UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15 (d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported) July 31, 2012

The Allstate Corporation
(Exact name of registrant as specified in charter)

Delaware	**1-11840**	**36-3871531**
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

2775 Sanders Road, Northbrook, Illinois	**60062**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code **(847) 402-5000**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2.below):

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Section 2. – Financial Information

Item 2.02. Results of Operations and Financial Condition.

On July 31, 2012, the registrant issued a press release announcing its financial results for the second quarter of 2012, and the availability of the registrant's second quarter investor supplement on the registrant's web site. The press release and the investor supplement are furnished as Exhibits 99.1 and 99.2 to this report. The information contained in the press release and the investor supplement are furnished and not filed pursuant to instruction B.2 of Form 8-K.

Section 9. – Financial Statements and Exhibits

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

99.1	Registrant's press release dated July 31, 2012
99.2	Second quarter 2012 Investor Supplement of The Allstate Corporation

---

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

THE ALLSTATE CORPORATION
(registrant)

By /s/ Samuel H. Pilch
Name: Samuel H. Pilch
Title: Senior Group Vice President
and Controller

Dated: July 31, 2012

FOR IMMEDIATE RELEASE

Contacts:
Maryellen Thielen
Media Relations
(847) 402-5600

Robert Block
Investor Relations
(847) 402-2800

Allstate Reports Strong Second Quarter 2012 Earnings

NORTHBROOK, Ill., July 31, 2012 – The Allstate Corporation (NYSE: ALL) today reported financial results for the second quarter of 2012:

The Allstate Corporation Consolidated Highlights			
	Three months ended June 30,		
($ in millions, except per share amounts and ratios)	2012	2011	% Change
Consolidated revenues	$ 8,278	$ 8,081	2.4
Net income (loss)	423	(624)	NM
Net income (loss) per diluted share	0.86	(1.19)	NM
Operating income (loss)*	432	(647)	NM
Operating income (loss) per diluted share*	0.87	(1.24)	NM
Book value per share	39.73	35.21	12.8
Book value per share, excluding the impact of unrealized net capital gains and losses on fixed income securities*	35.81	33.12	8.1
Catastrophe losses	819	2,339	(65.0)
Property-Liability combined ratio	98.0	123.3	(25.3) pts
Property-Liability combined ratio excluding the effect of catastrophes, prior year reserve reestimates, business combination expenses and the amortization of purchased intangible assets ("underlying combined ratio")*	86.3	87.5	(1.2) pts

NM = not meaningful
* Measures used in this release that are not based on accounting principles generally accepted in the United States of America ("non-GAAP") are defined and reconciled to the most directly comparable GAAP measure and operating measures are defined in the "Definitions of Non-GAAP and Operating Measures" section of this document.

"We made good progress this quarter on our 2012 operating priorities of maintaining auto profitability, improving returns in homeowners insurance and annuities, growing insurance premiums, and proactively managing our investments and capital," said Thomas J. Wilson, chairman, president and chief executive officer of The Allstate Corporation. "We improved our underlying margins in both auto and homeowners insurance. Our investment portfolio generated solid returns in a challenging interest rate environment. During the quarter, we repurchased 8.2 million shares of common stock for $275 million. With an increase in book value per share of 9.8% since year-end 2011 and a dividend yield around 2.5%, we are generating solid value for our shareholders.

"Our strategy of offering unique products to different customer segments continued to show positive results," Wilson said. "Overall, we grew insurance premiums in the second quarter despite the negative impact of raising returns in homeowners insurance. Total Allstate brand premiums written grew compared to last year as higher average homeowners premiums and growth in emerging businesses more than offset a decline in Allstate brand homeowners and standard auto policies. Allstate Financial increased unit sales of life insurance through our Allstate agency channel. Esurance's premium growth accelerated with its policies in force increasing 13.5% since year-end 2011. Encompass premiums written increased 5.9% compared to prior year on the strength of improved package policy sales."

Consolidated Results

Net income for the quarter was $423 million, or $0.86 per diluted share, compared to a net loss of $624 million, or a loss of $1.19 per diluted share in the second quarter of 2011. The increase in operating income of $1.1 billion was the primary driver of the improvement in net income. For the quarter, operating income was $432 million, or $0.87 per diluted share versus an operating loss of $647 million, or a loss of $1.24 per diluted share for the second quarter of 2011. The increase in operating income was due to lower catastrophe losses and an improvement in the underlying property-liability combined ratio. Return on equity was 11.0% on a net income basis and 11.4%* on an operating income basis.

Property-Liability Premiums Grow while Profits Improve

Allstate's priority to grow premiums showed positive results in the second quarter. Total property-liability premiums written* of $6.86 billion grew 3.8% from the second quarter of 2011 due to the acquisition of Esurance in early October 2011 and to a lesser extent, growth in both the Allstate and Encompass brands. Allstate brand standard auto premiums written declined slightly from the prior year quarter as an expected reduction in units was partially offset by an increase in average premium. Allstate brand homeowners, Emerging Businesses and Encompass contributed to the positive premiums written growth in the second quarter. Overall policies in force declined by 0.6% from year-end 2011 as reductions in Allstate brand standard auto and homeowners were partially offset by growth in Canada, Emerging Businesses, Encompass and Esurance.

Allstate continued to execute successfully on its strategy to maintain auto margins while improving homeowners returns. In the second quarter, the property-liability combined ratio was 98.0 compared to 123.3 in the prior year quarter. The underlying combined ratio was 86.3, an improvement of 1.2 points from the second quarter of 2011 and below the outlook range of 88 to 91 for the full year 2012. Catastrophe losses of $819 million in the quarter were substantial, but were significantly less than the catastrophe losses of $2.3 billion incurred in last year's second quarter.

For Allstate brand standard auto, the combined ratio was 95.5, an improvement of 2.8 points from the second quarter of 2011. The underlying combined ratio for Allstate brand standard auto of 93.4 improved slightly from the second quarter of 2011 as implemented rate actions essentially matched the increase in loss costs. Allstate brand homeowners combined ratio was 104.9 for the second quarter, a significant improvement from the combined ratio of 193.3 in the prior year quarter, driven by lower catastrophe losses and continued improvement in the underlying margin. For the second quarter, the underlying combined ratio was 64.6, 4.8 points better than the 69.4 underlying combined ratio recorded in the prior year quarter, reflecting the impact of implemented rate changes as well as moderating loss costs. Also contributing to the second quarter's positive results were improvements in the underlying margins for the other personal lines which comprise Emerging Businesses.

Allstate Financial Results Consistent with Strategy Execution

Allstate Financial continued to make progress on improving returns on attributed equity and shifting its focus to underwritten products from spread-based products. Net income for the second quarter was $132 million, a $29 million decline from the prior year quarter driven by lower net realized capital gains. Operating income increased 2.2% to $138 million in the second quarter of 2012, helped by the inclusion of equity method limited partnership results in operating income this year as well as lower crediting rates that were partially offset by worse mortality in both life insurance and annuities, lower yields on fixed income securities, and the continued managed reduction in spread business.

Premiums and contract charges on underwritten products totaled $540 million in the second quarter, an increase of 3.1% from the prior year period. Consistent with the strategic direction to reduce Allstate Financial's annuity business, contractholder funds declined by $771 million from March 31, 2012 and $1.5 billion from year-end 2011. Allstate agencies increased life unit sales, with issued policies growing 2.5% in the second quarter compared to the prior year quarter.

Proactive Management Drives Investment Results

Allstate delivered solid total returns on investments, reflecting continued proactive management of investment risk and return. We remain focused on balancing yield and return considerations in this low rate environment, favoring corporate credit over Treasuries and equities, and intermediate over long-dated maturities.

Allstate's consolidated investment portfolio totaled $97.3 billion at June 30, 2012 compared to $95.6 billion at December 31, 2011, as solid investment returns and operating cash flow more than offset the impact of the ongoing managed reduction in Allstate Financial's liabilities. For the second quarter of 2012, net investment income was $1.0 billion and total portfolio yield was 4.6%, higher than the second quarter of 2011 and consistent with the first quarter of 2012. Inclusion of equity method limited partnership results in 2012, along with a higher amount, were the primary drivers of the favorable variance to the prior year quarter. Excluding the limited partnership results, second quarter 2012 net investment income and portfolio yield were lower than the prior year, consistent with the reduction in Allstate Financial's liabilities and lower reinvestment rates.

Pre-tax net realized capital gains for the second quarter of 2012 were $27 million compared to $57 million in the second quarter of 2011. Realized capital gains in the second quarter of 2012 reflect lower gains from sales of fixed income and equity securities and included lower impairment write-downs than last year's second quarter and derivative gains compared to losses in the prior year quarter. Pre-tax net unrealized capital gains were $4.2 billion at June 30, 2012 compared to $2.9 billion at December 31, 2011, as a result of lower interest rates, tightened credit spreads and higher equity values.

Book Value per Share Increased 3% Sequentially; Repurchased $275 Million in Shares

"We continue to focus on effective capital management as a key priority," said Steve Shebik, chief financial officer. "In the second quarter, Allstate repurchased shares worth $275 million, bringing total purchases to $681 million under the current $1 billion authorization. With our strong operating performance, increased portfolio valuation and an active share repurchase program, book value per diluted share increased to $39.73."

Book value per diluted share increased 3% from March 31, 2012, 9.8% from year-end 2011, and 12.8% from June 30, 2011.

Statutory surplus at June 30, 2012 was an estimated $16.5 billion for the combined insurance operating companies. Property-liability surplus was an estimated $12.9 billion with Allstate Financial companies accounting for the remainder. Deployable assets at the holding company level were $2.3 billion at June 30, 2012. Also during the quarter, Allstate maintained its dividend of $0.22 per share.

* * * * *

Visit www.allstateinvestors.com to view additional information about Allstate's results, including a webcast of its quarterly conference call and the presentation discussed on the call. The conference call will be held at 9 a.m. ET on Wednesday, August 1st.

The Allstate Corporation (NYSE: ALL) is the nation's largest publicly held personal lines insurer, serving approximately 16 million households through its Allstate, Encompass, Esurance and Answer Financial brand names and Allstate Financial business segment. Allstate branded insurance products (auto, home, life and retirement) and services are offered through Allstate agencies, independent agencies, and Allstate exclusive financial representatives, as well as via www.allstate.com and 1-800 Allstate®, and are widely known through the slogan "You're In Good Hands With Allstate®."

THE ALLSTATE CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

($ in millions, except per share data)	Three months ended June 30,		Six months ended June 30,	
	2012	**2011**	**2012**	**2011**
	(unaudited)		(unaudited)	
Revenues				
Property-liability insurance premiums	$ 6,666	$ 6,457	$ 13,296	$ 12,905
Life and annuity premiums and contract charges	559	547	1,112	1,116
Net investment income	1,026	1,020	2,037	2,002
Realized capital gains and losses:				
Total other-than-temporary impairment losses	(69)	(82)	(156)	(238)
Portion of loss recognized in other comprehensive income	19	(4)	23	(31)
Net other-than-temporary impairment losses recognized in earnings	(50)	(86)	(133)	(269)
Sales and other realized capital gains and losses	77	143	328	422
Total realized capital gains and losses	27	57	195	153
	8,278	8,081	16,640	16,176
Costs and expenses				
Property-liability insurance claims and claims expense	4,810	6,355	9,149	10,831
Life and annuity contract benefits	462	422	901	876
Interest credited to contractholder funds	366	417	744	835
Amortization of deferred policy acquisition costs	942	960	1,921	1,944
Operating costs and expenses	996	868	2,013	1,768
Restructuring and related charges	10	11	16	20
Interest expense	93	91	188	183
	7,679	9,124	14,932	16,457
Gain (loss) on disposition of operations	3	7	6	(13)
Income (loss) from operations before income tax expense (benefit)	602	(1,036)	1,714	(294)
Income tax expense (benefit)	179	(412)	525	(194)
Net income (loss)	$ 423	$ (624)	$ 1,189	$ (100)
Earnings per share:				
Net income (loss) per share - Basic	$ 0.86	$ (1.19)	$ 2.40	$ (0.19)
Weighted average shares - Basic	490.6	523.1	494.9	528.2
Net income (loss) per share - Diluted	$ 0.86	$ (1.19)	$ 2.39	$ (0.19)

Weighted average shares - Diluted	493.8	523.1	497.9	528.2
Cash dividends declared per share	$ 0.22	$ 0.21	$ 0.44	$ 0.42

THE ALLSTATE CORPORATION
SEGMENT RESULTS

($ in millions, except ratios)	Three months ended June 30, 2012	Three months ended June 30, 2011	Six months ended June 30, 2012	Six months ended June 30, 2011
Property-Liability				
Premiums written	$ 6,864	$ 6,611	$ 13,327	$ 12,826
Premiums earned	$ 6,666	$ 6,457	$ 13,296	$ 12,905
Claims and claims expense	(4,810)	(6,355)	(9,149)	(10,831)
Amortization of deferred policy acquisition costs	(865)	(867)	(1,743)	(1,731)
Operating costs and expenses	(847)	(726)	(1,731)	(1,495)
Restructuring and related charges	(10)	(11)	(16)	(22)
Underwriting income (loss)	134	(1,502)	657	(1,174)
Net investment income	352	310	665	594
Periodic settlements and accruals on non-hedge derivative instruments	(2)	(3)	(3)	(7)
Business combination expenses and the amortization of purchased intangible assets	26	--	73	--
Income tax (expense) benefit on operations	(153)	463	(434)	282
Operating income (loss)	357	(732)	958	(305)
Realized capital gains and losses, after-tax	12	(6)	136	32
Reclassification of periodic settlements and accruals on non-hedge derivative instruments, after-tax	1	1	2	4
Business combination expenses and the amortization of purchased intangible assets, after-tax	(16)	--	(47)	--
Net income (loss)	$ 354	$ (737)	$ 1,049	$ (269)
Catastrophe losses	$ 819	$ 2,339	$ 1,078	$ 2,672
Operating ratios:				
Claims and claims expense ratio	72.2	98.4	68.8	83.9
Expense ratio	25.8	24.9	26.3	25.2
Combined ratio	98.0	123.3	95.1	109.1
Effect of catastrophe losses on combined ratio	12.3	36.2	8.1	20.7
Effect of prior year reserve reestimates on combined ratio	(2.4)	(0.7)	(2.7)	(0.7)
Effect of catastrophe losses included in prior year reserve reestimates on combined ratio	(1.4)	(0.3)	(1.9)	(0.4)
Effect of business combination expenses and the amortization of purchased intangible assets on combined ratio	0.4	--	0.6	--
Effect of Discontinued Lines and Coverages on combined ratio	0.1	0.1	0.1	0.1
Allstate Financial				
Investments	$ 57,734	$ 59,659	$ 57,734	$ 59,659
Premiums and contract charges	$ 559	$ 547	$ 1,112	$ 1,116
Net investment income	663	694	1,350	1,378
Periodic settlements and accruals on non-hedge derivative instruments	15	19	30	36
Contract benefits	(462)	(422)	(901)	(876)
Interest credited to contractholder funds	(362)	(412)	(730)	(837)
Amortization of deferred policy acquisition costs	(76)	(87)	(162)	(182)
Operating costs and expenses	(135)	(135)	(277)	(267)
Restructuring and related charges	--	--	--	2
Income tax expense on operations	(64)	(69)	(134)	(122)
Operating income	138	135	288	248
Realized capital gains and losses, after-tax	5	40	(9)	65
Valuation changes on embedded derivatives that are not hedged, after-tax	(3)	(3)	(9)	5
DAC and DSI amortization relating to realized capital gains and losses and valuation changes on embedded derivatives that are not hedged, after-tax	--	(5)	(10)	(27)
DAC and DSI unlocking relating to realized capital gains and losses, after-tax	--	--	--	3
Reclassification of periodic settlements and accruals on non-hedge derivative instruments, after-tax	(10)	(11)	(20)	(23)
Gain (loss) on disposition of operations, after-tax	2	5	4	(8)
Net income	$ 132	$ 161	$ 244	$ 263
Corporate and Other				
Net investment income	$ 11	$ 16	$ 22	$ 30
Operating costs and expenses	(107)	(98)	(193)	(189)
Income tax benefit on operations	33	32	67	63
Operating loss	(63)	(50)	(104)	(96)
Realized capital gains and losses, after-tax	--	2	--	2
Net loss	$ (63)	$ (48)	$ (104)	$ (94)
Consolidated net income (loss)	$ 423	$ (624)	$ 1,189	$ (100)

THE ALLSTATE CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

($ in millions, except par value data)	June 30, 2012 (unaudited)	December 31, 2011
Assets		
Investments:		
Fixed income securities, at fair value (amortized cost 73,925 and $73,379)	$ 77,926	$ 76,113
Equity securities, at fair value (cost $3,430 and $4,203)	3,681	4,363
Mortgage loans	6,928	7,139
Limited partnership interests	4,694	4,697
Short-term, at fair value (amortized cost $1,867 and $1,291)	1,867	1,291
Other	2,224	2,015
Total investments	97,320	95,618
Cash	571	776
Premium installment receivables, net	4,929	4,920
Deferred policy acquisition costs	3,644	3,871
Reinsurance recoverables, net	7,120	7,251
Accrued investment income	846	826
Deferred income taxes	--	722
Property and equipment, net	909	914
Goodwill	1,242	1,242
Other assets	2,164	2,069
Separate Accounts	6,790	6,984
Total assets	$ 125,535	$ 125,193

Liabilities		
Reserve for property-liability insurance claims and claims expense	$ 20,395	$ 20,375
Reserve for life-contingent contract benefits	14,640	14,406
Contractholder funds	40,832	42,332
Unearned premiums	10,085	10,057
Claim payments outstanding	813	827
Deferred income taxes	53	--
Other liabilities and accrued expenses	6,394	5,978
Long-term debt	6,058	5,908
Separate Accounts	6,790	6,984
Total liabilities	106,060	106,867
Equity		
Preferred stock, $1 par value, 25 million shares authorized, none issued	--	--
Common stock, $.01 par value, 2.0 billion shares authorized and 900 million issued, 486 million and 501 million shares outstanding	9	9
Additional capital paid-in	3,154	3,189
Retained income	32,880	31,909
Deferred ESOP expense	(41)	(43)
Treasury stock, at cost (414 million and 399 million shares)	(17,272)	(16,795)
Accumulated other comprehensive income:		
Unrealized net capital gains and losses:		
Unrealized net capital losses on fixed income securities with OTTI	(105)	(174)
Other unrealized net capital gains and losses	2,859	2,041
Unrealized adjustment to DAC, DSI and insurance reserves	(684)	(467)
Total unrealized net capital gains and losses	2,070	1,400
Unrealized foreign currency translation adjustments	58	56
Unrecognized pension and other postretirement benefit cost	(1,383)	(1,427)
Total accumulated other comprehensive income	745	29
Total shareholders' equity	19,475	18,298
Noncontrolling interest	--	28
Total equity	19,475	18,326
Total liabilities and equity	$ 125,535	$ 125,193

THE ALLSTATE CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

($ in millions)	Six months ended June 30, 2012	Six months ended June 30, 2011
	(unaudited)	
Cash flows from operating activities		
Net income (loss)	$ 1,189	$ (100)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation, amortization and other non-cash items	201	89
Realized capital gains and losses	(195)	(153)
(Gain) loss on disposition of operations	(6)	13
Interest credited to contractholder funds	744	835
Changes in:		
Policy benefits and other insurance reserves	(377)	665
Unearned premiums	27	(87)
Deferred policy acquisition costs	6	60
Premium installment receivables, net	(9)	(22)
Reinsurance recoverables, net	27	(40)
Income taxes	341	(226)
Other operating assets and liabilities	(174)	226
Net cash provided by operating activities	1,774	1,260
Cash flows from investing activities		
Proceeds from sales		
Fixed income securities	9,918	14,140
Equity securities	1,275	854
Limited partnership interests	796	335
Mortgage loans	11	65
Other investments	88	109
Investment collections		
Fixed income securities	2,141	2,385
Mortgage loans	458	308
Other investments	39	92
Investment purchases		
Fixed income securities	(12,345)	(13,934)
Equity securities	(290)	(781)
Limited partnership interests	(664)	(765)
Mortgage loans	(267)	(536)
Other investments	(243)	(146)
Change in short-term investments, net	(392)	1,166
Change in other investments, net	(57)	(170)
Purchases of property and equipment, net	(116)	(106)
Disposition of operations	--	(1)
Net cash provided by investing activities	352	3,015
Cash flows from financing activities		
Proceeds from issuance of long-term debt	493	--
Repayment of long-term debt	(351)	(1)
Contractholder fund deposits	1,005	1,120
Contractholder fund withdrawals	(2,665)	(4,508)
Dividends paid	(215)	(218)
Treasury stock purchases	(583)	(544)
Shares reissued under equity incentive plans, net	26	17
Excess tax benefits on share-based payment arrangements	4	(3)
Other	(45)	(7)
Net cash used in financing activities	(2,331)	(4,144)
Net (decrease) increase in cash	(205)	131
Cash at beginning of period	776	562
Cash at end of period	$ 571	$ 693

Definitions of Non-GAAP and Operating Measures
We believe that investors' understanding of Allstate's performance is enhanced by our disclosure of the following non-GAAP and operating financial measures. Our methods for calculating these measures may differ from those used by other companies and therefore comparability may be limited.

Operating income (loss) is net income (loss), excluding:

- realized capital gains and losses, after-tax, except for periodic settlements and accruals on non-hedge derivative instruments, which are reported with realized capital gains and losses but included in operating income (loss),

- valuation changes on embedded derivatives that are not hedged, after-tax,
- amortization of DAC and deferred sales inducements (DSI), to the extent they resulted from the recognition of certain realized capital gains and losses or valuation changes on embedded derivatives that are not hedged, after-tax,
- business combination expenses and the amortization of purchased intangible assets, after-tax,
- gain (loss) on disposition of operations, after-tax, and
- adjustments for other significant non-recurring, infrequent or unusual items, when (a) the nature of the charge or gain is such that it is reasonably unlikely to recur within two years, or (b) there has been no similar charge or gain within the prior two years.

Net income (loss) is the GAAP measure that is most directly comparable to operating income (loss).

We use operating income (loss) as an important measure to evaluate our results of operations. We believe that the measure provides investors with a valuable measure of the company's ongoing performance because it reveals trends in our insurance and financial services business that may be obscured by the net effect of realized capital gains and losses, valuation changes on embedded derivatives that are not hedged, business combination expenses and the amortization of purchased intangible assets, gain (loss) on disposition of operations and adjustments for other significant non-recurring, infrequent or unusual items. Realized capital gains and losses, valuation changes on embedded derivatives that are not hedged and gain (loss) on disposition of operations may vary significantly between periods and are generally driven by business decisions and external economic developments such as capital market conditions, the timing of which is unrelated to the insurance underwriting process. Consistent with our intent to protect results or earn additional income, operating income (loss) includes periodic settlements and accruals on certain derivative instruments that are reported in realized capital gains and losses because they do not qualify for hedge accounting or are not designated as hedges for accounting purposes. These instruments are used for economic hedges and to replicate fixed income securities, and by including them in operating income (loss), we are appropriately reflecting their trends in our performance and in a manner consistent with the economically hedged investments, product attributes (e.g., net investment income and interest credited to contractholder funds) or replicated investments. Business combination expenses are excluded because they are non-recurring in nature and the amortization of purchased intangible assets is excluded because it relates to the acquisition purchase price and is not indicative of our underlying insurance business results or trends. Non-recurring items are excluded because, by their nature, they are not indicative of our business or economic trends. Accordingly, operating income (loss) excludes the effect of items that tend to be highly variable from period to period and highlights the results from ongoing operations and the underlying profitability of our business. A byproduct of excluding these items to determine operating income (loss) is the transparency and understanding of their significance to net income variability and profitability while recognizing these or similar items may recur in subsequent periods. Operating income (loss) is used by management along with the other components of net income (loss) to assess our performance. We use adjusted measures of operating income (loss) and operating income (loss) per diluted share in incentive compensation. Therefore, we believe it is useful for investors to evaluate net income (loss), operating income (loss) and their components separately and in the aggregate when reviewing and evaluating our performance. We note that investors, financial analysts, financial and business media organizations and rating agencies utilize operating income (loss) results in their evaluation of our and our industry's financial performance and in their investment decisions, recommendations and communications as it represents a reliable, representative and consistent measurement of the industry and the company and management's performance. We note that the price to earnings multiple commonly used by insurance investors as a forward-looking valuation technique uses operating income (loss) as the denominator. Operating income (loss) should not be considered as a substitute for net income (loss) and does not reflect the overall profitability of our business.

