

2008 Financial Analysts Briefing Afternoon Session Presentation Notes



May 15, 2008

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aflac.com

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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 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. Our insurance products provide protection to more than 40 million people worldwide. Aflac has been included in Fortune magazine's listing of America's Most Admired Companies for seven years and in Fortune magazine's list of the 100 Best Companies to Work For in America for ten consecutive years. Aflac has also been recognized three times by both Fortune magazine's listing of the Top 50 Employers for Minorities and Working Mother magazine's listing of the 100 Best Companies for Working Mothers. Aflac Incorporated is a Fortune 500 company listed on the New York Stock Exchange under the symbol AFL. To find out more about Aflac, visit aflac.com.

The Private Securities Litigation Reform Act of 1995 provides a "safe harbor" to encourage companies to provide prospective information, so long as those informational statements are identified as forward-looking and are accompanied by meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those included in the forward-looking statements. We desire to take advantage of these provisions. This document contains cautionary statements identifying important factors that could cause actual results to differ materially from those projected herein, and in any other statements made by company officials in communications with the financial community and contained in documents filed with the Securities and Exchange Commission (SEC). Forward-looking statements are not based on historical information and relate to future operations, strategies, financial results or other developments. Furthermore, forward-looking information is subject to numerous assumptions, risks, and uncertainties. In particular, statements containing words such as "expect," "anticipate," "believe," "goal," "objective," "may," "should," "estimate," "intends," "projects," "will," "assumes," "potential," "target" or similar words as well as specific projections of future results, generally qualify as forward-looking. Aflac undertakes no obligation to update such forward-looking statements.

We caution readers that the following factors, in addition to other factors mentioned from time to time could cause actual results to differ materially from those contemplated by the forward-looking statements: legislative and regulatory developments, including changes to health care and health insurance delivery; assessments for insurance company insolvencies; competitive conditions in the United States and Japan; new product development and customer response to new products and new marketing initiatives; ability to attract and retain qualified sales associates and employees; ability to repatriate profits from Japan; changes in U.S. and/or Japanese tax laws or accounting requirements; credit and other risks associated with Aflac's investment activities; significant changes in investment yield rates; fluctuations in foreign currency exchange rates; deviations in actual experience from pricing and reserving assumptions including, but not limited to, morbidity, mortality, persistency, expenses and investment yields; level and outcome of litigation; downgrades in the company's credit rating; changes in rating agency policies or practices; subsidiary's ability to pay dividends to the parent company; ineffectiveness of hedging strategies; catastrophic events; and general economic conditions in the United States and Japan, including increased uncertainty in the U.S. and international financial markets.



**Introduction to Aflac U.S.
Paul Amos
President, Aflac;
Chief Operating Officer, Aflac U.S.**

Aflac U.S. Objectives

- **Increase and improve sales opportunities**

Aflac U.S. Objectives

- Increase and improve sales opportunities
- Refine recruiting and training programs

Aflac U.S. Objectives

- Increase and improve sales opportunities
- Refine recruiting and training programs
- Further enhance corporate reputation

Advertising and Sponsorships

Advertising:

- Television
- Radio
- Print
- Online

Sponsorships:

- NASCAR
 - » Official Supplemental Insurer
 - » #99 Aflac Ford Fusion
- Aflac All-American
- Aflac Iron Girl

NASCAR



Other Sponsorships



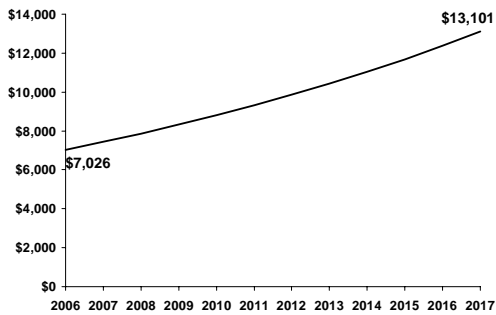
Aflac Iron Girl



Transitioning from 2007 to 2008

- Increase and improve sales opportunity
- Improve recruiting, training, and retention efforts
- Enhance the strength and credibility of the Aflac brand

Increased Health Care Spending



Center for Medicare and Medicaid Services, National Health Expenditures Projections

Decreased Confidence Among Consumers and Small Businesses



•2/08 Index: 75.0, down from 87.3 in 1/08
•Change from 2/07: down 36.2 points

Source: Conference Board



•1/08 Index: 91.8, down 2.8 from 12/07
•Change from 1/07: down 7.1 points

Source: National Federation of Independent Businesses

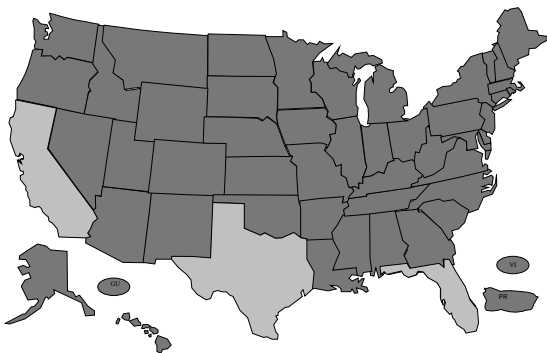
Competitive Environment

- **AIG**
- **Allstate**
- **American Fidelity**
- **Assurant**
- **CIGNA**
- **Guardian**
- **ING**
- **Lincoln National**
- **Transamerica**
- **Unum Group**
- **Certain regional carriers**

Aflac U.S. Strategies for Growth

- **Hispanic marketing**
- **Business-to-business marketing**
- **Establish relationship within the large broker community**
- **Product portfolios**
- **Expand customer retention efforts**

Dedicated Hispanic Marketing



Business-to-Business Marketing

- No direct cost to employers
- Ease of administration
- Helps attract and retain employees
- Complements other benefits
- Possible tax savings for the employer

New Business-Focused Advertising



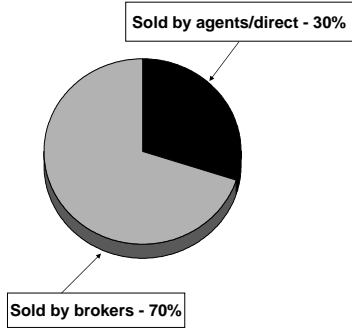
Business-to-Business Advertising

WHEN AVANTI'S RESTAURANT ADDED AFLAC TO ITS BENEFITS PACKAGE AT NO DIRECT COST, THEIR EMPLOYEES ATE IT UP.

Making Aflac insurance policies available to a prospective employee helps make your job offer much more tempting. Aflac also helps attract and retain workers and improve morale. They know Aflac complements their major medical insurance, making your benefits menu much more attractive at no direct cost to your company. Yes, adding Aflac could become the special of the day.

Complete your benefits menu at aflacforbusiness.com.

