

Financial Analysts Briefing Supplement Fourth Quarter 2008

To keep you updated on the progress and outlook of Aflac Incorporated, we are enclosing a Fourth Quarter supplement to the Financial Analysts' Briefing book. As you review the supplement, please note the following:

In addition to net earnings, the company views operating earnings, a non-GAAP financial measure, as an important indicator of financial performance. We believe the combined presentation and evaluation of operating earnings, together with net earnings, provides information that may enhance an investor's understanding of the company's underlying profitability and results of operations. Our definition of operating earnings excludes the following items on an after-tax basis from net earnings: realized investment gains/losses, the change in the fair value of the interest rate component of cross currency swaps, and nonrecurring items. We believe operating earnings is a useful financial measure because it focuses on the performance of the business and excludes items that are inherently unpredictable. A reconciliation of operating earnings to net earnings is included on page 5.

On January 1, 2005, Aflac adopted SFAS No. 123R, which addresses accounting for share-based transactions, such as stock options. We elected to adopt SFAS 123R using the modified-retrospective transition method. As a result, we have adjusted prior periods where noted to reflect the expensing of stock options.

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Stock Price Range and Other Data

Year	Total Actual Shares Traded (000 omitted)	Price Range			Year Close % Change	AFL Relative Perform. to S&P 500 Composite Avg. (1994 Close = 100)	Annual Relative % Change	AFL Relative Perform. to S&P Life Composite Avg. (1994 Close = 100)	Annual Relative % Change
		High	Low	Close					
1974	—	\$.13	\$.06	\$.06	—	—	—	—	
1975 *	3,084	.21	.06	.18	218.2 %	—	—	—	
1976	2,883	.28	.17	.28	57.1	—	—	—	
1977	2,624	.32	.25	.29	5.5	—	—	—	
1978	5,154	.40	.22	.23	(20.7)	—	—	—	
1979	3,290	.36	.21	.28	21.7	—	—	—	
1980	3,494	.29	.18	.19	(32.1)	—	—	—	
1981	2,484	.26	.18	.20	2.6	—	—	—	
1982	4,243	.42	.19	.39	97.4	—	—	—	
1983	4,502	.61	.38	.61	58.4	—	—	—	
1984	5,201	.84	.46	.78	27.9	—	—	—	
1985	13,408	1.56	.77	1.39	77.6	—	—	—	
1986	19,387	2.50	1.39	1.74	25.3	—	—	—	
1987	49,914	2.47	1.32	1.89	8.6	—	—	—	
1988	27,245	2.27	1.54	1.84	(2.7)	—	—	—	
1989	70,347	3.00	1.79	2.40	30.8	—	—	—	
1990	38,959	2.57	1.62	2.55	6.3	—	—	—	
1991	39,803	4.15	2.39	3.99	56.3	—	—	—	
1992	35,563	4.65	3.20	4.60	15.4	—	—	—	
1993	40,913	5.67	4.13	4.75	3.3	—	—	—	
1994	46,430	6.02	4.21	5.34	12.3	100.0	100.0	—	
1995	52,772	7.46	5.32	7.25	35.9	101.4	96.5	(3.5) %	
1996	62,101	11.00	7.07	10.69	47.4	124.3	120.2	24.5	
1997	61,771	14.47	9.38	12.78	19.6	113.4	116.3	(3.2)	
1998	100,659	22.66	11.35	21.94	71.7	153.7	192.3	65.4	
1999	180,514	28.38	19.50	23.60	7.5	138.3	244.9	27.3	
2000	218,965	37.47	16.78	36.10	53.0	235.5	335.8	37.1	
2001	418,406	36.10	23.00	24.56	(32.0)	184.2	251.3	(25.2)	
2002	485,387	33.45	23.10	30.12	22.6	294.8	373.5	48.6	
2003	479,602	36.91	28.00	36.18	20.1	280.2	358.0	(4.1)	
2004	397,333	42.60	33.85	39.84	10.1	283.1	327.5	(8.5)	
2005	405,829	49.65	35.50	46.42	16.5	320.2	315.7	(3.6)	
2006	437,580	49.40	41.63	46.00	(.9)	279.3	272.1	(13.8)	
2007	558,870	63.91	45.18	62.63	36.2	367.3	338.4	24.4	
2008	984,507	68.81	29.68	45.84	(26.8)	437.1	490.8	45.0	

*First full year traded on NYSE

Price Performance of Aflac Incorporated and Market Indexes

(Relative Performance Based on 1994 Closing Prices)

December 31

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Aflac	5.33	7.25	10.69	12.78	21.94	23.60	36.10	24.56	30.12	36.18	39.84	46.42	46.00	62.63	45.84
Rel. Perf.		1.4	2.0	2.4	4.1	4.4	6.8	4.6	5.6	6.8	7.5	8.7	8.6	11.7	8.6
Dow Jones Ind.	3834.44	5117.12	6448.27	7908.25	9181.43	11497.12	10786.85	10021.50	8341.63	10453.92	10783.01	10717.50	12463.15	13264.82	8776.39
Rel. Perf.		1.3	1.7	2.1	2.4	3.0	2.8	2.6	2.2	2.7	2.8	2.8	3.3	3.5	2.3
S&P Life	100.00	140.85	166.80	206.02	213.90	180.70	201.57	183.25	151.23	189.51	228.11	275.73	317.00	347.08	175.15
Rel. Perf.		1.4	1.7	2.1	2.1	1.8	2.0	1.8	1.5	1.9	2.3	2.8	3.2	3.5	1.8
NYSE Comp.	2653.37	3484.15	4148.07	5405.19	6299.93	6876.10	6945.57	6236.39	5000.00	6464.00	7250.06	7753.95	9139.02	9740.32	5757.05
Rel. Perf.		1.3	1.6	2.0	2.4	2.6	2.6	2.4	1.9	2.4	2.7	2.9	3.4	3.7	2.2
S&P 500	459.27	615.93	740.74	970.43	1229.23	1469.25	1320.28	1148.08	879.82	1111.92	1211.92	1248.29	1418.30	1468.36	903.25
Rel. Perf.		1.3	1.6	2.1	2.7	3.2	2.9	2.5	1.9	2.4	2.6	2.7	3.1	3.2	2.0
Nikkei	19723.06	19868.15	19361.35	15258.74	13842.17	18934.34	13785.69	10542.62	8578.95	10676.64	11488.76	16111.43	17225.83	15307.78	8859.56
Rel. Perf.		1.0	1.0	.8	.7	1.0	.7	.5	.4	.5	.6	.8	.9	.8	.4

Relative Performance AFL/Other Averages

(1994 Close = 100)

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
AFL/DJIA	101.9	119.2	116.2	171.8	147.6	240.6	176.2	259.6	248.8	265.6	311.4	265.4	339.5	375.5
AFL/S&P Life	96.5	120.2	116.3	192.3	244.9	335.8	251.3	373.5	358.0	327.5	315.7	272.1	338.4	490.8
AFL/NYSE Comp.	103.5	128.2	117.6	173.3	170.8	258.6	195.9	299.7	278.5	273.4	297.9	250.4	319.9	396.2
AFL/S&P 500	101.4	124.3	113.4	153.7	138.3	235.5	184.2	294.8	280.2	283.1	320.2	279.3	367.3	437.1
AFL/Nikkei	135.0	204.2	309.8	586.2	461.0	968.5	861.6	1298.4	1253.2	1282.5	1065.5	987.6	1513.1	1913.5

Annual Percent Change in Relative Performance

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
AFL/DJIA	1.9	17.0	(2.5)	47.9	(14.1)	63.0	(26.8)	47.3	(4.2)	6.8	17.2	(14.8)	27.9	10.6
AFL/S&P Life	(3.5)	24.5	(3.2)	65.4	27.3	37.1	(25.2)	48.6	(4.1)	(8.5)	(3.6)	(13.8)	24.4	45.0
AFL/NYSE Comp.	3.5	23.8	(8.3)	47.3	(1.4)	51.4	(24.2)	53.0	(7.1)	(1.8)	9.0	(15.9)	27.7	23.8
AFL/S&P 500	1.4	22.6	(8.7)	35.5	(10.0)	70.2	(21.8)	60.1	(5.0)	1.0	13.1	(12.8)	31.5	19.0
AFL/Nikkei	35.0	51.3	51.7	89.2	(21.4)	110.1	(11.0)	50.7	(3.5)	2.3	(16.9)	(7.3)	53.2	26.5

AFL Trading Volume

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
No. Shar. Trad.(Act.) (000 omitted)	52,772	62,101	61,771	100,659	180,514	218,965	418,406	485,387	479,602	397,333	405,829	437,580	558,870	984,507

Price Performance of Aflac Incorporated and Market Indexes

(Closing Prices and Relative Performance - 1994 Close = 100)

	<u>12/31/07</u>	<u>1/31/08</u>	<u>2/29/08</u>	<u>3/31/08</u>	<u>4/30/08</u>	<u>5/31/08</u>	<u>6/30/08</u>	<u>7/31/08</u>	<u>8/31/08</u>	<u>9/30/08</u>	<u>10/31/08</u>	<u>11/30/08</u>	<u>12/31/08</u>
Aflac	62.63	61.09	62.41	64.95	66.67	67.13	62.80	55.61	56.70	58.75	44.28	46.30	45.84
Rel. Perf.	11.7	11.5	11.7	12.2	12.5	12.6	11.8	10.4	10.6	11.0	8.3	8.7	8.6
Dow Jones Ind.	13264.82	12650.36	12266.39	12262.89	12820.13	12638.32	11350.01	11378.02	11543.55	10850.66	9325.01	8829.04	8776.39
Rel. Perf.	3.5	3.3	3.2	3.2	3.3	3.3	3.0	3.0	3.0	2.8	2.4	2.3	2.3
S&P Life	347.08	325.46	310.50	321.26	323.13	322.69	277.14	279.67	295.32	292.58	165.38	146.19	175.15
Rel. Perf.	3.5	3.3	3.1	3.2	3.2	3.2	2.8	2.8	3.0	2.9	1.7	1.5	1.8
NYSE Comp.	9740.32	9126.16	8962.46	8797.29	9299.60	9401.08	8660.48	8438.69	8382.08	7532.80	6061.09	5599.30	5757.05
Rel. Perf.	3.7	3.4	3.4	3.3	3.5	3.5	3.3	3.2	3.2	2.8	2.3	2.1	2.2
S&P 500	1468.36	1378.55	1330.63	1322.70	1385.59	1400.38	1280.00	1267.38	1282.83	1164.74	968.75	896.24	903.25
Rel. Perf.	3.2	3.0	2.9	2.9	3.0	3.0	2.8	2.8	2.8	2.5	2.1	2.0	2.0
Nikkei	15307.78	13592.47	13603.02	12525.54	13849.99	14338.54	13481.38	13376.81	13072.87	11259.86	8576.98	8512.27	8859.56
Rel. Perf.	.8	.7	.7	.6	.7	.7	.7	.7	.7	.6	.4	.4	.4

Relative Performance AFL/Other Averages

(1994 Close = 100)

	<u>12/31/07</u>	<u>1/31/08</u>	<u>2/29/08</u>	<u>3/31/08</u>	<u>4/30/08</u>	<u>5/31/08</u>	<u>6/30/08</u>	<u>7/31/08</u>	<u>8/31/08</u>	<u>9/30/08</u>	<u>10/31/08</u>	<u>11/30/08</u>	<u>12/31/08</u>
AFL/DJIA	339.5	347.2	365.8	380.8	373.9	381.9	397.8	351.4	353.2	389.3	341.4	377.0	375.5
AFL/S&P Life	338.4	352.0	376.9	379.1	386.9	390.1	424.9	372.9	360.0	376.5	502.1	593.9	490.8
AFL/NYSE Comp.	319.9	333.0	346.5	367.3	356.7	355.3	360.8	327.9	336.6	388.0	363.5	411.4	396.2
AFL/S&P 500	367.3	381.6	403.9	422.9	414.4	412.8	422.5	377.9	380.6	434.4	393.6	444.9	437.1
AFL/Nikkei	1513.1	1662.2	1696.8	1917.7	1780.3	1731.5	1722.8	1537.5	1604.0	1929.6	1909.3	2011.6	1913.5