The following tables reconcile operating income (loss) and net income (loss).

($ in millions, except per share data)	For the three months ended June 30,							
	Property-Liability		Allstate Financial		Consolidated		Per diluted share	
	2012	2011	2012	2011	2012	2011	2012	2011
Operating income (loss)	$ 357	$ (732)	$ 138	$ 135	$ 432	$ (647)	$ 0.87	$ (1.24)
Realized capital gains and losses	19	(8)	8	62	27	57		
Income tax (expense) benefit	(7)	2	(3)	(22)	(10)	(21)		
Realized capital gains and losses, after-tax	12	(6)	5	40	17	36	0.04	0.07
Valuation changes on embedded derivatives that are not hedged, after-tax	--	--	(3)	(3)	(3)	(3)	(0.01)	(0.01)
DAC and DSI amortization relating to realized capital gains and losses and valuation changes on embedded derivatives that are not hedged, after-tax	--	--	--	(5)	--	(5)	--	(0.01)
DAC and DSI unlocking relating to realized capital gains and losses, after-tax	--	--	--	--	--	--	--	--
Reclassification of periodic settlements and accruals on non-hedge derivative instruments, after-tax	1	1	(10)	(11)	(9)	(10)	(0.02)	(0.02)
Business combination expenses and the amortization of purchased intangible assets, after-tax	(16)	--	--	--	(16)	--	(0.03)	--
Gain on disposition of operations, after-tax	--	--	2	5	2	5	0.01	0.02
Net income (loss)	$ 354	$ (737)	$ 132	$ 161	$ 423	$ (624)	$ 0.86	$ (1.19)

	For the six months ended June 30,							
	Property-Liability		Allstate Financial		Consolidated		Per diluted share	
	2012	2011	2012	2011	2012	2011	2012	2011
Operating income (loss)	$ 958	$ (305)	$ 288	$ 248	$ 1,142	$ (153)	$ 2.29	$ (0.29)
Realized capital gains and losses	208	49	(13)	101	195	153		
Income tax (expense) benefit	(72)	(17)	4	(36)	(68)	(54)		
Realized capital gains and losses, after-tax	136	32	(9)	65	127	99	0.26	0.19
Valuation changes on embedded derivatives that are not hedged, after-tax	--	--	(9)	5	(9)	5	(0.02)	0.01
DAC and DSI amortization relating to realized capital gains and losses and valuation changes on embedded derivatives that are not hedged, after-tax	--	--	(10)	(27)	(10)	(27)	(0.02)	(0.05)
DAC and DSI unlocking relating to realized capital gains and losses, after-tax	--	--	--	3	--	3	--	0.01
Reclassification of periodic settlements and accruals on non-hedge derivative instruments, after-tax	2	4	(20)	(23)	(18)	(19)	(0.04)	(0.04)
Business combination expenses and the amortization of purchased intangible assets, after-tax	(47)	--	--	--	(47)	--	(0.09)	--
Gain (loss) on disposition of operations, after-tax	--	--	4	(8)	4	(8)	0.01	(0.02)
Net income (loss)	$ 1,049	$ (269)	$ 244	$ 263	$ 1,189	$ (100)	$ 2.39	$ (0.19)

Operating income (loss) return on shareholders' equity is a ratio that uses a non-GAAP measure. It is calculated by dividing the rolling 12-month operating income (loss) by the average of shareholders' equity at the beginning and at the end of the 12-months, after excluding the effect of unrealized net capital gains and losses. Return on shareholders' equity is the most directly comparable GAAP measure. We use operating income (loss) as the numerator for the same reasons we use operating income (loss), as discussed above. We use average shareholders' equity excluding the effect of unrealized net capital gains and losses for the denominator as a representation of shareholders' equity primarily attributable to the company's earned and realized business operations because it eliminates the effect of items that are unrealized and vary significantly between periods due to external economic developments such as capital market conditions like changes in equity prices and interest rates, the amount and timing of which are unrelated to the insurance underwriting process. We use it to supplement our evaluation of net income (loss) and return on shareholders' equity because it

excludes the effect of items that tend to be highly variable from period to period. We believe that this measure is useful to investors and that it provides a valuable tool for investors when considered along with net income (loss) return on shareholders' equity because it eliminates the after-tax effects of realized and unrealized net capital gains and losses that can fluctuate significantly from period to period and that are driven by economic developments, the magnitude and timing of which are generally not influenced by management. In addition, it eliminates non-recurring items that are not indicative of our ongoing business or economic trends. A byproduct of excluding the items noted above to determine operating income (loss) return on shareholders' equity from return on shareholders' equity is the transparency and understanding of their significance to return on shareholders' equity variability and profitability while recognizing these or similar items may recur in subsequent periods. Therefore, we believe it is useful for investors to have operating income (loss) return on shareholders' equity and return on shareholders' equity when evaluating our performance. We note that investors, financial analysts, financial and business media organizations and rating agencies utilize operating income (loss) return on shareholders' equity results in their evaluation of our and our industry's financial performance and in their investment decisions, recommendations and communications as it represents a reliable, representative and consistent measurement of the industry and the company and management's utilization of capital. Operating income (loss) return on shareholders' equity should not be considered as a substitute for return on shareholders' equity and does not reflect the overall profitability of our business.

The following table reconciles return on shareholders' equity and operating income return on shareholders' equity.

($ in millions)	For the twelve months ended June 30,	
	2012	2011
Return on shareholders' equity		
Numerator:		
Net income	$ 2,076	$ 554
Denominator:		
Beginning shareholders' equity	$ 18,382	$ 17,619
Ending shareholders' equity	19,475	18,382
Average shareholders' equity	$ 18,929	$ 18,001

Return on shareholders' equity	11.0%	3.1%

	For the twelve months ended June 30,	
	2012	2011
Operating income return on shareholders' equity		
Numerator:		
Operating income	$ 1,957	$ 555
Denominator:		
Beginning shareholders' equity	$ 18,382	$ 17,619
Unrealized net capital gains and losses	1,475	312
Adjusted beginning shareholders' equity	16,907	17,307
Ending shareholders' equity	19,475	18,382
Unrealized net capital gains and losses	2,070	1,475
Adjusted ending shareholders' equity	17,405	16,907
Average adjusted shareholders' equity	$ 17,156	$ 17,107
Operating income return on shareholders' equity	11.4%	3.2%

Underwriting income (loss) is calculated as premiums earned, less claims and claims expense ("losses"), amortization of DAC, operating costs and expenses and restructuring and related charges as determined using GAAP. Management uses this measure in its evaluation of the results of operations to analyze the profitability of our Property-Liability insurance operations separately from investment results. It is also an integral component of incentive compensation. It is useful for investors to evaluate the components of income separately and in the aggregate when reviewing performance. Net income (loss) is the most directly comparable GAAP measure. Underwriting income (loss) should not be considered as a substitute for net income (loss) and does not reflect the overall profitability of our business. A reconciliation of Property-Liability underwriting income (loss) to net income (loss) is provided in the "Segment Results" page.

Combined ratio excluding the effect of catastrophes, prior year reserve reestimates, business combination expenses and the amortization of purchased intangible assets ("underlying combined ratio") is a non-GAAP ratio, which is computed as the difference between four GAAP operating ratios: the combined ratio, the effect of catastrophes on the combined ratio, the effect of prior year non-catastrophe reserve reestimates on the combined ratio, the effect of business combination expenses and the amortization of purchased intangible assets on the combined ratio. We believe that this ratio is useful to investors and it is used by management to reveal the trends in our Property-Liability business that may be obscured by catastrophe losses, prior year reserve reestimates, business combination expenses and the amortization of purchased intangible assets. Catastrophe losses cause our loss trends to vary significantly between periods as a result of their incidence of occurrence and magnitude, and can have a significant impact on the combined ratio. Prior year reserve reestimates are caused by unexpected loss development on historical reserves. Business combination expenses and the amortization of purchased intangible assets primarily relate to the acquisition purchase price and are not indicative of our underlying insurance business results or trends. We believe it is useful for investors to evaluate these components separately and in the aggregate when reviewing our underwriting performance. We also provide it to facilitate a comparison to our

outlook on the underlying combined ratio. The most directly comparable GAAP measure is the combined ratio. The underlying combined ratio should not be considered a substitute for the combined ratio and does not reflect the overall underwriting profitability of our business.

A reconciliation of the Property-Liability underlying combined ratio to the Property-Liability combined ratio is provided in the following table.

	Three months ended June 30,		Six months ended June 30,	
	2012	2011	2012	2011
Combined ratio excluding the effect of catastrophes, prior year reserve reestimates, business combination expenses and the amortization of purchased intangible assets ("underlying combined ratio")	86.3	87.5	87.2	88.7
Effect of catastrophe losses	12.3	36.2	8.1	20.7
Effect of prior year non-catastrophe reserve reestimates	(1.0)	(0.4)	(0.8)	(0.3)
Effect of business combination expense and the amortization of purchased intangible assets	0.4	--	0.6	--
Combined ratio	98.0	123.3	95.1	109.1
Effect of prior year catastrophe reserve reestimates	(1.4)	(0.3)	(1.9)	(0.4)

Underwriting margin is calculated as 100% minus the combined ratio.

The Property-Liability underlying combined ratio by brand is provided in the following table.

	Three months ended June 30,		Six months ended June 30,	
	2012	2011	2012	2011
Allstate brand	85.1	87.1	86.0	88.4
Encompass brand	97.0	96.3	96.8	94.7
Esurance brand	106.0	--	107.5	--

In this news release, we provide our outlook range on the Property-Liability 2012 underlying combined ratio. A reconciliation of this measure to the combined ratio is not possible on a forward-looking basis because it is not possible to provide a reliable forecast of catastrophes. Future prior year reserve reestimates are expected to be zero because reserves are determined based on our best estimate of ultimate loss reserves as of the reporting date.

A reconciliation of the Allstate brand standard auto underlying combined ratio to the Allstate brand standard auto combined ratio is provided in the following table.

	Three months ended June 30,		Six months ended June 30,	
	2012	2011	2012	2011
Underlying combined ratio	93.4	93.7	94.2	94.2
Effect of catastrophe losses	3.9	6.7	2.6	3.6
Effect of prior year non-catastrophe reserve reestimates	(1.8)	(2.1)	(1.4)	(1.1)
Combined ratio	95.5	98.3	95.4	96.7
Effect of prior year catastrophe reserve reestimates	(0.2)	(0.1)	(0.2)	(0.2)

A reconciliation of the Allstate brand homeowners underlying combined ratio to the Allstate brand homeowners combined ratio is provided in the following table.

	Three months ended June 30,		Six months ended June 30,	
	2012	2011	2012	2011
Underlying combined ratio	64.6	69.4	65.8	71.7
Effect of catastrophe losses	40.2	123.2	26.4	70.6
Effect of prior year non-catastrophe reserve reestimates	0.1	0.7	0.4	0.2
Combined ratio	104.9	193.3	92.6	142.5
Effect of prior year catastrophe reserve reestimates	(3.6)	(0.4)	(6.1)	(1.4)

Book value per share, excluding the impact of unrealized net capital gains and losses on fixed income securities, is a ratio that uses a non-GAAP measure. It is calculated by dividing shareholders' equity after excluding the impact of unrealized net capital gains and losses on fixed income securities and related DAC, DSI and life insurance reserves by total shares outstanding plus dilutive potential shares outstanding. We use the trend in book value per share, excluding the impact of unrealized net capital gains and losses on fixed income securities, in conjunction with book value per share to identify and analyze the change in net worth attributable to management efforts between periods. We believe the non-GAAP ratio is useful to investors because it eliminates the effect of items that can fluctuate significantly from period to period and are generally driven by economic developments, primarily capital market conditions, the magnitude and timing of which are generally not influenced by management, and we believe it enhances understanding and comparability of performance by highlighting underlying business activity and profitability drivers. We note that book value per share, excluding the impact

of unrealized net capital gains and losses on fixed income securities, is a measure commonly used by insurance investors as a valuation technique. Book value per share is the most directly comparable GAAP measure. Book value per share, excluding the impact of unrealized net capital gains and losses on fixed income securities, should not be considered as a substitute for book value per share, and does not reflect the recorded net worth of our business. The following table shows the reconciliation.

($ in millions, except per share data)	As of June 30, 2012	As of June 30, 2011
Book value per share		
Numerator:		
Shareholders’ equity	$ 19,475	$ 18,382
Denominator:		
Shares outstanding and dilutive potential shares outstanding	490.2	522.0
Book value per share	$ 39.73	$ 35.21
Book value per share, excluding the impact of unrealized net capital gains and losses on fixed income securities		
Numerator:		
Shareholders’ equity	$ 19,475	$ 18,382
Unrealized net capital gains and losses on fixed income securities	1,919	1,091
Adjusted shareholders’ equity	$ 17,556	$ 17,291
Denominator:		
Shares outstanding and dilutive potential shares outstanding	490.2	522.0
Book value per share, excluding the impact of unrealized net capital gains and losses on fixed income securities	$ 35.81	$ 33.12

Premiums written is the amount of premiums charged for policies issued during a fiscal period. Premiums earned is a GAAP measure. Premiums are considered earned and are included in financial results on a pro-rata basis over the policy period. The portion of premiums written applicable to the unexpired terms of the policies is recorded as unearned premiums on our Condensed Consolidated Statements of Financial Position. A reconciliation of premiums written to premiums earned is presented in the following table.

($ in millions)	Three months ended June 30, 2012	Three months ended June 30, 2011	Six months ended June 30, 2012	Six months ended June 30, 2011
Property-Liability premiums written	$ 6,864	$ 6,611	$ 13,327	$ 12,826
(Increase) decrease in unearned premiums	(198)	(165)	(31)	69
Other	--	11	--	10
Property-Liability premiums earned	$ 6,666	$ 6,457	$ 13,296	$ 12,905

Forward-Looking Statements and Risk Factors
This news release contains forward-looking statements about our outlook for the Property-Liability combined ratio excluding the effect of catastrophes, prior year reserve reestimates, business combination expenses, and the amortization of purchased intangible assets for 2012. These statements are subject to the Private Securities Litigation Reform Act of 1995 and are based on management’s estimates, assumptions and projections. Actual results may differ materially from those projected based on the risk factors described below.

- Premiums written and premiums earned, the denominator of the underlying combined ratio, may be materially less than projected. Policyholder attrition may be greater than anticipated resulting in a lower amount of insurance in force.
- Unanticipated increases in the severity or frequency of standard auto insurance claims may adversely affect our underwriting results. Changes in the severity or frequency of claims may affect the profitability of our Allstate Protection segment. Changes in bodily injury claim severity are driven primarily by inflation in the medical sector of the economy and litigation. Changes in auto physical damage claim severity are driven primarily by inflation in auto repair costs, auto parts prices and used car prices. The short-term level of claim frequency we experience may vary from period to period and may not be sustainable over the longer term. A decline in gas prices, increase in miles driven, and higher unemployment are examples of factors leading to a short-term frequency change. A significant long-term increase in claim frequency could have an adverse effect on our underwriting results.

We undertake no obligation to publicly correct or update any forward-looking statements. This news release contains unaudited financial information.

# # # # #

THE ALLSTATE CORPORATION

Investor Supplement
Second Quarter 2012

The consolidated financial statements and financial exhibits included herein are unaudited. These consolidated financial statements and exhibits should be read in conjunction with the consolidated financial statements and notes thereto included in the most recent Annual Report on Form 10-K, the Current Report on Form 8-K filed on May 2, 2012 (retrospective adoption of deferred acquisition costs "DAC") and Quarterly Reports on Form 10-Q. The results of operations for interim periods should not be considered indicative of results to be expected for the full year.

Measures used in these financial statements and exhibits that are not based on generally accepted accounting principles ("non-GAAP") and operating measures are denoted with an asterisk (*) the first time they appear. These measures are defined on the page "Definitions of Non-GAAP and Operating Measures" and non-GAAP measures are reconciled to the most directly comparable GAAP measure herein.

THE ALLSTATE CORPORATION
Investor Supplement - Second Quarter 2012
Table of Contents

THE ALLSTATE CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
($ in millions, except per share data)

	Three months ended						Six months ended	
	June 30, 2012	March 31, 2012	Dec. 31, 2011	Sept. 30, 2011	June 30, 2011	March 31, 2011	June 30, 2012	June 30, 2011
Revenues								
Property-liability insurance premiums	$ 6,666	$ 6,630	$ 6,605	$ 6,432	$ 6,457	$ 6,448	$ 13,296	$ 12,905
Life and annuity premiums and contract charges	559	553	570	552	547	569	1,112	1,116
Net investment income	1,026	1,011	975	994	1,020	982	2,037	2,002
Realized capital gains and losses:								
Total other-than-temporary impairment losses	(69)	(87)	(128)	(197)	(82)	(156)	(156)	(238)
Portion of loss recognized in other comprehensive income	19	4	4	(6)	(4)	(27)	23	(31)
Net other-than-temporary impairment losses recognized in earnings	(50)	(83)	(124)	(203)	(86)	(183)	(133)	(269)
Sales and other realized capital gains and losses	77	251	210	467	143	279	328	422
Total realized capital gains and losses	27	168	86	264	57	96	195	153
Total revenues	8,278	8,362	8,236	8,242	8,081	8,095	16,640	16,176
Costs and expenses								
Property-liability insurance claims and claims expense	4,810	4,339	4,198	5,132	6,355	4,476	9,149	10,831
Life and annuity contract benefits	462	439	430	455	422	454	901	876
Interest credited to contractholder funds	366	378	405	405	417	418	744	835
Amortization of deferred policy acquisition costs	942	979	981	1,046	960	984	1,921	1,944
Operating costs and expenses	996	1,017	1,083	888	868	900	2,013	1,768
Restructuring and related charges	10	6	16	8	11	9	16	20
Interest expense	93	95	92	92	91	92	188	183
Total costs and expenses	7,679	7,253	7,205	8,026	9,124	7,333	14,932	16,457
Gain (loss) on disposition of operations	3	3	3	3	7	(20)	6	(13)
Income (loss) from operations before income tax expense (benefit)	602	1,112	1,034	219	(1,036)	742	1,714	(294)
Income tax expense (benefit)	179	346	322	44	(412)	218	525	(194)
Net income (loss)	$ 423	$ 766	$ 712	$ 175	$ (624)	$ 524	$ 1,189	$ (100)
Earnings per share: (1)								
Net income (loss) per share - Basic	$ 0.86	$ 1.54	$ 1.41	$ 0.34	$ (1.19)	$ 0.99	$ 2.40	$ (0.19)
Weighted average shares - Basic	490.6	498.7	504.5	512.0	523.1	531.0	494.9	528.2
Net income (loss) per share - Diluted (2)	$ 0.86	$ 1.53	$ 1.40	$ 0.34	$ (1.19)	$ 0.98	$ 2.39	$ (0.19)
Weighted average shares - Diluted (2)	493.8	501.5	506.8	514.2	523.1	533.6	497.9	528.2
Cash dividends declared per share	$ 0.22	$ 0.22	$ 0.21	$ 0.21	$ 0.21	$ 0.21	$ 0.44	$ 0.42

(1) In accordance with GAAP, the quarter and year-to-date per share amounts are calculated discretely. Therefore, the sum of each quarter may not equal the year-to-date amount.

(2) As a result of the net loss for the three-months ended June 30, 2011, weighted average dilutive potential common shares outstanding resulting from 2.1 million stock options and 0.5 million restricted stock units (non-participating) were not included in the computation of diluted earnings per share in that quarter, since inclusion of these securities would have an anti-dilutive effect.

THE ALLSTATE CORPORATION
CONTRIBUTION TO INCOME
($ in millions, except per share data)

	Three months ended						Six months ended	
	June 30, 2012	March 31, 2012	Dec. 31, 2011	Sept. 30, 2011	June 30, 2011	March 31, 2011	June 30, 2012	June 30, 2011
Contribution to income								
Operating income (loss) before the impact of restructuring and related charges	$ 438	$ 714	$ 746	$ 85	$ (640)	$ 500	$ 1,152	$ (140)
Restructuring and related charges, after-tax	(6)	(4)	(11)	(5)	(7)	(6)	(10)	(13)
Operating income (loss) *	432	710	735	80	(647)	494	1,142	(153)
Realized capital gains and losses, after-tax	17	110	55	170	36	63	127	99
Valuation changes on embedded derivatives that are not hedged, after-tax	(3)	(6)	(13)	(4)	(3)	8	(9)	5
DAC and DSI amortization relating to realized capital gains and losses and valuation changes on embedded derivatives that are not hedged, after-tax	-	(10)	(16)	(65)	(5)	(22)	(10)	(27)
DAC and DSI unlocking relating to realized capital gains and losses, after-tax	-	-	-	-	-	3	-	3
Reclassification of periodic settlements and accruals on non-hedge derivative instruments, after-tax	(9)	(9)	(8)	(8)	(10)	(9)	(18)	(19)
Business combination expenses and the amortization of purchased intangible assets, after-tax	(16)	(31)	(42)	-	-	-	(47)	-

Gain (loss) on disposition of operations, after-tax	2	2	1	2	5	(13)	4	(8)
Net income (loss)	$ 423	$ 766	$ 712	$ 175	$ (624)	$ 524	$ 1,189	$ (100)
Income per share - Diluted [(1) (2)]								
Operating income (loss) before the impact of restructuring and related charges	$ 0.89	$ 1.42	$ 1.47	$ 0.17	$ (1.22)	$ 0.94	$ 2.31	$ (0.27)
Restructuring and related charges, after-tax	(0.02)	-	(0.02)	(0.01)	(0.02)	(0.01)	(0.02)	(0.02)
Operating income (loss)	0.87	1.42	1.45	0.16	(1.24)	0.93	2.29	(0.29)
Realized capital gains and losses, after-tax	0.04	0.22	0.11	0.33	0.07	0.12	0.26	0.19
Valuation changes on embedded derivatives that are not hedged, after-tax	(0.01)	(0.01)	(0.03)	(0.01)	(0.01)	0.02	(0.02)	0.01
DAC and DSI amortization relating to realized capital gains and losses and valuation changes on embedded derivatives that are not hedged, after-tax	-	(0.02)	(0.03)	(0.13)	(0.01)	(0.04)	(0.02)	(0.05)
DAC and DSI unlocking relating to realized capital gains and losses, after-tax	-	-	-	-	-	-	-	0.01
Reclassification of periodic settlements and accruals on non-hedge derivative instruments, after-tax	(0.02)	(0.02)	(0.02)	(0.01)	(0.02)	(0.02)	(0.04)	(0.04)
Business combination expenses and the amortization of purchased intangible assets, after-tax	(0.03)	(0.06)	(0.08)	-	-	-	(0.09)	-
Gain (loss) on disposition of operations, after-tax	0.01	-	-	-	0.02	(0.03)	0.01	(0.02)
Net income (loss)	$ 0.86	$ 1.53	$ 1.40	$ 0.34	$ (1.19)	$ 0.98	$ 2.39	$ (0.19)
Weighted average shares - Diluted	493.8	501.5	506.8	514.2	523.1	533.6	497.9	528.2

(1) In accordance with GAAP, the quarter and year-to-date per share amounts are calculated discretely. Therefore, the sum of each quarter may not equal the year-to-date amount.
(2) As a result of the net loss for the three-months ended June 30, 2011, weighted average dilutive potential common shares outstanding resulting from 2.1 million stock options and 0.5 million restricted stock units (non-participating) were not included in the computation of diluted earnings per share in that quarter, since inclusion of these securities would have an anti-dilutive effect.

