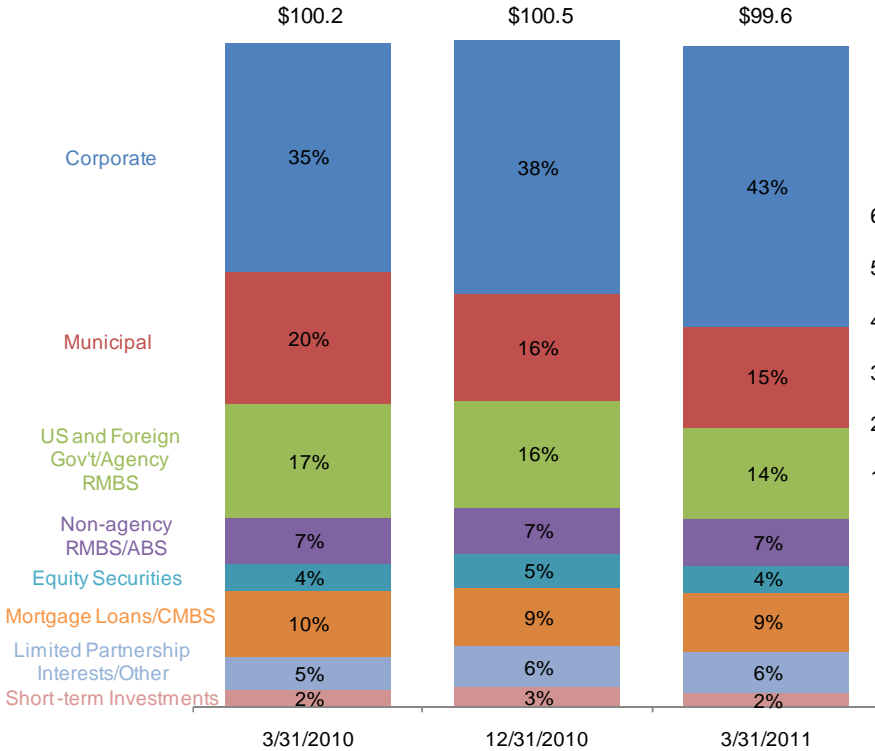
Compared to the First Quarter of 2010:

- Premiums and contract charges increased 4.6%.
- Operating income declined 16.5% due to higher costs related to the annual unlock of assumptions, partly offset by increases in the benefit spread.
- The annual unlocking of assumptions had an unfavorable impact on operating income of \$8 million, after-tax, versus a favorable impact of \$26 million, after-tax, in 2010.
- Benefit spread increased 9.2% from the 2010 first quarter due to higher profitability and growth related to Allstate Benefits' accident and health insurance business, and increased contract charges for interest-sensitive life.

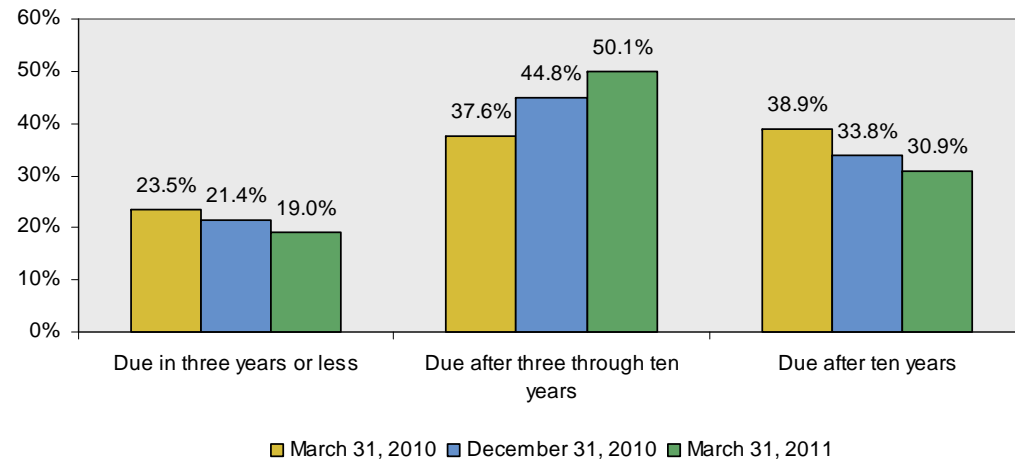


Investment Portfolio Yields Stabilized and Generated Solid Returns

(\$ in billions)



Fixed Income by Scheduled Maturity Date*



- The March 31, 2011 portfolio balance was impacted by expected reductions in the Allstate Financial portfolio that more than offset strong investment returns and operating cash flow.
- Actions to reposition the profile of the fixed income portfolio included shifts out of longer-term, fixed rate and shorter-term, lower yielding securities into intermediate term maturity securities, including a greater allocation to high yield investments.

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



Income Impacted by a Smaller Allstate Financial Portfolio

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

- Net investment income declined when compared to first quarter 2010 due to expected reductions in the Allstate Financial portfolio and lower yields in Property-Liability.
- Compared to the fourth quarter of 2010, the decrease in net investment income resulted primarily from reductions in Allstate Financial's portfolio, while investment yields remained stable.



Capital Gains Reflect Sales, Lower Impairments, and Macro Hedge Termination

(\$ in millions)

Realized Capital Gains & Losses	2010				2011
	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>Q1</u>
Impairment write-downs	\$(223)	\$(239)	\$(137)	\$(198)	\$(114)
Change in intent write-downs	<u>(32)</u>	<u>(67)</u>	<u>(30)</u>	<u>(75)</u>	<u>(69)</u>
Net Other-Than-Temporary Impairment	(255)	(306)	(167)	(273)	(183)
Sales	88	145	319	134	283
Derivatives					
Interest Rate	(156)	(281)	(181)	129	(59)
Equity Hedging	(39)	82	(115)	(19)	(19)
Other	<u>10</u>	<u>(111)</u>	<u>11</u>	<u>69</u>	<u>11</u>
Derivatives Total	(185)	(310)	(285)	179	(67)
Limited Partnerships - EMA	<u>4</u>	<u>20</u>	<u>(11)</u>	<u>76</u>	<u>63</u>
TOTAL	\$(348)	\$(451)	\$(144)	\$116	\$96

- Components of the first quarter 2011 improvement when compared first quarter 2010:
 - Higher gains on sales
 - Reduced derivative losses
 - Lower impairment write-downs
 - Increased valuation gains on limited partnerships
- Realized capital losses of \$62 million were generated on macro hedge derivatives that were not extended.



Book Value Per Share Increased 3.4%; Repurchased \$300 million in the First Quarter 2011

(\$ in billions, except per share data)

	<u>3/31/10</u>	<u>12/31/10</u>	<u>3/31/11</u>
<u>Capital Position</u>			
Shareholders' Equity	\$17.6	\$19.0	\$19.3
Book Value per Share	32.26	35.32	36.51
Holding Company Level Invested Assets	3.0	3.8	3.7

- Share repurchases totaled \$300 million during the first quarter of 2011 with \$540 million remaining in the \$1 billion program that expires March 31, 2012.



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