Broker Control



Product Portfolios

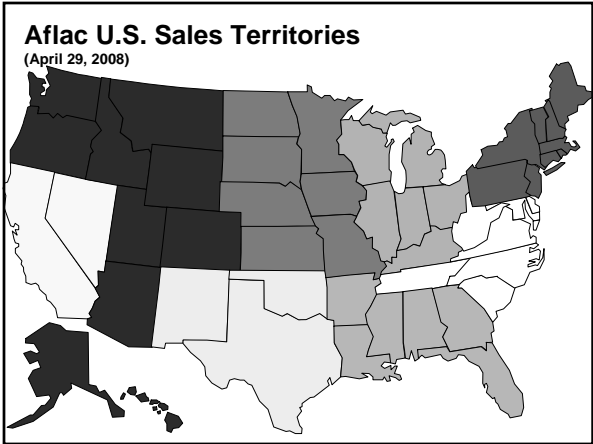
- Accident/personal sickness indemnity
- Life/short-term disability

Customer Retention

- Customer service
- Enhanced online services
- Aflac Always



**Aflac U.S. Sales
Ron Kirkland
Senior Vice President;
Director of Sales**



2007 Sales Result by Territory

<u>Sales Territory</u>	<u>Percentage Contribution</u>	<u>Percentage Increase</u>
South	16.9%	2.6%
Central	14.7	12.7
North	14.4	5.5
East	13.1	9.2
Northeast	11.7	11.7
Southwest	10.3	11.7
West	10.1	13.9
Pacific	8.8	14.2
Total	100.0%	9.5%

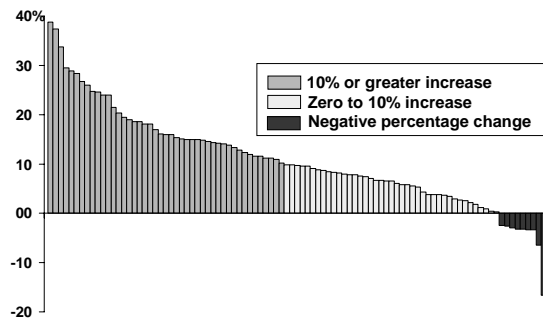
Number of State Operations per Territory

(December 31, 2007)

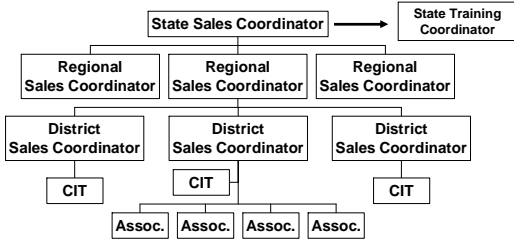
<u>Sales Territory</u>	<u>Number of State Operations</u>
South	10
Central	13
Northeast	14
North	14
East	11
Southwest	10
West	11
Pacific	12
Total	95

Sales Growth by State Operation

(Twelve Months Ended 2007)



Field Force Organization



Coordinator Expansion

	<u>1999</u>	<u>2002</u>	<u>2007</u>	<u>3/08</u>
SSC	54	63	95	95
RSC	321	430	572	578
DSC	1,543	2,095	2,436	2,528
Total	1,918	2,588	3,103	3,201

Recruiting

- Focus on increasing size and effectiveness of field force
- Track average weekly producers (AWPs)
- Recruit, train, retain

Compensation Structure

- First-year and renewal commissions
- Bonus programs
 - » MPI bonus
 - » Stock bonus
 - » Recruiter bonus
- Other special incentives

Commission Structure Example*

(Accident Policy)

	First-Year <u>Rate</u>	Renewal <u>Rate</u>
Associate	34.5%	6.1%
DSC	7.2	3.4
RSC	5.0	1.6
STC	.4	.1
SSC	<u>4.3</u>	<u>1.0</u>
Total	51.4%	12.2%

*Standard AH policy structure

Bonus Compensation

- MPI Bonus
- Stock Bonus
- Recruiter Bonus

Honor Clubs

- Fireball and Star Award Series
- Key Clubs
- Growth Enterprise Management (GEM)
- FAME
- Founders Week
- Convention
- President's Club

Incentive Contests

- "Taladucky Nights"
- Masters of Success
- Various state, regional and district contests

Aflac's Product Line

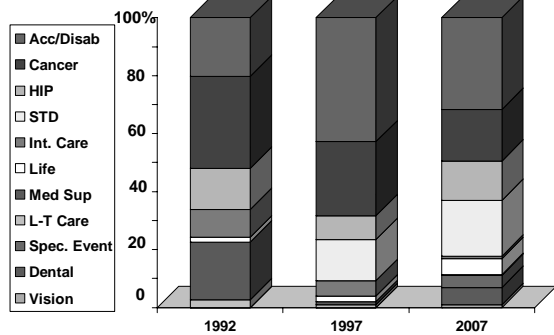
Supplemental Insurance
Products, Including:

- Accident/disability
- Cancer indemnity
- Short-term disability
- Hospital indemnity
- Intensive care
- Sickness indemnity
- Specified health event
- Fixed-benefit dental
- Payroll long-term care
- Vision

Life Insurance
Products, Including:

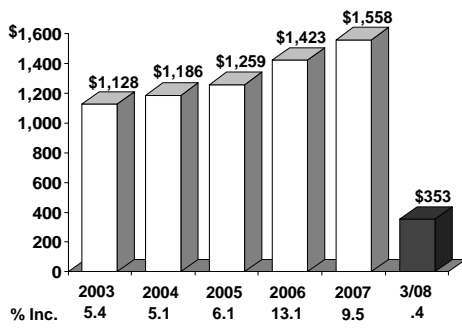
- Term life
- Whole life
- Juvenile life

New Sales Product Mix



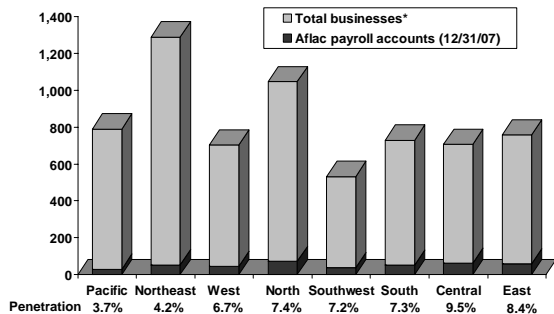
Aflac U.S. New Premium Sales

(In Millions)



Penetration by Sales Territory

(In Thousands)



*U.S. Census Bureau Tabulations by Enterprise Size, 2005

The Small Business Market

(2005)

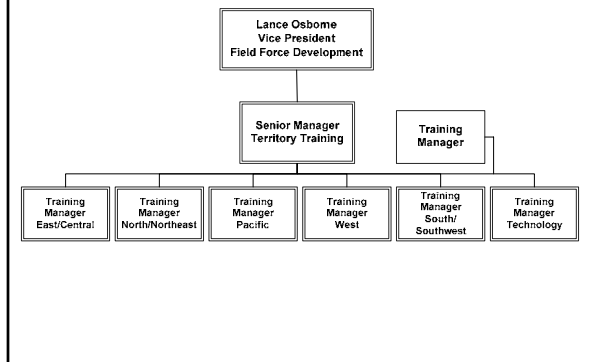
<u>Size of Firm</u>	<u>Number of Firms (000)</u>	<u>Number of Employees (Millions)</u>	<u>% of Total Employees</u>
0 - 19 Workers	5,358	21.3	18.3%
20 - 99 Workers	521	20.4	17.6
100 - 499 Workers	87	16.9	14.5
Total	5,966	58.6	50.4%

Source: U.S. Census Bureau Tabulations by Enterprise Size, 2005



**Aflac U.S. Training
Lance Osborne
Vice President,
Field Force Development**

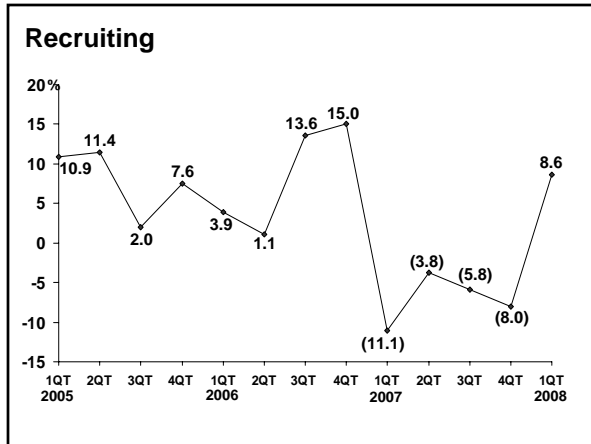
Field Force Sales Training



Field Force Philosophy

- Recruit
- Train
- Retain

Recruiting



Pre-licensing

- Online registration and fee payment
- Video messages from headquarter executives
- Course study and Aflac-specific courses
- Personal testimonials

Recruiting Methods

Recruiting Methods

- Nominations

Recruiting Methods

- Nominations
- Internet

Internet Recruiting



RegionalHelpWanted.com, Inc.



