

The Allstate Corporation

Summary of 10-Q MBS and ABS Disclosures

<u>@ 6/30/07</u>	<u>\$ B</u>		
Total Investments	122.27		
Total Fixed Income	97.91		
Sub-prime RMBS	4.76	←	100% Investment grade, 21% insured
ABS CDO	.16	←	Includes all CDOs with RMBS assets, may contain sub-prime
Alt-A	1.22	←	100% Investment grade, 54% is Fixed Rate

Proprietary underwriting practices applied in acquisition and monitoring of sub-prime RMBS and Alt-A portfolios, considerations include:

- ✓ Quality of originator and servicer
- ✓ Security credit rating
- ✓ Underlying mortgage characteristics
- ✓ Borrower characteristics
- ✓ Credit enhancement provided in transaction
- ✓ Bond insurer strength (where applicable)

No sub-prime exposure in Alternative Investment portfolio.

Sub-Prime RMBS & Alt-A Outlook

No downgrades in any of these securities since June 30, 2007.

We do not anticipate significant downgrades in the portfolios.

We expect to continue to receive payments in accordance with original contractual terms based on our securities' seniority level.

This presentation contains forward-looking statements regarding Allstate's residential mortgage backed securities and asset backed securities portfolio. 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 could differ materially from those projected in this presentation for a variety of reasons. On an ongoing basis, rating agencies review the ratings of securities and could downgrade or change their outlook due to, for example, a perceived increase in the risk of default related to events or developments that have a negative impact on the quality of the underlying mortgagees and debt. We undertake no obligation to correct or update any forward-looking statements.

Sub-prime RMBS\$ M

1 st Lien – Fixed Rate	1,332
1 st Lien – Variable Rate	2,349
2 nd Lien – Insured	774
<u>2nd Lien – Other</u>	<u>306</u>
Total	4,761

<u>Ratings</u>	<u>Total</u>	<u>06-07 Vintage</u>
Aaa	72.9%	86.3%
Aa	19.9%	11.7%
A	7.2%	1.9%
<u>Baa</u>	<u>0.0%</u>	<u>0.1%</u>
Total	100.0%	100.0%

100% Investment Grade.

\$343m rated A/Baa, only \$57m of A/Baa is vintage 2006-07.

\$988 million of sub-prime RMBS portfolio is insured by 6 bond insurers.

\$737 million of that insurance is on '06-07 Vintage.

Expected weighted average life of '06-07 was 3-3.5 years at origination.

Net unrealized losses of \$37m @ 6/30/07.

ABS CDOTotal\$ M

Aaa	58.5%	92
Aa	26.8%	42
A	12.6%	20
<u>Baa</u>	<u>2.1%</u>	<u>3</u>
Total	100.0%	157

97.9% rated A or higher

These numbers include all CDOs with RMBS assets.

These securities may include sub-prime RMBS exposure.

Net unrealized losses of \$7m @ 6/30/07.

Alt-A MBSTotal

Aaa	92.4%
Aa	5.6%
A	2.0%
<u>Baa</u>	<u>0.0%</u>
Total	100.0%

100% rated A or higher

48.7% of Alt-A securities 2006-07 vintage.

Net unrealized losses of \$5m @ 6/30/07.

\$ M

Fixed Rate	53.7%	656
<u>Variable Rate</u>	<u>46.3%</u>	<u>567</u>
Total	100.0%	1,223