

Financial Analysts Briefing Supplement Second Quarter 2009

To keep you updated on the progress and outlook of Aflac Incorporated, we are enclosing a Second 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.

On January 1, 2009, the company early adopted the FASB Staff Positions on SFAS 157-4 and SFAS 115-2. SFAS 157-4 addresses fair value measurements of assets, whereas SFAS 115-2 speaks to the determination and recognition of other-than-temporary impairments.

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For more information, contact:
Kenneth S. Janke Jr. or
Robin Y. Wilkey
800.235.2667
Fax. 706.324.6330
aflac.com

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	
6/08	398,048	68.81	56.75	62.80	.3	422.5	424.9	25.6	
6/09	1,292,546	46.96	10.83	31.09	(32.2)	291.2	379.3	(22.7)	

*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>12/31/08</u>	<u>1/31/09</u>	<u>2/28/09</u>	<u>3/31/09</u>	<u>4/30/09</u>	<u>5/31/09</u>	<u>6/30/09</u>
Aflac	45.84	23.21	16.76	19.36	28.89	35.50	31.09
Rel. Perf.	8.6	4.4	3.1	3.6	5.4	6.7	5.8
Dow Jones Ind.	8776.39	8000.86	7062.93	7608.92	8168.12	8500.33	8447.00
Rel. Perf.	2.3	2.1	1.8	2.0	2.1	2.2	2.2
S&P Life	175.15	127.28	82.40	96.32	136.50	165.77	153.71
Rel. Perf.	1.8	1.3	.8	1.0	1.4	1.7	1.5
NYSE Comp.	5757.05	5195.79	4617.03	4978.98	5513.36	6004.07	5905.15
Rel. Perf.	2.2	2.0	1.7	1.9	2.1	2.3	2.2
S&P 500	903.25	825.88	735.09	797.87	872.81	919.14	919.32
Rel. Perf.	2.0	1.8	1.6	1.7	1.9	2.0	2.0
Nikkei	8859.56	7994.05	7568.42	8109.53	8828.26	9522.50	9958.44
Rel. Perf.	.4	.4	.4	.4	.4	.5	.5

Relative Performance AFL/Other Averages

(1994 Close = 100)

	<u>12/31/08</u>	<u>1/31/09</u>	<u>2/28/09</u>	<u>3/31/09</u>	<u>4/30/09</u>	<u>5/31/09</u>	<u>6/30/09</u>
AFL/DJIA	375.5	208.6	170.6	182.9	254.3	300.3	264.6
AFL/S&P Life	490.8	341.9	381.4	376.9	396.9	401.6	379.3
AFL/NYSE Comp.	396.2	222.3	180.6	193.5	260.7	294.2	261.9
AFL/S&P 500	437.1	242.0	196.3	209.0	285.1	332.6	291.2
AFL/Nikkei	1913.5	1073.8	819.0	882.9	1210.3	1378.7	1154.6

Monthly Percent Change in Relative Performance

	<u>12/31/08</u>	<u>1/31/09</u>	<u>2/28/09</u>	<u>3/31/09</u>	<u>4/30/09</u>	<u>5/31/09</u>	<u>6/30/09</u>
AFL/DJIA	(.4)	(44.5)	(18.2)	7.2	39.0	18.1	(11.9)
AFL/S&P Life	(17.4)	(30.3)	11.5	(1.2)	5.3	1.2	(5.6)
AFL/NYSE Comp.	(3.7)	(43.9)	(18.7)	7.1	34.8	12.8	(11.0)
AFL/S&P 500	(1.8)	(44.6)	(18.9)	6.4	36.4	16.7	(12.4)
AFL/Nikkei	(4.9)	(43.9)	(23.7)	7.8	37.1	13.9	(16.3)

AFL High, Low, Close & Trading Volume

	<u>12/31/08</u>	<u>1/31/09</u>	<u>2/28/09</u>	<u>3/31/09</u>	<u>4/30/09</u>	<u>5/31/09</u>	<u>6/30/09</u>
High	47.88	46.96	25.20	22.92	30.45	37.66	37.73
Low	39.81	19.35	15.04	10.83	17.25	28.60	28.83
Close	45.84	23.21	16.76	19.36	28.89	35.50	31.09
No. Shar. Trad.(Act.) (000 omitted)	94,540	229,299	262,581	296,833	221,082	169,739	113,012

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
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
2009	1	466,615	355	539	—	85	467,424	466,097	1,035	467,132	466,097	1,035	467,132
	2	467,424	—	64	—	4	467,484	466,401	1,884	468,285	466,249	1,460	467,709

* 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 June 30,			6 Months Ended June 30,		
	2004	2005	2006	2007	2008	2008	2009	% Change	2008	2009	% Change
Aflac Japan	\$ 1,379	\$ 1,515	\$ 1,652	\$ 1,821	\$ 2,250	\$ 573	\$ 679	18.6 %	\$ 1,127	\$ 1,361	20.7 %
Aflac U.S.	497	525	585	692	745	190	198	4.0	380	402	5.6
Interest expense, non-insurance operations	(20)	(20)	(17)	(21)	(26)	(6)	(17)	(170.9)	(13)	(24)	(85.4)
Parent company, other operations and eliminations	(62)	(41)	(35)	(25)	(43)	(11)	(6)	45.9	(21)	(15)	30.0
Pretax operating earnings	1,794	1,979	2,185	2,467	2,926	746	854	14.5	1,473	1,724	17.0
Income taxes	641	687	753	854	1,014	259	292	13.1	511	595	16.2
Operating earnings*	1,153	1,292	1,432	1,613	1,912	487	562	15.3	962	1,129	17.4
Reconciling items:											
Impact from SFAS 133, net of tax	(13)	(10)	—	2	(3)	(3)	—		—	(3)	
Realized investment gains (losses), net of tax	(5)	167	51	19	(655)	(1)	(249)		(5)	(255)	
Gross gain on extinguishment of debt	—	—	—	—	—	—	1		—	11	
Japanese pension obligation transfer, net of tax	3	—	—	—	—	—	—		—	—	
Release of deferred tax asset valuation allowance	128	34	—	—	—	—	—		—	—	
Net earnings	\$ 1,266	\$ 1,483	\$ 1,483	\$ 1,634	\$ 1,254	\$ 483	\$ 314	(35.1) %	\$ 957	\$ 882	(7.8) %
Earnings per share of common stock:											
Net earnings (basic)	\$ 2.49	\$ 2.96	\$ 2.99	\$ 3.35	\$ 2.65	\$ 1.02	\$.67	(34.3) %	\$ 2.01	\$ 1.89	(6.0) %
Net earnings (diluted)	2.45	2.92	2.95	3.31	2.62	1.00	.67	(33.0)	1.98	1.89	(4.5)
Operating earnings (basic)	\$ 2.27	\$ 2.58	\$ 2.89	\$ 3.31	\$ 4.04	\$ 1.03	\$ 1.20	16.5 %	\$ 2.02	\$ 2.42	19.8 %
Operating earnings (diluted)	2.23	2.54	2.85	3.27	3.99	1.01	1.20	18.8	1.99	2.42	21.6

