



The Allstate Corporation

First Quarter 2014 Earnings Presentation
May 6, 2014

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This presentation contains forward-looking statements and information. Additional information on factors that could cause results to differ materially from those projected in this presentation is available in the 2013 Form 10-K, in our most recent earnings release and at the end of these slides. These materials are available on our website, allstateinvestors.com. This presentation also contains some non-GAAP measures. You can find the reconciliation of those measures to GAAP measures on our website, allstateinvestors.com, under the “Quarterly Investor Info” link.



Allstate Starts 2014 With Continued Growth and Strong Returns

- **Strategy to provide unique customer value propositions is working**
- **Progress made on all five operating priorities for 2014**
- **Good financial results despite severe winter weather**
- **Completed sale of Lincoln Benefit Life (April 1) and capital restructuring program**



Strategy to Provide Unique Offerings to Each Consumer Segment is Working

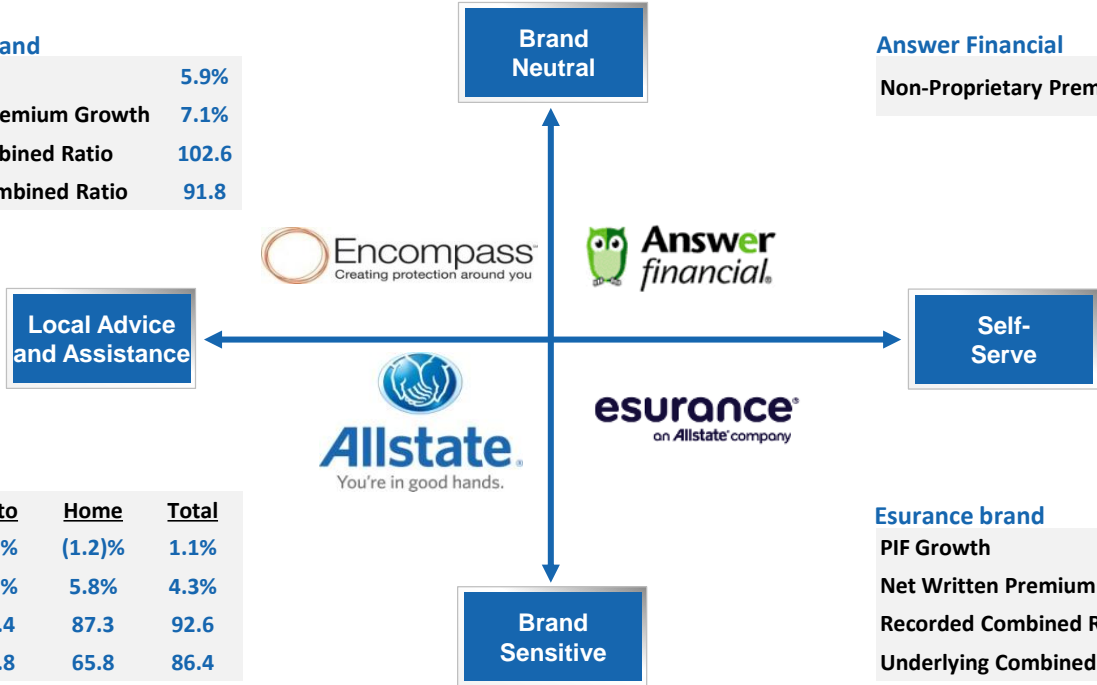
Property-Liability Results	
Policy in Force Growth	2.0%
Net Written Premium Growth	5.2%
Recorded Combined Ratio	94.7
Underlying Combined Ratio	88.4

Encompass brand

PIF Growth	5.9%
Net Written Premium Growth	7.1%
Recorded Combined Ratio	102.6
Underlying Combined Ratio	91.8

Answer Financial

Non-Proprietary Premium Growth	10.3%
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Allstate brand

