

Financial Analysts Briefing Supplement Second Quarter 2006

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

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

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

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For more information, contact:
Kenneth S. Janke Jr. or
Robin Y. Mullins
800.235.2667
Fax No. 706.324.6330
aflac.com

Stock Price Range and Other Data

Year	Total Actual Shares Traded (000 omitted)	Price Range			Year Close % Change	AFL Relative Perform. to S&P 500 Composite Avg. (1994 Close = 100)	Annual Relative % Change	AFL Relative Perform. to S&P Life Composite Avg. (1994 Close = 100)	Annual Relative % Change
		High	Low	Close					
1974	—	\$.13	\$.06	\$.06	—	—	—	—	
1975 *	3,084	.21	.06	.18	218.2 %	—	—	—	
1976	2,883	.28	.17	.28	57.1	—	—	—	
1977	2,624	.32	.25	.29	5.5	—	—	—	
1978	5,154	.40	.22	.23	(20.7)	—	—	—	
1979	3,290	.36	.21	.28	21.7	—	—	—	
1980	3,494	.29	.18	.19	(32.1)	—	—	—	
1981	2,484	.26	.18	.20	2.6	—	—	—	
1982	4,243	.42	.19	.39	97.4	—	—	—	
1983	4,502	.61	.38	.61	58.4	—	—	—	
1984	5,201	.84	.46	.78	27.9	—	—	—	
1985	13,408	1.56	.77	1.39	77.6	—	—	—	
1986	19,387	2.50	1.39	1.74	25.3	—	—	—	
1987	49,914	2.47	1.32	1.89	8.6	—	—	—	
1988	27,245	2.27	1.54	1.84	(2.7)	—	—	—	
1989	70,347	3.00	1.79	2.40	30.8	—	—	—	
1990	38,959	2.57	1.62	2.55	6.3	—	—	—	
1991	39,803	4.15	2.39	3.99	56.3	—	—	—	
1992	35,563	4.65	3.20	4.60	15.4	—	—	—	
1993	40,913	5.67	4.13	4.75	3.3	—	—	—	
1994	46,430	6.02	4.21	5.34	12.3	100.0	100.0	—	
1995	52,772	7.46	5.32	7.25	35.9	101.4	96.5	(3.5) %	
1996	62,101	11.00	7.07	10.69	47.4	124.3	120.2	24.5	
1997	61,771	14.47	9.38	12.78	19.6	113.4	116.3	(3.2)	
1998	100,659	22.66	11.35	21.94	71.7	153.7	192.3	65.4	
1999	180,514	28.38	19.50	23.60	7.5	138.3	244.9	27.3	
2000	218,965	37.47	16.78	36.10	53.0	235.5	335.8	37.1	
2001	418,406	36.10	23.00	24.56	(32.0)	184.2	251.3	(25.2)	
2002	485,387	33.45	23.10	30.12	22.6	294.8	373.5	48.6	
2003	479,602	36.91	28.00	36.18	20.1	280.2	358.0	(4.1)	
2004	397,333	42.60	33.85	39.84	10.1	283.1	327.5	(8.5)	
2005	405,829	49.65	35.50	46.42	16.5	320.2	315.7	(3.6)	
6/05	218,776	44.15	35.50	43.28	8.6	312.9	325.1	(.7)	
6/06	203,120	49.40	44.40	46.35	(.2)	314.2	302.1	(4.3)	

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

	<u>12/31/05</u>	<u>1/31/06</u>	<u>2/28/06</u>	<u>3/31/06</u>	<u>4/30/06</u>	<u>5/31/06</u>	<u>6/30/06</u>
Aflac	46.42	46.95	46.25	45.13	47.54	46.80	46.35
Rel. Perf.	8.7	8.8	8.7	8.5	8.9	8.8	8.7
Dow Jones Ind.	10717.50	10864.86	10993.41	11109.32	11367.14	11168.31	11150.22
Rel. Perf.	2.8	2.8	2.9	2.9	3.0	2.9	2.9
S&P Life	275.73	279.54	282.53	276.09	290.37	285.84	287.71
Rel. Perf.	2.8	2.8	2.8	2.8	2.9	2.9	2.9
NYSE Comp.	7753.95	8106.55	8060.61	8233.20	8471.43	8189.11	8169.07
Rel. Perf.	2.9	3.1	3.0	3.1	3.2	3.1	3.1
S&P 500	1248.29	1280.08	1280.66	1294.83	1310.61	1270.09	1270.20
Rel. Perf.	2.7	2.8	2.8	2.8	2.9	2.8	2.8
Nikkei	16111.43	16649.82	16205.43	17059.66	16906.23	15467.33	15505.18
Rel. Perf.	.8	.8	.8	.9	.9	.8	.8

Relative Performance AFL/Other Averages

(1994 Close = 100)

	<u>12/31/05</u>	<u>1/31/06</u>	<u>2/28/06</u>	<u>3/31/06</u>	<u>4/30/06</u>	<u>5/31/06</u>	<u>6/30/06</u>
AFL/DJIA	311.4	310.7	302.5	292.1	300.7	301.3	298.9
AFL/S&P Life	315.7	314.9	307.0	306.5	307.0	307.0	302.1
AFL/NYSE Comp.	297.9	288.2	285.5	272.7	279.2	284.3	282.3
AFL/S&P 500	320.2	315.9	311.0	300.2	312.4	317.3	314.2
AFL/Nikkei	1065.5	1042.9	1055.5	978.4	1040.0	1119.0	1105.5

Monthly Percent Change in Relative Performance

	<u>12/31/05</u>	<u>1/31/06</u>	<u>2/28/06</u>	<u>3/31/06</u>	<u>4/30/06</u>	<u>5/31/06</u>	<u>6/30/06</u>
AFL/DJIA	(2.5)	(.2)	(2.6)	(3.4)	3.0	.2	(.8)
AFL/S&P Life	(.2)	(.2)	(2.5)	(.1)	.2	.0	(1.6)
AFL/NYSE Comp.	(4.6)	(3.3)	(.9)	(4.5)	2.4	1.8	(.7)
AFL/S&P 500	(3.2)	(1.4)	(1.5)	(3.5)	4.1	1.6	(1.0)
AFL/Nikkei	(10.7)	(2.1)	1.2	(7.3)	6.3	7.6	(1.2)