Field Force Philosophy

- Recruit
- Train

LEASE

Larger Earnings Acquire Small Employers

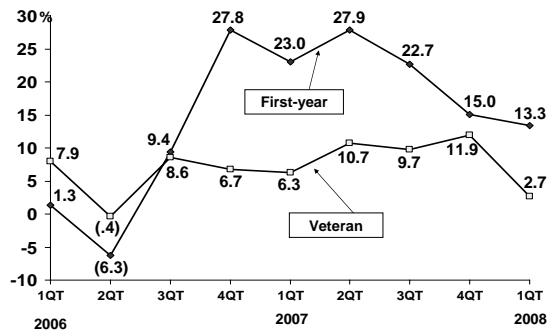
New Associate Training Cycle Level One

- Basic Products
- New Associate Sales School featuring LEASE
- New Associate Sales School Follow-up
- SmartApp Next Generation (SNG)
- Enrollment & Account Management
- Basic Flex

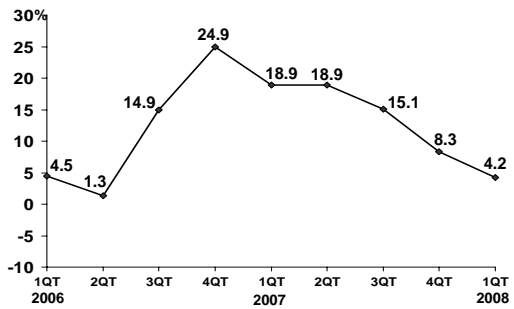
New Associate Training Cycle Level Two

- Owning Your Own Business
- Goal Setting and Business Planning
- Target & Referral Marketing
- Consultative Selling
- Conducting a Group Meeting
- Advanced Product Knowledge
- Understanding Commissions and Statements
- Value-added Services/Advanced Flex
- Networking in Your Community
- Understanding the Claims Process

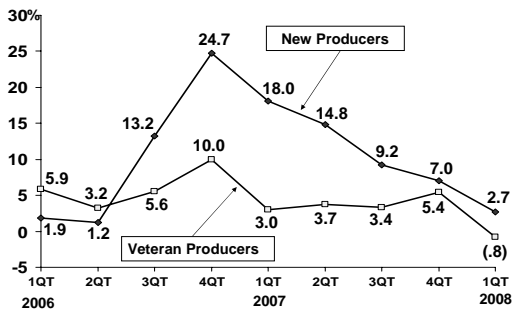
New Payroll Account Growth



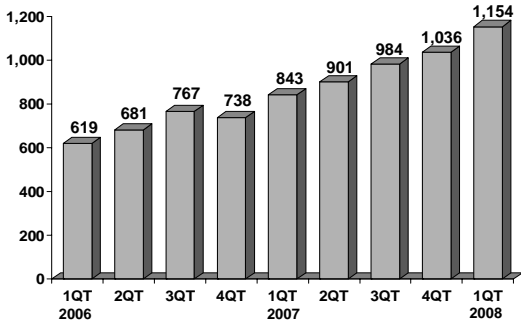
New Associate Premium Growth



Average Weekly New and Veteran Producers



Coordinator in Training Growth



Coordinator in Training Performance

(1/01/06 - 12/31/07)

On a weekly basis, CITs who completed four or more CIT training modules:

- Opened an average of 84.2% more new payroll accounts than CITs with less than four CIT training modules
- Produced 67.9% more new annualized premium than CITs with less than four CIT training modules

District Sales Coordinator Performance

(1/01/06 - 12/31/07)

On a weekly basis, DSCs who participated in the CIT program:

- Opened an average of 29.7% more new payroll accounts than DSCs with no CIT training
- Produced 12.1% more new annualized premium sales than DSCs with no CIT training

Aflac National Training Day



Coordinator Accreditation Program Series



- All Coordinator levels –
- State
 - Regional
 - District

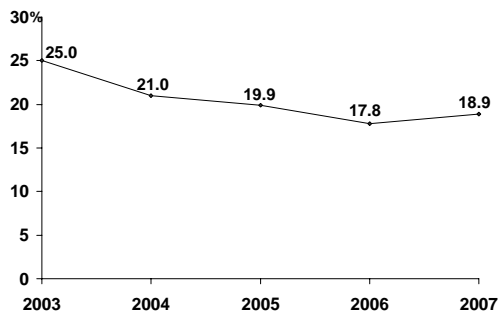
SCAP Curriculum

- Establishing credibility
- Climate, leadership and performance
- Decision making
- Skillful conversation
- Conflict management

Field Force Philosophy

- Recruit
- Train
- Retain

First-Year Associate Retention





Aflac U.S. Internal Operations
Teresa White
Executive Vice President;
Chief Administrative Officer

Aflac Internal Operations Functions

Aflac U.S. Administration

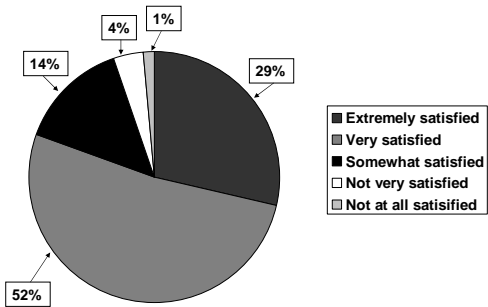
- Account Implementation Management
- Aflac New York
- Benefit Services
- Client Services
- Claims
- Corporate Communications
- Field Liaison Office
- Sales Financial Management
- Sales Support
- Shared Services
- Support Services

Top Factors Driving Employer Choice of Insurance/Financial Services Provider

- Trust
- Ease of doing business
- Claims/overall service

Source: H. Rak Growth Study, 3/07

Aflac Account Satisfaction with Service



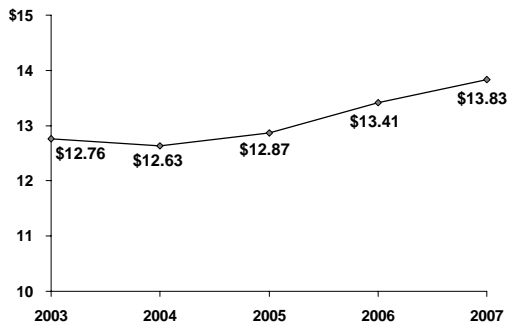
Source: Bantam Group Account Loyalty Study, 11/07

Top Reasons for Aflac Account Referrals

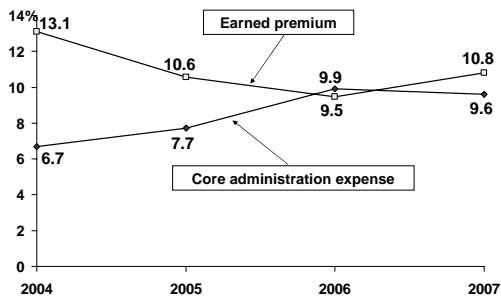
- Claims handling for employees
- Knowledgeable service center representatives
- Clear directions/procedures from agents

Source: Bantam Group Account Loyalty Study, 11/07

Core Administration Expense Per Policy in Force



Percent Change in Core Administration Expense and Earned Premium



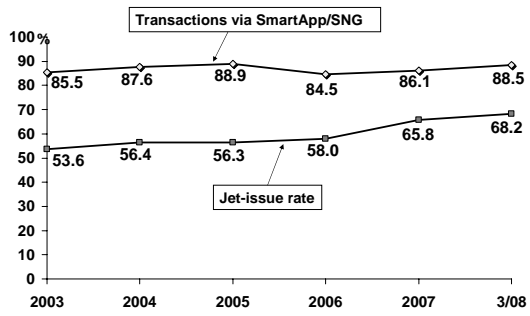
Three Critical Interactions

- Enrollment
- Claims
- Customer service center

Enrollment Technology Solutions

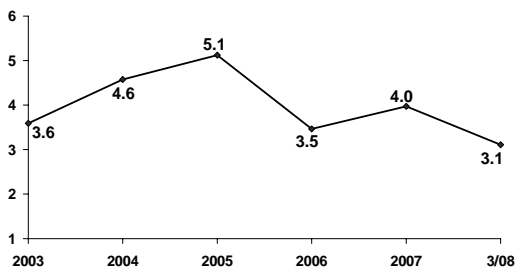
- SNG enhancements
 - » SmartAudit
 - » SmartQuote
- Alternative enrollment solutions
 - » Aflac Web Enrollment System (AWES)
 - » Employee Benefit Communications (EBC)