* 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)

	<u>Years Ended December 31,</u>					<u>3 Months Ended June 30,</u>			<u>6 Months Ended June 30,</u>		
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2008</u>	<u>2009</u>	<u>%</u> <u>Change</u>	<u>2008</u>	<u>2009</u>	<u>%</u> <u>Change</u>
Revenues:											
Premiums, principally supplemental health	\$ 11,302	\$ 11,990	\$ 12,314	\$ 12,973	\$ 14,947	\$ 3,684	\$ 3,995	8.4 %	\$ 7,319	\$ 8,110	10.8 %
Net investment income	1,957	2,071	2,171	2,333	2,578	637	668	5.0	1,264	1,356	7.3
Realized investment gains (losses)	(12)	262	79	28	(1,007)	(1)	(383)		(8)	(392)	
Other income	34	40	52	59	36	16	33		28	57	
Total revenues	<u>13,281</u>	<u>14,363</u>	<u>14,616</u>	<u>15,393</u>	<u>16,554</u>	<u>4,336</u>	<u>4,313</u>	(.5)	<u>8,603</u>	<u>9,131</u>	6.1
Benefits and expenses:											
Benefits and claims	8,482	8,890	9,016	9,285	10,499	2,575	2,723	5.8	5,113	5,534	8.2
Acquisition and operating expenses:											
Amortization of D.A.C.	519	542	574	640	775	184	225		376	475	
Insurance commissions	1,252	1,302	1,303	1,331	1,460	362	381		720	770	
Insurance expenses	1,128	1,281	1,337	1,491	1,743	432	462		845	919	
Interest expense	23	23	19	27	29	7	14		14	21	
Other operating expense	104	99	103	120	134	36	35		69	68	
Total acquisition and operating expenses	<u>3,026</u>	<u>3,247</u>	<u>3,336</u>	<u>3,609</u>	<u>4,141</u>	<u>1,021</u>	<u>1,117</u>	9.3	<u>2,024</u>	<u>2,253</u>	11.3
Total benefits and expenses	<u>11,508</u>	<u>12,137</u>	<u>12,352</u>	<u>12,894</u>	<u>14,640</u>	<u>3,596</u>	<u>3,840</u>	6.8	<u>7,137</u>	<u>7,787</u>	9.1
Pretax earnings	1,773	2,226	2,264	2,499	1,914	740	473		1,466	1,344	
Income taxes	507	743	781	865	660	257	159		509	462	
Net earnings	\$ <u>1,266</u>	\$ <u>1,483</u>	\$ <u>1,483</u>	\$ <u>1,634</u>	\$ <u>1,254</u>	\$ <u>483</u>	\$ <u>314</u>	(35.1) %	\$ <u>957</u>	\$ <u>882</u>	(7.8) %
Operating earnings *	\$ <u>1,153</u>	\$ <u>1,292</u>	\$ <u>1,432</u>	\$ <u>1,613</u>	\$ <u>1,912</u>	\$ <u>487</u>	\$ <u>562</u>	15.3 %	\$ <u>962</u>	\$ <u>1,129</u>	17.4 %
Earnings Per Share of common stock:											
Net earnings (basic)	\$ 2.49	\$ 2.96	\$ 2.99	\$ 3.35	\$ 2.65	\$ 1.02	\$.67	(34.3) %	\$ 2.01	\$ 1.89	(6.0) %
Net earnings (diluted)	2.45	2.92	2.95	3.31	2.62	1.00	.67	(33.0)	1.98	1.89	(4.5)
Operating earnings (basic) *	\$ 2.27	\$ 2.58	\$ 2.89	\$ 3.31	\$ 4.04	\$ 1.03	\$ 1.20	16.5 %	\$ 2.02	\$ 2.42	19.8 %
Operating earnings (diluted) *	2.23	2.54	2.85	3.27	3.99	1.01	1.20	18.8	1.99	2.42	21.6

* 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
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
2009	1	569	(6)	(3)	10	41	1.22	(.01)	(.01)	.02	.09
	2	314	(249)	—	1	24	.67	(.53)	—	—	.05

Adjusted to reflect SFAS No. 123R beginning in 2002

Addition of quarters may not equal annual amounts due to rounding

Aflac Incorporated and Subsidiaries

Consolidated Balance Sheets

(In Millions, except per-share data)

