



Alfa Corporation

Investor Supplement

Third Quarter 2007

This Investor Supplement is for informational purposes only. 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 Form 10-K.

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

ALFA CORPORATION
PROPERTY/CASUALTY SEGMENT (UNAUDITED)
(in thousands, except ratios and per share data)

	Nine Months Ended					Three Months Ended				
	September 30,			Ratios		September 30,			Ratios	
	2007	2006	% Change	2007	2006	2007	2006	% Change	2007	2006
INCOME STATEMENT										
Revenues										
Automobile Premiums	\$ 292,255	\$ 283,444	3.1			\$ 97,487	\$ 95,964	1.6		
Homeowner Premiums	164,313	155,108	5.9			55,146	52,259	5.5		
Other Premiums	13,880	11,890	16.7			4,788	3,968	20.7		
Total Premiums - Property and Casualty Insurance	470,448	450,442	4.4	100.0%	100.0%	157,421	152,191	3.4	100.0%	100.0%
Net Investment Income	34,543	28,777	20.0			11,699	10,231	14.3		
Other Income	11,508	10,244	12.3			3,221	3,410	(5.5)		
Total Revenues	516,499	489,463	5.5			172,341	165,832	3.9		
Benefits, Losses and Expenses										
Incurring Losses (Non-storm)	262,771	249,655	5.3	55.9%	55.4%	90,977	89,774	1.3	57.8%	59.0%
Incurring Losses (Storm)	13,919	13,773	1.1	3.0%	3.1%	1	(32)	103.1	0.0%	0.0%
Loss Adjustment Expense	23,984	22,060	8.7	5.1%	4.9%	7,701	7,512	2.5	4.9%	4.9%
Total Benefits, Claims, Losses and Settlement Expenses	300,674	285,488	5.3	64.0%	63.4%	98,679	97,254	1.5	62.7%	63.9%
Amortization of Deferred Policy Acquisition Costs	93,498	86,829	7.7	19.9%	19.3%	30,384	30,686	(1.0)	19.3%	20.2%
Other Operating Expenses	38,885	37,285	4.3	8.3%	8.3%	11,521	10,555	9.2	7.3%	6.9%
Total Operating Expenses	132,383	124,114	6.7	28.2%	27.6%	41,905	41,241	1.6	26.6%	27.1%
Total Benefits, Losses and Expenses	433,057	409,602	5.7	92.2%	91.0%	140,584	138,495	1.5	89.3%	91.0%
Income Before Income Tax Expense	83,442	79,861	4.5			31,757	27,337	16.2		
Income Tax Expense	20,615	20,800	(0.9)			7,571	6,876	10.1		
Operating Income *	62,827	59,061	6.4			24,186	20,461	18.2		
Realized Investment Gains (Losses), Net of Tax	(1,686)	(1,864)	9.5			1,202	(850)	241.4		
Net Income	\$ 61,141	\$ 57,197	6.9			\$ 25,388	\$ 19,611	29.5		
Operating Income Per Share - Diluted *	\$ 0.77	\$ 0.73	5.8			\$ 0.30	\$ 0.25	17.5		
Net Income Per Share - Diluted	\$ 0.75	\$ 0.70	6.3			\$ 0.31	\$ 0.24	28.7		
Operating Return on Equity*	17.5%	17.9%								
Return on Equity*	16.9%	17.2%								
Other Key Information										
Earned Premium by Market										
Alabama	\$ 337,597	\$ 329,245	2.5	71.8%	73.1%	\$ 113,187	\$ 110,186	2.7	71.9%	72.4%
Georgia	24,137	23,745	1.7	5.1%	5.3%	8,160	7,885	3.5	5.2%	5.2%
Mississippi	33,380	30,186	10.6	7.1%	6.7%	11,291	10,181	10.9	7.2%	6.7%
Alliance/VA Mutual	18,909	16,033	17.9	4.0%	3.6%	7,086	5,328	33.0	4.5%	3.5%
Nonstandard	56,425	51,233	10.1	12.0%	11.4%	17,697	18,611	(4.9)	11.2%	12.2%
Total Earned Premium	\$ 470,448	\$ 450,442	4.4	100.0%	100.0%	\$ 157,421	\$ 152,191	3.4	100.0%	100.0%
Incurring Losses by Market (Non-storm)										
Alabama	\$ 179,572	\$ 179,198	0.2	53.2%	54.4%	\$ 61,415	\$ 63,020	(2.5)	54.3%	57.2%
Georgia	16,531	15,758	4.9	68.5%	66.4%	6,872	5,988	14.8	84.2%	75.9%
Mississippi	18,740	14,293	31.1	56.1%	47.3%	6,531	5,417	20.6	57.8%	53.2%
Alliance/VA Mutual	8,332	7,799	6.8	44.1%	48.6%	4,020	3,361	19.6	56.7%	63.1%
Nonstandard	39,596	32,607	21.4	70.2%	63.6%	12,139	11,988	1.3	68.6%	64.4%
Total Incurring Losses	\$ 262,771	\$ 249,655	5.3	55.9%	55.4%	\$ 90,977	\$ 89,774	1.3	57.8%	59.0%
Lapse Ratio: Preferred and Standard Classes *	3.31%	3.44%				3.45%	3.64%			
Net Written Premium by LOB										
Automobile	\$ 294,066	\$ 299,591	(1.8)			\$ 96,139	\$ 96,997	(0.9)		
Homeowner	171,245	163,450	4.8			57,003	55,924	1.9		
Other	14,975	13,330	12.3			4,782	4,051	18.0		
Total Net Written Premium	\$ 480,286	\$ 476,371	0.8			\$ 157,924	\$ 156,972	0.6		
Net Written Premium by Market										
Alabama	\$ 345,916	\$ 339,354	1.9			\$ 115,801	\$ 114,440	1.2		
Georgia	24,708	24,442	1.1			8,488	8,224	3.2		
Mississippi	34,765	32,959	5.5			11,303	10,460	8.1		
Alliance/VA Mutual	20,057	15,417	30.1			7,855	6,028	30.3		
Nonstandard	54,840	64,199	(14.6)			14,477	17,820	(18.8)		
Total Net Written Premium	\$ 480,286	\$ 476,371	0.8			\$ 157,924	\$ 156,972	0.6		

