

# Financial Analysts Briefing Supplement Fourth Quarter 2005

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

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

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

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**Stock Price Range and Other Data**

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

\*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
<b>Aflac</b>	<b>5.33</b>	<b>7.25</b>	<b>10.69</b>	<b>12.78</b>	<b>21.94</b>	<b>23.60</b>	<b>36.10</b>	<b>24.56</b>	<b>30.12</b>	<b>36.18</b>	<b>39.84</b>	<b>46.42</b>
Rel. Perf.		1.4	2.0	2.4	4.1	4.4	6.8	4.6	5.6	6.8	7.5	8.7
<b>Dow Jones Ind.</b>	<b>3834.44</b>	<b>5117.12</b>	<b>6448.27</b>	<b>7908.25</b>	<b>9181.43</b>	<b>11497.12</b>	<b>10786.85</b>	<b>10021.50</b>	<b>8341.63</b>	<b>10453.92</b>	<b>10783.01</b>	<b>10717.50</b>
Rel. Perf.		1.3	1.7	2.1	2.4	3.0	2.8	2.6	2.2	2.7	2.8	2.8
<b>S&amp;P Life</b>	<b>100.00</b>	<b>140.85</b>	<b>166.80</b>	<b>206.02</b>	<b>213.90</b>	<b>180.70</b>	<b>201.57</b>	<b>183.25</b>	<b>151.23</b>	<b>189.51</b>	<b>228.11</b>	<b>275.73</b>
Rel. Perf.		1.4	1.7	2.1	2.1	1.8	2.0	1.8	1.5	1.9	2.3	2.8
<b>NYSE Comp.</b>	<b>2653.37</b>	<b>3484.15</b>	<b>4148.07</b>	<b>5405.19</b>	<b>6299.93</b>	<b>6876.10</b>	<b>6945.57</b>	<b>6236.39</b>	<b>5000.00</b>	<b>6464.00</b>	<b>7250.06</b>	<b>7753.95</b>
Rel. Perf.		1.3	1.6	2.0	2.4	2.6	2.6	2.4	1.9	2.4	2.7	2.9
<b>S&amp;P 500</b>	<b>459.27</b>	<b>615.93</b>	<b>740.74</b>	<b>970.43</b>	<b>1229.23</b>	<b>1469.25</b>	<b>1320.28</b>	<b>1148.08</b>	<b>879.82</b>	<b>1111.92</b>	<b>1211.92</b>	<b>1248.29</b>
Rel. Perf.		1.3	1.6	2.1	2.7	3.2	2.9	2.5	1.9	2.4	2.6	2.7
<b>Nikkei</b>	<b>19723.06</b>	<b>19868.15</b>	<b>19361.35</b>	<b>15258.74</b>	<b>13842.17</b>	<b>18934.34</b>	<b>13785.69</b>	<b>10542.62</b>	<b>8578.95</b>	<b>10676.64</b>	<b>11488.76</b>	<b>16111.43</b>
Rel. Perf.		1.0	1.0	.8	.7	1.0	.7	.5	.4	.5	.6	.8

### Relative Performance AFL/Other Averages

(1994 Close = 100)

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
AFL/DJIA	101.9	119.2	116.2	171.8	147.6	240.6	176.2	259.6	248.8	265.6	311.4
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
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
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
AFL/Nikkei	135.0	204.2	309.8	586.2	461.0	968.5	861.6	1298.4	1253.2	1282.5	1065.5

### Annual Percent Change in Relative Performance

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
AFL/DJIA	1.9	17.0	(2.5)	47.9	(14.1)	63.0	(26.8)	47.3	(4.2)	6.8	17.2
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)
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
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
AFL/Nikkei	35.0	51.3	51.7	89.2	(21.4)	110.1	(11.0)	50.7	(3.5)	2.3	(16.9)

### AFL Trading Volume

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
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

## Price Performance of Aflac Incorporated and Market Indexes

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

	12/31/04	1/31/05	2/28/05	3/31/05	4/30/05	5/31/05	6/30/05	7/31/05	8/31/05	9/30/05	10/31/2005	11/30/2005	12/31/2005
<b>Aflac</b>	<b>39.84</b>	<b>39.51</b>	<b>38.33</b>	<b>37.26</b>	<b>40.65</b>	<b>41.55</b>	<b>43.28</b>	<b>45.10</b>	<b>43.22</b>	<b>45.30</b>	<b>47.78</b>	<b>48.00</b>	<b>46.42</b>
Rel. Perf.	7.5	7.4	7.2	7.0	7.6	7.8	8.1	8.5	8.1	8.5	9.0	9.0	8.7
<b>Dow Jones Ind.</b>	<b>10783.01</b>	<b>10489.94</b>	<b>10766.23</b>	<b>10503.76</b>	<b>10192.51</b>	<b>10467.48</b>	<b>10274.97</b>	<b>10640.91</b>	<b>10481.60</b>	<b>10568.70</b>	<b>10440.07</b>	<b>10805.87</b>	<b>10717.50</b>
Rel. Perf.	2.8	2.7	2.8	2.7	2.7	2.7	2.7	2.8	2.7	2.8	2.7	2.8	2.8
<b>S&amp;P Life</b>	<b>228.11</b>	<b>223.46</b>	<b>226.92</b>	<b>222.50</b>	<b>225.96</b>	<b>244.15</b>	<b>249.62</b>	<b>260.71</b>	<b>256.11</b>	<b>265.47</b>	<b>273.71</b>	<b>284.49</b>	<b>275.73</b>
Rel. Perf.	2.3	2.2	2.3	2.2	2.3	2.4	2.5	2.6	2.6	2.7	2.7	2.8	2.8
<b>NYSE Comp.</b>	<b>7250.06</b>	<b>7089.83</b>	<b>7321.23</b>	<b>7167.53</b>	<b>7008.32</b>	<b>7134.33</b>	<b>7217.78</b>	<b>7476.66</b>	<b>7496.09</b>	<b>7632.98</b>	<b>7433.12</b>	<b>7645.28</b>	<b>7753.95</b>
Rel. Perf.	2.7	2.7	2.8	2.7	2.6	2.7	2.7	2.8	2.8	2.9	2.8	2.9	2.9
<b>S&amp;P 500</b>	<b>1211.92</b>	<b>1181.27</b>	<b>1203.60</b>	<b>1180.59</b>	<b>1156.85</b>	<b>1191.50</b>	<b>1191.33</b>	<b>1234.18</b>	<b>1220.33</b>	<b>1228.81</b>	<b>1207.01</b>	<b>1249.48</b>	<b>1248.29</b>
Rel. Perf.	2.6	2.6	2.6	2.6	2.5	2.6	2.6	2.7	2.7	2.7	2.6	2.7	2.7
<b>Nikkei</b>	<b>11488.76</b>	<b>11387.59</b>	<b>11740.60</b>	<b>11668.95</b>	<b>11008.90</b>	<b>11276.59</b>	<b>11584.01</b>	<b>11899.60</b>	<b>12413.60</b>	<b>13574.30</b>	<b>13606.50</b>	<b>14872.15</b>	<b>16111.43</b>
Rel. Perf.	.6	.6	.6	.6	.6	.6	.6	.6	.6	.7	.7	.8	.8

### Relative Performance AFL/Other Averages

(1994 Close = 100)

	12/31/04	1/31/05	2/28/05	3/31/05	4/30/05	5/31/05	6/30/05	7/31/05	8/31/05	9/30/05	10/31/2005	11/30/2005	12/31/2005
AFL/DJIA	265.6	270.8	256.0	255.1	286.8	285.4	302.9	304.7	296.5	308.2	329.1	319.4	311.4
AFL/S&P Life	327.5	331.5	316.7	314.0	337.3	319.1	325.1	324.4	316.4	320.0	327.3	316.4	315.7
AFL/NYSE Comp.	273.4	277.3	260.5	258.6	288.6	289.8	298.3	300.1	286.9	295.3	319.8	312.4	297.9
AFL/S&P 500	283.1	288.0	274.3	271.8	302.6	300.3	312.9	314.7	305.0	317.5	340.9	330.8	320.2
AFL/Nikkei	1282.5	1283.2	1207.4	1180.9	1365.6	1362.7	1381.8	1401.7	1287.6	1234.2	1298.7	1193.6	1065.5

### Monthly Percent Change in Relative Performance

	12/31/04	1/31/05	2/28/05	3/31/05	4/30/05	5/31/05	6/30/05	7/31/05	8/31/05	9/30/05	10/31/2005	11/30/2005	12/31/2005
AFL/DJIA	2.4	1.9	(5.5)	(.4)	12.4	(.5)	6.1	.6	(2.7)	3.9	6.8	(2.9)	(2.5)
AFL/S&P Life	(.9)	1.2	(4.5)	(.9)	7.4	(5.4)	1.9	(.2)	(2.4)	1.1	2.3	(3.3)	(.2)
AFL/NYSE Comp.	2.3	1.4	(6.1)	(.7)	11.6	.4	3.0	.6	(4.4)	2.9	8.3	(2.3)	(4.6)
AFL/S&P 500	2.6	1.7	(4.8)	(.9)	11.3	(.8)	4.2	.6	(3.1)	4.1	7.4	(3.0)	(3.2)
AFL/Nikkei	.5	.1	(5.9)	(2.2)	15.6	(.2)	1.4	1.4	(8.1)	(4.1)	5.2	(8.1)	(10.7)

### AFL High, Low, Close & Trading Volume

	12/31/04	1/31/05	2/28/05	3/31/05	4/30/05	5/31/05	6/30/05	7/31/05	8/31/05	9/30/05	10/31/2005	11/30/2005	12/31/2005
High	40.55	40.42	39.65	39.79	40.86	41.92	44.15	46.33	45.07	46.18	48.00	49.65	48.49
Low	37.52	38.87	37.25	37.00	35.50	38.69	41.34	43.22	42.72	43.05	44.38	47.40	46.31
Close	39.84	39.51	38.33	37.26	40.65	41.55	43.28	45.10	43.22	45.30	47.78	48.00	46.42
No. Shar. Trad.(Act.) (000 omitted)	35,464	27,467	36,460	36,493	41,781	35,935	40,640	36,222	29,457	26,813	34,339	34,673	25,549