AFL High, Low, Close & Trading Volume

	<u>12/31/05</u>	<u>1/31/06</u>	<u>2/28/06</u>	<u>3/31/06</u>	<u>4/30/06</u>	<u>5/31/06</u>	<u>6/30/06</u>
High	48.49	49.40	48.14	47.40	47.97	49.29	47.54
Low	46.31	46.25	46.12	44.72	44.40	46.00	45.20
Close	46.42	46.95	46.25	45.13	47.54	46.80	46.35
No. Shar. Trad.(Act.) (000 omitted)	25,549	34,355	34,414	34,227	31,107	36,685	32,332

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
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	500,283	328	790	2,418	89	498,894	499,112	6,972	506,084	500,939	6,764	507,704
2006	1	498,894	337	1,268	2,066	2	498,431	498,037	6,537	504,574	498,037	6,537	504,574
	2	498,431	413	332	2,052	—	497,124	496,951	6,335	503,286	497,491	6,436	503,927
	3												
	4												

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

Aflac Incorporated and Subsidiaries

Summary of Operating Results by Business Segment

(In Millions, except per-share data)

	Years Ended December 31,					3 Months Ended June 30,			6 Months Ended June 30,		
	2001	2002	2003	2004	2005	2005	2006	% Change	2005	2006	% Change
Aflac Japan	\$ 823	\$ 912	\$ 1,122	\$ 1,379	\$ 1,515	\$ 387	\$ 432	11.5 %	\$ 787	\$ 857	9.0 %
Aflac U.S.	345	394	445	497	525	130	150	15.1	263	297	12.7
Interest expense, non-insurance operations	(16)	(16)	(19)	(20)	(20)	(5)	(4)	17.0	(10)	(8)	17.9
Parent company, other operations and eliminations	(41)	(51)	(46)	(62)	(41)	(11)	(5)	60.4	(23)	(15)	37.0
Pretax operating earnings	1,111	1,239	1,502	1,794	1,979	501	573	—	1,017	1,131	11.3
Income taxes	391	450	540	641	687	175	197	12.7	356	391	9.9
Operating earnings*	720	789	962	1,153	1,292	326	376	15.3	661	740	12.0
Reconciling items:											
Japanese policyholder protection fund, net of tax	—	(26)	—	—	—	—	—	—	—	—	—
Impact from SFAS 133, net of tax	1	37	(3)	(13)	(10)	3	1	—	(6)	2	—
Realized investment gains (losses), net of tax	(34)	(15)	(191)	(5)	167	7	31	—	9	41	—
Japanese pension obligation transfer, net of tax	—	—	—	3	—	—	—	—	—	—	—
Release of deferred tax asset valuation allowance	—	—	—	128	34	—	—	—	—	—	—
Net earnings	\$ 687	\$ 785	\$ 768	\$ 1,266	\$ 1,483	\$ 336	\$ 408	21.6 %	\$ 664	\$ 783	18.0 %
Earnings per share of common stock:											
Net earnings (basic)	\$ 1.31	\$ 1.52	\$ 1.50	\$ 2.49	\$ 2.96	\$.67	\$.82	22.4 %	\$ 1.32	\$ 1.57	18.9 %
Net earnings (diluted)	1.28	1.49	1.47	2.45	2.92	.66	.81	22.7	1.30	1.55	19.2
Operating earnings (basic)	\$ 1.37	\$ 1.52	\$ 1.88	\$ 2.27	\$ 2.58	\$.65	\$.76	16.9 %	\$ 1.32	\$ 1.49	12.9 %
Operating earnings (diluted)	1.34	1.49	1.84	2.23	2.54	.64	.75	17.2	1.30	1.47	13.1

* See definition on cover page

Restated to reflect SFAS No. 123R beginning in 2002

Numbers may fail to foot due to rounding

Aflac Incorporated and Subsidiaries

Consolidated Statements of Earnings

(In Millions, except per-share data)

	Years Ended December 31,					3 Months Ended June 30,			6 Months Ended June 30,		
	2001	2002	2003	2004	2005	2005	2006	% Change	2005	2006	% Change
Revenues:											
Premiums, principally supplemental health	\$ 8,061	\$ 8,595	\$ 9,921	\$ 11,302	\$ 11,990	\$ 3,020	\$ 3,093	2.4 %	\$ 6,061	\$ 6,098	.6 %
Net investment income	1,550	1,614	1,787	1,957	2,071	518	542	4.5	1,033	1,066	3.2
Realized investment gains (losses)	(31)	(14)	(301)	(12)	262	11	50		15	64	
Other income	18	62	40	34	40	18	12		18	28	
Total revenues	<u>9,598</u>	<u>10,257</u>	<u>11,447</u>	<u>13,281</u>	<u>14,363</u>	<u>3,567</u>	<u>3,697</u>	3.6	<u>7,127</u>	<u>7,256</u>	1.8
Benefits and expenses:											
Benefits and claims	6,303	6,589	7,529	8,482	8,890	2,229	2,243	.6	4,495	4,424	(1.6)
Acquisition and operating expenses:											
Amortization of D.A.C.	328	385	464	519	542	134	143		270	288	
Japanese policyholder protection fund	—	40	—	—	—	—	—		—	—	
Insurance commissions	1,006	1,037	1,146	1,252	1,302	334	328		667	650	
Insurance expenses	793	875	1,006	1,128	1,281	324	331		611	638	
Interest expense	19	20	22	23	23	6	5		11	10	
Other operating expense	68	88	82	104	99	24	23		50	47	
Total acquisition and operating expenses	<u>2,214</u>	<u>2,445</u>	<u>2,720</u>	<u>3,026</u>	<u>3,247</u>	<u>822</u>	<u>830</u>	.9	<u>1,609</u>	<u>1,633</u>	1.5
Total benefits and expenses	<u>8,517</u>	<u>9,034</u>	<u>10,249</u>	<u>11,508</u>	<u>12,137</u>	<u>3,051</u>	<u>3,073</u>	.7	<u>6,104</u>	<u>6,057</u>	(.8)
Pretax earnings	1,081	1,223	1,198	1,773	2,226	516	624		1,023	1,199	
Income taxes	394	438	430	507	743	180	216		359	416	
Net earnings	<u>\$ 687</u>	<u>\$ 785</u>	<u>\$ 768</u>	<u>\$ 1,266</u>	<u>\$ 1,483</u>	<u>\$ 336</u>	<u>\$ 408</u>	21.6 %	<u>\$ 664</u>	<u>\$ 783</u>	18.0 %
Operating earnings *	<u>\$ 720</u>	<u>\$ 789</u>	<u>\$ 962</u>	<u>\$ 1,153</u>	<u>\$ 1,292</u>	<u>\$ 326</u>	<u>\$ 376</u>	15.3 %	<u>\$ 661</u>	<u>\$ 740</u>	12.0 %
Earnings Per Share of common stock:											
Net earnings (basic)	\$ 1.31	\$ 1.52	\$ 1.50	\$ 2.49	\$ 2.96	\$.67	\$.82	22.4 %	\$ 1.32	\$ 1.57	18.9 %
Net earnings (diluted)	1.28	1.49	1.47	2.45	2.92	.66	.81	22.7	1.30	1.55	19.2
Operating earnings (basic) *	\$ 1.37	\$ 1.52	\$ 1.88	\$ 2.27	\$ 2.58	\$.65	\$.76	16.9 %	\$ 1.32	\$ 1.49	12.9 %
Operating earnings (diluted) *	1.34	1.49	1.84	2.23	2.54	.64	.75	17.2	1.30	1.47	13.1