	Auto	Home	Total
PIF ⁽¹⁾ Growth	2.1%	(1.2)%	1.1%
New Written Premium Growth	3.3%	5.8%	4.3%
Recorded Combined Ratio	93.4	87.3	92.6
Underlying Combined Ratio	93.8	65.8	86.4

Esurance brand

PIF Growth	21.1%
Net Written Premium Growth	18.7%
Recorded Combined Ratio	127.1
Underlying Combined Ratio	124.2

Results shown are for Q1 2014; growth rates are Q1 2014 compared to Q1 2013
⁽¹⁾ Excludes Good Hands Roadside Members of 1,734,000, an increase of 635,000 over March 2013
 Earnings Release Presentation: May 7, 2014



Progress Made On All 2014 Operating Priorities

- **Insurance policies in force continue to grow**
 - Total Protection policy in force (PIF) growth was 2.0%
 - Allstate Brand Auto PIF increased 2.1% versus Q1 2013
 - Allstate Brand Homeowners rate of PIF decline improved to negative 1.2% versus Q1 2013
 - Esurance and Encompass continued to grow despite profit improvement actions

- **Underlying combined ratio is within the full-year outlook**
 - Underlying combined ratio of 88.4 within full-year range of 87 to 89
 - Severe winter weather adversely impacted claim frequency

- **Investment returns were good**
 - Total return for the first quarter was 2.1%
 - Portfolio yield decreased from year-end 2013 as a result of reducing exposure to rising interest rates
 - Limited partnership interests in the first quarter produced income of \$142 million, a 32.7% increase from last year

- **Modernize the operating model**
 - Technology simplification
 - Continuous improvement

- **Build long-term growth platforms**
 - Improving Allstate agency effectiveness and expanding capacity
 - Expanding Esurance's product offering
 - Leveraging the Allstate Benefits platform, which has passed three million policies in force



Good First Quarter Financial Results

(\$ in millions, except per share data, PIF in thousands)	Three months ended March 31,		
	2014	2013	% Change
Consolidated revenues	\$8,684	\$8,463	2.6
<i>Allstate Protection net written premium</i>	6,969	6,625	5.2
Income available to common shareholders:			
Net income	587	709	(17.2)
<i>per diluted common share</i>	1.30	1.47	(11.6)
Operating income	588	647	(9.1)
<i>per diluted common share</i>	1.30	1.35	(3.7)
Return on Equity (trailing 12 months @ 3/31):			
Net income	10.4%	11.3%	(0.9)pts
Operating income	14.4%	11.9%	2.5pts
Cash returned to common shareholders:			
Common dividends	113	105 ⁽¹⁾	7.6
Common share repurchases			
- Shares (millions)	17.8	14.3	24.5
- Dollars	987	651	51.6

⁽¹⁾ Paid in December 2012

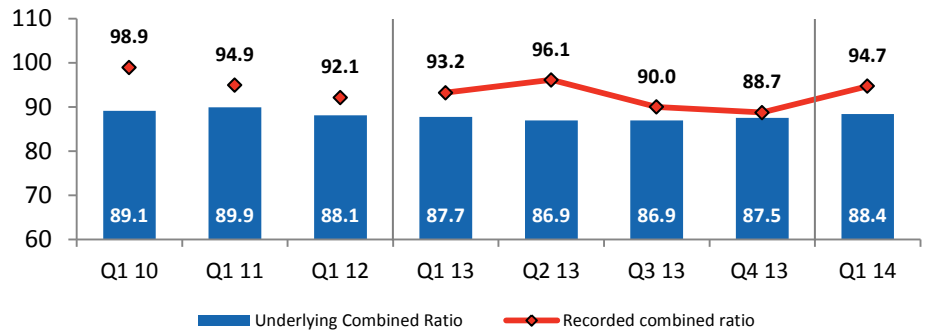


Underlying Combined Ratio Within our Full-Year Outlook Range and Record Earnings for Allstate Financial

