

ALLSTATE CORP  
Form 11-K  
June 24, 2005

# SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

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## FORM 11-K

(Mark One):

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2004

OR

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 1-11840

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

**THE SAVINGS AND PROFIT SHARING FUND OF  
ALLSTATE EMPLOYEES**

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

**THE ALLSTATE CORPORATION  
2775 SANDERS ROAD STE. E-5  
NORTHBROOK, ILLINOIS 60062-6127**

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**The Savings and  
Profit Sharing Fund of  
Allstate Employees**

*Financial Statements as of and for the  
Years Ended December 31, 2004 and 2003, Supplemental Schedule as of  
December 31, 2004 and  
Report of Independent Registered Public Accounting Firm*

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**THE SAVINGS AND PROFIT SHARING FUND OF  
ALLSTATE EMPLOYEES**

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\* All other supplemental schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.

[DELOITTE & TOUCHE LLP LETTERHEAD]

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Trustees and Participants of

The Savings and Profit Sharing Fund of Allstate Employees:

We have audited the accompanying statements of net assets available for benefits of The Savings and Profit Sharing Fund of Allstate Employees (the Fund) as of December 31, 2004 and 2003, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the net assets available for benefits of the Fund as of December 31, 2004 and 2003, and the changes in net assets available for benefits for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets (held at end of year) at December 31, 2004, is presented for the purpose of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplementary information in the statements of net assets available for benefits and the statements of changes in net assets available for benefits is presented for the purpose of additional analysis rather than to present the net assets available for benefits and changes in net assets available for benefits of the individual funds. The supplemental schedule and supplementary information are the responsibility of the Fund's management. Such supplemental schedule and supplementary information have been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, are fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

/s/DELOITTE & TOUCHE LLP

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June 17, 2005

Chicago, Illinois

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**THE SAVINGS AND PROFIT SHARING FUND OF  
ALLSTATE EMPLOYEES**

**STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS**

**DECEMBER 31, 2004**

**(Dollars in thousands)**

| ASSETS  | Supplementary Information  |                     |                                 | Total        |
|---|----------------------------|---------------------|---------------------------------|--------------|
|   | Participant-Directed Funds | Allstate Stock Fund | ESOP Company Shares Unallocated |              |
| INVESTMENTS At fair value:  |                            |                     |                                 |              |
| The Allstate Corporation common stock   | \$                         | \$ 921,827          | \$ 661,311                      | \$ 1,583,138 |
| Interest in registered investment company, State Street Global Advisors (SSgA): |                            |                     |                                 |              |
| SSgA Short Term Investment Fund   | 371,964                    |                     |                                 | 371,964      |
| SSgA Bond Market Index Fund Series A  | 155,297                    |                     |                                 | 155,297      |
| SSgA Allstate Balanced Fund   | 565,713                    |                     |                                 | 565,713      |
| SSgA S&P 500 Flagship Fund Series A   | 680,461                    |                     |                                 | 680,461      |
| SSgA Daily EAFE Fund Series T   | 157,700                    |                     |                                 | 157,700      |
| SSgA Russell 2000 Fund Series A   | 326,206                    |                     |                                 | 326,206      |
| Collective short-term investment fund   |                            | 3,752               | 6,429                           | 10,181       |
| Participant notes receivable  | 88,098                     |                     |                                 | 88,098       |
| Total investments   | 2,345,439                  | 925,579             | 667,740                         | 3,938,758    |
| RECEIVABLES:  |                            |                     |                                 |              |
| Dividends and interest  | 671                        | 4,944               | 3,591                           | 9,206        |
| Employer contributions  |                            | 5,250               | 7,900                           | 13,150       |
| Employee contributions  | 10,304                     | 1,126               |                                 | 11,430       |
| Interfund   |                            | 106,457             |                                 | 106,457      |
| Total receivables   | 10,975                     | 117,777             | 11,491                          | 140,243      |
| Total assets  | 2,356,414                  | 1,043,356           | 679,231                         | 4,079,001    |
| LIABILITIES   |                            |                     |                                 |              |
| ESOP LOAN (Notes 1 and 3)   |                            |                     | 70,271                          | 70,271       |
| PAYABLES:   |                            |                     |                                 |              |
| Interest  |                            |                     | 1,388                           | 1,388        |
| Other   | 456                        | 127                 |                                 | 583          |
| Interfund   |                            |                     | 106,457                         | 106,457      |
| Total liabilities   | 456                        | 127                 | 178,116                         | 178,699      |
| NET ASSETS AVAILABLE FOR BENEFITS   | \$ 2,355,958               | \$ 1,043,229        | \$ 501,115                      | \$ 3,900,302 |

See notes to financial statements.