Data may differ from actual due to rounding.

Market information reflects presentation change for Nonstandard.

ALFA CORPORATION
LIFE SEGMENT (UNAUDITED)
(in thousands, except ratios and per share data)

	Nine Months Ended			Ratios		Three Months Ended			Ratios	
	2007	2006	% Change	2007	2006	2007	2006	% Change	2007	2006
INCOME STATEMENT										
Revenues										
Traditional Life Insurance Premiums	\$ 37,355	\$ 33,987	9.9			\$ 12,556	\$ 11,638	7.9		
Universal Life Policy Charges	16,843	16,278	3.5			5,696	5,483	3.9		
Universal Life Policy Charges - COLI	3,370	3,246	3.8			848	768	10.4		
Interest-sensitive Life Policy Charges	8,548	8,355	2.3			2,864	2,871	(0.2)		
Annuity Policy Charges	2	-	100.0			1	-	100.0		
Group Life Insurance Premiums	529	493	7.3			-	2	(100.0)		
Total Premiums and Policy Charges - Life Insurance	66,647	62,359	6.9	100.0%	100.0%	21,965	20,762	5.8	100.0%	100.0%
Net Investment Income	44,671	41,602	7.4			14,935	14,296	4.5		
Other Income	-	-	0.0			-	-	0.0		
Total Revenues	111,318	103,961	7.1			36,900	35,058	5.3		
Benefits, Claims, Losses and Settlement Expenses	63,026	61,432	2.6	94.6%	98.5%	22,019	21,184	3.9	100.2%	102.0%
Dividends to Policyholders	3,097	3,041	1.8	4.6%	4.9%	963	955	0.8	4.4%	4.6%
Amortization of Deferred Policy Acquisition Costs	11,905	8,812	35.1	17.9%	14.1%	3,580	2,918	22.7	16.3%	14.1%
Other Operating Expenses	11,426	8,193	39.5	17.1%	13.1%	2,935	1,416	107.3	13.4%	6.8%
Total Benefits, Losses and Expenses	89,454	81,478	9.8	134.2%	130.6%	29,497	26,473	11.4	134.3%	127.5%
Income Before Income Tax Expense	21,864	22,483	(2.8)			7,403	8,585	(13.8)		
Income Tax Expense	6,896	7,057	(2.3)			2,258	2,749	(17.9)		
Operating Income	14,968	15,426	(3.0)			5,145	5,836	(11.8)		
Realized Investment Gains (Losses), Net of Tax	3,120	3,428	(9.0)			(1,068)	1,224	(187.3)		
Net Income	\$ 18,088	\$ 18,854	(4.1)			\$ 4,077	\$ 7,060	(42.3)		
Operating Income Per Share - Diluted	\$ 0.18	\$ 0.19	(3.5)			\$ 0.06	\$ 0.07	(12.3)		
Net Income Per Share - Diluted	\$ 0.22	\$ 0.23	(4.6)			\$ 0.05	\$ 0.09	(42.6)		
Operating Return on Equity	7.0%	7.4%								
Return on Equity	8.5%	9.1%								
Other Key Information (all information presented on a STAT-basis)										
Annualized New Business Premium by LOB										
Traditional Life	\$ 8,802	\$ 9,789	(10.1)			\$ 2,645	\$ 2,602	1.7		
Universal Life	2,663	2,832	(6.0)			699	919	(23.9)		
Interest-sensitive Life	1,665	1,598	4.2			511	548	(6.8)		
Total Issued New Business Premium by LOB	\$ 13,130	\$ 14,219	(7.7)			\$ 3,855	\$ 4,069	(5.3)		
Annualized New Business Premium by Region										
Alabama	\$ 11,271	\$ 12,343	(8.7)			\$ 3,361	\$ 3,553	(5.4)		
Georgia	863	1,016	(15.1)			225	296	(24.0)		
Mississippi	996	860	15.8			269	220	22.3		
Total Issued New Business Premium by Region	\$ 13,130	\$ 14,219	(7.7)			\$ 3,855	\$ 4,069	(5.3)		
Actual vs. Expected Mortality Ratio *	82%	103%				86%	103%			
Persistency Ratio *	90.6%	91.0%								