Monthly Percent Change in Relative Performance

	<u>12/31/07</u>	<u>1/31/08</u>	<u>2/29/08</u>	<u>3/31/08</u>	<u>4/30/08</u>	<u>5/31/08</u>	<u>6/30/08</u>	<u>7/31/08</u>	<u>8/31/08</u>	<u>9/30/08</u>	<u>10/31/08</u>	<u>11/30/08</u>	<u>12/31/08</u>
AFL/DJIA	.8	2.3	5.4	4.1	(1.8)	2.1	4.2	(11.7)	.5	10.2	(12.3)	10.4	(.4)
AFL/S&P Life	2.3	4.0	7.1	.6	2.1	.8	8.9	(12.3)	(3.4)	4.6	33.3	18.3	(17.4)
AFL/NYSE Comp.	1.2	4.1	4.0	6.0	(2.9)	(.4)	1.5	(9.1)	2.6	15.3	(6.3)	13.2	(3.7)
AFL/S&P 500	.9	3.9	5.8	4.7	(2.0)	(.4)	2.3	(10.6)	.7	14.1	(9.4)	13.0	(1.8)
AFL/Nikkei	2.4	9.9	2.1	13.0	(7.2)	(2.7)	(.5)	(10.8)	4.3	20.3	(1.1)	5.4	(4.9)

AFL High, Low, Close & Trading Volume

	<u>12/31/07</u>	<u>1/31/08</u>	<u>2/29/08</u>	<u>3/31/08</u>	<u>4/30/08</u>	<u>5/31/08</u>	<u>6/30/08</u>	<u>7/31/08</u>	<u>8/31/08</u>	<u>9/30/08</u>	<u>10/31/08</u>	<u>11/30/08</u>	<u>12/31/08</u>
High	63.91	67.00	65.00	65.29	68.81	68.22	67.77	63.63	57.89	68.00	60.73	49.36	47.88
Low	60.04	56.75	58.27	59.81	64.50	65.01	62.52	52.90	53.17	51.25	32.27	29.68	39.81
Close	62.63	61.09	62.41	64.95	66.67	67.13	62.80	55.61	56.70	58.75	44.28	46.30	45.84
No. Shar. Trad.(Act.) (000 omitted)	36,725	80,610	61,892	80,944	66,989	50,057	57,556	98,476	75,022	100,220	123,736	94,466	94,540

Aflac Incorporated and Subsidiaries

Share Data
(In thousands)

		Beginning Shares Outstanding	Shares Issued		Shares Purchased		Ending Shares Outstanding	QTD Weighted Avg. Shares			YTD Weighted Avg. Shares		
			Stk. Bon. & DRP	Stk. Opt. & Misc.	Treas. Shares	Misc. Purch.*		Avg. Shares	Dilutive Shares	Avg. Diluted	Avg. Shares	Dilutive Shares	Avg. Diluted
2003	1	514,439	393	1,750	1,660	53	514,869	514,565	9,903	524,468	514,565	9,903	524,468
	2	514,869	509	1,150	2,821	113	513,594	513,728	8,985	522,713	514,144	9,444	523,588
	3	513,594	453	578	2,207	–	512,418	513,385	7,827	521,212	513,888	8,905	522,793
	4	512,418	411	613	3,500	50	509,892	511,239	8,953	520,192	513,220	8,918	522,138
2004	1	509,892	396	1,249	3,150	42	508,345	509,924	9,430	519,355	509,924	9,430	519,355
	2	508,345	429	530	1,255	–	508,049	508,353	9,508	517,860	509,138	9,469	518,607
	3	508,049	361	274	2,526	–	506,158	506,599	8,977	515,576	508,286	9,305	517,591
	4	506,158	399	183	3,130	2	503,608	504,495	8,439	512,934	507,333	9,088	516,421
2005	1	503,608	382	939	2,942	–	501,987	502,706	6,743	509,449	502,706	6,743	509,449
	2	501,987	443	1,450	2,640	68	501,172	501,426	6,576	508,002	502,063	6,659	508,722
	3	501,172	323	876	2,000	88	500,283	500,557	6,766	507,323	501,555	6,695	508,250
	4	500,283	328	790	2,418	89	498,894	499,112	6,972	506,084	500,939	6,764	507,704
2006	1	498,894	337	1,268	2,066	2	498,431	498,037	6,537	504,574	498,037	6,537	504,574
	2	498,431	413	332	2,052	–	497,124	496,951	6,335	503,286	497,491	6,436	503,927
	3	497,124	343	212	3,013	–	494,666	494,923	6,029	500,952	496,626	6,300	502,926
	4	494,666	368	703	3,134	53	492,550	492,614	5,950	498,564	495,614	6,213	501,827
2007	1	492,550	357	987	5,062	–	488,832	490,554	6,104	496,658	490,554	6,104	496,658
	2	488,832	407	1,428	2,000	184	488,483	487,900	6,327	494,227	489,219	6,216	495,435
	3	488,483	333	1,241	2,000	305	487,752	487,065	5,754	492,819	488,493	6,062	494,555
	4	487,752	302	557	2,011	70	486,530	486,017	6,223	492,240	487,869	6,102	493,971
2008	1	486,530	324	840	12,500	103	475,091	478,138	6,279	484,417	478,138	6,279	484,417
	2	475,091	364	578	–	6	476,027	474,383	6,445	480,828	476,261	6,362	482,623
	3	476,027	348	183	–	5	476,553	475,357	5,388	480,745	476,076	6,037	482,113
	4	476,553	487	308	10,701	32	466,615	465,450	3,528	468,978	473,405	5,410	478,815

* Includes swapped shares and/or shares purchased for deferred compensation program

Aflac Incorporated and Subsidiaries

Summary of Operating Results by Business Segment

(In Millions, except per-share data)

	Years Ended December 31,					3 Months Ended December 31,			12 Months Ended December 31,		
	2003	2004	2005	2006	2007	2007	2008	% Change	2007	2008	% Change
Aflac Japan	\$ 1,122	\$ 1,379	\$ 1,515	\$ 1,652	\$ 1,821	\$ 428	\$ 560	30.9 %	\$ 1,821	\$ 2,250	23.6 %
Aflac U.S.	445	497	525	585	692	170	160	(5.5)	692	745	7.6
Interest expense, non-insurance operations	(19)	(20)	(20)	(17)	(21)	(6)	(7)	(19.6)	(21)	(26)	(23.1)
Parent company, other operations and eliminations	(46)	(62)	(41)	(35)	(25)	(7)	(12)	(70.4)	(25)	(43)	(68.9)
Pretax operating earnings	1,502	1,794	1,979	2,185	2,467	585	701	20.0	2,467	2,926	18.6
Income taxes	540	641	687	753	854	203	243	20.2	854	1,014	18.8
Operating earnings*	962	1,153	1,292	1,432	1,613	382	458	19.9	1,613	1,912	18.5
Reconciling items:											
Impact from SFAS 133, net of tax	(3)	(13)	(10)	–	2	1	1		2	(3)	
Realized investment gains (losses), net of tax	(191)	(5)	167	51	19	(1)	(262)		19	(655)	
Japanese pension obligation transfer, net of tax	–	3	–	–	–	–	–		–	–	
Release of deferred tax asset valuation allowance	–	128	34	–	–	–	–		–	–	
Net earnings	\$ 768	\$ 1,266	\$ 1,483	\$ 1,483	\$ 1,634	\$ 382	\$ 197	(48.4) %	\$ 1,634	\$ 1,254	(23.2) %
Earnings per share of common stock:											
Net earnings (basic)	\$ 1.50	\$ 2.49	\$ 2.96	\$ 2.99	\$ 3.35	\$.79	\$.42	(46.8) %	\$ 3.35	\$ 2.65	(20.9) %
Net earnings (diluted)	1.47	2.45	2.92	2.95	3.31	.78	.42	(46.2)	3.31	2.62	(20.8)
Operating earnings (basic)	\$ 1.88	\$ 2.27	\$ 2.58	\$ 2.89	\$ 3.31	\$.79	\$.98	24.1 %	\$ 3.31	\$ 4.04	22.1 %
Operating earnings (diluted)	1.84	2.23	2.54	2.85	3.27	.78	.98	25.6	3.27	3.99	22.0

* See definition on cover page

Numbers may fail to foot due to rounding

Aflac Incorporated and Subsidiaries

Consolidated Statements of Earnings

(In Millions, except per-share data)

	Years Ended December 31,					3 Months Ended December 31,			12 Months Ended December 31,		
	2003	2004	2005	2006	2007	2007	2008	% Change	2007	2008	% Change
Revenues:											
Premiums, principally supplemental health	\$ 9,921	\$ 11,302	\$ 11,990	\$ 12,314	\$ 12,973	\$ 3,395	\$ 3,981	17.2 %	\$ 12,973	\$ 14,947	15.2 %
Net investment income	1,787	1,957	2,071	2,171	2,333	604	677	12.1	2,333	2,578	10.5
Realized investment gains (losses)	(301)	(12)	262	79	28	(1)	(402)		28	(1,007)	
Other income	40	34	40	52	59	20	4		59	36	
Total revenues	<u>11,447</u>	<u>13,281</u>	<u>14,363</u>	<u>14,616</u>	<u>15,393</u>	<u>4,018</u>	<u>4,260</u>	6.0	<u>15,393</u>	<u>16,554</u>	7.5
Benefits and expenses:											
Benefits and claims	7,529	8,482	8,890	9,016	9,285	2,431	2,835	16.6	9,285	10,499	13.1
Acquisition and operating expenses:											
Amortization of D.A.C.	464	519	542	574	640	181	217		640	775	
Insurance commissions	1,146	1,252	1,302	1,303	1,331	346	384		1,331	1,460	
Insurance expenses	1,006	1,128	1,281	1,337	1,491	431	479		1,491	1,743	
Interest expense	22	23	23	19	27	6	8		27	29	
Other operating expense	82	104	99	103	120	38	36		120	134	
Total acquisition and operating expenses	<u>2,720</u>	<u>3,026</u>	<u>3,247</u>	<u>3,336</u>	<u>3,609</u>	<u>1,002</u>	<u>1,124</u>	12.3	<u>3,609</u>	<u>4,141</u>	14.7
Total benefits and expenses	<u>10,249</u>	<u>11,508</u>	<u>12,137</u>	<u>12,352</u>	<u>12,894</u>	<u>3,433</u>	<u>3,959</u>	15.4	<u>12,894</u>	<u>14,640</u>	13.5
Pretax earnings	1,198	1,773	2,226	2,264	2,499	585	301		2,499	1,914	
Income taxes	430	507	743	781	865	203	104		865	660	
Net earnings	<u>\$ 768</u>	<u>\$ 1,266</u>	<u>\$ 1,483</u>	<u>\$ 1,483</u>	<u>\$ 1,634</u>	<u>\$ 382</u>	<u>\$ 197</u>	(48.4) %	<u>\$ 1,634</u>	<u>\$ 1,254</u>	(23.2) %
Operating earnings *	<u>\$ 962</u>	<u>\$ 1,153</u>	<u>\$ 1,292</u>	<u>\$ 1,432</u>	<u>\$ 1,613</u>	<u>\$ 382</u>	<u>\$ 458</u>	19.9 %	<u>\$ 1,613</u>	<u>\$ 1,912</u>	18.5 %
Earnings Per Share of common stock:											
Net earnings (basic)	\$ 1.50	\$ 2.49	\$ 2.96	\$ 2.99	\$ 3.35	\$.79	\$.42	(46.8) %	\$ 3.35	\$ 2.65	(20.9) %
Net earnings (diluted)	1.47	2.45	2.92	2.95	3.31	.78	.42	(46.2)	3.31	2.62	(20.8)
Operating earnings (basic) *	\$ 1.88	\$ 2.27	\$ 2.58	\$ 2.89	\$ 3.31	\$.79	\$.98	24.1 %	\$ 3.31	\$ 4.04	22.1 %
Operating earnings (diluted) *	1.84	2.23	2.54	2.85	3.27	.78	.98	25.6	3.27	3.99	22.0

* See definition of operating earnings on cover page

Aflac Incorporated and Subsidiaries

Analysis of Net Earnings and Net Earnings Per Diluted Share

(In Millions, except for per-share data)