THE ALLSTATE CORPORATION
REVENUES
($ in millions)

	Three months ended						Six months ended	
	June 30, 2012	March 31, 2012	Dec. 31, 2011	Sept. 30, 2011	June 30, 2011	March 31, 2011	June 30, 2012	June 30, 2011
Property-Liability								
Property-liability insurance premiums	$ 6,666	$ 6,630	$ 6,605	$ 6,432	$ 6,457	$ 6,448	$ 13,296	$ 12,905
Net investment income	352	313	309	298	310	284	665	594
Realized capital gains and losses	19	189	12	24	(8)	57	208	49
Total Property-Liability revenues	7,037	7,132	6,926	6,754	6,759	6,789	14,169	13,548
Allstate Financial								
Life and annuity premiums and contract charges	559	553	570	552	547	569	1,112	1,116
Net investment income	663	687	656	682	694	684	1,350	1,378
Realized capital gains and losses	8	(21)	68	219	62	39	(13)	101
Total Allstate Financial revenues	1,230	1,219	1,294	1,453	1,303	1,292	2,449	2,595
Corporate and Other								
Service fees [(1)]	1	1	2	1	2	2	2	4
Net investment income	11	11	10	14	16	14	22	30
Realized capital gains and losses	-	-	6	21	3	-	-	3
Total Corporate and Other revenues before reclassification of services fees	12	12	18	36	21	16	24	37
Reclassification of service fees [(1)]	(1)	(1)	(2)	(1)	(2)	(2)	(2)	(4)
Total Corporate and Other revenues	11	11	16	35	19	14	22	33
Consolidated revenues	$ 8,278	$ 8,362	$ 8,236	$ 8,242	$ 8,081	$ 8,095	$ 16,640	$ 16,176

(1) For presentation in the Consolidated Statements of Operations, service fees of the Corporate and Other segment are reclassified to Operating costs and expenses.

THE ALLSTATE CORPORATION
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
($ in millions)

	June 30, 2012	March 31, 2012	Dec. 31, 2011	Sept. 30, 2011	June 30, 2011
Assets					
Investments					
Fixed income securities, at					

	June 30, 2012	March 31, 2012	Dec. 31, 2011	Sept. 30, 2011	June 30, 2011
Liabilities					
Reserve for property-liability insurance claims and claims expense	$ 20,395	$ 20,283	$ 20,375	$ 20,395	$ 20,456

fair value (amortized cost $73,925, $74,060, $73,379, $73,935 and $76,502)	$ 77,926	$ 77,223	$ 76,113	$ 76,394	$ 78,414
Equity securities, at fair value (cost $3,430, $3,430, $4,203, $4,252 and $4,329)	3,681	3,847	4,363	4,157	4,954
Mortgage loans	6,928	7,167	7,139	6,956	6,827
Limited partnership interests	4,694	4,637	4,697	4,407	4,400
Short-term, at fair value (amortized cost $1,867, 1,886, $1,291, $3,517 and $2,536)	1,867	1,886	1,291	3,517	2,536
Other	2,224	2,249	2,015	2,094	2,158
Total investments	97,320	97,009	95,618	97,525	99,289
Cash	571	577	776	1,026	693
Premium installment receivables, net	4,929	4,908	4,920	4,988	4,869
Deferred policy acquisition costs	3,644	3,716	3,871	3,889	4,000
Reinsurance recoverables, net (1)	7,120	7,118	7,251	6,720	6,446
Accrued investment income	846	846	826	854	875
Deferred income taxes	-	201	722	991	731
Property and equipment, net	909	912	914	908	914
Goodwill	1,242	1,242	1,242	874	874
Other assets	2,164	2,049	2,069	2,037	1,791
Separate Accounts	6,790	7,355	6,984	6,791	8,175
Total assets	$ 125,535	$ 125,933	$ 125,193	$ 126,603	$ 128,657

Reserve for life-contingent contract benefits	14,640	14,296	14,406	14,270	13,751
Contractholder funds	40,832	41,603	42,332	43,776	45,078
Unearned premiums	10,085	9,888	10,057	10,002	9,727
Claim payments outstanding	813	750	827	960	948
Deferred income taxes	53	-	-	-	-
Other liabilities and accrued expenses	6,394	6,490	5,978	6,741	6,204
Long-term debt	6,058	6,058	5,908	5,907	5,907
Separate Accounts	6,790	7,355	6,984	6,791	8,175
Total liabilities	106,060	106,723	106,867	108,842	110,246
Equity					
Common stock, 486 million, 493 million, 501 million, 505 million and 517 million shares outstanding	9	9	9	9	9
Additional capital paid-in	3,154	3,151	3,189	3,177	3,165
Retained income	32,880	32,565	31,909	31,303	31,237
Deferred ESOP expense	(41)	(41)	(43)	(43)	(43)
Treasury stock, at cost (414 million, 407 million, 399 million, 395 million and 383 million shares)	(17,272)	(17,034)	(16,795)	(16,693)	(16,387)
Accumulated other comprehensive income:					
Unrealized net capital gains and losses:					
Unrealized net capital losses on fixed income securities with other-than-temporary impairments	(105)	(100)	(174)	(155)	(156)
Other unrealized net capital gains and losses	2,859	2,412	2,041	1,683	1,783
Unrealized adjustment to DAC, DSI and insurance reserves	(684)	(438)	(467)	(463)	(152)
Total unrealized net capital gains and losses	2,070	1,874	1,400	1,065	1,475
Unrealized foreign currency translation adjustments	58	65	56	49	82
Unrecognized pension and other postretirement benefit cost	(1,383)	(1,407)	(1,427)	(1,135)	(1,156)
Total accumulated other comprehensive income (loss)	745	532	29	(21)	401
Total shareholders' equity	19,475	19,182	18,298	17,732	18,382
Noncontrolling interest	-	28	28	29	29
Total equity	19,475	19,210	18,326	17,761	18,411
Total liabilities and equity	$ 125,535	$ 125,933	$ 125,193	$ 126,603	$ 128,657

(1) Reinsurance recoverables of unpaid losses related to Property-Liability were $2,544 million, $2,571 million, $2,588 million, $2,271 million and $2,099 million as of June 30, 2012, March 31, 2012, December 31, 2011, September 30, 2011 and June 30, 2011, respectively.

THE ALLSTATE CORPORATION
BOOK VALUE PER SHARE
($ in millions, except per share data)

	June 30, 2012	March 31, 2012	Dec. 31, 2011	Sept. 30, 2011	June 30, 2011	March 31, 2011
Book value per share						
Numerator:						
Shareholders' equity	$ 19,475	$ 19,182	$ 18,298	$ 17,732	$ 18,382	$ 18,898
Denominator:						
Shares outstanding and dilutive potential shares outstanding	490.2	497.3	505.8	509.0	522.0	529.0
Book value per share	$ 39.73	$ 38.57	$ 36.18	$ 34.84	$ 35.21	$ 35.72
Book value per share, excluding the impact of unrealized net capital gains and losses on fixed income securities *						
Numerator:						
Shareholders' equity	$ 19,475	$ 19,182	$ 18,298	$ 17,732	$ 18,382	$ 18,898
Unrealized net capital gains and losses on fixed income securities	1,919	1,620	1,311	1,136	1,091	671
Adjusted shareholders' equity	$ 17,556	$ 17,562	$ 16,987	$ 16,596	$ 17,291	$ 18,227

Denominator:						
Shares outstanding and dilutive potential shares outstanding	490.2	497.3	505.8	509.0	522.0	529.0
Book value per share, excluding the impact of unrealized net capital gains and losses on fixed income securities	$ 35.81	$ 35.31	$ 33.58	$ 32.61	$ 33.12	$ 34.46

THE ALLSTATE CORPORATION
RETURN ON SHAREHOLDERS' EQUITY
($ in millions)

	Twelve months ended					
	June 30, 2012	March 31, 2012	Dec. 31, 2011	Sept. 30, 2011	June 30, 2011	March 31, 2011
Return on Shareholders' Equity						
Numerator:						
Net income [(1)]	$ 2,076	$ 1,029	$ 787	$ 368	$ 554	$ 1,315
Denominator:						
Beginning shareholders' equity	$ 18,382	$ 18,898	$ 18,617	$ 18,887	$ 17,619	$ 17,104
Ending shareholders' equity	19,475	19,182	18,298	17,732	18,382	18,898
Average shareholders' equity [(2)]	$ 18,929	$ 19,040	$ 18,458	$ 18,310	$ 18,001	$ 18,001
Return on shareholders' equity	11.0 %	5.4 %	4.3 %	2.0 %	3.1 %	7.3 %
Operating Income Return on Shareholders' Equity *						
Numerator:						
Operating income [(1)]	$ 1,957	$ 878	$ 662	$ 189	$ 555	$ 1,632
Denominator:						
Beginning shareholders' equity	$ 18,382	$ 18,898	$ 18,617	$ 18,887	$ 17,619	$ 17,104
Unrealized net capital gains and losses	1,475	1,072	948	1,313	312	(145)
Adjusted beginning shareholders' equity	16,907	17,826	17,669	17,574	17,307	17,249
Ending shareholders' equity	19,475	19,182	18,298	17,732	18,382	18,898
Unrealized net capital gains and losses	2,070	1,874	1,400	1,065	1,475	1,072
Adjusted ending shareholders' equity	17,405	17,308	16,898	16,667	16,907	17,826
Average adjusted shareholders' equity [(2)]	$ 17,156	$ 17,567	$ 17,284	$ 17,121	$ 17,107	$ 17,538
Operating income return on shareholders' equity	11.4 %	5.0 %	3.8 %	1.1 %	3.2 %	9.3 %

[(1)] Net income and operating income reflect a trailing twelve-month period.

[(2)] Average shareholders' equity and average adjusted shareholders' equity are determined using a two-point average, with the beginning and ending shareholders' equity and adjusted shareholders' equity, respectively, for the twelve-month period as data points.

THE ALLSTATE CORPORATION
DEBT TO CAPITAL
($ in millions)

	June 30, 2012	March 31, 2012	Dec. 31, 2011	Sept. 30, 2011	June 30, 2011	March 31, 2011
Debt						
Long-term debt	$ 6,058	$ 6,058	$ 5,908	$ 5,907	$ 5,907	$ 5,908
Capital resources						
Debt	$ 6,058	$ 6,058	$ 5,908	$ 5,907	$ 5,907	$ 5,908
Shareholders' equity						
Common stock	9	9	9	9	9	9
Additional capital paid-in	3,154	3,151	3,189	3,177	3,165	3,156
Retained income	32,880	32,565	31,909	31,303	31,237	31,971
Deferred ESOP expense	(41)	(41)	(43)	(43)	(43)	(42)
Treasury stock	(17,272)	(17,034)	(16,795)	(16,693)	(16,387)	(16,173)
Unrealized net capital gains and losses	2,070	1,874	1,400	1,065	1,475	1,072
Unrealized foreign currency translation adjustments	58	65	56	49	82	78
Unrecognized pension and other postretirement benefit cost	(1,383)	(1,407)	(1,427)	(1,135)	(1,156)	(1,173)
Total shareholders' equity	19,475	19,182	18,298	17,732	18,382	18,898
Total capital resources	$ 25,533	$ 25,240	$ 24,206	$ 23,639	$ 24,289	$ 24,806
Ratio of debt to shareholders' equity	31.1 %	31.6 %	32.3 %	33.3 %	32.1 %	31.3 %

Ratio of debt to capital resources	23.7 %	24.0 %	24.4 %	25.0 %	24.3 %	23.8 %

THE ALLSTATE CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
($ in millions)

	Three months ended						Six months ended	
	June 30, 2012	March 31, 2012	Dec. 31, 2011	Sept. 30, 2011	June 30, 2011	March 31, 2011	June 30, 2012	June 30, 2011
CASH FLOWS FROM OPERATING ACTIVITIES								
Net income (loss)	$ 423	$ 766	$ 712	$ 175	$ (624)	$ 524	$ 1,189	$ (100)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:								
Depreciation, amortization and other non-cash items	105	96	103	60	58	31	201	89
Realized capital gains and losses	(27)	(168)	(86)	(264)	(57)	(96)	(195)	(153)
(Gain) loss on disposition of operations	(3)	(3)	(3)	(3)	(7)	20	(6)	13
Interest credited to contractholder funds	366	378	405	405	417	418	744	835
Changes in:								
Policy benefits and other insurance reserves	(31)	(346)	(623)	(119)	723	(58)	(377)	665
Unearned premiums	207	(180)	(183)	307	161	(248)	27	(87)
Deferred policy acquisition costs	(46)	52	48	69	(7)	67	6	60
Premium installment receivables, net	(28)	19	191	(136)	(25)	3	(9)	(22)
Reinsurance recoverables, net	(30)	57	(441)	(235)	77	(117)	27	(40)
Income taxes	8	333	316	43	(429)	203	341	(226)
Other operating assets and liabilities	23	(197)	(181)	109	247	(21)	(174)	226
Net cash provided by operating activities	967	807	258	411	534	726	1,774	1,260
CASH FLOWS FROM INVESTING ACTIVITIES								
Proceeds from sales								
Fixed income securities	4,229	5,689	5,520	9,776	5,777	8,363	9,918	14,140
Equity securities	216	1,059	896	262	212	642	1,275	854
Limited partnership interests	393	403	238	427	222	113	796	335
Mortgage loans	5	6	23	9	39	26	11	65
Other investments	52	36	15	40	46	63	88	109
Investment collections								
Fixed income securities	1,175	966	1,087	1,479	1,184	1,201	2,141	2,385
Mortgage loans	288	170	143	183	220	88	458	308
Other investments	16	23	18	13	15	77	39	92
Investment purchases								
Fixed income securities	(5,337)	(7,008)	(5,996)	(7,966)	(3,727)	(10,207)	(12,345)	(13,934)
Equity securities	(162)	(128)	(758)	(285)	(637)	(144)	(290)	(781)
Limited partnership interests	(346)	(318)	(537)	(394)	(431)	(334)	(664)	(765)
Mortgage loans	(51)	(216)	(345)	(360)	(510)	(26)	(267)	(536)
Other investments	(80)	(163)	(5)	(53)	(88)	(58)	(243)	(146)
Change in short-term investments, net	(13)	(379)	2,118	(1,102)	(483)	1,649	(392)	1,166
Change in other investments, net	(48)	(9)	(58)	(187)	(51)	(119)	(57)	(170)
Disposition (acquisition) of operations, net of cash acquired	1	(1)	(917)	2	-	(1)	-	(1)
Purchases of property and equipment, net	(65)	(51)	(86)	(54)	(58)	(48)	(116)	(106)
Net cash provided by investing activities	273	79	1,356	1,790	1,730	1,285	352	3,015
CASH FLOWS FROM FINANCING ACTIVITIES								
Proceeds from issuance of long-term debt	-	493	7	-	-	-	493	-
Repayment of long-term debt	(1)	(350)	(6)	-	(1)	-	(351)	(1)
Contractholder fund deposits	520	485	570	486	524	596	1,005	1,120
Contractholder fund withdrawals	(1,366)	(1,299)	(2,241)	(1,931)	(2,386)	(2,122)	(2,665)	(4,508)
Dividends paid	(109)	(106)	(108)	(109)	(111)	(107)	(215)	(218)
Treasury stock purchases	(274)	(309)	(95)	(314)	(239)	(305)	(583)	(544)
Shares reissued under equity incentive plans, net	11	15	1	1	8	9	26	17
Excess tax benefits on share-based payment arrangements	5	(1)	(1)	(1)	-	(3)	4	(3)
Other	(32)	(13)	9	-	(7)	-	(45)	(7)
Net cash used in financing activities	(1,246)	(1,085)	(1,864)	(1,868)	(2,212)	(1,932)	(2,331)	(4,144)
NET (DECREASE) INCREASE IN CASH	(6)	(199)	(250)	333	52	79	(205)	131
CASH AT BEGINNING OF PERIOD	577	776	1,026	693	641	562	776	562
CASH AT END OF PERIOD	$ 571	$ 577	$ 776	$ 1,026	$ 693	$ 641	$ 571	$ 693

THE ALLSTATE CORPORATION
ANALYSIS OF DEFERRED POLICY ACQUISITION COSTS
($ in millions)

Change in Deferred Policy Acquisition Costs
For the three months ended June 30, 2012

	Beginning balance March 31, 2012	Acquisition costs deferred	Amortization before adjustments (1) (2)	Amortization relating to realized capital gains and losses and valuation changes on embedded derivatives that are not hedged (2)	Amortization (acceleration) deceleration (charged) credited to income (2)	Effect of unrealized capital gains and losses	Ending balance June 30, 2012
Property-Liability	$ 1,314	$ 899	$ (865)	$ -	$ -	$ -	$ 1,348
Allstate Financial:							
Traditional life and accident and health	627	36	(23)	-	-	-	640
Interest-sensitive life	1,674	46	(46)	(2)	-	(74)	1,598
Fixed annuity	101	6	(7)	1	-	(43)	58

Sub-total	2,402	88	(76)	(1)	-	(117)	2,296
Consolidated	$ 3,716	$ 987	$ (941)	$ (1)	$ -	$ (117)	$ 3,644

Change in Deferred Policy Acquisition Costs
For the three months ended June 30, 2011

	Beginning balance March 31, 2011	Acquisition costs deferred	Amortization before adjustments [(1) (2)]	Amortization relating to realized capital gains and losses and valuation changes on embedded derivatives that are not hedged [(2)]	Amortization (acceleration) deceleration (charged) credited to income [(2)]	Effect of unrealized capital gains and losses	Ending balance June 30, 2011
Property-Liability	$ 1,296	$ 884	$ (867)	$ -	$ -	$ -	$ 1,313
Allstate Financial:							
Traditional life and accident and health	580	34	(24)	-	-	-	590
Interest-sensitive life	1,889	43	(47)	(1)	-	(59)	1,825
Fixed annuity	348	6	(16)	(5)	-	(61)	272
Sub-total	2,817	83	(87)	(6)	-	(120)	2,687
Consolidated	$ 4,113	$ 967	$ (954)	$ (6)	$ -	$ (120)	$ 4,000

(1) Amortization before adjustments reflects total DAC amortization before amortization/accretion related to realized capital gains and losses, valuation changes on embedded derivatives that are not hedged and amortization acceleration/deceleration charged/credited to income.
(2) Included as a component of amortization of DAC on the Consolidated Statements of Operations.

THE ALLSTATE CORPORATION
ANALYSIS OF DEFERRED POLICY ACQUISITION COSTS
($ in millions)

	Change in Deferred Policy Acquisition Costs For the six months ended June 30, 2012							Reconciliation of Deferred Policy Acquisition Costs as of June 30, 2012		
	Beginning balance Dec. 31, 2011	Acquisition costs deferred	Amortization before adjustments (1) (2)	Amortization relating to realized capital gains and losses and valuation changes on embedded derivatives that are not hedged (2)	Amortization (acceleration) deceleration (charged) credited to income (2)	Effect of unrealized capital gains and losses	Ending balance June 30, 2012	DAC before impact of unrealized capital gains and losses	Impact of unrealized capital gains and losses	DAC after impact of unrealized capital gains and losses
Property-Liability	$ 1,348	$ 1,743	$ (1,743)	$ -	$ -	$ -	$ 1,348	$ 1,348	$ -	$ 1,348
Allstate Financial:										
Traditional life and accident and health	616	74	(50)	-	-	-	640	640	-	640
Interest-sensitive life	1,698	88	(93)	(4)	-	(91)	1,598	1,907	(309)	1,598
Fixed annuity	209	10	(19)	(12)	-	(130)	58	81	(23)	58
Sub-total	2,523	172	(162)	(16)	-	(221)	2,296	2,628	(332)	2,296
Consolidated	$ 3,871	$ 1,915	$ (1,905)	$ (16)	$ -	$ (221)	$ 3,644	$ 3,976	$ (332)	$ 3,644

	Change in Deferred Policy Acquisition Costs For the six months ended June 30, 2011							Reconciliation of Deferred Policy Acquisition Costs as of June 30, 2011		
	Beginning balance Dec. 31, 2010	Acquisition costs deferred	Amortization before adjustments (1) (2)	Amortization relating to realized capital gains and losses and valuation changes on embedded derivatives that are not hedged (2)	Amortization (acceleration) deceleration (charged) credited to income (2)	Effect of unrealized capital gains and losses	Ending balance June 30, 2011	DAC before impact of unrealized capital gains and losses	Impact of unrealized capital gains and losses	DAC after impact of unrealized capital gains and losses
Property-Liability	$ 1,321	$ 1,723	$ (1,731)	$ -	$ -	$ -	$ 1,313	$ 1,313	$ -	$ 1,313
Allstate Financial:										
Traditional life and accident and health	573	64	(47)	-	-	-	590	590	-	590
Interest-sensitive life	1,917	87	(95)	(10)	(12)	(62)	1,825	1,928	(103)	1,825
Fixed annuity	369	12	(28)	(26)	5	(60)	272	228	44	272
Sub-total	2,859	163	(170)	(36)	(7)	(122)	2,687	2,746	(59)	2,687
Consolidated	$ 4,180	$ 1,886	$ (1,901)	$ (36)	$ (7)	$ (122)	$ 4,000	$ 4,059	$ (59)	$ 4,000

(1) Amortization before adjustments reflects total DAC amortization before amortization/accretion related to realized capital gains and losses, valuation changes on embedded derivatives that are not hedged and amortization acceleration/deceleration charged/credited to income.
(2) Included as a component of amortization of DAC on the Consolidated Statements of Operations.