**THE SAVINGS AND PROFIT SHARING FUND OF  
ALLSTATE EMPLOYEES**

**STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS**

**DECEMBER 31, 2003**

**(Dollars in thousands)**

| ASSETS  | Supplementary Information  |                     |                                 | Total        |
|---|----------------------------|---------------------|---------------------------------|--------------|
|   | Participant-Directed Funds | Allstate Stock Fund | ESOP Company Shares Unallocated |              |
| INVESTMENTS At fair value:  |                            |                     |                                 |              |
| The Allstate Corporation common stock Interest in registered investment company, State Street Global Advisors (SSgA): | \$                         | \$ 757,267          | \$ 674,660                      | \$ 1,431,927 |
| SSgA Short Term Investment Fund   | 379,982                    |                     |                                 | 379,982      |
| SSgA Bond Market Index Fund Series A  | 143,843                    |                     |                                 | 143,843      |
| SSgA Allstate Balanced Fund   | 549,600                    |                     |                                 | 549,600      |
| SSgA S&P 500 Flagship Fund Series A   | 583,301                    |                     |                                 | 583,301      |
| SSgA Daily EAFE Fund Series T   | 87,095                     |                     |                                 | 87,095       |
| SSgA Russell 2000 Fund Series A   | 241,488                    |                     |                                 | 241,488      |
| Collective short-term investment fund   |                            | 1,002               |                                 | 1,002        |
| Participant notes receivable  | 83,782                     |                     |                                 | 83,782       |
| Total investments   | 2,069,091                  | 758,269             | 674,660                         | 3,502,020    |
| RECEIVABLES:  |                            |                     |                                 |              |
| Dividends and interest  | 360                        | 4,263               | 3,768                           | 8,391        |
| Employer contributions  |                            |                     | 20,427                          | 20,427       |
| Employee contributions  | 9,430                      | 861                 |                                 | 10,291       |
| Other   |                            | 2,409               |                                 | 2,409        |
| Interfund   |                            | 124,590             |                                 | 124,590      |
| Total receivables   | 9,790                      | 132,123             | 24,195                          | 166,108      |
| Total assets  | 2,078,881                  | 890,392             | 698,855                         | 3,668,128    |
| LIABILITIES   |                            |                     |                                 |              |
| ESOP LOAN (Notes 1 and 3)   |                            |                     | 94,469                          | 94,469       |
| PAYABLES:   |                            |                     |                                 |              |
| Other   | 471                        | 82                  |                                 | 553          |
| Interfund   |                            |                     | 124,590                         | 124,590      |
| Total liabilities   | 471                        | 82                  | 219,059                         | 219,612      |
| NET ASSETS AVAILABLE FOR BENEFITS   | \$ 2,078,410               | \$ 890,310          | \$ 479,796                      | \$ 3,448,516 |

See notes to financial statements.



**THE SAVINGS AND PROFIT SHARING FUND OF  
ALLSTATE EMPLOYEES**

**STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS  
YEAR ENDED DECEMBER 31, 2004**

(Dollars in thousands)

