

AFLAC INC. NYSE-AFL

RECENT PRICE **45.84** P/E RATIO **7.8** (Trailing: 11.0 Median: 17.0) RELATIVE P/E RATIO **0.49** DIV'D YLD **2.9%** VALUE LINE

TIMELINESS 1 Raised 3/23/12
SAFETY 3 Lowered 1/30/09
TECHNICAL 2 Raised 3/23/12
BETA 1.20 (1.00 = Market)

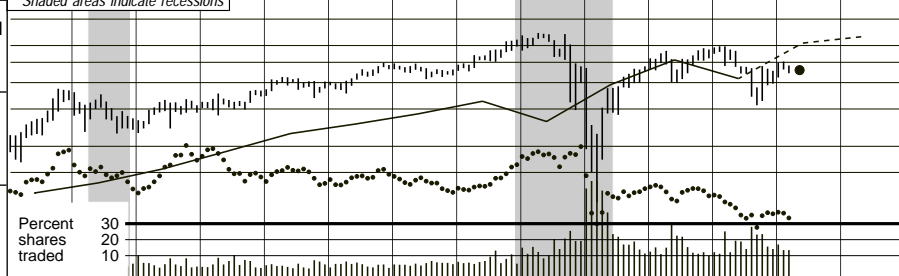
High: 36.1 33.4 36.9 42.6 49.7 49.4 63.9 68.8 47.8 58.3 59.5 50.3
 Low: 23.0 23.1 28.0 33.8 35.5 41.6 45.2 29.7 10.8 39.9 31.3 42.3

LEGENDS
 — 10.0 x Earnings p sh
 ... Relative Price Strength
 2-for-1 split 3/01
 Options: Yes
 Shaded areas indicate recessions

2015-17 PROJECTIONS
 Price Gain Ann'l Total
 High 105 (+130%) 25%
 Low 70 (+55%) 14%

Insider Decisions
 M J J A S O N D J
 to Buy 0 0 0 0 2 0 0 0 0 0
 Options 1 0 0 1 0 1 0 0 0
 to Sell 1 0 0 0 0 0 0 0 0

Institutional Decisions
 2Q2011 3Q2011 4Q2011
 to Buy 312 319 306
 to Sell 389 361 330
 Hld's(000) 285365 286920 282041



Target Price Range	2015	2016	2017
160			
120			
100			
80			
60			
40			
20			
15			

% TOT. RETURN 3/12
 THIS STOCK VL ARITH. INDEX
 1 yr. -10.4 0.3
 3 yr. 156.6 136.4
 5 yr. 10.2 33.1

1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	© VALUE LINE PUB. LLC	15-17
10.72	11.02	11.18	13.67	15.57	15.35	16.71	19.42	22.44	24.03	25.00	26.66	32.03	35.47	38.48	43.67	46.85	50.45	Premium Inc per sh	63.15
1.85	2.02	2.14	2.58	2.93	2.95	3.14	3.50	3.89	4.15	4.41	4.80	5.52	5.90	6.40	7.03	7.15	7.50	Investment Inc per sh	8.55
.60	.67	.78	1.00	1.20	1.34	1.56	1.89	2.30	2.54	2.85	3.27	2.62	3.91	5.13	4.18	6.15	6.65	Earnings per sh ^A	8.75
.10	.11	.13	.15	.17	.19	.23	.30	.38	.44	.55	.80	.96	1.12	1.14	1.23	1.34	1.50	Div'ds Decl'd per sh ^B	2.08
3.85	6.44	7.09	7.28	8.87	10.33	12.43	13.01	15.04	15.89	16.93	18.08	14.23	17.96	23.54	28.96	31.00	35.65	Book Value per sh	50.55
551.54	532.81	531.37	531.48	529.21	525.10	514.44	510.93	503.61	498.89	492.55	486.54	466.62	468.57	469.66	466.31	463.00	460.00	Common Shs Outst'g ^C	445.00
220%	187%	230%	325%	298%	279%	236%	252%	263%	269%	270%	295%	404%	191%	215%	162%	162%	162%	Price to Book Value	175%
14.2	18.1	20.9	23.8	22.0	21.5	18.8	17.4	17.2	16.8	16.1	16.3	22.0	8.8	9.9	11.3			Avg Ann'l P/E Ratio	10.0
.89	1.04	1.09	1.36	1.43	1.10	1.03	.99	.91	.89	.87	.87	1.32	.59	.63	.71			Relative P/E Ratio	.65
1.1%	.9%	.8%	.6%	.6%	.7%	.8%	.9%	1.0%	1.0%	1.2%	1.5%	1.7%	3.3%	2.3%	2.6%			Avg Ann'l Div'd Yield	2.4%

