

***Raymond James 31<sup>st</sup> Annual Institutional  
Investors Conference  
Monday, March 8, 2010***



**Allstate**®  
You're in good hands.

**Robert L. Block**  
**Vice President, The Allstate Corporation**  
**The Allstate Corporation**

# 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 2009 Form 10-K, and in our most recent earnings release, available on our website, [allstate.com](http://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](http://allstate.com), under the “Quarterly Investor Information” link.

# Allstate Is An Attractive Investment Opportunity

- Leading franchise in consumer protection and retirement
- Competitively differentiated strategy
- Operational excellence

# Competitively Differentiated Strategy Based on *Our Shared Vision*

## *Strategic Vision*

To reinvent protection and retirement for the consumer

## *Principles*

Put customers at the center and provide the products  
and services they need in ways they want them

## *Operating Priorities*

Consumer Focus

Operational excellence

Enterprise risk and return

Capital management

# Allstate Delivered on 2009 Objectives

## Keep Allstate financially strong

- ✓ Generated \$1.9 billion of operating income and \$854 million of net income
- ✓ Built stronger capital and surplus
  - Grew book value per share by 31% and statutory surplus by 15%
- ✓ Achieved underlying combined ratio guidance
- ✓ Made substantial progress on the Allstate Financial “Focus to Win”
- ✓ Focused our investment strategy in an evolving economic environment
  - Pre-tax unrealized position improved by \$6.5 billion from 2008 level
  - Reduced realized capital losses from 2008 level

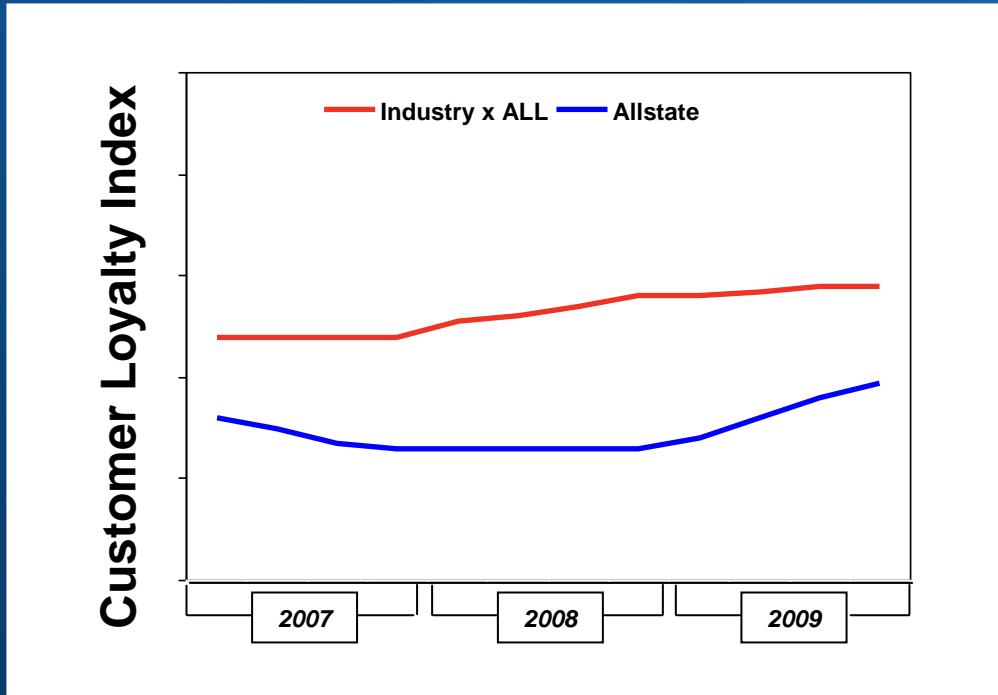
## Improve customer loyalty

- ✓ Improved customer loyalty and closed the gap to the industry
- ✓ 401(k) plan received the maximum company match