Data may differ from actual due to rounding.

ALFA CORPORATION
NONINSURANCE SEGMENT (UNAUDITED)
(in thousands, except ratios and per share data)

	Nine Months Ended September 30,			Three Months Ended September 30,		
	2007	2006	% Change	2007	2006	% Change
INCOME STATEMENT						
Revenues						
Equity Interest in MidCountry Financial (net of expense)	\$ (3,801)	\$ 969	(492.3)	\$ (4,242)	\$ 167	(2,640.1)
Loan Income (net of expense)	4,095	(274)	1,594.5	1,000	3,045	(67.2)
Other Net Investment Income	1,209	71	1,602.8	477	65	633.8
Total Net Investment Income	1,503	766	96.2	(2,765)	3,277	(184.4)
Fee/Commission Income - Agency Operations	25,389	27,787	(8.6)	7,229	9,060	(20.2)
Other Income	836	921	(9.2)	277	258	7.4
Total Other Income	26,225	28,708	(8.6)	7,506	9,318	(19.4)
Total Revenues	27,728	29,474	(5.9)	4,741	12,595	(62.4)
Benefits, Losses and Expenses						
Claims and Settlement Expenses - Agency Operations	3,136	2,575	21.8	1,009	952	6.0
Other Operating Expenses - Loan/Lease Operations	3,110	3,814	(18.5)	934	1,470	(36.5)
Other Operating Expenses - Agency Operations	19,838	22,049	(10.0)	6,114	6,824	(10.4)
Other Operating Expenses - Other Operations	594	811	(26.8)	718	445	61.3
Total Benefits, Losses and Expenses	26,678	29,249	(8.8)	8,775	9,691	(9.5)
Income Before Income Tax Expense	1,050	225	366.7	(4,034)	2,904	(238.9)
Income Tax Expense	600	93	545.2	(1,276)	968	(231.8)
Operating Income (Loss)	450	132	240.9	(2,758)	1,936	(242.5)
Realized Investment Gains (Losses), Net of Tax	(25)	(35)	28.6	8	(7)	214.3
Net Income (Loss)	\$ 425	\$ 97	338.1	\$ (2,750)	\$ 1,929	(242.6)
Operating Income (Loss) Per Share - Diluted	\$ 0.01	\$ 0.00	239.0	\$ (0.03)	\$ 0.02	(241.6)
Net Income (Loss) Per Share - Diluted	\$ 0.01	\$ 0.00	335.8	\$ (0.03)	\$ 0.02	(241.7)
Operating Return on Equity	0.8%	0.4%				
Return on Equity	0.7%	0.3%				
Other Key Information						
	9/30/07	9/30/06	% Change			
<i>Alfa Financial Corporation:</i>						
Loan Portfolio	\$ 123,486	\$ 129,927	(5.0)			
Loan Portfolio Yield *	8.09%	7.79%				
Loan Gross Charge-offs	\$ (357)	\$ 4,177				
Loan Net Charge-offs	\$ (434)	\$ 4,114				
Loan Delinquency Ratio *	2.26%	1.87%				
<i>MidCountry Financial Corporation:</i>						
Carrying Value (41% and 42% ownership at 9/30/07 and 9/30/06, respectively)	\$ 81,659	\$ 55,888	46.1			
Equity in Net Earnings	\$ (3,801)	\$ 969	(492.3)			
Return on Carried Value *	-5.5%	1.8%				

Data may differ from actual due to rounding.