Property-Liability Results

(\$ in Millions, except ratios)	Q1 2014	Var to PY
Earned Premium	\$7,064	4.3%
Combined Ratio		
- Recorded	94.7	1.5pts
- Underlying	88.4	0.7pts
Catastrophe Losses	445	24.0%
Net Investment Income	312	(8.5%)
Net Income ⁽¹⁾	493	(20.0%)
Operating Income	468	(15.8%)

Property-Liability Combined Ratio

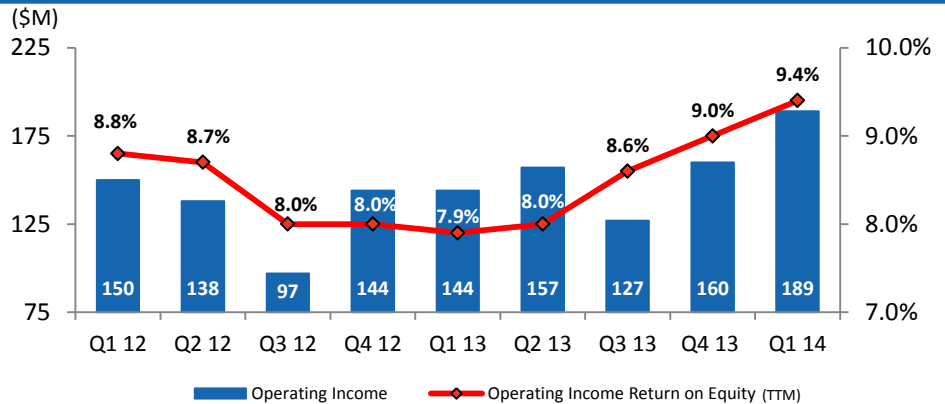


Underlying Combined Ratio	Q1 13	Q2 13	Q3 13	Q4 13	Q1 14
Allstate Brand	86.2	85.4	85.4	86.1	86.4
Esurance Brand	110.3	112.9	111.5	111.9	124.2
<i>Memo: Underlying Loss Ratio</i>	70.1	73.1	72.7	74.6	72.9
Encompass Brand	97.9	92.7	92.5	91.8	91.8

Allstate Financial Results

(\$ in Millions, except ratios)	Q1 2014	Var to PY
Premiums & Contract Charges	\$607	4.8%
<i>Memo: LBL Contribution</i>	85	(2.3%)
Net Investment Income	640	0.8%
Operating Costs	118	(20.3%)
Net Income ⁽¹⁾	162	11.0%
<i>Memo: LBL Contribution</i>	28	N/A
Operating Income	189	31.3%

