

NYSE:AFL

Aflac is the number one provider of guaranteed-renewable insurance in the United States and the number one insurance company in terms of individual insurance policies in force in Japan. For more than 50 years, Aflac products have given policyholders the opportunity to direct cash where it is needed most when a life-interrupting medical event causes financial challenges. Aflac insures more than 40 million people worldwide. Aflac Incorporated is a Fortune 500 company.

Aflac's goal is to provide peace of mind and reduce financial burdens for our policyholders during times of medical distress, allowing them to focus on recovery rather than monetary issues. We do this by offering affordable policies that provide cash benefits directly to consumers to help them pay out-of-pocket expenses arising from illnesses or accidents.



Shareholder Returns*

One Year – 38.2%

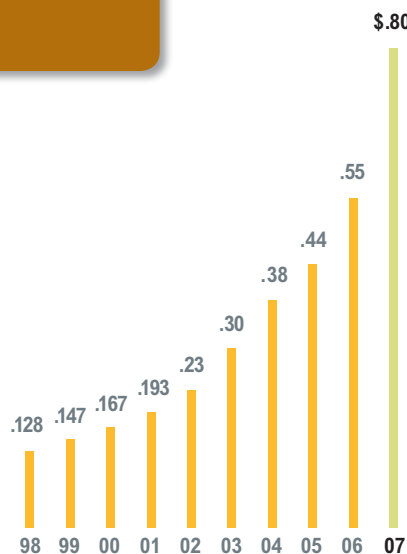
Five Year – 17.1%

Ten Year – 18.3%

Shareholder Return: The appreciation of an investment over a period of time paid during that same period.

*Includes Reinvested Cash Dividends

Return to Investors



Annual Cash Dividends Per Share

Aflac has increased its annual dividend for 25 consecutive years. Total cash dividends paid in 2007 were 45.5% higher than in 2006.

Dividend Yield = 1.5%



How We Do Business

From the very beginning of our business, Aflac leaders have worked hard to build a culture of open communication, honesty, integrity and caring customer service. And from the days when three brothers founded Aflac, we've approached our shareholders with those same values.

We are dedicated to effective corporate governance and extensive disclosure. We have fostered a culture of open communication and trust among our employees and management to help ensure that we operate in a transparent manner. We maintain the highest ethical standards in our business practices and financial reporting.

We believe that by doing so, we have earned the confidence not only of the financial community and our shareholders, but also of our customers, sales associates and employees.

The Board and Its Committees

A company's dedication to good governance begins with its board of directors. One way in which Aflac demonstrates its commitment to good governance practices is with the makeup of the board and its key committees.

The board assesses the independence of every board member every year. The majority of Aflac current board members – nine of 17 total members – are independent directors under the New York Stock Exchange listing standards, which state that to be classified as independent, a director must have no material relationship with the company.

The Corporate Governance, Nominating and Compensation Committees of the board are made up solely of these independent directors. And all non-management directors meet in executive session at least once a year, without any members of management present.

Say-on-Pay

We pride ourselves on incorporating ethics and transparency in everything we do – from products to claims payments and financial disclosures and compensation. It is our firm belief in the appropriateness of Aflac's compensation approach that led us to be the first company in the United States to give shareholders a "Say-on-Pay" advisory vote on compensation, which will occur in 2008. From the top executive officers to all officers, managers, employees, and particularly our sales force, we incorporate performance-based compensation throughout our organization. But ultimately, our decision to take this historic step boiled down to one issue: Every member of Aflac's Board of Directors believes that our shareholders should have the right to know how executive compensation works at our company and a means for providing input on pay.

The Composition of Aflac's Market in Japan ...

What We Sell	Who Buys It	Who Sells It For Us	Who Else Sells It
<p>Supplemental insurance products, including:</p> <ul style="list-style-type: none"> Cancer life Medical Care Living benefit life <p>Supplemental insurance riders, including:</p> <ul style="list-style-type: none"> Living benefit life Rider MAX Life insurance Rider Pack <p>Ordinary life insurance products, including:</p> <ul style="list-style-type: none"> Term life Whole life Fixed annuity WAYS 	<p>At the worksite:</p> <p>Employees at more than 38,000 payroll accounts representing 89% of the companies listed on the Tokyo Stock Exchange, including workers at Hitachi, Fujitsu, Kirin Brewery, Canon, Ricoh, Toyota and Takashimaya, as well as employers and employees at 168,600 small businesses</p> <p>At the home:</p> <p>Individuals seeking specific insurance coverage</p>	<p>More than 100,800 licensed sales associates, representing about 2,200 affiliated corporate agencies, more than 16,200 individual or independent corporate agencies, and the sales force of Dai-ichi Mutual Life Insurance Co. as well as 41 banks with 3,300 branches throughout Japan</p>	<ul style="list-style-type: none"> Alico Japan Asahi AXA Dai-ichi Fukoku Mitsui Sumitomo Nippon Orix Sompo Japan Sompo Japan Himawari Sony Sumitomo Tokio Anshin