ALFA CORPORATION
CORPORATE SEGMENT AND ELIMINATIONS (UNAUDITED)
(in thousands, except ratios and per share data)

	Nine Months Ended September 30,			Three Months Ended September 30,		
	2007	2006	% Change	2007	2006	% Change
INCOME STATEMENT						
Revenues						
Premiums - Life Insurance	\$ (146)	\$ -	(100.0)	\$ -	\$ -	0.0
Investment Loss	(1,117)	(608)	(83.7)	(735)	(134)	(448.5)
Interest Expense	(4,069)	(3,431)	(18.6)	(1,301)	(1,363)	4.5
Total Net Investment Loss	(5,186)	(4,039)	(28.4)	(2,036)	(1,497)	(36.0)
Other Income	(15,913)	(18,210)	12.6	(4,428)	(5,391)	17.9
Total Revenues	(21,245)	(22,249)	4.5	(6,464)	(6,888)	6.2
Benefits, Losses and Expenses						
Claims and Settlement Expenses	(3,353)	(2,927)	(14.6)	(1,073)	(953)	(12.6)
Amortization of Deferred Policy Acquisition Costs	-	(787)	100.0	-	-	0.0
Other Operating Expenses	(10,317)	(13,513)	23.7	(2,937)	(3,836)	23.4
Total Benefits, Claims, Losses and Settlement Expenses	(13,670)	(17,227)	20.6	(4,010)	(4,789)	16.3
Loss Before Income Tax Expense (Benefit)	(7,575)	(5,022)	(50.8)	(2,454)	(2,099)	(16.9)
Income Tax Expense (Benefit)	(2,648)	(1,757)	(50.7)	(856)	(734)	(16.6)
Operating Income (Loss)	(4,927)	(3,265)	(50.9)	(1,598)	(1,365)	(17.1)
Realized Investment Gains (Losses), Net of Tax	-	-	0.0	-	-	0.0
Net Income (Loss)	\$ (4,927)	\$ (3,265)	(50.9)	\$ (1,598)	\$ (1,365)	(17.1)
Operating Income (Loss) Per Share - Diluted	\$ (0.06)	\$ (0.04)	(50.1)	\$ (0.02)	\$ (0.02)	(16.4)
Net Income (Loss) Per Share - Diluted	\$ (0.06)	\$ (0.04)	(50.1)	\$ (0.02)	\$ (0.02)	(16.4)

Data may differ from actual due to rounding.

ALFA CORPORATION
QUARTERLY FINANCIAL SUPPLEMENT
September 30, 2007
(Unaudited)

Additional Information

	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 (1)	144,689,722	145,691,012	147,585,697	139,589,753	
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	8,148,041	11,646,118	34,746,264
Pretax P&C Operating Income	26,792,114	19,926,490	21,346,862	22,743,798	90,809,264
P&C Statutory Invested Assets (2)	663,386,315	668,080,084	722,795,981	716,630,234	
P&C Statutory Surplus	335,394,591	343,130,340	340,815,304	369,838,232	
P&C Loss & LAE Reserves (1)	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	
	05:1Q	05:2Q	05:3Q	05:4Q	2005
Pretax P&C Net Investment Income	9,310,764	8,926,932	11,232,799	10,729,178	40,199,673
Pretax P&C Operating Income	19,002,266	33,255,773	29,255,953	24,178,448	105,692,440
P&C Statutory Invested Assets (2)	705,855,331	715,563,873	720,574,977	733,114,630	
P&C Statutory Surplus	372,285,887	385,401,304	398,052,284	407,475,146	
P&C Loss & LAE Reserves (1)	145,569,327	141,926,723	149,282,527	157,988,560	
Pretax Life Net Investment Income	12,226,938	13,061,800	12,661,842	13,012,004	50,962,584
Pretax Life Operating Income	7,722,260	7,001,604	6,004,445	9,749,301	30,477,610
Life Statutory Invested Assets	923,042,022	932,889,527	957,943,993	957,658,384	
Life Statutory Surplus	163,786,697	167,102,347	171,890,971	177,189,239	
	06:1Q	06:2Q	06:3Q	06:4Q	2006
Pretax P&C Net Investment Income	9,678,917	8,867,842	10,230,689	10,639,827	39,417,275
Pretax P&C Operating Income	19,996,255	32,528,491	27,338,061	29,125,239	108,988,046
P&C Statutory Invested Assets (2)	781,525,886	792,053,522	789,965,735	815,633,254	
P&C Statutory Surplus	410,789,564	430,367,018	424,266,223	450,690,007	
P&C Loss & LAE Reserves (1)	163,390,031	161,008,518	164,960,736	170,675,884	
Pretax Life Net Investment Income	13,590,101	13,716,250	14,296,140	14,924,804	56,527,295
Pretax Life Operating Income	7,113,633	6,783,319	8,585,952	11,599,737	34,082,641
Life Statutory Invested Assets	1,002,957,159	999,648,875	1,017,945,275	1,031,591,536	
Life Statutory Surplus	182,409,009	179,808,669	184,518,325	202,198,338	
	07:1Q	07:2Q	07:3Q	07:4Q	2007
Pretax P&C Net Investment Income	11,561,426	11,282,501	11,699,476		34,543,403
Pretax P&C Operating Income	13,742,157	37,943,043	31,757,920		83,443,120
P&C Statutory Invested Assets (2)	858,199,394	868,459,544	871,242,094		
P&C Statutory Surplus	458,720,955	468,199,817	481,907,743		
P&C Loss & LAE Reserves (1)	186,168,206	184,182,945	183,219,117		
Pretax Life Net Investment Income	14,638,077	15,097,218	14,935,394		44,670,689
Pretax Life Operating Income	4,685,844	9,774,858	7,404,663		21,865,365
Life Statutory Invested Assets	1,066,821,010	1,078,632,782	1,085,646,785		
Life Statutory Surplus	206,159,735	215,767,284	220,258,634		

