ALFA CORPORATION
CONSOLIDATED CONDENSED STATEMENTS OF INCOME

	Years Ended December 31,			Statistics		(Unaudited) Three Months Ended December 31,			Statistics	
	2004	2003	% Change	2004	2003	2004	2003	% Change	2004	2003
Revenues										
Premiums - Property and Casualty Insurance	490,131,645	459,056,982	6.77			123,770,274	117,841,202	5.03		
Premiums - Life Insurance	37,134,465	33,628,724	10.42			9,752,897	8,091,809	20.53		
Policy Charges - Life Insurance	34,089,930	32,543,328	4.75			8,412,761	7,925,853	6.14		
Net Investment Income	89,354,899	83,091,632	7.54			22,470,548	19,633,970	14.45		
Other Income	2,608,097	4,351,873	(40.07)			444,838	880,684	(49.49)		
Total Revenues	653,319,036	612,672,539	6.63			164,851,318	154,373,518	6.79		
Benefits and Expenses										
Benefits & Settlement Expenses	389,968,608	364,533,345	6.98	59.69	59.50	98,804,783	88,683,625	11.41	59.94	57.45
Dividends to Policyholders	3,873,932	3,761,720	2.98	0.59	0.61	1,018,655	939,196	8.46	0.62	0.61
Amortization of Deferred Policy Acquisition Costs	90,454,509	86,475,442	4.60	13.85	14.11	20,341,056	21,918,043	(7.19)	12.34	14.20
Other Operating Expenses	55,441,194	57,568,834	(3.70)	8.49	9.40	17,481,184	16,469,844	6.14	10.60	10.67
Total Expenses	539,738,243	512,339,341	5.35	82.61	83.62	137,645,678	128,010,708	7.53	83.50	82.92
Income Before Provision for Income Taxes	113,580,793	100,333,198	13.20	17.39	16.38	27,205,640	26,362,810	3.20	16.50	17.08
Provision For Income Taxes	28,717,459	25,935,602	10.73	25.28	25.85	5,726,390	5,944,677	(3.67)	21.05	22.55
Operating Income	84,863,334	74,397,596	14.07			21,479,250	20,418,133	5.20		
Realized Investment Gains, Net of Tax	4,581,625	4,071,352	12.53			1,202,444	1,362,310	(11.73)		
Net Income	89,444,959	78,468,948	13.99			22,681,694	21,780,443	4.14		
Operating Income Per Share - Basic	1.06	0.93	13.82			0.27	0.25	5.81		
Operating Income Per Share - Diluted	1.05	0.93	13.93			0.27	0.25	5.81		
Net Income Per Share - Basic	1.12	0.98	13.74			0.28	0.27	4.74		
Net Income Per Share - Diluted	1.11	0.98	13.85			0.28	0.27	4.75		
Dividends Per Share	0.3425	0.3150	8.73			0.0875	0.0800	9.37		
Average Shares Outstanding - Basic	79,984,651	79,808,669	0.22			79,829,520	80,293,809	(0.58)		
Average Shares Outstanding - Diluted	80,489,502	80,390,001	0.12			80,356,539	80,827,936	(0.58)		

Management believes that operating income and operating income per share, non-GAAP financial measures, serve as meaningful tools for assessing the profitability of the Company's ongoing operations. Operating income is defined by the Company as net income excluding realized investment gains and losses, net of applicable taxes. Operating income per share represents operating income divided by the weighted average shares outstanding for the reporting period. Management uses operating income and operating income per share as measures of the Company's ongoing profitability since they eliminate the effect of securities market volatility from earnings.