**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
2000	1	531,482	458	2,608	4,087	95	530,366	531,199	13,324	544,523	531,199	13,324	544,523
	2	530,366	269	1,990	2,122	80	530,423	531,143	13,719	544,861	531,171	13,521	544,692
	3	530,423	209	1,353	1,575	94	530,316	530,180	14,212	544,392	530,838	13,751	544,590
	4	530,316	246	521	1,873	–	529,210	529,917	15,942	545,859	530,607	14,299	544,906
2001	1	529,210	460	1,124	5,387	165	525,242	528,180	13,587	541,767	528,180	13,587	541,767
	2	525,242	483	984	1,288	–	525,421	525,786	13,366	539,151	526,976	13,476	540,453
	3	525,421	390	366	2,805	3	523,369	524,266	11,777	536,043	526,063	12,910	538,973
	4	523,369	496	489	2,739	–	521,615	522,233	10,409	532,643	525,098	12,285	537,383
2002	1	521,615	441	808	5,218	4	517,642	519,473	10,154	529,627	519,473	10,154	529,627
	2	517,642	489	593	1,307	48	517,369	518,077	11,529	529,606	518,771	10,841	529,613
	3	517,369	419	395	3,013	2	515,168	516,984	10,923	527,908	518,169	10,869	529,038
	4	515,168	428	1,541	2,556	142	514,439	515,678	10,534	526,213	517,541	10,785	528,326
2003	1	514,439	393	1,750	1,660	53	514,869	514,565	9,903	524,468	514,565	9,903	524,468
	2	514,869	509	1,150	2,821	113	513,594	513,728	8,985	522,713	514,144	9,444	523,588
	3	513,594	453	578	2,207	–	512,418	513,385	7,827	521,212	513,888	8,905	522,793
	4	512,418	411	613	3,500	50	509,892	511,239	8,953	520,192	513,220	8,918	522,138
2004	1	509,892	396	1,249	3,150	42	508,345	509,924	9,430	519,355	509,924	9,430	519,355
	2	508,345	429	530	1,255	–	508,049	508,353	9,508	517,860	509,138	9,469	518,607
	3	508,049	361	274	2,526	–	506,158	506,599	8,977	515,576	508,286	9,305	517,591
	4	506,158	399	183	3,130	2	503,608	504,495	8,439	512,934	507,333	9,088	516,421
2005	1	503,608	382	939	2,942	–	501,987	502,706	6,743	509,449	502,706	6,743	509,449
	2	501,987	443	1,450	2,640	68	501,172	501,426	6,576	508,002	502,063	6,659	508,722
	3	501,172	323	876	2,000	88	500,283	500,557	6,766	507,323	501,555	6,695	508,250
	4	<b>500,283</b>	<b>328</b>	<b>790</b>	<b>2,418</b>	<b>89</b>	<b>498,894</b>	<b>499,112</b>	<b>6,972</b>	<b>506,084</b>	<b>500,939</b>	<b>6,764</b>	<b>507,704</b>

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

**Aflac Incorporated and Subsidiaries**

**Summary of Operating Results by Business Segment**

(In Millions, except per-share data)

	Years Ended December 31,					3 Months Ended December 31,			12 Months Ended December 31,		
	2000	2001	2002	2003	2004	2004	2005	% Change	2004	2005	% Change
Aflac Japan	\$ 771	\$ 799	\$ 912	\$ 1,122	\$ 1,379	\$ 354	\$ 337	(4.9) %	\$ 1,379	\$ 1,515	9.9 %
Aflac U.S.	290	338	394	445	497	129	129	(.3)	497	525	5.6
Interest expense, non-insurance operations	(16)	(16)	(16)	(19)	(20)	(5)	(4)	13.0	(20)	(20)	1.5
Parent company, other operations and eliminations	(32)	(44)	(51)	(46)	(62)	(23)	(7)	73.6	(62)	(41)	33.8
Pretax operating earnings	1,013	1,077	1,239	1,502	1,794	455	455	-	1,794	1,979	10.3
Income taxes	356	390	450	540	641	162	157	(3.3)	641	687	7.2
Operating earnings*	657	687	789	962	1,153	293	298	1.8	1,153	1,292	12.0
Reconciling items:											
Termination of retirement liability, net of tax	99	-	-	-	-	-	-		-	-	
Japanese policyholder protection fund, net of tax	-	-	(26)	-	-	-	-		-	-	
Impact from SFAS 133, net of tax	-	1	37	(3)	(13)	(7)	(2)		(13)	(10)	
Realized investment gains (losses), net of tax	(69)	(34)	(15)	(191)	(5)	(4)	68		(5)	167	
Japanese pension obligation transfer, net of tax	-	-	-	-	3	-	-		3	-	
Release of deferred tax asset valuation allowance	-	-	-	-	128	128	-		128	34	
Net earnings	\$ 687	\$ 654	\$ 785	\$ 768	\$ 1,266	\$ 410	\$ 364	(11.1) %	\$ 1,266	\$ 1,483	17.2 %
Earnings per share of common stock:											
Net earnings (basic)	\$ 1.30	\$ 1.25	\$ 1.52	\$ 1.50	\$ 2.49	\$ .81	\$ .73	(9.9) %	\$ 2.49	\$ 2.96	18.9 %
Net earnings (diluted)	1.26	1.22	1.49	1.47	2.45	.80	.72	(10.0)	2.45	2.92	19.2
Operating earnings (basic)	\$ 1.24	\$ 1.31	\$ 1.52	\$ 1.88	\$ 2.27	\$ .58	\$ .60	3.4 %	\$ 2.27	\$ 2.58	13.7 %
Operating earnings (diluted)	1.20	1.28	1.49	1.84	2.23	.57	.59	3.5	2.23	2.54	13.9

\* See definition on cover page

Restated to reflect SFAS No. 123R beginning in 2001

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 December 31,</u>			<u>12 Months Ended December 31,</u>		
	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2004</u>	<u>2005</u>	<u>%</u> <u>Change</u>	<u>2004</u>	<u>2005</u>	<u>%</u> <u>Change</u>
<b>Revenues:</b>											
Premiums, principally supplemental health	\$ 8,222	\$ 8,061	\$ 8,595	\$ 9,921	\$ 11,302	\$ 2,939	\$ 2,931	(.3) %	\$ 11,302	\$ 11,990	6.1 %
Net investment income	1,550	1,550	1,614	1,787	1,957	509	517	1.6	1,957	2,071	5.8
Realized investment gains (losses)	(102)	(31)	(14)	(301)	(12)	(4)	108		(12)	262	
Other income	33	18	62	40	34	4	11		34	40	
Total revenues	<u>9,703</u>	<u>9,598</u>	<u>10,257</u>	<u>11,447</u>	<u>13,281</u>	<u>3,448</u>	<u>3,567</u>	3.5	<u>13,281</u>	<u>14,363</u>	8.1
<b>Benefits and expenses:</b>											
Benefits and claims	6,601	6,303	6,589	7,529	8,482	2,212	2,157	(2.5)	8,482	8,890	4.8
Amortization of D.A.C.	302	328	385	464	519	137	143		519	542	
Japanese policyholder protection fund	—	—	40	—	—	—	—		—	—	
Termination of retirement liability	(101)	—	—	—	—	—	—		—	—	
General operating expenses	1,889	1,920	2,020	2,256	2,507	657	708		2,507	2,705	
Total benefits and expenses	<u>8,691</u>	<u>8,551</u>	<u>9,034</u>	<u>10,249</u>	<u>11,508</u>	<u>3,006</u>	<u>3,008</u>	.1	<u>11,508</u>	<u>12,137</u>	5.5
Pretax earnings	1,012	1,047	1,223	1,198	1,773	442	559		1,773	2,226	
Income taxes	325	393	438	430	507	32	195		507	743	
Net earnings	<u>\$ 687</u>	<u>\$ 654</u>	<u>\$ 785</u>	<u>\$ 768</u>	<u>\$ 1,266</u>	<u>\$ 410</u>	<u>\$ 364</u>	(11.1) %	<u>\$ 1,266</u>	<u>\$ 1,483</u>	17.2 %
Operating earnings *	<u>\$ 657</u>	<u>\$ 687</u>	<u>\$ 789</u>	<u>\$ 962</u>	<u>\$ 1,153</u>	<u>\$ 293</u>	<u>\$ 298</u>	1.8 %	<u>\$ 1,153</u>	<u>\$ 1,292</u>	12.0 %
<b>Earnings Per Share of common stock:</b>											
Net earnings (basic)	\$ 1.30	\$ 1.25	\$ 1.52	\$ 1.50	\$ 2.49	\$ .81	\$ .73	(9.9) %	\$ 2.49	\$ 2.96	18.9 %
Net earnings (diluted)	1.26	1.22	1.49	1.47	2.45	.80	.72	(10.0)	2.45	2.92	19.2
Operating earnings (basic) *	\$ 1.24	\$ 1.31	\$ 1.52	\$ 1.88	\$ 2.27	\$ .58	\$ .60	3.4 %	\$ 2.27	\$ 2.58	13.7 %
Operating earnings (diluted) *	1.20	1.28	1.49	1.84	2.23	.57	.59	3.5	2.23	2.54	13.9
Common shares used for EPS: (000 omitted)											
Basic	530,607	525,098	517,541	513,220	507,333	504,495	499,112	(1.1) %	507,333	500,939	(1.3) %
Diluted	544,906	537,383	528,326	522,138	516,421	512,934	506,084	(1.3)	516,421	507,704	(1.7)

\* See definition of operating earnings on cover page  
Adjusted to reflect SFAS No. 123R beginning in 2001

**Aflac Incorporated and Subsidiaries**

**Analysis of Net Earnings and Net Earnings Per Diluted Share**

(In Millions, except for per-share data)

		Net Earnings	Real. Inv. Gains/ (Losses)	Impact From SFAS 133	Non-Recurring Items	Currency Impact	Net Earnings Per Share	Real. Inv. Gains/ (Losses) Per Share	Impact From SFAS 133 Per Share	Non-Recurring Items Per Share	Currency Impact Per Share
1996	\$	394	\$ (1)	\$ —	\$ 48	\$ (41)	\$ .68	\$ —	\$ —	\$ .08	\$ (.07)
1997		585	(1)	—	211	(26)	1.04	—	—	.38	(.05)
1998		487	2	—	56	(15)	.88	—	—	.10	(.02)
1999		571	(5)	—	26	32	1.04	(.01)	—	.05	.06
2000		687	(69)	—	99	16	1.26	(.12)	—	.18	.02
2001		654	(34)	1	—	(37)	1.22	(.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)
2002	1	174	(5)	(4)	—	(10)	.33	(.01)	(.01)	—	(.02)
	2	203	(3)	13	—	(3)	.38	—	.02	—	(.01)
	3	230	(4)	33	—	2	.44	(.01)	.06	—	.01
	4	178	(4)	(5)	(26)	1	.34	(.01)	(.01)	(.05)	—
2003	1	230	(7)	—	—	13	.43	(.01)	—	—	.02
	2	241	(5)	13	—	7	.47	(.01)	.02	—	.02
	3	231	(6)	(2)	—	—	.44	(.01)	(.01)	—	—
	4	67	(175)	(14)	—	13	.13	(.34)	(.02)	—	.02
2004	1	304	6	11	3	15	.59	.01	.02	.01	.03
	2	258	(3)	(23)	—	11	.50	(.01)	(.04)	—	.02
	3	293	(4)	6	—	10	.57	(.01)	.01	—	.02
	4	410	(3)	(7)	128	4	.80	(.01)	(.01)	.25	.01
2005	1	328	2	(9)	—	5	.64	—	(.02)	—	.01
	2	336	7	3	—	3	.66	.01	.01	—	.01
	3	455	89	(1)	34	(2)	.90	.18	(.01)	.07	—
	4	364	68	(2)	—	(14)	.72	.14	(.01)	—	(.03)