	December 31,					June 30,	
	2004	2005	2006	2007	2008	2008	2009
Assets:							
Investments and cash:							
Securities available for sale:							
Fixed Maturities	\$ 29,166	\$ 28,142	\$ 28,805	\$ 30,511	\$ 35,012	\$ 31,476	\$ 32,982
Perpetual debentures	4,014	4,365	4,403	4,090	8,047	3,965	7,226
Equity securities	82	89	30	27	27	27	26
Securities held to maturity:							
Fixed Maturities	10,080	10,867	13,483	16,819	24,436	19,709	23,559
Perpetual debentures	4,759	4,172	3,990	3,985	-	4,259	-
Other Investments	41	57	58	61	87	69	90
Cash and cash equivalents	3,813	1,297	1,203	1,563	941	1,387	1,689
Total investments and cash	<u>51,955</u>	<u>48,989</u>	<u>51,972</u>	<u>57,056</u>	<u>68,550</u>	<u>60,892</u>	<u>65,572</u>
Receivables, primarily premiums	417	584	535	732	920	1,002	840
Accrued investment income	495	484	538	561	650	607	627
Deferred policy acquisition costs	5,595	5,590	6,025	6,654	8,237	7,194	8,089
Property and equipment, net	515	448	458	496	597	529	579
Other assets	349	266	277	306	377	328	334
Total assets	<u>\$ 59,326</u>	<u>\$ 56,361</u>	<u>\$ 59,805</u>	<u>\$ 65,805</u>	<u>\$ 79,331</u>	<u>\$ 70,552</u>	<u>\$ 76,041</u>
Liabilities and Shareholders' Equity:							
Liabilities:							
Total policy liabilities	\$ 43,556	\$ 42,329	\$ 45,440	\$ 50,676	\$ 66,219	\$ 55,881	\$ 64,795
Notes payable	1,429	1,395	1,426	1,465	1,721	1,539	1,992
Income taxes, primarily deferred	2,580	2,577	2,462	2,531	1,201	2,053	880
Other liabilities	4,185	2,133	2,136	2,338	3,551	3,180	2,024
Total liabilities	<u>51,750</u>	<u>48,434</u>	<u>51,464</u>	<u>57,010</u>	<u>72,692</u>	<u>62,653</u>	<u>69,691</u>
Shareholders' equity:							
Common stock	65	65	66	66	66	66	66
Additional paid-in capital	676	791	895	1,054	1,184	1,132	1,201
Retained earnings	6,785	8,048	9,304	10,637	11,306	11,366	12,058
Accumulated other comprehensive income:							
Unrealized foreign currency translation	222	77	54	129	750	292	591
Unrealized gains on investment securities	2,417	1,917	1,450	874	(1,211)	(214)	(2,126)
Pension liability adjustment	(28)	(37)	(78)	(69)	(121)	(69)	(117)
Treasury stock	(2,561)	(2,934)	(3,350)	(3,896)	(5,335)	(4,674)	(5,323)
Total shareholders' equity	<u>7,576</u>	<u>7,927</u>	<u>8,341</u>	<u>8,795</u>	<u>6,639</u>	<u>7,899</u>	<u>6,350</u>
Total liabilities & shareholders' equity	<u>\$ 59,326</u>	<u>\$ 56,361</u>	<u>\$ 59,805</u>	<u>\$ 65,805</u>	<u>\$ 79,331</u>	<u>\$ 70,552</u>	<u>\$ 76,041</u>

Amounts have been adjusted for adoption of SAB 108 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.					
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
2009 1	4,115	688	4,818	2,811	1,136	3,947	871	568	569	1.22	1.22	1.22	1.22	71,815	61,729	11.12	(6.39)	17.51
2	3,995	668	4,313	2,723	1,117	3,840	473	562	314	1.20	1.20	.67	.67	76,041	65,572	13.58	(4.55)	18.13

* 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	4.1	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)
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)
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)
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
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
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
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
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)
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)
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)
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)
2009													
1	13.2	9.6	12.9	10.7	13.3	20.0	34.7	24.5	18.1	11.8	(.6)	(1.7)	(35.0)
2	8.4	5.0	(.5)	5.8	9.3	(36.1)	33.6	18.8	18.2	12.0	7.8	7.7	(18.1)

* 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
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>
2005	1	\$.66	20.0 %	.01	.01	\$.65	18.2 %	2009	1	1.22	24.5	.09	.09	1.13	15.3 %
	2	.64	16.4	.01	.02	.63	14.5		2	1.20	18.8	.05	.14	1.15	13.9
	3	.66	15.8	-	.02	.66	15.8								
	4	.59	3.5	(.03)	(.02)	.62	8.8								
		<u>\$ 2.54</u>	<u>13.9 %</u>			<u>\$ 2.56</u>	<u>14.8 %</u>			<u>\$ 2.42</u>	<u>21.6 %</u>			<u>\$ 2.28</u>	<u>14.6 %</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,					June 30,	
	2004	2005	2006	2007	2008	2008	2009
Debt Securities*							
Fixed Maturities	\$ 35,865	\$ 36,389	\$ 39,841	\$ 44,906	\$ 58,257	\$ 49,579	\$ 56,892
Perpetual Debentures	8,707	8,422	8,326	8,252	9,074	8,685	8,310
Residential Mortgage Backs	228	259	461	644	1,068	759	979
Commercial Mortgage Backs	43	4	5	30	132	40	131
Asset Backed	82	75	121	143	104	150	142
CDOs	-	-	154	495	909	922	759
Total debt securities	<u>44,925</u>	<u>45,149</u>	<u>48,908</u>	<u>54,470</u>	<u>69,544</u>	<u>60,135</u>	<u>67,213</u>
Equity Securities	39	35	20	21	24	17	22
Total Portfolio	<u>\$ 44,964</u>	<u>\$ 45,184</u>	<u>\$ 48,928</u>	<u>\$ 54,491</u>	<u>\$ 69,568</u>	<u>\$ 60,152</u>	<u>\$ 67,235</u>

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

	December 31,					June 30,	
	2004	2005	2006	2007	2008	2008	2009
Available For Sale: Gains	\$ 3,604	\$ 3,033	\$ 2,358	\$ 1,977	\$ 2,049	\$ 1,411	\$ 1,470
Losses	(466)	(581)	(575)	(1,036)	(4,095)	(2,127)	(4,912)
Total AFS	<u>\$ 3,138</u>	<u>\$ 2,452</u>	<u>\$ 1,783</u>	<u>\$ 941</u>	<u>\$ (2,046)</u>	<u>\$ (716)</u>	<u>\$ (3,442)</u>
Held to Maturity: Gains	\$ 898	\$ 564	\$ 487	\$ 408	\$ 571	\$ 269	\$ 355
Losses	(292)	(513)	(567)	(1,087)	(1,923)	(2,145)	(1,850)
Total HTM	<u>\$ 606</u>	<u>\$ 51</u>	<u>\$ (80)</u>	<u>\$ (679)</u>	<u>\$ (1,352)</u>	<u>\$ (1,876)</u>	<u>\$ (1,495)</u>