* See definition of operating earnings on cover page
Adjusted to reflect SFAS No. 123R beginning in 2002

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		687	(34)	1	—	(37)	1.28	(.06)	—	—	(.07)
2002		785	(15)	37	(26)	(10)	1.49	(.03)	.07	(.05)	(.02)
2003		768	(191)	(3)	—	33	1.47	(.37)	—	—	.06
2004		1,266	(5)	(13)	131	39	2.45	(.01)	(.03)	.26	.08
2005		1,483	167	(10)	34	(8)	2.92	.33	(.02)	.07	(.02)
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)
2006	1	375	9	2	—	(22)	.74	.02	—	—	(.04)
	2	408	31	1	—	(11)	.81	.06	—	—	(.02)
	3										
	4										

Adjusted to reflect SFAS No. 123R beginning in 2002

Addition of quarters may not equal annual amounts due to rounding

Aflac Incorporated and Subsidiaries

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

						June 30,	
	2001	2002	2003	2004	2005	2005	2006
Assets:							
Investments and cash:							
Securities available for sale:							
Fixed Maturities	\$ 20,400	\$ 22,659	\$ 26,495	\$ 29,166	\$ 28,142	\$ 29,139	\$ 27,408
Perpetual debentures	2,554	2,730	3,349	4,019	4,370	4,245	4,130
Equity securities	245	258	73	77	84	79	55
Securities held to maturity:							
Fixed Maturities	5,417	8,394	8,752	10,080	10,867	11,140	12,957
Perpetual debentures	3,306	3,700	4,297	4,759	4,172	4,468	4,260
Other Investments	18	27	32	41	57	48	61
Cash and cash equivalents	852	1,379	1,052	3,813	1,297	1,428	924
Total investments and cash	<u>32,792</u>	<u>39,147</u>	<u>44,051</u>	<u>51,955</u>	<u>48,989</u>	<u>50,547</u>	<u>49,795</u>
Receivables, primarily premiums	341	435	547	417	584	579	508
Accrued investment income	381	414	456	495	484	497	517
Deferred policy acquisition costs	3,651	4,277	5,044	5,595	5,590	5,586	5,895
Property and equipment, net	456	482	518	515	448	477	454
Other assets	239	303	348	349	266	309	263
Total assets	<u>\$ 37,860</u>	<u>\$ 45,058</u>	<u>\$ 50,964</u>	<u>\$ 59,326</u>	<u>\$ 56,361</u>	<u>\$ 57,995</u>	<u>\$ 57,432</u>
Liabilities and Shareholders' Equity:							
Liabilities:							
Total policy liabilities	\$ 27,592	\$ 32,726	\$ 39,240	\$ 43,556	\$ 42,329	\$ 43,068	\$ 44,964
Notes payable	1,207	1,312	1,409	1,429	1,395	1,369	1,071
Income taxes, primarily deferred	2,090	2,362	2,187	2,580	2,577	2,913	1,927
Other liabilities	1,545	2,262	1,480	4,185	2,133	2,186	2,301
Total liabilities	<u>32,434</u>	<u>38,662</u>	<u>44,316</u>	<u>51,750</u>	<u>48,434</u>	<u>49,536</u>	<u>50,263</u>
Shareholders' equity:							
Common stock	65	65	65	65	65	65	66
Additional paid-in capital	338	519	592	676	791	730	846
Retained earnings	4,542	5,098	5,712	6,785	8,048	7,339	8,701
Accumulated other comprehensive income:							
Unrealized foreign currency translation	214	222	213	222	77	164	113
Unrealized gains on investment securities	1,878	2,416	2,316	2,417	1,917	2,938	580
Minimum pension liability adjustment	-	(8)	(36)	(28)	(37)	(28)	(37)
Treasury stock	(1,611)	(1,916)	(2,214)	(2,561)	(2,934)	(2,749)	(3,100)
Total shareholders' equity	<u>5,426</u>	<u>6,396</u>	<u>6,648</u>	<u>7,576</u>	<u>7,927</u>	<u>8,459</u>	<u>7,169</u>
Total liabilities & shareholders' equity	<u>\$ 37,860</u>	<u>\$ 45,058</u>	<u>\$ 50,964</u>	<u>\$ 59,326</u>	<u>\$ 56,361</u>	<u>\$ 57,995</u>	<u>\$ 57,432</u>

Adjusted to reflect SFAS No. 123R beginning in 2002

Aflac Incorporated and Subsidiaries

Quarterly Financial Results

(In Millions, except per-share data)

	Premium Income	Net Invest. Income	Total Rev.	Benefits & Claims	Total Acqu. & Oper. Exp.	Total Benefits & Exp.	Total Pretax Earn.	Oper. Earn. *	Net Earn.	Oper. EPS *		Net EPS		Total Assets	Invest. & Cash	Equity Per Share	Unreal. G/L on Sec. Per Share	Equity excl G/L on Sec. Per Share
										Basic	Dil.	Basic	Dil.					
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	2,931	517	3,567	2,157	851	3,008	559	298	364	.60	.59	.73	.72	56,361	48,989	15.89	3.84	12.05
2006 1	3,005	524	3,559	2,181	803	2,984	574	364	375	.73	.72	.75	.74	56,136	48,865	15.20	2.61	12.59
2	3,093	542	3,697	2,243	830	3,073	624	376	408	.76	.75	.82	.81	57,432	49,795	14.42	1.17	13.26
3																		
4																		