## Reinvent protection and retirement for the consumer

- ✓ Focused on value proposition for high lifetime value customers
- ✓ Enhancing sales and service capabilities
- ✓ Developing products to further differentiate us from the competition

# Progress with Customer Loyalty and Retention



## Changing culture with accountability and rewards

- ✓ Company 401(k) match continues to be based on improving customer loyalty in 2010
- ✓ Service standards for front line employees

# 2010 Priorities

- Improve customer loyalty
- Reinvent protection and retirement for the consumer
- Grow our businesses

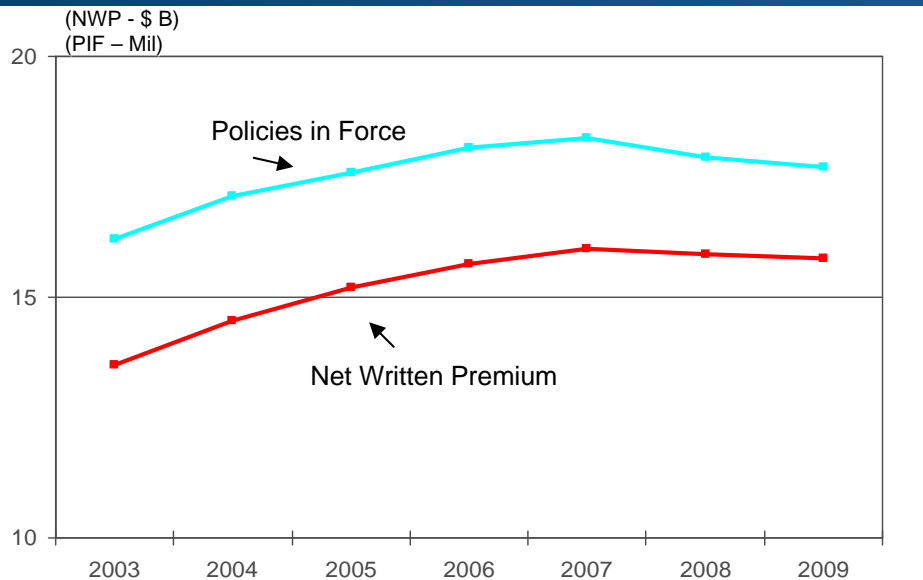
# Operational Initiatives to Increase Shareholder Value

- Growing auto insurance business
- Earning acceptable returns on homeowners insurance
- Positioning Allstate Financial for profitable growth
- Continuing to take a proactive approach to investing



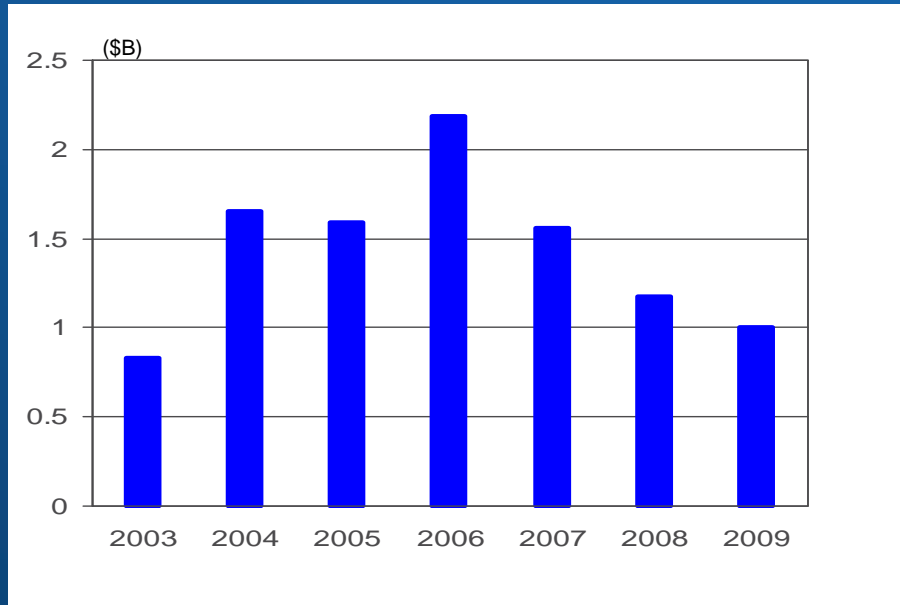
# Generating Profitable Growth in Standard Auto\*