New Business Issuance



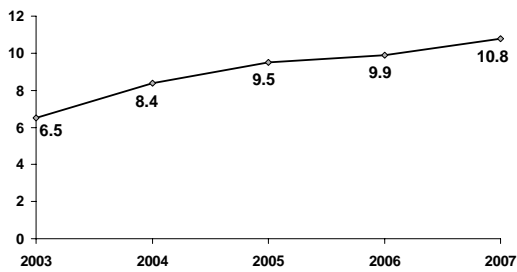
Claims Handling

(Turnaround Time in Days)

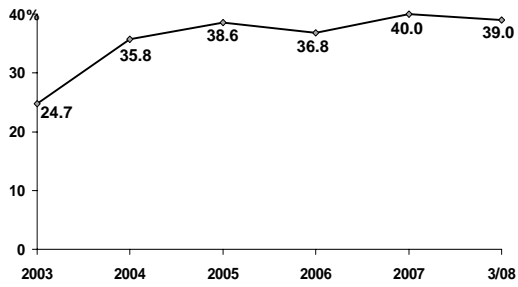


Customer Service Center Inquiries

(In Millions)



Percentage of Inquiries Handled via IVR

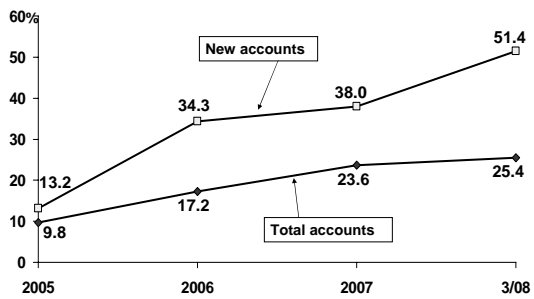


Field Service Capabilities

- AflacAnywhere
- MobileAflac
- Leads Management

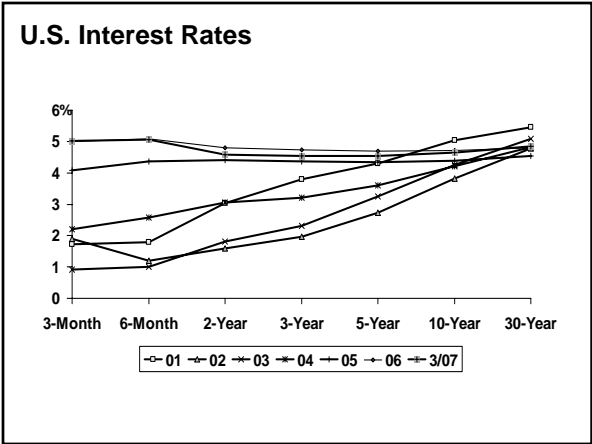


Online Billing and Service Adoption





Aflac U.S. Investments
Mary Ellen Keim
Vice President,
Fixed Income Investments



Cash Flow to Investments

(In Millions)

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Operations	\$145	\$ 12	\$120	\$190	\$(337)
Profit repatriation	85	-	-	-	-
Maturities	170	135	83	164	371
Investment income	<u>360</u>	<u>392</u>	<u>415</u>	<u>456</u>	<u>487</u>
Total	\$760	\$539	\$618	\$810	\$ 521

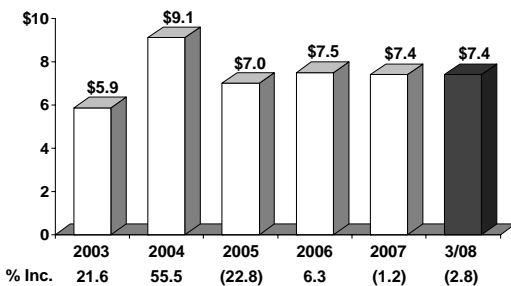
Excludes Aflac New York

Aflac New York

	<u>2006</u>	<u>2007</u>	<u>3/08</u>
Book value (millions)	\$163	\$201	\$203
Yield to worst	5.91%	6.01%	6.18%
Average rating	A	A	A
Average maturity (years)	15.8	15.2	18.0
New money yield	6.12%	6.23%	6.61%

Aflac U.S. Investments and Cash

(In Billions, at Fair Value)



Largest Investment Concentrations

(March 31, 2008, in Millions)

		Rating Category
AT&T	\$103	A
UBS AG	90	AAA
Ford Motor Company	81	CCC
Merrill Lynch & Co. Inc.	70	A
Rabobank Nederland	61	AAA
Sparebanken Nord Norge	60	A
Sparebanken Vest	60	A
Royal Bank of Scotland Group PLC	60	AA
Dresdner Bank AG	59	A
Southwest Airlines	58	A

Excludes Aflac New York

Credit Ratings

	<u>2006</u>	<u>2007</u>	<u>3/08</u>
AAA	11.8%	13.0%	13.2%
AA	17.0	17.6	16.6
A	47.5	44.3	44.6
BBB	21.6	23.5	23.9
BB or lower	2.1	1.6	1.7
Total	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

BBB Holdings

(March 31, 2008)

	Amount in Millions	% of BBB Category	% of Total Portfolio
BBB+	\$ 860	51.5%	12.6%
BBB	621	37.2	9.1
BBB-	188	11.3	2.8
Total	<u>\$1,669</u>	<u>100.0%</u>	<u>24.5%</u>

Excludes Aflac New York

Below-Investment-Grade Holdings

(March 31, 2008, in Millions)

	Amortized Cost	Fair Value	Unrealized Gain (Loss)
Ford Motor Company	\$ 81	\$ 60	\$(21)
Ahold Finance	31	32	1
International Securities Trading Corp.	-	1	1
Academica Charter Schools Finance LLC	8	7	(1)
Total	<u>\$120</u>	<u>\$100</u>	<u>\$(20)</u>

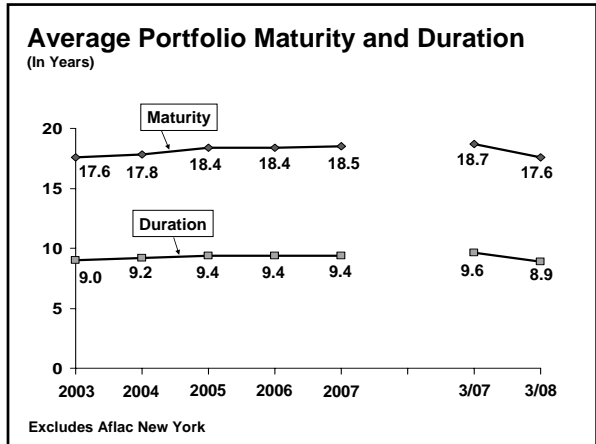
Credit Ratings on Bond Purchases

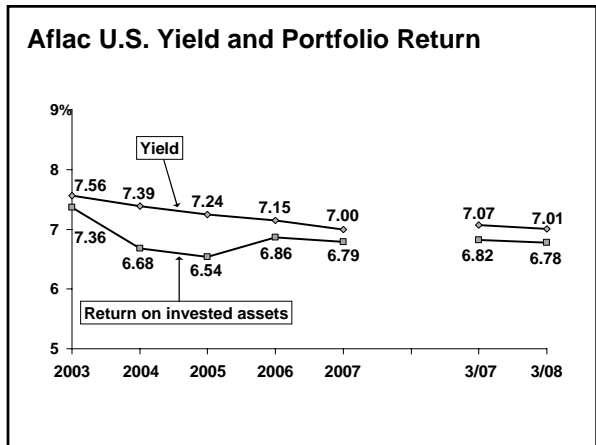
	2006	2007	3/08
AAA	15.1%	20.5%	31.0%
AA	26.1	18.7	19.3
A	42.9	33.2	37.6
BBB	15.9	27.6	12.1
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