		Net	Real. Inv.	Impact	Non-	Currency	Net	Real. Inv.	Impact	Non-	Currency
		Earnings	Gains/ (Losses)	From SFAS 133	Recurring Items	Impact	Earnings Per Share	Gains/ (Losses) Per Share	From SFAS 133 Per Share	Recurring Items Per Share	Impact Per Share
1999	\$	571	\$ (5)	\$ —	\$ 26	\$ 32	\$ 1.04	\$ (.01)	\$ —	\$.05	\$.06
2000		687	(69)	—	99	16	1.26	(.12)	—	.18	.02
2001		687	(34)	1	—	(37)	1.28	(.06)	—	—	(.07)
2002		785	(15)	37	(26)	(10)	1.49	(.03)	.07	(.05)	(.02)
2003		768	(191)	(3)	—	33	1.47	(.37)	—	—	.06
2004		1,266	(5)	(13)	131	39	2.45	(.01)	(.03)	.26	.08
2005		1,483	167	(10)	34	(8)	2.92	.33	(.02)	.07	(.02)
2006		1,483	51	—	—	(39)	2.95	.10	—	—	(.08)
2007		1,634	18	2	—	(11)	3.31	.04	—	—	(.02)
2008		1,254	(655)	(3)	—	111	2.62	(1.37)	—	—	.23
2005	1	328	2	(9)	—	5	.64	—	(.02)	—	.01
	2	336	7	3	—	3	.66	.01	.01	—	.01
	3	455	89	(1)	34	(2)	.90	.18	(.01)	.07	—
	4	364	68	(2)	—	(14)	.72	.14	(.01)	—	(.03)
2006	1	375	9	2	—	(22)	.74	.02	—	—	(.04)
	2	408	31	1	—	(11)	.81	.06	—	—	(.02)
	3	367	7	(3)	—	(6)	.73	.01	—	—	(.02)
	4	332	3	—	—	—	.67	.01	—	—	—
2007	1	416	9	—	—	(4)	.84	.02	—	—	(.01)
	2	415	9	—	—	(11)	.84	.02	—	—	(.02)
	3	420	1	2	—	(3)	.85	—	—	—	—
	4	382	(1)	1	—	7	.78	—	—	—	.01
2008	1	474	(4)	3	—	25	.98	(.01)	.01	—	.05
	2	483	(1)	(3)	—	38	1.00	—	(.01)	—	.08
	3	100	(389)	(4)	—	20	.21	(.81)	—	—	.04
	4	197	(262)	1	—	28	.42	(.56)	—	—	.07

Adjusted to reflect SFAS No. 123R beginning in 2002

Addition of quarters may not equal annual amounts due to rounding

Consolidated Balance Sheets

(In Millions, except per-share data)

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Assets:						
Investments and cash:						
Securities available for sale:						
Fixed Maturities	\$ 26,495	\$ 29,166	\$ 28,142	\$ 28,805	\$ 30,511	\$ 35,012
Perpetual debentures	3,344	4,014	4,365	4,403	4,090	8,047
Equity securities	78	82	89	30	27	27
Securities held to maturity:						
Fixed Maturities	8,752	10,080	10,867	13,483	16,819	24,436
Perpetual debentures	4,297	4,759	4,172	3,990	3,985	–
Other Investments	32	41	57	58	61	87
Cash and cash equivalents	1,052	3,813	1,297	1,203	1,563	941
Total investments and cash	<u>44,051</u>	<u>51,955</u>	<u>48,989</u>	<u>51,972</u>	<u>57,056</u>	<u>68,550</u>
Receivables, primarily premiums	547	417	584	535	732	920
Accrued investment income	456	495	484	538	561	650
Deferred policy acquisition costs	5,044	5,595	5,590	6,025	6,654	8,237
Property and equipment, net	518	515	448	458	496	597
Other assets	348	349	266	277	306	377
Total assets	<u>\$ 50,964</u>	<u>\$ 59,326</u>	<u>\$ 56,361</u>	<u>\$ 59,805</u>	<u>\$ 65,805</u>	<u>\$ 79,331</u>
Liabilities and Shareholders' Equity:						
Liabilities:						
Total policy liabilities	\$ 39,240	\$ 43,556	\$ 42,329	\$ 45,440	\$ 50,676	\$ 66,219
Notes payable	1,409	1,429	1,395	1,426	1,465	1,721
Income taxes, primarily deferred	2,187	2,580	2,577	2,462	2,531	1,201
Other liabilities	1,480	4,185	2,133	2,136	2,338	3,551
Total liabilities	<u>44,316</u>	<u>51,750</u>	<u>48,434</u>	<u>51,464</u>	<u>57,010</u>	<u>72,692</u>
Shareholders' equity:						
Common stock	65	65	65	66	66	66
Additional paid-in capital	592	676	791	895	1,054	1,184
Retained earnings	5,712	6,785	8,048	9,304	10,637	11,306
Accumulated other comprehensive income:						
Unrealized foreign currency translation	213	222	77	54	129	750
Unrealized gains on investment securities	2,316	2,417	1,917	1,450	874	(1,211)
Minimum pension liability adjustment	(36)	(28)	(37)	(78)	(69)	(121)
Treasury stock	(2,214)	(2,561)	(2,934)	(3,350)	(3,896)	(5,335)
Total shareholders' equity	<u>6,648</u>	<u>7,576</u>	<u>7,927</u>	<u>8,341</u>	<u>8,795</u>	<u>6,639</u>
Total liabilities & shareholders' equity	<u>\$ 50,964</u>	<u>\$ 59,326</u>	<u>\$ 56,361</u>	<u>\$ 59,805</u>	<u>\$ 65,805</u>	<u>\$ 79,331</u>

Amounts have been adjusted for adoption of SAB108 on January 1, 2006

Aflac Incorporated and Subsidiaries

Quarterly Financial Results
(In Millions, except per-share data)

		Premium Income	Net Invest. Income	Total Rev.	Benefits & Claims	Total Acqu. & Oper. Exp.	Total Benefits & Exp.	Total Pretax Earn.	Oper. Earn. *	Net Earn.	Oper. EPS *		Net EPS		Total Assets	Invest. & Cash	Equity Per Share	Unreal. G/L on Sec. Per Share	Equity excl G/L on Sec. Per Share
											Basic	Dil.	Basic	Dil.					
2000	1	2,019	376	2,397	1,619	535	2,154	243	159	156	.30	.29	.29	.29	37,391	32,451	7.67	2.28	5.39
	2	2,050	385	2,355	1,647	449	2,096	259	161	202	.30	.30	.38	.37	38,793	33,657	7.84	2.18	5.67
	3	2,078	392	2,472	1,672	548	2,220	252	169	163	.32	.31	.31	.30	37,904	32,797	7.74	1.86	5.88
	4	2,076	397	2,480	1,663	560	2,223	257	168	166	.32	.31	.31	.30	37,231	32,167	8.87	2.78	6.08
2001	1	2,009	382	2,401	1,586	541	2,127	274	177	178	.33	.33	.34	.33	37,640	32,767	9.93	3.77	6.16
	2	1,980	382	2,348	1,550	549	2,099	249	177	153	.34	.33	.29	.28	38,793	33,805	10.35	3.96	6.39
	3	2,034	392	2,446	1,584	568	2,152	294	184	193	.35	.34	.37	.36	40,050	34,736	10.62	4.04	6.58
	4	2,038	394	2,404	1,583	558	2,141	263	182	163	.35	.34	.31	.31	37,860	32,793	10.40	3.60	6.80
2002	1	1,998	381	2,371	1,534	561	2,095	276	184	174	.35	.35	.34	.33	37,379	32,290	10.23	3.30	6.93
	2	2,097	397	2,513	1,610	590	2,200	313	193	203	.37	.36	.39	.38	41,941	36,344	11.28	4.03	7.25
	3	2,253	418	2,707	1,735	625	2,360	347	200	230	.39	.38	.44	.44	42,893	37,267	11.85	4.29	7.56
	4	2,247	418	2,666	1,711	669	2,380	286	212	178	.41	.40	.35	.34	45,058	39,147	12.43	4.70	7.74
2003	1	2,372	430	2,807	1,800	645	2,445	362	236	230	.46	.45	.44	.43	45,341	39,415	13.62	5.57	8.05
	2	2,407	436	2,861	1,827	665	2,492	370	232	241	.45	.44	.47	.47	47,830	41,656	14.74	6.36	8.38
	3	2,478	448	2,931	1,872	693	2,565	366	239	231	.47	.46	.45	.44	49,236	42,711	13.01	3.93	8.65
	4	2,664	473	2,847	2,029	718	2,747	100	256	67	.50	.49	.13	.13	50,964	44,051	13.04	4.54	8.50
2004	1	2,773	474	3,280	2,078	736	2,814	466	284	304	.56	.55	.60	.59	53,289	46,379	13.76	4.90	8.87
	2	2,768	484	3,233	2,068	752	2,819	414	284	258	.56	.55	.51	.50	52,130	45,136	12.17	2.89	9.27
	3	2,822	491	3,321	2,124	745	2,869	452	292	293	.58	.57	.58	.57	52,913	46,032	14.32	4.69	9.64
	4	2,939	509	3,448	2,212	794	3,006	442	293	410	.58	.57	.81	.80	59,326	51,955	15.04	4.80	10.24
2005	1	3,041	514	3,559	2,266	787	3,053	506	335	328	.67	.66	.65	.64	57,041	49,755	15.49	4.88	10.61
	2	3,020	518	3,567	2,229	822	3,051	516	326	336	.65	.64	.67	.66	57,995	50,547	16.88	5.86	11.02
	3	2,997	522	3,669	2,237	787	3,024	645	333	455	.67	.66	.91	.90	57,453	49,917	16.00	4.35	11.65
	4	2,931	517	3,567	2,157	851	3,008	559	298	364	.60	.59	.73	.72	56,361	48,989	15.89	3.84	12.05
2006	1	3,005	524	3,559	2,181	803	2,984	574	364	375	.73	.72	.75	.74	56,136	48,865	15.48	2.61	12.87
	2	3,093	542	3,697	2,243	830	3,073	624	376	408	.76	.75	.82	.81	57,432	49,795	14.70	1.17	13.53
	3	3,102	548	3,672	2,291	824	3,115	558	363	367	.73	.72	.74	.73	58,353	50,686	16.51	2.58	13.93
	4	3,114	557	3,687	2,300	880	3,180	507	329	332	.67	.66	.67	.67	59,805	51,972	16.93	2.94	13.99
2007	1	3,156	566	3,751	2,258	857	3,115	636	407	416	.83	.82	.85	.84	61,192	53,268	17.37	2.80	14.56
	2	3,162	572	3,764	2,266	863	3,129	635	407	415	.83	.82	.85	.84	60,114	52,197	16.77	1.80	14.97
	3	3,260	592	3,861	2,331	888	3,219	642	417	420	.86	.85	.86	.85	63,576	55,073	17.33	1.55	15.78
	4	3,395	604	4,018	2,431	1,002	3,433	585	382	382	.79	.78	.79	.78	65,805	57,056	18.08	1.80	16.28
2008	1	3,635	627	4,267	2,538	1,003	3,541	726	475	474	.99	.98	.99	.98	72,269	62,788	17.12	.49	16.63
	2	3,684	637	4,336	2,575	1,021	3,596	740	487	483	1.03	1.01	1.02	1.00	70,552	60,892	16.59	(.45)	17.04
	3	3,647	637	3,691	2,551	992	3,543	148	493	100	1.04	1.02	.21	.21	70,457	60,727	13.64	(1.85)	15.49
	4	3,981	677	4,260	2,835	1,124	3,959	301	458	197	.98	.98	.42	.42	79,331	68,550	14.23	(2.60)	16.82

* See definition of operating earnings on cover page

Quarterly amounts adjusted to reflect SFAS No. 123R beginning in 2002

Equity per share amounts have been adjusted for adoption of SAB108 on January 1, 2006