(1) P&C Loss & LAE Reserves for fourth quarter 2003, fourth quarter 2004 and periods beginning in 2005 include salvage and subrogation receivables.

(2) P&C Statutory Invested Assets for fourth quarter 2004 and periods beginning in 2005 reflect a reclassification of premium installment plan receivables into Accounts Receivable.

Definitions of Non-GAAP, GAAP and Operating Measures

Management believes that disclosure of the following non-GAAP financial measures provides investors with meaningful tools to assess the Company's ongoing operations. Our methods of calculating these measures may differ from those used by other companies, thereby limiting comparability.

Operating Income is defined as net income excluding realized investment gains and losses, net of applicable taxes. Management uses operating income as a measure of the Company's ongoing profitability since it eliminates the effect of securities market volatility from earnings.

Operating Income per Share is defined as operating income divided by the weighted average shares outstanding for the reporting period. Management uses operating income per share as a measure of the Company's ongoing profitability since it eliminates the effect of securities market volatility from earnings.

Operating Return on Equity (Current Period) is defined as operating income for the trailing 12-month period divided by the simple average of the beginning and ending stockholders' equity of the same 12-month period.

Operating Return on Equity (Prior Period) is defined as operating income for the prior year divided by the simple average of the beginning and ending stockholders' equity of the same 12-month period.

Return on Equity (Current Period) is defined as net income for the trailing 12-month period divided by the simple average of the beginning and ending stockholders' equity of the same 12-month period.

Return on Equity (Prior Period) is defined as net income for the prior year divided by the simple average of the beginning and ending stockholders' equity of the same 12-month period.

Management uses the following GAAP ratios to measure the Company's ongoing operations. They are calculated as follows:

Loss Ratio is defined as incurred losses divided by earned premiums.

Loss Adjustment Expense Ratio is defined as loss adjustment expenses divided by earned premiums.

Operating Expense Ratio is defined as total operating expenses divided by earned premiums.

Combined Ratio is defined as the sum of the loss ratio, the loss adjustment expense ratio and the expense ratio or the sum of incurred losses, loss adjustment expenses and total operating expenses divided by earned premiums.

Management uses the following operating statistics to measure components of the Company's ongoing operations. They are calculated as follows:

Lapse Ratio is defined as the number of policies lapsing as a percentage of billings produced during a stated time period.

Actual vs. Expected Mortality Ratio is defined as benefit payments divided by the actuarially estimated benefit payments for the stated time period.

Persistency Ratio is defined as the annualized premium of policies in force at the end of the period as a percentage of the annualized premium paid at the end of the period.

Loan Portfolio Yield is defined as annualized interest income divided by the loan portfolio balance.

Loan Delinquency Ratio is defined as the amount of loans 30 or more days past due divided by the loan portfolio balance.

Return on Carried Value is defined as equity in net earnings divided by the simple average of beginning and end of period carrying value.

Certain amounts in prior periods have been reclassified to conform to the presentation adopted in the current period. Such reclassifications did not impact earnings.