THE ALLSTATE CORPORATION
PROPERTY-LIABILITY RESULTS
($ in millions, except ratios)

	Three months ended						Six months ended	
	June 30, 2012	March 31, 2012	Dec. 31, 2011	Sept. 30, 2011	June 30, 2011	March 31, 2011	June 30, 2012	June 30, 2011
Premiums written *	$ 6,864	$ 6,463	$ 6,426	$ 6,728	$ 6,611	$ 6,215	$ 13,327	$ 12,826
Decrease (increase) in unearned premiums	(198)	167	174	(276)	(165)	234	(31)	69
Other	-	-	5	(20)	11	(1)	-	10
Premiums earned	6,666	6,630	6,605	6,432	6,457	6,448	13,296	12,905
Claims and claims expense	(4,810)	(4,339)	(4,198)	(5,132)	(6,355)	(4,476)	(9,149)	(10,831)
Amortization of deferred policy acquisition costs	(865)	(878)	(880)	(866)	(867)	(864)	(1,743)	(1,731)
Operating costs and expenses	(847)	(884)	(913)	(735)	(726)	(769)	(1,731)	(1,495)
Restructuring and related charges	(10)	(6)	(13)	(8)	(11)	(11)	(16)	(22)
Underwriting income (loss) *	134	523	601	(309)	(1,502)	328	657	(1,174)
Net investment income	352	313	309	298	310	284	665	594
Periodic settlements and accruals on non-hedge derivative instruments	(2)	(1)	(3)	(5)	(3)	(4)	(3)	(7)
Business combination expenses and the amortization of purchased intangible assets	26	47	49	-	-	-	73	-
Income tax (expense) benefit on operations	(153)	(281)	(302)	38	463	(181)	(434)	282
Operating income (loss)	357	601	654	22	(732)	427	958	(305)
Realized capital gains and losses, after-tax	12	124	7	15	(6)	38	136	32
Reclassification of periodic settlements and accruals on non-hedge derivative instruments, after-tax	1	1	2	4	1	3	2	4
Business combination expenses and the amortization of purchased intangible assets, after-tax	(16)	(31)	(32)	-	-	-	(47)	-
Net income (loss)	$ 354	$ 695	$ 631	$ 41	$ (737)	$ 468	$ 1,049	$ (269)
Catastrophe losses	$ 819	$ 259	$ 66	$ 1,077	$ 2,339	$ 333	$ 1,078	$ 2,672
Operating ratios								
Claims and claims expense ("loss") ratio	72.2	65.4	63.5	79.8	98.4	69.4	68.8	83.9
Expense ratio	25.8	26.7	27.4	25.0	24.9	25.5	26.3	25.2
Combined ratio	98.0	92.1	90.9	104.8	123.3	94.9	95.1	109.1
Combined ratio excluding the effect of catastrophes *	85.7	88.2	89.9	88.1	87.1	89.7	87.0	88.4
Effect of catastrophe losses on combined ratio	12.3	3.9	1.0	16.7	36.2	5.2	8.1	20.7
Combined ratio	98.0	92.1	90.9	104.8	123.3	94.9	95.1	109.1
Combined ratio excluding the effect of catastrophes, prior year reserve reestimates, business combination expenses and the amortization of purchased intangible assets ("underlying")	86.3	88.1	90.7	89.2	87.5	89.9	87.2	88.7
Effect of catastrophe losses on combined ratio	12.3	3.9	1.0	16.7	36.2	5.2	8.1	20.7
Effect of prior year reserve reestimates on combined ratio	(2.4)	(3.1)	(2.0)	(1.8)	(0.7)	(0.7)	(2.7)	(0.7)
Effect of catastrophe losses included in prior year reserve reestimates on combined ratio	1.4	2.5	0.5	0.7	0.3	0.5	1.9	0.4
Effect of business combination expenses and the amortization of purchased intangible assets on combined ratio	0.4	0.7	0.7	-	-	-	0.6	-
Combined ratio	98.0	92.1	90.9	104.8	123.3	94.9	95.1	109.1
Effect of restructuring and related charges on combined ratio	0.2	0.1	0.2	0.1	0.2	0.2	0.1	0.2
Effect of Discontinued Lines and Coverages on combined ratio	0.1	-	-	0.2	0.1	0.1	0.1	0.1

THE ALLSTATE CORPORATION
PROPERTY-LIABILITY UNDERWRITING RESULTS BY AREA OF BUSINESS
($ in millions)

	Three months ended						Six months ended	
	June 30, 2012	March 31, 2012	Dec. 31, 2011	Sept. 30, 2011	June 30, 2011	March 31, 2011	June 30, 2012	June 30, 2011
Property-Liability Underwriting Summary								
Allstate Protection	$ 138	$ 526	$ 604	$ (297)	$ (1,498)	$ 334	$ 664	$ (1,164)
Discontinued Lines and Coverages	(4)	(3)	(3)	(12)	(4)	(6)	(7)	(10)
Underwriting income (loss)	$ 134	$ 523	$ 601	$ (309)	$ (1,502)	$ 328	$ 657	$ (1,174)
Allstate Protection Underwriting Summary								
Premiums written	$ 6,864	$ 6,462	$ 6,426	$ 6,728	$ 6,611	$ 6,216	$ 13,326	$ 12,827

Premiums earned	$ 6,666	$ 6,630	$ 6,604	$ 6,432	$ 6,457	$ 6,449	$ 13,296	$ 12,906
Claims and claims expense	(4,808)	(4,336)	(4,195)	(5,121)	(6,352)	(4,472)	(9,144)	(10,824)
Amortization of deferred policy acquisition costs	(865)	(878)	(880)	(866)	(867)	(864)	(1,743)	(1,731)
Operating costs and expenses	(845)	(884)	(912)	(734)	(725)	(768)	(1,729)	(1,493)
Restructuring and related charges	(10)	(6)	(13)	(8)	(11)	(11)	(16)	(22)
Underwriting income (loss)	$ 138	$ 526	$ 604	$ (297)	$ (1,498)	$ 334	$ 664	$ (1,164)
Catastrophe losses	$ 819	$ 259	$ 66	$ 1,077	$ 2,339	$ 333	$ 1,078	$ 2,672
Operating ratios								
Loss ratio	72.1	65.4	63.5	79.6	98.4	69.3	68.8	83.9
Expense ratio	25.8	26.7	27.4	25.0	24.8	25.5	26.2	25.1
Combined ratio	97.9	92.1	90.9	104.6	123.2	94.8	95.0	109.0
Effect of catastrophe losses on combined ratio	12.3	3.9	1.0	16.7	36.2	5.2	8.1	20.7
Effect of restructuring and related charges on combined ratio	0.2	0.1	0.2	0.1	0.2	0.2	0.1	0.2
Effect of business combination expenses and the amortization of purchased intangible assets on combined ratio	0.4	0.7	0.7	-	-	-	0.6	-
Discontinued Lines and Coverages Underwriting Summary								
Premiums written	$ -	$ 1	$ -	$ -	$ -	$ (1)	$ 1	$ (1)
Premiums earned	$ -	$ -	$ 1	$ -	$ -	$ (1)	$ -	$ (1)
Claims and claims expense	(2)	(3)	(3)	(11)	(3)	(4)	(5)	(7)
Operating costs and expenses	(2)	-	(1)	(1)	(1)	(1)	(2)	(2)
Underwriting loss	$ (4)	$ (3)	$ (3)	$ (12)	$ (4)	$ (6)	$ (7)	$ (10)
Effect of Discontinued Lines and Coverages on the Property-Liability combined ratio	0.1	-	-	0.2	0.1	0.1	0.1	0.1

THE ALLSTATE CORPORATION
PROPERTY-LIABILITY PREMIUMS WRITTEN BY MARKET SEGMENT
($ in millions)

	Three months ended						Six months ended	
	June 30, 2012	March 31, 2012	Dec. 31, 2011	Sept. 30, 2011	June 30, 2011	March 31, 2011	June 30, 2012	June 30, 2011
Allstate brand [1]								
Standard auto	$ 3,903	$ 3,937	$ 3,812	$ 3,996	$ 3,911	$ 3,984	$ 7,840	$ 7,895
Non-standard auto	174	189	174	194	197	210	363	407
Auto	4,077	4,126	3,986	4,190	4,108	4,194	8,203	8,302
Involuntary auto	21	20	17	17	21	19	41	40
Commercial lines	120	112	111	116	125	120	232	245
Homeowners	1,639	1,258	1,428	1,634	1,606	1,225	2,897	2,831
Other personal lines	494	435	446	489	478	413	929	891
	6,351	5,951	5,988	6,446	6,338	5,971	12,302	12,309
Encompass brand								
Standard auto	160	142	147	159	154	144	302	298
Non-standard auto	-	-	-	-	-	1	-	1
Auto	160	142	147	159	154	145	302	299
Involuntary auto	3	2	1	2	3	3	5	6
Homeowners	104	85	89	100	94	79	189	173
Other personal lines	22	20	20	21	22	18	42	40
	289	249	257	282	273	245	538	518
Esurance brand								
Standard auto	224	262	181	-	-	-	486	-
Allstate Protection	6,864	6,462	6,426	6,728	6,611	6,216	13,326	12,827
Discontinued Lines and Coverages	-	1	-	-	-	(1)	1	(1)
Property-Liability	$ 6,864	$ 6,463	$ 6,426	$ 6,728	$ 6,611	$ 6,215	$ 13,327	$ 12,826
Allstate Protection								
Standard auto	$ 4,287	$ 4,341	$ 4,140	$ 4,155	$ 4,065	$ 4,128	$ 8,628	$ 8,193
Non-standard auto	174	189	174	194	197	211	363	408
Auto	4,461	4,530	4,314	4,349	4,262	4,339	8,991	8,601
Involuntary auto	24	22	18	19	24	22	46	46
Commercial lines	120	112	111	116	125	120	232	245
Homeowners	1,743	1,343	1,517	1,734	1,700	1,304	3,086	3,004
Other personal lines	516	455	466	510	500	431	971	931
	$ 6,864	$ 6,462	$ 6,426	$ 6,728	$ 6,611	$ 6,216	$ 13,326	$ 12,827

(1) Emerging Businesses include Business Insurance (commercial products for small business owners), Consumer Household (specialty products including motorcycle, boat, trailers, motor homes, off-road vehicles, renters, landlords, umbrella, manufactured homes and condominium insurance policies), Allstate Dealer Services (insurance and non-insurance products sold primarily to auto dealers), Allstate Roadside Services (roadside assistance products) and Ivantage (insurance agency). Premiums written by Emerging Businesses totaled $683 million, $594 million, $582 million, $657 million, $672 million and $575 million for the three months ended June 30, 2012, March 31, 2012, December 31, 2011, September 30, 2011, June 30, 2011 and March 31, 2011, respectively. Premiums written by Emerging Businesses totaled $1.28 billion and $1.25 billion for the six months ended June 30, 2012 and 2011, respectively.

THE ALLSTATE CORPORATION
ALLSTATE PROTECTION MARKET SEGMENT ANALYSIS
($ in millions)

Three months ended June 30,

	Premiums earned 2012	Premiums earned 2011	Incurred losses 2012	Incurred losses 2011	Incurred catastrophe losses 2012	Incurred catastrophe losses 2011	Expenses 2012	Expenses 2011	Loss ratio [2] 2012	Loss ratio [2] 2011	Effect of catastrophe losses on combined ratio 2012	Effect of catastrophe losses on combined ratio 2011	Effect of prior year reserve reestimates on combined ratio 2012	Effect of prior year reserve reestimates on combined ratio 2011	Expense ratio 2012	Expense ratio 2011	Effect of business combination expenses and the amortization of purchased intangible assets on combined ratio 2012
Allstate brand																	
Standard auto	$ 3,909	$ 3,938	$ 2,734	$ 2,882	$ 153	$ 264	$ 1,000	$ 989	69.9	73.2	3.9	6.7	(2.0)	(2.2)	25.6	25.1	-
Non-standard auto	184	205	112	142	3	8	42	47	60.9	69.3	1.6	3.9	(1.6)	(1.0)	22.8	22.9	-
Auto	4,093	4,143	2,846	3,024	156	272	1,042	1,036	69.5	73.0	3.8	6.6	(2.0)	(2.1)	25.5	25.0	-
Homeowners	1,487	1,457	1,218	2,493	597	1,795	342	324	81.9	171.1	40.2	123.2	(3.5)	0.3	23.0	22.2	-
Other personal lines [1]	583	587	369	590	42	207	164	164	63.3	100.5	7.2	35.3	(2.9)	6.1	28.1	27.9	1.2
Total Allstate brand	6,163	6,187	4,433	6,107	795	2,274	1,548	1,524	71.9	98.7	12.9	36.8	(2.5)	(0.8)	25.1	24.6	0.1
Encompass brand																	
Standard auto	153	155	125	122	4	5	42	44	81.7	78.7	2.6	3.2	-	-	27.5	28.4	-
Non-standard auto	-	1	-	1	-	-	-	-	-	100.0	-	-	-	(100.0)	-	-	-
Auto	153	156	125	123	4	5	42	44	81.7	78.9	2.6	3.2	(0.7)	(0.6)	27.5	28.2	-
Homeowners	93	91	62	98	14	56	28	28	66.7	107.7	15.1	61.5	(4.3)	(1.1)	30.1	30.8	-
Other personal lines [1]	23	23	10	24	-	4	7	7	43.5	104.3	-	17.4	(21.7)	-	30.4	30.5	-
Total Encompass brand	269	270	197	245	18	65	77	79	73.3	90.7	6.7	24.1	(3.7)	(0.7)	28.6	29.3	-
Esurance brand																	
Standard auto	234	-	178	-	6	-	95	-	76.1	-	2.6	-	-	-	40.6	-	8.1
Allstate Protection	$ 6,666	$ 6,457	$ 4,808	$ 6,352	$ 819	$ 2,339	$ 1,720	$ 1,603	72.1	98.4	12.3	36.2	(2.4)	(0.8)	25.8	24.8	0.4

Six months ended June 30,

	Premiums earned 2012	Premiums earned 2011	Incurred losses 2012	Incurred losses 2011	Incurred catastrophe losses 2012	Incurred catastrophe losses 2011	Expenses 2012	Expenses 2011	Loss ratio [2] 2012	Loss ratio [2] 2011	Effect of catastrophe losses on combined ratio 2012	Effect of catastrophe losses on combined ratio 2011	Effect of prior year reserve reestimates on combined ratio 2012	Effect of prior year reserve reestimates on combined ratio 2011	Expense ratio 2012	Expense ratio 2011	Effect of business combination expenses and the amortization of purchased intangible assets on combined ratio 2012
Allstate brand																	
Standard auto	$ 7,806	$ 7,866	$ 5,447	$ 5,642	$ 201	$ 282	$ 1,998	$ 1,962	69.8	71.7	2.6	3.6	(1.6)	(1.3)	25.6	25.0	-
Non-standard auto	367	415	235	278	3	8	86	95	64.0	67.0	0.8	1.9	(0.8)	(2.2)	23.5	22.9	-
Auto	8,173	8,281	5,682	5,920	204	290	2,084	2,057	69.5	71.5	2.5	3.5	(1.6)	(1.4)	25.5	24.8	-
Homeowners	2,967	2,905	2,054	3,476	783	2,052	693	664	69.2	119.7	26.4	70.6	(5.7)	(1.2)	23.4	22.8	-
Other personal lines [1]	1,166	1,175	683	986	59	248	342	367	58.6	83.9	5.1	21.1	(4.8)	4.3	29.3	31.2	1.2
Total Allstate brand	12,306	12,361	8,419	10,382	1,046	2,590	3,119	3,088	68.4	84.0	8.5	21.0	(2.9)	(0.8)	25.4	25.0	0.1
Encompass brand																	
Standard auto	304	315	243	243	5	5	85	89	79.9	77.1	1.6	1.6	0.3	1.6	28.0	28.3	-
Non-standard auto	-	2	-	2	-	-	-	1	-	100.0	-	-	-	(50.0)	-	50.0	-
Auto	304	317	243	245	5	5	85	90	79.9	77.3	1.6	1.6	-	1.3	28.0	28.4	-
Homeowners	185	182	113	158	20	71	56	56	61.1	86.8	10.8	39.0	(3.2)	-	30.3	30.8	-
Other personal lines [1]	46	46	30	39	-	6	12	12	65.2	84.8	-	13.0	(13.0)	(4.3)	26.1	26.1	-
Total Encompass brand	535	545	386	442	25	82	153	158	72.1	81.1	4.7	15.0	(2.2)	0.4	28.6	29.0	-
Esurance brand																	
Standard auto	455	-	339	-	7	-	216	-	74.5	-	1.5	-	-	-	47.5	-	13.0
Allstate Protection	$ 13,296	$ 12,906	$ 9,144	$ 10,824	$ 1,078	$ 2,672	$ 3,488	$ 3,246	68.8	83.9	8.1	20.7	(2.8)	(0.7)	26.2	25.1	0.6

[1] Other personal lines includes commercial, condominium, renters, involuntary auto and other personal lines.

(2) Ratios are calculated using the premiums earned for the respective line of business.

THE ALLSTATE CORPORATION
ALLSTATE PROTECTION HISTORICAL MARKET SEGMENT ANALYSIS
($ in millions)

	Three months ended June 30, 2012					Three months ended March 31, 2012				
	Premiums earned	Loss ratio	Effect of CAT losses on combined ratio	Expense ratio	Effect of bus. comb. expenses and the amort. of purchased intangibles on combined ratio	Premiums earned	Loss ratio	Effect of CAT losses on combined ratio	Expense ratio	Effect of bus. comb. expenses and the amort. of purchased intangibles on combined ratio
Allstate brand										
Standard auto	$ 3,909	69.9	3.9	25.6	-	$ 3,897	69.6	1.2	25.6	-
Non-standard auto	184	60.9	1.6	22.8	-	183	67.2	-	24.1	-
Auto	4,093	69.5	3.8	25.5	-	4,080	69.5	1.2	25.5	-
Homeowners	1,487	81.9	40.2	23.0	-	1,480	56.5	12.6	23.7	-
Other personal lines (1)	583	63.3	7.2	28.1	1.2	583	53.9	2.9	30.5	1.2
Total Allstate brand	6,163	71.9	12.9	25.1	0.1	6,143	64.9	4.1	25.6	0.1
Encompass brand										
Standard auto	153	81.7	2.6	27.5	-	151	78.1	0.7	28.5	-
Non-standard auto	-	-	-	-	-	-	-	-	-	-
Auto	153	81.7	2.6	27.5	-	151	78.1	0.7	28.5	-
Homeowners	93	66.7	15.1	30.1	-	92	55.4	6.5	30.5	-
Other personal lines (1)	23	43.5	-	30.4	-	23	87.0	-	21.7	-
Total Encompass brand	269	73.3	6.7	28.6	-	266	71.0	2.6	28.6	-
Esurance brand										
Standard auto	234	76.1	2.6	40.6	8.1	221	72.8	0.4	54.8	18.1
Allstate Protection	$ 6,666	72.1	12.3	25.8	0.4	$ 6,630	65.4	3.9	26.7	0.7

	Three months ended December 31, 2011					Three months ended September 30, 2011			
	Premiums earned	Loss ratio	Effect of CAT losses on combined ratio	Expense ratio	Effect of bus. comb. expenses and the amort. of purchased intangibles on combined ratio	Premiums earned	Loss ratio	Effect of CAT losses on combined ratio	Expense ratio
Allstate brand									
Standard auto	$ 3,897	69.6	0.2	25.9	-	$ 3,916	69.3	2.9	24.8
Non-standard auto	186	59.1	-	26.4	-	196	57.1	0.5	24.5
Auto	4,083	69.1	0.2	25.9	-	4,112	68.7	2.7	24.8
Homeowners	1,468	44.8	3.5	25.2	-	1,462	108.6	55.8	23.3
Other personal lines (1)	587	59.8	(0.9)	36.1	1.2	590	76.3	13.1	28.3
Total Allstate brand	6,138	62.4	0.9	26.7	0.1	6,164	78.9	16.3	24.8
Encompass brand									
Standard auto	151	85.4	0.7	29.2	-	154	87.6	3.2	28.6
Non-standard auto	-	-	-	-	-	-	-	-	-
Auto	151	85.4	0.7	29.2	-	154	88.3	3.2	29.2
Homeowners	92	60.9	10.9	31.5	-	91	119.8	70.3	30.7
Other personal lines (1)	22	100.0	4.5	22.7	-	23	65.2	8.7	26.1
Total Encompass brand	265	78.1	4.5	29.4	-	268	97.0	26.5	29.5
Esurance brand									
Standard auto	201	78.1	-	43.8	20.9	-	-	-	-
Allstate Protection	$ 6,604	63.5	1.0	27.4	0.7	$ 6,432	79.6	16.7	25.0

	Three months ended June 30, 2011				Three months ended March 31, 2011			
	Premiums earned	Loss ratio	Effect of CAT losses on combined ratio	Expense ratio	Premiums earned	Loss ratio	Effect of CAT losses on combined ratio	Expense ratio
Allstate brand								
Standard auto	$ 3,938	73.2	6.7	25.1	$ 3,928	70.3	0.5	24.7
Non-standard auto	205	69.3	3.9	22.9	210	64.8	-	22.8
Auto	4,143	73.0	6.6	25.0	4,138	70.0	0.4	24.7
Homeowners	1,457	171.1	123.2	22.2	1,448	67.9	17.7	23.5
Other personal lines (1)	587	100.5	35.3	27.9	588	67.3	7.0	34.6
Total Allstate brand	6,187	98.7	36.8	24.6	6,174	69.2	5.1	25.4
Encompass brand								
Standard auto	155	78.7	3.2	28.4	160	75.7	-	28.1
Non-standard auto	1	100.0	-	-	1	100.0	-	100.0
Auto	156	78.9	3.2	28.2	161	75.8	-	28.5
Homeowners	91	107.7	61.5	30.8	91	65.9	16.5	30.8
Other personal lines (1)	23	104.3	17.4	30.5	23	65.2	8.7	21.8
Total Encompass brand	270	90.7	24.1	29.3	275	71.7	6.2	28.7
Esurance brand								
Standard auto	-	-	-	-	-	-	-	-
Allstate Protection	$ 6,457	98.4	36.2	24.8	$ 6,449	69.3	5.2	25.5

	Three months ended December 31, 2010				Three months ended September 30, 2010			
	Premiums earned	Loss ratio	Effect of CAT losses on combined ratio	Expense ratio	Premiums earned	Loss ratio	Effect of CAT losses on combined ratio	Expense ratio
Allstate brand								
Standard auto	$ 3,941	74.6	0.8	25.1	$ 3,961	68.7	0.4	24.6
Non-standard auto	216	69.4	0.5	17.6	222	61.7	-	27.5
Auto	4,157	74.4	0.8	24.7	4,183	68.4	0.4	24.6
Homeowners	1,431	77.8	30.3	24.2	1,430	80.5	23.1	24.3
Other personal lines (1)	573	75.2	9.1	33.9	591	61.4	4.4	27.3
Total Allstate brand	6,161	75.2	8.4	25.5	6,204	70.5	6.0	24.8
Encompass brand								
Standard auto	164	76.2	1.2	28.1	173	75.7	0.6	30.7
Non-standard auto	1	100.0	-	100.0	2	100.0	-	50.0
Auto	165	76.3	1.2	28.5	175	76.0	0.6	30.9
Homeowners	93	64.5	16.1	30.1	96	63.5	13.5	32.3
Other personal lines (1)	22	77.3	4.5	22.7	23	60.9	-	26.1
Total Encompass brand	280	72.5	6.4	28.6	294	70.7	4.8	31.0
Esurance brand								
Standard auto	-	-	-	-	-	-	-	-
Allstate Protection	$ 6,441	75.1	8.3	25.6	$ 6,498	70.5	5.9	25.1

(1) Other personal lines includes commercial, condominium, renters, involuntary auto and other personal lines.

THE ALLSTATE CORPORATION
PROPERTY-LIABILITY
IMPACT OF NET RATE CHANGES APPROVED ON PREMIUMS WRITTEN

	Three months ended June 30, 2012 (1)			Three months ended March 31, 2012			Three months ended December 31, 2011		
	Number of states	Countrywide (%) (4)	State specific (%) (5)	Number of states	Countrywide (%) (4)	State specific (%) (5)	Number of states	Countrywide (%) (4)	State specific (%) (5)
Allstate brand									
Standard auto (2)	19	1.5	4.4	10	0.5	5.4	12 (11)	0.7	3.9
Non-standard auto	1	0.3	7.5	4	0.2	1.4	5 (6)	1.1	6.5
Auto	19	1.4	4.4	13	0.5	5.1	16 (6)	0.8	4.0
Homeowners (3)	7	1.2	10.2	13	2.0	7.9	17	2.9	7.8
Encompass brand									
Standard auto	14	1.6	4.2	2	0.1	3.2	7	1.8	6.5
Non-standard auto	-	-	-	-	-	-	-	-	-
Auto	14	1.6	4.2	2	0.1	3.2	7	1.8	6.5
Homeowners	14	1.8	5.4	5	0.9	5.3	8	0.8	4.6
Esurance brand									
Standard auto	23	(0.1)	(0.1)	6	1.3	8.6	n/a	n/a	n/a

	Three months ended September 30, 2011	Three months ended June 30, 2011	Three months ended March 31, 2011

	Number of states	Countrywide (%) [4]	State specific (%) [5]	Number of states	Countrywide (%) [4]	State specific (%) [5]	Number of states	Countrywide (%) [4]	State specific (%) [5]
Allstate brand									
Standard auto [2]	10 [10]	0.9	7.3	18 [9]	1.9	5.3	13 [7][8]	1.1	4.1
Non-standard auto	3	0.9	11.5	3	0.4	6.1	3	3.6	18.4
Auto	13	0.9	7.4	18	1.9	5.3	15	1.3	4.7
Homeowners [3]	15	2.3	13.9	18	1.5	6.0	12 [6]	1.8	9.9
Encompass brand									
Standard auto	8	0.7	3.9	3	0.3	4.0	3	0.6	5.0
Non-standard auto	-	-	-	-	-	-	-	-	-
Auto	8	0.7	3.9	3	0.3	4.0	3	0.6	5.0
Homeowners	7	0.7	3.0	11 [6]	0.3	2.6	5	1.2	4.9
Esurance brand									
Standard auto	-	-	-	-	-	-	-	-	-

(1) Rate changes include changes approved based on our net cost of reinsurance. These rate changes do not reflect initial rates filed for insurance subsidiaries initially writing business. Based on historical premiums written in those states, rate changes approved for the three month period ending June 30, 2012 are estimated to total $317 million. Rate changes do not include rating plan enhancements, including the introduction of discounts and surcharges, that result in no change in the overall rate level in the state. Rate changes also exclude Company's Canadian operations, specialty auto, and excess and surplus homeowners lines.
(2) Impacts of Allstate brand standard auto effective rate changes as a percentage of total countrywide prior year-end premiums written were 0.9%, 0.4%, 1.2% 1.6%, 0.5% and 1.4% for the three months ended June 30, 2012, March 31, 2012, December 31, 2011, September 30, 2011, June 30, 2011 and March 31, 2011, respectively.
(3) Impacts of Allstate brand homeowners effective rate changes as a percentage of total countrywide prior year-end premiums written were 2.0%, 3.6%, 2.6%, 1.1%, 1.2% and 2.9% for the three months ended June 30, 2012, March 31, 2012, December 31, 2011, September 30, 2011, June 30, 2011 and March 31, 2011, respectively.
(4) Represents the impact in the states where rate changes were approved during the year as a percentage of total countrywide prior year-end premiums written.
(5) Represents the impact in the states where rate changes were approved during the year as a percentage of its respective total prior year-end premiums written in those states.
(6) Includes Washington, D.C.
(7) Includes targeted rate decreases in certain markets to improve our competitive position for target customers (multi-car residence owners).
(8) Includes the impact of a 20.9% and 2.3% rate increases in Florida and a 12.0% rate increase in New York in the first quarter of 2011.
(9) Includes the impact of a 20.0% and 6.0% rate increases in Florida and a 3.7% rate increase in New York in the second quarter of 2011.
(10) Includes the impact of a 9.9% average rate increase in New York in the third quarter of 2011.
(11) Includes the impact of a 8.0% rate increase in Florida and a 1.2% rate increase in New York in the fourth quarter of 2011.
n/a Not available.