Supplemental Investment Data by Segment

						3 Months Ended		6 Months Ended	
	2004	2005	2006	2007	2008	June 30,	2009	June 30,	2009
Aflac Japan:									
Invested assets (in millions)**	¥ 4,107,309	¥ 4,598,348	¥ 5,011,702	¥ 5,393,712	¥ 5,686,195	¥ 5,628,906	¥ 5,795,518	¥ 5,628,906	¥ 5,795,518
Return on avg. invested assets***	4.26 %	4.14 %	4.11 %	4.06 %	3.82 %	3.83 %	3.69 %	3.84 %	3.69 %
Portfolio yield at end of period	4.35	4.22	4.14	4.02	3.90	3.98	3.85	3.98	3.85
New money yield - yen only	2.94	2.95	3.10	3.05	3.20	3.27	3.04	3.31	3.27
New money yield - blended	3.13	3.19	3.33	3.38	3.43	3.46	3.25	3.57	3.57
Aflac U.S.:									
Invested assets (in millions)**	\$ 8,476	\$ 6,481	\$ 7,065	\$ 7,189	\$ 7,135	\$ 7,659	\$ 7,339	\$ 7,659	\$ 7,339
Return on avg. invested assets***	6.68 %	6.54 %	6.86 %	6.79 %	6.77 %	6.64 %	6.80 %	6.71 %	6.80 %
Portfolio yield at end of period	7.39	7.24	7.15	7.00	7.10	7.04	7.22	7.04	7.22
New money yield	6.30	6.16	6.44	6.44	7.60	7.29	7.45	7.19	8.06

* 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 20 Global Investment Positions*
(In Millions)

June 30, 2009

No.	Consolidated Corporate/Sovereign Exposure	Total Consolidated Book Value	% of Total Debt Securities	Book Value	% of Total Debt Securities	Seniority	Ratings		
							Moody's	S&P	Fitch
1	JAPAN	\$ 9,671	14.39 %						
2	ISRAEL ELECTRIC CORP LTD	858	1.28	\$ 9,671	14.39 %	Senior	Aa2	AA	AA-
3	LLOYDS BANKING GROUP PLC	836	1.24	858	1.28	Senior	Baa2	BBB	-
	Lloyds Banking Group PLC			8	.01	Tier I	B3	CCC+	BB-
	Lloyds Bank PLC			208	.31	Upper Tier II	Baa2	B	BB
	Bank of Scotland			177	.26	Upper Tier II	Baa2	B	BB
	HBOS PLC			443	.66	Upper Tier II	Baa3	B-	BB
4	TUNISIA, REPUBLIC OF	834	1.24	834	1.24	Senior	Baa2	BBB	BBB
5	HSBC HOLDINGS PLC	764	1.14	639	.95	Senior	Baa1	BBB+	BBB+
	HSBC Finance Corporation (formerly Household Finance)			546	.81	Senior	A3	A	AA-
	Republic New York Corp			11	.02	Lower Tier II	A2	A+	AA-
	HSBC Bank PLC (RAV Int Ltd)			52	.08	Upper Tier II	A2	A	AA-
	The Hongkong & Shanghai Banking Corporation Ltd (RAV Int Ltd)			104	.16	Upper Tier II	Aa2	-	-
	HSBC Holdings PLC			15	.02	Upper Tier II	A1	A+	AA-
	HSBC Holdings PLC (HSBC Capital Funding LP)			36	.05	Tier I	A3	A-	AA-
6	SOUTH AFRICA, REPUBLIC OF	639	.95	639	.95	Senior	Baa1	BBB+	BBB+
7	BNP PARIBAS	635	.95	615	.91	Senior	Baa3	BB+	-
	BNP Paribas			114	.17	Senior	Aa1	AA	AA
	FORTIS (Fortis Bank SA-NV, Fortis Luxembourg Finance SA)			521	.78	Upper Tier II	A3	BBB+	A+
8	COMMERZBANK AG	615	.91	588	.88	Senior	Baa3	BB+	-
	Commerzbank AG			104	.15	Lower Tier II	A1	A-	A
	Dresdner Bank AG			299	.45	Lower Tier II	A1	A-	A
	Dresdner Bank AG (Dresdner Funding Trusts I & IV)			212	.31	Tier I	Baa3	CCC	CCC
9	TAKEFUJI CORP	588	.88	566	.84	Senior	Baa3	BB+	-
10	BANK OF AMERICA CORP	566	.84	249	.37	Lower Tier II	A3	A-	A
	Bank of America Corp (includes Fleet Financial Group Inc, Nationsbank Corporation)			18	.03	Tier I	Baa3	B	BB-
	Bank of America Corp (NB Capital Trust, Bankamerica Instit-A)			287	.42	Senior	A2	A	A+
	Merrill Lynch & Co Inc			12	.02	Lower Tier II	A3	A-	A

* Includes perpetual debentures

Aflac Incorporated and Subsidiaries

Top 20 Global Investment Positions*

(In Millions)

June 30, 2009

No.	Consolidated Corporate/Sovereign Exposure	Total Consolidated Book Value	% of Total Debt Securities	Book Value	% of Total Debt Securities	Seniority	Ratings		
							Moody's	S&P	Fitch
11	MIZUHO FINANCIAL GROUP INC Mizuho Bank, Mizuho Finance Cayman & Aruba	\$ 541	.80 %	\$ 541	.80 %	Upper Tier II	A1	-	-
12	UNICREDIT SPA Unicredito Bank Austria	533	.79	11	.02	Lower Tier II	Aa3	AA+	-
	Hypovereinsbank			208	.31	Lower Tier II	A2	A-	A
	Hypovereinsbank (HVB Funding Trust I, III & VI)			314	.46	Tier I	A3	BBB	BBB
13	SUMITOMO MITSUI FINANCIAL GROUP INC Sumitomo Mitsui Banking Corporation	521	.77	104	.15	Lower Tier II	Aa3	A	A-
	Sumitomo Mitsui Banking Corporation (SMBC International Finance)			417	.62	Upper Tier II	Aa3	A-	A-
14	COMMONWEALTH BANK OF AUSTRALIA Commonwealth Bank of Australia	510	.76	208	.31	Lower Tier II	Aa2	AA-	AA-
	Commonwealth Bank of Australia			208	.31	Upper Tier II	-	A+	-
	Bankwest			94	.14	Upper Tier II	Aa2	AA-	-
15	DEXIA SA Dexia Bank Belgium (Dexia Overseas Ltd)	497	.74	468	.70	Upper Tier II	Baa2	B	A
	Insured Bonds (Financial Security Assurance)			29	.04	Senior	Aa3	AAA	AA+
16	BANK OF TOKYO-MITSUBISHI UFJ LTD Bank of Tokyo-Mitsubishi UFJ Ltd (BTMU Curacao Holdings NV)	469	.70	469	.70	Lower Tier II	Aa3	A	A-
17	ERSTE GROUP BANK AG Erste Group Bank	447	.67	104	.16	Lower Tier II	A1	A-	A-
	Erste Group Bank (Erste Finance Jersey Ltd 3 & 5)			343	.51	Tier I	A2	-	BBB
18	METLIFE INC MetLife Inc	447	.67	260	.39	Senior	A2	A-	A
	Metropolitan Life Global Funding I			187	.28	Senior	Aa2	AA-	-
19	INVESTCORP SA Investcorp Capital Limited	435	.65	435	.65	Senior	Ba1	-	BB+
20	JP MORGAN CHASE & CO JPMorgan Chase & Co (includes Bear Stearns Companies Inc)	422	.63	364	.54	Senior	Aa3	A+	AA-
	JPMorgan Chase & Co (FNBC)			30	.04	Senior	Aa1	AA-	-
	JPMorgan Chase & Co (Bank One Corp)			17	.03	Lower Tier II	A1	A	A+
	JPMorgan Chase & Co (NBD Bank)			11	.02	Lower Tier II	Aa2	A+	A+
	Subtotal	\$ 20,828	31.00 %	\$ 20,828	31.00 %				
	TOTAL DEBT SECURITIES	\$ 67,213	100.00 %	\$ 67,213	100.00 %				