|  | Supplementary Information  |                     |                                 | Total        |
|--|----------------------------|---------------------|---------------------------------|--------------|
|  | Participant-Directed Funds | Allstate Stock Fund | ESOP Company Shares Unallocated |              |
| <b>ADDITIONS</b>                                     |                            |                     |                                 |              |
| NET INVESTMENT INCOME:                               |                            |                     |                                 |              |
| Net appreciation in fair value of investments        | \$ 180,248                 | \$ 164,096          | \$ 111,241                      | \$ 455,585   |
| Interest   | 9,052                      | 59                  | 51                              | 9,162        |
| Dividends  |                            | 21,223              | 14,321                          | 35,544       |
| Net investment income                                | 189,300                    | 185,378             | 125,613                         | 500,291      |
| CONTRIBUTIONS:                                       |                            |                     |                                 |              |
| Participants   | 153,746                    | 19,113              |                                 | 172,859      |
| Employer ESOP loan debt service                      |                            |                     | 7,900                           | 7,900        |
| Employer cash matched on participant deposits        |                            | 5,323               |                                 | 5,323        |
| Total contributions                                  | 153,746                    | 24,436              | 7,900                           | 186,082      |
| ALLOCATION OF COMPANY SHARES:                        |                            |                     |                                 |              |
| Shares matched on participant deposits at fair value |                            | 106,457             | (106,457)                       |              |
| Total allocation of Company shares                   |                            | 106,457             | (106,457)                       |              |
| Total additions                                      | 343,046                    | 316,271             | 27,056                          | 686,373      |
| <b>DEDUCTIONS</b>                                    |                            |                     |                                 |              |
| BENEFITS PAID TO PARTICIPANTS                        | 152,450                    | 72,298              |                                 | 224,748      |
| INTEREST EXPENSE                                     |                            |                     | 5,737                           | 5,737        |
| ADMINISTRATIVE EXPENSE                               | 3,052                      | 1,050               |                                 | 4,102        |
| Total deductions                                     | 155,502                    | 73,348              | 5,737                           | 234,587      |
| NET INCREASE   | 187,544                    | 242,923             | 21,319                          | 451,786      |
| INTERFUND TRANSFERS                                  | 90,004                     | (90,004)            |                                 |              |
| NET ASSETS AVAILABLE FOR BENEFITS:                   |                            |                     |                                 |              |
| Beginning of year                                    | 2,078,410                  | 890,310             | 479,796                         | 3,448,516    |
| End of year  | \$ 2,355,958               | \$ 1,043,229        | \$ 501,115                      | \$ 3,900,302 |

See notes to financial statements.



**THE SAVINGS AND PROFIT SHARING FUND OF  
ALLSTATE EMPLOYEES**

**STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS  
YEAR ENDED DECEMBER 31, 2003**

(Dollars in thousands)

|  | Supplementary Information  |                     |                                 | Total        |
|--|----------------------------|---------------------|---------------------------------|--------------|
|  | Participant-Directed Funds | Allstate Stock Fund | ESOP Company Shares Unallocated |              |
| <b>ADDITIONS</b>                                     |                            |                     |                                 |              |
| NET INVESTMENT INCOME:                               |                            |                     |                                 |              |
| Net appreciation in fair value of investments        | \$ 278,134                 | \$ 107,535          | \$ 94,565                       | \$ 480,234   |
| Interest   | 9,183                      | 55                  | 30                              | 9,268        |
| Dividends  |                            | 18,173              | 14,585                          | 32,758       |
| Net investment income                                | 287,317                    | 125,763             | 109,180                         | 522,260      |
| CONTRIBUTIONS:                                       |                            |                     |                                 |              |
| Participants   | 149,686                    | 16,100              |                                 | 165,786      |
| Employer ESOP loan debt service                      |                            |                     | 20,427                          | 20,427       |
| Employer cash matched on participant deposits        |                            | 250                 |                                 | 250          |
| Total contributions                                  | 149,686                    | 16,350              | 20,427                          | 186,463      |
| ALLOCATION OF COMPANY SHARES:                        |                            |                     |                                 |              |
| Shares matched on participant deposits at fair value |                            | 124,590             | (124,590)                       |              |
| Total allocation of Company shares                   |                            | 124,590             | (124,590)                       |              |
| Total additions                                      | 437,003                    | 266,703             | 5,017                           | 708,723      |
| <b>DEDUCTIONS</b>                                    |                            |                     |                                 |              |
| BENEFITS PAID TO PARTICIPANTS                        | 126,947                    | 62,242              |                                 | 189,189      |
| INTEREST EXPENSE                                     |                            |                     | 7,937                           | 7,937        |
| ADMINISTRATIVE EXPENSE                               | 3,211                      | 1,159               |                                 | 4,370        |
| Total deductions                                     | 130,158                    | 63,401              | 7,937                           | 201,496      |
| NET INCREASE (DECREASE)                              | 306,845                    | 203,302             | (2,920)                         | 507,227      |
| INTERFUND TRANSFERS                                  | 89,206                     | (89,206)            |                                 |              |
| NET ASSETS AVAILABLE FOR BENEFITS:                   |                            |                     |                                 |              |
| Beginning of year                                    | 1,682,359                  | 776,214             | 482,716                         | 2,941,289    |
| End of year  | \$ 2,078,410               | \$ 890,310          | \$ 479,796                      | \$ 3,448,516 |

See notes to financial statements.