THE ALLSTATE CORPORATION
ALLSTATE BRAND STANDARD AUTO LOSS RATIO OF TOP 5 STATES
($ in millions)

	Three months ended						Six months ended	
	June 30 2012	March 31 2012	Dec. 31 2011	Sept. 30 2011	June 30 2011	March 31 2011	June 30 2012	June 30 2011
Allstate brand standard auto loss ratio [1]								
California	71.6	78.4	75.3	73.9	67.9	75.1	75.0	71.5
Florida	66.6	71.3	68.6	70.4	73.6	77.3	69.0	75.5
New York	67.7	65.2	78.4	83.9	68.2	80.1	66.4	74.2
Pennsylvania	70.3	72.7	70.4	70.0	74.9	71.3	71.5	73.1
Texas	81.5	74.5	61.9	64.8	75.0	60.7	78.0	67.9
All other states & Canada	68.7	67.6	68.3	66.0	74.7	67.6	68.1	71.1
Total Allstate brand standard auto	69.9	69.6	69.6	69.3	73.2	70.3	69.8	71.7

(1) Loss ratios include prior year reserve reestimates.

THE ALLSTATE CORPORATION
STANDARD AUTO PROFITABILITY MEASURES

	Three months ended						Six months ended	
($ in millions)	June 30, 2012	March 31, 2012	Dec. 31, 2011	Sept. 30, 2011	June 30, 2011	March 31, 2011	June 30, 2012	June 30, 2011
Standard auto								
Net premiums written								
Allstate brand	$ 3,903	$ 3,937	$ 3,812	$ 3,996	$ 3,911	$ 3,984	$ 7,840	$ 7,895
Encompass brand	160	142	147	159	154	144	302	298
Esurance brand	224	262	181	-	-	-	486	-
	4,287	4,341	4,140	4,155	4,065	4,128	8,628	8,193
Net premiums earned								
Allstate brand	$ 3,909	$ 3,897	$ 3,897	$ 3,916	$ 3,938	$ 3,928	$ 7,806	$ 7,866
Encompass brand	153	151	151	154	155	160	304	315
Esurance brand	234	221	201	-	-	-	455	-
	4,296	4,269	4,249	4,070	4,093	4,088	8,565	8,181
Incurred losses								
Allstate brand	$ 2,734	$ 2,713	$ 2,713	$ 2,712	$ 2,882	$ 2,760	$ 5,447	$ 5,642
Encompass brand	125	118	129	135	122	121	243	243
Esurance brand	178	161	157	-	-	-	339	-
	3,037	2,992	2,999	2,847	3,004	2,881	6,029	5,885
Expenses								
Allstate brand	$ 1,000	$ 998	$ 1,008	$ 973	$ 989	$ 973	$ 1,998	$ 1,962
Encompass brand	42	43	44	44	44	45	85	89
Esurance brand	95	121	88	-	-	-	216	-
	1,137	1,162	1,140	1,017	1,033	1,018	2,299	2,051
Underwriting Income								
Allstate brand	$ 175	$ 186	$ 176	$ 231	$ 67	$ 195	$ 361	$ 262
Encompass brand	(14)	(10)	(22)	(25)	(11)	(6)	(24)	(17)

Esurance brand	(39)	(61)	(44)	-	-	-	(100)	-
	122	115	110	206	56	189	237	245
Loss ratio								
Allstate brand	69.9	69.6	69.6	69.3	73.2	70.3	69.8	71.7
Encompass brand	81.7	78.1	85.4	87.6	78.7	75.7	79.9	77.1
Esurance brand	76.1	72.8	78.1	-	-	-	74.5	-
Allstate Protection	70.7	70.1	70.6	70.0	73.4	70.5	70.4	71.9
Expense ratio								
Allstate brand	25.6	25.6	25.9	24.8	25.1	24.7	25.6	25.0
Encompass brand	27.5	28.5	29.2	28.6	28.4	28.1	28.0	28.3
Esurance brand	40.6	54.8	43.8	-	-	-	47.5	-
Allstate Protection	26.5	27.2	26.8	24.9	25.2	24.9	26.8	25.1
Combined ratio								
Allstate brand	95.5	95.2	95.5	94.1	98.3	95.0	95.4	96.7
Encompass brand	109.2	106.6	114.6	116.2	107.1	103.8	107.9	105.4
Esurance brand	116.7	127.6	121.9	-	-	-	122.0	-
Allstate Protection	97.2	97.3	97.4	94.9	98.6	95.4	97.2	97.0
Effect of catastrophe losses on combined ratio								
Allstate brand	3.9	1.2	0.2	2.9	6.7	0.5	2.6	3.6
Encompass brand	2.6	0.7	0.7	3.2	3.2	-	1.6	1.6
Esurance brand	2.6	0.4	-	-	-	-	1.5	-
Effect of prior year reserve reestimates on combined ratio								
Allstate brand	(2.0)	(1.2)	(3.2)	(3.3)	(2.2)	(0.4)	(1.6)	(1.3)
Encompass brand	-	0.7	-	6.5	-	3.1	0.3	1.6
Esurance brand	-	-	-	-	-	-	-	-
Effect of business combination expenses and the amortization of purchased intangible assets on combined ratio Esurance brand	8.1	18.1	20.9	-	-	-	13.0	-
Allstate brand combined ratio excluding the effect of catastrophes and prior year reserve reestimates (“underlying”)	93.4	94.9	98.4	94.4	93.7	94.8	94.2	94.2
Effect of catastrophe losses on combined ratio	3.9	1.2	0.2	2.9	6.7	0.5	2.6	3.6
Effect of prior year reserve reestimates on combined ratio	(2.0)	(1.2)	(3.2)	(3.3)	(2.2)	(0.4)	(1.6)	(1.3)
Effect of catastrophe losses included in prior year reserve reestimates on combined ratio	0.2	0.3	0.1	0.1	0.1	0.1	0.2	0.2
Allstate brand combined ratio	95.5	95.2	95.5	94.1	98.3	95.0	95.4	96.7

THE ALLSTATE CORPORATION
NON-STANDARD AUTO PROFITABILITY MEASURES

	Three months ended						Six months ended	
($ in millions)	June 30, 2012	March 31, 2012	Dec. 31, 2011	Sept. 30, 2011	June 30, 2011	March 31, 2011	June 30, 2012	June 30, 2011
Non-standard auto								
Net premiums written								
Allstate brand	$ 174	$ 189	$ 174	$ 194	$ 197	$ 210	$ 363	$ 407
Encompass brand	-	-	-	-	-	1	-	1
	174	189	174	194	197	211	363	408
Net premiums earned								
Allstate brand	$ 184	$ 183	$ 186	$ 196	$ 205	$ 210	$ 367	$ 415
Encompass brand	-	-	-	-	1	1	-	2
	184	183	186	196	206	211	367	417
Incurred losses								
Allstate brand	$ 112	$ 123	$ 110	$ 112	$ 142	$ 136	$ 235	$ 278
Encompass brand	-	-	-	1	1	1	-	2
	112	123	110	113	143	137	235	280
Expenses								
Allstate brand	$ 42	$ 44	$ 49	$ 48	$ 47	$ 48	$ 86	$ 95
Encompass brand	-	-	-	1	-	1	-	1
	42	44	49	49	47	49	86	96
Underwriting Income								
Allstate brand	$ 30	$ 16	$ 27	$ 36	$ 16	$ 26	$ 46	$ 42
Encompass brand	-	-	-	(2)	-	(1)	-	(1)
	30	16	27	34	16	25	46	41
Loss ratio								
Allstate brand	60.9	67.2	59.1	57.1	69.3	64.8	64.0	67.0
Encompass brand	-	-	-	-	100.0	100.0	-	100.0
Allstate Protection	60.9	67.2	59.1	57.7	69.4	64.9	64.0	67.1
Expense ratio								
Allstate brand	22.8	24.1	26.4	24.5	22.9	22.8	23.5	22.9
Encompass brand	-	-	-	-	-	100.0	-	50.0
Allstate Protection	22.8	24.1	26.4	25.0	22.8	23.3	23.5	23.1
Combined ratio								
Allstate brand	83.7	91.3	85.5	81.6	92.2	87.6	87.5	89.9
Encompass brand	-	-	-	-	100.0	200.0	-	150.0
Allstate Protection	83.7	91.3	85.5	82.7	92.2	88.2	87.5	90.2
Effect of catastrophe losses on combined ratio								
Allstate brand	1.6	-	-	0.5	3.9	-	0.8	1.9
Encompass brand	-	-	-	-	-	-	-	-
Effect of prior year reserve reestimates on combined ratio								
Allstate brand	(1.6)	-	(7.0)	(8.7)	(1.0)	(3.3)	(0.8)	(2.2)
Encompass brand	-	-	-	-	(100.0)	-	-	(50.0)

THE ALLSTATE CORPORATION
AUTO PROFITABILITY MEASURES

($ in millions)	Three months ended June 30, 2012	Three months ended March 31, 2012	Three months ended Dec. 31, 2011	Three months ended Sept. 30, 2011	Three months ended June 30, 2011	Three months ended March 31, 2011	Six months ended June 30, 2012	Six months ended June 30, 2011
Auto								
Net premiums written								
Allstate brand	$ 4,077	$ 4,126	$ 3,986	$ 4,190	$ 4,108	$ 4,194	$ 8,203	$ 8,302
Encompass brand	160	142	147	159	154	145	302	299
Esurance brand	224	262	181	-	-	-	486	-
	4,461	4,530	4,314	4,349	4,262	4,339	8,991	8,601
Net premiums earned								
Allstate brand	$ 4,093	$ 4,080	$ 4,083	$ 4,112	$ 4,143	$ 4,138	$ 8,173	$ 8,281
Encompass brand	153	151	151	154	156	161	304	317
Esurance brand	234	221	201	-	-	-	455	-
	4,480	4,452	4,435	4,266	4,299	4,299	8,932	8,598
Incurred losses								
Allstate brand	$ 2,846	$ 2,836	$ 2,823	$ 2,824	$ 3,024	$ 2,896	$ 5,682	$ 5,920
Encompass brand	125	118	129	136	123	122	243	245
Esurance brand	178	161	157	-	-	-	339	-
	3,149	3,115	3,109	2,960	3,147	3,018	6,264	6,165
Expenses								
Allstate brand	$ 1,042	$ 1,042	$ 1,057	$ 1,021	$ 1,036	$ 1,021	$ 2,084	$ 2,057
Encompass brand	42	43	44	45	44	46	85	90
Esurance brand	95	121	88	-	-	-	216	-
	1,179	1,206	1,189	1,066	1,080	1,067	2,385	2,147
Underwriting Income								
Allstate brand	$ 205	$ 202	$ 203	$ 267	$ 83	$ 221	$ 407	$ 304
Encompass brand	(14)	(10)	(22)	(27)	(11)	(7)	(24)	(18)
Esurance brand	(39)	(61)	(44)	-	-	-	(100)	-
	152	131	137	240	72	214	283	286
Loss ratio								
Allstate brand	69.5	69.5	69.1	68.7	73.0	70.0	69.5	71.5
Encompass brand	81.7	78.1	85.4	88.3	78.9	75.8	79.9	77.3
Esurance brand	76.1	72.8	78.1	-	-	-	74.5	-
Allstate Protection	70.3	70.0	70.1	69.4	73.2	70.2	70.1	71.7
Expense ratio								
Allstate brand	25.5	25.5	25.9	24.8	25.0	24.7	25.5	24.8
Encompass brand	27.5	28.5	29.2	29.2	28.2	28.5	28.0	28.4
Esurance brand	40.6	54.8	43.8	-	-	-	47.5	-
Allstate Protection	26.3	27.1	26.8	25.0	25.1	24.8	26.7	25.0
Combined ratio								
Allstate brand	95.0	95.0	95.0	93.5	98.0	94.7	95.0	96.3
Encompass brand	109.2	106.6	114.6	117.5	107.1	104.3	107.9	105.7
Esurance brand	116.7	127.6	121.9	-	-	-	122.0	-
Allstate Protection	96.6	97.1	96.9	94.4	98.3	95.0	96.8	96.7
Effect of catastrophe losses on combined ratio								
Allstate brand	3.8	1.2	0.2	2.7	6.6	0.4	2.5	3.5
Encompass brand	2.6	0.7	0.7	3.2	3.2	-	1.6	1.6
Esurance brand	2.6	0.4	-	-	-	-	1.5	-
Effect of prior year reserve reestimates on combined ratio								
Allstate brand	(2.0)	(1.2)	(3.3)	(3.6)	(2.1)	(0.6)	(1.6)	(1.4)
Encompass brand	(0.7)	0.7	-	6.5	(0.6)	3.1	-	1.3
Esurance brand	-	-	-	-	-	-	-	-
Effect of business combination expenses and the amortization of purchased intangible assets on combined ratio								
Esurance brand	8.1	18.1	20.9	-	-	-	13.0	-

THE ALLSTATE CORPORATION
HOMEOWNERS PROFITABILITY MEASURES

($ in millions)	Three months ended June 30, 2012	Three months ended March 31, 2012	Three months ended Dec. 31, 2011	Three months ended Sept. 30, 2011	Three months ended June 30, 2011	Three months ended March 31, 2011	Six months ended June 30, 2012	Six months ended June 30, 2011
Homeowners								
Net premiums written								
Allstate brand	$ 1,639	$ 1,258	$ 1,428	$ 1,634	$ 1,606	$ 1,225	$ 2,897	$ 2,831
Encompass brand	104	85	89	100	94	79	189	173
	1,743	1,343	1,517	1,734	1,700	1,304	3,086	3,004
Net premiums earned								
Allstate brand	$ 1,487	$ 1,480	$ 1,468	$ 1,462	$ 1,457	$ 1,448	$ 2,967	$ 2,905
Encompass brand	93	92	92	91	91	91	185	182
	1,580	1,572	1,560	1,553	1,548	1,539	3,152	3,087
Incurred losses								
Allstate brand	$ 1,218	$ 836	$ 657	$ 1,587	$ 2,493	$ 983	$ 2,054	$ 3,476
Encompass brand	62	51	56	109	98	60	113	158
	1,280	887	713	1,696	2,591	1,043	2,167	3,634
Expenses								
Allstate brand	$ 342	$ 351	$ 370	$ 341	$ 324	$ 340	$ 693	$ 664
Encompass brand	28	28	29	28	28	28	56	56
	370	379	399	369	352	368	749	720
Underwriting Income								
Allstate brand	$ (73)	$ 293	$ 441	$ (466)	$ (1,360)	$ 125	$ 220	$ (1,235)
Encompass brand	3	13	7	(46)	(35)	3	16	(32)
	(70)	306	448	(512)	(1,395)	128	236	(1,267)
Loss ratio								
Allstate brand	81.9	56.5	44.8	108.6	171.1	67.9	69.2	119.7
Encompass brand	66.7	55.4	60.9	119.8	107.7	65.9	61.1	86.8
Allstate Protection	81.0	56.4	45.7	109.2	167.4	67.7	68.7	117.7
Expense ratio								
Allstate brand	23.0	23.7	25.2	23.3	22.2	23.5	23.4	22.8
Encompass brand	30.1	30.5	31.5	30.7	30.8	30.8	30.3	30.8
Allstate Protection	23.4	24.1	25.6	23.8	22.7	24.0	23.8	23.3
Combined ratio								
Allstate brand	104.9	80.2	70.0	131.9	193.3	91.4	92.6	142.5
Encompass brand	96.8	85.9	92.4	150.5	138.5	96.7	91.4	117.6
Allstate Protection	104.4	80.5	71.3	133.0	190.1	91.7	92.5	141.0
Effect of catastrophe losses on combined ratio								
Allstate brand	40.2	12.6	3.5	55.8	123.2	17.7	26.4	70.6
Encompass brand	15.1	6.5	10.9	70.3	61.5	16.5	10.8	39.0
Effect of prior year reserve reestimates on combined ratio								
Allstate brand	(3.5)	(7.9)	(2.4)	-	0.3	(2.7)	(5.7)	(1.2)
Encompass brand	(4.3)	(2.2)	5.4	(4.4)	(1.1)	1.1	(3.2)	-
Allstate brand combined ratio excluding the effect of catastrophes and prior year reserve reestimates (“underlying”)	64.6	67.0	67.0	73.3	69.4	74.0	65.8	71.7
Effect of catastrophe losses on combined ratio	40.2	12.6	3.5	55.8	123.2	17.7	26.4	70.6
Effect of prior year reserve reestimates on combined ratio	(3.5)	(7.9)	(2.4)	-	0.3	(2.7)	(5.7)	(1.2)
Effect of catastrophe losses included in prior year reserve reestimates on combined ratio	3.6	8.5	1.9	2.8	0.4	2.4	6.1	1.4
Allstate brand combined ratio	104.9	80.2	70.0	131.9	193.3	91.4	92.6	142.5

THE ALLSTATE CORPORATION
PROPERTY-LIABILITY POLICIES IN FORCE

Policies in Force (in thousands) [1]	Three months ended June 30, 2012	Three months ended March 31, 2012	Three months ended Dec. 31, 2011	Three months ended Sept. 30, 2011	Three months ended June 30, 2011	Three months ended March 31, 2011
Allstate brand						
Standard auto	17,046	17,080	17,213	17,286	17,420	17,456
Non-standard auto	551	570	571	599	599	627

Auto	17,597	17,650	17,784	17,885	18,019	18,083
Homeowners [2]	6,147	6,259	6,369	6,459	6,555	6,631
Emerging Businesses [3]						
Specialty auto	1,010	976	966	972	957	914
Specialty property	3,895	3,899	3,905	3,901	3,877	3,849
Business Insurance	283	281	286	292	299	301
Allstate Roadside Services	1,035	1,045	1,043	1,029	1,045	1,039
Canada	956	938	924	911	899	882
Involuntary auto	29	28	28	32	39	42
Excess and surplus [2]	10	9	-	-	-	-
Total Allstate brand	30,962	31,085	31,305	31,481	31,690	31,741
Encompass brand						
Standard auto	687	676	673	671	672	676
Non-standard auto	-	-	-	1	3	4
Homeowners	314	309	306	306	307	310
Specialty auto	22	21	21	21	21	21
Specialty property	112	111	111	111	111	112
Involuntary auto	5	5	5	6	7	7
Total Encompass brand	1,140	1,122	1,116	1,116	1,121	1,130
Esurance brand standard auto	892	849	786	-	-	-
Total Policies in Force	32,994	33,056	33,207	32,597	32,811	32,871

(1) Policies in Force: Policy counts are based on items rather than customers. A multi-car customer would generate multiple item (policy) counts, even if all cars were insured under one policy. Allstate Dealer Services (insurance and non-insurance products sold primarily to auto dealers), Ivantage (insurance agency), Answer Financial (independent insurance agency) and Partnership Marketing Group (roadside assistance partners) statistics are not included in total policies in force since these are not meaningful measurements.
(2) Beginning in first quarter 2012, excess and surplus lines policies in force are reported separately. Previously, these policy counts were included in the homeowners total. Excess and surplus lines represent policies written by North Light Specialty Insurance Company.
(3) Emerging Businesses policies in force include statistics for Consumer Household (specialty products including motorcycle, boat, trailers, motor homes, off-road vehicles, renters, landlords, umbrella, manufactured homes and condominium insurance policies), Business Insurance (commercial products for small business owners) and Allstate Roadside Services (roadside assistance products sold by Allstate Motor Club).

THE ALLSTATE CORPORATION
ALLSTATE BRAND DOMESTIC OPERATING MEASURES AND STATISTICS [1]

	Three months ended						Six months ended	
	June 30, 2012	March 31, 2012	Dec. 31, 2011	Sept. 30, 2011	June 30, 2011	March 31, 2011	June 30, 2012	June 30, 2011
Good Hands Roadside Members (in thousands)	656	569	390	129	75	25	656	75
New Issued Applications (in thousands) [2]								
Standard auto	458	463	451	466	472	519	921	991
Non-standard auto	58	79	58	61	59	78	137	137
Auto	516	542	509	527	531	597	1,058	1,128
Homeowners [3]	116	101	103	116	123	114	217	237
Average Premium - Gross Written ($) [4]								
Standard auto	447	447	450	446	442	439	447	441
Non-standard auto	601	598	598	586	620	621	599	620
Auto	452	452	455	451	448	446	452	447
Homeowners	1,080	1,065	1,031	1,001	989	975	1,073	983
Average Premium - Net Earned ($) [5]								
Standard auto	433	431	428	429	429	430	432	429
Non-standard auto	545	542	533	533	573	579	543	576
Auto	437	434	432	432	434	435	436	435
Homeowners	925	904	890	871	856	844	914	850
Renewal Ratio (%) [6]								
Standard auto	89.0	88.7	88.8	89.1	89.2	88.9	88.8	89.0
Non-standard auto	71.2	69.1	69.7	70.6	70.8	70.4	70.1	70.6
Auto	88.3	88.0	88.0	88.4	88.5	88.1	88.1	88.3
Homeowners	87.0	87.4	88.1	88.4	88.4	88.3	87.2	88.3
Bodily Injury Claim Frequency								
(% change year-over-year)								
Standard auto	1.9	(2.1)	(3.5)	(3.3)	(2.3)	3.1	(0.1)	0.3
Non-standard auto	3.2	(1.0)	(0.3)	(5.9)	(2.4)	2.3	1.0	(0.1)
Auto	1.6	(2.5)	(3.8)	(3.9)	(2.7)	2.7	(0.5)	(0.1)
Property Damage Claim Frequency								
(% change year-over-year)								
Standard auto	1.4	(4.1)	(2.6)	(2.6)	(3.9)	1.2	(1.4)	(1.4)
Non-standard auto	0.9	(1.2)	1.1	(2.7)	(1.8)	0.5	(0.2)	(0.6)
Auto	1.1	(4.3)	(2.7)	(2.9)	(4.0)	0.9	(1.6)	(1.6)
Auto Paid Severity								
(% change year-over-year)								
Bodily injury	3.4	1.2	1.9	0.2	0.4	3.6	2.3	2.0
Property damage	3.0	4.6	5.8	1.0	1.1	0.8	3.8	1.0
Homeowners Excluding Catastrophe Losses								
(% change year-over-year)								
Claim frequency	(6.7)	(4.8)	4.5	6.0	(0.8)	1.7	(5.8)	0.4
Claim severity	2.0	(0.4)	(1.9)	3.3	3.4	3.5	0.8	3.5

(1) Measures and statistics presented for Allstate brand exclude the Company's Canadian operations and specialty auto.
(2) New Issued Applications: Item counts of automobiles or homeowners insurance applications for insurance policies that were issued during the period, regardless of whether the customer was previously insured by another Allstate Protection market segment. Does not include automobiles that are added by existing customers.
(3) Excess and surplus lines are excluded from homeowners new issued applications. All other homeowners statistics include excess and surplus lines.
(4) Average Premium - Gross Written: Gross premiums written divided by issued item count. Gross premiums written include the impacts from discounts and surcharges and exclude the impacts from mid-term premium adjustments, ceded reinsurance premiums, and premium refund accruals. Average premiums represent the appropriate policy term for each line, which is 6 months for auto and 12 months for homeowners.
(5) Average Premium - Net Earned: Earned premium divided by average policies in force for the period. Earned premium includes the impacts from mid-term premium adjustments and ceded reinsurance, but does not include impacts of premium refund accruals. Average premiums represent the appropriate policy term for each line, which is 6 months for auto and 12 months for homeowners.
(6) Renewal ratio: Renewal policies issued during the period, based on contract effective dates, divided by the total policies issued 6 months prior for auto or 12 months prior for homeowners.