## Growth



## Profit

Underwriting Income



\*Allstate Brand

# Allstate Protection to Grow Auto Business



# Innovation in Distribution Capabilities



# Increasing Consistency and Effectiveness of Allstate Agencies

## Delivering best practices to improve sales and customer satisfaction

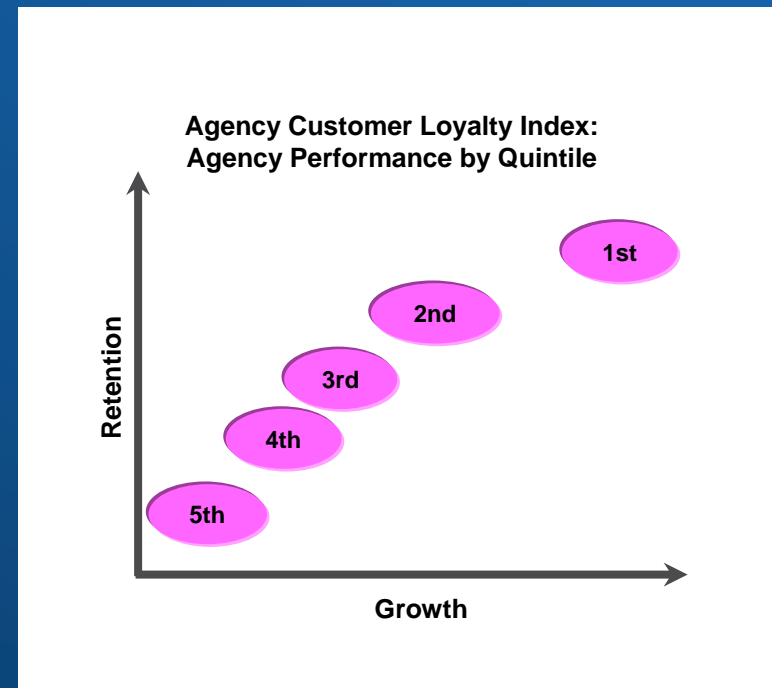
- ✓ Embedding customer service standards, new measures and mystery shopping
- ✓ Branded Retail Environment
- ✓ Direct “test & learn”

## Migrating agency footprint

- ✓ Working with agencies to achieve desired trajectory
- ✓ Placing new and satellite agencies in most promising marketing locations
- ✓ Incentive to accelerate change

## Initiatives lay groundwork for growth

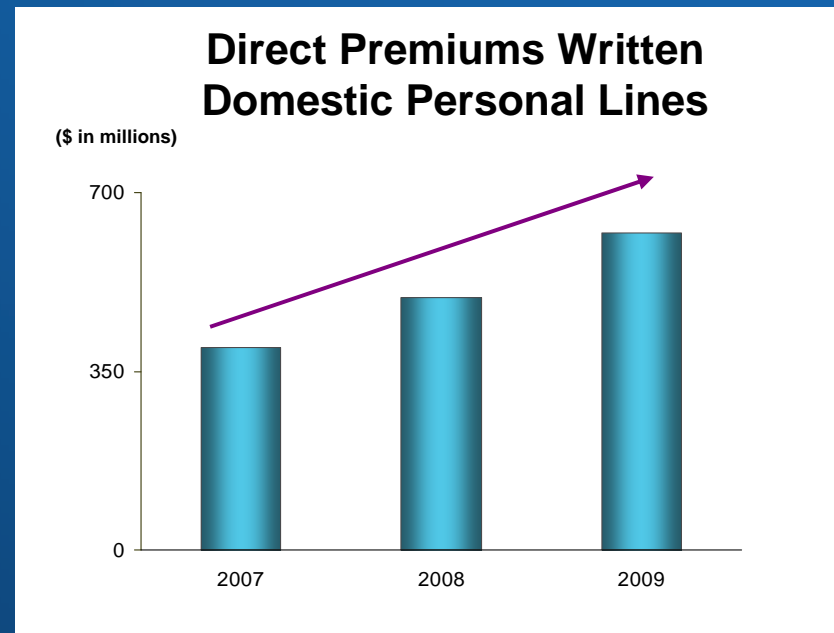
- ✓ Anticipating:
  - Modest increase in licensed sales professionals
  - Improved mix of higher quintile agencies