CAPITAL STRUCTURE as of 12/31/11
 Total Debt \$3.285 bill. Due in 5 Yrs \$1.6 bill.
 LT Debt \$3.285 bill. LT Interest \$164 mill.
 (20% of Cap'l)

Leases, Uncapitalized: Annual rentals: \$80 mill.
 Pension Assets-12/11 \$395 mill.
 Oblig. \$854 mill

Pfd Stock None
 Common Stock 467,097,921 shares
 as of 2/16/12
MARKET CAP: \$21.4 billion (Large Cap)

8595.0	9921.0	11302	11990	12314	12973	14947	16621	18073	20362	21700	23200	28100	Premium Inc (\$mill)	28100
1614.0	1787.0	1957.0	2071.0	2171.0	2333.0	2578.0	2765.0	3007.0	3280.0	3300	3450	3800	Investment Inc (\$mill)	3800
62.0	40.0	34.0	40.0	52.0	59.0	36.0	80.0	74.0	81.0	75.0	75.0	100	Total Income (\$mill)	100
10271	11748	13293	14101	14537	15365	17561	19466	21154	23723	25075	26725	32000	Other Income (\$mill)	32000
6589.0	7529.0	8482.0	8890.0	9016.0	9285.0	10499	11308	12106	13749	13900	14500	17000	Benefits & Reserves (\$m)	17000
34.6%	35.4%	34.8%	34.2%	34.4%	34.4%	34.5%	34.5%	33.1%	35.9%	34.4%	34.5%	34.5%	Income Tax Rate	34.5%
823.8	986.0	1186.0	1292.0	1433.0	1616.0	1254.0	1833.0	2427.0	1964.0	2830	3060	3895	Net Profit (\$mill)	3895
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45058	50964	59326	56361	59805	65805	79331	84106	101039	117102	112000	11800	127000	Total Assets (\$bill)	127000
6394.0	6646.0	7573.0	7927.0	8341.0	8795.0	6639.0	8417.0	11056	13506	14250	16400	22500	Shr. Equity (\$mill)	22500
12.9%	14.8%	15.7%	16.3%	17.2%	18.4%	18.9%	21.8%	22.0%	14.5%	20.0%	18.5%	17.5%	Return on Shr. Equity	17.5%
11.1%	12.6%	13.3%	13.7%	14.1%	14.1%	12.4%	15.6%	17.1%	10.5%	15.5%	15.0%	13.5%	Retained to Com Eq	13.5%
14%	15%	15%	16%	18%	23%	35%	29%	22%	28%	22%	22%	24%	All Div'ds to Net Prof	24%

FINANCIAL POSITION 2009 2010 12/31/11 (\$MILL.)

Bonds	70731	85951	101020
Stocks	24	23	25
Defer'd Acq	8533	9734	10654
Other	4818	5331	5403
Total Assets	84106	101039	117102
Res'ves, Prems	65975	78737	90612
Policy Claims	3270	3719	3981
Other	6444	7527	9003
Total Liab.	75689	89983	103596

ANNUAL RATES Past 10 Yrs. Past 5 Yrs. Est'd '09-'11 of change (per sh)

Premium Inc	10.0%	10.5%	8.5%
Invest Income	8.5%	9.0%	5.0%
Earnings	14.0%	11.5%	12.0%
Dividends	21.5%	20.5%	10.0%
Book Value	10.5%	8.0%	13.5%

QUARTERLY PREMIUM INC. (\$ mill.)