THE ALLSTATE CORPORATION
ESURANCE BRAND PROFITABILITY MEASURES AND STATISTICS

($ in millions)	Three months ended June 30, 2012	Three months ended March 31, 2012	Three months ended Dec. 31,[1] 2011	Six months ended June 30, 2012
Net premiums written	$ 224	$ 262	$ 181	$ 486
Net premiums earned	$ 234	$ 221	$ 201	$ 455
Incurred losses				
Incurred non-catastrophe losses	$ 172	$ 160	$ 157	$ 332
Incurred catastrophe losses	6	1	-	7
Prior year reserve reestimates	-	-	-	-
	$ 178	$ 161	$ 157	$ 339
Expenses				
Business combination expenses and amortization of purchased intangible assets [2]	$ 19	$ 40	$ 42	$ 59
Advertising expenses	38	45	22	83
Other expenses	38	36	24	74
	$ 95	$ 121	$ 88	$ 216
Underwriting Loss	$ (39)	$ (61)	$ (44)	$ (100)
Loss ratio	76.1	72.8	78.1	74.5
Expense ratio	40.6	54.8	43.8	47.5
Combined ratio	116.7	127.6	121.9	122.0
Effect of catastrophe losses on combined ratio	2.6	0.4	-	1.5
Effect of prior year reserve reestimates on combined ratio	-	-	-	-
Effect of business combination expenses and the amortization of purchased intangible assets on combined ratio	8.1	18.1	20.9	13.0
Effect of advertising expenses on combined ratio	16.2	20.4	10.9	18.2
Esurance brand combined ratio excluding the effect of catastrophes, prior year reserve reestimates, business combination expenses, and the amortization of purchased intangible assets (“underlying”)	106.0	109.1	101.0	107.5
Effect of catastrophe losses	2.6	0.4	-	1.5
Effect of prior year non-catastrophe reserve reestimates	-	-	-	-
Effect of business combination expense and the amortization of purchased intangible assets	8.1	18.1	20.9	13.0
Esurance brand combined ratio	116.7	127.6	121.9	122.0
Policies in Force (in thousands)	892	849	786	892
Average Premium - Gross Written ($)	490	508	n/a	499
Renewal Ratio (%)	79.7	78.5	76.3	79.0
Impact of Esurance brand on Allstate Protection combined ratio	0.6	0.9	0.7	0.8
Impact of Esurance brand on Allstate Protection expense ratio	1.4	1.8	1.3	1.6

[1] Represents period from October 7, 2011 to December, 31, 2011.
[2] Esurance present value of future profits balance of $21 million as of December 31, 2011 was fully amortized in the first quarter of 2012.
n/a Not available.

THE ALLSTATE CORPORATION
HOMEOWNERS SUPPLEMENTAL INFORMATION
($ in millions)

Six months ended June 30, 2012

Primary Exposure Groupings [1]	Earned premiums	Incurred losses	Loss ratios	Catastrophe losses	Effect of catastrophes on loss ratio	Number of catastrophes	Premium rate changes [3]: Number of states	Premium rate changes [3]: Annual impact of rate changes on state specific premiums written
Florida	$ 56	$ 32	57.1%	$ (6)	-10.7%			
Other hurricane exposure states	1,620	941	58.1%	313	19.3%			
Total hurricane exposure states [2]	1,676	973	58.1%	307	18.3%		16	8.9%
Other catastrophe exposure states	1,476	1,194	80.9%	496	33.6%		15	7.5%
Total	$ 3,152	$ 2,167	68.8%	$ 803	25.5%	45	31	8.4%

[1] **Basis of Presentation**

This homeowners supplemental information schedule displays financial results for the homeowners business (defined to include standard homeowners, scheduled personal property and other than primary residence lines). Each state in which the Company writes business has been categorized into one of two exposure groupings (Hurricane or Other). Hurricane exposure states are comprised of those states in which hurricanes are the primary catastrophe exposure. However, the catastrophe losses for these states include losses due to other kinds of catastrophes. A catastrophe is defined by Allstate as an event that produces pre-tax losses before reinsurance in excess of $1 million, and involves multiple first party policyholders, or an event that produces a number of claims in excess of a preset per-event threshold of average claims in a specific area, occurring within a certain amount of time following the event.

(2) **Hurricane Exposure States**
Hurricane exposure states include the following coastal locations: Alabama, Connecticut, Delaware, Florida, Georgia, Louisiana, Maine, Maryland, Massachusetts, Mississippi, New Hampshire, New Jersey, New York, North Carolina, Pennsylvania, Rhode Island, South Carolina, Texas, Virginia and Washington, D.C.

(3) **Premium Rate Changes**
Represents the impact in the states where rate changes were approved during the year as a percentage of total prior year-end premiums written in those states.

THE ALLSTATE CORPORATION
PROPERTY-LIABILITY
EFFECT OF CATASTROPHE LOSSES ON THE COMBINED RATIO
($ in millions, except ratios)

	Effect of all catastrophe losses on the Property-Liability combined ratio					Premiums earned	Total catastrophe	Excludes the effect of catastrophe losses relating to earthquakes and hurricanes	
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Year	year-to-date	losses by year	Total catastrophe losses by year	Effect on the Property-Liability combined ratio
1992 [3]	3.2	7.1	48.7	25.5	21.2	$ 15,542	$ 3,301	$ 680	4.4
1993 [3]	5.8	3.0	1.2	3.8	3.4	16,039	547	607	3.8
1994 [3]	27.4	4.4	9.5	7.3	12.0	16,513	1,989	529	3.2
1995	4.0	7.8	3.8	5.0	5.2	17,540	905	683	3.9
1996	5.1	6.0	6.4	3.8	5.4	18,366	983	837	4.6
1997	2.4	2.6	2.6	0.3	2.0	18,604	365	325	1.7
1998	2.5	6.3	3.9	3.4	4.0	19,307	780	615	3.2
1999	2.6	5.6	5.4	2.7	4.1	20,112	816	623	3.1
2000	7.0	6.7	1.7	2.3	4.4	21,871	967	930	4.3
2001	1.5	9.8	2.5	2.4	4.0	22,197	894	763	3.4
2002	1.9	5.0	1.6	4.0	3.1	23,361	731	638	2.7
2003	2.2	9.2	6.1	6.5	6.0	24,677	1,489	1,256	5.1
2004	1.6	3.8	26.0	6.2	9.5	25,989	2,468	467	1.8
2005	2.5	2.2	69.4	9.6	21.0	27,039	5,674	460	1.7
2006	1.6	3.7	2.5	4.1	3.0	27,369	810	1,044	3.8
2007	2.4	6.3	5.0	7.0	5.2	27,233	1,409	1,336	4.9
2008	8.4	10.3	26.8	3.9	12.4	26,967	3,342	1,876	7.0
2009	7.8	12.5	6.2	5.0	7.9	26,194	2,069	2,159	8.2
2010	10.0	9.8	5.9	8.3	8.5	25,957	2,207	2,272	8.8
2011	5.2	36.2	16.7	1.0	14.7	25,942	3,815	3,298	12.7
2012	3.9	12.3	-	-	8.1	13,296	1,078	1,146	8.6
Average [2]	4.9	8.5	13.1	5.4	8.0				4.9

	Excludes the effect of catastrophe losses relating to Hurricane Andrew, California Earthquakes, and Hawaii Hurricanes [1]					Premiums earned	Total catastrophe
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Year	year-to-date	losses by year
1992 [3]	3.2	7.0	4.5	2.9	4.4	$ 15,542	$ 681
1993 [3]	5.6	3.0	1.5	5.1	3.8	16,039	607
1994 [3]	5.1	3.8	1.7	2.5	3.2	16,513	535
1995	4.0	7.7	1.8	5.0	4.6	17,540	843
1996	5.1	6.0	6.4	3.8	5.4	18,366	991
1997	2.4	2.6	1.8	0.3	1.8	18,604	329
1998	2.0	6.3	3.9	2.2	3.6	19,307	695
1999	2.6	5.6	5.4	2.3	3.9	20,112	790
2000	7.0	6.7	1.5	1.8	4.3	21,871	930
2001	1.5	8.1	2.5	1.7	3.5	22,197	769
2002	1.8	5.0	1.6	3.6	3.0	23,361	706
2003	2.1	9.0	6.1	6.4	5.9	24,677	1,458
2004	1.6	3.8	26.0	6.2	9.5	25,989	2,468
2005	2.5	2.2	69.4	9.6	21.0	27,039	5,674
2006	1.6	3.7	2.5	4.1	3.0	27,369	810
2007	2.4	6.3	5.0	7.0	5.2	27,233	1,409
2008	8.4	10.3	26.8	3.9	12.4	26,967	3,342
2009	7.8	12.5	6.2	5.0	7.9	26,194	2,069
2010	10.0	9.8	5.9	8.3	8.5	25,957	2,207
2011	5.2	36.2	16.7	1.0	14.7	25,942	3,815
2012	3.9	12.3	-	-	8.1	13,296	1,078
Average [2]	4.1	8.4	11.2	4.3	7.0		

(1) The effect of Catastrophe losses on the combined ratio is presented excluding the effects of those events for which the exposure is now covered by an industry reinsurance or insurance mechanism (i.e., Florida Hurricane Catastrophe Fund and California Earthquake Authority) or with Hawaii hurricanes, coverage is being brokered to a non-affiliated insurance company (see the "Commitments, Guarantees and Contingent Liabilities" footnote to the Consolidated Financial Statements).
(2) The effect of Catastrophes and Catastrophes excluding extraordinary catastrophes on the Combined Ratio calculated as an average for all periods since 1992.
(3) The years 1992-1994 have been adjusted to exclude the premiums earned of the PMI Group, a mortgage guarantee insurer that was sold in 1995.

THE ALLSTATE CORPORATION
ALLSTATE PROTECTION CATASTROPHE BY SIZE OF EVENT
($ in millions, except ratios)

Three months ended June 30, 2012

Size of catastrophe	Number of events		Claim and claim expense		Combined ratio impact	Average catastrophe loss per event
Greater than $250 million	-	- %	$ -	- %	-	$ -

Size of catastrophe	Number of events		Claim and claim expense		Combined ratio impact	Average catastrophe loss per event
$101 million to $250 million	4	13.3	551	67.3	8.3	138
$50 million to $100 million	2	6.7	185	22.6	2.8	93
Less than $50 million	24	80.0	227	27.7	3.4	9
Total	30	100.0 %	963	117.6	14.5	32
Prior year reserve reestimates			(93)	(11.4)	(1.4)	
Prior quarter reserve reestimates			(51)	(6.2)	(0.8)	
Total catastrophe losses			$ 819	100.0 %	12.3	

Six months ended June 30, 2012

Size of catastrophe	Number of events		Claim and claim expense		Combined ratio impact	Average catastrophe loss per event
Greater than $250 million	-	- %	$ -	- %	-	$ -
$101 million to $250 million	5	11.1	697	64.7	5.2	139
$50 million to $100 million	3	6.7	251	23.3	1.9	84
Less than $50 million	37	82.2	384	35.6	2.9	10
Total	45	100.0 %	1,332	123.6	10.0	30
Prior year reserve reestimates			(254)	(23.6)	(1.9)	
Total catastrophe losses			$ 1,078	100 %	8.1	

THE ALLSTATE CORPORATION
PROPERTY-LIABILITY
EFFECT OF PRIOR YEAR RESERVE REESTIMATES ON THE COMBINED RATIO
($ in millions, except ratios)

	Three months ended						Six months ended	
	June 30, 2012	March 31, 2012	Dec. 31, 2011	Sept. 30, 2011	June 30, 2011	March 31, 2011	June 30, 2012	June 30, 2011
Prior Year Reserve Reestimates [1]								
Auto	$ (83)	$ (48)	$ (136)	$ (136)	$ (90)	$ (19)	$ (131)	$ (109)
Homeowners	(56)	(119)	(30)	(4)	3	(38)	(175)	(35)
Other personal lines	(22)	(40)	33	12	36	13	(62)	49
Allstate Protection [2]	(161)	(207)	(133)	(128)	(51)	(44)	(368)	(95)
Discontinued Lines and Coverages	3	3	3	11	4	3	6	7
Property-Liability	$ (158)	$ (204)	$ (130)	$ (117)	$ (47)	$ (41)	$ (362)	$ (88)
Allstate brand	$ (151)	$ (205)	$ (142)	$ (132)	$ (49)	$ (48)	$ (356)	$ (97)
Encompass brand	(10)	(2)	9	4	(2)	4	(12)	2
Esurance brand	-	-	-	-	-	-	-	-
Allstate Protection [2]	$ (161)	$ (207)	$ (133)	$ (128)	$ (51)	$ (44)	$ (368)	$ (95)
Effect of Prior Year Reserve Reestimates on Combined Ratio [1]								
Auto	(1.3)	(0.7)	(2.1)	(2.1)	(1.4)	(0.3)	(1.0)	(0.8)
Homeowners	(0.8)	(1.8)	(0.4)	(0.1)	-	(0.6)	(1.3)	(0.3)
Other personal lines	(0.3)	(0.6)	0.5	0.2	0.6	0.2	(0.5)	0.4
Allstate Protection [2]	(2.4)	(3.1)	(2.0)	(2.0)	(0.8)	(0.7)	(2.8)	(0.7)
Discontinued Lines and Coverages	-	-	-	0.2	0.1	-	0.1	-
Property-Liability	(2.4)	(3.1)	(2.0)	(1.8)	(0.7)	(0.7)	(2.7)	(0.7)
Allstate brand	(2.3)	(3.1)	(2.1)	(2.1)	(0.8)	(0.8)	(2.7)	(0.7)
Encompass brand	(0.1)	-	0.1	0.1	-	0.1	(0.1)	-
Esurance brand	-	-	-	-	-	-	-	-
Allstate Protection [2]	(2.4)	(3.1)	(2.0)	(2.0)	(0.8)	(0.7)	(2.8)	(0.7)

[1] Favorable reserve reestimates are shown in parentheses.
[2] Favorable reserve reestimates included in catastrophe losses totaled $93 million and $17 million in the three months ended June 30, 2012 and 2011, respectively. Favorable reserve reestimates included in catastrophe losses totaled $254 million and $51 million in the six months ended June 30, 2012 and 2011, respectively.

THE ALLSTATE CORPORATION
ASBESTOS AND ENVIRONMENTAL RESERVES
($ in millions)

	Three months ended		Twelve months ended December 31,				
(net of reinsurance)	June 30, 2012	March 31, 2012	2011	2010	2009	2008	2007
Asbestos claims							
Beginning reserves	$ 1,050	$ 1,078	$ 1,100	$ 1,180	$ 1,228	$ 1,302	$ 1,375
Incurred claims and claims expense	-	-	26	5	(8)	8	17
Claims and claims expense paid	(16)	(28)	(48)	(85)	(40)	(82)	(90)

Ending reserves	$ 1,034	$ 1,050	$ 1,078	$ 1,100	$ 1,180	$ 1,228	$ 1,302
Claims and claims expense paid as a percent of ending reserves	1.5%	2.7%	4.5%	7.7%	3.4%	6.7%	6.9%
Environmental claims							
Beginning reserves	$ 183	$ 185	$ 201	$ 198	$ 195	$ 232	$ 194
Incurred claims and claims expense	-	-	-	18	13	-	63
Claims and claims expense paid	(2)	(2)	(16)	(15)	(10)	(37)	(25)
Ending reserves	$ 181	$ 183	$ 185	$ 201	$ 198	$ 195	$ 232
Claims and claims expense paid as a percent of ending reserves	1.1%	1.1%	8.6%	7.5%	5.1%	19.0%	10.8%

THE ALLSTATE CORPORATION
ALLSTATE FINANCIAL RESULTS
($ in millions)

	Three months ended						Six months ended	
	June 30, 2012	March 31, 2012	Dec. 31, 2011	Sept. 30, 2011	June 30, 2011	March 31, 2011	June 30, 2012	June 30, 2011
Investments	$ 57,734	$ 57,620	$ 57,373	$ 59,068	$ 59,659	$ 60,484	$ 57,734	$ 59,659
Premiums	$ 291	$ 287	$ 305	$ 287	$ 286	$ 312	$ 578	$ 598
Contract charges	268	266	265	265	261	257	534	518
Net investment income	663	687	656	682	694	684	1,350	1,378
Periodic settlements and accruals on non-hedge derivative instruments	15	15	16	18	19	17	30	36
Contract benefits	(462)	(439)	(430)	(455)	(422)	(454)	(901)	(876)
Interest credited to contractholder funds	(362)	(368)	(385)	(395)	(412)	(425)	(730)	(837)
Amortization of deferred policy acquisition costs	(76)	(86)	(78)	(83)	(87)	(95)	(162)	(182)
Operating costs and expenses	(135)	(142)	(159)	(129)	(135)	(132)	(277)	(267)
Restructuring and related charges	-	-	(3)	-	-	2	-	2
Income tax expense on operations	(64)	(70)	(57)	(61)	(69)	(53)	(134)	(122)
Operating income	138	150	130	129	135	113	288	248
Realized capital gains and losses, after-tax	5	(14)	43	142	40	25	(9)	65
Valuation changes on embedded derivatives that are not hedged, after-tax	(3)	(6)	(13)	(4)	(3)	8	(9)	5
DAC and DSI (amortization) accretion relating to realized capital gains and losses and valuation changes on embedded derivatives that are not hedged, after-tax	-	(10)	(16)	(65)	(5)	(22)	(10)	(27)
DAC and DSI unlocking relating to realized capital gains and losses, after-tax	-	-	-	-	-	3	-	3
Reclassification of periodic settlements and accruals on non-hedge derivative instruments, after-tax	(10)	(10)	(10)	(12)	(11)	(12)	(20)	(23)
Gain (loss) on disposition of operations, after-tax	2	2	1	2	5	(13)	4	(8)
Net income	$ 132	$ 112	$ 135	$ 192	$ 161	$ 102	$ 244	$ 263

ALLSTATE FINANCIAL
RETURN ON ATTRIBUTED EQUITY
($ in millions)

	Twelve months ended					
	June 30, 2012	March 31, 2012	Dec. 31, 2011	Sept. 30, 2011	June 30, 2011	March 31, 2011
Return on Attributed Equity						
Numerator:						
Net income [(1)]	$ 571	$ 600	$ 590	$ 527	$ 417	$ 141
Denominator:						
Beginning attributed equity [(2)]	$ 6,868	$ 6,568	$ 6,385	$ 6,450	$ 5,895	$ 5,510
Ending attributed equity	7,737	7,475	7,230	7,044	6,868	6,568
Average attributed equity [(3)]	$ 7,303	$ 7,022	$ 6,808	$ 6,747	$ 6,382	$ 6,039
Return on attributed equity	7.8 %	8.5 %	8.7 %	7.8 %	6.5 %	2.3 %
Operating Income Return on Attributed Equity						

Numerator:						
Operating income [1]	$ 547	$ 544	$ 507	$ 472	$ 447	$ 426
Denominator:						
Beginning attributed equity	$ 6,868	$ 6,568	$ 6,385	$ 6,450	$ 5,895	$ 5,510
Unrealized net capital gains and losses	792	656	548	685	183	(316)
Adjusted beginning attributed equity	6,076	5,912	5,837	5,765	5,712	5,826
Ending attributed equity	7,737	7,475	7,230	7,044	6,868	6,568
Unrealized net capital gains and losses	1,240	1,073	842	776	792	656
Adjusted ending attributed equity	6,497	6,402	6,388	6,268	6,076	5,912
Average adjusted attributed equity [3]	$ 6,287	$ 6,157	$ 6,113	$ 6,017	$ 5,894	$ 5,869
Operating income return on attributed equity	8.7 %	8.8 %	8.3 %	7.8 %	7.6 %	7.3 %

(1) Net income and operating income reflect a trailing twelve-month period.
(2) Allstate Financial attributed equity is the sum of equity for Allstate Life Insurance Company, the applicable equity for American Heritage Life Investment Corporation, and the equity for Allstate Bank. Allstate Bank's equity is zero beginning March 31, 2012.
(3) Average attributed equity and average adjusted attributed equity are determined using a two-point average, with the beginning and ending attributed equity and adjusted attributed equity, respectively, for the twelve-month period as data points.

THE ALLSTATE CORPORATION
ALLSTATE FINANCIAL PREMIUMS AND CONTRACT CHARGES
($ in millions)

	Three months ended						Six months ended	
	June 30, 2012	March 31, 2012	Dec. 31, 2011	Sept. 30, 2011	June 30, 2011	March 31, 2011	June 30, 2012	June 30, 2011
PREMIUMS AND CONTRACT CHARGES - BY PRODUCT								
Underwritten Products								
Traditional life insurance premiums	$ 117	$ 113	$ 113	$ 111	$ 109	$ 108	$ 230	$ 217
Accident and health insurance premiums	160	162	160	160	162	161	322	323
Interest-sensitive life insurance contract charges	263	260	256	258	253	248	523	501
	540	535	529	529	524	517	1,075	1,041
Annuities								
Immediate annuities with life contingencies premiums	14	12	32	16	15	43	26	58
Other fixed annuity contract charges	5	6	9	7	8	9	11	17
	19	18	41	23	23	52	37	75
Total	$ 559	$ 553	$ 570	$ 552	$ 547	$ 569	$ 1,112	$ 1,116
PREMIUMS AND CONTRACT CHARGES - BY DISTRIBUTION CHANNEL								
Allstate agencies [1]	$ 272	$ 266	$ 264	$ 260	$ 256	$ 251	$ 538	$ 507
Workplace enrolling agents	170	170	171	171	169	168	340	337
Other	117	117	135	121	122	150	234	272
Total	$ 559	$ 553	$ 570	$ 552	$ 547	$ 569	$ 1,112	$ 1,116
ISSUED LIFE INSURANCE POLICIES BY DISTRIBUTION CHANNEL [2]								
Allstate agencies [1]	30,544	29,714	45,053	30,006	29,794	25,709	60,258	55,503
Other	780	876	812	885	931	981	1,656	1,912
Total	31,324	30,590	45,865	30,891	30,725	26,690	61,914	57,415

(1) Includes products directly sold through call centers and internet.
(2) Excludes Allstate Benefits and non-proprietary products.