Allstate Financial Operating Income and Return on Equity

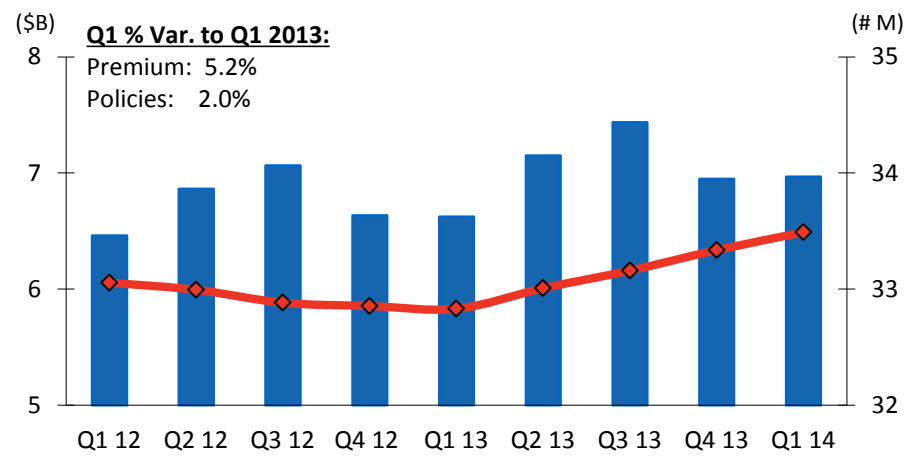


⁽¹⁾ Available to common shareholders

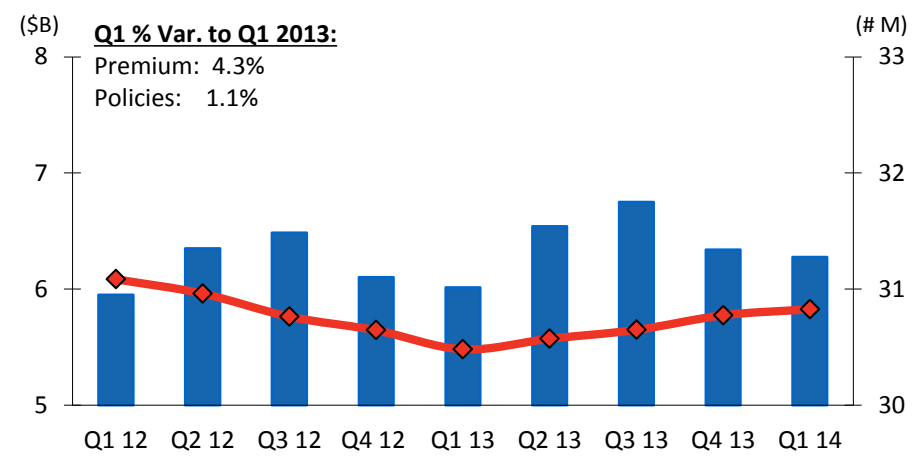


Written Premium Grew 5.2% in Q1, with Contributions from All Brands

Allstate Protection

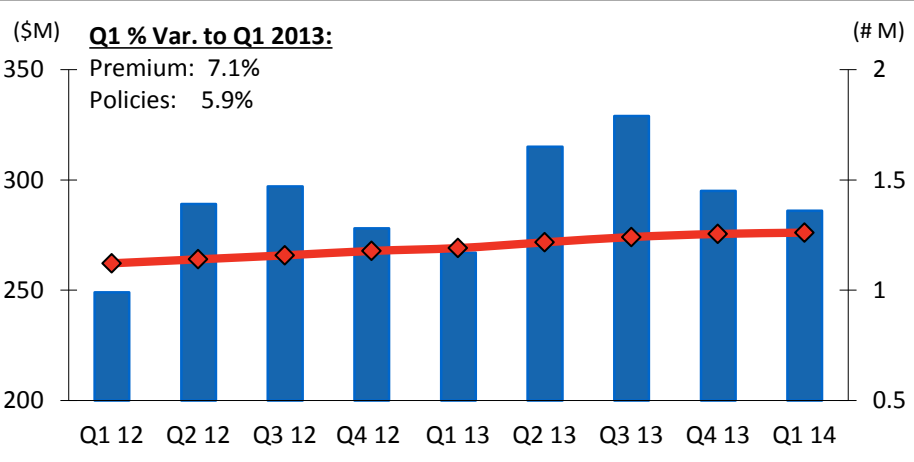


Allstate Brand