Aflac Incorporated and Subsidiaries

Percentage Increases and Selected Ratios

	Premium Income	Net Investment Income	Total Revenues	Total Benefits & Claims	Operating Expenses	Pretax Earnings	Tax Rate	Operating Earnings Per Share *	Profit Margins		Total Assets	Invested Assets	Equity Per Share
									Pretax Operating Profit Margin**	After-tax Operating Profit Margin**			
1999	1.2 %	5.6 %	(2.0) %	.9 %	7.9 %	(36.3) %	26.6 %	28.2 %	9.9 %	6.4 %	18.6 %	18.6 %	2.7 %
2000	22.2	20.3	21.6	20.6	18.0	41.3	32.1	20.0	10.3	6.7	.5	.4	21.8
2001	(2.0)	—	(1.1)	(4.5)	6.2	6.3	36.4	11.3	11.2	7.1	1.7	1.9	17.3
2002	6.6	4	6.9	4.5	8.8	16.8	35.8	16.4	12.1	7.7	19.0	19.4	19.5
2003	15.4	10.7	11.6	14.3	11.3	(2.0)	35.8	23.5	12.8	8.2	13.1	12.5	4.9
2004	13.9	9.5	16.0	12.7	11.1	47.5	28.6	21.2	13.7	8.9	16.4	17.9	15.4
2005	6.1	5.8	8.1	4.8	7.3	25.5	33.4	13.9	14.0	9.2	(5.0)	(5.7)	5.7
2006	2.7	4.8	1.8	1.4	2.8	1.7	34.5	12.2	15.0	9.9	6.1	6.1	6.7
2007	5.4	7.5	5.3	3.0	8.2	10.4	34.6	14.7	16.1	10.5	10.0	9.8	6.8
2008	15.2	10.5	7.5	13.1	14.7	(23.4)	34.5	22.0	16.7	10.9	20.6	20.1	(21.3)
2005 1	9.6	8.6	8.5	9.1	6.9	8.6	35.2	20.0	14.4	9.4	7.0	7.3	12.6
2005 2	9.1	7.1	10.3	7.8	9.4	24.8	35.0	16.4	14.1	9.2	11.3	12.0	38.7
2005 3	6.2	6.3	10.5	5.3	5.6	42.8	29.4	15.8	14.4	9.4	8.6	8.4	11.7
2005 4	(.3)	1.6	3.5	(2.5)	7.1	26.5	34.8	3.5	13.1	8.6	(5.0)	(5.7)	5.7
2006 1	(1.2)	1.9	—	(3.7)	2.1	13.4	34.7	9.1	15.8	10.3	(1.5)	(1.8)	(.1)
2006 2	2.4	4.5	3.6	.6	.9	21.0	34.6	17.2	15.7	10.3	(1.0)	(1.5)	(12.9)
2006 3	3.5	5.1	.1	2.4	4.7	(13.5)	34.1	9.1	15.0	9.9	1.6	1.5	3.2
2006 4	6.2	7.6	3.4	6.6	3.4	(9.2)	34.5	11.9	13.7	8.9	6.1	6.1	6.6
2007 1	5.0	7.9	5.4	3.5	6.7	10.7	34.6	13.9	16.7	10.9	9.0	9.0	12.2
2007 2	2.2	5.6	1.8	1.0	3.9	1.7	34.6	9.3	16.6	10.9	4.7	4.8	14.1
2007 3	5.1	7.9	5.1	1.7	7.8	15.1	34.5	18.1	16.5	10.8	9.0	8.7	5.0
2007 4	9.0	8.4	9.0	5.7	13.8	15.4	34.7	18.2	14.6	9.5	10.0	9.8	6.8
2008 1	15.2	10.9	13.8	12.4	17.0	14.1	34.7	19.5	17.0	11.1	18.1	17.9	(1.4)
2008 2	16.5	11.2	15.2	13.6	18.4	16.5	34.7	23.2	17.2	11.2	17.4	16.7	(1.1)
2008 3	11.9	7.8	(4.4)	9.5	11.6	(76.9)	32.5	20.0	17.5	11.5	10.8	10.3	(21.3)
2008 4	17.2	12.1	6.0	16.6	12.3	(48.6)	34.4	25.6	15.0	9.8	20.6	20.1	(21.3)

* Diluted basis. See definition of operating earnings on cover page

** See definition of operating earnings on cover page

Annual amounts adjusted to reflect SFAS No. 123R beginning in 2002; quarterly percentage changes beginning in 2003

Equity per share amounts have been adjusted for adoption of SAB108 on January 1, 2006

Currency Impact on Operating Earnings Per Share
(Diluted Basis)

		Reported	Reported	QTD	YTD	EPS	EPS			Reported	Reported	QTD	YTD	EPS	EPS
		EPS*	Growth	Yen	Yen	Excl.	Growth			EPS*	Growth	Yen	Yen	Excl.	Growth
			%	Effect	Effect*	1 Yr. Yen	Ex. 1 Yr.				%	Effect	Effect*	1 Yr. Yen	Ex. 1 Yr.
						Impact*	Yen Impact							Impact*	Yen Impact
2001	1	\$.33	13.8 %	(.01)	(.01)	\$.34	17.2 %	2005	1	\$.66	20.0 %	.01	.01	\$.65	18.2 %
	2	.33	10.0	(.02)	(.03)	.35	16.7		2	.64	16.4	.01	.02	.63	14.5
	3	.34	11.1	(.02)	(.05)	.36	16.1		3	.66	15.8	-	.02	.66	15.8
	4	.34	9.7	(.02)	(.07)	.36	16.1		4	.59	3.5	(.03)	(.02)	.62	8.8
		<u>\$ 1.34</u>	<u>11.7 %</u>			<u>\$ 1.41</u>	<u>17.5 %</u>			<u>\$ 2.54</u>	<u>13.9 %</u>			<u>\$ 2.56</u>	<u>14.8 %</u>
2002	1	\$.35	9.1 %	(.02)	(.02)	\$.37	15.2 %	2006	1	\$.72	9.1	(.04)	(.04)	\$.76	15.2 %
	2	.36	15.2	(.01)	(.03)	.37	18.2		2	.75	17.2	(.02)	(.06)	.77	20.3
	3	.38	17.6	.01	(.02)	.37	14.7		3	.72	9.1	(.02)	(.08)	.74	12.1
	4	.40	23.5	-	(.02)	.40	23.5		4	.66	11.9	-	(.08)	.66	11.9
		<u>\$ 1.49</u>	<u>16.4 %</u>			<u>\$ 1.51</u>	<u>17.9 %</u>			<u>\$ 2.85</u>	<u>12.2 %</u>			<u>\$ 2.93</u>	<u>15.4 %</u>
2003	1	\$.45	32.4 %	.02	.02	\$.43	22.9 %	2007	1	\$.82	13.9	(.01)	(.01)	\$.83	15.3 %
	2	.44	22.2	.02	.04	.42	16.7		2	.82	9.3	(.02)	(.03)	.84	12.0
	3	.46	21.1	-	.04	.46	21.1		3	.85	18.1	-	(.03)	.85	18.1
	4	.49	19.5	.02	.06	.47	17.5		4	.78	18.2	.01	(.02)	.77	16.7
		<u>\$ 1.84</u>	<u>23.5 %</u>			<u>\$ 1.78</u>	<u>19.5 %</u>			<u>\$ 3.27</u>	<u>14.7 %</u>			<u>\$ 3.29</u>	<u>15.4 %</u>
2004	1	\$.55	22.2 %	.03	.03	\$.52	15.6 %	2008	1	.98	19.5	.05	.05	.93	13.4 %
	2	.55	25.0	.02	.05	.53	20.5		2	1.01	23.2	.08	.13	.93	13.4
	3	.57	23.9	.02	.07	.55	19.6		3	1.02	20.0	.04	.17	.98	15.3
	4	.57	16.3	.01	.08	.56	14.3		4	.98	25.6	.07	.23	.91	16.7
		<u>\$ 2.23</u>	<u>21.2 %</u>			<u>\$ 2.15</u>	<u>16.8 %</u>			<u>\$ 3.99</u>	<u>22.0 %</u>			<u>\$ 3.76</u>	<u>15.0 %</u>

* Addition of quarters may not equal annual amounts due to rounding

Quarterly amounts adjusted to reflect SFAS No. 123R beginning in 2002; percentage changes beginning in 2003

Aflac Incorporated and Subsidiaries

Composition of Invested Assets
(At Amortized Cost, in Millions)

	December 31,					
	2003	2004	2005	2006	2007	2008
Debt Securities*						
Fixed Maturities	\$ 32,085	\$ 35,865	\$ 36,389	\$ 39,841	\$ 44,906	\$ 58,257
Perpetual Debentures	7,572	8,707	8,422	8,326	8,252	9,074
Residential Mortgage Backs	220	228	259	461	644	1,068
Commercial Mortgage Backs	42	43	4	5	30	132
Asset Backed	90	82	75	121	143	104
CDOs	—	—	—	154	495	909
Total debt securities	<u>40,009</u>	<u>44,925</u>	<u>45,149</u>	<u>48,908</u>	<u>54,470</u>	<u>69,544</u>
Equity Securities	38	39	35	20	21	24
Total Portfolio	<u>\$ 40,047</u>	<u>\$ 44,964</u>	<u>\$ 45,184</u>	<u>\$ 48,928</u>	<u>\$ 54,491</u>	<u>\$ 69,568</u>

Unrealized Gains (Losses) on Investment Securities
(In Millions)

	December 31,					
	2003	2004	2005	2006	2007	2008
Available For Sale: Gains	\$ 3,560	\$ 3,604	\$ 3,033	\$ 2,358	\$ 1,977	\$ 2,049
Losses	(642)	(466)	(581)	(575)	(1,036)	(4,095)
Total AFS	<u>\$ 2,918</u>	<u>\$ 3,138</u>	<u>\$ 2,452</u>	<u>\$ 1,783</u>	<u>\$ 941</u>	<u>\$ (2,046)</u>
Held to Maturity: Gains	\$ 858	\$ 898	\$ 564	\$ 487	\$ 408	\$ 571
Losses	(231)	(292)	(513)	(567)	(1,087)	(1,923)
Total HTM	<u>\$ 627</u>	<u>\$ 606</u>	<u>\$ 51</u>	<u>\$ (80)</u>	<u>\$ (679)</u>	<u>\$ (1,352)</u>

Supplemental Investment Data by Segment

	December 31,						3 Months Ended	
	2003	2004	2005	2006	2007	2008	2007	2008
Aflac Japan:								
Invested assets (in millions)**	¥ 3,736,891	¥ 4,107,309	¥ 4,598,348	¥ 5,011,702	¥ 5,393,712	¥ 5,686,195	¥ 5,393,712	¥ 5,686,195
Return on avg. invested assets***	4.45 %	4.26 %	4.14 %	4.11 %	4.06 %	3.82 %	3.96 %	3.72 %
Portfolio yield at end of period	4.54	4.35	4.22	4.14	4.02	3.90	4.02	3.90
New money yield - yen only	3.20	2.94	2.95	3.10	3.05	3.20	2.78	3.15
New money yield - blended	3.61	3.13	3.19	3.33	3.38	3.43	2.91	3.24
Aflac U.S.:								
Invested assets (in millions)**	\$ 5,355	\$ 8,476	\$ 6,481	\$ 7,065	\$ 7,189	\$ 7,135	\$ 7,189	\$ 7,135
Return on avg. invested assets***	7.36 %	6.68 %	6.54 %	6.86 %	6.79 %	6.77 %	6.92 %	6.94 %
Portfolio yield at end of period	7.56	7.39	7.24	7.15	7.00	7.10	7.00	7.10
New money yield	6.52	6.30	6.16	6.44	6.44	7.60	6.29	9.08

* Includes perpetual debentures

** At original amortized cost

*** Net of investment expenses, year-to-date number reflected on a quarterly average basis

Aflac Incorporated and Subsidiaries

Top 30 Global Investment Positions*
(In Millions)