THE ALLSTATE CORPORATION
CHANGE IN CONTRACTHOLDER FUNDS
($ in millions)

	Three months ended						Six months ended	
	June 30, 2012	March 31, 2012	Dec. 31, 2011	Sept. 30, 2011	June 30, 2011	March 31, 2011	June 30, 2012	June 30, 2011
Beginning balance	$ 41,603	$ 42,332	$ 43,776	$ 45,078	$ 46,834	$ 48,195	$ 42,332	$ 48,195
Deposits								
Fixed annuities	185	153	228	133	142	164	338	306
Interest-sensitive life insurance	335	332	324	321	316	330	667	646
Bank deposits	-	-	19	32	97	212	-	309
Total deposits	520	485	571	486	555	706	1,005	1,261
Interest credited	369	379	406	400	413	410	748	823
Maturities, benefits, withdrawals and other adjustments								

Maturities of and interest payments on institutional products	(88)	(1)	(48)	(26)	(306)	(487)	(89)	(793)
Benefits	(331)	(357)	(326)	(396)	(367)	(372)	(688)	(739)
Surrenders and partial withdrawals	(949)	(943)	(1,052)	(1,351)	(1,513)	(1,019)	(1,892)	(2,532)
Bank withdrawals	-	-	(817)	(162)	(210)	(274)	-	(484)
Contract charges	(266)	(264)	(265)	(257)	(255)	(251)	(530)	(506)
Net transfers from separate accounts	2	2	3	3	3	3	4	6
Fair value hedge adjustments for institutional products	-	-	-	-	-	(34)	-	(34)
Other adjustments	(28)	(30)	84	1	(76)	(43)	(58)	(119)
Total maturities, benefits, withdrawals and other adjustments	(1,660)	(1,593)	(2,421)	(2,188)	(2,724)	(2,477)	(3,253)	(5,201)
Ending balance	$ 40,832	$ 41,603	$ 42,332	$ 43,776	$ 45,078	$ 46,834	$ 40,832	$ 45,078

THE ALLSTATE CORPORATION
ALLSTATE FINANCIAL ANALYSIS OF NET INCOME
($ in millions)

	Three months ended						Six months ended	
	June 30, 2012	March 31, 2012	Dec. 31, 2011	Sept. 30, 2011	June 30, 2011	March 31, 2011	June 30, 2012	June 30, 2011
Benefit spread								
Premiums	$ 291	$ 287	$ 305	$ 287	$ 286	$ 312	$ 578	$ 598
Cost of insurance contract charges (1)	173	170	168	167	162	162	343	324
Contract benefits excluding the implied interest on immediate annuities with life contingencies (2)	(326)	(305)	(294)	(320)	(287)	(319)	(631)	(606)
Total benefit spread	138	152	179	134	161	155	290	316
Investment spread								
Net investment income	663	687	656	682	694	684	1,350	1,378
Implied interest on immediate annuities with life contingencies (2)	(136)	(134)	(136)	(135)	(135)	(135)	(270)	(270)
Interest credited to contractholder funds	(366)	(378)	(405)	(405)	(417)	(418)	(744)	(835)
Total investment spread	161	175	115	142	142	131	336	273
Surrender charges and contract maintenance expense fees (1)	95	96	97	98	99	95	191	194
Realized capital gains and losses	8	(21)	68	219	62	39	(13)	101
Amortization of deferred policy acquisition costs	(77)	(101)	(101)	(180)	(93)	(120)	(178)	(213)
Operating costs and expenses	(135)	(142)	(159)	(129)	(135)	(132)	(277)	(267)
Restructuring and related charges	-	-	(3)	-	-	2	-	2
Gain (loss) on disposition of operations	3	3	2	4	7	(20)	6	(13)
Income tax expense	(61)	(50)	(63)	(96)	(82)	(48)	(111)	(130)
Net income	$ 132	$ 112	$ 135	$ 192	$ 161	$ 102	$ 244	$ 263
Benefit spread by product group								
Life insurance	$ 87	$ 91	$ 74	$ 90	$ 98	$ 93	$ 178	$ 191
Accident and health insurance	72	73	114	70	71	74	145	145
Annuities	(21)	(12)	(9)	(26)	(8)	(12)	(33)	(20)
Total benefit spread	$ 138	$ 152	$ 179	$ 134	$ 161	$ 155	$ 290	$ 316
Investment spread by product group								
Annuities and institutional products	$ 67	$ 87	$ 23	$ 48	$ 51	$ 48	$ 154	$ 99
Life insurance	20	18	12	17	14	11	38	25
Allstate Bank products	-	-	2	6	6	8	-	14
Accident and health insurance	6	6	5	4	5	5	12	10
Net investment income on investments supporting capital	68	64	73	67	66	59	132	125
Total investment spread	$ 161	$ 175	$ 115	$ 142	$ 142	$ 131	$ 336	$ 273
(1) **Reconciliation of contract charges**								
Cost of insurance contract charges	$ 173	$ 170	$ 168	$ 167	$ 162	$ 162	$ 343	$ 324
Surrender charges and contract maintenance expense fees	95	96	97	98	99	95	191	194
Total contract charges	$ 268	$ 266	$ 265	$ 265	$ 261	$ 257	$ 534	$ 518
(2) **Reconciliation of contract benefits**								
Contract benefits excluding the implied interest on immediate annuities with life contingencies	$ (326)	$ (305)	$ (294)	$ (320)	$ (287)	$ (319)	$ (631)	$ (606)
Implied interest on immediate annuities with life contingencies	(136)	(134)	(136)	(135)	(135)	(135)	(270)	(270)
Total contract benefits	$ (462)	$ (439)	$ (430)	$ (455)	$ (422)	$ (454)	$ (901)	$ (876)

THE ALLSTATE CORPORATION
ALLSTATE FINANCIAL WEIGHTED AVERAGE INVESTMENT SPREADS

Three months ended June 30, 2012			Three months ended June 30, 2011		
Weighted average investment yield	Weighted average interest crediting	Weighted average investment	Weighted average investment yield	Weighted average interest crediting	Weighted average investment

		rate	spreads		rate	spreads
Interest-sensitive life insurance	5.3 %	4.0 %	1.3 %	5.5 %	4.2 %	1.3 %
Deferred fixed annuities and institutional products	4.6	3.2	1.4	4.6	3.3	1.3
Immediate fixed annuities with and without life contingencies	6.9	6.2	0.7	6.4	6.3	0.1
Investments supporting capital, traditional life and other products	3.9	n/a	n/a	3.8	n/a	n/a

	Six months ended June 30, 2012			Six months ended June 30, 2011		
	Weighted average investment yield	Weighted average interest crediting rate	Weighted average investment spreads	Weighted average investment yield	Weighted average interest crediting rate	Weighted average investment spreads
Interest-sensitive life insurance	5.4 %	4.1 %	1.3 %	5.5 %	4.2 %	1.3 %
Deferred fixed annuities and institutional products	4.6	3.2	1.4	4.6	3.3	1.3
Immediate fixed annuities with and without life contingencies	7.3	6.1	1.2	6.3	6.3	-
Investments supporting capital, traditional life and other products	3.9	n/a	n/a	3.7	n/a	n/a

THE ALLSTATE CORPORATION
ALLSTATE FINANCIAL SUPPLEMENTAL PRODUCT INFORMATION
($ in millions)

	As of June 30, 2012		Twelve months ended June 30, 2012	Twelve months ended		
				June 2012	March 2012	Dec. 2011
	Reserves and Contractholder funds	Attributed equity excluding unrealized capital gains/losses [3][4]	Operating income [5]	Operating income return on attributed equity (%)		
Underwritten products						
Life insurance	$ 14,176	$ 2,501	$ 257	10.8 %	11.3 %	11.2 %
Accident and health insurance	1,937	613	96	16.3	15.9	16.2
Sub-total	16,113	3,114	353	11.9	12.2	4.9
Annuities and institutional and bank products:						
Deferred Annuities	24,072	1,978	183	9.2	9.2	9.2
Immediate Annuities:						
Sub-standard structured settlements and group pension terminations [1]	5,178	901	(6)	(0.7)	(1.0)	(2.9)
Standard structured settlements and SPIA [2]	8,232	448	19	5.3	5.7	(0.3)
Sub-total	13,410	1,349	13	1.1	0.9	(2.2)
Institutional products	1,877	56	(4)	(5.2)	(7.3)	(6.8)
Bank	-	-	2	NM	NM	7.4
Sub-total	39,359	3,383	194	5.9	5.9	4.9
Total Allstate Financial	$ 55,472	$ 6,497	$ 547	8.7	8.8	8.3

	Six months ended June 30, 2012			
	Life insurance	Accident and health insurance	Annuities and institutional products	Allstate Financial
Operating income	$ 130	$ 38	$ 120	$ 288
Realized capital gains and losses, after-tax	(6)	1	(4)	(9)
Valuation changes on embedded derivatives that are not hedged, after-tax	-	-	(9)	(9)
DAC and DSI (amortization) accretion relating to realized capital gains and losses and valuation changes on embedded derivatives that are not hedged, after-tax	(2)	-	(8)	(10)
DAC and DSI unlocking relating to realized capital gains and losses, after-tax	-	-	-	-
Reclassification of periodic settlements and accruals on non-hedge derivative instruments, after-tax	1	-	(21)	(20)
Gain on disposition of operations, after-tax	-	-	4	4
Net income	$ 123	$ 39	$ 82	$ 244

(1) Structured settlement annuities for annuitants with severe injuries or other health impairments which significantly reduced their life expectancy at the time the annuity was issued and group annuity contracts issued to sponsors of terminated pension plans.

(2) Life-contingent structured settlement annuities for annuitants with standard life expectancy, period certain structured settlements and single premium immediate annuities with and without life contingencies.

(3) Total Allstate Financial attributed equity is the sum of equity for Allstate Life Insurance Company, the applicable equity for American Heritage Life Investment Corporation, and the equity for Allstate Bank. Allstate Bank's equity is zero beginning March 31, 2012.

(4) Attributed equity is allocated to each product line based on statutory capital adjusted for GAAP reporting differences and the amount of capital held in Allstate Financial may vary from economic capital. The calculation of statutory capital by product incorporates internal factors for invested asset risk, insurance risk (mortality and morbidity), interest rate risk and business risk. Due to the unavailability of final statutory financial statements at the time we release our GAAP financial results, the allocation is derived from average statutory capital over the prior four quarters. Statutory capital is adjusted for appropriate GAAP accounting differences. Changes in internal capital factors, investment portfolio mix and risk as well as changes in GAAP and statutory reporting differences will result in changes to the allocation of attributed equity to products.

(5) Product line operating income includes allocation of income on investments supporting capital. Operating income reflects a trailing twelve-month period.

THE ALLSTATE CORPORATION
CORPORATE AND OTHER RESULTS
($ in millions)

	Three months ended						Six months ended	
	June 30, 2012	March 31, 2012	Dec. 31, 2011	Sept. 30, 2011	June 30, 2011	March 31, 2011	June 30, 2012	June 30, 2011
Net investment income	$ 11	$ 11	$ 10	$ 14	$ 16	$ 14	$ 22	$ 30
Operating costs and expenses	(107)	(86)	(88)	(116)	(98)	(91)	(193)	(189)
Income tax benefit on operations	33	34	29	31	32	31	67	63
Operating loss	(63)	(41)	(49)	(71)	(50)	(46)	(104)	(96)
Business combination expenses, after-tax	-	-	(10)	-	-	-	-	-
Realized capital gains and losses, after-tax	-	-	5	13	2	-	-	2
Net loss	$ (63)	$ (41)	$ (54)	$ (58)	$ (48)	$ (46)	$ (104)	$ (94)

THE ALLSTATE CORPORATION
INVESTMENTS
($ in millions)

	PROPERTY-LIABILITY					ALLSTATE FINANCIAL				
	June 30, 2012	March 31, 2012	Dec. 31, 2011	Sept. 30, 2011	June 30, 2011	June 30, 2012	March 31, 2012	Dec. 31, 2011	Sept. 30, 2011	June 30, 2011
Fixed income securities, at fair value:										
Tax-exempt	$ 7,915	$ 7,634	$ 8,239	$ 8,799	$ 8,778	$ 29	$ 37	$ 38	$ 38	$ 40
Taxable	21,578	21,272	19,562	18,203	18,726	46,390	46,232	46,252	46,829	47,821
Equity securities, at fair value	3,470	3,636	4,165	3,977	4,748	211	211	198	180	206
Mortgage loans	494	494	474	377	132	6,434	6,673	6,665	6,579	6,695
Limited partnership interests	2,877	2,889	3,055	2,863	2,913	1,806	1,729	1,612	1,508	1,449
Short-term, at fair value	699	608	451	719	770	893	681	645	1,908	1,342
Other	253	192	52	68	52	1,971	2,057	1,963	2,026	2,106
Total	$ 37,286	$ 36,725	$ 35,998	$ 35,006	$ 36,119	$ 57,734	$ 57,620	$ 57,373	$ 59,068	$ 59,659
Fixed income securities, at amortized cost:										
Tax-exempt	$ 7,592	$ 7,350	$ 7,935	$ 8,568	$ 8,650	$ 29	$ 36	$ 37	$ 37	$ 39
Taxable	20,878	20,742	19,188	17,942	18,456	43,464	43,936	44,259	44,931	46,380
Ratio of fair value to amortized cost	103.6%	102.9%	102.5%	101.9%	101.5%	106.7%	105.2%	104.5%	104.2%	103.1%
Equity securities, at cost	$ 3,270	$ 3,270	$ 4,044	$ 4,094	$ 4,170	$ 160	$ 160	$ 159	$ 158	$ 159
Short-term, at amortized cost	699	608	451	719	770	893	681	645	1,908	1,342

	CORPORATE AND OTHER					CONSOLIDATED				
	June 30, 2012	March 31, 2012	Dec. 31, 2011	Sept. 30, 2011	June 30, 2011	June 30, 2012	March 31, 2012	Dec. 31, 2011	Sept 30, 2011	June 30, 2011
Fixed income securities, at fair value:										
Tax-exempt	$ 775	$ 748	$ 728	$ 732	$ 698	$ 8,719	$ 8,419	$ 9,005	$ 9,569	$ 9,516
Taxable	1,239	1,300	1,294	1,793	2,351	69,207	68,804	67,108	66,825	68,898
Equity securities, at fair value	-	-	-	-	-	3,681	3,847	4,363	4,157	4,954
Mortgage loans	-	-	-	-	-	6,928	7,167	7,139	6,956	6,827
Limited partnership interests	11	19	30	36	38	4,694	4,637	4,697	4,407	4,400
Short-term, at fair value	275	597	195	890	424	1,867	1,886	1,291	3,517	2,536
Other	-	-	-	-	-	2,224	2,249	2,015	2,094	2,158
Total	$ 2,300	$ 2,664	$ 2,247	$ 3,451	$ 3,511	$ 97,320	$ 97,009	$ 95,618	$ 97,525	$ 99,289
Fixed income securities, at amortized cost:										
Tax-exempt	$ 739	$ 714	$ 689	$ 698	$ 670	$ 8,360	$ 8,100	$ 8,661	$ 9,303	$ 9,359
Taxable	1,223	1,282	1,271	1,759	2,307	65,565	65,960	64,718	64,632	67,143
Ratio of fair value to amortized cost	102.7%	102.6%	103.2%	102.8%	102.4%	105.4%	104.3%	103.7%	103.3%	102.5%
Equity securities, at cost	$ -	$ -	$ -	$ -	$ -	$ 3,430	$ 3,430	$ 4,203	$ 4,252	$ 4,329
Short-term, at amortized cost	275	597	195	890	424	1,867	1,886	1,291	3,517	2,536

THE ALLSTATE CORPORATION
UNREALIZED NET CAPITAL GAINS AND LOSSES ON SECURITY PORTFOLIO BY TYPE
($ in millions)

	June 30, 2012			March 31, 2012			December 31, 2011		
	Unrealized net capital gains and losses	Fair value	Fair value as a percent of amortized cost (1)	Unrealized net capital gains and losses	Fair value	Fair value as a percent of amortized cost (1)	Unrealized net capital gains and losses	Fair value	Fair value as a percent of amortized cost (1)
Fixed income securities									
U.S. government and agencies	$ 374	$ 5,246	107.7	$ 282	$ 5,541	105.4	$ 349	$ 6,315	105.8
Municipal	805	13,892	106.2	644	13,614	105.0	607	14,241	104.5
Corporate	3,025	47,254	106.8	2,512	46,331	105.7	2,364	43,581	105.7
Foreign government	227	2,169	111.7	195	1,989	110.9	215	2,081	111.5

Residential mortgage-backed securities (“RMBS”)	(212)	3,675	94.5	(231)	3,728	94.2	(411)	4,121	90.9
Commercial mortgage-backed securities (“CMBS”)	(115)	1,716	93.7	(111)	1,753	94.0	(178)	1,784	90.9
Asset-backed securities (“ABS”)	(105)	3,949	97.4	(130)	4,242	97.0	(214)	3,966	94.9
Redeemable preferred stock	2	25	108.7	2	25	108.7	2	24	109.1
Total fixed income securities	4,001	77,926	105.4	3,163	77,223	104.3	2,734	76,113	103.7
Equity securities	251	3,681	107.3	417	3,847	112.2	160	4,363	103.8
Short-term investments	-	1,867	100.0	-	1,886	100.0	-	1,291	100.0
Derivatives	(16)	187	92.1	(21)	273	92.9	(17)	168	90.8
EMA limited partnership interests [(2)]	4	n/a	n/a	1	n/a	n/a	2	n/a	n/a
Unrealized net capital gains and losses, pre-tax	$ 4,240	$ 83,661	105.3	$ 3,560	$ 83,229	104.5	$ 2,879	$ 81,935	103.6
Amounts recognized for:									
Insurance reserves [(3)]	(700)			(443)			(594)		
DAC and DSI [(4)]	(352)			(230)			(124)		
Amounts recognized	(1,052)			(673)			(718)		
Deferred income taxes	(1,118)			(1,013)			(761)		
Unrealized net capital gains and losses, after-tax	$ 2,070			$ 1,874			$ 1,400		

	September 30, 2011			June 30, 2011			March 31, 2011		
	Unrealized net capital gains and losses	Fair value	Fair value as a percent of amortized cost [(1)]	Unrealized net capital gains and losses	Fair value	Fair value as a percent of amortized cost [(1)]	Unrealized net capital gains and losses	Fair value	Fair value as a percent of amortized cost [(1)]
Fixed income securities									
U.S. government and agencies	$ 337	$ 4,346	108.4	$ 315	$ 6,187	105.4	$ 257	$ 6,766	103.9
Municipal	554	14,999	103.8	116	14,673	100.8	(254)	15,246	98.4
Corporate	2,194	44,529	105.2	1,759	42,369	104.3	1,300	42,395	103.2
Foreign government	192	2,133	109.9	323	3,043	111.9	295	3,117	110.5
RMBS	(395)	4,632	92.1	(366)	5,990	94.2	(377)	6,530	94.5
CMBS	(221)	1,824	89.2	(97)	1,986	95.3	(103)	2,053	95.2
ABS	(204)	3,906	95.0	(139)	4,142	96.8	(169)	4,111	96.1
Redeemable preferred stock	2	25	108.7	1	24	104.3	1	24	104.3
Total fixed income securities	2,459	76,394	103.3	1,912	78,414	102.5	950	80,242	101.2
Equity securities	(95)	4,157	97.8	625	4,954	114.4	645	4,437	117.0
Short-term investments	-	3,517	100.0	-	2,536	100.0	-	1,986	100.0
Derivatives	(15)	244	94.2	(36)	348	90.6	(30)	512	94.5
EMA limited partnership interests [(2)]	7	n/a	n/a	7	n/a	n/a	7	n/a	n/a
Unrealized net capital gains and losses, pre-tax	$ 2,356	$ 84,312	102.9	$ 2,508	$ 86,252	103.0	$ 1,572	$ 87,177	101.8
Amounts recognized for:									
Insurance reserves [(3)]	(603)			(181)			(1)		
DAC and DSI [(4)]	(109)			(53)			83		
Amounts recognized	(712)			(234)			82		
Deferred income taxes	(579)			(799)			(582)		
Unrealized net capital gains and losses, after-tax	$ 1,065			$ 1,475			$ 1,072		

(1) The comparison of percentages from period to period may be distorted by investment transactions such as sales, purchases and impairment write-downs.

(2) Unrealized net capital gains and losses for limited partnership interest represent the Company’s share of Equity Method of Accounting (“EMA”) limited partnerships’ other comprehensive income. Fair value and amortized cost are not applicable.

(3) The insurance reserves adjustment represents the amount by which the reserve balance would increase if the net unrealized gains in the applicable product portfolios were realized and reinvested at current lower interest rates, resulting in a premium deficiency. Although we evaluate premium deficiencies on the combined performance of our life insurance and immediate annuities with life contingencies, the adjustment primarily relates to structured settlement annuities with life contingencies, in addition to annuity buy-outs and certain payout annuities with life contingencies.

(4) The DAC and DSI adjustment balance represents the amount by which the amortization of DAC and DSI would increase or decrease if the unrealized gains or losses in the respective product portfolios were realized.

THE ALLSTATE CORPORATION

GROSS UNREALIZED GAINS AND LOSSES ON FIXED INCOME SECURITIES BY TYPE AND SECTOR

($ in millions)

	As of June 30, 2012						
	Par value [(1)]	Amortized cost	Gross unrealized Gains	Gross unrealized Losses	Fair value	Amortized cost as a percent of par value [(2)]	Fair value as a percent of par value [(2)]
Corporate:							
Banking	$ 3,615	$ 3,598	$ 147	$ (94)	$ 3,651	99.5 %	101.0 %
Utilities	7,631	7,645	773	(28)	8,390	100.2	109.9
Capital goods	5,261	5,298	446	(23)	5,721	100.7	108.7
Financial services	3,515	3,460	209	(22)	3,647	98.4	103.8
Consumer goods (cyclical and non-cyclical)	8,976	9,091	641	(14)	9,718	101.3	108.3
Basic industry	2,789	2,808	162	(12)	2,958	100.7	106.1
Transportation	1,913	1,917	181	(12)	2,086	100.2	109.0
Communications	3,055	3,060	203	(8)	3,255	100.2	106.5
Energy	3,992	4,041	277	(6)	4,312	101.2	108.0
Technology	2,072	2,104	134	(1)	2,237	101.5	108.0
Other	1,309	1,207	78	(6)	1,279	92.2	97.7
Total corporate fixed income portfolio	44,128	44,229	3,251	(226)	47,254	100.2	107.1
U.S. government and agencies	5,226	4,872	374	-	5,246	93.2	100.4
Municipal	14,676	13,087	991	(186)	13,892	89.2	94.7
Foreign government	1,999	1,942	227	-	2,169	97.1	108.5
RMBS	4,477	3,887	118	(330)	3,675	86.8	82.1

CMBS	1,905	1,831	56	(171)	1,716	96.1	90.1
ABS	4,256	4,054	110	(215)	3,949	95.3	92.8
Redeemable preferred stock	23	23	2	-	25	100.0	108.7
Total fixed income securities	$ 76,690	$ 73,925	$ 5,129	$ (1,128)	$ 77,926	96.4	101.6

(1) Included in par value are zero-coupon securities that are generally purchased at a deep discount to the par value that is received at maturity. These primarily included corporate, U.S. government and agencies, municipal and foreign government zero-coupon securities with par value of $488 million, $947 million, $3.10 billion and $382 million, respectively.

(2) Excluding the impact of zero-coupon securities, the percentage of amortized cost to par value would be 100.5% for corporates, 101.2% for U.S. government and agencies, 102.1% for municipals and 104.4% for foreign governments. Similarly, excluding the impact of zero-coupon securities, the percentage of fair value to par value would be 107.3% for corporates, 105.5% for U.S. government and agencies, 108.3% for municipals and 112.9% for foreign governments.