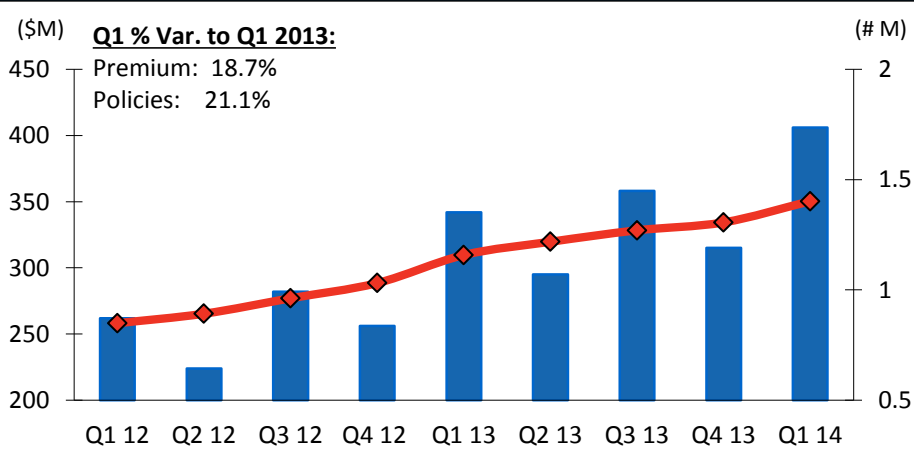


■ Net Written Premium
 ◆ Policies in Force

Encompass Brand



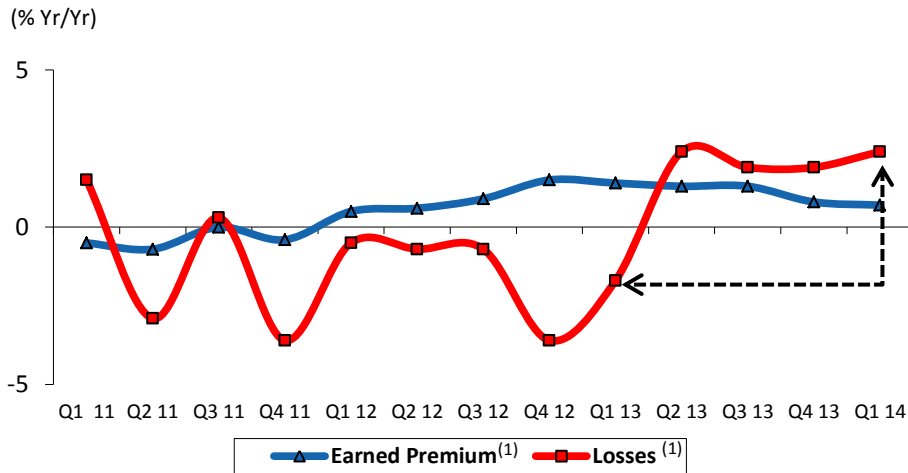
Esurance Brand



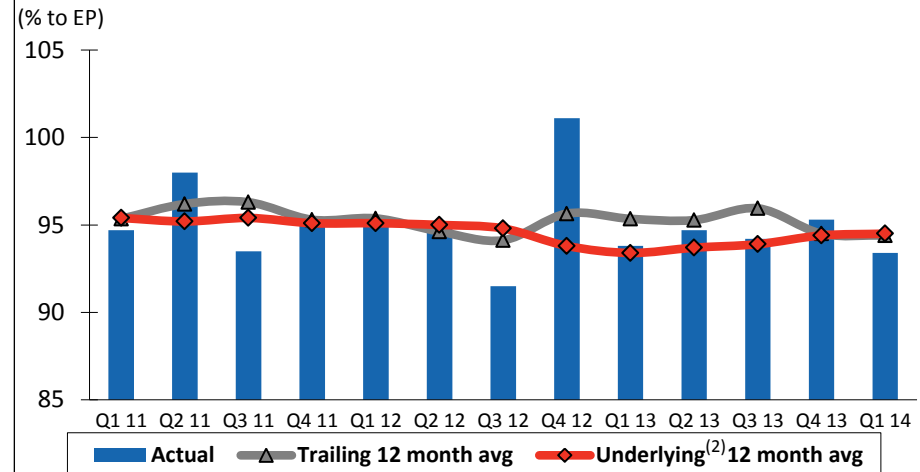


Both Allstate Brand Auto and Homeowners Margins Impacted by Winter Weather

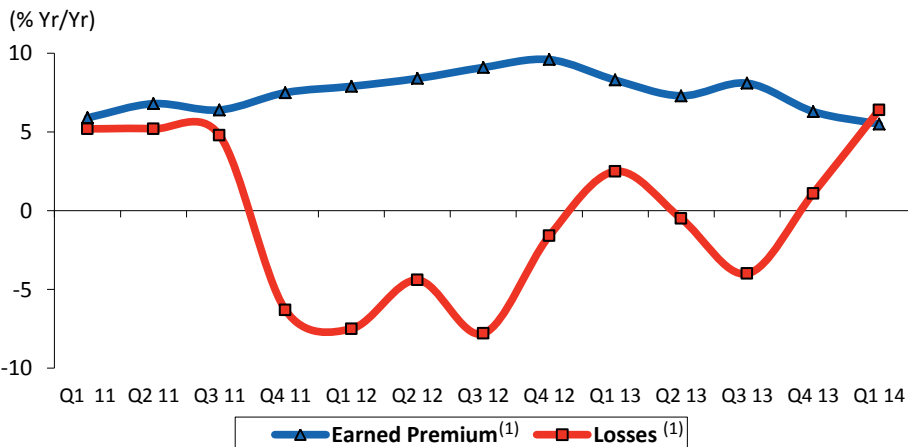
Auto Underlying Margin Trend⁽¹⁾