Adjusted to reflect SFAS No. 123R beginning in 2001

Addition of quarters may not equal annual amounts due to rounding

## Aflac Incorporated and Subsidiaries

### Consolidated Balance Sheets (In Millions, except per-share data)

	2000	2001	2002	2003	2004	2005
<b>Assets:</b>						
Investments and cash:						
Securities available for sale:						
Fixed Maturities	\$ 22,172	\$ 20,400	\$ 22,659	\$ 26,495	\$ 29,166	\$ 28,142
Perpetual debentures	2,046	2,554	2,730	3,349	4,019	4,370
Equity securities	236	245	258	73	77	84
Securities held to maturity:						
Fixed Maturities	3,645	5,417	8,394	8,752	10,080	10,867
Perpetual debentures	3,442	3,306	3,700	4,297	4,759	4,172
Other Investments	16	18	27	32	41	57
Cash and cash equivalents	609	852	1,379	1,052	3,813	1,297
Total investments and cash	32,166	32,792	39,147	44,051	51,955	48,989
Receivables, primarily premiums	295	341	435	547	417	584
Accrued investment income	380	381	414	456	495	484
Deferred policy acquisition costs	3,690	3,651	4,277	5,044	5,595	5,590
Property and equipment, net	482	456	482	518	515	448
Other assets	218	239	303	348	349	266
Total assets	\$ 37,231	\$ 37,860	\$ 45,058	\$ 50,964	\$ 59,326	\$ 56,361
<b>Liabilities and Shareholders' Equity:</b>						
Liabilities:						
Total policy liabilities	\$ 28,565	\$ 27,592	\$ 32,726	\$ 39,240	\$ 43,556	\$ 42,329
Notes payable	1,079	1,207	1,312	1,409	1,429	1,395
Income taxes, primarily deferred	1,894	2,090	2,362	2,187	2,580	2,577
Other liabilities	999	1,545	2,262	1,480	4,185	2,133
Total liabilities	32,537	32,434	38,662	44,316	51,750	48,434
Shareholders' equity	4,694	5,426	6,396	6,648	7,576	7,927
Total liabilities & shareholders' equity	\$ 37,231	\$ 37,860	\$ 45,058	\$ 50,964	\$ 59,326	\$ 56,361
Common equity per share	\$ 8.87	\$ 10.40	\$ 12.43	\$ 13.04	\$ 15.04	\$ 15.89
Shares outstanding (000 omitted)	529,210	521,615	514,439	509,892	503,608	498,894

Adjusted to reflect SFAS No. 123R beginning in 2001

**Aflac Incorporated and Subsidiaries**

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

	Premium Income	Net Invest. Income	Total Rev.	Benefits & Claims	Total Acq. & 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.					
1997 1	1,436	252	1,708	1,187	371	1,558	150	90	90	.16	.16	.16	.16	27,108	20,659	4.21	.78	3.43
2	1,467	267	2,009	1,205	389	1,594	415	92	303	.17	.16	.55	.54	30,189	23,156	4.83	.94	3.89
3	1,509	280	1,790	1,241	393	1,634	156	98	96	.18	.17	.18	.17	29,809	23,217	5.13	1.14	3.99
4	1,462	279	1,745	1,200	400	1,600	145	94	96	.18	.17	.18	.17	29,454	22,880	6.44	2.42	4.03
1998 1	1,472	279	1,757	1,214	490	1,704	53	104	160	.19	.19	.30	.29	27,528	22,971	6.46	2.25	4.21
2	1,424	276	1,704	1,171	373	1,544	160	103	103	.19	.19	.19	.19	26,307	22,801	6.63	2.34	4.29
3	1,421	275	1,700	1,160	378	1,538	161	108	108	.20	.20	.20	.20	28,366	24,749	6.74	2.37	4.38
4	1,625	309	1,944	1,333	435	1,768	176	114	116	.22	.21	.22	.21	31,222	26,994	7.09	2.51	4.59
1999 1	1,728	320	2,048	1,400	445	1,845	203	132	196	.25	.24	.37	.35	31,349	27,217	7.24	2.34	4.90
2	1,706	325	2,032	1,380	455	1,835	197	130	130	.24	.24	.25	.24	31,602	27,250	6.88	1.96	4.92
3	1,847	347	2,196	1,498	478	1,976	220	143	144	.27	.26	.27	.26	35,225	30,409	7.10	1.89	5.22
4	1,983	377	2,364	1,607	598	2,205	159	145	102	.27	.26	.19	.19	37,041	32,024	7.28	1.94	5.34
2000 1	2,019	376	2,397	1,619	535	2,154	243	159	156	.30	.29	.29	.29	37,391	32,451	7.67	2.28	5.39
2	2,050	385	2,355	1,647	449	2,096	259	161	202	.30	.30	.38	.37	38,793	33,657	7.84	2.18	5.67
3	2,078	392	2,472	1,672	548	2,220	252	169	163	.32	.31	.31	.30	37,904	32,797	7.74	1.86	5.88
4	2,076	397	2,480	1,663	560	2,223	257	168	166	.32	.31	.31	.30	37,231	32,167	8.87	2.78	6.08
2001 1	2,009	382	2,401	1,586	541	2,127	274	177	178	.33	.33	.34	.33	37,640	32,767	9.93	3.77	6.16
2	1,980	382	2,348	1,550	549	2,099	249	177	153	.34	.33	.29	.28	38,793	33,805	10.35	3.96	6.39
3	2,034	392	2,446	1,584	568	2,152	294	184	193	.35	.34	.37	.36	40,050	34,736	10.62	4.04	6.58
4	2,038	394	2,404	1,583	558	2,141	263	182	163	.35	.34	.31	.31	37,860	32,793	10.40	3.60	6.80
2002 1	1,998	381	2,371	1,534	561	2,095	276	184	174	.35	.35	.34	.33	37,379	32,290	10.23	3.30	6.93
2	2,097	397	2,513	1,610	590	2,200	313	193	203	.37	.36	.39	.38	41,941	36,344	11.28	4.03	7.25
3	2,253	418	2,707	1,735	625	2,360	347	200	230	.39	.38	.44	.44	42,893	37,267	11.85	4.29	7.56
4	2,247	418	2,666	1,711	669	2,380	286	212	178	.41	.40	.35	.34	45,058	39,147	12.43	4.70	7.74
2003 1	2,372	430	2,807	1,800	645	2,445	362	236	230	.46	.45	.44	.43	45,341	39,415	13.62	5.57	8.05
2	2,407	436	2,861	1,827	665	2,492	370	232	241	.45	.44	.47	.47	47,830	41,656	14.74	6.36	8.38
3	2,478	448	2,931	1,872	693	2,565	366	239	231	.47	.46	.45	.44	49,236	42,711	13.01	3.93	8.65
4	2,664	473	2,847	2,029	718	2,747	100	256	67	.50	.49	.13	.13	50,964	44,051	13.04	4.54	8.50
2004 1	2,773	474	3,280	2,078	736	2,814	466	284	304	.56	.55	.60	.59	53,289	46,379	13.76	4.90	8.87
2	2,768	484	3,233	2,068	752	2,819	414	284	258	.56	.55	.51	.50	52,130	45,136	12.17	2.89	9.27
3	2,822	491	3,321	2,124	745	2,869	452	292	293	.58	.57	.58	.57	52,913	46,032	14.32	4.69	9.64
4	2,939	509	3,448	2,212	794	3,006	442	293	410	.58	.57	.81	.80	59,326	51,955	15.04	4.80	10.24
2005 1	3,041	514	3,559	2,266	787	3,053	506	335	328	.67	.66	.65	.64	57,041	49,755	15.49	4.88	10.61
2	3,020	518	3,567	2,229	822	3,051	516	326	336	.65	.64	.67	.66	57,995	50,547	16.88	5.86	11.02
3	2,997	522	3,669	2,237	787	3,024	645	333	455	.67	.66	.91	.90	57,453	49,917	16.00	4.35	11.65
4	<b>2,931</b>	<b>517</b>	<b>3,567</b>	<b>2,157</b>	<b>851</b>	<b>3,008</b>	<b>559</b>	<b>298</b>	<b>364</b>	<b>.60</b>	<b>.59</b>	<b>.73</b>	<b>.72</b>	<b>56,361</b>	<b>48,989</b>	<b>15.89</b>	<b>3.84</b>	<b>12.05</b>

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

**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**			
1996	17.2 %	22.2 %	17.7 %	18.3 %	15.2 %	19.2 %	39.3 %	3.5 %	8.4 %	4.9 %	(.8) %	3.5 %	2.4 %
1997	(2.6)	(.3)	(1.3)	(2.8)	—	8.2	32.4	10.0	8.6	5.4	17.7	10.3	67.3
1998	(.6)	5.5	2.1	(1.3)	(.1)	33.0	11.6	18.2	9.3	6.0	5.9	18.0	10.1
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
2002	1	(.6)	(1.2)	(3.3)	2.2	3.9	37.0	9.1	12.5	8.1	(.7)	(1.5)	3.0
	2	5.9	4.0	7.0	3.9	5.7	29.4	15.2	12.4	8.1	8.1	7.5	9.0
	3	10.8	6.5	10.7	9.5	8.5	21.4	17.6	12.2	7.8	7.1	7.3	11.6
	4	10.3	6.2	10.9	8.1	18.4	12.0	37.9	12.7	8.3	19.0	19.4	19.5
2003	1	18.7	12.8	18.4	17.4	14.9	31.2	28.6	13.1	8.4	21.3	22.1	33.1
	2	14.8	9.9	13.9	13.5	12.7	18.1	34.8	12.7	8.1	14.0	14.6	30.6
	3	10.0	7.4	8.3	7.9	10.9	5.2	36.7	12.7	8.1	14.8	14.6	9.8
	4	18.6	13.0	6.8	18.6	7.3	(64.9)	33.6	12.7	8.1	13.1	12.5	4.9
2004	1	16.9	10.2	16.8	15.4	14.0	28.7	34.8	13.6	8.7	17.5	17.7	1.0
	2	15.0	11.0	13.0	13.2	13.1	11.9	37.5	13.5	8.7	9.0	8.4	(17.4)
	3	13.9	9.5	13.3	13.5	7.5	23.5	35.1	13.7	8.8	7.5	7.8	10.1
	4	10.4	7.6	21.1	9.0	10.6	340.5	7.2	13.1	8.5	16.4	17.9	15.4
2005	1	9.6	8.6	8.5	9.1	6.9	8.6	35.2	14.4	9.4	7.0	7.3	12.6
	2	9.1	7.1	10.3	7.8	9.4	24.8	35.0	14.1	9.2	11.3	12.0	38.7
	3	6.2	6.3	10.5	5.3	5.6	42.8	29.4	14.4	9.4	8.6	8.4	11.7
	4	(.3)	1.6	3.5	(2.5)	7.1	26.5	34.8	13.1	8.6	(5.0)	(5.7)	5.7