THE ALLSTATE CORPORATION
FAIR VALUE AND UNREALIZED NET CAPITAL GAINS AND LOSSES FOR FIXED INCOME SECURITIES BY CREDIT RATING
($ in millions)

	As of June 30, 2012												
	Aaa		Aa		A		Baa		Ba or lower		Total		
	Fair value	Unrealized gain/(loss)	Fair value	Unrealized gain/(loss)	Fair value	Unrealized gain/(loss)	Fair value	Unrealized gain/(loss)	Fair value	Unrealized gain/(loss)	Par value	Fair value	Unrealized gain/(loss)
U.S. government and agencies	$ 5,246	$ 374	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 5,226	$ 5,246	$ 374
Municipal													
Tax exempt	1,195	48	4,316	210	1,996	119	813	25	399	(43)	8,399	8,719	359
Taxable	233	33	2,780	402	1,057	116	367	(13)	103	(12)	5,564	4,540	526
Auction rate securities	264	(19)	203	(31)	23	(3)	41	(7)	102	(20)	713	633	(80)
Sub-total	1,692	62	7,299	581	3,076	232	1,221	5	604	(75)	14,676	13,892	805
Corporate													
Public	907	70	2,525	182	12,360	1,017	13,215	874	3,111	74	29,640	32,118	2,217
Privately placed	1,139	66	1,453	106	4,069	343	6,893	283	1,582	10	14,488	15,136	808
Sub-total	2,046	136	3,978	288	16,429	1,360	20,108	1,157	4,693	84	44,128	47,254	3,025
Foreign government	823	125	406	27	523	39	417	36	-	-	1,999	2,169	227
RMBS													
U.S. government sponsored entities	1,726	68	-	-	-	-	-	-	-	-	1,624	1,726	68
Prime residential mortgage-backed securities	143	4	27	1	159	2	23	-	440	(4)	867	792	3
Alt-A residential mortgage-backed securities	-	-	10	-	60	1	45	-	388	(43)	790	503	(42)
Subprime residential mortgage-backed securities	-	-	27	(4)	36	(8)	37	(11)	554	(218)	1,196	654	(241)
Sub-total	1,869	72	64	(3)	255	(5)	105	(11)	1,382	(265)	4,477	3,675	(212)
CMBS	869	43	170	3	193	(12)	237	(41)	247	(108)	1,905	1,716	(115)
ABS													
Collateralized debt obligations	140	1	697	(15)	279	(54)	152	(44)	274	(51)	1,876	1,542	(163)
Consumer and other asset-backed securities	1,235	42	373	5	487	8	297	6	15	(3)	2,380	2,407	58
Sub-total	1,375	43	1,070	(10)	766	(46)	449	(38)	289	(54)	4,256	3,949	(105)
Redeemable preferred stock	-	-	1	-	-	-	24	2	-	-	23	25	2
Total fixed income securities	$ 13,920	$ 855	$ 12,988	$ 886	$ 21,242	$ 1,568	$ 22,561	$ 1,110	$ 7,215	$ (418)	$ 76,690	$ 77,926	$ 4,001

THE ALLSTATE CORPORATION
REALIZED CAPITAL GAINS AND LOSSES BY TRANSACTION TYPE
($ in millions)

	Three months ended						Six months ended	
	June 30, 2012	March 31, 2012	Dec. 31, 2011	Sept. 30, 2011	June 30, 2011	March 31, 2011	June 30, 2012	June 30, 2011
Impairment write-downs	$ (49)	$ (39)	$ (122)	$ (190)	$ (70)	$ (114)	$ (88)	$ (184)
Change in intent write-downs	(1)	(44)	(2)	(13)	(16)	(69)	(45)	(85)
Net other-than-temporary impairment losses recognized in earnings	(50)	(83)	(124)	(203)	(86)	(183)	(133)	(269)
Sales	70	229	220	692	141	283	299	424
Valuation of derivative instruments	(10)	11	(9)	(254)	(50)	22	1	(28)
Settlements of derivative instruments	17	11	(33)	20	(3)	(89)	28	(92)
EMA limited partnership income (1)	-	-	32	9	55	63	-	118
Total	$ 27	$ 168	$ 86	$ 264	$ 57	$ 96	$ 195	$ 153

(1) Income from EMA limited partnerships is reported in net investment income in 2012 and realized capital gains and losses in 2011.

THE ALLSTATE CORPORATION
PROPERTY-LIABILITY
NET INVESTMENT INCOME, YIELDS AND REALIZED CAPITAL GAINS AND LOSSES (PRE-TAX)
($ in millions)

	Three months ended						Six months ended	
	June 30, 2012	March 31, 2012	Dec. 31, 2011	Sept. 30, 2011	June 30, 2011	March 31, 2011	June 30, 2012	June 30, 2011
NET INVESTMENT INCOME								
Fixed income securities:								
Tax-exempt	$ 82	$ 87	$ 96	$ 100	$ 108	$ 111	$ 169	$ 219
Taxable	192	178	170	176	180	169	370	349
Equity securities	22	19	44	20	32	18	41	50
Mortgage loans	5	6	4	3	1	-	11	1
Limited partnership interests (1) (2)	68	41	12	15	7	5	109	12
Short-term	1	1	1	1	-	1	2	1
Other	3	2	1	-	1	1	5	2
Sub-total	373	334	328	315	329	305	707	634
Less: Investment expense	(21)	(21)	(19)	(17)	(19)	(21)	(42)	(40)
Net investment income	$ 352	$ 313	$ 309	$ 298	$ 310	$ 284	$ 665	$ 594
Net investment income, after-tax	$ 254	$ 232	$ 233	$ 225	$ 236	$ 219	$ 486	$ 455
PRE-TAX YIELDS (3)								
Fixed income securities:								
Tax-exempt	4.4 %	4.6 %	4.6 %	4.6 %	4.9 %	4.8 %	4.4 %	4.9 %
Equivalent yield for tax-exempt	6.4	6.7	6.7	6.7	7.1	7.0	6.4	7.1
Taxable	3.7	3.6	3.7	3.9	3.8	3.6	3.7	3.8
Equity securities	2.7	2.1	4.3	1.9	3.3	1.9	2.4	2.6
Mortgage loans	4.2	4.5	4.2	4.5	3.2	6.7	4.4	3.2
Limited partnership interests	9.5	5.5	6.3	8.8	4.2	2.9	7.4	3.6
Total portfolio	4.2	3.8	4.0	3.9	4.0	3.7	4.0	3.9
REALIZED CAPITAL GAINS AND LOSSES (PRE-TAX) BY ASSET TYPE								
Fixed income securities:								
Tax-exempt	$ (4)	$ 25	$ 5	$ 30	$ (16)	$ (13)	$ 21	$ (29)
Taxable	15	(5)	28	119	9	(29)	10	(20)
Equity securities	13	159	3	(77)	(2)	124	172	122
Limited partnership interests (2)	1	11	33	(3)	20	46	12	66
Derivatives and other	(6)	(1)	(57)	(45)	(19)	(71)	(7)	(90)
Total	$ 19	$ 189	$ 12	$ 24	$ (8)	$ 57	$ 208	$ 49
REALIZED CAPITAL GAINS AND LOSSES (PRE-TAX) BY TRANSACTION TYPE								
Impairment write-downs	$ (43)	$ (19)	$ (54)	$ (105)	$ (27)	$ (64)	$ (62)	$ (91)
Change in intent write-downs	(1)	(28)	(1)	(10)	(11)	(27)	(29)	(38)
Net other-than-temporary impairment losses recognized in earnings	(44)	(47)	(55)	(115)	(38)	(91)	(91)	(129)
Sales	60	237	82	186	29	172	297	201
Valuation of derivative instruments	1	3	(12)	(56)	(12)	26	4	14
Settlements of derivative instruments	2	(4)	(36)	11	(7)	(95)	(2)	(102)
EMA limited partnership income (2)	-	-	33	(2)	20	45	-	65
Total	$ 19	$ 189	$ 12	$ 24	$ (8)	$ 57	$ 208	$ 49
AVERAGE INVESTED ASSETS (in billions) (4)	$ 35.8	$ 35.4	$ 34.9	$ 34.9	$ 35.0	$ 34.7	$ 35.6	$ 34.8

(1) As of June 30, 2012, Property-Liability has commitments to invest in additional limited partnership interests totaling $1.38 billion.
(2) Income from EMA limited partnerships is reported in net investment income in 2012 and realized capital gains and losses in 2011.
(3) Pre-tax yields are calculated as annualized investment income (including dividend income in the case of equity securities) divided by the average of investment balances at the end of each quarter during the year. Investment balances, for purposes of the pre-tax yield calculation, exclude unrealized capital gains and losses. EMA limited partnership interests are included in the 2012 yields since their 2012 income is reported in net investment income. Total portfolio yield for The Allstate Corporation was 4.6% in the second quarter of 2012 compared to 4.5% in the second quarter of 2011.
(4) Average invested assets for the quarter are calculated as the average of the current and prior quarter invested assets. Year-to-date average invested assets are calculated as the average of invested assets at the end of each quarter during the year. For purposes of the average invested assets calculation, unrealized capital gains and losses are excluded.

THE ALLSTATE CORPORATION
ALLSTATE FINANCIAL
NET INVESTMENT INCOME, YIELDS AND REALIZED CAPITAL GAINS AND LOSSES (PRE-TAX)
($ in millions)

Three months ended						Six months ended	
June 30, 2012	March 31, 2012	Dec. 31, 2011	Sept. 30, 2011	June 30, 2011	March 31, 2011	June 30, 2012	June 30, 2011

NET INVESTMENT INCOME								
Fixed income securities	$ 534	$ 531	$ 546	$ 572	$ 596	$ 607	$ 1,065	$ 1,203
Equity securities	2	2	2	3	2	1	4	3
Mortgage loans	87	87	88	88	86	89	174	175
Limited partnership interests [(1) (2)]	39	67	15	18	11	5	106	16
Short-term	-	-	-	1	-	1	-	1
Other	29	27	29	26	24	9	56	33
Sub-total	691	714	680	708	719	712	1,405	1,431
Less: Investment expense	(28)	(27)	(24)	(26)	(25)	(28)	(55)	(53)
Net investment income	$ 663	$ 687	$ 656	$ 682	$ 694	$ 684	$ 1,350	$ 1,378
Net investment income, after-tax	$ 437	$ 455	$ 431	$ 448	$ 455	$ 449	$ 892	$ 904
PRE-TAX YIELDS [(3)]								
Fixed income securities	4.9 %	4.8 %	4.9 %	5.0 %	5.0 %	5.0 %	4.9 %	5.0 %
Equity securities	5.2	3.9	4.6	8.0	2.9	3.3	4.6	3.1
Mortgage loans	5.3	5.2	5.3	5.3	5.2	5.4	5.3	5.3
Limited partnership interests	8.8	16.0	8.6	10.2	6.3	2.7	12.3	4.5
Total portfolio	5.0	5.2	4.9	5.0	4.9	4.8	5.1	4.9
REALIZED CAPITAL GAINS AND LOSSES (PRE-TAX) BY ASSET TYPE								
Fixed income securities	$ (5)	$ (49)	$ 56	$ 433	$ 46	$ 15	$ (54)	$ 61
Equity securities	-	-	-	-	17	(2)	-	15
Mortgage loans	9	(1)	10	(28)	(3)	(4)	8	(7)
Limited partnership interests [(2)]	2	(1)	(1)	11	30	22	1	52
Derivatives and other	2	30	3	(197)	(28)	8	32	(20)
Total	$ 8	$ (21)	$ 68	$ 219	$ 62	$ 39	$ (13)	$ 101
REALIZED CAPITAL GAINS AND LOSSES (PRE-TAX) BY TRANSACTION TYPE								
Impairment write-downs	$ (6)	$ (20)	$ (68)	$ (85)	$ (43)	$ (50)	$ (26)	$ (93)
Change in intent write-downs	-	(16)	(1)	(3)	(5)	(42)	(16)	(47)
Net other-than-temporary impairment losses recognized in earnings	(6)	(36)	(69)	(88)	(48)	(92)	(42)	(140)
Sales	10	(8)	130	485	112	111	2	223
Valuation of derivative instruments	(11)	8	3	(198)	(38)	(4)	(3)	(42)
Settlements of derivative instruments	15	15	3	9	4	6	30	10
EMA limited partnership income [(2)]	-	-	1	11	32	18	-	50
Total	$ 8	$ (21)	$ 68	$ 219	$ 62	$ 39	$ (13)	$ 101
AVERAGE INVESTED ASSETS (in billions) [(4)]	$ 55.0	$ 55.3	$ 56.2	$ 57.7	$ 58.8	$ 60.2	$ 55.1	$ 59.5

(1) As of June 30, 2012, Allstate Financial has commitments to invest in additional limited partnership interests totaling $714 million.
(2) Income from EMA limited partnerships is reported in net investment income in 2012 and realized capital gains and losses in 2011.
(3) Pre-tax yields are calculated as annualized investment income (including dividend income in the case of equity securities) divided by the average of investment balances at the end of each quarter during the year. Investment balances, for purposes of the pre-tax yield calculation, exclude unrealized capital gains and losses. EMA limited partnership interests are included in the 2012 yields since their 2012 income is reported in net investment income.
(4) Average invested assets for the quarter are calculated as the average of the current and prior quarter invested assets. Year-to-date average invested assets are calculated as the average of invested assets at the end of each quarter during the year. For purposes of the average invested assets calculation, unrealized capital gains and losses are excluded.

Definitions of Non-GAAP and Operating Measures

We believe that investors' understanding of Allstate's performance is enhanced by our disclosure of the following non-GAAP financial measures. Our methods for calculating these measures may differ from those used by other companies and therefore comparability may be limited.

Operating income (loss) is net income (loss), excluding:

- realized capital gains and losses, after-tax, except for periodic settlements and accruals on non-hedge derivative instruments, which are reported with realized capital gains and losses but included in operating income (loss),
- valuation changes on embedded derivatives that are not hedged, after-tax,
- amortization of deferred acquisition costs ("DAC") and deferred sales inducements ("DSI"), to the extent they resulted from the recognition of certain realized capital gains and losses or valuation changes on embedded derivatives that are not hedged, after-tax,
- business combination expenses and the amortization of purchased intangible assets, after-tax,
- gain (loss) on disposition of operations, after-tax, and
- adjustments for other significant non-recurring, infrequent or unusual items, when (a) the nature of the charge or gain is such that it is reasonably unlikely to recur within two years, or (b) there has been no similar charge or gain within the prior two years.

Net income (loss) is the GAAP measure that is most directly comparable to operating income (loss). We use operating income (loss) as an important measure to evaluate our results of operations. We believe that the measure provides investors with a valuable measure of the Company's ongoing performance because it reveals trends in our insurance and financial services business that may be obscured by the net effect of realized capital gains and losses, valuation changes on embedded derivatives that are not hedged, business combination expenses and the amortization of purchased intangible assets, gain (loss) on disposition of operations and adjustments for other significant non-recurring, infrequent or unusual items. Realized capital gains and losses, valuation changes on embedded derivatives that are not hedged and gain (loss) on disposition of operations may vary significantly between periods and are generally driven by business decisions and external economic developments such as capital market conditions, the timing of which is unrelated to the insurance underwriting process. Consistent with our intent to protect results or earn additional income, operating income (loss) includes periodic settlements and accruals on certain derivative instruments that are reported in realized capital gains and losses because they do not qualify for hedge accounting or are not designated as hedges for accounting purposes. These instruments are used for economic hedges and to replicate fixed income securities, and by including them in operating income (loss), we are appropriately reflecting their trends in our performance and in a manner consistent with the economically hedged investments, product attributes (e.g., net investment income and interest credited to contractholder funds) or replicated investments. Business combination expenses are excluded because they are non-recurring in nature and the amortization of purchased intangible assets is excluded because it relates to the acquisition purchase price and is not indicative of our underlying insurance business results or trends. Non-recurring items are excluded because, by their nature, they are not indicative of our business or economic trends. Accordingly, operating income (loss) excludes the effect of items that tend to be highly variable from period to period and highlights the results from ongoing operations and the underlying profitability of our business. A byproduct of excluding these items to determine operating income (loss) is the transparency and understanding of their significance to net income variability and profitability while recognizing these or similar items may recur in subsequent periods. Operating income (loss) is used by management along with the other components of net income (loss) to assess our performance. We use adjusted measures of operating income (loss) and operating income (loss) per diluted share in incentive compensation. Therefore, we believe it is useful for investors to evaluate net income (loss), operating income (loss) and their components separately and in the aggregate when reviewing and evaluating our performance. We note that investors, financial analysts, financial and business media organizations and rating agencies utilize operating income (loss) results in their evaluation of our and our industry's financial performance and in their investment decisions, recommendations and communications as it represents a reliable, representative and consistent measurement of the industry and the Company and management's performance. We note that the price to earnings multiple commonly used by insurance investors as a forward-looking valuation technique uses operating income (loss) as the denominator. Operating income (loss) should not be considered as a substitute for net income (loss) and does not reflect the overall profitability of our business. A reconciliation of operating income (loss) to net income (loss) is provided in the schedule, "Contribution to Income".

Underwriting income (loss) is calculated as premiums earned, less claims and claims expense ("losses"), amortization of DAC, operating costs and expenses and restructuring and related charges as determined using GAAP. Management uses this measure in its evaluation of the results of operations to analyze the profitability of our Property-Liability insurance operations separately from investment results. It is also an integral component of incentive compensation. It is useful for investors to evaluate the components of income separately and in the aggregate when reviewing performance. Net income (loss) is the most directly comparable GAAP measure. Underwriting income (loss) should not be considered as a substitute for net income (loss) and does not reflect the overall profitability of our business. A reconciliation of Property-Liability underwriting income (loss) to net income (loss) is provided in the schedule, "Property-Liability Results".

Combined ratio excluding the effect of catastrophes is a non-GAAP ratio, which is computed as the difference between two GAAP operating ratios: the combined ratio and the effect of catastrophes on the combined ratio. The most directly comparable GAAP measure is the combined ratio. We believe that this ratio is useful to investors and it is used by management to reveal the trends in our Property-Liability business that may be obscured by catastrophe losses. Catastrophe losses cause our loss trends to vary significantly between periods as a result of their incidence of occurrence and magnitude and can have a significant impact on the combined ratio. We believe it is useful for investors to evaluate these components separately and in the aggregate when reviewing our underwriting performance. The combined ratio excluding the effect of catastrophes should not be considered a substitute for the combined ratio and does not reflect the overall underwriting profitability of our business. A reconciliation of combined ratio excluding the effect of catastrophes to combined ratio is provided in the schedule, "Property-Liability Results".

Combined ratio excluding the effect of catastrophes, prior year reserve reestimates, business combination expenses and the amortization of purchased intangible assets ("underlying combined ratio") is a non-GAAP ratio, which is computed as the difference between four GAAP operating ratios: the combined ratio, the effect of catastrophes on the combined ratio, the effect of prior year reserve reestimates on the combined ratio, the effect of business combination expenses and the amortization of purchased intangible assets on the combined ratio. We believe that this ratio is useful to investors and it is used by management to reveal the trends in our Property-Liability business that may be obscured by catastrophe losses, prior year reserve reestimates, business combination expenses and the amortization of purchased intangible assets. Catastrophe losses cause our loss trends to vary significantly between periods as a result of their incidence of occurrence and magnitude, and can have a significant impact on the combined ratio. Prior year reserve reestimates are caused by unexpected loss development on historical reserves. Business combination expenses and the amortization of purchased intangible assets primarily relate to the acquisition purchase price and are not indicative of our underlying insurance business results or trends. We believe it is useful for investors to evaluate these components separately and in the aggregate when reviewing our underwriting performance. We also provide it to facilitate a comparison to our outlook on the underlying combined ratio. The most directly comparable GAAP measure is the combined ratio. The underlying combined ratio should not be considered a substitute for the combined ratio and does not reflect the overall underwriting profitability of our business. A reconciliation of the underlying combined ratio to combined ratio is provided in the schedules, "Property-Liability Results", "Standard Auto Profitability Measures" and "Homeowners Profitability Measures".

Operating income return on shareholders' equity is a ratio that uses a non-GAAP measure. It is calculated by dividing the rolling 12-month operating income by the average of shareholders' equity at the beginning and at the end of the 12-months, after excluding the effect of unrealized net capital gains and losses. Return on shareholders' equity is the most directly comparable GAAP measure. We use operating income as the numerator for the same reasons we use operating income, as discussed above. We use average shareholders' equity excluding the effect of unrealized net capital gains and losses for the denominator as a representation of shareholders' equity primarily attributable to the Company's earned and realized business operations because it eliminates the effect of items that are unrealized and vary significantly between periods due to external economic developments such as capital market conditions like changes in equity prices and interest rates, the amount and timing of which are unrelated to the insurance underwriting process. We use it to supplement our evaluation of net income and return on shareholders' equity because it excludes the effect of items that tend to be highly variable from period to period. We believe that this measure is useful to investors and that it provides a valuable tool for investors when considered along with net income return on shareholders' equity because it eliminates the after-tax effects of realized and unrealized net capital gains and losses that can fluctuate significantly from period to period and that are driven by economic developments, the magnitude and timing of which are generally not influenced by management. In addition, it eliminates non-recurring items that are not indicative of our ongoing business or economic trends. A byproduct of excluding the items noted above to determine operating income return on shareholders' equity from return on shareholders' equity is the transparency and understanding of their significance to return on shareholders' equity variability and profitability while recognizing these or similar items may recur in subsequent periods. Therefore, we believe it is useful for investors to have operating income return on shareholders' equity and return on shareholders' equity when evaluating our performance. We note that investors, financial analysts, financial and business media organizations and rating agencies utilize operating income return on shareholders' equity results in their evaluation of our and our industry's financial performance and in their investment decisions, recommendations and communications as it represents a reliable, representative and consistent measurement of the industry and the company and management's utilization of capital. Operating income return on shareholders' equity should not be considered as a substitute for return on shareholders' equity and does not reflect the overall profitability of our business. A reconciliation of return on shareholders' equity and operating income return on shareholders' equity can be found in the schedule, "Return on Shareholders' Equity".

Book value per share, excluding the impact of unrealized net capital gains and losses on fixed income securities, is a ratio that uses a non-GAAP measure. It is calculated by dividing shareholders' equity after excluding the impact of unrealized net capital gains and losses on fixed income securities and related DAC, DSI and life insurance reserves by total shares outstanding plus dilutive potential shares outstanding. We use the trend in book value per share, excluding the impact of unrealized net capital gains and losses on fixed income securities, in conjunction with book value per share to identify and analyze the change in net worth attributable to management efforts between periods. We believe the non-GAAP ratio is useful to investors because it eliminates the effect of items that can fluctuate significantly from period to period and are generally driven by economic developments, primarily capital market conditions, the magnitude and timing of which are generally not influenced by management, and we believe it enhances understanding and comparability of performance by highlighting underlying business activity and profitability drivers. We note that book value per share, excluding the impact of unrealized net capital gains and losses on fixed income securities, is a measure commonly used by insurance investors as a valuation technique. Book value per share is the most directly comparable GAAP measure. Book value per share, excluding the impact of unrealized net capital gains and losses on fixed income securities, should not be considered as a substitute for book value per share, and does not reflect the recorded net worth of our business. A reconciliation of book value per share, excluding the impact of unrealized net capital gains on fixed income securities, and book value per share can be found in the schedule, "Book Value per Share".

Operating Measure

We believe that investors' understanding of Allstate's performance is enhanced by our disclosure of the following operating financial measure. Our method for calculating this measure may differ from those used by other companies and therefore comparability may be limited.

Premiums written is the amount of premiums charged for policies issued during a fiscal period. Premiums earned is a GAAP measure. Premiums are considered earned and are included in financial results on a pro-rata basis over the policy period. The portion of premiums written applicable to the unexpired terms of the policies is recorded as unearned premiums on our Condensed Consolidated Statements of Financial Position. A reconciliation of premiums written to premiums earned is presented in the schedule, "Property-Liability Results".

Definitions of GAAP Operating Ratios and Impacts of Specific Items on the GAAP Operating Ratios

We use the following operating ratios to measure the profitability of our Property-Liability results. We believe that they enhance an investor's understanding of our profitability. They are calculated as follows:

Claims and claims expense ("loss") ratio is the ratio of claims and claims expense to premiums earned. Loss ratios include the impact of catastrophe losses.

Expense ratio is the ratio of amortization of DAC, operating costs and expenses and restructuring and related charges to premiums earned.

Combined ratio is the ratio of claims and claims expense, amortization of DAC, operating costs and expenses and restructuring and related charges to premiums earned. The combined ratio is the sum of the loss ratio and the expense ratio. The difference between 100% and the combined ratio represents underwriting income (loss) as a percentage of premiums earned or underwriting margin.

Effect of Discontinued Lines and Coverages on combined ratio is the ratio of claims and claims expense and operating costs and expenses in the Discontinued Lines and Coverages segment to Property-Liability premiums earned. The sum of the effect of Discontinued Lines and Coverages on the combined ratio and the Allstate Protection combined ratio is equal to the Property-Liability combined ratio.

Effect of catastrophe losses on combined ratio is the percentage of catastrophe losses included in claims and claims expense to premiums earned. This ratio includes prior year reserve reestimates of catastrophe losses.

Effect of prior year reserve reestimates on combined ratio is the percentage of prior year reserve reestimates included in claims and claims expense to premiums earned. This ratio includes prior year reserve reestimates of catastrophe losses.

Effect of restructuring and related charges on combined ratio is the percentage of restructuring and related charges to premiums earned.

Effect of business combination expenses and the amortization of purchased intangible assets on the combined and expense ratio is the percentage of business combination expenses and the amortization of purchased intangible assets to premiums earned.