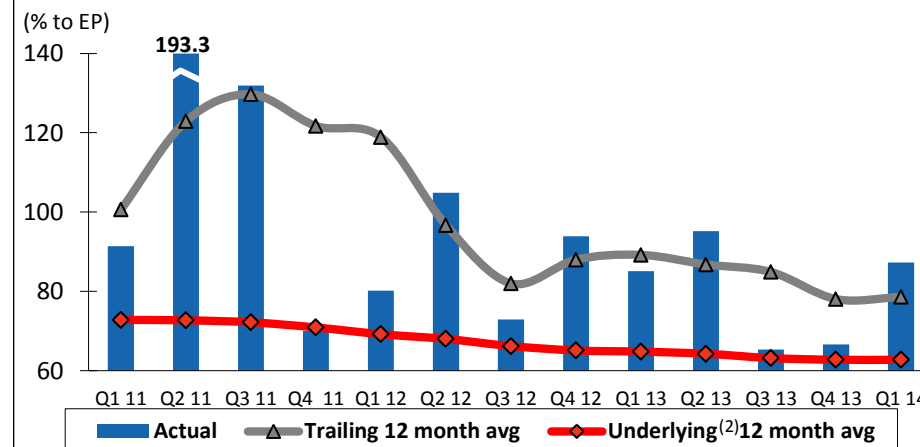
Auto Combined Ratio



Homeowners Underlying Margin Trend⁽¹⁾



Homeowners Combined Ratio



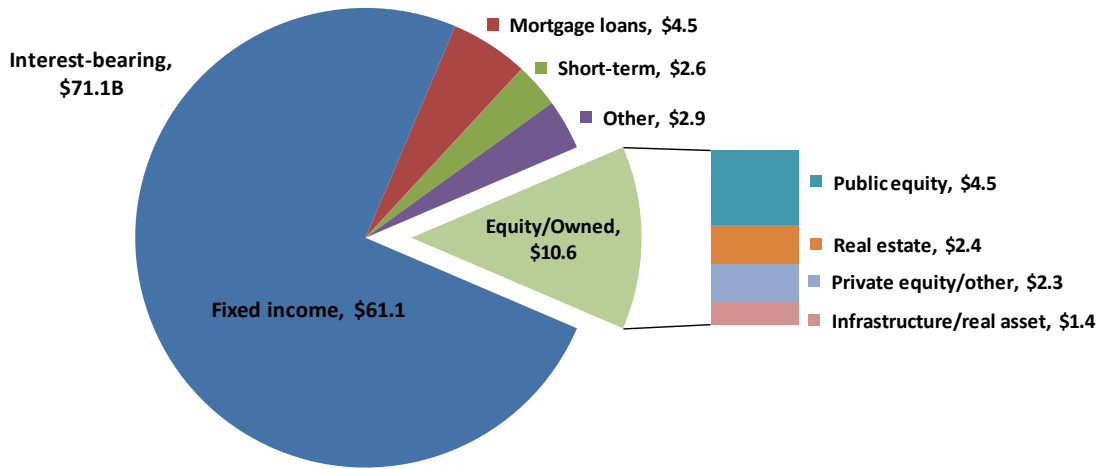
⁽¹⁾ Based on year-over-year percentage change in average earned premium and average losses excluding the effect of catastrophes and prior year reserve reestimates