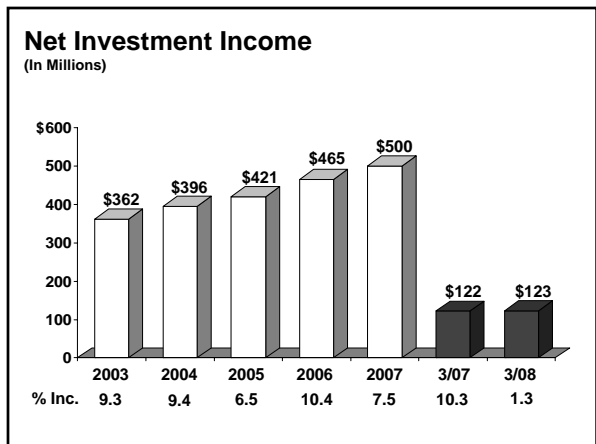
New Money Flows and Yields by Sector

	2007		3/08	
	% of Total	Yield to Worst	% of Total	Yield to Worst
Industrial	34.0%	6.49%	20.5%	7.29%
Foreign	32.2	6.43	32.6	6.97
Financial	15.0	6.34	19.5	6.93
CMO & ABS	18.8	6.45	27.4	6.99
Agency	-	-	-	-
Total inv. & cash	<u>100.0%</u>	<u>6.44%</u>	<u>100.0%</u>	<u>7.03%</u>

Excludes Aflac New York

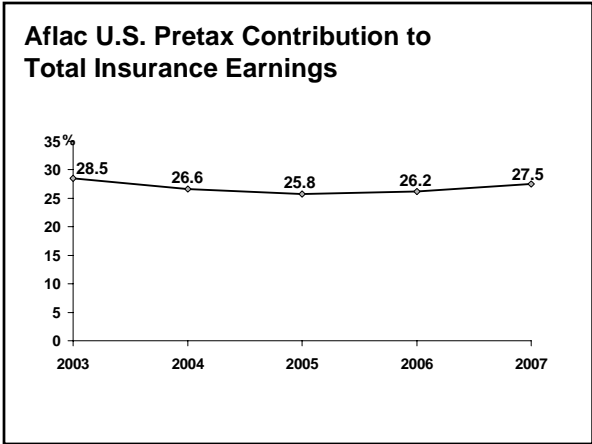






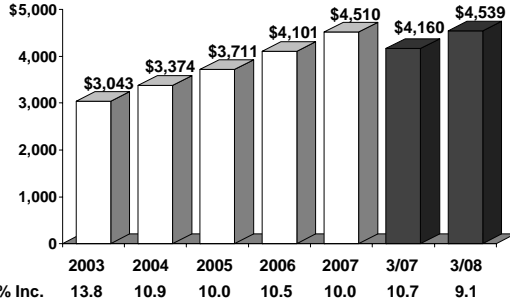


Aflac U.S. Financial Results
Ralph Rogers
Senior Vice President,
Financial Services;
Chief Accounting Officer

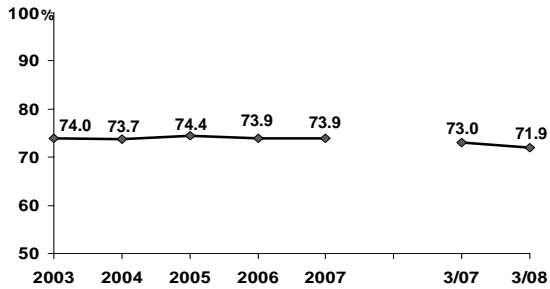


Annualized Premiums in Force

(In Millions)

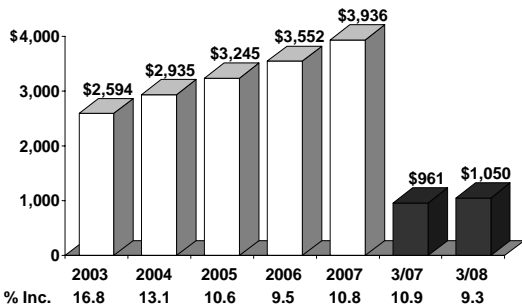


Premium Persistency Rates



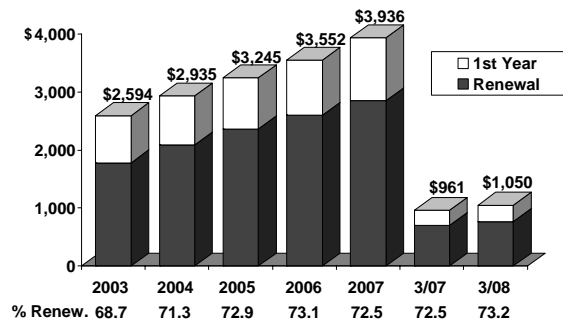
Premium Income

(In Millions)



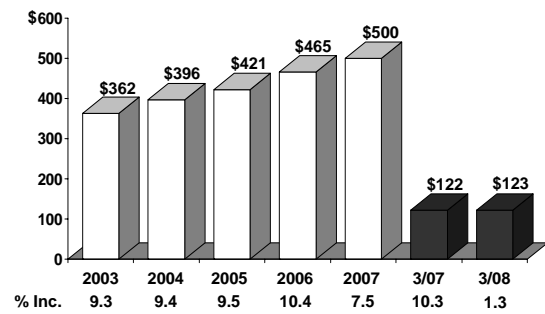
Composition of Premium Income

(In Millions)



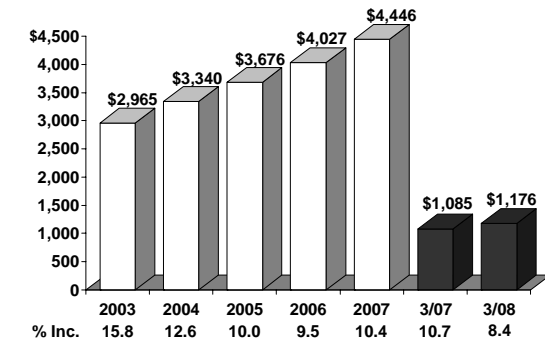
Net Investment Income

(In Millions)



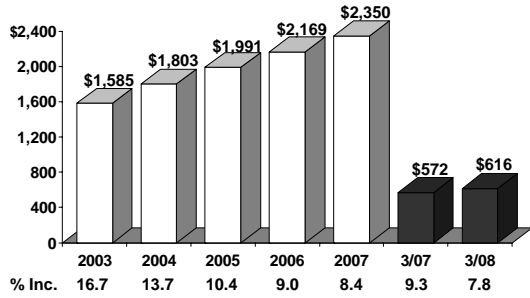
Total Revenues

(In Millions)



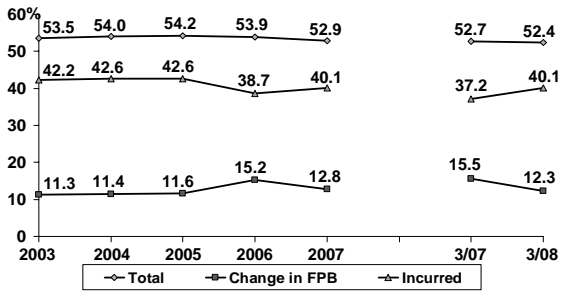
Total Benefits and Claims

(In Millions)