ALFA CORPORATION
CONSOLIDATED BALANCE SHEETS

	December 31, 2004	December 31, 2003	% Change
Assets			
Investments:			
Fixed Maturities Held for Investment, at amortized cost	$ 114,708	$ 158,623	-27.69%
(fair value $123,935 in 2004 and $173,214 in 2003)			
Fixed Maturities Available for Sale, at fair value	1,354,507,490	1,166,418,720	16.13%
(amortized cost $1,305,288,027 in 2004 and $1,108,853,538 in 2003)			
Equity Securities Available for Sale, at fair value	99,701,250	135,082,791	-26.19%
(cost $83,446,562 in 2004 and $116,063,831 in 2003)			
Investment Real Estate	-	2,495,534	-100.00%
(net of accumulated depreciation of $0 in 2004 and $1,677,073 in 2003)			
Policy Loans	58,476,569	55,282,441	5.78%
Collateral Loans	110,792,974	100,315,521	10.44%
Commercial Leases	4,155,791	118,121,257	-96.48%
Other Long-Term Investments	145,474,366	71,032,304	104.80%
Short-Term Investments	80,988,969	111,252,991	-27.20%
Total Investments	1,854,212,117	1,760,160,182	5.34%
Cash	20,052,493	10,892,516	84.09%
Accrued Investment Income	16,726,050	15,569,095	7.43%
Accounts Receivable	50,452,538	47,268,951	6.74%
Reinsurance Balances Receivable	5,279,560	5,815,682	-9.22%
Deferred Policy Acquisition Costs	183,258,224	169,632,820	8.03%
Assets Classified as Held for Sale	77,450,278	-	100.00%
Other Assets	15,266,244	21,668,280	-29.55%
Total Assets	$ 2,222,697,504	$ 2,031,007,526	9.44%
Liabilities and Stockholders' Equity			
Policy Liabilities and Accruals - Property and Casualty Insurance	$ 154,107,730	$ 144,723,003	6.48%
Policy Liabilities and Accruals - Life Insurance Interest-Sensitive Products	555,733,736	508,592,148	9.27%
Policy Liabilities and Accruals - Life Insurance Other Products	180,410,535	165,161,507	9.23%
Unearned Premiums	185,856,467	170,292,775	9.14%
Dividends to Policyholders	11,262,132	10,939,667	2.95%
Premium Deposit and Retirement Deposit Funds	6,369,125	6,296,861	1.15%
Deferred Income Taxes	43,857,518	50,383,545	-12.95%
Liabilities Associated with Assets Classified as Held for Sale	340,876	-	100.00%
Other Liabilities	73,877,730	32,947,006	124.23%
Due to Affiliates	29,995,986	31,621,031	-5.14%
Commercial Paper	204,303,206	164,443,769	24.24%
Notes Payable	70,000,000	70,000,000	0.00%
Notes Payable to Affiliates	15,887,635	37,093,776	-57.17%
Total Liabilities	1,532,002,676	1,392,495,088	10.02%
Commitments and Contingencies			
Stockholders' Equity :			
Preferred Stock, $1 par value	-	-	0.00%
Shares authorized: 1,000,000			
Issued: None			
Common Stock, $1 par value	83,783,024	83,783,024	0.00%
Shares authorized: 110,000,000			
Issued: 83,783,024			
Outstanding: 79,833,467 in 2004 and 80,217,316 in 2003			
Capital in Excess of Par Value	10,961,782	8,864,064	23.67%
Accumulated Other Comprehensive Income	37,302,891	41,351,404	-9.79%
Retained Earnings	599,609,509	537,746,631	11.50%
Treasury Stock, at cost	(40,962,378)	(33,232,685)	23.26%
(shares, 3,949,557 in 2004 and 3,565,708 in 2003)			
Total Stockholders' Equity	690,694,828	638,512,438	8.17%
Total Liabilities and Stockholders' Equity	$ 2,222,697,504	$ 2,031,007,526	9.44%
Book Value per share	$ 8.65	$ 7.96	
Book Value per share (excluding FAS 115)	$ 8.36	$ 7.61	

ALFA CORPORATION
INCOME BY SEGMENT
(Unaudited)