# Direct Becoming Larger Part of Overall Growth

Fastest growing segment of the business

Focus on integration provides benefits for agencies and customers



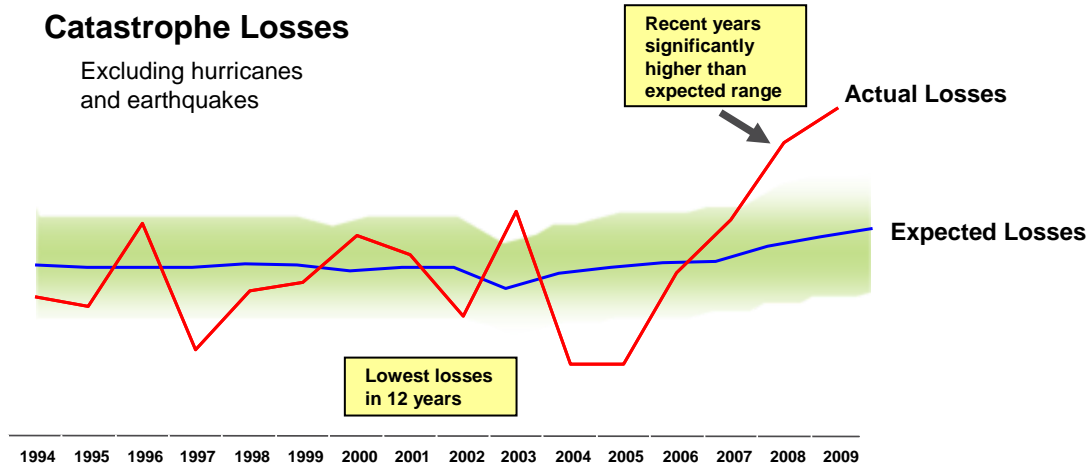
# Homeowners\* Business Has Not Earned Acceptable Returns

(\$ in billions, except per share data)

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Premiums Written	\$6.0	\$5.9	\$5.7	\$5.6	\$5.6
Combined Ratio	133.5	75.7	91.5	119.7	102.6
Underwriting (Loss) Income	\$(1.9)	\$1.4	\$0.5	\$(1.1)	\$(0.1)