December 31, 2008

No.	Consolidated Group Exposure	Total Consolidated Book Value	% of Total Debt Securities	Consolidated Group Exposure Senior Rating			
				Moody's	S&P	Fitch	
1	JAPAN	\$ 10,604	15.25	%	Aa3	AA	AA-
2	ISRAEL ELECTRIC CORP LTD	901	1.30		Baa2	BBB+	-
3	TUNISIA, REPUBLIC OF	879	1.26		Baa2	BBB	BBB
4	HSBC HOLDINGS PLC	856	1.23		Aa2	AA-	AA
5	HBOS PLC	686	.99		Aa2	A+	AA
6	SOUTH AFRICA, REPUBLIC OF	674	.97		Baa1	BBB+	BBB+
7	TAKEFUJI CORP	616	.89		Baa1	BBB-	-
8	BELGIUM, KINGDOM OF (includes FORTIS)	583	.84		Aa1	AA+	AA+
9	MIZUHO FINANCIAL GROUP INC	570	.82		-	A	A+
10	UNICREDIT SPA	558	.80		Aa3	A+	A+
	BANK AUSTRIA CREDITANSTALT AG	-	-		Aa2	A+	A
	HYPOVEREINSBANK	-	-		A1	A+	A
11	SUMITOMO MITSUI FINANCIAL GROUP INC	549	.79		-	A	A+
12	COMMONWEALTH BANK OF AUSTRALIA	538	.77		Aa1	AA	AA
13	DRESDNER BANK AG (AN ALLIANZ AG MEMBER)	524	.75		Aa3	A	A+
14	DEXIA SA	511	.73		-	-	AA-
15	BANK OF TOKYO-MITSUBISHI UFJ LTD	494	.71		Aa2	A+	A+
16	ERSTE GROUP BANK AG	471	.68		Aa3	A	A
17	METLIFE INC	470	.68		A2	A	A
18	MEXICO (UNITED MEXICAN STATES)	455	.65		Baa1	BBB+	BBB+
19	INVESTCORP SA	451	.65		Baa3	BBB	BBB
20	CITIGROUP INC	444	.64		A2	A	A+
21	JP MORGAN CHASE & CO (includes BEAR STEARNS)	442	.64		Aa2	A+	AA-
22	BMW AG	439	.63		A2	A	-
23	NATIONAL GRID PLC	439	.63		Baa1	A-	BBB+
24	TELECOM ITALIA SPA	439	.63		Baa2	BBB	BBB
25	BARCLAYS BANK PLC	432	.62		Aa1	AA-	AA
26	CREDIT SUISSE GROUP	422	.61		Aa2	A	AA-
27	HUTCHISON WHAMPOA LTD (CKI HOLDINGS LTD)	421	.61		A3	A-	A-
28	SWEDBANK AB	410	.59		Aa3	A	A+
29	UNIQUE ZURICH AIRPORT	406	.58		-	BBB+	-
30	IRISH LIFE AND PERMANENT PLC	406	.58		Aa3	A-	-
30	UNION FENOSA SA	406	.58		A3	-	A
	Subtotal	\$ 26,496	38.10	%			
	TOTAL DEBT SECURITIES	\$ 69,544	100.00	%			

* Includes perpetual debentures

Aflac Incorporated and Subsidiaries

Credit Ratings on Debt Securities

(At Amortized Cost)

	December 31,					
	2003	2004	2005	2006	2007	2008
AAA	3.1 %	3.5 %	4.0 %	5.8 %	6.3 %	5.7 %
AA	31.0	32.7	33.7	35.0	44.3	39.8
A	33.9	36.2	38.9	39.4	30.7	34.1
BBB	29.2	25.8	21.1	17.2	16.8	18.6
BB or Lower	2.8	1.8	2.3	2.6	1.9	1.8
	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>

Below-Investment-Grade Holdings

(In Millions)

	December 31, 2007				December 31, 2008			
	Par Value	Amortized Cost	Fair Value	Unrealized gains (losses)	Par Value	Amortized Cost	Fair Value	Unrealized gains (losses)
Ahold Finance	\$ 310	\$ 311	\$ 272	\$ (39)	\$ *	\$ *	\$ *	\$ *
Ford Motor Credit Company	263	263	215	(48)	329	329	143	(186)
CSAV (Tollo Shipping Co.S.A.)	210	210	143	(67)	264	264	157	(107)
Bawag Capital Finance Jersey	123	123	90	(33)	154	133	88	(45)
IKB Deutsche Industriebank	*	*	*	*	143	143	47	(96)
Ford Motor Company	111	122	93	(29)	111	57	31	(26)
Beryl Finance Limited 2008-7	*	*	*	*	110	110	116	6
Glitnir Banki HF	*	*	*	*	95	—	—	—
Beryl Finance Limited 2007-14	*	*	*	*	82	53	53	—
Beryl Finance Limited 2007-15	*	*	*	*	55	43	43	—
Beryl Finance Limited 2007-5	*	*	*	*	55	44	44	—
Morgan Stanley Aces 2007-21	*	*	*	*	55	3	3	—
Landsbanki islands HF	*	*	*	*	55	—	—	—
Rinker Materials Corp	*	*	*	*	43	42	23	(19)
Morgan Stanley Aces 2007-19	*	*	*	*	30	4	4	—
Kaupthing Bank	*	*	*	*	30	—	—	—
Patrick Family Housing	4	1	1	—	*	*	*	*
Aloha Utilities Inc	2	2	1	(1)	*	*	*	*
Sprint Capital Corp	—	—	—	—	22	24	16	(8)
Academica Charter Schools Finance LLC	—	—	—	—	22	24	17	(7)
International Sec. Trading Corp.	20	—	—	—	18	—	—	—
Tiers Georgia	*	*	*	*	11	1	1	—
Total	<u>\$ 1,043</u>	<u>\$ 1,032</u>	<u>\$ 815</u>	<u>\$ (217)</u>	<u>\$ 1,684</u>	<u>\$ 1,274</u>	<u>\$ 786</u>	<u>\$ (488)</u>

* Investment grade at respective reporting date

Statements of Earnings
 (Before Management Fee)
 (Unaudited GAAP)
 (In Millions)

	<u>Years Ended December 31,</u>					<u>3 Months Ended December 31,</u>			<u>12 Months Ended December 31,</u>		
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2007</u>	<u>2008</u>	<u>%</u> <u>Change</u>	<u>2007</u>	<u>2008</u>	<u>%</u> <u>Change</u>
Revenues:											
Premiums	\$ 2,594	\$ 2,935	\$ 3,245	\$ 3,552	\$ 3,936	\$ 1,010	\$ 1,080	7.0 %	\$ 3,936	\$ 4,272	8.5 %
Net investment income	362	396	421	465	500	127	128	.7	500	505	.9
Other income and realized foreign currency translations	9	9	10	10	10	3	3		10	10	
Total revenues	<u>2,965</u>	<u>3,340</u>	<u>3,676</u>	<u>4,027</u>	<u>4,446</u>	<u>1,140</u>	<u>1,211</u>	6.2	<u>4,446</u>	<u>4,787</u>	7.7
Benefits and expenses:											
Incurred claims	1,252	1,424	1,565	1,557	1,783	468	563	20.1	1,783	2,043	14.6
Increase in future policy benefits	333	379	426	612	567	131	82	(36.8)	567	484	(14.7)
Amortization of deferred policy acquisition costs	209	245	258	290	323	88	102	15.7	323	370	14.7
General operating expenses	726	795	902	983	1,081	283	304	7.1	1,081	1,145	6.0
Total benefits and expenses	<u>2,520</u>	<u>2,843</u>	<u>3,151</u>	<u>3,442</u>	<u>3,754</u>	<u>970</u>	<u>1,051</u>	8.3	<u>3,754</u>	<u>4,042</u>	7.7
Pretax operating earnings	<u>\$ 445</u>	<u>\$ 497</u>	<u>\$ 525</u>	<u>\$ 585</u>	<u>\$ 692</u>	<u>\$ 170</u>	<u>\$ 160</u>	<u>(5.5) %</u>	<u>\$ 692</u>	<u>\$ 745</u>	<u>7.6 %</u>
Realized capital gains, net of taxes	(7)	4	(3)	6	2	(7)	(65)		2	(139)	

Balance Sheets
(Unaudited GAAP)
(In Millions)

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Assets:						
Investments and cash	\$ 5,866	\$ 9,124	\$ 7,040	\$ 7,486	\$ 7,396	\$ 6,393
Receivables, principally premiums	267	248	296	330	355	415
Accrued investment income	89	96	104	122	118	117
Deferred policy acquisition costs	1,604	1,783	1,966	2,168	2,385	2,593
Other assets	<u>140</u>	<u>142</u>	<u>141</u>	<u>143</u>	<u>161</u>	<u>161</u>
Total assets	<u>\$ 7,966</u>	<u>\$ 11,393</u>	<u>\$ 9,547</u>	<u>\$ 10,249</u>	<u>\$ 10,415</u>	<u>\$ 9,679</u>
Liabilities and Shareholders' Equity:						
Future policy benefits	\$ 2,975	\$ 3,354	\$ 3,780	\$ 4,391	\$ 4,958	\$ 5,442
Policy and contract claims	593	708	848	816	856	933
Unearned premium	103	102	104	106	109	110
Other policyholder funds	62	33	40	52	56	265
Deferred income taxes	525	533	596	642	754	238
Other liabilities	443	3,244	733	714	673	586
Shareholders' equity	<u>3,265</u>	<u>3,419</u>	<u>3,446</u>	<u>3,528</u>	<u>3,009</u>	<u>2,105</u>
Total liabilities & shareholders' equity	<u>\$ 7,966</u>	<u>\$ 11,393</u>	<u>\$ 9,547</u>	<u>\$ 10,249</u>	<u>\$ 10,415</u>	<u>\$ 9,679</u>

Amounts have been adjusted for adoption of SAB108 on January 1, 2006

Quarterly Statements of Earnings and Percentage Changes
(Unaudited GAAP – Restated to conform to current classifications)
(In Millions)

		Earned	%	Net	%	Total	%	Total	%	Amort.	%	General	%	Total	%	Pretax	%
		Prem.	Change	Invest. Income	Change	Rev.	Change	Ben.	Change		Change	Oper. Exp.	Change	Oper. Exp.	Change	Oper. Earn.	Change
2000	1	374	13.4	67	15.2	442	13.7	235	14.7	28	18.4	109	12.0	137	13.3	70	11.4
	2	377	13.0	68	14.4	447	13.3	236	13.5	31	17.2	109	12.4	139	13.4	71	12.3
	3	395	14.2	70	13.5	467	14.3	248	14.0	31	24.7	113	11.6	144	14.1	75	15.4
	4	408	17.0	72	10.0	481	16.0	250	16.1	35	13.0	122	18.1	157	16.9	74	13.8
2001	1	439	17.4	73	9.1	513	16.2	272	15.6	33	19.8	127	16.3	160	17.0	81	16.7
	2	451	19.5	75	10.4	529	18.4	277	17.3	39	26.4	128	17.8	167	19.7	85	19.6
	3	471	19.2	77	9.5	550	17.8	290	16.8	36	15.7	139	22.9	175	21.3	85	14.0
	4	483	18.4	79	9.4	563	17.1	294	17.7	42	20.0	134	10.4	176	12.6	93	24.4
2002	1	524	19.5	80	9.3	606	18.0	320	17.8	42	26.8	154	19.1	196	20.7	90	13.5
	2	544	20.5	81	8.6	627	18.6	336	21.4	43	11.6	152	17.3	195	16.0	96	14.8
	3	568	20.5	84	9.4	654	19.0	350	20.8	42	17.5	164	16.8	206	17.0	98	17.2
	4	586	21.3	86	9.4	674	19.6	353	20.0	49	16.8	162	19.0	211	18.5	110	20.7
2003	1	624	19.0	88	9.9	714	17.8	383	19.8	50	18.9	175	14.2	225	15.2	106	16.6
	2	637	17.2	87	7.1	727	15.9	389	15.7	51	18.0	184	21.1	234	20.4	103	7.2
	3	660	16.3	92	9.4	755	15.3	403	15.3	48	14.7	189	14.1	236	14.2	115	17.6
	4	673	14.9	95	10.7	771	14.3	410	16.2	60	21.9	179	10.6	239	13.2	122	10.6
2004	1	710	13.9	97	10.6	810	13.4	435	13.5	59	18.0	194	11.2	253	12.7	121	14.7
	2	726	14.0	98	12.7	827	13.8	446	14.7	61	19.5	200	8.6	261	11.0	120	17.2
	3	745	12.8	100	8.4	847	12.3	459	13.9	59	22.8	202	7.5	261	10.6	127	10.1
	4	753	11.9	101	6.1	857	11.2	463	12.8	66	10.0	199	11.3	265	10.9	129	6.0
2005	1	787	10.7	102	5.2	891	10.1	480	10.2	64	8.7	214	10.3	278	9.9	133	9.7
	2	803	10.6	104	6.2	910	10.0	494	10.8	62	1.2	224	12.1	286	9.6	130	8.3
	3	820	10.1	107	7.4	929	9.7	508	10.6	60	1.3	228	12.9	288	10.3	133	5.1
	4	835	10.8	108	7.1	945	10.3	509	10.0	72	9.6	235	18.3	307	16.1	129	(.3)
2006	1	866	10.1	110	8.3	980	10.0	523	9.0	75	16.3	235	10.0	310	11.3	147	10.4
	2	878	9.3	115	10.0	994	9.2	527	6.7	70	13.6	247	9.8	317	10.5	150	15.1
	3	898	9.5	120	12.1	1,021	9.8	545	7.3	68	12.4	246	7.8	314	8.6	162	21.7
	4	910	9.0	120	11.0	1,033	9.3	574	12.7	77	7.5	256	8.4	333	8.2	126	(1.8)
2007	1	961	10.9	122	10.3	1,085	10.7	572	9.3	80	7.4	264	12.1	344	11.0	169	15.4
	2	972	10.7	124	8.4	1,099	10.6	584	10.8	79	11.8	265	7.6	344	8.5	171	14.1
	3	993	10.7	127	5.4	1,122	10.0	596	9.3	76	12.1	268	9.3	344	9.9	182	12.3
	4	1,010	10.9	127	6.2	1,140	10.4	599	4.4	88	14.3	283	11.1	371	11.8	170	34.2
2008	1	1,050	9.3	123	1.3	1,176	8.4	616	7.8	95	18.4	274	3.8	369	7.2	191	12.6
	2	1,064	9.5	125	.1	1,191	8.4	628	7.6	85	8.2	288	8.5	373	8.4	190	11.1
	3	1,078	8.5	129	1.7	1,209	7.8	637	6.9	88	16.4	280	4.4	368	7.0	204	11.9
	4	1,080	7.0	128	.7	1,211	6.2	645	7.7	102	15.7	304	7.1	406	9.1	160	(5.5)