* Includes perpetual debentures

Aflac Incorporated and Subsidiaries

Credit Ratings on Debt Securities

(At Amortized Cost)

	December 31,					June 30,	
	2004	2005	2006	2007	2008	2008	2009
AAA	3.5 %	4.0 %	5.8 %	6.3 %	5.7 %	6.0 %	5.1 %
AA	32.7	33.7	35.0	44.3	39.8	43.9	33.5
A	36.2	38.9	39.4	30.7	34.1	31.1	38.0
BBB	25.8	21.1	17.2	16.8	18.6	17.1	16.9
BB or Lower	1.8	2.3	2.6	1.9	1.8	1.9	6.5
	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>

Subordination Distribution of Debt and Perpetual Securities

(In Millions)

	December 31, 2008		June 30, 2009	
	Amortized Cost	% of Total	Amortized Cost	% of Total
Senior notes	\$ 51,091	73.5 %	\$ 50,086	74.5 %
Subordinated securities:				
Fixed maturities (stated maturity date):				
Lower Tier II	7,777	11.2	7,405	11.0
Upper Tier II	340	.5	202	.3
Tier I*	750	1.1	733	1.1
Surplus Notes	374	.5	339	.5
Trust Preferred - Non-banks	86	.1	86	.1
Other Subordinated - Non-banks	52	.1	52	.1
Total fixed maturities	<u>9,379</u>	<u>13.5</u>	<u>8,817</u>	<u>13.1</u>
Perpetual securities (economic maturity date):				
Upper Tier II	6,532	9.4	5,996	8.9
Tier I	2,542	3.6	2,314	3.5
Total perpetual securities	<u>9,074</u>	<u>13.0</u>	<u>8,310</u>	<u>12.4</u>
Total	<u>\$ 69,544</u>	<u>100.0 %</u>	<u>\$ 67,213</u>	<u>100.0 %</u>

* Includes Trust Preferred securities

Below-Investment-Grade Holdings

(In Millions)

	December 31, 2008				June 30, 2009			
	Par Value	Amortized Cost	Fair Value	Unrealized gains (losses)	Par Value	Amortized Cost	Fair Value	Unrealized gains (losses)
Lloyds Banking Group PLC	\$ *	\$ *	\$ *	\$ *	\$ 861	\$ 835	\$ 526	\$ (309)
Investcorp Capital Limited	*	*	*	*	435	435	225	(210)
Irish Life and Permanent PLC	*	*	*	*	385	292	183	(109)
UPM-Kymmene	*	*	*	*	323	322	163	(159)
The Royal Bank of Scotland	*	*	*	*	318	242	119	(123)
Ford Motor Credit Company	329	329	143	(186)	312	312	229	(83)
CSAV (Tollo Shipping Co. S.A.)	264	264	157	(107)	250	250	128	(122)
CITI Group Inc	*	*	*	*	245	84	84	—
Hella KG Hueck and Co	*	*	*	*	229	229	141	(88)
KBC Group NV	*	*	*	*	223	123	179	56
Dresdner Bank AG (Part of Commerzbank) (Tier 1 Only)	*	*	*	*	209	211	134	(77)
Aiful Corporation	*	*	*	*	169	169	74	(95)
Bawag Capital Finance Jersey	154	133	88	(45)	146	126	65	(61)
IKB Deutsche IndustrieBank	143	143	47	(96)	135	135	47	(88)
Ford Motor Company	111	57	31	(26)	—	—	—	—
Beryl Finance Limited 2008-7 (CDO)	110	110	116	6	*	*	*	*
Finance for Danish Industry	*	*	*	*	104	104	50	(54)
Kommunalkredit Austria AG	*	*	*	*	104	26	17	(9)
Beryl Finance Limited 2007-14 (CDO)	82	53	53	—	*	*	*	*
Morgan Stanley Aces SPC 2007-38 I (CDO)	*	*	*	*	78	7	24	17
Morgan Stanley Aces SPC 2006-31 I (CDO)	*	*	*	*	63	12	13	1
Beryl Finance Limited 2006-15 (CDO)	55	43	43	—	*	*	*	*
Beryl Finance Limited 2007-5 (CDO)	55	44	44	—	*	*	*	*
May Department Stores Co	*	*	*	*	53	58	41	(17)
Eirles Two Limited 310 A (CDO)	*	*	*	*	52	52	19	(33)
Morgan Stanley Aces SPC 2007-29 I (CDO)	*	*	*	*	52	12	15	3
Morgan Stanley Aces SPC 2007-21 I (CDO)	55	3	3	—	52	3	11	8
Rinker Materials Corp (Part of Cemex)	43	42	23	(19)	43	43	32	(11)
First Industrial LP	*	*	*	*	37	41	20	(21)
Security Benefit Life Insurance Co	*	*	*	*	33	3	3	—
Morgan Stanley Aces SPC 2007-19 A (CDO)	30	4	4	—	30	4	7	3
RFMSI 2007-S6 2A4 (CMO)	*	*	*	*	25	23	9	(14)

* Investment grade at respective reporting date

Aflac Incorporated and Subsidiaries

Below-Investment-Grade Holdings

(In Millions)