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	4115	3995	4164	4347	16621
2010	4348	4333	4607	4785	18073
2011	4872	4956	5210	5324	20362
2012	5350	5400	5450	5500	21700
2013	5700	5800	5800	5900	23200

EARNINGS PER SHARE^A

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	1.06	.87	1.18	.80	3.91
2010	1.41	1.35	1.45	.92	5.13
2011	.84	.60	1.58	1.16	4.18
2012	1.55	1.55	1.60	1.45	6.15
2013	1.65	1.70	1.70	1.60	6.65

QUARTERLY DIVIDENDS PAID^B

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2008	.24	.24	.24	.24	.96
2009	.28	.28	.28	.28	1.12
2010	.28	.28	.28	.30	1.14
2011	.30	.30	.30	.33	1.23
2012	.33				

BUSINESS: Aflac Incorporated is the world's largest underwriter of supplemental cancer insurance, which it sells through independent and corporate agencies and bank and post offices in Japan. Also sells life, health, Medicare supplement, accident, and long-term convalescent care policies. The company does business in Japan and all 50 states. Japanese operations, largely medical, cancer,

Aflac actually did well in 2011, on an "operating" basis. Last year, "operating" earnings — results before investment and derivative losses — increased 14.4%, to \$6.33 a share; the gain was 8.0% at constant currency values. In the fourth quarter of 2011, operating share net rose 11.3%, year to year, to \$1.48, but fell from \$1.66 in last year's third quarter, on the same basis. In 2011, Aflac benefited from strong results in Japan, boosted by a 134% jump in sales at bank branches. Sales through traditional channels were flat, following a good performance in 2010. Profits in the U.S., however, were flat in 2011.

Assuming low impairments, earnings will rise substantially in 2012. GAAP results included \$1.5 billion of investment losses last year, versus \$422 million in 2010, and we expect much lower write-downs this year. Sales will probably rise nicely in the first quarter as big Japanese banks strive to make quotas in their final fiscal period. Later this year, though, Japan could be hard-pressed to top last year's level. Profits should rise modestly in the United States, with a stronger contribution from the mid-sized company busi-

ness, acquired at the end of 2010. A stronger dollar, though, could hurt a bit. Aflac forecasts 2012 non-GAAP earnings of \$6.45-\$6.70 a share.

Operating earnings per share will likely strengthen further in 2013. After the expected breather in Japan later this year, normal sales growth is probable.

Aflac's balance sheet is in better shape after all the writedowns. Following three years of adjustments, Aflac should be near the end of its "derisking". As of December 31, 2011, about 94% of its portfolio is investment grade. Holdings of sovereign and financial assets in the most troubled European countries are now 2.2% of invested assets, versus 5.9% at the end of 2008. And investment in perpetual securities—hybrids with some equity characteristics—have dropped by half over the same period, to 6.8% of assets.

These top-ranked shares have above-average appreciation potential. Aflac's recent price represents a normal multiple of last year's GAAP earnings. Impairments should decline substantially, and the stock price ought to reflect rising earnings.

Sigourney B. Romaine
 April 13, 2012

(A) Diluted operating earnings. Excludes non-recurring items: '10, (18¢); '09, (72¢); '07, 4¢; '06, 10¢; '05, 38¢; '04, 23¢; '03, (37¢). Next earnings report due late April.
 (B) Dividends historically paid in early March, June, September, and December.
 (C) In millions, adjusted for stock split.
 Company's Financial Strength B+
 Stock's Price Stability 45
 Price Growth Persistence 60
 Earnings Predictability 70