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	
2003	1	18.7	12.8	18.4	17.4	14.9	31.2	36.6	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	22.2	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	21.1	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	22.5	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	22.2	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	25.0	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	23.9	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	16.3	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	20.0	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	16.4	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	15.8	14.4	9.4	8.6	8.4	11.7
	4	(.3)	1.6	3.5	(2.5)	7.1	26.5	34.8	3.5	13.1	8.6	(5.0)	(5.7)	5.7
2006	1	(1.2)	1.9	—	(3.7)	2.1	13.4	34.7	9.1	15.8	10.3	(1.5)	(1.8)	(1.9)
	2	2.4	4.5	3.6	.6	.9	21.0	34.6	17.2	15.7	10.3	(1.0)	(1.5)	(14.6)
	3													
	4													

* Diluted basis. See definition of operating earnings on cover page

** See definition of operating earnings on cover page

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

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
1999	1	\$.24	26.3 %	.01	.01	\$.23	21.1 %	2003	1	\$.45	32.4 %	.02	.02	\$.43	22.9 %
	2	.24	26.3	.02	.02	.22	15.8		2	.44	22.2	.02	.04	.42	16.7
	3	.26	30.0	.02	.04	.24	20.0		3	.46	21.1	-	.04	.46	21.1
	4	.26	23.8	.01	.06	.25	19.0		4	.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>
2000	1	\$.29	20.8 %	.01	.01	\$.28	16.7 %	2004	1	\$.55	22.2 %	.03	.03	\$.52	15.6 %
	2	.30	25.0	.02	.03	.28	16.7		2	.55	25.0	.02	.05	.53	20.5
	3	.31	19.2	.01	.03	.30	15.4		3	.57	23.9	.02	.07	.55	19.6
	4	.31	19.2	-	.02	.31	19.2		4	.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>
2001	1	\$.33	13.8 %	(.01)	(.01)	\$.34	17.2 %	2005	1	\$.66	20.0 %	.01	.01	\$.65	18.2 %
	2	.33	10.0	(.02)	(.03)	.35	16.7		2	.64	16.4	.01	.02	.63	14.5
	3	.34	11.1	(.02)	(.05)	.36	16.1		3	.66	15.8	-	.02	.66	15.8
	4	.34	9.7	(.02)	(.07)	.36	16.1		4	.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>
2002	1	\$.35	9.1 %	(.02)	(.02)	\$.37	15.2 %	2006	1	\$.72	9.1	(.04)	(.04)	\$.76	15.2 %
	2	.36	15.2	(.01)	(.03)	.37	18.2		2	.75	17.2	(.02)	(.06)	.77	20.3
	3	.38	17.6	.01	(.02)	.37	14.7		3						
	4	.40	23.5	-	(.02)	.40	23.5		4						
		<u>\$ 1.49</u>	<u>16.4 %</u>			<u>\$ 1.51</u>	<u>17.9 %</u>			<u>\$ 1.47</u>	<u>13.1 %</u>			<u>\$ 1.53</u>	<u>17.7 %</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,					June 30,	
	2001	2002	2003	2004	2005	2005	2006
Debt Securities*:							
At amortized cost	\$ 29,268	\$ 34,275	\$ 40,014	\$ 44,930	\$ 45,154	\$ 45,059	\$ 48,378
At market	<u>31,483</u>	<u>37,583</u>	<u>43,519</u>	<u>48,631</u>	<u>47,603</u>	<u>49,989</u>	<u>47,909</u>
Unrealized gains (losses)	<u>2,215</u>	<u>3,308</u>	<u>3,505</u>	<u>3,701</u>	<u>2,449</u>	<u>4,930</u>	<u>(469)</u>
Equity Securities:							
At cost	215	262	33	34	30	32	17
At market	<u>245</u>	<u>258</u>	<u>73</u>	<u>77</u>	<u>84</u>	<u>78</u>	<u>54</u>
Unrealized gains (losses)	<u>30</u>	<u>(4)</u>	<u>40</u>	<u>43</u>	<u>54</u>	<u>46</u>	<u>37</u>
Total Portfolio:							
At cost	29,483	34,537	40,047	44,964	45,184	45,091	48,395
At market	<u>31,728</u>	<u>37,841</u>	<u>43,592</u>	<u>48,708</u>	<u>47,687</u>	<u>50,067</u>	<u>47,963</u>
Unrealized gains (losses)	<u>\$ 2,245</u>	<u>\$ 3,304</u>	<u>\$ 3,545</u>	<u>\$ 3,744</u>	<u>\$ 2,503</u>	<u>\$ 4,976</u>	<u>\$ (432)</u>

	December 31,					June 30,	
	2001	2002	2003	2004	2005	2005	2006
Gross unrealized gains	\$ 3,114	\$ 4,336	\$ 4,418	\$ 4,502	\$ 3,597	\$ 5,411	\$ 2,087
Gross unrealized losses	<u>(869)</u>	<u>(1,032)</u>	<u>(873)</u>	<u>(758)</u>	<u>(1,094)</u>	<u>(435)</u>	<u>(2,519)</u>
Unrealized gains (losses)	<u>\$ 2,245</u>	<u>\$ 3,304</u>	<u>\$ 3,545</u>	<u>\$ 3,744</u>	<u>\$ 2,503</u>	<u>\$ 4,976</u>	<u>\$ (432)</u>