	December 31, 2008				June 30, 2009			
	Par Value	Amortized Cost	Fair Value	Unrealized gains (losses)	Par Value	Amortized Cost	Fair Value	Unrealized gains (losses)
Sprint Capital Corp	\$ 22	\$ 24	\$ 16	\$ (8)	\$ 23	\$ 24	\$ 19	\$ (5)
Academia Charter Schools Finance LLC	22	24	17	(7)	22	24	16	(8)
Terra CDO SPC Ltd 2007-3 A1 (CDO)	*	*	*	*	20	5	5	-
CWHL 2007-5 A2 (CMO)	*	*	*	*	19	18	11	(7)
Bank of America Corp (Tier 1 Only)	*	*	*	*	18	18	15	(3)
RFMSI 2006-S7 A9 (CMO)	*	*	*	*	18	17	11	(6)
MBIA Inc.	*	*	*	*	16	17	7	(10)
American General Capital II (Part of AIG)	*	*	*	*	15	19	6	(13)
Allied Capital Corp	*	*	*	*	15	13	8	(5)
CWHL 2007-145 A22 (CMO)	*	*	*	*	13	13	6	(7)
Tiers Georgia 2007-21 (CDO)	11	1	1	-	11	-	-	-
CWHL 2006-13 1A19 (CMO)	*	*	*	*	10	9	5	(4)
Morgan Stanley Aces SPC 2006-23 IB (CDO)	*	*	*	*	10	2	2	-
CWHL 2006-13 3A4 (CMO)	*	*	*	*	9	9	5	(4)
RFMSI 2006-S5 A12 (CMO)	*	*	*	*	5	5	2	(3)
WFMSB 2007-10 1A7 (CMO)	*	*	*	*	4	4	3	(1)
LMT 2006-3 1A5 (CMO)	*	*	*	*	4	3	1	(2)
	<u>\$ 1,486</u>	<u>\$ 1,274</u>	<u>\$ 786</u>	<u>\$ (488)</u>	<u>\$ 5,198</u>	<u>\$ 4,353</u>	<u>\$ 2,680</u>	<u>\$ (1,673)</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 June 30,</u>			<u>6 Months Ended June 30,</u>		
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2008</u>	<u>2009</u>	<u>%</u> <u>Change</u>	<u>2008</u>	<u>2009</u>	<u>%</u> <u>Change</u>
Revenues:											
Premiums	\$ 2,935	\$ 3,245	\$ 3,552	\$ 3,936	\$ 4,272	\$ 1,064	\$ 1,094	2.8 %	\$ 2,114	\$ 2,197	3.9 %
Net investment income	396	421	465	500	505	125	127	1.8	248	252	1.6
Other income and realized foreign currency translations	9	10	10	10	10	2	2		5	4	
Total revenues	<u>3,340</u>	<u>3,676</u>	<u>4,027</u>	<u>4,446</u>	<u>4,787</u>	<u>1,191</u>	<u>1,223</u>	<u>2.7</u>	<u>2,367</u>	<u>2,453</u>	<u>3.7</u>
Benefits and expenses:											
Incurred claims	1,424	1,565	1,557	1,783	2,043	483	558	15.5	954	1,100	15.3
Increase in future policy benefits	379	426	612	567	484	145	73	(49.6)	291	140	(51.7)
Amortization of deferred policy acquisition costs	245	258	290	323	370	85	104	21.9	180	230	27.6
General operating expenses	795	902	983	1,081	1,145	288	290	1.1	562	581	3.6
Total benefits and expenses	<u>2,843</u>	<u>3,151</u>	<u>3,442</u>	<u>3,754</u>	<u>4,042</u>	<u>1,001</u>	<u>1,025</u>	<u>2.4</u>	<u>1,987</u>	<u>2,051</u>	<u>3.3</u>
Pretax operating earnings	<u>\$ 497</u>	<u>\$ 525</u>	<u>\$ 585</u>	<u>\$ 692</u>	<u>\$ 745</u>	<u>\$ 190</u>	<u>\$ 198</u>	<u>4.0 %</u>	<u>\$ 380</u>	<u>\$ 402</u>	<u>5.6 %</u>
Realized capital gains, net of taxes	4	(3)	6	2	(139)	(1)	(17)		(1)	(89)	

Balance Sheets
(Unaudited GAAP)
(In Millions)

	<u>December 31,</u>					<u>June 30,</u>	
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2008</u>	<u>2009</u>
Assets:							
Investments and cash	\$ 9,124	\$ 7,040	\$ 7,486	\$ 7,396	\$ 6,393	\$ 7,679	\$ 6,864
Receivables, principally premiums	248	296	330	355	415	593	334
Accrued investment income	96	104	122	118	117	118	115
Deferred policy acquisition costs	1,783	1,966	2,168	2,385	2,593	2,486	2,608
Other assets	<u>142</u>	<u>141</u>	<u>143</u>	<u>161</u>	<u>161</u>	<u>168</u>	<u>204</u>
Total assets	\$ <u><u>11,393</u></u>	\$ <u><u>9,547</u></u>	\$ <u><u>10,249</u></u>	\$ <u><u>10,415</u></u>	\$ <u><u>9,679</u></u>	\$ <u><u>11,044</u></u>	\$ <u><u>10,125</u></u>
Liabilities and Shareholders' Equity:							
Future policy benefits	\$ 3,354	\$ 3,780	\$ 4,391	\$ 4,958	\$ 5,442	\$ 5,249	\$ 5,582
Policy and contract claims	708	848	816	856	933	882	957
Unearned premium	102	104	106	109	110	113	111
Other policyholder funds	33	40	52	56	265	260	269
Deferred income taxes	533	596	642	754	238	608	296
Other liabilities	3,244	733	714	673	586	1,416	636
Shareholders' equity	<u>3,419</u>	<u>3,446</u>	<u>3,528</u>	<u>3,009</u>	<u>2,105</u>	<u>2,516</u>	<u>2,274</u>
Total liabilities & shareholders' equity	\$ <u><u>11,393</u></u>	\$ <u><u>9,547</u></u>	\$ <u><u>10,249</u></u>	\$ <u><u>10,415</u></u>	\$ <u><u>9,679</u></u>	\$ <u><u>11,044</u></u>	\$ <u><u>10,125</u></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.	Change	Rev.	Change	Ben.	Change		Change	Oper.	Change	Oper.	Change	Oper.	Change
				Income								Exp.		Exp.		Earn.	
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)
2009	1	1,103	5.0	125	1.4	1,230	4.7	609	(1.1)	126	32.8	291	6.1	417	13.0	204	7.2
	2	1,094	2.8	127	1.8	1,223	2.7	631	.4	104	21.9	290	1.1	394	5.8	198	4.0

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
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
2009	1	66.9	44.1	49.5	11.4	33.9	83.4	16.6
	2	69.6	45.6	51.6	9.5	32.3	83.9	16.1

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

Aflac U.S. Sales Results
(In Millions)

	Period	Annl. Prem. In Force	% Change	New Annl. Prem. Sales	% Change	Convers. Prem.	Total New Prem.	% Change
	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)
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)
2009	1	4,737	4.4	345	(.3)	6	351	(.6)
	2	4,742	2.7	337	(10.3)	4	341	(10.9)

Aflac U.S.

