

**The Allstate Corporation Annual Meeting  
Report to Shareholders by  
Thomas J. Wilson, Chairman and Chief Executive Officer**

May 19, 2015

Overall, Allstate is in a good place. Strategically, operationally and financially, the company is well-positioned. We are positioned to shape the future, not just to react to change.

Being proactive and adapting in the face of change is part of Allstate's culture and history. The world is changing rapidly and Allstate is changing with it. Virtually everyone now has a smart phone. Some cars are like phones with wheels. Information can be digitized and utilized to improve customer service and lower costs. Autonomous cars are becoming a reality. While these innovations will cause significant change to our daily lives, they create opportunities for a company with Allstate's capabilities and resources.

For context, let's look backward so we can look forward.

2014 was an excellent year for Allstate. We made good progress against all five operating priorities by growing the number of customers, investing the portfolio so we got a good return per unit of risk, and generating good returns on capital. We also continued building new growth platforms. Shareholders benefited from this performance with a total shareholder return of 30.9% and a cash return of \$2.8 billion in dividends and share repurchases.

The strategy of providing differentiated customer value propositions to the four customer segments of the personal lines industry is working. Customers benefit as we focus in on their unique needs and provide the best value. The Allstate agency network is growing and has fabulous prospects. Agency owners have seen the value of their businesses grow as we pursue a strategy of fully meeting the needs of customers who want local advice and a branded offering. These same customers benefit from digital capabilities and connectivity, which enhances the trusted advice that comes from our local agencies.

Esurance picked up share versus its two main competitors in the self-serve segment. We do need to raise returns in the Esurance and Encompass businesses and are taking aggressive action which will reduce growth in those lines. However, this reduction is more than offset by the growth momentum in the Allstate agencies.

The strategy to invest in more performance-based assets and in fewer public market fixed income securities also worked last year as interest rates continued at record lows.

These accomplishments reflect the passion, talent, and hard work of an outstanding Board of Directors and team of employees, Allstate agency owners and exclusive financial specialists.

We have a very exciting future before us, but one that will not be without changes and challenges. Your management team is not only proactively preparing for these challenges, but aggressively seeking to shape the future. We are preparing each of our businesses to be even more competitive going forward. The customer segmentation strategy is providing focus to deliver the best value for customers. Continuous improvement programs are lowering costs and improving customer service. The Allstate agency base is being expanded and the company is supporting a shift from handling transactions to spending more time providing trusted advice.

We're also investing in technology for the future. By building strong capabilities in leading edge technologies like connected car and telematics, advanced data and analytics, and an integrated digital enterprise, we will be able to capitalize on change. Allstate was recently ranked eighth on *InformationWeek's* list of Top 100 innovators.

These business strategies are supported and driven by Our Shared Purpose. We are building a different kind of corporation . . . a company that serves its customers and shareholders well, but goes beyond that to make a meaningful difference in the world. Over the last eight years, we have been working to define what it means to be a corporation in the 22nd century. We are well along on that journey, having become a purpose-driven company.

Our next step is to become a collection of purpose-driven individuals who together are a "Force for Good." We will help customers achieve their dreams and provide shareholders with attractive returns. At the same time, we will enable Allstaters to achieve their purposes in life and improve the local communities where our customers live and work.

We are committed to this because it is the smart thing to do. Customers judge us by who we are as well as what we do. Regulators evaluate us on ethics, as well as compliance with written rules. We will build the next generation of leaders for Allstate by giving employees and agency owners the opportunity to do meaningful work, grow professionally and personally, and make a difference in the world. Stronger communities give customers more financial wherewithal and provide good places for us to invest our portfolio. All of this adds up to sustainable growth and good returns for our shareholders.

In closing, 2014 was a great year and the future is bright. Your company is ready for whatever comes our way. We will be proactive and turn change into opportunity and opportunity into shareholder value.