**THE SAVINGS AND PROFIT SHARING FUND OF  
ALLSTATE EMPLOYEES**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2004 AND 2003**

**1. DESCRIPTION OF PLAN**

The following description of The Savings and Profit Sharing Fund of Allstate Employees (the Fund) provides only general information. Participants should refer to the plan document for a more complete description of the Fund's provisions.

**General** The Fund covers all full-time and regular part-time employees of The Allstate Corporation (the Company) and designated affiliates of the Company, with the exception of those employed by the Company's Canadian subsidiaries and Sterling Collision Centers, Inc. Employees must be at least 18 years of age to participate.

The Fund is a defined contribution plan consisting of a profit sharing and stock bonus plan containing a cash or deferred arrangement which is intended to meet the requirements of Sections 401(a) and 401(k) of the Internal Revenue Code of 1986 (the Code). The stock bonus portion of the Fund includes a leveraged and a nonleveraged employee stock ownership plan (ESOP) which is intended to meet the requirements of Section 409 and Section 4975(e)(7) of the Code. The Fund is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

**Administration** The Fund is administered by an Administrative Committee. Investment transactions are authorized by the Fund's Investment Committee. Members of the Administrative and Investment Committees are appointed by the Profit Sharing Committee. Members of the Profit Sharing Committee are appointed by the Company.

**Trustee of the Fund** The Northern Trust Company holds Fund assets as trustee under The Savings and Profit Sharing Fund of Allstate Employees Trust.

**Contributions** Each year, employees may contribute up to 50 percent of eligible annual compensation through a combination of pre-tax and after-tax deposits, subject to Internal Revenue Code limitations. Participants age 50 or older have the option to make additional pre-tax contributions (Catch-Up Contributions). Employees may also rollover amounts representing distributions from other qualified defined benefit or defined contribution plans. The Company contributes, at its discretion, from 50 percent to 150 percent of the first 5 percent of eligible compensation that a participant contributes on a pre-tax basis to the Fund. All employer contributions are invested in Company stock. However, participants can transfer all or part of their Company Contributions to any investment option within the Fund at any time. During the years ended December 31, 2004 and 2003, the Company's matching contributions were 125 percent and 150 percent, respectively.

**Participant Accounts** Individual accounts are maintained for each fund participant. Each participant's account is credited with the participant's contribution, allocations of the Company's contribution and Fund earnings, and is charged with an allocation of administrative expenses and Fund losses. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

**Vesting** Participants are immediately vested in their contributions and the Company's contributions plus earnings thereon.

**Investment Options** Upon enrollment in the Fund, a participant may direct employee contributions to any or all of the seven investment options listed below. Participants may change their investment elections at any time.

**Allstate Stock Fund** Funds are invested in Company common stock with a portion of the fund invested in short-term securities to provide liquidity to process transactions.

**Money Market Fund** The fund, managed by State Street Global Advisors (SSgA), a registered investment company, invests in shares of a commingled trust that invests in short-term securities.

**Bond Fund** The fund, managed by SSgA, invests in shares of a commingled trust that invests in the broad domestic bond market and also in U.S. government and agency, corporate, mortgage-backed, and asset-backed debt securities.

**Balanced Fund** The fund, managed by SSgA, invests in shares of a commingled trust that invests in a diversified portfolio of stocks and debt securities.

**S&P 500 Fund** The fund, managed by SSgA, invests in shares of a commingled trust that invests in a diversified portfolio of stocks of large, established companies.

**International Equity Fund** The fund, managed by SSgA, invests in shares of a commingled trust that invests in a diversified portfolio of stocks in developed markets within Europe, Australia, and the Far East. Effective April 24, 2003, the fund, which was invested in the SSgA Daily EAFE Securities Lending Fund Series A, was replaced with a new fund, the SSgA Daily EAFE Securities Lending Fund Series T.

**Russell 2000 Fund** The fund, managed by SSgA, invests in shares of a commingled trust that invests in a diversified portfolio of stocks that represents the smallest two-thirds of the 3,000 largest U.S. companies.

**Participant Notes Receivable** Participants may borrow from their account balance. The loan amount must be at least \$1,000 up to a maximum equal to the lesser of: (i) 50 percent of their account value, (ii) 100 percent of their pre-tax, after-tax, and rollover account balances, or (iii) \$50,000. Loan transactions are treated as a proportional transfer from/to the investment funds and to/from the Loan Fund. Loan terms range from 6 to 48 months for a general-purpose loan and 49 to 180 months for a primary residence loan. Loans are secured by the participant's account balance and bear interest at the prime rate. Principal and interest are paid ratably through payroll deductions.