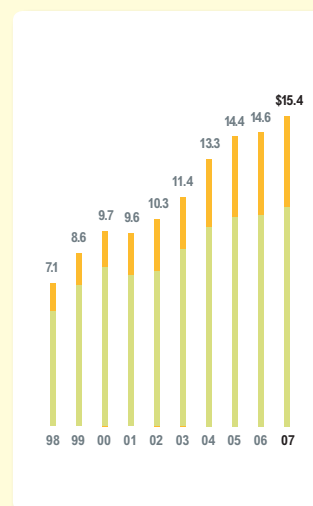
and in the United States

What We Sell	Who Buys It	Who Sells It For Us	Who Else Sells It
<p>Supplemental insurance products, including:</p> <ul style="list-style-type: none"> Accident/disability Cancer indemnity Short-term disability Intensive care Hospital indemnity Sickness indemnity Long-term care Specified health event Fixed-benefit dental Vision <p>Life insurance products, including:</p> <ul style="list-style-type: none"> Term life Whole life Juvenile life 	<p>At the worksite:</p> <p>Employees at more than 402,300 payroll accounts, including businesses of all sizes, banks, hospitals, school districts, and city and state governments. Payroll accounts include the City of Atlanta, American Express, Genesis Healthcare, the State of Florida, Valero Energy Corporation, Viacom, Wachovia and Wal-Mart.</p> <p>At the home:</p> <p>Individuals seeking specific insurance coverage</p>	<p>More than 71,200 licensed sales associates, including more than 10,900 who, on average, produce business every week</p>	<ul style="list-style-type: none"> AIG Allstate American Fidelity Assurant CIGNA Guardian ING Lincoln National Transamerica Unum Group Certain regional or national carriers whose products indirectly compete

Financial Highlights

Aflac Incorporated and Subsidiaries

	2007	2006	2005	% Change 2007 - 2006
For the Year:				
(In millions)				
Total revenues	\$ 15,393	\$ 14,616	\$ 14,363	5.3%
Pretax earnings	2,499	2,264	2,226	10.4
Net earnings	1,634	1,483	1,483	10.2
At Year-end:				
(In millions)				
Total investments and cash	\$ 57,056	\$ 51,972	\$ 48,989	9.8%
Total assets	65,805	59,805	56,361	10.0
Shareholders' equity	8,795		7,927	5.4
Per Common Share:				
Net earnings (basic)	\$ 3.35	\$ 2.99	\$ 2.96	12.0%
Net earnings (diluted)	3.31	2.95	2.92	12.2
Shareholders' equity	18.08	16.93	15.89	6.8
Cash dividends	.80	.55	.44	45.5
Supplemental Data:				
Number of common shares outstanding	486,529,962	492,549,966	498,893,553	
Number of registered common shareholders	80,062	82,647	80,808	
Number of full-time employees	8,358	7,704	7,263	



Total Revenues (in billions)

Despite the weaker yen, total revenues rose 5.3% to \$15.4 billion in 2007, benefiting from solid growth in premium income and net investment income.

Japan U.S.

These statistics are as of 2007 year-end.

Key Areas of Focus for 2008

Aflac Japan

- **Enhance our product line** – We will research and develop innovative products and adapt current products to match the evolving needs of Japanese consumers to help them cope with the increasing burden of out-of-pocket health care costs.
- **Promote our brand position** – We will capitalize on our market-leading status to attract consumers and distinguish our products while emphasizing the attributes that led us to our number one position.
- **Develop our distribution system** – We will focus on enhancing the productivity of our sales force, while also developing the banking and Japan Post channels to better reach new customers.
- **Boost operational efficiency** – We will streamline our business processes to increase our core competitive advantage and provide convenience for policyholders and consumers, while investing in new technology.

Aflac U.S.

- **Refine our product line** – We will closely examine consumers' needs and respond with innovative and affordable products and benefits that anticipate and meet those needs.
- **Grow and enhance our distribution system** – Continued expansion, training, support and leadership are essential at all levels to extend our reach to more consumers.
- **Communicate a clear brand message and broadened mediums** – We will intensify our connections with employers and their employees by continuing our strong brand recognition while focusing on defining our brand and adding new ways to reach consumers through print and online advertising.
- **Improve efficiency, mobility and ultimately productivity through technology** – We will continue to upgrade our technology to improve the services we offer our customers and the flexibility we give sales associates while at the same time controlling operating expenses.

Each year, Aflac takes part in various public forums designed to update shareholders on our most recent financial news. Please see the following schedule of events for 2008.



2008 Important Dates

- January 30** - Year-end earnings release
- January 31** - Year-end meeting (webcast event)
- February 6-9** - World Money Show Orlando, Florida
- April 23** - First quarter earnings release
- April 24** - First quarter teleconference (webcast event)
- May 5** - Annual meeting of shareholders
- July 23** - Second quarter earnings release
- July 24** - Second quarter teleconference (webcast event)
- August 7-10** - Money show San Francisco, California
- November 6-8** - Money Show Washington, D.C.
- October 23** - Third quarter earnings release
- October 24** - Third quarter teleconference (webcast event)

Aflac in 2008 and Beyond

Although there are some profound differences in the health care markets in the United States and Japan, many people would be surprised to know that there are also many similarities. With ever rising out-of-pocket expenses for health care in both markets, they are well-suited to the products we offer. Within each market, millions of everyday, hardworking people count on the benefits Aflac products can offer when a life-changing event suddenly transforms them from a policyholder into a claimant.

Aflac is rated AA by both Standard & Poor's and Fitch Ratings and Aa2 (Excellent) by Moody's for financial strength. A.M. Best rates Aflac as A+ (Superior) for financial strength and operating performance. From a financial standpoint, we have a strong balance sheet from which to grow. We have maintained high capital adequacy ratios to support our ratings, and overall we're very comfortable with our capital position.

Please visit our web site at aflac.com and click on Investors for updates and management presentations.

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