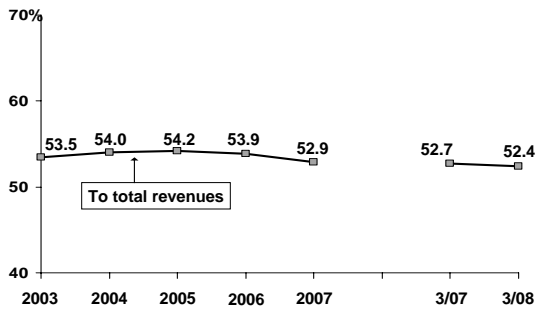


Policy Benefits and Claims

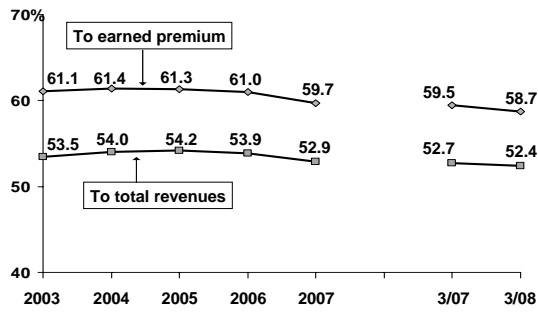
(To Total Revenues)



Total Benefit Ratios



Total Benefit Ratios



Aflac U.S. Investment Margin

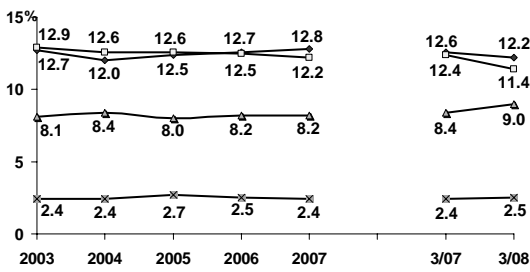
(In Millions)

	2006		2007	
	Amount	Average Rate*	Amount	Average Rate*
Investment income	\$456	7.21%	\$489	7.16%
Actuarial assumed int. ben. reserve liability	(240)	(6.15)	(269)	(5.91)
Yield spread	\$216	1.06%	\$220	1.25%
% Yield spread to investment income	47.3%		45.0%	

*Monthly averages

Composition of Operating Expense Ratio

(To Earned Premium)



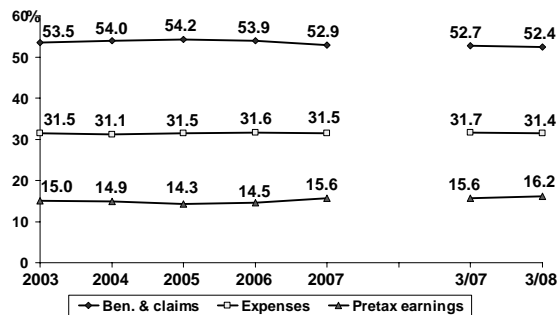
◆ Gen. & admin. □ Net commissions
 ▽ Amort. of DAC × Advertising

Deferred Policy Acquisition Cost Ratios

	% Acq. Costs Deferred to New Ann. Prem.	DAC Asset to Premiums in Force
2003	35.8%	52.7%
2004	35.7	52.8
2005	35.0	53.0
2006	34.6	52.9
2007	34.6	52.9
3/07	34.1	53.1
3/08	38.6	53.4

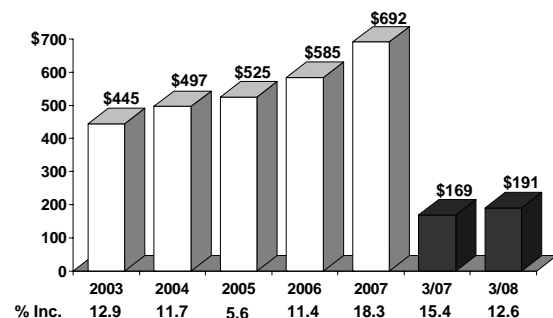
Operating Ratios

(To Total Revenues)



Pretax Operating Earnings

(In Millions)



Reflects SFAS 123R beginning in 2002

Long-Term Financial Goals

- Produce double-digit growth in premium income and total revenues
- Improve productivity and manage expense growth
- Maintain reasonable profitability to help Aflac Incorporated achieve its earnings targets



**Product Pricing and Reserving
Sue Blanck
Senior Vice President;
Corporate Actuary**

Pricing Assumptions

(U.S. and Japan)

- Morbidity
- Mortality
- Persistency
- Expenses
- Investment returns

FSA Reserve Assumptions

(Japan)

- Net Level Method
- Interest Rate – 1.50%
- Lapse Rate – lower than pricing basis
- Mortality – standard mortality table
- Morbidity – pricing basis with stress testing

FSA Reserving Strain

(Japan Representative Plan)

<u>Premium Rate as a Percentage of FSA Basis Premium</u>	<u>FSA Reporting Basis Breakeven Year</u>
100%	5
90	8
80	18

U.S. Statutory Reserve Assumptions

- 1- or 2-Year preliminary term for health
- Interest Rate – generally lower than pricing
- Lapse Rate – prescribed, generally lower than pricing basis
- Mortality – pricing basis or lower for health
- Morbidity – pricing basis with load and some prescribed tables

GAAP Reserve Assumptions

- Morbidity
- Mortality
- Persistency
- Expenses
- Investment returns

Aflac Japan Investment Return Assumptions

	<u>GAAP</u>	<u>Pricing</u>	<u>FSA</u>
Life/Health	1.65% - 3.00%	1.50% - 2.35%	1.50%
Annuity	1.65%	1.65%	1.50%

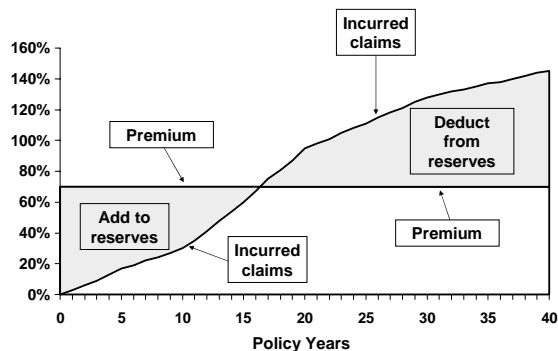
Aflac U.S. Investment Return Assumptions

	<u>GAAP</u>	<u>Pricing</u>	<u>Statutory</u>
Life/Health	5.50%	4.50% - 7.00%	4.00%

GAAP Reporting

- Benefit reserve uses net level premium method
- Certain acquisition costs are capitalized and put into a deferred policy acquisition cost asset
- The deferred policy acquisition cost asset is amortized over the premium paying period of a policy
- Requires a provision for adverse deviation (PAD) in the benefit reserve calculation

Claims vs. Reserves

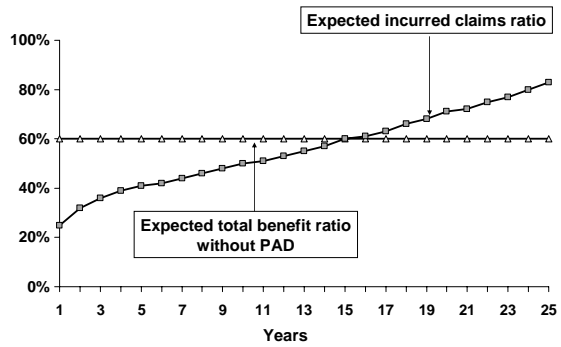


GAAP Experience Emergence Parameters

- Assumes representative health plan where claim costs are expected to increase by policy year
- The expected lifetime loss ratio for the representative plan is 60%
- All ratios shown are to earned premium
- The margins shown are gross margins

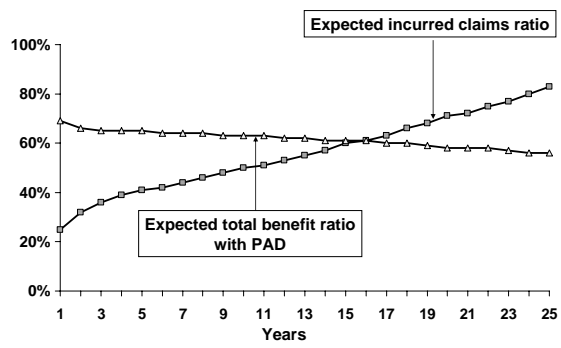
GAAP Experience Emergence Without PAD

(Ratios to Earned Premium)