Supplemental Investment Data by Segment

						3 Months Ended		6 Months Ended	
	2001	2002	2003	2004	2005	June 30,		June 30,	
						2005	2006	2005	2006
Aflac Japan:									
Invested assets (in millions)**	¥ 3,304,354	¥ 3,612,678	¥ 3,736,891	¥ 4,107,309	¥ 4,598,348	¥ 4,383,655	¥ 4,811,778	¥ 4,383,655	¥ 4,811,778
Return on avg. invested assets***	4.81 %	4.67 %	4.45 %	4.26 %	4.14 %	4.11 %	4.08 %	4.11 %	4.10 %
Portfolio yield at end of period	4.89	4.73	4.54	4.35	4.22	4.28	4.17	4.28	4.17
New money yield - yen only	3.58	3.65	3.20	2.94	2.95	2.70	3.21	2.79	3.01
New money yield - blended	3.86	3.93	3.61	3.13	3.19	2.85	3.36	2.98	3.23
Aflac U.S.:									
Invested assets (in millions)**	\$ 4,104	\$ 4,581	\$ 5,355	\$ 8,476	\$ 6,481	\$ 6,159	\$ 6,785	\$ 6,159	\$ 6,785
Return on avg. invested assets***	7.67 %	7.56 %	7.36 %	6.68 %	6.54 %	6.85 %	6.84 %	6.24 %	6.78 %
Portfolio yield at end of period	8.02	7.98	7.56	7.39	7.24	7.30	7.19	7.30	7.19
New money yield	7.80	7.58	6.52	6.30	6.16	6.06	6.54	6.05	6.37

* 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,					June 30,	
	2001	2002	2003	2004	2005	2005	2006
AAA	2.4 %	2.3 %	3.1 %	3.5 %	4.0 %	3.6 %	4.4 %
AA	39.9	34.6	31.0	32.7	33.7	33.0	35.6
A	36.2	36.8	33.9	36.2	38.9	37.1	37.9
BBB	20.3	24.0	29.2	25.8	21.1	24.5	20.0
BB or Lower	1.2	2.3	2.8	1.8	2.3	1.8	2.1
	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>

Below-Investment-Grade Holdings

(In Millions)

	December 31, 2005			June 30, 2006		
	Amortized Cost	Fair Value	Unrealized gains (losses)	Amortized Cost	Fair Value	Unrealized gains (losses)
Ahold Finance	\$ 302	\$ 236	\$ (66)	\$ 309	\$ 224	\$ (85)
Ford Motor Credit Company	254	209	(45)	260	212	(48)
KLM Royal Dutch Airlines	254	227	(27)	260	219	(41)
Ford Motor Company	123	84	(39)	123	92	(31)
LeGrand	46	52	6	*	*	*
Cooper Tire & Rubber Company	45	45	—	45	44	(1)
Tennessee Gas Pipeline	31	33	2	31	31	—
Wendy's International	*	*	*	14	14	—
Total	<u>\$ 1,055</u>	<u>\$ 886</u>	<u>\$ (169)</u>	<u>\$ 1,042</u>	<u>\$ 836</u>	<u>\$ (206)</u>

* Investment grade at respective reporting date

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

	Years Ended December 31,					3 Months Ended June 30,			6 Months Ended June 30,		
	2001	2002	2003	2004	2005	2005	2006	% Change	2005	2006	% Change
Revenues:											
Premiums	\$ 1,844	\$ 2,221	\$ 2,594	\$ 2,935	\$ 3,245	\$ 803	\$ 878	9.3 %	\$ 1,590	\$ 1,744	9.7 %
Net investment income	303	331	362	396	421	104	115	10.0	206	225	9.1
Other income and realized foreign currency translations	8	9	9	9	10	3	1		5	4	
Total revenues	<u>2,155</u>	<u>2,561</u>	<u>2,965</u>	<u>3,340</u>	<u>3,676</u>	<u>910</u>	<u>994</u>	<u>9.2</u>	<u>1,801</u>	<u>1,973</u>	<u>9.6</u>
Benefits and expenses:											
Incurred claims	887	1,074	1,252	1,424	1,565	395	415	5.0	764	831	8.8
Increase in future policy benefits	245	285	333	379	426	99	112	13.6	209	219	4.4
Amortization of deferred policy acquisition costs	150	176	209	245	258	62	70	13.6	126	145	15.0
General operating expenses	528	632	726	795	902	224	247	9.8	439	481	9.9
Total benefits and expenses	<u>1,810</u>	<u>2,167</u>	<u>2,520</u>	<u>2,843</u>	<u>3,151</u>	<u>780</u>	<u>844</u>	<u>8.1</u>	<u>1,538</u>	<u>1,676</u>	<u>9.0</u>
Pretax operating earnings:	<u>\$ 345</u>	<u>\$ 394</u>	<u>\$ 445</u>	<u>\$ 497</u>	<u>\$ 525</u>	<u>\$ 130</u>	<u>\$ 150</u>	<u>15.1 %</u>	<u>\$ 263</u>	<u>\$ 297</u>	<u>12.7 %</u>
Realized capital gains, net of taxes	<u>(10)</u>	<u>(16)</u>	<u>(7)</u>	<u>4</u>	<u>(3)</u>	<u>-</u>	<u>(3)</u>		<u>1</u>	<u>(6)</u>	

Adjusted to reflect SFAS No. 123R beginning in 2002

Balance Sheets
(Unaudited GAAP)
(In Millions)

						June 30,	
	2001	2002	2003	2004	2005	2005	2006
Assets:							
Investments and cash	\$ 4,157	\$ 4,824	\$ 5,866	\$ 9,124	\$ 7,040	\$ 6,991	\$ 6,893
Receivables, principally premiums	176	224	267	248	296	252	312
Accrued investment income	80	85	89	96	104	96	109
Deferred policy acquisition costs	1,181	1,410	1,604	1,783	1,966	1,864	2,046
Other assets	135	129	140	142	141	142	140
Total assets	\$ 5,729	\$ 6,672	\$ 7,966	\$ 11,393	\$ 9,547	\$ 9,345	\$ 9,500
Liabilities and Shareholders' Equity:							
Future policy benefits	\$ 2,357	\$ 2,642	\$ 2,975	\$ 3,354	\$ 3,780	\$ 3,564	\$ 3,999
Policy and contract claims	394	497	593	708	848	787	896
Unearned premium	95	98	103	102	104	105	107
Other policyholder funds	35	42	62	33	40	40	51
Deferred income taxes	343	428	525	533	596	728	533
Other liabilities	239	270	443	3,244	733	655	703
Shareholders' equity	2,266	2,695	3,265	3,419	3,446	3,466	3,211
Total liabilities & shareholders' equity	\$ 5,729	\$ 6,672	\$ 7,966	\$ 11,393	\$ 9,547	\$ 9,345	\$ 9,500