Adjusted to reflect SFAS No. 123R beginning in 2002; percentage changes beginning in 2003

Operating Ratios
(Before Management Fee)

	<u>Period</u>	<u>Premium Persistence Rate</u>	<u>Incurred Claims/ Total Rev.</u>	<u>Tot. Ben./ Total Revenues</u>	<u>Amort./ Premium</u>	<u>Tot. Oper. Expenses/ Total Rev.</u>	<u>Combined Ratio/ Total Rev.</u>	<u>Pretax Profit Margin</u>
	1999	76.3 %	41.4 %	52.6 %	7.8 %	31.4 %	84.0 %	16.0 %
	2000	74.8	41.2	52.8	8.0	31.4	84.2	15.8
	2001	74.0	41.2	52.5	8.1	31.5	84.0	16.0
	2002	74.6	41.9	53.1	7.9	31.5	84.6	15.4
	2003	74.0	42.2	53.5	8.1	31.5	85.0	15.0
	2004	73.7	42.6	54.0	8.4	31.1	85.1	14.9
	2005	74.4	42.6	54.2	8.0	31.5	85.7	14.3
	2006	73.9	38.7	53.9	8.2	31.6	85.5	14.5
	2007	73.9	40.1	52.9	8.2	31.5	84.4	15.6
	2008	73.2	42.7	52.8	8.7	31.6	84.4	15.6
2005	1	73.2	41.4	53.9	8.2	31.2	85.1	14.9
	2	74.1	43.4	54.2	7.7	31.5	85.7	14.3
	3	74.8	43.0	54.7	7.3	30.9	85.6	14.4
	4	74.4	42.4	53.9	8.6	32.5	86.4	13.6
2006	1	72.5	42.5	53.4	8.6	31.6	85.0	15.0
	2	73.4	41.7	53.0	8.0	31.9	84.9	15.1
	3	73.9	42.0	53.4	7.5	30.7	84.1	15.9
	4	73.9	28.8	55.6	8.5	32.2	87.8	12.2
2007	1	73.0	37.2	52.7	8.3	31.7	84.4	15.6
	2	73.4	40.9	53.1	8.1	31.3	84.4	15.6
	3	73.8	41.2	53.1	7.6	30.6	83.7	16.3
	4	73.9	41.1	52.5	8.7	32.6	85.1	14.9
2008	1	71.9	40.1	52.4	9.0	31.4	83.8	16.2
	2	73.1	40.6	52.8	8.0	31.3	84.1	15.9
	3	73.5	43.5	52.7	8.2	30.4	83.1	16.9
	4	73.2	46.5	53.3	9.4	33.5	86.8	13.2

Annual percentages adjusted to reflect SFAS No. 123R beginning in 2002; quarterly percentage changes beginning in 2003

Aflac U.S. Sales Results
(In Millions)

	<u>Period</u>	<u>Annl. Prem. In Force</u>	<u>% Change</u>	<u>New Annl. Prem. Sales</u>	<u>% Change</u>	<u>Convers. Prem.</u>	<u>Total New Prem.</u>	<u>% Change</u>
	1999	\$ 1,592	14.3 %	\$ 544	16.0 %	\$ 11	\$ 555	15.1 %
	2000	1,861	16.9	701	28.8	11	712	28.3
	2001	2,238	20.3	908	29.5	11	919	29.1
	2002	2,674	19.5	1,059	16.6	11	1,070	16.4
	2003	3,043	13.8	1,111	4.9	17	1,128	5.4
	2004	3,374	10.9	1,156	4.0	30	1,186	5.1
	2005	3,711	10.0	1,235	6.8	24	1,259	6.1
	2006	4,101	10.5	1,395	13.0	28	1,423	13.1
	2007	4,510	10.0	1,522	9.1	36	1,558	9.5
	2008	4,789	6.2	1,518	(.2)	33	1,551	(.4)
2004	1	3,117	14.1	278	10.2	14	292	13.8
	2	3,190	13.2	275	5.2	6	281	6.4
	3	3,251	12.0	265	2.1	5	270	2.7
	4	3,374	10.9	339	—	4	343	(.5)
2005	1	3,421	9.8	275	(1.0)	11	286	(2.1)
	2	3,506	9.9	302	9.9	5	307	9.2
	3	3,585	10.3	292	10.6	5	297	10.0
	4	3,711	10.0	365	7.7	4	369	7.5
2006	1	3,759	9.9	306	11.4	12	318	11.4
	2	3,836	9.4	321	6.2	6	327	6.3
	3	3,919	9.3	326	11.4	6	332	11.7
	4	4,101	10.5	442	21.0	5	447	21.2
2007	1	4,160	10.7	339	10.6	13	352	10.6
	2	4,241	10.6	359	11.9	6	365	11.8
	3	4,332	10.5	363	11.3	5	368	11.0
	4	4,510	10.0	461	4.3	12	473	5.9
2008	1	4,539	9.1	346	2.1	7	353	.4
	2	4,617	8.9	375	4.4	8	383	4.9
	3	4,680	8.0	361	(.3)	8	369	.1
	4	4,789	6.2	436	(5.5)	10	446	(5.6)

Aflac U.S. Product Mix
(New Annualized Premium Sales, in Millions)

	<u>Accident/ STD</u>	<u>% of Total</u>	<u>Cancer</u>	<u>% of Total</u>	<u>HIP</u>	<u>% of Total</u>	<u>Dental</u>	<u>% of Total</u>	<u>Other</u>	<u>% of Total</u>
2003	\$ 581	51.5 %	\$ 229	20.3 %	\$ 125	11.1 %	\$ 74	6.6 %	\$ 119	10.5 %
2004	614	51.8	236	19.9	131	11.0	83	7.0	122	10.3
2005	647	51.4	233	18.5	140	11.1	97	7.7	142	11.3
2006	740	52.0	249	17.5	177	12.4	91	6.4	166	11.7
2007	792	50.8	277	17.7	212	13.6	90	5.8	187	12.1
2008	754	48.6	288	18.6	241	15.5	84	5.4	184	11.9
2006 1	165	51.9	55	17.2	39	12.3	23	7.1	36	11.5
2	170	51.9	54	16.5	41	12.5	23	7.0	39	12.1
3	171	51.6	54	16.2	43	12.9	23	6.8	41	12.5
4	234	52.3	86	19.3	54	12.1	23	5.2	50	11.1
2007 1	181	51.6	58	16.4	46	13.1	22	6.1	45	12.8
2	190	52.0	58	16.0	49	13.5	23	6.2	45	12.3
3	189	51.3	61	16.5	52	14.0	23	6.1	43	12.1
4	232	49.0	100	21.1	65	13.8	22	4.9	54	11.2
2008 1	175	49.6	62	17.7	52	14.9	21	5.9	43	11.9
2	187	48.9	68	17.8	60	15.6	22	5.7	46	12.0
3	179	48.7	64	17.5	59	16.1	21	5.7	46	12.0
4	212	47.5	93	20.9	69	15.6	20	4.5	52	11.5

Aflac U.S. Sales Force Data

	<u>Recruited Agents</u>	<u>% Increase</u>	<u>Licensed Sales Associates</u>	<u>% Increase</u>	<u>Weekly Average Producers</u>	<u>% Increase</u>
2003	23,079	2.2 %	57,493	8.2 %	9,269	1.5 %
2004	22,407	(2.9)	58,992	2.6	9,656	4.2
2005	24,209	8.0	63,008	6.8	9,712	0.6
2006	26,108	7.8	68,394	8.5	10,330	6.4
2007	24,247	(7.1)	71,258	4.2	10,945	6.0
2008	25,755	6.2	74,390	4.4	11,232	2.6
2007 1	5,963	(11.0)	69,067	9.1	10,844	6.8
2	6,519	(3.8)	70,719	9.5	10,621	6.7
3	6,174	(5.8)	70,742	5.4	10,695	5.0
4	5,591	(8.0)	71,258	4.2	11,621	5.4
2008 1	6,478	8.6	72,475	4.9	10,862	.2
2	6,794	4.2	73,483	3.9	11,285	6.3
3	6,476	4.9	74,108	4.8	11,092	3.7
4	6,007	7.4	74,390	4.4	11,687	.6

Statements of Earnings
(Unaudited GAAP – Yen in Millions)
(Before Management Fee)

	Years Ended December 31,					3 Months Ended December 31,			12 Months Ended December 31,		
	2003	2004	2005	2006	2007	2007	2008	% Change	2007	2008	% Change
Revenues:											
Premiums	¥ 848,127	¥ 905,157	¥ 962,553	¥ 1,019,506	¥ 1,063,700	¥ 269,937	¥ 278,952	3.3 %	¥ 1,063,700	¥ 1,101,233	3.5 %
Net investment income:											
Yen denominated	116,214	117,616	122,220	123,821	129,740	32,869	34,444	4.8	129,740	135,366	4.3
US\$ denominated	48,397	50,830	57,962	72,614	82,337	19,878	18,022	(9.3)	82,337	76,618	(6.9)
Total investment income	164,611	168,446	180,182	196,435	212,077	52,747	52,466	(.5)	212,077	211,984	-
Other income and realized foreign currency translations	2,108	1,993	3,393	2,899	3,180	1,067	(353)		3,180	1,516	
Total revenues	1,014,846	1,075,596	1,146,128	1,218,840	1,278,957	323,751	331,065	2.3	1,278,957	1,314,733	2.8
Benefits and expenses:											
Incurred claims	449,960	464,024	488,555	478,183	509,776	125,986	146,277	16.1	509,776	565,218	10.9
Increase in future policy benefits	237,995	258,401	270,646	318,542	306,518	81,281	64,121	(21.1)	306,518	256,964	(16.2)
Amortization of deferred policy acquisition costs	29,575	29,661	31,252	33,127	37,332	10,465	11,059	5.7	37,332	41,632	11.5
General operating expenses	167,165	174,235	189,233	196,864	210,584	57,609	55,561	(3.6)	210,584	218,131	3.6
Total benefits and expenses	884,695	926,321	979,686	1,026,716	1,064,210	275,341	277,018	.6	1,064,210	1,081,945	1.7
 Pretax operating earnings	 ¥ <u>130,151</u>	 ¥ <u>149,275</u>	 ¥ <u>166,442</u>	 ¥ <u>192,124</u>	 ¥ <u>214,747</u>	 ¥ <u>48,410</u>	 ¥ <u>54,047</u>	 11.6 %	 ¥ <u>214,747</u>	 ¥ <u>232,788</u>	 8.4 %
 Realized capital gains, net of taxes	 <u>(19,842)</u>	 <u>(1,121)</u>	 <u>19,253</u>	 <u>5,081</u>	 <u>1,830</u>	 <u>707</u>	 <u>(17,942)</u>		 <u>1,830</u>	 <u>(52,777)</u>	