## Catastrophe Losses

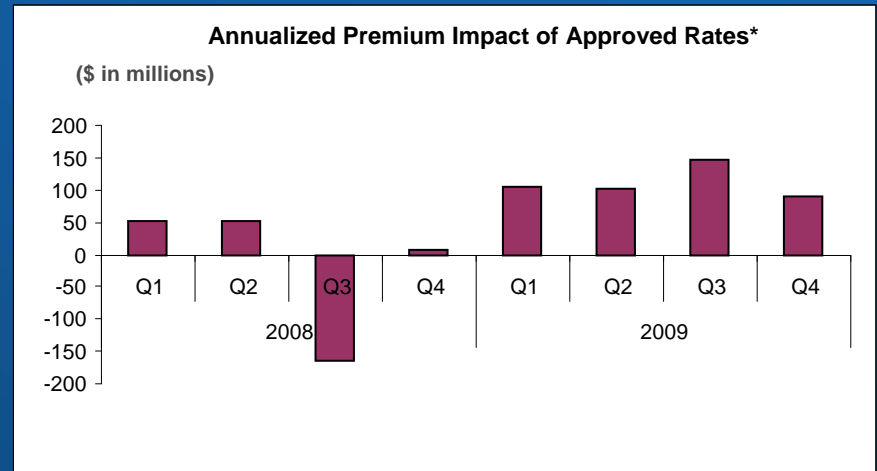
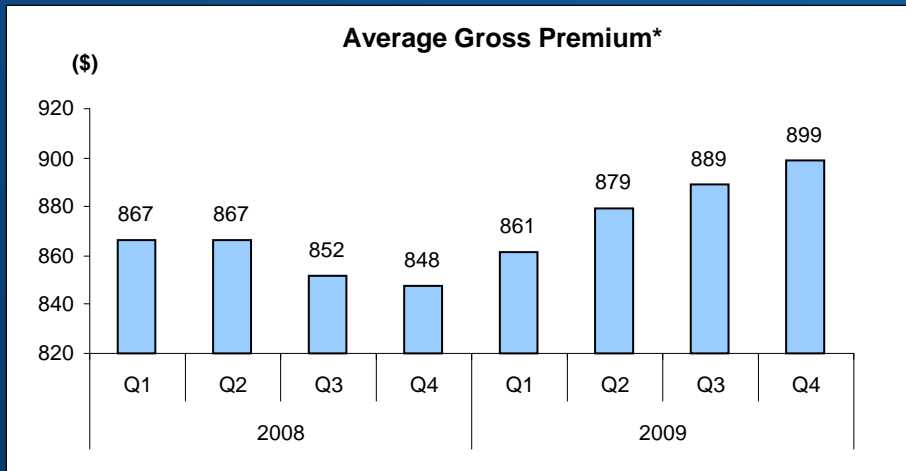
Excluding hurricanes and earthquakes



\*Allstate Brand

Personal Property: Allstate Brand Homeowners, Condo, and Renters

# Leveraging Expertise to Raise Returns from Homeowners



\*Allstate brand homeowners

- Rate Increases
  - 10.7% in 40 states, 8.4% countrywide during 2009
- Enhanced underwriting processes
- Increased multi-line discount on auto insurance

# A Foundation for Growth in Protection

- ✓ Increasing customer loyalty and broadening customer relationships
- ✓ Strengthening and expanding distribution
- ✓ Repositioning under-performing businesses for growth
- ✓ Improving Auto competitive position



# Positioning Allstate Financial For Profitable Growth



**“Focus to Win”**

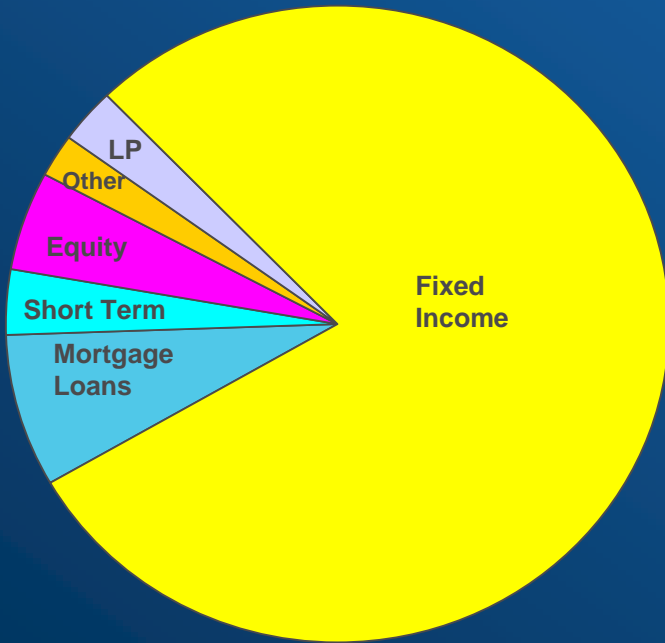
- Reduce annual expenses
- Price products to produce higher returns
- Shift to variable cost structure