Adjusted to reflect SFAS No. 123R beginning in 2002

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

		Earned	%	Net	%	Total	%	Total	%	General	%	Total	%	Pretax	%		
		Prem.	Change	Invest.	Change	Rev.	Change	Ben.	Change	Oper.	Change	Oper.	Change	Oper.	Change		
				Income						Amort.		Exp.		Exp.		Earn.	
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
	4	835	10.8	108	7.1	945	10.3	509	10.0	72	9.6	235	18.3	307	16.1	129	(.3)
2006	1	866	10.1	110	8.3	980	10.0	523	9.0	75	16.3	235	10.0	310	11.3	147	10.4
	2	878	9.3	115	10.0	994	9.2	527	6.7	70	13.6	247	9.8	317	10.5	150	15.1
	3																
	4																

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

Operating Ratios
(Before Management Fee)

	<u>Period</u>	<u>Premium Persistence Rate</u>	<u>Incurred Claims/ Total Rev.</u>	<u>Tot. Ben./ Total Revenues</u>	<u>Amort./ Premium</u>	<u>Tot. Oper. Expenses/ Total Rev.</u>	<u>Combined Ratio/ Total Rev.</u>	<u>Pretax Profit Margin</u>
	1996	78.9 %	40.9 %	55.3 %	6.8 %	32.6 %	87.9 %	12.1 %
	1997	77.7	41.0	53.7	7.3	31.5	85.2	14.8
	1998	75.9	41.1	52.8	7.6	31.0	83.8	16.2
	1999	76.3	41.4	52.6	7.8	31.4	84.0	16.0
	2000	74.8	41.2	52.8	8.0	31.4	84.2	15.8
	2001	74.0	41.2	52.5	8.1	31.5	84.0	16.0
	2002	74.6	41.9	53.1	7.9	31.5	84.6	15.4
	2003	74.0	42.2	53.5	8.1	31.5	85.0	15.0
	2004	73.7	42.6	54.0	8.4	31.1	85.1	14.9
	2005	74.4	42.6	54.2	8.0	31.5	85.7	14.3
2003	1	73.1	42.7	53.7	8.0	31.5	85.2	14.8
	2	73.8	41.8	53.5	8.0	32.4	85.9	14.1
	3	74.3	41.5	53.4	7.3	31.3	84.7	15.3
	4	74.0	42.9	53.2	8.8	31.0	84.2	15.8
2004	1	72.5	42.1	53.8	8.3	31.2	85.0	15.0
	2	73.4	42.1	53.9	8.4	31.6	85.5	14.5
	3	73.8	43.3	54.2	8.0	30.8	85.0	15.0
	4	73.7	43.0	54.0	8.7	30.9	84.9	15.1
2005	1	73.2	41.4	53.9	8.2	31.2	85.1	14.9
	2	74.1	43.4	54.2	7.7	31.5	85.7	14.3
	3	74.8	43.0	54.7	7.3	30.9	85.6	14.4
	4	74.4	42.4	53.9	8.6	32.5	86.4	13.6
2006	1	72.5	42.5	53.4	8.6	31.6	85.0	15.0
	2	73.4	41.7	53.0	8.0	31.9	84.9	15.1
	3							
	4							

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

Aflac U.S. Sales Results
(In Millions)

	<u>Period</u>	<u>Annl. Prem. In Force</u>	<u>% Change</u>	<u>New Annl. Prem. Sales</u>	<u>% Change</u>	<u>Convers. Prem.</u>	<u>Total New Prem.</u>	<u>% Change</u>
	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
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
	4	3,711	10.0	365	7.7	4	369	7.5
2006	1	3,759	9.9	306	11.4	12	318	11.4
	2	3,836	9.4	321	6.2	6	327	6.3
	3							
	4							

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
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	185	50.0	73	19.8	43	11.8	24	6.6	44	11.8
2006 1	165	51.9	55	17.2	39	12.3	23	7.1	36	11.5
2	170	51.9	54	16.5	41	12.5	23	7.0	39	12.1
3										
4										

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>	<u>Weekly 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	9,136	
2003	23,079	2.2	57,493	8.2	17,180	8.3	9,269	1.5
2004	22,407	(2.9)	58,992	2.6	17,510	1.9	9,656	4.2
2005	24,209	8.0	63,008	6.8	17,267	(1.4)	9,712	.6
2005 1	6,429	10.3	60,302	4.6	17,441	(5.7)	9,685	(3.3)
2	6,723	11.5	61,048	4.4	17,391	2.2	9,693	2.8
3	5,773	2.5	61,917	5.3	16,962	.7	9,475	2.8
4	5,284	7.5	63,008	6.8	17,273	(2.3)	9,993	.3
2006 1	6,700	4.2	63,307	5.0	17,914	2.7	10,155	4.9
2	6,774	.8	64,576	5.8	17,558	1.0	9,952	2.7
3								
4								

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

	Years Ended December 31,					3 Months Ended June 30,			6 Months Ended June 30,		
	2001	2002	2003	2004	2005	2005	2006	%	2005	2006	%
Revenues:											
Premiums	¥ 755,596	¥ 797,001	¥ 848,127	¥ 905,157	¥ 962,553	¥ 238,728	¥ 253,486	6.2 %	¥ 474,323	¥ 503,625	6.2 %
Net investment income:											
Yen denominated	106,331	113,121	116,214	117,616	122,220	30,712	30,635	(.3)	60,753	60,764	–
US\$ denominated	43,582	46,570	48,397	50,830	57,962	13,609	17,679	29.9	26,503	35,284	33.1
Total investment income	149,913	159,691	164,611	168,446	180,182	44,321	48,314	9.0	87,256	96,048	10.1
Other income and realized foreign currency translations	196	42	2,108	1,993	3,393	847	622		1,600	1,317	
Total revenues	905,705	956,734	1,014,846	1,075,596	1,146,128	283,896	302,422	6.5	563,179	600,990	6.7
Benefits and expenses:											
Incurred claims	379,440	399,794	449,960	464,024	488,555	119,445	121,728	1.9	242,120	244,150	.8
Increase in future policy benefits	248,970	254,256	237,995	258,401	270,646	67,415	74,682	10.8	131,459	146,198	11.2
Amortization of deferred policy acquisition costs	21,655	26,090	29,575	29,661	31,252	7,716	8,353	8.3	15,299	16,492	7.8
General operating expenses	155,619	162,379	167,165	174,235	189,233	47,625	48,241	1.3	90,893	95,005	4.5
Total benefits and expenses	805,684	842,519	884,695	926,321	979,686	242,201	253,004	4.5	479,771	501,845	4.6
Pretax operating earnings:	¥ 100,021	¥ 114,215	¥ 130,151	¥ 149,275	¥ 166,442	¥ 41,695	¥ 49,418	18.5 %	¥ 83,408	¥ 99,145	18.9 %
Realized capital gains, net of taxes	544	220	(19,842)	(1,121)	19,253	739	4,021		866	5,301	