	Years Ended December 31,			Three Months Ended December 31,		
	2004	2003	% Change	2004	2003	% Change
	(in thousands, except share and per share data)					
Property and casualty insurance	$ 68,699	$ 53,112	29%	$ 17,576	$ 13,044	35%
Agency	51	4	1175%	2	1	100%
Life insurance	18,763	19,058	-2%	6,526	6,370	2%
Insurance operations	87,513	72,174	21%	24,104	19,415	24%
Noninsurance operations	2,087	4,027	-48%	(551)	775	-171%
Corporate expenses	(4,737)	(1,803)	163%	(2,074)	228	-1010%
Operating income	$ 84,863	$ 74,398	14%	$ 21,479	$ 20,418	5%
Net realized investment gains	4,582	4,071	13%	1,203	1,362	-12%
Net income	$ 89,445	$ 78,469	14%	$ 22,682	$ 21,780	4%
Operating income per share - Basic	$ 1.06	$ 0.93	14%	$ 0.27	$ 0.25	6%
Operating income per share - Diluted	$ 1.05	$ 0.93	14%	$ 0.27	$ 0.25	6%
Net income per share - Basic	$ 1.12	$ 0.98	14%	$ 0.28	$ 0.27	5%
Net income per share - Diluted	$ 1.11	$ 0.98	14%	$ 0.28	$ 0.27	5%
Weighted average shares outstanding - Basic	79,984,651	79,808,669	0%	79,829,520	80,293,809	-1%
Weighted average shares outstanding - Diluted	80,489,502	80,390,001	0%	80,356,539	80,827,936	-1%

Management believes that operating income and operating income per share, non-GAAP financial measures, serve as meaningful tools for assessing the profitability of the Company's ongoing operations. Operating income is defined by the Company as net income excluding realized investment gains and losses, net of applicable taxes. Operating income per share represents operating income divided by the weighted average shares outstanding for the reporting period. Management uses operating income and operating income per share as measures of the Company's ongoing profitability since they eliminate the effect of securities market volatility from earnings.

ALFA CORPORATION
QUARTERLY FINANCIAL SUPPLEMENT
DECEMBER 31, 2004
(UNAUDITED)

	YTD 12/31/2004	YTD 12/31/2003	%	QTR 12/31/2004	QTR 12/31/2003	%
Property Casualty Insurance						
Total Written Premium (Alfa Group):						
Automobile	469,758,522	451,601,400	4.0%	114,129,207	110,341,732	3.4%
Homeowner	193,675,568	166,983,065	16.0%	46,736,575	40,417,831	15.6%
Other	110,071,895	104,040,842	5.8%	26,216,373	24,550,859	6.8%
Total	773,505,985	722,625,307	7.0%	187,082,155	175,310,422	6.7%
Earned Premium:						
Personal	473,930,735	441,668,036	7.3%	121,095,133	113,490,968	6.7%
Commercial	16,134,783	15,324,579	5.3%	4,149,641	3,916,439	6.0%
Pools, associations and fees	4,771,481	4,732,184	0.8%	1,174,806	1,185,262	-0.9%
Reinsurance ceded	(4,705,352)	(2,667,817)	76.4%	(2,649,302)	(751,467)	252.6%
Total	490,131,647	459,056,982	6.8%	123,770,278	117,841,202	5.0%
Operating Ratios Details						
Losses	297,638,582	283,267,407	5.1%	75,259,628	70,276,675	7.1%
Loss Adjustment Expense	20,393,777	17,935,187	13.7%	6,153,848	4,478,648	37.4%
Expenses	117,128,605	117,621,621	-0.4%	31,564,159	33,754,607	-6.5%
Combined Expenses	435,160,964	418,824,215	3.9%	112,977,635	108,509,930	4.1%
Underwriting Margin	54,970,683	40,232,767	36.6%	10,792,643	9,331,272	15.7%
Operating Ratios						
Loss Ratio	60.7%	61.7%		60.8%	59.6%	
Loss Adjustment Expense	4.2%	3.9%		5.0%	3.8%	
Expense Ratio	23.9%	25.6%		25.5%	28.6%	
Combined Ratio	88.8%	91.2%		91.3%	92.1%	
Underwriting Margin	11.2%	8.8%		8.7%	7.9%	
Lapse Ratio (see Note A)	3.74%	3.85%		3.67%	4.02%	
Storm losses included in Losses above	9,230,000	7,881,250	17.1%	-	-	
Storm losses included in Loss Ratio above	1.9%	1.7%		0.0%	0.0%	