**Leverage Strengths**

- Middle market customer base
- Proprietary distribution channel
- Allstate Workplace Division
- Reduce size of balance sheet

# Investment Asset Allocation Reflects Proactive Management



Total @ 12/31/2009 =  
\$99.8 Billion



(\$ in billions)	Carrying Value		% to Total	
	12/08	12/09	12/08	12/09
Corporate	\$27.6	\$33.1	28.8%	33.2%
Municipal	21.9	21.3	22.8	21.3
RMBS	6.6	8.0	6.8	8.0
US Gov't.	4.2	7.6	4.4	7.6
Foreign Gov't.	2.7	3.2	2.8	3.2
ABS	1.8	3.0	1.9	3.0
CMBS	<u>3.8</u>	<u>2.6</u>	<u>4.0</u>	<u>2.6</u>
Total Fixed Income	\$68.6	\$78.8	71.5%	78.9%
Mortgage Loans	\$10.2	\$7.9	10.7%	7.9%
Equities	2.8	5.0	2.9	5.0
Short Term	8.9	3.1	9.3	3.1
Ltd. Partnerships	2.8	2.7	2.9	2.8
Other	<u>2.7</u>	<u>2.3</u>	<u>2.7</u>	<u>2.3</u>
Total Investments	\$96.0	\$99.8	100.0%	100.0%

# Proactive Approach to Portfolio Management

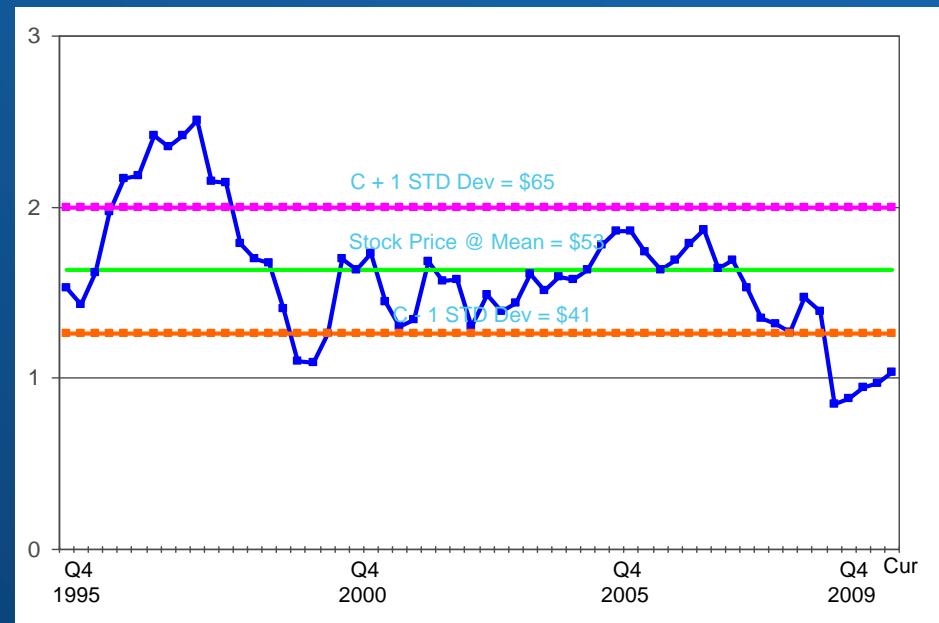
## 2009 Actions (compared to 12/31/08)

- Commercial real estate exposure reduced by \$5.4 billion of amortized cost
- Municipal bond concentrations reduced by \$1.9 billion of amortized cost
- Maintained corporate credit exposure which contributed to a \$6.5 billion valuation improvement
- Deployed \$16.6 billion of short-term investments and cash receipts
- Duration reduced 5% to 4.0 years

# Allstate is an Attractive Investment Opportunity

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- Competitively differentiated strategy
- Operational Excellence
- Valuation has significant upside potential

## Price/Book Multiple





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