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 June 30,			6 Months Ended June 30,		
	2001	2002	2003	2004	2005	2005	2006	%	2005	2006	%
Revenues:											
Premiums	\$ 6,217	\$ 6,373	\$ 7,326	\$ 8,368	\$ 8,745	\$ 2,217	\$ 2,215	(.1) %	\$ 4,471	\$ 4,354	(2.6) %
Net investment income											
Yen denominated	875	905	1,003	1,087	1,111	285	268	(6.1)	573	525	(8.3)
US\$ denominated	359	371	418	470	524	127	154	22.2	249	305	22.1
Total investment income	1,234	1,276	1,421	1,557	1,635	412	422	2.6	822	830	1.0
Other income and realized foreign currency translations	1	1	18	18	31	7	5		15	12	
Total revenues	7,452	7,650	8,765	9,943	10,411	2,636	2,642	.2	5,308	5,196	(2.1)
Benefits and expenses:											
Incurred claims	3,122	3,188	3,883	4,289	4,440	1,109	1,064	(4.1)	2,283	2,111	(7.5)
Increase in future policy benefits	2,048	2,042	2,060	2,390	2,458	626	652	4.2	1,239	1,264	2.0
Amortization of deferred policy acquisition costs	178	209	255	274	284	72	73	1.8	144	143	(1.1)
Operating expenses	1,281	1,299	1,445	1,611	1,714	442	421	(4.6)	855	821	(4.1)
Total benefits and expenses	6,629	6,738	7,643	8,564	8,896	2,249	2,210	(1.7)	4,521	4,339	(4.1)
Pretax operating earnings:	\$ 823	\$ 912	\$ 1,122	\$ 1,379	\$ 1,515	\$ 387	\$ 432	11.5 %	\$ 787	\$ 857	9.0 %
Realized capital gains, net of taxes	5	2	(184)	(10)	170	7	35		8	46	

Adjusted to reflect SFAS No. 123R beginning in 2002

Balance Sheets
(Unaudited GAAP – Yen in Millions)

	December 31,					June 30,	
	2001	2002	2003	2004	2005	2005	2006
Assets:							
Investments and cash	¥ 3,734,697	¥ 4,077,399	¥ 4,060,588	¥ 4,431,441	¥ 4,887,987	¥ 4,770,708	¥ 4,896,878
Receivables, principally premiums	22,553	26,038	31,128	19,061	34,995	36,837	23,296
Accrued investment income	39,645	39,398	39,306	41,472	44,687	44,285	46,810
Deferred policy acquisition costs	325,960	343,845	368,535	397,261	427,894	411,747	443,628
Other assets	63,732	67,464	69,937	66,588	59,215	61,658	58,831
Total assets	¥ 4,186,587	¥ 4,554,144	¥ 4,569,494	¥ 4,955,823	¥ 5,454,778	¥ 5,325,235	¥ 5,469,443
Liabilities and Shareholders' Equity:							
Future policy benefits	¥ 3,001,607	¥ 3,255,817	¥ 3,493,717	¥ 3,752,099	¥ 4,022,749	¥ 3,883,568	¥ 4,168,915
Policy and contract claims	161,011	150,531	162,996	171,550	195,597	187,441	200,740
Unearned premiums	33,922	39,565	44,323	51,130	57,920	52,322	60,002
Other policyholder funds	63,892	84,639	102,718	126,523	157,937	143,468	169,237
Income taxes (prim. deferred)	219,913	221,156	168,121	203,271	229,928	245,388	160,080
Other liabilities	161,545	226,070	98,159	90,311	141,923	143,687	160,204
Shareholders' equity	544,697	576,366	499,460	560,939	648,724	669,361	550,265
Total liabilities & shareholders' equity	¥ 4,186,587	¥ 4,554,144	¥ 4,569,494	¥ 4,955,823	¥ 5,454,778	¥ 5,325,235	¥ 5,469,443

Adjusted to reflect SFAS No. 123R beginning in 2002

Balance Sheets
(Unaudited GAAP – Dollars in Millions)

	December 31,					June 30,	
	2001	2002	2003	2004	2005	2005	2006
Assets:							
Investments and cash	\$ 28,304	\$ 34,007	\$ 37,903	\$ 42,524	\$ 41,399	\$ 43,127	\$ 42,493
Receivables, principally premiums	171	217	291	183	296	333	202
Accrued investment income	300	329	367	398	378	400	406
Deferred policy acquisition costs	2,470	2,868	3,440	3,812	3,624	3,722	3,850
Other assets	484	562	653	639	503	558	510
Total assets	<u>\$ 31,729</u>	<u>\$ 37,983</u>	<u>\$ 42,654</u>	<u>\$ 47,556</u>	<u>\$ 46,200</u>	<u>\$ 48,140</u>	<u>\$ 47,461</u>
Liabilities and Shareholders' Equity:							
Future policy benefits	\$ 22,748	\$ 27,154	\$ 32,612	\$ 36,005	\$ 34,071	\$ 35,107	\$ 36,176
Policy and contract claims	1,220	1,255	1,521	1,646	1,657	1,694	1,742
Unearned premiums	257	330	414	491	491	473	521
Other policyholder liabilities	484	706	959	1,214	1,338	1,297	1,469
Income taxes (prim. deferred)	1,667	1,845	1,570	1,950	1,947	2,218	1,389
Other liabilities	1,225	1,886	916	867	1,202	1,300	1,389
Shareholders' equity	4,128	4,807	4,662	5,383	5,494	6,051	4,775
Total liabilities & shareholders' equity	<u>\$ 31,729</u>	<u>\$ 37,983</u>	<u>\$ 42,654</u>	<u>\$ 47,556</u>	<u>\$ 46,200</u>	<u>\$ 48,140</u>	<u>\$ 47,461</u>