	YTD 12/31/2004	YTD 12/31/2003	%	QTR 12/31/2004	QTR 12/31/2003	%
Life Insurance						
Issued New Business Premium	13,312,581	13,130,903	1.4%	2,626,090	2,839,553	-7.5%
Total Premium and Policy Charges	71,224,395	66,172,052	7.6%	18,165,657	16,017,662	13.4%
Persistency Ratio (see Note B)	91.2%	92.9%				
Mortality:						
Death Claims	27,117,812	24,542,749	10.5%	6,783,581	7,568,781	-10.4%
Actual to Expected (see Note C)	104%	105%		104%	131%	

	12/31/2004	12/31/2003	%
Alfa Financial			
Loan Portfolio	110,904,604	100,609,642	10.2%
Lease Portfolio	21,707,567	22,416,608	-3.2%
OFC Capital			
Lease Portfolio	81,262,715	117,694,634	-31.0%

Note A - The lapse ratio is a non-GAAP financial measure used by management to track the percentage of non-renewing policies. As used in this release, the lapse ratio represents the number of policies lapsing as a percentage of billings produced during a stated time period.

Note B - The persistency ratio is a non-GAAP financial measure used by management to track the percentage of policies still in force after a period of time. As used in this release, the persistency ratio represents the annualized premium of policies in force at December 31, 2004 and 2003 as a percentage of the annualized premium paid at December 31, 2004 and 2003, respectively.

Note C - The actual to expected ratio, or mortality ratio, is a non-GAAP financial measure used by management to track the percentage of actuarially expected claims paid. As used in this release, the mortality ratio was calculated by dividing the benefit payments by the actuarially estimated benefit payments for the stated time periods.

LIFE INSURANCE OPERATIONS
DETAIL OF PREMIUMS AND POLICY CHARGES
(Unaudited)

	Years Ended December 31,			Three Months Ended December 31,		
	2004	2003	% Change	2004	2003	% Change
	(in thousands)			(in thousands)		
Premiums and policy charges						
Universal life policy charges	$19,863	$18,823	6%	$5,014	$4,717	6%
Universal life policy charges - COLI	3,473	3,245	7%	650	573	13%
Interest sensitive life policy charges	10,754	10,475	3%	2,749	2,636	4%
Traditional life insurance premiums	36,642	33,087	11%	9,753	8,092	21%
Group life insurance premiums	492	542	-9%	0	0	0%
Total	$71,224	$66,172	8%	$18,166	$16,018	13%

ALFA CORPORATION
QUARTERLY FINANCIAL SUPPLEMENT
December 31, 2004
(Unaudited)

Additional Information

	00:1Q	00:2Q	00:3Q	00:4Q	2000
Pretax P&C Net Investment Income	6,984,179	7,015,616	8,186,984	7,458,597	29,645,376
Pretax P&C Operating Income	16,496,967	18,753,010	14,432,955	18,311,177	67,994,109
P&C Statutory Invested Assets	515,366,140	529,642,152	528,864,568	532,042,868	
P&C Statutory Surplus	236,106,285	238,195,627	241,134,160	238,786,017	
P&C Loss & LAE Reserves	141,536,342	142,153,534	145,991,505	143,395,965	
Pretax Life Net Investment Income	9,955,766	10,269,499	10,647,234	11,085,284	41,957,783
Pretax Life Operating Income	6,185,518	6,926,338	6,600,461	5,129,081	24,841,398
Life Statutory Invested Assets	629,328,272	639,415,909	653,775,207	666,541,786	
Life Statutory Surplus	129,743,661	136,907,855	142,391,855	140,486,868	