Statements of Earnings
(Unaudited GAAP – Dollars in Millions)
(Before Management Fee)

	Years Ended December 31,					3 Months Ended December 31,			12 Months Ended December 31,		
	2003	2004	2005	2006	2007	2007	2008	%	2007	2008	%
Revenues:											
Premiums	\$ 7,326	\$ 8,368	\$ 8,745	\$ 8,762	\$ 9,037	\$ 2,386	\$ 2,901	21.6 %	\$ 9,037	\$ 10,674	18.1 %
Net investment income											
Yen denominated	1,003	1,087	1,111	1,064	1,102	290	358	23.4	1,102	1,312	19.1
US\$ denominated	418	470	524	624	699	176	188	6.6	699	741	6.0
Total investment income	1,421	1,557	1,635	1,688	1,801	466	546	17.1	1,801	2,053	14.0
Other income and realized foreign currency translations	18	18	31	25	27	9	(4)		27	15	
Total revenues	8,765	9,943	10,411	10,475	10,865	2,861	3,443	20.3	10,865	12,742	17.3
Benefits and expenses:											
Incurred claims	3,883	4,289	4,440	4,111	4,325	1,113	1,518	36.4	4,325	5,477	26.7
Increase in future policy benefits	2,060	2,390	2,458	2,736	2,610	719	672	(6.6)	2,610	2,495	(4.4)
Amortization of deferred policy acquisition costs	255	274	284	285	318	93	115	24.4	318	404	27.3
Operating expenses	1,445	1,611	1,714	1,691	1,791	509	578	13.6	1,791	2,116	18.1
Total benefits and expenses	7,643	8,564	8,896	8,823	9,044	2,434	2,883	18.5	9,044	10,492	16.0
Pretax operating earnings	\$ 1,122	\$ 1,379	\$ 1,515	\$ 1,652	\$ 1,821	\$ 428	\$ 560	30.9 %	\$ 1,821	\$ 2,250	23.6 %
Realized capital gains, net of taxes	(184)	(10)	170	44	16	6	(196)		16	(513)	

Balance Sheets
(Unaudited GAAP – Yen in Millions)

	December 31,					
	2003	2004	2005	2006	2007	2008
Assets:						
Investments and cash	¥ 4,060,588	¥ 4,431,441	¥ 4,887,987	¥ 5,221,871	¥ 5,535,964	¥ 5,622,544
Receivables, principally premiums	31,128	19,061	34,995	26,375	45,037	48,004
Accrued investment income	39,306	41,472	44,687	49,151	50,316	48,364
Deferred policy acquisition costs	368,535	397,261	427,894	459,404	487,363	513,723
Other assets	69,937	66,588	59,215	61,758	62,872	61,286
 Total assets	 ¥ 4,569,494	 ¥ 4,955,823	 ¥ 5,454,778	 ¥ 5,818,559	 ¥ 6,181,552	 ¥ 6,293,921
 Liabilities and Shareholders' Equity:						
Future policy benefits	¥ 3,493,717	¥ 3,752,099	¥ 4,022,749	¥ 4,341,223	¥ 4,647,594	¥ 4,903,439
Policy and contract claims	162,996	171,550	195,597	187,495	182,563	198,856
Unearned premiums	44,323	51,130	57,920	64,147	66,679	69,581
Other policyholder funds	102,718	126,523	157,937	180,160	205,026	241,346
Income taxes (prim. deferred)	168,121	203,271	229,928	215,319	210,508	109,385
Other liabilities	98,159	90,311	141,923	141,515	174,370	230,217
Shareholders' equity	499,460	560,939	648,724	688,700	694,812	541,097
 Total liabilities & shareholders' equity	 ¥ 4,569,494	 ¥ 4,955,823	 ¥ 5,454,778	 ¥ 5,818,559	 ¥ 6,181,552	 ¥ 6,293,921

Balance Sheets
(Unaudited GAAP – Dollars in Millions)

	December 31,					
	2003	2004	2005	2006	2007	2008
Assets:						
Investments and cash	\$ 37,903	\$ 42,524	\$ 41,399	\$ 43,841	\$ 48,497	\$ 61,766
Receivables, principally premiums	291	183	296	221	395	527
Accrued investment income	367	398	378	413	441	531
Deferred policy acquisition costs	3,440	3,812	3,624	3,857	4,269	5,643
Other assets	653	639	503	518	551	674
 Total assets	\$ 42,654	\$ 47,556	\$ 46,200	\$ 48,850	\$ 54,153	\$ 69,141
 Liabilities and Shareholders' Equity:						
Future policy benefits	\$ 32,612	\$ 36,005	\$ 34,071	\$ 36,447	\$ 40,715	\$ 53,866
Policy and contract claims	1,521	1,646	1,657	1,574	1,599	2,185
Unearned premiums	414	491	491	539	584	764
Other policyholder liabilities	959	1,214	1,338	1,513	1,796	2,651
Income taxes (prim. deferred)	1,570	1,950	1,947	1,808	1,844	1,202
Other liabilities	916	867	1,202	1,187	1,528	2,529
Shareholders' equity	4,662	5,383	5,494	5,782	6,087	5,944
 Total liabilities & shareholders' equity	\$ 42,654	\$ 47,556	\$ 46,200	\$ 48,850	\$ 54,153	\$ 69,141

Quarterly Statements of Earnings and Percentage Changes
(Unaudited GAAP – Yen in Millions)

		Earned	%	Net	%	Total	%	Total	%	Amort.	%	General	%	Total	%	Pretax	%
		Premiums	Change	Investment	Change	Revenues	Change	Benefits	Change		Change	Operating	Change	Operating	Change	Oper.	Change
				Income								Expense		Expense		Earn.	
2000	1	176,207	8.1	32,761	7.4	208,994	8.0	148,199	6.4	4,462	13.7	36,186	13.7	40,648	13.7	20,147	9.1
	2	178,487	7.5	33,568	5.8	212,631	7.4	150,553	6.1	4,890	8.4	36,788	10.9	41,678	10.6	20,400	10.8
	3	181,093	5.9	34,439	8.6	215,679	6.3	153,346	5.1	4,870	14.8	36,495	8.8	41,365	9.5	20,968	9.0
	4	183,221	6.0	34,949	7.9	218,149	6.2	155,244	5.5	4,953	8.3	36,553	2.0	41,506	2.7	21,399	20.9
2001	1	185,568	5.3	36,019	9.9	221,531	6.0	155,271	4.8	5,471	22.6	36,745	1.5	42,216	3.9	24,044	19.3
	2	187,613	5.1	37,284	11.1	225,098	5.9	156,152	3.7	5,600	14.5	38,655	5.1	44,255	6.2	24,691	21.0
	3	190,307	5.1	37,903	10.1	228,310	5.9	157,737	2.9	5,288	8.6	39,609	8.5	44,897	8.5	25,676	22.5
	4	192,108	4.9	38,707	10.8	230,766	5.8	159,250	2.6	5,296	6.9	40,610	11.1	45,906	10.6	25,610	19.7
2002	1	195,276	5.2	39,784	10.5	234,806	6.0	160,780	3.5	6,253	14.3	39,278	4.8	45,531	6.0	28,495	21.7
	2	197,203	5.1	39,878	7.0	237,332	5.4	161,727	3.6	6,694	19.5	39,977	1.4	46,671	3.7	28,934	20.4
	3	200,982	5.6	39,502	4.2	240,533	5.4	165,145	4.7	6,766	28.0	40,636	.5	47,402	3.7	27,986	12.2
	4	203,540	6.0	40,527	4.7	244,063	5.8	166,398	4.5	6,377	20.4	42,489	2.7	48,866	4.7	28,799	15.5
2003	1	207,894	6.5	40,594	2.0	249,143	6.1	168,486	4.8	7,429	18.8	39,967	1.8	47,396	4.1	33,262	16.7
	2	209,745	6.4	41,220	3.4	251,551	6.0	170,470	5.4	7,594	13.4	40,691	1.8	48,285	3.5	32,796	13.3
	3	213,693	6.3	41,759	5.7	256,087	6.5	172,722	4.6	7,590	12.2	43,673	7.5	51,263	8.1	32,102	14.7
	4	216,794	6.5	41,037	1.3	258,064	5.7	176,277	5.9	6,962	9.2	42,834	.8	49,796	1.9	31,991	11.1
2004	1	221,283	6.4	40,342	(.6)	262,062	5.2	176,207	4.6	7,656	3.1	41,780	4.5	49,436	4.3	36,419	9.5
	2	224,011	6.8	42,206	2.4	266,636	6.0	177,997	4.4	7,248	(4.6)	44,136	8.5	51,384	6.4	37,254	13.6
	3	228,387	6.9	42,880	2.7	271,764	6.1	183,076	6.0	7,195	(5.2)	43,445	(.5)	50,639	(1.2)	38,049	18.5
	4	231,477	6.8	43,018	4.8	275,134	6.6	185,145	5.0	7,562	8.6	44,873	4.8	52,435	5.3	37,554	17.4
2005	1	235,596	6.5	42,935	6.4	279,283	6.6	186,718	6.0	7,583	(1.0)	43,269	4.9	50,852	2.9	41,713	14.5
	2	238,728	6.6	44,321	5.0	283,896	6.5	186,860	5.0	7,716	6.5	47,625	7.9	55,341	7.7	41,695	11.9
	3	242,260	6.1	45,572	6.3	288,658	6.2	192,244	5.0	7,654	6.4	45,176	4.0	52,830	4.3	43,584	14.5
	4	245,970	6.3	47,354	10.1	294,292	7.0	193,378	4.4	8,299	9.7	53,165	18.5	61,464	17.2	39,450	5.0
2006	1	250,138	6.2	47,734	11.2	298,568	6.9	193,938	3.9	8,140	7.3	46,763	8.1	54,903	8.0	49,727	19.2
	2	253,486	6.2	48,314	9.0	302,422	6.5	196,410	5.1	8,353	8.3	48,241	1.3	56,594	2.3	49,418	18.5
	3	256,254	5.8	49,954	9.6	307,264	6.4	202,960	5.6	8,106	5.9	48,958	8.4	57,064	8.0	47,240	8.4
	4	259,628	5.6	50,433	6.5	310,586	5.5	203,416	5.2	8,529	2.8	52,902	(.5)	61,431	(.1)	45,739	15.9
2007	1	262,347	4.9	52,108	9.2	315,528	5.7	201,522	3.9	8,859	8.8	49,574	6.0	58,433	6.4	55,573	11.8
	2	264,454	4.3	53,427	10.6	319,057	5.5	203,130	3.4	9,166	9.7	51,104	5.9	60,270	6.5	55,657	12.6
	3	266,961	4.2	53,795	7.7	320,621	4.3	204,375	.7	8,841	9.1	52,298	6.8	61,139	7.1	55,107	16.7
	4	269,937	4.0	52,747	4.6	323,751	4.2	207,267	1.9	10,465	22.7	57,609	8.9	68,074	10.8	48,410	5.8
2008	1	271,920	3.6	52,187	.2	323,989	2.7	202,316	.4	10,132	14.4	53,320	7.6	63,452	8.6	58,221	4.8
	2	273,872	3.6	53,077	(.7)	328,427	2.9	203,421	.1	10,407	13.5	54,766	7.2	65,173	8.1	59,833	7.5
	3	276,489	3.6	54,254	.9	331,252	3.3	206,046	.8	10,034	13.5	54,486	4.2	64,520	5.5	60,686	10.1
	4	278,952	3.3	52,466	(.5)	331,065	2.3	210,398	1.5	11,059	5.7	55,561	(3.6)	66,620	(2.1)	54,047	11.6