Adjusted to reflect SFAS No. 123R beginning in 2002

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

		Earned	%	Net	%	Total	%	Total	%	Amort.	%	General	%	Total	%	Pretax	%
		Premiums	Change	Investment	Change	Revenues	Change	Benefits	Change		Change	Operating	Change	Operating	Change	Oper.	Change
				Income								Expense		Expense		Earn.	
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	245,970	6.3	47,354	10.1	294,292	7.0	193,378	4.4	8,299	9.7	53,165	18.5	61,464	17.2	39,450	5.0
2006	1	250,138	6.2	47,734	11.2	298,568	6.9	193,938	3.9	8,140	7.3	46,763	7.9	54,903	8.0	49,727	19.2
	2	253,486	6.2	48,314	9.0	302,422	6.5	196,410	5.1	8,353	8.3	48,241	1.1	56,594	2.3	49,418	18.5
	3																
	4																

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

Operating Ratios
(Before Management Fee)

<u>Period</u>	<u>Premium Persistency Rate</u>	<u>Incurred Claims/ Total Rev.</u>	<u>Tot. Ben./ Total Revenues</u>	<u>Amort./ Premium</u>	<u>Tot. Oper. Expenses/ Total Rev.</u>	<u>Combined Ratio/ Total Rev.</u>	<u>Pretax Profit Margin</u>
1996	96.4 %	36.2 %	73.4 %	2.0 %	17.5 %	90.9 %	9.1 %
1997	96.0	36.4	72.9	2.1	18.2	91.1	8.9
1998	95.6	39.2	72.8	2.3	18.3	91.1	8.9
1999	95.3	41.0	71.8	2.6	19.0	90.8	9.2
2000	95.1	43.3	71.0	2.7	19.3	90.3	9.7
2001	94.7	41.9	69.4	2.9	19.6	89.0	11.0
2002	94.2	41.8	68.4	3.3	19.7	88.1	11.9
2003	94.2	44.3	67.8	3.5	19.4	87.2	12.8
2004	94.5	43.1	67.2	3.3	18.9	86.1	13.9
2005	94.7	42.6	66.2	3.2	19.3	85.5	14.5
2003							
1	93.8	44.1	67.6	3.6	19.0	86.6	13.4
2	93.8	45.5	67.8	3.6	19.2	87.0	13.0
3	94.0	44.9	67.4	3.6	20.1	87.5	12.5
4	94.2	42.9	68.3	3.2	19.3	87.6	12.4
2004							
1	94.2	44.1	67.2	3.5	18.9	86.1	13.9
2	94.3	42.9	66.8	3.2	19.2	86.0	14.0
3	94.5	43.5	67.4	3.2	18.6	86.0	14.0
4	94.5	42.1	67.3	3.3	19.1	86.4	13.6
2005							
1	94.7	43.9	66.9	3.2	18.2	85.1	14.9
2	94.7	42.1	65.8	3.2	19.5	85.3	14.7
3	94.7	42.4	66.6	3.2	18.3	84.9	15.1
4	94.7	42.1	65.7	3.4	20.9	86.6	13.4
2006							
1	94.7	41.0	65.0	3.3	18.3	83.3	16.7
2	94.6	40.3	64.9	3.3	18.8	83.7	16.3
3							
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	
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
2006	1	1,043.9	6.7	28,286	(3.1)	1,154	29,440	(1.3)
	2	1,057.0	6.5	30,550	(3.8)	651	31,201	(4.2)
	3							
	4							

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
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	10.6	29.9		3.4	9.5		12.2	34.3		6.3	17.7		3.0	8.6
2006	1	7.7	26.3		3.0	10.3		10.0	34.0		7.0	23.7		1.7	5.7
	2	8.9	28.5		2.8	9.1		10.2	32.8		7.7	24.8		1.6	4.8
	3														
	4														

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
2005	1	14,827	2,134	16,961
	2	15,440	2,135	17,575
	3	15,786	2,133	17,919
	4	15,828	2,132	17,960
2006	1	16,201	2,162	18,363
	2	16,416	2,165	18,581
	3			
	4			

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
2005	1	57.8	33.9	8.3	73,116	1,116
	2	56.1	36.7	7.2	76,508	1,105
	3	56.6	35.1	8.3	79,263	889
	4	56.5	35.1	8.4	81,751	1,278
2006	1	59.0	31.9	9.1	83,414	780
	2	58.2	34.5	7.3	85,674	963
	3					
	4					

**Yen/Dollar Exchange Rates
1990 - 2004
(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>				
1990	1	158.00	147.90	1993	1	116.30	121.09	1996	1	106.35	105.84	1999	1	120.55	116.58	2002	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
1991	1	140.95	133.76	1994	1	103.15	107.65	1997	1	124.10	121.28	2000	1	106.15	107.13	2003	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
1992	1	132.85	128.43	1995	1	89.35	96.32	1998	1	132.10	128.09	2001	1	123.90	118.14	2004	1	105.69	107.32
	2	125.45	129.40		2	84.65	90.39		2	141.00	131.90		2	124.60	120.43		2	108.43	108.52
	3	118.80	127.91		3	99.10	91.62		3	135.50	134.57		3	119.40	120.86		3	111.05	109.00
	4	124.70	126.67		4	102.95	94.10		4	115.70	130.89		4	131.95	121.54		4	104.21	108.26

**Yen/Dollar Exchange Rates
2005 - 2006
(By Quarter)**

		<u>Qtr End</u>	<u>Qtr Avg</u>	<u>Yearly Cum Avg</u>	<u>% change Cum Avg Yen vs.04</u>			<u>Qtr End</u>	<u>Qtr Avg</u>	<u>Yearly Cum Avg</u>	<u>% change Cum Avg Yen vs.05</u>
2005	1	107.39	104.50	104.50	2.7 %	2006	1	117.47	116.90	116.90	(10.6) %
	2	110.62	107.63	106.04	2.3		2	115.24	114.43	115.65	(8.3)
	3	113.19	111.30	107.79	1.1		3				
	4	118.07	117.21	109.88	(1.5)		4				