	01:1Q	01:2Q	01:3Q	01:4Q	2001
Pretax P&C Net Investment Income	6,927,259	7,330,600	9,215,930	7,804,506	31,278,295
Pretax P&C Operating Income	11,832,832	17,381,869	16,226,126	16,910,149	62,350,976
P&C Statutory Invested Assets	529,832,002	542,658,849	551,514,402	557,002,373	
P&C Statutory Surplus	247,200,509	256,612,057	262,006,890	269,364,456	
P&C Loss & LAE Reserves	142,315,663	141,025,272	140,563,769	138,238,360	
Pretax Life Net Investment Income	11,269,815	11,636,260	11,563,799	12,153,399	46,623,273
Pretax Life Operating Income	7,525,273	7,091,057	6,296,551	6,664,855	27,577,736
Life Statutory Invested Assets	684,373,729	694,337,995	696,793,901	708,305,716	
Life Statutory Surplus	138,802,337	144,379,715	147,822,321	146,319,826	

	02:1Q	02:2Q	02:3Q	02:4Q	2002
Pretax P&C Net Investment Income	7,747,433	8,375,695	7,176,169	7,134,749	30,434,046
Pretax P&C Operating Income	17,393,023	14,283,409	13,309,248	19,211,125	64,196,805
P&C Statutory Invested Assets	562,536,805	587,045,896	592,330,618	598,545,022	
P&C Statutory Surplus	276,936,440	274,268,630	285,198,181	291,296,304	
P&C Loss & LAE Reserves	140,547,436	144,370,368	145,867,486	145,808,225	
Pretax Life Net Investment Income	11,482,042	11,673,726	12,057,548	12,076,982	47,290,298
Pretax Life Operating Income	6,038,921	6,493,899	6,928,507	6,748,195	26,209,522
Life Statutory Invested Assets	731,033,090	737,560,100	735,098,205	749,891,687	
Life Statutory Surplus	141,999,217	133,026,858	127,697,259	132,468,334	

	03:1Q	03:2Q	03:3Q	03:4Q	2003
Pretax P&C Net Investment Income	6,910,185	7,653,547	7,423,546	6,516,131	28,503,409
Pretax P&C Operating Income	20,276,043	16,813,874	16,415,815	16,120,258	69,625,990
P&C Statutory Invested Assets	619,015,221	626,103,044	640,677,141	643,775,395	
P&C Statutory Surplus	300,514,053	308,384,829	314,946,117	323,362,342	
P&C Loss & LAE Reserves	144,689,722	145,691,012	147,585,697	148,698,403	
Pretax Life Net Investment Income	11,534,769	10,948,305	10,843,170	11,408,366	44,734,610
Pretax Life Operating Income	5,630,299	6,071,633	5,514,256	9,528,981	26,745,169
Life Statutory Invested Assets	771,143,631	809,472,299	808,833,684	823,345,514	
Life Statutory Surplus	127,075,494	130,374,293	133,237,013	144,834,065	

	04:1Q	04:2Q	04:3Q	04:4Q	2004
Pretax P&C Net Investment Income	7,422,200	7,529,905	8,140,669	11,653,490	34,746,264
Pretax P&C Operating Income	26,792,114	19,926,490	21,341,315	22,749,345	90,809,264
P&C Statutory Invested Assets	663,386,315	668,080,084	716,819,582	761,844,923	
P&C Statutory Surplus	335,394,591	343,130,340	334,809,757	369,838,232	
P&C Loss & LAE Reserves	144,839,184	144,417,593	151,118,973	150,856,684	
Pretax Life Net Investment Income	11,464,207	12,070,627	13,044,596	12,549,202	49,128,632
Pretax Life Operating Income	6,101,031	4,881,196	5,704,300	8,778,931	25,465,458
Life Statutory Invested Assets	850,439,601	865,246,778	876,301,256	890,441,591	
Life Statutory Surplus	147,078,186	149,627,085	151,079,986	161,992,039	