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	
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
2009	1	167	47.6	62	17.6	59	16.9	20	5.6	43	12.3
	2	166	48.5	59	17.3	59	17.2	18	5.3	39	11.7

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	.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	
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
2009	1	8,100	25.0	74,414	2.7	11,121	2.4
	2	7,809	14.9	75,982	3.4	10,988	(2.6)

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

	Years Ended December 31,					3 Months Ended June 30,			6 Months Ended June 30,		
	2004	2005	2006	2007	2008	2008	2009	% Change	2008	2009	% Change
Revenues:											
Premiums	¥ 905,157	¥ 962,553	¥ 1,019,506	¥ 1,063,700	¥ 1,101,233	¥ 273,872	¥ 282,289	3.1 %	¥ 545,793	¥ 563,944	3.3 %
Net investment income:											
Yen denominated	117,616	122,220	123,821	129,740	135,366	33,626	34,742	3.3	66,742	69,420	4.0
US\$ denominated	50,830	57,962	72,614	82,337	76,618	19,451	18,239	(6.2)	38,522	36,023	(6.5)
Total investment income	168,446	180,182	196,435	212,077	211,984	53,077	52,981	(.2)	105,264	105,443	.2
Other income and realized foreign currency translations	1,993	3,393	2,899	3,180	1,516	1,478	1,473		1,359	2,125	
Total revenues	1,075,596	1,146,128	1,218,840	1,278,957	1,314,733	328,427	336,743	2.5	652,416	671,512	2.9
Benefits and expenses:											
Incurred claims	464,024	488,555	478,183	509,776	565,218	138,078	150,610	9.1	275,409	300,918	9.3
Increase in future policy benefits	258,401	270,646	318,542	306,518	256,964	65,343	52,857	(19.1)	130,329	108,556	(16.7)
Amortization of deferred policy acquisition costs	29,661	31,252	33,127	37,332	41,632	10,407	11,792	13.3	20,539	23,448	14.2
General operating expenses	174,235	189,233	196,864	210,584	218,131	54,766	55,238	.9	108,084	108,731	.6
Total benefits and expenses	926,321	979,686	1,026,716	1,064,210	1,081,945	268,594	270,497	.7	534,361	541,653	1.4
 Pretax operating earnings	 ¥ 149,275	 ¥ 166,442	 ¥ 192,124	 ¥ 214,747	 ¥ 232,788	 ¥ 59,833	 ¥ 66,246	 10.7 %	 ¥ 118,055	 ¥ 129,859	 10.0 %
 Realized capital gains, net of taxes	 (1,121)	 19,253	 5,081	 1,830	 (52,777)	 39	 (22,327)		 (372)	 (15,908)	

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

	Years Ended December 31,					3 Months Ended June 30,			6 Months Ended June 30,		
	2004	2005	2006	2007	2008	2008	2009	%	2008	2009	%
Revenues:											
Premiums	\$ 8,368	\$ 8,745	\$ 8,762	\$ 9,037	\$ 10,674	\$ 2,620	\$ 2,901	10.7 %	\$ 5,205	\$ 5,913	13.6 %
Net investment income											
Yen denominated	1,087	1,111	1,064	1,102	1,312	322	357	11.0	637	728	14.4
US\$ denominated	470	524	624	699	741	186	187	.6	367	377	2.6
Total investment income	1,557	1,635	1,688	1,801	2,053	508	544	7.2	1,004	1,105	10.0
Other income and realized foreign currency translations	18	31	25	27	15	14	15		13	22	
Total revenues	9,943	10,411	10,475	10,865	12,742	3,142	3,460	10.1	6,222	7,040	13.1
Benefits and expenses:											
Incurred claims	4,289	4,440	4,111	4,325	5,477	1,321	1,547	17.1	2,626	3,152	20.0
Increase in future policy benefits	2,390	2,458	2,736	2,610	2,495	625	545	(12.8)	1,242	1,142	(8.0)
Amortization of deferred policy acquisition costs	274	284	285	318	404	100	121	21.6	196	245	25.1
Operating expenses	1,611	1,714	1,691	1,791	2,116	523	568	8.3	1,031	1,140	10.6
Total benefits and expenses	8,564	8,896	8,823	9,044	10,492	2,569	2,781	8.2	5,095	5,679	11.5
Pretax operating earnings	\$ 1,379	\$ 1,515	\$ 1,652	\$ 1,821	\$ 2,250	\$ 573	\$ 679	18.6 %	\$ 1,127	\$ 1,361	20.7 %
Realized capital gains, net of taxes	(10)	170	44	16	(513)	–	(232)		(4)	(166)	

Balance Sheets
(Unaudited GAAP – Yen in Millions)

	December 31,					June 30,	
	2004	2005	2006	2007	2008	2008	2009
Assets:							
Investments and cash	¥ 4,431,441	¥ 4,887,987	¥ 5,221,871	¥ 5,535,964	¥ 5,622,544	¥ 5,621,256	¥ 5,584,267
Receivables, principally premiums	19,061	34,995	26,375	45,037	48,004	44,703	49,372
Accrued investment income	41,472	44,687	49,151	50,316	48,364	51,781	48,989
Deferred policy acquisition costs	397,261	427,894	459,404	487,363	513,723	501,005	526,182
Other assets	66,588	59,215	61,758	62,872	61,286	62,542	59,998
Total assets	¥ 4,955,823	¥ 5,454,778	¥ 5,818,559	¥ 6,181,552	¥ 6,293,921	¥ 6,281,287	¥ 6,268,808
Liabilities and Shareholders' Equity:							
Future policy benefits	¥ 3,752,099	¥ 4,022,749	¥ 4,341,223	¥ 4,647,594	¥ 4,903,439	¥ 4,777,836	¥ 5,012,042
Policy and contract claims	171,550	195,597	187,495	182,563	198,856	187,348	208,382
Unearned premiums	51,130	57,920	64,147	66,679	69,581	67,305	70,592
Other policyholder funds	126,523	157,937	180,160	205,026	241,346	221,968	265,308
Income taxes (prim. deferred)	203,271	229,928	215,319	210,508	109,385	166,369	75,034
Other liabilities	90,311	141,923	141,515	174,370	230,217	230,354	122,303
Shareholders' equity	560,939	648,724	688,700	694,812	541,097	630,107	515,147
Total liabilities & shareholders' equity	¥ 4,955,823	¥ 5,454,778	¥ 5,818,559	¥ 6,181,552	¥ 6,293,921	¥ 6,281,287	¥ 6,268,808