**Employee Stock Ownership Plan** The Company established a leveraged ESOP effective June 30, 1995, through a split of the employee stock ownership plan of The Savings and Profit Sharing Fund of Sears Employees (the Prior Plan) by acquiring 50 percent of the unallocated shares and assuming 50 percent of the related loan of the Prior Plan. The resulting ESOP loan (the ESOP Loan) bears interest at 7.9 percent.

The borrowing is to be repaid through the year 2019 or earlier if the Company elects to make additional contributions for principal prepayments on the ESOP Loan. As the Fund makes each payment of principal and interest, a proportional percentage of unallocated shares are allocated to eligible employees' accounts in accordance with applicable regulations under the Code.



ESOP shares not yet allocated to participants are held in a suspense account. A portion of these shares served as collateral on the ESOP Loan through December 31, 2003; none of these shares served as collateral during 2004. ESOP shares allocated to participants and other Company shares that were acquired with participant contributions are included in the Allstate Stock Fund and the lender has no rights against these shares.

**Payment of Benefits** Upon termination of service, a participant is entitled to a complete withdrawal of his or her account balance. Partial withdrawals are also permitted under the Fund subject to restrictions.

## 2. SUMMARY OF ACCOUNTING POLICIES

**Basis of Accounting** The Fund financial statements are prepared under the accrual basis of accounting.

**Use of Estimates** The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

**Investment Valuation and Income Recognition** Fund investments are stated at fair value. Shares of registered investment companies are valued at market prices that represent the net asset value of shares held by the Fund at year-end. Common stock held in the Allstate Stock Fund is valued at market price. Participant notes receivable are valued at cost, which approximates fair value.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis except for interest on participant notes, which is recorded when paid. The difference between cash and accrual basis for interest on participant notes is not material. Dividends are recorded on the ex-dividend date.

**Benefits Paid to Participants and Participant Notes Receivable** Benefits paid to participants and participant notes receivable loans are recorded when funds are transferred out of the respective investment funds for payment to participants. Amounts allocated to accounts of persons who have elected to withdraw from the Fund, but have not yet been paid were immaterial at December 31, 2004 and 2003, respectively.

## 3. ESOP LOAN

The ESOP loan agreement provides for the loan to be repaid through the year 2019 at an annual interest rate of 7.9 percent. There are no principal payments required on the loan during the next five years.

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The following table presents additional information for the Fund's investment in The Allstate Corporation common stock held in the Allstate Stock Fund and the ESOP Company Shares Unallocated at December 31:

|                  | 2004                      |  | 2003                      |  |
|------------------|---------------------------|--|---------------------------|--|
|                  | Allstate<br>Stock<br>Fund | ESOP<br>Company<br>Shares<br>Unallocated | Allstate<br>Stock<br>Fund | ESOP<br>Company<br>Shares<br>Unallocated |
|                  | (Dollars in thousands)    |  |                           |  |
| Number of shares | 17,823,406                | 12,786,370                               | 17,602,681                | 15,682,463                               |
| Cost             | \$ 249,443                | \$ 91,104                                | \$ 226,389                | \$ 111,740                               |
| Fair value       | \$ 921,827                | \$ 661,311                               | \$ 757,267                | \$ 674,660                               |

**4. PLAN TERMINATION**

Although it has not expressed any intent to do so, the Company has the right under the Fund to discontinue its contributions at any time and to terminate the Fund subject to the provisions of ERISA.

**5. TAX STATUS**

The Internal Revenue Service has determined and informed the Company by a letter, dated November 18, 2003, that the Fund and related trust were designed in accordance with applicable sections of the Code. The plan administrator and the Fund's tax counsel believe that the Fund is currently designed and is being operated in compliance with the applicable requirements of the Code. Therefore, no provision for income taxes has been included in the Fund's financial statements.