Adjusted to reflect SFAS No. 123R beginning in 2002; percentage changes in 2003

Operating Ratios
(Before Management Fee)

<u>Period</u>	<u>Premium Persistency Rate</u>	<u>Incurred Claims/ Total Rev.</u>	<u>Tot. Ben./ Total Revenues</u>	<u>Amort./ Premium</u>	<u>Tot. Oper. Expenses/ Total Rev.</u>	<u>Combined Ratio/ Total Rev.</u>	<u>Pretax Profit Margin</u>	
1999	95.3 %	41.0 %	71.8 %	2.6 %	19.0 %	90.8 %	9.2 %	
2000	95.1	43.3	71.0	2.7	19.3	90.3	9.7	
2001	94.7	41.9	69.4	2.9	19.6	89.0	11.0	
2002	94.2	41.8	68.4	3.3	19.7	88.1	11.9	
2003	94.2	44.3	67.8	3.5	19.4	87.2	12.8	
2004	94.5	43.1	67.2	3.3	18.9	86.1	13.9	
2005	94.7	42.6	66.2	3.2	19.3	85.5	14.5	
2006	94.7	39.2	65.4	3.2	18.8	84.2	15.8	
2007	94.7	39.9	63.8	3.5	19.4	83.2	16.8	
2008	94.5	43.0	62.5	3.8	19.8	82.3	17.7	
2005	1	94.7	43.9	66.9	3.2	18.2	85.1	14.9
	2	94.8	42.1	65.8	3.2	19.5	85.3	14.7
	3	94.8	42.4	66.6	3.2	18.3	84.9	15.1
	4	94.7	42.1	65.7	3.4	20.9	86.6	13.4
2006	1	94.7	41.0	65.0	3.3	18.3	83.3	16.7
	2	94.6	40.3	64.9	3.3	18.8	83.7	16.3
	3	94.7	40.5	66.1	3.2	18.5	84.6	15.4
	4	94.7	35.2	65.5	3.3	19.8	85.3	14.7
2007	1	94.8	41.7	63.9	3.4	18.5	82.4	17.6
	2	94.7	40.6	63.7	3.5	18.9	82.6	17.4
	3	94.8	38.2	63.7	3.3	19.1	82.8	17.2
	4	94.7	38.9	64.0	3.9	21.0	85.0	15.0
2008	1	94.4	42.4	62.4	3.7	19.6	82.0	18.0
	2	94.5	42.0	61.9	3.8	19.9	81.8	18.2
	3	94.6	43.3	62.2	3.6	19.5	81.7	18.3
	4	94.5	44.2	63.6	4.0	20.1	83.7	16.3

Adjusted to reflect SFAS No. 123R beginning in 2002

Aflac Japan Sales Results
(Yen In Millions)

<u>Period</u>	<u>Annl. Prem. In Force (Billions)</u>	<u>% Change</u>	<u>New Annl. Prem. Sales</u>	<u>% Change</u>	<u>Convers. Prem.</u>	<u>Total New Premium</u>	<u>% Change</u>	
1999	¥ 696.6	8.7 %	¥ 86,567	15.6 %	¥ 476	¥ 87,043	15.4 %	
2000	740.4	6.3	99,453	14.9	302	99,755	14.6	
2001	782.2	5.6	91,704	(7.8)	161	91,865	(7.9)	
2002	834.4	6.7	96,208	4.9	12,112	108,320	17.9	
2003	900.3	7.9	113,203	17.7	7,967	121,170	11.9	
2004	961.9	6.8	116,507	2.9	6,018	122,525	1.1	
2005	1,027.8	6.8	124,846	7.2	3,938	128,784	5.1	
2006	1,083.1	5.4	114,654	(8.2)	2,801	117,455	(8.8)	
2007	1,125.6	3.9	113,114	(1.3)	1,522	114,636	(2.4)	
2008	1,161.7	3.2	113,399	0.3	1,293	114,692	-	
2004	1	914.8	6.9	27,354	7.8	975	28,329	4.7
	2	928.5	7.0	29,953	(.4)	2,237	32,190	(2.3)
	3	946.8	6.8	27,838	.4	800	28,638	(2.9)
	4	961.9	6.8	31,362	4.4	2,006	33,368	5.3
2005	1	978.1	6.9	29,197	6.7	634	29,831	5.3
	2	992.6	6.9	31,760	6.0	802	32,562	1.2
	3	1,010.7	6.7	30,197	8.5	784	30,981	8.2
	4	1,027.8	6.8	33,692	7.4	1,717	35,409	6.1
2006	1	1,043.9	6.7	28,286	(3.1)	1,154	29,440	(1.3)
	2	1,057.0	6.5	30,550	(3.8)	651	31,201	(4.2)
	3	1,070.7	5.9	26,943	(10.8)	340	27,283	(11.9)
	4	1,083.1	5.4	28,875	(14.3)	656	29,531	(16.6)
2007	1	1,093.7	4.8	25,849	(8.6)	457	26,306	(10.6)
	2	1,102.9	4.3	29,853	(2.3)	270	30,123	(3.5)
	3	1,116.9	4.3	27,496	2.1	397	27,893	2.2
	4	1,125.6	3.9	29,916	3.6	399	30,315	2.7
2008	1	1,133.9	3.7	27,280	5.5	337	27,617	5.0
	2	1,143.1	3.6	28,316	(5.1)	334	28,650	(4.9)
	3	1,153.6	3.3	27,843	1.3	304	28,147	.9
	4	1,161.7	3.2	29,960	.1	317	30,277	(.1)

Aflac Japan

Aflac Japan Product Mix (New Annualized Premium Sales, Yen in Billions)

		<u>Cancer</u>	<u>% of Total</u>	<u>Rider MAX</u>	<u>% of Total</u>	<u>Medical</u>	<u>% of Total</u>	<u>Life Insurance</u>	<u>% of Total</u>	<u>Other</u>	<u>% of Total</u>
2004	¥	28.5	23.3 %	¥ 24.2	19.7 %	¥ 37.8	30.9 %	¥ 22.9	18.7 %	¥ 9.1	7.4 %
2005		33.1	25.7	14.4	11.2	48.1	37.3	23.5	18.2	9.7	7.6
2006		33.3	28.4	11.3	9.6	39.0	33.2	27.5	23.4	6.4	5.4
2007		37.6	32.8	8.2	7.1	37.6	32.8	25.6	22.3	5.6	5.0
2008		39.0	34.0	5.4	4.7	38.6	33.7	26.2	22.8	5.5	4.8
2006	1	7.7	26.3	3.0	10.3	10.0	34.0	7.0	23.7	1.7	5.7
	2	8.9	28.5	2.8	9.1	10.2	32.8	7.7	24.8	1.6	4.8
	3	7.5	27.4	2.6	9.4	9.6	35.3	6.2	22.6	1.4	5.3
	4	9.2	31.2	2.9	9.7	9.2	31.1	6.6	22.4	1.6	5.6
2007	1	8.6	32.5	2.3	8.6	8.4	31.9	5.6	21.2	1.4	5.8
	2	10.9	36.2	2.1	7.2	8.9	29.4	6.9	22.9	1.3	4.3
	3	9.1	32.7	1.9	6.9	9.6	34.4	6.1	21.8	1.2	4.2
	4	9.1	29.9	1.8	5.9	10.7	35.3	7.0	23.1	1.7	5.8
2008	1	8.8	31.8	1.5	5.3	9.9	35.8	6.2	22.4	1.3	4.7
	2	9.7	33.8	1.4	4.8	9.6	33.6	6.5	22.6	1.4	5.2
	3	9.6	34.1	1.3	4.8	9.5	33.8	6.3	22.5	1.4	4.8
	4	10.9	36.0	1.2	4.1	9.6	31.7	7.2	23.7	1.4	4.5

Aflac Japan Sales Force Data

Number of Agencies by Type

	<u>Individual/ Independent Corporate</u>	<u>Affiliated Corporate</u>	<u>Total</u>
2004	14,282	2,128	16,410
2005	15,828	2,132	17,960
2006	16,254	2,178	18,432
2007	16,256	2,205	18,461
2008	16,640	2,242	18,882

Sales Contribution by Agency Type

	<u>Individual/ Independent Corporate</u>	<u>Affiliated Corporate</u>	<u>Dai-ichi</u>	<u>Bank</u>	<u>Licensed Sales Associates</u>	<u>Recruited Agencies</u>				
2004	57.0 %	35.7 %	7.3 %	%	71,356	4,164				
2005	56.7	35.2	8.1		81,751	4,388				
2006	58.2	33.2	8.6		90,226	3,463				
2007	56.2	35.6	8.2		100,810	3,195				
2008	55.0	35.5	6.7	2.8	107,458	3,944				
2007	1	16,177	2,185	18,362	56.3	33.6	10.1		94,006	671
	2	16,246	2,185	18,431	54.1	39.0	6.9		95,826	818
	3	16,375	2,198	18,573	57.0	34.7	8.3		101,171	774
	4	16,256	2,205	18,461	57.2	34.9	7.9		100,810	932
2008	1	16,273	2,219	18,492	55.2	35.2	8.6	1.0	101,817	771
	2	16,528	2,240	18,768	56.7	35.2	5.7	2.4	104,200	1,338
	3	16,702	2,245	18,947	53.6	35.6	6.2	4.6	106,651	877
	4	16,640	2,242	18,882	54.4	36.0	6.4	3.2	107,458	958

**Yen/Dollar Exchange Rates
1992 - 2006
(By Quarter)**

		<u>Closing Rate</u>	<u>Yearly Cum Avg</u>			<u>Closing Rate</u>	<u>Yearly Cum Avg</u>			<u>Closing Rate</u>	<u>Yearly Cum Avg</u>			<u>Closing Rate</u>	<u>Yearly Cum Avg</u>				
1992	1	132.85	128.43	1995	1	89.35	96.32	1998	1	132.10	128.09	2001	1	123.90	118.14	2004	1	105.69	107.32
	2	125.45	129.40		2	84.65	90.39		2	141.00	131.90		2	124.60	120.43		2	108.43	108.52
	3	118.80	127.91		3	99.10	91.62		3	135.50	134.57		3	119.40	120.86		3	111.05	109.00
	4	124.70	126.67		4	102.95	94.10		4	115.70	130.89		4	131.95	121.54		4	104.21	108.26
1993	1	116.30	121.09	1996	1	106.35	105.84	1999	1	120.55	116.58	2002	1	133.25	132.69	2005	1	107.39	104.50
	2	106.65	115.55		2	109.50	106.75		2	121.10	118.80		2	119.45	129.77		2	110.62	106.04
	3	105.15	112.23		3	111.00	107.50		3	106.95	117.09		3	122.60	126.03		3	113.19	107.79
	4	112.00	111.21		4	116.10	108.84		4	102.40	113.96		4	119.90	125.15		4	118.07	109.88
1994	1	103.15	107.65	1997	1	124.10	121.28	2000	1	106.15	107.13	2003	1	120.20	118.93	2006	1	117.47	116.90
	2	98.80	105.54		2	114.35	120.48		2	105.50	106.91		2	119.80	118.71		2	115.24	115.65
	3	98.45	103.39		3	121.10	119.64		3	108.00	107.16		3	111.25	118.39		3	117.90	115.82
	4	99.85	102.26		4	130.10	121.07		4	114.75	107.83		4	107.13	115.95		4	119.11	116.31

**Yen/Dollar Exchange Rates
2007 - 2008
(By Quarter)**

		<u>Qtr End</u>	<u>Qtr Avg</u>	<u>Yearly Cum Avg</u>	<u>% change Cum Avg Yen vs.06</u>			<u>Qtr End</u>	<u>Qtr Avg</u>	<u>Yearly Cum Avg</u>	<u>% change Cum Avg Yen vs.07</u>
2007	1	118.05	119.48	119.48	(2.2) %	2008	1	100.19	105.06	105.06	13.7 %
	2	123.26	120.78	120.13	(3.7)		2	106.42	104.50	104.77	14.7
	3	115.43	117.88	119.37	(3.0)		3	103.57	107.70	105.75	12.9
	4	114.15	113.24	117.93	(1.4)		4	91.03	96.55	103.46	14.0