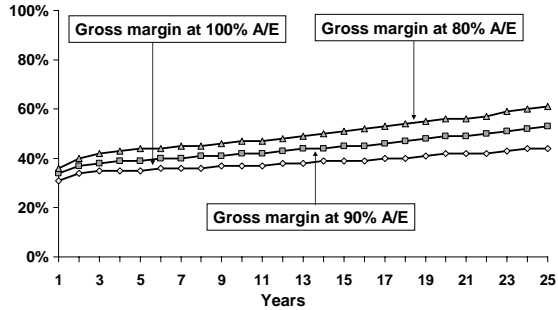


GAAP Experience Emergence with PAD

(Ratios to Earned Premium)

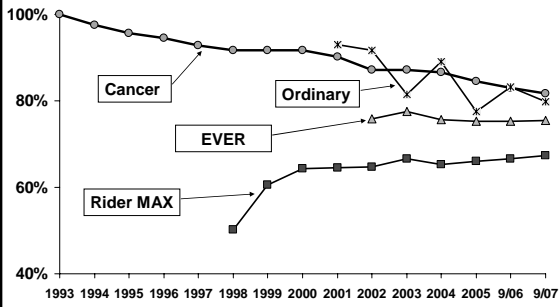


GAAP Gross Margin Scenarios

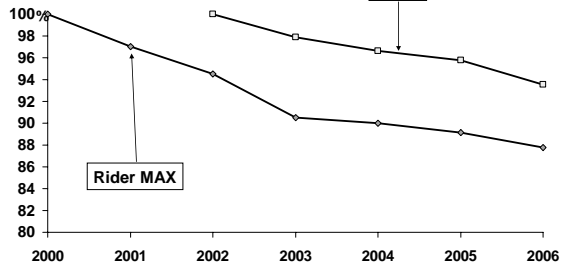


Aflac Japan Actual vs. Tabular Claims

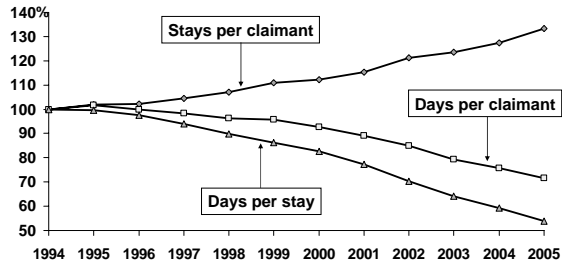
(Tabular = 100%)



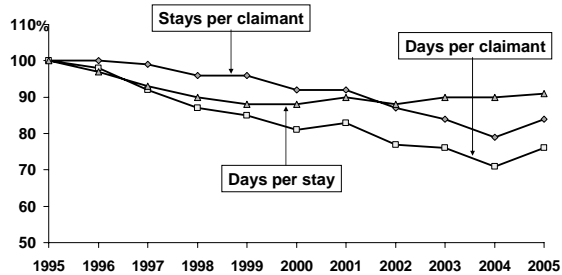
Aflac Japan Trends in Sickness Average Length of Stay



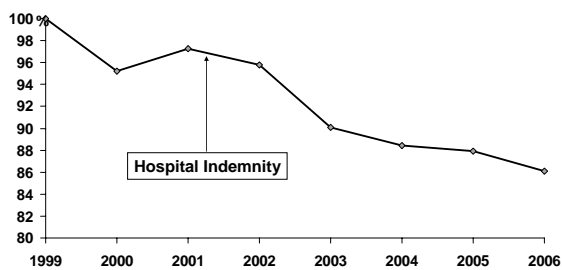
Aflac Japan Trends in Cancer Hospitalization
(Cancer Only, 24-Month Runoff)



Aflac U.S. Trends in Cancer Hospitalization
(Cancer Only, 24-Month Runoff)

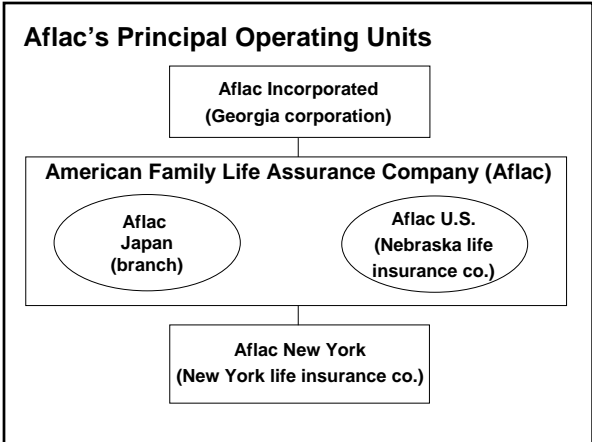


Aflac U.S. Trends in Average Length of Stay





Aflac Incorporated Overview
Kriss Cloninger
President; Chief Financial Officer,
Aflac Incorporated



The Regulatory Environment

Aflac U.S.

- Nebraska Insurance Dept.

Aflac New York

- New York Insurance Dept.

Aflac Japan

- Japanese Financial Services Agency (FSA)
- Nebraska Insurance Dept.

Capital Adequacy Ratios

(In Millions, Except Ratios)

	<u>2005</u>	<u>2006</u>	<u>2007</u>
Total adjusted capital	\$3,880	\$4,415	\$4,464
RBC ratios:			
Aflac	587%	601%	574%
Aflac New York	188	228	277

Capital Adequacy Ratios

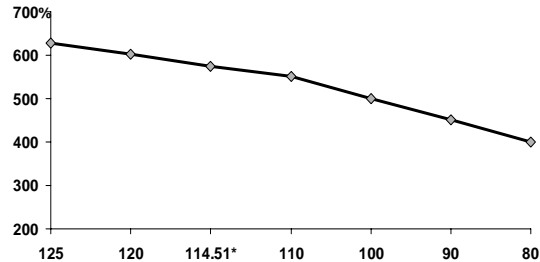
(In Millions, Except Ratios)

	<u>2005</u>	<u>2006</u>	<u>2007</u>
Total adjusted capital	\$3,880	\$4,415	\$4,464
RBC ratios:			
Aflac	587%	601%	574%
Aflac New York	188	228	277
Solvency margin	1,101	1,078	1,047*

*As of 9/30/07

RBC Ratio Sensitivity to Yen/Dollar Exchange Rates

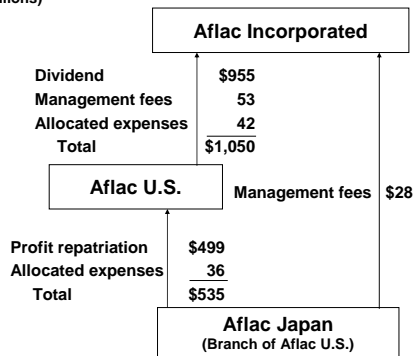
(December 31, 2007)



*Actual 2007 period-end exchange rate

2008 Estimated Flow of Funds

(In Millions)



Aflac Incorporated Liquidity Analysis

(In Millions)

	2006 <u>Actual</u>	2007 <u>Actual</u>	2008 <u>Plan</u>
Max. dividend to parent	\$1,248	\$1,679	\$1,790
Management fees	68	80	81
Allocated expenses	30	37	42
Other income	18	38	37
Less: Oper. expenses	(53)	(56)	(63)
Less: Int. expense	(17)	(20)	(22)
Less: Loan repayment	(355)	(242)	—
Less: Shareholder div.	(258)	(373)	(456)
Uncommitted cash flow	<u>\$ 681</u>	<u>\$1,143</u>	<u>\$1,409</u>

Aflac Incorporated Capitalization

(In Millions)