\* 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 2001; quarterly percentage changes beginning in 2003

**Aflac Incorporated and Subsidiaries**

**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
<b>1998</b>	<b>1</b>	\$ .19	18.8 %	–	–	\$ .19	18.8 %	<b>2002</b>	<b>1</b>	\$ .35	9.1 %	(.02)	(.02)	\$ .37	15.2 %
	<b>2</b>	.19	18.8	(.01)	(.02)	.20	25.0		<b>2</b>	.36	15.2	(.01)	(.03)	.37	18.2
	<b>3</b>	.20	17.6	(.01)	(.03)	.21	23.5		<b>3</b>	.38	17.6	.01	(.02)	.37	14.7
	<b>4</b>	.21	23.5	.01	(.02)	.20	17.6		<b>4</b>	.40	23.5	–	(.02)	.40	23.5
		<u>\$ .78</u>	<u>18.2 %</u>			<u>\$ .80</u>	<u>21.2 %</u>			<u>\$ 1.49</u>	<u>16.4 %</u>			<u>\$ 1.51</u>	<u>17.9 %</u>
<b>1999</b>	<b>1</b>	\$ .24	26.3 %	.01	.01	\$ .23	21.1 %	<b>2003</b>	<b>1</b>	\$ .45	32.4 %	.02	.02	\$ .43	22.9 %
	<b>2</b>	.24	26.3	.02	.02	.22	15.8		<b>2</b>	.44	22.2	.02	.04	.42	16.7
	<b>3</b>	.26	30.0	.02	.04	.24	20.0		<b>3</b>	.46	21.1	–	.04	.46	21.1
	<b>4</b>	.26	23.8	.01	.06	.25	19.0		<b>4</b>	.49	19.5	.02	.06	.47	17.5
		<u>\$ 1.00</u>	<u>28.2 %</u>			<u>\$ .94</u>	<u>20.5 %</u>			<u>\$ 1.84</u>	<u>23.5 %</u>			<u>\$ 1.78</u>	<u>19.5 %</u>
<b>2000</b>	<b>1</b>	\$ .29	20.8 %	.01	.01	\$ .28	16.7 %	<b>2004</b>	<b>1</b>	\$ .55	22.2 %	.03	.03	\$ .52	15.6 %
	<b>2</b>	.30	25.0	.02	.03	.28	16.7		<b>2</b>	.55	25.0	.02	.05	.53	20.5
	<b>3</b>	.31	19.2	.01	.03	.30	15.4		<b>3</b>	.57	23.9	.02	.07	.55	19.6
	<b>4</b>	.31	19.2	–	.02	.31	19.2		<b>4</b>	.57	16.3	.01	.08	.56	14.3
		<u>\$ 1.20</u>	<u>20.0 %</u>			<u>\$ 1.18</u>	<u>18.0 %</u>			<u>\$ 2.23</u>	<u>21.2 %</u>			<u>\$ 2.15</u>	<u>16.8 %</u>
<b>2001</b>	<b>1</b>	\$ .33	13.8 %	(.01)	(.01)	\$ .34	17.2 %	<b>2005</b>	<b>1</b>	\$ .66	20.0 %	.01	.01	\$ .65	18.2 %
	<b>2</b>	.33	10.0	(.02)	(.03)	.35	16.7		<b>2</b>	.64	16.4	.01	.02	.63	14.5
	<b>3</b>	.34	11.1	(.02)	(.05)	.36	16.1		<b>3</b>	.66	15.8	–	.02	.66	15.8
	<b>4</b>	.34	9.7	(.02)	(.07)	.36	16.1		<b>4</b>	.59	3.5	(.03)	(.02)	.62	8.8
		<u>\$ 1.34</u>	<u>11.7 %</u>			<u>\$ 1.41</u>	<u>17.5 %</u>			<u>\$ 2.54</u>	<u>13.9 %</u>			<u>\$ 2.56</u>	<u>14.8 %</u>

\* 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**

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

	December 31,					
	2000	2001	2002	2003	2004	2005
<b>Debt Securities:*</b>						
At amortized cost	\$ 29,839	\$ 26,268	\$ 34,275	\$ 40,014	\$ 44,930	\$ 45,154
At market	<u>31,243</u>	<u>31,483</u>	<u>37,583</u>	<u>43,519</u>	<u>48,631</u>	<u>47,603</u>
Unrealized gains (losses)	<u>1,404</u>	<u>2,215</u>	<u>3,308</u>	<u>3,505</u>	<u>3,701</u>	<u>2,449</u>
<b>Equity Securities:</b>						
At cost	161	215	262	33	34	30
At market	<u>236</u>	<u>245</u>	<u>258</u>	<u>73</u>	<u>77</u>	<u>84</u>
Unrealized gains (losses)	<u>75</u>	<u>30</u>	<u>(4)</u>	<u>40</u>	<u>43</u>	<u>54</u>
<b>Total Portfolio:</b>						
At cost	30,000	29,483	34,537	40,047	44,964	45,184
At market	<u>31,479</u>	<u>31,728</u>	<u>37,841</u>	<u>43,592</u>	<u>48,708</u>	<u>47,687</u>
Unrealized gains (losses)	<u>\$ 1,479</u>	<u>\$ 2,245</u>	<u>\$ 3,304</u>	<u>\$ 3,545</u>	<u>\$ 3,744</u>	<u>\$ 2,503</u>

	December 31,					
	2000	2001	2002	2003	2004	2005
Gross unrealized gains	\$ 2,630	\$ 3,114	\$ 4,336	\$ 4,418	\$ 4,502	\$ 3,597
Gross unrealized losses	<u>(1,151)</u>	<u>(869)</u>	<u>(1,032)</u>	<u>(873)</u>	<u>(758)</u>	<u>(1,094)</u>
Unrealized gains (losses)	<u>\$ 1,479</u>	<u>\$ 2,245</u>	<u>\$ 3,304</u>	<u>\$ 3,545</u>	<u>\$ 3,744</u>	<u>\$ 2,503</u>

**Supplemental Investment Data by Segment**

							3 Months Ended December 31,	
	2000	2001	2002	2003	2004	2005	2004	2005
<b>Aflac Japan:</b>								
Invested assets (in millions)**	¥ 2,937,886	¥ 3,304,354	¥ 3,612,678	¥ 3,736,891	¥ 4,107,309	¥ 4,598,348	¥ 4,107,309	¥ 4,598,348
Return on avg. invested assets***	4.82 %	4.81 %	4.67 %	4.45 %	4.26 %	4.14 %	4.23 %	4.20 %
Portfolio yield at end of period	5.02	4.89	4.73	4.54	4.35	4.22	4.35	4.22
New money yield - yen only	3.57	3.58	3.65	3.20	2.94	2.95	2.65	3.17
New money yield - blended	3.78	3.86	3.93	3.61	3.13	3.19	2.86	3.45
<b>Aflac U.S.:</b>								
Invested assets (in millions)**	\$ 3,747	\$ 4,104	\$ 4,581	\$ 5,355	\$ 8,476	\$ 6,481	\$ 8,476	\$ 6,481
Return on avg. invested assets***	7.62 %	7.67 %	7.56 %	7.36 %	6.68 %	6.54 %	5.67 %	6.79 %
Portfolio yield at end of period	8.01	8.02	7.98	7.56	7.39	7.24	7.39	7.24
New money yield	8.22	7.80	7.58	6.52	6.30	6.16	6.20	6.30

\* Includes perpetual debentures; at the beginning of 2002 some securities were reclassified from Available for Sale to Held to Maturity

\*\* At original amortized cost

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

## Aflac Incorporated and Subsidiaries

### Credit Ratings on Debt Securities

(At Amortized Cost)

December 31,						
	2000	2001	2002	2003	2004	2005
<b>AAA</b>	25.0 %	2.4 %	2.3 %	3.1 %	3.5 %	<b>4.0 %</b>
<b>AA</b>	22.4	39.9	34.6	31.0	32.7	<b>33.7</b>
<b>A</b>	36.8	36.2	36.8	33.9	36.2	<b>38.9</b>
<b>BBB</b>	15.1	20.3	24.0	29.2	25.8	<b>21.1</b>
<b>BB or Lower</b>	.7	1.2	2.3	2.8	1.8	<b>2.3</b>
	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>

### Below-Investment-Grade Holdings

(In Millions)

	December 31, 2004			December 31, 2005		
	Amortized Cost	Fair Value	Unrealized gains (losses)	Amortized Cost	Fair Value	Unrealized gains (losses)
Ahold Finance	\$ 338	\$ 300	\$ (38)	\$ 302	\$ 236	\$ (66)
Ford Motor Credit Company	*	*	*	254	209	(45)
KLM Royal Dutch Airlines	288	239	(49)	254	227	(27)
Ford Motor Company	*	*	*	123	84	(39)
Toys R Us Japan	96	108	12	—	—	—
LeGrand	46	51	5	46	52	6
Cooper Tire & Rubber Company	*	*	*	45	45	—
Tennessee Gas Pipeline	31	33	2	31	33	2
Ikon Inc.	8	9	1	—	—	—
Total	<u>\$ 807</u>	<u>\$ 740</u>	<u>\$ (67)</u>	<u>\$ 1,055</u>	<u>\$ 886</u>	<u>\$ (169)</u>