**6. INVESTMENTS**

The Fund's investments which exceeded 5 percent of net assets available for benefits as of December 31, 2004 and 2003, are as follows:

| (Dollars in thousands)   | 2004       | 2003       |
|--|------------|------------|
| Allstate Stock Fund (The Allstate Corporation common stock) *                | \$ 921,827 | \$ 757,267 |
| ESOP Company Shares Unallocated  | 661,311    | 674,660    |
| Money Market Fund (SSgA Short Term Investment Fund)                          | 371,964    | 379,982    |
| Balanced Fund (SSgA Allstate Balanced Fund)                                  | 565,713    | 549,600    |
| S&P 500 Fund (SSgA S&P 500 Flagship Fund Series A)                           | 680,461    | 583,301    |
| Russell 2000 Fund (SSgA Russell 2000 Index Securities Lending Fund Series A) | 326,206    | 241,488    |

\*Partially non-participant-directed

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During 2004 and 2003, the Fund's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated (depreciated) in value as follows:

| (Dollars in thousands)   | 2004              | 2003              |
|--|-------------------|-------------------|
| Allstate Stock Fund (The Allstate Corporation common stock)                    | \$ 164,096        | \$ 107,535        |
| ESOP Company Shares Unallocated  | 111,241           | 94,565            |
| Bond Fund (SSgA Passive Bond Market Index Securities Lending Fund Series A)    | 6,101             | 7,118             |
| Balanced Fund (SSgA Allstate Balanced Fund)                                    | 40,570            | 76,080            |
| S&P 500 Fund (SSgA S&P 500 Flagship Fund Series A)                             | 65,570            | 120,557           |
| International Equity Fund (SSgA Daily EAFE Securities Lending Fund Series T) * | 23,202            | 18,796            |
| Russell 2000 Fund (SSgA Russell 2000 Index Securities Lending Fund Series A)   | 44,805            | 55,583            |
| <b>Total</b>   | <b>\$ 455,585</b> | <b>\$ 480,234</b> |

\* Effective April 24, 2003, the SSgA Daily EAFE Index Series A Fund held by the International Equity Fund was replaced with the SSgA Daily EAFE Series T Fund. The amount shown for 2003 includes the performance of the Series A Fund through April 23, 2003, and the performance of the Series T Fund after that date.

### 7. RELATED PARTY TRANSACTIONS

The Fund invests in The Northern Trust Collective Short-Term Investment Fund, managed by The Northern Trust Company, the Trustee of the Fund. The Fund also invests in the common stock of The Allstate Corporation, the Fund's sponsor.

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**THE SAVINGS AND PROFIT SHARING FUND OF  
ALLSTATE EMPLOYEES**

**FORM 5500, SCHEDULE H, PART IV, LINE 4i  
SCHEDULE OF ASSETS (HELD AT END OF YEAR)  
DECEMBER 31, 2004**

| (a) | (b) Identity of issue, borrower,<br>lessor, or similar party                       | (c) Description of investment<br>including maturity date,<br>rate of interest, collateral,<br>par or maturity value | (d) Cost         | (e) Current Value |
|-----|--|---|------------------|-------------------|
| *   | The Allstate Corporation common stock  | 30,609,776 shares   | \$ 340,547,213   | \$ 1,583,137,615  |
|     | Interest in registered investment company,<br>State Street Global Advisors (SSgA): |   |                  |                   |
|     | SSgA Short Term Investment Fund  | 371,963,587 shares  | 371,963,587      | 371,963,587       |
|     | SSgA Passive Bond Market Indexm<br>Securities Lending Fund Series A                | 9,644,004 shares  | 138,311,128      | 155,297,396       |
|     | SSgA Allstate Balanced Fund  | 35,865,890 shares   | 396,556,941      | 565,712,677       |
|     | SSgA S&P 500 Flagship Fund Series A  | 3,076,447 shares  | 556,675,245      | 680,460,860       |
|     | SSgA EAFE Securities Lending Fund Series<br>T                                      | 10,689,324 shares   | 123,107,791      | 157,699,602       |
|     | SSgA Russell 2000 Index Securities Lending<br>Fund Series A                        | 15,739,743 shares   | 253,427,889      | 326,206,178       |
| *   | The Northern Trust Collective Short-term<br>Investment Fund                        | 10,181,195 shares   | 10,181,195       | 10,181,195        |
| *   | Participant loans  | rates of interest from<br>4.0% to 4.75%,<br>maturing 2004 to 2019   | 88,098,160       | 88,098,160        |
|     | Total  |   | \$ 2,278,869,149 | \$ 3,938,757,270  |
| *   | Permitted party-in-interest.   |   |                  |                   |

SIGNATURES

*The Plan.* Pursuant to the requirements of the Securities Exchange Act of 1934, the Trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned thereunto duly authorized.

THE SAVINGS AND PROFIT SHARING FUND  
OF ALLSTATE EMPLOYEES

By /s/ MARK CIESLAK  
Mark Cieslak  
Plan Administrator

Date: June 24, 2005