⁽²⁾ Excludes catastrophe losses and prior year reserve reestimates



Shifting Investment Portfolio Mix To Higher Returning Mix

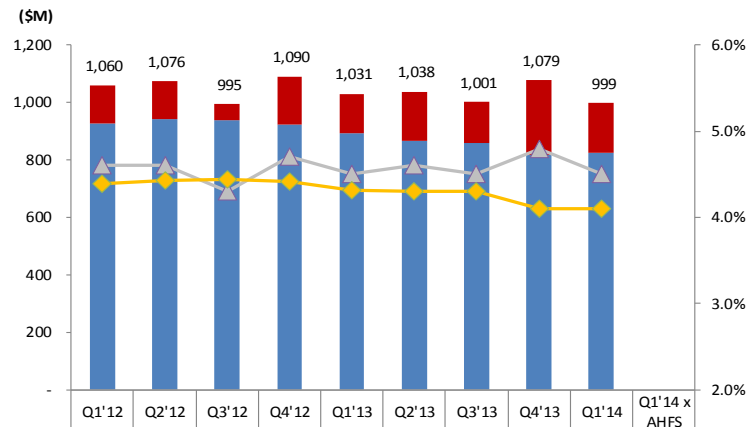
Composition of \$81.7B portfolio as of 3/31/2014 (excluding HFS) ⁽¹⁾



- Interest-bearing: 87% of portfolio and includes Fixed income, Loans/Other, & Short term
- Equity/Owned: 13% of portfolio and includes Equity, Limited Partnership interests, & Real Estate

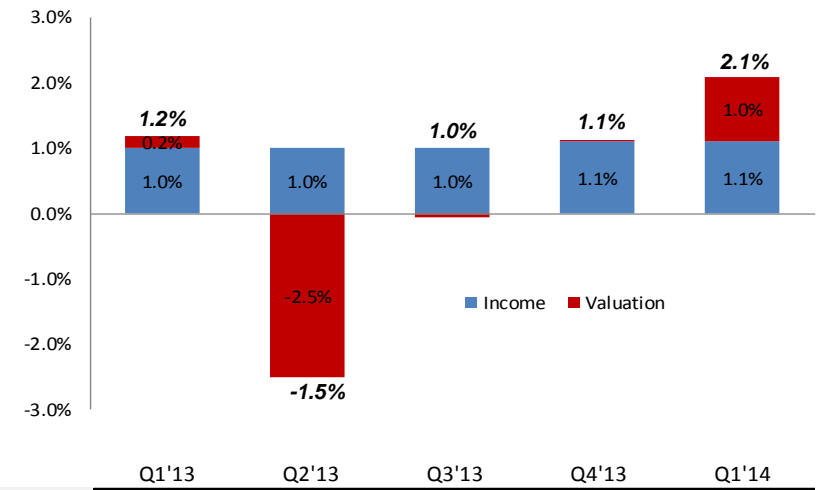
See page 41 of the Investor Supplement for additional details

Investment Income and Pre-tax Yield ⁽²⁾



	Q1'12	Q2'12	Q3'12	Q4'12	Q1'13	Q2'13	Q3'13	Q4'13	Q1'14	Q1'14 x AHFS
Equity/Owned	133	135	55	166	136	170	140	260	175	175
Interest-bearing	927	941	940	924	895	868	861	819	824	698
Total Investment Income	1,060	1,076	995	1,090	1,031	1,038	1,001	1,079	999	873
Total Yield	4.6%	4.6%	4.3%	4.7%	4.5%	4.6%	4.5%	4.8%	4.5%	4.5%
Interest-bearing Yield	4.4%	4.4%	4.4%	4.4%	4.3%	4.3%	4.3%	4.1%	4.1%	4.1%