\* Investment grade at respective reporting date

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

	<u>Years Ended December 31,</u>					<u>3 Months Ended December 31,</u>			<u>12 Months Ended December 31,</u>		
	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2004</u>	<u>2005</u>	<u>%</u> <u>Change</u>	<u>2004</u>	<u>2005</u>	<u>%</u> <u>Change</u>
<b>Revenues:</b>											
Premiums	\$ 1,554	\$ 1,844	\$ 2,221	\$ 2,594	\$ 2,935	\$ 753	\$ 835	10.8 %	\$ 2,935	\$ 3,245	10.6 %
Net investment income	277	303	331	362	396	101	108	7.1	396	421	6.5
Other income and realized foreign currency translations	5	8	9	9	9	3	2		9	10	
Total revenues	<u>1,836</u>	<u>2,155</u>	<u>2,561</u>	<u>2,965</u>	<u>3,340</u>	<u>857</u>	<u>945</u>	<u>10.3</u>	<u>3,340</u>	<u>3,676</u>	<u>10.0</u>
<b>Benefits and expenses:</b>											
Incurred claims	757	887	1,074	1,252	1,424	369	401	8.8	1,424	1,565	9.8
Increase in future policy benefits	212	245	285	333	379	94	108	14.7	379	426	12.5
Amortization of deferred policy acquisition costs	124	150	176	209	245	66	72	9.6	245	258	5.3
General operating expenses	453	535	632	726	795	199	235	18.3	795	902	13.4
Total benefits and expenses	<u>1,546</u>	<u>1,817</u>	<u>2,167</u>	<u>2,520</u>	<u>2,843</u>	<u>728</u>	<u>816</u>	<u>12.2</u>	<u>2,843</u>	<u>3,151</u>	<u>10.8</u>
<b>Pretax operating earnings:</b>	<u>\$ 290</u>	<u>\$ 338</u>	<u>\$ 394</u>	<u>\$ 445</u>	<u>\$ 497</u>	<u>\$ 129</u>	<u>\$ 129</u>	<u>(.3) %</u>	<u>\$ 497</u>	<u>\$ 525</u>	<u>5.6 %</u>
Realized capital gains, net of taxes	(8)	(10)	(16)	(7)	4	(3)	(5)		4	(3)	

*Adjusted to reflect SFAS No. 123R beginning in 2001*

**Balance Sheets**  
(Unaudited GAAP)  
(In Millions)

	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>
<b>Assets:</b>						
Investments and cash	\$ 3,649	\$ 4,157	\$ 4,824	\$ 5,866	\$ 9,124	\$ 7,040
Receivables, principally premiums	162	176	224	267	248	296
Accrued investment income	73	80	85	89	96	104
Deferred policy acquisition costs	984	1,181	1,410	1,604	1,783	1,966
Other assets	96	135	129	140	142	141
	<u>96</u>	<u>135</u>	<u>129</u>	<u>140</u>	<u>142</u>	<u>141</u>
Total assets	\$ <u>4,964</u>	\$ <u>5,729</u>	\$ <u>6,672</u>	\$ <u>7,966</u>	\$ <u>11,393</u>	\$ <u>9,547</u>
<b>Liabilities and Shareholders' Equity:</b>						
Future policy benefits	\$ 2,112	\$ 2,357	\$ 2,642	\$ 2,975	\$ 3,354	\$ 3,780
Policy and contract claims	333	394	497	593	708	848
Unearned premium	94	95	98	103	102	104
Other policyholder funds	19	35	42	62	33	40
Deferred income taxes	277	343	428	525	533	596
Other liabilities	181	239	270	443	3,244	733
Shareholders' equity	1,948	2,266	2,695	3,265	3,419	3,446
	<u>1,948</u>	<u>2,266</u>	<u>2,695</u>	<u>3,265</u>	<u>3,419</u>	<u>3,446</u>
Total liabilities & shareholders' equity	\$ <u>4,964</u>	\$ <u>5,729</u>	\$ <u>6,672</u>	\$ <u>7,966</u>	\$ <u>11,393</u>	\$ <u>9,547</u>

*Adjusted to reflect SFAS No. 123R beginning in 2001*

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

		<b>Earned</b>	<b>%</b>	<b>Net</b>	<b>%</b>	<b>Total</b>	<b>%</b>	<b>Total</b>	<b>%</b>	<b>Amort.</b>	<b>%</b>	<b>General</b>	<b>%</b>	<b>Total</b>	<b>%</b>	<b>Pretax</b>	<b>%</b>
		<b>Prem.</b>	<b>Change</b>	<b>Invest.</b>	<b>Change</b>	<b>Rev.</b>	<b>Change</b>	<b>Ben.</b>	<b>Change</b>		<b>Change</b>	<b>Oper.</b>	<b>Change</b>	<b>Oper.</b>	<b>Change</b>	<b>Oper.</b>	<b>Change</b>
				<b>Income</b>								<b>Exp.</b>		<b>Exp.</b>		<b>Earn.</b>	
1997	1	257	12.1	36	28.6	293	13.8	161	13.4	18	6.6	76	11.8	95	10.7	37	24.8
	2	260	11.8	44	57.8	305	16.8	164	12.1	19	24.6	77	13.4	97	15.5	44	43.0
	3	269	12.5	49	55.3	318	17.6	169	13.0	19	15.2	81	13.3	100	13.6	49	48.2
	4	275	12.5	51	60.2	327	18.0	173	13.4	21	36.7	78	6.2	99	11.4	54	55.5
1998	1	289	12.7	51	44.1	343	17.1	183	13.7	21	16.5	83	8.0	104	9.6	56	50.3
	2	293	12.5	53	21.3	347	13.8	184	12.0	24	23.7	83	7.8	107	11.0	56	27.1
	3	304	13.2	55	12.6	360	13.2	189	11.8	22	16.1	90	12.0	112	12.8	59	18.5
	4	311	12.9	56	10.3	368	12.6	194	12.0	23	12.3	91	15.0	114	14.4	60	11.2
1999	1	330	13.9	58	12.8	388	13.3	205	12.1	23	10.6	97	17.9	121	16.4	63	11.4
	2	334	14.0	59	11.2	394	13.5	208	12.9	26	9.0	97	16.1	123	14.5	63	13.8
	3	346	13.7	62	12.6	409	13.4	217	15.3	25	13.9	101	11.2	126	11.7	65	10.6
	4	349	12.1	65	15.6	415	12.6	215	10.9	31	31.2	103	13.2	134	16.9	65	9.9
2000	1	374	13.4	67	15.2	442	13.7	235	14.7	28	18.4	109	12.0	137	13.3	70	11.4
	2	377	13.0	68	14.4	447	13.3	236	13.5	31	17.2	109	12.4	139	13.4	71	12.3
	3	395	14.2	70	13.5	467	14.3	248	14.0	31	24.7	113	11.6	144	14.1	75	15.4
	4	408	17.0	72	10.0	481	16.0	250	16.1	35	13.0	122	18.1	157	16.9	74	13.8
2001	1	439	17.4	73	9.1	513	16.2	272	15.6	33	19.8	127	16.3	160	17.0	81	16.7
	2	451	19.5	75	10.4	529	18.4	277	17.3	39	26.4	128	17.8	167	19.7	85	19.6
	3	471	19.2	77	9.5	550	17.8	290	16.8	36	15.7	139	22.9	175	21.3	85	14.0
	4	483	18.4	79	9.4	563	17.1	294	17.7	42	20.0	134	10.4	176	12.6	93	24.4
2002	1	524	19.5	80	9.3	606	18.0	320	17.8	42	26.8	154	19.1	196	20.7	90	13.5
	2	544	20.5	81	8.6	627	18.6	336	21.4	43	11.6	152	17.3	195	16.0	96	14.8
	3	568	20.5	84	9.4	654	19.0	350	20.8	42	17.5	164	16.8	206	17.0	98	17.2
	4	586	21.3	86	9.4	674	19.6	353	20.0	49	16.8	162	19.0	211	18.5	110	20.7
2003	1	624	19.0	88	9.9	714	17.8	383	19.8	50	18.9	175	14.2	225	15.2	106	16.6
	2	637	17.2	87	7.1	727	15.9	389	15.7	51	18.0	184	21.1	234	20.4	103	7.2
	3	660	16.3	92	9.4	755	15.3	403	15.3	48	14.7	189	14.1	236	14.2	115	17.6
	4	673	14.9	95	10.7	771	14.3	410	16.2	60	21.9	179	10.6	239	13.2	122	10.6
2004	1	710	13.9	97	10.6	810	13.4	435	13.5	59	18.0	194	11.2	253	12.7	121	14.7
	2	726	14.0	98	12.7	827	13.8	446	14.7	61	19.5	200	8.6	261	11.0	120	17.2
	3	745	12.8	100	8.4	847	12.3	459	13.9	59	22.8	202	7.5	261	10.6	127	10.1
	4	753	11.9	101	6.1	857	11.2	463	12.8	66	10.0	199	11.3	265	10.9	129	6.0
2005	1	787	10.7	102	5.2	891	10.1	480	10.2	64	8.7	214	10.3	278	9.9	133	9.7
	2	803	10.6	104	6.2	910	10.0	494	10.8	62	1.2	224	12.1	286	9.6	130	8.3
	3	820	10.1	107	7.4	929	9.7	508	10.6	60	1.3	228	12.9	288	10.3	133	5.1
	<b>4</b>	<b>835</b>	<b>10.8</b>	<b>108</b>	<b>7.1</b>	<b>945</b>	<b>10.3</b>	<b>509</b>	<b>10.0</b>	<b>72</b>	<b>9.6</b>	<b>235</b>	<b>18.3</b>	<b>307</b>	<b>16.1</b>	<b>129</b>	<b>(.3)</b>

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

**Operating Ratios**  
(Before Management Fee)

Period	Incurred Claims/ Total Rev.	Tot. Ben./ Total Revenues	Amort./ Premium	Tot. Oper. Expenses/ Total Rev.	Combined Ratio/ Total Rev.	Pretax Profit Margin	
1996	40.9 %	55.3 %	6.8 %	32.6 %	87.9 %	12.1 %	
1997	41.0	53.7	7.3	31.5	85.2	14.8	
1998	41.1	52.8	7.6	31.0	83.8	16.2	
1999	41.4	52.6	7.8	31.4	84.0	16.0	
2000	41.2	52.8	8.0	31.4	84.2	15.8	
2001	41.2	52.5	8.1	31.8	84.3	15.7	
2002	41.9	53.1	7.9	31.5	84.6	15.4	
2003	42.2	53.5	8.1	31.5	85.0	15.0	
2004	42.6	54.0	8.4	31.1	85.1	14.9	
2005	42.6	54.2	8.0	31.5	85.7	14.3	
2002	1	41.6	52.9	8.0	32.2	85.1	14.9
	2	43.4	53.5	8.0	31.2	84.7	15.3
	3	42.2	53.4	7.4	31.6	85.0	15.0
	4	40.6	52.4	8.3	31.3	83.7	16.3
2003	1	42.7	53.7	8.0	31.5	85.2	14.8
	2	41.8	53.5	8.0	32.4	85.9	14.1
	3	41.5	53.4	7.3	31.3	84.7	15.3
	4	42.9	53.2	8.8	31.0	84.2	15.8
2004	1	42.1	53.8	8.3	31.2	85.0	15.0
	2	42.1	53.9	8.4	31.6	85.5	14.5
	3	43.3	54.2	8.0	30.8	85.0	15.0
	4	43.0	54.0	8.7	30.9	84.9	15.1
2005	1	41.4	53.9	8.2	31.2	85.1	14.9
	2	43.4	54.2	7.7	31.5	85.7	14.3
	3	43.0	54.7	7.3	30.9	85.6	14.4
	<b>4</b>	<b>42.4</b>	<b>53.9</b>	<b>8.6</b>	<b>32.5</b>	<b>86.4</b>	<b>13.6</b>