Balance Sheets
(Unaudited GAAP – Dollars in Millions)

	December 31,					June 30,	
	2004	2005	2006	2007	2008	2008	2009
Assets:							
Investments and cash	\$ 42,524	\$ 41,399	\$ 43,841	\$ 48,497	\$ 61,766	\$ 52,821	\$ 58,163
Receivables, principally premiums	183	296	221	395	527	420	514
Accrued investment income	398	378	413	441	531	487	510
Deferred policy acquisition costs	3,812	3,624	3,857	4,269	5,643	4,708	5,480
Other assets	639	503	518	551	674	588	626
Total assets	<u>\$ 47,556</u>	<u>\$ 46,200</u>	<u>\$ 48,850</u>	<u>\$ 54,153</u>	<u>\$ 69,141</u>	<u>\$ 59,024</u>	<u>\$ 65,293</u>
Liabilities and Shareholders' Equity:							
Future policy benefits	\$ 36,005	\$ 34,071	\$ 36,447	\$ 40,715	\$ 53,866	\$ 44,896	\$ 52,203
Policy and contract claims	1,646	1,657	1,574	1,599	2,185	1,760	2,170
Unearned premiums	491	491	539	584	764	632	735
Other policyholder liabilities	1,214	1,338	1,513	1,796	2,651	2,086	2,763
Income taxes (prim. deferred)	1,950	1,947	1,808	1,844	1,202	1,563	782
Other liabilities	867	1,202	1,187	1,528	2,529	2,166	1,274
Shareholders' equity	5,383	5,494	5,782	6,087	5,944	5,921	5,366
Total liabilities & shareholders' equity	<u>\$ 47,556</u>	<u>\$ 46,200</u>	<u>\$ 48,850</u>	<u>\$ 54,153</u>	<u>\$ 69,141</u>	<u>\$ 59,024</u>	<u>\$ 65,293</u>

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.	
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
2009	1	281,655	3.6	52,462	.5	334,769	3.3	206,007	1.8	11,656	15.0	53,493	.3	65,149	2.7	63,613	9.3
	2	282,289	3.1	52,981	(.2)	336,743	2.5	203,467	-	11,792	13.3	55,238	.9	67,030	2.8	66,246	10.7

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	
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
2009	1	93.9	44.8	61.5	4.1	19.5	81.0	19.0
	2	93.9	44.7	60.4	4.2	19.9	80.3	19.7

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	.3	1,293	114,692	-
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)
2009							
1	1,169.3	3.1	27,270	-	236	27,506	(.4)
2	1,175.9	2.9	29,790	5.2	284	30,074	5.0

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>
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
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
2009	1	9.4	34.3	1.1	3.9	9.3	34.0	6.4	23.4	1.3	4.4
	2	9.5	31.6	1.1	3.5	9.4	31.1	9.0	29.9	1.1	3.9

Aflac Japan Sales Force Data

<u>Number of Agencies by Type</u>					<u>Sales Contribution by Agency Type</u>						
	<u>Individual/ Independent Corporate</u>	<u>Affiliated Corporate</u>	<u>Bank *</u>	<u>Total</u>	<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>	
2005	15,784	1,945	231	17,960	56.7 %	34.8 %	8.0 %	.5 %	81,751	4,388	
2006	16,212	1,978	242	18,432	58.2	32.7	8.5	.6	90,226	3,463	
2007	16,213	1,987	261	18,461	56.1	35.3	8.2	.4	100,810	3,195	
2008	16,577	1,976	329	18,882	55.0	35.5	6.7	2.8	107,458	3,944	
2008	1	16,227	1,991	274	18,492	55.2	35.2	8.6	1.0	101,817	771
	2	16,475	1,992	301	18,768	56.7	35.2	5.7	2.4	104,200	1,338
	3	16,642	1,984	321	18,947	53.6	35.6	6.2	4.6	106,651	877
	4	16,577	1,976	329	18,882	54.4	36.0	6.4	3.2	107,458	958
2009	1	16,392	1,951	339	18,682	52.6	37.3	6.4	3.7	108,337	1,041
	2	16,632	1,932	346	18,910	54.2	36.9	4.2	4.7	109,110	1,375

* Includes banks selling for Aflac Japan prior to the deregulation in December 2007

**Yen/Dollar Exchange Rates
1993 - 2007
(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>				
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
1995	1	89.35	96.32	1998	1	132.10	128.09	2001	1	123.90	118.14	2004	1	105.69	107.32	2007	1	118.05	119.48
	2	84.65	90.39		2	141.00	131.90		2	124.60	120.43		2	108.43	108.52		2	123.26	120.13
	3	99.10	91.62		3	135.50	134.57		3	119.40	120.86		3	111.05	109.00		3	115.43	119.37
	4	102.95	94.10		4	115.70	130.89		4	131.95	121.54		4	104.21	108.26		4	114.15	117.93

**Yen/Dollar Exchange Rates
2008 - 2009
(By Quarter)**

		<u>Qtr End</u>	<u>Qtr Avg</u>	<u>Yearly Cum Avg</u>	<u>% change Cum Avg Yen vs.07</u>			<u>Qtr End</u>	<u>Qtr Avg</u>	<u>Yearly Cum Avg</u>	<u>% change Cum Avg Yen vs.08</u>
2008	1	100.19	105.06	105.06	13.7 %	2009	1	98.23	93.37	93.37	12.5 %
	2	106.42	104.50	104.77	14.7		2	96.01	97.53	95.44	9.8
	3	103.57	107.70	105.75	12.9						
	4	91.03	96.55	103.46	14.0						