Portfolio Total Return



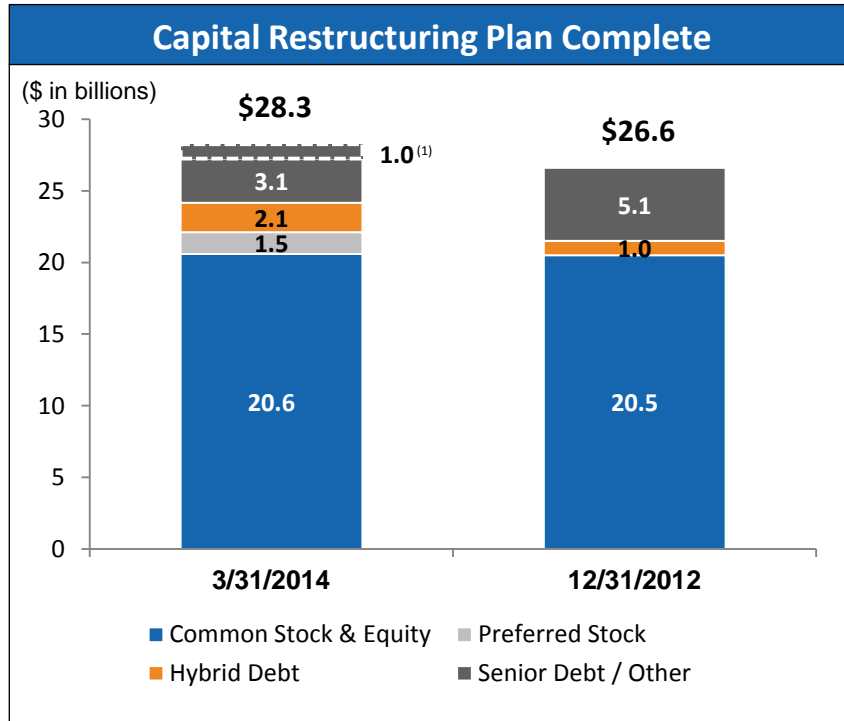
	Q1'13	Q2'13	Q3'13	Q4'13	Q1'14
Interest-bearing	0.8%	-1.4%	0.8%	0.6%	1.7%
Equity/Owned	0.4%	0.0%	0.3%	0.6%	0.4%
Expenses	0.0%	-0.1%	-0.1%	-0.1%	0.0%

⁽¹⁾ HFS: Held for sale
⁽²⁾ Excludes investment expenses



Completion of Our Capital Management Plan Improves Financial Strength and Strategic Flexibility

- Completed our capital restructuring plan with the issuance of \$747.5 million of 6.625% Noncumulative Perpetual Preferred Stock



Capital Position

(\$ in billions, except per share data)

	3/31/13	3/31/14
Shareholders' Equity		
- Common	\$20.6	\$20.6
- Preferred	---	1.5
Statutory Surplus		
- Property-Liability	13.6	14.5 est.
- Allstate Financial	3.6	3.2 est.
Total	17.2	17.7 est.
Holding Company Assets	2.7	3.4
Book Value per Common Share	43.46	46.70
Return on Common Shareholders' Equity		
- Net Income	11.3%	10.4%
- Operating Income	11.9%	14.4%

- Provided \$1.1 billion in cash returns to common shareholders during the quarter
 - Board of directors authorized a new \$2.5 billion common stock repurchase program and increased the common stock dividend by 12%
 - Executed a \$750 million accelerated share repurchase agreement
 - Paid \$113 million in common stock dividends

⁽¹⁾The next debt maturities are on May 16, 2014 when \$300 million of 6.20% Senior Notes are due and August 15, 2014 when \$650 million of 5.00% Senior Notes are due. These are expected to be paid from available funds.



Forward-Looking Statements and Risk Factors

This presentation may contain forward-looking statements about our outlook for the Property-Liability combined ratio excluding the effect of catastrophes, prior year reserve reestimates and amortization of purchased intangible assets for 2014. 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.



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