*Annual percentages adjusted to reflect SFAS No. 123R beginning in 2001; quarterly percentage changes beginning in 2002*

**Aflac U.S. Sales Results**  
(In Millions)

	<b>Period</b>	<b>Annl. Prem. In Force</b>	<b>% Change</b>	<b>New Annl. Prem. Sales</b>	<b>% Change</b>	<b>Convers. Prem.</b>	<b>Total New Prem.</b>	<b>% Change</b>
	1996	\$ 1,060	11.1 %	\$ 316	17.0 %	\$ 11	\$ 327	17.0 %
	1997	1,216	14.7	391	23.8	10	401	22.7
	1998	1,393	14.6	469	20.0	13	482	20.3
	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
2001	1	1,934	18.1	198	35.6	4	202	34.5
	2	2,013	18.9	212	28.3	2	214	27.8
	3	2,090	19.3	209	22.0	2	211	21.6
	4	2,238	20.3	289	32.4	2	291	32.2
2002	1	2,307	19.3	231	16.7	5	236	16.4
	2	2,417	20.1	252	18.8	2	254	18.6
	3	2,518	20.5	258	23.4	2	260	23.2
	4	2,674	19.5	318	10.0	2	320	10.0
2003	1	2,731	18.4	252	8.9	4	256	8.8
	2	2,819	16.6	261	3.7	3	264	4.0
	3	2,902	15.3	259	.6	4	263	1.0
	4	3,043	13.8	339	6.6	6	345	7.7
2004	1	3,117	14.1	278	10.2	14	292	13.8
	2	3,190	13.2	275	5.2	6	281	6.4
	3	3,251	12.0	265	2.1	5	270	2.7
	4	3,374	10.9	339	—	4	343	(.5)
2005	1	3,421	9.8	275	(1.0)	11	286	(2.1)
	2	3,506	9.9	302	9.9	5	307	9.2
	3	3,585	10.3	292	10.6	5	297	10.0
	<b>4</b>	<b>3,711</b>	<b>10.0</b>	<b>365</b>	<b>7.7</b>	<b>4</b>	<b>369</b>	<b>7.5</b>

**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>	
2000	\$ 392	55.0 %	\$ 162	22.8 %	\$ 46	6.4 %	\$ 24	3.4 %	\$ 88	12.4 %	
2001	482	52.5	217	23.6	54	5.9	60	6.5	106	11.5	
2002	543	50.8	228	21.3	107	10.0	72	6.7	120	11.2	
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	
2003	1	130	50.8	53	20.5	28	10.9	18	6.8	27	11.0
	2	137	51.7	51	19.1	31	11.7	18	6.7	27	10.8
	3	138	52.4	50	19.2	29	10.9	18	6.9	28	10.6
	4	176	51.1	75	21.8	37	10.9	21	6.1	36	10.1
2004	1	152	52.1	58	19.7	32	10.9	21	7.1	29	10.2
	2	146	51.9	55	19.5	31	11.0	20	7.2	29	10.4
	3	141	52.2	50	18.7	30	11.1	20	7.4	29	10.6
	4	175	50.9	73	21.2	38	11.1	22	6.4	35	10.4
2005	1	149	52.2	54	18.8	31	10.8	23	8.1	29	10.1
	2	162	52.6	55	18.0	34	11.0	25	8.2	31	10.2
	3	152	51.0	51	17.3	32	10.8	24	8.2	38	12.7
	4	<b>185</b>	<b>50.0</b>	<b>73</b>	<b>19.8</b>	<b>43</b>	<b>11.8</b>	<b>24</b>	<b>6.6</b>	<b>44</b>	<b>11.8</b>

**Aflac U.S. Sales Force Data**

	<u>Recruited Agents</u>	<u>% Increase</u>	<u>Licensed Sales Associates</u>	<u>% Increase</u>	<u>Monthly Average Producers</u>	<u>% Increase</u>	
2000	14,133	9.3 %	37,509	22.1 %	10,757	22.1 %	
2001	18,029	27.6	43,188	15.1	13,069	21.5	
2002	22,581	25.2	53,149	23.1	15,869	21.4	
2003	23,079	2.2	57,493	8.2	17,180	8.3	
2004	22,407	(2.9)	58,992	2.6	17,510	1.9	
2005	24,209	8.0	63,008	6.8	17,267	(1.4)	
2004	1	5,829	(8.6)	57,670	4.2	18,493	7.1
	2	6,028	(5.2)	58,448	2.3	17,015	.2
	3	5,634	(1.2)	58,777	2.1	16,851	.7
	4	4,916	5.9	58,992	2.6	17,680	(.4)
2005	1	6,429	10.3	60,302	4.6	17,441	(5.7)
	2	6,723	11.5	61,048	4.4	17,391	2.2
	3	5,773	2.5	61,917	5.3	16,962	.7
	4	<b>5,284</b>	<b>7.5</b>	<b>63,008</b>	<b>6.8</b>	<b>17,273</b>	<b>(2.3)</b>

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

	Years Ended December 31,					3 Months Ended December 31,			12 Months Ended December 31,		
	2000	2001	2002	2003	2004	2004	2005	% Change	2004	2005	% Change
<b>Revenues:</b>											
Premiums	¥ 719,008	¥ 755,596	¥ 797,001	¥ 848,127	¥ 905,157	¥ 231,477	¥ 245,970	6.3 %	¥ 905,157	¥ 962,553	6.3 %
Net investment income	135,717	149,913	159,691	164,611	168,446	43,018	47,354	10.1	168,446	180,182	7.0
Other income and realized foreign currency translations	728	196	42	2,108	1,993	639	968		1,993	3,393	
Total revenues	<u>855,453</u>	<u>905,705</u>	<u>956,734</u>	<u>1,014,846</u>	<u>1,075,596</u>	<u>275,134</u>	<u>294,292</u>	7.0	<u>1,075,596</u>	<u>1,146,128</u>	6.6
<b>Benefits and expenses:</b>											
Incurred claims	370,428	379,440	399,794	449,960	464,024	115,851	124,035	7.1	464,024	488,555	5.3
Increase in future policy benefits	236,914	248,970	254,256	237,995	258,401	69,294	69,343	.1	258,401	270,646	4.7
Amortization of deferred policy acquisition costs	19,175	21,655	26,090	29,575	29,661	7,562	8,299	9.7	29,661	31,252	5.4
General operating expenses	146,022	155,619	162,379	167,165	174,235	44,873	53,165	18.5	174,235	189,233	8.6
Total benefits and expenses	<u>772,539</u>	<u>805,684</u>	<u>842,519</u>	<u>884,695</u>	<u>926,321</u>	<u>237,580</u>	<u>254,842</u>	7.3	<u>926,321</u>	<u>979,686</u>	5.8
<b>Pretax operating earnings:</b>	<u>¥ 82,914</u>	<u>¥ 100,021</u>	<u>¥ 114,215</u>	<u>¥ 130,151</u>	<u>¥ 149,275</u>	<u>¥ 37,554</u>	<u>¥ 39,450</u>	5.0 %	<u>¥ 149,275</u>	<u>¥ 166,442</u>	11.5 %
Realized capital gains, net of taxes	<u>(6,352)</u>	<u>544</u>	<u>220</u>	<u>(19,842)</u>	<u>(1,121)</u>	<u>(139)</u>	<u>8,442</u>		<u>(1,121)</u>	<u>19,253</u>	

Adjusted to reflect SFAS No. 123R beginning in 2002

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

	Years Ended December 31,					3 Months Ended December 31,			12 Months Ended December 31,		
	2000	2001	2002	2003	2004	2004	2005	%	2004	2005	%
<b>Revenues:</b>											
Premiums	\$ 6,668	\$ 6,217	\$ 6,373	\$ 7,326	\$ 8,368	\$ 2,186	\$ 2,096	(4.1) %	\$ 8,368	\$ 8,745	4.5 %
Net investment income	1,261	1,234	1,276	1,421	1,557	406	404	(.7)	1,557	1,635	5.0
Other income and realized foreign currency translations	7	1	1	18	18	6	8		18	31	
Total revenues	7,936	7,452	7,650	8,765	9,943	2,598	2,508	(3.5)	9,943	10,411	4.7
<b>Benefits and expenses:</b>											
Incurred claims	3,435	3,122	3,188	3,883	4,289	1,094	1,057	(3.3)	4,289	4,440	3.5
Increase in future policy benefits	2,197	2,048	2,042	2,060	2,390	655	591	(9.9)	2,390	2,458	2.8
Amortization of deferred policy acquisition costs	178	178	209	255	274	71	71	(1.0)	274	284	3.4
Operating expenses	1,355	1,305	1,299	1,445	1,611	424	452	6.8	1,611	1,714	6.4
Total benefits and expenses	7,165	6,653	6,738	7,643	8,564	2,244	2,171	(3.2)	8,564	8,896	3.9
<b>Pretax operating earnings:</b>	\$ 771	\$ 799	\$ 912	\$ 1,122	\$ 1,379	\$ 354	\$ 337	(4.9) %	\$ 1,379	\$ 1,515	9.9 %
Realized capital gains, net of taxes	(60)	5	2	(184)	(10)	(1)	73		(10)	170	