	<u>2006</u>	<u>2007</u>	<u>3/08</u>
Total long-term debt	\$1,426	\$1,465	\$1,606
Shareholders' equity*	6,891	7,921	7,899
Total capitalization	<u>\$8,317</u>	<u>\$9,386</u>	<u>\$9,505</u>
Debt to total capitalization	17.1%	15.6%	16.9%

*Excludes unrealized gains on investment securities and derivatives

Yen-Hedged Net-Asset Position*

	<u>2007</u>	<u>3/08</u>
In Yen (billions):		
Aflac Japan net assets	¥694.8	¥639.8
Less \$ denom. net assets	<u>419.1</u>	<u>405.4</u>
¥ Denom. net assets in Japan	275.7	234.4
¥ Denom. net liabilities (parent)	<u>(170.8)</u>	<u>(170.9)</u>
Consol. ¥ denom. net assets	<u>¥104.9</u>	<u>¥ 63.5</u>
In Dollars (millions):		
Aflac Japan net assets	\$6,087	\$6,385
Less \$ denom. net assets	<u>3,671</u>	<u>4,046</u>
¥ Denom. net assets in Japan	2,416	2,339
¥ Denom. net liabilities (parent)	<u>(1,497)</u>	<u>(1,706)</u>
Consol. ¥ denom. net assets	<u>\$ 919</u>	<u>\$ 633</u>

*Includes unrealized gains on investment securities

Parent Company Loan Maturities*

(December 31, 2007)

<u>Contractual Maturities</u>	<u>Percent of Total</u>	<u>Amount (Millions)</u>	<u>Amount (Billions)</u>	<u>Interest Rate</u>
2009	30.9%	\$ 450	¥ 55.6	1.67%
2010	24.0	350	40.0	.71
2011	9.0	131	15.0	1.52
2011	12.0	175	20.0	1.32
2012	18.1	263	30.0	1.87
2016	6.0	88	10.0	2.26
Total	<u>100.0%</u>	<u>\$1,457</u>	<u>¥170.6</u>	<u>1.46%</u>

*Excludes capitalized leases of \$8 million at December 31, 2007

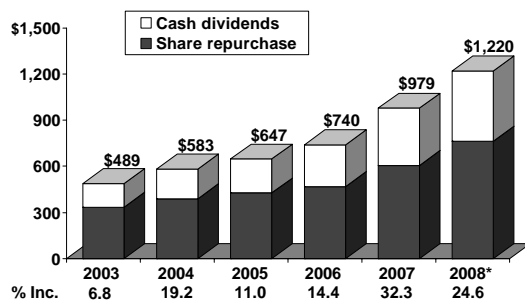
Share Data

(In Thousands)

	Beginning Shares	Issued Shares	Purchased Shares	Ending Shares
2003	514,439	5,857	10,404	509,892
2004	509,892	3,821	10,105	503,608
2005	503,608	5,531	10,245	498,894
2006	498,894	3,976	10,320	492,550
2007	492,550	5,612	11,632	486,530
3/08	486,530	1,164	12,603	475,091

Returning Capital to Shareholders

(In Millions)



*Estimate assuming purchase of 12.5 million shares

Comparative Statutory and GAAP Income Statement Items

(In Millions)

	2007 Stat*	2007 GAAP	Stat as a % of GAAP
Premiums	\$13,120	\$12,973	101.1%
Net investment income	2,288	2,333	98.1
Benefits	9,132	9,285	98.4
Expenses	3,991	3,609	110.6
Pretax operating earnings	2,314	2,467	93.8
Income tax	506	854	59.3
After-tax earnings	1,808	1,613	112.1
Investment gain/loss	(18)	19	(94.7)
Net income	1,790	1,634	109.5

*Excludes Aflac New York

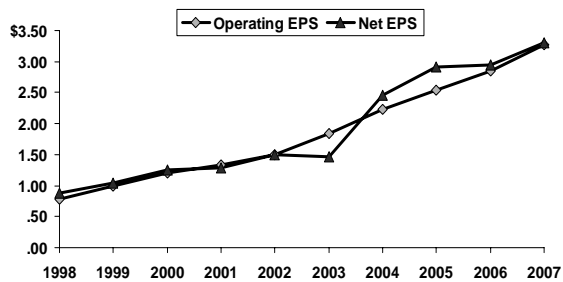
Reconciliation of Operating to Net Earnings Per Diluted Share

	2006	2007	3/07	3/08
Operating earnings	\$2.85	\$3.27	\$.82	\$.98
Reconciling items*:				
Inv. gains (losses)	.10	.04	.02	(.01)
SFAS 133	—	—	—	.01
Net earnings	<u>\$2.95</u>	<u>\$3.31</u>	<u>\$.84</u>	<u>\$.98</u>

*Net of tax

Comparison of Operating to Net Earnings Per Share

(Diluted Basis)



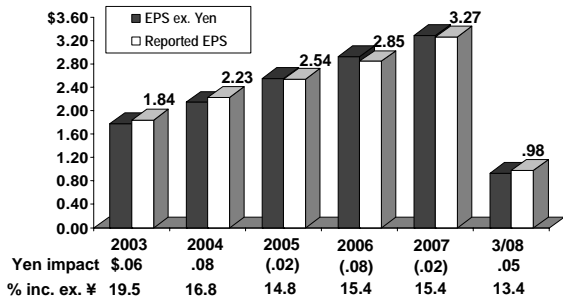
Reflects SFAS 123R beginning in 2002

The Impact of Currency Changes on Consolidated Operating Results

	2007		3/08	
	Percentage Change		Percentage Change	
	As reported	Ex. yen	As reported	Ex. yen
Premium inc.	5.4%	6.2%	15.2%	5.4%
Invest. inc.	7.5	8.1	10.9	4.3
Total rev.	5.7	6.5	14.2	5.1
Benefits/claims	3.0	3.9	12.4	2.3
Expenses	8.2	8.8	17.0	8.8
Pretax earn.	12.9	13.7	16.8	10.5
Income taxes	13.4	14.3	17.3	10.5
Oper. earn.	12.7%	13.4%	16.6%	10.5%
Oper. EPS	14.7%	15.4%	19.5%	13.4%

Operating Earnings Per Share

(Diluted Basis)



EPS Objectives

- Increase operating earnings per diluted share 14% to 15% in 2008, excluding the impact of foreign currency
- Increase operating earnings per diluted share 13% to 15% in 2009, excluding the impact of foreign currency

Aflac Japan Assumptions

	<u>2008</u>	<u>2009</u>
Sales growth	up 3% to 7%	up 3% to 7%
New money	2.75% to 3.00%	2.75% to 3.00%
Benefit ratio	down 1.25% to 1.75%	down 1.0% to 1.5%
Persistency	down .2% to .6%	stable

Aflac U.S. Assumptions

	<u>2008</u>	<u>2009</u>
Sales growth	5% to 10%	5% to 10%
New money	5.50% to 6.00%	5.50% to 6.00%
Benefit ratio	flat to down .5%	flat to down .5%
Persistence	down slightly	stable

Corporate Assumptions

- Repurchase 12 to 18 million shares per year
- Shareholder dividend increasing at 15% to 20% in 2008 and 2009
- Substantially maintain current capital structure
- No change in tax rates from 2007 levels

2008 Operating EPS Scenarios

Average Exchange Rate	Annual Operating EPS	% Growth Over 2007	Yen Impact
100	\$4.06 – 4.09	24.2 – 25.1%	\$.33
105	3.95 – 3.98	20.8 – 21.7	.22
110	3.86 – 3.89	18.0 – 19.0	.13
115	3.78 – 3.81	15.6 – 16.5	.05
117.93*	3.73 – 3.76	14.1 – 15.0	–
120	3.70 – 3.73	13.1 – 14.1	(.03)
125	3.63 – 3.66	11.0 – 11.9	(.10)

*Actual 2007 weighted-average exchange rate