Adjusted to reflect SFAS No. 123R beginning in 2001

**Balance Sheets**  
(Unaudited GAAP – Yen in Millions)

	December 31,					
	2000	2001	2002	2003	2004	2005
<b>Assets:</b>						
Investments and cash	¥ 3,237,485	¥ 3,734,697	¥ 4,077,399	¥ 4,060,588	¥ 4,431,441	¥ 4,887,987
Receivables, principally premiums	17,115	22,553	26,038	31,128	19,061	34,995
Accrued investment income	34,897	39,645	39,398	39,306	41,472	44,687
Deferred policy acquisition costs	310,461	325,960	343,845	368,535	397,261	427,894
Other assets	58,367	63,732	67,464	69,937	66,588	59,215
	<u>3,658,325</u>	<u>4,186,587</u>	<u>4,554,144</u>	<u>4,569,494</u>	<u>4,955,823</u>	<u>5,454,778</u>
Total assets	¥ <u>3,658,325</u>	¥ <u>4,186,587</u>	¥ <u>4,554,144</u>	¥ <u>4,569,494</u>	¥ <u>4,955,823</u>	¥ <u>5,454,778</u>
<b>Liabilities and Shareholders' Equity:</b>						
Future policy benefits	¥ 2,752,638	¥ 3,001,607	¥ 3,255,817	¥ 3,493,717	¥ 3,752,099	¥ 4,022,749
Policy and contract claims	161,981	161,011	150,531	162,996	171,550	195,597
Unearned premiums	30,004	33,922	39,565	44,323	51,130	57,920
Other policyholder funds	39,485	63,892	84,639	102,718	126,523	157,937
Income taxes (prim. deferred)	177,182	219,810	221,156	168,121	203,271	229,928
Other liabilities	78,461	161,545	226,070	98,159	90,311	141,923
Shareholders' equity	418,574	544,800	576,366	499,460	560,939	648,724
	<u>3,658,325</u>	<u>4,186,587</u>	<u>4,554,144</u>	<u>4,569,494</u>	<u>4,955,823</u>	<u>5,454,778</u>
Total liabilities & shareholders' equity	¥ <u>3,658,325</u>	¥ <u>4,186,587</u>	¥ <u>4,554,144</u>	¥ <u>4,569,494</u>	¥ <u>4,955,823</u>	¥ <u>5,454,778</u>

*Adjusted to reflect SFAS No. 123R beginning in 2001*

**Balance Sheets**  
(Unaudited GAAP – Dollars in Millions)

	<u>December 31,</u>					
	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
<b>Assets:</b>						
Investments and cash	\$ 28,213	\$ 28,304	\$ 34,007	\$ 37,903	\$ 42,524	\$ <b>41,399</b>
Receivables, principally premiums	149	171	217	291	183	<b>296</b>
Accrued investment income	304	300	329	367	398	<b>378</b>
Deferred policy acquisition costs	2,706	2,470	2,868	3,440	3,812	<b>3,624</b>
Other assets	<u>509</u>	<u>484</u>	<u>562</u>	<u>653</u>	<u>639</u>	<u><b>503</b></u>
Total assets	<u>\$ 31,881</u>	<u>\$ 31,729</u>	<u>\$ 37,983</u>	<u>\$ 42,654</u>	<u>\$ 47,556</u>	<u>\$ <b>46,200</b></u>
<b>Liabilities and Shareholders' Equity:</b>						
Future policy benefits	\$ 23,988	\$ 22,748	\$ 27,154	\$ 32,612	\$ 36,005	\$ <b>34,071</b>
Policy and contract claims	1,412	1,220	1,255	1,521	1,646	<b>1,657</b>
Unearned premiums	261	257	330	414	491	<b>491</b>
Other policyholder liabilities	344	484	706	959	1,214	<b>1,338</b>
Income taxes (prim. deferred)	1,544	1,666	1,845	1,570	1,950	<b>1,947</b>
Other liabilities	684	1,225	1,886	916	867	<b>1,202</b>
Shareholders' equity	<u>3,648</u>	<u>4,129</u>	<u>4,807</u>	<u>4,662</u>	<u>5,383</u>	<u><b>5,494</b></u>
Total liabilities & shareholders' equity	<u>\$ 31,881</u>	<u>\$ 31,729</u>	<u>\$ 37,983</u>	<u>\$ 42,654</u>	<u>\$ 47,556</u>	<u>\$ <b>46,200</b></u>

*Adjusted to reflect SFAS No. 123R beginning in 2001*

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

		<b>Earned</b>	<b>%</b>	<b>Net</b>	<b>%</b>	<b>Total</b>	<b>%</b>	<b>Total</b>	<b>%</b>	<b>%</b>	<b>General</b>	<b>%</b>	<b>Total</b>	<b>%</b>	<b>Pretax</b>	<b>%</b>	
		<b>Premiums</b>	<b>Change</b>	<b>Investment</b>	<b>Change</b>	<b>Revenues</b>	<b>Change</b>	<b>Benefits</b>	<b>Change</b>	<b>Amort.</b>	<b>Operating</b>	<b>Change</b>	<b>Operating</b>	<b>Change</b>	<b>Oper.</b>	<b>Change</b>	
				<b>Income</b>							<b>Expense</b>		<b>Expense</b>		<b>Earn.</b>		
1997	1	142,713	10.2	26,081	11.1	168,828	10.3	124,144	10.2	2,850	11.4	26,384	11.0	29,234	11.1	15,450	9.7
	2	144,165	9.3	26,503	10.6	170,799	9.6	124,203	9.0	3,155	14.0	28,886	15.9	32,041	15.7	14,555	2.3
	3	146,050	7.6	27,199	11.1	173,292	8.2	126,296	7.1	3,203	19.7	28,016	12.3	31,219	13.0	15,777	7.8
	4	148,530	4.8	28,391	11.2	176,944	5.7	128,566	4.8	3,279	22.1	29,765	10.5	33,044	11.5	15,334	2.0
1998	1	151,266	6.0	28,935	10.9	180,323	6.8	131,810	6.2	3,368	18.2	29,085	10.2	32,453	11.0	16,060	3.9
	2	153,436	6.4	30,067	13.4	183,545	7.5	133,789	7.7	3,665	16.2	29,886	3.5	33,551	4.7	16,205	11.3
	3	156,233	7.0	30,588	12.5	186,917	7.9	135,766	7.5	3,625	13.2	30,504	8.9	34,129	9.3	17,022	7.9
	4	159,187	7.2	30,473	7.3	189,652	7.2	137,830	7.2	3,819	16.5	31,556	6.0	35,375	7.1	16,447	7.3
1999	1	163,023	7.8	30,512	5.5	193,547	7.3	139,339	5.7	3,926	16.6	31,819	9.4	35,745	10.1	18,463	15.0
	2	166,095	8.3	31,713	5.5	197,968	7.9	141,859	6.0	4,510	23.1	33,187	11.0	37,697	12.4	18,412	13.6
	3	170,953	9.4	31,720	3.7	202,875	8.5	145,852	7.4	4,242	17.0	33,543	9.8	37,785	10.7	19,238	13.0
	4	172,872	8.6	32,386	6.3	205,325	8.3	147,200	6.8	4,575	19.8	35,852	13.6	40,427	14.3	17,698	7.6
2000	1	176,207	8.1	32,761	7.4	208,994	8.0	148,199	6.4	4,462	13.7	36,186	13.7	40,648	13.7	20,147	9.1
	2	178,487	7.5	33,568	5.8	212,631	7.4	150,553	6.1	4,890	8.4	36,788	10.9	41,678	10.6	20,400	10.8
	3	181,093	5.9	34,439	8.6	215,679	6.3	153,346	5.1	4,870	14.8	36,495	8.8	41,365	9.5	20,968	9.0
	4	183,221	6.0	34,949	7.9	218,149	6.2	155,244	5.5	4,953	8.3	36,553	2.0	41,506	2.7	21,399	20.9
2001	1	185,568	5.3	36,019	9.9	221,531	6.0	155,271	4.8	5,471	22.6	36,745	1.5	42,216	3.9	24,044	19.3
	2	187,613	5.1	37,284	11.1	225,098	5.9	156,152	3.7	5,600	14.5	38,655	5.1	44,255	6.2	24,691	21.0
	3	190,307	5.1	37,903	10.1	228,310	5.9	157,737	2.9	5,288	8.6	39,609	8.5	44,897	8.5	25,676	22.5
	4	192,108	4.9	38,707	10.8	230,766	5.8	159,250	2.6	5,296	6.9	40,610	11.1	45,906	10.6	25,610	19.7
2002	1	195,276	5.2	39,784	10.5	234,806	6.0	160,780	3.5	6,253	14.3	39,278	4.8	45,531	6.0	28,495	21.7
	2	197,203	5.1	39,878	7.0	237,332	5.4	161,727	3.6	6,694	19.5	39,977	1.4	46,671	3.7	28,934	20.4
	3	200,982	5.6	39,502	4.2	240,533	5.4	165,145	4.7	6,766	28.0	40,636	.5	47,402	3.7	27,986	12.2
	4	203,540	6.0	40,527	4.7	244,063	5.8	166,398	4.5	6,377	20.4	42,489	2.7	48,866	4.7	28,799	15.5
2003	1	207,894	6.5	40,594	2.0	249,143	6.1	168,486	4.8	7,429	18.8	39,967	1.8	47,396	4.1	33,262	16.7
	2	209,745	6.4	41,220	3.4	251,551	6.0	170,470	5.4	7,594	13.4	40,691	1.8	48,285	3.5	32,796	13.3
	3	213,693	6.3	41,759	5.7	256,087	6.5	172,722	4.6	7,590	12.2	43,673	7.5	51,263	8.1	32,102	14.7
	4	216,794	6.5	41,037	1.3	258,064	5.7	176,277	5.9	6,962	9.2	42,834	.8	49,796	1.9	31,991	11.1
2004	1	221,283	6.4	40,342	(.6)	262,062	5.2	176,207	4.6	7,656	3.1	41,780	4.5	49,436	4.3	36,419	9.5
	2	224,011	6.8	42,206	2.4	266,636	6.0	177,997	4.4	7,248	(4.6)	44,136	8.5	51,384	6.4	37,254	13.6
	3	228,387	6.9	42,880	2.7	271,764	6.1	183,076	6.0	7,195	(5.2)	43,445	(.5)	50,639	(1.2)	38,049	18.5
	4	231,477	6.8	43,018	4.8	275,134	6.6	185,145	5.0	7,562	8.6	44,873	4.8	52,435	5.3	37,554	17.4
2005	1	235,596	6.5	42,935	6.4	279,283	6.6	186,718	6.0	7,583	(1.0)	43,269	4.9	50,852	2.9	41,713	14.5
	2	238,728	6.6	44,321	5.0	283,896	6.5	186,860	5.0	7,716	6.5	47,625	7.9	55,341	7.7	41,695	11.9
	3	242,260	6.1	45,572	6.3	288,658	6.2	192,244	5.0	7,654	6.4	45,176	4.0	52,830	4.3	43,584	14.5
	4	<b>245,970</b>	<b>6.3</b>	<b>47,354</b>	<b>10.1</b>	<b>294,292</b>	<b>7.0</b>	<b>193,378</b>	<b>4.4</b>	<b>8,299</b>	<b>9.7</b>	<b>53,165</b>	<b>18.5</b>	<b>61,464</b>	<b>17.2</b>	<b>39,450</b>	<b>5.0</b>

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

**Operating Ratios**  
(Before Management Fee)

	<u>Period</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>
	1996	36.2 %	73.4 %	2.0 %	17.5 %	90.9 %	9.1 %
	1997	36.4	72.9	2.1	18.2	91.1	8.9
	1998	39.2	72.8	2.3	18.3	91.1	8.9
	1999	41.0	71.8	2.6	19.0	90.8	9.2
	2000	43.3	71.0	2.7	19.3	90.3	9.7
	2001	41.9	69.4	2.9	19.6	89.0	11.0
	2002	41.8	68.4	3.3	19.7	88.1	11.9
	2003	44.3	67.8	3.5	19.4	87.2	12.8
	2004	43.1	67.2	3.3	18.9	86.1	13.9
	2005	42.6	66.2	3.2	19.3	85.5	14.5
	2002						
	1	46.1	68.5	3.2	19.4	87.9	12.1
	2	45.3	68.1	3.4	19.7	87.8	12.2
	3	45.1	68.7	3.4	19.7	88.4	11.6
	4	30.9	68.2	3.1	20.0	88.2	11.8
	2003						
	1	44.1	67.6	3.6	19.0	86.6	13.4
	2	45.5	67.8	3.6	19.2	87.0	13.0
	3	44.9	67.4	3.6	20.1	87.5	12.5
	4	42.9	68.3	3.2	19.3	87.6	12.4
	2004						
	1	44.1	67.2	3.5	18.9	86.1	13.9
	2	42.9	66.8	3.2	19.2	86.0	14.0
	3	43.5	67.4	3.2	18.6	86.0	14.0
	4	42.1	67.3	3.3	19.1	86.4	13.6
	2005						
	1	43.9	66.9	3.2	18.2	85.1	14.9
	2	42.1	65.8	3.2	19.5	85.3	14.7
	3	42.4	66.6	3.2	18.3	84.9	15.1
	4	42.1	65.7	3.4	20.9	86.6	13.4

*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>	
1996	¥ 568.1	12.2 %	¥ 78,381	10.0 %	¥ 861	¥ 79,242	9.1 %	
1997	597.8	5.2	62,371	(20.4)	513	62,884	(20.6)	
1998	640.8	7.2	74,892	20.1	533	75,425	19.9	
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	
2001	1	752.1	5.9	23,051	3.8	46	23,097	3.6
	2	762.6	5.9	25,510	.8	50	25,560	.6
	3	774.2	5.8	20,066	(18.2)	35	20,101	(18.3)
	4	782.2	5.6	23,077	(15.8)	30	23,107	(15.8)
2002	1	793.7	5.5	23,496	1.9	627	24,123	4.4
	2	804.1	5.4	25,034	(1.9)	4,586	29,620	15.9
	3	820.6	6.0	22,304	11.2	3,132	25,436	26.5
	4	834.4	6.7	25,375	10.0	3,766	29,141	26.1
2003	1	855.4	7.8	25,364	8.0	1,680	27,044	12.1
	2	867.6	7.9	30,072	20.1	2,889	32,961	11.3
	3	886.3	8.0	27,737	24.4	1,752	29,489	15.9
	4	900.3	7.9	30,029	18.3	1,647	31,676	8.7
2004	1	914.8	6.9	27,354	7.8	975	28,329	4.7
	2	928.5	7.0	29,953	(.4)	2,237	32,190	(2.3)
	3	946.8	6.8	27,838	.4	800	28,638	(2.9)
	4	961.9	6.8	31,362	4.4	2,006	33,368	5.3
2005	1	978.1	6.9	29,197	6.7	634	29,831	5.3
	2	992.6	6.9	31,760	6.0	802	32,562	1.2
	3	1,010.7	6.7	30,197	8.5	784	30,981	8.2
	4	1,027.8	6.8	33,692	7.4	1,717	35,409	6.1

## Aflac Japan

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

		<u>Cancer</u>	<u>% of Total</u>	<u>Rider MAX</u>	<u>% of Total</u>	<u>Medical</u>	<u>% of Total</u>	<u>Life Insurance</u>	<u>% of Total</u>	<u>Other</u>	<u>% of Total</u>				
2001	¥	46.4	50.5 %	¥	22.9	25.0 %	¥	1.4	1.5 %	¥	13.7	14.9 %	¥	7.5	8.1 %
2002		36.0	33.3		34.1	31.5		19.3	17.8		14.3	13.2		4.6	4.2
2003		32.3	26.7		32.7	27.0		34.2	28.2		16.2	13.3		5.8	4.8
2004		28.5	23.3		24.2	19.7		37.8	30.9		22.9	18.7		9.1	7.4
2005		33.1	25.7		14.4	11.2		48.1	37.3		23.5	18.2		9.7	7.6
2003	1	7.5	27.9		8.3	30.6		6.8	25.4		3.0	11.0		1.4	5.1
	2	8.9	26.8		10.1	30.8		8.6	25.8		3.8	12.0		1.5	4.6
	3	7.8	26.4		6.8	23.2		9.3	31.5		4.3	14.5		1.3	4.4
	4	8.1	25.7		7.5	23.6		9.5	30.1		5.0	15.7		1.6	4.9
2004	1	7.2	25.2		5.6	19.9		9.2	32.6		5.1	17.9		1.2	4.4
	2	7.5	23.3		7.4	23.0		9.5	29.6		6.0	18.6		1.8	5.5
	3	6.7	23.5		4.5	15.6		8.9	31.1		5.7	20.0		2.8	9.8
	4	7.1	21.3		6.6	19.9		10.2	30.5		6.2	18.6		3.3	9.7
2005	1	6.5	21.9		3.8	12.8		11.9	39.8		5.5	18.6		2.1	6.9
	2	7.8	23.9		4.0	12.1		12.3	37.8		6.1	18.7		2.4	7.5
	3	8.2	26.6		3.2	10.5		11.7	37.9		5.6	18.0		2.2	7.0
	4	<b>10.6</b>	<b>29.9</b>		<b>3.4</b>	<b>9.5</b>		<b>12.2</b>	<b>34.3</b>		<b>6.3</b>	<b>17.7</b>		<b>3.0</b>	<b>8.6</b>

### Aflac Japan Sales Force Data

#### Number of Agencies by Type

	<u>Individual/ Independent Corporate</u>	<u>Affiliated Corporate</u>	<u>Total</u>
2000	7,197	1,741	8,938
2001	7,871	1,968	9,839
2002	9,984	2,072	12,056
2003	12,529	2,114	14,643
2004	14,282	2,128	16,410
2005	15,828	2,132	17,960
2004	1		
	13,040	2,124	15,164
	13,670	2,131	15,801
	14,138	2,133	16,271
	14,282	2,128	16,410
2005	1		
	14,827	2,134	16,961
	15,440	2,135	17,575
	15,786	2,133	17,919
	<b>15,828</b>	<b>2,132</b>	<b>17,960</b>

#### Sales Contribution by Agency Type

	<u>Individual/ Independent Corporate</u>	<u>Affiliated Corporate</u>	<u>Dai-ichi</u>	<u>Licensed Sales Associates</u>	<u>Recruited Agencies</u>
	54.3 %	45.7 %	- %	43,322	2,063
	48.4	40.6	10.9	52,267	2,477
	51.7	36.8	11.5	58,076	3,469
	53.2	37.0	9.8	64,892	4,078
	57.0	35.7	7.3	71,356	4,164
	56.7	35.2	8.1	81,751	4,388
2004	1				
	56.6	34.2	9.2	65,885	1,180
	56.8	37.1	6.1	68,473	1,107
	57.7	34.8	7.5	69,758	830
	56.9	36.5	6.6	71,356	1,047
2005	1				
	57.8	33.9	8.3	73,116	1,116
	56.1	36.7	7.2	76,508	1,105
	56.6	35.1	8.3	79,263	889
	<b>56.5</b>	<b>35.1</b>	<b>8.4</b>	<b>81,751</b>	<b>1,278</b>

**Yen/Dollar Exchange Rates  
1989 - 2003  
(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>				
<b>1989</b>	1	132.20	128.52	<b>1992</b>	1	132.85	128.43	<b>1995</b>	1	89.35	96.32	<b>1998</b>	1	132.10	128.09	<b>2001</b>	1	123.90	118.14
	2	144.30	133.31		2	125.45	129.40		2	84.65	90.39		2	141.00	131.90		2	124.60	120.43
	3	140.20	136.33		3	118.80	127.91		3	99.10	91.62		3	135.50	134.57		3	119.40	120.86
	4	143.56	138.00		4	124.70	126.67		4	102.95	94.10		4	115.70	130.89		4	131.95	121.54
<b>1990</b>	1	158.00	147.90	<b>1993</b>	1	116.30	121.09	<b>1996</b>	1	106.35	105.84	<b>1999</b>	1	120.55	116.58	<b>2002</b>	1	133.25	132.69
	2	152.90	151.60		2	106.65	115.55		2	109.50	106.75		2	121.10	118.80		2	119.45	129.77
	3	138.05	149.48		3	105.15	112.23		3	111.00	107.50		3	106.95	117.09		3	122.60	126.03
	4	134.60	144.83		4	112.00	111.21		4	116.10	108.84		4	102.40	113.96		4	119.90	125.15
<b>1991</b>	1	140.95	133.76	<b>1994</b>	1	103.15	107.65	<b>1997</b>	1	124.10	121.28	<b>2000</b>	1	106.15	107.13	<b>2003</b>	1	120.20	118.93
	2	137.75	136.04		2	98.80	105.54		2	114.35	120.48		2	105.50	106.91		2	119.80	118.71
	3	132.85	136.18		3	98.45	103.39		3	121.10	119.64		3	108.00	107.16		3	111.25	118.39
	4	125.25	134.52		4	99.85	102.26		4	130.10	121.07		4	114.75	107.83		4	107.13	115.95

**Yen/Dollar Exchange Rates  
2004 - 2005  
(By Quarter)**

		<u>Qtr End</u>	<u>Qtr Avg</u>	<u>Yearly Cum Avg</u>	<u>% change Cum Avg Yen vs.03</u>			<u>Qtr End</u>	<u>Qtr Avg</u>	<u>Yearly Cum Avg</u>	<u>% change Cum Avg Yen vs.04</u>
<b>2004</b>	1	105.69	107.32	107.32	10.8 %	<b>2005</b>	1	107.39	104.50	104.50	2.7 %
	2	108.43	109.73	108.52	9.4		2	110.62	107.63	106.04	2.3
	3	111.05	109.95	109.00	8.6		3	113.19	111.30	107.79	1.1
	4	104.21	106.26	108.26	7.1		4	<b>118.07</b>	<b>117.21</b>	<b>109.88</b>	<b>(1.5)</b>